

AGENDA
SPECIAL MEETING OF
OKLAHOMA CITY INDUSTRIAL & CULTURAL FACILITIES TRUST
MONDAY, JUNE 7, 2021
EMBARK CONFERENCE ROOM
431 WEST MAIN STREET, SUITE B
1:00 P.M.

Presiding: Robert Alexander, Jr. Chair

The following agenda items may include actions, approvals, disapprovals and voting as desired by the Trustees of the Oklahoma City Industrial & Cultural Facilities Trust ("Trust"):

- 763 Determination of Quorum
- 764 Consider and Approve Minutes of Special Meeting held Monday, June 17, 2019
- 765 Report and Receive Oklahoma City Industrial & Cultural Facilities Trust, a Component Unit of the City of Oklahoma City, Oklahoma Auditor's Reports and Financial Statements June 30, 2020 and 2019
- 766 Report and Receive Quarterly Financial Statements for the Oklahoma City Industrial & Cultural Facilities Trust for Period Ended March 31, 2021
- 767 Approve Trust Budget for FY 2021-2022
- 768 Consider and Approve annual compensation of \$28,000 for services provided to the Trust by The Alliance for Economic Development of Oklahoma City ("Alliance") for fiscal years ending June 30, 2021 and 2022, and further authorizing the Chair, Vice-Chair and General Manager, or any one of them, to enter into Agreement(s) for Economic Development Services with the Alliance for and on behalf of the Trust, to include amendment and extension of existing contracts with the Alliance
- 769 Approval of engagement of HSPG & Associates, P.C. for independent audit of the Trust for Fiscal Year ending June 30, 2021 ("Audit") with a fee for services of \$15,000, and in furtherance thereof, authorizing the Chair (or in the absence of the Chair, a Vice-Chair) and General Manager, or any one of them ("Officers"), to execute an Engagement Letter for and on behalf of the Trust; and, as determined necessary by the Officers, authorizing the Officers to engage another firm for the Audit and to execute an Engagement Letter in furtherance thereof for and on behalf of the Trust
- 770 Resolution electing and appointing officers of the Trust and authorizing its officers to act for and on behalf of the Trust
- 771 Report from General Manager
- 772 Adjournment

**MINUTES OF A SPECIAL MEETING
OF THE
OKLAHOMA CITY INDUSTRIAL & CULTURAL FACILITIES TRUST
MONDAY, JUNE 17, 2019, 3:00 P.M.
ALLIANCE CONFERENCE ROOM
105 N. HUDSON, #101
OKLAHOMA CITY, OK 73102**

TRUSTEES PRESENT: Robert H. Alexander, Jr., Chairman
 Clay I. Bennett, Trustee
 David Rainbolt, Trustee

TRUSTEES ABSENT: Lindy Ritz, Trustee
 J. Larry Nichols, Trustee

OTHER PRESENT: Catherine O'Connor, The Alliance
 Geri Harlan, The Alliance
 Pam Lunnon, The Alliance
 Myrna Schack Lathan, McAfee Taft
 John Michael Williams and Paul Lefebvre, Williams, Box
 Forshee & Bullard

PRESIDING: Robert H. Alexander, Jr., Chairman

Oklahoma City Industrial and Cultural Facilities Trust met in the Conference Room of The Alliance for Economic Development of OKC, Oklahoma City, Oklahoma pursuant to public notice thereof in writing, delivered to the City Clerk. Notice of the meeting and agenda were posted at 105 N. Hudson, #101, Oklahoma City, OK; notice of meeting was filed/posted at the City of Oklahoma City Municipal Building bulletin board by June 10, 2019.

755 *Chairman Alexander called meeting to order at 3:00 p.m. and declared a quorum of Trustees were present*

756 *Chairman Alexander asked for approval of minutes for meeting held December 5, 2018.*

Mr. Bennett moved the approval of the minutes and upon second by Mr. Rainbolt, the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt, yes, Mr. Alexander, yes and Mr. Bennett, yes.

Minutes Approved

757 ***Report and Receive Quarterly Financial Statements for the Oklahoma City Industrial & Cultural Facilities Trust for Period Ended March 30, 2019***

Presentation of Financials: Ms. Harlan presented the quarterly financial report through March 30, 2019

Mr. Bennett moved to receive financials, and upon second by **Mr. Rainbolt** the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt,, yes, Mr. Alexander, yes and Mr. Bennett, yes.

Financials Received

758 ***Consider and approve annual compensation of \$28,000 for services to the Trust for fiscal year ending June 30, 2020 pursuant to Agreement for Economic Development Services with The Alliance for Economic Development of Oklahoma City, Inc. dated July 1, 2011, as amended and extended; and, authorizing the Chair, Vice-Chair and General Manager, or any one of them, to take actions necessary to effectuate the same, and to approve and authorize other actions regarding the operation and management of the Trust, including the pursuit of economic development prospects, and to authorize necessary funding for same. \$1,750.00 increase from 2018-19***

Discussion: Ms. O'Connor reported due to cost increase, there will be a slight adjustment in the fee for the Alliance Agreement for fiscal year 2019-2020. The new fee will be \$28,000 for the year with is paid monthly.

Mr. Rainbolt moved to approve compensation and upon second by **Mr. Bennett** the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt, yes, Mr. Alexander, yes and Mr. Bennett, yes.

Compensation Approved

759 ***Accepting and Approving Proposal of BKD, LLP to provide an audit of accounts of the Trust for the fiscal year ending June 30, 2019, approving the related Engagement Letter of BKD, LLP dated June 13, 2019, and authorizing the Chair (or in the absence of the Chair, a Vice-chair) and General Manager to execute the Engagement Letter for and on behalf of the Trust***

Discussion: Ms. O'Connor reported BKD has provided the audit services for the last four years and were also used by the City of Oklahoma City. The City asked

the Trust to use their auditors because it was a timing issue and the audit must be done by the end of September. The fee for their services this year will be \$16,490.

Mr. Bennett moved the approved proposal and upon second by **Mr. Rainbolt**, the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt, yes, Mr. Alexander, yes and Mr. Bennett, yes.

Proposal Approved

760 ***Consider and Approve Resolution authorizing and approving a Subordination Agreement in favor of PHL Variable Insurance Company and other associated documents for a new loan concerning the Commercial Unit of the Journal Record Building Condominiums Unit Ownership Estate, and authorizing Trust officers to take necessary actions in furtherance thereof***

Discussion: Mr. Williams reported the owner of the Commercial Unit of the JRB Condominiums is obtaining a long-term financing for the property and is requesting the Trust and the City of Oklahoma City to execute a Subordination Agreement in favor of the new lender, PHL Variable Insurance Company. They desire to refinance their existing loan with RCB Bank which matures in 2028 and proceed with a loan from PHL which will mature in 2040. The insurance company has a similar Subordination Agreement requirement to be approved/executed by the Trust and by the City Council. Mr. Williams states the Subordination Agreement is in good order and recommends approval from the Trust.

Mr. Rainbolt asked is there any cash that will be taken out of this refinance? Ms. Latham replied no. All the proceeds of the loan will be applied to the commercial unit and a portion to the parking garage. There was construction of a parking garage with a long term ground lease. The proceeds from this loan from PHL will be used to pay off the loan on the commercial unit and to pay down the loan on the parking garage.

Mr. Williams stated that the lender also wants a Parking Rights Agreement which has been sent to the Trustees for review. The Trusts hold a ground lease on the property where the parking garage exists. The lender wants the rights to park cars in that location to extend as long as this new loan exists. RCB Banks does not have those rights, whereas insurance companies have more requirements. It is now requested that the Trust approve a consent for a Parking Rights Agreement. That agreement is just in draft form not final form yet.

Mr. Williams stated this resolution specifically says the Subordination Agreement is approved and further the Chair, Vice-Chair and General Manager are authorized on behalf of the Trust to finalize and execute same, and further to approve and execute other documents and certifications necessary for effectuation of the PHL Loan. They can execute this Parking Rights Agreement when it is in final form. Also, this resolution says the Chair, Vice-Chair and General Manager are authorized to take all necessary actions in furtherance of financing, development and operation of the property and to pay related costs and expenses on behalf of the Trust.

Ms. Latham stated they want the Parking Rights Agreement to survive the termination of the ground lease. It grants to the owner of the commercial unit the right to use a certain number of spaces in the parking garage. Both lenders want to make sure they understand to who is entitled to what.

Motion: I move this item to include to approve authorization of execution of a Parking Rights Agreement by the Chair, provided that such findings by the Parking Rights Agreement effectuates purposes in substantial concordance with the Parking Rights Agreement draft of June 10, 2019.

Mr. Rainbolt moved the approved motion above and upon second by **Mr. Bennett**, the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt, yes, Mr. Alexander, yes and Mr. Bennett, yes.

Resolution Approved

761 ***Report of General Manager***

Discussion: Ms. O'Connor reported we are working on the small business incubator loan program with a small business restaurant owner. We want to help her get back into her space and reopen her restaurant. Requirements for her will be to complete some business training thru the Community Action Agency. We will help with her some portion of her rent for the first two years to give her chance to get reestablished. We want to help them learn the skills to build their business and get the support that they need to make that happen. We have around \$200,000 in this program.

762 ***Adjournment***

Mr. Bennett moved and **Mr. Rainbolt** seconded a motion to adjourn the meeting at 3:28 p.m. and the votes were as follows:

Upon a vote of the Trustees, the motion carried unanimously, to wit: Mr. Rainbolt, yes, Mr. Alexander, yes and Mr. Bennett, yes.

ATTEST:



Catherine O'Connor
General Manager

RECORDED:



Pam Lunnon
Executive Assistant

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Independent Auditor's Reports and Financial Statements
June 30, 2019 and 2018



Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
June 30, 2019 and 2018

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Independent Auditor's Report

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2019 and 2018, 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.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

BKD, LLP

Tulsa, Oklahoma
October 14, 2019

Oklahoma City Industrial and Cultural Facilities Trust

A Component Unit of the City of Oklahoma City, Oklahoma

Management's Discussion and Analysis

Years Ended June 30, 2019 and 2018

Introduction

This management's discussion and analysis of the financial performance of Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a discretely presented component unit of the City of Oklahoma City, Oklahoma (the City), provides an overview of the Trust's financial activities for the years ended June 30, 2019 and 2018. It should be read in conjunction with the accompanying financial statements of the Trust.

Financial Highlights

- Cash and cash equivalents decreased by \$308,573 in 2019 and increased by \$195,041 in 2018.
- Investments increased by \$379,677 in 2019 and decreased by \$126,949 in 2018.
- The Trust's net position increased by \$58,060 and \$53,235 in 2019 and 2018, respectively.

Using This Annual Report

The Trust's financial statements consist of three statements—a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Trust, including resources held by the Trust restricted for specific purposes by creditors, grantors or enabling legislation. The Trust accounts for its operations as an enterprise fund. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, similar to private business enterprises.

Statement of Net Position

The statement of net position presents the assets, liabilities and net position of the Trust. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the Trust.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the Trust. They are also able to determine how much the Trust owes vendors and lenders.

Total assets of the Trust increased by \$70,880 and \$53,234 in 2019 and 2018, respectively.

Total liabilities increased by \$12,820 in 2019 and decreased by \$1 in 2018.

Table 1: Condensed Statements of Net Position

	2019	2018	Change	% Change	2017	Change	% Change
Current assets	\$ 1,083,187	\$ 1,012,307	\$ 70,880	7%	\$ 959,073	\$ 53,234	6%
Note receivable	4,255,171	4,255,171	-	0%	4,255,171	-	0%
Capital assets	953,266	953,266	-	0%	953,266	-	0%
Total assets	6,291,624	6,220,744	70,880	1%	6,167,510	53,234	1%
Current liabilities	16,334	3,514	12,820	365%	3,515	(1)	0%
Note payable	4,255,171	4,255,171	-	0%	4,255,171	-	0%
Total liabilities	4,271,505	4,258,685	12,820	0%	4,258,686	(1)	0%
Net investment in capital assets	953,266	953,266	-	0%	953,266	-	0%
Unrestricted	1,066,853	1,008,793	58,060	6%	955,558	53,235	6%
Total net position	\$ 2,020,119	\$ 1,962,059	\$ 58,060	3%	\$ 1,908,824	\$ 53,235	3%

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position reports how the Trust's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. For the years ended June 30, 2019 and 2018, the change in net position was a gain of \$58,060 and \$53,235, respectively.

Table 2: Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018	Change	% Change	2017	Change	% Change
Rental income	\$ 60,563	\$ 60,563	\$ -	0%	\$ 60,562	\$ 1	0%
Other	16,031	16,032	(1)	0%	16,000	32	0%
Total operating revenues	76,594	76,595	(1)	0%	76,562	33	0%
Professional and trust fees	29,840	16,778	13,062	78%	49,392	(32,614)	-66%
Parking lot expense	2,922	2,550	372	15%	2,235	315	14%
Management fees	26,250	26,250	-	0%	26,250	-	0%
Administrative and general expense	7,427	7,424	3	0%	12,652	(5,228)	-41%
Total operating expenses	66,439	53,002	13,437	25%	90,529	(37,527)	-41%
Nonoperating revenues	47,905	29,642	18,263	62%	23,423	6,219	27%
Change in net position	\$ 58,060	\$ 53,235	\$ 4,825	9%	\$ 9,456	\$ 43,779	463%

Economic Factors

The Trust owns and leases land adjacent to the Journal Record Building. The Trust sold the commercial unit and initiated a lease for the land (with an option to purchase) on July 9, 2015. Future principal payments on the note will be used to reduce the debt owed to the City. Interest received on the note will capitalize a revolving loan fund for use in future economic development projects.

Contacting the Trust's Management

This financial report is designed to provide a general overview of the Trust's finances, comply with finance-related laws and regulations and demonstrate commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Trust's general manager at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma 73102.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Net Position
June 30, 2019 and 2018

Assets

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 302,679	\$ 611,432
Investments	752,796	373,119
Interest receivable	23,907	22,332
Prepaid and other	<u>3,805</u>	<u>5,424</u>
Total current assets	1,083,187	1,012,307
Note Receivable	4,255,171	4,255,171
Capital Assets	<u>953,266</u>	<u>953,266</u>
Total assets	<u>6,291,624</u>	<u>6,220,744</u>

Liabilities and Net Position

Current Liabilities		
Accounts payable and accrued liabilities	<u>16,334</u>	<u>3,514</u>
Total current liabilities	16,334	3,514
Note Payable	<u>4,255,171</u>	<u>4,255,171</u>
Total liabilities	<u>4,271,505</u>	<u>4,258,685</u>
Net Position		
Net investment in capital assets	953,266	953,266
Unrestricted	<u>1,066,853</u>	<u>1,008,793</u>
Total net position	<u>\$ 2,020,119</u>	<u>\$ 1,962,059</u>

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Rental income	\$ 60,563	\$ 60,563
Administrative fees	16,000	16,000
Oil and gas revenue	<u>31</u>	<u>32</u>
Total operating revenues	<u>76,594</u>	<u>76,595</u>
Operating Expenses		
Professional and trust fees	29,840	16,778
Management fees to the Alliance for Economic Development of Oklahoma City	26,250	26,250
Parking lot expense	2,922	2,550
Administrative and general expense	<u>7,427</u>	<u>7,424</u>
Total operating expenses	<u>66,439</u>	<u>53,002</u>
Operating Income	<u>10,155</u>	<u>23,593</u>
Nonoperating Revenues		
Interest income on note receivable	21,276	21,276
Investment income	<u>26,629</u>	<u>8,366</u>
Total nonoperating revenues	<u>47,905</u>	<u>29,642</u>
Change in Net Position	58,060	53,235
Net Position, Beginning of Year	<u>1,962,059</u>	<u>1,908,824</u>
Net Position, End of Year	<u><u>\$ 2,020,119</u></u>	<u><u>\$ 1,962,059</u></u>

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Rental income	\$ 60,563	\$ 60,563
Cash receipts from customers and users	-	15,000
Administrative fees and other	16,031	16,032
Payments to vendors and suppliers	<u>(52,000)</u>	<u>(53,003)</u>
Net cash provided by operating activities	<u>24,594</u>	<u>38,592</u>
Investing Activities		
Purchase of investments	(631,084)	(125,279)
Proceeds on investment maturities	251,407	252,228
Interest income received on note receivable	19,701	21,276
Investment interest received	<u>26,629</u>	<u>8,224</u>
Net cash provided by (used in) investing activities	<u>(333,347)</u>	<u>156,449</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(308,753)	195,041
Cash and Cash Equivalents, Beginning of Year	<u>611,432</u>	<u>416,391</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 302,679</u></u>	<u><u>\$ 611,432</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 10,155	\$ 23,593
Decrease in accounts receivable	-	15,000
Decrease in prepaid and other	1,619	-
Net change in accounts payable and accrued liabilities	<u>12,820</u>	<u>(1)</u>
Net cash provided by operating activities	<u><u>\$ 24,594</u></u>	<u><u>\$ 38,592</u></u>

Oklahoma City Industrial and Cultural Facilities Trust

A Component Unit of the City of Oklahoma City, Oklahoma

Notes to Financial Statements

June 30, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The Oklahoma City Industrial and Cultural Facilities Trust (the Trust) is an Oklahoma public trust and an agency of the State of Oklahoma. The Trust was created on December 15, 1962, to promote the development of industrial, manufacturing, medical, civic, cultural and educational activities of the City of Oklahoma City, Oklahoma (the City), and the State of Oklahoma. The Trust was created under the provisions of Title 60, Oklahoma Statutes and other applicable statutes and laws. The City is the beneficiary of the Trust and will receive all residual trust funds and assets upon termination of the Trust.

Operations

The Trust arranges bond and loan financing through trustee banks to industrial, manufacturing, medical, civic, cultural and educational enterprises located principally in the City for the purpose of constructing, purchasing, expanding or, otherwise, improving the facilities required by such enterprises. In March 1998, the Trust acquired the Journal Record Building, which was damaged in the Alfred P. Murrah Federal Building bombing on April 19, 1995, to rehabilitate and restore the building. The building was sold in July 2015. The Trust maintains ownership of the adjacent land, which is currently leased to the new building owner.

Basis of Accounting

The Trust accounts for its operations as an enterprise fund. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, similar to private business enterprises. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from nonexchange transactions are recognized when all applicable eligibility requirements are met. The Trust first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all highly liquid debt instruments purchased with a maturity of three months or less and money market mutual funds to be cash equivalents. At June 30, 2019 and 2018, cash equivalents consisted primarily of money market accounts with brokers.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2019 and 2018

Investment and Investment Income

Investments in negotiable certificates of deposit are carried at fair value. Fair value is determined from quoted market prices. Investment income consists of interest income and the net change for the year in the fair value of the investments carried at fair value.

Note Receivable

The note receivable is recorded at the amount management expects to collect from outstanding balances. The Trust provides an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Based on this assessment, no allowance for doubtful accounts was required at June 30, 2019 or 2018.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation if acquired by gift. Depreciation, if any, is computed using the straight-line method over the estimated useful life of the asset. At June 30, 2019 and 2018, capital assets consisted of land, which was not being depreciated.

Long-Lived Asset Impairment

The Trust evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended June 30, 2019 and 2018.

Net Position

The net position of a governmental entity is classified in four components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the Trust, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Trust, such as permanent endowments. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

There was no restricted net position at June 30, 2019 and 2018.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2019 and 2018

Classification of Revenues

The Trust has classified its revenues as either operating or nonoperating according to the characteristics of exchange versus nonexchange transactions.

Administrative Fees

The Trust receives administrative fees from certain projects. Such fees are based on a percentage of the project's bonds outstanding (1/12th to 1/8th of 1%) or are fixed amounts as determined by the bond document. The Trust received \$16,000 in administrative fees in fiscal years 2019 and 2018.

Income Taxes

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

Revisions

Certain immaterial revisions have been made to the 2018 financial statements for principal amounts of outstanding conduit debt obligations in the notes to financial statements. These revisions did not have a significant impact on disclosure items impacted or on the financial statements.

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of the failure of a counterparty the Trust will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Trust or are held by a counterparty or the counterparty's trust department but not in the name of the Trust.

The policy of the Trust is to require all deposits be maintained in accounts that are fully insured or collateralized. As of June 30, 2019 and 2018, the Trust had no uninsured or uncollateralized deposits. The Trust requires investment collateral be held by a third-party custodian with whom the Trust has a current custodial agreement in the Trust's name.

Deposits of the Trust at June 30, 2019 and 2018, were approximately \$200,000 and \$178,000, respectively.

Investments

The Trust has adopted Investment Policy Statements (the IPS) to govern the administration of the Trust's investment portfolio assets. Under the IPS, the Trust is limited to investment vehicles

Oklahoma City Industrial and Cultural Facilities Trust

A Component Unit of the City of Oklahoma City, Oklahoma

Notes to Financial Statements

June 30, 2019 and 2018

specifically authorized under Oklahoma State Statute Title 62 with a long-term investment discipline, including an emphasis on holdings for a minimum of five years. Investments permitted include direct obligations of the U.S. federal government, collateralized or insured certificates of deposit, savings accounts or certificates and other limited investment vehicles as permitted by state law.

The Trust's investments at June 30, 2019, consisted of a money market mutual fund and negotiable certificates of deposit.

Investments in the Goldman Sachs Financial Government Obligations Fund, included in cash equivalents, totaled approximately \$103,000 and \$434,000 at June 30, 2019 and 2018, respectively. The investment has ratings of AA-Am and Aaa-mf by Standard & Poor's Ratings Group and Moody's Investors Service, Inc., respectively, and a weighted-average duration of 24 days and 42 days at June 30, 2019 and 2018, respectively.

Investments in negotiable certificates of deposit consisted of six certificates of deposit at June 30, 2019: four with a par value of \$125,000, one with a par value of \$135,000 and one with a par value of \$115,000. At June 30, 2019, the fair value of the certificates of deposit was \$752,796 and current maturities of the certificates of deposit were \$500,644, while the remaining certificates mature in fiscal years 2021 and 2022.

Investments in negotiable certificates of deposit consisted of three certificates of deposit with a par value of \$125,000 each at June 30, 2018. At June 30, 2018, the fair value of the certificates of deposit was \$373,119 and current maturities of the certificates of deposit were \$249,232, while the remainder matures in fiscal year 2020.

The Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Trust's recurring fair value measurements as of June 30, 2019 and 2018, are its cash equivalents included in the Goldman Sachs Financial Government Obligations Fund, which are valued using Level 1 inputs, and its certificates of deposit, which are valued using Level 2 inputs. The fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced prepayments, defaults, cumulative loss projections and cash flows.

Note 3: Capital Assets and Related Note Payable

On March 17, 1998, the Trust entered into an agreement with the City to undertake the acquisition and improvement of the Journal Record Building, which was damaged in the bombing of the Alfred P. Murrah Federal Building on April 19, 1995. The Trust managed the operations of the building, which consisted primarily of housing a memorial museum and renting space to other parties, from that time until the sale of the building on July 9, 2015.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2019 and 2018

The required funding for this project was provided by the City through a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant. This funding was made in the form of a nonrecourse loan to the Trust and in the form of a grant, which does not require repayment.

The proceeds from the loan were designated to provide for improvement to and ongoing operation, maintenance and leasing of the Journal Record Building and ancillary facilities. Subsequent to the original agreement, this loan has been amended multiple times. During fiscal year 2015, the loan was not amended as negotiations to sell the Journal Record Building were underway. Instead, the Trust received a cash inflow of \$400,000 from the City to continue operations during the sale negotiations.

During July 2015, the Trust sold the Journal Record Building for approximately \$4,400,000 through multiple transactions. In addition, the loan agreement between the Trust and the City was amended to forgive the debt over and above the sales price in addition to any unpaid and accrued interest. The loan has a balance of approximately \$4,255,000 and is interest free, maturing in 2045. As part of the sale, the Trust established a note receivable of approximately \$4,255,000 from the buyer, which bears interest at rates established in the note agreement and matures in 2045. Future principal payments on the note receivable will be used to pay the principal due on the note payable to the City. Interest earned on the note receivable will remain with the Trust and is required to be used for future economic development.

Capital assets consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Nondepreciable capital assets		
Land	<u>\$ 953,266</u>	<u>\$ 953,266</u>

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2019 and 2018

Future principal payments on the note payable and future receipts on the note receivable consist of the following at June 30, 2019:

Year Ending June 30,	Long-Term Debt	Note Receivable		
		Principal	Interest *	Total
2020	\$ -	\$ -	\$ 21,000	\$ 21,000
2021	-	-	21,000	21,000
2022	170,000	170,000	21,000	191,000
2023	170,000	170,000	20,000	190,000
2024	170,000	170,000	20,000	190,000
2025–2029	851,000	851,000	328,000	1,179,000
2030–2034	851,000	851,000	383,000	1,234,000
2035–2039	851,000	851,000	255,000	1,106,000
2040–2044	851,000	851,000	128,000	979,000
2045–2046	341,171	341,171	15,000	356,171
	<u>\$ 4,255,171</u>	<u>\$ 4,255,171</u>	<u>\$ 1,212,000</u>	<u>\$ 5,467,171</u>

* Rate of interest on note receivable is set at 0.5% for years 1–10. Beginning in fiscal year 2025, the rate of interest will be recalculated yearly to equal 50% of the prime rate published in the Wall Street Journal on July 9 of each year through the maturity of the loan, with a floor of 3.0% and a ceiling of 5.0%.

Note 4: Conduit Debt Obligations

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

As of June 30, 2019, there were two series of industrial revenue bonds and leasing obligations outstanding with an aggregate principal amount payable of \$507,061. As of June 30, 2018, there were three series of industrial revenue bonds and leasing obligations outstanding with an aggregate principal amount payable of \$1,590,357.

The two bond series at June 30, 2019, are outstanding to Oklahoma Christian University; one of the bond series matures in December 2019 and the other matures in December 2020. The third bond series, outstanding to SSM Healthcare at June 30, 2018, matured in June 2019 and is paid off.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2019 and 2018

Note 5: Leases

As part of the purchase agreement described in *Note 3*, the buyer of the Journal Record Building agreed to lease the Journal Record Building's adjacent land at \$60,563 per year for a lease term of 99 years commencing on the possession date. The buyer has the option to purchase the land at the appraised value of \$1,275,000 for the first 10 years, fiscal years 2016 through 2026, and at amounts specified in the ground lease agreement after that. The buyer has constructed a multi-story parking garage on the land, as allowed in the purchase agreement.

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust
Oklahoma City, Oklahoma

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 basic financial statements of the Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma, which comprise the statement of net position as of June 30, 2019, 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 basic financial statements, and have issued our report thereon dated October 14, 2019.

Internal Control over Financial Reporting

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

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

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

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust

Compliance and Other Matters

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

Purpose of This Report

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

BKD, LLP

Tulsa, Oklahoma
October 14, 2019

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Schedule of Findings and Responses
Year Ended June 30, 2019

Reference Number	Finding
	No matters are reportable.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Independent Auditor's Reports and Financial Statements
June 30, 2020 and 2019



Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
June 30, 2020 and 2019

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Independent Auditor's Report

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2020 and 2019, 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.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated October 9, 2020, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
October 9, 2020

Oklahoma City Industrial and Cultural Facilities Trust

A Component Unit of the City of Oklahoma City, Oklahoma

Management's Discussion and Analysis

Years Ended June 30, 2020 and 2019

Introduction

This management's discussion and analysis of the financial performance of Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a discretely presented component unit of the City of Oklahoma City, Oklahoma (the City), provides an overview of the Trust's financial activities for the years ended June 30, 2020 and 2019. It should be read in conjunction with the accompanying financial statements of the Trust.

Financial Highlights

- Cash and cash equivalents increased by \$124,894 in 2020 and decreased by \$308,573 in 2019.
- Investments decreased by \$92,273 in 2020 and increased by \$379,677 in 2019.
- The Trust's net position increased by \$46,228 and \$58,060 in 2020 and 2019, respectively.

Using This Annual Report

The Trust's financial statements consist of three statements—a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Trust, including resources held by the Trust but restricted for specific purposes by creditors, grantors, or enabling legislation. The Trust accounts for its operations as an enterprise fund. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, similar to private business enterprises.

Statement of Net Position

The statement of net position presents the assets, liabilities, and net position of the Trust. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the Trust.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the Trust. They are also able to determine how much the Trust owes vendors and lenders.

Total assets of the Trust increased by \$33,764 and \$70,880 in 2020 and 2019, respectively.

Total liabilities decreased by \$12,464 in 2020 and increased by \$12,820 in 2019.

Table 1: Condensed Statements of Net Position

	2020	2019	Change	% Change	2018	Change	% Change
Current assets	\$ 1,116,951	\$ 1,083,187	\$ 33,764	3%	\$ 1,012,307	\$ 70,880	7%
Note receivable	4,255,171	4,255,171	-	0%	4,255,171	-	0%
Capital assets	953,266	953,266	-	0%	953,266	-	0%
Total assets	6,325,388	6,291,624	33,764	1%	6,220,744	70,880	1%
Current liabilities	3,870	16,334	(12,464)	-76%	3,514	12,820	365%
Note payable	4,255,171	4,255,171	-	0%	4,255,171	-	0%
Total liabilities	4,259,041	4,271,505	(12,464)	0%	4,258,685	12,820	0%
Net investment in capital assets	953,266	953,266	-	0%	953,266	-	0%
Unrestricted	1,113,081	1,066,853	46,228	4%	1,008,793	58,060	6%
Total net position	\$ 2,066,347	\$ 2,020,119	\$ 46,228	2%	\$ 1,962,059	\$ 58,060	3%

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position reports how the Trust's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. For the years ended June 30, 2020 and 2019, the change in net position was a positive \$46,228 and \$58,060, respectively.

Table 2: Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	Change	% Change	2018	Change	% Change
Rental income	\$ 60,563	\$ 60,563	\$ -	0%	\$ 60,563	\$ -	0%
Other	1,031	16,031	(15,000)	-94%	16,032	(1)	0%
Total operating revenues	61,594	76,594	(15,000)	-20%	76,595	(1)	0%
Professional and trust fees	27,022	29,840	(2,818)	-9%	16,778	13,062	78%
Parking lot expense	3,216	2,922	294	10%	2,550	372	15%
Management fees	28,000	26,250	1,750	7%	26,250	-	0%
Administrative and general expense	5,803	7,427	(1,624)	-22%	7,424	3	0%
Total operating expenses	64,041	66,439	(2,398)	-4%	53,002	13,437	25%
Nonoperating revenues	48,675	47,905	770	2%	29,642	18,263	62%
Increase in net position	\$ 46,228	\$ 58,060	\$ (11,832)	-20%	\$ 53,235	\$ 4,825	9%

Economic Factors

The Trust owns and leases land adjacent to the Journal Record Building. The Trust sold the commercial unit and initiated a lease for the land (with an option to purchase) on July 9, 2015. Future principal payments on the note will be used to reduce the debt owed to the City. Interest received on the note will capitalize a revolving loan fund for use in future economic development projects.

Contacting the Trust's Management

This financial report is designed to provide a general overview of the Trust's finances, comply with finance-related laws and regulations, and demonstrate commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Trust's general manager at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma 73102.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Net Position
June 30, 2020 and 2019

Assets

	2020	2019
Current Assets		
Cash and cash equivalents	\$ 427,573	\$ 302,679
Investments	660,523	752,796
Interest receivable	25,049	23,907
Prepays and other	3,806	3,805
	<hr/>	<hr/>
Total current assets	1,116,951	1,083,187
Note Receivable	4,255,171	4,255,171
Capital Assets	953,266	953,266
	<hr/>	<hr/>
Total assets	6,325,388	6,291,624
	<hr/>	<hr/>

Liabilities

Current Liabilities		
Accounts payable and accrued liabilities	3,870	16,334
	<hr/>	<hr/>
Total current liabilities	3,870	16,334
Note Payable	4,255,171	4,255,171
	<hr/>	<hr/>
Total liabilities	4,259,041	4,271,505
	<hr/>	<hr/>

Net Position

Net investment in capital assets	953,266	953,266
Unrestricted	1,113,081	1,066,853
	<hr/>	<hr/>
Total net position	\$ 2,066,347	\$ 2,020,119
	<hr/>	<hr/>

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Rental income	\$ 60,563	\$ 60,563
Administrative fees	1,000	16,000
Oil and gas revenue	<u>31</u>	<u>31</u>
Total operating revenues	<u>61,594</u>	<u>76,594</u>
Operating Expenses		
Professional and trust fees	27,022	29,840
Management fees to the Alliance for Economic Development of Oklahoma City	28,000	26,250
Parking lot expense	3,216	2,922
Administrative and general expense	<u>5,803</u>	<u>7,427</u>
Total operating expenses	<u>64,041</u>	<u>66,439</u>
Operating Income (Loss)	<u>(2,447)</u>	<u>10,155</u>
Nonoperating Revenues		
Interest income on note receivable	21,276	21,276
Investment income	<u>27,399</u>	<u>26,629</u>
Total nonoperating revenues	<u>48,675</u>	<u>47,905</u>
Increase in Net Position	46,228	58,060
Net Position, Beginning of Year	<u>2,020,119</u>	<u>1,962,059</u>
Net Position, End of Year	<u><u>\$ 2,066,347</u></u>	<u><u>\$ 2,020,119</u></u>

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Rental income	\$ 60,563	\$ 60,563
Administrative fees and other	1,031	16,031
Payments to vendors and suppliers	<u>(76,506)</u>	<u>(52,000)</u>
Net cash provided by (used in) operating activities	<u>(14,912)</u>	<u>24,594</u>
Investing Activities		
Purchase of investments	(410,998)	(631,084)
Proceeds on investment maturities	503,271	251,407
Interest income received on note receivable	20,134	19,701
Investment interest received	<u>27,399</u>	<u>26,629</u>
Net cash provided by (used in) investing activities	<u>139,806</u>	<u>(333,347)</u>
Increase (Decrease) in Cash and Cash Equivalents	124,894	(308,753)
Cash and Cash Equivalents, Beginning of Year	<u>302,679</u>	<u>611,432</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 427,573</u></u>	<u><u>\$ 302,679</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$ (2,447)	\$ 10,155
(Increase) decrease in prepaids and other	(1)	1,619
Net change in accounts payable and accrued liabilities	<u>(12,464)</u>	<u>12,820</u>
Net cash provided by (used in) operating activities	<u><u>\$ (14,912)</u></u>	<u><u>\$ 24,594</u></u>

Oklahoma City Industrial and Cultural Facilities Trust

A Component Unit of the City of Oklahoma City, Oklahoma

Notes to Financial Statements

June 30, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The Oklahoma City Industrial and Cultural Facilities Trust (the Trust) is an Oklahoma public trust and an agency of the State of Oklahoma. The Trust was created on December 15, 1962, to promote the development of industrial, manufacturing, medical, civic, cultural, and educational activities of the City of Oklahoma City, Oklahoma (the City) and the State of Oklahoma. The Trust was created under the provisions of Oklahoma State Statute Title 60 and other applicable statutes and laws. The City is the beneficiary of the Trust and will receive all residual trust funds and assets upon termination of the Trust.

Operations

The Trust arranges bond and loan financing through trustee banks to industrial, manufacturing, medical, civic, cultural, and educational enterprises located principally in the City for the purpose of constructing, purchasing, expanding, or otherwise improving the facilities required by such enterprises. In March 1998, the Trust acquired the Journal Record Building, which was damaged in the Alfred P. Murrah Federal Building bombing on April 19, 1995, to rehabilitate and restore the building. The building was sold in July 2015. The Trust maintains ownership of the adjacent land, which is currently leased to the new building owner.

Basis of Accounting

The Trust accounts for its operations as an enterprise fund. Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, similar to private business enterprises. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from nonexchange transactions are recognized when all applicable eligibility requirements are met. The Trust first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Trust considers all liquid debt instruments purchased with a maturity of three months or less and money market mutual funds to be cash equivalents. At June 30, 2020 and 2019, cash equivalents consisted primarily of money market accounts with brokers.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2020 and 2019

Investment and Investment Income

Investments in negotiable certificates of deposit are carried at fair value. Fair value is determined from quoted market prices. Investment income consists of interest income and the net change for the year in the fair value of the investments carried at fair value.

Note Receivable

The note receivable is recorded at the amount management expects to collect from outstanding balances. The Trust provides an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Based on this assessment, no allowance for doubtful accounts was required at June 30, 2020 or 2019.

Capital Assets

Capital assets are recorded at cost at the date of purchase or acquisition value at the date of donation if acquired by gift. Depreciation, if any, is computed using the straight-line method over the estimated useful life of the asset. At June 30, 2020 and 2019, capital assets consisted of land, which was not being depreciated.

Long-Lived Asset Impairment

The Trust evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended June 30, 2020 and 2019.

Net Position

The net position of a governmental entity is classified in four components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or donors external to the Trust, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Trust, such as permanent endowments. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

There was no restricted net position at June 30, 2020 and 2019.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2020 and 2019

Classification of Revenues

The Trust has classified its revenues as either operating or nonoperating according to the characteristics of exchange versus nonexchange transactions.

Administrative Fees

The Trust receives administrative fees from certain projects. Such fees are based on a percentage of the project's bonds outstanding (1/12 to 1/8 of 1%) or are fixed amounts as determined by the bond document. The Trust received \$1,000 and \$16,000 in administrative fees in fiscal years 2020 and 2019, respectively.

Income Taxes

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

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of the failure of a counterparty the Trust will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, not registered in the name of the Trust, or held by a counterparty or the counterparty's trust department but not in the name of the Trust.

The policy of the Trust is to require all deposits be maintained in accounts that are fully insured or collateralized. As of June 30, 2020 and 2019, the Trust had no uninsured or uncollateralized deposits. The Trust requires investment collateral be held by a third-party custodian with whom the Trust has a current custodial agreement in the Trust's name.

Deposits of the Trust at June 30, 2020 and 2019, were approximately \$223,000 and \$200,000, respectively.

Investments

The Trust has adopted Investment Policy Statements (the IPS) to govern the administration of the Trust's investment portfolio assets. Under the IPS, the Trust is limited to investment vehicles specifically authorized under Oklahoma State Statute Title 62 with a long-term investment discipline, including an emphasis on holdings for a minimum of five years. Investments permitted include direct obligations of the U.S. federal government, collateralized, or insured certificates of deposit, savings accounts, or certificates and other limited investment vehicles as permitted by state law.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2020 and 2019

The Trust's investments at June 30, 2020, consisted of a money market mutual fund and negotiable certificates of deposit.

Investments in the Goldman Sachs Financial Government Obligations Fund, included in cash equivalents, totaled approximately \$205,000 and \$103,000 at June 30, 2020 and 2019, respectively. The investment has ratings of AAAm and Aaa-mf by Standard & Poor's Ratings Group and Moody's Investors Service, Inc., respectively, and a weighted-average duration of 48 days and 24 days at June 30, 2020 and 2019, respectively.

Investments in negotiable certificates of deposit consisted of four certificates of deposit at June 30, 2020: two with a par value of \$125,000 and two with a par value of \$200,000. At June 30, 2020, the fair value of the certificates of deposit was \$660,523 and current maturities of the certificates of deposit were \$455,763, while the remaining certificates mature in fiscal years 2021 and 2022.

Investments in negotiable certificates of deposit consisted of six certificates of deposit at June 30, 2019: four with a par value of \$125,000, one with a par value of \$135,000, and one with a par value of \$115,000. At June 30, 2019, the fair value of the certificates of deposit was \$752,796 and current maturities of the certificates of deposit were \$500,644, while the remaining certificates mature in fiscal years 2021 and 2022.

The Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The Trust's recurring fair value measurements as of June 30, 2020 and 2019, are its cash equivalents included in the Goldman Sachs Financial Government Obligations Fund, which are valued using Level 1 inputs, and its certificates of deposit, which are valued using Level 2 inputs. The fair values are estimated by using quoted prices of investments with similar characteristics, or independent asset pricing services, and pricing models, the inputs of which are market-based or independently sourced prepayments, defaults, cumulative loss projections, and cash flows.

Note 3: Capital Assets and Related Note Payable

On March 17, 1998, the Trust entered into an agreement with the City to undertake the acquisition and improvement of the Journal Record Building, which was damaged in the bombing of the Alfred P. Murrah Federal Building on April 19, 1995. The Trust managed the operations of the building, which consisted primarily of housing a memorial museum and renting space to other parties, from that time until the sale of the building on July 9, 2015.

The required funding for this project was provided by the City through a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant. This funding was made in the form of a nonrecourse loan to the Trust and a grant, which does not require repayment.

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2020 and 2019

The proceeds from the loan were designated to provide for improvement to and ongoing operation, maintenance, and leasing of the Journal Record Building and ancillary facilities. Subsequent to the original agreement, this loan has been amended multiple times. During fiscal year 2015, the loan was not amended as negotiations to sell the Journal Record Building were underway. Instead, the Trust received a cash inflow of \$400,000 from the City to continue operations during the sale negotiations.

During July 2015, the Trust sold the Journal Record Building for approximately \$4,400,000 through multiple transactions. In addition, the loan agreement between the Trust and the City was amended to forgive the debt over and above the sales price in addition to any unpaid and accrued interest. As part of the sale, the Trust established a note receivable of approximately \$4,255,000 from the buyer, which bears interest at rates established in the note agreement and matures in 2045. Future principal payments on the note receivable will be used to pay the principal due on the note payable to the City. Interest earned on the note receivable will remain with the Trust and is required to be used for future economic development.

Capital assets consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Nondepreciable capital assets		
Land	<u>\$ 953,266</u>	<u>\$ 953,266</u>

Future principal payments on the note payable and future receipts on the note receivable consist of the following at June 30, 2020:

Year Ending June 30,	Long-Term Debt	Note Receivable		
		Principal	Interest *	Total
2021	\$ -	\$ -	\$ 21,000	\$ 21,000
2022	170,000	170,000	21,000	191,000
2023	170,000	170,000	20,000	190,000
2024	170,000	170,000	20,000	190,000
2025	170,000	170,000	19,000	189,000
2026–2030	851,000	851,000	396,000	1,247,000
2031–2035	851,000	851,000	357,000	1,208,000
2036–2040	851,000	851,000	230,000	1,081,000
2041–2045	851,000	851,000	102,000	953,000
2046	171,171	171,171	5,000	176,171
	<u>\$ 4,255,171</u>	<u>\$ 4,255,171</u>	<u>\$ 1,191,000</u>	<u>\$ 5,446,171</u>

*Rate of interest on note receivable is set at 0.5% for years 1–10. Beginning in fiscal year 2025, the rate of interest will be recalculated yearly to equal 50% of the prime rate published

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2020 and 2019

in the Wall Street Journal on July 9 of each year through the maturity of the loan, with a floor of 3.0% and a ceiling of 5.0%.

Note 4: Conduit Debt Obligations

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

As of June 30, 2020, there was one bond series of industrial revenue bonds and leasing obligations outstanding with an aggregate principal amount payable of \$131,196. As of June 30, 2019, there were two series of industrial revenue bonds and leasing obligations outstanding with an aggregate principal amount payable of \$507,061.

The bond series at June 30, 2020, is outstanding to Oklahoma Christian University, which matures in December 2020. The second bond series, outstanding to Oklahoma Christian University at June 30, 2019, matured in December 2019 and was paid off.

Note 5: Leases

As part of the purchase agreement described in *Note 3*, the buyer of the Journal Record Building agreed to lease the Journal Record Building's adjacent land at \$60,563 per year for a lease term of 99 years commencing on the possession date. The buyer has the option to purchase the land at the appraised value of \$1,275,000 for the first 10 years, fiscal years 2016 through 2026, and at amounts specified in the ground lease agreement after that. The buyer has constructed a multi-story parking garage on the land, as allowed in the purchase agreement.

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust
Oklahoma City, Oklahoma

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 basic financial statements of the Oklahoma City Industrial and Cultural Facilities Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma, which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2020.

Internal Control over Financial Reporting

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

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

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

Board of Trustees
Oklahoma City Industrial and Cultural Facilities Trust

Compliance and Other Matters

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

Purpose of This Report

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

BKD, LLP

Oklahoma City, Oklahoma
October 9, 2020

Oklahoma City Industrial and Cultural Facilities Trust
A Component Unit of the City of Oklahoma City, Oklahoma
Schedule of Findings and Responses
Year Ended June 30, 2020

Reference Number	Finding
	No matters are reportable.

Oklahoma City Industrial and Cultural Facilities Trust
Financial Statements
For the Period Ended March 31, 2021

Oklahoma City Industrial and Cultural Facilities Trust
Statement of Net Position
March 31, 2021

Assets

Current Assets	
Cash - Admin 1001	\$ 409,279
Cash - Revolving Loan Fund 3319	244,490
Interest Receivable - Investments	2,642
Interest Receivable - JRB	15,466
Prepaid Expenses	952
Total Current Assets	<u>672,828</u>
Investments	<u>477,962</u>
Loan Receivable - JRB Holdings	<u>4,255,171</u>
Parking Lot	<u>953,266</u>
Total Assets	<u>\$ 6,359,226</u>

Liabilities & Net Position

Liabilities	
Accrued Expenses	\$ 2,333
Deferred Income	16,468
Note Payable	4,255,171
Total Liabilities	<u>4,273,972</u>
Net Position	<u>2,085,254</u>
Total Liabilities & Net Position	<u>\$ 6,359,226</u>

Oklahoma City Industrial and Cultural Facilities Trust
Statement of Revenues, Expenses and Change in Net Position
For the Three Months and Nine Months Ending March 31, 2021

Revenues	Current	Year to Date
Interest Income-JRB Loan	\$ 5,319	\$ 15,957
Interest Income	2,136	9,245
Admin Fee Income	-	1,000
Rental Income - Parking Lot	15,141	45,422
	<hr/>	<hr/>
Total Revenues	22,595	71,624
	<hr/>	<hr/>
Expenses		
Management Fees	7,000	21,000
Professional Fees	300	18,502
Parking Lot Expenses	-	2,858
Office Expense	951	2,854
Change in Value of Investments	1,676	7,501
	<hr/>	<hr/>
Total Expenses	9,927	52,715
	<hr/>	<hr/>
Change in Net Position	12,668	18,908.46
	<hr/>	<hr/>
Net Position, beginning balance	2,072,586	2,066,346
	<hr/>	<hr/>
Net Position	\$ 2,085,254	\$ 2,085,254
	<hr/>	<hr/>

Oklahoma City Industrial and Cultural Facilities Trust
General Ledger
January 1, 2021 to Mar 31, 2021

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Admin Cash-021291001	1/1/21	Beginning Balance			360,223.78
Admin Cash-021291001	1/4/21	The Alliance for Econ Dev of O		2,333.33	
Admin Cash-021291001	1/4/21	Interest Income	6.60		
Admin Cash-021291001	1/8/21	Safra Natl. Bank CD	3,500.00		
Admin Cash-021291001	1/8/21	Goldman Sachs Bank CD	1,764.38		
Admin Cash-021291001	1/8/21	Safra Natl Bank CD Maturity 1/8/21	200,000.00		
Admin Cash-021291001	1/15/21	Oklahoma Christian University	1,000.00		
Admin Cash-021291001	2/1/21	Interest Income	11.47		
Admin Cash-021291001	2/4/21	The Alliance for Econ Dev of O		2,333.33	
Admin Cash-021291001	3/1/21	The Alliance for Econ Dev of O		2,333.33	
Admin Cash-021291001	3/1/21	Interest Income	12.95		
Admin Cash-021291001	3/22/21	Williams, Box, Forshee & Bulla		300.00	
Admin Cash-021291001	3/30/21	Wex Bank CD		149,940.41	
Admin Cash-021291001		Change	206,295.40	157,240.40	49,055.00
	3/31/21	Ending Balance			409,278.78
Midfirst Bank 3319 - Rv Ln Fnd	1/1/21	Beginning Balance			244,317.87
Midfirst Bank 3319 - Rv Ln Fnd	1/31/21	Interest Income	62.26		
Midfirst Bank 3319 - Rv Ln Fnd	2/28/21	Interest Income	56.24		
Midfirst Bank 3319 - Rv Ln Fnd	3/31/21	Interest Income	53.25		
Midfirst Bank 3319 - Rv Ln Fnd		Change	171.75		171.75
	3/31/21	Ending Balance			244,489.62
Accounts Receivable	1/1/21	Beginning Balance			1,000.00
Accounts Receivable	1/15/21	Oklahoma Christian University - Invoice: #1-2020		1,000.00	
Accounts Receivable		Change		1,000.00	-1,000.00
	3/31/21	Ending Balance			
Interest Receiv. - Investments	1/1/21	Beginning Balance			5,973.04
Interest Receiv. - Investments	1/8/21	Safra Natl. Bank CD - Cash Receipt of Interest Earned 1.750% 1/8/21		3,500.00	
Interest Receiv. - Investments	1/8/21	Goldman Sachs Bank CD - Cash Receipt of Interest Earned 1.750% 1/10/22		1,764.38	
Interest Receiv. - Investments	1/31/21	Accrued monthly interest due on CDs	839.00		
Interest Receiv. - Investments	2/28/21	Accrued monthly interest due on CDs	547.00		
Interest Receiv. - Investments	3/31/21	Accrued monthly interest due on CDs	547.00		
Interest Receiv. - Investments		Change	1,933.00	5,264.38	-3,331.38
	3/31/21	Ending Balance			2,641.66
Investments	1/1/21	Beginning Balance			529,697.00
Investments	1/8/21	Safra Natl Bank CD Maturity 1/8/21		200,000.00	
Investments	1/31/21	Record unrealized gain/loss on investment securities		568.00	
Investments	2/28/21	Record unrealized gain/loss on investment securities		496.25	
Investments	3/30/21	Wex Bank CD - CUSIP#92937CKK3; Wex Bank CD; Yield to maturity 0.15%	149,940.41		
Investments	3/31/21	Record unrealized gain/loss on investment securities		611.50	
Investments		Change	149,940.41	201,675.75	-51,735.34

Oklahoma City Industrial and Cultural Facilities Trust
General Ledger
January 1, 2021 to Mar 31, 2021

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
	3/31/21	Ending Balance			477,961.66
Pre-paid expenses	1/1/21	Beginning Balance			1,902.86
Pre-paid expenses	1/31/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)		317.12	
Pre-paid expenses	2/28/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)		317.12	
Pre-paid expenses	3/31/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)		317.12	
Pre-paid expenses		Change		951.36	-951.36
	3/31/21	Ending Balance			951.50
Interest Receivable - JRB Loan	1/1/21	Beginning Balance			10,147.07
Interest Receivable - JRB Loan	1/31/21	Accrue monthly interest due on Note Receivable for JRB loan	1,772.98		
Interest Receivable - JRB Loan	2/28/21	Accrue monthly interest due on Note Receivable for JRB loan	1,772.99		
Interest Receivable - JRB Loan	3/31/21	Accrue monthly interest due on Note Receivable for JRB loan	1,772.99		
Interest Receivable - JRB Loan		Change	5,318.96		5,318.96
	3/31/21	Ending Balance			15,466.03
Loan Receivable - JRB Holdings	1/1/21	Beginning Balance			4,255,171.20
	3/31/21	Ending Balance			4,255,171.20
Parking Lot	1/1/21	Beginning Balance			953,265.80
	3/31/21	Ending Balance			953,265.80
Accrued Expenses	1/1/21	Beginning Balance			-2,333.33
Accrued Expenses	1/4/21	The Alliance for Econ Dev of O - Accrued Expenses	2,333.33		
Accrued Expenses	1/31/21	Accrue monthly management fee due to AED		2,333.33	
Accrued Expenses	2/4/21	The Alliance for Econ Dev of O - Accrued Expenses	2,333.33		
Accrued Expenses	2/28/21	Accrue monthly management fee due to AED		2,333.33	
Accrued Expenses	3/1/21	The Alliance for Econ Dev of O - Accrued Expenses	2,333.33		
Accrued Expenses	3/31/21	Accrue monthly management fee due to AED		2,333.33	
Accrued Expenses		Change	6,999.99	6,999.99	
	3/31/21	Ending Balance			-2,333.33
Deferred Income - Parking Lot	1/1/21	Beginning Balance			-31,608.32
Deferred Income - Parking Lot	1/31/21	Recognize monthly rent-parking lot	5,046.92		
Deferred Income - Parking Lot	2/28/21	Recognize monthly rent-parking lot	5,046.92		
Deferred Income - Parking Lot	3/31/21	Recognize monthly rent-parking lot	5,046.92		
Deferred Income - Parking Lot		Change	15,140.76		15,140.76
	3/31/21	Ending Balance			-16,467.56
Note Payable	1/1/21	Beginning Balance			-4,255,171.20
	3/31/21	Ending Balance			-4,255,171.20
Fund Balance	1/1/21	Beginning Balance			-2,066,345.70
	3/31/21	Ending Balance			-2,066,345.70
Interest Income	1/1/21	Beginning Balance			-464.88
Interest Income	1/4/21	Interest Income		6.60	
Interest Income	1/31/21	Interest Income		62.26	
Interest Income	2/1/21	Interest Income		11.47	

Oklahoma City Industrial and Cultural Facilities Trust
General Ledger
January 1, 2021 to Mar 31, 2021

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Interest Income	2/28/21	Interest Income		56.24	
Interest Income	3/1/21	Interest Income		12.95	
Interest Income	3/31/21	Interest Income		53.25	
Interest Income		Change		202.77	-202.77
	3/31/21	Ending Balance			-667.65
Interest Income-JRB Loan	1/1/21	Beginning Balance			-10,637.88
Interest Income-JRB Loan	1/31/21	Accrue monthly interest due on Note Receivable for JRB loan		1,772.98	
Interest Income-JRB Loan	2/28/21	Accrue monthly interest due on Note Receivable for JRB loan		1,772.99	
Interest Income-JRB Loan	3/31/21	Accrue monthly interest due on Note Receivable for JRB loan		1,772.99	
Interest Income-JRB Loan		Change		5,318.96	-5,318.96
	3/31/21	Ending Balance			-15,956.84
Interest Income - inv	1/1/21	Beginning Balance			-6,644.00
Interest Income - inv	1/31/21	Accrued monthly interest due on CDs		839.00	
Interest Income - inv	2/28/21	Accrued monthly interest due on CDs		547.00	
Interest Income - inv	3/31/21	Accrued monthly interest due on CDs		547.00	
Interest Income - inv		Change		1,933.00	-1,933.00
	3/31/21	Ending Balance			-8,577.00
Admin Fees Income	1/1/21	Beginning Balance			-1,000.00
	3/31/21	Ending Balance			-1,000.00
Rent Income - Parking Lot	1/1/21	Beginning Balance			-30,281.52
Rent Income - Parking Lot	1/31/21	Recognize monthly rent-parking lot		5,046.92	
Rent Income - Parking Lot	2/28/21	Recognize monthly rent-parking lot		5,046.92	
Rent Income - Parking Lot	3/31/21	Recognize monthly rent-parking lot		5,046.92	
Rent Income - Parking Lot		Change		15,140.76	-15,140.76
	3/31/21	Ending Balance			-45,422.28
Management Fees	1/1/21	Beginning Balance			14,000.02
Management Fees	1/31/21	Accrue monthly management fee due to AED	2,333.33		
Management Fees	2/28/21	Accrue monthly management fee due to AED	2,333.33		
Management Fees	3/31/21	Accrue monthly management fee due to AED	2,333.33		
Management Fees		Change	6,999.99		6,999.99
	3/31/21	Ending Balance			21,000.01
Professional Fees	1/1/21	Beginning Balance			18,202.00
Professional Fees	3/22/21	Williams, Box, Forshee & Bulla - Professional Fees	300.00		
Professional Fees		Change	300.00		300.00
	3/31/21	Ending Balance			18,502.00
Parking Lot Expenses	1/1/21	Beginning Balance			2,858.03
	3/31/21	Ending Balance			2,858.03
Office Expense	1/1/21	Beginning Balance			1,902.66
Office Expense	1/31/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)	317.12		
Office Expense	2/28/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)	317.12		

Oklahoma City Industrial and Cultural Facilities Trust
General Ledger
January 1, 2021 to Mar 31, 2021

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Office Expense	3/31/21	Recognize monthly portion of Insurica D&O insurance (7/1-7/1)	317.12		
Office Expense		Change	951.36		951.36
	3/31/21	Ending Balance			2,854.02
Unrealized Gain/Loss - Inv	1/1/21	Beginning Balance			5,825.50
Unrealized Gain/Loss - Inv	1/31/21	Record unrealized gain/loss on investment securities	568.00		
Unrealized Gain/Loss - Inv	2/28/21	Record unrealized gain/loss on investment securities	496.25		
Unrealized Gain/Loss - Inv	3/31/21	Record unrealized gain/loss on investment securities	611.50		
Unrealized Gain/Loss - Inv		Change	1,675.75		1,675.75
	3/31/21	Ending Balance			7,501.25

Oklahoma City Industrial and Cultural Facilities Trust
Budgeted Statement of Revenues and Expenses
For the Annual Period Ending June 30, 2022

	2021-22 Budget	2020-21 Projected	Difference
Revenues			
Interest	2,000	10,800	(8,800)
Administrative Fees	1,000	1,000	-
Interest - JRB Note Receivable	20,424	21,276	(852)
Lease - Parking Lot	60,563	60,563	-
Total Revenues	83,987	93,639	(9,652)
Expenses			
Professional Fees	30,000	30,000	-
Management Fees - Alliance	28,000	28,000	-
Parking Lot	3,000	2,858	142
Office	4,000	3,800	200
Total Expenses	65,000	64,658	342
Net Income	18,987	28,981	(9,994)

Assumptions:

Interest - decreases based on lower interest rates and investment balances

Interest - JRB Note Receivable - decreases slightly due to first principal payment due in July 2021

All other revenues and expenses remain similar to prior year

Unrealized gain/loss on investments is not budgeted

Economic Development Services Agreement

This Economic Development Services Agreement (this “Agreement”) is entered into this ____ day of _____, 2021 between The Alliance for Economic Development of Oklahoma City, Inc., an Oklahoma not-for-profit corporation, (“The Alliance”) and the Oklahoma City Industrial and Cultural Facilities Trust, an Oklahoma statutory public trust with Oklahoma City as its beneficiary, (“I&C Trust”).”

Recitals

- A. Pursuant to Title 60 of the Oklahoma Statutes, Sections 176, *et seq.*, I&C Trust is a public body corporate and politic created for the purposes of developing industry, culture, industrial manufacturing, and cultural and educational activities in Oklahoma City and to thereby provide cultural facilities and additional employment and activities that will benefit and strength the culture and economy of Oklahoma City and the of the State of Oklahoma.
- B. I&C Trust desires to promote, foster, and develop economic growth in Oklahoma City, Oklahoma.
- C. The Alliance was created to foster economic development through private and public collaborations, to create new job opportunities, and to bring about urban redevelopment by means of consolidated public agency economic development functions.
- D. Having determined that contracting with The Alliance to provide economic development services will greatly enhance I&C Trust’s governmental effectiveness and coordination, I&C Trust desires to engage The Alliance to provide professional economic development expertise and services, and to serve as I&C Trust’s General Manager for the implementation, management, and administration of I&C Trust’s economic development activities and programs.
- E. The Alliance desires to provide I&C Trust with the professional services requested in this Agreement.

Agreement

1. The Engagement; Description of the Services; Standard of Care; Resources Provided by I&C Trust.

1.1 The Engagement. I&C Trust engages The Alliance to provide I&C Trust professional services and resources, including managerial services, administrative services, professional economic development services, and other contract professional services and resources (collectively, the “Services”), as more fully described in subsection 1.2, all as needed to carry out the economic development programs undertaken or supported by I&C Trust. The Alliance accepts such engagement and agrees to provide the Services. In providing the Services, the parties agree that The Alliance will not make public policy decisions regarding economic development, but that I&C Trust’s Trustees and other public bodies will make such public policy

decisions. The Services require communication between The Alliance's President and I&C Trust's Chairman, as detailed in this Agreement. All references to "I&C Trust's Chairman" include I&C Trust's Vice-Chairman if the Chairman is absent or unavailable.

1.2 Description of the Services. The Services include providing the services of The Alliance's designated President, who will serve as I&C Trust's General Manager and who will implement, manage, administer, and advance I&C Trust's economic development and other programs and functions; who will oversee and provide management and direction to a professional staff; and who will secure, retain, coordinate, and implement other related resources and professional services necessary for accomplishment of the successful economic development, and other I&C Trust operations, including the advancement of public/private partnerships for ongoing economic development. The Services also include: (1) submission of periodic updates and progress reports to I&C Trust; (2) submission of documentation (within the control of The Alliance or its President) requested by I&C Trust or its Chairman; (3) responsiveness to requests for information and documentation made by I&C Trust's Chairman related to any aspect of the Services. The Services may be refined and amended from time to time by the parties' mutual agreement. The Alliance will be responsible for I&C Trust's day-to-day operations.

1.3 Standard of Care. The Alliance agrees to devote its best efforts and resources to I&C Trust's interests and to endeavor in every way to successfully carry out the Services and to promote I&C Trust's economic development plans and programs. The Alliance will provide the Services in accordance with this Agreement and will act in its professional capacity, in I&C Trust's best interests, exercising the care, skill, prudence, and diligence normally provided by competent professionals practicing in The Alliance's profession providing similar services on projects similar in scope contemplated by this Agreement and in compliance with applicable laws. The Alliance will remedy any defect in the Services promptly upon discovery or receipt of Notice from I&C Trust of such defect. The Alliance's execution of this Agreement is a representation that the Alliance and its management employees are familiar with Federal, State, and local laws, ordinances, and regulations applicable to the Services.

1.4 Resources Provided by I&C Trust. Prior to the commencement of the Term, I&C Trust provided and paid for certain personnel and other costs of its operations. I&C Trust will continue to provide such resources and other resources, which resources may be altered or adjusted from time to time, all as determined by I&C Trust's Chairman.

2. Compensation for the Services and Payment.

2.1 I&C Trust will pay The Alliance an annual professional services fee (the "Annual Fee") to be paid periodically throughout each fiscal year, starting on July 1 and ending on June 30. In addition, the parties recognize that there may be initial and transitional expenses that The Alliance may incur in undertaking the obligations set out in this Agreement. For the first fiscal year of this Agreement (beginning on July 1, 2021), the Annual Fee will be Twenty Eight Thousand Dollars (\$28,000.00). The Alliance may increase the Annual Fee on an annual basis, such increase not to exceed 3% each fiscal year. In that event, The Alliance will send Notice to I&C Trust of the increase. Thereafter, the Annual Fee will be as mutually agreed to by the parties in writing. The Annual Fee will be paid in a lump sum or periodically, based on invoices properly submitted to

I&C Trust by The Alliance.

2.2 Revenue. Except as may otherwise be provided in this Agreement, all revenue generated by The Alliance, if any, will be retained by The Alliance consistent with its not-for-profit status and its mission of supporting economic development.

3. Term, Renewal, and Termination.

3.1 Term and Termination. The term of this Agreement (the “Term”) commences on July 1, 2021 (the “Effective Date”) and, unless earlier terminated, will continue for a period of ten years, ending on June 30, 2031.

3.2 Renewal. I&C Trust may renew and extend the Term for additional periods of ten years each (each a “Renewal Term”) on terms mutually-agreeable to the parties. I&C Trust may exercise such renewal option by delivering Notice to The Alliance not less than 60 calendar days prior to the expiration of the Term or the then-current Renewal Term. The Alliance must give Notice of its intent not to renew this Agreement to I&C Trust at least 90 calendar days prior to the end of the Term or the then-current Renewal Term.

4. Periodic Performance and Compensation Review. I&C Trust will periodically review the progress and performance of the Services, and The Alliance’s President and I&C Trust’s Chairman will meet to discuss such progress and performance, and any necessary or desirable revisions to the Services or the Annual Fee. The Alliance will provide I&C Trust with reports and any other issues or topics relevant to the accomplishments of the objectives set out in this Agreement. On an annual basis and in a timely manner to allow for recommended funding levels to be included in I&C Trust’s fiscal year budgets, the Alliance’s President and I&C Trust’s Chairman will meet to establish the Annual Fee for the next ensuing fiscal year.

5. Indemnity. To the fullest extent permitted by law, The Alliance will indemnify, release, and hold I&C Trust and its trustees, officers, employees, and agents harmless from and against any and all claims, losses, damages, demands, causes of action, suits, judgments, and liabilities of every kind and character, litigation, court costs, expert fees, reasonable attorneys’ fees recoverable under applicable law, and any other recoverable costs of defense or resolution (each a “Claim”) incurred by or asserted against I&C Trust to the extent any Claim is caused by The Alliance’s negligent acts, errors or omissions, or willful misconduct in performing the Services. Nothing in this Agreement will cause The Alliance to assume liability or indemnity for any Claim to the extent such Claim is caused by I&C Trust’s negligence or willful misconduct.

6. Insurance.

6.1 The Alliance’s Policies. The Alliance will obtain, pay for, and at all times during the Term and each Renewal Term maintain insurance policies (“The Alliance’s Policies”) of the types and with the minimum limits set out on Exhibit A. The Alliance’s Policies must be issued by solvent and reputable insurance companies that are authorized or eligible to do business in the State of Oklahoma and that are satisfactory to I&C Trust. The Alliance’s Policies must require 30 calendar days’ (10 days if premium is unpaid) prior notice to I&C Trust before The Alliance’s Policies are cancelled by the Insurer or the limit of liability is reduced by endorsement. In that

event, The Alliance must take all reasonable efforts to have the full amount of the required limits reinstated. Further, all liability policies must contain the following “Severability of Interest” provision:

With respect to claims involving any insured hereunder, except with respect to limits of insurance, each such interest will be deemed separate from any and all other interest herein, and coverage will apply as though each such interest was separately insured.

The insurance must be evidenced by properly executed certificate(s) of insurance on forms acceptable to I&C Trust and signed by the authorized representative of the insurance company(s). The Alliance must deliver to I&C Trust an industry-standard certificate(s) of insurance evidencing the insurance in effect at that time upon request.

6.2 No Work Without Insurance. No work may commence under this Agreement unless and until The Alliance’s Policies are in effect.

6.3 The Alliance’s Insurance Program. The insurance required by this Section is designed to meet I&C Trust’s minimum requirements. Such coverage and limits are not designed as a recommended insurance program for The Alliance which is solely responsible for the sufficiency of its own insurance program.

7. Assignment and Binding Effect. The parties acknowledge that The Alliance may contract with one or more third parties to provide some or all of the Services. Otherwise, The Alliance may not assign this Agreement, in whole or in part, by assignment or operation of law, and may not assign any of its rights or delegate any of its obligations under this Agreement without I&C Trust’s consent, such consent not to be unreasonably withheld. To the extent that there are successors or assigns permitted under this Section, this Agreement will be binding on and benefit the parties and their respective successors and assigns.

8. Contractors and Consultants. The Alliance will require its contractors, subcontractors, and consultants (if any) providing Services under this Agreement to provide the Services at the same standard of care required of The Alliance. The Alliance will provide I&C Trust with the names of any contractors, subcontractors or consultants so engaged by The Alliance and if any the Services are directly funded by I&C Trust pursuant to this Agreement, I&C Trust reserves the right for its Chairman to meet with The Alliance’s President to discuss the status and continued need of such contractor, subcontractor or consultant.

9. The Alliance’s Books and Records; Audit.

9.1 Audited Financials Required. At its expense, The Alliance will cause its financial statements to be audited on an annual basis by an auditing firm selected by The Alliance and approved by I&C Trust’s Chairman, which approval will not be unreasonably withheld. The Alliance will provide three copies of the audited financial statements to I&C Trust. The audit report must contain an opinion expressed by the auditor concerning the fair representation, in all material respects, of The Alliance’s financial position and the accuracy of the financial records maintained

by The Alliance. The audit must also include a statement prepared in accordance with generally accepted accounting principles by a certified public accountant reporting whether any payments made by The Alliance on I&C Trust's behalf during the audit period were made in compliance with this Agreement.

9.2 Records to be Maintained. During the Term and each Renewal Term, The Alliance will maintain and retain for not less than five years from the date of final payment on each contract, complete and accurate records (the "Records") of all of The Alliance's expenditures and revenues associated with any funding provided by I&C Trust. The Records include: (a) payroll records; (b) invoices for purchases, receiving and issuing documents, and other unit inventory records for The Alliance's supplies, equipment, stocks or capital items; and (c) paid invoices and cancelled checks for materials and services (including professional services) purchased and for subcontractors' and any other third parties' charges.

9.3 Audit Procedure. I&C Trust will have the right, at any reasonable time during regular business hours, to inspect and audit the Records, and to interview any current or former employee of The Alliance regarding the Records and this Agreement. Such inspection, audit, and interviews will be done by I&C Trust's authorized representative or by a public accounting firm selected by I&C Trust (in either case, ("I&C Trust's Representative"). The Alliance must provide I&C Trust's Representative with adequate workspace and unrestricted access to inspect The Alliance's books and records, and any and all information, materials, and data of any kind and character that may, in the judgment of I&C Trust's Representative, reasonably relate to, any matters, rights, duties or obligations under this Agreement, all to the extent necessary to adequately permit evaluation and verification of The Alliance's compliance with this Agreement. Any such inspection and other actions must be conducted in a manner and time and place to not unreasonably interfere with the Alliance's business and activities. I&C Trust must keep all of the Alliance's proprietary, non-public information confidential and no copies of the Records may be made without The Alliance's prior written consent, such consent not to be unreasonably withheld. I&C Trust's right to such an audit of any fiscal year will expire five years after the end of the fiscal year, or longer, if required by law, but may not be conducted more often than once every fiscal year without just cause.

10. Disclosure of Documents. The parties acknowledge that a purpose of this Agreement is to allow I&C Trust to participate in the most effective manner possible in the national and international competition for local economic development and job creation, with the further recognition that premature disclosure of economic development prospects may lead to I&C Trust's elimination from economic development competitions. As stated in subsection 1.1, the parties agree that The Alliance will not make public policy decisions regarding economic development, but that I&C Trust's Trustees and other public bodies will make such public policy decisions. Accordingly, documents and records coming into the possession of these public bodies (or their employees or representatives) will be subject to public inspection. It is also recognized that the citizens have a legitimate interest in having the opportunity to inspect documents associated with economic development.

In an effort to give balance to these factors, the parties agree as follows:

A. Certain professional services to be rendered by The Alliance in providing the

Services have previously been performed by I&C Trust employees. All documents and records that come into the possession of I&C Trust's employees, including those assigned to assist The Alliance, will be available for public inspection to the extent required by the Oklahoma Open Records Act.

B. All documents and records of The Alliance directly related to Scope of Services will be available for public inspection, except as otherwise provided by this Section.

C. All final studies or reports procured by The Alliance will be subject to public inspection regardless of the funding source. Any preliminary or interim study or report received by The Alliance, funded directly or indirectly with public funds received from I&C Trust or any public trust or entity, will be subject to public inspection if the study or report is abandoned or terminated for any reason.

D. The Alliance is not obligated to make available for public inspection the following:

1. Business plans, feasibility studies, financing proposals, marketing plans, financial statements or trade secrets submitted by a person or entity seeking economic advice, business development or customized training from The Alliance. However, those documents may not be kept confidential when and to the extent the person or entity submitting the information consents to disclosure.

2. Proprietary information of a business submitted to The Alliance for the purpose of business development or customized training, and related confidentiality agreements detailing the information or records designated as confidential.

3. Except as provided in subsection (C) above, preliminary and working drafts of documents and records.

4. Documents and records that disclose a prospective economic development prospect or location and related financial data and other information in The Alliance's possession, are for the purpose of evaluating and advancing an economic development prospect. Documents and records exempt from public disclosure by this subsection (4) will nonetheless be made available for public inspection one year after The Alliance's work terminates with respect to an economic development prospect.

5. Those materials that would not be subject to the Oklahoma Open Records Act if The Alliance were a governmental entity subject to the Oklahoma Open Records Act.

E. The receipt of any request by I&C Trust's Secretary for public inspection of documents in The Alliance's possession will be promptly forwarded to The Alliance, which will respond to such request in a timely manner.

F. Nothing in this Section is intended to alter or impact otherwise legally required compliance by any person or entity with the Oklahoma Open Records Act.

11. Force Majeure. Neither party will be liable or responsible to the other party nor be deemed to have materially breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including, but not limited to, fire, floods, earthquakes, natural disasters, embargoes, war, acts of war (whether war be declared or not), acts of terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, other acts of God or acts, omissions or delays in acting by any governmental authority or the other party.

12. Notices. All notices and other communications required, permitted, or contemplated by this Agreement (“Notices” and each a “Notice”) must be in writing, signed by the party giving the Notice, and sent using the contact information below. Notices must be sent by: (1) hand-delivery in return for a receipt; (2) United States mail with postage prepaid; (3) nationally recognized overnight courier service; or (4) email, so long as the intended recipient acknowledges by email or other writing as having received the Notice (with an automatic “read receipt” not constituting acknowledgment). A Notice is effective on the earlier of: (1) the date of actual delivery; or (2) for mailed Notices (without a return receipt), three business days after the date of mailing. However, if the receipt of Notice is refused, the Notice is effective upon attempted delivery. Either party may change its contact information by notifying the other party as required by this Section.

Notices to The Alliance will be addressed as follows:

The Alliance for Economic Development of Oklahoma City
Attn: Catherine O’Connor, Executive Director
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102
Email Address: cathy.oconnor@theallianceokc.org

Notices to I&C Trust will be addressed as follows:

Oklahoma City Industrial and Cultural Facilities Trust
Attn: Chairman
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102

13. Termination. Either party may terminate this Agreement (or any portion of it), with or without cause, upon Notice delivered to the other party. If termination is for cause, which includes any impropriety, default, or breach of contract on the part of the non-terminating party, then the terminating party must provide 30 calendar days’ Notice to the other party. If I&C Trust wishes to terminate this Agreement without cause and for its own convenience, then I&C Trust must give Notice to The Alliance at least 90 calendar days prior to the termination. If The Alliance wishes to terminate this Agreement without cause and for its own convenience, then The Alliance must give Notice to I&C Trust at least 120 calendar days prior to the termination. In the event of any termination, The Alliance must stop all Services as of the date of termination, and return any work product under development (whether complete or incomplete) to I&C Trust. I&C Trust will pay The Alliance for all Services properly performed up to the date of termination.

14. Miscellaneous Provisions.

Independent Contractor. The Alliance is and will remain an independent contractor in all respects and not I&C Trust's agent, representative or employee.

14.1 Relationship of the Parties. This Agreement does not create and will not be construed as creating an agency, partnership, joint venture or employment relationship between the parties. No other person or entity is entitled to rely on this Agreement, receive any benefit from it, or enforce any provision of it against either party.

14.2 Rights and Remedies Cumulative. The rights and remedies granted to the parties in this Agreement are cumulative of every other right or remedy that such party might otherwise have at law or in equity, and the exercise of one or more rights or remedies will not prejudice the concurrent or subsequent exercise of other rights or remedies.

14.3 Conflict of Interests; Representatives Not Individually Liable. No member, official, or employee of either party will have any personal interest, direct or indirect, in this Agreement, nor will any such member, official, or employee participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is interested, directly or indirectly. No member, official, or employee of either party will be personally liable to the other party with respect to this Agreement.

14.4 Choice of Law; Jurisdiction and Venue. The laws of the State of Oklahoma (excluding its conflict of laws rules that would apply the laws of another jurisdiction) exclusively apply to this Agreement. Any claim arising directly or indirectly from or relating to this Agreement must be filed and maintained exclusively in a court of competent jurisdiction in the state or federal courts located in Oklahoma County, Oklahoma. The parties submit to that jurisdiction and venue for all purposes.

14.5 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter. All prior and contemporaneous written or oral agreements and communications between the parties are superseded by this Agreement. This Agreement may not be supplemented or modified except in a written agreement properly executed by the parties. The Exhibit and documents referenced in this Agreement are incorporated into this Agreement by reference and are an integral part of this Agreement.

14.6 Waiver. The terms of this Agreement may be waived only by a written document executed and delivered by the waiving party to the other party. No course of dealing between the parties, delay in the exercise of any rights under this Agreement, or failure to object to any action or omission constitutes a waiver of any terms of this Agreement. A waiver of any term of this Agreement will not constitute a continuing waiver of that term.

14.7 Severability. If any provision of this Agreement is determined to be to any extent invalid, illegal, or unenforceable, it will be deemed stricken from this Agreement. All other provisions of this Agreement will remain in full force and effect. The stricken provision will then

be deemed replaced with one that is valid and enforceable and that comes closest to expressing the parties' original intent.

14.8 No Presumption as to Drafter. In the construction and interpretation of this Agreement, the rule that a document is to be construed most strictly against the party who prepared it does not apply because both parties participated in its preparation.

14.9 Headings. The headings in this Agreement are for convenience of reference only and do not constitute a part of it or affect its interpretation.

14.10 Counterpart Execution. This Agreement may be signed in counterparts, each one of which is considered an original, but all of which constitute one and the same instrument.

14.11 Survival. The following Sections of this Agreement will survive termination of it: subsection titled *Standard of Care*, Section titled *Indemnity*, subsection titled *Independent Contractor*, and any other Section or subsection that by its nature is intended to survive termination.

14.12 Authority. Each party represents and warrants to the other that: (1) it has full authority and power to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement is fully empowered to do so; and (3) no consent or authorization is necessary from any third party.

[Balance of Page Intentionally Left Blank – Signature Page and Exhibit follow]

Signature Page to Economic Development Services Agreement

The Alliance for Economic Development of Oklahoma City, Inc.,
an Oklahoma not-for-profit corporation

By: _____

Printed Name: Catherine O'Connor

Title: President

Date Executed: _____

Oklahoma City Industrial and Cultural Facilities Trust,
an Oklahoma statutory public trust

By: _____

Printed Name: _____

Title: Chairman

Date Executed: _____

Exhibit A to Agreement
The Alliance's Insurance Requirements

- Workers' compensation to meet the statutory requirements of the laws of the State of Oklahoma.
- Commercial general liability insurance with bodily injury limits and property damage limits in amounts not less than I&C Trust's maximum liability under the Governmental Tort Claims Act, 51 Okla. Stat. § 151 *et seq.*, as amended from time to time and that currently are:
 - Property damage limit in an amount not less than \$25,000.00 per claimant for loss, damage to or destruction of property, including consequential damages arising out of a single accident or occurrence
 - All other liability in an amount not less than \$175,000.00 per claimant for claims including death, personal injury, and all other claims arising out of a single accident or occurrence
 - Single occurrence or accident liability in an amount not less than \$1,000,000.00 for any number of claims arising out of a single accident or occurrence
- Automobile liability insurance covering owned, hired, and non-owned vehicles used by The Alliance, with bodily injury limits and property damage limits as follows:
 - Bodily injury liability: \$175,000.00 limit per person; \$1,000,000.00 limit each accident
 - Property damage liability: \$25,000.00 limit each accident
 - Bodily injury and property damage liability: \$1,000,000.00 combined single limit each accident

RESOLUTION

WHEREAS, the Trustees of the Oklahoma City Industrial and Cultural Facilities Trust (“Trust”) desire to elect and appoint officers of the Trust and to authorize its officers to act for and on behalf of the Trust.

NOW, THEREFORE, BE IT RESOLVED by the Trust that:

1. The following are hereby appointed and elected as officers of the Trust, to serve until their successors are duly elected and appointed:

Robert H. Alexander, Jr – Chair
J. Larry Nichols – Vice-chair and Secretary
Clayton I. Bennett – Vice-chair
Lindy Ritz – Vice-chair
David Rainbolt – Vice-chair
Catherine R. O’Connor – General Manager and Assistant Secretary
John Michael Williams – General Counsel and Assistant Secretary

2. To facilitate operations between meeting of the Trust, the Chair, the Vice-chairs in the absence of the Chair, and General Manager, or any one of them, are authorized to take actions for and on behalf of the Trust as necessary to conduct the operations and management of the Trust, to include matters related to the Journal Record Building and related land, pursuit of economic development prospects, and to authorize necessary funding for same; the General Counsel is authorized to conduct the legal affairs of the Trust; and, the Secretary and Assistant Secretaries are authorized to act on behalf of the Trust consistent with their offices; all to be in accordance with best practices and laws applicable to Oklahoma public trusts.

ADOPTED June 7, 2021.

OKLAHOMA CITY INDUSTRIAL AND
CULTURAL FACILITIES TRUST

Chair

(SEAL)

ATTEST:

Secretary