



# **Oklahoma City Economic Development Trust**

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

Annual Financial Report | for the Fiscal Years ended June 30, 2024 and 2023

# **OKLAHOMA CITY ECONOMIC DEVELOPMENT TRUST**

A Discrete Component Unit of  
Oklahoma City, Oklahoma

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Craig Freeman, General Manager

Kenton Tsoodle, Surrogate General Manager

Annual Financial Report for the Fiscal Years Ended June 30, 2024 and 2023

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



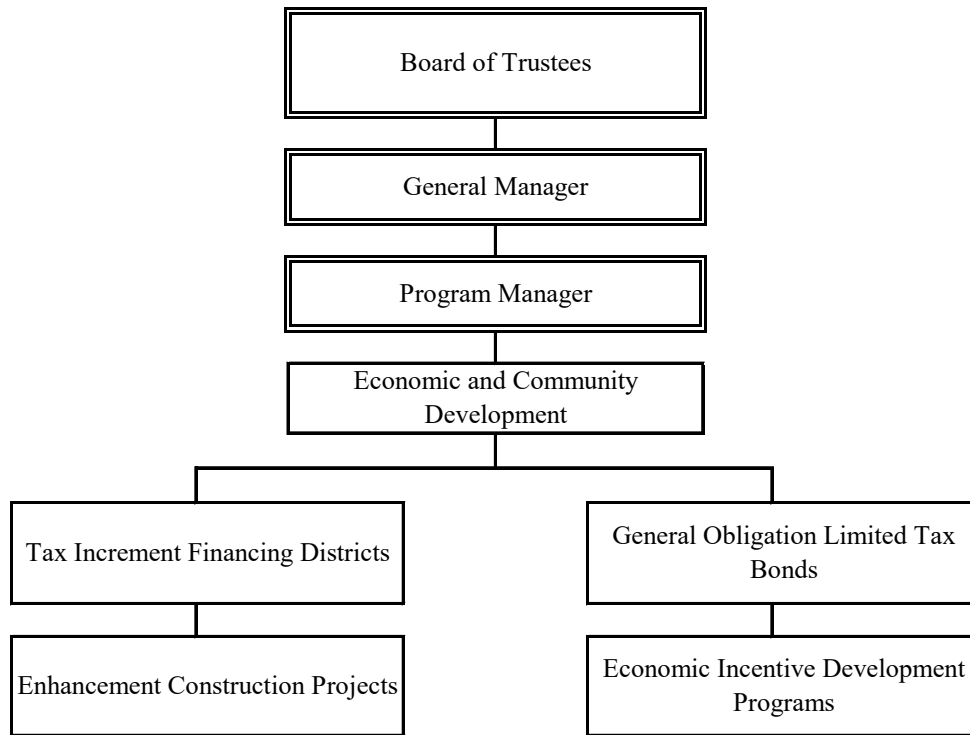
# OKLAHOMA CITY ECONOMIC DEVELOPMENT TRUST

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# Oklahoma City Economic Development Trust Organization Chart



# **Introductory Section**



# The City of **OKLAHOMA CITY**

September 5, 2025

The Board of Trustees  
Oklahoma City Economic Development Trust

The Oklahoma City Economic Development Trust (Trust) annual financial report (annual report) provides a comprehensive overview of the Trust's financial position and the results of operations during the fiscal years ended June 30, 2024 and 2023. It complies with reporting requirements specified by Oklahoma State Statutes. The Oklahoma City Finance Department, Accounting Services Division, prepared this report in compliance with generally accepted accounting principles in the United States (U.S. GAAP). It is fairly stated in all material respects. Responsibility for the accuracy of the reported information and the completeness and fairness of the presentation, including disclosures, rests with the Trust.

The Trust's annual report includes the reports of independent auditor, management's discussion and analysis (MD&A), financial statements, and related notes. Management's narrative on the financial activities of the Trust for fiscal years ended June 30, 2024 and 2023, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Trust's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Trust. The Trust is a discretely presented component unit of the City of Oklahoma City (City) and, as such, is included within the City's Annual Comprehensive Financial Report (ACFR).

The Trust was established by City Council resolution on October 9, 2007, to support the City's economic and community development goals. With the approval of an initial \$75.00 million general obligation limited tax (GOLT) bond authorization by the citizens in 2007, the Trust developed the Strategic Investment Program that incentivizes companies to locate or expand in Oklahoma City. An additional authorization of \$60.00 million was approved in 2017 to continue the goals set by the Program. Since inception in 2007, the Trust has entered into agreements that allocated approximately \$78.72 million in GOLT funds that are currently projected to lead to the creation of approximately 17,205 jobs with an estimated payroll of \$975.29 million and an investment of \$1.45 billion. Through 2024, 9,651 jobs have been created through the Strategic Investment Program, earning incentive payments of \$55.94 million.

The Trust supports the City's economic and community development endeavors by supporting many of the City's tax increment finance (TIF) districts.

TIF districts #2 and #3 were created for continuing downtown redevelopment projects. Completed projects under the TIFs include the Skirvin Hotel development along with various residential projects. In 2024, the Trust provided \$321 thousand to Heartland for property tax incentives, \$1.00 million for the West Village residential development, and \$2.16 million to Oklahoma County for capital improvements.

TIF districts #4 and #5 were created for continuing development around the Dell Business Services Center along the Oklahoma River. Completed projects under these TIFs include the Dell Business Services Center and surrounding improvements, including the river landing and trails along the surrounding land.

TIF district #8 was created for continuing downtown redevelopment projects centered around the Devon Tower and Project 180. Project 180 includes landscaping, public art, marked bike lines, decorative street lights, on-street parking and improvements to downtown park areas. Completed projects under TIF #8 include the associated construction and groundscape of the completed Devon tower and several phases of Project 180.

TIF districts #9 and #15 were created to support public and private redevelopment in Northeast Oklahoma City. Bright spots in TIF #9 include EastPoint, which houses retail, restaurants, and a grocery store. TIF #15 projects include a Homeland grocery store, which brings food and groceries to a part of the City that was classified as a food desert.

TIF district #10 was created to renovate the First National Center in downtown Oklahoma City.

TIF district #12 was created for the development of the Wheeler District Project located within the Western Gateway Project Area.

TIF district #13 was created for the development of the Convention Center Hotel Project located in the Core to Shore Project Area.

TIF district #14 was created for the development of the First Americans Museum Project located just east of downtown Oklahoma City currently featuring the museum with the new Okana resort and waterpark currently under construction. In 2024, the Trust provided \$78 thousand for the Okana resort.

The GOLT bond funds are used to fund the Strategic Investment Program (SIP) and aid in projects that improve the economic development within the City. In 2024 and 2023, the Trust provided \$2.51 million and \$747 thousand, respectively, through the SIP to enhance economic growth. The Trust did not provide funding in 2024 under the affordable housing program. In 2023, the Trust provided \$2.00 million under the affordable housing program.

Oklahoma City and Oklahoma County, along with the surrounding counties, are an important source of economic stimulus for the region. Oklahoma City's economy continues to grow as shown by major economic indicators including jobs, per capita income, personal income, real estate values, and taxable retail sales.

Dr. Russell Evans, Partner and Chief Economist at the Thorberg Collectorate, provides an annual economic outlook to City leaders in February. This year's forecast considered the national level forces impact on the City and opined that major macroeconomic indicators point to slowing economic activity in 2024. The posture of both markets and policymakers is hopeful that as economic activity slows, interest rates can fall. This golden path would allow financial conditions to loosen in the very moment that the economy is on the edge of contraction, allowing inflation to trace a path to policy's 2% target without the economy experiencing a recession. The soft-landing scenario is certainly one possible outcome for the coming year and is the base case presented in this outlook.

Balancing the City's strong position through conservative budgeting and healthy reserves, with the risk of economic disruption at a national level from efforts to exit the current inflationary period; Dr Evans recommended a moderate path forward with limited growth expected in the primary revenue sources for the City.

As he forecasted the City's short term economic path he was of the opinion that Oklahoma City has the strongest foundation of economic geography in the state. Continued investment in urban amenities and a recognition of the fragility of previous economic success will serve the city well. In 2024 economic growth will be harder to achieve and still exposed to downside risk. Nonetheless, we expect Oklahoma City to experience modest growth in employment and income, continued population growth, and to be well-positioned for future prosperity as this economic cycle concludes.

Oklahoma City continues to gain recognition as an outstanding place to work, live, and visit. Oklahoma City ranked No. 1 as the least expensive metro for rent in January 2023, according to Realtor.com, which analyzed rental data across the nation's 50 largest metropolitan areas. WalletHub also ranked Oklahoma City No. 10 among the best state capitals to live in, evaluating factors such as affordability, economic well-being, and quality of life. Additionally, CNN Travel highlighted Oklahoma City as one of the top 22 underrated destinations in the United States, citing attractions like OKC RIVERSPORT and Historic Route 66. Oklahoma City's First Americans Museum (FAM) was honored with the prestigious 2022 Phoenix Award from the Society of American Travel Writers for its outstanding contribution to travel experiences. Moreover, the City earned a AAA rating from Moody's and S&P for the 14th consecutive year, maintaining the highest rating awarded by both agencies.

The City seeks to regularly engage residents to determine how we are meeting their expectations. On October 22, 2024, Ryan Murray, of ETC Institute, presented the results of the annual Resident Satisfaction Survey that was conducted in the summer of 2024. The report showed that two out of three residents rated Oklahoma City as being either an “excellent” or “good” place to live (80%), work (74%), and raise children (66%). Sixty-nine percent (69%) of residents gave Oklahoma City ratings of “excellent” or “good” as a City that is moving in the right direction.

The five Trustees are nominated by the Mayor and confirmed by the City Council. the Trust participates in the City's comprehensive accounting and budgetary system. Interim financial statements provide Trust management and other interested readers with regular financial analyses. Additionally, the Trust's management maintains budgetary controls to ensure compliance with effective financial oversight.

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

Respectfully submitted:



Craig Freeman  
General Manager



Joanna McSpadden  
Economic Development  
Program Manager



Alex Fedak, CPA  
Controller



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## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
**Oklahoma City Economic Development Trust**  
Oklahoma City, Oklahoma

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

#### ***Opinions***

We have audited the financial statements of the governmental activities of the Oklahoma City Economic Development Trust (Trust), a discrete component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2024 and 2023, the financial statements of each major fund of the Trust as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities as of June 30, 2024 and 2023, and each major fund of the Trust as of June 30, 2024, and the respective changes in its financial position for governmental activities for the years ended June 30, 2024 and 2023, and for each major fund for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Other Matter***

The fund financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended June 30, 2023, from which such summarized information was derived.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

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

limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2025 on our consideration of the Trust'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 Trust'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 Trust's internal control over financial reporting and compliance.

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

Wichita, KS  
September 5, 2025



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Economic Development Trust (Trust) annual financial report, the Trust's management provides narrative discussion and analysis of the financial activities of the Trust for the fiscal years ended June 30, 2024 and 2023. The Trust'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 Trust is a discretely presented component unit of the City of Oklahoma City (City).

### *Financial Summary*

- Trust assets and deferred outflows exceeded liabilities and deferred inflows by \$16,553,132 (net position) for 2024. Trust liabilities and deferred inflows exceeded assets and deferred outflows by \$9,718,809 (net deficit) for 2023.
- Total net position (deficit) is comprised of the following:
  - (1) Net investment in capital assets, of (\$10,220,566) and (\$10,113,230) for 2024 and 2023, respectively, include property and equipment, net of accumulated depreciation and related debt.
  - (2) Restricted for debt service of \$18,937,581 and \$18,989,905 for 2024 and 2023, respectively, are constrained for repayment of debt service.
  - (3) Restricted net position for public services of \$79,382,454 and \$71,550,688 for 2024 and 2023, respectively, is constrained for general obligation limited tax (GOLT) bond related economic development.
  - (4) Unrestricted deficit is (\$71,546,337) for 2024 and (\$90,146,172) for 2023.
- The Trust's governmental funds reported total ending fund balance totaling \$191,916,177 in 2024 and ending fund balance of \$182,761,188 in 2023, showing an increase of \$9,154,989 during the current year.

### *Overview of the Financial Statements*

This discussion and analysis introduces the Trust's basic financial statements. The basic financial statements include: (1) statement of net position (deficit), (2) statement of activities, (3) balance sheet, (4) statement of revenues, expenditures, and changes in fund balances, and (5) notes to the financial statements.

### **Trust-wide Financial Statements**

The Trust's annual report includes two Trust-wide financial statements. These statements provide both long-term and short-term information about the overall status of the Trust and are presented to demonstrate the extent to which the Trust has met its operating objectives efficiently and effectively using all the resources available and whether the Trust can continue to meet its objectives in the foreseeable future. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these statements is the statement of net position. This statement presents information that includes all of the Trust's assets and liabilities, with the difference reported as net position. Increases or decreases in net position may indicate whether the financial position of the Trust, as a whole, is improving or deteriorating, identify financial strengths and weaknesses, and be used to assess liquidity.

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

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Trust has four funds, all of which are governmental funds. All of the funds of the Trust are reported as major funds.

#### Governmental Funds

The governmental funds are reported in the fund financial statements and report the economic development function as reported in the Trust-wide financial statements. Fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements and the commitment of spendable resources for the near-term.

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

### Notes to the Financial Statements

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

### Financial Analysis

The Trust had a net position of \$16,553,132 at June 30, 2024, and a net deficit of \$9,718,809 at June 30, 2023. The overall financial condition of the Trust improved in fiscal year 2024.

Summary of Net Position (Deficit)							
			2024-2023	2024-2023		2023-2022	2023-2022
			Amount	%		Amount	%
	<u>2024</u>	<u>2023</u>	<u>of Change</u>	<u>Change</u>	<u>2022</u>	<u>of Change</u>	<u>Change</u>
<b>Assets</b>							
Current assets	\$174,943,740	\$151,876,919	\$23,066,821	15.2%	\$133,739,328	\$18,137,591	13.6%
Capital assets, net	18,147,395	20,861,700	(2,714,305)	(13.0)	40,443,625	(19,581,925)	(48.4)
Other non-current assets	<u>45,232,036</u>	<u>49,176,438</u>	<u>(3,944,402)</u>	(8.0)	<u>47,365,890</u>	<u>1,810,548</u>	3.8
<b>Total assets</b>	<b><u>238,323,171</u></b>	<b><u>221,915,057</u></b>	<b><u>16,408,114</u></b>	7.4	<b><u>221,548,843</u></b>	<b><u>366,214</u></b>	0.2
<b>Deferred outflows</b>	<b><u>2,752,652</u></b>	<b><u>3,107,833</u></b>	<b><u>(355,181)</u></b>	(11.4)	<b><u>3,463,014</u></b>	<b><u>(355,181)</u></b>	(10.3)
<b>Liabilities</b>							
Current liabilities	35,977,169	27,720,724	8,256,445	29.8	24,639,235	3,081,489	12.5
Non-current liabilities	<u>187,559,710</u>	<u>205,934,054</u>	<u>(18,374,344)</u>	(8.9)	<u>223,270,977</u>	<u>(17,336,923)</u>	(7.8)
<b>Total liabilities</b>	<b><u>223,536,879</u></b>	<b><u>233,654,778</u></b>	<b><u>(10,117,899)</u></b>	(4.3)	<b><u>247,910,212</u></b>	<b><u>(14,255,434)</u></b>	(5.8)
<b>Deferred inflows</b>	<b><u>985,812</u></b>	<b><u>1,086,921</u></b>	<b><u>(101,109)</u></b>	(9.3)	<b><u>2,688,030</u></b>	<b><u>(1,601,109)</u></b>	(59.6)
<b>Net position (deficit)</b>							
Net investment in capital assets	(10,220,566)	(10,113,230)	(107,336)	(1.1)	6,844,858	(16,958,088)	(247.7)
Restricted for debt service	18,937,581	18,989,905	(52,324)	(0.3)	10,609,449	8,380,456	79.0
Restricted for public services	79,382,454	71,550,688	7,831,766	10.9	69,442,046	2,108,642	3.0
Unrestricted	<u>(71,546,337)</u>	<u>(90,146,172)</u>	<u>18,599,835</u>	20.6	<u>(112,482,738)</u>	<u>22,336,566</u>	19.9
<b>Total net position (deficit)</b>	<b><u>\$16,553,132</u></b>	<b><u>(\$9,718,809)</u></b>	<b><u>\$26,271,941</u></b>	270.3	<b><u>(\$25,586,385)</u></b>	<b><u>\$15,867,576</u></b>	62.0

Current assets increased by \$23.06 million and \$18.14 million in fiscal years 2024 and 2023, respectively. Cash and investments increased \$25.65 million in 2024 and \$5.31 million in 2023 primarily due to balances held for bonded debt payments. Property taxes receivable, accounts receivable, interest receivable and receivable from the City increased in 2024 by \$13.68 million, primarily due to an increase in the interest receivable of \$836 thousand related to investment activity, an increase in the receivable from the City of \$7.42 million for sales tax incentive funds and for the First Americans Museum operating costs, and an increase in accounts receivable of \$5.23 million for unspent amounts related to payments to the Oklahoma City Industrial and Cultural Facilities Trust for the purchase of an economic development mega site. Property taxes receivable, accounts receivable, interest receivable and receivable from the City decreased by \$1.57 million in 2023 primarily for a decrease in the receivable from the City due to the Trust no longer being eligible for tax incentives related to the Skirvin project as well as the Trust receiving a significant amount of past due Dell tax incentive funds. Receivable from component units decreased \$15.08 million in 2024 and increased in 2023 from the Trust's share of the proceeds related to the sale of the Skirvin property. Intergovernmental advance funding decreased by \$25 thousand in 2023 due to additional work performed at the Oklahoma County Annex building. In 2024 and 2023, notes and economic incentives receivable decreased by \$1.19 million and \$657 thousand, respectively, due to regular scheduled payments by developers.

Capital assets decreased by \$2.71 million in 2024 primarily due to the sale of parcels of land and by \$19.58 million in 2023 primarily due to a transfer of assets from the Trust to the City.

Other non-current assets decreased by \$3.94 million in 2024 and increased \$1.81 million in 2023 million. Non-current investments remained steady in 2024 and 2023. Non-current notes and economic incentives decreased \$3.94 million due to regularly scheduled payments received for economic activity. Non-current notes and economic incentives receivables increased \$1.81 million in 2023 primarily due to the addition of the Convergence Project for \$5.00 million offset by the regularly scheduled payments received for economic activity.

Deferred outflows decreased \$355 thousand in both 2024 and 2023 related to monthly debt transactions.

Current liabilities increased by \$8.26 million and \$3.08 million in fiscal years 2024 and 2023, respectively. Accounts payable increased \$5.01 million in 2024 and \$1.99 million in 2023, respectively, primarily due to the timing of payments to vendors in both years. Payable to the City of Oklahoma City (City) increased by \$1.07 million and \$92 thousand in 2024 and 2023 primarily due to unspent payments from the City. Notes payable increased \$700 thousand in 2024 and \$800 thousand in 2023 due to the First National Center payments due. Bond interest payable decreased by \$127 thousand in 2024 and \$113 thousand in 2023 for regular debt payments. Current bonds payable increased by \$355 thousand in 2024 and \$315 thousand in 2023, respectively, to meet debt payment schedules. Unearned revenue increased \$1.25 million in 2024 due to unspent funds from the Oklahoma Historical Society for the First American Museum operations.

Non-current liabilities decreased by \$18.37 million in 2024 and \$17.34 million in 2023, primarily due to annual bond payments.

Deferred inflows decreased in 2024 by \$101 thousand due to a decrease in the deferred amount on the refunded Series 2021B Tax Apportionment Bonds. Deferred inflows decreased \$1.60 million in 2023 primarily related to professional fees paid to the First Americans Museum of \$1.50 million.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

<b>Summary of Changes in Net Position (Deficit)</b>							
			2024-2023	2024-2023		2023-2022	2023-2022
			Amount	%		Amount	%
	<u>2024</u>	<u>2023</u>	<u>of Change</u>	<u>Change</u>	<u>2022</u>	<u>of Change</u>	<u>Change</u>
<b>Revenues</b>							
Program revenues							
Operating grants							
& contributions	\$21,567,943	\$31,161,490	(\$9,593,547)	(30.8%)	\$41,973,714	(\$10,812,224)	(25.8%)
Capital grants							
& contributions	2,222,834	-	2,222,834	100.0	-	-	0.0
General revenues	<u>28,615,064</u>	<u>25,400,534</u>	<u>3,214,530</u>	12.7	<u>22,753,136</u>	<u>2,647,398</u>	11.6
<b>Total revenues</b>	<b><u>52,405,841</u></b>	<b><u>56,562,024</u></b>	<b><u>(4,156,183)</u></b>	<b>(7.3)</b>	<b><u>64,726,850</u></b>	<b><u>(8,164,826)</u></b>	<b>(12.6)</b>
<b>Program expenses</b>	<b><u>26,133,900</u></b>	<b><u>40,694,448</u></b>	<b><u>(14,560,548)</u></b>	<b>(35.8)</b>	<b><u>24,064,906</u></b>	<b><u>16,629,542</u></b>	<b>69.1</b>
<b>Changes in net position (deficit)</b>	<b>26,271,941</b>	<b>15,867,576</b>	<b>10,404,365</b>	<b>65.6</b>	<b>40,661,944</b>	<b>(24,794,368)</b>	<b>(61.0)</b>
Beginning net position (deficit)	<u>(9,718,809)</u>	<u>(25,586,385)</u>	<u>15,867,576</u>	62.0	<u>(66,248,329)</u>	<u>40,661,944</u>	61.4
<b>Ending net position (deficit)</b>	<b><u>\$16,553,132</u></b>	<b><u>(\$9,718,809)</u></b>	<b><u>\$26,271,941</u></b>	<b>270.3</b>	<b><u>(\$25,586,385)</u></b>	<b><u>\$15,867,576</u></b>	<b>62.0</b>

Operating grants and contributions decreased by \$9.59 million and \$10.81 million in fiscal years 2024 and 2023, respectively. Payments from the City increased by \$1.37 million in 2024, primarily due to Okana construction sales tax. Payments from the City decreased by \$30.66 million in 2023, primarily related to the \$29.86 million received in fiscal year 2022 for the Trust's Strategic Investment Program (SIP). Restricted investment income increased \$1.87 million and \$4.08 million in 2024 and 2023, respectively, related to economic markets. Special assessments decreased \$260 thousand and increased \$1.11 million in 2024 and 2023, respectively, primarily due to changes in economic incentive loans to developers. In 2024 and 2023, payments from component units decreased by \$15.08 million and increased by \$15.08 million, respectively, due to the Trust's share of the proceeds related to the sale of the Skirvin property in 2023. Capital grants and contributions increased by \$2.22 million in 2024 primarily due to the sale of land. Other operating grants and contributions increased by \$2.50 million in 2024 due to payments from the Oklahoma Historical Society for operations of the First Americans Museum.

General revenues increased \$3.21 million in 2024 primarily due to increased property taxes of \$2.75 million and increased investment income of \$485 thousand, offset by a decrease in other revenue of \$18 thousand. General revenues increased \$2.65 million in 2023 primarily due to increased property taxes of \$3.51 million and increased investment income of \$274 thousand, offset by a decrease to other general revenue of \$1.14 million.

Program expenses decreased by \$14.56 million in 2024 and increased by \$16.63 million in 2023. Professional services increased by \$738 thousand in 2024 and \$1.63 million in 2023 primarily due to economic funding for the expanding operations of the First Americans Museum. Other significant changes in 2024 include an increase of \$2.12 million in economic incentives and contracts to developers, a decrease of \$2.54 million in other services and charges related to forgiveness of debt for affordable housing agreements in 2023, and a decrease of \$332 thousand for interest on debt. Other significant changes in 2023 include an increase of \$18.55 million in assets transferred to the City, a decrease of \$3.44 million in other services and charges related to general economic development activity, and a decrease of \$592 thousand for interest on debt.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

***Governmental Funds***

Governmental funds reported ending fund balances of \$191,916,177 and \$182,761,188 for the years ended June 30, 2024 and 2023, respectively. Of these year-end totals \$235,172 and (\$1,660,720) at June 30, 2024 and 2023, respectively, is unassigned.

***Capital Assets***

The Trust's investment in capital assets, net of accumulated depreciation, for the fiscal years 2024 and 2023 consists of land. See Note II. D. for more information regarding capital assets.

	<b>Capital Assets</b>						
			2024-2023	2024-2023		2023-2022	2023-2022
	2024	2023	Amount	%		Amount	%
			of Change	Change	2022	of Change	Change
<b>Non-Depreciable Assets</b>							
Land	\$18,147,395	\$20,861,700	(\$2,714,305)	(13.0%)	\$20,861,700	\$ -	0.0%
Construction in progress	-	-	-	0.0	3,532,488	(3,532,488)	(100.0)
<b>Total capital assets</b>	<b>18,147,395</b>	<b>20,861,700</b>	<b>(2,714,305)</b>	<b>(13.0)</b>	<b>24,394,188</b>	<b>(3,532,488)</b>	<b>(14.5)</b>
Buildings	-	-	-	0.0	1,758,381	(1,758,381)	(100.0)
Infrastructure	-	-	-	0.0	14,291,056	(14,291,056)	(100.0)
<b>Total depreciable assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>16,049,437</b>	<b>(16,049,437)</b>	<b>(100.0)</b>
<b>Total net capital assets</b>	<b>18,147,395</b>	<b>20,861,700</b>	<b>(2,714,305)</b>	<b>(13.0)</b>	<b>40,443,625</b>	<b>(19,581,925)</b>	<b>(48.4)</b>

Capital assets, net of accumulated depreciation, decreased by \$2.71 million at June 30, 2024. This decrease is due to sale of land. Capital assets, net of accumulated depreciation, decreased by \$19.58 million at June 30, 2023. This decrease is due to a transfer of assets from the Trust to the City of Oklahoma City for \$18.55 million and normal depreciation of \$1.05 million.

***Long-term debt***

At the end of 2024 and 2023, the Trust had total long-term debt outstanding of \$202,225,000 and \$219,190,000, respectively.

	<b>Outstanding Long-term Debt</b>						
			2024 - 2023	2024 - 2023		2023 - 2022	2023 - 2022
	2024	2023	Amount of	%		Amount of	%
			Change	Change	2022	Change	Change
Notes Payable	\$27,500,000	\$28,550,000	(\$1,050,000)	(3.7%)	\$28,800,000	(\$250,000)	(0.9%)
Tax Apportionment Bonds	67,305,000	73,725,000	(6,420,000)	(8.7)	80,105,000	(6,380,000)	(8.0)
Tax Increment Revenue Bonds	29,280,000	36,050,000	(6,770,000)	(18.8)	42,630,000	(6,580,000)	(15.4)
Tax Appropriation Bonds	78,140,000	80,865,000	(2,725,000)	(3.4)	83,505,000	(2,640,000)	(3.2)
	<b>202,225,000</b>	<b>219,190,000</b>	<b>(16,965,000)</b>		<b>235,040,000</b>	<b>(15,850,000)</b>	

The changes in outstanding debt for fiscal years 2024 and 2023 are the result of making principal payments on the bonds. See Note III. C. for more information regarding changes in long-term debt.

**Bond Ratings**

Standard and Poor's rating agency rates the Trust bonds AA+.

***Economic Factors***

The Trust continues to focus on new job and business development within the local market while monitoring the status of the global economy. Growth has been slow in the primary areas of influence, but is trending in the right direction as new entities and developers remain cautious until stability fully returns.

***Contacting the Trust's Financial Management***

This financial report is designed to provide a general overview of the Trust'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.

# **Basic Financial Statements**

## ***Trust-wide Financial Statements***

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

## ***Fund Financial Statements***

*Focus on the Trust'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 Trust-wide financial statements using modified accrual accounting and report the annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.*

**STATEMENTS OF NET POSITION (DEFICIT)**  
**June 30,**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Pooled cash-----	\$1,075,103	\$1,184,714
Non-pooled cash-----	3,595,688	3,359,318
Investments-----	143,289,719	117,769,388
Property taxes receivable-----	6,188,492	5,989,552
Accounts receivable, net-----	5,230,422	-
Interest receivable-----	1,593,540	757,415
Receivable from component units-----	-	15,078,474
Receivable from the City of Oklahoma City-----	10,725,728	3,306,260
Notes and economic incentives receivable-----	3,245,048	4,431,798
Total current assets-----	<u>174,943,740</u>	<u>151,876,919</u>
<b><u>NON-CURRENT ASSETS</u></b>		
Investments-----	6,735,518	6,735,518
Notes and economic incentives receivable-----	38,496,518	42,440,920
Capital assets:		
Land and construction in progress-----	18,147,395	20,861,700
Total capital assets-----	<u>18,147,395</u>	<u>20,861,700</u>
Total non-current assets-----	<u>63,379,431</u>	<u>70,038,138</u>
<b>Total assets-----</b>	<b><u>238,323,171</u></b>	<b><u>221,915,057</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	<b><u>2,752,652</u></b>	<b><u>3,107,833</u></b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses-----	11,775,672	6,762,500
Payable to the City of Oklahoma City-----	2,790,881	1,720,898
Estimated Claims Payable-----	52,500	52,500
Interest payable-----	147,250	152,210
Notes Payable-----	1,750,000	1,050,000
Unearned revenue-----	1,250,000	-
Bond interest payable-----	1,940,866	2,067,616
Bonds payable-----	16,270,000	15,915,000
Total current liabilities-----	<u>35,977,169</u>	<u>27,720,724</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Intergovernmental payable-----	17,578	-
Notes payable-----	25,750,000	27,500,000
Bonds payable:		
Bonds payable-----	158,455,000	174,725,000
Unamortized bond premium-----	3,337,132	3,709,054
Bonds payable, net-----	<u>161,792,132</u>	<u>178,434,054</u>
Total non-current liabilities-----	<u>187,559,710</u>	<u>205,934,054</u>
<b>Total liabilities-----</b>	<b><u>223,536,879</u></b>	<b><u>233,654,778</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	<b><u>985,812</u></b>	<b><u>1,086,921</u></b>
<b><u>NET POSITION (DEFICIT)</u></b>		
Net investment in capital assets-----	(10,220,566)	(10,113,230)
Restricted for: Debt service-----	18,937,581	18,989,905
Public services-----	79,382,454	71,550,688
Unrestricted-----	(71,546,337)	(90,146,172)
<b>Total net position (deficit)-----</b>	<b><u>\$16,553,132</u></b>	<b><u>(\$9,718,809)</u></b>

See accompanying notes to financial statements.



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

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

	<u>2024</u>	<u>2023</u>
<b><u>PROGRAM EXPENSES</u></b>		
Materials and supplies-----	\$264,584	\$ -
Economic incentives and other contracts-----	10,636,016	8,520,953
Professional services-----	3,416,669	2,678,886
Other services and charges-----	895,073	3,438,829
Payments to the City of Oklahoma City-----	-	18,545,282
Payments to component units of the City of Oklahoma City-----	4,769,578	-
Depreciation-----	-	1,045,993
Other debt service-----	27,178	7,800
Interest on debt-----	6,124,802	6,456,705
<b>Total program expenses-----</b>	<b><u>26,133,900</u></b>	<b><u>40,694,448</u></b>
<b><u>PROGRAM REVENUES</u></b>		
<b><u>OPERATING GRANTS AND CONTRIBUTIONS</u></b>		
Payments from the City of Oklahoma City-----	6,948,703	5,576,406
Payments from component units-----	-	15,078,474
Special assessments-----	5,882,669	6,142,396
Restricted investment income-----	6,236,571	4,364,214
Other operating grants and contributions-----	2,500,000	-
<b><u>CAPITAL GRANTS AND CONTRIBUTIONS</u></b>		
Other capital grants and contributions-----	2,222,834	-
<b>Total program revenues-----</b>	<b><u>23,790,777</u></b>	<b><u>31,161,490</u></b>
<b>Net (expense) revenue-----</b>	<b><u>(2,343,123)</u></b>	<b><u>(9,532,958)</u></b>
<b><u>GENERAL REVENUES</u></b>		
Tax increment financing property taxes-----	27,581,755	24,833,874
Investment income-----	722,585	237,663
Other-----	310,724	328,997
<b>Total general revenues-----</b>	<b><u>28,615,064</u></b>	<b><u>25,400,534</u></b>
<b>Change in net position (deficit)-----</b>	<b>26,271,941</b>	<b>15,867,576</b>
Net position (deficit)-beginning-----	(9,718,809)	(25,586,385)
<b>Net position (deficit)-ending-----</b>	<b><u>\$16,553,132</u></b>	<b><u>(\$9,718,809)</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

	2024				2023	
	Tax Incremental Financing Fund	General Obligation Limited Tax Fund	Economic Development Fund	Convention Center Hotel Fund	Total	Total
<b><u>ASSETS</u></b>						
Pooled cash-----	\$473,149	\$317,271	\$184,644	\$100,039	\$1,075,103	\$1,184,714
Non-pooled cash-----	3,595,688	-	-	-	3,595,688	3,359,318
Investments-----	67,556,725	36,739,049	21,374,194	17,619,751	143,289,719	117,769,388
Property taxes receivable-----	6,188,492	-	-	-	6,188,492	5,989,552
Accounts receivable-----	-	5,230,422	-	-	5,230,422	-
Interest receivable-----	839,810	384,986	226,428	142,316	1,593,540	757,415
Receivable from component units-----	-	-	-	-	-	15,078,474
Receivable from City of Oklahoma City-----	3,040,724	-	3,996,868	3,688,136	10,725,728	3,306,260
Notes and economic incentives receivable, current-----	3,202,905	42,143	-	-	3,245,048	4,431,798
Investments, non-current-----	6,735,518	-	-	-	6,735,518	6,735,518
Advance to other funds-----	-	7,764,735	-	-	7,764,735	8,814,990
Notes and economic incentives receivable, non-current-----	33,538,661	957,857	-	4,000,000	38,496,518	42,440,920
<b>Total assets-----</b>	<b>125,171,672</b>	<b>51,436,463</b>	<b>25,782,134</b>	<b>25,550,242</b>	<b>227,940,511</b>	<b>209,868,347</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts payable and accrued expenditures-----	7,528,475	1,550,001	2,634,830	62,366	11,775,672	6,762,500
Payable to City of Oklahoma City-----	950	-	2,789,931	-	2,790,881	1,720,898
Unearned revenue-----	-	-	1,250,000	-	1,250,000	-
Advance from other funds-----	7,764,735	-	-	-	7,764,735	8,814,990
<b>Total liabilities-----</b>	<b>15,294,160</b>	<b>1,550,001</b>	<b>6,674,761</b>	<b>62,366</b>	<b>23,581,288</b>	<b>17,298,388</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	<b>8,863,068</b>	<b>109,724</b>	<b>56,509</b>	<b>3,413,745</b>	<b>12,443,046</b>	<b>9,808,771</b>
<b><u>FUND BALANCES</u></b>						
Restricted-----	101,014,444	49,776,738	1,536,171	18,073,909	170,401,262	164,704,081
Committed-----	-	-	-	4,000,222	4,000,222	4,000,675
Assigned-----	-	-	17,279,521	-	17,279,521	15,717,152
Unassigned-----	-	-	235,172	-	235,172	(1,660,720)
<b>Total fund balances-----</b>	<b>101,014,444</b>	<b>49,776,738</b>	<b>19,050,864</b>	<b>22,074,131</b>	<b>191,916,177</b>	<b>182,761,188</b>
<b>Total liabilities, deferred inflows of resources and fund balances-----</b>	<b>\$125,171,672</b>	<b>\$51,436,463</b>	<b>\$25,782,134</b>	<b>\$25,550,242</b>	<b>\$227,940,511</b>	<b>\$209,868,347</b>
<b><u>RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)</u></b>						
Total fund balances-----	\$101,014,444	\$49,776,738	\$19,050,864	\$22,074,131	\$191,916,177	\$182,761,188
Capital assets-----	1,778,019	9,617,835	6,751,541	-	18,147,395	20,861,700
Earned but unavailable revenue-----	8,863,068	109,724	56,509	3,413,745	12,443,046	9,808,771
Deferred debt expense-----	1,766,840	-	-	-	1,766,840	2,020,912
Long-term debt-----	(123,689,710)	-	(3,802,500)	(78,140,000)	(205,632,210)	(222,951,554)
Interest payable on long-term debt-----	(1,021,947)	-	-	(1,066,169)	(2,088,116)	(2,219,826)
<b>Total net position (deficit)-----</b>	<b>(\$11,289,286)</b>	<b>\$59,504,297</b>	<b>\$22,056,414</b>	<b>(\$53,718,293)</b>	<b>\$16,553,132</b>	<b>(\$9,718,809)</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

	2024					2023
	Tax Incremental Financing Fund	General Obligation Limited Tax Fund	Economic Development Fund	Convention Center Hotel Fund	Total	Total
<b>REVENUES</b>						
Property taxes-----	\$25,430,333	\$ -	\$ -	\$1,867,427	\$27,297,760	\$24,802,658
Investment income-----	3,160,126	1,792,528	1,045,857	619,104	6,617,615	4,605,917
Special assessments-----	6,342,760	-	-	-	6,342,760	6,552,207
Payments from component units-----	-	-	-	-	-	15,078,474
Payments from the City of Oklahoma City-----	1,943,938	-	735,636	1,800,298	4,479,872	6,023,351
Intergovernmental programs-----	-	-	2,500,000	-	2,500,000	-
Other-----	-	50	1,170	309,505	310,725	328,997
<b>Total revenues-----</b>	<b>36,877,157</b>	<b>1,792,578</b>	<b>4,282,663</b>	<b>4,596,334</b>	<b>47,548,732</b>	<b>57,391,604</b>
<b>EXPENDITURES</b>						
Materials and supplies-----	-	-	264,584	-	264,584	-
Economic incentives and other contracts-----	7,074,165	3,557,750	-	4,101	10,636,016	9,120,953
Professional services-----	352,020	340,922	2,722,222	1,505	3,416,669	2,678,887
Payments to component units-----	-	4,769,578	-	-	4,769,578	-
Other services and charges-----	559,636	310,888	-	24,551	895,075	2,838,828
Capital outlay-----	-	-	-	-	-	9,350
Debt service-----	17,128,187	-	250,000	5,970,772	23,348,959	22,545,149
<b>Total expenditures-----</b>	<b>25,114,008</b>	<b>8,979,138</b>	<b>3,236,806</b>	<b>6,000,929</b>	<b>43,330,881</b>	<b>37,193,167</b>
<b>OTHER FINANCING SOURCES</b>						
Transfers within the Trust-----	(4,480,000)	-	-	4,480,000	-	-
Sale of assets-----	-	4,937,138	-	-	4,937,138	-
<b>Net other financing sources-----</b>	<b>(4,480,000)</b>	<b>4,937,138</b>	<b>-</b>	<b>4,480,000</b>	<b>4,937,138</b>	<b>-</b>
<b>Net change in fund balances-----</b>	<b>7,283,149</b>	<b>(2,249,422)</b>	<b>1,045,857</b>	<b>3,075,405</b>	<b>9,154,989</b>	<b>20,198,437</b>
Fund balance, beginning-----	93,731,295	52,026,160	18,005,007	18,998,726	182,761,188	\$162,562,751
<b>Fund balances, ending-----</b>	<b>\$101,014,444</b>	<b>\$49,776,738</b>	<b>\$19,050,864</b>	<b>\$22,074,131</b>	<b>\$191,916,177</b>	<b>\$182,761,188</b>
<b>RECONCILIATION OF STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES</b>						
Net changes in fund balances-----	\$7,283,149	(\$2,249,422)	\$1,045,857	\$3,075,405	\$9,154,989	\$20,198,437
Capital outlay-----	-	-	-	-	-	9,350
Depreciation expense-----	-	-	-	-	-	(1,045,993)
Principal and interest on long-term debt-----	14,191,806	-	250,000	2,755,176	17,196,982	16,080,645
Loss on disposal of assets-----	-	(2,714,305)	-	-	(2,714,305)	-
Transfer of assets-----	-	-	-	-	-	(18,545,282)
Recognition of earned but unavailable revenue-----	454,297	109,725	56,509	2,013,744	2,634,275	(829,581)
<b>Change in net position (deficit)-----</b>	<b>\$21,929,252</b>	<b>(\$4,854,002)</b>	<b>\$1,352,366</b>	<b>\$7,844,325</b>	<b>\$26,271,941</b>	<b>\$15,867,576</b>

See accompanying notes to financial statements.

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## **Notes to Financial Statements**



## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The notes are organized to provide explanations, including required disclosures, of the Oklahoma City Economic Development Trust (Trust) financial activities for the fiscal years ended June 30, 2024 and 2023.

### I. B. BASIS OF PRESENTATION

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

The Trust was created as a public trust pursuant to Title 60 of the Oklahoma Statutes, section 176, et seq., on October 9, 2007, with the City named as the beneficiary. The purpose of the Trust is to finance, operate, develop, construct, maintain, manage, market, and administer projects for investments and reinvestments, within or near Oklahoma City in all lawful forms of economic and community development and redevelopment, and for any public functions and purposes with any public or private entity. The provisions of the Trust indenture provide that the Trust will lease or otherwise manage the related property, equipment, and improvements financed by the Trust. The Trust has no employees.

The five Trustees are nominated by the Mayor and confirmed by the City Council. The Trust does not have the power to levy taxes. The City has no obligation for debt issued by the Trust.

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

The Trust is a component unit of the City since the City appoints the Board of Trustees (Board) and the Trust is fiscally dependent on the City, as major revenues of the Trust are derived from interfund payments from the City for sales and property tax revenues. The Trust is discretely presented in the City's ACFR since the majority of the Board is not the same as the voting majority of the City Council.

The City's ACFR may be obtained online at [www.okc.gov/departments/finance](http://www.okc.gov/departments/finance).

#### *Management Agreements*

##### **Alliance for Economic Development of Oklahoma City (AEDOC)**

The AEDOC functions as a services provider that performs consolidated economic development functions pursuant to service contracts with various agencies. The Trust has a service contract with AEDOC to provide consolidated and coordinated economic development services to the City and the Trust. The agreement is effective July 1, 2016, through June 30, 2024. The agreement has been renewed for fiscal year 2025. The thirteen member AEDOC Board includes the City Manager and a City Council representative. Financial information can be obtained at 105 N. Hudson, Suite 101, Oklahoma City, OK 73102.

##### **Oklahoma City Economic Development Foundation (OCEDF)**

The OCEDF works to improve economic growth in the greater Oklahoma City area. The Trust has a professional service agreement with the OCEDF to provide certain economic development services for the Trust and the City. The agreement was effective July 1, 2023, through June 30, 2024. The agreement has been renewed for fiscal year 2025. The agreement calls for OCEDF to assist with business retention and expansion, research, recruitment and marketing as well as managing the application process for the strategic incentive program. Financial information can be obtained at 123 Park Avenue, Oklahoma City, OK 73102.

**First Americans Museum (FAM)**

The FAM is a not-for-profit facility designed and constructed for visitors to rediscover the history of how American Indian values are expressed through language, arts, dance, music, literature, crafts, and other traditions. On August 17, 2017, the City entered into a professional agreement with FAM Land Development, LLC, to manage and operate the FAM.

***Trust Administration***

The Trust has no employees. Trust activities are performed by City employees. City employees external to the Trust perform some administrative functions which are reimbursed through administrative chargebacks recorded in operating expenses of the Trust.

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

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

***Trust-wide Financial Statements***

The statement of net position (deficit) reports both short and long-term assets and liabilities specifically including capital assets acquired by the Trust.

The statement of activities reports the revenues and expenses of the Trust's economic development function. Program revenues include operation and capital grants and contributions. All other revenues of the Trust are included as general revenues.

***Fund Financial Statements***

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

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

***Trust-wide Financial Statements***

The financial statements of the Trust are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The statement of net position and statement of activities report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Capital assets are recorded when purchased or constructed and depreciated over their useful lives.

***Fund Financial Statements***

The remaining two financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Trust 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.

**General Fund**

Economic Development Fund

This fund provides funding for economic development professional services contracts and for miscellaneous economic development projects, including any conduit financing or infrastructure improvements pursuant to economic development agreements and retail incentives.

**Special Revenue Funds**

Convention Center Hotel Fund

This fund accounts for expenditures and related debt funding for the construction of the City's convention center hotel.

Tax Increment Financing (TIF) Fund

This fund accounts for the TIF activities of the Trust. In 2008, the City Council approved the Trust as the entity designated to manage economic development projects.

General Obligation Limited Tax (GOLT) Fund

This fund accounts for GOLT bond financed activities of the Trust. On December 11, 2007, the citizens of the City approved the issuance of \$75 million in GOLT bonds and on September 12, 2017, the citizens approved an additional issuance of \$60 million in GOLT bonds for the purpose of expanding the City's economic base. The GOLT bonds will be repaid with property tax collections remitted to the City. The City designated the Trust to administer the GOLT bond projects.

**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 Trust's budget is submitted to its governing body for approval. Appropriations are recorded and available for encumbrance or expenditure as revenue is received in cash. Budgetary control is exercised on a project-length basis. Therefore, appropriations are carried forward each year until projects are completed. Management's policy prohibits expenditures to exceed appropriations at the detail, line-item level. Management may transfer appropriations without governing body approval.

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

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

In 2024, the Trust implemented the following accounting standard. The implementation of this standard did not have a material impact on the Trust's financial statements.

The Trust implemented GASB statement number 100, Accounting Changes and Error Corrections - an amendment of GASB Statement number 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions. Display and note disclosure enhancements have been applied where applicable. This statement did not have a material impact on the Trust's financial statements.

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

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

The Trust maintains and controls a cash and investment operating pool which functions as a demand deposit account for participating funds of the Trust. 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 Trust 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 a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

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

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

Level 3 - Significant unobservable prices or inputs.

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

### **I. D. 3. PROPERTY TAXES RECEIVABLE**

Property taxes are collected and remitted to the Trust by Oklahoma County for specifically-identified TIF districts. Taxes are levied annually. Property taxes receivable are estimated from the prior calendar year receipts. In the governmental fund financial statements, property taxes revenues are recorded in the TIF Fund for all receipts during the year and for 60 days after year-end.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due to the Trust regardless of when cash is received.

### **I. D. 4. CAPITAL ASSETS AND DEPRECIATION**

Property and equipment are stated at actual or estimated historical cost. The Trust generally capitalizes assets costing \$50,000 or more as purchases and construction outlays occur. Capital assets are reported in the statement of net position and depreciated using the straight line method with estimated useful lives ranging from 5 to 50 years from the date placed in service. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

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. Generally, constructed assets are donated to the City upon final acceptance by the Economic Development Trustees and formal acceptance by the City.

#### **I. D. 5. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period which will not be recognized as an inflow of resources until that time.

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

TIF is an economic development tool that uses future gains in taxes to finance current improvements which will create the conditions for those future gains. When a development project is carried out, the increase in the value of surrounding real estate, and perhaps new investment, is expected to increase property tax revenues that are dedicated to repay the debt issued to fund the project. The City uses TIF to stimulate economic and community development. The Trust along with the Oklahoma City Public Property Authority (OCPPA) and the Oklahoma City Redevelopment Authority (OCRA) currently have TIF districts in place.

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

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

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

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

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

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

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

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

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

Assigned fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by formal action of the City Chief Finance Officer.

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

Unassigned fund balance includes fund balance within the Economic Development Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

The Trust uses restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal documents or contracts, such as grant agreements requiring dollar for dollar spending. Additionally, the Trust 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 reported separately from unrestricted net position.

**Net Investment in Capital Assets**

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

**Restricted Net Position**

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

**I. D. 8. 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. 9. RISK MANAGEMENT**

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

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

**I. E. MAJOR REVENUES**

Revenues primarily consist of property taxes designated for TIF districts paid directly to the Trust from Oklahoma County. The increment captured in the TIF property tax collections are partially generated by economic development incentives that make possible investment, development, and growth in these areas thereby reversing economic stagnation and decline. Taxes levied annually in November are due one-half by December 31 and one-half by March 31, with the majority of tax payments received December through April. Lien dates for real property are in June and October, respectively. Revenues also consist of payments from the City for TIF sales tax revenues and state match collected and paid to the Trust by the City and payments from the City from GOLT bond proceeds for economic development.

**I. F. TAX STATUS**

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

## I. G. RETAINAGES

It is the policy of the Trust 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 to the Trust. The City holds the certificate of deposit and the Trust 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 Trust to cover any costs incurred. The Trust 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 a bank failure, the Trust's deposits may not be returned or the Trust will not be able to recover collateral securities in the possession of an outside party. The Trust's policy requires deposits to be 110 percent 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, 2024 and 2023, the Trust's cash, less Federal deposit insurance, is collateralized with securities held by the pledging financial institution in the name of the Trust or the City.

#### *Investments*

The Trust 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 Trust's financial position. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

June 30, 2024								
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
Federal obligations	\$34,616,857	\$34,695,973	\$ -	\$34,695,973	\$ -	\$ -	AA+/Aaa	10.56
Money market (4)(5)	70,845,964	70,845,963	70,845,963	-	-	-	AAA/Aaa	1.03
Treasury Note(4)(5)	44,730,828	44,483,301	-	44,483,301	-	-	N/A	19.10
	<u>\$150,193,649</u>	<u>\$150,025,237</u>	<u>\$70,845,963</u>	<u>\$79,179,274</u>	<u>\$ -</u>	<u>\$ -</u>		

(continued)

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

***Investments (continued)***

June 30, 2023								
	<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>
Money								
market (4)(5)	\$94,750,847	\$94,750,847	\$94,750,847	\$ -	\$ -	\$ -	AAA/Aaa	0.89
Treasury								
Note(4)(5)	<u>29,650,781</u>	<u>29,754,059</u>	<u>-</u>	<u>29,754,059</u>	<u>-</u>	<u>-</u>	N/A	2.07
	<b><u>\$124,401,628</u></b>	<b><u>\$124,504,906</u></b>	<b><u>\$94,750,847</u></b>	<b><u>\$29,754,059</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>		

(1) The net asset value (NAV) is a practical expedient to estimate fair value.

(2) Ratings are provided where applicable to indicate associated credit risk.

(3) Interest rate risk is estimated using weighted average months to maturity.

(4) Cost approximates fair market value.

(5) Consists solely of U.S. Treasury securities.

***Fair Value Measurement***

The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used at June 30, 2024 and 2023.

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

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

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.



**Investment policy**

The Trust'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. Trust funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities, the payment of which the full faith and credit of the U.S. government is pledged, or investment grade obligations of this state; provided, that any such security shall be rated A+ or better by Standard and Poor's Corporation or A1 or better by Moody's Investor Service or an equivalent investment grade by a securities rating organization accepted by the National Association of Insurance Commissioners including investment grade obligations of state agencies; (2) Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those insured by or fully guaranteed as principal and interest by Federal agencies or U.S. government-sponsored enterprises; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in Oklahoma when secured by appropriate collateral or fully insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located outside of Oklahoma; (4) repurchase agreements that have underlying collateral of direct obligations or obligations of the U.S. government, its agencies, and instrumentalities; (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law; (6) savings accounts or certificates of savings and loan associations, banks, and credit unions, to the extent the accounts are fully insured by Federal depository insurance; (7) State and Local Government Series (SLGS); (8) County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgements against such county, municipality or school district ordered by a court of record or bonds or bond revenue anticipation notes issued by a public trust of which such county, municipality or school district is a beneficiary thereof; (9) prime commercial paper with a maturity date less than 180 days which represents less than 10% of the outstanding paper of an issuing corporation.

Under the policy, the Trust 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 City's desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments in items (1) and (2) above.

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

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	<u>Maximum % (2)</u>		<u>Maximum % (4)</u>
Repurchase agreements	100.0%	0-1 year	100.0%
U.S. Treasury securities (3)	100.0	1-3 years	90.0
Certificates of deposit	50.0	3-5 years	90.0
Money market funds	100.0		
Savings accounts	100.0		
U.S. noncallable agencies securities	100.0		
U.S. callable agency securities	20.0		
Prime commercial paper	7.5		
Direct debt obligations and judgments	5.0		

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

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

**Bond Indenture Restrictions**

The Trust's bond indenture restricts investments to the: (1) direct obligations of the Department of the Treasury of the U.S.; (2) obligations of any of the following Federal agencies with obligations are backed by the full faith and credit of the U.S. including: (a) Export – Import Bank, (b) Farmers Home Administration, (c) General Services Administration, (d) U.S. Maritime Administration, (e) Small Business Administration, (f) Government National Mortgage Association (GNMA), (g) U.S. Department of Housing & Urban Development (PHA's), (h) Federal Housing Administration; (3) bonds, notes or other evidences of indebtedness rated AAA by Standard & Poor's Corporation and Aaa by Moody's Investors Service issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (4) U.S. dollar denominated deposit accounts, Federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and maturing no more than 360 days after the date of purchase; (5) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by Standard & Poor's and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase; (6) investments in a money market fund rated in the highest rating categories by Standard & Poor's Corporation and Moody's Investors Service; (7) certain pre-refunded municipal obligations; (8) investment agreements supported by appropriate opinions of counsel as to enforceability; and (9) certificates of deposit properly secured at all times by collateral security described in (1) or (2) above. Such certificates of deposit are only acceptable with commercial banks, savings and loan associations, and mutual savings banks.

**Investments Held by Others**

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust 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 Trust has a current custodial agreement in the City's name or be held in the name of both parties by the Federal Reserve Bank servicing Oklahoma. The Trust's investments are insured or collateralized with securities held by the Trust, the City, or its agent in the Trust's or the City's name.

### Compliance with State Restrictions

Trust investment policy and bond indenture requirements are 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 which require consideration of the purposes, terms, distribution requirements, and other circumstances of the Trust and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the Trust's portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Trust.

### Restricted Deposits and Investments

	<u>2024</u>	<u>2023</u>
Bond principal and interest accounts	\$14,623,889	\$14,592,753
Project accounts	4,134,347	3,750,947
Bond reserve	<u>10,331,206</u>	<u>10,094,836</u>
	<u>\$29,089,442</u>	<u>\$28,438,536</u>

## II. B. RECEIVABLES

### Property Taxes Receivable

At June 30, 2024 and 2023, receivables of \$6,188,492 and \$5,989,552, respectively, represent tax incremental financing property taxes. Amounts received more than 60 days after year-end are recorded as unavailable revenues in governmental funds.

### Accounts Receivable

In December 2023, the Oklahoma City Industrial and Cultural Facilities Trust (OCICF) entered into an agreement with the Trust for the purpose of acquiring an Economic Development Mega Site, a development site of approximately 1,000 acres, to attract larger industrial companies offering jobs and other economic benefits to the area. During 2024, the Trust transferred \$10,000,000 to OCICF of which the unspent portion was \$5,230,422 as of June 30, 2024.

## II. C. NOTES AND ECONOMIC INCENTIVE RECEIVABLE

### Notes Receivable

#### 10th Street Parking Garage and Mixed Use Project Note Receivable

On November 18, 2014, the Trust provided \$1,000,000 to 10th & Broadway Parking, LLC in the form of a low-interest, non-forgivable loan to construct a multi-story parking garage to make investment, development and economic growth in the area possible. Interest on the note will accrue at 1.5% and the length of the note is not to exceed 20 years. As of June 30, 2024 and 2023, \$590,322 and \$639,331, respectively, is receivable on the note.

#### Steelyard Residential and Commercial Building Project Note Receivable

On March 9, 2015, the Trust provided \$1,000,000 to Bricktown Apartments, LLC in the form of a low-interest, non-forgivable loan to rehabilitate residential and commercial infrastructure necessary to make investment, development, and economic growth in the area possible. Interest on the note will accrue at 2.5% and the length of the note is not to exceed 10 years. As of June 30, 2024 and 2023, \$662,064 and \$776,680, respectively, is receivable on the note.

**21c Hotel & Museum Project Note Receivable**

On June 22, 2015, the Trust provided \$3,300,000 to 21c OKC, LLC in the form of a low-interest, non-forgivable loan for renovation of commercial space into a hotel, art museum, and restaurant to make investment, development and economic growth in the area possible. Interest on the note will accrue at an accelerated rate of 0.5% for years 1 through 5, 1.0% for years 5 through 7 and 3.0% for years 8 through 20. The length of the note is not to exceed 20 years. As of June 30, 2024 and 2023, \$2,232,586 and \$2,323,146, respectively is receivable on the note.

**Journal Record Building Redevelopment Project Note Receivable**

During fiscal year 2018, the Trust provided \$1,875,000 in the form of a forgivable, low interest loan to JRB Holdings, LLC for redeveloping the Commercial Unit of the Journal Record Building Condominiums into commercial office space and related uses and construction of a multistory parking structure. Interest will accrue at a rate of 2.11%, adjusted annually, with a term of 7 years. At June 30, 2024 the remaining balance was forgiven. At June 30, 2023, \$275,330 was receivable on the note. Allowances of \$275,330 were recorded at June 30, 2023, due to the expectation that the loan will be forgiven.

**NE 23rd Street Clinic Project Note Receivable**

On October 17, 2017, the Trust disbursed \$600,000 in the form of a forgivable, no interest loan to TwoYetMany for the redevelopment of commercial space into a medical clinic to make investment, development and economic growth in the area possible. At June 30, 2024 and 2023, respectively, \$530,000 and \$600,000 is receivable on the note. An allowance of \$530,000 and \$600,000 was recorded at June 30, 2024 and 2023 due to the expectation that the loan will be forgiven.

**NE 23rd Street Retail Project Note Receivable**

On February 20, 2018, the Trust disbursed \$575,000 in the form of a forgivable, no interest loan to OneYetMany for the redevelopment of commercial space into new retail space to make investment, development and economic growth in the area possible. At June 30, 2024 and 2023, respectively, \$507,917 and \$575,000 is receivable on the note. An allowance of \$507,917 and \$575,000 was recorded at June 30, 2024 and 2023 due to the expectation that the loan will be forgiven.

**FAM Project Note Receivable**

On June 30, 2018, the Trust recorded \$14,000,000 in a no interest loan to the FAM for the purchase of land to redevelop the existing structure into a cultural and educational museum. At June 30, 2023, \$1,500,000 respectively, is receivable on the note. The remaining balance was paid in full as of June 30, 2024.

**Small Business Continuity Program (SBCP)**

On April 13, 2020, the City and OCEDT approved an allocation not to exceed \$5.500 million from the General Obligation Limited Tax bond proceeds to provide funding for the OKC SBCP. The purpose of the OKC SBCP is to provide economic development assistance for qualifying existing small and neighborhood businesses dealing with adverse impact and business disruption arising from the COVID-19 pandemic for the retention of existing employees. To be in good standing a business must maintain 85% of their pre-COVID employment for three years. Each agreement will be evaluated annually to ensure requirements are being met, at which point a portion of their outstanding balance will be forgiven. For the first year of compliance, 50% of the balance is forgiven, followed by 30% for the second year and the remaining 20% for the final year. A note receivable has not been recorded based on the expectation that all of the loans will be forgiven. As of June 30, 2024 and 2023, respectively, \$4,956,066 has been loaned out.

**Convergence Project Note Receivable**

On November 22, 2022, OCEDT entered into an agreement with the OCRA to provide assistance in development financing for the creation of the Convergence Project inside of the Innovation District. The development will be for a major mixed-use project consisting of an office tower, research labs, a parking garage, a hotel with amenity deck, a public realm open-air community environment and the building of the Innovation Hall. The balance outstanding is \$5,000,000 at June 30, 2024 and 2023, respectively.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
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***Economic Incentives Receivable***

OCEDT provides assistance in development financing to various developers, in anticipation of generating increased property tax value in TIF districts #2 and #9. The developer agrees to make a minimum annual property tax payment. The minimum payments, less the base tax, continue until the total, including finance charges, is reached or TIF districts #2 and #9 expire or terminate. Amounts are presented in thousands:

	<b>Loan Date</b>	<b>Loan Amount</b>	<b>Finance Charges</b>	<b>Minimum Tax</b>	<b>Base Tax</b>	<b>Outstanding Balance June 30, 2024</b>	<b>Outstanding Balance June 30, 2023</b>
10th Street parking garage and mixed use project	4/9/2015	\$2,000	\$611	\$260	\$22	\$479	\$717
Century Center mixed use redevelopment project	9/8/2015	1,250	316	184	24	763	944
Level West (Mosaic) Apartments project	9/9/2016	1,150	291	172	7	113	288
21c Hotel and Museum project	10/21/2016	2,000	1,404	214	23	1,466	1,692
Sunshine Cleaners mixed use project	3/17/2017	550	196	31	9	480	521
Journal Record Building	7/14/2017	875	406	150	-	145	317
Journal Record Garage	7/14/2017	1,500	1,015	50	-	2,115	2,215
23rd Street Clinic	11/21/2017	700	-	20	2	610	628
23rd Street Retail	2/27/2018	800	-	15	10	788	793
10th & Shartel Apartments	12/18/2018	3,000	773	450	-	143	753
Townhouse Hotel	5/11/2018	350	122	29	13	244	275
Homeland Grocery	4/28/2020	3,500	-	30	-	2,940	3,207
First National Center Tower	9/28/2020	23,858	-	449	93	<u>22,971</u>	<u>24,285</u>
						<u>\$33,257</u>	<u>\$36,635</u>

**II. D. CAPITAL ASSETS**

***Changes in Capital Assets***

	<b>2024</b>						
	Capital assets, not depreciated			Capital assets, depreciated			Total Capital
	Land	Construction In Progress	Total	Buildings	Infrastructure	Total	Assets, net
<b>CAPITAL ASSETS</b>							
Balance, June 30, 2023	\$20,861,700	\$ -	\$20,861,700	\$ -	\$ -	\$ -	\$20,861,700
Decreases	(2,714,305)	-	(2,714,305)	-	-	-	(2,714,305)
Balance, June 30, 2024	<u>18,147,395</u>	<u>-</u>	<u>18,147,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,147,395</u>
<b>Capital assets, Net</b>	<b><u>\$18,147,395</u></b>	<b><u>\$-</u></b>	<b><u>\$18,147,395</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$18,147,395</u></b>

(continued)

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
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***Changes in Capital Assets (continued)***

	2023						
	Capital assets, not depreciated			Capital assets, depreciated			
	Construction						Total Capital
	Land	In Progress	Total	Buildings	Infrastructure	Total	Assets, net
<u>CAPITAL ASSETS</u>							
Balance, June 30, 2022	\$20,861,700	\$3,532,488	\$24,394,188	\$2,628,134	\$17,699,302	\$20,327,436	\$44,721,624
Increases	-	-	-	-	220,187	220,187	220,187
Decreases	-	(210,837)	(210,837)	-	-	-	(210,837)
Transfers	-	(3,321,651)	(3,321,651)	(2,628,134)	(17,919,489)	(20,547,623)	(23,869,274)
Balance, June 30, 2023	20,861,700	-	20,861,700	-	-	-	20,861,700
<u>ACCUMULATED DEPRECIATION</u>							
Balance, June 30, 2022				869,753	3,408,246	4,277,999	4,277,999
Increases				84,667	961,326	1,045,993	1,045,993
Transfers				(954,420)	(4,369,572)	(5,323,992)	(5,323,992)
Balance, June 30, 2023				-	-	-	-
Capital assets, net	20,861,700	\$-	20,861,700	\$-	\$-	\$-	20,861,700

***Depreciation Expense***

There was no depreciation expense charged to the Trust for fiscal year 2024 and \$1,045,993 was charged to the Trust for the fiscal year ending 2023.

***Assets Donated to Others***

**Assets Donated to the City**

Generally, assets constructed or purchased by the Trust to further economic development but not intended to be held for economic incentive purposes, are subsequently donated to the party that will maintain the asset in the future. No assets were donated to the City in 2024. In fiscal year 2023, the Trust donated improvements to the City with a net book value of \$18,545,282. This amount is reported with payments to the City in the Trust-wide financial statements.

**II. E. DEFERRED OUTFLOWS OF RESOURCES**

***Deferred Amounts on Refunding***

Deferred amounts on refundings of bonds results from a difference in carrying value of refunded debt to its reacquisition price. Deferred amounts on refunding are amortized over the shorter of the life of the refunded or refunding debt. The TIF fund reported deferred amounts on refunding of \$3,758,998 at both June 30, 2024 and June 30, 2023, less accumulated amortization of \$1,006,346 at June 30, 2024, and \$651,165 at June 30, 2023, related to the refunding of the Series 2013A Tax Apportionment Bonds.

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

**III. A. NOTES PAYABLE**

In December of 2017, the Trust entered into an agreement to purchase property from Oklahoma Gas and Electric (OG&E) for \$14,000,000. Per the agreement, \$9,000,000 was paid initially, with the remaining \$5,000,000 to be paid by a no interest promissory note. Under the terms of the note, \$250,000 is to be paid annually in March until 2039 with the first payment being made in fiscal year 2020.

**NOTES TO FINANCIAL STATEMENTS**  
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**OKLAHOMA CITY ECONOMIC  
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On November 6, 2020, the Trust issued a direct placement note payable with JPMorgan Chase to provide an economic development incentive for the First National Center Redevelopment Project in the amount of \$24,550,000. Under the terms, the interest rate ranges from 2.48% to 3.23% with annual payments in October until 2034 with the first payment being made in fiscal year 2024.

***Notes Payable Requirements to Maturity***

	Notes Payable (1)	
	<u>Principal</u>	<u>Interest</u>
2025	\$1,750,000	\$570,400
2026	1,850,000	531,960
2027	1,900,000	491,660
2028	2,000,000	449,500
2029	2,200,000	403,620
2030-2034	13,700,000	1,164,980
2035-2039	<u>4,100,000</u>	<u>35,340</u>
	<b><u>\$27,500,000</u></b>	<b><u>\$3,647,460</u></b>

(1) All notes payable are from private placements.

The Trust's outstanding notes from direct placements of \$27,500,000 contain a provision that in an event of default, outstanding amounts may become immediately due if the Trust is unable to make payment.

**III. B. BONDS**

***Bond Issuance***

On April 1, 2013, the Trust issued \$116,445,000 Series 2013A Tax Apportionment Bonds. The proceeds of \$116,445,000 from the bonds, less \$881,498 in issuance costs, were to be used to pay a tax anticipation note for TIF district #8 and to finance construction projects in the Myriad Botanical Gardens, the Bicentennial Park, and various streetscape projects in the City. The funds will also be used for future economic development projects, to the extent available. On August 24, 2021, the Trust issued Tax Apportionment Refunding Bonds, Series 2021A in the amount of \$69,075,000 and Tax Apportionment Refunding Bonds, Series 2021B in the amount of \$18,010,000. The Trust issued the 2021A and 2021B bonds in order to provide refinancing for the Tax Apportionment Bonds, Series 2013A and the Tax Apportionment Bonds, Series 2013B. The refunding bonds were issued to take advantage of the current economic climate, thus lowering the interest rate.

On April 1, 2013, the Trust issued \$23,840,000 Series 2013B Tax Apportionment Bonds. The proceeds of \$26,295,445 from the bonds, including bond premiums of \$2,455,445, less \$313,289 in issuance costs were to be used to finance construction of various other infrastructure and public improvements in downtown Oklahoma City. On August 24, 2021, the Trust issued Tax Apportionment Refunding Bonds, Series 2021A in the amount of \$69,075,000 and Tax Apportionment Refunding Bonds, Series 2021B in the amount of \$18,010,000. The Trust issued the 2021A and 2021B bonds in order to provide refinancing for the Tax Apportionment, Series 2013A and the Tax Apportionment Bonds, Series 2013B. The refunding bonds were issued to take advantage of the current economic climate, thus lowering the interest rate.

On January 17, 2018, the Trust issued \$67,355,000 Series 2018 Tax Increment Revenue Bonds. The proceeds of \$66,850,805, less issuance costs of \$504,195, are to be used to finance construction of various other infrastructure and public improvements in downtown Oklahoma City.

On September 25, 2018, the Trust issued \$86,060,000 Series 2018 Annual Appropriation Bonds. The proceeds of \$85,428,098, from the bonds, less issuance costs of \$631,902, are to be used to finance construction of the downtown Omni Convention Center Hotel.

**NOTES TO FINANCIAL STATEMENTS**  
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**OKLAHOMA CITY ECONOMIC  
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The Trust is a third party beneficiary of an agreement between the Oklahoma City Urban Renewal Authority and Devon Energy Corporation (Devon). Per the agreement, Devon will pay a minimum annual amount of ad valorem property taxes of \$11,300,000 to cover the Trust's debt service for the 2013 bonds. The payment is to be made by December 31 of each year, with the final payment on December 31, 2034. TIF 2 property taxes received from Oklahoma County are also pledged for the repayment of the 2018 Tax Increment Revenue bonds. Various other sources of revenue are pledged for the repayment of the Series 2018 Appropriation bonds.

On August 24, 2021, the Trust issued \$69,075,000 in tax apportionment refunding bonds, with an average interest rate (coupon) of 1.51%. Proceeds of \$69,075,000 less issuance cost of \$426 thousand were used to defease principal and interest on the tax apportionment bonds taxable series 2013A. The bonds mature on March 1, 2032.

On August 24, 2021, the Trust issued \$18,010,000 in tax apportionment refunding bonds, with an average interest rate (coupon) of 4.00%. Net proceeds of \$22,261,000 including a premium of \$4,421,906 less issuance cost of \$171 thousand were used to defease principal and interest on the tax apportionment bonds taxable series 2013B. The bonds mature on March 1, 2034.

***Defeasances***

On August 24, 2021, the Trust placed \$68,649,000 of the proceeds from the Tax apportionment Refunding Bonds, Taxable Series 2021A and \$9,553,000 of bond reserve funds in an irrevocable escrow account to officially defease the outstanding maturities of the Tax Apportionment Bonds, Taxable Series 2013A. As a result, Series 2013A are to be considered defeased and the liability for those bonds removed from the financial statements. This achieved a cash flow saving of approximately \$6,005,000 and an economic gain of \$6,512,000.

On August 24, 2021, the Trust placed \$22,261,000 of the proceeds from the Tax apportionment Refunding Bonds, Taxable Series 2021B and \$2,257,000 of bond reserve funds in an irrevocable escrow account to officially defease the outstanding maturities of the Tax Apportionment Bonds, Taxable Series 2013B. As a result, Series 2013B are to be considered defeased and the liability for those bonds removed from the financial statements. This achieved a cash flow saving of approximately \$9,633,000 and an economic gain of \$8,693,000.

***Bonded Debt Service Requirements to Maturity***

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$16,270,000	\$5,434,241	\$21,704,241
2026	16,655,000	5,053,879	21,708,879
2027	17,085,000	4,639,782	21,724,782
2028	17,550,000	4,188,079	21,738,079
2029	10,105,000	3,841,614	13,946,614
2030-2034	52,495,000	15,010,205	67,505,205
2035-2039	22,635,000	7,211,989	29,846,989
2040-2043	<u>21,930,000</u>	<u>1,947,962</u>	<u>23,877,962</u>
	<b><u>\$174,725,000</u></b>	<b><u>\$47,327,751</u></b>	<b><u>\$222,052,751</u></b>



**NOTES TO FINANCIAL STATEMENTS**  
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**OKLAHOMA CITY ECONOMIC  
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***Bonds Outstanding***

	Amount	Interest	Issue	Principal	<u>2024</u>	<u>2023</u>
	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	Principal <u>Balance</u>	Principal <u>Balance</u>
Series 2018 Tax Increment Revenue Bonds	\$67,355,000	1.97-3.31%	1/17/2018	8/1/2027	\$29,280,000	\$36,050,000
Series 2018 Annual Appropriation Bonds	86,060,000	3.17-4.13%	9/25/2018	9/1/2042	78,140,000	80,865,000
Series 2021A Tax Apportionment Bonds	69,075,000	0.234-1.991%	8/24/2021	3/1/2032	49,295,000	55,715,000
Series 2021B Tax Apportionment Bonds	18,010,000	4.00%	8/24/2021	3/1/2034	<u>18,010,000</u>	<u>18,010,000</u>
					<b><u>\$174,725,000</u></b>	<b><u>\$190,640,000</u></b>

***Bond Coverage***

	<u>2024</u>	<u>2023</u>
Revenue available for debt service	<u>\$35,781,950</u>	<u>\$33,977,706</u>
<b>Net revenue available for debt service</b>	<b><u>\$35,781,950</u></b>	<b><u>\$33,977,706</u></b>
Principal amounts	15,915,000	15,600,000
Interest amounts	<u>5,775,442</u>	<u>6,078,509</u>
<b>Total debt service requirements</b>	<b><u>\$21,690,442</u></b>	<b><u>\$21,678,509</u></b>
<b>Bond coverage</b>	<b><u>1.65</u></b>	<b><u>1.57</u></b>

The bond indenture requires the payment of principal and interest from Increment revenues. Increment revenues are revenues derived from the ad valorem taxes within TIF district #2 and #8, and various sources for the 2018 appropriation bonds. In addition, expenses are excluded as they do not affect funds available for debt service. The bond covenants do not specify a coverage requirement.

***Pledged Revenues***

The Trust issued tax anticipation bonds to support its economic development activities. The TIF Fund financial statements report revenue-supported debt. In 2024 and 2023, the Trust recognized \$5,882,669 and \$6,142,396, respectively, in special assessments and \$27,581,755 and \$24,833,874, respectively, in property taxes. In addition, if the principal and interest on the TIF debt is not paid as due, the City transfers amounts sufficient to pay the principal and interest due.

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

	<u>2024</u>					
	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024	Due Within One Year	Due After One Year
Notes payable (1)	\$28,550,000	\$ -	\$1,050,000	\$27,500,000	\$1,750,000	\$25,750,000
Tax apportionment bonds	73,725,000	-	6,420,000	67,305,000	6,470,000	60,835,000
Tax increment revenue bonds	36,050,000	-	6,770,000	29,280,000	6,980,000	22,300,000
Tax appropriation bonds	<u>80,865,000</u>	<u>-</u>	<u>2,725,000</u>	<u>78,140,000</u>	<u>2,820,000</u>	<u>75,320,000</u>
Total long-term debt	<b><u>\$219,190,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$16,965,000</u></b>	<b><u>\$202,225,000</u></b>	<b><u>\$18,020,000</u></b>	<b><u>\$184,205,000</u></b>

(continued)

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
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*Changes in Long-Term debt (continued)*

	<b>2023</b>					
	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023	Due Within One Year	Due After One Year
Notes payable (1)	\$28,800,000	\$ -	\$250,000	\$28,550,000	\$1,050,000	\$27,500,000
Tax apportionment bonds	80,105,000	-	6,380,000	73,725,000	6,420,000	67,305,000
Tax increment revenue bonds	42,630,000	-	6,580,000	36,050,000	6,770,000	29,280,000
Tax appropriation bonds	<u>83,505,000</u>	<u>-</u>	<u>2,640,000</u>	<u>80,865,000</u>	<u>2,725,000</u>	<u>78,140,000</u>
Total long-term debt	<b><u>\$235,040,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$15,850,000</u></b>	<b><u>\$219,190,000</u></b>	<b><u>\$16,965,000</u></b>	<b><u>\$202,225,000</u></b>

(1) All notes payable are from private placement

**III. D. ACTIVITIES WITH REVENUE SUPPORTED DEBT**

**TIF District #2 Condensed Statement of Net Position (Deficit)**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>ASSETS</u></b>		
Current assets	\$41,291,697	\$35,213,435
Non-current assets	<u>14,927,083</u>	<u>17,433,710</u>
<b>Total Assets</b>	<b><u>56,218,780</u></b>	<b><u>52,647,145</u></b>
<b><u>LIABILITIES</u></b>		
Current liabilities	12,768,662	9,347,113
Non-current liabilities	<u>22,300,000</u>	<u>29,280,000</u>
<b>Total Liabilities</b>	<b><u>35,068,662</u></b>	<b><u>38,627,113</u></b>
<b><u>NET POSITION (DEFICIT)</u></b>		
Net investment in capital assets	162,881	1,059,745
Restricted	20,987,238	14,066,367
Unrestricted	<u>-</u>	<u>(1,106,080)</u>
<b>Total net position (deficit)</b>	<b><u>\$21,150,119</u></b>	<b><u>\$14,020,032</u></b>

**TIF District #2 Condensed Statement of Activities**

	<b><u>2024</u></b>	<b><u>2023</u></b>
Program expenses	(\$7,531,874)	(\$9,608,658)
Operating grants and contributions	1,620,232	998,791
General revenues	16,571,729	15,184,798
Transfers	<u>(3,530,000)</u>	<u>(3,530,000)</u>
<b>Change in net position (deficit)</b>	<b><u>7,130,087</u></b>	<b><u>3,044,931</u></b>
Beginning net position	<u>14,020,032</u>	<u>10,975,101</u>
<b>Ending net position (deficit)</b>	<b><u>\$21,150,119</u></b>	<b><u>\$14,020,032</u></b>

**TIF District #8 Condensed Statement of Net Position (Deficit)**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
Current assets	\$14,852,800	\$12,430,582
Non-current assets	<u>1,440,138</u>	<u>543,274</u>
<b>Total Assets</b>	<b><u>16,292,938</u></b>	<b><u>12,973,856</u></b>
 <b><u>DEFERRED OUTFLOWS</u></b>	 <b><u>2,752,652</u></b>	 <b><u>3,107,833</u></b>
 <b><u>LIABILITIES</u></b>		
Current liabilities	7,612,035	6,970,412
Non-current liabilities	<u>64,189,710</u>	<u>71,014,054</u>
<b>Total Liabilities</b>	<b><u>71,801,745</u></b>	<b><u>77,984,466</u></b>
 <b><u>DEFERRED INFLOWS</u></b>	 <b><u>985,812</u></b>	 <b><u>1,086,921</u></b>
 <b><u>NET POSITION (DEFICIT)</u></b>		
Net investment in capital assets	(23,177,823)	(26,431,655)
Unrestricted	<u>(30,564,142)</u>	<u>(36,558,043)</u>
<b>Total net position (deficit)</b>	<b><u>(\$53,741,965)</u></b>	<b><u>(\$62,989,698)</u></b>

**TIF District #8 Condensed Statement of Activities**

	<u>2024</u>	<u>2023</u>
Program expenses	(\$1,627,230)	(\$21,180,069)
Operating grants and contributions	6,310,857	6,413,561
General revenues	5,514,106	5,170,285
Transfers	<u>(950,000)</u>	<u>(950,000)</u>
<b>Change in net position (deficit)</b>	<b><u>9,247,733</u></b>	<b><u>(10,546,223)</u></b>
 Beginning net position	 <u>(62,989,698)</u>	 <u>(52,443,475)</u>
<b>Ending net position (deficit)</b>	<b><u>(\$53,741,965)</u></b>	<b><u>(\$62,989,698)</u></b>

### III. E. GUARANTEED DEBT

The City has executed an agreement of support which guarantees the City will fund debt service and bond reserve requirements for the Series 2021A, Series 2021B, 2018 Tax Increment Revenue Bonds, and the 2018 Tax Appropriation Bonds. Under Oklahoma law, the City may only be obligated to transfer up to the end of its fiscal year (June 30) and has no legal obligation or promise to transfer beyond its fiscal year. The debt instruments recognize the limitations set by state law and the City's moral obligation to renew the guarantees. The debt instruments require the City to renew the guarantees annually. The City did not and was not required to fund debt service for the Trust in fiscal year 2024 or any preceding year in which the debt was outstanding.

<u>Maximum of Bond Reserve or Bond Debt Service Requirements</u>	<u>Total Amount Guaranteed (1)</u>	<u>Total Amount Outstanding</u>
Series 2021A Tax Apportionment Bonds	\$7,207,320	\$49,295,000
Series 2021B Tax Apportionment Bonds	720,400	18,010,000
Series 2018 Tax Increment Revenue Bonds	7,806,514	29,280,000
Series 2018 Tax Appropriation Bonds	<u>5,970,007</u>	<u>78,140,000</u>
	<b><u>\$21,704,241</u></b>	<b><u>\$174,725,000</u></b>

- (1) The amount guaranteed is only the amount of debt service due on or before June 30, 2025, and covered under the guarantee effective July 1, 2025. It is anticipated that the guarantees will be renewed annually.

### III. F. ARBITRAGE COMPLIANCE

Proceeds from tax-exempt revenue bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Trust invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. The Trust reported an arbitrage liability of \$17,578 as of June 30, 2024.

### III. G. UNEARNED REVENUES

In 2024, the Trust received funds from the Oklahoma Historical Society for the First Americans Museum Foundation operations. Unearned revenues for the funds received as of June 30, 2024 is \$1,250,000.

### III. H. DEFERRED INFLOWS OF RESOURCES

#### *Unavailable Revenues*

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). Governmental funds reported unavailable revenues of \$12,443,046 and \$9,808,771 at June 30, 2024 and 2023, respectively. Of this amount \$1,699,182 is from economic incentive repayments, \$9,897,698 is from payments from the City, \$341,541 is from investment income, and \$504,625 is from property taxes at June 30, 2024. At June 30, 2023, \$2,074,219 is from economic incentive repayments, \$1,745,000 is from payments from the City, and \$5,989,552 is from property taxes.

#### *Other Deferred Inflows*

Deferred inflows at June 30, 2024 and 2023, are \$985,812 and \$1,086,921, respectively. These amounts are reported as a deferred amount on the refunded 2021B bond issuance.

IV. FUND EQUITY

IV. A. FUND BALANCE

*Restricted Fund Balance*

	<u>2024</u>	<u>2023</u>
Restricted for TIF #2 projects	\$41,602,603	\$40,309,890
Restricted for TIF #4 projects	11,960,394	9,743,979
Restricted for TIF #8 projects	7,715,732	5,951,658
Restricted for TIF #9 projects	1,145,546	-
Restricted for TIF #10 projects	24,996,906	25,176,378
Restricted for TIF #12 projects	90,669	43,312
Restricted for TIF #13 projects	12,005,596	8,953,840
Restricted for TIF #14 projects	2,811,115	1,622,747
Restricted for TIF #15 projects	757,361	3,487,550
Restricted for debt service	17,538,604	17,388,567
Restricted for GOLT bond economic development	<u>49,776,736</u>	<u>52,026,160</u>
	<u><b>\$170,401,262</b></u>	<u><b>\$164,704,081</b></u>

*Committed Fund Balance*

	<u>2024</u>	<u>2023</u>
Committed for Convention Center Hotel	<u><b>\$4,000,222</b></u>	<u><b>\$4,000,675</b></u>

*Assigned Fund Balance*

	<u>2024</u>	<u>2023</u>
Assigned for encumbrances		
of the Economic Development Fund	\$808,610	\$142,684
Assigned for MAPS Park Foundation	258,526	104,997
Assigned for Myriad Gardens administration	367,279	249,365
Assigned for outlet mall marketing	147,750	141,632
Assigned for Economic Development	<u>15,697,356</u>	<u>15,078,474</u>
	<u><b>\$17,279,521</b></u>	<u><b>\$15,717,152</b></u>

*Unassigned*

	<u>2024</u>	<u>2023</u>
Unassigned	<u><b>\$235,172</b></u>	<u><b>(\$1,660,720)</b></u>

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

***Encumbrances***

Encumbrances of \$18,788,908 and \$5,147,489 at June 30, 2024 and 2023, respectively, are reported with restricted fund balances. Encumbrances related to unassigned fund balance are considered and reported as assigned fund balance.

**IV. B. NET POSITION**

***Net Investment in Capital Assets***

	<u><b>2024</b></u>	<u><b>2023</b></u>
Capital assets, net	\$18,147,395	\$20,861,700
Bonds payable, net	(180,045,292)	(196,328,143)
Non-capital related bonds payable	150,784,377	164,484,475
Bond accounts funded with bond proceeds (1)	480,958	456,742
Bond issuance costs paid with bond proceeds (1)	<u>411,996</u>	<u>411,996</u>
	<u><b>(\$10,220,566)</b></u>	<u><b>(\$10,113,230)</b></u>

(1) Amounts funded with bond proceeds have been allocated to net invested in capital assets based on the ratio of capital and non-capital related bonds payable.

***Restricted for Debt Service***

	<u><b>2024</b></u>	<u><b>2023</b></u>
Bond principal and interest accounts	\$14,623,889	\$14,592,753
Bond reserve account	6,735,518	6,735,518
Bond reserve funded with bond proceeds	(480,958)	(270,750)
Current bond interest payable	<u>(1,940,868)</u>	<u>(2,067,616)</u>
	<u><b>\$18,937,581</b></u>	<u><b>\$18,989,905</b></u>

***Restricted for Public Services***

	<u><b>2024</b></u>	<u><b>2023</b></u>
Restricted for TIF #2 projects	\$6,833,997	(\$1,106,080)
Restricted for TIF #4 projects	12,764,052	10,088,979
Restricted for TIF #8 projects	(30,370,370)	(36,372,052)
Restricted for TIF #9 projects	1,158,265	(2,447,570)
Restricted for TIF #10 projects	5,064,914	4,281,940
Restricted for TIF #12 projects	93,443	43,312
Restricted for TIF #13 projects	(65,977,674)	(66,485,981)
Restricted for TIF #14 projects	2,811,204	1,622,747
Restricted for TIF #15 projects	770,116	3,487,550
Restricted for GOLT bond economic development	49,886,463	52,026,160
Bond project account	4,134,347	3,750,947
Bond project account funded with bond proceeds	(4,134,347)	(3,750,947)
Reallocation for negative restricted	<u>96,348,044</u>	<u>106,411,683</u>
	<u><b>\$79,382,454</b></u>	<u><b>\$71,550,688</b></u>

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

*Unrestricted*

	<u>2024</u>	<u>2023</u>
Unrestricted	\$24,801,707	\$16,265,511
Restricted negative net position	<u>(96,348,044)</u>	<u>(106,411,683)</u>
	<u><b>(\$71,546,337)</b></u>	<u><b>(\$90,146,172)</b></u>

*Deficit Net Position*

Deficit net position of \$9,718,809 was reported for fiscal year 2023. The Trust has bonded debt which is used to fund economic development and the construction or purchase of capital assets which will be subsequently transferred to others. This results in a deficit net position which will be reported for the life of the bonds. With repayment of debt, the deficit net position will eventually be eliminated.

**V. REVENUES AND EXPENSES/EXPENDITURES**

**V. A. REVENUES**

*Special Assessments*

The Trust has a special assessment arrangement with Devon in which Devon has agreed to pay minimum annual ad valorem property taxes of \$11,300,000 each year until December 31, 2034. In 2024 and 2023, the Trust recognized \$5,967,723 and \$6,137,831, respectively, in property taxes in excess of assessed amounts from Devon. Additionally, the Trust reported special assessments for finance charges related to economic incentives receivable of \$375,037 and \$414,376 in 2024 and 2023, respectively, in the Tax Incremental Financing Fund.

**V. B. EXPENSES/EXPENDITURES**

*Management Fees*

For fiscal years ending June 30, 2024 and 2023, the Trust reported payments to the related parties for economic development services of \$2,244,125 and \$2,099,139, respectively.

	<u>2024</u>	<u>2023</u>
OCEDF	\$1,580,000	\$1,425,079
AEDOC	<u>664,125</u>	<u>674,060</u>
	<u><b>\$2,244,125</b></u>	<u><b>\$2,099,139</b></u>

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

*Receivable From/Payable to the City*

2024						
<u>RECEIVABLE FROM</u>	<u>Purpose</u>	<u>TIF</u>	<u>GOLT</u>	<u>Economic Development</u>	<u>Convention Center</u>	<u>Total</u>
					<u>Hotel</u>	
City General Fund	Operational expenses	\$ -	\$ -	\$3,750,000	\$ -	\$3,750,000
City General Fund	Retail incentives	-	-	246,868	-	246,868
City TIF Fund	TIF taxes	3,040,724	-	-	3,688,136	6,728,860
		<u>\$3,040,724</u>	<u>\$ -</u>	<u>\$3,996,868</u>	<u>\$3,688,136</u>	<u>\$10,725,728</u>
<u>PAYABLE TO</u>						
City General Fund	Unspent administration funding	\$950	\$ -	\$2,231,336	\$ -	\$2,232,286
City Capital Improvement Fund	Unspent capital funding	-	-	558,595	-	558,595
		<u>\$950</u>	<u>\$ -</u>	<u>\$2,789,931</u>	<u>\$ -</u>	<u>\$2,790,881</u>

2023						
<u>RECEIVABLE FROM</u>	<u>Purpose</u>	<u>TIF</u>	<u>GOLT</u>	<u>Economic Development</u>	<u>Convention Center</u>	<u>Total</u>
					<u>Hotel</u>	
City General Fund	Operational expenses	\$266,274	\$ -	\$ -	\$ -	\$266,274
City General Fund	Retail incentives	-	-	560,390	-	560,390
City Hotel Motel Special Revenue Tax Fund	Hotel tax	-	-	-	97,817	97,817
City TIF Fund	TIF taxes	811,742	-	-	1,493,037	2,304,779
OCPA General Purpose Fund	Capital Improvement	-	-	77,000	-	77,000
		<u>\$1,078,016</u>	<u>\$ -</u>	<u>\$637,390</u>	<u>\$1,590,854</u>	<u>\$3,306,260</u>
<u>PAYABLE TO</u>						
City General Fund	Unspent administration funding	\$ -	\$ -	\$841,306	\$ -	\$841,306
City General Fund	Administration funding	208,889	145,275	-	11,472	365,636
City Capital Improvement Fund	Unspent capital funding	-	-	513,956	-	513,956
		<u>\$208,889</u>	<u>\$145,275</u>	<u>\$1,355,262</u>	<u>\$11,472</u>	<u>\$1,720,898</u>



**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**OKLAHOMA CITY ECONOMIC  
DEVELOPMENT TRUST**

***Receivable From/Payable to OCRA***

The Trust reported a receivable from OCRA for the Trust's share of the proceeds related to the sale of the Skirvin property of \$15,078,474 at June 30, 2023.

**VI. B. INTERFUND PAYMENTS**

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

<b>2024</b>						
<b><u>PAYMENTS FROM</u></b>	<b><u>Purpose</u></b>	<b><u>TIF</u></b>	<b><u>GOLT</u></b>	<b><u>Economic Development</u></b>	<b><u>Convention Center Hotel</u></b>	<b><u>Total</u></b>
City General Fund	Administrative subsidies	\$ -	\$ -	\$250,000	\$ -	\$250,000
City Capital Improvement Fund	Capital improvement	-	-	485,636	538,530	1,024,166
City TIF Fund (1)	TIF sales tax	<u>2,429,627</u>	<u>-</u>	<u>-</u>	<u>3,244,910</u>	<u>5,674,537</u>
		<b><u>\$2,429,627</u></b>	<b><u>\$-</u></b>	<b><u>\$735,636</u></b>	<b><u>\$3,783,440</u></b>	<b><u>\$6,948,703</u></b>
<b>2023</b>						
<b><u>PAYMENTS FROM</u></b>	<b><u>Purpose</u></b>	<b><u>TIF</u></b>	<b><u>GOLT</u></b>	<b><u>Economic Development</u></b>	<b><u>Convention Center Hotel</u></b>	<b><u>Total</u></b>
City General Fund	Administrative subsidies	\$150,000	\$ -	\$67,500	\$ -	\$217,500
City Hotel Motel Special Revenue Tax Fund	Hotel tax	-	-	-	538,560	538,560
City Capital Improvement Fund	Capital improvement	-	-	1,523,733	-	1,523,733
City TIF Fund (1)	TIF sales tax	<u>844,174</u>	<u>-</u>	<u>-</u>	<u>2,452,439</u>	<u>3,296,613</u>
		<b><u>\$994,174</u></b>	<b><u>\$-</u></b>	<b><u>\$1,591,233</u></b>	<b><u>\$2,990,999</u></b>	<b><u>\$5,576,406</u></b>
<b><u>PAYMENTS TO</u></b>						
City Special Purpose Fund	Capital improvement	<b><u>\$18,545,282</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$18,545,282</u></b>

(1) Amounts reported do not include unavailable revenue adjustments of \$2,468,831 and \$446,945 at June 30, 2024 and 2023, respectively.

(2) Reported on the trust-wide statement of activities only.

***Interfund Payments To/From Component Units of the City***

In 2024, the Trust reported payments to OCICF for the acquisition of an Economic Development Mega Site of \$4,769,422.

In 2023, the Trust reported payments from OCRA for the Trust's share of the proceeds from the sale of the Skirvin property of \$15,078,474.

## VI. C. OTHER INTERFUND TRANSACTIONS

### *Payments to City General Fund*

#### **Administrative Chargebacks**

For fiscal years ending June 30, 2024 and 2023, the Trust reported payments to the City General fund to reimburse for the cost of providing administrative and operational services of \$782,459 and \$731,270, respectively. These costs are reported with other services and charges.

#### **Management Agreements**

The City provides funding and the Trust manages agreements with the Myriad Botanical Gardens Foundation and the Scissortail Park Foundation, Inc. The Trust does not report revenues or expenses/expenditures in relation to these agreements.

## VII. LONG-TERM COMMITMENTS

### *TIF Funded Commitments*

As of June 30, 2024 and 2023, the Trust has approved TIF funding on projects with outstanding commitments of \$529,540 and \$545,252, respectively.

	<u>2024</u>	<u>2023</u>
	<u>Outstanding Award</u>	<u>Outstanding Award</u>
Rock Island Plow	\$450,000	\$600,000
Wheeler District	58,471,613	59,203,410
Western Elementary	19,490,538	19,734,470
Steelyard Apartments	1,398,176	1,738,176
1st National Center Garage	16,511,447	13,000,000
I-89 School Project	47,228	47,228
West Village	1,443,203	2,000,000
700 West	2,155,000	2,155,000
Villa Teresa	822,501	982,501
Heartland	944,339	1,497,164
Oak Grove	1,252,375	-
Oklahoma County Capital Project	2,844,293	5,000,000
North Hudson/Broadway/Walker Infrastructure	128,893	50,116
Harmony School	200,000	200,000
Okana	100,812,072	102,132,426
Myriad Gardens Renovation	4,041	104,902
Harlow	4,200,000	-
Hamlin Hotel	3,880,000	-
JRB Citizen	1,080,000	1,080,000
Nova	765,000	765,000
Public Strategies	325,000	975,000
	<b><u>\$217,225,719</u></b>	<b><u>\$211,265,393</u></b>

***GOLT Bond Funded Commitments***

The first GOLT bond authorization was in March 2008. The proceeds from the initial authorization less the issuance cost have been transferred to the Trust in the amount of \$74,615,465. A second GOLT bond authorization occurred in 2017. As of June 30, 2024 and 2023, \$59,730,000 from this authorization have been transferred to the Trust. An incentive funding program has been established and is used to negotiate with prospective companies, and is generally awarded based on the company's performance. An annual review of those companies is performed to satisfy the requirements of their contracts. During 2024, the Trust approved GOLT bond proceed allocations of \$10,000,000 and paid \$2,510,100. During 2023, the Trust approved GOLT bond proceed allocations of \$1,400,000 and paid \$747,450. As of June 30, 2024 and 2023, \$7,482,863 and \$18,469,950, respectively is available for outstanding awards.

In 2015, the Trust allocated and paid GOLT Bond fund commitments in the amount of \$23,500,000 to assist the U.S. Air Force in the purchase of a 156 acre site to construct a 14 hanger complex. It is anticipated, based on the projected new jobs that will be created under the KC-46A program at Tinker Air Force base, that approximately \$21,100,000 of the payment will be recouped from job creation incentive payments made by the State of Oklahoma under the Oklahoma Quality Jobs Program Act between 2019 and 2033.

***Affordable Housing***

The Trust desires to promote and assist community residential development through the construction of affordable housing opportunities within City limits. To do this, the Trust has entered into economic development agreements to provide development financing assistance for organizations that wish to meet the affordability requirements. To meet these requirements, developers must provide necessary documentation to the Trust before receiving reimbursement from GOLT and TIF funds.

	<u>2024</u>	<u>2023</u>
	<u>Outstanding Award</u>	<u>Outstanding Award</u>
Oak Grove	\$247,625	\$ -
Harmony School	1,100,000	1,100,000
Fairgrounds Flats	2,000,000	2,000,000
Creston Park	<u>1,250,000</u>	<u>-</u>
	<b><u>\$4,597,625</u></b>	<b><u>\$3,100,000</u></b>

**VIII. ABATEMENTS**

The City has designated the Trust to manage economic development, including incentives. The Trust provides economic development incentives in the form of development financing or performance based incentives that reduce ad valorem or sales tax revenues allocated to the City under approved economic development project plans adopted pursuant to the Local Development Act, Title 62 of the Oklahoma Statutes. These incentives do not meet the criteria of tax abatement as defined in the Oklahoma Local Development Act.

*Development Financing Assistance*

Pursuant to the Local Development Act, Section 850, the City has adopted and approved the Downtown/MAPS Economic Development Project Plan (Economic Development Project Plan) and has established ad valorem tax TIF districts #2 and #8. The Downtown/MAPS Project Area has been declared to be an area where investment, development, and economic growth is difficult. To advance the goals and objectives of the Economic Development Project Plan through the development and redevelopment of vacant and unproductive property in the Downtown area, the City and the Trust provide development financing assistance to multiple developers thereby creating opportunities for further development and by expanding the tax base in the area. Prior to providing development financing, implementation of the project and execution of the economic development agreement, a review committee considers any proposed development and budgetary allocation in light of the project objectives, feasibility, priorities, and funding availability and submits its recommendation to the City Council.

The development financing assistance is funded by the tax incremental funding which is anticipated to be generated from the project's increased property tax value in the TIF district. Prior to receiving payment, developers are typically required to provide verification of the amount of investment in the property, acknowledgement of the development financing assistance provided by the City and the Trust in the form of a plaque or monument attached to the property, and documentation that a certain percentage of any rentable area is occupied. If the agreement provides for a lump-sum payment and the taxable market value of the project does not meet the amount specified in the agreement, the developer is required to pay a minimum amount of annual ad valorem taxes or a payment in lieu of taxes until the ad valorem taxes received by the City less the baseline amount has reached the amount of the incentive paid plus any associated financing charges. If the agreement provides for installment payments, payments will be made for a specific number of years and in specific amounts after proof of the prior year's property tax payment has been verified. Developers are required to pay back the total incentive received if they sell, transfer or otherwise dispose of the property usually within three to five years after the date of project completion.

In addition to the development financing assistance incentives, the City or the Trust have committed to making several non-forgivable low-interest loans and the City has agreed to provide public infrastructure improvements in the development areas.

On January 13, 2015, the City enacted Ordinance 25,081 adopting the Northeast Renaissance Project Plan and created TIF district #9. The Project Plan is to stimulate a combination of public and private redevelopment investment in the project area to match or exceed the investment of the public in order to revitalize vacant, abandoned, dilapidated, underutilized, blighted, and/or historic commercial properties in Northeast Oklahoma City.

On February 24, 2016, City Council adopted ordinance 25,325 which amended and restated the Downtown/MAPS Economic Development Project Plan and created TIF district #10. As of June 30, 2018, the City and OCEDT have entered into a memorandum of agreement for the redevelopment and rehabilitation of a national historic building in downtown Oklahoma City. Upon completion of the first phase of the redevelopment which is for a parking garage and retail and commercial space, a loan may be provided by OCEDT to the developer to pay off a private loan that was secured for the construction of the garage component of the project. The potential OCEDT loan will be paid off from the ad valorem tax increment generated by the garage and any required minimum payments required in lieu of ad valorem taxes. On March 26, 2019, the City Council and OCEDT entered into an economic development agreement for the redevelopment of the hotel component of the project. On September 29, 2020, the City and OCEDT entered into an amended economic development agreement for the redevelopment. The economic development agreement includes a loan to the developer that will be paid off by the ad valorem taxes generated by the hotel, an annual minimum tax payment on the hotel, and sales taxes generated by the hotel.

On February 1, 2017, City Council adopted ordinance 25,558 which adopted and approved the Western Gateway Project Plan and established TIF district #12. As of September 26, 2017, the City and OCEDT have entered into an economic development agreement for the development of approximately 150 acres within the larger Western Gateway Project Area. The project consists of a mixed-use urban neighborhood including over 2,000 units of housing, as well as office, retail and other commercial space along with supporting street and public space infrastructure.

***Performance-Based Incentives***

On October 14, 2008, the City Council adopted a joint resolution with the Trust to approve the City's Retail Incentives Policy to be utilized for the development of new sales taxes in the City and to support under-served areas. Prospective retail developers and retailers complete an application, pay a non-refundable application fee, and make a formal request to the Trust. Applications are evaluated by the Retail Advisory Panel based upon the impact on the City's tax base, the quality of life for citizens, attraction for other types of development, as well as the costs of the incentive and impact on City services and infrastructure. A recommendation is made to the City Manager regarding the eligibility of the project and the amount and type of incentive. Upon approval by the City Manager, an economic development agreement is developed and forwarded for approval by the Trust and then to the City Council. The agreements are typically structured to require a specific level of investment by the developer and provide for an annual incentive for a specified number of years determined on the amount of sales taxes generated, with attainment of specific minimum sales levels being required. In some instances, the incentive has included an obligation by the Trust or the City to make certain public infrastructure improvements for the retail developments.

Pursuant to the Local Development Act, Section 850, the City has adopted and approved the Northeast Renaissance Redevelopment Project Plan and has established ad valorem TIF district #9. The Northeast Renaissance Redevelopment Project Area has been declared to be an area where investment, development and economic growth is difficult. To advance the goals and objectives of the Northeast Renaissance Redevelopment Project Plan through the development and redevelopment of vacant and unproductive property in the project area, the City and the Trust have approved an economic development agreement providing for an annual installment incentive based upon the sales taxes generated and/or the increase in ad valorem taxes generated from the development. Development financing assistance is provided after a review committee considers any proposed development and budgetary allocation in light of the project objectives, feasibility, priorities, and funding availability. The developer is required to provide verification of a specific level of investment, acknowledgement of the development financing assistance provided by the City and the Trust in the form of a plaque or monument attached to the property, and documentation that a certain percentage of any rentable area is occupied.

***Reduction in Reported Tax Revenues***

Economic Development Project Plan property tax collections in the Trust are reported as a reduction in economic incentive receivables. Sales tax collections are used to fund Retail Incentive Policy payments and no revenue or expense is recognized for the collection or payment. When these projects are completed and economic incentive receivables have been repaid, the taxes will be reported with governmental general revenues in the statement of activities.

<b><u>Economic Development Program</u></b>	<b><u>Tax Type</u></b>	<b><u>Reduction in Tax Revenues</u></b>	
		<b><u>2024</u></b>	<b><u>2023</u></b>
Economic Development Project Plan	Property taxes	\$6,720,341	\$4,642,586
Retail Incentive Policy	Sales taxes	<u>752,009</u>	<u>830,427</u>
		<b><u>\$7,472,350</u></b>	<b><u>\$5,473,013</u></b>

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

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To the Board of Trustees  
**Oklahoma City Economic Development Trust**  
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 (*Government Auditing Standards*), the financial statements of the governmental activities of the Oklahoma City Economic Development Trust (Trust), a discrete component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2024 and 2023, the financial statements of each major fund of the Trust as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated September 5, 2025.

### Report on Internal Control over Financial Reporting

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

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

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

### Report on Compliance and Other Matters

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wichita, KS  
September 5, 2025