

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)

FINANCIAL REPORT
June 30, 2022

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)

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Independent Auditor's Report

Board of Trustees
Tulsa Authority for Economic Opportunity

Opinion

We have audited the financial statements of the Tulsa Authority for Economic Opportunity (the Authority), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2 of the financial statements, the Authority adopted GASB Statement No. 87, *Leases*, as of July 1, 2021. As a result of the adoption, the Authority restated beginning net position and other lease-related items in the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority 's basic financial statements. The combining schedules and notes to the schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the detailed schedule of operating revenue information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
December 16, 2022

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

As the management of the Tulsa Authority for Economic Opportunity (the “Authority”), a component unit of the City of Tulsa, Oklahoma (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, 2022. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements and notes as a whole. All amounts, unless otherwise specified, are expressed in thousands of dollars.

Financial Highlights

The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the current year by \$33,998. Of this amount, \$30,469 is invested in capital assets, \$7,298 is restricted for development programs, \$651 is restricted for debt service, and \$500 is restricted for capital repairs. Additionally, the Authority had \$4,920 of unrestricted net position deficit resulting from debt issued for developer construction which will be paid over the life of the bonds with tax increment revenues.

During 2022, the Authority’s net position increased \$21,647 to \$33,998.

The Authority’s operating revenues increased \$7,701 to \$10,015 in 2022, a 333% increase. Operating expenses increased \$21,730 to \$23,013 an increase of 1,694%.

Overview of the Financial Statements

The Authority, a legally separate public trust, is reported by the City as a discretely presented component unit in the City’s Annual Comprehensive Financial Report. The primary purpose of the Authority is to promote economic development and racial equality within and near Tulsa, Oklahoma. Its activities primarily consist of promoting economic development, redevelopment, adequate housing and general public health, safety and welfare.

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

Financial Statements

The 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 inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to the 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.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Financial Analysis, continued

The third required 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, and 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 the cash balance during the period. The notes to the financial statements provide additional information necessary for a full and complete understanding of the data provided in the financial statements.

NET POSITION

The Authority's net position increased \$21,647 or 175% to \$33,998 during the year ended June 30, 2022. The following table provides a summary of net position:

SUMMARY OF NET POSITION

	2022	2021 (Restated)
Current assets	\$ 31,234	\$ 6,779
Noncurrent assets	13,215	9,803
Capital assets, net	<u>37,028</u>	<u>10,774</u>
Total assets	<u>81,477</u>	<u>27,356</u>
Total deferred outflows of resources	<u>1,766</u>	<u>-</u>
Current liabilities	2,086	268
Noncurrent liabilities	<u>35,005</u>	<u>2,913</u>
Total liabilities	<u>37,091</u>	<u>3,181</u>
Total deferred inflows of resources	<u>12,154</u>	<u>11,824</u>
Net position:		
Net investment in capital assets	30,469	7,797
Restricted	8,449	3,860
Unrestricted	<u>(4,920)</u>	<u>694</u>
Total net position	<u>\$ 33,998</u>	<u>\$ 12,351</u>

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(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Net Position, continued

The following changes occurred in 2022:

- Current assets increased \$24,455, primarily due to a \$22,895 increase in cash and cash equivalents as a result of the transfer of parking operations to the Authority, increased property and sales taxes, and increased property lease rentals on a facility transferred to the Authority by the City.
- Noncurrent assets increased \$3,412, primarily due to a \$2,989 increase in cash and cash equivalents from the proceeds of bonds issued and held as a debt service reserve.
- Capital assets increased by \$26,254 mainly as a result of lease and parking assets being transferred from the City.
- In 2022 the Authority began participation in the Municipal Employees Retirement Plan and recognized a deferred outflow of resources related to pension of \$1,766.
- Current liabilities increased \$1,818 primarily due to a \$603 payment coming due on an advance from the City and from \$443 related to a bond payment.
- Noncurrent liabilities increased \$32,092 due to \$26,851 in tax apportionment revenue bonds, \$3,044 from an advance from the City, and \$2,253 related to compensated absences for employees of the authority.
- Deferred inflow of resources increased \$330 in the current year primarily from an increase in deferred inflows related to property tax of \$701 and pension related amounts of \$63 offset by a decrease in lease related deferred inflows of \$434.
- Net position increased by \$21,647. The majority of the increase was due to amounts invested in capital assets that resulted from the transfer of parking operations from the City and assets held and restricted for developer programs.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

SUMMARY OF CHANGES IN NET POSITION

	<u>2022</u>	<u>2021</u> (Not restated)
Operating revenues	\$ 10,015	\$ 2,314
Program suport from City of Tulsa	4,127	520
Other nonoperating revenues	342	36
	<u>14,484</u>	<u>2,870</u>
Total revenues		
Depreciation expense	1,437	276
Other operating expense	21,576	1,007
Nonoperating expense	2,871	-
	<u>25,884</u>	<u>1,283</u>
Total expenses		
Capital contributions from City of Tulsa	2,574	-
	<u>2,574</u>	<u>-</u>
Special item		
Transfer of parking activities from City of Tulsa	30,473	-
	<u>30,473</u>	<u>-</u>
Change in net position	21,647	1,587
Net position, beginning of year, as restated	<u>12,351</u>	<u>11,156</u>
Net position, end of year	<u>\$ 33,998</u>	<u>\$ 12,743</u>

In 2022, total revenues increase by \$11,614 or 405% due to parking facility income related to assets transferred to the Authority from the City as well as increased program support from the City. Total expenses increased \$24,601 or 1,918%; the most significant expense increases were related to developer assistance funded by bond issuance, personnel services for employees providing economic development services previously employed by the City, and operator expenses related to parking facilities and services. Nonoperating expenses in 2022 include bond issuance costs of \$1,096, interest expense of \$1,006 primary related to the new bonds and a investment loss of \$736 resulting from a market value decline.

In 2022 the City transferred an asset with a historical value of \$2,574 to the Authority that is being leased to a significant employer in the City. This transfer is shown as a capital contribution. Also, in 2022 the City transferred parking assets and related activities previously held by the Tulsa Parking Authority. The net carrying value of the transfer was \$30,473.

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MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022

CAPITAL ASSETS

The Authority’s investment in capital assets as of June 30, 2022 and 2021 was \$37,028 and \$10,774, respectively (net of accumulated depreciation). This investment in capital assets consists of an airline hangar building, parking facilities and equipment transferred to the Authority during the year, and a right to use asset related to leased land.

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	<u>2022</u>	<u>2021</u> <u>(restated)</u>
Land	\$ 9,348	\$ -
Right-to-use land	2,977	2,977
Buildings	65,861	11,040
Equipment	1,368	-
Land Improvements	778	-
	<u>80,332</u>	<u>14,017</u>
Less accumulated depreciation/amortization	<u>43,304</u>	<u>3,243</u>
Capital assets, net	<u>\$ 37,028</u>	<u>\$ 10,774</u>

DEBT

At June 30, 2022 and 2021 the Authority had outstanding tax apportionment revenue bond debt of \$27,071, and \$0, respectively. The bonds were issued in 2022, and principal payments began in 2022 and will continue until the bonds are paid in full no later than December 2043

The bonds are subject to repayment through tax increment revenues derived from the increment districts. Additional information regarding the Authority’s obligations can be found in Note 7 to the financial statements.

At June 20, 2022, the Authority also had an outstanding advance payable to the City of \$3,647. The advance represents an amount owed to the City for the Tulsa Public Facilities Series 2021 Refunding Bonds that were used to pay debt relating to the parking operations transferred from the City.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's appointed officials considered many factors when setting the 2023 budget and fees charged for business-type activities. Lease revenues are governed by rates negotiated in long-term leases. Property tax and sales tax revenues are based on development in the TIF districts and economic conditions.

At the national level, unemployment decreased to 3.6% at the end of fiscal-year 2022, a decrease of 2.3% from last year. Unemployment in the City of Tulsa was slightly below the national level during fiscal year 2022. The rate was 3.5% at the end of fiscal-year, a decrease of .4% from last year.

The Authority seeks development projects in order to assist in diverse areas of emphasis including financing arrangements for industrial, commercial and other organizations that include conduit debt and tax increment financing programs. The Authority expends sales tax and property tax previously collected in TIF districts in accordance with the approved plan for each TIF.

The estimated revenues in the budget for fiscal year 2023 increased to include program support from the City and parking revenues related to parking facilities conveyed to the Authority. Estimated expenditures increased for payroll for employees previously employed by the City of Tulsa who provided economic development services to the City, now provided by the Authority to the City. Estimated expenses also increased for the expenses related to the operation of the parking facilities.

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 City of Tulsa, Office of the Controller, 175 E Second Street, Suite 1570, Tulsa, OK 74103.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION
June 30, 2022

(Amounts expressed in thousands)

Assets

Current assets:

Cash and cash equivalents	\$ 11,571
Cash and cash equivalents, restricted	15,711
Interest receivable	32
Accounts receivable, net	371
Sales tax receivable	661
Property tax receivable	2,676
Current portion of lease receivable	212
Total current assets	<u>31,234</u>

Noncurrent assets:

Cash and cash equivalents - restricted	2,989
Lease receivable	9,591
Nondepreciable capital assets	9,348
Depreciable capital assets, net	27,680
Note receivable - restricted	635
Total noncurrent assets	<u>50,243</u>

Total assets	<u>\$ 81,477</u>
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Deferred outflows of resources

Pension related amounts	<u>\$ 1,766</u>
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(Continued)

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION (continued)
June 30, 2022

(Amounts expressed in thousands)

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	\$ 1,007
Current portion revenue bond payable	220
Bond interest payable	97
Advance from City	603
Current portion of lease liability	66
Compensated absences	93
Total current liabilities	<u>2,086</u>

Noncurrent liabilities:

Advance from City	3,044
Deposits subject to refund	4
Revenue bonds payable, net	26,851
Lease liability	2,847
Net pension liability	2,253
Compensated absences	6
Total noncurrent liabilities	<u>35,005</u>

Total liabilities \$ 37,091

Deferred Inflows of Resources

Pension related amounts	\$ 63
Leases	9,489
Property tax revenue	2,602
Total deferred inflows of resources	<u>\$ 12,154</u>

Net Position

Net investment in capital assets	\$ 30,469
Restricted for:	
Development programs	7,298
Debt service	651
Capital repairs	500
Unrestricted net position (deficit)	<u>(4,920)</u>
Total net position	<u><u>\$ 33,998</u></u>

The accompanying notes are an integral part of this financial statement.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2022

(Amounts expressed in thousands)

Operating Revenues:	
Property leases and rentals	\$ 799
Property tax	1,896
Sales tax	652
Parking income	6,243
Administrative service fee income	350
Other income	<u>75</u>
Total operating revenue	<u>10,015</u>
Operating Expenses:	
Personnel services	2,338
Administrative expenses	124
Consulting services	494
Other services	302
Parking contractual building repair	58
Parking lot operator expense	3,017
Public education support	166
Developer assistance	15,077
Depreciation and amortization	<u>1,437</u>
Total operating expenses	<u>23,013</u>
Operating loss	<u>(12,998)</u>
Nonoperating revenues (expenses):	
Program support from City of Tulsa	4,127
Donations	144
Interest expense	(1,006)
Interest revenue on lease receivable	198
Interest expense on advance	(30)
Investment loss	(739)
Bond issuance expense	<u>(1,096)</u>
Total nonoperating revenue	<u>1,598</u>
Capital Contributions from City of Tulsa	2,574
Special item	
Transfer of parking activities from City of Tulsa	<u>30,473</u>
Change in net position	21,647
Net position, beginning of year	12,742
Restatement	<u>(391)</u>
Net position, beginning of year, as restated	<u>12,351</u>
Net position, end of year	<u><u>\$ 33,998</u></u>

The accompanying notes are an integral part of this financial statement.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

(Amounts expressed in thousands)

Cash flows from operating activities:	
Receipts from customers	\$ 7,058
Payments to suppliers for goods and services	(3,886)
Property tax receipts	1,898
Sales tax receipts	253
Payments to employees	(1,569)
Payments for developer assistance	(39)
	<u>3,715</u>
Net cash provided by operating activities	
Cash flows from noncapital financing activities:	
Issuance of Loans Receivable	(635)
Proceeds from bond issuance	27,077
Program support from City of Tulsa	13,579
Principal paid on bonds	(30)
Interest paid on bonds	(827)
Bond issuance costs paid	(1,096)
Bond project developer payments	(14,596)
Donations	144
	<u>23,616</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(114)
Payments to City of Tulsa on advance	(621)
Interest expense	(58)
Advance expense paid	(30)
Interest revenue on lease receivable	198
Payments for lease principal	(64)
	<u>(689)</u>
Net cash used for capital and related financing activities	
Cash flows from investing activities:	
Investment loss	(758)
	<u>(758)</u>
Net cash used by investing activities	
	<u>(758)</u>
Net increase in cash and equivalents	
	25,884
Cash and cash equivalents, beginning of year	<u>4,387</u>
Cash and cash equivalents, end of year	<u>\$ 30,271</u>

(continued)

The accompanying notes are an integral part of this financial statement.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2022

(Amounts expressed in thousands)

Reconciliation of cash and cash equivalents to the Statement of Net Position:	
Current unrestricted cash and cash equivalents	\$ 11,571
Current restricted cash and cash equivalents	15,711
Noncurrent restricted cash and cash equivalents	<u>2,989</u>
	<u>\$ 30,271</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (12,998)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	1,437
Developer assistance from bond proceeds classified as noncapital financing	15,038
Changes in assets, liabilities and deferred inflows and outflows:	
Increase in receivables and other assets	(845)
Increase in payables and other liabilities	167
Increase in deferred inflows	267
Increase in compensated absences	550
Increase in net pension related amounts	<u>99</u>
Net cash provided by operating activities	<u>\$ 3,715</u>
Noncash noncapital financing activities	
Transfer of parking activities from City of Tulsa	<u>\$ 21,022</u>
Transfer of leasing asset from the City of Tulsa	<u>\$ 2,574</u>

The accompanying notes are an integral part of this financial statement.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO THE BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2022

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

NATURE OF BUSINESS AND REPORTING ENTITY - The Tulsa Authority for Economic Opportunity (the “Authority”) is a public trust created under Section 176, Title 60 of the Oklahoma Statutes and Oklahoma Trust Act. The primary purpose of the Authority is to promote economic development and racial equality within and near Tulsa, Oklahoma. Its activities primarily consist of promoting economic development, redevelopment, adequate housing and general public health, safety and welfare.

The Authority is a component unit of the City of Tulsa (the “City”) and is included in the City’s Annual Comprehensive Financial Report as a discretely presented component unit. The trust indenture was created in 1969 with the City of Tulsa as the beneficiary and the Metropolitan Tulsa Chamber of Commerce as Trustor. The trust indenture was amended in February 2021 changing the name from the Tulsa Industrial Authority, updating the purpose of the trust, and redefining the composition of the trustees. The trustees include the Mayor of the City of Tulsa, five commissioners of the Tulsa Development Authority, and seven additional trustees appointed by the Mayor subject to the approval of the City Council of the City of Tulsa.

In 2022, the Authority began operating multiple parking facilities received from the City; these assets were initially held and maintained by the Tulsa Parking Authority (“TPA”). See Note 2, Restatement and Special Item for additional discussion.

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 governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO THE BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2022

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

CASH AND CASH EQUIVALENTS - Cash and cash equivalent 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 its position in the City's pooled portfolio.

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 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.

The Authority is allocated interest monthly based on their 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.

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.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO THE BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2022

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

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.

RESTRICTED ASSETS – Restricted assets of the Authority are restricted under terms of the Tax Increment Financing (“TIF”) Districts and project agreements with the City.

RECEIVABLES – Receivables represent amounts due for leases, parking operations, administrative fees, property taxes and sales tax from tax increment financing districts. A receivable is considered past due if any portion of the receivable balance is outstanding past terms. The Authority has historically not experienced significant uncollectible accounts and has recorded an allowance for doubtful accounts of \$4.

CAPITAL ASSETS - Capital assets, with an initial cost of \$5 or more and a useful life of greater than one year, are stated at cost. Donated assets are recorded at acquisition value as of the date donated. Assets placed in service are depreciated on a straight-line basis over the estimated service life below:

	<u>Estimated Service Life</u>
Buildings	20-50 years
Equipment	5-20 years
Land improvements	20-30 years
Right-to-use leased land	35 years

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 the Municipal Employees’ Retirement Plan (MERP). The Authority reports a deferred inflow for property tax revenue that will be recognized in the year for which it is levied. The Authority also recognized a deferred inflows of resources related to several leases.

ADVANCE FROM CITY – Advances from the City represent an amount owed to the City based on a funding agreement with the City, in connection with the City’s agreement with the Tulsa Public Facilities Authority, to issue debt that allowed the Tulsa Parking Authority to refund its Series 2012 Refunding Bonds.

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

NET POSITION - Net position of the Authority represents the difference between assets, deferred outflows, liabilities and deferred inflows. 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. Net position is reported as restricted when there are limitations imposed on their 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 and deferred outflows less liabilities and deferred inflows that do not meet the definition of investment in capital assets or restricted.

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 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.

COMPENSATED ABSENCES – The Authority grants all employees an aggregated pool of paid leave (referred to as Paid Time Off, or “PTO”) that can be used for vacation, sick leave, or personal days at the employee’s discretion. Full time employees are granted PTO, the rate of the annual accrual ranges from 13 to 25 days based on duration of employment with the Authority. Unused PTO can be carried over and ranges from 10 to 30 days based on duration of employment. Accumulated PTO leave vests, and the Authority is obligated to make payment even if the employee terminates, with the maximum payout capped at 80 hours of earned and unused PTO. The liability for paid leave consists of unpaid, accumulated annual 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 amount of unpaid leave is charged to expense during the period earned and is probable of payout, and a corresponding liability is established.

BOND DISCOUNTS - Discounts are amortized over the life of the revenue bonds using the effective interest method.

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

LEASES

Lessee: The Authority is a lessee for a noncancellable lease of land. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset). At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments include the measurement of the lease liability are composed of the fixed payments and purchase option price that the Authority is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

- The Authority uses its estimated incremental borrowing rate as the discount rate for the leases or a rate based on the economic characteristics of the transaction.
- The lease term includes the noncancellable period of the lease. Lease receipts include in the measurement of the lease receivable are composed of the fixed payments from the lessee.

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

LEASES, Lessor

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

REVENUE AND EXPENSES – Operating revenues include activities that have the characteristics of exchange transactions, such as parking facility revenues, lease revenue and administrative fee income. Additionally, property tax and sales tax derived from TIF districts that the Authority manages are considered operating revenues because they relate to the principal operations of the Authority.

The Authority receives property tax on real property located within certain TIF districts. Property taxes are levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the Treasurer of Tulsa County and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized until the year for which it is levied. Sales taxes are collected by the State of Oklahoma and remitted to the City the month following collection. The City retains the sales tax until the revenue in the tax increment financing districts is certified by the City. The incremental revenue is remitted to the Authority in the year following the collection. The Authority records the sales tax revenue in the period when the certification occurs.

Lease revenues resulting from the lease of storefronts of parking garages are included in parking income.

Operating expenses include general and administrative costs, parking operation expenses, facility leasing expense, and all costs incurred to administer the TIF districts.

Nonoperating revenue consists of interest earned on deposits, donations, and program support from the City of Tulsa.

INCOME TAXES - With regards to federal income taxes, the Authority is nontaxable as a political subdivision under Section 115(1) of the Internal Revenue Code.

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 on the financial statements and accompanying notes. Actual results could differ from those estimates.

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

TAX INCREMENT FINANCING DISTRICT MANAGEMENT -The City has authorized multiple TIF districts and delegated to the Authority management of certain TIF districts pursuant to the approved project plans including the authority to issue tax apportionment bonds or notes, pledge revenues from current or future years for repayment and incur project costs.

The Authority has no taxing power.

2. RESTATEMENTS AND SPECIAL ITEMS

RESTATEMENT - In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2021, as postponed by Statement No 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

The Authority adopted the standard as of July 1, 2021, and accordingly the 2022 financial statements have been restated as summarized below:

	2021		
	Previously		2021
	Presented	Restatement	Restated
Accounts receivable, current	\$ 112	\$ (88)	\$ 24
Lease receivable, current	-	119	119
Prepaid expense	31	(31)	-
Accounts receivable, noncurrent	302	(302)	-
Lease receivable, noncurrent	-	9,803	9,803
Depreciable capital assets	7,797	2,977	10,774
Unearned revenue	31	(31)	-
Lease payable, current	-	64	64
Lease payable, noncurrent	-	2,913	2,913
Deferred inflows of resources- leases	-	9,923	9,923
Net position, investment in capital assets	7,797	-	7,797
Net position, unrestricted	1,085	(391)	694
Total net position	12,742	(391)	12,351

The impact on prior year change in net position has not been determined.

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2. RESTATEMENTS AND SPECIAL ITEMS, continued

SPECIAL ITEM – Effective July 1, 2022, the Tulsa Parking Authority transferred all of its assets and liabilities and net position of \$30,473 to the City of Tulsa who in turn transferred those asset and liabilities and net position to the Authority. The Authority also entered into a project agreement to pay the City the amount of debt service on the Tulsa Public Facilities Authority 2021 Revenue bonds that had been issued to refund the bonds payable of the Tulsa Parking Authority. Below is a summary of the balances transferred.

Assets:	
Current assets	\$ 9,210
Noncurrent assets	651
Capital assets	<u>25,003</u>
Total assets	<u>\$ 34,864</u>
Liabilities:	
Current liabilities	\$ 713
Long-term liabilities	<u>3,678</u>
Total liabilities	<u>\$ 4,391</u>
Net Position:	
Net invested in capital assets	\$ 20,736
Restricted	651
Unrestricted	<u>9,086</u>
Total net position	<u>\$ 30,473</u>

3. CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS - Cash deposits of the Authority are held within the City's pooled portfolio except for cash held separately for payroll payments of \$292. 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, 2022 the Authority maintained balances of \$18,224 in the City's pooled portfolio which represents 1.56% of the City's pooled portfolio.

The City's pooled portfolio is collateralized by securities held by the City or its agent in the City's name as of June 30, 2022.

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

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3. CASH DEPOSITS AND INVESTMENTS, continued

INVESTMENTS – The Authority has money market mutual funds of \$11,755 as of June 30, 2022 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 developer payments.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations.

The Authority’s bond indentures dictate the types of investments that can be purchased thereby reducing credit risk.

Custodial Credit Risk – For deposits with financial institutions, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The Authority’s policy for custodial credit risk requires compliance with provisions of state law and demand deposits be collateralized by at least 110% of the amount not federally insured. The Authority’s deposits held separately for the payroll payments are collateralized with a letter of credit from Federal Home Loan Bank. Therefore, at June 30, 2022 none of the Authority’s deposits 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, 2022 included a net decrease in fair value of investments and cash equivalents of \$836.

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4. CAPITAL ASSETS

The changes in capital assets during the year ended June 30, 2022 are summarized as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Nondepreciable capital assets:				
Land	\$ -	\$ 9,348	\$ -	\$ 9,348
Total nondepreciable capital assets	<u>-</u>	<u>9,348</u>	<u>-</u>	<u>9,348</u>
Capital assets being depreciated/amortized				
Right-to-use land	\$ 2,977	\$ -	\$ -	\$ 2,977
Buildings	11,040	54,821	-	65,861
Equipment	-	1,368	-	1,368
Land improvements	-	778	-	778
Total capital assets being depreciated/amortized	<u>14,017</u>	<u>56,967</u>	<u>-</u>	<u>70,984</u>
Less accumulated depreciation/amortization:				
Right-to-use land	-	(90)	-	(90)
Buildings	(3,243)	(38,487)	-	(41,730)
Equipment	-	(1,244)	-	(1,244)
Land improvements	-	(240)	-	(240)
Total accumulated depreciation/amortization	<u>(3,243)</u>	<u>(40,061)</u>	<u>-</u>	<u>(43,304)</u>
Total, net	<u>10,774</u>	<u>16,906</u>	<u>-</u>	<u>27,680</u>
Capital assets, net	<u>\$ 10,774</u>	<u>\$ 26,254</u>	<u>\$ -</u>	<u>\$ 37,028</u>

Capital asset increases during the year include transfers from the City of \$27,578, net of accumulated depreciation, of which \$25,003 related to the transfer of parking operations reported as a special item.

5. PENSION PLAN

Plan Description – Employees of the Authority are provided with pensions through the Municipal Employees’ Retirement Plan (MERP) - a cost-sharing multiple-employer defined benefit pension plan administered by the City. MERP provides retirement, disability and death benefits which are established by City ordinance to plan members and beneficiaries. MERP’s financial statements and required supplementary information are included in the City’s Annual Comprehensive Financial Report. The report may be obtained by writing to the City of Tulsa, Office of the Controller, 175 E. 2nd Street, Suite 1570, Tulsa, Oklahoma 74103, or online at www.cityoftulsa.org.

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5. 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 percent per year prior to age 65. Employees entering the plan on or after July 1, 2018 are eligible for full retirement at age 65, with 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 percent 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 7.5 percent of their pensionable wages for the year ended June 30, 2022. The Authority was required to contribute 16.5 percent of pensionable wages for the year ended June 30, 2022. Actual contributions to the pension plan from MERP were \$187 for the year ended June 30, 2022.

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

At June 30, 2022, the Authority reported a liability of \$2,253 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to June 30, 2022. 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, 2022, the Authority’s proportion was 0.838 percent.

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5. PENSION PLAN, continued

For the year ended June 30, 2022 the Authority recognized pension expense of \$551. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 51	\$ 3
Changes of assumptions	151	60
Net difference between projected and actual earnings on pension plan investments	152	-
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	1,412	-
Total	<u>\$ 1,766</u>	<u>\$ 63</u>

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

<u>Year</u>	
2023	\$ (546)
2024	(505)
2025	(409)
2026	(243)
	<u>\$ (1,703)</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

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

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

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5. PENSION PLAN, continued

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

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

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

Discount Rate – The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the participating employers will be made as specified in MERP’s funding policy. Beginning January 1, 2021 to June 30, 2022, it is assumed that the employer contribution rate will be 16.50% percent of payroll and 17.65% for periods thereafter. 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.

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5. PENSION PLAN, continued

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 position liability calculated using the discount rate of 6.75 percent, 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 percent) or 1-percentage-point higher (7.75 percent) than the current rate.

2022	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the net pension liability	\$ 3,059	\$ 2,253	\$ 1,579

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.

6. LEASES

Authority as Lessor

On June 6, 2008, the Authority also signed a sublease agreement with American Airlines (AA) to lease the hangar and land to AA. The agreement commenced with the completion of the construction of the hangar in October of 2009 for a minimum of 10 years. The lease term was extended for an additional 15 years ending September 24, 2034. The lease was also amended to include additional 15-year term, that if exercised will extend the lease to September 24, 2049. The terms of the lease require AA to pay the Authority an amount equal to the ground lease charged by TAIT and a facility rent that is reduced if AA maintain a minimum 5,000 employees and that Tulsa International Airport remain AA’s primary in-house heavy maintenance and engineering center. During the fiscal year, the Authority recognized \$338 in lease revenue and \$190 in interest income related to this agreement. As of June 30, 2022, the Authority’s receivable for lease payments was \$9,510. Also, the Authority has a deferred inflow of resources associated with the lease that will be recognized as revenue of the lease term. At June 30, 2022, the balance of the deferred inflow of resources was \$9,219.

The Authority also leases parking facility storefronts to various tenants; some leases extend through 2027. TAE0 receives monthly lease payments which totaled \$81 in the current year. During the year TAE0 recognized \$96 in lease revenue recorded with parking facility revenue and \$8 in interest revenue related to these leases. At June 30, 2022 TAE0 has a lease receivable for lease payments of \$293 and an associated deferred inflow of \$270.

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6. LEASES, continued

Authority as Lessor

The schedule below shows future expected rent receipts for both retail space within parking facilities and the AA lease and assumes AA meets requirements for reduced facility rent and no increases in ground rent based on the Implicit Price Deflator index for Gross Domestic Product.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	212	197	409
2024	188	192	380
2025	195	187	382
2026	317	182	499
2027	336	174	510
2028-2032	1,611	775	2,386
2033-2037	1,781	606	2,387
2038-2042	1,968	419	2,387
2043-2047	2,175	212	2,387
2048-2050	1,020	22	1,042
Total	<u>\$ 9,803</u>	<u>\$ 2,966</u>	<u>\$ 12,769</u>

Civic Center Parkade and Underground Lots-

On July 1, 2021, the City leased to the Authority the Civic Center Parkade and Underground lots for fifty years and so long thereafter as any indebtedness incurred by the Authority is secured by the property or its revenues remains unpaid. In exchange for the lease agreement the Authority is required to maintain and operate the property. The City provided \$500 as one time funding for possible structural repairs to be spent by the end of fiscal year 2023.

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6. LEASES, continued

Geothermal Wells-

On August 23, 2012, the Authority signed an Assignment and Lease Agreement with the George Kaiser Family Foundation (GKFF). The Authority is the Lessee of certain real estate in Tulsa County, Oklahoma, commonly known as the Guthrie Green Park (Park Property). Over and across the Park Property, the Authority has constructed certain improvements consisting of a geothermal well field and solar energy panel system consisting of underground piping and other appurtenances and facilities supporting ground source heat pump heating and cooling systems for adjoining buildings. The term is effective beginning on August 23, 2012 and expires July 31, 2062 for the sum of one dollar.

On August 23, 2012, the Authority signed a Ground Lease Agreement with the George Kaiser Family Foundation (GKFF) that provides GKFF the right of occupancy of the Real Property that will be granted and assigned back to GKFF. The term is effective beginning on August 1, 2012 and expires July 31, 2062. The Authority agrees to pay to GKFF as rental for the use and occupancy of the Real Property the sum of one dollar per year, due in advance for the entire lease term. GKFF and the Authority agree and recognize that the token rental amount is set in recognition of the fact that the Ground Lease is entered into in order to facilitate the construction, lease-back and operation of the geothermal well field on the real property pursuant to the terms of a separate lease agreement. Based on the nature of the lease agreement the Authority does not include the capital assets in their financial statements.

7. LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended June 30, 2022 are summarized as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Due within One Year
Long-term liabilities:					
Advance payable	\$ -	\$ 4,267	\$ (620)	\$ 3,647	\$ 603
Bonds payable, net	-	27,077	(6)	27,071	220
Lease payable	2,977	-	(64)	2,913	66
Net pension liability	-	2,253	-	2,253	-
Compensated absences	-	99	-	99	93
Total other long-term liabilities	<u>\$ 2,977</u>	<u>\$ 33,696</u>	<u>\$ (690)</u>	<u>\$ 35,983</u>	<u>\$ 982</u>

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7. LONG-TERM LIABILITIES, continued

Advance Payable

The Authority entered into a funding agreement with the City to pay the City an amount equal to the debt service on 2021 TPFA Capital Improvement Revenue Bonds. The 2021 TPFA Capital Improvement Revenue Bond proceeds were used to facilitate refunding the Tulsa Parking Authority's Series 2012 Revenue Refunding bonds. Subsequent to the refunding and in conjunction with the execution of the funding agreement, all assets of the Tulsa Parking Authority were transferred to the City and the City transferred the assets to the Authority. Future annual debt service on the TPFA 2021 Capital Improvement Revenue Bonds range from \$646 to \$651 annually and continue through 2028 with an interest rate ranging from 1.25% to 2.00%.

Bonds Payable

Tax Apportionment Revenue Bonds are special limited obligations payable exclusively from the pledged trust estate and includes certain tax increment revenues. The sole source of funds to make payments on the bonds is the tax increment revenues derived from the increment district. The Authority has the following tax apportionment revenue bonds.

<u>Bond, Series, Maturity Date</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Tax Apportionment Revenue Bonds:							
Vast Bank Project, Series 2021, 2044	\$ 7,760	4.000%	\$ -	\$ 7,760	\$ (30)	\$ 7,730	\$ 170
Santa Fe Square Project, Series 2021, 2042	\$ 19,630	4.375%	-	19,630	-	19,630	50
			-	27,390	(30)	27,360	220
Unamortized discounts			-	(313)	24	(289)	-
Total bonds payable			\$ -	\$ 27,077	\$ (6)	\$ 27,071	\$ 220

Vast Bank Project

On August 31, 2021, The Authority issued \$7,760 Series 2021 tax apportionment revenue bonds. The proceeds of these bonds were used to reimburse for a development project within Increment District No. 11 also known as the Ball Park Area TIF District as well as fund a reserve and pay for cost of issuances. The bonds will be repaid through revenues generated by tax increment from the development project. The bonds have a final maturity of December 1, 2043 and are subject to a mandatory redemption prior to maturity to the extent of excess tax increment on December 1 of each year.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
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June 30, 2022

7. LONG-TERM LIABILITIES, continued

Santa Fe Square Project

On September 22, 2021, The Authority issued \$19,630 Series 2021 tax apportionment revenue bonds. The proceeds of these bonds are being used to reimburse for a development project within Increment District No. 8 also known as the Santa Fe Square TIF District as well as fund a reserve, fund capitalized interest and pay for cost of issuances. The bonds will be repaid through revenues generated by tax increment from the development project. The bonds have a final maturity of December 1, 2041 and are subject to a mandatory redemption prior to maturity to the extent of excess tax increment on December 1 of each year.

Future Maturities

Principal and interest payment in subsequent years are as follows:

	Tax Apportionment Bonds	
	Principal	Interest
2023	\$ 220	\$ 1,164
2024	560	1,147
2025	550	1,124
2026	1,255	1,086
2027	1,355	1,030
2028-2032	8,465	4,151
2033-2037	11,660	2,010
2038-2039	3,295	70
	<u>\$ 27,360</u>	<u>\$ 11,782</u>

Future principal and interest payment on Tax Apportionment Bonds are based on estimated tax increment revenues.

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7. LONG-TERM LIABILITIES, continued

LEASE PAYABLE

On June 6, 2008, the Authority signed a sublease agreement with Tulsa Airports Improvements Trust (TAIT) to lease certain lands. The agreement commenced with the completion of the construction of the hangar in October of 2009 for a minimum of 10 years. On July 11, 2019, the Authority exercised the 15-year option period under the current Agreement and TAIT consented to and acknowledged the Authority's execution of its option to extend the term of the agreement for an additional 15 years ending September 24, 2034. The lease was also amended to include two additional 10-year renewals, that if exercised will extend the lease to September 24, 2054. At June 30, 2022, the Authority has recognized a right to use asset of \$2,887 and lease liability of \$2,913. During the year fiscal year, the Authority recorded \$90 in amortization expense and \$58 in interest expense for the right to use land. The following future annual minimum lease payment schedule is subject to increase based on the Implicit Price Deflator index for Gross Domestic Product.

Authority as Lessee

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 66	\$ 57	\$ 123
2024	67	56	123
2025	68	54	122
2026	70	53	123
2027	71	52	123
2028-2032	378	236	614
2033-2037	417	197	614
2038-2042	461	153	614
2033-2047	510	104	614
2048-2052	563	51	614
2053-2055	242	4	246
	<u>\$ 2,913</u>	<u>\$ 1,017</u>	<u>\$ 3,930</u>

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
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June 30, 2022

8. PLEDGED REVENUE

Vast Bank Project- The Authority has pledged future tax increment revenues derived from certain developed properties within Tax Increment District No. 11 to repay approximately \$7,760 in tax apportionment revenue bonds. Proceeds from the bonds provided financing for the development of the property.

Total principal and interest remaining on the debt is \$10,700 with annual requirements ranging from \$476 to \$1,035 through 2038. Principal and interest paid amounted to \$263. Current year tax increment revenue totaled \$579. Annual debt service required 45% of tax increment revenues within District No. 11.

Santa Fe Square Project- The Authority has pledged future tax increment revenues derived from Tax Increment District No. 8 to repay approximately \$19,630 in tax apportionment revenue bonds. Proceeds from the bonds provided financing for the development of the property.

Total principal and interest remaining on the debt is \$28,442 with annual requirements ranging from \$908 to \$2,330 through 2042. Principal and interest paid amounted to \$594. Current year operating revenue totaled \$435. Annual debt service required 100% of tax increment revenues plus cash available from prior year tax increment revenues.

9. CONDUIT DEBT

The notes and bonds issued by the Authority are special and limited obligations of the Authority; payable solely out of revenues derived from and in connection with the underlying loan agreements and the underlying security provided under the loan agreements. The Authority or any political subdivision thereof is not obligated in any manner for repayment of the notes and bonds. Accordingly, the notes and bonds are not reported as liabilities in the accompanying financial statements nor are the related investments reported as assets.

The aggregate outstanding principal balances due on these notes and bonds were approximately \$98 million at June 30, 2022.

The Authority loans the proceeds from notes and bonds to organizations.

10. COMMITMENTS

The Authority has entered into multiple agreements with developers within TIF districts. The agreements are subject to availability of revenues generated by the TIF and completion of project milestones by the developer. At June 30, 2022 the Authority had outstanding developer commitments of approximately \$92 million, of which \$7.2 million is available from bond proceeds. Additionally, the Authority has entered into agreements to loan \$2 million to developers from monies received from the City for the revolving loan fund.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO THE BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2022

11. RELATED-PARTY TRANSACTIONS

During the year ended June 30, the Authority conducted the following transactions with related parties.

Program support from the City of Tulsa for operations	\$ 992
Payment from City of Tulsa for capital repairs of leased underground parking lot	\$ 500
Program support from the City of Tulsa for revolving loan fund	\$ 2,635
Payment from Tulsa Development Authority for operation management	\$ 350
Transfer from City of Tulsa of parking operations of Tulsa Parking Authority	\$ 30,473
Transfer from City of Tulsa of leasing asset	\$ 2,574
Payments to City of Tulsa for advance payable	\$ 651
In kind administrative support provided by City	\$ 124

12. 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. All significant leased assets required the lessee to purchase insurance to cover the risk of loss. The operator of the parking garage facilities is required to purchase insurance to cover the risk of loss. There have been no losses that exceeded coverage in the current year or in the three prior years. The Authority also maintains insurance coverage for commercial liability, employee health and dental and workers' compensation.

13. GENERAL LITIGATION

The Authority participates in various grant programs. The Authority's compliance with applicant grant requirements will be established at a future date. The amount of grant expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority anticipates such amounts, if any, will be immaterial.

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 net position, changes in net position and cash flows of the Authority.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO THE BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2022

14. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

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

GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2020, subsequently delayed until reporting periods beginning after December 15, 2021, increases the usefulness of governments' financial statements by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management is still evaluating the impact this statement will have on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*— Issued in May 2020, this Statement will be effective for the Authority beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
REQUIRED SUPPLEMENTARY INFORMATION (In thousands of dollars)
June 30, 2022

Municipal Employees' Retirement Plan
Schedule of Proportionate Share - For the current year

<u>Year</u>	<u>Authority's proportion of net pension liability</u>	<u>Authority's proportionate share of net pension liability</u>	<u>Authority's covered payroll</u>	<u>Authority's proportionate share of net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of total pension liability</u>
2022	0.8384%	\$ 2,253	\$ 1,133	199%	66.62%

Municipal Employees' Retirement Plan
Schedule of Employer Contributions - Current year

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contributions as a Percentage of Covered Payroll</u>
2022	\$ 187	\$ 187	\$ -	\$ 1,133	16.50%

The Authority first participated in MERP in 2022.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTE TO OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

OTHER SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, the Authority presents a combining schedule of net position, a combining schedule of revenues, expenses and changes in net position and a combining schedule of cash flows for its three sub funds of the operations of the Authority. Brief explanations of these sub funds are as follows:

The Operating Fund – This fund is used to account for unrestricted revenues and expenses of the Authority including community and economic development operations.

Special Projects Fund – This fund is used to account for special projects such as monies received for revolving loans and grant funds.

Tax Increment Financing (TIF) Fund – This fund is used to account for the Tax Increment Financing Activities managed by the Authority

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF NET POSITION (In thousands of dollars)
June 30, 2022

	<u>Operating Fund</u>	<u>Special Projects Fund</u>	<u>TIF Fund</u>	<u>Total</u>
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 11,571	\$ -	\$ -	\$ 11,571
Cash and cash equivalents, restricted	-	1,917	13,794	15,711
Interest receivable	21	3	8	32
Accounts receivable	371	-	-	371
Sales tax receivable	-	-	661	661
Property tax receivable	-	-	2,676	2,676
Internal balances -Transfers for TIF Administration	59	-	(59)	-
Current portion of lease receivable	212	-	-	212
Total current assets	<u>12,234</u>	<u>1,920</u>	<u>17,080</u>	<u>31,234</u>
Noncurrent assets:				
Cash and cash equivalents, restricted	651	-	2,338	2,989
Lease receivable	9,591	-	-	9,591
Nondepreciable capital assets	9,348	-	-	9,348
Depreciable capital assets, net	27,680	-	-	27,680
Notes receivable - restricted	-	635	-	635
Total noncurrent assets	<u>47,270</u>	<u>635</u>	<u>2,338</u>	<u>50,243</u>
Total assets	<u>59,504</u>	<u>2,555</u>	<u>19,418</u>	<u>81,477</u>
<u>Deferred outflows of resources</u>				
Pension related amounts	1,766	-	-	1,766
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	246	-	761	1,007
Current portion revenue bonds payable	-	-	220	220
Bond interest payable	-	-	97	97
Advance from City	603	-	-	603
Current portion of lease liability	66	-	-	66
Compensated absences	93	-	-	93
Total current liabilities	<u>1,008</u>	<u>-</u>	<u>1,078</u>	<u>2,086</u>
Noncurrent liabilities:				
Advances from City	3,044	-	-	3,044
Revenue bonds payable, net	-	-	26,851	26,851
Deposits subject to refund	4	-	-	4
Lease liability	2,847	-	-	2,847
Net pension liability	2,253	-	-	2,253
Compensated absences	6	-	-	6
Total noncurrent liabilities	<u>8,154</u>	<u>-</u>	<u>26,851</u>	<u>35,005</u>
Total liabilities	<u>9,162</u>	<u>-</u>	<u>27,929</u>	<u>37,091</u>
<u>Deferred Inflows of Resources</u>				
Pension related amounts	63	-	-	63
Leases	9,489	-	-	9,489
Property tax revenue	-	-	2,602	2,602
Total Deferred outflows of resources	<u>9,552</u>	<u>-</u>	<u>2,602</u>	<u>12,154</u>
<u>Net Position</u>				
Net investment in capital assets	30,469	-	-	30,469
Restricted for:				
Development programs	-	2,555	4,743	7,298
Debt Service	651	-	-	651
Capital repairs	500	-	-	500
Unrestricted net position (deficit)	<u>10,936</u>	<u>-</u>	<u>(15,856)</u>	<u>(4,920)</u>
Total net position (deficit)	<u>\$ 42,556</u>	<u>\$ 2,555</u>	<u>\$ (11,113)</u>	<u>\$ 33,998</u>

The accompanying note to the supplementary information is an integral part of this schedule.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION (In thousands of dollars)
Year Ended June 30, 2022

	<u>Operating Fund</u>	<u>Special Projects Fund</u>	<u>TIF Fund</u>	<u>Total</u>
Operating Revenues:				
Property leases & rentals	\$ 799	\$ -	\$ -	\$ 799
Property tax	-	-	1,896	1,896
Sales tax	-	-	652	652
Parking facility income	6,243	-	-	6,243
Admin fee income	350	-	-	350
Other income	75	-	-	75
Total operating revenues	<u>7,467</u>	<u>-</u>	<u>2,548</u>	<u>10,015</u>
Operating Expenses:				
Personnel services	2,338	-	-	2,338
Administrative expenses	124	-	-	124
Consulting services	494	-	-	494
Other services	244	-	58	302
Parking contractual building repair	58	-	-	58
Parking lot operator expense	3,017	-	-	3,017
Tulsa public schools	-	-	166	166
Developer assistance	-	-	15,077	15,077
Depreciation and amortization	1,437	-	-	1,437
Total operating expenses	<u>7,712</u>	<u>-</u>	<u>15,301</u>	<u>23,013</u>
Operating loss	<u>(245)</u>	<u>-</u>	<u>(12,753)</u>	<u>(12,998)</u>
Nonoperating revenues:				
Program support from City of Tulsa	1,492	2,635	-	4,127
Donations	144	-	-	144
Interest expense	(58)	-	(948)	(1,006)
Interest on lease receivable	198	-	-	198
Interest expense on advance	(30)	-	-	(30)
Bond issuance expense	-	-	(1,096)	(1,096)
Investment loss	(483)	(80)	(176)	(739)
Total nonoperating revenues	1,263	2,555	(2,220)	1,598
Capital contributions from City of Tulsa	2,574	-	-	2,574
Special item				
Transfer of parking activities from City of Tulsa	30,473	-	-	30,473
Change in net position	34,065	2,555	(14,973)	21,647
Net position, beginning of year	8,882	-	3,860	12,742
Restatement	(391)	-	-	(391)
Net position, beginning of year as restated	8,491	-	3,860	12,351
Net position, end of year	<u>\$ 42,556</u>	<u>\$ 2,555</u>	<u>\$ (11,113)</u>	<u>\$ 33,998</u>

The accompanying note to the supplementary information is an integral part of this schedule.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF CASH FLOWS (In thousands of dollars)
Year Ended June 30, 2022

	<u>Operating Fund</u>	<u>Special Projects Fund</u>	<u>TIF Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers	\$ 7,058	\$ -	\$ -	\$ 7,058
Payments to suppliers	(3,828)	-	(58)	(3,886)
Payments to employees	(1,569)	-	-	(1,569)
Property tax receipts	-	-	1,898	1,898
Sales tax receipts	-	-	253	253
Payments for developer assistance	-	-	(39)	(39)
Receipts (payments) on interfund transactions	54	-	(54)	-
Net cash provided by operating activities	<u>1,715</u>	<u>-</u>	<u>2,000</u>	<u>3,715</u>
Cash flows from noncapital financing activities:				
Issuance of loans receivable	-	(635)	-	(635)
Proceeds from bond issuance	-	-	27,077	27,077
Program support from City of Tulsa	10,944	2,635	-	13,579
Principal paid on bonds	-	-	(30)	(30)
Interest paid on bonds	-	-	(827)	(827)
Bond issuance costs paid	-	-	(1,096)	(1,096)
Bond project developer payments	-	-	(14,596)	(14,596)
Donations	144	-	-	144
Net cash provided by noncapital financing activities	<u>11,088</u>	<u>2,000</u>	<u>10,528</u>	<u>23,616</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(114)	-	-	(114)
Payments to City of Tulsa on advance	(621)	-	-	(621)
Interest expense	(58)	-	-	(58)
Advance expense paid	(30)	-	-	(30)
Interest revenue on lease receivable	198	-	-	198
Payments for lease principal	(64)	-	-	(64)
Net cash used for capital and related financing activities	<u>(689)</u>	<u>-</u>	<u>-</u>	<u>(689)</u>
Cash flows from investing activities:				
Investment loss	<u>(500)</u>	<u>(83)</u>	<u>(175)</u>	<u>(758)</u>
Net cash used by investing activities	<u>(500)</u>	<u>(83)</u>	<u>(175)</u>	<u>(758)</u>
Net increase in cash and equivalents	11,614	1,917	12,353	25,884
Cash and cash equivalents, beginning of year	<u>608</u>	<u>-</u>	<u>3,779</u>	<u>4,387</u>
Cash and cash equivalents, end of year	<u>\$ 12,222</u>	<u>\$ 1,917</u>	<u>\$ 16,132</u>	<u>\$ 30,271</u>
Reconciliation of cash and cash equivalents to the Combining Schedule of Net Position:				
Current unrestricted cash and cash equivalents	\$ 11,571	\$ -	\$ -	\$ 11,571
Current restricted cash and cash equivalents	-	1,917	13,794	15,711
Noncurrent restricted cash and cash equivalents	651	-	2,338	2,989
	<u>\$ 12,222</u>	<u>\$ 1,917</u>	<u>\$ 16,132</u>	<u>\$ 30,271</u>

The accompanying note to the supplementary information is an integral part of this schedule.

TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY
(A Component Unit of the City of Tulsa, Oklahoma)
COMBINING SCHEDULE OF CASH FLOWS (continued) (In thousands of dollars)
Year Ended June 30, 2022

	<u>Operating Fund</u>	<u>Special Projects Fund</u>	<u>TIF Fund</u>	<u>Total</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	\$ (245)	\$ -	\$ (12,753)	\$ (12,998)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization	1,437	-	-	1,437
Developer assistance from bond proceeds classified as non-recurring	-	-	15,038	15,038
Changes in assets, liabilities and deferred inflows and outflows:				
(Increase) decrease in receivables and other assets	308	-	(1,153)	(845)
Increase in payables and other liabilities	-	-	167	167
Increase (decrease) in deferred inflows	(434)	-	701	267
Increase in compensated absences	550	-	-	550
Increase in pension related amounts	99	-	-	99
Net cash provided by operating activities	<u>\$ 1,715</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 3,715</u>
Noncash noncapital financing activities				
Transfer of parking activities from City of Tulsa	<u>\$ 21,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,022</u>
Transfer of leasing asset from the City of Tulsa	<u>\$ 2,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,574</u>

The accompanying note to the supplementary information is an integral part of this schedule.