

## **AGENDA**

**Special Meeting and Public Hearing of  
The Trustees of Oklahoma Industries Authority (the “Authority”)  
Tuesday, January 20, 2015 at 11:00 a.m.  
The Alliance for Economic Development  
Conference Room  
105 North Hudson, Suite 101**

Presiding: Clayton I. Bennett, Chairman

The following agenda items may include actions, approvals, disapprovals and voting as desired by the Trustees:

- 2206 Determination of Quorum
- 2207 Consider and approve Minutes for Meeting held on September 4, 2014
- 2208 Report and Receive Quarterly Financial Statements for Oklahoma Industries Authority for the periods ending September 30, 2014
- 2209 Report and Receive Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2014 and 2013
- 2210 Consider a Resolution approving a Second Amendment to Loan Agreement, authorizing a deemed exchange relating to the 2008 API Loan and approving documents related thereto (API)
- 2211 Consider a Resolution adopting Post Issuance Compliance Procedures Relating to the Issuance of Federally Tax Exempt Special Obligation Revenue Bonds
- 2212 Consider a Resolution authorizing and approving an agreement with MIDCOM Data Services, LLC for professional data management and storage services for Authority records.
- 2213 Consider and approve a resolution authorizing the purchase of the BNSF Railway Company Railyard adjacent to the southwest portion of Tinker Air Force Base for the United States Air Force, authorization of related funding by the Authority, and authorization and approval of documents and other actions necessary to facilitate closing of the contemplated purchase, including documents and other actions associated with repayment of a portion of the costs of acquisition from future payments from the Oklahoma Quality Jobs Act.
- 2214 Report from General Manager
- 2215 Adjournment

**MINUTES OF THE TRUSTEES  
OKLAHOMA INDUSTRIES AUTHORITY  
THURSDAY, SEPTEMBER 4, 2014 - 11:00 A.M.  
THE ALLIANCE FOR ECONOMIC DEVELOPMENT  
CONFERENCE ROOM  
105 N. HUDSON, SUITE 101  
OKLAHOMA CITY, OK 73102**

PRESENT: Trustees: Roy Williams  
Ron Norick  
J.W. Mashburn

ABSENT: Clay Bennett, Chairman  
Kirk Humphreys

ALSO: Rick Godfrey, OIA  
Gary Bush, Public Finance Law Firm  
John Michael Williams, Williams, Box, Forshee & Bullard  
Wiley Williams – City of Oklahoma City  
Jim Denton & Terry Bernard – Arledge & Associates  
Tom Knight & Rachel Rafik – Grant Thornton  
Catherine O'Connor, The Alliance for Economic Development  
Geri Kenfield, The Alliance for Economic Development  
Pam Lunnon, The Alliance for Economic Development

PRESIDING: Vice-Chairman, Ron Norick

The Trustees of Oklahoma Industries Authority met in the Conference Room of The Alliance Offices, at 105 N. Hudson, Suite 101; Oklahoma City, Oklahoma pursuant to public notice thereof in writing, delivered to the County Clerk of Oklahoma Country. The notice/agenda was posted/filed at the Authority's Principal Office at 105 N. Hudson, Suite 101 on September 2, 2014.

2194 *The Vice-Chairman determined there was a quorum and called the meeting to order at 11:00 a.m.*

2195 *Chairman asked for approval of minutes for meeting held on Monday, June 10, 2013*

Mr. Williams moved and Mr. Mashburn seconded a motion to approve the minutes of the Monday, June 10, 2013 meeting.

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

2196 *Approve New Budget for FY 2014/2015*

Presentation made by Cathy O'Connor and Geri Kenfield on above "New Budget for FY 2014/2015".

Mr. Williams moved and Mr. Mashburn seconded a motion to approve new budget for FY 2014/2015.

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2197 ***Report and receive Quarterly Financial Statements for Oklahoma Industries Authority for the period ending June 30, 2013; September 30, 2013; December 31, 2013; March 31, 2014 and June 30, 2014***

Presentation made by Jim Denton, Arledge & Associates on above "Quarterly Financial Statements".

Mr. Mashburn moved and Mr. Williams seconded a motion to receive quarterly financial statements for period ending June 30, 2013; September 30, 2013; December 31, 2013; March 31, 2014 and June 30, 2014.

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2198 ***Report and Receive Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2013 and 2012***

Presentation made by Tom Knight, Grant Thornton on above "Audit – June 30, 2013 and 2012".

Mr. Williams moved and Mr. Mashburn seconded a motion to approve Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2013 and 2012

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2199 ***Consider a Resolution Approving and Providing for the Execution of an Amendment to Loan Agreement Relating to the Industrial Development Revenue Bond (API Realty, LLC Project, Series 2008 and Matters Related Thereto)***

Mr. Bush explained GE Government Finance, Inc. purchased the API Bonds in 2008 which was used to purchase a plant on I-35. Corporate Guarantors and Personal Guarantors are involved; API has injected a whole new company between the corporate and the individuals. GE has required that the holding company sign a guaranty agreement which requires OIA to approve an amendment to the loan agreement.

Mr. Mashburn moved and Mr. Williams seconded a motion to approve a Resolution Approving and Providing for the Execution of an Amendment to Loan Agreement Relating to the Industrial Development Revenue Bond (API Realty, LLC Project, Series 2008 and Matters Related Thereto)

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2200 ***Consider a Resolution Authorizing the Issuance of the Authority's Revenue Refunding Bonds or Notes for Refinancing the South Oklahoma City Facilities of the Young Men's Christian Association Of Greater Oklahoma City; Waiving Competitive Bidding on the Sale Thereof and Authorizing the Sale at a Discount Pursuant to a Purchase or Placement Agreement; Approving and Authorizing Execution and Delivery of the Bonds or Notes, a Trust Indenture (The "Indenture"), Loan Agreement and Additional Documents Supporting the Transaction; Authorizing an Official Statement or other Offering or Placement Document; Designating Authority Officers; Authorizing a Public Hearing, if Necessary; and Containing other Provisions Relating Thereto***

Mr. Bush explained BOSC has determined that a refinancing of the Project through the refunding of the Prior Bonds would produce substantial savings for the YMCA. Today the Board will be approving this transaction on a preliminary basis only. This transaction requires four (4) votes for final approval; the waiver has been taken out of the resolution. This transaction will come back to the Board for final approval at a later date.

Mr. Williams moved and Mr. Mashburn seconded a motion to approve without the waiver of competitive bidding Resolution Authorizing the Issuance of the Authority's Revenue Refunding Bonds or Notes for Refinancing the South Oklahoma City Facilities of the Young Men's Christian Association Of Greater Oklahoma City; Waiving Competitive Bidding on the Sale Thereof and Authorizing the Sale at a Discount Pursuant to a Purchase or Placement Agreement; Approving and Authorizing Execution and Delivery of the Bonds or Notes, a Trust Indenture (The "Indenture"), Loan Agreement and Additional Documents Supporting the Transaction; Authorizing an Official Statement or other Offering or Placement Document; Designating Authority Officers; Authorizing a Public Hearing, if Necessary; and Containing other Provisions Relating Thereto

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2201 ***Consider a Resolution Approving and Providing for the Execution of a New or Amended Lease of the 59th Street Property Across From the Unit Parts Plant to Provide an Extension of the Term and New Provisions to Compensate for Improvements to the Property by the Tenant***

Mr. Bush explained we leased this garage property to Ledet's Welding Company about

one year ago for \$2000.00/month. They do oil rig welding and have done really well. They started with five employees and now have grown to sixteen employees. The facility is not in good condition, but this tenant wants to spend around \$45,000 on improvements out of his own pocket and he will provide all the labor. OIA is having necessary electrical work done which will cost around \$10,000. This agreement will allow us to sign a lease with them for a longer period of time instead of month-to-month. Our plan is to give him at least a multiple year lease at \$2000.00/month. He can walk at any time and take his improvements with him or at the end of term the improvements would belong to OIA. There is a possibility they may want to buy the facility from OIA in the future.

Mr. Williams moved and Mr. Mashburn seconded a motion to approve a Resolution Approving and providing for the Execution of a New or Amended Lease of the 59th Street Property Across From the Unit Parts Plant to Provide an Extension of the Term and New Provisions to Compensate for Improvements to the Property by the Tenant

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2202 *Consider and Approve a Resolution Authorizing and Approving an Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc. for FY 2014/2015, and Further Authorizing the Chair (or Vice-chair) to take Actions Necessary to Effectuate the Provisions of the Resolution, and to Approve and Authorize Other Actions Regarding the Operation and Management of the Authority, Including the Pursuit of Economic Development Prospects, and to Authorize Necessary Funding for Same*

Ms. O'Connor stated Alliance Agreement is same as last year.

Mr. Williams moved and Mr. Mashburn seconded a motion to approve a Resolution Authorizing and Approving an Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc. for FY 2014/2015, and Further Authorizing the Chair (or Vice-chair) to take Actions Necessary to Effectuate the Provisions of the Resolution, and to Approve and Authorize Other Actions Regarding the Operation and Management of the Authority, Including the Pursuit of Economic Development Prospects, and to Authorize Necessary Funding for Same

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

- 2203 *Consider and approve resolution regarding the purchase of BNSF Railway Company Railyard adjacent to the Southwest portion of Tinker Air Force Base, related funding, and repayment of a portion of the cost of acquisition from future payments from the Oklahoma Quality Jobs Program*

Mr. John Williams explained this resolution authorizes the Chair to completely close the

transaction and execute agreements on the Authority's behalf. There essentially will be three (3) agreements, one agreement is the Purchase Agreement with BNSF Railroad which calls for a \$44,000,000 purchase price. The US Air Force will contribute \$8 million, the City of Oklahoma City will contribute \$23.5 million and Oklahoma County will contribute \$12.5 million. There has been a lot of negotiations going on between the Railroad and the US Air Force; these matters are trying to be resolved. The closing is set for September 23, 2014 at 2:00 p.m. There are a lot of moving parts to this transaction and a lot of people involved. In this transaction there will be a \$350,000 earnest money amount, we contemplate OIA paying it, but OIA will pay for it from a State of Oklahoma Military Grant. Whether we will get the money back is still to be determined, although we may be able to negotiate the earnest money out of the deal. This specific project only utilizes about 40% of the land, so there is room for the US Air Force to develop two other projects.

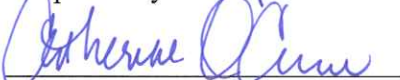
Mr. Mashburn moved and Mr. Williams seconded a motion to approve a resolution regarding the purchase of BNSF Railway Company Railyard adjacent to the Southwest portion of Tinker Air Force Base, related funding, and repayment of a portion of the cost of acquisition from future payments from the Oklahoma Quality Jobs Program

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Norick, yes; Mr. Williams, yes and Mr. Mashburn, yes

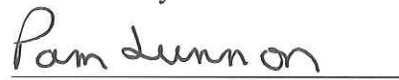
2204 ***Report from General Manager***

2205 ***Adjournment – 11:43 a.m. by Vice-Chairman Norick***

Respectfully submitted:

  
Catherine O'Connor  
General Manager

Recorded by:

  
Pam Lunnon  
Administrative Assistant

**Financial Statements  
of  
Oklahoma Industries Authority  
For the Period Ended September 30, 2014**

See Accountant's Compilation Report







## Accountant's Compilation Report

The Board of Directors  
Oklahoma Industries Authority  
105 N. Hudson Avenue, Suite 101  
Oklahoma City, OK 73102

We have compiled the accompanying statement of net position of Oklahoma Industries Authority (a nonprofit organization) as of September 30, 2014 and the related statements of revenues, expenses, and change in net position for the three months then ended September 30, 2014. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A statement of cash flows for the three months ended September 30, 2014 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement must be presented when the financial statements purport to present financial position and operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Oklahoma Industries Authority.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
December 11, 2014

**Oklahoma Industries Authority**  
**Statement of Net Assets**  
**September 30, 2014**

**ASSETS**

**Current Assets**

Cash and cash equivalents		
Cash - Admin & Clerical - BOK	\$	4,339.09
Short Term Cash - Summit Machine		2,358,319.78
Short Term Cash - Revenue Fund		<u>1,708,517.92</u>
Total Cash and cash equivalents		4,071,176.79

Investments

Fixed Income - Revenue Fund	1,894,843.00
Fixed Income-Summit Mac Princ	<u>316,095.00</u>

        Total Investments 2,210,938.00

Accrued Int. Receivable-PF	33.43
Accounts Receivable	16,958.33
Prepaid Expenses	5,995.74
Due From Other OIA Funds-PF	<u>1,020.09</u>

**Total Current Assets** \$ 6,306,122.38

**Fixed Assets**

Office Equipment	40,218.31
Software	1,742.54
Sanitary Sewers	19,136.80
Water Mains	4,541.67
Industrial Land - Unit Parts	139,080.88
Industrial Property	605,577.19
Industrial Equipment	57,936.00
Earnest - 7050 S.E. 59th	10,000.00
Property - 4725 SE 59th St.	160,820.00
Thomas Estell Land	401,263.00
Unit Parts Office Renovation	815,056.75
Unit Parts 2nd Renovation	1,081,272.14
MROTC - Land	697,000.00
MROTC-Building & Tow-way	28,482,739.31
Less Accumulated Depreciation	<u>(5,188,904.22)</u>

**Total Fixed Assets** 27,327,480.37

**Appropriated Assets**

Cash and cash equivalents	
Short Term Cash - Tinker Project Fund	130,748.43
Short Term Cash - Special Reserve Fund	612,011.93
Accrued Int. Receivable-AF	6.24
Investments	
Fixed Inc-Special Reserve FdAF	<u>539,914.98</u>

**Total Appropriated Assets** 1,282,681.58

**Total Assets** \$ 34,916,284.33

**Oklahoma Industries Authority**  
**Statement of Net Assets**  
**September 30, 2014**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 23,696.60
Unearned Rent	2,000.00
Unearned Fee Income	1,250.00
Current portion-Deferred Grant	54,016.94
Current portion-Note Pay MROTC	<u>1,553,065.93</u>

<b>Total Current Liabilities</b>	\$	1,634,029.47
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**Long Term Liabilities**

Note Payable - MROTC-Boeing	16,886,079.13
Deferred Grant Revenue	2,309,224.09
Deferred grant - Future Tinker	<u>329,567.63</u>

<b>Total Long Term Liabilities</b>		19,524,870.85
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**Net Assets**

Project Fund-Begin. Balance	12,587,452.92
Distributions - Revenue Fund	(119,750.00)
Appropriated FD-Begin. Balance	1,621,566.91
Distributions - Appr. Fund	(438,363.61)
Change in Net Assets	<u>106,477.79</u>

<b>Total Net Assets</b>		<u>13,757,384.01</u>
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<b>Total Liabilities &amp; Net Assets</b>	\$	<u><u>34,916,284.33</u></u>
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**Oklahoma Industries Authority**  
**Statement of Revenues and Expenses**  
**For the Period Ended September 30, 2014**

	3 Months Ended Sep. 30, 2014	Pct
<b>Operating Revenues</b>		
Lease Rentals - PF	\$ 56,874.99	6.79
MROTC Finance Fee Income	3,750.00	0.45
Admin. Rentals - 1/8 of 1%	14,427.30	1.72
Interest Income - PF	104.58	0.01
Interest Income - AF	4,270.39	0.51
Asset Change in Value	(5,891.25)	(0.70)
MROTC Revenue	669,570.22	79.92
Grant Revenue - Tinker	33,939.26	4.05
Grant Revenue - Tinker (BSNF)	<u>60,790.00</u>	<u>7.26</u>
<b>Total Revenues</b>	837,835.49	100.00
<b>Operating Expenses</b>		
Contract Services - PF	32,000.00	3.82
Bank Trustee Fees - PF	1,250.00	0.15
Bank Fees	26.39	0.00
Legal Expenses	7,946.10	0.95
Prof.Service - Engr, Acct	2,650.00	0.32
Insurance - PF	2,233.95	0.27
Storage Rental Expense-PF	675.00	0.08
Office Expense-PF	114.51	0.01
Dues and Subscriptions-PF	1,388.00	0.17
Depreciation Expense	12,074.45	1.44
Depreciation Expense-MROTC	142,413.70	17.00
Interest Expense	282,200.97	33.68
Tinker Grant Expenses	168,459.56	20.11
BNSF Relocation Study Expenses	60,790.00	7.26
4725 SE 59th St. Expenses	<u>5,135.07</u>	<u>0.61</u>
<b>Total Operating Expenses</b>	719,357.70	85.86
<b>Other Revenues/Expenses</b>		
Dist-benefit other government	<u>12,000.00</u>	<u>1.43</u>
<b>Total Other Revenues/Expenses</b>	<u>12,000.00</u>	<u>1.43</u>
<b>Change in Net Assets</b>	\$ <u><u>106,477.79</u></u>	<u><u>12.71</u></u>

## **GENERAL LEDGER**

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 1

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			1000.01	Cash - Admin & Clerical - BOK		
9/30/14	9	JE1	1000.01	1stQtr Bank Fees BOK Admin-Clerical Acct	-26.39	4,365.48*
				Ending Balance =	-26.39*	4,339.09**
Beginning Balance			1101.33	Principal Cash - Revenue Fund		
9/30/14	9	CR1	1101.33	1st Qtr Deposits Rev Fd Acct81-4051-01-7	292,968.29	-1,312,832.80*
9/30/14	9	JE4	1101.33	1stQtrNet Asset Trans RevFd81-4051-01-7	179,239.38	
7/31/14	9	JE5	1101.33	Trust Service Fees-Rev Fund 81-4051-01-7	-1,250.00	
9/30/14	9	CD	1101.33	1st Qtr Cks Rev Fd Acct 81-4051-01-7	-471,004.14	
				Ending Balance =	-46.47*	-1,312,879.27**
Beginning Balance			1101.35	Principal Cash - Summit Mach.		
9/30/14	9	JE12	1101.35	1st Qtr Transfer Inc to Princ Summit Mac	59.44	0.00*
9/30/14	9	JE13	1101.35	1st Qtr Net Asset Trans Summit Machine	-59.44	
				Ending Balance =	0.00*	0.00**
Beginning Balance			1102.33	Income Cash - Revenue Fund		
9/30/14	9	JE2	1102.33	1st Qtr Int - Rev Fund Acct 81-4051-01-7	46.47	1,312,832.80*
				Ending Balance =	46.47*	1,312,879.27**
Beginning Balance			1102.35	Income Cash - Summit Machine		
9/30/14	9	JE11	1102.35	1st Qtr Int.t Summit Machine81-4051-03-3	59.44	0.00*
7/3/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-19.38	
8/5/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-20.03	
9/5/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-20.03	
				Ending Balance =	0.00*	0.00**
Beginning Balance			1120.35	Short Term Cash-Summit Machine		
9/30/14	9	JE13	1120.35	1st Qtr Net Asset Trans Summit Machine	59.44	2,358,260.34*
				Ending Balance =	59.44*	2,358,319.78**
Beginning Balance			1121.33	Fixed Income - Revenue Fund		
9/30/14	9	JE3	1121.33	1st Qtr Adj to Mkt Value Fixed Inc-RevFd	-4,541.00	1,899,384.00*
				Ending Balance =	-4,541.00*	1,894,843.00**

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 2

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			1121.35	Fixed Income-Summit Mac Princ		317,613.00*
9/30/14	9	JE14	1121.35	1st Qtr Adj to Market Summit Machine	-1,518.00	
				Ending Balance =	-1,518.00*	316,095.00**
Beginning Balance			1140.33	Short Term Cash - Revenue Fund		1,887,757.30*
9/30/14	9	JE4	1140.33	1stQtrNet Asset Trans RevFd81-4051-01-7	-179,239.38	
				Ending Balance =	-179,239.38*	1,708,517.92**
Beginning Balance			1160	Accrued Int. Receivable-PF		34.76*
7/1/14	9	JE2	1160	1st Qtr Int - Rev Fund Acct 81-4051-01-7	-15.38	
7/3/14	9	JE11	1160	1st Qtr Int.t Summit Machine81-4051-03-3	-19.38	
9/30/14	9	JE28	1160	Accrue interest to 9/30/14 on Rev.Fund	14.05	
9/30/14	9	JE31	1160	Accrue Int to 9-30-14 Summit Mach Princ	19.38	
				Ending Balance =	-1.33*	33.43**
Beginning Balance			1165	Accounts Receivable		233,624.33*
7/2/14	9	CR1	1165	State of OK-Grant - Land Acquis. Tinker	-216,666.00	
7/2/14	9	CR1	1165	GE Oil & Gas Esp Inc. - lease payment	-16,958.33	
9/30/14	9	JE34	1165	Accrue GE Oil & Gas Esp, Inc lease pmt.	16,958.33	
				Ending Balance =	-216,666.00*	16,958.33**
Beginning Balance			1170	Prepaid Insurance		2,755.69*
9/30/14	9	JE24	1170	Expense current portion of pre-paid ins.	-2,233.95	
8/26/14	9	13249	1170	Insurica Insurance - D & O renewal	5,249.00	
				Ending Balance =	3,015.05*	5,770.74**
Beginning Balance			1170.1	Prepaid Rent		225.00*
9/30/14	9	JE25	1170.1	Expense prepaid storage rent	-225.00	
9/26/14	9	13257	1170.1	OUHSC	225.00	
				Ending Balance =	0.00*	225.00**
Beginning Balance			1175	Due From Other OIA Funds-PF		1,020.09*
				Ending Balance =	0.00*	1,020.09**
Beginning Balance			1210	Office Equipment		40,218.31*
				Ending Balance =	0.00*	40,218.31**
Beginning Balance			1212	Software		1,742.54*
				Ending Balance =	0.00*	1,742.54**
Beginning Balance			1215	Sanitary Sewers		19,136.80*
				Ending Balance =	0.00*	19,136.80**

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 3

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			1220	Water Mains		4,541.67*
				Ending Balance =	0.00*	4,541.67**
Beginning Balance			1225	Industrial Land - Unit Parts		139,080.88*
				Ending Balance =	0.00*	139,080.88**
Beginning Balance			1230	Industrial Property		605,577.19*
				Ending Balance =	0.00*	605,577.19**
Beginning Balance			1235	Industrial Equipment		57,936.00*
				Ending Balance =	0.00*	57,936.00**
Beginning Balance			1250	Accumulated Depreciation		-1,264,107.22*
9/30/14	9	JE19	1250	Record 1st Qtr. depreciation -Unit Parts	-12,074.45	
				Ending Balance =	-12,074.45*	-1,276,181.67**
Beginning Balance			1255	Accumulated Depreciation-MROTC		-3,770,308.85*
9/30/14	9	JE17	1255	1st Qtr. MROTC - Building & Tow-way depr	-142,413.70	
				Ending Balance =	-142,413.70*	-3,912,722.55**
Beginning Balance			1260	Earnest - 7050 S.E. 59th		10,000.00*
				Ending Balance =	0.00*	10,000.00**
Beginning Balance			1261	Property - 4725 SE 59th St.		160,820.00*
				Ending Balance =	0.00*	160,820.00**
Beginning Balance			1262	Thomas Estell Land		401,263.00*
				Ending Balance =	0.00*	401,263.00**
Beginning Balance			1270	Unit Parts Office Renovation		815,056.75*
				Ending Balance =	0.00*	815,056.75**
Beginning Balance			1271	Unit Parts 2nd Renovation		1,081,272.14*
				Ending Balance =	0.00*	1,081,272.14**
Beginning Balance			1291	MROTC - Land		697,000.00*
				Ending Balance =	0.00*	697,000.00**
Beginning Balance			1292	MROTC-Building & Tow-way		28,482,739.31*
				Ending Balance =	0.00*	28,482,739.31**
Beginning Balance			3101	Principal Cash - Appropriated		-32,798.86*
9/30/14	9	JE7	3101	1st Qtr Distributions to OKC C of C	-12,000.00	
9/30/14	9	JE9	3101	1stQtrNet Asset Transfer Special Reserve	7,859.39	
9/30/14	9	JE10	3101	1stQtrNet Asset Trans Fixed Inc	-125.75	



12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 4

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
				SpecRes		
				Ending Balance =	-4,266.36*	-37,065.22**
Beginning Balance			3102	Income Cash-Appropriated Fund		32,798.86*
9/30/14	9	JE6	3102	1st Qtr Interest-Special Res81-4051-02-5	4,266.36	
				Ending Balance =	4,266.36*	37,065.22**
Beginning Balance			3103	Princ Cash Tinker Project Fund		-23.92*
9/30/14	9	JE16	3103	1stQtr Net Asset Transfer-Tinker Proj	47,961.12	
				Fd		
7/9/14	9	10	3103	July 2014 Disbursements - Tinker	-4,944.00	
				Project		
8/14/14	9	11	3103	Aug 2014 Disbursements - Tinker	-15,405.00	
				Project		
9/17/14	9	12	3103	Sept 2014 Disbursements - Tinker	-27,616.50	
				Project		
				Ending Balance =	-4.38*	-28.30**
Beginning Balance			3104	Income Cash - Tinker Proj Fund		23.92*
9/30/14	9	JE15	3104	1st Qtr Interest - Tinker Project Fund	4.38	
				Ending Balance =	4.38*	28.30**
Beginning Balance			3130	Princ Cash Tinker Project Fund		178,709.55*
9/30/14	9	JE16	3130	1stQtr Net Asset Transfer-Tinker Proj	-47,961.12	
				Fd		
				Ending Balance =	-47,961.12*	130,748.43**
Beginning Balance			3140	Short Term Cash Spec. Res. AF		619,871.32*
9/30/14	9	JE9	3140	1stQtrNet Asset Transfer Special	-7,859.39	
				Reserve		
				Ending Balance =	-7,859.39*	612,011.93**
Beginning Balance			3144	Fixed Inc-Special Reserve FdAF		539,621.48*
9/30/14	9	JE8	3144	1st Qtr. Adj to Market-Fixed Inc	167.75	
				SpecRes		
9/30/14	9	JE10	3144	1stQtrNet Asset Trans Fixed Inc	125.75	
				SpecRes		
				Ending Balance =	293.50*	539,914.98**
Beginning Balance			3160	Accrued Int. Receivable-AF		6.59*
7/1/14	9	JE6	3160	1st Qtr Interest-Special Res81-4051-02-5	-5.10	
7/1/14	9	JE15	3160	1st Qtr Interest - Tinker Project Fund	-1.49	
9/30/14	9	JE30	3160	Accrue Int to 9-30-14 on Spec Reserve	5.04	
				Fd		
9/30/14	9	JE32	3160	Accrue Int to 9-30-14 Tinker Project Fd	1.20	
				Ending Balance =	-0.35*	6.24**
Beginning Balance			4110	Accounts Payable		-258,259.00*

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 5

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
9/30/14	9	JE23	4110	Accrue #13 Williams, Box ForsheeBullard	-17,818.50	
9/30/14	9	JE29	4110	Accrue#13259Williams Box Forshee&Bullard	-5,878.10	
9/30/14	9	JE33	4110	Adj accounts payable to actual BNSF Exp.	50.00	
7/9/14	9	10	4110	Williams Box Forshee & Bullard - BNSF	4,944.00	
7/8/14	9	13241	4110	City of OKC - grant to Nat'l Softball	250,000.00	
7/9/14	9	13242	4110	Williams Box Forshee & Bullard	615.00	
7/22/14	9	13244	4110	Arledge & Associates, PC	2,650.00	
				Ending Balance =	234,562.40*	-23,696.60**
Beginning Balance			4120	Unearned Rent		-2,000.00*
9/16/14	9	CR1	4120	Ledet Welding - lease payment	-2,000.00	
9/30/14	9	JE26	4120	Recognize unearned lease income - Ledt's	2,000.00	
				Ending Balance =	0.00*	-2,000.00**
Beginning Balance			4130	Unearned Fee Income		0.00*
9/19/14	9	CR1	4130	MROTC Development Partners	-1,250.00	
				Ending Balance =	-1,250.00*	-1,250.00**
Beginning Balance			4175	Current portion-Deferred Grant		-54,016.94*
				Ending Balance =	0.00*	-54,016.94**
Beginning Balance			4180	Current portion-Note Pay MROTC		-1,529,848.80*
9/30/14	9	JE22	4180	Reclass current portion of NotePay-MROTC	-23,217.13	
				Ending Balance =	-23,217.13*	-1,553,065.93**
Beginning Balance			4202	Note Payable - MROTC-Boeing		-17,283,161.30*
9/30/14	9	JE21	4202	Recognize 1st Qtr Rental Income - Boeing	373,865.04	
9/30/14	9	JE22	4202	Reclass current portion of NotePay-MROTC	23,217.13	
				Ending Balance =	397,082.17*	-16,886,079.13**
Beginning Balance			4300	Deferred Grant Revenue		-2,322,728.30*
9/30/14	9	JE18	4300	Recognize 1stQtr deferred grant revMROTC	13,504.21	
				Ending Balance =	13,504.21*	-2,309,224.09**
Beginning Balance			4310	Deferred Grant Revenue-Tinker		-33,939.26*
9/30/14	9	JE20	4310	Recog.1st Qtr. deferred grant rev Tinker	33,939.26	
				Ending Balance =	33,939.26*	0.00**
Beginning Balance			4312	Deferred grant - Future Tinker		-390,357.63*
9/30/14	9	JE27	4312	Rec. 1st Qtr. Future Tinker (BNSF) Rev.	60,790.00	

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 6

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
				Ending Balance =	60,790.00*	-329,567.63**
Beginning Balance			4520.1	Project Fund-Begin. Balance		-12,587,452.92*
				Ending Balance =	0.00*	-12,587,452.92**
Beginning Balance			4520.9	Distributions - Revenue Fund		119,750.00*
				Ending Balance =	0.00*	119,750.00**
Beginning Balance			4560.1	Appropriated FD-Begin. Balance		-1,621,566.91*
				Ending Balance =	0.00*	-1,621,566.91**
Beginning Balance			4560.9	Distributions - Appr. Fund		438,363.61*
				Ending Balance =	0.00*	438,363.61**
Beginning Balance			5510.1	Lease Rentals - PF		0.00*
7/22/14	9	CR1	5510.1	Ledet Welding - lease payment	-2,000.00	
8/15/14	9	CR1	5510.1	Ledet Welding - lease payment	-2,000.00	
9/11/14	9	CR1	5510.1	GE Oil & Gas Esp Inc. - lease payment	-33,916.66	
9/30/14	9	JE26	5510.1	Recognize unearned lease income - Ledt's	-2,000.00	
9/30/14	9	JE34	5510.1	Accrue GE Oil & Gas Esp, Inc lease pmt.	-16,958.33	
				Ending Balance =	-56,874.99*	-56,874.99**
Beginning Balance			5512.1	MROTC Finance Fee Income		0.00*
7/7/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
7/16/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
8/22/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
				Ending Balance =	-3,750.00*	-3,750.00**
Beginning Balance			5515.1	Admin. Rentals - 1/8 of 1%		0.00*
7/17/14	9	CR1	5515.1	OK Medical Research Foundation-admin fee	-10,000.00	
9/16/14	9	CR1	5515.1	API Enterprises - admin fee	-2,024.17	
9/16/14	9	CR1	5515.1	YMCA of Greater OKC - admin fee	-2,403.13	
				Ending Balance =	-14,427.30*	-14,427.30**
Beginning Balance			5575.1	Interest Income - PF		0.00*
8/1/14	9	JE2	5575.1	1st Qtr Int - Rev Fund Acct 81-4051-01-7	-16.43	
9/2/14	9	JE2	5575.1	1st Qtr Int - Rev Fund Acct 81-4051-01-7	-14.66	
8/5/14	9	JE11	5575.1	1st Qtr Int.t Summit Machine81-4051-03-3	-20.03	
9/5/14	9	JE11	5575.1	1st Qtr Int.t Summit Machine81-4051-03-3	-20.03	
9/30/14	9	JE28	5575.1	Accrue interest to 9/30/14 on Rev.Fund	-14.05	
9/30/14	9	JE31	5575.1	Accrue Int to 9-30-14 Summit Mach	-19.38	

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 7

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
				Princ		
				Ending Balance =	-104.58*	-104.58**
Beginning Balance			5575.3	Interest Income - AF		0.00*
7/1/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-4,125.00	
8/1/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-5.27	
9/2/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-5.24	
9/9/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-125.75	
8/1/14	9	JE15	5575.3	1st Qtr Interest - Tinker Project Fund	-1.49	
8/1/14	9	JE15	5575.3	1st Qtr Interest - Tinker Project Fund	-1.40	
9/30/14	9	JE30	5575.3	Accrue Int to 9-30-14 on Spec Reserve Fd	-5.04	
9/30/14	9	JE32	5575.3	Accrue Int to 9-30-14 Tinker Project Fd	-1.20	
				Ending Balance =	-4,270.39*	-4,270.39**
Beginning Balance			5575.5	Asset Change in Value		0.00*
9/30/14	9	JE3	5575.5	1st Qtr Adj to Mkt Value Fixed Inc-RevFd	4,541.00	
9/30/14	9	JE8	5575.5	1st Qtr. Adj to Market-Fixed Inc SpecRes	-167.75	
9/30/14	9	JE14	5575.5	1st Qtr Adj to Market Summit Machine	1,518.00	
				Ending Balance =	5,891.25*	5,891.25**
Beginning Balance			5585	MROTC Revenue		0.00*
9/30/14	9	JE18	5585	Recognize 1stQtr deferred grant revMROTC	-13,504.21	
9/30/14	9	JE21	5585	Recognize 1st Qtr Rental Income - Boeing	-656,066.01	
				Ending Balance =	-669,570.22*	-669,570.22**
Beginning Balance			5586	Grant Revenue - Tinker		0.00*
9/30/14	9	JE20	5586	Recog.1st Qtr. deferred grant rev Tinker	-33,939.26	
				Ending Balance =	-33,939.26*	-33,939.26**
Beginning Balance			5587	Grant Revenue - Tinker (BSNF)		0.00*
9/30/14	9	JE27	5587	Rec. 1st Qtr. Future Tinker (BNSF) Rev.	-60,790.00	
				Ending Balance =	-60,790.00*	-60,790.00**
Beginning Balance			6603.1	Contract Services - PF		0.00*
9/8/14	9	13253	6603.1	The Alliance - July & August	21,666.66	
9/30/14	9	13258	6603.1	The Alliance - September	10,333.34	
				Ending Balance =	32,000.00*	32,000.00**
Beginning Balance			6605.1	Bank Trustee Fees - PF		0.00*
7/31/14	9	JE5	6605.1	Trust Service Fees-Rev Fund 81-4051-01-7	1,250.00	
				Ending Balance =	1,250.00*	1,250.00**

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 8

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			6605.2	Bank Fees		0.00*
7/15/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.81	
8/14/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.79	
9/15/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.79	
				Ending Balance =	26.39*	26.39**
Beginning Balance			6606.1	Legal Expenses		0.00*
9/30/14	9	JE29	6606.1	Accrue#13259Williams Box Forshee&Bullard	5,878.10	
8/14/14	9	13248	6606.1	Williams Box Forshee & Bullard - OIA	1,703.00	
9/17/14	9	13255	6606.1	Williams Box Forshee & Bullard - OIA	365.00	
				Ending Balance =	7,946.10*	7,946.10**
Beginning Balance			6615.1	Prof.Service - Engr, Acct		0.00*
9/18/14	9	13254	6615.1	Arldege & Associates	2,650.00	
				Ending Balance =	2,650.00*	2,650.00**
Beginning Balance			6620.1	Insurance - PF		0.00*
9/30/14	9	JE24	6620.1	Expense current portion of pre-paid ins.	2,233.95	
				Ending Balance =	2,233.95*	2,233.95**
Beginning Balance			6631.1	Storage Rental Expense-PF		0.00*
9/30/14	9	JE25	6631.1	Expense prepaid storage rent	225.00	
7/30/14	9	13245	6631.1	OUHSC	225.00	
9/3/14	9	13252	6631.1	OUHSC	225.00	
				Ending Balance =	675.00*	675.00**
Beginning Balance			6640.1	Office Expense-PF		0.00*
7/21/14	9	13243	6640.1	Cox Communications	38.17	
8/20/14	9	13250	6640.1	Cox Communications	38.17	
9/19/14	9	13256	6640.1	Cox Communications	38.17	
				Ending Balance =	114.51*	114.51**
Beginning Balance			6645.1	Dues and Subscriptions-PF		0.00*
8/8/14	9	13247	6645.1	State Chameber of Oklahoma	1,388.00	
				Ending Balance =	1,388.00*	1,388.00**
Beginning Balance			6650.1	Depreciation Expense		0.00*
9/30/14	9	JE19	6650.1	Record 1st Qtr. depreciation -Unit Parts	12,074.45	
				Ending Balance =	12,074.45*	12,074.45**
Beginning Balance			6650.2	Depreciation Expense-MROTC		0.00*
9/30/14	9	JE17	6650.2	1st Qtr. MROTC - Building & Tow-way depr	142,413.70	
				Ending Balance =	142,413.70*	142,413.70**

12/11/2014  
16:59

**Oklahoma Industries Authority**  
General Ledger - Period Ending 9/30/14

Company: OIA  
Page: 9

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			6660.1	Interest Expense		0.00*
9/30/14	9	JE21	6660.1	Recognize 1st Qtr Rental Income - Boeing	282,200.97	
				Ending Balance =	282,200.97*	282,200.97**
Beginning Balance			6690.1	Tinker Grant Expenses		0.00*
8/4/14	9	13246	6690.1	OK County Hwy Dist 2-road for Tinker	168,459.56	
				Ending Balance =	168,459.56*	168,459.56**
Beginning Balance			6691.1	BNSF Relocation Study Expenses		0.00*
9/30/14	9	JE23	6691.1	Accrue #13 Williams, Box ForsheeBullard	17,818.50	
9/30/14	9	JE33	6691.1	Adj accounts payable to actual BNSF Exp.	-50.00	
8/14/14	9	11	6691.1	Williams Box Forshee & Bullard - BNSF	15,405.00	
9/17/14	9	12	6691.1	Williams Box Forshee & Bullard - BNSF	27,616.50	
				Ending Balance =	60,790.00*	60,790.00**
Beginning Balance			6696.3	4725 SE 59th St. Expenses		0.00*
8/21/14	9	13251	6696.3	Morgan Electric Enterprises, Inc.	5,135.07	
				Ending Balance =	5,135.07*	5,135.07**
Beginning Balance			8000.1	Dist-benefit other government		0.00*
7/3/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
8/5/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
9/5/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
				Ending Balance =	12,000.00*	12,000.00**
General Ledger is in balance.						0.00**
124 Transactions						
Current Profit	106,477.79		Y-T-D Profit	106,477.79		

12/11/2014  
16:59

**Oklahoma Industries Authority**  
Transaction Listing  
Period Ending: 9/30/14

Company: OIA  
Page: 1

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
7/2/14	9	CR1	1165	State of OK-Grant - Land Acquis. Tinker	-216,666.00	
7/2/14	9	CR1	1165	GE Oil & Gas Esp Inc. - lease payment	-16,958.33	
7/7/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
7/16/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
7/17/14	9	CR1	5515.1	OK Medical Research Foundation- admin fee	-10,000.00	
7/22/14	9	CR1	5510.1	Ledet Welding - lease payment	-2,000.00	
8/15/14	9	CR1	5510.1	Ledet Welding - lease payment	-2,000.00	
8/22/14	9	CR1	5512.1	MROTC Development Partners	-1,250.00	
9/11/14	9	CR1	5510.1	GE Oil & Gas Esp Inc. - lease payment	-33,916.66	
9/16/14	9	CR1	4120	Ledet Welding - lease payment	-2,000.00	
9/16/14	9	CR1	5515.1	API Enterprises - admin fee	-2,024.17	
9/16/14	9	CR1	5515.1	YMCA of Greater OKC - admin fee	-2,403.13	
9/19/14	9	CR1	4130	MROTC Development Partners	-1,250.00	
9/30/14	9	CR1	1101.33	1st Qtr Deposits Rev Fd Acct81-4051- 01-7	292,968.29	
7/15/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.81	
8/14/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.79	
9/15/14	9	JE1	6605.2	1stQtr Bank Fees BOK Admin-Clerical Acct	8.79	
9/30/14	9	JE1	1000.01	1stQtr Bank Fees BOK Admin-Clerical Acct	-26.39	
7/1/14	9	JE2	1160	1st Qtr Int - Rev Fund Acct 81-4051-01- 7	-15.38	
8/1/14	9	JE2	5575.1	1st Qtr Int - Rev Fund Acct 81-4051-01- 7	-16.43	
9/2/14	9	JE2	5575.1	1st Qtr Int - Rev Fund Acct 81-4051-01- 7	-14.66	
9/30/14	9	JE2	1102.33	1st Qtr Int - Rev Fund Acct 81-4051-01- 7	46.47	
9/30/14	9	JE3	1121.33	1st Qtr Adj to Mkt Value Fixed Inc- RevFd	-4,541.00	
9/30/14	9	JE3	5575.5	1st Qtr Adj to Mkt Value Fixed Inc- RevFd	4,541.00	
9/30/14	9	JE4	1101.33	1stQtrNet Asset Trans RevFd81-4051- 01-7	179,239.38	
9/30/14	9	JE4	1140.33	1stQtrNet Asset Trans RevFd81-4051- 01-7	-179,239.38	
7/31/14	9	JE5	1101.33	Trust Service Fees-Rev Fund 81-4051- 01-7	-1,250.00	
7/31/14	9	JE5	6605.1	Trust Service Fees-Rev Fund 81-4051- 01-7	1,250.00	
7/1/14	9	JE6	3160	1st Qtr Interest-Special Res81-4051-02-5	-5.10	

12/11/2014  
16:59

**Oklahoma Industries Authority**  
Transaction Listing  
Period Ending: 9/30/14

Company: OIA  
Page: 2

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
7/1/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-4,125.00	
8/1/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-5.27	
9/2/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-5.24	
9/9/14	9	JE6	5575.3	1st Qtr Interest-Special Res81-4051-02-5	-125.75	
9/30/14	9	JE6	3102	1st Qtr Interest-Special Res81-4051-02-5	4,266.36	
7/3/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
8/5/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
9/5/14	9	JE7	8000.1	1st Qtr Distributions to OKC C of C	4,000.00	
9/30/14	9	JE7	3101	1st Qtr Distributions to OKC C of C	-12,000.00	
9/30/14	9	JE8	3144	1st Qtr. Adj to Market-Fixed Inc SpecRes	167.75	
9/30/14	9	JE8	5575.5	1st Qtr. Adj to Market-Fixed Inc SpecRes	-167.75	
9/30/14	9	JE9	3101	1stQtrNet Asset Transfer Special Reserve	7,859.39	
9/30/14	9	JE9	3140	1stQtrNet Asset Transfer Special Reserve	-7,859.39	
9/30/14	9	JE10	3101	1stQtrNet Asset Trans Fixed Inc SpecRes	-125.75	
9/30/14	9	JE10	3144	1stQtrNet Asset Trans Fixed Inc SpecRes	125.75	
7/3/14	9	JE11	1160	1st Qtr Int.t Summit Machine81-4051-03-3	-19.38	
8/5/14	9	JE11	5575.1	1st Qtr Int.t Summit Machine81-4051-03-3	-20.03	
9/5/14	9	JE11	5575.1	1st Qtr Int.t Summit Machine81-4051-03-3	-20.03	
9/30/14	9	JE11	1102.35	1st Qtr Int.t Summit Machine81-4051-03-3	59.44	
7/3/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-19.38	
8/5/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-20.03	
9/5/14	9	JE12	1102.35	1st Qtr Transfer Inc to Princ Summit Mac	-20.03	
9/30/14	9	JE12	1101.35	1st Qtr Transfer Inc to Princ Summit Mac	59.44	
9/30/14	9	JE13	1101.35	1st Qtr Net Asset Trans Summit Machine	-59.44	
9/30/14	9	JE13	1120.35	1st Qtr Net Asset Trans Summit Machine	59.44	
9/30/14	9	JE14	1121.35	1st Qtr Adj to Market Summit Machine	-1,518.00	
9/30/14	9	JE14	5575.5	1st Qtr Adj to Market Summit Machine	1,518.00	
7/1/14	9	JE15	3160	1st Qtr Interest - Tinker Project Fund	-1.49	
8/1/14	9	JE15	5575.3	1st Qtr Interest - Tinker Project Fund	-1.49	
8/1/14	9	JE15	5575.3	1st Qtr Interest - Tinker Project Fund	-1.40	



12/11/2014  
16:59

**Oklahoma Industries Authority**  
Transaction Listing  
Period Ending: 9/30/14

Company: OIA  
Page: 3

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
9/30/14	9	JE15	3104	1st Qtr Interest - Tinker Project Fund	4.38	
9/30/14	9	JE16	3103	1stQtr Net Asset Transfer-Tinker Proj Fd	47,961.12	
9/30/14	9	JE16	3130	1stQtr Net Asset Transfer-Tinker Proj Fd	-47,961.12	
9/30/14	9	JE17	1255	1st Qtr. MROTC - Building & Tow-way depr	-142,413.70	
9/30/14	9	JE17	6650.2	1st Qtr. MROTC - Building & Tow-way depr	142,413.70	
9/30/14	9	JE18	4300	Recognize 1stQtr deferred grant revMROTC	13,504.21	
9/30/14	9	JE18	5585	Recognize 1stQtr deferred grant revMROTC	-13,504.21	
9/30/14	9	JE19	1250	Record 1st Qtr. depreciation -Unit Parts	-12,074.45	
9/30/14	9	JE19	6650.1	Record 1st Qtr. depreciation -Unit Parts	12,074.45	
9/30/14	9	JE20	4310	Recog.1st Qtr. deferred grant rev Tinker	33,939.26	
9/30/14	9	JE20	5586	Recog.1st Qtr. deferred grant rev Tinker	-33,939.26	
9/30/14	9	JE21	4202	Recognize 1st Qtr Rental Income - Boeing	373,865.04	
9/30/14	9	JE21	5585	Recognize 1st Qtr Rental Income - Boeing	-656,066.01	
9/30/14	9	JE21	6660.1	Recognize 1st Qtr Rental Income - Boeing	282,200.97	
9/30/14	9	JE22	4180	Reclass current portion of NotePay- MROTC	-23,217.13	
9/30/14	9	JE22	4202	Reclass current portion of NotePay- MROTC	23,217.13	
9/30/14	9	JE23	4110	Accrue #13 Williams, Box ForsheeBullard	-17,818.50	
9/30/14	9	JE23	6691.1	Accrue #13 Williams, Box ForsheeBullard	17,818.50	
9/30/14	9	JE24	1170	Expense current portion of pre-paid ins.	-2,233.95	
9/30/14	9	JE24	6620.1	Expense current portion of pre-paid ins.	2,233.95	
9/30/14	9	JE25	1170.1	Expense prepaid storage rent	-225.00	
9/30/14	9	JE25	6631.1	Expense prepaid storage rent	225.00	
9/30/14	9	JE26	4120	Recognize unearned lease income - Ledt's	2,000.00	
9/30/14	9	JE26	5510.1	Recognize unearned lease income - Ledt's	-2,000.00	
9/30/14	9	JE27	4312	Rec. 1st Qtr. Future Tinker (BNSF) Rev.	60,790.00	
9/30/14	9	JE27	5587	Rec. 1st Qtr. Future Tinker (BNSF) Rev.	-60,790.00	
9/30/14	9	JE28	1160	Accrue interest to 9/30/14 on Rev.Fund	14.05	
9/30/14	9	JE28	5575.1	Accrue interest to 9/30/14 on Rev.Fund	-14.05	
9/30/14	9	JE29	4110	Accrue#13259Williams Box Forshee&Bullard	-5,878.10	

12/11/2014  
16:59

**Oklahoma Industries Authority**  
Transaction Listing  
Period Ending: 9/30/14

Company: OIA  
Page: 4

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
9/30/14	9	JE29	6606.1	Accrue#13259Williams Box Forshee&Bullard	5,878.10	
9/30/14	9	JE30	3160	Accrue Int to 9-30-14 on Spec Reserve Fd	5.04	
9/30/14	9	JE30	5575.3	Accrue Int to 9-30-14 on Spec Reserve Fd	-5.04	
9/30/14	9	JE31	1160	Accrue Int to 9-30-14 Summit Mach Princ	19.38	
9/30/14	9	JE31	5575.1	Accrue Int to 9-30-14 Summit Mach Princ	-19.38	
9/30/14	9	JE32	3160	Accrue Int to 9-30-14 Tinker Project Fd	1.20	
9/30/14	9	JE32	5575.3	Accrue Int to 9-30-14 Tinker Project Fd	-1.20	
9/30/14	9	JE33	4110	Adj accounts payable to actual BNSF Exp.	50.00	
9/30/14	9	JE33	6691.1	Adj accounts payable to actual BNSF Exp.	-50.00	
9/30/14	9	JE34	1165	Accrue GE Oil & Gas Esp, Inc lease pmt.	16,958.33	
9/30/14	9	JE34	5510.1	Accrue GE Oil & Gas Esp, Inc lease pmt.	-16,958.33	
7/9/14	9	10	3103	July 2014 Disbursements - Tinker Project	-4,944.00	
7/9/14	9	10	4110	Williams Box Forshee & Bullard - BNSF	4,944.00	
8/14/14	9	11	3103	Aug 2014 Disbursements - Tinker Project	-15,405.00	
8/14/14	9	11	6691.1	Williams Box Forshee & Bullard - BNSF	15,405.00	
9/17/14	9	12	3103	Sept 2014 Disbursements - Tinker Project	-27,616.50	
9/17/14	9	12	6691.1	Williams Box Forshee & Bullard - BNSF	27,616.50	
7/8/14	9	13241	4110	City of OKC - grant to Nat'l Softball	250,000.00	250,000.00
7/9/14	9	13242	4110	Williams Box Forshee & Bullard	615.00	615.00
7/21/14	9	13243	6640.1	Cox Communications	38.17	38.17
7/22/14	9	13244	4110	Arledge & Associates, PC	2,650.00	2,650.00
7/30/14	9	13245	6631.1	OUHSC	225.00	225.00
8/4/14	9	13246	6690.1	OK County Hwy Dist 2-road for Tinker	168,459.56	168,459.56
8/8/14	9	13247	6645.1	State Chameber of Oklahoma	1,388.00	1,388.00
8/14/14	9	13248	6606.1	Williams Box Forshee & Bullard - OIA	1,703.00	1,703.00
8/26/14	9	13249	1170	Insurica Insurance - D & O renewal	5,249.00	5,249.00
8/20/14	9	13250	6640.1	Cox Communications	38.17	38.17
8/21/14	9	13251	6696.3	Morgan Electric Enterprises, Inc.	5,135.07	5,135.07
9/3/14	9	13252	6631.1	OUHSC	225.00	225.00
9/8/14	9	13253	6603.1	The Alliance - July & August	21,666.66	21,666.66
9/18/14	9	13254	6615.1	Arledge & Associates	2,650.00	2,650.00
9/17/14	9	13255	6606.1	Williams Box Forshee & Bullard - OIA	365.00	365.00
9/19/14	9	13256	6640.1	Cox Communications	38.17	38.17
9/26/14	9	13257	1170.1	OUHSC	225.00	225.00

12/11/2014  
16:59

**Oklahoma Industries Authority**  
Transaction Listing  
Period Ending: 9/30/14

Company: OIA  
Page: 5

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
9/30/14	9	13258	6603.1	The Alliance - September	10,333.34	10,333.34
9/30/14	9	CD	1101.33	1st Qtr Cks Rev Fd Acct 81-4051-01-7	-471,004.14	-471,004.14
124 Transactions For The Period					Journal Balance	<u>0.00</u>

Account Number Control Total: 533,713.52

Financial Statements and Report of Independent  
Certified Public Accountants

**Oklahoma Industries Authority, Oklahoma County**

June 30, 2014 and 2013

# Contents

	Page
MANAGEMENT'S DISCUSSION AND ANALYSIS	i
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	3
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	6
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED	15
SCHEDULE OF BONDS PAYABLE - TRUST FUNDS ADMINISTERED	17
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	18
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	20

# **Oklahoma Industries Authority, Oklahoma County**

## **Management's Discussion and Analysis**

### ***Overview of Financial Statements and Financial Analysis***

Oklahoma Industries Authority presents its financial statements for fiscal year 2014, with comparative data presented for fiscal year 2013. The emphasis of discussions concerning these statements will be for the current year. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expense and Changes in Net Position and the Statements of Cash Flows. This discussion and analysis of the Authority's financial statements provides an overview of its financial activities for the year.

### ***Statements of Net Position***

The Statements of Net Position presents the Assets, Liabilities, and Net Position as of the end of the fiscal year. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Oklahoma Industries Authority.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the Authority as well as determine how much the Authority owes vendors. Finally, the Statements of Net Position provides a picture of the net position and their availability for expenditure by the Authority.

Total Assets of the Authority decreased by \$390,739, this decrease was primarily due to a decrease in total investments of \$305,109 and an increase in accumulated depreciation of \$617,953 offset by an increase in cash and cash equivalents of \$612,957.

Total Liabilities for the year decreased by \$1,080,116. The most significant cause for the decrease was a decrease in the Maintenance, Repair and Overhaul Technology Center (MROTC) loan payable of \$1,529,848 offset by increases in deferred revenue of \$112,840 and accounts payable of \$247,443. The combination of the decrease in total assets and the decrease in total liabilities nets to an increase in total net position of \$689,377.

### ***Statement of Revenues, Expenses and Changes in Net Assets***

The Statement of Revenues and Expenses reports the Authority's change in net position during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. The change in net position decreased \$177,180. This decrease was attributable to an increase in distributions of \$250,000 offset by a decrease in operating expenses of \$131,656, primarily from a decrease in grant expenses of \$4,584, and an increase in operating revenues of \$20,649, primarily from a decrease in grant revenue of \$2,693.

### ***Statement of Cash Flows***

The final statements presented by the Authority are the Statements of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Authority during the year. The statement is divided into four parts.

## Oklahoma Industries Authority, Oklahoma County

The first part deals with operating cash flows and shows the net cash used and provided by the operating activities of the Authority. The second section reflects cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The third section reflects the cash flows from financing activities and shows the proceeds received and payments made for financing activities. The fourth section reconciles the net cash used and provided by operating activities to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. Operating cash flows increased to \$1,932,638 due primarily to a decrease in operating expenses during fiscal 2014.

### *Economic Outlook*

The Authority derives the majority of its operating revenues from MROTC revenue, grant revenue and interest income. Investment balances decreased due to an investment sale while earnings on investments remained fairly flat during the year and revenues from lease rentals and administrative fees increased slightly. These trends are expected to continue in future years.



Catherine O'Connor, General Manager

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
Oklahoma Industries Authority, Oklahoma County

**Grant Thornton LLP**  
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**Report on the financial statements**

We have audited the accompanying financial statements of Oklahoma Industries Authority, Oklahoma County (the “Authority”, an Oklahoma public trust) which comprise the statements of net position at June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position and cash flows, as of and for the years ended June 30, 2014 and 2013 and the related notes to the financial statements.

**Management’s responsibility for the financial statements**

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

**Auditor’s responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Industries Authority, Oklahoma County as of June 30, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other matters

#### *Required supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i and ii, be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

#### *Supplementary information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Statements of Trust Funds and Changes in Trust Funds Administered and the Schedule of Bonds Payable – Trust Funds Administered on pages 15 through 17, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 30, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Grant Thornton LLP*

Oklahoma City, Oklahoma

December 30, 2014

# Oklahoma Industries Authority, Oklahoma County

## STATEMENTS OF NET POSITION

June 30,

ASSETS	2014	2013
Current assets:		
Cash and cash equivalents	\$ 4,467,048	\$ 3,854,091
Investments	2,216,997	2,526,613
Accrued interest receivable	35	32
Prepaid insurance	2,981	2,639
Due from other trusts	1,020	1,020
Accounts receivable	16,958	16,958
Total current assets	<u>6,705,039</u>	<u>6,401,353</u>
Appropriated assets:		
Cash and cash equivalents	798,581	879,560
Accrued interest receivable	7	7
Investments	539,621	535,114
	<u>1,338,209</u>	<u>1,414,681</u>
Property held for sale	-	401,263
Property, plant and equipment – at cost:		
Industrial property	2,835,486	2,835,486
Industrial equipment	57,936	57,936
Office equipment	41,961	41,961
Building MROTC	28,482,739	28,482,739
Land – MROTC	697,000	697,000
Land	401,263	-
	<u>32,516,385</u>	<u>32,115,122</u>
Less accumulated depreciation	<u>5,034,416</u>	<u>4,416,463</u>
	<u>27,481,969</u>	<u>27,698,659</u>
Total assets	<u>35,525,217</u>	<u>35,915,956</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	260,259	12,816
Current portion of MROTC loan payable	1,529,832	1,440,383
Current portion of deferred revenues	54,017	54,017
Total current liabilities	<u>1,844,108</u>	<u>1,507,216</u>
Noncurrent liabilities:		
Deferred revenue	2,747,025	2,634,185
MROTC loan payable	17,283,178	18,813,026
Total liabilities	<u>21,874,311</u>	<u>22,954,427</u>
Commitments and contingencies		
Net position, unrestricted:		
Appropriated	1,240,210	1,231,203
Unappropriated	12,410,696	11,730,326
Total net position	<u>\$ 13,650,906</u>	<u>\$ 12,961,529</u>

The accompanying notes are an integral part of these statements.

# Oklahoma Industries Authority, Oklahoma County

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30,

	<u>2014</u>	<u>2013</u>
Revenues:		
Lease rentals	\$ 227,500	\$ 203,500
Administrative fees	73,506	74,050
Grant revenue	48,558	51,251
MROTC revenue	2,693,281	2,693,281
Other	-	114
Total operating revenues	<u>3,042,845</u>	<u>3,022,196</u>
Expenses:		
Depreciation	617,952	617,952
Insurance	8,430	5,979
Professional services	194,180	153,234
Management and trustee fees	25,995	105,821
Office rental	2,700	8,243
Printing and office supplies	457	5,061
Interest	1,183,865	1,268,084
Grant	49,163	53,747
Repairs and maintenance - Unit Parts	1,763	428
Other	3,595	1,207
Total operating expenses	<u>2,088,100</u>	<u>2,219,756</u>
Net earnings from operations	954,745	802,440
Investment income	32,632	52,374
Gain on sale of assets	-	59,743
Distributions for the benefit of other government	<u>(298,000)</u>	<u>(48,000)</u>
	<u>(265,368)</u>	<u>64,117</u>
CHANGE IN NET POSITION	689,377	866,557
Total net position at beginning of year	<u>12,961,529</u>	<u>12,094,972</u>
Total net position at end of year	<u>\$ 13,650,906</u>	<u>\$ 12,961,529</u>

The accompanying notes are an integral part of these statements.

# Oklahoma Industries Authority, Oklahoma County

## STATEMENTS OF CASH FLOWS

Year ended June 30,

	<u>2014</u>	<u>2013</u>
Increase in cash and cash equivalents		
Cash flows from operating activities:		
Lease rental payments received	\$ 227,500	\$ 203,500
Administrative fees received	73,506	74,050
Grant and MROTC revenue received	2,854,679	2,899,379
Operating expenses paid	<u>(1,223,047)</u>	<u>(1,600,987)</u>
Net cash provided by operating activities	1,932,638	1,575,942
Cash flows from investing activities:		
Change in appropriated cash	80,979	(180,373)
Purchases of investments	<u>(249,291)</u>	<u>(248,762)</u>
Proceeds from sales of investments	525,862	1,166,946
Interest received on investments	<u>61,168</u>	<u>61,281</u>
Net cash provided by investing activities	418,718	799,092
Cash flows from financing activities:		
Distributions and return of funds due to other trusts	<u>(298,000)</u>	<u>(48,000)</u>
MROTC loan payments	<u>(1,440,399)</u>	<u>(1,356,181)</u>
Net cash used in financing activities	<u>(1,738,399)</u>	<u>(1,404,181)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	612,957	970,853
Cash and cash equivalents at beginning of year	<u>3,854,091</u>	<u>2,883,238</u>
Cash and cash equivalents at end of year	\$ <u><u>4,467,048</u></u>	\$ <u><u>3,854,091</u></u>
Reconciliation of net earnings from operations to net cash provided by operating activities:		
Net earnings from operations	\$ 954,745	\$ 802,440
Adjustments to reconcile net earnings from operations to net cash provided by operating activities:		
Depreciation	617,952	617,952
Amortization of deferred revenue	<u>(54,017)</u>	<u>(54,017)</u>
(Increase) decrease in:		
Prepaid insurance	<u>(342)</u>	<u>(2,413)</u>
(Decrease) increase in:		
Accounts payable and accrued liabilities	247,443	3,230
Deferred revenue	<u>166,857</u>	<u>208,750</u>
Net cash provided by operating activities	\$ <u><u>1,932,638</u></u>	\$ <u><u>1,575,942</u></u>
NONCASH INVESTING TRANSACTIONS		
Change in fair value of investments	\$ <u><u>(28,539)</u></u>	\$ <u><u>50,886</u></u>

The accompanying notes are an integral part of these statements.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES

The Oklahoma Industries Authority, Oklahoma County (the "Authority") is an Oklahoma public trust and an agency of the State of Oklahoma. It was created on December 15, 1966 to promote and encourage the general development of Oklahoma County under the provisions of Title 60, Oklahoma Statutes, and other applicable statutes and laws. Oklahoma County, Oklahoma (the "County") is the beneficiary of this trust and will receive all residual trust funds and assets upon termination of the trust.

The following is a summary of the more significant accounting policies consistently followed in the preparation of the Authority's financial statements.

#### 1. Operations

The Authority arranges bond and loan financing through trustee banks to industrial, manufacturing, medical, civic, cultural and educational enterprises located principally in the County, for the purpose of constructing, purchasing, expanding or otherwise improving the facilities required by such enterprises.

#### 2. Basis of Presentation

The Authority accounts for its operation as an enterprise fund. Enterprise funds are accounted for on the flow of economic resources measure focus and use the accrual basis of accounting, similar to private business enterprises. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 20, the Authority applies all relevant GASB pronouncements as well as Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

#### 3. Income Taxes

The Authority is exempt from federal income taxes under section 115 of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

#### 4. Property, Plant and Equipment

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of five to 50 years, principally using the straight-line method. Costs incurred during construction of long lived assets are recorded as construction-in-progress and are not depreciated until placed in service. The Authority capitalizes interest as a component of capital assets constructed for its own use. In 2014 and 2013, total interest incurred was \$1,183,865 and \$1,268,084 respectively, of which \$0 was capitalized in each year.

#### 5. Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less, money market mutual funds and deemed accounts to be cash equivalents. The Authority maintains its cash and cash equivalents in accounts, some of which are not fully insured by the Federal Depository Insurance Company ("FDIC"). The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014 and 2013

### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES - CONTINUED

#### 6. Investments

Investments are stated at fair value, based upon quoted prices for governmental debt securities, with changes in fair value included in investment income in the statement of revenues, expenses and changes in net position.

#### 7. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes; accordingly, actual results could differ from those estimates.

#### 8. Deferred Revenue

Grant revenues received for the MROTC project were deferred while construction of the facility was in progress. Revenue is recognized over the useful life of the facility. Grant revenues received for other projects will be deferred and revenue recognized on a systematic basis over the periods which they are intended to benefit. The Authority receives grant revenues from the City of Oklahoma City for improving surrounding roads and access to the Tinker Air Force Base. When the revenue is received, it is deferred and will not be recognized in the Statement of Revenues, Expenses and Changes in Net Position until the related grant expenses are incurred.

#### 9. Accounting for Long-Lived Assets

The Authority reviews long-lived assets for impairment whenever indicators of impairment are present to determine if the carrying amounts exceed the estimated future net cash flows to be realized. Impairment losses are recognized based on the estimated fair value of the asset. No long-lived asset impairments were recorded in 2014 or 2013.

#### 10. Reclassifications

Certain balances in the 2013 financial statements have been reclassified to conform with the 2014 financial statement presentation. There was no change to net position or changes in net position as a result of these reclassifications.

### NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At June 30, 2014 and 2013, the carrying amounts of the Authority's cash and cash equivalents held at one financial institution were \$4,467,048 and \$3,854,091, respectively.

At June 30, the Authority had the following investments:

	<u>2014</u>	<u>2013</u>
U.S. Government securities	\$1,322,253	\$1,339,762
U.S. Treasury strips	<u>894,744</u>	<u>1,186,851</u>
	<u>\$2,216,997</u>	<u>\$2,526,613</u>

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014 and 2013

### NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

The Authority's investments are categorized as to credit risk as either (1) insured or registered, or securities held by the Authority or its agent in the Authority's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Authority's name. At June 30, 2014 and 2013, the Authority's investments are considered a type (2) credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### NOTE C - CONDUIT DEBT OBLIGATIONS AND OTHER LEASING ARRANGEMENTS

From time to time, the Authority has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans or leasing arrangements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2014, there were 11 series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$150,663,572.

Certain of the Authority's lease arrangements contain an option for the lessees to acquire the leased property at the end of the lease terms at appraised fair value. Rental payments received in connection with such properties are accounted for by the "operating method" and investments in these properties, together with other unleased properties, are reported as industrial property and equipment in the financial statements.

The Authority entered into an agreement as the lessor to lease a building for five years, beginning in March 2011, for \$16,958 per month. On June 13, 2013, the Authority entered into an agreement as the lessor to lease property for \$2,000 per month.

Future minimum lease payments to be received under these leases are as follows at June 30, 2014:

Fiscal year ending June 30

2015	\$227,500
2016	<u>176,625</u>
	<u>\$404,125</u>



# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014 and 2013

### NOTE D - APPROPRIATED ASSETS

Appropriated assets are held for the benefit of the County and, upon termination of the trust, the County will receive the funds. The earnings on these investments are contributed annually to an organization that benefits the County.

Appropriated cash and cash equivalents consist of approximately \$799,000 and \$880,000 are invested in one money market fund at June 30, 2014 and 2013, respectively, which is not federally insured. Appropriated investments consist of certificates of deposits and U.S. government securities in the amounts of approximately \$540,000 and \$535,000. The Authority has not experienced any issues in such accounts and believes it is not exposed to any significant credit risk.

### NOTE E - PROPERTY HELD FOR SALE

At June 30, 2013, property held for sale consists of a parcel of real estate adjacent to Tinker Air Force Base and a parcel of land zoned for commercial use. The properties are recorded at their cost of \$401,263 as of June 30, 2013 (which reflects valuation at the lower of cost or net realizable value), in the accompanying statements of net position. During 2014, the Authority decided not to sell the parcels of real estate and, as such, the costs were reclassified as held and used. There was no effect on the change in net position as a result of the reclassification.

### NOTE F - COMMITMENTS AND CONTINGENCIES

The Authority is guarantor of the first \$700,000 of a \$1,750,000 third-party note agreement collateralized by certain facilities of the Oklahoma City Downtown Airpark (the "Project") and by personal guarantees of all investee's in the Project. Outstanding principal on this note was \$1,328,938 at June 30, 2001, of which the Authority was guarantor of \$278,938. During the year ended June 30, 2002, the holder of the note changed and the Authority has been unable to obtain the current note balance. Additionally, the Authority has requested to be relieved of the guaranty, which is currently under negotiations with the new holder.

From time to time, the Authority is engaged in lawsuits either as plaintiff or defendant which arise in the conduct of its business, which, in the opinion of management and based upon advice of counsel, would not have a material effect on the Authority's financial position or results of operations.

### NOTE G - MROTC PROJECT

During 2005, the Authority entered into an agreement with Boeing Company (Boeing) and MROTC Development Partners LLC (MDP) to provide for the construction of a 156,254 square foot Maintenance, Repair and Overhaul Technology Center (MROTC) near Tinker Air Force Base for maintenance and repair of airplanes which was completed in 2009. The total project cost approximately \$28 million. Initial financing for the project was provided by a bank construction loan and two Federal EDI-Special Project Grants. Upon completion of the project in 2009, the construction loan was converted to a long-term note payable in the form of a lease-back mortgage. The loan bears interest at 6.04% and payments of \$218,689 are due monthly with \$438,869 due at maturity on October 14, 2023. The grant revenue received for this project was deferred and is being recognized over the useful life of the facility. Deferred revenue for the MROTC project was approximately \$2,377,000 and \$2,431,000 at June 30, 2014 and 2013, respectively.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014 and 2013

### NOTE G - MROTC PROJECT - CONTINUED

Future minimum debt service requirements for the note payable are as follows at June 30, 2014:

Fiscal year ending June 30	Principal	Interest	Total
2015	\$ 1,529,832	\$ 1,094,420	\$ 2,624,252
2016	1,624,835	999,417	2,624,252
2017	1,725,738	898,514	2,624,252
2018	1,832,907	791,345	2,624,252
2019	1,946,731	677,521	2,624,252
2020-2023	9,073,290	1,423,719	10,497,009
2024	1,079,693	15,277	1,094,970
	<u>\$ 18,813,026</u>	<u>\$ 5,900,213</u>	<u>\$ 24,713,239</u>

The MROTC facility has been leased by MDP and is subleased to Boeing. The lease term began August 14, 2008 and ends on October 14, 2058. The amount of the lease includes an amount equal to the debt service plus an annual administrative fee.

Future minimum rental payments to be received under this lease are as follows at June 30, 2014:

Fiscal year ending June 30

2015	\$ 2,639,252
2016	2,639,252
2017	2,639,252
2018	2,639,252
2019	2,639,252
Thereafter	<u>12,627,069</u>
	<u>\$ 25,823,329</u>

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2014 and 2013

### NOTE H – LONG-TERM LIABILITIES

Long-term liability activity was as follows for the years ended June 30:

	Year ended June 30, 2014				
	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within one year
Deferred revenue	\$ 2,688,202	\$ 216,666	\$ (103,826)	\$ 2,801,042	\$ 54,017
MROTC loan payable	20,253,409	-	(1,440,399)	18,813,010	1,529,832
Total	<u>\$ 22,941,611</u>	<u>\$ 216,666</u>	<u>\$ (1,544,225)</u>	<u>\$ 21,614,052</u>	<u>\$ 1,583,849</u>

	Year ended June 30, 2013				
	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due within one year
Deferred revenue	\$ 2,533,469	\$ 260,000	\$ (105,267)	\$ 2,688,202	\$ 54,017
MROTC loan payable	21,609,590	-	(1,356,181)	20,253,409	1,440,383
Total	<u>\$ 24,143,059</u>	<u>\$ 260,000</u>	<u>\$ (1,461,448)</u>	<u>\$ 22,941,611</u>	<u>\$ 1,494,400</u>

### NOTE I - SUBSEQUENT EVENTS

The Authority has evaluated events or transactions that occurred subsequent to June 30, 2014 through December 30, 2014, the date these financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY**

COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED

June 30, 2014

	Total (memorandum only)	American Cancer Society 2002	OK County Courthouse Project-2011	City of Edmond Project	OK County Facilities Project- 2012	Facilities Project- 2003
<b>Assets</b>						
Cash & temporary investments:						
Project fund	\$ 10,246,518	\$ -	\$ 39,000	\$ -	\$ 250,520	\$ -
Sinking fund	2,612,900	6,000	-	-	164,565	-
Interest fund	-	-	-	-	-	-
Reserve fund	6,191,551	-	-	239,093	-	-
Accrued interest receivable	-	-	-	-	-	-
Discount on Bonds Payable	709,647	-	-	-	-	-
Unamortized bond issue costs	150,619	-	-	-	-	-
<b>Total assets</b>	<b>19,911,235</b>	<b>6,000</b>	<b>39,000</b>	<b>239,093</b>	<b>415,085</b>	<b>-</b>
<b>Liabilities</b>						
Accrued bond interest payable	1,742,950	-	3,792	13,785	-	-
Bonds payable	150,663,573	5,970,000	455,000	6,374,662	11,935,000	-
<b>Total liabilities</b>	<b>152,406,523</b>	<b>5,970,000</b>	<b>458,792</b>	<b>6,388,447</b>	<b>11,935,000</b>	<b>-</b>
<b>NET OBLIGATIONS</b>	<b>132,495,288</b>	<b>5,964,000</b>	<b>419,792</b>	<b>6,149,354</b>	<b>11,519,915</b>	<b>-</b>
<b>Increase in net obligations</b>						
Interest expense	5,799,559	6,881	14,292	311,830	419,030	-
Amortization expense	-	-	-	-	-	-
Other	3,211	-	-	-	-	-
Advances of bond proceeds	2,780,780	-	-	2,780,780	-	-
Distributions	30,234	-	-	-	-	-
Administrative and trustee fees	23,211	-	-	-	2,015	-
	8,636,995	6,881	14,292	3,092,610	421,045	-
<b>Decrease in net obligations</b>						
Defeased Bond	-	-	-	-	-	-
Funds transferred (from) OMRF Series 2001 to Series 2010	-	-	-	-	-	-
Other	395,901	-	-	-	-	395,901
Earnings on cash and temporary investments	52,200	-	-	-	50	12,226
Payments received from borrower	24,431,524	571,881	463,000	439,469	1,581,047	13,240,000
	24,879,625	571,881	463,000	439,469	1,581,097	13,648,127
<b>NET INCREASE (DECREASE) IN NET OBLIGATIONS</b>	<b>(16,242,630)</b>	<b>(565,000)</b>	<b>(448,708)</b>	<b>2,653,141</b>	<b>(1,160,052)</b>	<b>(13,648,127)</b>
<b>Net obligations at beginning of year</b>	<b>148,737,918</b>	<b>6,529,000</b>	<b>868,500</b>	<b>3,496,213</b>	<b>12,679,967</b>	<b>13,648,127</b>
<b>Net obligations at end of year</b>	<b>\$ 132,495,288</b>	<b>\$ 5,964,000</b>	<b>\$ 419,792</b>	<b>\$ 6,149,354</b>	<b>\$ 11,519,915</b>	<b>\$ -</b>

**OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY**

COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED

June 30, 2014

	Scott OK Plant- 2003	YMCA of OKC Earlywine 2006	OK Medical Research Foundation 2008	OK Medical Research Foundation 2010	API Realty 2008	Metrotech 2009	Oklahoma City University 2010
Assets							
Cash & temporary investments:							
Project fund	\$ -	\$ -	\$ 9,428,809	\$ -	\$ -	\$ 528,189	\$ -
Sinking fund	-	314,191	2,128,138	-	-	-	6
Interest fund	-	-	-	-	-	-	-
Reserve fund	-	411,658	3,316,750	1,218,519	-	1,005,531	-
Accrued interest receivable	-	-	-	-	-	-	-
Discount on Bonds Payable	-	-	497,280	-	-	212,367	-
Unamortized bond issue costs	-	150,619	-	-	-	-	-
Total assets	-	876,468	15,370,977	1,218,519	-	1,746,087	6
Liabilities	-	-	-	-	-	-	-
Accrued bond interest payable	235	113,715	1,157,637	222,122	-	231,664	-
Bonds payable	1,050,000	4,060,000	38,945,000	12,185,000	2,447,664	11,430,000	55,811,247
Total liabilities	1,050,235	4,173,715	40,102,637	12,407,122	2,447,664	11,661,664	55,811,247
NET OBLIGATIONS	1,050,235	3,297,247	24,731,660	11,188,603	2,447,664	9,915,577	55,811,241
Increase in net obligations							
Interest expense	2,558	199,956	2,160,263	540,498	147,381	469,891	1,526,979
Amortization expense	-	-	-	-	-	-	-
Other	-	-	-	3,211	-	-	-
Advances of bond proceeds	-	-	-	-	-	-	-
Distributions	-	-	30,234	-	-	-	-
Administrative and trustee fees	-	833	15,963	2,000	-	2,400	-
	2,558	200,789	2,206,460	545,709	147,381	472,291	1,526,979
Decrease in net obligations							
Defeased Bond	-	-	-	-	-	-	-
Funds transferred (from) OMRF Series 2001 to Series 2010	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Earnings on cash and temporary investments	-	1,550	33,015	5,217	-	141	1
Payments received from borrower	107,558	409,691	3,202,170	540,498	255,014	996,927	2,624,269
	107,558	411,241	3,235,185	545,715	255,014	997,068	2,624,270
NET INCREASE (DECREASE) IN NET OBLIGATIONS	(105,000)	(210,452)	(1,028,725)	(6)	(107,633)	(524,777)	(1,097,291)
Net obligations at beginning of year	1,155,235	3,507,699	25,760,385	11,188,609	2,555,297	10,440,354	56,908,532
Net obligations at end of year	\$ 1,050,235	\$ 3,297,247	\$ 24,731,660	\$ 11,188,603	\$ 2,447,664	\$ 9,915,577	\$ 55,811,241

**Oklahoma Industries Authority, Oklahoma County**  
**SCHEDULE OF BONDS PAYABLE - TRUST FUNDS ADMINISTERED**  
June 30, 2014

Indentures	Interest rate	Principal maturity date	Principal amount of bonds issued	Bonds retired prior to July 1, 2013	Balance June 30, 2013	2014 Bond activity			Balance June 30, 2014
						Retired	Defeased	Additions	
American Cancer Society 2002	Various	June 1, 2022	\$ 11,000,000	\$ 4,465,000	\$ 6,535,000	\$ 565,000	\$ -	\$ -	\$ 5,970,000
Oklahoma County Courthouse Project 2011	Various	February 1, 2015	1,745,000	845,000	900,000	445,000	-	-	455,000
API Realty 2008	5.88%	September 1, 2028	3,000,000	444,703	2,555,297	107,633	-	-	2,447,664
Meterotech 2009	Various	January 1, 2030	13,430,000	1,475,000	11,955,000	525,000	-	-	11,430,000
Oklahoma County Facilities Project 2003	Various	July 1, 2020	20,560,000	7,320,000	13,240,000	13,240,000	-	-	-
Oklahoma County Facilities Project 2012	4.6%	June 1, 2033	14,250,000	1,155,000	13,095,000	1,160,000	-	-	11,935,000
Oklahoma Medical Research Foundation 2008	5.75%	July 1, 2034	43,955,000	4,000,000	39,955,000	1,010,000	-	-	38,945,000
Oklahoma Medical Research Foundation 2010	4.38%	February 1, 2021	12,185,000	-	12,185,000	-	-	-	12,185,000
Scott Oklahoma Plant, LLC 2003	Various	October 1, 2023	2,100,000	945,000	1,155,000	105,000	-	-	1,050,000
YMCA Of Earlywine 2006	5.00%	July 1, 2027	5,395,000	1,130,000	4,265,000	205,000	-	-	4,060,000
YMCA Of Edmond 2011	5.19%	September 17, 2023	3,719,220	-	3,719,220	125,338	-	2,780,780	6,374,662
Oklahoma City University 2010	Various	November 30, 2035	60,000,000	3,104,256	56,895,744	1,084,497	-	-	55,811,247
			<u>\$ 191,339,220</u>	<u>\$ 24,883,959</u>	<u>\$ 166,455,261</u>	<u>\$ 18,572,468</u>	<u>\$ -</u>	<u>\$ 2,780,780</u>	<u>\$ 150,663,573</u>

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS**

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Board of Trustees  
Oklahoma Industries Authority, Oklahoma County

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 Industries Authority, Oklahoma County (the “Authority”) which comprise the statement of net positions as of June 30, 2014, 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 December 30, 2014.

**Internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (“internal control”) to design 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority’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 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 the Authority’s 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 the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

#### Intended purpose

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

Grant Thornton LLP

Oklahoma City, Oklahoma  
December 30, 2014

# **Oklahoma Industries Authority, Oklahoma County**

## **SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

For the year ended June 30, 2014

### Finding 2013-1

Finding Summary: Processes and controls to ensure that any non-cash assets received were recorded in the general ledger at fair market value and all required documentation to support the amounts recorded were not in place. As a result, revenues in the prior periods were understated and the gain on the sale of assets in the 2013 fiscal year was overstated.

Current Year Update: Corrected

THE TRUSTEES OF THE OKLAHOMA INDUSTRIES AUTHORITY MET IN SPECIAL SESSION IN THE CONFERENCE ROOM OF THE OFFICES OF OKLAHOMA INDUSTRIES AUTHORITY IN THE HIGHTOWER BUILDING AT 105 NORTH HUDSON, OKLAHOMA CITY, OKLAHOMA, ON THE 20TH DAY OF JANUARY, 2015, AT 11:00 O'CLOCK A.M.

PRESENT: Clayton I. Bennett, Roy Williams and J.W. Mashburn

ABSENT: Ron Norick and Kirk Humphreys

Notice of this special meeting was given in writing to the County Clerk of Oklahoma County, Oklahoma, forty-eight (48) hours prior to such meeting and public notice of this meeting was posted in prominent view at the office of the Authority as well as at the place of said meeting twenty-four (24) hours prior to this meeting, excluding Saturdays, Sundays and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

(OTHER PROCEEDINGS)

THEREUPON, the General Manager introduced a Resolution and after discussion and upon motion by Trustee \_\_\_\_\_, seconded by Trustee \_\_\_\_\_, the Resolution was adopted by the following vote:

AYE:

NAY:

Said Resolution as adopted is as follows:

**RESOLUTION**

RESOLUTION AUTHORIZING A SECOND AMENDMENT TO LOAN AGREEMENT (REAL ESTATE) RELATING TO THE AUTHORITY'S \$3,000,000 INDUSTRIAL DEVELOPMENT REVENUE BOND (API REALTY, LLC PROJECT), SERIES 2008 PREVIOUSLY ISSUED TO FINANCE A MANUFACTURING FACILITY (THE "PROJECT") FOR API ENTERPRISES, INC., (THE "BONDS"), DEEMED EXCHANGE AUTHORIZED THEREBY AND DOCUMENTS RELATED THERETO; AND AUTHORIZING EXECUTION AND DELIVERY OF THE SAME; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, pursuant to a Trust Indenture, as amended, for the use and benefit of Oklahoma County, Oklahoma (herein called "County"), under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 2011, Sections 176 et seq., as amended (the "Act"), the Authority has been duly established as a public trust and an agency of the State of Oklahoma (the

"State") for public purposes as therein provided, to be known as the Oklahoma Industries Authority (herein called "Authority"); and

WHEREAS, the County, designated in said Trust Indenture as the beneficiary thereof, acting through its Board of County Commissioners, has adopted a Resolution accepting the beneficial interest therein on behalf of said County; and

WHEREAS, at the request of API Enterprises, Inc. (the "Company"), in 2008, the Authority issued its \$3,000,000 Industrial Development Revenue Bond (API Realty, LLC Project), Series 2008 (the "2008 Bond") to finance manufacturing facilities for the Company; and

WHEREAS, GE Government Finance, Inc. ("GEGF") purchased that certain the 2008 Bond pursuant to that certain Loan Agreement (Real Estate) dated as of August 1, 2008 (the "Loan Agreement") among GEGF, Collateral Agent, Borrower and Issuer. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in Loan Agreement;

WHEREAS, GEGF has assigned to Lender all of GEGF's rights, title and interest in the Bond and the Loan Agreement, and Lender has appointed GEGF as its attorney-in-fact and subservicer with respect to all matters relating to the 2008 Bond; and

WHEREAS, GEGF AND THE Borrower have agreed to make certain modifications to the 2008 Bond that will result in a deemed sale or exchange (the "Deemed Exchange") thereof under Section 1.1001-3 of the Regulations; and

WHEREAS, as it is necessary for the Authority to approve such modifications and deemed sale and exchange and to agree to certain amendments to the Loan Agreement; and

WHEREAS, Lender, Collateral Agent, Borrower and Authority desire to amend certain provisions of the Loan Agreement pursuant to a Amendment, a draft of which is attached hereto, and have requested that the Authority agree to such Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE OKLAHOMA INDUSTRIES AUTHORITY:

Section 1. There is hereby approved the Deemed Exchange and the modifications to the Note and the Loan Agreement as set forth in the Second Amendment to Loan Agreement (Real Estate) in the form attached hereto and hereby approved and the same in final form is authorized to be executed and delivered by Gary Bush, the General Counsel, or by the Chairman or any Vice Chairman of the Trustees of the Authority.

Section 2. In approving the transaction and the documents described above, the Authority does hereby expressly authorize and approve any specific additions, omissions and changes as may be recommended by Authority counsel to consummate the transaction contemplated hereby. In addition, the Chairman or Vice Chairman and Secretary or an Assistant Secretary are specifically authorized and directed on behalf of the Authority to execute, attest, seal and deliver

an all such other documents, instruments, certificates and other materials, including any necessary closing or tax documents, and more particularly a Supplemental Tax Compliance and Bring Down Certificate, and related materials as are necessary or convenient in connection with this Resolution and the transaction and modifications hereby approved.

This Resolution shall be in effect from and after its final passage by the Authority.

RESOLUTION ADOPTED AND APPROVED this 20<sup>th</sup> day of January, 2015.

OKLAHOMA INDUSTRIES AUTHORITY

(SEAL)  
ATTEST:

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Assistant Secretary

STATE OF OKLAHOMA                    )  
  )SS  
COUNTY OF OKLAHOMA                )

I, the undersigned Assistant Secretary of the Oklahoma Industries Authority, hereby certify that attached hereto is a true and correct copy of a resolution duly adopted by the Authority adopted at a meeting of the Trustees thereof on January 20, and that the Oklahoma Open Meeting Law was complied with for said meeting.

\_\_\_\_\_  
Assistant Secretary

(SEAL)

## RESOLUTION

### A RESOLUTION ADOPTING POST-ISSUANCE COMPLIANCE PROCEDURES RELATING TO THE ISSUANCE OF FEDERALLY TAX-EXEMPT SPECIAL OBLIGATION REVENUE BONDS

WHEREAS, Oklahoma Industries Authority (the "Authority") is authorized and empowered to issue special obligation revenue bonds (the "*Bonds*") for the purpose of making loans or otherwise providing funds to finance the acquisition, construction and development of various projects located within the State of Oklahoma; and

WHEREAS, the provisions of the Internal Revenue Code of 1986, as amended (the "*Code*") and the regulations promulgated thereunder (the "*Regulations*") require the issuers of bonds such as the Bonds to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, the Authority desires to adopt the below described procedures (the "*Post-Issuance Tax Compliance Procedures*") in order to ensure compliance with the provisions of the Code and the Regulations;

NOW THEREFORE, BE IT RESOLVED by the Trustees of the Authority as follows:

#### **Adoption of Post-Issuance Compliance Procedures**

The Authority hereby adopts the following Post-Issuance Tax Compliance Procedures, the purpose of which is to establish policies and procedures in connection with Bonds issued by the Authority so as to ensure that all applicable post-issuance requirements of the Code and Regulations needed to preserve the federally tax-exempt status of the Bonds which are intended to be tax-exempt are met. The Authority reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The Authority also reserves the right to change these policies and procedures from time to time, without notice.

#### **General**

With relatively few exceptions, the Authority expects to act exclusively as a conduit issuer of Bonds. Therefore, pursuant to the tax certificate and/or agreement relating to an issue of tax-exempt Bonds (each, a "*Tax Certificate*"), the conduit borrower with regard to such Bonds (the "*Borrower*") will bear primary responsibility for all ongoing tax compliance matters relating to Bonds.

The Authority expects to use a corporate trustee (the "*Trustee*") to administer all Bonds. The Trustee will in each case be assigned certain document retention requirements in compliance with the Authority's document retention policy. The Authority retains the right to inquire of either the Borrower or the Trustee for any documentation regarding Bonds.

## **Designation of Responsible Person(s)**

The Authority hereby designates its General Counsel as the officer with responsibility to oversee compliance herewith; provided that each Borrower shall retain responsibility for such written procedures described below. Each Borrower shall designate an officer thereof in the Tax Certificate as its compliance officer with responsibility to oversee compliance with the written procedures described below, and shall inform the Authority of such designation and contact information for such employee(s). Each Borrower shall also provide timely notice to the Authority of changes in such personnel from time to time.

## **Post-Issuance Compliance Requirements**

### External Advisors / Documentation

The Authority and the Borrower shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that Bonds which are intended to be tax-exempt will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the Tax Certificate and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements by both the Borrower and the Trustee and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

Each Borrower also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with the use of proceeds, as well as future contracts with respect to the use of Bond-financed or refinanced assets.

The Authority shall require each Borrower to engage expert advisors (each a “*Rebate Analyst*”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds.

Unless otherwise provided by the indenture or other authorizing documents relating to the Bonds, unexpended Bond proceeds shall be held by the Trustee, and the investment of Bond proceeds shall be managed by each Borrower. Each Borrower shall prepare (or cause the Trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Authority if it so requests.



### Arbitrage Rebate and Yield

Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds, it is the Authority's policy that each Borrower shall be responsible for:

- engaging the services of a Rebate Analyst and, prior to each rebate calculation date, causing the Trustee or other account holder to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Analyst;
- providing to the Rebate Analyst additional documents and information reasonably requested by the Rebate Analyst;
- monitoring efforts of the Rebate Analyst;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Analyst to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports and account statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the Authority.

Each Borrower, in the Tax Certificate relating to its Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above (unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds).

### Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

It is the Authority's policy that each Borrower shall be responsible for:

- monitoring the use of Bond proceeds and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds, including a final allocation of Bond proceeds as described below under "Record Keeping Requirements";
- consulting with bond counsel and other legal counsel and advisers in the review of any contracts or arrangements involving use of Bond-financed or refinanced assets to ensure

compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;

- maintaining records for any contracts or arrangements involving the use of Bond-financed or refinanced assets as described below under “Record Keeping Requirements”;
- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds; and
- to the extent that a Borrower discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

Each Borrower, in the Tax Certificate relating to Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

#### Record Keeping Requirements

It is the Authority’s policy that the respective Borrower shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least six years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to each Borrower at or in connection with closing of the issue of Bonds, including any elections made by the Authority or Borrower in connection therewith;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, Trustee requisitions and payment records, draw requests for Bond proceeds and evidence as to the amount and date for each draw down of Bond proceeds, as well as documents relating to costs paid or reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds;
- a copy of all contracts and arrangements involving the use of Bond-financed or refinanced assets; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including Trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

Each Borrower, in the Tax Certificate relating to its Bonds and/or other documents finalized at or before the issuance of the Bonds, shall agree to the foregoing records retention requirements and procedures.

This resolution shall take effect upon its adoption.

## RESOLUTION

WHEREAS, Oklahoma Industries Authority (the “Authority” or “OIA”) has been duly created and is existing and operating as a public body corporate and politic under Title 60, Oklahoma Statutes 2011, Section 176 et seq. (the “Act”), for the purpose of developing and promoting trade, commerce, industry, and employment opportunities for the public good and the general welfare and promoting the general welfare of the State of Oklahoma.

WHEREAS, the Authority has a need for professional data management and storage services for Authority records.

WHEREAS, The Authority has received the attached proposal to provide such services from MIDCON Data Services, LLC, which the General Manager recommends be accepted by the Authority, subject to such modifications as recommended by the General Counsel or Assistant General Counsel of the Authority or as desired by the General Manager

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

The proposal of MIDCON Data Services, LLC is accepted and approved, subject to such modifications as recommended by the General Counsel or Assistant General Counsel of the Authority or as desired by the General Manager, and the General Manager is authorized to enter into a agreement with MIDCON Data Services, LLC, for and on behalf of the Authority, to provide professional data management and storage services for Authority records, at a cost not exceed \$15,000.00.

ADOPTED this 20th day of January 2015.

OKLAHOMA INDUSTRIES AUTHORITY

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Chairman

ATTEST:

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Secretary



**Data Services, LLC**

**Proposal**

**Storage and Services**

**Submitted to:**

**OIA**

## ***Statement of Confidentiality***

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The descriptive materials and related information in this proposal contain information that is confidential and proprietary to MIDCON Data Services. This information is submitted with the express understanding that it will be held in strict confidence and will not be disclosed, duplicated, or used, in whole, or in part, for any purpose other than evaluation of this proposal.

## ***Security Measures in Place at MIDCON***

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**EMPLOYEES:** All MIDCON employees are thoroughly screened before an offer of employment is extended. Every employee is required to read, agree to, and sign our confidentiality agreement (see attachment, Exhibit "A" in storage agreement). Each employee is required to have good personal and professional references, a clean criminal background check and agree to participate in and pass pre-employment and random substance tests. All employees of MIDCON responsible for delivery and/or driving duties are required to provide a current "clean" motor vehicle record each year. Every employee acts as an agent for MIDCON and is bonded.

**VEHICLES:** All MIDCON delivery vehicles have GPS tracking systems to help us insure prompt delivery and response to all of our customer's needs. At all times, we know the exact location of each vehicle as well as the direction and speed they are traveling via the Internet.

**FACILITIES:** Our facilities were built as sturdy structures with reinforced steel and cinderblock. MIDCON has strategically placed security cameras throughout the facilities that are electronically monitored for fire and security services. Our fire suppression system is zoned and pre-activated. All employees allowed access to our offices and warehouses have key fob or card key entry. All drivers and delivery personnel dealing with client service have MIDCON identification and are in MIDCON shirts displaying our logo. Clients are not allowed in the office area or in warehouses without a MIDCON escort, and never to pull inventory. Our facilities are climate controlled; our warehouses are 70 degrees with a leeway of 10 degrees; our media vaults are set at 65 degrees with 45% relative humidity.

**DELIVERY:** Deliveries are made physically, facsimile or electronically. Each delivery made to our client's location will be tracked by MCDS application as well as a transmittal. Clients receive a print out of a work order that has been signed by the warehouse personnel, delivery driver, and the client; MIDCON retains the exact same item. If we are asked to facsimile a document or file, we will make sure it is in guidelines to do so in regard to compliance issues. When electronic delivery is requested, it is by electronic mail or FTP site, whichever is preferred by the client. All deliveries are tracked by our MCDS application and recorded by date, delivery person, and client 'user'.

**DISASTER RECOVERY:** MIDCON Data Services, LLC has a plan in place to protect your data. We are a priority response site for the Blackmon Mooring Catastrophe Team.

**MCDS APPLICATION:** We have a firewall on a level 3 switch with Verisign SSL 128 Bit Encryption. Only 'authorized users' assigned with user name and password have remote access to your inventory numbers and activity on-line, see Exhibit "B". Our management system has VPN for MIDCON access, domain structure.

**CUSTOMER SERVICE:** MIDCON is on-call 24-hours a day, 365 days a year. We have checks and balances in place to ensure our process is running smoothly and conduct customer service calls, surveys and meetings. We strive for your complete satisfaction.

Thank you for the opportunity to submit this proposal for the Storage and Service of data.

- **All Boxes and/or files are stored in the OKC/Edmond Metro Area.**
- **Inventory Tracking:** MIDCON provides accurate bar-coded and computer-based inventory tracking, MCDS. The system identifies each stored item, by type, description, department, and status, while maintaining history of items.
- **Reporting:** Inventory, Activity, financial reports and other reports types are always available to you the client. Many of these reports you may access direct from the MCDS system. If not they are always available upon request.
- **Secure Storage and facility Standards:** All MIDCON facilities are hardened facilities and provide protection above industry standards. All storage is climate controlled. MIDCON facilities are monitored 24/7 365. MIDCON facilities are equipped with security Cameras, dry-line fire suppression systems along with heat detection/alarms. See more in the Facilities portion of Security measures in place at MIDCON page below.
- **Permanent Removal/Destruction Services:** MIDCON offers Certified Document and Media Destruction services. We are also NAID Certified. MIDCON does its own shredding, and offers on-site shredding. No document shredding is performed unless instructed in writing, by authorized staff which is stated on the account.
- **MIDCON** has appropriate redundant systems in place to ensure continuous operation of services. (Back-up Power etc.) A disaster/recovery plan is in place. (See DR Plan below.)
- MIDCON has year round preventative pest control by licensed pest control.
- **Transportation:** All MIDCON delivery vehicles have GPS tracking systems to help us insure prompt delivery and response to all of our customer's needs. At all times, we know the exact location of each vehicle as well as the direction and speed they are traveling via the Internet. They are also equipped with a fire extinguisher.
- **Security/Fire Protection:** MIDCON facilities are monitored 24/7 365. MIDCON facility is equipped with security Cameras, dry-line fire suppression systems along with heat detection/alarms.
- **Vendor Qualifications and Experience:** MIDCON is a qualified and experienced off-site data management company. Our knowledge, experience, technology and professionalism have earned MIDCON the trust of hundreds of organizations, from small businesses to Fortune 500 companies. We provide outstanding customer service, and are always available for you. MIDCON is locally owned and operated since 1991. Box storage is located at 401 W. 33<sup>rd</sup> street in Edmond, Oklahoma. Our Bunkered data center is located at 13431 N. Broadway, Oklahoma City, Oklahoma. We also have a full service location in Tulsa, Oklahoma. MIDCON employs approximately 50 people
- MIDCON was given the 2013 Oklahoma Department of Labor Entrepreneurial Excellence in Oklahoma Award, by the Oklahoma Department of Labor. MIDCON also opened a location in Tulsa.



### **Outline of Approach:**

MIDCON met with Denise Balkas along with a couple of other staff members at her office. In addition, MIDCON did a site visit to the records storage facility at The Oklahoma University Research Park. After our discussions and tour, we feel that the most thorough, yet cost effective way, to approach this project in the following manner:

### **Phase I: Transport/Separate and Identify current items in off-site storage**

- Prior to removal, Alliance Personnel with or without MIDCON present should meet with Legal counsel to discuss any records subject to special retention.
- Remove all already known boxes from Storage areas that are already known that can be shredded. (MIDCON offers NAID certified Shredding, complete with Certificates of Destruction)
- Transport the contents of the current off-site storage to MIDCON.
- Upon arrival to MIDCON, MIDCON will have 2 people dedicated to going through the contents separating and boxing files into the following departments/categories. OCURA, OIA, ICFT. Then under each department, files will separate into entities Examples will be, but not limited to the following: historical/archive, active items, ok for destruction, other, etc. NOTE: entities will be predetermined/approved your staff prior to beginning.
- Once boxing is completed, boxes will be barcoded and scanned into the MCDS data base for tracking purposes.
- Boxes would then be reviewed by Alliance for Economic Development of OKC Personnel or placed directly in storage at MIDCON and reviewed now or during phase II. That would be at the discretion of Alliance for Economic Development of OKC.
- Upon completion and final approval of the Alliance, schedule contact local archivist for deposit of historic items.

### **Phase II: Submit written report of finding of Phase I /Approval to move forward**

- Upon Completion of Phase I, MIDCON will provide an outlined report complete with list of number of boxes and review the plan & process of implementation going forward with you and your staff. This report will include finds/recommendations from Phase I, along with recommendations and options moving forward. IE: Box level storage, file level storage, scanning, scan-on demand, destruction, etc.
- Alliance for Economic Development of OKC Personnel would then make decision on which direction it would like to move.

### **Phase III:**

- **Upon finalization process/approval of off-site processes, meet with Key personnel For managing the on-site records.**

### Estimated Budget for OIA

- **Destruction:** MIDCON will provide all shredding of paper documents at NO CHARGE. MIDCON is NAID Certified.
- **Free pick up and Transportation** of existing items from the current off-site facility to MIDCON.
- In order to go through all the existing filing cabinets, separate, box etc. as described in the outline of approach MIDCON will need to dedicate 2 people at a cost of \$30.00 each per hour. Based on previous/similar type jobs we have done we estimate it would take 2 people approximately 8 hours per file cabinet or a total of 16 billable hours per. Again this is an estimate, and will depend on how full each drawer is etc.
- **Estimated cost for OIA: \$8040.00 (Note: this is based on the estimated number of drawers for OIA.)**

### Timeline:

- Once agreement has been reached pick up process can begin within about a week.
- It will take an estimated 1 business day per file cabinet to do the separating etc. once we get started.

### Qualifications:

- MIDCON is Oklahoma's largest document management provider. We are locally owned and operated since 1991. We represent businesses of all sizes and varieties. Seismic oil and gas, Law Firms, Medical providers, CPAS, City, County, State and Federal Agencies. No Task is too small or large.
- Phil Kerbo Director of Sales and marketing will directly handle your account. Phil has been with MIDCON for 9 years and will follow the entire process closely and work closely with the team to on both sides to assure everything goes smoothly and timely. Phil has many years of experience handling numerous type and sizes of client projects involving many variables.

Paula Elliott Operations Manager is the Operations Manager and oversees the daily operations of the entire warehouse facilities, all the drivers, inventory crew etc. Paula has many years of managerial experience and has managed our team well.

There is always 5 people on call should you need access afterhours.  
You will be given a list contacts with Cell numbers, emails etc. in order reach someone in case of any emergency.

**Responsibilities of the Alliance:**

- The main responsibility of the Alliance will be providing us a main Point of Contact. That POC will need to maintain open communications as needed throughout the process, to answer questions that may arise etc.

**Professional Liability & Workers Comp Insurance:**

- Certificate of Insurance is enclosed with this submittal. Workers Compensations Insurance Certificate will be provided upon award. (Compsource)

**Business Credit and Check:**

- The completed form is enclosed with this submittal.

Once again thank you for the opportunity. I would be more than happy to visit with you further in person or via phone/email if you would like.

Phil

Phil Kerbo  
Director of Sales & Marketing  
MIDCON Data Services LLC

405.478.1234 X 765 office  
405.640.6756 cell

## RESOLUTION

WHEREAS, Oklahoma Industries Authority (the “Authority” or “OIA”) has been duly created and is existing and operating as a public body corporate and politic under Title 60, Oklahoma Statutes 2011, Section 176 et seq. (the “Act”), for the purpose of developing and promoting trade, commerce, industry, and employment opportunities for the public good and the general welfare and promoting the general welfare of the State of Oklahoma.

WHEREAS, over the past several years discussions have taken place with representatives of the United States Department of Air Force and personnel assigned to Tinker Air Force Base in regard to the development of a 14 hanger complex to support the maintenance and repair of the Department of Air Force’s new KC-46A aircraft refueling fleet (the “KC-46A Program at Tinker Air Force Base”), which development is predicated on the acquisition of a 156 acre site currently owned by the BNSF Railway Company, which site is located immediately north of the TAC 9001 facility at Tinker Air Force Base (the former GM automobile assembly plant), on the East side of Air Depot Blvd; and

WHEREAS, the KC-46A Program at Tinker Air Force Base is projected to be a \$500 million construction project which when completed on the eastern, 100 acre portion of the site, will serve as the location for the Air Force’s maintenance and support functions for the new KC-46A aircraft refueling fleet; and

WHEREAS, the KC-46A Program at Tinker Air Force Base includes the construction of 14 new hangers and related infrastructure that needs to be completed to support the arrival of the first service checks on the new plane in the spring of 2018; and

WHEREAS, in order to remain on schedule, the construction of the new hangers and related infrastructure must begin in early 2015, and at full build-out the KC-46A Program will create an incremental employment of approximately 1300 new to market jobs at an expected average annual salary of \$62,000 and will support the maintenance and modification of more than 170 Boeing 767 aircraft to refueling aircraft; and

WHEREAS, in addition to the economic development benefits provided by the KC-46A Program at Tinker Air Force Base, the acquisition of the BNSF Railyard site will help preserve the long track record of efficiency and strong capability at Tinker Air Force Base that is essential to the mutual combined future and the support of our nation’s service men and women, improve potential security challenges that can arise with complicated fence lines and unrelated neighboring uses, and undoubtedly enhance Tinker Air Force Base’s standing in any future Base Realignment and Closure (BRAC) processes that many observers believe is imminent; and

WHEREAS, the County Commissioners of Oklahoma County (“The County”) have initiated necessary steps to participate in the acquisition of the BNSF Railyard site and have authorized the issuance and sale of \$10 million in General Obligation Limited Tax Refunding

Bonds, and is expected to take further action to allocate another \$2.5 million dollars for a total amount of \$12.5 million that will be provided toward the purchase of the BNSF Railyard site; and

WHEREAS, the U.S. Department of Air Force and Tinker Air Force Base have secured an authorization of \$8 million in the 2014 Federal Budget which will be used toward acquisition of the site; and

WHEREAS, Oklahoma City Economic Development Trust (“OCEDT”) has approved and it is anticipated that The City of Oklahoma (“The City”) and will consider and authorize an allocation of \$23.5 million from the proceeds of the issuance and sale of General Obligation-Limited Tax bonds to be used for the acquisition of the BNSF Railyard, which site is needed to initiate the KC-46A Program at Tinker Air Force Base; and

WHEREAS, the Authority finds that the proposed KC-46A Program at Tinker Air Force Base will provide substantial economic benefits to the citizens of Oklahoma County through the creation of new to market jobs and by preserving the long track record of efficiency and strong capability at Tinker Air Force Base that is essential to the mutual combined future and the support of our nation’s service men and women, by improving potential security challenges that can arise with complicated fence lines and unrelated neighboring uses, and by enhancing Tinker Air Force Base’s standing in any future Base Realignment and Closure (BRAC) processes; and

WHEREAS, it is anticipated that an agreement will soon be in place to secure the BNSF Railyard site from BNSF Railway Company for the purchase price of \$44 million and to directly transfer ownership of the site to The United States of America, by and through the Department of the Air Force, with the Authority acting as the fiscal agent for The County, The City and OCEDT; and

WHEREAS, the Authority and other parties to this transaction recognize the urgency of completing the acquisition of the BNSF Railyard site and recognize that agreements and documents are in the process of being vetted by the U.S. Department of the Air Force and other parties, while also recognizing that certain terms must be agreed upon that are necessary to protect the interest of the Authority, The County, The City and OCEDT; and

WHEREAS, it is anticipated by the Mayor and Council of The City and the Trustees of OCEDT, based upon the projected new jobs that will be created under the KC-46A Program at Tinker Air Force Base, that approximately \$21.1 million of the payment of \$23.5 million paid toward the acquisition of the Railyard site could be recouped from job creation incentive payments made by the State of Oklahoma under the Oklahoma Quality Jobs Program Act, 68 Okla. Stat. § 3601, *et seq.* between 2018 and 2033; and

WHEREAS, it is also the expectation of the Mayor and Council of The City and Trustees of OCEDT that OIA will negotiate, on behalf of OIA, The City, OCEDT, and The County, with the U.S. Department of the Air Force, and through the appropriate officials at Tinker Air Force Base, the necessary documents and agreements needed to: 1) secure the purchase of the BNSF

Railyard, 2) provide for the direct transfer of ownership of the BNSF Railyard to The United States of America, by and through the Department of the Air Force, 3) provide for the OIA to receive on a timely bases, the necessary information, data and reports for OIA, acting as the proxy for Tinker Air Force Base, to apply for incentives under the Oklahoma Quality Jobs Program Act, and 4) provide for proportional payments to be made to The City and to The County from the incentives received, and will provide such documents and agreements to the Municipal Counselor's Office for review and approval; and

WHEREAS, it is the further the expectation of The County, The City and OCEDT that OIA will promptly pay to The City and to The County their respective portions of all incentives received by the OIA from the State of Oklahoma under the Oklahoma Quality Jobs Program Act; and

WHEREAS, it is also the expectation of The City and OCEDT that OIA will secure an agreement among the involved parties that The City will be paid and receive the first \$5 million in incentives paid to OIA under the Oklahoma Quality Jobs Program Act, and that thereafter, The City and The County will be repaid in proportion to their original financial contributions toward the purchase of the BNSF Railyard site; and

WHEREAS, it is necessary for the Authority to provide funding for the cost of an environmental liability insurance policy and to pay other closing costs to facilitate successful closing of this transaction, all in a total amount of not to exceed \$300,000 (the "Closing Funds"), which funds are contemplated to be recouped by the Authority through the salvaging of rails from the BNSF Railyard.

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

1. The General Manager, General Counsel and Assistant General Counsel of the Authority are authorized and directed to review and finalize the documents and agreements contemplated by this Resolution and such other documents as necessary to finalize and close the transaction described by this Resolution, to include as necessary and appropriate the following:
  - i. *Memorandum of Agreement* between the United States Air Force ("Air Force"), The City, OCEDT, The County and OIA, to provide:
    - a. That OIA will receive incentive payments to which Air Force is entitled as the Proxy Establishment as authorized under the Oklahoma Quality Jobs Program Act,
    - b. For OIA to receive on a timely basis, the necessary information, data and reports OIA, acting as the proxy establishment for Tinker Air Force Base, necessary to apply for and receive on an ongoing basis incentives under the Oklahoma Quality Jobs Program Act, and

- c. For proportional payments to be made to The City and to The County from all incentives received by OIA under the Oklahoma Quality Jobs Program related to the KC-46 Program at Tinker Air Force Base, subject to the condition that The City be paid and receive the first \$5 million of incentives received by OIA.
  - ii. *Economic Development Agreement* between the OIA and OCEDT regarding the OCEDT funds to be provided for purchase of the Railyard.
  - iii. *Real Estate Purchase and Sale Agreement* between OIA and BNSF Railway Company, providing for purchase of the Railyard.
  - iv. *Real Estate Purchase and Sale Agreement with Assignment of Rights* made between OIA and Air Force, providing for assignment to Air Force of the rights of OIA to purchase the Railyard.
- 2. The Chairman, Vice-Chairmen and General Manager, or any one of them, are each hereby authorized and directed to execute the documents and agreements contemplated by this Resolution and such other documents as necessary to finalize and close the transaction described by this Resolution, and to further take such other actions and provide such approvals as necessary to finalize and close the transaction described by this Resolution, all for and on behalf of the Authority.
  - 3. Expenditure of the Closing Funds for the purposes described above, in an amount not to exceed \$300,000, is authorized and approved, to be delivered in such amount and pursuant to such terms as authorized and directed by the Chairman, a Vice Chairman or the General Manager.

ADOPTED this 20th day of January 2015.

OKLAHOMA INDUSTRIES AUTHORITY

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Chairman

ATTEST:

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Secretary