



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2012



CITY OF
Tulsa
A New Kind of Energy.

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2012

- MAYOR -

DEWEY F. BARTLETT JR.

- DIRECTOR OF FINANCE -

MICHAEL P. KIER, CPFO

- CONTROLLER -

DAVID W. BRYANT, CPA



ABOUT THE THEME

The artwork found in this year's Comprehensive Annual Financial Report pays homage to the wildlife and natural environments found in Tulsa and its surrounding areas. The rivers, lakes, prairies, and rolling hills of Green Country offer locals and out-of-state visitors access to a multitude of nature-related activities and experiences that cannot be found in other parts of Oklahoma. The unique combination of urban and natural environments fosters economic development opportunities for our city and region while maintaining the quality of life for residents and the area's natural inhabitants.

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CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2012

**CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2012**

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INTRODUCTORY SECTION



PRAIRIE WOLVES

- NATURE WORKS -

Annually, the NatureWorks Monuments Program has made it possible for NatureWorks to donate a heroic-sized, realistic bronze wildlife monument to the City of Tulsa.

Traditionally, NatureWorks erects a monument in the spring in honor of voluntary accomplishments made by an individual or group.



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

November 29, 2012

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, 2012. 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, 2012. 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, 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, 2012 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, 2012 are fairly presented in conformity with General Accepted Accounting Principles (GAAP).

Management's Discussion and Analysis (MD&A)

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

City Profile

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

The City was incorporated 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 396,466, representing a 1.1% increase over 2011, providing commerce, industrial, transportation and financial services for a metropolitan area of 956,000 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

Most indicators continued to improve in the Tulsa Metropolitan Statistical Area (TMSA) in 2012. After muted growth in 2011, the area population regained momentum, increasing 1.1% in 2012. Although population increased in 2012, the total labor force continued to fall. The annual metro labor force fell by 1,429 in 2012 (-0.3%), ending the current fiscal year with 428,706 job seekers. While labor force continued to decline, Wage & Salary employment reported its second consecutive year of growth, increasing 2.1% over 2011, and ended the fiscal year at 421,325. As employment has grown at a faster pace than labor force, the metro jobless rate fell again in 2012. The seasonally adjusted unemployment rate for the TMSA in 2012 was 5.4%, an improvement of 1.5 points from 2011 (6.9%). As there is some correlation between Wage & Salary employment and retail sales, it is not surprising to see that total retail sales in the TMSA rose 4% to \$9.35 billion in 2012. This is the third consecutive year of retail sales growth in the metro area. Meanwhile, sales tax revenue for the City of Tulsa increased 2.5% in 2011 and 9.7% in 2012, totaling \$219.2 million in 2012. About half of the 2012 increase was caused by a tax rate increase of 0.167% effective October, 2011. The Chamber of Tulsa has forecast retail sales to grow at an annualized rate of 4.8% in the coming two years, so it is likely sales tax revenue may increase at a similar rate over the same time.

The local construction and real estate economy continued to recover in 2012, specifically retail. Permit receipts for retail construction totaled \$26.45 million in 2012. This was an increase in excess of 200% over the previous year. However, 2011 was a particularly lackluster year for retail construction, reporting only \$8.22 million. Industrial permit receipts increased over the previous year, totaling \$7.04 million in 2012. This was a 14% increase over 2011, although still below totals reported in previous years. Office sector activity fell in 2012; decreasing 24% over 2011 and totaling \$9.17 million in 2012. One possible explanation for the decline in office construction may be the growing percentage of vacancy in office space. The amount of vacant office space has increased every year since 2009. In 2012 some 24% of all office space remained vacant. Over the same time, industrial vacancy increased 34.8%, with 12% of all industrial space remaining vacant in 2012. Only retail property vacancy rates have improved since 2009, decreasing from 15% to 13.9% in 2012. After five consecutive years of decline, residential construction in Tulsa increased in 2012. One hundred and seventy four residential construction permits were issued in 2012, an increase of 16% over the previous year. Although improving, residential construction still has much ground to recover in order to reach the 2006 high of 412 permits issued. Regarding existing homes, Moody's reported improvement in the value of existing homes in the TMSA. The average value increased 3% over the previous year to end 2012 at \$132,700. Moody's projects home values to remain flat in 2013 before resuming an annual growth of 3.8% through 2016.

Indicators within the local manufacturing and energy economy showed improvement in 2012. The Chamber of Tulsa reported gross metro product (GMP) for the area to have increased 3.3% over the previous year. This will be the second consecutive year of growth, when GMP increased 3.1% in 2011.

The Chamber forecasts GMP to continue to grow at an annualized rate of 3.8% through 2016. As the manufacturing sector is a large part of what makes up GMP, it is not surprising to see both air and barge freight have increased in 2012. After three years of decline, air freight increased 4.4% over 2011. Furthermore, total barge freight for the year, at the Port of Catoosa, is 40% higher than at this time last year. The Chamber also reports that the average manufacturing salary continued to increase in 2012, rising 1.4% over the 2011 weekly salary of \$795.10. This will have been the fourth consecutive year of salary growth. The Chamber forecasts weekly earnings in manufacturing to continue to grow at an annualized rate of 1.4% through 2016. Lastly, as the local area benefits from activity in the energy economy, it is encouraging that both rotary rig counts and West Texas Intermediate crude (WTI) Spot prices have continued to rise from their 2009 lows of 94 rigs and \$62 a barrel, respectively. The current total rig count for Oklahoma is 199 rigs, an increase of 14.4% over 2011. WTI crude ended 2012 at \$96.30 a barrel, an increase of 1.5% over the previous year, and is expected to increase in the coming year as well.

As demonstrated by the growth in employment, retail sales, GMP, and various energy related indicators; the local economy continues to improve and could soon regain most of the losses which occurred in the previous recession.

Long-term Financial Planning

The City of Tulsa utilizes three primary planning tools to assist policy makers in addressing near and long term operating and infrastructure challenges: the Five-Year Forecast, Enterprise Fund Rate Models and the Capital Improvements Plan (CIP).

Five-Year Forecast

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

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

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

Enterprise Fund Rate Models

Annually, the Tulsa Metropolitan Utility Authority (TMUA), the Tulsa Authority for Recovery of Energy (TARE), and the Stormwater Advisory Board produce five year forecasts of their operating and capital needs which establish the base upon which their rates are structured. These "rate models" incorporate revenue assumptions, debt service requirements and high priority capital projects as identified in infrastructure master plans. The results of this analysis are then incorporated into the City's Five-Year Forecast and the annual update of the Capital Improvements Plan (CIP).

Capital Improvements Plan (CIP)

In 1977, Tulsa's governing body adopted a Capital Improvement Plan (CIP) process which outlined a program to build, in an orderly manner, a large backlog of capital projects. Since then, the City has annually updated the five-year CIP schedule. Building on this tradition, the City updated the CIP

development process in 2010. The new policy requires departmental justification of expansion projects based on the projects potential return on investment (ROI), its potential leverage and linkages to other projects, and its contribution to the City's strategic initiatives. Additionally, all replacement and rehabilitation projects have been ranked and placed in tiers based on their contribution to public safety, asset preservation, and core service provision. Virtually all of the financing has been provided by four sources: General Obligation (GO) bonds, dedicated sales tax, user fees (pay as you go and a source to repay revenue bonds), and state and federal transfer payments. Local voters have continually validated this approach as 75 percent of all GO bond and sales tax proposals have been approved since the elected officials adopted the formal capital allocation process.

Together, the Third Penny Sales Tax, General Obligation Bond programs, user fees, revenue bonds, and intergovernmental revenue have financed well over \$3.0 billion in needed projects since 1980. In November of 2008, the City of Tulsa electorate approved a street improvement package totaling \$451.6 million. The program is comprised of \$285 million in General Obligation Bond proceeds and \$166.6 million in sales tax revenue which will be derived from the extension of the current third penny sales tax and a 0.167% increase. The program will fund 128 arterial and residential street projects across the City. The program's implementation began in June 2009 and to date the City has issued \$190 million of the \$285 million authorized by Tulsa voters. The final two issues will occur in 2013 and 2014.

Additionally, the City is wrapping up the implementation of the 2006 Sales Tax program and 2005 General Obligation bond program approved by voters. In total, these two programs have provided \$714 million to fund capital needs across the City. These programs have made substantial improvements to streets, sanitary sewers, flood control facilities, police, fire and public buildings.

The City has also benefited from the countywide \$535 million Vision 2025 sales tax capital program approved by voters in 2003. 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 center piece was a \$183 million multi-purpose arena, and a renovated convention center. The new BOK Center arena opened in September 2008, and the expanded Maxwell Convention Center is now complete.

Major Initiatives

Bridges of Faith/Mentoring

Faith-based organizations wish to partner with City officials to provide youth activities to the underserved.

Mobile Website

As part of communications and outreach, plans are to launch of the City of Tulsa's first mobile website.

Government Efficiencies

A worker's compensation cost and efficiency study was recently conducted with recommendations made to create a safety culture at the City of Tulsa. These efforts should reduce on-the-job and at-home injuries which impact costs in the City's worker's compensation system and healthcare benefits.

A Pension reform committee was created to review the City of Tulsa's pension program and recommend positive reforms that will ensure the City can meet its obligations and keep its promises to employees and retirees

A Fleet management study was conducted with the view to reduce the number of unnecessary vehicles, consolidate operations, move more of the fleet to CNG-powered vehicles, thereby reducing fleet costs.

Manufacturing Jobs

The goal for the current number 2 City of Tulsa is to become the number 1 city nationwide in energy manufacturing related employers and jobs, overtaking Houston, the current leader.

The City planners are working with the public and technical schools to provide skills training and actively recruit high school students to manufacturing careers. This will provide much needed workforce to keep the manufacturing industry strong and in Tulsa.

Entrepreneurship and Small Business

To make the City of Tulsa more business and developer friendly, staff are being tasked to make improvements in communications and processes.

Brownfields

Brownfields are typically abandoned industrial sites or buildings. The plan is for the redevelopment of brownfields into revenue generating activities by aggressively seeking federal grants for the clean-up.

Community Gardens

As part of the Mayor's health and fitness initiative, known as Get Lean Tulsa, Victoria Bartlett is leading the way to healthier communities. This goal will be met by cultivating urban gardens, educating citizens on growing fruits and vegetables, and encouraging lifestyle changes for healthy weight and active routines.

CNG Market Development

Compressed Natural Gas (CNG) is used in City truck and car fleets. A CNG station for public use that will "fuel" the market and provide more supply of CNG to motorists has opened. The goal is to encourage citizens, local agencies, and private corporations to convert or buy CNG vehicles. The result should create a demand for additional private suppliers.

Furthering Private-Public Partnerships with the City of Tulsa

The Tulsa Zoo is one example of private-public partnership that has worked very well – restoring the beauty and greatness to the Tulsa Zoo a day at a time. The Tulsa Zoo has made phenomenal progress with its aesthetics and maintenance since management was contracted with Tulsa Zoo Management Inc., a private, local company. Another example, the Gilcrease Museum, is attracting new exhibits and more student involvement now that it is under the management of the University of Tulsa. The City-owned golf courses are under private management with Billy Caspar Golf and, now that all of the greens have been replaced, seeing increases in the number of rounds being played.

Lights On

Street lights in areas of the city where citizens have said they feel are too dark to move around on at night have been turned back on.

Demolishing Abandoned and Dilapidated Structures

City leader have made the commitment to demolition of dilapidated structures an annual priority in the City budget. The City also partners with other entities such as Tulsa County to fund and remove nuisance properties.

Energy

The Mayor hired an Oil and Gas Consultant and Industry expert to lead the City down the path to new kinds of energy and well as strengthening the existing energy industry.

Downtown Parking

The parking meter system has been expanded to enhance economic development and improve the customer service experience.

City Hall in Your Neighborhood

A series of nine town hall-style meetings where citizens could meet and discuss issues, ask questions and find out more about their own neighborhoods through dialogue with the Mayor, City Councilors and City Department leaders have been held. The effort was successful in attracting hundreds of people to each District meeting and the format will be continued in 2013, centering around citywide issues as well as neighborhood needs.

Economic Development

The following represent the top eight initiatives the City is promoting:

Optimize the Arkansas River Corridor

One of Tulsa's greatest assets is the Arkansas River. Its presence represents an incredible opportunity for new development. It should play a vital role in improving tourism, boosting sales tax revenue, and creating a unique gathering place for Tulsans and people all across the region.

Grow the Energy Industry

The Energy Industry has long roots in Tulsa and great potential to grow. It is important to exploit Tulsa's existing reputation as a great energy city. The City plans to grow and attract new business in the energy industry, both in oil and natural gas, but also in alternative energies.

Develop Corridors and Main Street Programs

Tulsa is rife with infill development opportunities along our existing corridors. On both the major arterials and smaller sub-arterials, Tulsa has incredible infrastructure in place for revitalization and new development. Efficient development capitalizes on existing infrastructure, rather than relying on new roads and infrastructure to be built to accommodate new development.

Invest in Under-Utilized Areas

While parts of Tulsa have seen a tremendous amount of investment over the years, there are areas of town that have struggled to receive attention. The Mayor and the council agree that a new focus should be placed on areas of town where economic development has been minimal. Areas to the north, east and west are in the highest need of attention.

Develop Local Businesses

Developing our own businesses is critical to the long-term viability of Tulsa. There is an opportunity to be a leader in entrepreneurship and innovation and should work to keep talent in Tulsa.

Promote Tourism

Tulsa has an opportunity to capitalize on its existing assets, especially for the purpose of attracting visitors. The River, Route 66, Downtown Tulsa, and Tulsa's shopping districts and hotel network all play a vital role in attracting visitors to stay and spend their dollars in Tulsa.

Create a “Services Contract” with the Community

The City of Tulsa has an opportunity to establish some ground rules for how its actions impact the city and citizens. The business community, both current and prospective, will benefit from a commitment from Development Services to better accommodate new business development.

Implement PLANiTULSA

Tulsa has undergone a historic process of creating a new master plan. It is important to continue the implementation of PLANiTULSA to make Tulsa government-friendly for businesses.

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, 2011. This was the thirtieth 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, 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
Jeannie Cue.....	District 2
David Patrick.....	District 3
Blake Ewing	District 4
Karen Gilbert.....	District 5
Byron "Skip" Steele.....	District 6
Thomas Mansur	District 7
Phil Lakin, Jr	District 8
G.T. Bynum.....	District 9

CITY AUDITOR

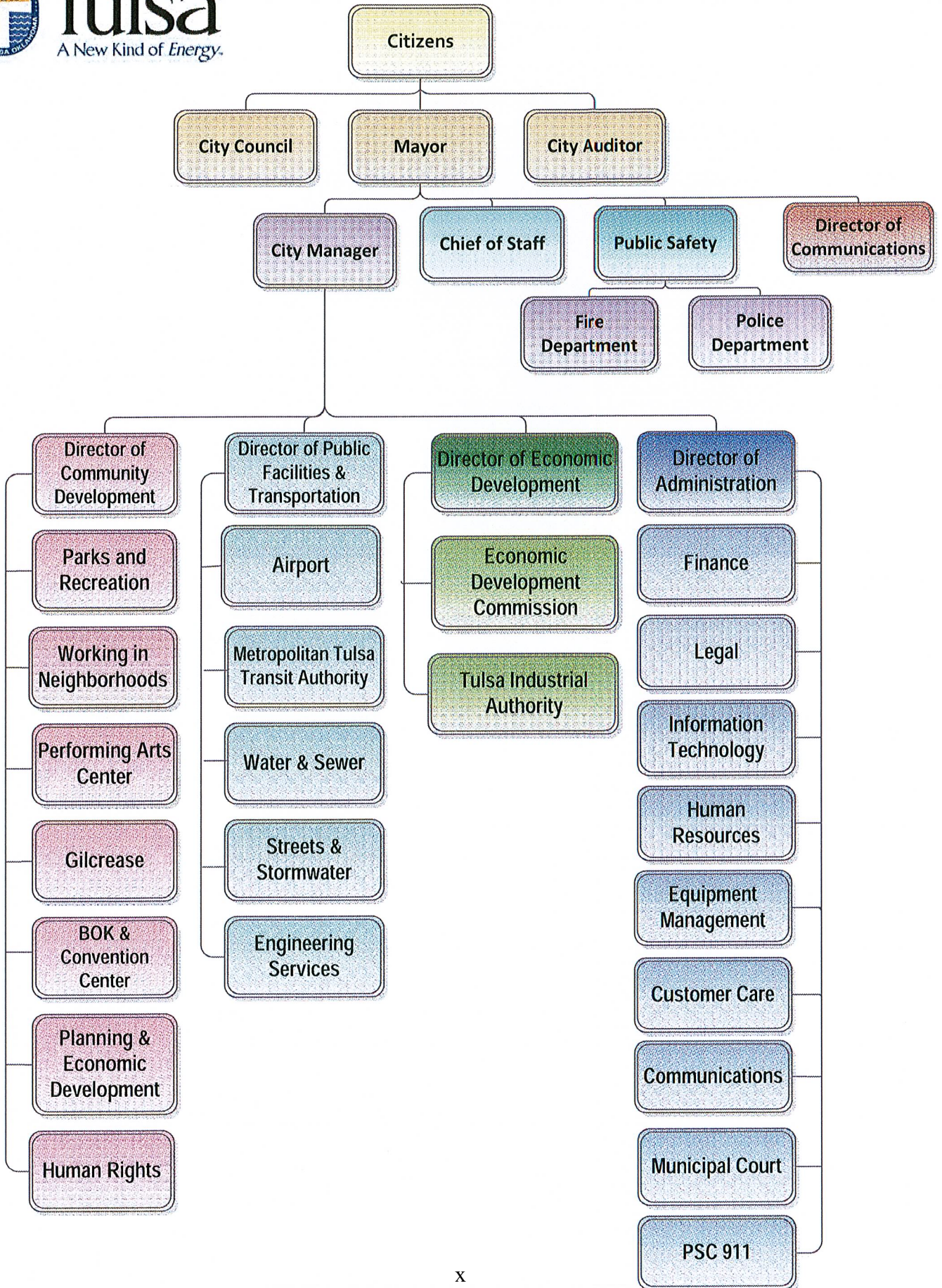
Clift Richards

MAYOR'S MANAGEMENT TEAM

David O'Meilia	City Attorney
Jim Twombly	City Manager
Clay Bird	Chief Economic Development Officer
Chuck Jordan	Chief of Police
Jarred Brejcha	Chief of Staff
Jonathan Brooks	Chief Technology Officer, Acting
Kimberly MacLeod	Director of Communications
Dwain Midget	Director of Community Development and Education
Paul Zachary	Director of Engineering Services
Michael P. Kier	Director of Finance
Erica Felix-Warwick	Director of Human Resources
Dr. Michael Smith	Director of Human Rights, Acting
Brett Fidler	Director of the Office of Sustainability
Dawn Warrick	Director of Planning and Economic Development
Dan Crossland	Director of Streets and Stormwater
Clayton Edwards	Director of Water and Sewer
Jeff Mulder	Director of Public Facilities and Transportation
Ray Driskell	Fire Chief



CITY OF Tulsa
A New Kind of Energy.



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, 2011

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. Davison

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

- ARKANSAS RIVER -

With approximately 41 miles of river front and 800 acres of natural open spaces in the city, the Great Blue Heron has made the Arkansas River its home. The river, stocked with fish and reptiles, provides a variety of species for the Great Blue Heron to enjoy.



BLUE HERON



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, 2012, 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 2 percent of total assets and 0.8 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 1 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 6 percent and 46 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, 2012, 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 to the basic financial statements, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated beginning net position for items previously reported as assets.

The accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages MDA-1 through MDA-14, and pension and postemployment information on pages 60 and 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has not been subjected to the auditing procedures applied in the audits of the basic financial. Accordingly, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

McGladrey LLP

Kansas City, Missouri
November 28, 2012

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

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, 2012. 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 2012, contain an implied reference to the fiscal year, such as "fiscal year 2012."

Financial Highlights

Government-Wide Financial Statements

- The primary government's net position increased 5.4% or \$96.0 million during 2012, compared to an increase of \$74.6 million during 2011. The significant increases were due to the following activities:
- Revenue from operating grants and contributions from outside federal and state agencies increased \$2.1 million during 2012 compared to a \$6.4 million increase during 2011.
- Governmental activities' sales tax revenue increased \$19.9 million as the local economy continued to strengthen. The "4 to Fix the County" initiative allocated an additional 0.167% sales tax rate increase. Major retail development continued as new big box stores and restaurants were added to the Tulsa Hills shopping district.
- Property tax revenue increased by \$9.6 million as tax assessments for bonded debt and judgments continue to rise.
- The business-type activities net position decreased by \$1.9 million during 2012, compared to a \$3.1 million decrease during 2011. The net position of the business-type activities of the Tulsa Public Facilities Authority (a blended component unit of the City) decreased by \$1.9 million in 2012, compared to a \$5.4 million decrease in 2011. Stormwater management net position had little change in 2012, compared to a \$3.1 million increase in 2011 representing new investment in capital assets to maintain and improve the City's infrastructure. The Tulsa Stadium Trust net position decreased \$1.0 million over 2011, the first year it was included in business-type activities. Golf courses net position increased \$1.0 million in 2012 as renovations were completed and all courses were fully operable.
- Investment earnings decreased \$4.9 million during 2012 compared to a decrease of \$2.2 million during 2011. Continued decline in interest rates account for the 60.5% decline.
- In 2012, the City issued \$60.6 million general obligation (GO) bonds. Proceeds totaling \$50 million will be used to fund streets projects. The remaining \$10.6 million were issued to refund Series 2002C GO bonds.
- In 2012, the City's primary government expenses increased by \$36.7 million, or 9.2%, compared with a \$30.3 million (8.4%) decrease in 2011. Contributing to the changes are the following expenses:
- Administration and support increased \$5.8 million or 20.0% compared to a \$5.3 million (15.4%) decrease in 2011 due to reorganization of city departments.
- Public safety and protection increased by \$22.8 million or 11.8% compared to a \$9.2 million (5.0%) increase in 2011 primarily due to salary increases and fuel costs.
- Public works and transportation increased \$2.5 million or 4.3% compared to \$24.7 million (29.6%) decrease during 2011 due to reorganization of city departments.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Fund Financial Statements - Major Governmental and Proprietary Funds

Governmental funds reported a combined fund balance of \$429.1 million, up 8.0% from 2011. Notable changes are as follows:

- The General Fund's fund balance increased \$4.0 million to \$71.1 million, a product of an improving local economy and management's careful use of resources.
- The Debt Service Fund's fund balance increased \$6.3 million or 16% as a result of additional tax levies to fund debt reserves.
- General Fund use tax revenue increased 20.1% to \$21.5 million as economic activity and development sustained a continued recovery in the Tulsa area.
- Capital project infrastructure expenditures totaling \$46.7 million of Sales Tax Funds increased by \$4.5 million which was anticipated in the annual budget.
- Fund balance in the Sales Tax Fund increased \$21.2 million or 17.9% over 2011 due to sales tax receipts exceeding capital project expenditures
- Stormwater Management fund incurred an operating loss of \$4.1 million while receiving \$1.1 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 \$0.1 million decrease in net position.
- One Technology Center contributed lease revenue of \$9.4 million, an increase of \$0.8 million. Contractual escalations for existing leases accounted for the increase.
- BOK Center and the Convention Center contributed \$12.0 million in revenue, down \$0.8 million from the previous year. Fewer event days were scheduled and one sports franchise closed.

Debt Offerings

- General Obligation bonds – In December 2011 and June 2012, the City issued General Obligation bonds totaling \$62.2 million which includes \$1.6 million for premium on debt issuance. \$50 million of the proceeds are to be used for street improvements and will be repaid 100% from the sinking fund. The remaining \$10.6 million proceeds, also to be repaid 100% from the sinking fund, were used to refund Series 2002C and reduce future debt service payments. Reductions totaling \$43.6 million represent principal payments on existing obligations. Refer to Note 11.
- Revenue bonds – In April, May, and June 2012, Revenue Bonds were issued totaling \$43.5 million which includes \$2 million of premium on debt issuance. Tulsa Public Facilities Authority (TPFA) issued \$10.9 million to use for capital improvements for the Tulsa Authority for Recovery of Energy (TARE). TPFA reductions totaling \$16.6 million represent principal payments on existing obligations. Tulsa Metropolitan Utility Authority (TMUA) Sewer Fund issued \$12.7 million refunding and reduced debt obligations by \$20.6 million. Tulsa Parking Authority (TPA) issued \$17.9 million refunding and reduced debt obligations by \$20.2 million.
- The Tulsa Metropolitan Utility Authority Sewer Fund issued promissory notes in the amount of \$32.4 million and reduced existing obligations by \$8.4 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

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

collateralized by a first lien and security interest in the TMUA's wastewater treatment system, water distribution system, and the associated revenues.

- Tulsa Airport Improvement Trust – Reductions totaling \$7.7 million represent principal payments on existing obligations.

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

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. The adoption of these Statements changed the presentation of the basic, fund and component unit financial statements to a statement of net position format.

Government-Wide Financial Statements

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

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

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

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

- **Governmental activities** - Most of the City's basic 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.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

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.

The funds of the City are divided into three categories:

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

Notes to the Financial Statements - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements 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. This section also includes budget to actual schedules for the General Fund and certain special revenue funds.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Government-Wide Financial Analysis

Net position of the City of Tulsa -- As of June 30, 2012, the City's combined net position was \$1.88 billion, with \$1.95 billion investment in capital assets before its related debt of \$366.8 million. Restricted net position totaling \$209.3 million is composed of \$40.5 million in debt service, \$153.5 million in capital projects, \$1.2 million in community development, and \$14.1 million for other purposes. Unrestricted net position totals \$81.6 million.

Governmental activities' net position increased \$97.9 million and Business-type activities' net position decreased \$1.9 million.

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 590,873	\$ 552,744	\$ 49,671	\$ 44,898	\$ 640,544	\$ 597,642
Capital assets	1,317,644	1,237,660	635,056	642,926	1,952,700	1,880,586
Deferred outflows of resources	-	-	6	-	6	-
	<u>1,908,517</u>	<u>1,790,404</u>	<u>684,733</u>	<u>687,824</u>	<u>2,593,250</u>	<u>2,478,228</u>
Current and other liabilities	98,233	156,981	18,415	17,247	116,648	174,228
Long-term liabilities	441,266	417,924	102,858	105,178	544,124	523,102
Deferred inflows of resources	55,582	-	-	-	55,582	-
	<u>595,081</u>	<u>574,905</u>	<u>121,273</u>	<u>122,425</u>	<u>716,354</u>	<u>697,330</u>
Net position:						
Net investment in capital						
assets	1,050,508	989,190	535,424	539,992	1,585,932	1,529,182
Restricted	197,455	160,049	11,875	8,936	209,330	168,985
Unrestricted	65,473	66,260	16,161	16,471	81,634	82,731
	<u>\$ 1,313,436</u>	<u>\$ 1,215,499</u>	<u>\$ 563,460</u>	<u>\$ 565,399</u>	<u>\$ 1,876,896</u>	<u>\$ 1,780,898</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 position of Business-type activities decreased 0.3% to \$563.5 million in 2012 from \$565.4 million in 2011, which included unrestricted net position of \$16.2 million and \$16.5 million at June 30, 2012 and 2011, respectively.

The City's total revenues increased 13.1% to \$529.8 million in 2012. Sales taxes, the largest revenue category, increased to \$219.2 million in 2012 from \$199.4 million in 2011. The increase is a result of continuing economic upturn and major development of an expanding shopping district. Property taxes increased to \$59.0 million in 2012 from \$49.3 million in 2011, satisfying debt service requirements on recent general obligation bond issues.

Program revenue generated \$169.7 million, consisting of charges for services, federal and state grants, and other contributions, up from \$135.5 million in 2011. Capital grants revenue increased by \$24.0 million while revenue for services increased by \$8.2 million. Operating grant revenue increased \$2.1 million.

Business-type activity revenues totaling \$49.5 million include revenue generated by the One Technology Center and the BOK and Convention Centers totaling \$9.4 million and \$12.0 million respectively. Stormwater revenues decreased \$0.1 million or 0.6%. Fees collected at the City's two thirty-six holes golf courses increased to \$2.6 million as major renovations were concluded and all 36 holes were open for play.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Expenses for the primary government increased 9.2% to \$433.8 million. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs.

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 54,733	\$ 48,081	\$ 47,837	\$ 46,278	\$ 102,570	\$ 94,359
Operating grants/contributions	29,629	27,816	308	-	29,937	27,816
Capital grants/contributions	36,144	9,924	1,072	3,319	37,216	13,243
General revenues:						
Sales taxes	219,240	199,384	-	-	219,240	199,384
Property taxes	58,955	49,315	-	-	58,955	49,315
Franchise	22,427	27,225	-	-	22,427	27,225
Use tax	21,522	17,927	-	-	21,522	17,927
Hotel/Motel taxes	6,120	5,683	-	-	6,120	5,683
Intergovernmental revenue	23,305	22,699	-	-	23,305	22,699
Other	8,164	10,079	316	611	8,480	10,690
	<u>480,239</u>	<u>418,133</u>	<u>49,533</u>	<u>50,208</u>	<u>529,772</u>	<u>468,341</u>
Expenses:						
Administrative & support	34,516	28,756	-	-	34,516	28,756
Public safety & protection	216,651	193,869	-	-	216,651	193,869
Public works & transportation	61,139	58,636	-	-	61,139	58,636
Culture & recreation	16,369	15,812	-	-	16,369	15,812
Social & economic development	24,089	21,894	-	-	24,089	21,894
Interest on long-term debt	12,724	12,624	-	-	12,724	12,624
Stormwater	-	-	27,729	26,050	27,729	26,050
One Technology Center	-	-	10,435	9,884	10,435	9,884
Arena & Convention	-	-	22,823	22,480	22,823	22,480
Tulsa Stadium Trust	-	-	3,603	3,768	3,603	3,768
Golf courses	-	-	3,696	3,316	3,696	3,316
	<u>365,488</u>	<u>331,591</u>	<u>68,286</u>	<u>65,498</u>	<u>433,774</u>	<u>397,089</u>
Changes before transfers	114,751	86,542	(18,753)	(15,290)	95,998	71,252
Transfers	(16,814)	(11,950)	16,814	11,950	-	-
Change in Net position	97,937	74,592	(1,939)	(3,340)	95,998	71,252
Net position, beginning as restated	1,215,499	1,140,907	565,399	568,739	1,780,898	1,709,646
Net position, ending	<u>\$ 1,313,436</u>	<u>\$ 1,215,499</u>	<u>\$ 563,460</u>	<u>\$ 565,399</u>	<u>\$ 1,876,896</u>	<u>\$ 1,780,898</u>

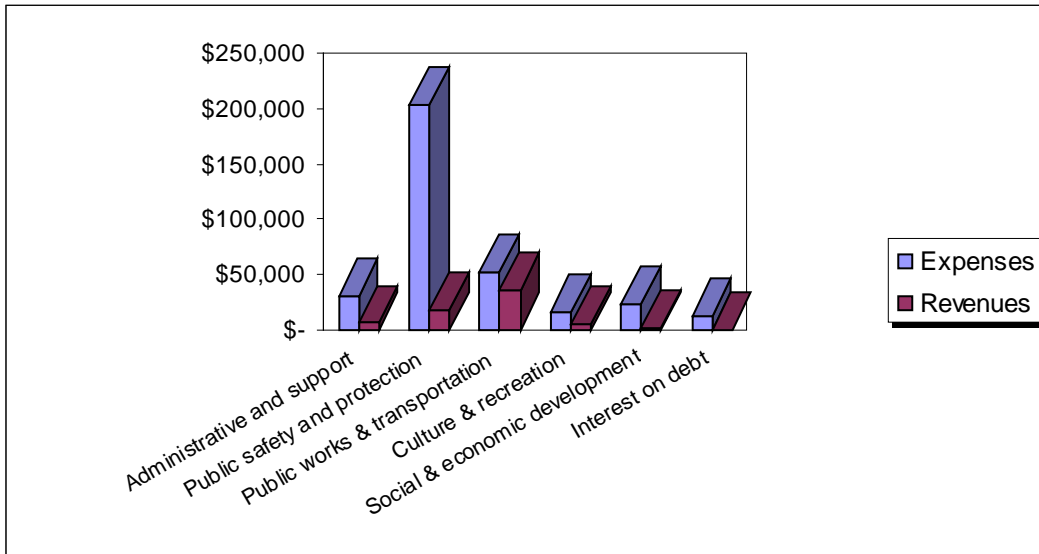
Governmental Activities - Governmental Activities' general revenues increased 8.3%, while expenses increased 10.2%. Sales tax revenues increased 10.0% due to tax rate increase and expanding retail. Property tax revenues increased 19.5% while franchise, use, and hotel taxes decreased a combined 1.5%. Transfers from governmental activities to business-type activities increased \$4.9 million.

City of Tulsa, Oklahoma
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- Administrative and support expenses increased 20.0% partially due to departmental restructurings.
- Public safety expenses are 11.8% higher. Both Police and Fire held an academy in 2012 and experienced salary increases.
- Public works and transportation expenses increased 4.3% due to departmental reorganizations and depreciation expense increases.
- Culture and recreation expenses increased 3.5%. Additional expenses for maintenance were assumed as funding for five swimming pools were added.
- Social and economic development expenses increased 10.0%. The increase is partially due to grant expenditures that were disallowed and are to be repaid to the granting agency.

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 \$365.5 million. A portion of the costs were paid by those who directly benefited from the programs (\$54.7 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$65.8 million).

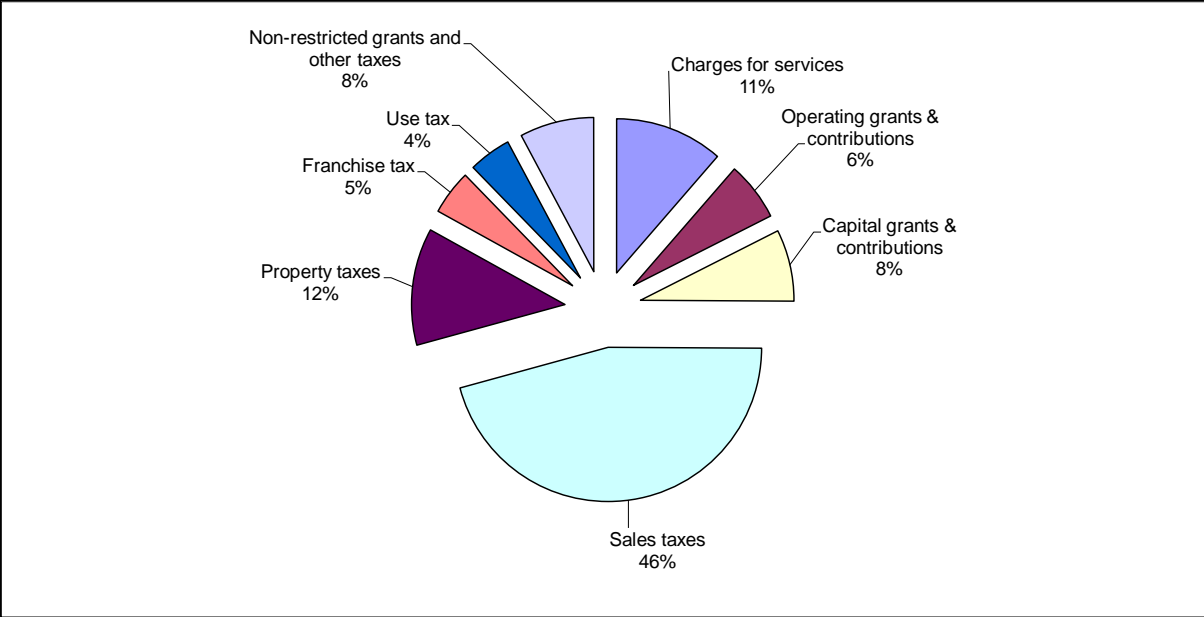
The remaining costs were paid as follows:

- The City paid the \$245.0 million “public benefit” portion with \$359.7 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 \$169.5 million.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
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- Administration and support service costs were 8.0% of overall expenses in 2012, up from 7.2% in 2011.
- For every dollar of social and economic expenses in 2012, 33 cents came from federal and state grants, down from 40 cents in 2011.
- Governmental Activities transferred \$16.8 million to Business-Type Activities, in the form of transfers and capital contributions. Another \$11.8 million was transferred to Component Units, as follows: Metropolitan Tulsa Transit Authority - \$7.5 million, Tulsa Development Authority - \$2.1 million, Tulsa Parking Authority - \$2.0 million, and Tulsa Airports - \$0.2 million.
- 46% of Governmental Activities revenue came from sales taxes (see Graph 2).

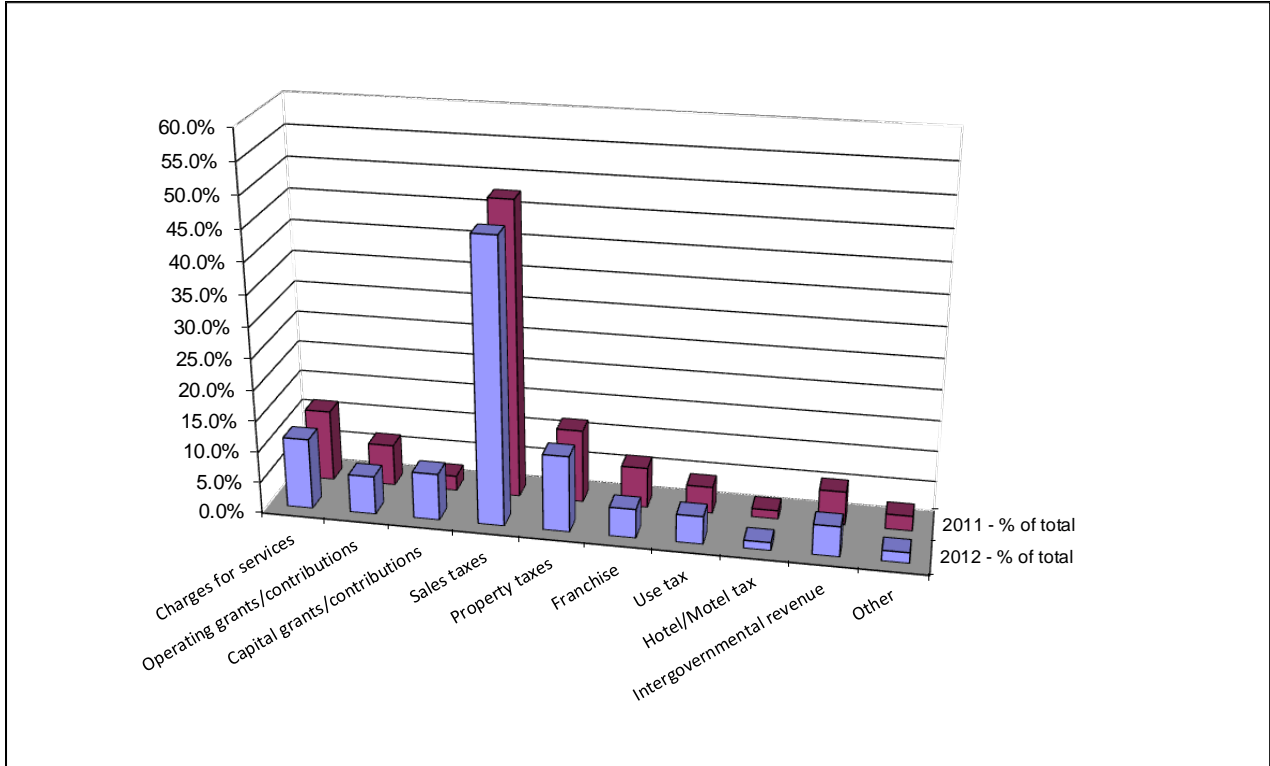
Graph 2 - Governmental Activities – Revenue by Source



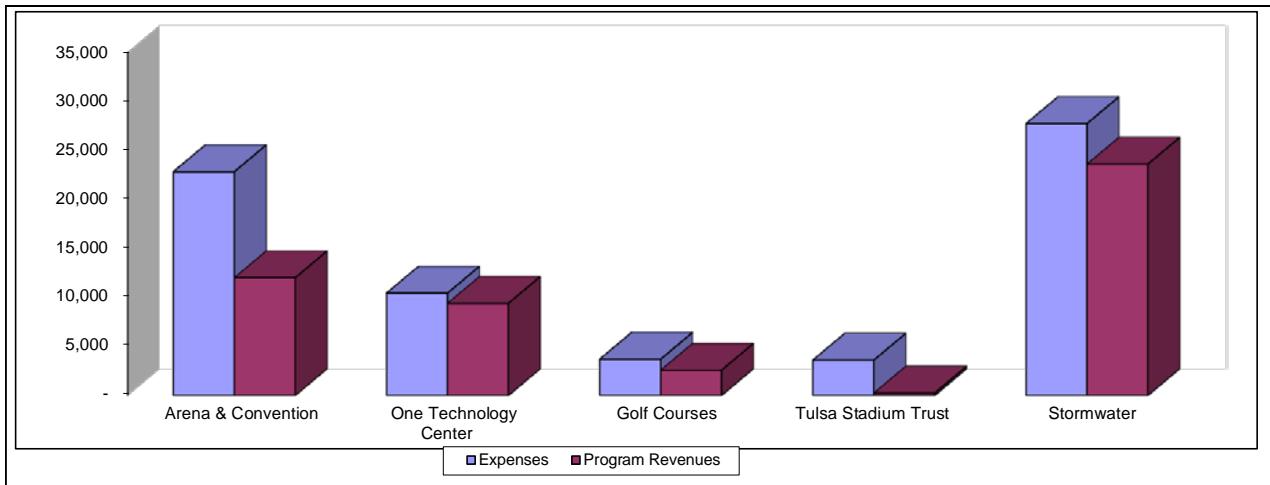
City of Tulsa, Oklahoma
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The mix of various revenues remains fairly constant as illustrated by Graph 3. One exception is Capital grant/contribution revenue, which rose to 7.5% of the mix up from 2.4% in 2011 due to road improvement contributions received from the State Department of Transportation.

Graph 3 - Governmental Activities – Change in Revenue by Source



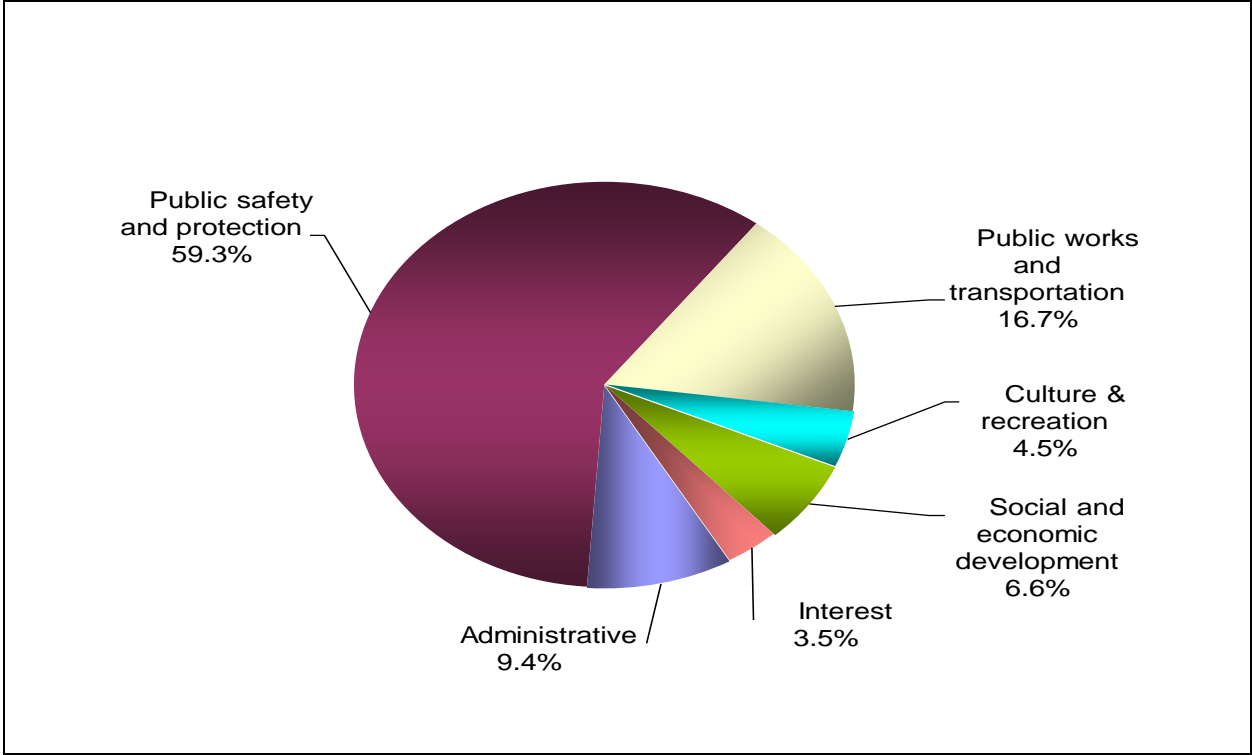
Graph 4 – Expenses and Program Revenues – Business-type Activities



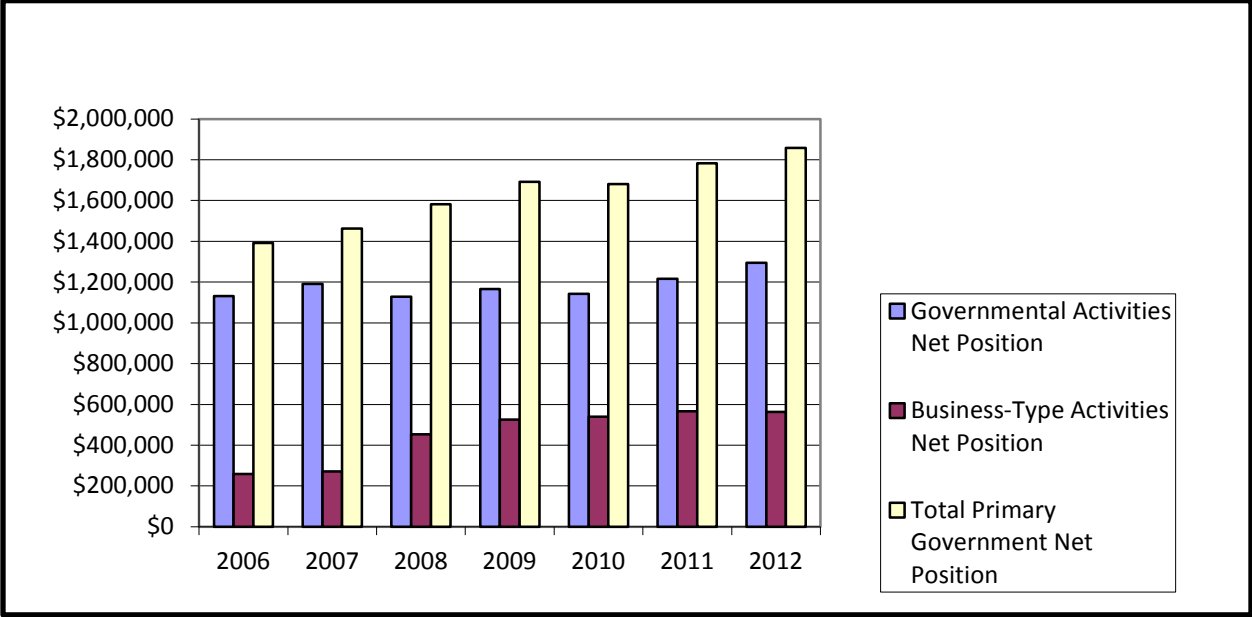
City of Tulsa, Oklahoma
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Of the Governmental Activities expenses, 59.3% were for public safety and protection and 16.7% were for public works and transportation (see Graph 5).

Graph 5 - Expenses – Governmental Activities



Graph 6 – Government-Wide Net Position



City of Tulsa, Oklahoma
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Graph 7 – Employment Levels

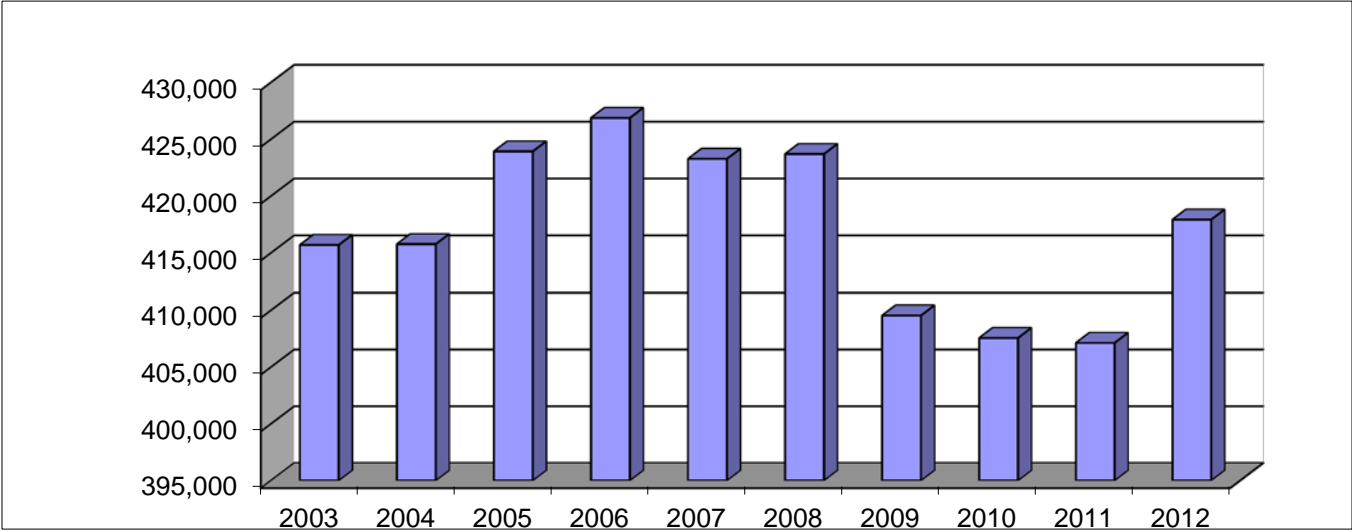
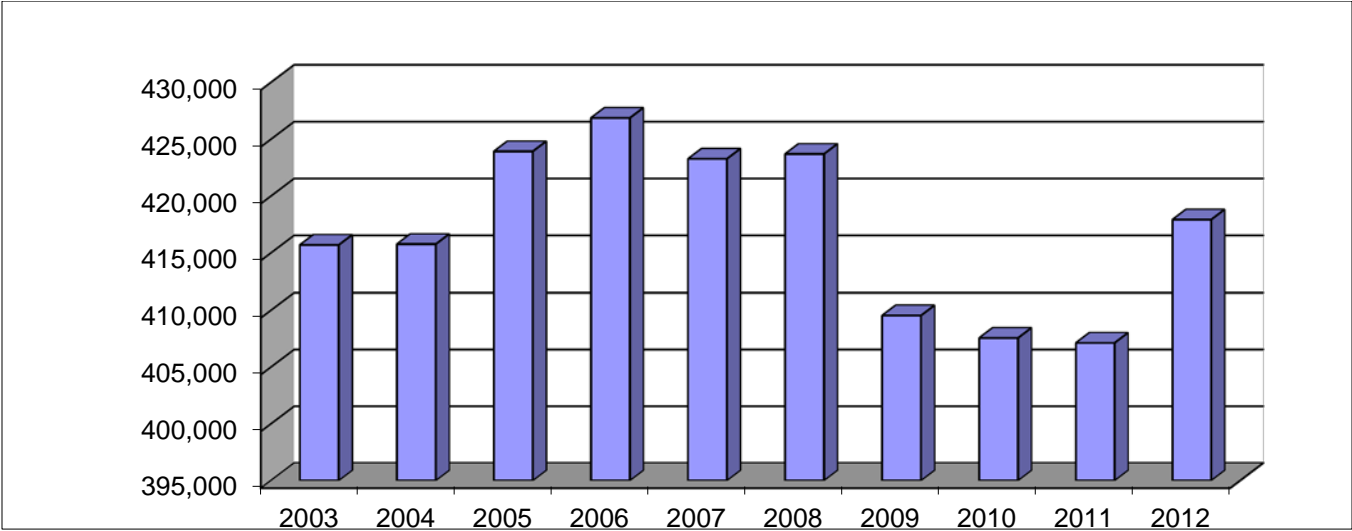


Chart 8 – Unemployment Levels



City of Tulsa, Oklahoma
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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 2012 General Fund budget adopted by the Mayor and City Council totaled \$253.9 million. The budget was balanced with revenue estimates of \$245.8 million and fund balance totaling \$8.1 million. It was 9.0 percent more than the 2011 original budget. Taking into consideration 2011 carry over encumbrances, the total authorized expenditure amount on July 1, 2011 was \$260.7 million.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues:								
Taxes	\$ 177,935	\$ 163,514	\$ 178,195	\$ 168,440	\$ 183,590	\$ 173,566	\$ (5,395)	\$ (5,126)
Licenses and permits	5,524	5,059	5,524	5,059	6,832	5,922	(1,308)	(863)
Intergovernmental	8,111	8,686	8,111	8,709	8,896	9,054	(785)	(345)
Charges for service	35,112	35,788	35,112	35,047	34,968	33,648	144	1,399
Fines and forfeitures	10,541	8,076	10,581	8,141	11,566	10,805	(985)	(2,664)
Investment income	5,277	5,231	5,277	5,231	3,780	4,452	1,497	779
Miscellaneous	2,251	1,295	2,416	2,701	3,032	3,541	(616)	(840)
Transfers In	1,075	2,375	1,075	2,375	1,050	2,387	25	(12)
	<u>\$ 245,826</u>	<u>\$ 230,024</u>	<u>\$ 246,291</u>	<u>\$ 235,703</u>	<u>\$ 253,714</u>	<u>\$ 243,375</u>	<u>\$ (7,423)</u>	<u>\$ (7,672)</u>
Expenses:								
Administration and support	\$ 22,999	\$ 21,417	\$ 25,400	\$ 22,919	\$ 23,660	\$ 19,828	\$ 1,740	\$ 3,091
Public works and transportation	30,115	26,870	30,925	30,811	29,838	30,135	1,087	676
Social and economic development	10,607	8,711	11,155	9,689	10,245	9,303	910	386
Public safety and protection	158,836	149,828	164,522	154,090	161,689	150,961	2,833	3,129
Culture and recreation	14,291	14,446	14,747	14,685	14,590	14,125	157	560
Payments to component units	7,450	5,775	7,450	5,775	7,450	5,775	-	-
Transfers out	9,599	5,845	10,658	7,337	10,607	7,337	51	-
	<u>\$ 253,897</u>	<u>\$ 232,892</u>	<u>\$ 264,857</u>	<u>\$ 245,306</u>	<u>\$ 258,079</u>	<u>\$ 237,464</u>	<u>\$ 6,778</u>	<u>\$ 7,842</u>

With the local economy starting to improve in 2011, the resulting revenue increase generated 2011 carry over fund balance available for appropriation used by the Mayor and City Council to finance a number of one time projects in 2012. The carryover was also allocated to pension and OPEB liabilities that had accrued in the recent past. The additional revenue in 2012 made possible across the board wage increases for city employees.

Budget amendments were rather modest in 2012 and only increased appropriations by 1.7% of the original approved amount. The largest increase was needed to fund final 2012 IAFF contract provisions and to pay HUD for past CDBG ineligible expenditures. Revenue collections in excess of original projections financed most of the budget changes.

Prudent management of the city's General Fund resources produced a healthy fund balance available for appropriation at the end of 2012. The Mayor and City Council made the first \$2 million deposit into the City's voter approved Economic Stabilization reserve, aka "the rainy day account". The money cannot be withdrawn unless revenues decline. The emergency operating reserve was also increased from 6 percent of the budget to 6.25%, and officials committed other fund balance to pay for the 2012 increase in the General Fund's pension and OPEB liabilities. Other high priority one time projects consumed most of the remaining fund balance.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

The 2012 revenues and expenditures reflect the gradual increase in resources that has occurred since 2010. While 2013 revenue projections are just below 2009's, 2013 authorized expenditures are actually greater than the 2009 original budget. It will take a few more years of positive growth to restore all of the General Fund service level reductions made in 2010 and 2011.

Economic Factors and Next Year's Budget and Rates

The 2013 total budget is \$704.6 million – a 9% increase from the original 2012 amount. The operating budget is \$591.1 million and the Capital Improvements budget totals \$113.5 million. The operating budget is increasing by 3% and the capital budget is up 55% from 2012. 2013 revenue projections total \$666.7 million.

Development of the budget begins with a review of the economy. A significant global recession began 5 years ago. Officially, the United States entered the recession in December 2007 and it ended in July 2009. While the recession arrival was delayed in Tulsa, it did impact the local economy.

The unemployment rate in March of 2008 was 3%. It increased to 7.5% in March of 2010, and as of today the rate has improved to 6%, a bit better than last year's level of 6.5%. During the period the unemployment rate went up, revenues declined. The City experienced a 10% decline in General Fund revenues between 2008 to 2010. However, as the unemployment rate improved so did revenues.

Sales tax receipts improved by 3.0% in 2011 and positive growth continue. Normalizing for the 0.167% increase that occurred on October 1, 2011, the 2012 receipts were 6% more than collections in 2011. An expectation for continued growth is dependent on the national economy and also on local events like the potential closing of the local United States Postal Service mail processing center and the bankruptcy of American Airlines, the largest employer in Tulsa with announced reductions of over 700 jobs. When considering all factors, the growth rate for taxable sales is expected to be 3.7% in 2013.

The original 2012 revenue estimates for the General Fund was \$246 million, essentially flat with prior year actual revenues. Improved performance of the sales tax and other revenues has resulted in an actual total for 2012 of \$254 million. The positive revenue collections, along with controlled spending show that the City will complete the current year with an unassigned budgetary fund balance of \$16 million. Revenues for 2013 are expected to be \$261.1 million. The revenues along with the unassigned fund balance will support budgeted outlays, including an emergency operating reserve of 6.25% of the budget. For the first time, the budget includes a \$2 million deposit into the City Charter established Economic Stabilization Reserve.

The budget for the General Fund is \$272.5 million, an increase of \$18.6 million or 7.3% from last year's original budget. Public safety receives the largest allocation of resources at 56% of the budget. The budget supports a new fire academy and a new police academy. During the economic downturn, the City has paid for 147 police and fire positions from grant funds that normally would be charged to the General Fund. As the grants are exhausted the positions will be transitioned back to the General Fund within the next five years at a cumulative cost of \$13.8 million. The largest category of expenditure is for payroll, which represents 71% of the budget. The budget includes a 4.25% increase in health insurance costs and increases pension contributions to the Municipal Employees Retirement Plan from the City and employees. These changes along with scheduled increases in employee contributions and funding prior pension liabilities will improve the plan's funding ratio, which has lowered to 77%.

The budget reflects no change in emergency medical service or stormwater rates. The Tulsa Metropolitan Utility Authority has reviewed water and sewer revenues and the funding needed to support operations, maintenance, capital, and debt service costs. Based on their recommendations, a water rate increase of 7% and sewer rate increase of 9% are included to address capital needs and debt service in 2013. The rate changes are the same as projected in the last year's 5-year rate model.

City of Tulsa, Oklahoma
Management's Discussion and Analysis
June 30, 2012

Capital Assets and Debt Administration

Capital Assets - At the end of 2012 the City had invested \$1.95 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 \$71.7 million, or 3.8% over last year (see Note 7 to the financial statements for additional detailed information regarding capital assets). Land acquisition costs increased by \$56 million. Expenditures for buildings and improvements decreased by \$33 million. Equipment costs increased by \$7 million. Expenditures for infrastructure increased \$92 million. The inventory of construction projects in progress decreased by \$50 million.

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

	Governmental Activities		Business Activities		Total		Percentage Change
	2012	2011	2012	2011	2012	2011	
Land	\$ 520	\$ 466	\$ 84	\$ 82	\$ 604	\$ 548	10.2%
Buildings and improvements	85	123	506	502	592	625	-5.3%
Equipment	68	50	34	45	102	95	7.9%
Infrastructure	483	391	-	-	483	391	23.4%
Construction in progress	162	208	10	14	172	222	-22.5%
	<u>\$ 1,318</u>	<u>\$ 1,238</u>	<u>\$ 635</u>	<u>\$ 643</u>	<u>\$ 1,953</u>	<u>\$ 1,881</u>	<u>3.8%</u>

Long-term Debt - At year end, the City had \$543 million in bonds outstanding, an increase of 2.4% 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	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 427	\$ 408	\$ -	\$ -	\$ 427	\$ 408
Revenue bonds	12	14	104	107	116	121
Compensated absences	28	28	1	1	29	29
Other long-term debt	40	41	2	1	42	42
	<u>\$ 507</u>	<u>\$ 491</u>	<u>\$ 107</u>	<u>\$ 109</u>	<u>\$ 614</u>	<u>\$ 600</u>

Bond Ratings - In their report dated March 2012, Moody's Investors Service assigned and affirmed an Aa1 rating. Standard and Poor's assigned and affirmed an AA rating to the City's general obligation bonds in their report dated April 2012.

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



CENTENNIAL PARK

- CENTENNIAL PARK -

The combination of spectacular views of the Tulsa skyline and an assortment of urban wildlife makes Centennial Park a unique destination just a short distance from downtown Tulsa.

CITY OF TULSA
STATEMENT OF NET POSITION
June 30, 2012
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 425,034	\$ 28,656	\$ 453,690	\$ 108,575
Cash and cash equivalents - restricted	12,351	-	12,351	1,815
Investments	-	-	-	2,533
Receivables, net	104,183	4,584	108,767	30,488
Prepaid expenses	-	494	494	-
Internal balances	1,061	(1,061)	-	-
Inventories	666	293	959	3,874
Current portion of notes receivable - restricted	-	-	-	397
Other current assets - restricted	-	-	-	220
Total current assets	<u>543,295</u>	<u>32,966</u>	<u>576,261</u>	<u>147,902</u>
Noncurrent assets:				
Cash and cash equivalents - restricted	-	14,761	14,761	80,266
Receivables, net	15,195	16	15,211	4,000
Receivables, net - restricted	-	-	-	11,275
Investments	-	-	-	1,472
Investments - restricted	-	-	-	69,446
Advances to primary government	-	-	-	575
Advances to primary government - restricted	-	-	-	1,151
Advances to component units	326	-	326	-
Land held for resale, net	2,356	-	2,356	4,279
Land held for resale, net - restricted	-	-	-	724
Other assets	16,457	1,928	18,385	414
Equity interest in joint ventures	13,244	-	13,244	12,000
Nondepreciable capital assets	681,478	94,448	775,926	276,706
Capital assets, net	636,166	540,608	1,176,774	1,220,547
Total noncurrent assets	<u>1,365,222</u>	<u>651,761</u>	<u>2,016,983</u>	<u>1,682,855</u>
Total assets	<u>1,908,517</u>	<u>684,727</u>	<u>2,593,244</u>	<u>1,830,757</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	6	6	9,960
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	28,915	5,438	34,353	11,091
Accounts payable and accrued liabilities - restricted	-	-	-	19,273
Deposits subject to refund - unrestricted	68	-	68	-
Unearned revenue	-	7,579	7,579	1,218
Current portion of long-term liabilities	65,716	3,876	69,592	39,745
Deposits subject to refund - restricted	-	-	-	9,304
Total current liabilities	<u>94,699</u>	<u>16,893</u>	<u>111,592</u>	<u>80,631</u>
Noncurrent liabilities:				
Advances from primary government	-	-	-	326
Advances from component units	575	-	1,151	-
Advances from component units - restricted	1,151	-	575	-
Unearned revenue	1,808	1,522	3,330	4
Deposits subject to refund	-	-	-	225
Deposits subject to refund - restricted	-	-	-	55
Long-term liabilities	441,266	102,858	544,124	543,006
Total noncurrent liabilities	<u>444,800</u>	<u>104,380</u>	<u>549,180</u>	<u>543,616</u>
Total liabilities	<u>539,499</u>	<u>121,273</u>	<u>660,772</u>	<u>624,247</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	55,582	-	55,582	-
NET POSITION				
Net investment in capital assets	1,050,508	535,424	1,585,932	1,012,634
Restricted for:				
Debt service	36,407	4,124	40,531	43,079
Capital projects	146,760	6,708	153,468	28,117
Community development	1,197	-	1,197	-
Other purposes	13,091	1,043	14,134	1,752
Unrestricted	65,473	16,161	81,634	130,888
Total net position	<u>\$ 1,313,436</u>	<u>\$ 563,460</u>	<u>\$ 1,876,896</u>	<u>\$ 1,216,470</u>

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

CITY OF TULSA
STATEMENT OF ACTIVITIES
Year ended June 30, 2012
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net position			Component Units
		Charges for Services and Fines		Capital Grants and Contributions	Primary Government		Total	
		Operating	Grants and Contributions	Governmental Activities	Business-type Activities			
Primary government:								
Governmental activities:								
Administrative and support	\$ 34,516	\$ 14,421	\$ -	\$ -	\$ (20,095)	\$ -	\$ (20,095)	\$ -
Public safety and protection	216,651	21,553	23,248	2,343	(169,507)	-	(169,507)	-
Public works and transportation	61,139	12,761	556	33,801	(14,021)	-	(14,021)	-
Culture and recreation	16,369	4,148	-	-	(12,221)	-	(12,221)	-
Social and economic development	24,089	1,850	5,825	-	(16,414)	-	(16,414)	-
Interest on long-term debt	12,724	-	-	-	(12,724)	-	(12,724)	-
Total governmental activities	365,488	54,733	29,629	36,144	(244,982)	-	(244,982)	-
Business-type activities:								
Stormwater	27,729	23,604	-	1,072	-	(3,053)	(3,053)	-
One Technology Center	10,435	9,401	-	-	-	(1,034)	(1,034)	-
Arena & Convention	22,823	12,012	-	-	-	(10,811)	(10,811)	-
Tulsa Stadium Trust	3,603	246	308	-	-	(3,049)	(3,049)	-
Golf Courses	3,696	2,574	-	-	-	(1,122)	(1,122)	-
Total business-type activities	68,286	47,837	308	1,072	-	(19,069)	(19,069)	-
Total primary government	\$ 433,774	\$ 102,570	\$ 29,937	\$ 37,216	(244,982)	(19,069)	(264,051)	-
Component units	\$ 263,483	\$ 236,606	\$ 14,446	\$ 34,046				21,615
General revenues:								
Taxes:								
Sales taxes					219,240		219,240	436
Property taxes					58,955		58,955	4,448
Franchise taxes					22,427		22,427	-
Use taxes					21,522		21,522	-
Hotel/Motel taxes					6,120		6,120	-
Intergovernmental revenue, unrestricted					23,305		23,305	-
Payments from primary government					-		-	11,819
Payments from component units					690		690	585
Unrestricted investment earnings					2,888	304	3,192	2,280
Miscellaneous					4,586	12	4,598	221
Gain on disposal of capital assets					-		-	615
Transfers					(16,814)	16,814	-	-
Total general revenues and transfers					342,919	17,130	360,049	20,404
Change in Net position					97,937	(1,939)	95,998	42,019
Net position--beginning of year, as restated					1,215,499	565,399	1,780,898	1,174,451
Net position--end of year					\$ 1,313,436	\$ 563,460	\$ 1,876,896	\$ 1,216,470

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

**CITY OF TLLSA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012
(amounts expressed in thousands)**

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 47,787	\$ 43,737	\$ 169,576	\$ 129,673	\$ 14,068	\$ 404,841
Receivables, net	26,604	57,258	-	11,555	8,733	104,150
Due from other funds	325	-	-	7,882	-	8,207
Advances to other funds	280	-	-	-	-	280
Advances to component units	326	-	-	-	-	326
Total assets	<u>\$ 75,322</u>	<u>\$ 100,995</u>	<u>\$ 169,576</u>	<u>\$ 149,110</u>	<u>\$ 22,801</u>	<u>\$ 517,804</u>
Liabilities						
Accounts payable and accrued liabilities	3,582	50	8,902	9,066	2,350	23,950
Deposits subject to refund	-	-	-	68	-	68
Unearned revenue	119	-	-	-	445	564
Advances from other funds	-	-	-	-	1,649	1,649
Advances from component units	127	-	1,151	-	-	1,278
Total liabilities	<u>3,828</u>	<u>50</u>	<u>10,053</u>	<u>9,134</u>	<u>4,444</u>	<u>27,509</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	-	55,582	-	-	-	55,582
Unavailable revenue - special assessments	-	-	-	-	305	305
Unavailable revenue - intergovernmental	359	-	-	-	4,962	5,321
Total unavailable revenue	<u>359</u>	<u>55,582</u>	<u>-</u>	<u>-</u>	<u>5,267</u>	<u>61,208</u>
Fund balances						
Nonspendable	606	-	-	-	-	606
Restricted	-	45,363	159,523	139,976	11,424	356,286
Committed	-	-	-	-	1,095	1,095
Assigned	20,989	-	-	-	716	21,705
Unassigned	49,540	-	-	-	(145)	49,395
Total fund balances	<u>71,135</u>	<u>45,363</u>	<u>159,523</u>	<u>139,976</u>	<u>13,090</u>	<u>429,087</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 75,322</u>	<u>\$ 100,995</u>	<u>\$ 169,576</u>	<u>\$ 149,110</u>	<u>\$ 22,801</u>	<u>\$ 517,804</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,309,449
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	13,578
Assets and liabilities included in governmental activities statement of net position but not in governmental funds:	
Internal balances due to elimination of internal service funds	1,844
Land held for resale	2,356
Accrued interest payable does not require the use of current resources and therefore is not reported in the governmental funds	(3,467)
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	(408,690)
Unamortized bond premium	(17,969)
Compensated absences	(27,693)
Other post employment benefits liability	(6,985)
Net pension obligation	(2,547)
Judgements	(5,489)
Due to other governments	(4,304)
Pollution remediation obligation	(166)
Facility use lease asset	15,562
Deferred intergovernmental revenues	5,321
Deferred special assessment revenues	305
Investment in joint venture is not reported in the funds.	13,244
Governmental activities net position	<u>\$ 1,313,436</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, 2012
(amounts expressed in thousands)

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues						
Sales tax	\$ 140,448	\$ -	\$ -	\$ 78,792	\$ -	\$ 219,240
Property tax	-	54,124	-	-	-	54,124
Franchise tax	21,308	-	-	-	1,119	22,427
Use tax	21,522	-	-	-	-	21,522
Hotel/motel tax	121	-	-	-	5,999	6,120
Special assessment tax	-	-	-	-	3,164	3,164
Charges for services	35,628	-	-	-	4,685	40,313
Intergovernmental revenues	25,301	-	-	-	18,593	43,894
Fines and forfeitures	11,566	-	-	-	152	11,718
Investment income	4,105	-	-	947	134	5,186
Licenses, permits and fees	6,832	-	-	-	-	6,832
Program income from grants	-	-	-	-	1,763	1,763
Payments from component units	-	-	-	-	668	668
Miscellaneous	2,350	-	878	223	1,096	4,547
Total revenues	269,181	54,124	878	79,962	37,373	441,518
Expenditures						
Administration and support	27,378	-	-	-	65	27,443
Public safety and protection	174,741	-	-	-	11,318	186,059
Public works and transportation	27,899	-	-	-	1,140	29,039
Culture and recreation	14,352	-	-	-	596	14,948
Social and economic development	10,353	-	-	-	10,432	20,785
Payments to component units	7,450	-	-	8,961	480	16,891
Capital outlay	-	-	48,205	46,724	10,235	105,164
Debt service	-	48,508	-	-	-	48,508
Total expenditures	262,173	48,508	48,205	55,685	34,266	448,837
Excess (deficiency) of revenues over expenditures	7,008	5,616	(47,327)	24,277	3,107	(7,319)
Other financing sources (uses)						
Transfers in	-	-	-	-	3,969	3,969
Transfers out	(3,654)	-	(2,538)	(3,056)	(6,775)	(16,023)
Sale of capital assets	664	-	-	-	-	664
Bond issuance	-	-	50,000	-	-	50,000
Premium on bonds issued	-	647	-	-	-	647
Total other financing sources (uses)	(2,990)	647	47,462	(3,056)	(2,806)	39,257
Net change in fund balances	4,018	6,263	135	21,221	301	31,938
Fund balances, beginning of year	67,117	39,100	159,388	118,755	12,789	397,149
Fund balances, end of year	\$ 71,135	\$ 45,363	\$ 159,523	\$ 139,976	\$ 13,090	\$ 429,087

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, 2012
(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	\$ 31,938
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	101,387
Capital contributions	24,780
Depreciation expense	<u>(39,836)</u>
	<u>86,331</u>
The effect of miscellaneous transactions involving capital assets:	
Loss on disposal of capital assets	(982)
Proceeds from sale of capital assets	(664)
Capital assets transferred to proprietary funds	<u>(5,751)</u>
	<u>(7,397)</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	(50,000)
Premium on bond issuance	(647)
Payment of bond principal	<u>27,779</u>
	<u>(22,868)</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	147
Amortization of premium on bond issuance	4,067
Increase in other post employment benefit expense	(384)
Increase in net pension obligation	(105)
Increase in pollution remediation obligation	(166)
Increase in compensated absences expense	(10)
Increase in liability to other governments	(2,454)
Decrease in tort claims and judgments expense	3,235
Amortization of facility use lease	<u>(368)</u>
	<u>3,962</u>
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Donation of land held for resale	2,356
Loss from investment in joint venture	<u>(2,418)</u>
	<u>(62)</u>
Some revenues deferred in the governmental funds represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	3,578
Special assessment revenue	305
The net revenue of internal service funds is reported within governmental activities:	
Change in net assets of internal service funds	2,075
Internal balances resulting from the elimination of internal service fund revenues	<u>75</u>
	<u>2,150</u>
Change in net position--statement of activities	\$ 97,937

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, 2012
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 177,935	\$ 178,195	\$ 183,590	\$ 5,395
Licenses and permits	5,524	5,524	6,832	1,308
Intergovernmental	8,111	8,111	8,896	785
Charges for service	35,587	35,387	34,968	(419)
Fines and forfeitures	10,541	10,581	11,566	985
Investment income	5,277	5,277	3,780	(1,497)
Miscellaneous	2,251	2,416	3,032	616
Total revenues	<u>245,226</u>	<u>245,491</u>	<u>252,664</u>	<u>7,173</u>
Expenditures				
Administration and support	22,999	25,407	23,671	1,736
Public works and transportation	30,115	30,925	29,838	1,087
Social and economic development	10,607	11,154	10,245	909
Public safety and protection	158,836	164,522	161,687	2,835
Culture and recreation	14,291	14,747	14,590	157
Payments to component units	7,450	7,450	7,450	-
Total expenditures	<u>244,298</u>	<u>254,205</u>	<u>247,481</u>	<u>6,724</u>
Excess (deficiency) of revenues over expenditures	928	(8,714)	5,183	13,897
Other financing sources (uses)				
Transfers in	600	600	1,050	450
Transfers out	(9,599)	(10,652)	(10,601)	51
Total other financing uses	<u>(8,999)</u>	<u>(10,052)</u>	<u>(9,551)</u>	<u>501</u>
Net change in fund balances	(8,071)	(18,766)	(4,368)	14,398
Fund balances, beginning of year (budgetary basis)	39,445	39,445	39,445	-
Fund balances, end of year (budgetary basis)	<u>\$ 31,374</u>	<u>\$ 20,679</u>	<u>35,077</u>	<u>\$ 14,398</u>
Reconciliation to GAAP basis - basis differences:				
Reserve for encumbrances			9,300	
Reserve for advances			606	
Receivables			26,245	
Non-budgetary payables			(1,380)	
Unearned revenue			(119)	
Decrease in fair value of investments			1,406	
Fund balance (GAAP basis)			<u>\$ 71,135</u>	
Fund balance:				
Reserved for:				
Body armor			98	
Metropolitan Tulsa Transit Authority			201	
Imprest cash			113	
Repayment of grants			766	
Designated for:				
Working capital			15,234	
Unreserved, undesignated			18,665	
Fund balance (budgetary basis)			<u>\$ 35,077</u>	

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

CITY OF TULSA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2012
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds						Governmental Activities-- Internal Service Funds
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 11,372	\$ 3,508	\$ 13,181	\$ 288	\$ 307	\$ 28,656	\$ 20,193
Cash and cash equivalents, restricted	-	-	-	-	-	-	12,351
Receivables, net	2,862	132	1,427	155	8	4,584	33
Advances to other funds, restricted	-	-	-	-	-	-	407
Prepaid expenses	-	154	340	-	-	494	-
Inventories, net	-	-	225	-	68	293	666
	<u>14,234</u>	<u>3,794</u>	<u>15,173</u>	<u>443</u>	<u>383</u>	<u>34,027</u>	<u>33,650</u>
Noncurrent assets:							
Cash and cash equivalents, restricted	5,427	5,512	3,523	-	299	14,761	-
Receivables, net	16	-	-	-	-	16	15,195
Advances to other funds, restricted	-	-	1,108	-	-	1,108	-
Other	-	584	1,343	1	-	1,928	895
Nondepreciable capital assets	72,930	2,791	9,204	6,763	2,760	94,448	5,049
Depreciable capital assets, net	229,324	51,180	213,606	41,158	5,340	540,608	3,146
	<u>307,697</u>	<u>60,067</u>	<u>228,784</u>	<u>47,922</u>	<u>8,399</u>	<u>652,869</u>	<u>24,285</u>
Total assets	<u>321,931</u>	<u>63,861</u>	<u>243,957</u>	<u>48,365</u>	<u>8,782</u>	<u>686,896</u>	<u>57,935</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	-	-	-	-	6	6	-
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,546	956	2,058	756	122	5,438	1,498
Unearned revenue	-	235	7,344	-	-	7,579	1,244
Due to other funds	-	-	325	-	-	325	7,882
Workers compensation claims	-	-	-	-	-	-	7,640
Current portion of long-term liabilities	811	-	2,260	360	445	3,876	2,115
	<u>2,357</u>	<u>1,191</u>	<u>11,987</u>	<u>1,116</u>	<u>567</u>	<u>17,218</u>	<u>20,379</u>
Noncurrent liabilities:							
Unearned revenue	-	-	1,522	-	-	1,522	-
Workers compensation claims	-	-	-	-	-	-	12,050
Advances from other funds	-	-	-	-	-	-	146
Advances from component units	-	-	-	-	-	-	448
Long-term liabilities	1,587	67,024	15,805	18,442	-	102,858	11,334
	<u>1,587</u>	<u>67,024</u>	<u>17,327</u>	<u>18,442</u>	<u>-</u>	<u>104,380</u>	<u>23,978</u>
Total liabilities	<u>3,944</u>	<u>68,215</u>	<u>29,314</u>	<u>19,558</u>	<u>567</u>	<u>121,598</u>	<u>44,357</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	302,254	(8,697)	205,092	29,120	7,655	535,424	8,195
Restricted for:							
Debt service	-	1,004	2,821	-	299	4,124	-
Capital projects	5,443	1,265	-	-	-	6,708	-
Other purposes	-	338	-	705	-	1,043	-
Unrestricted	10,290	1,736	6,730	(1,018)	267	18,005	5,383
Total net position (deficit)	<u>\$ 317,987</u>	<u>\$ (4,354)</u>	<u>\$ 214,643</u>	<u>\$ 28,807</u>	<u>\$ 8,221</u>	<u>565,304</u>	<u>\$ 13,578</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(1,844)	
Net position of business-type activities						<u>\$ 563,460</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 POSITION
PROPRIETARY FUNDS
Year ended June 30, 2012
(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	\$ 22,950	\$ 9,361	\$ 12,012	\$ 163	\$ 2,574	\$ 47,060	\$ 16,991
Insurance premiums	-	-	-	-	-	-	21,360
Workers compensation premiums	-	-	-	-	-	-	5,515
Other	654	40	-	83	-	777	679
	<u>23,604</u>	<u>9,401</u>	<u>12,012</u>	<u>246</u>	<u>2,574</u>	<u>47,837</u>	<u>44,545</u>
Operating expenses							
Salaries and wages	8,906	652	-	-	-	9,558	4,192
Materials and supplies	828	99	-	-	-	927	10,075
Other services and charges	9,301	4,248	10,661	427	3,215	27,852	3,299
Workers compensation claims	-	-	-	-	-	-	8,666
Insurance claims and premiums	-	-	-	-	-	-	22,062
Depreciation and amortization	8,627	1,879	11,011	1,935	443	23,895	193
	<u>27,662</u>	<u>6,878</u>	<u>21,672</u>	<u>2,362</u>	<u>3,658</u>	<u>62,232</u>	<u>48,487</u>
Operating income (loss)	<u>(4,058)</u>	<u>2,523</u>	<u>(9,660)</u>	<u>(2,116)</u>	<u>(1,084)</u>	<u>(14,395)</u>	<u>(3,942)</u>
Nonoperating revenues (expenses)							
Investment income	210	63	25	-	6	304	123
Interest expense	-	(3,556)	(1,151)	(1,241)	(37)	(5,985)	(2)
Property taxes	-	-	-	-	-	-	4,831
Gain on sale of equipment	8	2	-	-	2	12	16
Contributions	-	-	-	308	-	308	-
Other, net	6	-	-	-	-	6	36
Net nonoperating revenues (expenses)	<u>224</u>	<u>(3,491)</u>	<u>(1,126)</u>	<u>(933)</u>	<u>(29)</u>	<u>(5,355)</u>	<u>5,004</u>
Income (loss) before capital contributions and transfers	<u>(3,834)</u>	<u>(968)</u>	<u>(10,786)</u>	<u>(3,049)</u>	<u>(1,113)</u>	<u>(19,750)</u>	<u>1,062</u>
Capital contributions	1,072	263	4,336	-	1,152	6,823	22
Transfers in	3,019	-	5,279	2,109	950	11,357	991
Transfers out	(294)	-	-	-	-	(294)	-
Change in net position	<u>(37)</u>	<u>(705)</u>	<u>(1,171)</u>	<u>(940)</u>	<u>989</u>	<u>(1,864)</u>	<u>2,075</u>
Net position (deficit) - beginning of year, as restated	318,024	(3,649)	215,814	29,747	7,232		11,503
Net position (deficit) - end of year	<u>\$ 317,987</u>	<u>\$ (4,354)</u>	<u>\$ 214,643</u>	<u>\$ 28,807</u>	<u>\$ 8,221</u>		<u>\$ 13,578</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(75)	
Change in net position of business-type activities						<u>\$ (1,939)</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, 2012
(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	\$ 23,391	\$ 9,376	\$ 13,980	\$ 246	\$ 2,567	\$ 49,560	\$ 82,957
Payments to suppliers	(8,889)	(4,054)	(11,458)	(448)	(3,361)	(28,210)	(63,622)
Payments to employees	(8,927)	(640)	-	-	-	(9,567)	(4,057)
Other payments	(1,572)	-	-	-	-	(1,572)	-
Net cash provided (used) by operating activities	4,003	4,682	2,522	(202)	(794)	10,211	15,278
Cash flows from noncapital financing activities:							
Property taxes received	-	-	-	-	-	-	3,910
Noncapital gifts and contributions received	-	-	-	338	-	338	-
Payments from interfund activity	-	-	1,280	-	950	2,230	(61)
Proceeds from insurance reimbursements	-	-	-	-	-	-	36
Net cash provided by financing activities	-	-	1,280	338	950	2,568	3,885
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(6,911)	(577)	(259)	(1,083)	(102)	(8,932)	(1,015)
Payments from interfund activity	-	-	-	2,108	-	2,108	991
Principal paid on debt	-	-	(2,065)	(339)	(430)	(2,834)	-
Interest paid on debt	-	(3,738)	(1,204)	(1,217)	(23)	(6,182)	-
Proceeds from sale of capital assets	98	2	-	-	2	102	16
Proceeds from issuance of debt	-	-	-	750	-	750	-
Payments from financing activities	-	-	-	(127)	-	(127)	-
Transfers in	3,018	-	3,520	-	-	6,538	-
Transfers out	(294)	-	-	-	-	(294)	-
Net cash provided (used) by capital and related financing activities	(4,089)	(4,313)	(8)	92	(553)	(8,871)	(8)
Cash flows from investing activities:							
Interest earned	168	57	81	1	5	312	103
Repayments on notes receivable	-	311	-	-	-	311	-
Proceeds from sale or maturities of investments	-	1,261	1,585	-	-	2,846	-
Net cash provided by investing activities	168	1,629	1,666	1	5	3,469	103
Net increase (decrease) in cash and cash equivalents	82	1,998	5,460	229	(392)	7,377	19,258
Cash and cash equivalents, beginning	16,717	7,022	11,244	59	998	36,040	13,286
Cash and cash equivalents, end of year	\$ 16,799	\$ 9,020	\$ 16,704	\$ 288	\$ 606	\$ 43,417	\$ 32,544
Reconciliation of cash and cash equivalents to the Statement of Net Position:							
Cash and cash equivalents	11,372	3,508	13,181	288	307	28,656	20,193
Cash and cash equivalents - restricted	5,427	5,512	3,523	-	299	14,761	12,351
Total cash and cash equivalents	\$ 16,799	\$ 9,020	\$ 16,704	\$ 288	\$ 606	\$ 43,417	\$ 32,544
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	(4,058)	2,523	(9,660)	(2,116)	(1,084)	(14,395)	(3,942)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	8,627	1,879	11,011	1,935	443	23,895	193
(Increase) decrease in accounts receivable and other assets	(259)	129	(92)	-	21	(201)	38,590
Increase (decrease) in accounts payable and other liabilities	(307)	151	1,263	(21)	(174)	912	(19,563)
Net cash provided (used) by operating activities	\$ 4,003	\$ 4,682	\$ 2,522	\$ (202)	\$ (794)	\$ 10,211	\$ 15,278
NON-CASH TRANSACTIONS:							
Capital contributions	\$ 1,072	\$ 263	\$ 4,336	\$ -	\$ 1,152	\$ 6,823	\$ -
Capital acquisitions in accounts payable and retainage	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 6	\$ 206

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

CITY OF TULSA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2012
(amounts expressed in thousands)

	Municipal Employees Pension Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 7,065	\$ 6,351
Investments:		
US Government obligations	35,293	-
Corporate bonds	17,455	-
Preferred stock	888	-
Common stock	21,866	-
Foreign obligations	2,660	-
Mutual funds	257,082	-
Timber	11,479	-
Accounts receivable	222	567
Investment income receivable	322	-
Total assets	<u>354,332</u>	<u>6,918</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,154	1,227
Deposits payable	-	5,691
Total liabilities	<u>3,154</u>	<u>\$ 6,918</u>
NET POSITION		
Held in trust for pension benefits	<u>351,178</u>	
Total net position	<u>\$ 351,178</u>	

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

CITY OF TULSA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2012
(amounts expressed in thousands)

	Municipal Employees Pension Trust
ADDITIONS	
Investment Income:	
Net appreciation in fair value of investments	\$ 648
Interest	2,237
Dividends	2,239
	5,124
Less: investment expense	(819)
Net investment income	4,305
Contributions:	
Employer	12,583
Plan members	5,483
	18,066
Total additions	22,371
DEDUCTIONS	
Benefits	28,007
Refunds of contributions	968
Administrative expense	280
Total deductions	29,255
Change in net position	(6,884)
NET POSITION	
Held in trust for pension benefits, beginning of year	358,062
Held in trust for pension benefits, end of year	\$ 351,178

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

CITY OF TULSA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2012
(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	\$ 70,295	\$ 12,721	\$ 16,623	\$ 8,936	\$ 108,575
Cash and cash equivalents - restricted	-	-	305	1,510	1,815
Investments	-	-	-	2,533	2,533
Receivables, net	23,263	2,624	3,651	950	30,488
Inventories	2,101	-	1,292	481	3,874
Other current assets	-	-	-	397	397
Other current assets - restricted	-	-	220	-	220
	<u>95,659</u>	<u>15,345</u>	<u>22,091</u>	<u>14,807</u>	<u>147,902</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	49,024	-	17,715	13,527	80,266
Investments	-	-	1,033	439	1,472
Investments - restricted	45,596	-	23,850	-	69,446
Advances to primary government - restricted	1,151	-	-	-	1,151
Advances to primary government	-	448	127	-	575
Receivables, net	-	-	-	4,000	4,000
Receivables, net - restricted	141	-	716	10,418	11,275
Land held for resale, net	-	-	-	4,279	4,279
Land held for resale, net - restricted	-	-	-	724	724
Equity interest in joint ventures	12,000	-	-	-	12,000
Other noncurrent assets	-	-	414	-	414
Nondepreciable capital assets	103,268	-	156,243	17,195	276,706
Depreciable capital assets, net	973,115	4,204	191,442	51,786	1,220,547
	<u>1,184,295</u>	<u>4,652</u>	<u>391,540</u>	<u>102,368</u>	<u>1,682,855</u>
Total assets	<u>1,279,954</u>	<u>19,997</u>	<u>413,631</u>	<u>117,175</u>	<u>1,830,757</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred charge on refunding	1,172	-	7,887	901	9,960
	<u>1,172</u>	<u>-</u>	<u>7,887</u>	<u>901</u>	<u>9,960</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	6,358	1,999	196	2,538	11,091
Unearned revenue	-	-	293	925	1,218
Current portion of long-term liabilities	30,069	314	9,215	147	39,745
Accounts payable and accrued liabilities- restricted	10,749	-	8,524	-	19,273
Deposits subject to refund - restricted	9,226	-	78	-	9,304
	<u>56,402</u>	<u>2,313</u>	<u>18,306</u>	<u>3,610</u>	<u>80,631</u>
Noncurrent liabilities:					
Advances from primary government	-	-	-	326	326
Unearned revenue	-	-	-	4	4
Deposits subject to refund	-	-	-	225	225
Deposits subject to refund - restricted	-	-	-	55	55
Long-term liabilities, net	370,957	543	151,517	19,989	543,006
	<u>370,957</u>	<u>543</u>	<u>151,517</u>	<u>20,599</u>	<u>543,616</u>
Total liabilities	<u>427,359</u>	<u>2,856</u>	<u>169,823</u>	<u>24,209</u>	<u>624,247</u>
NET POSITION					
Net investment in capital assets	760,517	4,204	194,869	53,044	1,012,634
Restricted for:					
Debt service	11,296	-	30,384	1,399	43,079
Capital projects	-	-	5,963	22,154	28,117
Other purposes	-	-	51	1,701	1,752
Unrestricted	81,954	12,937	20,428	15,569	130,888
Total net position	<u>\$ 853,767</u>	<u>\$ 17,141</u>	<u>\$ 251,695</u>	<u>\$ 93,867</u>	<u>\$ 1,216,470</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 POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2012
(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	\$ 170,152	\$ -	\$ -	\$ -	\$ 170,152
Fuel sales and commissions	-	-	892	-	892
Refuse services	-	21,569	-	-	21,569
Property rentals	-	-	29,675	412	30,087
Parking revenues	-	-	-	6,263	6,263
Transit services	-	-	-	3,233	3,233
Event revenues	-	-	-	121	121
Other income	-	-	130	4,159	4,289
	<u>170,152</u>	<u>21,569</u>	<u>30,697</u>	<u>14,188</u>	<u>236,606</u>
Operating expenses					
Salaries and wages	48,117	3,295	8,860	9,600	69,872
Materials and supplies	13,047	-	1,071	3,528	17,646
Other services and charges	55,725	19,011	11,314	9,617	95,667
Unrealized loss on land held for resale	-	-	-	89	89
Depreciation	33,495	328	13,131	5,026	51,980
	<u>150,384</u>	<u>22,634</u>	<u>34,376</u>	<u>27,860</u>	<u>235,254</u>
Operating income (loss)	<u>19,768</u>	<u>(1,065)</u>	<u>(3,679)</u>	<u>(13,672)</u>	<u>1,352</u>
Nonoperating revenues (expenses)					
Investment income	1,071	176	813	220	2,280
Interest expense	(11,023)	-	(9,943)	(867)	(21,833)
Sales taxes	-	-	-	436	436
Property taxes	3,491	-	-	957	4,448
Federal and state grant revenues	-	-	8,300	6,146	14,446
Contributions	-	-	-	494	494
Payments from primary government	-	-	190	11,629	11,819
Payments to primary government	-	-	-	(668)	(668)
Payments from component unit	-	-	-	585	585
Payments to component unit	-	-	-	(585)	(585)
Gain on disposition of capital assets	474	124	17	-	615
Other, net	-	(87)	174	47	134
	<u>(5,987)</u>	<u>213</u>	<u>(449)</u>	<u>18,394</u>	<u>12,171</u>
Income (loss) before capital contributions, grants and charges	<u>13,781</u>	<u>(852)</u>	<u>(4,128)</u>	<u>4,722</u>	<u>13,523</u>
Federal and state capital grant revenues	-	-	14,654	11,015	25,669
Capital contributions	2,705	-	-	106	2,811
Capital contributions to primary government	-	-	-	(5,056)	(5,056)
Capital contributions from primary government	4,757	-	-	315	5,072
	<u>7,462</u>	<u>-</u>	<u>14,654</u>	<u>6,380</u>	<u>28,496</u>
Change in net position	<u>21,243</u>	<u>(852)</u>	<u>10,526</u>	<u>11,102</u>	<u>42,019</u>
Net position - beginning of year, as restated	832,524	17,993	241,169	82,765	1,174,451
Net position - end of year	<u>\$ 853,767</u>	<u>\$ 17,141</u>	<u>\$ 251,695</u>	<u>\$ 93,867</u>	<u>\$ 1,216,470</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 POSITION INTO THE
STATEMENT OF ACTIVITIES FORMAT
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2012
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	TMLUA	TARE	Tulsa Airports	Other	Total
Expenses	\$ 161,407	\$ -	\$ 7,462	\$ 16,207	\$ -	\$ -	\$ -	\$ 16,207
Tulsa Metropolitan Utility Authority	22,721	-	-	-	(1,152)	-	-	(1,152)
Tulsa Authority for Recovery of Energy	44,319	8,300	14,654	-	-	9,332	-	9,332
Tulsa Airports	35,036	6,146	11,930	-	-	-	(2,772)	(2,772)
Other	263,483	14,446	34,046	16,207	(1,152)	9,332	(2,772)	21,615
General revenues:								
Taxes:								
Sales taxes							436	436
Property taxes				3,491			957	4,448
Payments from primary government						190	11,629	11,819
Payments from component units							585	585
Investment earnings				1,071	176	813	220	2,280
Miscellaneous						174	47	221
Gain on disposal of capital assets				474	124	17	-	615
Total general revenues				5,036	300	1,194	13,874	20,404
Change in net position				21,243	(852)	10,526	11,102	42,019
Net position--beginning of year, restated				832,524	17,993	241,169	82,765	1,174,451
Net position--end of year				\$ 853,767	\$ 17,141	\$ 251,695	\$ 93,867	\$ 1,216,470

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(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.

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources and Net Position*, in the current year. The adoption of this Statement changed the presentation of the Entity-Wide, Proprietary and Component Unit financial statements to a statement of net position format.

A. REPORTING ENTITY

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

1. Blended Component Units

The Tulsa Public Facilities Authority ("TPFA") - Trustees of TPFA are appointed by the Mayor and approved by the City Council. Although it is legally separate from the City, TPFA is reported as if it were part of the primary government because its primary purposes are to issue revenue bonds to finance major capital improvements and manage certain properties on behalf of the City. Financing activities of this fund are included as an internal service fund and enterprise activities are included as enterprise funds.

Tulsa Stadium Trust ("TST") - A public trust created to acquire, construct, own, operate and maintain a baseball stadium in downtown Tulsa and related amenities and facilities, and to incur indebtedness. Debt issuance requires the approval of two-thirds of the Tulsa City Council. The City is the sole beneficiary of the TST. The Mayor of the City is ex-officio trustee and eight additional trustees are appointed by the Mayor and approved by the City Council. The City is obligated for the debt of TST through the collection of special assessments. The activity of TST is reported as a major enterprise fund.

2. Discretely Presented Component Units

Tulsa Metropolitan Utility Authority ("TMUA") - A public trust created to provide for water delivery utility systems and a wastewater utility. Trustees of TMUA are the same as those on the City's Utility Board. The City is the sole

beneficiary of the trust and will receive all trust properties and resulting revenues upon retirement of all trust indebtedness. The rates for user charges and bond issuance authorization are also approved by the City Council. The City provides staffing to, and maintains the accounting records of TMUA.

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

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

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 \$13,244. 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 approximately one-half of the Authority's annual operating and capital budget and operates a facility for RMUA and leases the facility site to the Authority. The City appoints two of the ten Trustees. The remaining Trustees are appointed two each by the four other participating cities. Services are provided approximately 50% each to the City and the City of Broken Arrow. Upon termination of the trust, the net assets will be distributed to the beneficiaries based upon their pro rata interest. The City's equity interest of \$11,986 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.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Jointly Governed Organizations

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

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

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

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, special assessment taxes, and charges for services. The operating grants include

operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (sales taxes, franchise taxes, property taxes, intergovernmental revenues, interest income, etc.).

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

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

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

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

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

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

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

Debt Service Fund accounts for the accumulation of resources for the payment of general long-term debt and judgments. The City levies annually an ad valorem tax restricted for the retirement of general obligation bonds and judgments along with their associated interest.

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

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

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

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

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

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

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

Tulsa Stadium Trust - a blended component unit, created to acquire, construct, own, operate and maintain a baseball stadium in downtown Tulsa and related amenities and facilities, and to incur indebtedness.

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

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

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

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

Tulsa Public Facilities Authority issues debt, 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.

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012
 (dollar amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. BASIS OF ACCOUNTING

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

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

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

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

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

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

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB No. 33, "Accounting and Financial Reporting for Non-exchange Transactions" the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. 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 basic financial statements and 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 POSITION

1. Cash and Cash Equivalents

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

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

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

2. Investments

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

The amount of the increase (decrease) for the year is as follows:

Governmental activities	\$	213
Business-type activities		1
Component units		(767)
Net decrease in fair value	<u>\$</u>	<u>(553)</u>

3. Accounts Receivable and Taxes Receivable

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

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012
 (dollar amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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%. In the current year \$311 of accounts receivable were written-off.

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

4. Inventories

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

Land held for resale - Land acquired for rehabilitation and held for resale by TDA and the City is recorded at the lower of cost or fair value (specific identification basis). The cost of land acquired and held for resale by TDA at year end amounted to \$6,165 and was carried at the lower of cost or fair value of \$5,003. The cost of land acquired and held for resale by the City at year end amounted to \$2,635 and was carried at the lower of cost or fair value of \$2,356.

5. Internal Balances

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, advances to other funds are equally offset by a 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. Laboratory Facility Use Lease

The City is a party to an agreement with the Oklahoma Board of Regents whereby the City leases from the Oklahoma Board of Regents office and laboratory facilities for a term of 50 years. The lease terms call for the City to pay a proportionate share of the design and construction costs of the facility and, in turn, the City has the right to use the facilities until the

expiration of the lease on June 30, 2058. The lease costs are amortized over the life of the lease. The lease with a carrying value of \$15,562, net of amortization, is reflected in other assets on the Government-wide Statement of Net Position.

7. Capital Assets

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

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

	Estimated Service Life	Capitalization Threshold
Buildings	20-50 years	\$ 5
Land Improvements	20-30 years	5
Equipment	2-50 years	5
Water 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 developers initially pay for all construction costs. Repayments to the developers are generally limited to 40% or 60% of the collected revenues generated by the respective watermain extension, not to exceed the total cost as defined in the contract.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The liability for watermain extension contracts is \$6,402 as of year-end. Annual payments of \$522 are due in accordance with these contracts.

Sewer Line Extensions - Private and non-assessed sewer line extensions contributed to TMUA totaled \$987 during the year.

9. Interest Capitalization

Component units capitalized net interest cost in the amount of \$3,312 related to tax exempt financing for capital construction projects during the year. Component units incurred interest costs of \$25,145 during the year.

Enterprise funds capitalized net interest cost in the amount of \$189 related to tax exempt financing for capital construction projects during the year. Enterprise funds incurred interest costs of \$6,174.

10. Restricted Assets

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

11. Bond Premiums & Discounts

In the governmental funds, bond premiums & discounts are treated as period costs in the year of issuance.

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

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

12. Encumbrances - Budgetary Statements

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

13. Fund Balances

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

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

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

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

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

Spending Policy of Other Governmental Funds - The City receives inflows from revenue and other financing sources from various sources for use in Special

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

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.

14. Net Position

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

- *Net Investment in Capital Assets* - This consists of capital assets, net of accumulated depreciation plus deferred inflows/outflows of resources less the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. \$167,795 in net position is restricted for enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the City's policy to use restricted resources first, then unrestricted resources as they are needed.
- *Unrestricted* - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

15. Stabilization Arrangement

The City Charter established a stabilization arrangement. This stabilization arrangement provides that if the City Treasurer projects that total General Fund revenues for the upcoming budget year will exceed the total General Fund revenues for the current budget year by more than four percent (4%), the budget submitted by the Mayor and approved by the City Council shall allocate the fifty percent (50%) of the excess General Fund revenues to the Economic Stabilization Reserve.

If the City Treasurer projects that total General Fund revenues for the upcoming budget year will either (a) be

less than the current budget year's total General Fund revenues, or (b) be less than the highest of any other previous year's total General Fund revenues, the budget submitted by the Mayor and approved by the Council may appropriate up to fifty percent (50%) of the current balance in the Economic Stabilization Reserve, but no more than the shortfall in total General Fund revenues as determined above, to be used for any lawful municipal purpose in the upcoming budget year.

For purposes of calculating any shortfall:

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

The balance in the Economic Stabilization Reserve is zero as of June 30, 2012.

H. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue, are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and federal and/or state grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

the amounts become available. In the City's government-wide statements only the property tax revenues remain under the full accrual basis or accounting and will become an inflow in the year they are levied.

I. REVENUES, EXPENSES AND EXPENDITURES

Identification of Major Revenue Sources Susceptible to Accrual

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

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

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

1. Sales Tax Revenue

The City has a 3.167% sales tax levy that is collected monthly by the State of Oklahoma and remitted to the City. The General Fund receives 2% for operations and the remaining 1.167% is placed into Sales Tax Funds and is restricted for capital improvements. The tax is collected by the merchants and remitted to the State. The City receives its tax receipts from the State by the 10th of each month. Vendors owing an average of \$2.5 or more per month to the State are required to remit actual taxes collected plus an estimate of tax collections for the first 15 days of the following month with remittance due by the 20th of that same month. All other vendors are required to remit the actual amount collected (without any estimated tax collections) by the 20th of the following month.

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

2. Property Tax Revenue

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

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

required to file a tax roll report on or before October 1st each year with the County Treasurer indicating the net assessed valuation for all real and public service property.

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

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

3. Arena Revenues - Naming Rights, Club Sales

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

4. Grant Revenue

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

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

5. Commercial Lease Revenue

In September 2007, the TPFA acquired a building in downtown Tulsa known as the One Technology Center. The building containing approximately 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 \$3,253 through 2018.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6. Investment Income

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

7. Unearned Revenue

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

8. Interfund Transactions

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

9. Payments between the City and Component Units

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

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

10. Compensated Absences

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

Accumulated vacation leave vests, and the City is obligated to make payment if the employee terminates. The liability for compensated absences attributable to the City's governmental funds is recorded in the entity-

wide statements. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the entity-wide statements as well as the applicable business-type funds.

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

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

11. 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-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

CITY OF TULSA
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

J. 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 at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Net Position/Fund Balance Deficit

Office Services - An internal service fund, has a net deficit of \$84 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 \$4,354 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 \$3,538 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.

3. Restatements

As a result of the adoption of GASB Statement No. 65, the beginning net position of the governmental activities, aggregate business-type activities, aggregate component units, business-type activities - enterprise funds: One Technology Center, Arena & Convention Center, TST and Golf Courses are restated. The effect on year 2011 is as follows:

<i>Primary Government: Governmental Activities:</i>	2011		2011
	Previously Presented	Restatement	Restated
Total noncurrent assets	\$ 1,307,703	\$ (728)	\$ 1,306,975
Net position, total	1,216,227	(728)	1,215,499
Expenses	331,591	(12)	331,579
Change in net position	74,592	12	74,604

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

<i>Primary Government:</i>	2011		2011
<i>Aggregate Business-type Activities:</i>	Previously	Restatement	Restated
	Presented		
Noncurrent assets	\$ 660,801	\$ (1,288)	\$ 659,513
Net position, total	566,687	(1,288)	565,399
Expenses	65,498	(84)	65,414
Change in net position	(3,340)	84	(3,256)

<i>Aggregate Component Units:</i>	2011		2011
	Previously	Restatement	Restated
	Presented		
Noncurrent assets	\$ 1,660,732	\$ (4,047)	\$ 1,656,685
Noncurrent liabilities	542,232	1,405	543,637
Net position, total	1,179,903	(5,452)	1,174,451
Nonoperating revenues (expenses)	21,162	8	21,170
Change in net position	33,128	8	33,136

<i>Business-type Activities - Enterprise Funds:</i>	2011		2011
<i>One Technology Center:</i>	Previously	Restatement	Restated
	Presented		
Noncurrent assets	\$ 61,913	\$ (919)	\$ 60,994
Net position, total	(2,730)	(919)	(3,649)
Nonoperating revenues (expenses)	(3,557)	42	(3,515)
Change in net position	(64)	42	(22)

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

<i>Business-type Activities - Enterprise Funds: Arena & Convention Center:</i>	2011 Previously Presented	Restatement	2011 Restated
Noncurrent assets	\$ 234,298	\$ (216)	\$ 234,082
Net position, total	216,030	(216)	215,814
Nonoperating revenues (expenses)	(1,230)	27	(1,203)
Change in net position	(5,376)	27	(5,349)

<i>Business-type Activities - Enterprise Funds: Tulsa Stadium Trust:</i>	2011 Previously Presented	Restatement	2011 Restated
Noncurrent assets	\$ 48,921	\$ (147)	\$ 48,774
Net position, total	29,894	(147)	29,747
Operating expenses	2,610	(7)	2,603
Change in net position	(727)	7	(720)

<i>Business-type Activities - Enterprise Funds: Golf Courses:</i>	2011 Previously Presented	Restatement	2011 Restated
Noncurrent assets	\$ 7,586	\$ (6)	\$ 7,580
Net position, total	7,238	(6)	7,232
Nonoperating revenues (expenses)	(64)	8	(56)
Change in net position	(90)	8	(82)

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, 2012, 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.

CITY OF TULSA
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	\$ 82,852	1.29	n/a	18.9%	n/a	n/a
Property tax judgments	7,631	1.29	n/a	1.7%	n/a	n/a
Federal Farm Credit Bank securities	60,678	3.09	16.8%	13.8%	Aaa	AA+
Federal Home Loan Bank securities	53,512	1.98	14.7%	12.2%	Aaa	AA+
Federal Home Loan Mortgage Corporation securities	80,104	2.37	22.0%	18.2%	Aaa	AA+
Federal National Mortgage Association securities	77,485	2.55	21.3%	17.7%	Aaa	AA+
Certificates of Deposit	1,214	n/a	0.3%	0.3%	n/a	n/a
	<u>\$ 363,476</u>	<u>1.80</u>	<u>75.1%</u>	<u>82.8%</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>
Money Market	<u>\$ 20,234</u>	n/a	100.0%	Aaa	AAA

<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>
Money Market	<u>\$ 8,166</u>	n/a	100.0%	Aaa	AAA

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			Rating Not	Total
	Standard & Poors/Moody's			Available	
	AAA/Aaa	A/A	BBB/Baa	or Not Rated	
U.S. agency obligations	\$ 8,373	\$ -	\$ -	\$ -	\$ 8,373
Government mortgage backed securities	10,430	-	-	-	10,430
Corporate bonds	-	8,550	4,997	-	13,547
Asset backed securities	448	715	305	-	1,468
Commercial mortgage backed securities	828	492	-	1,120	2,440
Foreign obligations	-	1,705	729	226	2,660
	<u>\$ 20,079</u>	<u>\$ 11,462</u>	<u>\$ 6,031</u>	<u>\$ 1,346</u>	<u>\$ 38,918</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, 2012 were 31% strategic with a lower limit of 27% and an upper limit of 35%.

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

As of June 30, 2012 the MERP had the following investments with maturities:

Non-Pooled Investments--Fiduciary Funds	Fair Value	Weighted Average Maturity (years)
U.S. Treasury securities	\$ 16,489	7.69
Federal Home Loan Mortgage Corp securities	8,373	18.29
Federal National Mortgage Association securities	9,237	20.41
Government National Mortgage Association securities	1,194	35.74
Mutual funds	257,082	N/A
Corporate obligations	17,455	11.63
Foreign obligations	2,660	10.25
Common Stock	21,866	N/A
Preferred Stock	888	N/A
Timber	11,479	N/A
	<u>\$ 346,723</u>	1.40

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, 2012 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, 2012, the component units' investment in FHLB constituted 15% of its total investments. Money market mutual funds, equity index fund and U.S. Treasury securities are not subject to concentration of credit risk disclosure. The component units' non-pooled investments as of June 30, 2012 consisted of the following:

Investment Type	Fair Value	Maturities in Years			Moody's	S&P
		<1	1 - 10	> 10		
U.S. agency obligations	\$ 25,571	\$ 2,663	\$ 22,897	\$ 11	Aaa	AA+
State and local government securities	690	-	-	690	n/a	n/a
Money market mutual funds	92,877	92,877	-	-	Aaa	AAA
Equity index funds	848	848	-	-	n/a	n/a
U.S. Treasury securities	43,138	32,000	11,138	-	n/a	n/a
	<u>\$ 163,124</u>	<u>\$ 128,388</u>	<u>\$ 34,035</u>	<u>\$ 701</u>		

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

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	Total Governmental Activities	
	General	Debt Service	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds				
Current receivables, net:									
Interest receivable	\$ 947	\$ -	\$ 359	\$ 15	\$ 1,321	\$ 2	\$ 1,323		
Taxes receivable	24,118	56,031	11,196	1,233	92,578	-	92,578		
Accounts receivable, gross	4,079	1,227	-	308	5,614	31	5,645		
Due from other governments	359	-	-	7,441	7,800	-	7,800		
	29,503	57,258	11,555	8,997	107,313	33	107,346		
Less: allowance for uncollectibles	(2,899)	-	-	(264)	(3,163)	-	(3,163)		
	\$ 26,604	\$ 57,258	\$ 11,555	\$ 8,733	\$ 104,150	\$ 33	\$ 104,183		
Noncurrent receivables, net:									
Taxes receivable	-	-	-	-	-	15,054	15,054		
Interest receivable - restricted	-	-	-	-	-	24	24		
Accounts receivable	-	-	-	-	-	119	119		
	-	-	-	-	-	15,197	15,197		
Less: Allowance for uncollectibles	-	-	-	-	-	(2)	(2)		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,195	\$ 15,195		

	Business-type Activities Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total Business-type Activities
Current receivables, net:						
Interest receivable	\$ 48	\$ 14	\$ 2	\$ -	\$ -	\$ 64
Accounts receivable, gross	2,928	118	1,077	155	8	4,286
Due from other governments	-	-	348	-	-	348
	2,976	132	1,427	155	8	4,698
Less: allowance for uncollectibles	(114)	-	-	-	-	(114)
	\$ 2,862	\$ 132	\$ 1,427	\$ 155	\$ 8	\$ 4,584
Noncurrent receivables, net:						
Interest receivable - restricted	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ 16

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
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NOTE 4. RECEIVABLES

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Current receivables, net:					
Interest receivable	\$ 42	\$ 43	\$ -	\$ 8	\$ 93
Accounts receivable, gross	23,319	2,606	2,186	273	28,384
Due from other governments	-	-	1,485	669	2,154
	<u>23,361</u>	<u>2,649</u>	<u>3,671</u>	<u>950</u>	<u>30,631</u>
Less: allowance for uncollectibles	(98)	(25)	(20)	-	(143)
	<u>\$ 23,263</u>	<u>\$ 2,624</u>	<u>\$ 3,651</u>	<u>\$ 950</u>	<u>\$ 30,488</u>
Noncurrent receivables, net:					
Notes receivable, net	-	-	-	4,000	4,000
Notes receivable, net - restricted	-	-	-	10,197	10,197
Accounts receivable - restricted	-	-	615	221	836
Interest receivable - restricted	141	-	101	-	242
	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ 716</u>	<u>\$ 14,418</u>	<u>\$ 15,275</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
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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						Internal Service Funds	Total Governmental Funds	Adjustments to Government Wide Statements	Total Governmental Activities
	General	Debt Service	Bond	Sales Tax	Nonmajor Governmental Funds	Total				
Accounts payable	\$ -	\$ 50	\$ 6,621	\$ 6,485	\$ 1,735	\$ 14,891	\$ 1,235	\$ 16,126	\$ -	\$ 16,126
Accrued payables	3,060	-	2,281	2,581	567	8,489	263	8,752	-	8,752
Accrued payroll	522	-	-	-	48	570	-	570	-	570
Accrued interest	-	-	-	-	-	-	-	-	3,467	3,467
	<u>\$ 3,582</u>	<u>\$ 50</u>	<u>\$ 8,902</u>	<u>\$ 9,066</u>	<u>\$ 2,350</u>	<u>\$ 23,950</u>	<u>\$ 1,498</u>	<u>\$ 25,448</u>	<u>\$ 3,467</u>	<u>\$ 28,915</u>

	Business-type Activities Enterprise Funds					Total
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	
Accounts payable	\$ 177	\$ 475	\$ 1,682	\$ 30	\$ 121	\$ 2,485
Accounts payable - restricted	-	4	21	-	-	25
Accrued payables	854	-	-	-	-	854
Accrued payroll	515	-	-	-	-	515
Accrued interest - restricted	-	477	355	726	1	1,559
	<u>\$ 1,546</u>	<u>\$ 956</u>	<u>\$ 2,058</u>	<u>\$ 756</u>	<u>\$ 122</u>	<u>\$ 5,438</u>

	Component Units				Total Component Units
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	
Accounts payable	\$ 5,595	\$ 1,999	\$ 196	\$ 1,725	\$ 9,515
Accounts payable - restricted	6,857	-	7,729	-	14,586
Accrued payables	-	-	-	663	663
Accrued payroll	763	-	-	134	897
Accrued interest - restricted	3,892	-	795	16	4,703
	<u>\$ 17,107</u>	<u>\$ 1,999</u>	<u>\$ 8,720</u>	<u>\$ 2,538</u>	<u>\$ 30,364</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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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>
\$ 325	General Fund	Arena & Convention Center	To finance capital projects
<u>7,882</u>	Sales Tax	TPFA	To finance capital projects
<u>\$ 8,207</u>			

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Purpose</u>
134	General Fund	Federal and State Grants	To advance fund grants
146	General Fund	Office Services	To provide cash flow
407	TPFA	Special Revenue Funds	To finance capital projects
<u>1,108</u>	Arena & Convention Center	Tourism and Convention	To provide cash flow
<u>\$ 1,795</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
448	TARE	TPFA	To fund capital improvements
<u>1,151</u>	TMUA	Bond	To fund capital improvements
<u>\$ 1,726</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	Transfers From					
	Total	General Fund	Bond Fund	Sales Tax Fund	Nonmajor Governmental Funds	Enterprise Funds
Governmental Funds:						
Nonmajor Funds	\$ 3,969	\$ 1,540	\$ 1,598	\$ 411	\$ 126	\$ 294
Total Governmental Funds	<u>3,969</u>	<u>1,540</u>	<u>1,598</u>	<u>411</u>	<u>126</u>	<u>294</u>
Internal Service Funds	991	50	8	726	207	-
Enterprise Funds:						
Stormwater Management Fund	3,019	-	932	1,624	463	-
TPFA / CC and Arena	5,279	1,314	-	95	3,870	-
Tulsa Stadium Trust	2,109	-	-	-	2,109	-
Golf Courses Fund	950	750	-	200	-	-
Total Enterprise Funds	<u>11,357</u>	<u>2,064</u>	<u>932</u>	<u>1,919</u>	<u>6,442</u>	<u>-</u>
Total Primary Government	<u>\$ 16,317</u>	<u>\$ 3,654</u>	<u>\$ 2,538</u>	<u>\$ 3,056</u>	<u>\$ 6,775</u>	<u>\$ 294</u>

Transfers - in		Transfers - out	
Governmental Funds	\$ 3,969	Governmental Funds	\$ 16,023
Internal Service Funds	991	Internal Service Funds	-
Enterprise Funds	11,357	Enterprise Funds	294
Total Primary Government	<u>\$ 16,317</u>	Total Primary Government	<u>\$ 16,317</u>

1. Purpose of Transfers

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

2. Eliminations

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Transfers & Reclassifications	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Nondepreciable capital assets:					
Land	\$ 30,124	\$ 1,047	\$ (30)	\$ -	\$ 31,141
Land - Infrastructure use	436,250	-	-	52,198	488,448
Construction in progress:					
General government	31,347	25,679	(17,374)	13,666	53,318
Infrastructure	176,748	73,064	(131,972)	(9,269)	108,571
Total construction in progress	<u>208,095</u>	<u>98,743</u>	<u>(149,346)</u>	<u>4,397</u>	<u>161,889</u>
Total nondepreciable capital assets	<u>674,469</u>	<u>99,790</u>	<u>(149,376)</u>	<u>56,595</u>	<u>681,478</u>
Depreciable capital assets:					
Land improvements	85,396	2,005	(103)	(26,278)	61,020
Buildings	171,923	8,692	(1,095)	(37,713)	141,807
Equipment	150,610	17,609	(6,559)	2,864	164,524
Street network	2,683,745	141,414	-	79,684	2,904,843
Bridge network	106,902	7,246	-	(92,930)	21,218
Total depreciable capital assets	<u>3,198,576</u>	<u>176,966</u>	<u>(7,757)</u>	<u>(74,373)</u>	<u>3,293,412</u>
Total capital assets	<u>3,873,045</u>	<u>276,756</u>	<u>(157,133)</u>	<u>(17,778)</u>	<u>3,974,890</u>
Accumulated depreciation:					
Land improvements	(62,598)	(433)	103	13,785	(49,143)
Buildings	(71,526)	(2,864)	645	5,469	(68,276)
Equipment	(101,440)	(10,986)	5,393	10,713	(96,320)
Street network	(2,303,517)	(24,786)	-	(112,376)	(2,440,679)
Bridge network	(96,304)	(960)	-	94,436	(2,828)
Total accumulated depreciation	<u>(2,635,385)</u>	<u>(40,029)</u>	<u>6,141</u>	<u>12,027</u>	<u>(2,657,246)</u>
Total depreciable capital assets, net	<u>563,191</u>	<u>136,937</u>	<u>(1,616)</u>	<u>(62,346)</u>	<u>636,166</u>
Governmental activities capital assets, net	<u>\$ 1,237,660</u>	<u>\$ 236,727</u>	<u>\$ (150,992)</u>	<u>\$ (5,751)</u>	<u>\$ 1,317,644</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 7. CAPITAL ASSETS

	Beginning Balance	Additions	Reductions	Transfers & Reclassifications	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable capital assets:					
Land	\$ 82,272	\$ 1,108	\$ -	\$ 808	\$ 84,188
Construction in progress	13,514	6,557	(9,922)	111	10,260
Total nondepreciable assets	95,786	7,665	(9,922)	919	94,448
Depreciable capital assets:					
Land improvements	299,168	10,575	-	31,420	341,163
Buildings	292,445	404	-	3,059	295,908
Equipment	77,373	1,928	(1,030)	(17,532)	60,739
Total depreciable capital assets	668,986	12,907	(1,030)	16,947	697,810
Total capital assets	764,772	20,572	(10,952)	17,866	792,258
Accumulated depreciation:					
Land improvements	(51,018)	(9,931)	-	(15,171)	(76,120)
Buildings	(38,762)	(9,566)	1	(6,293)	(54,620)
Equipment	(32,066)	(4,398)	947	9,055	(26,462)
Total accumulated depreciation	(121,846)	(23,895)	948	(12,409)	(157,202)
Total depreciable capital assets, net	547,140	(10,988)	(82)	4,538	540,608
Business-type activities capital assets, net	\$ 642,926	\$ (3,323)	\$ (10,004)	\$ 5,457	\$ 635,056
DISCRETELY PRESENTED COMPONENT UNITS:					
Nondepreciable capital assets:					
Land, easements and other	\$ 177,289	\$ 6,454	\$ -	\$ (485)	\$ 183,258
Water rights	9,593	-	-	-	9,593
Construction in progress	67,525	83,696	(117,979)	50,613	83,855
Total nondepreciable capital assets	254,407	90,150	(117,979)	50,128	276,706
Depreciable capital assets:					
Land improvements and water and sewer Lines	1,409,408	88,118	-	174,929	1,672,455
Buildings	481,416	45,408	(1,058)	(196,837)	328,929
Equipment	160,920	15,939	(8,248)	(37,859)	130,752
Total depreciable capital assets	2,051,744	149,465	(9,306)	(59,767)	2,132,136
Total capital assets	2,306,151	239,615	(127,285)	(9,639)	2,408,842
Accumulated depreciation:					
Land improvements and water and sewer Lines	(533,737)	(34,371)	-	(118,367)	(686,475)
Buildings	(248,782)	(7,654)	1,058	75,643	(179,735)
Equipment	(86,032)	(9,955)	8,022	42,586	(45,379)
Total accumulated depreciation	(868,551)	(51,980)	9,080	(138)	(911,589)
Total depreciable capital assets, net	1,183,193	97,485	(226)	(59,905)	1,220,547
Component unit capital assets, net	\$ 1,437,600	\$ 187,635	\$ (118,205)	\$ (9,777)	\$ 1,497,253

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	\$ 247	Golf Courses	\$ 443	TMUA	\$ 33,495
Public safety and protection	9,223	One Technology Center	1,879	TARE	328
Public works and transportation	28,812	Arena & Convention Center	11,011	Tulsa Airports	13,131
Social and economic development	251	Stormwater Management	8,627	Other	5,026
Culture and recreation	1,496	Tulsa Stadium Trust	1,935		<u>51,980</u>
	<u>\$ 40,029</u>		<u>\$ 23,895</u>		

NOTE 8. RISK MANAGEMENT

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

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

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

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

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

The carrying amount of the liability for judgments in the amount of \$6,257 is discounted at an annual rate of 3.0% and presented at their net present value of \$4,736.

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

	2012	2011	2010
Claims liability at beginning of year	\$ 19,179	\$ 18,937	\$ 18,038
Current year claims and changes in estimates	8,666	8,650	8,292
Claims payments	(8,155)	(8,408)	(7,393)
Claims liability at end of year	<u>\$ 19,690</u>	<u>\$ 19,179</u>	<u>\$ 18,937</u>
Assets available to pay claims at June 30	<u>\$ 26,247</u>	<u>\$ 24,463</u>	<u>\$ 25,367</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, 2012. 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, 2012.

On-behalf payments - For fiscal year 2012, the State of Oklahoma contributed payments on behalf of City employees to the Oklahoma Police Pension and Retirement System of \$5.3 million and the Oklahoma Firefighters Pension and Retirement System of \$11.2 million. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

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

A. MUNICIPAL EMPLOYEES' PENSION FUND

1. Plan Description

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

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

Employee membership data related to the pension plan, as of January 1, 2012 was as follows:

Membership	
Active plan members	2,456
Retirees and beneficiaries currently receiving benefits	1,645
Terminated employees entitled to but not yet receiving benefits	267
Total	4,368

For the year ended June 30, 2012, the City's total payroll for all employees was \$196,967, including police and fire employees. Excluding police and fire employees, the City's total payroll was \$107,811. Total covered payroll was \$96,179. 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 5% 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.

CITY OF TULSA
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NOTE 9. RETIREMENT AND DEFERRED COMPENSATION PLANS

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.

6. Annual Pension Cost Trend Information

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2012	\$ 11,299	96.7%	\$ 5,714
2011	8,698	65.1%	5,338
2010	8,490	72.8%	6,184

7. Actuarial Valuation, Methods and Assumptions

Valuation date	January 1, 2012
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

8. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2012, is as follows (in millions).

Actuarial accrued liability (AAL)	\$ 496
Actuarial value of plan assets (AVA)	\$ 378
Unfunded actuarial accrued liability (UAAL)	\$ (118)
Funded ratio	76.3%
Covered payroll	\$ 104
UAAL as a percentage of funded payroll	112.6%

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

B. OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM

1. Plan Description

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

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

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

The City's covered payroll for the Firefighters' System was \$41,968, while the City's total payroll for all employees was \$196,967 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.

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 \$8,813 of which \$5,456 was made by the City and \$3,357 was made by the employees. These contributions represent approximately 13% (City) and 8% (member) of covered payroll.

The City's contributions represent 27% of the Firefighters' System total annual contributions state-wide.

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2012	\$ 8,813	100%
2011	8,226	100%
2010	8,571	100%

CITY OF TULSA
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NOTE 9. RETIREMENT AND DEFERRED COMPENSATION PLANS

4. Related Party Investments

As of and for the year ended June 30, 2012, the Firefighters' System held no securities issued by the City or other related parties.

C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1. Plan Description

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

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

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

The City's covered payroll for the Police System was \$47,189, while the City's total payroll for all employees was \$196,967 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 \$9,910, of which \$6,135 is from the City's contributions and \$3,775 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
2012	\$ 9,910	100%
2011	9,629	100%
2010	9,874	100%

4. Related Party Investments

During the year ended June 30, 2012 and as of June 30, 2012, 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
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012
 (dollar amounts expressed in thousands)

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

A. OPEB PLAN DESCRIPTION

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

B. BENEFITS PROVIDED

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

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

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

C. MEMBERSHIP

At July 1, 2011, membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	284
Active employees	<u>2,462</u>
	<u>2,746</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, 2012, 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, 2012, 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
2012	\$ 2,493	\$ 1,208	48%	\$ 16,735
2011	\$ 3,017	\$ 537	18%	\$ 15,450
2010	\$ 3,077	\$ 522	17%	\$ 12,970

F. NET OPEB OBLIGATION:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 2,769
Interest on Net OPEB Obligation	618
Adjustment to Annual Required Contribution	<u>(894)</u>
Annual OPEB Cost	2,493
Contributions	<u>(1,208)</u>
Increase in Net OPEB Obligation	1,285
Net OPEB Obligation, beginning of year	<u>15,450</u>
Net OPEB Obligation, end of year	<u>\$ 16,735</u>

Net OPEB Obligation reported in:

Governmental activities	7,499
Business type activities	1,052
Component units	7,223
Organizations not in reporting entity	<u>961</u>
	<u>\$ 16,735</u>

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012
 (dollar amounts expressed in thousands)

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

G. SCHEDULE OF FUNDING PROGRESS

The funded status of the plan as of July 1, 2011

Actuarial Accrued Liability (AAL)	\$ 27,437
Actuarial value of plan assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 27,437
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$ 98,670
UAAL as a percentage of covered payroll	28%

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, 2011
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4%
Inflation rate	3.25%
Initial annual healthcare cost trend rate	9.0%
Annual reduction of healthcare cost trend rate	0.5%

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(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):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
PRIMARY GOVERNMENT					
Governmental activities:					
General obligation bonds	\$ 386,469	\$ 50,000	\$ (27,779)	\$ 408,690	\$ 35,455
Revenue bonds	14,125	10,900	(14,125)	10,900	1,295
Other long-term liabilities	68,406	31,166	(31,070)	68,502	28,966
Premium on debt issuance - GO bonds	21,389	647	(4,067)	17,969	-
Premium on debt issuance - Revenue bonds	130	969	(178)	921	-
Total governmental activities	<u>490,519</u>	<u>93,682</u>	<u>(77,219)</u>	<u>506,982</u>	<u>65,716</u>
Business-type activities:					
Revenue bonds	106,547	750	(2,835)	104,462	3,065
Unamortized discount--revenue bonds	(145)	-	7	(138)	-
Compensated absences	851	360	(238)	973	598
Other post-employment benefits	988	64	-	1,052	-
Pension liability	366	173	(154)	385	213
Total business-type activities	<u>108,607</u>	<u>1,347</u>	<u>(3,220)</u>	<u>106,734</u>	<u>3,876</u>
Total primary government	<u>\$ 599,126</u>	<u>\$ 95,029</u>	<u>\$ (80,439)</u>	<u>\$ 613,716</u>	<u>\$ 69,592</u>
COMPONENT UNITS					
Revenue bonds:					
TAIT	162,010	-	(7,650)	154,360	8,170
TMUA	161,430	12,685	(20,585)	153,530	9,005
Other component units	20,285	17,860	(20,285)	17,860	-
Premium on debt issuance - TMUA	892	-	(112)	780	-
Premium on debt issuance - TAIT	87	-	(6)	81	-
Unamortized bond discount - TAIT	(367)	-	25	(342)	-
Premium on debt issuance - other component units	-	887	(4)	883	-
Unamortized bond discount - other component units	(167)	-	167	-	-
	<u>344,170</u>	<u>31,432</u>	<u>(48,450)</u>	<u>327,152</u>	<u>17,175</u>
General obligation bonds	51,326	10,575	(15,816)	46,085	5,469
Premium on debt issuance - TMUA	1,364	960	(289)	2,035	-
	<u>52,690</u>	<u>11,535</u>	<u>(16,105)</u>	<u>48,120</u>	<u>5,469</u>
Promissory notes	157,414	23,379	(8,417)	172,376	10,488
Unamortized bond discount - TMUA	(106)	-	21	(85)	-
Premium on debt issuance - TMUA	2,626	89	(284)	2,431	-
	<u>159,934</u>	<u>23,468</u>	<u>(8,680)</u>	<u>174,722</u>	<u>10,488</u>
Capital lease	9,170	-	(451)	8,719	391
Watermain extension contracts	7,071	-	(669)	6,402	536
Compensated absences	6,201	6,199	(4,897)	7,503	4,250
Other post-employment benefits	6,561	677	-	7,223	-
Pension liability	2,647	1,363	(1,117)	2,893	1,436
Pollution remediation obligation	166	-	(166)	-	-
Arbitrage rebate liability	1	-	-	1	-
Deposits subject to refund	16	-	-	16	-
Total component units	<u>\$ 588,627</u>	<u>\$ 74,674</u>	<u>\$ (80,535)</u>	<u>\$ 582,751</u>	<u>\$ 39,745</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(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 \$311,546, no currently outstanding City general obligation bonds are subject to that limit. All currently outstanding City general obligation bonds were approved by at least three-fifths the voters; therefore, are not subject to that limitation.

B. PRIMARY GOVERNMENT

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

General Obligation Bond Refunding

On June 1, 2012, the City issued \$10,575 in Series 2012A General Obligation Refunding Bonds. The proceeds of the issue were used to currently refund the City's Series 2002C General Obligation Bonds.

This transaction will reduce debt service payments by \$263 over the next 5 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$252.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

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 2004-A, Refunding	28,021	2016	5.00%	\$ 11,774	\$ -	\$ (2,321)	\$ 9,453	\$ 2,321
Series 2004-B, Refunding	11,582	2015	3.25-5.0%	5,159	-	(1,285)	3,874	1,285
Series 2005	36,781	2025	5.00%	27,068	-	(1,942)	25,126	1,942
Series 2006	30,183	2026	4.0-4.5%	23,795	-	(1,597)	22,198	1,597
Series 2007	65,933	2027	4.0-4.25%	58,606	-	(3,665)	54,941	3,664
Series 2008	35,851	2028	4.0-4.75%	32,065	-	(1,893)	30,172	1,893
Series 2009	48,454	2029	2.5-4.25%	45,881	-	(2,572)	43,309	2,572
Series 2009B	70,000	2020	4.0-5.0%	70,000	-	(7,800)	62,200	7,800
Series 2009A, Refunding	9,153	2019	3.0-4.0%	8,050	-	(1,078)	6,972	1,053
Series 2009B, Refunding	14,405	2021	3.0-5.0%	12,966	-	(1,406)	11,560	1,378
Series 2010	70,000	2021	3.0-5.0%	70,000	-	-	70,000	7,800
Series 2011	50,000	2032	2.25-4.25%	-	50,000	-	50,000	-
Series 2011A, Refunding	21,105	2022	2.25-4.25%	21,105	-	(2,220)	18,885	2,150
				<u>386,469</u>	<u>50,000</u>	<u>(27,779)</u>	<u>408,690</u>	<u>35,455</u>
Premium on debt issuance				21,389	647	(4,067)	17,969	-
				<u>407,858</u>	<u>50,647</u>	<u>(31,846)</u>	<u>426,659</u>	<u>35,455</u>
Revenue bonds:								
Capital Improvements - 2006-A	72,965	2012	5.00%	14,125	-	(14,125)	-	-
Capital Improvements - 2012	10,900	2020	3.00-4.00%	-	10,900	-	10,900	1,295
				<u>14,125</u>	<u>10,900</u>	<u>(14,125)</u>	<u>10,900</u>	<u>1,295</u>
Premium on debt issuance				130	969	(178)	921	-
				<u>14,255</u>	<u>11,869</u>	<u>(14,303)</u>	<u>11,821</u>	<u>1,295</u>
Other long-term liabilities:								
Compensated absences				28,161	16,830	(16,779)	28,212	17,343
Other post-employment benefits				7,046	453	-	7,499	-
Pension liability				2,607	1,351	(1,223)	2,735	1,684
Arbitrage rebate liability				43	-	(43)	-	-
Claims and judgments				27,903	8,825	(11,549)	25,179	8,946
Pollution remediation obligation				-	166	-	166	-
E911 Promissory Note - 2005	2,500	2013	4.30%	796	-	(389)	407	407
Due to other governments				1,850	3,541	(1,087)	4,304	586
				<u>68,406</u>	<u>31,166</u>	<u>(31,070)</u>	<u>68,502</u>	<u>28,966</u>
Total governmental activities				<u>\$ 490,519</u>	<u>\$ 93,682</u>	<u>\$ (77,219)</u>	<u>\$ 506,982</u>	<u>\$ 65,716</u>
Business-type activities								
Revenue bonds:								
Recreational Facilities - 2003	3,460	2013	2.90-3.35%	875	-	(430)	445	445
Assembly Center - 1985	23,335	2015	6.60%	5,900	-	(1,340)	4,560	1,425
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	3.80-6.069%	14,230	-	(725)	13,505	835
Series 2008-1 & 2008-2 - TST	25,000	2039	6.50%	18,392	750	(340)	18,802	360
				<u>106,547</u>	<u>750</u>	<u>(2,835)</u>	<u>104,462</u>	<u>3,065</u>
Unamortized discount				(145)	-	7	(138)	-
				<u>106,402</u>	<u>750</u>	<u>(2,828)</u>	<u>104,324</u>	<u>3,065</u>
Compensated absences				851	360	(238)	973	598
Other post-employment benefits				988	64	-	1,052	-
Pension liability				366	173	(154)	385	213
Total business-type activities				<u>\$ 108,607</u>	<u>\$ 1,347</u>	<u>\$ (3,220)</u>	<u>\$ 106,734</u>	<u>\$ 3,876</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

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 2004-A, Refunding (3% Sewer)	2016	5.0%	\$ 9,773	\$ 9,453	\$ 320
Series 2004-B, Refunding (8% Sewer)	2015	3.25-5.0%	4,221	3,874	347
Series 2005 (26% Sewer)	2025	5.00%	34,157	25,126	9,031
Series 2006 (2.635% Sewer)	2026	4.0-4.5%	22,799	22,198	601
Series 2007 (9.295% Sewer)	2027	4.0-4.25%	60,571	54,941	5,630
Series 2008 (19.45405530% Sewer)	2028	4.0-4.75%	37,460	30,172	7,288
Series 2009 (6.4604247% Sewer)	2029	2.5-4.25%	46,300	43,309	2,991
Series 2009B	2020	4.0-5.0%	62,200	62,200	-
Series 2009A, Refunding (37.668% Sewer)	2019	3.0-4.0%	11,185	6,972	4,213
Series 2009B, Refunding (30.5625% Sewer)	2021	3.0-5.0%	16,649	11,560	5,089
Series 2010	2021	3.0-5.0%	70,000	70,000	-
Series 2011	2032	2.0-3.5%	50,000	50,000	-
Series 2011A, Refunding	2022	2.25-4.25%	18,885	18,885	-
Series 2012A, Refunding (100% Sewer)	2017	2.25-4.25%	10,575	-	10,575
			<u>\$ 454,775</u>	<u>\$ 408,690</u>	<u>\$ 46,085</u>

C. COMPONENT UNITS

1. Revenue Bonds

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

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

2. Revenue Bond Refundings

TMUA - On April 18, 2012, TMUA issued \$12,685 in Series 2012 Refunding Utility Revenue Bonds. The proceeds of the issue were used to currently refund the TMUA Series 2004 Utility Revenue Bonds. This transaction will reduce debt service payments by \$1,267 over the next 13 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$889. The refunding resulted in a deferred charge of \$250 which will be amortized over the life of the new bonds. The amortization and related deferred loss are reported in the financial statements.

TPA - On June 20, 2012, TPA issued \$17,860 in Series 2012 Parking Revenue Refunding Bonds. The proceeds of the issue were used to currently refund the Series 2002 Parking Revenue Bonds and advance refund the Series 2003 and 2004 Parking Revenue Bonds.

This transaction will reduce debt service payments by \$980 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 \$896. The refunding resulted in a deferred charge of \$905 which will be amortized over the life of the new bonds. The amortization and related deferred charge are reported in the financial statements.

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, 2012, the Series 2011C Promissory Note for \$16,700 was authorized but unissued.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 11. LONG-TERM LIABILITIES

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, 2012, 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, 2012, the aggregate outstanding principal balances due on these notes and bonds are approximately \$167,000.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

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 2000-A	\$ 11,000	2020	6.00%	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -
Series 2004-A	17,800	2018	4.25-5.00%	10,965	-	(1,345)	9,620	1,415
Series 2004-B	2,200	2017	4.95%	1,200	-	(200)	1,000	200
Series 2009-A	42,705	2024	3.0 - 5.375%	37,450	-	(2,235)	35,215	2,300
Series 2009-B	25,865	2031	3.0 - 5.75%	24,955	-	(930)	24,025	1,185
Series 2009-C	4,020	2023	3.0 - 6.0%	3,970	-	(30)	3,940	75
Series 2009-D	56,615	2031	2.726-7.759%	52,675	-	(990)	51,685	770
Series 2010-A	5,770	2021	3.0 - 5.0%	5,770	-	(275)	5,495	530
Series 2010-B	8,215	2021	2.71 - 6.5%	7,715	-	(640)	7,075	660
Series 2010-C	13,520	2025	4.0 - 5.25%	12,310	-	(1,005)	11,305	1,035
				162,010	-	(7,650)	154,360	8,170
Premium on debt issuance				87	-	(6)	81	-
Unamortized discount				(367)	-	25	(342)	-
				161,730	-	(7,631)	154,099	8,170
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2003 - Refunding	8,890	2019	3.7 - 4.45%	5,240	-	(580)	4,660	600
Series 2004	17,695	2025	3.5 - 4.6%	13,300	-	(13,300)	0	-
Series 2005	78,720	2026	4.0 - 4.5%	63,970	-	(3,015)	60,955	3,145
Series 2007	27,815	2027	4.0 - 4.5%	20,115	-	(2,100)	18,015	2,200
Series 2009	21,500	2029	3.0 - 4.75%	20,195	-	(690)	19,505	715
Series 2010	14,510	2030	2.0 - 4.0%	14,510	-	-	14,510	550
Series 2011	24,100	2031	0.375-4.375%	24,100	-	(900)	23,200	830
Series 2012 - Refunding	12,685	2025	2.0 - 2.65%	-	12,685	-	12,685	965
				161,430	12,685	(20,585)	153,530	9,005
Premium on debt issuance				892	-	(112)	780	-
				162,322	12,685	(20,697)	154,310	9,005
<u>Other Component Units</u>								
Series 2002 - Parking Systems	9,030	2019	3.8 - 4.75%	6,605	-	(6,605)	-	-
Series 2003 - Parking Systems	12,315	2029	3.0 - 4.7%	10,205	-	(10,205)	-	-
Series 2004 - Parking Systems	5,250	2020	2.75 - 4.25%	3,475	-	(3,475)	-	-
Series 2012 - Refunding	17,860	2029	2.0 - 3.125%	-	17,860	-	17,860	-
				20,285	17,860	(20,285)	17,860	-
Premium on debt issuance				-	887	(4)	883	-
Unamortized discount				(167)	-	167	-	-
				20,118	18,747	(20,122)	18,743	-
				<u>\$ 344,170</u>	<u>\$ 31,432</u>	<u>\$ (48,450)</u>	<u>\$ 327,152</u>	<u>\$ 17,175</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 11. LONG-TERM LIABILITIES

Component Unit long-term liability activity, continued

Description	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
PROMISSORY NOTES:								
Tulsa Metropolitan Utility Authority								
Series 1992-A, Sanitary Sewer	\$ 4,299	2012	0.50%	\$ 322	\$ -	\$ (215)	\$ 107	\$ 107
Series 1997-A, Sanitary Sewer	4,035	2016	0.50%	1,134	-	(207)	927	206
Series 1998-B, Sanitary Sewer	4,392	2017	0.50%	1,490	-	(229)	1,261	229
Series 1998-C, Sanitary Sewer	8,500	2017	4.95 - 5.145%	3,980	-	(490)	3,490	515
Series 2001-B, Sanitary Sewer	4,996	2020	0.50%	2,366	-	(263)	2,103	263
Series 2002-D, Sanitary Sewer	6,813	2022	0.50%	3,670	-	(350)	3,320	349
Series 2003, Sanitary Sewer	4,310	2012	2.995 - 3.745%	1,025	-	(505)	520	520
Series 2004-B, Sanitary Sewer	1,560	2023	0.50%	1,000	-	(80)	920	80
Series 2005-B, Sanitary Sewer	7,900	2027	3.10%	6,715	-	(396)	6,319	395
Series 2005-C, Sanitary Sewer	1,203	2025	0.50%	872	-	(60)	812	60
Series 2006-A, Sanitary Sewer	3,130	2028	3.10%	2,436	74	(156)	2,354	157
Series 2006-B, Sanitary Sewer	835	2016	1.55%	452	-	(85)	367	91
Series 2006-C, Sanitary Sewer	17,825	2027	3.10%	15,816	214	(891)	15,139	891
Series 2006, Sanitary Sewer	52,585	2025	4.145 - 5.145%	44,674	-	(2,179)	42,495	2,265
Series 2007-A, Sanitary Sewer	5,131	2026	0.50%	4,079	-	(264)	3,815	263
Series 2007-B, Sanitary Sewer	8,365	2026	4.15%	7,284	-	(331)	6,953	344
Series 2008-A, Water	1,250	2014	2.03%	228	738	(313)	653	313
Series 2009-A, Sanitary Sewer	11,320	2032	3.22%	7,445	605	(283)	7,767	566
Series 2009-B, Sanitary Sewer	7,350	2032	2.91%	4,217	592	-	4,809	268
Series 2009-C, Water	5,225	2032	2.82%	2,280	1,359	(65)	3,574	132
Series 2010-A, Sanitary Sewer	27,757	2032	2.39%	2,274	8,442	-	10,716	694
Series 2010-B, Sanitary Sewer	32,000	2030	0.645 - 5.145%	29,380	-	(1,055)	28,325	1,060
Series 2011-B, Sanitary Sewer	14,275	2032	.0545-5.145%	14,275	-	-	14,275	500
Series 2012-B, Sanitary Sewer	11,355	2033	3.162%	-	11,355	-	11,355	220
				157,414	23,379	(8,417)	172,376	10,488
Premium on debt issuance-TMUA				2,626	89	(284)	2,431	-
Unamortized discount-TMUA				(106)	-	21	(85)	-
				<u>\$ 159,934</u>	<u>\$ 23,468</u>	<u>\$ (8,680)</u>	<u>\$ 174,722</u>	<u>\$ 10,488</u>
GENERAL OBLIGATION BONDS:								
Tulsa Metropolitan Utility Authority								
Series 2002-C, Refunding	28,000	2017	4.0-5.0%	12,600	-	(12,600)	-	-
Series 2004-A, Refunding	949	2016	5.0%	396	-	(76)	320	79
Series 2004-B, Refunding	1,038	2015	3.25-5.0%	461	-	(114)	347	115
Series 2005, Sanitary Sewer	13,219	2025	5.0%	9,732	-	(701)	9,031	698
Series 2006, Sanitary Sewer	817	2026	4.0-4.5%	645	-	(44)	601	43
Series 2007, Sanitary Sewer	6,757	2027	4.0-4.25%	6,004	-	(374)	5,630	376
Series 2008, Sanitary Sewer	8,659	2028	4.0-4.75%	7,745	-	(457)	7,288	457
Series 2009, Sanitary Sewer	3,347	2029	2.5-4.25%	3,169	-	(178)	2,991	178
Series 2009A Refunding, Sanitary Sewer	5,532	2019	3.0-4.0%	4,865	-	(652)	4,213	636
Series 2009B Refunding, Sanitary Sewer	6,340	2021	3.0-5.0%	5,709	-	(620)	5,089	607
Series 2012A Refunding, Sanitary Sewer	10,575	2017	4.00%	-	10,575	-	10,575	2,280
				51,326	10,575	(15,816)	46,085	5,469
Premium on debt issuance-TMUA				1,364	960	(289)	2,035	-
				<u>\$ 52,690</u>	<u>\$ 11,535</u>	<u>\$ (16,105)</u>	<u>\$ 48,120</u>	<u>\$ 5,469</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

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
2013	\$ 35,455	\$ 16,765	\$ 4,360	\$ 5,714	\$ 407	\$ 13
2014	37,992	15,372	5,383	6,206	-	-
2015	37,901	13,870	5,662	5,915	-	-
2016	36,656	12,292	4,248	5,661	-	-
2017	34,068	10,788	4,480	5,451	-	-
2018-2022	141,402	32,182	20,154	23,657	-	-
2023-2027	65,811	11,084	19,545	17,852	-	-
2028-2032	19,405	1,450	21,070	11,341	-	-
2033-2037	-	-	25,057	4,929	-	-
2038-2042	-	-	5,403	187	-	-
	<u>\$ 408,690</u>	<u>\$ 113,803</u>	<u>\$ 115,362</u>	<u>\$ 86,913</u>	<u>\$ 407</u>	<u>\$ 13</u>

Year	Component Units					
	General Obligation		Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 5,469	\$ 1,939	\$ 17,175	\$ 14,721	\$ 10,488	\$ 6,032
2014	5,358	1,727	19,595	14,098	10,948	5,884
2015	5,249	1,519	21,460	13,427	10,852	5,559
2016	5,039	1,307	21,260	12,650	11,004	5,221
2017	4,852	1,105	21,170	11,846	11,040	4,870
2018-2022	12,093	3,343	97,060	46,855	51,467	18,762
2023-2027	7,269	1,059	82,680	25,215	45,748	9,035
2028-2032	756	40	45,350	7,044	20,104	2,108
2033-2037	-	-	-	-	725	24
	<u>\$ 46,085</u>	<u>\$ 12,039</u>	<u>\$ 325,750</u>	<u>\$ 145,856</u>	<u>\$ 172,376</u>	<u>\$ 57,495</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, 2012
(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	\$18,700
<u>Tulsa Parking Authority</u>	
2003 Parking Revenue Bonds	\$ 9,820
2004 Parking Revenue Bonds	\$ 3,145

F. NET PENSION OBLIGATION

The net pension obligation was calculated as follows:

Annual Required Contribution	\$ 11,205
Interest on Net Pension Obligation	414
Adjustment to Annual Required Contribution	<u>(320)</u>
Annual Pension Cost	11,299
Contributions	<u>(10,923)</u>
Increase (Decrease) in Net Pension Obligation	376
Net Pension Obligation, beginning of year	<u>5,338</u>
Net Pension Obligation, end of year	<u><u>\$ 5,714</u></u>

Net Pension Obligation reported in:

Governmental activities	2,735
Business type activities	385
Component units	<u>2,594</u>
	<u><u>\$ 5,714</u></u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 12. FUND BALANCES OF GOVERNMENTAL FUNDS

The details for the City's fund balances are as follows:

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Not in spendable form:						
Advances to other funds	\$ 606	\$ -	\$ -	\$ -	\$ -	\$ 606
Restricted for:						
Debt service	-	45,363	-	-	-	45,363
Capital projects	-	-	159,523	139,976	6,068	305,567
Federal and state grants	-	-	-	-	1,197	1,197
E-911 operations	-	-	-	-	2,204	2,204
Economic development	-	-	-	-	285	285
Tourism and convention	-	-	-	-	439	439
Tulsa Stadium district improvements	-	-	-	-	588	588
Law enforcement training	-	-	-	-	83	83
Juvenile crime	-	-	-	-	17	17
Miscellaneous special revenue funds	-	-	-	-	543	543
	-	45,363	159,523	139,976	11,424	356,286
Committed:						
Operation of Air Force Plant 3 facility	-	-	-	-	1,063	1,063
Whittier Square district improvements	-	-	-	-	32	32
	-	-	-	-	1,095	1,095
Assigned to:						
Budgetary resources for subsequent year	20,690	-	-	-	-	20,690
Capital projects	-	-	-	-	716	716
Public safety body armor	98	-	-	-	-	98
MTTA operations	201	-	-	-	-	201
	20,989	-	-	-	716	21,705
Unassigned						
	49,540	-	-	-	(145)	49,395
	\$ 71,135	\$ 45,363	\$ 159,523	\$ 139,976	\$ 13,090	\$ 429,087

The purpose of each major special revenue fund and revenue source is listed below:

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

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(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 \$6,385 and \$1,480, respectively remains on the Series 2006A Ad valorem Tax Increment Bonds, payable through January 2017. Principal and interest of \$8,935 and \$4,122 respectively, remains on the Series 2006B Sales Tax Increment Bonds, payable through July 2021. Principal payments for the Series 2006A&B bonds amounted to \$1,015 and \$205, respectively, and interest amounted to \$541 and \$678, respectively. Total gross revenues were \$1,940 from ad valorem taxes and \$7,284 from sales taxes.

2. Sales Tax Revenues Pledged

Capital Improvements 2006A - 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 \$14,831. This debt issue was paid off in the current year. Total sales tax revenues related to the levy were \$7,482.

3. Revenues Pledged in Connection with Proprietary Fund Debt

Lease Revenue Bonds 2007A&B - TPFA has pledged future gross lease revenues derived from the operation of the OTC facility, including money received from the City pursuant to the lease and other funds, to repay approximately \$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 45% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$126,576. Principal and interest paid on the bonds amounted to \$3,734. Total gross revenues were \$8,372.

Recreational Facilities 2003 - The TPFA 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 18% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$452. Principal and interest paid for the year was \$452. Total gross revenues were \$2,551.

Assembly Center 2008 - The TPFA has pledged future gross lease revenues derived from the operation of the Convention Center facilities, including money received from the City pursuant to the lease and other funds, to repay approximately \$23,335 in lease revenue bonds issued. Proceeds from the bonds provided financing for certain improvements, additions, and the refunding of existing debt issued to construct the facilities. The bonds are payable from new and existing leases and other revenues and are payable through 2015. The total principal and interest remaining to be paid on the bonds is \$5,024. Principal and interest paid for the year was \$1,685. Total hotel/motel taxes received by the Authority for debt service were \$1,685.

Capital Improvements 2008 - The TPFA has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Arena to repay approximately \$16,000 in capital improvement bonds issued. Proceeds from the bonds provided financing for the acquisition, construction, furnishing and equipping of capital improvements and additions to the BOK Arena. The bonds are payable from new and existing sponsorship and naming rights revenues and are payable through 2027. The total principal and interest remaining to be paid on the bonds is \$19,947. Principal and interest paid for the year was \$1,577. Total gross sponsorship and naming rights revenues were \$2,090.

Series 2008-1 & 2008-2 - The TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$24,711 in revenue bonds issued. Proceeds from the bonds provided financing for construction of the baseball stadium and related facilities. The bonds are payable from gross revenues along with property tax assessments of the Tulsa Stadium Improvement District received from the City and are payable through 2035. Annual principal and interest payments on the bonds required 66% of total gross revenues. The total principal and interest remaining to be paid on the bonds is \$37,519. Principal and interest required to be paid for the year was \$1,556 exclusive of any additional amounts paid. Total gross revenues were \$246 and property tax assessments received from the City were \$2,108.

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 \$153,530 and \$172,376 in

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2012
 (dollar amounts expressed in thousands)

NOTE 13. PLEDGED REVENUES

water and wastewater system revenue bonds and promissory notes issued, respectively. Proceeds from the bonds and promissory notes provided financing for the construction of various water and wastewater capital projects. The bonds and promissory notes are payable solely from water and wastewater net revenues and are payable through 2033. Annual principal and interest payments on the bonds required between 35% and 70% of water and wastewater net revenues, respectively. The total principal and interest remaining to be paid on the bonds is \$207,968 and \$229,871 for water and wastewater, respectively. Combined principal and interest paid for the year were \$27,620 and \$14,128, for water and wastewater respectively. Total net revenues were \$37,117 and \$64,682, 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 \$245,757. Principal and interest paid for the year was \$17,188, exclusive of the debt refunding. Total gross revenues were \$45,580.

TPA - The TPA has pledged future gross revenues derived from the operation of the parking facilities to repay approximately \$17,860 in revenue bonds issued. Proceeds from the bonds provided financing for various parking facilities and debt refundings. The bonds are payable solely from gross revenues and are payable through 2028. Annual principal and interest payments on the bonds required 44% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$21,864. Principal and interest paid for the year was \$2,665. Total gross revenues were \$6,103.

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 \$870 for all types of leases for the primary government and \$495 for its component units.

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

Capital Lease

On December 2, 1984, TMUA entered a contract with the United States of America to utilize storage of the Oologah Lake as a source of a municipal and industrial water supply. Interest rates for the contract were determined by the Secretary of the Treasury. For the initial development stage, the interest rate is 2.5% and

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

	Principal	Interest	Operating Expense	Total
2013	\$ 176	\$ 146	\$ 169	\$ 491
2014	182	140	169	491
2015	188	134	169	491
2016	194	128	169	491
2017	200	122	169	491
2018-2022	1,103	510	844	2,457
2023-2027	1,293	320	844	2,457
2028-2031	1,193	99	674	1,966
	<u>\$ 4,529</u>	<u>\$ 1,599</u>	<u>\$ 3,207</u>	<u>\$ 9,335</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 15. CONTINGENT LIABILITIES

Police Probe - The City is a named defendant in multiple civil cases arising from a federal 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 federal investigation.

The City is an active defendant in at least 11 civil cases, has settled one and has been dismissed from three others. At this time, the City is unable to form an opinion as to the outcome of this litigation.

Airport - Great Plains Airlines: 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 on June 26, 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 Agreement and transferring the Settlement Payment were authorized by Oklahoma law. The District Court determined the action taken by the City was a proper response to the Taxpayers' Qui Tam Demand and the Taxpayers had no right to recover a Qui Tam penalty and granted the City's Motion for Partial Summary Judgment.

The Taxpayers appealed the decision and in October 2011, the Oklahoma Supreme Court ruled that BOK's claim against the City was not viable and remanded the matter for the District Court to direct the repayment from BOK to the City of Tulsa. On July 13, 2012, the Mandate was received and filed in Tulsa County. The City of Tulsa confirmed receipt of \$7.1 million from BOKF, NA (formerly Bank of Oklahoma NA) on July 18, 2012.

Taxpayers filed an Application for Statutory Reward and Alternative Motion for Compensation on July 31, 2012 which was denied. Taxpayers filed their Petition in Error with the Oklahoma Supreme Court.

TIA/BOKF, NA may re-initiate its proceedings against the Tulsa Airports Improvement 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.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 16. COMMITMENTS

Encumbrance balances in the funds at June 30, 2012 are as follows:

Governmental Funds:	
Major Funds:	
General Fund	\$ 9,300
Sales Tax Fund	30,311
Bond Fund	57,201
Nonmajor Funds	<u>16,472</u>
Total Governmental Funds	<u>113,284</u>
Internal Service Funds	<u>2,215</u>
Enterprise Funds	
Stormwater Management Fund	3,439
One Technology Center Fund	365
Arena and Convention Center Fund	248
Non Major-Golf Course Fund	<u>115</u>
Total Enterprise Funds	<u>4,167</u>
Total Primary Government	<u>\$ 119,667</u>

NOTE 17. SUBSEQUENT EVENTS

The City has evaluated events or transactions for potential recognition or disclosure in these financial statements that occurred subsequent to June 30, 2012 through November 28, 2012, the date these financial statements were available to be issued.

General Obligation Bonds - On December 6, 2012 the City Council authorized the sale of the General Obligation Bonds Series 2013 dated March 1, 2013, in the amount of \$45,000. The proceeds will provide funds for the purpose of financing a portion of the costs for streets and bridge improvements.

TMUA Promissory Note Refunding - On August 29, 2012, TMUA refunded its Promissory Note Series 1998C in the amount of \$2,700.

Airports Improvement Trust Revenue Bonds, \$14,625 - On August 7, 2012, TAIT issued \$14,625 in revenue

bonds to finance runway reconstruction. The issuance of the revenue bonds will allow TAIT to compress four years of runway reconstruction into one, while reducing costs.

Airports Improvement Trust Revenue Bonds \$2,000 - On August 29, 2012, TAIT issued \$2,000 in revenue bonds to finance the purchase and installation of a financial management system.

TPFA Capital Improvements Revenue Taxable Refunding Bonds - On November 15, 2012 TPFA authorized the sale of the Capital Improvements Revenue Bonds Taxable Refunding Series 2012 dated December 13, 2012, in the amount of \$9,480. The proceeds will provide funds for the purpose of refunding a portion of the Lease Payment Revenue Bonds Taxable Series 2007B, fund a Sinking Reserve Fund, and pay the costs of issuance of the bonds.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012
(dollar amounts expressed in thousands)

NOTE 18. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 67 - *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25 - This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

This Statement and Statement No. 68 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The scope of this Statement addresses accounting and financial reporting for the activities of pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. Distinctions are made regarding the particular requirements depending upon the type of pension plan administered.

The provisions of Statement No. 67 are effective for the fiscal year ending June 30, 2014. The City is currently evaluating the impact of adopting this Statement.

GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* - The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense / expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The provisions of Statement 68 are effective for the fiscal year ending June 30, 2015. The City is currently evaluating the impact of adopting this Statement.

CITY OF TULSA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION TRUST
June 30, 2012

(dollar 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)
1/1/12	\$ 378,454	\$ 495,920	\$ 117,466	76.3%	\$ 104,313	112.6%
1/1/11	372,469	484,698	112,229	76.8%	101,690	110.4%
1/1/10	365,775	457,233	91,458	80.0%	108,423	84.4%
1/1/09	359,191	437,504	78,313	82.1%	111,170	70.4%
1/1/08	392,428	412,704	20,276	95.1%	107,574	18.8%
1/1/07	370,778	384,173	13,395	96.5%	103,358	13.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year	Annual Required Contribution	Percentage Contributed
2012	\$ 11,205	97%
2011	9,783	72%
2010	9,747	72%
2009	7,004	100%
2008	6,777	100%
2007	6,512	100%

SCHEDULE OF ACTUARIAL VALUATION, METHODS AND ASSUMPTIONS

Valuation date	January 1, 2012
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, 2012

(dollar 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)
7/1/11	\$ -	\$ 27,437	\$ 27,437	0.0%	\$ 98,670	27.8%
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%

SCHEDULE OF ACTUARIAL VALUATION, METHODS AND ASSUMPTIONS

Valuation date	July 1, 2011
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4.0%
Inflation rate	3.25%
Initial annual healthcare cost trend rate	9.0%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5.0%

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NONMAJOR GOVERNMENTAL FUNDS

BALD EAGLE



- EAGLE VIEWING -

Eagle viewing in the Tulsa area became popular approximately 30 years ago when the Tulsa Audobon society started its public watch program. Today, there are more than 20 parks, refuges and bird-watching organizations that conduct tours and programs each winter in order to catch a glimpse of this majestic creature.

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 eleven small funds with varying restricted revenue expenditure types. The two most significant funds are the Air Force Plant 3 Fund, and Penalty Assessment Law Enforcement Training Fund.

CAPITAL PROJECTS FUNDS - are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- Graham Trust Park Division - Accounts for park capital improvements financed by donations from the Graham Trust.
- Long Range Capital Projects Fund - Accounts for other capital projects that will take more than one year to complete.
- Vision 2025 Capital Projects Fund - Accounts for revenue and capital improvements financed through contributions from the Tulsa County Bond Fund.
- Parkway Arterial Street - Accounts for fee in lieu of payments from developers for sidewalk improvements.
- Enhanced 911 Construction Fund - Accounts for funds allocated for the Construction of the E-911 facility.

BUDGET AND ACTUAL SCHEDULES - Budgetary Basis - Budgetary Level of Control

- General Fund -
 - Schedule of Revenues
 - Schedule of Expenditures and Encumbrances
- Nonmajor 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, 2012
(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 District	Special Development	Grahams Trust Park Division	Long Range Capital Projects	Parkway Arterial Streets	Enhanced 911 Construction			
Assets													
Cash and cash equivalents	\$ 863	\$ 2,473	\$ 433	\$ 1,170	\$ 676	\$ 1,662	\$ 700	\$ 4,730	\$ 14	\$ 1,347	\$ 14,068		
Receivables, net	7,451	297	238	425	308	12	2	-	-	-	8,733		
Total assets	\$ 8,314	\$ 2,770	\$ 671	\$ 1,595	\$ 984	\$ 1,674	\$ 702	\$ 4,730	\$ 14	\$ 1,347	\$ 22,801		
Liabilities													
Accounts payable and accrued liabilities	1,576	159	386	48	91	81	-	3	-	6	2,350		
Unearned revenue	445	-	-	-	-	-	-	-	-	-	445		
Advances from other funds	134	407	-	1,108	-	-	-	-	-	-	1,649		
Total liabilities	2,155	566	386	1,156	91	81	-	3	-	6	4,444		
Deferred inflows of resources													
Unavailable revenue- special assessments	-	-	-	-	305	-	-	-	-	-	305		
Unavailable revenue- intergovernmental	4,962	-	-	-	-	-	-	-	-	-	4,962		
Total unavailable revenue	4,962	-	-	-	305	-	-	-	-	-	5,267		
Fund balances (deficit):													
Restricted	1,197	2,204	285	439	588	643	-	4,727	-	1,341	11,424		
Committed	-	-	-	-	-	1,095	-	-	-	-	1,095		
Assigned	-	-	-	-	-	(145)	702	-	14	-	716		
Unassigned	-	-	-	-	-	(145)	-	-	-	-	(145)		
Total fund balances	1,197	2,204	285	439	588	1,593	702	4,727	14	1,341	13,090		
Total liabilities, deferred resources and fund balance	\$ 8,314	\$ 2,770	\$ 671	\$ 1,595	\$ 984	\$ 1,674	\$ 702	\$ 4,730	\$ 14	\$ 1,347	\$ 22,801		

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2012
(amount 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 District	Special Development	Grahams Trust Park Division	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Street		Enhanced 911 Construction
Revenues:												
Franchise tax	-	-	-	-	-	-	-	-	-	-	-	1,119
Hotel/Motel tax	-	-	2,333	3,666	-	-	-	-	-	-	-	5,999
Special assessment	-	-	-	-	3,155	9	-	-	-	-	-	3,164
Charges for services	-	4,165	-	-	-	182	-	338	-	-	-	4,685
Intergovernmental revenues	14,116	11	-	-	-	220	-	-	4,246	-	-	18,593
Fines and forfeitures	-	-	-	-	-	152	-	-	-	-	-	152
Investment income	8	52	-	36	15	14	9	-	-	-	-	134
Program income from grants	1,763	-	-	-	-	-	-	-	-	-	-	1,763
Payments from component units	668	-	-	-	-	-	-	-	-	-	-	668
Miscellaneous	258	-	-	39	-	23	693	83	-	-	-	1,096
Total revenue	16,813	4,228	2,333	3,741	3,170	600	702	1,540	4,246	-	-	37,373
Expenditures:												
Current:												
Administration and support	-	-	-	-	65	-	-	-	-	-	-	65
Public safety and protection	6,783	4,310	-	-	-	225	-	-	-	-	-	11,318
Public works and transportation	-	260	-	-	880	-	-	-	-	-	-	1,140
Culture and recreation	-	-	-	432	-	164	-	-	-	-	-	596
Social and economic development	7,884	-	2,373	-	-	175	-	-	-	-	-	10,432
Payments to component units	346	-	-	-	-	-	-	-	134	-	-	480
Capital outlay	4,881	-	-	87	1	63	-	124	4,112	-	967	10,235
Total expenditures	19,894	4,570	2,373	519	946	627	-	124	4,246	-	967	34,266
Excess (deficiency) of revenues over expenditures	(3,081)	(342)	(40)	3,222	2,224	(27)	702	1,416	-	-	(967)	3,107
Other financing sources (uses):												
Transfers in	2,303	-	-	-	-	10	-	-	-	-	-	3,969
Transfers out	(670)	-	-	(3,870)	(2,235)	-	-	-	-	-	-	(6,775)
Total other financing sources (uses)	1,633	-	-	(3,870)	(2,235)	10	-	-	-	-	-	(2,806)
Net change in fund balances	(1,448)	(342)	(40)	(648)	(11)	(17)	702	3,072	-	-	(967)	301
Fund balance, beginning of year	2,645	2,646	325	1,087	599	1,610	-	-	-	14	2,308	12,789
Fund balance, end of year	\$ 1,197	\$ 2,204	\$ 285	\$ 439	\$ 588	\$ 1,593	\$ 702	\$ 4,727	\$ -	\$ 14	\$ 1,341	\$ 13,090

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2012
(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
Taxes			
Sales tax	\$ 135,991	\$ 140,628	\$ 4,637
Franchise tax:			
Gas	4,500	3,729	(771)
Power and light	8,500	8,910	410
Telephone	4,200	4,082	(118)
Thermal systems	300	261	(39)
Cable television	5,730	4,633	(1,097)
Use tax	18,864	21,227	2,363
Hotel/Motel tax	110	120	10
	178,195	183,590	5,395
Licenses and Permits			
Business licenses and permits:			
Occupational licenses	370	366	(4)
Retail liquor licenses	50	50	-
Amusement and recreation permits	290	252	(38)
Restaurant licenses	100	88	(12)
Taxicabs and drivers permits	40	34	(6)
Liquor occupational tax	330	377	47
Beer licenses	15	26	11
Non-business licenses and permits:			
Inspection fees	2,872	3,696	824
PFPI permits	450	570	120
Security alarm permits	480	512	32
Other	527	861	334
	5,524	6,832	1,308
Intergovernmental Revenue			
Grants	-	30	30
Shared revenue:			
State liquor tax	660	637	(23)
State gasoline tax	740	741	1
State tobacco tax	2,950	3,205	255
State vehicle license	2,800	2,674	(126)
Other	961	1,609	648
	\$ 8,111	\$ 8,896	\$ 785

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2012
(amounts expressed in thousands)**

Continued

	Final Budget	Actual	Variance with Final Budget
Charges for Services			
Indirect costs:			
Airport	\$ 1,258	\$ 1,258	\$ -
TARE	741	741	-
Stormwater	1,162	1,162	-
Water & Sewer	5,588	5,588	-
Grants	50	8	(42)
Other	275	275	-
Payments in lieu of taxes:			
TARE	1,556	1,472	(84)
Stormwater	1,606	1,572	(34)
Water & Sewer	10,849	11,471	622
General government:			
Planning & zoning fees	210	194	(16)
Processing fees	10	10	-
Service charges	125	83	(42)
Document sales & copies	10	48	38
Public safety:			
Dog pound fees	150	127	(23)
Weed mowing	524	791	267
Nuisance abatement fees	13	13	-
Police special events	275	275	-
Airport police & fire services	1,700	1,704	4
Other service fees	200	413	213
Cultural and recreational:			
Concessions	25	17	(8)
Performing Arts Center	1,200	1,129	(71)
Parks	1,012	902	(110)
Highways and streets:			
Paving cut repair charges	6,628	5,465	(1,163)
Parking meters and other	220	250	30
	35,387	34,968	(419)
Fines			
Parking and traffic fines	10,581	11,566	985
Interest on Investments			
	5,277	3,780	(1,497)
Miscellaneous			
Sales of City property	600	664	64
Recoveries	1,399	2,118	719
Property rentals & leases	150	193	43
Other	267	57	(210)
	2,416	3,032	616
Total revenues	\$ 245,491	\$ 252,664	\$ 7,173

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2012
(amounts expressed in thousands)**

	Appropriations				Actual		Variance with Final Budget	
	Original Budget	Prior Year Carryover	Revisions	Final Budget	Encumbrances			Total
					Expenditures			
Administration and Support								
Departments:								
Mayor:								
Personnel services	\$ 904	\$ -	\$ (30)	\$ 874	\$ 722	\$ -	\$ 152	
Materials & supplies	13	1	-	14	10	1	3	
Other services & charges	90	-	30	120	113	4	3	
City Auditor:								
Personnel services	960	-	-	960	913	-	47	
Materials & supplies	10	-	-	10	2	-	8	
Other services & charges	137	-	-	137	34	33	70	
City Council:								
Personnel services	1,191	-	(9)	1,182	1,018	-	164	
Materials & supplies	9	-	-	9	7	-	2	
Other services & charges	74	-	9	83	72	-	11	
Finance:								
Personnel services	5,769	-	(60)	5,709	5,652	-	57	
Materials & supplies	69	1	-	70	28	-	42	
Other services & charges	1,590	693	195	2,478	1,886	581	11	
Legal:								
Personnel services	2,892	-	(150)	2,742	2,708	-	34	
Materials & supplies	54	1	15	70	59	4	7	
Other services & charges	199	80	135	414	205	160	49	
Human Resources:								
Personnel services	2,642	-	110	2,752	2,737	-	15	
Materials & supplies	105	6	-	111	73	5	33	
Other services & charges	1,103	626	-	1,729	637	782	310	
Communications:								
Personnel services	803	-	(20)	783	778	-	5	
Materials & supplies	17	-	-	17	5	-	12	
Other services & charges	32	-	20	52	38	5	9	
Human Rights Department:								
Personnel services	619	-	45	664	664	-	-	
Materials & supplies	6	-	-	6	3	-	3	
Other services & charges	26	-	-	26	26	-	-	
General Government:								
Other services & charges	2,737	586	124	3,447	2,358	400	689	
Indian Nations Council of Government:								
Other services & charges	948	-	-	948	948	-	-	
	<u>\$ 22,999</u>	<u>\$ 1,994</u>	<u>\$ 414</u>	<u>\$ 25,407</u>	<u>\$ 21,696</u>	<u>\$ 1,975</u>	<u>\$ 1,736</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, 2012
(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	\$ 13,094	\$ -	(99)	\$ 12,995	\$ 12,260	\$ -	\$ 735
Materials & supplies	2,682	675	20	3,377	2,049	1,352	(24)
Other services & charges	14,339	-	214	14,553	13,418	759	376
	30,115	675	135	30,925	27,727	2,111	1,087
Social and Economic Development							
Working in Neighborhoods:							
Personnel services	3,053	-	(10)	3,043	3,015	-	28
Materials & supplies	281	23	32	336	253	39	44
Other services & charges	1,458	181	48	1,687	1,341	261	85
Planning and Economic Development							
Personnel services	4,970	-	227	5,197	4,536	-	661
Materials & supplies	65	22	(8)	79	29	13	37
Other services & charges	780	31	1	812	220	538	54
	\$ 10,607	\$ 257	\$ 290	\$ 11,154	\$ 9,394	\$ 851	\$ 909

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2012
(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			15		2,500			
Materials & supplies	29	19	-	48	48			
Other services & charges	260	-	40	300	300	2,503	\$ -	2,503
Police:								
Personnel services	68,870	-	-	68,870	68,870	67,864	-	67,864
Materials & supplies	1,363	744	364	2,471	2,471	1,175	1,104	2,279
Other services & charges	7,828	588	(364)	8,052	8,052	6,510	607	7,117
Fire:								
Personnel services	55,950	-	2,200	58,150	58,150	58,157	-	58,157
Materials & supplies	1,221	641	-	1,862	1,862	1,394	394	1,788
Other services & charges	4,041	48	-	4,089	4,089	3,809	168	3,977
Telecommunications:								
Personnel services	12,233	-	(462)	11,771	11,771	11,305	-	11,305
Materials & supplies	441	331	-	772	772	512	256	768
Other services & charges	3,961	1,060	462	5,483	5,483	4,150	1,294	5,444
Agencies:								
Tulsa Area Emergency Management Authority:								
Other services & charges	154	-	-	154	154	157,844	\$ 3,843	\$ 161,687
	\$ 158,836	\$ 3,431	\$ 2,255	\$ 164,522	\$ 164,522	\$ 157,844	\$ 3,843	\$ 161,687
								\$ 2,835

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2012
(amounts expressed in thousands)

	Appropriations				Final Budget	Variance with Final Budget
	Original Budget	Prior Year Carryover	Revisions	Actual Encumbrances		
Culture and Recreation						
Departments:						
Gicrease Museum:						
Other services & charges	\$ 2,784	\$ 3	\$ -	\$ 2,787	\$ 2,783	\$ 4
Parks:						
Personnel services	2,496	-	-	2,496	2,459	37
Materials & supplies	259	111	(100)	270	245	25
Other services & charges	5,962	286	100	6,348	6,340	8
Convention & Performing Arts Cntrs:						
Personnel services	1,437	-	-	1,437	1,441	(4)
Materials & supplies	62	9	-	71	59	12
Other services & charges	744	17	-	761	686	75
Agencies:						
River Parks:						
Other services & charges	547	-	30	577	577	-
	14,291	426	30	14,747	14,590	157
Total expenditures and encumbrances	236,848	6,783	3,124	246,755	240,031	6,724
Operating transfers:						
Transfers to TPFA - OTC	4,660	-	-	4,660	4,660	-
Transfers to Convention Fund	1,314	-	-	1,314	1,314	-
Transfers to Whittier Square Improvement District	10	-	-	10	10	-
Transfers to Federal and State Grants Fund	615	-	523	1,138	1,087	51
Transfers to Equipment Management Fund	-	-	50	50	50	-
Transfers to Golf Course Fund	600	-	150	750	750	-
Transfers to Misc Cap Projects	1,200	-	330	1,530	1,530	-
Transfers to Municipal Employees Pension Trust	1,200	-	-	1,200	1,200	-
Total transfers	9,599	-	1,053	10,652	10,601	51
Payments to component units:						
Transfers to MTTA	7,450	-	-	7,450	7,450	-
Total expenditures, encumbrances, and transfers	\$ 253,897	\$ 6,783	\$ 4,177	\$ 264,857	\$ 258,082	\$ 6,775

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, 2012
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Intergovernmental Revenue	\$ 200	\$ 11	\$ (189)
E-911 fees	4,050	4,165	115
Investment income	73	69	(4)
Total revenues	<u>4,323</u>	<u>4,245</u>	<u>(78)</u>
Expenditures			
Current:			
Public Works and Transportation:			
Personnel services	49	43	6
Materials and supplies	6	5	1
Other services and charges	219	215	4
Telecommunications:			
Personnel services	2,441	2,337	104
Materials and supplies	105	-	105
Other services and charges	1,920	1,895	25
Capital outlay	95	-	95
Total expenditures	<u>4,835</u>	<u>4,495</u>	<u>340</u>
Excess of revenues over expenditures and encumbrances	<u>(512)</u>	<u>(250)</u>	<u>262</u>
Other financing uses:			
Transfers out	420	-	(420)
Total other financing uses	<u>420</u>	<u>-</u>	<u>(420)</u>
Net change in fund balances	(92)	(250)	(158)
Fund balances, beginning of year (budgetary basis)	1,110	2,466	1,356
Fund balances, end of year (budgetary basis)	<u>\$ 1,018</u>	<u>\$ 2,216</u>	<u>\$ 1,198</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, 2012
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 2,112	\$ 2,303	\$ 191
Total revenues	<u>2,112</u>	<u>2,303</u>	<u>191</u>
Expenditures			
Social and Economic Development:			
Current:			
Other services and charges	2,487	2,421	66
	<u>2,487</u>	<u>2,421</u>	<u>66</u>
Net change in fund balances	<u>(375)</u>	<u>(118)</u>	<u>257</u>
Fund balances, beginning of year (budgetary basis)	<u>382</u>	<u>382</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 7</u>	<u>\$ 264</u>	<u>\$ 257</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, 2012
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 3,278	\$ 3,571	\$ 293
Investment income	41	38	(3)
Miscellaneous	1,873	33	(1,840)
Total revenues	<u>5,192</u>	<u>3,642</u>	<u>(1,550)</u>
Expenditures			
Cultural Development and Recreation:			
Current:			
Materials and supplies	35	36	(1)
Other services and charges	446	349	97
Capital outlay	403	252	151
Total expenditures and encumbrances	<u>884</u>	<u>637</u>	<u>247</u>
Excess of revenues over expenditures and encumbrances	4,308	3,005	(1,303)
Other financing uses:			
Transfers in (out)	(5,450)	(3,520)	1,930
Total other financing uses	<u>(5,450)</u>	<u>(3,520)</u>	<u>1,930</u>
Net change in fund balances	<u>(1,142)</u>	<u>(515)</u>	<u>627</u>
Fund balances, beginning of year (budgetary basis)	<u>1,346</u>	<u>1,346</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 204</u>	<u>\$ 831</u>	<u>\$ 627</u>

CITY OF TULSA
TULSA STADIUM IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2012
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Special assessment tax	\$ 3,213	\$ 3,154	\$ (59)
Fines and forfeitures	10	-	(10)
Investment income	14	13	(1)
Total revenues	<u>3,237</u>	<u>3,167</u>	<u>(70)</u>
Expenditures			
Current:			
Administration and support:			
Personnel services	59	57	2
Materials and supplies	7	-	7
Other services and charges	10	7	3
Public works and transportation:			
Materials and supplies	91	62	29
Other services and charges	950	870	80
Social and economic development	10	(10)	20
Capital outlay	443	1	442
Total expenditures	<u>1,570</u>	<u>987</u>	<u>583</u>
Excess of revenues over expenditures and encumbrances	<u>1,667</u>	<u>2,180</u>	<u>513</u>
Other financing uses:			
Transfers out	<u>(2,251)</u>	<u>(2,234)</u>	<u>17</u>
Total other financing uses	<u>(2,251)</u>	<u>(2,234)</u>	<u>17</u>
Net change in fund balances	(584)	(54)	530
Fund balances, beginning of year (budgetary basis)	593	593	-
Fund balances, end of year (budgetary basis)	<u>\$ 9</u>	<u>\$ 539</u>	<u>\$ 530</u>

INTERNAL SERVICE FUNDS

- STATE BIRD -

The Scissor-Tailed Flycatcher is one of the most striking and recognizable birds found in Northeastern Oklahoma. These birds are easily identified by their long scissor-like tail, which opens during flight like a pair of scissors and folds or closes when perched. The Scissor-Tailed Flycatcher was officially adopted by the State Legislature on May 5, 1951 as the Oklahoma state bird.



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 POSITION
INTERNAL SERVICE FUNDS
June 30, 2012
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,157	\$ 7,882	\$ 185	\$ 1,969	\$ 20,193
Cash and cash equivalents - restricted	-	12,351	-	-	12,351
Receivables, net	-	-	2	31	33
Inventories, net	-	-	-	666	666
Advances to other funds, restricted	-	407	-	-	407
	<u>10,157</u>	<u>20,640</u>	<u>187</u>	<u>2,666</u>	<u>33,650</u>
Noncurrent assets:					
Restricted:					
Receivables, net	15,195	-	-	-	15,195
Other	895	-	-	-	895
Nondepreciable capital assets	-	4,500	-	549	5,049
Capital assets, net	-	-	-	3,146	3,146
	<u>16,090</u>	<u>4,500</u>	<u>-</u>	<u>3,695</u>	<u>24,285</u>
Total assets	<u>26,247</u>	<u>25,140</u>	<u>187</u>	<u>6,361</u>	<u>57,935</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	346	82	125	945	1,498
Current portion of long-term liabilities	-	1,702	-	413	2,115
Unearned revenue	1,244	-	-	-	1,244
Workers compensation claims	7,640	-	-	-	7,640
Due to other funds	-	7,882	-	-	7,882
	<u>9,230</u>	<u>9,666</u>	<u>125</u>	<u>1,358</u>	<u>20,379</u>
Noncurrent liabilities:					
Long-term liabilities	-	10,526	-	808	11,334
Workers compensation claims	12,050	-	-	-	12,050
Advances from component units	-	448	-	-	448
Advances from other funds	-	-	146	-	146
	<u>12,050</u>	<u>10,974</u>	<u>146</u>	<u>808</u>	<u>23,978</u>
Total liabilities	<u>21,280</u>	<u>20,640</u>	<u>271</u>	<u>2,166</u>	<u>44,357</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	-	4,500	-	3,695	8,195
Unrestricted	4,967	-	(84)	500	5,383
Total net position (deficit)	<u>\$ 4,967</u>	<u>\$ 4,500</u>	<u>\$ (84)</u>	<u>\$ 4,195</u>	<u>\$ 13,578</u>

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2012
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ 1,914	\$ 15,077	\$ 16,991
Insurance premiums	21,360	-	-	-	21,360
Workers compensation premiums	5,515	-	-	-	5,515
Other	-	630	15	34	679
	<u>26,875</u>	<u>630</u>	<u>1,929</u>	<u>15,111</u>	<u>44,545</u>
Operating expenses					
Salaries and wages	-	-	-	4,192	4,192
Materials and supplies	-	-	85	9,990	10,075
Other services and charges	-	630	1,622	1,047	3,299
Workers compensation claims	8,666	-	-	-	8,666
Insurance claims and premiums	22,062	-	-	-	22,062
Depreciation and amortization	-	-	-	193	193
	<u>30,728</u>	<u>630</u>	<u>1,707</u>	<u>15,422</u>	<u>48,487</u>
Operating income (loss)	<u>(3,853)</u>	<u>-</u>	<u>222</u>	<u>(311)</u>	<u>(3,942)</u>
Nonoperating revenues (expenses)					
Investment income	113	-	-	10	123
Interest expense	-	-	(2)	-	(2)
Property taxes	4,831	-	-	-	4,831
Gain on sale of equipment	-	-	-	16	16
Other, net	36	-	-	-	36
	<u>4,980</u>	<u>-</u>	<u>(2)</u>	<u>26</u>	<u>5,004</u>
Income (loss) before capital contributions and transfers	<u>1,127</u>	<u>-</u>	<u>220</u>	<u>(285)</u>	<u>1,062</u>
Capital contributions	-	-	-	22	22
Transfers in	-	-	-	991	991
Change in net position	<u>1,127</u>	<u>-</u>	<u>220</u>	<u>728</u>	<u>2,075</u>
Net position (deficit)--beginning of year	3,840	4,500	(304)	3,467	11,503
Net position (deficit)--end of year	<u>\$ 4,967</u>	<u>\$ 4,500</u>	<u>\$ (84)</u>	<u>\$ 4,195</u>	<u>\$ 13,578</u>

CITY OF TULSA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2012
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Cash flows from operating activities:					
Receipts from customers	\$ 26,865	\$ 38,949	\$ 1,931	\$ 15,212	\$ 82,957
Payments to suppliers	(29,393)	(21,315)	(1,691)	(11,223)	(63,622)
Payments to employees	-	-	-	(4,057)	(4,057)
Net cash provided by (used for) operating activities	(2,528)	17,634	240	(68)	15,278
Cash flows from noncapital financing activities:					
Property taxes received	3,910	-	-	-	3,910
Payments from interfund activity	-	-	(61)	-	(61)
Proceeds from insurance reimbursements	36	-	-	-	36
Net cash provided (used) by noncapital financing activities	3,946	-	(61)	-	3,885
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	-	-	(1,015)	(1,015)
Payments from interfund activity	-	-	-	991	991
Proceeds from disposition of capital assets	-	-	-	16	16
Net cash used for capital and related financing activities	-	-	-	(8)	(8)
Cash flows from investing activities:					
Interest earned	90	-	6	7	103
Net cash provided by investing activities	90	-	6	7	103
Net increase (decrease) in cash and cash equivalents	1,508	17,634	185	(69)	19,258
Cash and cash equivalents, beginning of year	8,649	2,599	-	2,038	13,286
Cash and cash equivalents, end of year	\$ 10,157	\$ 20,233	\$ 185	\$ 1,969	\$ 32,544
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Unrestricted cash and cash equivalents	\$ 10,157	\$ 7,882	\$ 185	\$ 1,969	\$ 20,193
Restricted cash and cash equivalents	-	12,351	-	-	12,351
Total cash and cash equivalents	\$ 10,157	\$ 20,233	\$ 185	\$ 1,969	\$ 32,544
Reconciliation of operating income (loss) to cash provided (used) by operating activities:					
Operating income (loss)	\$ (3,853)	\$ -	\$ 222	\$ (311)	\$ (3,942)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and amortization	-	-	-	193	193
Decrease in accounts receivable and other assets	668	37,904	2	16	38,590
Increase (decrease) in accounts payable and other liabilities	657	(20,270)	16	34	(19,563)
Net cash provided (used) by operating activities	\$ (2,528)	\$ 17,634	\$ 240	\$ (68)	\$ 15,278
Non cash capital financing activities:					
Capital acquisitions in accounts payable	\$ -	\$ -	\$ -	\$ 206	\$ 206

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FIDUCIARY FUNDS

- TULSA PARKS -

With over 135 parks covering roughly 6,000 acres, Tulsa Parks provides citizens and visitors ample opportunity to view and experience a wide assortment of flora and fauna.



BUMBLEBEE

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, 2012
(amounts expressed in thousands)

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
EMSA Utility Fee				
Assets:				
Cash and cash equivalents	\$ 823	\$ 5,262	\$ 3,842	\$ 2,243
Accounts receivable	540	5,404	5,377	567
Total assets	<u>\$ 1,363</u>	<u>\$ 10,666</u>	<u>\$ 9,219</u>	<u>\$ 2,810</u>
Liabilities:				
Accounts payable	1,363	10,666	9,219	2,810
Total liabilities	<u>\$ 1,363</u>	<u>\$ 10,666</u>	<u>\$ 9,219</u>	<u>\$ 2,810</u>
Municipal Court Bonds				
Assets:				
Cash and cash equivalents	231	486	468	249
Total assets	<u>\$ 231</u>	<u>\$ 486</u>	<u>\$ 468</u>	<u>\$ 249</u>
Liabilities:				
Deposits payable	231	486	468	249
Total liabilities	<u>\$ 231</u>	<u>\$ 486</u>	<u>\$ 468</u>	<u>\$ 249</u>
Escrow Fund				
Assets:				
Cash and cash equivalents	2,258	8,516	8,369	2,405
Total assets	<u>\$ 2,258</u>	<u>\$ 8,516</u>	<u>\$ 8,369</u>	<u>\$ 2,405</u>
Liabilities:				
Deposits payable	2,258	8,516	8,369	2,405
Total liabilities	<u>\$ 2,258</u>	<u>\$ 8,516</u>	<u>\$ 8,369</u>	<u>\$ 2,405</u>
Police Property Room				
Assets:				
Cash and cash equivalents	514	782	515	781
Total assets	<u>\$ 514</u>	<u>\$ 782</u>	<u>\$ 515</u>	<u>\$ 781</u>
Liabilities:				
Accrued liabilities	514	782	515	781
Total liabilities	<u>\$ 514</u>	<u>\$ 782</u>	<u>\$ 515</u>	<u>\$ 781</u>
Watermain Extension Contract Escrow				
Assets:				
Cash and cash equivalents	198	-	198	-
Total assets	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ -</u>
Liabilities:				
Deposits payable	198	-	198	-
Total liabilities	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ -</u>
Payroll Withholding				
Assets:				
Cash and cash equivalents	-	299,143	299,138	5
Total assets	<u>\$ -</u>	<u>\$ 299,143</u>	<u>\$ 299,138</u>	<u>\$ 5</u>
Liabilities:				
Accrued liabilities	-	299,143	299,138	5
Total liabilities	<u>\$ -</u>	<u>\$ 299,143</u>	<u>\$ 299,138</u>	<u>\$ 5</u>

Continued

CITY OF TULSA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2012
(amounts expressed in thousands)

Continued

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Unclaimed Property				
Assets:				
Cash and cash equivalents	\$ 488	\$ 127	\$ 174	\$ 441
Total assets	<u>\$ 488</u>	<u>\$ 127</u>	<u>\$ 174</u>	<u>\$ 441</u>
Liabilities:				
Accrued liabilities	488	127	174	441
Total liabilities	<u>\$ 488</u>	<u>\$ 127</u>	<u>\$ 174</u>	<u>\$ 441</u>
PAC Ticket Office Escrow				
Assets:				
Cash and cash equivalents	199	11,227	11,199	227
Total assets	<u>\$ 199</u>	<u>\$ 11,227</u>	<u>\$ 11,199</u>	<u>\$ 227</u>
Liabilities:				
Deposits payable	199	11,227	11,199	227
Total liabilities	<u>\$ 199</u>	<u>\$ 11,227</u>	<u>\$ 11,199</u>	<u>\$ 227</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	4,711	325,543	323,903	6,351
Accounts receivable	540	5,404	5,377	567
Total assets	<u>\$ 5,251</u>	<u>\$ 330,947</u>	<u>\$ 329,280</u>	<u>\$ 6,918</u>
Liabilities:				
Accrued liabilities	1,002	300,052	299,827	1,227
Deposits payable	4,249	30,895	29,453	5,691
Total liabilities	<u>\$ 5,251</u>	<u>\$ 330,947</u>	<u>\$ 329,280</u>	<u>\$ 6,918</u>

DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS



ARKANSAS RIVER

- ARKANSAS RIVER -

Winding through the heart of the city, the Arkansas River offers a unique environment for Tulsans and Oklahomans to enjoy and experience Green Country's wildlife and outdoor recreation opportunities. Parks, trails, playgrounds and an assortment of natural landscapes can all be found on the banks of the Arkansas River.

Nonmajor Component Units

Discretely Presented Nonmajor Component Units

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

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

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

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

CITY OF TULSA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
June 30, 2012
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Total Nonmajor Component Units
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,219	\$ 984	\$ 85	\$ 4,070	\$ 578	\$ 8,936
Cash and cash equivalents - restricted	-	592	918	-	-	1,510
Investments	-	-	1,480	-	1,053	2,533
Receivables, net	12	859	-	59	20	950
Inventories, net	-	481	-	-	-	481
Other current assets	29	70	5	293	-	397
	<u>3,260</u>	<u>2,986</u>	<u>2,488</u>	<u>4,422</u>	<u>1,651</u>	<u>14,807</u>
Noncurrent assets:						
Cash and cash equivalents - restricted	12,266	-	-	1,261	-	13,527
Investments	-	-	-	-	439	439
Receivables, net	4,000	-	-	-	-	4,000
Receivables, net - restricted	10,259	-	-	159	-	10,418
Land held for resale, net	4,279	-	-	-	-	4,279
Land held for resale, net - restricted	724	-	-	-	-	724
Nondepreciable capital assets	35	2,670	-	13,021	1,469	17,195
Depreciable capital assets, net	277	23,106	13,397	14,911	95	51,786
	<u>31,840</u>	<u>25,776</u>	<u>13,397</u>	<u>29,352</u>	<u>2,003</u>	<u>102,368</u>
Total assets	<u>35,100</u>	<u>28,762</u>	<u>15,885</u>	<u>33,774</u>	<u>3,654</u>	<u>117,175</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred charge on refunding	-	-	-	901	-	901
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	168	1,497	92	780	1	2,538
Unearned revenue	-	9	849	67	-	925
Current portion of long-term liabilities	5	142	-	-	-	147
	<u>173</u>	<u>1,648</u>	<u>941</u>	<u>847</u>	<u>1</u>	<u>3,610</u>
Noncurrent liabilities:						
Advances from primary government	-	326	-	-	-	326
Unearned revenue	4	-	-	-	-	4
Deposits subject to refund	225	-	-	-	-	225
Deposits subject to refund - restricted	55	-	-	-	-	55
Long-term liabilities, net	34	1,208	-	18,747	-	19,989
	<u>318</u>	<u>1,534</u>	<u>-</u>	<u>18,747</u>	<u>-</u>	<u>20,599</u>
Total liabilities	<u>491</u>	<u>3,182</u>	<u>941</u>	<u>19,594</u>	<u>1</u>	<u>24,209</u>
NET POSITION						
Net investment in capital assets	312	25,776	13,397	11,994	1,565	53,044
Restricted for:						
Debt service	-	-	-	1,399	-	1,399
Capital projects	21,627	458	69	-	-	22,154
Other purposes	1,567	134	-	-	-	1,701
Unrestricted	<u>11,103</u>	<u>(788)</u>	<u>1,478</u>	<u>1,688</u>	<u>2,088</u>	<u>15,569</u>
Total net position	<u>\$ 34,609</u>	<u>\$ 25,580</u>	<u>\$ 14,944</u>	<u>\$ 15,081</u>	<u>\$ 3,653</u>	<u>\$ 93,867</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
Year ended June 30, 2012
(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	\$ 235	\$ -	\$ 20	\$ 157	\$ -	\$ 412
Parking revenues	-	-	-	5,945	318	6,263
Transit services	-	3,233	-	-	-	3,233
Event revenues	-	-	-	-	121	121
Other income	1,607	56	2,496	-	-	4,159
	<u>1,842</u>	<u>3,289</u>	<u>2,516</u>	<u>6,102</u>	<u>439</u>	<u>14,188</u>
Operating expenses						
Salaries and wages	267	9,333	-	-	-	9,600
Materials and supplies	3	3,525	-	-	-	3,528
Other services and charges	855	4,373	217	3,603	569	9,617
Unrealized loss on land held for resale	89	-	-	-	-	89
Depreciation	11	3,817	289	901	8	5,026
	<u>1,225</u>	<u>21,048</u>	<u>506</u>	<u>4,504</u>	<u>577</u>	<u>27,860</u>
Operating income (loss)	<u>617</u>	<u>(17,759)</u>	<u>2,010</u>	<u>1,598</u>	<u>(138)</u>	<u>(13,672)</u>
Nonoperating revenues (expenses)						
Investment income	193	3	8	2	14	220
Interest expense	-	-	-	(867)	-	(867)
Sales taxes	436	-	-	-	-	436
Property taxes	957	-	-	-	-	957
Federal and state operating grant revenues	-	6,139	-	-	7	6,146
Contributions	399	-	-	-	95	494
Payments from primary government	2,139	7,450	-	2,040	-	11,629
Payments to primary government	(668)	-	-	-	-	(668)
Payments from component units	-	-	-	585	-	585
Payments to component units	(585)	-	-	-	-	(585)
Other, net	5	309	-	(267)	-	47
	<u>2,876</u>	<u>13,901</u>	<u>8</u>	<u>1,493</u>	<u>116</u>	<u>18,394</u>
Income (loss) before capital contributions, grants and charges	<u>3,493</u>	<u>(3,858)</u>	<u>2,018</u>	<u>3,091</u>	<u>(22)</u>	<u>4,722</u>
Federal and state capital grant revenues	-	11,015	-	-	-	11,015
Capital contributions	-	106	-	-	-	106
Capital contributions to primary government	(4,776)	-	(280)	-	-	(5,056)
Capital contributions from primary government	-	315	-	-	-	315
Change in net position	<u>(1,283)</u>	<u>7,578</u>	<u>1,738</u>	<u>3,091</u>	<u>(22)</u>	<u>11,102</u>
Net position - beginning of year, as restated	35,892	18,002	13,206	11,990	3,675	82,765
Net position - end of year	<u>\$ 34,609</u>	<u>\$ 25,580</u>	<u>\$ 14,944</u>	<u>\$ 15,081</u>	<u>\$ 3,653</u>	<u>\$ 93,867</u>

CITY OF TULSA
STATEMENT OF NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
June 30, 2012
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 27,619	\$ 42,676	\$ 70,295
Receivables, net	8,387	14,876	23,263
Inventories, net	295	1,806	2,101
	<u>36,301</u>	<u>59,358</u>	<u>95,659</u>
Noncurrent assets:			
Cash and cash equivalents - restricted	17,367	31,657	49,024
Investments-restricted	21,188	24,408	45,596
Advances to primary government - restricted	1,151	-	1,151
Investments in joint venture	12,000	-	12,000
Receivables, net - restricted	59	82	141
Nondepreciable capital assets	62,613	40,655	103,268
Depreciable capital assets, net	487,680	485,435	973,115
	<u>602,058</u>	<u>582,237</u>	<u>1,184,295</u>
Total assets	<u>638,359</u>	<u>641,595</u>	<u>1,279,954</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,172	1,172
	<u>-</u>	<u>1,172</u>	<u>1,172</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities - restricted	6,733	4,016	10,749
Accounts payable and accrued liabilities	3,436	2,922	6,358
Current portion of long-term liabilities	17,467	12,602	30,069
Deposits subject to refund	818	8,408	9,226
	<u>28,454</u>	<u>27,948</u>	<u>56,402</u>
Noncurrent liabilities:			
Long-term liabilities	206,751	164,206	370,957
Total liabilities	<u>235,205</u>	<u>192,154</u>	<u>427,359</u>
NET POSITION			
Net investment in capital assets	357,585	402,932	760,517
Restricted for:			
Debt service	6,309	4,987	11,296
Unrestricted	39,260	42,694	81,954
Total net position	<u>\$ 403,154</u>	<u>\$ 450,613</u>	<u>\$ 853,767</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
Year ended June 30, 2012
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
Operating revenues			
Water and sewer services	\$ 71,335	\$ 98,817	\$ 170,152
Operating expenses			
Salaries and wages	20,958	27,159	48,117
Materials and supplies	3,981	9,066	13,047
Other services and charges	22,916	32,809	55,725
Depreciation	16,414	17,081	33,495
	<u>64,269</u>	<u>86,115</u>	<u>150,384</u>
Operating income	<u>7,066</u>	<u>12,702</u>	<u>19,768</u>
Nonoperating revenues (expenses)			
Interest income	326	745	1,071
Interest expense	(5,520)	(5,503)	(11,023)
Property taxes	3,491	-	3,491
Other, net	(40)	514	474
	<u>(1,743)</u>	<u>(4,244)</u>	<u>(5,987)</u>
Income before capital contributions	5,323	8,458	13,781
Capital contributions	2,547	158	2,705
Capital contributions - primary government	<u>4,757</u>	<u>-</u>	<u>4,757</u>
Change in net position	12,627	8,616	21,243
Net position beginning, as restated	390,527	441,997	832,524
Net position - ending	<u>\$ 403,154</u>	<u>\$ 450,613</u>	<u>\$ 853,767</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS



LEAST TERN

- RIVER PARKS -

The sandbars, barren beaches of gravel, and sand along the banks of the area maintained by River Parks are used by the Interior Least Tern as a nesting habitat. The terns, an endangered and protected species, arrive mid-May, leave their nesting areas in mid-July, and depart the area in late August to early September.

CITY OF TULSA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2012 and 2011
(amounts expressed in thousands)

	<u>2012</u>	<u>2011</u>
Governmental funds capital assets		
Land	\$ 519,589	\$ 466,374
Buildings	141,807	171,923
Improvements other than buildings	61,020	85,396
Machinery and equipment	164,524	150,610
Infrastructure	2,926,061	2,790,647
Construction in progress	161,889	208,095
Total governmental funds capital assets	<u>\$ 3,974,890</u>	<u>\$ 3,873,045</u>
Investments in governmental funds capital assets by source		
General fund	10,646	10,806
Special revenue funds	263,995	255,319
Capital projects funds	3,271,797	3,203,247
Donations	428,452	403,673
Total governmental funds capital assets	<u>\$ 3,974,890</u>	<u>\$ 3,873,045</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
Year ended June 30, 2012
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2011	Additions	Deductions	Transfers/Reclass	Governmental Funds Capital Assets June 30, 2012
Administrative & Support:					
Mayor	\$ 41	\$ -	\$ -	\$ (35)	\$ 6
Finance	1,165	-	(11)	16	1,170
Legal	94	5	-	-	99
Human Resources	865	-	(58)	(372)	435
Communications	21	-	-	-	21
City Council	46	-	-	-	46
General Government	27,689	-	(1,012)	901	27,578
	<u>29,921</u>	<u>5</u>	<u>(1,081)</u>	<u>510</u>	<u>29,355</u>
Public Works & Transportation	<u>3,496,873</u>	<u>261,211</u>	<u>(151,392)</u>	<u>50,500</u>	<u>3,657,192</u>
	<u>3,496,873</u>	<u>261,211</u>	<u>(151,392)</u>	<u>50,500</u>	<u>3,657,192</u>
Public Safety & Protection					
Police	62,557	4,618	(2,568)	(655)	63,952
Fire	77,804	6,990	(1,457)	(23,395)	59,942
Municipal Court	182	-	(34)	10	158
Telecommunications	23,439	801	(137)	(983)	23,120
	<u>163,982</u>	<u>12,409</u>	<u>(4,196)</u>	<u>(25,023)</u>	<u>147,172</u>
Social & Economic Development					
Human Rights	44	-	-	-	44
WIN	2,743	-	(86)	255	2,912
Planning	35	10	-	-	45
Grant Administration	34	-	-	(34)	-
Development Services	1,109	-	(116)	(159)	834
Urban Development (EDREM)	3,818	-	(21)	(69)	3,728
	<u>7,783</u>	<u>10</u>	<u>(223)</u>	<u>(7)</u>	<u>7,563</u>
Cultural Development & Recreation					
Gilcrease	17,953	12	-	(720)	17,245
Parks	117,105	2,876	(241)	(27,388)	92,352
Public Events and PAC	39,428	233	-	(15,650)	24,011
	<u>174,486</u>	<u>3,121</u>	<u>(241)</u>	<u>(43,758)</u>	<u>133,608</u>
Total Governmental funds capital assets	<u>\$ 3,873,045</u>	<u>\$ 276,756</u>	<u>\$ (157,133)</u>	<u>\$ (17,778)</u>	<u>\$ 3,974,890</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2012
 (amounts expressed in thousands)

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Administrative & Support							
Mayor	-	\$ -	\$ -	\$ 6	\$ -	\$ -	6
Finance	150	-	-	1,020	-	-	1,170
Legal	-	-	-	99	-	-	99
Human Resources	-	-	-	435	-	-	435
Communications	-	7	-	14	-	-	21
Auditing	-	-	-	-	-	-	-
City Council	-	-	-	46	-	-	46
General Government	4,758	6,781	16,041	(2)	-	-	27,578
	4,908	6,788	16,041	1,618	-	-	29,355
Public Works & Transportation							
	487,519	27,763	8,173	45,787	2,926,061	161,889	3,657,192
	487,519	27,763	8,173	45,787	2,926,061	161,889	3,657,192
Public Safety & Protection							
Police	1,499	24,833	68	37,552	-	-	63,952
Fire	1,797	16,696	266	41,183	-	-	59,942
Municipal Court	-	-	-	158	-	-	158
Telecommunications	32	822	512	21,754	-	-	23,120
	3,328	42,351	846	100,647	-	-	147,172
Social & Economic Development							
Human Rights	-	-	-	44	-	-	44
WIN	-	1,769	-	1,142	-	-	2,911
Planning	-	-	-	45	-	-	45
Development Services	-	-	-	834	-	-	834
Urban Development (EDREM)	2,936	140	585	68	-	-	3,729
	2,936	1,909	585	2,133	-	-	7,563
Cultural Development & Recreation							
Gilcrease	81	10,225	110	6,829	-	-	17,245
Parks	20,221	30,898	35,265	5,968	-	-	92,352
PAC	596	21,873	-	1,542	-	-	24,011
River Parks	-	-	-	-	-	-	-
	20,898	62,996	35,375	14,339	-	-	133,608
Total Governmental Funds Capital Assets	\$ 519,589	\$ 141,807	\$ 61,020	\$ 164,524	\$ 2,926,061	\$ 161,889	\$ 3,974,890

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STATISTICAL SECTION

- NORTHEASTERN SKY -

The American White Pelican can often be seen in northeastern Oklahoma during the fall as they migrate south for the winter. Though rare, it is possible to see the pelicans feeding on the banks of the Arkansas River during winter months.



WHITE PELICAN

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

	2012	2011**	2010	2009*	2008	2007	2006	2005	2004	2003
Governmental activities										
Net investment in capital assets	\$ 1,050,508	\$ 989,918	\$ 967,462	\$ 951,466	\$ 952,282	\$ 1,032,890	\$ 941,096	\$ 850,368	\$ 847,135	\$ 824,532
Restricted	197,455	160,049	121,161	132,695	148,553	123,475	153,941	204,727	162,724	164,689
Unrestricted	65,473	65,532	53,012	38,170	5,168	33,869	29,628	30,720	31,590	26,799
	<u>\$ 1,313,436</u>	<u>\$ 1,215,499</u>	<u>\$ 1,141,635</u>	<u>\$ 1,122,331</u>	<u>\$ 1,106,003</u>	<u>\$ 1,190,254</u>	<u>\$ 1,124,665</u>	<u>\$ 1,085,815</u>	<u>\$ 1,041,449</u>	<u>\$ 1,016,020</u>
Business-type activities										
Net investment in capital assets	535,424	541,280	516,148	498,405	457,012	257,841	247,242	243,070	238,150	229,908
Restricted	11,875	8,936	11,185	9,482	13,582	9,528	7,806	7,154	7,017	6,002
Unrestricted	16,161	15,183	12,073	14,881	9,033	4,526	4,346	5,077	5,837	6,061
	<u>\$ 563,460</u>	<u>\$ 565,399</u>	<u>\$ 539,406</u>	<u>\$ 522,768</u>	<u>\$ 479,627</u>	<u>\$ 271,895</u>	<u>\$ 259,394</u>	<u>\$ 255,301</u>	<u>\$ 251,004</u>	<u>\$ 241,971</u>
Primary government										
Net investment in capital assets	1,585,932	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
Restricted	209,330	168,985	132,346	142,177	162,135	133,003	161,747	211,881	169,741	170,691
Unrestricted	81,634	80,715	65,085	53,051	14,201	38,415	33,974	35,797	37,427	32,860
	<u>\$ 1,876,896</u>	<u>\$ 1,780,898</u>	<u>\$ 1,681,041</u>	<u>\$ 1,645,099</u>	<u>\$ 1,585,630</u>	<u>\$ 1,462,149</u>	<u>\$ 1,384,059</u>	<u>\$ 1,341,116</u>	<u>\$ 1,292,453</u>	<u>\$ 1,257,991</u>

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

** The June 30, 2011 governmental activities and business-type activities were restated \$728 and \$1,288 respectively as a result of the adoption of GASB Statement No. 65. This schedule does not reflect these changes prior to 2011.

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
Administrative and support	\$ 34,516	\$ 28,756	\$ 34,010	\$ 29,132	\$ 34,165	\$ 33,430	\$ 34,029	\$ 27,445	\$ 24,647	\$ 24,322
Public safety and protection	216,651	193,869	184,640	196,987	205,923	177,351	173,514	154,604	156,900	164,972
Public works and transportation	61,139	58,636	83,295	87,318	90,855	116,374	84,817	76,775	73,192	78,477
Culture and recreation	16,369	15,812	17,749	21,752	25,460	27,841	24,148	24,346	22,130	25,363
Social and economic	24,089	21,894	31,310	28,325	28,346	22,023	25,410	23,889	23,889	23,296
Interest on long-term debt	12,724	12,624	10,910	12,560	14,134	11,046	8,765	8,076	9,372	11,028
Total governmental activities expenses	365,488	331,591	361,914	376,074	398,883	391,818	347,296	316,656	310,130	327,478
Business-type activities:										
Stormwater	27,729	26,050	24,859	23,743	21,744	19,862	17,575	16,556	14,078	13,084
One Technology Center	10,435	9,884	9,431	9,983	6,527	-	-	-	-	-
Arena & Convention	22,823	22,480	22,182	17,434	6,044	-	-	-	-	-
Tulsa Stadium Trust	3,603	3,768	-	-	-	-	-	-	-	-
Golf Courses	3,696	3,316	3,503	3,615	3,246	2,470	2,599	2,591	2,573	2,572
Total business-type activities	68,286	65,498	59,975	54,785	37,561	22,332	20,174	19,147	16,651	15,656
Total primary government	433,774	397,089	421,889	430,859	436,444	414,150	367,470	335,803	326,781	343,134
Program Revenues:										
Governmental activities:										
Charges for services										
Administrative and support	14,421	15,416	12,647	12,996	12,346	16,250	18,482	16,476	15,877	15,508
Public safety and protection	21,553	16,815	20,289	22,674	25,090	18,275	8,233	9,680	10,689	10,195
Public works and transportation	12,761	10,421	9,054	14,908	14,235	9,040	8,296	8,517	6,879	7,332
Culture and recreation	4,148	4,887	5,638	3,797	3,903	4,545	4,355	4,188	3,741	4,225
Social and economic	1,850	1,850	530	1,375	2,246	3,228	3,001	1,838	3,583	2,165
Operating grants and contributions	29,629	27,816	32,262	25,944	39,700	33,172	41,077	25,951	37,453	40,347
Capital grants and contributions	36,144	9,924	12,185	11,560	24,891	57,665	25,802	28,854	11,247	7,175
Total governmental activities program revenues	120,506	85,822	92,605	93,254	122,411	142,175	109,246	95,704	89,469	86,947
Business-type activities:										
Charges for services										
Stormwater	23,604	23,231	22,007	21,424	19,296	17,742	14,651	14,286	13,505	12,833
One Technology Center	9,401	8,560	6,637	5,787	2,478	-	-	-	-	-
Arena & Convention	12,012	12,300	12,130	10,281	1,128	-	-	-	-	-
Tulsa Stadium Trust	246	163	16,286	-	-	-	-	-	-	-
Golf Courses	2,574	2,024	2,733	2,713	1,683	1,084	1,221	1,392	1,401	1,456
Operating grants and contributions	308	-	79	-	-	-	-	-	-	-
Capital grants and contributions	1,072	3,319	10,735	36,839	113,759	11,082	6,211	-	2,342	2,063
Total business-type activities program revenues	49,217	49,597	70,607	77,044	138,344	29,908	22,083	15,678	17,248	16,352
Total primary government program revenues	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382	\$ 106,717	\$ 103,299
Net (expense) revenue:										
Governmental activities	(244,982)	(245,769)	(269,309)	(282,820)	(276,472)	(249,643)	(238,050)	(220,952)	(220,661)	(240,531)
Business-type activities	(19,069)	(15,901)	(6,654)	22,259	100,763	7,576	1,909	(3,469)	597	696
Total primary government net expense	\$ (264,051)	\$ (261,670)	\$ (275,963)	\$ (260,561)	\$ (175,689)	\$ (242,067)	\$ (236,141)	\$ (224,421)	\$ (220,064)	\$ (239,835)
General Revenues and Other Changes in Net Position:										
Taxes										
Sales tax	219,240	199,384	193,505	207,289	210,633	201,717	192,261	182,136	177,732	176,510
Property tax	58,955	49,315	41,989	39,090	34,475	29,182	22,501	19,594	18,581	17,475
Franchise tax	22,427	27,225	26,144	25,871	23,211	22,213	22,064	22,753	22,661	21,817
Use tax	21,522	17,927	15,622	18,422	18,501	18,346	16,480	14,765	13,464	11,416
Hotel / motel tax	6,120	5,683	6,821	6,327	6,819	6,134	5,508	5,032	4,880	4,302
Unrestricted grants and contributions	23,305	22,698	15,860	21,224	20,396	20,765	20,023	16,958	14,127	13,189
Payments from component units	690	76	13	1,808	2,008	181	229	2,081	521	667
Investment earnings	2,888	7,513	9,566	19,570	24,151	18,971	4,927	4,060	282	11,821
Miscellaneous	4,586	2,490	1,705	3,788	5,246	2,014	1,011	1,178	2,182	1,537
Transfers	(16,814)	(11,950)	(21,612)	(22,248)	(105,851)	(4,292)	(8,103)	(7,387)	(6,340)	(9,499)
Total governmental activities	342,919	320,361	288,613	321,141	239,589	315,231	276,901	261,170	246,090	249,235
Business-type activities:										
Investment earnings and other	316	611	691	1,290	1,209	633	292	379	96	467
Transfers & capital contributions	16,814	11,950	23,619	22,248	105,851	4,292	1,892	7,387	8,340	9,499
Total business-type activities	17,130	12,561	24,310	23,538	107,060	5,925	2,184	7,766	8,436	9,966
Total primary government	\$ 360,049	\$ 332,922	\$ 312,923	\$ 344,679	\$ 346,649	\$ 320,156	\$ 279,085	\$ 268,936	\$ 254,526	\$ 259,201
Changes in Net Position:										
Governmental activities	97,937	74,592	19,304	38,321	(36,883)	65,589	38,851	40,218	25,429	8,704
Business-type activities	(1,939)	(3,340)	18,656	45,797	207,843	12,501	4,093	4,297	9,033	10,662
Total primary government	\$ 95,998	\$ 71,252	\$ 37,960	\$ 84,118	\$ 170,960	\$ 78,090	\$ 42,944	\$ 44,515	\$ 34,462	\$ 19,366

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
2012	\$ 219,240	\$ 58,955	\$ 22,427	\$ 21,522	\$ 6,120	\$ 328,264
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

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

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

Function/Program:	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Administrative and support	\$ 14,421	\$ 15,416	\$ 13,380	\$ 13,240	\$ 12,368	\$ 16,250	\$ 18,482	\$ 16,476	\$ 15,877	\$ 15,508
Public safety and protection	47,144	37,311	37,973	39,454	49,018	37,459	35,254	17,616	31,962	32,018
Public works and transportation	47,118	16,475	20,024	25,397	43,524	64,317	33,105	36,999	18,507	16,290
Culture and recreation	4,148	5,122	5,960	3,801	3,943	4,545	4,355	4,205	3,765	4,225
Social and economic	7,675	11,498	15,268	11,362	13,558	19,604	18,050	20,408	19,358	18,906
Total governmental activities	120,506	85,822	92,605	93,254	122,411	142,175	109,246	95,704	89,469	86,947
Business-type activities:										
Stormwater	24,676	24,824	25,078	33,057	20,657	28,824	20,394	14,286	15,847	14,815
One Technology Center	9,401	8,560	6,637	5,787	2,478	-	-	-	-	-
Arena & Convention	12,012	12,856	19,871	35,487	113,526	-	-	-	-	-
Tulsa Stadium Trust ^a	554	918	16,286	-	-	-	-	-	-	-
Tulsa Golf Courses	2,574	2,439	2,735	2,713	1,683	1,084	1,689	1,392	1,401	1,537
Total business-type activities	49,217	49,597	70,607	77,044	138,344	29,908	22,083	15,678	17,248	16,352
Total primary government	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382	\$ 106,717	\$ 103,299

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

CITY OF TULSA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Years

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Nonspendable	\$ 606	\$ 1,055	\$ 7,730	\$ 8,876	\$ 13,273	\$ 9,668	\$ 8,831	\$ 10,659	\$ 10,871	\$ 10,930
Restricted	-	-	47,045	41,647	37,759	43,778	38,665	32,809	35,294	30,076
Committed	-	-	\$ 54,775	\$ 50,523	\$ 51,032	\$ 53,446	\$ 47,496	\$ 43,468	\$ 46,165	\$ 41,006
Assigned	20,989	13,807								
Unassigned	49,540	52,255								
	<u>\$ 71,135</u>	<u>\$ 67,117</u>								
Other Governmental Funds:										
Nonspendable	-	-	229,880	224,633	221,997	229,496	206,626	182,231	141,698	145,341
Restricted	356,286	325,181								
Committed	1,095	1,135	15,572	9,552	9,412	12,842	10,294	12,959	11,481	12,950
Assigned	716	3,977	12,412	4,014	3,948	3,439	2,733	5,650	5,665	3,919
Unassigned	(145)	(261)	1,966	1,692	1,095	832	358	5,895	5,964	4,735
	<u>\$ 357,952</u>	<u>\$ 330,032</u>	<u>\$ 259,830</u>	<u>\$ 239,891</u>	<u>\$ 236,452</u>	<u>\$ 246,609</u>	<u>\$ 220,011</u>	<u>\$ 206,735</u>	<u>\$ 164,808</u>	<u>\$ 166,945</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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Sales tax	\$ 219,240	\$ 199,384	\$ 193,505	\$ 207,289	\$ 210,633	\$ 201,716	\$ 192,261	\$ 182,136	\$ 177,732	\$ 176,520
Property tax	54,124	44,690	34,457	33,287	30,838	22,213	19,047	18,511	21,276	20,503
Franchise tax	22,427	27,225	26,144	25,871	23,211	26,322	22,501	19,594	18,581	17,475
Use tax	21,522	17,927	15,622	18,422	18,501	18,346	16,480	14,765	13,484	11,416
Hotel/motel tax	6,120	5,683	5,821	6,327	6,819	6,134	5,508	5,032	4,302	4,480
Special assessment tax	3,164	3,169	3,275	855	910	869	795	530	539	539
Charges for services	40,313	35,918	40,385	42,353	39,554	35,123	33,723	32,386	29,129	29,109
Intergovernmental revenues	43,894	42,261	51,776	50,761	71,134	98,539	65,972	54,805	48,644	47,339
Fines and forfeitures	11,718	10,875	8,257	8,763	12,001	10,350	8,957	8,424	8,341	7,924
Investment income	5,186	6,140	8,663	12,913	18,911	15,279	6,638	5,780	988	9,524
Licenses, permits and fees	6,832	5,922	5,175	6,191	6,745	5,823	5,979	5,625	4,970	4,922
Program income from grants	1,763	440	530	793	1,606	3,228	2,421	1,267	2,979	1,557
Payments from component units	668	57	13	1,808	2,008	181	229	2,081	521	667
Miscellaneous	4,547	2,492	2,794	3,787	5,935	2,664	2,080	1,523	1,786	1,899
Total revenues	<u>441,518</u>	<u>402,183</u>	<u>396,417</u>	<u>419,420</u>	<u>448,806</u>	<u>446,787</u>	<u>382,591</u>	<u>352,459</u>	<u>333,830</u>	<u>333,696</u>
Expenditures										
Current:										
Administration and support	27,443	21,638	20,819	20,826	19,781	17,376	16,988	14,947	14,064	14,661
Public safety and protection	186,059	171,552	174,401	188,475	193,595	174,293	169,218	143,780	146,794	151,019
Public works and transportation	29,039	31,557	31,412	32,174	35,064	30,072	26,855	27,060	23,146	26,154
Culture and recreation	14,948	14,385	15,362	19,473	22,753	25,385	23,631	22,535	20,937	22,190
Social and economic development	20,785	20,215	28,991	25,611	26,897	25,259	21,465	24,744	23,804	23,214
Refund of sales and use taxes	-	-	-	-	-	-	-	376	1,921	8,218
Payments to component units	16,891	10,354	16,535	23,480	21,970	31,899	9,675	12,052	13,106	14,820
Capital outlay	105,164	79,680	105,904	102,681	122,328	142,399	93,566	74,665	57,139	75,136
Debt service:										
Principal	32,621	24,581	18,860	17,354	20,481	17,392	16,114	12,703	13,969	8,531
Interest	15,887	15,887	14,433	12,251	10,172	7,436	7,436	6,148	6,814	7,332
Total expenditures	<u>448,837</u>	<u>389,849</u>	<u>426,717</u>	<u>442,325</u>	<u>473,041</u>	<u>471,511</u>	<u>384,948</u>	<u>339,010</u>	<u>321,694</u>	<u>351,275</u>
Excess (deficiency) of revenues over (under) expenditures	(7,319)	12,334	(30,300)	(22,905)	(24,235)	(24,724)	(2,357)	13,449	12,136	(17,579)
Other financing sources (uses)										
Transfers in	3,969	3,941	25,758	12,761	13,590	20,083	17,262	10,108	11,777	15,779
Transfers out	(16,025)	(16,565)	(47,650)	(35,395)	(37,777)	(29,163)	(21,177)	(21,083)	(22,784)	(26,993)
Sale of capital assets	664	1,691	821	-	-	65,934	-	-	-	-
Bond issuance	50,000	70,000	70,000	48,453	35,851	-	(6,211)	36,781	-	-
Refunding bond issuance	-	21,546	23,558	-	-	-	30,183	12,917	28,021	12,339
Premium on bond issuance	647	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)
Total other financing sources (uses)	<u>39,257</u>	<u>70,210</u>	<u>54,491</u>	<u>25,835</u>	<u>11,664</u>	<u>57,272</u>	<u>20,286</u>	<u>24,956</u>	<u>(9,114)</u>	<u>(11,636)</u>
Net changes in fund balances	31,938	82,544	24,191	2,930	(12,571)	32,548	17,929	38,405	3,022	(29,215)
Fund balance, beginning	397,149	314,605	290,414	287,484	300,055	268,132	250,203	210,973	207,951	237,166
Cumulative effect of change in acctg. principle	-	-	-	-	(625)	-	-	825	-	-
Fund balance, ending	<u>\$ 429,087</u>	<u>\$ 397,149</u>	<u>\$ 314,605</u>	<u>\$ 290,414</u>	<u>\$ 287,484</u>	<u>\$ 300,055</u>	<u>\$ 268,132</u>	<u>\$ 250,203</u>	<u>\$ 210,973</u>	<u>\$ 207,951</u>
Debt service as a percentage of noncapital expenditures	13.96%	12.86%	9.59%	8.72%	8.74%	7.54%	8.08%	7.13%	7.86%	5.74%

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
2012	\$ 219,240	\$ 54,124	\$ 22,427	\$ 21,522	\$ 6,120	\$ 323,433
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

CITY OF TULSA
PRINCIPAL SALES TAX REMITTERS
(amounts expressed in thousands)
June 30, 2012

		2012			2011				
SIC Code	Sales Tax Remitter	Amount Remitted	Revenue Base	Percentage of Total Revenue Base	SIC Code	Sales Tax Remitter	Amount Remitted	Revenue Base	Percentage of Total Revenue Base
53	General Merchandise Stores	\$36,505	\$1,200,788	16.65%	53	General Merchandise Stores	\$32,866	\$1,095,533	15.19%
58	Eating and Drinking Places	26,339	866,394	12.02%	58	Eating and Drinking Places	25,132	837,733	11.62%
59	Miscellaneous Retail	22,144	728,386	10.10%	59	Miscellaneous Retail	20,966	698,867	9.69%
49	Electric, Gas, & Sanitary Services	16,005	526,471	7.30%	49	Electric, Gas, & Sanitary Services	15,497	516,567	7.16%
57	Furniture & Home Furnishings Store	15,762	518,458	7.19%	57	Furniture & Home Furnishings Store	14,930	497,667	6.90%
54	Food Stores	15,046	494,911	6.86%	54	Food Stores	14,538	484,600	6.72%
52	Building Materials & Garden Supplies	13,319	438,119	6.08%	52	Building Materials & Garden Supplies	11,617	387,233	5.37%
50	Wholesale Trade-Durable Goods	12,319	405,235	5.62%	50	Wholesale Trade-Durable Goods	10,447	348,233	4.83%
56	Apparel And Accessory Stores	11,065	363,967	5.05%	56	Apparel And Accessory Stores	9,888	329,600	4.57%
48	Communication	10,525	346,196	4.80%	48	Communication	8,806	293,533	4.07%
		<u>\$179,028</u>	<u>\$5,888,925</u>	<u>81.68%</u>			<u>\$164,687</u>	<u>\$5,489,567</u>	<u>76.14%</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
2012	3.167%	1.000%	4.500%
2011	3.167%	1.000%	4.500%
2010	3.000%	1.167%	4.500%
2009	3.000%	1.167%	4.500%
2008	3.000%	1.167%	4.500%
2007	3.000%	1.167%	4.500%
2006	3.000%	1.167%	4.500%
2005	3.000%	1.167%	4.500%
2004	3.000%	1.167%	4.500%
2003	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
2012	\$ 23,257,483	\$ 2,558,579	16.43	\$ 3,612,420	\$ 361,242	2.32	\$ 615,592	\$ 195,635	1.26	\$ 27,485,495	\$ 3,115,456	20.01	11.3%
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	2,588,320	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%

Source: Tulsa County Assessor

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

Year	DIRECT		OVERLAPPING				Total
	General Fund	Sinking Fund	Schools	County	County Library	County Health	
2012	\$ -	\$ 20.01	\$ 89.33	\$ 10.34	\$ 5.32	\$ 2.58	\$ 127.58
2011	-	16.98	88.44	10.31	5.32	2.58	123.63
2010	-	14.15	89.49	10.31	5.32	2.58	121.85
2009	-	14.08	88.31	10.31	5.32	2.58	120.60
2008	-	13.48	88.31	10.31	5.32	2.58	120.00
2007	-	12.67	87.47	10.31	5.32	2.58	118.35
2006	-	9.97	89.16	10.69	5.32	2.58	117.72
2005	-	10.11	89.45	10.71	5.32	2.58	118.17
2004	-	11.16	91.40	10.99	5.32	2.58	121.45
2003	-	11.23	89.18	11.93	5.32	2.58	120.24

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
2012	\$ 62,334	\$ 60,219	96.6%	\$ 10,334	16.6%	\$ 1,736	\$ 61,955	99.4%
2011	53,163	50,945	95.8%	9,955	18.7%	1,323	52,268	98.3%
2010	43,557	41,887	96.2%	9,060	20.8%	1,079	42,966	98.6%
2009	41,663	40,014	96.0%	8,469	20.3%	877	40,891	98.1%
2008	38,098	36,305	95.3%	7,697	20.2%	1,766	38,071	99.9%
2007	34,420	33,018	95.9%	7,387	21.5%	275	33,293	96.7%
2006	25,893	24,799	95.8%	6,260	24.2%	760	25,559	98.7%
2005	25,386	24,163	95.2%	5,926	23.3%	783	24,946	98.3%
2004	27,467	26,184	95.3%	5,769	21.0%	1,000	27,184	99.0%
2003	27,460	25,997	94.7%	5,486	20.0%	739	26,736	97.4%

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

Year	General Bonded Debt		Percentage of Net Assessed Value ^a	Per Capita ^b	Other		Business Type		Total Primary Government ^c	Percentage of Personal Income ^b	Per Capita ^b
	General Obligation Bonds, Net ^a	Bonds, Net ^a			Governmental Activities Debt	Revenue	Bonds, Net	Activities Debt			
2012	\$ 404,116		12.97%	\$ 1,019	\$ 10,900	\$ 104,462		\$ 519,478	2.93%	\$ 1,310	
2011	394,399		12.60%	1,006	14,125	106,547		515,071	3.21%	1,314	
2010	358,257		11.64%	919	27,515	90,505		476,277	3.10%	1,221	
2009	307,832		10.40%	795	40,239	92,725		440,796	3.26%	1,139	
2008	251,449		8.90%	655	51,965	95,270		398,684	2.61%	1,033	
2007	229,448		8.44%	604	73,350	2,425		305,223	2.19%	803	
2006	198,977		7.66%	517	89,579	2,780		291,336	2.22%	757	
2005	183,781		7.32%	470	27,401	3,125		214,307	1.72%	562	
2004	157,284		6.39%	405	39,113	3,460		199,857	1.73%	523	
2003	174,341		7.13%	444	49,640	3,600		227,581	1.96%	588	

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)
2012	396,466	\$ 3,115,456	\$ 454,775	\$ 28,505	\$ 22,154	\$ 404,116	12.97%	\$ 1,019
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

^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 General Governmental Expenditures	Ratio of Debt Service to General Expenditure (Percentage)
2012	\$ 31,173	\$ 17,335	\$ 48,508	\$ 448,837	10.8 %
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 %

CITY OF TULSA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2012
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Net Debt⁽¹⁾</u>	<u>Estimated⁽²⁾</u>	<u>Estimated</u>
	<u>Outstanding</u>	<u>Percentage</u>	<u>Share</u>
		<u>Applicable to</u>	<u>Applicable to</u>
		<u>City of Tulsa</u>	<u>City of Tulsa</u>
Debt repaid with property taxes:			
Independent School District:			
No. 1 TPS	\$ 136,722	64.7%	\$ 88,400
No. 3 BA	75,750	1.1%	854
No. 4 Bixby	29,575	1.2%	348
No. 5 Jenks	73,970	15.6%	11,570
No. 9 Union	72,325	17.4%	12,571
			<u>113,743</u>
City direct debt	\$ 426,270	100.0%	426,270
Total direct and overlapping debt			<u>\$ 540,013</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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit ¹⁻²	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 246,139	\$ 244,557
Total net debt subject to limit ³	-	-	-	-	-	-	-	-	3,200	6,305
Legal debt margin	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 242,939	\$ 238,252
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.30%	2.58%

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	Net Revenue							Coverage ²
	Gross ¹ Revenue	Direct Operating Expenses	Available For Debt Service	Debt Service Requirements				
				Principal	Interest	Total		
2012	\$ 6,103	\$ 3,438	\$ 2,665	\$ 1,420	\$ 1,245	\$ 2,665	1.00	
2011	5,860	3,580	2,280	1,375	905	2,280	1.00	
2010	5,760	2,834	2,926	1,330	951	2,281	1.28	
2009	5,839	2,655	3,184	1,280	997	2,277	1.40	
2008	5,280	2,343	2,937	1,235	1,042	2,277	1.29	
2007	5,458	2,201	3,257	1,195	1,083	2,278	1.43	
2006	5,233	2,921	2,312	1,130	1,124	2,254	1.03	
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	

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	Net Revenue							Coverage
	Gross ¹ Revenue	Direct Operating Expenses	Available For Debt Service	Debt Service Requirements				
				Principal	Interest	Total		
2011	\$ 45,580	\$ 21,473	\$ 24,107	\$ 7,650	\$ 9,106	\$ 16,756	1.44	
2011	45,917	21,163	24,754	7,245	9,141	16,386	1.51	
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	

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	Debt Service Requirements							Coverage ⁴	
	Gross ¹ Revenue	Direct ² Operating Expenses	Net Revenue		Principal	Interest	Total	Actual ³ Coverage	Using Maximum Principal & Interest
			Available For Debt Service						
2012	\$ 99,563	\$ 62,444	\$ 37,119	\$ 6,427	\$ 6,662	\$ 13,089	2.84	2.38	
2011	88,886	56,261	32,625	6,843	6,002	12,845	2.54	2.16	
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	

Tulsa Metropolitan Utility Authority - Sewer Fund

Year	Debt Service Requirements							Coverage ⁴	
	Gross ¹ Revenue	Direct ² Operating Expenses	Net Revenue		Principal	Interest	Total	Actual ³ Coverage	Using Maximum Principal & Interest
			Available For Debt Service						
2012	\$ 67,901	\$ 47,856	\$ 20,045	\$ 8,038	\$ 5,630	\$ 13,668	1.47	1.23	
2011	63,789	41,188	22,601	6,563	4,686	11,249	2.01	1.48	
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	

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	2012			2011		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
American Airlines, Inc.	7,000	1	1.69%	7,500	3	1.85%
Tulsa Public Schools	6,500	2	1.57%	7,500	2	1.85%
St. Johns Medical Center Inc.	6,000	3	1.45%	6,500	4	1.60%
Saint Francis Hospital Inc.	5,000	4	1.33%	6,500	5	1.60%
City Of Tulsa	4,000	5	0.97%	5,500	6	1.36%
Spirit Aerosystems Inc.	3,000	6	0.72%	2,000	12	0.49%
Caprock Pipeline Company	3,000	7	0.72%	NA	NA	NA
AHS Hillcrest Medical Center	2,500	8	0.60%	5,500	7	1.36%
Baker Hughes Oilfield Operations	2,500	9	0.60%	1,500	21	0.37%
Bank Of Oklahoma	2,500	10	0.60%	3,500	10	0.86%
Broken Arrow Public Schools	2,500	11	0.60%	3,500	11	0.86%
Mid-Western Aircraft Systems Inc.	2,500	12	0.60%	NA	NA	NA
ONEOK Services Company	2,500	13	0.60%	1,500	24	0.37%
Tulsa Community College	2,500	14	0.60%	2,000	15	0.49%
Tulsa County Office	2,500	15	0.60%	2,000	13	0.49%
Union Public Schools	2,500	16	0.60%	2,000	14	0.49%
Cherokee Nation	2,000	17	0.48%	NA	NA	NA
Matrix Service Inc.	2,000	18	0.48%	NA	NA	NA
Jenks Public Schools	2,000	19	0.48%	1,500	18	0.37%
Muscogee Creek Nation	2,000	20	0.48%	1,500	31	0.37%
Nordam Group Inc.	2,000	21	0.48%	1,500	22	0.37%
QuikTrip Corp.	2,000	22	0.48%	1,500	17	0.37%
Williams WPC Inc.	2,000	23	0.48%	1,500	18	0.37%
Blue Cross and Blue Shield of Ok	1,500	24	0.36%	1,000	37	0.25%
Dollar Thrifty Automotive Group, Inc.	1,500	25	0.36%	NA	NA	NA
DirecTV Customer Services Inc.	1,500	26	0.36%	1,500	20	0.37%
Owasso Independent School District	1,500	27	0.36%	1,500	25	0.37%
University Of Tulsa	1,500	28	0.36%	1,500	28	0.37%
AAON Inc.	1,200	29	0.29%	1,500	33	0.37%
Melton Truck Lines Inc.	1,200	30	0.29%	NA	NA	NA
Oklahoma State University Medical	1,200	31	0.29%	1,500	27	0.37%
Public Service Co. Of Oklahoma	1,200	32	0.29%	1,500	29	0.37%
IC of Oklahoma, LLC (Bus Manufacturer)	1,200	33	0.29%	1,000	34	0.25%
Warren Clinic Inc.	1,200	34	0.29%	NA	NA	NA
	<u>86,200</u>		<u>20.81%</u>	<u>75,500</u>		<u>18.61%</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
2012	396,466	\$ 40,648	\$ 44,716	34.6	87.5%	6.1%
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%

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Works	n/a	1,245	1,441	1,453	1,445	1,426	1,608	1,609	1,471	1,507
Engineering Services	153	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Streets and Stormwater	434	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water and Sewer	657	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Police	879	874	888	897	898	892	936	926	919	939
911 Public Safety Communications	97	97	108	109	109	109	114	114	117	123
Fire	699	698	708	714	714	713	721	719	718	730
Information Technology	149	249	270	278	277	273	193	193	194	215
Park & Recreation	110	180	270	273	274	274	384	384	400	514
Airports	157	157	158	172	171	169	174	173	162	163
Urban Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	127	127
Finance	158	153	89	84	84	78	76	76	77	86
Planning and Economic Development	121	118	91	93	93	84	n/a	n/a	n/a	n/a
Equipment Management	79	79	79	83	83	83	83	83	90	93
Working in Neighborhoods	75	72	87	91	86	83	n/a	n/a	n/a	n/a
Municipal Courts	51	50	53	58	58	58	63	62	62	65
All Other ⁽¹⁾	206	103	119	133	145	177	142	136	132	139
	<u>4,025</u>	<u>4,075</u>	<u>4,361</u>	<u>4,438</u>	<u>4,437</u>	<u>4,419</u>	<u>4,494</u>	<u>4,475</u>	<u>4,469</u>	<u>4,701</u>

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

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

Function/Program	2012	2011
Administrative and Support Services		
Elected Officials		
1 Percent of acceptance rate for recommendations.	85%	85%
2 Percent of implementation rate for recommendations.	85%	87%
3 Quality ranking on a 1-4 scale.	3.5	3.65
Human Rights Department		
1 Percent of citizen requests responded to within 5 business days.	95%	New Measure
2 Number of DBE and M/FBE certifications per year.	170	New Measure
3 Percent of working relationships with HUD grants sub-recipients.	50%	New Measure
Legal Department		
1 Percent of reviews for prosecutions completed within two working days.	100%	100%
2 Percent of contracts completed within ten business days.	90%	91%
Human Resources Department		
1 Percent of internal non-sworn vacancies filled within 45 days of closing date.	92%	New Measure
2 Percent of external non-sworn vacancies filled within 45 days of closing date.	86%	New Measure
3 Percent of reported injury claims closed within 90 days of submission.	77%	New Measure
Finance Department		
1 Basis points over the treasury bill rate.	139	158
2 City's bond rating.	AA	AA
3 General Fund emergency operating reserve.	6%	6%
4 Collection rate percent of revenue billed for Utilities Services.	99.30%	99.29%
Information Technology		
1 Annual and monthly customer service rating (1-5).	4	New Measure
2 Percent of IT service tickets over 30 days old.	1%	New Measure
3 Percent completion of phase 1 of time and attendance system by 12/31/12.	N/A	N/A
4 Percent completion of phase 1 of TriTech 911 CAD system by October, 2012.	N/A	N/A
Customer Care		
1 Average number of seconds to answer Mayor's Action Center calls.	44 seconds	70 seconds
2 Average call abandonment percent for Mayor's Action Center calls.	12%	12%
3 Average number of seconds to answer utilities customer service calls.	50 seconds	70 seconds
4 Average call abandonment percent for utilities customer service calls.	12%	16%
5 Satisfactory level % for annual utilities customer service survey.	New Measure	New Measure
Equipment Management Department		
1 Percent of core services meeting industry standards.	86%	86%
2 Percent of designated availability.	95%	94%
1. Meet or exceed industry standards for designated fleet availability		93%

Source: [City of Tulsa](#)

Notes:

The City changed its operating indicators in 2011, therefore prior year information is not available.

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

Function/Program	2012	2011
Continued		
Public Safety & Protection		
Municipal Court		
1 Number of online payment transactions per month.	903	722
2 Percent of compliance with court-ordered probation sentences.	66.40%	64.80%
Police		
1 Percent reduction in Part One crimes over previous year.	3% decrease	4.53% increase
2 Percent reduction in fatality/high injury collisions over previous year.	5% decrease	8.8% decrease
3 Percent increase of calls responded to in three minutes or less.	4.5% increase	8.53% increase
Fire		
1 Percent of arrival on scene from receipt of call within six minutes	New Measure	New Measure
2 Percent of reduction of firefighter injuries from previous year.	New Measure	New Measure
3 Percent of cardiac arrest victims that have been returned to spontaneous circulation (ROSC)	New Measure	New Measure
911 Public Safety Communications		
1 Percent of calls answered within 20 seconds.	New Measure	New Measure
2 Percent reduction in employee turnover rate.	30%	New Measure
3 Percent reduction in vacancy rate.	16%	New Measure
4 Percent of CALEA accreditation process completed.	New Measure	New Measure
TAEMA		
1 Number of weekly warning siren tests conducted per year.	52	New Measure
2 Number of weekly OK department of Emergency Management radio tests participated in per year.	104	New Measure
3 Number of quarterly Medical Emergency Response Center radio tests conducted per year.	4	New Measure
Culture and Recreation		
Parks		
1 Number of Master Plan Citizen Advisory meetings per year.	4	New Measure
2 Percent of data mapped and entered into the PRORAGIS system by 6/30/13.	New Measure	New Measure
3 Number of meetings with citizen groups per year.	New Measure	New Measure
1. 95% of surveys returned with satisfactory or better rating		
Gilcrease Museum		
1 Number of school-aged children receiving services per year.	21,000	19,197
2 Number of visitors attracted annually.	85,000	71,950
Performing Arts Center		
1 Number of performances per year.	450	524
2 Dollar amount of gross ticket sales.	\$4 million	\$7 million
BOK Arena and Convention Center		
1 Number of paid attendance to event centers per year.	780,000	871,939
2 Gross ticket sales per year	\$20,000,000	\$20,973,628
3 Number of attended events scheduled and serviced annually.	479	628
Social & Economic Development		
Economic Development Commission		
1 Number of visitor inquiries.	144,038	New Measure
2 Number of event planner inquiries.	600	New Measure
3 Number of trade shows attended.	14	New Measure
4 Percent increase in future hotel room nights over current year.	10%	New Measure

Source: [City of Tulsa](#)

Notes:

The City changed its operating indicators in 2011, therefore prior year information is not available.

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

Function/Program	2012	2011
Continued		
Social & Economic Development, continued		
Working In Neighborhoods		
1 Average number of demolitions and housing rehabilitations per month.	15 rehabs, 45 demos	New Measure
2 Number of neighborhoods that have undergone a mapping process per year.	4	3
3 Average number of voluntary compliance of code violations per month.	900	New Measure
4 Percent reduction of animals euthanized at TAW.	5%	New Measure
Planning and Economic Development		
1 Number of small area plans created or updated by 6/30/13.	0	New Measure
2 Average number of working days for plans review.	10	New Measure
3 Average number of calendar days to issue permits for commercial projects under \$1 million.	30	New Measure
4 Number of new project opportunities identified for economic development per year.	12	12
Public Works & Transportation		
Airports		
1 Days of unrestricted cash retained for liquidity.	260	272
2 Operating cost per passenger.	\$15	\$15
3 Number of additional acres leased or developed per year.	2	0
Public Works - Engineering Services		
1 Percent of capital projects designed, right-of-way easements acquired and utilities relocated within scheduled time frames.	84%	79%
2 Percent of capital projects constructed within scheduled time frames.	97%	95%
3 Percent of capital projects completed within appropriated budgets.	100%	100%
4 Change order percent for capital projects (State statute: Projects valued at: a) \$1,000,000 or less: 15% maximum; b) Above \$1,000,000: 10% maximum.	2.12%	1.98%
5 Percent of bid advertisements posted and updated in all locations.	100%	100%
Public Works - Streets and Stormwater		
1 Average number of hours it takes to respond to emergency street repair requests.	42 minutes	1 hour
2 Percent of compliance with City grass height ordinance.	100%	100%
3 Percent reduction in travel time in modified and updated traffic signal areas.	New Measure	New Measure
4 Average number of hours it takes to respond to stormwater emergencies.	1 hour	New Measure
5 Percent of verified missed collections of refuse and recycling services.	0.041%	0.042%
Public Works - Water and Sewer		
1 Percent of customer service demand for treated water.	100%	New Measure
2 Average number of instances of noncompliance with OPDES for all wastewater treatment plants per quarter.	0.83	New Measure
3 Average number hours for water off per customer during emergency repairs.	4.81	New Measure
4 Percent of on-site responses to sanitary sewer stoppage and overflow calls within two hours.	95%	New Measure
Tulsa Transit		
1 Number of fixed route complaints per 10k boardings	3.32	3.82
2 Number of lift program complaints per 10k boardings.	21.27	23.68
3 Number of fixed route passengers per hour.	17.52	16.02
4 Number of lift program passengers per hour.	2.09	1.95

Source: [City of Tulsa](#)

Notes:

The City changed its operating indicators in 2011, therefore prior year information is not available.

CITY OF TULSA
CAPITAL ASSETS - STATISTICS BY FUNCTION
June 30, 2012

Functions

Public Works & Transportation

Streets - lane miles	4,397
Water mains - miles	2,275
Fire hydrants	16,400
Meters in service	141,389
Sewer mains - miles	1,897

Public Safety & Protection

Police:	
Stations	3
Fire:	
Stations	30
Ladder Trucks	13
Pumper Trucks	39

Cultural Development & Recreation

Parks:	
Parks	141
Zoo	1
Golf courses	4
Recreation Centers	9
Swimming Pools	5
Public Events:	
Venues	3

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
2012	\$ 4.50	\$ 2.75	\$ 4.50	\$ 4.27
2011	4.50	2.53	4.50	3.92
2010	4.20	2.37	4.50	3.56
2009	4.08	2.31	4.08	3.23
2008	4.00	2.17	4.08	3.05
2007	4.00	2.17	4.04	2.87
2006	3.85	1.98	4.04	2.61
2005	3.85	1.98	4.04	2.61
2004	3.85	1.98	4.04	2.61
2003	3.85	1.98	4.04	2.35

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, 2012