



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

# CAFR 2016

CITY OF TULSA, OKLAHOMA  
COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT

—  
YEAR ENDED  
JUNE 30, 2016



TULSA  
ARCHITECTURE



MAYOR  
DEWEY F. BARTLETT JR.

DIRECTOR OF FINANCE  
MICHAEL P. KIER, CPFO

CONTROLLER  
DAVID W. BRYANT, CPA





**CITY OF TULSA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year ended June 30, 2016**

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INTRODUCTORY SECTION



SECTION  
ONE





December 7, 2016

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, 2016. The CAFR is provided to give detailed information about the financial position and activities of the City.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and 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) as promulgated by the Governmental Accounting Standards Board (GASB), the standard-setting body for governmental accounting and financial reporting and based upon a comprehensive framework of internal control which are established for this purpose. The objective of a system of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Oklahoma state law, municipalities are to publish a complete set of audited financial statements. This report fulfills that requirement for the year ended June 30, 2016. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the full understanding of the City's financial affairs.

### **Independent Auditor's Report**

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

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

### **Management's Discussion and Analysis (MD&A)**

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

## PROFILE OF THE CITY OF TULSA

The City encompasses an area of approximately 201.5 square miles located in northeastern Oklahoma, at the edge of the foothills of the Ozarks, along the Arkansas River. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. With an elevation of 700 feet above sea level and its temperate climate, the City experiences continually changing weather conditions during all four seasons of the year. The average daily temperature is 61 degrees and the average annual rainfall is 39 inches.

Incorporated on January 8, 1898 and following the discovery in 1901 of oil in the nearby town of Red Fork, Tulsa grew quickly, reaching a population of 7,298 by statehood in 1907. Tulsa's current population is 403,085 people, representing a 0.11% increase over 2015. Tulsa, the hub and seat of Tulsa County, is the second largest city in Oklahoma, providing commerce, industrial, transportation and financial services for a metropolitan area of 982,521 people.

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

### Services

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

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

### Budgetary Process and Controls

The Mayor prepares the annual proposed budget and presents it on or before April 30th to the City Council. The Council reviews, refines, changes, and adopts it according to the policies and priorities it wishes to see implemented. Governmental funds with legally adopted annually 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 25.1% of the state's population and 30.3% of the state's economy (\$48.8 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 2.4 times more,
- Oil and gas production and machinery manufacturing is 8.4 times more,
- Pump and compressor manufacturing is 20.5 times more,
- Fabricated metal product manufacturing is 2.5 times more,
- Heat-exchanger manufacturing sub-cluster being 43.2 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 14% and 9% 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 2015. The Brookings Institute recognized Tulsa as the top performer among US metros for Growth and Inclusion (economic growth as an outcome of regional planning). Site Selection Group, and Independent Location Advisory firm, recognized Tulsa for producing more manufacturing graduates than any other US city in 2015; as well as reported Tulsa to be the 3<sup>rd</sup> best US city for new and expanded facilities among Tier II cities. Finally, the New York Times recently featured Tulsa on their global list of 'Top 50 Places to See' in 2015.

The Bureau of Labor Statistics reported the unemployment rate for the City at June 30, 2016 decreased from 5.3% in the previous year to 4.5%. The state and national unemployment rates for this same time period increased from 4.4% to 5.0%.

### **Bond Ratings**

In their report dated February 2016, 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 February 2016.

### **Long-term Financial Planning**

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

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

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

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

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

## **Financial Policies**

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

Such policies, as shaped by state law and Government Finance Officers Association of the United States and Canada (GFOA) Best Practices, advise that total resources will be sufficient to support current operating expenses. Additionally, the City has established and shall maintain an operating reserve in the General Fund to provide for revenue shortfalls or to meet unexpected increases in service delivery costs. The reserve is set annually and was set at 6.39% of the General Fund appropriated expenditures for 2016.

The City created an Economic Stabilization Reserve in 2012. In an emergency situation, upon meeting certain triggers, the City may draw on this pool of reserves in the event of declining revenues. The balance of the reserve was \$2 million in 2016.

## **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.

*Tulsa Vision Program* – In April 2016, Tulsa voters approved three separate ballot proposals related to Public Safety, Streets and Transit, and Economic Development. The three initiatives repurposed an expiring economic development tax of 0.6% (Vision 2025), which had previously been levied by Tulsa County.

- *Public Safety Tax* – As part of this vote, citizens approved a limited-purpose, permanent sales tax for the purpose of providing expanded revenue support for the public safety functions. With this funding, the City will be capable of employing 160 additional police officers, 65 additional firefighters, and 16 additional E-911 employees. This initiative will increase the effectiveness of the City's Public Safety service.
- *Transportation Tax* – Tulsa voters approved a limited-purpose, permanent sales tax for the purpose of providing expanded revenue support of street maintenance, traffic and public transportation functions. This funding will allow for the expansion of 24 street maintenance personnel, as well as necessary materials to perform street repairs. Additionally, this levy will fund various transit related infrastructure projects such as Rapid Bus Transit services along Peoria, renovating the Boston Bridge.
- *Economic Development Tax* – Voters approved a limited-purpose, temporary sales tax for the purpose of providing revenue for the support of economic development projects. Major focal points of the initiative are the Arkansas River, Gilcrease Museum, Cox Business Center, Tulsa Zoo, and a number of other community driven economic development projects. Improvements to the Arkansas River call for two low water dams which will form a major component of the vision for future development.

## **Awards**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tulsa for its comprehensive annual financial report for the year ended June 30, 2015. This was the 34th 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 2016 annual budget document dated June 18, 2015. This was the 21<sup>st</sup> consecutive year for the City of Tulsa. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

## **Acknowledgements**

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department Accounting Division. Other departments and offices of the City contributed directly or indirectly to the preparation of this report; the Budget Division and the Treasury Division as well as other staff and departments throughout the City. We express our appreciation to all who assisted in this effort.

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

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



David W. Bryant, CPA  
Controller



Michael P. Kier, CPFO  
Director of Finance



**CITY OF TULSA,  
LIST OF PRINCIPAL OFFICIALS  
As of June 30, 2016**

**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
Connie Dodson.....	District 6
Anna America.....	District 7
Phil Lakin, Jr. ....	District 8
G.T. Bynum, Mayor-Elect .....	District 9

**CHIEF OF STAFF**

Jarred Brejcha

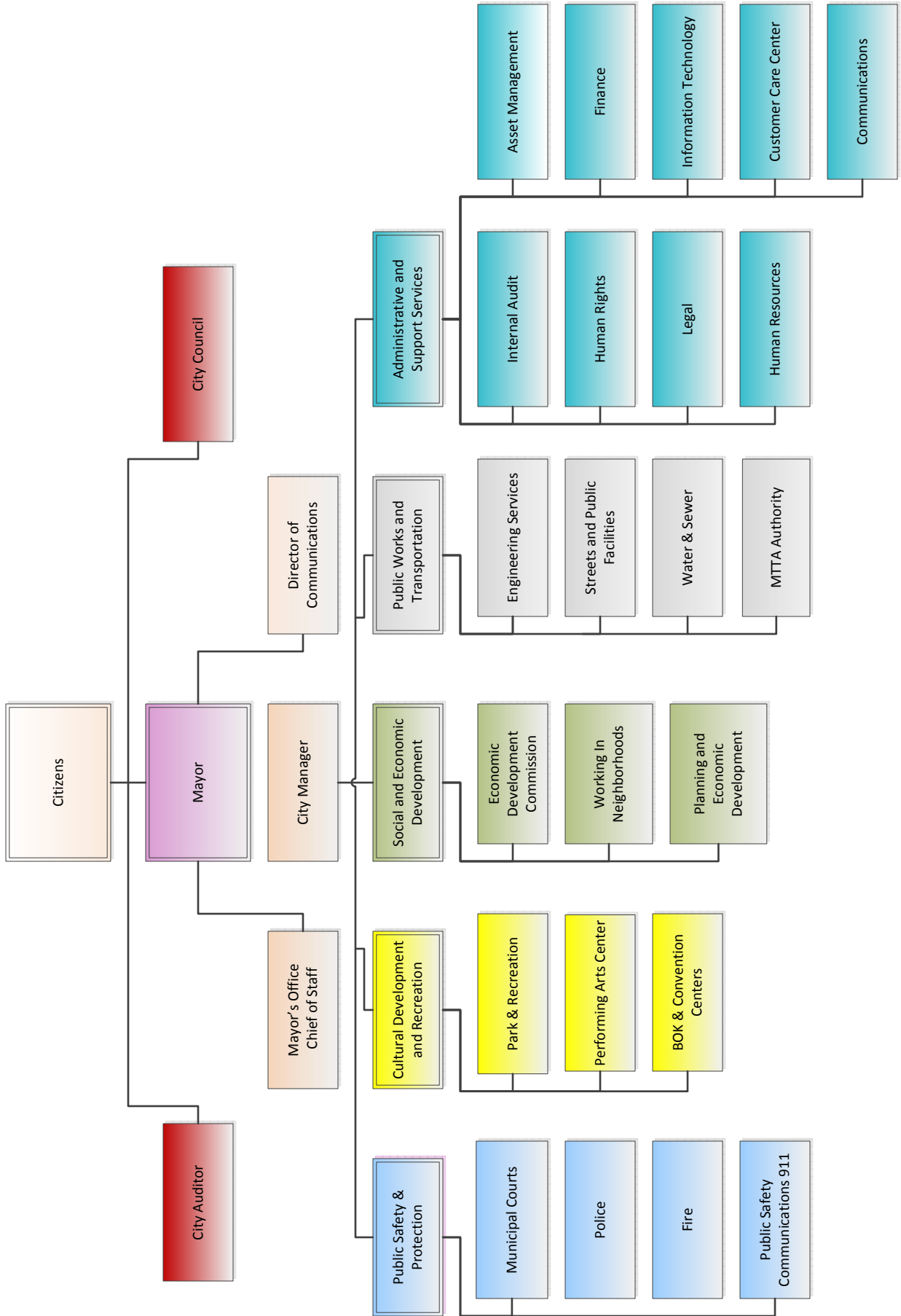
**DIRECTOR OF FINANCE**

Michael P. Kier, CPFO

**CITY AUDITOR**

Cathy Criswell

# ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Presented to

**City of Tulsa  
Oklahoma**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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FINANCIAL SECTION



SECTION  
TWO





## Independent Auditor's Report

RSM US LLP

The Honorable Mayor, City Council and  
Audit Committee  
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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tulsa Industrial Authority (TIA), which is a discretely presented component unit of the City. The financial statements of TIA comprise 0.6 percent of total assets and 0.1 percent of total revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the Tulsa Stadium Trust (TST), which is a blended component unit and major enterprise fund of the City. The financial statements of TST comprise 7 percent of total assets and 0.5 percent of total revenues of the business-type activities and represent 100 percent of the assets and revenues of the TST major enterprise fund. Also, we did not audit the financial statements of The Operations of the BOK Center, as managed by SMG, or The Operations of the Cox Business Center, as managed by SMG, an agent operating these facilities (collectively, SMG), which are included within the financial statements of the Arena and Convention Center Fund, a major enterprise fund of the City. This activity represents 12 percent and 74 percent, respectively, of the total assets and total revenues of the Arena and Convention Center major enterprise fund, and 4 percent and 22 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for TIA, TST, The Operations of the BOK Center, as managed by SMG, and The Operations of the Cox Business Center, as managed by SMG, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tulsa, Oklahoma, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and postemployment information, and the Budgetary Comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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



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

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

*RSM US LLP*

Kansas City, Missouri  
December 7, 2016

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, 2016. 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 2016, contain an implied reference to the fiscal year, such as "fiscal year 2016."

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at year end by \$1,908,557 (*net position*). Included as a component of net position is unrestricted net position with a deficit of \$170,157. This deficit results primarily from the net pension liability.
- The City's total net position increased \$74,554. Expenses increased \$49,039 compared to last year while experiencing of an overall increase of \$31,302 in revenues from the prior year.
- At the close of the current year, the City's governmental funds reported combined fund balances of \$525,223, an increase of \$15,175 in comparison with the prior year. Approximately 10% of this amount (\$53,942) is available for spending at the government's discretion (*unassigned fund balance*).
- Unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund was \$54,252, or approximately 19% of total general fund expenditures.
- The City's long-term liabilities increased by \$46,660 during the current year due to the issuance of general obligation debt of \$80,133 for capital improvements offset by debt service payments of \$70,672 and a net increase in the pension liability of \$41,388.

### **Overview of the Financial Statements**

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

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

## Government-Wide Financial Statements

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

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

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

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

- ***Governmental activities*** - Most of the City's basic governmental services are included here, such as public safety and protection, social and economic, public works and transportation, culture and recreation, and administrative and support functions. Sales, use, and property taxes, charges for services, and state and federal grants finance most of these activities.
- ***Business-type activities*** - The City charges fees to customers to help it cover the costs of certain services it provides. BOK Center and Cox Business Center, One Technology Center, Golf Courses, Tulsa Stadium Trust and Stormwater Management operations are included here.
- ***Discretely presented component units*** - The City includes 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' and other participating entities' pension plan. Fiduciary activities are reported in a statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

### **Notes to the Financial Statements**

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

## Other Information

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

Municipal Employees' Retirement Plan (MERP) -

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

Oklahoma Firefighters Pension and Retirement System-

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

Oklahoma Police Pension and Retirement System-

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

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

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

## Government-Wide Financial Analysis

**Net Position of the City of Tulsa** - As of June 30, 2016, the City's *combined* net position was \$1,909 million. Total assets and deferred outflows increased \$84 million or 3% while liabilities and deferred inflows of resources increased \$9 million or 1%. The net position of Governmental activities increased 6% to \$1,365 million in 2016 from \$1,285 million in 2015. Net position of the Business-type activities was \$544 million in 2016 down 1% from \$549 million in 2015.

**Government-Wide Financial Analysis, continued**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 680,469	\$ 687,449	\$ 83,927	\$ 74,780	\$ 764,396	\$ 762,229
Capital assets	1,601,163	1,535,030	584,108	596,206	2,185,271	2,131,236
Total assets	2,281,632	2,222,479	668,035	670,986	2,949,667	2,893,465
Deferred outflows of resources	49,372	25,580	5,311	1,659	54,683	27,239
	2,331,004	2,248,059	673,346	672,645	3,004,350	2,920,704
Current and other liabilities	119,890	119,653	20,744	14,699	140,634	134,352
Long-term liabilities	730,686	690,219	106,589	105,245	837,275	795,464
Total liabilities	850,576	809,872	127,333	119,944	977,909	929,816
Deferred inflows of resources	115,861	153,089	2,023	3,796	117,884	156,885
	966,437	962,961	129,356	123,740	1,095,793	1,086,701
Net position:						
Net investment in capital						
assets	1,288,414	1,235,482	504,926	514,764	1,793,340	1,750,246
Restricted	273,642	262,022	11,732	11,939	285,374	273,961
Unrestricted	(197,489)	(212,406)	27,332	22,202	(170,157)	(190,204)
	\$ 1,364,567	\$ 1,285,098	\$ 543,990	\$ 548,905	\$ 1,908,557	\$ 1,834,003

The largest portion of the City's net position (94%) 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.

<b>Net position category:</b>	<b>Percent of Total</b>	
	<b>2016</b>	<b>2015</b>
Net investment in capital assets	94%	95%
Restricted	15%	15%
Unrestricted	-9%	-10%
	100%	100%

### **Government-Wide Financial Analysis, continued**

*Changes in Net Position of the City of Tulsa* – The City's net position increased \$74,554 compared to the prior year increase of \$92,291. The Governmental activities and Business-type activities had an increase and decrease of \$79,469 and \$4,915 respectively.

The City's total revenues increased 5.9% to \$561 million in 2016. Program revenue generated \$163.7 million, consisting of charges for services, federal and state grants, and capital grants/contributions, up from \$147.1 million in 2015. Charges for services within governmental activities increased due to a \$12.5 million increase in general government services fees.

Sales taxes, the largest revenue category, increased slightly to \$234.9 million in 2016 from \$231.9 million in 2015. The increase is a result of stable economic conditions and a decrease in the state's administrative charge for collecting sales tax. Property tax revenue increased to \$73.5 million in 2016 from \$64.7 million in 2015.

Expenses for the primary government increased 11.2% or \$49 million to \$486 million. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs. Significant changes include:

- General government expenses increased \$17.4 million (37%). The increase is primarily attributed to increases of \$3.1 million increase in pension expense and \$16.7 million in employee insurance offset by a \$7.4 million decreases in judgements expenses.
- Public safety and protection expenses totaled \$200.7 million, an increase of \$14.3 million (7.7%). The pension expense related to public safety employees decreased \$2.6 million and all other public safety personnel services increased \$7.1.
- Public Works and Transportation expenses increased \$5.9 million (8.5%) primarily from a \$4.7 million increase in capital outlay from the sales tax funds.
- Social and economic development expenses increased \$7.2 million (23%), primarily from a \$4.8 million increase in capital spending, \$0.5 million increase in pension expense and a \$0.9 million increase in Tulsa Stadium Improvement District assessments paid to the Tulsa Stadium Trust.

**Government-Wide Financial Analysis, continued**

	<b>Changes in Net Position</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 67,829	\$ 55,253	\$ 55,402	\$ 53,492	\$ 123,231	\$ 108,745
Operating grants/contributions	29,486	32,364	-	-	29,486	32,364
Capital grants/contributions	6,308	4,694	4,689	1,291	10,997	5,985
General revenues:						
Sales taxes	234,912	231,997	-	-	234,912	231,997
Property taxes	73,450	64,667	-	-	73,450	64,667
Franchise	22,620	24,039	-	-	22,620	24,039
Use tax	23,640	24,104	-	-	23,640	24,104
Hotel/Motel taxes	7,483	7,552	-	-	7,483	7,552
Intergovernmental revenue	6,814	6,037	-	-	6,814	6,037
Other	27,290	23,303	1,109	937	28,399	24,240
	<u>499,832</u>	<u>474,010</u>	<u>61,200</u>	<u>55,720</u>	<u>561,032</u>	<u>529,730</u>
<b>Expenses:</b>						
General government	64,141	46,755	-	-	64,141	46,755
Public safety & protection	200,726	186,385	-	-	200,726	186,385
Public works & transportation	75,400	69,523	-	-	75,400	69,523
Culture & recreation	24,124	22,638	-	-	24,124	22,638
Social & economic development	38,629	31,409	-	-	38,629	31,409
Interest on long-term debt	11,864	12,285	-	-	11,864	12,285
Stormwater	-	-	30,084	25,877	30,084	25,877
One Technology Center	-	-	9,982	10,643	9,982	10,643
Arena & Convention	-	-	24,910	25,507	24,910	25,507
Tulsa Stadium Trust	-	-	3,330	3,500	3,330	3,500
Golf courses	-	-	3,288	2,917	3,288	2,917
	<u>414,884</u>	<u>368,995</u>	<u>71,594</u>	<u>68,444</u>	<u>486,478</u>	<u>437,439</u>
Changes before transfers	84,948	105,015	(10,394)	(12,724)	74,554	92,291
Transfers	(5,479)	(5,644)	5,479	5,644	-	-
Change in Net position	<u>79,469</u>	<u>99,371</u>	<u>(4,915)</u>	<u>(7,080)</u>	<u>74,554</u>	<u>92,291</u>
Net position, beginning	1,285,098	1,185,727	548,905	555,985	1,834,003	1,741,712
Net position, ending	<u>\$ 1,364,567</u>	<u>\$ 1,285,098</u>	<u>\$ 543,990</u>	<u>\$ 548,905</u>	<u>\$ 1,908,557</u>	<u>\$ 1,834,003</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.

	<b>Program Expenses</b>	<b>Program Revenues</b>	<b>Net Cost</b>
General government	\$ 64,141	\$ 25,493	\$ (38,648)
Public safety and protection	200,726	47,860	(152,866)
Public works & transportation	75,400	17,558	(57,842)
Culture & recreation	24,124	4,814	(19,310)
Social & economic development	38,629	7,898	(30,731)
Interest on debt	11,864	-	(11,864)
	<u>\$ 414,884</u>	<u>\$ 103,623</u>	<u>\$ (311,261)</u>

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

The cost of all *governmental* activities this year was \$414.9 million. A portion of the costs were paid by those who directly benefited from the programs (\$67.8 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$35.8 million). The remaining costs are covered by general revenues. Sales tax makes up the majority of general revenues or 59% in 2016. The City's sales tax rate is 3.1%, of which 1.1% is a special tax dedicated for capital improvements. Property taxes fund general obligation debt issued for capital improvements and judgment payments.

	<b>General Revenues</b>			
	<b>2016</b>	<b>Percent of Total</b>	<b>2015</b>	<b>Percent of Total</b>
Sales taxes	\$ 234,912	59%	\$ 231,997	61%
Property taxes	73,450	19%	64,667	17%
Franchise tax	22,620	6%	24,039	6%
Use tax	23,640	6%	24,104	6%
Hotel/Motel taxes and Other	41,587	10%	36,892	10%
	<u>\$ 396,209</u>	<u>100%</u>	<u>\$ 381,699</u>	<u>100%</u>

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

**Government-Wide Financial Analysis, continued**

<b>Business-type activities:</b>	<b>Program Expenses</b>	<b>Program Revenues</b>	<b>Net Cost</b>
Arena & Convention	\$ 24,910	\$ 15,633	\$ (9,277)
One Technology Center	9,982	8,986	(996)
Golf Courses	3,288	2,828	(460)
Tulsa Stadium Trust	3,330	281	(3,049)
Stormwater	30,084	32,363	2,279
	<u>\$ 71,594</u>	<u>\$ 60,091</u>	<u>\$ (11,503)</u>

While program revenues are intended to support the business type activities, transfers from the City augment these activities. The business-type activities received \$5,479 in transfers from the Governmental activities of the City. These transfers included:

- Capital transfers of \$2,051 for Stormwater Management improvements funded by the City's Bond, Sales tax and grant funds were offset by transfers of \$1,653 to the General Fund for payments in lieu of taxes;
- \$2,562 to fund Arena and Convention Center debt service and operations of which \$2,540 was provided by City hotel/motel taxes;
- \$2,215 of special assessment taxes used in connection with the ballpark located downtown.

**Governmental Funds Financial Analysis**

Governmental Funds reported a fund balance of \$525.2 million, up \$15.1 million or 3% from 2015. Approximately 10% of the fund balance is unassigned fund balance, which is available for appropriating at the City's discretion. Other categories of fund balance include non-spendable, indicating it is not in spendable form such as inventories and advances to others, restricted, committed or assigned for particular purpose.

The General Fund is the main operating fund of the City and its fund balance decreased to \$62 million in 2016 from \$65.5 million in 2015. Of this amount \$54.3 million represents unassigned fund balance and approximates 19% of General Fund expenditures compared to \$54.8 million and 19%, in 2015. The fund balance represents approximately 21% of expenditures compared to 23% in 2015. The change in fund balance can be attributed to the following:

- The General Fund's fund balance decreased \$3.4 million to \$62 million, as expenditures increased 3.3% while revenues decreased 0.1%.
- Tax revenues increased only \$0.3 million due to modest economic conditions and development activity. Investment income increased \$1.6 million attributed to the increased returns on the City's investments.
- Public safety expenditures increased due to increased personnel service costs.

### **Governmental Funds Financial Analysis, continued**

The remaining Governmental Funds' fund balance increased \$18 million, or 4% to \$463.2 million. The majority of fund balance is restricted (99.1%).

- The Debt Service Fund's fund balance increased \$8.5 million or 14.9% to \$65.7 million primarily from an increase of \$8 million in revenue from property taxes. The fund balance of the Debt service fund is restricted for debt service payments.
- Capital expenditures in the Bond fund increased 56.3% or \$21.1 million from the prior year, while proceeds from debt issued decreased \$13 million or 22.8%. The remaining fund balance of \$166.7 million is restricted for capital improvements.
- The Sales Tax Fund's fund balance increased \$8.6 million or 4.2% over 2015. Sales tax collections increased \$0.7 million due moderate economic conditions and investment income increased \$1 million due to increased returns on the City's investments. Payments to component units increased \$4.7 million while transfers out decreased \$1.5 million. The fund balance of \$211.4 million in the sales tax fund is restricted for capital improvements.

### **Proprietary Funds Financial Analysis**

Proprietary funds reported a combined net position of \$544 million compared to \$548.9 million in the prior year.

- The Stormwater Management fund incurred an operating loss of \$2.2 million while receiving \$2.1 million in transfers for capital improvements and \$4.7 million in capital contributions resulting in an increase of \$3.3 million in net position. The fund's net position of \$331.6 million is primarily (95%) invested in capital assets.
- One Technology Center fund contributed lease revenue of \$9.0 million, a decline of \$0.2 million from the prior year. The overall net position decreased \$0.3 million to a \$5.5 million deficit; largely as a result of decreased operating expenses (primarily leasing commissions) offset by a decrease in investment income.
- The Arena and Convention Center fund contributed revenue of \$15.6 million, a decrease of \$0.9 million over the previous year, due to a decrease of premier events attracted to the BOK Center while expenses decreased \$0.5 million resulting from a decrease in events. The \$8.6 million operating loss is partially offset by transfers in of \$2.6 million. The overall net position decreased \$6.7 million for the year, ending at approximately \$188 million.

**Budgetary Highlights**

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

**General Fund Budgetary Highlights**

The original 2016 General Fund budget adopted by the Mayor and City Council totaled \$274.6 million. The budget was balanced with revenue estimates of \$272.3 million and \$2.3 million of unassigned fund balance and was 4.2% more than the 2015 original budget. Taking into consideration the 2015 carry over encumbrances and budget amendments, the total authorized expenditure amount was \$278.7 million for 2016.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>								
Taxes	\$ 204,877	\$ 194,038	\$ 200,447	\$ 196,622	\$ 198,552	\$ 197,711	\$ (1,895)	\$ 1,089
Licenses and permits	8,121	7,995	8,121	7,995	8,398	8,423	277	428
Intergovernmental	8,128	8,115	8,128	8,128	8,411	8,360	283	232
Charges for service	21,146	21,146	21,146	21,146	17,508	19,890	(3,638)	(1,256)
Fines and forfeitures	9,900	9,900	9,900	9,900	7,878	8,818	(2,022)	(1,082)
Investment income	2,479	2,479	2,479	2,479	3,035	2,591	556	112
Payments from component unit	13,545	13,545	13,545	13,545	14,049	13,502	504	(43)
Miscellaneous	1,932	1,894	1,932	1,897	3,523	3,594	1,591	1,697
Transfers In	2,203	2,203	2,203	2,203	3,348	2,227	1,145	24
	<u>\$ 272,331</u>	<u>\$ 261,315</u>	<u>\$ 267,901</u>	<u>\$ 263,915</u>	<u>\$ 264,702</u>	<u>\$ 265,116</u>	<u>\$ (3,199)</u>	<u>\$ 1,201</u>
<b>Expenses:</b>								
General government	\$ 42,647	\$ 37,941	\$ 39,892	\$ 36,660	\$ 38,928	\$ 35,056	\$ (964)	\$ (1,604)
Public works and transportation	21,258	24,187	20,625	23,717	17,087	22,394	(3,538)	(1,323)
Social and economic development	12,260	11,962	11,872	11,213	11,690	11,039	(182)	(174)
Public safety and protection	169,021	159,975	172,359	164,669	171,085	162,740	(1,274)	(1,929)
Culture and recreation	22,060	20,894	21,012	21,033	20,878	20,870	(134)	(163)
Payments to component units	7,619	7,449	7,238	7,440	7,238	7,440	-	-
Transfers out	5,717	5,572	5,717	5,922	5,717	5,922	-	-
	<u>\$ 280,582</u>	<u>\$ 267,980</u>	<u>\$ 278,715</u>	<u>\$ 270,654</u>	<u>\$ 272,623</u>	<u>\$ 265,461</u>	<u>\$ (6,092)</u>	<u>\$ (5,193)</u>

2016 budgetary basis actual revenues of \$264.7 million fell short of the amended estimate by \$3.2 million or 1.2%. Franchise Tax revenues below the estimate were the largest contributor to the variance in tax revenues. Franchise Taxes were \$2.0 million and Fines and Forfeitures were \$1.1 million below the estimate. These two revenue sources account for the majority of the variance between budgeted and actual revenue. 2016 budgetary basis actual expenditures were \$272.6 million and were \$6.0 million under the authorized expenditure amount. The 2016 amended budget reflects the total authorized expenditure amount and reflects amendments that reduced the budget by \$1.9 million, appropriations for carry over encumbrances of \$5.9 million and the original budget of \$274.6 million.

**General Fund Budgetary Highlights, continued**

The 2016 General Fund budget was amended three times during the year. The largest amendment of \$4.0 million reflected an adjustment for revenues below expectations. The remaining amendments addressed compensation issues not anticipated in the Original Budget. A labor contract that settled after the budget was adopted combined with higher than anticipated public safety overtime supported a need for a \$2.0 million budget increase.

There were no major service level increases in 2016, policy makers were constrained due to revenue receipts below expectations and increased costs related to the labor contract settlement.

**Capital Assets and Debt Administration**

**Capital Assets** - At the end of 2016 the City had invested \$2.2 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 \$54 million, or 2.5% during the year (see Note 7 to the financial statements for additional detailed information regarding capital assets). Street improvements funded by the Fix Our Streets bond package and the Third Penny Sales Tax Program contributed to the large increase in Infrastructure.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 527	\$ 528	\$ 95	\$ 95	\$ 622	\$ 623
Works of Art	-	-	1	-	1	-
Buildings and improvements	146	123	457	470	603	593
Equipment	68	72	21	25	89	97
Infrastructure	680	659	-	-	680	659
Construction in progress	180	153	10	6	190	159
	<b>\$ 1,601</b>	<b>\$ 1,535</b>	<b>\$ 584</b>	<b>\$ 596</b>	<b>\$ 2,185</b>	<b>\$ 2,131</b>

**Capital Assets and Debt Administration, continued**

**Long-term Liabilities** - At year end, the City had \$582 million in general obligation and revenue bonds outstanding, an increase of 1.4% from last year, as shown below. More detailed information about the City's long-term liabilities is presented in Note 11 to the basic financial statements.

	<b>Long-term Liabilities</b>					
	(dollar amounts expressed in millions)					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
General obligation bonds	\$ 481	\$ 468	\$ -	\$ -	\$ 481	\$ 468
Revenue bonds	6	7	96	99	102	106
Other long-term liabilities	329	296	15	9	344	305
	<u>\$ 815</u>	<u>\$ 771</u>	<u>\$ 110</u>	<u>\$ 108</u>	<u>\$ 925</u>	<u>\$ 879</u>

- General obligation bonds – In April 2016, the City issued General Obligation bonds totaling \$58.8 million which includes \$1.8 million for premium on debt issuance. The proceeds are to be used for street improvements and will be repaid 100% from the debt service fund.
- Other long-term liabilities – The City's net pension liability increased \$5.9 million in 2016 to \$12,677.

**Economic Factors and Next Year's Budget and Rates**

The original 2017 budget was \$767.9 million – a 1.1% increase from the original 2016 budget. The operating budget was \$642.6 million and the capital Improvement budget was \$125.3 million. The operating budget decreased by 0.8% and the capital budget increased by 12.0% from 2016.

Development of the budget begins with a review of the economy. All labor figures have recovered from losses sustained in the previous recession, and are stable at historic highs. The area labor force gained 15,100 new jobs in 2016 and resulted in an increase of 3.3% over the previous year. Wage and salary employment reported its sixth consecutive year of growth, increasing 0.4% over 2015, and ended the fiscal year at a seasonally adjusted total of 443,600. The greatest relative growth was sustained in the service sector, which increased 2.5% over the previous fiscal year, and at a median annual rate of 1.2% over the previous ten years. The larger Total Employment survey reported an increase of 3.1% over the previous year to total a seasonally adjusted 454,300 in 2015. As Total Employment grew at a slower rate than the labor force, the metro unemployment rate grew in 2015 to a seasonally adjusted 4.6%, an increase of 0.2 points from 2014 (4.4%). After five years of growth, retail sales in the Tulsa Metropolitan Statistical Area remained essentially flat in calendar year 2014, and then fell by 2.7% in calendar year 2015. However, Tulsa's share of the metro retail trade grew 0.6% in calendar year 2016. The Oklahoma State University Center for Applied Economic Research forecasts retail sales to increase at an annualized rate of 3.6%, employment to increase 1.3%, and per capita personal income to increase 4.9% over the next 4 years.

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

Gross Metro Product (GMP) was 0.6% over the previous year; but is forecast to resume annualized growth of 2.8% through calendar year 2020. Barge freight reported lower traffic in 2016. Traffic totals dropped significantly in calendar year 2016, but are rebounding due to the completion of a major dock renovation which restricted traffic during construction. The local economy is expected to continue to improve based on the conservative growth forecast in both employment and GMP.

The 2017 budget reflects increases for water and sewer rates. A water rate increase of 7% and a sewer rate increase of 9%, to address capital needs and debt service in 2017.

### **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 2<sup>nd</sup> Street, Suite 575  
Tulsa, Oklahoma 74103

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BASIC FINANCIAL STATEMENTS



SECTION  
TWO (CONT'D)



**CITY OF TULSA**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash, cash equivalents and investments	\$ 526,685	\$ 42,505	\$ 569,190	\$ 166,992
Cash and cash equivalents - restricted	398	11,908	12,306	40,891
Investments	-	-	-	2,788
Investments - restricted	-	-	-	200
Receivables, net	116,335	5,147	121,482	39,772
Prepaid expenses	300	594	894	-
Internal balances	2,413	(2,413)	-	-
Inventories	842	356	1,198	3,911
Other current assets	-	-	-	2,060
Total current assets	<u>646,973</u>	<u>58,097</u>	<u>705,070</u>	<u>256,614</u>
<b>Noncurrent assets:</b>				
Cash and cash equivalents - restricted	32	13,412	13,444	103,539
Receivables, net	-	10,839	10,839	17,178
Investments	-	-	-	3,169
Investments - restricted	1,078	1,578	2,656	28,988
Advances to primary government	-	-	-	139
Advances to component units	4,778	-	4,778	-
Land held for resale, net	2,356	-	2,356	661
Other assets	14,090	1	14,091	415
Equity interest in joint ventures	11,162	-	11,162	17,944
Nondepreciable capital assets	707,451	106,238	813,689	299,780
Capital assets, net	893,712	477,870	1,371,582	1,391,522
Total noncurrent assets	<u>1,634,659</u>	<u>609,938</u>	<u>2,244,597</u>	<u>1,863,335</u>
Total assets	<u>2,281,632</u>	<u>668,035</u>	<u>2,949,667</u>	<u>2,119,949</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	48,166	5,311	53,477	31,915
Deferred charge on refunding	1,206	-	1,206	8,997
Total deferred inflows of resources	<u>49,372</u>	<u>5,311</u>	<u>54,683</u>	<u>40,912</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	34,624	5,051	39,675	28,700
Unearned revenue	-	10,787	10,787	876
Advances from primary government	-	-	-	1,372
Current portion of long-term liabilities	85,266	3,764	89,030	45,856
Refundable deposits payable from restricted assets	-	-	-	10,732
Total current liabilities	<u>119,890</u>	<u>19,602</u>	<u>139,492</u>	<u>87,536</u>
<b>Noncurrent liabilities:</b>				
Advances from primary government	-	-	-	3,406
Advances from component units	139	-	139	-
Unearned revenue	725	1,134	1,859	-
Deposits subject to refund	-	8	8	562
Long-term liabilities	729,822	106,589	836,411	689,229
Total noncurrent liabilities	<u>730,686</u>	<u>107,731</u>	<u>838,417</u>	<u>693,197</u>
Total liabilities	<u>850,576</u>	<u>127,333</u>	<u>977,909</u>	<u>780,733</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	69,427	-	69,427	4,688
Pension related items	46,434	2,023	48,457	13,818
Gain on refunding	-	-	-	116
Total deferred inflows of resources	<u>115,861</u>	<u>2,023</u>	<u>117,884</u>	<u>18,622</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,288,414	504,926	1,793,340	1,178,437
Restricted for:				
Economic stabilization reserve	2,000	-	2,000	-
Debt service	43,629	736	44,365	16,437
Capital projects	218,526	9,907	228,433	16,667
Federal and state grants	6,366	-	6,366	-
Economic development	2,361	-	2,361	-
Other purposes	760	1,089	1,849	23,461
Unrestricted	(197,489)	27,332	(170,157)	126,504
Total net position	<u>\$ 1,364,567</u>	<u>\$ 543,990</u>	<u>\$ 1,908,557</u>	<u>\$ 1,361,506</u>

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

**CITY OF TULSA**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

Functions/Programs	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
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 64,141	\$ -	\$ -	\$ (38,648)	\$ -	\$ -
Public safety and protection	200,726	23,501	-	(152,866)	-	(152,866)
Public works and transportation	75,400	-	6,308	(57,842)	-	(57,842)
Culture and recreation	24,124	-	-	(19,310)	-	(19,310)
Social and economic development	38,629	1,913	5,985	(30,731)	-	(30,731)
Interest on long-term debt	11,864	-	-	(11,864)	-	(11,864)
Total governmental activities	414,884	29,486	6,308	(311,261)	-	(311,261)
Business-type activities:						
Stormwater	30,084	-	4,689	-	2,279	2,279
One Technology Center	9,982	-	-	-	(996)	(996)
Arena & Convention	24,910	-	-	-	(9,277)	(9,277)
Tulsa Stadium Trust	3,330	-	-	-	(3,049)	(3,049)
Golf Courses	3,288	-	-	-	(460)	(460)
Total business-type activities	71,594	-	4,689	-	(11,503)	(11,503)
Total primary government	\$ 486,478	\$ 29,486	\$ 10,997	\$ (311,261)	\$ (11,503)	\$ (322,764)
<b>Component units:</b>						
Clean water and waste water systems	172,933	211,307	16,217	-	-	54,591
Refuse collection and disposal	24,751	26,599	-	-	-	1,848
Airport services	46,345	32,305	8,622	-	-	(1,322)
Other component units	32,185	13,642	6,995	-	-	(7,888)
<b>Component Units</b>	<b>\$ 276,214</b>	<b>\$ 283,853</b>	<b>\$ 15,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,229</b>
General revenues:						
Taxes:						
Sales tax				234,912	-	492
Property tax				73,450	-	4,037
Franchise tax				22,620	-	-
Use tax				23,640	-	-
Hotel/Motel tax				7,483	-	-
Intergovernmental revenue, unrestricted				6,814	-	-
Funding from primary government				-	-	7,183
Payments in lieu of taxes				14,631	-	-
Unrestricted investment earnings				7,910	1,055	2,860
Miscellaneous				4,430	-	220
Gain on disposal of capital assets				319	54	79
Transfers				(5,479)	5,479	-
Total general revenues and transfers				390,730	6,588	14,871
Change in Net position				79,469	(4,915)	62,100
Net position--beginning of year				1,285,098	548,905	1,834,003
Net position--end of year				\$ 1,364,567	\$ 543,990	\$ 1,361,506

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

**CITY OF TULSA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016  
(amounts expressed in thousands)**

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 43,714	\$ 65,114	\$ 173,474	\$ 210,144	\$ 18,798	\$ 511,244
Receivables, net	29,184	70,036	-	11,845	4,216	115,281
Due from other funds	164	-	-	-	-	164
Land held for resale	44	-	-	-	-	44
Advances to other funds	241	-	-	-	-	241
Advances to component units	326	-	-	-	-	326
Total assets	\$ 73,673	\$ 135,150	\$ 173,474	\$ 221,989	\$ 23,014	\$ 627,300
<b>Liabilities</b>						
Accounts payable and accrued liabilities	11,325	-	6,714	10,554	1,246	29,839
Unearned revenue	175	-	-	-	550	725
Due to other funds	-	-	-	-	164	164
Advances from other funds	-	-	-	-	95	95
Advances from component units	127	-	12	-	-	139
Total liabilities	11,627	-	6,726	10,554	2,055	30,962
<b>Deferred inflows of resources</b>						
Unavailable revenue - property taxes	-	69,427	-	-	-	69,427
Unavailable revenue - special assessments	-	-	-	-	72	72
Unavailable revenue - intergovernmental	-	-	-	-	1,616	1,616
Total unavailable revenue	-	69,427	-	-	1,688	71,115
<b>Fund balances</b>						
Nonspendable	611	-	-	-	-	611
Restricted	2,000	65,723	166,748	211,435	14,890	460,796
Committed	-	-	-	-	4,691	4,691
Assigned	5,183	-	-	-	-	5,183
Unassigned	54,252	-	-	-	(310)	53,942
Total fund balances	62,046	65,723	166,748	211,435	19,271	525,223
Total liabilities, deferred inflows and fund balances	\$ 73,673	\$ 135,150	\$ 173,474	\$ 221,989	\$ 23,014	\$ 627,300

**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	1,591,319
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	9,908
Assets, liabilities and deferred outflows and inflows included in governmental activities statement of net position but not in governmental funds:	
Internal balances due to elimination of internal service funds	2,413
Land held for resale	2,356
Facility use lease asset	14,090
Deferred pension outflows	46,246
Investment in joint venture is not reported in the funds	11,162
Deferred charge on debt refunding	1,206
Accrued interest payable	(3,807)
Deferred pension inflows	(45,528)
Unavailable revenue - intergovernmental	1,616
Unavailable revenue - special assessments	72
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	(465,376)
Unamortized bond premium	(15,327)
Compensated absences	(29,186)
Other post employment benefits liability	(7,597)
Net pension liability	(254,567)
Judgments	(18,287)
Payable to other governments	(1,369)
<b>Governmental activities net position</b>	<b>\$ 1,364,567</b>

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, 2016**  
**(amounts expressed in thousands)**

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Sales tax	\$ 151,577	\$ -	\$ -	\$ 83,335	\$ -	\$ 234,912
Property tax	-	73,450	-	-	-	73,450
Franchise tax	22,040	-	-	-	580	22,620
Use tax	23,640	-	-	-	-	23,640
Hotel/motel tax	150	-	-	-	7,333	7,483
Special assessment tax	-	-	-	-	3,525	3,525
Charges for services	17,866	-	-	-	10,542	28,408
Intergovernmental revenues	29,686	-	-	-	10,073	39,759
Fines and forfeitures	7,878	-	-	-	199	8,077
Investment income	4,905	-	-	2,954	115	7,974
Licenses, permits and fees	8,397	-	-	-	-	8,397
Program income from grants	-	-	-	-	1,337	1,337
Payments in lieu of taxes	14,383	-	-	-	-	14,383
Miscellaneous	2,827	-	1,225	229	132	4,413
Total revenues	283,349	73,450	1,225	86,518	33,836	478,378
<b>Expenditures</b>						
Current:						
General government	37,028	-	-	-	77	37,105
Public safety and protection	192,815	-	-	-	9,979	202,794
Public works and transportation	20,911	-	113	-	14	21,038
Culture and recreation	20,169	-	-	-	621	20,790
Social and economic development	11,850	-	-	5,000	13,745	30,595
Capital and operating funding to component units	7,238	-	-	8,362	-	15,600
Capital outlay	-	-	58,653	59,639	4,078	122,370
Debt service	-	68,950	-	-	-	68,950
Total expenditures	290,011	68,950	58,766	73,001	28,514	519,242
Excess (deficiency) of revenues over expenditures	(6,662)	4,500	(57,541)	13,517	5,322	(40,864)
<b>Other financing sources (uses)</b>						
Transfers in	2,303	163	-	-	2,655	5,121
Transfers out	(305)	-	(502)	(4,935)	(5,420)	(11,162)
Proceeds from sale of capital assets	1,222	-	-	-	-	1,222
Bond issuance	-	-	57,000	-	-	57,000
Refunding bonds issued	-	23,133	-	-	-	23,133
Premium on bonds issued	-	3,858	-	-	-	3,858
Payment to refunded bond escrow agent	-	(23,133)	-	-	-	(23,133)
Total other financing sources (uses)	3,220	4,021	56,498	(4,935)	(2,765)	56,039
Net change in fund balances	(3,442)	8,521	(1,043)	8,582	2,557	15,175
Fund balances, beginning of year	65,488	57,202	167,791	202,853	16,714	510,048
Fund balances, end of year	\$ 62,046	\$ 65,723	\$ 166,748	\$ 211,435	\$ 19,271	\$ 525,223

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, 2016**  
**(amounts expressed in thousands)**

<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
<b>Net change in fund balances - total governmental funds</b>	<b>\$ 15,175</b>
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	114,177
Capital contributions	4,219
Depreciation expense	(52,166)
	<u>66,230</u>
The effect of miscellaneous transactions involving capital assets:	
Gain on disposal of capital assets	714
Proceeds from sale of capital assets	(903)
	<u>(189)</u>
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources:	
Bond issuance	(57,000)
Premium on bond issuance	(2,032)
Refunding bonds issued	(23,133)
Deferred loss on debt refunding	452
Premium on refunding bonds issued	(1,826)
Payment to bond escrow	22,601
Payment of bond principal	45,006
	<u>(15,932)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest expense	(92)
Amortization of premium on bond issuance	3,974
Amortization of deferred gain on debt refunding	(200)
Increase in other post employment benefit expense	238
Decrease in compensated absences expense	(348)
Decrease in liability to other governments	343
Increase in tort claims and judgments expense	(7,158)
Amortization of facility use lease	(368)
	<u>(3,611)</u>
Net pension liability is not due and payable in the current period, and accordingly is not reported as a fund liability. Deferred outflows (inflows) of resources related to pensions are not financial resources, and therefore, are not reported in the governmental funds.	
Net pension liability	(39,563)
Deferred outflows of resources related to pensions	46,270
Deferred inflows of resources related to pensions	12,178
	<u>18,885</u>
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Loss from investment in joint venture	(239)
	<u>(239)</u>
Some revenues which are unavailable in the governmental funds represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	820
Special assessment revenue	(2)
	<u>818</u>
The net revenue of internal service funds is reported within governmental activities:	
Change in net position of internal service funds	(1,921)
Internal balances resulting from the elimination of internal service fund revenues	253
	<u>(1,668)</u>
<b>Change in net position - statement of activities</b>	<b>\$ 79,469</b>

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

**CITY OF TULSA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2016**  
(amounts expressed in thousands)

	Business-type Activities						Governmental Activities - Internal Service Funds
	Enterprise Funds						
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses	Total	
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 15,255	\$ 4,956	\$ 16,127	\$ 5,627	\$ 540	\$ 42,505	\$ 15,441
Cash and cash equivalents, restricted	-	1,149	8,210	2,549	-	11,908	398
Receivables, net	3,091	1,106	949	-	1	5,147	1,054
Advances to component units	-	-	-	-	-	-	1,372
Prepaid expenses	-	-	572	-	22	594	300
Inventories, net	-	-	300	-	56	356	798
	<u>18,346</u>	<u>7,211</u>	<u>26,158</u>	<u>8,176</u>	<u>619</u>	<u>60,510</u>	<u>19,363</u>
<b>Noncurrent assets:</b>							
Cash and cash equivalents, restricted	8,385	3,388	36	1,603	-	13,412	32
Investments - restricted	-	-	1,578	-	-	1,578	1,078
Receivables, net	23	10,816	-	-	-	10,839	-
Advances to component units	-	-	-	-	-	-	3,080
Other	-	-	-	1	-	1	-
Nondepreciable capital assets	87,901	3,182	9,509	2,841	2,805	106,238	4,791
Depreciable capital assets, net	228,510	35,700	174,877	33,914	4,869	477,870	5,053
	<u>324,819</u>	<u>53,086</u>	<u>186,000</u>	<u>38,359</u>	<u>7,674</u>	<u>609,938</u>	<u>14,034</u>
<b>Total assets</b>	<u>343,165</u>	<u>60,297</u>	<u>212,158</u>	<u>46,535</u>	<u>8,293</u>	<u>670,448</u>	<u>33,397</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension related items	4,921	390	-	-	-	5,311	1,920
<b>Total deferred outflow of resources</b>	<u>4,921</u>	<u>390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,311</u>	<u>1,920</u>
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Accounts payable and accrued liabilities	1,165	901	2,679	83	223	5,051	978
Unearned revenue	-	134	10,653	-	-	10,787	-
Workers compensation claims	-	-	-	-	-	-	6,399
Current portion of long-term liabilities	480	1,509	1,190	585	-	3,764	1,646
	<u>1,645</u>	<u>2,544</u>	<u>14,522</u>	<u>668</u>	<u>223</u>	<u>19,602</u>	<u>9,023</u>
<b>Noncurrent liabilities:</b>							
Unearned revenue	-	-	1,134	-	-	1,134	-
Workers compensation claims	-	-	-	-	-	-	4,419
Advances from other funds	-	-	-	-	-	-	146
Deposits subject to refund	-	8	-	-	-	8	-
Long-term liabilities	13,007	63,502	8,470	21,610	-	106,589	10,915
	<u>13,007</u>	<u>63,510</u>	<u>9,604</u>	<u>21,610</u>	<u>-</u>	<u>107,731</u>	<u>15,480</u>
<b>Total liabilities</b>	<u>14,652</u>	<u>66,054</u>	<u>24,126</u>	<u>22,278</u>	<u>223</u>	<u>127,333</u>	<u>24,503</u>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Pension related items	1,862	161	-	-	-	2,023	906
<b>Total deferred outflow of resources</b>	<u>1,862</u>	<u>161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,023</u>	<u>906</u>
<b>NET POSITION (DEFICIT)</b>							
Net investment in capital assets	316,411	(11,663)	176,341	16,163	7,674	504,926	9,844
Restricted for:							
Debt service	-	736	-	-	-	736	-
Capital projects	8,408	1,499	-	-	-	9,907	-
Other purposes	-	-	-	1,089	-	1,089	-
Unrestricted	6,753	3,900	11,691	7,005	396	29,745	64
<b>Total net position (deficit)</b>	<u>\$ 331,572</u>	<u>\$ (5,528)</u>	<u>\$ 188,032</u>	<u>\$ 24,257</u>	<u>\$ 8,070</u>	<u>546,403</u>	<u>\$ 9,908</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(2,413)	
Net position of business-type activities						<u>\$ 543,990</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, 2016**  
**(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	
<b>Operating revenues</b>							
Charges for services	\$ 26,986	\$ 8,986	\$ 15,633	\$ 183	\$ 2,824	\$ 54,612	\$ 14,245
Insurance premiums	-	-	-	-	-	-	23,640
Workers compensation premiums	-	-	-	-	-	-	5,773
Other	688	-	-	98	4	790	153
	<u>27,674</u>	<u>8,986</u>	<u>15,633</u>	<u>281</u>	<u>2,828</u>	<u>55,402</u>	<u>43,811</u>
<b>Operating expenses</b>							
Salaries and wages	9,642	846	-	-	-	10,488	4,541
Materials and supplies	1,008	152	-	-	216	1,376	6,794
Other services and charges	9,694	4,410	13,404	329	2,763	30,600	3,261
Workers compensation claims	-	-	-	-	-	-	7,583
Insurance claims and premiums	-	-	-	-	-	-	23,898
Depreciation and amortization	9,493	1,224	10,870	1,969	309	23,865	409
	<u>29,837</u>	<u>6,632</u>	<u>24,274</u>	<u>2,298</u>	<u>3,288</u>	<u>66,329</u>	<u>46,486</u>
<b>Operating income (loss)</b>	<u>(2,163)</u>	<u>2,354</u>	<u>(8,641)</u>	<u>(2,017)</u>	<u>(460)</u>	<u>(10,927)</u>	<u>(2,675)</u>
<b>Nonoperating revenues (expenses)</b>							
Investment income	328	658	57	8	4	1,055	175
Interest expense	-	(3,344)	(636)	(1,029)	-	(5,009)	-
Gain on disposal of capital assets	54	(3)	-	-	3	54	17
Other, net	-	-	-	(3)	-	(3)	-
	<u>382</u>	<u>(2,689)</u>	<u>(579)</u>	<u>(1,024)</u>	<u>7</u>	<u>(3,903)</u>	<u>192</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(1,781)</u>	<u>(335)</u>	<u>(9,220)</u>	<u>(3,041)</u>	<u>(453)</u>	<u>(14,830)</u>	<u>(2,483)</u>
Capital contributions	4,689	-	-	-	-	4,689	-
Transfers in	2,051	17	2,562	2,215	287	7,132	562
Transfers out	(1,653)	-	-	-	-	(1,653)	-
	<u>5,087</u>	<u>17</u>	<u>2,562</u>	<u>2,215</u>	<u>287</u>	<u>10,168</u>	<u>562</u>
<b>Change in net position</b>	<u>3,306</u>	<u>(318)</u>	<u>(6,658)</u>	<u>(826)</u>	<u>(166)</u>	<u>(4,662)</u>	<u>(1,921)</u>
Net position (deficit) - beginning of year	328,266	(5,210)	194,690	25,083	8,236		11,829
Net position (deficit) - end of year	<u>\$ 331,572</u>	<u>\$ (5,528)</u>	<u>\$ 188,032</u>	<u>\$ 24,257</u>	<u>\$ 8,070</u>		<u>\$ 9,908</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(253)	
Change in net position of business-type activities						<u>\$ (4,915)</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, 2016**  
**(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	
<b>Cash flows from operating activities:</b>							
Receipts from customers	\$ 27,277	\$ 9,000	\$ 20,811	\$ 282	\$ 2,829	\$ 60,199	\$ 45,543
Payments to suppliers	(10,731)	(4,842)	(13,306)	(581)	(2,961)	(32,421)	(42,481)
Payments to employees	(9,248)	(789)	-	-	-	(10,037)	(4,520)
Net cash provided (used) by operating activities	7,298	3,369	7,505	(299)	(132)	17,741	(1,458)
<b>Cash flows from noncapital financing activities:</b>							
Transfers from other funds	-	-	2,540	-	150	2,690	-
Transfers to other funds	(1,653)	-	-	-	-	(1,653)	-
Net cash provided (used) by financing activities	(1,653)	-	2,540	-	150	1,037	-
<b>Cash flows from capital and related financing activities:</b>							
Acquisition and construction of capital assets	(6,279)	(273)	(542)	(192)	(119)	(7,405)	(501)
Principal paid on debt	-	(1,400)	(1,095)	(570)	-	(3,065)	-
Interest paid on debt	-	(3,339)	(652)	(1,035)	-	(5,026)	-
Proceeds from sale of capital assets	69	-	-	-	3	72	17
Proceeds from financing activities	-	1,200	-	-	-	1,200	-
Transfers from other funds	2,051	17	22	2,215	137	4,442	562
Net cash provided (used) by capital and related financing activities	(4,159)	(3,795)	(2,267)	418	21	(9,782)	78
<b>Cash flows from investing activities:</b>							
Interest received	302	43	52	8	4	409	165
Proceeds from sale or maturities of investments	-	742	-	-	-	742	-
Net cash provided by investing activities	302	785	52	8	4	1,151	165
Net increase (decrease) in cash and cash equivalents	1,788	359	7,830	127	43	10,147	(1,215)
<b>Cash and cash equivalents, beginning</b>	<b>21,852</b>	<b>9,134</b>	<b>16,543</b>	<b>9,652</b>	<b>497</b>	<b>57,678</b>	<b>17,086</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 23,640</b>	<b>\$ 9,493</b>	<b>\$ 24,373</b>	<b>\$ 9,779</b>	<b>\$ 540</b>	<b>\$ 67,825</b>	<b>\$ 15,871</b>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>							
Cash and cash equivalents	15,255	4,956	16,127	5,627	540	42,505	15,441
Cash and cash equivalents - restricted	8,385	4,537	8,246	4,152	-	25,320	430
Total cash and cash equivalents	\$ 23,640	\$ 9,493	\$ 24,373	\$ 9,779	\$ 540	\$ 67,825	\$ 15,871
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>							
Operating income (loss)	(2,163)	2,354	(8,641)	(2,017)	(460)	(10,927)	(2,675)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	9,493	1,224	10,870	1,969	309	23,865	409
(Increase) decrease in accounts receivable and other assets	(379)	12	(172)	-	(9)	(548)	1,430
(Increase) decrease in deferred outflows of resources	(4,071)	(354)	-	-	-	(4,425)	(1,413)
Increase (decrease) in accounts payable and other liabilities	5,347	205	5,448	(251)	28	10,777	1,719
Increase (decrease) in deferred inflows of resources	(929)	(72)	-	-	-	(1,001)	(928)
Net cash provided (used) by operating activities	\$ 7,298	\$ 3,369	\$ 7,505	\$ (299)	\$ (132)	\$ 17,741	\$ (1,458)
<b>NON-CASH TRANSACTIONS:</b>							
Capital contributions	\$ 4,689	\$ -	\$ -	\$ -	\$ -	\$ 4,689	\$ -
Appreciation (decrease) of fair value of investments	\$ -	\$ 25	\$ 4	\$ -	\$ -	\$ 29	\$ 45

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, 2016**  
**(amounts expressed in thousands)**

	Municipal Employees Retirement Plan	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,854	\$ 5,577
Contributions receivable	1,160	-
Investment income receivable	326	-
Investments:		
US Government obligations	40,989	-
Corporate bonds	17,424	-
Municipal bonds	97	-
Preferred stock	581	-
Common stock	23,369	-
Foreign obligations	3,126	-
Mutual funds	302,961	-
Timber	17,526	-
Total assets	413,413	5,577
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	508	2,604
Deposits payable	-	2,973
Total liabilities	508	\$ 5,577
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 412,905</b>	

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, 2016**  
**(amounts expressed in thousands)**

	Municipal Employees Retirement Plan
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 14,016
Plan members	7,533
	21,549
Investment Income:	
Net appreciation in fair value of investments	3,606
Interest	1,814
Dividends	1,329
	6,749
Less: investment expense	(1,227)
Net investment income	5,522
Total additions	27,071
<b>DEDUCTIONS</b>	
Benefits	35,147
Refunds of contributions	1,179
Administrative expense	374
Total deductions	36,700
Net decrease in fiduciary net position	(9,629)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	
Beginning of year	422,534
End of year	\$ 412,905

**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, 2016**  
(amounts expressed in thousands)

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 121,240	\$ 16,419	\$ 14,783	\$ 14,550	\$ 166,992
Cash and cash equivalents - restricted	25,100	-	2,016	13,775	40,891
Investments	-	-	-	2,788	2,788
Investments - restricted	-	-	200	-	200
Receivables, net	32,077	3,209	2,028	2,458	39,772
Inventories	1,770	-	1,480	661	3,911
Other current assets	-	-	415	1,645	2,060
	<u>180,187</u>	<u>19,628</u>	<u>20,922</u>	<u>35,877</u>	<u>256,614</u>
<b>Noncurrent assets:</b>					
Cash and cash equivalents - restricted	85,530	-	14,141	3,868	103,539
Investments	-	-	2,355	814	3,169
Investments - restricted	10,409	-	18,579	-	28,988
Advances to primary government	12	-	127	-	139
Receivables, net	12	-	687	16,479	17,178
Land held for resale, net	-	-	-	661	661
Equity interest in joint ventures	17,944	-	-	-	17,944
Other noncurrent assets	-	-	415	-	415
Nondepreciable capital assets	99,282	-	188,951	11,547	299,780
Depreciable capital assets, net	1,121,722	10,647	211,007	48,146	1,391,522
	<u>1,334,911</u>	<u>10,647</u>	<u>436,262</u>	<u>81,515</u>	<u>1,863,335</u>
<b>Total assets</b>	<u>1,515,098</u>	<u>30,275</u>	<u>457,184</u>	<u>117,392</u>	<u>2,119,949</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred charge on refunding	2,212	-	6,309	476	8,997
Pension related amounts	20,795	1,811	4,848	4,461	31,915
<b>Total deferred outflow of resources</b>	<u>23,007</u>	<u>1,811</u>	<u>11,157</u>	<u>4,937</u>	<u>40,912</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	19,393	1,446	5,922	1,939	28,700
Unearned revenue	-	-	477	399	876
Current portion of long-term liabilities	35,689	188	8,100	1,879	45,856
Advances from primary government	-	1,372	-	-	1,372
Deposits subject to refund - restricted	10,692	-	40	-	10,732
	<u>65,774</u>	<u>3,006</u>	<u>14,539</u>	<u>4,217</u>	<u>87,536</u>
<b>Noncurrent liabilities:</b>					
Advances from primary government	-	3,080	-	326	3,406
Deposits subject to refund	-	-	-	562	562
Long-term liabilities, net	479,643	5,697	179,900	23,989	689,229
	<u>479,643</u>	<u>8,777</u>	<u>179,900</u>	<u>24,877</u>	<u>693,197</u>
<b>Total liabilities</b>	<u>545,417</u>	<u>11,783</u>	<u>194,439</u>	<u>29,094</u>	<u>780,733</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Property tax revenue	3,535	-	-	1,153	4,688
Pension related amounts	9,881	831	2,049	1,057	13,818
Deferred gain on refunding	116	-	-	-	116
<b>Total deferred inflow of resources</b>	<u>13,532</u>	<u>831</u>	<u>2,049</u>	<u>2,210</u>	<u>18,622</u>
<b>NET POSITION</b>					
<b>Net investment in capital assets</b>	867,665	6,195	254,788	49,789	1,178,437
<b>Restricted for:</b>					
Debt service	13,494	-	667	2,276	16,437
Capital projects	-	-	2,513	14,154	16,667
Other purposes	-	-	6,104	17,357	23,461
<b>Unrestricted</b>	97,997	13,277	7,781	7,449	126,504
<b>Total net position</b>	<u>\$ 979,156</u>	<u>\$ 19,472</u>	<u>\$ 271,853</u>	<u>\$ 91,025</u>	<u>\$ 1,361,506</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, 2016**  
**(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	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other	Total
Clean water and waste water systems	\$ 172,933	\$ -	\$ 16,217	\$ 54,591	\$ -	\$ -	\$ -	\$ 54,591
Refuse collection and disposal	24,751	-	-	-	1,848	-	-	1,848
Airport services	46,345	8,622	4,096	-	-	(1,322)	-	(1,322)
Other	32,185	6,995	3,660	-	-	-	(7,888)	(7,888)
	<u>\$ 276,214</u>	<u>\$ 15,617</u>	<u>\$ 23,973</u>	<u>\$ 54,591</u>	<u>\$ 1,848</u>	<u>\$ (1,322)</u>	<u>\$ (7,888)</u>	<u>\$ 47,229</u>
General revenues:								
Taxes:								
Sales taxes								492
Property taxes								1,308
Funding from primary government								7,183
Investment earnings								390
Miscellaneous								220
Gain on disposal of capital assets								79
Total general revenues								9,593
Change in net position								1,705
Net position, beginning of year								89,320
Net position, end of year								\$ 91,025

**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.

**New Pronouncements** - The City implemented the following GASB Statement effective for the year ended June 30, 2016:

**GASB Statement No. 72 – Fair Value Measurement and Application** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

### **A. REPORTING ENTITY**

The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from the blended component unit is combined with data of the City, the primary government. An entity is reported as a blended component unit when it meets one of the following criteria as defined by GASB:

Substantively the same governing body and a financial benefit or burden; substantively the same governing body and operational responsibility; Almost exclusive service or benefit to the primary government; Total debt of the component unit repayable almost entirely from resources of primary government. When none of these criteria are met, the entity is presented as a discretely presented component unit. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

### **1. Blended Component Units**

The Tulsa Public Facilities Authority ("TPFA") - Trustees of TPFA are appointed by the Mayor and approved by the City Council. Although it is legally separate from the City, TPFA is reported as if it were part of the primary government because its primary purposes are to issue revenue bonds to finance major capital improvements and manage certain properties on behalf of the City. Financing activities of this fund are included as an internal service fund 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 a clean water utility system and a wastewater utility system. Trustees are appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the trust and will receive all trust properties and resulting revenues upon retirement of all trust indebtedness. The City provides staffing for the operations of TMUA and acts as a collection agent by collecting TMUA's utility revenues as a part of the City's utility billing system.

*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 are appointed by the Mayor and confirmed by the City Council. The City provides staffing for the operations of TARE and acts as a collection agent by collecting TARE utility revenues as a part of the City's utility billing system.

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

**Other discretely presented component units:**

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

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

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

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

Tulsa Performing Arts Center Trust ("TPACT") - A public trust created to assist the City in operating the Tulsa Performing Arts Center and to sponsor events promoting

the use of the Tulsa Performing Arts Center. Trustees are appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the Trust.

Separate financial statements for the individual component units are available upon request to the Office of the Controller, 175 East 2<sup>nd</sup> Street, Suite 575, 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 their joint control and in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The City participates in the following joint ventures:

Emergency Medical Services Authority ("EMSA") - EMSA is a public trust created to provide emergency medical care and transportation and is governed by a ten-member board composed of five appointees from the City and five from other Oklahoma cities and towns. In accordance with the joint venture agreement, Tulsa and Oklahoma City are entitled to their respective share of annual operating income or loss. The City's equity interest in EMSA is \$11,162. Complete financial statements for EMSA can be obtained from EMSA's Chief Financial Officer, 1417 North Lansing, Tulsa, Oklahoma 74106.

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

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



*Note 1. Summary of Significant Accounting Policies, continued*

Arrow, Oklahoma currently hold an equity interest in RMUA. The City contributes approximately one-half of the Authority's annual operating and capital budget, and operates a facility for RMUA and leases the facility site to the Authority. The City appoints two of the ten trustees. The remaining trustees are appointed two each by the four other participating cities. RMUA's treatment plant provides services to the City of Tulsa and the City of Broken Arrow at approximately equal amounts. Upon termination of the trust, the net position will be distributed to the beneficiaries based upon their pro rata interest. The City's equity interest of \$17,944 is reported in TMUA's statement of net position. Complete financial statements for RMUA can be obtained from the Office of the Controller, 175 East 2<sup>nd</sup> Street, Suite 575, 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 is an ex-officio trustee and the additional four trustees are approved by the City Council. The City does not provide any funding to TMAT and has no obligation for the debt issued by TMAT.

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

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

**C. GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

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

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

*Note 1. Summary of Significant Accounting Policies, continued*

The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, special assessment taxes, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenues (sales taxes, franchise taxes, property taxes, intergovernmental revenues, interest income, etc.).

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

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, other than the internal balances from the allocation of a portion of the internal service funds to business-type activities.

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

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented 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 City, these funds are not incorporated into the government-wide statements.

**D. BASIS OF PRESENTATION**

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

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

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

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

*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.

**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 as well as workers' compensation medical claims and administrative expenses.

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

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

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

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

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

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

**E. BASIS OF ACCOUNTING**

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

*Note 1. Summary of Significant Accounting Policies, continued*

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

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

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

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

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

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

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

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

market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

**F. ASSETS, LIABILITIES AND NET POSITION**

**1. Cash and Cash Equivalents**

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

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

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

**2. Investments**

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

Governmental activities	\$ 1,608
Business-type activities	161
Net increase in fair value	<u>\$ 1,769</u>

*Note 1. Summary of Significant Accounting Policies, continued*

**3. Accounts Receivable and Taxes Receivable**

Accounts receivable and taxes receivable are shown at net realizable value. The allowance for general government accounts receivable is derived from the age of the individual receivable with age categories ranging from 30 days past due to three years past due. Uncollectible percentages by revenue category are derived using historical write-off experience and range from 1% to 62%, as well as consideration of current expectations and economic considerations. In the current year \$1,834 of accounts receivable were written-off.

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

**4. Inventories**

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

**Land held for resale** - Land acquired for rehabilitation and held for resale by the City is recorded at the lower of cost or net realizable value (specific identification basis). The cost of land acquired and held for resale by the City at year end amounted to \$2,400 and was carried at the lower of cost or net realizable 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 \$14,090, net of amortization, is reflected in other assets on the Government-wide Statement of Net Position.

**7. Capital Assets**

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

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

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

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

*Note 1. Summary of Significant Accounting Policies, continued*

The City owns a collection of art housed in the Gilcrease Museum. The collection is not capitalized because it meets all the following conditions:

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

**8. Interest Capitalization**

Interest is capitalized in proprietary funds and discretely presented component units on assets acquired with tax-exempt debt. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Component units capitalized net interest cost in the amount of \$3,316 related to tax exempt financing for capital construction projects during the year.

**9. Privately Funded Public Improvements**

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

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

The liability for watermain extension contracts is \$3,364 as of year end. Annual payments of \$366 are due in accordance with these contracts.

**Water and Sewer Line Extensions** – Contributions from area developers to TMUA during the year totaled \$10,035.

**10. Restricted Assets**

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

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

**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.

*Note 1. Summary of Significant Accounting Policies, continued*

**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 fund balance – The unassigned portion of fund balance is not otherwise restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for a specific purpose exceed the amounts restricted, committed, or assigned to those purposes, they may report a negative unassigned fund balance.

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

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

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

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

**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. Net position restricted by enabling legislation is \$218,752. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.
- *Unrestricted* – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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*Note 1. Summary of Significant Accounting Policies, continued*

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

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

**G. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

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

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

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

The governmental funds report unavailable revenues from 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 reports two additional deferred inflows not reported under the modified accrual basis. First is for pension items related to the recording of the net pension liability. The second item, deferred gain on refunding, results from the refunding of debt.

**H. REVENUES, EXPENSES AND EXPENDITURES**

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

Expenditures are recognized when the related fund liability is incurred except for the following, which are



*Note 1. Summary of Significant Accounting Policies, continued*

permitted by generally accepted accounting principles:

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

**1. Sales Tax Revenue**

The City levies a 3.10% sales tax which is collected monthly by the State of Oklahoma and remitted to the City. The General Fund receives 2% for operations and the remaining 1.10% 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 20<sup>th</sup> of that same month. All other vendors are required to remit the actual amount collected (without any estimated tax collections) by the 20<sup>th</sup> of the following month.

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

**2. Property Tax Revenue**

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

On or before August 27<sup>th</sup> 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 1<sup>st</sup> 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 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 1<sup>st</sup>, the lien date. Property taxes are due on November 1<sup>st</sup> following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1<sup>st</sup>, the second installment is not delinquent until

April 1<sup>st</sup>). Property taxes are collected by the County Treasurers of Tulsa, Wagoner and Osage Counties, Oklahoma, and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied.

**3. Arena Revenues – Naming Rights, Sponsorships**

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

**4. Grant Revenue**

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

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

**5. Commercial Lease Revenue**

TPFA owns a building in downtown Tulsa known as the One Technology Center. The building contains approximately 630,000 square feet of office space. The City leases approximately 230,000 square feet and 257,000 square feet is available for commercial leasing. Additionally, 143,000 square feet of space is leased under a capital lease through 2029. Lease revenue recognized in the current year from private business leasing was \$3,080.

**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 and totaled \$2,700 for the current year.

*Note 1. Summary of Significant Accounting Policies, continued*

**7. Unearned Revenue**

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

Payment	From	To	Purpose
\$ 7,183	General Fund	MTTA	Operating subsidy
6,049	Sales Tax Fund	TMUA	For capital acquisitions
273	Sales Tax Fund	MTTA	For capital acquisitions
2,040	Sales Tax Fund	TDA	For capital acquisitions
12,436	TMUA	General Fund	Payments in lieu of taxes
1,613	TARE	General Fund	Payments in lieu of taxes

**8. Interfund Transactions**

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

**9. Payments Between the Primary Government and Component Units**

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

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

The General Fund receives payments in lieu of taxes from TMUA and TARE and reports these payments as revenue. These amounts are not reasonably equivalent in value to the services provided. TMUA and TARE report these payments as expenses in their statement of activities.

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

**10. Compensated Absences**

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

**11. Post-Employment Benefits**

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

*Note 1. Summary of Significant Accounting Policies, continued*

**12. Operating Subsidies and Grants**

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

**13. Judgments**

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

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

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

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

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

**I. USE OF ESTIMATES**

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

*Note 2. Stewardship, Compliance and Accountability*

**1. Net Position/Fund Balance Deficit**

**One Technology Center** – This enterprise fund has a deficit net position of \$5,528 resulting from operating income levels insufficient to cover costs. It is the City's intent to secure additional revenues and manage expenses to manage the deficit.

**Vision 2025 Capital Projects Fund** – This nonmajor capital projects fund has a deficit fund balance of \$165. The City will identify other funds that can be appropriately assigned in order to eliminate the deficit.

### *Note 3. Deposits and Investments*

#### **Custodial Credit Risk—City of Tulsa Policy:**

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

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

Certificates of deposit are, according to the City's investment policy, to be collateralized at least by 102% of the amount that is not federally insured. As of June 30, 2016, 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 portfolio. Prime bankers acceptances are limited to five percent (5%) of the investment portfolio.

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

*Note 3. Deposits and Investments, continued*

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

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.

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

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

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

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

**Pooled Portfolio Investments:**

<b>Investments:</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (years)</b>	<b>Concentration</b>	<b>Moody's</b>	<b>S &amp; P</b>	<b>Fair Value Measurement</b>
Investments measured by fair value levels:						
U.S. Treasury securities	\$ 125,501	1.95	n/a	--	--	Level 1
Federal Farm Credit Bank securities	119,198	3.20	17.3%	Aaa	AA+	Level 2
Federal Home Loan Bank securities	117,044	3.28	17.0%	Aaa	AA+	Level 2
Federal Home Loan Mortgage Corporation securities	103,254	3.54	15.0%	Aaa	AA+	Level 2
Federal National Mortgage Association securities	128,491	3.43	18.7%	Aaa	AA+	Level 2
Municipal obligations	16,714	2.72	2.4%	Aaa	AAA	Level 2
Municipal obligations	6,932	2.89	1.0%	Aa	AA	Level 2
Municipal obligations	2,771	2.66	0.4%	--	AA	Level 2
Municipal obligations	5,018	2.84	0.7%	Aaa	--	Level 2
	<u>624,923</u>					
Investments measured at the NAV:						
Money Market Mutual Funds	<u>50,002</u>	1.84	n/a	Aaa-mf	AAAm	
Investments measured at amortized cost:						
Property tax judgments	14,465	1.39	n/a	--	--	
	<u>\$ 689,390</u>	<u>2.57</u>				

**Pooled Portfolio Investments reported in:**

Governmental Activities	\$ 501,049
Business type activities	27,920
Component units	156,698
Fiduciary funds	1,241
Organizations not in reporting entity	2,482
	<u>\$ 689,390</u>

*Note 3. Deposits and Investments, continued*

**Non- Pooled Investments – Primary Government:**

<b>Internal Service Funds</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (years)</b>	<b>Concentration</b>	<b>Moody's</b>	<b>S &amp; P</b>	<b>Fair Value Measurement</b>
Federal Home Loan Bank securities	\$ 1,078	1.69	100.0%	Aaa	AA+	Level 2
<b>Proprietary Funds</b>						
Federal Home Loan Bank securities	\$ 1,578	1.69	25.7%	Aaa	AA+	Level 2

**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 Standard & Poors/Moody's				Not Rated or Rating Not	
	AAA/Aaa	AA/Aa	A/A	BBB/Baa	Available	Total
U.S. agency obligations	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ 4,590
Government mortgage backed securities	11,943	-	-	-	-	11,943
Corporate bonds	190	2,035	-	6,858	3,781	12,864
Asset backed securities	1,197	93	-	839	-	2,129
Commercial mortgage backed securities	582	161	24	-	1,664	2,431
Municipal obligation	97	-	-	-	-	97
Foreign obligations	-	260	1,538	1,328	-	3,126
	<u>\$ 18,599</u>	<u>\$ 2,549</u>	<u>\$ 1,562</u>	<u>\$ 9,025</u>	<u>\$ 5,445</u>	<u>\$ 37,180</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, 2016 were 24% strategic with a lower limit of 20% and an upper limit of 28%.

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

**MERP's investments with associated maturities:**

	Fair Value	Weighted Average Maturity (years)	Fair Value Measurement
Investments measured by fair value levels:			
U.S. Treasury securities	\$ 24,456	7.60	Level 1
Federal Home Loan Mortgage Corp securities	4,590	22.68	Level 2
Federal National Mortgage Association securities	7,325	24.61	Level 2
Government National Mortgage Association securities	4,618	3.14	Level 2
Mutual funds	58,686	n/a	Level 1
Corporate obligations	17,424	9.49	Level 2
Municipal obligations	97	7.17	Level 2
Foreign obligations	3,126	5.05	Level 2
Common Stock	23,369	n/a	Level 1
Preferred Stock	581	n/a	Level 2
Investments measured by fair value levels:	<u>144,272</u>		
Investments measured at the NAV:			
Mutual funds	213,795	n/a	
Real Estate funds	30,480	n/a	
Timber	17,526	n/a	
Investments measured at the NAV:	<u>261,801</u>	14.87	
	<u>\$ 406,073</u>		



*Note 3. Deposits and Investments, continued*

**Non- Pooled Investments – Fiduciary Funds:**

MERP invests in two real estate funds. These funds make strategic property acquisition primarily in the U.S. As part of the valuation process, independent appraisers value properties on an annual basis (at a minimum). The funds are valued at NAV monthly. The funds allow withdrawals once per quarter subject to “available cash” as determined by a pool trustee within 45 days advance written notice.

MERP invests in a timber partnership. The partnership seeks to gain income through acquisition, holding and distribution of timberland primarily in the U.S. The term of the partnership is ten years with options to extend. MERP receives income distributions. In general, redemption in this investment won't occur until the partnership has ended.

MERP invests in multiple funds for both equity and fixed income investments seeking to achieve positive returns utilizing experienced portfolio managers. These investments are valued at NAV at least monthly. The funds allow for withdraw at the most recent valued date or end of the month with some funds requiring 30 days notice.

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

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

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

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

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

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

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

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

The City has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 7.

*Note 4. Receivables*

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

<b>Governmental Funds</b>							
	<b>General Fund</b>	<b>Debt Service</b>	<b>Sales Tax</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>	<b>Internal Service Funds</b>	<b>Total Governmental Activities</b>
<b>Current receivables, net:</b>							
Interest receivable	\$ 829	\$ -	\$ 570	\$ 42	\$ 1,441	\$ 38	\$ 1,479
Taxes receivable	26,512	70,036	11,264	945	108,757	-	108,757
Accounts receivable	5,678	-	11	864	6,553	1,026	7,579
Due from other governments	-	-	-	2,401	2,401	-	2,401
	<u>33,019</u>	<u>70,036</u>	<u>11,845</u>	<u>4,252</u>	<u>119,152</u>	<u>1,064</u>	<u>120,216</u>
Less: Allowance for uncollectibles	(3,835)	-	-	(36)	(3,871)	(10)	(3,881)
	<u>\$ 29,184</u>	<u>\$ 70,036</u>	<u>\$ 11,845</u>	<u>\$ 4,216</u>	<u>\$ 115,281</u>	<u>\$ 1,054</u>	<u>\$ 116,335</u>

<b>Business-type Activities Enterprise Funds</b>					
	<b>Stormwater Management</b>	<b>One Technology Center</b>	<b>Arena &amp; Convention Center</b>	<b>Golf Courses</b>	<b>Total Business-type Activities</b>
<b>Current receivables, net:</b>					
Interest receivable	\$ 42	\$ 13	\$ 13	\$ 1	\$ 69
Utility receivable	3,100	-	-	-	3,100
Accounts receivable, gross	-	451	941	-	1,392
Capital lease receivable	-	642	-	-	642
	<u>3,142</u>	<u>1,106</u>	<u>954</u>	<u>1</u>	<u>5,203</u>
Less: Allowance for uncollectibles	(51)	-	(5)	-	(56)
	<u>\$ 3,091</u>	<u>\$ 1,106</u>	<u>\$ 949</u>	<u>\$ 1</u>	<u>\$ 5,147</u>
<b>Noncurrent receivables, net:</b>					
Capital lease receivable	-	10,816	-	-	10,816
Interest receivable	23	-	-	-	23
	<u>\$ 23</u>	<u>\$ 10,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,839</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 extended the term of the lease to June 30, 2029. Lease payments will total \$2,207 annually except for fiscal year 2016 which was \$2,127. The tenant

assigned the lease to an affiliated company. Throughout the term of the lease, \$1,200 of the total annual lease payments will be applied to the lease and the remainder will be apportioned to operating expense reimbursement. The affiliated company will have the option to purchase the occupied space for one dollar at June 30, 2029. TPFA will account for the lease agreement as a capital lease.

*Note 4. Receivables, continued*

Minimum future rentals on the capital lease are as follows:

Years	TPFA Capital Lease		
	Principal	Interest	Total
2017	\$ 642	\$ 558	\$ 1,200
2018	675	525	1,200
2019	710	490	1,200
2020	746	454	1,200
2021	784	416	1,200
2022-2026	4,564	1,436	6,000
2027-2029	3,337	263	3,600
	<u>\$ 11,458</u>	<u>\$ 4,142</u>	<u>\$ 15,600</u>

**Component Units**

	Tulsa	Tulsa	Tulsa	Other	Total
	Metropolitan	Authority			
	Utility	for Recovery	Airports	Units	Component
	Authority	of Energy			Units
<b>Current receivables, net:</b>					
Interest receivable	\$ 332	\$ 43	\$ -	\$ 10	\$ 385
Taxes receivable	3,535	-	-	1,153	4,688
Accounts receivable	255	-	1,795	546	2,596
Utility receivable	28,062	3,189	-	-	31,251
Due from other governments	-	-	253	749	1,002
	<u>32,184</u>	<u>3,232</u>	<u>2,048</u>	<u>2,458</u>	<u>39,922</u>
Less: Allowance for uncollectibles	(107)	(23)	(20)	-	(150)
	<u>\$ 32,077</u>	<u>\$ 3,209</u>	<u>\$ 2,028</u>	<u>\$ 2,458</u>	<u>\$ 39,772</u>
<b>Noncurrent receivables:</b>					
Notes receivable	-	-	-	16,479	16,479
Accounts receivable	-	-	681	-	681
Interest receivable	12	-	6	-	18
	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 687</u>	<u>\$ 16,479</u>	<u>\$ 17,178</u>

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*Note 5. Payables*

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

	Governmental Funds					Internal Service Funds	Total Governmental Funds	Adjustments to	
	General	Bond	Sales Tax	Nonmajor Governmental Funds				Government Wide Statements	Total Governmental Activities
				Total	Total				
Accounts payable	\$ 2,494	\$ 6,714	\$ 10,554	\$ 1,166	\$ 20,928	\$ 701	\$ 21,629	\$ -	\$ 21,629
Accrued payroll	8,831	-	-	80	8,911	221	9,132	-	9,132
Accrued interest	-	-	-	-	-	56	56	3,807	3,863
	<u>\$ 11,325</u>	<u>\$ 6,714</u>	<u>\$ 10,554</u>	<u>\$ 1,246</u>	<u>\$ 29,839</u>	<u>\$ 978</u>	<u>\$ 30,817</u>	<u>\$ 3,807</u>	<u>\$ 34,624</u>

	Business-type Activities - Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total
Accounts payable	\$ 887	\$ 421	\$ 2,532	\$ 2	\$ 223	\$ 4,065
Accrued payroll	278	67	-	-	-	345
Accrued interest	-	413	147	81	-	641
	<u>\$ 1,165</u>	<u>\$ 901</u>	<u>\$ 2,679</u>	<u>\$ 83</u>	<u>\$ 223</u>	<u>\$ 5,051</u>

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Accounts payable	\$ 13,743	\$ 1,294	\$ 5,118	\$ 1,445	\$ 21,600
Accrued payroll	1,624	152	-	285	2,061
Accrued interest	4,026	-	804	209	5,039
	<u>\$ 19,393</u>	<u>\$ 1,446</u>	<u>\$ 5,922</u>	<u>\$ 1,939</u>	<u>\$ 28,700</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>
\$ 164	General Fund	Vision 2025 Capital Projects	To finance capital projects
	<b><u>Advances To Other Funds</u></b>	<b><u>Advances From Other Funds</u></b>	<b><u>Purpose</u></b>
95	General Fund	Federal and State Grants	To advance fund grants
146	General Fund	Office Services	To provide cash flow
<u>\$ 241</u>			
	<b><u>Advances To Primary Government</u></b>	<b><u>Advances From Component Units</u></b>	<b><u>Purpose</u></b>
127	Tulsa Airports	General Fund	Payment in advance - Fire Department services
12	TMUA	Bond	To subsidize capital improvements
<u>\$ 139</u>			
	<b><u>Advances To Component Units</u></b>	<b><u>Advances From Primary Government</u></b>	<b><u>Purpose</u></b>
326	General Fund	MTTA	To provide cash flow
4,452	TPFA Internal Service Fund	TARE	To subsidize capital improvements
<u>\$ 4,778</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	Stormwater Management Fund
<b>Governmental Funds:</b>						
<b>Major Funds:</b>						
General Fund	\$ 2,303	\$ -	\$ -	\$ -	\$ 650	\$ 1,653
Debt Service	163	-	163	-	-	-
<b>Nonmajor Funds</b>	<b>2,655</b>	<b>155</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>-</b>
<b>Total Governmental Funds</b>	<b>5,121</b>	<b>155</b>	<b>163</b>	<b>2,500</b>	<b>650</b>	<b>1,653</b>
<b>Internal Service Funds</b>	<b>562</b>	<b>-</b>	<b>-</b>	<b>562</b>	<b>-</b>	<b>-</b>
<b>Enterprise Funds:</b>						
Stormwater Management Fund	2,051	-	339	1,697	15	-
One Technology Center	17	-	-	17	-	-
Arena & Convention Center	2,562	-	-	22	2,540	-
Tulsa Stadium Trust	2,215	-	-	-	2,215	-
Golf Courses Fund	287	150	-	137	-	-
<b>Total Enterprise Funds</b>	<b>7,132</b>	<b>150</b>	<b>339</b>	<b>1,873</b>	<b>4,770</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 12,815</b>	<b>\$ 305</b>	<b>\$ 502</b>	<b>\$ 4,935</b>	<b>\$ 5,420</b>	<b>\$ 1,653</b>

Transfers - in		Transfers - out	
Governmental Funds	\$ 5,121	Governmental Funds	\$ 11,162
Internal Service Funds	562	Internal Service Funds	-
Enterprise Funds	7,132	Enterprise Funds	1,653
<b>Total Primary Government</b>	<b>\$ 12,815</b>	<b>Total Primary Government</b>	<b>\$ 12,815</b>

**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.

*Note 7. Capital Assets*

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES:</b>				
<b>Nondepreciable capital assets:</b>				
Land	\$ 39,223	\$ -	\$ (80)	\$ 39,143
Land - Infrastructure use	488,427	-	-	488,427
Construction in progress:				
General government	42,809	15,137	(30,395)	27,551
Infrastructure	110,103	99,785	(57,558)	152,330
Total construction in progress	152,912	114,922	(87,953)	179,881
Total nondepreciable capital assets	680,562	114,922	(88,033)	707,451
<b>Depreciable capital assets:</b>				
Land improvements	76,357	8,219	-	84,576
Buildings	174,765	20,375	(540)	194,600
Equipment	188,589	7,194	(4,324)	191,459
Street network	3,155,320	56,143	-	3,211,463
Bridge network	39,424	-	-	39,424
Total depreciable capital assets	3,634,455	91,931	(4,864)	3,721,522
Total capital assets	4,315,017	206,853	(92,897)	4,428,973
<b>Accumulated depreciation:</b>				
Land improvements	(52,563)	(1,363)	-	(53,926)
Buildings	(75,552)	(4,105)	460	(79,197)
Equipment	(116,474)	(11,437)	4,294	(123,617)
Street network	(2,528,140)	(34,003)	-	(2,562,143)
Bridge network	(7,258)	(1,669)	-	(8,927)
Total accumulated depreciation	(2,779,987)	(52,577)	4,754	(2,827,810)
Total depreciable capital assets, net	854,468	39,354	(110)	893,712
<b>Governmental activities capital assets, net</b>	<b>\$ 1,535,030</b>	<b>\$ 154,276</b>	<b>\$ (88,143)</b>	<b>\$ 1,601,163</b>

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*Note 7. Capital Assets, continued*

	Beginning Balance	Additions	Reductions	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES:</b>				
<b>Nondepreciable capital assets:</b>				
Land	\$ 94,903	\$ 456	\$ -	\$ 95,359
Works of Art	653	-	-	653
Construction in progress	6,009	6,310	(2,093)	10,226
Total nondepreciable assets	101,565	6,766	(2,093)	106,238
<b>Depreciable capital assets:</b>				
Land improvements	370,287	5,701	-	375,988
Buildings	288,846	821	(5)	289,662
Equipment	59,408	592	(605)	59,395
Total depreciable capital assets	718,541	7,114	(610)	725,045
Total capital assets	820,106	13,880	(2,703)	831,283
<b>Accumulated depreciation:</b>				
Land improvements	(107,858)	(10,250)	-	(118,108)
Buildings	(81,183)	(9,281)	1	(90,463)
Equipment	(34,859)	(4,334)	589	(38,604)
Total accumulated depreciation	(223,900)	(23,865)	590	(247,175)
Total depreciable capital assets, net	494,641	(16,751)	(20)	477,870
<b>Business-type activities capital assets, net</b>	<b>\$ 596,206</b>	<b>\$ (9,985)</b>	<b>\$ (2,113)</b>	<b>\$ 584,108</b>
<b>DISCRETELY PRESENTED COMPONENT UNITS:</b>				
<b>Nondepreciable capital assets:</b>				
Land, easements and other	188,982	1,049	(172)	189,859
Water rights	9,593	1	-	9,594
Construction in progress	145,711	67,664	(113,048)	100,327
Total nondepreciable capital assets	344,286	68,714	(113,220)	299,780
<b>Depreciable capital assets:</b>				
Land improvements and water and sewer lines	1,852,980	99,660	(120)	1,952,520
Buildings	332,520	28,629	(1,757)	359,392
Equipment	140,209	7,287	(4,355)	143,141
Total depreciable capital assets	2,325,709	135,576	(6,232)	2,455,053
Total capital assets	2,669,995	204,290	(119,452)	2,754,833
<b>Accumulated depreciation:</b>				
Land improvements and water and sewer lines	(743,336)	(38,316)	120	(781,532)
Buildings	(189,628)	(9,133)	1,750	(197,011)
Equipment	(78,879)	(10,588)	4,377	(84,988)
Total accumulated depreciation	(1,011,843)	(58,037)	6,247	(1,063,531)
Total depreciable capital assets, net	1,313,866	77,539	15	1,391,522
<b>Component unit capital assets, net</b>	<b>\$ 1,658,152</b>	<b>\$ 146,253</b>	<b>\$ (113,205)</b>	<b>\$ 1,691,302</b>

Depreciation expense is charged to functional activities as follows:

Governmental Activities		Business-type Activities		Component Units	
General government	\$ 173	Stormwater Management	\$ 9,493	TMUA	\$ 37,144
Public safety and protection	9,808	One Technology Center	1,224	TARE	1,792
Public works and transportation	39,573	Arena & Convention Center	10,870	Tulsa Airports	14,071
Social and economic development	182	Tulsa Stadium Trust	1,969	Other	5,030
Culture and recreation	2,841	Golf Courses	309		\$ 58,037
	<u>\$ 52,577</u>		<u>\$ 23,865</u>		



*Note 8. Risk Management*

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

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

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

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

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

<b>Workers' Compensation Liability</b>	<b>2016</b>	<b>2015</b>
Claims liability at beginning of year	\$ 20,306	\$ 19,599
Current year claims and changes in estimates	3,242	5,909
Claims payments	(5,006)	(5,202)
Claims liability at end of year	<u>18,542</u>	<u>20,306</u>
<b>Tort Claims Liability</b>		
Claims liability at beginning of year	11,129	4,297
Current year claims and changes in estimates	8,965	8,531
Claims payments	(9,531)	(1,699)
Claims liability at end of year	<u>10,563</u>	<u>11,129</u>
<b>Total claims liability</b>	<u>\$ 29,105</u>	<u>\$ 31,435</u>

**Note 9. Pension and Deferred Compensation Plans**

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

- Municipal Employees’ Retirement Plan (“MERP”)
- Oklahoma Firefighters Pension Fund
- Oklahoma Police Pension and Retirement System

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

Below is a summary of amounts reported by the City:

	MERP	Firefighters	OPPRS	Total
Net Pension Liability	\$ 105,312	\$ 166,883	\$ 728	\$ 272,923
Deferred Outflows of Resources	36,668	9,808	7,001	53,477
Deferred Inflows of Resources	18,610	21,940	7,907	48,457
Pension Expense	7,509	12,387	2,504	22,400

**A. MUNICIPAL EMPLOYEES’ RETIREMENT PLAN**

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

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

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

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

**2. Summary of Significant Accounting Policies**

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

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

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

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

Pension provisions include death benefits for the surviving spouse. 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	2,402
Retirees and beneficiaries	
currently receiving benefits	1,900
Inactive members entitled to but	
not yet receiving benefits	290
	<u>4,592</u>

**5. Contributions** - The contribution requirements of active members and the participating employers are established by City ordinance. Plan members are required to contribute 6.5% of covered compensation to the Plan. The City is required to contribute the remaining amounts necessary to fund the system, which was 11.5% of covered compensation for 2016. During the year the City contributed \$6,439 in employer contributions.

*Note 9. Pension and Deferred Compensation Plans, continued*

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed income	24%	1.16%
Domestic equity	36%	6.19%
International equity	24%	6.59%
Real estate	8%	4.24%
Commodities	3%	0.50%
Timber	4%	4.25%
Cash	1%	0.11%

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

For the year ended, the annual money-weighted rate of return on MERP investments, net of investment expense, was 1.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**8. Net Pension Liability (for MERP):**

Total pension liability	\$ 629,218
Plan fiduciary net position	<u>(412,905)</u>
Net pension liability	<u>\$ 216,313</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>65.6%</u>

The total pension liability was determined using an actuarial valuation date of January 1, 2016 rolled forward from the valuation date to the fiscal year ending June 30, 2016 using generally accepted actuarial principals and methods.

Proportionate share and net pension liability reported in:

Governmental activities	42.8244%	\$ 92,635
Business type activities	5.8605%	12,677
Component units	38.1173%	82,453
Organizations not in reporting entity	13.1978%	28,548
	<u>100.0000%</u>	<u>\$ 216,313</u>

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

Valuation date	January 1, 2016
Investment rate of return*	7.50%
Projected salary increases*	4.00% - 11.75%
* Includes inflation at	3.00%
Mortality rates	RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments.

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

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

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

Beginning July 1, 2017, and all future years, it is assumed that the employer contribution rate will increase to 14.85% of payroll, which is the actuarially determined contributions rate.

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

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

*Note 9. Pension and Deferred Compensation Plans, continued*

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Plan	\$290,717	\$216,313	\$153,969
Primary Government	\$141,535	\$105,312	\$ 74,960

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

The primary government's pension expense for the year was \$7,509. At June 30, 2016, the primary government's deferred outflows of resources and deferred inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 1,124	\$ 2,726
Assumption Change	23,038	14,084
Net difference between projected and actual earnings on pension plan investments	10,704	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,802	1,800
	<u>\$ 36,668</u>	<u>\$ 18,610</u>

In 2016, amounts reported as changes in assumptions resulted primarily from the changes in the mortality table and discount rate from 7.75% to 7.50%.

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

Year ended June 30 <sup>th</sup>	
2017	\$ 678
2018	678
2019	10,755
2020	5,947
	<u>\$ 18,058</u>

**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, 2015, the most recent actuarial valuation.

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

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

**3. Contributions** - The Oklahoma Legislature sets the required contribution rate based on payroll and is not determined by actuary calculations. The City's contractually required contribution rate for the year ended June 30, 2016, was 14% of annual payroll, employee participants were required to contribute 9%. Contributions to the pension plan from the City were \$6,511 for the year ended June 30, 2016. The State of Oklahoma, a non-employer contributing agency, contributes 36% of taxes received

*Note 9. Pension and Deferred Compensation Plans, continued*

from the tax on premiums collected by insurance companies operating in Oklahoma. The State of Oklahoma contributed \$14,345 to the Firefighters System on behalf of the City for the year ended June 30, 2016.

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

- At June 30, 2016, the City reported a liability of \$166,883 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2015, the City's proportion was 15.7228%.

For the year ended June 30, 2016, the City recognized pension expense of \$12,387. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Plan experience	\$ 3,297	\$ -
Net difference between projected and actual earnings on pension plan investments	-	12,440
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	9,500
City contributions subsequent to the measurement date	6,511	-
	<u>\$ 9,808</u>	<u>\$ 21,940</u>

\$6,511 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The remaining amount of deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the associated measurement period, which was 6.31 to 6.37 years. The deferred inflow related to the difference between projected and actual

investment earnings is being amortized over a closed 5-year period beginning in the current year. Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense (gain) as follows:

Year	Amortization of Deferred Outflows
2017	\$ (5,681)
2018	(5,681)
2019	(5,681)
2020	438
2021	(1,493)
Thereafter	(545)
	<u>\$ (18,643)</u>

**5. Actuarial assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2012.

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

*Note 9. Pension and Deferred Compensation Plans, continued*

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	8.02%
International equity	9.94%
Fixed income	5.13%
Real estate	7.47%
Other investments	6.25%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 216,680	\$ 166,883	\$ 125,118

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

**C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM**

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

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

**3. Contributions** - The Oklahoma Legislature sets the required contribution rate based on payroll and is not determined by actuary calculations. The City's contractually required contribution rate for the year ended June 30, 2016, was 13% of annual payroll, employee participants were required to contribute 8%. The State of Oklahoma, a non-employer contributing agency, contributes 14% of taxes received from the tax on premiums collected by insurance companies operating in Oklahoma. Contributions to the pension plan from the City were \$7,001 for the year ended June 30, 2016. The State of Oklahoma contributed \$6,343 to the Police System on behalf of the City for the year ended June 30, 2016.

**4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2016, the City reported a liability of \$728 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on

*Note 9. Pension and Deferred Compensation Plans, continued*

of the City's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2015, the City's proportion was 17.8728%.

For the year ended June 30, 2016, the City recognized pension expense of \$2,504. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Plan experience	\$ -	\$ 4,030
Net difference between projected and actual earnings on pension plan investments	-	2,804
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,073
City contributions subsequent to the measurement date	7,001	-
	<u>\$ 7,001</u>	<u>\$ 7,907</u>

\$7,001 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The remaining amount of deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the associated measurement period, which was 5.77 to 5.83 years. The deferred inflows related to the difference between projected and actual investment earnings are being amortized over a closed 5-year period beginning in the current year. Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense (gain) as follows:

Year	
2017	\$ (3,203)
2018	(3,203)
2019	(3,203)
2020	2,180
2021	(529)
Thereafter	51
	<u>\$ (7,907)</u>

**5. Actuarial assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions:

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

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2012.

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

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

*Note 9. Pension and Deferred Compensation Plans, continued*

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.87%
International equity	7.68%
Private equity/debt	5.80%
Fixed Income	2.24%
Real Estate	5.47%
Commodities	2.96%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 43,788	\$ 728	\$ (35,574)

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

**D. DEFERRED COMPENSATION PLAN**

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

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

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

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

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



*Note 10. Other Post-Employment Benefits*

**A. OPEB 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:

Retired participants	123
Active employees	2,188
	<u>2,311</u>

**D. FUNDING POLICY**

The City offers retiree medical coverage at the same rate as that provided to current employees. The retirees are responsible for the full cost of the group contract rate.

**E. ANNUAL OPEB COSTS**

Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 675	\$ 797	118%	\$ 16,807
2015	910	618	68%	16,929
2014	1,062	1,332	125%	16,637

**F. The net OPEB obligation was calculated as follows:**

Annual Required Contribution	\$ 977
Interest on Net OPEB Obligation	677
Adjustment to Annual Required Contribution	(979)
Annual OPEB Cost	675
Contributions	(797)
Decrease in Net OPEB Obligation	(122)
Net OPEB Obligation, beginning of year	16,929
Net OPEB Obligation, end of year	<u>\$ 16,807</u>

**G. Net OPEB Obligation reported in:**

Governmental activities	\$ 8,179
Business type activities	1,226
Component units	6,712
Organizations not in reporting entity	690
	<u>\$ 16,807</u>

**H. The funded status of the plan as of July 1, 2015**

Actuarial Accrued Liability	\$ 9,713
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 9,713</u>
Funded ratio	0%
Covered payroll (active plan members)	<u>\$ 101,059</u>
UAAL as a percentage of covered payroll	<u>9.6%</u>

**I. 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

*Note 10. Other Post-Employment Benefits, continued*

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

**Actuarial Methods and Assumptions**

Valuation date	July 1, 2015
Actuarial cost method	Entry Age Normal
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%

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*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>
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental activities:</b>					
General obligation bonds	\$ 452,850	\$ 80,133	\$ (67,607)	\$ 465,376	\$ 52,053
Revenue bonds	6,980	-	(1,340)	5,640	1,365
Other long-term liabilities	295,571	80,049	(47,143)	328,477	31,848
Premium on debt issuance - GO bonds	15,443	3,858	(3,974)	15,327	-
Premium on debt issuance - Revenue bonds	401	-	(133)	268	-
Total governmental activities	<u>771,245</u>	<u>164,040</u>	<u>(120,197)</u>	<u>815,088</u>	<u>85,266</u>
<b>Business-type activities:</b>					
Revenue bonds	98,905	-	(3,065)	95,840	3,260
Unamortized discount--revenue bonds	(119)	-	6	(113)	-
Unamortized premium--revenue bonds	21	-	(1)	20	-
Compensated absences	702	937	(936)	703	504
Other post-employment benefits	1,166	60	-	1,226	-
Pension liability	6,795	6,008	(126)	12,677	-
Contract obligation	66	-	(66)	-	-
Total business-type activities	<u>107,536</u>	<u>7,005</u>	<u>(4,188)</u>	<u>110,353</u>	<u>3,764</u>
Total primary government	<u>\$ 878,781</u>	<u>\$ 171,045</u>	<u>\$ (124,385)</u>	<u>\$ 925,441</u>	<u>\$ 89,030</u>
<b>COMPONENT UNITS</b>					
Revenue bonds:					
TAIT	\$ 176,370	\$ -	\$ (9,425)	\$ 166,945	\$ 7,820
TMUA	141,110	27,450	(9,810)	158,750	10,460
TPA	14,470	-	(1,750)	12,720	1,790
Premium on debt issuance - TMUA	2,570	1,173	(415)	3,328	-
Premium on debt issuance - TAIT	7,457	-	(439)	7,018	-
Unamortized bond discount - TAIT	(613)	-	47	(566)	-
Premium on debt issuance - TPA	559	-	(93)	466	-
	<u>341,923</u>	<u>28,623</u>	<u>(21,885)</u>	<u>348,661</u>	<u>20,070</u>
General obligation bonds - TMUA	29,610	5,587	(10,633)	24,564	6,627
Premium on debt issuance - TMUA	808	441	(310)	939	-
	<u>30,418</u>	<u>6,028</u>	<u>(10,943)</u>	<u>25,503</u>	<u>6,627</u>
Promissory notes - TMUA	248,547	11,971	(17,851)	242,667	15,436
Unamortized bond discount - TMUA	(90)	-	14	(76)	-
Premium on debt issuance - TMUA	8,488	-	(505)	7,983	-
	<u>256,945</u>	<u>11,971</u>	<u>(18,342)</u>	<u>250,574</u>	<u>15,436</u>
Capital lease	3,982	-	(194)	3,788	200
Watermain extension contracts	3,801	-	(437)	3,364	366
Claims and judgments - Airport	860	-	(143)	717	158
Compensated absences	5,802	3,897	(3,975)	5,724	2,999
Other post-employment benefits	6,669	67	(24)	6,712	-
Pension liability	52,139	38,556	(653)	90,042	-
Total component units	<u>\$ 702,539</u>	<u>\$ 89,142</u>	<u>\$ (56,596)</u>	<u>\$ 735,085</u>	<u>\$ 45,856</u>

*Note 11. Long-Term Liabilities, continued*

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

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

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

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

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

**B. PRIMARY GOVERNMENT**

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

**General Obligation Bond Refunding** - On April 28, 2016, the City issued \$28,720 in Series 2016A General Obligation Refunding Bonds. The proceeds of the issue along with \$3,636 of other City resources were used to currently refund the City's Series 2008 General Obligation Bonds.

The transaction will reduce debt service payments by approximately \$6,805 over the next 3 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3,221. The refunding resulted in a deferred loss of \$561 which will be amortized over the life of the new bonds.

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*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
<b>Governmental activities</b>								
<b>General obligation bonds:</b>								
Series 2004-A, Refunding	\$ 28,021	2016	5.0%	\$ 2,486	\$ -	\$ (2,486)	\$ -	\$ -
Series 2008	35,851	2028	4.0-4.75%	24,494	-	(24,494)	-	-
Series 2009	48,454	2029	3.0-4.25%	35,593	-	(2,572)	33,021	2,572
Series 2009B	70,000	2019	5.0%	38,800	-	(7,800)	31,000	7,800
Series 2009A, Refunding	9,153	2019	3.5-4.0%	3,877	-	(988)	2,889	969
Series 2009B, Refunding	14,405	2021	3.5-5.0%	7,509	-	(1,298)	6,211	1,271
Series 2010	70,000	2020	0.05	46,600	-	(7,800)	38,800	7,800
Series 2011	50,000	2031	3.0-3.50%	44,700	-	(2,650)	42,050	2,650
Series 2011A, Refunding	21,105	2022	2.50-4.25%	12,625	-	(1,965)	10,660	1,910
Series 2013A, Refunding	23,746	2025	2.50%	19,093	-	(2,214)	16,879	2,141
Series 2013	45,000	2023	4.0%	40,000	-	(5,000)	35,000	5,000
Series 2014	50,000	2034	3.0-4.0%	50,000	-	(2,660)	47,340	2,630
Series 2014A, Refunding	15,875	2026	2.0-3.0%	15,875	-	(1,680)	14,195	1,626
Series 2015	70,000	2040	2.0-3.25%	70,000	-	-	70,000	2,955
Series 2015A, Refunding	41,198	2027	2.0-2.5%	41,198	-	(4,000)	37,198	3,869
Series 2016	57,000	2036	3.0%	-	57,000	-	57,000	-
Series 2016A, Refunding	23,133	2019	5.0%	-	23,133	-	23,133	8,860
				452,850	80,133	(67,607)	465,376	52,053
Premium on debt issuance				15,443	3,858	(3,974)	15,327	-
				468,293	83,991	(71,581)	480,703	52,053
<b>Revenue bonds:</b>								
Capital Improvements - 2012	\$ 10,900	2020	3.0-4.0%	6,980	-	(1,340)	5,640	1,365
Premium on debt issuance				401	-	(133)	268	-
				7,381	-	(1,473)	5,908	1,365
<b>Other long-term liabilities:</b>								
Compensated absences				29,273	21,043	(20,738)	29,578	21,205
Other post-employment benefits				8,411	23	(255)	8,179	-
Pension liability				224,740	46,776	(11,270)	260,246	-
Claims and judgments				31,435	12,207	(14,537)	29,105	10,300
Due to other governments				1,712	-	(343)	1,369	343
				295,571	80,049	(47,143)	328,477	31,848
Total governmental activities				\$ 771,245	\$ 164,040	\$ (120,197)	\$ 815,088	\$ 85,266
<b>Business-type activities</b>								
<b>Revenue bonds:</b>								
Lease Rev Bonds 2007A	\$ 34,620	2037	4.625-5.25%	\$ 34,620	\$ -	\$ -	\$ 34,620	\$ -
Lease Rev Bonds 2007B	33,130	2029	5.58 - 6.60%	23,925	-	-	23,925	-
Capital Improvements - 2008	16,000	2027	6.07%	10,755	-	(1,095)	9,660	1,190
Capital Improvements - 2012, Refunding	9,480	2018	1.25%	6,860	-	(1,400)	5,460	1,485
Improvement District - 2013, Tax-exempt	19,355	2038	4.26%	18,890	-	(475)	18,415	490
Improvement District - 2013, Taxable	3,950	2038	5.24%	3,855	-	(95)	3,760	95
				98,905	-	(3,065)	95,840	3,260
Unamortized discount				(119)	-	6	(113)	-
Unamortized premium				21	-	(1)	20	-
				98,807	-	(3,060)	95,747	3,260
<b>Other long-term liabilities:</b>								
Compensated absences				702	937	(936)	703	504
Other post-employment benefits				1,166	60	-	1,226	-
Pension liability				6,795	6,008	(126)	12,677	-
Contract obligation				66	-	(66)	-	-
Total business-type activities				\$ 107,536	\$ 7,005	\$ (4,188)	\$ 110,353	\$ 3,764

*Note 11. Long-Term Liabilities, continued*

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

General Obligation Series	Ending Balance	Primary Government	Component Units
Series 2009 (6.4604247% Sewer)	\$ 35,300	\$ 33,021	\$ 2,279
Series 2009B	31,000	31,000	-
Series 2009A, Refunding (37.668% Sewer)	4,635	2,889	1,746
Series 2009B, Refunding (30.5625% Sewer)	8,945	6,211	2,734
Series 2010	38,800	38,800	-
Series 2011	42,050	42,050	-
Series 2011A, Refunding	10,660	10,660	-
Series 2012A, Refunding (100% Sewer)	1,955	-	1,955
Series 2013A Refunding (26.438% Sewer)	22,945	16,879	6,066
Series 2013	35,000	35,000	-
Series 2014	47,340	47,340	-
Series 2014A, Refunding (2.6354839% Sewer)	14,580	14,195	385
Series 2015	70,000	70,000	-
Series 2015A, Refunding (9.2949512% Sewer)	41,010	37,198	3,812
Series 2016	57,000	57,000	-
Series 2016A Refunding (19.45405530% Sewer)	28,720	23,133	5,587
	<u>\$ 489,940</u>	<u>\$ 465,376</u>	<u>\$ 24,564</u>

**C. COMPONENT UNITS**

**1. Revenue Bonds**

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

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

**2. Promissory Notes**

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.

**3. TMUA Line of Credit**

On July 10, 2013 TMUA approved a \$10,000 line of credit agreement with a banking institution. The agreement is for an initial two year term and renewable in two year increments thereafter. In October 2016, TMUA approved the first amendment to the agreement, extending the maturity date to October 22, 2017. The applicable interest rate is the 30 day LIBOR plus 1.75%. There have been no draws under the agreement.

**4. Conduit Debt – Tulsa International Airport**

To pay the costs of certain modifications, rehabilitation, and reconstruction to special facilities located at the Tulsa International Airport, the Airport issued a series of Special Facility Revenue Bonds. At June 30, 2016, Special Facility Revenue Bonds outstanding aggregated \$10,120.

The outstanding amounts are special limited obligations of the Airport, payable solely from and collateralized by

*Note 11. Long-Term Liabilities, continued*

a pledge of rentals to be received from a lease agreement between the Airport and Biz Jet International. The bonds do not constitute a debt or pledge of the faith and credit of the Airport or the City, and accordingly, neither the assets nor the debt are reported in the accompanying financial statements.

**5. Tulsa Industrial Authority**

Notes and bonds issued by the Tulsa Industrial Authority are utilized by industrial, commercial and other

organizations to promote economic development within and near the territorial limits of the City of Tulsa.

TIA loans the proceeds from the notes and bonds to organizations or enters into lease-purchase agreements for the facilities. The notes and bonds issued by TIA are special and limited obligations payable solely out of revenues from the loan agreements and security provided by the loan agreements. At June 30, 2016, the aggregate outstanding principal balances due on these notes and bonds are approximately \$134,000.

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*Note 11. Long-Term Liabilities, continued*

Component Units long-term liability activity is as follows:

	<u>Authorized Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>REVENUE BONDS:</b>								
<b><u>Tulsa Airports Improvement Trust</u></b>								
Series 2004-B	\$ 2,200	2017	4.95%	\$ 400	\$ -	\$ (200)	\$ 200	\$ 200
Series 2009-D	56,615	2031	2.726-7.759%	49,020	-	(840)	48,180	650
Series 2010-A	5,770	2021	4.57-5.0%	3,860	-	(580)	3,280	605
Series 2010-B	8,215	2021	6.0-6.50%	5,040	-	(725)	4,315	765
Series 2010-C	13,520	2025	4.0-5.25%	7,705	-	(1,515)	6,190	1,520
Series 2013-A	33,665	2043	5.0-5.25%	33,665	-	-	33,665	600
Series 2013-B	3,275	2043	1.389-5.087%	3,045	-	(235)	2,810	240
Series 2015-A	44,045	2045	2.0-5.0%	43,755	-	(1,650)	42,105	1,510
Series 2015-B	6,670	2018	2.0-4.0%	5,025	-	(1,665)	3,360	1,640
Series 2015-C	895	2045	2.0-4.25%	895	-	(20)	875	20
Series 2015-D	24,395	2028	2.0-5.0%	23,960	-	(1,995)	21,965	70
				<u>176,370</u>	<u>-</u>	<u>(9,425)</u>	<u>166,945</u>	<u>7,820</u>
Premium on debt issuance				7,457	-	(439)	7,018	-
Unamortized discount				(613)	-	47	(566)	-
				<u>183,214</u>	<u>-</u>	<u>(9,817)</u>	<u>173,397</u>	<u>7,820</u>
<b><u>Tulsa Metropolitan Utility Authority</u></b>								
Series 2009	\$ 21,500	2029	3.0-4.75%	\$ 17,270	\$ -	\$ (810)	\$ 16,460	\$ 840
Series 2010	14,510	2030	2.5-4.0%	12,825	-	(590)	12,235	610
Series 2011	24,100	2031	3.0-4.375%	20,675	-	(875)	19,800	900
Series 2012 Refunding	12,685	2025	2.0-2.65%	9,795	-	(970)	8,825	975
Series 2013 Refunding	61,280	2025	2.5-3.0%	52,780	-	(4,400)	48,380	4,480
Series 2014	17,825	2034	2.0-3.50%	17,825	-	(660)	17,165	665
Series 2015	9,940	2027	2.0-3.0%	9,940	-	(1,505)	8,435	670
Series 2016A	16,565	2031	3.0-3.25%	-	16,565	-	16,565	900
Series 2016B	10,885	2036	2.0-3.50%	-	10,885	-	10,885	420
				<u>141,110</u>	<u>27,450</u>	<u>(9,810)</u>	<u>158,750</u>	<u>10,460</u>
Premium on debt issuance				2,570	1,173	(415)	3,328	-
				<u>143,680</u>	<u>28,623</u>	<u>(10,225)</u>	<u>162,078</u>	<u>10,460</u>
<b><u>Tulsa Parking Authority</u></b>								
Series 2012 - Refunding	\$ 17,860	2028	2.0-4.0%	14,470	-	(1,750)	12,720	1,790
Premium on debt issuance				559	-	(93)	466	-
				<u>15,029</u>	<u>-</u>	<u>(1,843)</u>	<u>13,186</u>	<u>1,790</u>
	<u>\$ 341,923</u>			<u>\$ 28,623</u>	<u>\$ (21,885)</u>	<u>\$ 348,661</u>	<u>\$ 20,070</u>	

Continued



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*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
<b>PROMISSORY NOTES:</b>								
<b><u>Tulsa Metropolitan Utility Authority</u></b>								
Series 1997-A, Sanitary Sewer	\$ 4,035	2016	0.50%	\$ 309	\$ -	\$ (206)	\$ 103	\$ 103
Series 1998-B, Sanitary Sewer	4,392	2017	0.50%	573	-	(229)	344	229
Series 2001-B, Sanitary Sewer	4,996	2020	0.50%	1,315	-	(263)	1,052	263
Series 2002-D, Sanitary Sewer	6,813	2021	0.50%	2,271	-	(349)	1,922	349
Series 2004-B, Sanitary Sewer	1,560	2023	0.50%	680	-	(80)	600	80
Series 2005-B, Sanitary Sewer	7,900	2027	0.50-2.74%	5,252	-	(349)	4,903	360
Series 2005-C, Sanitary Sewer	1,203	2025	0.50%	631	-	(60)	571	60
Series 2006-A, Sanitary Sewer	3,130	2027	0.50-2.74%	2,027	-	(134)	1,893	139
Series 2006-B, Sanitary Sewer	835	2016	1.51%	105	-	(105)	-	-
Series 2006-C, Sanitary Sewer	17,825	2029	0.50-2.77%	13,170	-	(729)	12,441	753
Series 2006, Sanitary Sewer	52,585	2025	4.145-5.145%	35,430	-	(2,545)	32,885	2,650
Series 2007-A, Sanitary Sewer	5,131	2026	0.50%	3,026	-	(263)	2,763	263
Series 2007-B, Sanitary Sewer	8,365	2026	4.020-4.645%	5,880	-	(384)	5,496	402
Series 2009-A, Sanitary Sewer	11,320	2032	3.22%	8,309	-	(566)	7,743	566
Series 2009-B, Sanitary Sewer	7,350	2032	2.91%	4,644	-	(213)	4,431	221
Series 2010-A, Sanitary Sewer	27,757	2032	2.89%	20,522	3,080	(1,388)	22,214	1,388
Series 2010-B, Sanitary Sewer	29,380	2030	3.145-5.145%	25,045	-	(1,160)	23,885	1,195
Series 2011 A, Sanitary Sewer	23,480	2033	3.11%	19,828	1,487	(1,174)	20,141	1,174
Series 2011-B, Sanitary Sewer	14,275	2031	2.145-5.145%	12,750	-	(535)	12,215	555
Series 2011 C, Sanitary Sewer	16,700	2034	2.55%	15,032	-	(835)	14,197	835
Series 2012A, Sanitary Sewer	4,347	2034	2.43%	1,450	1,980	(217)	3,213	217
Series 2012-B, Sanitary Sewer	11,355	2032	2.145-3.395%	10,260	-	(445)	9,815	455
Series 2012C, Sanitary Sewer	2,450	2017	2.145-4.145%	1,490	-	(490)	1,000	495
Series 2013A, Sanitary Sewer	9,850	2035	2.24%	922	3,336	-	4,258	493
Series 2013B, Sanitary Sewer	27,605	2033	2.645-5.145%	26,250	-	(960)	25,290	985
Series 2014A (ORF-14-0002-CW)	2,910	2035	2.58%	522	1,875	(73)	2,324	146
Series 2014B (FAP-14-0001-L)	10,180	2033	2.145-4.06%	9,955	-	(415)	9,540	420
Series 2014C (FAP-14-0004-L)	17,735	2034	2.145-5.145%	17,735	-	(520)	17,215	640
Series 2015A (ORF-16-0001-CW)	28,330	2038	2.46%	-	213	-	213	-
Series 2009C (ORF-09-0007-DW)	5,225	2031	3.32%	3,164	-	(3,164)	-	-
				<u>248,547</u>	<u>11,971</u>	<u>(17,851)</u>	<u>242,667</u>	<u>15,436</u>
Premium on debt issuance-TMUA				8,488	-	(505)	7,983	-
Unamortized discount-TMUA				(90)	-	14	(76)	-
				<u>\$ 256,945</u>	<u>\$ 11,971</u>	<u>\$ (18,342)</u>	<u>\$ 250,574</u>	<u>\$ 15,436</u>

**GENERAL OBLIGATION BONDS:**

<b><u>Tulsa Metropolitan Utility Authority</u></b>								
Series 2004-A, Refunding	\$ 949	2016	5.0%	\$ 84	\$ -	\$ (84)	\$ -	\$ -
Series 2008, Sanitary Sewer	8,659	2028	4.0-4.75%	5,916	-	(5,916)	-	-
Series 2009, Sanitary Sewer	3,346	2029	3.0-4.25%	2,457	-	(178)	2,279	178
Series 2009A Refunding, Sanitary Sewer	5,532	2019	3.5-4.0%	2,343	-	(597)	1,746	586
Series 2009B Refunding, Sanitary Sewer	6,340	2021	4.0-5.0%	3,306	-	(572)	2,734	559
Series 2012A Refunding, Sanitary Sewer	10,575	2017	4.0%	3,990	-	(2,035)	1,955	1,955
Series 2013A Refunding, Sanitary Sewer	8,534	2025	2.50%	6,862	-	(796)	6,066	769
Series 2014A Refunding, Sanitary Sewer	430	2026	2.0-3.0%	430	-	(45)	385	44
Series 2015A Refunding, Sanitary Sewer	4,222	2027	2.0-2.5%	4,222	-	(410)	3,812	396
Series 2016A Refunding, Sanitary Sewer	5,587	2019	5.00%	-	5,587	-	5,587	2,140
				<u>29,610</u>	<u>5,587</u>	<u>(10,633)</u>	<u>24,564</u>	<u>6,627</u>
Premium on debt issuance-TMUA				808	441	(310)	939	-
				<u>\$ 30,418</u>	<u>\$ 6,028</u>	<u>\$ (10,943)</u>	<u>\$ 25,503</u>	<u>\$ 6,627</u>

*Note 11. Long-Term Liabilities, continued*

Principal and Interest Payments in Subsequent Years:

Year	Primary Government					
	General Obligation		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 52,053	\$ 15,779	\$ 4,625	\$ 5,147	\$ 56,678	\$ 20,926
2018	54,420	13,722	4,475	4,977	58,895	18,699
2019	51,210	11,596	5,230	4,818	56,440	16,414
2020	44,083	9,605	4,690	4,617	48,773	14,222
2021	36,082	8,132	3,430	4,369	39,512	12,501
2022-2026	109,861	27,938	18,275	18,733	128,136	46,671
2027-2031	66,242	14,270	21,400	12,762	87,642	27,032
2032-2036	39,765	5,229	25,595	6,930	65,360	12,159
2037-2041	11,660	941	13,760	820	25,420	1,761
	<u>\$ 465,376</u>	<u>\$ 107,212</u>	<u>\$ 101,480</u>	<u>\$ 63,173</u>	<u>\$ 566,856</u>	<u>\$ 170,385</u>

Year	Component Units							
	General Obligation		Revenue Bonds		Promissory Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,627	\$ 884	\$ 20,070	\$ 14,894	\$ 15,436	\$ 8,760	\$ 42,133	\$ 24,538
2018	4,550	619	20,085	14,229	15,736	8,295	40,371	23,143
2019	3,810	436	20,645	13,555	15,209	7,786	39,664	21,777
2020	1,807	284	20,270	12,828	15,574	7,270	37,651	20,382
2021	1,798	225	20,335	11,743	15,676	6,749	37,809	18,717
2022-2026	5,164	517	107,920	48,230	82,452	24,648	195,536	73,395
2027-2031	808	49	82,645	25,050	61,271	10,563	144,724	35,662
2032-2036	-	-	20,985	9,624	21,313	1,381	42,298	11,005
2037-2041	-	-	15,125	5,238	-	-	15,125	5,238
2042-2045	-	-	10,335	1,128	-	-	10,335	1,128
	<u>\$ 24,564</u>	<u>\$ 3,014</u>	<u>\$ 338,415</u>	<u>\$ 156,519</u>	<u>\$ 242,667</u>	<u>\$ 75,452</u>	<u>\$ 605,646</u>	<u>\$ 234,985</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 Improvement Trust</u>	
1997B Revenue Bonds	\$ 2,450
2000A Revenue Bonds	\$ 3,525

*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
<b>Fund balances:</b>						
<b>    Nonspendable:</b>						
<b>        Not in spendable form:</b>						
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>
<b>    Restricted for:</b>						
Economic stabilization reserve	2,000	-	-	-	-	2,000
Debt service	-	65,723	-	-	-	65,723
Capital projects	-	-	166,748	211,435	7,091	385,274
Federal and state grants	-	-	-	-	4,750	4,750
E-911 operations	-	-	-	-	288	288
Economic development	-	-	-	-	1,608	1,608
Tulsa Stadium district improvements	-	-	-	-	681	681
Law enforcement training	-	-	-	-	18	18
Juvenile crime	-	-	-	-	5	5
Other governmental purposes	-	-	-	-	449	449
	<u>2,000</u>	<u>65,723</u>	<u>166,748</u>	<u>211,435</u>	<u>14,890</u>	<u>460,796</u>
<b>    Committed:</b>						
Medical services program	-	-	-	-	3,227	3,227
Operation of Air Force Plant 3 facility	-	-	-	-	1,420	1,420
Whittier Square district improvements	-	-	-	-	44	44
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,691</u>	<u>4,691</u>
<b>    Assigned to:</b>						
Budgetary resources - subsequent year	5,183	-	-	-	-	5,183
<b>Unassigned</b>	<u>54,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(310)</u>	<u>53,942</u>
	<u>\$ 62,046</u>	<u>\$ 65,723</u>	<u>\$ 166,748</u>	<u>\$ 211,435</u>	<u>\$ 19,271</u>	<u>\$ 525,223</u>

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

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

### *Note 13. Pledged Revenues*

#### **1. Revenues Pledged in Connection with Proprietary Fund Debt**

**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. 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 59% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$108,509. Principal and interest paid on the bonds amounted to \$4,739. Total gross revenues were \$8,061.

**Capital Improvements 2008** - TPFA has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Arena to repay approximately \$16,000 in capital improvement bonds. Proceeds from the bonds provided financing for the acquisition, construction, furnishing and equipping of capital improvements and additions to the BOK Arena. The bonds are payable from new and existing sponsorship and naming rights revenues and are payable through 2027. Annual principal and interest payments on the bonds required 84% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$13,147. Principal and interest paid for the year was \$1,748. Total gross sponsorship and naming rights revenues were \$2,080.

**Capital Improvements 2012** - TPFA has entered into a projects agreement with TARE to provide financing for the acquisition and delivery of trash carts and other capital improvements for use in the operations of TARE's system for solid waste management providing collection and disposal of residential solid waste. In return TARE has pledged future revenues to repay \$10,900 in capital improvement bonds issued payable through 2020. Total principal and interest remaining to be paid on the bonds is \$6,210. Principal and interest paid for the year was \$1,608. Total solid waste collection and disposal revenue was \$26,599.

**Improvement District Series 2013** – TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$22,175 in revenue bonds. Proceeds from the bonds provided financing for construction of the baseball stadium and related facilities. The bonds are payable from gross revenues along with property tax assessments of the Tulsa Stadium Improvement District

received from the City and are payable through 2039. Annual principal and interest payments on the bonds required 64% of total gross revenues. The total principal and interest remaining to be paid on the bonds is \$36,787. Principal and interest required to be paid for the year was \$1,602 exclusive of any additional amounts paid. Total gross revenues were \$282 and property tax assessments received from the City were \$2,215.

#### **2. Revenues Pledged in Connection with Component Unit Debt**

**TMUA** - TMUA has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$158,750 in water and wastewater system revenue bonds and \$242,667 in wastewater promissory notes. Proceeds from the bonds and promissory notes provided financing for the construction of various water and wastewater capital projects. The bonds and promissory notes are payable solely from water and wastewater net revenues and are payable through 2038. Annual principal and interest payments on the bonds required 25% and 34% of water and wastewater net revenues, respectively. The total principal and interest remaining to be paid on the bonds and promissory notes is \$185,453 and \$332,897 for water and wastewater, respectively. Combined principal and interest paid for the year were \$17,406 and \$23,622, for water and wastewater respectively. Total net revenues were \$57,416 and \$81,038, respectively.

**Airports** - TAIT has pledged future revenues derived from the operation of the Airports to repay approximately \$199,265 in revenue bonds. Proceeds from the bonds provided financing for various airport capital projects and debt refundings. The bonds are payable solely from gross revenues and are payable through 2045. Annual principal and interest payments on the bonds required 42% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$279,668. Principal and interest paid for the year was \$19,417. Total gross revenues were \$45,529.

**TPA** - TPA has pledged future gross revenues derived from the operation of the parking facilities to repay approximately \$17,860 in revenue bonds. Proceeds from the bonds provided financing for various parking facilities and debt refundings. The bonds are payable solely from gross revenues and are payable through 2028. Annual principal and interest payments on the bonds required 28% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$15,037. Principal and interest paid for the year were \$1,750 and \$436, respectively. Total gross revenues were \$7,925.

*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 \$444 for all types of leases for the primary government and \$611 for its component units.

**Capital Leases**

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

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

Minimum lease payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Operating Expense</u>	<u>Total</u>
2017	\$ 200	\$ 122	\$ 301	\$ 623
2018	206	116	301	623
2019	213	109	301	623
2020	220	102	301	623
2021	227	95	301	623
2022-2026	1,253	361	1,507	3,121
2027-2031	1,469	145	1,507	3,121
	<u>\$ 3,788</u>	<u>\$ 1,050</u>	<u>\$ 4,519</u>	<u>\$ 9,357</u>

*Note 15. Contingent Liabilities*

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

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

*Note 16. Commitments*

Primary Government Encumbrances:

<b>Governmental Funds:</b>	
Major Funds:	
General Fund	\$ 5,022
Sales Tax	61,772
Bond	38,207
Nonmajor Funds	10,987
	<u>115,988</u>
<b>Internal Service Funds</b>	<u>1,100</u>
<b>Enterprise Funds:</b>	
Stormwater Management	6,446
One Technology Center	355
	<u>6,801</u>
<b>Total</b>	<u>\$ 123,888</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, 2016 through December 7, 2016, the date these financial statements were available to be issued.

**General Obligation Bonds, Series 2017** – On or around March 2017, the City plans to issue \$78,000 in Series 2017 General Obligation Bonds. This issuance is for the purpose of constructing, reconstructing, improving and repairing streets and bridges.

**General Obligation Refunding Bonds, Series 2017A** – On or around March 2017, the City plans to issue \$33,355 in Series 2017A General Obligation Refunding Bonds. The proceeds will currently refund the City's Series 2009 General Obligation bonds.

**TMUA Revenue Bonds Refunding Series 2016C** – On July 7, 2016 the Authority issued the Series 2016C Revenue Bonds in the amount of \$34,810. The bonds mature in 2025 and require annual principal payments and semiannual interest payments at a rate of 5.0%. Proceeds will be used to refund the 2006 promissory note in the amount of \$32,885 and the 2007B promissory note in the amount of \$5,496.

**TMUA Revenue Bonds Refunding Series 2017A** – On November 16, 2016 the Authority approved the issuance of the Series 2017A Refunding Bonds in the principal amount of \$27,765. Proceeds will be used to refund the Series 2009 Revenue Bonds in the amount of \$16,460 and the 2010 Revenue Bonds in the amount of \$11,935.

**TPFA 2008 Capital Improvement Bonds** – On October 5, 2016 Moody's Investment Service downgraded their rating on the Authority's Series 2008 Capital Improvement bonds to Aa3 from Aa2, with the outlook remaining stable. The downgrade is a result of a nationwide change in Moody's methodology and classification of the BOK Arena activities as not related to a core governmental service.

*Note 18. Future Changes in Accounting Pronouncements*

The Governmental Accounting Standards Board (GASB) has issued several statements not yet effective and not yet implemented by the City. The City plans to implement all applicable standards by the required dates.

**GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions** – Issued in June 2016, will be effective for the City beginning with its fiscal year ending June 30, 2018. This Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

**GASB Statement No. 77 – Tax Abatement Disclosures** - Issued in August 2016, will be effective for the City beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements

that are entered into by other governments and which reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements.

**GASB Statement No. 82 – Pension Issues- An Amendment of GASB Statements No. 67, No. 68, and No. 73** - Issued in March 2016, will be effective for the City beginning with its fiscal year ending June 30, 2018. This statement clarified that a deviation, as the term used in Actuarial Standards of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures.

Prior to the issues of this Statement, Statements 67 and 68 required presentation of covered employee payroll, which is the payroll of employees that are provided pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statement 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based and ratios that use that measure.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability:</b>			
Service cost	\$ 12,203	\$ 12,561	\$ 15,518
Interest	41,536	40,928	38,247
Changes of benefit terms	-	(788)	-
Differences between expected and actual experience	2,979	(8,598)	(1,581)
Changes of assumptions	61,038	-	(71,058)
Benefit payments, including refunds of member contributions	<u>(36,326)</u>	<u>(35,842)</u>	<u>(33,472)</u>
Net change in total pension liability	81,430	8,261	(52,346)
Total pension liability—beginning	547,788	539,527	591,873
Total pension liability—ending (a)	<u>\$ 629,218</u>	<u>\$ 547,788</u>	<u>\$ 539,527</u>
<b>Plan fiduciary net position:</b>			
Contributions—employer	\$ 14,016	\$ 12,886	\$ 12,003
Contributions—member	7,533	7,182	6,677
Net investment income	5,523	10,797	61,164
Benefit payments, including refunds of member contributions	(36,326)	(35,842)	(33,472)
Administrative expense	<u>(375)</u>	<u>(295)</u>	<u>(313)</u>
Net change in plan fiduciary net position	(9,629)	(5,272)	46,059
Plan fiduciary net position—beginning	422,534	427,806	381,747
Plan fiduciary net position—ending (b)	<u>\$ 412,905</u>	<u>\$ 422,534</u>	<u>\$ 427,806</u>
Plan's net pension liability—ending (a) – (b)	<u>\$ 216,313</u>	<u>\$ 125,254</u>	<u>\$ 111,721</u>

**Notes:**

Information for years prior to 2014 is not available.

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

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

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

<u>Year</u>	<u>Primary Government Proportion of Net Pension Liability</u>	<u>Primary Government Proportionate Share of Net Pension Liability</u>	<u>Primary Government Covered Payroll</u>	<u>Primary Government Proportionate Share of Net Pension Liability as a Percentage of its Covered- Employee Payroll</u>	<u>Plan Fiduciary net Position as a Percentage of Total Pension Liability</u>
2016	48.6849%	\$ 105,312	\$ 55,991	188%	65.6%
2015	47.7731%	59,838	54,059	111%	77.1%
2014	48.8840%	54,614	52,162	105%	79.3%

**Note:**

Information for years prior to 2014 is not available.

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*Municipal Employees' Retirement Plan Defined Benefits Pension Plan  
 Schedule of City's Contributions  
 For the current and past eight years*

Year	Primary Government Contractually Required Contribution	Primary Government Actual Contributions	Contribution Deficiency (Excess)	Primary Government Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 6,439	\$ 6,439	\$ -	\$ 55,991	11.5%
2015	6,217	6,217	-	54,059	11.5%
2014	5,216	5,520	(304)	52,162	10.6%
2013	5,707	7,061	(1,354)	57,070	12.4%
2012	4,988	6,886	(1,898)	53,638	12.8%
2011	3,289	3,289	-	52,204	6.3%
2010	3,732	3,732	-	59,235	6.3%
2009	3,795	3,795	-	60,236	6.3%
2008	3,904	3,904	-	61,963	6.3%

**Note:**

Information for years prior to 2008 is not available.

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*Municipal Employees' Retirement Plan Defined Benefits Pension Plan  
 Schedule of Investment Returns  
 For the current and prior three years, and  
 Schedule of Actuarial Valuation, Methods and Assumptions*

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

(Information for prior years is not available)

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2016	2015	2014	2013
1.7%	2.7%	16.9%	11.8%

**Actuarial Valuation, Methods and Assumptions**

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

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

Year	City's Proportion of Net Pension Liability	City's Proportionate Share of Net Pension Liability	City's Covered Payroll	City's Proportionate Share of Net Pension Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	15.7228%	\$ 166,883	\$ 46,505	358.85%	68.3%
2015	16.6964%	171,697	42,958	370.92%	68.1%

**Note:**

Information for years prior to 2015 is not available.

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 6,511	\$ 6,511	\$ -	\$ 46,505	14%
2015	6,014	6,014	-	42,958	14%
2014	5,995	5,995	-	45,889	13%
2013	5,661	5,661	-	43,543	13%
2012	5,456	5,456	-	41,968	13%
2011	5,092	5,092	-	39,170	13%
2010	5,306	5,306	-	40,814	13%
2009	5,477	5,477	-	42,127	13%
2008	5,265	5,265	-	40,503	13%
2007	4,971	4,971	-	38,239	13%



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

Year	City's Proportion of Net Pension Liability (Asset)	City's Proportionate Share of Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
2016	17.8728%	\$ 728	\$ 53,854	1.35%	99.8%
2015	19.1732%	(6,455)	50,332	-12.82%	101.5%

**Note:**  
 Information for years prior to 2015 is not available.

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 7,001	\$ 7,001	\$ -	\$ 53,854	13%
2015	6,543	6,543	-	50,332	13%
2014	6,594	6,594	-	50,720	13%
2013	6,595	6,595	-	50,727	13%
2012	6,135	6,135	-	47,189	13%
2011	5,961	5,961	-	45,855	13%
2010	6,112	6,112	-	47,018	13%
2009	6,585	6,585	-	50,653	13%
2008	6,429	6,429	-	49,452	13%
2007	6,000	6,000	-	46,152	13%

*Other Post-Employment Benefits*  
 For the current and prior two years

**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)
7/1/15	\$ -	\$ 9,713	\$ 9,713	0.0%	\$ 101,059	9.6%
7/1/14	-	12,180	12,180	0.0%	100,176	12.2%
7/1/13	-	14,216	14,216	0.0%	105,553	13.5%

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts Budgetary Basis	
<b>Revenues</b>				
Taxes	\$ 204,877	\$ 200,447	\$ 198,552	\$ (1,895)
Licenses and permits	8,121	8,121	8,398	277
Intergovernmental	8,128	8,128	8,411	283
Charges for service	21,146	21,146	17,508	(3,638)
Fines and forfeitures	9,900	9,900	7,878	(2,022)
Investment income	2,479	2,479	3,035	556
Payments from component unit	13,545	13,545	14,049	504
Miscellaneous	1,932	1,932	3,523	1,591
Total revenues	270,128	265,698	261,354	(4,344)
<b>Expenditures</b>				
Current				
General government	42,647	39,892	38,928	964
Public works and transportation	21,258	20,625	17,087	3,538
Social and economic development	12,260	11,872	11,690	182
Public safety and protection	169,021	172,359	171,085	1,274
Culture and recreation	22,060	21,012	20,878	134
Payments to component units	7,619	7,238	7,238	-
Total expenditures	274,865	272,998	266,906	6,092
Excess (deficiency) of revenues over expenditures	(4,737)	(7,300)	(5,552)	1,748
<b>Other financing sources (uses)</b>				
Transfers in	2,203	2,203	3,348	1,145
Transfers out	(5,717)	(5,717)	(5,717)	-
Total other financing uses	(3,514)	(3,514)	(2,369)	1,145
Net change in fund balances	(8,251)	(10,814)	(7,921)	2,893
Fund balances, beginning of year	36,109	36,109	36,109	-
Fund balances, end of year	\$ 27,858	\$ 25,295	28,188	\$ 2,893
<b>Reconciliation to GAAP basis - basis differences:</b>				
Reserve for encumbrances			5,020	
Reserve for advances			567	
Reserve for land inventory			44	
Receivables			29,184	
Non-budgetary payables			(1,314)	
Unearned revenue			(175)	
Decrease in fair value of investments			532	
Fund balance - GAAP basis			\$ 62,046	

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

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

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

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

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

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

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

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

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

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

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

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NONMAJOR GOVERNMENTAL FUNDS



SECTION  
TWO (CONT'D)

## 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 Balances



**CITY OF TULSA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 June 30, 2016  
 (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 Park Trust Capital Project	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Streets	Enhanced 911 Construction		
<b>Assets</b>													
Cash and cash equivalents	\$ 4,985	\$ 2,513	\$ 187	\$ 1,348	\$ 742	\$ 1,904	\$ 133	\$ 6,867	\$ -	\$ 1	\$ 118	\$ 18,798	
Receivables, net	2,429	752	270	634	75	10	1	45	-	-	-	4,216	
Total assets	\$ 7,414	\$ 3,265	\$ 457	\$ 1,982	\$ 817	\$ 1,914	\$ 134	\$ 6,912	\$ -	\$ 1	\$ 118	\$ 23,014	
<b>Liabilities</b>													
Accounts payable and accrued liabilities	501	38	169	374	64	25	73	1	1	-	-	1,246	
Due to other funds	-	-	-	-	-	-	-	-	164	-	-	164	
Unearned revenue	452	-	-	-	-	98	-	-	-	-	-	550	
Advances from other funds	95	-	-	-	-	-	-	-	-	-	-	95	
Total liabilities	1,048	38	169	374	64	123	73	1	165	-	-	2,055	
<b>Deferred inflows of resources</b>													
Unavailable revenue- special assessments	-	-	-	-	72	-	-	-	-	-	-	72	
Unavailable revenue- intergovernmental	1,616	-	-	-	-	-	-	-	-	-	-	1,616	
Total unavailable revenue	1,616	-	-	-	72	-	-	-	-	-	-	1,688	
<b>Fund balances (deficit):</b>													
Restricted	4,750	-	288	1,608	681	472	61	6,911	-	1	118	14,890	
Committed	-	3,227	-	-	-	1,464	-	-	-	-	-	4,691	
Unassigned	-	-	-	-	-	(145)	-	-	(165)	-	-	(310)	
Total fund balances (deficit)	4,750	3,227	288	1,608	681	1,791	61	6,911	(165)	1	118	19,271	
Total liabilities, deferred inflows of resources and fund balances	\$ 7,414	\$ 3,265	\$ 457	\$ 1,982	\$ 817	\$ 1,914	\$ 134	\$ 6,912	\$ -	\$ 1	\$ 118	\$ 23,014	

**CITY OF TULSA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended June 30, 2016  
(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 Park Trust Capital Projects	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Street		Enhanced 911 Construction
<b>Revenues:</b>												
Franchise tax	-	-	-	-	-	-	-	-	-	-	-	580
Hotel/Motel tax	-	-	-	7,333	-	-	-	-	-	-	-	7,333
Special assessment	-	-	-	-	3,516	9	-	-	-	-	-	3,525
Charges for services	-	7,009	3,096	-	-	95	-	342	-	-	-	10,542
Intergovernmental revenues	9,658	-	-	-	-	216	-	-	199	-	-	10,073
Fines and forfeitures	17	-	-	-	111	88	-	-	-	-	-	199
Investment income	17	28	5	23	17	20	-	-	-	-	-	115
Program income from grants	1,337	-	-	-	-	-	5	-	-	-	-	1,337
Miscellaneous	7	-	-	-	39	84	-	-	-	-	-	132
Total revenue	11,019	7,037	3,101	7,395	3,646	512	5	922	199	-	-	33,836
<b>Expenditures:</b>												
Current:												
General government	-	-	-	-	73	-	-	-	1	-	3	77
Public safety and protection	1,831	4,819	3,117	-	-	212	-	-	-	-	-	9,979
Public works and transportation	14	-	-	-	-	-	-	-	-	-	-	14
Culture and recreation	-	-	-	621	-	-	-	-	-	-	-	621
Social and economic development	7,887	-	-	4,452	1,214	192	-	-	-	-	-	13,745
Capital outlay	2,706	55	6	230	49	-	427	377	187	-	41	4,078
Total expenditures	12,438	4,874	3,123	5,303	1,336	404	427	377	188	-	44	28,514
Excess (deficiency) of revenues over expenditures	(1,419)	2,163	(22)	2,092	2,310	108	(422)	545	11	-	(44)	5,322
<b>Other financing sources (uses):</b>												
Transfers in	2,645	-	-	-	-	10	-	-	-	-	-	2,655
Transfers out	(15)	(650)	-	(2,540)	(2,215)	-	-	-	-	-	-	(5,420)
Total other financing sources (uses)	2,630	(650)	-	(2,540)	(2,215)	10	-	-	-	-	-	(2,765)
Net change in fund balances	1,211	1,513	(22)	(448)	95	118	(422)	545	11	-	(44)	2,557
Fund balance (deficit), beginning of year	3,539	1,714	310	2,056	586	1,673	483	6,366	(176)	1	162	16,714
Fund balance (deficit), end of year	\$ 4,750	\$ 3,227	\$ 288	\$ 1,608	\$ 681	\$ 1,791	\$ 61	\$ 6,911	\$ (165)	\$ 1	\$ 118	\$ 19,271

**CITY OF TULSA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Budgetary Level of Control**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
<b>Taxes</b>			
Sales tax	\$ 152,098	\$ 152,252	\$ 154
Franchise tax:			
Gas	4,341	3,251	(1,090)
Power and light	9,000	8,441	(559)
Telephone	4,985	4,750	(235)
Thermal systems	290	210	(80)
Cable television	5,506	5,436	(70)
Use tax	24,070	24,062	(8)
Hotel/Motel tax	157	150	(7)
	200,447	198,552	(1,895)
<b>Licenses and Permits</b>			
Business licenses and permits:			
Occupational licenses	380	378	(2)
Retail liquor licenses	29	53	24
Amusement and recreation permits	330	355	25
Restaurant licenses	83	165	82
Taxicabs and drivers permits	41	25	(16)
Liquor occupational tax	360	400	40
Beer licenses	10	24	14
Non-business licenses and permits:			
Inspection fees	4,578	4,800	222
PFPI permits	495	852	357
Security alarm permits	1,267	878	(389)
Other	548	468	(80)
	8,121	8,398	277
<b>Intergovernmental Revenue</b>			
Grants	43	-	(43)
Shared revenue:			
State liquor tax	675	682	7
State gasoline tax	725	753	28
State tobacco tax	2,600	2,833	233
State vehicle license	3,100	2,916	(184)
Other	985	1,227	242
	\$ 8,128	\$ 8,411	\$ 283

Continued

**CITY OF TULSA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Budgetary Level of Control  
Year ended June 30, 2016  
(amounts expressed in thousands)**

Continued

	Final Budget	Actual	Variance with Final Budget
<b>Charges for Services</b>			
<b>Indirect costs:</b>			
Airport	\$ 100	\$ 102	\$ 2
TARE	637	636	(1)
Stormwater	952	976	24
Water & Sewer	5,745	5,495	(250)
Other	225	286	61
<b>General government:</b>			
Planning & zoning fees	235	290	55
Processing fees	10	10	-
Service charges	51	85	34
Document sales & copies	30	30	-
<b>Public safety:</b>			
Dog pound fees	150	203	53
Weed mowing	1,600	45	(1,555)
Nuisance abatement fees	12	12	-
Police special events	300	359	59
Airport police & fire services	1,800	1,793	(7)
Other service fees	212	406	194
<b>Cultural and recreational:</b>			
Concessions	20	27	7
Performing Arts Center	1,490	1,623	133
Parks	800	820	20
<b>Highways and streets:</b>			
Paving cut repair charges	6,496	3,795	(2,701)
Parking meters and other	281	515	234
	21,146	17,508	(3,638)
<b>Fines</b>			
Parking and traffic fines	9,900	7,878	(2,022)
<b>Interest on Investments</b>			
	2,479	3,035	556
<b>Payments from component units</b>			
TARE	1,691	1,613	(78)
TMUA	11,854	12,436	582
	13,545	14,049	504
<b>Miscellaneous</b>			
Sales of City property	464	511	47
Recoveries	1,124	2,323	1,199
Property rentals & leases	181	266	85
Other	163	423	260
	1,932	3,523	1,591
Total revenues	\$ 265,698	\$ 261,354	\$ (4,344)

CITY OF TULSA  
GENERAL FUND  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
Budgetary Level of Control  
Year ended June 30, 2016  
(amounts expressed in thousands)

	Appropriations			Actual			Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	Total	
	\$	\$	\$	\$	\$	\$	
<b>General government</b>							
Departments:							
Mayor:							
Personnel services	867	(87)	780	777	-	777	3
Materials & supplies	9	(3)	6	3	-	3	3
Other services & charges	107	50	157	144	-	144	13
City Auditor:							
Personnel services	990	(29)	961	960	-	960	1
Materials & supplies	20	(5)	15	14	-	14	1
Other services & charges	64	25	89	85	-	85	4
City Council:							
Personnel services	1,132	(30)	1,102	1,100	-	1,100	2
Materials & supplies	18	1	19	17	-	17	2
Other services & charges	93	(25)	68	67	-	67	1
Finance:							
Personnel services	6,336	6	6,342	6,305	-	6,305	37
Materials & supplies	115	(36)	79	50	-	50	29
Other services & charges	2,389	(138)	2,251	1,273	789	2,062	189
Legal:							
Personnel services	3,258	(280)	2,978	2,972	-	2,972	6
Materials & supplies	81	-	81	77	-	77	4
Other services & charges	599	(1)	598	189	392	581	17
Human Resources:							
Personnel services	2,768	(47)	2,721	2,717	-	2,717	4
Materials & supplies	122	(19)	103	94	2	96	7
Other services & charges	1,376	(393)	983	716	194	910	73

Continued

CITY OF TULSA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
Budgetary Level of Control  
Year ended June 30, 2016  
(amounts expressed in thousands)

	Appropriations		Actual		Variance with Final Budget
	Original Budget	Revisions	Expenditures	Encumbrances	
Continued					
<b>General government, continued</b>					
Departments:					
Information Technology:					
Personnel services	7,231	(66)	7,137	-	7,137
Materials & supplies	593	(273)	220	82	302
Other services & charges	4,665	(842)	2,872	826	3,698
Communications:					
Personnel services	562	35	593	-	593
Materials & supplies	15	(2)	8	-	8
Other services & charges	28	(4)	9	-	9
Customer Care:					
Personnel services	295	(24)	267	-	267
Materials & supplies	2	-	2	-	2
Other services & charges	30	19	44	-	44
Human Rights Department:					
Personnel services	551	(147)	404	-	404
Materials & supplies	6	(4)	1	-	1
Other services & charges	28	(21)	6	-	6
Asset Management:					
Personnel services	1,728	28	1,742	-	1,742
Materials & supplies	467	(72)	330	24	354
Other services & charges	2,136	(185)	1,865	86	1,951
General Government:					
Other services & charges	2,943	(141)	1,998	497	2,495
Indian Nations Council of Government:					
Other services & charges	1,023	(45)	978	-	978
	<b>\$ 42,647</b>	<b>\$ (2,755)</b>	<b>\$ 36,036</b>	<b>\$ 2,892</b>	<b>\$ 38,928</b>
Continued					

CITY OF TULSA  
GENERAL FUND  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
Budgetary Level of Control  
Year ended June 30, 2016  
(amounts expressed in thousands)

	Appropriations		Final Budget	Actual		Variance with Final Budget
	Original Budget	Revisions		Expenditures	Encumbrances	
<b>Public Works and Transportation</b>						
Departments:						
Streets and Stormwater:						
Personnel services	\$ 5,308	\$ (228)	\$ 5,080	\$ 5,006	\$ -	\$ 74
Materials & supplies	895	(25)	870	695	34	141
Other services & charges	11,394	(134)	11,260	7,770	259	3,231
Engineering:						
Personnel services	3,186	(205)	2,981	2,935	-	46
Materials & supplies	55	(16)	39	23	8	8
Other services & charges	420	(25)	395	322	35	38
	<u>21,258</u>	<u>(633)</u>	<u>20,625</u>	<u>16,751</u>	<u>336</u>	<u>3,538</u>
<b>Social and Economic Development</b>						
Mayor's Office of Economic Development:						
Personnel services	557	61	618	618	-	-
Materials & supplies	4	-	4	2	1	1
Other services & charges	156	(1)	155	7	110	38
Working in Neighborhoods:						
Personnel services	3,266	(95)	3,171	3,134	-	37
Materials & supplies	335	(44)	291	268	21	2
Other services & charges	1,483	(182)	1,301	1,293	7	1
Planning and Economic Development						
Personnel services	5,921	(90)	5,831	5,750	-	81
Materials & supplies	91	(24)	67	56	11	-
Other services & charges	447	(13)	434	340	72	22
	<u>\$ 12,260</u>	<u>\$ (388)</u>	<u>\$ 11,872</u>	<u>\$ 11,468</u>	<u>\$ 222</u>	<u>\$ 182</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, 2016  
(amounts expressed in thousands)

	Appropriations		Final Budget	Actual		Variance with Final Budget
	Original Budget	Revisions		Expenditures	Encumbrances	
<b>Public Safety and Protection</b>						
Departments:						
Municipal Court:						
Personnel services	\$ 2,116	(7)	2,109	\$ 2,107	\$ -	\$ 2
Materials & supplies	33	(19)	14	13	-	1
Other services & charges	851	199	1,050	850	8	192
Police:						
Personnel services	85,478	2,225	87,703	87,288	-	415
Materials & supplies	2,630	(651)	1,979	1,603	364	12
Other services & charges	8,232	(1,109)	7,123	6,491	352	280
Fire:						
Personnel services	64,435	3,029	67,464	67,097	-	367
Materials & supplies	1,541	(317)	1,224	1,008	216	-
Other services & charges	3,569	(12)	3,557	3,552	-	5
Agencies:						
Tulsa Area Emergency Management Authority:						
Other services & charges	136	-	136	136	-	-
	\$ 169,021	\$ 3,338	\$ 172,359	\$ 170,145	\$ 940	\$ 1,274

Continued



CITY OF TULSA  
GENERAL FUND  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
Budgetary Level of Control  
Year ended June 30, 2016  
(amounts expressed in thousands)

	Appropriations			Final Budget	Variance with Final Budget
	Original Budget	Revisions	Total		
<b>Culture and Recreation</b>					
Departments:					
Gilcrease Museum:					
Other services & charges	\$ 2,982	\$ -	\$ 2,982	\$ 2,982	\$ -
Parks:					
Personnel services	5,474	(203)	5,271	5,241	30
Materials & supplies	1,016	(212)	804	779	25
Other services & charges	9,814	(455)	9,359	9,322	37
Convention & Performing Arts Centers:					
Personnel services	1,401	48	1,449	1,447	2
Materials & supplies	61	-	61	49	12
Other services & charges	673	(170)	503	454	28
Agencies:					
River Parks:					
Other services & charges	639	(56)	583	583	-
	<u>22,060</u>	<u>(1,048)</u>	<u>21,012</u>	<u>20,878</u>	<u>134</u>
<b>Total expenditures and encumbrances</b>	<b>267,246</b>	<b>(1,486)</b>	<b>265,760</b>	<b>259,668</b>	<b>6,092</b>
Operating transfers:					
Transfers to TPFA - OTC	5,069	-	5,069	5,069	-
Transfers to E911 Operating Fund	-	-	-	-	-
Transfers to Whittier Square Improvement District	10	-	10	10	-
Transfers to Federal and State Grants Fund	488	-	488	488	-
Transfers to Golf Course Fund	150	-	150	150	-
Total transfers	<u>5,717</u>	<u>-</u>	<u>5,717</u>	<u>5,717</u>	<u>-</u>
Payments to component units:					
Transfers to MTTA	7,619	(381)	7,238	7,238	-
<b>Total expenditures, encumbrances, and transfers</b>	<b>\$ 280,582</b>	<b>\$ (1,867)</b>	<b>\$ 278,715</b>	<b>\$ 272,623</b>	<b>\$ 6,092</b>

**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, 2016**  
**(amounts expressed in thousands)**

	Final Budget	Actual	Variance
<b>Revenues</b>			
Intergovernmental Revenue	\$ 8	\$ -	\$ (8)
E-911 fees	3,450	3,102	(348)
Investment income	3	3	-
Miscellaneous	-	-	-
Total revenues	<u>3,461</u>	<u>3,105</u>	<u>(356)</u>
<b>Expenditures</b>			
Current:			
Streets and Stormwater:			
Other services and charges	-	-	-
Public Safety and Protection:			
Personnel services	1,098	960	138
Materials and supplies	45	36	9
Other services and charges	2,308	2,161	147
Capital outlay	14	6	8
Total expenditures	<u>3,465</u>	<u>3,163</u>	<u>302</u>
Excess of revenues over expenditures and encumbrances	<u>(4)</u>	<u>(58)</u>	<u>(54)</u>
<b>Other financing sources:</b>			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4)	(58)	(54)
Fund balances, beginning of year (budgetary basis)	171	171	-
Fund balances, end of year (budgetary basis)	<u>\$ 167</u>	<u>\$ 113</u>	<u>\$ (54)</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, 2016**  
**(amounts expressed in thousands)**

	Final Budget	Actual	Variance
<b>Revenues</b>			
Hotel/Motel taxes	\$ 7,678	\$ 7,364	\$ (314)
Charge for services	2,062	2,062	-
Investment income	19	19	-
Miscellaneous	-	39	39
Total revenues	<u>9,759</u>	<u>9,484</u>	<u>(275)</u>
<b>Expenditures</b>			
Cultural Development and Recreation:			
Personnel services	190	177	(13)
Materials and supplies	29	18	(11)
Other services and charges	443	415	(28)
Capital outlay	747	344	(403)
Social and Economic Development:			
Personnel services	53	53	-
Other services and charges	4,718	4,576	(142)
Total expenditures and encumbrances	<u>6,180</u>	<u>5,583</u>	<u>(597)</u>
Deficiency of revenues over expenditures and encumbrances	<u>3,579</u>	<u>3,901</u>	<u>322</u>
<b>Other financing sources:</b>			
Transfers in	-	-	-
Transfers out	(4,602)	(4,602)	-
Total other financing sources	<u>(4,602)</u>	<u>(4,602)</u>	<u>-</u>
Net change in fund balances	<u>(1,023)</u>	<u>(701)</u>	<u>322</u>
Fund balances, beginning of year (budgetary basis)	1,400	1,400	-
Fund balances, end of year (budgetary basis)	<u>\$ 377</u>	<u>\$ 699</u>	<u>\$ 322</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, 2016**  
**(amounts expressed in thousands)**

	Final Budget	Actual	Variance
<b>Revenues</b>			
Special assessment tax	\$ 3,466	\$ 3,516	\$ 50
Fines and forfeitures	20	111	91
Investment income	18	14	(4)
Miscellaneous	-	1	1
Total revenues	<u>3,504</u>	<u>3,642</u>	<u>138</u>
<b>Expenditures</b>			
Current:			
General government:			
Personnel services	69	68	1
Materials and supplies	5	-	5
Other services and charges	10	4	6
Culture and recreation:			
Personnel services	295	294	1
Materials and supplies	130	29	101
Other services and charges	973	973	-
Public works and transportation:			
Materials and supplies	14	-	14
Other services and charges	32	-	32
Capital outlay	162	113	49
Total expenditures	<u>1,690</u>	<u>1,481</u>	<u>209</u>
Excess of revenues over expenditures and encumbrances	<u>1,814</u>	<u>2,161</u>	<u>347</u>
<b>Other financing uses:</b>			
Transfers out	<u>(2,229)</u>	<u>(2,215)</u>	<u>14</u>
Net change in fund balances	(415)	(54)	361
Fund balances, beginning of year (budgetary basis)	<u>670</u>	<u>670</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 255</u>	<u>\$ 616</u>	<u>\$ 361</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, 2016**  
**(amounts expressed in thousands)**

	Final Budget	Actual	Variance
<b>Revenues</b>			
Medical services fee	\$ 7,083	\$ 6,971	\$ 112
Investment income	9	17	(8)
Total revenues	<u>7,092</u>	<u>6,988</u>	<u>104</u>
<b>Expenditures</b>			
Public Safety and Protection:			
Current:			
Personnel services	232	229	3
Materials and supplies	187	186	1
Other services and charges	7,309	4,410	2,899
Capital outlay	55	55	-
Total expenditures and encumbrances	<u>7,783</u>	<u>4,880</u>	<u>2,903</u>
Deficiency of revenues over expenditures and encumbrances	<u>(691)</u>	<u>2,108</u>	<u>(2,799)</u>
<b>Other financing (uses):</b>			
Transfers out	<u>(650)</u>	<u>(650)</u>	<u>-</u>
Net change in fund balances	(1,341)	1,458	(2,799)
Fund balances, beginning of year (budgetary basis)	<u>1,342</u>	<u>996</u>	<u>346</u>
Fund balances, end of year (budgetary basis)	<u>\$ 1</u>	<u>\$ 2,454</u>	<u>\$ (2,453)</u>


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INTERNAL SERVICE FUNDS



SECTION  
TWO (CONT'D)



**Internal Service Funds**—are used to report activities that provide goods or services to other funds or departments of the City and its component units, or to other governments, on a cost reimbursement basis

- Employee Insurance—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 or acquisition 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 for charges to user departments for associated services.
- Equipment Management—Accounts for the centralized maintenance of City vehicles and for charges to user departments.



**CITY OF TULSA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2016**  
**(amounts expressed in thousands)**

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 13,731	\$ -	\$ 299	\$ 1,411	\$ 15,441
Cash and cash equivalents - restricted	-	398	-	-	398
Receivables, net	1,040	4	1	9	1,054
Prepaid expenses	300	-	-	-	300
Inventories, net	-	-	-	798	798
Advances to component unit	-	1,372	-	-	1,372
	15,071	1,774	300	2,218	19,363
<b>Noncurrent assets:</b>					
Cash and cash equivalents, restricted	-	32	-	-	32
Investments, restricted	-	1,078	-	-	1,078
Advances to component unit	-	3,080	-	-	3,080
Nondepreciable capital assets	-	4,500	-	291	4,791
Capital assets, net	95	-	-	4,958	5,053
	95	8,690	-	5,249	14,034
<b>Total assets</b>	15,166	10,464	300	7,467	33,397
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension related items	-	-	-	1,920	1,920
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	120	56	151	651	978
Current portion of long-term liabilities	-	1,365	-	281	1,646
Workers compensation claims	6,399	-	-	-	6,399
	6,519	1,421	151	932	9,023
<b>Noncurrent liabilities:</b>					
Long-term liabilities	-	4,543	-	6,372	10,915
Workers compensation claims	4,419	-	-	-	4,419
Advances from other funds	-	-	146	-	146
	4,419	4,543	146	6,372	15,480
<b>Total liabilities</b>	10,938	5,964	297	7,304	24,503
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension related items	-	-	-	906	906
<b>Total deferred inflow of resources</b>	-	-	-	906	906
<b>NET POSITION</b>					
Investment in capital assets	95	4,500	-	5,249	9,844
Unrestricted	4,133	-	3	(4,072)	64
<b>Total net position</b>	\$ 4,228	\$ 4,500	\$ 3	\$ 1,177	\$ 9,908

**CITY OF TULSA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ 1,250	\$ 12,995	\$ 14,245
Insurance premiums	23,640	-	-	-	23,640
Workers compensation premiums	5,773	-	-	-	5,773
Other	-	125	-	28	153
	<u>29,413</u>	<u>125</u>	<u>1,250</u>	<u>13,023</u>	<u>43,811</u>
<b>Operating expenses</b>					
Salaries and wages	-	-	-	4,541	4,541
Materials and supplies	-	-	-	6,794	6,794
Other services and charges	-	125	1,273	1,863	3,261
Workers compensation claims	7,583	-	-	-	7,583
Insurance claims and premiums	23,898	-	-	-	23,898
Depreciation and amortization	25	-	-	384	409
	<u>31,506</u>	<u>125</u>	<u>1,273</u>	<u>13,582</u>	<u>46,486</u>
<b>Operating income (loss)</b>	<u>(2,093)</u>	<u>-</u>	<u>(23)</u>	<u>(559)</u>	<u>(2,675)</u>
<b>Nonoperating revenues</b>					
Investment income	168	-	3	4	175
Gain on sale of equipment	-	-	-	17	17
	<u>168</u>	<u>-</u>	<u>3</u>	<u>21</u>	<u>192</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(1,925)</u>	<u>-</u>	<u>(20)</u>	<u>(538)</u>	<u>(2,483)</u>
Transfers in	-	-	-	562	562
<b>Change in net position</b>	<u>(1,925)</u>	<u>-</u>	<u>(20)</u>	<u>24</u>	<u>(1,921)</u>
Net position - beginning of year	6,153	4,500	23	1,153	11,829
Net position - end of year	<u>\$ 4,228</u>	<u>\$ 4,500</u>	<u>\$ 3</u>	<u>\$ 1,177</u>	<u>\$ 9,908</u>

**CITY OF TULSA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**


	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 29,669	\$ 1,598	\$ 1,250	\$ 13,026	\$ 45,543
Payments to suppliers	(30,730)	(1,608)	(1,239)	(8,904)	(42,481)
Payments to employees	-	-	-	(4,520)	(4,520)
Net cash provided (used) by operating activities	(1,061)	(10)	11	(398)	(1,458)
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	-	-	-	(501)	(501)
Proceeds from disposition of capital assets	-	-	-	562	562
Transfers from other funds	-	-	-	17	17
Net cash provided (used) by capital and related financing activities	-	-	-	78	78
<b>Cash flows from investing activities:</b>					
Interest earned	157	-	3	5	165
Net cash provided by investing activities	157	-	3	5	165
Net increase (decrease) in cash and cash equivalents	(904)	(10)	14	(315)	(1,215)
<b>Cash and cash equivalents, beginning of year</b>	14,635	440	285	1,726	17,086
<b>Cash and cash equivalents, end of year</b>	\$ 13,731	\$ 430	\$ 299	\$ 1,411	\$ 15,871
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position</b>					
Unrestricted cash and cash equivalents	13,731	-	299	1,411	15,441
Restricted cash and cash equivalents	-	430	-	-	430
Total cash and cash equivalents	\$ 13,731	\$ 430	\$ 299	\$ 1,411	\$ 15,871
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>					
<b>Operating income (loss)</b>	(2,093)	-	(23)	(559)	(2,675)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and amortization	25	-	-	384	409
Decrease (increase) in accounts receivable and other assets	(14)	1,477	1	(34)	1,430
(Increase) decrease in deferred outflows pensions	-	-	-	(1,413)	(1,413)
Increase (decrease) in accounts payable and other liabilities	1,021	(1,487)	33	(246)	(679)
Increase (decrease) in deferred inflows	-	-	-	(928)	(928)
Increase in net pension liability	-	-	-	2,398	2,398
Net cash provided (used) by operating activities	\$ (1,061)	\$ (10)	\$ 11	\$ (398)	\$ (1,458)
<b>Non-cash transactions:</b>					
Appreciation of fair value of investments	\$ 40	\$ 3	\$ 1	\$ 1	\$ 45

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SECTION  
**TWO** (CONT'D)



**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, 2016**  
**(amounts expressed in thousands)**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>Municipal Court Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 290	\$ 211	\$ 244	\$ 257
Total assets	<u>\$ 290</u>	<u>\$ 211</u>	<u>\$ 244</u>	<u>\$ 257</u>
Liabilities:				
Deposits payable	290	211	244	257
Total liabilities	<u>\$ 290</u>	<u>\$ 211</u>	<u>\$ 244</u>	<u>\$ 257</u>
<b>Escrow Fund</b>				
Assets:				
Cash and cash equivalents	2,480	9,406	9,437	2,449
Total assets	<u>\$ 2,480</u>	<u>\$ 9,406</u>	<u>\$ 9,437</u>	<u>\$ 2,449</u>
Liabilities:				
Deposits payable	2,480	9,406	9,437	2,449
Total liabilities	<u>\$ 2,480</u>	<u>\$ 9,406</u>	<u>\$ 9,437</u>	<u>\$ 2,449</u>
<b>Police Property Room</b>				
Assets:				
Cash and cash equivalents	1,561	710	494	1,777
Total assets	<u>\$ 1,561</u>	<u>\$ 710</u>	<u>\$ 494</u>	<u>\$ 1,777</u>
Liabilities:				
Accrued liabilities	1,561	710	494	1,777
Total liabilities	<u>\$ 1,561</u>	<u>\$ 710</u>	<u>\$ 494</u>	<u>\$ 1,777</u>
<b>Payroll Withholding</b>				
Assets:				
Cash and cash equivalents	300	317,007	317,245	62
Total assets	<u>\$ 300</u>	<u>\$ 317,007</u>	<u>\$ 317,245</u>	<u>\$ 62</u>
Liabilities:				
Accrued liabilities	300	317,007	317,245	62
Total liabilities	<u>\$ 300</u>	<u>\$ 317,007</u>	<u>\$ 317,245</u>	<u>\$ 62</u>
<b>Unclaimed Property</b>				
Assets:				
Cash and cash equivalents	771	17	23	765
Total assets	<u>\$ 771</u>	<u>\$ 17</u>	<u>\$ 23</u>	<u>\$ 765</u>
Liabilities:				
Accrued liabilities	771	17	23	765
Total liabilities	<u>\$ 771</u>	<u>\$ 17</u>	<u>\$ 23</u>	<u>\$ 765</u>
<b>PAC Ticket Office Escrow</b>				
Assets:				
Cash and cash equivalents	594	16,053	16,380	267
Total assets	<u>\$ 594</u>	<u>\$ 16,053</u>	<u>\$ 16,380</u>	<u>\$ 267</u>
Liabilities:				
Deposits payable	594	16,053	16,380	267
Total liabilities	<u>\$ 594</u>	<u>\$ 16,053</u>	<u>\$ 16,380</u>	<u>\$ 267</u>
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	5,996	343,404	343,823	5,577
Total assets	<u>\$ 5,996</u>	<u>\$ 343,404</u>	<u>\$ 343,823</u>	<u>\$ 5,577</u>
Liabilities:				
Accrued liabilities	2,632	317,734	317,762	2,604
Deposits payable	3,364	25,670	26,061	2,973
Total liabilities	<u>\$ 5,996</u>	<u>\$ 343,404</u>	<u>\$ 343,823</u>	<u>\$ 5,577</u>

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DISCRETELY PRESENTED  
NONMAJOR COMPONENT UNITS



SECTION  
TWO (CONT'D)



## 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.

## DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS

- Statement of Net Position

**CITY OF TULSA**  
**STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**June 30, 2016**  
**(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
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 7,025	\$ 1,648	\$ 57	\$ 5,279	\$ 541	\$ 14,550
Cash and cash equivalents - restricted	12,058	196	280	1,241	-	13,775
Investments	-	-	888	500	1,400	2,788
Receivables, net	1,213	896	-	317	32	2,458
Inventories, net	-	661	-	-	-	661
Other current assets	4	101	29	1,505	6	1,645
	<u>20,300</u>	<u>3,502</u>	<u>1,254</u>	<u>8,842</u>	<u>1,979</u>	<u>35,877</u>
<b>Noncurrent assets:</b>						
Cash and cash equivalents - restricted	1,963	790	-	1,115	-	3,868
Investments	-	-	-	-	814	814
Receivables, net	16,479	-	-	-	-	16,479
Land held for resale, net	661	-	-	-	-	661
Nondepreciable capital assets	35	2,796	-	7,230	1,486	11,547
Depreciable capital assets, net	282	17,965	12,048	17,776	75	48,146
	<u>19,420</u>	<u>21,551</u>	<u>12,048</u>	<u>26,121</u>	<u>2,375</u>	<u>81,515</u>
<b>Total assets</b>	<u>39,720</u>	<u>25,053</u>	<u>13,302</u>	<u>34,963</u>	<u>4,354</u>	<u>117,392</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred charge on refunding	-	-	-	476	-	476
Pension related items	-	4,461	-	-	-	4,461
<b>Total deferred outflow of resources</b>	<u>-</u>	<u>4,461</u>	<u>-</u>	<u>476</u>	<u>-</u>	<u>4,937</u>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	94	1,574	18	246	7	1,939
Unearned revenue	-	-	309	60	30	399
Current portion of long-term liabilities	7	82	-	1,790	-	1,879
	<u>101</u>	<u>1,656</u>	<u>327</u>	<u>2,096</u>	<u>37</u>	<u>4,217</u>
<b>Noncurrent liabilities:</b>						
Advances from primary government	-	326	-	-	-	326
Deposits subject to refund	558	-	-	4	-	562
Long-term liabilities, net	70	12,523	-	11,396	-	23,989
	<u>628</u>	<u>12,849</u>	<u>-</u>	<u>11,400</u>	<u>-</u>	<u>24,877</u>
<b>Total liabilities</b>	<u>729</u>	<u>14,505</u>	<u>327</u>	<u>13,496</u>	<u>37</u>	<u>29,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related items	-	1,057	-	-	-	1,057
Property tax revenue	1,153	-	-	-	-	1,153
<b>Total deferred inflow of resources</b>	<u>1,153</u>	<u>1,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,210</u>
<b>NET POSITION</b>						
<b>Net investment in capital assets</b>	317	20,761	12,048	15,102	1,561	49,789
<b>Restricted for:</b>						
Debt service	-	-	-	2,276	-	2,276
Capital projects	13,364	790	-	-	-	14,154
Other purposes	17,161	196	-	-	-	17,357
<b>Unrestricted</b>	<u>6,996</u>	<u>(7,795)</u>	<u>927</u>	<u>4,565</u>	<u>2,756</u>	<u>7,449</u>
<b>Total net position</b>	<u>\$ 37,838</u>	<u>\$ 13,952</u>	<u>\$ 12,975</u>	<u>\$ 21,943</u>	<u>\$ 4,317</u>	<u>\$ 91,025</u>

**CITY OF TULSA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS**  
**Year ended June 30, 2016**  
**(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
<b>Operating revenues</b>						
Property rentals	\$ 86	\$ -	\$ 116	\$ 208	\$ -	\$ 410
Parking revenues	-	-	-	7,693	385	8,078
Transit services	-	3,545	-	-	-	3,545
Event revenues	-	-	-	-	1,277	1,277
Other income	251	48	33	-	-	332
	<u>337</u>	<u>3,593</u>	<u>149</u>	<u>7,901</u>	<u>1,662</u>	<u>13,642</u>
<b>Operating expenses</b>						
Salaries and wages	299	11,632	36	-	-	11,967
Materials and supplies	4	2,939	-	-	-	2,943
Other services and charges	673	4,557	280	3,672	1,566	10,748
Depreciation	15	3,749	339	918	9	5,030
	<u>991</u>	<u>22,877</u>	<u>655</u>	<u>4,590</u>	<u>1,575</u>	<u>30,688</u>
<b>Operating income (loss)</b>	<u>(654)</u>	<u>(19,284)</u>	<u>(506)</u>	<u>3,311</u>	<u>87</u>	<u>(17,046)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment income	303	3	14	24	46	390
Interest and amortization expense	-	-	-	(421)	-	(421)
Sales taxes	492	-	-	-	-	492
Property taxes	1,308	-	-	-	-	1,308
Federal and state operating grant revenues	-	6,983	-	-	12	6,995
Contributions	-	-	-	-	88	88
Payments from primary government	2,040	7,183	-	-	-	9,223
Payments to primary government	(334)	-	-	-	-	(334)
Other, net	(494)	220	-	-	-	(274)
	<u>3,315</u>	<u>14,389</u>	<u>14</u>	<u>(397)</u>	<u>146</u>	<u>17,467</u>
<b>Income (loss) before capital contributions and grants</b>	<u>2,661</u>	<u>(4,895)</u>	<u>(492)</u>	<u>2,914</u>	<u>233</u>	<u>421</u>
Federal and state capital grant revenues	-	1,204	-	-	-	1,204
Capital contributions to primary government	(248)	-	-	-	-	(248)
Capital contributions from primary government	-	328	-	-	-	328
<b>Change in net position</b>	<u>2,413</u>	<u>(3,363)</u>	<u>(492)</u>	<u>2,914</u>	<u>233</u>	<u>1,705</u>
Net position, beginning of year	<u>35,425</u>	<u>17,315</u>	<u>13,467</u>	<u>19,029</u>	<u>4,084</u>	<u>89,320</u>
Net position, end of year	<u>\$ 37,838</u>	<u>\$ 13,952</u>	<u>\$ 12,975</u>	<u>\$ 21,943</u>	<u>\$ 4,317</u>	<u>\$ 91,025</u>

**CITY OF TULSA**  
**STATEMENT OF NET POSITION**  
**TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS**  
**June 30, 2016**  
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 44,954	\$ 76,286	\$ 121,240
Cash and cash equivalents - restricted	8,076	17,024	25,100
Receivables, net	15,713	16,364	32,077
Inventories, net	242	1,528	1,770
	68,985	111,202	180,187
<b>Noncurrent assets:</b>			
Cash and cash equivalents - restricted	47,170	38,360	85,530
Investments - restricted	6,454	3,955	10,409
Advances to primary government	12	-	12
Investment in joint venture	17,944	-	17,944
Receivables, net	9	3	12
Nondepreciable capital assets	44,031	55,251	99,282
Depreciable capital assets, net	615,822	505,900	1,121,722
	731,442	603,469	1,334,911
<b>Total assets</b>	800,427	714,671	1,515,098
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	165	2,047	2,212
Pension related items	9,693	11,102	20,795
<b>Total deferred outflows of resources</b>	9,858	13,149	23,007
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	9,433	9,960	19,393
Current portion of long-term liabilities	23,605	12,084	35,689
Deposits subject to refund - restricted	551	10,141	10,692
	33,589	32,185	65,774
<b>Noncurrent liabilities:</b>			
Long-term liabilities	295,718	183,925	479,643
<b>Total liabilities</b>	329,307	216,110	545,417
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred gain on refunding	116	-	116
Pension related items	4,487	5,394	9,881
Property tax revenue	3,535	-	3,535
<b>Total deferred inflows of resources</b>	8,138	5,394	13,532
<b>NET POSITION</b>			
<b>Net investment in capital assets</b>	419,407	448,258	867,665
<b>Restricted for:</b>			
Debt service	8,066	5,428	13,494
<b>Unrestricted</b>	45,367	52,630	97,997
<b>Total net position</b>	\$ 472,840	\$ 506,316	\$ 979,156

**CITY OF TULSA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>
<b>Operating revenues</b>			
Water and sewer services	\$ 96,301	\$ 115,006	\$ 211,307
<b>Operating expenses</b>			
Salaries and wages	23,345	27,231	50,576
Materials and supplies	4,576	7,881	12,457
Other services and charges	20,095	29,274	49,369
Depreciation	19,870	17,274	37,144
	<u>67,886</u>	<u>81,660</u>	<u>149,546</u>
<b>Operating income</b>	<u>28,415</u>	<u>33,346</u>	<u>61,761</u>
<b>Nonoperating revenues (expenses)</b>			
Investment income	552	1,198	1,750
Interest and amortization expense	(7,361)	(3,590)	(10,951)
Property taxes	2,729	-	2,729
Payments to primary government	(5,744)	(6,692)	(12,436)
Other, net	95	(16)	79
	<u>(9,729)</u>	<u>(9,100)</u>	<u>(18,829)</u>
<b>Income before capital contributions</b>	18,686	24,246	42,932
<b>Capital contributions</b>	6,865	3,303	10,168
<b>Capital contributions - primary government</b>	6,049	-	6,049
	<u>12,914</u>	<u>3,303</u>	<u>16,217</u>
<b>Change in net position</b>	31,600	27,549	59,149
Net position, beginning of year	<u>441,240</u>	<u>478,767</u>	<u>920,007</u>
Net position, end of year	<u>\$ 472,840</u>	<u>\$ 506,316</u>	<u>\$ 979,156</u>

**CITY OF TULSA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
<b>Operating revenues</b>					
Water and sewer services	\$ 211,307	\$ -	\$ -	\$ -	\$ 211,307
Refuse services	-	26,599	-	-	26,599
Property rentals	-	-	32,305	410	32,715
Parking revenues	-	-	-	8,078	8,078
Transit services	-	-	-	3,545	3,545
Event revenues	-	-	-	1,277	1,277
Other income	-	-	-	332	332
	<u>211,307</u>	<u>26,599</u>	<u>32,305</u>	<u>13,642</u>	<u>283,853</u>
<b>Operating expenses</b>					
Salaries and wages	50,576	4,086	11,039	11,967	77,668
Materials and supplies	12,457	-	1,082	2,943	16,482
Other services and charges	49,369	17,168	10,065	10,748	87,350
Depreciation	37,144	1,792	14,071	5,030	58,037
	<u>149,546</u>	<u>23,046</u>	<u>36,257</u>	<u>30,688</u>	<u>239,537</u>
<b>Operating income (loss)</b>	<u>61,761</u>	<u>3,553</u>	<u>(3,952)</u>	<u>(17,046)</u>	<u>44,316</u>
<b>Nonoperating revenues (expenses)</b>					
Investment income	1,750	214	506	390	2,860
Interest and amortization expense	(10,951)	-	(9,936)	(421)	(21,308)
Sales taxes	-	-	-	492	492
Property taxes	2,729	-	-	1,308	4,037
Federal and state grant revenues	-	-	8,622	6,995	15,617
Contributions	-	-	-	88	88
Payments from primary government	-	-	-	9,223	9,223
Payments to primary government	(12,436)	(1,613)	-	(334)	(14,383)
Gain (loss) on disposition of capital assets	79	15	-	-	94
Other, net	-	(107)	(152)	(274)	(533)
	<u>(18,829)</u>	<u>(1,491)</u>	<u>(960)</u>	<u>17,467</u>	<u>(3,813)</u>
<b>Income (loss) before capital contributions and grants</b>	<u>42,932</u>	<u>2,062</u>	<u>(4,912)</u>	<u>421</u>	<u>40,503</u>
Federal and state capital grant revenues	-	-	4,081	1,204	5,285
Capital contributions	10,168	-	15	-	10,183
Capital contributions to primary government	-	-	-	(248)	(248)
Capital contributions from primary government	6,049	-	-	328	6,377
	<u>16,217</u>	<u>-</u>	<u>4,096</u>	<u>1,284</u>	<u>21,597</u>
<b>Change in net position</b>	<u>59,149</u>	<u>2,062</u>	<u>(816)</u>	<u>1,705</u>	<u>62,100</u>
Net position - beginning of year	920,007	17,410	272,669	89,320	1,299,406
Net position - end of year	<u>\$ 979,156</u>	<u>\$ 19,472</u>	<u>\$ 271,853</u>	<u>\$ 91,025</u>	<u>\$ 1,361,506</u>

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CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS



SECTION  
TWO (CONT'D)



**CITY OF TULSA**  
**CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULE BY SOURCE**  
**June 30, 2016 and 2015**  
**(amounts expressed in thousands)**

	<u>2016</u>	<u>2015</u>
Governmental funds capital assets		
Land	\$ 527,570	\$ 527,650
Buildings	194,600	174,764
Improvements other than buildings	84,576	76,357
Machinery and equipment	191,459	188,590
Infrastructure	3,250,887	3,194,744
Construction in progress	179,881	152,912
Total governmental funds capital assets	<u>\$ 4,428,973</u>	<u>\$ 4,315,017</u>
Investments in governmental funds capital assets by source		
General fund	7,299	7,339
Special revenue funds	287,320	286,686
Capital projects funds	3,705,151	3,592,327
Donations	429,203	428,665
Total governmental funds capital assets	<u>\$ 4,428,973</u>	<u>\$ 4,315,017</u>

**CITY OF TULSA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**Schedule of Changes by Function and Activity**  
**Year ended June 30, 2016**  
**(amounts expressed in thousands)**

Function and Activity	Governmental Funds Capital Assets July 1, 2015	Additions	Deductions	Governmental Funds Capital Assets June 30, 2016
<b><i>General Government</i></b>				
Mayor	\$ 6	\$ -	\$ -	\$ 6
Finance	1,129	-	-	1,129
Legal	86	17	-	103
Human Resources	422	13	(32)	403
Communications	21	-	-	21
Equipment Management	55	257	-	312
City Council	642	11	-	653
General Government	22,619	-	-	22,619
	<u>24,980</u>	<u>298</u>	<u>(32)</u>	<u>25,246</u>
<b><i>Public Works &amp; Transportation</i></b>	3,934,893	197,701	(91,536)	4,041,058
<b><i>Public Safety &amp; Protection</i></b>				
Police	75,831	2,732	(913)	77,650
Fire	66,549	495	270	67,314
Municipal Court	64	-	-	64
Telecommunications	40,607	2,356	(294)	42,669
	<u>183,051</u>	<u>5,583</u>	<u>(937)</u>	<u>187,697</u>
<b><i>Social &amp; Economic Development</i></b>				
Human Rights	44	-	-	44
WIN	2,938	158	(140)	2,956
Planning	45	-	(14)	31
Development Services	1,191	50	-	1,241
Economic Development	960	-	-	960
	<u>5,178</u>	<u>208</u>	<u>(154)</u>	<u>5,232</u>
<b><i>Cultural Development &amp; Recreation</i></b>				
Gilcrease	19,738	-	-	19,738
Parks	121,496	2,807	(238)	124,065
Public Events and PAC	25,681	256	-	25,937
	<u>166,915</u>	<u>3,063</u>	<u>(238)</u>	<u>169,740</u>
Total Governmental funds capital assets	<u>\$ 4,315,017</u>	<u>\$ 206,853</u>	<u>\$ (92,897)</u>	<u>\$ 4,428,973</u>

**CITY OF TULSA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**June 30, 2016**  
(amounts expressed in thousands)


Function and Activity	Land	Buildings	Improvements		Machinery and Equipment	Infrastructure	Construction		Total
			Other than Buildings	Buildings			in Progress		
<b>General Government</b>									
Mayor	\$ -	\$ -	\$ -	\$ -	6	\$ -	\$ -	\$ -	6
Finance	150	-	-	-	979	-	-	-	1,129
Legal	-	-	-	-	103	-	-	-	103
Human Resources	-	-	-	-	403	-	-	-	403
Communications	-	7	-	-	14	-	-	-	21
Equipment Management	-	28	-	-	284	-	-	-	312
City Council	-	12	-	-	641	-	-	-	653
General Government	2,500	3,443	16,041	16,041	635	-	-	-	22,619
	2,650	3,490	16,041	16,041	3,065	-	-	-	25,246
<b>Public Works &amp; Transportation</b>									
	500,286	53,625	18,104	18,104	38,535	3,250,887	179,621	179,621	4,041,058
	500,286	53,625	18,104	18,104	38,535	3,250,887	179,621	179,621	4,041,058
<b>Public Safety &amp; Protection</b>									
Police	1,504	26,305	85	85	49,615	-	141	141	77,650
Fire	1,718	17,293	1,083	1,083	47,101	-	119	119	67,314
Municipal Court	-	-	-	-	64	-	-	-	64
Telecommunications	32	11,622	687	687	30,328	-	-	-	42,669
	3,254	55,220	1,855	1,855	127,108	-	260	260	187,697
<b>Social &amp; Economic Development</b>									
Human Rights	-	-	-	-	44	-	-	-	44
WIN	-	1,746	-	-	1,210	-	-	-	2,956
Planning	-	-	-	-	31	-	-	-	31
Development Services	27	-	15	15	1,199	-	-	-	1,241
Urban Development (EDREM)	439	-	499	499	22	-	-	-	960
	466	1,746	514	514	2,506	-	-	-	5,232
<b>Cultural Development &amp; Recreation</b>									
Gilcrease	81	11,784	110	110	7,763	-	-	-	19,738
Parks	20,237	45,349	47,952	47,952	10,527	-	-	-	124,065
PAC	596	23,386	-	-	1,955	-	-	-	25,937
	20,914	80,519	48,062	48,062	20,245	-	-	-	169,740
Total Governmental Funds Capital Assets	\$ 527,570	\$ 194,600	\$ 84,576	\$ 84,576	\$ 191,459	\$ 3,250,887	\$ 179,881	\$ 179,881	\$ 4,428,973

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SECTION  
THREE



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

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



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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 1,288,414	\$ 1,235,482	\$ 1,167,495	\$ 1,111,600	\$ 1,104,679	\$ 989,918	\$ 967,462	\$ 951,466	\$ 952,282	\$ 1,032,890
Restricted	273,642	262,022	263,303	239,504	244,257	160,049	121,161	132,695	148,553	123,475
Unrestricted	(197,489)	(212,406)	53,045	47,933	59,643	65,532	53,012	38,170	5,168	33,889
	<u>\$ 1,364,567</u>	<u>\$ 1,285,098</u>	<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>
<b>Business-type activities:</b>										
Net investment in capital assets	504,926	514,764	531,789	528,912	535,424	541,280	516,148	498,405	457,012	257,841
Restricted	11,732	11,939	14,398	16,925	11,875	8,936	11,185	9,482	13,582	9,528
Unrestricted	27,332	22,202	19,289	18,077	16,086	15,183	12,073	14,881	9,033	4,526
	<u>\$ 543,990</u>	<u>\$ 548,905</u>	<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>
<b>Primary government:</b>										
Net investment in capital assets	1,793,340	1,750,246	1,699,284	1,640,512	1,640,103	1,531,198	1,483,610	1,449,871	1,409,294	1,290,731
Restricted	285,374	273,961	277,701	256,429	256,132	168,985	132,346	142,177	162,135	133,003
Unrestricted	(170,157)	(190,204)	72,334	66,010	75,729	80,715	65,085	53,051	14,201	38,415
	<u>\$ 1,908,557</u>	<u>\$ 1,834,003</u>	<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>

**Restatements of prior years**

2015 - June 30, 2015 governmental activities and business-type activities were restated \$298,116 and \$9,491 respectively as a result of the adoption of GASB Statement No. 68.

Prior years were not restated.

2013 - June 30, 2013 business-type activities were restated \$2,165 to correct an error in the treatment of initial direct costs of operating leases.

Prior years were not restated.

2011 - June 30, 2011 governmental activities and business-type activities were restated \$728 and \$1,288 respectively as a result of the adoption of GASB Statement No. 65.

Prior years were not restated.

2009 - June 30, 2009 governmental activities and business-type activities were restated \$43,441 and \$3,011 respectively to correct errors in capital asset depreciation.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 64,141	\$ 46,755	\$ 42,853	\$ 50,697	\$ 46,345	\$ 39,654	\$ 45,311	\$ 42,257	\$ 46,795	\$ 44,407
Public safety and protection	200,726	186,385	199,749	221,872	204,822	182,971	173,339	183,862	193,293	166,374
Public works and transportation	75,400	69,523	64,381	54,848	56,650	64,029	87,395	87,318	90,855	116,374
Culture and recreation	24,124	22,638	24,629	25,372	20,858	20,419	17,749	21,752	25,460	27,841
Social and economic	38,629	31,409	27,845	32,071	24,089	21,894	31,310	28,325	28,346	25,776
Interest on long-term debt	11,864	12,289	12,724	13,097	12,724	12,624	10,910	12,560	14,134	11,046
Total governmental activities expenses	414,884	368,995	371,707	397,957	365,488	331,591	361,914	376,074	398,883	391,818
<b>Business-type activities:</b>										
Stormwater	30,084	25,877	25,721	26,004	27,729	26,050	24,859	23,743	21,744	19,862
One Technology Center	9,982	10,643	9,927	11,488	10,435	9,884	9,431	9,993	6,527	-
Arena & Convention	24,910	25,507	23,815	23,993	22,823	22,480	22,182	17,454	6,044	-
Tulsa Stadium Trust	3,330	3,500	3,733	3,603	3,603	3,768	-	-	-	-
Golf Courses	3,288	2,917	3,183	3,544	3,696	3,316	3,503	3,615	3,246	2,470
Total business-type activities	71,594	68,444	66,674	68,762	68,286	65,498	59,975	54,785	37,561	22,332
Total primary government	486,478	437,439	438,381	466,719	433,774	397,089	421,889	430,859	436,444	414,150
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
Charges for services										
General government	25,493	9,664	10,279	14,789	14,421	15,416	12,647	12,996	12,346	16,250
Public safety and protection	24,359	25,264	23,918	24,693	21,553	16,815	20,289	22,674	25,090	18,275
Public works and transportation	11,250	13,693	12,761	13,792	12,761	10,421	9,054	14,908	14,235	9,040
Culture and recreation	4,814	5,006	4,754	4,516	4,148	4,887	5,638	3,797	3,903	4,545
Social and economic	1,913	1,626	1,155	2,037	1,850	543	530	1,375	2,246	3,228
Operating grants and contributions	29,486	32,364	35,063	35,742	29,629	27,816	32,262	25,944	39,700	33,172
Capital grants and contributions	6,308	4,694	3,784	34,169	36,144	9,924	12,185	25,944	24,891	57,665
Total governmental activities program revenues	103,623	92,311	92,998	129,738	120,506	85,822	92,605	93,254	122,411	142,175
Business-type activities:										
Charges for services										
Stormwater	27,674	25,099	23,625	24,101	23,604	23,231	22,007	21,424	19,296	17,742
One Technology Center	8,986	9,183	9,176	10,253	9,401	8,560	6,637	5,787	2,478	-
Arena & Convention	15,633	16,514	12,634	12,634	12,012	12,300	12,130	10,281	1,128	-
Tulsa Stadium Trust	281	276	334	299	246	163	16,286	-	-	-
Golf Courses	2,828	2,420	2,700	2,558	2,574	2,024	2,733	2,713	1,683	1,084
Operating grants and contributions	-	-	3	3	308	-	79	-	-	-
Capital grants and contributions	4,689	1,291	2,360	1,277	1,072	3,319	-	36,839	113,759	11,082
Total business-type activities program revenues	60,091	54,783	52,148	51,125	49,217	49,597	70,607	77,044	138,344	29,908
Total primary government program revenues	\$ 163,714	\$ 147,094	\$ 145,146	\$ 180,863	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083
<b>Net (expense) revenue:</b>										
Governmental activities	(311,265)	(276,684)	(278,705)	(268,219)	(264,051)	(245,765)	(263,309)	(282,820)	(276,472)	(249,643)
Business-type activities	(11,505)	(13,661)	(14,526)	(17,657)	(17,205)	(15,901)	(5,654)	22,259	100,783	7,576
Total primary government net expense	\$ (322,764)	\$ (290,345)	\$ (293,235)	\$ (285,856)	\$ (282,343)	\$ (261,670)	\$ (274,963)	\$ (260,561)	\$ (175,689)	\$ (242,067)
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Taxes</b>										
Sales tax	234,912	231,997	231,108	227,905	219,240	199,384	193,505	207,289	210,633	201,717
Property tax	73,450	64,667	59,659	58,445	58,955	49,315	41,989	39,090	34,475	29,182
Franchise tax	22,620	24,039	24,053	22,588	22,427	27,225	26,144	25,871	23,211	22,213
Use tax	23,640	24,104	24,776	22,393	21,522	17,927	15,622	18,422	18,501	18,346
Hotel / motel tax	7,483	7,552	7,050	6,676	6,120	6,683	5,821	6,327	6,134	6,134
Unrestricted grants and contributions	6,814	6,037	7,894	22,154	23,305	22,698	15,860	21,224	20,396	20,765
Payments from component units	14,631	14,100	14,710	4,282	690	76	13	1,808	2,008	181
Investment earnings	7,910	6,469	7,072	(2,343)	2,888	7,513	9,586	19,570	24,151	18,971
Miscellaneous	4,749	2,734	2,253	9,812	4,586	2,490	3,788	5,246	5,246	2,014
Transfers	(5,479)	(5,644)	(15,060)	(18,092)	(16,814)	(11,950)	(21,612)	(22,248)	(105,851)	(4,292)
Total governmental activities	390,730	376,055	363,515	353,820	342,919	320,361	288,613	321,141	239,589	315,231
<b>Business-type activities:</b>										
Investment earnings and other	1,109	937	3,193	(1)	316	611	691	1,290	1,209	633
Transfers & capital contributions	5,479	5,644	15,060	18,092	16,814	11,950	23,619	22,248	105,851	4,292
Total business-type activities	6,588	6,581	18,253	18,091	17,130	12,530	24,310	23,538	107,060	4,925
Total primary government	\$ 397,318	\$ 382,636	\$ 381,768	\$ 371,911	\$ 360,049	\$ 332,922	\$ 312,923	\$ 344,679	\$ 346,649	\$ 320,156
<b>Changes in Net Position:</b>										
Governmental activities	79,469	99,371	84,806	85,601	97,937	74,952	19,304	38,321	(6,883)	65,589
Business-type activities	(4,915)	(7,080)	3,727	454	(1,939)	(3,340)	18,656	45,797	207,843	12,501
Total primary government	\$ 74,554	\$ 92,291	\$ 88,533	\$ 86,055	\$ 95,998	\$ 71,252	\$ 37,960	\$ 84,118	\$ 170,960	\$ 78,090

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

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

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

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

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

Function/Program:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities:</b>										
General government	\$ 25,493	\$ 9,664	\$ 10,478	\$ 14,789	\$ 14,421	\$ 15,416	\$ 13,380	\$ 13,240	\$ 12,368	\$ 16,250
Public safety and protection	47,860	50,824	47,874	47,727	52,384	37,311	37,973	39,454	49,018	37,459
Public works and transportation	17,558	18,387	17,476	46,502	42,822	16,475	20,024	25,397	43,524	64,317
Culture and recreation	4,814	5,006	4,754	4,516	4,148	5,122	5,960	3,801	3,943	4,545
Social and economic	7,898	8,430	12,416	16,204	7,675	11,498	15,268	11,362	13,558	19,604
Total governmental activities	103,623	92,311	92,998	129,738	121,450	85,822	92,605	93,254	122,411	142,175
<b>Business-type activities:</b>										
Stormwater	32,363	26,390	25,806	25,353	24,676	24,824	25,078	33,057	20,657	28,824
One Technology Center	8,986	9,183	9,176	10,253	9,401	8,560	6,637	5,787	2,478	-
Arena & Convention	15,633	16,514	13,993	12,659	12,012	12,856	19,871	35,487	113,526	-
Tulsa Stadium Trust	281	276	334	302	554	918	16,286	-	-	-
Tulsa Golf Courses	2,828	2,420	2,839	2,558	2,574	2,439	2,735	2,713	1,683	1,084
Total business-type activities	60,091	54,783	52,148	51,125	49,217	49,597	70,607	77,044	138,344	29,908
<b>Total primary government</b>	<b>\$ 163,714</b>	<b>\$ 147,094</b>	<b>\$ 145,146</b>	<b>\$ 180,863</b>	<b>\$ 170,667</b>	<b>\$ 135,419</b>	<b>\$ 163,212</b>	<b>\$ 170,298</b>	<b>\$ 260,755</b>	<b>\$ 172,083</b>

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

**CITY OF TULSA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Current and Past Nine Years**

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Nonspendable	\$ 611	\$ 611	\$ 611	\$ 745	\$ 606	\$ 1,055	\$ 7,730	\$ 8,876	\$ 13,273	\$ 9,668
Restricted	2,000	2,000	2,000	2,000	-	-	47,045	41,647	37,759	43,778
Assigned	5,183	8,047	6,889	13,504	20,989	13,807	\$ 54,775	\$ 50,523	\$ 51,032	\$ 53,446
Unassigned	54,252	54,830	50,264	41,528	49,540	52,255				
	<u>\$ 62,046</u>	<u>\$ 65,488</u>	<u>\$ 59,764</u>	<u>\$ 57,777</u>	<u>\$ 71,135</u>	<u>\$ 67,117</u>				
<b>Other Governmental Funds:</b>										
Nonspendable	-	-	-	-	-	-	229,880	224,633	221,997	229,496
Restricted	458,796	441,787	403,806	383,576	388,231	325,181				
Committed	4,691	3,094	1,698	1,761	1,095	1,135	15,572	9,552	9,412	12,842
Assigned	-	-	-	718	718	3,977	12,412	4,014	3,948	3,439
Unassigned	(310)	(321)	(456)	(512)	(145)	(261)	1,966	1,692	1,095	832
	<u>\$ 463,177</u>	<u>\$ 444,560</u>	<u>\$ 403,048</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>

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

**CITY OF TULSA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Current and Past Nine Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Sales tax	\$ 234,912	\$ 231,997	\$ 231,108	\$ 227,905	\$ 223,988	\$ 199,384	\$ 193,505	\$ 207,289	\$ 210,633	\$ 201,716
Property tax	73,450	63,229	57,478	56,096	54,124	44,690	34,457	33,287	30,838	22,213
Franchise tax	22,620	24,039	24,053	22,588	21,857	27,225	26,144	25,871	23,211	26,322
Use tax	23,640	24,104	24,776	22,393	21,522	17,927	15,622	18,422	18,501	18,346
Hotel/motel tax	7,483	7,552	7,050	6,676	6,120	5,683	5,821	6,327	6,819	6,134
Special assessment tax	3,525	3,412	3,595	3,344	3,164	3,169	3,275	855	910	869
Charges for services	28,408	30,927	30,412	45,450	45,553	35,918	40,385	42,353	39,554	35,123
Intergovernmental revenues	39,759	43,425	47,794	53,891	39,598	42,261	51,776	50,761	71,134	98,539
Fines and forfeitures	8,077	8,923	9,565	10,567	11,718	10,875	8,257	8,763	12,001	10,350
Investment income	7,974	5,423	7,002	363	5,222	6,140	8,663	12,913	18,911	15,279
Licenses, permits and fees	8,397	8,421	7,801	7,137	6,832	5,922	5,175	6,191	6,745	5,823
Program income from grants	1,337	1,397	1,146	1,962	1,763	440	530	793	1,606	3,228
Payments from component units	14,383	13,506	13,566	701	668	57	13	1,808	2,008	181
Miscellaneous	4,413	2,659	2,253	9,778	3,033	2,492	2,794	3,787	5,935	2,664
Total revenues	478,378	469,014	467,599	468,851	445,162	402,183	396,417	419,420	448,806	446,787
<b>Expenditures</b>										
Current:										
General government	37,105	36,773	37,857	43,389	27,443	21,638	20,819	20,826	19,781	17,376
Public safety and protection	202,794	194,430	190,069	186,552	187,513	171,552	174,401	188,475	193,595	174,293
Public works and transportation	21,038	24,186	24,983	25,857	29,039	31,557	31,412	32,174	35,064	30,072
Culture and recreation	20,790	20,867	21,584	21,112	14,948	14,385	15,362	19,473	22,753	25,385
Social and economic development	30,595	28,673	28,319	32,986	31,066	20,215	28,991	25,611	26,897	25,259
Payments to component units	15,600	13,367	9,719	11,111	9,562	10,354	16,535	23,480	21,970	31,899
Capital outlay	122,370	104,128	111,597	114,238	96,057	79,680	105,904	102,681	122,328	142,399
Debt service:										
Principal	52,975	52,832	41,953	38,347	31,173	24,581	18,860	17,354	20,481	17,392
Interest	15,975	17,516	16,727	16,150	17,335	15,887	14,433	12,251	10,172	7,436
Total expenditures	519,242	492,772	482,808	489,742	444,136	389,849	426,717	442,325	473,041	471,511
Excess (deficiency) of revenues over (under) expenditures	(40,864)	(23,758)	(15,649)	(20,891)	1,026	12,334	(30,300)	(22,905)	(24,235)	(24,724)
<b>Other financing sources (uses)</b>										
Transfers in	5,121	4,495	1,706	3,657	2,570	3,941	25,758	12,761	13,590	20,083
Transfers out	(11,162)	(10,638)	(17,349)	(22,047)	(17,887)	(16,565)	(47,650)	(35,395)	(37,777)	(29,163)
Sale of capital assets	1,222	905	1,468	1,173	664	1,691	821	-	-	-
Bond issuance	57,000	70,000	50,000	45,000	44,927	70,000	70,000	48,453	35,851	65,934
Refunding bond issuance	23,133	57,073	-	23,746	-	21,546	23,558	-	-	-
Premium on bond issuance	3,858	2,804	1,316	7,341	647	11,143	12,017	16	-	418
Payment to bond escrow agent	(23,133)	(57,073)	-	(23,746)	-	(21,546)	(30,013)	-	-	-
Total other financing sources (uses)	56,039	67,566	37,141	35,124	30,921	70,210	54,491	25,835	11,664	57,272
Net changes in fund balances	15,175	43,808	21,492	14,233	31,947	82,544	24,191	2,930	(12,571)	32,548
Fund balance, beginning	510,048	464,812	443,320	429,087	429,087	314,605	290,414	287,484	300,055	268,132
Cumulative effect of change in acctg. principle	-	-	-	-	-	-	-	-	-	(625)
Fund balance, ending	\$ 525,223	\$ 508,620	\$ 464,812	\$ 443,320	\$ 461,034	\$ 397,149	\$ 314,605	\$ 290,414	\$ 287,484	\$ 300,055
Debt service as a percentage of noncapital expenditures	17.02%	17.94%	15.04%	14.45%	13.92%	12.86%	9.59%	8.72%	8.74%	7.54%

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

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

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

**CITY OF TULSA**  
**PRINCIPAL SALES TAX REMITTERS**  
(amounts expressed in thousands)  
June 30, 2016

		2016				2017			
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	\$ 34,355	\$ 1,108,242	14.56%	53	General Merchandise Stores	\$ 32,397	\$ 1,079,900	16.02%
58	Eating and Drinking Places	31,314	1,010,137	13.27%	58	Eating and Drinking Places	22,876	762,533	11.31%
59	Miscellaneous Retail	23,299	751,576	9.87%	59	Miscellaneous Retail	22,149	738,300	10.95%
54	Food Stores	17,986	580,187	7.62%	49	Electric, Gas, and Sanitary Services	17,211	573,700	8.51%
57	Furniture and Equipment	16,248	524,131	6.89%	54	Food Stores	16,516	550,533	8.17%
49	Electric, Gas, and Sanitary Services	16,165	521,462	6.85%	57	Furniture and Home Furnishing Stores	13,570	452,333	6.71%
50	Wholesale Trade-Durable Goods	16,083	518,796	6.82%	52	Building Materials & Garden Supplies	12,443	414,767	6.15%
52	Building Materials & Garden Supplies	15,645	504,677	6.63%	12,432	Wholesale Trade-Durable Goods	12,432	414,400	6.15%
56	Apparel and Accessory Stores	10,614	342,374	4.50%	56	Apparel and Accessory Stores	9,398	313,267	4.65%
48	Communication	9,111	293,907	3.86%	48	Communication	9,216	307,200	4.56%
		<u>\$ 190,820</u>	<u>\$ 6,155,488</u>	<u>80.86%</u>			<u>\$ 168,208</u>	<u>\$ 5,606,933</u>	<u>83.16%</u>

**Source:** Oklahoma Tax Commission



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

Year	City of Tulsa	Tulsa County	State of Oklahoma
2016	3.100%	0.917%	4.500%
2015	3.100%	0.917%	4.500%
2014	3.167%	0.850%	4.500%
2013	3.167%	0.850%	4.500%
2012	3.167%	0.850%	4.500%
2011	3.000%	1.017%	4.500%
2010	3.000%	1.017%	4.500%
2009	3.000%	1.017%	4.500%
2008	3.000%	1.017%	4.500%
2007	3.000%	1.017%	4.500%

**Source:** Oklahoma Tax Commission

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

(amounts expressed in thousands)

Year	Real Property			Personal Property			Public Service Property			TOTAL			
	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Assessed to Estimated Actual Value
2016	\$ 25,223,050	\$ 2,774,813	22.79	\$ 4,147,160	\$ 414,716	22.79	\$ 427,596	\$ 135,890	22.79	\$ 29,797,806	\$ 3,325,419	22.79	11.2%
2015	24,472,298	2,692,222	21.46	4,030,010	403,001	21.46	426,001	135,383	21.46	28,928,309	3,230,606	21.46	11.2%
2014	23,899,110	2,629,165	20.24	3,793,290	379,329	20.24	491,001	156,040	20.24	28,183,401	3,164,534	20.24	11.2%
2013	23,572,306	2,593,213	20.16	3,673,950	367,395	20.16	622,631	197,872	20.16	27,868,887	3,158,480	20.16	11.3%
2012	23,257,483	2,558,579	20.01	3,612,420	361,242	20.01	615,592	195,635	20.01	27,485,495	3,115,456	20.01	11.3%
2011	22,980,865	2,528,148	16.98	3,836,900	383,690	16.98	687,020	218,335	16.98	27,504,785	3,130,173	16.98	11.4%
2010	22,455,554	2,470,358	14.15	3,991,610	399,161	14.15	658,738	209,347	14.15	27,105,902	3,078,866	14.15	11.4%
2009	21,699,539	2,387,188	14.08	3,857,010	385,701	14.08	585,925	186,207	14.08	26,142,474	2,959,096	14.08	11.3%
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%

Source: Tulsa County Assessor's Office

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

Year	Direct		Overlapping				Direct & Overlapping Combined
	General Fund	Sinking Fund	Schools	County	County Library	County Health	
2016	\$ -	\$ 22.79	\$ 93.50	\$ 10.32	\$ 5.32	\$ 2.58	\$ 111.72
2015	-	21.46	93.53	10.33	5.32	2.58	111.76
2014	-	20.24	89.45	10.33	5.32	2.58	107.68
2013	-	20.16	89.19	10.34	5.32	2.58	107.43
2012	-	20.01	89.33	10.34	5.32	2.58	107.57
2011	-	16.98	88.44	10.31	5.32	2.58	106.65
2010	-	14.15	89.49	10.31	5.32	2.58	107.70
2009	-	14.08	88.31	10.31	5.32	2.58	106.52
2008	-	13.48	88.31	10.31	5.32	2.58	106.52
2007	-	12.67	87.47	10.31	5.32	2.58	105.68

**Source:** Tulsa County Assessor's Office

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

Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Taxes Receivable	Delinquent Percent of Levy	Delinquent Tax Collections	Total Collections	Percent of Total Collections to Tax Levy
2016	\$ 75,781	\$ 74,030	97.7%	\$ 11,352	15.0%	\$ -	\$ 74,030	97.7%
2015	69,329	66,943	96.6%	11,747	16.9%	2,061	69,004	99.5%
2014	64,050	62,019	96.8%	11,206	17.5%	846	62,865	98.2%
2013	63,687	61,641	96.8%	10,834	17.0%	1,129	63,187	99.2%
2012	62,334	60,219	96.6%	10,334	16.6%	1,641	61,860	99.2%
2011	53,163	50,945	95.8%	9,955	18.7%	1,947	52,268	98.3%
2010	43,557	41,887	96.2%	9,060	20.8%	1,409	43,296	99.4%
2009	41,663	40,014	96.0%	8,469	20.3%	1,474	41,488	99.6%
2008	38,098	36,305	95.3%	7,697	20.2%	1,583	38,071	99.9%
2007	34,420	33,018	95.9%	7,387	21.5%	1,006	34,024	98.9%

**CITY OF TULSA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Current and Past Nine Years**  
**(amounts expressed in thousands, except per capita)**

Year	Governmental Activities Debt				Business Type Activities Debt		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds, Net	Internal Service Funds		Notes Payable	Total Governmental Activities	Revenue Bonds, Net			
		Revenue Bonds, Net	Revenue						
2016	\$ 480,703	\$ 5,908	\$ -	\$ 486,611	\$ 95,747	\$ 582,358	2.79%	\$ 1,446	
2015	468,293	7,381	-	475,674	98,807	574,481	2.77%	1,435	
2014	447,465	8,856	-	456,321	103,316	559,637	2.81%	1,407	
2013	439,032	10,335	-	449,367	107,390	556,757	2.92%	1,429	
2012	426,659	11,821	407	438,887	104,324	543,211	2.85%	1,375	
2011	407,858	14,255	796	422,909	106,402	529,311	3.03%	1,314	
2010	351,105	27,911	1,165	380,181	90,354	470,535	2.98%	1,221	
2009	291,245	41,030	1,519	333,794	92,558	426,352	2.78%	1,139	
2008	255,817	53,270	1,862	310,949	95,081	406,030	2.35%	1,035	
2007	234,224	75,225	2,189	311,638	2,425	314,063	2.01%	803	

**Notes:**

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

**CITY OF TULSA**  
**RATIOS OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUES AND NET BONDED DEBT PER CAPITA**  
**Current and Past Nine Years**  
(amounts expressed in thousands)

Year	Population	Net		Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita (In dollars)
		Assessed Property Value	General Bonded Debt		
2016	402,662	\$ 3,325,419	\$ 480,703	14.46%	\$ 1,194
2015	400,436	3,230,606	468,293	14.50%	1,169
2014	397,737	3,164,534	447,465	14.14%	1,125
2013	397,139	3,158,480	439,032	13.90%	1,105
2012	393,831	3,115,456	426,659	13.69%	1,083
2011	391,831	3,130,173	407,858	13.03%	1,041
2010	391,956	3,078,866	351,105	11.40%	896
2009	392,080	2,959,096	291,245	9.84%	743
2008	392,205	2,824,690	255,817	9.06%	652
2007	382,000	2,717,965	234,224	8.62%	613

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

**CITY OF TULSA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2016**  
**(amounts expressed in thousands)**

Governmental Unit	Net General Bonded Debt	Estimated Percentage Applicable to City of Tulsa	Estimated Share Applicable to City of Tulsa
<b>Debt repaid with property taxes:</b>			
Independent School Districts:			
No. 1 Tulsa	\$ 178,000	92.2%	\$ 164,111
No. 3 Broken Arrow	75,574	10.5%	7,922
No. 4 Bixby	32,350	9.8%	3,161
No. 5 Jenks	72,916	73.1%	53,301
No. 9 Union	73,160	76.1%	55,647
No. 11 Owasso	28,755	0.1%	30
			284,173
<b>City direct debt</b>	<b>\$ 480,703</b>	<b>100.0%</b>	<b>480,703</b>
<b>Total direct and overlapping debt</b>			<b>\$ 764,876</b>

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit <sup>1-2</sup>	\$ 332,542	\$ 323,061	\$ 316,453	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797
Total net debt subject to limit <sup>3</sup>	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 332,542	\$ 323,061	\$ 316,453	\$ 311,546	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Source:**

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



**CITY OF TULSA**  
**PLEDGED-REVENUE BOND COVERAGE**  
**ONE TECHNOLOGY CENTER - LEASE REVENUE BONDS**  
**Current and Past Eight Years**  
(amounts expressed in thousands)

Year	Gross Revenue	Direct Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 9,660	\$ 5,700	\$ 3,960	\$ 1,400	\$ 3,339	\$ 4,739	0.84
2015	9,853	6,066	3,787	1,340	3,356	4,696	0.81
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

**Notes:**

1. The bonds were issued in 2008 and repayment is the responsibility of TPFA's One Technology Center fund.
2. Gross revenues include 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.
3. Direct expenses include all expenses of the OTC fund except for depreciation and interest expense.

**CITY OF TULSA**  
**PLEDGED-REVENUE BOND COVERAGE**  
**ARENA AND CONVENTION - 2008 CAPITAL IMPROVEMENT BONDS**  
**Current and Past Seven Years**  
(amounts expressed in thousands)

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

**Notes:**

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

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

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

**Notes:**

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

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

Year	Gross Revenue	Direct Expenses	Net Revenue Available for		Debt Service Requirements			Coverage
			Debt Service	Debt Service	Principal	Interest	Total	
2016	\$ 26,828	\$ 24,329	\$ 2,499	\$ 1,340	\$ 266	\$ 1,606	1.56	
2015	26,492	22,906	3,586	1,320	305	1,625	2.21	
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	

**Notes:**

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

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

Year	MSA Current		MSA Per Capita		Percent of High School Graduates		Unemployment Rate
	Population	Personal Income (in millions)	Personal Income	Median Age	School Graduates	Rate	
2016	403,085	\$ 50,881	\$51,786	34.9	86.8%	4.5%	
2015	402,662	50,247	51,500	34.8	86.7%	4.2%	
2014	400,436	48,199	49,807	34.8	86.7%	5.0%	
2013	398,222	45,935	47,857	34.8	86.7%	5.4%	
2012	396,021	45,787	48,095	34.8	86.7%	5.8%	
2011	393,831	41,846	44,316	34.8	86.7%	6.7%	
2010	391,831	37,723	40,239	34.8	86.8%	7.5%	
2009	391,956	36,300	39,075	34.8	86.5%	5.1%	
2008	392,080	40,645	44,153	34.8	86.2%	3.7%	
2007	392,205	36,342	39,839	34.8	86.0%	4.0%	

**Sources:**

Population: 2000 & 2010 Census

Forecast (2016): Extrapolation using 15 year Experian series, and 2016 Growth Projection

Personal Income: Bureau of Economic Analysis June 2012

Forecast (2015/2016): OSU Center for Applied Economic Research, Tulsa Regional Chamber

Per Capita Personal Income: Bureau of Economic Analysis to 2011

Forecast (2015/2016): OSU CAER, Tulsa Regional Chamber

Median Age: 2000 & 2010 Census

Forecast (2016): Extrapolation using 15 year Experian series, and 2016 Growth Projection

Percent of High School Graduates: Tulsa Metro Chamber - as reported by Experian

Forecast (2016): Extrapolation using 11 year Experian series, and 2016 Growth Projection

Unemployment Rate: Bureau of Labor Statistics (12 month moving average closing June 30, 2016)

**CITY OF TULSA**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	2016			2007		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Saint Francis Healthcare System	9,500	1	2.14%	4,500	3	1.03%
Wal-Mart/Sam's Club	8,000	2	1.80%	-	-	NA
Tulsa Public Schools	8,000	3	1.80%	6,500	2	1.49%
American Airlines	6,500	4	1.46%	8,000	1	1.84%
St. John Health System	6,500	5	1.46%	4,500	5	1.03%
Hillcrest Healthcare System	6,500	6	1.46%	2,000	10	0.46%
City of Tulsa	3,500	7	0.79%	4,500	4	1.03%
Reasor's (all Tulsa area locations)	3,500	8	0.79%	-	-	NA
Cherokee Hard Rock Hotel and Casino	3,500	9	0.79%	-	-	NA
QuikTrip	3,500	10	0.79%	-	-	NA
	<u>59,000</u>		<u>13.27%</u>	<u>30,000</u>		<u>6.88%</u>

**Notes:**

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

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

Departments	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public Safety and Protection:</b>										
Police	977	971	997	881	879	874	888	897	898	892
911 Public Safety Communications	-	-	-	97	97	97	108	109	109	109
Municipal Courts	41	41	46	51	51	50	53	58	58	58
Fire	695	694	696	696	699	698	708	714	714	713
	<u>1,713</u>	<u>1,706</u>	<u>1,739</u>	<u>1,725</u>	<u>1,726</u>	<u>1,719</u>	<u>1,757</u>	<u>1,778</u>	<u>1,779</u>	<u>1,772</u>
<b>Cultural Development and Recreation:</b>										
Park & Recreation	173	176	195	196	110	180	270	273	274	274
Tulsa Performing Arts Center	31	30	30	30	29	30	36	37	38	38
	<u>204</u>	<u>206</u>	<u>225</u>	<u>226</u>	<u>139</u>	<u>210</u>	<u>306</u>	<u>310</u>	<u>312</u>	<u>312</u>
<b>Social and Economic Development:</b>										
Mayor's Office of Economic Development	11	9	-	-	-	-	-	-	-	-
Planning and Economic Development	87	88	115	112	121	118	91	93	93	84
Working in Neighborhoods	67	67	75	77	75	72	87	91	86	83
	<u>165</u>	<u>164</u>	<u>190</u>	<u>189</u>	<u>196</u>	<u>190</u>	<u>178</u>	<u>184</u>	<u>179</u>	<u>167</u>
<b>Public Works and Transportation:</b>										
Engineering Services	145	146	162	161	153	155	-	-	-	-
Streets and Stormwater	312	357	375	374	434	437	-	-	-	-
Water and Sewer	655	648	646	642	657	653	-	-	-	-
Public Works	-	-	-	-	-	-	1,441	1,453	1,445	1,426
Airports	-	-	157	157	157	157	158	172	171	169
	<u>1,112</u>	<u>1,151</u>	<u>1,340</u>	<u>1,334</u>	<u>1,401</u>	<u>1,402</u>	<u>1,599</u>	<u>1,625</u>	<u>1,616</u>	<u>1,595</u>
<b>General Government and Support:</b>										
Finance	163	157	170	171	158	153	89	84	84	78
Information Technology	119	119	143	146	149	249	270	278	277	273
Asset Management	137	111	79	79	79	79	79	83	83	83
All Other	177	176	157	181	177	73	83	96	107	139
	<u>596</u>	<u>563</u>	<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>3,790</u>	<u>3,790</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>

**Notes:**

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

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

Function/Program	2016	2015	2014	2013	2012	2011
<b>Public Safety &amp; Protection</b>						
Municipal Court						
1 . Percent of adult offenders who successfully complete probation order.	-	73%	70%	70%	New Measure	New Measure
2 . Percent of juvenile offenders who successfully complete probation order.	-	73%	70%	70%	New Measure	New Measure
3 . Percent of reduction of outstanding active warrants	-	5%	New Measure	New Measure	New Measure	New Measure
Police						
1 . Percent reduction in Part One crimes over previous year.	12% decrease	3.6% decrease	5% decrease	3% decrease	6.75% decrease	5% increase
2 . Percent reduction in fatality/high injury collisions over previous year.	20% decrease	13.9% decrease	15.4% decrease	3% decrease	15.4% decrease	8% decrease
3 . Percent reduction in number of backlogged forensic cases over previous year.	-	37% decrease	37% decrease	10% decrease	9% decrease	43% increase
4 . Percent increase of calls responded to in three minutes or less.	0% increase	0.3% increase	13.54% decrease	5% increase	3.37% decrease	6% increase
5 . Percent of PSAP calls answered within 10 seconds.	-	85%	85%	90%	88%	-
6 . Percent of emergency calls answered within 20 seconds.	-	89%	89%	95%	92%	-
Fire						
1 . Percent of arrival on scene from receipt of call within six minutes	85%	86%	86%	90%	87%	89%
2 . Percent of reduction of firefighter injuries from previous year.	5%	33%	32%	5%	11%	9% increase
<b>Culture and Recreation</b>						
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.	15,504	35,326	17,000	25,000	17,695	25,000
2 . Number of visitors attracted annually.	38,537	81,384	78,144	100,000	113,561	85,700
Performing Arts Center						
1 . Number of performances per year.	485	505	506	500	524	554
2 . Dollar amount of gross ticket sales.	\$7 million	\$7.9 million	\$10.6 million	\$7 million	\$10.8 million	\$7 million
BOK Arena and Convention Center						
1 . Number of paid attendance to event centers per year.	950,000	1,126,758	921,535	550,000	894,092	849,052
2 . Gross ticket sales per year	\$21,000,000	\$25,212,936	\$19,132,173	\$15,000,000	\$19,601,157	\$16,101,011
3 . Number of attended events scheduled and serviced annually.	550	600	527	476	508	589

Continued



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

Function/Program	2016	2015	2014	2013	2012	2011
<b>Continued</b>						
<b>Social &amp; Economic Development</b>						
Mayor's Office of Economic Development						
1 . Percent increase in future hotel room nights.	-	8%	7%	5%	6.5%	New Measure
Working In Neighborhoods						
1 . Average number of housing rehabilitations per month.	27	23	20	23	20	20
2 . Average number of housing demolitions per month.	25	32	23	32	23	21
3 . Number of neighborhoods that have undergone a mapping process per year.	3	3	4	4	4	New Measure
4 . Number of neighborhoods clean-up initiative per year.	20	13	12	18	12	1258
5 . Average number of voluntary compliance of code violations per month.	1000	1100	882	1100	882	New Measure
6 . Percent reduction of animals euthanized at Tulsa Animal Welfare (TAW).	13% reduction	12% reduction	18.6%	12% reduction	8.6% reduction	New Measure
7 . Percent increase of live exits of animals from TAW.	8% increase	12% increase	1.6% increase	12% increase	1.6% increase	New Measure
8 . Percent reduction of animal intake at TAW.	5% reduction	5% reduction	8.6% reduction	New Measure	New Measure	New Measure
Planning and Economic Development						
1 . Number of small area plans created or updated by 6/30/16.	3	4	2	3	0	New Measure
2 . Average number of working days for plans review.	8	9	8	10	10	7
3 . Average number of calendar days to issue permits for commercial projects under \$1 million.	43	41	37	30	30	34
4 . Number of Historic Preservation Section 106 applications processed annually.	330	260	New Measure	New Measure	New Measure	New Measure
5 . Number of permits granted for Historic Preservation work under Certificate of Appropriateness processed annually.	70	60	New Measure	New Measure	New Measure	New Measure

Continued

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

Function/Program	2016	2015	2014	2013	2012	2011
<b>Continued</b>						
<b>Public Works &amp; Transportation</b>						
<b>Engineering Services</b>						
1 .	Percent of capital projects designed, right-of-way easements acquired and utilities relocated within scheduled time frames.	45%	62%	80%	62%	83%
2 .	Percent of capital projects constructed within scheduled time frames.	98%	85%	90%	93%	96%
3 .	Percent of capital projects completed within appropriated budgets.	100%	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.	7.0%	4.0%	7.0%	2.4%	2.0%
5 .	Percent of bid advertisements posted and updated in all locations.	100%	100%	95%	96%	98%
<b>Streets and Stormwater</b>						
1 .	Average number of hours it takes to respond to emergency street repair requests.	39 minutes	34 minutes	25 minutes	1	New Measure
2 .	Percent of compliance with City grass height ordinance.	N/A	100%	100%	New Measure	New Measure
3 .	Percent reduction in travel time in modified and updated traffic signal areas.	-	20%	20%	New Measure	New Measure
4 .	Average number of hours it takes to respond to stormwater emergencies.	53 minutes	32 minutes	32 minutes	New Measure	New Measure
5 .	Percent of verified missed collections of refuse and recycling services.	2.6%	2.6%	1.0%	New Measure	New Measure
<b>Water and Sewer</b>						
1 .	Percent of customer service demand for treated water.	100%	100%	100%	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	1.25	New Measure
3 .	Average number hours for water off per customer during emergency repairs.	5.33	5.11	4.91	4.91	New Measure
4 .	Percent of on-site responses to sanitary sewer stoppage and overflow calls within two hours.	97.0%	98.0%	99.7%	99.7%	New Measure
<b>Metropolitan Tulsa Transit Authority</b>						
1 .	Number of fixed route complaints per 10k boardings	4.3	4.2	2.7	2.7	4
2 .	Number of lift program complaints per 10k boardings.	19	23.4	21.8	21.8	23
3 .	Number of fixed route passengers per hour.	-	18.3	18.3	17.6	15
4 .	Number of lift program passengers per hour.	2.07	2.07	2.1	2.1	2

Continued

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

Function/Program	2016	2015	2014	2013	2012	2011
<b>Continued</b>						
<b>Administrative and Support Services</b>						
<b>Elected Officials</b>						
1 . Percent of acceptance rate for recommendations.	90%	90%	90%	90%	90%	100%
2 . Percent of implementation rate for recommendations.	87%	86%	87%	90%	88%	86%
3 . Quality ranking on a 1-4 scale.	3.3	3.3	3.5	3.3	3.5	New Measure
<b>Human Rights Department</b>						
1 . Percent of discrimination complaints with recommended resolutions within 60 days.	100%	100%	100%	100%	100%	New Measure
2 . Percent of contracted City of Tulsa projects that meet utilization goals.	-	-	75%	75%	50%	New Measure
3 . Percent of HUD grants sub-recipients who have received training and/or assistance per year.	-	0%	75%	80%	40%	New Measure
<b>Legal Department</b>						
1 . Percent of reviews for prosecutions completed within two working days.	100%	100%	100%	100%	100%	100%
2 . Percent of contracts completed within ten business days.	100%	93%	98%	90%	98%	91%
<b>Human Resources Department</b>						
1 . Percent of internal non-sworn vacancies filled within 45 days of closing date.	93%	95%	95%	80%	95%	94%
2 . Percent of external non-sworn vacancies filled within 45 days of closing date.	83%	79%	89%	80%	92%	89%
3 . Percent of reported injury claims closed within 90 days of submission.	77%	76%	76%	65%	76%	74%
<b>Finance Department</b>						
1 . Basis points over the treasury bill rate.	111	86	90	25	108	115
2 . City's Standard and Poor bond rating.	AA	AA	AA	AA	AA	AA
3 . City's Moody's Investor Service bond rating.	Aa <sup>1</sup>	Aa <sup>1</sup>	Aa <sup>1</sup>	Aa <sup>1</sup>	Aa <sup>1</sup>	AA <sup>1</sup>
4 . Average percent of General Fund emergency operating reserve.	111.3%	8.0%	12.0%	6.3%	89.0%	6.0%
5 . Collection rate percent of revenue billed for Utilities Services.	99.0%	99.4%	99.3%	99.3%	99.3%	99.9%
<b>Information Technology</b>						
1 . Annual and quarterly customer service rating (1-5).	4.9	4.9	4.9	4.0	4.8	4.9
2 . Percent of IT service tickets open past 30 days.	1%	2%	2%	1%	2%	New Measure
3 . First contact resolution rate.	50%	47%	47%	35%	43%	41%
<b>Customer Care</b>						
1 . Percent of calls answered within 45 seconds.	62%	56%	48%	85%	48%	New Measure
2 . Average call abandonment percentage.	11%	16%	18%	<8%	18%	New Measure
3 . Customer service quality score percent for recorded and monitored calls.	92%	94%	94%	90%	N/A	New Measure
<b>Communications Department</b>						
1 . Number of media trainings performed for field supervisors per year.	6	3	New Measure	New Measure	New Measure	New Measure
<b>Equipment Management Department</b>						
1 . Percent of designated fleet availability.	92%	93%	94%	93%	95%	86%
2 . Percent of parking meters that are operational per year.	95%	85%	New Measure	New Measure	New Measure	95%
3 . Percent of direct labor hours dedicated to parking meter enforcement per year.	99%	100%	New Measure	New Measure	New Measure	New Measure

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

Source: [City of Tulsa](#)

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

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2016	\$ 5.51	\$ 3.64	\$ 5.88	\$ 6.15
2015	5.15	3.40	5.39	5.64
2014	4.81	3.18	4.91	5.14
2013	4.50	2.97	4.50	4.71
2012	4.50	2.75	4.50	4.27
2011	4.50	2.53	4.50	3.92
2010	4.20	2.37	4.50	3.56
2009	4.08	2.31	4.08	3.23
2008	4.00	2.17	4.08	3.05
2007	4.00	2.17	4.04	2.87

## APPENDIX OF ABBREVIATIONS





## APPENDIX OF ABBREVIATIONS

(Occasionally used throughout this report)

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

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