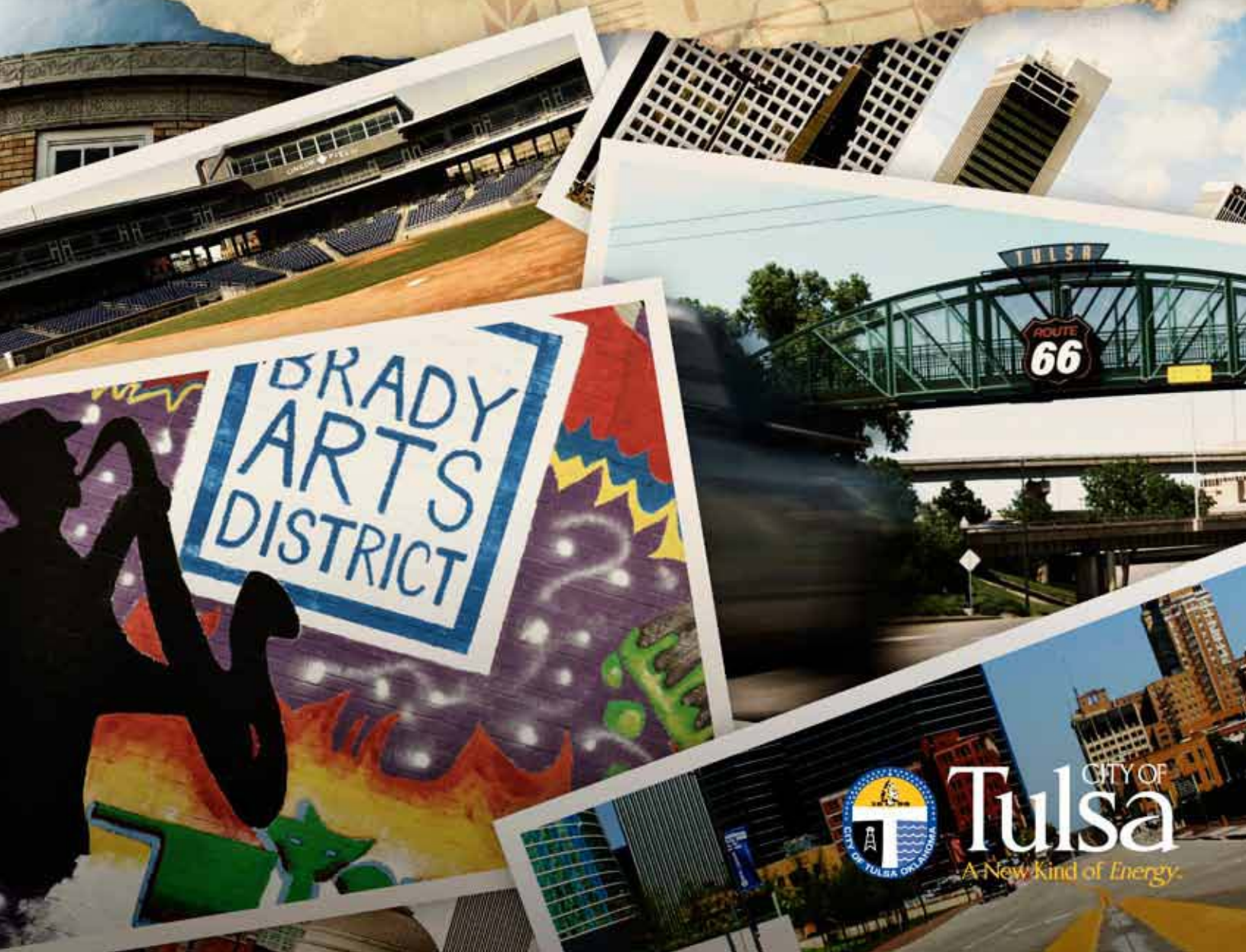


COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2011



CITY OF
Tulsa
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2011

-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, 2011**

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INTRODUCTORY SECTION



Downtown Tulsa is home to 21 buildings on the National Register of Historic Places, 9.9 million square feet of office space, seven major cathedrals and churches representing 30,000 members and more than 1,000 residential units.





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

December 13, 2011

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Tulsa, Oklahoma (the City) for the year ended June 30, 2011. This report is published to provide citizens, elected officials and other readers with information concerning the financial position and activities of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that management has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective 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, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended June 30, 2011. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

Independent Accountant's Report

The independent accountant's report is based upon the City's financial statements which were audited by the independent auditing firm of McGladrey & Pullen, LLP. This report is presented as the first component of the financial section. The goal of the audit was to provide reasonable assurance that the City's financial statements for the year ended June 30, 2011 were free of material misstatements. In order to reach this goal, the independent audit involved examining, on a test basis, evidence supporting the amounts provided by management and the evaluation of the overall financial statements presentation. Based upon the audit of the City's basic financial statements, the independent firm concluded that there was a reasonable basis to render an unqualified opinion on the financial statements of each opinion unit that collectively comprise the City's basic financial statements. The City's financial statements, as referenced in the table of contents, for the year ended June 30, 2011 are fairly presented in conformity with General Accepted Accounting Principles (GAAP).

City Profile

The City encompasses an area of approximately 197.7 square miles located in northeastern Oklahoma, at the edge of the foothills of the Ozarks, along the Arkansas River. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. It has an elevation of 700 feet above sea level. The average daily temperature is 61 degrees and the average annual rainfall is 39 inches. With its temperate climate, the City experiences continually changing weather conditions during all four seasons of the year.

The City was incorporated as a municipality on January 8, 1898. With the discovery of oil in nearby Red Fork, Oklahoma in 1901, the City grew quickly, reaching a population of 7,298 by the time of statehood in 1907. Currently, Tulsa has a population of 391,906, providing commerce, industrial, transportation and financial services for a metropolitan area of 937,478 people. The City is the hub and seat of Tulsa County as well as being the second largest city in Oklahoma.

The City operates under a Mayor - City Council form of government under a voter-approved amended charter. The Mayor is elected every four years, serves as the chief executive of the City and is responsible for city operations. The City Council, the legislative branch of the government, consists of nine members, elected every two years representing geographic districts. The City Auditor is elected every two years with responsibility for the City's Internal Audit Department. Both the Mayor and City Auditor are elected at large.

Services

The City provides a full range of services, including police and fire protection, construction and maintenance of highways, streets, and other infrastructure, recreational activities and cultural events. The following services are provided through an array of legally separate entities:

<u>Service</u>	<u>Entity</u>
Water and sanitary sewer	Tulsa Metropolitan Utility Authority
Refuse collection	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
Cultural activities	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

Vision, Mission and Values

Vision – Tulsa will continue to be a dynamic city of the past, present and future committed to being an ever-increasingly desirable community in which to live, work and play.

Mission Statement - As dedicated employees, diligently working to provide an exceptional quality of life with safe streets and neighborhoods, valued services and equal opportunity and access, we will serve Tulsa's citizens by providing the best-managed municipal government.

Values – Planning, accountability, customer service, efficiency and a well-trained workforce.

Budgetary Controls

The City maintains a system of budgetary controls with the objective of assisting management in achieving compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and the Sales Tax Fund, a capital projects fund, are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by department and category of expenditures (personal services, materials and supplies, other services, and capital outlay) within an individual fund. Additionally, the City utilizes an encumbrance system as another technique to help maintain budgetary control. Encumbrances outstanding at year-end are carried forward and are added to the next year's appropriations.

Factors Affecting Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The Local Economy

Beginning in April of 2009, Tulsa's sales tax collections began a decline that continued for 13 straight months. The 2010 collections were 7.3% less than collections in 2009. It was the steepest loss in the City's sales tax history. Further decline was anticipated in 2011, but at a lower rate of 3%. Fortunately, by mid year the economy had stabilized and sales tax again began to grow. 2011 ended with a year over year sales tax increase of 2.5%. Based on current indicators a similar growth rate is projected for 2012.

The declines seen in the Tulsa Metropolitan Statistical Area (TMSA) labor force appear to have stabilized over 2010. The Tulsa Metro Chamber forecasts slight growth in 2011 followed by 0.41% annual growth in 2012 through 2015. Wage & Salary employment has fared even better over the last year. After losing close to 15,000 jobs in 2010, the TMSA is now seeing steady monthly gains. The Chamber forecasts growth in Wage & Salary employment of 3.3% in 2011 and an annual growth rate of 2.3% for the four following years. The TMSA has already seen a gain of 5,000 jobs over the first six months of 2011. With OSU's Center for Applied Economic Research forecasting an annual population growth of 1.3%, job opportunities should outpace the rising labor force over the next 4 years. The Oklahoma Employment Security Commission forecasts the TMSA's seasonally adjusted unemployment rate to peak at 7.3% in 2011 before falling to 6.9% in 2012. It is forecast to decline to 5.4% by 2015.

As the labor force grows and unemployment recedes, the Bureau of Economic Analysis (BEA) forecasts that real per capita income in the TMSA to grow by 2.8% in 2011 and an annual 3.7% rate through 2015. As consumer confidence gradually rises, this should allow for greater retail activity in the TMSA.

Reviews of the last 30 years of retail sales in the TMSA and the Center for Applied Economic Research predictions indicate that 3% growth in 2012 and beyond might not be overly-optimistic. Forecasting a 3% annual increase in total retail sales in FY 2012 and 2013 is positively correlated with historic growth rates. Additionally, Moody's Analytics has forecasted a 2.9% growth in the TMSA's Gross Metro Product (GMP) in 2012; and thereafter an annualized growth rate of 2.0% until 2015. This lends support to the likelihood of 2% to 3% annual growth in sales tax over the near-term future. Specifically, it appears that Non-durable sales will outperform durable sales over the next 5 years; with non-durable increasing close to 14% and durable increasing about 9%. This is due to the fact that production of durables is often more energy and material intensive to produce and distribute. Even as energy and raw material prices continue to climb; producers have shown either an unwillingness or inability to pass those costs on to consumers in a meaningful manner. Therefore, it is reasonable to assume that as consumers remain ever price-sensitive, producers of non-durable goods will have less of their profit margins erode. Although more related to manufacturing than retail, this could be a problem the TMSA faces in the future as it has a very dense concentration of durable goods manufacturing. However, as most of the durable goods produced in the TMSA are categorized as "miscellaneous durable" (manufactured parts), this sector should have less trouble than arenas of more traditional durable goods productions.

Considering the forecasted growth in employment and improved GMP the local economy should soon experience greater momentum in its recovery.

Long-term Financial Planning

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 and allocated \$4.3 billion for infrastructure improvements. Virtually all of the financing has been provided by four sources: General Obligation (GO) bonds,

dedicated sales tax, user fees (pay as you go and a source to repay revenue bonds), and state and federal transfer payments. The strategy of spreading the cost of capital improvements over a wide base of funding sources has been well received by local voters. They have approved 75 percent of all GO bond and sales tax proposals since the elected officials adopted the formal capital allocation process. The 2010-2014 CIP adopted by the City Council continues this successful approach.

In April 2005, the voters approved \$250 million in additional General Obligation (GO) bonds - the largest GO bond package in the City's history. The last of six planned issues was completed in December 2010. The bonds fund streets, sanitary sewers, flood control, police, fire and public buildings. This package followed the innovative Tulsa County voter-approved sales tax initiative, Vision 2025 that authorized \$535 million for myriad brick-and-mortar projects in all parts of the County. Local governments came together and agreed upon a package of projects designed to boost economic and community development, improve educational opportunities, and enhance business development and retention. Its centerpiece was a \$215 million multi-purpose arena, and a renovated convention center. The new BOK Center arena opened in September 2008, and the expansion of the Convention Center was completed in 2010.

On May 9, 2006, voters approved the extension of the Third Penny Sales Tax Program authorizing \$463.5 million for needed capital projects throughout the City, and providing further validation of the CIP process. The program includes \$395 million for new projects and \$68 million to fund the remaining projects from the 2001 Sales Tax Program not completed, due to the sales tax revenue declines in 2002 through 2004. The program includes nearly \$200 million for street, sewer, flood control, and facilities maintenance, as well as funding for projects contained in the Arkansas River Corridor Master Plan. The remaining \$195 million is allocated to public safety, economic and neighborhood development, and cultural and recreational projects.

In November 2008, the voters approved a \$167 million sales tax and \$285 million General Obligation bond program to fund the Fix Our Streets program dedicated to residential and arterial street rehabilitation across the City. The implementation of the General Obligation bond portion of the program is now under way with three of the five planned bond issues totaling \$140 million having been issued through December 2010. Beginning in October 2011, the sales tax portion of the program commences with the City's successful Third Penny (a voter approved special tax dedicated to capital improvements) funding being directed towards the street improvements in addition to the capture of an existing County-wide sales tax of 0.167% sales tax that will apply within City limits to complete the funding. The sales tax portion of the Fix Our Streets program is scheduled to run through June 2014.

Major Initiatives

KPMG

This first-of-a-kind review of the entire operation of City government was completed and will begin to be implemented making City government more responsive, cost effective and customer oriented. The challenges government faces today must be met with a new structure for managing change.

Citizens Survey

For the first time, a comprehensive citywide citizen's survey was launched in December. Nearly 2,000 households will be asked more than 100 questions on all aspects of city life in Tulsa. When the results are received in early 2011, a new Tulsa 2020 Vision plan of action, transparency, and accountability will be prepared.

Restoration

With our new conservative fiscal policies in place, we were able to restore important core services that had been eliminated or scaled back. Even though our unemployment rate in December of 2010 was near the same as December of 2009, we turned highway lights back on, resumed public safety academies with larger numbers than in the past, returned two helicopters and pilots to service, eliminated the remaining furlough days for the year, and fully funded our emergency reserve fund without a tax increase.

Tax Collection

The push to collect the sales and use taxes destined for the City of Tulsa will continue. With both a pending lawsuit to allow local collection as well as pending legislation to return the option to cities, this is critical to support public safety. Early in 2011, new private auditors approved by the tax commission will be allowed to audit local business for payment compliance.

Energy Master Plan

The City of Tulsa's first Energy Conservation Master Plan will be completed. Spanning across dozens of facilities and public improvements, the plan will identify where energy usage and costs can be conserved, where alternative types of energy can be used, and where capital energy improvements will keep energy costs the same or lower.

Street Improvements

In 2010, we launched the most aggressive streets improvement projects in many years. As inconvenient as street construction can be, after years of neglect we had to begin repairing our transportation system. Fiscal year 2009 saw the lowest amount spent on pothole repairs in over four years. We reversed that trend and increased spending by 20%, and will continue to restore this important maintenance.

Business Liaison

While big industry and the jobs it brings is a necessity to any community, small business is most important to the economic health of Tulsa. Yet the size of government and its abundance of red tape can present obstacles to the small business owner. To provide the responsive guidance which a small business needs getting through the maze of government regulations, a new, first-of-a-kind Development Services Coordinator was created in 2010 to act as a liaison between businesses and government offices and the development community.

Municipal Finance

With the Municipal Finance Task Force issuing its 13 recommendations in December, Tulsa will start off the next legislative session in February having introduced several bills that will provide the City with fiscal options, flexibility, and opportunities to stabilize city finances.

Arkansas River

For the first time since October of 2007, serious talk and movement on development of areas along the Arkansas River resumed. In 2011 a Request for Proposal was issued to develop approximately 100 acres on the west bank of the river. This year will also be the start of the dialogue with the government leaders of the other river cities on the creation of a river development authority.

PLANiTULSA

Implementation of the first update of the City's comprehensive plan in 30 years will launch with two main objectives for 2011: Hiring a Director of Planning to oversee that the strategies and recommendations are implemented in a timely, organized, and coordinated manner and updating the zoning code so that those recommended uses of land and space have a sense of balance, flexibility, livability, and opportunity.

Collaborative Government Advisory Committee

Citizens expect government services, but seldom pay attention to which organization or level of government actually provides the services. What they know is that they, as taxpayers, pay for those services. We will continue to strengthen our relationships with Tulsa County as well as other surrounding communities. In 2010, the Mayor issued an executive order creating the City County Collaborative Advisory Committee. In 2011, the committee will begin the exploration of partnerships and joint ventures.

Economic Development

The following represent the top ten initiatives the City is evaluating.

1. Businesses make location decisions based on a set of economic development indicators. Assess how Tulsa stacks up to the 10 competitive peer cities, and focus on quality of life issues identified in the City of Tulsa Citizens Survey report.
2. Continue implementation of business recommendations for government efficiency and effective delivery of core services that positively impact quality of life for Tulsans
3. In making Tulsa government-friendly for businesses, by strengthening planning and economic development activities under a consolidated department, designating a small business liaison to assist businesses through government processes, and revise zoning codes as recommended by PLANiTULSA, the city's comprehensive plan. Create the Small Business Advisory Council to keep local government officials in tune with small business needs in Tulsa.
4. Aggressively market a City offer to development City property on the west bank of the Arkansas River to create new economic opportunities and jobs.
5. Strategically privatize selected City services that can be delivered by contractors in the free market.
6. Focus on neighborhood initiatives to improve quality of life issues and public safety.
7. Plant the seeds for growth of Tulsa-based businesses through several initiatives: partnering on job fairs; listen to business concerns through the Mayor's Retention meetings; develop City purchasing practices that help businesses compete to deliver products and services used in City government operations and programs; move City-owned land into the private sector for development; develop a Brownfields emphasis to assess opportunities for this important community and economic initiative; hire a retail specialist to evaluate the Tulsa market for the best retail opportunities; continue support of the Tulsa Metro Chamber Tulsa's Future II project to leverage diverse business strategies to enhance Tulsa's standing as a desired location; maximize our Sister Cities relationships by visiting these cities to identify business opportunities.
8. Promote Tulsa's central location in the U.S. and easy access to multiple geographic markets, and call attention to our combined assets that create an intermodal system of coordinated transportation using the Tulsa Port of Catoosa, rail, interstate highway connections and Tulsa airports.
9. Build upon Tulsa's oil and gas legacy by using our colleges and universities and existing knowledge and resources in the industry to develop an energy business plan for the future that will focus on our existing oil and gas industries and expand on alternative energy opportunities, including geothermal, wind, solar and compressed natural gas.
10. Build and rebuild Tulsa's infrastructure, continuing the Fix Our Streets program, maintaining our water and wastewater systems and continuing stormwater and flood control capital improvement programs. Businesses making relocation decisions examine the investments the local government and its citizens make in their community.

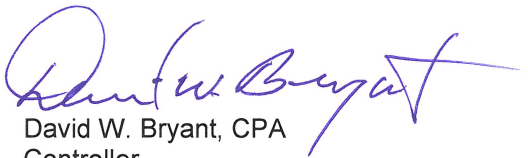
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tulsa for its comprehensive annual financial report for the year ended June 30, 2010. This was the twenty-ninth 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 preparation of this report could not have been accomplished without the full support and involvement of all City departments. In particular, the Budget and Planning Division provided information and analyses on economic trends and conditions, and the Treasury Division provided investment and cash management information. We express our appreciation to those staff members of the Accounting Division and McGladrey & Pullen, LLP, who worked many hours to ensure the accuracy and timeliness of this report. In addition, we express our appreciation to Mayor Bartlett, the City Council and the City Auditor for their interest and support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



David W. Bryant, CPA
Controller



Michael P. Kier, CPFO
Director of Finance

**CITY OF TULSA
LIST OF PRINCIPAL OFFICIALS**

MAYOR

Dewey F. Bartlett, Jr.

CITY COUNCIL MEMBERS

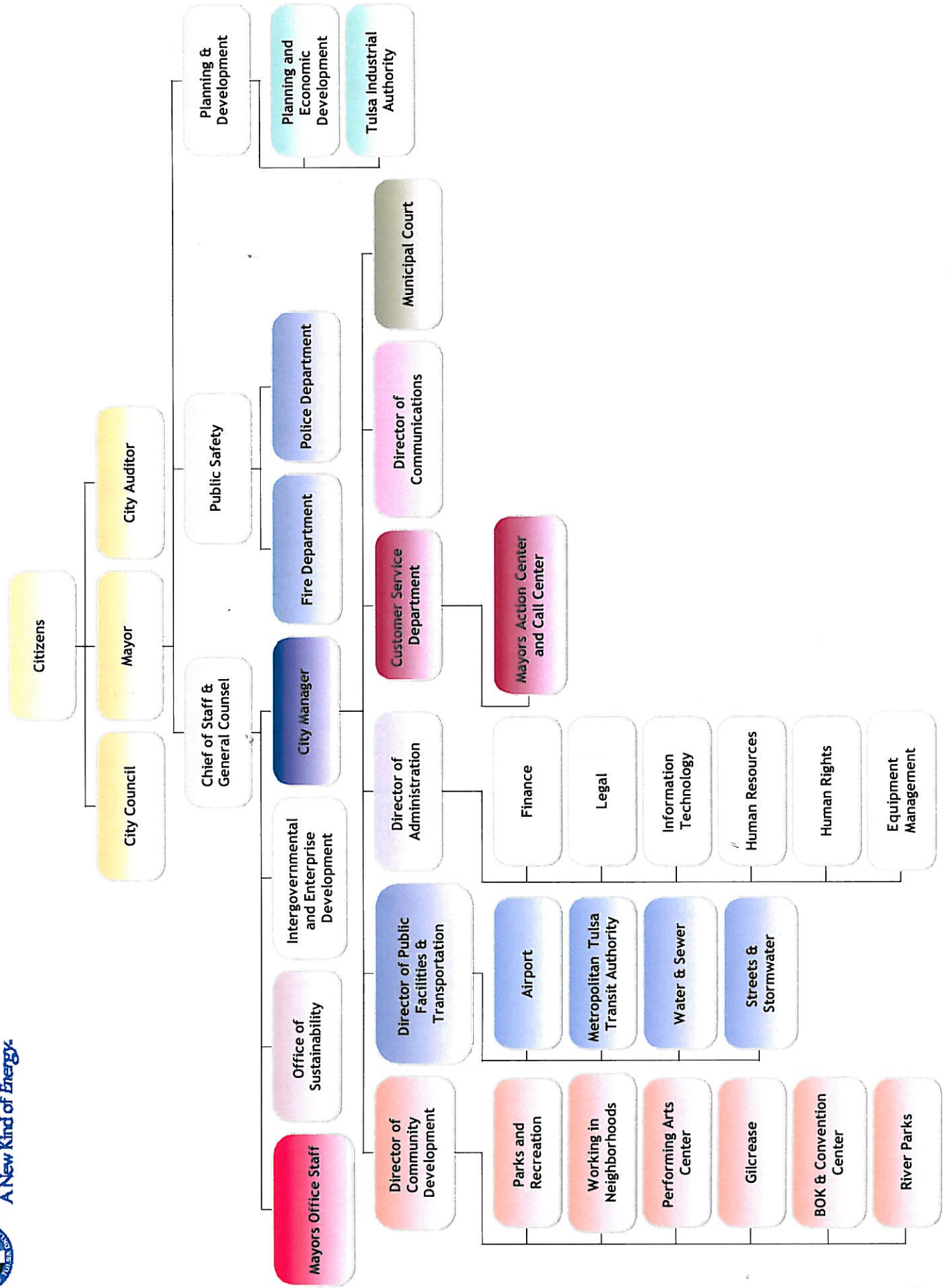
Jack R. Henderson	District 1
Rick Westcott	District 2
Roscoe H. Turner	District 3
Maria Veliz Barnes.....	District 4
Christopher E. Trail	District 5
James S. Mautino	District 6
John Eagleton	District 7
William L. Christiansen	District 8
G.T. Bynum.....	District 9

CITY AUDITOR

Clift Richards

MAYOR'S MANAGEMENT TEAM

Mike Bunney	Chief Economic Development Officer
Cathy Criswell	Chief Risk Officer
Dan Crossland	Director of Streets and Stormwater
Clayton Edwards	Director of Water and Sewer
Brett Fidler	Director of the Office of Sustainability
Monica Hamilton	Director of Mayor's Action Center
Jean Ann Hudson	City Attorney, Acting
Chuck Jordan	Chief of Police
Michael P. Kier	Director of Finance
Allen LaCroix	Fire Chief
Kimberly MacLeod	Communications
Dwain Midget	Director of Community Development and Education
Jeff Mulder	Director of Public Facilities and Transportation
Terry Simonson	Chief of Staff
Ben Stout	Chief Technology Officer
Lana Turner-Addison	Director of Human Rights
Jim Twombly	Director of Administration
Erica Felix-Warwick	Organizational Development and Performance
Lloyd Wright	Press Secretary
Paul Zachary	Director of Engineering Services



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tulsa
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



With spectacular views of the Tulsa skyline, Central Center in Centennial Park is an ideal location for special occasions and leisure activities of all kinds.



Independent Auditor's Report

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

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, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Tulsa, Oklahoma's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tulsa Industrial Authority (TIA), which is a discretely presented component unit of the City. The financial statements of TIA, which comprise 1 percent of total assets and 0.4 percent of total revenues of the aggregate discretely presented component units, were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for TIA, are based solely on the reports of the other auditor. Also, we did not audit the financial statements of the Tulsa Stadium Trust (TST), which is a blended component unit and major enterprise fund of the City. The financial statements of TST, which comprise 7 percent of total assets and 2 percent of total revenues of the business-type activities and represent 100 percent of the assets and revenues of the TST major enterprise fund, were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for TST, are based solely on the report of the other auditor. Also, we did not audit the financial statements of The Operations of The BOK Center, as Managed by SMG, and The Operations of The Tulsa Convention Center, as Managed by SMG, an agent operating these facilities (collectively, SMG), which are presented within the Arena and Convention Center Fund, a major enterprise fund of the City. The financial statements of SMG, which collectively comprise 4 percent and 59 percent, respectively, of the total assets and total revenues of the Arena and Convention Center major enterprise fund and 2 percent and 20 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for The Operations of the BOK Center, as managed by SMG and The Operations of the Tulsa Convention Center, as managed by SMG, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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, 2011, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 2(3) to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its classifications for governmental funds' fund balances, and restated the Sales Tax Fund and aggregate remaining fund beginning fund balances. The City also adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*, which changed its presentation of the Tulsa Stadium Trust from a discretely presented component unit to a blended component unit and major enterprise fund, and restated beginning net assets of the business-type activities, the Tulsa Stadium Trust major enterprise fund and the aggregate discretely presented component units.

The accompanying management's discussion and analysis and pension and postemployment information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tulsa, Oklahoma'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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Kansas City, Missouri
December 13, 2011

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2011

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, 2011. 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 2011, contain an implied reference to the fiscal year, such as "fiscal year 2011."

Financial Highlights

Government-Wide Financial Statements

- The primary government's net assets increased 4.2% or \$71.3 million during 2011 due to capital assets transferred from Tulsa Development Authority, compared to an increase of \$35.9 million during 2010. Public safety and protection expenditures increased \$9.2 million during 2011 compared to a decrease of \$12.3 million during 2010. Public works and transportation expenditures decreased by \$24.7 million during 2011 compared to a decrease of \$17.5 million during 2010. Culture and recreation expenditures decreased \$1.9 million during 2011 compared to a decrease of \$4.0 million during 2010. Social and economic development expenditures decreased \$9.4 million during 2011 compared to an increase of \$3.0 million during 2010. Investment earnings decreased \$2.2 million during 2011 compared to a decrease of \$10.6 million during 2010. Revenue from capital grants and contributions decreased \$27.9 million during 2011 compared to a \$25.5 million decrease during 2010. Revenue from operating grants and contributions decreased \$18.7 million during 2011 compared to a \$6.4 million increase during 2010. The business-type activities net assets decreased by \$3.3 million during 2011, compared to a \$16.6 million increase during 2010. The net assets of the business-type activities of the Tulsa Public Facilities Authority (a blended component unit of the City) decreased by \$5.4 million in 2011, compared to a \$0.9 million increase in 2010. Long term renovation initiatives at the Convention Center were completed during 2010. No new renovation projects for either the Convention Center or BOK Center were started. Stormwater management net assets increased by \$3.1 million in 2011, compared to a \$16.6 million increase in 2010 owing to ongoing investment in capital assets to maintain and improve the City's infrastructure. The Tulsa Stadium Trust, contributing \$29.9 million, is now included in business-type activities due to a change in reporting entity resulting from the issuance of GASB 61-The Financial Reporting Entity. Golf courses net assets experienced little change in 2011.
- In 2011, governmental activities' sales tax revenue increased \$5.9 million owing to the stabilizing economy. Property tax revenue increased by \$7.3 million as tax assessments for bonded debt and judgments continue to rise.
- In 2011, the City issued \$91.1 million of general obligation (GO) bonds. Proceeds totaling \$70 million will be used to fund capital projects. The remaining \$21.1 million were issued to refund Series 2002 GO bonds.
- In 2011, investment income fell \$2.2 million for the primary government, a 21.2% decrease along with the fall of market interest rates throughout the year.
- In 2011, the City's primary government expenses decreased by \$30.3 million, or 8.4%. Contributing to the change, expenses for public works and transportation decreased \$24.7 million, expenses for administration and support decreased \$5.3 million, while expenses for public safety and protection increased by \$9.2 million. Expenses for culture & recreation, social & economic development and interest on long term debt decreased \$9.6 million.

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Fund Financial Statements - Major Governmental and Proprietary Funds

Governmental funds reported a combined fund balance of \$397.1 million, up 26.2% from 2010. The General Fund's fund balance increased \$12.3 million to \$67.1 million. In addition, other notable changes follow:

- General Fund use tax revenue increased 14.8% as economic activity and development enjoyed a modest recovery in the Tulsa area.
- Capital project infrastructure expenditures of \$42.2 million of Sales Tax Funds decreased by \$4.8 million which was anticipated in the annual budget.
- The Bond Funds fund balance increased \$34.8 million after receiving the proceeds from the General Obligation bond issue and spending \$31.9 million in capital outlays. Capital project expenditures in the Bond Funds fund decreased by \$3.9 million as construction for infrastructure projects slowed.
- Social and economic expenditures decreased \$8.8 million due to reduction in grant funding.
- Stormwater management fund incurred an operating loss of \$2.7 million while receiving \$1.6 million from governmental funds for additional capital improvements to the stormwater management system. Combined with non-operating revenue from grants and investment income, this resulted in a \$3.1 million increase in net assets.
- The Golf Courses' fund revenues and expenses experienced little change from 2010. Transfers into the fund were \$0.6 million more than 2010. Net assets experienced a \$0.1 million decrease for the year. The golf courses are operated by an independent third party management company, resulting in the City's moderate expenses.
- One Technology Center contributed lease revenue of \$8.6 million, an increase of \$1.9 million.
- BOK Center and the Convention Center contributed \$12.3 million in revenue, up \$0.2 million from the previous year. Major entertainment events were booked contributing to their continuing successes.

Debt Offerings

- General Obligation bonds – In December 2010 and February 2011, the City issued General Obligation bonds totaling \$102.7 million which includes \$11.6 million for premium on debt issuance. \$70 million of the proceeds are to be used for street improvements and will be repaid 100% from the sinking fund. The remaining \$21.1 million proceeds were used to refund Series 2002 and will be repaid 100% from the sinking fund. The remaining reductions totaling \$21.4 million represent principal payments on existing obligations. Refer to Note 11.
- Revenue bonds – The reductions totaling \$21 million represent principal payments on existing obligations for governmental and business activities of \$13 million and \$8 million respectively.
- The Tulsa Metropolitan Utility Authority Sewer Fund issued promissory notes in the amount of \$33 million and reduced existing obligations by \$10.2 million. The proceeds of these notes are to be used for improvements to the wastewater systems. These loans from the Oklahoma Water Resources Board are collateralized by a first lien and security interest in the TMUA's wastewater treatment system, water distribution system, and the associated revenues. The TMUA also issued \$24.1 million in revenue bonds series 2011 and reduced debt obligations by \$6.9 million.
- Tulsa Airport Improvement Trust – The TAIT issued \$13.5 million in revenue bonds series 2010 to fund development at the airport. Reductions totaling \$20.4 million represent principal payments on existing obligations.

City of Tulsa, Oklahoma
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Overview of the Financial Statements

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

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements including other supplementary information

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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the year. All changes in net assets 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 services are included here, such as public safety and protection, social and economic, public works and transportation, culture and recreation, and administrative and support functions. Sales, use, and property taxes, charges for services, and state and federal grants finance most of these activities.
- **Business-type activities** - The City charges fees to customers to help it cover the costs of certain services it provides. BOK Center and Convention Center, One Technology Center, Golf Course, Tulsa Stadium Trust and Stormwater Management operations are included here.
- **Discretely presented component units** - The City includes eight other entities in its report— Tulsa Metropolitan Utility Authority, Tulsa Authority for Recovery of Energy, Tulsa Airports, and the Other Component Units comprising of the Tulsa Development Authority, Metropolitan Tulsa Transit Authority, Tulsa Industrial Authority, Tulsa Parking Authority, and the Tulsa Performing Arts Center Trust. Although legally separate, these "component units" are important because the City is financially accountable for them.

Fund Financial Statements

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

City of Tulsa, Oklahoma
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The funds of the City are divided into three categories:

- **Governmental funds** – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationships (or differences) between them.
- **Proprietary funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
 - In fact, the City's *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.
 - We use *internal service funds* (the other type of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary funds** – The City is the trustee, or fiduciary, for its employees' pension plans. Fiduciary activities are reported in a statement of fiduciary net assets and a statement of changes in fiduciary net assets. 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 are located immediately following the basic financial statements.

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

- The City's progress in funding its obligation to provide pension benefits to its employees
- The City's progress in funding its obligation to provide post employment benefits to its employees

Other information - Combining statements, which include nonmajor governmental funds, internal service funds, and nonmajor discretely presented component units are presented immediately following the RSI.

Government-Wide Financial Analysis

Net Assets of the City of Tulsa -- As of June 30, 2011, the City's *combined* net assets were \$1.78 billion, with \$1.88 billion investment in capital assets before its related debt of \$349.4 million. Restricted net assets totaling \$169.0 million is composed of \$29.2 million in debt service, \$129.0 million in capital projects, and \$10.8 million for other purposes. Unrestricted net assets totals \$82.7 million. Governmental activities' net assets increased \$74.6 million and Business-type activities' net assets decreased \$3.3 million.

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	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 553,472	\$ 444,109	\$ 46,186	\$ 51,526	\$ 599,658	\$ 495,635
Capital assets	1,237,660	1,193,295	642,926	647,217	1,880,586	1,840,512
	<u>1,791,132</u>	<u>1,637,404</u>	<u>689,112</u>	<u>698,743</u>	<u>2,480,244</u>	<u>2,336,147</u>
Current and other liabilities	156,981	101,514	17,247	19,687	174,228	121,201
Long-term liabilities	417,924	394,255	105,178	109,029	523,102	503,284
	<u>574,905</u>	<u>495,769</u>	<u>122,425</u>	<u>128,716</u>	<u>697,330</u>	<u>624,485</u>
Net assets:						
Invested in capital assets, net of related debt	989,918	967,462	541,280	541,099	1,531,198	1,508,561
Restricted	160,049	121,161	8,936	11,702	168,985	132,863
Unrestricted	66,260	53,012	16,471	17,226	82,731	70,238
	<u>\$ 1,216,227</u>	<u>\$ 1,141,635</u>	<u>\$ 566,687</u>	<u>\$ 570,027</u>	<u>\$ 1,782,914</u>	<u>\$ 1,711,662</u>

Highlights - The City possesses sufficient funds to meet requirements for cash outlays in the next year, and possesses the financial capacity to meet its long-term obligations in the years to come.

The net assets of Business-type activities decreased 0.6% to \$566.7 million in 2011 from \$570.0 million in 2010, which included unrestricted net assets of \$16.5 million and \$17.2 million at June 30, 2011 and 2010, respectively.

The City's total revenues increased 2.3% to \$468.3 million in 2011. Sales Taxes, the largest revenue category, increased to \$199.4 million in 2011 from \$193.5 million in 2010. The increase is a result of the modest economic upturn. Property taxes increased to \$49.3 million in 2011 from \$42.0 million in 2010, satisfying debt service requirements on recent general obligation bond issues.

Program revenue generated \$135.5 million, consisting of charges for services, federal and state grants, and other contributions, down from \$160.3 million in 2010. Capital grants revenue decreased by \$27.9 million while revenue for services increased by \$3.6 million. Operating grant revenue decreased \$18.7 million.

Business-type activity revenues totaling \$50.2 million include revenue generated by the One Technology Center and the BOK and Convention Centers totaling \$8.6 million and \$12.9 million respectively. Stormwater revenues increased \$1.2 million or 5.6%. Fees collected at the City's two thirty-six holes golf courses decreased to \$2.4 million.

Expenses for the primary government decreased 8.4% to \$331.6 million. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs.

City of Tulsa, Oklahoma
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	Changes in Net Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 62,320	\$ 61,510	\$ 46,278	\$ 43,568	\$ 108,598	\$ 105,078
Operating grants/contributions	13,609	32,262	-	79	13,609	32,341
Capital grants/contributions	9,924	12,185	3,319	28,950	13,243	41,135
General revenues:						
Sales taxes	199,384	193,505	-	-	199,384	193,505
Property taxes	49,315	41,989	-	-	49,315	41,989
Franchise	27,225	26,144	-	-	27,225	26,144
Use tax	17,927	15,622	-	-	17,927	15,622
Hotel/Motel taxes	5,683	5,821	-	-	5,683	5,821
Intergovernmental revenue	22,667	2,508	-	-	22,667	2,508
Other	10,079	11,284	611	708	10,690	11,992
	<u>418,133</u>	<u>402,830</u>	<u>50,208</u>	<u>73,305</u>	<u>468,341</u>	<u>476,135</u>
Expenses:						
Administrative and support	28,756	34,010	-	-	28,756	34,010
Public safety and protection	193,869	184,640	-	-	193,869	184,640
Public works and transportation	58,636	83,295	-	-	58,636	83,295
Culture and recreation	15,812	17,749	-	-	15,812	17,749
Social and economic development	21,894	31,310	-	-	21,894	31,310
Interest on long-term debt	12,624	10,910	-	-	12,624	10,910
Storm water	-	-	26,050	24,859	26,050	24,859
One Technology Center	-	-	9,884	9,431	9,884	9,431
Arena & Convention	-	-	22,480	22,182	22,480	22,182
Tulsa Stadium Trust	-	-	3,768	2,071	3,768	2,071
Golf courses	-	-	3,316	3,503	3,316	3,503
	<u>331,591</u>	<u>361,914</u>	<u>65,498</u>	<u>62,046</u>	<u>397,089</u>	<u>423,960</u>
Changes before transfers	86,542	40,916	(15,290)	11,259	71,252	52,175
Transfers	(11,950)	(21,612)	11,950	21,612	-	-
Change in net assets	<u>74,592</u>	<u>19,304</u>	<u>(3,340)</u>	<u>32,871</u>	<u>71,252</u>	<u>52,175</u>
Net assets, beginning as restated	1,141,635	1,122,331	570,027	537,156	1,711,662	1,659,487
Net assets, ending	<u>\$ 1,216,227</u>	<u>\$ 1,141,635</u>	<u>\$ 566,687</u>	<u>\$ 570,027</u>	<u>\$ 1,782,914</u>	<u>\$ 1,711,662</u>

Governmental Activities - Governmental Activities' general revenues increased 11.9%, while expenses decreased 8.4%. Sales tax revenues increased 3.0% due to an improving economy. Property tax revenues increased 17.4% while franchise, use, and hotel taxes increased a combined 6.8%. Transfers from governmental activities to business-type activities decreased \$9.7 million. Transfers to the golf course fund increased \$0.6 million.

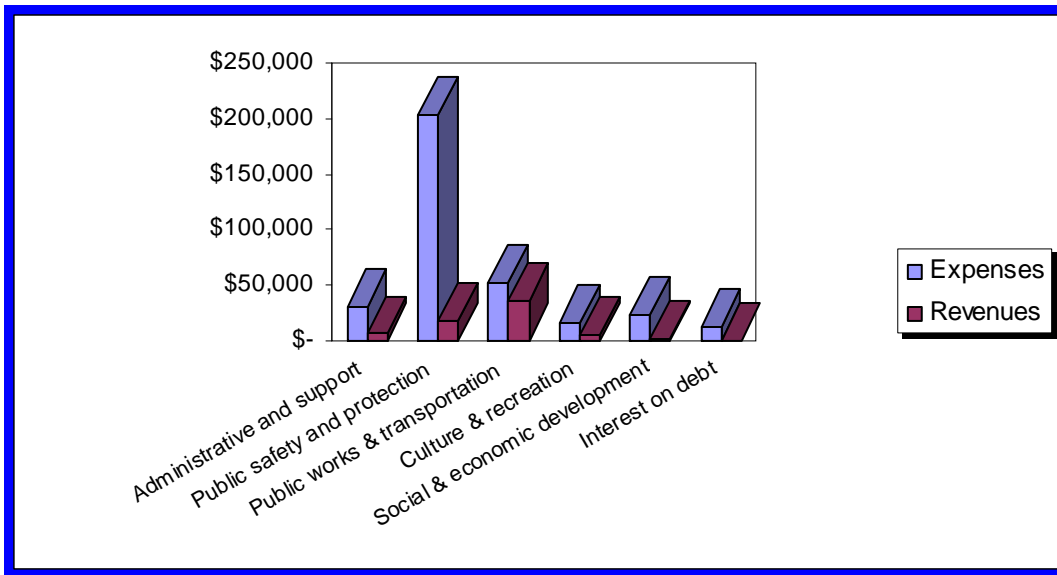
- Administrative and support expenses decreased 15.4% due to the City's continued efforts to reduce costs through attrition and operating efficiencies. Debt Service decreased 9%, partly due to the black officers' 2010 settlement not repeated in 2011.

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- Public safety expenses are 5.0% higher. In 2011, the Fire and Police Department's position count increased by 3.5% and 11.6%, respectively. Police and Fire each held an academy in January 2011 and May 2011 respectively.
- Public works and transportation expenses decreased 29.6% as depreciation expense decreased.
- Culture and recreation expenses decreased by 10.9%.
- Social and economic development expenses are 30.1% lower.

Graph 1 below illustrates the cost of delivering services in the City's five largest programs – public safety, public works, social and economic development, administrative and support, and culture and recreation – by comparing cost to program income.

Graph 1 - Expenses and Program Revenues – Governmental Activities



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

The cost of all *governmental* activities this year was \$331.6 million. A portion of the costs were paid by those who directly benefited from the programs (\$62.3 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$23.5 million).

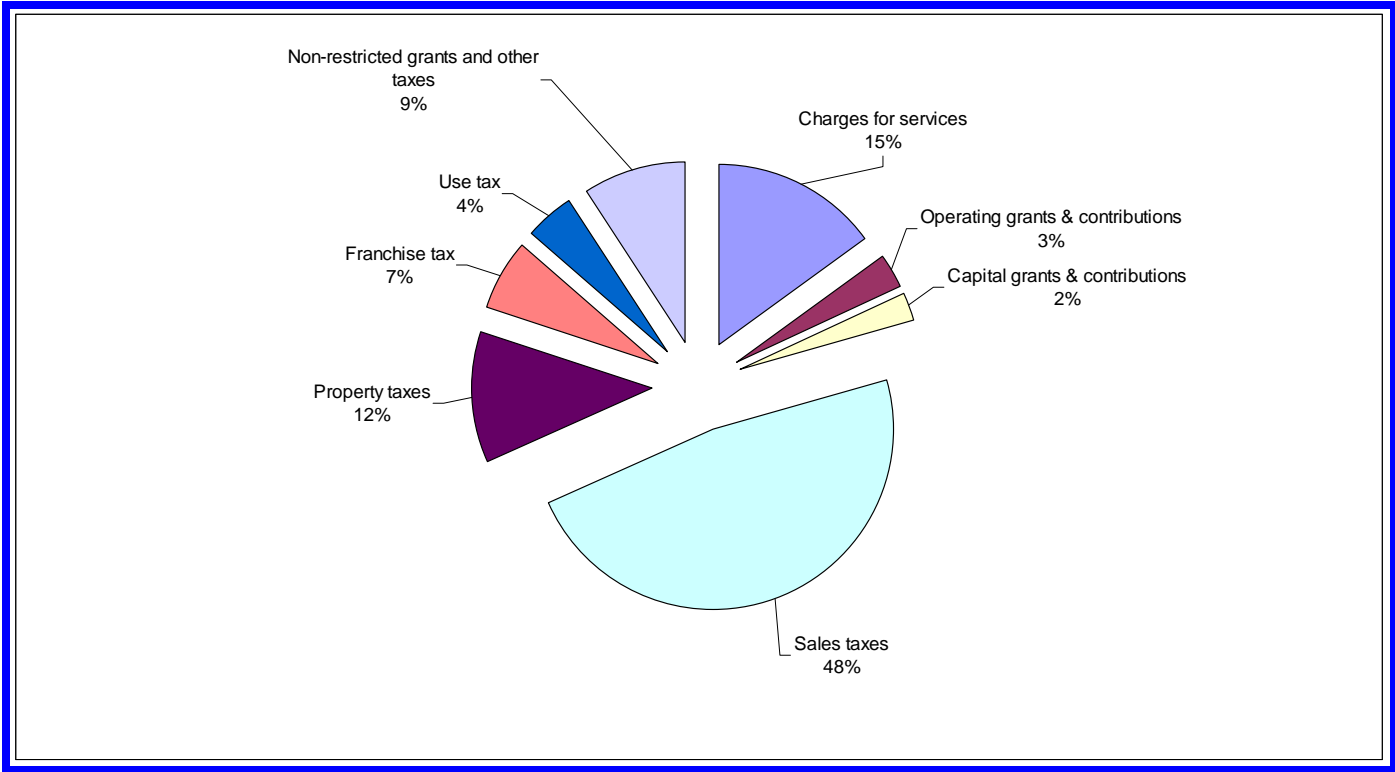
The remaining costs were paid as follows:

- The City paid for the \$249.7 million “public benefit” portion with \$336.3 million from taxes and other revenues, such as interest earnings and unrestricted grants.
- Public safety required the largest amount of public funds with a subsidy of \$170.8 million.
- Administration and support service costs were 8.7% of overall expenses in 2011, down from 9.4% in 2010.

City of Tulsa, Oklahoma
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- For every dollar of social and economic expenses in 2011, 40 cents came from federal and state grants, down from 63 cents in 2010.
- Governmental Activities transferred \$12.0 million to Business-Type Activities, in the form of transfers and capital contributions. Another \$9.9 million was transferred to Component Units, as follows: Metropolitan Tulsa Transit Authority - \$5.8 million, Tulsa Metropolitan Utility Authority - \$2.1 million, Tulsa Development Authority - \$1.4 million, Tulsa Airports - \$0.5 million and TARE - \$0.1 million.
- 48% of Governmental Activities revenue came from sales taxes (see Graph 2).

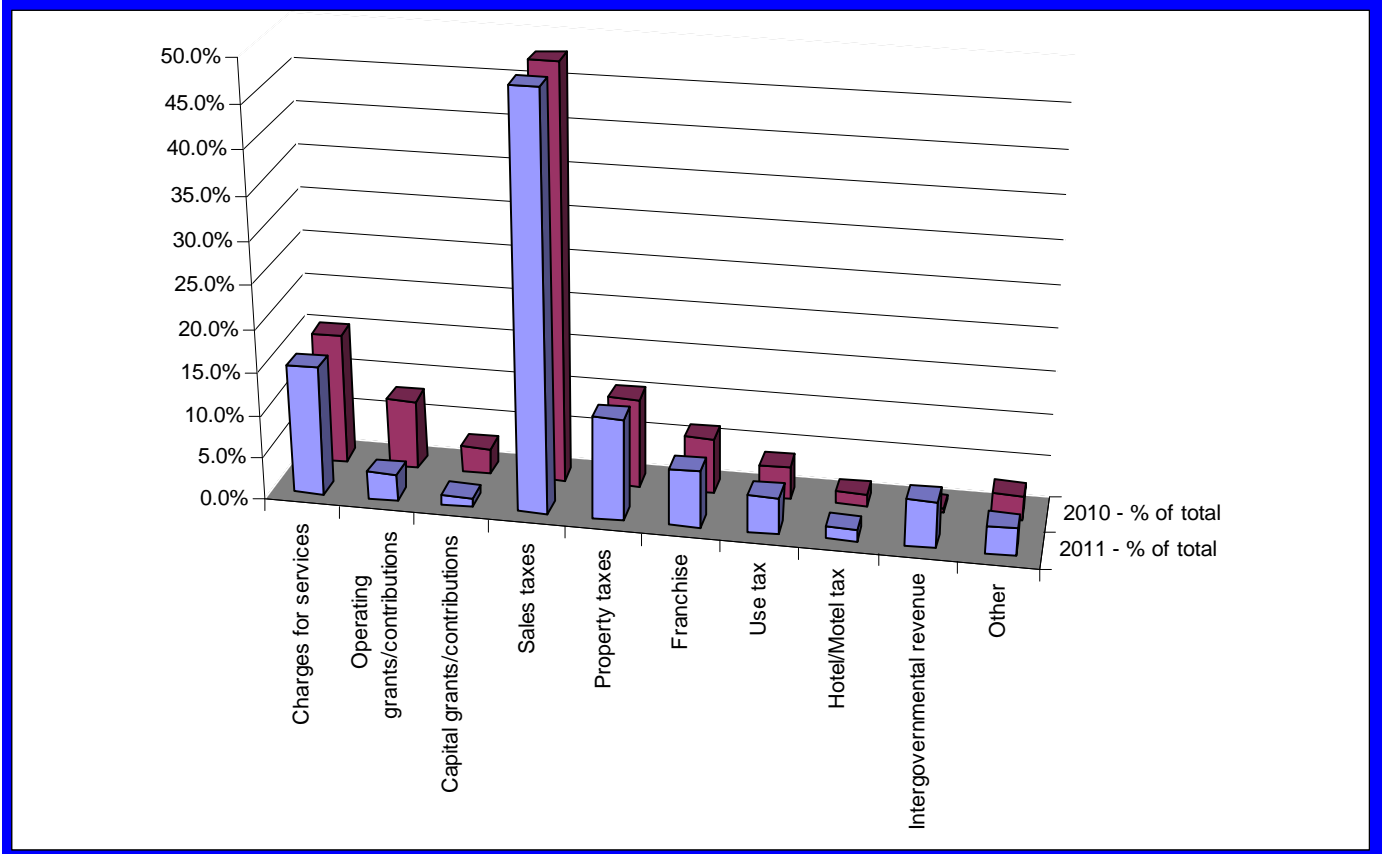
Graph 2 - Governmental Activities – Revenue by Source



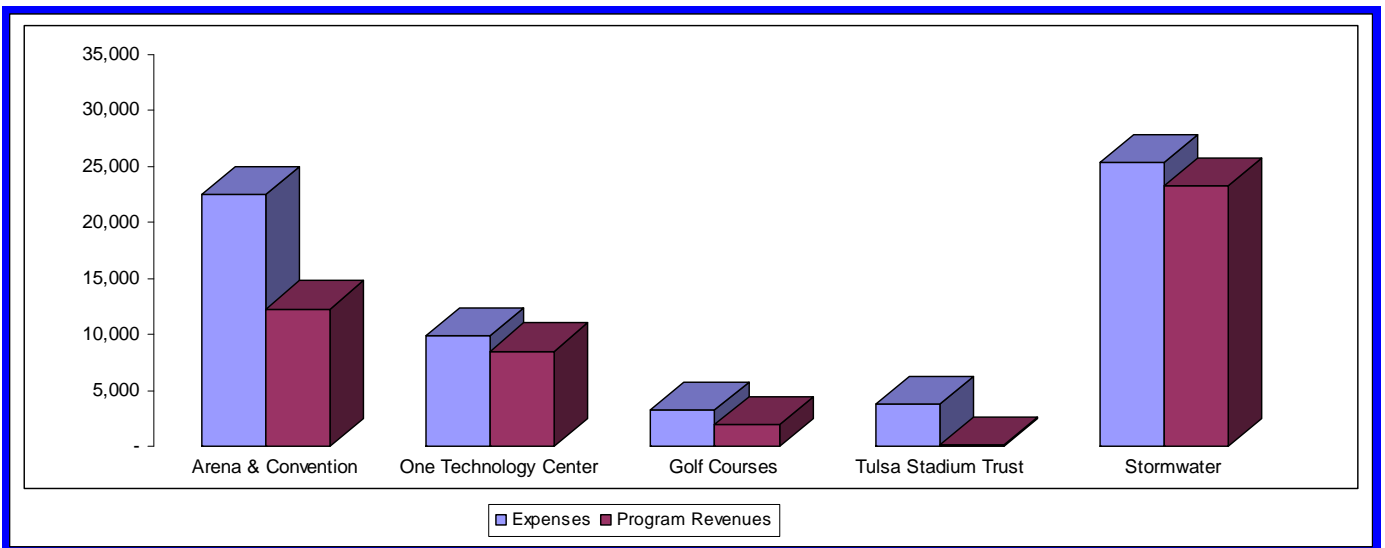
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The mix of various revenues does not remain constant as illustrated by Graph 3.

Graph 3 - Governmental Activities – Change in Revenue by Source



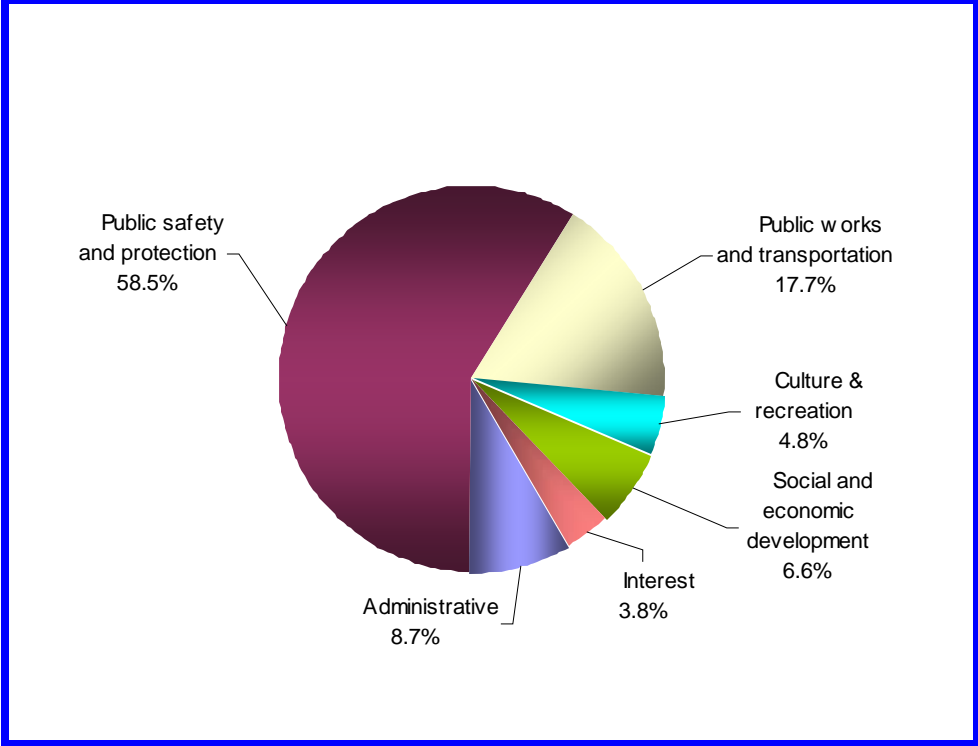
Graph 4 – Expenses and Program Revenues – Business-type Activities



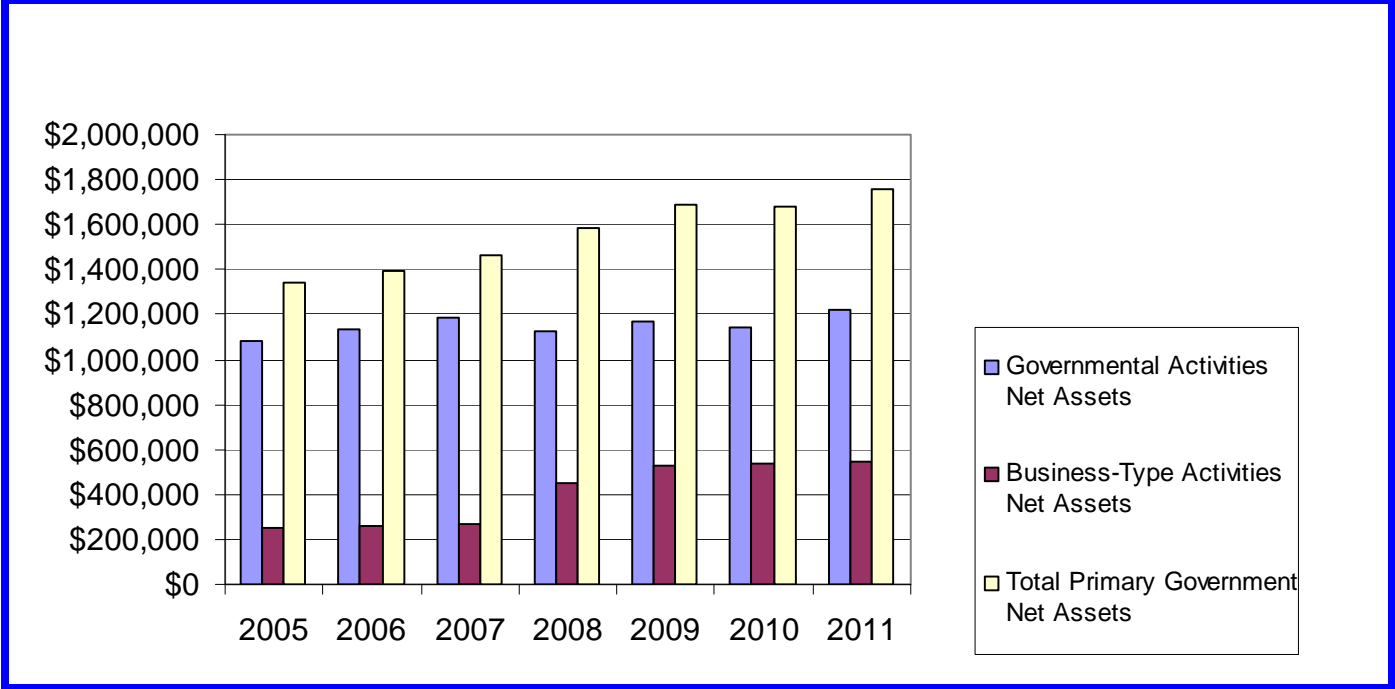
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Of the Governmental Activities expenses, 58.5% were for public safety and protection and 17.7% were for public works and transportation (see Graph 5).

Graph 5 - Expenses – Governmental Activities



Graph 6 – Government-Wide Net Assets



City of Tulsa, Oklahoma
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Graph 7 – Employment Levels

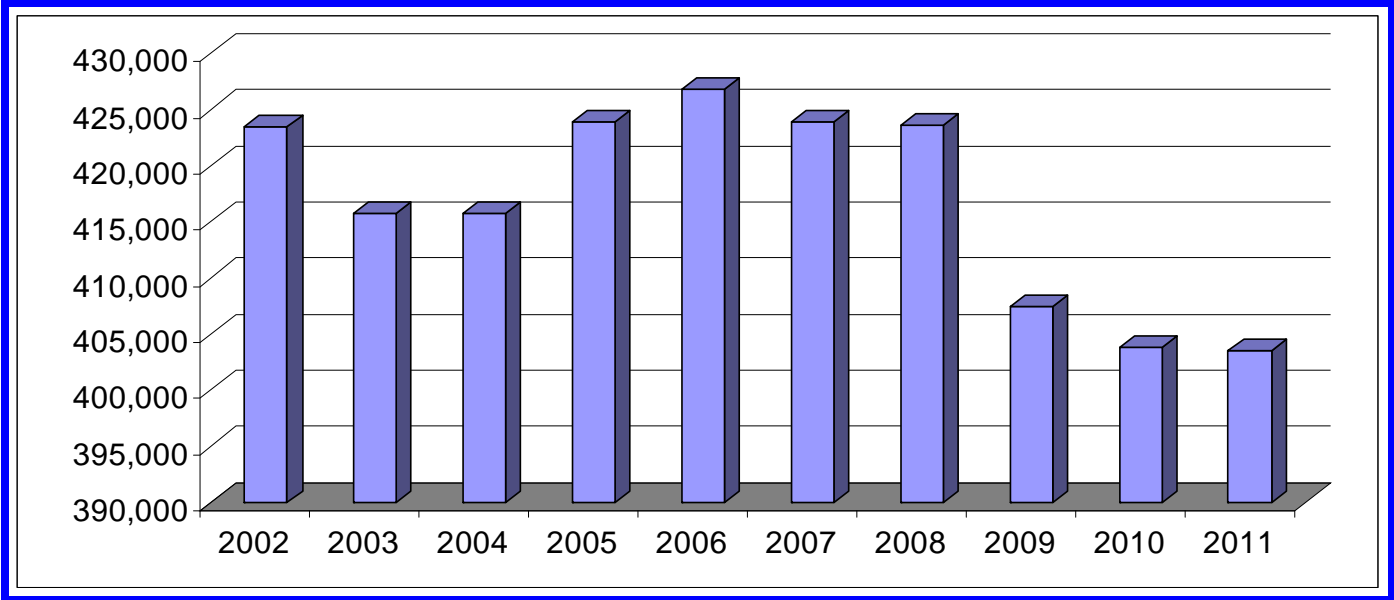
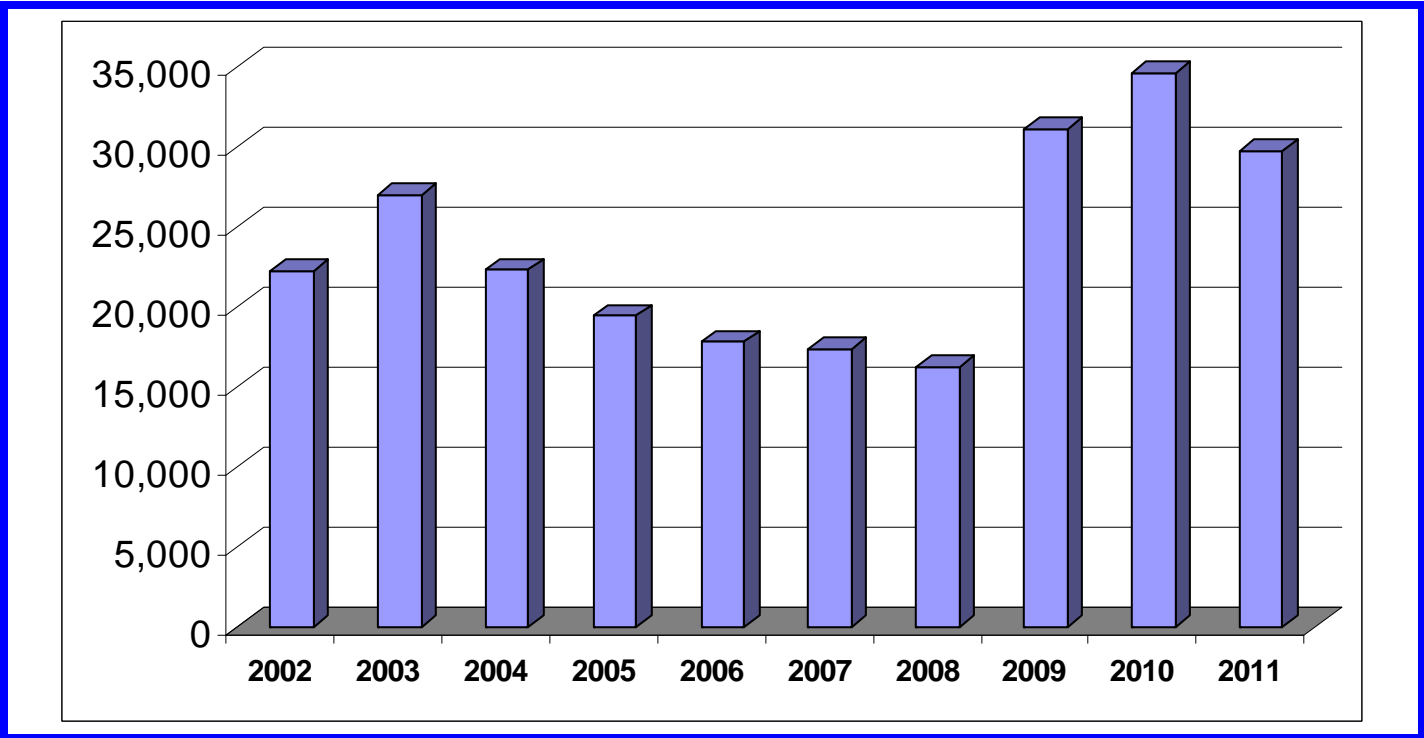


Chart 9 – Unemployment Levels



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Budgetary Highlights

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

General Fund Budgetary Highlights

The original FY 11 General Fund budget adopted by the Mayor and City Council totaled \$232.9 million. The budget was balanced by revenue estimates of \$230.0 million and fund balance totaling \$2.9 million. It was 4.8 percent less than the FY 10 original budget. Taking into consideration carry over encumbrances the total authorized expenditure amount on July 1, 2010 was \$239.3 million.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues:								
Taxes	\$ 163,514	\$ 176,957	\$ 168,440	\$ 163,230	\$ 173,566	\$ 166,261	\$ (5,126)	\$ (3,031)
Licenses and permits	5,059	6,092	5,059	5,072	5,922	5,176	(863)	(104)
Intergovernmental	8,686	8,166	8,709	7,916	9,054	8,371	(345)	(455)
Charges for service	35,788	34,874	35,047	34,774	33,648	35,852	1,399	(1,078)
Fines and forfeitures	8,076	9,005	8,141	8,105	10,805	8,146	(2,664)	(41)
Investment income	5,231	5,760	5,231	5,760	4,452	6,846	779	(1,086)
Miscellaneous	1,295	1,512	2,701	1,555	3,541	2,206	(840)	(651)
Transfers In	2,375	2,020	2,375	2,020	2,387	2,000	(12)	20
	<u>\$ 230,024</u>	<u>\$ 244,386</u>	<u>\$ 235,703</u>	<u>\$ 228,432</u>	<u>\$ 243,375</u>	<u>\$ 234,858</u>	<u>\$ (7,672)</u>	<u>\$ (6,426)</u>
Expenses:								
Administration and support	\$ 21,417	\$ 20,914	\$ 22,919	\$ 21,641	\$ 19,828	\$ 21,192	\$ 3,091	\$ 449
Public works and transportation	26,870	28,331	30,811	28,516	30,135	27,833	676	683
Social and economic development	8,711	10,107	9,689	10,217	9,303	7,393	386	2,824
Public safety and protection	149,828	159,823	154,090	154,233	150,961	153,150	3,129	1,083
Culture and recreation	14,446	15,735	14,685	15,321	14,125	15,218	560	103
Payments to component units	5,775	6,166	5,775	5,748	5,775	5,748	-	-
Transfers out	5,845	3,435	7,337	3,389	7,337	1,879	-	1,510
	<u>\$ 232,892</u>	<u>\$ 244,511</u>	<u>\$ 245,306</u>	<u>\$ 239,065</u>	<u>\$ 237,464</u>	<u>\$ 232,413</u>	<u>\$ 7,842</u>	<u>\$ 6,652</u>

The lower budget continued many of the reductions made during FY 10. While sales tax revenue had stabilized and was no longer declining by the time the FY 11 budget was adopted, the local economy was still not showing signs of growth necessary to confidently project revenue increases.

Fortunately, actual revenue collections were higher than the conservative FY 11 revenue estimates and the elected officials were able to use the additional dollars to restore the wage and benefit concessions made by employees in FY 10, and end the furlough program for civilian employees, and comparable reduction to firefighters, mid way through the fiscal year. The extra collections were also appropriated to respond to a historic snowfall in February. Private firms were hired to help remove snow from city streets and the salt supply was restocked after being nearly exhausted. This was the major FY 11 budget amendment in a year that saw smaller adjustments usually involving receipt and appropriation of dedicated resources for specific programs.

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Prudent management of the city's General Fund resources produced a healthy fund balance available for appropriation at the end of FY 11. The 6 percent emergency operating reserve was fully funded and the elected officials committed other fund balance for a payment to a yet to be established trust fund being set up to finance the City's OPEB liability. While the total recovery to pre FY 10 service levels had not been achieved by the end of FY 11, progress had been made and it continued into FY 12.

Economic Factors and Next Year's Budget and Rates

Beginning in April of 2009, Tulsa's sales tax collections began a decline that continued for 13 straight months. The FY 10 amount was 7.3% less than FY 09. It was the steepest loss in the City's sales tax history. Further decline was anticipated in FY 11, but at a lower rate of 3%. Fortunately, by mid year the economy had stabilized and sales tax again began to grow. FY 11 ended with a year over year sales tax increase of 2.5%. Based on current indicators a similar growth rate is projected for FY 12. The 2012 budget was based on the assumption that the local economy will experience modest growth.

The declines seen in the TMSA labor force appear to have stabilized over 2010. The Tulsa Metro Chamber forecasts slight growth in 2011 followed by 0.41% annual growth in 2012 through 2015. Wage & Salary employment has fared even better over the last year. After losing close to 15,000 jobs in 2010, the TMSA is now seeing steady monthly gains. The Chamber forecasts growth in Wage & Salary employment of 3.3% in 2011 and an annual growth rate of 2.3% for the four following years. The TMSA has already seen a gain of 5,000 jobs over the first six months of 2011. With OSU's Center for Applied Economic Research (CAER) forecasting an annual population growth of 1.3% in population; job opportunities should outpace the rising labor force over the next 4 years. Lastly, Moody's Analytics has forecasted a 2.9% growth in the TMSA's Gross Metro Product (GMP) in 2012.

Considering the forecasted growth in wage & salary employment and GMP with the fact that the City ended FY 11 with an annual sales tax growth of 2.5%, it is not unreasonable to assume a 2% to 3% growth in sales tax in FY 12. Therefore, after reductions in FY 10 and a presumption of flat revenue in FY 11, the City has included modest expenditure increases in FY 12's budget. The City has lifted the Mayor's hiring review for all vacant positions and has included academies for sworn police and fire personnel in the FY 12. Additionally, the Tulsa Metropolitan Utility Authority recommended and the City Council approved water and sewer rate increases that will positively affect the City's revenues. There will be no increase in stormwater or EMSA fees in FY 12 and the Council has not shown an interest in increasing rates for solid waste disposal.

While Tulsa has been significantly affected by the recession, the impact has been less than in many cities. Stabilization and modest growth were seen in the final months of FY 11 and are expected to continue in FY 12.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2011

Capital Assets and Debt Administration

Capital Assets - At the end of 2011 the City had invested \$1.88 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 \$88 million, or 4.9% over last year (see Note 7 to the financial statements for additional detailed information regarding capital assets). The inventory of construction projects in progress increased by \$30 million, and land acquisition costs increased by \$10 million. Expenditures for infrastructure decreased \$5 million.

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

	Governmental Activities		Business Activities		Total		Percentage Change
	2011	2010	2011	2010	2011	2010	
Land	\$ 466	\$ 462	\$ 82	\$ 77	\$ 549	\$ 539	1.9%
Buildings and improvements	123	126	502	438	625	564	10.8%
Equipment	49	52	45	49	94	102	-7.8%
Infrastructure	391	396	-	-	391	396	-1.4%
Construction in progress	208	157	14	35	222	192	15.2%
	<u>\$ 1,238</u>	<u>\$ 1,193</u>	<u>\$ 643</u>	<u>\$ 600</u>	<u>\$ 1,880</u>	<u>\$ 1,793</u>	<u>4.8%</u>

Long-term Debt - At year end, the City had \$529 million in bonds outstanding, an increase of 12.6% from last year, as shown below. More detailed information about the City's long-term liabilities is presented in Note 11 to the financial statements.

Long-term Debt
(amounts expressed in millions)

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 408	\$ 351	\$ -	\$ -	\$ 408	\$ 351
Revenue bonds	14	28	106	91	120	119
Compensated absences	28	31	1	1	29	32
Other long-term debt	41	41	1	1	42	42
	<u>\$ 491</u>	<u>\$ 451</u>	<u>\$ 109</u>	<u>\$ 93</u>	<u>\$ 600</u>	<u>\$ 544</u>

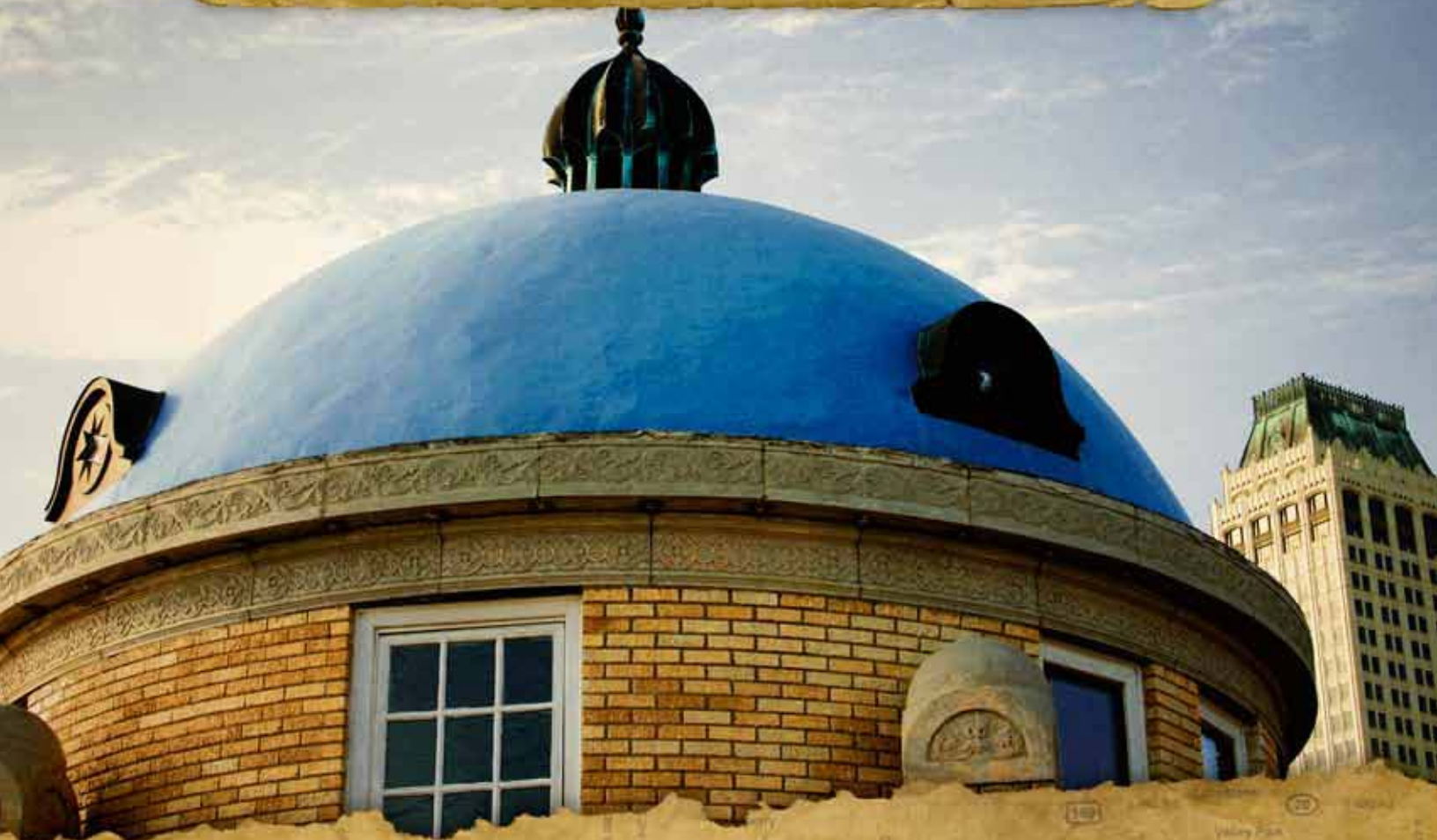
Bond Ratings - In their reports dated October 2011, Moody's Investors Service assigned and affirmed an Aa1 rating while Standard and Poor's assigned and affirmed an AA rating to the City's general obligation bonds.

Contacting the City's Financial Management

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

City of Tulsa
Office of the Controller
175 East 2nd Street, Suite 885
Tulsa, Oklahoma 74103

BASIC FINANCIAL STATEMENTS



Named for the distinctive, domed building at Second Street and Elgin Avenue, this area in the eastern section of downtown is the hub of Tulsa's downtown nightlife scene and hosts a number of arts and music events throughout the year.

CITY OF TULSA
STATEMENT OF NET ASSETS
June 30, 2011
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 385,333	\$ 24,594	\$ 409,927	\$ 92,864
Cash and cash equivalents - restricted	-	-	-	1,775
Investments	-	-	-	3,832
Receivables, net	96,319	4,130	100,449	33,947
Prepaid expenses	-	529	529	-
Internal balances	1,196	(1,196)	-	-
Inventories	581	254	835	3,544
Current portion of notes receivable - restricted	-	-	-	366
Other current assets - restricted	-	-	-	206
Total current assets	<u>483,429</u>	<u>28,311</u>	<u>511,740</u>	<u>136,534</u>
Noncurrent assets:				
Cash and cash equivalents - restricted	2,599	11,446	14,045	49,538
Receivables, net	14,202	63	14,265	3,679
Receivables, net - restricted	359	-	359	11,326
Investments	-	-	-	3,505
Investments - restricted	18,568	2,879	21,447	126,746
Advances to primary government - restricted	-	-	-	3,157
Advances to primary government	-	-	-	127
Advances to component units	326	-	326	-
Land held for resale, net - restricted	-	-	-	7,926
Other assets	18,327	3,487	21,814	5,312
Equity interest in joint ventures	15,662	-	15,662	11,816
Nondepreciable capital assets	674,469	95,788	770,257	254,407
Capital assets, net	<u>563,191</u>	<u>547,138</u>	<u>1,110,329</u>	<u>1,183,193</u>
Total noncurrent assets	<u>1,307,703</u>	<u>660,801</u>	<u>1,968,504</u>	<u>1,660,732</u>
Total assets	<u>1,791,132</u>	<u>689,112</u>	<u>2,480,244</u>	<u>1,797,266</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	23,881	6,880	30,761	28,564
Unearned revenue	57,153	5,325	62,478	1,223
Current portion of long-term liabilities	72,595	3,406	76,001	35,589
Deposits subject to refund	68	-	68	9,755
Total current liabilities	<u>153,697</u>	<u>15,611</u>	<u>169,308</u>	<u>75,131</u>
Noncurrent liabilities:				
Advances from primary government	-	-	-	326
Advances from component units	3,284	-	3,284	-
Unearned revenue	-	1,636	1,636	4
Long-term liabilities	<u>417,924</u>	<u>105,178</u>	<u>523,102</u>	<u>541,902</u>
Total noncurrent liabilities	<u>421,208</u>	<u>106,814</u>	<u>528,022</u>	<u>542,232</u>
Total liabilities	<u>574,905</u>	<u>122,425</u>	<u>697,330</u>	<u>617,363</u>
NET ASSETS				
Invested in capital assets, net of related debt	989,918	541,280	1,531,198	984,633
Restricted for:				
Debt service	26,762	2,468	29,230	36,361
Capital projects	122,732	6,232	128,964	27,313
Other purposes	10,555	236	10,791	8,739
Unrestricted	<u>66,260</u>	<u>16,471</u>	<u>82,731</u>	<u>122,857</u>
Total net assets	<u>\$ 1,216,227</u>	<u>\$ 566,687</u>	<u>\$ 1,782,914</u>	<u>\$ 1,179,903</u>

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

CITY OF TULSA
STATEMENT OF ACTIVITIES
Year ended June 30, 2011
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Units
		Charges for		Capital Grants and Contributions	Primary Government		Total	
		Services and Fines	Operating Grants and Contributions		Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
Administrative and support	\$ 28,756	\$ 5,501	\$ -	\$ -	\$ (23,255)	\$ -	\$ (23,255)	\$ -
Public safety and protection	193,869	16,815	5,713	576	(170,765)	-	(170,765)	-
Public works and transportation	58,636	34,574	682	5,372	(18,008)	-	(18,008)	-
Culture and recreation	15,812	4,887	235	-	(10,690)	-	(10,690)	-
Social and economic development	21,894	543	6,979	3,976	(10,396)	-	(10,396)	-
Interest on long-term debt	12,624	-	-	-	(12,624)	-	(12,624)	-
Total governmental activities	331,591	62,320	13,609	9,924	(245,738)	-	(245,738)	-
Business-type activities:								
Stormwater	26,050	23,231	-	1,593	-	(1,226)	(1,226)	-
One Technology Center	9,884	8,560	-	-	-	(1,324)	(1,324)	-
Arena & Convention	22,480	12,300	-	556	-	(9,624)	(9,624)	-
Tulsa Stadium Trust	3,768	163	-	755	-	(2,850)	(2,850)	-
Golf Courses	3,316	2,024	-	415	-	(877)	(877)	-
Total business-type activities	65,498	46,278	-	3,319	-	(15,901)	(15,901)	-
Total primary government	\$ 397,089	\$ 108,598	\$ 13,609	\$ 13,243	\$ (245,738)	\$ (15,901)	\$ (261,639)	\$ -
Component units	\$ 246,734	\$ 218,632	\$ 21,817	\$ 20,024				\$ 13,739
General revenues:								
Taxes:								
Sales taxes					199,384	-	199,384	318
Property taxes					49,315	-	49,315	4,713
Franchise taxes					27,225	-	27,225	-
Use taxes					17,927	-	17,927	-
Hotel/Motel taxes					5,683	-	5,683	-
Intergovernmental revenue, unrestricted					22,667	-	22,667	-
Payments from City of Tulsa					-	-	-	9,940
Payments from (to) component units					76	-	76	-
Unrestricted investment earnings					7,513	558	8,071	2,874
Miscellaneous					2,490	53	2,543	1,544
Transfers					(11,950)	11,950	-	-
Total general revenues and transfers					320,330	12,561	332,891	19,389
Change in net assets					74,592	(3,340)	71,252	33,128
Net assets--beginning, as restated					1,141,635	570,027	1,711,662	1,146,775
Net assets--end of year					\$ 1,216,227	\$ 566,687	\$ 1,782,914	\$ 1,179,903

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

**CITY OF TULSA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011
(amounts expressed in thousands)**

	General	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 45,042	\$ 167,774	\$ 109,133	\$ 52,697	\$ 374,646
Receivables, net	25,246	789	9,165	60,986	96,186
Due from other funds	238	-	-	-	238
Advances to other funds	729	-	6,867	-	7,596
Advances to component units	326	-	-	-	326
Total assets	<u>\$ 71,581</u>	<u>\$ 168,563</u>	<u>\$ 125,165</u>	<u>\$ 113,683</u>	<u>\$ 478,992</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	4,218	6,018	6,342	2,405	18,983
Deposits subject to refund	-	-	68	-	68
Advances from other funds	-	-	-	2,141	2,141
Advances from component units	127	3,157	-	-	3,284
Deferred revenue	119	-	-	57,248	57,367
Total liabilities	<u>4,464</u>	<u>9,175</u>	<u>6,410</u>	<u>61,794</u>	<u>81,843</u>
Fund balances:					
Nonspendable	1,055	-	-	-	1,055
Restricted	-	159,388	118,755	47,038	325,181
Committed	-	-	-	1,135	1,135
Assigned	13,807	-	-	3,977	17,784
Unassigned	52,255	-	-	(261)	51,994
Total fund balances	<u>67,117</u>	<u>159,388</u>	<u>118,755</u>	<u>51,889</u>	<u>397,149</u>
Total liabilities and fund balances	<u>\$ 71,581</u>	<u>\$ 168,563</u>	<u>\$ 125,165</u>	<u>\$ 113,683</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,230,515
Receivables from other governments that are not available to pay current-period expenditures and therefore not reported in the funds	359
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 assets	11,503
Assets and liabilities included in governmental activities statement of net assets but not in governmental funds:	
Internal balances due to elimination of internal service funds	1,769
Deferred lease	15,930
Unamortized bond issue costs	728
Accrued interest payable does not require the use of current resources and therefore is not reported in the governmental funds	(3,614)
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	(386,469)
Unamortized bond premium	(21,389)
Compensated absences	(27,683)
Governmental deferred revenue	1,384
Other post employment benefits liability	(6,601)
Net pension obligation	(2,442)
Judgements	(8,724)
Due to other governments	(1,850)
Investment in joint venture is not reported in the funds.	15,662
Governmental activities net assets	<u>\$ 1,216,227</u>

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, 2011
(amounts expressed in thousands)

	General	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues					
Sales tax	\$ 132,912	\$ -	\$ 66,472	\$ -	\$ 199,384
Property tax	-	-	-	44,690	44,690
Franchise tax	22,917	-	-	4,308	27,225
Use tax	17,927	-	-	-	17,927
Hotel/motel tax	114	-	-	5,569	5,683
Special assessment tax	-	-	-	3,169	3,169
Charges for services	35,740	-	-	178	35,918
Intergovernmental revenues	24,018	-	-	18,243	42,261
Fines and forfeitures	10,670	-	-	205	10,875
Investment income	3,032	-	2,723	385	6,140
Licenses, permits and fees	5,922	-	-	-	5,922
Program income from grants	-	-	-	440	440
Payments from component units	-	-	-	57	57
Miscellaneous	1,830	-	227	435	2,492
Total revenues	255,082	-	69,422	77,679	402,183
Expenditures					
Current:					
Administration and support	21,533	-	-	105	21,638
Public safety and protection	161,799	-	-	9,753	171,552
Public works and transportation	29,393	-	-	2,164	31,557
Culture and recreation	13,768	-	-	617	14,385
Social and economic development	9,074	-	-	11,141	20,215
Payments to component units	5,985	-	4,295	74	10,354
Capital outlay	-	31,878	42,206	5,596	79,680
Debt service	-	-	-	40,468	40,468
Total expenditures	241,552	31,878	46,501	69,918	389,849
Excess (deficiency) of revenues over (under) expenditures	13,530	(31,878)	22,921	7,761	12,334
Other financing sources (uses)					
Transfers in	313	-	-	3,628	3,941
Transfers out	(3,192)	(3,348)	(2,227)	(7,798)	(16,565)
Sale of capital assets	1,691	-	-	-	1,691
Bond issuance	-	70,000	-	-	70,000
Refunding bonds issued	-	-	-	21,546	21,546
Premium on bonds issued	-	-	-	11,143	11,143
Payment to refunded bond escrow agent	-	-	-	(21,546)	(21,546)
Total other financing sources (uses)	(1,188)	66,652	(2,227)	6,973	70,210
Net change in fund balances	12,342	34,774	20,694	14,734	82,544
Fund balances, beginning of year, as restated	54,775	124,614	98,061	37,155	314,605
Fund balances, end of year	\$ 67,117	\$ 159,388	\$ 118,755	\$ 51,889	\$ 397,149

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, 2011
(amounts expressed in thousands)

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

Net change in fund balances--total governmental funds	\$ 82,544
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:	
depreciation expense:	
Capital outlays	75,089
Capital contributions	6,960
Depreciation expense	<u>(31,078)</u>
	<u>50,971</u>
The effect of miscellaneous transactions involving capital assets:	
Loss on disposal of capital assets	(5,624)
Proceeds from sale of capital assets	<u>(1,691)</u>
	<u>(7,315)</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	(70,000)
Premium on bond issuance	(11,143)
Refunding bonds issued	(21,546)
Interest expense on refunding	(587)
Payment to bond escrow	21,546
Payment of bond principal	<u>21,624</u>
	<u>(60,106)</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	46
Amortization of premium on bond issuance	3,435
Increase in other post employment benefit expense	(465)
Increase in net pension obligation	(1,269)
Amortization of bond issue costs	(12)
Decrease in compensated absences expense	2,657
Increase in liability to other governments	(1,297)
Decrease in arbitrage rebate expense	64
Decrease in tort claims and judgments expense	2,501
Amortization of deferred lease	<u>(368)</u>
	<u>5,292</u>
Some revenues reported in the statement of revenues, expenses and changes in net assets do not represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	<u>(471)</u>
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Earnings from investment in joint venture	<u>1,213</u>
Some revenues deferred in the governmental funds represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	<u>1,384</u>
The net revenue of internal service funds is reported within governmental activities:	
Change in net assets of internal service funds	932
Internal balances resulting from the elimination of internal service fund revenues	<u>148</u>
	<u>1,080</u>
Change in net assets--statement of activities	<u><u>\$ 74,592</u></u>

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

**CITY OF TULSA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
(BUDGETARY BASIS)
Year ended June 30, 2011
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 163,514	\$ 168,440	\$ 173,566	\$ 5,126
Licenses and permits	5,059	5,059	5,922	863
Intergovernmental	8,686	8,709	9,054	345
Charges for service	35,788	35,047	33,648	(1,399)
Fines and forfeitures	8,076	8,141	10,805	2,664
Investment income	5,231	5,231	4,452	(779)
Miscellaneous	1,295	2,701	3,541	840
Total revenues	<u>227,649</u>	<u>233,328</u>	<u>240,988</u>	<u>7,660</u>
Expenditures				
Administration and support	21,417	22,919	19,828	3,091
Public works and transportation	26,870	30,811	30,135	676
Social and economic development	8,711	9,689	9,303	386
Public safety and protection	149,828	154,090	150,961	3,129
Culture and recreation	14,446	14,685	14,125	560
Payments to component units	5,775	5,775	5,775	-
Total expenditures	<u>227,047</u>	<u>237,969</u>	<u>230,127</u>	<u>7,842</u>
Excess (deficiency) of revenues over expenditures	602	(4,641)	10,861	15,502
Other financing sources (uses)				
Transfers in	2,375	2,375	2,387	12
Transfers out	(5,845)	(7,337)	(7,337)	-
Total other financing uses	<u>(3,470)</u>	<u>(4,962)</u>	<u>(4,950)</u>	<u>12</u>
Net change in fund balances	(2,868)	(9,603)	5,911	15,514
Fund balances, beginning of year (budgetary basis)	35,545	35,545	35,545	-
Prior year encumbrances paid in current year	5,759	5,759	5,759	-
Fund balances, end of year (budgetary basis)	<u>\$ 38,436</u>	<u>\$ 31,701</u>	<u>47,215</u>	<u>\$ 15,514</u>
Reconciliation to GAAP basis - basis differences:				
Reserve for encumbrances			6,809	
Reserve for advances			1,096	
Receivables			11,247	
Non-budgetary payables			(552)	
Decrease in fair value of investments			1,302	
Fund balance (GAAP basis)			<u>\$ 67,117</u>	
Fund balance:				
Reserved for:				
Body armor			403	
Metropolitan Tulsa Transit Authority			201	
Imprest cash			113	
Repayment of grants			92	
Designated for:				
Working capital			13,674	
Unreserved, undesignated				
Fund balance (budgetary basis)			<u>\$ 47,215</u>	

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

CITY OF TULSA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds					Total	Governmental Activities-- Internal Service Funds
	Stormwater Management	One Technology Center	Arena Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 11,477	\$ 2,990	\$ 9,361	\$ 59	\$ 707	\$ 24,594	\$ 10,687
Receivables, net	2,571	377	1,124	58	-	4,130	133
Advances to other funds	-	-	758	-	-	758	-
Prepaid expenses	-	154	335	-	40	529	-
Inventories, net	-	-	197	-	57	254	581
	<u>14,048</u>	<u>3,521</u>	<u>11,775</u>	<u>117</u>	<u>804</u>	<u>30,265</u>	<u>11,401</u>
Noncurrent assets:							
Cash and cash equivalents, restricted	5,240	4,032	1,883	-	291	11,446	2,599
Investments - restricted	3	1,251	1,625	-	-	2,879	18,568
Receivables, net	-	45	18	-	-	63	14,202
Advances to other funds	-	-	-	-	-	-	800
Other	3	1,657	1,673	148	6	3,487	1,669
Nondepreciable capital assets	76,439	3,012	9,036	5,691	1,608	95,786	-
Depreciable capital assets, net	226,398	51,916	220,063	43,082	5,681	547,140	7,145
	<u>308,083</u>	<u>61,913</u>	<u>234,298</u>	<u>48,921</u>	<u>7,586</u>	<u>660,801</u>	<u>44,983</u>
Total assets	<u>322,131</u>	<u>65,434</u>	<u>246,073</u>	<u>49,038</u>	<u>8,390</u>	<u>691,066</u>	<u>56,384</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,900	924	3,002	753	301	6,880	1,284
Current portion of long-term liabilities	572	-	2,065	339	430	3,406	14,905
Unearned revenue	-	235	5,090	-	-	5,325	1,170
Workers compensation claims	-	-	-	-	-	-	7,374
Due to other funds	-	-	185	-	-	185	53
	<u>2,472</u>	<u>1,159</u>	<u>10,342</u>	<u>1,092</u>	<u>731</u>	<u>15,796</u>	<u>24,786</u>
Noncurrent liabilities:							
Long-term liabilities	1,635	67,005	18,065	18,052	421	105,178	1,277
Workers compensation claims	-	-	-	-	-	-	11,805
Unearned revenue	-	-	1,636	-	-	1,636	-
Advance from other funds	-	-	-	-	-	-	7,013
	<u>1,635</u>	<u>67,005</u>	<u>19,701</u>	<u>18,052</u>	<u>421</u>	<u>106,814</u>	<u>20,095</u>
Total liabilities	<u>4,107</u>	<u>68,164</u>	<u>30,043</u>	<u>19,144</u>	<u>1,152</u>	<u>122,610</u>	<u>44,881</u>
NET ASSETS (DEFICIT)							
Invested in capital assets, net of related debt	302,849	(8,620)	210,942	29,666	6,443	541,280	7,145
Restricted for:							
Debt service	-	1,032	1,145	-	291	2,468	-
Capital projects	5,243	989	-	-	-	6,232	-
Other purposes	-	236	-	-	-	236	-
Unrestricted	9,932	3,633	3,943	228	504	18,240	4,358
Total net assets (deficit)	<u>\$ 318,024</u>	<u>\$ (2,730)</u>	<u>\$ 216,030</u>	<u>\$ 29,894</u>	<u>\$ 7,238</u>	<u>568,456</u>	<u>\$ 11,503</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(1,769)	
Net assets of business-type activities						<u>\$ 566,687</u>	

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

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds						Governmental Activities-- Internal Service Funds
	Stormwater Management	One Technology Center	Arena Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses	Total	
Operating revenues							
Charges for services	\$ 22,611	\$ 8,529	\$ 12,300	\$ 163	\$ 2,024	\$ 45,627	\$ 14,915
Insurance premiums	-	-	-	-	-	-	20,113
Workers compensation premiums	-	-	-	-	-	-	5,290
Other	620	31	-	-	-	651	178
	<u>23,231</u>	<u>8,560</u>	<u>12,300</u>	<u>163</u>	<u>2,024</u>	<u>46,278</u>	<u>40,496</u>
Operating expenses							
Salaries and wages	8,751	479	-	-	-	9,230	4,010
Materials and supplies	881	71	-	-	-	952	8,537
Other services and charges	8,718	3,762	11,035	677	2,697	26,889	2,748
Workers compensation claims	-	-	-	-	-	-	8,650
Depreciation and amortization	7,566	1,924	10,150	1,933	562	22,135	201
	<u>25,916</u>	<u>6,236</u>	<u>21,185</u>	<u>2,610</u>	<u>3,259</u>	<u>59,206</u>	<u>45,122</u>
Operating income (loss)	<u>(2,685)</u>	<u>2,324</u>	<u>(8,885)</u>	<u>(2,447)</u>	<u>(1,235)</u>	<u>(12,928)</u>	<u>(4,626)</u>
Nonoperating revenues (expenses)							
Investment income	343	91	24	108	(8)	558	156
Interest expense	-	(3,606)	(1,295)	(1,158)	(51)	(6,110)	(5)
Property taxes	-	-	-	-	-	-	4,625
Gain (loss) on sale of equipment	53	-	-	-	-	53	(2)
Intergovernmental revenue	-	-	-	-	-	-	30
Contributions	-	-	41	755	-	796	-
Payments from component units	-	-	-	-	-	-	19
Other, net	13	(42)	-	-	(5)	(34)	61
Net nonoperating revenues (expenses)	<u>409</u>	<u>(3,557)</u>	<u>(1,230)</u>	<u>(295)</u>	<u>(64)</u>	<u>(4,737)</u>	<u>4,884</u>
Income (loss) before transfers	<u>(2,276)</u>	<u>(1,233)</u>	<u>(10,115)</u>	<u>(2,742)</u>	<u>(1,299)</u>	<u>(17,665)</u>	<u>258</u>
Transfers in	4,311	1,169	4,224	2,015	794	12,513	824
Transfers out	(563)	-	-	-	-	(563)	(150)
Net transfers	<u>3,748</u>	<u>1,169</u>	<u>4,224</u>	<u>2,015</u>	<u>794</u>	<u>11,950</u>	<u>674</u>
Capital contributions	<u>1,593</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>415</u>	<u>2,523</u>	<u>-</u>
Change in net assets	<u>3,065</u>	<u>(64)</u>	<u>(5,376)</u>	<u>(727)</u>	<u>(90)</u>	<u>(3,192)</u>	<u>932</u>
Net assets (deficit) - beginning, as restated (Note 2)	314,959	(2,666)	221,406	30,621	7,328		10,571
Net assets (deficit) - end of year	<u>\$ 318,024</u>	<u>\$ (2,730)</u>	<u>\$ 216,030</u>	<u>\$ 29,894</u>	<u>\$ 7,238</u>		<u>\$ 11,503</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(148)	
Change in net assets of business-type activities						<u>\$ (3,340)</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, 2011
(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	
Cash flows from operating activities:							
Receipts from customers	\$ 22,871	\$ 8,572	\$ 10,882	\$ 163	\$ 2,024	\$ 44,512	\$ 84,243
Payments to suppliers	(7,093)	(3,622)	(10,713)	(698)	(2,633)	(24,759)	(86,133)
Payments to employees	(8,439)	(466)	-	-	-	(8,905)	(3,876)
Other payments	(1,678)	-	-	-	-	(1,678)	-
Net cash provided (used) by operating activities	5,661	4,484	169	(535)	(609)	9,170	(5,766)
Cash flows from noncapital financing activities:							
Property taxes received	-	-	-	-	-	-	4,542
Noncapital gifts and contributions received	13	-	41	3,914	-	3,968	-
Payments from interfund activity	(563)	-	1,136	2,015	794	3,382	682
Proceeds from insurance reimbursements	-	-	-	-	-	-	61
Net cash provided (used) by financing activities	(550)	-	1,177	5,929	794	7,350	5,285
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(9,767)	(669)	(2,115)	(5,208)	(428)	(18,187)	(901)
Intergovernmental revenue	-	-	-	-	-	-	30
Principal paid on debt	-	-	(1,940)	(5,319)	(410)	(7,669)	-
Interest paid on debt	-	(3,606)	(1,316)	(1,174)	(36)	(6,132)	-
Proceeds from sale of capital assets	108	-	-	-	-	108	13
Proceeds from issuance of debt	-	-	-	3,900	-	3,900	-
Payments from financing activities	-	-	-	136	-	136	-
Contributions received	-	-	515	-	-	515	19
Transfers in	4,311	1,169	2,747	-	-	8,227	-
Net cash used for capital and related financing activities	(5,348)	(3,106)	(2,109)	(7,665)	(874)	(19,102)	(839)
Cash flows from investing activities:							
Interest earned	364	77	64	108	(6)	607	169
Repayments on notes receivable	-	285	-	-	-	285	-
Purchase of investments	-	(2,750)	-	-	-	(2,750)	-
Proceeds from sale or maturities of investments	-	1,499	-	-	-	1,499	-
Net cash provided (used) by investing activities	364	(889)	64	108	(6)	(359)	169
Net increase (decrease) in cash and cash equivalents	127	489	(699)	(2,163)	(695)	(2,941)	(1,151)
Cash and cash equivalents, beginning	16,590	6,533	11,943	2,222	1,693	38,981	14,437
Cash and cash equivalents, end of year	\$ 16,717	\$ 7,022	\$ 11,244	\$ 59	\$ 998	\$ 36,040	\$ 13,286
Reconciliation of cash and cash equivalents to the Statement of Net Assets:							
Cash and cash equivalents	11,477	2,990	9,361	59	707	24,594	10,687
Cash and cash equivalents - restricted	5,240	4,032	1,883	-	291	11,446	2,599
Total cash and cash equivalents	\$ 16,717	\$ 7,022	\$ 11,244	\$ 59	\$ 998	\$ 36,040	\$ 13,286
Reconciliation of operating income (loss) to net cash provided used by operating activities							
Operating income (loss)	(2,685)	2,324	(8,885)	(2,447)	(1,235)	(12,928)	(4,626)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation and amortization	7,566	1,924	10,150	1,933	562	22,135	201
(Increase) decrease in accounts receivable and other assets	(350)	166	311	-	6	133	43,880
Increase (decrease) in accounts payable and other liabilities	1,130	70	(1,407)	(21)	58	(170)	(45,221)
Net cash provided by (used for) operating activities	\$ 5,661	\$ 4,484	\$ 169	\$ (535)	\$ (609)	\$ 9,170	\$ (5,766)
NON-CASH TRANSACTIONS:							
Capital contributions	\$ 1,593	\$ -	\$ -	\$ -	\$ 415	\$ 2,008	\$ -
Capital acquisitions in accounts payable and retainage payable	\$ -	\$ -	\$ (364)	\$ 13	\$ (65)	\$ (416)	\$ -

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

CITY OF TULSA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Municipal Employees Pension Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 6,630	\$ 4,711
Investments:		
US Government obligations	36,054	-
Corporate bonds	14,273	-
Preferred stock	236	-
Common stock	23,877	-
Foreign obligations	2,798	-
Mutual funds	274,735	-
Timber	196	-
Accounts receivable	101	540
Investment income receivable	357	-
Total assets	<u>359,257</u>	<u>5,251</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,195	1,002
Deposits payable	-	4,249
Total liabilities	<u>1,195</u>	<u>5,251</u>
NET ASSETS		
Held in trust for pension benefits	358,062	-
Total net assets	<u>\$ 358,062</u>	<u>\$ -</u>

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

CITY OF TULSA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Municipal Employees Pension Trust
ADDITIONS	
Investment income (loss):	
Net appreciation in fair value of investments	\$ 57,642
Interest	2,419
Dividends	1,200
	61,261
Less: investment expense	(934)
Net investment income	60,327
Contributions:	
Employer	6,744
Plan members	4,287
	11,031
Total additions	71,358
DEDUCTIONS	
Benefits	26,766
Refunds of contributions	884
Administrative expense	303
Total deductions	27,953
Change in net assets	43,405
NET ASSETS	
Held in trust for pension benefits, beginning of year	314,657
Held in trust for pension benefits, end of year	\$ 358,062

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

CITY OF TULSA
STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2011
(amounts expressed in thousands)

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 53,654	\$ 14,514	\$ 15,687	\$ 9,009	\$ 92,864
Cash and cash equivalents - restricted	-	-	426	1,349	1,775
Investments	-	-	-	3,832	3,832
Receivables, net	21,749	2,474	7,571	2,153	33,947
Inventories	1,969	-	1,283	292	3,544
Other current assets	-	-	-	366	366
Other current assets - restricted	-	-	39	167	206
	<u>77,372</u>	<u>16,988</u>	<u>25,006</u>	<u>17,168</u>	<u>136,534</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	10,616	-	26,921	12,001	49,538
Investments	-	-	2,848	657	3,505
Investments - restricted	105,075	-	21,671	-	126,746
Advances to primary government - restricted	3,157	-	-	-	3,157
Advances to primary government	-	-	127	-	127
Receivables, net	-	-	-	3,679	3,679
Receivables, net - restricted	277	-	723	10,326	11,326
Land held for resale, net - restricted	-	-	-	7,926	7,926
Equity interest in joint ventures	11,816	-	-	-	11,816
Other noncurrent assets	813	-	3,169	1,330	5,312
Nondepreciable capital assets	71,027	-	169,502	13,878	254,407
Depreciable capital assets, net	975,400	3,096	162,638	42,059	1,183,193
	<u>1,178,181</u>	<u>3,096</u>	<u>387,599</u>	<u>91,856</u>	<u>1,660,732</u>
Total assets	<u>1,255,553</u>	<u>20,084</u>	<u>412,605</u>	<u>109,024</u>	<u>1,797,266</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	15,932	1,187	8,008	3,437	28,564
Unearned revenue	-	-	636	587	1,223
Current portion of long-term liabilities	25,279	230	8,511	1,569	35,589
Deposits subject to refund	9,498	-	102	155	9,755
	<u>50,709</u>	<u>1,417</u>	<u>17,257</u>	<u>5,748</u>	<u>75,131</u>
Noncurrent liabilities:					
Advances from primary government	-	-	-	326	326
Unearned revenue and deposits	-	-	-	4	4
Long-term liabilities	371,507	674	150,018	19,703	541,902
	<u>371,507</u>	<u>674</u>	<u>150,018</u>	<u>20,033</u>	<u>542,232</u>
Total liabilities	<u>422,216</u>	<u>2,091</u>	<u>167,275</u>	<u>25,781</u>	<u>617,363</u>
NET ASSETS					
Invested in capital assets, net of related debt	756,859	3,096	185,183	39,495	984,633
Restricted for:					
Debt service	8,187	-	26,632	1,542	36,361
Capital projects	-	-	5,986	21,327	27,313
Other purposes	-	-	51	8,688	8,739
Unrestricted	68,291	14,897	27,478	12,191	122,857
Total net assets	<u>\$ 833,337</u>	<u>\$ 17,993</u>	<u>\$ 245,330</u>	<u>\$ 83,243</u>	<u>\$ 1,179,903</u>

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

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2011
(amounts expressed in thousands)

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Operating revenues					
Water and sewer services	\$ 154,845	\$ -	\$ -	\$ -	\$ 154,845
Fuel sales and commissions	-	-	790	-	790
Refuse services	-	21,657	-	-	21,657
Property rentals	-	-	30,715	571	31,286
Parking revenues	-	-	-	5,798	5,798
Transit services	-	-	-	2,992	2,992
Event revenues	-	-	-	95	95
Other income	-	-	-	1,169	1,169
	<u>154,845</u>	<u>21,657</u>	<u>31,505</u>	<u>10,625</u>	<u>218,632</u>
Operating expenses					
Salaries and wages	44,897	3,609	8,718	9,129	66,353
Materials and supplies	12,090	-	1,124	3,244	16,458
Other services and charges	51,435	17,830	10,613	10,231	90,109
Unrealized loss on land held for resale	-	-	-	894	894
Depreciation	28,887	297	14,418	3,861	47,463
Relocation and improvement	-	-	-	265	265
	<u>137,309</u>	<u>21,736</u>	<u>34,873</u>	<u>27,624</u>	<u>221,542</u>
Operating income (loss)	<u>17,536</u>	<u>(79)</u>	<u>(3,368)</u>	<u>(16,999)</u>	<u>(2,910)</u>
Nonoperating revenues (expenses)					
Investment income	1,729	79	575	491	2,874
Interest expense	(8,841)	-	(10,645)	(973)	(20,459)
Sales taxes	-	-	-	318	318
Property taxes	3,900	-	-	813	4,713
Federal and state grant revenues	3,836	-	7,547	10,325	21,708
Contributions	-	-	-	1,281	1,281
Payments from primary government	2,133	50	585	7,172	9,940
Payments to primary government	-	(19)	-	(57)	(76)
Gain (loss) on disposition of capital assets	(429)	(127)	(125)	-	(681)
Other, net	-	-	486	1,058	1,544
	<u>2,328</u>	<u>(17)</u>	<u>(1,577)</u>	<u>20,428</u>	<u>21,162</u>
Income (loss) before capital contributions, grants, and charges	<u>19,864</u>	<u>(96)</u>	<u>(4,945)</u>	<u>3,429</u>	<u>18,252</u>
Federal and state capital grant revenues	-	-	14,018	1,551	15,569
Capital contributions to primary government	-	-	-	(3,976)	(3,976)
Capital contributions from primary government	-	-	-	999	999
Capital contributions	2,284	-	-	-	2,284
	<u>2,284</u>	<u>-</u>	<u>14,018</u>	<u>(1,426)</u>	<u>14,876</u>
Change in net assets	<u>22,148</u>	<u>(96)</u>	<u>9,073</u>	<u>2,003</u>	<u>33,128</u>
Net assets - beginning, as restated (Note 2)	811,189	18,089	236,257	81,240	1,146,775
Net assets - end of year	<u>\$ 833,337</u>	<u>\$ 17,993</u>	<u>\$ 245,330</u>	<u>\$ 83,243</u>	<u>\$ 1,179,903</u>

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

CITY OF TULSA
RECAST OF THE COMBINING STATEMENT OF CHANGES IN NET ASSETS INTO THE
STATEMENT OF ACTIVITIES FORMAT
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2011
(amounts expressed in thousands)

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	TMUA	TARE	Tulsa Airports	Other	Total
Tulsa Metropolitan Utility Authority	\$ 146,579	\$ 154,845	\$ 3,836	\$ 2,284	\$ 14,386	-	-	-	\$ 14,386
Tulsa Authority for Recovery of Energy	21,882	21,657	-	-	-	(225)	-	-	(225)
Tulsa Airports	45,643	31,505	7,547	14,018	-	-	7,427	-	7,427
Other	32,630	10,625	10,434	3,722	-	-	-	(7,849)	(7,849)
	\$ 246,734	\$ 218,632	\$ 21,817	\$ 20,024	\$ 14,386	(225)	7,427	(7,849)	\$ 13,739
General revenues:									
Taxes:									
Sales taxes								318	318
Property taxes					3,900			813	4,713
Payments from City of Tulsa					2,133	50	585	7,172	9,940
Investment earnings					1,729	79	575	491	2,874
Miscellaneous					-	-	486	1,058	1,544
Total general revenues					7,762	129	1,646	9,852	19,389
Change in net assets					22,148	(96)	9,073	2,003	33,128
Net assets--beginning, restated (Note 2)					811,189	18,089	236,257	81,240	1,146,775
Net assets--end of year					\$ 833,337	\$ 17,993	\$ 245,330	\$ 83,243	\$ 1,179,903

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011
(dollar amounts expressed in thousands)

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 ("GAAP") as promulgated by the Governmental Accounting Standards Board ("GASB"), the standard-setting body for governmental accounting and financial reporting.

A. REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from the blended component unit is combined with data of the City, the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

1. Blended Component Unit

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

Tulsa Metropolitan Utility Authority ("TMUA") - A public trust created to provide for water delivery utility systems and a wastewater utility. Trustees of TMUA are the same as those on the City's Utility Board. The City is the sole beneficiary of the trust and will receive all trust properties and resulting revenues upon retirement of all trust indebtedness. The rates for user charges and bond issuance authorization are also approved by the City Council. The City provides staffing to, and maintains the accounting records of TMUA.

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

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

Tulsa Development Authority ("TDA") - A public authority created to finance urban renewal rehabilitation and redevelopment. Commissioners of TDA are appointed by the Mayor and approved by the City Council. The City approves urban renewal plans and the City must approve all modifications to the plan. The City provides staffing to, and maintains the accounting records of TDA.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

appointed by the Mayor and approved by the City Council. The City is the sole beneficiary of the Trust.

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

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.

B. JOINT VENTURES AND RELATED ORGANIZATIONS

1. Joint Ventures

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

The City participates in the following joint ventures:

Emergency Medical Services Authority ("EMSA") - EMSA is a public trust created to provide emergency medical care and transportation and is governed by a ten-member board composed of five appointees from the City and five from other Oklahoma cities and towns. In accordance with the joint venture agreement, Tulsa and Oklahoma City are entitled to their respective share of annual operating income or loss. The City's equity interest in EMSA is \$15,662. Complete financial statements for EMSA can be obtained from EMSA's Chief Financial Officer, 1417 North Lansing, Tulsa, Oklahoma 74106.

River Parks Authority ("RPA") - The City is a participant with Tulsa County in a joint venture to operate and maintain a park along the Arkansas River. RPA, a trust, was created for that purpose. The City and Tulsa County contribute to the annual operating budget of RPA. The Board of Trustees comprises seven members, three appointed by the City, three appointed by the County, and one by the Tulsa Metropolitan Area Planning Commission. Complete financial statements for RPA can be obtained from the Executive Director, 717 S. Houston, Suite 10, Tulsa, Oklahoma 74127. The City does not have an equity interest in this organization.

Regional Metropolitan Utility Authority ("RMUA") - The City is a participant with the City of Broken Arrow,

Oklahoma, to operate a sewage treatment facility. The Authority ("RMUA"), a trust, was created for that purpose. The City contributes one-half of the Authority's annual operating and capital budget and operates a facility for RMUA and leases the facility site to the Authority. The City appoints two of the ten Trustees. The remaining Trustees are appointed two each by the four other participating cities. Services are provided approximately 50% each to the City and the City of Broken Arrow. Upon termination of the trust, the net assets will be distributed to the beneficiaries based upon their pro rata interest. The City's equity interest of \$11,816 is reported in TMUA's statement of net assets. Complete financial statements for RMUA can be obtained from the Office of the Controller, City of Tulsa, 175 East 2nd Street, Suite 885, Tulsa, OK 74103.

2. Related Organizations

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

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

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

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

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

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

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

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

3. Jointly Governed Organizations

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate

financial position resulting from the activities of the fiscal period.

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

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

The enterprise fund statements will match the business-type activity column presented in the government-wide statements.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting.

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

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

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

D. BASIS OF PRESENTATION

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

Major funds are determined by criteria - percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise

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combined, or in the case of component units, the total of the above plus component units. The nonmajor funds are combined in a single column in the fund financial statements.

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

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

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

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

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

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

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

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

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

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

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

Tulsa Stadium Trust - a blended component unit, created to acquire, construct, own, operate and

maintain a baseball stadium in downtown Tulsa and related amenities and facilities, and to incur indebtedness.

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

Employee Insurance Fund accounts for the collection and payment of health, dental, life and long term disability insurance premiums and workers' compensation medical claims, judgments and administrative expenses.

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

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

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

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

Municipal Employees Pension Trust (MERP) is used to report resources that are held in trust for the members and beneficiaries of Municipal Employees Pension Fund, a cost-sharing multiple-employer defined benefit retirement plan.

Agency funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities) and include EMSA Utility Fee, Municipal Court Bonds, Escrow Fund, Police Property Room, Watermain Extension Contract Escrow, Payroll Withholdings, Unclaimed Property and PAC Ticket Office Escrow.

E. BASIS OF ACCOUNTING

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

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

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

Modified Accrual - All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting,

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revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB No. 33, "Accounting and Financial Reporting for Non-exchange Transactions" the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as unearned revenue by the recipient.

F. BASIS OF BUDGETING

Budget Policy - City Charter and the Oklahoma Municipal Budget Act (Act) require the Mayor to prepare and submit an annual budget to the City Council. A budget is prepared for the General Fund and all Special Revenue Funds, exclusive of most Federal and State Grant Funds and the Special Development Fund. These budgets are prepared on a cash basis plus due from other funds for revenues and transfers, and an accrual basis plus encumbrances for expenditures. The appropriations for these funds cannot exceed the estimated revenues, including investment income, and fund balance. It is unlawful for the City to create or authorize creation of a deficit in any fund that is subject to the Act.

Budgetary Data - During the year, several supplemental appropriations were necessary. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

G. ASSETS, LIABILITIES AND NET ASSETS

1. Cash and Cash Equivalents

The City Charter requires all cash belonging to the City to be placed in the custody of the City Treasurer.

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

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

2. Investments

Investments are stated at fair value in the statement of net assets. Securities traded on a national or international exchange are valued at the last reported sales price, at current exchange rates. A net change in fair value of investments is recognized and reported as a change in investment income in the financial statements for the year ended.

The amount of the increase for the year is as follows:

Governmental activities	\$	(578)
Business-type activities		33
Component units		326
Net increase in fair value	\$	<u>(219)</u>

3. Accounts Receivable and Taxes Receivable

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts.

The allowance for general government accounts receivable is derived from the age of the individual receivable with age categories ranging from 30 days past due to three years past due. Uncollectible percentages by revenue category are derived using historical write-off experience and range from 1% to 33%.

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

4. Inventories

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

Land held for resale - Land acquired for rehabilitation and held for resale by TDA is recorded at the lower of cost or fair value (specific identification basis). The cost of land

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acquired and held for resale at year end amounted to \$8,267 and was carried at the lower of cost or fair value of \$7,926.

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 assets, 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 fund balance reserve 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. Deferred 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 value of \$15,930, net of amortization, is reflected in other assets on the Government-wide Statement of Net Assets.

7. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized whereas costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

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

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

8. Privately Funded Public Improvements

Watermain Extension Contracts - TMUA contracts with various developers for the construction of watermains to provide water service to areas under development.

Upon completion, the new watermains become an extension of the City's existing water distribution system. The contract with the developers provides that the developer initially pay for all construction costs. Repayments to the developers are generally limited to 40% or 60% of the collected revenues generated by the respective watermain extension, not to exceed the total cost as defined in the contract.

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

The liability for watermain extension contracts is \$7,071 as of year end. Annual payments of \$529 are due in accordance with these contracts.

Sewer Line Extensions - Private and non-assessed sewer line extensions contributed to TMUA totaled \$1,377 during the year.

9. Interest Capitalization

Component units capitalized net interest cost in the amount of \$4,423 related to tax exempt financing for capital construction projects during the year. Component units incurred interest costs of \$27,197 during the year.

Enterprise funds capitalized net interest cost in the amount of \$139 related to tax exempt financing for capital construction projects during the year. Enterprise funds incurred interest costs of \$6,249.

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10. Restricted Assets

Certain debt proceeds as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net assets because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

11. Bond Premiums, Discounts and Issuance Costs

In the governmental funds, bond premiums, discounts and issuance costs are treated as period costs in the year of issuance. Bond issuance costs are reported as expenditures in governmental funds.

In proprietary funds, bond premiums and discounts are deferred 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 whereas issuance costs are recorded as other assets. Bond issuance costs are amortized on the straight-line method over the term of the bond.

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

12. Encumbrances - Budgetary Statements

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the funds. Other commitments include encumbrances that have been established for future planned expenditures where the purpose is known but a specific contract with a vendor has not yet been finalized.

13. Fund Balances

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

- *Nonspendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Mayor.
- *Unassigned* - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Spending Policy of the General Fund - The City receives inflows from revenue and other financing sources from numerous sources for use in the General Fund. The Fund will expend those resources on multiple purposes of the local government. The intention of this spending policy is to identify the expenditure order of resource categories for the General Fund. When both restricted and unrestricted resources are available in the General Fund, the following spending policy will apply;

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

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

Spending Policy of Other Governmental Funds - The City receives inflows from revenue and other financing sources from various sources for use in Special Revenue Funds. Special Revenue Funds will expend those resources on the specific purpose of the fund. The intention of this spending policy is to identify the expenditure order of resource categories for all Special Revenue Funds. When both restricted and unrestricted resources are available in a Special Revenue Fund, the following spending policy will apply;

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

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

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

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14. Net Assets

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

- *Invested in Capital Assets, Net of Related Debt* - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. \$122,732 in net assets are restricted by enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the City's policy to use restricted resources first, then unrestricted resources as they are needed.
- *Unrestricted* - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

H. REVENUES, EXPENSES AND EXPENDITURES

Identification of Major Revenue Sources Susceptible to Accrual

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

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

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

1. Sales Tax Revenue

The City has a 3% sales tax levy that is collected monthly by the State of Oklahoma and remitted to the City. Two-thirds of the tax revenue is recorded in the General Fund. One-third of the tax revenue is recorded in the Sales Tax Fund and is restricted for capital improvements. The tax is collected by the merchants and remitted to the State. The City receives its tax receipts from the State by the 10th of each month. Vendors owing an average of \$2.5 or more per month to the State are required to remit actual taxes collected plus an estimate of tax collections for the first 15 days of the following month with remittance due by the 20th of that same month. All other vendors are required to remit the actual amount collected (without any

estimated tax collections) by the 20th of the following month.

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

2. Property Tax Revenue

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

After review and approval by the City, the sinking fund estimates are submitted to the County Excise Board to determine the property tax levy. This submission is made by July 20th of each year. The County Assessor is required to file a tax roll report on or before October 1st each year with the County Treasurer indicating the net assessed valuation for all real and public service property.

The Oklahoma Tax Commission determines property assessed valuations. The assessment ratio in Tulsa County currently averages 11% of market value.

Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurers of Tulsa, Wagoner and Osage Counties, Oklahoma, and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

3. Arena Revenues - Naming Rights, Club Sales

Revenues derived from naming rights and club sales are recognized over the life of the agreement, generally 3 to 20 years. Unearned revenue is recorded for amounts received to the extent they exceed amounts earned. Naming rights revenue of \$550 has been recognized in the current year.

4. Grant Revenue

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

Some grants and contributions consist of capital assets or resources that are restricted for capital purposes - to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

operating expenses or for capital expenditures of the program at the discretion of the City.

5. Commercial Lease Revenue

In September 2007, the TPFA acquired a building in downtown Tulsa known as the One Technology Center. The building containing approximately 626,000 square feet has been used to consolidate City operations previously located in several locations in or near the central business district in downtown Tulsa.

In addition to acquiring the building, the TPFA assumed existing commercial leases to various tenants occupying approximately 183,000 square feet. The leases are comprised of both cancelable and noncancelable leases for periods up to ten years. Annual revenue from these leases averages approximately \$3,800 through 2018.

6. Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments. Investment earnings and losses from the special revenue, agency, debt service, and bond funds are reported as investment earnings of the general fund.

7. Unearned / Deferred Revenue

Unearned revenue represents payments and/or revenue received but not yet recognized since it has not been earned. At the government-wide level, unearned revenue is primarily composed of money received from Federal and/or State grants in advance of services to be provided and property tax receivables that will be recognized as revenue in the subsequent year. At the fund level, unearned revenue is primarily composed of deferred property taxes and money received from Federal and/or State grants in advance of services to be provided or receivables that are not available to pay current-period expenditures.

8. Interfund Transactions

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

9. Payments between the City and Component Units

Resource flows (except those that affect the statement of net assets/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as

external transactions—that is, as revenues and expenses. Resource flows between the primary government and blended component units are classified as internal activity in the financial statements.

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

10. Compensated Absences

Vacation and sick leave is granted to all regular and part-time employees. The annual amount of vacation time accrued varies from 14 to 26 days depending upon years of service. The maximum amount of vacation time that may be accumulated is twice the amount that may be earned in one calendar year.

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

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

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

11. Other Post-Employment Benefits

The City of Tulsa offers a post-employment health insurance benefit whereby the City provides a subsidy for the cost of health care insurance for those retirees remaining with the City's group health plan. The post-

CITY OF TULSA
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

employment benefits are not a part of a qualified plan and are on a pay as you go basis.

12. Operating Subsidies, Grants and Impact Fees

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

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

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

13. Judgments

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

During the intervening time period from the time the judgment is rendered until the judgment is ultimately funded by the debt service fund, the City is permitted 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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Net Assets/Fund Balance Deficit

Office Services - An internal service fund, has a net deficit of \$304 resulting from a decrease in operating revenue and an increase in operating expenses. It is the City's intent to set future fees in amounts sufficient to fund current expenditures and eliminate the deficit.

One Technology Center - An enterprise fund, has a net deficit of \$2,730 resulting from insufficient operating income to cover interest payments on outstanding debt. It is the City's intent to secure additional revenues and manage expenses to eliminate the deficit.

2. Federal Financial Assistance - Disallowed Cost

The U.S. Department of Housing and Urban Development (HUD) disallowed \$1,439 of charges for ineligible CDBG program expenditures related to prior program activity. The City has accrued a liability for this disallowed cost as a governmental activities long-term liability.

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NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

3. Restatements

The beginning fund balance of the Sales Tax Fund and the aggregate remaining fund information are restated for the adoption of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The effect on year 2010 is as follows:

	2010		
	Previously		2010
	Presented	Restatement	Restated
<i>Sales Tax Fund:</i>			
Total assets	\$ 96,242	\$ 13,078	\$ 109,320
Total liabilities	10,806	453	11,259
Fund balance	85,436	12,625	98,061
Total revenue	67,323	80	67,403
Total expenditures	53,775	13,278	67,053
Other financing sources, transfers out	(22,154)	12,358	(9,796)
Net change in fund balance	(8,606)	(840)	(9,446)
<i>Aggregate Remaining Fund Information:</i>			
Total assets	\$ 458,265	\$ (13,078)	\$ 445,187
Total liabilities	77,795	(453)	77,342
Fund balance / net assets	375,008	(12,625)	362,383
Total revenue / additions	174,577	(80)	174,497
Total expenditures / deductions	170,233	(13,278)	156,955
Other financing sources, transfers in	25,921	(12,358)	13,563
Net change in fund balance / net assets	22,290	840	23,130

The beginning net assets of the business-type activities and the aggregate discretely presented Component Units in the Entity-wide statements and the Tulsa Stadium Trust of the Proprietary Fund statements are restated for the adoption of GASB Statement No. 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34". The effect on year 2010 is as follows:

	2010		
	Previously		2010
	Presented	Restatement	Restated
<i>Business-type Activities:</i>			
Current assets	\$ 40,135	\$ 5,059	\$ 45,194
Noncurrent assets	605,446	48,103	653,549
Current liabilities	14,883	3,049	17,932
Noncurrent liabilities	91,292	19,492	110,784
Net assets	539,406	30,621	570,027
Expenses	59,975	2,070	62,045
Program revenues	54,321	16,286	70,607
Net (expenses) revenues and changes in net assets	(5,654)	14,216	8,562
General revenues	680	11	691
Transfers	21,612	2,007	23,619
Change in net assets	16,638	16,233	32,871

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Aggregate Discretely Presented Component Units:

Current assets	\$ 216,053	\$ (5,059)	\$ 210,994
Noncurrent assets	1,568,909	(48,103)	1,520,806
Current liabilities	68,669	(3,049)	65,620
Noncurrent liabilities	538,897	(19,492)	519,405
Net assets	1,177,396	(30,621)	1,146,775
Expenses	227,958	(2,070)	225,888
Program revenues	255,600	(16,286)	239,314
Net (expenses) revenues and changes in net assets	27,642	(14,216)	13,426
General revenues	20,668	(11)	20,657
Change in net assets	48,310	(16,233)	32,077

Tulsa Stadium Trust - Major Enterprise Fund:

Current assets	-	5,059	5,059
Noncurrent assets	-	48,103	48,103
Current liabilities	-	3,049	3,049
Noncurrent liabilities	-	19,492	19,492
Net assets	-	30,621	30,621
Operating revenues	-	60	60
Operating expenses	-	1,198	1,198
Operating loss	-	(1,137)	(1,137)
Nonoperating income	-	15,363	15,363
Income before transfers	-	14,226	14,226
Transfers	-	2,007	2,007
Change in net assets	-	16,233	16,233

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk—City of Tulsa Policy:

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

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the City. The security can not 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, 2011, the City had no deposits exposed to custodial credit risk.

Investments. The City's investment policy requires that securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City's name and all securities are registered in the City's name.

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

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

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

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

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

Concentration of Credit Risk. While the City may choose to maintain one-hundred percent (100%) of its investment portfolio in U. S. Treasury bills, notes, and bonds, at no time will the portfolio be composed of more than seventy percent (70%) related federal agencies.

The agencies in which the City invests are outlined in Section 7.0 of the City's investment policy. Diversification among authorized investment broker/dealers is required, with not more than fifty percent (50%) of the City's investment portfolio invested through any one financial institution or broker/dealer.

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

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

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 3. DEPOSITS AND INVESTMENTS

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

Pooled Portfolio Investments - Primary Government:

<u>Investments--Primary Government</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Concentration</u>	<u>Percent of Pooled Portfolio</u>	<u>Moody's</u>	<u>S & P</u>
U.S. Treasury securities	\$ 118,009	1.89	n/a	29.2%	n/a	n/a
Property tax judgments	9,120	1.14	n/a	2.3%	n/a	n/a
Federal Farm Credit Bank securities	61,388	2.46	17.0%	15.2%	Aaa	AAA
Federal Home Loan Bank securities	53,308	2.21	14.7%	13.2%	Aaa	AAA
Federal Home Loan Mortgage Corporation securities	69,409	3.02	19.2%	17.2%	Aaa	AAA
Federal National Mortgage Association securities	49,353	2.81	13.6%	12.2%	Aaa	AAA
Certificates of Deposit	1,221	n/a	0.3%	0.3%	n/a	n/a
	<u>\$ 361,808</u>	<u>2.07</u>	<u>64.8%</u>	<u>89.6%</u>		

Non- Pooled Investments - Primary Government:

<u>Investments--Internal Service Funds</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Concentration</u>	<u>Moody's</u>	<u>S & P</u>
Federal Home Loan Mortgage Corporation securities	\$ 6,274	0.21	29.6%	Aaa	AAA
Federal National Mortgage Association securities	3,015	0.49	14.2%	Aaa	AAA
U.S. Treasury securities	9,279	0.81	43.8%	n/a	n/a
Money Market	2,599	n/a	12.3%	Aaa	AAA
	<u>\$ 21,167</u>	<u>0.70</u>	<u>100.0%</u>		

<u>Investments--Proprietary Funds</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>	<u>Concentration</u>	<u>Moody's</u>	<u>S & P</u>
Federal Home Loan Bank securities	\$ 1,625	0.69	20.5%	Aaa	AAA
U.S. Treasury securities	1,251	0.08	15.8%	n/a	n/a
Money Market	5,037	n/a	63.7%	Aaa	AAA
	<u>\$ 7,913</u>	<u>0.69</u>	<u>100.0%</u>		

Non- Pooled Investments - Fiduciary Funds:

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the MERP will not be able to recover the value of its investments that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if they are both uninsured and are not registered in the name of the MERP, and are held by the counterparty or the counterparty's trust department but not in the name of MERP. MERP has no exposure to custodial credit risk because all of MERP's

investments that are evidenced by securities are registered in MERP's name.

Credit Risk. Fixed income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. MERP's investment policy requires that at the time of purchase all fixed income portfolios are to be invested primarily in high quality securities but also allows up to 10% of the portfolio to be invested in below grade securities rated no lower than single B- (by Standard & Pooers) or B3 (by Moody's). The credit ratings of MERP's debt securities are as follows:

CITY OF TULSA
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NOTE 3. DEPOSITS AND INVESTMENTS

Investment Type	Credit Ratings Standard & Poors/Moody's			Rating Not Available or Not	Total
	AAA/Aaa	A/A	BBB/Baa	Rated	
U.S. agency obligations	\$ 5,438	\$ -	\$ -	\$ -	\$ 5,438
Government mortgage backed securities	19,236	-	-	-	19,236
Corporate bonds	-	6,575	4,262	-	10,837
Asset backed securities	287	491	-	-	778
Commercial mortgage backed securities	1,299	903	-	456	2,658
Foreign obligations	-	1,842	956	-	2,798
	<u>\$ 26,260</u>	<u>\$ 9,811</u>	<u>\$ 5,218</u>	<u>\$ 456</u>	<u>\$ 41,745</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, 2011 were 32% strategic with a lower limit of 27% and an upper limit of 37%.

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.

As of June 30, 2011 the MERP had the following investments with maturities:

Non-Pooled Investments--Fiduciary Funds	Fair Value	Weighted Average Maturity (years)
U.S. Treasury securities	\$ 11,380	9.15
Federal Home Loan Mortgage Corp securities	5,438	19.36
Federal National Mortgage Association securities	17,761	24.02
Government National Mortgage Association securities	1,475	35.29
Mutual funds	274,735	N/A
Corporate obligations	14,273	13.15
Foreign obligations	2,798	10.19
Common Stock	23,877	N/A
Preferred Stock	236	N/A
Timber	196	N/A
	<u>\$ 352,169</u>	1.79

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 3. DEPOSITS AND INVESTMENTS

Non- Pooled Investments - Discretely Presented Component Units:

Certain component units invest in money market mutual funds, U.S. agency obligations, equity index funds and state and local government securities (SLUG). The component units do not have a formal policy for limiting its exposure to fair value losses arising from rising interest rates, nor do they have a formal policy to address credit risk. For custodial credit risk, the component units' investments in U.S. agency obligations at June 30, 2011 are uninsured and unregistered with securities held by the counterparty or by its trust department or agent, but

not in the component unit's name. The investment in money market mutual funds are not categorized as to custodial credit risk because the investment is not evidenced by securities that exist in physical form or book entry form. In addition, the component units place no limits on the amount that may be invested in any one issuer. At June 30, 2011, the component units investment in FHLB constituted 23% of its total investments. Money market mutual funds, equity index fund and U.S. Treasury securities are not subject to concentration of credit risk disclosure. The component units' non-pooled investments as of June 30, 2011 consisted of the following:

Investment Type	Fair Value	Maturities in Years			Moody's	S&P
		> 1	1 - 10	> 10		
U.S. agency obligations	\$ 38,041	\$ 8,458	\$ 28,772	\$ 811	Aaa	AAA
State and local government securities	690	-	-	690	n/a	n/a
Money market mutual funds	36,651	36,651	-	-	Aaa	AAA
Equity index funds	704	704	-	-	n/a	n/a
U.S. Treasury securities	96,062	56,817	39,245	-	n/a	n/a
	<u>\$ 172,148</u>	<u>\$ 102,630</u>	<u>\$ 68,017</u>	<u>\$ 1,501</u>		

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 4. RECEIVABLES

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

	Governmental Funds					Internal Service Funds	Adjustment Government-wide Statements	Total Governmental Activities
	General	Bond	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds			
Current receivables, net:								
Interest receivable	\$ 160	\$ -	\$ 55	\$ 35	\$ 250	\$ -	\$ -	\$ 250
Taxes receivable	23,951	-	9,110	55,474	88,535	-	-	88,535
Accounts receivable, gross	3,056	789	-	2,909	6,754	133	-	6,887
Due from other governments	-	-	-	2,767	2,767	-	-	2,767
Notes receivable	-	-	-	12	12	-	-	12
	27,167	789	9,165	61,197	98,318	133	-	98,451
Less: allowance for uncollectibles	(1,921)	-	-	(211)	(2,132)	-	-	(2,132)
	\$ 25,246	\$ 789	\$ 9,165	\$ 60,986	\$ 96,186	\$ 133	\$ -	\$ 96,319
Noncurrent receivables, net:								
Taxes receivable	-	-	-	-	-	14,133	-	14,133
Interest receivable - restricted	-	-	-	-	-	36	-	36
Accounts receivable	-	-	-	-	-	42	-	42
Due from other governments	-	-	-	-	-	-	359	359
	-	-	-	-	-	14,211	359	14,570
Less: Allowance for uncollectibles	-	-	-	-	-	(9)	-	(9)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,202	\$ 359	\$ 14,561

	Business-type Activities Enterprise Funds	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Current receivables, net:						
Interest receivable	\$ 20	\$ 20	\$ 7	\$ -	\$ 41	\$ 68
Accounts receivable, gross	4,050	21,857	2,497	2,628	381	27,363
Due from other governments	220	-	-	4,963	1,731	6,694
	4,290	21,877	2,504	7,591	2,153	34,125
Less: allowance for uncollectibles	(160)	(128)	(30)	(20)	-	(178)
	\$ 4,130	\$ 21,749	\$ 2,474	\$ 7,571	\$ 2,153	\$ 33,947
Noncurrent receivables, net:						
Notes receivable, net	29	-	-	-	3,679	3,679
Notes receivable, net - restricted	-	-	-	-	10,213	10,213
Accounts receivable - restricted	-	-	-	628	87	715
Interest receivable - restricted	34	277	-	95	26	398
	\$ 63	\$ 277	\$ -	\$ 723	\$ 14,005	\$ 15,005

CITY OF TULSA
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NOTE 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Governmental Funds							Adjustments to Government Wide Statements	Total Governmental Activities
	General	Bond	Sales Tax	Nonmajor Governmental Funds	Total	Internal Service Funds	Total Governmental Funds		
Accounts payable	\$ -	\$ 5,197	\$ 5,231	\$ 1,768	\$ 12,196	\$ 362	\$ 12,558	\$ -	\$ 12,558
Accrued payables	3,715	821	1,111	609	6,256	741	6,997	-	6,997
Accrued payroll	503	-	-	4	507	118	625	-	625
Accrued interest	-	-	-	-	-	63	63	3,614	3,677
Due to other governments	-	-	-	24	24	-	24	-	24
	<u>\$ 4,218</u>	<u>\$ 6,018</u>	<u>\$ 6,342</u>	<u>\$ 2,405</u>	<u>\$ 18,983</u>	<u>\$ 1,284</u>	<u>\$ 20,267</u>	<u>\$ 3,614</u>	<u>\$ 23,881</u>

Business-type Activities Enterprise Funds	Component Units					Total Component Units
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units		
Accounts payable	\$ 4,437	\$ 8,786	\$ 1,187	\$ 195	\$ 1,941	\$ 12,109
Accounts payable - restricted	-	6,442	-	6,893	448	13,783
Accrued payables	1,436	-	-	-	426	426
Accrued payroll	117	704	-	101	331	1,136
Accrued interest	890	-	-	-	-	-
Accrued interest - restricted	-	-	-	819	440	1,259
	<u>\$ 6,880</u>	<u>\$ 15,932</u>	<u>\$ 1,187</u>	<u>\$ 8,008</u>	<u>\$ 3,586</u>	<u>\$ 28,713</u>

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NOTE 6. INTERFUND TRANSACTIONS

Primary government interfund receivables and payables consist of the following:

Amount	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Purpose</u>
\$ 185	General Fund	Arena & Convention	To finance capital projects
53	General Fund	Internal Service Funds	To provide cash flow
<u>238</u>			
	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Purpose</u>
583	General Fund	Federal and State Grants	To advance fund grants
146	General Fund	Office Services	To provide cash flow
6,867	Sales tax	TPFA	To finance capital projects
800	TPFA	Special Revenue Funds	To finance capital projects
758	Arena & Convention Fund	Tourism and Convention	To provide cash flow
<u>\$ 9,154</u>			
	<u>Advances To Primary Government</u>	<u>Advances From Component Units</u>	<u>Purpose</u>
127	Tulsa Airports	General Fund	To fund firefighter services
3,157	TMUA	Bond	To fund capital improvements
<u>\$ 3,284</u>			
	<u>Advances To Component Units</u>	<u>Advances From Primary Government</u>	<u>Purpose</u>
<u>\$ 326</u>	General Fund	MTTA	To provide cash flow

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6. INTERFUND TRANSACTIONS

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

Transfers To	Total	Transfers From					
		General Fund	Bond Fund	Sales Tax Fund	Nonmajor Governmental Funds	Internal Service Funds	Enterprise Funds
Governmental Funds:							
Major Funds:							
General Fund	\$ 313	\$ -	\$ -	\$ -	\$ 313	\$ -	\$ -
Nonmajor Funds	<u>3,628</u>	<u>77</u>	<u>-</u>	<u>430</u>	<u>2,408</u>	<u>150</u>	<u>563</u>
Total Governmental Funds	<u>3,941</u>	<u>77</u>	<u>-</u>	<u>430</u>	<u>2,721</u>	<u>150</u>	<u>563</u>
Internal Service Funds	<u>824</u>	<u>-</u>	<u>75</u>	<u>599</u>	<u>150</u>	<u>-</u>	<u>-</u>
Enterprise Funds:							
Stormwater Management Fund	4,311	-	3,273	994	44	-	-
TPFA / CC and Arena	4,224	1,356	-	-	2,868	-	-
TPFA / OTC Building	1,169	1,169	-	-	-	-	-
Tulsa Stadium Trust	2,015	-	-	-	2,015	-	-
Golf Courses Fund	794	590	-	204	-	-	-
Total Enterprise Funds	<u>12,513</u>	<u>3,115</u>	<u>3,273</u>	<u>1,198</u>	<u>4,927</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 17,278</u>	<u>\$ 3,192</u>	<u>\$ 3,348</u>	<u>\$ 2,227</u>	<u>\$ 7,798</u>	<u>\$ 150</u>	<u>\$ 563</u>

Transfers - in		Transfers - out	
Governmental Funds	\$ 3,941	Governmental Funds	\$ 16,565
Internal Service Funds	824	Internal Service Funds	150
Enterprise Funds	12,513	Enterprise Funds	563
Total Primary Government	<u>\$ 17,278</u>	Total Primary Government	<u>\$ 17,278</u>

1. Purpose of Transfers

The above transfers occur principally to fund operations and finance capital assets acquisitions. Transfers are used to (1) move revenues from the fund that State statutes or City ordinances requires to collect them to the fund that State statutes or City ordinances requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

2. Eliminations

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 25,808	\$ 6,155	\$ (1,839)	\$ 30,124
Land - Infrastructure use	436,133	117	-	436,250
Construction in progress:				
General government	26,466	9,595	(4,714)	31,347
Infrastructure	130,521	59,262	(13,035)	176,748
Total construction in progress	<u>156,987</u>	<u>68,857</u>	<u>(17,749)</u>	<u>208,095</u>
Total nondepreciable capital assets	<u>618,928</u>	<u>75,129</u>	<u>(19,588)</u>	<u>674,469</u>
Depreciable capital assets:				
Land improvements	82,752	2,744	(100)	85,396
Buildings	178,437	984	(7,498)	171,923
Equipment	153,794	9,195	(12,379)	150,610
Street network	2,671,103	12,642	-	2,683,745
Bridge network	106,897	5	-	106,902
Total depreciable capital assets	<u>3,192,983</u>	<u>25,570</u>	<u>(19,977)</u>	<u>3,198,576</u>
Total capital assets	<u>3,811,911</u>	<u>100,699</u>	<u>(39,565)</u>	<u>3,873,045</u>
Accumulated depreciation:				
Land improvements	(62,239)	(459)	100	(62,598)
Buildings	(73,448)	(2,807)	4,729	(71,526)
Equipment	(101,343)	(9,753)	9,656	(101,440)
Street network	(2,287,551)	(15,966)	-	(2,303,517)
Bridge network	(94,035)	(2,269)	-	(96,304)
Total accumulated depreciation	<u>(2,618,616)</u>	<u>(31,254)</u>	<u>14,485</u>	<u>(2,635,385)</u>
Total depreciable capital assets, net	<u>574,367</u>	<u>(5,684)</u>	<u>(5,492)</u>	<u>563,191</u>
Governmental activities capital assets, net	<u>\$ 1,193,295</u>	<u>\$ 69,445</u>	<u>\$ (25,080)</u>	<u>\$ 1,237,660</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7. CAPITAL ASSETS

	Beginning Balance, as restated	Additions	Reductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 79,422	\$ 2,850	\$ -	\$ 82,272
Construction in progress	35,445	11,091	(33,022)	13,514
Total nondepreciable assets	114,867	13,941	(33,022)	95,786
Depreciable capital assets:				
Land improvements	266,374	32,794	-	299,168
Buildings	292,211	234	-	292,445
Equipment	74,464	4,056	(1,147)	77,373
Total depreciable capital assets	633,049	37,084	(1,147)	668,986
Total capital assets	747,916	51,025	(34,169)	764,772
Accumulated depreciation:				
Land improvements	(43,813)	(7,205)	-	(51,018)
Buildings	(33,673)	(5,124)	35	(38,762)
Equipment	(23,215)	(9,806)	955	(32,066)
Total accumulated depreciation	(100,701)	(22,135)	990	(121,846)
Total depreciable capital assets, net	532,348	14,949	(157)	547,140
Business-type activities capital assets, net	\$ 647,215	\$ 28,890	\$ (33,179)	\$ 642,926
DISCRETELY PRESENTED COMPONENT UNITS:				
Nondepreciable capital assets:				
Land, easements and other	\$ 172,516	\$ 5,666	\$ (893)	\$ 177,289
Water rights	9,567	26	-	9,593
Construction in progress	154,924	80,994	(168,393)	67,525
Total nondepreciable capital assets	337,007	86,686	(169,286)	254,407
Depreciable capital assets:				
Land improvements and water and sewer Lines	1,262,162	147,246	-	1,409,408
Buildings	485,073	6,785	(10,442)	481,416
Equipment	140,520	31,974	(11,574)	160,920
Total depreciable capital assets	1,887,755	186,005	(22,016)	2,051,744
Total capital assets	2,224,762	272,691	(191,302)	2,306,151
Accumulated depreciation:				
Land improvements and water and sewer Lines	(508,479)	(25,258)	-	(533,737)
Buildings	(244,789)	(11,842)	7,849	(248,782)
Equipment	(86,163)	(10,363)	10,494	(86,032)
Total accumulated depreciation	(839,431)	(47,463)	18,343	(868,551)
Total depreciable capital assets, net	1,048,324	138,542	(3,673)	1,183,193
Component unit capital assets, net	\$ 1,385,331	\$ 225,228	\$ (172,959)	\$ 1,437,600

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7. CAPITAL ASSETS

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-type Activities		Component Units	
Administrative and support	\$ 542	Golf courses	\$ 562	TMUA	\$ 28,887
Public safety and protection	8,261	One Technology Center	\$ 1,924	TARE	297
Public works and transportation	20,511	Arena/Convention	10,150	TAIT	14,418
Social and economic development	286	Stormwater management	7,566	Other	3,861
Culture and recreation	1,654	Tulsa Stadium Trust	1,933		<u>\$ 47,463</u>
	<u>\$ 31,254</u>		<u>\$ 22,135</u>		

NOTE 8. RISK MANAGEMENT

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

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

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

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

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

The carrying amount of the liability for judgments in the amount of \$5,410 is discounted at an annual rate of 3.8% and presented at their net present value of \$3,859.

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

Change in Workers' Compensation Liabilities

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Claims liability at beginning of year	\$ 18,937	\$ 18,038	\$ 16,718
Current year claims and changes in estimates	8,650	8,292	9,124
Claims payments	<u>(8,408)</u>	<u>(7,393)</u>	<u>(7,804)</u>
Claims liability at end of year	<u>\$ 19,179</u>	<u>\$ 18,937</u>	<u>\$ 18,038</u>
Assets available to pay claims at June 30	<u>\$ 24,463</u>	<u>\$ 25,367</u>	<u>\$ 19,806</u>

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9. RETIREMENT AND DEFERRED COMPENSATION PLANS

Each qualified employee is included in one of the three retirement plans in which the City participates. These are the Municipal Employees' Pension Fund (MERP), Oklahoma Firefighters' Pension Fund, and Oklahoma Police Pension and Retirement System. The City does not maintain the accounting records, hold the investments or administer the police officers' and firefighters' retirement funds. The police officers' and firefighters' plans are statewide systems administered by the State of Oklahoma. The Municipal Employees' Pension Fund is administered by a separate board of trustees and a local bank holds the assets in custody. Actuarial valuations for these plans are performed annually. Unless otherwise indicated, information in this note related to the Municipal Employees' Pension Fund is provided as of the latest actuarial valuation, January 1, 2011. Also, unless otherwise indicated, information in this note related to Oklahoma Police and Firefighters' Pension and Retirement systems are provided as of the latest actuarial valuations, July 1, 2011.

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

A. MUNICIPAL EMPLOYEES' PENSION FUND

1. Plan Description

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

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

Employee membership data related to the pension plan, as of January 1, 2011 was as follows:

Membership	
Active plan members	2,387
Retirees and beneficiaries currently receiving benefits	1,595
Terminated employees entitled to but not yet receiving benefits	262
Total	4,244

For the year ended June 30, 2011, the City's total payroll for all employees was \$192,461, including police and fire employees. Excluding police and fire

employees, the City's total payroll was \$107,437. Total covered payroll was \$93,640. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

2. Summary of Significant Accounting Policies

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

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

3. Contributions

The contribution requirements of Plan members and the City are established by City ordinance. Employees of the City are required to contribute 4% of covered compensation to the Plan. The contributions are deducted from the employee's wages or salary and remitted by the City to the Plan on a semi-monthly basis. The City is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by City ordinance.

4. Benefits and Refunds Paid

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

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

5. Concentrations

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

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011
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NOTE 9. RETIREMENT AND DEFERRED COMPENSATION PLANS

6. Annual Pension Cost Trend Information

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2011	\$ 8,698	65.1%	\$ 5,338
2010	8,490	72.8%	6,184
2009	6,326	100%	-

pension payments equal to 50% of the member's final average compensation.

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

7. Actuarial Valuation, Methods and Assumptions

Valuation date	January 1, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Remaining amortization periods	30 years
Actuarial asset valuation method	5 year smoothed FMV
Investment rate of return	7.75%
Projected salary increases	4.25%-13.70%
Inflation Rate	3.3%
Cost-of-living adjustments	None

The City's covered payroll for the Firefighters' System was \$39,170, while the City's total payroll for all employees was \$192,461 during the same time period.

The Firefighters' System issues a stand-alone financial report which can be obtained from the Oklahoma State Firefighters' Retirement Board at 4545 North Lincoln Boulevard, Suite 265, Oklahoma City, Oklahoma 73105.

8. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, was as follows (in millions).

Actuarial accrued liability (AAL)	\$ 485
Actuarial value of plan assets (AVA)	\$ 372
Unfunded actuarial accrued liability (UAAL)	\$ (113)
Funded ratio	76.8%
Covered payroll	\$ 102
UAAL as a percentage of funded payroll	110.4%

2. Contributions

Members of the Firefighters' System are required to pay 8% of their covered compensation to the pension plan. The City makes a contribution of 13% of the members' covered compensation to the system as required by state statute. The total contribution to the Firefighters' System amounted to \$8,226 of which \$5,092 was made by the City and \$3,134 was made by the employees. These contributions represent approximately 13% (City) and 8% (member) of covered payroll.

The City's contributions represent 25% of the Firefighters' System total annual contributions state-wide.

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

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2011	\$ 8,226	100%
2010	8,571	100%
2009	8,847	100%

B. OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM

1. Plan Description

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

Participants become vested upon completing ten years of credited service as a contributing participant of the Firefighters' System. Any participant who completes 20 years of credited service, regardless of age, is entitled to

4. Related Party Investments

As of and for the year ended June 30, 2011, the Firefighters' System held no securities issued by the City or other related parties.

C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1. Plan Description

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

CITY OF TULSA
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NOTE 9. RETIREMENT AND DEFERRED COMPENSATION PLANS

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

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

The City's covered payroll for the Police System was \$45,855, while the City's total payroll for all employees was \$192,461 during the same time period.

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

2. Contributions

Members of the Police System are required to pay 8% of their covered compensation to the pension plan. The City makes a contribution of 13% of the members' covered compensation to the Police system as required by state statute. Total contributions to the Police System amounted to \$9,629, of which \$5,961 is from the City's contributions and \$3,668 is from employee contributions. These contributions represent approximately 13% (City) and 8% (member) of covered payroll.

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

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2011	\$ 9,629	100%
2010	9,874	100%
2009	10,637	100%

4. Related Party Investments

During the year ended June 30, 2011 and as of June 30, 2011, the Police System held no securities issued by the City or other related parties.

D. DEFERRED COMPENSATION PLAN

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

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

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

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

CITY OF TULSA
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NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

The City provides post employment healthcare benefits (OPEB) for retired employees and their dependents through the City of Tulsa Postretirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan. The governmental activities, business type activities and component units account for 94% of the OPEB liability. Other organizations, not in the reporting entity account for the remaining 6%. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Plan does not issue a stand-alone financial report.

B. BENEFITS PROVIDED

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

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

the death of the retiree. Spouses of employees eligible for benefits and who die in active service can receive coverage.

C. MEMBERSHIP

At July 1, 2010, membership consisted of the following:

Retirees and beneficiaries currently receiving benefit	371
Active employees	<u>2,764</u>
	<u><u>3,135</u></u>

D. FUNDING POLICY

The City contributes a fixed premium subsidy towards the medical coverage of retirees and their dependents. For the fiscal year ending June 30, 2011, the City contributed \$72.73 per month for participants retiring prior to July 1, 1998 and \$101.37 per month for participants retiring after June 30, 1998. Additionally, the City contributed \$108.03 per month for dependent coverage. The retirees and their dependents are responsible for the remainder of the group contract rate for the medical plan chosen. As of June 30, 2011, no irrevocable trust had been established for the funding of the Plan's post-retirement benefit obligation. The premium subsidy paid by the City is funded on a pay-as-you-go basis.

E. ANNUAL OPEB COSTS

Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 3,017	\$ 537	18%	\$ 15,450
2010	\$ 3,077	\$ 522	17%	\$ 12,970
2009	\$ 2,950	\$ 285	10%	\$ 10,415

F. NET OPEB OBLIGATION:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 3,219
Interest on Net OPEB Obligation	519
Adjustment to Annual Required Contribution	<u>(721)</u>
Annual OPEB Cost	3,017
Contributions	<u>(537)</u>
Increase (Decrease) in Net OPEB Obligation	2,480
Net OPEB Obligation, beginning of year	<u>12,970</u>
Net OPEB Obligation, end of year	<u><u>\$ 15,450</u></u>

Net OPEB Obligation reported in:

Governmental activities	7,046
Business type activities	988
Component units	6,561
Organizations not in reporting entity	855
	<u><u>\$ 15,450</u></u>

CITY OF TULSA
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NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

G. SCHEDULE OF FUNDING PROGRESS

The funded status of the plan as of July 1, 2010

Actuarial Accrued Liability (AAL)	\$ 34,166
Actuarial value of plan assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 34,166
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$ 102,941
UAAL as a percentage of covered payroll	33%

H. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Valuation date	July 1, 2010
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4%
Initial annual healthcare cost trend rate	8.0%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5%

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June 30, 2011
(dollar amounts expressed in thousands)

NOTE 11. LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

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

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
PRIMARY GOVERNMENT					
Governmental activities:					
General obligation bonds	\$ 337,865	\$ 91,105	\$ (42,501)	\$ 386,469	\$ 27,778
Revenue bonds	27,515	-	(13,390)	14,125	14,125
Other long-term liabilities	71,577	32,000	(35,171)	68,406	30,692
Premium on debt issuance - GO bonds	13,240	11,584	(3,435)	21,389	-
Premium on debt issuance - Revenue bonds	396	-	(266)	130	-
Total governmental activities	<u>450,593</u>	<u>134,689</u>	<u>(94,763)</u>	<u>490,519</u>	<u>72,595</u>
Business-type activities:					
Revenue bonds	110,316	3,900	(7,669)	106,547	2,834
Unamortized discount--revenue bonds	(151)	-	6	(145)	-
Unamortized deferred loss on refunding - revenue bonds	(41)	-	18	(23)	-
Compensated absences	871	712	(732)	851	572
Other post-employment benefits	867	121	-	988	-
Pension liability	154	212	-	366	-
Total business-type activities	<u>112,016</u>	<u>4,945</u>	<u>(8,377)</u>	<u>108,584</u>	<u>3,406</u>
Total primary government	<u>\$ 562,609</u>	<u>\$ 139,634</u>	<u>\$ (103,140)</u>	<u>\$ 599,103</u>	<u>\$ 76,001</u>
COMPONENT UNITS					
Revenue bonds:					
TAIT	168,930	13,520	(20,440)	162,010	7,650
TMUA	144,225	24,100	(6,895)	161,430	8,080
Other component units	21,660	-	(1,375)	20,285	1,420
Premium on debt issuance - TMUA	938	23	(69)	892	-
Unamortized deferred loss on refunding - TMUA	(1,049)	-	56	(993)	-
Unamortized deferred loss on refunding - other component units	(268)	-	33	(235)	-
Premium on debt issuance - TAIT	506	33	(452)	87	-
Unamortized bond discount - TAIT	(384)	(111)	128	(367)	-
Unamortized deferred loss on refunding - TAIT	(10,196)	(423)	711	(9,908)	-
Unamortized bond discount - other component unit	(180)	-	13	(167)	-
	<u>324,182</u>	<u>37,142</u>	<u>(28,290)</u>	<u>333,034</u>	<u>17,150</u>
General obligation bonds	56,580	-	(5,254)	51,326	5,316
Premium on debt issuance - TMUA	1,647	-	(283)	1,364	-
	<u>58,227</u>	<u>-</u>	<u>(5,537)</u>	<u>52,690</u>	<u>5,316</u>
Promissory notes	134,658	32,958	(10,202)	157,414	8,308
Unamortized bond discount - TMUA	(127)	21	-	(106)	-
Premium on debt issuance - TMUA	1,836	976	(186)	2,626	-
	<u>136,367</u>	<u>33,955</u>	<u>(10,388)</u>	<u>159,934</u>	<u>8,308</u>
Capital lease	9,603	-	(433)	9,170	451
Water main extension contracts	8,144	-	(1,073)	7,071	529
Compensated absences	5,610	5,216	(4,625)	6,201	3,767
Other post-employment benefits	5,503	1,098	(40)	6,561	-
Pension liability	1,113	1,932	(398)	2,647	68
Due to other governments	210	-	(210)	-	-
Pollution remediation obligation	166	-	-	166	-
Arbitrage rebate liability	10	-	(9)	1	-
Deposits subject to refund	12	4	-	16	-
Total component units	<u>\$ 549,147</u>	<u>\$ 79,347</u>	<u>\$ (51,003)</u>	<u>\$ 577,491</u>	<u>\$ 35,589</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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(dollar amounts expressed in thousands)

NOTE 11. LONG-TERM LIABILITIES

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities as well as component units. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General obligation bonds issued for governmental activity purposes are liquidated by the Debt Service Fund. General obligation bonds issued for component unit purposes are liquidated by the component unit. Revenue bonds issued for governmental activities are liquidated by the TPFA internal service fund from lease and loan repayments. Revenue bonds and promissory notes issued for business-type activities or by component units are repaid from those activities or component units. Compensated absences incurred by governmental activities are liquidated by the fund which pays the salary.

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

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

The City is subject to legal debt limits set forth in the Oklahoma Constitution. While the City's legal debt limit is \$313,017, no currently outstanding City general obligation bonds are subject to that limit.

B. PRIMARY GOVERNMENT

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

General Obligation Bond Refunding

On February 23, 2011, the City issued \$21,105 in Series 2011A Refunding General Obligation Bonds. The proceeds of these issues along with \$2,095 from the Debt Service Fund were used to currently refund the City's Series 2002 General Obligation Bonds. The funds were temporarily held in escrow until March 1, 2011 at which time the refunding took place.

This transaction will reduce debt service payments by \$2,981 over the next 11 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,246. The refunding resulted in a deferred accounting loss of \$35 which will be amortized over the life of the new bonds. The amortization and related deferred loss are reported in the financial statements.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 11. LONG-TERM LIABILITIES

Primary government long-term liability activity is as follows:

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities								
General obligation bonds:								
Series 2002	\$ 40,675	2022	4.38-4.8%	\$ 25,695	\$ -	\$ (25,695)	\$ -	\$ -
Series 2004-A, Refunding	28,021	2016	5.00%	14,095	-	(2,321)	11,774	2,321
Series 2004-B, Refunding	11,582	2015	3.25-5.0%	5,434	-	(275)	5,159	1,285
Series 2005	36,781	2025	5.00%	29,010	-	(1,942)	27,068	1,942
Series 2006	30,183	2026	4.0-4.5%	25,392	-	(1,597)	23,795	1,597
Series 2007	65,933	2027	4.0-4.25%	62,269	-	(3,663)	58,606	3,664
Series 2008	35,851	2028	4.0-4.75%	33,958	-	(1,893)	32,065	1,893
Series 2009	48,454	2029	2.5-4.25%	48,454	-	(2,573)	45,881	2,572
Series 2009B	70,000	2020	4.0-5.0%	70,000	-	-	70,000	7,800
Series 2009A, Refunding	9,153	2019	3.0-4.0%	9,153	-	(1,103)	8,050	1,078
Series 2009B, Refunding	14,405	2021	3.0-5.0%	14,405	-	(1,439)	12,966	1,406
Series 2010	70,000	2021	3.0-5.0%	-	70,000	-	70,000	-
Series 2011A, Refunding	21,105	2022	2.25-4.25%	-	21,105	-	21,105	2,220
				<u>337,865</u>	<u>91,105</u>	<u>(42,501)</u>	<u>386,469</u>	<u>27,778</u>
Premium on debt issuance				<u>13,240</u>	<u>11,584</u>	<u>(3,435)</u>	<u>21,389</u>	<u>-</u>
				<u>351,105</u>	<u>102,689</u>	<u>(45,936)</u>	<u>407,858</u>	<u>27,778</u>
Revenue bonds:								
Capital Improvements - 2006-A	72,965	2012	5.00%	27,515	-	(13,390)	14,125	14,125
Premium on debt issuance				<u>396</u>	<u>-</u>	<u>(266)</u>	<u>130</u>	<u>-</u>
				<u>27,911</u>	<u>-</u>	<u>(13,656)</u>	<u>14,255</u>	<u>14,125</u>
Other long-term liabilities:								
Compensated absences				30,838	17,050	(19,727)	28,161	18,924
Other post-employment benefits				6,600	1,309	(863)	7,046	-
Pension liability				1,173	1,434	-	2,607	-
Arbitrage rebate liability				1,086	-	(1,043)	43	-
Claims and judgments				30,162	10,511	(12,770)	27,903	10,768
E911 Promissory Note - 2005	2,500	2013	4.30%	1,165	-	(369)	796	389
Due to other governments				<u>553</u>	<u>1,696</u>	<u>(399)</u>	<u>1,850</u>	<u>611</u>
				<u>71,577</u>	<u>32,000</u>	<u>(35,171)</u>	<u>68,406</u>	<u>30,692</u>
Total governmental activities				<u>\$ 450,593</u>	<u>\$ 134,689</u>	<u>\$ (94,763)</u>	<u>\$ 490,519</u>	<u>\$ 72,595</u>
Business-type activities								
Revenue bonds:								
Recreational Facilities - 2003	3,460	2013	2.9-3.35%	1,285	-	(410)	875	430
Assembly Center - 1985	23,335	2015	6.60%	7,160	-	(1,260)	5,900	1,340
Lease Rev Bonds 2007A	34,620	2038	4.625-5.25%	34,620	-	-	34,620	-
Lease Rev Bonds 2007B	33,130	2030	5.06-6.6%	32,530	-	-	32,530	-
Capital Improvements - 2008	16,000	2027	3.8-6.069%	14,910	-	(680)	14,230	725
Series 2008-1 & 2008-2 - TST	25,000	2039	6.50%	19,811	3,900	(5,319)	18,392	339
				<u>110,316</u>	<u>3,900</u>	<u>(7,669)</u>	<u>106,547</u>	<u>2,834</u>
Unamortized discount				(151)	-	6	(145)	-
Unamortized deferred loss on refunding				<u>(41)</u>	<u>-</u>	<u>18</u>	<u>(23)</u>	<u>-</u>
				<u>110,124</u>	<u>3,900</u>	<u>(7,645)</u>	<u>106,379</u>	<u>2,834</u>
Compensated absences				871	712	(732)	851	572
Other post-employment benefits				867	132	-	999	-
Pension liability				<u>154</u>	<u>212</u>	<u>-</u>	<u>366</u>	<u>-</u>
Total business-type activities				<u>\$ 112,016</u>	<u>\$ 4,956</u>	<u>\$ (8,377)</u>	<u>\$ 108,595</u>	<u>\$ 3,406</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 11. LONG-TERM LIABILITIES

Summary of general obligation bonds outstanding at year end:

General Obligation Series	Maturity Date	Interest Rate	Ending Balance	Primary Government	Component Units
Series 2002-C, Refunding	2017	4.0-5.0%	\$ 12,600	\$ -	\$ 12,600
Series 2004-A, Refunding (3% Sewer)	2016	5.0%	12,170	11,774	396
Series 2004-B, Refunding (8% Sewer)	2015	3.25-5.0%	5,620	5,159	461
Series 2005 (26% Sewer)	2025	5.00%	36,800	27,068	9,732
Series 2006 (2.635% Sewer)	2026	4.0-4.5%	24,440	23,795	645
Series 2007 (9.295% Sewer)	2027	4.0-4.25%	64,610	58,606	6,004
Series 2008 (19.45405530% Sewer)	2028	4.0-4.75%	39,810	32,065	7,745
Series 2009 (6.4604247% Sewer)	2029	2.5-4.25%	49,050	45,881	3,169
Series 2009B	2020	4.0-5.0%	70,000	70,000	-
Series 2009A, Refunding (37.668% Sewer)	2019	3.0-4.0%	12,915	8,050	4,865
Series 2009B, Refunding (30.5625% Sewer)	2021	3.0-5.0%	18,675	12,966	5,709
Series 2010	2021	3.0-5.0%	70,000	70,000	-
Series 2011A, Refunding	2022	2.25-4.25%	21,105	21,105	-
			<u>\$ 437,795</u>	<u>\$ 386,469</u>	<u>\$ 51,326</u>

C. COMPONENT UNITS

1. Revenue Bonds

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

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

2. Revenue Bond Refunding

On November 10, 2010 the Tulsa Airports Improvement Trust issued \$13,520 in Series 2010C Revenue Bonds. The proceeds of these issues were used to currently refund the Trust's Series 1999B, 2001 and 2000A, in part. This transaction will reduce debt service payments by \$1,391 over the next 16 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$747. This transaction resulted in a deferred accounting loss of \$423, which will be amortized over the life of the new bonds.

3. Promissory Notes

The TMUA's outstanding loans with the Oklahoma Water Resources Board are collateralized by a first lien and security interest in the TMUA's wastewater treatment system and the revenues derived there from

and generally requires semi-annual principal and interest payments. During the year ended June 30, 2011, the Series 2011C Promissory Note for \$16,700 was authorized but unissued.

4. Conduit Debt

To pay the costs of certain modifications, rehabilitation, and reconstruction to special facilities located at the Tulsa International Airport, the Airport issued a series of Special Facility Revenue Bonds. At June 30, 2011, Special Facility Revenue Bonds outstanding aggregated \$10,120.

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

Notes and bonds issued by the Tulsa Industrial Authority are utilized by industrial, commercial and other organizations to promote economic development within and near the territorial limits of the City of Tulsa. The Authority loans the proceeds from the notes and bonds to organizations or enters into lease-purchase agreements for the facilities. The notes and bonds issued by the Authority are special and limited obligations of the Authority, payable solely out of revenues from the loan agreements and security provided by the loan agreements. At June 30, 2011, the aggregate outstanding principal balances due on these notes and bonds are approximately \$180,000.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 11. LONG-TERM LIABILITIES

Component Unit long-term liability activity is as follows:

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
REVENUE BONDS:								
<u>Tulsa Airports Improvement Trust</u>								
Series 1999-B	\$ 14,665	2026	5.5 - 6.125%	\$ 7,850	\$ -	\$ (7,850)	\$ -	\$ -
Series 2000-A	11,000	2020	6.00%	7,345	-	(2,345)	5,000	-
Series 2001-A	54,000	2017	5.20%	3,000	-	(3,000)	-	-
Series 2004-A	17,800	2018	4.25-5.00%	12,245	-	(1,280)	10,965	1,345
Series 2004-B	2,200	2017	4.95%	1,400	-	(200)	1,200	200
Series 2009-A	42,705	2024	3.0 - 5.375%	39,620	-	(2,170)	37,450	2,235
Series 2009-B	25,865	2031	3.0 - 5.75%	25,865	-	(910)	24,955	930
Series 2009-C	4,020	2023	3.0 - 6.0%	4,000	-	(30)	3,970	30
Series 2009-D	56,615	2031	2.726-7.759%	53,620	-	(945)	52,675	990
Series 2010-A	5,770	2021	3.0 - 5.0%	5,770	-	-	5,770	275
Series 2010-B	8,215	2021	2.71 - 6.5%	8,215	-	(500)	7,715	640
Series 2010-C	13,520	2025	4.0 - 5.25%	-	13,520	(1,210)	12,310	1,005
				168,930	13,520	(20,440)	162,010	7,650
Premium on debt issuance				506	33	(452)	87	-
Unamortized discount				(384)	(111)	128	(367)	-
Unamortized deferred loss on refunding				(10,196)	(423)	711	(9,908)	-
				158,856	13,019	(20,053)	151,822	7,650
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2003 - Refunding	8,890	2019	3.7 - 4.45%	5,800	-	(560)	5,240	580
Series 2004	17,695	2025	3.75 - 4.6%	14,070	-	(770)	13,300	795
Series 2005	78,720	2026	4.0 - 4.5%	66,870	-	(2,900)	63,970	3,015
Series 2007	27,815	2027	4.0 - 4.5%	22,115	-	(2,000)	20,115	2,100
Series 2009	21,500	2029	3.0 - 4.75%	20,860	-	(665)	20,195	690
Series 2010	14,510	2030	2.0 - 4.0%	14,510	-	-	14,510	-
Series 2011	24,100	2031	0.375-4.375%	-	24,100	-	24,100	900
				144,225	24,100	(6,895)	161,430	8,080
Premium on debt issuance				938	23	(69)	892	-
Unamortized deferred loss on refunding				(1,049)	-	56	(993)	-
				144,114	24,123	(6,908)	161,329	8,080
<u>Other Component Units</u>								
Series 2002 - Parking Systems	9,030	2019	4.05 - 4.75%	7,285	-	(680)	6,605	705
Series 2003 - Parking Systems	12,315	2029	3.25 - 4.7%	10,580	-	(375)	10,205	385
Series 2004 - Parking Systems	5,250	2020	3.0 - 4.25%	3,795	-	(320)	3,475	330
				21,660	-	(1,375)	20,285	1,420
Unamortized deferred loss on refunding				(268)	-	33	(235)	-
Unamortized discount				(180)	-	13	(167)	-
				21,212	-	(1,329)	19,883	1,420
				<u>\$ 324,182</u>	<u>\$ 37,142</u>	<u>\$ (28,290)</u>	<u>\$ 333,034</u>	<u>\$ 17,150</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 11. LONG-TERM LIABILITIES

Description	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
PROMISSORY NOTES:								
<u>Tulsa Metropolitan Utility Authority</u>								
Series 1992-A, Sanitary Sewer	\$ 4,299	2012	0.50%	\$ 537	\$ -	\$ (215)	\$ 322	\$ 215
Series 1997-A, Sanitary Sewer	4,035	2016	0.50%	1,340	-	(206)	1,134	206
Series 1998-B, Sanitary Sewer	4,392	2017	0.50%	1,719	-	(229)	1,490	229
Series 1998-C, Sanitary Sewer	8,500	2017	4.95 - 5.145%	4,445	-	(465)	3,980	490
Series 2001-B, Sanitary Sewer	4,996	2020	0.50%	2,629	-	(263)	2,366	263
Series 2002-D, Sanitary Sewer	6,813	2022	0.50%	4,019	-	(349)	3,670	349
Series 2003, Sanitary Sewer	4,310	2012	3.05 - 3.745%	1,515	-	(490)	1,025	505
Series 2004-B, Sanitary Sewer	1,560	2023	0.50%	1,080	-	(80)	1,000	80
Series 2005-B, Sanitary Sewer	7,900	2027	3.10%	7,082	28	(395)	6,715	395
Series 2005-C, Sanitary Sewer	1,203	2025	0.50%	932	-	(60)	872	60
Series 2006-A, Sanitary Sewer	3,130	2028	3.10%	2,496	98	(158)	2,436	157
Series 2006-B, Sanitary Sewer	835	2016	4.90%	534	-	(82)	452	86
Series 2006-C, Sanitary Sewer	17,825	2027	3.10%	15,305	1,402	(891)	15,816	891
Series 2006, Sanitary Sewer	52,585	2025	4.15 - 5.145%	46,770	-	(2,096)	44,674	2,180
Series 2007-A, Sanitary Sewer	5,131	2026	0.50%	4,342	-	(263)	4,079	263
Series 2007-B, Sanitary Sewer	8,365	2026	4.15%	7,605	-	(321)	7,284	331
Series 2008-A, Water	1,250	2014	2.03%	53	228	(53)	228	156
Series 2009-A, Sanitary Sewer	11,320	2032	3.22%	2,875	4,570	-	7,445	283
Series 2009-B, Sanitary Sewer	7,350	2032	2.41%	-	6,217	(2,000)	4,217	-
Series 2009-C, Water	5,225	2032	2.82%	-	3,866	(1,586)	2,280	114
Series 2010-A, Sanitary Sewer	27,757	2032	2.39%	-	2,274	-	2,274	-
Series 2010-B, Sanitary Sewer	32,000	2030	0.645 - 5.145%	29,380	-	-	29,380	1,055
Series 2011-B, Sanitary Sewer	14,275	2032	.0545-5.145%	-	14,275	-	14,275	-
				134,658	32,958	(10,202)	157,414	8,308
Premium on debt issuance-TMUA				1,836	976	(186)	2,626	-
Unamortized discount-TMUA				(127)	21	-	(106)	-
				<u>\$ 136,367</u>	<u>\$ 33,955</u>	<u>\$ (10,388)</u>	<u>\$ 159,934</u>	<u>\$ 8,308</u>
GENERAL OBLIGATION BONDS:								
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2002-C, Refunding	28,000	2017	4.0-5.0%	14,700	-	(2,100)	12,600	2,100
Series 2004-A, Refunding	949	2016	5.0%	475	-	(79)	396	79
Series 2004-B, Refunding	1,038	2015	3.25-5.0%	486	-	(25)	461	115
Series 2005, Sanitary Sewer	13,219	2025	5.0%	10,430	-	(698)	9,732	698
Series 2006, Sanitary Sewer	817	2026	4.0-4.5%	688	-	(43)	645	43
Series 2007, Sanitary Sewer	6,757	2027	4.0-4.25%	6,380	-	(376)	6,004	376
Series 2008, Sanitary Sewer	8,659	2028	4.0-4.75%	8,202	-	(457)	7,745	457
Series 2009, Sanitary Sewer	3,347	2029	2.5-4.25%	3,347	-	(178)	3,169	178
Series 2009A Refunding, Sanitary Sewer	5,532	2019	3.0-4.0%	5,532	-	(667)	4,865	651
Series 2009B Refunding, Sanitary Sewer	6,340	2021	3.0-5.0%	6,340	-	(631)	5,709	619
				56,580	-	(5,254)	51,326	5,316
Premium on debt issuance-TMUA				1,647	-	(283)	1,364	-
				<u>\$ 58,227</u>	<u>\$ -</u>	<u>\$ (5,537)</u>	<u>\$ 52,690</u>	<u>\$ 5,316</u>

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NOTE 11. LONG-TERM LIABILITIES

Principal and Interest Payments in Subsequent Years:

Year	Primary Government					
	General Obligation		Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 27,778	\$ 16,451	\$ 16,959	\$ 6,877	\$ 389	\$ 31
2013	35,456	15,262	3,065	6,026	407	13
2014	35,342	13,895	4,078	5,812	-	-
2015	35,251	12,446	4,342	5,560	-	-
2016	34,006	10,934	2,908	5,346	-	-
2017-2021	146,238	33,257	15,429	24,024	-	-
2022-2026	57,792	10,405	17,992	18,777	-	-
2027-2031	14,606	1,007	21,482	12,383	-	-
2032-2036	-	-	24,330	6,086	-	-
2037-2041	-	-	10,087	565	-	-
	<u>\$ 386,469</u>	<u>\$ 113,657</u>	<u>\$ 120,672</u>	<u>\$ 91,456</u>	<u>\$ 796</u>	<u>\$ 44</u>

Year	Component Units					
	General Obligation		Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 5,316	\$ 2,243	\$ 17,150	\$ 16,299	\$ 8,308	\$ 5,580
2013	5,289	2,041	18,505	15,770	10,010	5,537
2014	5,263	1,815	19,335	15,084	10,178	5,236
2015	5,239	1,590	21,250	14,334	9,160	4,926
2016	5,104	1,358	21,110	13,474	9,139	4,634
2017-2021	15,338	4,030	99,825	53,754	44,560	18,468
2022-2026	8,013	1,424	90,815	30,711	45,575	9,687
2027-2031	1,764	119	55,735	10,573	19,424	2,405
2032-2036	-	-	-	-	1,060	29
	<u>\$ 51,326</u>	<u>\$ 14,620</u>	<u>\$ 343,725</u>	<u>\$ 169,999</u>	<u>\$ 157,414</u>	<u>\$ 56,502</u>

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

D. APPLICABILITY OF FEDERAL ARBITRAGE REGULATIONS

Debt issuances of the City and various Authorities issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of a bond issue in excess of the amount that could have been earned, had the yield on the investment been equal to the yield on the bonds, be remitted to the federal government. These rules carry strict penalties for noncompliance, including taxability of interest retroactive to the date of the issue. City management believes the City is in compliance with these rules and regulations.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011
(dollar amounts expressed in thousands)

NOTE 11. LONG-TERM LIABILITIES

E. DEFEASED DEBT

Certain outstanding general obligation and revenue bonds of the City have been defeased by placing the proceeds of refunding bonds in irrevocable escrow accounts held and managed by bank trustees, and invested in U. S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow accounts and the defeased bonds are not included in the City's financial statements. The defeased bonds outstanding and considered extinguished are as follows:

<u>Tulsa Airport</u>	
1997B Revenue Bonds	\$22,465

NOTE 12. FUND BALANCES OF GOVERNMENTAL FUNDS

In fiscal year 2011, the City adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies fund balance definitions for governmental fund types. The details for the City's fund balances are as follows:

	General	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Not in spendable form:					
Advances to other funds	\$ 1,055	\$ -	\$ -	\$ -	\$ 1,055
Legal or contractual constraints	-	-	-	-	-
	1,055	-	-	-	1,055
Restricted for:					
Debt service	-	-	-	39,100	39,100
Capital projects	-	159,388	118,755	-	278,143
Federal and state grants	-	-	-	2,645	2,645
E-911 operations	-	-	-	2,546	2,546
Economic development	-	-	-	325	325
Tourism and convention	-	-	-	1,087	1,087
Tulsa Stadium district improvements	-	-	-	599	599
Miscellaneous special revenue funds	-	-	-	736	736
	-	159,388	118,755	47,038	325,181
Committed:					
Law enforcement training	-	-	-	74	74
Juvenile crime	-	-	-	20	20
Operation of Air Force Plant 3 facility	-	-	-	987	987
Whittier Square district improvements	-	-	-	54	54
	-	-	-	1,135	1,135
Assigned to:					
Budgetary resources for subsequent year	13,203	-	-	-	13,203
Capital projects	-	-	-	3,977	3,977
Public safety body armor	403	-	-	-	403
MTTA operations	201	-	-	-	201
	13,807	-	-	3,977	17,784
Unassigned	52,255	-	-	(261)	51,994
	\$ 67,117	\$ 159,388	\$ 118,755	\$ 51,889	\$ 397,149

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011
(dollar amounts expressed in thousands)

NOTE 13. PLEDGED REVENUES

1. Tax Increment Revenues Pledged

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

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

Principal and interest of \$7,400 and \$2,020, respectively remains on the Series 2006A Ad valorem Tax Increment Bonds, payable through January 2017. Principal and interest of \$9,140 and \$4,799 respectively, remains on the Series 2006B Sales Tax Increment Bonds, payable through July 2021. Principal payments for the Series 2006A&B bonds amounted to \$940 and \$115, respectively, and interest amounted to \$607 and \$689, respectively. Total gross revenues were \$1,659 from ad valorem taxes and \$4,356 from sales taxes.

2. Sales Tax Revenues Pledged

In May 2006, the City approved the levy of a one percent sales tax for the purpose of providing funds for certain specified capital improvements, and reducing indebtedness of trust authorities for which the City is beneficiary made for such capital improvements. In June 2006, TPFA issued Series 2006A capital improvement revenue bonds in the amount of \$72,965 to finance the specified capital improvements. The City pledged a portion of its future sales tax revenues to repay these bonds through June 2012. Principal and interest payments during the year were \$14,766. Total principal and interest remaining to be paid total \$14,831. Total sales tax revenues related to the levy were \$66,472.

3. Revenues Pledged in Connection with Proprietary Fund Debt

TPFA - The Authority 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 \$67,750 in revenue bonds issued. Proceeds from the bonds provided financing for the acquisition and improvement of the facilities. The bonds are payable from new and existing leases and other revenues and are payable through 2038. Annual principal and interest payments on the bonds required 38% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$130,310. Principal and interest paid on the bonds amounted to \$3,734. Total gross revenues were \$7,524.

TPFA - The Authority has pledged future gross revenues derived from the operations of certain golf courses to repay approximately \$3,460 in recreational facility bonds issued. Proceeds from the bonds refunded existing debt issued for the construction of an 18 hole golf course and improvements of a 36 hole golf course owned by the City. The bonds are payable from gross revenue and certain payments from the City through November 2012. Annual principal and interest payments on the bonds required 22% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$904. Principal and interest paid for the year was \$444. Total gross revenues were \$2,024.

TPFA - The Authority has pledged future gross lease revenues derived from the operation of the Convention Center facilities, including money received from the City pursuant to the lease and other funds, to repay approximately \$23,335 in lease revenue bonds issued. Proceeds from the bonds provided financing for certain improvements, additions, and the refunding of existing debt issued to construct the facilities. The bonds are payable from new and existing leases and other revenues and are payable through 2015. The total principal and interest remaining to be paid on the bonds is \$6,709. Principal and interest paid for the year was \$1,691. Total hotel/motel taxes received by the Authority for debt service were \$1,691.

The Authority has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Arena to repay approximately \$16,000 in capital improvement bonds issued. Proceeds from the bonds provided financing for the acquisition, construction, furnishing and equipping of capital improvements and additions to the BOK Arena. The bonds are payable from new and existing sponsorship and naming rights revenues and are payable through 2027. The total principal and interest remaining to be paid on the bonds is \$21,524. Principal and interest paid for the year was \$1,561. Total gross sponsorship and naming rights revenues were \$2,140.

TST - The TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$24,711 in revenue bonds issued. Proceeds from the bonds provided financing for construction of the baseball stadium and related facilities. The bonds are payable from gross revenues along with property tax assessments of the Tulsa Stadium Improvement District received from the City and are payable through 2035. 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 \$37,849. Principal and interest required to be paid for the year was \$1,466 exclusive of any additional amounts paid. Total gross revenues were \$270 and property tax assessments received from the City were \$2,015.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011
(dollar amounts expressed in thousands)

NOTE 13. PLEDGED REVENUES

4. Revenues Pledged in Connection with Component Unit Debt

TMUA - The TMUA has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$198,347 and \$225,961 in water and wastewater system revenue bonds issued, respectively. Proceeds from the bonds provided financing for the construction of various water and wastewater capital projects. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds required 15% and 17% of water and wastewater gross revenues, respectively. The total principal and interest remaining to be paid on the bonds is \$227,453 and \$210,682 for water and wastewater, respectively. Combined principal and interest paid for the year were \$12,919 and \$11,524, for water and wastewater respectively. Total customer net revenues were \$26,483 and \$21,668, respectively.

Airport - The TAIT has pledged future gross revenues

derived from the operation of the Airports to repay approximately \$187,710 in revenue bonds issued. Proceeds from the bonds provided financing for various airport capital projects and debt refundings. The bonds are payable solely from gross revenues and are payable through 2031. Annual principal and interest payments on the bonds required 38% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$262,498. Principal and interest paid for the year was \$17,220, exclusive of the debt refunding. Total gross revenues were \$45,917.

TPA - The TPA has pledged future gross revenues derived from the operation of the parking facilities to repay approximately \$26,595 in revenue bonds issued. Proceeds from the bonds provided financing for various parking facilities and debt refundings. The bonds are payable solely from gross revenues and are payable through 2029. Annual principal and interest payments on the bonds required 39% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$27,006. Principal and interest paid for the year was \$2,280. Total gross revenues were \$5,860.

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 \$833 for all types of leases for the primary government and \$353 for its component units.

NOTE 15. CONTINGENT LIABILITIES

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

Twenty-one individuals, two of which were serving life sentences, were freed from prison or their conviction or case was dismissed because of the grand jury investigation.

The civil cases named the City as defendant, among other named defendants. At this time, we are unable to form an opinion as to the outcome of this litigation.

Airport - Great Plains Airline: In December 2000, the Tulsa Airports Improvement Trust ("TAIT") entered into a Support (Contingent Purchase and Sale) Agreement with the Tulsa Industrial Authority (TIA) and Bank of Oklahoma (BOK) as part of a \$30 million loan transaction involving the City of Tulsa, TIA, Great Plains Airlines (GPA), and BOK. The Support Agreement included a provision that upon the occurrence of a trigger event (as defined by the loans), BOK could direct TIA to sell the property to TAIT for the amount of any existing indebtedness on the loan to GPA. GPA declared bankruptcy in January 2004.

The Office of the Inspector General of the U.S. Department of Transportation was asked to perform a review of certain issues at the Authority, and which later included the financial support of GPA. In May 2004, the Inspector General noted improprieties with the Support Agreement and notified the Federal Aviation Administration (FAA). The FAA advised TAIT that airport funds were not to be used to subsidize airlines and that should TAIT purchase the property under the Support Agreement, it would constitute a direct subsidy to the airline in violation of FAA policy.

In October 2004, TIA (at the direction of BOK) filed suit against TAIT and its former legal counsel. The City was included in the litigation and the matter was settled between the City, BOK and the Airport Trustees in June, 2008. The settlement in the case was pursuant to a Settlement Agreement approved by the District Court.

On July 8, 2008 the City received a taxpayers' Qui Tam Demand challenging the legality of the settlement. In response, and according to the terms of the Settlement Agreement, the Mayor and City filed a Declaratory Judgment action in Tulsa County District Court on July 14, 2008, seeking a judicial declaration that their actions in executing the Settlement

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011
 (dollar amounts expressed in thousands)

NOTE 15. CONTINGENT LIABILITIES

Agreement and transferring the Settlement Payment were authorized by Oklahoma law. In October 2011 the State Supreme court ruled in favor of the Qui Tam reinstating the TIA/BOK litigation (originally filed in October, 2004) against the Trust.

Other Litigation: The City is a party to numerous legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damages and personal injury, employment related matters, civil rights matters, alleged breaches of contract, condemnation proceedings and other alleged violations of city, state and federal laws. Although the aggregated claims are material and the outcome of each claim is not presently determinable, Management believes that the resolution of these matters will not have a material adverse effect on the

financial condition of the City government. Resulting judgments, if any, will likely be paid from ad valorem taxes to be received over a three year period.

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

NOTE 16. COMMITMENTS

Encumbrances - Encumbrance balances in governmental funds at June 30, 2011 are as follows:

General Fund	\$ 6,809
Sales Tax Fund	31,363
Bond Fund	22,667
Aggregate nonmajor funds	7,325
	<u>\$ 60,839</u>

NOTE 17. SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2011 through December 13, 2011, the date these financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

General Obligation Bonds:

On November 3, 2011, the City sold its General Obligation Bonds Series 2011 dated December 1, 2011, in the amount of \$50,000. The proceeds will provide funds for the purposes of financing a portion of the costs for streets, bridges and fire support projects for the City of Tulsa.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011
(dollar amounts expressed in thousands)

NOTE 18. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but which we have not yet adopted and are not disclosed in the financial statements since the new standards are not expected to have a significant impact on the City's financial statements:

GASB Statement No. 57 - *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued January 2010, will be effective beginning with its year ending June 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. GASB 57 amends GASB Statement NO. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred

outflows of resources, liabilities deferred inflows of resources and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.

GASB Statement No. 64 - *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an Amendment of GASB Statement No. 53), issued July 2011, will be effective beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectability of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (an not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

CITY OF TULSA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION TRUST
June 30, 2011

(dollars amounts expressed in thousands)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/11	\$ 372,469	\$ 484,698	\$ 112,229	76.8%	\$ 101,690	110.4%
1/1/10	365,775	457,233	91,458	80.0%	108,423	84.4%
1/1/09	359,191	437,504	78,313	82.1%	111,170	70.4%
1/1/08	392,428	412,704	20,276	95.1%	107,574	18.8%
1/1/07	370,778	384,173	13,395	96.5%	103,358	13.0%
1/1/06	347,721	347,121	(600)	100.2%	95,804	(0.6)%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year	Annual Required Contribution	Percentage Contributed
2011	\$ 9,783	72%
2010	9,747	72%
2009	7,004	100%
2008	6,777	100%
2007	6,512	100%
2006	6,036	100%

SCHEDULE OF ACTUARIAL VALUATION, METHODS AND ASSUMPTIONS

Valuation date	January 1, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Remaining amortization periods	30 years
Actuarial asset valuation method	5 year smoothed FMV
Investment rate of return	7.75%
Projected salary increases	4.25%-13.70%
Inflation Rate	3.25%
Cost-of-living adjustments	None

CITY OF TULSA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2011
(dollars amounts expressed in thousands)

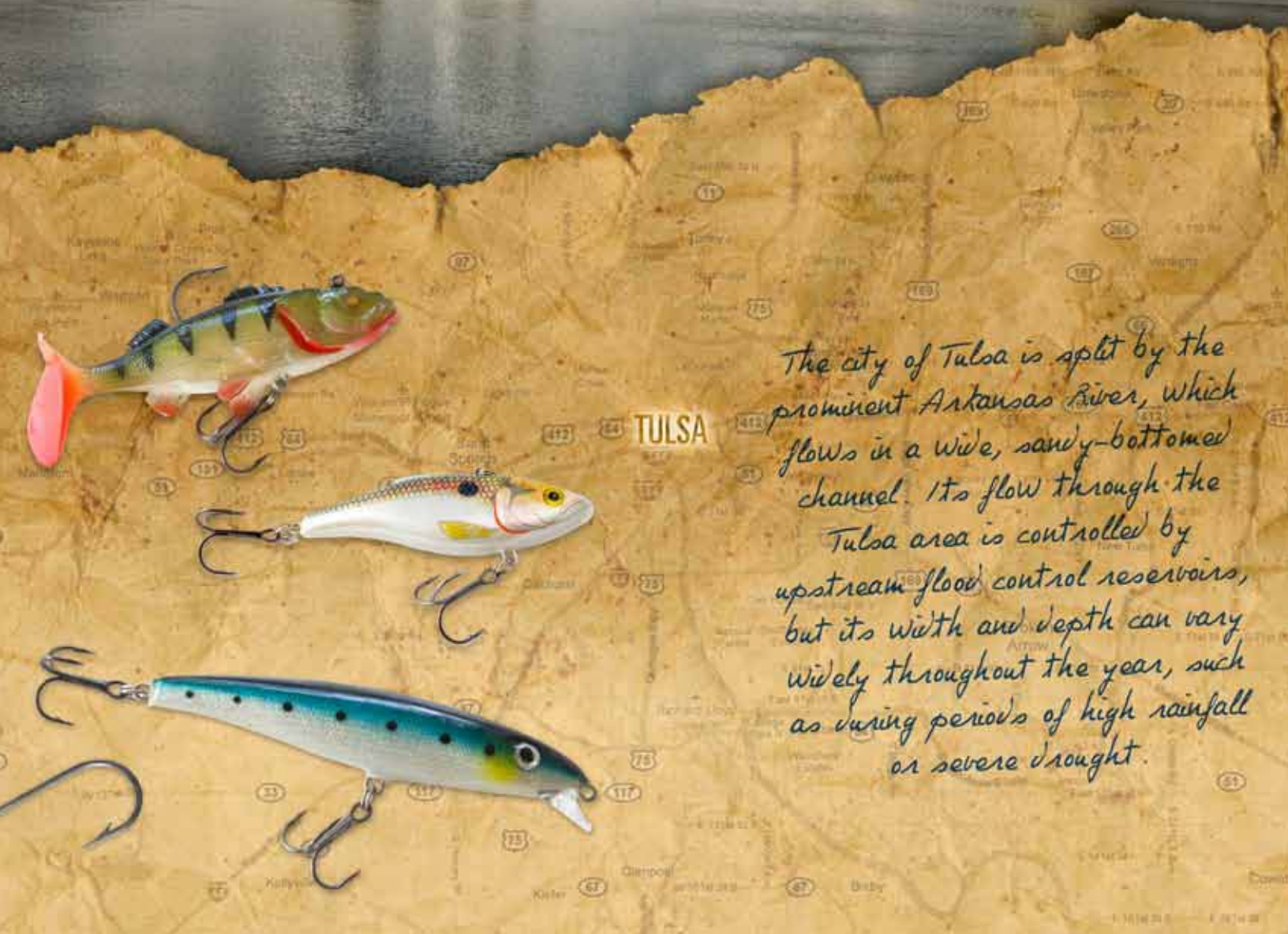
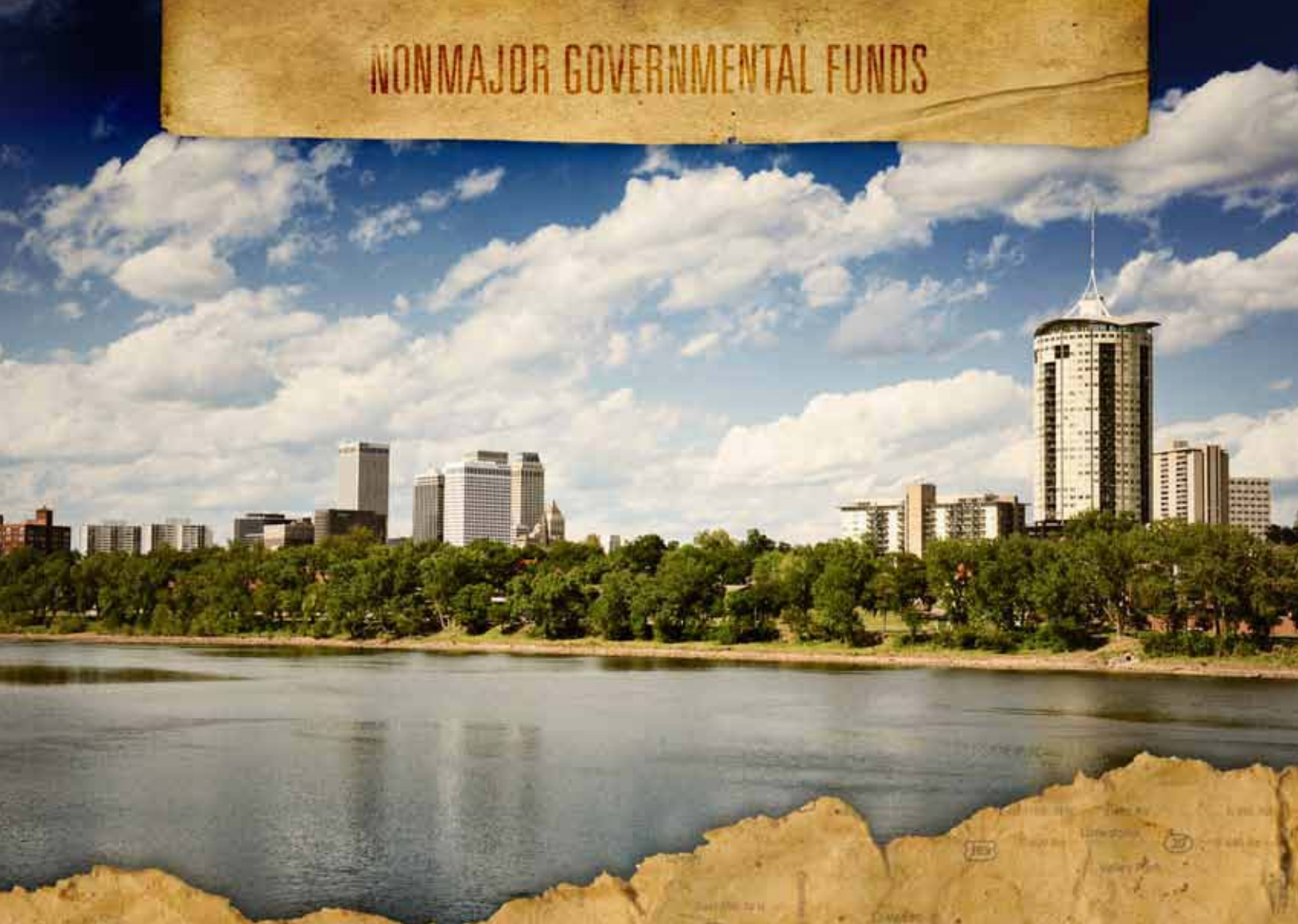
SCHEDULE OF FUNDING PROGRESS

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)
7/1/10	\$ -	\$ 34,166	\$ 34,166	0.0%	\$ 102,941	33.2%
7/1/09	-	33,852	33,852	0.0%	134,178	25.2%
7/1/08	-	33,036	33,036	0.0%	103,825	31.8%

SCHEDULE OF ACTUARIAL VALUATION, METHODS AND ASSUMPTIONS

Valuation date	July 1, 2010
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4.0%
Initial annual healthcare cost trend rate	8.0%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5.0%

NONMAJOR GOVERNMENTAL FUNDS



The city of Tulsa is split by the prominent Arkansas River, which flows in a wide, sandy-bottomed channel. Its flow through the Tulsa area is controlled by upstream flood control reservoirs, but its width and depth can vary widely throughout the year, such as during periods of high rainfall or severe drought.

Governmental Funds Subsection

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS - are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- Federal and State Grants Fund - Accounts for grants received from the U.S. Department of Health & Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Labor, U.S. Department of Justice, the Federal Aviation Administration, the Urban Mass Transit Administration, various other federal agencies and the State of Oklahoma.
- E-911 Operating Fund - Accounts for the collection of E-911 fees and operating expenditures incurred in the provision of emergency 911 services.
- Economic Development Fund - Accounts for 38% of the City's hotel/motel excise tax revenue and economic development activity expenditures in conjunction with the Tulsa Chamber of Commerce.
- Tourism and Convention Fund - Accounts for 62% of the City's hotel/motel revenue tax. These monies are used to promote convention activities and to make monthly rental payments to Tulsa Public Facilities Authority.
- Tulsa Stadium Improvements District Fund - Accounts for a special assessment tax to be used for funding for ONEOK Field Baseball Park, home of the Tulsa Drillers minor league baseball team and to provide services to the downtown area.
- Special Development Fund - A grouping of twelve small funds with varying restricted revenue and expenditure types. A few of the more significant funds are the Air Force Plant 3 Fund, the Pump Stations Fund and the Penalty Assessment Law Enforcement Training Fund.

DEBT SERVICE FUND - is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City annually levies ad valorem taxes restricted for the retirement of general obligation bonds, interest and judgments.

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.

- Long Range Capital Projects Fund - Accounts for other capital projects that will take more than one year to complete.
- Capital Cost Recovery Fund - Accounts for the proceeds of revenue bonds issued to reimburse the City for certain capital expenditures.
- 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 Special Revenue Funds (except for Federal and State Grants Fund, EMSA Utility Fund and Special Development Fund) -
 - Schedules of Revenues, Expenditures and Changes in Fund Balance

CITY OF TULSA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011
(amounts expressed in thousands)

	Special Revenue							Capital Projects				Total Nonmajor Governmental Funds	
	Federal and State Grants	E-911 Operating	Economic Development	Tourism and Convention	Tulsa Stadium Improvement		Special Development	Debt Service	Long Range Capital Projects	Parkway			Enhanced 911 Construction
					District	District				Streets	Arterial		
Cash and cash equivalents	\$ 3,903	\$ 3,268	\$ 382	\$ 1,548	\$ 712	\$ 1,616	\$ 37,282	\$ 1,663	\$ 14	\$ 2,309	\$ 52,697		
Receivables, net	3,745	338	207	324	238	12	56,122	-	-	-	60,986		
Total assets	\$ 7,648	\$ 3,606	\$ 589	\$ 1,872	\$ 950	\$ 1,628	\$ 93,404	\$ 1,663	\$ 14	\$ 2,309	\$ 113,683		
Liabilities and fund balances													
Accounts payable and accrued liabilities	1,506	260	264	27	113	18	208	8	-	-	1	2,405	
Advances from other funds	583	800	-	758	-	-	-	-	-	-	-	2,141	
Deferred revenue	2,914	-	-	-	238	-	54,096	-	-	-	-	57,248	
Total liabilities	5,003	1,060	264	785	351	18	54,304	8	-	-	1	61,794	
Fund balances:													
Restricted	2,645	2,546	325	1,087	599	736	39,100	-	-	-	-	47,038	
Committed	-	-	-	-	-	1,135	-	-	-	-	-	1,135	
Assigned	-	-	-	-	-	-	-	1,655	14	2,308	-	3,977	
Unassigned	-	-	-	-	-	(261)	-	-	-	-	-	(261)	
Total fund balances	2,645	2,546	325	1,087	599	1,610	39,100	1,655	14	2,308	-	51,889	
Total liabilities and fund balance	\$ 7,648	\$ 3,606	\$ 589	\$ 1,872	\$ 950	\$ 1,628	\$ 93,404	\$ 1,663	\$ 14	\$ 2,309	\$ 113,683		

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2011
(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
Taxes			
Sales tax	\$ 128,026	\$ 132,834	\$ 4,808
Franchise tax:			
Gas	5,300	4,360	(940)
Power and light	8,300	8,528	228
Telephone	4,554	4,073	(481)
Thermal systems	300	300	-
Cable television	5,050	5,644	594
Use tax	16,800	17,713	913
Hotel/Motel tax	110	114	4
	<u>168,440</u>	<u>173,566</u>	<u>5,126</u>
Licenses and Permits			
Business licenses and permits:			
Occupational licenses	370	363	(7)
Retail liquor licenses	50	58	8
Amusement and recreation permits	290	231	(59)
Restaurant licenses	80	144	64
Taxicabs and drivers permits	40	35	(5)
Liquor occupational tax	330	366	36
Beer licenses	22	26	4
Non-business licenses and permits:			
Inspection fees	2,282	3,220	938
PFPI permits	420	481	61
Security alarm permits	475	499	24
Other	700	499	(201)
	<u>5,059</u>	<u>5,922</u>	<u>863</u>
Intergovernmental Revenue			
Grants	40	35	(5)
Shared revenue:			
State liquor tax	620	666	46
State gasoline tax	750	713	(37)
State tobacco tax	2,750	2,868	118
State vehicle license	2,800	2,812	12
Other	1,749	1,960	211
	<u>\$ 8,709</u>	<u>\$ 9,054</u>	<u>\$ 345</u>

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2011
(amounts expressed in thousands)

Continued

	Final Budget	Actual	Variance with Final Budget
Charges for Services			
Indirect costs:			
Airport	\$ 1,281	\$ 1,281	\$ -
TARE	831	831	-
Stormwater	1,206	1,206	-
Water & Sewer	6,096	6,096	-
Grants	76	4	(72)
TDA	-	-	-
Payments in lieu of taxes:			
TARE	1,609	1,587	(22)
Stormwater	1,689	1,684	(5)
Water & Sewer	10,797	10,973	176
General government:			
Planning & zoning fees	210	211	1
Processing fees	10	6	(4)
Service charges	125	134	9
Document sales & copies	10	9	(1)
Public safety:			
Dog pound fees	150	102	(48)
Weed mowing	524	(22)	(546)
Nuisance abatement fees	10	14	4
Police special events	275	256	(19)
Airport police & fire services	1,661	1,603	(58)
Other service fees	353	216	(137)
Cultural and recreational:			
Concessions	25	11	(14)
Performing Arts Center	1,179	1,178	(1)
Parks	1,791	1,699	(92)
Highways and streets:			
Paving cut repair charges	4,919	4,353	(566)
Parking meters and other	220	216	(4)
	35,047	33,648	(1,399)
Fines			
Parking and traffic fines	8,141	10,805	2,664
Interest on Investments			
	5,231	4,452	(779)
Miscellaneous			
Sales of City property	1,569	1,707	138
Recoveries	780	1,520	740
Property rentals & leases	150	150	-
Other	202	164	(38)
	2,701	3,541	840
Total revenues	\$ 233,328	\$ 240,988	\$ 7,660

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2011
(amounts expressed in thousands)

	Appropriations				Actual		Variance with Final Budget	
	Original Budget	Prior Year Carryover	Revisions	Final Budget	Expenditures	Encumbrances		Total
Administration and Support								
Departments:								
Mayor:								
Personnel services	\$ 879	\$ -	\$ 60	\$ 939	\$ 935	\$ -	\$ 935	
Materials & supplies	13	-	-	13	6	1	7	
Other services & charges	90	-	-	90	69	-	69	
City Auditor:								
Personnel services	893	-	6	899	806	-	806	
Materials & supplies	13	-	-	13	2	-	2	
Other services & charges	17	-	-	17	11	-	11	
City Council:								
Personnel services	1,144	-	6	1,150	1,086	-	1,086	
Materials & supplies	17	-	-	17	4	-	4	
Other services & charges	61	-	-	61	57	-	57	
Finance:								
Personnel services	5,083	-	(115)	4,968	4,879	-	4,879	
Materials & supplies	55	4	-	59	22	1	23	
Other services & charges	2,433	316	-	2,749	1,179	692	1,871	
Legal:								
Personnel services	2,551	-	(17)	2,534	2,361	-	2,361	
Materials & supplies	50	10	-	60	45	1	46	
Other services & charges	173	64	-	237	126	80	206	
Human Resources:								
Personnel services	2,553	-	(82)	2,471	2,390	-	2,390	
Materials & supplies	104	18	-	122	67	6	73	
Other services & charges	889	386	-	1,275	575	626	1,201	
Communications:								
Personnel services	737	-	5	742	735	-	735	
Materials & supplies	17	-	-	17	7	-	7	
Other services & charges	26	-	-	26	9	-	9	
General Government:								
Other services & charges	2,139	412	311	2,862	1,585	586	2,171	
Indian Nations Council of Government:								
Other services & charges	879	-	-	879	879	-	879	
	\$ 20,816	\$ 1,210	\$ 174	\$ 22,200	\$ 17,835	\$ 1,993	\$ 19,828	
							\$ 2,372	

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2011
(amounts expressed in thousands)

	Appropriations				Actual		Variance with Final Budget
	Original Budget	Prior Year Carryover	Revisions	Final Budget	Expenditures	Encumbrances	
Public Works and Transportation							
Departments:							
Public Works:							
Personnel services	\$ 12,710	\$ -	(159)	\$ 12,551	\$ 12,272	-	\$ 279
Materials & supplies	2,669	308	325	3,302	2,163	879	260
Other services & charges	11,491	907	2,560	14,958	14,998	(177)	137
	<u>26,870</u>	<u>1,215</u>	<u>2,726</u>	<u>30,811</u>	<u>29,433</u>	<u>702</u>	<u>676</u>
Social and Economic Development							
Economic Development & Real Estate Management:							
Personnel services	688	-	80	768	725	-	43
Materials & supplies	2	-	-	2	1	-	1
Other services & charges	22	18	-	40	25	2	13
Human Rights Department:							
Personnel services	466	-	114	580	576	-	4
Materials & supplies	6	-	-	6	3	-	3
Other services & charges	26	14	(10)	30	15	-	15
Working in Neighborhoods:							
Personnel services	2,838	-	(6)	2,832	2,770	-	62
Materials & supplies	281	31	40	352	290	23	39
Other services & charges	905	215	80	1,200	913	181	106
Planning Department:							
Personnel services	739	-	11	750	739	-	11
Materials & supplies	38	37	-	75	3	8	64
Other services & charges	18	15	570	603	31	29	543
Department of Grants Administration:							
Personnel services	97	-	1	98	98	-	-
Materials & supplies	1	-	-	1	1	-	-
Other services & charges	5	-	-	5	3	-	2
Development Services:							
Personnel services	2,994	-	(130)	2,864	2,761	-	103
Materials & supplies	44	16	-	60	8	14	38
Other services & charges	142	1	-	143	84	-	59
	<u>\$ 9,312</u>	<u>\$ 347</u>	<u>\$ 750</u>	<u>\$ 10,409</u>	<u>\$ 9,046</u>	<u>\$ 257</u>	<u>\$ 9,303</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, 2011
(amounts expressed in thousands)

	Appropriations				Final Budget	Actual		Variance with Final Budget
	Original Budget	Prior Year Carryover	Revisions	Encumbrances		Total		
Public Safety and Protection								
Departments:								
Municipal Court:								
Personnel services	\$ 2,448	\$ -	(23)	\$ 2,425	\$ 2,384	\$ -	\$ 41	
Materials & supplies	29	7	-	36	31	22	5	
Other services & charges	169	8	10	187	188	(3)	2	
Police:								
Personnel services	67,437	-	(553)	66,884	65,389	-	1,495	
Materials & supplies	1,219	373	185	1,777	771	744	262	
Other services & charges	5,808	163	421	6,392	5,341	588	463	
Fire:								
Personnel services	52,328	-	2,267	54,595	54,477	-	118	
Materials & supplies	756	768	124	1,648	982	641	25	
Other services & charges	3,244	58	(269)	3,033	2,929	48	56	
Telecommunications:								
Personnel services	11,890	-	(470)	11,420	10,779	-	641	
Materials & supplies	441	227	-	668	318	331	19	
Other services & charges	3,945	869	96	4,910	3,849	1,060	1	
Agencies:								
Tulsa Area Emergency Management Authority:								
Other services & charges	114	-	-	114	114	-	-	
	\$ 149,828	\$ 2,473	\$ 1,788	\$ 154,089	\$ 147,530	\$ 3,431	\$ 3,128	

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2011
(amounts expressed in thousands)

	Appropriations				Actual		Variance with Final Budget
	Original Budget	Prior Year Carryover	Revisions	Final Budget	Expenditures	Encumbrances	
Culture and Recreation							
Departments:							
Gilcrease Museum:							
Other services & charges	\$ 2,742	\$ 3	\$ -	\$ 2,745	\$ 2,742	\$ 3	\$ 2,745
Parks:							
Personnel services	5,682	-	(1,366)	4,316	4,280	-	4,280
Materials & supplies	719	96	(193)	622	438	112	550
Other services & charges	2,527	167	1,274	3,968	3,664	285	3,949
Convention & Performing Arts Cntrs:							
Personnel services	1,457	-	10	1,467	1,423	-	1,423
Materials & supplies	61	2	-	63	41	9	50
Other services & charges	740	246	-	986	593	17	610
Agencies:							
River Parks:							
Other services & charges	518	-	-	518	518	-	518
	14,446	514	(275)	14,685	13,699	426	14,125
Total expenditures and encumbrances	221,272	5,759	5,163	232,194	217,543	6,809	224,352
Operating transfers:							
Transfers to Short Term Capital	-	-	-	-	-	-	-
Transfers to TPFA - OTC	3,797	-	1,425	5,222	5,222	-	5,222
Transfers to TAAA-Aging	-	-	67	67	67	-	67
Transfers to Convention Fund	1,356	-	-	1,356	1,356	-	1,356
Transfers to Whittier Square Improvement District	10	-	-	10	10	-	10
Transfers to Federal and State Grants Fund	92	-	-	92	92	-	92
Transfers to Golf Course Fund	590	-	-	590	590	-	590
Total transfers	5,845	-	1,492	7,337	7,337	-	7,337
Payments to component units:							
Transfers to MTTA	5,775	-	-	5,775	5,775	-	5,775
Total expenditures, encumbrances, and transfers	\$ 232,892	\$ 5,759	\$ 6,655	\$ 245,306	\$ 230,655	\$ 6,809	\$ 237,464
							\$ 7,842

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, 2011
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Intergovernmental Revenue	\$ 12	\$ 11	\$ (1)
E-911 fees	4,500	4,308	(192)
Investment income	101	102	1
Miscellaneous	-	22	22
Total revenues	<u>4,613</u>	<u>4,443</u>	<u>(170)</u>
Expenditures			
Current:			
Public Works and Transportation:			
Personnel services	37	38	(1)
Materials and supplies	6	4	2
Other services and charges	221	203	18
Telecommunications:			
Personnel services	2,411	2,385	26
Materials and supplies	83	43	40
Other services and charges	2,067	1,669	398
Total expenditures	<u>4,825</u>	<u>4,342</u>	<u>483</u>
Excess of revenues over expenditures and encumbrances	<u>(212)</u>	<u>101</u>	<u>313</u>
Other financing uses:			
Transfers out	<u>(2,416)</u>	<u>(2,000)</u>	<u>416</u>
Total other financing uses	<u>(2,416)</u>	<u>(2,000)</u>	<u>416</u>
Net change in fund balances	(2,628)	(1,899)	729
Fund balances, beginning of year (budgetary basis)	<u>3,738</u>	<u>4,291</u>	<u>553</u>
Fund balances, end of year (budgetary basis)	<u>\$ 1,110</u>	<u>\$ 2,392</u>	<u>\$ 1,282</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, 2011
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 2,112	\$ 2,181	\$ 69
Total revenues	<u>2,112</u>	<u>2,181</u>	<u>69</u>
Expenditures			
Social and Economic Development:			
Current:			
Other services and charges	<u>2,204</u>	<u>2,070</u>	<u>134</u>
	2,204	2,070	134
Net change in fund balances	<u>(92)</u>	<u>111</u>	<u>203</u>
Fund balances, beginning of year (budgetary basis)	<u>6</u>	<u>6</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ (86)</u>	<u>\$ 117</u>	<u>\$ 203</u>

CITY OF TULSA
TOURISM & CONVENTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2011
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 3,278	\$ 3,386	\$ 108
Investment income	32	47	15
Miscellaneous	1,570	1,459	(111)
Total revenues	<u>4,880</u>	<u>4,892</u>	<u>12</u>
Expenditures			
Cultural Development and Recreation:			
Current:			
Materials and supplies	34	30	4
Other services and charges	407	328	79
Capital outlay	254	159	95
Total expenditures and encumbrances	<u>695</u>	<u>517</u>	<u>178</u>
Excess of revenues over expenditures and encumbrances	4,185	4,375	190
Other financing uses:			
Transfers in (out)	(4,429)	(4,319)	110
Total other financing uses	<u>(4,429)</u>	<u>(4,319)</u>	<u>110</u>
Net change in fund balances	<u>(244)</u>	<u>56</u>	<u>300</u>
Fund balances, beginning of year (budgetary basis)	<u>103</u>	<u>532</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ (141)</u>	<u>\$ 588</u>	<u>\$ 300</u>

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INTERNAL SERVICE FUNDS



HISTORIC

ROUTE 66

TULSA

In 1925, Tulsa businessman Cyrus Avery, known as the "Father of Route 66," began his campaign to create a road linking Chicago to California by establishing the U.S. Highway 66 Association in Tulsa, earning the city the nickname the "Birthplace of Route 66".

Internal Service Funds

INTERNAL SERVICE FUNDS - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units on a cost-reimbursement basis.

- **Employee Insurance Fund** - Accounts for the collection and payment of insurance premiums and claims related to health, dental, and worker's compensation fringe benefit programs.
- **Tulsa Public Facilities Authority** - Accounts for the financing of acquisition and construction of various facilities and public improvements in and for the City.
- **Office Services** - Accounts for the provision of office services to other departments and their related costs.
- **Equipment Management Fund** - Accounts for the rental of licensed motor vehicles and their related costs to user departments.

CITY OF TULSA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2011
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,649	\$ -	\$ -	\$ 2,038	\$ 10,687
Receivables, net	-	-	4	129	133
Prepaid expenses	-	-	-	-	-
Inventories, net	-	-	-	581	581
	<u>8,649</u>	<u>-</u>	<u>4</u>	<u>2,748</u>	<u>11,401</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	-	2,599	-	-	2,599
Investments, restricted	-	18,568	-	-	18,568
Advances to other funds	-	800	-	-	800
Receivables, net	14,167	35	-	-	14,202
Other	1,647	22	-	-	1,669
Capital assets, net	-	4,500	-	2,645	7,145
	<u>15,814</u>	<u>26,524</u>	<u>-</u>	<u>2,645</u>	<u>44,983</u>
Total assets	<u>24,463</u>	<u>26,524</u>	<u>4</u>	<u>5,393</u>	<u>56,384</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	274	63	109	838	1,284
Current portion of long-term liabilities	-	14,514	-	391	14,905
Unearned revenue	1,170	-	-	-	1,170
Workers compensation claims	7,374	-	-	-	7,374
Due to other funds	-	-	53	-	53
	<u>8,818</u>	<u>14,577</u>	<u>162</u>	<u>1,229</u>	<u>24,786</u>
Noncurrent liabilities:					
Long-term liabilities	-	580	-	697	1,277
Workers compensation claims	11,805	-	-	-	11,805
Advances from other funds	-	6,867	146	-	7,013
	<u>11,805</u>	<u>7,447</u>	<u>146</u>	<u>697</u>	<u>20,095</u>
Total liabilities	<u>20,623</u>	<u>22,024</u>	<u>308</u>	<u>1,926</u>	<u>44,881</u>
NET ASSETS (DEFICIT)					
Invested in capital assets	-	4,500	-	2,645	7,145
Unrestricted	3,840	-	(304)	822	4,358
Total net assets (deficit)	<u>\$ 3,840</u>	<u>\$ 4,500</u>	<u>\$ (304)</u>	<u>\$ 3,467</u>	<u>\$ 11,503</u>

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ 1,623	\$ 13,292	\$ 14,915
Insurance premiums	20,113	-	-	-	20,113
Workers compensation premiums	5,290	-	-	-	5,290
Other	-	159	-	19	178
	<u>25,403</u>	<u>159</u>	<u>1,623</u>	<u>13,311</u>	<u>40,496</u>
Operating expenses					
Salaries and wages	-	-	-	4,010	4,010
Materials and supplies	-	-	87	8,450	8,537
Other services and charges	-	135	1,516	1,097	2,748
Workers compensation claims	8,650	-	-	-	8,650
Insurance claims and premiums	20,976	-	-	-	20,976
Depreciation and amortization	-	24	-	177	201
	<u>29,626</u>	<u>159</u>	<u>1,603</u>	<u>13,734</u>	<u>45,122</u>
Operating income (loss)	<u>(4,223)</u>	<u>-</u>	<u>20</u>	<u>(423)</u>	<u>(4,626)</u>
Nonoperating revenues (expenses)					
Investment income (loss)	161	-	-	(5)	156
Interest expense	-	-	(5)	-	(5)
Property taxes	4,625	-	-	-	4,625
Loss on sale of equipment	-	-	-	(2)	(2)
Intergovernmental revenue	-	-	-	30	30
Payments from component units	-	-	-	19	19
Other, net	61	-	-	-	61
	<u>4,847</u>	<u>-</u>	<u>(5)</u>	<u>42</u>	<u>4,884</u>
Income (loss) before transfers	<u>624</u>	<u>-</u>	<u>15</u>	<u>(381)</u>	<u>258</u>
Transfers in	-	-	-	824	824
Transfers out	-	-	-	(150)	(150)
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>674</u>	<u>674</u>
Change in net assets	<u>624</u>	<u>-</u>	<u>15</u>	<u>293</u>	<u>932</u>
Net assets (deficit)--beginning	3,216	4,500	(319)	3,174	10,571
Net assets (deficit)--ending	<u>\$ 3,840</u>	<u>\$ 4,500</u>	<u>\$ (304)</u>	<u>\$ 3,467</u>	<u>\$ 11,503</u>

CITY OF TULSA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Cash flows from operating activities:					
Receipts from customers	\$ 23,824	\$ 45,602	\$ 1,621	\$ 13,196	\$ 84,243
Payments to suppliers	(31,189)	(43,983)	(1,629)	(9,332)	(86,133)
Payments to employees	-	-	-	(3,876)	(3,876)
Net cash provided by (used for) operating activities	(7,365)	1,619	(8)	(12)	(5,766)
Cash flows from noncapital financing activities:					
Property taxes received	4,542	-	-	-	4,542
Payments from interfund activity	-	-	8	674	682
Proceeds from insurance reimbursements	61	-	-	-	61
Net cash provided by noncapital financing activities	4,603	-	8	674	5,285
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	-	-	(901)	(901)
Intergovernmental revenue	-	-	-	30	30
Proceeds from disposition of capital assets	-	-	-	13	13
Contributions received	-	-	-	19	19
Net cash used for capital and related financing activities	-	-	-	(839)	(839)
Cash flows from investing activities:					
Interest earned	174	-	-	(5)	169
Net cash provided by (used for) investing activities	174	-	-	(5)	169
Net decrease in cash and cash equivalents	(2,588)	1,619	-	(182)	(1,151)
Cash and cash equivalents, beginning of year	11,237	980	-	2,220	14,437
Cash and cash equivalents, end of year	\$ 8,649	\$ 2,599	\$ -	\$ 2,038	\$ 13,286
Reconciliation of operating income (loss) to cash provided by (used for) operating activities:					
Operating income (loss)	\$ (4,223)	\$ -	\$ 20	\$ (423)	\$ (4,626)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation and amortization	-	24	-	177	201
(Increase) decrease in accounts receivable and other assets	(1,614)	45,578	(2)	(82)	43,880
Increase (decrease) in accounts payable and other liabilities	(1,528)	(43,983)	(26)	316	(45,221)
Net cash used for operating activities	\$ (7,365)	\$ 1,619	\$ (8)	\$ (12)	\$ (5,766)

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FIDUCIARY FUNDS

ART'S DISTRICT



The Brady District is one of the oldest sections of Tulsa. It is rich with cultural icons such as the Cain's Ballroom and the Ole Lady on Brady. Over the past twenty years, the area has morphed into an eclectic collection of bars, restaurants and arts establishments.

Fiduciary Funds

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

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

CITY OF TULSA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
EMSA Utility Fee				
Assets:				
Cash and cash equivalents	\$ 466	\$ 5,221	\$ 4,864	\$ 823
Accounts receivable	541	5,246	5,247	540
Total assets	<u>\$ 1,007</u>	<u>\$ 10,467</u>	<u>\$ 10,111</u>	<u>\$ 1,363</u>
Liabilities:				
Accounts payable	1,007	1,363	1,007	1,363
Total liabilities	<u>\$ 1,007</u>	<u>\$ 1,363</u>	<u>\$ 1,007</u>	<u>\$ 1,363</u>
Municipal Court Bonds				
Assets:				
Cash and cash equivalents	168	423	360	231
Total assets	<u>\$ 168</u>	<u>\$ 423</u>	<u>\$ 360</u>	<u>\$ 231</u>
Liabilities:				
Deposits payable	168	423	360	231
Total liabilities	<u>\$ 168</u>	<u>\$ 423</u>	<u>\$ 360</u>	<u>\$ 231</u>
Escrow Fund				
Assets:				
Cash and cash equivalents	2,058	7,366	7,166	2,258
Total assets	<u>\$ 2,058</u>	<u>\$ 7,366</u>	<u>\$ 7,166</u>	<u>\$ 2,258</u>
Liabilities:				
Deposits payable	2,058	7,366	7,166	2,258
Total liabilities	<u>\$ 2,058</u>	<u>\$ 7,366</u>	<u>\$ 7,166</u>	<u>\$ 2,258</u>
Police Property Room				
Assets:				
Cash and cash equivalents	507	226	219	514
Total assets	<u>\$ 507</u>	<u>\$ 226</u>	<u>\$ 219</u>	<u>\$ 514</u>
Liabilities:				
Accrued liabilities	507	226	219	514
Total liabilities	<u>\$ 507</u>	<u>\$ 226</u>	<u>\$ 219</u>	<u>\$ 514</u>
Watermain Extension Contract Escrow				
Assets:				
Cash and cash equivalents	198	-	-	198
Total assets	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198</u>
Liabilities:				
Deposits payable	198	-	-	198
Total liabilities	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198</u>
Payroll Withholding				
Assets:				
Cash and cash equivalents	248	284,537	284,785	-
Total assets	<u>\$ 248</u>	<u>\$ 284,537</u>	<u>\$ 284,785</u>	<u>\$ -</u>
Liabilities:				
Accrued liabilities	248	284,537	284,785	-
Total liabilities	<u>\$ 248</u>	<u>\$ 284,537</u>	<u>\$ 284,785</u>	<u>\$ -</u>

Continued

CITY OF TULSA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2011
(amounts expressed in thousands)

Continued

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Unclaimed Property				
Assets:				
Cash and cash equivalents	\$ 495	\$ -	\$ 7	\$ 488
Total assets	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 488</u>
Liabilities:				
Accrued liabilities	495	-	7	488
Total liabilities	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 488</u>
PAC Ticket Office Escrow				
Assets:				
Cash and cash equivalents	1,788	15,674	17,263	199
Interest receivable	-	10	10	-
Total assets	<u>\$ 1,788</u>	<u>\$ 15,684</u>	<u>\$ 17,273</u>	<u>\$ 199</u>
Liabilities:				
Deposits payable	1,788	15,684	17,273	199
Total liabilities	<u>\$ 1,788</u>	<u>\$ 15,684</u>	<u>\$ 17,273</u>	<u>\$ 199</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	5,928	313,447	314,664	4,711
Accounts receivable	541	5,246	5,247	540
Interest receivable	-	10	10	-
Total assets	<u>\$ 6,469</u>	<u>\$ 318,703</u>	<u>\$ 319,921</u>	<u>\$ 5,251</u>
Liabilities:				
Accrued liabilities	1,250	284,763	285,011	1,002
Deposits payable	5,219	24,836	25,806	4,249
Total liabilities	<u>\$ 6,469</u>	<u>\$ 309,599</u>	<u>\$ 310,817</u>	<u>\$ 5,251</u>

DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS



ROAD
WORK
AHEAD



An investment of \$451.6 million of our sales taxes and general obligation bonds was approved for more than 150 arterial and non-arterial street maintenance projects throughout the city.

Nonmajor Component Units

Discretely Presented Nonmajor Component Units

DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS - are presented separately from blended component units to emphasize that they are legally separate from the City, but are a part of the City's reporting entity.

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

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

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

CITY OF TULSA
STATEMENT OF NET ASSETS
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
June 30, 2011
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Total Nonmajor Component Units
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,690	\$ 1,180	\$ 124	\$ 4,432	\$ 583	\$ 9,009
Cash and cash equivalents - restricted	-	761	588	-	-	1,349
Investments	-	-	1,571	1,403	858	3,832
Receivables, net	1,277	346	463	46	21	2,153
Inventories, net	-	292	-	-	-	292
Other current assets	23	-	-	343	-	366
Other current assets - restricted	-	162	5	-	-	167
	<u>3,990</u>	<u>2,741</u>	<u>2,751</u>	<u>6,224</u>	<u>1,462</u>	<u>17,168</u>
Noncurrent assets:						
Cash and cash equivalents - restricted	10,476	-	-	1,525	-	12,001
Investments	-	-	-	-	657	657
Receivables, net	3,679	-	-	-	-	3,679
Receivables, net - restricted	10,241	-	-	85	-	10,326
Land held for resale, net - restricted	7,926	-	-	-	-	7,926
Other noncurrent assets	-	-	-	1,330	-	1,330
Nondepreciable capital assets	61	2,672	960	8,715	1,470	13,878
Depreciable capital assets, net	288	15,390	10,557	15,721	103	42,059
	<u>32,671</u>	<u>18,062</u>	<u>11,517</u>	<u>27,376</u>	<u>2,230</u>	<u>91,856</u>
Total assets	<u>36,661</u>	<u>20,803</u>	<u>14,268</u>	<u>33,600</u>	<u>3,692</u>	<u>109,024</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	436	1,253	501	1,245	2	3,437
Unearned revenue	-	11	561	-	15	587
Current portion of long-term liabilities	-	149	-	1,420	-	1,569
Deposits subject to refund	155	-	-	-	-	155
	<u>591</u>	<u>1,413</u>	<u>1,062</u>	<u>2,665</u>	<u>17</u>	<u>5,748</u>
Noncurrent liabilities:						
Advances from primary government	-	326	-	-	-	326
Unearned revenue	4	-	-	-	-	4
Long-term liabilities	174	1,062	-	18,467	-	19,703
	<u>178</u>	<u>1,388</u>	<u>-</u>	<u>18,467</u>	<u>-</u>	<u>20,033</u>
Total liabilities	<u>769</u>	<u>2,801</u>	<u>1,062</u>	<u>21,132</u>	<u>17</u>	<u>25,781</u>
NET ASSETS						
Invested in capital assets, net of related debt	349	18,062	11,483	8,028	1,573	39,495
Restricted for:						
Debt service	-	-	-	1,542	-	1,542
Capital projects	20,072	637	589	29	-	21,327
Other purposes	8,564	124	-	-	-	8,688
Unrestricted	<u>6,907</u>	<u>(821)</u>	<u>1,134</u>	<u>2,869</u>	<u>2,102</u>	<u>12,191</u>
Total net assets	<u>\$ 35,892</u>	<u>\$ 18,002</u>	<u>\$ 13,206</u>	<u>\$ 12,468</u>	<u>\$ 3,675</u>	<u>\$ 83,243</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
Year ended June 30, 2011
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Total Nonmajor Component Units
Operating revenues						
Property rentals	\$ 395	\$ -	\$ 20	\$ 156	\$ -	\$ 571
Parking revenues	-	-	-	5,532	266	5,798
Transit services	-	2,992	-	-	-	2,992
Event revenues	-	-	-	-	95	95
Other income	5	44	1,120	-	-	1,169
	<u>400</u>	<u>3,036</u>	<u>1,140</u>	<u>5,688</u>	<u>361</u>	<u>10,625</u>
Operating expenses						
Salaries and wages	211	8,918	-	-	-	9,129
Materials and supplies	4	3,240	-	-	-	3,244
Other services and charges	830	4,760	218	3,858	565	10,231
Unrealized loss on land held for resale	894	-	-	-	-	894
Depreciation	11	2,696	276	870	8	3,861
Relocation and improvement	265	-	-	-	-	265
	<u>2,215</u>	<u>19,614</u>	<u>494</u>	<u>4,728</u>	<u>573</u>	<u>27,624</u>
Operating income (loss)	<u>(1,815)</u>	<u>(16,578)</u>	<u>646</u>	<u>960</u>	<u>(212)</u>	<u>(16,999)</u>
Nonoperating revenues (expenses)						
Investment income	266	2	11	24	188	491
Interest expense	-	-	-	(973)	-	(973)
Sales taxes	318	-	-	-	-	318
Property taxes	813	-	-	-	-	813
Federal and state operating grant revenues	357	9,960	-	-	8	10,325
Contributions	1,097	-	-	75	109	1,281
Payments from primary government	1,397	5,775	-	-	-	7,172
Payments to primary government	(41)	(16)	-	-	-	(57)
Other, net	784	274	-	-	-	1,058
	<u>4,991</u>	<u>15,995</u>	<u>11</u>	<u>(874)</u>	<u>305</u>	<u>20,428</u>
Income (loss) before capital grant revenues	<u>3,176</u>	<u>(583)</u>	<u>657</u>	<u>86</u>	<u>93</u>	<u>3,429</u>
Federal and state capital grant revenues	-	1,551	-	-	-	1,551
Capital contributions to primary government	(3,976)	-	-	-	-	(3,976)
Capital contributions from primary government	-	999	-	-	-	999
Change in net assets	<u>(800)</u>	<u>1,967</u>	<u>657</u>	<u>86</u>	<u>93</u>	<u>2,003</u>
Net assets - beginning, as restated	36,692	16,035	12,549	12,382	3,582	81,240
Net assets - ending	<u>\$ 35,892</u>	<u>\$ 18,002</u>	<u>\$ 13,206</u>	<u>\$ 12,468</u>	<u>\$ 3,675</u>	<u>\$ 83,243</u>

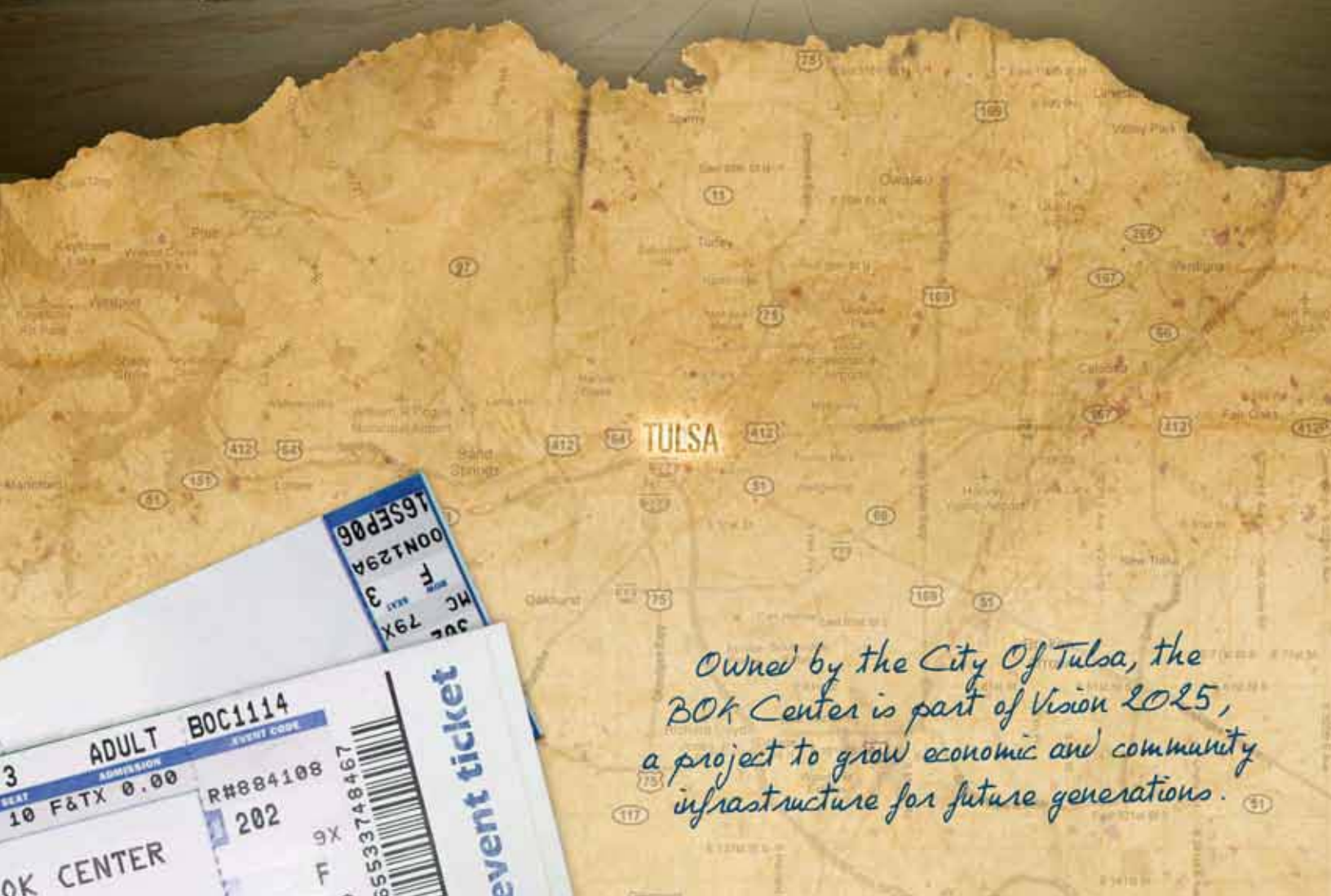
CITY OF TULSA
STATEMENT OF NET ASSETS
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
 June 30, 2011
 (amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 24,829	\$ 28,825	\$ 53,654
Receivables, net	8,681	13,068	21,749
Inventories, net	256	1,713	1,969
	<u>33,766</u>	<u>43,606</u>	<u>77,372</u>
Noncurrent assets:			
Cash and cash equivalents - restricted	706	9,910	10,616
Receivables, net - restricted	104	173	277
Investments-restricted	43,847	61,228	105,075
Advances to primary government - restricted	3,157	-	3,157
Investments in joint venture	11,816	-	11,816
Other noncurrent assets	292	521	813
Nondepreciable capital assets	45,333	25,694	71,027
Depreciable capital assets, net	477,935	497,465	975,400
	<u>583,190</u>	<u>594,991</u>	<u>1,178,181</u>
Total assets	<u>616,956</u>	<u>638,597</u>	<u>1,255,553</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	10,605	5,327	15,932
Current portion of long-term liabilities	14,526	10,753	25,279
Deposits subject to refund	752	8,746	9,498
	<u>25,883</u>	<u>24,826</u>	<u>50,709</u>
Noncurrent liabilities:			
Long-term liabilities	200,254	171,253	371,507
	<u>200,254</u>	<u>171,253</u>	<u>371,507</u>
Total liabilities	<u>226,137</u>	<u>196,079</u>	<u>422,216</u>
NET ASSETS			
Invested in capital assets, net of related debt	347,680	409,179	756,859
Restricted for:			
Debt service	3,994	4,193	8,187
Unrestricted	39,145	29,146	68,291
Total net assets	<u>\$ 390,819</u>	<u>\$ 442,518</u>	<u>\$ 833,337</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
Year ended June 30, 2011
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
Operating revenues			
Water and sewer services	\$ 67,092	\$ 87,753	\$ 154,845
Operating expenses			
Salaries and wages	19,532	25,365	44,897
Materials and supplies	4,214	7,876	12,090
Other services and charges	22,273	29,162	51,435
Depreciation	14,897	13,990	28,887
	<u>60,916</u>	<u>76,393</u>	<u>137,309</u>
Operating income	<u>6,176</u>	<u>11,360</u>	<u>17,536</u>
Nonoperating revenues (expenses)			
Interest income	596	1,133	1,729
Interest expense	(4,624)	(4,217)	(8,841)
Property taxes	3,900	-	3,900
Federal and state grants revenues	2,145	1,691	3,836
Loss on disposition of equipment	(64)	(365)	(429)
Payments from primary government	2,109	24	2,133
	<u>4,062</u>	<u>(1,734)</u>	<u>2,328</u>
Income before capital contributions	10,238	9,626	19,864
Capital contributions	<u>1,727</u>	<u>557</u>	<u>2,284</u>
Change in net assets	11,965	10,183	22,148
Net assets - beginning	378,854	432,335	811,189
Net assets - ending	<u>\$ 390,819</u>	<u>\$ 442,518</u>	<u>\$ 833,337</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



Owned by the City Of Tulsa, the BOK Center is part of Vision 2025, a project to grow economic and community infrastructure for future generations.

CITY OF TULSA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2011 and 2010
(amounts expressed in thousands)

	2011	2010
Governmental funds capital assets		
Land	\$ 466,374	\$ 461,941
Buildings	171,923	178,437
Improvements other than buildings	85,396	82,752
Machinery and equipment	150,610	153,794
Infrastructure	2,790,647	2,778,000
Construction in progress	208,095	156,987
Total governmental funds capital assets	\$ 3,873,045	\$ 3,811,911
Investments in governmental funds capital assets by source		
General fund	10,806	12,571
Special revenue funds	255,319	255,235
Capital projects funds	3,203,247	3,141,228
Donations	403,673	402,877
Total governmental funds capital assets	\$ 3,873,045	\$ 3,811,911

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
Year ended June 30, 2011
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2010	Additions	Deductions	Governmental Funds Capital Assets June 30, 2011
Administrative & Support:				
Mayor	\$ 41	\$ -	\$ -	\$ 41
Finance	1,180	25	(40)	1,165
Legal	65	61	(32)	94
Human Resources	972	70	(177)	865
Communications	21	-	-	21
Auditing	-	-	-	-
City Council	51	-	(5)	46
General Government	37,149	-	(9,460)	27,689
	<u>39,479</u>	<u>156</u>	<u>(9,714)</u>	<u>29,921</u>
Public Works & Transportation	<u>3,432,531</u>	<u>84,767</u>	<u>(20,425)</u>	<u>3,496,873</u>
	<u>3,432,531</u>	<u>84,767</u>	<u>(20,425)</u>	<u>3,496,873</u>
Public Safety & Protection				
Police	62,989	3,255	(3,687)	62,557
Fire	78,131	312	(639)	77,804
Municipal Court	175	23	(16)	182
Telecommunications	24,696	2,955	(4,212)	23,439
	<u>165,991</u>	<u>6,545</u>	<u>(8,554)</u>	<u>163,982</u>
Social & Economic Development				
Human Rights	54	-	(10)	44
WIN	2,923	44	(224)	2,743
Planning	41	-	(6)	35
Grant Administration	34	-	-	34
Development Services	1,073	72	(37)	1,108
Urban Development (EDREM)	3,852	-	(34)	3,818
	<u>7,977</u>	<u>116</u>	<u>(311)</u>	<u>7,782</u>
Cultural Development & Recreation				
Gilcrease	17,940	13	-	17,953
Parks	108,708	8,911	(513)	117,106
Public Events and PAC	39,285	191	(48)	39,428
	<u>165,933</u>	<u>9,115</u>	<u>(561)</u>	<u>174,487</u>
Total Governmental funds capital assets	<u>\$ 3,811,911</u>	<u>\$ 100,699</u>	<u>\$ (39,565)</u>	<u>\$ 3,873,045</u>

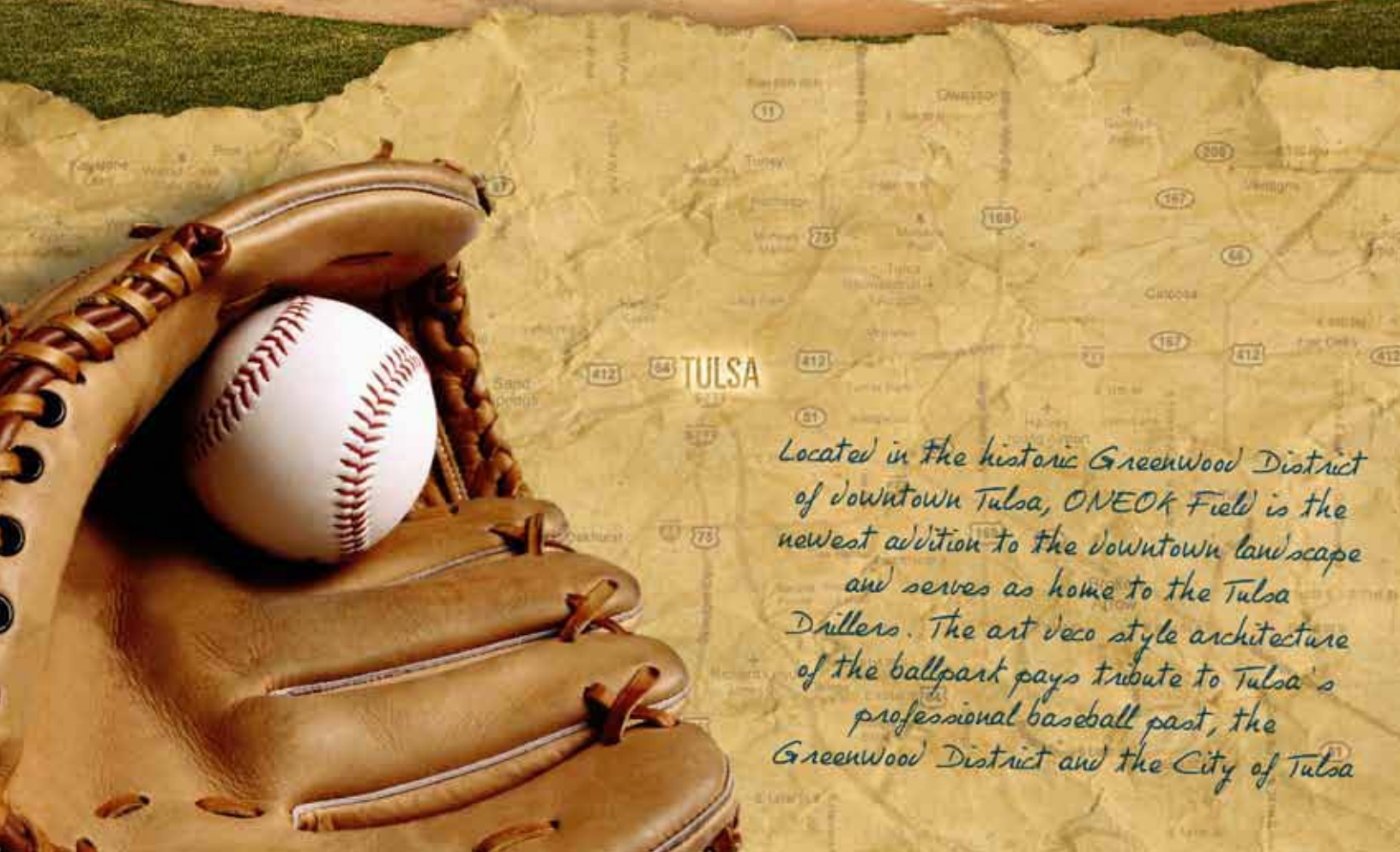
CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2011
 (amounts expressed in thousands)

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Administrative & Support							
Mayor	\$ -	\$ -	\$ -	41	\$ -	\$ -	41
Finance	110	-	-	1,055	-	-	1,165
Legal	-	-	-	94	-	-	94
Human Resources	-	-	-	865	-	-	865
Communications	-	7	-	14	-	-	21
Auditing	-	-	-	-	-	-	-
City Council	-	-	-	46	-	-	46
General Government	22,674	5,015	-	-	-	-	27,689
	22,784	5,022	-	2,115	-	-	29,921
Public Works & Transportation							
	388,125	17,849	84,771	7,386	2,790,647	208,095	3,496,873
	388,125	17,849	84,771	7,386	2,790,647	208,095	3,496,873
Public Safety & Protection							
Police	1,593	24,167	54	36,743	-	-	62,557
Fire	889	15,265	72	61,578	-	-	77,804
Municipal Court	-	-	-	182	-	-	182
Telecommunications	43	822	-	22,574	-	-	23,439
	2,525	40,254	126	121,077	-	-	163,982
Social & Economic Development							
Human Rights	-	-	-	44	-	-	44
WIN	-	1,756	-	987	-	-	2,743
Planning	-	-	-	35	-	-	35
Grant Administration	-	-	-	34	-	-	34
Development Services	-	-	-	1,108	-	-	1,108
Urban Development (EDREM)	2,950	140	499	229	-	-	3,818
	2,950	1,896	499	2,437	-	-	7,782
Cultural Development & Recreation							
Gilcrease	191	9,817	-	7,945	-	-	17,953
Parks	49,187	63,677	-	4,242	-	-	117,106
PAC	612	33,408	-	5,408	-	-	39,428
	49,990	106,902	-	17,595	-	-	174,487
Total Governmental Funds Capital Assets	\$ 466,374	\$ 171,923	\$ 85,396	\$ 150,610	\$ 2,790,647	\$ 208,095	\$ 3,873,045

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STATISTICAL SECTION



Located in the historic Greenwood District of downtown Tulsa, ONEOK Field is the newest addition to the downtown landscape and serves as home to the Tulsa Drillers. The art deco style architecture of the ballpark pays tribute to Tulsa's professional baseball past, the Greenwood District and the City of Tulsa

Statistical Section

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2000; schedules presenting government-wide information include information beginning in that year.

CITY OF TULSA
NET ASSETS BY COMPONENT
Last Ten Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2010	2009*	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$ 989,918	\$ 967,462	\$ 951,466	\$ 952,282	\$ 1,032,890	\$ 941,096	\$ 850,368	\$ 847,135	\$ 824,532	\$ 870,763
Restricted	160,049	121,161	132,695	148,553	123,475	153,941	204,727	162,724	164,689	114,394
Unrestricted	66,260	53,012	38,170	5,168	33,889	29,628	30,720	31,590	26,799	32,916
	<u>\$ 1,216,227</u>	<u>\$ 1,141,635</u>	<u>\$ 1,122,331</u>	<u>\$ 1,106,003</u>	<u>\$ 1,190,254</u>	<u>\$ 1,124,665</u>	<u>\$ 1,085,815</u>	<u>\$ 1,041,449</u>	<u>\$ 1,016,020</u>	<u>\$ 1,018,073</u>
Business-type activities										
Invested in capital assets, net of related debt	541,280	516,148	498,405	457,012	257,841	247,242	243,070	238,150	229,908	221,155
Restricted	8,936	11,185	9,482	13,582	9,528	7,806	7,154	7,017	6,002	6,539
Unrestricted	16,471	12,073	14,881	9,033	4,526	4,346	5,077	5,837	6,061	3,909
	<u>\$ 566,687</u>	<u>\$ 539,406</u>	<u>\$ 522,768</u>	<u>\$ 479,627</u>	<u>\$ 271,895</u>	<u>\$ 259,394</u>	<u>\$ 255,301</u>	<u>\$ 251,004</u>	<u>\$ 241,971</u>	<u>\$ 231,603</u>
Primary government										
Invested in capital assets, net of related debt	1,531,198	1,483,610	1,449,871	1,409,294	1,290,731	1,188,338	1,093,438	1,085,285	1,054,440	1,091,918
Restricted	168,985	132,346	142,177	162,135	133,003	161,747	211,881	169,741	170,691	120,933
Unrestricted	82,731	65,085	53,051	14,201	38,415	33,974	35,797	37,427	32,860	36,825
	<u>\$ 1,782,914</u>	<u>\$ 1,681,041</u>	<u>\$ 1,645,099</u>	<u>\$ 1,585,630</u>	<u>\$ 1,462,149</u>	<u>\$ 1,384,059</u>	<u>\$ 1,341,116</u>	<u>\$ 1,292,453</u>	<u>\$ 1,257,991</u>	<u>\$ 1,249,676</u>

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

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses:										
Governmental activities:										
Administrative and support	\$ 28,756	\$ 34,010	\$ 29,132	\$ 34,165	\$ 33,430	\$ 34,029	\$ 27,445	\$ 24,647	\$ 24,322	\$ 37,225
Public safety and protection	193,869	184,640	196,987	205,923	177,351	173,514	154,604	156,900	164,972	161,417
Public works and transportation	58,636	83,295	87,318	90,855	116,374	84,817	76,775	73,192	78,477	81,241
Culture and recreation	15,812	17,749	21,752	25,460	27,841	24,148	24,346	22,130	25,383	27,844
Social and economic	21,894	31,310	28,325	28,346	25,776	22,023	25,410	23,889	23,296	18,319
Interest on long-term debt	12,624	10,910	12,580	14,134	11,046	8,765	8,076	9,372	11,028	11,021
Total governmental activities expenses	331,591	361,914	376,074	398,883	391,818	347,296	316,656	310,130	327,478	337,067
Business-type activities:										
Stormwater	26,050	24,859	23,743	21,646	19,862	17,575	16,556	14,078	13,084	14,392
One Technology Center	9,884	9,431	9,993	6,527	-	-	-	-	-	-
Arena & Convention	22,480	22,182	17,434	6,044	-	-	-	-	-	-
Tulsa Stadium Trust	3,768	-	-	-	-	-	-	-	-	-
Golf Courses	3,316	3,503	3,615	3,233	2,470	2,599	2,591	2,573	2,572	2,802
Total business-type activities	65,498	59,975	54,785	37,450	22,332	20,174	19,147	16,651	15,656	17,194
Total primary government	397,089	421,889	430,859	436,333	414,150	367,470	335,803	326,781	343,134	354,261
Program Revenues:										
Governmental activities:										
Charges for services										
Administrative and support	5,501	4,200	4,960	4,807	9,314	11,828	10,050	9,398	8,974	9,151
Public safety and protection	16,815	20,289	22,674	25,090	18,275	8,233	9,880	10,689	10,195	10,599
Public works and transportation	34,574	30,853	35,311	33,839	28,619	27,288	26,455	22,932	22,315	21,349
Culture and recreation	4,887	5,638	3,797	3,903	4,545	4,355	4,188	3,741	4,225	3,976
Social and economic	543	530	1,375	2,246	3,228	3,001	3,563	3,741	2,165	3,359
Operating grants and contributions	13,609	32,262	25,944	39,700	33,172	41,077	25,951	37,453	40,347	36,077
Capital grants and contributions	9,924	12,185	11,560	24,891	57,665	25,802	28,854	11,247	7,175	11,977
Total governmental activities program revenues	85,853	105,957	105,621	134,476	154,818	121,584	107,216	99,043	95,396	96,488
Business-type activities:										
Charges for services										
Stormwater	23,231	22,007	21,424	19,296	17,742	14,651	14,286	13,505	12,833	12,651
One Technology Center	8,560	6,637	5,787	2,478	-	-	-	-	-	-
Arena & Convention	12,300	12,130	10,281	1,128	-	-	-	-	-	-
Tulsa Stadium Trust	163	-	-	-	-	-	-	-	-	-
Golf Courses	2,024	2,733	2,713	1,683	1,084	1,221	1,392	1,401	1,456	1,635
Operating grants and contributions	-	79	-	-	-	-	-	-	-	-
Capital grants and contributions	3,319	10,735	36,839	113,759	11,082	6,211	-	2,342	2,063	4,786
Total business-type activities program revenues	49,597	54,321	77,044	138,344	29,908	22,083	15,678	17,246	16,352	19,072
Total primary government program revenues	\$ 135,450	\$ 160,278	\$ 182,665	\$ 272,820	\$ 184,726	\$ 143,667	\$ 122,894	\$ 116,291	\$ 111,748	\$ 115,560
Net (expense) revenue:										
Governmental activities	(245,738)	(255,957)	(270,453)	(264,407)	(236,999)	(225,712)	(209,440)	(211,087)	(232,082)	(240,579)
Business-type activities	(15,901)	(6,564)	(22,259)	(100,894)	(7,576)	(1,909)	(3,469)	597	696	1,878
General Revenues and Other Changes in Net Assets:										
Taxes	\$ (261,639)	\$ (261,611)	\$ (248,194)	\$ (163,513)	\$ (229,423)	\$ (223,803)	\$ (212,909)	\$ (210,490)	\$ (231,386)	\$ (238,701)
Sales tax	199,384	193,505	207,289	210,633	201,717	192,261	182,136	177,732	176,510	184,004
Property tax	49,315	41,989	39,090	34,475	29,182	22,501	19,594	18,581	17,475	16,168
Franchise tax	11,950	26,144	25,871	23,211	22,213	22,064	22,753	22,661	21,817	22,012
Use tax	17,927	15,622	18,422	18,501	18,346	16,480	14,765	13,464	11,416	11,655
Hotel / motel tax	5,683	5,821	6,327	6,819	6,134	5,508	5,032	4,880	4,302	4,886
Unrestricted grants and contributions	22,667	22,667	8,857	8,112	8,122	7,685	5,446	4,553	4,740	4,802
Payments from component units	76	13	1,808	2,008	181	2,081	2,081	521	667	1,466
Investment earnings	7,513	9,566	19,570	24,151	18,971	4,927	4,060	282	11,821	16,201
Miscellaneous	2,490	3,788	(22,248)	5,246	2,014	1,011	1,178	2,182	1,537	898
Transfers	(11,950)	1,705	(105,851)	(105,851)	(4,292)	(8,103)	(7,387)	(8,340)	(9,499)	(6,824)
Capital contributions	-	-	-	-	-	-	-	-	-	-
Total primary government net expense	320,330	296,673	308,774	227,305	302,588	264,563	249,658	236,516	240,786	255,268
Business-type activities:										
Investment earnings and other	611	680	1,290	1,209	633	292	379	96	467	510
Transfers & capital contributions	11,950	21,612	22,248	105,851	4,292	1,892	7,387	8,340	9,499	6,824
Total business-type activities	12,561	22,292	23,538	107,060	4,925	2,184	7,766	8,436	9,966	7,334
Total primary government	\$ 332,891	\$ 319,165	\$ 332,312	\$ 334,365	\$ 307,513	\$ 266,747	\$ 257,424	\$ 244,952	\$ 250,752	\$ 262,602
Changes in Net Assets:										
Governmental activities	74,592	40,916	38,321	(37,102)	65,589	38,851	40,218	25,429	8,704	14,689
Business-type activities	(3,340)	16,638	45,797	207,954	12,501	4,093	4,297	9,033	10,662	9,212
Total primary government	\$ 71,252	\$ 57,554	\$ 84,118	\$ 170,852	\$ 78,090	\$ 42,944	\$ 44,515	\$ 34,462	\$ 19,366	\$ 23,901

CITY OF TULSA
GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE

Last Ten Years

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

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel / Motel Tax	Total
2011	\$ 199,384	\$ 49,315	\$ 27,225	\$ 17,927	\$ 5,683	\$ 299,534
2010	193,505	41,989	26,144	15,622	5,821	283,081
2009	207,289	39,090	25,871	18,422	6,327	296,999
2008	210,633	34,475	23,211	18,501	6,819	293,639
2007	201,717	29,182	22,213	18,346	6,134	277,592
2006	192,261	22,064	22,501	16,480	5,508	258,814
2005	182,136	22,753	19,594	14,765	5,032	244,280
2004	177,732	22,661	18,581	13,464	4,880	237,318
2003	176,520	21,817	17,475	11,416	4,302	231,530
2002	184,004	22,012	16,168	11,655	4,886	238,725

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

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

Function/Program:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
Administrative and support	\$ 5,501	\$ 4,933	\$ 5,204	\$ 4,829	\$ 9,314	\$ 11,828	\$ 10,050	\$ 9,398	\$ 8,974	\$ 9,151
Public safety and protection	23,104	37,973	39,454	49,018	37,459	35,254	17,616	31,962	32,018	31,209
Public works and transportation	40,628	41,823	45,800	63,128	83,896	52,097	54,937	34,560	31,273	33,475
Culture and recreation	5,122	5,960	3,801	3,943	4,545	4,355	4,205	3,765	4,225	4,060
Social and economic	11,498	15,268	11,362	13,558	19,604	18,050	20,408	19,358	18,906	18,593
Total governmental activities	<u>85,853</u>	<u>105,957</u>	<u>105,621</u>	<u>134,476</u>	<u>154,818</u>	<u>121,584</u>	<u>107,216</u>	<u>99,043</u>	<u>95,396</u>	<u>96,488</u>
Business-type activities:										
Stormwater	24,824	25,078	33,057	20,657	17,742	14,651	14,286	15,847	14,815	17,437
One Technology Center	8,560	6,637	5,787	2,478	-	-	-	-	-	-
Arena & Convention	12,856	19,871	35,487	113,526	-	-	-	-	-	-
Tulsa Stadium Trust ^a	918	-	-	-	-	-	-	-	-	-
Tulsa Golf Courses	2,439	2,735	2,713	1,683	1,084	1,221	1,392	1,401	1,537	1,635
Total business-type activities	<u>49,597</u>	<u>54,321</u>	<u>77,044</u>	<u>138,344</u>	<u>18,826</u>	<u>15,872</u>	<u>15,678</u>	<u>17,248</u>	<u>16,352</u>	<u>19,072</u>
Total primary government	<u>\$ 135,450</u>	<u>\$ 160,278</u>	<u>\$ 182,665</u>	<u>\$ 272,820</u>	<u>\$ 173,644</u>	<u>\$ 137,456</u>	<u>\$ 122,894</u>	<u>\$ 116,291</u>	<u>\$ 111,748</u>	<u>\$ 115,560</u>

^a Prior to 2011 and the adoption of GASB 61, *The Financial Reporting Entity, Omnibus*, the Tulsa Stadium Trust was reported as a discretely presented component unit of the City.

CITY OF TULSA
FUND BALANCES OF GOVERNMENTAL FUNDS
June 30, 2011

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund:										
Nonspendable	\$ 1,055	\$ 7,730	\$ 8,876	\$ 13,273	\$ 9,668	\$ 8,831	\$ 10,659	\$ 10,871	\$ 10,930	\$ 10,344
Restricted	-	47,045	41,647	37,759	43,778	38,665	32,809	35,294	30,076	40,652
Committed	-	\$ 54,775	\$ 50,523	\$ 51,032	\$ 53,446	\$ 47,496	\$ 43,468	\$ 46,165	\$ 41,006	\$ 50,996
Assigned	13,807									
Unassigned	52,255									
	<u>\$ 67,117</u>									
Other Governmental Funds:										
Nonspendable	-	229,880	224,633	221,997	229,496	206,626	182,231	141,698	145,341	167,317
Restricted	325,181									
Committed	1,135	15,572	9,552	9,412	12,842	10,294	12,959	11,481	12,950	8,875
Assigned	3,977	12,412	4,014	3,948	3,439	2,733	5,650	5,665	3,919	4,897
Unassigned	(261)	1,966	1,692	1,095	832	358	5,895	5,964	4,735	5,081
	<u>\$ 330,032</u>	<u>\$ 259,830</u>	<u>\$ 239,891</u>	<u>\$ 236,452</u>	<u>\$ 246,609</u>	<u>\$ 220,011</u>	<u>\$ 206,735</u>	<u>\$ 164,808</u>	<u>\$ 166,945</u>	<u>\$ 186,170</u>

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

CITY OF TULSA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Years

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Sales tax	\$ 199,384	\$ 193,505	\$ 207,289	\$ 210,633	\$ 201,716	\$ 192,261	\$ 182,136	\$ 177,732	\$ 176,520	\$ 184,004
Property tax	44,690	34,457	33,287	30,838	22,213	19,047	18,511	21,276	20,503	19,364
Franchise tax	27,225	26,144	25,871	23,211	26,322	22,501	19,594	18,581	17,475	16,168
Use tax	17,927	15,622	18,422	18,501	18,346	16,480	14,765	13,464	11,416	11,655
Hotel/motel tax	5,683	5,821	6,327	6,819	6,819	5,508	5,032	4,880	4,302	4,886
Special assessment tax	3,169	3,275	855	910	869	795	530	539	539	541
Charges for services	35,918	40,385	42,353	39,554	35,123	33,723	32,386	29,129	29,109	27,764
Intergovernmental revenues	42,261	51,776	50,761	71,134	98,539	65,972	54,805	48,644	47,339	47,223
Fines and forfeitures	10,875	8,257	8,763	12,001	10,350	8,957	8,424	8,341	7,924	8,628
Investment income	6,140	8,663	12,913	18,911	15,279	6,638	5,780	988	9,524	11,339
Licenses, permits and fees	5,922	5,175	6,191	6,745	5,823	5,979	5,625	4,970	4,922	4,703
Program income from grants	440	530	793	1,606	3,228	2,421	1,267	2,979	1,557	2,818
Payments from component units	57	13	1,808	2,008	181	229	2,081	521	667	1,466
Miscellaneous	2,492	2,794	3,787	5,935	2,664	2,080	1,523	1,786	1,899	2,087
Total revenues	402,183	396,417	419,420	448,806	446,787	382,591	352,459	333,830	333,696	342,646
Expenditures										
Current:										
Administration and support	21,638	20,819	20,826	19,781	17,376	16,988	14,947	14,064	14,661	24,516
Public safety and protection	171,552	174,401	188,475	193,595	174,293	169,218	143,780	146,794	151,019	141,659
Public works and transportation	31,557	31,412	32,174	35,064	30,072	26,855	27,060	23,146	26,154	27,780
Culture and recreation	14,385	15,362	19,473	22,753	25,385	23,631	22,535	20,937	22,190	24,012
Social and economic development	20,215	28,991	25,611	26,897	25,259	21,465	24,744	23,804	23,214	18,079
Refund of sales and use taxes	-	-	-	-	-	-	376	1,921	8,218	-
Payments to component units	10,354	16,535	23,480	21,970	31,899	9,675	12,052	13,106	14,820	18,863
Capital outlay	79,680	105,904	102,681	122,328	142,399	93,566	74,665	57,139	75,136	91,206
Debt service:										
Principal	24,581	18,860	17,354	20,481	17,392	16,114	12,703	13,969	8,531	10,248
Interest	15,887	14,433	12,251	10,172	7,436	7,436	6,148	6,814	7,332	6,892
Total expenditures	389,849	426,717	442,325	473,041	471,511	384,948	339,010	321,694	351,275	362,655
Excess (deficiency) of revenues over (under) expenditures	12,334	(30,300)	(22,905)	(24,235)	(24,724)	(2,357)	13,449	12,136	(17,579)	(20,009)
Other financing sources (uses)										
Transfers in	3,941	25,758	12,761	13,590	20,083	17,262	10,108	11,777	15,779	14,166
Transfers out	(16,565)	(47,650)	(35,395)	(37,777)	(29,163)	(21,177)	(21,083)	(22,784)	(26,993)	(22,736)
Sale of capital assets	1,691	821	-	-	-	-	-	-	-	-
Bond issuance	70,000	70,000	48,453	35,851	65,934	(6,211)	36,781	-	-	40,675
Refunding bond issuance	21,546	23,558	-	-	-	30,183	12,917	28,021	12,339	10,658
Premium on refunding bonds issuance	11,143	12,017	16	-	418	-	2,652	2,758	-	-
Payment to bond escrow agent	(21,546)	(30,013)	-	-	-	229	(16,419)	(28,886)	(12,761)	(13,765)
Total other financing sources (uses)	70,210	54,491	25,835	11,664	57,272	20,286	24,956	(9,114)	(11,636)	28,998
Net changes in fund balances	82,544	24,191	2,930	(12,571)	32,548	17,929	38,405	3,022	(29,215)	8,989
Fund balance, beginning	314,605	290,414	287,484	300,055	268,132	250,203	210,973	207,951	237,166	228,177
Cumulative effect of change in acctg. principle	-	-	-	-	(625)	-	825	-	-	-
Fund balance, ending	\$ 397,149	\$ 314,605	\$ 290,414	\$ 287,484	\$ 300,055	\$ 268,132	\$ 250,203	\$ 210,973	\$ 207,951	\$ 237,166
Debt service as a percentage of noncapital expenditures	12.86%	10.38%	8.72%	8.74%	7.54%	8.08%	7.13%	7.86%	5.74%	6.31%

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

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

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel/Motel Tax	Total
2011	\$ 199,384	\$ 44,690	\$ 27,225	\$ 17,927	\$ 5,683	\$ 294,909
2010	193,505	34,457	26,144	15,622	5,821	275,549
2009	207,289	33,287	25,871	18,422	6,327	291,196
2008	208,435	33,287	23,999	18,348	6,807	290,876
2007	201,716	26,322	22,213	18,346	6,134	274,731
2006	192,261	19,047	22,501	16,480	5,508	255,797
2005	182,136	18,511	19,594	14,765	5,032	240,038
2004	177,732	21,276	18,581	13,464	4,880	235,933
2003	176,520	20,503	17,475	11,416	4,302	230,216
2002	184,004	19,364	16,168	11,655	4,886	236,077

CITY OF TULSA
PRINCIPAL SALES TAX REMITTERS
 (amounts expressed in thousands)
 June 30, 2011

2011							2010						
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	\$32,866	\$1,095,533	16.44%	53	General Merchandise Stores	\$32,648	\$1,088,282	16.74%				
58	Eating and Drinking Places	25,132	837,733	12.57%	57	Furniture & Home Furnishings Stores	24,829	827,622	12.73%				
59	Miscellaneous Retail	20,966	698,867	10.49%	59	Miscellaneous Retail	22,857	761,898	11.72%				
49	Electric, Gas, & Sanitary Services	15,497	516,567	7.75%	54	Food Stores	16,721	557,380	8.58%				
57	Furniture & Home Furnishings Store	14,930	497,667	7.47%	58	Eating And Drinking Places	14,549	484,962	7.46%				
54	Food Stores	14,538	484,600	7.27%	50	Wholesale Trade-Durable Goods	14,293	476,439	7.33%				
52	Building Materials & Garden Supplies	11,617	387,233	5.81%	49	Electric, Gas, And Sanitary Services	13,873	462,439	7.12%				
50	Wholesale Trade-Durable Goods	10,447	348,233	5.23%	48	Communication	11,864	395,472	6.08%				
56	Apparel And Accessory Stores	9,888	329,600	4.95%	52	Building Materials & Garden Supplies	10,050	335,000	5.15%				
48	Communication	8,806	293,533	4.40%	56	Apparel And Accessory Stores	9,854	328,451	5.05%				
		<u>\$164,687</u>	<u>\$5,489,567</u>	<u>82.38%</u>			<u>\$171,538</u>	<u>\$5,717,945</u>	<u>87.96%</u>				

Sources: Oklahoma Tax Commission

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

Year	City of Tulsa	Tulsa County	State of Oklahoma
2011	3.017%	1.000%	4.500%
2010	3.000%	1.017%	4.500%
2009	3.000%	1.017%	4.500%
2008	3.000%	1.017%	4.500%
2007	3.000%	1.017%	4.500%
2006	3.000%	1.017%	4.500%
2005	3.000%	1.017%	4.500%
2004	3.000%	1.017%	4.500%
2003	3.000%	0.417%	4.500%
2002	3.000%	0.417%	4.500%

Source: City of Tulsa

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

Year	Real Property			Personal Property			Public Service Property			TOTAL			
	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Assessed to Estimated Actual Value
2011	\$22,980,865	\$ 2,528,148	13.71	\$ 3,836,900	\$ 383,690	2.08	\$ 687,020	\$ 218,335	1.18	\$27,504,785	\$ 3,130,173	16.98	11.4%
2010	22,455,554	2,470,358	11.35	3,991,610	399,161	1.83	658,738	209,347	0.96	27,105,902	3,078,866	14.15	11.4%
2009	21,699,539	2,387,188	11.36	3,857,010	385,701	1.84	585,925	186,207	0.89	26,142,474	2,959,096	14.08	11.3%
2008	20,631,446	2,269,686	13.48	3,617,470	361,747	13.48	608,046	193,237	13.48	24,856,962	2,824,670	13.48	11.4%
2007	19,558,898	2,151,694	12.67	3,504,620	350,462	12.67	679,072	215,809	12.67	23,742,590	2,717,965	12.67	11.4%
2006	18,733,445	2,060,885	9.97	3,149,020	314,902	9.97	700,230	222,533	9.97	22,582,695	2,598,320	9.97	11.5%
2005	17,739,317	1,951,520	10.11	3,241,550	324,155	10.11	743,191	236,186	10.11	21,724,058	2,511,861	10.11	11.6%
2004	16,987,974	1,868,864	11.16	3,304,960	330,496	11.16	824,519	262,032	11.16	21,117,453	2,461,392	11.16	11.7%
2003	16,249,020	1,787,571	11.23	3,395,050	339,505	11.23	1,002,196	318,498	11.23	20,646,266	2,445,574	11.23	11.8%
2002	15,596,877	1,715,828	11.53	3,365,870	336,587	11.53	946,379	207,257	11.53	19,909,126	2,259,672	11.53	11.3%

Source: Tulsa County Assessor

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

Year	DIRECT		OVERLAPPING						Total
	General Fund	Sinking Fund	City	Schools	County	County Library	County Health		
2011	\$ -	\$ 16.98	\$ 16.98	\$ 88.44	\$ 10.31	\$ 5.32	\$ 2.58	\$ 123.63	
2010	-	14.15	14.15	89.49	10.31	5.32	2.58	121.85	
2009	-	14.08	14.08	88.31	10.31	5.32	2.58	120.60	
2008	-	13.48	13.48	88.31	10.31	5.32	2.58	120.00	
2007	-	12.67	12.67	87.47	10.31	5.32	2.58	118.35	
2006	-	9.97	9.97	89.16	10.69	5.32	2.58	117.72	
2005	-	10.11	10.11	89.45	10.71	5.32	2.58	118.17	
2004	-	11.16	11.16	91.40	10.99	5.32	2.58	121.45	
2003	-	11.23	11.23	89.18	11.93	5.32	2.58	120.24	
2002	-	11.53	11.53	88.85	12.41	5.32	2.58	120.69	

Source: Tulsa County Assessor

CITY OF TULSA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

(amounts expressed in thousands)

Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Taxes Receivable	Delinquent Percent of Levy	Delinquent Tax Collections	Total Collections	Percent of Total Collections to Tax Levy
2011	\$ 53,163	\$ 50,945	95.8%	\$ 9,955	18.7%	\$ 1,323	\$ 52,268	98.3%
2010	43,557	41,887	96.2%	9,060	20.8%	1,079	42,966	98.6%
2009	41,663	40,014	96.0%	8,469	20.3%	877	40,891	98.1%
2008	38,098	36,305	95.3%	7,697	20.2%	1,766	38,071	99.9%
2007	34,420	33,018	95.9%	7,387	21.5%	275	33,293	96.7%
2006	25,893	24,799	95.8%	6,260	24.2%	760	25,559	98.7%
2005	25,386	24,163	95.2%	5,926	23.3%	783	24,946	98.3%
2004	27,467	26,184	95.3%	5,769	21.0%	1,000	27,184	99.0%
2003	27,460	25,997	94.7%	5,486	20.0%	739	26,736	97.4%
2002	26,061	26,202	100.5%	4,762	18.3%	612	26,814	102.9%

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

Year	General Bonded Debt		Percentage of Net Assessed Value ^a	Per Capita ^b	Other Governmental		Business Type		Total Primary Government ^c	Percentage of Personal Income ^b	Per Capita ^b
	General Obligation Bonds, Net ^a	\$			Activities Debt Revenue	Bonds, Net	Activities Debt Revenue	Bonds, Net			
2011	\$ 394,399	\$ 14,125	12.60%	\$ 1,006	\$ 106,547	\$ 515,071	3.21%	\$ 1,314			
2010	358,257	27,515	11.64%	919	90,505	476,277	3.10%	1,221			
2009	307,832	40,239	10.40%	795	92,725	440,796	3.26%	1,139			
2008	251,449	51,965	8.90%	655	95,270	398,684	2.61%	1,033			
2007	229,448	73,350	8.44%	604	2,425	305,223	2.19%	803			
2006	198,977	89,579	7.66%	517	2,780	291,336	2.22%	757			
2005	183,781	27,401	7.32%	470	3,125	214,307	1.72%	562			
2004	157,284	39,113	6.39%	405	3,460	199,857	1.73%	523			
2003	174,341	49,640	7.13%	444	3,600	227,581	1.96%	588			
2002	189,871	58,607	8.40%	478	3,855	252,333	2.10%	645			

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

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

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

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

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

Year	Population	Net Assessed Value	Gross General Bonded Debt	Less Bond Reserves	Less Debt Payable From Component Unit Revenues	Net Bonded Debt ^a	Ratio of Net Bonded Debt To Assessed Value (Percentage)	Net Bonded Debt Per Capita (In dollars)
2011	392,000	\$ 3,130,173	\$ 437,795	\$ 18,635	\$ 24,761	\$ 394,399	12.60%	\$ 1,006
2010	390,000	3,078,866	394,445	8,120	28,068	358,257	11.64%	919
2009	387,000	2,959,096	350,475	11,900	30,743	307,832	10.40%	795
2008	384,000	2,824,690	316,429	7,860	57,120	251,449	8.90%	655
2007	380,000	2,717,965	291,009	9,160	52,401	229,448	8.44%	604
2006	385,000	2,598,320	236,199	7,920	29,302	198,977	7.66%	517
2005	391,000	2,511,861	226,060	11,005	31,274	183,781	7.32%	470
2004	388,000	2,461,392	197,385	12,340	27,761	157,284	6.39%	405
2003	392,910	2,445,574	215,740	11,240	30,159	174,341	7.13%	444
2002	397,137	2,259,952	229,790	6,700	33,219	189,871	8.40%	478

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

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

CITY OF TULSA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Years
(amounts expressed in thousands)

Year	Principal	Interest	Total Debt Service	Total		Ratio of Debt Service to General Expenditure (Percentage)
				General Expenditures	Governmental Expenditures	
2011	\$ 22,060	\$ 18,052	\$ 40,112	\$ 389,849		10.3 %
2010	17,610	16,008	33,618	426,717		7.9 %
2009	17,755	14,326	32,081	442,325		7.3 %
2008	19,090	13,129	32,219	473,041		6.8 %
2007	17,880	10,866	28,746	471,511		6.1 %
2006	20,860	10,247	31,107	384,948		8.1 %
2005	18,305	8,795	27,100	339,010		8.0 %
2004	15,955	10,507	26,462	318,029		8.3 %
2003	12,650	11,968	24,618	351,275		7.0 %
2002	15,580	11,050	26,630	362,655		7.3 %

CITY OF TULSA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2011
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Net Debt⁽¹⁾ Outstanding</u>	<u>Estimated⁽²⁾ Percentage Applicable to City of Tulsa</u>	<u>Estimated Share Applicable to City of Tulsa</u>
Debt repaid with property taxes			
Independent School District:			
No. 1 TPS	\$ 129,287	64.9%	\$ 83,884
No. 3 BA	74,000	1.0%	719
No. 4 Bixby	27,500	1.1%	315
No. 5 Jenks	72,170	15.4%	11,125
No. 9 Union	73,050	17.6%	12,834
			<u>108,877</u>
City direct debt	\$ 419,160	100.0%	419,160
Total direct and overlapping debt			<u>\$ 528,037</u>

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

Sources: Tulsa County Assessor
Independent School Districts

CITY OF TULSA
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Years

(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit ^{1,2}	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 246,139	\$ 244,557	\$ 225,967
Total net debt subject to limit ³	-	-	-	-	-	-	-	3,200	6,305	9,395
Legal debt margin	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 242,939	\$ 238,252	\$ 216,572
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%	1.30%	2.58%	4.16%

Sources:

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

CITY OF TULSA
REVENUE BOND COVERAGES
Last Ten Years
(amounts expressed in thousands)

Tulsa Parking Authority							
Year	Gross ¹ Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage ²
				Principal	Interest	Total	
				2011	\$ 5,860	\$ 3,580	
2010	5,594	2,944	2,650	1,330	951	2,281	1.16
2009	6,004	2,655	3,349	1,280	997	2,277	1.47
2008	5,280	2,343	2,937	1,235	1,042	2,277	1.29
2007	5,458	2,190	3,268	1,195	1,083	2,278	1.43
2006	5,198	2,707	2,491	1,130	1,124	2,254	1.11
2005	4,912	2,355	2,557	515	1,093	1,608	1.59
2004	3,421	2,121	1,300	495	644	1,139	1.14
2003	2,717	875	1,842	300	527	827	2.23
2002	2,929	1,463	1,466	685	715	1,400	1.05

¹ Gross revenue of the "Parking System" as defined by the terms of the bond indenture. Excluded are revenues derived outside of the "Parking System."

² Minimum coverage per agreements 1.00

Tulsa Airports							
Year	Gross ¹ Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
				2011	\$ 45,917	\$ 21,163	
2010	42,601	19,721	22,880	9,225	7,701	16,926	1.35
2009	32,440	20,830	11,610	5,845	5,732	11,577	1.00
2008	34,986	20,277	14,709	5,305	6,583	11,888	1.45
2007	36,012	19,668	16,344	5,110	7,259	12,369	1.32
2006	32,907	18,528	14,379	4,490	6,616	11,106	1.29
2005	29,987	16,912	13,075	1,615	7,350	8,965	1.46
2004	28,155	16,235	11,920	-	5,841	5,841	2.04
2003	47,715	24,844	22,871	5,720	9,169	14,889	1.54
2002	40,209	16,016	24,193	7,921	8,700	16,621	1.46

¹ Operating and non-operating revenue less Passenger Facility Charge (PFC) Revenue which is restricted for PFC funded projects.

Continued

Continued

CITY OF TULSA
REVENUE BOND COVERAGES
Last Ten Years
(amounts expressed in thousands)

Tulsa Metropolitan Utility Authority - Water Fund

Year	Gross ¹ Revenue	Direct ² Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Actual ³ Coverage	Coverage ⁴ Using Maximum Principal & Interest
				Principal	Interest	Total		
				2011	\$ 88,886	\$ 56,261		
2010	76,986	54,281	22,705	6,881	5,741	12,622	1.80	1.74
2009	79,367	60,088	19,279	6,175	4,918	11,093	1.74	1.48
2008	77,813	56,099	21,714	6,070	5,423	11,493	1.89	N/A
2007	78,503	51,393	27,110	5,455	5,205	10,660	2.54	N/A
2006	77,229	49,484	27,745	2,340	5,211	7,551	3.67	N/A
2005	68,964	45,383	23,581	7,665	5,008	12,673	1.86	N/A
2004	66,882	43,678	23,204	5,915	5,089	11,004	2.11	N/A
2003	74,066	43,103	30,963	4,005	5,610	9,615	3.22	N/A
2002	68,964	46,459	22,505	6,645	5,762	12,407	1.81	N/A

Tulsa Metropolitan Utility Authority - Sewer Fund

Year	Gross ¹ Revenue	Direct ² Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Actual ³ Coverage	Coverage ⁴ Using Maximum Principal & Interest
				Principal	Interest	Total		
				2011	\$ 63,789	\$ 41,188		
2010	56,012	37,410	18,602	5,984	3,646	9,630	1.93	1.42
2009	53,184	43,634	9,550	5,423	3,499	8,922	1.07	1.31
2008	55,518	37,076	18,442	4,697	3,343	8,040	2.29	N/A
2007	53,116	35,114	18,002	2,736	1,930	4,666	3.86	N/A
2006	49,738	32,889	16,849	4,711	3,252	7,963	2.12	N/A
2005	41,851	32,271	9,580	4,059	2,203	6,262	1.53	N/A
2004	37,951	27,870	10,081	3,187	1,714	4,901	2.06	N/A
2003	37,913	26,985	10,928	2,706	1,545	4,251	2.57	N/A
2002	35,945	27,079	8,866	2,035	2,667	4,702	1.89	N/A

¹ Operating revenue and investment income less revenue restricted for general obligation bonds.

² Excludes transfers to General Fund per debt agreements.

³ Debt coverage based on actual debt service.

⁴ Debt coverage using maximum principal and interest per debt agreements.

**CITY OF TULSA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND PREVIOUS YEAR**

Employer	2011			2010		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Wal-Mart/Sam's Club	7,500	1	1.78%	7,500	1	1.78%
Tulsa Public Schools	7,500	2	1.78%	7,000	3	1.66%
American Airlines Maintenance Base	7,500	3	1.78%	7,500	2	1.78%
St. John Medical Center	6,500	4	1.55%	2,750	6	0.65%
Saint Francis Healthcare System	6,500	5	1.55%	4,500	4	1.07%
City of Tulsa	5,500	6	1.31%	4,437	5	1.06%
Hillcrest Healthcare System	5,500	7	1.31%	1,600	17	0.38%
Cherokee Hard Rock Hotel and Casino	3,500	8	0.83%	1,000	33	0.24%
Reason's (all Tulsa area locations)	3,500	9	0.83%	2,000	12	0.48%
Bank of Oklahoma Financial	3,500	10	0.83%	2,719	7	0.65%
Broken Arrow Public Schools	3,500	11	0.83%	2,300	9	0.55%
Spirit AeroSystems (formerly Boeing North American, Inc.)	2,000	12	0.48%	1,875	15	0.45%
Tulsa County	2,000	13	0.48%	2,000	13	0.48%
Union Public Schools	2,000	14	0.48%	2,000	14	0.48%
Tulsa Community College	2,000	15	0.48%	2,500	8	0.59%
U.S. Postal Services	1,500	16	0.36%	1,500	18	0.36%
QuikTrip	1,500	17	0.36%	1,400	25	0.33%
Jenks Public School	1,500	18	0.36%	1,750	16	0.42%
AT&T (Telephone and wireless employees)	1,500	19	0.36%	1,400	23	0.33%
DirectV	1,500	20	0.36%	1,500	19	0.36%
Baker Hughes (all locations)	1,500	21	0.36%	1,500	20	0.36%
Nordam Group	1,500	22	0.36%	2,000	11	0.48%
Williams Companies	1,500	23	0.36%	1,100	30	0.26%
Orneok	1,500	24	0.36%	2,100	10	0.50%
Owasso Public Schools	1,500	25	0.36%	1,200	29	0.29%
Mazzio's	1,500	26	0.36%	1,500	21	0.36%
OSU Medical Center	1,500	27	0.36%	1,400	26	0.33%
University of Tulsa	1,500	28	0.36%	1,200	28	0.29%
AEP/Public Service Company of Oklahoma	1,500	29	0.36%	1,100	31	0.26%
Whirlpool Corporation	1,500	30	0.36%	1,400	25	0.33%
River Spirit Casino	1,500	31	0.36%	1,500	22	0.36%
Verizon Business (formerly MCI, WorldCom)	1,500	32	0.36%	900	37	0.21%
Aaon	1,500	33	0.36%	719	38	0.17%
lc of Oklahoma LLC (Bus manufacturing)	1,000	34	0.24%	1,000	34	0.24%
State Farm	1,000	35	0.24%	1,300	27	0.31%
Tulsa Technology Center	1,000	36	0.24%	1,000	36	0.24%
Blue Cross/Blue Shield of Okla.	1,000	37	0.24%	1,100	32	0.26%
HP Enterprise Services (formerly EDS)	1,000	38	0.24%	1,000	35	0.24%
	<u>100,500</u>		<u>23.90%</u>	<u>82,250</u>		<u>19.56%</u>

Data Notes:

Source: Tulsa Metropolitan Chamber 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.

CITY OF TULSA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

(amounts expressed in thousands)

Year	Population	MSA Current Personal Income (in millions)	MSA Per Capita Personal Income	Median Age	Percent of High School Graduates	Unemployment Rate
2011	392,000	\$ 38,347	\$ 40,904	34.7	84.3%	6.0%
2010	390,000	36,642	39,442	37.3	N/A	7.5%
2009	387,000	37,540	40,981	37.1	N/A	6.5%
2008	386,000	35,796	39,524	36.9	89.7	6.8%
2007	384,000	34,392	38,529	36.6	N/A	4.0%
2006	382,000	30,734	34,860	36.4	N/A	4.0%
2005	381,000	28,614	32,621	36.2	N/A	4.6%
2004	382,000	26,536	30,260	36.0	85.1%	5.6%
2003	387,000	26,297	30,061	35.7	87.0%	5.7%
2002	391,000	26,629	30,689	35.5	84.7%	4.3%

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

CITY OF TULSA
Number of City Employees
Last Ten Years

Departments	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Public Works	1,245	1,441	1,453	1,445	1,426	1,608	1,609	1,471	1,507	1,520
Police	874	888	897	898	892	936	926	919	939	940
Fire	698	708	714	714	713	721	719	718	730	730
Information Technology	249	270	278	277	273	193	193	194	215	217
Park & Recreation	180	270	273	274	274	384	384	400	514	556
Airports	157	158	172	171	169	174	173	162	163	156
Urban Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	127	127	130
Finance	153	89	84	84	78	76	76	77	86	96
Planning and Economic Development	118	91	93	93	84	n/a	n/a	n/a	n/a	n/a
Equipment Management	79	79	83	83	83	83	83	90	93	94
Working in Neighborhoods	72	87	91	86	83	n/a	n/a	n/a	n/a	n/a
Municipal Courts	50	53	58	58	58	63	62	62	65	65
All Other ⁽¹⁾	200	227	242	254	286	256	250	249	262	277
	4,075	4,361	4,438	4,437	4,419	4,494	4,475	4,469	4,701	4,781

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

Source : City of Tulsa, Annual Budget Book

CITY OF TULSA
OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Seven Years

Function/Program	2011	2010	2009	2008	2007	2006	2005
Public Safety & Protection:							
Municipal Court							
1. 50% compliance with sentences of the Court	N/A	65%	68%	52%	42%	65%	63%
Police Department							
1. Reduction in major crimes as measured by the Uniform Crime Reporting System	5.0% less than FY 10	9.0% less than FY 09	1.6% less than FY 08	-1.7% less than FY 07	5% less than FY 06	1% less than FY 05	6% more than FY 04
2. Complete all requests for analysis	5.0% less than FY 10	20.7% more than FY 09	6.8% more than FY 08	-8.4% less than FY 07	7% less than FY 06	N/A	N/A
3. Investigate all complaints received. Solve/close as many as possible.	15% increase over FY 10	16.1% decrease over FY 09	0.7% decrease over FY 08	14% increase over FY 07	1% increase over FY 06	N/A	N/A
Fire Department							
1. Fire fatalities: Civilian - 0	N/A	13	14	8	4	6	6
2. Fire fatalities: Firefighter - 0	N/A	0	0	0	0	0	0
3. Property: Loss (millions) - \$18.0	N/A	\$12.60	\$27.60	\$20.70	\$21.00	\$17.70	\$11.90
4. EMS: Pulse restored percentage - 30%	N/A	40%	50%	29%	17%	31%	26%
Telecommunications/Information Services							
1. Achieve or exceed national standard for 911 call handling and dispatching (95% within 10 seconds)	>95%	95%	93%	95%	95%	94%	94%
2. Network availability of 98% or better	100%	100%	99%	99.50%	99.50%	99.50%	99.50%
3. Permits turnaround within one week	Meet	Met	Met	72%	N/A	N/A	N/A
Culture and Recreation:							
Parks							
1. Attract 500,000 participants in recreation programs	N/A	49,647	N/A	544,999	N/A	N/A	N/A
2. Facilitate 100 partnerships with community organizations	N/A	104	101	101	N/A	N/A	N/A
3. Attract 500,000 participants in Oxley Nature Center programs	N/A	575,000	560,000	558,172	N/A	N/A	N/A
4. Maintain a 20% park revenue to expenditure ratio	N/A	127	N/A	0	N/A	N/A	N/A
Gilcrease Museum							
1. Attract 140,000 visitors annually	110,000	105,000	100,000	80,000	105,000	102,000	125,000
2. Maintain proper climate in building 100% of the time	100%	100%	100%	100%	97%	100%	100%
Performing Arts Center							
1. Possible 10 points on customer surveys	N/A	9.8	9.8	9.7	9.7	9.7	9.7
2. Meet 100% of events' technical demands	N/A	100%	100%	100%	100%	100%	100%
3. Schedule and service 500 attended events annually	N/A	520	274	517	1	N/A	N/A
4. Generate \$5.5 million gross ticket sales per year	N/A	9,203,000	5,997,000	7,600,000	1	N/A	N/A
Social & Economic Development:							
Economic Development Commission							
1. Respond to visitor inquiries	47,000	46,000	49,000	68,000	68,000	68,000	48,000
2. Maintain current levels of future room nights	100%	81%	100%	100%	100%	100%	75%
3. Generate and respond to 800 out of state inquiries from event planners	800	677	793	770	770	770	770
Development Services							
1. Review permits within 5 days (on average)	N/A	100%	95%	80%	80%	Yes	No
2. Complete 98% of all inspections within the same day assigned	N/A	99.5%	98.3%	99.50%	N/A	N/A	N/A
Planning Department							
1. Public/private investment in planning areas, based on EDA Private to Public Investment Ratio standard of 4:1	N/A	6 plans completed	7 plans completed	N/A	N/A	N/A	N/A
2. Engaging citizens in the various planning activities	N/A	75% in new Planning areas	City-wide involvement in	50% of Planning areas	N/A	N/A	N/A
3. Public/private investment in planning areas, based on EDA Private to Public Investment Ratio standard of 4:1	N/A	Exceeded level of 10:1	Exceeded EDA standard of 4:1	Exceed standard of 4:1	Exceed standard of 4:1	N/A	N/A
Public Works & Transportation:							
Airports							
1. Maintain and improve facilities to meet the demands of the passengers and tenants	N/A	2.90 million persons served	3.03 million persons served	3.25 million persons served	3.246 million persons served	3.1 million persons served	3.1 million persons served
Public Works And Development							
1. 95% of projects designed & completed within scheduled time frame	N/A	Yes	Yes	Yes	Yes	Yes	Yes
2. Meet service demand 99% of the time	N/A	Yes	Yes	Yes	Yes	Yes	Yes
3. Maintain compliance with administrative orders	N/A	Yes	Yes	Yes	Yes	Yes	Yes
4. Collection of 99% of all revenue billed	N/A	Yes	Yes	Yes	Yes	Yes	Yes
5. On average restore service within five hours of water line breaks	N/A	No	Yes	Yes	Yes	Yes	Yes
6. Pavement management index: 60% of all streets have a PCI above 75	N/A	Yes	Yes	No	No	No	No
Metropolitan Tulsa Transit Authority							
1. Total passenger trips for fixed route service	2,440,000	2,560,000	2,689,000	2,544,000	2,318,000	2,255,000	1,770,000
2. Total passenger trips for lift program	201,000	206,000	232,000	231,000	210,000	210,000	201,000
Administrative and Support Services:							
Human Rights Department							
1. Percentage of filed complaints resolved within 160 days	N/A	70%	80%	80%	80%	80%	100%
Legal Department							
1. Review and approve 80% of all contracts within 14 calendar days from receipt	N/A	Meets	Meets	90%	93%	93%	N/A
Human Resources Department							
Achieve the following customer ratings:							
1. Very Satisfied - 80%	N/A	90%	90%	80%	80%	75%	75%
2. Satisfied - 15%	N/A	3%	10%	20%	20%	25%	25%
3. Moderately Satisfied or lower - <5%	N/A	20%	15%	0%	0%	0%	0%
Indian Nations Council of Governments (INCOG)							
1. Process 100% of development applications in a timely manner	N/A	100%	98%	99%	99%	99%	N/A
2. Maintain Fed trans eligibility and surface trans funding	N/A	14,106,000	13,556,000	N/A	N/A	N/A	N/A
Finance Department							
1. Achieve Bond Rating: Standard & Poor's- AA	AA	AA	AA	AA	AA	AA	AA
2. Achieve Bond Rating: Moody's- Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
3. GFOA Certificate of Excellence in Financial Reporting (CAFR) and Distinguished Budget Presentation Award	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Communications Department							
1. Answer calls within 24 seconds (4 rings)	N/A	60%	58%	76%	76%	76%	N/A
Equipment Management Department							
1. Maintain all City Equipment at 90% availability	N/A	93%	93%	90%	90%	94%	94%
2. Maintain 95% customer satisfaction	N/A	100%	95%	95%	99%	99%	99%

Source: City of Tulsa

CITY OF TULSA
CAPITAL ASSETS - STATISTICS BY FUNCTION
June 30, 2011

Functions

Public Works & Transportation

Streets - lane miles	4,312
Water mains - miles	2,187
Fire hydrants	15,324
Meters in service	141,389
Sewer mains - miles	1,897

Public Safety & Protection

Police:

Stations	3
Detention centers	1

Fire:

Stations	31
Ladder Trucks	13
Pumper Trucks	39

Cultural Development & Recreation

Parks:

Parks	123
Zoo	1
Golf courses	2
Recreation Centers	11
Swimming Pools	9

Public Events:

Venues	2
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CITY OF TULSA
TULSA METROPOLITAN UTILITY AUTHORITY
WATER AND SEWER RATES
Last Ten Years
 (Residential - Inside City Limits)

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2011	\$ 4.50	2.53	\$ 4.50	3.92
2010	4.20	2.37	4.50	3.56
2009	4.08	2.31	4.08	3.23
2008	4.00	2.17	4.08	3.05
2007	4.00	2.17	4.04	2.87
2006	3.85	1.98	4.04	2.61
2005	3.85	1.98	4.04	2.61
2004	3.85	1.98	4.04	2.61
2003	3.85	1.98	4.04	2.35
2002	3.85	1.98	4.04	2.13

APPENDIX OF ABBREVIATIONS

(Occasionally used throughout this report)

City	..City of Tulsa, Oklahoma
E-911	..Enhanced 911 emergency telephone number system (Police, Fire and Ambulance services)
EMSA	..Emergency Medical Services Authority
EPA	..U.S. Environmental Protection Agency
FY	..Fiscal year (July 1 through June 30)
GAAP	..Generally Accepted Accounting Principles
GASB	..Governmental Accounting Standards Board
GFOA	..The Government Finance Officers Association of the U.S. and Canada
GO	..General Obligation (bonds)
MERP	..Municipal Employees' Retirement Plan
MSA	..Metropolitan Statistical Area (of Tulsa)
MTTA	..Metropolitan Tulsa Transit Authority
PAC	..Performing Arts Center (of Tulsa)
PERS	..Public Employees' Retirement System
PFPI	..Privately Financed Public Improvement
RMUA	..Regional Metropolitan Utility Authority
RPA	..River Parks Authority
TAIT	..Tulsa Airports Improvement Trust
TARE	..Tulsa Authority for Recovery of Energy
TDA	..Tulsa Development Authority
TIA	..Tulsa Industrial Authority
TMUA	..Tulsa Metropolitan Utility Authority
TPA	..Tulsa Parking Authority
TPACT	..Tulsa Performing Arts Center Trust
TPFA	..Tulsa Public Facilities Authority
TST	..Tulsa Stadium Trust



COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2011