

River Parks Authority

Financial Statements, Internal Control and Compliance Reports
and Independent Auditor's Reports

June 30, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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 on pages 6 to 12 and other required supplemental pension information on pages 43 to 46 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 November 28, 2022 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.

Tulsa, Oklahoma
November 28, 2022

Stanfield + O'Dell, P.C.

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Management's Discussion and Analysis

June 30, 2021 and 2020

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, 2021 and 2020.

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 three blended component units, the River Parks Foundation and Tulsa's Gathering Place, LLC and Gateway Bridge. 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. 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, 2021, by \$34,779,642 (net position). Of this amount, \$3,509,346 (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, 2021, by \$295,104,631 (net position). Of this amount, \$1,492,121 may be used to meet the construction obligations of this project.
- The assets of Gateway Bridge exceeded liabilities at the close of business June 30, 2021, by \$9,536,908 (net position). Of this amount, \$3,043,769 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.

Management's Discussion and Analysis

June 30, 2021 and 2020

Overview of the Financial Statements – Continued

The *Statements of Cash Flows* provides information about cash receipts and cash payments for the fiscal years ending June 30, 2021 and 2020. 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.

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 \$34,779,642 at the close of the year. Tulsa's Gathering Place, LLC assets exceeded liabilities by \$295,104,631 at the close of the year. The Gateway Bridge assets exceeded liabilities by \$9,536,909 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 decreased by \$3,772,218 or 11.0 percent over the prior year amount, primarily due to the disposal of land and depreciation. Capital assets for Tulsa's Gathering Place, LLC decreased \$3,426,336, primarily due to depreciation. Capital assets for Gateway Bridge increased \$5,173,210.
- Change in net position decreased by \$1,494,394 or 135 percent for the Authority and the Foundation over the net increase of the prior year, primarily due to the FEMA disaster grant funds in the prior year. Change in net position for Tulsa's Gathering Place, LLC decreased \$4,812,784 over the prior year, primarily due to depreciation. Change in net position for Tulsa's Gateway Bridge decreased \$77,892 over the prior year, due to contributions of capital in the prior year.

Management's Discussion and Analysis

June 30, 2021 and 2020

Financial Analysis – Continued

- Tulsa's Gathering Place, LLC (TGP) is a wholly-owned subsidiary of River Parks Authority by virtue of the Authority holding the Member Interest in that organization. The development of Gathering Place, which opened in 2018, was and continues to be funded through TGP. Located in the area of 31st and Riverside Drive, the park is privately-funded for public use. TGP funds are restricted for the exclusive use of Gathering Place and neither the Authority nor the River Parks Foundation has access to or receives the benefit of TGP's funds. Neither the Authority nor TGP are parties to the separate George Kaiser Family Foundation legal entity through which Gathering Place is operated, thus these financial statements do not report that park's operational revenues or expenses.
- The Vision Tulsa program approved by voters in 2016 continues to provide certain capital improvements that enhance River Parks, including two current projects, the renovation of Zink Dam and the replacement of the former railroad Pedestrian Bridge with a new pedestrian bridge named Williams Crossing. The Zink Dam renovation is funded solely through the City of Tulsa and reported in its financial statements. The responsibility to construct the Williams Crossing bridge (initially referred to as the Gateway Bridge) was assigned by River Parks Authority to Tulsa's Gathering Place, LLC, due to the major physical integration of the bridge into Gathering Place.
- Vision Tulsa funds were also allocated for land acquisitions and capital improvements at the Turkey Mountain Urban Wilderness. 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. Vision Tulsa is funding design and matching grant funds for a future extension of the east bank trail from 101st Street south to Cousins Park, but a timetable is unknown. The 2014 Improve Our Tulsa initiative continues to provide incremental funding earmarked for upgrading River Parks' infrastructure and facilities.
- The 2019 major flood event on the Arkansas River resulted in significant damage to park structures and infrastructure, as well as eroding vulnerable river bank areas. The federal disaster declaration allowed partial reimbursement of the hundreds of thousands of dollars in costs incurred. All repairs are complete and the final federal reimbursement is expected to be just under \$850,000. The Authority used a portion of its Improve Our Tulsa funds, plus private gifts earmarked for flood repairs, to address the balance of the flood related costs.
- Most public events produced or facilitated by the Authority resumed in 2021, following cancellation of the 2020 events season due to the COVID-19 public health emergency. Resumption of these events in 2021 restored some of a normal year's events-related revenue, a portion of which bolsters operational funding. The State of Oklahoma, through its federal COVID relief funds allocation, has offered a limited program to restore a portion of the type of lost revenue experienced in 2020. The Authority has submitted such a request on behalf of the Foundation, but the likelihood of success and the timing of any response from the State is unknown.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021 and 2020

Financial Analysis – Continued

- 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.

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 2121 S. Columbia Ave., Suite 205, Tulsa, OK 74114 or call (918) 596-2001.

River Parks Authority
Management's Discussion and Analysis
June 30, 2021 and 2020

River Parks Authority
Condensed Statement of Net Position
As of June 30, 2021 and 2020

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Gateway Bridge Fund		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current assets	\$ 3,085,747	\$ 2,842,788	\$ 133,949	\$ 135,082	\$ 2,494,918	\$ 2,254,052	\$ 1,492,122	\$ 1,562,738	\$ 3,043,769	\$ 7,632,037	\$ 10,250,505	\$ 14,426,697
Capital assets	30,408,919	34,181,137	-	-	-	-	293,863,357	297,289,893	7,250,410	2,077,200	331,522,886	333,548,230
Total assets	33,494,666	37,023,925	133,949	135,082	2,494,918	2,254,052	295,355,679	298,852,631	10,294,179	9,709,237	341,773,391	347,974,927
Operating liabilities	250,597	395,525	8,422	5,603	4,346	100,293	251,048	689,321	757,271	202,491	1,271,684	1,393,233
Line of credit-Turkey Mountain acquisition	-	2,363,100	-	-	-	-	-	-	-	-	-	2,363,100
Accrued interest	-	239,577	-	-	-	-	-	-	-	-	-	239,577
Due to/due from	-	-	-	-	-	-	-	-	-	-	-	-
Net pension and OPEB liability	804,227	1,113,418	58,064	78,494	-	-	-	-	-	-	862,291	1,191,912
Net pension deferrals	203,964	(46,947)	14,271	(3,411)	-	-	-	-	-	-	218,235	(50,358)
Total liabilities and deferrals	1,258,788	4,064,673	80,757	80,686	4,346	100,293	251,048	689,321	757,271	202,491	2,352,210	5,137,464
Net position												
Investment in capital assets	30,408,919	31,818,037	-	-	-	-	293,612,509	296,600,572	6,493,139	1,874,709	330,514,567	330,293,318
Restricted - expendable	-	-	-	-	861,377	482,126	1,492,122	1,562,738	3,043,769	7,632,037	5,397,268	9,676,901
Unrestricted	1,826,959	1,141,215	53,192	54,396	1,629,195.00	1,671,633	-	-	-	-	3,509,346	2,867,244
Total net position	\$ 32,235,878	\$ 32,959,252	\$ 53,192	\$ 54,396	\$ 2,490,572	\$ 2,153,759	\$ 295,104,631	\$ 298,163,310	\$ 9,536,908	\$ 9,506,746	\$ 339,421,181	\$ 342,837,463

River Parks Authority

Management's Discussion and Analysis

June 30, 2021 and 2020

River Parks Authority
Condensed Statement of Activities
As of June 30, 2021 and 2020

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Gateway Bridge Fund		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Operating revenues:												
Charges for sales and services	\$ -	\$ -	\$ -	\$ -	\$ 61,433	\$ 113,325	\$ -	\$ -	\$ -	\$ -	\$ 61,433	\$ 113,325
Total operating revenues	-	-	-	-	61,433	113,325	-	-	-	-	61,433	113,325
Operating expenses:												
Personnel services	903,027	1,059,680	53,900	64,422	2,074	8,533	44,593	127,299	-	-	1,003,594	1,259,934
Material and supplies	117,319	64,617	3,111	3,672	35,563	42,183	286	0	-	46,070	156,279	156,542
Other services and charges	535,489	577,319	35,646	32,020	183,607	415,604	126,834	220,864	15,531	-	897,107	1,245,807
Depreciation	1,896,029	1,959,201	-	-	-	-	4,635,866	4,451,934	-	-	6,531,895	6,411,135
Total operating expenses	3,451,864	3,660,817	92,657	100,114	221,244	466,320	4,807,579	4,800,097	15,531	46,070	8,588,875	9,073,418
Operating loss	(3,451,864)	(3,660,817)	(92,657)	(100,114)	(159,811)	(352,995)	(4,807,579)	(4,800,097)	(15,531)	(46,070)	(8,527,442)	(8,960,093)
Nonoperating revenues (expenses):												
Intergovernmental	1,605,485	1,352,500	61,375	59,491	20,000	2,500	-	-	-	-	1,686,860	1,414,491
Federal grants	185,788	711,693	-	-	-	-	-	905,486	-	-	185,788	1,617,179
CARES Act PPP loan forgiveness	151,600	-	-	-	-	-	-	-	-	-	151,600	-
Investment earnings	10,192	55,487	797	2,940	3,085	16,510	-	-	-	-	14,074	74,937
Unrealized loss on investment	-	-	-	-	(497)	190	-	-	-	-	(497)	190
Loss on disposal of assets	(583,179)	-	-	-	-	-	-	-	-	-	(583,179)	-
Fundraising	-	-	-	-	(3,547)	(4,271)	-	-	-	-	(3,547)	(4,271)
Other revenues	84,353	75,198	29,281	62,596	-	-	44,593	127,299	-	-	158,227	265,093
Contributions	-	-	-	-	1,035,552	964,058	1,750,000	5,675,541	-	0	2,785,552	6,639,599
Interest expense	(30,195)	(60,062)	-	-	-	-	-	-	-	-	(30,195)	(60,062)
Total nonoperating revenues (expenses)	1,424,044	2,134,816	91,453	125,027	1,054,593	978,987	1,794,593	6,708,326	-	-	4,364,683	9,947,156
Income (loss) before contributions and transfers	(2,027,820)	(1,526,001)	(1,204)	24,913	894,782	625,992	(3,012,986)	1,908,229	(15,531)	(46,070)	(4,162,759)	987,063
Capital contributions	746,477	1,981,725	-	-	-	-	(45,693)	(154,124)	45,693	154,124	746,477	1,981,725
Inter-fund transfers	557,969	344,824	-	-	(557,969)	(344,824)	-	-	-	-	-	-
Change in net position	(723,374)	800,548	(1,204)	24,913	336,813	281,168	(3,058,679)	1,754,105	30,162	108,054	(3,416,282)	2,968,788
Equity transfer	-	-	-	-	-	-	-	-	-	-	-	-
Total net position - beginning	32,959,252	32,158,704	54,396	29,483	2,153,759	1,872,591	298,163,310	296,409,205	9,506,746	9,398,692	342,837,463	339,868,675
Total net position - ending	\$ 32,235,878	\$ 32,959,252	\$ 53,192	\$ 54,396	\$ 2,490,572	\$ 2,153,759	\$ 295,104,631	\$ 298,163,310	\$ 9,536,908	\$ 9,506,746	\$ 339,421,181	\$ 342,837,463

River Parks Authority

Management's Discussion and Analysis

June 30, 2021 and 2020

River Parks Authority
Condensed Statements of Cash Flow
For the Years Ended June 30, 2021 and 2020

	Operating Fund		MK&T Sand Springs Trail Fund		Foundation		Tulsa's Gathering Place Fund		Gateway Bridge Fund		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Net cash used in operations	\$ (1,596,058)	\$ (1,735,084)	\$ (92,586)	\$ (92,376)	\$ (337,837)	\$ (329,402)	\$ (127,120)	\$ (153,927)	\$ (15,531)	\$ (46,070)	\$ (2,169,132)	\$ (2,356,859)
Net cash provided by (used in) noncapital and related financing source	1,979,648	1,613,961	91,453	125,265	16,453	(1,771)	905,487	-	-	-	2,993,041	1,737,455
Net cash provided by (used in) capital and related financing source	(35,416)	1,104,713	-	-	477,583	619,234	56,504	444,764	(4,572,737)	(1,425,203)	(4,074,066)	743,508
Net cash provided by investing activities	10,989	58,427	-	-	2,588	16,700	-	-	-	-	13,577	75,127
Net increase (decrease) in cash	359,163	1,042,017	(1,133)	32,889	158,787	304,761	834,871	290,837	(4,588,268)	(1,471,273)	(3,236,580)	199,231
Cash and cash equivalents, beginning of year	2,157,551	1,115,534	135,082	102,193	2,246,692	1,941,931	657,251	366,414	7,632,037	9,103,310	12,828,613	12,629,382
Cash and cash equivalent, end of year	\$ 2,516,714	\$ 2,157,551	\$ 133,949	\$ 135,082	\$ 2,405,479	\$ 2,246,692	\$ 1,492,122	\$ 657,251	\$ 3,043,769	\$ 7,632,037	\$ 9,592,033	\$ 12,828,613

River Parks Authority

Statements of Net Position

June 30,

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 9,592,033	\$ 12,828,613
Federal grants receivable	569,033	1,579,339
Other assets	89,439	18,745
	<u>10,250,505</u>	<u>14,426,697</u>
Noncurrent assets		
Capital assets (notes A7 and D)	<u>331,522,886</u>	<u>333,548,230</u>
Total assets	<u>341,773,391</u>	<u>347,974,927</u>
Deferred Outflow of Resources		
Pension related resources	232,760	151,479
OPEB related resources	11,100	12,408
	<u>243,860</u>	<u>163,887</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	107,094	115,447
Accounts payable construction, payable from restricted assets	799,824	891,812
Deferred revenues	208,495	96,000
CARES Act PPP loan	-	151,600
Current portion of vested compensated absences	98,810	79,419
	<u>1,214,223</u>	<u>1,334,278</u>
Noncurrent liabilities		
Vested compensated absences, less current portion	57,461	58,955
Note payable - line of credit	-	2,363,100
Accrued interest	-	239,577
Net pension liability	821,795	1,152,486
Net OPEB liability	40,496	39,426
Total liabilities	<u>2,133,975</u>	<u>5,187,822</u>
Deferred Inflows of Resources		
Pension related resources	456,765	108,978
OPEB related resources	5,330	4,551
	<u>462,095</u>	<u>113,529</u>
Net Position		
Investment in capital assets	330,514,567	330,293,318
Restricted - expendable	5,397,268	9,676,901
Unrestricted net position	3,509,346	2,867,244
Total net position	<u>\$ 339,421,181</u>	<u>\$ 342,837,463</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,

	2021	2020
Operating revenues		
Charges for sales and services	\$ 61,433	\$ 113,325
Operating expenses		
Personnel services	1,003,594	1,259,934
Material and supplies	156,279	110,472
Other services and charges	897,107	1,291,877
Depreciation	6,531,895	6,411,135
Total operating expenses	8,588,875	9,073,418
Net operating loss	(8,527,442)	(8,960,093)
Nonoperating revenues (expenses)		
Intergovernmental	1,686,860	1,414,491
Federal grants	185,788	1,617,179
CARES Act PPP loan forgiveness	151,600	-
Investment earnings	14,074	74,937
Unrealized gain on investments	(497)	190
Loss on disposal of fixed assets	(583,179)	-
Fundraising expenses	(3,547)	(4,271)
Miscellaneous revenues	113,634	137,794
Other revenues - in-kind contributions	44,593	127,298
Other revenues - donations	1,035,552	964,058
Contributions	1,750,000	5,675,542
Interest expense	(30,195)	(60,062)
Total nonoperating revenues	4,364,683	9,947,156
Gain before contributions	(4,162,759)	987,063
Capital contributions	746,477	1,981,725
Change in net position	(3,416,282)	2,968,788
Total net position - beginning of year	342,837,463	339,868,675
Total net position - end of year	<u>\$ 339,421,181</u>	<u>\$ 342,837,463</u>

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

River Parks Authority

Statements of Cash Flows

Years Ended June 30,

	2021	2020
Cash flows from operating activities		
Receipts from customers and users	\$ 61,433	\$ 99,864
Payments to suppliers for goods or services	(1,228,433)	(1,477,558)
Payments to employees for services	(1,002,132)	(1,026,957)
Net cash used in operating activities	<u>(2,169,132)</u>	<u>(2,404,651)</u>
Cash flows from noncapital financing activities		
Miscellaneous income	133,634	140,294
Federal grants	1,196,094	37,841
Receipt of subsidy from intergovernmental entities	1,663,313	1,407,720
Proceeds from PPP loan	-	151,600
Net cash provided by noncapital and related financing activities	<u>2,993,041</u>	<u>1,737,455</u>
Cash flows from capital and related financing activities		
Contributions	3,532,029	8,621,324
Principal payments on line of credit	(2,363,100)	-
Interest payments on line of credit	(269,772)	-
Proceeds from the sale of fixed assets	2,490,000	-
Purchases of capital assets	<u>(7,463,223)</u>	<u>(7,830,024)</u>
Net cash provided by (used in) capital and related financing activities	<u>(4,074,066)</u>	<u>791,300</u>
Cash flows from investing activities		
Investment earnings	13,577	75,127
Net cash provided by investing activities	<u>13,577</u>	<u>75,127</u>
Net increase (decrease) in cash and cash equivalents	(3,236,580)	199,231
Cash and cash equivalent, beginning of year	<u>12,828,613</u>	<u>12,629,382</u>
Cash and cash equivalent, end of year	<u>\$ 9,592,033</u>	<u>\$ 12,828,613</u>
Reconciliation of operating income to net cash used in operating activities		
Net operating loss	\$ (8,527,442)	\$ (8,960,093)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation expense	6,531,895	6,411,135
In-kind donation	44,593	127,299
Change in operating assets/liabilities:		
(Increase) decrease in other assets	(70,694)	54,837
Increase (decrease) in accounts payable and accrued liabilities	(8,353)	(130,046)
Increase (decrease) in deferred revenue	(96,000)	(13,461)
Increase (decrease) in pension and other employee benefit liabilities	(61,028)	70,934
Increase (decrease) in compensated absences payable	17,897	34,744
Total adjustments	<u>6,358,310</u>	<u>6,555,442</u>
Net cash used in operating activities	<u>\$ (2,169,132)</u>	<u>\$ (2,404,651)</u>

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

River Parks Authority

Statement of Net Position - Proprietary Funds

June 30, 2021

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 2,650,663	\$ 2,405,479	\$ 1,492,122	\$ 3,043,769	\$ 9,592,033
Federal grants receivable	569,033	-	-	-	569,033
Other assets	-	89,439	-	-	89,439
	3,219,696	2,494,918	1,492,122	3,043,769	10,250,505
Noncurrent assets					
Capital assets (notes A7 and D)	30,408,919	-	293,863,557	7,250,410	331,522,886
Total assets	33,628,615	2,494,918	295,355,679	10,294,179	341,773,391
Deferred Outflow of Resources					
Pension related resources	232,760	-	-	-	232,760
OPEB related resources	11,100	-	-	-	11,100
	243,860	-	-	-	243,860
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	102,748	4,346	-	-	107,094
Accounts payable construction	-	-	42,553	757,271	799,824
Deferred revenues	-	-	208,495	-	208,495
absences	98,810	-	-	-	98,810
	201,558	4,346	251,048	757,271	1,214,223
Noncurrent liabilities					
Vested compensated absences, less					
current portion	57,461	-	-	-	57,461
Net Pension liability	821,795	-	-	-	821,795
Net OPEB liability	40,496	-	-	-	40,496
Total liabilities	1,121,310	4,346	251,048	757,271	2,133,975
Deferred Inflows of Resources					
Pension related resources	456,765	-	-	-	456,765
OPEB related resources	5,330	-	-	-	5,330
	462,095	-	-	-	462,095
Net Position					
Investment in capital assets	30,408,919	-	293,612,509	6,493,139	330,514,567
Restricted - expendable	-	861,377	1,492,122	3,043,769	5,397,268
Unrestricted net position	1,880,151	1,629,195	-	-	3,509,346
Total net position	\$ 32,289,070	\$ 2,490,572	\$ 295,104,631	\$ 9,536,908	\$ 339,421,181

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

River Parks Authority

Statement of Net Position - Proprietary Funds

June 30, 2020

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 2,292,633	\$ 2,246,692	\$ 657,251	\$ 7,632,037	\$ 12,828,613
Accounts receivable	673,852	-	905,487	-	1,579,339
Other assets	11,385	7,360	-	-	18,745
	2,977,870	2,254,052	1,562,738	7,632,037	14,426,697
Noncurrent assets					
Capital assets (notes A7 and D)	34,181,137	-	297,289,893	2,077,200	333,548,230
	37,159,007	2,254,052	298,852,631	9,709,237	347,974,927
Deferred Outflow of Resources					
Pension related resources	151,479	-	-	-	151,479
OPEB related resources	12,408	-	-	-	12,408
	163,887	-	-	-	163,887
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	111,154	4,293	-	-	115,447
Accounts payable construction	-	-	689,321	202,491	891,812
Deferred revenues	-	96,000	-	-	96,000
CARES Act PPP loan	151,600	-	-	-	151,600
Current portion of vested compensated absences	79,419	-	-	-	79,419
	342,173	100,293	689,321	202,491	1,334,278
Noncurrent liabilities					
Vested compensated absences, less current portion	58,955	-	-	-	58,955
Note payable - line of Credit	2,363,100	-	-	-	2,363,100
Accrued interest	239,577	-	-	-	239,577
Net Pension liability	1,152,486	-	-	-	1,152,486
Net OPEB liability	39,426	-	-	-	39,426
	4,195,717	100,293	689,321	202,491	5,187,822
Deferred Inflows of Resources					
Pension related resources	108,978	-	-	-	108,978
OPEB related resources	4,551	-	-	-	4,551
	113,529	-	-	-	113,529
Net Position					
Investment in capital assets	31,818,037	-	296,600,572	1,874,709	330,293,318
Restricted - expendable	-	482,126	1,562,738	7,632,037	9,676,901
Unrestricted net position	1,195,611	1,671,633	-	-	2,867,244
	\$ 33,013,648	\$ 2,153,759	\$ 298,163,310	\$ 9,506,746	\$ 342,837,463

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, 2021

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Operating revenues					
Charges for sales and services	\$ -	\$ 61,433	\$ -	\$ -	\$ 61,433
Total operating revenues	-	61,433	-	-	61,433
Operating expenses					
Personnel services	956,927	2,074	44,593	-	1,003,594
Material and supplies	120,430	35,563	286	-	156,279
Other services and charges	571,135	183,607	126,834	15,531	897,107
Depreciation	1,896,029	-	4,635,866	-	6,531,895
Total operating expenses	3,544,521	221,244	4,807,579	15,531	8,588,875
Net operating loss	(3,544,521)	(159,811)	(4,807,579)	(15,531)	(8,527,442)
Nonoperating revenues (expenses)					
Intergovernmental	1,666,860	20,000	-	-	1,686,860
Federal grants	185,788	-	-	-	185,788
CARES Act PPP loan forgiveness	151,600	-	-	-	151,600
Investment earnings	10,989	3,085	-	-	14,074
Unrealized gain (loss) loss on investments	-	(497)	-	-	(497)
Gain (loss) on disposal of fixed assets	(583,179)	-	-	-	(583,179)
Fundraising expenses	-	(3,547)	-	-	(3,547)
Miscellaneous revenues	113,634	-	-	-	113,634
Other revenues - in-kind contributions	-	-	44,593	-	44,593
Other revenues - donations	-	1,035,552	-	-	1,035,552
Contributions	-	-	1,750,000	-	1,750,000
Interest expense	(30,195)	-	-	-	(30,195)
Total nonoperating revenues	1,515,497	1,054,593	1,794,593	-	4,364,683
Gain before contributions and interfund transfers	(2,029,024)	894,782	(3,012,986)	(15,531)	(4,162,759)
Capital contributions	746,477	-	(45,693)	45,693	746,477
Interfund transfers	557,969	(557,969)	-	-	-
Change in net position	(724,578)	336,813	(3,058,679)	30,162	(3,416,282)
Total net position - beginning of year	33,013,648	2,153,759	298,163,310	9,506,746	342,837,463
Total net position - end of year	\$ 32,289,070	\$ 2,490,572	\$ 295,104,631	\$ 9,536,908	\$ 339,421,181

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, 2020

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Operating revenues					
Charges for sales and services	\$ -	\$ 113,325	\$ -	\$ -	\$ 113,325
Total operating revenues	-	113,325	-	-	113,325
Operating expenses					
Personnel services	1,124,102	8,533	127,299	-	1,259,934
Material and supplies	68,289	42,183	-	-	110,472
Other services and charges	609,339	415,604	220,864	46,070	1,291,877
Depreciation	1,959,201	-	4,451,934	-	6,411,135
Total operating expenses	3,760,931	466,320	4,800,097	46,070	9,073,418
Net operating loss	(3,760,931)	(352,995)	(4,800,097)	(46,070)	(8,960,093)
Nonoperating revenues (expenses)					
Intergovernmental	1,411,991	2,500	-	-	1,414,491
Federal grants	711,693	-	905,486	-	1,617,179
Investment earnings	58,427	16,510	-	-	74,937
Unrealized gain (loss) on investment	-	190	-	-	190
Gain (loss) on disposal of fixed assets	-	-	-	-	-
Fundraising expenses	-	(4,271)	-	-	(4,271)
Miscellaneous revenues	137,794	-	-	-	137,794
Other revenues - in-kind contributions	-	-	127,298	-	127,298
Other revenues - donations	-	964,058	-	-	964,058
Contributions	-	-	5,675,542	-	5,675,542
Interest expense	(60,062)	-	-	-	(60,062)
Total nonoperating revenues	2,259,843	978,987	6,708,326	-	9,947,156
Gain before contributions	(1,501,088)	625,992	1,908,229	(46,070)	987,063
Capital contributions	1,981,725	-	(154,124)	154,124	1,981,725
Interfund transfers	344,824	(344,824)	-	-	-
Change in net position	825,461	281,168	1,754,105	108,054	2,968,788
Total net position - beginning of year	32,188,187	1,872,591	296,409,205	9,398,692	339,868,675
Total net position - end of year	\$ 33,013,648	\$ 2,153,759	\$ 298,163,310	\$ 9,506,746	\$ 342,837,463

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

River Parks Authority

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2021

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Cash flows from operating activities					
Receipt from customers and users	\$ -	\$ 61,433	\$ -	\$ -	\$ 61,433
Payments to suppliers for goods or services	(688,586)	(397,196)	(127,120)	(15,531)	(1,228,433)
Payments to employees for services	(1,000,058)	(2,074)	-	-	(1,002,132)
Net cash used in operating activities	(1,688,644)	(337,837)	(127,120)	(15,531)	(2,169,132)
Cash flows from noncapital financing activities					
Miscellaneous income	113,634	20,000	-	-	133,634
Federal grants	290,607	-	905,487	-	1,196,094
Operating grants and donations	1,666,860	(3,547)	-	-	1,663,313
Net cash provided by (used in) noncapital and related financing activities	2,071,101	16,453	905,487	-	2,993,041
Cash flows from capital and related financing activities					
Contributions	746,477	1,035,552	1,750,000	-	3,532,029
Interfund transfers	557,969	(557,969)	-	-	-
Principal payments on line of credit	(2,363,100)	-	-	-	(2,363,100)
Interest payments on line of credit	(269,772)	-	-	-	(269,772)
Proceeds from the sale of capital assets	2,490,000	-	-	-	2,490,000
Purchases of capital assets	(1,196,990)	-	(1,693,496)	(4,572,737)	(7,463,223)
Net cash provided by (used in) capital and related financing activities	(35,416)	477,583	56,504	(4,572,737)	(4,074,066)
Cash flows from investing activities					
Investment earnings	10,989	2,588	-	-	13,577
Net cash provided by investing activities	10,989	2,588	-	-	13,577
Net increase (decrease) in cash and cash equivalents	358,030	158,787	834,871	(4,588,268)	(3,236,580)
Cash and cash equivalent, beginning of year	2,292,633	2,246,692	657,251	7,632,037	12,828,613
Cash and cash equivalent, end of year	\$ 2,650,663	\$ 2,405,479	\$ 1,492,122	\$ 3,043,769	\$ 9,592,033
Reconciliation of operating income to net cash used in operating activities					
Net operating loss	\$ (3,544,521)	\$ (159,811)	\$ (4,807,579)	\$ (15,531)	\$ (8,527,442)
Adjustments to reconcile net operating loss to net cash used in operating activities:					
Depreciation expense	1,896,029	-	4,635,866	-	6,531,895
In-kind donation	-	-	44,593	-	44,593
Change in operating assets/liabilities:					
Decrease (increase) in other assets	11,385	(82,079)	-	-	(70,694)
(Decrease) increase in accounts payable	(8,406)	53	-	-	(8,353)
(Decrease) increase in deferred revenue	-	(96,000)	-	-	(96,000)
(Decrease) increase in pension and OPEB	(61,028)	-	-	-	(61,028)
(Decrease) increase in compensated absences payable	17,897	-	-	-	17,897
Net cash used in operating activities	\$ (1,688,644)	\$ (337,837)	\$ (127,120)	\$ (15,531)	\$ (2,169,132)

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

River Parks Authority

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2020

	Authority	Foundation	Tulsa's Gathering Place Fund	Gateway Bridge Fund	Total
Cash flows from operating activities					
Receipt from customers and users	\$ -	\$ 99,864	\$ -	\$ -	\$ 99,864
Payments to suppliers for goods or services	(809,036)	(420,733)	(201,719)	(46,070)	(1,477,558)
Payments to employees for services	(1,018,424)	(8,533)	-	-	(1,026,957)
Net cash used in operating activities	(1,827,460)	(329,402)	(201,719)	(46,070)	(2,404,651)
Cash flows from noncapital financing activities					
Miscellaneous income	137,794	2,500	-	-	140,294
Federal grants	37,841	-	-	-	37,841
Operating grants and donations	1,411,991	(4,271)	-	-	1,407,720
Proceeds from PPP loan	151,600	-	-	-	151,600
Net cash provided by (used in) noncapital and related financing activities	1,739,226	(1,771)	-	-	1,737,455
Cash flows from capital and related financing activities					
Contributions	1,981,725	964,058	5,675,541	-	8,621,324
Interfund transfers	344,824	(344,824)	-	-	-
Purchases of capital assets	(1,221,836)	-	(5,182,985)	(1,425,203)	(7,830,024)
Net cash provided by capital and related financing activities	1,104,713	619,234	492,556	(1,425,203)	791,300
Cash flows from investing activities					
Investment earnings	58,427	16,700	-	-	75,127
Net cash used in investing activities	58,427	16,700	-	-	75,127
Net increase in cash and cash equivalents	1,074,906	304,761	290,837	(1,471,273)	199,231
Cash and cash equivalent, beginning of year	1,217,727	1,941,931	366,414	9,103,310	12,629,382
Cash and cash equivalent, end of year	\$ 2,292,633	\$ 2,246,692	\$ 657,251	\$ 7,632,037	\$ 12,828,613
Reconciliation of operating income to net cash provided by (used in) operating activities					
Net operating loss	\$ (3,760,931)	\$ (352,995)	\$ (4,800,097)	\$ (46,070)	(8,960,093)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities:					
Depreciation expense	1,959,201	-	4,451,934	-	6,411,135
In-kind donation	-	-	127,299	-	127,299
Change in operating assets/liabilities:					
Decrease (increase) in other assets	(3,733)	39,425	19,145	-	54,837
(Decrease) increase in accounts payable	(127,675)	(2,371)	-	-	(130,046)
(Decrease) increase in deferred revenue	-	(13,461)	-	-	(13,461)
(Decrease) increase in pension and OPEB	70,934	-	-	-	70,934
(Decrease) increase in compensated absences payable	34,744	-	-	-	34,744
Net cash used in operating activities	\$ (1,827,460)	\$ (329,402)	\$ (201,719)	\$ (46,070)	\$ (2,404,651)

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

Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 and 2020

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 31st 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. Costs, net of related revenues, related to the operations and maintenance of Tulsa’s Gathering Place are paid and reported by a separate George Kaiser Family Foundation entity and are not reported in these financial statements.

Notes to Financial Statements

June 30, 2021 and 2020

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

2. Fund Accounting – Continued

Gateway Bridge Fund

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 Tulsa 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 and minimal construction costs have been incurred.

The construction of the bridge will be accounted for under a separate set of books and combined with the financial statements of the Authority as the Gateway Bridge Fund.

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.

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.

Notes to Financial Statements

June 30, 2021 and 2020

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

5. Cash and Cash Equivalents – Continued

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.

At June 30, 2021 and 2020, construction payable decreased \$646,768 and \$305,896, respectively, which is included in capital asset purchases for 2021 and 2020 on the statement of cash flow on page 15.

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.

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

Notes to Financial Statements

June 30, 2021 and 2020

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

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).

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.

Notes to Financial Statements

June 30, 2021 and 2020

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

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, the 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, LLC. The funds are recognized as non-operating revenue.

14. New Accounting Pronouncement

In June, 2017, the Governmental Accounting Standards Board issued Statement No. 87 – *Leases*, which is effective for reporting periods beginning after June, 15, 2021. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases without options to extend) at the commencement date:

- A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and
- A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

The impact of this new standard on the Authority's financial statements has not been determined.

Notes to Financial Statements

June 30, 2021 and 2020

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

15. Subsequent Events

The Authority has evaluated subsequent events through November 28, 2022, the date the financial statements were available to be issued. See Note L.

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, 2021 and 2020.

Investment earnings consisted of the following:

	<u>2021</u>	<u>2020</u>
Interest	\$ 14,074	\$ 74,937
Unrealized gain (loss) on investments	\$ (497)	\$ 190

Notes to Financial Statements

June 30, 2021 and 2020

Note D – Capital Assets

A summary of changes in capital assets during the years ended June 30, 2021 and 2020, are as follows:

	July 1, 2020	Acquisitions	Sales or Dispositions	Transfers	June 30, 2021
Capital assets not being depreciated:					
Land	\$ 34,156,005	\$ -	\$ (2,530,183)	\$ -	\$ 31,625,822
Construction in progress	4,639,361	6,843,539	(92,950)	(1,722,777)	9,667,173
Sculptures and artwork	2,051,261				2,051,261
Capital assets being depreciated:					
Lease/land improvements	203,603,518	680,754	(1,902,277)	1,459,376	203,841,371
Buildings	106,904,411			263,401	107,167,812
Equipment	9,392,962	55,126	(9,028)	-	9,439,060
	360,747,518	7,579,419	(4,534,438)	-	363,792,499
Accumulated depreciation	(27,199,288)	(6,531,895)	1,461,570	-	(32,269,613)
Total	\$ 333,548,230	\$ 1,047,524	\$ (3,072,868)	\$ -	\$ 331,522,886

	July 1, 2019	Acquisitions	Sales or Dispositions	Transfers	June 30, 2020
Capital assets not being depreciated:					
Land	\$ 34,156,005	\$ -	\$ -	\$ -	\$ 34,156,005
Construction in progress	1,453,563	7,368,203	-	(4,182,405)	4,639,361
Sculptures and artwork	2,048,168	3,093	-	-	2,051,261
Capital assets being depreciated:					
Lease/land improvements	200,991,835	-	-	2,611,683	203,603,518
Buildings	105,530,817	5,010	(202,138)	1,570,722	106,904,411
Equipment	9,278,721	147,822	(33,581)	-	9,392,962
	353,459,109	7,524,128	(235,719)	-	360,747,518
Accumulated depreciation	(21,023,872)	(6,411,135)	235,719	-	(27,199,288)
Total	\$ 332,435,237	\$ 1,112,993	\$ -	\$ -	\$ 333,548,230

Notes to Financial Statements

June 30, 2021 and 2020

Note D – Capital Assets – Continued

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

	2021	2020
Capital assets not being depreciated:		
Land	\$ 21,719,931	\$ 21,719,931
Construction in progress	1,955,652	1,396,303
Equipment	216,508	216,508
Capital assets being depreciated:		
Lease/land improvements	168,027,870	167,641,089
Buildings	105,068,931	104,805,531
Equipment	8,294,382	8,294,382
	<u>305,283,274</u>	<u>304,073,744</u>
Accumulated depreciation	<u>(11,419,717)</u>	<u>(6,783,851)</u>
Total	<u>\$ 293,863,557</u>	<u>\$ 297,289,893</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 was due to expire in February 2026, with a limit of \$2,800,000 per lender, for a total of \$5,600,000. Interest was accrued at a fixed rate of 2.5 percent. Additional draws totaling \$2,300,143 were taken upon closing of the land purchase. Loan funds received and outstanding at June 30, 2020 was \$2,363,100. This loan was paid off during the year.

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 Annual Comprehensive Financial Report (ACFR). 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, 2021 and 2020

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 five 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 five 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 from July 1, 2020 to December 31, 2020 and 7.5 thereafter. The Authority was required to contribute 15.5 percent of pensionable wages from July 1, 2020 to December 31, 2020 and 16.5 thereafter. Contributions to the pension plan from the Authority were \$91,991 for the year ended June 30, 2021.

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

At June 30, 2021, the Authority reported a liability of \$821,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to June 30, 2021. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2021, the Authority's proportion was 0.4538 percent, which was a decrease of 0.4544 percent from its proportion measured as of January 1, 2021.

Notes to Financial Statements

June 30, 2021 and 2020

Note F – Retirement Plan and Pension – Continued*4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued*

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

	2021	2020
Net pension liability at beginning of year	\$ 1,152,486	\$ 1,149,759
Pension expense	30,772	160,179
Contribution	(94,957)	(92,146)
Deferred inflows (outflows) arising from:		
Difference in expected and actual return on investments	(405,259)	43,343
Change in assumptions	90,640	(68,678)
Difference in expected and actual experience	7,576	14,923
Change in proportionate share	40,537	(54,894)
Deferred inflows	(266,506)	(65,306)
Net pension liability at end of year	<u>\$ 821,795</u>	<u>\$ 1,152,486</u>

For the year ended June 30, 2020, the Authority recognized pension expense of \$92,294. At June 30, 2020, 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	\$ 303	\$ (10,772)
Changes of assumptions	155,265	-
Net difference between projected and actual earnings on pension plan investments	76,183	(403,843)
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	1,010	(42,150)
Total	<u>\$ 232,761</u>	<u>\$ (456,765)</u>

Notes to Financial Statements

June 30, 2021 and 2020

Note F – Retirement Plan and Pension – Continued

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – 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
2022	\$ 104,128	\$ (132,537)
2023	75,686	(117,930)
2024	52,947	(106,563)
2025	-	(99,735)
	<u>\$ 232,761</u>	<u>\$ (456,765)</u>

5. 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:

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

Mortality rates were based Pub-2010 General Employee mortality tables for healthy retirees, projected with the ultimate rates of Scale MP-2020 from the year 2010.

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Notes to Financial Statements

June 30, 2021 and 2020

Note F – Retirement Plan and Pension – Continued

5. Actuarial Assumptions – 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	20%	1.16%
Domestic equity	36%	6.19%
International equity	24%	6.59%
Real estate	12%	4.24%
Commodities	3%	0.50%
Timber	4%	0.38%
Cash	1%	0.11%
Total	100%	

6. Discount Rate

The discount rate used to measure the total pension liability was 7.00 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 6.75 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (5.75 percent) or 1.00 percentage point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the net pension liability	\$ 1,258,755	\$ 821,795	\$ 458,286

Notes to Financial Statements

June 30, 2021 and 2020

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 Annual Comprehensive 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 actuarial valuation of liabilities under the Plan is calculated using the entry age normal cost method as of the July 1, 2020, projected through June 30, 2021. This method requires the calculation of an unfunded actuarially accrued liability, which was approximately \$8,216,730 and \$8,279,446 for the City as of June 30, 2021 and 2020, respectively.

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

At June 30, 2021, the Authority reported a liability of \$40,496 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2021, 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, 2020. Based upon this information, the Authority's proportion was 0.4929 percent.

Changes of assumptions reflect a change in the discount rate from 2.66 percent in 2020 to 2.19 percent in 2021, resulting in recognition of a deferred inflow of resources.

Notes to Financial Statements

June 30, 2021 and 2020

Note G – Other Post-Employment Benefits – Continued

- Retirement Age

<u>Age</u>	<u>Rate</u>
55-61	18%
62	15%
63-64	20%
65-69	25%
70-74	20%
75+	100%
- Experience-based table of rates based on age and service
- 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 percent for active employees and 100% for inactive employees.
- Mortality

SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for retirees and surviving spouses.

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 (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Employers' total OPEB liability	\$ 43,760	\$ 40,496	\$ 37,763

Notes to Financial Statements

June 30, 2021 and 2020

Note G – Other Post-Employment Benefits – Continued

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 4.5 percent) or 1-percentage-point higher (9 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (7.5% decreasing to 4.5%)	Current Trend Rates (6.5% decreasing to 3.5%)	1% Increase (8.5% decreasing to 5.5%)
Employers' total OPEB liability	\$ 36,025	\$ 40,496	\$ 45,767

Note H – Related Parties and Concentrations

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 and County of Tulsa, 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 from these cities and the County for the years ended June 30, 2021 and 2020, were \$2,147,832 and \$3,393,716, respectively, and represented 49% and 79% of total revenue, respectively.

Note I – Commitments and Contingencies

On March 16, 2020, the Authority signed a lease for administrative office space in a building located at 2121 South Columbia, Suite 205. The lease term is 61 months through June 30, 2025. The lease provides for monthly payments of \$3,431 through June 30, 2023, increasing to \$3,558 through June 30, 2025. Future minimum lease payments under this agreement are as follows: 2022 - \$41,172; 2023 - \$41,172; 2024 - \$42,696 and 2025 - \$42,696.

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

Notes to Financial Statements

June 30, 2021 and 2020

Note J – Risk Management – Continued

Type of Loss	Method Managed	Risk Retained
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 6-30-2020 - \$450,000
	Purchased automobile comprehensive and collision coverage deductible	\$500/\$1,000
Injuries to Employees	Purchased workers compensation insurance	No deductible employees
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.

Notes to Financial Statements

June 30, 2021 and 2020

Note J – Risk Management – Continued

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 OMAG. In the event of termination of the OMAG, such property shall belong to the then-members of the OMAG 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.

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 39.

Notes to Financial Statements

June 30, 2021 and 2020

Note K – Loss from Flood

At the close of the fiscal year, in May and June 2019, the Arkansas River flooded at record levels, causing damage to the river banks, park structures, and infrastructure. The Authority incurred losses to improved assets totaling \$74,563. The book loss after accumulated depreciation totaled \$36,971. Tulsa’s Gathering Place, LLC incurred losses of improved assets totaling \$5.1 million, including approximately \$86,000 at the skate park, \$47,000 at the playground, \$9,000 at the sports courts and \$4.9 million to the park landscaping. These losses qualified for Federal Emergency Management Agency reimbursement (FEMA). As of June 30, 2021, and 2020, the Authority recorded \$185,788 and \$1,617,179 in FEMA grant revenue, respectively. FEMA grant revenue receivable totaled \$569,033 and \$1,579,339. All amounts receivable were collected subsequent to year-end.

Note L – Subsequent Events

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law providing certain economic aid packages for qualifying organizations. The Authority qualified to receive funds under CARES totaling \$151,600 under the Paycheck Protection Program (PPP). The Authority submitted an application for forgiveness which was formally accepted in June, 2021. This amount was recorded as loan forgiveness income for the year ended June 30, 2021.

In August 2021, the Authority received the remaining Tier I and Tier II funds from the City of Tulsa totaling \$18M. These funds were paid in accordance with the Gateway Bridge capital projects agreement with the City, signed in August, 2018. The Authority received the first installment of \$9.4M from the City in October, 2018.

In November, 2021, the Authority was awarded \$1M in American Rescue Plan Act (ARPA) funds, administered through Tulsa County, for improvements and maintenance of the Turkey Mountain trails.

The Authority began the Turkey Mountain Master Plan fundraising campaign in the fall of 2021. Funds raised to date total approximately \$3.5M. The funds will be used for preservation and improvements at the Turkey Mountain Urban Wilderness area.

* * * * *

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,

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.4544%	0.4538%	0.4896%	0.4918%	0.5528%	0.4838%	0.4929%
Authority's proportionate share of the net pension liability	\$ 821,795	\$ 1,152,486	\$ 1,149,759	\$ 965,506	\$ 1,092,166	\$ 1,046,521	\$ 617,378
Authority's covered-employee payroll	\$ 593,478	\$ 594,475	\$ 608,081	\$ 587,377	\$ 644,032	\$ 568,017	\$ 510,789
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.5%	193.9%	189.1%	164.4%	169.6%	184.2%	120.9%
Plan fiduciary net position as a percentage of the total pension liability	65.2%	65.2%	66.9%	70.6%	69.4%	77.1%	79.3%

* Note - Only the current and six 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,

	2021	2020	2019	2018
Authority's proportion of the net OPEB liability	0.4929%	0.4762%	0.4857%	0.5304%
Authority's proportionate share of the net OPEB liability	\$ 40,496	\$ 39,426	\$ 29,786	\$ 33,490
Authority's covered-employee payroll	\$ 524,725	\$ 526,679	\$ 519,627	\$ 550,922
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	7.7%	7.5%	5.7%	6.1%

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

River Parks Authority

Required Supplemental Information

Schedule of Contribution - Pension - Last 10 Fiscal Years*

June 30,

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 91,991	\$ 92,146	\$ 94,253	\$ 91,043	\$ 66,172	\$ 65,538	\$ 61,781
Contribution in relation to contractually required contribution	\$ 91,991	\$ 92,146	\$ 94,253	\$ 91,043	\$ 66,172	\$ 65,538	\$ 61,781
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 593,478	\$ 594,475	\$ 608,081	\$ 587,377	\$ 575,411	\$ 568,017	\$ 537,223
Contributions as a percentage of covered-employee payroll	15.5%	15.5%	15.5%	15.5%	11.5%	11.5%	11.5%

* Note - Only the current and six 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,

	2021	2020	2019	2018
Contractually required contribution	\$ 2,431	\$ 1,587	\$ 2,254	\$ 1,072
Contribution in relation to contractually required contribution	\$ 2,431	\$ 1,587	\$ 2,254	\$ 1,072
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 524,725	\$ 526,679	\$ 519,627	\$ 550,922
Contributions as a percentage of covered-employee payroll	0.5%	0.3%	0.4%	0.2%

* Note - Only the current and three 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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 28, 2022.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs (Finding No. 2020-002) that we consider to be significant deficiency.

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*.

River Parks Authority's Response to Findings

River Parks Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. River Parks Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
November 28, 2022

Schedule of Findings and Questioned Costs

June 30, 2021

Section IV – Prior Year Financial Statement Findings

**Finding No. 2020-001 – Internal Controls over Period-End Reconciliations and Journal Entries
Material Weakness**

Criteria:

Ending account balances should tie to the underlying accounting records. At period end, reconciliations of primary account balances should be performed to ensure the accuracy of financial reporting and journal entries should be prepared, reviewed and approved prior to posting to the general ledger.

Condition:

During the audit, we noted multiple significant adjustments and corrections to fixed asset, notes payable, grant revenue and other account balances for Tulsa's Gathering Place were required for these accounts to be accurate. We also noted that there is no journal entry review and approval process to ensure posted entries are authorized and accurate.

Cause:

The primary cause is inadequate period-end reconciliation and journal entry processes.

Effect:

Period-end reconciliations and journal entries impact normal period close activities and processes which are critical to the accurate financial reporting.

Recommendation:

We recommend management design and implement period-end close processes, which would include controls over the review and approval of journal entries, to ensure timely and accurate reconciliation and adjustment of key account balances and the preparation of financial statements supported by these reconciliations.

Status:

Cleared.

**Finding No. 2020-002 – Internal Controls over Financial Reporting
Significant Deficiency**

Criteria:

Financial reporting controls should be adequate to ensure the financial statements of all reporting entities of the Authority are issued and reported to management on a timely basis and meet the statutory deadline for the issuance of the audited financial statements for a trust authority in Oklahoma (six-months after year-end).

Condition:

The June 30, 2021 entity-wide financial statements for the Authority were issued well beyond the statutory deadline.

Cause:

Delays in adjusting and closing the books for individual entities reported in the entity-wide financial statements is the primary reason for the late issuance of the financial statements.

Schedule of Findings and Questioned Costs - Continued

June 30, 2021

Section IV – Prior Year Financial Statement Findings – Continued

Finding No. 2020-002 – Internal Controls over Financial Reporting - Continued

Effect:

Untimely issued financial statements reduce the overall usefulness of financial reporting as a management tool and create delays in meeting statutory requirements.

Recommendation:

We recommend management continue to develop and refine centralized financial reporting controls and processes over the entity-wide financial statements of the Authority to include all the Authority's reporting funds, in order to meet the reporting deadline.

Managements' Response:

We are focusing on improving controls over the closing process and dissemination of year-end information to the third-party accountant in order to meet the statutory deadline.

**Finding No. 2019-001 – Internal Controls over Period-End Reconciliations
Significant Deficiency**

Criteria:

Ending account balances should tie to the underlying accounting records. At period end, reconciliations of primary account balances should be performed to ensure the accuracy of financial reporting and journal entries should be prepared, reviewed and approved prior to posting to the general ledger.

Condition:

Tulsa's Gathering Place's assets were placed in service in September 2018 when the park opened. Asset balances were still classified as construction in progress at the time of the fieldwork for the audit and depreciation schedules had not been prepared

Cause:

The primary cause is inadequate period-end reconciliation processes.

Effect:

Period-end reconciliations impact normal period close activities and processes which are critical to the accurate financial reporting.

Recommendation:

We recommend processes be put in place to ensure proper accounting of fixed assets, including the transfer of completed construction projects to their permanent classifications and the calculation and recording of depreciation expense.

Status:

Cleared.