Grand River Dam Authority

(A Component Unit of the State of Oklahoma)

Basic Financial Statements as of and for the
Years Ended December 31, 2024, and 2023,
Required Supplementary Information (Unaudited),
and Independent Auditors' Report

GRAND RIVER DAM AUTHORITY
(A Component Unit of the State of Oklahoma)

TABLE OF CONTENTS

Independent Auditors' Report

To the Board of Directors of
Grand River Dam Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Grand River Dam Authority (GRDA), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the GRDA'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 GRDA as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the GRDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 13, the GRDA adopted the provisions of GASB Statement No. 101, effective January 1, 2024. Accordingly, the accounting changes have been retroactively applied to prior periods presented. 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 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 the GRDA'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 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 GRDA'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 GRDA'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 required supplementary information, as listed in the table of contents, 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 March 31, 2025 on our consideration of the GRDA'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 the GRDA'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 GRDA's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
March 31, 2025

Management's Discussion and Analysis – Unaudited

The following discussion and analysis of the Grand River Dam Authority's (GRDA or the Authority) financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2024, and provides a comparison with the prior years' financial results. Please read it in conjunction with the financial statements which follow this section.

USING THIS FINANCIAL REPORT

This annual financial report consists of a series of financial statements and reflects the self-supporting, proprietary activities of the Authority, funded primarily by the sale of electrical power and energy.

The State of Oklahoma reports the business-type activities of the Authority as a discretely presented major component unit.

The basic financial statements presented in this report consist of the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statements of Cash Flows; and the Notes to Financial Statements.

STATEMENTS OF NET POSITION; STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION; STATEMENTS OF CASH FLOWS; AND NOTES TO FINANCIAL STATEMENTS

The Authority's Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the Authority's financial health.

The Statements of Net Position report all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, as well as an indication of which assets can be used for general purposes and which are restricted as a result of bond covenants, contracts, or for other purposes.

The Statements of Revenues, Expenses, and Changes in Net Position report all of the Authority's revenues and expenses recognized during the time periods indicated.

The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources, such as investment income or bond proceeds, and other cash uses, such as cash payments for repayment of bonds and capital additions.

The Notes to Financial Statements provide additional explanation and detail about the financial information, as well as required disclosures.

FINANCIAL HIGHLIGHTS

The financial performance of the Authority in 2024 was exceptionally strong as it continued to make progress on the strategic plan related to the construction of the new gas combustion turbine/generator.

On August 9, 2023, the Authority's Board of Directors approved the purchase of a new Mitsubishi gas combustion turbine/generator and related services to build Grand River Energy Center ("GREC") unit number 4 which will have a nameplate capacity of 428 MW, ("GREC 4"). GREC 4 will replace the 520 MW coal-fired generating unit ("GREC 2"). The Authority is targeting the summer of 2026 for the completion of GREC 4, at which time, GREC 2 will begin the decommissioning process. In support of the construction of GREC 4, the Board authorized the issuance of up to $475 million in funds through a series of bond offerings, and up to $200 million for refunding the outstanding Series 2014 Bonds. The Authority issued $205 million of par value bonds in December 2023 resulting in a total of $230.8 million in proceeds after issuance costs of $0.8 million.

In June of 2024, the Authority completed the funding for GREC 4 when it issued $349.2 million in additional par value bonds, $283.9 million in tax-exempt bonds (2024A) and $65.3 million in taxable bonds (2024B). The combined issuance raised $385.3 million including $37.8 million of premium and $1.6 million of issuance costs. $114.5 million of the tax-exempt bond proceeds were used to refund a significant portion of the remaining 2014A bonds. The residual funds were used to fund the remaining GREC 4 estimated costs. In total, the 2023 bond offering and the 2024A and 2024B issuances raised $480 million of construction funds for GREC 4.

In April 2024, the Board approved a 3-year rate increase plan to pay for the construction of GREC 4. As a cost-of-service provider, GRDA commissioned a cost-of-service study to review how the rates charged to each customer class compared to the cost to provide them service. Upon completion of the initial report, GRDA held a series of meetings with our customers to review the findings of the report. Based on the report results and feedback from our customers, the Board approved a series of three rate increases beginning October 2024, and additional increases in October 2025 and 2026. The rate changes impacted each customer class differently, based in part on the results of the cost-of-service study. The aggregate results of the rate changes are an increase in base rates of 1.48%, 2.74% and 3.39% in October 2024, 2025, and 2026 respectively.

Additionally, GRDA continued to make progress on the construction of GREC 4 completing significant milestones. In December 2024, the generator and combustion turbine were delivered to the Port of Catoosa in Oklahoma and subsequently installed on site in January 2025. The project continues to be on time and on budget.

In addition to these significant events, the Authority continued to see strong financial performance growing Base Power Sales by $7.5 million, or 3%, including a $6.9 million increase, or 7% in our Retail customers and a $1.8 million, or 2% increase in our Municipal Wholesale customers. See "Sales of Power" table and further discussion in Operating Results herein.

In 2023, the Authority also saw a positive trend in the growth of base Power Sales as the result of decades of commitment from wholesale customers and continuing growth from the industrial sector customers. Base Power Sales grew $8.1 million, or 3%, in 2023, including an increase of $9.4 million, or 10%, from our industrial and commercial customers. See "Sales of Power" table and further discussion in Operating Results herein.

As part of the June 2024 bond offering process, on June 14, 2024, S&P Global affirmed the GRDA rating AA- with a stable outlook, and Moody's affirmed its rating of A1 with a stable outlook on June 13, 2024. Additionally, Fitch affirmed its A+ rating with a positive outlook on March 14, 2025. All three affirmations were largely due to the Authority's continuing financial health. S&P noted robust unrestricted cash balances and liquidity, as well as strong fixed charge coverage and good operating performance of the main generating units. Moody's noted GRDA's contractual nature of cash flow, unregulated rate setting abilities and its diverse and competitively priced resource mix as key reasons for its rating.

FINANCIAL HIGHLIGHTS - DECEMBER 31, 2024, 2023, AND 2022

	2024	Restated 2023	2022
CONDENSED SCHEDULE OF NET POSITION			
Assets:			
Current assets	$262,390,115	$231,865,580	$311,285,630
Net utility plant	1,416,629,875	1,239,058,362	1,217,097,589
Noncurrent investments	772,214,190	664,532,886	293,318,721
Under recovered power costs	36,804,281	43,413,333	49,610,150
Nonutility plant	39,007,376	40,112,548	34,237,907
Investment in the Energy Authority	31,305,254	-	-
Long term service agreement – GREC 3	7,500,000	-	-
Pension benefit assets	7,359,123	-	-
Other noncurrent assets	24,699,716	25,607,520	10,766,703
Total assets	2,597,909,930	2,244,590,229	1,916,316,700
Deferred outflows related to pension plans	5,648,874	15,997,469	24,558,350
Deferred outflows related to other postemployment benefits	2,671,215	1,680,415	2,369,786
Deferred outflows related to loss on reacquired debt	16,183,126	18,826,324	21,654,847
Deferred outflows related to derivative hedges	-	16,678,174	4,026,920
Total deferred outflows	24,503,215	53,182,382	52,609,903
Liabilities:			
Current liabilities	199,370,295	167,776,438	102,751,855
Noncurrent liabilities	1,253,516,953	1,061,769,707	896,540,722
Total liabilities	1,452,887,248	1,229,546,145	999,292,577
Deferred inflows related to pension plans	5,554,508	1,013,573	2,111,281
Deferred inflows related to other postemployment benefits	2,673,774	3,712,404	2,305,327
Deferred inflows related to regulated operations	117,272,584	122,676,221	121,300,297
Deferred inflows related to derivative hedges	2,492,925	-	-
Deferred inflows related to long term service agreement GREC 3	7,500,000	-	-
Deferred inflows related to gain on advanced refunding	8,245,260	-	-
Total deferred inflows	143,739,051	127,402,198	125,716,905
Net Position:			
Net investment in capital assets	563,245,778	484,318,563	434,865,465
Restricted for:			
Capital reserve fund	10,857,028	2,916,947	7,806,994
Special reserve and contingency fund	20,034,609	32,649,598	50,383,000
Debt service	28,972,630	28,714,583	25,129,999
Pension benefits	7,359,123	-	-
Other special purposes	2,189,928	2,146,836	2,086,139
Unrestricted	393,127,750	390,077,741	323,645,524
Total net position	1,025,786,846	940,824,268	843,917,121

FINANCIAL HIGHLIGHTS - DECEMBER 31, 2024, 2023, AND 2022 (continued)

		Restated	
	2024	2023	2022
CONDENSED SCHEDULE OF CHANGES IN NET POSITION			
Operating revenues:			
Sales of power	$490,962,142	$496,664,358	$589,878,953
Other operating revenues	62,176,590	74,097,144	75,348,353
Regulatory revenues	6,178,586	4,195,812	2,977,337
Total operating revenues	559,317,318	574,957,314	668,204,643
Non-operating revenues:			
Investment income-net	28,766,688	26,119,473	(29,107,670)
Award revenue (loss) – operating	303,858	330,388	59,951
Income (loss) – non-operating	(10,748,396)	(1,361,585)	(5,207,691)
Income from nonutility operations	(3,600,481)	(2,473,751)	(1,852,356)
Costs (recovered) to be recovered	(1,218,245)	(5,626,159)	(23,657,987)
Total non-operating revenues	13,503,424	16,988,366	(59,765,753)
Total revenues	572,820,742	591,945,680	608,438,890
Operating expenses:			
Fuel	(121,871,775)	(139,829,863)	(186,042,989)
Purchased power – net	(95,401,105)	(92,498,600)	(149,404,112)
Operations	(88,344,596)	(84,990,303)	(84,078,173)
Depreciation	(80,674,561)	(75,872,836)	(62,844,949)
Maintenance	(34,002,442)	(30,816,696)	(26,966,147)
Administrative and general	(25,296,155)	(42,882,374)	(23,895,732)
Total operating expenses	(445,590,634)	(466,890,672)	(533,232,102)
Non-operating expenses:			
Interest expense	(54,120,672)	(42,464,555)	(43,853,908)
Amortization of debt discount	(1,613,479)	(820,756)	(106,750)
Amortization of bond premium	11,375,907	9,176,086	9,677,196
Total non-operating expenses	(44,358,244)	(34,109,225)	(34,283,462)
Total expenses	(489,948,878)	(500,999,897)	(567,515,564)
Award revenue – capital	2,090,714	5,961,364	24,228,211
Net increase in net position	84,962,578	96,907,147	65,151,537
Net position – beginning of year	940,824,268	843,917,121	778,765,584
Net position – end of year	$1,025,786,846	$940,824,268	$843,917,121

The financial results are further discussed in the following paragraphs and reflect the financial impact of the highlights mentioned above.

NET POSITION

The balance of Net position increased by $85.0 million in 2024, which represents a 9% increase, following a $96.9 million, or a 11%, increase in 2023 ($109.5 million previously reported net of $12.6 million impact for GASB 101 implementation). The $85.0 million increase, compared to the $109.5 million increase from the prior year, was mainly attributable to a $10.7 million non-operating loss primarily attributable to a $10 million loss on the retirement of property and $11.7 million higher interest expense associated with the increased bonds issued for GREC 4. The 2023 increase was mainly attributable to an increase in Investment income net of $55.2 million, $8.7 million increase in Sales of power net of Fuel and Purchased power, offset by $12.5 million higher non-Fuel and Purchased power net operating expenses.

Total assets increased by $353.3 million driven by the $270.9 million in bond proceeds net of the 2014 refunding and issuance costs. The proceeds resulted in the $177.6 million increase in Net utility plant associated with the construction of GREC 4 and $107.7 million increase in Noncurrent investments reflecting the unspent bond proceeds. Other noted changes include the $31.3 million Investment in The Energy Authority as a result of our membership that began in July 2024.

These changes in Total assets in 2024 follow a $328.3 million increase in 2023 driven by the $230.8 million of cash proceeds net of issuance costs from the December 2023 bond offering. In addition, GRDA collected all of the under recovered power costs and an additional $44.6 million at December 31, 2023, was over collected. Additionally, Net utility plant increased $22.0 million, including $37.4 million increase in Construction – Work in Progress primarily related to costs paid for GREC 4, offset by $13.0 million of increased depreciation expense due, in part, to accelerated depreciation on GREC 2 balances from a reduced useful life due to a revised retirement date of 2026 versus 2030.

Current assets increased $30.5, million or 13%, following a 2023 $79.4 million, or 26% decrease. Current cash and investments totaled $136.2 million in 2024, compared to $97.1 million in 2023, representing an increase of $39.1 million, or 40%, year over year. The 2024 increase is due primarily to a shift between non-current cash and investments and current cash and investments and the additional funds injected into the Authority from the bond issuance in June 2024. This contrasts with a $47.0 million decrease from 2022 to 2023 that was due to a shift from current cash and investment to non-current cash investments due to amounts reinvested at year end. Fuel stock has decreased throughout 2024 to an overall decrease of $8.4 million, or 52%, as the Authority has begun to slowly decrease its level of coal inventory in anticipation of the closing of GREC 2 in the summer of 2026. In 2024, GRDA used approximately the same amount of coal as in 2023 but began taking fewer deliveries during the course of the year. Fuel stock increased in 2023 by $5.6 million, or 53%, as the Authority increased coal on hand heading into the winter months but then experienced milder temperatures in November and December of 2023. Materials and supplies decreased slightly from $52.5 million in 2023 to $51.0 million in 2024, which equates to a decrease of 3%.

Noncurrent investments increased $107.7 million, or 16%, in 2024, following a $371.2 million increase, or 127%, in 2023. As mentioned above in Total assets, the 2024 increase was the result of the $270.9 million of net bond proceeds. The 2023 increase was due to the $230.8 million in net cash proceeds received form the December 2023 bond offering and a shift in investments from current to noncurrent. Additional information about the Restricted investments, included in Noncurrent investments, is presented in Note 2 to Financial Statements, Deposits and Investments. Restricted assets are discussed later in more detail in the Significant Assets and Debt Administration section.

Net utility plant increased $177.6 million, or 14%, in 2024 as a result of the ongoing construction of GREC Unit 4. In 2023, Net utility plant fluctuated by less than 2%, increasing by $22.0 million. Specific projects are described in the Capital assets section below, and more information is presented in Note 4 to Financial Statements, Utility Plant.

On July 1, 2024, GRDA became a member of The Energy Authority (TEA), a public power-owned, nonprofit corporation, headquartered in Jacksonville, Florida. The Authority's membership interest is 17.6%. TEA provides portfolio management services including RTO market management and trading, bilateral energy trading, natural gas resource management, and power management. They also provide advanced analytics and offer strategic solutions. As a member of TEA, the Authority made payment of a membership fee and certain contributions to capital and is providing certain guarantees for electric trading activities by TEA. GRDA's investment in TEA is recorded using the Equity method and had a balance of $31.3 million at the end of 2024. See Note 14 to Financial Statements, Investment in The Energy Authority for additional information. Additionally, in 2024, the Authority received a credit for miscellaneous upgrades and Long-Term Service Agreement (LTSA) costs totaling $7.5 million. The Authority elected to use Regulatory accounting and record the item as an asset.

The Authority's pension liability became a pension asset for the Oklahoma Public Employees Retirement System (OPERS) plan in 2024, after being a liability in 2023 and 2022. More information is presented in Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits.

Other noncurrent assets decreased by $0.9 million, or 4%, in 2024, following an increase of $14.8 million, or 138%, in 2023. Other noncurrent assets are made up mostly of long-term deposits, long-term accounts receivable, and long-term hedging derivatives. The Authority maintains deposits with the Southwest Power Pool and StoneX Financial Inc. The decrease in 2024 is due primarily to the $2.2 million decrease in amounts on deposit with StoneX Financial at December 31, 2024, after seeing a large increase of $14.8 million in 2023 due to the historically low natural gas prices and the resulting price difference from our executed commodity contracts. The deposit with StoneX Financial Inc. is approximately $19.6 million of the $24.7 million balance in Other noncurrent assets at the end of 2024.

Deferred outflows of resources decreased $28.7 million, or 54%, in 2024, driven primarily by the change in the value of the derivative instruments moving from a liability to an asset reflecting the increases in natural gas prices during 2024. The decrease also reflects a $10.3 million decrease related to changes in the pension plan valuations. In 2023, Deferred outflows remained flat with an increase of $0.6 million, or 1%, The variance explanation in the pension amounts is described in detail within Deferred outflows of resources and Deferred inflows of resources below. For more information, see Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits.

Total liabilities increased $223.3 million, or 18%, in 2024, after an increase of by $230.3 million, or 23%, in 2023. This increase is made up of an increase in Total noncurrent liabilities of $191.7 million, or 18%, and an increase in Total current liabilities of $31.6 million, or 19%. The overall increase in Total liabilities in 2024 is primarily due to the $270.9 million of net proceeds from the June 2024 bond offering and the $25.8 million increase in Accounts payable and accrued liabilities reflecting the increased activity of the construction of GREC 4. These increases were offset by $49.2 million in bond principal payments. Accounts payable and accrued liabilities increased by $5.9 million, or 12%, in 2023.

The noncurrent portion of Bonds payable increased by $204.1 million, or 20%, in 2024, due to the $270.9 million in net proceeds from the June 2024 bond offering offset by the $49.2 million of principal payments made in 2024. Noncurrent portion of Bonds payable increased $173.2 million, or 20%, in 2023, due to the $230.8 million in net proceeds from the December 2023 offering, offset by $43.1 million of principal payments made in 2023, More detail can be found in the Long-Term Debt section below.

The Liabilities related to pension plans decreased by $10.0 million in 2024, after a $7.3 million decrease in 2023. More information is presented on these plans in Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits.

Deferred inflows of resources increased by $16.3 million, or 13%, following a $1.7 million increase, or 1%, in 2023. The variance explanation is described in detail within Deferred outflows of resources and Deferred inflows of resources below. For more information, see Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits.

Restricted amounts for net investment in capital assets increased by $78.9 million, or 16%, in 2024 following a $49.5 million, or 11%, increase in 2023. The Restricted capital reserve funds increased $7.9 million, and the Special reserve and contingency fund decreased $12.6 million, or 39%, in 2024. In 2023, the Capital reserve fund decreased $4.9 million, or 63%, and the Special reserve and contingency fund decreased $17.7 million, or 35%. For more information on these funds, see Note 2 to Financial Statements, Deposits and Investments.

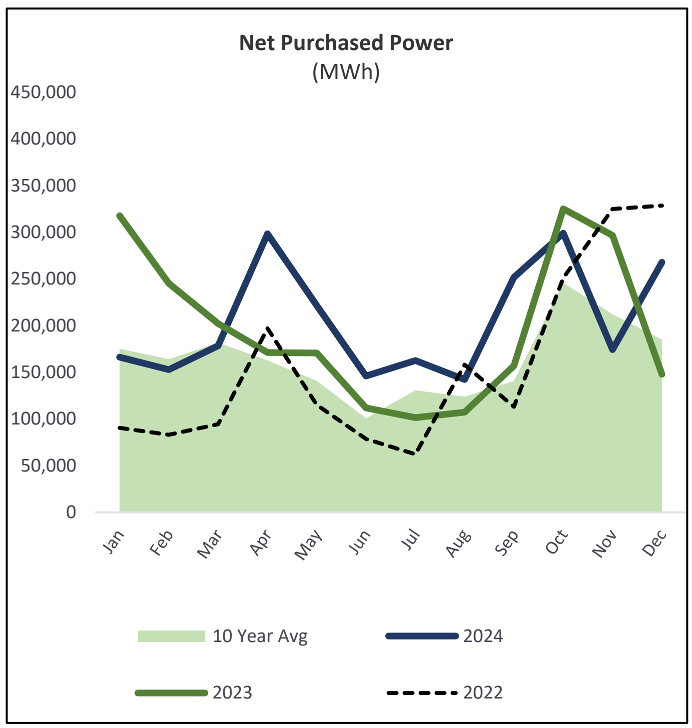
Unrestricted net position represents the part of Net position used to finance day-to-day operations, without constraints, established by debt covenants, enabling legislation, including Board designation, or other legal agreements. This amount increased by $3.1 million, or 1%, in 2024, after an increase of $97.0 million, or 11%, in 2023.

OPERATING RESULTS

The Authority's 2024 and 2023 operating results were driven by the continued increases in Base Power Sales and Other operating revenues. Sales of Power include the contract and non-contract revenues, also referred to Base Power Sales, and the recovery of Fuel Costs recovered through the PCA. Due to the fluctuations in fuel costs, Total Sales of Power can fluctuate materially from year to year. In 2024, Base Power Sales increased $7.9 million, or 3%, after an increase in 2023 of Base Power Sales of $8.7 million, or 3%.

	2024	2023	2022
Sales of Power			
Contract Sales Revenue	$ 272,252,490	$ 264,314,007	$ 255,579,535
Non-Contract Sales	523,654	935,007	700,316
Base Power Sales	272,776,144	265,249,014	256,279,851
PCA and Fuel	218,185,998	231,415,334	333,599,102
Total Sales of power	$ 490,962,142	$ 496,664,358	$ 589,878,953

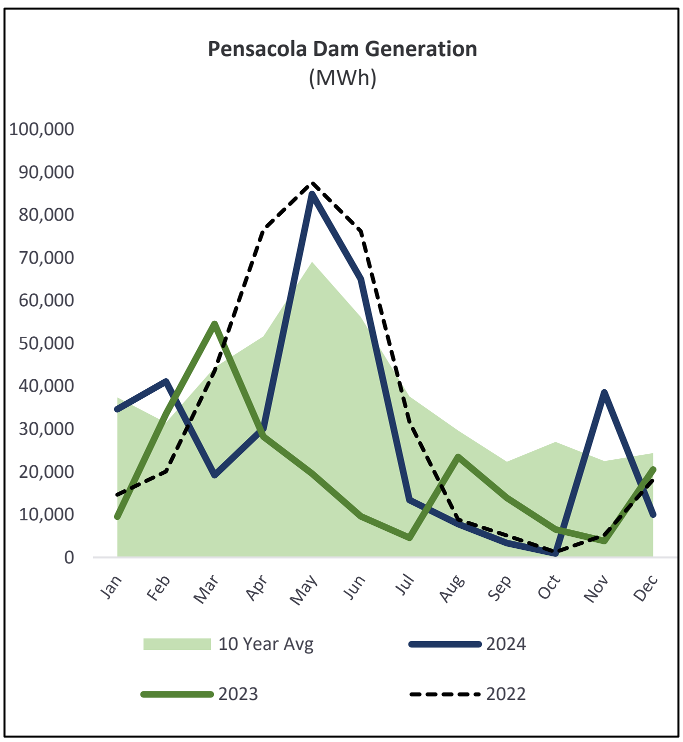
The graph titled "Net Purchased Power (MWh)" depicts the Authority's hourly net purchases of energy from the SPP Integrated Marketplace. Due to the historically low prices for natural gas experienced in 2024 and 2023 and the continued growth of renewable generation like wind and solar, Net purchased power increased in 2024 and 2023. The lower power costs made it more economically beneficial to purchase our customers' electricity needs from the SPP Integrated Marketplace than to operate certain generation assets of the Authority. Additionally, market purchases spiked in April and October during seasonal maintenance periods for GREC 2 and GREC 3.

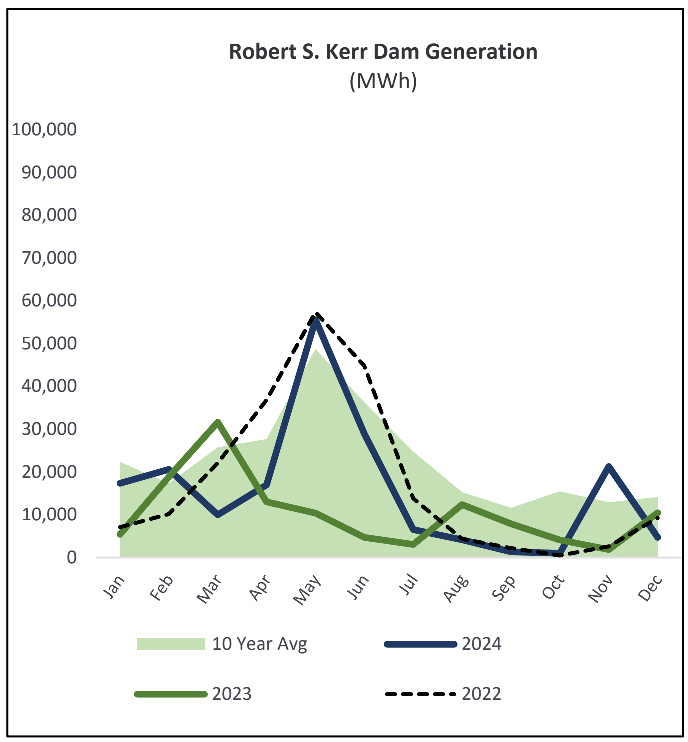


See the graphs titled “Pensacola Dam Generation (MWh)” and “Robert S. Kerr Dam Generation (MWh)” for hydro generation comparisons of 2024, 2023, and 2022, as compared to the ten-year historical average. The areas of Southeast Kansas and Northeast Oklahoma that make up the watershed to the Grand River and Neosho River, which feed into Grand Lake (Pensacola Dam) and Hudson Lake (Roberts S. Kerr Dam), experienced a more normal precipitation year leading to generation results more in line with historical amounts, although still below average. Generation from both dams peaked in the months of May and June, reflecting the impact of the spring rains. 2023 rainfall was below average resulting in reduced generation.

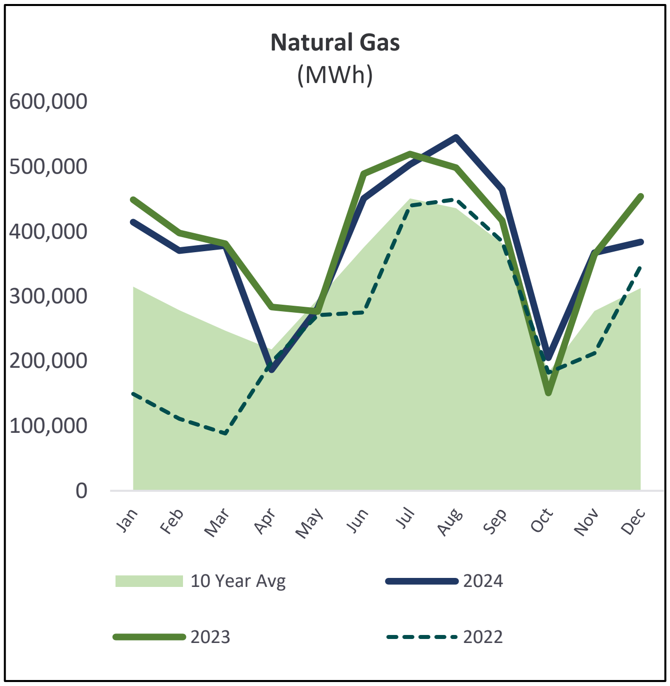
The Authority’s energy resources have included wind, through purchased power agreements, since 2013. The energy produced from these projects is recorded as Purchased Power. The wind purchase agreements provide risk mitigation against increases in fuel costs and help expand the Authority’s diversified energy portfolio as demand for carbon-free energy grows.

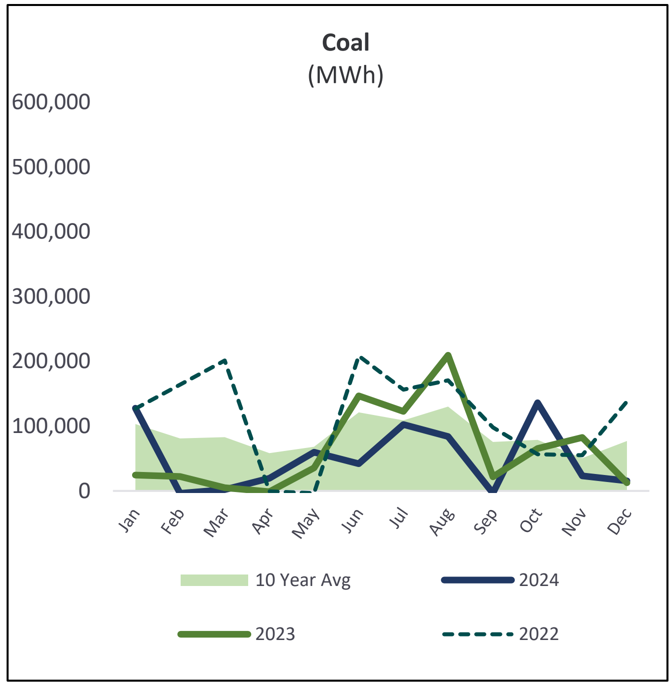
The graphs titled “Natural Gas (MWh)” and “Coal (MWh)” reflect the output of the Authority’s thermal generation resources. As demonstrated by the graph titled “Coal (MWh),” the generation for coal decreased again in 2024 as low natural gas prices caused an increase in the usage of natural gas generation across the SPP footprint including GRDA’s generation from GREC 3 and Redbud as shown in the graph titled “Natural Gas (MWh). Coal generation continued to decrease in 2024, which is below the 10-year average, as coal generation prices were previously uneconomical when compared to both natural gas generation and the overall available SPP Integrated Marketplace energy. The decrease versus



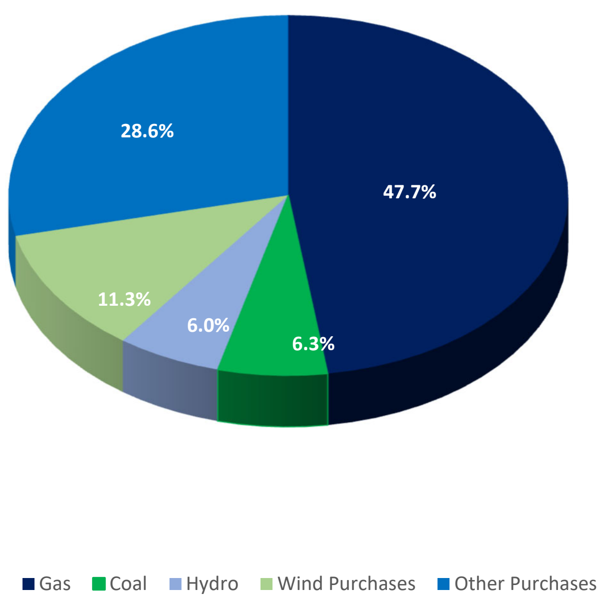


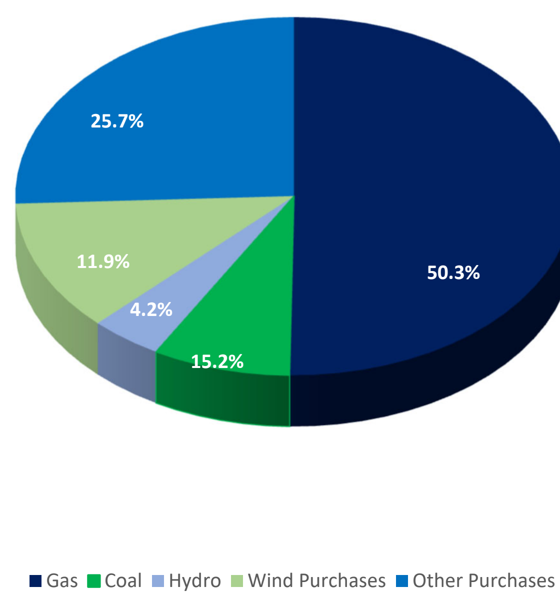
the 10-year average also reflects the April 2017 discontinuation of GREC 1 as a coal-fired generating unit, which was formally retired from assets as of December 31, 2020. As natural gas prices rose over the course of 2022, coal became competitive in the SPP market and neared, or exceeded, the ten-year average for many months in 2022.The graph titled “Natural Gas (MWh)” indicates the competitiveness of both GREC 3 and Redbud, as they are routinely called upon to provide energy into the SPP Integrated Marketplace during the summer months when generation demands are generally the highest. Routine outages are scheduled for shoulder months in the spring and fall when demands for generation are lower across SPP.





Though its impact has remained immaterial to the financial results, the Authority has continued to expand and strengthen its Energy Hedging Program, with the intent of managing market, counterparty, volume, budget, regulatory, model, and operations risks through Risk Management Policies. The Board of Directors of the Authority is responsible for an overall understanding of risks, and the internal Risk Oversight Committee is responsible for primary operational risk oversight and the implementation of the Risk Management Policies. The Energy Hedging Program has three essential objectives: (1) to achieve a customer power cost to serve native load and off-system firm load at a cost that is materially close to the budgeted amount; (2) to reduce the Authority's exposure to volatile swings in energy and hedging costs and to limit the uncertainty related to market timing when purchasing fuel-related hedges by purchasing a portion of required hedges on a programmatic basis; and (3) to maintain a degree of flexibility allowing the Authority to benefit from a favorable energy market. As these transactions relate to natural gas, realized gains and losses, as a result of these hedges, are recognized as fuel expense. See Deferred Outflows of Resources and Deferred Inflows of Resources for further discussion.





The graphs titled "2024 Energy Resources (MWh)" and "2023 Energy Resources (MWh)" indicate the energy resource mix upon which GRDA relies to meet its customers' load needs. The availability of adequate generation capacity, along with a reliable transmission system, firm customer contracts, and participation in the SPP Integrated Marketplace, ultimately drive the operating and financial results. In 2024, natural gas made up a majority of the generation due to historically low natural gas prices. The hydro units continue to play a vital role in both reliability and available capacity and provided increased production in 2024 after a year of decreased rainfall in 2023. Likewise, wind purchases remained an equitable share of the Authority's generation portfolio for the last two years. The Authority has a generation portfolio that provides diversity and employs a team experienced in power marketing that uses those resources, in conjunction with the hedging program, to minimize risks and volatility for the Authority.

OPERATING INCOME

Operating Income			
	2024	Restated 2023	2022
Total operating revenues	$ 559,317,318	$ 574,957,314	$ 668,204,643
Total operating expenses	(445,590,634)	(466,890,672)	(533,232,102)
Operating Income	$ 113,726,684	$ 108,066,642	$ 134,972,541

Operating Income increased $5.7 million, or 5%, in 2024. The decrease was driven primarily by $11.9 million, or 16% less Other operating revenue, which includes certain transmission revenues, $4.8 million, or 6%, higher depreciation costs, $6.5 million, or 5%, higher combined operations and maintenance costs, offset by $7.9 million, or 3%, in higher base power sales and $5.4 million, or 18%, lower administrative and general costs driven primarily by $2.8 million lower pension expense.

Operating income decreased $26.9 million in 2023, or 20%. The 2023 decrease was driven primarily by $13.0 million in higher depreciation costs related to accelerated depreciation associated with the estimated useful life of GREC 2 from 2030 to 2026 when the construction of GREC 4 is estimated to be completed. The Authority recognized $12.6 million in additional administrative and general expense associated with implementation of GASB 101. Additionally, the Authority experienced $6.4 million higher administrative and general costs, due to $3.3 million in higher pension costs, $0.9 million higher insurance costs and various other costs associated with the new ERP. Operating revenues decreased by $93.2 million, or 14%, in 2023, was driven by the lower cost of fuel and power that the Authority recovers in revenue.

Other operating revenues include recovery of revenue requirements for transmission plant recovered through the SPP's administration of the transmission tariffs, as well as revenues associated with an Integrated Transmission Agreement (ITA), and revenues from an agreement with The Energy Authority (TEA) related to the management of excess Auction Revenue Rights (ARR's) in the SPP Integrated Marketplace. It also includes revenues from the sales of Renewable Energy Certificates (RECs), lake-related revenues, and NOx allowances.

Non-operating revenues primarily include investment income, changes in the fair value of investments, and the deferral of revenue associated with third party contributions to the construction of capital assets. Non-operating revenues decreased $3.5 million in 2024, after an increase of $76.7 million in 2023. The 2024 decrease was driven by a $10.7 million net loss on retirement of utility plant offset by a decrease in a deferral of costs recovered of $4.4 million and $2.6 million of higher Investment income–net, which includes changes in the fair value of investments. The $76.7 million increase in 2023 was driven by $ $55.2 million higher investment income in 2023 compared to 2022. Also in 2023, Non-operating revenues increased from a decrease in deferral of costs to be recovered of $18.0 million in 2023 than in 2022.

Operating expenses decreased by $21.3 million, or 5%, in 2024, made up primarily of $15.1 million, or 6%, decrease in fuel and purchased power costs and a $17.6 million, or 41%, decrease in administrative and general costs. The Authority recognized $12.6 million in additional Administrative and general expense associated with implementation of GASB 101 when we restated 2023. This decrease was offset by $4.8 million, or 6%, higher depreciation costs and $6.5 million, or 6%, higher combined operations and maintenance costs Operating expenses decreased by $66.3 million, or 12%, in 2023, made up primarily of the $103.1 combined decrease in fuel and purchase power costs. This decrease was offset by increases of $13.0 million in higher depreciation costs related to accelerated depreciation associated with the estimated useful life of GREC 2 from 2030 to 2026. Additionally, the Authority experienced $19.4 million in higher administrative and general costs due to $12.6 million GASB 101 restatement, $3.3 million in pension costs, $0.9 million in higher insurance costs, and various costs associated with the new ERP.

Award revenue - capital includes customer contributions, grant proceeds, and insurance revenues for capital asset additions. Portions of these revenues were deferred by the Authority in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62), which is discussed in further detail in Deferred Outflows of Resources and Deferred Inflows of Resources.

OPERATING REVENUES

As stated previously, Operating revenues decreased $15.6 million, or 3%, in 2024, driven by lower cost of fuel and power that the Authority recovers in revenue. Fuel and power costs recovered in Revenues for 2024 decreased $13.2 million, in 2024, or 6%. Base Power Revenues increased $7.9 million, or 3%, driven by $6.9 million, or 7%, higher sales to our retail industrial customers and $1.8 million, or 2%, higher sales to our wholesale municipal customers. Operating revenues in 2023 increased $93.2 million, or 14%, driven primarily by lower cost of fuel and power that the Authority recovers in revenue. Fuel and power costs recovered in Revenues for 2023 decreased $102.1. Base Power Revenues were up $8.7 million, or 3%. The increase was driven by continued growth of retail industrial customers increasing $9.4 million, or 10%, offset by small decreases in sales to wholesale customers of $0.8 million, or 1%.

Other operating revenues, as mentioned previously, include recovery of revenue requirements for transmission plant recovered through the SPP's administration of the transmission tariffs, as well as revenues associated with an ITA, and revenues from an agreement with TEA related to the management of excess Auction Revenue Rights ARR's in the SPP

Integrated Marketplace. Other operating revenues decreased $11.9 million in 2024 and $1.3 million in 2023, after an increase of $31.7 million, or 72%, in 2022. Approximately 50% of Other operating revenue in 2024 and 2023 is attributable to the TEA agreement.

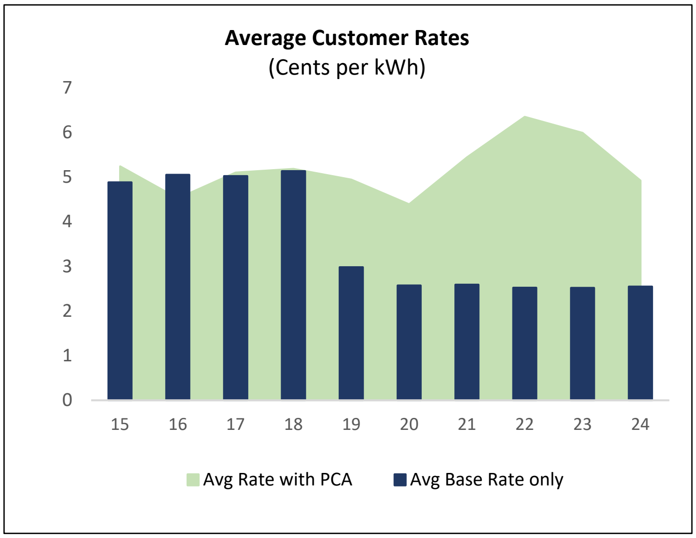
The Authority is empowered to set rates, as necessary, to provide for recovery of operating expenses and debt service payments. When deemed necessary and approved by the Board of Directors, rates can be raised by providing at least 60 days notice to the Authority's customers. By statute, the Authority is a self-regulated entity, and its rates do not come under the jurisdiction of the Oklahoma Corporation Commission. The rates charged by the Authority for the sale of electric power and energy are not currently regulated by the Federal Energy Regulatory Commission (FERC) or any other state or federal authority; however, GRDA's transmission tariff is filed and approved by FERC, as part of the SPP open access tariff. In April 2024, the Board of Directors approved a series of rate increases over the next three years that become effective on October 1 of each year. The aggregate increase for 2024, 2025, and 2026 is 1.48% 2.74% and 3.39% respectively.

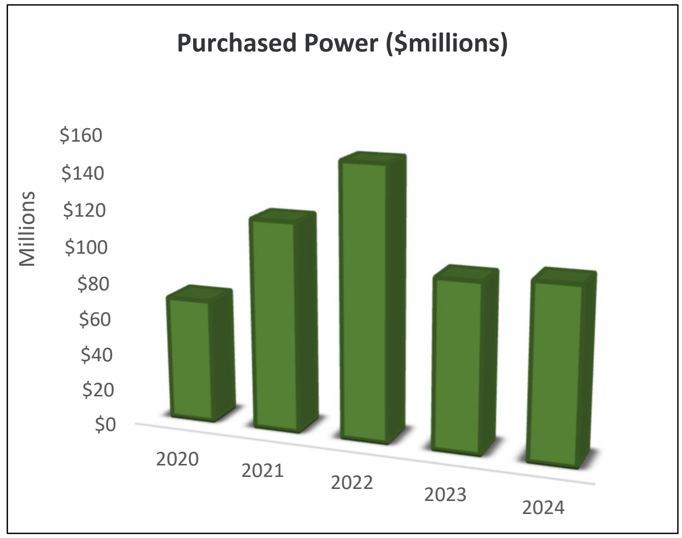
Oklahoma law requires the Authority to maintain rates which are sufficient to produce adequate revenues to fulfill the obligations of the Authority. These obligations include payment of all maintenance and operation expenses, interest, and principal of all bonds, sinking fund and/or reserve fund payments agreed to be made in respect of any such bonds, and any other obligations or agreements made with the holder of such bonds and/or with any person on behalf of such holder. The Authority agreed with its customers not to adopt or charge excess rates and to ensure rates will be applied in a reasonable, and not unduly discriminatory, manner to all customers served under the same rate schedules at the same service level.

The Authority's rates have three main components: demand, energy, and PCA. The amount of the rate is dependent upon the level of service for which the customer has contracted: generation bus, transmission, primary distribution, or distribution.

The PCA is an adjustment mechanism that allows the Authority to recover Fuel and Purchased Power costs, for contract sales to wholesale and retail customers, over a rolling twelve-month period. Prior to April 1, 2019, the Authority's base energy rates included an estimated power cost (fuel and purchased power) of 23 mills per kWh. Effective April 1, 2019, the 23 mills per kWh of estimated power cost was restructured out of the base rate and into the PCA recovery calculation.

In 2021, the Authority amended the schedule PCA to include a new component, referred to as PCAx, which is designed to recover Extraordinary Power Cost (EPC) events. EPC events are designated by the Board of Directors. The costs associated with an EPC event can be recovered from customers via three options: (1) PCAx-120 – EPC Customer pays its Customer Costs via not more than 120 monthly payments. This method does accrue additional EPC Carrying Costs for financing. (2) PCAx-12 – EPC Customer pays its Customer Costs via not more than 12 monthly payments. This method does not accrue additional carrying costs for financing. (3) PCAx-Base – EPC Customer pays the original 12-month PCA calculation under the PCA in place during the EPC event. This amount varies monthly based upon EPC Customer's energy usage and is assessed on a $/kWh basis. This method does not require EPC Customer to pay additional carrying costs for financing. The Board designated $102.4 million as EPC in connection with the February 2021 Winter Storm Uri. Based on the options provided by the Schedule PCA, approximately one-third of GRDA's customers chose options to repay within the first twelve months, while the remaining two-thirds elected the PCAx-120 option.





The graph titled "Average Customer Rates (Cents per kWh)" reflects the removal of the aforementioned 23 mills per kWh of estimated power cost from the base rate in the dark blue bars. This graph also shows the impact of the PCAx-12 portion of the costs incurred in relation to Winter Storm Uri, as well as the impact of the dramatic decrease in natural gas prices in 2024 and 2023 compared to 2022 driving down the PCA and related power prices for the year.

The PCA revenues also reflect an accrual of any over or under-collected fuel costs. In 2023, as natural gas prices continued to decline, the Authority's under collected balance swung from an under collected balance of $34.2 million to an over collected amount of $ 44.6 million, a change of $78.8 million. The over collected balance grew slightly in 2024 to $47.4 million as gas prices leveled out. As mentioned above, the additional costs of Winter Storm Uri continued to be collected in the PCAx. Of the $102.3 million in Uri costs, $59.0 million has been collected with the remaining $43.3 million to be collected through 2030. At the end of 2024 approximately $4.1 million net was over recovered between the $47.4 million over collected in yearly PCA recovery and the $43.3 million remaining under recovered Uri costs at the end of 2023. At year-end 2024, $36.8 million of the Uri cost are classified as long term.

OPERATING EXPENSES

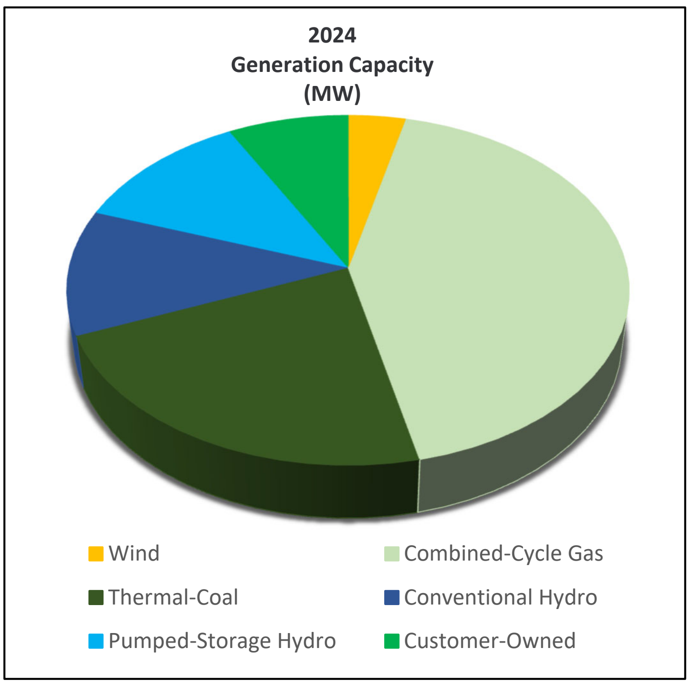
As mentioned above, Operating Expenses decreased by $21.3 million, or 5%, and is made up primarily in the $15.1 million, or 6%, decrease in combined fuel and purchased power costs. Operating expenses decreased $66.3 million, or 12%, in 2023, made up primarily of the $103.1 million combined decrease in fuel and purchased power costs. See the graph titled "Purchased Power" for the trend in Purchased power expenses over the last five years. Purchased power decreased in 2023 driven by the significant fall in natural gas prices and related power costs decreasing a combined $103.1 million. This change in natural gas prices reverses the increases seen in the previous years, driven largely by the price of natural gas, which is a major driver of the SPP Integrated Marketplace prices. Purchased power increased $2.9 million, or 3%, in 2024, after a decrease of $56.9 million, or 38%, in 2023, after increasing $33.9 million, or 29%, in 2022. Fuel exceeded Purchased power in both 2024 and 2023, decreasing in total by $18.0 million, or 13%, in 2024 and $46.2 million, or 25%, in 2023 Operating and maintenance expenses were relatively flat increasing by $6.5 million, or 6%, in 2024. This followed a small increase of $ 4.8 million, or 4%, in 2023. The Authority experienced $17.6 million in lower administrative and general costs in 2024, driven by $12.6 million in GASB 101 restatement expense recognized in 2023, $2.8 million lower pension expense, and $5.3 million higher costs capitalized as part of the construction of GREC 4. In 2023, administrative and general costs were $19.0 million higher due to $12.6 million in GASB 101 restatement expense, $2.3 million of higher pension costs, $0.9 million of higher insurance costs, and various costs associated with the ERP implementation.

Depreciation expense increased $4.8 million, or 6%, in 2024, and $13.0 million, or 21%, in 2023. The 2024 increase is a reflection of our continued spending on our generation assets and transmission system. The large increase in 2023 was driven primarily by accelerated depreciation for GREC 2 which was originally estimated to operate through 2030 but has now been targeted to be replaced in 2026 when GREC 4 becomes operational.

SIGNIFICANT ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority added $269.0 million to capital assets, including $200.4 million to non-depreciable assets reflecting the construction of GREC 4. These additions were offset by a net retirement of $10.7 million. In 2023, $99.3 million was added to capital assets, offset by a small amount of retirements totaling $1.4 million. For several years, the generation outlays have included a multi-year relicensing effort that will allow the Pensacola Dam to continue producing electricity for another fifty years. Capital projects in 2024 and 2023 included significant spending for GREC 4, continued work on our hydro generation fleet,



As shown in Note 4 to Financial Statements, Utility plant, the majority of Net utility plant consists of a diverse mixture of hydroelectric, coal, and natural gas generation resources, supported by a transmission system for the delivery of power and energy. The pie chart labeled "2024 Generation Capacity (MW)" reflects GRDA's generation accredited capacity by fuel source. The Authority has contracts for firm wind purchases from four Oklahoma wind farms. In combination with existing hydroelectric generation, these diverse resources allow the Authority to provide reliable electricity for customers, while also striving to excel in environmental stewardship.

Restricted Assets

The Authority's General Bond Resolution No. 5107 requires Debt Service Reserve funds to be set aside and that the Debt Service Reserve account be equal to the "Maximum Aggregate Debt Service." Upon issuance of the Series 2024 Bonds, the Debt Service Reserve requirement was calculated to be $108.2 million.

The Authority normally keeps an excess in restricted accounts to compensate for any unforeseen market value fluctuations of investments in the account. The Authority's balance in the Debt Service Reserve account as of December 31, 2024, was $110.4 million, or $2.2 million in excess of the required amount. As discussed in Note 2 to Financial Statements, Deposits and Investments, the balance in the Debt Service Reserve account, including any excess, is reflected as a restricted asset, because bond proceeds were used to initially fund the account and carry associated restrictions on how the funds can be used.

The restricted accounts for other special purposes relate to wildlife mitigation, pursuant to hydro licensing requirements, and riparian lease grant funds. Each of the restrictions is discussed in further detail in Note 2 to Financial Statements, Deposits and Investments.

Reserve funds, established in 2021 through enabling legislation,are set aside for specific purposes, which are included in the restricted assets. In 2021, the Authority created both a Capital Reserve Fund and a Special Reserve and Contingency Fund, amounting to $9.9 million and $50.4 million respectively. Throughout 2024, GRDA used $0.3 million to fund capital projects. At December 31, 2024, a further $8.2 million was deposited, which brought the year-ending balance to $10.9 million. GRDA continues to maintain a Rate Stabilization Fund, which contained a balance of $31.7 million, as of December 31, 2024. The use of each of these funds is at the discretion of the Board of Directors.

The Authority, through its investment policy, seeks to provide the maximum security along with the best investment return, while meeting the daily cash flow demands, and conforming to all bond policies and state statutes. While these conservative investment requirements hedge against investment losses, the yields earned on the eligible investments reflect the reduced risk. The first priority of the investment policy is the safety of principal, rather than to earn speculative income.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Authority maintains balances of Deferred outflows related to pension plans, other post-employment benefits, losses on reacquired debt, and derivative hedges. The Deferred outflows related to pension plans totaled $5.6 million, which represents a decrease of $10.3 million over the 2023 balance of $16.0 million. This variability is related to the performance of the pension plan’s underlying financial assets, as well as adjustments to actuarial assumptions used in valuation calculations.

Deferred outflows related to other post-employment benefits was $2.7 million in 2024 compared to $1.7 million in 2023. See Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits for more information.

GRDA amortized $2.6 million in losses on reacquired debt in 2024, to reduce the Deferred outflow balance from $18.8 million in 2023, to $16.2 million in 2024. The balance will be amortized over the life of the corresponding debt.

The Authority maintains balances of Deferred inflows related to pension plans, other post-employment benefits, regulated operations, a long-term service agreement, and derivative hedges. The Deferred inflows related to pension plans increased by $4.5 million in 2024 following a decrease of $1.1 million in 2023. Like the Deferred outflows discussed above, this variability is also related to the performance of the pension plan’s underlying financial assets, as well as adjustments to actuarial assumptions used in valuation calculations.

Deferred inflows related to other post-employment benefits were $2.7 million and $3.7 million in 2024 and 2023 respectively. See Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits for more information.

The Authority follows accounting for regulated operations in accordance with GASB 62, which requires approval from the Board of Directors, as they represent the regulatory body for the Authority. Deferred inflows related to regulated operations totaled $117.3 million in 2024 versus $122.7 million in 2023. This decrease of $5.4 million is made up of $2.9 million in additional deferred revenues, and recognized revenues of $8.4 million. See Note 5 to Financial Statements, Costs Recovered or to be Recovered from Future Revenues for the detail of authorizations for regulatory treatment.

Long-Term Debt

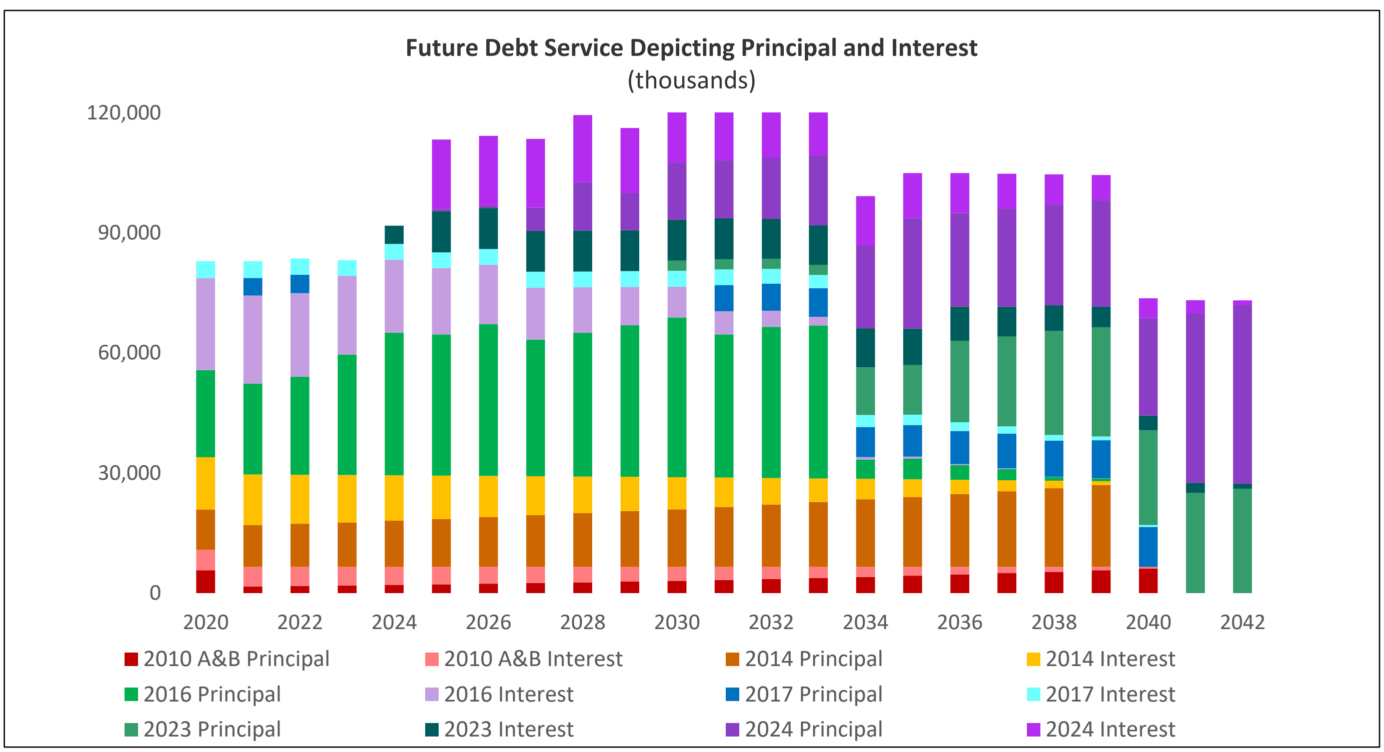
In June 2024, in conjunction with the Board’s approval to construct GREC 4, GRDA issued $349.2 million in additional par value bonds, $283.9 million in tax-exempt bonds (2024A) and $65.3 million in taxable bonds (2024B). The combined issuance raised $385.3 million including $37.8 million of premium and net of $1.6 million of issuance costs. $114.5 million of the tax-exempt bond proceeds were used to refund a significant portion of the remaining 2014A bonds. The residual funds were used to fund the remaining GREC 4 estimated costs. In total, the 2023 bond offering and the 2024A and 2024B issuances raised $480 million of construction funds for GREC 4.

As a result, in 2024, GRDA's bonds payable, including premium, increased by $204.9 million from 2023 to 2024 reflecting the additional bonds issued in June 2024, offset by $49.2 million in principal payments and $11.4 million of premium amortization. The bonds payable current portion increased by $0.8 million, and the noncurrent portion increased by $204.1 million. The net increase was made up of $349.2 million in new issuance, $37.7 million in additional premium, $114.4 million in refunded bonds and premium, $43.1 million in retirements, and $11.4 million in premium amortizations. The Authority reported a premium balance at the end of 2024 for the 2014A bonds, the 2016A bonds, the 2017 bonds, the 2023 bonds, and the 2024A bonds totaling $102.4 million.

In December 2023, GRDA issued $205 million of bonds payable with an associated premium of $26.6 million for total proceeds of $231.6 million. GRDA's bonds payable, including premium, increased by $179.3 million from 2022 to 2023 reflecting the additional bonds issued in December offset by $43.1 in principal payments and $9.2 million of premium amortization. The bonds payable current portion increased by $6.1 million, and the noncurrent portion increased by $173.2 million. The net increase was made up of $205 million in new issuance, $26.6 million in additional premium, $43.1 million in retirements and $9.2 million in premium amortizations. The Authority reported a premium balance at the end of 2023 for the 2014A bonds, the 2016A bonds, the 2017 bonds, and the 2023 bonds totaling $84.4 million.

GRDA makes monthly sinking fund payments to the bond trustee, which are reflected as Current Investments Restricted for Bond Service. The current balance, as of December 31, 2024, is $33.8 million. The bondholders are then paid annual principal payments on June 1 and semi-annual interest payments on June 1 and December 1 of each year. Please see Note 6 to Financial Statements, Bonds Payable for more detailed information. The graph "Future Debt Service Depicting Principal and Interest (thousands)" provides an indication of how much principal and interest are due each year, until all currently outstanding bonds mature in 2042. The graph distinguishes between the matured bonds and the currently outstanding issues.

Public Financial Management (PFM) represents the Authority as financial advisor to ensure it meets current and long-term operations and capital financing needs and to render assistance with respect to debt transactions. PFM is acting as the Authority's Independent Municipal Advisor, as defined by the U.S. Securities and Exchange Commission in connection with all general capital markets activity.



CHANGE IN FINANCIAL POSITION

The Authority's financial position continues to improve, year over year. The Authority's cash reserve levels, in conjunction with a formalized Cash Reserve Policy that was amended by the Board of Directors in 2021, has positioned the Authority to continue with its capital improvement plan, while historically holding base rates steady, as well as be prepared for events such as Winter Storm Uri, previously discussed. With the approval of the construction of GREC 4 and the subsequent retirement of GREC 2, in April 2024, the board approved a series of small rate increases over the next three years to raise revenues in order to support the additional debt required to construct the $480 million simple cycle gas combustion unit.

GRDA's Board of Directors approved the creation of a new Board-designated fund for system capital improvements in 2021, that will further strengthen the Authority's cash position. Debt service coverage has remained excellent, far exceeding the one-time's coverage required by debt covenants. The Authority's Board of Directors is comprised of persons with experienced, diverse backgrounds. Their oversight and perpetual insistence for excellence and efficiency ensures that GRDA's history of success continues.

Wholesale customers provide financial security with long-term contracts. The Authority has been humbled by, and is motivated by, the active support of its wholesale customers and is actively working with this customer group to continue to face and conquer the onslaught of changes perpetually facing the utility industry. Wholesale electric sales were relatively flat in 2024 and 2023 with a 2% increase in 2024 and a 1%, decrease in 2022. The Authority's long-term revenue projections are more stable due to these long-standing contracts. Many of the all-requirements contracts with the wholesale customers run for the full term of the majority of GRDA's outstanding debt.

Continued industrial expansion in the Mid America Industrial Park has led to increasing sales within the Industrial and Commercial customer classes rising 7% in 2024, and 10% in 2023, providing for healthy growth in electric sales.

The 2021 "#1GRDA" was the foundation of company culture that carried the Authority through the challenges presented by the events of the year and allowed for continue progress in 2024 towards our mission of providing low-cost reliable electricity and to promote economic development in our service area. This teamwork and the continued support of our customers base allowed for the Board to unanimously approve the construction of GREC 4 in August 2023, 2024, and 2025 budget in December of each year, and the series of rate increases in April 2024 that will continue to build a stronger GRDA.

ECONOMIC OUTLOOK

GRDA has a positive economic outlook, due to sound financial and operational fundamentals and solid, mutually beneficial, long-term customer relationships. The Authority remains agile in its ability to facilitate expanding customer relationships.

Capital improvement plans for the Authority include continued investment in the Authority's infrastructure to continue to serve our existing customers and potential new customers. The retail customers served by GRDA are diverse and service-oriented, with forecasted growth throughout the upcoming years, while GRDA continues to be instrumental in attracting new customers to the Authority's service territory.

GRDA's 2021 financial and cash positions were such that the Authority was able to finance the Winter Storm Uri event without issuing new debt and allowing customers the option to pay over 12 months or the option to repay over 120 months. Since 2021, the Authority has been able to rebuild its cash reserves and with the 2023 and 2024 bond issuance, the Authority is in a good financial position to finance the construction of GREC 4. Additionally, the strategic leverage of the Rate Stabilization Fund has the potential to help offset increases in debt service requirements in the base rate.

The Authority and its customers continue to work together to educate end users regarding the connection between efficiency, demand, and affordability. This will aid in managing end users' expectations of their electricity providers, as the impact of the SPP Integrated Marketplace and technology, such as distributed generation, introduce new and varying aspects to the utility industry. These efforts include research efforts to institute Advanced Metering Infrastructure (AMI) in municipalities. In 2024, GRDA began a program to bring AMI to our municipal customers in an effort to continue to support our customers management of their load requirements. The Authority created a new rate schedule for the municipal customers that elect to participate in the AMI program that allows them to upgrade their equipment and reimburse GRDA for the costs over a five-year period.

The Authority protects the waters of the Grand River and the environments associated with it and utilizes Oklahoma's natural gas, water, and wind resources to generate electricity. The Authority meets customers' needs and environmental mandates with diversified resources and generation. The diversity in GRDA's generation portfolio provides a hedge to risks, such as fuel supply, SPP Integrated Marketplace competition, and environmental legislation. The generation assets are supported by a robust and reliable transmission grid. The Authority has a favorable economic outlook because its electric system profile has low-debt costs, strong customer support, and coordinated resource planning.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This report is intended to provide our customers, bondholders, citizens of the state of Oklahoma, and other interested parties with a general overview of GRDA's financial position, results of operations, and to demonstrate accountability for the revenues GRDA receives.

Questions about this report, or requests for additional financial information, should be directed to the Authority at: Grand River Dam Authority, PO Box 669, Chouteau, OK 74337.

STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2024, AND 2023

	2024	Restated 2023
ASSETS:		
Current assets:		
Cash and cash equivalents:		
General operating accounts	$60,944,053	$35,277,503
Restricted accounts	12,753,827	5,172,277
Investments:		
General operating accounts	28,367,240	24,008,580
Restricted accounts	34,179,568	32,640,611
Accounts receivable – net	42,054,430	48,577,068
Accrued interest receivable	7,793,804	4,625,878
Fuel stock	7,731,351	16,114,752
Materials and supplies – net	50,969,031	52,465,406
Under recovered power costs	6,496,975	6,496,771
Prepaid assets	10,494,976	6,486,734
Hedging derivative instruments	604,860	-
Total current assets	262,390,115	231,865,580
Noncurrent assets:		
Investments:		
General operating accounts	307,674,343	304,496,431
Restricted accounts	464,539,847	360,036,455
Net utility plant:		
Non-depreciable – at original cost	351,495,697	151,566,181
Depreciable – at original cost, less depreciation	1,065,134,178	1,087,492,181
Under recovered power costs	36,804,281	43,413,333
Nonutility plant – at original cost, less depreciation	39,007,376	40,112,548
Assets related to pension plans - restricted	7,359,123	-
Investment in The Energy Authority	31,305,254	-
Long term service agreement - GREC 3	7,500,000	-
Other noncurrent assets	24,699,716	25,607,520
Total noncurrent assets	2,335,519,815	2,012,724,649
Total assets	2,597,909,930	2,244,590,229
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pension plans	5,648,874	15,997,469
Related to post-employment benefits	2,671,215	1,680,415
Related to loss on advanced refunding	16,183,126	18,826,324
Related to derivative hedges	-	16,678,174
Total deferred outflows of resources	24,503,215	53,182,382

STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2024, AND 2023

	2024	Restated 2023
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	$80,639,189	$54,801,965
Accrued interest payable - restricted	4,805,897	3,926,610
Bonds payable – current portion	49,985,000	49,225,000
Customer deposits and deferred credits	14,463,671	1,157,561
Derivative instruments	576,170	14,058,470
Over recovered power cost	47,436,671	44,606,832
Post-employment benefits	1,463,697	-
Total current liabilities	199,370,295	167,776,438
Noncurrent liabilities:		
Bonds payable – net	1,224,136,000	1,020,015,528
Liabilities related to pension plans	4,046,964	14,030,125
Liabilities related to post-employment benefits	15,921,556	15,544,891
Other noncurrent liabilities	9,412,433	12,179,163
Total noncurrent liabilities	1,253,516,953	1,061,769,707
Total liabilities	1,452,887,248	1,229,546,145
DEFERRED INFLOWS OF RESOURCES:		
Related to pension plans	5,554,508	1,013,573
Related to post-employment benefits	2,673,774	3,712,404
Related to costs recovered or to be recovered	117,272,584	122,676,221
Related to long term service agreement – GREC 3	7,500,000	-
Related to derivative hedges	2,492,925	-
Related to gain on advanced refunding	8,245,260	-
Total deferred inflows of resources	143,739,051	127,402,198
NET POSITION:		
Net investment in capital assets	563,245,778	484,318,563
Restricted for:		
Capital reserve fund	10,857,028	2,916,947
Special reserve and contingency fund	20,034,609	32,649,598
Debt service	28,972,630	28,714,583
Other special purposes	2,189,928	2,146,836
Pension benefits	7,359,123	-
Unrestricted	393,127,750	390,077,741
TOTAL NET POSITION	$1,025,786,846	$940,824,268

See notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023

	2024	Restated 2023
OPERATING REVENUES:		
Sales of power	$490,962,142	$496,664,358
Other operating revenues	62,176,590	74,097,144
Regulatory revenues	6,178,586	4,195,812
Total operating revenues	559,317,318	574,957,314
OPERATING EXPENSES:		
Fuel	(121,871,775)	(139,829,863)
Purchased power – net	(95,401,105)	(92,498,600)
Operations	(88,344,596)	(84,990,303)
Depreciation	(80,674,561)	(75,872,836)
Maintenance	(34,002,442)	(30,816,696)
Administrative and general	(25,296,155)	(42,882,374)
Total operating expenses	(445,590,634)	(466,890,672)
OPERATING INCOME	113,726,684	108,066,642
NONOPERATING REVENUES (EXPENSES):		
Investment income (loss) – net	28,766,688	26,119,473
Award revenue – operating	303,858	330,388
Income (loss) – non-operating	(10,748,396)	(1,361,585)
Income (loss) – non-utility operations	(3,600,481)	(2,473,751)
Interest expense	(54,120,672)	(42,464,555)
Costs recovered or to be recovered	(1,218,245)	(5,626,159)
Cost of issuance	(1,613,479)	(820,756)
Amortization of bond premium	11,375,907	9,176,086
Total nonoperating expenses	(30,854,820)	(17,120,859)
CAPITAL CONTRIBUTIONS:		
Award revenue– capital	2,090,714	5,961,364
NET INCREASE IN NET POSITION	84,962,578	96,907,147
NET POSITION– Beginning of year	940,824,268	843,917,121
NET POSITION– End of year	$1,025,786,846	$940,824,268

See notes to financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023

	2024	Restated 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from customers	$555,443,884	$616,817,070
Received from award revenues– operating	-	123,713
Payments to employees for services	(57,765,834)	(56,412,310)
Payments to suppliers for goods and services	(303,070,734)	(309,392,580)
Net cash provided by operating activities	194,607,316	251,135,893
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to utility plant	(251,170,864)	(103,916,023)
Payments for retirements of utility plant	(1,737,371)	(1,213,141)
Received from sales of retirements of utility plant	5,900,290	944,603
Received from award revenues– capital	488,375	4,282,900
Proceeds from bond issue	349,155,000	205,000,000
Bond premium	37,789,416	26,604,512
Payments to refund bonds	(114,448,834)	-
Bond issuance costs	(1,613,479)	(820,756)
Repayment of principal	(49,225,000)	(43,080,000)
Interest paid	(50,598,187)	(39,050,487)
Net cash used in capital and related financing activities	(75,460,654)	48,751,608
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	26,634,287	14,950,195
Purchases of securities	(1,072,364,662)	(461,242,614)
Proceeds from sales and maturities of securities	959,831,813	103,982,595
Net cash provided by (used in) investing activities	(85,898,562)	(342,309,824)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,248,100	(42,422,323)
CASH AND CASH EQUIVALENTS– Beginning of year	40,449,780	82,872,103
CASH AND CASH EQUIVALENTS– End of year	$73,697,880	$40,449,780
NONCASH ITEMS FROM CAPITAL AND RELATED ACTIVITIES:		
Noncash purchases of utility plant included in accounts payable	$9,766,183	($473,052)
Noncash award revenues– capital	$(1,897,662)	$1,678,464
NONCASH ITEMS FROM INVESTING ACTIVITIES:		
Change in unrealized gain (loss) on investments	$(6,685,259)	$8,382,892
Amortization of premiums and discounts	$5,031,197	$322,930

GRAND RIVER DAM AUTHORITY
(A Component Unit of the State of Oklahoma)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023

	2024	Restated 2023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$113,726,684	108,066,642
Noncash items included in net operating income:		
Income from nonutility operations	(13,215,160)	(7,788,724)
Depreciation	80,674,561	75,872,836
Changes in assets and liabilities:		
Receivables:		
Customers	4,438,203	7,550,453
Other	(40,725,253)	(16,631,363)
Fuel stock	8,383,401	(5,567,221)
Materials and supplies	1,496,375	(2,251,281)
Other	(7,261,261)	2,113,815
Deferred outflows related to pension plans	10,348,595	8,560,881
Deferred outflows related to post-employment benefits	(990,800)	689,371
Deferred outflows related to derivative hedges	16,678,175	(12,651,255)
Accounts payable and accrued liabilities	15,695,470	13,858,125
Over (under) recovered fuel costs	9,438,687	85,400,349
Other noncurrent liabilities	(12,171,954)	(7,772,028)
Deferred inflows related to pension plans	4,540,935	(1,097,708)
Deferred inflows related to post-employment benefits	(1,038,629)	1,407,077
Deferred inflows related to deferred revenues	2,096,362	1,375,924
Deferred inflows related to derivative hedges	2,492,925	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$194,607,316	$251,135,893

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business—The Grand River Dam Authority (the "Authority" or "GRDA"), a non-appropriated state agency, was created by the State of Oklahoma in 1935 as a conservation and reclamation district. The Authority has the power to control, store, preserve, and distribute the waters of the Grand River and its tributaries for any useful purpose and to develop and generate water power, electric power, and electric energy within the boundaries of the Authority and to buy, sell, resell, interchange, and distribute electric power and energy. The Grand River lies entirely within Oklahoma, but its drainage basin also extends over the states of Arkansas, Kansas, and Missouri. As part of the Authority's licensing agreements, the Authority also has lake area responsibilities. The costs of those activities are funded primarily through electricity sales. The Authority's financial statements are included in the State of Oklahoma Annual Comprehensive Financial Report as a discretely presented component unit.

Basis of Accounting—The Authority is licensed to operate under the Federal Power Act, which requires the use of the uniform system of accounts, prescribed for public utilities and licensees. The Authority is a cost-of-service organization and establishes its rates to provide revenues sufficient to pay all expenses necessary for the operation and maintenance of the system, all payments, transfers, and deposits related to outstanding debt, and all other charges or obligations imposed by law or contract.

Basis of Presentation—The Authority's basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's basic financial statements conform to the provisions of standards issued by the Governmental Accounting Standards Board (GASB). GASB establishes standards for external financial reporting for all state and local governmental entities, which include Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. It requires the classification of net position into three components—net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets—This component of net position consists of capital assets, net of accumulated depreciation and costs recovered or to be recovered from future revenues reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted Net Position—This component of net position consists of funds subject to constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use for the same purpose, it is the Authority's practice to use unrestricted resources first, then restricted resources as they are needed, unless directed by the Board of Directors, as enabled by legislation.

Unrestricted Net Position—This component of net position consists of any remaining net position that does not meet the definition of "restricted" or "net investment in capital assets."

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.

Cash and Cash Equivalents—Cash and cash equivalents include unrestricted cash in banks, unrestricted money market funds, and unrestricted certificates of deposit with original maturities of three months or less. Balances are presented on a net basis to the extent such balances are subject to the right of offset. Unrestricted cash and cash equivalents are shown as General Operating Accounts and restricted cash and cash equivalent are shown as Restricted Accounts on the Statements of Net Position.

Investments—Investments principally comprise U.S. government securities, U.S. government agencies, U.S. government-sponsored enterprises, state government obligations, money market funds, certificates of deposit and Certificates of Deposit Account Registry Service. The Authority reports investments at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrestricted investments are shown as General Operating Accounts and restricted investments are shown as Restricted Accounts on the Statements of Net Position. GRDA's investment in The Energy Authority (TEA) is recorded using the Equity method. See Note 14 to Financial Statements, Investment in The Energy Authority (TEA) for further information.

Restricted Assets—Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Fuel Stock—Fuel stock is valued using the lower of the average cost method or fair market value. The delivered commodity is expensed monthly based on fuel burned, and undistributed costs, which includes costs of coal handling and railcar and railroad track maintenance, are expensed monthly based on fuel burned.

Materials and Supplies—Materials and supplies inventory is valued using the average cost and specific identification methods and is subject to write-off when deemed obsolete. A reserve was established in 2022 for obsolete inventory that is intended to adjust the net realizable value of inventory that may not be usable. The balance in this reserve as of December 31, 2024, and December 31, 2023, was $3,300,000.

Under/Over Recovered Fuel Costs—The Authority's rate structure, as approved by the Board of Directors, allows the Authority to increase or decrease monthly charges from wholesale and retail customers to recover actual fuel costs incurred by the Authority. This monthly charge, referred to as the Ordinary Power Cost Adjustment (PCAo), is calculated monthly based on an estimated 12-month average of future fuel costs. The cumulative difference between the actual fuel costs and the revenue collected by the PCAo is reflected as either an asset ("under recovery") or liability ("over recovery") in the Authority's accompanying Statements of Net Position, as these amounts will be included in the PCA Factor and either collected from or refunded to customers of the Authority in subsequent periods.

Effective for reporting period ending December 31, 2021, the Authority amended the schedule PCA to include a new component, referred to as PCAx, which is designed to recover Extraordinary Power Cost (EPC) events. EPC events are designated by the Board of Directors. The costs associated with an EPC event can be recovered from customers via three options:

> PCAx-120 – EPC Customer pays its Customer Costs via not more than 120 monthly payments. This method does accrue additional EPC Carrying Costs for financing.
>
> PCAx-12 – EPC Customer pays its Customer Costs via not more than 12 monthly payments. This method does not accrue additional carrying costs for financing.
>
> PCAx-Base – EPC Customer pays the original 12-month PCA calculation under the PCA in place during the EPC event. This amount varies monthly based upon EPC Customer's energy usage and is assessed on a $/kWh basis. This method does not require EPC Customer to pay additional carrying costs for financing.

Joint Ownership—On October 1, 2008, the Authority purchased certain assets and assumed certain liabilities in the Redbud combined-cycle gas plant near Luther, Oklahoma. The Authority's undivided interest in the assets and liabilities of the facility is 36%, while Oklahoma Gas & Electric's (OG&E) interest is 51%, and Oklahoma Municipal Power Authority's (OMPA) interest is 13%.

OG&E operates the Redbud facility under an operating agreement with the Authority and OMPA and allocates certain costs and expenses attributable to Redbud to the Authority and to OMPA, in accordance with their undivided ownership interests (36% and 13%, respectively). The Redbud facility has long-term service agreements with a large industrial manufacturer for the maintenance of the gas and steam turbines. These amounts have been included in the contractual commitments in Note 9 to Financial Statements, Commitments and Contingencies.

Utility Plant and Depreciation—The cost of utility plant includes direct costs, such as material, labor, and payments to contractors, as well as indirect costs, such as engineering, supervision, and administrative and general expenses. Generally, assets which have a cost of $500 or more at the date of acquisition and have an expected useful life of more than one year, and are not consumable, are capitalized. The cost of maintenance and repairs to property is expensed. Certain costs of the long-term service agreement payments for both the GREC 3 and Redbud plants are capitalized. Gain or loss is recognized on retirements and dispositions.

Depreciation is computed on the straight-line basis at rates based upon the estimated useful lives of assets. Depreciation expense, calculated as a percentage of depreciable plant, averaged approximately 7.6% and 7.0% for each of the years ended December 31, 2024, and 2023.

The utility depreciable property classes range from 3 to 87 years. The depreciable lives for the Redbud plant generally align with the majority owner.

Nonutility Plant and Depreciation—The cost of nonutility plant includes direct costs, such as material, labor, and payments to contractors, as well as indirect costs, such as engineering, supervision, and administrative and general expenses. Nonutility assets primarily include WOKA Whitewater Park, $36.2 million, and Oklahoma Scenic Rivers, $2.8 million. Generally, assets which have a cost of $500 or more at the date of acquisition and have an expected useful life of more than one year, and are not consumable, are capitalized. The cost of maintenance and repairs to property is expensed to Income (loss) – non-utility operations. Gain or loss is recognized on retirements and dispositions. Most of the nonutility assets fall into the 30-year depreciable class.

	2024	2023
Nonutility assets - depreciable	$41,254,179	$40,976,027
Less accumulated depreciation	(2,246,803)	(863,479)
Net nonutility plant	$39,007,376	$40,112,548

Other Noncurrent Assets—Other noncurrent assets are made up mostly of long-term deposits, long-term accounts receivable, and long-term hedging derivatives. The Authority maintains deposits with the Southwest Power Pool and StoneX Financial Inc. The receivable is attributed to a customer's portion of the closure and post-closure costs, as well as receivables from a FEMA claim. The deposit with StoneX Financial Inc. is approximately $19.6 million of the $24.7 million balance in Other noncurrent assets.

Other Noncurrent Liabilities—Other noncurrent liabilities include the accumulated provision for the closure and post-closure costs for the solid waste landfill, the accrued liability for annual leave of more than one year, and long-term deferred credits. For more information on the closure and post-closure costs, see Note 10 to Financial Statements, Landfill Closure and Post-closure Costs.

Costs Recovered or to be Recovered—Certain items included in operating costs are recovered by the Authority through rates set by the Board of Directors. The Authority, as a self-regulated utility, is subject to the requirements of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. GASB Statement No. 62 provides that certain costs that would otherwise be charged to revenue and expense can be deferred as regulatory liabilities and assets, based on the expected recovery from customers in future rates. Recognition of these costs is deferred to the extent that such costs are later included in rates charged by the Authority in future years.

Management continuously monitors the future recoverability of regulatory items, and when, in management's judgment, any future recovery becomes impaired, the amount of the deferred inflow is written off, as appropriate. For additional information about the costs recovered or to be recovered, see Note 5 to Financial Statements, Costs Recovered or to be Recovered.

Bonds Payable—The Authority is operating under its Board's General Bond Resolution No. 5107 ("Resolution No. 5107"), which provides for the issuance of revenue bonds and defines eligible investment securities.

Unamortized Debt Discount or Premium—Debt discount or premium are amortized using the bonds outstanding method over the periods of the applicable issues.

Unamortized Gains and Losses on Advance Refunding of Long-Term Debt—Gains and losses realized on advance refunding of long-term debt are deferred and amortized over the shorter of the life of the new bonds or the related refunding issues using the bonds outstanding method.

Deferred Outflows—In addition to assets, the Statements of Net Position reports a separate section for the deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources relate to deferrals required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) related to pension obligations, deferrals required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75)*,* related to other postemployment benefits (OPEB), and deferred losses on reacquired debt. For additional information about the pension plans and OPEB, see Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits. For additional information about the loss on reacquired debt, see Note 6 to Financial Statements, Bonds Payable. Refer to Note 11 to Financial Statements, Risk Management, for additional information related to derivative hedges.

Deferred Inflows—In addition to liabilities, the Statements of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources relate to deferrals required by GASB 68, deferrals required by GASB 75, regulated operations, which includes deferred revenues from third-party contributions to capital projects, and contributions to a rate stabilization account, deferrals related to derivative hedges as required by GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. For additional information about the pension plans and OPEB, see Note 7 to Financial Statements, Retirement Plans, Postretirement, and Other Employee Benefits. For additional information about regulated operations, see Note 5 to Financial Statements, Costs Recovered or to be Recovered. In 2024, GRDA met the required contract requirements and received a credit of $7.5 million that can be applied to miscellaneous upgrades and LTSA costs for GREC 3. The future credit, on future payments on the LTSA, is shown as an Other asset in the Statement of Net Position. The Authority has elected to use Regulatory accounting and will be recognizing a reduction to expense as the LTSA expenses are recorded.

Operating and Nonoperating Revenues and Expenses—Operating revenues include the sales of power, other operating revenues, and regulatory revenues. Other operating revenues consist of the sale of SPP Auction Revenue Rights and Transmission Congestion Rights, transmission revenues, sales of water, lake permitting fees, NOx allowances, and renewable energy certificates. Regulatory revenues are the recognition of deferred revenues. Operating expenses include costs to operate and maintain the Authority's generation and transmission assets, and include fuel, purchased power, depreciation, and administrative and general expenses. Nonoperating revenues include investment income, net increase in the fair value of investments, amortization of bond premiums, and income from nonutility operations, which includes revenues from Scenic Rivers and the WOKA Whitewater Park. Nonoperating expenses include interest expense, costs recovered or to be recovered from future revenues, bond-related expenses, and expenses from nonutility operations, which include Scenic Rivers and WOKA operating expenses.

Purchased Power—Purchased power includes the cost of energy and power purchased for resale to customers. Included are the settlements for the hourly net exchange of electricity in the SPP Integrated Marketplace and bilateral purchases, primarily from long-term wind and customer generation purchase agreements.

Energy Hedging—The Authority has a formalized Risk Management Policy and Energy Hedging Program. Accordingly, the Authority evaluates transactions under GASB Statement No. 53. For additional information about the hedging program, see Note 11 to Financial Statements, Risk Management.

Capital Contributions—Cash and capital assets are contributed to the Authority from customers, municipalities, or external parties. The value of property contributed to the Authority is reported as award revenues on the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Income Taxes—The Authority is a governmental agency organized under the laws of the State of Oklahoma and is not subject to federal or Oklahoma state income taxes.

Comparative Data—Certain amounts presented in the prior year data may have been reclassified to be consistent with the current year's presentation.

Adoption of New Accounting Standards—During the year, the Authority adopted the following accounting standards:

GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No.62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. This statement did have an impact on the Authority, as we restated for the implementation of a new accounting standard in 2024.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority implemented the statement effective January 1, 2024, which resulted in a restatement of the 2023 balances as presented. See footnote 13 for further information.

Recently Issued Accounting Standards—The following accounting standards will be adopted as applicable in future periods: GASB Statement No. 102*, Certain Risk Disclosures,* GASB Statement No. 103, *Financial Reporting Model Improvements,* and GASB Statement No. 104, *Disclosure of Certain Capital Assets.* When they become effective, application of these standards may restate portions of these financial statements.

2. DEPOSITS AND INVESTMENTS

The Authority's Resolution No. 5107 provides for the issuance of revenue bonds and defines eligible investment securities as investments allowed pursuant to the Authority's investment policy. The Authority's Board Policy 5-2 defines the following categories of investments (1) bonds or other obligations, which are direct obligations of the United States of America, (2) bonds or other specifically named obligations, which are indirectly guaranteed by the United States of America, (3) direct and general obligations of any state which are rated in the two highest major categories of Moody's, Standard & Poor's (S&P), or Fitch, (4) certificates of deposit issued by a savings and loan association or a bank and trust company which are collateralized by the securities described in (1) and (2) or which are fully insured by the Federal Deposit Insurance Corporation (FDIC), (5) repurchase agreements with banks or government bond dealers which are secured by securities described in (1) and (2), (6) investment agreements with companies or banks whose senior debt obligations are rated no lower than the second highest category of Moody's, S&P, or Fitch, (7) short-term obligations of any state or political subdivision which are rated in the highest short-term category by Moody's or S&P, and (8) any cash swap or similar arrangement of the Bond Fund Trustee, the investments of which are limited to securities described in (1) and (2).

The Authority carries its investments at fair value. Fair value of a financial instrument is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The Authority and trustees monitor collateral pledged to secure deposits in financial institutions for compliance with rules and regulations promulgated by the Oklahoma State Treasurer.

Interest-Rate Risk—Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Resolution No. 5107 requires that investments not mature later than such times as the funds shall be necessary to provide monies when needed for payments to be made from the Debt Service account, and in the case of the Debt Service Reserve account, unless otherwise provided in a Supplemental Resolution, not later than ten (10) years from the date of investment. The Authority's Board Policy 5-2 provides that general fund investments shall also not mature later than ten (10) years from the date of investment and requires specific diversification percentages by security type to reduce overall portfolio risk. The Authority attempts to hold the investments to maturity, which minimizes the exposure to rising interest rates and the investments are classified using a weighted average maturity.

As of December 31, 2024, and 2023, the Authority had the following investments (classified as either General Operating investments or Restricted investments on the Statements of Net Position) and corresponding maturities:

		2024		
		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**
U.S. government securities				
U.S. Treasury Bills	$36,385,319	$36,385,319	$-	$-
U.S. Treasury Notes	569,635,513	178,688,430	268,581,676	122,365,407
U.S. government sponsored enterprises				
FFCB	13,381,564	-	9,155,214	4,226,350
FHLB	47,824,212	-	26,384,456	21,439,756
FHLMC	61,967,397	6,250,018	46,302,044	9,415,335
FNMA	39,758,813	9,165,894	12,253,529	18,339,390
GNMA	21,883,571	72,089	17,119,366	4,692,116
State government obligations	489,895	489,895	-	-
Total	$791,326,284	$231,051,645	$379,796,285	$180,478,354

		2023		
		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**
U.S. government securities				
U.S. Treasury Bills	$33,697,138	$33,697,138	$-	$-
U.S. Treasury Notes	268,670,862	19,701,137	183,960,673	65,009,052
U.S. government sponsored enterprises				
FFCB	16,142,615	-	10,661,006	5,481,609
FHLB	54,838,802	2,899,390	31,247,237	20,692,175
FHLMC	68,921,282	1,515,358	42,368,512	25,037,412
FNMA	25,834,781	-	15,831,541	10,003,240
GNMA	36,271,846	330,895	2,393,476	33,547,475
State government obligations	470,965	-	470,965	-
Total	$504,848,291	$58,143,918	$286,933,410	$159,770,963

The above investment types exclude certificates of deposits.

Credit Risk— Credit risk is the risk that the insurer or other counterparty to an investment will not fulfill his obligation. Mortgage-backed securities (MBS) are not rated, because the agencies that issue such securities did not apply to any of the nationally recognized statistical rating organizations (NRSRO), such as Moody's Investors Service and S&P for ratings on their MBS. However, the agencies and the Government Sponsored Enterprises (GSE) carry "Aaa/AA+" ratings from Moody's and S&P for their debentures, and the MBS which carry their label (e.g., Federal National Mortgage Association—"FNR"; Federal Home Loan Mortgage Corporation—"FHR") are direct obligations of the agencies. The Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") are government-sponsored quasi-governmental agencies. These agencies are considered to have the implicit backing of the U.S. Government; therefore, the "Aaa/AA+/AA+" rating by Moody's, Standard & Poor's, and Fitch is implied. MBS issued by the Government National Mortgage Association, with the label GNR, carry the explicit full faith and credit of the U.S. Government. Securities issued by the Federal Farm Credit Bank (FFCB) and the Federal Home Loan Bank (FHLB) are rated "Aaa/AA+/AA+" by Moody's, S&P, and Fitch credit rating agencies. Fannie Mae and Freddie Mac are rated "Aaa/AA+/AA+" by Moody's, S&P, and Fitch credit rating agencies. The MBS are senior in the credit structure to the debentures for the FNMA and FHLMC. The certificates of deposit are held by various banks and are subject to the FDIC guarantees up to $250,000. The Authority addresses credit risk of investments through the Authority's Board Policy 5-2 which states that investments must be backed by the U.S. government, collateralized, fully insured by the FDIC or be rated no lower than the second highest category of Moody's "Aa", S&P "AA", or Fitch "AA". The Authority addresses concentration of credit risk of investments through the Authority's Board Policy 5-2 which outlines the diversification desired in order to reduce overall portfolio risk from an over-concentration of assets.

As of December 31, 2024, and 2023, the Authority's investments had the following ratings:

Investment Ratings	Moody's/S&P/Fitch	2024	2023
U.S government securities	"Aaa/AA+/AA+"	$606,020,832	$302,368,000
U.S. government sponsored enterprises	"Aaa/AA+/AA+"	184,815,557	202,009,326
State government obligations	"Aa1/AA/AA" or higher	489,895	470,965

As of December 31, 2024, and 2023, the Authority had the following portfolio of investments with credit exposure by investment type as a percentage of total investments:

Concentration of Credit Risk

	2024	2023
U.S. government securities		
U.S. Treasury Bills	4.6%	6.7%
U.S. Treasury Notes	72.0	53.2
U.S. government sponsored enterprises		
FFCB	1.7	3.2
FHLB	6.0	10.9
FHLMC	7.8	13.6
FNMA	5.0	5.1
GNMA		7.2
State government obligations	0.1	0.1

Custodial Credit Risk—Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment for collateral securities that are in the possession of an outside party. All money to be held by the Authority under Resolution No. 5107 is required to be deposited in one or more depositories in the name of the Authority. All money deposited under the provisions of Resolution No. 5107 with the Bond Fund Trustee and the Construction Fund Trustee is required to be held in trust and applied only in accordance with the provisions of Resolution No. 5107; money held by the Authority and deposited in any depository is required to be held and secured in the manner provided by Oklahoma law.

Restricted noncurrent investment funds in the bond service reserve account, and certain funds in the construction account are included in Investments in Noncurrent assets on the Statements of Net Position. Restricted current investment funds in the bond service account and certain deposits in the construction account are included in Investments in Current assets on the Statements of Net Position. Restricted investments (noncurrent and current) are not available for general operations.

Unrestricted cash deposits, certificates of deposits, and money market funds are fully collateralized or covered by FDIC.

Fair Value Measurements—According to GASB Statement No. 72, *Fair Value Measurement and Application*, the Authority is required to disclose the valuation technique and level of inputs for all investments. The Authority's investments fall into input Level 1 and Level 2.

Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means, e.g., "market-corroborated" inputs. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Market-corroborated inputs

Level 3 inputs are unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. Governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort. The Authority has no investments that fall into Level 3.

Money Market Funds and Certificates of Deposit are not subject to classification.

The valuation methods for each investment listed in the following fair value of investments table include interactive data from Government/Agency Sector (GV/AGENCY) and Collateralized Mortgage Obligation Sector pricing sources.

	2024			
	Fair Value			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$606,020,832	$-	$-	$606,020,832
U.S. government sponsored enterprises	103,841,331	80,974,224	-	184,815,557
State government obligations	-	489,895	-	489,895
Derivative instruments	-	2,492,925	-	2,492,925

	2023			
	Fair Value			
	Level 1	Level 2	Level 3	Total
U.S. government securities	$302,368,000	$-	$-	$302,368,000
U.S. government sponsored enterprises	112,315,922	89,693,404	-	202,009,326
State government obligations	-	470,965	-	470,965
Derivative instruments	-	(16,678,174)	-	(16,678,174)

Carrying Values—Cash and cash equivalents and current and noncurrent investments on December 31, 2024, and 2023, follows:

2024

	General Operations	Capital Reserve & Contingency (Restricted)	Rate Stabilization (Restricted)	Bond Service (Restricted)	Construction (Restricted)	Bond Service Reserve (Restricted)	Special Purposes (Restricted)	Total
Current:								
Cash deposits—net	$2,331,745	$-	$-	$-	$-	$-	$-	$2,331,745
Money market funds—cash and investments	58,612,308	10,857,028	-	1,758,237	-	-	138,562	71,366,135
U.S. government securities, agencies, sponsored enterprises & state government	15,204,567	-	-	32,020,291	-	-	2,159,278	49,384,136
Certificates of Deposit Account Registry Service	11,678,713	-	-	-	-	-	-	11,678,713
Certificates of deposits—maturity <12 months	1,483,960	-	-	-	-	-	-	1,483,960
Total current	89,311,293	10,857,028	-	33,778,528	-	-	2,297,840	136,244,689
Noncurrent:								
U.S. government securities, agencies, sponsored enterprises & state government	307,674,343	20,034,609	31,703,098	-	277,904,788	104,625,310	-	741,942,148
Money market funds	-	-	-	-	24,545,583	5,726,458	-	30,272,041
Total noncurrent	307,674,343	20,034,609	31,703,098	-	302,450,371	110,351,768	-	772,214,189
Total cash and investments	$396,985,636	$30,891,637	$31,703,098	$33,778,528	$302,450,371	$110,351,768	$2,297,840	$908,458,878

2023

	General Operations	Capital Reserve & Contingency (Restricted)	Rate Stabilization (Restricted)	Bond Service (Restricted)	Construction (Restricted)	Bond Service Reserve (Restricted)	Special Purposes (Restricted)	Total
Current:								
Cash deposits—net	$106,193	$ -	$ -	$ -	$-	$ -	$ -	$106,193
Money market funds—cash and investments	35,171,310	2,916,946	-	2,112,267	-	-	143,064	40,343,587
U.S. government securities, agencies, sponsored enterprises & state government	11,458,345	-	-	30,528,927	-	-	2,111,684	44,098,956
Certificates of Deposit Account Registry Service	11,099,584	-	-	-	-	-	-	11,099,584
Certificates of deposits—maturity <12 months	1,450,651	-	-	-	-	-	-	1,450,651
Total current	59,286,083	2,916,946	-	32,641,194	-	-	2,254,748	97,098,971
Noncurrent:								
U.S. government securities, agencies, sponsored enterprises & state government	304,496,431	32,649,599	31,703,098	-	-	91,900,206	-	460,749,334
Money market funds	-	-	-	-	198,375,164	5,408,388	-	203,783,552
Total noncurrent	304,496,431	32,649,599	31,703,098	-	198,375,164	97,308,594	-	664,532,886
Total cash and investments	$363,782,514	$35,566,545	$31,703,098	$32,641,194	$198,375,164	$97,308,594	$2,254,748	$761,631,857

Additional information relating to cash and investment restrictions follows:

Rate Stabilization—Customer contracts contain requirements for the establishment and funding of a Rate Stabilization Account. Board Resolution No. 5107 and No. 5358 contain further guidelines for the establishment, maintenance, and allocation of the fund. For the year ended December 31, 2016, the Authority established and deposited $21.0 million into the Rate Stabilization Account (RSA I). In 2020, $1.3 million was used to credit wholesale full requirements customers, at a rate of $0.00055 per kWh. In October 2020, Board Resolution No. 5381 was approved to give the CEO the discretion to defer certain revenues and authorized the creation of Rate Stabilization Account II (RSA II). For the year ended December 31, 2020, $19.7 million in deferred revenues from RSA I was recognized, while $31.7 million of operating revenues was deferred and deposited into RSA II.

Bond Service—On December 31, the bond service fund in the accompanying Statements of Net Position reflects the restricted amount sufficient to pay seven months of principal and one month of interest due the following June 1.

Capital Reserve Fund—These reserve funds are restricted through enabling legislation and were established in December 2021 for system capital improvements. This account is funded annually, up to a maximum of $100 million, by the unspent portion of the annual base rate recovery for capital improvements. Contributions to this account in excess of $100 million shall be at the discretion and direction of the Board. These funds may be used for any Board-approved capital projects.

Bond Service Reserve—The restricted amount in the accompanying Statements of Net Position reflects, at a minimum, the maximum aggregate debt service requirement for one year for all bonds outstanding per General Bond Resolution No. 5107.

Restricted for Special Purposes: FERC—Due to agreements with FERC, the Authority has restricted money for two purposes. The first restriction is for the Fish and Wildlife Mitigation Fund, established in June 2003 as required by FERC. The Authority funded an initial deposit of $260,000 in 2003 and was required to make $100,000 annual contributions (adjusted for inflation) each year the Pensacola Dam license is in effect. In December 2015, the Authority funded the balance of $1.45 million, which represented the estimated annual contributions through the year 2024. Generally, the purpose of this fund is to support projects to protect and enhance fish and wildlife resources at the direction of various groups external to the Authority. Expenditures of approximately $62,611 and $39,575 were made from the fund in 2024, and 2023, respectively. The second restriction is for the Nature Conservancy Fund, established in May 2008 as required by FERC. The Authority funded an initial deposit of $27,000 in 2008. The Authority is required to replenish the fund to $27,000 on the first working day in January of each year. Generally, the purpose of this fund is to maintain bat cave protection on Grand Lake. No expenditures were made from the fund in 2024 or 2023.

Restricted for Special Purposes: Other—The Authority also has restricted money for riparian easements under the Oklahoma Conservation Commission and Grand River Dam Authority Cooperative Agreement, the Authority either acquired or secured and paid for deeds of conservation easements. Enrollees that wish to terminate and/or are removed due to breech of agreement from the Riparian Protection Easement Program are required to pay back a pro-rated amount of the remaining years of the lump-sum payment received to the Authority as outlined in the agreement, the balance of which was $107,912 and $107,912 as of December 31, 2024, and 2023, respectively, with the obligation to use the funds to secure additional easements within the Illinois River Watershed.

Construction— A 2023 construction fund was established in December 2023 with the proceeds of the Revenue Bonds, Series 2023. A 2024A construction fund and a 2024B construction fund were established in July 2024 with the proceeds of the Revenue Bonds, Series 2024A and 2024B. The proceeds from these bonds are to be used to fund the costs of construction of a nominal 428 MW natural gas-fired plant (GREC 4) on the site of the Authority's existing Grand River Energy Center in Chouteau, Oklahoma.

The Special Reserve and Contingency Fund—These reserve funds are restricted through enabling legislation and were established in December 2021 for future use. These funds will be used at the discretion of the Board for extraordinary maintenance, operations, environmental expenses, or expenses related to unforeseen risks, including, but not limited to, unscheduled unit outages, unexpected purchase power expenses, and other extraordinary expenses not covered by insurance proceeds. In December 2021, the Board approved the transfer of $383,000 from the Supplemental Reserve and Contingency Fund II to this fund and to contribute an additional $50 million to this fund.

Realized Gains and Realized Losses—For purposes of computing gross realized gains and gross realized losses, cost is determined by specific identification. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on any investments that had been held for more than the current year may have been recognized as an increase or decrease in the fair value of investments reported in prior years.

Gross realized gains and gross realized losses on sales of investment securities for the years ended December 31, 2024, and 2023, were as follows:

	2024	2023
Gross realized gains	$900,420	$384,305
Gross realized losses	(281,883)	(422,350)

Gross realized gains and losses are included in Investment income-net in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

3. RECEIVABLES

Accounts receivable is comprised on December 31, 2024, and 2023 of the following amounts:

	2024	2023
Customers	$39,959,871	$43,636,626
Less allowance for doubtful accounts	(140,000)	(140,000)
Other	2,234,559	5,080,442
Total Current Accounts Receivable	42,054,430	48,577,068
Other Noncurrent Accounts Receivable	223,328	797,312
Total Accounts Receivable	$42,277,758	$49,374,380

On December 31, 2024, and 2023, the Authority's Other current accounts receivable, from the table above, includes accrued revenues from grants, mutual aid events, and other reimbursables. Other noncurrent accounts receivable includes a customer's portion of closure and post closure costs, as well as receivables from a FEMA claim.

4. UTILITY PLANT

A summary of changes in utility plant for the years ended December 31, 2024, and 2023, follows:

	2024			
	Balance December 31, 2023	Additions/ Transfers	Retirements	Balance December 31, 2024
Capital assets– non-depreciable:				
Land	$42,216,996	4	(2,753)	42,214,247
Electric Plant Held for Future Use	96,427	-	-	96,427
Temporary Facilities	17,222	81,180	-	98,402
Preliminary Survey	11,049,152	(292,428)	-	10,756,724
Construction work in progress	97,201,257	200,396,493	-	297,597,750
Retirement work in progress	985,127	(4,162,919)	3,909,939	732,147
Total capital assets– non-depreciable	151,566,181	196,022,330	3,907,186	351,495,697
Capital assets– depreciable:				
GREC 2 coal-fired plant	642,038,221	1,468,147	(28,609,726)	614,896,642
GREC 3 combined-cycle gas plant	469,373,786	782,975	(122,423)	470,034,338
Redbud combined-cycle gas plant	389,600,163	10,657,345	(3,616,064)	396,641,444
Hydraulic production plants	206,545,843	37,267,627	(1,265,367)	242,548,103
Transmission and distribution system	505,280,033	12,466,634	(1,858,920)	515,887,747
Other properties and production plant	170,688,802	10,329,202	(3,879,570)	177,138,434
	2,383,526,848	72,971,930	(39,352,070)	2,417,146,708
Less accumulated depreciation:				
GREC 2 coal-fired plant	(552,365,242)	(28,841,792)	16,772,024	(564,435,010)
GREC 3 combined-cycle plant	(88,415,856)	(13,797,468)	26,460	(102,186,864)
Redbud combined-cycle gas plant	(261,474,572)	(10,746,394)	2,052,561	(270,168,405)
Hydraulic production plants	(65,213,641)	(4,442,486)	801,636	(68,854,491)
Transmission and distribution system	(233,713,619)	(12,035,341)	1,212,211	(244,536,749)
Other properties and production plant	(94,851,737)	(10,828,795)	3,849,522	(101,831,010)
	(1,296,034,667)	(80,692,276)	24,714,414	(1,352,012,529)
Total capital assets– depreciable	1,087,492,181	(7,720,346)	(14,637,656)	1,065,134,178
Net utility plant	$1,239,058,362	$188,301,984	($10,730,470)	$1,416,629,875

	2023			
	Balance December 31, 2022	Additions/ Transfers	Retirements	Balance December 31, 2023
Capital assets– non-depreciable:				
Land	$39,593,273	$2,623,723	$-	$42,216,996
Electric Plant Held for Future Use	-	96,427	-	96,427
Temporary Facilities	-	17,222	-	17,222
Preliminary Survey	-	11,049,152	-	11,049,152
Construction work in progress	59,779,917	37,421,340	-	97,201,257
Retirement work in progress	-	258,282	726,845	985,127
Total capital assets– non-depreciable	99,373,190	51,466,146	726,845	151,566,181
Capital assets– depreciable:				
GREC 2 coal-fired plant	638,735,988	3,338,932	(36,699)	642,038,221
GREC 3 combined-cycle gas plant	458,262,283	11,111,503	-	469,373,786
Redbud combined-cycle gas plant	388,916,562	4,166,197	(3,482,596)	389,600,163
Hydraulic production plants	190,474,270	18,017,105	(1,945,532)	206,545,843
Transmission and distribution system	491,809,007	15,701,464	(2,230,438)	505,280,033
Other properties and production plant	178,358,629	(4,530,068)	(3,139,759)	170,688,802
	2,346,556,739	47,805,133	(10,835,024)	2,383,526,848
Less accumulated depreciation:				
GREC 2 coal-fired plant	(541,560,659)	(10,832,830)	28,247	(552,365,242)
GREC 3 combined-cycle plant	(75,148,274)	(13,267,582)	-	(88,415,856)
Redbud combined-cycle gas plant	(247,301,220)	(15,904,163)	1,730,811	(261,474,572)
Hydraulic production plants	(51,099,799)	(16,169,995)	2,056,153	(65,213,641)
Transmission and distribution system	(211,134,142)	(24,467,153)	1,887,676	(233,713,619)
Other properties and production plant	(102,588,246)	4,775,884	2,960,625	(94,851,737)
	(1,228,832,340)	(75,865,839)	8,663,512	(1,296,034,667)
Total capital assets– depreciable	1,117,724,399	(28,060,706)	(2,171,512)	1,087,492,181
Net utility plant	$1,217,097,589	$23,405,440	($1,444,667)	$1,239,058,362

The change in construction work in progress during 2024 and 2023 is presented on a net basis to avoid a duplication of additions and retirements in the preceding tables. The Authority had depreciation and amortization expense of $80,674,561 and $75,872,836 for 2024 and 2023, respectively.

On October 26, 2021, a failure of a flange gasket caused a fire that damaged mechanical, electrical, civil/structural, and various control systems of GREC 3, which resulted in the unit being taken offline for repair. The total cost of damage was approximately $7.6 million. The Authority was insured, limiting the cash outlay to approximately $1.5 million insurance deductible. The unit returned to service on March 25, 2022, and final repairs were completed in November 2023.

In 2017, the Authority entered a Riparian Conservation Easement program with the Oklahoma Conservation Commission (OCC). The Authority secures 30-year minimum easement agreements with landowners. A lump sum is paid upfront for each easement. The costs are included in Other properties and production plant and are amortized on a straight-line basis. The residual values are the difference between the total amortization and the amortization to date. Riparian Conservation Easements were not included in the scope of GASB Statement No. 87 as the agreements do not convey control of the right to use the underlying asset to the Authority.

	Riparian Conservation Easements		
	Initial Cost	Depreciation	Carrying Cost
2023	$1,730,802	(230,789)	$1,500,013
2024	$1,948,302	(290,409)	$1,657,893

5. COSTS RECOVERED OR TO BE RECOVERED

In 2017, the Authority determined that it should defer the capital asset portion of the revenue proceeds from insurance recoveries resulting from a July 2016 GREC fire restoration per GASB Statement No. 62. Deferral of revenue in accordance with this Statement requires Board Resolution. Board Resolution No. 5307 pertaining to this matter was passed and adopted by the Board of Directors on March 8, 2017.

Board Resolution No. 5325 was then passed and adopted by the Board of Directors on December 13, 2017. This Board resolution further grants the Chief Financial Officer the discretion to record certain revenues as regulatory items regarding revenues related to certain third-party reimbursement(s) for capital assets procured or constructed and recognize those revenues proportionately as said assets are depreciated.

The deferred inflow of resources consists of recognized revenues associated with certain third-party reimbursement on capital assets, as approved by one of the two resolutions described above. This amount is a portion of deferred inflows related to regulated operations on the Statements of Net Position. A roll forward of costs recovered or to be recovered from future revenues follows:

	Balance 12/31/2023	Increase	Decrease	Balance 12/31/2024
Third Party Reimbursement (Capital Assets)	$90,973,123	$2,947,730	$8,351,367	$85,569,486
Rate Stabilization Fund	31,703,098	-	-	31,703,098
Total	$122,676,221	$2,947,730	$8,351,367	$117,272,584

	Balance 12/31/2022	Increase	Decrease	Balance 12/31/2023
Third Party Reimbursement (Capital Assets)	$89,597,199	$5,626,159	$4,250,235	$90,973,123
Rate Stabilization Fund	31,703,098	-	-	31,703,098
Total	$121,300,297	$5,626,159	$4,250,235	$122,676,221

In 2020, the Authority passed Board Resolution No. 5388, which granted the Chief Financial Officer the discretion to adopt regulatory accounting for the deferral of certain expenses, in accordance with GASB 62. Additionally in 2020, the Authority expanded the policy for regulatory items. This created a threshold for the treatment and recognition of revenues, with a minimum of $1.0 million for individual projects, or $100,000 in annual amortization amounts.

6. BONDS PAYABLE

A summary of changes in bonds payable for the years ended December 31, 2024, and 2023, follows:

	2024			
	December 31, 2023	Bonds Issued	Retirements	December 31, 2024
Revenue Bonds, 2010 Series B: 3.71% to 7.155% Series 2010B (fully taxable)—maturing 2015 through 2040	$63,250,000	-	($2,050,000)	$61,200,000
Revenue Bonds, 2014 Series A & B:				
3% to 5% Series 2014A—maturing in 2018 through 2039	180,180,000	-	(121,560,000)	58,620,000
1.804% to 3.961% Series 2014B (fully taxable)—maturing 2018 through 2039	68,670,000	-	(3,080,000)	65,590,000
Total Series 2014 A & B	248,850,000	-	(124,640,000)	124,210,000
Revenue Bonds, 2016 Series A & B: 3% to 5% Series 2016A—maturing in 2019 through 2039	369,710,000	-	(33,920,000)	335,790,000
1.828% to 3.503% Series 2016B (fully taxable)—maturing 2020 through 2033	16,600,000	-	(1,710,000)	14,890,000
Total Series 2016 A & B	386,310,000	-	(35,630,000)	350,680,000
Revenue Bonds, 2017 Series: 3% to 5% Series 2017—maturing in 2021 through 2040	81,455,000	-	-	81,455,000
Revenue Bonds, 2023 Series: 2.75% to 3.75% Series 2023—maturing in 2030 through 2042	205,000,000	-	-	205,000,000
Revenue Bonds, 2024 Series A & B:				
5% Series 2024A – maturing in 2025 through 2042	-	283,885,000	-	283,885,000
4.819% to 4.942% Series 2024B (fully taxable) – maturing 2027 through 2034	-	65,270,000	-	65,270,000
Total Series 2024 A & B	-	349,155,000	-	349,155,000
Total bonds payable	984,865,000	349,155,000	(162,320,000)	1,171,700,000
Less current portion	(49,225,000)	-	-	(49,985,000)
Long-term portion	935,640,000			1,121,715,000
Add (deduct): Unamortized debt premium	84,375,528	37,789,416	(19,743,944)	102,421,000
Long-term bonds payable	$1,020,015,528			$1,224,136,000

	2023			
	December 31, 2022	Bonds Issued	Retirements	December 31, 2023
Revenue Bonds, 2010 Series B: 3.71% to 7.155% Series 2010B (fully taxable)—maturing 2015 through 2040	$65,165,000	$-	($1,915,000)	$63,250,000
Revenue Bonds, 2014 Series A & B: 3% to 5% Series 2014A—maturing in 2018 through 2039	188,330,000	-	(8,150,000)	180,180,000
1.804% to 3.961% Series 2014B (fully taxable)—maturing 2018 through 2039	71,630,000	-	(2,960,000)	68,670,000
Total Series 2014 A & B	259,960,000	-	(11,110,000)	248,850,000
Revenue Bonds, 2016 Series A & B: 3% to 5% Series 2016A—maturing in 2019 through 2039	398,095,000	-	(28,385,000)	369,710,000
1.828% to 3.503% Series 2016B (fully taxable)—maturing 2020 through 2033	18,270,000	-	(1,670,000)	16,600,000
Total Series 2016 A & B	416,365,000	-	(30,055,000)	386,310,000
Revenue Bonds, 2017 Series: 3% to 5% Series 2017—maturing in 2021 through 2040	81,455,000	-	-	81,455,000
Revenue Bonds, 2023 Series: 2.75% to 3.75% Series 2023—maturing in 2030 through 2042	-	205,000,000	-	205,000,000
Total bonds payable	$822,945,000	$205,000,000	($43,080,000)	$984,865,000
Less current portion	($43,080,000)			($49,225,000)
Long-term portion	779,865,000			935,640,000
Add (deduct): Unamortized debt premium	66,947,103	26,604,512	(9,176,087)	84,375,528
Long-term bonds payable	$846,812,103			$1,020,015,528

Oklahoma state statutes have authorized the Authority to issue revenue bonds from time to time with the aggregate outstanding indebtedness not to exceed $2,000,000,000 effective April 2023. Previously, the aggregate outstanding indebtedness not to exceed was $1,410,000,000.

The scheduled maturities of bonds payable on December 31, 2024, are as follows and reflect the scheduled payments to be remitted by the trustee to the bondholders:

Due to Bond Holders			
Year Ended December 31	Annual Principal	Semiannual Interest	Calendar Year Bond Payments
2025	$49,985,000	28,835,385	
		27,627,540	106,447,925
2026	53,350,000	27,627,540	
		26,318,194	107,295,734
2027	55,310,000	26,318,194	
		24,964,739	106,592,933
2028	56,925,000	24,764,739	
		23,593,681	105,483,420
2029	60,755,000	23,593,681	
		22,158,219	106,506,900
2030-2034	335,935,000	180,518,998	516,453,988
2035-2039	357,365,000	97,723,329	455,088,329
2040-2043	202,075,000	15,542,399	217,617,399
	1,171,700,000	549,786,638	1,721,486,638

To secure the bonds, the Authority has pledged all revenues of the Authority. General Bond Resolution No. 5107 and supplemental bond resolutions specify multiple covenants made by the Authority to the Bond Fund Trustee and bondholders. Among the more significant requirements, the Authority has covenanted to charge adequate rates, operate and maintain the facilities, and make any necessary repairs, renewals, replacements, and improvements. System properties are not to be encumbered, sold, or disposed of, and additional parity bonds are not to be issued unless certain conditions are met. As of December 31, 2024, the Authority complied with bond covenants.

In general, federal tax laws require the Authority to rebate to the US Treasury any profit from investments that yield a higher rate than the tax-exempt revenue bond proceeds. The Authority has no liability for arbitrage rebate on December 31, 2024, and 2023, respectively.

All of the Authority's outstanding bonds fall under General Bond Resolution No. 5107, which contains a provision that if one or more Events of Default shall happen, then either the Bond Trustee or the Holders may declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

7. RETIREMENT PLANS, POSTRETIREMENT, AND OTHER EMPLOYEE BENEFITS

The Authority participated in five retirement plans during 2024 and 2023. The plans currently available to the Authority personnel include three defined benefit plans and two defined contribution plans. The defined benefit plans include the Oklahoma Public Employees Retirement System (OPERS) plan, the Oklahoma Law Enforcement Retirement System (OLERS) plan, and the Authority's postemployment Healthcare Plan. The defined contribution plans include the Oklahoma State Employees Deferred Compensation Plan (the "State Plan") and the OPERS Pathfinder plan. A summary of significant data for each of the retirement plans and discussion of postemployment and other employee benefits follows:

The Authority is a participant in two multiple employer defined benefit pension plans, the Oklahoma Public Employees Retirement Plan (the "OPERS Plan") and the Oklahoma Law Enforcement Retirement Plan (the "OLERS Plan"). The table below shows both pensions as reported in the basic financial statements.

For the year ended December 31, 2024:

	OPERS	OLERS	Total
Deferred outflows of resources	$3,751,851	$1,897,023	$5,648,874
Deferred inflows of resources	5,139,957	414,551	5,554,508
Pension liability (asset)	(7,359,123)	4,046,964	(3,312,159)
Pension expense recognized	2,447,813	984,011	3,431,824

For the year ended December 31, 2023:

	OPERS	OLERS	Total
Deferred outflows of resources	$13,876,026	$2,121,443	$15,997,469
Deferred inflows of resources	450,197	563,376	1,013,573
Pension liability (asset)	10,396,718	3,633,407	14,030,125
Pension expense recognized	5,499,013	757,533	6,256,546

The Authority's proportionate share of plan assets for OPERS as of December 31, 2024, is $259,981,863, while proportionate share of plan liabilities is $252,622,740. The Authority's proportionate share of plan assets for OPERS as of December 31, 2023, were $243,507,844, while proportionate share of plan liabilities is $253,904,562.

The Authority's proportionate share of plan assets for OLERS as of December 31, 2024, is $13,939,455, while proportionate share of plan liabilities is $17,986,419. The Authority's proportionate share of plan assets for OLERS as of December 31, 2023, were $12,103,980, while proportionate share of plan liabilities is $15,737,387.

OKLAHOMA PUBLIC EMPLOYEES DEFINED BENEFIT RETIREMENT PLAN

General Information about the Pension Plan

Plan Description. The Authority contributes to the OPERS Plan, a cost-sharing multiple-employer public employee defined benefit retirement plan administered by the OPERS, a component unit of the State of Oklahoma (the "State"). The OPERS Plan provides retirement, disability and death benefits to its members and beneficiaries, primarily state, county, and local agency employees. The benefits provided are established by and may be amended by the legislature of the State. Title 74 of the Oklahoma Statutes, Sections 901 through 943, assigns the authority for management and operation of the OPERS Plan to the OPERS Board of Trustees.

In 2014, the Oklahoma Legislature enacted legislation effective November 1, 2015, requiring a defined contribution system be established by the OPERS for most state employees first employed by a participating State employer on or after November 1, 2015, and ceasing the acceptance of any new participants to the defined benefit retirement plan.

OPERS issues a publicly available financial report that includes financial statements and required supplementary information for OPERS. That annual report may be obtained online at www.opers.ok.gov, by writing to OPERS, PO Box 53007, Oklahoma City, OK 73152-3007, or by calling 1-800-733-9008.

Vesting. OPERS requires eight years of credited service (including six full years of full-time equivalent employment) to be eligible to vest.

Benefits Provided. Employees who became a member of OPERS before November 1, 2011, can begin receiving full, unreduced retirement benefits at the age of 62 with six full years of full-time equivalent employment; or when the sum of the member's age and years of service equals 80 when membership began before July 1, 1992; or when the sum of the member's age and years of service equals 90 when membership began on or after July 1, 1992.

Employees who became a member of OPERS on or after November 1, 2011, can begin receiving full, unreduced retirement benefits at the age of 65 with six full years of full-time equivalent employment; or when the member is at least 60 years of age and the sum of the member's age and years of service equals 90.

Employees may retire at age 60 (55 when membership began before November 1, 2011) and receive reduced benefits with at least 10 years of participating service. Members who choose early retirement will receive a permanent actuarial reduction in benefit based on the age at retirement.

The benefit on or after normal retirement, payable monthly for life, is 2% of final average compensation, multiplied by years of credited service. For members who have elected the Step-Up Option, a 2.5% multiplier is applied to the "stepped-up" full years.

Contributions. OPERS members and the Authority are required to contribute to the OPERS Plan at a rate set by statute. Contribution rates are established and may be amended by the State. Each member participates based on gross salary earned (excluding overtime). As state employees, the Authority employees contribute 3.5% on salary. The Authority contributed 16.5%, on all salary for the Plan's fiscal years-ended June 30, 2024, and 2023.

OPERS members have the option to elect to increase the benefit computation factor for all future service from 2.0% to 2.5%. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service. Those who make the election pay the standard contribution rate plus an additional contribution rate of 2.91% which is actuarially determined. The election is available for all state, county, and local government employees, except for elected officials and hazardous duty members.

During the reporting period for 2024 and 2023, the OPERS recognized $5,530,670 and $5,684,180, respectively, in contributions from the Authority.

Contribution rates as of December 31, 2024 and 2023, are as follows:

Employee Category	Employee	Employer
General	3.50%	16.50%
Elected Officials	3.50%	16.50%

OPERS Hazardous Duty Employees. On July 1, 2016, SB 1388 became effective, which required the Authority's public safety officers to participate in OPERS as Hazardous Duty Employees. This group of employees contributes 8% of allowable compensation as defined in 74 O.S. § 902(9) for a maximum of 20 years of hazardous duty participating service, while the Authority contributes 16.5%, on allowable compensation. After the employee has contributed at the higher rate for 20 years, the employee will contribute at the nonhazardous duty rate. Employees vest when they have eight years of credited service (including six full years of full-time-equivalent employment). Because all Authority employees will have become members of the plan after November 1, 2011, the employee can begin receiving full, unreduced retirement benefits when he or she is at least age 65 with six full years of full-time-equivalent employment or is at least 60 years of age and the sum of age and years of service equals 90.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

On December 31, 2024, the Authority reported a liability (asset) of ($7,359,123) for its cumulative proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2024. The Authority's proportion of the net pension liability (asset) was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. On June 30, 2024, the Authority's proportion was 2.2177% which is a 0.05% decrease from the prior year. For the year ended December 31, 2024, the Authority recognized pension expense of $2,447,813.

On December 31, 2023, the Authority reported a liability of $10,396,718 for its cumulative proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2023. The Authority's proportion of the net pension liability (asset) was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. On June 30, 2023, the Authority's proportion was 2.2724% which is a 0.05% decrease from the prior year. For the year ended December 31, 2023, the Authority recognized pension expense of $5,499,013.

As of December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Plan 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$779,417	$179
Changes in assumptions	318,969	-
Net differences between projected and actual earnings on pension plan investments	-	4,329,078
Employer contributions subsequent to the measurement date	2,653,465	-
Change in proportion	-	810,700
Total	$3,751,851	$5,139,957

As of December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Plan 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$285,307	$157,569
Changes in assumptions	2,196,341	-
Net differences between projected and actual earnings on pension plan investments	8,642,460	-
Employer contributions subsequent to the measurement date	2,751,918	-
Change in proportion	-	292,628
Total	$13,876,026	$450,197

The amounts reported as deferred outflows related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

OPERS Plan	
Year Ended December 31	**Net Pension Expense**
2025	($2,559,142)
2026	6,285,002
2027	(4,845,030)
2028	(2,922,401)
	($4,041,571)

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial valuation date:	July 1, 2024	July 1, 2023
Measurement date of net pension liability:	June 30, 2024	June 30, 2023
Actuarial cost method:	Entry age	Entry age
	Five-year moving average	Five-year moving average
Asset valuation method for contributions:		
Asset valuation method for assets under GASB 68:	Fair value of assets	Fair value of assets
Long-term expected rate of return:	6.5%	6.5%
Discount rate:	6.5%	6.5%
Inflation	2.5%	2.5%
Salary increases, including inflation:	3.25% to 9.25%	3.25% to 9.25%
Mortality:	Pub-2010 Below Median, General membership Active/Retiree Healthy Mortality Table	Pub-2010 Below Median, General membership Active/Retiree Healthy Mortality Table

Actuarial assumptions are based upon the most recent experience study, which covered the three-year period ending June 30, 2022. The experience study report is dated April 12, 2023.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class used in the June 30, 2019, experience study, are summarized in the following table:

Asset Class	Real Rate of Return	Target Allocation
U.S. Large Cap Equity	5.1%	34.0%
U.S. Small Cap Equity	5.0	6.0
Global Equity ex-US	8.2	28.0
Core Fixed Income	1.9	25.0
Long Term Treasuries	2.1	3.5
US TIPS	1.8	3.5
Total		100.0%

Single Discount Rate. The discount rate used to measure the total pension liability is 6.5% for 2024 and 6.5% for 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employees will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.5%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.5%) or 1-percentage-point higher (7.5%) than the current rate:

2024			
	1% Decrease to discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase to Discount Rate (7.5%)
Proportionate share of the net pension liability (asset)	$21,984,932	($7,359,123)	($32,023,383)

2023			
	1% Decrease to Discount Rate (5.5%)	Current Discount Rate (6.5%)	1% Increase to discount Rate (7.5%)
Proportionate share of the net pension liability (asset)	$40,158,512	$10,396,718	($14,627,729)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at www.opers.ok.gov.

Payables to the Pension Plan

On December 31, 2024, and 2023, the Authority has outstanding payables to OPERS of $539,064 and $539,350, respectively, related to December 2024 and 2023 employer, employee, and voluntary contributions, which are payable in the following month. These amounts are included in accounts payable on the Statements of Net Position.

OKLAHOMA LAW ENFORCEMENT PLAN

General Information about the Pension Plan

Plan Description. Legislation passed during 2003 mandated that any lake patrolmen and dispatchers hired on or after July 1, 2003, shall participate as members of the OLERS Plan, a cost-sharing multiple-employer public employee-defined benefit retirement plan administered by the Oklahoma Law Enforcement Retirement System (OLERS), a component unit of the State. The OLERS Plan provides retirement, disability, and death benefits to its members and beneficiaries, primarily state employees providing law enforcement. The benefits provided are established and may be amended by the legislature of the State. Three of the Authority's patrolmen elected to transfer from the OPERS Plan to the OLERS Plan under Oklahoma Statues, Title 47, Section 2-315, which provided for Authority lake patrolmen and dispatchers as of June 30, 2003, to make an irrevocable written election by January 1, 2004, to either pay the difference between the amount transferred between the plans or receive eligible prorated service credit as defined in statute. Oklahoma Statutes, Title 47, Sections 2-300, *et seq.,* established the Oklahoma Law Enforcement Retirement Board to administer this retirement system.

SB 1388, as codified in Oklahoma Statutes, Title 47, Sections 902, et seq., placed all of the Authority's public safety officers hired after July 1, 2016, under the OPERS plan as hazardous duty employees.

The System issues a publicly available annual financial report that includes financial and required supplementary information for OLERS. That annual report may be obtained online at www.olers.state.ok.us, by writing to OLERS, 421 NW 13th St, Suite 100, Oklahoma City, OK 73103 or by calling 1-877-213-0856.

Vesting. OLERS requires ten years of credited service to be eligible to vest.

Benefits Provided. Employees can begin receiving full, unreduced retirement benefits after twenty years of service or at the age of 62 with ten full years of full-time equivalent employment.

The benefit on or after normal retirement is 2.5% of the greater of final average salary or the salary paid to active employees as described under “salary considered” multiplied by the years and completed months of credited service. There is no maximum service.

Contributions. System members and the Authority are required to contribute to the OLERS Plan at a rate set by statute. These contributions are established and may be amended by the legislature of the State. Each member participates based on gross salary earned (excluding overtime). The Authority’s patrolmen and dispatchers participating in the OLERS Plan contributed 8%, and the Authority contributed 10% of total base salary through October 2012. Beginning November 2012, the Authority contribution rates increased to 11% of total base salary. Additional funds are also provided by the State of Oklahoma as summarized in the table below. Non-employer contributions are recorded as non-operating revenue in the Statements of Revenues, Expenses, and Changes in Net Position.

During the reporting period for 2024 and 2023, OLERS recognized $145,715 and $131,609 in contributions from the Authority, respectively.

Contribution rates as of December 31, 2024, and 2023, are as follows:

Category	Contribution Rate
State	License Agency Fees equals to 1.2% of Driver’s License taxes, plus 5% of Insurance Premium Tax
Agency	10% of actual base salary until October 31, 2012, and 11% of actual base salary as of November 1, 2012
Member	8% of paid salary. Accumulated contributions after tax up to December 31, 1989, and before-tax after December 31, 1989

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, investments are reported at fair value.

On December 31, 2024, the Authority reported a liability of $4,046,964 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority’s proportion of the net pension liability was based on the Authority’s share of contributions to the pension plan relative to the contributions of all participating employers. On June 30, 2024, the Authority’s proportion was 1.2124% which is a 10% increase from the prior year. For the year ended December 31, 2024, the Authority recognized pension expense of $984,011.

On June 30, 2023, the Authority’s proportion was 1.1013%, which is a 28% decrease over prior year. For the year ended December 31, 2023, the Authority reported a liability of $3,633,407 and recognized pension expense of $757,533.

On December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OLERS Plan 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,099,238	$37,318
Changes in assumption	-	50,228
Net differences between projected and actual earnings on pension plan investments	586,281	-
Employer contributions subsequent to the measure date	57,781	-
Change in proportion	153,723	327,005
Total	$1,897,023	$414,551

On December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OLERS Plan 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,214,562	$50,444
Changes in assumption	-	67,882
Net differences between projected and actual earnings on pension plan investments	799,371	-
Employer contributions subsequent to the measure date	78,407	-
Change in proportion	29,103	445,050
Total	$2,121,443	$563,376

The amounts reported as deferred outflows related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

OLERS Plan	
Year Ended December 31	Net Pension Expenses
2025	$318,652
2026	754,249
2027	314,314
2028	30,869
2029	6,607
	$1,424,691

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial valuation date:	July 1, 2024	July 1, 2023
Measurement date of net pension liability:	June 30, 2024	June 30, 2023
Actuarial cost method:	Entry age	Entry age
Asset valuation method for contributions:	Five-year moving average of expected and actual market values	Five-year moving average of expected and actual market values
Asset valuation method for assets under GASB 68:	Fair value of assets	Fair value of assets
Long-term expected rate of return:	7.5%	7.5%
Discount rate:	7.5%	7.5%
Salary increases:		
Inflation:	2.75%	2.75%
Seniority/Merit:	3.5% - 10.0%, including inflation	3.5% - 10.0%, including inflation
Mortality:	Pub-2010 Public Safety Retirees Amount-Weighted Mortality Table with rates set forward two years, projected generationally using Scale MP-2021	Pub-2010 Public Safety Retirees Amount-Weighted Mortality Table with rates set forward two years, projected generationally using Scale MP-2021

Actuarial assumptions used in the July 1, 2024, valuation are based upon an experience study conducted using experience from the five-year period ending June 30, 2021.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed for each major class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and adding expected inflation.

The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by the System's investment consultant, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Core Bonds	5.31%	5%
Core Plus	5.62	10
Multi-Sector	6.25	5
U.S. Large Capacity	9.90	20
U.S. Small Capacity	11.33	10
International Developed Equity	10.78	15
Emerging Market Equity	12.04	5
Long/Short Equity	-	5
Private Equity	13.26	10
Core Real Estate	9.24	10
Value Added Real Estate	10.74	5
Total		100 %

Single Discount Rate. A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5% for both the June 30, 2024, and June 30, 2023, measurement dates. A municipal bond rate was not used in determining the discount rate.

The projection of cash flows used to determine the discount rate assumed that plan contributions from members, state agencies, insurance premium taxes, and other state sources would be made at the current contribution rates set out in state statue.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	2024		
	1% Decrease to discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase to Discount Rate (8.5%)
Proportionate share of the net pension liability (asset)	$6,268,966	$4,046,964	$2,212,504
	2023		
	1% Decrease to Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase to discount Rate (8.5%)
Proportionate share of the net pension liability (asset)	$5,599,192	$3,633,407	$2,010,965

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at www.olers.state.ok.us.

Payables to the Pension Plan

On December 31, 2024, and 2023, the Authority has outstanding payables to OLERS of $17,230 and $17,521 respectively, related to December 2023 and 2022, employer, employee, and voluntary contributions, which are payable in the following month. These amounts are included in accounts payable on the Statements of Net Position.

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT DEFINED CONTRIBUTION PLAN

In 2014, the Oklahoma Legislature enacted legislation in HB 2630 requiring a Defined Contribution System be established by the OPERS for most state employees first employed by a participating State employer on or after November 1, 2015. This bill is codified in Oklahoma Statutes as Title 74, Section 935.1, *et seq*. Employees of the Authority who first became employees on or after November 1, 2015, and have no prior participation in OPERS must participate in the mandatory Defined Contribution Plan created in accordance with Internal Revenue Code Section 401(a) and 457(b) and Title 590, Chapter 40 of the Oklahoma Administrative Code. The Defined Contribution Plan is known as Pathfinder. Pathfinder and its related Trust(s) are intended to meet the requirements of the Internal Revenue Code. Pathfinder is administered by the OPERS.

Contribution rates are established by Oklahoma Statute and may be amended by the Oklahoma Legislature. For 2015, the initial period of implementation, employees must make mandatory employee contributions of 4.5% of pretax salary to the 401(a) plan and may make additional voluntary contributions to the 457(b) plan, subject to the maximum deferral limit allowed under the Internal Revenue Code. Employees are vested 100% for all employee contributions. The Authority must make mandatory contributions of 6% of the employee's pretax salary and 7% if the employee elects to participate in the 457(b) plan. Employees become vested for the employer contributions based on an established vesting schedule. The amount of the Authority's contributions for Pathfinder for the year ended December 31, 2024, and 2023, was approximately $952,558 and $1,099,445, respectively.

Additionally, in order to reduce the liabilities of the defined contribution plan, the Authority is required to contribute the difference between the established 16.5% defined benefit employer contribution rate and the amount required to match the participating employees' contribution in the defined contribution plan. The amount contributed by the Authority for the year ended December 31, 2024, and 2023, to meet this requirement is $1,796,388 and $1,561,673, respectively. The Authority had outstanding payables to OPERS for the defined benefit plan for the year ended December 31, 2024, and 2023, of $195,856 and $173,765, respectively, which were payable in the following month.

OKLAHOMA STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Plan Description. Employees of the Authority may also participate in the Oklahoma State Employees Deferred Compensation Plan (the "State Plan"), a voluntary deferred compensation plan administered by OPERS. The State Plan is a defined contribution plan available to all Authority employees, which permits participants to defer receipt of a portion of their salary until future years as authorized by Section 457 of the Internal Revenue Code and in accordance with the provisions of Oklahoma Statutes, Title 74, Sections 1701, *et seq*. The State Plan is established by and may be amended by the Legislature of the State. Oklahoma Statutes assign the authority for management and operation of the State Plan to the Board of Trustees of the OPERS. The minimum amount allowable to be deferred under the State Plan is $25 per month. Under state law, each employee is eligible to receive a $25 monthly matching contribution from the Authority to be deposited in a 401(a) retirement account. Employee contributions to the Plan totaled $888,001 and $918,784 for the years ended December 31, 2024, and 2023, respectively. The Authority paid matching contributions and administrative fees of $104,652 and $106,875 for the years ended December 31, 2024, and 2023, respectively

GRDA POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description. GRDA Postemployment Healthcare Plan is a single-employer defined benefit healthcare plan administered by the Authority. GRDA Postemployment Healthcare Plan provides medical and dental insurance benefits to eligible retirees. In November 2007, the Authority's Board of Directors authorized the Authority to subsidize $200 per month for eligible retirees, effective January 1, 2008. This stipend is provided for life to employees hired prior to November 1, 2015. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The Plan does not issue a stand-alone financial report.

Benefits Provided. The OPEB plan provides for employee and dependent healthcare coverage from the date of retirement to age 65, provided the participant was covered by the plan before retiring. The participant can elect to enroll in spousal coverage. Surviving spouses may continue in the plan until age 65. Spouses do not receive the $200 per month subsidy.

Employees Covered by the Plan: The following table details the Authority's number of employees covered by the benefit terms as of January 1, 2024:

Participant Data	December 31, 2024	December 31, 2023
Active participants:		
Employees hired prior to 11/01/2015 and eligible for $200 subsidy	249	322
Employees hired 11/01/2015 or later and not eligible for $200 subsidy	201	165
Total active participants	450	487
Inactive participants entitled to but not yet receiving benefits	-	-
Inactive participants receiving benefits:		
Retirees	312	297
Covered spouses (below age 65)	26	27
Total inactive participants receiving benefits	338	324
Total Participants	788	811

Funding Policy. The contributions of plan members and the Authority are established and may be amended by the Board of Directors within the limits of Oklahoma statutes. The contribution is based on estimated pay-as-you-go financing requirements. For the years ended December 31, 2024, and 2023, the Authority contributed $705,046 and $706,913, respectively, to the plan, which consisted entirely of current premiums and included no additional contribution to prefund benefits.

Actuarial Methods and Assumption. Projections of benefits for financial reporting purposes are based on the benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total OPEB liability in the January 1, 2024, actuarial valuation was determined using the following assumptions:

	2024	2023
Actuarial valuation date	January 1, 2024	January 1, 2023
Inflation	2.30%	2.30%
Discount rate (from the Bond Buyer GO-20 Index)	3.26%	3.72%
Salary Increases	Variable from 9.3% to 2.50% based on age and service group	Variable from 9.75% to 2.50% based on age and service group
Healthcare cost trend rates	2024-2025 at 7.55% increasing 0.55% to 2026, then decreasing by 0.36% to 2027, then decreasing by 0.38% to 2028, then decreasing by 0.39% to 2029, then decreasing by .41% to 2030, then decreasing by .41% to 2031, then decreasing by .42% to 2032, then decreasing by .42% to 2033, then decreasing by .43% to 2034, then decreasing by .43% ultimate rate of 4.45% for 2035	2022-2023 at 5.90% decreasing 0.2% to 2024, then decreasing by 0.3% to 2025, then decreasing by 0.2% to 2026, then decreasing by 0.3% to 2027 to an ultimate rate of 4.8% for 2027 and beyond
Actuarial cost method	Entry Age Normal	Entry Age Normal
Mortality	Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2021 as of January 1, 2024	Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2021 as of January 1, 2023

Changes in the Total OPEB Liability. Changes of assumptions and other inputs reflect a change in discount rate from 3.72% in 2023 to 3.26% in 2024. Changes in the Total OPEB Liability for the year ended December 31, 2024:

Changes in the Total OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2023	$15,544,891	$ -	$15,544,891
Changes for the year			
Service Cost	407,159	-	407,159
Interest on Total OPEB Liability	570,949	-	570,949
Difference between expected and actual experience	266,471	-	266,471
Changes in assumptions	1,814,809	-	1,814,809
Employer contributions	-	1,219,026	(1,219,026)
Benefit payments, including employee refunds	(1,219,026)	(1,216,026)	-
Net changes	1,840,362	-	1,840,362
Balance at December 31, 2024	$17,385,253	$-	$17,385,253

For the year ended December 31, 2023:

Changes in the Total OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at December 31, 2022	$18,445,087	$ -	$18,445,087
Changes for the year			
Service Cost	545,247	-	545,247
Interest on Total OPEB Liability	378,624	-	378,624
Difference between expected and actual experience	(16,202)	-	(16,202)
Changes in assumptions	(2,580,554)	-	(2,580,554)
Employer contributions	-	1,227,311	(1,227,311)
Benefit payments, including employee refunds	(1,227,311)	(1,227,311)	-
Net changes	(2,900,196)	-	(2,900,196)
Balance at December 31, 2023	$15,544,891	$-	$15,544,891

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the Authority's total OPEB liability calculated using the 2024 discount rate of 3.26%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	2024		
	1% Decrease to Discount Rate (2.26%)	Current Discount Rate (3.26%)	1% Increase to Discount Rate (4.26%)
Total OPEB liability	$19,031,091	$17,385,253	$15,954,707

The following presents the Authority's total OPEB liability calculated using the 2023 discount rate of 3.72%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72%) or 1-percentage-point higher (4.72%) than the current rate:

	2023		
	1% Decrease to Discount Rate (2.72%)	Current Discount Rate (3.72%)	1% Increase to Discount Rate (4.72%)
Total OPEB liability	$17,024,115	$15,544,891	$14,260,231

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rate. The following presents the Authority's total OPEB liability calculated using the 2024 healthcare cost trend rate of 7.55%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55% increasing to 7.1%) or 1-percentage-point higher (8.55% increasing to 9.1%) than the current rate:

	2024		
	1% Decrease to Healthcare Cost Trend Rate (6.55% increasing to 7.1%)	Current Healthcare Cost Trend Rate (7.55% increasing to 8.1%)	1% Increase to Healthcare Cost Trend Rate (8.55% increasing to 9.1%)
Total OPEB liability	$16,986,862	$17,385,253	$17,846,981

The following presents the Authority's total OPEB liability calculated using the 2023 healthcare cost trend rate of 5.7%, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% decreasing to 4.7%) or 1-percentage-point higher (6.9% decreasing to 6.7%) than the current rate:

	2023		
	1% Decrease to Healthcare Cost Trend Rate (4.9% decreasing to 4.7%)	Current Healthcare Cost Trend Rate (5.9% decreasing to 5.7%)	1% Increase to Healthcare Cost Trend Rate (6.9% decreasing to 6.7%)
Total OPEB liability	$15,203,828	$15,544,891	$15,941,017

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. For the year ended December 31, 2024, the Authority recognized OPEB expense of $1,028,091. For the year ended December 31, 2023, the Authority recognized OPEB expense of $432,771. The following table indicates the components of the recognized OPEB expense:

Components of OPEB Expense	2024	2023
Service Cost	$407,159	$545,247
Interest on Total OPEB Liability -over measurement	570,949	378,624
Recognition of Experience Changes	(138,669)	(185,220)
Recognition of Assumption Changes	188,652	(305,880)
Total OPEB Expenses recognized	$1,028,091	$432,771

As of December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Plan 2024	
Summary of deferred outflows and inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experiences	$224,452	$644,004
Changes of actuarial assumptions	1,741,718	2,029,771
Employer contributions – subsequent to measurement date	705,045	-
Total	$2,671,215	$2,673,775

As of December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Plan 2023	
Summary of deferred outflows and inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experiences	$101,459	$926,151
Changes of actuarial assumptions	872,044	2,786,253
Employer contributions – subsequent to measurement date	706,912	-
Total	$1,680,415	$3,712,404

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

OPEB Plan 2024	
Year ended December 31	Net OPEB Expense
2025	($265,161)
2026	(505,660)
2027	(227,204)
2028	290,420
2029	-
	(707,605)

8. OTHER RELATED-PARTY TRANSACTIONS

The primary organizations considered related parties are those municipal, industrial, electric cooperative, tribal, and other governmental organizations or lake area organizations that have representatives serving on the Authority's Board of Directors. The primary transactions in the ordinary course of business with these related parties include sales of electrical power and transmission and memberships in related trade associations or organizations, or tourism and economic development activities associated with the management of the lakes, including commercial and private dock permit fees.

OG&E operates the Redbud facility under an operating agreement with the Authority and OMPA and allocates certain costs and expenses attributable to Redbud to the Authority and OMPA, in accordance with their undivided ownership interests—see further discussion of Redbud facility in "Joint Ownership" in Note 1 to Financial Statements, Summary of Significant Accounting Policies.

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Authority makes and receives commitments for purchases of coal, natural gas, wind power, and long-term service agreements. In addition, in the normal course of business, the Authority enters into agreements, which commit the Authority to provide varying amounts of electric power to its customers. Management of the Authority does not believe the honoring of these commitments will have any material adverse effect on the Authority.

The Authority had construction contractual commitments remaining on December 31, 2024, of approximately $234,723,000 for equipment and construction contracts. Major projects include the construction of GREC 4 for approximately $225,405,000; transmission lines and substations for approximately $5,920,000 and hydro projects for approximately $3,398,000.

The Authority had contractual commitments as of December 31, 2024, for long-term service agreements at the Redbud facility for the maintenance of the gas and steam turbines of approximately $69.6 million through the year 2028. The Authority had contractual commitments as of December 31, 2024, for transportation of natural gas to the Redbud facility of approximately $35.9 million through December 31, 2034.

The Authority had contractual commitments as of December 31, 2024, for long-term service agreements at the GREC 3 facility for the maintenance of the gas and steam turbines of approximately $32.8 million through the year 2030. The Authority had contractual commitments as of December 31, 2023, for natural gas at the GREC 3 facility of approximately $0 through March 2024, as well as for transportation of natural gas to the GREC 3 facility of approximately $117.2 million through March 31, 2047.

The Authority had contractual commitments as of December 31, 2024, for long-term wind power purchase agreements of approximately $338.8 million through the year 2037 and for customer generation capacity agreements of approximately $188.9 million through the year 2042.

In 2015, the Authority established an unsecured letter of credit with Bank of Oklahoma to meet the requirements for participating in the SPP Integrated Marketplace. The Authority did not utilize any portion of the letter of credit in 2023 or 2024 and elected to terminate it in August 2024.

In 2022, The Authority entered into a revolving credit agreement as an unsecured line of credit not to exceed $100,000,000 with Wells Fargo Bank. This line of credit was established as part of a mitigation plan developed following the 2021 Winter Storm Uri to have more flexibility to quickly access cash in such an event. This line of credit is available to be used to support the normal operations and short-term capital requirements for the Authority. Per General Bond Resolution No. 5107, this line of credit is a subordinate lien to the revenue bonds. The Authority did not utilize this line of credit in 2022 or 2023 and elected to terminate it in November 2023.

For many years, landowners upstream of Pensacola Dam have initiated litigation against GRDA in response to flooding events based on theories of inverse condemnation, trespass, nuisance, etc. The Authority is currently involved in active litigation with the city of Miami, Oklahoma and over 400 individual plaintiffs in the area related to flooding from 2007 to 2011. The Authority has insurance coverage that it believes would cover any adverse judgement in the flooding litigation claims and continues to carry a liability in the amount of its insurance deductible in the financial statements as of December 31, 2024.

10. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The Authority maintains a coal combustion residuals (CCR) landfill in Chouteau, Oklahoma. The Authority accounts for this CCR landfill in accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs*. State and federal regulations will require the Authority to place a final cover on the CCR site when it discontinues depositing of CCR and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure costs will only be paid near or after the date of discontinuance of use of the landfill, GASB Statement No. 18 requires proprietary funds to report a portion of these costs as an operating expense in each period based on landfill capacity and utilization.

This CCR landfill has a total capacity of 5,131,024 cubic yards, of which an estimated 4,465,324 cubic yards have been used through December 31, 2024. The remaining useful life at December 31, 2024, was approximately 17 years.

The amount recorded as a liability for the closure and post closure costs, included in Other Noncurrent Liabilities at December 31, 2024, and 2023, was $6,698,767 and $6,973,772, respectively. These amounts are based on 91% and 91% landfill utilization as of December 31, 2024, and 2023, respectively. The Authority will recognize the remaining estimated cost of closure and post closure care, of approximately $822,083, as the remaining estimated capacity is filled. Amounts are estimated using what it would cost to perform all closure and post closure care in 2024. Actual costs are subject to change resulting from inflation or deflation, changes in technology, or changes in applicable laws or regulations.

The Oklahoma Department of Environmental Quality (ODEQ) has certain closure and post closure care financial assurance requirements. Each year, an auditor performs procedures to ensure that the Authority meets these requirements.

11. RISK MANAGEMENT

General Bond Resolution No. 5107 requires the Authority to, in each case where it is obtainable at a reasonable rate and on reasonable terms, insure its facilities, maintain liability insurance, and bond certain officers and employees. In general, all insurance coverage, including property (all risk coverage, including earthquake and flood), equipment, aircraft, employment practices liability, directors and officers liability, excess liability (including an endorsement for certified "acts of terrorism" as defined in the Federal Terrorism Risk Insurance Act), is purchased from private insurance carriers through the State of Oklahoma Risk Management Department (State Risk Management) of the Office of Management and Enterprise Services. State Risk Management contracts with a third-party insurance broker for brokerage services and advice. The Authority also participates in the State of Oklahoma's Consolidated Workers' Compensation Program, a self-insured program operated by States Risk Management. A private insurance carrier provides excess insurance coverage for the Consolidated Workers' Compensation Program and a private company provides claims administration services. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

Concentration of revenues from a single external customer increases credit and market concentration risks. The Authority had one customer that accounted for 33% of total operating revenues in 2024 and 32% in 2023.

In addition, the Authority is subject to generation supply and market price risks, which are continually evaluated as to level of risk and how to best mitigate exposure to loss. The Authority continued its hedging program throughout 2024, to hedge price and volatility risk relative to future natural gas commodity prices.

As of December 31, 2024, and 2023, the Authority had the following fair value balances and notional amounts of derivative instruments and the changes in fair value of such derivative instruments:

		Fair Value at December 31, 2024		
Business-Type Activities	**Changes in Fair Value**	**Classification**	**Amount**	**Notional Amount (MMBTUs)**
Cash flow hedges: Commodity forward (swap)	$19,171,100	Derivative instruments	$2,492,925	28,585,000

		Fair Value at December 31, 2023		
Business-Type Activities	**Changes in Fair Value**	**Classification**	**Amount**	**Notional Amount (MMBTUs)**
Cash flow hedges: Commodity forward (swap)	$12,651,255	Derivative instruments	($16,678,175)	21,290,000

The following table displays the objective and terms of the Authority's hedging derivative instruments outstanding on December 31, 2024, along with the credit rating of the associated counterparty.

Item	Type	Objective	Notional Amount (MMTBU's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
A	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,670,000	05/24/24 Trade 12/27/24 Effective	11/25/25	Pay $3.500/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/day and Henry Hub pricing point at settlement date	BOKF "A-"
B	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	07/03/24 Trade 12/27/24 Effective	11/25/25	Pay $3.440MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"
C	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	912,500	07/25/24 Trade 12/29/25 Effective	11/25/26	Pay $3.630/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/day and Henry Hub pricing point at settlement date	BOKF "A-"
D	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	912,500	08/06/24 Trade 12/29/25 Effective	11/25/26	Pay $3.490/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/day and Henry Hub pricing point at settlement date	BOKF "A-"
E	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	08/13/24 Trade 02/26/25 Effective	02/26/25	Pay $3.053/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"
F	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,670,000	08/22/24 Trade 12/27/24 Effective	11/25/25	Pay $3.245/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"
G	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	912,500	08/27/24 Trade 12/29/25 Effective	11/25/26	Pay $3.600/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"
H	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	77,500	08/27/24 Trade 02/26/25 Effective	02/26/25	Pay $2.924/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"
I	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,825,000	12/17/24 Trade 12/29/26 Effective	11/26/27	Pay $3.765/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	BOKF "A-"

Item	Type	Objective	Notional Amount (MMTBU's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
J	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,670,000	06/01/23	11/25/25	Pay $3.850/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
K	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	10/19/23	11/25/25	Pay $3.998 /MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
L	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	11/07/23	11/25/25	Pay $4.110/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
M	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	11/17/23	11/25/25	Pay $4.030/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
N	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	11/20/23	11/25/25	Pay $3.972/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
O	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	140,000	03/22/24	11/25/25	Pay $3.855/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
P	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,670,000	03/22/24	11/25/25	Pay $3.398/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
Q	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	03/22/24	12/29/25	Pay $4.370 /MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
R	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	140,000	03/22/24	01/29/25	Pay $3.500/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
S	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	150,000	03/22/24	10/29/25	Pay $3.710/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"

Item	Type	Objective	Notional Amount (MMTBU's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
T	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	03/22/24	11/25/25	Pay $4.130/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
U	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	70,000	04/15/24	01/29/25	Pay $3.542/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
V	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,670,000	05/24/24	04/28/25	Pay $3.498/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
W	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	140,000	05/24/24	01/29/25	Pay $3.695/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
X	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	70,000	05/29/24	11/29/25	Pay $3.648/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
Y	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	140,000	06/27/24	01/29/25	Pay $3.740/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
Z	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	140,000	07/09/24	01/29/25	Pay $3.510/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AA	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	70,000	07/11/24	01/29/25	Pay $3.452MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AB	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	07/25/24	11/25/25	Pay $3.248/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AC	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,825,000	07/25/24	11/25/26	Pay $3.630/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"

Item	Type	Objective	Notional Amount (MMTBU's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
AD	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	08/13/24	02/26/25	Pay $3.038/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AE	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	08/22/24	02/26/25	Pay $2.9470/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AF	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	912,500	08/26/24	11/25/26	Pay $3.598MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AG	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	990,000	10/09/24	11/25/25	Pay $3.264/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AH	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	912,500	10/09/24	11/25/26	Pay $3.609/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AI	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	150,000	10/09/24	05/28/25	Pay $3.076/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AJ	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	10/09/24	06/26/25	Pay $3.238/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AK	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	150,000	10/09/24	08/27/25	Pay $3.244/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AL	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	835,000	10/14/24	11/25/25	Pay $3.175/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AM	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	150,000	10/14/24	05/28/25	Pay $2.982MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"

Item	Type	Objective	Notional Amount (MMTBU's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
AN	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	10/14/24	06/26/25	Pay $3.155/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AO	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	10/14/24	07/29/25	Pay $3.190/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AP	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	150,000	10/14/24	08/27/25	Pay $3.170/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AQ	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	10/31/24	06/26/25	Pay $3.072/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AR	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	155,000	10/31/24	07/29/25	Pay $3.112MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AS	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	75,000	10/31/24	10/28/24	Pay $3.088/MMBTU; scheduled monthly settlements based on 2,500 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"
AT	Commodity forward contract (swap)	Hedge of changes in cash flows due to market price fluctuations related to expected purchase of natural gas	1,825,000	12/18/24	11/26/27	Pay $3.750/MMBTU; scheduled monthly settlements based on 5,000 MMBTUs/ day and Henry Hub pricing point at settlement date	StoneX Financial Inc "BB-"

Contracts are accounted for in accordance with GASB Statement No. 53, which addresses recognition, measurement, and disclosure related to derivative instruments with reporting required in the Statements of Net Position or recognized on the Statements of Revenues, Expenses, and Changes in Net Position, depending on effectiveness. Contracts are evaluated to determine whether they meet the definition of derivative instruments and, if so, whether they effectively hedge the expected change in cash flow associated with natural gas prices. The current liability for the fair value of the hedges currently resides in Accounts payable and accrued liabilities, and totals $2.5 million.

Effectiveness testing is performed at the end of each month using the consistent critical terms method and, as of December 31, 2024, the tests concluded that all of the Authority's derivative instruments are effective. If the derivative instrument(s) passes effectiveness testing, the change in fair value of the instrument(s) is deferred in the Statements of Net Position and then recorded as fuel expense in the Statements of Revenues, Expenses, and Changes in Net Position during the production cycle. If deemed to be ineffective, the change in fair value of the instrument(s) is immediately recognized in the Statements of Revenues, Expenses, and Changes in Net Position.

Credit Risk: The Authority is exposed to credit risk on hedging derivative instruments that are in asset positions. The aggregate fair value of hedging derivate instruments in asset positions, as of December 31, 2024, is $3,019,495. This represents the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. This maximum exposure is reduced by $526,570 of liabilities included in netting arrangements with the Authority's counterparty. All of the Authority's hedging derivative instruments are held with two counterparties, which have S&P Long Term Issuer Credit Ratings of "A-" and "BB-". Credit risk is mitigated using credit thresholds based on each party's credit rating. If either party exceeds their threshold, collateral can be demanded, net of the effect of applicable netting arrangements. Collateral can be posted in the form of cash or letters of credit. A monthly credit report is prepared by the Authority's middle office and is provided to the Authority's Risk Oversight Committee for monitoring of credit risk related to hedging derivatives.

Basis Risk: The Authority is exposed to basis risk on its commodity forward contracts because the expected commodity purchase will price based on a pricing point (Enable Gas or OneOK) that is different than the pricing point at which the forward contract is expected to settle (Henry Hub). The Authority is hedging the Henry Hub portion of the gas price only, not the basis for the individual pipeline(s).

Termination Risk: The Authority or its counterparty may terminate a derivate instrument if the other party fails to perform under the terms of the contract. Termination may also occur in the event of the following, as defined in the contract: illegality, force majeure event, tax event, tax event upon merger, or additional termination event. Additional termination event is defined in the contract as the Authority engaging in any transaction that does not have as its sole purpose to hedge against price risk for its use in its business of natural gas or is in any way intended to speculate on any commodity price. Termination risk is associated with all of the Authority's derivatives up to the fair value amounts.

12. SUBSEQUENT EVENT

In the first quarter of 2023, The Authority sought bids for a cost-of-service study. Guernsey was hired, and the study was completed in the fourth quarter. In the first quarter of 2024, the Authority hosted several customer meetings, and had several comment periods, before arriving at its final rate design. The final proposal was recommended to the board of directors on April 10, 2024, and the resolution was approved unanimously. The three-year implementation plan for incorporating the approved rate changes includes an aggregate increase of 1.48% in 2024, effective October 1, 2024, an aggregate increase of 2.74% in 2025, effective October 1, 2025, and an aggregate increase of 3.39% in 2026, effective October 1, 2026.

13. CHANGE IN ACCOUNTING PRINCIPLE

GRDA implemented GASB 101 effective with Financial Statements issued beginning January 1, 2024, which required the effects of the implementation to be presented in the earliest period stated in the Financial Statements. Restatements have been made to the 2022 and 2023 Financial Statements, as a result of this implementation.

	2023 (as previously reported	GASB 101 Implementation	2023 (restated)
Statement of Net Position			
Current Liabilities			
Accounts payable and accrued liabilities	$42,184,887	$12,617,078	$54,801,965
Net Position			
Unrestricted	$402,694,819	$12,617,078	$390,077,741
Statement of Revenues, Expenses, and Changes in Net Position			
Operating and other expenses			
Administrative and general	$30,265,296	$12,617,078	$42,882,374
Change in net position	$109,524,225	$12,617,078	$96,907,147
Total net position, Ending	$953,411,346	$12,617,078	$940,824,268

14. INVESTMENT IN THE ENERGY AUTHORITY (TEA)

GRDA became a member of TEA on July 1, 2024, a public power-owned, nonprofit corporation, headquartered in Jacksonville, Florida. The Authority's membership interest is 17.6%. TEA provides portfolio management services including RTO market management and trading, bilateral energy trading, natural gas resource management, and power management. They also provide advanced analytics and offer strategic solutions.

As a member of TEA, the Authority made payment of a membership fee and certain contributions to capital and is providing certain guarantees for electric trading activities by TEA. The total amount guaranteed by the Authority is $60M in electric advance guarantees, and $31.4M in natural gas advance guarantees.

As of December 31, 2024, GRDA's investment in TEA was $31,305,254, including a loss of $918,505 for 2024. The following is a condensed summary of the unaudited financial statements for TEA, as of November 30, 2024:

	Through Nov 2024 (Amounts in Thousands) (Unaudited)
Condensed Statements of Net Position:	
Current assets	392,051
Long-term assets	37,597
Deferred outflows	6,136
Total assets and deferred outflows	**435,784**
Current liabilities	224,982
Long term liabilities	11,687
Total liabilities	**236,669**
Deferred inflows	**7,871**
Total net position	**191,244**
Total liabilities, deferred inflows and net position	**435,784**
Condensed Statement of Operations:	
Operating revenues	190,368
Operating expenses	187,088
Operating income	**3,280**
Net income	**3,874**

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Fiscal Year Ending	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/ (Asset)
December 31, 2024	2.2177%	($7,359,123)	$32,146,494	(22.89%)	102.91%
December 31, 2023	2.2724	10,396,718	32,991,556	31.51	95.91
December 31, 2022	2.2735	18,277,656	33,611,964	54.38	92.24
December 31, 2021	2.2383	(30,042,207)	33,666,081	(89.24)	112.51
December 31, 2020	2.2276	19,874,205	34,801,153	57.11	91.59
December 31, 2019	2.3778	3,166,970	35,942,188	8.81	98.63
December 31, 2018	2.4118	5,138,160	37,965,024	13.53	97.96
December 31, 2017	2.3117	12,498,665	38,404,273	32.54	94.28
December 31, 2016	2.2462	21,890,211	38,995,445	56.14	89.48
December 31, 2015	2.1715	7,810,649	37,304,843	20.94	96.00

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2024	$6,964,203	$5,530,670	$1,433,533	$31,373,928	17.63%
December 31, 2023	$6,717,336	$5,684,180	$1,033,156	$32,929,985	17.26%
December 31, 2022	6,424,350	5,725,382	698,968	33,204,556	17.24
December 31, 2021	6,150,504	5,696,252	454,252	33,598,122	16.95
December 31, 2020	6,109,333	5,838,606	270,727	34,266,124	17.04
December 31, 2019	6,258,254	6,243,328	14,926	35,239,125	17.72
December 31, 2018	6,309,340	6,485,378	(176,038)	37,001,348	17.53
December 31, 2017	6,218,254	6,516,168	(297,914)	38,300,232	17.01
December 31, 2016	6,641,675	6,615,357	26,318	38,811,001	17.05
December 31, 2015	6,333,952	6,343,582	(9,630)	38,557,227	16.45

The amounts determined for each fiscal year were determined as of June 30 in the calendar year.

Changes in Benefit Terms. House Bill 3350 provided a one-time benefit increase as of July 1, 2020. Members who retired on or prior to July 1, 2015, received a 4.0% benefit increase. Members who retired between July 1, 2015, and July 1, 2018, received a 2.0% benefit increase. Members who retired after July 1, 2018, did not receive a benefit increase.

Changes in Assumptions are as follows:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Long-term expected rate of return	6.50%	6.50%	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%	7.25%	7.50%
Discount rate	6.50	6.50	6.50	6.50	6.50	7.00	7.00	7.00	7.25	7.50
Price inflation	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	3.00	3.00
Real wage growth	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00

There were no other changes in assumptions.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)

OKLAHOMA LAW ENFORCEMENT RETIREMENT PLAN

Fiscal Year Ending	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31, 2024	1.2124 %	$4,046,964	$1,128,670	358.56%	77.50%
December 31, 2023	1.1013 %	$3,633,407	$1,213,525	299.41%	76.91%
December 31, 2022	1.5340	3,017,991	1,351,371	223.33	84.53
December 31, 2021	1.5688	210,956	1,331,109	14.60	98.93
December 31, 2020	1.5344	3,314,998	1,342,159	246.99	82.29
December 31, 2019	1.5814	2,296,870	1,298,190	176.93	87.50
December 31, 2018	1.4701	1,574,732	1,222,118	128.85	90.31
December 31, 2017	1.4556	1,891,434	1,225,700	154.31	87.85
December 31, 2016	1.3370	1,631,598	1,234,942	132.12	81.88
December 31, 2015	0.8627	894,807	736,838	121.44	89.62

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

OKLAHOMA LAW ENFORCEMENT RETIREMENT PLAN

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2024	$145,715	$148,513	($2,798)	$1,072,940	13.84%
December 31, 2023	$131,609	$133,488	($1,879)	$1,171,378	11.40%
December 31, 2022	146,781	148,651	(1,870)	1,303,594	11.40
December 31, 2021	154,966	156,832	(1,866)	1,348,232	11.63
December 31, 2020	145,820	147,637	(1,817)	1,351,889	10.92
December 31, 2019	141,092	142,911	(1,819)	1,308,269	10.92
December 31, 2018	133,523	134,432	(909)	1,268,728	10.60
December 31, 2017	134,827	134,826	1	1,209,093	11.15
December 31, 2016	136,630	136,630	-	1,241,483	11.01
December 31, 2015	81,430	81,430	-	1,098,422	7.41

The amounts determined for each fiscal year were determined as of June 30 in the calendar year.

Changes in Benefit Terms. House Bill 3350 provided a one-time benefit increase as of July 1, 2020. Member show retired on or prior to July 1, 2015, received a 4.0% benefit increase. Members who retired between July 1, 2015, and July 1, 2018, received a 2.0% benefit increase. Members who retired after July 1, 2018, did not receive a benefit increase.

Changes in Assumptions: There were six Changes in Assumption made for the valuation as of July 1, 2023. There was a change in mortality assumption to the new Pub-2010 tables, and the percent of members electing retroactive DOP was increased to 80% for a period of four years, and the percent of members electing an immediate annuity was set to 20%. Retirement rates, withdrawal rates, and disability rates were also revised.

Other Changes in Assumptions are as follows:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.5% - 10.0%, including inflation	3.5% - 10.0%, including inflation	3.5% - 10.0%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation	3.5% - 9.75%, including inflation

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

OTHER POSTEMPLOYMENT BENEFITS PLAN

	2024	2023	2022	2021	2020	2019
Beginning Balance	$15,544,891	$18,445,087	$20,714,763	$19,461,886	$16,980,723	$17,668,568
Service Cost	407,159	545,247	870,855	733,886	564,096	548,426
Interest on Total OPEB Liability	570,949	378,624	446,029	538,912	685,406	611,515
Difference between expected and actual experience	266,471	(16,202)	(1,414,472)	(70,134)	435,412	66,460
Changes in assumptions	1,814,809	(2,580,554)	(1,073,317)	1,112,285	1,790,433	(1,025,961)
Benefit payments, including employee refunds	(1,219,026)	(1,227,311)	(1,098,771)	(1,062,072)	(994,184)	(888,285)
Net changes	1,840,362	(2,900,196)	(2,269,676)	1,252,877	2,481,163	(687,845)
Ending Balance	$17,385,253	$15,544,891	$18,445,087	$20,714,763	$19,461,886	$16,980,723
Ratios						
Covered-employee payroll	$31,373,928	$32,929,985	$33,204,556	$33,598,122	$34,266,124	$35,239,125
Total OPEB Liability as a percentage of covered-employee payroll	55.41%	47.21%	55.55%	61.65%	56.80%	48.19%

The Authority is required to present the last ten fiscal years of data; however, until a full ten-year trend of data is compiled, GASB 75 allows the presentation for those years for which information is available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits for the pension/OPEB Plan.

Changes in Benefit Terms. There were no changes of benefit terms in the Plan.

Changes in Assumptions: Two assumption changes were made for this valuation. The discount rate on the Bond Buyer GO 20-Bond Municipal Bond Index as of the newest measurement date of January 1, 2023, is 3.72%. The January 1, 2021, discount rate was 2.12%. The January 1, 2020, discount rate was 2.74%. The January 1, 2019, discount rate was 4.10%. The mortality table was also updated to a new public sector mortality table (Pub 2010) using the MP-2020 projection scale as of January 1, 2023. The January 1, 2021, mortality table used the MP-2020 projection scale. The January 1, 2020, mortality table used the MP-2019 projection scale. The January 1, 2019, mortality table used the MP-2018 projection scale.

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*

<u>Independent Auditors' Report</u>

To the Board of Directors of
Grand River Dam Authority

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Grand River Dam Authority (GRDA), which comprise the GRDA's statement of net position as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2025. Our report included an emphasis of matter paragraph relative to the adoption of provisions of GASB Statement No. 101, *Compensated Absences,* effective January 1, 2024. Our report is not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the GRDA'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 GRDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the GRDA'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 the GRDA'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.

Baker Tilly US, LLP

Madison, Wisconsin
March 31, 2025