University Center at Tulsa Authority

Financial Statements With
Independent Auditor's Report

For the Seven Month Period Ended
January 31, 2019 and Year Ended June 30, 2018

University Center at Tulsa Authority
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January 31, 2019 and June 30, 2018

Independent Auditor's Report

To the Board of Trustees
University Center at Tulsa Authority

Report on the Financial Statements
We have audited the accompanying financial statements of University Center at Tulsa Authority (a public trust), which comprise the statements of net position as of January 31, 2019 and June 30, 2018 , and the related statements of revenues, expenses, and changes in net position and cash flows for the seven month period and year then ended, respectively, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion 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 audits 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 financial position of University Center at Tulsa Authority, as of January 31, 2019 and June 30, 2018, and the changes in financial position and cash flows thereof for the seven month period and year then ended, respectively, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the notes, the financial statements present only the University Center at Tulsa Authority and do not purport to, and do not present fairly the financial position of the City of Tulsa, Oklahoma, as of January 31, 2019 and June 30, 2018, the changes in its financial position, or, where applicable, its cash flows for the seven month period and year then ended, respectively, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in the notes, the operations of the University Center at Tulsa Authority were discontinued as of January 31, 2019 in contemplation of the dissolution of the Authority. The Dissolution of the Authority Trust was approved by the Authority Board of Trustees on April 4, 2019. Our opinion is not modified with respect to this matter.

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 3-4 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 May 3, 2019, on our consideration of University Center at Tulsa Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the 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 University Center at Tulsa Authority's internal control over financial reporting and compliance.

Regier Carr & Monroe LLP

May 3, 2019
Tulsa, Oklahoma

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the basic financial statements of the University Center at Tulsa Authority (the "Authority") provides an overview of the financial activities for the seven-month period ended January 31, 2019. This information should be read in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

Financial Analysis

The Authority entered into a Settlement Agreement dated September 19, 2018 with the Tulsa development Authority (TDA). The agreement settled Case No. CV-2018-00127 filed in District Court of Tulsa County on February 2, 2018. The case was settled through mediation and will be dismissed pursuant to the terms of the Settlement Agreement. The Settlement Agreement provided for transfers of real properties in order to settle disputes related to development of Authority land, as governed by the Redevelopment Agreement dated June 30, 1986. The Settlement Agreement provided for all Authority capital assets to subsequently be transferred to TDA, the A&M Board of Regents on behalf of OSU-Tulsa, or to the A&M Board of Regents on behalf of Langston Tulsa. Consistent with the Settlement Agreement, the capital assets of the Authority were recognized as impaired for accounting purposes and valued at $0 for the purposes of the Authority's financial statements for the year ended June 30, 2018. The transfers have been completed and the Authority no longer holds any real property or the improvements/facilities thereon. Furthermore, the Settlement Agreement terminates and replaces the Redevelopment Agreement dated June 30, 1986.

Subsequent to January 31, 2019, the Authority transferred land to the City of Tulsa upon which the Greenwood Cultural Center is located.

Given the age of the facilities on the campus, the oldest building is approximately thirty-three years old, attention in the past eighteen months has been given to maintaining the facilities. During the seven months ended January 31, 2019, approximately $780,000 was expended for partial roof replacement and repairs, and other maintenance needs of the Main Hall building. Approximately $32,000 was expended for carpet and paint for the auditorium foyers. Another $20,000 was expended, as previously pledged, by the Authority for the E. W. Woods Memorial located on campus. Ultimately, all of the Authority current assets were expended with the balance of $15,961 transferred to OSU-Tulsa for the continuation of the roof repair work for the Main Hall.

As of January 31, 2019, the Authority has no assets and no liabilities.

Discontinuance of the Authority

The Authority has served the City of Tulsa since July 26, 1985, promoting and assisting in providing public higher education opportunities. Given the Authority no longer has assets or related liabilities, the Authority Board of Trustees has adopted a Resolution, dated April 4, 2019, to terminate the Authority. In Executive Order 2018-33, the Governor of the State of Oklahoma approved the termination of the Authority as required by Statute, subject to the approval of the City Council of the City of Tulsa, also as required by Statute.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Authority's net position for the seven-month period ended January 31, 2019, decreased by $920,209. Other changes in the Authority's financial position during fiscal 2019 included a decrease of $1,048,623 (100%) in cash and cash equivalents compared to fiscal year 2018.

Net Position
January 31, 2019 and June 30, 2018

	01/31/19	06/30/18
ASSETS:		
Current assets	$ 0	$ 1,064,535
Capital assets	0	0
TOTAL ASSETS	**$ 0**	**$ 1,064,535**
LIABILITIES:		
Current and other liabilities	$ 0	$ 144,326
NET POSITION:		
Net investment in capital assets	0	0
Unrestricted	0	920,209
Total net position	0	920,209
TOTAL LIABILITIES & NET POSITION	**$ 0**	**$ 1,064,535**

By agreement between the Authority and OSU-Tulsa, lease payments were suspended pending the resolution of the previously referenced litigation and, as a result, the Authority's operating revenues declined in the seven-month period ended January 31, 2019. And in significant part due to the limited timeframe since the end of the Authority's last fiscal year, operating expenses decreased while non-operating revenues increased and non-operating expenses decreased, compared to fiscal year 2018.

Operations
Seven Months Ending January 31, 2019 and Year Ended June 30, 2018

	2019	2018
Operating revenues	$ 6,090	$ 535,829
Operating expenses	887,057	974,483
Operating loss	(880,967)	(438,654)
Non-operating revenues (expenses)-net	(39,242)	(11,814,344)
Decrease in net position	(920,209)	(12,252,998)
Beginning net position	920,209	13,173,207
Total net position	**$ 0**	**$ 920,209**

Capital Assets

As of January 31, 2019, the Authority's investment in capital assets was $0. This investment had consisted of land, land improvements and buildings. Total depreciation expense for the seven months period ended January 31, 2019 was $0 and $461,666 for fiscal year 2018.

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Net Position
January 31, 2019 and June 30, 2018

ASSETS	**2019**	**2018**
CURRENT ASSETS:		
Cash and cash equivalents	$ 0	$ 1,048,623
Prepaid expense	0	15,912
Total Current Assets	0	1,064,535
LAND AND BUILDINGS, NET	0	0
TOTAL ASSETS	**$ 0**	**$ 1,064,535**
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 0	$ 144,236
Deferred revenue	0	90
TOTAL LIABILITIES	0	144,326
NET POSITION		
Net investment in capital assets	0	0
Unrestricted	0	920,209
TOTAL NET POSITION	0	920,209
TOTAL LIABILITIES AND NET POSITION	**$ 0**	**$ 1,064,535**

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Revenues, Expenses and Changes in Net Position
For the Seven Month Period Ended January 31, 2019 and For the Year Ended June 30, 2018

	2019	2018
OPERATING REVENUES:		
Lease rentals	$ 6,090	$ 535,829
TOTAL OPERATING REVENUES	6,090	535,829
OPERATING EXPENSES:		
Administrative expense	29,514	131,281
Professional fees	34,905	69,845
Insurance expense	15,912	26,630
Depreciation and amortization	0	461,666
Building and grounds	799,586	251,665
Donations	0	20,000
City of Tulsa scholarships	7,140	13,396
TOTAL OPERATING EXPENSES	887,057	974,483
OPERATING LOSS	**(880,967)**	**(438,654)**
NON-OPERATING REVENUE (EXPENSES):		
Investment income, net	4,758	7,678
Expenses on behalf of OSU - Tulsa	(44,000)	(48,000)
Impairment loss on Assets	0	(11,774,022)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(39,242)	(11,814,344)
DECREASE IN NET POSITION	**(920,209)**	**(12,252,998)**
NET POSITION - BEGINNING OF YEAR	920,209	13,173,207
NET POSITION - END OF YEAR	**$ 0**	**$ 920,209**

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Cash Flows
For the Seven Month Period Ended January 31, 2019 and For the Year Ended June 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from lease rentals	$ 6,000	$ 535,828
Cash paid to suppliers and vendors	(1,015,381)	(400,347)
Net cash provided by operating activities	**(1,009,381)**	**135,481**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfer of funds		
Expenses incurred on behalf of OSU - Tulsa	(44,000)	(48,000)
Net cash provided by (used in) non-capital financing activities	**(44,000)**	**(48,000)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment interest	4,758	7,678
Net cash used in investing activities	**4,758**	**7,678**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,048,623)**	**95,159**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,048,623	953,464
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 0**	**$ 1,048,623**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (880,967)	$ (438,654)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Recognition of deferred lease revenue	(91)	(1)
Depreciation and amortization	0	461,666
(Increase)/Decrease in prepaid expense	15,912	182
Increase/(decrease) in accounts payable and accrued liabilities	(144,235)	112,288
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ (1,009,381)**	**$ 135,481**
Non Cash Investing Activities		
Asset Impairment	$ 0	$ (11,774,022)

Summary of Significant Accounting Policies

Reporting Entity—The University Center at Tulsa Authority (the "Authority"), a proprietary enterprise fund, is a public trust created in 1985, with the City of Tulsa, Oklahoma as beneficiary. The purpose of the Trust is to promote the development of educational activities and facilities within and near the City of Tulsa, including specifically the University Center at Tulsa, which is now known as Oklahoma State University-Tulsa. Oklahoma State University-Tulsa ("OSU-Tulsa") is a branch institution of Oklahoma State University ("OSU") governed by the Board of Regents for Oklahoma Agricultural and Mechanical Colleges and the Oklahoma State Regents for Higher Education and the successor to Rogers University ("Rogers") in Tulsa effective January 1, 1999. Rogers was the predecessor institution to the University Center at Tulsa for the period April 1996 through December 31, 1998. Assets that accrued from the beneficial interest provided by the Authority were transferred to OSU-Tulsa, and OSU-Tulsa assumed the benefits and obligations under the various lease agreements for the Authority's campus facilities in Tulsa. References to the "University" in these notes to the financial statements include OSU-Tulsa and Rogers as its predecessor institution.

As an agency of the State of Oklahoma, the Authority presents its financial statements in accordance with requirements of GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.* The financial statement presentation required by GASB No. 34 provides a comprehensive, entity-wide perspective of the Authority's assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

Basis of Accounting— The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles ("GAAP") as applied to government 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 net position of the Authority is classified into the following components:

- *Net investment in capital assets*–Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
- *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 assets classified as nonexpendable represent amounts that are required to be retained in perpetuity, such as permanent endowments. Restricted net assets classified as expendable represent amounts for which the donor has specified the purpose for which the contributed net assets are to be used. The Authority had no restricted net position at January 31, 2019 and 2018.
- *Unrestricted net position*–All other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Cash and Cash Equivalents— For purposes of reporting cash flows, the Authority considers currency on hand, demand deposits at banks, and amounts included in short-term investment funds to be cash and cash equivalents.

Land and Buildings—Land and buildings are stated at cost or at fair value as of the date of donation. Depreciation of buildings is provided using the straight-line method over the estimated useful life of 40 years. Depreciation of land improvements is provided using the straight-line method over the estimated useful life of 40 years for improvements prior to July 1, 2000 and 20 years for improvements after June 30, 2000.

Income Taxes—The Authority, as a political subdivision of the City of Tulsa, is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code.

Summary of Significant Accounting Policies (continued)

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. The most sensitive estimates affecting the financial statements involve the determination of impairment and accumulated depreciation on land improvements and buildings.

Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries—The Authority annually evaluates its capital assets that would be considered impaired; either by a decline in service utility of their capital assets nor by an event or change in circumstances outside the normal life cycle of their capital assets. At June 30, 2018, all of the Authority's assets were impaired as further described in the **Subsequent Event and Contingency** footnote.

Subsequent Events - Events occurring subsequent to January 31, 2019 have been evaluated through May 3, 2019, which is the date the financial statements were available to be issued.

Cash and Cash Equivalents

As of January 31, 2019 and June 30, 2018, the Authority had the following investments:

	2019	2018
Uninsured and uncollateralized - JP Morgan US Treasury Plus Money Market Fund Premier Shares	$ 0	$ 1,043,587
Cash in Bank	0	5,036
Total Cash & Cash Equivalents	**$ 0**	**$ 1,048,623**

Interest Rate Risk – The Operations Manager has historically assessed and addressed credit risk for the Authority, but there is no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Operations Manager has historically chosen safe and secure investment options for the Authority, but there is no formal investment policy in place to restrict investment choices. As of January 31, 2019 and 2018, the Authority's investment in the US Treasury Plus Money Market Fund was rated AAA by Standard & Poor's and AAA by Moody's Investors Service.

Custodial Credit Risk

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

Concentration of Credit Risk – The Operations Manager has historically addressed the concentration of credit risk. However, there is no formal limit on the amount the Authority may invest in any one issuer. As of January 31, 2019, there were no investments.

Land and Buildings

A summary of the Authority's capital asset activity for the seven-month period ended January 31, 2019 and the year ended June 30, 2018 is as follows:

	Balance 2018	Additions to Net Book Value	Deductions From Net Book Value	Asset Impairments	Balance 2019
Land	$ 0	$ 0	$ 0	$ 0	$ 0
Land Improvements					
Buildings					
Accumulated depreciation					
Net	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

	Balance 2017	Additions to Net Book Value	Deductions From Net Book Value	Asset Impairments	Balance 2018
Land	$ 5,316,398	$ 0	$ 0	$ (5,316,398)	$ 0
Land Improvements	2,006,203			(2,006,203)	
Buildings	15,922,172			(15,922,172)	
Accumulated depreciation	(11,009,085)		(461,666)	11,470,751	
Net	**$ 12,235,688**	**$ 0**	**$ (461,666)**	**$ (11,774,022)**	**$ 0**

Depreciation expense related to buildings and improvements was $0 and $461,666 for the seven-month period ended January 31, 2019 and the year ended June 30, 2018, respectively.

Leases and other Transactions with the University

The Authority leases certain campus facilities to the University under agreements as follows:

- *Main Hall Facilities Lease*—The lease, which was terminated January 31, 2019, provided for rentals of $166,399 annually, payable in quarterly installments. By agreement between the parties on July 1, 2018, payments on the lease were suspended until termination of the lease, which was effective January 31, 2019.
- *Auxiliary Facilities Lease*—The University leased auxiliary enterprise facilities including the bookstore and auditorium facilities through January 31, 2019. The lease provided for annual rentals of $300,969, payable in quarterly installments. By agreement between the parties on July 1, 2018, payments on the lease were suspended until termination of the lease, which was effective January 31, 2019.
- *Parking Facilities Lease*— The University leased certain campus parking facilities through January 31, 2019, and provided for rentals of $56,460 annually, payable in quarterly installments. By agreement between the parties on July 1, 2018, payments on the lease were suspended until termination of the lease, which was effective January 31, 2019.

Total lease rentals charged to the University and the Oklahoma Educational Television Authority, by the Authority for leases, were $6,090 and $535,829 in the seven-month period ended January 31, 2019 and the year ended June 30, 2018, respectively.

Leases and other Transactions with the University (continued)
The University provided administrative services to the Authority. The Authority reimbursed the University for such services in the amounts of $0 and $130,261 for the seven-month period ended January 31, 2019 and the year ended June 30, 2018, respectively. These amounts reflect the agreed upon contract terms as amended with OSU-Tulsa for these periods.

At the discretion of its Board of Trustees, the Authority directly pays for various expenses and capital expenditures which benefit the University. These expenses for non-capitalized equipment, facilities maintenance, and policy analysis totaled $44,000 and $48,000 in the seven-month period ended January 31, 2019 and the year ended June 30, 2018, respectively. Other expenses of operating the leased facilities were paid by the University.

Other Leases
Oklahoma Educational Television Authority - On May 1, 2009 the Authority entered into a lease contract with the Oklahoma Educational Television Authority (OETA). This agreement took effect on May 1, 2010 with annual lease payments of $1 for 99 years. Upon completion of the building in May 2011, OETA began making monthly payments for services of $1,000 to the Authority.

Commitments and Contingencies
The Authority implemented a scholarship program in fiscal year 2010 for City of Tulsa employees based on a request by the Mayor, and the City of Tulsa's historical investment in higher education resulting in the land on which the campus stands. The structure mirrors the program currently in place for OSU faculty and staff and follows the same guidelines. The program is limited to $50,000 annually.

Dissolution of Trust and Subsequent Event
A Resolution for the Dissolution of the Authority trust was approved by the Authority Board of Trustees on April 4, 2019. The Governor of the State of Oklahoma approved dissolution, as required by statute, as contained in Executive Order 2018-33 which was filed with the Secretary of State of Oklahoma on December 20, 2018. These resolutions will be presented to the mayor and city council for the City of Tulsa, for consideration for dissolution of the trust.

Independent Auditor's 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
University Center at Tulsa 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 University Center at Tulsa Authority ("Authority"), which comprise the statements of net position as of January 31, 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the seven month period then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 3, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough o merit attention by those charged with governance.

Our consideration of the 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2019.001 that we consider to be a material weakness.

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 statements 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*.

4200 E SKELLY DR, STE. 560, TULSA, OK 74135 RCMTULSA.COM P 918-494-8700 F 918-494-8753 **REGIER CARR & MONROE LLP, CPAs** TUCSON l TULSA/McAlester l WICHITA

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.

Regier Carr & Monroe LLP

May 3, 2019
Tulsa, Oklahoma

Schedule of Findings and Recommendations

Corrective Actions Not Started or in Process

Finding 2019.001

Criteria

Financial statements should be maintained in accordance with generally accepted accounting principles on a material basis.

Condition

We observed that material adjustments were necessary to facilitate the preparation of financial statements in accordance with generally accepted accounting principles.

Cause

The following items were not properly accounted for prior to closing the closing the Authority's books:

- Lease Income and Contributions Expense

Effect or Potential Effect

Internal financial statements provided to management did not reflect the Authority's financial position and results of operations in all material respects.

Recommendations

Management should consider additional review procedures to identify potential misstatements.

View of Responsible Officials and Planned Corrective Action

See page 16.

Additional Reports Provided by Management

University Center at Tulsa Authority
700 North Greenwood Avenue
Tulsa, OK 74106-0700
Phone: 918-594-8000

Management's Response to Auditor's Findings
Summary Schedule of Corrective Action Plan
January 31, 2019

University Center at Tulsa Authority
700 North Greenwood Avenue
Tulsa, OK 74106-0700
Phone: 918-594-8000

Corrective Action Plan

Finding 2019.001

Finding Summary: We observed that material adjustments were necessary to facilitate the preparation of financial statements in accordance with generally accepted accounting principles. Management should consider additional review procedures to identify potential misstatements.

Responsible Individuals: Board of Trustees

Corrective Action Plan: The adjustment entry impacting Contributions Expense related to the $20,000 contribution made to the E.W. Woods Memorial. The commitment was recognized for the year ended June 30, 2018. The actual payment of the $20,000 was made during the seven-month period ended January 31, 2019. Management and trustees had approved the payment. Simply, the entry was not made correctly as submitted to the auditor. Thus, the adjustment was needed to properly reflect Contributions Expense. The entry for Lease Revenues was corrected to properly recognize an additional $90 for a total of $6,090 for the period. The Authority trustees have approved dissolution and there are no assets or liabilities remaining. Operations of the Authority have been discontinued. So, there is no change in procedures or review to adopt. Management appreciates the work of the auditor this year and in previous years.