

**AGENDA**  
**Special Meeting and Public Hearing of**  
**The Trustees of Oklahoma Industries Authority (the “Authority”)**  
**Thursday, June 21, 2018 at 10:00 a.m.**  
**The Alliance for Economic Development**  
**Conference Room**  
**105 North Hudson, Suite 101**

Presiding: Clayton I. Bennett, Chair

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

- 2270 Determination of Quorum
- 2271 Consider and approve Minutes for Meeting held on Monday, November 13, 2017
- 2272 Report and Receive Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2017 and 2016
- 2273 Consider and Receive Quarterly Financial Statements for Oklahoma Industries Authority for the period ending March 31, 2018
- 2274 Approve New Budget for FY 2018/2019
- 2275 Consider and Approve a Resolution Approving, Authorizing, Ratifying, Renewing and Extending an Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc., 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.
- 2276 Consider and Approve Resolution Relating to Grants from the Oklahoma Strategic Military Commission in Connection with Projects Benefitting Tinker Air Force Base (“grants”); Authorizing Agreements with Oklahoma County Relating to Carry Out the Purposes of Grants, including Interlocal Cooperative or Similar Agreements with Oklahoma County; and Containing Other Provisions.
- 2277 Receive and discuss report of General Manager, and possible actions related thereto
- 2278 Adjournment

**MINUTES OF SPECIAL MEETING  
OF THE  
OKLAHOMA INDUSTRIES AUTHORITY  
MONDAY, NOVEMBER 13, 2017 - 10:30 A.M.  
THE ALLIANCE FOR ECONOMIC DEVELOPMENT OF OKC  
CONFERENCE ROOM  
105 NORTH HUDSON, #101**

PRESENT: Clayton Bennett, Chairman  
Roy Williams  
J.W. Mashburn  
Ronald Norick

ABSENT: Kirk Humphreys

ALSO: Jered Davidson, Public Finance Law Firm  
Rick Godfrey, Oklahoma Industries Authority  
John Williams; Williams, Box, Forshee & Bullard  
John Waldo and Chris Gander, BOK Financial Securities  
Cathy O'Connor, Geri Kenfield-Harlan, Nicolle Goodman and  
Pam Lunnon, The Alliance for Economic Development of OKC

PRESIDING: Chairman, Clayton Bennett

The Trustees of Oklahoma Industries Authority met in the Conference Room of the Alliance Offices, at 105 North 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 at the Authority's Principal Office at 105 N. Hudson, Suite 101 on Thursday, November 9, 2017.

2262 *The Chairman determined there was a quorum and called the meeting to order at 10:35 p.m.*

2263 *Chairman asked for approval of minutes for meeting held on Tuesday, September 26, 2017*

Mr. Norick moved the approval of the minutes, and upon second by Mr. Williams, the vote was as follows:

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

**Minutes Approved**

2264 ***Report and Receive Quarterly Financial Statements for Oklahoma Industries Authority for the periods ending September 30, 2017***

***Presentation of Financials:*** Presentation made by Geri Kenfield-Harlan of The Alliance for Economic Development of OKC.

Mr. Williams moved to receive the financials, and upon second by Mr. Mashburn, the vote was as follows:

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

***Financials Received***

2265 ***Consider and take action with respect to a resolution authorizing the Oklahoma Industries Authority (the "Authority") to issue its Lease Revenue Note, Series 2017 (Metro Technology Centers) (the "Note") in the aggregate principal amount of not to exceed \$9,000,000; waiving competitive bidding and authorizing the Note to be sold on a negotiated basis; approving and authorizing execution of a note indenture authorizing and securing payment of the Note; approving and authorizing execution of a lease purchase agreement by and between the Authority and Metro Technology Centers School District No. 22, Oklahoma County, State of Oklahoma (the "School District"); providing that the organizational document creating the Authority is subject to the provisions of the note indenture; designating authorized officers of the Authority; authorizing and directing the execution of the Note and other documents related to the transaction; and containing other provisions relating thereto.***

***Discussion:*** Mr. Davidson stated this transaction is an authorization of a Lease Revenue Note for Metro Technology Center in an amount not to exceed \$9,000,000. This is a refinancing transaction in which OIA served as a conduit in 2009 and this refunding will give great savings to Metro Tech. Metro Tech has already approved this transaction at their Board Meeting last week and it goes to the County on Wednesday morning for their approval. Pending approvals Mr. Davidson anticipates closing this transaction after Thanksgiving on November 29<sup>th</sup>. On this conduit financing all the cost are paid by the borrower. Approval is recommended.

Mr. Norick moved to approve this resolution, and upon second by Mr. Mashburn, the vote was as follows:

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

***Resolution Approved***

2266 ***Consider and take action with respect to authorizing the General Manager and or General Counsel of the Oklahoma Industries Authority to conduct one or more public hearings in***

*accordance with the requirements of Section 147 of the Internal Revenue Code of 1986, as amended, following proper notice to the public.*

**Discussion:** Mr. Davidson stated this is a preservation item, if the Trust so pleases. Due to the pending tax reform legislation, the current House bill eliminates private activity bonds which includes all 501C 3 bonds on a prospective basis after December 31, 2017. The Senate version of the tax reform bill preserves private activity bonds, but there will have to be some give and take as they go into conferences and negotiations. We know several other non-profit entities within Oklahoma County that have expressed interest in doing financings on projects that are currently in the pipeline. This item just asked for the Board's approval to hold a public hearing if necessary. We would work with John Williams to make sure we have all of the proper parameters in terms of a real transaction that we would have to publish in The Journal Record. Then we would come back and hold a formal public hearing before approving any future financing or transaction. Given the holidays and the short time frame, we wanted to be as flexible as possible and be mindful of the Board's time. This item preserves the opportunity for us to move forward and hold a public hearing if necessary.

Mr. Williams moved to approve this resolution, and upon second by Mr. Mashburn, the vote was as follows:

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

***Resolution Approved***

- 2267 ***Consider and Approve a Resolution Authorizing a Reimbursement Agreement regarding funds advanced for development of a new engineering and research facility for The Boeing Company in the vicinity of 6811 S.E. 59<sup>th</sup> St., Oklahoma City, Oklahoma, near Tinker Air Force Base.***

**Discussion:** Mr. Williams stated OIA advanced a good deal of money to make the Boeing Facility happen including purchasing the property. This resolution authorizes an Agreement with the City for the reimbursement of that money. Ms. O'Connor stated we advanced the purchase price of the land plus our costs to complete that transaction. OIA should get back around \$1.6 million dollars and this will help greatly in doing future projects.

Mr. Williams moved to approve this resolution, and upon second by Mr. Norick, the vote was as follows:

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

***Resolution Approved***

2268 ***Receive and discuss report of General Manager, and possible actions related thereto.***

***Discussion:*** Ms. O'Connor updated information on loan OIA has given to Progress OKC to finish out the Page Woodson Project. Progress OKC is managing the commercial space in the historic Page Woodson School and all of the space has been rented out. They have raised about \$235,000 towards the equipment with about \$190,000 still needed to be raised. Progress OKC has put in a request to Devon for their grant program of \$150,000, hopefully getting some of that money.

Progress OKC continues to find other sources of funding for the remainder of the equipment and purchases for the auditorium. The auditorium is complete and is operational with all the equipment installed. The auditorium is being well received and there has been a couple of events that have already happen with good success. They are still debating on what the rent fees should be. We want to make sure everything is up and running before we start to push marketing on this space.

Ms. O'Connor commented that the rentals of the low income apartment units will be a little more challenging and will take more time to fill up and become occupied. Rent incentives are being offered and marketing is being done on those apartments.

2269 There being no further business to come before the Board, the meeting was adjourned at 10:58 a.m.

Respectfully submitted:



Catherine O'Connor  
General Manager

Recorded by:



Pam Lunnon  
Executive Assistant

**Financial Statements and Report of Independent  
Certified Public Accountants**

**Oklahoma Industries Authority, Oklahoma County**

**June 30, 2017 and 2016**

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# 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 2017, with comparative data presented for fiscal year 2016. 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 \$1,231,726. This decrease was primarily due to a decrease in total investments of \$1,364,014, offset by an increase in cash of \$679,330, a \$66,006 increase in notes and accounts receivable and an increase in accumulated depreciation of \$617,953.

Total Liabilities for the year decreased by \$1,852,186. The most significant cause for the decrease was a decrease in the Maintenance, Repair and Overhaul Technology Center (MROTC) loan payable of \$1,725,757. Other changes included a \$72,412 decrease in accounts payable and a decrease in deferred revenue of \$54,017. The combination of the decrease in total assets and the decrease in total liabilities nets to an increase in total net position of \$620,460.

### *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 \$1,315,137. This decrease was primarily due to a \$938,920 decrease in other non-operating revenues, net of other non-operating expenses. Operating revenues and expenses both decreased slightly. Grant revenue decreased by \$216,666, while changes to expenses included a \$205,693 increase in professional services offset by a decrease in grant expenses of \$276,973 and interest expense of \$100,904.



## Oklahoma Industries Authority, Oklahoma County

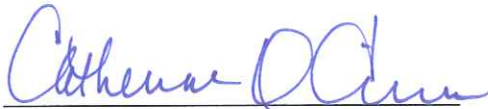
### *Statement of Cash Flows*

The final statement presented by the Authority is the Statement 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 five parts.

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 and third sections reflect the cash flows from financing activities and shows the proceeds received and payments made for financing activities. The fourth section reflects cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fifth 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 decreased by \$36,961 due primarily to an increase in expenses in fiscal 2017. Financing cash flows decreased by \$1,087,513 primarily due to the decrease in the proceeds from sale of trackage. Noncapital financing cash flows decreased due to an increase in distributions to other governments. Investing cash flows decreased by \$83,682 due primarily to an increase in proceeds from sales of investments and a decrease in related investment earnings, offset by changes to appropriated cash.

### *Economic Outlook*

The Authority derives the majority of its operating revenues from MROTC revenue, grant revenue and lease rentals. MROTC revenue remains unchanged year-to-year and grant revenue will continue to fluctuate based on grant supported project activity. While investment balances decreased during fiscal year 2017, corresponding income increased due to rising interest rates. Investment balances are projected to increase over the next few years as maturities are reinvested and rates continue to rise. Other revenue 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

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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 as of June 30, 2017 and 2016 and the related statements of revenues, expenses and changes in net position and cash flows, for the years then ended, 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 opinions.

#### 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, 2017 and 2016, and the changes in its financial position and its cash flows 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 as a whole. The Combining Statements of Trust Funds and Changes in Trust Funds Administered and the Schedule of Bonds Payable – Trust Funds Administered on pages 16 through 18 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 19, 2017, 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 the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Grant Thornton LLP*

Oklahoma City, Oklahoma  
December 19, 2017

# Oklahoma Industries Authority, Oklahoma County

## STATEMENTS OF NET POSITION

June 30,

ASSETS	2017	2016
Current assets:		
Cash and cash equivalents	\$ 4,844,071	\$ 4,882,232
Investments	-	605,730
Accrued interest receivable	2,387	920
Prepaid insurance	6,072	1,980
Due from other trusts	-	1,020
Accounts receivable	3,609	1
Total current assets	<u>4,856,139</u>	<u>5,491,883</u>
Appropriated assets:		
Cash and cash equivalents	764,430	46,939
Accrued interest receivable	375	9
Investments	284,147	1,042,431
	<u>1,048,952</u>	<u>1,089,379</u>
Noncurrent assets:		
Notes receivable	62,398	-
	<u>62,398</u>	<u>-</u>
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 – Boeing	1,362,845	1,362,845
Land	401,263	401,263
	<u>33,879,230</u>	<u>33,879,230</u>
Less accumulated depreciation	<u>6,888,275</u>	<u>6,270,322</u>
	<u>26,990,955</u>	<u>27,608,908</u>
Total assets	<u>32,958,444</u>	<u>34,190,170</u>
LIABILITIES AND NET POSTITION		
Current liabilities:		
Account payable and accrued liabilities	27,354	99,766
Current portion of MROTC loan payable	1,832,927	1,725,738
Current portion of deferred revenues	54,017	54,017
Total current liabilities	<u>1,914,298</u>	<u>1,879,521</u>
Non-current liabilities:		
Deferred revenue	2,161,927	2,215,944
MROTC loan payable	12,099,625	13,932,571
Total liabilities	<u>16,175,850</u>	<u>18,028,036</u>
Net position:		
Net investment in capital assets	13,058,404	11,950,599
Unrestricted:		
Appropriated	1,048,952	1,089,379
Unappropriated	2,675,238	3,122,156
Total net position	<u>\$ 16,782,594</u>	<u>\$ 16,162,134</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>2017</u>	<u>2016</u>
Revenues:		
Lease rentals	\$ 247,202	\$ 237,351
Administrative fees	69,664	70,920
Grant revenue	-	216,666
MROTC revenue	2,693,280	2,693,281
Other	-	160
Total operating revenues	<u>3,010,146</u>	<u>3,218,378</u>
Expenses:		
Depreciation	617,953	617,953
Insurance	7,031	9,556
Professional services	478,470	272,777
Management and trustee fees	38,020	15,793
Office rental	-	2,025
Printing and office supplies	1,083	1,214
Interest	898,507	999,411
Grant	-	276,973
Other	28,300	6,153
Total operating expenses	<u>2,069,364</u>	<u>2,201,855</u>
Net earnings from operations	940,782	1,016,523
Investment income	27,678	28,154
Other non-operating revenues	-	1,876,248
Other non-operating expenses	-	(937,328)
Distributions for the benefit of other government	(348,000)	(48,000)
	<u>(320,322)</u>	<u>919,074</u>
CHANGE IN NET POSITION	620,460	1,935,597
Total net position at beginning of year	<u>16,162,134</u>	<u>14,226,537</u>
Total net position at end of year	<u>\$ 16,782,594</u>	<u>\$ 16,162,134</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>2017</u>	<u>2016</u>
Increase in cash and cash equivalents		
Cash flows from operating activities:		
Lease rental payment received	\$ 247,202	\$ 237,351
Administrative fees received	69,664	70,920
Grant, MROTC, and other revenue received	2,636,675	2,656,380
Operating expenses paid	<u>(1,527,915)</u>	<u>(1,502,064)</u>
Net cash provided by operating activities	1,425,626	1,462,587
Cash flow from noncapital financing activities:		
Distributions and return of funds due to other trusts	<u>(348,000)</u>	<u>(48,000)</u>
Net cash used in noncapital financing activities	(348,000)	(48,000)
Cash flows from capital and related financing activities:		
MROTC loan payments	(1,725,757)	(1,624,852)
Purchase of land	-	(14,710)
Net proceeds from sale of trackage	-	938,920
Advances under notes receivable	<u>(62,398)</u>	<u>-</u>
Net cash used in capital and related financing activities	(1,788,155)	(700,642)
Cash flows from investing activities:		
Change in appropriated cash	(717,491)	249,686
Proceeds from sales of investments	1,357,092	433,178
Interest received on investments	<u>32,767</u>	<u>73,186</u>
Net cash provided by investing activities	672,368	756,050
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,161)	1,469,995
Cash and cash equivalents at beginning of year	<u>4,882,232</u>	<u>3,412,237</u>
Cash and cash equivalents at end of year	\$ <u>4,844,071</u>	\$ <u>4,882,232</u>
Reconciliation of net earnings from operations to net cash provided by operating activities:		
Net earnings from operations	\$ 940,782	\$ 1,016,523
Adjustment to reconcile net earnings from operation to net cash provided by operating activities:		
Depreciation	617,953	617,953
Amortization of deferred revenue	(54,017)	(54,017)
(Increase) decrease in:		
Prepaid insurance	(4,092)	6,622
Accounts receivable and other	(2,588)	16,957
(Decrease) increase in:		
Accounts payable and accrued liabilities	(72,412)	75,216
Deferred revenue	-	(216,667)
Net cash provided by operating	\$ <u>1,425,626</u>	\$ <u>1,462,587</u>
NONCASH INVESTING TRANSACTIONS		
Change in fair value of investments	<u>\$ (6,922)</u>	<u>\$ (45,930)</u>

The accompanying notes are an integral part of these statements.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

### 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.

#### 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. There was no construction-in-progress during 2017 and 2016.

#### 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, 2017 and 2016

### **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 Maintenance, Repair and Overhaul Technology Center (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 2017 or 2016.

#### **10. Notes Receivable**

Notes receivables are carried at their estimated collectible amounts. Interest income on loans receivable is recognized when received. Any notes receivable are evaluated for collectability based on past credit history and the customer's current financial condition. No allowance for doubtful accounts is considered necessary at June 30, 2017.

#### **11. Reclassifications**

Certain balances in the 2016 financial statements have been reclassified to conform with the 2017 financial statement presentation. There was no change to the total net position or changes in net position as a result of these reclassifications.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

### 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, 2017 and 2016, the carrying amounts of the Authority's cash and cash equivalents held at one financial institution were \$4,844,071 and \$4,882,232, respectively.

At June 30, the Authority had the following investments:

	<u>2017</u>	<u>2016</u>
U.S. Government securities	\$ -	\$ 306,126
U.S. Treasury strips	<u>-</u>	<u>299,604</u>
	<u>\$ -</u>	<u>\$ 605,730</u>

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, 2017 and 2016, 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 – NOTE RECEIVABLE

During 2017, the Company entered into a loan agreement with Progress OKC to finance the audio visual and stage equipment for a historical auditorium and related facilities. Interest on the note receivable (effective rate of 3.0% at June 30, 2017) is payable monthly and principal is due upon maturity on February 7, 2019, unless paid in full without penalty before that date. Any delinquent payment will cause an interest rate of 10% per annum to be applied to the balance of the note. As of June 30, 2017, the total balance due to the Company was \$62,398.

### NOTE D - 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, 2017, there were 9 series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$127,063,082.

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.

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

### NOTE D - CONDUIT DEBT OBLIGATIONS AND OTHER LEASING ARRANGEMENTS - CONTINUED

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. An amendment was created to extend the lease for a period of 5 years, commencing on December 20, 2015 increasing rent payments to \$18,600 per month.

Future minimum lease payments to be received under these leases are as follows at June 30, 2017:

Fiscal year ending June 30

2018	\$	223,200
2019		223,200
2020		223,200
2021		111,600
	\$	<u>781,200</u>

### NOTE E - APPROPRIATED ASSETS

Appropriated assets are held for projects and activities that benefit the State of Oklahoma and Oklahoma County. Approximately \$48,000 for each year ended June 30, 2017 and 2016, of the appropriated assets and the earnings on these investments, were contributed to an organization that benefits the county and have been reported as distributions. In 2016, approximately \$217,000 of appropriated funds were distributed to fund improvements around Tinker Air force Base as required by the grant that funded the improvements.

Appropriated cash and cash equivalents consist of \$764,430 and \$46,939 that are invested in one money market fund at June 30, 2017 and 2016, respectively, which is not federally insured. Appropriated investments consist of certificates of deposits and U.S. government securities in the amounts of \$284,147 and \$1,042,431 at June 30, 2017 and 2016, respectively. The Authority has not experienced any issues in such accounts and believes it is not exposed to any significant credit risk.

### NOTE F - FAIR VALUE MEASUREMENTS

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date; Level 2 inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for an asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2017 and 2016:

<u>June 30, 2017</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total Fair Value</u>
Appropriated assets				
U.S. Government securities	-	284,147	-	284,147
Total Appropriated assets	\$ -	\$ 284,147	\$ -	\$ 284,147

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

### NOTE F – FAIR VALUE MEASUREMENTS - CONTINUED

<u>June 30, 2016</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total Fair Value</u>
Investments				
U.S. Government securities	\$ -	\$ 306,126	\$ -	\$ 306,126
U.S. Treasury strips	-	299,604	-	299,604
Total investments	<u>-</u>	<u>605,730</u>	<u>-</u>	<u>605,730</u>
Appropriated assets				
U.S. Government securities	-	291,068	-	291,068
Total Appropriated assets	<u>\$ -</u>	<u>\$ 291,068</u>	<u>\$ -</u>	<u>\$ 291,068</u>

U.S. Government securities and U.S. Treasury strips are valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities and are classified within Level 2 of the fair value hierarchy.

### NOTE G - COMMITMENTS AND CONTINGENCIES

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 H - 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 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 \$218,688 are due monthly with \$438,689 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 \$2,216,000 and \$2,270,000 at June 30, 2017 and 2016, respectively.

Future minimum debt service requirements for the note payable are as follows at June 30, 2017:

<u>Fiscal year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,832,927	\$ 791,345	\$ 2,624,272
2019	1,946,731	677,521	2,624,252
2020	2,067,624	556,628	2,624,252
2021	2,196,025	428,228	2,624,253
2022	2,332,399	291,853	2,624,252
2023-2024	3,556,846	162,284	3,719,130
	<u>\$ 13,932,552</u>	<u>\$ 2,907,859</u>	<u>\$ 16,840,411</u>

# Oklahoma Industries Authority, Oklahoma County

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

### NOTE H - MROTC PROJECT - CONTINUED

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, 2017:

Fiscal year ending June 30

2018	\$ 2,639,252
2019	2,639,252
2020	2,639,252
2021	2,639,252
2022	2,639,252
Thereafter	<u>4,709,311</u>
	<u>\$ 17,905,571</u>

### NOTE I – LONG-TERM LIABILITIES

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

	2017			Balance June 30, 2017	Amounts Due within one year
	Balance June 30, 2016	Additions	Reductions		
Deferred revenue	\$ 2,269,961	\$ -	\$ (54,017)	\$ 2,215,944	\$ 54,017
MROTC loan payable	<u>15,658,309</u>	<u>-</u>	<u>(1,725,757)</u>	<u>13,932,552</u>	<u>1,832,927</u>
Total	<u>\$ 17,928,270</u>	<u>\$ -</u>	<u>\$ (1,779,774)</u>	<u>\$ 16,148,496</u>	<u>\$ 1,886,944</u>

	2016			Balance June 30, 2016	Amounts Due within one year
	Balance June 30, 2015	Additions	Reductions		
Deferred revenue	\$ 2,540,645	\$ -	\$ (270,684)	\$ 2,269,961	\$ 54,017
MROTC loan payable	<u>17,283,161</u>	<u>-</u>	<u>(1,624,852)</u>	<u>15,658,309</u>	<u>1,725,738</u>
Total	<u>\$ 19,823,806</u>	<u>\$ -</u>	<u>\$ (1,895,536)</u>	<u>\$ 17,928,270</u>	<u>\$ 1,779,755</u>

# **Oklahoma Industries Authority, Oklahoma County**

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

June 30, 2017 and 2016

### **NOTE J - OTHER NON-OPERATING REVENUE AND EXPENSES**

In February 2015, the Authority facilitated the acquisition of the Burlington Northern Santa Fe (BNSF) Railyard adjacent to Tinker Air Force base for the U.S. Department of the Air Force KC-46A Program site. The \$44 million acquisition was funded by \$23.5 million in General Obligation-Limited Tax bond funds provided by the Oklahoma City Economic Development Trust, \$12.5 million in Oklahoma County general obligation bond funds and \$8 million from the U.S. Air Force KC-46A Military Construction Appropriations.

As part of the transaction, the U.S. Department of the Air Force granted the Authority the right to salvage and sell approximately 91,000 feet of rail lines, tracks and rail ties (trackage) from the property. The agreement allowed the Authority access to the property to remove the trackage between April and August of 2015. The Authority issued a Request for Proposal in March 2015 and entered into a contract with PRC Environmental for the removal and sale of the trackage. The proceeds from the sale of the trackage totaled \$1,876,248 and expenses were \$937,328 resulting in net non-operating revenue of \$938,920 for the year ended June 30, 2016.

In 2012, the Authority authorized the payment of \$300,000 to the State of Oklahoma, for the purpose of completing the American Indian Cultural Center and Museum in Oklahoma County. Funding of the pledge was subject to the commitment of \$40,000,000 in additional funds from the State of Oklahoma. The State of Oklahoma's commitment was satisfied during the year and the OIA funded its pledge in February 2017.

### **NOTE K - RELATED PARTY TRANSACTIONS**

In May 2015, the Authority entered into a real estate purchase contract with Oklahoma County, Oklahoma, a related party to purchase the land located at Southeast 59<sup>th</sup> Street and Air Depot Road in Oklahoma City, Oklahoma at a cost of \$1,348,135. The Authority purchased the land with the intent to lease the property to Boeing for the purpose of expanding Boeing's operations. A lease agreement with Boeing was entered into on June 1, 2015 for a 15 year term and base rent of \$1 per year with the option for Boeing to extend the lease or to purchase the property at the end of the lease term for a base price of \$630,000 which increases by 2% each year during the lease term. In addition to the purchase option, the Authority will earn a development fee of \$360,000 upon the completion of certain development obligations as defined in the agreement.

### **NOTE L - SUBSEQUENT EVENTS**

The Authority has evaluated events or transactions that occurred subsequent to June 30, 2017 through December 19, 2017, 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, 2017

	Total (memorandum only)	American Cancer Society 2002	City of Edmond Project	OK County Facilities Project- 2012	OK Medical Research Foundation 2008	OK Medical Research Foundation 2010
<b>Assets</b>						
Cash & temporary investments:						
Project fund	\$ 765,295	\$ -	\$ -	\$ 250,851	\$ -	\$ -
Sinking fund	131,253	6,000	-	125,023	-	-
Interest fund	-	-	-	-	-	-
Reserve fund	5,426,703	-	249,325	-	-	1,218,347
Accrued interest receivable	-	-	-	-	-	-
Discount on Bonds Payable	212,367	-	-	-	-	-
Unamortized bond issue costs	-	-	-	-	-	-
<b>Total assets</b>	<b>6,535,618</b>	<b>6,000</b>	<b>249,325</b>	<b>375,874</b>	<b>-</b>	<b>1,218,347</b>
<b>Liabilities</b>						
Accrued bond interest payable	441,355	-	12,446	-	-	222,122
Bonds payable	127,063,082	4,055,000	5,755,502	10,065,000	-	12,185,000
<b>Total liabilities</b>	<b>127,504,437</b>	<b>4,055,000</b>	<b>5,767,948</b>	<b>10,065,000</b>	<b>-</b>	<b>12,407,122</b>
<b>NET OBLIGATIONS</b>	<b>120,968,819</b>	<b>4,049,000</b>	<b>5,518,623</b>	<b>9,689,126</b>	<b>-</b>	<b>11,188,775</b>
<b>Increase in net obligations</b>						
Interest expense	4,630,605	34,500	309,162	391,835	843,663	541,979
Amortization expense	-	-	-	-	-	-
Other	14,859,565	-	-	-	13,234,626	-
Advances of bond proceeds	-	-	-	-	-	-
Distributions	29,535,000	-	-	-	-	-
Administrative and trustee fees	5,900	-	-	-	-	2,000
	<b>49,031,070</b>	<b>34,500</b>	<b>309,162</b>	<b>391,835</b>	<b>14,078,289</b>	<b>543,979</b>
<b>Decrease in net obligations</b>						
Defeased Bond	35,610,000	-	-	-	35,610,000	-
Transfer from YMCA Earlywine 2006	-	-	-	-	-	-
Earnings on cash and temporary investments	13,054	-	214	643	7,559	-
Payments received from borrower	16,734,633	709,500	527,322	1,021,835	3,160,480	543,962
	<b>52,357,687</b>	<b>709,500</b>	<b>527,536</b>	<b>1,022,478</b>	<b>38,778,039</b>	<b>543,962</b>
<b>NET INCREASE (DECREASE) IN NET OBLIGATIONS</b>	<b>\$ (3,326,617)</b>	<b>(675,000)</b>	<b>(218,374)</b>	<b>(630,643)</b>	<b>(24,699,750)</b>	<b>17</b>
<b>Net obligations at beginning of year</b>	<b>124,295,436</b>	<b>4,724,000</b>	<b>5,736,997</b>	<b>10,319,769</b>	<b>24,699,750</b>	<b>11,188,758</b>
<b>Net obligations at end of year</b>	<b>\$ 120,968,819</b>	<b>\$ 4,049,000</b>	<b>\$ 5,518,623</b>	<b>\$ 9,689,126</b>	<b>\$ -</b>	<b>\$ 11,188,775</b>



**OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY**

COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED

June 30, 2017

	API Realty 2008	Metrotech 2009	Oklahoma City University 2010	YMCA of OKC Series 2015	OK Medical Research Foundation 2016
Assets					
Cash & temporary investments:					
Project fund	\$ -	\$ 514,444	\$ -	\$ -	\$ -
Sinking fund	-	-	5	225	-
Interest fund	-	-	-	-	-
Reserve fund	-	1,005,531	-	-	2,953,500
Accrued interest receivable	-	-	-	-	-
Discount on Bonds Payable	-	212,367	-	-	-
Unamortized bond issue costs	-	-	-	-	-
Total assets	-	1,732,342	5	225	2,953,500
Liabilities					
Accrued bond interest payable	-	206,787	-	-	-
Bonds payable	2,064,649	9,765,000	52,072,931	2,930,000	28,170,000
Total liabilities	2,064,649	9,971,787	52,072,931	2,930,000	28,170,000
NET OBLIGATIONS	2,064,649	8,239,445	52,072,926	2,929,775	25,216,500
Increase in net obligations					
Interest expense	104,372	422,837	1,646,710	86,075	249,472
Amortization expense	-	-	-	-	-
Other	-	-	-	-	1,624,939
Advances of bond proceeds	-	-	-	-	-
Distributions	-	-	-	-	29,535,000
Administrative and trustee fees	-	2,400	-	1,500	-
	104,372	425,237	1,646,710	87,575	31,409,411
Decrease in net obligations					
Defeased Bond	-	-	-	-	-
Transfer from YMCA Earlywine 2006	-	-	-	-	-
Earnings on cash and temporary investments	-	4,546	-	92	-
Payments received from borrower	240,191	1,001,365	2,984,492	352,575	6,192,911
	240,191	1,005,911	2,984,492	352,667	6,192,911
NET INCREASE (DECREASE) IN NET OBLIGATIONS	(135,819)	(580,674)	(1,337,782)	(265,092)	25,216,500
Net obligations at beginning of year	2,200,468	8,820,119	53,410,708	3,194,867	-
Net obligations at end of year	\$ 2,064,649	\$ 8,239,445	\$ 52,072,926	\$ 2,929,775	\$ 25,216,500

**OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY**

**SCHEDULE OF BONDS PAYABLE - TRUST FUNDS ADMINISTERED**

June 30, 2017

Indentures	Interest rate	Principal maturity date	Principal amount of bond issued	Bonds retired prior to July 1, 2016	Balance June 30, 2016	2017 Bond activity				Balance June 30, 2017
						Issued	Retired	Defeased	Additions	
American Cancer Society 2002	Various	June 1, 2022	11,000,000	6,270,000	4,730,000	-	675,000	-	-	4,055,000
API Realty 2008	4.88%	September 1, 2028	3,000,000	799,532	2,200,468	-	135,819	-	-	2,064,649
Metrotech 2009	Various	January 1, 2030	13,430,000	3,095,000	10,335,000	-	570,000	-	-	9,765,000
Oklahoma County Facilities Project 2012	4.6%	June 1, 2033	14,250,000	3,555,000	10,695,000	-	630,000	-	-	10,065,000
Oklahoma Medical Research Foundation 2008	5.75%	July 1, 2034	43,955,000	7,180,000	36,775,000	-	1,165,000	35,610,000	-	-
Oklahoma Medical Research Foundation 2010	4.38%	February 1, 2021	12,185,000	-	12,185,000	-	-	-	-	12,185,000
Oklahoma Medical Research Foundation 2016	1.81%	July 1, 2026	29,535,000	-	-	29,535,000	1,365,000	-	-	28,170,000
YMCA Of Greater OKC Project 2015	2.75%	July 1, 2026	3,325,000	-	3,195,000	-	265,000	-	-	2,930,000
YMCA Of Edmond 2011	5.19%	September 17, 2023	6,500,000	526,906	5,973,094	-	217,592	-	-	5,755,502
Oklahoma City University 2010	Various	November 30, 2035	60,000,000	6,589,287	53,410,713	-	1,337,782	-	-	52,072,931
			<u>197,180,000</u>	<u>28,015,725</u>	<u>139,499,275</u>	<u>29,535,000</u>	<u>6,361,193</u>	<u>35,610,000</u>	<u>-</u>	<u>127,063,082</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, 2017, 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, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 19, 2017.

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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in 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 19, 2017

Financial Statements  
of  
Oklahoma Industries Authority  
For the Period Ended March 31, 2018

Oklahoma Industries Authority  
Statement of Net Assets  
March 31, 2018

**ASSETS**

**Current Assets**

Cash & Cash Equivalents		
Cash - BOK Admin 7078	\$	4,066
Short Term Cash - Summit Machine		2,379,871
Short Term Cash - Revenue Fund		2,845,685
Total Cash & Cash Equivalents		<u>5,229,622</u>

**Investments**

Fixed Income - Summit Mac Prin		995,088
Total Investments		<u>995,088</u>

Accrued Int. Receivable-PF		5,417
Accrued Int. Receivable - NR, Progress OKC		1,370
Accounts Receivable		-
Prepaid Insurance		3,775
Note Receivable - Progress OKC		179,356
<b>Total Current Assets</b>		<u>6,414,627</u>

**Fixed Assets**

Office Equipment		40,218
Software		1,743
Sanitary Sewers		19,137
Water Mains		4,542
Industrial Land - Unit Parts		139,081
Industrial Property		605,577
Industrial Equipment		57,936
Earnest - 7050 SE 59th		10,000
Property - 4725 SE 59th		160,820
Thomas Estell Land		401,263
Unit Parts Office Renovation		815,057
Unit Parts 2nd Renovation		1,081,272
MROTC - Land		697,000
MROTC - Building & Tow-way		28,482,739
Boeing Land-FY15		1,362,845
Accumulated Depreciation		<u>(7,351,738)</u>
<b>Total Fixed Assets</b>		<u>26,527,492</u>

**Appropriated Assets**

Cash & Cash Equivalents		
Princ Cash Tinker Project Fund		316,043
Short Term Cash Spec. Res. AF		243,160
Accrued Int. Receivable - AF		501
<b>Investments</b>		
Fixed Inc-Special Reserve FdAF		<u>776,589</u>

<b>Total Appropriated Assets</b>		<u>1,336,293</u>
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<b>Total Assets</b>		<u><u>\$ 34,278,412</u></u>
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Oklahoma Industries Authority  
Statement of Net Assets  
March 31, 2018

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$	26,513	
Unearned Income		1,249	
Deferred Grant Revenue, current portion		54,017	
Note Payable - MROTC, current portion		<u>1,917,650</u>	
<b>Total Current Liabilities</b>			\$ 1,999,430

**Long-Term Liabilities**

Note Payable - MROTC		10,650,611	
Deferred Grant Revenue		2,436,166	
<b>Total Long-Term Liabilities</b>			13,086,777

**Net Assets**

Project Fund - Begin Balance		15,733,644	
Appropriated FD - Begin Balance		1,048,952	
Change in Net Assets		<u>2,409,610</u>	
<b>Total Net Assets</b>			<u>19,192,205</u>

<b>Total Liabilities and Net Assets</b>			<u><u>\$ 34,278,412</u></u>
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Oklahoma Industries Authority  
Income Statement  
For the Three Months and Nine Months Ending March 31, 2018

	Current Period		Year to Date	
<b>Revenues</b>				
Lease Revenue - PF	\$ 61,800	3.12	\$ 185,400	4.80
MROTC Dev Prtnrs Fee Income	3,750	0.19	11,250	0.29
Admin. - 1/8 of 1%	18,397	0.93	49,716	1.29
Interest Income - PF	13,571	0.68	29,741	0.77
Interest Income - AF	14,386	0.73	21,199	0.55
Interest Income - NR, Progress OKC	1,370	0.07	2,790	0.07
Asset Change in Value	(4,980)	(0.25)	(12,470)	(0.32)
MROTC Revenue	669,570	33.77	2,008,710	52.03
Other Income - PF	1,204,660	60.76	1,564,660	40.52
<b>Total Revenues</b>	<u>1,982,524</u>	100.00	<u>3,860,997</u>	100.00
<b>Operating Expenses</b>				
Contract Services	62,500	3.15	194,100	5.03
Bank Trustee Fees - PF	1,250	0.06	2,500	0.06
Legal Expense	22,882	1.15	64,378	1.67
Professional Services	-	0.00	74,816	1.94
Insurance - PF	1,769	0.09	5,307	0.14
Office Expense - PF	149	0.01	441	0.01
Dues & Subscriptions	-	0.00	1,653	0.04
Depreciation Expense	12,074	0.61	36,223	0.94
Depreciation Expense - MROTC	142,414	7.18	427,241	11.07
Interest Expense	194,436	9.81	603,907	15.64
Unit Parts Building Expense	-	0.00	4,622	0.12
Other Expense	-	0.00	200	0.01
<b>Total Operating Expenses</b>	<u>437,473</u>	22.07	<u>1,415,387</u>	36.66
<b>Other Revenues/Expenses</b>				
Dist-benefit other gov. - Chamber	<u>12,000</u>	0.61	<u>36,000</u>	0.93
<b>Total Other Revenues/Expenses</b>	<u>12,000</u>	0.61	<u>36,000</u>	0.93
<b>Change in Net Assets</b>	<u>\$ 1,533,051</u>	77.33	<u>\$ 2,409,610</u>	62.41



**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Cash - BOK Admin 7078	1/1/18	Beginning Balance			4,065.54
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>4,065.54</b>
Principal Cash - Rev Fund 1017	1/1/18	Beginning Balance			-1,345,287.64
Principal Cash - Rev Fund 1017	1/2/18	GE Oil & Gas Esp, Inc.	17,670.00		
Principal Cash - Rev Fund 1017	1/2/18	GE Oil & Gas Esp, Inc.	930.00		
Principal Cash - Rev Fund 1017	1/2/18	The Alliance for Economic Dev.		20,833.33	
Principal Cash - Rev Fund 1017	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	20,833.33		
Principal Cash - Rev Fund 1017	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		2,208.35	
Principal Cash - Rev Fund 1017	1/8/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		18,600.00	
Principal Cash - Rev Fund 1017	1/17/18	YMCA of Greater OKC	980.03		
Principal Cash - Rev Fund 1017	1/17/18	Williams, Box, Forshee & Bulla		210.00	
Principal Cash - Rev Fund 1017	1/17/18	Williams, Box, Forshee & Bulla		675.00	
Principal Cash - Rev Fund 1017	1/17/18	Williams, Box, Forshee & Bulla		120.00	
Principal Cash - Rev Fund 1017	1/17/18	Williams, Box, Forshee & Bulla		1,170.00	
Principal Cash - Rev Fund 1017	1/17/18	Williams, Box, Forshee & Bulla		9,604.50	
Principal Cash - Rev Fund 1017	1/17/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	11,779.50		
Principal Cash - Rev Fund 1017	1/17/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		980.30	
Principal Cash - Rev Fund 1017	1/18/18	MROTC Development Partners, LL	1,250.00		
Principal Cash - Rev Fund 1017	1/18/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		1,250.00	
Principal Cash - Rev Fund 1017	1/22/18	Cox Communications, Inc.		49.59	
Principal Cash - Rev Fund 1017	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	49.59		
Principal Cash - Rev Fund 1017	1/30/18	Bank of Oklahoma		1,250.00	
Principal Cash - Rev Fund 1017	1/30/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	1,250.00		
Principal Cash - Rev Fund 1017	2/1/18	Ledet's Welding	2,000.00		
Principal Cash - Rev Fund 1017	2/1/18	GE Oil & Gas Esp, Inc.	18,600.00		
Principal Cash - Rev Fund 1017	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		20,833.33	
Principal Cash - Rev Fund 1017	2/1/18	The Alliance for Economic Dev.		20,833.33	
Principal Cash - Rev Fund 1017	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		2,466.17	
Principal Cash - Rev Fund 1017	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		20,600.00	
Principal Cash - Rev Fund 1017	2/1/18	Reverse entry on 2/1/18 made error	20,833.33		
Principal Cash - Rev Fund 1017	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	20,833.33		
Principal Cash - Rev Fund 1017	2/5/18	Oklahoma City University	17,417.33		
Principal Cash - Rev Fund 1017	2/5/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		17,417.33	
Principal Cash - Rev Fund 1017	2/7/18	Progress OKC	13,220.00		
Principal Cash - Rev Fund 1017	2/7/18	Progress OKC	1,420.59		
Principal Cash - Rev Fund 1017	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	6,402.30		
Principal Cash - Rev Fund 1017	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		980.03	
Principal Cash - Rev Fund 1017	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		14,640.59	
Principal Cash - Rev Fund 1017	2/8/18	Williams, Box, Forshee & Bulla		450.00	
Principal Cash - Rev Fund 1017	2/8/18	Williams, Box, Forshee & Bulla		225.00	

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Principal Cash - Rev Fund 1017	2/8/18	Williams, Box, Forshee & Bulla		4,747.00	
Principal Cash - Rev Fund 1017	2/14/18	Cole, Paine & Carlin Insurance		3,009.34	
Principal Cash - Rev Fund 1017	2/14/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	3,009.34		
Principal Cash - Rev Fund 1017	2/20/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		1,250.00	
Principal Cash - Rev Fund 1017	2/20/18	MROTC Development Partners, LL	1,250.00		
Principal Cash - Rev Fund 1017	2/21/18	Cox Communications, Inc.		49.69	
Principal Cash - Rev Fund 1017	2/21/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	49.69		
Principal Cash - Rev Fund 1017	3/1/18	GE Oil & Gas Esp, Inc.	18,600.00		
Principal Cash - Rev Fund 1017	3/1/18	The Alliance for Economic Dev.		20,833.33	
Principal Cash - Rev Fund 1017	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	20,833.33		
Principal Cash - Rev Fund 1017	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		2,349.21	
Principal Cash - Rev Fund 1017	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		18,600.00	
Principal Cash - Rev Fund 1017	3/2/18	Metro Techology Centers	4,882.50		
Principal Cash - Rev Fund 1017	3/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		4,882.50	
Principal Cash - Rev Fund 1017	3/14/18	Ledet's Welding	2,000.00		
Principal Cash - Rev Fund 1017	3/14/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		2,000.00	
Principal Cash - Rev Fund 1017	3/16/18	MROTC Development Partners, LL	1,250.00		
Principal Cash - Rev Fund 1017	3/16/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		1,250.00	
Principal Cash - Rev Fund 1017	3/20/18	Cox Communications, Inc.		49.69	
Principal Cash - Rev Fund 1017	3/20/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	49.69		
Principal Cash - Rev Fund 1017		Change	207,393.88	214,417.61	-7,023.73
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,352,311.37</b>
Principal Cash - Summit Mach.	1/1/18	Beginning Balance			
Principal Cash - Summit Mach.	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		884.52	
Principal Cash - Summit Mach.	1/5/18	Transferto/from princ&income 81-4051-03-3	884.52		
Principal Cash - Summit Mach.	1/22/18	OKC Economic Development Trust	1,204,660.00		
Principal Cash - Summit Mach.	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		1,204,660.00	
Principal Cash - Summit Mach.	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		1,369.42	
Principal Cash - Summit Mach.	2/5/18	Transferto/from princ&income 81-4051-03-3	1,369.42		
Principal Cash - Summit Mach.	2/12/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		2,142.47	
Principal Cash - Summit Mach.	2/15/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		2,016.44	
Principal Cash - Summit Mach.	2/16/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		2,142.47	
Principal Cash - Summit Mach.	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3		1,968.93	
Principal Cash - Summit Mach.	3/5/18	Transferto/from princ&income 81-4051-03-3	8,270.31		
Principal Cash - Summit Mach.		Change	1,215,184.25	1,215,184.25	
Income Cash - Revenue Fund	1/1/18	Beginning Balance			1,345,287.64
Income Cash - Revenue Fund	1/1/18	Interest Income	2,208.35		
Income Cash - Revenue Fund	2/1/18	Interest Income	2,466.17		
Income Cash - Revenue Fund	3/1/18	Interest Income	2,349.21		
Income Cash - Revenue Fund		Change	7,023.73		7,023.73

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,352,311.37</b>
Income Cash - Summit Machine	1/1/18	Beginning Balance			
Income Cash - Summit Machine	1/2/18	Interest Income	884.52		
Income Cash - Summit Machine	1/5/18	Transferto/from princ&income 81-4051-03-3		884.52	
Income Cash - Summit Machine	2/1/18	Interest Income	1,369.42		
Income Cash - Summit Machine	2/5/18	Transferto/from princ&income 81-4051-03-3		1,369.42	
Income Cash - Summit Machine	2/12/18	BMW Bank North America	2,142.47		
Income Cash - Summit Machine	2/15/18	American Expr Centurion CD	2,016.44		
Income Cash - Summit Machine	2/16/18	Goldman Sachs Bank USA CD	2,142.47		
Income Cash - Summit Machine	3/1/18	Interest Income	1,968.93		
Income Cash - Summit Machine	3/5/18	Transferto/from princ&income 81-4051-03-3		8,270.31	
Income Cash - Summit Machine		Change	10,524.25	10,524.25	
Short Term Cash - Summit Machi	1/1/18	Beginning Balance			1,164,686.65
Short Term Cash - Summit Machi	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	884.52		
Short Term Cash - Summit Machi	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	1,204,660.00		
Short Term Cash - Summit Machi	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	1,369.42		
Short Term Cash - Summit Machi	2/12/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	2,142.47		
Short Term Cash - Summit Machi	2/15/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	2,016.44		
Short Term Cash - Summit Machi	2/16/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	2,142.47		
Short Term Cash - Summit Machi	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-03-3	1,968.93		
Short Term Cash - Summit Machi		Change	1,215,184.25		1,215,184.25
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>2,379,870.90</b>
Fixed Income - Summit Mac Prin	1/1/18	Beginning Balance			997,525.00
Fixed Income - Summit Mac Prin	1/31/18	Adjust market value of fixed income investments 81-4051-03-3		957.50	
Fixed Income - Summit Mac Prin	2/28/18	Adjust market value of fixed income investments 81-4051-03-3		765.00	
Fixed Income - Summit Mac Prin	3/31/18	Adjust market value of fixed income investments 81-4051-03-3		715.00	
Fixed Income - Summit Mac Prin		Change		2,437.50	-2,437.50
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>995,087.50</b>
Short Term Cash - Revenue Fund	1/1/18	Beginning Balance			2,821,300.70
Short Term Cash - Revenue Fund	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		20,833.33	
Short Term Cash - Revenue Fund	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	2,208.35		
Short Term Cash - Revenue Fund	1/8/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	18,600.00		
Short Term Cash - Revenue Fund	1/17/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		11,779.50	
Short Term Cash - Revenue Fund	1/17/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	980.30		
Short Term Cash - Revenue Fund	1/18/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	1,250.00		
Short Term Cash - Revenue Fund	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		49.59	
Short Term Cash - Revenue Fund	1/30/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		1,250.00	
Short Term Cash - Revenue Fund	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	20,833.33		
Short Term Cash - Revenue Fund	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	2,466.17		
Short Term Cash - Revenue Fund	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	20,600.00		

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Short Term Cash - Revenue Fund	2/1/18	Reverse entry on 2/1/18 made error		20,833.33	
Short Term Cash - Revenue Fund	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		20,833.33	
Short Term Cash - Revenue Fund	2/5/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	17,417.33		
Short Term Cash - Revenue Fund	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		6,402.30	
Short Term Cash - Revenue Fund	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	980.03		
Short Term Cash - Revenue Fund	2/7/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	14,640.59		
Short Term Cash - Revenue Fund	2/14/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		3,009.34	
Short Term Cash - Revenue Fund	2/20/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	1,250.00		
Short Term Cash - Revenue Fund	2/21/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		49.69	
Short Term Cash - Revenue Fund	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		20,833.33	
Short Term Cash - Revenue Fund	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	2,349.21		
Short Term Cash - Revenue Fund	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	18,600.00		
Short Term Cash - Revenue Fund	3/2/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	4,882.50		
Short Term Cash - Revenue Fund	3/14/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	2,000.00		
Short Term Cash - Revenue Fund	3/16/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7	1,250.00		
Short Term Cash - Revenue Fund	3/20/18	Purchase/Sell BOK Cash Fund I 81-4051-01-7		49.69	
Short Term Cash - Revenue Fund		Change	130,307.81	105,923.43	24,384.38
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>2,845,685.08</b>
Accrued Int. Receivable-PF	1/1/18	Beginning Balance			3,092.87
Accrued Int. Receivable-PF	1/1/18	Interest Income		2,208.35	
Accrued Int. Receivable-PF	1/2/18	Interest Income		884.52	
Accrued Int. Receivable-PF	1/31/18	Accrue Master Rev Interest Income 81-4051-01-7	2,466.17		
Accrued Int. Receivable-PF	1/31/18	Accrue Summit Machine Interest Income 81-4051-03-3	1,369.42		
Accrued Int. Receivable-PF	2/1/18	Interest Income		1,369.42	
Accrued Int. Receivable-PF	2/1/18	Interest Income		2,466.17	
Accrued Int. Receivable-PF	2/28/18	Accrue Master Rev Interest Income 81-4051-01-7	2,349.21		
Accrued Int. Receivable-PF	2/28/18	Accrue Summit Machine Interest Income 81-4051-03-3	1,968.93		
Accrued Int. Receivable-PF	3/1/18	Interest Income		1,968.93	
Accrued Int. Receivable-PF	3/1/18	Interest Income		2,349.21	
Accrued Int. Receivable-PF	3/31/18	Accrue Summit Machine Interest Income 81-4051-03-3	2,467.89		
Accrued Int. Receivable-PF	3/31/18	Accrue Master Rev Interest Income 81-4051-01-7	2,949.40		
Accrued Int. Receivable-PF		Change	13,571.02	11,246.60	2,324.42
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>5,417.29</b>
Accrued Int Receivable-POKC NR	1/1/18	Beginning Balance			1,420.59
Accrued Int Receivable-POKC NR	1/31/18	Accrued interest on Note Receivable-POKC	480.16		
Accrued Int Receivable-POKC NR	2/7/18	Progress OKC - Interest payment on Loan		1,420.59	
Accrued Int Receivable-POKC NR	2/28/18	Accrued interest on Note Receivable-POKC	426.21		
Accrued Int Receivable-POKC NR	3/31/18	Accrued interest on Note Receivable-POKC	463.34		
Accrued Int Receivable-POKC NR		Change	1,369.71	1,420.59	-50.88
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,369.71</b>

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Accounts Receivable	1/1/18	Beginning Balance			4,882.50
Accounts Receivable	1/1/18	GE Oil & Gas Esp, Inc.	18,600.00		
Accounts Receivable	1/2/18	GE Oil & Gas Esp, Inc. - Invoice: #93 A		17,670.00	
Accounts Receivable	1/2/18	GE Oil & Gas Esp, Inc. - Invoice: #93 A		930.00	
Accounts Receivable	2/1/18	GE Oil & Gas Esp, Inc.	18,600.00		
Accounts Receivable	2/1/18	GE Oil & Gas Esp, Inc. - Invoice: #94 A		18,600.00	
Accounts Receivable	3/1/18	GE Oil & Gas Esp, Inc.	18,600.00		
Accounts Receivable	3/1/18	GE Oil & Gas Esp, Inc. - Invoice: #95 A		18,600.00	
Accounts Receivable	3/2/18	Metro Technology Centers - Invoice: Inv. #2 - 2017		4,882.50	
Accounts Receivable		Change	55,800.00	60,682.50	-4,882.50
Prepaid Insurance	1/1/18	Beginning Balance			2,534.57
Prepaid Insurance	1/31/18	Expense monthly portion of pre-paid insurance		589.63	
Prepaid Insurance	2/14/18	Cole, Paine & Carlin Insurance - Prepaid Insurance	3,009.34		
Prepaid Insurance	2/28/18	Expense monthly portion of pre-paid insurance		589.63	
Prepaid Insurance	3/31/18	Expense monthly portion of pre-paid insurance		589.63	
Prepaid Insurance		Change	3,009.34	1,768.89	1,240.45
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>3,775.02</b>
Note Receivable - Progress OKC	1/1/18	Beginning Balance			192,576.20
Note Receivable - Progress OKC	2/7/18	Progress OKC - Principal Payment on Loan		13,220.00	
Note Receivable - Progress OKC		Change		13,220.00	-13,220.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>179,356.20</b>
Office Equipment	1/1/18	Beginning Balance			40,218.31
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>40,218.31</b>
Software	1/1/18	Beginning Balance			1,742.54
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,742.54</b>
Sanitary Sewers	1/1/18	Beginning Balance			19,136.80
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>19,136.80</b>
Water Mains	1/1/18	Beginning Balance			4,541.67
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>4,541.67</b>
Industrial Land - Unit Parts	1/1/18	Beginning Balance			139,080.88
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>139,080.88</b>
Industrial Property	1/1/18	Beginning Balance			605,577.19
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>605,577.19</b>
Industrial Equipment	1/1/18	Beginning Balance			57,936.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>57,936.00</b>
Accumulated Depreciation	1/1/18	Beginning Balance			-1,433,149.74
Accumulated Depreciation	1/31/18	Record monthly depreciation-Unit Parts Building		4,024.82	
Accumulated Depreciation	2/28/18	Record monthly depreciation-Unit Parts Building		4,024.82	
Accumulated Depreciation	3/31/18	Record monthly depreciation-Unit Parts Building		4,024.82	
Accumulated Depreciation		Change		12,074.46	-12,074.46

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,445,224.20</b>
Acumulated Depreciation - MROT	1/1/18	Beginning Balance			-5,764,100.55
Acumulated Depreciation - MROT	1/31/18	Record monthly depreciation-MROTC		47,471.23	
Acumulated Depreciation - MROT	2/28/18	Record monthly depreciation-MROTC		47,471.23	
Acumulated Depreciation - MROT	3/31/18	Record monthly depreciation-MROTC		47,471.23	
Acumulated Depreciation - MROT		Change		142,413.69	-142,413.69
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-5,906,514.24</b>
Earnest - 7050 SE 59th	1/1/18	Beginning Balance			10,000.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>10,000.00</b>
Property - 4725 SE 59th	1/1/18	Beginning Balance			160,820.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>160,820.00</b>
Thomas Estell Land	1/1/18	Beginning Balance			401,263.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>401,263.00</b>
Unit Parts Office Renovation	1/1/18	Beginning Balance			815,056.75
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>815,056.75</b>
Unit Parts 2nd Renovation	1/1/18	Beginning Balance			1,081,272.14
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,081,272.14</b>
MROTC - Land	1/1/18	Beginning Balance			697,000.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>697,000.00</b>
MROTC - Building & Tow-way	1/1/18	Beginning Balance			28,482,739.31
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>28,482,739.31</b>
Boeing Land-FY15	1/1/18	Beginning Balance			1,362,845.36
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,362,845.36</b>
Principal Cash - Appropriated	1/1/18	Beginning Balance			-78,860.72
Principal Cash - Appropriated	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		4,313.19	
Principal Cash - Appropriated	1/5/18	Oklahoma City Chamber of Comme		4,000.00	
Principal Cash - Appropriated	1/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	4,000.00		
Principal Cash - Appropriated	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		307.88	
Principal Cash - Appropriated	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		217.92	
Principal Cash - Appropriated	2/5/18	Oklahoma City Chamber of Comme		4,000.00	
Principal Cash - Appropriated	2/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	4,000.00		
Principal Cash - Appropriated	2/16/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		2,142.47	
Principal Cash - Appropriated	2/21/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		307.88	
Principal Cash - Appropriated	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		203.97	
Principal Cash - Appropriated	3/5/18	Oklahoma City Chamber of Comme		4,000.00	
Principal Cash - Appropriated	3/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	4,000.00		
Principal Cash - Appropriated	3/21/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		278.08	
Principal Cash - Appropriated		Change	12,000.00	19,771.39	-7,771.39
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-86,632.11</b>
Income Cash - Appropriated Fd	1/1/18	Beginning Balance			78,860.72

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<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Income Cash - Appropriated Fd	1/2/18	Oklahoma City Water Utilities	4,125.00		
Income Cash - Appropriated Fd	1/22/18	Merrick Bank	307.88		
Income Cash - Appropriated Fd	1/31/18	Interest Income	188.19		
Income Cash - Appropriated Fd	2/16/18	Capital One Bank USA	2,142.47		
Income Cash - Appropriated Fd	2/21/18	Merrick Bank	307.88		
Income Cash - Appropriated Fd	2/28/18	Interest Income	217.92		
Income Cash - Appropriated Fd	3/1/18	Interest Income	203.97		
Income Cash - Appropriated Fd	3/21/18	Merrick Bank	278.08		
Income Cash - Appropriated Fd		Change	7,771.39		7,771.39
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>86,632.11</b>
Princ Cash Tinker Project Fund	1/1/18	Beginning Balance			-74.75
Princ Cash Tinker Project Fund	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6		0.03	
Princ Cash Tinker Project Fund	2/2/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6		0.04	
Princ Cash Tinker Project Fund	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6		0.03	
Princ Cash Tinker Project Fund	3/9/18	Oklahoma Department of Commere	316,001.56		
Princ Cash Tinker Project Fund	3/9/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6		316,001.56	
Princ Cash Tinker Project Fund		Change	316,001.56	316,001.66	-0.10
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-74.85</b>
Income Cash - Tinker Proj Fund	1/1/18	Beginning Balance			74.75
Income Cash - Tinker Proj Fund	1/9/18	Interest Income	0.03		
Income Cash - Tinker Proj Fund	2/1/18	Interest Income	0.04		
Income Cash - Tinker Proj Fund	3/1/18	Interest Income	0.03		
Income Cash - Tinker Proj Fund		Change	0.10		0.10
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>74.85</b>
Princ Cash Tinker Project Fund	1/1/18	Beginning Balance			41.52
Princ Cash Tinker Project Fund	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6	0.03		
Princ Cash Tinker Project Fund	2/2/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6	0.04		
Princ Cash Tinker Project Fund	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6	0.03		
Princ Cash Tinker Project Fund	3/9/18	Purchase/Sell BOK Cash Fund I 81-4051-06-6	316,001.56		
Princ Cash Tinker Project Fund		Change	316,001.66		316,001.66
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>316,043.18</b>
Short Term Cash Spec. Res. AF	1/1/18	Beginning Balance			247,388.41
Short Term Cash Spec. Res. AF	1/2/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	4,313.19		
Short Term Cash Spec. Res. AF	1/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		4,000.00	
Short Term Cash Spec. Res. AF	1/22/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	307.88		
Short Term Cash Spec. Res. AF	2/1/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	217.92		
Short Term Cash Spec. Res. AF	2/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		4,000.00	
Short Term Cash Spec. Res. AF	2/16/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	2,142.47		
Short Term Cash Spec. Res. AF	2/21/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	307.88		
Short Term Cash Spec. Res. AF	3/1/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	203.97		

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<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Short Term Cash Spec. Res. AF	3/5/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5		4,000.00	
Short Term Cash Spec. Res. AF	3/21/18	Purchase/Sell BOK Cash Fund I 81-4051-02-5	278.08		
Short Term Cash Spec. Res. AF		Change	7,771.39	12,000.00	-4,228.61
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>243,159.80</b>
Fixed Inc-Special Reserve FdAF	1/1/18	Beginning Balance			779,131.50
Fixed Inc-Special Reserve FdAF	1/31/18	Adjust market value of fixed income investments 81-4051-02-5		879.25	
Fixed Inc-Special Reserve FdAF	2/28/18	Adjust market value of fixed income investments 81-4051-02-5		795.75	
Fixed Inc-Special Reserve FdAF	3/31/18	Adjust market value of fixed income investments 81-4051-02-5		867.25	
Fixed Inc-Special Reserve FdAF		Change		2,542.25	-2,542.25
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>776,589.25</b>
Accrued Int. Receivable - AF	1/1/18	Beginning Balance			188.21
Accrued Int. Receivable - AF	1/9/18	Interest Income		0.03	
Accrued Int. Receivable - AF	1/31/18	Interest Income		188.19	
Accrued Int. Receivable - AF	1/31/18	Accrue Special Reserve Interest Income 81-4051-02-5	217.92		
Accrued Int. Receivable - AF	1/31/18	Accrue Interest Income 81-4051-06-6	0.04		
Accrued Int. Receivable - AF	2/1/18	Interest Income		0.04	
Accrued Int. Receivable - AF	2/28/18	Interest Income		217.92	
Accrued Int. Receivable - AF	2/28/18	Accrue Special Reserve Interest Income 81-4051-02-5	203.97		
Accrued Int. Receivable - AF	2/28/18	Accrue Interest Income 81-4051-06-6	0.03		
Accrued Int. Receivable - AF	3/1/18	Interest Income		0.03	
Accrued Int. Receivable - AF	3/1/18	Interest Income		203.97	
Accrued Int. Receivable - AF	3/31/18	Accrue Interest Income 81-4051-06-6	248.52		
Accrued Int. Receivable - AF	3/31/18	Accrue Special Reserve Interest Income 81-4051-02-5	252.60		
Accrued Int. Receivable - AF		Change	923.08	610.18	312.90
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>501.11</b>
Accounts Payable	1/1/18	Beginning Balance			-20,833.31
Accounts Payable	1/2/18	The Alliance for Economic Dev. - Accounts Payable	20,833.33		
Accounts Payable	1/31/18	Accrue Monthly Management Fee due to AED		20,833.33	
Accounts Payable	2/1/18	The Alliance for Economic Dev. - Accounts Payable	20,833.33		
Accounts Payable	2/28/18	Accrue Monthly Management Fee due to AED		20,833.33	
Accounts Payable	3/1/18	The Alliance for Economic Dev. - Accounts Payable	20,833.33		
Accounts Payable	3/31/18	Accrue Monthly Management Fee due to AED		20,833.35	
Accounts Payable	3/31/18	Williams, Box, Forshee & Bulla		100.00	
Accounts Payable	3/31/18	Williams, Box, Forshee & Bulla		5,580.00	
Accounts Payable		Change	62,499.99	68,180.01	-5,680.02
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-26,513.33</b>
Unearned Rent	1/1/18	Beginning Balance			-2,000.00
Unearned Rent	1/1/18	Ledet's Welding	2,000.00		
Unearned Rent	1/8/18	Oklahoma City University	17,417.33		
Unearned Rent	1/8/18	YMCA of Greater OKC	980.03		



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<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Unearned Rent	1/17/18	YMCA of Greater OKC - Invoice: #01 - 2018 A		980.03	
Unearned Rent	2/1/18	Ledet's Welding	2,000.00		
Unearned Rent	2/1/18	Ledet's Welding - Invoice: #49		2,000.00	
Unearned Rent	2/5/18	Oklahoma City University - Invoice: #1 - 2018		17,417.33	
Unearned Rent	2/8/18	Oklahoma Department of Commere	316,001.56		
Unearned Rent	3/1/18	Ledet's Welding	2,000.00		
Unearned Rent	3/9/18	Oklahoma Department of Commere - Invoice: #1 - Tinker Gate		316,001.56	
Unearned Rent	3/14/18	Ledet's Welding - Invoice: #50		2,000.00	
Unearned Rent		Change	340,398.92	338,398.92	2,000.00
Unearned Fee Income	1/1/18	Beginning Balance			-1,249.37
Unearned Fee Income	1/1/18	MROTC Development Partners, LL	1,250.00		
Unearned Fee Income	1/18/18	MROTC Development Partners, LL - Invoice: #96		1,250.00	
Unearned Fee Income	2/1/18	MROTC Development Partners, LL	1,250.00		
Unearned Fee Income	2/20/18	MROTC Development Partners, LL - Invoice: #97		1,250.00	
Unearned Fee Income	3/1/18	MROTC Development Partners, LL	1,250.00		
Unearned Fee Income	3/16/18	MROTC Development Partners, LL - Invoice: #98		1,250.00	
Unearned Fee Income		Change	3,750.00	3,750.00	
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,249.37</b>
Current portion - Deferred Gra	1/1/18	Beginning Balance			-54,016.94
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-54,016.94</b>
Current port - Note Pay MROTC	1/1/18	Beginning Balance			-1,888,982.63
Current port - Note Pay MROTC	3/31/18	Reclass current portion of Note Payable - MROTC		28,667.46	
Current port - Note Pay MROTC		Change		28,667.46	-28,667.46
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,917,650.09</b>
Note Payable - MROTC - Boeing	1/1/18	Beginning Balance			-11,140,908.57
Note Payable - MROTC - Boeing	1/31/18	Recognize Rental Income - MROTC Boeing	153,104.84		
Note Payable - MROTC - Boeing	2/28/18	Recognize Rental Income - MROTC Boeing	153,875.47		
Note Payable - MROTC - Boeing	3/31/18	Reclass current portion of Note Payable - MROTC	28,667.46		
Note Payable - MROTC - Boeing	3/31/18	Recognize Rental Income - MROTC Boeing	154,649.98		
Note Payable - MROTC - Boeing		Change	490,297.75		490,297.75
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-10,650,610.82</b>
Deferred Grant Revenue	1/1/18	Beginning Balance			-2,133,669.07
Deferred Grant Revenue	1/31/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)	4,501.41		
Deferred Grant Revenue	2/28/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)	4,501.41		
Deferred Grant Revenue	3/31/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)	4,501.41		
Deferred Grant Revenue		Change	13,504.23		13,504.23
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-2,120,164.84</b>
Deferred Grant Rev. - Tinker	1/1/18	Beginning Balance			
Deferred Grant Rev. - Tinker	2/8/18	Oklahoma Department of Commere - Expenses related to the design and construction of a truck turn		316,001.56	
Deferred Grant Rev. - Tinker		Change		316,001.56	-316,001.56

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Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-316,001.56</b>
Project Fund - Begin Balance	1/1/18	Beginning Balance			-15,733,644.10
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-15,733,644.10</b>
Appropriated FD - Begin Balanc	1/1/18	Beginning Balance			-1,048,951.51
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,048,951.51</b>
Lease Payment	1/1/18	Beginning Balance			-123,600.00
Lease Payment	1/1/18	GE Oil & Gas Esp, Inc. - Lease Payment of the Unit Parts Building; Date - month of January, 2018 -		18,600.00	
Lease Payment	1/1/18	Ledet's Welding - Lease payment for the building at 4725 SE 59th Street: 1/10/18 to 2/10/18		2,000.00	
Lease Payment	2/1/18	GE Oil & Gas Esp, Inc. - Lease Payment of the Unit Parts Building; Date - month of February, 2018		18,600.00	
Lease Payment	2/1/18	Ledet's Welding - Lease payment for the building at 4725 SE 59th Street: 2/10/18 to 3/10/18		2,000.00	
Lease Payment	3/1/18	GE Oil & Gas Esp, Inc. - Lease Payment of the Unit Parts Building; Date - month of March, 2018 -		18,600.00	
Lease Payment	3/1/18	Ledet's Welding - Lease payment for the building at 4725 SE 59th Street: 3/10/18 to 4/10/18		2,000.00	
Lease Payment		Change		61,800.00	-61,800.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-185,400.00</b>
Lease - MROTC Dev Prtnrs	1/1/18	Beginning Balance			-7,500.00
Lease - MROTC Dev Prtnrs	1/1/18	MROTC Development Partners, LL - Administrative Fee - Month of January, 2018		1,250.00	
Lease - MROTC Dev Prtnrs	2/1/18	MROTC Development Partners, LL - Administrative Fee - Month of February, 2018		1,250.00	
Lease - MROTC Dev Prtnrs	3/1/18	MROTC Development Partners, LL - Administrative Fee - Month of March, 2018		1,250.00	
Lease - MROTC Dev Prtnrs		Change		3,750.00	-3,750.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-11,250.00</b>
Admin. Rentals - 1/8 of 1%	1/1/18	Beginning Balance			-31,318.17
Admin. Rentals - 1/8 of 1%	1/8/18	Oklahoma City University - Pro-Rata Share of Audit; \$60,000,000 OIA Rev. Note; Series 2010A		17,417.33	
Admin. Rentals - 1/8 of 1%	1/8/18	YMCA of Greater OKC - Pro-Rata Share of Audit; \$3,325,000 OIA Reve. Bonds, Series 2015		980.03	
Admin. Rentals - 1/8 of 1%		Change		18,397.36	-18,397.36
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-49,715.53</b>
Other-PF	1/1/18	Beginning Balance			-360,000.00
Other-PF	1/22/18	OKC Economic Development Trust - Reimbursement for Boeing Land Purchase		1,204,660.00	
Other-PF		Change		1,204,660.00	-1,204,660.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-1,564,660.00</b>
Interest Income - PF	1/1/18	Beginning Balance			-16,170.47
Interest Income - PF	1/31/18	Accrue Master Rev Interest Income 81-4051-01-7		2,466.17	
Interest Income - PF	1/31/18	Accrue Summit Machine Interest Income 81-4051-03-3		1,369.42	
Interest Income - PF	2/28/18	Accrue Master Rev Interest Income 81-4051-01-7		2,349.21	
Interest Income - PF	2/28/18	Accrue Summit Machine Interest Income 81-4051-03-3		1,968.93	
Interest Income - PF	3/31/18	Accrue Summit Machine Interest Income 81-4051-03-3		2,467.89	
Interest Income - PF	3/31/18	Accrue Master Rev Interest Income 81-4051-01-7		2,949.40	
Interest Income - PF		Change		13,571.02	-13,571.02
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-29,741.49</b>
Interest Income - AF	1/1/18	Beginning Balance			-6,813.13
Interest Income - AF	1/2/18	Oklahoma City Water Utilities - Interest to 1/1/18 on 275,000 OKC WaterUtilities Rev @ 3.000% d		4,125.00	

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Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Interest Income - AF	1/22/18	Merrick Bank - Interest to 1/21/18 on 250,000 Merrick Bank CD @ 1.450% due 8/21/18		307.88	
Interest Income - AF	1/31/18	Accrue Special Reserve Interest Income 81-4051-02-5		217.92	
Interest Income - AF	1/31/18	Accrue Interest Income 81-4051-06-6		0.04	
Interest Income - AF	2/12/18	BMW Bank North America - BMW Bank North America CD @ 1.700% Due 8/12/19		2,142.47	
Interest Income - AF	2/15/18	American Expr Centurion CD - American Expr Centurion CD @ 1.600% Due 2/15/19		2,016.44	
Interest Income - AF	2/16/18	Capital One Bank USA - Interest 8/16/17 to 2/16/18 on \$250,000 CD @ 1.700% Due 08/17/19		2,142.47	
Interest Income - AF	2/16/18	Goldman Sachs Bank USA CD - Interest 08/16/17 to 02/16/18 on \$250,000 CD @ 1.700% due 8/16		2,142.47	
Interest Income - AF	2/21/18	Merrick Bank - Interest to 2/21/18 on \$250,000 CD @ 1.450% due 8/21/18		307.88	
Interest Income - AF	2/28/18	Accrue Special Reserve Interest Income 81-4051-02-5		203.97	
Interest Income - AF	2/28/18	Accrue Interest Income 81-4051-06-6		0.03	
Interest Income - AF	3/21/18	Merrick Bank - Interest to 3/21/18 on 250,000 CD @ 1.450% due 8/21/18		278.08	
Interest Income - AF	3/31/18	Accrue Interest Income 81-4051-06-6		248.52	
Interest Income - AF	3/31/18	Accrue Special Reserve Interest Income 81-4051-02-5		252.60	
Interest Income - AF		Change		14,385.77	-14,385.77
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-21,198.90</b>
Interest Income - Loan Receiva	1/1/18	Beginning Balance			-1,420.59
Interest Income - Loan Receiva	1/31/18	Accrued interest on Note Receivable-POKC		480.16	
Interest Income - Loan Receiva	2/28/18	Accrued interest on Note Receivable-POKC		426.21	
Interest Income - Loan Receiva	3/31/18	Accrued interest on Note Receivable-POKC		463.34	
Interest Income - Loan Receiva		Change		1,369.71	-1,369.71
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-2,790.30</b>
Asset Change in Value	1/1/18	Beginning Balance			7,490.00
Asset Change in Value	1/31/18	Adjust market value of fixed income investments 81-4051-03-3	957.50		
Asset Change in Value	1/31/18	Adjust market value of fixed income investments 81-4051-02-5	879.25		
Asset Change in Value	2/28/18	Adjust market value of fixed income investments 81-4051-03-3	765.00		
Asset Change in Value	2/28/18	Adjust market value of fixed income investments 81-4051-02-5	795.75		
Asset Change in Value	3/31/18	Adjust market value of fixed income investments 81-4051-03-3	715.00		
Asset Change in Value	3/31/18	Adjust market value of fixed income investments 81-4051-02-5	867.25		
Asset Change in Value		Change	4,979.75		4,979.75
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>12,469.75</b>
MROTC Revenue	1/1/18	Beginning Balance			-1,339,140.21
MROTC Revenue	1/31/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)		4,501.41	
MROTC Revenue	1/31/18	Recognize Rental Income - MROTC Boeing		218,688.63	
MROTC Revenue	2/28/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)		4,501.41	
MROTC Revenue	2/28/18	Recognize Rental Income - MROTC Boeing		218,688.63	
MROTC Revenue	3/31/18	Recognize monthly portion of deferred grant revenue-MROTC (through 2058)		4,501.41	
MROTC Revenue	3/31/18	Recognize Rental Income - MROTC Boeing		218,688.63	
MROTC Revenue		Change		669,570.12	-669,570.12
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>-2,008,710.33</b>
Management & Trustee Fees - PF	1/1/18	Beginning Balance			6,600.00

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>6,600.00</b>
Contract Services	1/1/18	Beginning Balance			125,000.00
Contract Services	1/31/18	Accrue Monthly Management Fee due to AED	20,833.33		
Contract Services	2/28/18	Accrue Monthly Management Fee due to AED	20,833.33		
Contract Services	3/31/18	Accrue Monthly Management Fee due to AED	20,833.35		
Contract Services		Change	62,500.01		62,500.01
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>187,500.01</b>
Bank Trustee Fees - PF	1/1/18	Beginning Balance			1,250.00
Bank Trustee Fees - PF	1/30/18	Bank of Oklahoma - Bank Trustee Fees - PF	1,250.00		
Bank Trustee Fees - PF		Change	1,250.00		1,250.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>2,500.00</b>
Legal Expenses	1/1/18	Beginning Balance			41,496.50
Legal Expenses	1/17/18	Williams, Box, Forshee & Bulla - Legal Expenses	210.00		
Legal Expenses	1/17/18	Williams, Box, Forshee & Bulla - Legal Expenses	675.00		
Legal Expenses	1/17/18	Williams, Box, Forshee & Bulla - Legal Expenses	120.00		
Legal Expenses	1/17/18	Williams, Box, Forshee & Bulla - Legal Expenses	1,170.00		
Legal Expenses	1/17/18	Williams, Box, Forshee & Bulla - Legal Expenses	9,604.50		
Legal Expenses	2/8/18	Williams, Box, Forshee & Bulla - Legal Expenses	450.00		
Legal Expenses	2/8/18	Williams, Box, Forshee & Bulla - Legal Expenses	225.00		
Legal Expenses	2/8/18	Williams, Box, Forshee & Bulla - Legal Expenses	4,747.00		
Legal Expenses	3/31/18	Williams, Box, Forshee & Bulla - OIA Legal Matters - General	100.00		
Legal Expenses	3/31/18	Williams, Box, Forshee & Bulla - Legal services regarding matters related to MI	5,580.00		
Legal Expenses		Change	22,881.50		22,881.50
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>64,378.00</b>
Commission Expense	1/1/18	Beginning Balance			11,160.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>11,160.00</b>
Prof Srvs - Audit - PF	1/1/18	Beginning Balance			63,656.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>63,656.00</b>
Insurance - PF	1/1/18	Beginning Balance			3,537.78
Insurance - PF	1/31/18	Expense monthly portion of pre-paid insurance	589.63		
Insurance - PF	2/28/18	Expense monthly portion of pre-paid insurance	589.63		
Insurance - PF	3/31/18	Expense monthly portion of pre-paid insurance	589.63		
Insurance - PF		Change	1,768.89		1,768.89
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>5,306.67</b>
Office Expense - PF	1/1/18	Beginning Balance			291.89
Office Expense - PF	1/22/18	Cox Communications, Inc. - Office Expense - PF	49.59		
Office Expense - PF	2/21/18	Cox Communications, Inc. - Office Expense - PF	49.69		
Office Expense - PF	3/20/18	Cox Communications, Inc. - Office Expense - PF	49.69		
Office Expense - PF		Change	148.97		148.97
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>440.86</b>

**Oklahoma Industries Authority**  
**General Ledger**  
**For the Period From Jan 1, 2018 to Mar 31, 2018**

<b>Account Description</b>	<b>Date</b>	<b>Trans Description</b>	<b>Debit Amt</b>	<b>Credit Amt</b>	<b>Balance</b>
Dues & Subscriptions	1/1/18	Beginning Balance			1,653.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>1,653.00</b>
Depreciation Expense	1/1/18	Beginning Balance			24,148.94
Depreciation Expense	1/31/18	Record monthly depreciation-Unit Parts Building	4,024.82		
Depreciation Expense	2/28/18	Record monthly depreciation-Unit Parts Building	4,024.82		
Depreciation Expense	3/31/18	Record monthly depreciation-Unit Parts Building	4,024.82		
Depreciation Expense		Change	12,074.46		12,074.46
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>36,223.40</b>
Depreciation Expense - MROTC	1/1/18	Beginning Balance			284,827.38
Depreciation Expense - MROTC	1/31/18	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC	2/28/18	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC	3/31/18	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC		Change	142,413.69		142,413.69
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>427,241.07</b>
Interest Expense	1/1/18	Beginning Balance			409,471.12
Interest Expense	1/31/18	Recognize Rental Income - MROTC Boeing	65,583.79		
Interest Expense	2/28/18	Recognize Rental Income - MROTC Boeing	64,813.16		
Interest Expense	3/31/18	Recognize Rental Income - MROTC Boeing	64,038.65		
Interest Expense		Change	194,435.60		194,435.60
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>603,906.72</b>
Miscellaneous Expense	1/1/18	Beginning Balance			200.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>200.00</b>
Unit Parts Building Expense	1/1/18	Beginning Balance			4,621.54
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>4,621.54</b>
Dist-benefit other gov. - Cham	1/1/18	Beginning Balance			24,000.00
Dist-benefit other gov. - Cham	1/5/18	Oklahoma City Chamber of Comme - Dist-benefit other gov. - Cham	4,000.00		
Dist-benefit other gov. - Cham	2/5/18	Oklahoma City Chamber of Comme - Dist-benefit other gov. - Cham	4,000.00		
Dist-benefit other gov. - Cham	3/5/18	Oklahoma City Chamber of Comme - Dist-benefit other gov. - Cham	4,000.00		
Dist-benefit other gov. - Cham		Change	12,000.00		12,000.00
	<b>3/31/18</b>	<b>Ending Balance</b>			<b>36,000.00</b>

**Oklahoma Industries Authority**  
**Proposed Operational Budget**

	2018-19 Budget	2017-18 Projected	Difference
<b>Revenues</b>			
Administrative Fees	65,000	70,500	(5,500)
Grant Revenue - MROTC	54,017	54,017	-
Grant Revenue - Tinker	316,000	-	316,000
Interest Income	100,000	99,748	252
Rental Income	247,201	247,201	-
Rental Income - MROTC	2,708,264	2,624,264	84,000
Unrealized Gain/Loss on Securities	-	(20,000)	20,000
Other Income	-	1,865,000	(1,865,000)
<b>Total Income</b>	<b>3,490,482</b>	<b>4,940,730</b>	<b>(1,450,248)</b>
<b>Expenses</b>			
Depreciation	617,953	617,953	-
Grant Expense - Tinker	316,000	-	316,000
Insurance	110,000	23,000	87,000
Interest	675,000	800,000	(125,000)
Legal	100,000	100,000	-
Professional Fees	85,000	85,000	-
Professional Fees - The Alliance	250,000	250,000	-
Maintenance & Repair - Unit Parts	200,000	5,000	195,000
Office & Miscellaneous	5,000	5,000	-
Property Management - Unit Parts	13,200	13,200	-
<b>Total Expenses</b>	<b>2,372,153</b>	<b>1,899,153</b>	<b>473,000</b>
<b>Change in Net Assets</b>	<b>1,118,329</b>	<b>3,041,577</b>	<b>(1,923,248)</b>

**Oklahoma Industries Authority**  
**Cash Flow**

	2018-19 Budget	2017-18 Projected	Difference
<b>Change in Net Assets</b>	<b>1,118,329</b>	<b>3,041,577</b>	<b>(1,923,248)</b>
Note Receivable - Progress OKC	-	(116,602)	116,602
Receipt of Tinker Grant funds		316,000	
Depreciation	617,953	617,953	-
Amortization of Deferred Revenue	(54,017)	(54,017)	-
Purchase of MROTC leasehold estate	-	(1,800,000)	1,800,000
MROTC loan payments (principal)	(1,946,753)	(1,832,927)	(113,826)
<b>Increase (decrease) in Cash &amp; Investments</b>	<b>(264,488)</b>	<b>171,983</b>	<b>(436,472)</b>
Cash & Investments at beginning of year	6,104,631	5,932,648	171,983
Cash & Investments at end of year	5,840,143	6,104,631	(264,488)

**Assumptions for Budgeted Revenues, Expenses and Cash Flow**

Administrative fees are based on conduit debt balances.

G.E. Oil & Gas Esp. pays rent of \$18,600 per month and Ledt's Welding pays rent of \$2,000 per month.

MROTC net lease payments increase due to FY 2018 purchase of MROTC leasehold estate.

Tinker grant revenue and expense of \$316,000 budgeted for Hruskocy Gate. Proceeds were collected in FY 2018.

Roof repairs on the Unit Parts building are budgeted.

Realized and unrealized gains(losses) are not budgeted.

Property purchases and dispositions are not budgeted.

## RESOLUTION

WHEREAS, Oklahoma Industries Authority (the “Authority”) 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.

NOW, THEREFORE, IN FURTHERANCE THEREOF, BE IT RESOLVED BY THE AUTHORITY:

Section 1. The Authority hereby approves, authorizes, ratifies, renews and extends the Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc. (the “Alliance”), as amended, from and after its original effective date of July 1, 2011 through June 30, 2021, with compensation paid to the Alliance to be as follows:

- (a) for the fiscal year ending June 30, 2018, \$250,000;
- (b) for the fiscal year ending June 30, 2019, \$250,000;
- (c) for subsequent fiscal years, compensation shall be in such amount as determined by the Authority or its Chairman; and

the Chair (or a Vice-Chair) is authorized to finalize and execute same for and on behalf of the Authority.

Section 3. Upon approval by the Alliance, this Resolution shall be self-executing, shall have retrospective effect, and shall constitute written evidence of ratification, renewal and extension of the Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc. in accordance with the terms hereof.

Section 4. The Chair (or a Vice-Chair) is authorized to take necessary actions and to grant appropriate approvals to effectuate the provisions of this Resolution, and is further authorized 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.

[Approving signatures and date of adoption of this Resolution are on the following page]

ADOPTED on June 21, 2018.

OKLAHOMA INDUSTRIES AUTHORITY

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Chair

ATTEST:

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Secretary



## **RESOLUTION**

**RESOLUTION RELATING TO GRANTS FROM THE OKLAHOMA STRATEGIC MILITARY COMMISSION IN CONNECTION WITH PROJECTS BENEFITTING TINKER AIR FORCE BASE ("GRANTS"); AUTHORIZING AGREEMENTS WITH OKLAHOMA COUNTY RELATING TO CARRY OUT THE PURPOSES OF GRANTS, INCLUDING INTERLOCAL COOPERATIVE OR SIMILAR AGREEMENTS WITH OKLAHOMA COUNTY; AND CONTAINING OTHER PROVISIONS.**

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 Authority has obtained a grant from the Oklahoma Strategic Military Commission ("Grant") for improvements in the vicinity of Huskocy Gate at Tinker Air Force Base ("Base") and other facilities which will be beneficial to the Base ("Tinker Improvements"), and which will be of assistance to the Authority in providing support necessary to retain and advance the Base and economic development opportunities derived therefrom benefitting the citizens of the County.

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

Section 1. The General Manager is designated and appointed to serve as the authorized Authority officer with respect to the Grant and the administration thereof, including the expenditure of the Grant funds, which may include the payment of administrative and legal costs associated with implementation of the Grant, all to the extent permitted by the terms of the Grant.

Section 2. An agreement with the County by which the County will effectuate and carry out the Tinker Improvements is hereby authorized and approved, the General Counsel and General Manager are authorized and directed to prepare and finalize such agreement between the Authority and the County ("Agreement"), and the General Manager is authorized is authorized to sign the Agreement for and on behalf of the Authority, provided that the Agreement shall be in an amount not exceeding the amount of Grant funds available to the Authority.

RESOLUTION PASSED AND APPROVED THIS 21st DAY OF JUNE, 2018.

OKLAHOMA INDUSTRIES AUTHORITY

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Chair

(SEAL)  
ATTEST:

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Assistant Secretary