

**OKLAHOMA INDUSTRIAL FINANCE AUTHORITY**  
**REGULAR MEETING**  
**October 30, 2024**

The Directors of the Oklahoma Industrial Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, October 30, 2024, in the Conference Room of the Oklahoma Industrial Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Bridge Cox, Chairman  
Mr. Pete Carey, Vice Chairman  
Mr. Matthew Caldwell, Secretary-Treasurer  
Mr. Hank Bradley, Member  
Mr. Patty Broome, Member  
Mr. Keith Ventris, Member  
Mr. Todd Russ, Non-voting Member

The following members of the Authority were ABSENT:

None

Others attending the meeting were members of the Oklahoma Industrial Finance Authority staff and other guests representing firms doing business with OIFA, who are listed on the Attendance Register which is kept in the original meeting file.

**ROLL CALL**

Chairman Cox called the meeting to order and requested a roll call from the Assistant Secretary, after which he declared a quorum present.

In response to a question by Chairman Cox, it was reported that notice of the meeting of the Authority was filed in the office of the Oklahoma Secretary of State and public notice of this meeting was posted in prominent view at 9220 North Kelley Avenue, Oklahoma City, Oklahoma, twenty-four (24) hours prior to this meeting excluding Saturdays, Sundays, and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

## **READING OF THE MINUTES**

Reading of the minutes of the September 25, 2024, meeting was waived. Director Carey made a motion to approve the minutes and was seconded by Director Caldwell. All members present voted AYE.

## **FINANCIAL REPORT**

Mr. Davis reported that the financial statements from September 30, 2024, are on pages 55 and 56. The interest income is \$525,000 versus \$528,000 the same period a year ago. The interest expense was \$441,000 versus \$428,000 a year ago. The net interest income was \$83,400 at FY' 25 year-to-date versus \$100,500 a year ago. The operating expenses are at \$65,000 versus \$56,000 a year ago. The net operating income is at \$19,000 versus \$45,000 last year. Mr. Davis added that we are carrying a little bit more personnel expense as Sunny transitions out. We did get some rate relief from the feds negative fifty basis point cut in early September, but our interest cost will not reset, until November 1st.

Director Caldwell made a motion to approve the financial report, as presented. Director Carey seconded the motion. All members present voted AYE.

Treasurer Russ had to leave the meeting after the financial report.

## **PRESENTATION AND POSSIBLE VOTE TO APPROVE THE OIFA AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2024.**

Mr. Davis introduced Tim Barnes with Finley & Cook to present the audit report. Mr. Barnes stated that for the year ending June 30, 2024, a clean and unmodified opinion was issued on the financial statements. This is the best opinion that you can get.

Mr. Barnes added that there were no adjustments to the management's financial statements. The staff does a good job preparing internal financials and it makes the audit easier. As part of the audit, we gain an understanding of the internal controls, and we test the controls over significant processes. This includes cash receipts, cash disbursements, investment income, loans, and expenses. These are the areas that this audit focuses on and material items which is a calculation that we do. They did not identify any weaknesses or fraud. Mr. Barnes stated again that this was a good audit.

Mr. Barnes pointed out that on page 74 there were recent accounting analysis that deals with compensated absences. Currently there is vacation that is being accrued for and its being accrued for because on severance it can be paid out. This new standard that was issued several years ago and there has been a little bit of diversity in the practice on how these are accounted for. It is a standard issue to deal with. As it relates to the Authority, we will need to look at compensated absences as it relates to sick leave. This is a benefit that if it is not paid out on severance, but that

standard wants us to look at what the likelihood of compensated occurring debt of sick leave being used that has been accrued for into the next year. Mr. Barnes will have to access this information and it's not that someone has five hundred hours accrued for at year end they aren't saying that we accrue that, but they do need to look at the probability of that being utilized if someone terminates or leaves without being utilized. He will have to do some type of look back analysis and they will help Courtney this became effective in July 2024 so in the next audit period the auditors will have to deal with that. This standard also requires tax related liabilities on compensation being accrued for some people don't do that. There are a couple of other standards that he could go over but he believes this could have an effect on additional liability to be accrued going forward.

On page 83 Mr. Barnes showed a payout schedule of a year for debt obligations. They did modify the debt to extend that maturity. This did not come into play until after year end, but the auditors reflected that amendment in the financial statements to present the new maturity date. Mr. Barnes stated that this is all he had for the Board.

Mr. Caldwell made a motion to approve the OIFA audit for fiscal year ended June 30, 2024, as presented. Mr. Carey seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Broome, Carey, Caldwell, Cox, Ventris

NAY: NONE

## **NEW LOAN APPLICATION/REQUESTS**

### **A. Ardmore Development Authority – Ardmore, OK**

#### **Discussion and possible vote granting approval for OIFA to originate a Taxable First Mortgage Loan on Real Estate in Ardmore, OK not to exceed \$5,000,000**

Mr. Stoner presented a new loan application for the Ardmore Development Authority granting OIFA to originate a taxable first mortgage loan on real estate in Ardmore, OK not to exceed \$5 million. Mr. Stoner added that in June the Board did approve this loan but because he misunderstood Mr. Stoner put in the loan packet that this loan was to be secured by a first real estate mortgage on a warehouse located at 425 Northrup Street. It is in fact on the airpark property which limits the Authority's ability to have a first mortgage real estate mortgage. The Authority will be getting a leasehold mortgage instead. What has happened since is there is a recommendation for consideration today to have a leasehold mortgage on the warehouse originally contemplated and also having a leasehold mortgage on a new corporate box hanger that was recently built at a cost of \$2 million. All in all, in addition to this \$2 million of pledged CD's that we will continue to have a pledged security agreement on, we will still have a \$7.6 million collateral position up to \$5 million loan amount. Mr. Stoner anticipates closing next month and the construction is scheduled in mid-November. Mr. Stoner updated that he has been working on an incentive opportunity that would lessen the Authority's exposure on a loan for potentially \$1 million that we could get additional incentive dollars for the project, and this would further reduce the Authority's risk exposure down closer to \$4 million. Mr. Stoner added that he met with the

loan committee, and they have a recommendation. Director Ventris made a motion on behalf of the loan committee to approve the loan. Director Carey seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Broome, Carey, Caldwell, Cox, Ventris

NAY: NONE

### **PRESIDENT'S REPORT**


Mr. Davis reported that most of the work has been on the ODFA side, although Jeremy and Mr. Crittenden have done a tremendous amount of work on the OIFA side. Mr. Davis then pointed the Board to the Quarterly Loan and Investment Portfolio on page 57 of the Board packet. There is no derogatory or negatives to report. The loan portfolio is performing, and you can see where the current rates are; and a rate change will be coming. The rates are certainly elevated but as these begin to reset again, we will have a little bit more pressure yield coming down as these loans reset. The pipeline is full, and the November and December meeting will be combined. The next board meeting is scheduled for December 11, 2024.

Mr. Davis stated that this concludes his President's report, and he would answer any questions.

### **ADJOURNMENT**

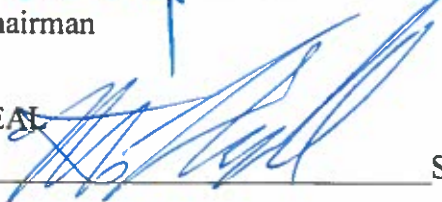
Chairman Cox asked if there was any further business. Director Ventris made a motion to adjourn the meeting. Director Bradley seconded the motion. All members present voted AYE, and the meeting was adjourned.

These minutes officially approved and adoption this 11<sup>th</sup> day of Dec., 2024.

  
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Chairman

SEAL

  
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Secretary