



Oklahoma City Municipal Facilities Authority

A blended component unit of The City of Oklahoma City, Oklahoma

Annual Financial Report | for the Fiscal Years ended June 30, 2023 and 2022

THE OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

A Blended Component Unit of
Oklahoma City, Oklahoma

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Craig Freeman, General Manager

Annual Financial Report
for the Fiscal Years Ended June 30, 2023 and 2022

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Alex Fedak, CPA, Controller

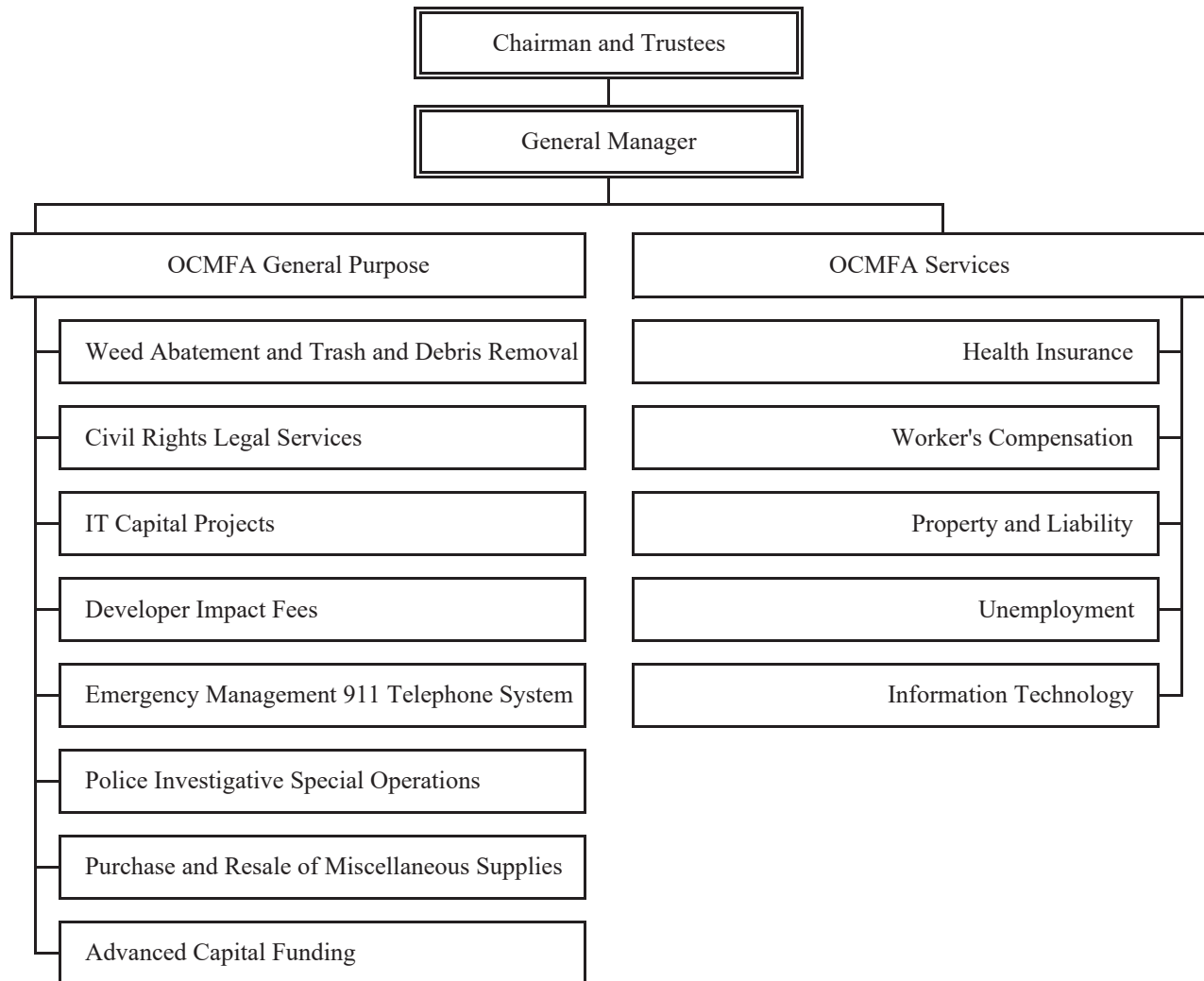
OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

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Oklahoma City Municipal Facilities Authority Organization Chart



Introductory Section



The City of
OKLAHOMA CITY

December 5, 2023

The Board of Trustees
Oklahoma City Municipal Facilities Authority

The Oklahoma City Municipal Facilities Authority (Authority) annual financial report (annual report) provides a comprehensive overview of the Authority's financial position and the results of operations during the past fiscal years. It complies with reporting requirements specified by Oklahoma State Statutes. The Oklahoma City Finance Department, Accounting Services Division, prepared this report in compliance with accounting principles generally accepted in the United States of America (U.S. GAAP). It is fairly stated in all material respects. Responsibility for the accuracy of the reported information and the completeness and fairness of the presentation, including disclosures, rests with the Authority.

The Authority's annual report includes the reports of independent auditors, management's discussion and analysis (MD&A), Authority-wide, fund and combining financial statements and related notes. Management's narrative on the financial activities of the Authority for the fiscal years ended 2023 and 2022, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Authority's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Authority. The Authority is a blended component unit of the City of Oklahoma City (City) and, as such, is included within the funds of the City's Annual Comprehensive Financial Report (ACFR).

The Authority was created by the City Council on November 17, 1976, to acquire, maintain, construct or equip industrial and cultural facilities. The General Purpose Fund was formed to prefund services to citizens such as weed abatement and drainage improvements and serves as the general fund of the Authority. The OCMFA Services Fund was created to administer long-term contracts for insurance and capital-related information technology projects for the City.

Dr. Russell Evans, Partner and Chief Economist at the Thorberg Collectorate, provides an annual economic outlook to City leaders in February. Dr. Evans' expectation for 2023 was at best a slow economic growth, with a real possibility of a mild recession surfacing at some point. Although the labor market and consumer spending remained strong during the first half of the fiscal year, both were beginning to show signs of weakness as unemployment gradually rose and household net worth and savings fell. While inflation had begun to moderate, household spending was considered unlikely to keep pace and the record high revenue growth the City experienced in recent years from high sales and use tax collections were expected to significantly diminish in fiscal year 2023. Per-capita personal income in Oklahoma City was expected to increase 1.9% in 2023, due to current labor market strength. The forecast for nonfarm and private employment in Oklahoma City was for 0.8% growth in the number of people employed. Dr. Evans' forecast predicted sales tax growth of between 5.9% and 7.1% for fiscal year 2023, as the record-high growth witnessed in recent years recedes with the likelihood of an economic downturn at some point during the period.

In September 2023, Dr. Evans provided a mid-year update which took into consideration slowing job growth and increasing consumer fragility nationwide. The fragility of the consumer is underscored by the decline of personal savings to below pre-pandemic levels and rising credit card balances which have been fueling recent consumption. Despite these worrying signs, Oklahoma City is on a solid economic footing as payroll employment and average weekly earnings have grown. Oklahoma City is expected to maintain positive fiscal performance through fiscal year 2024, with sales tax collections forecasted to grow 2.5% and use tax collections expected to grow 11.4% in the baseline scenario. Still, there remain considerable downside risks to the forecast with uncertainty over how determined federal fiscal policy will be in imposing an economic slowdown and the ability of fragile consumers to weather such a contraction.

Going forward, there are several factors that position Oklahoma City to successfully weather a period of economic slowdown. The cost of living and the cost of doing business remain highly competitive among large cities in the U.S. In addition, low commuting times, convenient airline travel, and excellent entertainment and sports opportunities make Oklahoma City a great place for businesses and residents. Oklahoma City received \$123 million from the American Rescue Plan Act (ARPA) and has allocated 6% to the public health response to the COVID-19 pandemic, 30% to tourism and combating the negative economic impacts of the pandemic, and 64% to capital investments in infrastructure and public amenities.


Oklahoma City is being recognized more and more as a great place to work, live and visit. As evidence, Oklahoma City ranked number one as the least expensive metro for rent for January 2023 in the Realtor.com report using rental sources that reliably report data each month within the top 50 largest metropolitan areas. In its most recent analysis, Bankrate ranked Oklahoma City number four for the best city to live in in 2022 by examining the 100 largest metropolitan areas applying several factors including affordability, overall well-being, diversity, job market and migration patterns. Oklahoma City ranked number eight in WalletHub's '2022's Best & Worst-Run Cities in America' comparing 150 of the United States' largest cities judged on their quality of services in contrast to their per-capita budget. Oklahoma City also earned a AAA rating from Moody's and S&P for the 13th year in a row, which is the highest rating awarded by each agency.

Services and activities of the Authority, provided on behalf of the City, include financing, certain operating and capital expenditures for administration of the City's risk management, information technology, capital leasing, and other general government activities. The City's Mayor and Council serve as the Authority's trustees and the City Manager is General Manager.

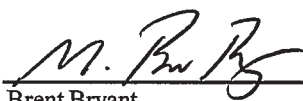
The Authority participates in the City's comprehensive accounting and budgetary system. Additionally, the Authority's management maintains budgetary controls to ensure effective financial oversight.

By City Council resolution, public trusts of which the City is the beneficiary are encouraged to use the independent auditors competitively selected by the City. In compliance with that resolution, the Authority engaged AGH, L.C. to conduct its annual audit. The Authority acknowledges the professional and competent services of its independent auditors.


Respectfully submitted:



Craig Freeman
The City of Oklahoma City
General Manager



Brent Bryant
The City of Oklahoma City
Chief Financial Officer



Alex Fedak, CPA
The City of Oklahoma City
Controller

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma City Municipal Facilities Authority
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Oklahoma City Municipal Facilities Authority (Authority), a blended component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Authority as of June 30, 2023 and 2022, and the respective changes in its financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 (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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note IV.A. to the financial statements, the Authority adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 GAAS, 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 audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 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.

Allen, Gibbs & Houlik, L.C
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
December 5, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Municipal Facilities Authority (Authority) annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the fiscal years ended 2023 and 2022. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a blended component unit of the City of Oklahoma City (City).

Financial Summary

The Authority implemented GASB Statement No. 96, SBITAs, which resulted in a restatement to fiscal year 2022 balances. See note IV. A. for more detail.

- Authority assets exceeded liabilities by \$49,565,471 (net position) at June 30, 2023. This compares to the previous year when assets exceeded liabilities by \$45,849,012.
- Total assets for the Authority increased by \$5,756,126 (5.2%) to \$116,589,148 during the fiscal year.
- Total liabilities for the Authority increased by \$2,045,066 (3.1%) to \$66,989,664 during the fiscal year.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$11,616,848 and \$8,636,106 for 2023 and 2022, respectively, includes property and equipment, net of accumulated depreciation and related debt.
 - (2) Restricted net position for capital projects of \$2,209,262 and \$2,091,433 for 2023 and 2022, respectively, is constrained for capital projects.
 - (3) Restricted net position for debt service of \$0 and \$329,938 for 2023 and 2022, respectively, is constrained for debt service projects.
 - (4) Unrestricted net position is \$35,739,361 for 2023 and \$34,791,535 for 2022.
- The Authority's governmental fund reported total ending fund balance of \$19,981,251 this year. This compares to the prior year ending fund balance of \$19,850,213, showing an increase of \$131,038 during the current year.

Overview of the Financial Statements

This discussion and analysis introduces the Authority's basic financial statements. The basic financial statements include: (1) Authority-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Authority also includes in this report additional information to supplement the basic financial statements.

Authority-wide Financial Statements

The Authority's annual report includes two Authority-wide financial statements. These statements provide both long-term and short-term information about the overall status of the Authority. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these Authority-wide statements is the statement of net position. This statement presents all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Authority, as a whole, is improving or deteriorating, identify financial strengths and weaknesses, and be used to assess liquidity.

The second Authority-wide statement is the statement of activities which reports how the Authority's net position changed during the current fiscal year and can be used to assess the Authority's operating results in its entirety and analyze how the Authority's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid.

Both Authority-wide financial statements distinguish governmental activities from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities column includes functions supporting general government, public safety, public services, and culture and recreation activities reported in the Authority's governmental fund. Business-type activities include risk management and information technology services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. All Authority funds are reported as major funds.

Governmental Fund

The governmental fund serves as the general fund of the Authority and is reported in the fund financial statements and reports general government, public safety, public services, and culture and recreation functions as reported in the Authority-wide financial statements. The fund statements provide short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements and the commitment of spendable resources for the near-term.

Since the Authority-wide statements' focus includes the long-term view, comparisons between the two perspectives may provide useful insights. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between the two perspectives.

Proprietary Fund

The proprietary fund is reported in the fund financial statements and generally reports services for which the Authority charges customers a fee. The Authority reports this as an enterprise fund. The enterprise fund essentially encompasses the same functions reported as business-type activities in the Authority-wide statements.

The proprietary fund statement provides both long-term and short-term financial information consistent with the focus provided by the Authority-wide financial statements. Supplementary information which comprises the OCMFA Services Fund is found in the combining statements in a later section of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to gain a full understanding of the Authority-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis

Governmental activities include prefunding projects, including those funded by the City's general obligation bond issuances. The City's weed abatement and public nuisance ordinance enforcement programs are also reported in governmental activities. These activities are subsidized or reimbursed by the City.

Business-type activities are comprised of employee benefit and insurance program services provided to the employees of the City and related public trusts and information technology support services involving long-term City contracts and licenses.

The Authority's net position at June 30, 2023 is \$49,565,471. This is an increase of \$3,716,459 from the June 30, 2022 net position of \$45,849,012. Overall the Authority's financial position improved during fiscal year 2023.

Summary of Net Position

	Governmental		Business-type		Total		2023 - 2022	Governmental		Business-type		2022 - 2021
	Activities		Activities					Activities	Activities	Total	% Change	
	2023	2022	2023	2022	2023	2022	% Change	2021	2021	Total	% Change	
Assets												
Current assets	\$30,960,151	\$28,198,189	\$61,564,883	\$60,277,053	\$92,525,034	\$88,475,242	4.6%	\$27,761,157	\$53,102,597	\$80,863,754	9.4%	
Capital assets, net	13,144,432	9,865,901	6,121,679	7,699,646	19,266,111	17,565,547	9.7	8,078,007	9,077,363	17,155,370	2.4	
Other non-current assets	<u>832,463</u>	<u>1,882,706</u>	<u>3,965,540</u>	<u>2,909,527</u>	<u>4,798,003</u>	<u>4,792,233</u>	0.1	<u>702,244</u>	<u>7,529,094</u>	<u>8,231,338</u>	(41.8)	
Total assets	<u>44,937,046</u>	<u>39,946,796</u>	<u>71,652,102</u>	<u>70,886,226</u>	<u>116,589,148</u>	<u>110,833,022</u>	5.2	<u>36,541,408</u>	<u>69,709,054</u>	<u>106,250,462</u>	4.3	
Liabilities												
Current liabilities	9,869,291	7,366,726	25,915,773	24,657,157	35,785,064	32,023,883	11.7	7,742,728	20,037,556	27,780,284	15.3	
Non-current liabilities	<u>210,304</u>	<u>1,852,625</u>	<u>30,994,296</u>	<u>31,068,090</u>	<u>31,204,600</u>	<u>32,920,715</u>	(5.2)	<u>-</u>	<u>34,593,006</u>	<u>34,593,006</u>	(4.8)	
Total liabilities	<u>10,079,595</u>	<u>9,219,351</u>	<u>56,910,069</u>	<u>55,725,247</u>	<u>66,989,664</u>	<u>64,944,598</u>	3.1	<u>7,742,728</u>	<u>54,630,562</u>	<u>62,373,290</u>	4.1	
Deferred inflows	<u>34,013</u>	<u>39,412</u>	<u>-</u>	<u>-</u>	<u>34,013</u>	<u>39,412</u>	(13.7)	<u>44,806</u>	<u>-</u>	<u>44,806</u>	(12.0)	
Net position												
Net investment in												
capital assets	12,313,444	8,496,458	(696,596)	139,648	11,616,848	8,636,106	34.5	8,078,007	1,352,011	9,430,018	(8.4)	
Restricted for:												
Capital projects	2,209,262	2,091,433	-	-	2,209,262	2,091,433	5.6	2,028,394	-	2,028,394	3.1	
Debt Service	-	-	-	329,938	-	329,938	(100.0)	-	-	-	100.0	
Unrestricted	<u>20,300,732</u>	<u>20,100,142</u>	<u>15,438,629</u>	<u>14,691,393</u>	<u>35,739,361</u>	<u>34,791,535</u>	2.7	<u>18,647,473</u>	<u>13,726,481</u>	<u>32,373,954</u>	7.5	
Total net position	<u>\$34,823,438</u>	<u>\$30,688,033</u>	<u>\$14,742,033</u>	<u>\$15,160,979</u>	<u>\$49,565,471</u>	<u>\$45,849,012</u>	8.1	<u>\$28,753,874</u>	<u>\$15,078,492</u>	<u>\$43,832,366</u>	4.6	

Governmental activities current assets increased by \$2.76 million in 2023 and increased by \$437 thousand in 2022. Cash and investments for governmental activities decreased by \$1.63 million for 2023 and increased by \$1.97 million for 2022. Governmental activities accounts receivable increased by \$341 thousand and \$559 thousand in 2023 and 2022, respectively, primarily related to collections for nuisance abatement fees receivables in both years. Governmental activities receivable from the City increased by \$4.24 million and decreased by \$2.84 million in 2023 and 2022, respectively, primarily due to changes in the City General Obligation Bond Fund budgeted payments. Prepaid assets for governmental activities, mainly relating to software licensing and support, decreased by \$208 thousand in 2023 and increased by \$762 thousand in 2022.

Business-type activities current assets increased by \$1.29 million and \$7.17 million in 2023 and 2022, respectively. Cash and investments for business-type activities increased by \$2.62 million and \$3.05 million in 2023 and 2022, respectively. Business-type activities receivable from the City decreased by \$2.44 million in 2023 and increased by \$3.02 million in 2022, respectively. Business-type activities intergovernmental receivables increased by \$761 thousand in 2023 and decreased by \$63 thousand in 2022, due to rebates for Multiple Injury Trust Fund (MITF) premiums. Business-type notes receivable increased by \$9 thousand in 2023 and did not change in 2022, due to Civic Center loan payments. Prepaid assets for business-type activities, primarily related to property insurance premiums and software licensing and support, increased by \$634 thousand and by \$915 thousand in 2023 and 2022, respectively.

Capital assets in governmental activities increased by \$3.28 million in 2023, primarily due to payments on the Oracle Fusion implementation of \$4.13 million, offset by normal depreciation of \$849 thousand. Capital assets in governmental activities increased by \$1.79 million in 2022, primarily due to payments on the Oracle Fusion implementation of \$981 thousand and SBITA increases of \$1.79 million, offset by normal depreciation of \$982 thousand. Capital assets in business-type activities decreased by \$1.58 million in 2023, primarily due to normal depreciation. Capital assets in business-type activities decreased by \$1.38 million in 2022, primarily due to payments on the radio system of \$229 thousand, offset by normal depreciation of \$1.61 million

Other non-current assets for governmental activities decreased by \$1.05 million in 2023 and increased by \$1.18 million in 2022, respectively. Receivable from the City decreased by \$1.02 million in 2023 and increased by \$1.25 million in 2022, related to prefunding project costs. Non-current prepaid expenses decreased by \$23 thousand in 2023 and \$68 thousand in 2022, respectively, primarily due to normal renewal and amortization of long-term, prepaid software licenses and support.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
2023 and 2022**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

Other non-current assets for business-type activities increased by \$1.06 million in 2023 and decreased by \$4.62 million in 2022. Receivable from the City increased by \$1.40 million in 2023, due to changes in cost reimbursement advances. Receivable from the City decreased by \$4.37 million in 2022, due to changes in cost reimbursement advances. Notes receivable decreased by \$349 thousand in 2023 and \$250 thousand in 2022, respectively.

Current liabilities for governmental activities increased by \$2.50 million in 2023 and decreased by \$376 thousand in 2022. Accounts payable and accrued expenses increased by \$1.23 million and \$42 thousand in 2023 and 2022, respectively. Amounts due to other City funds related to changes in unfunded liabilities for cost reimbursement advances increased by \$1.19 million in 2023 and decreased by \$962 thousand in 2022. Notes, leases and subscriptions payable increased by \$82 thousand and \$538 thousand in 2023 and 2022, respectively.

Current liabilities for business-type activities increased by \$1.26 million in 2023 and increased by \$4.62 million in 2022. Accounts payable and accrued expenses increased by \$337 thousand in 2023 and decreased by \$623 thousand in 2022, primarily related to the timing of vendor payments. Payables to the City decreased by \$1.42 million in 2023 and increased by \$4.33 million in 2022, primarily related to changes in unfunded liabilities for cost reimbursement advances. Estimated claims payable increased by \$2.43 million and \$752 thousand in 2023 and 2022, respectively, primarily related to changes in actuarially determined insurable claims.

Non-current liabilities for governmental activities decreased by \$1.64 million in 2023 and increased by \$1.85 million in 2022, due to changes in payable to the City of Oklahoma City and notes, leases and subscriptions payable.

Non-current liabilities for business-type activities decreased by \$74 thousand in 2023, primarily due to a decrease in payable to the City of Oklahoma City of \$137 thousand and a decrease in payable to component unit of \$23 thousand. This was offset by an increase of \$86 thousand in estimated claims payable and notes, leases and subscriptions payable. Non-current liabilities for business-type activities decreased by \$3.52 million in 2022 primarily due to a decrease in estimated claims payable and notes, leases and subscriptions payable of \$3.37 million, a decrease of \$137 thousand in payable to the City of Oklahoma City, and a decrease of \$23 thousand in payable to component units.

Summary of Changes in Net Position

	Governmental		Business-type		Total		2023 - 2022 % Change	Governmental	Business-type	2022 - 2021 % Change	
	Activities		Activities					Activities	Activities		
	2023	2022	2023	2022	2023	2022		2021	2021	Total	% Change
Revenues											
Charges for services	\$2,011,240	\$2,586,977	\$60,935,696	\$60,428,763	\$62,946,936	\$63,015,740	(0.1%)	\$2,016,334	\$61,817,883	\$63,834,217	(1.3%)
Operating grants and contributions	4,526,723	4,641,103	2,390,189	689,637	6,916,912	5,330,740	29.8	2,375,133	672,820	3,047,953	74.9
General revenues	<u>1,002,434</u>	<u>346,366</u>	<u>400,187</u>	<u>(293,122)</u>	<u>1,402,621</u>	<u>53,244</u>	2534.3	<u>382,812</u>	<u>18,239</u>	<u>401,051</u>	(86.7)
Total revenues	<u>7,540,397</u>	<u>7,574,446</u>	<u>63,726,072</u>	<u>60,825,278</u>	<u>71,266,469</u>	<u>68,399,724</u>	4.2	<u>4,774,279</u>	<u>62,508,942</u>	<u>67,283,221</u>	1.7
Program expenses											
General government	1,192,015	3,008,398	-	-	1,192,015	3,008,398	(60.4)	2,213,936	-	2,213,936	35.9
Public safety	66,091	66,091	-	-	66,091	66,091	0.0	66,091	-	66,091	0.0
Public services	2,068,701	2,450,133	-	-	2,068,701	2,450,133	(15.6)	2,588,323	-	2,588,323	(5.3)
Culture and recreation	74,677	110,393	-	-	74,677	110,393	(32.4)	119,782	-	119,782	(7.8)
Interest	3,508	5,272	-	-	3,508	5,272	(33.5)	-	-	-	100.0
Risk management	-	-	62,601,856	59,232,870	62,601,856	59,232,870	5.7	-	59,257,610	59,257,610	0.0
Information technology	-	-	<u>1,543,162</u>	<u>1,509,921</u>	<u>1,543,162</u>	<u>1,509,921</u>	2.2	-	<u>1,291,675</u>	<u>1,291,675</u>	16.9
Total expenses	<u>3,404,992</u>	<u>5,640,287</u>	<u>64,145,018</u>	<u>60,742,791</u>	<u>67,550,010</u>	<u>66,383,078</u>	1.8	<u>4,988,132</u>	<u>60,549,285</u>	<u>65,537,417</u>	1.3
Changes in net position	4,135,405	1,934,159	(418,946)	82,487	3,716,459	2,016,646	84.3	(213,853)	1,959,657	1,745,804	15.5
Beginning net position	<u>30,688,033</u>	<u>28,753,874</u>	<u>15,160,979</u>	<u>15,078,492</u>	<u>45,849,012</u>	<u>43,832,366</u>	4.6	<u>28,967,727</u>	<u>13,118,835</u>	<u>42,086,562</u>	4.1
Ending net position	<u>\$34,823,438</u>	<u>\$30,688,033</u>	<u>\$14,742,033</u>	<u>\$15,160,979</u>	<u>\$49,565,471</u>	<u>\$45,849,012</u>	8.1	<u>\$28,753,874</u>	<u>\$15,078,492</u>	<u>\$43,832,366</u>	4.6

Governmental activities charges for services decreased by \$576 thousand in 2023 and increased by \$571 thousand in 2022, primarily due to nuisance abatement fines for weed abatement and debris removal. Operating grants and contributions decreased by \$114 thousand and increased by \$2.27 million in 2023 and 2022, respectively, primarily due to funding for capital improvements and the Oracle Fusion implementation. Governmental general revenues increased by \$656 thousand in 2023 and decreased by \$36 thousand in 2022, primarily due to changes in oil and gas royalties and investment income.

Business-type activities charges for services increased by \$507 thousand and decreased by \$1.39 million for 2023 and 2022, respectively, related to increases in Risk Management premium revenues for life, dental, and health insurance. Operating grants and contributions increased by \$1.70 million in 2023, related to funding for capital improvements and software licenses. Operating grants and contributions increased by \$17 thousand in 2022, related to funding for property claims and insurance deductibles.

Governmental activities program expenses decreased by \$2.24 million and increased by \$652 thousand for 2023 and 2022, respectively. General government expenses decreased by \$1.82 million and increased by \$794 thousand in 2023 and 2022, respectively, due to cost reimbursement advances. Public safety expenses remained stable in 2023 and 2022. Public services expenses decreased by \$381 thousand and by \$138 thousand in 2023 and 2022, respectively, primarily related to a decrease in mowing contracts.

Business-type activities program expenses for Risk Management increased by \$3.37 million in 2023 and decreased by \$25 thousand in 2022, primarily related to changes in life, dental, and health insurance premiums. Program expenses for Information Technology increased by \$33 thousand and by \$218 thousand in 2023 and 2022, respectively, due to increases in depreciation expense.

Governmental Fund

As discussed, the Authority governmental fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Authority governmental fund reported an ending fund balance of \$19,981,251 for 2023, of which \$934,802 is unassigned. This compares to \$19,850,213 for 2022, of which \$1,556,440 is unassigned.

The total ending fund balance of the governmental fund for 2023 reflects an increase of \$131,038 from the ending balance for 2022. This increase is primarily the result of the events and programs described within the analysis of the Authority's governmental activities.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, is \$19,266,111 and \$17,565,547 for 2023 and 2022, respectively.

Capital Assets, Net of Accumulated Depreciation

	Governmental		Business-type		Total			Governmental	Business-type	2022 - 2021	
	Activities		Activities		Total		Total	Activities	Activities	Total	% Change
	2023	2022	2023	2022	2023	2022	% Change	2021	2021	Total	% Change
Non-Depreciable Assets											
Land	\$5,426,913	\$5,426,913	\$ -	\$ -	\$5,426,913	\$5,426,913	0.0	\$5,426,913	\$ -	\$5,426,913	0.0
Construction in progress	5,108,786	981,027	-	-	5,108,786	981,027	420.8	-	-	-	100.0
Total non-depreciable assets	<u>10,535,699</u>	<u>6,407,940</u>	<u>-</u>	<u>-</u>	<u>10,535,699</u>	<u>6,407,940</u>	64.4	<u>5,426,913</u>	<u>-</u>	<u>5,426,913</u>	18.1
Depreciable Assets											
Improvements other than buildings	974,250	1,196,380	-	-	974,250	1,196,380	(18.6)	1,481,002	-	1,481,002	(19.2)
Buildings	758,986	847,353	26,911	29,454	785,897	876,807	(10.4)	935,720	31,998	967,718	(9.4)
Right to use buildings	-	-	52,208	87,014	52,208	87,014	(40.0)	-	121,820	121,820	(28.6)
Subscriptions	749,195	1,282,603	-	-	749,195	1,282,603	(41.6)	-	-	-	100.0
Furniture, machinery, and equipment	126,302	131,625	6,042,560	7,583,178	6,168,862	7,714,803	(20.0)	234,372	8,923,545	9,157,917	(15.8)
Total depreciable assets	<u>2,608,733</u>	<u>3,457,961</u>	<u>6,121,679</u>	<u>7,699,646</u>	<u>8,730,412</u>	<u>11,157,607</u>	(21.8)	<u>2,651,094</u>	<u>9,077,363</u>	<u>11,728,457</u>	(4.9)
	<u>\$13,144,432</u>	<u>\$9,865,901</u>	<u>\$6,121,679</u>	<u>\$7,699,646</u>	<u>\$19,266,111</u>	<u>\$17,565,547</u>	9.7	<u>\$8,078,007</u>	<u>\$9,077,363</u>	<u>\$17,155,370</u>	2.4

The Authority's net capital assets for governmental activities as of June 30, 2023 and 2022 was \$13.14 million and \$9.87 million, respectively. The governmental activities increase of \$3.28 million in 2023 is primarily due to payments on the Oracle Fusion implementation of \$4.13 million offset by normal depreciation of \$849 thousand. The governmental activities increase of \$1.79 million in 2022 is primarily due to payments on the Oracle Fusion implementation of \$981 thousand and SBITA increases of \$1.79 million, offset by normal depreciation of \$982 thousand.

The Authority's net capital assets for business-type activities as of June 30, 2023 and 2022 was \$6.12 million and \$7.70 million, respectively. The business-type activities decrease of \$1.58 million in 2023 is due to normal depreciation. The business-type activities decrease of \$1.38 million in 2022 is primarily due to equipment purchases of \$229 thousand, offset by normal depreciation of \$1.61 million.

See Note II. D. for more information regarding capital assets.

Long-term Debt

Subscriptions Payable

The Authority's governmental activities reported subscriptions payable of \$830,988 and \$1,369,444 for the years ended June 30, 2023 and 2022. The decrease in the payable is due to normal principal payments. See Note III. E. for more information regarding subscriptions payable.

Notes Payable

On March 30, 2017, the Authority entered into a master lease/purchase agreement to finance the replacement of the existing emergency communications system serving the City in the amount of \$13,114,809. The note bears interest at 2.57% and matures on October 1, 2031. See Note III. B. 1. for more information regarding notes payable.

Outstanding Long-term Debt					
<u>Business-Type Activities</u>					
<u>2023 - 2022</u>			<u>2022 - 2021</u>		
	<u>2023</u>	<u>2022</u>	<u>% Change</u>	<u>2021</u>	<u>% Change</u>
Notes payable	\$6,578,968	\$7,263,226	(9.4%)	\$7,930,233	(8.4%)
Leases payable	<u>52,594</u>	<u>87,429</u>	(39.8%)	<u>122,084</u>	100.0%
	<u>\$6,631,562</u>	<u>\$7,350,655</u>	(9.8%)	<u>\$8,052,317</u>	(8.7%)

Outstanding long-term debt decreased by \$719 thousand and \$702 thousand for 2023 and 2022, respectively, due to scheduled debt and lease payments. See Note III. C. for more information regarding changes in long-term debt.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances, comply with finance-related laws and regulations, and demonstrate commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department, Accounting Services Division, at 100 North Walker, Suite 300, Oklahoma City, Oklahoma 73102.

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Basic Financial Statements

Authority-wide Financial Statements

Provide both long-term and short-term information about the Authority's overall status using full accrual accounting.

- * ***Governmental Activities*** – *Reports general government, public safety, public services, culture and recreation, and the general revenues of the Authority.*
- * ***Business-Type Activities*** – *Reports risk management and information technology activities.*

Fund Financial Statements

Focus on the Authority's most significant funds. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Governmental Fund Financial Statements

Encompass essentially the same functions reported as governmental activities in the Authority-wide financial statements using modified accrual accounting and report the annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Proprietary Fund Financial Statements

Provide both long-term and short-term information about the Authority's overall status using full accrual accounting.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

STATEMENTS OF NET POSITION
June 30,

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	2023			2022 (Restated)		
	Governmental		Business-type Total	Governmental		Business-type Total
	Activities	Activities		Activities	Activities	
ASSETS						
CURRENT ASSETS						
Pooled cash-----	\$263,225	\$375,357	\$638,582	\$136,327	\$106,937	\$243,264
Non-pooled cash-----	31,081	-	31,081	26,308	-	26,308
Investments-----	19,623,888	56,905,543	76,529,431	21,382,208	54,555,108	75,937,316
Accounts receivable, net-----	3,333,586	25,361	3,358,947	2,992,463	380,869	3,373,332
Leases receivable-----	5,183	-	5,183	4,983	-	4,983
Interest, dividends and royalties receivable--	75,639	245,284	320,923	59,041	181,162	240,203
Receivable from the City of Oklahoma City--	6,966,821	653,895	7,620,716	2,728,341	3,098,149	5,826,490
Intergovernmental receivables-----	-	761,069	761,069	-	-	-
Notes receivable-----	-	515,586	515,586	-	506,148	506,148
Prepays-----	660,728	2,082,788	2,743,516	868,518	1,448,680	2,317,198
Total current assets-----	30,960,151	61,564,883	92,525,034	28,198,189	60,277,053	88,475,242
NON-CURRENT ASSETS						
Notes receivable-----	-	1,253,379	1,253,379	-	1,602,042	1,602,042
Leases receivable-----	27,937	-	27,937	33,124	-	33,124
Receivable from the City of Oklahoma City--	795,629	2,712,161	3,507,790	1,817,610	1,307,485	3,125,095
Non-current prepaids-----	8,897	-	8,897	31,972	-	31,972
Capital assets:						
Land and construction in progress-----	10,535,699	-	10,535,699	6,407,940	-	6,407,940
Other capital assets, net of accumulated depreciation-----	2,608,733	6,121,679	8,730,412	3,457,961	7,699,646	11,157,607
Capital assets, net-----	13,144,432	6,121,679	19,266,111	9,865,901	7,699,646	17,565,547
Total non-current assets-----	13,976,895	10,087,219	24,064,114	11,748,607	10,609,173	22,357,780
Total assets-----	44,937,046	71,652,102	116,589,148	39,946,796	70,886,226	110,833,022
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued expenses-----	1,926,954	1,922,496	3,849,450	696,490	1,585,619	2,282,109
Payable to the City of Oklahoma City-----	7,316,390	9,087,285	16,403,675	6,124,957	10,502,624	16,627,581
Payable to component units-----	-	78,140	78,140	-	188,448	188,448
Interest payable-----	3,252	42,292	45,544	5,186	46,702	51,888
Estimated claims payable-----	-	14,048,587	14,048,587	-	11,614,671	11,614,671
Notes, leases, and subscriptions payable-----	620,684	736,973	1,357,657	538,456	719,093	1,257,549
Unearned revenue-----	2,011	-	2,011	1,637	-	1,637
Total current liabilities-----	9,869,291	25,915,773	35,785,064	7,366,726	24,657,157	32,023,883
NON-CURRENT LIABILITIES						
Payable to component units-----	-	164,080	164,080	-	186,711	186,711
Estimated claims payable-----	-	23,941,000	23,941,000	-	23,118,000	23,118,000
Notes, leases and subscriptions payable-----	210,304	5,894,589	6,104,893	830,988	6,631,562	7,462,550
Payable to the City of Oklahoma City-----	-	994,627	994,627	1,021,637	1,131,817	2,153,454
Total non-current liabilities-----	210,304	30,994,296	31,204,600	1,852,625	31,068,090	32,920,715
Total liabilities-----	10,079,595	56,910,069	66,989,664	9,219,351	55,725,247	64,944,598
DEFERRED INFLOWS OF RESOURCES						
	34,013	-	34,013	39,412	-	39,412
NET POSITION						
Net investment in capital assets-----	12,313,444	(696,596)	11,616,848	8,496,458	139,648	8,636,106
Restricted for:						
Capital projects-----	2,209,262	-	2,209,262	2,091,433	-	2,091,433
Debt service-----	-	-	-	-	329,938	329,938
Unrestricted-----	20,300,732	15,438,629	35,739,361	20,100,142	14,691,393	34,791,535
Total net position-----	\$34,823,438	\$14,742,033	\$49,565,471	\$30,688,033	\$15,160,979	\$45,849,012

See accompanying notes to financial statements.

STATEMENTS OF ACTIVITIES
For the Years Ended June 30,

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	2023			2022 (Restated)		
	Governmental		Business-type	Governmental		Business-type
	Activities	Activities	Total	Activities	Activities	Total
<u>PROGRAM EXPENSES</u>						
General government-----	\$1,192,015	\$ -	\$1,192,015	\$3,008,398	\$ -	\$3,008,398
Public safety - Police-----	1,887	-	1,887	1,887	-	1,887
Public safety - Other-----	64,204	-	64,204	64,204	-	64,204
Public services-----	2,068,701	-	2,068,701	2,450,133	-	2,450,133
Culture and recreation-----	74,677	-	74,677	110,393	-	110,393
Risk management-----	-	62,601,856	62,601,856	-	59,232,870	59,232,870
Information technology-----	-	1,543,162	1,543,162	-	1,509,921	1,509,921
Interest Expense-----	3,508	-	3,508	5,272	-	5,272
Total expenses-----	3,404,992	64,145,018	67,550,010	5,640,287	60,742,791	66,383,078
<u>PROGRAM REVENUES</u>						
<u>CHARGES FOR SERVICES</u>						
Public services-----	2,005,846	-	2,005,846	2,581,583	-	2,581,583
Culture and recreation-----	5,394	-	5,394	5,394	-	5,394
Risk management-----	-	60,935,696	60,935,696	-	60,428,763	60,428,763
Total charges for services-----	2,011,240	60,935,696	62,946,936	2,586,977	60,428,763	63,015,740
<u>OPERATING GRANTS AND CONTRIBUTIONS</u>						
General government-----	4,483,450	-	4,483,450	4,676,358	-	4,676,358
Public services-----	42,971	-	42,971	(35,597)	-	(35,597)
Culture and recreation-----	302	-	302	342	-	342
Risk management-----	-	2,013,238	2,013,238	-	-	-
Information technology-----	-	376,951	376,951	-	689,637	689,637
Total operating grants and contributions-----	4,526,723	2,390,189	6,916,912	4,641,103	689,637	5,330,740
Total program revenues-----	6,537,963	63,325,885	69,863,848	7,228,080	61,118,400	68,346,480
Net program revenues-----	3,132,971	(819,133)	2,313,838	1,587,793	375,609	1,963,402
Oil and gas royalties-----	321,120	-	321,120	430,776	-	430,776
Unrestricted investment income-----	251,658	400,187	651,845	(217,866)	(293,122)	(510,988)
Miscellaneous-----	429,656	-	429,656	133,456	-	133,456
Total general revenues-----	1,002,434	400,187	1,402,621	346,366	(293,122)	53,244
Changes in net position-----	4,135,405	(418,946)	3,716,459	1,934,159	82,487	2,016,646
<u>NET POSITION BEGINNING</u>						
Net position-beginning-----	30,688,033	15,160,979	45,849,012	28,753,874	15,078,492	43,832,366
Net position-ending-----	\$34,823,438	\$14,742,033	\$49,565,471	\$30,688,033	\$15,160,979	\$45,849,012

See accompanying notes to financial statements.

**BALANCE SHEETS
GOVERNMENTAL FUND
June 30,**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	2023	2022
	General	(Restated)
	Purpose	General
	Fund	Purpose
	Fund	Fund
<u>ASSETS</u>		
Pooled cash-----	\$263,225	\$136,327
Non-pooled cash-----	31,081	26,308
Investments-----	19,623,888	21,382,208
Accounts receivable, net-----	3,333,586	2,992,463
Leases receivable, current-----	5,183	4,983
Interest, dividends, and royalties receivable-----	75,639	59,041
Receivable from the City of Oklahoma City-----	6,966,821	2,728,341
Prepays-----	669,625	900,490
Leases receivable, non-current-----	27,937	33,124
Non-current receivable from the City of Oklahoma City-----	795,629	1,817,610
Total assets-----	31,792,614	30,080,895
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses-----	1,926,954	696,490
Payable to the City of Oklahoma City-----	7,316,390	7,146,594
Unearned revenue-----	2,011	1,637
Total liabilities-----	9,245,355	7,844,721
<u>DEFERRED INFLOWS OF RESOURCES</u> -----	2,566,008	2,385,961
<u>FUND BALANCES</u>		
Non-spendable-----	669,625	900,490
Restricted-----	2,207,226	2,089,358
Assigned-----	16,169,598	15,303,925
Unassigned-----	934,802	1,556,440
Total fund balance-----	19,981,251	19,850,213
Total liabilities, deferred inflows of resources, and fund balances-----	31,792,614	30,080,895
<u>RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION, GOVERNMENTAL ACTIVITIES</u>		
Total fund balance-----	\$19,981,251	\$19,850,213
Capital assets, net of accumulated depreciation-----	13,144,432	9,865,901
Interest payable-----	(3,252)	(5,186)
Short-term notes, leases and subscriptions payable-----	(620,684)	(538,456)
Long-term notes, leases and subscriptions payable-----	(210,304)	(830,988)
Revenue earned but unavailable-----	2,531,995	2,346,549
Net position-governmental activities-----	\$34,823,438	\$30,688,033

See accompanying notes to financial statements.

**STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Years Ended June 30,**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>2023</u> General Purpose Fund	<u>2022</u> (Restated) General Purpose Fund
<u>REVENUES</u>		
Licenses and permits-----	\$41,456	\$98,635
Oil and gas royalties-----	302,942	439,126
Fines and forfeitures-----	2,103,659	2,078,992
Investment income-----	297,984	(245,858)
Lease income-----	5,394	5,394
Payments from the City of Oklahoma City-----	4,483,450	4,676,358
Other-----	118,132	90,240
Total revenues-----	<u>7,353,017</u>	<u>7,142,887</u>
<u>EXPENDITURES</u>		
<u>CURRENT</u>		
Payments to the City of Oklahoma City-----	424,227	2,239,086
General government-----	233,768	166,905
Public services-----	1,892,327	2,252,327
Capital outlay-----	4,127,759	2,769,769
Debt service:		
Principal-----	538,456	419,299
Interest-----	5,442	86
Total expenditures-----	<u>7,221,979</u>	<u>7,847,472</u>
Excess (deficiency) of revenues over expenditures-----	131,038	(704,585)
<u>OTHER FINANCING SOURCES</u>		
Subscriptions Issued-----	-	1,788,742
Net other financing sources-----	<u>-</u>	<u>1,788,742</u>
Net change in fund balances-----	131,038	1,084,157
Fund balance, beginning-----	<u>19,850,213</u>	<u>18,766,056</u>
Fund balances, ending-----	<u>\$19,981,251</u>	<u>\$19,850,213</u>
<u>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES, GOVERNMENTAL ACTIVITIES</u>		
Net change in fund balance-----	\$131,038	\$1,084,157
Recognition of earned but unavailable revenue-----	185,446	436,737
Depreciation expense-----	(849,228)	(981,875)
Capital outlay-----	4,127,759	2,769,769
Debt principal paid-----	538,456	419,299
Change in interest payable-----	1,934	(5,186)
Subscriptions issued-----	-	(1,788,742)
Change in net assets-governmental activities-----	<u>\$4,135,405</u>	<u>\$1,934,159</u>

See accompanying notes to financial statements.

STATEMENTS OF NET POSITION
 PROPRIETARY FUND
 June 30,

OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY

	<u>2023</u> <u>OCMFA</u> <u>Services</u>	<u>2022</u> <u>OCMFA</u> <u>Services</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Pooled cash-----	\$375,357	\$106,937
Investments-----	56,905,543	54,555,108
Accounts receivable, net-----	25,361	380,869
Interest, dividends, and royalties receivable-----	245,284	181,162
Receivable from the City of Oklahoma City-----	653,895	3,098,149
Intergovernmental receivables-----	761,069	-
Notes receivable-----	515,586	506,148
Prepays-----	2,082,788	1,448,680
Total current assets-----	<u>61,564,883</u>	<u>60,277,053</u>
<u>NON-CURRENT ASSETS</u>		
Notes receivable-----	1,253,379	1,602,042
Receivable from the City of Oklahoma City-----	2,712,161	1,307,485
Capital assets:		
Other capital assets, net of accumulated depreciation-----	6,121,679	7,699,646
Capital assets, net-----	<u>6,121,679</u>	<u>7,699,646</u>
Total non-current assets-----	<u>10,087,219</u>	<u>10,609,173</u>
Total assets-----	<u>71,652,102</u>	<u>70,886,226</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses-----	1,922,496	1,585,619
Payable to the City of Oklahoma City-----	9,087,285	10,502,624
Payable to component units-----	78,140	188,448
Interest payable-----	42,292	46,702
Estimated claims payable-----	14,048,587	11,614,671
Notes, leases, and subscriptions payable-----	736,973	719,093
Total current liabilities-----	<u>25,915,773</u>	<u>24,657,157</u>
<u>NON-CURRENT LIABILITIES</u>		
Payable to component units-----	164,080	186,711
Estimated claims payable-----	23,941,000	23,118,000
Notes, leases, and subscriptions payable-----	5,894,589	6,631,562
Payable to the City of Oklahoma City-----	994,627	1,131,817
Total non-current liabilities-----	<u>30,994,296</u>	<u>31,068,090</u>
Total liabilities-----	<u>56,910,069</u>	<u>55,725,247</u>
<u>NET POSITION</u>		
Net investment in capital assets-----	(696,596)	139,648
Restricted for Debt Service-----	-	329,938
Unrestricted-----	15,438,629	14,691,393
Total net position-----	<u>\$14,742,033</u>	<u>\$15,160,979</u>

See accompanying notes to financial statements.

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Years Ended June 30,**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>2023</u> <u>OCMFA</u> <u>Services</u>	<u>2022</u> <u>OCMFA</u> <u>Services</u>
<u>OPERATING REVENUES</u>		
Service charges-----	\$59,548,459	\$59,408,117
Licenses, permits, and fees-----	41,980	40,553
Other-----	1,345,257	980,093
Total operating revenues-----	<u>60,935,696</u>	<u>60,428,763</u>
<u>OPERATING EXPENSES</u>		
Maintenance, operations, and contractual services-----	60,542,854	59,123,396
Materials and supplies-----	10,601	12,139
Depreciation & amortization-----	1,577,967	1,606,717
Total operating expenses-----	<u>62,131,422</u>	<u>60,742,252</u>
Operating loss-----	<u>(1,195,726)</u>	<u>(313,489)</u>
<u>NON-OPERATING REVENUE (EXPENSE)</u>		
Investment income (loss)-----	400,187	(293,122)
Interest on bonds, leases, and notes-----	(358)	(539)
Payments from the City of Oklahoma City-----	2,390,189	689,637
Payments to the City of Oklahoma City-----	(2,013,238)	-
Non-operating revenue-----	<u>776,780</u>	<u>395,976</u>
Change in net position-----	<u>(418,946)</u>	<u>82,487</u>
Total net position, beginning-----	15,160,979	15,078,492
Total net position, ending-----	<u>\$14,742,033</u>	<u>\$15,160,979</u>

See accompanying notes to financial statements.

**STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND
 For the Years Ended June 30,**

**OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY**

	<u>2023</u> <u>OCMFA</u> <u>Services</u>	<u>2022</u> <u>OCMFA</u> <u>Services</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$60,935,694	\$60,428,764
Cash payments to suppliers for goods and services-----	(83,770,086)	(87,251,603)
Cash payments for internal services-----	(16,142)	(15,853)
Operating payments to component units-----	(110,308)	165,816
Cost reimbursements from (to) other funds-----	26,077,278	31,321,221
Other cash receipts-----	-	63,222
Net cash provided by operating activities-----	<u>3,116,436</u>	<u>4,711,567</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Transfers paid to other funds-----	339,225	250,539
Net cash provided by non-capital financing activities-----	<u>339,225</u>	<u>250,539</u>
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Payments for acquisition and construction of capital assets-----	-	(229,000)
Principal paid on long-term debt-----	(719,093)	(701,662)
Interest paid on long-term debt-----	(182,669)	(200,101)
Net cash used by capital and capital related financing activities-----	<u>(901,762)</u>	<u>(1,130,763)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Changes in pooled investments-----	(2,576,313)	(4,810,643)
Investment income received-----	287,163	528,828
Purchased interest-----	3,671	(1,531)
Net cash used by investing activities-----	<u>(2,285,479)</u>	<u>(4,283,346)</u>
Net increase (decrease) in cash-----	<u>268,420</u>	<u>(452,003)</u>
Cash, beginning-----	106,937	558,940
Cash, ending-----	<u>\$375,357</u>	<u>\$106,937</u>

See accompanying notes to financial statements.

**STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND
 For the Years Ended June 30,**

**OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY**

	<u>2023</u> <u>OCMFA</u> <u>Services</u>	<u>2022</u> <u>OCMFA</u> <u>Services</u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
Operating loss-----	(\$1,195,726)	(\$313,489)
<u>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET</u>		
<u>CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Depreciation-----	1,577,967	1,606,717
Other revenue (expense)-----	(424,784)	794,383
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	355,508	(367,232)
(Increase) decrease in receivable from the City of Oklahoma City-----	2,290,316	2,004,301
(Increase) decrease in receivable from component units-----	-	37,781
(Increase) decrease in prepaid assets-----	(634,108)	(914,765)
(Increase) decrease in intergovernmental receivable-----	(761,069)	63,222
Increase (decrease) in accounts payable and accrued expenses-----	336,877	(622,975)
Increase (decrease) in payable to the City of Oklahoma City-----	(1,552,529)	4,191,362
Increase (decrease) in payable to component unit-----	(132,939)	143,184
Increase (decrease) in long-term liabilities-----	3,190,990	(2,070,553)
Increase (decrease) in notes, lease, and estimated claims payable-----	65,933	159,631
Total adjustments-----	<u>4,312,162</u>	<u>5,025,056</u>
Net cash provided by operating activities-----	<u>\$3,116,436</u>	<u>\$4,711,567</u>
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>		
Net increase (decrease) in fair value of investments-----	(\$225,876)	(\$1,308,091)
Total non-cash investing, capital, and financing activities-----	<u>(\$225,876)</u>	<u>(\$1,308,091)</u>

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Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Oklahoma City Municipal Facilities Authority (Authority) financial activities for the fiscal years ended 2023 and 2022. Certain reclassifications were made to capital assets related to an asset category reallocation between construction in progress and furniture, machinery and equipment.

I. B. BASIS OF PRESENTATION

I. B. 1. REPORTING ENTITY AND RELATIONSHIP TO THE CITY OF OKLAHOMA CITY (CITY)

Due to restrictions of the state constitution relating to municipal debt, public trusts are created to finance City services with revenue bonds, or other non-general obligation financing, and to provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government while retaining separate legal identity.

The Authority was formed as a public trust pursuant to Title 60 of the Oklahoma Statutes, section 176, et. seq., on November 10, 1976, with the City as the beneficiary. The purpose of the Authority is to provide a means of financing and constructing various utility and service projects, to maintain and administer any leasehold rights in physical properties transferred to the City, and additional purposes authorized by the City Council and the Trustees of the Authority.

Generally, the Authority serves as an administrative conduit for the City. The City is statutorily limited in the type and duration of agreements into which it may enter. Therefore, the Authority is used as a vehicle to accomplish certain long-range objectives that the City might otherwise be unable to accomplish. In addition, the City transfers monies from other funds of the City to the Authority since these amounts cannot be expended by the City without formal appropriations, which lapse at the end of each fiscal year. Monies transferred in this way are limited to specific purposes authorized by the City Council when transfers are appropriated.

The Mayor and the members of the City Council serve as the Trustees of the Authority. The City Manager serves as the General Manager. The Authority does not have the power to levy taxes. The City has no obligation for debt issued by the Authority.

Method of Reporting in the City's Annual Comprehensive Financial Report (ACFR)

The Authority is presented as a blended component unit of the City and is included in the City's financial reporting entity. The Authority meets the requirements for blending since the Authority's governing body is identical to the City's elected governing board (City Council). In addition, the Authority is managed under the direction of the City Manager.

The Authority is included in the City's financial reporting entity as a blended component unit. The City's ACFR may be obtained online at www.okc.gov/departments/finance.

Authority Administration

The Authority has no employees. All activities of the Authority are performed by City employees.

Related Organizations

The Authority provides reimbursements for insurable costs to the Oklahoma City Zoological Trust (OCZT), the Oklahoma City Airports Trust (OCAT), and the Central Oklahoma Transportation and Parking Authority (COTPA). OCZT, OCAT, and COTPA are component units of the City and are reported in the City's ACFR.

I. B. 2. BASIC FINANCIAL STATEMENTS

Authority-wide Financial Statements

The Authority-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Authority as a whole. Individual funds are not displayed, but the statements distinguish governmental activities from business-type activities, which are generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which report fees and other charges to users of the Authority's services and operating grants and contributions related to specific functions. Other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. All funds of the Authority are considered major.

I. B. 3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Generally Accepted Accounting Principles (U.S. GAAP)

The financial statements of the Authority are prepared in accordance with U.S. GAAP. The Authority applies all relevant GASB pronouncements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Proprietary fund financial statements also report using this same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related liability is incurred.

Governmental Fund

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are included on the balance sheet. The operating statement presents sources and uses of available, spendable resources during a given period.

General Purpose Fund

The general purpose fund is used by the Authority to account for specific revenues, including the collection of fines and fees which are designated to finance general government functions or activities of the Authority such as legal fees, public works, parks, police, property management, and City-wide improvements.

Proprietary Fund

Proprietary funds account for financial activity using the economic resources measurement focus. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Enterprise Fund

OCMFA Services Fund

The OCMFA Services Fund manages property and worker's compensation insurance contracts for costs of the City Risk Management Fund and information technology contracts for the City Information Technology Fund. The City funds reimburse the Authority for these costs. The costs are reported as expenses of the City. The OCMFA Services Fund also manages and reports health care and unemployment costs. These costs are funded through chargebacks to City funds. These costs are the responsibility of the Authority and are reported as expenses of the Authority.

I. C. BUDGET LAW AND PRACTICE

Oklahoma Statutes require the submission of financial information for public trusts. However, legal budgetary control levels are not specified. Accordingly, the Authority's budget is submitted to its governing body for approval. Appropriations are recorded and available for encumbrance or expense/expenditure as revenue is received in cash. Budgetary control is exercised on a project-length basis. Therefore, appropriations are carried forward each year until projects are complete. Management's policy prohibits expenses/expenditures to exceed appropriations at the detail, line-item level. Management may transfer appropriations without governing body approval.

I. D. POLICIES RELATED TO ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In 2023, the Authority implemented the following accounting standards. Except for GASB Statement No. 96, implementation of these standards did not have a material impact on the Authority's financial statements.

The City implemented GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to eliminate diversity in practice and provide a single method of reporting conduit debt obligations and improving related required note disclosures. This standard did not have a material impact on the Authority's financial statements.

The City implemented GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objectives of this statement are to better meet the information needs of financial statement users by improving the comparability of financial statements among governments by addressing issues related to public-private and public-public partnership arrangements and also provide guidance for accounting and financial reporting for availability payment arrangements. This standard has been applied retroactively and the implementation of this standard did not have a material impact on the Authority's financial statements.

The City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding a SBITA. This standard has been applied retroactively and the implementation of this standard resulted in the restatement of certain balances. See Note IV. A. for more information regarding GASB Statement No. 96.

The City implemented GASB Statement No. 99, Omnibus 2022. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. There was no effect of adopting GASB Statement No. 99 on the financial statements.

I. D. 2. CASH AND INVESTMENTS

The Authority participates in the investment policy approved by the City Council. The Authority's governing board formally adopted the City's updated deposit and investment policy in November 2021.

The Authority maintains and controls a cash and investment operating pool which functions as a demand deposit account for participating funds of the Authority. This pool is allocated to the funds. Fund pooled cash and investments are allocated based on the fund's position in the pool and reported as pooled cash and investments. In addition, non-pooled cash and investments are separately held and reflected in respective funds as non-pooled cash and investments. The Authority engages in non-pooled investing activity for functionally separate activities.

Investments are reported at fair value, which is determined using selected bases. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash equivalents are reported with investments. Cash deposits are reported at carrying amount, which approximates fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Accounting guidance establishes consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable.

Level 3 - Significant unobservable prices or inputs.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

I. D. 3. ACCOUNTS RECEIVABLE

Significant receivables include receivables for property damage recoveries and nuisance abatement fees. Receivables related to insurance recoveries are recorded when the amount is considered realized or realizable. These receivables are expected to be fully collected and therefore no allowance for doubtful accounts has been recorded. Receivables for nuisance abatement are recorded when the services are provided. These receivables are reported net of an allowance for uncollectible accounts. The allowance is estimated using average historical collections.

I. D. 4. LEASE RECEIVABLES

Lease receivables are reported for lease arrangements in which the Authority is providing the right for another entity to use its nonfinancial assets as stated in a contract for a period of time in an exchange or exchange like transaction. Management determines the allowance for uncollectible leases by identifying known leases that will not be collected and by estimating the remaining leases that are likely not to be collected. Currently, management has determined that all lease receivables are collectable.

I. D. 5. PREPAIDS

Prepays are payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Non-current prepaids benefit periods beyond the following 12-month period. Payments to vendors that are less than \$5,000 are considered de minimus and are reported with expenses/expenditures in the year of payment.

I. D. 6. INTERFUND BALANCES

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All activity between governmental and business-type activities of the Authority is eliminated and any residual balances outstanding between the activities are reported in the Authority-wide financial statements as internal balances.

I. D. 7. CAPITAL ASSETS AND DEPRECIATION

Property and equipment are stated at actual or estimated historical cost. Donated capital assets are stated at their acquisition value on the date donated. The Authority generally capitalizes assets with cost of \$50,000 or more as purchases and construction outlays occur. Capital assets are reported in the Authority-wide statements and respective proprietary funds and are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts with the resulting gain or loss recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	10 - 50
Infrastructure and improvements other than buildings	10 - 50
Mobile equipment, furniture, machinery, and equipment	5 - 20
Right to use building leases	10 - 50

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

I. D. 8. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future or future periods and will not be recognized as revenue until that time. GASB Statement No. 87, Leases requires recognition of deferred inflows for future lease revenues based on the provisions of the lease contract. Unavailable revenue is reported only in the governmental funds. These amounts are deferred and recognized as revenue in the period the funds become available.

I. D. 9. FUND EQUITY

Fund Balance

Non-Spendable Fund Balance

Fund balance reported as non-spendable includes amounts that cannot be spent since it is not in spendable form or is not expected to be converted to cash including inventories, prepaid expenses, and non-current receivables and advances.

Restricted Fund Balance

Restricted fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation including City ordinances approved by a vote of the citizens.

Committed Fund Balance

Committed fund balance includes amounts that are constrained for specific purposes that are internally imposed by a vote of the Board of Trustees. Commitments of fund balance do not lapse at year-end.

Assigned Fund Balance

Assigned fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by formal action of the City Chief Financial Officer.

Unassigned Fund Balance

Unassigned fund balance includes fund balance within the General Purpose Fund which has not been classified within the above mentioned categories.

Fund Balance Usage

The Authority uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Authority uses committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

Net Position

Net investment in capital assets and legally restricted amounts are separated from unrestricted net position.

Net Investment in Capital Assets

The amount reported is calculated as total capital assets less accumulated depreciation and outstanding debt, including accounts payable and retainages payable, used to purchase the assets net of unspent portions. Unspent portions of bonds payable, along with any amounts used to fund debt reserves, are included with restricted net position.

Restricted Net Position

Amounts reported as restricted for debt service include those amounts held in restricted accounts as required by the debt instrument. Restricted amounts held to pay bond interest are reduced by accrued interest payable. Net position restricted for capital projects include unspent debt proceeds legally restricted for capital outlays. Restricted net position also includes purpose restrictions from enabling legislation and other external sources.

I. D. 10. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

I. D. 11. RISK MANAGEMENT AND ESTIMATED CLAIMS PAYABLE

The City's risk management activities are recorded in the City Risk Management and the OCMFA Services Funds and the Oklahoma City Post-Employment Benefit Trust (OCPEBT). The purpose of these funds is to administer employee life, employee health, property and liability, workers' compensation, unemployment, and disability insurance programs. These funds account for the risk financing activities of the City and certain component units of the City and constitute a transfer of risk from the other City funds and certain component units of the City.

The City funds and certain component units of the City pay a premium for insurance coverage and have no further costs or liabilities. Costs and liabilities for commercial insurance, stop-loss insurance, and claims paid are recorded in the City Risk Management Fund or the OCMFA Services Fund. Retiree health insurance claims and liabilities are reported in OCPEBT.

Estimated claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage or subrogation.

Employee Life and Health

Significant losses are covered by commercial insurance for all major programs except the self-insured group indemnity plan (Indemnity Plan), which is covered by stop-loss commercial insurance. The OCMFA Services Fund retains the risk of loss for uninsured employee health costs. The City and employees pay a portion of the established premiums to the OCMFA Services Fund. Insurance premiums and Indemnity Plan claims are paid from the OCMFA Services Fund. Health insurance claims incurred but not reported for the Indemnity Plan are calculated by a third-party using the one-day weighted average of annual claims over the weighted average days lag in claims reporting. The third-party also recommends the premium necessary to recover claim costs and maintain reserves. A copy of the third-party report can be obtained from Personnel, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Worker's Compensation

Worker's compensation programs are self-insured. The City Risk Management Fund provides worker's compensation coverage for the City and certain component units. Risk of loss is with the City Risk Management Fund. The City Risk Management Fund charges City funds and component units and reimburses the OCMFA Services Fund for expenses for claims. The OCMFA Services Fund manages claims. Worker's compensation claims incurred but not yet paid are calculated by a third-party using the chain-ladder and additive distribution methods. The OCMFA Services Fund records estimated claims payable at the discounted amount. The discount rate is 2.5% for 2023 and was 1.5% for 2022. Claim costs are reported in the City Risk Management Fund. A copy of the third-party report can be obtained from Risk Management, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Property and Liability

Property and liability losses are covered by stop-loss commercial insurance. The City Risk Management Fund functions as the property and liability insurance fund for the City and certain component units. Risk of loss is with the City Risk Management Fund. The City Risk Management Fund charges City funds and component units and reimburses the OCMFA Services Fund for expenses for stop-loss property insurance and claims. The OCMFA Services Fund manages property claims and stop-loss insurance coverage. When an event occurs, the OCMFA Services Fund records a liability for the estimated loss incurred. Receivables for any insurance recovery are recorded when the claim is considered realized or realizable. Estimated claim costs and related insurance recovery revenues are recorded in the City Risk Management Fund.

Unemployment and Disability Insurance

The OCMFA Services Fund retains the risk of loss for unemployment and disability claims for the City and certain component units. The OCMFA Services Fund receives chargebacks from the City and component units which are calculated to cover the cost of claims and maintain reserves. Claims are paid from the OCMFA Services Fund. Unemployment claims incurred but not reported are not expected to be significant. No estimate of claims payable is recorded.

I. E. MAJOR REVENUES

Program revenues reported in governmental activities include charges for services such as impact fees and fines for weed abatement and trash and debris removal. The OCMFA Services Fund provides charges for services for healthcare to other City funds.

I. F. TAX STATUS

The Authority is exempt from Federal and State income taxes under Section 115 of the Internal Revenue Code for any trade or business related to the Authority's tax-exempt purpose or function.

I. G. RETAINAGES

It is the policy of the Authority to retain a percentage of construction contracts until a completed project has been accepted by the Trustees. Contractors may request to opt out of this retainage by providing a certificate of deposit with the City. The City holds the certificate of deposit and the Authority retains the risk of incurring costs related to a contractor's failure to perform. However, in the event of non-performance, the City calls the certificate and pays the proceeds to the Authority to cover any costs incurred. The Authority does not record the effect of holding the certificates of deposit.

II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

II. A. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities. The Authority's policy requires deposits to be 110% secured by collateral valued at market less the amount of the Federal depository insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health, as determined by the bank's institutional rating provided by commercially available bank rating services or on performance evaluations conducted pursuant to the Federal Community Reinvestment Act, 12 United States Code, Section 2901. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions based on evaluation by the City Treasurer of the institutions' financial strength in accordance with the investment policy.

At June 30, 2023 and 2022, the Authority's cash is collateralized with securities held by the pledging financial institution in the name of the Authority or the City, less Federal depository insurance.

Investments

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Authority's financial position. However, since the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

2023								
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
<u>POOLED</u>								
<u>INVESTMENTS</u>								
Fannie Mae	\$5,762,600	\$5,653,314	\$ -	\$5,653,314	\$ -	\$ -	AA+/Aaa	18.80
Federal obligations	6,237,813	5,887,723	-	5,887,723	-	-	AA+/Aaa	6.90
U.S. Treasury notes	43,522,417	42,136,332	-	42,136,332	-	-	N/A	14.18
Money market (4)(5)	<u>22,852,062</u>	<u>22,852,062</u>	<u>22,852,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA/Aaa	1.10
	<u>\$78,374,892</u>	<u>\$76,529,431</u>	<u>\$ -</u>	<u>\$53,677,369</u>	<u>\$ -</u>	<u>\$ -</u>		

(continued)

Investments (continued)

	2022							
	<u>Cost</u>	Fair Value/ Carrying <u>Amount</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	Measured at <u>NAV (1)</u>	Average Credit Quality/ <u>Ratings (2)</u>	Weighted Average <u>(months) (3)</u>
<u>POOLED</u>								
<u>INVESTMENTS</u>								
Fannie Mae	\$6,101,052	\$5,930,422	\$ -	\$5,930,422	\$ -	\$ -	AA+/Aaa	12.08
Federal obligations	14,456,756	13,851,052	-	13,851,052	-	-	AA+/Aaa	12.40
U.S. Treasury notes	43,108,208	41,723,352	-	41,723,352	-	-	N/A	19.17
Money market (4)(5)	<u>14,432,490</u>	<u>14,432,490</u>	<u>14,432,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA/Aaa	1.63
	<u>\$78,098,506</u>	<u>\$75,937,316</u>	<u>\$-</u>	<u>\$61,504,826</u>	<u>\$-</u>	<u>\$-</u>		

- (1) The net asset value (NAV) is a practical expedient to estimate fair value.
- (2) Ratings are provided where applicable to indicate associated credit risk.
- (3) Interest rate risk is estimated using weighted average months to maturity.
- (4) Cost approximates fair value.
- (5) Consists solely of U.S. Treasury securities.

Fair Value Measurement

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Federal obligations consist of Federal Agricultural Mortgage Corporation, Federal Farm Credit Bank, Federal Home Loan Bank, Freddie Mac, and Fannie Mae notes. These securities use pricing models that maximize the use of observable inputs for similar securities and are valued at level 2. U.S. Treasury notes use similar pricing models and are also valued at level 2.

Money market funds are reported at cost which approximates fair value, are traded on active markets at quoted prices, and are valued at level 1.

Investment policy

The Authority's investment policy is maintained by the City Treasurer. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Authority funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. government is pledged, or investment grade obligations of this state; provided, that any such security shall be rated A+ or better by Standard and Poor's Corporation or A1 or better by Moody's Investor Service or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners including investment grade obligations of state agencies; (2) Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those insured by or fully guaranteed as principal and interest by Federal agencies or U.S. government-sponsored enterprises; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in Oklahoma when secured by appropriate collateral or fully insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located outside of Oklahoma; (4) repurchase agreements that have underlying collateral of direct obligations or obligations of the U.S. government, its agencies, and instrumentalities; (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law; (6) savings accounts or certificates of savings and loan associations, banks, and credit unions, to the extent the accounts are fully insured by Federal depository insurance; (7) State and Local Government Series (SLGS); (8) County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgements against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust of which such county, municipality or school district is a beneficiary thereof; (9) prime commercial paper with a maturity date less than 180 days which represents less than 10% of the outstanding paper of an issuing corporation.

Under the policy, the Authority may not invest in reverse repurchase agreements, derivative instruments created from, whose value depends on, or is derived from, the value of one or more underlying assets or indices of asset values and/or has no call options prior to the desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments shown previously as items (1) and (2).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase. Certificates of deposit may not be purchased with maturities greater than 365 days from date of purchase.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Cumulatively, portfolios of the Authority may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total Authority portfolio may be placed with any single financial institution. U.S. government securities, SLGS, City judgments, repurchase agreements, and money market funds are excluded from these restrictions.

Portfolio Structure (1)

Investment Type Limitations Percentage of Total Invested Principal		Maturity Limitations Percentage of Total Invested Principal	
	Maximum % (2)		Maximum % (4)
Repurchase agreements	100.0%	0-1 year	100%
U.S. Treasury securities (3)	100.0	1-3 years	90
Certificates of deposit	50.0	3-5 years	90
Money market funds	100.0		
Savings accounts	100.0		
U.S. noncallable agencies securities	100.0		
U.S. callable agency securities	20.0		
Prime commercial paper	7.5		
Direct debt obligations and judgments	5.0		

- (1) Specifically matched cash flows are excluded.
- (2) For investments listed, there is no minimum percentage specified under the policy.
- (3) Includes SLGS.
- (4) For maturities limited to 0-1 year, the minimum percentages allowed under the policy are 5-25%.

The policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

Investments Held by Others

For investments, 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 investments or collateral securities in the possession of an outside party. Policy provides that investment collateral is held by a third party custodian with whom the Authority has a current custodial agreement in the Authority's name or be held in the name of both parties by the Federal Reserve Bank servicing Oklahoma. Investments of the Authority are insured or collateralized with securities held by the Authority, its agent in the Authority's name.

Compliance with State Restrictions

Authority investment policy is more restrictive than the requirements of Oklahoma law found in Title 60 of the Oklahoma Statutes and the standards of the Oklahoma Uniform Prudent Investor Act. These statutes restrict public trust investing to the Prudent Investor Rule defined by Title 60 Oklahoma Statutes to consider the purposes, terms, distribution requirements, and other circumstances of the Authority and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the Authority's portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Authority.

II. B. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Accounts Receivable

	<u>2023</u>	<u>2022</u>
<i>Governmental activities</i>		
Oil and gas royalties	\$65,315	\$90,869
Other receivables	603,225	-
Nuisance abatement	5,001,952	5,253,958
Less allowance for uncollectible accounts	<u>(2,336,906)</u>	<u>(2,352,364)</u>
	<u>\$3,333,586</u>	<u>\$2,992,463</u>
<i>Business-type activities</i>		
Information Technology	\$ -	\$329,940
OPEBT reimbursement for employee health clinic costs	8,694	50,929
Other receivables	<u>16,667</u>	<u>-</u>
	<u>\$25,361</u>	<u>\$380,869</u>

Intergovernmental Receivable

The Multiple Injury Trust Fund (MITF) is a program that the State of Oklahoma has by which self-insured employers, like the City of Oklahoma City, pay a tax on workers' compensation expenditures. The State uses those funds to help injured workers find employment with their disabilities or restrictions by offering wage subsidies to employers that hire them. The City of Oklahoma City requested and was awarded a rebate for the unused portions of what was paid. As of June 30, 2023, the current receivable is \$761,069.

Notes Receivable

On August 1, 2017, a loan of \$3,706,000 from the Authority's worker's compensation reserves to the OCPPA General Purpose fund to be used to replace the Civic Center sound system was approved. On June 19, 2018 the City and OCPPA entered into a management agreement with the Civic Center Foundation (Foundation). Under the Agreement, the Foundation agreed to assume the debt incurred by OCPPA and agreed to make annual debt service payments according to the term of the loan as provided in the loan documents. On September 15, 2020, the City and OCPPA entered into a refinancing agreement with the Foundation. The loan will be repaid with nine annual payments at an interest rate of 1.39% beginning June 1, 2021, with the final payment to be made on June 1, 2029. The principal due on June 30, 2023 and 2022 is \$1,768,965 and \$2,108,190 of which \$515,586 and \$506,148 is reported as a current receivable including accrued interest of \$26,346 and \$31,455, respectively.

Lease Receivable

On October 22, 2019, the OCMFA Services Fund entered into a lease agreement with John Rex Charter Elementary School, Inc. to lease a portion of the Old Central Fire Station and an adjacent parking lot. The initial term is for ten years and the annual rent is adjusted based on the most recent change in the Consumer Price Index for all Urban Consumers, as reported by the U.S. Bureau of Labor Statistics subject to a cap of 3%. The principal due on June 30, 2023 and 2022 is \$33,120 and \$38,107 of which \$5,183 and \$4,983 is reported as a current receivable including accrued interest of \$137 and \$158, respectively. During fiscal years 2023 and 2022, the Authority recognized \$5,394 and \$5,394 of lease revenue and \$302 and \$361 of interest income.

NOTES TO FINANCIAL STATEMENTS
2023 and 2022

OKLAHOMA CITY MUNICIPAL
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II. C. PREPAIDS

	<u>2023</u>	<u>2022</u>
<i>Governmental activities</i>		
Software license and support agreements	<u>\$669,625</u>	<u>\$900,490</u>
<i>Business-type activities</i>		
Prepaid insurance	\$2,014,699	\$1,366,494
Prepaid software license and support agreements	<u>68,089</u>	<u>82,186</u>
	<u>\$2,082,788</u>	<u>\$1,448,680</u>

II. D. CAPITAL ASSETS

Changes in Capital Assets

	<u>2023</u>										
	Capital assets, not depreciated			Capital assets, depreciated							Total Capital Assets, net
	Land	Construction		Buildings	Buildings	Right to			Total		
		In Progress	Total			Other Than Buildings	Leases	Use Building		Furniture, & Machinery, & Equipment	
<i>Governmental Activities</i>											
<u>CAPITAL ASSETS</u>											
Balance, June 30, 2022	\$5,426,913	\$981,027	\$6,407,940	\$15,031,969	\$7,146,219	\$ -	\$10,675,911	\$1,788,742	\$34,642,841	\$41,050,781	
Increases	-	4,127,759	4,127,759	-	-	-	-	-	-	4,127,759	
Decreases	-	-	-	-	(184,047)	-	(2,633,506)	-	(2,817,553)	(2,817,553)	
Balance, June 30, 2023	<u>5,426,913</u>	<u>5,108,786</u>	<u>10,535,699</u>	<u>15,031,969</u>	<u>6,962,172</u>	<u>-</u>	<u>8,042,405</u>	<u>1,788,742</u>	<u>31,825,288</u>	<u>42,360,987</u>	
<u>ACCUMULATED DEPRECIATION</u>											
Balance, June 30, 2022				13,835,589	6,298,866	-	10,544,286	506,139	31,184,880	31,184,880	
Increases				222,130	88,367	-	5,323	533,408	849,228	849,228	
Decreases				-	(184,047)	-	(2,633,506)	-	(2,817,553)	(2,817,553)	
Balance, June 30, 2023				<u>14,057,719</u>	<u>6,203,186</u>	<u>-</u>	<u>7,916,103</u>	<u>1,039,547</u>	<u>29,216,555</u>	<u>29,216,555</u>	
Governmental activities											
capital assets, net	<u>5,426,913</u>	<u>5,108,786</u>	<u>10,535,699</u>	<u>974,250</u>	<u>758,986</u>	<u>-</u>	<u>126,302</u>	<u>749,195</u>	<u>2,608,733</u>	<u>13,144,432</u>	
<i>Business-type Activities</i>											
<u>CAPITAL ASSETS</u>											
Balance, June 30, 2022				-	218,700	156,626	36,161,719	-	36,537,045	36,537,045	
Decreases				-	-	-	(4,355,977)	-	(4,355,977)	(4,355,977)	
Balance, June 30, 2023				<u>-</u>	<u>218,700</u>	<u>156,626</u>	<u>31,805,742</u>	<u>-</u>	<u>32,181,068</u>	<u>32,181,068</u>	
<u>ACCUMULATED DEPRECIATION</u>											
Balance, June 30, 2022				-	189,246	69,612	28,578,541	-	28,837,399	28,837,399	
Increases				-	2,543	34,806	1,540,618	-	1,577,967	1,577,967	
Decreases				-	-	-	(4,355,977)	-	(4,355,977)	(4,355,977)	
Balance, June 30, 2023				<u>-</u>	<u>191,789</u>	<u>104,418</u>	<u>25,763,182</u>	<u>-</u>	<u>26,059,389</u>	<u>26,059,389</u>	
Business-type activities											
capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,911</u>	<u>52,208</u>	<u>6,042,560</u>	<u>-</u>	<u>6,121,679</u>	<u>6,121,679</u>	
Capital assets, net	<u>\$5,426,913</u>	<u>\$5,108,786</u>	<u>\$10,535,699</u>	<u>\$974,250</u>	<u>\$785,897</u>	<u>\$52,208</u>	<u>\$6,168,862</u>	<u>\$749,195</u>	<u>\$8,730,412</u>	<u>\$19,266,111</u>	

(continued)

**NOTES TO FINANCIAL STATEMENTS
2023 and 2022**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

Changes in Capital Assets (continued)

	2022										
	Capital Assets, not depreciated			Capital Assets, depreciated							Total Capital Assets, net
	Land	Construction In Progress	Total	Improvements Other Than Buildings		Right to Use Building Leases		Furniture, Machinery, & Equipment	Right to Use SBITAs	Total	
Buildings		Buildings		Leases	& Equipment	SBITAs					
<i>Governmental Activities</i>											
<u>CAPITAL ASSETS</u>											
Balance, June 30, 2021	\$5,426,913	\$ -	\$5,426,913	\$15,031,969	\$7,146,219	\$ -	\$10,675,911	\$ -	\$32,854,099	\$38,281,012	
Increases	-	981,027	981,027	-	-	-	-	1,788,742	1,788,742	2,769,769	
Balance, June 30, 2022	<u>5,426,913</u>	<u>981,027</u>	<u>6,407,940</u>	<u>15,031,969</u>	<u>7,146,219</u>	<u>-</u>	<u>10,675,911</u>	<u>1,788,742</u>	<u>34,642,841</u>	<u>41,050,781</u>	
<u>ACCUMULATED DEPRECIATION</u>											
Balance, June 30, 2021				13,550,967	6,210,499	-	10,441,539	-	30,203,005	30,203,005	
Increases				284,622	88,367	-	102,747	506,139	981,875	981,875	
Balance, June 30, 2022				<u>13,835,589</u>	<u>6,298,866</u>	<u>-</u>	<u>10,544,286</u>	<u>506,139</u>	<u>31,184,880</u>	<u>31,184,880</u>	
Governmental activities capital assets, net	<u>5,426,913</u>	<u>981,027</u>	<u>6,407,940</u>	<u>1,196,380</u>	<u>847,353</u>	<u>-</u>	<u>131,625</u>	<u>1,282,603</u>	<u>3,457,961</u>	<u>9,865,901</u>	
<i>Business-type Activities</i>											
<u>CAPITAL ASSETS</u>											
Balance, June 30, 2021	-	-	-	-	218,700	156,626	\$35,932,719	-	36,308,045	36,308,045	
Increases	-	-	-	-	-	-	229,000	-	229,000	229,000	
Balance, June 30, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,700</u>	<u>156,626</u>	<u>36,161,719</u>	<u>-</u>	<u>36,537,045</u>	<u>36,537,045</u>	
<u>ACCUMULATED DEPRECIATION</u>											
Balance, June 30, 2021				-	186,702	34,806	27,009,174	-	27,230,682	27,230,682	
Increases				-	2,544	34,806	1,569,367	-	1,606,717	1,606,717	
Balance, June 30, 2022				<u>-</u>	<u>189,246</u>	<u>69,612</u>	<u>28,578,541</u>	<u>-</u>	<u>28,837,399</u>	<u>28,837,399</u>	
Business-type activities capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,454</u>	<u>87,014</u>	<u>7,583,178</u>	<u>-</u>	<u>7,699,646</u>	<u>7,699,646</u>	
Capital assets, net	<u>\$5,426,913</u>	<u>\$981,027</u>	<u>\$6,407,940</u>	<u>\$1,196,380</u>	<u>\$876,807</u>	<u>\$87,014</u>	<u>7,714,803</u>	<u>\$1,282,603</u>	<u>\$11,157,607</u>	<u>\$17,565,547</u>	

Depreciation Expense

	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General government	\$537,526	\$607,676	Risk Management	\$34,805
Police public safety	1,887	1,887	Information Technology	1,543,162
Public safety other	64,204	64,204		<u>\$1,577,967</u>
Public services	170,934	197,715		<u>\$1,606,717</u>
Culture and recreation	<u>74,677</u>	<u>110,393</u>		
	<u>\$849,228</u>	<u>\$981,875</u>		

III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

III. A. UNEARNED REVENUES

Within governmental activities, the Authority has unearned revenue of \$2,011 and \$1,637 at June 30, 2023 and 2022, respectively. The unearned revenue recorded is for prepaid facilities rental by the Arts Council of Oklahoma City.

III. B. NOTES, LEASES, SUBSCRIPTIONS AND ESTIMATED CLAIMS PAYABLE

III. B. 1. NOTES PAYABLE

P25 Radio System Note Payable

On March 30, 2017, the Authority entered into a master lease/purchase agreement with Bank of America Public Capital Corporation to finance a new P25 Phase II trunked radio system to replace the existing emergency communications system serving the City in the amount of \$13,114,809 with an initial payment on June 30, 2017 of \$2,614,672 in principal and \$84,263 in interest. The note bears interest at 2.57% and matures on October 1, 2031. As of June 30, 2023, the balance of the note is \$6,578,968 with accrued interest of \$42,270. At June 30, 2022, the balance of the note was \$7,263,226 with accrued interest of \$46,666.

Notes Payable Requirements to Maturity (1)

The Authority's outstanding notes payable related to the master lease/purchase agreement contains a provision that in the event of a default, all payments payable to the end of the agreement become immediately due if the Authority is unable to make payment.

	<u>Principal</u>	<u>Interest</u>
2024	\$701,956	\$164,598
2025	720,112	146,442
2026	738,738	127,816
2027	757,846	108,709
2028	777,447	89,107
2029-2032	<u>2,882,869</u>	<u>150,071</u>
	<u>\$6,578,968</u>	<u>\$786,743</u>

(1) All notes payable are from private placements. In the event of default, all payments payable to the end of the agreement become immediately due.

III. B. 2. LEASES PAYABLE

Employee Medical Center Lease

On September 14, 2015, the OCMFA Services Fund entered into a lease agreement with the Central Oklahoma Transportation and Parking Authority for tenant space in the Arts District Garage for the operation of a City Employee Health Clinic. OCMFA entered into a sublease with CareATC, Inc. to operate the clinic on behalf of OCMFA. On February 4, 2020, the OCMFA Services Fund entered into a new sublease agreement with Premise Health Employer Solutions, LLC. to operate the clinic until 2024 with an option to renew for three additional five-year terms only if both parties agree to the additional renewals. These renewals are not included in the initial lease term as they are considered cancelable periods.

Year Ending June 30,	Total to be Paid	Principal	Interest
2024	\$35,208	\$35,017	\$191
2025	<u>17,604</u>	<u>17,577</u>	<u>27</u>
	<u>\$52,812</u>	<u>\$52,594</u>	<u>\$218</u>

III. B. 3. SUBSCRIPTIONS PAYABLE

	Lease Term	Interest Rate	2023 Outstanding Balance	2022 Outstanding Balance
Origami Risk	5 years	.495%	\$419,572	\$598,851
Accela CRM	4 years	.82%	22,545	43,832
ESRI GIS Plat	3 years	.29%	<u>388,871</u>	<u>726,761</u>
			<u>\$830,988</u>	<u>\$1,369,444</u>

Subscriptions Payable Principal and Interest Requirements to Maturity

Year Ending June 30,	Total to be Paid	Principal	Interest
2024	\$621,844	\$620,684	\$1,160
2025	<u>210,318</u>	<u>210,304</u>	<u>14</u>
	<u>\$832,162</u>	<u>\$830,988</u>	<u>\$1,174</u>

III. B. 4. ESTIMATED CLAIMS PAYABLE

Risk Management Claims Payable

For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses.

**NOTES TO FINANCIAL STATEMENTS
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**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	OCMFA Services Fund			
	Health Care	Worker's Compensation (1)(2)	Property Damage (2)	Total
Liability balance, July 1, 2021	\$1,312,714	\$34,961,000	\$369,879	\$36,643,593
Claims and changes in estimates	13,687,063	7,583,673	345,311	21,616,047
Claims payments	<u>(13,527,432)</u>	<u>(9,633,673)</u>	<u>(365,864)</u>	<u>(23,526,969)</u>
Liability balance, June 30, 2022	1,472,345	32,911,000	349,326	34,732,671
Claims and changes in estimates	16,649,900	10,912,052	1,181,136	28,743,088
Claims payments	(16,583,974)	(8,760,052)	(86,638)	(25,430,664)
Reimbursement due to other department	-	-	(55,508)	(55,508)
Liability balance, June 30, 2023	<u>\$1,538,271</u>	<u>\$35,063,000</u>	<u>\$1,388,316</u>	<u>\$37,989,587</u>
Assets available to pay claims at year end	<u>\$16,976,900</u>	<u>\$33,189,974</u>	<u>\$1,388,316</u>	<u>\$51,555,190</u>

- (1) Worker's compensation estimated claims are calculated using the chain-ladder and additive distribution methods. The City records worker's compensation claims payable at the discounted amount. The undiscounted carrying value at June 30, 2023 and 2022, was \$39,399,000 and \$35,611,000, respectively. Claims were discounted at 2.5% at June 30, 2023 and at 1.5% at June 30, 2022.
- (2) Assets available to pay claims does not include cost reimbursement receivable from/payable to the City Risk Management Fund as these advances result in a deficit net position in the City Risk Management Fund and therefore are not available to pay the claims.

The Authority records an estimated liability for indemnity health care, workers' compensation, and property damage claims against the City and certain component units. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims, which have been incurred but not reported, based on historical experience. Claims liabilities include specific incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage or subrogation.

The OCMFA Services Fund is used to accumulate a reserve to pay claims. From time to time, the worker's compensation reserve is used to provide operating and capital advances to other City funds. These advances accrue interest.

Property and Liability Claims

The OCMFA Services Fund Property and liability incurred costs relating to property damage during fiscal years 2023 and 2022. The costs are reimbursed by the City Risk Management Fund. The claims for 2023 and 2022 are primarily related to small claims at various City properties.

Estimated Claims Payment Requirements to Maturity

Fiscal Year	<u>2023</u>	Fiscal Year	<u>2022</u>
2024	\$14,048,587	2023	\$11,614,671
2025	<u>23,941,000</u>	2024	<u>23,118,000</u>
	<u>\$37,989,587</u>		<u>\$34,732,671</u>

III. C. CHANGES IN LONG-TERM LIABILITIES

	2023					
	Balance July 1, 2022	Incurred	Paid	Balance June 30, 2023	Due Within One Year	Due After One Year
<i>Governmental Activities</i>						
Subscriptions Payable	<u>\$1,369,444</u>	<u>\$ -</u>	<u>\$538,456</u>	<u>\$830,988</u>	<u>\$620,684</u>	<u>\$210,304</u>
<i>Business-type Activities - OCMFA Services Fund Risk Management (1)</i>						
Notes payable	\$7,263,226	\$ -	\$684,258	\$6,578,968	\$701,956	\$5,877,012
Leases payable	87,429	-	34,835	52,594	35,017	17,577
Estimated claims payable	<u>34,732,671</u>	<u>28,743,088</u>	<u>25,486,172</u>	<u>37,989,587</u>	<u>14,048,587</u>	<u>23,941,000</u>
Total business-type activities	<u>42,083,326</u>	<u>28,743,088</u>	<u>26,205,265</u>	<u>44,621,149</u>	<u>14,785,560</u>	<u>29,835,589</u>
Total change in long-term	<u>\$43,452,770</u>	<u>\$28,743,088</u>	<u>\$26,743,721</u>	<u>\$45,452,137</u>	<u>\$15,406,244</u>	<u>\$30,045,893</u>
	2022					
	Balance July 1, 2021	Incurred	Paid	Balance June 30, 2022	Due Within One Year	Due After One Year
<i>Governmental Activities</i>						
Subscriptions Payable	<u>\$ -</u>	<u>\$1,788,742</u>	<u>\$419,298</u>	<u>\$1,369,444</u>	<u>\$538,456</u>	<u>\$830,988</u>
<i>Business-type Activities - OCMFA Services Fund Risk Management (1)</i>						
Notes payable	\$7,930,233	\$ -	\$667,007	\$7,263,226	\$684,258	\$6,578,968
Leases payable	122,084	-	34,655	87,429	34,835	52,594
Estimated claims payable	<u>36,643,593</u>	<u>21,616,047</u>	<u>23,526,969</u>	<u>34,732,671</u>	<u>11,614,671</u>	<u>23,118,000</u>
Total business-type activities	<u>44,695,910</u>	<u>21,616,047</u>	<u>24,228,631</u>	<u>42,083,326</u>	<u>12,333,764</u>	<u>29,749,562</u>
Total change in long-term	<u>\$44,695,910</u>	<u>\$23,404,789</u>	<u>\$24,647,929</u>	<u>\$43,452,770</u>	<u>\$12,872,220</u>	<u>\$30,580,550</u>

(1) All notes payable are from private placements.

III. D. DEFERRED INFLOWS OF RESOURCES

Leases

The Authority reported deferred inflows in the amount of \$34,013 and \$39,412 at June 30, 2023 and 2022, respectively, related to the John T. Rex lease receivable.

Unavailable Revenue

Unavailable revenue in the governmental fund financial statements includes revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). At June 30, 2023 and 2022, revenue earned but unavailable for governmental activities is \$2,531,995 and \$2,346,549, respectively.

IV. NET POSITION AND FUND BALANCE

IV. A. CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle

On July 1, 2022, the Authority adopted GASB Statement No. 96, Subscription Based Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about the governments' subscription based arrangements. This statement establishes a single model for accounting of subscription services based on the principle that subscriptions result in a right-to-use asset and a corresponding liability. The Authority implemented this standard as of July 1, 2021 and restated the following balances as of and for the year ended June 30, 2022.

	As of June 30, 2022		
	As previously reported	Governmental Activities	
	As previously reported	GASB 96 implementation	As restated
Capital assets, net	\$8,583,298	\$1,282,603	\$9,865,901
Accounts Payable	696,491	(1)	696,490
Payable to the City of Oklahoma City	7,918,884	(1,793,927)	6,124,957
Interest payable	-	5,186	5,186
Current notes, leases, subscriptions payable	-	538,456	538,456
Non-current notes, leases, subscriptions payable	-	830,988	830,988
Program Expenses			
General government	2,507,529	500,869	3,008,398
Interest expense	-	5,272	5,272
Operating Grants and Contributions			
General government	2,468,316	2,208,042	4,676,358
Net investment in capital assets	8,583,298	(86,840)	8,496,458
Unrestricted net position	18,311,401	1,788,741	20,100,142

The General Purpose Fund was also restated to reflect the impact on cost reimbursement activity related to this implementation. As of June 30, 2022, the General Purpose Fund recorded a reduction in the amount payable to the City of Oklahoma City by \$1,793,927. The statement of revenues, expenditures, and changes in fund balance also reflect changes for the year ended June 30, 2022 to show subscription liability issuance, capital outlay and debt service requirements properly under GASB 96. Change in fund balance increased \$1,793,927 from the impact of this implementation.

IV. B. NET POSITION

Net Investment in Capital Assets

	2023			2022		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Capital assets, net	\$13,144,432	\$6,121,679	\$19,266,111	\$9,865,901	\$7,699,646	\$17,565,547
Notes payable	-	(6,578,968)	(6,578,968)	-	(7,263,226)	(7,263,226)
Lease Payable	-	(52,594)	(52,594)	-	(87,429)	(87,429)
Payable to COTPA	-	(186,713)	(186,713)	-	(209,343)	(209,343)
Subscriptions payable	(830,988)	-	(830,988)	(1,369,443)	-	(1,369,443)
	<u>\$12,313,444</u>	<u>(\$696,596)</u>	<u>\$11,616,848</u>	<u>\$8,496,458</u>	<u>\$139,648</u>	<u>\$8,636,106</u>

Restricted for Capital Projects

	2023			2022		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Restricted for capital projects	<u>\$2,209,262</u>	<u>\$-</u>	<u>\$2,209,262</u>	<u>\$2,091,433</u>	<u>\$-</u>	<u>\$2,091,433</u>

Restricted for Debt Service

	2023			2022		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Restricted for debt service	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$329,938</u>	<u>\$329,938</u>

Unrestricted

	2023			2022		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Unrestricted	<u>\$20,300,732</u>	<u>\$15,438,629</u>	<u>\$35,739,361</u>	<u>\$20,100,142</u>	<u>\$14,691,393</u>	<u>\$34,791,535</u>

IV. C. FUND BALANCE

Non-Spendable Fund Balance

	<u>2023</u>	<u>2022</u>
Prepaids	<u>\$669,625</u>	<u>\$900,490</u>

Restricted Fund Balance

	<u>2023</u>	<u>2022</u>
Restricted for capital projects	<u>\$2,207,226</u>	<u>\$2,089,358</u>

**NOTES TO FINANCIAL STATEMENTS
2023 and 2022**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

Assigned Fund Balance

	<u>2023</u>	<u>2022</u>
Assigned for parks improvements, creation and maintenance	\$3,188,447	\$2,856,508
Assigned for Myriad Botanical Gardens operations	36,245	26,141
Assigned for bond capital projects	12,858,952	11,678,662
Assigned for encumbrances	<u>85,954</u>	<u>742,614</u>
	<u>\$16,169,598</u>	<u>\$15,303,925</u>

Unassigned

	<u>2023</u>	<u>2022</u>
Unassigned	<u>\$934,802</u>	<u>\$1,556,440</u>

V. INTERFUND TRANSACTIONS

V. A. INTERFUND BALANCES

Payable/Receivable To/From the City

	Purpose	<u>2023</u>		<u>2022</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
		<u>General</u> <u>Purpose Fund</u>	<u>OCMFA</u> <u>Services</u>	<u>General</u> <u>Purpose Fund</u>	<u>OCMFA</u> <u>Services</u>
RECEIVABLE FROM					
<u>CURRENT</u>					
City General Fund	Information technology projects	\$219,882	\$500,000	\$1,208,353	\$ -
City General Fund	Property insurance	-	-	-	3,066,606
City General Obligation Bond Fund	Prefunded project costs	6,720,499	-	1,464,846	-
OCPPA Golf Courses	Golf cart loans, golf pro health insurance	-	153,895	-	31,543
OCPPA	Parks revenue system	<u>26,440</u>	<u>-</u>	<u>55,142</u>	<u>-</u>
Total current		<u>6,966,821</u>	<u>653,895</u>	<u>2,728,341</u>	<u>3,098,149</u>

	Purpose	<u>2023</u>		<u>2022</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
		<u>General</u> <u>Purpose Fund</u>	<u>OCMFA</u> <u>Services</u>	<u>General</u> <u>Purpose Fund</u>	<u>OCMFA</u> <u>Services</u>
<u>NON-CURRENT</u>					
City General Obligation Bond Fund	Prefunded project costs	795,629	-	1,817,610	-
City Information Technology Fund	Cost reimbursement	-	839,134	-	1,307,485
OCPPA Golf Courses	Golf cart loans	-	751,439	-	-
City Risk Management Fund	Cost reimbursement	<u>-</u>	<u>1,121,588</u>	<u>-</u>	<u>-</u>
Total non-current		<u>795,629</u>	<u>2,712,161</u>	<u>1,817,610</u>	<u>1,307,485</u>
Total		<u>\$7,762,450</u>	<u>\$3,366,056</u>	<u>\$4,545,951</u>	<u>\$4,405,634</u>

(continued)

Payable/Receivable To/From the City (continued)

Purpose	2023		2022		
	RECEIVABLE FROM		RECEIVABLE FROM		
	General Purpose Fund	OCMFA Services	General Purpose Fund	OCMFA Services	
PAYABLE TO					
<u>CURRENT</u>					
City General Fund	Public works and nuisance abatement administrative charges	\$66,494	\$ -	\$ -	\$ -
City General Fund	Purchasing card reimbursement, cell phone equipment, software licenses	-	230,195	-	202,455
City General Fund	Cost reimbursement	38,354	44,121	37,364	42,247
City Police/Fire Equipment Sales Tax	Capital equipment	-	5,991	-	5,991
City Fire Fund	Capital equipment	-	97,087	-	97,087
City Print Shop Fund	Postage	-	158	-	129
City Risk Management Fund	Cost reimbursement	-	7,905,294	-	9,330,730
City Asset Forfeiture Fund	Cost reimbursement	141,534	-	111,534	-
City Information Technology Fund	Cost reimbursement	7,070,008	770,327	5,976,059	789,873
City Airport Fund	Capital equipment	-	34,112	-	34,112
Total current		<u>7,316,390</u>	<u>9,087,285</u>	<u>6,124,957</u>	<u>10,502,624</u>
<u>NON-CURRENT</u>					
City Police/Fire Equipment Sales Tax	Capital equipment	-	43,438	-	49,429
City Fire Fund	Capital equipment	-	703,880	-	800,967
City Airport Fund	Capital equipment	-	247,309	-	281,421
City Information Technology Fund	Information technology projects	-	-	1,021,637	-
Total non-current		-	<u>994,627</u>	<u>1,021,637</u>	<u>1,131,817</u>
Total		<u>\$7,316,390</u>	<u>\$10,081,912</u>	<u>\$7,146,594</u>	<u>\$11,634,441</u>

Long-Term Receivable From the City

Prefunded Project Costs

The Authority pays for initial architectural and engineering fees for the City and related trust construction projects before the funding is finalized. This process allows more timely initiation of capital projects due to the length of time involved in finalizing debt and contracts for construction by the City and related trusts. When the funding is finalized and construction begins, the City or related trust reimburses the Authority for the cost of the prefunded fees. Any amounts outstanding are reported as a receivable from the City. At June 30, 2023 and 2022, the Authority reported an amount receivable from the City General Obligation Bond Fund of \$7,516,128 and \$3,282,456 for unreimbursed prefunded fees, of which \$6,720,499 and \$1,464,846 is reported as a current receivable, respectively.

Receivable From Oklahoma City Public Property Authority (OCPPA)

OCPPA Trosper Golf Course Cart Loan

On March 13, 2018, a loan for \$180,080 from the Authority's workers' compensation reserve was made to the OCPPA Trosper Golf Course to purchase golf carts. The loan was repaid over five years at an annual rate of 2.33% beginning May 1, 2018, with the final payment made on April 1, 2023. The principal due at June 30, 2022 was \$31,482. The current receivable reported at June 30, 2022 was \$31,543, including accrued interest of \$61.

OCPPA Trosper and Hefner Golf Course Cart Loan

On May 1, 2023, a loan for \$900,000 from the Authority's workers' compensation reserve was made to the OCPPA Trosper and Hefner Golf Courses to purchase golf carts. The loan will be repaid over six years at an annual rate of 3.578% beginning June 1, 2023, with the final payment made on May 1, 2029. The principal due at June 30, 2023 is \$888,776. The current receivable reported at June 30, 2023 is \$153,895, including accrued interest of \$16,558.

Annual Debt Service Requirements to Maturity for Advances to OCPPA

2023			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$137,337	\$29,563	\$166,900
2025	142,332	24,567	166,899
2026	147,509	19,390	166,899
2027	152,874	14,025	166,899
2028	158,435	8,465	166,900
2029	<u>150,289</u>	<u>2,702</u>	<u>152,991</u>
	<u>\$888,776</u>	<u>\$98,712</u>	<u>\$987,488</u>

General Purpose Fund Cost Reimbursement Receivable From (Payable To) City Information Technology, Asset Forfeiture and General Funds

The General Purpose Fund manages long-term technology contracts for the City Information Technology Fund. The City Information Technology Fund reimburses the Authority for these costs. The General Purpose fund also manages various undercover investigative services costs which are reimbursed by the Asset Forfeiture Fund and legal services for the City of Oklahoma City which are reimbursed from the City General Fund. The advance represents the under (over) funded liabilities of the General Purpose Fund at 2023 and 2022.

	2023		
	<u>Information Technology</u>	<u>Police & Court Administration</u>	<u>Civil Rights Defense</u>
Advance balance, July 1, 2022	(\$5,976,059)	(\$111,534)	(\$37,364)
Other services	4,063,709	41,515	282,886
Materials and supplies	38,494	-	-
Debt services	3,510	-	-
Investment income	(221,451)	(1,515)	(3,876)
Capital outlay	4,127,759	-	-
Reimbursement from the City	<u>(9,105,970)</u>	<u>(70,000)</u>	<u>(280,000)</u>
Advance balance, June 30, 2023	<u>(\$7,070,008)</u>	<u>(\$141,534)</u>	<u>(\$38,354)</u>

(continued)

General Purpose Fund Cost Reimbursement Receivable From (Payable To) City Information Technology, Asset Forfeiture and General Funds (continued)

	2022		
	<u>Information Technology</u>	<u>Police & Court Administration</u>	<u>Civil Rights Defense</u>
Advance balance, July 1, 2021	(\$6,909,625)	(\$77,275)	(\$100,136)
Charges for services	-	-	-
Other services	3,450,737	33,685	259,956
Materials and supplies	434,781	-	-
Investment income	133,256	2,056	2,816
Debt services	5,185	-	-
Capital outlay	2,769,769	-	-
Reimbursement from the City	<u>(5,860,162)</u>	<u>(70,000)</u>	<u>(200,000)</u>
Advance balance, June 30, 2022	<u>(\$5,976,059)</u>	<u>(\$111,534)</u>	<u>(\$37,364)</u>

OCMFA Services Fund Cost Reimbursement Receivable From (Payable To) City Internal Services Funds

The City Risk Management, General and Information Technology Funds charge City funds for centralized services. The OCMFA Services Fund manages long-term contracts for costs related to these services. The City Risk Management, General and Information Technology Funds reimburse the Authority for these costs. The advance represents the under (over) funded liabilities of the OCMFA Services Fund at 2023 and 2022.

	2023				
	<u>Workers' Compensation</u>	<u>Property and Liability</u>	<u>Total Risk Management</u>	<u>Unemployment</u>	<u>Information Technology</u>
Advance balance, July 1, 2022	(\$2,252,222)	(\$7,078,508)	(\$9,330,730)	(\$42,247)	\$517,612
Other services	12,009,160	9,531,832	21,540,992	102,993	6,463,414
Materials and supplies	187,672	-	187,672	-	86,210
Investment income	(515,834)	(45,921)	(561,755)	(204)	(34,203)
Other income	(6,524)	-	(6,524)	-	(159,822)
Capital outlay	-	-	-	-	376,950
Interest on debt	-	-	-	-	177,900
Reimbursement from the City	<u>(8,300,664)</u>	<u>(10,312,697)</u>	<u>(18,613,361)</u>	<u>(104,663)</u>	<u>(7,359,254)</u>
Advance balance, June 30, 2023	<u>\$1,121,588</u>	<u>(\$7,905,294)</u>	<u>(\$6,783,706)</u>	<u>(\$44,121)</u>	<u>\$68,807</u>

	2022				
	<u>Workers' Compensation</u>	<u>Property and Liability</u>	<u>Total Risk Management</u>	<u>Unemployment</u>	<u>Information Technology</u>
Advance balance, July 1, 2021	\$4,196,669	(\$4,437,738)	(\$241,069)	(\$25,446)	\$337,896
Other services	8,809,868	6,383,473	15,193,341	108,768	5,539,492
Materials and supplies	434,306	7,430	441,736	-	42,061
Investment income	538,851	55,437	594,288	440	19,442
Other income	(15,050)	(255,122)	(270,172)	-	(159,841)
Capital outlay	-	-	-	-	689,637
Interest on debt	-	-	-	-	195,263
Reimbursement from the City	<u>(16,216,866)</u>	<u>(8,831,988)</u>	<u>(25,048,854)</u>	<u>(126,009)</u>	<u>(6,146,338)</u>
Advance balance, June 30, 2022	<u>(\$2,252,222)</u>	<u>(\$7,078,508)</u>	<u>(\$9,330,730)</u>	<u>(\$42,247)</u>	<u>\$517,612</u>

Payable To Component Units of the City

The OCMFA Services Fund, Information Technology Radio System Debt Service Fund, reported \$186,713 and \$209,343 payable to COTPA at June 30, 2023 and June 30, 2022, respectively, for prefunding related to the new P25 Radio System.

The OCMFA Services Fund, Property and Liability, reported \$55,508 and \$165,816 payable to OCAT at June 30, 2023 and June 30, 2022, respectively, for insurable repair claims.

V. B. INTERFUND TRANSFERS AND PAYMENTS

Payments To/From the City

		<u>2023</u>		<u>2022</u>	
		<u>PAYMENTS TO</u>		<u>PAYMENTS TO</u>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services Fund</u>	<u>Purpose Fund</u>	<u>Services Fund</u>
<u>PAYMENTS FROM</u>					
City General Fund	Operating subsidies	\$3,558,450	\$ -	\$4,676,358	\$ -
City Information Technology Fund	Capital funding	-	376,951	-	689,637
City Capital Improvement Fund	Capital funding	<u>925,000</u>	<u>2,013,238</u>	<u>-</u>	<u>-</u>
		<u>\$4,483,450</u>	<u>\$2,390,189</u>	<u>\$4,676,358</u>	<u>\$689,637</u>
		<u>2023</u>		<u>2022</u>	
		<u>PAYMENTS FROM</u>		<u>PAYMENTS FROM</u>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services Fund</u>	<u>Purpose Fund</u>	<u>Services Fund</u>
<u>PAYMENTS TO</u>					
City Public Property Authority	Capital funding	\$28,699	\$ -	\$20,100	\$ -
City Risk Management Fund	Capital funding	-	2,013,238	-	-
City Information Technology Fund	Cost reimbursement	395,528	-	1,218,986	-
City Special Purpose Fund	Park Improvements	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
		<u>\$424,227</u>	<u>\$2,013,238</u>	<u>\$2,239,086</u>	<u>\$ -</u>

Combining Financial Statements

Combining Statements for the OCMFA Services Fund

The OCMFA Services Fund manages long-term contracts for costs of the City of Oklahoma City (City). This Fund is used to account for the financing of goods and services provided by one department to other departments within the City.

- * **Health Care Insurance** – Established to account for the risk financing activities of the City and certain component units with regards to the health care plan.*
- * **Workers' Compensation** – Established to account for the disability, medical and rehabilitation expenses and related costs associated with on the job injuries. These expenses and related costs are eliminated through reimbursement from and reported in the City Risk Management Fund.*
- * **Property and Liability** – Established to account for the funding and costs associated with the property and liability insurance program. These expenses and related costs are eliminated through reimbursement from and reported in the City Risk Management Fund.*
- * **Unemployment Insurance** – Established for the purpose of financing unemployment costs.*
- * **Information Technology** – Established to account for the operations of the Trust's computer and telecommunication systems. These expenses and related costs are eliminated through reimbursement from and reported in the City Information Technology Fund.*

**COMBINING STATEMENTS OF NET POSITION
OCMFA SERVICES FUND
June 30, 2023**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management						Information Technology	Total
	Health Care	Workers' Compensation	Property and Liability	Unemployment Insurance	Total Risk Management			
	Insurance	Compensation	Liability	Insurance	Management	Technology		
ASSETS								
CURRENT ASSETS								
Pooled cash-----	\$239,943	\$26,922	\$96,945	\$1,020	\$364,830	\$10,527	\$375,357	
Investments-----	17,859,062	30,961,031	7,231,891	76,138	56,128,122	777,421	56,905,543	
Accounts receivable, net-----	1,724	23,637	-	-	25,361	-	25,361	
Interest, dividends and royalties receivable-----	68,711	145,465	27,824	293	242,293	2,991	245,284	
Receivable from the City of Oklahoma City-----	-	153,895	-	-	153,895	500,000	653,895	
Intergovernmental receivables-----	-	761,069	-	-	761,069	-	761,069	
Notes receivable-----	-	515,586	-	-	515,586	-	515,586	
Prepays-----	-	3,105	2,014,699	-	2,017,804	64,984	2,082,788	
Total current assets-----	18,169,440	32,590,710	9,371,359	77,451	60,208,960	1,355,923	61,564,883	
NON-CURRENT ASSETS								
Notes receivable-----	-	1,253,379	-	-	1,253,379	-	1,253,379	
Receivable from the City of Oklahoma City-----	-	1,873,026	-	-	1,873,026	839,135	2,712,161	
Capital assets:								
Other capital assets,								
net of accumulated depreciation-----	52,208	-	-	-	52,208	6,069,471	6,121,679	
Capital assets, net-----	52,208	-	-	-	52,208	6,069,471	6,121,679	
Total non-current assets-----	52,208	3,126,405	-	-	3,178,613	6,908,606	10,087,219	
Total assets-----	18,221,648	35,717,115	9,371,359	77,451	63,387,573	8,264,529	71,652,102	
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses-----	1,186,158	649,940	22,241	33,330	1,891,669	30,827	1,922,496	
Payable to the City of Oklahoma City-----	6,360	4,175	7,905,294	44,121	7,959,950	1,127,335	9,087,285	
Payable to component units-----	-	-	55,508	-	55,508	22,632	78,140	
Interest payable-----	22	-	-	-	22	42,270	42,292	
Estimated claims payable-----	1,538,271	11,122,000	1,388,316	-	14,048,587	-	14,048,587	
Notes, leases, and subscriptions payable-----	35,017	-	-	-	35,017	701,956	736,973	
Total current liabilities-----	2,765,828	11,776,115	9,371,359	77,451	23,990,753	1,925,020	25,915,773	
NON-CURRENT LIABILITIES								
Payable to component units-----	-	-	-	-	-	164,080	164,080	
Estimated claims payable-----	-	23,941,000	-	-	23,941,000	-	23,941,000	
Notes, leases, and subscriptions payable-----	17,577	-	-	-	17,577	5,877,012	5,894,589	
Payable to the City of Oklahoma City-----	-	-	-	-	-	994,627	994,627	
Total non-current liabilities-----	17,577	23,941,000	-	-	23,958,577	7,035,719	30,994,296	
Total liabilities-----	2,783,405	35,717,115	9,371,359	77,451	47,949,330	8,960,739	56,910,069	
NET POSITION								
Net investment in capital assets-----	(386)	-	-	-	(386)	(696,210)	(696,596)	
Unrestricted-----	15,438,629	-	-	-	15,438,629	-	15,438,629	
Total net position-----	\$15,438,243	\$ -	\$ -	\$ -	\$15,438,243	(\$696,210)	\$14,742,033	

**COMBINING STATEMENTS OF NET POSITION
OCMFA SERVICES FUND
June 30, 2022**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management						Information Technology	Total
	Health Care Insurance	Workers' Compensation	Property and Liability	Unemployment Insurance	Total Risk Management			
ASSETS								
CURRENT ASSETS								
Pooled cash-----	\$79,040	\$ -	\$21,328	\$362	\$100,730	\$6,207	\$106,937	
Investments-----	16,743,541	33,617,095	3,226,024	55,741	53,642,401	912,707	54,555,108	
Accounts receivable, net-----	45,484	5,445	-	-	50,929	329,940	380,869	
Interest, dividends and royalties receivable-----	46,170	123,411	8,905	152	178,638	2,524	181,162	
Due within the Authority-----	32,359	(32,359)	-	-	-	-	-	
Receivable from the City of Oklahoma City-----	82,910	23,665	2,991,574	-	3,098,149	-	3,098,149	
Notes receivable-----	-	506,148	-	-	506,148	-	506,148	
Prepays-----	-	3,105	1,366,494	-	1,369,599	79,081	1,448,680	
Total current assets-----	17,029,504	34,246,510	7,614,325	56,255	58,946,594	1,330,459	60,277,053	
NON-CURRENT ASSETS								
Notes receivable-----	-	1,602,042	-	-	1,602,042	-	1,602,042	
Receivable from the City of Oklahoma City-----	-	-	-	-	-	1,307,485	1,307,485	
Capital assets:								
Other capital assets,								
net of accumulated depreciation-----	87,014	-	-	-	87,014	7,612,632	7,699,646	
Capital assets, net-----	87,014	-	-	-	87,014	7,612,632	7,699,646	
Total non-current assets-----	87,014	1,602,042	-	-	1,689,056	8,920,117	10,609,173	
Total assets-----	17,116,518	35,848,552	7,614,325	56,255	60,635,650	10,250,576	70,886,226	
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses-----	865,602	685,330	20,675	14,008	1,585,615	4	1,585,619	
Payable to the City of Oklahoma City-----	128	2,252,222	7,078,508	42,247	9,373,105	1,129,519	10,502,624	
Payable to component units-----	-	-	165,816	-	165,816	22,632	188,448	
Interest payable-----	36	-	-	-	36	46,666	46,702	
Estimated claims payable-----	1,472,345	9,793,000	349,326	-	11,614,671	-	11,614,671	
Notes, leases and subscriptions payable-----	34,835	-	-	-	34,835	684,258	719,093	
Total current liabilities-----	2,372,946	12,730,552	7,614,325	56,255	22,774,078	1,883,079	24,657,157	
NON-CURRENT LIABILITIES								
Payable to component units-----	-	-	-	-	-	186,711	186,711	
Estimated claims payable-----	-	23,118,000	-	-	23,118,000	6,578,968	29,696,968	
Notes, leases and subscriptions payable-----	52,594	-	-	-	52,594	-	52,594	
Payable to the City of Oklahoma City-----	-	-	-	-	-	1,131,817	1,131,817	
Total non-current liabilities-----	52,594	23,118,000	-	-	23,170,594	7,897,496	31,068,090	
Total liabilities-----	2,425,540	35,848,552	7,614,325	56,255	45,944,672	9,780,575	55,725,247	
NET POSITION								
Net investment in capital assets-----	(415)	-	-	-	(415)	140,063	139,648	
Restricted for debt service-----	-	-	-	-	-	329,938	329,938	
Unrestricted-----	14,691,393	-	-	-	14,691,393	-	14,691,393	
Total net position-----	\$14,690,978	\$ -	\$ -	\$ -	\$14,690,978	\$470,001	\$15,160,979	

**COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
OCMFA SERVICES FUND
For the Year Ended June 30, 2023**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management					Information Technology	Total
	Health Care	Workers' Compensation	Property and Liability	Unemployment Insurance	Total Risk Management		
	Insurance	Compensation	Liability	Insurance	Management		
<u>OPERATING REVENUES</u>							
Service charges-----	\$59,548,459	\$-	\$-	\$-	\$59,548,459	\$-	\$59,548,459
Licenses, permits, and fees-----	41,980	-	-	-	41,980	-	41,980
Other-----	1,345,257	-	-	-	1,345,257	-	1,345,257
Total operating revenues-----	60,935,696	-	-	-	60,935,696	-	60,935,696
<u>OPERATING EXPENSES</u>							
Maintenance, operations, and contractual services-----	60,542,854	-	-	-	60,542,854	-	60,542,854
Materials and supplies-----	10,601	-	-	-	10,601	-	10,601
Depreciation & Amortization-----	34,805	-	-	-	34,805	1,543,162	1,577,967
Total operating expenses-----	60,588,260	-	-	-	60,588,260	1,543,162	62,131,422
Operating income (loss)-----	347,436	-	-	-	347,436	(1,543,162)	(1,195,726)
<u>NON-OPERATING REVENUE (EXPENSE)</u>							
Investment income (loss)-----	400,187	-	-	-	400,187	-	400,187
Interest on bonds, leases, and notes-----	(358)	-	-	-	(358)	-	(358)
Payments to the City of Oklahoma City-----	-	-	(2,013,238)	-	(2,013,238)	-	(2,013,238)
Payments from the City of Oklahoma City-----	-	-	2,013,238	-	2,013,238	376,951	2,390,189
Net non-operating revenue-----	399,829	-	-	-	399,829	376,951	776,780
Changes in net position-----	747,265	-	-	-	747,265	(1,166,211)	(418,946)
Total net position, beginning-----	14,690,978	-	-	-	14,690,978	470,001	15,160,979
Total net position (deficit), ending-----	\$15,438,243	\$ -	\$ -	\$ -	\$15,438,243	(\$696,210)	\$14,742,033

**COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
OCMFA SERVICES FUND
For the Year Ended June 30, 2022**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>Risk Management</u>						<u>Information Technology</u>	<u>Total</u>
	<u>Health Care Insurance</u>	<u>Workers' Compensation</u>	<u>Property and Liability</u>	<u>Unemployment Insurance</u>	<u>Total Risk Management</u>			
<u>OPERATING REVENUES</u>								
Service charges-----	\$59,408,117	\$-	\$-	\$-	\$59,408,117	\$-	\$59,408,117	
Licenses, permits and fees-----	40,553	-	-	-	40,553	-	40,553	
Other-----	980,093	-	-	-	980,093	-	980,093	
Total operating revenues-----	60,428,763	-	-	-	60,428,763	-	60,428,763	
<u>OPERATING EXPENSES</u>								
Maintenance, operations, and contractual services-----	59,123,396	-	-	-	59,123,396	-	59,123,396	
Materials and supplies-----	12,139	-	-	-	12,139	-	12,139	
Depreciation-----	34,806	61,990	-	-	96,796	1,509,921	1,606,717	
Total operating expenses-----	59,170,341	61,990	-	-	59,232,331	1,509,921	60,742,252	
Operating income (loss)-----	1,258,422	(61,990)	-	-	1,196,432	(1,509,921)	(313,489)	
<u>NON-OPERATING EXPENSE</u>								
Investment income-----	(293,122)	-	-	-	(293,122)	-	(293,122)	
Interest on bonds and notes-----	(539)	-	-	-	(539)	-	(539)	
Payments from the City of Oklahoma City-----	-	-	-	-	-	689,637	689,637	
Net non-operating revenue (expense)-----	(293,661)	-	-	-	(293,661)	689,637	395,976	
Changes in net position-----	964,761	(61,990)	-	-	902,771	(820,284)	82,487	
Total net position, beginning-----	13,726,217	61,990	-	-	13,788,207	1,290,285	15,078,492	
Total net position, ending-----	\$14,690,978	\$ -	\$ -	\$ -	\$14,690,978	\$470,001	\$15,160,979	

COMBINING STATEMENTS OF CASH FLOWS
OCMFA SERVICES FUND
For the Year Ended June 30, 2023

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	Risk Management						Information Technology	Total
	Health Care Insurance	Workers' Compensation	Property and Liability	Unemployment Insurance	Total Risk Management			
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Cash received from customers-----	\$60,935,694	\$ -	\$ -	\$ -	\$60,935,694	\$ -	\$60,935,694	
Cash payments to suppliers for goods and services-----	(59,985,561)	(10,895,545)	(6,147,907)	(83,672)	(77,112,685)	(6,657,401)	(83,770,086)	
Cash payments for internal services-----	(16,142)	-	-	-	(16,142)	-	(16,142)	
Operating payments to component units-----	-	-	(110,308)	-	(110,308)	-	(110,308)	
Cost reimbursements from (to) other funds-----	-	8,300,664	10,312,697	104,663	18,718,024	7,359,254	26,077,278	
Net cash provided (used) by operating activities-----	933,991	(2,594,881)	4,054,482	20,991	\$2,414,583	701,853	3,116,436	
<u>CASH FLOWS FROM NON-CAPITAL</u>								
<u>FINANCING ACTIVITIES</u>								
Transfers received from other funds-----	-	339,225	-	-	339,225	-	339,225	
Net cash provided by non-capital								
financing activities-----	-	339,225	-	-	339,225	-	339,225	
<u>CASH FLOWS FROM CAPITAL AND CAPITAL</u>								
<u>RELATED FINANCING ACTIVITIES</u>								
Principal paid on long-term debt-----	(34,835)	-	-	-	(34,835)	(684,258)	(719,093)	
Interest paid on long-term debt-----	(373)	-	-	-	(373)	(182,296)	(182,669)	
Net cash provided (used) by capital and								
related financing activities-----	(35,208)	-	-	-	(35,208)	(866,554)	(901,762)	
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Changes in pooled investments-----	(1,110,584)	2,497,753	(4,084,500)	(21,402)	(2,718,733)	142,420	(2,576,313)	
Investment income received-----	371,572	(217,430)	105,417	1,065	260,624	26,539	287,163	
Purchased interest-----	1,132	2,255	218	4	3,609	62	3,671	
Net cash provided (used) by investing activities-----	(737,880)	2,282,578	(3,978,865)	(20,333)	(2,454,500)	169,021	(2,285,479)	
Net increase in cash-----	160,903	26,922	75,617	658	264,100	4,320	268,420	
Cash, beginning-----	79,040	-	21,328	362	100,730	6,207	106,937	
Cash, ending-----	\$239,943	\$26,922	\$96,945	\$1,020	\$364,830	\$10,527	\$375,357	
<u>RECONCILIATION OF OPERATING</u>								
<u>INCOME (LOSS) TO NET CASH PROVIDED</u>								
<u>(USED) BY OPERATING ACTIVITIES</u>								
Operating income (loss)-----	\$347,436	\$ -	\$ -	\$ -	\$347,436	(\$1,543,162)	(\$1,195,726)	
<u>ADJUSTMENTS TO RECONCILE OPERATING</u>								
<u>INCOME (LOSS) TO NET CASH</u>								
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>								
Depreciation-----	34,805	-	-	-	34,805	1,543,162	1,577,967	
Other revenue (expense)-----	-	(522,358)	(45,920)	(205)	(568,483)	143,699	(424,784)	
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable-----	43,760	(18,192)	-	-	25,568	329,940	355,508	
(Increase) decrease in receivable from the City of Oklahoma City-----	115,269	(1,161,825)	2,991,573	-	1,945,017	345,299	2,290,316	
(Increase) decrease in prepaid assets-----	-	-	(648,205)	-	(648,205)	14,097	(634,108)	
(Increase) decrease in intergovernmental receivable-----	-	(761,069)	-	-	(761,069)	-	(761,069)	
Increase (decrease) in accounts payable and accrued expenses-----	320,556	(35,390)	1,566	19,322	306,054	30,823	336,877	
Increase (decrease) in payable to the City of Oklahoma City-----	6,232	(2,248,047)	826,786	1,874	(1,413,155)	(139,374)	(1,552,529)	
Increase (decrease) in payable to component unit-----	-	-	(110,308)	-	(110,308)	(22,631)	(132,939)	
Increase (decrease) in long-term liabilities-----	-	2,152,000	1,038,990	-	3,190,990	-	3,190,990	
Increase (decrease) in notes, lease, and estimated claims payable-----	65,933	-	-	-	65,933	-	65,933	
Total adjustments-----	586,555	(2,594,881)	4,054,482	20,991	2,067,147	2,245,015	4,312,162	
Net cash provided (used) by operating activities-----	\$933,991	(\$2,594,881)	\$4,054,482	\$20,991	\$2,414,583	\$701,853	\$3,116,436	
<u>NON-CASH INVESTING, CAPITAL,</u>								
<u>AND FINANCING ACTIVITIES</u>								
Net increase (decrease) in fair value of investments-----	4,941	(158,311)	(78,633)	(1,005)	(233,008)	7,132	(225,876)	
Total non-cash investing, capital,								
and financing activities-----	\$4,941	(\$158,311)	(\$78,633)	(\$1,005)	(\$233,008)	\$7,132	(\$225,876)	

COMBINING STATEMENTS OF CASH FLOWS
OCMFA SERVICES FUND
For the Year Ended June 30, 2022

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	Risk Management						Information Technology	Total
	Health Care Insurance	Workers' Compensation	Property and Liability	Unemployment Insurance	Total Risk Management			
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Cash received from customers-----	\$60,428,764	\$ -	\$ -	\$ -	\$60,428,764	\$ -	\$60,428,764	
Cash payments to suppliers for goods and services-----	(59,474,229)	(11,235,063)	(10,453,978)	(127,671)	(81,290,941)	(5,960,662)	(87,251,603)	
Cash payments for internal services-----	(15,853)	-	-	-	(15,853)	-	(15,853)	
Operating payments to component units-----	-	-	165,816	-	165,816	-	165,816	
Cost reimbursements from (to) other funds-----	-	16,216,866	8,831,988	126,009	25,174,863	6,146,358	31,321,221	
Other cash receipts-----	-	-	63,222	-	63,222	-	63,222	
Net cash provided (used) by operating activities-----	938,682	4,981,803	(1,392,952)	(1,662)	4,525,871	185,696	4,711,567	
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>								
Transfers received from other funds-----	-	250,539	-	-	250,539	-	250,539	
financing activities-----	-	250,539	-	-	250,539	-	250,539	
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>								
Payments for acquisition and construction of capital assets-----	-	-	-	-	-	(229,000)	(229,000)	
Principal paid on long-term debt-----	(34,655)	-	-	-	(34,655)	(667,007)	(701,662)	
Interest paid on long-term debt-----	(553)	-	-	-	(553)	(199,548)	(200,101)	
Net cash provided (used) by capital and related financing activities-----	(35,208)	-	-	-	(35,208)	(1,095,555)	(1,130,763)	
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Changes in pooled investments-----	(964,853)	(5,575,321)	1,380,019	1,717	(5,158,438)	347,795	(4,810,643)	
Investment income received-----	140,869	344,030	34,282	308	519,489	9,339	528,828	
Purchased interest-----	(450)	(1,051)	(21)	(1)	(1,523)	(8)	(1,531)	
Net cash provided (used) by investing activities-----	(824,434)	(5,232,342)	1,414,280	2,024	(4,640,472)	357,126	(4,283,346)	
Net increase (decrease) in cash-----	79,040	-	21,328	362	100,730	(552,733)	(452,003)	
Cash, beginning-----	-	-	-	-	-	558,940	558,940	
Cash, ending-----	\$79,040	\$ -	\$21,328	\$362	\$100,730	\$6,207	\$106,937	
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>								
Operating income (loss)-----	\$1,258,422	(\$61,990)	\$ -	\$ -	\$1,196,432	(\$1,509,921)	(\$313,489)	
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>								
Depreciation-----	34,806	61,990	-	-	96,796	1,509,921	1,606,717	
Other revenue-----	-	523,801	55,437	440	579,678	214,705	794,383	
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable-----	(42,274)	4,982	-	-	(37,292)	(329,940)	(367,232)	
(Increase) decrease in receivable from the City of Oklahoma City-----	(18,161)	4,102,528	(2,962,868)	120	1,121,619	882,682	2,004,301	
(Increase) decrease in receivable from component units-----	-	-	-	-	-	37,781	37,781	
(Increase) decrease in prepaid assets-----	-	-	(859,326)	-	(859,326)	(55,439)	(914,765)	
(Increase) decrease in intergovernmental receivable-----	-	-	63,222	-	63,222	-	63,222	
Increase (decrease) in accounts payable and accrued expenses-----	(450,823)	157,256	(274,022)	(19,023)	(586,612)	(36,363)	(622,975)	
Increase (decrease) in payable to the City of Oklahoma City-----	(2,919)	2,243,236	2,439,342	16,801	4,696,460	(505,098)	4,191,362	
Increase (decrease) in payable to component unit-----	-	-	165,816	-	165,816	(22,632)	143,184	
Increase (decrease) in long-term liabilities-----	-	(2,050,000)	(20,553)	-	(2,070,553)	-	(2,070,553)	
Increase (decrease) in notes, lease, and estimated claims payable-----	159,631	-	-	-	159,631	-	159,631	
Total adjustments-----	(319,740)	5,043,793	(1,392,952)	(1,662)	3,329,439	1,695,617	5,025,056	
Net cash provided (used) by operating activities-----	\$938,682	\$4,981,803	(\$1,392,952)	(\$1,662)	\$4,525,871	\$185,696	\$4,711,567	
<u>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>								
Net increase (decrease) in fair value of investments-----	(\$419,834)	(\$779,776)	(\$81,257)	(\$683)	(\$1,281,550)	(\$26,541)	(\$1,308,091)	
and financing activities-----	(\$419,834)	(\$779,776)	(\$81,257)	(\$683)	(\$1,281,550)	(\$26,541)	(\$1,308,091)	

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 City Municipal Facilities Authority
Oklahoma City, Oklahoma

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 governmental activities, the business-type activities, and each major fund of the Oklahoma City Municipal Facilities Authority (Authority), a blended component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audits 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 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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
December 5, 2023

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