

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

FINANCIAL REPORT
June 30, 2021

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
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June 30, 2021

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Independent Auditor's Report

RSM US LLP

Board of Trustees
Tulsa Public Facilities Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Tulsa Public Facilities Authority (Authority), a blended component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the 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, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Kansas City, Missouri
December 6, 2021

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

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, 2021. 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 of the Authority exceeded its liabilities at the close of the most recent year by \$209,307.
- The Authority’s net position decreased to \$209,307 as of June 30, 2021 from \$214,832 as of June 30, 2020.
- The Authority’s total assets decreased by \$26,044 as of June 30, 2021.
- The Authority’s total liabilities decreased by \$20,921 as of June 30, 2021.

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 Arena, and the Cox Business Convention Center facilities.

This discussion and analysis are intended to serve as an introduction to the Authority’s basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in 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.

TULSA PUBLIC FACILITIES AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The basic 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.

Net Position

The Authority's net position decreased to \$209,307 at June 30, 2021, from \$214,832 at June 30, 2020. The following table provides a summary of net position:

SUMMARY OF NET POSITION

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|----------------------------------|-------------------|-------------------|--------------------------|---------------------------|
| Current assets | \$ 87,116 | \$ 61,467 | \$ 25,649 | 41.7% |
| Capital assets, net | 240,241 | 244,672 | (4,431) | (1.8%) |
| Other assets | <u>318,020</u> | <u>365,282</u> | <u>(47,262)</u> | <u>(12.9%)</u> |
| Total assets | <u>645,377</u> | <u>671,421</u> | <u>(26,044)</u> | <u>(3.9%)</u> |
| Deferred outflow of resources | <u>924</u> | <u>1,040</u> | <u>(116)</u> | <u>(11.2%)</u> |
| Current liabilities | 65,402 | 36,327 | 29,075 | 80.0% |
| Noncurrent liabilities | <u>370,754</u> | <u>420,750</u> | <u>(49,996)</u> | <u>(11.9%)</u> |
| Total liabilities | <u>436,156</u> | <u>457,077</u> | <u>(20,921)</u> | <u>(4.6%)</u> |
| Deferred inflow of resources | <u>838</u> | <u>552</u> | <u>286</u> | <u>51.8%</u> |
| Net investment in capital assets | 190,085 | 192,121 | (2,036) | (1.1%) |
| Restricted | 4,882 | 4,014 | 868 | 21.6% |
| Unrestricted | <u>14,340</u> | <u>18,697</u> | <u>(4,357)</u> | <u>(23.3%)</u> |
| Net position | <u>\$ 209,307</u> | <u>\$ 214,832</u> | <u>\$ (5,525)</u> | <u>(2.6%)</u> |

Current assets increased \$25,649 primarily due to an increase in the current portion of Advances to the City. Other assets decreased \$47,262 mostly due to a decrease in restricted cash and equivalents as bond proceeds are advanced to the City offset by payments from the City on advances. Current liabilities increased \$29,075, primarily in the current portion of bonds payable as additional bonds became due within the next year. There was a related decrease in noncurrent liabilities for the additional bonds payable classified as current as well as payments in the current year of \$14,960.

TULSA PUBLIC FACILITIES AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Net Position, continued

SUMMARY OF CHANGES IN NET POSITION

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|------------------------------------|-------------------|-------------------|--------------------------|---------------------------|
| Operating revenues | \$ 20,219 | \$ 29,537 | \$ (9,318) | (31.5%) |
| Nonoperating revenues | 2,577 | 4,541 | (1,964) | (43.3%) |
| Total revenues | <u>22,796</u> | <u>34,078</u> | <u>(11,282)</u> | <u>(33.1%)</u> |
| Operating expenses | 33,222 | 38,418 | (5,196) | (13.5%) |
| Nonoperating expenses | 2,147 | 2,261 | (114) | (5.0%) |
| Total expenses | <u>35,369</u> | <u>40,679</u> | <u>(5,310)</u> | <u>(13.1%)</u> |
| Income (loss) before contributions | (12,573) | (6,601) | (5,972) | 90.5% |
| Capital contributions | 1,335 | - | 1,335 | 100.0% |
| Contributions from the City | 5,713 | 33,051 | (27,338) | (82.7%) |
| Change in net position | (5,525) | 26,450 | (31,975) | 120.9% |
| Net position, beginning of year | <u>214,832</u> | <u>188,382</u> | <u>26,450</u> | 14.0% |
| Net position, end of year | <u>\$ 209,307</u> | <u>\$ 214,832</u> | <u>\$ (5,525)</u> | (2.6%) |

In 2021, the Authority's operating revenues decreased \$9,318 or 31.5% due primarily to significant decreases in facilities revenue at the BOK Arena related to the COVID-19 pandemic resulting in fewer events. Nonoperating revenues decreased \$1,964, or 43.3% due primarily to decreases in investment income.

In 2021, the Authority's operating expenses decreased \$5,196 or 13.5% due to decreased events including lower staffing costs at the BOK Arena.

Capital contributions from the City decreased \$27,338 or 82.7% for construction projects at the Cox Business Convention Center from the prior year as \$55 million in renovations recently were completed.

TULSA PUBLIC FACILITIES AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Capital Assets

The Authority's investment in capital assets as of June 30, 2021, amounts to \$240,241 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, parking garage, leasehold improvements and artwork. The increase in buildings is due to modernization of the Cox Business Convention center and OTC building improvements.

CAPITAL ASSETS

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|-------------------------------|-------------------|-------------------|--------------------------|---------------------------|
| Land | \$ 16,465 | \$ 16,465 | \$ - | 0.0% |
| Artwork | 1,028 | 653 | 375 | 57.4% |
| Construction-in-progress | 78 | 148 | (70) | (47.3%) |
| Leasehold improvements | 50,867 | 50,840 | 27 | 0.1% |
| Buildings | 300,412 | 295,756 | 4,656 | 1.6% |
| Parking garage | 3,521 | 3,521 | - | 0.0% |
| Equipment | <u>41,366</u> | <u>39,040</u> | <u>2,326</u> | 6.0% |
| | 413,737 | 406,423 | 7,314 | 1.8% |
| Less accumulated depreciation | <u>(173,496)</u> | <u>(161,751)</u> | <u>(11,745)</u> | 7.3% |
| Capital assets, net | <u>\$ 240,241</u> | <u>\$ 244,672</u> | <u>\$ (4,431)</u> | (1.8%) |

TULSA PUBLIC FACILITIES AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Noncurrent Liabilities

The Authority's debt outstanding decreased \$13,830 to \$400,070 at June 30, 2021. The change is primarily a result of the regular principal payments partially offset by the issuance of the Series 2021 Parking Revenue bonds. More detailed information about the Authority's debt is presented in Note 10.

OUTSTANDING DEBT

| | <u>2021</u> | <u>2020</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|-------------------------------|-------------------|-------------------|--------------------------|---------------------------|
| One Technology Center: | | | | |
| Series 2017A Refunding | \$ 34,185 | \$ 34,185 | \$ - | 0.0% |
| Series 2017B Refunding | 20,945 | 23,230 | (2,285) | (9.8%) |
| | <u>55,130</u> | <u>57,415</u> | <u>(2,285)</u> | |
| Arena and Convention: | | | | |
| Series 2008 | <u>5,065</u> | <u>5,965</u> | <u>(900)</u> | (15.1%) |
| Financing Funds: | | | | |
| Series 2017 | 93,840 | 101,120 | (7,280) | (7.2%) |
| Series 2018 | 105,100 | 111,355 | (6,255) | (5.6%) |
| Series 2019 | 113,895 | 113,895 | - | 0.0% |
| Series 2020 | 22,725 | 24,150 | (1,425) | (5.9%) |
| Series 2021 | 4,315 | - | 4,315 | 100.0% |
| | <u>339,875</u> | <u>350,520</u> | <u>(10,645)</u> | |
| Total debt | <u>\$ 400,070</u> | <u>\$ 413,900</u> | <u>\$ (13,830)</u> | (3.3%) |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's appointed officials considered many factors when setting the 2022 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 demand and adhering to local health department guidelines for events. Events are expected to return in 2022 with safety protocols in place and public desire to attend events.

At the national level, unemployment decreased to 5.9 percent at June 30, 2021. Unemployment in the City was 3.9 percent at the end of fiscal year 2021 compared to 7.1 percent at the end of fiscal year 2020. The Authority continues to have consistent accounts receivable collections.

Office space vacancy rates in the City decreased from 16.5% to 16.3% between July 2020 to June 2021. The commercial real estate leasing environment in Tulsa declined slightly over the course of the year with average rental rates decreasing.

BOK Arena continues to maintain its status as one of the world's busiest concert venues. In 2016 and 2018, BOK Arena was named Arena of the Year by the International Entertainment Buyers Association (IEBA). The facility won the 2018 Venue Excellence Award from the International Association of Venue Managers (IAVM).

The Cox Business Convention Center earned the 2021 Centers of Excellence distinction.

TULSA PUBLIC FACILITIES AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

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, 2021

(in thousands of dollars)

| | One Technology Center | Arena and Convention | Financing- Advance Funding Sales Tax Projects | Financing- Stormwater Revenue Bonds Project | Nonmajor - Other Financing Fund | Business-Type Activities Total |
|--|--------------------------|-------------------------|--|--|--|--------------------------------------|
| <u>ASSETS</u> | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 7,583 | \$ 11,487 | \$ - | \$ - | \$ 7 | \$ 19,077 |
| Cash and cash equivalents, restricted | 1,515 | 9,638 | 6,335 | 357 | 162 | 18,007 |
| Interest receivable | 23 | 10 | 2 | - | - | 35 |
| Accounts receivable, net | 566 | 1,589 | - | - | - | 2,155 |
| Capital lease receivable | 757 | - | - | - | - | 757 |
| Advance to City | - | - | 43,968 | 1,463 | - | 45,431 |
| Advance to related entity | - | - | - | - | 593 | 593 |
| Prepaid expenses | - | 697 | - | - | - | 697 |
| Inventory | 153 | 211 | - | - | - | 364 |
| | <u>10,597</u> | <u>23,632</u> | <u>50,305</u> | <u>1,820</u> | <u>762</u> | <u>87,116</u> |
| Noncurrent assets: | | | | | | |
| Cash and cash equivalents, restricted | 4,005 | 1,604 | 183,701 | 17,921 | - | 207,231 |
| Advance to City | - | - | 95,806 | 4,232 | - | 100,038 |
| Advance to related entity | - | - | - | - | 3,674 | 3,674 |
| Capital lease receivable | 7,077 | - | - | - | - | 7,077 |
| Nondepreciable capital assets | 3,164 | 9,907 | - | - | 4,500 | 17,571 |
| Depreciable capital assets, net | 31,180 | 191,490 | - | - | - | 222,670 |
| Total assets | <u>\$ 56,023</u> | <u>\$ 226,633</u> | <u>\$ 329,812</u> | <u>\$ 23,973</u> | <u>\$ 8,936</u> | <u>\$ 645,377</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | | | |
| Deferred charge on refunding | \$ 705 | \$ - | \$ - | \$ - | \$ - | \$ 705 |
| Pension related items | 209 | - | - | - | - | 209 |
| Other postemployment benefit related items | 10 | - | - | - | - | 10 |
| Total deferred outflows of resources | <u>\$ 924</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 924</u> |

(Continued)

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION (continued)
Year Ended June 30, 2021

(in thousands of dollars)

| | <u>One Technology Center</u> | <u>Arena and Convention</u> | <u>Financing- Advance Funding Sales Tax Projects</u> | <u>Financing- Stormwater Revenue Bonds Project</u> | <u>Nonmajor - Other Financing Fund</u> | <u>Business-Type Activities Total</u> |
|---|----------------------------------|---------------------------------|--|--|--|---|
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued expenses | \$ 520 | \$ 1,717 | \$ - | \$ - | \$ - | \$ 2,237 |
| Compensated absences | 42 | - | - | - | - | 42 |
| Retainage payable | 5 | - | - | - | - | 5 |
| Unearned revenue | 117 | 3,783 | - | - | - | 3,900 |
| Advance ticket sales | - | 9,075 | - | - | - | 9,075 |
| Accrued bond interest payable | 148 | 77 | 1,760 | 113 | 15 | 2,113 |
| Current portion of revenue bonds | 2,340 | 975 | 42,665 | 1,460 | 590 | 48,030 |
| | <u>3,172</u> | <u>15,627</u> | <u>44,425</u> | <u>1,573</u> | <u>605</u> | <u>65,402</u> |
| Noncurrent liabilities: | | | | | | |
| Deposits subject to refunds | 40 | - | - | - | - | 40 |
| Unearned revenue | - | 617 | - | - | - | 617 |
| Revenue bonds payable, net of current portion | 52,790 | 4,090 | 270,170 | 21,265 | 3,725 | 352,040 |
| Unamortized premium | 1,058 | - | 15,416 | 1,135 | 99 | 17,708 |
| Unamortized discount | (378) | - | (199) | - | - | (577) |
| Net pension liability | 861 | - | - | - | - | 861 |
| Compensated absences | 25 | - | - | - | - | 25 |
| Total OPEB liability | 40 | - | - | - | - | 40 |
| | <u>54,436</u> | <u>4,707</u> | <u>285,387</u> | <u>22,400</u> | <u>3,824</u> | <u>370,754</u> |
| Total liabilities | <u>\$ 57,608</u> | <u>\$ 20,334</u> | <u>\$ 329,812</u> | <u>\$ 23,973</u> | <u>\$ 4,429</u> | <u>\$ 436,156</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred gain on refunding | \$ 473 | \$ - | \$ - | \$ - | \$ - | \$ 473 |
| Pension related items | 361 | - | - | - | - | 361 |
| Other postemployment benefit related items | 4 | - | - | - | - | 4 |
| Total deferred inflows of resources | <u>\$ 838</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 838</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | (12,347) | 197,932 | - | - | 4,500 | 190,085 |
| Restricted for: | | | | | | |
| Debt service | 1,368 | - | - | - | - | 1,368 |
| Capital projects | 2,951 | - | - | - | - | 2,951 |
| Other purposes | - | 563 | - | - | - | 563 |
| Unrestricted | 6,529 | 7,804 | - | - | 7 | 14,340 |
| Total net position (deficit) | <u>\$ (1,499)</u> | <u>\$ 206,299</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,507</u> | <u>\$ 209,307</u> |

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)s
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2021

(in thousands of dollars)

| | One Technology Center | Arena and Convention | Financing- Advance Funding Sales Tax Projects | Financing- Stormwater Revenue Bonds Project | Nonmajor - Other Financing Fund | Business-Type Activities Total |
|---|--------------------------|-------------------------|--|--|--|--------------------------------------|
| Operating revenues: | | | | | | |
| Lease revenue | \$ 7,253 | \$ - | \$ - | \$ - | \$ - | \$ 7,253 |
| Facilities revenue | - | 2,951 | - | - | - | 2,951 |
| Sponsorship and naming rights revenue | - | 1,386 | - | - | - | 1,386 |
| Parking facilities revenue | 689 | - | - | - | - | 689 |
| Advance/loan investment income | - | - | 7,278 | 492 | 100 | 7,870 |
| Other | 28 | 42 | - | - | - | 70 |
| | <u>7,970</u> | <u>4,379</u> | <u>7,278</u> | <u>492</u> | <u>100</u> | <u>20,219</u> |
| Operating expenses: | | | | | | |
| Personal services | 974 | - | - | - | - | 974 |
| Materials and supplies | 98 | 61 | - | - | - | 159 |
| Facility operator services | - | 4,067 | - | - | - | 4,067 |
| Services and charges | 3,909 | 4,473 | 7 | - | 1 | 8,390 |
| Bond issue costs | - | - | - | 1 | 92 | 93 |
| Interest and amortization expense | - | - | 7,294 | 493 | 7 | 7,794 |
| Depreciation | 1,172 | 10,573 | - | - | - | 11,745 |
| | <u>6,153</u> | <u>19,174</u> | <u>7,301</u> | <u>494</u> | <u>100</u> | <u>33,222</u> |
| Operating income (loss) | <u>1,817</u> | <u>(14,795)</u> | <u>(23)</u> | <u>(2)</u> | <u>-</u> | <u>(13,003)</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Investment income | 467 | 23 | 23 | 2 | - | 515 |
| Interest and amortization expense | (1,799) | (348) | - | - | - | (2,147) |
| Operating subsidy from the City | 232 | 1,500 | - | - | - | 1,732 |
| Gain on disposal of capital assets | 19 | - | - | - | - | 19 |
| Intergovernmental revenue | - | 311 | - | - | - | 311 |
| | <u>(1,081)</u> | <u>1,486</u> | <u>23</u> | <u>2</u> | <u>-</u> | <u>430</u> |
| Income (loss) before contributions | <u>736</u> | <u>(13,309)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(12,573)</u> |
| Capital contributions | 1,335 | - | - | - | - | 1,335 |
| Capital contributions from the City | - | 5,713 | - | - | - | 5,713 |
| | <u>1,335</u> | <u>5,713</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,048</u> |
| Change in net position | 2,071 | (7,596) | - | - | - | (5,525) |
| Net position (deficit), beginning of year | (3,570) | 213,895 | - | - | 4,507 | 214,832 |
| Net position (deficit), end of year | <u>\$ (1,499)</u> | <u>\$ 206,299</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,507</u> | <u>\$ 209,307</u> |

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, 2021

(in thousands of dollars)

| | <u>One Technology Center</u> | <u>Arena and Convention</u> | <u>Financing- Advance Funding Sales Tax Projects</u> | <u>Financing- Stormwater Revenue Bonds Project</u> | <u>Nonmajor - Other Financing Fund</u> | <u>Business-Type Activities Total</u> |
|--|----------------------------------|---------------------------------|--|--|--|---|
| Cash flows from operating activities: | | | | | | |
| Receipts from customers | \$ 7,894 | \$ 7,137 | \$ - | \$ - | \$ - | \$ 15,031 |
| Payments to suppliers and service providers | (4,273) | (9,221) | (7) | (1) | (1) | (13,503) |
| Payments to employees for salaries and benefits | (972) | - | - | - | - | (972) |
| Proceeds from issuance of revenue bonds | - | - | - | - | 4,315 | 4,315 |
| Proceeds from revenue bonds premium | - | - | - | - | 106 | 106 |
| Payments for bond issuance costs | - | - | - | - | (91) | (91) |
| Payments to City | - | - | (70,201) | (6,941) | - | (77,142) |
| Payments to related entity | - | - | - | - | (4,329) | (4,329) |
| Payments from City | - | - | 19,968 | 2,077 | - | 22,045 |
| Payments from related entity | - | - | - | - | 162 | 162 |
| | <u>2,649</u> | <u>(2,084)</u> | <u>(50,240)</u> | <u>(4,865)</u> | <u>162</u> | <u>(54,378)</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Operating subsidy from the City | 232 | 1,500 | - | - | - | 1,732 |
| Principal paid on revenue bonds | - | - | (13,535) | (1,425) | - | (14,960) |
| Interest paid on revenue bonds | - | - | (13,057) | (717) | - | (13,774) |
| | <u>232</u> | <u>1,500</u> | <u>(26,592)</u> | <u>(2,142)</u> | <u>-</u> | <u>(27,002)</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Acquisition of capital assets | - | (6,231) | - | - | - | (6,231) |
| Intergovernmental revenue | - | 311 | - | - | - | 311 |
| Capital contributions from the City | - | 5,713 | - | - | - | 5,713 |
| Payments to City for advance | - | (2,819) | - | - | - | (2,819) |
| Principal paid on revenue bonds | (2,285) | (900) | - | - | - | (3,185) |
| Interest paid on revenue bonds | (1,804) | (362) | - | - | - | (2,166) |
| Proceeds from sale of capital assets | 19 | - | - | - | - | 19 |
| Payments received for capital lease transaction | 1,200 | - | - | - | - | 1,200 |
| | <u>(2,870)</u> | <u>(4,288)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(7,158)</u> |
| Cash flows from investing activities: | | | | | | |
| Investment income | 68 | 19 | 22 | 2 | - | 111 |
| | <u>\$ 68</u> | <u>\$ 19</u> | <u>\$ 22</u> | <u>\$ 2</u> | <u>\$ -</u> | <u>\$ 111</u> |

(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, 2021

(in thousands of dollars)

| | One Technology Center | Arena and Convention | Financing- Advance Funding Sales Tax Projects | Financing- Stormwater Revenue Bonds Project | Nonmajor - Other Financing Fund | Business-Type Activities Total |
|--|--------------------------------------|---------------------------------|--|--|--|---|
| Net change in cash and cash equivalents | \$ 79 | \$ (4,853) | \$ (76,810) | \$ (7,005) | \$ 162 | \$ (88,427) |
| Cash and cash equivalents, beginning of year | 13,024 | 27,582 | 266,846 | 25,283 | 7 | 332,742 |
| Cash and cash equivalents, end of year | <u>\$ 13,103</u> | <u>\$ 22,729</u> | <u>\$ 190,036</u> | <u>\$ 18,278</u> | <u>\$ 169</u> | <u>\$ 244,315</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | | | | | |
| Unrestricted cash and cash equivalents | \$ 7,583 | \$ 11,487 | \$ - | \$ - | \$ 7 | \$ 19,077 |
| Current restricted cash and cash equivalents | 1,515 | 9,638 | 6,335 | 357 | 162 | 18,007 |
| Noncurrent restricted cash and cash equivalents | <u>4,005</u> | <u>1,604</u> | <u>183,701</u> | <u>17,921</u> | <u>-</u> | <u>207,231</u> |
| Total cash and cash equivalents | <u>\$ 13,103</u> | <u>\$ 22,729</u> | <u>\$ 190,036</u> | <u>\$ 18,278</u> | <u>\$ 169</u> | <u>\$ 244,315</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | | |
| Operating income (loss) | \$ 1,817 | \$ (14,795) | \$ (23) | \$ (2) | \$ - | \$ (13,003) |
| Adjustments: | | | | | | |
| Depreciation | 1,172 | 10,573 | - | - | - | 11,745 |
| Change in accounts receivable and other assets | (117) | (207) | - | - | - | (324) |
| Change in inventories | (153) | - | - | - | - | (153) |
| Change in deferred inflows of resources | 324 | - | - | - | - | 324 |
| Change in accounts payable and other liabilities | (92) | (627) | - | - | - | (719) |
| Change in net pension liability | (280) | - | - | - | - | (280) |
| Change in deferred outflows of resources | (62) | - | - | - | - | (62) |
| Change in deferred revenue | - | 2,972 | - | - | - | 2,972 |
| Change in deposits subject to refund | 40 | - | - | - | - | 40 |
| Change in financing assets | - | - | - | - | 99 | 99 |
| Change in financing liabilities | - | - | - | - | 4,329 | 4,329 |
| Change in advance | - | - | (50,217) | (4,863) | (4,266) | (59,346) |
| Net cash provided (used) by operating activities | <u>\$ 2,649</u> | <u>\$ (2,084)</u> | <u>\$ (50,240)</u> | <u>\$ (4,865)</u> | <u>\$ 162</u> | <u>\$ (54,378)</u> |
| Noncash capital and related financing activities: | | | | | | |
| Capital contributions | \$ 1,335 | \$ - | \$ - | \$ - | \$ - | \$ 1,335 |

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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 One Technology Center (“OTC”), and the BOK Arena and Cox Business Convention Center 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 153,000 square feet of the space is leased under a capital lease to a tenant. Of the remaining 474,000 square feet of space, 249,000 square feet is leased by the City and the remaining is available for leasing to private businesses.

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 Cox Business Convention Center, opened in 1964, is an award winning venue that houses an exhibit hall and ballroom.

The BOK Arena was constructed as part of Vision 2025, a project to grow economic and community infrastructure for future generations. The BOK Arena 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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place.

Major Enterprise Funds:

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

Arena and Convention Center fund accounts for the operations of the BOK Arena and the Cox Business Convention Center; 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 of Tulsa. 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:

Other Financing Fund - Capital Improvements Revenue Parking Bond 2021 and Capital Improvements Revenue Bond - issues revenue bonds, the proceeds of which are loaned to the City or to one of its component units. Land is also held by the Capital Improvements Revenue Bond sub fund for possible development.

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. 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 as of June 30.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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

CASH AND CASH EQUIVALENTS, continued - 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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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

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

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

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

CAPITAL ASSETS - Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at acquisition value as of the date of the contribution. Interest incurred during the construction phase of capital assets of enterprise activities is expensed in accordance with GASB Statement No. 89. The Authority owns artwork housed at the Cox Business Convention Center. 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 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 Arena and Cox Business Convention Center 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 leases. The related revenues are recognized in the period earned.

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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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

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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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. Additionally, the Authority records deferred outflows/inflows related to deferred charges/gains on debt refunding transactions.

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.

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 Arena and the Cox Business Convention Center; 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 Arena as sponsorship and naming rights revenue.

Operating expenses consist of all costs incurred to administer the OTC building and garage, the BOK Arena, the Cox Business Convention Center, 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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

2. CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS – Cash deposits of the Authority are held within the City’s pooled portfolio. The City’s pooled portfolio consists primarily of time deposits and other securities guaranteed by the United States Government or its agencies. At June 30, 2021 the Authority maintained a balance of \$10,584 in the City’s pooled portfolio which represented 0.98% 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, 2021.

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, 2021, the Authority has \$4,889 separately held with a fiscal agent.

As of June 30, 2021, the Authority has \$13,242 of cash and cash equivalents separately held for the operations of the BOK Arena and Cox Business Convention Center.

INVESTMENTS – The Authority has money market accounts of \$215,600 as of June 30, 2021 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.

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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

2. CASH DEPOSITS AND INVESTMENTS, continued

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 Arena and Cox Business Convention Center 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, 2021 none of the Authority’s deposits and money market accounts of \$244,315 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, 2021, consisted of:

| | | |
|--|-----------|--------------|
| Interest and dividend income | \$ | 597 |
| Advance/loan interest income | | 7,870 |
| Net decrease in fair value of investments and cash equivalents | | <u>(82)</u> |
| | <u>\$</u> | <u>8,385</u> |

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

3. ACCOUNTS RECEIVABLE

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

| | <u>OTC</u> | <u>Arena and Convention</u> | <u>Total</u> |
|---------------------------------------|---------------|---------------------------------|-----------------|
| Accounts receivable: | | | |
| Lease revenue | \$ 449 | \$ - | \$ 449 |
| Parking facility revenue | 112 | - | 112 |
| Event revenue | - | 1,392 | 1,392 |
| Sponsorship revenue | - | 233 | 233 |
| Miscellaneous revenue | 5 | - | 5 |
| | <u>566</u> | <u>1,625</u> | <u>2,191</u> |
| Total | 566 | 1,625 | 2,191 |
| Less: Allowance for doubtful accounts | - | (36) | (36) |
| | <u>-</u> | <u>(36)</u> | <u>(36)</u> |
| Accounts Receivable, net | <u>\$ 566</u> | <u>\$ 1,589</u> | <u>\$ 2,155</u> |

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 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 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 annual debt service requirements ranging from \$28,933 to \$35,660.

The Authority has an advance to the City of \$139,774 at June 30, 2021 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.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

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

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 annual debt service requirements ranging from \$1,885 to \$2,143. The Authority has an advance to the City of \$5,695 at June 30, 2021 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 loaned to the Tulsa Parking Authority (the “TPA”) to refund TPA’s parking revenue bonds. 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 annual debt service requirements ranging from \$648 to \$651. 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 TPA whereby TPA will make the required debt service payments from revenues received by TPA from the TPA parking system or other available revenues of TPA. The Authority has an advance to the TPA of \$4,267 at June 30, 2021 relating to this project.

5. CAPITAL LEASE RECEIVABLE

On August 28, 2013, the Authority entered into an amended lease agreement (agreement) with a tenant of OTC effective July 1, 2013 for 143,242 square feet of commercial office space at OTC. The agreement extends the term of the lease to June 30, 2029 and annual lease payments will be \$2,207. The tenant assigned the lease to an affiliated company. \$1,200 of the annual lease payment will remain unchanged throughout the term of the lease. The remainder of the annual lease payments will be apportioned to operating expense reimbursement. The affiliated company will have the option to purchase the occupied space for one dollar at June 30, 2029. The Authority accounts for the lease agreement as a capital lease.

Minimum future rentals on noncancelable capital leases as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Debt Subtotal</u> | <u>Operating Costs</u> | <u>Total</u> |
|-------------|------------------|-----------------|--------------------------|----------------------------|------------------|
| 2022 | \$ 757 | \$ 376 | \$ 1,133 | \$ 1,007 | \$ 2,140 |
| 2023 | 866 | 334 | 1,200 | 1,007 | 2,207 |
| 2024 | 911 | 289 | 1,200 | 1,007 | 2,207 |
| 2025 | 957 | 243 | 1,200 | 1,007 | 2,207 |
| 2026 | 1,006 | 194 | 1,200 | 1,007 | 2,207 |
| 2027-2029 | <u>3,337</u> | <u>263</u> | <u>3,600</u> | <u>3,021</u> | <u>6,621</u> |
| | <u>\$ 7,834</u> | <u>\$ 1,699</u> | <u>\$ 9,533</u> | <u>\$ 8,056</u> | <u>\$ 17,589</u> |

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6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|-------------------|---------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 16,465 | \$ - | \$ - | \$ 16,465 |
| Artwork | 653 | 375 | - | 1,028 |
| Construction in progress | 148 | 5,712 | (5,782) | 78 |
| Total capital assets not being depreciated | <u>17,266</u> | <u>6,087</u> | <u>(5,782)</u> | <u>17,571</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 50,840 | 27 | - | 50,867 |
| Buildings | 295,756 | 4,656 | - | 300,412 |
| Parking garage | 3,521 | - | - | 3,521 |
| Equipment | 39,040 | 2,326 | - | 41,366 |
| Total capital assets being depreciated | <u>389,157</u> | <u>7,009</u> | <u>-</u> | <u>396,166</u> |
| Less accumulated depreciation: | | | | |
| Leasehold improvements | (22,423) | (2,035) | - | (24,458) |
| Buildings | (103,866) | (8,505) | - | (112,371) |
| Parking garage | (1,504) | (117) | - | (1,621) |
| Equipment | (33,958) | (1,088) | - | (35,046) |
| Total accumulated depreciation | <u>(161,751)</u> | <u>(11,745)</u> | <u>-</u> | <u>(173,496)</u> |
| Total capital assets being depreciated, net | <u>227,406</u> | <u>(4,736)</u> | <u>-</u> | <u>222,670</u> |
| Capital assets, net | <u>\$ 244,672</u> | <u>\$ 1,351</u> | <u>\$ (5,782)</u> | <u>\$ 240,241</u> |

7. PENSION PLAN

Plan Description – Employees 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 benefits 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.

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7. 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 percent 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 6.5% of their pensionable wages from July 1, 2020 to December 31, 2020 and then 7.5% thereafter. The Authority was required to contribute 15.5% of pensionable wages for employees whose payroll costs were charged to the Authority from July 1, 2020 to December 31, 2020 and 16.5% thereafter. Actual contributions to the pension plan from the Authority were \$99 for the year ended June 30, 2021.

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

At June 30, 2021, the Authority reported a liability of \$861 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to June 30, 2021. 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, 2021, the Authority’s proportion was .4759%, which was an increase of .0268% from its proportion measured as of June 30, 2020.

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7. PENSION PLAN, continued

For the year ended June 30, 2021, the Authority recognized pension expense of \$78. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual plan experience | \$ - | \$ 11 |
| Changes of assumptions | 163 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 343 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 46 | 7 |
| Total | <u>\$ 209</u> | <u>\$ 361</u> |

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

| Year ended June 30 | |
|---------------------------|-----------------|
| 2022 | \$ 2 |
| 2023 | (13) |
| 2024 | (36) |
| 2025 | (105) |
| | <u>\$ (152)</u> |

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7. PENSION PLAN, continued

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2021, 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 Pub-2010 General Employee Mortality Table, projected with the ultimate rates of Scale MP-2020 from the year 2010.

The actuarial assumptions used in the January 1, 2021 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|--------------------------|---|
| Fixed income | 20% | -0.36% |
| Domestic equity | 36% | 5.92% |
| International equity | 24% | 6.75% |
| Real estate | 12% | 4.57% |
| Commodities | 3% | 0.25% |
| Timber | 4% | 2.70% |
| Cash | 1% | -1.01% |
| Total | <u>100%</u> | |

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7. 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, and all future years, it is assumed that the employer contribution rate will be 16.50% 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.

| | <u>1% Decrease (5.75%)</u> | <u>Current Discount Rate (6.75%)</u> | <u>1% Increase (7.75%)</u> |
|--|--------------------------------|--|--------------------------------|
| Authority’s proportionate share of the net pension liability | \$ 1,318 | \$ 861 | \$ 480 |

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.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

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8. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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

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

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

At June 30, 2021, the Authority reported a liability of \$40 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020. Standard updates procedures were used to roll forward the total OPEB liability to June 30, 2021. 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, 2021, the Authority’s proportion was 0.4929%.

For the year ended June 30, 2021 the Authority recognized OPEB expense of \$6. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual plan experience | \$ 7 | \$ 3 |
| Changes of assumptions | <u>3</u> | <u>1</u> |
| Total | <u>\$ 10</u> | <u>\$ 4</u> |

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8. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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:

| <u>Year</u> | |
|-------------|-------------|
| 2022 | \$ 2 |
| 2023 | 2 |
| 2024 | 1 |
| 2025 | 1 |
| | <hr/> |
| | \$ 6 |
| | <hr/> <hr/> |

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

Thirty-five percent of future retirees with coverage are assumed to elect healthcare coverage.

Mortality rates for retirees were based on SOA Pub-2010 General Headcount Weighted Mortality Table full generational using Scale MP-2019. Surviving spouses mortality were based on SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2015, with the exception of the healthcare election rate which was based on an experience study from June 30, 2010 through 2016.

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 2.19% and 2.66% as of June 30, 2021 and 2020, respectively 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.

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8. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of the Authority's proportionate share of the total OPEB liability to changes in the discount rate – The following presents the Authority's proportionate share of the total OPEB liability calculated using the discount rate of 2.19%, 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 (1.19%) or 1-percentage-point higher (3.19%) than the current rate:

| | 1% Decrease (1.19%) | Current Discount Rate (2.19%) | 1% Increase (3.19%) |
|--|------------------------------------|--|------------------------------------|
| Authority's proportionate share of the total OPEB liability | \$ 44 | \$ 40 | \$ 37 |

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

| | 1% Decrease (6.5% decreasing to 3.5%) | Current Rate (7.5% decreasing to 4.5%) | 1% Increase (8.5% decreasing to 5.5%) |
|--|--|---|--|
| Authority's proportionate share of the total OPEB liability | \$ 36 | \$ 40 | \$ 46 |

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9. UNEARNED REVENUE

The Authority had the following unearned revenues at June 30, 2021:

| | <u>Total</u> | <u>Current</u> | <u>Noncurrent</u> |
|--|-----------------|-----------------|-------------------|
| Arena and Convention - event deposits | \$ 63 | \$ 63 | \$ - |
| Arena and Convention - naming rights, advertising, and sponsorships | 4,337 | 3,720 | 617 |
| One Technology Center - lease revenues | 117 | 117 | - |
| | <u>\$ 4,517</u> | <u>\$ 3,900</u> | <u>\$ 617</u> |

10. REVENUE BONDS PAYABLE

Revenue bonds payable activity for the year ended June 30, 2021 is as follows:

| <u>Bond, Series, Maturity Dates</u> | <u>Issue Amount</u> | <u>Interest Rate</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|-------------------------|--------------------------|------------------------------|------------------|--------------------|---------------------------|------------------------------------|
| One Technology Center: | | | | | | | |
| Lease Revenue | | | | | | | |
| Refunding Series 2017A, 2037 | \$ 34,185 | 3.125%-4.00% | \$ 34,185 | \$ - | \$ - | \$ 34,185 | \$ - |
| Lease Revenue, Refunding Series 2017B, 2028 | 25,465 | 3.00%-3.10% | 23,230 | - | (2,285) | 20,945 | 2,340 |
| | | | <u>57,415</u> | <u>-</u> | <u>(2,285)</u> | <u>55,130</u> | <u>2,340</u> |
| Arena and Convention: | | | | | | | |
| Capital Improvements, Series 2008, 2027 | | | | | | | |
| | 16,000 | 6.069% | 5,965 | - | (900) | 5,065 | 975 |
| Financing- Advanced Funding Sales Tax Projects: | | | | | | | |
| Capital Improvements, Series 2017, 2032 | | | | | | | |
| | 115,300 | 3.00% | 101,120 | - | (7,280) | 93,840 | 7,430 |
| Capital Improvements, Series 2018, 2031 | 118,100 | 4.00% | 111,355 | - | (6,255) | 105,100 | 5,270 |
| Capital Improvements, Series 2019, 2025 | 113,895 | 5.00% | 113,895 | - | - | 113,895 | 29,965 |
| | | | <u>326,370</u> | <u>-</u> | <u>(13,535)</u> | <u>312,835</u> | <u>42,665</u> |
| Financing- Stormwater Revenue Bonds Project: | | | | | | | |
| Capital Improvements, Series 2020, 2035 | | | | | | | |
| | 24,150 | 3.00% | 24,150 | - | (1,425) | 22,725 | 1,460 |
| Financing- Parking Revenue Bonds Project: | | | | | | | |
| Capital Improvements, Series 2021, 2028 | | | | | | | |
| | \$ 4,315 | 1.25%-2.00% | - | 4,315 | - | 4,315 | 590 |
| Unamortized premiums | | | 23,690 | 106 | (6,088) | 17,708 | - |
| Unamortized discounts | | | (613) | - | 36 | (577) | - |
| | | | <u>\$ 436,977</u> | <u>\$ 4,421</u> | <u>\$ (24,197)</u> | <u>\$ 417,201</u> | <u>\$ 48,030</u> |

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10. 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:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|------------------|-------------------|
| 2022 | \$ 48,030 | \$ 15,391 | \$ 63,421 |
| 2023 | 49,515 | 13,243 | 62,758 |
| 2024 | 48,935 | 11,036 | 59,971 |
| 2025 | 52,410 | 8,884 | 61,294 |
| 2026 | 25,175 | 6,639 | 31,814 |
| 2027-2031 | 129,035 | 19,941 | 148,976 |
| 2032-2036 | 38,430 | 3,688 | 42,118 |
| 2037-2038 | 8,540 | 269 | 8,809 |
| | <u>\$ 400,070</u> | <u>\$ 79,091</u> | <u>\$ 479,161</u> |

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

11. OTHER LONG-TERM LIABILITIES

The changes in other long-term liabilities for the year ended June 30, 2021 are summarized as follows:

| | <u>Beginning</u> | | | <u>Ending</u> | <u>Due within</u> |
|-----------------------------------|------------------|------------------|------------------|----------------|-------------------|
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> | <u>One Year</u> |
| Other long-term liabilities: | | | | | |
| Compensated absences | \$ 50 | \$ 61 | \$ 44 | \$ 67 | \$ 42 |
| Net pension liability | 1,141 | - | 280 | 861 | - |
| Total OPEB liability | <u>39</u> | <u>1</u> | <u>-</u> | <u>40</u> | <u>-</u> |
| Total other long-term liabilities | <u>\$ 1,230</u> | <u>\$ 62</u> | <u>\$ 324</u> | <u>\$ 968</u> | <u>\$ 42</u> |

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12. PLEDGED REVENUE

ONE TECHNOLOGY CENTER LEASE REVENUE- The Authority has pledged future gross lease revenues derived from the operations of OTC facility to repay approximately \$55,130 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 \$71,976 with annual requirements ranging from \$4,066 to \$4,413 through 2038. Annual debt service required 51% of gross revenues. Principal and interest paid amounted to \$4,089. Current year operating revenue totaled \$7,970.

CAPITAL IMPROVEMENTS SERIES 2008 – The Authority has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Arena to repay approximately \$16,000 in Capital 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 Arena and to fund the Bond Reserve Fund in the amount of ten percent 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 \$6,218 with annual requirements ranging from \$674 to \$1,771 through 2027. Annual debt service required 91% of sponsorship and naming right revenues which are pledged towards the debt under the indenture. The Authority paid \$1,262 in principal and interest during the year. Sponsorship and naming rights revenue, from which the payments will be made, was \$1,386 for the current year.

ADVANCE FUNDING SALES TAX PROJECTS - The Authority has entered into a Projects Agreement with the City to provide financing for certain capital projects and subsequently issued its Capital Improvement Revenue Bonds, Series 2017, 2018, and 2019. The City has pledged certain sales and use tax revenues to repay the advance from the Authority. The total principal and interest remaining on the debt is \$368,369 with annual debt service requirements ranging from \$12,770 to \$55,274 through 2032. Principal and interest paid during the year amounted to \$26,592. Sales and use tax recorded during the current fiscal year by the City was \$44,364.

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12. 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. 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 \$2,077 to the Authority on the Projects Agreement in 2021. Total principal and interest remaining on the debt is \$28,030 with annual requirements ranging from \$1,885 to \$2,142 through 2035. The Authority paid \$2,143 in principal and interest in 2021.

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 TPA requiring TPA to make the principal and interest payments required on the 2021 Capital Improvements Revenue Bonds from TPA parking facility revenues and other available revenue of TPA. The TPA paid \$162 to the Authority on the Projects Agreement in 2021. The total principal and interest remaining on the debt is \$4,566 with annual debt service requirements ranging from \$648 to \$658 through 2028. The Authority made no principle or interest payments during the year.

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13. OPERATING LEASE REVENUE

ONE TECHNOLOGY CENTER LEASES - Commercial property lease revenues arise from the leasing of the Authority's commercial lease space at the OTC facility. Lease terms range from approximately one to five years. Approximately 60% of the net rentable space is available to external tenants. At year end, the building was approximately 92% occupied. Depreciation expense for leased property is provided primarily on the straight-line method over the estimated useful life of the leased property. Depreciation expense related to the OTC facility was \$1,166 for the current year.

The gross amounts of capital assets subject to lease as of June 30, 2021 are as follows:

| | | |
|--|-----------|-----------------|
| Building | \$ | 38,580 |
| Parking garage | | 3,521 |
| Land | | 3,164 |
| Equipment | | 5,805 |
| Accumulated depreciation | | <u>(18,056)</u> |
| Net investment in commercial property leases | <u>\$</u> | <u>33,014</u> |

Minimum future rentals on noncancelable operating leases as of June 30, 2021 are as follows:

| | | |
|-------------|-----------|---------------|
| <u>Year</u> | | |
| 2022 | \$ | 2,228 |
| 2023 | | 2,235 |
| 2024 | | 1,782 |
| 2025 | | 1,794 |
| 2026 | | 1,830 |
| 2027 | | <u>1,372</u> |
| | <u>\$</u> | <u>11,241</u> |

The Authority leases approximately 40% of the OTC facility space to the City through an annual contract. The lease provides the City the option to extend the lease until the related OTC facility revenue bonds are paid.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

14. BOK ARENA NAMING RIGHTS AND SPONSORSHIP AGREEMENTS

The Authority had \$6,248 in naming rights and sponsorships agreements outstanding at June 30, 2021. During the year, the Authority recognized \$1,386 in naming rights and sponsorship revenue. Any amounts received but not earned are reflected as unearned revenue on the statement of net position.

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

| <u>Year</u> | <u>Future Earnings</u> |
|-------------|----------------------------|
| 2022 | 1,386 |
| 2023 | 1,386 |
| 2024 | 833 |
| 2025 | 722 |
| 2026 | 722 |
| 2027-2029 | <u>1,199</u> |
| | <u>\$ 6,248</u> |

15. FACILITIES REVENUE

The Authority has entered into various agreements for the use of luxury boxes and club seats through 2021. During the year, the Authority recognized \$783 in luxury boxes and \$284 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.

TULSA PUBLIC FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
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16. OPERATING AGREEMENTS

COX BUSINESS CONVENTION CENTER AND BOK CENTER LEASE AND PROJECT AGREEMENTS - The Authority has leased the Cox Business Convention Center 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 Hotel/Motel Tax to operate and maintain the Facilities.

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

Under the agreement, for the year ended June 30, 2021, ASM earned an annual base management fee of \$153 for the Cox Business Convention Center and \$153 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 \$0 of incentive fee for the BOK Center and \$42 for the Cox Business Convention Center for the year ended June 30, 2021 but chose not to claim the incentive fee in light of the COVID-19 pandemic.

17. 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.

TULSA PUBLIC FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

18. 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.

19. 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 | \$ 232 |
| Lease revenue from the City for leased space in OTC | \$ 4,395 |

Arena and Convention

| | |
|--|----------|
| Operating subsidy from the City for the CBCC | \$ 1,500 |
| Capital contributions from the City for capital improvements | \$ 5,713 |
| Payments to the City for advance | \$ 2,819 |

Financing - Advance Funding Sales Tax Projects

| | |
|---|-----------|
| Payments on the advance to the City for capital improvements | \$ 19,968 |
| Payments on behalf of City for bond financing included in advance | \$ 70,201 |

Financing - Parking Revenue Bonds Projects

| | |
|--|----------|
| Payments on the advance to Tulsa Parking Authority for capital improvements | \$ 4,329 |
| Payments from the Tulsa Parking Authority related to projects for bond financing included in the advance receivable | \$ 162 |

Financing - Stormwater Revenue Bonds Projects

| | |
|--|----------|
| Payments on the advance to the City for Stormwater capital improvements | \$ 6,941 |
| Payments by City related to Stormwater projects for bond financing included in the advance receivable | \$ 2,077 |

20. COMMITMENTS

As of June 30, 2021, the Authority had open commitments for construction projects of approximately \$1,247.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)
June 30, 2021

21. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The statement will be effective for the Authority beginning with its fiscal year ending June 30, 2022. GASB Statement No. 87 has the potential to have a significant impact on the Authority's financial statements.

22. CONTINGENCY

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses, state and local governments, and people throughout the United States. Further, financial markets have experienced significant volatility attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the Authority's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Authority, but such an impact could have a material adverse effect on the financial condition of the Authority.

23. SUBSEQUENT EVENT

On July 1, 2021 the TPA transferred its assets and obligations to the City and terminated its lease of parking facilities with the City; who in turn transferred the assets and obligations to the Tulsa Authority for Economic Opportunity ("TAEO"), a component unit of the City. Additionally, the City entered into a Funding Agreement with the TAEO. The Funding Agreement, like the one previously in place with TPA, disclosed in Note 4, promises to pay the advance on the Tulsa Parking Revenue Bonds Project with available revenues, in accordance with the Projects Agreement.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

(in thousands of dollars)

Municipal Employees' Retirement Plan
Schedule of Proportionate Share – For the current and prior seven 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 |
|-------------|--|---|------------------------------------|--|---|
| 2021 | 0.4759% | \$ 861 | \$ 621 | 139% | 76.9% |
| 2020 | 0.4491% | 1,141 | 587 | 194% | 65.2% |
| 2019 | 0.4537% | 1,065 | 563 | 189% | 66.9% |
| 2018 | 0.4519% | 887 | 542 | 164% | 70.6% |
| 2017 | 0.4758% | 940 | 574 | 164% | 69.4% |
| 2016 | 0.4662% | 1,008 | 547 | 184% | 65.6% |
| 2015 | 0.4452% | 558 | 491 | 114% | 77.1% |
| 2014 | 0.4212% | 471 | 461 | 102% | 79.3% |

* Information prior to 2014 is not available.

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

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

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

| Year | Contractually Required Contributions | Actual Contributions | Contribution Deficiency (Excess) | Covered Payroll funded by Authority payments | Actual Contributions as a Percentage of Covered Payroll |
|-------------|---|-----------------------------|---|---|--|
| 2021 | \$ 99 | \$ 99 | \$ - | \$ 621 | 16.0% |
| 2020 | 91 | 91 | - | 587 | 15.5% |
| 2019 | 87 | 87 | - | 563 | 15.5% |
| 2018 | 84 | 84 | - | 542 | 15.5% |
| 2017 | 66 | 66 | - | 574 | 11.5% |
| 2016 | 63 | 63 | - | 547 | 11.5% |
| 2015 | 56 | 56 | - | 485 | 11.5% |
| 2014 | 46 | 68 | (22) | 461 | 14.8% |
| 2013 | 45 | 47 | (2) | 451 | 10.4% |
| 2012 | 34 | 34 | - | 365 | 9.3% |

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

(in thousands of dollars)

Postemployment Benefits Other than Pensions Plan
Schedule of Proportionate Share - For the current and prior five 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 |
|-------------|---|--|------------------------------------|---|--|
| 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 proportionate share of total OPEB liability 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:

| | |
|------|-------|
| 2021 | 2.19% |
| 2020 | 2.66% |
| 2019 | 3.51% |
| 2018 | 3.87% |
| 2017 | 3.56% |

Postemployment Benefits Other than Pensions Plan
Schedule of Employer Contributions - Last six 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 |
|-------------|---|-----------------------------|---|--|--|
| 2021 | \$ 2 | \$ 2 | \$ - | 525 | 0.38% |
| 2020 | 2 | 2 | - | 527 | 0.30% |
| 2019 | 2 | 2 | - | 519 | 0.43% |
| 2018 | 1 | 1 | - | 492 | 0.20% |
| 2017 | 6 | 6 | - | 500 | 1.18% |
| 2016 | 4 | 4 | - | 483 | 0.79% |

* Information prior to 2016 is not available.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF NET POSITION – OTHER FINANCING FUND
June 30, 2021

(in thousands of dollars)

| | Capital Improvements Revenue Bond | Financing- Parking Bonds Project | Other Financing Fund Total |
|---------------------------------------|--|---|---|
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 7 | \$ - | \$ 7 |
| Cash and cash equivalents, restricted | - | 162 | 162 |
| Advance to City | - | 593 | 593 |
| | <u>7</u> | <u>755</u> | <u>762</u> |
| Noncurrent assets: | | | |
| Advance to related entity | - | 3,674 | 3,674 |
| Nondepreciable capital assets | 4,500 | - | 4,500 |
| | <u>4,500</u> | <u>3,674</u> | <u>8,174</u> |
| Total assets | <u>\$ 4,507</u> | <u>\$ 4,429</u> | <u>\$ 8,936</u> |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accrued bond interest payable | \$ - | \$ 15 | \$ 15 |
| Current portion of revenue bonds | - | 590 | 590 |
| | <u>-</u> | <u>605</u> | <u>605</u> |
| Noncurrent liabilities: | | | |
| Note payable, net of current portion | - | 3,725 | 3,725 |
| Unamortized premium | - | 99 | 99 |
| | <u>-</u> | <u>3,824</u> | <u>3,824</u> |
| Total liabilities | <u>\$ -</u> | <u>\$ 4,429</u> | <u>\$ 4,429</u> |
| <u>NET POSITION</u> | | | |
| Investment in capital assets | \$ 4,500 | \$ - | \$ 4,500 |
| Unrestricted | 7 | - | 7 |
| Total net position | <u>\$ 4,507</u> | <u>\$ -</u> | <u>\$ 4,507</u> |

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION – OTHER FINANCING FUND
Year Ended June 30, 2021

(in thousands of dollars)

| | Capital Improvements Revenue Bond | Financing- Parking Bonds Project | Other Financing Fund Total |
|-----------------------------------|--|---|---|
| Operating revenues: | | | |
| Advance/loan investment income | \$ - | \$ 100 | \$ 100 |
| Operating expenses: | | | |
| Other service charges | - | 1 | 1 |
| Bond issue costs | - | 92 | 92 |
| Interest and amortization expense | - | 7 | 7 |
| | <u>-</u> | <u>100</u> | <u>100</u> |
| Operating income | <u>-</u> | <u>-</u> | <u>-</u> |
| Net position, beginning of year | <u>4,507</u> | <u>-</u> | <u>4,507</u> |
| Net position, end of year | <u><u>\$ 4,507</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 4,507</u></u> |

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF CASH FLOWS – OTHER FINANCING FUND
Year Ended June 30, 2021

(in thousands of dollars)

| | Capital Improvements Revenue Bond | Financing- Parking Bonds Project | Other Financing Fund Total |
|---|--|---|---|
| Cash flows from operating activities: | | | |
| Payments to suppliers for goods and services | \$ - | \$ (1) | \$ (1) |
| Proceeds from issuance of revenue bonds | - | 4,315 | 4,315 |
| Proceeds from revenue bonds premium | - | 106 | 106 |
| Payments for bond issuance costs | - | (91) | (91) |
| Payments to related entity | - | (4,329) | (4,329) |
| Payments from related entity | - | 162 | 162 |
| Net cash provided by operating activities | <u>-</u> | <u>162</u> | <u>162</u> |
| Net change in cash and cash equivalents | \$ - | \$ 162 | \$ 162 |
| Cash and cash equivalents, beginning of year | <u>7</u> | <u>-</u> | <u>7</u> |
| Cash and cash equivalents, end of year | <u>\$ 7</u> | <u>\$ 162</u> | <u>\$ 169</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | | |
| Current unrestricted cash and cash equivalents | \$ 7 | \$ - | \$ 7 |
| Current restricted cash and cash equivalents | <u>-</u> | <u>162</u> | <u>162</u> |
| Total cash and cash equivalents | <u>\$ 7</u> | <u>\$ 162</u> | <u>\$ 169</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ - | \$ - | \$ - |
| Adjustments: | | | |
| Change in financing assets | - | 99 | 99 |
| Change in financing liabilities | - | 4,329 | 4,329 |
| Change in advances | <u>-</u> | <u>(4,266)</u> | <u>(4,266)</u> |
| Net cash provided by operating activities | <u>\$ -</u> | <u>\$ 162</u> | <u>\$ 162</u> |

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
DEBT COMPLIANCE INFORMATION (unaudited)
June 30, 2021

ONE TECHNOLOGY CENTER

Percentage of Occupied Units

| | |
|---------------------|-----|
| Total occupied | 17 |
| Total vacant units | 2 |
| Total units | 19 |
| Percentage Occupied | 89% |

Percentage of Occupied Square Feet

| | |
|----------------------------|---------|
| Total Occupied Square Feet | 576,393 |
| Total Vacant Square Feet | 50,145 |
| Total Square Footage | 626,538 |
| Percentage Occupied | 92% |

Major Tenants and Square Feet

| | |
|---------------------------------|---------|
| City of Tulsa | 248,168 |
| Level 3 Communications, LLP** | 153,469 |
| Magellan Midstream Partners, LP | 96,259 |

**Space is included in Capital Lease