



Financial Statements
December 31, 2021 and 2020

Tulsa County Public Facilities Authority

Tulsa County Public Facilities Authority

Table of Contents

December 31, 2021 and 2020

Independent Auditor’s Report	1
Management's Discussion and Analysis	4
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position.....	10
Statements of Cash Flow	12
Notes to Financial Statements	14
Required Supplemental Schedules	
Schedule of Proportionate Share of the Net Pension Liability	27
Schedule of Pension Contributions	28
Schedule of Proportionate Share of the Total OPEB Liability	29
Other Supplemental Schedules	
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 <i>Government Auditing Standards</i>	30



Independent Auditor's Report

The Board of Trustees
Tulsa County Public Facilities Authority
Tulsa, Oklahoma

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Tulsa County Public Facilities Authority (the Authority), a component unit of Tulsa County, Oklahoma, as of and for the years ended December 31, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2021 and 2020, and the respective changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Relationship with Tulsa County, Oklahoma

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows of only the activities of the Authority. They do not purport to, and do not, present fairly the financial position of Tulsa County, Oklahoma as of December 31, 2021 and 2020, and the changes in its financial position or its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability, schedule of the Authority's pension contributions, and the schedule of the Authority's proportionate share of the total OPEB liability on pages 4 through 7 and 27 through 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 a report dated June 27, 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 solely 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 effectiveness of the Authority's 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
June 27, 2022



Management's Discussion and Analysis
December 31, 2021 and 2020

Tulsa County Public Facilities Authority

As management of Tulsa County Public Facilities Authority (the Authority), a public trust created for the use and benefit of the County of Tulsa (the County), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Master Plan Improvements

In 1999, the Authority began implementing a master plan to revamp the 240 acres referred to as the Tulsa County Fairgrounds. The first phase was completed in 2001 and consisted of renovating the historic pavilion, an esplanade, and construction of a new livestock arena and stalling barn. The second phase was completed in 2003 and consisted of two new free span livestock barns, improvements to the Expo building, the beginning of Central Park Hall and a new RV park. The third phase was completed in 2006 and included two livestock barns and exhibit hall, a central plant and improvements to the Expo building. The fourth phase was completed in 2008 and included the Exchange Center, armory kitchen and improvements to the Expo building.

The Authority is part of a city-wide vision package approved in 2016. The total funding allocated to the Authority was \$30 million. The authorized projects are an additional barn which was completed in 2019, permanent outdoor stage and gate entrances which were completed in 2018 and pavilion roof repairs also completed in 2019.

Overview of the Financial Statements

The Authority is charged with establishing, promoting, maintaining and operating agricultural and industrial expositions, fairs, trade shows, pari-mutuel horse racing, simulcast and other recreational facilities, including the annual Tulsa State Fair and Tulsa County Fair on the Tulsa State Fairgrounds located in Tulsa County, Oklahoma. The Authority currently operates and maintains the Tulsa State Fairgrounds pursuant to a lease agreement, dated as of February 22, 1983, as amended, by and between the Authority and the County. The Authority is included in the County's annual comprehensive financial report as an enterprise fund.

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. This report consists of two parts: 1) management's discussion and analysis, and 2) financial statements. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The Authority's financial statements conform to generally accepted accounting principles for units of local government as promulgated by the Government Accounting Standards Board.

The financial statements of the Authority are similar to those used by private sector companies. Financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows. These statements show liquidity, debt level and areas in which revenues are generated and expenses are incurred. The statements also reflect the master plan activity.

Net Position

Net position is an important indicator of the Authority's overall financial position. The Authority's net position increased approximately \$5,432,000 to \$95,731,422 at December 31, 2021 from \$90,299,537 at December 31, 2020. Net position decreased approximately \$4,695,000, to \$90,299,537 at December 31, 2020 from \$94,994,114 at December 31, 2019. The Authority's net position as a percentage of total assets plus deferred outflows of resources was 94%, 91%, and 93%, as of December 31, 2021, 2020, and 2019, respectively.

**Condensed Statements of Net Position
As of December 31:**

	2021	2020	2019
Current Assets	\$ 12,790,518	\$ 6,517,077	\$ 3,634,445
Restricted Assets	2,156,361	1,681,438	1,576,805
Capital Assets, Net	86,317,830	89,008,519	94,902,464
Total assets	101,264,709	97,207,034	100,113,714
Total deferred outflows of resources	1,119,070	2,154,177	1,993,983
Current Liabilities	1,775,828	3,123,688	1,667,364
Non-Current Liabilities	3,789,556	5,093,516	5,276,995
Total liabilities	5,565,384	8,217,204	6,944,359
Total deferred inflows of resources	1,086,973	844,470	169,224
Net Position			
Net Investment in Capital Assets	85,815,475	88,453,640	94,316,993
Restricted	1,757,445	1,180,997	942,980
Unrestricted	8,158,502	664,900	(265,859)
Total net position	\$ 95,731,422	\$ 90,299,537	\$ 94,994,114

At December 31, 2021, total assets and deferred outflows increased approximately \$3,023,000 due to an increase in current and restricted assets of approximately \$6,748,000, primarily due to an influx of cash, combined with a decrease in capital assets of approximately \$2,691,000, primarily from a significant amount of disposals, and a decrease in deferred outflows. At December 31, 2021, total liabilities and deferred inflows decreased approximately \$2,409,000, due primarily to decreases in short term accounts payable due from construction projects completed near the end of 2020, but not paid as of December 31, 2020.

At December 31, 2020, total assets and deferred outflows decreased approximately \$2,746,000 due to a decrease in capital assets of approximately \$5,894,000, primarily from depreciation expense of \$8,500,000, combined with an increase in cash of approximately \$2,800,000. At December 31, 2020, total liabilities and deferred inflows increased approximately \$1,948,000, due primarily to increases in short term accounts payable due from construction projects completed near year-end but not yet paid as of December 31, 2020.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years ended December 31:

	2021	2020	2019
Revenues			
Operating	\$ 26,294,413	\$ 15,332,957	\$ 25,458,887
Nonoperating	9,184,459	3,497,000	6,528,608
Total revenues	35,478,872	18,829,957	31,987,495
Expenses			
Operating - Depreciation & amortization	8,496,283	8,452,999	8,676,511
Other operating expenses	21,532,195	15,052,058	25,857,833
Nonoperating expenses and losses	18,509	19,477	412,288
Total expenses	30,046,987	23,524,534	34,946,632
Change in Net Position	5,431,885	(4,694,577)	(2,959,137)
Net Position, Beginning of Year	90,299,537	94,994,114	97,953,251
Net Position, End of Year	\$ 95,731,422	\$ 90,299,537	\$ 94,994,114

Total revenue increased approximately \$16,600,000 from December 31, 2020 to December 31, 2021, largely due to fair revenue, and revenue from many other events, which were canceled in 2020 due to the COVID-19 pandemic. Total expenses were also increased by approximately \$6,500,000, largely for the same reason. Expenses directly related to the fair and other major events, include employee labor, catering and concessions and other miscellaneous costs, which were increased approximately \$4,900,000. Additional increased revenues were from contributions made by the City of Tulsa, Tulsa County, and FEMA, which increased approximately \$6,000,000 for the year ended December 31, 2021.

Total revenue declined approximately \$13,200,000 from December 31, 2020 to December 31, 2021, largely due to the loss of fair revenue, and revenue from many other events, in 2020 due to the COVID-19 pandemic. Total expenses were also decreased by approximately \$11,400,000, largely for the same reason. Expenses directly related to the fair and other major events, include employee labor, catering and concessions and other miscellaneous costs, which were decreased approximately \$8,100,000. Additional costs related to employee layoffs and furloughs and utilities during the pandemic accounted for an additional \$1,500,000 in decreased expenses.

**Capital Assets
As of December 31:**

	2021	2020	2019
Land	\$ 1,146,200	\$ 1,146,200	\$ 1,146,200
Construction in progress	3,751,506	1,856,243	359,849
Buildings and systems	198,617,354	203,776,975	201,175,834
Machinery and equipment	15,756,829	16,157,805	17,774,844
Total	219,271,889	222,937,223	220,456,727
Accumulated depreciation	(132,954,059)	(133,928,704)	(125,554,263)
Capital assets, net	\$ 86,317,830	\$ 89,008,519	\$ 94,902,464

The Authority completed a master plan which was set up in phases. The first phase was completed in September 2001, the second phase was completed in September 2003, the third phase was completed in March 2008, and the fourth phase was completed in October 2008.

Capital assets before depreciation decreased approximately \$3,700,000 from December 31, 2020 to December 31, 2021, largely due to disposals of assets, most of which were fully depreciated and had been taken out of service. Capital assets before depreciation increased approximately \$2,500,000 from December 31, 2019 to December 31, 2020, largely due to the completion of construction projects.

See additional discussion in Note 3 to the financial statements.

Long-term Debt

Outstanding long-term debt decreased approximately \$53,000 from December 31, 2020 to December 31, 2021, due to the regular principal payments. Outstanding long-term debt decreased approximately \$31,000 from December 31, 2019 to December 31, 2020, due to the regular principal payments.

See additional discussion in Note 4 to the financial statements.

Request for Information

This financial report is designed to give the reader a general overview of the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Shanna Dutton, Chief Financial Officer, at Expo Square, 4145 East 21st Street, Tulsa, Oklahoma 74114.

Tulsa County Public Facilities Authority
 Statements of Net Position
 December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 11,127,242	\$ 5,359,432
Accounts receivable	1,368,226	939,598
Prepaid and other expenses	155,796	107,247
Inventories	139,254	110,800
Total current assets	12,790,518	6,517,077
Restricted Assets		
Cash and cash equivalents	1,757,445	1,180,997
Amounts held for others	398,916	500,441
Total restricted assets	2,156,361	1,681,438
Capital assets, not being depreciated	4,897,706	3,002,443
Capital assets, net of depreciation	81,420,124	86,006,076
Total assets	101,264,709	97,207,034
Deferred Outflows of Resources		
Pension and other post-employment benefits	1,119,070	2,154,177
Total assets and deferred outflows of resources	\$ 102,383,779	\$ 99,361,211

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

Tulsa County Public Facilities Authority
 Statements of Net Position
 December 31, 2021 and 2020

	2021	2020
Liabilities		
Current Liabilities		
Accounts payable	\$ 914,725	\$ 2,257,845
Other accrued expenses	461,034	409,595
Unearned credits and event revenue	366,977	424,317
Current portion of debt	33,092	31,931
Total current liabilities	1,775,828	3,123,688
Trust fund liabilities	398,916	500,441
Net pension liability	2,921,377	4,070,127
Long-term debt, less current portion	469,263	522,948
Total non-current liabilities	3,789,556	5,093,516
Total liabilities	5,565,384	8,217,204
Deferred Inflows of Resources		
Pension	1,066,910	800,332
Refunding of debt	20,063	44,138
Total Deferred Inflows of Resources	1,086,973	844,470
Net Position		
Net investment in capital assets	85,815,475	88,453,640
Restricted for debt service	67,910	80,357
Restricted for capital projects	1,689,535	1,100,640
Unrestricted	8,158,502	664,900
Total net position	\$ 95,731,422	\$ 90,299,537

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

Tulsa County Public Facilities Authority
 Statements of Revenues, Expenses and Changes in Net Position
 Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
State Fair Revenue		
Admissions	\$ 2,877,880	\$ 146,402
Midway commissions	2,155,529	-
Third party concessions	119,900	-
Third party vendor	1,818,836	74,288
Parking	1,056,050	-
Food and beverage	941,142	56,056
Ticketed shows	361,312	-
Livestock	666,655	404,650
Fair sponsorships	346,220	68,080
Other state fair revenue	14,298	125
	10,357,822	749,601
Event Revenue		
Building rental	3,317,957	3,250,926
Equipment rental	1,275,342	912,906
Catering and concessions	2,693,731	2,629,605
Security	369,008	209,977
Box Office Fees	170,050	97,230
Facilities surcharges	210,684	165,241
Telecommunication and utilities	297,105	191,102
Other event revenue	176,922	122,083
	8,510,799	7,579,070
Fair Meadows Revenue		
Mutuel commissions	2,955,079	3,129,206
Sports grill revenue	160,844	126,809
Program sales	92,492	83,011
Tribal gaming revenue	2,033,557	1,970,700
Other fair meadows revenue	35,682	12,839
	5,277,654	5,322,565
Exposerve royalties	115,923	50,154
RV park revenue	1,148,927	803,395
Hotel and waterpark revenue	244,000	242,000
Sponsorship revenue	295,141	348,818
Other operating revenue	344,147	237,354
	\$ 26,294,413	\$ 15,332,957

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

Tulsa County Public Facilities Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Expenses		
Direct Expenses		
Direct employee costs	\$ 2,036,079	\$ 1,298,011
Temporary personnel - events	726,593	383,219
Catering and concessions	2,032,262	1,359,012
Simulcast and racing expenses	2,459,251	1,733,165
Sports grill expenses	152,189	153,375
Other event expenses	3,286,799	1,123,434
Total direct expenses	10,693,173	6,050,216
Personnel	4,439,966	4,148,223
Depreciation and amortization	8,496,283	8,452,999
Utilities and telephone	2,638,528	2,093,497
Supplies and printing	247,877	223,819
Professional services	508,126	503,419
Maintenance and repairs	829,130	355,626
Insurance	763,940	557,580
Equipment rental	251,892	174,181
Food and beverage	795,591	630,825
Vehicle expenses	138,980	92,957
Other expenses	224,992	221,715
Total operating expenses	30,028,478	23,505,057
Operating Loss	(3,734,065)	(8,172,100)
Nonoperating Revenues (Expenses)		
Contributions from the City of Tulsa	2,723,546	262,314
Contributions from Tulsa County	6,434,058	3,231,287
Contributions from FEMA	305,213	-
Interest expense	(18,509)	(19,477)
Interest income	-	3,399
Loss on capital asset retirements	(278,358)	-
Net nonoperating revenues	9,165,950	3,477,523
Change in net position	5,431,885	(4,694,577)
Net position, beginning of year	90,299,537	94,994,114
Net position, end of year	\$ 95,731,422	\$ 90,299,537

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

Tulsa County Public Facilities Authority

Statements of Cash Flow

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Cash received from customers	\$ 25,706,920	\$ 15,042,495
Cash paid to suppliers	(15,735,262)	(7,534,711)
Cash paid for salaries, employee benefits and taxes	(7,036,757)	(5,767,470)
Net Cash from Operating Activities	<u>2,934,901</u>	<u>1,740,314</u>
Noncapital Financing Activities		
Other receipts	-	193,465
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>193,465</u>
Capital and Related Financing Activities		
Acquisition of capital assets	(6,115,568)	(2,559,054)
Proceeds from the sale of capital assets	31,616	-
Principal payments on revenue bonds	(77,356)	(30,592)
Interest payments on revenue bonds	(18,509)	(19,477)
Proceeds from issuance of bank debt	24,832	-
Contributions from Tulsa County and City of Tulsa	9,462,817	3,493,601
Net Cash from Capital and Related Financing Activities	<u>3,307,832</u>	<u>884,478</u>
Investing Activities		
Interest received on cash	-	3,399
Net Cash from Investing Activities	<u>-</u>	<u>3,399</u>
Net Change in Cash and Cash Equivalents	6,242,733	2,821,656
Cash and Cash Equivalents, Beginning of Year	<u>7,040,870</u>	<u>4,219,214</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,283,603</u>	<u>\$ 7,040,870</u>

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

Tulsa County Public Facilities Authority

Statements of Cash Flow

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income to Net		
Cash from Operating Activities		
Operating loss	\$ (3,734,065)	\$ (8,172,100)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	8,496,283	8,452,999
Changes in assets, liabilities, deferred inflows and outflows		
Accounts receivable	(428,628)	(260,751)
Prepaid event and other expenses	(48,549)	15,723
Inventories	(28,454)	79,419
Deferred outflows of resources	1,035,107	(160,194)
Accounts payable	(1,343,120)	1,164,899
Other accrued expenses	51,439	(6,748)
Net pension liability	(1,148,750)	113,463
Other post-employment benefits liability	-	(131,931)
Unearned credits and event revenue	(57,340)	297,138
Trust fund liabilities	(101,525)	(133,384)
Deferred inflows of resources	242,503	675,246
	<u>6,668,966</u>	<u>10,105,879</u>
Total adjustments		
Net Cash from Operating Activities	<u>\$ 2,934,901</u>	<u>\$ 1,933,779</u>
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 11,127,242	\$ 5,359,432
Restricted cash and cash equivalents	1,757,445	1,180,997
Trust Account (Held for Others)	398,916	500,441
	<u>\$ 13,283,603</u>	<u>\$ 7,040,870</u>

Note 1 - Significant Accounting Policies**Summary of Significant Accounting Policies**

The accounting and reporting policies of Tulsa County Public Facilities Authority (the Authority) conform to generally accepted accounting principles for units of local government as promulgated by the Governmental Accounting Standards Board (GASB). The Authority has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. The Authority has elected to apply all applicable GASB pronouncements as well as all private-sector standards of accounting and financial reporting issued prior to December 1, 1989.

Organization and Purpose

The Authority is a public trust established under the provisions of the Oklahoma Trust Act on January 17, 1983. The Authority commenced operations on March 1, 1983, and, as successor to the Tulsa County Fairgrounds Trust Authority, operates and manages certain properties owned by Tulsa County, Oklahoma (the County), commonly referred to as the Tulsa County Fairgrounds located at Expo Square. The Authority is included in the County's comprehensive annual financial report as an enterprise fund.

The financial statements of the Authority are intended to present the financial position and changes in financial position of only that portion of the enterprise fund information of the County that is attributable to the transactions of the Authority, and not those of the entire County.

Basis of Accounting

Accrual basis accounting is used by the Authority. Under this method of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to facility surcharges or other long-term purposes are excluded from this definition.

Restricted Assets

Certain assets of the Authority are restricted for payment of horse racing meet purses and capital expenditures.

Accounts Receivable

Accounts receivable are short-term, non-interest bearing and uncollateralized and carried at original invoice amount.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding past the terms of the specific sales contract. An allowance for doubtful accounts is established by management, based on past experience and analysis of current receivable collectability. The Authority considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Inventories

Inventories consist of food, beverage and sundry items and are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

Capital Assets

The Authority's capital assets with useful lives of more than one year are stated at cost or acquisition value if acquired by gift. Capital assets which are sold or retired have their cost and related accumulated depreciation removed from the records. The related gain or loss is recorded in the period of sale or retirement. Repairs and maintenance are charged to expense as incurred. Major renewals or betterments are capitalized.

Depreciation is provided using the straight-line method, based on the estimated useful lives of the assets which range from 3 to 45 years.

The Authority records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the years ended December 31, 2021 and 2020.

Prepaid Event Expenses and Unearned Revenue

Revenue from events, such as the annual State Fair and horse racing meet events, and the related expenses, are deferred until occurrence of the event, at which time the related revenue and any expenses are recognized.

Facilities Surcharge and Excise Tax Revenue

As of July 1999, the Authority implemented an event surcharge of \$1.00 per person on each admission to certain events held at the Tulsa State Fairgrounds. The event surcharge is earmarked for capital improvements at the Tulsa State Fairgrounds as described in the Expo Square Master Plan. Also, an excise tax was levied by the County which may be used for the purpose of making capital improvements at Expo Square and/or pledged and applied toward the payment of principal, premium and interest on indebtedness. For the years ending December 31, 2021 and 2020, the Authority received approximately \$3,240,000 and \$2,240,000, respectively, in excise tax revenue from the County. These amounts are included in nonoperating revenues (expenses) on the statements of revenue, expenses and changes in net position.

Income Taxes

As a political subdivision, the Authority is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code. As a result, as long as the Authority maintains its tax exemption, it will not be subject to income tax.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications were related to certain revenue and expense groupings and had no impact on net income or net position.

Subsequent Events

The Authority has evaluated subsequent events through June 27, 2022, the date which the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

Amounts Held for Others

Included in Amounts Held for Others is the Horsemen's Trust Account which is cash held in a custodial capacity for the payment of purses during the live racing meet. A corresponding liability for these amounts has been recorded as Trust Fund Liabilities.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist primarily of facility surcharges. In accordance with state statutes, authorized cash equivalents consist of obligations of the U.S. Treasury, agencies and instrumentalities, investment contracts, commercial paper, repurchase agreements and money market accounts.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy to limit custodial credit risk and has balances that regularly exceed FDIC limits.

Tulsa County Public Facilities Authority

Notes to Financial Statements

December 31, 2021 and 2020

Note 3 - Capital Assets

Capital assets activity for the years ended December 31, 2021 and 2020, was as follows:

	<u>1/1/2021</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>12/31/2021</u>
Capital assets, not being depreciated					
Land	\$ 1,146,200	\$ -	\$ -	\$ -	\$ 1,146,200
Construction in progress	1,856,243	5,473,084	(3,577,821)	-	3,751,506
Capital assets, not being depreciated	<u>3,002,443</u>	<u>5,473,084</u>	<u>(3,577,821)</u>	<u>-</u>	<u>4,897,706</u>
Capital assets, being depreciated					
Buildings and systems	203,776,975	-	3,577,821	(8,737,442)	198,617,354
Machinery and equipment	16,157,805	642,484	-	(1,043,460)	15,756,829
Total depreciable assets	<u>219,934,780</u>	<u>642,484</u>	<u>3,577,821</u>	<u>(9,780,902)</u>	<u>214,374,183</u>
Less accumulated depreciation for					
Buildings and systems	(122,687,018)	(7,520,579)	-	8,467,052	(121,740,545)
Machinery and equipment	(11,241,686)	(975,704)	-	1,003,876	(11,213,514)
Total accumulated depreciation	<u>(133,928,704)</u>	<u>(8,496,283)</u>	<u>-</u>	<u>9,470,928</u>	<u>(132,954,059)</u>
Capital assets, being depreciated, net	<u>86,006,076</u>	<u>(7,853,799)</u>	<u>3,577,821</u>	<u>(309,974)</u>	<u>81,420,124</u>
Total capital assets, net	<u>\$ 89,008,519</u>	<u>\$ (2,380,715)</u>	<u>\$ -</u>	<u>\$ (309,974)</u>	<u>\$ 86,317,830</u>
	<u>1/1/2020</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>12/31/2020</u>
Capital assets, not being depreciated					
Land	\$ 1,146,200	\$ -	\$ -	\$ -	\$ 1,146,200
Construction in progress	359,849	1,736,491	(240,097)	-	1,856,243
Capital assets, not being depreciated	<u>1,506,049</u>	<u>1,736,491</u>	<u>(240,097)</u>	<u>-</u>	<u>3,002,443</u>
Capital assets, being depreciated					
Buildings and systems	201,175,834	51,142	2,549,999	-	203,776,975
Machinery and equipment	17,774,844	771,421	(2,309,902)	(78,558)	16,157,805
Total depreciable assets	<u>218,950,678</u>	<u>822,563</u>	<u>240,097</u>	<u>(78,558)</u>	<u>219,934,780</u>
Less accumulated depreciation for					
Buildings and systems	(115,266,569)	(7,420,449)	-	-	(122,687,018)
Machinery and equipment	(10,287,694)	(1,032,550)	-	78,558	(11,241,686)
Total accumulated depreciation	<u>(125,554,263)</u>	<u>(8,452,999)</u>	<u>-</u>	<u>78,558</u>	<u>(133,928,704)</u>
Capital assets, being depreciated, net	<u>93,396,415</u>	<u>(7,630,436)</u>	<u>240,097</u>	<u>-</u>	<u>86,006,076</u>
Total capital assets, net	<u>\$ 94,902,464</u>	<u>\$ (5,893,945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,008,519</u>

Depreciation expense was \$8,496,283 and \$8,452,999 for the years ended December 31, 2021 and 2020, respectively.

All capital assets are subject to a lease agreement dated February 22, 1983, with the Board of Commissioners of Tulsa County which, as amended, extends to March 1, 2043. The lease agreement covers all land, buildings, equipment and other properties.

The terms of the agreement provide that the Authority will manage and use the property in exchange for utilizing the property for purposes which are in the best interest of the citizens of Tulsa County. The agreement requires County Commissioner approval for capital expenditures in excess of \$100,000, any sublease of the property for a term exceeding two years, and the issuance of any revenue bonds. At the termination of the lease, ownership of all assets used or acquired in connection with the leased premises reverts to the County.

The above capital assets do not include the facility known as Safari Joe's H2O and formerly known as Big Splash. The facility was purchased by Splash Action, and the Authority entered into a contract with Splash Action as of September 2015. The facility operates under a long-term ground sublease for which the Authority receives rentals based on percentages of revenues subject to certain minimums. During the years ended December 31, 2021 and 2020, the Authority recorded \$144,000 and \$142,000, respectively, of rental income from Safari Joe's.

The Authority also has a percentage rental contract, extending to October 2022, with a midway operator to provide and operate amusements during the annual State Fair. During the year ended December 31, 2021, the Authority received \$2,275,429 of rental income from this contract. During the year ended December 31, 2020, the Authority received no rental income under this contract due to the cancellation of the State Fair because of the COVID-19 pandemic.

The Authority leases certain property to a third party under a Ground Sublease Agreement. The sublessee of the property constructed a 100-room hotel facility (the Hotel Facility) on the subleased property. The third party is required to pay annual rental equal to the following: (a) \$46,000 payable in equal monthly installments from July 1, 2016 through December 31, 2016, (b) from January 1, 2017, through the termination of the sublease at the annual rate of \$100,000.

Note 4 - Long-term Liabilities

Long-term liability for the years ended December 31, 2021 and 2020, consists of the following:

	<u>1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2021</u>	<u>Amount Due Within One Year</u>
Note payable with bank	\$ 554,879	\$ -	\$ 52,524	\$ 502,355	\$ 33,092
Total long-term liabilities	<u>\$ 554,879</u>	<u>\$ -</u>	<u>\$ 52,524</u>	<u>\$ 502,355</u>	<u>\$ 33,092</u>

Tulsa County Public Facilities Authority

Notes to Financial Statements

December 31, 2021 and 2020

	<u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2020</u>	<u>Amount Due Within One Year</u>
Note payable with bank	\$ 585,471	\$ -	\$ 30,592	\$ 554,879	\$ 31,931
Total long-term liabilities	<u>\$ 585,471</u>	<u>\$ -</u>	<u>\$ 30,592</u>	<u>\$ 554,879</u>	<u>\$ 31,931</u>

Note Payable with Bank

In November 2019, the Authority entered into a promissory note with a local financial institution at a 3.3% interest rate. The amounts are due in 180 payments of \$4,146 per month and the note matures on November 12, 2034. The collateral on the note is the real property, fixtures, improvements, and personal property located at 7041 East 15th Street; Tulsa, Oklahoma 74112.

Bonds Payable

In October 2005, the Authority issued \$27,805,000 of its Capital Improvement and Refunding Revenue Bonds, Series 2005 (2005 Series revenue bonds) (average interest rate of 4.3 percent) principally to refund \$22,228,368 of outstanding 1999 Series revenue bonds (average interest rate of 6.5 percent). As a result, the 1999 Series revenue bonds were defeased, and the Authority had no further liability on the 1999 bonds. The difference between the reacquisition price (funds required to refund the 1999 Series revenue bonds) and the net carrying amount of the 1999 Series revenue bonds is shown as a reduction of \$2,049,217 in bonds payable. This reduction was being amortized to interest expense utilizing the effective interest method. These bonds were refunded during fiscal year ended December 31, 2015. See note below on 2015 bonds.

On August 4, 2015, the Authority issued \$14,745,000 of its Capital Improvement and Refunding Revenue Bonds, Series 2015 (2015 Series revenue bonds) (average interest rate of 3.5 percent) principally to refund \$16,790,000 of outstanding 2005 Series revenue bonds (average interest rate of 4.3 percent). The net proceeds of \$15,246,165 (after underwriting fees and other issuance costs of \$282,065) plus \$1,935,471 of cash was deposited in an irrevocable trust with an escrow agent to refund the 2005 bonds. As a result, the 2005 Series revenue bonds were defeased and the Authority has no further liability on the 2005 bonds. The difference between the reacquisition price (funds required to refund the 2005 Series revenue bonds) and the net carrying amount of the 2005 Series revenue bonds is reported as a deferred inflow of resources with balances of \$20,063 and \$44,138 as of December 31, 2021 and 2020, respectively. This reduction is being amortized to interest expense utilizing the effective interest method.

On December 20, 2019, the Authority deposited \$6,821,133 in cash in an irrevocable trust with an escrow agent to refund the 2015 bonds. This resulted in an in-substance defeasance and the Authority has no further liability on the 2015 bonds. The difference between the reacquisition price (funds required to refund the 2015 Series revenue bonds) and the net carrying amount of the 2015 Series revenue bonds of approximately \$6.6 million was reported as a loss on defeasance of \$128,206 for the year ended December 31, 2019. The remaining balance owed on these defeased bonds was \$2,290,000 and \$4,515,000 as of December 31, 2021 and 2020.

Future maturities of debt and related deferred inflow of resources are as follows:

<u>Year ended December 31:</u>	<u>Deferred Inflow of Resources</u>	<u>Notes Payable</u>
2022	\$ 20,063	\$ 33,092
2023	-	34,809
2024	-	35,975
2025	-	37,181
2026	-	38,426
Thereafter	-	322,872
Total	<u>\$ 20,063</u>	<u>\$ 502,355</u>

Note 5 - Racing Operations

The Authority must apply to the Oklahoma Horse Racing Commission annually to be awarded racing days. For the fiscal years ended December 31, 2021 and 2020, the Authority was awarded and held 34 days. The Authority also held simulcast races throughout the fiscal years.

The Authority retains a pari-mutuel commission based on the total amount of pari-mutuel wagering during a racing meet. The percentages of the total wagered which can be retained by the Authority are set by Oklahoma law. The Authority must pay all purses and operating costs of the racing meet from the commission. The total amounts wagered on live racing during 2021 and 2020 were approximately \$810,000 and \$704,000, respectively. The total amounts wagered during 2021 and 2020 from simulcasting were approximately \$19,084,000 and \$18,889,000, respectively.

Note 6 - Related Party Transactions

The County provides, at its cost, certain printing and office supplies to the Authority, which are used for administrative purposes. During the years ending December 31, 2021 and 2020, the Authority paid the County approximately \$14,000 and \$9,000, respectively, for these items.

Note 7 - Retirement Plan

The Authority accounts for pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting For Pensions*.

The Authority provides all full-time employees retirement benefits through participation in the Tulsa County Employees' Retirement System (the System), a single-employer defined benefit pension plan, which covers participants with retirement, death and disability benefits. A nine-member Board of Trustees administers the System. Benefit terms are established and can be amended by the Systems Board of Trustees. The System issues stand-alone financial statements, which can be obtained from Tulsa County at 500 South Denver, Tulsa, Oklahoma 74103, or online at www.tulsacounty.org.

The System and Tulsa County have a June 30 year end. The System's pension liability was based on actuarial valuations as of June 30, 2021 and 2020. Tulsa County has elected to use the preceding year-end of the System as its measurement date. Net pension liability and related deferred outflows and inflows are reported as of June 30, 2021 and 2020. Pension payments by the Authority from the measurement date and the Authority's year-end are reported as deferred outflows of resources.

Employer contributions between the measurement date of June 30 and the Authority's year-end are reported as deferred outflows of resources. At December 31, 2021 and 2020, these payments amount to \$148,164 and \$145,013, respectively.

Plan Description and Provisions

Membership in the System is mandatory for all eligible employees. An employee becomes eligible on the first day of employment as a regular, full-time employee. Oklahoma Statutes include elected and appointed salaried County officials as employees for retirement system purposes. Seasonal, temporary, hourly, part-time or contracted workers are not considered to be eligible employees. Full-time employees of the Authority, along with other employees of the County and certain related agencies, participate in this plan.

For the plan years ended December 31, 2021 and 2020, the Authority's covered payroll were \$1,743,436 and \$2,001,618, respectively, and total payroll for all covered employees of the plan amount to \$79,247,098 and \$83,400,750, respectively. The Authority's share (2.20% and 2.40%, respectively) of the net pension liability was determined based on this ratio.

Normal Retirement Benefits

Benefits are determined by multiplying the average of the highest paid three years of annual salary times a percentage based on the years of credited service at the date of retirement. A member is fully vested after five years of full-time service as a regular employee. The five-year period is not required to be continuous. Unreduced benefits may be received at age 62. A member may also be eligible for full benefits under the "Rule of 80" in which the total service time and the employee's age equals 80. The System allows an employee who has attained age 55 with at least five years of credited service the opportunity to draw retirement benefits at an actuarially reduced percentage from the normal rate at age 62.

Contributions

Title 19 OSA 954 of the Oklahoma Statutes provides for annual contributions to be made by Tulsa County (including the Authority) for amortizing any net pension liability. The Board of Trustees of the System recommends to the Board of County Commissioners (BOCC), the percentage of the employer and employees' contribution level to be contributed to the System. The BOCC, within the limits allowed by law, establishes both the employer and employee levels of contributions to support the System.

Beginning July 1, 2019, the total employer and employee contributions shall not exceed 18.5% of the monthly compensation of each member.

Until June 30, 2019, the employer contribution rate was 14 percent. Effective July 1, 2020, the BOCC and the Board of Trustees of the System approved a resolution changing the employer contribution rate to 15%.

For the years ended December 31, 2021 and 2020, the employee contribution rate was 3.5% of the base salary per month.

There are no legally required reserve accounts for the System's fiscal years ending June 30, 2021 and 2020.

Actuarial Assumptions

Key assumptions used in the System's actuarial valuation as of June 30, 2021 and 2020, are:

	<u>2021</u>	<u>2020</u>
Discount rate	6.00%	6.25%
Long-term expected rate of return	6.00%	6.25%
Valuation date	July 1, 2021	July 1, 2020
Measurement date	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Salary increases including inflation	5% grading down to 2.5%	5% grading down to 2.5%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Mortality	RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled with generational projection from 2006 using Scale MP-2017 for healthy participants	RP-2014 Mortality for Employees, Healthy Annuitants, and Disabled with generational projection from 2006 using Scale MP-2017 for healthy participants

The actuarial assumptions that determined the total pension liability as of December 31, 2021 and 2020, were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

Long-Term Expected Rate of Return

The current asset allocation and the best estimates of the arithmetic expected real rates of return for each major asset class as of December 31, 2021 and 2020, is summarized as follows:

	2021	
	Current Allocation	Expected Long-term Rate of return
US Cash		
US Core Fixed Income	18.75%	1.37%
US Intermediate Bonds	8.75%	0.94%
US High Yield Bonds	7.50%	3.95%
US Large Caps	17.50%	5.15%
US Mid-Caps	25.00%	5.71%
Foreign Developed Equity	12.50%	6.27%
Private Real Estate	5.00%	4.62%
Master Limited Partnerships	5.00%	6.48%
	2020	
	Current Allocation	Expected Long-term Rate of return
US Cash	2.80%	-0.28%
US Core Fixed Income	26.10%	0.84%
US Intermediate Bonds	17.00%	0.84%
US High Yield Bonds	9.50%	3.75%
US Large Caps	14.50%	5.92%
US Mid-Caps	17.50%	6.89%
Foreign Developed Equity	9.00%	6.41%
Master Limited Partnerships	3.60%	5.49%

Pension Liabilities, Pension Expense, and Deferred Outflow/Inflows of Resources

At December 31, 2021 and 2020, the Authority reported a liability of \$2,921,377 and \$4,070,127, respectively, for its proportionate share of the net pension liability. The Authority's proportion of the net pension liability was based on the Authority's covered payroll relative to total covered payroll for Tulsa County. Based upon this information, the Authority's proportion was 2.2% and 2.4% for the years ended December 31, 2021 and 2020, respectively.

Tulsa County Public Facilities Authority

Notes to Financial Statements

December 31, 2021 and 2020

For the years ended December 31, 2021 and 2020, the Authority recognized pension expense of \$352,769 and \$684,078, respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual plan experience	\$ 65,769	\$ 63,536
Changes of assumptions	818,984	-
Net difference between projected and actual earnings on pension plan investments	-	558,671
Changes in proportion and differences between employer contributions and proportionate share of contributions	86,153	444,703
Authority contributions subsequent to the measurement date	<u>148,164</u>	<u>-</u>
Total	<u>\$ 1,119,070</u>	<u>\$ 1,066,910</u>
	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual plan experience	\$ 137,373	\$ 35,976
Changes of assumptions	1,097,271	-
Net difference between projected and actual earnings on pension plan investments	606,163	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	168,357	764,356
Authority contributions subsequent to the measurement date	<u>145,013</u>	<u>-</u>
Total	<u>\$ 2,154,177</u>	<u>\$ 800,332</u>

Deferred outflows of resources of \$148,164 and \$145,013, respectively, were related to pensions resulting from Authority contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the years ended December 31, 2021 and 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2022	\$ (22,326)
2023	(22,326)
2024	(22,326)
2025	(22,326)
2026	<u>(6,700)</u>
Total	<u>\$ (96,004)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability of the Authority for the years ended December 31, 2021 and 2020, is calculated using the discount rate of 6.00% and 6.25%, respectively. The following presents what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher than the current rate.

<u>2021</u>		
1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
\$ 4,343,626	\$ 2,921,377	\$ 1,757,134
<u>2020</u>		
1% Decrease 5.25%	Current Rate 6.25%	1% Increase 7.25%
\$ 5,521,915	\$ 4,070,127	\$ 2,878,359

Note 8 - Other Post-Employment Benefits

Summary

Effective July 1, 2020, the retirees in the Authority's post-employment benefit (OPEB) plan were transferred into a separate plan outside of the Authority and the County, and the previous OPEB liability was removed. The disclosures below are related to the plan information as of December 31, 2019.

Plan Description

Until July 1, 2020, the Authority offered post-employment benefit (OPEB) options to retirees and their dependents for medical, prescription drug, dental, and vision benefits for retired employees for those at normal retirement age defined as the earlier of age 62 with 5 years of service or the "Rule of 80" as described in the pension benefits. These benefits are provided through a defined benefit, single employer substantive plan with Tulsa County, which serves as administrator of the plan.

A substantive plan is one in which the plan terms are understood by the County, the Authority, and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. All of the Authority's employees may become eligible for those post-retirement benefits if they are retired members under the age of 65 of the Tulsa County Employees' Retirement System (the System). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Reporting for Post Employment Benefits Other Than Pensions*.

Benefits Provided

Until terminated, the Plan covered all current retirees of the System under the age of 65 who elected post-retirement medical coverage through Tulsa County and future retired employees under the age of 65 of Tulsa County through the County's fully insured health plan. The benefit levels are the same as those afforded to active employees.

The benefits offered by the County to retirees include health care, prescription drug, dental and vision benefits. The retirees become eligible to receive benefits when they retire through the System.

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

There were no such liabilities, expenses, deferred outflows or deferred inflows for the years ended December 31, 2021 and 2020.

Note 9 - Contingencies

The Authority is involved in legal proceedings in the normal course of operations, none of which, in the opinion of management, will have a material effect on the net position or changes in net position of the Authority.



Required Supplementary Information
December 31, 2021 and 2020

Tulsa County Public Facilities Authority

Tulsa County Public Facilities Authority
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability	2.20%	2.40%	3.20%	3.20%	2.80%	2.80%	2.76%	3.17%
Authority's proportionate share of the net pension liability	\$ 2,921,377	\$ 4,070,127	\$ 3,956,664	\$ 2,807,622	\$ 1,972,036	\$ 2,168,576	\$ 1,113,629	\$ 563,443
Authority's covered payroll	\$ 1,743,436	\$ 2,001,618	\$ 2,573,231	\$ 2,447,991	\$ 2,150,288	\$ 2,331,204	\$ 2,121,982	\$ 2,296,768
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	167.56%	203.34%	153.76%	114.69%	91.71%	93.02%	52.48%	24.53%
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan fiduciary net position as a percentage of the total pension liability	72.20%	62.64%	70.04%	76.86%	80.14%	77.49%	87.12%	94.00%

*10 -year data is not yet available.

Notes:

The discount rate decreased from 6.25% to 6.00% as of June 30, 2021.

Tulsa County Public Facilities Authority
Schedule of Pension Contributions
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractual required contribution	\$ 309,612	\$ 313,252	\$ 389,170	\$ 342,719	\$ 342,470	\$ 326,369	\$ 334,992	\$ 346,483
Contribution in relation to the contractually required contribution	278,816	299,384	355,309	342,719	342,470	326,369	334,992	325,340
Contribution deficiency	30,796	13,868	33,861	-	-	-	-	21,143
Authority's covered payroll	\$ 1,743,436	\$ 2,001,618	\$ 2,573,231	\$ 2,447,991	\$ 2,150,288	\$ 2,331,204	\$ 2,121,982	\$ 2,296,768
Contribution as a percentage of covered payroll	17.76%	15.65%	15.12%	14.00%	15.93%	14.00%	15.79%	15.09%

*10 -year data is not yet available.

Tulsa County Public Facilities Authority
Schedule of Proportionate Share of the Total OPEB Liability
Last Ten Fiscal Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the total OPEB liability	2.77%	2.61%	2.61%	2.61%
Authority's proportionate share of the total OPEB liability	\$ 131,931	\$ 147,958	\$ 139,144	\$ 142,557
Authority's covered payroll	\$ 2,268,426	\$ 2,118,046	\$ 2,127,256	\$ 2,078,531
Authority's proportionate share of the total OPEB liability as a percentage of its covered payroll	5.82%	6.99%	6.54%	6.86%

Notes to Schedule:

The discount rate changed from 3.87% in 2018 to 3.5% in 2019. Effective, July 1, 2020, the retirees in the Plan were transferred into a separate plan outside of the Authority and the County. The data above is related to the plan information through 2019.

*Only active years since implementation of GASB 75 through termination are presented.



Other Reports
December 31, 2021 and 2020

Tulsa County Public Facilities Authority



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
Tulsa County Public Facilities Authority
Tulsa County, Oklahoma

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 Tulsa County Public Facilities Authority (the Authority), as of and for the year ended December 31, 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 June 27, 2022. Our report includes an emphasis of matter paragraph describing the acknowledgement that the Authority is a component unit of the Tulsa County and these financial statements reflect only the assets, liabilities, and revenues and expenses of the Authority and not the Authority as a whole.

Report on 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) as a basis for designing 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 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Tulsa, Oklahoma

June 27, 2022