



# Oklahoma City Riverfront Redevelopment Authority

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

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



# OKLAHOMA CITY RIVERFRONT REDEVELOPMENT AUTHORITY

A Discrete Component Unit of  
Oklahoma City, Oklahoma

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

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



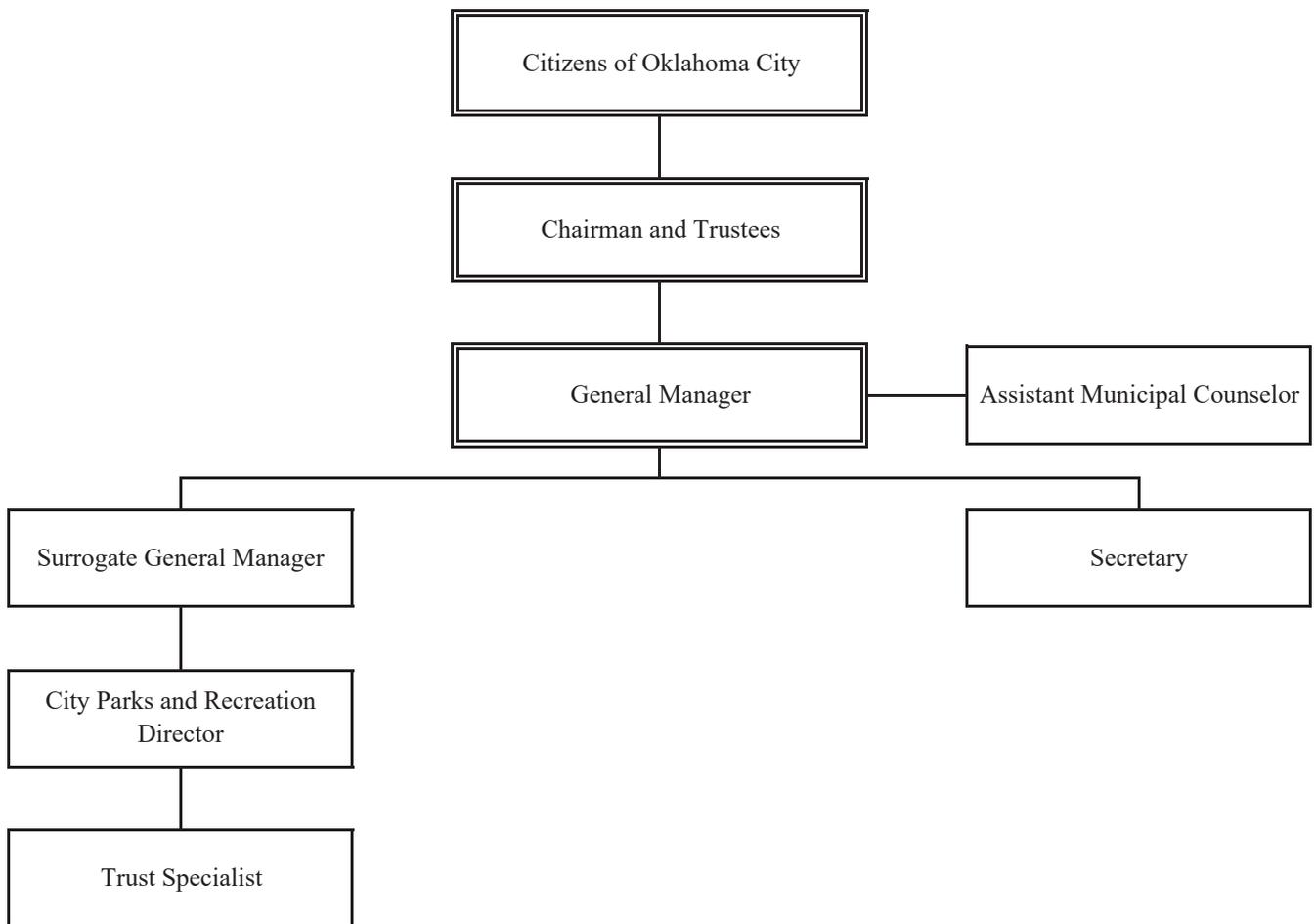
**OKLAHOMA CITY RIVERFRONT REDEVELOPMENT AUTHORITY**

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# Oklahoma City Riverfront Redevelopment Authority Organization Chart



# **Introductory Section**





December 5, 2023

Chairman and Trustees  
Oklahoma City Riverfront Redevelopment Authority

The Oklahoma City Riverfront Redevelopment 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 and the dictates of effective financial management practices. The Oklahoma City Finance Department, Accounting Services Division, has prepared this report in compliance with generally accepted accounting principles in the United States. 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 auditor's, management's discussion and analysis (MD&A), financial statements, and related notes. Management's narrative on the financial activities of the Authority for fiscal years ended June 30, 2023 and 2022, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Authority's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Authority. The Authority is a discretely presented component unit of the City of Oklahoma City (City) and, as such, is included within the City's Annual Comprehensive Financial Report (ACFR).

The Authority was established in 1985, as the successor to the North Canadian/Oklahoma River Corridor (River) Master Plan (Master Plan) known as "a String of Pearls." The Master Plan called for improvement and beautification of land along and adjacent to the River and its various tributaries. The Authority continues to pursue the concepts contained in the Master Plan in an effort to transform the River into a major focal point and source of pride for the City.

The Authority provides policy direction, as well as master planning and project oversight, for developments and activities along the River within the Oklahoma City limits. Established via a trust indenture approved by the Mayor and City Council, the Authority is responsible for management of the City's substantial real assets along the River, the terms of which are set forth in a master lease agreement between the City and Authority.

The original Metropolitan Area Projects (MAPS) program provided the initial funding for the City's longstanding vision to transform the predominantly dry Corps of Engineers floodway construction project of the late '50s and early '60s into a vibrant corridor designed to foster outdoor recreation and economic redevelopment in the City's core. The last of the original MAPS river projects, totaling some \$39 million, including the Bricktown Canal, was completed in 2004, paving the way for new waterfront events and privately funded developments which would have been impossible absent the voters' approval of that landmark ballot initiative in December 1993. From the various special events to various competitive rowing activities to the formal designation of the River as a United States Olympic and Paralympic Committee Training Site, it is clear that the impoundment of water has forever transformed the former drainage ditch into a powerful economic development engine and marketing image for the City.

Voter approval of the MAPS4 program in December 2019 has resulted in additional progress on Oklahoma City's riverfront. The resultant \$11.5 million in additional public investment in River-related projects and improvements is anticipated to generate even greater interest in River development.

In addition to the MAPS-funded program of work, projects with which the Authority continues to be involved include the First Americans Museum, the Boathouse District, Oklahoma River Cruises, Larry McAtee Park, and the West River Trail. The Riverfront Design Committee, which includes two members of the Authority, reviews development proposals submitted for properties located within the designated Scenic River Overlay Design District.

The Authority also entered into a sublease with the Riversport Foundation for the MAPS3 Whitewater Facility (Facility). The lease has an initial term of 20 years and includes a provision that 25% of any naming rights proceeds be restricted for capital repair and replacement at the Facility. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

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

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

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

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

The Mayor, or his appointed surrogate, and three City Council members serve as the Authority's Trustees with five other Trustees appointed by the Mayor and approved by the City Council. The Authority participates in the City's comprehensive accounting and budgetary system. Interim financial statements provide Authority management and other interested readers with regular financial analyses. Additionally, the Authority's management maintains budgetary controls to ensure compliance with legal provisions.

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<br>General Manager  | Brent Bryant<br>City of Oklahoma City<br>Chief Financial Officer                  | Alex E. Fedak, CPA<br>City of Oklahoma City<br>Controller                           |

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# **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
**Oklahoma City Riverfront Redevelopment Authority**  
Oklahoma City, Oklahoma

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

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Oklahoma City Riverfront Redevelopment Authority (Authority), a discrete component unit of The City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of June 30, 2023 and 2022, and the respective changes in its financial position 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government*

*Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based

on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C*

CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
December 5, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Riverfront Redevelopment 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, 2023 and 2022. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a discretely presented component unit of the City of Oklahoma City (City).

### *Financial Summary*

- Authority assets exceeded liabilities by \$2,870,567 (net position) for 2023. This compares to the previous year when assets exceeded liabilities by \$2,545,656.
- Total assets for the Authority decreased by \$44,928 (1.5%) to \$2,913,411 during 2023 and increased by \$235,298 (8.6%) to \$2,958,339 for 2022.
- Total liabilities for the Authority decreased by \$369,839 (89.6%) to \$42,844 during 2023 and increased by \$241,444 (141.0%) to \$412,683 during 2022.
- Total net position is comprised of the following:
  - (1) Investment in capital assets of \$2,192,322 at June 30, 2023, and \$2,251,089 at June 30, 2022, include property and equipment, net of accumulated depreciation.
  - (2) Unrestricted net position of \$678,245 and \$294,567 at June 30, 2023 and 2022, respectively.
- The Authority's governmental fund reported an ending fund balance of \$675,297 this year. This compares to the prior year ending fund balance of \$294,163 for an increase of \$381,134 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 statements, (2) fund financial statements, and (3) notes to the 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 and are presented to demonstrate the extent to which the Authority has met its operating objectives efficiently and effectively using all the resources available and whether the Authority can continue to meet its objectives in the foreseeable future. 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 statements is the statement of net position. This statement presents information that includes all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating, identify financial strengths and weaknesses and assess liquidity.

The second statement is the statement of activities which reports how the Authority's net position changed during the current fiscal year. This statement 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. The Authority reports riverfront redevelopment activities.

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Authority has only one fund, a governmental fund, which serves as the general fund of the Authority.

#### Governmental Fund

The governmental fund is reported in the fund financial statements and reports the riverfront redevelopment function as reported in the Authority-wide financial statements. Fund statements report 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 financial 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 balance provide a reconciliation to assist in understanding the differences between these two perspectives.

### 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

The Authority's net position at fiscal year-end is \$2,870,567. This is an increase of \$324,911 from last year's net position of \$2,545,656. Overall the Authority's financial position improved during fiscal year 2023.

|                            | Summary of Net Position |                         |                         |             |                           |                         |             |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------|---------------------------|-------------------------|-------------|
|                            |                         |                         | 2023-2022               | 2023-2022   |                           |                         | 2022-2021   |
|                            | 2023                    | 2022                    | Amount of<br>Change     | %<br>Change | 2021                      | Amount of<br>Change     | %<br>Change |
| <b>Assets</b>              |                         |                         |                         |             |                           |                         |             |
| Current assets             | \$721,089               | \$707,250               | \$13,839                | 2.0%        | \$413,185                 | \$294,065               | 71.2%       |
| Capital assets, net        | <u>2,192,322</u>        | <u>2,251,089</u>        | <u>(58,767)</u>         | (2.6)       | <u>2,309,856</u>          | <u>(58,767)</u>         | (2.5)       |
| <b>Total assets</b>        | <b><u>2,913,411</u></b> | <b><u>2,958,339</u></b> | <b><u>(44,928)</u></b>  | (1.5)       | <b><u>2,723,041</u></b>   | <b><u>235,298</u></b>   | 8.6         |
| <b>Liabilities</b>         |                         |                         |                         |             |                           |                         |             |
| Current liabilities        | <u>42,844</u>           | <u>412,683</u>          | <u>(369,839)</u>        | (89.6)      | <u>171,239</u>            | <u>241,444</u>          | 141.0       |
| <b>Total liabilities</b>   | <b><u>42,844</u></b>    | <b><u>412,683</u></b>   | <b><u>(369,839)</u></b> | (89.6)      | <b><u>171,239</u></b>     | <b><u>241,444</u></b>   | 141.0       |
| <b>Net position</b>        |                         |                         |                         |             |                           |                         |             |
| Invested in capital assets | 2,192,322               | 2,251,089               | (58,767)                | (2.6)       | 2,309,856                 | (58,767)                | (2.5)       |
| Unrestricted net position  | <u>678,245</u>          | <u>294,567</u>          | <u>383,678</u>          | 130.3       | <u>241,946</u>            | <u>52,621</u>           | 21.7        |
| <b>Total net position</b>  | <b><u>2,870,567</u></b> | <b><u>2,545,656</u></b> | <b><u>\$324,911</u></b> | 12.8        | <b><u>\$2,551,802</u></b> | <b><u>(\$6,146)</u></b> | (0.2)       |

Current assets increased \$13,839 in 2023 and increased \$294,065 in 2022. Cash and investments decreased \$194 in 2023 and increased \$289,301 in 2022. Receivable from the City General Fund increased \$9,188 in 2023 and increased \$4,615 in 2022. Capital assets decreased \$58,767 in 2023 and \$58,767 in 2022, due to normal depreciation.

Current liabilities decreased \$369,839 in 2023 primarily related to a decrease in unspent transfers from the City General Fund for pump repairs. Current liabilities increased \$241,444 in 2022, primarily related to unspent transfers from the City General Fund for emergency repairs to the Whitewater Facility.

|                                  | Summary of Changes in Net Position |                  |                |           |                  |                  |               |           |
|----------------------------------|------------------------------------|------------------|----------------|-----------|------------------|------------------|---------------|-----------|
|                                  |                                    |                  | 2023-2022      | 2023-2022 |                  |                  | 2022-2021     | 2022-2021 |
|                                  | <u>2023</u>                        | <u>2022</u>      | Amount of      | %         | <u>2021</u>      | Amount of        | %             |           |
|                                  |                                    | <u>Change</u>    | <u>Change</u>  |           | <u>Change</u>    | <u>Change</u>    | <u>Change</u> |           |
| <b>Revenues</b>                  |                                    |                  |                |           |                  |                  |               |           |
| Charges for services             | \$56,542                           | \$67,110         | (\$10,568)     | (15.7%)   | \$14,270         | \$52,840         | 370.3%        |           |
| Operating grants & contributions | 3,245,892                          | 2,617,590        | 628,302        | 24.0      | 1,846,517        | 771,073          | 41.8          |           |
| General revenues                 | 248,481                            | 58,455           | 190,026        | 325.1     | 38,715           | 19,740           | 51.0          |           |
| <b>Total revenues</b>            | <b>3,550,915</b>                   | <b>2,743,155</b> | <b>807,760</b> | 29.4      | <b>1,899,502</b> | <b>843,653</b>   | 44.4          |           |
| <b>Program expenses</b>          | <b>3,226,004</b>                   | <b>2,749,301</b> | <b>476,703</b> | 17.3      | <b>1,902,132</b> | <b>847,169</b>   | 44.5          |           |
| <b>Changes in net position</b>   | <b>324,911</b>                     | <b>(6,146)</b>   | <b>331,057</b> | 5386.5    | <b>(2,630)</b>   | <b>(3,516)</b>   | (133.7)       |           |
| Beginning net position           | 2,545,656                          | 2,551,802        | (6,146)        | (0.2)     | 2,554,432        | (2,630)          | (0.1)         |           |
| <b>Ending net position</b>       | <b>2,870,567</b>                   | <b>2,545,656</b> | <b>324,911</b> | 12.8      | <b>2,551,802</b> | <b>(\$6,146)</b> | (0.2)         |           |

Within total revenues, the Authority reported an increase of \$807,760 in 2023 primarily related to an increase in payments from City Funds for management of the Whitewater Facility for \$400,000, an increase in payments from City Funds for repairs at the Whitewater facility of \$227,000, an increase of \$150,000 for easement revenues, and an increase of \$44,000 in investment income. Total revenues increased \$843,653 in 2022 primarily related to an increase in payments from City Funds for repairs at the Whitewater Facility for \$826,112 as well as an increase in oil and gas royalties of \$18,942.

In 2023, program expenses increased \$476,703 primarily related to installation of fencing for parks. In 2022, program expenses increased \$847,169 primarily related to an increase in management fees for the boathouse foundation for management of the Whitewater facility.

### 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 to upcoming financing requirements. The Authority governmental fund reported ending fund balance of \$675,297 and \$294,163 in fiscal year 2023 and 2022, respectively. Of these balances, \$631,592 in 2023 and \$294,163 in 2022 is unassigned, indicating availability for continuing Authority general service requirements.

The total ending fund balance of the governmental fund shows an increase of \$381,134 in 2023 and an increase of \$54,995 in 2022 over the prior year. These differences are primarily the result of the events and programs described above.

### Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation for the fiscal years 2023 and 2022 consists of land, infrastructure, and equipment. Capital assets at fiscal year-end are \$2,192,322. This is a decrease of \$58,767 from last year's capital assets of \$2,251,089.

|                                 | Capital Assets Net of Accumulated Depreciation |                    |                   |               |                    |                   |               |
|---------------------------------|--|--------------------|-------------------|---------------|--------------------|-------------------|---------------|
|                                 | <u>2023</u>                                    | <u>2022</u>        | 2023-2022         | 2023-2022     | <u>2021</u>        | 2022-2021         | 2022-2021     |
|                                 |  |                    | Amount of         | %             |                    | Amount of         | %             |
|                                 |  |                    | <u>Change</u>     | <u>Change</u> |                    | <u>Change</u>     | <u>Change</u> |
| <b>Non-Depreciable Assets</b>   |  |                    |                   |               |                    |                   |               |
| Land                            | <u>\$32,144</u>                                | <u>\$32,144</u>    | <u>\$-</u>        | 0.0%          | <u>\$32,144</u>    | <u>\$-</u>        | 0.0%          |
| <b>Depreciable Assets</b>       |  |                    |                   |               |                    |                   |               |
| Infrastructure                  | <u>2,160,178</u>                               | <u>2,218,945</u>   | <u>(58,767)</u>   | (2.6)         | <u>2,277,712</u>   | <u>(58,767)</u>   | (2.6)         |
| <b>Total depreciable assets</b> | <u>2,160,178</u>                               | <u>2,218,945</u>   | <u>(58,767)</u>   | (2.6)         | <u>2,277,712</u>   | <u>(58,767)</u>   | (2.6)         |
|                                 | <u>\$2,192,322</u>                             | <u>\$2,251,089</u> | <u>(\$58,767)</u> | (2.6)         | <u>\$2,309,856</u> | <u>(\$58,767)</u> | (2.5)         |

The decrease in capital assets is due to normal depreciation of capital assets of \$58,767 in 2023 and 2022. See Note II. C. for additional information regarding capital assets.

***Economic Factors***

The Authority relies on revenue from event permits and from oil and gas royalties. During the prior year, oil and gas prices have stabilized and oil and gas royalties have gradually increased.

***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. Questions relating to the Authority's operations should be directed to the Oklahoma City Riverfront Redevelopment Authority, 420 W. Main, Suite 210, 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 riverfront redevelopment activities and the general revenues of the Authority.*

## ***Fund Financial Statements***

*Focus on the Authority's governmental fund.*

### **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.*

**STATEMENTS OF NET POSITION**  
**June 30,**

**OKLAHOMA CITY RIVERFRONT  
REDEVELOPMENT AUTHORITY**

|   | <u>2023</u>        | <u>2022</u>        |
|---|--------------------|--------------------|
| <b><u>ASSETS</u></b>  |                    |                    |
| <b><u>CURRENT ASSETS</u></b>                                |                    |                    |
| Non-pooled cash-----  | \$1,910            | \$14,389           |
| Investments-----  | 690,775            | 678,490            |
| Accounts receivable, net-----                               | 9,399              | 8,275              |
| Interest receivable-----                                    | 4,302              | 581                |
| Receivable from the City of Oklahoma City General Fund----- | 14,703             | 5,515              |
| <b>Total current assets-----</b>                            | <b>721,089</b>     | <b>707,250</b>     |
| <b><u>NON-CURRENT ASSETS</u></b>                            |                    |                    |
| Capital assets:   |                    |                    |
| Land and construction in progress-----                      | 32,144             | 32,144             |
| Other capital assets, net of accumulated depreciation-----  | 2,160,178          | 2,218,945          |
| <b>Total capital assets-----</b>                            | <b>2,192,322</b>   | <b>2,251,089</b>   |
| <b>Total assets-----</b>                                    | <b>2,913,411</b>   | <b>2,958,339</b>   |
| <b><u>LIABILITIES</u></b>                                   |                    |                    |
| <b><u>CURRENT LIABILITIES</u></b>                           |                    |                    |
| Payable to component units-----                             | -                  | 25,000             |
| Payable to the City of Oklahoma City-----                   | 36,717             | 381,285            |
| Unearned revenue-----                                       | 6,127              | 6,398              |
| <b>Total liabilities-----</b>                               | <b>42,844</b>      | <b>412,683</b>     |
| <b><u>NET POSITION</u></b>                                  |                    |                    |
| Net investment in capital assets-----                       | 2,192,322          | 2,251,089          |
| Unrestricted-----   | 678,245            | 294,567            |
| <b>Total net position-----</b>                              | <b>\$2,870,567</b> | <b>\$2,545,656</b> |

See accompanying notes to financial statements.

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

**OKLAHOMA CITY RIVERFRONT**  
**REDEVELOPMENT AUTHORITY**

|  | <u>2023</u>               | <u>2022</u>               |
|--|---------------------------|---------------------------|
| <b><u>PROGRAM EXPENSES</u></b>   |                           |                           |
| <b><u>RIVERFRONT REDEVELOPMENT</u></b>   |                           |                           |
| Materials and supplies-----  | \$9,550                   | \$33                      |
| Professional services-----   | 13,018                    | 12,517                    |
| Payments to Central Oklahoma Transportation and Parking Authority, River Mobility Fund-- | 25,000                    | 25,000                    |
| Other services and charges-----  | 3,119,669                 | 2,652,984                 |
| Depreciation expense-----  | 58,767                    | 58,767                    |
| <b>Total program expenses-----</b>   | <b><u>3,226,004</u></b>   | <b><u>2,749,301</u></b>   |
| <b><u>PROGRAM REVENUES</u></b>   |                           |                           |
| <b><u>CHARGES FOR SERVICES</u></b>   |                           |                           |
| Riverfront redevelopment-----  | 56,542                    | 67,110                    |
| <b><u>OPERATING GRANTS AND CONTRIBUTIONS</u></b>   |                           |                           |
| Payments from the City of Oklahoma City Capital Improvements Fund-----                   | 1,712,410                 | 2,617,590                 |
| Payments from the City of Oklahoma City General Fund-----                                | 1,533,482                 | -                         |
| Total operating grants and contributions-----  | <u>3,245,892</u>          | <u>2,617,590</u>          |
| <b>Total program revenues-----</b>   | <b><u>3,302,434</u></b>   | <b><u>2,684,700</u></b>   |
| <b>Net program revenue (expense)-----</b>  | <b><u>76,430</u></b>      | <b><u>(64,601)</u></b>    |
| <b><u>GENERAL REVENUES</u></b>   |                           |                           |
| Oil and gas royalties-----   | 36,192                    | 46,071                    |
| Investment income-----   | 46,139                    | 1,642                     |
| Other-----   | 166,150                   | 10,742                    |
| <b>Total general revenues-----</b>   | <b><u>248,481</u></b>     | <b><u>58,455</u></b>      |
| <b>Changes in net position-----</b>  | <b>324,911</b>            | <b>(6,146)</b>            |
| Net position-beginning-----  | 2,545,656                 | 2,551,802                 |
| <b>Net position-ending-----</b>  | <b><u>\$2,870,567</u></b> | <b><u>\$2,545,656</u></b> |

See accompanying notes to financial statements.

**BALANCE SHEETS**  
**June 30,**

**OKLAHOMA CITY RIVERFRONT**  
**REDEVELOPMENT AUTHORITY**

|  | <u>2023</u>               | <u>2022</u>               |
|--|---------------------------|---------------------------|
| <b><u>ASSETS</u></b>   |                           |                           |
| Non-pooled cash-----   | \$1,910                   | \$14,389                  |
| Investments-----   | 690,775                   | 678,490                   |
| Accounts receivable-----   | 9,399                     | 8,275                     |
| Interest receivable-----   | 4,302                     | 581                       |
| Receivable from the City of Oklahoma City General Fund-----                                | 14,703                    | 5,515                     |
| <b>Total assets</b> -----  | <b><u>721,089</u></b>     | <b><u>707,250</u></b>     |
| <br><b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>                               |                           |                           |
| <b><u>AND FUND BALANCE</u></b>   |                           |                           |
| <b><u>LIABILITIES</u></b>  |                           |                           |
| Payable to component units, current-----   | -                         | 25,000                    |
| Payable to the City of Oklahoma City General Fund-----                                     | 36,717                    | 168,875                   |
| Payable to the City of Oklahoma City Capital Improvement Fund-----                         | -                         | 212,410                   |
| Unearned revenue-----  | 6,127                     | 6,398                     |
| <b>Total liabilities</b> -----   | <b><u>42,844</u></b>      | <b><u>412,683</u></b>     |
| <br><b><u>DEFERRED INFLOWS OF RESOURCES</u></b> -----                                      | <br><b><u>2,948</u></b>   | <br><b><u>404</u></b>     |
| <br><b><u>FUND BALANCES</u></b>  |                           |                           |
| Unrestricted:  |                           |                           |
| Committed-----   | 43,705                    | -                         |
| Unassigned-----  | 631,592                   | 294,163                   |
| <b>Total fund balances</b> -----   | <b><u>675,297</u></b>     | <b><u>294,163</u></b>     |
| <b>Total liabilities, deferred inflows of resources,</b><br><b>and fund balances</b> ----- | <b><u>\$721,089</u></b>   | <b><u>\$707,250</u></b>   |
| <br><b><u>RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF</u></b>                |                           |                           |
| <b><u>NET POSITION</u></b>   |                           |                           |
| Total fund balances-----   | \$675,297                 | \$294,163                 |
| Capital assets-----  | 3,450,218                 | 3,450,218                 |
| Accumulated depreciation-----  | (1,257,896)               | (1,199,129)               |
| Earned but unavailable revenue-----  | 2,948                     | 404                       |
| <b>Total net position</b> -----  | <b><u>\$2,870,567</u></b> | <b><u>\$2,545,656</u></b> |

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

**OKLAHOMA CITY RIVERFRONT  
REDEVELOPMENT AUTHORITY**

|  | <u>2023</u>             | <u>2022</u>             |
|--|-------------------------|-------------------------|
| <b><u>REVENUES</u></b>   |                         |                         |
| Oil and gas royalties-----   | \$34,148                | \$48,446                |
| Investment income-----   | 46,139                  | 1,642                   |
| Charges for services-----  | 56,542                  | 67,110                  |
| Payments from the City of Oklahoma City Capital Improvements Fund-----   | 1,712,410               | 2,617,590               |
| Payments from the City of Oklahoma City General Fund-----  | 1,533,482               | -                       |
| Other-----   | 165,650                 | 10,741                  |
| <b>Total revenues-----</b>   | <b><u>3,548,371</u></b> | <b><u>2,745,529</u></b> |
| <b><u>EXPENDITURES</u></b>   |                         |                         |
| <b><u>CURRENT</u></b>  |                         |                         |
| Materials and supplies-----  | 9,550                   | 34                      |
| Professional services-----   | 13,018                  | 12,517                  |
| Payments to Central Oklahoma Transportation and Parking Authority, River Mobility Fund----   | 25,000                  | 25,000                  |
| Other services and charges-----  | 3,119,669               | 2,652,983               |
| <b>Total expenditures-----</b>   | <b><u>3,167,237</u></b> | <b><u>2,690,534</u></b> |
| <b>Net changes in fund balances-----</b>   | <b>381,134</b>          | <b>54,995</b>           |
| Fund balances, beginning-----  | 294,163                 | 239,168                 |
| <b>Fund balances, ending-----</b>  | <b><u>\$675,297</u></b> | <b><u>\$294,163</u></b> |
| <b><u>RECONCILIATION OF STATEMENTS OF REVENUES, EXPENDITURES, AND<br/>CHANGES IN FUND BALANCES TO STATEMENTS OF ACTIVITIES</u></b> |                         |                         |
| Net changes in fund balances-----  | \$381,134               | \$54,995                |
| Depreciation expense-----  | (58,767)                | (58,767)                |
| Recognition of earned but unavailable revenue-----   | 2,544                   | (2,374)                 |
| <b>Change in net position-----</b>   | <b><u>\$324,911</u></b> | <b><u>(\$6,146)</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 is organized to provide explanations, including required disclosures, of the Oklahoma City Riverfront Redevelopment Authority (Authority) financial activities for the fiscal years ended June 30, 2023 and 2022.

### I. B. BASIS OF PRESENTATION

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

The Authority was created as a public trust pursuant to Title 60 of the Oklahoma Statutes, section 176, et seq., on March 19, 1985, amended and restated June 2005, with City named as the beneficiary. The purpose of the Authority is to finance, develop, and maintain the property adjacent to the North Canadian/Oklahoma River Corridor (River). The provisions of the trust indenture provide that the Authority will lease or otherwise manage the related property, equipment, and improvements financed by the Authority.

The Mayor, his appointed surrogate, and three City Council members serve with five other Trustees appointed by the Mayor and confirmed by the City Council. 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 component unit of the City because the City appoints all Trustees and has the ability to remove members and may overrule or modify the Authority's decisions. The Authority is discretely presented because the majority of the Board is not the same as the voting majority of the City Council.

The financial activity of the Authority is a discretely presented component unit in the City's ACFR. The ACFR may be obtained online at [okc.gov/departments/finance](http://okc.gov/departments/finance).

#### *Authority Administration*

The Authority has no employees. City employees perform all administrative and management functions of the Authority. The Authority does not reimburse the City for these costs.

#### *Related Parties*

##### **North Canadian/Oklahoma River Corridor Foundation Endowment Fund (ORFE)**

On December 14, 2004, the Authority entered into an agreement with the Oklahoma City Community Foundation (Foundation) to establish a permanent fund at the Foundation. The purpose of the ORFE is to support the public uses of the Authority leasehold. The ORFE was established with the net proceeds of the Downtown Oklahoma City, Incorporated, 2004 Holiday Boat Parade; however, the ORFE may receive future donations and investment earnings.

Distributions are recommended by an advisory committee composed of three members: the Chairman of the Authority, or a designee; and two members separately appointed by the Foundation Trustees and the Mayor of Oklahoma City, respectively. All distributions from the Foundation are subject to the final approval of the Foundation Trustees.

**Central Oklahoma Transportation and Parking Authority (COTPA)**

COTPA is a discrete component unit of the City. On January 13, 2006, the COTPA Trustees approved a resolution accepting an administrative role in developing and operating the water transport system as part of a joint North Canadian/Oklahoma River Corridor Water Mobility System Plan (System Plan). On June 20, 2006, the City Council approved a joint resolution with the Authority and COTPA regarding the assignment and acceptance of responsibilities. Per the resolution, COTPA is primarily responsible for operations and finance issues, while the Authority provides support in areas of planning, development, and marketing.

On October 16, 2007, the City, the Authority, and COTPA entered into a lease agreement in which COTPA agreed to pay the City and the Authority a nominal fee of \$25 each, per year to lease property on the River for the construction, operation, and maintenance of infrastructure needed to support operation of watercraft from the Water Transit Mobility System. The lease provides for a 30-year primary term and an automatic renewal for a further term of 45 years, and is not considered an exchange or exchange-like transaction. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

***Short-term Leases***

The following leases have multi-year lease terms; however are cancelable by either party with a noncancelable period, including notice periods of less than 12 months and are therefore considered short-term leases under GASB 87.

**City Master Lease and Mineral Rights**

The Authority has entered into an agreement with the City assigning riverfront development responsibility to the Authority and granting the Authority specific rights with respect to the City's river corridor assets of the North Canadian/Oklahoma River Corridor. The City's river corridor assets include the Oklahoma River Rowing and Canoe/Kayak Racecourse. The lease payment is nominal. The initial term of the lease is 25 years, and the property can be subleased. The sublease agreements with the Authority covers the properties' mineral rights. The related oil and gas royalties received under this arrangement constitute a significant portion of the Authority's revenue.

The Authority has entered into various subleases. The purpose of these subleases is generally to provide access to land to various parties to allow them to build boathouses and other facilities along the North Canadian/Oklahoma River Corridor. These subleases are generally for nominal dollar amounts and have initial terms of 25 years with options to renew for additional periods.

**Riversport Foundation Annex**

Since 2006, the Riversport Foundation has operated and maintained the Boathouse Annex under an agreement with the City and the Authority. The Annex has been subleased to the University of Oklahoma (OU) for the varsity rowing programs and events. Effective April 4, 2016, a new agreement was entered into for ten years with a ten-year renewal option. In consideration, the Riversport Foundation will pay to the Authority \$1,250 for the first three years, \$1,500 for years four and five, \$1,750 for years six, seven, and eight and \$2,000 in years nine and ten. Annual payments are due on or before the anniversary date. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement for any reason, without cost or liability upon 30 days written notice to the other parties.

**Riversport Foundation Amended Landscaping, Maintenance and Related Public Amenities Agreement**

Effective October 1, 2013, the City and the Authority entered into an amended agreement with the Riversport Foundation for the construction, operation, management and maintenance, with private funds, of landscaping and related public amenities in support of boathouses located on separate leaseholds. This amendment supersedes the lease agreement dated November 24, 2009, for construction, the memorandum of understanding dated March 18, 2008, for the upgrade of the rowing and canoe/kayak racecourse venue and the agreement dated April 4, 2006, for the Oklahoma River Recreational Boat Concessions. The agreement is for 20 years ending September 30, 2033, and can be renewed for four additional 5 year terms for a nominal fee of \$10 per year. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

**Chesapeake Boathouse Lease**

On February 1, 2005, the City and the Authority entered into an agreement with the Riversport Foundation for the construction, operation and maintenance with private funds of a boathouse and facilities for the use and benefit of the Riversport Foundation and the general public to the extent permitted and upon designation of the Oklahoma River Property. The Riversport Foundation agrees to pay the Authority a nominal fee of \$1 per year, due no later than January 15 of each year, to lease the property. The initial term of the lease is 25 years and is renewable three times for 5 years and a fourth time for 10 years, for a total of 50 years. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

**Oklahoma City University (OCU) - Devon Boathouse**

On August 23, 2009, the Authority, the City, and OCU entered into a boathouse lease agreement. In the agreement, OCU agreed to pay the Authority a nominal fee of \$1 per year to lease property on the North Canadian/Oklahoma River Corridor for the construction, operation, and maintenance with private funds of a boathouse and facilities for the use and benefit of OCU and the general public for an original term of 25 years and is renewable three times for 5 years and a fourth time for 10 years, for a total of 50 years. These facilities complement other recreational and park uses in the metropolitan area and enhance opportunities for access by the public to recreational activities involving the North Canadian/Oklahoma River Corridor. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

**University of Central Oklahoma (UCO) / CHK - Central Boathouse**

On December 17, 2013, the Authority, the City, and UCO entered into a boathouse lease agreement. In the agreement, UCO agreed to pay the Authority a nominal fee of \$10 per year to lease property on the River for the construction, operation, and maintenance with private funds of a boathouse and facilities for the use and benefit of UCO and the general public for an original term of 25 years and is renewable five times for 5 years, for a total of 50 years. These facilities complement other recreational and park uses in the metropolitan area and enhance opportunities for access by the public to recreational activities involving the North Canadian/Oklahoma River Corridor. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

**Board of County Commissioners of Oklahoma County, Oklahoma County Sheriff's Department Training Facility**

The City owns, and the Authority operates, a parcel of land at NE 36th and Air Depot Boulevard. In 1987 the Authority and the City agreed to lease a portion of that property to the Oklahoma County Sheriff's Department for 25 years. In exchange, the Sheriff's Department agreed to construct and operate a training facility. In August 2011, the boundaries of the leased property were expanded and the descriptions of the responsibilities of each party to the agreement were updated and a new term of 25 years was applied. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement upon 30 calendar day's written notice to the other party.

**Oklahoma Department of Public Safety, Law Enforcement Training Facility**

On December 8, 2015, the City and the Authority amended an agreement with the Board of County Commissioners of Oklahoma County so that an agreement could be made with the Oklahoma Department of Public Safety (ODPS) for the construction of a maintenance building, training classrooms, additional offices, and a gym to improve the Law Enforcement Training Facility currently located on site. In consideration, the ODPS pays to the Authority a nominal fee of \$10 per year. The agreement had a term of 25 years with a mutual agreement renewal. On June 7, 2022, the City received a notice of termination from the ODPS for this lease agreement. This agreement lacks economic substance and is not considered a lease under GASB 87 requirements.

**Owens Corning**

On June 6, 2006, the City and the Authority entered into an agreement with Owens Corning for the rental of land described in the lease. The lease was renewed in March 2016 and Owens Corning agreed to pay the Authority \$500 annually on or before April 1st of each year through 2021. On March 2, 2021, the City approved a new agreement for \$500 annually through March 31, 2026. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement upon 30 calendar day's written notice to the other party.

**Steve Allen Agricultural Lease**

On February 18, 2020, the City and the Authority renewed the lease agreement for land with Steve Allen to be used for agricultural purposes. In exchange, the Lessee will pay to the Authority \$600 before the beginning of each agreement term. The primary term was effective March 1, 2020, and was valid through August 31, 2021, with 2 one-year renewal options. On August 30, 2022 the Authority approved the renewal of this lease agreement for the first renewal option. The renewal term is effective from September 1, 2022 through August 31, 2023. In May, 2023 the Authority approved the second renewal of this lease agreement. The renewal term is effective from September 1, 2023 through August 31, 2024. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement for any reason, without cost or liability upon 30 days written notice to the other party.

**Samuel Owens Agriculture Lease**

Since 2016, the City and Authority have entered into agreements with Samuel Owens (Lessee) for land located on the north side of the Oklahoma River, east of Portland Avenue, for cattle grazing. On April 1, 2021, the City and Authority entered into a new agreement with Lessee for the subject property. Under the agreement, the Lessee paid the Authority \$1,000. The lease agreement was valid through March 31, 2022, with the option for two, one-year renewals. On March 29, 2022 and February 28, 2023, the authority approved separate one-year renewals for this lease agreement. The first renewal was effective from April 1, 2022 through March 31, 2023. The second renewal is effective from April 1, 2023 through March 31, 2024. As consideration, the lessee will pay the Authority \$1,000 annually. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement upon 30 calendar day's written notice to the other party.

**EPIC Paintball Park, LLC**

On August 26, 2014, the City and the Authority entered into an agreement with EPIC Paintball Park, LLC for the construction, operation, management and maintenance of a recreational paintball facility for public use. The lease was in effect for five years beginning September 1, 2014 and renewed for one additional 5 year term. In consideration, EPIC Paintball Park, LLC was to pay the Authority \$500 annually in advance of the effective date of the lease. On October 8, 2019, and on August 4, 2020, the parties entered into separate, one-year renewals of the agreement. Under the second renewal, which expired on August 31, 2021, the Lessee paid the Authority \$500. On March 30, 2021, the City and Authority entered into a subsequent lease agreement with Lessee for a separate, 27-acre site. Under this agreement, which is for one year, with the option for one, three-year renewal, the Lessee intends to relocate its operations to the new site. During the primary term, the Lessee paid the Authority \$1,000. During the optional renewal terms, the Lessee would pay the Authority \$1,000 during year 1, \$1,500 during year 2, and \$2,000 during year 3. On March 29, 2022 and March 17, 2023 the Authority approved separate one-year agreements, and in consideration, the lessee paid \$1,000. The first renewal was effective March 29, 2022 through March 28, 2023. The second renewal is effective March 29, 2023 through March 28, 2024. This lease qualifies as a short-term lease under GASB 87 requirements, due to either parties' ability to terminate the agreement upon 60 calendar day's written notice to the other party.

**Lost Lakes, LLC**

On May 17, 2016, the City and the Authority entered into an agreement with Lost Lakes Development, LLC, to use a portion of Authority property, in conjunction with adjacent private property, to create and operate an outdoor recreation and entertainment venue open to the public. In exchange, the lessee paid the Authority 5% of parking, camping, and special event revenues other than festivals and concerts. The lease payment was due semi-annually, beginning in November 2017. The initial term of the lease was five years and was renewable for up to three, five-year terms, for a total of 20 years. That agreement expired on May 16, 2021. On March 29, 2022, the Authority and Lost Lakes, LLC, entered into a new agreement, which is retroactive from May 17, 2021, through December 31, 2022. Under that agreement, Lost Lakes pays the Authority \$500 per month. The agreement may be renewed for two, one-year terms. On October 14, 2022, the Authority approved the first renewal to this lease agreement, which is effective from January 1, 2023 through December 31, 2023. This lease qualifies as a short-term lease under GASB 87 requirements, Lost Lakes may terminate the agreement for any reason with 60 calendar days written notice to the Authority; the Authority can terminate for any reason upon written notice to Lost Lakes.

**Latin and American Soccer League of Oklahoma, Inc. (Soccer Club)**

On September 26, 2017, the City, OCRRA, and Wheeler District, LLC f/k/a Humphreys Partners 2006, LLC approved a Real Estate Exchange Agreement resulting in the City and OCRRA gaining ownership of property near Southwest 22nd Street and Walker Avenue that was subleased to the Soccer Club. On August 28, 2018, the Soccer Club's lease was assigned to OCRRA. The lease stipulated a month-to-month term with rent at \$200 per month. This month-to-month stipulation ended in May 2019. On June 18, 2019, OCRRA and the Soccer Club entered into a new annual lease effective for three years and was renewable for one additional 3 year term. In consideration, the Soccer Club will pay the Authority \$2,500 annually. On June 21, 2022 OCRRA and the Soccer Club entered into a new annual lease effective for three years and is renewable for one additional 3 year term, for a total of six years. In consideration, the Soccer Club will pay the Authority \$3,500 annually. This lease qualifies as a short-term lease under GASB 87 requirements. Either party may terminate this agreement, for any reason and without cost or liability, upon 90 calendar days written notice to the other party.

***Management Agreements***

**Riversport Rapids Facility**

On May 19, 2015, the City and the Authority entered into an agreement with the Riversport Foundation for an initial term of 20 years and three additional, five-year terms upon written acceptance by all parties. In the agreement, the Authority leases the Riversport Rapids Facility (Facility) to the Riversport Foundation. The Riversport Foundation will provide operation, management, and maintenance services of the Facility at no cost to the City or the Authority other than the Authority's agreement to repair and replace capital items. The Riversport Foundation is the sole manager and operator for the Facility. On March 28, 2017, the agreement was amended to allow the Riversport Foundation to charge parking fees. On July 3, 2018, the agreement was amended a 2nd time to allow for reimbursement to the Riversport Foundation of additional expenses related to start-up costs. The amendment also required the restructuring of the Riversport Foundation Board of Directors to include one City Council member. On September 24, 2019, the agreement was amended a 3rd time to allow additional reimbursement to the Riversport Foundation for management costs. On August 4, 2020, the Authority approved Amendment No. 4 to the Riversport Rapids Facility Agreement, providing the Riversport Foundation with a one-time management fee not to exceed \$1,500,000. On July 6, 2021, the agreement was amended a 5th time to provide a management fee, not to exceed \$1,500,000 for Fiscal Year 2022-2023; modify insurance requirements; and provide for other terms and conditions. On April 12, 2022, the agreement was amended a 6th time to provide a management fee of up to \$1,500,000 for Fiscal Year 2022-2023; provide up to \$1,000,000 as a COVID-19 pandemic-related supplement to the management fee for Fiscal year 2021-2022; incorporate MAPS-funded river racecourse equipment into the agreement; and authorize the Riversport Foundation to expand its Board of Directors to up to 25 members, to encourage a diverse membership. On May 23, 2023, the agreement was amended a 7th time to provide a supplement, not to exceed \$1,400,000, to the Fiscal Year 2022-2023 management fee to cover additional operating and management costs incurred by the Foundation prior to June 30, 2023; to separately provide for a management fee, not to exceed \$1,500,000, for Fiscal Year 2023-2024; and to separately provide for up to \$1,500,000, as approved by the City Manager, for supplemental needs identified in Fiscal Year 2023-2024.

**Riversport Foundation MAPS3 Racecourse Starting System/Management Agreement**

On November 27, 2012, the Authority recommended an agreement between the City and the Riversport Foundation to provide management, maintenance, and operation of the North Canadian/Oklahoma River Corridor Racecourse Starting Systems and related appurtenances. A memorandum of understanding was approved for such on December 4, 2012, between the City and the Riversport Foundation. On March 29, 2022, the Authority incorporated the memorandum of understanding into Amendment No. 6 to the Riversport Rapids Facility Agreement, and was approved by the City Council on April 12, 2022.

**I. B. 2. BASIC FINANCIAL STATEMENTS**

The basic financial statements include the statement of net position, the statement of activities, balance sheet, and statement of revenues, expenditures, and changes in fund balances. These statements report financial information for the Authority as a whole.

*Authority-Wide Financial Statements*

The statement of net position reports both short and long-term assets and liabilities, specifically including capital assets, acquired by the Authority.

The statement of activities reports the revenues and expenses of the Authority's riverfront redevelopment function. Program revenue includes operating and capital grants as well as contributions. All other revenues of the Authority are included as general revenues.

*Fund Financial Statements*

The balance sheet and statement of revenues, expenditures, and changes in fund balances are also included in the basic financial statements. These statements report current assets and liabilities and sources and uses of these resources.

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

*Authority-Wide Financial Statements*

The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The statement of net position and statement of activities report using the economic resources measurement focus and the accrual 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. Capital assets are recorded when purchased or constructed and depreciated over their useful lives.

*Fund Financial Statements*

The remaining two 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.

**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 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 completed. Management's policy prohibits expenditures to exceed appropriations at the detail, line-item level. Management may transfer appropriations without governing body approval.

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

**I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS**

In 2023, the City implemented the following accounting standards. The implementation of these standards did not have a material impact on the City's financial statements.

The Authority implemented GASB statement number 91, Conduit Debt Obligations. The objective of this statement is to eliminate diversity in practice and provide a single method of reporting conduit debt obligations and improving related required note disclosures. This standard did not have a material impact on the Authority's financial statements.

The Authority implemented GASB statement number 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objectives of this statement are to better meet the information needs of financial statement users by improving the comparability of financial statements among governments by addressing issues related to public-private and public-public partnership arrangements and also provide guidance for accounting and financial reporting for availability payment arrangements. This standard has been applied retroactively and the implementation of this standard did not have a material impact on the Authority's financial statements.

The Authority implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding a SBITA. This standard has been applied retroactively and the implementation of this standard did not have a material impact on the Authority's financial statements.

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

**I. D. 2. CASH AND INVESTMENTS**

The Authority participates in the investment policy approved by the City Council. Unrestricted investments are managed by the City Treasurer. The Authority's governing board has formally adopted the City's updated deposit and investment policy in November 2021. Where applicable, deposit and investment policies are specified in the respective bond indentures.

Investments are carried at fair value determined by quoted market prices. 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 a 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. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS**

Receivables are from oil and gas royalties and are estimated based on the prior quarter's receipts. All receivables are due within 90 days of year end. The receivables are considered fully collectible and no allowance for uncollectible amounts has been recorded.

**I. D. 4. PREPAIDS**

Prepays are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Prepays are similarly reported in the Authority-wide and fund statements. Payments to vendors that are less than \$5,000 are considered di minimus and are reported with expenses/expenditures in the year of payment.

**I. D. 5. CAPITAL ASSETS AND DEPRECIATION**

Property and equipment are stated at actual or estimated historical cost. The Authority generally capitalizes assets with cost of \$50,000 or more as purchases and construction outlays occur. Capital assets are reported in the statement of net position and depreciated using the straight line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

|   | <u>Estimated<br/>Useful life</u> |
|---|----------------------------------|
| Buildings   | 10 - 50                          |
| Infrastructure and improvements other than buildings  | 10 - 50                          |
| Mobile equipment, furniture, machinery, and equipment | 5 - 20                           |

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

Maintenance and repairs are charged to operations, while renewals and betterments are capitalized.

#### **I. D. 6. 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.

#### **I. D. 7. FUND EQUITY**

##### ***Fund Balance***

##### **Non-Spendable Fund Balance**

Fund balance reported as non-spendable includes amounts that cannot be spent because 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 nor committed. Fund Balance may be assigned by formal action of the City Chief Financial Officer.

##### **Unassigned Fund Balance**

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

##### **Fund Balance Usage**

The Authority uses restricted amounts when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as grant agreements 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 position invested in capital assets, net of related debt, 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 include purpose restrictions from enabling legislation and other external sources.

**I. E. 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. F. RISK MANAGEMENT**

The Authority's risk management activities are recorded in the City Risk Management Fund and the Oklahoma City Municipal Facilities Authority (OCMFA) Services Fund. The purpose of these funds is to administer property and liability insurance programs of the City, in which the Authority participates. These funds account for the risk financing activities of the Authority and constitute a transfer of risk from the Authority.

The Authority has no costs or liabilities related to risk management activities. Costs and liabilities for commercial insurance, stop-loss insurance, and claims paid are recorded in the City Risk Management Fund and the OCMFA Services Fund.

**I. G. MAJOR REVENUES**

Revenues are primarily from investment activities, contributions, and oil and gas royalties. Program revenues include rental income and contributions from the City and related organizations.

**I. H. 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.

## II. ASSETS AND DEFERRED INFLOWS OF RESOURCES

### DEPOSITS AND INVESTMENTS

#### *Deposits*

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount covered by Federal deposit 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 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 institution's financial strength in accordance with the investment policy.

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

#### *Investments*

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Authority's financial position. However, because 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.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**OKLAHOMA CITY RIVERFRONT  
REDEVELOPMENT AUTHORITY**

|                        |                  | June 30, 2023                     |                   |                   |                   |                        |   |                                     |
|------------------------|------------------|-----------------------------------|-------------------|-------------------|-------------------|------------------------|---|-------------------------------------|
|                        | Cost             | Fair Value/<br>Carrying<br>Amount | Level 1<br>Inputs | Level 2<br>Inputs | Level 3<br>Inputs | Measured at<br>NAV (1) | Average<br>Credit Quality/<br>Ratings (2) | Weighted<br>Average<br>(months) (3) |
| Money<br>market (4)(5) | <u>\$690,775</u> | <u>\$690,775</u>                  | <u>\$690,775</u>  | <u>\$-</u>        | <u>\$-</u>        | <u>\$-</u>             | AAA/Aaa                                   | 1.10                                |
|                        |                  | June 30, 2022                     |                   |                   |                   |                        |   |                                     |
|                        | Cost             | Fair Value/<br>Carrying<br>Amount | Level 1<br>Inputs | Level 2<br>Inputs | Level 3<br>Inputs | Measured at<br>NAV (1) | Average<br>Credit Quality/<br>Ratings (2) | Weighted<br>Average<br>(months) (3) |
| Money<br>market (4)(5) | <u>\$678,490</u> | <u>\$678,490</u>                  | <u>\$678,490</u>  | <u>\$-</u>        | <u>\$-</u>        | <u>\$-</u>             | AAA/Aaa                                   | 1.63                                |

- (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***

The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used at June 30, 2023 and 2022.

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.

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 judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust of which such county, municipality or school district is a beneficiary thereof; (9) prime commercial paper with a maturity date less than 180 days which represents less than 10% of the outstanding paper of an issuing corporation.

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. Cumulatively, portfolios of the Authority may not be invested in any given financial institution in excess of 5% of such institution’s total assets excluding U.S. government securities and those issued by government sponsored enterprises, SLGs, and City judgments. Additionally, no more than 5% of the total Authority portfolio may be placed with any single financial institution excluding U.S. government securities and those issued by government sponsored enterprises, savings, money market funds, SLGS, City judgments and repurchase agreements.

**Portfolio Structure (1)**

| Investment Type Limitations            |               | Maturity Limitations                   |               |
|--|---------------|--|---------------|
| Percentage of Total Invested Principal |               | Percentage of Total Invested Principal |               |
|  | Maximum % (2) |  | Maximum % (4) |
| Repurchase agreements                  | 100%          | 0-1 year                               | 100%          |
| U.S. Treasury securities (3)           | 100           | 1-3 years                              | 90            |
| Certificates of deposit                | 50            | 3-5 years                              | 90            |
| Direct debt obligations and judgments  | 5             |  |               |
| Money market funds                     | 100           |  |               |
| Savings account                        | 100           |  |               |
| U.S. non-callable agencies securities  | 100           |  |               |
| U.S. callable agencies securities      | 20            |  |               |
| Prime commercial paper                 | 7.5           |  |               |

(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. The Authority’s investments are insured or collateralized with securities held by the Authority, or its agent, in the Authority’s name.

**Compliance with State Restrictions**

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

**II. B. ACCOUNTS RECEIVABLE**

Oil and gas royalty receivables at June 30, 2023 and 2022, were \$7,149 and \$8,275, respectively. Lease revenue receivables at June 30, 2023 and 2022, were \$2,250 and \$0, respectively. There are no accounts receivable past due more than 90 days.

**II. C. CAPITAL ASSETS**

*Changes in Capital Assets*

|                                 | 2023                            |                          |                                       |                             |            |                                   |
|---------------------------------|---------------------------------|--------------------------|---------------------------------------|-----------------------------|------------|-----------------------------------|
|                                 | Capital Assets, not depreciated |                          |                                       | Capital Assets, depreciated |            |                                   |
|                                 | Land                            | Construction In Progress | Total Capital Assets, not depreciated | Infrastructure              | Equipment  | Total Capital Assets, depreciated |
| <b>CAPITAL ASSETS</b>           |                                 |                          |                                       |                             |            |                                   |
| Balance, June 30, 2022          | \$32,144                        |                          | \$32,144                              | \$3,224,918                 | \$193,156  | \$3,418,074                       |
| Balance, June 30, 2023          | 32,144                          |                          | 32,144                                | 3,224,918                   | 193,156    | 3,418,074                         |
| <b>ACCUMULATED DEPRECIATION</b> |                                 |                          |                                       |                             |            |                                   |
| Balance, June 30, 2022          |                                 |                          |                                       | 1,005,973                   | 193,156    | 1,199,129                         |
| Increases                       |                                 |                          |                                       | 58,767                      | --         | 58,767                            |
| Balance, June 30, 2023          |                                 |                          |                                       | 1,064,740                   | 193,156    | 1,257,896                         |
| <b>Capital Assets, Net</b>      | <b>\$32,144</b>                 |                          | <b>\$32,144</b>                       | <b>\$2,160,178</b>          | <b>\$-</b> | <b>\$2,160,178</b>                |

(continued)

*Changes in Capital Assets (continued)*

|                                 | 2022                            |                          |                                       |                             |           |                                   |                           |
|---------------------------------|---------------------------------|--------------------------|---------------------------------------|-----------------------------|-----------|-----------------------------------|---------------------------|
|                                 | Capital Assets, not depreciated |                          |                                       | Capital Assets, depreciated |           |                                   |                           |
|                                 | Land                            | Construction In Progress | Total Capital Assets, not depreciated | Infrastructure              | Equipment | Total Capital Assets, depreciated | Total Capital Assets, net |
| <u>CAPITAL ASSETS</u>           |                                 |                          |                                       |                             |           |                                   |                           |
| Balance, June 30, 2021          | \$32,144                        |                          | \$32,144                              | \$3,224,918                 | \$193,156 | \$3,418,074                       | \$3,450,218               |
| Balance, June 30, 2022          | 32,144                          |                          | 32,144                                | 3,224,918                   | 193,156   | 3,418,074                         | 3,450,218                 |
| <u>ACCUMULATED DEPRECIATION</u> |                                 |                          |                                       |                             |           |                                   |                           |
| Balance, June 30, 2021          |                                 |                          |                                       | 947,206                     | 193,156   | 1,140,362                         | 1,140,362                 |
| Increases                       |                                 |                          |                                       | 58,767                      | -         | 58,767                            | 58,767                    |
| Balance, June 30, 2022          |                                 |                          |                                       | 1,005,973                   | 193,156   | 1,199,129                         | 1,199,129                 |
| Capital Assets, Net             | \$32,144                        |                          | \$32,144                              | \$2,218,945                 | \$-       | \$2,218,945                       | \$2,251,089               |

***Depreciation Expense***

Depreciation expense of \$58,767 in 2023 and \$58,767 in 2022, was charged to the Authority's riverfront redevelopment activities.

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

**III. A. UNEARNED REVENUES**

The Authority receives future lease payments on five annual leases that begin in March, April and September of each year. Unearned revenue on these leases as of June 30, 2023 and 2022, is \$6,127 and \$6,398, respectively.

**III. B. DEFERRED INFLOWS OF RESOURCES**

***Unavailable Revenues***

At June 30, 2023 and 2022, the Authority reported receivable but unavailable oil and gas revenues of \$2,448 and \$404, respectively. At June 30, 2023 and 2022, the Authority reported receivable but unavailable other revenues of \$500 and \$0, respectively.

**IV. FUND EQUITY**

**IV. A. FUND BALANCE**

*Committed Fund Balance*

|                                   | <u>2023</u>     | <u>2022</u> |
|-----------------------------------|-----------------|-------------|
| Committed for Whitewater Facility | <u>\$43,705</u> | <u>\$-</u>  |

*Unassigned*

|            | <u>2023</u>      | <u>2022</u>      |
|------------|------------------|------------------|
| Unassigned | <u>\$631,592</u> | <u>\$294,163</u> |

**IV. B. NET POSITION**

*Net Investment in Capital Assets*

|                     | <u>2023</u>        | <u>2022</u>        |
|---------------------|--------------------|--------------------|
| Capital assets, net | <u>\$2,192,322</u> | <u>\$2,251,089</u> |

*Unrestricted*

|              | <u>2023</u>      | <u>2022</u>      |
|--------------|------------------|------------------|
| Unrestricted | <u>\$678,245</u> | <u>\$294,567</u> |

**V. LEASE REVENUES**

*Cancelable Leases*

These leases all are cancelable by either party with a noncancelable period, including notice periods of less than 12 months, and are included in other revenue.

|                                  | <u>2023</u>            | <u>2022</u>           |
|----------------------------------|------------------------|-----------------------|
| Land and Property rentals        |                        |                       |
| Owens Corning                    | \$375                  | \$500                 |
| Steve Allen Agriculture          | 500                    | 667                   |
| Samuel Owens Agriculture         | 999                    | 1,000                 |
| Epic Paintball                   | 999                    | 1,334                 |
| Riversport Foundation Annex      | 1,750                  | 1,574                 |
| Lost Lakes                       | 6,000                  | 1,986                 |
| Latin and American Soccer League | <u>3,499</u>           | <u>2,679</u>          |
|                                  | <b><u>\$14,122</u></b> | <b><u>\$9,740</u></b> |

**VI. INTERFUND TRANSACTIONS**

**VI. A. INTERFUND RECEIVABLE AND PAYABLE**

*Receivable from COTPA*

The Authority entered into a thirty (30) year renewable agreement with COTPA for exclusive access and use of the Oklahoma River Corridor infrastructure development sites for operation of the water transportation system for a fee of \$25 per year. For the fiscal year ending June 30, 2023 and 2022, the fee will not be collected and there is no receivable due to the de minimus intent of the lease.

*Receivable from the City General Fund*

At June 30, 2023 and 2022, the Authority had receivables of \$14,703 and \$5,515, respectively, from the City General Fund for deposits collected by the City and not yet remitted to the Authority.

*Payable to the City and component units*

**City General Fund**

At June 30, 2023 and 2022, the Authority had payables to the City General Fund of \$35,393 for mowing chargebacks from the City Parks Department. In 2023 the Authority also had a payable of \$1,324 for fence repairs. In 2022, the authority had a payable of \$133,482 for repairs at the White Water Facility.

**City Capital Improvement Fund**

At June 30, 2023 the Authority had no payables to the City Capital Improvement Fund. At June 30, 2022 the Authority had a payable to the City Capital Improvement Fund of \$212,410 for emergency repairs at the Whitewater Facility.

### **COTPA River Mobility Fund**

At June 30, 2023 the Authority had no payables to the River Mobility Fund. At June 30, 2022 the Authority had a payable to the River Mobility Fund of \$25,000 for a marketing costs subsidy.

### **VI. B. INTERFUND PAYMENTS**

#### ***Payments from the City General Fund***

In fiscal year 2023, the Authority received payments of \$1,400,000 from the City General Fund to supplement the Riversport Rapids Facility management fee, as well as a payment of \$133,482 to fund repair costs at the Whitewater Facility. In 2022, the Authority did not receive a payment from the City General Fund.

#### ***Payments from the City Capital Improvement Fund***

In fiscal year 2023, the Authority received a payment of \$1,500,000, to fund reimbursement of the Riversport Rapids Facility management fee incurred by the Riversport Foundation in accordance with the operation agreement. The Authority also received a payment of \$212,410 to fund emergency repairs at the Whitewater Facility. In fiscal year 2022, the Authority received a payment of \$1,500,000, as well as a payment of \$1,000,000 from the City Capital Improvement Fund to fund reimbursement of the Riversport Rapids Facility management fee incurred by the Riversport Foundation in accordance with the operation agreement. The Authority also received a payment of \$330,000 to fund emergency repairs at the Whitewater Facility, of which \$212,410 was unspent as of June 30, 2022.

#### ***Payments to the COTPA River Mobility Fund***

The Authority is involved in the planning, funding, and marketing of the Oklahoma River Cruises and has participated financially in the Oklahoma River Cruises Sales and Marketing Plan since its inception in 2008. For the fiscal year ending June 30, 2023 the Authority paid \$25,000 to COTPA for the Authority's share of annual marketing campaigns. For the fiscal year ending June 30, 2022 the Authority had a payable of \$25,000 to COTPA for the Authority's share of annual marketing campaigns.

### **VI. C. OTHER INTERFUND TRANSACTIONS**

#### ***Mowing Services***

At June 30, 2023 and 2022, the Authority paid \$35,393 for mowing along the river. Payments are reported with other services and charges.

### **VII. CONTRACT COMMITMENTS**

The Authority has entered into contracts for management consulting services, auditing services, and engineering services required for the planning, development, operation and maintenance of projects related to the North Canadian/Oklahoma River Corridor. As of June 30, 2023 and 2022, the Authority had no outstanding commitments under these contracts.

### **VIII. RELATED PARTY TRANSACTIONS**

#### ***ORFE***

As of June 30, 2023 and 2022, the market value of the ORFE investment was \$1,445,596 and \$1,286,250, respectively. No distributions have been approved for fiscal years 2023 and 2022, and those earnings have been reinvested.

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 Riverfront Redevelopment 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 and the major fund of the Oklahoma City Riverfront Redevelopment Authority (Authority), a discrete component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2023.

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

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

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

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

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

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

## **Purpose of this Report**

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

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

Wichita, KS  
December 5, 2023