



**TULSA STADIUM TRUST  
(A COMPONENT UNIT OF THE CITY OF TULSA, OKLAHOMA)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023 and 2022**

**WITH**

**INDEPENDENT AUDITORS' REPORT**

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# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Tulsa Stadium Trust  
Tulsa, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Tulsa Stadium Trust (the Trust), a component unit of the City of Tulsa, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tulsa Stadium Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tulsa Stadium Trust as of June 30, 2023, and the changes in its net position and its cash flows for the year then ended in accordance 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*, 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 Tulsa Stadium Trust 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.

#### ***Prior Period Financial Statements***

The financial statements of Tulsa Stadium Trust for the year ended June 30, 2022, were audited by other auditors whose reported dated December 1, 2022, expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Financial Statements***

Tulsa Stadium Trust's management is responsible for the preparation and fair presentation of the 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 Tulsa Stadium Trust'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.

### ***Auditors' 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 auditors' 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 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, 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 Tulsa Stadium Trust'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 Tulsa Stadium Trust'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 management's discussion and analysis on pages 4 – 5 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 our report dated December 21, 2023 on our consideration of Tulsa Stadium Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Tulsa Stadium Trust's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

**CARR, RIGGS & INGRAM, LLC**

Dallas, Texas

December 21, 2023



# MANAGEMENT'S DISCUSSION AND ANALYSIS



**TULSA STADIUM TRUST**  
**(a Component Unit of the City of Tulsa, Oklahoma)**

**Management's Discussion and Analysis**

**For the Years Ended June 30, 2023 and 2022**

Introduction

This Management's Discussion and Analysis (MD&A) is intended to aid the reader in recognizing any significant issues and changes in the financial position of the Trust. The MD&A should be used in conjunction with the financial statements and notes as a whole.

Financial Statements

**Condensed Statements of Net Position**

	2023	2022	2021
Current assets	\$ 5,607,567	\$ 5,324,778	\$ 5,648,147
Noncurrent assets	31,299,100	32,977,729	34,351,806
<b>Total assets</b>	<b>36,906,667</b>	<b>38,302,507</b>	<b>39,999,953</b>
Current liabilities	824,327	802,010	781,871
Noncurrent liabilities	19,463,009	20,113,272	21,000,973
<b>Total liabilities</b>	<b>20,287,336</b>	<b>20,915,282</b>	<b>21,782,844</b>
<b>Net position:</b>			
Net investment in capital assets	10,898,464	11,642,047	12,215,324
Restricted for maintenance	1,645,626	1,522,670	1,472,666
Unrestricted	4,075,241	4,222,508	4,529,119
<b>Total net position</b>	<b>\$ 16,619,331</b>	<b>\$ 17,387,225</b>	<b>\$ 18,217,109</b>

The Tulsa Stadium Trust, a component unit of the City of Tulsa, Oklahoma, was organized as a public trust on September 25, 2008, for the use and benefit of the City of Tulsa, Oklahoma, under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes, 2001, Section 176 to 180.4. The purpose of the Trust is to acquire, construct, own and operate a baseball stadium in downtown Tulsa and amenities and facilities necessary or convenient thereto.

As of June 30, 2023 and 2022, the Trust had total assets of \$36,906,667 and \$38,302,507, respectively. Current assets consisted of cash of \$766,184 and \$1,370,627, restricted cash of \$4,789,019 and \$3,950,129, and accrued revenue of \$52,364 and \$4,022, respectively. Noncurrent assets consisted of capital assets of \$26,864,995 and \$28,344,448, net of depreciation, respectively and restricted cash of \$1,602,724 for both years, line of credit of \$0 and \$358,952, respectively, lease receivable of \$2,830,162 and \$2,670,386, respectively, and deposits of \$1,219 for both years. At June 30, 2023 and 2022, total current liabilities consisted of accrued interest of \$64,327 and \$67,010, and bonds payable of \$760,000 and \$735,000, respectively. Noncurrent liabilities consisted of deferred inflows of resources of \$2,653,756 and \$2,543,147 and bonds payable of \$16,809,253 and \$17,570,125, respectively.



### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022	2021
Operating revenues	\$ 224,881	\$ 212,918	\$ 156,498
Operating expenses	2,801,888	2,613,672	2,353,016
Operating loss	(2,577,007)	(2,400,754)	(2,196,518)
Nonoperating revenues, net	1,809,113	1,570,870	1,391,786
Decrease in net position	\$ (767,894)	\$ (829,884)	\$ (804,732)

The Trust completed the construction phase of the stadium and began operations during the spring of 2010. The Trust is being partially funded by approximately \$31,923,822 of gifts and sponsorships. During 2023 and 2022, operating revenues consisted of rental income of \$101,925 and \$162,914 and maintenance reserve revenue of \$122,956 and \$50,004, respectively. During 2023 and 2022, operating expenses consisted primarily of professional fees of \$137,555 and \$83,326, administrative expenses of \$2,737 and \$2,634, insurance expenses of \$76,735 and \$64,371, improvement district assessment of \$33,562 and \$33,059, depreciation of \$2,152,161 and \$2,078,145, repairs and maintenance expenses of \$303,463 and \$271,005, utilities of \$61,255 and \$46,712, and rent expense of \$34,420 and \$34,420, respectively. Expenses incurred for the years ended June 30, 2023 and 2022 are primarily related to operating the stadium activities, management of the investment properties and refinancing the bonds.

#### Requests for information

This financial report is designed to provide a general overview of the Trust's finances for all those with interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tulsa Stadium Trust, 175 East Second Street, Tulsa, Oklahoma 74103.



# FINANCIAL STATEMENTS



**TULSA STADIUM TRUST**  
**(a Component Unit of the City of Tulsa, Oklahoma)**

**STATEMENTS OF NET POSITION**

**June 30, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 766,184	\$ 1,370,627
Restricted cash	4,789,019	3,950,129
Accrued revenue	52,364	4,022
Total current assets	5,607,567	5,324,778
Capital assets, net	26,864,995	28,344,448
Restricted cash	1,602,724	1,602,724
Line of credit – Tulsa Drillers	-	358,952
Lease receivable	2,830,162	2,670,386
Other assets	1,219	1,219
Total assets	36,906,667	38,302,507
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	-	-
Accrued interest	64,327	67,010
Current maturities of bonds payable	760,000	735,000
Total current liabilities	824,327	802,010
Deferred inflows of resources	2,653,756	2,543,147
Bonds payable, less current maturities	16,809,253	17,570,125
Total liabilities	20,287,336	20,915,282
Net position:		
Net investment in capital assets	10,898,464	11,642,047
Restricted for maintenance	1,645,626	1,522,670
Unrestricted	4,075,241	4,222,508
Total net position	\$ 16,619,331	\$ 17,387,225

**TULSA STADIUM TRUST**  
**(a Component Unit of the City of Tulsa, Oklahoma)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Years ended June 30, 2023 and 2022**

	2023	2022
Operating revenues:		
Rent	\$ 101,925	\$ 162,914
Maintenance reserve revenue	122,956	50,004
	224,881	212,918
Total operating revenues		
Operating expenses:		
Professional fees	137,555	83,326
Administrative expenses and other	2,737	2,634
Insurance	76,735	64,371
Rent	34,420	34,420
Utilities	61,255	46,712
Repairs and maintenance	303,463	271,005
Depreciation	2,152,161	2,078,145
Improvement district assessment	33,562	33,059
	2,801,888	2,613,672
Total operating expenses		
Operating loss	(2,577,007)	(2,400,754)
Nonoperating revenues (expenses):		
In-kind gifts	42,318	38,019
Transfer from primary government	2,308,142	2,280,726
Interest income	321,975	139,518
Interest expense	(863,322)	(887,393)
	1,809,113	1,570,870
Total nonoperating revenues, net		
Decrease in net position	(767,894)	(829,884)
Net position, beginning of year	17,387,225	18,217,109
Net position, end of year	\$ 16,619,331	\$ 17,387,225

**TULSA STADIUM TRUST**  
**(a Component Unit of the City of Tulsa, Oklahoma)**

**STATEMENTS OF CASH FLOWS**

**Years ended June 30, 2023 and 2022**

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Receipts (advances) from customers	\$ 375,715	\$ 147,267
Payments to suppliers	(496,800)	(499,778)
	(121,085)	(352,511)
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash Flows from Capital and Related Financing Activities</b>		
Transfer from primary government	2,308,142	2,280,726
Receipts (payments) from financing activity	(735,000)	(710,000)
Sale (acquisition) of capital assets	(672,708)	(793,996)
Interest paid on bonds	(866,877)	(890,856)
Interest income from lease receivable	135,588	136,125
	169,145	21,999
<b>Net cash provided by (used in) financing activities</b>		
<b>Cash Flows From Investing Activities</b>		
Interest income	186,387	3,393
Increase (decrease) in cash	234,447	(327,119)
Cash, beginning of year	6,923,480	7,250,599
Cash, end of year	\$ 7,157,927	\$ 6,923,480
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (2,577,007)	\$ (2,400,754)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	2,152,161	2,078,145
Non cash contributions of expense	42,318	38,019
Change in assets and liabilities:		
Accrued revenue	310,610	(7,511)
Lease receivable	(159,776)	93,689
Accounts payable	-	(2,270)
Deferred inflows of resources	110,609	(151,829)
	(121,085)	(352,511)
<b>Net cash used in operating activities</b>	<b>\$ (121,085)</b>	<b>\$ (352,511)</b>

**TULSA STADIUM TRUST**  
**(a Component Unit of the City of Tulsa, Oklahoma)**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

**Note 1 – Description of Organization and Summary of Significant Accounting Policies**

Description of organization

The Tulsa Stadium Trust (the Trust), a component unit of the City of Tulsa (the City), was organized as a public trust on September 25, 2008, for the use and benefit of the City under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes, 2001, Section 176 to 180.4. The purpose of the Trust is to acquire, construct, own and operate a baseball stadium in downtown Tulsa and amenities and facilities necessary or convenient thereto. In addition, the Trust may engage in other projects if approved by a vote of two-thirds of the trustees. The Trust shall terminate when the purpose of the Trust has been fully executed as determined by a majority vote of the full membership of both the trustees and the governing body of the city or in a manner provided by Title 60, Oklahoma Statutes, Section 180. The stadium construction phase was completed during the year ended June 30, 2010.

Basis of accounting and presentation

The financial statements of the Trust 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. Voluntary nonexchange transactions (such as noncapital and capital gifts) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Voluntary nonexchange transactions that are not capital related (such as noncapital gifts) and interest income and expense are included in nonoperating revenues and expenses. The Trust first applies the restricted component of net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted components of net position are available.

The Trust's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP) which includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Cash equivalents

The Trust considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2023 and 2022, the Trust did not have any cash equivalents.

Restricted cash

Restricted cash consists of cash held in trust by the Trust's bond trustee restricted because its use is limited by applicable bond covenants.

## **Note 1 - Description of Organization and Summary of Significant Accounting Policies - Continued**

### Capital assets

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market value as of the date donated. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets between 10-25 years. Expenditures for maintenance and repairs are charged to expense as incurred whereas major improvements are capitalized. Gains and losses from the sale of property and equipment are reflected in the year of disposal.

### Line of credit

The Trust agreed to extend a line of credit to the Tulsa Drillers for \$450,000. The credit line could be used for stadium rent and utilities. Repayments were deferred until October 1, 2022. The line of credit was paid off during the current year.

### Lease receivable and deferred inflows

The lease provides for increases in future minimum annual rental payments based on a defined increase in the Consumer Price Index, subject to certain maximum increases.

Certain equipment and real estate lease require the lessee to guarantee minimum residual values. Payments required by residual value guarantees are recognized in the period in which payment is received. During the years ended June 30, 2023 and 2022, the Trust received payments related residual value guarantees and termination penalties totaling \$108,216 and \$93,690, respectively.

The lease requires variable payments based on future performance of the lease or usage of the underlying asset and are not included in the corresponding lease receivable. These variable payments are recognized as inflows of resources in the periods in which the payments are received. During both of the years ended June 30, 2023 and 2022, the Trust received variable payments as required by the lease agreement totaling \$56,015.

Lease-related amounts are recognized at the inception of leases in which the Trust is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

### Bond premiums

Bond premiums and discounts are capitalized and amortized over the term of the bonds using the effective interest rate method. Bond premiums are presented as additions of the face amount of the bonds payable.

### Net position

The net position of the Trust is classified into three components. The net investment in capital assets component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any related liabilities used to finance the purchase or construction of those assets. The restricted nonexpendable component of net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Trust.

## **Note 1 - Description of Organization and Summary of Significant Accounting Policies - Continued**

### Net position – continued

The unrestricted component of net position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or the restricted components of net position. The Trust did not have any restricted nonexpendable components of net position at June 30, 2023 or 2022.

### Gifts and sponsorship

The Trust initially was funded by approximately \$31,923,822 of gifts and sponsorships. All cash gifts are made to the Tulsa Community Foundation (the Foundation) on behalf of the Trust. The Trust records revenue from cash contributions when cash has been received by the Foundation and the Trust has eligible expenditures.

### Income taxes

The Trust qualifies as an organization exempt from income taxes under Section 115(a) of the Internal Revenue Code. As such, no provision has been made for federal or state income taxes. However, the trust is subject to federal income tax on any unrelated business taxable income.

### Use of estimates

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

### Subsequent events

The Trust has evaluated subsequent events through December 21, 2023, the date which the financial statements were available to be issued.

## **Note 2 – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, a government's deposit may not be returned to it. The Trust's deposit policy for custodial credit risk requires compliance with provisions of state law and that demand deposits be collateralized at least 110% of the amount that is not federally insured.

As of June 30, 2023 and 2022, none of the Trust's bank balances of \$7,160,634 and \$6,952,677 respectively, were exposed to custodial credit risks.



### Note 3 – Capital Assets

A summary of the Trust's capital assets activity for the years ended June 30, 2023 and 2022 is as follows:

	Balance June 30, 2022	Additions	Sales/Other Dispositions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 2,841,018	\$ -	\$ -	\$ -	\$ 2,841,018
Capital assets being depreciated:					
Stadium facilities	45,739,524	658,705	-	-	46,398,229
Stadium equipment	4,089,509	14,003	-	-	4,103,512
	52,670,051	672,708	-	-	53,342,759
Less: accumulated depreciation	(24,325,603)	(2,152,161)	-	-	(26,477,764)
	<u>\$28,344,448</u>	<u>\$(1,479,453)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,864,995</u>
	Balance June 30, 2021	Additions	Sales/Other Dispositions	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 2,841,018	\$ -	\$ -	\$ -	\$ 2,841,018
Capital assets being depreciated:					
Stadium facilities	45,158,996	580,528	-	-	45,739,524
Stadium equipment	3,876,043	213,466	-	-	4,089,509
	51,876,057	793,994	-	-	52,670,051
Less: accumulated depreciation	(22,247,460)	(2,078,143)	-	-	(24,325,603)
	<u>\$ 29,628,597</u>	<u>\$(1,284,149)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,344,448</u>

#### Note 4 – Long-Term Debt

On December 12, 2008, the Trust entered into a \$25,000,000 revenue bond agreement with the Foundation, the proceeds of which were to be used to fund stadium construction costs.

The bond agreement was amended effective May 25, 2010, allowing the Trust to request advances not to exceed \$25,000,000 less the sum of principal payments required to be paid in accordance with the principal payment schedule. The bond agreement was subsequently amended June 10, 2010, whereby the originally issued bond was surrendered and two bonds were issued. The new bonds are designated as the Tulsa Stadium Trust \$19,710,564 Improvement District No. 1 Revenue Bond No. 2010-1 (the Exempt Bond) and the Tulsa Stadium Trust \$5,000,000 Improvement District No. 1 Revenue Bond 2010-2 (the Taxable Bond) with outstanding balances at June 30, 2013 of \$18,891,750 and \$4,800,457, respectively. The Exempt and Taxable bonds accrue interest at 6.15% and 7.90% annually, respectively, require annual principal and interest payments and mature November 30, 2038. The bonds are collateralized by an undivided percent of property tax assessment of the Tulsa Stadium Improvement District No. 1 as defined in the bond documents and a mortgage on the assets of the Trust, including rentals and other revenues from the lease agreement described in Note 5. Principal and interest payments commenced November 30, 2010.

On October 22, 2013, the Trust issued Series 2013 bonds aggregating \$23.3 million for the purpose of redeeming Revenue Bonds No. 2010-1 and 2010-2. The tax-exempt Series 2013 bonds were issued in the par amount of \$19.4 million and include an original issue premium of \$0.02 million. The proceeds from the tax-exempt Series 2013 bonds were used to fund the full redemption of the Trust's Revenue Bond No. 2010-1. The tax-exempt Series 2013 bonds have an average coupon of 4.6% and a final maturity of June 30, 2039. The taxable Series 2013 bonds were issued in the par amount of \$3.9 million. The proceeds from the taxable Series 2013 bonds were used to fund the full redemption of Revenue Bond No. 2010-2. The taxable Series 2013 bonds have an average coupon of 6% and a final maturity of June 30, 2039. A debt service reserve fund was established for each series 2013 bonds and approximately \$3,039,000 was deposited into a trust account at UMB Bank.

The following is a summary of changes in bonds payable for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within A Year
Bonds payable	\$ 18,290,000	-	\$ 735,000	\$ 17,555,000	\$ 760,000
Premium on bonds	15,125	-	872	14,253	-
	<u>\$ 18,305,125</u>	<u>-</u>	<u>\$ 735,872</u>	<u>\$ 17,569,253</u>	<u>\$ 760,000</u>

The following is a summary of changes in bonds payable for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Amounts Due Within A Year
Bonds payable	\$ 19,000,000	-	\$ 710,000	\$ 18,290,000	\$ 735,000
Premium on bonds	15,997	-	872	15,125	-
	<u>\$ 19,015,997</u>	<u>-</u>	<u>\$ 710,872</u>	<u>\$ 18,305,125</u>	<u>\$ 735,000</u>

#### Note 4 – Long-Term Debt - Continued

The annual debt service requirements as of June 30, 2023, are as follows:

Year ending June 30	Bonds Payable	
	Principal	Interest
2024	760,000	838,578
2025	795,000	807,125
2026	825,000	773,573
2027	865,000	737,667
2028	900,000	699,672
2029-2033	5,185,000	2,807,776
2034-2038	6,665,000	1,327,158
2039	1,560,000	41,242
	<u>\$ 17,555,000</u>	<u>\$ 8,032,791</u>

#### Note 5 – Lease Agreement

The Trust entered into a lease agreement effective October 29, 2008, to lease the baseball stadium to Tulsa Baseball, Inc. for a 30-year term with two five-year renewal periods. Tulsa Baseball, Inc. owns an AA professional baseball franchise known as the Tulsa Drillers. The lease commenced during the first quarter of 2010 and calls for an annual base rental of \$150,000 during the initial term plus additional rents if paid attendance to Tulsa Drillers games exceeds 400,000 during any baseball season. The agreement contains an annual CPI index rental escalation clause not to exceed 5%. The lease agreement also contains various revenue sharing provisions between the Trust and the lessee for "revenue streams" as defined in the lease agreement.

The lessee is responsible for annual base utility charges up to \$200,000 with such sum increased annually by the CPI Index. The Trust and lessee are equally responsible for annual utility charges in excess of the base utility charge. The lessee is also responsible for insurance and routine maintenance as defined in the lease agreement.

The lease agreement requires the Trust to be responsible for capital expenditures related to the baseball stadium and to establish a trust fund for the long-term maintenance and capital needs of the stadium. The Trust funded the trust fund with \$500,000 during 2010 and is required to maintain a minimum balance of \$500,000 over the 30-year initial term of the lease. The lessee is required to make annual contributions to the trust fund of \$50,000 to be adjusted annually by the CPI Index, which is capped at 5%. In addition, additional lessee contributions to the trust fund are required should paid attendance to Tulsa Drillers games exceed 300,000 during any baseball season. The lessee contributed \$122,956 and \$50,004 to the fund during 2023 and 2022, respectively.

Beginning with the fiscal year ended June 30, 2021, the remaining lease payments were capitalized and recorded as a lease receivable in accordance with GASB 87. A discount factor of 5% was used to determine the net present value of the remaining rent payments. The rent revenue was allocated between rent income and interest income.

## Note 5 – Lease Agreement - Continued

The annual future lease payments as of June 30, 2023, are as follows:

Year ending June 30	Lease Receivable	
	Rent	Interest
2024	\$121,239	\$138,755
2025	127,442	132,552
2026	133,962	126,032
2027	140,816	119,178
2028	148,021	111,974
2029-2033	861,751	438,220
2034-2038	1,105,936	194,035
2039	190,995	4,001
	<u>\$ 2,830,162</u>	<u>\$ 1,264,747</u>



# OTHER REPORT





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**INDEPENDENT AUDITORS' 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 Stadium Trust  
Tulsa, 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 of America, the financial statements of Tulsa Stadium Trust, a component unit of the City of Tulsa, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Tulsa Stadium Trust's basic financial statements, and have issued our report thereon dated December 21, 2023.

***Report on Internal Control over Financial Reporting***

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

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

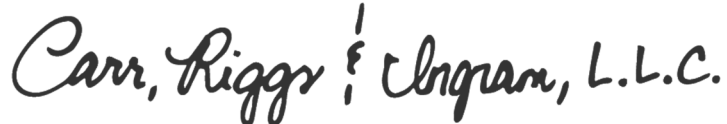
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Tulsa Stadium Trust'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 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized ampersand between Riggs and Ingram.

**CARR, RIGGS & INGRAM, LLC**

Dallas, Texas

December 21, 2023