



# Oklahoma City Municipal Facilities Authority

A blended component unit of The City of Oklahoma City, Oklahoma  
Annual Financial Report | for the Fiscal Year ended June 30, 2022





# **THE OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY**

A Blended Component Unit of  
Oklahoma City, Oklahoma

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Craig Freeman, General Manager

Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022

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



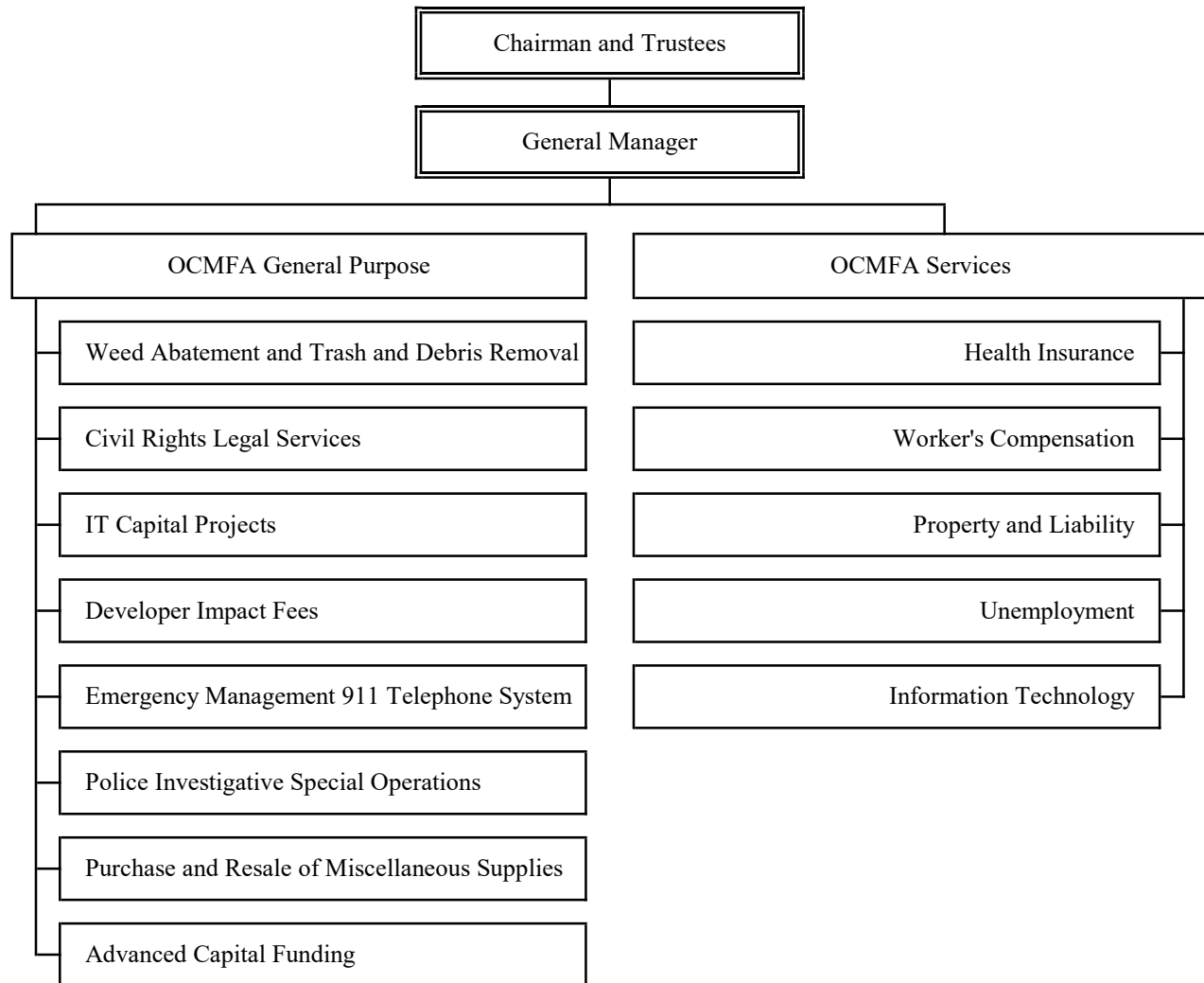
# OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

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# Oklahoma City Municipal Facilities Authority Organization Chart



# **Introductory Section**







November 23, 2022

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 year. 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. 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 June 30, 2022 and 2021, 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. This year's forecast highlighted substantial recent economic growth that reflects national trends and artificial support from federal policy and is therefore not sustainable. The forecast was that Oklahoma City would continue to see strong growth in fiscal year 2022 with weaker growth and possible declines in 2023. He presented two baseline scenarios which incorporate consumer pricing and inflation expectations into the forecast as well as a scenario for a mild recession. All three scenarios predicted significant economic expansion in fiscal year 2022 eventually levelling off and declining in 2023. Per-capita personal income in Oklahoma City is expected to increase to \$58,989 in 2022, aided by recent fiscal stimulus. The forecast for nonfarm employment in Oklahoma City was for 4.1% growth in the number of people employed. Dr. Evans' forecast predicted sales tax growth of 16.5% for fiscal year 2022, boosted by fiscal policy to augment household income during the COVID-19 pandemic.

In September 2022, Dr. Evans provided a mid-year update which took into consideration the current inflationary cycle and tightening monetary policy. The likelihood of the U.S. entering a recession in late 2022 or early 2023 has increased, although Oklahoma will enter such a period with a strong labor market and after sustained economic growth. Oklahoma City is expected to maintain positive fiscal performance further into fiscal year 2023, before growth begins to decline leading into fiscal year 2024. Dr. Evans presented two plausible paths for sales tax collections in fiscal year 2023 which predict different impacts from federal monetary policy. The "soft landing" scenario in which a strong recession is averted has sales tax growth of 6.3% in fiscal year 2023, while a "hard landing" approach in which an outright recession materializes has growth of 1.9%.

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 two for lowest cost of living among all reporting large cities over 500,000 population by the C2ER Annual Cost of Living Index. According to recent analysis by Real Estate Witch of publicly available data from the U.S. Census Bureau, Bureau of Economic Analysis, Bureau of Labor Statistics, UpCounsel, Google Trends, U.S. Patent Office, and the American Legislative Exchange Council Center for State Fiscal Reform, Oklahoma City came in at number twelve in their rankings to determine the best cities for starting a business. Oklahoma City also earned a AAA rating from Moody's and S&P for the 12 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  
Finance Director



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, 2022 and 2021, 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, 2022 and 2021, 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. 87, *Leases*. 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 auditing standards generally accepted in the United States of America. 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 November 23, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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

November 23, 2022  
Wichita, KS

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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 June 30, 2022 and 2021. 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. 87, Leases which resulted in a restatement to fiscal year 2021 balances. See note IV. A. for more detail.

- Authority assets exceeded liabilities by \$44,147,111 (net position) at June 30, 2022. This compares to the previous year when assets exceeded liabilities by \$43,832,366.
- Total assets for the Authority increased by \$3,299,957 (3.1%) to \$109,550,419 during the fiscal year.
- Total liabilities for the Authority increased by \$2,990,606 (4.8%) to \$65,363,896 during the fiscal year.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$8,722,946 and \$9,430,018 for 2022 and 2021, respectively, includes property and equipment, net of accumulated depreciation and related debt.
  - (2) Restricted net position for capital projects of \$2,091,433 and \$2,028,394 for 2022 and 2021, respectively, is constrained for capital projects.
  - (3) Restricted net position for debt service of \$329,938 and \$0 for 2022 and 2021, respectively, is constrained for debt service projects.
  - (4) Unrestricted net position is \$33,002,794 for 2022 and \$32,373,954 for 2021.
- The Authority's governmental fund reported total ending fund balance of \$18,056,286 this year. This compares to the prior year ending fund balance of \$18,766,056, showing a decrease of \$709,770 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, 2022 is \$44,147,111. This is an increase of \$314,745 from the June 30, 2021 net position of \$43,832,366. Overall the Authority's financial position improved during fiscal year 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2022 and 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

<b>Summary of Net Position</b>											
	Governmental Activities		Business-type Activities		Total		2022 - 2021	Governmental Activities	Business-type Activities	Total	2021 - 2020
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>% Change</u>	<u>2020</u>	<u>2020</u>		<u>% Change</u>
<b>Assets</b>											
Current assets	\$28,198,189	\$27,761,157	\$60,277,053	\$53,102,597	\$88,475,242	\$80,863,754	9.4%	\$24,206,100	\$56,130,550	\$80,336,650	0.7%
Capital assets, net	8,583,298	8,078,007	7,699,646	9,077,363	16,282,944	17,155,370	(5.1)	8,576,220	7,445,602	16,021,822	7.1
Other non-current assets	<u>1,882,706</u>	<u>702,244</u>	<u>2,909,527</u>	<u>7,529,094</u>	<u>4,792,233</u>	<u>8,231,338</u>	(41.8)	<u>793,166</u>	<u>3,641,006</u>	<u>4,434,172</u>	85.6
<b>Total assets</b>	<b><u>38,664,193</u></b>	<b><u>36,541,408</u></b>	<b><u>70,886,226</u></b>	<b><u>69,709,054</u></b>	<b><u>109,550,419</u></b>	<b><u>106,250,462</u></b>	3.1	<b><u>33,575,486</u></b>	<b><u>67,217,158</u></b>	<b><u>100,792,644</u></b>	5.4
<b>Liabilities</b>											
Current liabilities	8,617,012	7,742,728	24,657,157	20,037,556	33,274,169	27,780,284	19.8	4,607,759	21,470,919	26,078,678	6.5
Non-current liabilities	<u>1,021,637</u>	<u>-</u>	<u>31,068,090</u>	<u>34,593,006</u>	<u>32,089,727</u>	<u>34,593,006</u>	(7.2)	<u>-</u>	<u>32,627,404</u>	<u>32,627,404</u>	6.0
<b>Total liabilities</b>	<b><u>9,638,649</u></b>	<b><u>7,742,728</u></b>	<b><u>55,725,247</u></b>	<b><u>54,630,562</u></b>	<b><u>65,363,896</u></b>	<b><u>62,373,290</u></b>	4.8	<b><u>4,607,759</u></b>	<b><u>54,098,323</u></b>	<b><u>58,706,082</u></b>	6.2
Deferred inflows	<u>39,412</u>	<u>44,806</u>	<u>-</u>	<u>-</u>	<u>39,412</u>	<u>44,806</u>	(12.0)	<u>-</u>	<u>-</u>	<u>-</u>	100.0
<b>Net position</b>											
Net investment in											
capital assets	8,583,298	8,078,007	139,648	1,352,011	8,722,946	9,430,018	(7.5)	8,576,220	2,033,120	10,609,340	(11.1)
Restricted for:											
Capital projects	2,091,433	2,028,394	-	-	2,091,433	2,028,394	3.1	1,932,576	-	1,932,576	5.0
Debt Service	-	-	329,938	-	329,938	-	100.0	-	-	-	0.0
Unrestricted	<u>18,311,401</u>	<u>18,647,473</u>	<u>14,691,393</u>	<u>13,726,481</u>	<u>33,002,794</u>	<u>32,373,954</u>	1.9	<u>18,458,931</u>	<u>11,085,715</u>	<u>29,544,646</u>	9.6
<b>Total net position</b>	<b><u>\$28,986,132</u></b>	<b><u>\$28,753,874</u></b>	<b><u>\$15,160,979</u></b>	<b><u>\$15,078,492</u></b>	<b><u>\$44,147,111</u></b>	<b><u>\$43,832,366</u></b>	0.7	<b><u>\$28,967,727</u></b>	<b><u>\$13,118,835</u></b>	<b><u>\$42,086,562</u></b>	4.1

Governmental activities current assets increased by \$437 thousand in 2022 and increased by \$3.56 million in 2021. Cash and investments for governmental activities increased by \$1.97 million for 2022 and increased by \$1.61 million for 2021. Governmental activities accounts receivable increased by \$559 thousand and \$334 thousand in 2022 and 2021, respectively, primarily related to collections for nuisance abatement fees receivables in both years. Governmental activities receivable from the City decreased by \$2.84 million and increased by \$1.66 million in 2022 and 2021, 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, increased by \$762 thousand in 2022 and decreased by \$48 thousand in 2021.

Business-type activities current assets increased by \$7.17 million and decreased by \$3.03 million in 2022 and 2021, respectively. Cash and investments for business-type activities increased by \$3.05 million and decreased by \$2.25 million in 2022 and 2021, respectively. Business-type activities receivable from the City increased by \$3.02 million in 2022 and decreased by \$549 thousand in 2021 due to Cares Act payments. Business-type notes receivable did not change in 2022 and decreased by \$228 thousand in 2021, 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 \$915 thousand and \$43 thousand in 2022 and 2021, respectively.

Capital assets in governmental activities increased by \$505 thousand in 2022 primarily due to payments on the Oracle Fusion implementation of \$981 thousand offset by normal depreciation of \$476 thousand. Capital assets in governmental activities decreased by \$498 thousand in 2021, 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. Capital assets in business-type activities increased by \$1.63 million in 2021, primarily due to payments on the radio system of \$2.86 million and the addition of a right-to-use asset of \$157 thousand offset by normal depreciation of \$1.39 million.

Other non-current assets for governmental activities increased by \$1.18 million in 2022 and decreased by \$91 thousand in 2021, respectively. Receivable from the City increased by \$1.25 million in 2022 and decreased by \$138 thousand in 2021 related to prefunding project costs. Non-current prepaid expenses decreased by \$68 thousand in 2022 and increased by \$9 thousand in 2021, primarily due to normal renewal and amortization of long-term prepaid software licenses and support.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2022 and 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

Other non-current assets for business-type activities decreased by \$4.62 million in 2022 and increased by \$3.89 million in 2021. Receivable from the City decreased by \$4.37 million in 2022 due to changes in cost reimbursement advances. Receivable from the City increased by \$4.02 million in 2021 due to changes in cost reimbursement advances. Notes receivable decreased by \$250 thousand in 2022 and decreased by \$130 thousand in 2021.

Current liabilities for governmental activities increased by \$874 thousand and \$3.13 million in 2022 and 2021, respectively. Accounts payable and accrued expenses increased by \$42 thousand and \$48 thousand in 2022 and 2021, respectively. Amounts due to other City funds related to changes in unfunded liabilities for cost reimbursement advances increased by \$831 thousand and \$3.09 million in 2022 and 2021, respectively.

Business-type activities current liabilities increased by \$4.62 million in 2022 and decreased by \$1.43 million in 2021. Accounts payable decreased by \$623 thousand in 2022 and increased by \$47 thousand in 2021, primarily related to the timing of vendor payments. Payables to the City increased by \$4.33 million in 2022 and decreased by \$3.39 million in 2021, primarily related to changes in unfunded liabilities for cost reimbursement advances. Notes, leases, and estimated claims payable increased by \$752 thousand and \$1.91 million in 2022 and 2021, respectively, primarily related to changes in actuarially determined insurable claims.

Non-current liabilities for governmental activities increased by \$1.02 million in 2022 primarily due to an increase in payable to the City of Oklahoma City of \$1.02 million. There were no non-current liabilities for governmental activities in 2021.

Non-current liabilities for business-type activities decreased by \$3.52 million in 2022 primarily due to a decrease in notes, leases, and estimated claims 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. Non-current liabilities for business-type activities increased by \$1.97 million in 2021 primarily due to an increase in notes, leases, and estimated claims payable of \$2.13 million. This was offset by 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		2022 - 2021	Governmental	Business-type		
	Activities		Activities		Total			Activities	Activities	Total	2021 - 2020
	2022	2021	2022	2021	2022	2021	% Change	2020	2020	Total	% Change
<b>Revenues</b>											
Charges for services	\$2,586,977	\$2,016,334	\$60,428,763	\$61,817,883	\$63,015,740	\$63,834,217	(1.3%)	\$1,930,276	\$61,613,960	\$63,544,236	0.5%
Operating grants and contributions	2,433,061	2,375,133	689,637	672,820	3,122,698	3,047,953	2.5	2,857,649	676,938	3,534,587	(13.8)
General revenues	<u>346,366</u>	<u>382,812</u>	<u>(293,122)</u>	<u>18,239</u>	<u>53,244</u>	<u>401,051</u>	(86.7)	<u>817,444</u>	<u>350,839</u>	<u>1,168,283</u>	(65.7)
<b>Total revenues</b>	<b><u>5,366,404</u></b>	<b><u>4,774,279</u></b>	<b><u>60,825,278</u></b>	<b><u>62,508,942</u></b>	<b><u>66,191,682</u></b>	<b><u>67,283,221</u></b>	(1.6)	<b><u>5,605,369</u></b>	<b><u>62,641,737</u></b>	<b><u>68,247,106</u></b>	(1.4)
<b>Program expenses</b>											
General government	2,507,529	2,213,936	-	-	2,507,529	2,213,936	13.3	1,474,496	-	1,474,496	50.1
Public safety	66,091	66,091	-	-	66,091	66,091	0.0	80,861	-	80,861	(18.3)
Public services	2,450,133	2,588,323	-	-	2,450,133	2,588,323	(5.3)	2,016,697	-	2,016,697	28.3
Culture and recreation	110,393	119,782	-	-	110,393	119,782	(7.8)	120,845	-	120,845	(0.9)
Risk management	-	-	59,232,870	59,257,610	59,232,870	59,257,610	0.0	-	58,126,972	58,126,972	1.9
Information technology	-	-	<u>1,509,921</u>	<u>1,291,675</u>	<u>1,509,921</u>	<u>1,291,675</u>	16.9	-	<u>1,013,404</u>	<u>1,013,404</u>	27.5
<b>Total expenses</b>	<b><u>5,134,146</u></b>	<b><u>4,988,132</u></b>	<b><u>60,742,791</u></b>	<b><u>60,549,285</u></b>	<b><u>65,876,937</u></b>	<b><u>65,537,417</u></b>	0.5	<b><u>3,692,899</u></b>	<b><u>59,140,376</u></b>	<b><u>62,833,275</u></b>	4.3
<b>Changes in net position</b>	<b>232,258</b>	<b>(213,853)</b>	<b>82,487</b>	<b>1,959,657</b>	<b>314,745</b>	<b>1,745,804</b>	(82.0)	<b>1,912,470</b>	<b>3,501,361</b>	<b>5,413,831</b>	(67.8)
<b>Beginning net position</b>	<u>28,753,874</u>	<u>28,967,727</u>	<u>15,078,492</u>	<u>13,118,835</u>	<u>43,832,366</u>	<u>42,086,562</u>	4.1	<u>27,055,257</u>	<u>9,617,474</u>	<u>36,672,731</u>	14.8
<b>Ending net position</b>	<b><u>\$28,986,132</u></b>	<b><u>\$28,753,874</u></b>	<b><u>\$15,160,979</u></b>	<b><u>\$15,078,492</u></b>	<b><u>\$44,147,111</u></b>	<b><u>\$43,832,366</u></b>	0.7	<b><u>\$28,967,727</u></b>	<b><u>\$13,118,835</u></b>	<b><u>\$42,086,562</u></b>	4.1



Governmental activities charges for services increased by \$571 thousand and \$86 thousand in 2022 and 2021, respectively, primarily due to nuisance abatement fines for weed abatement and debris removal. Governmental general revenues decreased by \$36 thousand and \$435 thousand in 2022 and 2021, respectively, primarily due to changes in oil and gas royalties and investment income.

Business-type activities charges for services decreased by \$1.39 million and increased by \$204 thousand for 2022 and 2021, respectively, related to increases in Risk Management premium revenues for life, dental, and health insurance. Operating grants and contributions increased by \$17 thousand in 2022, related to funding for property claims and insurance deductibles. Operating grants and contributions decreased by \$4 thousand in 2021, related to payments from the City for capital funding.

Governmental activities program expenses increased by \$146 thousand and \$1.23 million for 2022 and 2021, respectively. General government expenses increased by \$294 thousand and \$739 thousand in 2022 and 2021, respectively due to cost reimbursement advances. Public safety expenses remained stable in 2022 and decreased by \$15 thousand in 2021. Public services expenses decreased by \$138 thousand and increased by \$572 thousand in 2022 and 2021, respectively, primarily related to an increase in mowing contracts.

Business-type activities program expenses for Risk Management decreased by \$25 thousand in 2022 and increased by \$1.13 million in 2021, primarily related to changes in life, dental, and health insurance premiums. Program expenses for Information Technology increased by \$218 thousand and \$278 thousand in 2022 and 2021, 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 \$18,056,286 for 2022, of which (\$237,487) is unassigned. This compares to \$18,766,056 for 2021, of which \$903,533 is unassigned.

The total ending fund balance of the governmental fund for 2022 reflects a decrease of \$709,770 from the ending balance for 2021. This decrease 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 \$16,282,944 and \$17,155,370 for 2022 and 2021, respectively.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2022 and 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

**Capital Assets, Net of Accumulated Depreciation**

	Governmental		Business-type				Total	Governmental	Business-type		
	Activities		Activities		Total			Activities	Activities	2021 - 2020	
	2022	2021	2022	2021	2022	2021		% Change	2020	2020	Total
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
Total											
non-depreciable											
assets	<u>5,426,913</u>	<u>5,426,913</u>	<u>-</u>	<u>-</u>	<u>5,426,913</u>	<u>5,426,913</u>	0.0	<u>5,426,913</u>	<u>-</u>	<u>5,426,913</u>	0.0
Depreciable Assets											
Improvements other											
than buildings	1,196,380	1,481,002	-	-	1,196,380	1,481,002	(19.2)	1,799,637	-	1,799,637	(17.7)
Buildings	847,353	935,720	29,454	31,998	876,807	967,718	(9.4)	1,024,087	34,542	1,058,629	(8.6)
Right to use buildings	-	-	87,014	121,820	87,014	121,820	(28.6)	-	-	-	100.0
Furniture, machinery,											
and equipment	<u>1,112,652</u>	<u>234,372</u>	<u>7,583,178</u>	<u>8,923,545</u>	<u>8,695,830</u>	<u>9,157,917</u>	(5.0)	<u>325,583</u>	<u>7,411,060</u>	<u>7,736,643</u>	18.4
Total											
depreciable											
assets	<u>3,156,385</u>	<u>2,651,094</u>	<u>7,699,646</u>	<u>9,077,363</u>	<u>10,856,031</u>	<u>11,728,457</u>	(7.4)	<u>3,149,307</u>	<u>7,445,602</u>	<u>10,594,909</u>	10.7
	<u>\$8,583,298</u>	<u>\$8,078,007</u>	<u>\$7,699,646</u>	<u>\$9,077,363</u>	<u>\$16,282,944</u>	<u>\$17,155,370</u>	(5.1)	<u>\$8,576,220</u>	<u>\$7,445,602</u>	<u>\$16,021,822</u>	7.1

The Authority's net capital assets for governmental activities as of June 30, 2022 and 2021 was \$8.58 million and \$8.08 million, respectively. The governmental activities increase of \$505 thousand in 2022 is primarily due to payments on the Oracle Fusion implementation of \$981 thousand offset by normal depreciation of \$476 thousand. The governmental activities decrease of \$498 thousand in 2021 is primarily due to normal depreciation.

The Authority's net capital assets for business-type activities as of June 30, 2022 and 2021 was \$7.70 million and \$9.08 million, respectively. 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. The business-type activities increase of \$1.63 million in 2021 is primarily due to equipment purchases of \$2.86 million and the addition of a right-to-use asset of \$157 thousand offset by normal depreciation of \$1.39 million.

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

**Long-term Debt**

**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**

	Business-Type Activities			2021 - 2020	
	2022 - 2021				
	2022	2021	% Change	2020	% Change
Notes payable	\$7,263,226	\$7,930,233	(8.4%)	\$8,580,420	(7.6%)
Leases payable	<u>87,429</u>	<u>122,084</u>	(28.4%)	<u>-</u>	100.0%
	<u>\$7,350,655</u>	<u>\$8,052,317</u>	(8.7%)	<u>\$8,580,420</u>	(6.2%)

Outstanding long-term debt decreased by \$702 thousand and \$685 thousand for 2022 and 2021, 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.*

**STATEMENT OF NET POSITION**  
**June 30,**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	2022			2021 (Restated)		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
<b><u>ASSETS</u></b>						
<b><u>CURRENT ASSETS</u></b>						
Pooled cash-----	\$136,327	\$106,937	\$243,264	\$117,101	\$ -	\$117,101
Non-pooled cash-----	26,308	-	26,308	23,429	558,940	582,369
Investments-----	21,382,208	54,555,108	75,937,316	19,439,235	51,052,555	70,491,790
Accounts receivable, net-----	2,992,463	380,869	3,373,332	2,433,427	13,637	2,447,064
Leases receivable-----	4,983	-	4,983	4,788	-	4,788
Interest, dividends and royalties receivable-	59,041	181,162	240,203	71,860	255,559	327,419
Due within the Authority-----	-	-	-	(283)	283	-
Receivable from the City of Oklahoma City	2,728,341	3,098,149	5,826,490	5,565,445	80,092	5,645,537
Receivable from component units-----	-	-	-	-	37,781	37,781
Intergovernmental receivables-----	-	-	-	-	63,222	63,222
Notes receivable-----	-	506,148	506,148	-	506,613	506,613
Prepays-----	868,518	1,448,680	2,317,198	106,155	533,915	640,070
Total current assets-----	28,198,189	60,277,053	88,475,242	27,761,157	53,102,597	80,863,754
<b><u>NON-CURRENT ASSETS</u></b>						
Notes receivable-----	-	1,602,042	1,602,042	-	1,852,116	1,852,116
Leases receivable-----	33,124	-	33,124	38,107	-	38,107
Receivable from the City of Oklahoma City	1,817,610	1,307,485	3,125,095	564,449	5,676,978	6,241,427
Non-current prepaids-----	31,972	-	31,972	99,688	-	99,688
Capital assets:						
Land-----	5,426,913	-	5,426,913	5,426,913	-	5,426,913
Other capital assets,						
net of accumulated depreciation-----	3,156,385	7,699,646	10,856,031	2,651,094	9,077,363	11,728,457
Capital assets, net-----	8,583,298	7,699,646	16,282,944	8,078,007	9,077,363	17,155,370
Total non-current assets-----	10,466,004	10,609,173	21,075,177	8,780,251	16,606,457	25,386,708
<b>Total assets-----</b>	<b>38,664,193</b>	<b>70,886,226</b>	<b>109,550,419</b>	<b>36,541,408</b>	<b>69,709,054</b>	<b>106,250,462</b>
<b><u>LIABILITIES</u></b>						
<b><u>CURRENT LIABILITIES</u></b>						
Accounts payable and accrued expenses----	696,491	1,585,619	2,282,110	654,185	2,208,594	2,862,779
Payable to the City of Oklahoma City-----	7,918,884	10,502,624	18,421,508	7,087,036	6,174,072	13,261,108
Payable to component units-----	-	188,448	188,448	-	22,632	22,632
Interest payable-----	-	46,702	46,702	-	51,004	51,004
Notes, leases, and estimated claims payable	-	12,333,764	12,333,764	-	11,581,254	11,581,254
Unearned revenue-----	1,637	-	1,637	1,507	-	1,507
Total current liabilities-----	8,617,012	24,657,157	33,274,169	7,742,728	20,037,556	27,780,284
<b><u>NON-CURRENT LIABILITIES</u></b>						
Payable to component units-----	-	186,711	186,711	-	209,343	209,343
Notes, leases and estimated claims payable-	-	29,749,562	29,749,562	-	33,114,656	33,114,656
Payable to the City of Oklahoma City-----	1,021,637	1,131,817	2,153,454	-	1,269,007	1,269,007
Total non-current liabilities-----	1,021,637	31,068,090	32,089,727	-	34,593,006	34,593,006
<b>Total liabilities-----</b>	<b>9,638,649</b>	<b>55,725,247</b>	<b>65,363,896</b>	<b>7,742,728</b>	<b>54,630,562</b>	<b>62,373,290</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
	39,412	-	39,412	44,806	-	44,806
<b><u>NET POSITION</u></b>						
Net investment in capital assets-----	8,583,298	139,648	8,722,946	8,078,007	1,352,011	9,430,018
Restricted for:						
Capital projects-----	2,091,433	-	2,091,433	2,028,394	-	2,028,394
Debt service-----	-	329,938	329,938	-	-	-
Unrestricted-----	18,311,401	14,691,393	33,002,794	18,647,473	13,726,481	32,373,954
<b>Total net position-----</b>	<b>\$28,986,132</b>	<b>\$15,160,979</b>	<b>\$44,147,111</b>	<b>\$28,753,874</b>	<b>\$15,078,492</b>	<b>\$43,832,366</b>

See accompanying notes to financial statements.

**STATEMENT OF ACTIVITIES**  
**For the Years Ended June 30,**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	2022			2021 (Restated)		
	Governmental Business-type			Governmental Business-type		
	Activities	Activities	Total	Activities	Activities	Total
<b><u>PROGRAM EXPENSES</u></b>						
General government-----	\$2,507,529	\$ -	\$2,507,529	\$2,213,936	\$ -	\$2,213,936
Public safety - Police-----	1,887	-	1,887	1,887	-	1,887
Public safety - Other-----	64,204	-	64,204	64,204	-	64,204
Public services-----	2,450,133	-	2,450,133	2,588,323	-	2,588,323
Culture and recreation-----	110,393	-	110,393	119,782	-	119,782
Risk management-----	-	59,232,870	59,232,870	-	59,257,610	59,257,610
Information technology-----	-	1,509,921	1,509,921	-	1,291,675	1,291,675
<b>Total expenses-----</b>	<b>5,134,146</b>	<b>60,742,791</b>	<b>65,876,937</b>	<b>4,988,132</b>	<b>60,549,285</b>	<b>65,537,417</b>
<b><u>PROGRAM REVENUES</u></b>						
<b><u>CHARGES FOR SERVICES</u></b>						
Public services-----	2,581,583	-	2,581,583	2,013,419	-	2,013,419
Culture and recreation-----	5,394	-	5,394	2,915	-	2,915
Risk management-----	-	60,428,763	60,428,763	-	61,817,883	61,817,883
<b>Total charges for services-----</b>	<b>2,586,977</b>	<b>60,428,763</b>	<b>63,015,740</b>	<b>2,016,334</b>	<b>61,817,883</b>	<b>63,834,217</b>
<b><u>OPERATING GRANTS</u></b>						
<b><u>AND CONTRIBUTIONS</u></b>						
General government-----	2,468,316	-	2,468,316	2,372,323	-	2,372,323
Public services-----	(35,597)	-	(35,597)	2,429	-	2,429
Culture and recreation-----	342	-	342	381	-	381
Information technology-----	-	689,637	689,637	-	672,820	672,820
<b>Total operating grants and contributions-----</b>	<b>2,433,061</b>	<b>689,637</b>	<b>3,122,698</b>	<b>2,375,133</b>	<b>672,820</b>	<b>3,047,953</b>
<b>Total program revenues-----</b>	<b>5,020,038</b>	<b>61,118,400</b>	<b>66,138,438</b>	<b>4,391,467</b>	<b>62,490,703</b>	<b>66,882,170</b>
<b>Net program expense-----</b>	<b>(114,108)</b>	<b>375,609</b>	<b>261,501</b>	<b>(596,665)</b>	<b>1,941,418</b>	<b>1,344,753</b>
<b><u>NET POSITION BEGINNING</u></b>						
Oil and gas royalties-----	430,776	-	430,776	243,847	-	243,847
Unrestricted investment income-----	(217,866)	(293,122)	(510,988)	19,063	18,239	37,302
Miscellaneous-----	133,456	-	133,456	119,902	-	119,902
<b>Total general revenues-----</b>	<b>346,366</b>	<b>(293,122)</b>	<b>53,244</b>	<b>382,812</b>	<b>18,239</b>	<b>401,051</b>
<b>Changes in net position-----</b>	<b>232,258</b>	<b>82,487</b>	<b>314,745</b>	<b>(213,853)</b>	<b>1,959,657</b>	<b>1,745,804</b>
<b><u>NET POSITION BEGINNING</u></b>						
Net position-beginning-----	28,753,874	15,078,492	43,832,366	28,967,727	13,118,835	42,086,562
<b>Net position-ending-----</b>	<b>\$28,986,132</b>	<b>\$15,160,979</b>	<b>\$44,147,111</b>	<b>\$28,753,874</b>	<b>\$15,078,492</b>	<b>\$43,832,366</b>

See accompanying notes to financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUND  
June 30,**

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>General</u></b>	<b><u>(Restated)</u></b>
	<b><u>Purpose</u></b>	<b><u>General</u></b>
	<b><u>Fund</u></b>	<b><u>Purpose</u></b>
	<b><u>Fund</u></b>	<b><u>Fund</u></b>
<b><u>ASSETS</u></b>		
Pooled cash-----	\$136,327	\$117,101
Non-pooled cash-----	26,308	23,429
Investments-----	21,382,208	19,439,235
Accounts receivable, net-----	2,992,463	2,433,427
Leases receivable, current-----	4,983	4,788
Interest, dividends, and royalties receivable-----	59,041	71,860
Due within the Authority-----	-	(283)
Receivable from the City of Oklahoma City-----	2,728,341	5,565,445
Prepays-----	900,490	205,843
Leases receivable, non-current-----	33,124	38,107
Non-current receivable from the City of Oklahoma City-----	1,817,610	564,449
<b>Total assets-----</b>	<b><u>30,080,895</u></b>	<b><u>28,463,401</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses-----	696,490	654,185
Payable to the City of Oklahoma City-----	8,940,521	7,087,036
Unearned revenue-----	1,637	1,507
<b>Total liabilities-----</b>	<b><u>9,638,648</u></b>	<b><u>7,742,728</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	<b><u>2,385,961</u></b>	<b><u>1,954,617</u></b>
<b><u>FUND BALANCES</u></b>		
Non-spendable-----	900,490	205,843
Restricted-----	2,089,358	2,025,426
Assigned-----	15,303,925	15,631,254
Unassigned-----	(237,487)	903,533
<b>Total fund balance-----</b>	<b><u>18,056,286</u></b>	<b><u>18,766,056</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances-----</b>	<b><u>30,080,895</u></b>	<b><u>28,463,401</u></b>
<b><u>RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUND TO</u></b>		
<b><u>THE STATEMENT OF NET POSITION, GOVERNMENTAL ACTIVITIES</u></b>		
Total fund balance-----	\$18,056,286	\$18,766,056
Capital assets, net of accumulated depreciation-----	8,583,298	8,078,007
Revenue earned but unavailable-----	2,346,548	1,909,811
<b>Net position-governmental activities-----</b>	<b><u>\$28,986,132</u></b>	<b><u>\$28,753,874</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>General</u></b>	<b><u>(Restated)</u></b>
	<b><u>Purpose</u></b>	<b><u>General</u></b>
	<b><u>Fund</u></b>	<b><u>Purpose</u></b>
	<b><u>Fund</u></b>	<b><u>Fund</u></b>
<b><u>REVENUES</u></b>		
Licenses and permits-----	\$98,635	\$93,388
Oil and gas royalties-----	439,126	240,470
Fines and forfeitures-----	2,078,992	1,707,839
Investment income-----	(245,857)	23,555
Lease income-----	5,394	5,394
Payments from the City of Oklahoma City-----	2,468,316	2,372,323
Other-----	85,054	57,073
<b>Total revenues-----</b>	<b><u>4,929,660</u></b>	<b><u>4,500,042</u></b>
<b><u>EXPENDITURES</u></b>		
<b><u>CURRENT</u></b>		
Payments to the City of Oklahoma City-----	2,239,086	1,981,594
General government-----	166,905	142,340
Public services-----	2,252,412	2,365,973
Capital outlay-----	981,027	-
<b>Total expenditures-----</b>	<b><u>5,639,430</u></b>	<b><u>4,489,907</u></b>
<b>Excess (deficiency) of revenues over expenditures-----</b>	<b>(709,770)</b>	<b>10,135</b>
<b>Net change in fund balances-----</b>	<b>(709,770)</b>	<b>10,135</b>
<b>Fund balance, beginning-----</b>	<b><u>18,766,056</u></b>	<b><u>18,755,921</u></b>
<b>Fund balances, ending-----</b>	<b><u>\$18,056,286</u></b>	<b><u>\$18,766,056</u></b>
<b><u>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES, GOVERNMENTAL ACTIVITIES</u></b>		
Net change in fund balance-----	(\$709,770)	\$10,135
Recognition of earned but unavailable revenue-----	436,737	274,225
Depreciation expense-----	(475,736)	(498,213)
Capital outlay-----	981,027	-
<b>Change in net assets-governmental activities-----</b>	<b><u>\$232,258</u></b>	<b><u>(\$213,853)</u></b>

See accompanying notes to financial statements.

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30,**

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

	<b><u>2022</u> OCMFA Services</b>	<b><u>2021</u> (Restated) OCMFA Services</b>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Pooled cash-----	\$106,937	\$ -
Non-pooled cash-----	-	558,940
Investments-----	54,555,108	51,052,555
Accounts receivable, net-----	380,869	13,637
Interest, dividends, and royalties receivable-----	181,162	255,559
Due within the Authority-----	-	283
Receivable from the City of Oklahoma City-----	3,098,149	80,092
Receivable from component units-----	-	37,781
Intergovernmental receivables-----	-	63,222
Notes receivable-----	506,148	506,613
Prepays-----	1,448,680	533,915
Total current assets-----	<u>60,277,053</u>	<u>53,102,597</u>
<b><u>NON-CURRENT ASSETS</u></b>		
Notes receivable-----	1,602,042	1,852,116
Receivable from the City of Oklahoma City-----	1,307,485	5,676,978
Capital assets:		
Other capital assets, net of accumulated depreciation-----	7,699,646	9,077,363
Capital assets, net-----	<u>7,699,646</u>	<u>9,077,363</u>
Total non-current assets-----	<u>10,609,173</u>	<u>16,606,457</u>
<b>Total assets-----</b>	<b><u>70,886,226</u></b>	<b><u>69,709,054</u></b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses-----	1,585,619	2,208,594
Payable to the City of Oklahoma City-----	10,502,624	6,174,072
Payable to component units-----	188,448	22,632
Interest payable-----	46,702	51,004
Notes, leases, and estimated claims payable-----	12,333,764	11,581,254
Total current liabilities-----	<u>24,657,157</u>	<u>20,037,556</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Payable to component units-----	186,711	209,343
Notes, leases, and estimated claims payable-----	29,749,562	33,114,656
Payable to the City of Oklahoma City-----	1,131,817	1,269,007
Total non-current liabilities-----	<u>31,068,090</u>	<u>34,593,006</u>
<b>Total liabilities-----</b>	<b><u>55,725,247</u></b>	<b><u>54,630,562</u></b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets-----	139,648	1,352,011
Restricted for Debt Service-----	329,938	-
Unrestricted-----	14,691,393	13,726,481
<b>Total net position-----</b>	<b><u>\$15,160,979</u></b>	<b><u>\$15,078,492</u></b>

See accompanying notes to financial statements.



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

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>OCMFA</u></b>	<b><u>(Restated)</u></b>
	<b><u>Services</u></b>	<b><u>OCMFA</u></b>
		<b><u>Services</u></b>
<b><u>OPERATING REVENUES</u></b>		
Service charges-----	\$59,408,117	\$60,578,613
Licenses, permits, and fees-----	40,553	43,795
Other-----	980,093	1,195,475
<b>Total operating revenues-----</b>	<b><u>60,428,763</u></b>	<b><u>61,817,883</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Maintenance, operations, and contractual services-----	59,123,396	59,158,613
Materials and supplies-----	12,139	1,483
Depreciation & amortization-----	1,606,717	1,388,471
<b>Total operating expenses-----</b>	<b><u>60,742,252</u></b>	<b><u>60,548,567</u></b>
<b>Operating income (loss)-----</b>	<b><u>(313,489)</u></b>	<b><u>1,269,316</u></b>
<b><u>NON-OPERATING REVENUE (EXPENSE)</u></b>		
Investment income (loss)-----	(293,122)	18,239
Interest on bonds, leases, and notes-----	(539)	(718)
Payments from the City of Oklahoma City-----	689,637	672,820
<b>Non-operating revenue-----</b>	<b><u>395,976</u></b>	<b><u>690,341</u></b>
<b>Change in net position-----</b>	<b><u>82,487</u></b>	<b><u>1,959,657</u></b>
Total net position, beginning-----	15,078,492	13,118,835
<b>Total net position, ending-----</b>	<b><u>\$15,160,979</u></b>	<b><u>\$15,078,492</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	<b><u>2022</u></b> <b><u>OCMFA</u></b> <b><u>Services</u></b>	<b><u>2021</u></b> <b><u>(Restated)</u></b> <b><u>OCMFA</u></b> <b><u>Services</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers-----	\$60,428,764	\$61,817,883
Cash payments to suppliers for goods and services-----	(87,251,603)	(79,600,624)
Cash payments for internal services-----	(15,853)	(17,134)
Operating payments to component units-----	165,816	-
Operating payments from the City of Oklahoma City-----	-	358,657
Cost reimbursements from (to) other funds-----	31,321,221	18,733,242
Other cash receipts-----	63,222	-
<b>Net cash provided by operating activities-----</b>	<b><u>4,711,567</u></b>	<b><u>1,292,024</u></b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Transfers paid to other funds-----	250,539	-
<b>Net cash provided by non-capital financing activities-----</b>	<b><u>250,539</u></b>	<b><u>-</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL</u></b> <b><u>RELATED FINANCING ACTIVITIES</u></b>		
Payments for acquisition and construction of capital assets-----	(229,000)	(2,863,606)
Principal paid on long-term debt-----	(701,662)	(684,728)
Interest paid on long-term debt-----	(200,101)	(217,034)
<b>Net cash used by capital and</b> <b>capital related financing activities-----</b>	<b><u>(1,130,763)</u></b>	<b><u>(3,765,368)</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Changes in pooled investments-----	(4,810,643)	(1,870,824)
Investment income received-----	528,828	759,194
Purchased interest-----	(1,531)	4,100
<b>Net cash used by investing activities-----</b>	<b><u>(4,283,346)</u></b>	<b><u>(1,107,530)</u></b>
<b>Net decrease in cash-----</b>	<b><u>(452,003)</u></b>	<b><u>(3,580,874)</u></b>
Cash, beginning-----	558,940	4,139,814
<b>Cash, ending-----</b>	<b><u>\$106,937</u></b>	<b><u>\$558,940</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	<b><u>2022</u></b> <b><u>OCMFA</u></b> <b><u>Services</u></b>	<b><u>2021</u></b> <b><u>(Restated)</u></b> <b><u>OCMFA</u></b> <b><u>Services</u></b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>		
<b><u>PROVIDED BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)-----	(\$313,489)	\$1,269,316
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET</u></b>		
<b><u>CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Depreciation-----	1,606,717	1,388,471
Other revenue-----	794,383	431,820
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	(367,232)	50,975
(Increase) decrease in receivable from the City of Oklahoma City-----	2,004,301	(2,832,497)
(Increase) decrease in receivable from component units-----	37,781	(37,781)
(Increase) decrease in prepaid assets-----	(914,765)	(42,742)
(Increase) decrease in intergovernmental receivable-----	63,222	-
Increase (decrease) in accounts payable and accrued expenses-----	(622,975)	46,530
Increase (decrease) in payable to the City of Oklahoma City-----	4,191,362	(3,522,458)
Increase (decrease) in payable to component unit-----	143,184	(22,632)
Increase (decrease) in long-term liabilities-----	(2,070,553)	153,868
Increase (decrease) in notes, lease, and estimated claims payable-----	159,631	4,409,154
Total adjustments-----	5,025,056	22,708
<b>Net cash provided by operating activities-----</b>	<b><u>\$4,711,567</u></b>	<b><u>\$1,292,024</u></b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>		
Net increase (decrease) in fair value of investments-----	(\$1,308,091)	(\$540,621)
Right to use lease - asset-----	-	156,626
<b>Total non-cash investing, capital, and financing activities-----</b>	<b><u>(\$1,308,091)</u></b>	<b><u>(\$383,995)</u></b>

See accompanying notes to financial statements.

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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 June 30, 2022 and 2021.

### **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 from the Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

#### ***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 2022, the Authority implemented the following accounting standards. Except for GASB Statement No. 87, implementation of these standards did not have a material impact on the Authority's financial statements.

The City implemented GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This standard was applied retrospectively. See Note IV. A. for more information regarding GASB Statement No. 87.

Effective July 1, 2021, the Authority implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The primary objectives of this Statement are to improve the consistency of comparability of financial reporting in financial statements using both economic resources measurement focus and the current financial resources measurement focus. Prior to this Statement, funds using the economic resources measurement focus were capitalizing interest costs incurred before the end of a construction period and governmental funds using the current financial resources measurement focus were expensing these costs as period costs. Going forward all funds will expense interest costs incurred before the end of a construction period as period costs. This standard has been applied prospectively.

Effective July 1, 2021, the Authority implemented GASB Statement No. 92, Omnibus 2020. 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. There was no effect of adopting GASB Statement No. 92 to the financial statements.

Effective July 1, 2021, The Authority implemented all requirements of GASB Statement No. 93, Replacement of Interbank Offered Rate (IBOR)-most notably, the London Interbank Offered Rate (LIBOR) effective for the Authority in fiscal year 2022. The primary purpose of this Statement is to preserve the consistency and comparability of reporting hedging derivative instruments and leases after amending or replacing agreements to replace an Interbank Offered Rate. As a result of global reference rate reform, LIBOR is being phased out and will cease to exist at the end of fiscal year 2023, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. All Authority agreements referencing the use of LIBOR rates have been adjusted.

Effective July 1, 2021, The Authority implemented GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans effective for the Authority in fiscal year 2022. This Statement provides guidance on financial reporting for certain 457 deferred compensation plans amending prior pronouncements No. 14 and No. 84.

**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 fair market 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 Finance Director.

**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 used to purchase the assets net of unspent portions. Unspent portions of debt, 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 1.5% for 2022 and 2021. 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, 2022 and 2021, 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.

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***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.

<b>2022</b>								
	<u>Cost</u>	<u>Fair Value/ Carrying Amount</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Measured at NAV (1)</u>	<u>Average Credit Quality/ Ratings (2)</u>	<u>Weighted Average (months) (3)</u>
<b><u>POOLED</u></b>								
<b><u>INVESTMENTS</u></b>								
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
	<b><u>\$78,098,506</u></b>	<b><u>\$75,937,316</u></b>	<b><u>\$14,432,490</u></b>	<b><u>\$61,504,826</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>		

<b>2021</b>								
	<u>Cost</u>	<u>Fair Value/ Carrying Amount</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Measured at NAV (1)</u>	<u>Average Credit Quality/ Ratings (2)</u>	<u>Weighted Average (months) (3)</u>
<b><u>POOLED</u></b>								
<b><u>INVESTMENTS</u></b>								
Fannie Mae	\$5,976,406	\$6,081,658	\$ -	\$6,081,658	\$ -	\$ -	AA/Aaa	11.03
Federal								
obligations	18,473,659	18,456,598	-	18,456,598	-	-	AA/Aaa	18.00
U.S. Treasury								
notes	34,701,651	34,652,894	-	34,652,894	-	-	N/A	16.10
Money								
market (4)(5)	<u>11,300,640</u>	<u>11,300,640</u>	<u>11,300,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA/Aaa	1.37
	<b><u>\$70,452,356</u></b>	<b><u>\$70,491,790</u></b>	<b><u>\$11,300,640</u></b>	<b><u>\$59,191,150</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>		

- (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.

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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	
	<u>Maximum % (2)</u>		<u>Maximum % (4)</u>
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.

**Restricted Deposits and Investments**

	<u>OCMFA Services Fund</u>	
	<u>2022</u>	<u>2021</u>
Radio system project account	<u>\$-</u>	<u>\$558,940</u>

**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>2022</u>	<u>2021</u>
<b><i>Governmental activities</i></b>		
Oil and gas royalties	\$90,869	\$59,515
Nuisance abatement	5,253,958	4,614,712
Less allowance for uncollectible accounts	<u>(2,352,364)</u>	<u>(2,240,800)</u>
	<b><u>\$2,992,463</u></b>	<b><u>\$2,433,427</u></b>
<b><i>Business-type activities</i></b>		
Information Technology	\$329,940	\$ -
OPEBT reimbursement for employee health clinic costs	<u>50,929</u>	<u>13,637</u>
	<b><u>\$380,869</u></b>	<b><u>\$13,637</u></b>

### *Intergovernmental Receivable*

In May 2013, severe weather resulted in the declaration of a disaster for damage to City property. A Federal Emergency Management Agency grant was awarded to the City. In connection with this award, the OCMFA Services Fund reported receivable amount of \$63,222 at June 30, 2021, from the Oklahoma Emergency Management Agency to supplement matching fund requirements. A payment for \$63,222 was received in fiscal year 2022 from the Oklahoma Emergency Management Agency that fulfilled this receivable.

### *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, 2022 and 2021 is \$2,108,190 and \$2,358,729 of which \$506,148 and \$506,613 is reported as a current receivable including accrued interest of \$31,455 and \$67,630, 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, 2022 and 2021 is \$38,107 and \$42,895 of which \$4,983 and \$4,788 is reported as a current receivable including accrued interest of \$158 and \$178, respectively. During fiscal years 2022 and 2021, the Authority recognized \$5,394 and \$5,394 of lease revenue and \$361 and \$559 of interest income.

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**II. C. PREPAIDS**

	<u>2022</u>	<u>2021</u>
<i>Governmental activities</i>		
Software license and support agreements	<u>\$900,490</u>	<u>\$205,843</u>
<i>Business-type activities</i>		
Prepaid insurance	\$1,366,494	\$507,168
Prepaid software license and support agreements	<u>82,186</u>	<u>26,747</u>
	<u>\$1,448,680</u>	<u>\$533,915</u>

**II. D. CAPITAL ASSETS**

*Changes in Capital Assets*

		<b>2022</b>					
		<u>Capital Assets, not depreciated</u>		<u>Capital Assets, depreciated</u>			
			Improvements Other Than	Right to Use Building	Furniture, Machinery, &	Total	Total Capital
	<u>Land</u>	<u>Buildings</u>	<u>Buildings</u>	<u>Leases</u>	<u>Equipment</u>	<u>Total</u>	<u>Assets, net</u>
<i>Governmental Activities</i>							
<u>CAPITAL ASSETS</u>							
Balance, June 30, 2021	\$5,426,913	\$15,031,969	\$7,146,219	\$ -	\$10,675,911	\$32,854,099	\$38,281,012
Increases	-	-	-	-	981,027	981,027	981,027
Balance, June 30, 2022	<u>5,426,913</u>	<u>15,031,969</u>	<u>7,146,219</u>	-	<u>11,656,938</u>	<u>33,835,126</u>	<u>39,262,039</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		<u>284,622</u>	<u>88,367</u>	-	<u>102,747</u>	<u>475,736</u>	<u>475,736</u>
Balance, June 30, 2022		<u>13,835,589</u>	<u>6,298,866</u>	-	<u>10,544,286</u>	<u>30,678,741</u>	<u>30,678,741</u>
<b>Governmental activities</b>							
capital assets, net	<u>5,426,913</u>	<u>1,196,380</u>	<u>847,353</u>	-	<u>1,112,652</u>	<u>3,156,385</u>	<u>8,583,298</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>218,700</u>	<u>156,626</u>	<u>36,161,719</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		-	<u>2,544</u>	<u>34,806</u>	<u>1,569,367</u>	<u>1,606,717</u>	<u>1,606,717</u>
Balance, June 30, 2022		-	<u>189,246</u>	<u>69,612</u>	<u>28,578,541</u>	<u>28,837,399</u>	<u>28,837,399</u>
<b>Business-type activities</b>							
capital assets, net	-	-	<u>29,454</u>	<u>87,014</u>	<u>7,583,178</u>	<u>7,699,646</u>	<u>7,699,646</u>
<b>Capital assets, net</b>	<u>\$5,426,913</u>	<u>\$1,196,380</u>	<u>\$876,807</u>	<u>\$87,014</u>	<u>\$8,695,830</u>	<u>\$10,856,031</u>	<u>\$16,282,944</u>

(continued)

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*Changes in Capital Assets (continued)*

		2021					
		Capital Assets, not depreciated	Capital Assets, depreciated				Total
			Improvements Other Than	Right to Use Building	Furniture, Machinery, & Equipment		Capital
		Land	Buildings	Buildings	Leases	Total	Assets, net
<i>Governmental Activities</i>							
<u>CAPITAL ASSETS</u>							
Balance, June 30, 2020	\$5,426,913	\$15,031,969	\$7,146,219	\$ -	\$10,675,911	\$32,854,099	\$38,281,012
Balance, June 30, 2021	5,426,913	15,031,969	7,146,219	-	10,675,911	32,854,099	38,281,012
<u>ACCUMULATED DEPRECIATION</u>							
Balance, June 30, 2020		13,232,332	6,122,132	-	10,350,328	29,704,792	29,704,792
Increases		318,635	88,367	-	91,211	498,213	498,213
Balance, June 30, 2021		13,550,967	6,210,499	-	10,441,539	30,203,005	30,203,005
<b>Governmental activities</b>							
<b>capital assets, net</b>	<b>5,426,913</b>	<b>1,481,002</b>	<b>935,720</b>	<b>-</b>	<b>234,372</b>	<b>2,651,094</b>	<b>8,078,007</b>
<i>Business-type Activities</i>							
<u>CAPITAL ASSETS</u>							
Balance, June 30, 2020	-	-	218,700	-	33,069,113	33,287,813	33,287,813
Increases	-	-	-	156,626	2,863,606	3,020,232	3,020,232
Balance, June 30, 2021	-	-	218,700	156,626	35,932,719	36,308,045	36,308,045
<u>ACCUMULATED DEPRECIATION</u>							
Balance, June 30, 2020		-	184,158	-	25,658,053	25,842,211	25,842,211
Increases		-	2,544	34,806	1,351,121	1,388,471	1,388,471
Balance, June 30, 2021		-	186,702	34,806	27,009,174	27,230,682	27,230,682
<b>Business-type activities</b>							
<b>capital assets, net</b>	<b>-</b>	<b>-</b>	<b>31,998</b>	<b>121,820</b>	<b>8,923,545</b>	<b>9,077,363</b>	<b>9,077,363</b>
<b>Capital assets, net</b>	<b>\$5,426,913</b>	<b>\$1,481,002</b>	<b>\$967,718</b>	<b>\$121,820</b>	<b>\$9,157,917</b>	<b>\$11,728,457</b>	<b>\$17,155,370</b>

**Depreciation Expense**

<i>Governmental Activities</i>			<i>Business-type Activities</i>		
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
General government	\$101,537	\$90,002	Risk Management	\$96,796	\$96,796
Police public safety	1,887	1,887	Information Technology	1,509,921	1,291,675
Public safety other	64,204	64,204		<u>1,606,717</u>	<u>1,388,471</u>
Public services	197,715	222,338			
Culture and recreation	110,393	119,782			
	<u>\$475,736</u>	<u>\$498,213</u>			

**III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

**III. A. UNEARNED REVENUES**

Within governmental activities, the Authority has unearned revenue of \$1,637 and \$1,507 at June 30, 2022 and 2021, respectively. The unearned revenue recorded is for prepaid facilities rental by the Arts Council of Oklahoma City.

### III. B. NOTES, LEASES 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, 2022, the balance of the note is \$7,263,226 with accrued interest of \$46,666. At June 30, 2021, the balance of the note was \$7,930,232 with accrued interest of \$50,952.

##### **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>
2023	\$684,258	\$182,297
2024	701,956	164,598
2025	720,112	146,442
2026	738,738	127,816
2027	757,846	108,709
2028-2032	<u>3,660,316</u>	<u>239,178</u>
	<b><u>\$7,263,226</u></b>	<b><u>\$969,040</u></b>

- (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.

<u>Year Ending June 30,</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
2023	\$35,208	\$34,835	\$373
2024	35,208	35,017	191
2025	17,604	17,577	27
	<b><u>\$88,020</u></b>	<b><u>\$87,429</u></b>	<b><u>\$591</u></b>

### III. B. 3. 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.

	OCMFA Services Fund			
	Health Care	Worker's Compensation (1)(2)	Property Damage (2)	Total
Liability balance, July 1, 2020	\$1,215,561	\$30,649,000	\$216,011	\$32,080,572
Claims and changes in estimates	12,834,327	13,621,539	696,019	27,151,885
Claims payments	<u>(12,737,174)</u>	<u>(9,309,539)</u>	<u>(542,151)</u>	<u>(22,588,864)</u>
Liability balance, June 30, 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>
<b>Liability balance, June 30, 2022</b>	<b><u>\$1,472,345</u></b>	<b><u>\$32,911,000</u></b>	<b><u>\$349,326</u></b>	<b><u>\$34,732,671</u></b>
<b>Assets available to pay claims at year end</b>	<b><u>\$16,251,167</u></b>	<b><u>\$32,911,000</u></b>	<b><u>\$349,326</u></b>	<b><u>\$49,511,493</u></b>

- (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, 2022 and 2021, was \$35,611,000 and \$37,411,000, respectively. Claims were discounted at 1.5% at June 30, 2022 and 2021.
- (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 2022 and 2021. The costs are reimbursed by the City Risk Management Fund. The claims for 2022 and 2021 are primarily related to small claims at various City properties.

#### *Estimated Claims Payment Requirements to Maturity*

Fiscal Year	<u>2022</u>	Fiscal Year	<u>2021</u>
2023	\$11,614,671	2022	\$10,879,594
2024	<u>23,118,000</u>	2023	<u>25,763,999</u>
	<b><u>\$34,732,671</u></b>		<b><u>\$36,643,593</u></b>

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**III. C. CHANGES IN LONG-TERM LIABILITIES**

<b>2022</b>						
	Balance July 1, 2021	Incurred	Paid	Balance June 30, 2022	Due Within One Year	Due After One Year
Notes payable -						
OCMFA Services Fund						
Risk Management (1)	\$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 -						
OCMFA Services Fund						
Risk Management	<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>
	<b><u>\$44,695,910</u></b>	<b><u>\$21,616,047</u></b>	<b><u>\$24,228,631</u></b>	<b><u>\$42,083,326</u></b>	<b><u>\$12,333,764</u></b>	<b><u>\$29,749,562</u></b>
<b>2021</b>						
	Balance July 1, 2020	Incurred	Paid	Balance June 30, 2021	Due Within One Year	Due After One Year
Notes payable -						
OCMFA Services Fund						
Risk Management (1)	\$8,580,420	\$ -	\$650,187	\$7,930,233	\$667,006	\$7,263,227
Leases payable	-	156,625	34,541	122,084	34,654	87,430
Estimated claims payable -						
OCMFA Services Fund						
Risk Management	<u>32,080,572</u>	<u>27,151,885</u>	<u>22,588,864</u>	<u>36,643,593</u>	<u>10,879,594</u>	<u>25,763,999</u>
	<b><u>\$40,660,992</u></b>	<b><u>\$27,308,510</u></b>	<b><u>\$23,273,592</u></b>	<b><u>\$44,695,910</u></b>	<b><u>\$11,581,254</u></b>	<b><u>\$33,114,656</u></b>

(1) All notes payable are from private placements.

**III. D. DEFERRED INFLOWS OF RESOURCES**

***Leases***

The Authority reported deferred inflows in the amount of \$39,412 and \$44,806 at June 30, 2022 and 2021, 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, 2022 and 2021, revenue earned but unavailable for governmental activities is \$2,346,548 and \$1,909,811, respectively.



#### IV. NET POSITION AND FUND BALANCE

##### IV. A. CHANGE IN ACCOUNTING PRINCIPLE

###### *Change in Accounting Principle*

On July 1, 2021, the Authority adopted GASB statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about the governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority implemented this standard as of July 1, 2020 and restated the following balances as of and for the year ended June 30, 2021.

	As of June 30, 2021					
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>		
	As previously reported	GASB 87 implementation	As restated	As previously reported	GASB 87 implementation	As restated
Leases receivable	\$ -	\$42,895	\$42,895	\$ -	\$ -	\$ -
Interest, dividends, and royalties receivable	71,682	178	71,860	-	-	-
Interest payable	-	-	-	50,952	52	51,004
Capital assets, net of accumulated depreciation	-	-	-	8,955,543	121,820	9,077,363
Notes, leases, and estimated claims payable	-	-	-	44,573,826	122,084	44,695,910
Unearned revenue	4,021	(2,514)	1,507	-	-	-
Deferred inflow- leases	-	44,806	44,806	-	-	-
Net investment in capital assets	8,078,007	-	8,078,007	1,352,275	(264)	1,352,011
Unrestricted net position	18,646,692	781	18,647,473	13,726,533	(52)	13,726,481
Culture and recreation charges for services	-	2,915	2,915	-	-	-
Culture and recreation operating grant revenues	-	381	381	-	-	-
Miscellaneous revenue	122,417	(2,515)	119,902	-	-	-
Maintenance, operations, and contractual services	-	-	-	59,193,821	(35,208)	59,158,613
Depreciation & amortization	-	-	-	1,353,665	34,806	1,388,471
Interest on bonds, leases, and notes expense	-	-	-	-	718	718

The General Purpose Fund was also restated to reflect the lease receivable and related deferred inflows. As of June 30, 2021, the General Purpose Fund recorded a lease receivable of \$42,895 and related deferred inflow on leases of \$44,806. Additionally, interest receivable increased \$178 to \$71,860 and unearned revenue was reduced by \$2,514 to \$1,507 related to lease prepayments. Change in fund balance increased \$781 from the impact of this implementation.

IV. B. NET POSITION

*Net Investment in Capital Assets*

	2022			2021		
	<i>Governmental</i>	<i>Business-Type</i>		<i>Governmental</i>	<i>Business-Type</i>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Capital assets, net	\$8,583,298	\$7,699,646	\$16,282,944	\$8,078,007	\$9,077,363	\$17,155,370
Notes payable	-	(7,263,226)	(7,263,226)	-	(7,930,233)	(7,930,233)
Notes payable project account	-	-	-	-	558,940	558,940
Lease Payable	-	(87,429)	(87,429)	-	(122,084)	(122,084)
Payable to COTPA	-	(209,343)	(209,343)	-	(231,975)	(231,975)
Deferred inflow	39,412	-	39,412	-	-	-
	<u>\$8,583,298</u>	<u>\$139,648</u>	<u>\$8,722,946</u>	<u>\$8,078,007</u>	<u>\$1,352,011</u>	<u>\$9,430,018</u>

*Restricted for Capital Projects*

	2022			2021		
	<i>Governmental</i>	<i>Business-Type</i>		<i>Governmental</i>	<i>Business-Type</i>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Restricted for capital projects	<u>\$2,091,433</u>	<u>\$ -</u>	<u>\$2,091,433</u>	<u>\$2,028,394</u>	<u>\$ -</u>	<u>\$2,028,394</u>

*Restricted for Debt Service*

	2022			2021		
	<i>Governmental</i>	<i>Business-Type</i>		<i>Governmental</i>	<i>Business-Type</i>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Restricted for debt service	<u>\$ -</u>	<u>\$329,938</u>	<u>\$329,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Unrestricted*

	2022			2021		
	<i>Governmental</i>	<i>Business-Type</i>		<i>Governmental</i>	<i>Business-Type</i>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Unrestricted	<u>\$18,311,401</u>	<u>\$14,691,393</u>	<u>\$33,002,794</u>	<u>\$18,647,473</u>	<u>\$13,726,481</u>	<u>\$32,373,954</u>

IV. C. FUND BALANCE

*Non-Spendable Fund Balance*

	<u>2022</u>	<u>2021</u>
Prepays	<u>\$900,490</u>	<u>\$205,843</u>

*Restricted Fund Balance*

	<u>2022</u>	<u>2021</u>
Restricted for capital projects	<u>\$2,089,358</u>	<u>\$2,025,426</u>

*Assigned Fund Balance*

	<u>2022</u>	<u>2021</u>
Assigned for parks improvements, creation and maintenance	\$2,856,508	\$3,494,343
Assigned for Myriad Botanical Gardens operations	26,141	15,151
Assigned for bond capital projects	11,678,662	11,823,296
Assigned for encumbrances	742,614	298,464
	<u>\$15,303,925</u>	<u>\$15,631,254</u>

*Unassigned*

	<u>2022</u>	<u>2021</u>
Unassigned	<u>(\$237,487)</u>	<u>\$903,533</u>

V. INTERFUND TRANSACTIONS

V. A. INTERFUND BALANCES

*Due Within The Authority*

All activity between governmental and business-type activities are eliminated and any residual balances outstanding between the activities are reported in the Authority-wide financial statements as internal balances. During 2022, the OCMFA Services Fund had no cash shortage for expenses that exceeded cash balances. During 2021, the OCMFA Services Fund had a cash shortage for expenses that exceeded cash balances in the amount of \$283. The cash shortage was funded by the General Purpose Fund, and an amount due to/from was recorded.

*Payable/Receivable To/From the City*

		<u>2022</u>		<u>2021</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
<b>RECEIVABLE FROM</b>					
<u>CURRENT</u>					
City General Fund	Information technology projects	\$1,208,353	\$ -	\$2,056,900	\$ -
City General Fund	Property insurance	-	3,066,606	-	-
City General Obligation Bond Fund	Prefunded project costs	1,464,846	-	3,508,545	-
City Information Technology Fund	Cell phone equipment, software licenses	-	-	-	42,978
OCPPA Golf Courses	Golf cart loans, golf pro health insurance	-	31,543	-	37,114
OCPPA	Parks revenue system	<u>55,142</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current		<u>2,728,341</u>	<u>3,098,149</u>	<u>5,565,445</u>	<u>80,092</u>
		<u>2022</u>		<u>2021</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
<u>NON-CURRENT</u>					
City General Obligation Bond Fund	Prefunded project costs	1,817,610	-	564,449	-
City Information Technology Fund	Cost reimbursement	-	1,307,485	-	1,448,827
OCPPA Golf Courses	Golf cart loans	-	-	-	31,482
City Risk Management Fund	Cost reimbursement	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,196,669</u>
Total non-current		<u>1,817,610</u>	<u>1,307,485</u>	<u>564,449</u>	<u>5,676,978</u>
<b>Total</b>		<b><u>\$4,545,951</u></b>	<b><u>\$4,405,634</u></b>	<b><u>\$6,129,894</u></b>	<b><u>\$5,757,070</u></b>

(continued)

**NOTES TO FINANCIAL STATEMENTS**  
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*Payable/Receivable To/From the City (continued)*

		<u>2022</u>		<u>2021</u>	
		<u>RECEIVABLE FROM</u>		<u>RECEIVABLE FROM</u>	
	<u>Purpose</u>	<u>General</u>	<u>OCMFA</u>	<u>General</u>	<u>OCMFA</u>
		<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
<b>PAYABLE TO</b>					
<u>CURRENT</u>					
City General Fund	Public works and nuisance abatement administrative charges	\$ -	\$ -	\$ -	\$364,549
City General Fund	Purchasing card reimbursement, cell phone equipment, software licenses	-	202,455	-	-
City General Fund	Cost reimbursement	37,364	42,247	100,136	25,446
City Grants Management Fund	Grant related cost reimbursement	-	-	-	63,223
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	-	129	-	654
City Risk Management Fund	Cost reimbursement	-	9,330,730	-	4,437,738
City Asset Forfeiture Fund	Cost reimbursement	111,534	-	77,275	-
City Information Technology Fund	Cost reimbursement	7,769,986	789,873	6,909,625	1,110,931
City Airport Fund	Capital equipment	-	34,112	-	34,112
City Zoo Fund	Insurance Recoveries	-	-	-	32,701
City Public Property Authority	Golf cart loans, golf pro health insurance	-	-	-	1,640
Total current		<u>7,918,884</u>	<u>10,502,624</u>	<u>7,087,036</u>	<u>6,174,072</u>
<u>NON-CURRENT</u>					
City Police/Fire Equipment Sales Tax	Capital equipment	-	49,429	-	55,421
City Fire Fund	Capital equipment	-	800,967	-	898,054
City Airport Fund	Capital equipment	-	281,421	-	315,532
City Information Technology Fund	Information technology projects	<u>1,021,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current		<u>1,021,637</u>	<u>1,131,817</u>	<u>-</u>	<u>1,269,007</u>
<b>Total</b>		<b><u>\$8,940,521</u></b>	<b><u>\$11,634,441</u></b>	<b><u>\$7,087,036</u></b>	<b><u>\$7,443,079</u></b>

**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, 2022 and 2021, the Authority reported an amount receivable from the City General Obligation Bond Fund of \$3,282,456 and \$4,072,994 for unreimbursed prefunded fees, of which \$1,464,846 and \$3,508,545 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 worker's compensation reserve was made to the OCPPA Trosper Golf Course to purchase golf carts. The loan will be 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 and 2021 is \$31,482 and \$68,463, respectively. The current receivable reported at June 30, 2022 and 2021 is \$31,543 and \$37,114, including accrued interest of \$61 and \$133, respectively.

Annual Debt Service Requirements to Maturity for Advances to OCPPA

2022			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	<u>31,482</u>	<u>337</u>	<u>31,819</u>
	<u><b>\$31,482</b></u>	<u><b>\$337</b></u>	<u><b>\$31,819</b></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 June 30, 2022 and 2021.

	2022		
	<u>Information Technology</u>	<u>Police &amp; Court Administration</u>	<u>Civil Rights Defense</u>
Advance balance, July 1, 2021	(\$6,909,625)	(\$77,275)	(\$100,136)
Other services	3,031,351	33,685	259,956
Materials and supplies	434,781	-	-
Investment income	133,256	2,056	2,816
Capital outlay	981,027	-	-
Reimbursement from the City	<u>(5,440,776)</u>	<u>(70,000)</u>	<u>(200,000)</u>
<b>Advance balance, June 30, 2022</b>	<u><b>(\$7,769,986)</b></u>	<u><b>(\$111,534)</b></u>	<u><b>(\$37,364)</b></u>

(continued)

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

	<b>2021</b>		
	<u>Information Technology</u>	<u>Police &amp; Court Administration</u>	<u>Civil Rights Defense</u>
Advance balance, July 1, 2020	(\$3,769,871)	(\$76,578)	\$3,640
Other services	2,467,978	39,407	196,575
Materials and supplies	421,666	-	-
Investment income	(3,651)	(104)	(351)
Other income	(19,503)	-	-
Reimbursement from the City	<u>(6,006,244)</u>	<u>(40,000)</u>	<u>(300,000)</u>
<b>Advance balance, June 30, 2021</b>	<b><u>(\$6,909,625)</u></b>	<b><u>(\$77,275)</u></b>	<b><u>(\$100,136)</u></b>

**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 June 30, 2022 and 2021.

	<b>2022</b>				
	<u>Worker's 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>
<b>Advance balance, June 30, 2022</b>	<b><u>(\$2,252,222)</u></b>	<b><u>(\$7,078,508)</u></b>	<b><u>(\$9,330,730)</u></b>	<b><u>(\$42,247)</u></b>	<b><u>\$517,612)</u></b>

	<b>2021</b>				
	<u>Worker's Compensation</u>	<u>Property and Liability</u>	<u>Total Risk Management</u>	<u>Unemployment</u>	<u>Information Technology</u>
Advance balance, July 1, 2020	(\$4,043,927)	(\$3,799,580)	(\$7,843,507)	\$143,153	\$283,493
Other services	14,629,099	3,973,698	18,602,797	202,758	4,979,193
Materials and supplies	1,733,891	18,621	1,752,512	-	98,061
Investment income	(129,100)	(6,019)	(135,119)	13	(3,918)
Other income	-	-	-	-	(159,822)
Capital outlay	-	-	-	-	672,820
Interest on debt	-	-	-	-	212,189
Reimbursement from the City	<u>(7,993,294)</u>	<u>(4,624,458)</u>	<u>(12,617,752)</u>	<u>(371,370)</u>	<u>(5,744,120)</u>
<b>Advance balance, June 30, 2021</b>	<b><u>\$4,196,669)</u></b>	<b><u>(\$4,437,738)</u></b>	<b><u>(\$241,069)</u></b>	<b><u>(\$25,446)</u></b>	<b><u>\$337,896)</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

***Payable To Component Units of the City***

The OCMFA Services Fund, Information Technology Radio System Debt Service Fund, reported \$209,343 and \$231,975 payable to COTPA at June 30, 2022 and June 30, 2021, respectively, for prefunding related to the new P25 Radio System.

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

**V. B. INTERFUND TRANSFERS AND PAYMENTS**

***Payments To/From the City***

		<u>2022</u>		<u>2021</u>	
		<b>PAYMENTS TO</b>		<b>PAYMENTS TO</b>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services Fund</u>	<u>Purpose Fund</u>	<u>Services Fund</u>
<b><u>PAYMENTS FROM</u></b>					
City General Fund	Operating subsidies	\$2,468,316	\$ -	\$2,372,323	\$ -
City Information Technology Fund	Capital funding	-	689,637	-	672,820
		<b><u>\$2,468,316</u></b>	<b><u>\$689,637</u></b>	<b><u>\$2,372,323</u></b>	<b><u>\$672,820</u></b>
		<u>2022</u>		<u>2021</u>	
		<b>PAYMENTS FROM</b>		<b>PAYMENTS FROM</b>	
		General	OCMFA	General	OCMFA
	<u>Purpose</u>	<u>Purpose Fund</u>	<u>Services Fund</u>	<u>Purpose Fund</u>	<u>Services Fund</u>
<b><u>PAYMENTS TO</u></b>					
City Public Property Authority	Capital funding	\$20,100	\$ -	\$ -	\$ -
City Information Technology Fund	Cost reimbursement	1,218,986	-	1,981,594	-
City Special Purpose Fund	Park Improvements	1,000,000	-	-	-
		<b><u>\$2,239,086</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,981,594</u></b>	<b><u>\$ -</u></b>



# **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.*
- \* **Worker's 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 STATEMENT OF NET POSITION**  
**OCMFA SERVICES FUND**  
**June 30, 2022**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	Risk Management						
	Health		Property		Total		
	Care	Worker's	and	Unemployment	Risk	Information	
	Insurance	Compensation	Liability	Insurance	Management	Technology	
						Total	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
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
<b>NON-CURRENT ASSETS</b>							
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
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
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
Notes, leases, and estimated claims payable-----	1,507,180	9,793,000	349,326	-	11,649,506	684,258	12,333,764
Total current liabilities-----	2,372,946	12,730,552	7,614,325	56,255	22,774,078	1,883,079	24,657,157
<b>NON-CURRENT LIABILITIES</b>							
Payable to component units-----	-	-	-	-	-	186,711	186,711
Notes, leases, and estimated claims payable-----	52,594	23,118,000	-	-	23,170,594	6,578,968	29,749,562
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
<b>NET POSITION</b>							
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 STATEMENT OF NET POSITION**  
**OCMFA SERVICES FUND**  
**June 30, 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	Risk Management						
	Health Care <u>Insurance</u>	Worker's Compensation <u>Compensation</u>	Property and Liability <u>Liability</u>	Unemployment Insurance <u>Insurance</u>	Total Risk Management <u>Management</u>	Information Technology <u>Technology</u>	<u>Total</u>
<b><u>ASSETS</u></b>							
<b><u>CURRENT ASSETS</u></b>							
Non-pooled cash-----	\$ -	\$ -	\$ -	\$ -	\$ -	\$558,940	\$558,940
Investments-----	16,198,521	28,821,549	4,687,299	58,142	49,765,511	1,287,044	51,052,555
Accounts receivable, net-----	3,210	10,427	-	-	13,637	-	13,637
Interest, dividends and royalties receivable-----	59,878	173,363	17,347	215	250,803	4,756	255,559
Due within the Authority-----	97,110	(134,379)	28,706	120	(8,443)	8,726	283
Receivable from the City of Oklahoma City-----	-	37,115	-	-	37,115	42,977	80,092
Receivable from component units-----	-	-	-	-	-	37,781	37,781
Intergovernmental receivables-----	-	-	63,222	-	63,222	-	63,222
Notes receivable-----	-	506,613	-	-	506,613	-	506,613
Prepays-----	-	3,105	507,168	-	510,273	23,642	533,915
Total current assets-----	16,358,719	29,417,793	5,303,742	58,477	51,138,731	1,963,866	53,102,597
<b><u>NON-CURRENT ASSETS</u></b>							
Notes receivable-----	-	1,852,116	-	-	1,852,116	-	1,852,116
Receivable from the City of Oklahoma City-----	-	4,228,151	-	-	4,228,151	1,448,827	5,676,978
Capital assets:							
Other capital assets,							
net of accumulated depreciation-----	121,820	61,990	-	-	183,810	8,893,553	9,077,363
Capital assets, net-----	121,820	61,990	-	-	183,810	8,893,553	9,077,363
Total non-current assets-----	121,820	6,142,257	-	-	6,264,077	10,342,380	16,606,457
Total assets-----	16,480,539	35,560,050	5,303,742	58,477	57,402,808	12,306,246	69,709,054
<b><u>LIABILITIES</u></b>							
<b><u>CURRENT LIABILITIES</u></b>							
Accounts payable and accrued expenses-----	1,316,425	528,074	294,697	33,031	2,172,227	36,367	2,208,594
Payable to the City of Oklahoma City-----	3,047	8,986	4,639,166	25,446	4,676,645	1,497,427	6,174,072
Payable to component units-----	-	-	-	-	-	22,632	22,632
Interest payable-----	52	-	-	-	52	50,952	51,004
Notes and estimated claims payable-----	1,347,368	9,197,000	369,879	-	10,914,247	667,007	11,581,254
Total current liabilities-----	2,666,892	9,734,060	5,303,742	58,477	17,763,171	2,274,385	20,037,556
<b><u>NON-CURRENT LIABILITIES</u></b>							
Payable to component units-----	-	-	-	-	-	209,343	209,343
Estimated claims payable-----	87,430	25,764,000	-	-	25,851,430	7,263,226	33,114,656
Payable to the City of Oklahoma City-----	-	-	-	-	-	1,269,007	1,269,007
Total non-current liabilities-----	87,430	25,764,000	-	-	25,851,430	8,741,576	34,593,006
Total liabilities-----	2,754,322	35,498,060	5,303,742	58,477	43,614,601	11,015,961	54,630,562
<b><u>NET POSITION</u></b>							
Net investment in capital assets-----	(264)	61,990	-	-	61,726	1,290,285	1,352,011
Unrestricted-----	13,726,481	-	-	-	13,726,481	-	13,726,481
Total net position-----	\$13,726,217	\$61,990	\$ -	\$ -	\$13,788,207	\$1,290,285	\$15,078,492

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

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

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

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
OCMFA SERVICES FUND  
For the Year Ended June 30, 2021**

**OKLAHOMA CITY MUNICIPAL  
FACILITIES AUTHORITY**

	Risk Management						
	Health Care <u>Insurance</u>	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management	Information Technology	Total
<b><u>OPERATING REVENUES</u></b>							
Service charges-----	\$60,578,613	\$-	\$-	\$-	\$60,578,613	\$-	\$60,578,613
Licenses, permits and fees-----	43,795	-	-	-	43,795	-	43,795
Other-----	1,195,475	-	-	-	1,195,475	-	1,195,475
<b>Total operating revenues-----</b>	<b>61,817,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,817,883</b>	<b>-</b>	<b>61,817,883</b>
<b><u>OPERATING EXPENSES</u></b>							
Maintenance, operations, and contractual services-----	59,158,613	-	-	-	59,158,613	-	59,158,613
Materials and supplies-----	1,483	-	-	-	1,483	-	1,483
Depreciation-----	34,806	61,990	-	-	96,796	1,291,675	1,388,471
<b>Total operating expenses-----</b>	<b>59,194,902</b>	<b>61,990</b>	<b>-</b>	<b>-</b>	<b>59,256,892</b>	<b>1,291,675</b>	<b>60,548,567</b>
<b>Operating income (loss)-----</b>	<b>2,622,981</b>	<b>(61,990)</b>	<b>-</b>	<b>-</b>	<b>2,560,991</b>	<b>(1,291,675)</b>	<b>1,269,316</b>
<b><u>NON-OPERATING REVENUE (EXPENSE)</u></b>							
Investment income-----	18,239	-	-	-	18,239	-	18,239
Interest on bonds and notes-----	(718)	-	-	-	(718)	-	(718)
Payments from the City of Oklahoma City-----	-	-	-	-	-	672,820	672,820
<b>Net non-operating revenue-----</b>	<b>17,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,521</b>	<b>672,820</b>	<b>690,341</b>
<b>Changes in net position-----</b>	<b>2,640,502</b>	<b>(61,990)</b>	<b>-</b>	<b>-</b>	<b>2,578,512</b>	<b>(618,855)</b>	<b>1,959,657</b>
<b>Total net position, beginning-----</b>	<b>11,085,715</b>	<b>123,980</b>	<b>-</b>	<b>-</b>	<b>11,209,695</b>	<b>1,909,140</b>	<b>13,118,835</b>
<b>Total net position, ending-----</b>	<b>\$13,726,217</b>	<b>\$61,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$13,788,207</b>	<b>\$1,290,285</b>	<b>\$15,078,492</b>

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

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	Risk Management						
	Health	Worker's	Property	Unemployment	Total	Information	
	Care	Compensation	and	Insurance	Risk	Technology	Total
	Insurance		Liability		Management		
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>							
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
<b><u>CASH FLOWS FROM NON-CAPITAL</u></b>							
<b><u>FINANCING ACTIVITIES</u></b>							
Transfers received from other funds-----	-	250,539	-	-	250,539	-	250,539
Net cash provided by non-capital financing activities-----	-	250,539	-	-	250,539	-	250,539
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL</u></b>							
<b><u>RELATED FINANCING ACTIVITIES</u></b>							
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 captal and related financing activities-----	(35,208)	-	-	-	(35,208)	(1,095,555)	(1,130,763)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>							
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
<b><u>RECONCILIATION OF OPERATING</u></b>							
<b><u>INCOME (LOSS) TO NET CASH PROVIDED</u></b>							
<b><u>(USED) BY OPERATING ACTIVITIES</u></b>							
Operating income (loss)-----	\$1,258,422	(\$61,990)	\$ -	\$ -	\$1,196,432	(\$1,509,921)	(\$313,489)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING</u></b>							
<b><u>INCOME (LOSS) TO NET CASH</u></b>							
<b><u>PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>							
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
<b><u>NON-CASH INVESTING, CAPITAL,</u></b>							
<b><u>AND FINANCING ACTIVITIES</u></b>							
Net increase (decrease) in fair value of investments-----	(419,834)	(779,776)	(81,257)	(683)	(1,281,550)	(26,541)	(1,308,091)
Total non-cash investing, capital, and financing activities-----	(\$419,834)	(\$779,776)	(\$81,257)	(\$683)	(\$1,281,550)	(\$26,541)	(\$1,308,091)



**COMBINING STATEMENT OF CASH FLOWS**  
**OCMFA SERVICES FUND**  
**For the Year Ended June 30, 2021**

**OKLAHOMA CITY MUNICIPAL**  
**FACILITIES AUTHORITY**

	Risk Management						
	Health Care Insurance	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management	Information Technology	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>							
Cash received from customers-----	\$61,817,883	\$ -	\$ -	\$ -	\$61,817,883	\$ -	\$61,817,883
Cash payments to suppliers for goods and services-----	(59,139,478)	(11,523,049)	(3,495,510)	(347,105)	(74,505,142)	(5,095,482)	(79,600,624)
Cash payments for internal services-----	(17,134)	-	-	-	(17,134)	-	(17,134)
Operating payments from the City of Oklahoma City-----	-	358,657	-	-	358,657	-	358,657
Cost reimbursements from (to) other funds-----	-	7,993,294	4,624,458	371,370	12,989,122	5,744,120	18,733,242
Net cash provided (used) by operating activities-----	<b>2,661,271</b>	<b>(3,171,098)</b>	<b>1,128,948</b>	<b>24,265</b>	<b>643,386</b>	<b>648,638</b>	<b>1,292,024</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>							
Payments for acquisition and construction of capital assets-----	-	-	-	-	-	(2,863,606)	(2,863,606)
Principal paid on long-term debt-----	(34,541)	-	-	-	(34,541)	(650,187)	(684,728)
Interest paid on long-term debt-----	(667)	-	-	-	(667)	(216,367)	(217,034)
Net cash provided (used) by capital and related financing activities-----	<b>(35,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,208)</b>	<b>(3,730,160)</b>	<b>(3,765,368)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>							
Changes in pooled investments-----	(3,026,744)	2,259,221	(1,240,467)	(24,950)	(2,032,940)	162,116	(1,870,824)
Investment income received-----	160,638	522,420	48,202	213	731,473	27,721	759,194
Purchased interest-----	996	2,729	242	2	3,969	131	4,100
Net cash provided (used) by investing activities-----	<b>(2,865,110)</b>	<b>2,784,370</b>	<b>(1,192,023)</b>	<b>(24,735)</b>	<b>(1,297,498)</b>	<b>189,968</b>	<b>(1,107,530)</b>
Net decrease in cash-----	<b>(239,047)</b>	<b>(386,728)</b>	<b>(63,075)</b>	<b>(470)</b>	<b>(689,320)</b>	<b>(2,891,554)</b>	<b>(3,580,874)</b>
Cash, beginning-----	239,047	386,728	63,075	470	689,320	3,450,494	4,139,814
Cash, ending-----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$558,940</b>	<b>\$558,940</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>							
Operating income (loss)-----	\$2,622,981	(\$61,990)	\$ -	\$ -	\$2,560,991	(\$1,291,675)	\$1,269,316
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>							
Depreciation-----	34,806	61,990	-	-	96,796	1,291,675	1,388,471
Other revenue (expense)-----	-	229,558	(6,022)	13	223,549	208,271	431,820
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	61,402	(10,427)	-	-	50,975	-	50,975
(Increase) decrease in receivable from the City of Oklahoma City-----	(52,094)	(3,659,817)	(28,706)	143,034	(3,597,583)	765,086	(2,832,497)
(Increase) decrease in receivable from component units-----	-	-	-	-	-	(37,781)	(37,781)
(Increase) decrease in prepaid assets-----	-	(3,105)	(42,279)	-	(45,384)	2,642	(42,742)
Increase (decrease) in accounts payable and accrued expenses-----	(103,562)	32,439	275,721	(144,228)	60,370	(13,840)	46,530
Increase (decrease) in payable to the City of Oklahoma City-----	584	(4,071,746)	776,366	25,446	(3,269,350)	(253,108)	(3,522,458)
Increase (decrease) in payable to component unit-----	-	-	-	-	-	(22,632)	(22,632)
Increase (decrease) in long-term liabilities-----	-	-	153,868	-	153,868	-	153,868
Increase (decrease) in notes, lease, and estimated claims payable-----	97,154	4,312,000	-	-	4,409,154	-	4,409,154
Total adjustments-----	38,290	(3,109,108)	1,128,948	24,265	(1,917,605)	1,940,313	22,708
Net cash provided (used) by operating activities-----	<b>\$2,661,271</b>	<b>(\$3,171,098)</b>	<b>\$1,128,948</b>	<b>\$24,265</b>	<b>\$643,386</b>	<b>\$648,638</b>	<b>\$1,292,024</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>							
Net increase (decrease) in fair value of investments-----	(\$147,365)	(\$325,215)	(\$45,119)	(\$302)	(\$518,001)	(\$22,620)	(\$540,621)
Issuance of capital leases-----	156,626	-	-	-	156,626	-	156,626
and financing activities-----	<b>\$9,261</b>	<b>(\$325,215)</b>	<b>(\$45,119)</b>	<b>(\$302)</b>	<b>(\$361,375)</b>	<b>(\$22,620)</b>	<b>(\$383,995)</b>

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

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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, 2022 and 2021, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 23, 2022.

### 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

November 23, 2022  
Wichita, Kansas

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