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

FINANCIAL REPORT
June 30, 2024

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

Independent Auditor's Report

Board of Trustees
Tulsa Public Facilities Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Tulsa Public Facilities Authority (the Authority), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the Authority, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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

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

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
December 20, 2024

As management of the Tulsa Public Facilities Authority (the "Authority"), a blended component unit of the City of Tulsa (the "City"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page nine. All dollar amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred outflows at the close of the current year by $193,287. Of this amount, $163,498 is the net investment in capital assets, $1,548 is restricted for debt service, $4,052 is restricted for capital projects, and $24,189 is unrestricted and may be used to meet the Authority's ongoing obligations.

- The Authority's net position decreased $3,338 to $193,287 as of June 30, 2024.

- The Authority's total assets decreased by $44,427 as of June 30, 2024.

- The Authority's total liabilities decreased by $40,394 as of June 30, 2024.

- The Authority's nonoperating revenues increased by $1,631 for the year ended June 30, 2024.

- The Authority's operating expenses increased by $4,294 for the year ended June 30, 2024.

Overview of the Financial Statements

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

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

Financial Statements

The Authority uses fund accounting in its financial statements to demonstrate compliance with finance related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one fund type, proprietary, and reports four enterprise funds. Enterprise funds are used to report functions presented as business-type activities. The financial statements of the Authority report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

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

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

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

Net Position

The Authority's net position decreased $3,338 to $193,287 at June 30, 2024. The following table provides a summary of net position:

SUMMARY OF NET POSITION

	2024	2023	Dollar Change	Percent Change
Current assets	$ 129,563	$ 117,466	$ 12,097	10.3%
Capital assets, net	212,515	222,997	(10,482)	(4.7%)
Other assets	221,117	267,159	(46,042)	(17.2%)
Total assets	563,195	607,622	(44,427)	(7.3%)
Deferred outflow of resources	962	850	112	13.2%
Current liabilities	90,828	81,422	9,406	11.6%
Noncurrent liabilities	222,349	272,149	(49,800)	(18.3%)
Total liabilities	313,177	353,571	(40,394)	(11.4%)
Deferred inflow of resources	57,693	58,276	(583)	(1.0%)
Net investment in capital assets	163,498	171,565	(8,067)	(4.7%)
Restricted	5,600	5,102	498	9.8%
Unrestricted	24,189	19,958	4,231	21.2%
Net position	$ 193,287	$ 196,625	$ (3,338)	(1.7%)

Current assets increased $12,097 primarily due to an increase in cash and cash equivalents and accounts receivable from increased ticket sales at the BOK Center and CBCC. Other assets decreased $46,042 primarily due to a decrease in cash and cash equivalents as bond proceeds are advanced to the City offset by payments from the City on advances. Current liabilities increased $9,406 primarily due to an arbitrage rebate liability and advanced ticket sales at the BOK Center and CBCC. Noncurrent liabilities decreased $49,800 primarily due to regularly scheduled debt payments.

SUMMARY OF CHANGES IN NET POSITION

	2024	2023	Dollar Change	Percent Change
Operating revenues	$ 37,838	$ 38,623	$ (785)	(2.0%)
Nonoperating revenues	8,800	7,169	1,631	22.8%
Total revenues	46,638	45,792	846	1.8%
Operating expenses	48,776	44,482	4,294	9.7%
Nonoperating expenses	1,762	2,184	(422)	(19.3%)
Total expenses	50,538	46,666	3,872	8.3%
Loss before contributions	(3,900)	(874)	(3,026)	346.2%
Capital contributions from the City	562	738	(176)	(23.8%)
Change in net position	(3,338)	(136)	(3,202)	(2354.4%)
Net position, beginning of year	196,625	196,761	(136)	(0.1%)
Net position, end of year	$ 193,287	$ 196,625	$ (3,338)	(1.7%)

In 2024, the Authority's operating revenues decreased $785 or 2.0% primarily related to decreases in the OTC lease revenue.

In 2024, the Authority's nonoperating revenues increased $1,631 or 22.8% due primarily to $643 increase in investment income and $1,001 operating subsidy from the City to the OTC.

In 2024, the Authority's operating expenses increased $4,294 or 9.7% due primarily to increased events including higher staffing costs at the BOK Center and CBCC.

Capital Assets

The Authority's investment in capital assets as of June 30, 2024 was $212,515 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, parking garage, leasehold improvements, and artwork. The increase in land improvements relates to improvements to the OTC sidewalks. Buildings increased primarily related to lighting and HVAC system improvements at the OTC and the BOK Center and new carpet in the OTC. The increase in equipment is due to sound system, electrical power equipment and a grab-n-go station at the CBCC and upgrades to audio and video equipment, concession equipment, and kiosk scanners and the BOK Center.

CAPITAL ASSETS

	2024	2023	Dollar Change	Percent Change
Land	$ 12,937	$ 12,937	$ -	0.0%
Artwork	1,128	1,128	-	0.0%
Construction-in-progress	-	108	(108)	(100.0%)
Land improvements	51,054	50,867	187	0.4%
Buildings	308,350	307,326	1,024	0.3%
Parking garage	4,273	4,273	-	0.0%
Equipment	44,483	44,031	452	1.0%
	422,225	420,670	1,555	0.4%
Less accumulated depreciation	(209,710)	(197,673)	(12,037)	6.1%
Capital assets, net	$ 212,515	$ 222,997	$ (10,482)	(4.7%)

Noncurrent Liabilities

The Authority's debt outstanding decreased $42,285 to $268,565 at June 30, 2024. The change is primarily a result of the regular principal payments. More detailed information about the Authority's debt is presented in Note 9.

OUTSTANDING DEBT

	2024	2023	Dollar Change	Percent Change
One Technology Center:				
Series 2017A Refunding	$ 34,185	$ 34,185	$ -	0.0%
Series 2017B Refunding	13,725	16,200	(2,475)	(15.3%)
	47,910	50,385	(2,475)	
BOK Center and CBCC:				
Series 2008	2,720	3,235	(515)	(15.9%)
Financing Funds:				
Series 2017	71,015	78,805	(7,790)	(9.9%)
Series 2018	83,590	92,795	(9,205)	(9.9%)
Series 2019	27,555	54,395	(26,840)	(49.3%)
Series 2020	18,285	19,785	(1,500)	(7.6%)
Series 2021	2,515	3,125	(610)	(19.5%)
Series 2023	8,050	8,325	(275)	(3.3%)
Series 2024	6,925	-	6,925	100.0%
	217,935	257,230	(39,295)	
Total debt	$ 268,565	$ 310,850	$ (42,285)	(13.6%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

At the national level, unemployment increased to 4.1% at the end of fiscal year 2024 compared to 3.6% at the end of fiscal year 2023. Unemployment in the Tulsa Metro was below the national level during fiscal year 2024. The unemployment rate in the Tulsa Metro was 3.7% at the end of fiscal year 2024 compared to 3.0% at the end of fiscal year 2023. The Authority continues to have consistent accounts receivable collections.

Office space vacancy rates in the City decreased from 16.1% to 13.6% between July 2023 and June 2024. The commercial real estate leasing environment in Tulsa slightly increased over the course of the year. There has been a flight to quality space as businesses compete for new talent. Tulsa office vacancy is just above the overall U.S. rate of 12.9%.

The BOK Center continues to maintain its status as one of the world's busiest concert venues. In 2023, the BOK Center was ranked #26 in the United States and #36 in the World on Billboard Box Score Top Venue Year-End Report. In 2024, the CBCC received a Convention South Magazine Reader's Choice Award for being a top meeting site and destination in the South.

Requests for Information

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION
June 30, 2024

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 5,249	$ 13,087	$ -	$ -	$ 22	$ 18,358
Cash and cash equivalents, restricted	1,654	34,046	13,462	584	168	49,914
Interest receivable	47	24	177	75	1	324
Accounts receivable, net	211	4,225	-	-	-	4,436
Accounts receivable from facilities operator	-	4,210	-	-	-	4,210
Lease receivable	4,379	-	-	-	-	4,379
Advance to City	-	-	44,890	2,064	-	46,954
Advance to related entity	-	-	-	-	618	618
Prepaid expenses	-	370	-	-	-	370
	11,540	55,962	58,529	2,723	809	129,563
Noncurrent assets:						
Cash and cash equivalents, restricted	4,471	1,738	31,379	18,650	-	56,238
Advance to City	-	-	98,982	13,282	-	112,264
Advance to related entity	-	-	-	-	1,748	1,748
Lease receivable	50,867	-	-	-	-	50,867
Nondepreciable capital assets	4,136	9,929	-	-	-	14,065
Depreciable capital assets, net	35,886	162,564	-	-	-	198,450
	95,360	174,231	130,361	31,932	1,748	433,632
Total assets	$ 106,900	$ 230,193	$ 188,890	$ 34,655	$ 2,557	$ 563,195
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	$ 282	$ -	$ -	$ -	$ -	$ 282
Pension related amounts	651	-	-	-	-	651
Other postemployment benefit related amounts	29	-	-	-	-	29
Total deferred outflows of resources	$ 962	$ -	$ -	$ -	$ -	$ 962

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION (continued)
June 30, 2024

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	$ 667	$ 4,280	$ -	$ -	$ -	$ 4,947
Unearned revenue	41	9,363	-	-	-	9,404
Advance ticket sales	-	19,076	-	-	-	19,076
Accrued bond interest payable	129	41	1,128	273	9	1,580
Current portion of revenue bonds	2,555	510	47,205	2,055	615	52,940
Current portion of other long-term liabilities	61	-	2,667	153	-	2,881
	3,453	33,270	51,000	2,481	624	90,828
Noncurrent liabilities:						
Deposits subject to refunds	40	-	-	-	-	40
Unearned revenue	-	317	-	-	-	317
Revenue bonds payable, net of current portion	45,355	2,210	134,955	31,205	1,900	215,625
Unamortized premium	672	-	3,082	971	33	4,758
Unamortized discount	(314)	-	(147)	(40)	-	(501)
Other long-term liabilities, net of current portion	2,072	-	-	38	-	2,110
	47,825	2,527	137,890	32,174	1,933	222,349
Total liabilities	$ 51,278	$ 35,797	$ 188,890	$ 34,655	$ 2,557	$ 313,177
DEFERRED INFLOWS OF RESOURCES						
Lease related	$ 52,604	$ -	$ -	$ -	$ -	$ 52,604
Facilities operator contribution	-	4,615	-	-	-	4,615
Deferred gain on refunding	358	-	-	-	-	358
Pension related amounts	103	-	-	-	-	103
Other postemployment benefit related amounts	13	-	-	-	-	13
Total deferred inflows of resources	$ 53,078	$ 4,615	$ -	$ -	$ -	$ 57,693
NET POSITION						
Net investment in capital assets	(7,903)	171,401	-	-	-	163,498
Restricted for:						
Debt service	1,548	-	-	-	-	1,548
Capital projects	4,052	-	-	-	-	4,052
Unrestricted	5,809	18,380	-	-	-	24,189
Total net position	$ 3,506	$ 189,781	$ -	$ -	$ -	$ 193,287

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2024

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Operating revenues:						
Lease revenue	$ 7,170	$ -	$ -	$ -	$ -	$ 7,170
Facilities revenue	-	25,171	-	-	-	25,171
Sponsorship and naming rights revenue	-	833	-	-	-	833
Parking facilities revenue	795	-	-	-	-	795
Advance/loan investment income	-	-	3,367	422	10	3,799
Other	24	46	-	-	-	70
	7,989	26,050	3,367	422	10	37,838
Operating expenses:						
Personnel services	2,297	-	-	-	-	2,297
Materials and supplies	150	958	-	-	-	1,108
Facility operator services	-	12,171	-	-	-	12,171
Services and charges	4,172	10,324	5	3	1	14,505
Bond issue costs	-	-	-	141	-	141
Interest and amortization expense	-	-	5,581	802	25	6,408
Depreciation and amortization	1,453	10,693	-	-	-	12,146
	8,072	34,146	5,586	946	26	48,776
Operating loss	(83)	(8,096)	(2,219)	(524)	(16)	(10,938)
Nonoperating revenues (expenses):						
Investment income	624	702	2,219	524	16	4,085
Interest and amortization expense	(1,573)	(189)	-	-	-	(1,762)
Interest on lease receivable	1,828	-	-	-	-	1,828
Operating subsidy from the City	1,001	1,500	-	-	-	2,501
Contributions from facilities operator	-	385	-	-	-	385
Gain on disposal of capital assets	-	1	-	-	-	1
	1,880	2,399	2,219	524	16	7,038
Income (loss) before contributions	1,797	(5,697)	-	-	-	(3,900)
Capital contributions from the City	562	-	-	-	-	562
	562	-	-	-	-	562
Change in net position	2,359	(5,697)	-	-	-	(3,338)
Net position, beginning of year	1,147	195,478	-	-	-	196,625
Net position, end of year	$ 3,506	$ 189,781	$ -	$ -	$ -	$ 193,287

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS
Year Ended June 30, 2024

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Cash flows from operating activities:						
Receipts from customers	$ 7,285	$ 26,783	$ -	$ -	$ -	$ 34,068
Payments to suppliers and service providers	(6,069)	(22,448)	(5)	(3)	(1)	(28,526)
Payments to employees for salaries and benefits	(2,022)	-	-	-	-	(2,022)
Payments for bond issuance costs	-	-	-	(141)	-	(141)
Payments to City	-	-	(44,019)	(3,264)	-	(47,283)
Payments from City	-	-	52,774	2,655	-	55,429
Payments from related entity	-	-	-	-	655	655
Net cash provided (used) by operating activities	(806)	4,335	8,750	(753)	654	12,180
Cash flows from noncapital financing activities:						
Operating subsidy from the City	1,001	1,500	-	-	-	2,501
Proceeds from revenue bond premium	-	-	-	282	-	282
Principal paid on revenue bonds	-	-	(43,835)	5,150	(610)	(39,295)
Interest paid on revenue bonds	-	-	(8,612)	(937)	(44)	(9,593)
Non-capital contributions from facilities operator	-	475	-	-	-	475
Net cash provided (used) by noncapital financing activities	1,001	1,975	(52,447)	4,495	(654)	(45,630)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	(698)	-	-	-	(698)
Capital contributions from the City	562	-	-	-	-	562
Capital contributions from facilities operator	-	315	-	-	-	315
Principal paid on revenue bonds	(2,475)	(515)	-	-	-	(2,990)
Interest paid on revenue bonds	(1,590)	(196)	-	-	-	(1,786)
Proceeds from sale of capital assets	-	1	-	-	-	1
Net cash used by capital and related financing activities	(3,503)	(1,093)	-	-	-	(4,596)
Cash flows from investing activities:						
Investment income	620	692	3,679	693	16	5,700
Interest on lease receivable	1,827	-	-	-	-	1,827
Net cash provided by investing activities	2,447	692	3,679	693	16	7,527
Net change in cash and cash equivalents	(861)	5,909	(40,018)	4,435	16	(30,519)
Cash and cash equivalents, beginning of year	12,235	42,962	84,859	14,799	174	155,029
Cash and cash equivalents, end of year	$ 11,374	$ 48,871	$ 44,841	$ 19,234	$ 190	$ 124,510

(Continued)

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2024

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing- Advance Funding Sales Tax Projects	Financing- Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Unrestricted cash and cash equivalents	$ 5,249	$ 13,087	$ -	$ -	$ 22	$ 18,358
Current restricted cash and cash equivalents	1,654	34,046	13,462	584	168	49,914
Noncurrent restricted cash and cash equivalents	4,471	1,738	31,379	18,650	-	56,238
Total cash and cash equivalents	$ 11,374	$ 48,871	$ 44,841	$ 19,234	$ 190	$ 124,510
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ (83)	$ (8,096)	$ (2,219)	$ (524)	$ (16)	$ (10,938)
Adjustments:						
Depreciation and amortization	1,453	10,693	-	-	-	12,146
Change in accounts receivable and other assets	4,539	(1,992)	-	-	-	2,547
Change in deferred inflows of resources	(5,160)	-	-	-	-	(5,160)
Change in accounts payable and other liabilities	(1,719)	574	-	-	-	(1,145)
Change in net pension liability	430	-	-	-	-	430
Change in deferred outflows of resources	(233)	-	-	-	-	(233)
Change in deferred revenue	(31)	3,156	-	-	-	3,125
Change in OPEB	(2)	-	-	-	-	(2)
Change in advance	-	-	10,969	(229)	670	11,410
Net cash provided (used) by operating activities	$ (806)	$ 4,335	$ 8,750	$ (753)	$ 654	$ 12,180

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

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

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

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

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

The CBCC, opened in 1964, is an award-winning convention center that houses event and banquet space.

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

The Authority is included in the City's Annual Comprehensive Financial Report as a blended component unit. The five trustees of the Authority are the Mayor and four individuals appointed by the Mayor and confirmed by the City Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its primary purposes are to issue revenue bonds to finance major capital improvements and manage certain properties on behalf of the City. The Advance Funding Sales Tax Projects Fund is reported by the City as a capital projects fund because it issued debt to finance governmental capital projects. The Stormwater Revenue Bonds Project Fund is reported with the City's Stormwater Management Fund, an enterprise fund. Other financing activities of the Authority are included as an internal service fund and enterprise activities are included as enterprise funds.

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

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

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

Major Enterprise Funds:

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

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

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

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

Nonmajor Fund:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER POSTEMPLOYMENT BENEFITS – Postemployment benefits ("OPEB") are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by employers to attract and retain qualified employees, some benefits, including salaries and active-employee healthcare, are taken while the employees are in active service, whereas other benefits, including postemployment healthcare, are taken after the employees' services have ended. Nevertheless, the benefit constitutes compensation for employee services. The Authority accounts for other postemployment benefit costs on an accrual basis, charging expenses in the period incurred (earned by employees), with a corresponding liability for benefits to be paid in future periods.

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

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

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

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

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

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

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

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

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

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

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

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

2. CASH DEPOSITS AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS - Cash deposits of the Authority are held within the City's pooled portfolio. The City's pooled portfolio consists primarily of time deposits and other securities guaranteed by the United States Government or its agencies. At June 30, 2024 the Authority maintained a balance of $9,422 in the City's pooled portfolio which represented 0.69% of the City's pooled portfolio. The City's pooled portfolio and Authority's separately held cash and cash equivalents are collateralized by securities held by the City or its agent in the City's name as of June 30, 2024.

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

As of June 30, 2024, the Authority has $42,983 of cash and cash equivalents separately held for the operations of the BOK Center and CBCC.

The Authority has money market mutual funds of $72,105 as of June 30, 2024 which are reported as cash equivalents on the statement of net position.

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

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

2. CASH DEPOSITS AND CASH EQUIVALENTS, continued

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

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

Custodial Credit Risk – For deposits with financial institutions, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority's policy for custodial credit risk requires compliance with provisions of state law and demand deposits be collateralized by at least 110% of the amount not federally insured. The Authority's deposits held separately for the operations of the BOK Center and CBCC are collateralized with a letter of credit from Federal Home Loan Bank. All safekeeping receipts for investment instruments are held in accounts in the Authority's name and all securities are registered in the Authority's name. Therefore, at June 30, 2024 none of the Authority's deposits of $52,405 were exposed to custodial credit risk.

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

INVESTMENT INCOME – Investment income for the year ended June 30, 2024, consisted of:

Interest and dividend income	$	3,864
Advance/loan interest income		3,799
Net decrease in fair value of investments and cash equivalents		221
	$	7,884

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

3. ACCOUNTS RECEIVABLE

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

	OTC	BOK Center and CBCC	Total
Accounts receivable:			
Facilities operator contribution	$ -	$ 4,210	$ 4,210
Tenant operating expense reimbursement	141	-	141
Parking facility revenue	63	-	63
Event revenue	-	4,277	4,277
Sponsorship revenue	-	51	51
Miscellaneous revenue	7	-	7
Total	211	8,538	8,749
Less: Allowance for doubtful accounts	-	(103)	(103)
Accounts Receivable, net	$ 211	$ 8,435	$ 8,646

4. ADVANCES TO/FROM THE CITY AND RELATED ENTITY

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

The Authority has an advance to the City of $143,872 at June 30, 2024 relating to this agreement. The City will repay the advance with sales and use tax collections to be used by the Authority for principal and interest payments on the outstanding bonds.

STORMWATER REVENUE BONDS PROJECT – In May 2020, the Authority issued its $24,150 Series 2020 Capital Improvements Revenue Bonds. The proceeds of the bonds are being loaned to the City to fund stormwater capital projects in the City of Tulsa. The bonds carry an interest rate of 3%, mature over a period of fifteen years ending May 1, 2035, and have remaining annual debt service requirements ranging from $1,885 to $2,074.

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

STORMWATER REVENUE BONDS PROJECT, continued

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

In April 2024, the Authority issued its $6,925 Series 2024 Capital Improvement Revenue Bonds. The proceeds of the bonds are being loaned to the city to fund stormwater capital projects in the City of Tulsa. The bonds carry an interest rate of 4.00%-5.00%, mature over a period of twenty years ending April 1, 2044, and have remaining annual debt service requirements ranging from $495 to $533.

The Authority has an advance to the City of $15,346 at June 30, 2024 relating to this agreement. The City will repay the advance with stormwater revenues in accordance with the Projects Agreement.

TULSA PARKING BONDS PROJECT – In April 2021, the Authority issued its $4,315 Series 2021 Capital Improvements Revenue Bonds. The proceeds of the bonds were used to refund the Tulsa Parking Authority's (the "TPA") revenue bonds. Subsequently, TPA transferred operations, assets and obligations to the City who in turn transferred them to the Tulsa Authority for Economic Opportunity ("TAEO"). The Authority's bonds carry an interest rate of 1.25-2.00%, mature over a period of seven years ending April 1, 2028, and have remaining annual debt service requirements ranging from $651 to $658. The Authority has entered into a Projects Agreement whereby the City will make principal and interest payments on the bonds. The City has also entered into a Funding Agreement with the TAEO whereby TAEO will make the required debt service payments. The Authority has an advance to the TAEO of $2,366 at June 30, 2024 relating to this project.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 12,937	$ -	$ -	$ 12,937
Artwork	1,128	-	-	1,128
Construction in progress	108	1,605	(1,713)	-
Total capital assets not being depreciated	14,173	1,605	(1,713)	14,065
Capital assets, being depreciated:				
Land improvements	50,867	187	-	51,054
Buildings	307,326	1,024	-	308,350
Parking garage	4,273	-	-	4,273
Equipment	44,031	563	(111)	44,483
Total capital assets being depreciated	406,497	1,774	(111)	408,160
Less accumulated depreciation/amortization:				
Leasehold improvements	(28,527)	(2,039)	-	(30,566)
Buildings	(129,849)	(8,784)	-	(138,633)
Parking garage	(1,952)	(164)	-	(2,116)
Equipment	(37,345)	(1,159)	109	(38,395)
Total accumulated depreciation	(197,673)	(12,146)	109	(209,710)
Total capital assets being depreciated, net	208,824	(10,372)	(2)	198,450
Capital assets, net	$ 222,997	$ (8,767)	$ (1,715)	$ 212,515

6. PENSION PLAN

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

6. PENSION PLAN, continued

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

Contributions – Contributions are set per City ordinance. Employees were required to contribute 7.5% of their pensionable wages from July 1, 2022 through September 24, 2022 and 8.0% thereafter. The Authority was required to contribute 16.5% of pensionable wages from July 1, 2022 through September 24, 2022 and 17.0% thereafter. Actual contributions to the pension plan from the Authority were $220 for the year ended June 30, 2024.

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

The Authority reported a liability of $1,987 for its proportionate share of the net pension liability as of June 30, 2024. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to June 30, 2024. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2024, the Authority's proportion was .7734%.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

The Authority recognized pension expense of $236 for the year ended June 30, 2024. At June 30, 2024 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual plan experience	$	128	$	-
Changes of assumptions		-		21
Net difference between projected and actual earnings on pension plan investments		-		66
Changes in proportion and differences between Authority contributions and proportionate share of contributions		523		16
Total	$	651	$	103

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

Year ended June 30		
2025	$	161
2026		341
2027		79
2028		(33)
	$	548

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

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

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

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the net pension liability	$ 2,812	$ 1,987	$ 1,298

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

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

General Information about the OPEB Plan

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

Benefits Provided – All health care benefits are provided through the City's fully insured health plan. The benefit levels are the same as those offered to active employees. Benefits include general inpatient and outpatient medical services and prescriptions. Generally employees are eligible for membership in the plan if they retire from the City on or after age 60 with 5 years of service or with age and service totaling 80 points. Coverage ceases upon eligibility of the member for Medicare. Spousal eligibility is the same timeframe as the employee. Surviving spouses are not eligible to continue coverage after the death of the retiree or active employee eligible to retire. Spousal coverage ends at the earlier of their or their spouse's (the retiree's) attainment of age 65. Spouses of employees eligible for benefits and who die in active service can receive coverage.

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

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

At June 30, 2024, the Authority reported a liability of $55 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total OPEB liability to June 30, 2024. The Authority's proportion of the total OPEB liability was based on the Authority's share of active employee participants relative to the active employees of all participating employers. At June 30, 2024, the Authority's proportion was 1.0796%.

For the year ended June 30, 2024, the Authority recognized OPEB expense of $10.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	$ 6	$ 3
Changes of assumptions	2	10
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	21	-
Total	$ 29	$ 13

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

Year	
2025	$ 8
2026	4
2027	5
2028	-
2029	(1)
	$ 16

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Current year healthcare cost trend rate	7.00%
Annual reduction of healthcare cost trend	0.1% - 0.6%
Ultimate annual healthcare cost trend rate	4.04%

25% of future retirees with coverage are assumed to elect healthcare coverage.

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending February 29, 2024.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Discount Rate – The OPEB plan is financed on a pay-as-you-go basis, thus a long-term rate of return was not used. The discount rate used to measure the total OPEB liability was 4.21% as of June 30, 2024 based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The source of the discount rate used is the S&P Municipal Bond 20-Year High Grade Rate Index.

Discount Rate Sensitivity – The following presents the Authority's proportionate share of the total OPEB liability calculated using the discount rate of 4.21%, as well as what the Authority's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Authority's proportionate share of the total OPEB liability	$ 59	$ 55	$ 51

Healthcare Rate Sensitivity – The following presents the Authority's proportionate share of the total OPEB liability calculated using the healthcare cost trend rate of 7.00% decreasing to 4.04%, as well as what the Authority's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00% decreasing to 3.04%)	Current Rate (7.00% decreasing to 4.04%)	1% Increase (8.00% decreasing to 5.04%)
Authority's proportionate share of the total OPEB liability	$ 50	$ 55	$ 61

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

8. UNEARNED REVENUE

The Authority had the following unearned revenues at June 30, 2024:

	Total	Current	Noncurrent
BOK Center and CBCC - naming rights, advertising, and sponsorships	9,680	9,363	317
OTC - other tenant revenues	41	41	-
	$ 9,721	$ 9,404	$ 317

9. REVENUE BONDS PAYABLE

Revenue bonds payable activity for the year ended June 30, 2024 is as follows:

Bond, Series, Maturity Dates	Issue Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
One Technology Center:							
Lease Revenue Refunding Series 2017A, 2037	$ 34,185	3.00%-4.00%	$ 34,185	$ -	$ -	$ 34,185	$ -
Lease Revenue, Refunding Series 2017B, 2028	25,465	3.00%-3.10%	16,200	-	(2,475)	13,725	2,555
			50,385	-	(2,475)	47,910	2,555
BOK Center and CBCC:							
Capital Improvements, Series 2008, 2027	16,000	6.069%	3,235	-	(515)	2,720	510
Financing- Advanced Funding Sales Tax Projects:							
Capital Improvements, Series 2017, 2032	115,300	3.00%	78,805	-	(7,790)	71,015	7,990
Capital Improvements, Series 2018, 2031	118,100	4.00%	92,795	-	(9,205)	83,590	11,660
Capital Improvements, Series 2019, 2025	113,895	5.00%	54,395	-	(26,840)	27,555	27,555
			225,995	-	(43,835)	182,160	47,205
Financing- Stormwater Revenue Bonds Project:							
Capital Improvements, Series 2020, 2035	24,150	3.00%	19,785	-	(1,500)	18,285	1,525
Capital Improvements, Series 2023, 2043	8,325	3.50%-5.00%	8,325	-	(275)	8,050	285
Capital Improvements, Series 2024, 2044	6,925	4.00%-5.00%	-	6,925	-	6,925	245
			28,110	6,925	(1,775)	33,260	2,055
Financing- Parking Revenue Bonds Project:							
Capital Improvements, Series 2021, 2028	4,315	1.25%-2.00%	3,125	-	(610)	2,515	615
Total revenue bonds payable			310,850	6,925	(49,210)	268,565	52,940
Unamortized premiums			7,631	284	(3,157)	4,758	-
Unamortized discounts			(542)	(2)	43	(501)	-
Total revenue bonds payable, net			$ 317,939	$ 7,207	$ (52,324)	$ 272,822	$ 52,940

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

9. REVENUE BONDS PAYABLE, continued

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

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

Year	Principal	Interest	Total
2025	$ 52,940	$ 9,501	$ 62,441
2026	25,725	7,232	32,957
2027	26,035	6,353	32,388
2028	25,275	5,405	30,680
2029	25,500	4,521	30,021
2030-2034	86,070	10,265	96,335
2035-2039	22,500	2,514	25,014
2040-2044	4,520	509	5,029
	$ 268,565	$ 46,300	$ 314,865

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

10. OTHER LONG-TERM LIABILITIES

The changes in other long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Other long-term liabilities:					
Compensated absences	$ 69	$ 22	$ -	$ 91	$ 58
Net pension liability	1,557	430	-	1,987	-
Total OPEB liability	57	-	(2)	55	3
Arbitrage rebate payable	1,328	1,530	-	2,858	2,820
Total other long-term liabilities	$ 3,011	$ 1,982	$ (2)	$ 4,991	$ 2,881

11. PLEDGED REVENUE

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

Total principal and interest remaining on the debt is $59,766 with annual requirements ranging from $4,070 to $4,413 through 2038. Annual debt service required 51% of gross revenues. Principal and interest paid in the current year amounted to $4,066. Current year operating revenue totaled $7,989.

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

Total principal and interest remaining on the debt is $3,121 with annual requirements ranging from $674 to $1,771 through 2027. Annual debt service required 85% of sponsorship and naming right revenues which are pledged towards the debt under the indenture. The Authority paid $711 in principal and interest during the year. Sponsorship and naming rights revenue, from which the payments will be made, was $833 for the current year.

ADVANCE FUNDING SALES TAX PROJECTS - The Authority has entered into a Projects Agreement with the City to provide financing for certain capital projects and subsequently issued its Capital Improvement Revenue Bonds, Series 2017, 2018, and 2019. The City has pledged certain sales and use tax revenues to repay the advance from the Authority. The total principal and interest remaining on the debt is $205,832 with annual debt service requirements ranging from $12,770 to $53,824 through 2032. Principal and interest paid during the year amounted to $52,447. Sales and use tax recorded during the current fiscal year by the City was $87,123.

11. PLEDGED REVENUE, continued

STORMWATER REVENUE BONDS PROJECT- The Authority has entered into a Projects Agreement with the City to provide funding for the purpose of acquiring, constructing, equipping, furnishing, operating and maintaining stormwater management projects and subsequently issued its Capital Improvements Revenue Bonds, Series 2020, 2023, and 2024. The City has pledged available monies for the payment of any indebtedness incurred by or on behalf of the City for the Projects Agreement. The City paid $2,655 to the Authority on the Projects Agreement in 2024. Total principal and interest remaining on the debt is $43,533 with annual requirements ranging from $499 to $3,221 through 2044. The Authority paid $2,712 in principal and interest in 2024.

TULSA PARKING BONDS PROJECT - The Authority has entered into a Projects Agreement with the City on April 1, 2021 to provide financing to assist with the refunding of debt issued by the TPA and subsequently issued its Series 2021 Capital Improvements Revenue Bonds. The City has pledged available revenues to pay the principal and interest of the Series 2021 Capital Improvements Revenue Bonds issued by the Authority. The City also entered into a funding agreement with the TAEO requiring TAEO to make the principal and interest payments required on the 2021 Capital Improvements Revenue Bonds from TAEO parking facility revenues and other available revenue of TAEO. The TAEO paid $655 to the Authority on the Projects Agreement in 2024. The total principal and interest remaining on the debt is $2,614 with annual debt service requirements ranging from $651 to $658 through 2028. The Authority paid $654 in principal and interest payments in 2024.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

12. OPERATING LEASE REVENUE

OTC LEASES

The Authority owns the OTC building with commercial office space available. The City leases the building through 2038 and utilizes approximately 47% of the net rentable space with the remaining space available for leasing to other tenants. The Authority recognized $3,532 in lease revenue and $1,655 in interest income for the City lease.

The Authority has entered into multiple lease agreements with other tenants with lease terms ranging from one to ten years. The other OTC building tenant's square footage range from 500 to 96,258 square feet of net rentable space. At year end, the building was approximately 84% occupied. During the fiscal year, the Authority recognized $2,759 in lease revenue and $173 in interest income related to the agreements. These leases also require the tenants pay a portion of the building operating costs. During the year the Authority recorded $879 in lease revenue related to building operating costs.

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

	City			Other			Combined Total		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	$ 2,823	$ 1,566	$ 4,389	$ 1,555	$ 126	$ 1,681	$ 4,378	$ 1,692	$ 6,070
2026	2,928	1,474	4,402	1,515	83	1,598	4,443	1,557	6,000
2027	3,044	1,378	4,422	1,270	41	1,311	4,314	1,419	5,733
2028	3,171	1,278	4,449	431	19	450	3,602	1,297	4,899
2029	3,444	1,173	4,617	443	7	450	3,887	1,180	5,067
2030-2034	19,335	4,073	23,408	-	-	-	19,335	4,073	23,408
2035-2038	15,287	877	16,164	-	-	-	15,287	877	16,164
	$ 50,032	$ 11,819	$ 61,851	$ 5,214	$ 276	$ 5,490	$ 55,246	$ 12,095	$ 67,341

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

13. BOK CENTER NAMING RIGHTS AND SPONSORSHIP AGREEMENTS

The Authority had $2,643 in naming rights and sponsorships agreements outstanding at June 30, 2024. During the year, the Authority recognized $833 in naming rights and sponsorship revenue. Any amounts received but not earned are reflected as unearned revenue on the statement of net position.

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

Year	Future Earnings
2025	722
2026	722
2027	722
2028	447
2029	30
	$ 2,643

14. FACILITIES REVENUE

The Authority has entered into various agreements for the use of premium seating through 2024. During the year, the Authority recognized $1,440 in premium seating tickets, $3,563 in luxury boxes and $1,097 in club seats, which is included in facility revenue. Any amounts received but not earned are reflected as unearned revenue on the statement of net position.

15. OPERATING AGREEMENTS

CBCC AND BOK CENTER LEASE AND PROJECT AGREEMENTS - The Authority has leased the CBCC and BOK Center (the “Facilities”) from the City for 25 years, ending June 30, 2032 or such longer period as any indebtedness issued in connection with the Facilities is outstanding. The lease assists the Authority in making financing arrangements that benefit improvements at the Facilities. During the year the Authority received $1,500 from the City’s Lodging Tax to operate and maintain the Facilities.

CBCC AND BOK CENTER MANAGEMENT AGREEMENTS - In June 2013, the Authority and the City entered into an operating agreement with SMG. SMG subsequently merged to form a new management company, ASM Global (ASM). The agreement provided for the development and management services of the Facilities. The term of the original operating section of the agreement was July 1, 2013 through June 30, 2018. On June 28, 2018, the Authority voted to extend the agreement through June 30, 2023 and on April 27, 2023 the Authority voted to extend the agreement through September 28, 2023 at which time the agreement terminated.

15. OPERATING AGREEMENTS, continued

CBCC AND BOK CENTER MANAGEMENT AGREEMENTS, continued

For the period July 1 to September 29, 2023, ASM earned an annual base management fee of $47 for the CBCC and $45 for the BOK Center. ASM can also earn an annual incentive fee based on the operating results of both facilities compared to certain operating thresholds, as defined in the agreements. The operating thresholds, as defined in the agreements are gross revenue, attendance and net operating profits. If the benchmark is met for a threshold, ASM may receive an incentive fee equal to 33 1/3% of the management fee. The incentive fee may not exceed the management fee for the year. ASM earned $42 of incentive fee for the BOK Center and $15 for the CBCC for the year ended June 30, 2024.

On July 28, 2023, the Authority voted to enter into an operating agreement with Global Spectrum, L.P. d/b/a OVG360 beginning September 29, 2023 through June 30, 2033 with the option of two five – year renewals at the sole discretion of the Authority. The contract is subject to annual appropriations and may be terminated by any party.

Under the agreement, for the year ended June 30, 2024, OVG earned an annual base management fee of $75 for the CBCC and $75 for the BOK Center. OVG can also earn annual incentive fees comprised of an Economic Development Fee, Food and Beverage Fee and the Commercial Rights fee. No incentive fees, except the Food and Beverage Fee based upon Gross Food and Beverage Revenue, shall be earned or paid unless the net operating income of the BOK Center and CBCC exceeds the net operating income benchmark for the year, as defined in the agreement. The Economic Development Fee is awarded up to $75 at the discretion of the Authority based on various qualitative factors as defined in the agreement. The Food and Beverage Fee is equal to 3% of Gross Food and Beverage Revenue, plus 7% of Net Food and Beverage Revenue. The Commercial Rights Fee is 17.5% of any Commercial Rights Revenue in excess of an annual threshold, as defined in the agreement. OVG earned a total incentive fee of $786 for the year ended June 30, 2024.

16. RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

17. GENERAL LITIGATION

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

18. RELATED PARTY TRANSACTIONS

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

One Technology Center	
Payments from the City for operations	$ 1,001
Capital contributions from the City for capital improvements	$ 562
Lease payments from the City for leased space in OTC	$ 4,386
Lease payments from the TAEO for leased space in OTC	$ 62
BOK Center and CBCC	
Operating subsidy from the City for the CBCC	$ 1,500
Financing - Advance Funding Sales Tax Projects	
Payments on the advance to the City for capital improvements	$ 44,019
Payments from the City for bond financing included in advance	$ 52,774
Financing - Parking Revenue Bonds Projects	
Payments from the TAEO related to projects for bond financing included in the advance receivable	$ 655
Financing - Stormwater Revenue Bonds Projects	
Payments on the advance to the City for Stormwater capital improvements	$ 3,264
Payments from City related to Stormwater projects	$ 2,655

19. COMMITMENTS

As of June 30, 2024, the Authority had open commitments for construction projects of approximately $254.

20. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

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

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

GASB Statement No. 102 – *Risk Disclosures*, Issued in December 2023, this Statement will be effective for the Authority beginning with its fiscal year ending June 30, 2025. The primary objective of this Statement is to provide guidance on financial reporting on the risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding (a) the concentration or constraint, (b) events that could cause a substantial impact, (c) actions taken by the government to mitigate the risk.

GASB Statement No. 103 – *Financial Reporting Model Improvements,* Issued in April 2024, this Statement will be effective for the Authority beginning with its fiscal year ending June 30, 2026. This Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

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(in thousands of dollars)

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

Year	Authority's proportion of net pension liability	Authority's proportionate share of net pension liability	Authority's covered payroll	Authority's proportionate share of net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total pension liability
2024	0.7734%	$ 1,987	$ 1,294	154%	70.8%
2023	0.5555%	1,557	868	179%	67.2%
2022	0.4508%	1,212	609	199%	66.6%
2021	0.4759%	861	621	139%	76.9%
2020	0.4491%	1,141	587	194%	65.2%
2019	0.4537%	1,065	563	189%	66.9%
2018	0.4519%	887	542	164%	70.6%
2017	0.4758%	940	574	164%	69.4%
2016	0.4662%	1,008	547	184%	65.6%
2015	0.4452%	558	491	114%	77.1%

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

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

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

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	City's Covered Payroll funded by Authority payments	Actual Contributions as a Percentage of Covered Payroll
2024	$ 220	$ 220	$ -	$ 1,294	17.0%
2023	147	147	-	868	16.9%
2022	101	101	-	609	16.5%
2021	99	99	-	621	16.0%
2020	91	91	-	587	15.5%
2019	87	87	-	563	15.5%
2018	84	84	-	542	15.5%
2017	66	66	-	574	11.5%
2016	63	63	-	547	11.5%
2015	56	56	-	485	11.5%

(in thousands of dollars)

Postemployment Benefits Other than Pensions Plan
Schedule of Proportionate Share - Last nine years

Year	Authority's proportion of total OPEB liability	Authority's proportionate share of total OPEB liability	Authority's covered payroll	Authority's proportionate share of total OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total OPEB liability
2024	1.0796%	$ 55	$ 1,312	4.2%	0.00%
2023	1.0096%	57	1,418	4.0%	0.00%
2022	0.5048%	29	566	5.1%	0.00%
2021	0.4929%	40	525	7.7%	0.00%
2020	0.4762%	39	527	7.5%	0.00%
2019	0.4857%	30	519	5.7%	0.00%
2018	0.4822%	30	492	6.1%	0.00%
2017	0.4776%	27	500	5.4%	0.00%
2016	0.4796%	29	483	6.0%	0.00%

* Information prior to 2016 is not available.

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

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

2024	4.21%
2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%
2017	3.56%
2016	4.00%

(in thousands of dollars)

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

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	City's Covered Payroll funded by Authority payments	Actual Contributions as a Percentage of Covered Payroll
2024	$ 3	$ 3	$ -	$ 1,312	0.23%
2023	3	3	-	1,418	0.21%
2022	2	2	-	566	0.35%
2021	2	2	-	525	0.46%
2020	2	2	-	527	0.30%
2019	2	2	-	519	0.43%
2018	1	1	-	492	0.20%
2017	6	6	-	500	1.18%
2016	4	4	-	483	0.79%

One Technology Center

Percentage of Occupied Units

Total occupied	16
Total vacant units	5
Total units	21
Percentage Occupied	76%

Percentage of Occupied Square Feet

Total Occupied Square Feet	528,631
Total Vacant Square Feet	98,434
Total Square Footage	627,065
Percentage Occupied	84%

Major Tenants and Square Feet

City of Tulsa	293,353
Magellan Midstream Partners, LP	96,258
Level 3 Communications, LLP	57,858

RSM US LLP

Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
Tulsa Public Facilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities, each major fund and aggregate remaining fund information of the Tulsa Public Facilities Authority (the Authority), a blended component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described below as item 2024-001, that we consider to be a material weakness.

Finding 2024-001: Material Weakness, US GAAP Financial Reporting – Arena and Convention Center Fund

Criteria: Facilities management of the Authority is responsible for establishing and maintaining effective internal controls over financial reporting, including the year-end financial reporting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These controls should allow management or employees to prevent, or detect and correct, misstatements to the financial statements on a timely basis.

Condition: The Authority did not properly record certain transactions relating to the operations of the arena and convention center fund in accordance with U.S. GAAP. There were multiple adjusting journal entries and uncorrected misstatements identified during the audit process, that were required to be made by management in order to adjust certain accounts at year-end. These adjustments primarily related to the gross up of certain assets (accounts receivable and prepaid expenses) and liabilities (unearned revenue and accounts payable) and the write-off of accounts receivable balances associated with the previous operator of the facilities.

Cause: The Authority's internal controls were not designed to perform accurate year end reconciliations to record certain account balances consistent with U.S. GAAP.

Effect or potential effect: There were material financial statement adjustments during the audit process. The lack of proper procedures and controls in place over the preparation of the financial statements could potentially result in other material misstatements of the financial statements or material departures from generally accepted accounting principles.

Recommendation: Facilities management of the Authority should have controls and procedures in place to timely review and adjust year end balances to ensure the accounting and financial reporting are accurate, timely and in accordance with applicable standards.

Views of responsible officials: Management agrees with this finding.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described previously. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Kansas City, Missouri
December 20, 2024