

River Parks Authority

Financial Statements and
Independent Auditor's Report

June 30, 2018 and 2017

Contents

	PAGE
Independent Auditor’s Report.....	3 - 4
Management’s Discussion and Analysis.....	6 - 11
Financial Statements	
Statements of Net Position.....	12
Statements of Revenues, Expenses and Changes in Net Position.....	13
Statements of Cash Flows.....	14
Statement of Net Position – Proprietary Funds.....	15 - 16
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	17 - 18
Statement of Cash Flows – Proprietary Funds.....	19 - 20
Notes to Financial Statements.....	21 - 38
Required Supplemental Information	
Schedule of Proportionate Share of the Net Pension Liability - last 10 fiscal years.....	40
Schedule of Proportionate Share of the Net OPEB Liability - last 10 fiscal years*.....	41
Schedule of Contributions - last 10 fiscal years.....	42
Schedule of Contributions - OPEB - last 10 fiscal years*.....	43
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44 - 45



Independent Auditor's Report

Board of Trustees of
River Parks Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of River Parks Authority (the Authority) as of and for the years ended June 30, 2018 and 2017, and the related notes to the 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

The Authority's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Opinion

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 River Parks Authority as of June 30, 2018 and 2017, 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

As discussed in Note G to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 75 *Accounting and Reporting for Post Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 11 and other required supplemental pension information on pages 40 to 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Stanfield + O'Dell, P.C.

Tulsa, Oklahoma
April 8, 2019

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

As management of the River Parks Authority (the Authority), we offer readers of the Authority's financial statements this overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2018 and 2017.

The Authority is a proprietary fund classified as an enterprise fund to account for business-type activities. This is also true of the Authority's two blended component units, the River Parks Foundation and Tulsa's Gathering Place, LLC. A proprietary fund accounts for operations that are financed and operated in a manner similar to private business enterprises. Revenue sources for the Authority's Operating and M.K. & T. Trail Funds include intergovernmental contributions, easement fees, and investment earnings, as well as private grants and contributions. Revenue sources for the River Parks Foundation include private grants, contributions, investment earnings, park usage fees, and sales receipts from park concessions and events.

Tulsa's Gathering Place, LLC is financed by private gifts and investments. As reported herein, the financial resources of Tulsa's Gathering Place, LLC, without exception, are restricted for the sole use of Tulsa's Gathering Place, a privately-funded park for public usage now under construction. The current and future assets of Tulsa's Gathering Place, LLC are not now, nor will they ever be, available to the River Parks Authority or the River Parks Foundation for their respective operations.

Overview of the Financial Statements

The financial statements are designed to provide readers with a broader overview of the Authority's finances, in a manner similar to a private-sector business.

- The assets of the River Parks Authority and the River Parks Foundation exceeded liabilities at the close of business June 30, 2018 by \$36,208,693 (net position). Of this amount, \$1,601,737 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- The assets of Tulsa's Gathering Place, LLC exceeded liabilities at the close of business June 30, 2018 by \$263,589,844 (net position). Of this amount, \$2,876,803 may be used to meet the construction obligations of this project.

The *Statements of Net Position* presents information on all assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of changes in a government's financial position.

The *Statements of Revenues, Expenses, and Changes in Net Position* serves as the basic statement of activities, which presents information showing how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., unused vacation leave). In this statement, the focus is on expenses rather than expenditures.

The *Statements of Cash Flows* provides information about cash receipts and cash payments for the fiscal years ending June 30, 2018 and 2017. This statement reports cash receipts, cash payments, and changes in cash resulting from operations, 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 cash balance during the period.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

Overview of the Financial Statements - Continued

Notes to the Financial Statements The notes provide additional detailed information that is essential to a full understanding of the data provided in the financial statements.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents Required Supplemental Information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees.

Financial Analysis

Net position may serve over time as a useful indicator of the Authority's financial position. As noted earlier, the Authority's and Foundation's assets exceeded liabilities by \$36,208,693 at the close of the year. Tulsa's Gathering Place, LLC assets exceeded liabilities by \$263,589,844 at the close of the year.

- At the end of the current year, the Authority is able to report positive balances in its Operating and M.K. &T. Trail Funds, as well as in the River Parks Foundation. The same situation held true for the prior year. Funding ratios by the City of Tulsa and Tulsa County fluctuated, but total funding for operations remained stable.
- The vast majority of the Authority's net position reflects its net investment in capital assets (e.g., land, building, machinery, and equipment). The Authority uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending.
- Capital assets for the Authority and the Foundation increased to \$5,202,229 or 14 percent over the prior year amount, primarily due to the Turkey Mountain land donations. Capital assets for Tulsa's Gathering Place, LLC increased \$91,430,775 or 33 percent over the prior year with continuing progress on construction activities.
- Change in net position increased \$5,723,910 or 3,200 percent for the Authority and the Foundation over the net decrease of the prior year, primarily due to the Turkey Mountain land donations. Change in net position for Tulsa's Gathering Place, LLC decreased \$96,229,791 or 75 percent over the prior year with continuing progress on construction activities.
- In August 2014, the Authority's Board of Trustees voted to accept the Member Interest in Tulsa's Gathering Place, LLC. Through this action, the Authority received ownership of Tulsa's Gathering Place, a privately-funded park development for public use that will eventually encompass over 65 acres of land in an area near 31st and Riverside Drive on the east bank of the Arkansas River. The project also has numerous public infrastructure elements and both the private and public improvements are well underway and progressing steadily. The first phase of the project was completed in 2018. As previously noted, Tulsa's Gathering Place funds are for the exclusive use of that project and neither River Park Authority nor River Park Foundation have access to or receive the benefit from those funds. As a wholly-owned subsidiary of River Parks Authority, financial activity for Tulsa's Gathering Place, LLC is reported annually.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

Financial Analysis - Continued

- In April 2016, Tulsa voters approved the Tulsa Vision Program which includes initiatives for public safety, transportation, and economic development. Capital improvements funded by Tulsa Vision that impact River Parks include the renovation of Zink Dam, the replacement of the Pedestrian Bridge, land acquisition and improvements for the Turkey Mountain Urban Wilderness, and design and matching grant funds for the extension of the east bank trail from 101st Street south to Cousins Park. The Line of Credit reference in the Financial Statements reflects a loan to allow the Turkey Mountain land acquisitions to commence in advance of the full collection of the earmarked sales taxes, helping to assure that acquisition opportunities will not be lost. The 2014 Improve Our Tulsa initiative includes funds that will be available incrementally over several years to upgrade park infrastructure and facilities.
- The Authority continues to raise private funds through the pursuit of grants and other contributions which help supplement public funding for the park system's day-to-day operations, as well as fund public events held in River Parks.
- Total payments to Tulsa's Gathering Place from the Tulsa Community Foundation exceeded their pledge by \$19,748,359. The Gathering Place has signed a promissory note for this amount. The note is unsecured and bears an effective interest rate of 0 percent.

Contacting the Authority's Financial Management

Any questions about the Authority's financial statements or requests for additional financial information should be directed to the Executive Director at 2424 E. 21st St., Suite 300, Tulsa, OK 74114 or call (918) 596-2001.

River Parks Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

River Parks Authority
Condensed Statement of Net Position
As of June 30, 2018 and 2017

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Total 6/30/2018	Total 6/30/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017		
	Current assets	\$ 1,000,450	\$ 820,456	\$ 127,518	\$ 126,509	\$ 2,110,967	\$ 1,874,268	\$ 26,047,683		
Capital assets	36,669,199	31,466,970	-	-	-	-	280,461,400	189,030,625	317,130,599	220,497,595
Total assets	37,669,649	32,287,426	127,518	126,509	2,110,967	1,874,268	306,509,083	266,332,582	346,417,217	300,620,785
Operating liabilities	180,862	318,942	5,256	10,086	67,821	80,411	42,919,239	34,251,879	43,173,178	34,661,318
Line of credit-Turkey Mountain acquisition	2,363,191	2,363,191	-	-	-	-	-	-	2,363,191	2,363,191
Accrued interest	119,616	-	-	-	-	-	-	-	119,616	-
Net pension and OPEB liability	938,409	1,028,415	60,587	63,751	-	-	-	-	998,996	1,092,166
Net pension deferrals	(33,957)	(114,817)	(2,344)	(7,117)	-	-	-	-	(36,301)	(121,934)
Total liabilities and deferrals	3,568,121	3,595,731	63,499	66,720	67,821	80,411	42,919,239	34,251,879	46,618,680	37,994,741
Net position										
Investment in capital assets	34,306,008	29,103,779	-	-	-	-	260,713,041	169,282,266	295,019,049	198,386,045
Restricted - expendable	-	-	-	-	300,948	308,307	2,876,803	62,798,437	3,177,751	63,106,744
Unrestricted	(204,480)	(412,084)	64,019	59,789	1,742,198	1,485,550	-	-	1,601,737	1,133,255
Total net position	\$ 34,101,528	\$ 28,691,695	\$ 64,019	\$ 59,789	\$ 2,043,146	\$ 1,793,857	\$ 263,589,844	\$ 232,080,703	\$ 299,798,537	\$ 262,626,044

River Parks Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

River Parks Authority
Condensed Statement of Activities
As of June 30, 2018 and 2017

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Total	Total
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Operating revenues:										
Charges for sales and services	\$ -	\$ -	\$ -	\$ -	\$ 366,156	\$ 324,474	\$ -	\$ -	\$ 366,156	\$ 324,474
Total operating revenues	-	-	-	-	366,156	246,786	-	-	366,156	324,474
Operating expenses:										
Personnel services	847,720	959,662	48,905	47,009	24,299	16,583	343,842	319,449	1,264,766	1,342,703
Material and supplies	85,924	83,238	4,162	6,781	234,544	237,952	9,102	11,271	333,732	339,242
Other services and charges	764,139	611,929	36,219	30,334	401,739	401,390	456,837	595,982	1,658,934	1,639,635
Depreciation	1,967,827	1,919,228	-	-	-	-	14,299	14,299	1,982,126	1,933,527
Total operating expenses	3,665,610	3,574,057	89,286	84,124	660,582	655,925	824,080	941,001	5,239,558	5,255,107
Operating loss	(3,665,610)	(3,574,057)	(89,286)	(84,124)	(294,426)	(409,139)	(824,080)	(941,001)	(4,873,402)	(4,930,633)
Nonoperating revenues (expenses):										
Intergovernmental	1,342,155	2,236,317	57,169	59,981	-	-	4,249,200	-	5,648,524	2,296,298
Investment earnings	(71)	1,680	1,061	45	10,800	6,642	-	1,674,475	11,790	1,682,842
Unrealized loss on investment	-	-	-	-	(158)	(450)	-	-	(158)	(450)
Loss on disposal of assets	1,990	1,993	-	-	-	-	-	-	1,990	1,993
Fundraising	-	-	-	-	(60,222)	(10,662)	-	-	(60,222)	(10,662)
Other revenues	904,369	248,336	32,392	37,093	(1,579)	4,601	1,331,760	800,949	2,266,942	1,090,979
Contributions	6,345,900	118,200	-	-	1,019,995	1,004,527	26,752,261	126,686,009	34,118,156	127,808,736
Interest expense	(59,898)	-	-	-	-	-	-	(481,500)	(59,898)	(481,500)
Total nonoperating revenues (expenses)	8,534,445	2,606,526	90,622	97,119	968,836	1,004,658	32,333,221	128,679,933	41,927,124	132,388,236
Income (loss) before contributions and transfers	4,868,835	(967,531)	1,336	12,995	674,410	673,207	31,509,141	127,738,932	37,053,722	127,457,603
Capital contributions	-	102,000	-	-	-	-	-	-	-	102,000
Inter-fund transfers	425,121	198,785	-	4,248	(425,121)	(203,033)	-	-	-	-
Change in net position	5,293,956	(666,746)	1,336	17,243	249,289	470,174	31,509,141	127,738,932	37,053,722	127,559,603
Equity transfer	-	-	-	-	-	-	-	-	-	-
Total net position - beginning - as restated in Note G	28,807,572	29,358,441	62,683	42,546	1,793,857	1,323,683	232,080,703	104,341,771	262,744,815	135,066,441
Total net position - ending	\$ 34,101,528	\$ 28,691,695	\$ 64,019	\$ 59,789	\$ 2,043,146	\$ 1,793,857	\$ 263,589,844	\$ 232,080,703	\$ 299,798,537	\$ 262,626,044

River Parks Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018 and 2017

River Parks Authority
Condensed Statements of Cash Flow
For the Years Ended June 30, 2018 and 2017

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Total 6/30/2018	Total 6/30/2017
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017		
	Net cash used in operations	\$ (1,613,137)	\$ (1,568,364)	\$ (89,583)	\$ (82,505)	\$ (312,060)	\$ (677,196)	\$ (477,710)		
Net cash provided by (used in) noncapital and related financing source	2,245,463	2,484,653	90,622	97,074	(60,222)	(10,662)	4,249,200	-	6,525,063	2,571,065
Net cash provided by (used in) capital and related financing source	(397,044)	(881,316)	-	-	593,295	806,095	(59,038,034)	73,118,853	(58,841,783)	73,043,632
Net cash provided by investing activities	945	1,680	45	45	10,642	6,192	-	118,440	11,632	126,357
Net increase (decrease) in cash	236,227	36,653	1,084	14,614	231,655	124,429	(55,266,544)	72,630,040	(54,797,578)	72,805,736
Cash and cash equivalents, beginning of year	756,698	720,045	126,136	111,522	1,796,373	1,671,944	77,301,957	4,671,917	79,981,164	7,175,428
Cash and cash equivalent, end of year	\$ 992,925	\$ 756,698	\$ 127,220	\$ 126,136	\$ 2,028,028	\$ 1,796,373	\$ 22,035,413	\$ 77,301,957	\$ 25,183,586	\$ 79,981,164

River Parks Authority

Statements of Net Position

June 30,

	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 25,183,586	\$ 79,981,164
Grants receivable	4,000,000	-
Other assets	103,032	142,026
	<u>29,286,618</u>	<u>80,123,190</u>
Noncurrent assets		
Capital assets (notes A7 and D)	317,130,599	220,497,595
	<u>346,417,217</u>	<u>300,620,785</u>
Deferred Outflow of Resources		
Pension related resources	173,844	299,689
OPEB related resources	8,524	-
	<u>182,368</u>	<u>299,689</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	111,313	106,779
Accounts payable construction, payable from restricted assets	23,170,880	14,503,520
Deferred revenues	58,763	68,811
Current portion of vested compensated absences	58,598	53,775
Note payable - short term	19,748,359	19,748,359
	<u>43,147,913</u>	<u>34,481,244</u>
Noncurrent liabilities		
Vested compensated absences, less current portion	25,265	36,492
Note payable - line of credit	2,363,191	2,363,191
Accrued interest	119,616	-
Net pension liability	965,506	1,092,166
Net OPEB liability	33,490	143,582
	<u>46,654,981</u>	<u>38,116,675</u>
Deferred Inflows of Resources		
Pension related resources	143,315	177,755
OPEB related resources	2,752	-
	<u>146,067</u>	<u>177,755</u>
Net Position		
Investment in capital assets	295,019,049	198,386,045
Restricted - expendable	3,177,751	63,106,744
Unrestricted net position	1,601,737	1,133,255
	<u>\$ 299,798,537</u>	<u>\$ 262,626,044</u>

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

River Parks Authority

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30,

	2018	2017
Operating revenues		
Charges for sales and services	\$ 366,156	\$ 324,474
Operating expenses		
Personnel services	1,264,766	1,342,703
Material and supplies	333,732	339,242
Other services and charges	1,658,934	1,639,635
Depreciation	1,982,126	1,933,527
Total operating expenses	5,239,558	5,255,107
Net operating loss	(4,873,402)	(4,930,633)
Nonoperating revenues (expenses)		
Intergovernmental	5,648,524	2,296,298
Investment earnings	11,790	126,807
Gain on the sale of investments	-	1,556,035
Unrealized loss on investments	(158)	(450)
Loss on disposal of fixed assets	1,990	1,993
Fundraising expenses	(60,222)	(10,662)
Miscellaneous revenues	935,182	290,030
Other revenues - in-kind contributions	7,677,659	800,948
Other revenues - donations	1,019,995	1,122,727
Contributions	26,752,262	126,686,010
Interest expense	(59,898)	(481,500)
Total nonoperating revenues	41,927,124	132,388,236
Gain before contributions	37,053,722	127,457,603
Capital contributions	-	102,000
Change in net position	37,053,722	127,559,603
Total net position - beginning of year, as restated in Note G	262,744,815	135,066,441
Total net position - end of year	\$ 299,798,537	\$ 262,626,044

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

River Parks Authority

Statements of Cash Flows

Years Ended June 30,

	2018	2017
Cash flows from operating activities		
Receipts from customers and users	\$ 356,108	\$ 298,388
Payments to suppliers for goods or services	(1,888,921)	(2,217,634)
Payments to employees for services	(959,677)	(1,016,072)
Net cash used in operating activities	<u>(2,492,490)</u>	<u>(2,935,318)</u>
Cash flows from noncapital financing activities		
Miscellaneous income	936,761	285,429
Receipt of subsidy from intergovernmental entities	5,588,302	2,285,636
Net cash provided by noncapital and related financing activities	<u>6,525,063</u>	<u>2,571,065</u>
Cash flows from capital and related financing activities		
Contributions	23,770,678	(3,539,159)
Purchases of capital assets	(82,614,451)	(92,224,242)
Proceeds from sale of capital assets	1,990	2,300,143
Net cash provided by (used in) capital and related financing activities	<u>(58,841,783)</u>	<u>73,043,632</u>
Cash flows from investing activities		
Investment earnings	11,632	126,357
Net cash provided by (used in) investing activities	<u>11,632</u>	<u>126,357</u>
Net increase (decrease) in cash and cash equivalents	(54,797,578)	72,805,736
Cash and cash equivalent, beginning of year	<u>79,981,164</u>	<u>7,175,428</u>
Cash and cash equivalent, end of year	<u>\$ 25,183,586</u>	<u>\$ 79,981,164</u>
Reconciliation of operating income to net cash provided by (used in) operating activities		
Net operating loss	\$ (4,873,402)	\$ (4,930,633)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation expense	1,982,126	1,933,527
In-kind donation	344,341	319,449
Change in operating assets/liabilities:		
(Increase) decrease in other assets	98,712	(5,503)
Increase (decrease) in accounts payable and accrued liabilities	4,534	(233,254)
Increase (decrease) in deferred revenue	(10,048)	(26,086)
Increase (decrease) in pension and other employee benefit liabilities	(32,348)	9,100
Increase (decrease) in compensated absences payable	(6,405)	(1,918)
Total adjustments	<u>2,380,912</u>	<u>1,995,315</u>
Net cash used in operating activities	<u>\$ (2,492,490)</u>	<u>\$ (2,935,318)</u>

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

River Parks Authority

Statement of Net Position - Proprietary Funds

June 30, 2018

	Authority	Foundation	Tulsa's Gathering Place Fund	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,120,145	\$ 2,028,028	\$ 22,035,413	\$ 25,183,586
Grants receivable	-	-	4,000,000	4,000,000
Other assets	7,823	82,939	12,270	103,032
	1,127,968	2,110,967	26,047,683	29,286,618
Noncurrent assets				
Capital assets (notes A7 and D)	36,669,199	-	280,461,400	317,130,599
	37,797,167	2,110,967	306,509,083	346,417,217
Deferred Outflow of Resources				
Pension related resources	173,844	-	-	173,844
OPEB related resources	8,524	-	-	8,524
	182,368	-	-	182,368
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	102,255	9,058	-	111,313
Accounts payable construction	-	-	23,170,880	23,170,880
Deferred revenues	-	58,763	-	58,763
Current portion of vested compensated absences	58,598	-	-	58,598
Note payable - short term	-	-	19,748,359	19,748,359
	160,853	67,821	42,919,239	43,147,913
Noncurrent liabilities				
Vested compensated absences, less current portion	25,265	-	-	25,265
Line of credit	2,363,191	-	-	2,363,191
Accrued interest	119,616	-	-	119,616
Net Pension liability	965,506	-	-	965,506
Net OPEB liability	33,490	-	-	33,490
	3,667,921	67,821	42,919,239	46,654,981
Deferred Inflows of Resources				
Pension related resources	143,315	-	-	143,315
OPEB related resources	2,752	-	-	2,752
	146,067	-	-	146,067
Net Position				
Investment in capital assets	34,306,008	-	260,713,041	295,019,049
Restricted - expendable	-	300,948	2,876,803	3,177,751
Unrestricted net position	(140,461)	1,742,198	-	1,601,737
	\$ 34,165,547	\$ 2,043,146	\$ 263,589,844	\$ 299,798,537

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

River Parks Authority

Statement of Net Position - Proprietary Funds

June 30, 2017

	Authority	Foundation	Tulsa's Gathering Place Fund	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 882,834	\$ 1,796,373	\$ 77,301,957	\$ 79,981,164
Other assets	64,131	77,895	-	142,026
	946,965	1,874,268	77,301,957	80,123,190
Noncurrent assets				
Capital assets (notes A7 and D)	31,466,970	-	189,030,625	220,497,595
	32,413,935	1,874,268	266,332,582	300,620,785
Deferred Outflow of Resources				
Pension related resources	299,689	-	-	299,689
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	95,179	11,600	-	106,779
Accounts payable construction	-	-	14,503,520	14,503,520
Deferred revenues	-	68,811	-	68,811
Current portion of vested compensated absences	53,775	-	-	53,775
Note payable - short term	-	-	19,748,359	19,748,359
	148,954	80,411	34,251,879	34,481,244
Noncurrent liabilities				
Vested compensated absences, less current portion	36,492	-	-	36,492
Other employee benefit liabilities	143,582	-	-	143,582
Line of Credit	2,363,191	-	-	2,363,191
Net Pension liability	1,092,166	-	-	1,092,166
	3,784,385	80,411	34,251,879	38,116,675
Deferred Inflows of Resources				
Pension related resources	177,755	-	-	177,755
Net Position				
Investment in capital assets	29,103,779	-	169,282,266	198,386,045
Restricted - expendable	-	308,307	62,798,437	63,106,744
Unrestricted net position	(352,295)	1,485,550	-	1,133,255
	\$ 28,751,484	\$ 1,793,857	\$ 232,080,703	\$ 262,626,044

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

River Parks Authority

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

Year Ended June 30, 2018

	Tulsa's Gathering			Total
	Authority	Foundation	Place Fund	
Operating revenues				
Charges for sales and services	\$ -	\$ 366,156	\$ -	\$ 366,156
Total operating revenues	-	366,156	-	366,156
Operating expenses				
Personnel services	896,625	24,299	343,842	1,264,766
Material and supplies	90,086	234,544	9,102	333,732
Other services and charges	800,358	401,739	456,837	1,658,934
Depreciation	1,967,827	-	14,299	1,982,126
Total operating expenses	3,754,896	660,582	824,080	5,239,558
Net operating loss	(3,754,896)	(294,426)	(824,080)	(4,873,402)
Nonoperating revenues (expenses)				
Intergovernmental	1,399,324	-	4,249,200	5,648,524
Investment earnings	990	10,800	-	11,790
Gain (loss) on sale of investments	-	-	-	-
Unrealized gain (loss) loss on investments	-	(158)	-	(158)
Gain (loss) on disposal of fixed assets	1,990	-	-	1,990
Fundraising expenses	-	(60,222)	-	(60,222)
Miscellaneous revenues	936,761	(1,579)	-	935,182
Other revenues - in-kind contributions	6,345,900	-	1,331,759	7,677,659
Other revenues - donations	-	1,019,995	-	1,019,995
Contributions	-	-	26,752,262	26,752,262
Interest expense	(59,898)	-	-	(59,898)
Total nonoperating revenues	8,625,067	968,836	32,333,221	41,927,124
Gain before contributions and interfund transfers	4,870,171	674,410	31,509,141	37,053,722
Interfund transfers	425,121	(425,121)	-	-
Change in net position	5,295,292	249,289	31,509,141	37,053,722
Total net position - beginning of year, as restated in Note G	28,870,255	1,793,857	232,080,703	262,744,815
Total net position - end of year	\$ 34,165,547	\$ 2,043,146	\$ 263,589,844	\$ 299,798,537

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

River Parks Authority

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

Year Ended June 30, 2017

	Authority	Foundation	Tulsa's Gathering Place Fund	Total
Operating revenues				
Charges for sales and services	\$ -	\$ 324,474	\$ -	\$ 324,474
Total operating revenues	-	324,474	-	324,474
Operating expenses				
Personnel services	1,006,671	16,583	319,449	1,342,703
Material and supplies	90,019	237,952	11,271	339,242
Other services and charges	642,263	401,390	595,982	1,639,635
Depreciation	1,919,228	-	14,299	1,933,527
Total operating expenses	3,658,181	655,925	941,001	5,255,107
Net operating loss	(3,658,181)	(331,451)	(941,001)	(4,930,633)
Nonoperating revenues (expenses)				
Intergovernmental	2,296,298	-	-	2,296,298
Investment earnings	1,725	6,642	118,440	126,807
Gain (loss) on sale of investments	-	-	1,556,035	1,556,035
Unrealized gain (loss) on investment	-	(450)	-	(450)
Gain (loss) on disposal of fixed assets	1,993	-	-	1,993
Fundraising expenses	-	(10,662)	-	(10,662)
Miscellaneous revenues	285,429	4,601	-	290,030
Other revenues - in-kind contributions	-	-	800,948	800,948
Other revenues - donations	118,200	1,004,527	-	1,122,727
Contributions	-	-	126,686,010	126,686,010
Interest expense	-	-	(481,500)	(481,500)
Total nonoperating revenues	2,703,645	1,004,658	128,679,933	132,388,236
Gain before contributions	(954,536)	673,207	127,738,932	127,457,603
Capital contributions	102,000	-	-	102,000
Interfund transfers	203,033	(203,033)	-	-
Change in net position	(649,503)	470,174	127,738,932	127,559,603
Total net position - beginning of year	29,400,987	1,323,683	104,341,771	135,066,441
Total net position - end of year	\$ 28,751,484	\$ 1,793,857	\$ 232,080,703	\$ 262,626,044

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

River Parks Authority

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2018

	Authority	Foundation	Tulsa's Gathering Place Fund	Total
Cash flows from operating activities				
Receipt from customers and users	\$ -	\$ 356,108	\$ -	\$ 356,108
Payments to suppliers for goods or services	(767,342)	(643,869)	(477,710)	(1,888,921)
Payments to employees for services	(935,378)	(24,299)	-	(959,677)
Net cash used in operating activities	(1,702,720)	(312,060)	(477,710)	(2,492,490)
Cash flows from noncapital financing activities				
Miscellaneous income	936,761	-	-	936,761
Operating grants and donations	1,399,324	(60,222)	4,249,200	5,588,302
Net cash provided by (used in) noncapital and related financing activities	2,336,085	(60,222)	4,249,200	6,525,063
Cash flows from capital and related financing activities				
Contributions	-	1,018,416	22,752,262	23,770,678
Interfund transfers	425,121	(425,121)	-	-
Purchases of capital assets	(824,155)	-	(81,790,296)	(82,614,451)
Proceeds from sale of capital assets	1,990	-	-	1,990
Net cash provided by capital and related financing activities	(397,044)	593,295	(59,038,034)	(58,841,783)
Cash flows from investing activities				
Investment earnings	990	10,642	-	11,632
Net cash used in investing activities	990	10,642	-	11,632
Net increase in cash and cash equivalents	237,311	231,655	(55,266,544)	(54,797,578)
Cash and cash equivalent, beginning of year	882,834	1,796,373	77,301,957	79,981,164
Cash and cash equivalent, end of year	\$ 1,120,145	\$ 2,028,028	\$ 22,035,413	\$ 25,183,586
Reconciliation of operating income to net cash provided by (used in) operating activities				
Net operating loss	\$ (3,754,896)	\$ (294,426)	\$ (824,080)	\$ (4,873,402)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities:				
Depreciation expense	1,967,827	-	14,299	1,982,126
In-kind donation	-	-	344,341	344,341
Change in operating assets/liabilities:				
Decrease (increase) in other assets	116,026	(5,044)	(12,270)	98,712
(Decrease) increase in accounts payable	7,076	(2,542)	-	4,534
(Decrease) increase in deferred revenue	-	(10,048)	-	(10,048)
(Decrease) increase in pension and OPEB	(32,348)	-	-	(32,348)
(Decrease) increase in compensated absences payable	(6,405)	-	-	(6,405)
Net cash used in operating activities	\$ (1,702,720)	\$ (312,060)	\$ (477,710)	\$ (2,492,490)

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

River Parks Authority

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2017

	Tulsa's Gathering			
	Authority	Foundation	Place Fund	Total
Cash flows from operating activities				
Receipt from customers and users	\$ -	\$ 298,388	\$ -	\$ 298,388
Payments to suppliers for goods or services	(651,380)	(959,001)	(607,253)	(2,217,634)
Payments to employees for services	(999,489)	(16,583)	-	(1,016,072)
Net cash used in operating activities	(1,650,869)	(677,196)	(607,253)	(2,935,318)
Cash flows from noncapital financing activities				
Miscellaneous income	285,429	-	-	285,429
Operating grants and donations	2,296,298	(10,662)	-	2,285,636
Net cash provided by (used in) noncapital and related financing activities	2,581,727	(10,662)	-	2,571,065
Cash flows from capital and related financing activities				
Contributions	118,200	1,009,128	(4,666,487)	(3,539,159)
Interfund transfers	203,033	(203,033)	-	-
Purchases of capital assets	(3,558,692)	-	(88,665,550)	(92,224,242)
Proceeds from line of credit	2,300,143	-	-	2,300,143
Proceeds from the sale of investments	-	-	146,702,531	146,702,531
Proceeds from sale of capital assets	56,000	-	-	56,000
Proceeds from issuance of debts	-	-	19,748,359	19,748,359
Net cash provided by capital and related financing activities	(881,316)	806,095	73,118,853	73,043,632
Cash flows from investing activities				
Investment earnings	1,725	6,192	118,440	126,357
Net cash used in investing activities	1,725	6,192	118,440	126,357
Net increase in cash and cash equivalents	51,267	124,429	72,630,040	72,805,736
Cash and cash equivalent, beginning of year	831,567	1,671,944	4,671,917	7,175,428
Cash and cash equivalent, end of year	\$ 882,834	\$ 1,796,373	\$ 77,301,957	\$ 79,981,164
Reconciliation of operating income to net cash provided by (used in) operating activities				
Net operating loss	\$ (3,658,181)	\$ (331,451)	\$ (941,001)	(4,930,633)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities:				
Depreciation expense	1,919,228	-	14,299	1,933,527
In-kind donation	-	-	319,449	319,449
Change in operating assets/liabilities:				
Decrease (increase) in other assets	72,392	(77,895)	-	(5,503)
(Decrease) increase in accounts payable	8,510	(241,764)	-	(233,254)
(Decrease) increase in deferred revenue	-	(26,086)	-	(26,086)
(Decrease) increase in pension and OPEB	9,100	-	-	9,100
(Decrease) increase in compensated absences payable	(1,918)	-	-	(1,918)
Net cash used in operating activities	\$ (1,650,869)	\$ (677,196)	\$ (607,253)	\$ (2,935,318)

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

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies

The financial statements of the River Parks Authority (the Authority) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The significant accounting policies of the Authority are described below.

1. *Organization*

The Authority is a public trust created April 9, 1974 under the provisions of the Oklahoma Trust Act. The beneficiaries of the Trust are the City of Tulsa (the City) and Tulsa County (the County). The Authority's Board of Trustees is comprised of seven members: three appointed by the City, three appointed by the County, and one appointed by the Tulsa Metropolitan Area Planning Commission.

The mission of the Authority is to maintain, preserve, and develop the Arkansas River and/or land areas adjacent to the river within Tulsa County for the economic and cultural benefit of the community and to promote public use of all parklands and facilities under the Authority's jurisdiction. The vision of the Authority is to be the region's premier park, recreation, and entertainment destination.

2. *Fund Accounting*

The Authority is accounted for as a proprietary fund. To ensure the observance of limitations and restrictions placed on the use of resources available to the Authority, its accounts are maintained in accordance with the principles of fund accounting. This is a procedure by which resources for various purposes are classified for accounting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund. The assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position are reported in self-balancing funds. These funds consist of:

River Parks Authority Fund (Operating Fund)

This fund is the principal fund of the Authority which accounts for all financial transactions not accounted for in other funds. The purpose of the fund is to provide the primary funding for maintaining the park property and facilities of the River Parks system. Intergovernmental contributions, investment earnings, and private grants provide resources for this fund. The fund includes the Restricted Cash Contingency Fund, which contains a portion of the accumulated operating surplus funds and interest earnings since the Authority's inception in 1974. Funds are accessible only by action of the Board of Trustees for the primary purpose of self-insuring against major repairs to the Pedestrian Bridge or Zink Dam, which are not insured for physical damage.

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies - Continued

2. Fund Accounting - Continued

Included in the River Parks Authority fund is the M.K.&T. Tulsa – Sand Springs Trail Fund. This fund represents funds restricted for support of the M.K.&T. Tulsa - Sand Springs Trail. The purpose of the fund is to maintain a 5.5-mile asphalt recreation trail on the former M.K.&T. railroad right-of-way, now owned by the State of Oklahoma. Intergovernmental contributions and easements provide funding for this fund. The section maintained by the Authority is from the intersection of Cameron Street and Elwood Avenue in downtown Tulsa to Adams Road in Sand Springs.

Rivers Parks Foundation

The River Parks Foundation (the Foundation), a blended component unit, is a non-profit organization that supports the Authority’s mission and vision by encouraging monetary and/or non-monetary gifts that benefit the Authority, and acts as an agent to receive and administer such gifts and, if need be, acts as the vehicle for translating gifts into structures, programs, or other enhancements desired by donors. Although the Foundation is a separate legal entity, the Authority maintains fiscal responsibility for it. For financial reporting purposes, it is a blended component unit and is included as an enterprise fund of the Authority.

Tulsa’s Gathering Place Fund

In August 2014, the Authority’s Board of Trustees voted to accept the Member Interest in Tulsa’s Gathering Place, LLC. Through this action, the Authority received ownership of Tulsa’s Gathering Place, a privately-funded park development that will eventually encompass over 65 acres of land in an area near 31 Street and Riverside Drive on the east bank of the Arkansas River. Tulsa’s Gathering Place, LLC is reported as a blended component unit. The project also has numerous public infrastructure elements, and both the private and public improvements are well underway and progressing steadily. The first phase of the project was completed in 2018. As a wholly-owned subsidiary of River Parks Authority, financial activity for Tulsa’s Gathering Place, LLC is reported annually beginning with the June 30, 2015 fiscal year-end. For financial reporting purposes, it is a blended component unit and is reported as the Tulsa’s Gathering Place fund of the Authority. All cash reported in these financial statements under the Tulsa’s Gathering Place Fund legally belongs to the River Parks Authority. In addition to the Tulsa’s Gathering Place, LLC, the Tulsa’s Gathering Place Fund also includes activity of the Authority that is for the Tulsa’s Gathering Place. This included all contributions and capital asset purchases associated with the Tulsa’s Gathering Place.

3. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Authority’s financial statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies – Continued

4. 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 effect the reported amounts and disclosures in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

5. Cash and Cash Equivalents

Cash and cash equivalents consist primarily of funds held by a financial institution and funds pooled with the City's cash at the end of each day and invested by the City Treasurer. Interest income on the pooled cash is allocated monthly based on the percentage of the Authority's average daily equity in the pooled cash compared to the total of the City's average daily pooled equity.

For purposes of the statement of cash flows, the Authority considers cash and cash equivalents to be currency on hand, demand deposits with banks, and amounts included in pooled cash and investment accounts, as these pooled cash and investment accounts are readily available to the Authority.

6. Investments

Investments in marketable equity securities are recorded at fair value based upon quotations of market values from published sources.

Interest and dividends earned on investments and realized and unrealized investment appreciation (depreciation) are reported as an increase (decrease) in unrestricted net assets, except to the extent their use is temporarily or permanently restricted by explicit donor-imposed restrictions or by applicable law.

7. Capital Assets

Capital assets consist of those assets owned and maintained by the Authority and Tulsa's Gathering Place, LLC. Land and capital assets adjacent to the river and owned and maintained by other governmental entities are not included in the Authority's financial statements.

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market 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 are expensed as incurred.

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies – Continued

7. Capital Assets - Continued

Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives.

	Useful Lives	Capitalization Threshold
Lease/land improvements	7 - 25 years	\$ 2,000
Buildings	20 - 50 years	\$ 2,000
Equipment	2 - 15 years	\$ 2,000

8. Net Position

The net position of the Authority is classified into the following components:

- *Investment in capital assets* – Consists of capital assets, net of accumulated depreciation and related debt.
- *Restricted net position* – Consists of net position with constraints placed on the use either by external groups, such as contributors, or by laws and regulations. Restricted net position classified as expendable represents amounts for which the donor has specified the purpose for which the contributed components of net position are to be used.
- *Unrestricted net position* – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for purposes for which both components of restricted and unrestricted net position are available, the Authority first applies restricted resources.

9. Vested Compensated Absences

The Authority’s employees earn paid vacation each month based upon their years of service with the Authority. Vacation time accrues and vests proportionately throughout the year. Employees may also convert accrued sick leave in excess of 960 hours (120 days) to vacation compensation, provided the total accrued sick leave compensation doesn’t exceed 1200 hours (150 days).

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies - Continued

9. Vested Compensated Absences - Continued

In addition to accrued vacation leave, employees who are eligible to retire under the provisions of the Municipal Employees Retirement Program (MERP) are eligible under certain conditions to receive pay for a portion of unused sick leave.

10. Interfund Transfers

Interfund transfers consist primarily of transfers of monetary and non-monetary contributions from the Foundation to the Authority. From time to time, the Foundation will also reimburse the Authority for its share of employee and other expenses paid by the Authority on its behalf.

11. Retirement Plan and Pensions

The information presented in Note G regarding the Authority's participation in the Municipal Employees' Retirement Plan is presented in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

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.

12. Income Taxes

The Authority is exempt from Federal income taxes under Section 501(c)(3) and is nontaxable under Section 115(1) of the Internal Revenue Code, as amended. Accordingly, no provision for income taxes is included in the financial statements of the Authority. The Authority and Foundation information returns, (form 990), are subject to examination by the IRS for three years from the date filed. Tulsa's Gathering Place, LLC activity is included with the Authority for tax reporting purposes.

13. Grants - Economic Dependency

The Authority receives grants from the City, County, and the City of Sand Springs to finance operations. These grants are recognized as income in the period the funds are made available by the cities and County. The grants received from the cities and County are recognized as non-operating revenues.

The Tulsa's Gathering Place fund also receives contributions for the construction of Tulsa's Gathering Place. The funds are recognized as non-operating revenue.

Notes to Financial Statements

June 30, 2018 and 2017

Note A – Organization, Operations and Summary of Significant Accounting Policies - Continued

14. *Subsequent Events*

The Authority has evaluated subsequent events through April 8, 2019, the date the financial statements were available to be issued.

Note B – Cash and Cash Equivalents

The cash and cash equivalents of the primary government, River Parks Authority, is held in funds pooled with the City of Tulsa. Information regarding the City’s pooled cash is available in the City’s audited financial statements.

The cash and cash equivalents and restricted cash of the blended component units are held in a financial institution. The amounts are subject to credit risks related to bank deposits. Some amounts on deposit in the blended component units exceed Federal Deposit Insurance Corporation limits. No losses have been or are expected to be incurred.

Note C – Investments and Investing Activity

The Authority currently maintains its investments at Bank of Oklahoma, N.A., pursuant to investment management policies and custodial agreements as follows:

- The Authority’s Operating and M.K.&T. Trail funds are invested with the City of Tulsa’s pooled cash. Those investments are governed by the City’s investment and banking policies.
- It is the policy of the River Parks Foundation to restrict its investments to financial products that are fully covered by the Federal Deposit Insurance Corporation.

There were no investments in marketable securities as of June 30, 2018 and 2017.

Investment earnings consisted of the following:

	<u>2018</u>	<u>2017</u>
Dividends	\$ -	\$ 118,440
Interest	11,790	8,367
Investment earnings	<u>\$ 11,790</u>	<u>\$ 126,807</u>
Gain on sale of investments	<u>\$ -</u>	<u>\$ 1,556,035</u>
Unrealized loss on investments	<u>\$ -</u>	<u>\$ -</u>

Notes to Financial Statements

June 30, 2018 and 2017

Note D – Capital Assets

A summary of changes in capital assets during the years ended June 30, 2018 and 2017 are as follows:

	July 1, 2017	Acquisitions	Sales or Dispositions	Transfers	June 30, 2018
Capital assets not being depreciated:					
Land	\$ 27,810,105	\$ 6,345,900	\$ -	\$ -	\$ 34,156,005
Construction in progress	167,050,961	89,134,744	(32,968)	-	256,152,737
Sculptures and artwork	1,753,479	115,000	-	4,089	1,872,568
Capital assets being depreciated:					
Lease/land improvements	35,659,003	782,192	(424,096)	-	36,017,099
Buildings	2,296,012	-	-	-	2,296,012
Equipment	1,038,685	2,266,177	(51,041)	-	3,253,821
	235,608,245	98,644,013	(508,105)	4,089	333,748,242
Accumulated depreciation	(15,110,650)	(1,982,126)	475,133	-	(16,617,643)
Total	\$ 220,497,595	\$ 96,661,887	\$ (32,972)	\$ 4,089	\$ 317,130,599

	July 1, 2016	Acquisitions	Sales or Dispositions	Transfers	June 30, 2017
Capital assets not being depreciated:					
Land	\$ 25,487,222	\$ 2,322,883	\$ -	\$ -	\$ 27,810,105
Construction in progress	72,457,764	94,645,797	(52,600)	-	167,050,961
Sculptures and artwork	1,651,479	102,000	-	-	1,753,479
Capital assets being depreciated:					
Lease/land improvements	34,862,441	1,176,232	(379,670)	-	35,659,003
Buildings	2,287,273	8,739	-	-	2,296,012
Equipment	1,018,778	51,509	(31,602)	-	1,038,685
	137,764,957	98,307,160	(463,872)	-	235,608,245
Accumulated depreciation	(13,586,317)	(1,933,527)	409,194	-	(15,110,650)
Total	\$ 124,178,640	\$ 96,373,633	\$ (54,678)	\$ -	\$ 220,497,595

Notes to Financial Statements

June 30, 2018 and 2017

Note D – Capital Assets – Continued

Tulsa’s Gathering Place’s total acquisitions as consist of the following:

	2018	2017
Capital assets not being depreciated:		
Land	\$ 21,719,931	\$ 21,719,931
Construction in progress	256,152,736	167,050,964
Equipment	119,089	-
Capital assets being depreciated:		
Buildings	202,138	202,138
Equipment	2,310,555	86,342
	<u>280,504,449</u>	<u>189,059,375</u>
Accumulated depreciation	(43,049)	(28,750)
Total	<u>\$ 280,461,400</u>	<u>\$ 189,030,625</u>

Note E – Debt

In February 2016, the Authority entered into an unsecured non-revolving line of credit agreement with George Kaiser Family Foundation and QuikTrip Corporation for the purpose of purchasing land for River Parks’ Turkey Mountain Urban Wilderness. The line of credit expires February 2026, with a limit of \$2,800,000 per lender, for a total of \$5,600,000. Interest is accrued at a fixed rate of 2.5 percent. The line of credit will be paid back with Vision 2025 funds as they become available. Additional draws totaling \$2,300,143 were taken upon closing of the land purchase. Loan funds received and outstanding at June 30, 2018 and 2017 were \$2,363,191. The agreement was amended during the year to extend the availability period to draw funds through December 2019.

In connection with the construction of the park, the Tulsa Community Foundation has advanced \$19,748,359 to Tulsa’s Gathering Place. This advance is unsecured and bears an effective interest rate of 0 percent. This advance is expected to be repaid from pledges to the Tulsa Community Foundation for the construction Tulsa’s Gathering place. Unfunded pledges amounted to \$0 and \$44,335,324 at June 30, 2018 and 2017, respectively.

Note F – Retirement Plan and Pension

Pension reporting is governed by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and requires recognition of deferred outflows and inflows of certain elements of the net pension liability.

1. Plan Description

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

Notes to Financial Statements

June 30, 2018 and 2017

Note F – Retirement Plan and Pension - Continued

2. 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 are eligible for full retirement at age 65 and at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 80. Reduced benefits are available after age 55 and 5 years of service (early retirement). Benefits for early retirement are reduced 2.5 percent per year prior to age 65. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as normal retirement with additional service credited during the period of disability. Death benefits for vested participants who die before retirement eligibility is reached are, at the spouse's election, a refund of contributions 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.

3. Contributions

Contributions are set per City of Tulsa ordinance. Employees are required to contribute 6.5 percent of their pensionable wages for the year ended June 30, 2018. The Authority is required to contribute 15.5 percent of pensionable wages for the year ended June 30, 2018. Contributions to the pension plan from the Authority were \$90,545 for the year ended June 30, 2018.

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

At June 30, 2018, the Authority reported a liability of \$965,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to June 30, 2018. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2018, the Authority's proportion was 0.4918 percent, which was a decrease of 0.061 percent from its proportion measured as of June 30, 2017.

Notes to Financial Statements

June 30, 2018 and 2017

Note F – Retirement Plan and Pension - Continued

The changes in the Authority's net pension liability, as of the measurement date, consisted of:

	2018	2017
Net pension liability at beginning of year	\$ 1,092,166	\$ 1,046,521
Pension expense	55,787	103,438
Contribution	(91,042)	(74,972)
Deferred inflows (outflows) arising from:		
Difference in expected and actual return on investments	(18,539)	(96,073)
Change in assumptions	(9,812)	14,497
Difference in expected and actual experience	24,904	(22,294)
Change in proportionate share	(87,958)	121,049
Deferred inflows	(91,405)	17,179
Net pension liability at end of year	<u>\$ 965,506</u>	<u>\$ 1,092,166</u>

For the year ended June 30, 2018, the Authority recognized a pension loss of \$49,107. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 10,562	\$ 23,863
Changes of assumptions	97,813	4,144
Net difference between projected and actual earnings on pension plan investments		8,253
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	65,469	107,055
Total	<u>\$ 173,844</u>	<u>\$ 143,315</u>

Notes to Financial Statements

June 30, 2018 and 2017

Note F – Retirement Plan and Pension - Continued

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

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 101,666	\$ (42,961)
2020	62,756	(35,505)
2021	9,094	(54,683)
2022	328	(10,166)
	<u>\$ 173,844</u>	<u>\$ (143,315)</u>

5. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	4.00 to 11.75 percent, including inflation
Investment rate of return	7.50 percent compounded annually, net of investment expense and including inflation

Mortality rates were based on the 2014 Group Annuity Mortality Tables, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2018 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.

Notes to Financial Statements

June 30, 2018 and 2017

Note F – Retirement Plan and Pension - Continued

The target allocation and best estimates of arithmetic 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%	4.25%
Cash	1%	0.11%
Total	100%	

6. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made as specified in the MERP funding policy. Based on those assumptions, the pension plan’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 projected benefit payments to determine the total pension liability.

7. 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 7.50 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 (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net pension liability	\$ 1,349,377	\$ 965,506	\$ 643,869

Notes to Financial Statements

June 30, 2018 and 2017

Note F – Retirement Plan and Pension - Continued

8. Pension Plan Fiduciary Net Position

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

Note G – Other Post-Employment Benefits

The City provides post-employment health care benefits (OPEB) for retired employees and their dependents through the City of Tulsa Post-Retirement Medical Plan (the "Plan"), a single-employer-defined benefit health care plan. The benefits, coverage levels, employee contributions, and employer contributions are governed by the City through its personnel and union contracts. River Parks Authority retirees who elect to participate in post-retirement benefits pay 100 percent of the cost.

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 or when the sum of an employee's age and years of service is 80 or more. 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*. The net effect of the adoption of this standard in 2018 on beginning net position for 2017 was \$(118,771). This change is comprised of a reduction of the OPEB liability of (\$116,673), deferred inflows of \$3,203 and deferred outflows of (\$5,301).

The actuarial valuation of liabilities under the Plan is calculated using the entry age normal cost method as of the July 1, 2016 projected through July 1, 2017. This method requires the calculation of an unfunded actuarially accrued liability, which was approximately \$6,314,241 and \$5,634,157 for the City as of June 30, 2018 and 2017, respectively.

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

At June 30, 2018, the Authority reported a liability of \$33,490 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date. The Authority's proportion of the total OPEB liability was based on the Authority's participation in the plan relative to the total participation of the substantive plan as of June 30, 2018. Based upon this information, the Authority's proportion was 5.304 percent.

Changes of assumptions reflect a change in the discount rate from 3.56 percent in 2017 to 3.87 percent in 2018 resulting in recognition of a deferred inflow of resources.

Notes to Financial Statements

June 30, 2018 and 2017

Note G – Other Post-Employment Benefits - Continued

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$2,906. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 5,357	\$ -
Changes of assumptions	1,086	985
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	2,081	1,767
Total	<u>\$ 8,524</u>	<u>\$ 2,752</u>

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

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 2,124	\$ (683)
2020	2,124	(683)
2021	2,124	(683)
2022	1,357	(683)
2023	795	(20)
	<u>\$ 8,524</u>	<u>\$ (2,752)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2018, was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Inflation – 3.00%
- Salary Increases – 3.00%
- Discount Rate – 3.87% for 2018 and 3.56% for 2017
- Healthcare Cost Trend Rates – 9% for 2018, gradually decreasing to a rate of 5.0% for 2027 and beyond.

Notes to Financial Statements

June 30, 2018 and 2017

Note G – Other Post-Employment Benefits - Continued

- Retirement Age - Experience-based table of rates based on age and service

<u>Age</u>	<u>Rate</u>
55-61	5%
62	30%
63-64	15%
65	100%

- Turnover – Based on the City’s experience study from 2016, turnover ranged from 28.50% for males and 24.00% for females to 10.50% for males and 13.00% for females from 0 to 4 years of services.
- Participation Rate – 35% for active employees and 100% for inactive employees.
- Mortality – RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2017 using MP-2017 improvement.)

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, 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Employers' total OPEB liability	\$ 35,978	\$ 33,490	\$ 31,217

Sensitivity of the District’s proportionate share of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the Authority’s proportionate share of the total OPEB liability, as well as what the Authority’s proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8 percent decreasing to 4 percent) or 1-percentage-point higher (10 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (8.0% decreasing to 4.0%)	Current Trend Rates (9.0% decreasing to 5.0%)	1% Increase (10.0% decreasing to 6.0%)
Employers' total OPEB liability	\$ 30,663	\$ 33,490	\$ 36,750

Notes to Financial Statements

June 30, 2018 and 2017

Note H – Related Parties

The Authority leases certain property from the City and third parties on an annual basis for nominal amounts.

The Authority receives a large portion of its funding from grants given by the City, County, and the City of Sand Springs. The Authority submits a line item budget request, and grants are awarded based on need and the available financial resources of the granting entities. Total grants received by the Authority for the years ended June 30, 2018 and 2017 were \$1,399,324 and \$2,296,298, respectively.

Note I – Commitments and Contingencies

The Authority leases administrative office space in a building located at 2424 East 21 Street, Suite 300. On June 6, 2017, the Authority signed a four-year lease extension through June 30, 2020. The lease provides for monthly payments of \$3,697.

Note J – Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; employee dishonesty; injuries to employees; and natural disasters. The Authority manages these various risks as follows:

Type of Loss	Method Managed	Risk Retained
Tort Claims	Purchased insurance covering: general liability, automobile liability, and liquor liability	No deductibles
Railroad Liability	Purchased general liability specific to location on Turkey Mountain where active rail line crosses recreation trail	\$5,000 deductible
Physical Property Loss and Natural Disasters	Purchased casualty loss covering: playgrounds, buildings, and contents	\$50,000 deductible, per occurrence
	Equipment	\$500 deductible
	Purchased flood insurance covering: buildings and contents	\$5,000 deductible
	Self-insurance for the Pedestrian Bridge and Zink Dam	Estimated pooled cash for self-insurance at 6-30-18 - \$450,000
Injuries to Employees	Purchased automobile comprehensive and collision coverage	\$500/\$1,000 deductible
	Purchased workers compensation insurance	No deductible

Notes to Financial Statements

June 30, 2018 and 2017

Note J – Risk Management - Continued

Employee Dishonesty	Purchased employee dishonesty policy covering staff, Board of Trustees	\$500 deductible
Employee Life, Health, Dental Etc.	Purchased insurance providing life, health, dental, and similar benefits to qualified employees through group policies of the City of Tulsa. The Authority shares the cost of these benefits with its employees.	None

Management believes that coverage is sufficient to preclude any significant uninsured losses to the Authority. The Authority’s inclusion under the Oklahoma Political Subdivisions Tort Claims Liability Act limits its liability to \$1 million per occurrence.

The Authority’s general and automobile liability, its automobile comprehensive and collision coverage, its casualty loss coverage for park buildings and structures, and its equipment coverage are with the Oklahoma Municipal Assurance Group (OMAG), a risk entity pool for political subdivisions of the State of Oklahoma. Coverage on park playgrounds, buildings, structures, and applicable contents is also with OMAG. Flood insurance coverage on park restroom buildings and the Authority’s maintenance facility is provided through the National Flood Insurance Program and other companies. The Authority’s workers compensation insurance is provided by CompSource Mutual Insurance Company. An employee dishonesty policy is written by The Ohio Casualty Insurance Company. A railroad liability is written through Liberty Surplus Insurance Corporation, and a commercial property policy covering the Authority’s leased administrative office space is written by Foremost Insurance.

1. Risk Entity Pool

The Authority participates in the Oklahoma Municipal Assurance Group (OMAG) Liability Protection Plan which offers insurance agreements covering claims against municipalities and other qualified governmental entities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, and personal injury and related torts under the State tort claims law and federal civil rights laws.

All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan. The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then-members of the Group in equal shares. Each participating entity pays all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

Reserves for claim losses include provisions for reported claims on a case-by-case basis and an estimate of claims incurred, but not reported, limited by aggregate and individual loss levels as specified by the Plan’s reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement. The Plan’s insurance agreements are reinsured for excess losses based upon the contract year.

Notes to Financial Statements

June 30, 2018 and 2017

Note J – Risk Management - Continued

2. *Employee Benefit Plans*

The Authority offers health, dental, life, and disability insurance coverage to its eligible employees. For the health insurance, the bulk of the premium is paid by the Authority, and the employee pays a portion of the premium cost by payroll deduction for either single or family coverage. For dental coverage, the Authority pays all the employee's premium, and the employee pays all the dependent coverage premium. The Authority pays a life insurance premium for coverage equal to twice the employee's annual salary. Supplemental life insurance may be obtained by employees at their own expense.

The Authority pays a disability insurance premium for coverage based upon each employee's annual salary, and the employee contributes a small percentage toward the premium as well. The supplemental life insurance and disability premiums are also paid by payroll deduction. The Authority offers its employees health, dental, life, and disability insurance through participation in the group insurance programs of the City of Tulsa. The Authority has no financial exposure for the provision of these benefits beyond the premiums established by contracts awarded to the providers by the City.

3. *Self-Insurance Coverage*

Due to the high premium costs associated with providing all-risk casualty loss coverage for the Pedestrian Bridge and Zink Dam, the Authority elected in the 1980's to reserve unexpended cash, which remained at the close of each fiscal year, for the purpose of self-insuring these structures against damage caused by fire, storms, vandalism, etc. These funds are pooled with the City's Pooled Investment (see Note B). A portion of the funds, \$132,669, are held in a separate account, and the remaining available funds of \$317,331 are held in the Authority's general cash account. The sum of these amounts, adjusted for estimated liabilities, is the basis for the estimate of available self-insurance funds noted in the chart on Page 31.

Note K – Subsequent events

On September 8, 2018, Tulsa's Gathering Place was opened to the public. Response to the park has been overwhelmingly positive, with Gathering Place attendance far exceeding all projections. The park was named the nation's "Best New Attraction" by USA Today, based on votes from across the U.S. The park is operated by GKFF Park Conservancy, LLC through a Property Maintenance, Operating, and Programming Agreement between that entity and Tulsa's Gathering Place, LLC. Planning for a second phase of Gathering Place is underway; there is no definitive timeline for the additional improvements.

The pedestrian bridge located at 29th street and Riverside drive is owned by the City of Tulsa and leased to River Parks Authority since 1975. A structural engineering analysis ordered by the City of Tulsa determined that the Bridge required such extensive rehabilitation that the cost would exceed that of building a new bridge. The Pedestrian Bridge will therefore be removed and replaced with a new Gateway Bridge. The new bridge is in the design phase and will be built with voter-approved funds from the Vision program. The City of Tulsa exercised its option to have the Authority lead construction of the bridge. In turn, the Authority assigned the project to its subsidiary, Tulsa's Gathering Place, LLC and also entered into a Construction, Maintenance, Operation and Funding Commitment with the George Kaiser Family Foundation. To date, the City has advanced \$9.4 million in public funds toward the project. No date has yet been set for demolition of the old bridge and the beginning of construction for the Gateway Bridge.

**REQUIRED
SUPPLEMENTAL INFORMATION**

River Parks Authority

Required Supplemental Information

Schedule of Proportionate Share of the Net Pension Liability - last 10 fiscal years*

As of Plan Year-end of June 30,

	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.4918%	0.5528%	0.4838%	0.4929%
Authority's proportionate share of the net pension liability	\$ 965,506	\$ 1,092,166	\$ 1,046,521	\$ 617,378
Authority's covered-employee payroll	\$ 587,377	\$ 575,411	\$ 568,017	\$ 537,223
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.4%	189.8%	184.2%	114.9%
Plan fiduciary net position as a percentage of the total pension liability	70.6%	69.4%	77.1%	79.3%

* Note - Only the current and three prior fiscal years are presented because 10-year data is not available.

River Parks Authority

Required Supplemental Information

Schedule of Proportionate Share of the Net OPEB Liability - last 10 fiscal years*

As of Plan Year-end of June 30,

	<u>2018</u>
Authority's proportion of the net OPEB liability	0.5304%
Authority's proportionate share of the net OPEB liability	\$ 33,490
Authority's covered-employee payroll	\$ 550,922
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	6.1%

* Note - Only the current fiscal year is presented because 10-year data is not available.

River Parks Authority

Required Supplemental Information

Schedule of Contributions - last 10 fiscal years*

June 30,

	2018	2017	2016	2015
Contractually required contribution	\$ 91,043	\$ 66,172	\$ 65,538	\$ 61,781
Contribution in relation to contractually required contribution	\$ 91,043	\$ 66,172	\$ 65,538	\$ 61,781
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 587,377	\$ 575,411	\$ 568,017	\$ 537,223
Contributions as a percentage of covered-employee payroll	15.5%	11.5%	11.5%	11.5%

* Note - Only the current and three prior fiscal years are presented because 10-year data is not available.

River Parks Authority

Required Supplemental Information

Schedule of Contributions - OPEB - last 10 fiscal years*

June 30,

	<u>2018</u>
Contractually required contribution	\$ 1,072
Contribution in relation to contractually required contribution	\$ 1,072
Contribution deficiency (excess)	\$ -
Authority's covered-employee payroll	\$ 550,922
Contributions as a percentage of covered-employee payroll	0.2%

* Note - Only the current fiscal year is presented because 10-year data is not available.



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

To the Board of Trustees of
River Parks Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the River Parks Authority (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Stanfield + O'Dell, P.C.

Tulsa, Oklahoma
April 8, 2019

