

**Oklahoma Capital Improvement Authority**

**FINANCIAL STATEMENTS**

For the Years Ended June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Oklahoma Capitol Improvement Authority

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

#### ***Opinions***

We have audited the accompanying financial statements of the Oklahoma Capitol Improvement Authority (the "Authority") a component unit of the State of Oklahoma, as of and for the year ended June 30, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statement of net position of the Authority as of June 30, 2022 and 2021, and the respective statement of revenues, expenses, and changes in net position, and, where applicable, statement of cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

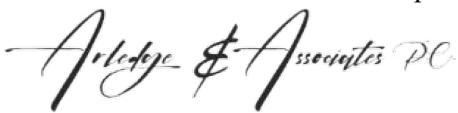
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 April 5, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Edmond, Oklahoma  
April 5, 2023



**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Management's Discussion and Analysis (Unaudited)**

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**Overview of Financial Statements and Financial Analysis**

The Oklahoma Capitol Improvement Authority (the Authority) is pleased to present this Management's Discussion and Analysis for fiscal year 2022, with selected comparative information for fiscal years 2021 and 2020. Management's Discussion and Analysis is required supplementary information and is designed to focus on current activities, resulting changes, and current known facts, so it should be read in conjunction with the Authority's financial statements and footnotes. In addition to Management's Discussion and Analysis, the Authority's basic financial statements consist of the statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to the financial statements. Condensed financial information is presented in this analysis that summarizes the statement of net position and the statement of revenues, expenses, and changes in net position. This discussion and analysis of the Authority's financial statements provides an overview of its financial activities for the year.

The Authority administers a portfolio of funds that contain proceeds generated by the issuance of lease revenue bonds. The bond proceeds are used for the construction of governmental buildings, highways, college campuses, and other capital projects. Additionally, the Authority collects lease payments from lessee state agencies to pay the required principal and interest payments to bond holders. These two activities comprise the majority of financial transactions of the Authority.

**Statement of Net Position**

The statement of net position presents the assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets minus liabilities) as of the end of the fiscal year (the "Statement of Net Position"). The purpose of the statement is to give readers of the financial statements a fiscal snapshot of the Authority. The Authority had no deferred outflows of resources or deferred inflows of resources during any year presented herein.

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is an accounting method used by most private sector corporations. Readers of the Statement of Net Position can determine available assets necessary to continue the operations of the Authority as well as amounts owed to bond holders. The final section of the Statement of Net Position provides a picture of the Authority's net position.

The Authority's assets are divided amongst two categories. The first category, current assets, is the administrative fund, interest receivable and leases receivable, current portion. The administrative fund receives a pro-rated fee charged to all lessee agencies with outstanding bond debt. The fee is used to support operations of the Authority's activities, including salaries, professional services and leased office space. Restricted cash must be used as directed by bond resolutions for construction and to satisfy the debt obligations created by bond issuance. Bond holders receive regular payments for principal and interest from the Authority's trustees; trustee sinking fund transactions are included in the financial reporting of the Authority. The majority of restricted cash is held in the trustee sinking funds and Authority construction funds from the most recent bond issue proceeds. Construction funds are typically expended within a three year timeframe. The second category is noncurrent assets. Noncurrent assets are comprised of leases receivable, net of current portion and real estate held by the Authority. Leases receivable represent the amortized debt service of all the Authority's outstanding bond issues. Leases receivable decrease annually as principal is retired and increase as additional new money bonds are issued.

The net position calculation is a measure of the Authority's financial position. The Authority's net position for fiscal years 2022, 2021, and 2020 consists solely of unrestricted net position of the administrative operating fund.

A Condensed Statement of Net Position summarizes the assets, liabilities, and net position as of June 30, 2022, compared to years ended June 30, 2021, and June 30, 2020.

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Management's Discussion and Analysis (Unaudited)**

**Statement of Net Position (Continued)**  
**Condensed Statements of Net Position**

	June 30,		
	2022	2021	2020
<b>Assets:</b>			
Current assets	\$ 387,445,609	\$ 482,712,781	\$ 339,596,178
Noncurrent assets	1,493,219,096	1,340,802,924	1,106,415,799
Total assets	1,880,664,705	1,823,515,705	1,446,011,977
<b>Liabilities:</b>			
Current liabilities	341,806,228	461,615,394	338,663,279
Noncurrent liabilities	1,437,992,440	1,245,730,000	1,107,000,600
Total liabilities	1,779,798,668	1,707,345,394	1,445,663,879
<b>Net position:</b>			
Unrestricted	398,047	341,638	341,638
Total net position	\$ 398,047	\$ 341,638	\$ 341,638

*June 30, 2022, Compared to June 30, 2021*

The Authority administers a portfolio of funds that contain proceeds of bond issues. Administration of the funds consists of paying bond holders principal and interest payments on a biannual basis and administering funds associated with state capital construction projects.

Current assets include the administrative fee collected from lessee agencies with outstanding bond issues. The balance of the administrative fee fund fluctuates depending on the annual cost of the Authority's administrative expenses. It is necessary to retain a sufficient balance in this fund to support regular administrative expenses, including salaries, professional service contracts, and additional costs associated with the issuance of bonds. Current assets also include the current portion of leases receivable.

Accrued interest payable at the end of fiscal year 2022 increased by approximately \$774 thousand from the previous year due to the increasing of interest rates on various outstanding bonds. Interest only payments will be made on Bond Series 2018B until fiscal year 2029. At the conclusion of fiscal year 2022, total outstanding principal saw an overall increase of approximately \$219 million due to the issuance of five bond series.

Bond repayment reserve represents funds collected prior to the fiscal year-end and held for future bond debt payments. The reserve grows as interest earnings are deposited and federal interest rebates are received on eligible Build America Bond issues. The repayment reserve balance decreased in fiscal year 2022 due to refunding of the 2012 series Bond as well as an increase in principal and interest payments due. These credits were issued to comply with the bond resolutions. This decrease is included in current liabilities.

Total assets increased by approximately \$70 million from fiscal year 2021 to fiscal year 2022 due primarily to an increase in construction fund cash balances and leases receivable related to the new issuance of debt. Liabilities, as would be expected, also increased by a similar amount. After bonds are issued and the construction funds are spent, associated cash balances decrease. Debt service and construction fund interest earnings receivable account for the remaining increase in asset balances

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Management's Discussion and Analysis (Unaudited)**

**Statements of Net Position (Continued)**

*June 30, 2021 Compared to June 30, 2020*

Total assets increased by approximately \$261 million from fiscal year 2020 to fiscal year 2021 due primarily to an increase in construction fund cash balances and leases receivable. Liabilities, as would be expected, also increased by a similar amount. After bonds are issued and the construction funds are spent, associated cash balances decrease. Debt service and construction fund interest earnings receivable account for the remaining increase in asset balances.

**Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the Authority's results of operations for the fiscal year and the effect on net position. Operating revenues and expenses are generated from transactions that arise in the normal course of operations for the organization. The comparison of operating revenues to operating expenses is an important measure of an institution's financial stability. Normally, the Authority does not have an excess of operating revenues over operating expenses because most of the revenues are offset by expenses for bond debt service.

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

	Year Ended June 30,		
	2022	2021	2020
Operating revenue	\$ 57,376,157	\$ 57,959,437	\$ 56,272,005
Operating expenses	59,972,647	60,399,329	63,916,128
Operating loss	(2,596,490)	(2,439,892)	(7,644,123)
Nonoperating revenue	2,652,899	2,439,892	7,589,235
Change in net position	56,409	-	(54,888)
Net position, beginning of year	341,638	341,638	396,526
Net position, end of year	\$ 398,047	\$ 341,638	\$ 341,638

*Year Ended June 30, 2021 Compared to Year Ended June 30, 2020*

The statement of revenues, expenses, and changes in net position reflects an increase in net position of \$56,409 in fiscal year 2022. A majority of the Authority's revenues are derived from bond interest collections from agencies in the form of lease payments, and expenditures are bond interest expenses paid to bond holders. Operating revenues are comprised of fees collected from agencies and used for the administration of the Authority.

Interest income on lease receivables is dependent on the individual outstanding bond amortization schedules. Schedules determine the amount that must be collected from agencies and paid to bondholders. The Authority's function is to collect and make these payments in a timely and accurate manner.

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Management's Discussion and Analysis (Unaudited)**

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**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

Investment income is earned on construction and bond sinking funds. Interest earned on construction funds is available to supplement the bond proceeds used for construction projects and interest earned on sinking fund balances is restricted for payments to bond holders. The Authority applies sinking fund interest earnings toward leases receivable, reducing bond debt cost (lease payments) to the agencies. Increasing construction fund balances during fiscal year 2021 resulted in an increase in interest earnings.

Administrative fee revenues in fiscal year 2022 were relatively consistent with fiscal year 2021 increasing by \$435,588.

Net position includes all unrestricted assets (the administrative fund and capital assets held by the Authority until the capital assets were disposed of in 2017). An increase or decrease in net position is due to operating activities and changes in the book value of the real property.

The bond amortization schedules determine the annual change in interest due for leases receivable. In fiscal year 2022, the Authority experienced a decrease in lease interest income due to the fluctuating interest requirements on outstanding and newly issued debt.

As mentioned above, Authority investment income is primarily driven by the balances contained in construction funds. New construction funds typically receive a large cash deposit at the time of the bond issue. Bond issues are typically followed by increased investment earnings in the construction funds. Larger construction fund balances in fiscal year 2022, compared with fiscal year 2021, resulted in more investment income during the period.

*Year Ended June 30, 2021 Compared to Year Ended June 30, 2020*

The statement of revenues, expenses, and changes in net position reflects an increase in net position of \$0 in fiscal year 2021. A majority of the Authority's revenues are derived from bond interest collections from agencies in the form of lease payments, and expenditures are bond interest expenses paid to bondholders. Operating revenues are comprised of fees collected from agencies and used for the administration of the Authority. Interest income on lease receivables is dependent on the individual outstanding bond amortization schedules. Schedules determine the amount that must be collected from agencies and paid to bondholders. The Authority's function is to collect and make these payments in a timely and accurate manner. Administrative fee revenues in fiscal year 2021 were relatively consistent with fiscal year 2020 increasing by \$215,217. Net position includes all unrestricted assets (the administrative fund and capital assets held by the Authority until the capital assets were disposed of in 2017). An increase or decrease in net position is due to operating activities and changes in the book value of the real property.

**Fiscal Year 2023 – Outlook**

Within the next twelve months the Authority may issue lease-revenue bonds for one or more additional projects authorized by the State Legislature. These projects include \$70.0 million to the Office of Management and Enterprise Services for the remodel and repair of the Jim Thorpe Building, \$19.0 million for the Office of Management and Enterprise Services to repair the Capitol Complex Tunnels, \$46 million to the Oklahoma Historical Society for the purpose of rehabilitation, repair and construction for existing state facilities, an additional \$164.4 million for the State Regents for Higher Education to obtain funds for the State's matching contribution for the Endowed Chairs Program, and \$58.5 million to the State Department of Health for the purpose of constructing a State Health Lab. The Authority also has authorization to issue bonds or enter into a loan agreement with the U.S. Department of Transportation through the Build America Bureau in accordance with the Transportation Infrastructure Finance and Innovation Act of 1998 for the remaining \$158.0 million.



**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Management's Discussion and Analysis (Unaudited)**

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**Fiscal Year 2023 – Outlook (Continued)**

The Authority issued \$161.6 million State Regents for Higher Education Endowed Chairs Funding Program Bonds, Series 2021A (Oklahoma State Regents for Higher Education) on November 10, 2021, \$17.65 million State Facilities Revenue Bonds, Series 2022A (Conservation Commission Project) on April 7, 2022, \$47.085 million State Facilities Revenue Bonds Series 2022B (National Guard Museum Project) on April 19, 2022, \$36.985 million State Facilities Revenue Bonds Series 2022C (Oklahoma Department of Veteran Affairs Project) on June 14, 2022. The Authority also closed on its first TIFIA Loan with the US Department of Transportation for \$41,547,440 on May 27, 2022.

The Authority continues to assess refunding opportunities to achieve savings in times of favorable rates. The state has excess capacity to issue bonds to improve state buildings and infrastructure. It is unclear how the legislature will choose to fund immediate building and infrastructure needs of the state. Funding will likely be provided either by direct appropriations or through additional bond issuance.

The Authority staff will continue to identify funds that may be used to reduce lease revenue payments from state agencies and the appropriations that support the lease payments. Interest earnings, federal rebates, and the transfer of residual construction funds will be used to satisfy debt payments where possible. Additionally, the staff will continue to identify administrative efficiencies, improve the transfer of funds process, and maximize interest earnings where possible.

**Oklahoma Capital Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Statements of Net Position**  
**June 30, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 554,166	\$ 606,753
Cash and cash equivalents-restricted	328,540,027	455,926,924
Interest receivable	1,426,227	389,004
Leases receivable, current portion	56,925,189	25,790,100
<b>Total current assets</b>	<u>387,445,609</u>	<u>482,712,781</u>
Non-Current assets:		
Leases receivable, net of current portion	<u>1,493,219,096</u>	<u>1,340,802,924</u>
<b>Total assets</b>	<u><u>\$ 1,880,664,705</u></u>	<u><u>\$ 1,823,515,705</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accrued interest payable	\$ 30,614,506	\$ 29,840,738
Unexpended bond proceeds payable to state agencies	187,127,269	334,736,840
Unamortized bond premium, current portion	11,419,453	11,515,756
Bonds payable, current portion	112,645,000	85,522,060
<b>Total current liabilities</b>	<u>341,806,228</u>	<u>461,615,394</u>
Noncurrent liabilities:		
Unamortized bond premium, net of current portion	100,467,990	115,828,673
Bonds payable, net of current portion	<u>1,437,992,440</u>	<u>1,245,730,000</u>
<b>Total liabilities</b>	<u>1,880,266,658</u>	<u>1,823,174,067</u>
<b>NET POSITION</b>		
Unrestricted	<u>398,047</u>	<u>341,638</u>
<b>Total net position</b>	<u><u>\$ 398,047</u></u>	<u><u>\$ 341,638</u></u>

See notes to basic financial statements.

**Oklahoma Capital Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Statements of Revenues, Expenses and Changes in Net Position**  
**June 30, 2022 and 2021**

	2022	2021
Operating revenues:		
Interest income on lease receivables	\$ 56,863,403	\$ 57,464,403
Administrative fees and other revenues	512,754	495,034
<b>Total operating revenues</b>	<u>57,376,157</u>	<u>57,959,437</u>
Operating expenses:		
Administrative expenses	565,341	129,753
Interest expense	59,382,732	54,872,312
Expenses to contractors	24,574	5,397,264
<b>Total operating expenses</b>	<u>59,972,647</u>	<u>60,399,329</u>
<b>Operating loss</b>	(2,596,490)	(2,439,892)
Nonoperating revenues:		
Interest income on deposits and investments	<u>2,652,899</u>	<u>2,439,892</u>
Change in net position	56,409	-
Net position, beginning of year	<u>341,638</u>	<u>341,638</u>
Net position, end of year	<u><u>\$ 398,047</u></u>	<u><u>\$ 341,638</u></u>

See notes to basic financial statements

**Oklahoma Capital Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Statements of Cash Flows**  
**June 30, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Interest income on lease receivables	\$ 55,826,180	\$ 57,426,750
Administrative fees and other revenues	512,754	495,034
Cash paid to suppliers and contractors	(589,915)	(5,527,017)
<b>Net cash provided by operating activities</b>	<u>55,749,019</u>	<u>52,394,767</u>
Cash flows from capital and related financing activities:		
Principal lease payments received	108,640,674	105,041,143
Bond proceeds provided to lessees	(455,258,493)	(109,129,676)
Bond proceeds for current bond refunding	-	(29,820,000)
Proceeds from issuance of bonds	304,907,440	254,065,000
Interest payments on bonds	(58,608,964)	(53,313,209)
Principal payments on bonds	(85,522,059)	(81,207,048)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(185,841,402)</u>	<u>85,636,210</u>
Cash flows from investing activities		
Investment income received	2,652,899	2,439,892
<b>Net cash provided by investing activities</b>	<u>2,652,899</u>	<u>2,439,892</u>
<b>Net change in cash and cash equivalents</b>	(127,439,484)	140,470,869
Cash and cash equivalents, beginning of year	456,533,677	316,062,808
Cash and cash equivalents, end of year	<u>\$ 329,094,193</u>	<u>\$ 456,533,677</u>
	2022	2021
Reconciliation of cash and cash equivalents to statements of net assets:		
Current Assets		
Cash and cash equivalents	\$ 554,166	\$ 606,753
Restricted cash and cash equivalents	328,540,027	455,926,924
<b>Total Cash and cash equivalents</b>	<u>\$ 329,094,193</u>	<u>\$ 456,533,677</u>

See notes to basic financial statements.

**Oklahoma Capital Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Statements of Cash Flows (Continued)**  
**June 30, 2022 and 2021**

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Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (2,596,490)	\$ (2,439,892)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Interest paid on bonds	58,608,964	53,313,209
Changes in operating assets and liabilities:		
Accrued interest receivable	(1,037,223)	(37,653)
Accrued interest payable	<u>773,768</u>	<u>1,559,103</u>
<b>Net cash provided by operating activities</b>	<b><u>\$ 55,749,019</u></b>	<b><u>\$ 52,394,767</u></b>

See notes to basic financial statements.

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Notes to Basic Financial Statements**  
**June 30, 2022 and 2021**

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

**Reporting entity:** The Oklahoma Capitol Improvement Authority (the Authority) was created as an instrumentality of the State of Oklahoma under applicable Oklahoma statutes on June 27, 1959, with Oklahoma (the State) named as the beneficiary thereof. The Authority is included in the Annual Comprehensive Financial Report of the State of Oklahoma, as part of the General Fund and Governmental Activities. The purpose of the Authority is primarily to provide a means of financing the construction of buildings, highway infrastructure or other facilities for the State of Oklahoma's departments and agencies. The provisions of the Trust Indenture creating the Authority provide that the Authority is authorized to issue long-term obligations in order to purchase land and erect, maintain, and operate buildings or other capital assets for the use of the state and other state agencies, including other component units of the state. The obligations are retired by lease payments made by the agencies occupying the facilities. Upon maturity of the bonds payable and repayment of the related leases receivable, title to the capital assets transfers to the state agencies.

**Financial statement presentation:** Because the Authority is permitted to charge user fees to other entities, the Authority has elected to present its financial statements as an enterprise fund.

**Basis of accounting:** The Authority's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when incurred.

**Cash and cash equivalents:** For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Authority maintains money market funds with the bond trustee, which are considered cash equivalents and are stated at the net asset value (NAV) for the fund. Funds on deposit with the State Treasurer are also considered cash equivalents. Interest income is recognized when earned.

**Investments:** Investments consist of U.S. Treasury Notes. Applicable Oklahoma statutes authorize certain types of investments the Authority can utilize. As of June 30, 2022 and 2021, the Authority believes it is in compliance with these investment requirements.

The U.S. Treasury Notes are stated at fair value with changes in fair value included in the statements of revenues, expenses, and changes in net position. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Net position:** Unrestricted net position is comprised of the unrestricted cash balance and other assets of the Authority's administrative operating fund, less liabilities, if any.

**Arbitrage rebate:** The proceeds from the Authority's tax exempt bond issues are subject to arbitrage rebate laws under the Internal Revenue Code. This arbitrage rebate limits the earnings on investment of tax-exempt proceeds in non-purpose investments. As of June 30, 2022 and 2021, the Authority had no arbitrage liability.

**Classification of revenues and expenses:** Because the issuance of bonds and related investment of bond proceeds constitute the Authority's principal ongoing operations, the Authority has classified the revenues and expenses associated with those activities as operating revenues and expenses.

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Notes to Basic Financial Statements**  
**June 30, 2022 and 2021**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Administrative fees and other revenues:** Administrative fees and other revenues are comprised of administrative fees charged to agencies, proceeds from closing costs, and other miscellaneous income.

**Leases receivable:** Leases receivable are recorded from the state entities that receive the benefit of each bond issue and are reported at their outstanding unpaid principal balances. Interest on leases is accrued and credited to income based upon the principal amount outstanding. Since the receivables are from other state agencies and management believes they are fully collectible, no allowance for uncollectible leases is considered necessary.

**Unexpended bond proceeds payable to state agencies:** The proceeds of bonds that have been issued but not yet drawn down upon and expended by state agencies are reflected as a liability in the Authority's financial statements.

**Deposits held to repay bond obligations:** As funds are collected on lease receivables, the associated bonds payable is reclassified to deposits held to repay bond obligations until the next scheduled debt service payment is made to the bondholders.

**Income taxes:** As a public trust, the income of the Authority, which is derived from the exercise of any essential government function, is not subject to federal or state income taxes.

**Use of estimates:** Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

**Reclassification:** Certain amounts in the statement of net position recorded in the prior year have been reclassified to conform with the current year's presentation.

**New accounting pronouncements:** The GASB has issued new accounting pronouncements which was effective to the Authority in fiscal year ended after June 30, 2022. A description of the new accounting pronouncement is provided below:

- GASB Statement No. 87, *Leases*, issued June 2017, establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the Authority must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The pronouncement had no material impact on the financial statements of the Authority.

**Oklahoma Capitol Improvement Authority**  
**A Component Unit of the State of Oklahoma**

**Notes to Basic Financial Statements**  
**June 30, 2022 and 2021**

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**Note 2. Deposits and Investments**

At June 30, 2022 and 2021, the Authority's deposits and investments consisted of the following:

	2022	2021
Cash equivalents:		
Deposits with the State Treasurer	\$ 212,769,841	\$ 364,668,816
Money Market mutual funds held with bond trustees	116,324,352	91,864,861
Total cash equivalents	329,094,193	456,533,677
 Total deposits	 329,094,193	 456,533,677

Certain deposits with the State Treasurer are considered to be cash and cash equivalents and are invested in an internal investment pool (OK INVEST) held by the State Treasurer. The Authority's investment in OK INVEST is carried at \$212,816,454 and \$364,085,367 at June 30, 2022 and 2021, respectively, which represents the Authority's net asset value of its interest in OK INVEST. The amounts held in OK INVEST are considered liquid as they are available to be withdrawn on demand with limited redemption restrictions.

**Custodial credit risk – deposits:** 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 deposits and investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized.

As an instrumentality of the state, the Authority follows the deposit and investment policies of the state. The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the Authority in each such institution. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. In accordance with the Office of the State Treasurer's policies, the collateral securities to be pledged by financial institutions through the State Treasurer's Office are pledged at market value and must be at 110% of value to collateralize the amount of the deposit, less any federal insurance coverage. All deposits held with the State Treasurer are fully insured or collateralized with securities held by an agent of the state in the state's name.

**Custodial credit risk – investments:** For an investment, custodial credit risk is the risk that the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, not registered in the name of the Authority, or held by the counterparty or its trust department but not in the Authority's name. At June 30, 2022, the Authority does not have any securities that are not registered in the name of the Authority.



**Oklahoma Capitol Improvement Authority**  
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**Note 2. Deposits and Investments (Continued)**

**Concentration of credit risk:** Cash equivalents held by the State Treasurer are deposited to *OK INVEST*, an internal investment pool of the State Treasurer. In accordance with state statutes, the State Treasurer's investment policy allows for investments in the following categories:

United States Treasury Bills, Notes and Bonds	Collateralized or insured certificates of deposit
United States Government Agency Securities	Negotiable certificates of deposit
Prime Bankers' Acceptances	Prime Commercial Paper
Investment grade obligations of state and local governments	Repurchase agreements
Short-term bond funds	Money market funds
	Foreign bonds

The State Treasurer's investment policy attempts to reduce portfolio risk through diversification by security, institution and maturity. With the exception of U.S. Treasury Notes, no more than 50% of the state's total funds available for investment will be invested in a single security or with a single financial institution. In addition, the State Treasurer's investments will not have an average maturity of greater than 4 years unless specifically otherwise designated by the State Treasurer. The State Treasurer seeks to hold investments with a rating of A or higher as rated by Moody's.

All of the investments held with Bond Trustees are U.S. Treasury Notes.

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Deposits with the State Treasurer that are invested in *OK INVEST* follow the State Treasurer's investment policy, which seeks to keep the average maturity for the entire portfolio to less than four years. The Authority does not have a formal policy that limits investment maturities for investments placed with bond trustees.

**Credit risk:** Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Authority's investments with the bond trustees are in U.S. Treasury Securities and U.S. government securities-based money market funds, which both have Moody's Rating of Aaa.

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**Notes to Basic Financial Statements**  
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**Note 2. Deposits and Investments (Continued)**

**Fair value measurement:** The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

**Level 1:** Quoted prices in active markets for identical assets or liabilities

**Level 2:** Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and other market corroborated inputs

**Level 3:** Significant unobservable inputs

**Note 3. Leases Receivable**

The Authority holds long-term leases receivable directly related to the bond issue from the institution or agency occupying the facility. The leases receivable are restricted for repayment of the bond indentures, and expected maturities at June 30, 2023, are as follows:

Fiscal Year	Amount
2023	\$ 56,925,189
2024	123,260,000
2025	129,096,250
2026	127,555,000
2027	84,860,000
2028-2032	375,377,500
2033-2037	255,667,500
2038-2042	183,122,500
2043 and thereafter	214,280,346
	<u>\$ 1,550,144,285</u>

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**Notes to Basic Financial Statements**  
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**Note 4. Revenue Bonds Payable**

The Authority's bond issues listed on the following pages were outstanding during the years ended June 30, 2022 and 2021. The bonds are special, limited obligations of the Authority, payable solely out of the revenue receipts and lease receivables pledged under the indentures. The bonds do not constitute a general obligation or indebtedness of the Authority, nor do they constitute a debt or obligation of the State of Oklahoma, or any political subdivision, agency, or instrumentality thereof, and shall not constitute a lien on or pledge of any property of the Authority except as provided in the indentures. The Authority has no taxing powers.

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

	Maturity	Interest Rate at 6/30/2021	Principal Balance 6/30/2021	2022 Issuance	2022 Retirement	Principal Balance 6/30/2022	Due within One Year
2009B - Department of Transportation	Jul-24	5.04%	5.34%	\$ 47,385,000	\$ 11,260,000	\$ 36,125,000	\$ 11,640,000
2010 - Regents for Higher Education	Jul-30	1.77%	5.61%	86,630,000	6,810,000	79,820,000	7,160,000
2012 - Department of Transportation	Oct-25	2.00%	2.54%	4,675,000	4,675,000	-	-
2013A - State Facilities Refunding Bonds	Jul-24	2.00%	4.00%	6,645,000	2,040,000	4,605,000	2,105,000
2014A - State Facilities Refunding Bonds	Jul-30	2.00%	5.00%	191,290,000	3,030,000	188,260,000	18,470,000
2014B - State Facilities Refunding Bonds	Jul-24	2.00%	5.00%	897,060	207,059	690,000	220,000
2014C - Higher Education Refinancing B	Jul-34	2.00%	5.00%	67,340,000	3,595,000	63,745,000	3,770,000
2015A - State Capitol Repair Bonds	Jan-25	2.00%	5.00%	15,085,000	3,530,000	11,555,000	3,680,000
2015B - State Capitol Repair Bonds	Jul-26	3.00%	5.00%	25,615,000	3,800,000	21,815,000	3,965,000
2016 - Department of Transportation	Jul-34	2.00%	5.00%	154,835,000	8,005,000	146,830,000	8,335,000
2017A - Refinance Bond Series 200AB	Jul-29	2.00%	4.00%	15,540,000	2,370,000	13,170,000	2,440,000
2017B - OMES-State Capitol Repair	Jan-26	2.00%	5.00%	45,135,000	7,500,000	37,635,000	7,795,000
2017C - Oklahoma Museum of Popular C	Jul-50	2.00%	5.00%	26,715,000	510,000	26,205,000	520,000
2018B - Native American Cultural Cente	Jul-48	3.71%	4.35%	25,205,000	-	25,205,000	-
2018C - State Capitol Repair Bonds	Jan-39	3.00%	5.00%	61,515,000	2,280,000	59,235,000	2,345,000
2018D - Department of Corrections	Jul-38	2.00%	5.00%	109,180,000	3,955,000	105,225,000	4,150,000
2019A - Oklahoma Conservation Commi	Jul-34	2.00%	5.00%	11,955,000	1,985,000	9,970,000	2,090,000
2019B - Office of Juvenile Affairs	Jul-45	3.00%	5.00%	41,135,000	890,000	40,245,000	925,000
2019C - State Capitol Repair Bond	Jan-40	2.00%	5.00%	58,050,000	1,910,000	56,140,000	2,005,000
2020A - Department of Transportation	Jul-25	5.00%	5.00%	82,360,000	12,660,000	69,700,000	14,295,000
2020B - Department of Transportation	Jul-50	2.63%	5.00%	169,465,000	2,645,000	166,820,000	2,780,000
2020C - Department of Transportation	Jul-25	0.55%	1.10%	22,135,000	530,000	21,605,000	5,335,000
2020D - Department of Transportation	Jul-40	3.00%	4.00%	13,630,000	240,000	13,390,000	485,000
2020E - Department of Transportation	Jul-40	0.41%	3.08%	48,835,000	1,095,000	47,740,000	2,170,000
2021A- Oklahoma State Regents for Higher Education			-	161,640,000	-	161,640,000	5,965,000
2022A- Oklahoma Conservation Commission Project			-	17,650,000	-	17,650,000	-
2022B- National Guard Museum Project			-	47,085,000	-	47,085,000	-
2022C- Oklahoma Department of Veterans Affairs Project			-	36,985,000	-	36,985,000	-
2021 TIF- Department of Transportation			-	41,547,440	-	41,547,440	-
				\$ 1,331,252,060	\$ 304,907,440	\$ 85,522,059	\$ 1,550,637,440
							\$ 112,645,000

**Oklahoma Capitol Improvement Authority**  
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**Note 4. Revenue Bonds Payable (Continued)**

The following is a summary of bonds payable transactions for the year ended June 30, 2020:

	Maturity	Interest Rate at 6/30/2020		Principal Balance 6/30/2020	2021 Issuance	2021 Retirement	Principal Balance 6/30/2021	Due within One Year
2009B - Department of Transportation	Jul-24	5.04%	5.34%	\$ 58,280,000		\$ 10,895,000	\$ 47,385,000	\$ 11,260,000
2010 - Regents for Higher Education	Jul-30	1.77%	5.61%	93,130,000		6,500,000	86,630,000	6,810,000
2010A - Department of Transportation	Jul-20	2.00%	5.00%	14,285,000		14,285,000	-	-
2012 - Department of Transportation	Oct-25	2.00%	2.54%	30,300,000		25,625,000	4,675,000	4,675,000
2013A - State Facilities Refunding Bonds	Jul-24	2.00%	4.00%	9,030,000		2,385,000	6,645,000	2,040,000
2014A - State Facilities Refunding Bonds	Jul-30	2.00%	5.00%	194,755,000		3,465,000	191,290,000	3,030,000
2014B - State Facilities Refunding Bonds	Jul-24	2.00%	5.00%	1,099,108		202,048	897,060	207,060
2014C - Higher Education Refinancing B	Jul-34	2.00%	5.00%	70,765,000		3,425,000	67,340,000	3,595,000
2015A - State Capitol Repair Bonds	Jan-25	2.00%	5.00%	18,510,000		3,425,000	15,085,000	3,530,000
2015B - State Capitol Repair Bonds	Jul-26	3.00%	5.00%	29,265,000		3,650,000	25,615,000	3,800,000
2016 - Department of Transportation	Jul-34	2.00%	5.00%	162,570,000		7,735,000	154,835,000	8,005,000
2017A - Refinance Bond Series 200AB	Jul-29	2.00%	4.00%	17,840,000		2,300,000	15,540,000	2,370,000
2017B - OMES-State Capitol Repair	Jan-26	2.00%	5.00%	52,380,000		7,245,000	45,135,000	7,500,000
2017C - Oklahoma Museum of Popular C	Jul-50	2.00%	5.00%	27,215,000		500,000	26,715,000	510,000
2018A - Oklahoma Tourism and Recreat	Jul-48	3.00%	4.00%	8,850,000		8,850,000	-	-
2018B - Native American Cultural Cente	Jul-48	3.71%	4.35%	25,205,000		-	25,205,000	-
2018C - State Capitol Repair Bonds	Jan-39	3.00%	5.00%	63,685,000		2,170,000	61,515,000	2,280,000
2018D - Department of Corrections	Jul-38	2.00%	5.00%	113,035,000		3,855,000	109,180,000	3,955,000
2019A - Oklahoma Conservation Commi	Jul-34	2.00%	5.00%	13,765,000		1,810,000	11,955,000	1,985,000
2019B - Office of Juvenile Affairs	Jul-45	3.00%	5.00%	41,995,000		860,000	41,135,000	890,000
2019C - State Capitol Repair Bond	Jan-40	2.00%	5.00%	59,895,000		1,845,000	58,050,000	1,910,000
2020A - Department of Transportation	Jul-25	5.00%	5.00%	82,360,000		-	82,360,000	12,660,000
2020B - Department of Transportation	Jul-50	2.63%	5.00%	-	169,465,000	-	169,465,000	2,645,000
2020C - Department of Transportation	Jul-25	0.55%	1.10%	-	22,135,000	-	22,135,000	530,000
2020D - Department of Transportation	Jul-40	3.00%	4.00%	-	13,630,000	-	13,630,000	240,000
2020E - Department of Transportation	Jul-40	0.41%	3.08%	-	48,835,000	-	48,835,000	1,095,000
				\$ 1,188,214,108	\$ 254,065,000	\$ 111,027,048	\$ 1,331,252,060	\$ 85,522,060

Debt service requirements for fiscal years 2023 through 2027 and in five-year increments thereafter to maturity for bonds payable as of June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 112,645,000	60,496,430	173,141,430
2024	117,871,152	57,077,100	174,948,252
2025	125,635,173	52,252,754	177,887,927
2026	122,486,944	46,885,189	169,372,133
2027	79,934,136	42,192,792	122,126,928
2028-2032	384,118,729	158,501,262	542,619,991
2033-2037	265,060,482	90,388,833	355,449,315
2038-2042	187,932,725	46,854,608	234,787,333
2043 and thereafter	154,953,099	24,119,843	179,072,942
	\$ 1,550,637,440	\$ 578,768,811	\$ 2,129,406,251

**Oklahoma Capitol Improvement Authority**  
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**Notes to Basic Financial Statements**  
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**Note 5. Bond Defeasance**

On October 1, 2021, OCIA placed \$26.145 million of the proceeds from the sale of the State Highways Capital Improvement Revenue Refunding Bonds 2020C, in an irrevocable escrow account to officially refund all the outstanding principal and interest of the Oklahoma Highway Capital Improvement Revenue Bonds Series 2012. This achieved a cash flow savings of approximately \$2.901 million and an economic gain of approximately \$2.785 million.

**Note 6. Reclassification and Comparative Figures**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of net position.

**Note 7. Subsequent Events**

The Authority has evaluated the effects of all subsequent events from June 30, 2022, through April 5, 2023, the date the financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees  
Oklahoma Capitol Improvement 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, the financial statements of the Oklahoma Capitol Improvement Authority, a component unit of the State of Oklahoma (the Authority), as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 5, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

**Report on Compliance and Other Matters**

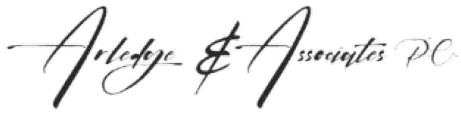
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**The Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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.



Edmond, Oklahoma  
April 5, 2023



**Oklahoma Capitol Improvement Authority  
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**Notes to Basic Financial Statements  
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**SUMMARY SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**

**Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:**

**A. Internal Control**

**Finding 2022-001 – Financial Statement Close Process**

**Criteria:** The Authority should have a financial reporting close process in place to accurately and timely provide fiscal year activity and balances to its users of the financial statements.

**Condition:** Sufficient detail was not included in the accounting system for accurately and timely reporting lease receivables. Detailed schedules for the amounts other governmental agencies owe the Authority as of year-end were not reflective of actual amounts due on construction funds that individual agencies previously had drawn down.

**Cause and Effect:** Management's detailed supporting schedules of individual lease receivables due from other agencies were recorded as the par value of the related issued debt. As a result, premiums, discounts, and various issuance costs were not taken into consideration as to the actual cash available for construction. Due to the incorrect schedules, the Authority did not timely produce accurate detail supporting its accounts receivable balances. The Authority should maintain sufficient balance sheet reconciliations to close out the financials at year end and timely report on its current year activity to its users of the financial statements.

**Recommendation:** We recommend management establish a process to agree each individual lease receivable due to the Authority and monitor this schedule throughout the fiscal year in order to eliminate the risk of inaccurate reporting and delayed financial statement issuance. Additionally, we recommend that debt agreements be prepared to clearly outline principle, interest, and administrative fees that will be paid monthly by each agency receiving funds.

**Management Response:** Management agrees with the auditor's finding. To remediate this finding, OCIA will clarify all lease receivable definitions, with guidance from the auditor, and adjust current reporting practices to reflect actual amounts due on construction funds that individual agencies previously had drawn down. OCIA will also use existing reports to identify balances in construction funds, so that calculations can be made to record the actual amounts due by agencies.

Additionally, as part of the annual audit, OCIA staff will provide copies of the monthly debt agreement for each agency, required pursuant to all Bond Resolutions.

**B. Compliance Findings**

*There are no findings requiring reporting under this section.*



**Oklahoma Capitol Improvement Authority**  
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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**Section II – Findings Required to be Reported in Accordance with *Government Auditing Standards*:**

**A. Internal Control**

*None noted in prior year audit.*

**B. Compliance Findings**

*None noted in prior year audit.*