

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)

FINANCIAL REPORT
June 30, 2020 and 2019

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
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Years Ended June 30, 2020 and 2019

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RSM US LLP

Independent Auditor's Report

Board of Trustees
Tulsa Metropolitan Utility Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Tulsa Metropolitan Utility Authority (the Authority), a component unit of the City of Tulsa, Oklahoma, as of and for the years ended June 30, 2020 and 2019, and the related notes to the basic financial statements, which collectively comprise the 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 audits. We conducted our audits 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 and each major fund of the Authority, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years 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, and pension and other postemployment benefit information, 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.

RSM US LLP

Kansas City, Missouri
November 24, 2020

**TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT’S DISCUSSION AND ANALYSIS
Years Ended June 30, 2020 and 2019**

As management of the Tulsa Metropolitan Utility Authority (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 years ended June 30, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements, which begin on page 10. All 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 current year by \$1,301,571. Of this amount, \$202,177 is unrestricted and may be used to meet the Authority’s ongoing obligations.
- The Authority’s net position increased from \$1,218,821 at June 30, 2019 to \$1,301,571 at June 30, 2020. During 2020, the Authority generated an increase in net position of \$82,750 compared to an increase in net position of \$72,547 during 2019.
- The Authority’s cash and cash equivalents at June 30, 2020, were \$329,589, representing an increase of \$28,744 from June 30, 2019.

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 Comprehensive Annual Financial Report. The primary function of the Authority is to provide for water delivery and wastewater utility systems.

This discussion and analysis is intended to serve as an introduction to the Authority’s audit report. The audit report consists of two parts: management’s discussion and analysis, and the financial statements. The financial statements also include notes that explain in more detail some of the information in the financial statements.

**TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019**

Financial Statements

The Authority uses fund accounting in its financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one fund type, proprietary, and reports two enterprise funds. Enterprise funds are used to report the functions presented as business-type activities.

These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and deferred outflows of resources and liabilities and deferred 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. 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.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019

Net Position

The Authority's net position increased \$82,750 for the year ended June 30, 2020 and \$72,547 for the year ended June 30, 2019. The following table provides a summary of net position.

SUMMARY OF NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current assets, unrestricted	\$ 279,013	\$ 251,254	\$ 229,353
Restricted assets	88,988	84,506	99,013
Capital assets, net	1,387,406	1,332,976	1,287,972
Other assets	<u>32,887</u>	<u>27,850</u>	<u>26,036</u>
Total assets	<u>1,788,294</u>	<u>1,696,586</u>	<u>1,642,374</u>
Total deferred outflows of resources	<u>11,909</u>	<u>12,772</u>	<u>9,709</u>
Current liabilities	82,003	72,102	74,493
Noncurrent liabilities	<u>413,757</u>	<u>413,959</u>	<u>426,187</u>
Total liabilities	<u>495,760</u>	<u>486,061</u>	<u>500,680</u>
Total deferred inflows of resources	<u>2,872</u>	<u>4,476</u>	<u>5,129</u>
Net investment in capital assets	1,085,039	1,024,339	967,854
Restricted	14,355	14,859	14,091
Unrestricted	<u>202,177</u>	<u>179,623</u>	<u>164,329</u>
Total net position	<u>\$ 1,301,571</u>	<u>\$ 1,218,821</u>	<u>\$ 1,146,274</u>

In 2020 total assets increased \$91,708. The increase in unrestricted current assets of \$27,759 is primarily related to increases in cash of \$24,262 and in net utilities receivables of \$3,577. The net increase in restricted assets of \$4,482 is primarily attributable to increase in proceeds received for promissory notes off set by spending of debt proceeds to fund capital. The \$54,430 increase in capital assets is consistent with the improvement and expansion of both utility systems and is necessary to provide adequate services to our customers and to assure compliance with all applicable laws and regulations. Total deferred outflows of resources decreased \$863 primarily due to a decrease in deferred outflows of pension related resources of \$914. Total liabilities increased \$9,699 due primarily to increases in promissory notes payable of \$14,274, accrued liabilities of \$8,468 and net pension liability of \$5,602, offset by decreases in revenue bonds payable of \$15,500 and unamortized bond premiums of \$2,563. Total deferred inflows of resources decreased \$1,604 primarily due to decreases in pension related items of \$1,216.

**TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019**

In 2019 total assets increased \$54,212. The increase in unrestricted current assets of \$21,901 is primarily related to increases in cash of \$25,658, partially offset by decrease in net utilities receivables of \$4,450. The net decrease in restricted assets of \$14,507 is primarily attributable to spending of debt proceeds to fund capital expansion offset by proceeds of debt issued in the current year to fund capital expansion. The \$45,004 increase in capital assets is consistent with the improvement and expansion of both utility systems and is necessary to provide adequate services to our customers and to assure compliance with all applicable laws and regulations. Total deferred outflows of resources increased \$3,063 due primarily to an increase in deferred outflows of pension related resources of \$3,264. Total liabilities decreased \$14,619 due primarily to decreases in promissory notes payable of \$13,166, revenue bonds payable of \$6,620, general obligation debt of \$3,631 and accrued liabilities of \$2,373 offset by increases in net pension liability of \$10,443 and unamortized bond premiums of \$781. Total deferred inflows of resources decreased \$653 primarily due to decreases in deferred property taxes revenue of \$735.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019

SUMMARY OF CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue	\$ 246,156	\$ 234,766	\$ 237,673
Nonoperating revenue	2,209	2,470	2,701
Investment income	<u>6,328</u>	<u>7,098</u>	<u>1,780</u>
Total revenues	<u>254,693</u>	<u>244,334</u>	<u>242,154</u>
Depreciation expense	42,259	40,590	38,590
Other operating expense	121,687	116,617	104,550
Nonoperating expense	<u>24,418</u>	<u>25,307</u>	<u>25,690</u>
Total expenses	<u>188,364</u>	<u>182,514</u>	<u>168,830</u>
Income before contributions	66,329	61,820	73,324
Capital contributions	16,328	10,156	12,896
Capital contributions from City of Tulsa	93	571	443
Total capital contributions	<u>16,421</u>	<u>10,727</u>	<u>13,339</u>
Change in net position	82,750	72,547	86,663
Net position, beginning of year	<u>1,218,821</u>	<u>1,146,274</u>	<u>1,059,611</u>
Net position, end of year	<u>\$ 1,301,571</u>	<u>\$ 1,218,821</u>	<u>\$ 1,146,274</u>

In 2020, total revenues increased \$10,359, due primarily to increase in operating revenue of \$11,390 resulting from increased rates for both water and wastewater offset by decreases in investment income of \$770 and nonoperating revenue of \$261. Other operating expenses increased \$5,070 due to increase in personal services of \$1,828, other services and charges of \$1,930 related to increases in water and sewer line repairs and wastewater flow monitoring, and materials and supplies of \$1,312. Nonoperating expenses decreased \$889, due to a decrease in interest and amortization expense of \$1,870 offset by increases in payments in lieu of taxes ("PILOT") of \$1,252 and no new bond issuance costs. Capital contribution increased \$5,694 primarily related to increases in contributed water and wastewater lines. As a result of these changes, net position increased \$82,750 during the year.

In 2019, total revenues increased \$2,180, due primarily to increased investment income of \$5,318 offset by decreases in operating revenue of \$2,907 resulting from decreased water consumption. Increases in investment income were related to higher cash and investment balances. Other operating expenses increased \$12,067, due primarily to increases in in personal services of \$9,883 and other services and charges of \$2,278 related to increases in water and sewer line repairs and internal equipment management services offset by decrease in materials and supplies of \$94. Nonoperating expenses decreased \$383, due to a decrease in interest expense of \$501 offset by increases in payments in lieu of taxes ("PILOT") of \$57 as well as bond issuance costs of \$61. As a result of these changes, net position increased \$72,547 during the year.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019

Capital Assets

The Authority's investment in capital assets as of June 30, 2020 and 2019 was \$1,387,406 and \$1,332,976, respectively (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment and a water storage lease. The Authority paid \$73,314 and \$77,333 during 2020 and 2019, respectively, related to the acquisition and purchase of capital assets.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land	\$ 36,771	\$ 36,645	\$ 35,904
Water storage lease	9,593	9,593	9,593
Buildings	52,608	51,205	50,293
Equipment	80,287	79,055	75,842
Land improvements, water and sewer lines	<u>1,981,933</u>	<u>1,885,273</u>	<u>1,802,888</u>
	2,161,192	2,061,771	1,974,520
Less accumulated depreciation	(823,200)	(784,962)	(745,859)
Construction-in-progress	<u>49,414</u>	<u>56,167</u>	<u>59,311</u>
Capital assets, net	<u>\$ 1,387,406</u>	<u>\$ 1,332,976</u>	<u>\$ 1,287,972</u>

Debt

At June 30, 2020 and 2019, the Authority had outstanding general obligation bonded debt of \$7,646 and \$9,985, respectively. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City. The City's Charter requires that not less than 50% of the annual principal and interest requirements on general obligation bonds issued for waterworks and wastewater be funded by water and wastewater revenues, respectively.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 7,646	\$ 9,985	\$ 13,616
Revenue bonds	159,100	174,600	181,220
Promissory notes	<u>187,329</u>	<u>173,055</u>	<u>186,221</u>
Total debt	<u>\$ 354,075</u>	<u>\$ 357,640</u>	<u>\$ 381,057</u>

During 2020, the Authority issued new debt to fund improvements to the water and wastewater systems. The Authority's debt decreased \$3,565 or 1% during 2020. As an issuer of bonds, the Authority is subject to numerous covenants contained within the bond indentures. The Authority is in full compliance with all of these covenants.

**TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
Years Ended June 30, 2020 and 2019**

Funds

The Authority has two funds, the Water Fund and the Sewer Fund. At June 30, 2020, the Water Fund net position of \$664,198 reflected an increase of \$33,820 from the net position of \$630,378 at June 30, 2019. At June 30, 2020, the Sewer Fund net position of \$637,373 reflected an increase of \$48,930 from the net position of \$588,443 at June 30, 2019.

Economic factors and next year's budgets and rates

At the national level, unemployment increased to 11.1 percent at June 30, 2020. Unemployment in the City of Tulsa was 7.1 percent at the end of fiscal year 2020 compared to 3.2 percent at the end of fiscal year 2019. The Authority continues to have consistent accounts receivable collections.

The Authority's appointed officials considered many factors when setting the fees that will be charged for water and sewer services in 2021. The Authority approved no rate increase in water fees and a 3 percent rate increase in sewer fees beginning in October 2020. The fee increases are to fund operations, maintenance, debt service, and capital improvements.

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

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

(In thousands of dollars)	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 146,173	\$ 94,428	\$ 240,601	\$ 134,988	\$ 81,351	\$ 216,339
Cash and cash equivalents, restricted	19,020	8,568	27,588	18,490	8,691	27,181
Accounts receivable:						
Utility services receivable, net	17,575	15,571	33,146	14,664	14,905	29,569
Other receivables	735	1,226	1,961	391	1,156	1,547
Property tax receivable	-	944	944	-	1,279	1,279
Prepaid expenses	162	57	219	271	163	434
Inventories	1,964	178	2,142	1,935	151	2,086
Total current assets	<u>185,629</u>	<u>120,972</u>	<u>306,601</u>	<u>170,739</u>	<u>107,696</u>	<u>278,435</u>
Noncurrent assets:						
Cash and cash equivalents, restricted	24,608	36,792	61,400	29,595	27,730	57,325
Interest receivable	-	1	1	52	94	146
Equity interest in joint venture	-	32,886	32,886	-	27,704	27,704
Nondepreciable capital assets	55,972	39,806	95,778	59,544	42,861	102,405
Depreciable capital assets, net	<u>571,750</u>	<u>719,878</u>	<u>1,291,628</u>	<u>546,318</u>	<u>684,253</u>	<u>1,230,571</u>
Total noncurrent assets	<u>652,330</u>	<u>829,363</u>	<u>1,481,693</u>	<u>635,509</u>	<u>782,642</u>	<u>1,418,151</u>
Total assets	<u>\$ 837,959</u>	<u>\$ 950,335</u>	<u>\$ 1,788,294</u>	<u>\$ 806,248</u>	<u>\$ 890,338</u>	<u>\$ 1,696,586</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,624	191	1,815	2,065	259	2,324
Pension related items	4,754	4,419	9,173	5,429	4,658	10,087
Other postemployment benefits related items	<u>476</u>	<u>445</u>	<u>921</u>	<u>196</u>	<u>165</u>	<u>361</u>
Total deferred outflows of resources	<u>\$ 6,854</u>	<u>\$ 5,055</u>	<u>\$ 11,909</u>	<u>\$ 7,690</u>	<u>\$ 5,082</u>	<u>\$ 12,772</u>

(Continued)

The accompanying notes are an integral part of the financial statements

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF NET POSITION, Continued
June 30, 2020 and 2019

(In thousands of dollars)	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 16,766	\$ 17,634	\$ 34,400	\$ 11,060	\$ 14,872	\$ 25,932
Current portion of watermain extension contracts	-	-	-	84	-	84
Current portion of compensated absences	1,367	1,180	2,547	1,392	1,221	2,613
Current portion of water storage lease	227	-	227	220	-	220
Deposits subject to refund	11,989	641	12,630	11,253	631	11,884
Current portion of general obligation debt	-	2,338	2,338	-	2,339	2,339
Current portion of promissory notes	-	14,171	14,171	-	13,530	13,530
Current portion of revenue bonds	10,935	4,755	15,690	10,815	4,685	15,500
Total current liabilities	41,284	40,719	82,003	34,824	37,278	72,102
Noncurrent liabilities:						
General obligation debt	-	5,308	5,308	-	7,646	7,646
Promissory notes	-	173,158	173,158	-	159,525	159,525
Revenue bonds	91,155	52,255	143,410	102,090	57,010	159,100
Unamortized bond premium	4,006	9,369	13,375	4,978	10,960	15,938
Compensated absences	1,017	878	1,895	736	645	1,381
Total OPEB liability	1,589	1,408	2,997	1,147	983	2,130
Net pension liability	37,737	33,157	70,894	35,012	30,280	65,292
Water storage lease	2,720	-	2,720	2,947	-	2,947
Total noncurrent liabilities	138,224	275,533	413,757	146,910	267,049	413,959
Total liabilities	\$ 179,508	\$ 316,252	\$ 495,760	\$ 181,734	\$ 304,327	\$ 486,061
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	27	27	-	38	38
Pension related items	1,023	718	1,741	1,719	1,238	2,957
Other postemployment benefits related items	84	76	160	107	95	202
Property tax revenue	-	944	944	-	1,279	1,279
Total deferred inflows of resources	\$ 1,107	\$ 1,765	\$ 2,872	\$ 1,826	\$ 2,650	\$ 4,476
NET POSITION						
Net investment in capital assets	532,673	552,366	1,085,039	509,744	514,595	1,024,339
Restricted for debt service	6,002	8,353	14,355	6,170	8,689	14,859
Unrestricted	125,523	76,654	202,177	114,464	65,159	179,623
Total net position	\$ 664,198	\$ 637,373	\$ 1,301,571	\$ 630,378	\$ 588,443	\$ 1,218,821

The accompanying notes are an integral part of the financial statements

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2020 and 2019

(In thousands of dollars)	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Operating revenues:						
Water and sewer services	\$ 122,182	\$ 123,974	\$ 246,156	\$ 119,529	\$ 115,237	\$ 234,766
Operating expenses:						
Personnel services	33,680	30,146	63,826	33,017	28,981	61,998
Materials and supplies	8,168	4,434	12,602	7,011	4,279	11,290
Other services and charges	22,937	22,322	45,259	22,377	20,952	43,329
Depreciation	19,681	22,578	42,259	18,638	21,952	40,590
Total operating expenses	84,466	79,480	163,946	81,043	76,164	157,207
Operating income	37,716	44,494	82,210	38,486	39,073	77,559
Nonoperating revenues (expenses):						
Investment income	4,324	2,004	6,328	4,532	2,566	7,098
Interest and amortization expense	(3,036)	(6,029)	(9,065)	(3,610)	(7,325)	(10,935)
Bond issuance costs	-	-	-	(112)	(159)	(271)
Ad valorem taxes	-	1,279	1,279	-	1,979	1,979
Payments in lieu of taxes to City of Tulsa	(7,965)	(7,388)	(15,353)	(7,176)	(6,925)	(14,101)
Other, net	151	779	930	208	283	491
Net nonoperating expenses	(6,526)	(9,355)	(15,881)	(6,158)	(9,581)	(15,739)
Income before capital contributions	31,190	35,139	66,329	32,328	29,492	61,820
Capital contributions	2,625	13,703	16,328	2,623	7,533	10,156
Capital contributions from City of Tulsa	5	88	93	-	571	571
Total capital contributions	2,630	13,791	16,421	2,623	8,104	10,727
Change in net position	33,820	48,930	82,750	34,951	37,596	72,547
Net position, beginning of year	630,378	588,443	1,218,821	595,427	550,847	1,146,274
Net position, end of year	\$ 664,198	\$ 637,373	\$ 1,301,571	\$ 630,378	\$ 588,443	\$ 1,218,821

The accompanying notes are an integral part of the financial statements

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

(In thousands of dollars)	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Cash flows from operating activities:						
Received from customers, including cash deposits	\$ 119,671	\$ 124,028	\$ 243,699	\$ 124,860	\$ 114,209	\$ 239,069
Payments to suppliers for goods and services	(30,747)	(26,716)	(57,463)	(30,141)	(23,991)	(54,132)
Payments to personnel for services	(30,582)	(27,233)	(57,815)	(29,150)	(25,384)	(54,534)
Net cash provided by operating activities	58,342	70,079	128,421	65,569	64,834	130,403
Cash flows from non-capital and related financing activities:						
Payments in lieu of taxes to the primary government	(7,965)	(7,388)	(15,353)	(7,176)	(6,925)	(14,101)
Collection of advances to City of Tulsa	-	-	-	-	5	5
Net cash used by non-capital and related financing activities	(7,965)	(7,388)	(15,353)	(7,176)	(6,920)	(14,096)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(33,592)	(39,722)	(73,314)	(34,547)	(42,786)	(77,333)
Investment in joint venture	-	(4,199)	(4,199)	-	(3,715)	(3,715)
Payments from City of Tulsa	5	88	93	-	571	571
Proceeds from sale of capital assets	270	177	447	269	288	557
Principal paid on long-term debt	(11,035)	(24,064)	(35,099)	(9,918)	(21,124)	(31,042)
Interest paid on long-term debt	(3,655)	(7,645)	(11,300)	(3,959)	(9,074)	(13,033)
Payment of bond issuance costs	-	-	-	(112)	(159)	(271)
Refunding payments	-	-	-	(23,885)	-	(23,885)
Proceeds from long-term debt issuance	-	31,313	31,313	18,705	12,591	31,296
Premium received on debt issuance	-	-	-	2,815	315	3,130
Payment of call premium on debt refunding	-	-	-	(340)	-	(340)
Ad valorem taxes received for debt service	-	1,279	1,279	-	1,979	1,979
Payments on watermain extension contracts	(17)	-	(17)	(184)	-	(184)
Net cash used by capital and related financing activities	\$ (48,024)	\$ (42,773)	\$ (90,797)	\$ (51,156)	\$ (61,114)	\$ (112,270)

(Continued)

The accompanying notes are an integral part of the financial statements

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF CASH FLOWS, Continued
Years Ended June 30, 2020 and 2019

(In thousands of dollars)	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Cash flows from investing activities:						
Interest received on investments	\$ 4,375	\$ 2,098	\$ 6,473	\$ 4,507	\$ 2,517	\$ 7,024
Sale or maturity of investments	13,852	4,059	17,911	8,399	7,813	16,212
Purchases of investments	(13,852)	(4,059)	(17,911)	-	-	-
Net cash provided by investing activities	4,375	2,098	6,473	12,906	10,330	23,236
Net increase in cash and cash equivalents	6,728	22,016	28,744	20,143	7,130	27,273
Cash and cash equivalents, beginning of year	183,073	117,772	300,845	162,930	110,642	273,572
Cash and cash equivalents, end of year	\$ 189,801	\$ 139,788	\$ 329,589	\$ 183,073	\$ 117,772	\$ 300,845
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Current unrestricted cash and cash equivalents	\$ 146,173	\$ 94,428	\$ 240,601	\$ 134,988	\$ 81,351	\$ 216,339
Current restricted cash and cash equivalents	19,020	8,568	27,588	18,490	8,691	27,181
Noncurrent restricted cash and cash equivalents	24,608	36,792	61,400	29,595	27,730	57,325
	\$ 189,801	\$ 139,788	\$ 329,589	\$ 183,073	\$ 117,772	\$ 300,845
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 37,716	\$ 44,494	\$ 82,210	\$ 38,486	\$ 39,073	\$ 77,559
Adjustments:						
Depreciation	19,681	22,578	42,259	18,638	21,952	40,590
Change in accounts receivable	(3,253)	(18)	(3,271)	4,641	(1,078)	3,563
Change in prepaids	108	106	214	(271)	(163)	(434)
Change in inventories	(29)	(27)	(56)	(76)	(32)	(108)
Change in joint venture	-	594	594	-	649	649
Change in deferred outflows pension	675	239	914	(1,780)	(1,484)	(3,264)
Change in deferred outflows OPEB	(280)	(279)	(559)	40	36	76
Change in accounts payable and other accrued liabilities	541	(380)	161	(316)	916	600
Change in total OPEB liability	442	425	867	(44)	(52)	(96)
Change in deposits subject to refund	736	10	746	677	50	727
Change in net pension liability	2,725	2,877	5,602	5,700	4,743	10,443
Change in deferred inflows pension	(696)	(521)	(1,217)	(179)	167	(12)
Change in deferred inflows OPEB	(24)	(19)	(43)	53	57	110
Net cash provided by operating activities	\$ 58,342	\$ 70,079	\$ 128,421	\$ 65,569	\$ 64,834	\$ 130,403
Noncash capital and related financing activities:						
Contributions from area developers	\$ 2,558	\$ 13,703	\$ 16,261	\$ 2,130	\$ 7,533	\$ 9,663
Additions included in accounts payable and retainage	\$ 12,237	\$ 10,842	\$ 23,079	\$ 6,727	\$ 9,005	\$ 15,732
Expiring watermain extension contracts	\$ 67	\$ -	\$ 67	\$ 493	\$ -	\$ 493

The accompanying notes are an integral part of the financial statements

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

NATURE OF BUSINESS AND REPORTING ENTITY – The Tulsa Metropolitan Utility Authority (the “Authority”) was created under the provisions of the Oklahoma Public Trust Act. The Trustees of the Authority consist of the Mayor of the City of Tulsa (the “City”) and six other members appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the Trust. The Authority meets the requirements for, and is included in, the City’s Comprehensive Annual Financial Report as a discretely presented component unit.

On February 1, 1984, the Authority leased from the City its existing and subsequently acquired water treatment and distribution systems (Water System) along with the rights to the gross revenues generated by the System. The terms of the agreement provide for the lease of the Water System for a term of 50 years or until all bonds and indebtedness collateralized by and payable from revenues is retired.

Under the terms of the lease, the City collects the Water System’s operating revenues. The Water System is operated by City personnel and the City also pays the operating expenses and maintenance costs, and makes additions, replacements and improvements necessary to keep the Water System in proper working order on behalf of the Authority.

The Authority is to utilize gross revenues to reimburse the City for the cost of operating and maintaining the Water System. Also, the Authority will issue bonds to finance improvements to the Water System and set rates, fees and charges to users of the Water System.

On July 1, 1989, the Authority entered into a Wastewater System Lease Agreement and Operation and Maintenance Contract with the City. The terms of the agreement provide for the lease of the City’s revenue producing sanitary sewer and wastewater treatment, collection, transportation, processing, and disposal systems and facilities, along with the transfer of related liabilities, for a term of 50 years or until such time as all bonds and indebtedness collateralized by and payable from revenues from the wastewater system are retired.

All operating costs, including personnel, are provided by the City and reimbursed by the Authority. For financial reporting purposes, personnel and other operating 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 under the terms of the lease agreement. Payments to and amounts owed to employees are part of the payments the Authority makes to the City pursuant to the terms of the lease agreements.

The Authority accounts for and reports using separate funds for water and sewer utility fees and other revenue dedicated to the Authority.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

BASIS OF ACCOUNTING AND PRESENTATION – 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 financial statements of the Authority are prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows 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 transactions. Investment income, bond interest expense and related costs, and voluntary nonexchange transactions are included in nonoperating revenues and expenses.

GAAP requires the Authority to present in its financial statements, inclusive of the notes to the financial statements, the economic substance of its operations and the assets under lease.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents reported on the statement of net position include both the amounts held within the City’s pooled portfolio and other cash and cash equivalents. Cash and cash equivalents also consist of money market accounts which are reported at amortized cost.

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 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.

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 in 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 may invest in fixed income obligations of the U.S. Government, its agencies, or instrumentalities. The investments of the Authority are reported at fair value.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

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 assets 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.

PREPAID EXPENSES – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

INVENTORIES – Inventories are stated at cost (first-in, first-out), which is not in excess of market.

RESTRICTED ASSETS – Certain assets of the Authority are restricted under the terms of its bond indentures or state statutes.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

UTILITY SERVICES RECEIVABLE – This balance consists of amounts due from customers within and around the Tulsa metropolitan area for utility service. Unbilled revenue is accrued and included in utility services receivable for services that were provided, but not billed at year end. Utility services receivable included \$9,193 and \$7,934 of accrued unbilled revenue for the Water fund and Sewer fund, respectively, as of June 30, 2020, and \$6,958 and \$7,070 for the Water fund and Sewer fund, respectively, as of June 30, 2019. The Authority recorded an allowance for uncollectible accounts of \$133 and \$158 for Water fund and Sewer fund, respectively, as of June 30, 2020 and \$112 and \$157 for Water fund and Sewer fund, respectively, as of June 30, 2019.

CAPITAL ASSETS – Capital assets purchased or acquired at an initial cost of \$5 or more are carried at historical cost. Contributed assets are recorded at acquisition value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Interest cost incurred during the construction phase of capital assets of the enterprise activities is recognized as an expense in the period in which the cost is incurred.

DEPRECIATION – Capital assets placed in service are depreciated on the straight-line basis over the following estimated useful lives:

Land improvements	30 years
Buildings	50 years
Water and sewer lines	33 - 100 years
Equipment	3 - 20 years

Capital assets sold or disposed have their cost and accumulated depreciation removed from the Authority's records. The related gain or loss is recorded in the period of sale or disposal.

CAPITAL CONTRIBUTIONS – Capital contributions include payments made by developers for the construction of water and sewer lines, grants, and amounts contributed by City sales tax funds. Amounts contributed to the Authority from City sales tax funds are reported as capital contributions as these funds are spent on capital.

COMPENSATED ABSENCES – Vacation and sick leave is granted to all employees. Vacation time earned 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 upon termination or retirement. Accumulated sick leave is not paid out to employees upon separation, if separation occurs before retirement eligibility. Upon retirement an employee is eligible to receive a lump sum payout of one hour for every three hours earned and unused if the employee has at least 960 hours. 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 vacation and sick leave is charged to expense during the period earned if probable of payout, and a corresponding liability is established.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

POST-EMPLOYMENT BENEFITS (PENSION AND OTHER) – Post-employment benefits 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 used while the employees are in active service, whereas other benefits, including retirement and post-employment healthcare, are used after the employees' services have ended. Nevertheless, both types of benefits constitute compensation for employee services. A liability for OPEB is recognized when earned by employees. Additional information regarding these liabilities is included in Notes 7 and 8.

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

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. Net investment in capital assets as of June 30, 2020 excludes unspent bond proceeds of \$24,608 and \$34,228 for Water and Sewer, respectively, and as of June 30, 2019 excludes unspent bond proceeds of \$29,596 and \$25,080 for Water and Sewer, respectively. 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, liabilities and deferred inflows/outflows of resources that do not meet the definition of net investment in capital assets or restricted.

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

The sinking fund requirements are submitted by the City to the County Excise Board to determine the property tax levy. This submission is made by August 27th of each year. The County Assessor is required to file a tax roll report on or before October 1st each year with the County Treasurer indicating the net assessed valuation for all real and public service property.

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

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

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

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

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 footnotes. Actual results could differ from those estimates.

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.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES – The Authority records deferred outflows or inflows of resources for the consumption or acquisition of net position that is applicable to a future reporting period and will not be reported as an outflow (expense) or inflow (revenue) until then. The financial statements reflect deferred outflows and inflows of resources recorded for unamortized losses and gains on refunding of debt, deferred outflows and inflows of resources related to pensions and other post-employment benefits, and deferred inflows of resources related to property tax revenue.

DEFERRED CHARGES/GAINS ON REFUNDING – Deferred charges/gains on refunding represents the difference in the reacquisition price and the net carrying amount of the old debt. These charges are presented as a deferred outflow/inflow of resources, amortized using the effective interest method, and recognized as a component of interest expense over the life of the old or new debt, whichever is shorter.

PENSION PLAN – 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.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

2. CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS – Cash deposits of the Authority, not held in trust accounts, 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, 2020 and 2019 the Authority held \$244,791 and \$199,819, respectively, in the City’s pooled portfolio, which represented 24.2% and 22.9%, respectively 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, 2020 and 2019.

Please refer to the City’s Comprehensive Annual Financial Report for additional disclosures related to the City’s pooled portfolio, including required disclosures of risks and fair value measurements. A copy of the City’s Comprehensive Annual Financial Report may be obtained at www.cityoftulsa.org.

In addition to assets held in the City’s pooled portfolio, the Authority has assets it holds directly. The Authority has money market accounts reported as cash equivalents on the statement of net position of \$84,798 and \$101,026 as of June 30, 2020 and 2019, respectively.

INVESTMENTS – As of June 30, 2020 and 2019, the Authority did not have any investments.

Interest Rate Risk – Interest rate risk is the risk that a change in interest rates will adversely affect the value of an investment. For restricted funds, bond requirements limit the type and maturity length of investments that can be acquired.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority utilizes the City of Tulsa investment policy and bond indenture restrictions on authorized investments to limit its exposure to credit risks.

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 investments, custodial credit risk is the risk that, in the event of 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 deposit policy for custodial credit risk requires compliance with provisions of state law and that demand deposits be collateralized by at least 110% of the amount that is not federally insured. At June 30, 2020 and 2019 none of the Authority’s deposits, including money market accounts of \$84,798 and \$101,026, respectively, were exposed to custodial credit risk.

Concentration of Credit Risk – The Authority utilizes the City of Tulsa investment policy to determine the amount that may be invested in any one issuer.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

3. RESTRICTIONS ON ASSET USE

Unspent debt proceeds, as well as resources set aside for their repayment, are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants and they are maintained in separate bank accounts. The City levies ad valorem taxes for the retirement of 50% of general obligation bonds issued for the wastewater disposal system. A reserve for bond retirement is established at the City. Customer deposits held in the City's pooled portfolio are also classified as restricted assets as they are limited for customer refunds.

A summary of the purpose for which these assets are restricted as of June 30, is as follows:

	<u>2020</u>	<u>2019</u>
General Obligation Bonds:		
Sinking funds	\$ 2,565	\$ 2,649
Deposits subject to refund:		
Escrow deposits	<u>12,630</u>	<u>11,884</u>
Sewer Debt:		
Debt service fund	7,927	8,060
Construction fund	19,153	9,996
Reserve fund	<u>15,074</u>	<u>15,084</u>
Debt service, reserves, construction funds	<u>42,154</u>	<u>33,140</u>
Water Debt:		
Debt service fund	7,031	7,237
Construction fund	10,535	15,570
Reserve fund	<u>14,073</u>	<u>14,026</u>
Debt service, reserves, construction funds	<u>31,639</u>	<u>36,833</u>
Total restricted assets	<u>\$ 88,988</u>	<u>\$ 84,506</u>

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

4. CAPITAL ASSETS

The changes in capital assets are summarized as follows:

June 30, 2020	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable assets:				
Land	\$ 36,645	\$ -	\$ 126	\$ 36,771
Water rights	9,593	-	-	9,593
Construction-in-progress	56,167	72,184	(78,937)	49,414
Total nondepreciable capital assets	102,405	72,184	(78,811)	95,778
Depreciable assets:				
Land improvements, water and sewer lines	1,885,273	18,925	77,735	1,981,933
Buildings	51,205	419	984	52,608
Equipment	79,055	5,407	(4,175)	80,287
Total depreciable capital assets	2,015,533	24,751	74,544	2,114,828
Accumulated depreciation:				
Land improvements, water and sewer lines	(698,067)	(36,066)	15	(734,118)
Buildings	(35,395)	(779)	-	(36,174)
Equipment	(51,500)	(5,414)	4,006	(52,908)
	(784,962)	(42,259)	4,021	(823,200)
Depreciable capital assets, net	1,230,571	(17,508)	78,565	1,291,628
Capital assets, net	\$ 1,332,976	\$ 54,676	\$ (246)	\$ 1,387,406
June 30, 2019	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Nondepreciable assets:				
Land	\$ 35,904	\$ -	\$ 741	\$ 36,645
Water rights	9,593	-	-	9,593
Construction-in-progress	59,311	67,185	(70,329)	56,167
Total nondepreciable capital assets	104,808	67,185	(69,588)	102,405
Depreciable assets:				
Land improvements, water and sewer lines	1,802,888	13,624	68,761	1,885,273
Buildings	50,293	113	799	51,205
Equipment	75,842	4,736	(1,523)	79,055
Total depreciable capital assets	1,929,023	18,473	68,037	2,015,533
Accumulated depreciation:				
Land improvements, water and sewer lines	(663,784)	(34,283)	-	(698,067)
Buildings	(34,521)	(877)	3	(35,395)
Equipment	(47,554)	(5,430)	1,484	(51,500)
	(745,859)	(40,590)	1,487	(784,962)
Depreciable capital assets, net	1,183,164	(22,117)	69,524	1,230,571
Capital assets, net	\$ 1,287,972	\$ 45,068	\$ (64)	\$ 1,332,976

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

5. JOINT VENTURE

The Authority is a participant in a joint venture, the Regional Metropolitan Utility Authority (“RMUA”). RMUA was created to operate a sewage treatment facility. The Authority contributes approximately one-half of RMUA’s operating and capital budget, operates a facility for RMUA, and leases the facility site to RMUA. The City appoints two of the ten trustees with the four other participating cities appointing two trustees each. Services are provided approximately 50% each to the City and the City of Broken Arrow, Oklahoma. In accordance with the Trust Agreement, the Authority is entitled, on both an interim and final basis, to its pro-rata interest based on its contributions to RMUA.

The Authority’s equity interest was \$32,886 and \$27,704 as of June 30, 2020 and 2019, respectively. The Authority’s other services and charges have been increased to reflect the change in equity interest by \$594 and \$650 for the years ended June 30, 2020 and 2019, respectively. The Authority contributed \$5,776 and \$2,486 to RMUA for capital improvements during the years ended June 30, 2020 and 2019, respectively.

Request for an audited financial report or additional information concerning RMUA should be addressed to the Office of the Controller, 175 E. Second Street, Suite 1570, Tulsa, Oklahoma 74103, or online at www.cityoftulsa.org.

6. WATERMAIN EXTENSION CONTRACTS

The Authority contracts with developers for the construction of watermains to provide water service for areas under development. Such watermains are an extension of the City's existing water distribution system. Under such contracts, the contractor pays for all construction costs. When the work is complete, the area has been prepared for development and the developer certifies their net allowable costs (this is the maximum amount recoverable by the developer), the Authority enters into a contract with the developer. The Authority records a capital asset equal to 100% of the developer costs per the contract and a liability for the net allowable costs. The difference between the total and net allowable costs is recorded as a capital contribution. The non-interest bearing repayments to contractors are payable over a ten year period and are generally limited to 40% of the collected revenues generated by the respective watermain extension, not to exceed the maximum amount recoverable by the developer. The Authority has no liability after the ten year period if the contractor's portion of the respective revenues generated is insufficient to cover the contractor's costs.

Amounts due under the contracts were \$0 and \$84 at June 30, 2020 and 2019, respectively. The Authority estimates the current portion of the contractual liability based upon amounts payable in the following year. The Authority made payments of \$17 and \$184 in accordance with these contracts for the years ended June 30, 2020 and 2019, respectively.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
June 30, 2020 and 2019

7. MUNICIPAL EMPLOYEES' PENSION PLAN

Plan description – Employees are provided with pensions through 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 Comprehensive Annual Financial Report (CAFR). The report may be obtained by writing to the City of Tulsa Controller, 175 E. 2nd Street, Tulsa, Oklahoma 74103, or online at www.cityoftulsa.org.

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 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 – The Contributions are set by City ordinance. Employees contributed 6.5 percent of their pensionable wages for the years ended June 30, 2020 and 2019. The Authority was charged 15.5 percent of pensionable wages for the years ended June 30, 2020 and 2019 for employees whose payroll costs were charged to the Authority. Actual charges to the Authority for pension plan contributions were \$5,668 and \$5,352 for the years ended June 30, 2020 and 2019, respectively.

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

At June 30, 2020 and 2019, the Authority reported \$70,894 and \$65,292, respectively, for its proportionate charged share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Standard update procedures were used to roll forward the total pension liability to June 30, 2020. The Authority's charged proportion of the net pension liability was based on the Authority's share of charged contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2020 and 2019, the Authority's proportion was 27.9148 percent and 27.8032 percent, respectively.

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7. MUNICIPAL EMPLOYEES' PENSION PLAN, continued

For the years ended June 30, 2020 and 2019, the Authority recognized pension expense of \$10,967 and \$12,519, respectively. At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources					
	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Net difference between projected and actual plan earnings on pension plan investments	\$ 2,541	\$ 2,233	\$ 4,774	\$ 1,043	\$ 902	\$ 1,945
Changes of assumptions	2,116	1,859	3,975	4,059	3,511	7,570
Differences between expected and actual plan experience	65	57	122	165	143	308
Changes in proportion and differences between the Authority's charges and proportionate share of charges	32	270	302	162	102	264
Total	\$ 4,754	\$ 4,419	\$ 9,173	\$ 5,429	\$ 4,658	\$ 10,087

	Deferred Inflows of Resources					
	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Differences between expected and actual plan experience	\$ 656	\$ 576	\$ 1,232	\$ 1,169	\$ 1,011	\$ 2,180
Changes in proportion and differences between the Authority's charges and proportionate share of charges	367	142	509	550	227	777
Total	\$ 1,023	\$ 718	\$ 1,741	\$ 1,719	\$ 1,238	\$ 2,957

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

Year ended June 30:	Water Fund	Sewer Fund	Business-type Activities Total
	2021	\$ 703	\$ 847
2022	1,493	1,409	2,902
2023	1,032	1,003	2,035
2024	503	442	945
	\$ 3,731	\$ 3,701	\$ 7,432

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7. MUNICIPAL EMPLOYEES' PENSION PLAN, continued

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement. The assumptions remain consistent with 2019.

Inflation	2.5%
Salary increases, including inflation	3.50% to 11.25%
Investment rate of return	7.0%
Compounded annually, net of investment expense and including inflation	

Mortality rates were based on RP-2014 Combined Healthy Tables with Blue Collar adjustments. Generational mortality improvements with Scale MP-2015 are from the table's base year of 2014.

Except for certain economic and demographic assumptions, the actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2015.

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	24%	1.16%
Domestic equity	36%	6.19%
International equity	24%	6.59%
Real estate	8%	4.24%
Commodities	3%	0.50%
Timber	4%	3.80%
Cash	1%	0.11%
	<u>100%</u>	

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7. MUNICIPAL EMPLOYEES' PENSION PLAN, continued

Discount rate - The discount rate used to measure the total pension liability was 7.0 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 the MERP funding policy. Beginning July 1, 2017, and all future years, it is assumed that the employer contribution rate will be 15.50 percent of payroll, which is the actuarially determined contribution rate. Based on those assumptions, the 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

2020	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	<hr/>	<hr/>	<hr/>
Authority's proportionate share of the net pension liability	\$ 95,223	\$ 70,894	\$ 50,604
	<hr/>	<hr/>	<hr/>
2019	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability	\$ 88,880	\$ 65,292	\$ 45,613

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the City of Tulsa's CAFR; which can be located at www.cityoftulsa.org.

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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 the City of Tulsa Postretirement Medical Plan (the “Plan”), a 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.

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 established 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, 2020, the Authority reported a liability of \$2,997 for its proportionate charged share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability for June 30, 2019 was \$2,130. The Authority’s charged 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, 2020 and 2019, the Authority’s proportion was 36.1905 percent, and 34.7256 percent, respectively.

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8. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

For the years ended June 30, 2020 and 2019, the Authority recognized OPEB expense of \$385 and \$251, respectively. At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources					
	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Changes of assumptions	\$ 89	\$ 79	\$ 168	\$ 50	\$ 42	\$ 92
Differences between expected and actual plan experience	361	320	681	141	121	262
Changes in proportion and differences between the Authority's charges and proportionate share of charges	26	46	72	5	2	7
Total	<u>\$ 476</u>	<u>\$ 445</u>	<u>\$ 921</u>	<u>\$ 196</u>	<u>\$ 165</u>	<u>\$ 361</u>

	Deferred Inflows of Resources					
	2020			2019		
	Water Fund	Sewer Fund	Business-type Activities Total	Water Fund	Sewer Fund	Business-type Activities Total
Changes of assumptions	\$ 18	\$ 16	\$ 34	\$ 26	\$ 22	\$ 48
Differences between expected and actual plan experience	49	43	92	59	51	110
Changes in proportion and differences between the Authority's charges and proportionate share of charges	17	17	34	22	22	44
Total	<u>\$ 84</u>	<u>\$ 76</u>	<u>\$ 160</u>	<u>\$ 107</u>	<u>\$ 95</u>	<u>\$ 202</u>

Amount 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 participants (actives and retirees) as follows:

	Water Fund	Sewer Fund	Business-type Activities Total
Year ended June 30:			
2021	\$ 111	\$ 102	\$ 213
2022	83	77	160
2023	69	68	137
2024	60	56	116
2025	69	66	135
	<u>\$ 392</u>	<u>\$ 369</u>	<u>\$ 761</u>

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8. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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	3.0 %
Salary increases	4.0% to 11.75%, including 3.0% inflation and 1.0% productivity
Healthcare cost trend rate	8.0% for 2020, decreasing by 0.5 % annually to an ultimate rate of 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 fully 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 were based on 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 June 30, 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 2.66 and 3.51 percent as of June 30, 2020 and 2019 respectively. The source of the discount rate used was the S&P Municipal Bond 20-Year High Grade Rate Index and the Bond Buyer 20-Bond GO Index for June 30, 2020 and 2019, respectively.

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 2.66 percent, 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 (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate. The discount rate in 2019 was 3.51 percent.

2020	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Authority’s proportionate share of the total OPEB liability	\$ 3,240	\$ 2,997	\$ 2,773
2019	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Authority’s proportionate share of the total OPEB liability	\$ 2,287	\$ 2,130	\$ 1,986

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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 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 8.0 percent decreasing to 4.5 percent, 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 (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

2020	1% Decrease (7.0% decreasing to 3.5%)	Current Rate (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Authority's proportionate share of the total OPEB liability	\$ 2,699	\$ 2,997	\$ 3,344

2019	1% Decrease (7.5% decreasing to 4.0%)	Current Rate (8.5% decreasing to 5.0%)	1% Increase (9.5% decreasing to 6.0%)
Authority's proportionate share of the total OPEB liability	\$ 1,929	\$ 2,130	\$ 2,363

9. 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 covered in the City's insurance policies and premium costs are passed on to the Authority through indirect cost allocation. The Authority is 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.

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10. NONCURRENT LIABILITIES

REVENUE BONDS – Revenue bonds outstanding consist of debt issued by the Authority. The debt does not constitute debt of the City and is payable solely from resources of the Authority. Revenue bonds are collateralized primarily by the trust estates and revenues derived from the operations of the Authority.

Various bond indentures, loan agreements, and pledge and security agreements contain limitations and restrictions of debt service reserves and flow of monies through various restricted accounts (see additional information in Note 3). The Authority has pledged future water revenues, net of operating expenses and sewer revenues, net of operating expenses and net of amounts pledged for promissory note debt service to repay \$102,090 and \$57,010 of outstanding Utility Revenue Bonds, respectively. The Utility Revenue Bonds are payable through 2039. Annual principal and interest payments on the bonds required 20 percent of net revenues, as defined above. The total principal and interest remaining to be paid on the bonds is \$191,799. Principal and interest paid for the current year and water and sewer net revenues as described above for the current year were \$21,386 and \$106,375, respectively. The Authority utility revenue bonds are subject to acceleration if the Authority defaults.

On April 5, 2019, the Authority issued the Utility Revenue Bonds, Series 2019B, for \$12,430. The proceeds will be used to fund the construction, acquisition and equipping of certain capital improvements to the Wastewater System.

ECONOMIC GAIN/LOSS ON REFUNDING – On April 5, 2019, the City issued \$18,705 in Series 2019A Refunding Utility Revenue Bonds to refund the 2011 and 2012 Utility Revenue Bonds. This transaction will reduce debt service payments by \$6,344 over the next 8 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,924. The refunding resulted in a deferred charge of \$501 which will be amortized over the life of the new bonds. The amortization and related deferred charge are reported in the financial statements.

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10. NONCURRENT LIABILITIES, continued

Utility Revenue Bond payable activity for the year ended June 30, 2020 is as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</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>
Water:								
Refunding Series 2013	\$ 61,280	2025	2.50-3.00%	\$ 34,760	\$ -	\$ (4,600)	\$ 30,160	\$ 4,620
Series 2014	17,825	2034	3.00-3.50%	15,150	-	(690)	14,460	700
Refunding Series 2015	9,940	2027	2.00-3.00%	6,395	-	(745)	5,650	770
Series 2016A	16,565	2031	3.00-3.25%	13,835	-	(935)	12,900	950
Refunding Series 2017A	27,765	2030	3.00-3.125%	24,060	-	(1,880)	22,180	1,895
Refunding Series 2019A	18,705	2027	5.00%	18,705	-	(1,965)	16,740	2,000
				<u>112,905</u>	<u>-</u>	<u>(10,815)</u>	<u>102,090</u>	<u>10,935</u>
Sewer:								
Series 2016B	10,885	2036	2.00-3.50%	9,610	-	(435)	9,175	440
Refunding Series 2016C	34,810	2025	5.00%	28,230	-	(3,355)	24,875	3,400
Series 2018A	11,850	2038	3.125-3.250%	11,425	-	(430)	10,995	440
Series 2019B	12,430	2039	3.00%	12,430	-	(465)	11,965	475
				<u>61,695</u>	<u>-</u>	<u>(4,685)</u>	<u>57,010</u>	<u>4,755</u>
Total utility revenue bonds				<u>\$174,600</u>	<u>\$ -</u>	<u>\$ (15,500)</u>	<u>\$ 159,100</u>	<u>\$ 15,690</u>

The changes in other long-term liabilities for the year ended June 30, 2020 are summarized as follows:

<u>Other long-term liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water storage lease	\$ 3,167	\$ -	\$ (220)	\$ 2,947	\$ 227
Watermain extension contracts	84	-	(84)	-	-
Total OPEB liability	2,130	867	-	2,997	-
Compensated absences	3,994	3,256	(2,808)	4,442	2,547
Net pension liability	65,292	5,602	-	70,894	-
Total other long-term liabilities	<u>\$ 74,667</u>	<u>\$ 9,725</u>	<u>\$ (3,112)</u>	<u>\$ 81,280</u>	<u>\$ 2,774</u>

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10. NONCURRENT LIABILITIES, continued

Utility Revenue Bond payable activity for the year ended June 30, 2019 is as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</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>
Water:								
Series 2011	\$ 24,100	2031	3.00-4.375%	\$ 17,975	\$ -	\$ (17,975)	\$ -	\$ -
Refunding Series 2012	12,685	2025	2.00-2.65%	6,865	-	(6,865)	-	-
Refunding Series 2013	61,280	2025	2.50-3.00%	39,340	-	(4,580)	34,760	4,600
Series 2014	17,825	2034	2.00-3.50%	15,830	-	(680)	15,150	690
Refunding Series 2015	9,940	2027	2.00-3.00%	7,100	-	(705)	6,395	745
Series 2016A	16,565	2031	3.00-3.25%	14,755	-	(920)	13,835	935
Refunding Series 2017A	27,765	2030	3.00-3.125%	25,925	-	(1,865)	24,060	1,880
Refunding Series 2019A	18,705	2027	5.00%	-	18,705	-	18,705	1,965
				<u>127,790</u>	<u>18,705</u>	<u>(33,590)</u>	<u>112,905</u>	<u>10,815</u>
Sewer:								
Series 2016B	10,885	2036	2.00-3.50%	10,040	-	(430)	9,610	435
Refunding Series 2016C	34,810	2025	5.00%	31,540	-	(3,310)	28,230	3,355
Series 2018A	11,850	2038	3.125-3.250%	11,850	-	(425)	11,425	430
Series 2019B	12,430	2039	3.00%	-	12,430	-	12,430	465
				<u>53,430</u>	<u>12,430</u>	<u>(4,165)</u>	<u>61,695</u>	<u>4,685</u>
Total utility revenue bonds				<u>\$ 181,220</u>	<u>\$ 31,135</u>	<u>\$ (37,755)</u>	<u>\$ 174,600</u>	<u>\$ 15,500</u>

The changes in other long-term liabilities for the year ended June 30, 2019 are summarized as follows:

<u>Other long-term liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water storage lease	\$ 3,381	\$ -	\$ (214)	\$ 3,167	\$ 220
Watermain extension contracts	761	-	(677)	84	84
Total OPEB liability	2,225	-	(95)	2,130	-
Compensated absences	3,787	3,565	(3,358)	3,994	2,613
Net pension liability	54,849	10,443	-	65,292	-
Total other long-term liabilities	<u>\$ 65,003</u>	<u>\$ 14,008</u>	<u>\$ (4,344)</u>	<u>\$ 74,667</u>	<u>\$ 2,917</u>

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10. NONCURRENT LIABILITIES, continued

PROMISSORY NOTES – The Authority borrows from the Oklahoma Water Resources Board through two types of program loans: the State Financial Assistance Program (FAP) Loans and the Clean Water State Revolving Fund (SRF) Loan Program. FAP loan proceeds are received at closing and SRF loan proceeds are received on a reimbursement basis.

The Authority's outstanding promissory notes with the Oklahoma Water Resources Board are collateralized by a first lien and security interest in the Authority's wastewater treatment system and the revenues derived from the entire system and generally require semi-annual principal and interest payments. The Authority promissory notes are subject to acceleration if the Authority defaults.

The Authority has pledged future sewer revenue, net of operating expenses to repay \$187,329 of promissory notes. The promissory notes are payable through 2041. Annual principal and interest payments on the promissory notes required 34 percent of net revenues. The total principal and interest remaining to be paid on the promissory notes is \$231,980. Principal and interest paid for the current year and sewer net revenues for the current year were \$23,145 and \$67,799, respectively.

The promissory notes contain certain covenants. The covenants require that net revenues of the wastewater system, as defined by the debt agreement, provide for minimums of 100% of the maximum debt service on all notes and 125% of the maximum debt service on senior notes. FAP loans are considered senior obligations.

Promissory notes issued and outstanding under the SRF program were \$227,302 and \$107,114, respectively, as of June 30, 2020. The Authority had \$45,788 available to be drawn as of June 30, 2020. Promissory notes outstanding under the FAP program were \$80,215 as of June 30, 2020.

Note Issuances – On April 1, 2019, the Authority issued Clean Water State Revolving Fund Loan Promissory Note Series 2019A for \$10,626, maturing 2041 with an interest rate of 2.32%. Draws, received on a reimbursement basis, will provide funds for making necessary improvements to the wastewater system. As of June 30, 2019, there was no outstanding balance on Promissory Note 2019A.

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10. NONCURRENT LIABILITIES, continued

Promissory note payable activity for the year ended June 30, 2020 is as follows:

<u>Promissory Notes and Maturity Dates</u>	<u>Loan Type</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>
Sewer:								
Series 2001B - 2020	SRF	\$ 4,996	0.50%	\$ 263	\$ -	\$ (263)	\$ -	\$ -
Series 2002D - 2021	SRF	6,813	0.50%	874	-	(349)	525	349
Series 2004B - 2023	SRF	1,560	0.50%	360	-	(80)	280	80
Series 2005B - 2027	SRF	7,900	3.10%	3,788	-	(395)	3,393	408
Series 2005C - 2025	SRF	1,203	0.50%	391	-	(60)	331	60
Series 2006A - 2027	SRF	3,130	3.10%	1,463	-	(153)	1,310	158
Series 2006C - 2029	SRF	17,825	3.10%	10,110	-	(826)	9,284	853
Series 2007A - 2026	SRF	5,131	0.50%	1,974	-	(263)	1,711	263
Series 2009A - 2032	SRF	11,320	3.22%	6,559	-	(566)	5,993	566
Series 2009B - 2032	SRF	7,350	2.91%	3,749	-	(3,749)	-	-
Series 2010A - 2032	SRF	27,757	2.89%	18,082	478	(1,388)	17,172	1,388
Series 2010B - 2030	FAP	29,380	3.145-5.145%	20,195	-	(1,330)	18,865	1,370
Series 2011A - 2033	SRF	23,480	3.11%	16,104	-	(1,174)	14,930	1,174
Series 2011B - 2031	FAP	14,275	2.645-5.145%	10,485	-	(615)	9,870	640
Series 2011C - 2034	SRF	16,700	2.55%	12,364	161	(835)	11,690	703
Series 2012A - 2034	SRF	4,347	2.43%	2,959	-	(217)	2,742	217
Series 2012B - 2032	FAP	11,355	2.895-3.395%	8,415	-	(495)	7,920	505
Series 2013A - 2035	SRF	9,850	2.24%	5,469	467	(518)	5,418	518
Series 2013B - 2033	FAP	27,605	3.145-5.145%	22,260	-	(1,065)	21,195	1,100
Series 2014A - 2035	SRF	2,910	2.58%	2,250	125	(146)	2,229	146
Series 2014B - 2033	FAP	10,180	2.145-4.06%	8,250	-	(445)	7,805	455
Series 2014C - 2034	FAP	17,735	2.6624-5.145%	15,250	-	(690)	14,560	715
Series 2015A - 2038	SRF	28,330	2.46%	1,438	15,393	(1,417)	15,414	1,417
Series 2017A - 2040	SRF	21,725	2.26%	-	14,689	-	14,689	1,086
Series 2018A - 2041	SRF	14,350	2.53%	3	-	-	3	-
				<u>\$ 173,055</u>	<u>\$ 31,313</u>	<u>\$ (17,039)</u>	<u>\$ 187,329</u>	<u>\$ 14,171</u>

TULSA METROPOLITAN UTILITY AUTHORITY
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10. NONCURRENT LIABILITIES, continued

Promissory note payable activity for the year ended June 30, 2019 is as follows:

<u>Promissory Notes and Maturity Dates</u>	<u>Loan Type</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>
Sewer:								
Series 2001B - 2020	SRF	\$ 4,996	0.50%	\$ 526	\$ -	\$ (263)	\$ 263	\$ 263
Series 2002D - 2021	SRF	6,813	0.50%	1,223	-	(349)	874	349
Series 2004B - 2023	SRF	1,560	0.50%	440	-	(80)	360	80
Series 2005B - 2027	SRF	7,900	3.10%	4,171	-	(383)	3,788	395
Series 2005C - 2025	SRF	1,203	0.50%	451	-	(60)	391	60
Series 2006A - 2027	SRF	3,130	3.10%	1,611	-	(148)	1,463	153
Series 2006C - 2029	SRF	17,825	3.10%	10,911	-	(801)	10,110	826
Series 2007A - 2026	SRF	5,131	0.50%	2,237	-	(263)	1,974	263
Series 2009A - 2032	SRF	11,320	3.22%	6,967	158	(566)	6,559	566
Series 2009B - 2032	SRF	7,350	2.91%	3,983	-	(234)	3,749	240
Series 2010A - 2032	SRF	27,757	2.89%	19,470	-	(1,388)	18,082	1,388
Series 2010B - 2030	FAP	29,380	3.145-5.145%	21,460	-	(1,265)	20,195	1,330
Series 2011A - 2033	SRF	23,480	3.11%	17,278	-	(1,174)	16,104	1,174
Series 2011B - 2031	FAP	14,275	2.645-5.145%	11,080	-	(595)	10,485	615
Series 2011C - 2034	SRF	16,700	2.55%	13,199	-	(835)	12,364	835
Series 2012A - 2034	SRF	4,347	2.43%	3,176	-	(217)	2,959	217
Series 2012B - 2032	FAP	11,355	3.145-3.395%	8,895	-	(480)	8,415	495
Series 2013A - 2035	SRF	9,850	2.24%	5,987	-	(518)	5,469	518
Series 2013B - 2033	FAP	27,605	2.645-5.145%	23,295	-	(1,035)	22,260	1,065
Series 2014A - 2035	SRF	2,910	2.58%	2,396	-	(146)	2,250	146
Series 2014B - 2033	FAP	10,180	2.145-4.06%	8,690	-	(440)	8,250	445
Series 2014C - 2034	FAP	17,735	2.6624-5.145%	15,920	-	(670)	15,250	690
Series 2015A - 2038	SRF	28,330	2.460%	2,855	-	(1,417)	1,438	1,417
Series 2018A - 2041	SRF	14,350	2.53%	-	3	-	3	-
				<u>\$ 186,221</u>	<u>\$ 161</u>	<u>\$ (13,327)</u>	<u>\$ 173,055</u>	<u>\$ 13,530</u>

TULSA METROPOLITAN UTILITY AUTHORITY
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10. NONCURRENT LIABILITIES, continued

GENERAL LONG-TERM DEBT – General long-term debt of the Authority consists of general obligation bonds approved by the voters and issued by the City for water and wastewater capital assets. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City. The City’s Charter requires not less than 50% of the annual principal and interest requirements on general obligation bonds issued for waterworks and wastewater be funded by water and wastewater revenues, respectively. General obligation bond activity during 2020 and 2019 was as follows:

2020:

Bonds and Maturity Dates	Issue Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2009B- 2021	\$ 6,340	5.00%	\$ 1,084	\$ -	\$ (530)	\$ 554	\$ 554
Series 2013A- 2025	8,534	2.50%	3,833	-	(697)	3,136	675
Series 2014A- 2026	430	3.00%	255	-	(40)	215	39
Series 2015A- 2027	4,222	2.00-2.50%	2,658	-	(362)	2,296	353
Series 2017A- 2021	2,155	5.00%	2,155	-	(710)	1,445	717
			<u>\$ 9,985</u>	<u>\$ -</u>	<u>\$ (2,339)</u>	<u>\$ 7,646</u>	<u>\$ 2,338</u>

2019:

Bonds and Maturity Dates	Issue Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2009A- 2019	\$ 5,532	4.00%	\$ 587	\$ -	\$ (587)	\$ -	\$ -
Series 2009B- 2021	6,340	5.00%	1,625	-	(541)	1,084	530
Series 2013A- 2025	8,534	2.50%	4,553	-	(720)	3,833	697
Series 2014A- 2026	430	3.00%	297	-	(42)	255	40
Series 2015A- 2027	4,222	2.00-2.50%	3,031	-	(373)	2,658	362
Series 2016A- 2019	5,587	5.00%	1,368	-	(1,368)	-	-
Series 2017A- 2021	2,155	5.00%	2,155	-	-	2,155	710
			<u>\$13,616</u>	<u>\$ -</u>	<u>\$ (3,631)</u>	<u>\$ 9,985</u>	<u>\$ 2,339</u>

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10. NONCURRENT LIABILITIES, continued

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS – Scheduled maturities of principal and interest in subsequent years are as follows:

	<u>Revenue Bonds</u>		<u>Promissory Notes</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 15,690	\$ 5,362	\$ 14,171	\$ 6,336	\$ 2,338	\$ 215
2022	15,960	4,815	14,207	5,909	1,762	126
2023	16,355	4,257	14,305	5,444	1,007	84
2024	16,775	3,685	14,555	4,968	980	60
2025	17,275	3,091	14,811	4,482	911	37
2026-2030	50,900	7,984	75,517	14,612	648	24
2031-2035	18,165	2,924	39,715	2,899	-	-
2036-2039	7,980	581	48	1	-	-
	<u>\$ 159,100</u>	<u>\$ 32,699</u>	<u>\$ 187,329</u>	<u>\$ 44,651</u>	<u>\$ 7,646</u>	<u>\$ 546</u>

As disclosed in this note, 23 percent of Water Fund net revenue was required for debt service on water revenue bonds for the year ended June 30, 2020, and 44 percent of Sewer Fund net revenue was required for debt service on sewer revenue bonds and promissory notes for the year ended June 30, 2020.

11. NONCANCELABLE CAPITAL LEASE

On December 2, 1984, the Authority entered a contract with the Department of the Army of the United States of America to utilize storage of the Oologah Lake as a source of a municipal and industrial water supply. Interest rates for the contract were determined by the Secretary of the Treasury. For the initial development stage, the interest rate is 2.5 percent, and for the ultimate development stage, it is 3.225 percent. There is an outlet works and four storage spaces referenced in the contract. Payment terms are annual. The outlet work and storage space one matured in 2012 and had an interest rate of 2.5 percent. The maturity date and interest rate for the remaining three storage spaces are 2031 and 3.225 percent, respectively. The contract includes annual operation and maintenance expenses. Upon expiration of the lease, with continued payment of annual operating costs, and costs allocated for reconstruction, rehabilitation or replacement of the outlet works, the Authority has a permanent right to use of the water supply storage space. The lease payments are subject to a consumer price index adjustment.

The minimum lease payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Operating Expense</u>	<u>Total</u>
2021	\$ 227	\$ 95	\$ 282	\$ 604
2022	235	88	282	605
2023	242	80	282	604
2024	250	72	282	604
2025	258	64	282	604
2026-2030	1,423	191	1,412	3,026
2031	312	10	282	604
	<u>\$ 2,947</u>	<u>\$ 600</u>	<u>\$ 3,104</u>	<u>\$ 6,651</u>

TULSA METROPOLITAN UTILITY AUTHORITY
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12. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, the Authority conducted the following transactions with related entities:

	<u>2020</u>	<u>2019</u>
Indirect cost paid to the City of Tulsa	\$ 6,002	\$ 5,792
Payment in lieu of taxes to the City of Tulsa	\$ 15,353	\$ 14,101
Capital contributions from the City of Tulsa	\$ 93	\$ 571
Charges for utility services paid by the City of Tulsa	\$ 1,408	\$ 1,525
Charges for maintenance of equipment paid to the City of Tulsa	\$ 3,842	\$ 4,044

The Authority recorded accounts payable in the amount of \$2,400 and \$824 related to capital contributions due to RMUA at June 30, 2020 and 2019.

13. COMMITMENTS

As of June 30, 2020, the Authority had open commitments for construction projects of approximately \$68,346.

14. SUBSEQUENT EVENTS

Revenue Bonds - On July 6, 2020 the Authority issued Utility Revenue Bonds, Refunding Series 2020A in the amount of \$26,695. The bonds mature in 2031 and require annual principal payments and semiannual interest payments at a rate of 1.0-2.0%. Proceeds together with prior debt service reserve funds will be used to refund the OWRB Promissory Note 2010B note in the amount of \$18,865 and OWRB Promissory Note 2011B in the amount of \$9,870.

On October 5, 2020 the Authority issued the Utility Revenue Bonds Series 2020B in the amount of \$24,770. The bonds mature in 2040 and require annual principal payments and semiannual interest payments at a rate of 1.0-2.0%. Proceeds will be used to fund improvements to the waste water utility system.

15. 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.

TULSA METROPOLITAN UTILITY AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS (In thousands of dollars)
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16. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 87 – Leases – issued June 2017, will be effective for the Authority beginning with its fiscal year ending June 30, 2022.

This Statement 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 Authority's management has not yet determined the effect this statement will have on the Authority's financial statement.

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
REQUIRED SUPPLEMENTARY INFORMATION (In thousands of dollars)
June 30, 2020 and 2019

Municipal Employees' Retirement Plan
Schedule of the Authority's Proportionate Share – For the current and prior years

<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>
2020	27.91%	\$ 70,894	\$ 36,568	193.87%	65.22%
2019	27.80%	65,292	34,531	189.08%	66.91%
2018	27.94%	54,849	33,368	164.38%	70.61%
2017	28.53%	56,361	33,235	169.58%	69.39%
2016	28.03%	60,625	32,905	184.24%	65.62%
2015	28.17%	35,290	29,197	120.87%	77.13%
2014	27.53%	30,761	30,525	100.77%	79.29%

The amounts presented were determined as of year end.

* 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%.

Municipal Employees' Retirement Plan
Schedule of the Authority's Payments

<u>Year</u>	<u>Required Contribution</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll funded by Authority payments</u>	<u>Contributions as a percentage of Covered Payroll</u>
2020	\$ 5,668	\$ 5,668	\$ -	\$ 36,568	15.50%
2019	5,352	5,352	-	34,531	15.50%
2018	5,172	5,172	-	33,368	15.50%
2017	3,822	3,822	-	33,235	11.50%
2016	3,741	3,741	-	32,530	11.50%
2015	3,572	3,572	-	31,064	11.50%
2014	3,056	3,056	-	30,564	10.00%
2013	3,073	3,073	-	30,732	10.00%
2012	2,851	2,851	-	30,658	9.30%
2011	1,856	1,856	-	29,454	6.30%

TULSA METROPOLITAN UTILITY AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
REQUIRED SUPPLEMENTARY INFORMATION (In thousands of dollars)
June 30, 2020 and 2019

Postemployment Benefits Other than Pensions Plan
Schedule of Proportionate Share - For the current and prior years

<u>Year</u>	<u>Authority's proportion of total OPEB liability</u>	<u>Authority's proportionate share of total OPEB liability</u>	<u>Authority's covered payroll</u>	<u>Authority's proportionate share of total OPEB liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of total OPEB liability</u>
2020	36.19%	\$ 2,997	\$ 40,027	7.5%	0.00%
2019	34.73%	2,130	37,152	5.7%	0.00%
2018	35.25%	2,225	36,610	6.1%	0.00%
2017	35.67%	2,010	37,133	5.4%	0.00%
2016	35.68%	2,147	36,061	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:

2020	2.66%
2019	3.51%
2018	3.87%
2017	3.56%
2016	4.00%

Postemployment Benefits Other than Pensions Plan
Schedule of the Authority's Contributions

<u>Year</u>	<u>Required Contribution</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll funded by Authority payments</u>	<u>Contributions as a percentage of Covered Payroll</u>
2020	\$ 121	\$ 121	\$ -	\$ 40,027	0.30%
2019	161	161	-	37,152	0.43%
2018	71	71	-	36,610	0.19%
2017	440	440	-	37,133	1.18%
2016	284	284	-	36,061	0.79%

* Information prior to 2016 is not available.

