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**THE OKLAHOMA COUNTY PUBLIC BUILDINGS AUTHORITY**

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**Management's Discussion and Analysis,  
Financial Statements  
and  
Independent Auditor's Report**

**As of and for the Years Ended June 30, 2024 and 2023**

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*dwg, inc.*

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Oklahoma County Public Buildings Authority’s (OCPBA) financial performance provides an overview of the OCPBA’s financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- During 2024, the OCPBA generated operating revenues of approximately \$3,783,560. This was a decrease of \$83,902 or -2.2% over the prior year.
- The revenue from rent saw a slight decrease of \$31,148 for Lincoln, Metro Parking, and the Krowse Center or -19%, and a decrease of \$195,743 for Investor’s Capital or -42.1%. The decrease in the Investor’s Capital building is due to the remodeling being done throughout the whole building.
- The total net position of the OCPBA increased \$3,959,232 from the prior fiscal year, resulting in net position of \$28,938,368 at year end, an 15.9% increase from the prior year. This increase is the result of a decrease of \$83,902 in operating revenues along with an increase in operating expenses of \$681,037 for a total decrease of \$764,940 in operating income, and \$3,592,924 in Capital Contributions-ARPA funds received from Oklahoma County.
- During the fiscal year, the OCPBA transferred a net \$7,000,000 to Oklahoma County, General Fund. This was a temporary transfer and was paid back in January 2024.
- The OCPBA, as a sub-recipient, received \$3,592,924 in American Rescue Plan 2021 (ARPA) funds from the County for capital projects. The capital projects consist of the Oklahoma County District Attorney offices and operations on floors 1-5 of the Investors Capital Building and to renegotiate the architect’s contract. The funds must be obligated by December 31, 2024, and spent by December 31, 2026.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this annual report consists of the management’s discussion and analysis (this section), the basic financial statements, and the notes to the financial statements.

The financial statements provide both long-term and short-term information about the OCPBAs overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The OCBPA’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the Statements of Revenues, Expenses, and Changes in Net position. All assets and liabilities associated with the operation of the OCPBA are included in the Statement of Net position.

The Statement of Net position reports the OCPBA's net position and how they have changed. Net position – the difference between the OCPBA's assets and liabilities – is one way to measure the OCBPA financial health or position. The increase in OCPBA's net position during 2024 is an indicator of its increase in financial health from the prior year.

## **FINANCIAL ANALYSIS OF THE OCPBA**

### **Changes in Net position**

Net position may serve over time as a useful indicator of financial position. As of year-end, OCPBA's assets exceeded liabilities by approximately \$28,938,366. The largest portion of net position is restricted for debt service. The remaining net position are invested in capital assets less any related debt used to acquire those assets still outstanding. While these assets are income producing and the backbone of the OCPBA operations, they are not available for future spending.

At the end of the current year, the OCPBA's net position are reported as follows:

|                                            | <b>2024</b>         | <b>2023</b>         |
|--------------------------------------------|---------------------|---------------------|
| Restricted assets                          | \$38,747,008        | \$19,840,411        |
| Capital assets                             | 11,906,766          | 11,473,170          |
| Total assets                               | <u>\$50,653,774</u> | <u>\$31,313,581</u> |
|                                            |                     |                     |
| Deferred outflows of resources             | 1,047,129           | 1,163,477           |
|                                            |                     |                     |
| Liabilities payable from restricted assets | 1,532,800           | 1,032,921           |
| Long-term debt                             | 21,229,737          | 6,465,000           |
| Total liabilities                          | <u>\$22,762,537</u> | <u>\$ 7,497,921</u> |

Rental revenues decreased \$83,902 or -2.2% since fiscal year 2022-23, and operating expenses increased \$681,037 or 24.2%. Non-operating expenses (interest payments and trustee fees) increased approximately \$490,279 while the non-operating revenues increased approximately \$703,976 from the issuance of new debt and earnings on investments compared to last year.

|                                          | Changes in Net Position |              |
|------------------------------------------|-------------------------|--------------|
|                                          | 2024                    | 2023         |
| Operating revenues                       | \$ 3,783,560            | \$ 3,867,463 |
| Operating expenses                       | (3,491,499)             | (2,810,462)  |
| Operating Income                         | 292,061                 | 1,057,001    |
| Non-operating revenues(expenses)         | 74,246                  | (139,450)    |
| Net income before transfers              | 366,307                 | 917,550      |
| Capital contributions                    | 3,592,924               | 11,396,678   |
| Operating transfers from Oklahoma County | -                       | 3,000,000    |
| Operating transfers to Oklahoma County   | -                       | (3,657,030)  |
| Changes in net position                  | 3,959,231               | 11,657,198   |
| Total net position, beginning of year    | 24,979,136              | 13,321,938   |
| Total net position, end of year          | \$29,938,367            | \$24,979,136 |

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

Capital assets increased 3.8% over prior year due to the added improvements of the Investor's Capital Building remodel and the construction in progress ARPA and Sheriff projects at the Krowse Building. The increases were offset by an overall increase in accumulated depreciation.

### Debt Administration

The OCPBA's long-term debt consists of capital lease agreement with the OIA resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the PBA. The bonds were originally issued to acquire and construct a new parking garage, advance refund the OCPBA 1997 Capital improvement bonds, and for various other improvements of county buildings. In June 2012, the PBA refinanced its capital lease agreement with the OIA resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the PBA. In April 2020, the PBA refinanced its capital lease agreement with the OIA again resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the PBA. This OIA refunding and related PBA capital lease refinancing was done for the purpose of reducing the interest costs on the debt and to achieve an economic savings. Over the life of the capital lease agreement, the refinancing will result in a debt service cash flow savings to the PBA of \$437,547, and a net economic present value benefit of \$369,165 after considering use of existing debt service funds.

The Oklahoma Industries Authority issued \$15,000,000 of lease revenue bonds on February 29, 2024, with interest rates that vary from 4.125% to 5.000%. The principal

balance of the 2024 lease is \$15,000,000 and the interest balance of \$14,338,983 is payable semi-annually June 1 and December 1, commencing December 1, 2024, with interest rates of 5.00%. Amortization is recognized over the remaining life of the lease. Amortization expense of \$14,991 will be recorded in 2024.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Management agreement between the OCPBA and Board of County Commissioners of Oklahoma County was amended on July 27, 2005. Under this agreement, the County provides staff to efficiently manage and operate properties as well as establish an enterprise fund, with a separate debt service cost center, for the proper accounting of the revenues and expenses of the Authority. OCPBA formally adopted an Enterprise Fund annual budget for the 2023-2024 fiscal year in accordance with the management agreement.

The OCPBA is a component unit of Oklahoma County and is included in the financial statements of Oklahoma County as a blended component unit.

The revitalization of the downtown Oklahoma City area will continue to increase the number of new businesses. As a result, the parking and business rental for the downtown area should continue to be in demand. The Oklahoma City Metropolitan Area Projects (MAPS) added downtown streetcars, a new downtown convention center and the new Scissortail Park which will strengthen the core business center of the metropolitan area even more. The PBA Board considered all these economic factors in establishing parking rates and rental rates for the properties and planning capital projects.

### **REQUESTING THE OCPBA'S FINANCIAL INFORMATION**

This financial report is designed to provide our bondholders, patrons and other interested parties with a general overview of the OCPBA's finances and to demonstrate the OCPBA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Clerk's Finance Division at 320 Robert S. Kerr, Room 206 Oklahoma City, OK 73102-3430.

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
The Oklahoma County Public Buildings Authority

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

#### ***Opinions***

We have audited the financial statements of the business-type activities and aggregate discretely presented component unit of Oklahoma County, as of and for the years ending June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Oklahoma County as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit 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. 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 Oklahoma County Public Building Authority (OCPBA) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

OCPBA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 OCPBA's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***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 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, 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 OCPBA'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 OCPBA's ability to continue as a going concern for a reasonable period of time.

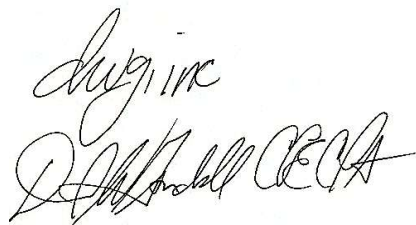
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis information beginning with page i be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2025 on our consideration of the internal control over financial reporting of the Oklahoma County Public Buildings Authority, 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 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 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 Oklahoma County Public Buildings Authority's internal control over financial reporting and compliance.



dwg, inc.  
October 17, 2025

Oklahoma County Public Buildings Authority  
Statement of Net Position  
June 30, 2024 and 2023

| <b>ASSETS</b>                                                     | <b>2024</b>          | <b>2023</b>          |
|-------------------------------------------------------------------|----------------------|----------------------|
| <b>Current Assets:</b>                                            |                      |                      |
| <b>Assets with restrictions:</b>                                  |                      |                      |
| Cash and cash equivalents                                         | \$ 38,709,428        | \$ 19,813,620        |
| Accounts receivable                                               | 37,580               | 26,791               |
| <b>Total current assets</b>                                       | <u>38,747,008</u>    | <u>19,840,411</u>    |
| <br><b>Capital Assets:</b>                                        |                      |                      |
| Land                                                              | 2,275,936            | 2,275,936            |
| Buildings and improvements                                        | 25,132,325           | 25,132,325           |
| Equipment                                                         | 852,990              | 841,728              |
| Construction in progress                                          | 1,459,518            | 147,860              |
| Less accumulated depreciation                                     | <u>(17,814,003)</u>  | <u>(16,924,679)</u>  |
| Total capital assets (net of accumulated depreciation)            | <u>11,906,766</u>    | <u>11,473,170</u>    |
| <b>Total noncurrent assets</b>                                    | <u>11,906,766</u>    | <u>11,473,170</u>    |
| <b>Total Assets</b>                                               | <u>\$ 50,653,774</u> | <u>\$ 31,313,581</u> |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>                         |                      |                      |
| Deferred amount on lease refinancing                              | <u>\$ 1,047,129</u>  | <u>\$ 1,163,477</u>  |
| <br><b>LIABILITIES</b>                                            |                      |                      |
| <b>Current liabilities payable from assets with restrictions:</b> |                      |                      |
| Leases payable - current                                          | \$ 684,991           | \$ 655,000           |
| Accounts payable                                                  | 731,949              | 289,824              |
| Accrued interest payable                                          | 96,592               | 11,629               |
| Prepaid rent                                                      | 19,268               | 76,468               |
| <b>Total current liabilities</b>                                  | <u>1,532,800</u>     | <u>1,032,921</u>     |
| <br><b>Noncurrent liabilities:</b>                                |                      |                      |
| Capital lease obligations (net of deferred amount on refunding)   | 21,229,737           | 6,465,000            |
| Total noncurrent liabilities                                      | <u>21,229,737</u>    | <u>6,465,000</u>     |
| <b>Total Liabilities</b>                                          | <u>22,762,536</u>    | <u>7,497,921</u>     |
| <br><b>NET POSITION</b>                                           |                      |                      |
| Invested in capital assets, net of related debt                   | 5,413,725            | 5,138,725            |
| Restricted for debt service                                       | <u>23,524,642</u>    | <u>19,840,411</u>    |
| <b>TOTAL NET POSITION</b>                                         | <u>\$ 28,938,367</u> | <u>\$ 24,979,136</u> |

The accompanying notes are an integral part of these financial statements

**Oklahoma County Public Buildings Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2024 and 2023**

|                                                  | <b>2024</b>          | <b>2023</b>          |
|--------------------------------------------------|----------------------|----------------------|
| <b>Operating Revenues:</b>                       |                      |                      |
| Rental Revenue                                   | \$ 3,783,560         | \$ 3,867,463         |
| <b>Total Operating Revenues</b>                  | <u>3,783,560</u>     | <u>3,867,463</u>     |
| <b>Operating Expenses:</b>                       |                      |                      |
| Cost of sales and services                       | 1,986,851            | 1,309,058            |
| Administration                                   | 465,591              | 433,426              |
| Depreciation                                     | 922,709              | 951,630              |
| Amortization                                     | 116,348              | 116,348              |
| <b>Total Operating Expenses</b>                  | <u>3,491,499</u>     | <u>2,810,462</u>     |
| <b>Operating Income</b>                          | <u>292,061</u>       | <u>1,057,001</u>     |
| <b>Non-Operating Revenues (Expenses):</b>        |                      |                      |
| Investment Income                                | 712,481              | 8,505                |
| Interest Expense                                 | (221,281)            | (147,956)            |
| Trustee and Other Expenses                       | (416,954)            | -                    |
| <b>Total Non-Operating Revenue (Expenses)</b>    | <u>74,246</u>        | <u>(139,451)</u>     |
| <b>Income before contributions and transfers</b> | 366,307              | 917,550              |
| <b>Capital Contributions - ARPA funds</b>        | 3,592,924            | 11,396,678           |
| <b>Transfers In</b>                              | -                    | 3,000,000            |
| <b>Transfers Out</b>                             | -                    | (3,657,030)          |
| Change in Net Position                           | 3,959,231            | 11,657,198           |
| Total Net Position- Beginning                    | 24,979,136           | 13,321,938           |
| <b>Total Net Position-Ending</b>                 | <u>\$ 28,938,367</u> | <u>\$ 24,979,136</u> |

The accompanying notes are an integral part of these financial statements

**Oklahoma County Public Buildings Authority**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

|                                                                              | <b>2024</b>          | <b>2023</b>          |
|------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Cash Flows From Operating Activities</b>                                  |                      |                      |
| Receipts from customers and users                                            | \$ 3,715,570         | \$ 3,877,190         |
| Payments to suppliers                                                        | (1,544,725)          | (1,139,842)          |
| Payments to employees                                                        | (465,591)            | (433,426)            |
| Net cash provided from operations                                            | 1,705,254            | 2,303,922            |
| <b>Cash flows from Capital Financing Activities:</b>                         |                      |                      |
| Principal paid on capital debt                                               | (655,000)            | (645,000)            |
| Interest paid on capital debt                                                | (136,318)            | (149,009)            |
| Proceeds from issuance of debt                                               | 15,449,727           | -                    |
| Bond financing fees                                                          | (416,956)            | -                    |
| Capital Contributions-ARPA funds                                             | 3,592,924            | 11,396,678           |
| Payment for capital assets                                                   | (1,356,304)          | (233,250)            |
| <b>Net Cash Provided (Used) by capital financing activities</b>              | 16,478,073           | 10,369,419           |
| <b>Cash flows from Noncapital Financing Activities:</b>                      |                      |                      |
| Transfers from Oklahoma County                                               | -                    | 3,000,000            |
| Transfers to Oklahoma County                                                 | -                    | (3,657,030)          |
| <b>Net Cash Provided (Used) by noncapital financing activities</b>           | -                    | (657,030)            |
| <b>Cash Flows From Investing Activities</b>                                  |                      |                      |
| Interest and dividends                                                       | 712,481              | 8,505                |
| <b>Net Cash Provided (Used) by investing activities</b>                      | 712,481              | 8,505                |
| <b>Net increase (decrease) in cash and investments</b>                       | 18,895,808           | 12,024,816           |
| Beginning cash                                                               | 19,813,620           | 7,788,804            |
| Ending cash                                                                  | <u>\$ 38,709,428</u> | <u>\$ 19,813,620</u> |
| <b>Reconciliation of income from operations to net cash from operations:</b> |                      |                      |
| Operating income (loss)                                                      | \$ 292,061           | \$ 1,056,999         |
| Adjustments to income from operations:                                       |                      |                      |
| Depreciation expense                                                         | 922,709              | 951,630              |
| Amortization                                                                 | 116,348              | 116,348              |
| (Increase) decrease in receivables                                           | (10,789)             | (13,763)             |
| Increase (decrease) in prepaid rent                                          | (57,201)             | 23,492               |
| Increase (decrease) in payables                                              | 442,126              | 169,216              |
| Net cash provided by operations                                              | <u>\$ 1,705,254</u>  | <u>\$ 2,303,922</u>  |

**The Oklahoma County Public Buildings Authority**  
**Notes to the Financial Statements**  
**As of June 30, 2024 and 2023**

**1. Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Oklahoma County Public Buildings Authority (OCPBA) is a public trust authority established March 4, 1968, under the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, inclusive, the Oklahoma Trust Act, and other applicable statutes of the State of Oklahoma. The trustees are the Oklahoma County Commissioners and the purpose of the OCPBA is to finance, operate, construct, and administer any public works, improvements, or facilities for the benefit of Oklahoma County. Currently, the OCPBA is responsible to collect the rental revenues from the Metro Parking Garage, Investor's Capital Building, Lincoln Building and the Krowse Building property which are pledged for payment of the lease payments of the 2020 lease revenue bonds issued by the Oklahoma Industries Authority. Oklahoma County established an Enterprise Fund for the proper accounting of the revenues and expenses of the Authority. Revenue generated by the properties are used to pay the principal and interest of the outstanding bonds and all direct expenses to manage and operate said properties under the amended management agreement between the OCPBA and Oklahoma County dated July 7, 2005. Under the agreement if any additional funds exist subsequent to the payment of ongoing operating costs, a payment to cover the County's overhead costs for supportive service will be paid to the County in July. The duration of the contract is the life of the bonds issued by OCPBA unless modified in writing. The Oklahoma County Public Buildings Authority is a component unit of Oklahoma County and is reported as a blended component unit.

**Basis of Accounting**

The financial statements of the OCPBA have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses when incurred. The OCPBA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

**Cash and Cash Equivalents**

Cash and cash equivalents are defined to be cash on hand, demand deposits, cash with fiscal agents, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments are accounted for in accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments*, which states that investments at year-end with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost.

**Receivables**

All receivables are reported at their gross value. None are expected to be uncollectible.

**The Oklahoma County Public Buildings Authority**  
**Notes to the Financial Statements**  
**As of June 30, 2024 and 2023**

**Capital Assets**

OCPBA increased its capitalization threshold from assets with initial, individual costs exceeding \$250 to \$5,000 effective July 1, 2002. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Land and Land Improvements are not depreciable assets. Capital Assets are depreciated using the straight-line basis over the following assigned useful lives as follows:

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 25-40 years |
| Equipment                  | 6 years     |

**Operating and Non-operating Revenue**

Operating revenues and expenses generally result from providing services in connection with the principle ongoing operations. Operating revenue consists of parking garage rental fees and rental fees from space at the Investors Capital, Lincoln and Krowse buildings. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues or expenses. These include investment earnings, principal and interest expense and transactions that result from non-exchange or ancillary activities.

**Restricted Resources**

When both resources with restrictions and resources without restrictions are available for use, it is the OCPBA's policy to use resources with restrictions first, then resources without restrictions as they are needed.

**2. Stewardship and Accountability**

**Budgets and Financial Reports**

Title 60, Section 176(G) requires public trusts to submit budgets and financial reports sufficient to demonstrate the fiscal activity of the trusts to the beneficiary each year. An Estimate of Needs was prepared, and a budget adopted for the newly created Enterprise Fund for the current fiscal year.

**3. Cash and Investments with Restrictions**

Certain cash and investments are required to be maintained in separate accounts by the 2020 lease revenue bond indenture. All such accounts are being maintained as required.

**The Oklahoma County Public Buildings Authority**  
**Notes to the Financial Statements**  
**As of June 30, 2024 and 2023**

**4. Deposits and Investments**

Deposits and investments made by the OCBPA are summarized below. The deposits are classified as to credit risk within the following three categories:

- Category 1 Insured or collateralized, with securities held by the OCPBA or its agent in its name.  
Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the OCPBA's name.  
Category 3 Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the OCPBA's name).

|                       | 1             | 2    | 3    | Carrying Value |
|-----------------------|---------------|------|------|----------------|
| Demand Deposits       | \$ 23,212,443 | -    | -    | \$ 23,212,443  |
| Money Market Accounts | 15,496,985    | -    | -    | 15,496,985     |
| Total                 | \$ 38,709,428 | \$ - | \$ - | \$ 38,709,428  |

**5. Capital Assets**

The summary of changes in capital assets as of June 30, 2024 is presented below:

|                          | June 30, 2023 | Additions | Deletions | June 30, 2024 |
|--------------------------|---------------|-----------|-----------|---------------|
| Land                     | \$ 2,275,936  | -         | -         | \$ 2,275,936  |
| Buildings & Improvements | 25,132,325    | -         | -         | 25,132,325    |
| Equipment                | 841,728       | 44,646    | (33,384)  | 852,990       |
| Construction In Progress | 147,860       | 1,311,658 | -         | 1,459,518     |
|                          | 28,397,849    | 1,356,304 | (33,384)  | 29,720,769    |
| Accumulated Depreciation | (16,924,679)  | (922,709) | 33,384    | (17,814,004)  |
| Net Capital Assets       | \$ 11,473,170 | 433,595   | -         | \$ 11,906,765 |

The summary of changes in capital assets as of June 30, 2023 is presented below:

|                          | June 30, 2022 | Additions | Deletions | June 30, 2023 |
|--------------------------|---------------|-----------|-----------|---------------|
| Land                     | \$ 2,275,936  | -         | -         | \$ 2,275,936  |
| Buildings & Improvements | 25,046,935    | 85,390    | -         | 25,132,325    |
| Equipment                | 841,728       | -         | -         | 841,728       |
| Construction In Progress | -             | 147,860   | -         | 147,860       |
|                          | 28,164,599    | 233,250   | -         | 28,397,849    |
| Accumulated Depreciation | (15,973,049)  | (951,630) | -         | (16,924,679)  |
| Net Capital Assets       | \$ 12,191,550 | (718,380) | -         | \$ 11,473,170 |

**The Oklahoma County Public Buildings Authority**  
**Notes to the Financial Statements**  
**As of June 30, 2024 and 2023**

**6. Capital Lease Financing Obligations**

On October 1, 1997, OCPBA issued Capital Improvement Revenue Bonds, Series 1997 in the amount of \$6,800,000 with interest rates that vary from 4% to 4.9%. The proceeds of the bond issue were used to purchase computer equipment, software, hardware, training facilities and related costs to computerize the Oklahoma County government and provide needed repairs and improvements to property of OCPBA. The bonds are secured by the OCPBA property and gross revenues and matured October 1, 2013. Additionally, OCPBA purchased an insurance policy guaranteeing payment of the bonds.

The Oklahoma Industries Authority (OIA) issued \$20,560,000 of lease revenue bonds on July 28, 2003 with interest rates that vary from 2.25% to 5.85%. In June 2012, the OCPBA refinanced its capital lease agreement with the OIA resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the OCPBA. This OIA refunding and related OCPBA capital lease refinancing was done for the purpose of reducing the interest costs on the debt and to achieve an economic savings. Over the life of the capital lease agreement, the refinancing will result in a debt service cash flow savings to the OCPBA of \$3,273,365, a gross debt service present value savings of \$2,469,268, and a net economic present value benefit of \$1,151,539 after considering use of existing debt service funds. In April 2020, the PBA refinanced its capital lease agreement with the OIA resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the PBA. This OIA refunding and related PBA capital lease refinancing was done for the purpose of reducing the interest cost on the debt and to achieve an economic savings. Over the life of the capital lease agreement, the refinancing will result in a debt service cash flow savings to the PBA of \$437,547, and a net economic present value benefit of \$369,165 after considering use of existing debt service funds. The principal balance of the 2022 lease is \$6,465,000 and the interest balance of \$616,861 is payable semi-annually June 1 and December 1, commencing December 1, 2024 with interest rates of 1.960%. Deferred costs resulting from the lease refunding of \$1,047,129 and \$1,163,477 are reflected as a deferred outflow of resources on the statement of net position as of June 30, 2024 and 2023, respectively. Amortization expense of \$116,348 was recorded in 2024 and \$116,348 in 2023.

The Oklahoma Industries Authority issued \$15,000,000 of lease revenue bonds on February 29, 2024, with interest rates that vary from 4.125% to 5.000%. The principal balance of the 2024 lease is \$15,000,000 and the interest balance of \$14,338,983 is payable semi-annually June 1 and December 1, commencing December 1, 2024, with interest rates of 5.000%. Amortization of the \$449,727 bond premium is recognized over the remaining life of the lease. Amortization of \$14,991 was recorded in 2024.

The principal of and the interest on the bonds is payable from the lease payments made by the Oklahoma County Public Buildings Authority to the Oklahoma Industries Authority pursuant to terms of a Lease Purchase Agreement dated April 1, 2020. The Bonds are limited obligations of the issuer, secured by a pledge of the Trust Estate. The Trust Estate consists of the Lease Payments, the Lease Agreement, Revenues, the Parking and Use Agreement, the parking agreements with the Corporate Users, and all funds and accounts established by the Indenture and the monies and investments therein, including any unexpended Bond Proceeds. The Bonds are special and limited obligations of the Issuer payable solely from the Lease Payments and other revenues pledged for payment thereof.

The Bonds were issued to provide funds for the Public Buildings Authority to (1) acquire, construct, and equip a parking garage, (2) advance refund the Public Building Authority Capital Improvement Bonds, Series 1997, (3) make improvements to the Metro Parking Garage, (4) make other County improvements, (5) fund capitalized interest, (6) purchase Surety Bonds in lieu of funding a Debt Service Reserve Fund, and (7) pay certain costs of issuing the Bonds.

**The Oklahoma County Public Buildings Authority**  
**Notes to the Financial Statements**  
**As of June 30, 2024 and 2023**

The following are the new schedules of the future minimum lease payments under these capital leases, and the present value of the net minimum leases as follows:

| 2020 Lease |             |           |                    | 2024 Lease |              |              |                    |
|------------|-------------|-----------|--------------------|------------|--------------|--------------|--------------------|
| Year       | Principal   | Interest  | Total Debt Service | Year       | Principal    | Interest     | Total Debt Service |
| 2025       | 670,000     | 123,431   | 793,431            | 2025       | -            | 857,796      | 857,796            |
| 2026       | 680,000     | 110,250   | 790,250            | 2026       | -            | 683,200      | 683,200            |
| 2027       | 695,000     | 96,824    | 791,824            | 2027       | -            | 683,200      | 683,200            |
| 2028       | 705,000     | 83,153    | 788,153            | 2028       | -            | 683,200      | 683,200            |
| 2029-2032  | 2,940,000   | 191,835   | 3,131,835          | 2029-2053  | 13,930,000   | 11,408,850   | 25,338,850         |
| 2033       | 775,000     | 11,368    | 786,368            | 2054       | 1,070,000    | 22,738       | 1,092,738          |
| Total      | \$6,465,000 | \$616,861 | \$7,081,861        | Total      | \$15,000,000 | \$14,338,983 | \$29,338,983       |

## **7. Risk Management**

OCBPA is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OCPBA manages this risk through the purchase of commercial insurance policies paid for by Oklahoma County and subject to the terms of a management contract with Oklahoma County that obligates Oklahoma County to defend and pay for any litigation expense or judgment against OCPBA or its property upon demand. Claims are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There was no claims activity for the year just ended.

## **8. Liquidity and Availability of Resources**

The following table reflects OCPBA's financial assets as of June 30, 2024, reduced by amounts not available for general use within one year either because of restrictions, illiquidity, or designation for a specific use. OCPBA's financial assets available within one year of the balance sheet date for general expenditure are as follows:

|                           |                   |
|---------------------------|-------------------|
| Cash and Cash Equivalents | \$ 114,373        |
| Accounts Receivable       | 37,580            |
| Total                     | <u>\$ 151,953</u> |

## **9. Subsequent Events**

Management has evaluated subsequent events through the date which the financial statements were available to be issued.

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*

The Board of Trustees  
The Oklahoma County Public Buildings Authority

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Oklahoma County Public Buildings Authority, a component unit of Oklahoma County, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 17, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oklahoma County Public Buildings Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma County Public Buildings Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Oklahoma County Public Buildings Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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.

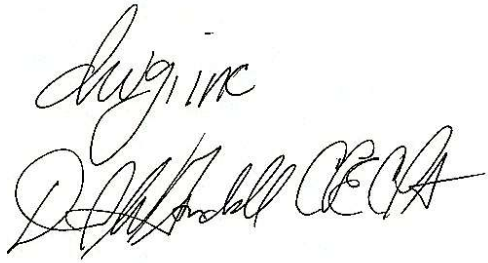
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

## Purpose of This Report

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

Handwritten signature of dwg, inc. and a signature of D. J. McCall CEA.

dwg, inc.  
October 17, 2025