



Oklahoma City Municipal Facilities Authority

A blended component unit of The City of Oklahoma City, Oklahoma
Annual Financial Report | for the Fiscal Year ended June 30, 2021

THE OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

A Blended Component Unit of
Oklahoma City, Oklahoma

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Annual Financial Report for the Fiscal Year Ended June 30, 2021

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

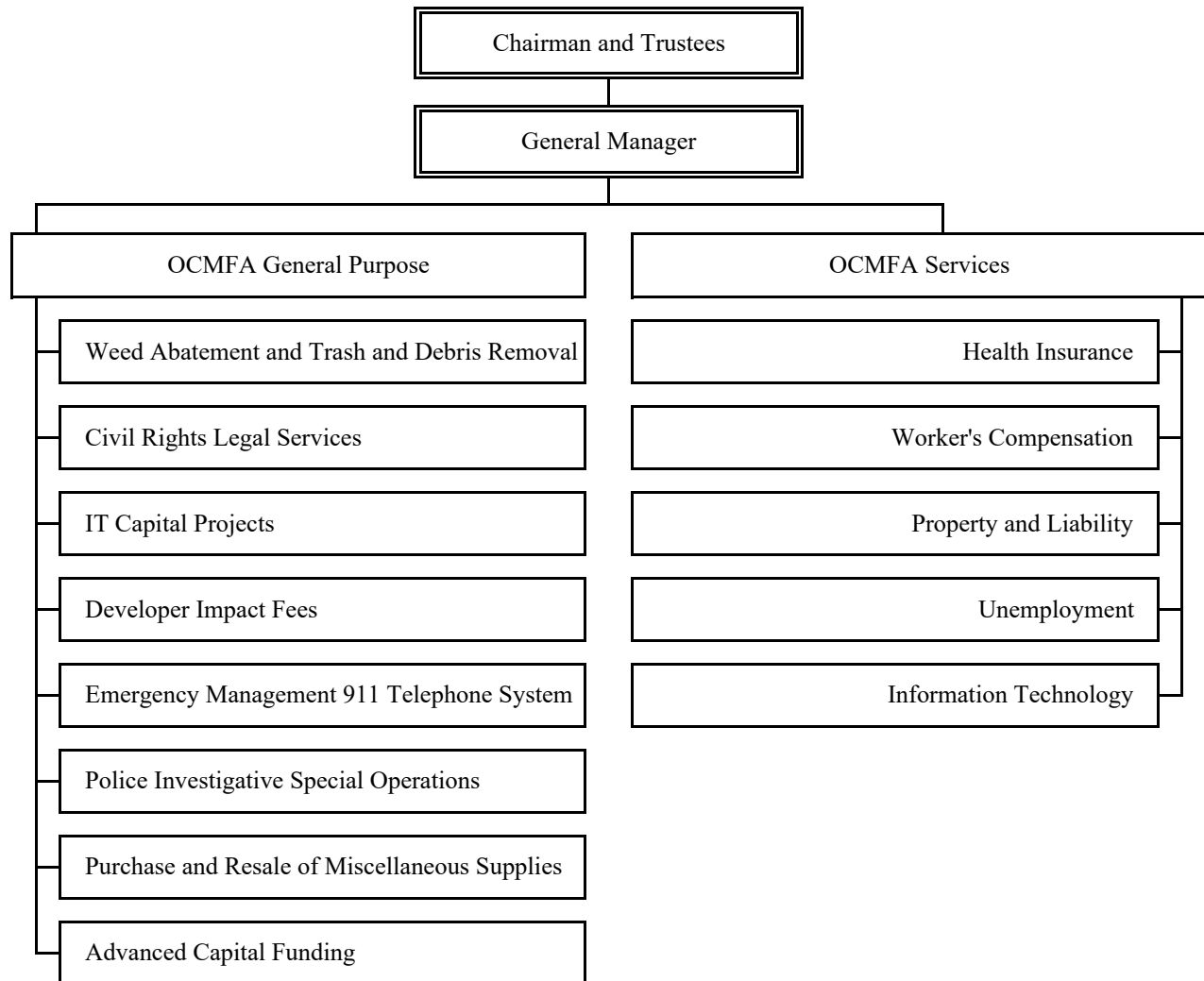
OKLAHOMA CITY MUNICIPAL FACILITIES AUTHORITY

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Oklahoma City Municipal Facilities Authority Organization Chart



Introductory Section



The City of
OKLAHOMA CITY

November 19, 2021

The Board of Trustees
Oklahoma City Municipal Facilities Authority

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

The Authority's annual report includes the reports of independent auditors, management's discussion and analysis (MD&A), Authority-wide, fund and combining financial statements and related notes. Management's narrative on the financial activities of the Authority for the fiscal years ended June 30, 2021 and 2020, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Authority's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Authority. The Authority is a blended component unit of the City of Oklahoma City (City) and, as such, is included within the funds of the City's Annual Comprehensive Financial Report (ACFR).

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

Dr. Russell Evans, Executive Director of the Steven C. Agee Economic Research & Policy Institute of Oklahoma City University, provides an annual economic outlook to City leaders in February. This year's forecast was marked by hope that Oklahoma City and the state could exit from the economic effects of the pandemic and get past the bottom of the current energy cycle. The forecast was that both of those factors would provide support for the economy in 2021 and a return to growth and pre-pandemic levels of economic activity in 2022. His baseline expectations were that economic activity holds steady through some challenging months early in the calendar year. From there the expectation was for a slow transition to pre-pandemic levels of activity. The unprecedented levels of fiscal stimulus led to a significant growth in per-capita personal income in Oklahoma City. A return to pre-pandemic per capita income of \$48,567 was projected. The forecast for nonfarm employment in Oklahoma City was for 3.2% growth in the number of people employed. Dr. Evans' forecast sales tax growth of 4.1% for fiscal year 2022.

In August 2021, Dr. Evans provided a mid-year update that took into account the continuing fiscal stimulus provided by the federal government. With gross domestic product (GDP) growing at 6.4% in the first quarter of the year and 6.5% in the second quarter, the U.S. economic expansion continues unabated and many economic forecasters are expecting continued strong growth through the remainder of 2021. At the state level Dr. Evans projects employment to return to pre-pandemic levels by 2022 and for Oklahoma City that is expected to occur by late 2021. While there is uncertainty about the underlying strength of the economy, Dr. Evans updated models project sales tax growth of up to 6.1% for fiscal year 2022.

Going forward, Oklahoma City has a number of factors in its favor for continued economic growth. The cost of living and the cost of doing business are consistently rated among the best in the country. 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 has dedicated a significant portion of the CARES Act funds the City received to supporting small businesses and even carved out a portion for live performance venues in an effort to support local businesses and continued quality of life.

Oklahoma City is being recognized more and more as a great place to work, live and visit. As evidence, Zippia.com, a career-advice website, recently set out to find the best cities to start a career and Oklahoma City came in at number 9. The website looked at factors such as median income, rent and unemployment rate in more than 200 cities. According to recent analysis by SmartAsset.com, Oklahoma City ranked in the top 25 most livable cities in the U.S., taking into account a variety of factors like unemployment rate, crime, housing costs and more among the 100 largest cities in the nation. Thrillist.com, an online media website, named Oklahoma City as among "underappreciated cities you should totally move to".

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

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

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

Respectfully submitted:



Craig Freeman
The City of Oklahoma City
General Manager



Brent Bryant
The City of Oklahoma City
Finance Director



Alex Fedak, CPA
The City of Oklahoma City
Controller

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Oklahoma City Municipal Facilities Authority (Authority), a blended component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2021 and 2020, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Authority as of June 30, 2021 and 2020, and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining financial statements and introductory section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

November 19, 2021
Wichita, KS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Municipal Facilities Authority (Authority) annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2021 and 2020. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a blended component unit of the City of Oklahoma City (City).

Financial Summary

- Authority assets exceeded liabilities by \$43,831,901 (net position) at June 30, 2021. This compares to the previous year when assets exceeded liabilities by \$42,086,562.
- Total assets for the Authority increased by \$5,292,925 (5.3%) to \$106,085,569 during the fiscal year.
- Total liabilities for the Authority increased by \$3,547,586 (6.0%) to \$62,253,668 during the fiscal year.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$9,430,282 and \$10,609,340 for 2021 and 2020, respectively, includes property and equipment, net of accumulated depreciation and related debt.
 - (2) Restricted net position for capital projects of \$2,028,394 and \$1,932,576 for 2021 and 2020, respectively, is constrained for capital projects.
 - (3) Unrestricted net position is \$32,373,225 for 2021 and \$29,544,646 for 2020.
- The Authority's governmental fund reported total ending fund balance of \$18,765,275 this year. This compares to the prior year ending fund balance of \$18,755,921, showing an increase of \$9,354 during the current year.

Overview of the Financial Statements

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

Authority-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Fund

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

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

Proprietary Fund

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

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

Notes to the Financial Statements

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

Financial Analysis

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

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

The Authority's net position at June 30, 2021 is \$43,831,901. This is an increase of \$1,745,339 from the June 30, 2020 net position of \$42,086,562. Overall the Authority's financial position improved during fiscal year 2021.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		2021 - 2020	Governmental Activities	Business-type Activities	Total	2020 - 2019
	2021	2020	2021	2020	2021	2020	% Change	2019	2019		% Change
Assets											
Current assets	\$27,756,191	\$24,206,100	\$53,102,597	\$56,130,550	\$80,858,788	\$80,336,650	0.6%	\$21,890,531	\$59,440,542	\$81,331,073	(1.2%)
Capital assets, net	8,078,007	8,576,220	8,955,543	7,445,602	17,033,550	16,021,822	6.3	9,109,532	8,005,521	17,115,053	(6.4)
Other non-current assets	664,137	793,166	7,529,094	3,641,006	8,193,231	4,434,172	84.8	342,110	4,214,490	4,556,600	(2.7)
Total assets	36,498,335	33,575,486	69,587,234	67,217,158	106,085,569	100,792,644	5.3	31,342,173	71,660,553	103,002,726	(2.1)
Liabilities											
Current liabilities	7,745,242	4,607,759	20,002,850	21,470,919	27,748,092	26,078,678	6.4	4,286,916	29,789,553	34,076,469	(23.5)
Non-current liabilities	-	-	34,505,576	32,627,404	34,505,576	32,627,404	5.8	-	32,253,526	32,253,526	1.2
Total liabilities	7,745,242	4,607,759	54,508,426	54,098,323	62,253,668	58,706,082	6.0	4,286,916	62,043,079	66,329,995	(11.5)
Net position											
Net investment in											
capital assets	8,078,007	8,576,220	1,352,275	2,033,120	9,430,282	10,609,340	(11.1)	9,109,532	2,425,642	11,535,174	(8.0)
Restricted for:											
Capital projects	2,028,394	1,932,576	-	-	2,028,394	1,932,576	5.0	1,601,229	-	1,601,229	20.7
Unrestricted	18,646,692	18,458,931	13,726,533	11,085,715	32,373,225	29,544,646	9.6	16,344,496	7,191,832	23,536,328	25.5
Total net position	\$28,753,093	\$28,967,727	\$15,078,808	\$13,118,835	\$43,831,901	\$42,086,562	4.1	\$27,055,257	\$9,617,474	\$36,672,731	14.8

Governmental activities current assets increased by \$3.55 million in 2021 and by \$2.32 million in 2020. Cash and investments for governmental activities increased by \$1.61 million for 2021 and increased by \$810 thousand for 2020. Governmental activities accounts receivable increased by \$334 thousand and \$282 thousand in 2021 and 2020, respectively, primarily related to collections for nuisance abatement fees receivables in both years. Governmental activities receivable from the City increased by \$1.66 million and \$1.05 million in 2021 and 2020, respectively, primarily due to changes in the City General Obligation Bond Fund budgeted payments. Prepaid assets for governmental activities, mainly relating to software licensing and support, decreased by \$48 thousand in 2021 and increased by \$53 thousand in 2020.

Business-type activities current assets decreased by \$3.03 million and by \$3.31 million in 2021 and 2020, respectively. Cash and investments for business-type activities decreased by \$2.25 million and \$3.02 million in 2021 and 2020, respectively. Business-type activities receivable from the City decreased by \$549 thousand in 2021 and increased by \$425 thousand in 2020 due to Cares Act payments. Business-type notes receivable decreased by \$228 thousand and \$468 thousand in 2021 and 2020, respectively, due to Civic Center loan payments.

Capital assets in governmental activities decreased by \$498 thousand and \$533 thousand in 2021 and 2020, respectively, primarily due to normal depreciation. Capital assets in business-type activities increased by \$1.51 million in 2021 primarily due to payments on the radio system of \$2.79 million offset by normal depreciation of \$1.35 million. Capital assets in business-type activities decreased by \$560 thousand in 2020, respectively, primarily due to normal depreciation.

Other non-current assets for governmental activities decreased by \$129 thousand in 2021 and increased by \$451 thousand in 2020, respectively. Receivable from the City decreased by \$138 thousand in 2021 and increased by \$535 thousand in 2020 related to prefunding project costs. Non-current prepaid expenses increased by \$9 thousand in 2021 and decreased by \$84 thousand in 2020, primarily due to normal renewal and amortization of long-term prepaid software licenses and support.

Other non-current assets for business-type activities increased by \$3.89 million in 2021 and decreased by \$573 thousand in 2020. Receivable from the City increased by \$4.02 million due to changes in cost reimbursement advances. Receivable from the City decreased by \$516 thousand in 2020 primarily related to a decrease in prefunding project costs of \$535 thousand and a decrease in prepaids of \$132 thousand. Notes receivable decreased by \$130 thousand in 2021 and increased by \$74 thousand in 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021 and 2020

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

Current liabilities for governmental activities increased by \$3.14 million in 2021 and increased by \$321 thousand in 2020. Accounts payable and accrued expenses increased by \$48 thousand in 2021 and decreased by \$52 thousand in 2020. Amounts due to other City funds related to changes in unfunded liabilities for cost reimbursement advances increased by \$3.09 million and \$369 thousand in 2021 and 2020, respectively.

Business-type activities current liabilities decreased by \$1.47 million and \$8.32 million in 2021 and 2020, respectively. Accounts payable increased by \$47 thousand and \$668 thousand in 2021 and 2020, respectively, primarily related to the timing of vendor payments. Payables to the City decreased by \$3.39 million and \$9.18 million in 2021 and 2020, respectively, primarily related to changes in unfunded liabilities for cost reimbursement advances. Notes and estimated claims payable increased by \$1.87 million in 2021 and by \$195 thousand in 2020 for changes in actuarially determined insurable claims.

Non-current liabilities for business-type activities increased by \$1.88 million in 2021 primarily due to an increase in notes and estimated claims payable of \$2.04 million. This was offset by a decrease of \$137 thousand in payables to the City of Oklahoma City and a decrease of \$23 thousand in payables to component units. Non-current liabilities for business-type activities increased by \$374 thousand in 2020 primarily due to an increase in notes and estimated claims payable of \$842 thousand. This was offset by a decrease of \$445 thousand in payables to the City of Oklahoma City.

Summary of Changes in Net Position

	Governmental		Business-type		Total		2021 - 2020	Governmental	Business-type	Total	2020 - 2019
	Activities		Activities					Activities	Activities		
	2021	2020	2021	2020	2021	2020	% Change	2019	2019	% Change	
Revenues											
Charges for services	\$2,013,419	\$1,930,276	\$61,817,883	\$61,613,960	\$63,831,302	\$63,544,236	0.5%	\$1,559,113	\$57,461,761	\$59,020,874	7.7%
Operating grants and contributions	2,374,752	2,857,649	672,820	676,938	3,047,572	3,534,587	(13.8)	1,081,934	723,518	1,805,452	95.8
General revenues	<u>385,327</u>	<u>817,444</u>	<u>18,239</u>	<u>350,839</u>	<u>403,566</u>	<u>1,168,283</u>	(65.5)	<u>791,698</u>	<u>240,849</u>	<u>1,032,547</u>	13.1
Total revenues	<u>4,773,498</u>	<u>5,605,369</u>	<u>62,508,942</u>	<u>62,641,737</u>	<u>67,282,440</u>	<u>68,247,106</u>	(1.4)	<u>3,432,745</u>	<u>58,426,128</u>	<u>61,858,873</u>	10.3
Program expenses											
General government	2,213,936	1,474,496	-	-	2,213,936	1,474,496	50.1	1,819,179	-	1,819,179	(18.9)
Public safety	66,091	80,861	-	-	66,091	80,861	(18.3)	88,246	-	88,246	(8.4)
Public services	2,588,323	2,016,697	-	-	2,588,323	2,016,697	28.3	1,632,613	-	1,632,613	23.5
Culture and recreation	119,782	120,845	-	-	119,782	120,845	(0.9)	124,391	-	124,391	(2.9)
Risk management	-	-	59,257,294	58,126,972	59,257,294	58,126,972	1.9	-	54,894,784	54,894,784	5.9
Information technology	-	-	<u>1,291,675</u>	<u>1,013,404</u>	<u>1,291,675</u>	<u>1,013,404</u>	27.5	-	<u>1,031,014</u>	<u>1,031,014</u>	(1.7)
Total expenses	<u>4,988,132</u>	<u>3,692,899</u>	<u>60,548,969</u>	<u>59,140,376</u>	<u>65,537,101</u>	<u>62,833,275</u>	4.3	<u>3,664,429</u>	<u>55,925,798</u>	<u>59,590,227</u>	5.4
Changes in net position	(214,634)	1,912,470	1,959,973	3,501,361	1,745,339	5,413,831	(67.8)	(231,684)	2,500,330	2,268,646	138.6
Beginning net position	<u>28,967,727</u>	<u>27,055,257</u>	<u>13,118,835</u>	<u>9,617,474</u>	<u>42,086,562</u>	<u>36,672,731</u>	14.8	<u>27,286,941</u>	<u>7,117,144</u>	<u>34,404,085</u>	6.6
Ending net position	<u>\$28,753,093</u>	<u>\$28,967,727</u>	<u>\$15,078,808</u>	<u>\$13,118,835</u>	<u>\$43,831,901</u>	<u>\$42,086,562</u>	4.1	<u>\$27,055,257</u>	<u>\$9,617,474</u>	<u>\$36,672,731</u>	14.8

Governmental activities charges for services increased by \$83 thousand and \$371 thousand in 2021 and 2020, respectively, primarily due to nuisance abatement fines for weed abatement and debris removal. Governmental general revenues decreased by \$432 thousand in 2021 and increased by \$26 thousand in 2020, primarily due to changes in investment income.

Business-type activities charges for services increased by \$204 thousand and \$4.15 million for 2021 and 2020, respectively, related to increases in risk management premium revenues for life, dental, and health insurance. Operating grants and contributions decreased by \$4 thousand and \$47 thousand in 2021 and 2020, respectively, related to payments from the City for capital funding.

Governmental activities program expenses increased by \$1.30 million and \$28 thousand for 2021 and 2020. General government expenses increased by \$739 thousand in 2021 due to cost reimbursement advances and decreased by \$345 thousand in 2020. Public safety expenses decreased by \$15 thousand and \$7 thousand in 2021 and 2020, respectively. Public services increased by \$572 thousand in 2021 and increased by \$384 thousand in 2020 primarily related to an increase in mowing contracts.

Business-type activities program expenses for Risk Management increased by \$1.13 million and \$3.23 million in 2021 and 2020, respectively, primarily related to increases in life, dental, and health insurance premiums. Program expenses for information technology increased by \$278 thousand in 2021 due to an increase in depreciation expense and decreased by \$18 thousand in 2020.

Governmental Fund

As discussed, the Authority governmental fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Authority governmental fund reported an ending fund balance of \$18,765,275 for 2021, of which \$903,533 is unassigned. This compares to \$18,755,921 for 2020, of which \$2,042,677 is unassigned.

The total ending fund balance of the governmental fund for 2021 reflects an increase of \$9,354 from the ending balance for 2020. This increase is primarily the result of the events and programs described within the analysis of the Authority's governmental activities.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, is \$17,033,550 and \$16,021,822 for 2021 and 2020, respectively.

Capital Assets, Net of Accumulated Depreciation

	Governmental		Business-type		Total		Total % Change	Governmental	Business-type	Total	2020 - 2019 % Change
	Activities		Activities		2021	2020		Activities	Activities		
	2021	2020	2021	2020				2019	2019		
Non-Depreciable Assets											
Land	5,426,913	5,426,913	-	-	5,426,913	5,426,913	0.0	5,426,913	-	5,426,913	0.0
Total non-depreciable assets	<u>5,426,913</u>	<u>5,426,913</u>	<u>-</u>	<u>-</u>	<u>5,426,913</u>	<u>5,426,913</u>	0.0	<u>5,426,913</u>	<u>-</u>	<u>5,426,913</u>	0.0
Depreciable Assets											
Improvements other than buildings	1,481,002	1,799,637	-	-	1,481,002	1,799,637	(17.7)	2,144,882	-	2,144,882	(16.1)
Buildings	935,720	1,024,087	31,998	34,542	967,718	1,058,629	(8.6)	1,112,452	37,086	1,149,538	(7.9)
Furniture, machinery, and equipment	<u>234,372</u>	<u>325,583</u>	<u>8,923,545</u>	<u>7,411,060</u>	<u>9,157,917</u>	<u>7,736,643</u>	18.4	<u>425,285</u>	<u>7,968,435</u>	<u>8,393,720</u>	(7.8)
Total depreciable assets	<u>2,651,094</u>	<u>3,149,307</u>	<u>8,955,543</u>	<u>7,445,602</u>	<u>11,606,637</u>	<u>10,594,909</u>	9.5	<u>3,682,619</u>	<u>8,005,521</u>	<u>11,688,140</u>	(9.4)
	<u>\$8,078,007</u>	<u>\$8,576,220</u>	<u>\$8,955,543</u>	<u>\$7,445,602</u>	<u>\$17,033,550</u>	<u>\$16,021,822</u>	6.3	<u>\$9,109,532</u>	<u>\$8,005,521</u>	<u>\$17,115,053</u>	(6.4)

The Authority's net capital assets for governmental activities as of June 30, 2021 and 2020 was \$8.08 million and \$8.58 million, respectively. The governmental activities decrease of \$498 thousand and \$533 thousand in 2021 and 2020, respectively, is primarily due to normal depreciation.

The Authority's net capital assets for business-type activities as of June 30, 2021 and 2020 was \$8.96 million and \$7.45 million, respectively. The business-type activities increase of \$1.51 million in 2021 is primarily due to equipment purchases of \$2.86 million, offset by normal depreciation of \$1.35 million. The business-type activities decrease of \$560 thousand in 2020 is primarily due to equipment purchases of \$510 thousand offset by normal depreciation of \$1.07 million.

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

Long-term Debt

Notes Payable

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

Outstanding Long-term Debt

	Business-Type Activities				
	2021 - 2020		2020 - 2019		
	2021	2020	% Change	2019	
Notes payable	<u>\$7,930,233</u>	<u>\$8,580,420</u>	(7.6%)	<u>\$9,214,216</u>	(6.9%)

Outstanding long-term debt decreased by \$650 thousand and \$634 thousand for 2021 and 2020, respectively, due to scheduled debt payments. See Note III. C. for more information regarding changes in long-term debt.

Economic Factors

During the current year, the COVID-19 pandemic negatively impacted the Authority's operations. The collapse in oil prices that occurred as a result in the reduction in global oil demand as a result of the pandemic has had a significant impact on the Oklahoma oil and gas industry. This reduction has caused a dramatic effect on the Oklahoma City economy.

Contacting the Authority's Financial Management

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

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Basic Financial Statements

Authority-wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Fund Financial Statements

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

Proprietary Fund Financial Statements

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

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

STATEMENT OF NET POSITION
June 30,

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	2021			2020		
	Governmental		Business-type Total	Governmental		Business-type Total
	Activities	Activities		Activities	Activities	
ASSETS						
CURRENT ASSETS						
Pooled cash-----	\$117,101	\$ -	\$117,101	\$319,847	\$717,269	\$1,037,116
Non-pooled cash-----	23,429	558,940	582,369	24,616	3,422,545	3,447,161
Investments-----	19,439,235	51,052,555	70,491,790	17,625,073	49,722,268	67,347,341
Accounts receivable, net-----	2,433,427	13,637	2,447,064	2,099,844	64,612	2,164,456
Interest, dividends and royalties receivable- Due within the Authority-----	71,682 (283)	255,559 283	327,241 -	73,827 -	284,849 -	358,676 -
Receivable from the City of Oklahoma City	5,565,445	80,092	5,645,537	3,908,608	629,565	4,538,173
Receivable from component units-----	-	37,781	37,781	-	-	-
Intergovernmental receivables-----	-	63,222	63,222	-	63,222	63,222
Notes receivable-----	-	506,613	506,613	-	735,047	735,047
Prepays-----	106,155	533,915	640,070	154,285	491,173	645,458
Total current assets-----	<u>27,756,191</u>	<u>53,102,597</u>	<u>80,858,788</u>	<u>24,206,100</u>	<u>56,130,550</u>	<u>80,336,650</u>
NON-CURRENT ASSETS						
Notes receivable-----	-	1,852,116	1,852,116	-	1,982,339	1,982,339
Receivable from the City of Oklahoma City	564,449	5,676,978	6,241,427	702,140	1,658,667	2,360,807
Non-current prepaids-----	99,688	-	99,688	91,026	-	91,026
Capital assets:						
Land-----	5,426,913	-	5,426,913	5,426,913	-	5,426,913
Other capital assets, net of accumulated depreciation-----	2,651,094	8,955,543	11,606,637	3,149,307	7,445,602	10,594,909
Capital assets, net-----	<u>8,078,007</u>	<u>8,955,543</u>	<u>17,033,550</u>	<u>8,576,220</u>	<u>7,445,602</u>	<u>16,021,822</u>
Total non-current assets-----	<u>8,742,144</u>	<u>16,484,637</u>	<u>25,226,781</u>	<u>9,369,386</u>	<u>11,086,608</u>	<u>20,455,994</u>
Total assets-----	<u>36,498,335</u>	<u>69,587,234</u>	<u>106,085,569</u>	<u>33,575,486</u>	<u>67,217,158</u>	<u>100,792,644</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued expenses----	654,185	2,208,594	2,862,779	605,723	2,162,058	2,767,781
Payable to the City of Oklahoma City-----	7,087,036	6,174,072	13,261,108	3,995,562	9,559,340	13,554,902
Payable to component units-----	-	22,632	22,632	-	22,632	22,632
Interest payable-----	-	50,952	50,952	-	55,129	55,129
Notes and estimated claims payable-----	-	11,546,600	11,546,600	-	9,671,760	9,671,760
Unearned revenue-----	4,021	-	4,021	6,474	-	6,474
Total current liabilities-----	<u>7,745,242</u>	<u>20,002,850</u>	<u>27,748,092</u>	<u>4,607,759</u>	<u>21,470,919</u>	<u>26,078,678</u>
NON-CURRENT LIABILITIES						
Payable to component units-----	-	209,343	209,343	-	231,975	231,975
Notes and estimated claims payable-----	-	33,027,226	33,027,226	-	30,989,232	30,989,232
Payable to the City of Oklahoma City-----	-	1,269,007	1,269,007	-	1,406,197	1,406,197
Total non-current liabilities-----	<u>-</u>	<u>34,505,576</u>	<u>34,505,576</u>	<u>-</u>	<u>32,627,404</u>	<u>32,627,404</u>
Total liabilities-----	<u>7,745,242</u>	<u>54,508,426</u>	<u>62,253,668</u>	<u>4,607,759</u>	<u>54,098,323</u>	<u>58,706,082</u>
NET POSITION						
Net investment in capital assets-----	8,078,007	1,352,275	9,430,282	8,576,220	2,033,120	10,609,340
Restricted for:						
Capital projects-----	2,028,394	-	2,028,394	1,932,576	-	1,932,576
Unrestricted-----	18,646,692	13,726,533	32,373,225	18,458,931	11,085,715	29,544,646
Total net position-----	<u>\$28,753,093</u>	<u>\$15,078,808</u>	<u>\$43,831,901</u>	<u>\$28,967,727</u>	<u>\$13,118,835</u>	<u>\$42,086,562</u>

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
For the Years Ended June 30,

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	2021			2020		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
<u>PROGRAM EXPENSES</u>						
General government-----	\$2,213,936	\$ -	\$2,213,936	\$1,474,496	\$ -	\$1,474,496
Public safety - Police-----	1,887	-	1,887	1,887	-	1,887
Public safety - Other-----	64,204	-	64,204	78,974	-	78,974
Public services-----	2,588,323	-	2,588,323	2,016,697	-	2,016,697
Culture and recreation-----	119,782	-	119,782	120,845	-	120,845
Risk management-----	-	59,257,294	59,257,294	-	58,126,972	58,126,972
Information technology-----	-	1,291,675	1,291,675	-	1,013,404	1,013,404
Total expenses-----	4,988,132	60,548,969	65,537,101	3,692,899	59,140,376	62,833,275
<u>PROGRAM REVENUES</u>						
<u>CHARGES FOR SERVICES</u>						
Public services-----	2,013,419	-	2,013,419	1,930,276	-	1,930,276
Risk management-----	-	61,817,883	61,817,883	-	61,613,960	61,613,960
Total charges for services-----	2,013,419	61,817,883	63,831,302	1,930,276	61,613,960	63,544,236
<u>OPERATING GRANTS</u>						
<u>AND CONTRIBUTIONS</u>						
General government-----	2,372,323	-	2,372,323	2,802,419	-	2,802,419
Public services-----	2,429	-	2,429	55,230	-	55,230
Risk management-----	-	-	-	-	20,510	20,510
Information technology-----	-	672,820	672,820	-	656,428	656,428
Total operating grants and contributions	2,374,752	672,820	3,047,572	2,857,649	676,938	3,534,587
Total program revenues-----	4,388,171	62,490,703	66,878,874	4,787,925	62,290,898	67,078,823
Net program revenues (expenses)-----	(599,961)	1,941,734	1,341,773	1,095,026	3,150,522	4,245,548
Oil and gas royalties-----	243,847	-	243,847	236,689	-	236,689
Unrestricted investment income-----	19,063	18,239	37,302	432,431	350,839	783,270
Miscellaneous-----	122,417	-	122,417	148,324	-	148,324
Total general revenues-----	385,327	18,239	403,566	817,444	350,839	1,168,283
Changes in net position-----	(214,634)	1,959,973	1,745,339	1,912,470	3,501,361	5,413,831
<u>NET POSITION BEGINNING</u>						
Net position-beginning-----	28,967,727	13,118,835	42,086,562	27,055,257	9,617,474	36,672,731
Net position-ending-----	\$28,753,093	\$15,078,808	\$43,831,901	\$28,967,727	\$13,118,835	\$42,086,562

See accompanying notes to financial statements.

**BALANCE SHEET
GOVERNMENTAL FUND
June 30,**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>2021</u> General Purpose Fund	<u>2020</u> General Purpose Fund
<u>ASSETS</u>		
Pooled cash-----	\$117,101	\$319,847
Non-pooled cash-----	23,429	24,616
Investments-----	19,439,235	17,625,073
Accounts receivable, net-----	2,433,427	2,099,844
Interest, dividends, and royalties receivable-----	71,682	73,827
Due within the Authority-----	(283)	-
Receivable from the City of Oklahoma City-----	5,565,445	3,908,608
Prepays-----	205,843	245,311
Non-current receivable from the City of Oklahoma City-----	564,449	702,140
Total assets-----	<u>\$28,420,328</u>	<u>\$24,999,266</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses-----	654,185	605,723
Payable to the City of Oklahoma City-----	7,087,036	3,995,562
Unearned revenue-----	4,021	6,474
Total liabilities-----	<u>7,745,242</u>	<u>4,607,759</u>
<u>DEFERRED INFLOWS OF RESOURCES</u> -----	<u>1,909,811</u>	<u>1,635,586</u>
<u>FUND BALANCES</u>		
Non-spendable-----	205,843	245,311
Restricted-----	2,025,426	1,929,333
Assigned-----	15,630,473	14,538,600
Unassigned-----	903,533	2,042,677
Total fund balance-----	<u>18,765,275</u>	<u>18,755,921</u>
Total liabilities, deferred inflows of resources, and fund balances-----	<u>\$28,420,328</u>	<u>\$24,999,266</u>
<u>RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION, GOVERNMENTAL ACTIVITIES</u>		
Total fund balance-----	\$18,765,275	\$18,755,921
Capital assets, net of accumulated depreciation-----	8,078,007	8,576,220
Revenue earned but unavailable-----	1,909,811	1,635,586
Net position-governmental activities-----	<u>\$28,753,093</u>	<u>\$28,967,727</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>2021</u>	<u>2020</u>
	General Purpose Fund	General Purpose Fund
<u>REVENUES</u>		
Licenses and permits-----	\$93,388	\$99,402
Oil and gas royalties-----	240,470	239,958
Fines and forfeitures-----	1,707,839	1,488,060
Investment income-----	22,996	482,180
Rental income-----	5,569	8,914
Payments from the City of Oklahoma City-----	2,372,323	2,802,419
Other-----	56,676	198,493
Total revenues-----	<u>4,499,261</u>	<u>5,319,426</u>
<u>EXPENDITURES</u>		
<u>CURRENT</u>		
Payments to the City of Oklahoma City-----	1,981,594	1,243,000
General government-----	142,340	133,585
Public services-----	2,365,973	1,783,000
Total expenditures-----	<u>4,489,907</u>	<u>3,159,585</u>
Excess of revenues over expenditures-----	9,354	2,159,841
Net change in fund balances-----	9,354	2,159,841
Fund balance, beginning-----	<u>18,755,921</u>	<u>16,596,080</u>
Fund balances, ending-----	<u>\$18,765,275</u>	<u>\$18,755,921</u>
<u>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES, GOVERNMENTAL ACTIVITIES</u>		
Net change in fund balance-----	\$9,354	\$2,159,841
Recognition of earned but unavailable revenue-----	274,225	285,941
Depreciation expense-----	(498,213)	(533,312)
Change in net position-governmental activities-----	<u>(\$214,634)</u>	<u>\$1,912,470</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY**

	<u>2021</u> <u>OCMFA</u> <u>Services</u>	<u>2020</u> <u>OCMFA</u> <u>Services</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Pooled cash-----	\$ -	\$717,269
Non-pooled cash-----	558,940	3,422,545
Investments-----	51,052,555	49,722,268
Accounts receivable, net-----	13,637	64,612
Interest, dividends, and royalties receivable-----	255,559	284,849
Due within the Authority-----	283	-
Receivable from the City of Oklahoma City-----	80,092	629,565
Receivable from component units-----	37,781	-
Intergovernmental receivables-----	63,222	63,222
Notes receivable-----	506,613	735,047
Prepays-----	533,915	491,173
Total current assets-----	<u>53,102,597</u>	<u>56,130,550</u>
<u>NON-CURRENT ASSETS</u>		
Notes receivable-----	1,852,116	1,982,339
Receivable from the City of Oklahoma City-----	5,676,978	1,658,667
Capital assets:		
Other capital assets, net of accumulated depreciation-----	8,955,543	7,445,602
Capital assets, net-----	<u>8,955,543</u>	<u>7,445,602</u>
Total non-current assets-----	<u>16,484,637</u>	<u>11,086,608</u>
Total assets-----	<u>69,587,234</u>	<u>67,217,158</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses-----	2,208,594	2,162,058
Payable to the City of Oklahoma City-----	6,174,072	9,559,340
Payable to component units-----	22,632	22,632
Interest payable-----	50,952	55,129
Notes and estimated claims payable-----	11,546,600	9,671,760
Total current liabilities-----	<u>20,002,850</u>	<u>21,470,919</u>
<u>NON-CURRENT LIABILITIES</u>		
Payable to component units-----	209,343	231,975
Notes and estimated claims payable-----	33,027,226	30,989,232
Payable to the City of Oklahoma City-----	1,269,007	1,406,197
Total non-current liabilities-----	<u>34,505,576</u>	<u>32,627,404</u>
Total liabilities-----	<u>54,508,426</u>	<u>54,098,323</u>
<u>NET POSITION</u>		
Net investment in capital assets-----	1,352,275	2,033,120
Unrestricted-----	13,726,533	11,085,715
Total net position-----	<u>\$15,078,808</u>	<u>\$13,118,835</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	<u>2021</u> <u>OCMFA</u> <u>Services</u>	<u>2020</u> <u>OCMFA</u> <u>Services</u>
<u>OPERATING REVENUES</u>		
Service charges-----	\$60,578,613	\$60,285,180
Licenses, permits, and fees-----	43,795	46,969
Other-----	1,195,475	1,281,811
Total operating revenues-----	<u>61,817,883</u>	<u>61,613,960</u>
<u>OPERATING EXPENSES</u>		
Maintenance, operations, and contractual services-----	59,193,821	58,063,469
Materials and supplies-----	1,483	7,447
Depreciation-----	1,353,665	1,069,460
Total operating expenses-----	<u>60,548,969</u>	<u>59,140,376</u>
Operating income-----	<u>1,268,914</u>	<u>2,473,584</u>
<u>NON-OPERATING REVENUE</u>		
Investment income-----	18,239	350,839
Payments from the City of Oklahoma City-----	672,820	676,938
Non-operating revenue-----	<u>691,059</u>	<u>1,027,777</u>
Change in net position-----	<u>1,959,973</u>	<u>3,501,361</u>
Total net position, beginning-----	13,118,835	9,617,474
Total net position, ending-----	<u>\$15,078,808</u>	<u>\$13,118,835</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY**

	<u>2021</u> OCMFA Services	<u>2020</u> OCMFA Services
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$61,817,883	\$61,533,049
Cash payments to suppliers for goods and services-----	(79,635,832)	(74,176,276)
Cash payments for internal services-----	(17,134)	(19,862)
Operating payments from the City of Oklahoma City-----	358,657	-
Cost reimbursements from (to) other funds-----	18,733,242	8,722,923
Net cash provided (used) by operating activities-----	<u>1,256,816</u>	<u>(3,940,166)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Transfers paid to other funds-----	-	581,815
Net cash provided by non-capital financing activities-----	<u>-</u>	<u>581,815</u>
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Payments for acquisition and construction of capital assets-----	(2,863,606)	(509,541)
Principal paid on long-term debt-----	(650,188)	(633,795)
Interest paid on long-term debt-----	(216,366)	(232,759)
Proceeds from sale of assets-----	-	12,196
Net cash used by capital and capital related financing activities-----	<u>(3,730,160)</u>	<u>(1,363,899)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Changes in pooled investments-----	(1,870,824)	3,895,100
Investment income received-----	759,194	1,035,779
Purchased interest-----	4,100	19,609
Net cash provided (used) by investing activities-----	<u>(1,107,530)</u>	<u>4,950,488</u>
Net increase (decrease) in cash-----	<u>(3,580,874)</u>	<u>228,238</u>
Cash, beginning-----	4,139,814	3,911,576
Cash, ending-----	<u>\$558,940</u>	<u>\$4,139,814</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY MUNICIPAL
 FACILITIES AUTHORITY**

	<u>2021</u> <u>OCMFA</u> <u>Services</u>	<u>2020</u> <u>OCMFA</u> <u>Services</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income-----	\$1,268,914	\$2,473,584
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET</u>		
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Depreciation-----	1,353,665	1,069,460
Other revenue (expense)-----	431,815	(1,063,772)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	50,975	(64,612)
(Increase) decrease in receivable from the City of Oklahoma City-----	(2,832,497)	(4,417,311)
(Increase) decrease in receivable from component units-----	(37,781)	18,228
(Increase) decrease in prepaid assets-----	(42,742)	271,957
Increase (decrease) in accounts payable and accrued expenses-----	46,536	667,774
Increase (decrease) in payable to the City of Oklahoma City-----	(3,522,458)	(4,543,675)
Increase (decrease) in payable to component unit-----	(22,632)	(22,632)
Increase (decrease) in long-term liabilities-----	153,868	42,707
Increase (decrease) in notes, lease, and estimated claims payable-----	4,409,153	1,628,126
Total adjustments-----	<u>(12,098)</u>	<u>(6,413,750)</u>
Net cash provided (used) by operating activities-----	<u>\$1,256,816</u>	<u>(\$3,940,166)</u>
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>		
Net increase (decrease) in fair value of investments-----	(\$540,621)	\$647,777
Total non-cash investing, capital, and financing activities-----	<u>(\$540,621)</u>	<u>\$647,777</u>

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Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Oklahoma City Municipal Facilities Authority (Authority) financial activities for the fiscal years ended June 30, 2021 and 2020.

I. B. BASIS OF PRESENTATION

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

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

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

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

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

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

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

The Authority is included in the City's financial reporting entity as a blended component unit. The City's ACFR may be obtained from the Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Authority Administration

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

Related Organizations

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

I. B. 2. BASIC FINANCIAL STATEMENTS

Authority-wide Financial Statements

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

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

Fund Financial Statements

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

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

Generally Accepted Accounting Principles (U.S. GAAP)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental Fund

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

General Purpose Fund

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

Proprietary Fund

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

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

Enterprise Fund

OCMFA Services Fund

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

I. C. BUDGET LAW AND PRACTICE

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

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

I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In 2021, the Authority implemented the following accounting standards. The implementation of these standards did not have a material impact on the Authority's financial statements.

Effective July 1, 2020, the Authority implemented GASB statement number 84, Fiduciary Activities. The primary purpose of this statement is to improve guidance and financial reporting of fiduciary activities. The requirements of this statement are intended to enhance the consistency and comparability of fiduciary activity to improve the usefulness of this information primarily for assessing government accountability and stewardship as a fiduciary.

Effective July 1, 2020, the Authority implemented GASB statement number 90, Majority Equity Interests. The primary objectives of this statement are to improve the consistency and comparability of reporting majority equity interest in a legally separate organization and to improve the relevance of financial statement information by providing essential information related to presentation for certain component units.

Effective July 1, 2020, the Authority implemented all requirements of GASB statement number 93, Replacement of Interbank Offered Rates with the exception of the removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate, which will be effective for the Authority in fiscal year 2022. The primary purpose of this statement is to preserve the consistency and comparability of reporting hedging derivative instruments and leases after amending or replacing agreements to replace an Interbank Offered Rate. As a result of global reference rate reform, LIBOR is expected to cease to exist at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates.

Effective July 1, 2020, the Authority early adopted GASB statement number 98, The Annual Comprehensive Financial Report. The primary purpose of this statement is to establish the term annual comprehensive financial report and its acronym ACFR. This statement was developed in response to concerns raised by stakeholders that the pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The City, like the GASB, is committed to promoting inclusiveness.

I. D. 2. CASH AND INVESTMENTS

The Authority participates in the investment policy approved by the City Council. The Authority's governing board formally adopted the City's updated deposit and investment policy in November 2017.

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

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

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

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

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

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

Level 3 - Significant unobservable prices or inputs.

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

I. D. 3. ACCOUNTS RECEIVABLE

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

I. D. 4. PREPAIDS

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

I. D. 5. INTERFUND BALANCES

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

I. D. 6. CAPITAL ASSETS AND DEPRECIATION

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

Buildings	10 - 50
Infrastructure and improvements other than buildings	10 - 50
Mobile equipment, furniture, machinery, and equipment	5 - 20

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service. The Authority capitalizes interest as a component of capital assets constructed for its own use.

I. D. 7. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future or future periods and will not be recognized as revenue until that time. Unavailable revenue is reported only in the governmental funds. These amounts are deferred and recognized as revenue in the period the funds become available.

I. D. 8. FUND EQUITY

Fund Balance

Non-Spendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

Fund Balance Usage

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

Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

I. D. 9. USE OF ESTIMATES

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

I. D. 10. RISK MANAGEMENT AND ESTIMATED CLAIMS PAYABLE

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

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

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

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the Authority's/Trust's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Authority's/Trust's operations. However, if the pandemic continues to evolve it is likely to have a negative impact on revenue from fees, fines and oil and gas royalties.

Employee Life and Health

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

Worker's Compensation

Worker's compensation programs are self-insured. The City Risk Management Fund provides worker's compensation coverage for the City and certain component units. Risk of loss is with the City Risk Management Fund. The City Risk Management Fund charges City funds and component units and reimburses the OCMFA Services Fund for expenses for claims. The OCMFA Services Fund manages claims. Worker's compensation claims incurred but not yet paid are calculated by a third-party using the chain-ladder and additive distribution methods. The OCMFA Services Fund records estimated claims payable at the discounted amount. The discount rate is 1.5% for 2021 and 2020. Claim costs are reported in the City Risk Management Fund. A copy of the third-party report can be obtained from Risk Management, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Property and Liability

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

Unemployment and Disability Insurance

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

I. E. MAJOR REVENUES

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

I. F. TAX STATUS

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

I. G. RETAINAGES

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

II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

II. A. DEPOSITS AND INVESTMENTS

Deposits

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

At June 30, 2021 and 2020, the Authority's cash is collateralized with securities held by the pledging financial institution in the name of the Authority or the City, less Federal depository insurance.

NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

Investments

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

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

2020								
	<u>Cost</u>	Fair Value/ Carrying <u>Amount</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	Measured at <u>NAV (1)</u>	Average Credit Quality/ <u>Ratings (2)</u>	Weighted Average <u>(months) (3)</u>
POOLED INVESTMENTS								
Fannie Mae	\$7,910,475	\$8,133,368	\$ -	\$8,133,368	\$ -	\$ -	AA/Aaa	13.80
Federal obligations	20,360,407	20,588,498	-	20,588,498	-	-	AA/Aaa	13.20
U.S. Treasury notes	26,092,627	26,614,244	-	26,614,244	-	-	N/A	16.90
Money market (4)(5)	<u>12,011,231</u>	<u>12,011,231</u>	<u>12,011,231</u>	-	-	-	AAA/Aaa	1.33
	<u>\$66,374,740</u>	<u>\$67,347,341</u>	<u>\$12,011,231</u>	<u>\$55,336,110</u>	<u>\$-</u>	<u>\$-</u>		

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

Fair Value Measurement

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

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

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

Investment policy

The Authority's investment policy is maintained by the City Treasurer. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Authority funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; (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) City direct debt obligations for which an ad valorem tax may be levied or bonds issued by a public trust of which the City is a beneficiary and judgments rendered against the City by a court of record, provided it is a prudent investment; (9) prime commercial paper with a maturity date less than 180 days which represents less than 10% of the outstanding paper of an issuing corporation.

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

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

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

Portfolio Structure (1)

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

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

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

Investments Held by Others

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Policy provides that investment collateral is held by a third party custodian with whom the Authority has a current custodial agreement in the Authority's name or be held in the name of both parties by the Federal Reserve Bank servicing Oklahoma. Investments of the Authority are insured or collateralized with securities held by the Authority, its agent in the Authority's name.

Restricted Deposits and Investments

	<u>OCMFA Services Fund</u>	
	<u>2021</u>	<u>2020</u>
Radio system project account	<u>\$558,940</u>	<u>\$3,422,545</u>

Compliance with State Restrictions

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

II. B. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Accounts Receivable

	<u>2021</u>	<u>2020</u>
<i>Governmental activities</i>		
Oil and gas royalties	\$59,515	\$30,559
Nuisance abatement	4,614,712	4,095,464
Less allowance for uncollectible accounts	<u>(2,240,800)</u>	<u>(2,026,179)</u>
	<u>\$2,433,427</u>	<u>\$2,099,844</u>
<i>Business-type activities</i>		
OPEBT reimbursement for employee health clinic costs	<u>\$13,637</u>	<u>\$64,612</u>

Intergovernmental Receivable

In May 2013, severe weather resulted in the declaration of a disaster for damage to City property. A Federal Emergency Management Agency grant was awarded to the City. In connection with this award, the OCMFA Services Fund reported receivable amount of \$63,222 at both June 30, 2021 and 2020, respectively, from the Oklahoma Emergency Management Agency to supplement matching fund requirements.

Notes Receivable

On August 1, 2017, a loan of \$3,706,000 from the Authority's worker's compensation reserves to the OCPPA General Purpose fund to be used to replace the Civic Center sound system was approved. On June 19, 2018 the City and OCPPA entered into a management agreement with the Civic Center Foundation (Foundation). Under the Agreement, the Foundation agreed to assume the debt incurred by OCPPA and agreed to make annual debt service payments according to the term of the loan as provided in the loan documents. The loan will be repaid with six annual payments at an interest rate of 2.64% beginning July 1, 2018 with final payment to be made on June 1, 2023. The principal due at June 30, 2021 and 2020 is \$2,358,729 and \$2,717,386 of which \$506,613 and \$735,047 is reported as a current receivable including accrued interest of \$67,630 and \$76,942, respectively.

II. C. PREPAIDS

	<u>2021</u>	<u>2020</u>
<i>Governmental activities</i>		
Software license and support agreements	<u>\$205,843</u>	<u>\$245,311</u>
<i>Business-type activities</i>		
Prepaid insurance	\$507,168	\$464,889
Prepaid software license and support agreements	<u>26,747</u>	<u>26,284</u>
	<u>\$533,915</u>	<u>\$491,173</u>

II. D. CAPITAL ASSETS

Changes in Capital Assets

	2021					Total Capital Assets, net
	Capital Assets, not depreciated	Capital Assets, depreciated				
	<u>Land</u>	Improvements Other Than <u>Buildings</u>	Buildings	Furniture, Machinery, & <u>Equipment</u>	Total	
<i>Governmental Activities</i>						
<u>CAPITAL ASSETS</u>						
Balance, June 30, 2020	\$5,426,913	\$15,031,969	\$7,146,219	\$10,675,911	\$32,854,099	\$38,281,012
Balance, June 30, 2021	5,426,913	15,031,969	7,146,219	10,675,911	32,854,099	38,281,012
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2020		13,232,332	6,122,132	10,350,328	29,704,792	29,704,792
Increases		318,635	88,367	91,211	498,213	498,213
Balance, June 30, 2021		13,550,967	6,210,499	10,441,539	30,203,005	30,203,005
Governmental activities capital assets, net	<u>5,426,913</u>	<u>1,481,002</u>	<u>935,720</u>	<u>234,372</u>	<u>2,651,094</u>	<u>8,078,007</u>
<i>Business-type Activities</i>						
<u>CAPITAL ASSETS</u>						
Balance, June 30, 2020	-	-	218,700	33,069,113	\$33,287,813	\$33,287,813
Increases	-	-	-	2,863,606	2,863,606	2,863,606
Balance, June 30, 2021	-	-	218,700	35,932,719	36,151,419	36,151,419
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2020		-	184,158	25,658,053	25,842,211	25,842,211
Increases		-	2,544	1,351,121	1,353,665	1,353,665
Balance, June 30, 2021		-	186,702	27,009,174	27,195,876	27,195,876
Business-type activities capital assets, net	-	-	<u>31,998</u>	<u>8,923,545</u>	<u>8,955,543</u>	<u>8,955,543</u>
Capital assets, net	<u>\$5,426,913</u>	<u>\$1,481,002</u>	<u>\$967,718</u>	<u>\$9,157,917</u>	<u>\$11,606,637</u>	<u>\$17,033,550</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

Changes in Capital Assets (continued)

	2020					
	<u>Capital Assets, not depreciated</u>	<u>Capital Assets, depreciated</u>				Total Capital Assets, net
	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>	<u>Furniture, Machinery, & Equipment</u>	<u>Total</u>	
<i>Governmental Activities</i>						
<u>CAPITAL ASSETS</u>						
Balance, June 30, 2019	<u>\$5,426,913</u>	<u>\$15,031,969</u>	<u>\$7,146,219</u>	<u>\$10,675,911</u>	<u>\$32,854,099</u>	<u>\$38,281,012</u>
Balance, June 30, 2020	<u>5,426,913</u>	<u>15,031,969</u>	<u>7,146,219</u>	<u>10,675,911</u>	<u>32,854,099</u>	<u>38,281,012</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2019		\$12,887,087	\$6,033,767	\$10,250,626	\$29,171,480	\$29,171,480
Increases		<u>345,245</u>	<u>88,365</u>	<u>99,702</u>	<u>533,312</u>	<u>533,312</u>
Balance, June 30, 2020		<u>13,232,332</u>	<u>6,122,132</u>	<u>10,350,328</u>	<u>29,704,792</u>	<u>29,704,792</u>
Governmental activities capital assets, net	<u>5,426,913</u>	<u>1,799,637</u>	<u>1,024,087</u>	<u>325,583</u>	<u>3,149,307</u>	<u>8,576,220</u>
<i>Business-type Activities</i>						
<u>CAPITAL ASSETS</u>						
Balance, June 30, 2019	-	-	218,700	32,559,572	32,778,272	32,778,272
Increases	<u>-</u>	<u>-</u>	<u>-</u>	<u>509,541</u>	<u>509,541</u>	<u>509,541</u>
Balance, June 30, 2020	<u>-</u>	<u>-</u>	<u>218,700</u>	<u>33,069,113</u>	<u>33,287,813</u>	<u>33,287,813</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2019		-	181,614	24,591,137	24,772,751	24,772,751
Increases		<u>-</u>	<u>2,544</u>	<u>1,066,916</u>	<u>1,069,460</u>	<u>1,069,460</u>
Balance, June 30, 2020		<u>-</u>	<u>184,158</u>	<u>25,658,053</u>	<u>25,842,211</u>	<u>25,842,211</u>
Business-type activities capital assets, net	<u>-</u>	<u>-</u>	<u>34,542</u>	<u>7,411,060</u>	<u>7,445,602</u>	<u>7,445,602</u>
Capital assets, net	<u>\$5,426,913</u>	<u>\$1,799,637</u>	<u>\$1,058,629</u>	<u>\$7,736,643</u>	<u>\$10,594,909</u>	<u>\$16,021,822</u>

Depreciation Expense

	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General government	\$90,002	\$97,908	Risk Management	\$61,990
Police public safety	1,887	1,887	Information Technology	\$56,056
Public safety other	64,204	78,974		<u>1,291,675</u>
Public services	222,338	233,698		<u>1,013,404</u>
Culture and recreation	<u>119,782</u>	<u>120,845</u>		<u>\$1,353,665</u>
	<u>\$498,213</u>	<u>\$533,312</u>		<u>\$1,069,460</u>

III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

III. A. UNEARNED REVENUES

Within governmental activities, the Authority has unearned revenue of \$4,021 and \$6,474 at June 30, 2021 and 2020, respectively. The unearned revenue recorded is for prepaid facilities rental by the Arts Council of Oklahoma City.

III. B. NOTES AND ESTIMATED CLAIMS PAYABLE

III. B. 1. NOTES PAYABLE

P25 Radio System Note Payable

On March 30, 2017, the Authority entered into a master lease/purchase agreement with Bank of America Public Capital Corporation to finance a new P25 Phase II trunked radio system to replace the existing emergency communications system serving the City in the amount of \$13,114,809 with an initial payment on June 30, 2017 of \$2,614,672 in principal and \$84,263 in interest. The note bears interest at 2.57% and matures on October 1, 2031. As of June 30, 2021, the balance of the note is \$7,930,232 with accrued interest of \$50,952. At June 30, 2020, the balance of the note was \$8,580,420 with accrued interest of \$55,129.

Notes Payable Requirements to Maturity (1)

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

	<u>Principal</u>	<u>Interest</u>
2022	\$667,006	\$199,549
2023	684,258	182,297
2024	701,956	164,598
2025	720,112	146,442
2026	738,738	127,816
2027-2031	3,990,383	342,390
2032-2036	<u>427,780</u>	<u>5,497</u>
	<u>\$7,930,233</u>	<u>\$1,168,589</u>

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

III. B. 2. ESTIMATED CLAIMS PAYABLE

Risk Management Claims Payable

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

Unpaid Claims Liabilities

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

	OCMFA Services Fund			
	Health Care	Worker's Compensation (1)(2)	Property Damage (2)	Total
Liability balance, July 1, 2019	\$1,204,435	\$29,032,000	\$173,304	\$30,409,739
Claims and changes in estimates	13,217,223	8,559,020	134,479	21,910,722
Claims payments	<u>(13,206,097)</u>	<u>(6,942,020)</u>	<u>(91,772)</u>	<u>(20,239,889)</u>
Liability balance, June 30, 2020	1,215,561	30,649,000	216,011	32,080,572
Claims and changes in estimates	12,834,327	13,621,539	696,019	27,151,885
Claims payments	<u>(12,737,174)</u>	<u>(9,309,539)</u>	<u>(542,151)</u>	<u>(22,588,864)</u>
Liability balance, June 30, 2021	<u>\$1,312,714</u>	<u>\$34,961,000</u>	<u>\$369,879</u>	<u>\$36,643,593</u>
Assets available to pay claims at year end	<u>\$15,039,247</u>	<u>\$30,695,734</u>	<u>\$369,879</u>	<u>\$46,104,860</u>

- (1) Worker's compensation estimated claims are calculated using the chain-ladder and additive distribution methods. The City records worker's compensation claims payable at the discounted amount. The undiscounted carrying value at June 30, 2021 and 2020, was \$37,411,000 and \$32,947,000, respectively. Claims were discounted at 1.5% at June 30, 2021 and 2020.
- (2) Assets available to pay claims does not include cost reimbursement receivable from/payable to the City Risk Management Fund as these advances result in a deficit net position in the City Risk Management Fund and therefore are not available to pay the claims.

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

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

Property and Liability Claims

The OCMFA Services Fund Property and liability incurred costs relating to property damage during fiscal years 2021 and 2020. The costs are reimbursed by the City Risk Management Fund. The claims for 2021 and 2020 are primarily related to small claims at various City properties.

Estimated Claims Payment Requirements to Maturity

Fiscal Year	<u>2021</u>	Fiscal Year	<u>2020</u>
2022	\$10,879,594	2021	\$9,021,572
2023	<u>25,763,999</u>	2022	<u>23,059,000</u>
	<u>\$36,643,593</u>		<u>\$32,080,572</u>

III. C. CHANGES IN LONG-TERM LIABILITIES

	2021					
	Balance July 1, 2020	Incurred	Paid	Balance June 30, 2021	Due Within One Year	Due After One Year
Notes payable -						
OCMFA Services Fund						
Risk Management (1)	\$8,580,420	\$ -	\$650,187	\$7,930,233	\$667,006	\$7,263,227
Estimated claims payable -						
OCMFA Services Fund						
Risk Management	<u>32,080,572</u>	<u>27,151,885</u>	<u>22,588,864</u>	<u>36,643,593</u>	<u>10,879,594</u>	<u>25,763,999</u>
	<u>\$40,660,992</u>	<u>\$27,151,885</u>	<u>\$23,239,051</u>	<u>\$44,573,826</u>	<u>\$11,546,600</u>	<u>\$33,027,226</u>
	2020					
	Balance July 1, 2019	Incurred	Paid	Balance June 30, 2020	Due Within One Year	Due After One Year
Notes payable -						
OCMFA Services Fund						
Risk Management (1)	\$9,214,216	\$ -	\$633,796	\$8,580,420	\$650,188	\$7,930,232
Estimated claims payable -						
OCMFA Services Fund						
Risk Management	<u>30,409,739</u>	<u>21,910,722</u>	<u>20,239,889</u>	<u>32,080,572</u>	<u>9,021,572</u>	<u>23,059,000</u>
	<u>\$39,623,955</u>	<u>\$21,910,722</u>	<u>\$20,873,685</u>	<u>\$40,660,992</u>	<u>\$9,671,760</u>	<u>\$30,989,232</u>

(1) All notes payable are from private placements.

III. D. DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue

Unavailable revenue in the governmental fund financial statements includes revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). At June 30, 2021 and 2020, revenue earned but unavailable for governmental activities is \$1,909,811 and \$1,635,586, respectively.

IV. NET POSITION AND FUND BALANCE

IV. A. NET POSITION

Net Investment in Capital Assets

	2021			2020		
	Governmental <i>Activities</i>	Business-Type <i>Activities</i>	Total	Governmental <i>Activities</i>	Business-Type <i>Activities</i>	Total
Capital assets, net	\$8,078,007	\$8,955,543	\$17,033,550	\$8,576,220	\$7,445,602	\$16,021,822
Notes payable	-	(7,930,233)	(7,930,233)	-	(8,580,420)	(8,580,420)
Notes payable project account	-	558,940	558,940	-	3,422,545	3,422,545
Payable to COTPA	-	(231,975)	(231,975)	-	(254,607)	(254,607)
	<u>\$8,078,007</u>	<u>\$1,352,275</u>	<u>\$9,430,282</u>	<u>\$8,576,220</u>	<u>\$2,033,120</u>	<u>\$10,609,340</u>

Restricted for Capital Projects

	2021			2020		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Restricted for capital projects	<u>\$2,028,394</u>	<u>\$-</u>	<u>\$2,028,394</u>	<u>\$1,932,576</u>	<u>\$-</u>	<u>\$1,932,576</u>

Unrestricted

	2021			2020		
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	Total
Unrestricted	<u>\$18,646,692</u>	<u>\$13,726,533</u>	<u>\$32,373,225</u>	<u>\$18,458,931</u>	<u>\$11,085,715</u>	<u>\$29,544,646</u>

IV. B. FUND BALANCE

Non-Spendable Fund Balance

	<u>2021</u>	<u>2020</u>
Prepays	<u>\$205,843</u>	<u>\$245,311</u>

Restricted Fund Balance

	<u>2021</u>	<u>2020</u>
Restricted for capital projects	<u>\$2,025,426</u>	<u>\$1,929,333</u>

Assigned Fund Balance

	<u>2021</u>	<u>2020</u>
Assigned for parks improvements, creation and maintenance	\$3,494,343	\$3,249,456
Assigned for Myriad Botanical Gardens operations	16,883	11,308
Assigned for bond capital projects	11,820,782	10,809,080
Assigned for encumbrances	<u>298,465</u>	<u>468,756</u>
	<u>\$15,630,473</u>	<u>\$14,538,600</u>

Unassigned

	<u>2021</u>	<u>2020</u>
Unassigned	<u>\$903,533</u>	<u>\$2,042,677</u>

V. REVENUES AND EXPENSES

V. A. LEASE REVENUES

Arts Council of Oklahoma City

The OCMFA General Purpose Fund leases the Old Central Fire Station to the Arts Council of Oklahoma City. The term is 15 years and expires December 31, 2022. The annual rent is adjusted based on the most recent change in the Consumer Price Index for all Urban Consumers, as reported by the U.S. Bureau of Labor Statistics.

Premise Health Employer Solutions, LLC

On September 14, 2015, the OCMFA Services Fund entered into a lease agreement with the Central Oklahoma Transportation and Parking Authority for tenant space in the Arts District Garage for the operation of a City Employee Health Clinic. OCMFA entered into a sublease with CareATC, Inc. to operate the clinic on behalf of OCMFA. On February 4, 2020, the OCMFA Services Fund entered into a new sublease agreement with Premise Health Employer Solutions, LLC. to operate the clinic until 2024 with an option to renew for three additional five-year terms.

John Rex Charter Elementary School, Inc.

On October 22, 2019, the OCMFA Services Fund entered into a lease agreement with John Rex Charter Elementary School, Inc. to lease a portion of the Old Central Fire Station and an adjacent parking lot. The initial term is for ten years and the annual rent is adjusted based on the most recent change in the Consumer Price Index for all Urban Consumers, as reported by the U.S. Bureau of Labor Statistics subject to a cap of 3%.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Due Within The Authority

All activity between governmental and business-type activities are eliminated and any residual balances outstanding between the activities are reported in the Authority-wide financial statements as internal balances. During 2021, the OCMFA Services Fund had a cash shortage for expenses that exceeded cash balances in the amount of \$283. The cash shortage was funded by the General Purpose Fund and an amount due to/from was recorded.

Payable/Receivable To/From the City

		<u>2021</u>		<u>2020</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
	<u>Purpose</u>	<u>General</u>	<u>OCMFA</u>	<u>General</u>	<u>OCMFA</u>
		<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
RECEIVABLE FROM					
<u>CURRENT</u>					
City General Fund	Information technology projects	\$2,056,900	\$ -	\$ -	\$ -
City General Fund	Cost reimbursement	-	-	3,640	143,153
City Grants Management	Grant related cost reimbursement	-	-	-	402,472
City General Obligation Bond Fund	Prefunded project costs	3,508,545	-	3,903,295	-
City Capital Improvement Fund	Capital improvements	-	-	1,673	-
City Information Technology Fund	Cell phone equipment, software licenses	-	42,978	-	-
City Water and Wastewater Fund	Cell phone equipment	-	-	-	2,590
OCPPA Golf Courses	Golf cart loans, golf pro health insurance	-	37,114	-	81,350
	Total current	<u>5,565,445</u>	<u>80,092</u>	<u>3,908,608</u>	<u>629,565</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

Payable/Receivable To/From the City (continued)

		<u>2021</u>		<u>2020</u>	
		<u>PAYABLE TO</u>		<u>PAYABLE TO</u>	
	<u>Purpose</u>	<u>General</u>	<u>OCMFA</u>	<u>General</u>	<u>OCMFA</u>
		<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
<u>NON-CURRENT</u>					
City General Obligation Bond Fund	Prefunded project costs	564,449	-	702,140	-
City Information Technology Fund	Cost reimbursement	-	1,448,827	-	1,590,204
OCPPA Golf Courses	Golf cart loans	-	31,482	-	68,463
City Risk Management Fund	Cost reimbursement	-	4,196,669	-	-
	Total non-current	<u>564,449</u>	<u>5,676,978</u>	<u>702,140</u>	<u>1,658,667</u>
	Total	<u>\$6,129,894</u>	<u>\$5,757,070</u>	<u>\$4,610,748</u>	<u>\$2,288,232</u>
		<u>2021</u>		<u>2020</u>	
		<u>RECEIVABLE FROM</u>		<u>RECEIVABLE FROM</u>	
	<u>Purpose</u>	<u>General</u>	<u>OCMFA</u>	<u>General</u>	<u>OCMFA</u>
		<u>Purpose Fund</u>	<u>Services</u>	<u>Purpose Fund</u>	<u>Services</u>
<u>PAYABLE TO</u>					
<u>CURRENT</u>					
City General Fund	Public works and nuisance abatement administrative charges	\$ -	\$364,549	\$145,473	\$208,710
City General Fund	Cost reimbursement	100,136	25,446	3,640	-
City Grants Management Fund	Grant related cost reimbursement	-	63,223	-	63,223
City Police/Fire Equipment Sales Tax	Capital equipment	-	5,991	-	5,991
City Fire Fund	Capital equipment	-	97,087	-	97,087
City Print Shop Fund	Postage	-	654	-	-
City Risk Management Fund	Cost reimbursement	-	4,437,738	-	7,843,506
City Asset Forfeiture Fund	Cost reimbursement	77,275	-	76,578	-
City Information Technology Fund	Cost reimbursement	6,909,625	1,110,931	3,769,871	1,306,711
City Airport Fund	Capital equipment	-	34,112	-	34,112
City Zoo Fund	Insurance Recoveries	-	32,701	-	-
City Public Property Authority	Golf cart loans, golf pro health insurance	-	1,640	-	-
	Total current	<u>7,087,036</u>	<u>6,174,072</u>	<u>3,995,562</u>	<u>9,559,340</u>
<u>NON-CURRENT</u>					
City Police/Fire Equipment Sales Tax	Capital equipment	-	55,421	-	61,412
City Fire Fund	Capital equipment	-	898,054	-	995,141
City Airport Fund	Capital equipment	-	315,532	-	349,644
	Total non-current	<u>-</u>	<u>1,269,007</u>	<u>-</u>	<u>1,406,197</u>
	Total	<u>\$7,087,036</u>	<u>\$7,443,079</u>	<u>\$3,995,562</u>	<u>\$10,965,537</u>

Long-Term Receivable From the City

Prefunded Project Costs

The Authority pays for initial architectural and engineering fees for the City and related trust construction projects before the funding is finalized. This process allows more timely initiation of capital projects due to the length of time involved in finalizing debt and contracts for construction by the City and related trusts. When the funding is finalized and construction begins, the City or related trust reimburses the Authority for the cost of the prefunded fees. Any amounts outstanding are reported as a receivable from the City. At June 30, 2021 and 2020, the Authority reported an amount receivable from the City General Obligation Bond Fund of \$4,072,994 and \$4,605,435 for unreimbursed prefunded fees, of which \$3,508,545 and \$3,903,295 is reported as a current receivable, respectively.

Receivable From Oklahoma City Public Property Authority (OCPPA)

OCPPA Trosper Golf Course Cart Loan

On March 13, 2018, a loan for \$180,080 from the Authority's worker's compensation reserve was made to the OCPPA Trosper Golf Course to purchase golf carts. The loan will be repaid over five years at an annual rate of 2.33% beginning May 1, 2018, with the final payment made on April 1, 2023. The principal due at June 30, 2021 and 2020 is \$68,596 and \$104,796 of which \$37,114 and \$36,333 is reported as a current receivable including accrued interest of \$133 and \$203, respectively.

Annual Debt Service Requirements to Maturity for Advances to OCPPA

2021			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$36,981	\$1,202	\$38,183
2023	<u>31,482</u>	<u>337</u>	<u>31,819</u>
	<u>\$68,463</u>	<u>\$1,539</u>	<u>\$70,002</u>

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

The General Purpose Fund manages long-term technology contracts for the City Information Technology Fund. The City Information Technology Fund reimburses the Authority for these costs. The General Purpose fund also manages various undercover investigative services costs which are reimbursed by the Asset Forfeiture Fund and legal services for the City of Oklahoma City which are reimbursed from the City General Fund. The advance represents the under (over) funded liabilities of the General Purpose Fund at June 30, 2021 and 2020.

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

(continued)

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

	<u>2020</u>		
	Information Technology	Police & Court Administration	Civil Rights Defense
Advance balance, July 1, 2019	(\$3,461,767)	(\$119,388)	(\$45,143)
Other services	3,464,083	45,948	-
Materials and supplies	1,038,920	-	315,059
Investment income	(104,018)	(3,138)	(6,276)
Other income	(249,907)	-	-
Reimbursement from the City	<u>(4,457,182)</u>	<u>-</u>	<u>(260,000)</u>
Advance balance, June 30, 2020	<u>(\$3,769,871)</u>	<u>(\$76,578)</u>	<u>\$3,640</u>

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

The City Risk Management, General and Information Technology Funds charge City funds for centralized services. The OCMFA Services Fund manages long-term contracts for costs related to these services. The City Risk Management, General and Information Technology Funds reimburse the Authority for these costs. The advance represents the under (over) funded liabilities of the OCMFA Services Fund at June 30, 2021 and 2020.

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

	<u>2020</u>				
	Worker's Compensation	Property and Liability	Total Risk Management	Unemployment	Information Technology
Advance balance, July 1, 2019	(\$13,472,569)	(\$3,699,040)	(\$17,171,609)	(\$13,928)	\$772,532
Other services	10,450,527	3,019,354	13,469,881	227,886	4,800,517
Materials and supplies	75,886	-	75,886	-	47,564
Investment income	(1,118,281)	(116,606)	(1,234,887)	(599)	(65,289)
Other income	-	-	-	-	(507,517)
Capital outlay	20,510	-	20,510	-	656,428
Interest on debt	-	-	-	-	228,687
Reimbursement from the City	<u>-</u>	<u>(3,003,288)</u>	<u>(3,003,288)</u>	<u>(70,206)</u>	<u>(5,649,429)</u>
Advance balance, June 30, 2020	<u>(\$4,043,927)</u>	<u>(\$3,799,580)</u>	<u>(\$7,843,507)</u>	<u>\$143,153</u>	<u>\$283,493</u>

Payable To Component Units of the City

The OCMFA Services Fund, Information Technology Radio System Debt Service Fund, reported \$231,975 and \$254,607 payable to COTPA at June 30, 2021 and June 30, 2020, respectively, for prefunding related to the new P25 Radio System.

VI. B. INTERFUND TRANSFERS AND PAYMENTS

Payments To/From the City

		<u>2021</u>		<u>2020</u>	
		PAYMENTS TO		PAYMENTS TO	
	<u>Purpose</u>	<u>General Purpose Fund</u>	<u>OCMFA Services Fund</u>	<u>General Purpose Fund</u>	<u>OCMFA Services Fund</u>
<u>PAYMENTS FROM</u>					
City General Fund	Operating subsidies	\$2,372,323	\$ -	\$2,515,701	\$ -
City Information Technology Fund	Capital funding	-	672,820	-	656,428
City Risk Management Fund	Capital funding	-	-	-	20,510
City Capital Improvement Fund	Capital funding	-	-	286,718	-
		<u>\$2,372,323</u>	<u>\$672,820</u>	<u>\$2,802,419</u>	<u>\$676,938</u>

		<u>2021</u>		<u>2020</u>	
		PAYMENTS FROM		PAYMENTS FROM	
	<u>Purpose</u>	<u>General Purpose Fund</u>	<u>OCMFA Services Fund</u>	<u>General Purpose Fund</u>	<u>OCMFA Services Fund</u>
<u>PAYMENTS TO</u>					
City Information Technology Fund	Cost reimbursement	\$1,981,594	\$ -	\$243,000	\$ -
City Special Purpose Fund	Park Improvements	-	-	1,000,000	-
		<u>\$1,981,594</u>	<u>\$-</u>	<u>\$1,243,000</u>	<u>\$-</u>

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Combining Financial Statements

Combining Statements for the OCMFA Services Fund

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

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

**COMBINING STATEMENT OF NET POSITION
OCMFA SERVICES FUND
June 30, 2021**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management					Information Technology	Total
	Health Care	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management		
	Insurance	Compensation	Liability	Insurance	Management		
ASSETS							
CURRENT ASSETS							
Non-pooled cash-----	\$ -	\$ -	\$ -	\$ -	\$ -	\$558,940	\$558,940
Investments-----	16,198,521	28,821,549	4,687,299	58,142	49,765,511	1,287,044	51,052,555
Accounts receivable, net-----	3,210	10,427	-	-	13,637	-	13,637
Interest, dividends and royalties receivable-----	59,878	173,363	17,347	215	250,803	4,756	255,559
Due within the Authority-----	97,110	(134,379)	28,706	120	(8,443)	8,726	283
Receivable from the City of Oklahoma City-----	-	37,115	-	-	37,115	42,977	80,092
Receivable from component units-----	-	-	-	-	-	37,781	37,781
Intergovernmental receivables-----	-	-	63,222	-	63,222	-	63,222
Notes receivable-----	-	506,613	-	-	506,613	-	506,613
Prepays-----	-	3,105	507,168	-	510,273	23,642	533,915
Total current assets-----	16,358,719	29,417,793	5,303,742	58,477	51,138,731	1,963,866	53,102,597
NON-CURRENT ASSETS							
Notes receivable-----	-	1,852,116	-	-	1,852,116	-	1,852,116
Receivable from the City of Oklahoma City-----	-	4,228,151	-	-	4,228,151	1,448,827	5,676,978
Capital assets:							
Other capital assets,							
net of accumulated depreciation-----	-	61,990	-	-	61,990	8,893,553	8,955,543
Capital assets, net-----	-	61,990	-	-	61,990	8,893,553	8,955,543
Total non-current assets-----	-	6,142,257	-	-	6,142,257	10,342,380	16,484,637
Total assets-----	16,358,719	35,560,050	5,303,742	58,477	57,280,988	12,306,246	69,587,234
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued expenses-----	1,316,425	528,074	294,697	33,031	2,172,227	36,367	2,208,594
Payable to the City of Oklahoma City-----	3,047	8,986	4,639,166	25,446	4,676,645	1,497,427	6,174,072
Payable to component units-----	-	-	-	-	-	22,632	22,632
Interest payable-----	-	-	-	-	-	50,952	50,952
Notes and estimated claims payable-----	1,312,714	9,197,000	369,879	-	10,879,593	667,007	11,546,600
Total current liabilities-----	2,632,186	9,734,060	5,303,742	58,477	17,728,465	2,274,385	20,002,850
NON-CURRENT LIABILITIES							
Payable to component units-----	-	-	-	-	-	209,343	209,343
Notes and estimated claims payable-----	-	25,764,000	-	-	25,764,000	7,263,226	33,027,226
Payable to the City of Oklahoma City-----	-	-	-	-	-	1,269,007	1,269,007
Total non-current liabilities-----	-	25,764,000	-	-	25,764,000	8,741,576	34,505,576
Total liabilities-----	2,632,186	35,498,060	5,303,742	58,477	43,492,465	11,015,961	54,508,426
NET POSITION							
Net investment in capital assets-----	-	61,990	-	-	61,990	1,290,285	1,352,275
Unrestricted-----	13,726,533	-	-	-	13,726,533	-	13,726,533
Total net position-----	\$13,726,533	\$61,990	\$ -	\$ -	\$13,788,523	\$1,290,285	\$15,078,808

**COMBINING STATEMENT OF NET POSITION
OCMFA SERVICES FUND
June 30, 2020**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management					Information Technology	Total
	Health Care Insurance	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management		
ASSETS							
CURRENT ASSETS							
Pooled cash-----	\$239,047	\$386,728	\$63,075	\$470	\$689,320	\$27,949	\$717,269
Non-pooled cash-----	-	-	-	-	-	3,422,545	3,422,545
Investments-----	13,319,137	31,405,987	3,491,951	33,494	48,250,569	1,471,699	49,722,268
Accounts receivable, net-----	64,612	-	-	-	64,612	-	64,612
Interest, dividends and royalties receivable-----	55,908	207,998	14,650	141	278,697	6,152	284,849
Receivable from the City of Oklahoma City-----	45,016	438,805	-	143,154	626,975	2,590	629,565
Intergovernmental receivables-----	-	-	63,222	-	63,222	-	63,222
Notes receivable-----	-	735,047	-	-	735,047	-	735,047
Prepays-----	-	-	464,889	-	464,889	26,284	491,173
Total current assets-----	13,723,720	33,174,565	4,097,787	177,259	51,173,331	4,957,219	56,130,550
NON-CURRENT ASSETS							
Notes receivable-----	-	1,982,339	-	-	1,982,339	-	1,982,339
Receivable from the City of Oklahoma City-----	-	68,463	-	-	68,463	1,590,204	1,658,667
Capital assets:							
Other capital assets,							
net of accumulated depreciation-----	-	123,980	-	-	123,980	7,321,622	7,445,602
Capital assets, net-----	-	123,980	-	-	123,980	7,321,622	7,445,602
Total non-current assets-----	-	2,174,782	-	-	2,174,782	8,911,826	11,086,608
Total assets-----	13,723,720	35,349,347	4,097,787	177,259	53,348,113	13,869,045	67,217,158
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued expenses-----	1,419,981	495,635	18,976	177,259	2,111,851	50,207	2,162,058
Payable to the City of Oklahoma City-----	2,463	4,080,732	3,862,800	-	7,945,995	1,613,345	9,559,340
Payable to component units-----	-	-	-	-	-	22,632	22,632
Interest payable-----	-	-	-	-	-	55,129	55,129
Notes and estimated claims payable-----	1,215,561	7,590,000	216,011	-	9,021,572	650,188	9,671,760
Total current liabilities-----	2,638,005	12,166,367	4,097,787	177,259	19,079,418	2,391,501	21,470,919
NON-CURRENT LIABILITIES							
Payable to component units-----	-	-	-	-	-	231,975	231,975
Estimated claims payable-----	-	23,059,000	-	-	23,059,000	7,930,232	30,989,232
Payable to the City of Oklahoma City-----	-	-	-	-	-	1,406,197	1,406,197
Total non-current liabilities-----	-	23,059,000	-	-	23,059,000	9,568,404	32,627,404
Total liabilities-----	2,638,005	35,225,367	4,097,787	177,259	42,138,418	11,959,905	54,098,323
NET POSITION							
Net investment in capital assets-----	-	123,980	-	-	123,980	1,909,140	2,033,120
Unrestricted-----	11,085,715	-	-	-	11,085,715	-	11,085,715
Total net position-----	\$11,085,715	\$123,980	\$ -	\$ -	\$11,209,695	\$1,909,140	\$13,118,835

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

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management						Information Technology	Total
	Health Care Insurance	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management			
<u>OPERATING REVENUES</u>								
Service charges-----	\$60,578,613	\$ -	\$ -	\$ -	\$60,578,613	\$ -	\$60,578,613	
Licenses, permits, and fees-----	43,795	-	-	-	43,795	-	43,795	
Other-----	1,195,475	-	-	-	1,195,475	-	1,195,475	
Total operating revenues-----	61,817,883	-	-	-	61,817,883	-	61,817,883	
<u>OPERATING EXPENSES</u>								
Maintenance, operations, and contractual services-----	59,193,821	-	-	-	59,193,821	-	59,193,821	
Materials and supplies-----	1,483	-	-	-	1,483	-	1,483	
Depreciation-----	-	61,990	-	-	61,990	1,291,675	1,353,665	
Total operating expenses-----	59,195,304	61,990	-	-	59,257,294	1,291,675	60,548,969	
Operating income (loss)-----	2,622,579	(61,990)	-	-	2,560,589	(1,291,675)	1,268,914	
<u>NON-OPERATING EXPENSE</u>								
Investment income-----	18,239	-	-	-	18,239	-	18,239	
Payments from the City of Oklahoma City-----	-	-	-	-	-	672,820	672,820	
Net non-operating revenue-----	18,239	-	-	-	18,239	672,820	691,059	
Changes in net position-----	2,640,818	(61,990)	-	-	2,578,828	(618,855)	1,959,973	
Total net position, beginning-----	11,085,715	123,980	-	-	11,209,695	1,909,140	13,118,835	
Total net position, ending-----	\$13,726,533	\$61,990	\$ -	\$ -	\$13,788,523	\$1,290,285	\$15,078,808	

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
OCMFA SERVICES FUND
For the Year Ended June 30, 2020**

**OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY**

	Risk Management					Information Technology	Total
	Health Care Insurance	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management		
<u>OPERATING REVENUES</u>							
Service charges-----	\$60,285,180	\$-	\$-	\$-	\$60,285,180	\$-	\$60,285,180
Licenses, permits and fees-----	46,969	-	-	-	46,969	-	46,969
Other-----	1,281,811	-	-	-	1,281,811	-	1,281,811
Total operating revenues-----	61,613,960	-	-	-	61,613,960	-	61,613,960
<u>OPERATING EXPENSES</u>							
Maintenance, operations, and contractual services-----	58,063,469	-	-	-	58,063,469	-	58,063,469
Materials and supplies-----	7,447	-	-	-	7,447	-	7,447
Depreciation-----	-	56,056	-	-	56,056	1,013,404	1,069,460
Total operating expenses-----	58,070,916	56,056	-	-	58,126,972	1,013,404	59,140,376
Operating income (loss)-----	3,543,044	(56,056)	-	-	3,486,988	(1,013,404)	2,473,584
<u>NON-OPERATING EXPENSE</u>							
Investment income-----	350,839	-	-	-	350,839	-	350,839
Payments from the City of Oklahoma City-----	-	20,510	-	-	20,510	656,428	676,938
Net non-operating revenue	350,839	20,510	-	-	371,349	656,428	1,027,777
Changes in net position-----	3,893,883	(35,546)	-	-	3,858,337	(356,976)	3,501,361
Total net position, beginning-----	7,191,832	159,526	-	-	7,351,358	2,266,116	9,617,474
Total net position, ending-----	\$11,085,715	\$123,980	\$ -	\$ -	\$11,209,695	\$1,909,140	\$13,118,835

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

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	Risk Management						
	Health	Property		Unemployment		Total	Information Technology
	Care	Worker's	and	Insurance	Risk	Management	
<u>Insurance</u>	<u>Compensation</u>	<u>Liability</u>	<u>Insurance</u>	<u>Management</u>	<u>Technology</u>	<u>Total</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Cash received from customers-----	\$61,817,883	\$ -	\$ -	\$ -	\$61,817,883	\$ -	\$61,817,883
Cash payments to suppliers for goods and services-----	(59,174,686)	(11,523,049)	(3,495,510)	(347,105)	(74,540,350)	(5,095,482)	(79,635,832)
Cash payments for internal services-----	(17,134)	-	-	-	(17,134)	-	(17,134)
Operating payments from the City of Oklahoma City-----	-	358,657	-	-	358,657	-	358,657
Cost reimbursements from (to) other funds-----	-	7,993,294	4,624,458	371,370	12,989,122	5,744,120	18,733,242
Net cash provided (used) by operating activities-----	2,626,063	(3,171,098)	1,128,948	24,265	608,178	648,638	1,256,816
Net cash provided by non-capital financing activities-----	-	-	-	-	-	-	-
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>							
Payments for acquisition and construction of capital assets-----	-	-	-	-	-	(2,863,606)	(2,863,606)
Principal paid on long-term debt-----	-	-	-	-	-	(650,188)	(650,188)
Interest paid on long-term debt-----	-	-	-	-	-	(216,366)	(216,366)
Net cash provided (used) by capital and related financing activities-----	-	-	-	-	-	(3,730,160)	(3,730,160)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>							
Changes in pooled investments-----	(3,026,744)	2,259,221	(1,240,467)	(24,950)	(2,032,940)	162,116	(1,870,824)
Investment income received-----	160,638	522,420	48,202	213	731,473	27,721	759,194
Purchased interest-----	996	2,729	242	2	3,969	131	4,100
Net cash provided (used) by investing activities-----	(2,865,110)	2,784,370	(1,192,023)	(24,735)	(1,297,498)	189,968	(1,107,530)
Net decrease in cash-----	(239,047)	(386,728)	(63,075)	(470)	(689,320)	(2,891,554)	(3,580,874)
Cash, beginning-----	239,047	386,728	63,075	470	689,320	3,450,494	4,139,814
Cash, ending-----	\$ -	\$ -	\$ -	\$ -	\$ -	\$558,940	\$558,940
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Operating income (loss)-----	\$2,622,579	(\$61,990)	\$ -	\$ -	\$2,560,589	(\$1,291,675)	\$1,268,914
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Depreciation-----	-	61,990	-	-	61,990	1,291,675	1,353,665
Other revenue (expense)-----	(5)	229,558	(6,022)	13	223,544	208,271	431,815
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	61,402	(10,427)	-	-	50,975	-	50,975
(Increase) decrease in receivable from the City of Oklahoma City-----	(52,094)	(3,659,817)	(28,706)	143,034	(3,597,583)	765,086	(2,832,497)
(Increase) decrease in receivable from component units-----	-	-	-	-	-	(37,781)	(37,781)
(Increase) decrease in prepaid assets-----	-	(3,105)	(42,279)	-	(45,384)	2,642	(42,742)
Increase (decrease) in accounts payable and accrued expenses-----	(103,556)	32,439	275,721	(144,228)	60,376	(13,840)	46,536
Increase (decrease) in payable to the City of Oklahoma City-----	584	(4,071,746)	776,366	25,446	(3,269,350)	(253,108)	(3,522,458)
Increase (decrease) in payable to component unit-----	-	-	-	-	-	(22,632)	(22,632)
Increase (decrease) in long-term liabilities-----	-	-	153,868	-	153,868	-	153,868
Increase (decrease) in notes, lease, and estimated claims payable--	97,153	4,312,000	-	-	4,409,153	-	4,409,153
Total adjustments-----	3,484	(3,109,108)	1,128,948	24,265	(1,952,411)	1,940,313	(12,098)
Net cash provided (used) by operating activities-----	\$2,626,063	(\$3,171,098)	\$1,128,948	\$24,265	\$608,178	\$648,638	\$1,256,816
<u>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>							
Net increase (decrease) in fair value of investments-----	(147,365)	(325,215)	(45,119)	(302)	(518,001)	(22,620)	(540,621)
Total non-cash investing, capital, and financing activities-----	(\$147,365)	(\$325,215)	(\$45,119)	(\$302)	(\$518,001)	(\$22,620)	(\$540,621)

COMBINING STATEMENT OF CASH FLOWS
OCMFA SERVICES FUND
For the Year Ended June 30, 2020

OKLAHOMA CITY MUNICIPAL
FACILITIES AUTHORITY

	Risk Management						
	Health Care Insurance	Worker's Compensation	Property and Liability	Unemployment Insurance	Total Risk Management	Information Technology	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Cash received from customers-----	\$61,533,049	\$ -	\$ -	\$ -	\$61,533,049	\$ -	\$61,533,049
Cash payments to suppliers for goods and services-----	(57,522,854)	(9,040,779)	(2,698,719)	(96,268)	(69,358,620)	(4,817,656)	(74,176,276)
Cash payments for internal services-----	(19,862)	-	-	-	(19,862)	-	(19,862)
Cost reimbursements from (to) other funds-----	-	-	3,003,288	70,206	3,073,494	5,649,429	8,722,923
Net cash provided (used) by operating activities-----	3,990,333	(9,040,779)	304,569	(26,062)	(4,771,939)	831,773	(3,940,166)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>							
Transfers paid to other funds-----	-	581,815	-	-	581,815	-	581,815
Net cash provided by non-capital financing activities-----	-	581,815	-	-	581,815	-	581,815
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>							
Payments for acquisition and construction of capital assets-----	-	(20,510)	-	-	(20,510)	(489,031)	(509,541)
Principal paid on long-term debt-----	-	-	-	-	-	(633,795)	(633,795)
Interest paid on long-term debt-----	-	-	-	-	-	(232,759)	(232,759)
Proceeds from sale of assets-----	-	-	-	-	-	12,196	12,196
Net cash provided (used) by capital and related financing activities-----	-	(20,510)	-	-	(20,510)	(1,343,389)	(1,363,899)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>							
Changes in pooled investments-----	(3,937,554)	8,104,667	(306,667)	26,040	3,886,486	8,614	3,895,100
Investment income received-----	183,436	746,408	64,076	467	994,387	41,392	1,035,779
Purchased interest-----	2,832	15,127	1,097	25	19,081	528	19,609
Net cash provided (used) by investing activities-----	(3,751,286)	8,866,202	(241,494)	26,532	4,899,954	50,534	4,950,488
Net increase (decrease) in cash-----	239,047	386,728	63,075	470	689,320	(461,082)	228,238
Cash, beginning-----	-	-	-	-	-	3,911,576	3,911,576
Cash, ending-----	\$239,047	\$386,728	\$63,075	\$470	\$689,320	\$3,450,494	\$4,139,814
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Operating income (loss)-----	\$3,543,044	(\$56,056)	\$ -	\$ -	\$3,486,988	(\$1,013,404)	\$2,473,584
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Depreciation-----	-	56,056	-	-	56,056	1,013,404	1,069,460
Other revenue (expense)-----	-	(1,097,770)	(116,607)	(600)	(1,214,977)	151,205	(1,063,772)
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	(64,612)	-	-	-	(64,612)	-	(64,612)
(Increase) decrease in receivable from the City of Oklahoma City-----	(80,911)	(245,438)	51,247	(143,380)	(418,482)	(3,998,829)	(4,417,311)
(Increase) decrease in receivable from component units-----	-	-	-	-	-	18,228	18,228
(Increase) decrease in prepaid assets-----	-	-	275,160	-	275,160	(3,203)	271,957
Increase (decrease) in accounts payable and accrued expenses-----	579,758	77,181	14,745	131,846	803,530	(135,756)	667,774
Increase (decrease) in payable to the City of Oklahoma City-----	1,928	(9,391,752)	37,317	(13,928)	(9,366,435)	4,822,760	(4,543,675)
Increase (decrease) in payable to component unit-----	-	-	-	-	-	(22,632)	(22,632)
Increase (decrease) in long-term liabilities-----	-	-	42,707	-	42,707	-	42,707
Increase (decrease) in notes, lease, and estimated claims payable-----	11,126	1,617,000	-	-	1,628,126	-	1,628,126
Total adjustments-----	447,289	(8,984,723)	304,569	(26,062)	(8,258,927)	1,845,177	(6,413,750)
Net cash provided (used) by operating activities-----	\$3,990,333	(\$9,040,779)	\$304,569	(\$26,062)	(\$4,771,939)	\$831,773	(\$3,940,166)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>							
Net increase (decrease) in fair value of investments-----	\$141,335	\$435,973	\$47,917	\$176	\$625,401	\$22,376	\$647,777
Total non-cash investing, capital, and financing activities-----	\$141,335	\$435,973	\$47,917	\$176	\$625,401	\$22,376	\$647,777

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Oklahoma City Municipal Facilities Authority (Authority), a blended component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2021 and 2020, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 19, 2021.

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) to determine the 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. 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.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2021
Wichita, Kansas

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