



**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**SEPTEMBER 30, 2024 and 2023**

**WITH**

**INDEPENDENT AUDITOR'S REPORTS**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Oklahoma Housing Finance Agency

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Oklahoma Housing Finance Agency (the Agency, or OHFA), a component unit of the State of Oklahoma, as of and for the years ended September 30, 2024 and 2023, and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, the schedule of OHFA's proportionate share of the net pension (asset) liability on page 39, the schedule of OHFA's pension contributions on page 40, the schedule of OHFA's proportionate share of the net Other Postemployment Employee Benefits (OPEB) liability (asset) on page 41, and the schedule of OHFA's OPEB contributions on page 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplemental information on pages 43 through 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of OHFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OHFA'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 OHFA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hogan Taylor" followed by the letters "LLP".

Oklahoma City, Oklahoma  
January 28, 2025

**OKLAHOMA HOUSING FINANCE AGENCY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(unaudited)**

**September 30, 2024 and 2023**

Oklahoma Housing Finance Agency (the Agency, or OHFA) was created in 1975 to provide funds to promote the development of adequate residential housing to families of Oklahoma with low and moderate incomes. OHFA is a self-supporting public trust and follows enterprise fund accounting.

As management of OHFA, we offer readers of OHFA's financial statements this narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2024 and 2023. This information is presented to provide additional information regarding the activities of OHFA and to meet the disclosure requirements of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This analysis should be read in conjunction with the basic financial statements, notes to financial statements, and supplemental information.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report of OHFA consists of three sections: management's discussion and analysis, the basic financial statements, and supplemental information. OHFA's basic financial statements include the following: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; the Statements of Cash Flows; and the Notes to the Basic Financial Statements.

The Statements of Net Position answer the question, "How is our financial health at the end of the year?" This statement includes all assets, deferred outflows, liabilities and deferred inflows of OHFA, both financial and capital, short term and long term, using the accrual basis of accounting and economic resources measurement focus, which is similar to the accounting used by most private-sector companies. The resulting net position presented in this statement is displayed as invested in capital assets, restricted and unrestricted. Assets are restricted when their use is subject to external limits such as bond resolutions, legal agreements or statutes. Assets not included in this category are characterized as unrestricted. Over time, changes in net position may serve as a useful indicator of whether the financial position of OHFA is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position measure the activities of OHFA's operations over the past year and present the operating income and change in net position. They can be used to determine whether OHFA has successfully recovered all its costs through mortgage and loan interest, investment interest, externally funded programs, and other revenue sources. These statements help answer the question, "Is OHFA, as a whole, better off or worse off as a result of this year's activities?"

The primary purpose of the Statements of Cash Flows is to provide information about the sources and uses of OHFA's cash and the components of the change in cash balance during the reporting period. These statements report cash receipts, cash payments, and net changes resulting from operating, noncapital financing, capital financing, and investing activities. It provides answers to such questions as "What were the sources of cash?" "How was cash used?" and "What was the change in cash balance during the reporting period?"

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the financial statements.

In addition, this report contains a Supplemental Combining Statement of Net Position for the Single Family Mortgage Revenue Bond Programs as well as a Supplemental Combining Statement of Revenues, Expenses, and Changes in Net Position for the various Single Family Mortgage Revenue Bond Programs. These supplemental schedules are presented to provide the reader with information regarding the financial condition of each Single Family Mortgage Revenue Bond Program of the Agency.

**FINANCIAL HIGHLIGHTS**  
**Year ended September 30, 2024**

- Total assets increased by \$283.9 million.
- Total liabilities increased by \$57.6 million.
- Net position increased by \$224.7 million.
- Made 2,160 single family mortgage loans available to first-time homebuyers compared to 2,030 in 2023.
- Provided 122,548 unit months of Section 8 rental assistance compared to 120,455 in 2023.
- Paid \$76.0 million in rental assistance to benefit Section 8 voucher holders compared to \$69.1 million in 2023.
- Paid \$85.8 million in rental assistance to project-based Section 8 properties compared to \$81.3 million in 2023.
- Oklahoma Governor approved the \$215.0 million Oklahoma Housing Stability Program (OHSP) on January 25, 2024. OHSP is a zero percent interest perpetual loan fund to stimulate production of single family and multi-family housing across Oklahoma. The program closed two loans in FY2024 for a total award amount of \$3.2 million. These are 0% interest loans with two year maturities.

**FINANCIAL HIGHLIGHTS**  
**Year ended September 30, 2023**

- Total assets increased by \$357.7 million.
- Total liabilities increased by \$365.9 million.
- Net position increased by \$0.6 million.
- Made 2,030 single family mortgage loans available to first-time homebuyers compared to 1,988 in 2022.
- Provided 120,455 unit months of Section 8 rental assistance compared to 118,065 in 2022.
- Paid \$69.1 million in rental assistance to benefit Section 8 voucher holders compared to \$60.6 million in 2022.
- Paid \$81.3 million in rental assistance to project-based Section 8 properties compared to \$79.5 million in 2022.
- Received \$215.0 million in appropriated funds from the Oklahoma Legislature for development and creation of a new housing loan program, the OHSP. The program will begin operation in fiscal 2024. This represents the first State Appropriated dollars OHFA has received in over 20 years.

The Agency has maintained a General Obligation issuer rating of A1 from Moody's Investors Service since June 2006. This rating reflects OHFA's sound financial condition and a bond program collateralized by highly rated mortgage-backed securities (MBS), as well as capable and dedicated management.

The Section 8 Voucher Program provides rental assistance to many elderly people, persons with disabilities, single parents, or working families in need of help with their rent payments.

The Single Family Loan Program provides affordable mortgages with down payment and closing cost assistance to homebuyers through proceeds from mortgage revenue bonds (first-time homebuyers) or selling MBS in the open market via the "To Be Announced" (TBA) Program (no first-time homebuyer requirement). Housing Tax Credits are provided to developers as an incentive to build new, affordable complexes or rehabilitate complexes in need of repair.

As Section 8 Contract Administrator for project-based Section 8 properties located throughout Oklahoma for the U.S. Department of Housing and Urban Development (HUD), OHFA's 2024 duties consisted of 166 properties, totaling 12,616 assisted units. The Agency receives a fee to administer the program based on the number of units under contract.

In late 2021, OHFA was awarded a contract with the U.S. Department of Treasury to administer the Homeowner Assistance Fund for the State of Oklahoma. The Oklahoma Homeowner Assistance Fund (HAF) is a temporary program made available through the American Rescue Plan Act. HAF provides financial assistance on behalf of homeowners who have experienced a significant financial hardship due to COVID-19. Eligible expenses to be paid with HAF funds include mortgage restatement, principal reduction, delinquent real estate taxes, restoration of homeowner insurance, and delinquent homeowner association dues.

Oklahoma House Bill 1031 established the OHSP. The Oklahoma Governor approved OHFA's OHSP in January 2024. This program provides funds for the new construction of single-family homes for purchase and for single-family or multi-family rental housing. It also provides down payment assistance for homebuyers who purchase homes built with OHSP financing.

## CONDENSED FINANCIAL INFORMATION

### Statement of Net Position

The following table presents condensed statements of net position for the Agency as of September 30 (in millions):

#### Condensed Statements of Net Position

	2024	2023	2022
<b>Assets</b>			
Current assets			
Unrestricted	\$ 57.4	\$ 67.1	\$ 119.4
Restricted	351.9	266.4	10.1
Noncurrent assets:			
Restricted	575.2	377.7	250.2
Net capital assets	18.0	18.7	13.7
Unrestricted	89.2	77.9	56.7
Total assets	1,091.7	807.8	450.1
Deferred outflows	2.8	4.3	1.2
<b>Liabilities</b>			
Current liabilities	93.2	284.1	91.5
Noncurrent liabilities	613.9	365.4	192.1
Total liabilities	707.1	649.5	283.6
Deferred inflows	0.4	0.3	6.0



	2024	2023	2022
<b>Net Position</b>			
Invested in capital assets	18.0	18.7	13.7
Restricted for single family bond programs	77.8	48.6	57.7
Restricted for Section 8 and Emergency Housing Voucher programs	0.1	0.1	0.4
Restricted for Oklahoma Housing Trust Fund	4.2	4.2	4.2
Restricted for Oklahoma Housing Stability Program	176.5	-	-
Unrestricted	110.4	90.7	85.7
Total net position	<u>\$ 387.0</u>	<u>\$ 162.3</u>	<u>\$ 161.7</u>

Explanations of significant variances between 2024 and 2023 on the condensed statements of net position follow:

The increase in total assets of \$283.9 million is primarily due 1) an increase in cash and investments related to the Agency issuing four new Single Family Bond series for \$270.0 million during FY 2024 against \$27.8 million in paydowns on bonds outstanding, for a net increase in bonds and notes payable (excluding unamortized premium) of \$242.2 million, 2) a \$26.9 million positive market value adjustment caused by significant decreases in market interest rates and an increase in the underlying investment base, which causes the value of investments to rise, 3) a \$13.7 million increase in Program Loans (net of allowances), and 4) a \$1.4 million increase in interest receivable offset with a \$0.6 million decrease in capital assets.

The increase in total liabilities of \$57.6 million is primarily due to the net effect of three factors: 1) a decrease in deferred revenue of \$165.8 million relating to the OHSP that were received (and deferred) in FY2023 and recognized as income in FY2024, and 2) a decrease in deferred revenues of \$29.5 million for HAF due to funds being expended for program purposes, and 3) the Agency bonds payable increasing due to net new debt of \$253.3 million (as the result of four new bond issues totaling \$270.0 million, net of paydowns on outstanding bonds).

The increase in net position of \$224.7 million from \$162.3 million in 2023 to \$387.0 million in 2024 is primarily due to an almost \$60.5 million operating profit and a \$164.2 million nonoperating surplus.

Explanations of significant variances between 2023 and 2022 on the condensed statements of net position follow:

The increase in total assets of \$357.7 million is primarily due to the net effect of four factors: 1) OHFA having cash and unearned revenues of \$215.0 million relating to the new OHSP that was appropriated by the State Legislature in mid-2023, 2) an \$11.4 million negative market value adjustment on OHFA investments as of September 30, 2023, caused by significant increases in market interest rates, which causes the value of fixed interest rate investments to decline, 3) an increase in cash and investments related to the Agency issuing four new Single Family Bond series for \$190.0 million during FY 2023 against \$20.0 million in paydowns on bonds outstanding, for a net increase in cash and investments of \$170.0 million and 4) defined benefit pension asset of \$4.3 million as of September 30, 2022, moving to a liability as of September 30, 2023.

The increase in total liabilities of \$365.9 million is primarily due to the net effect of three factors: 1) OHFA receiving \$215.0 million relating to the new OHSP which was appropriated by the State Legislature in mid-2023 that were not on hand as of September 30, 2022, and are deferred, and 2) the Agency bonds payable increasing due to net new debt of \$176.2 million as the result of four new bond issues totaling \$190.0 million, net of paydowns on outstanding bonds, and 3) a decrease in deferred revenues of \$30.2 million for the HAF due to funds being expended for program purposes.

The Section 8 Voucher and Emergency Housing Voucher Programs are included in the Agency General Fund and those program's net positions, which are restricted, decreased by \$0.3 million due to receiving \$0.3 million less in rental assistance payments from HUD than program expenditures in the current year. Since 2006, HUD has required agencies to report receipts for Housing Assistance Payments (HAP) funds from HUD in excess of program expenditures as income and to report assistance payments in excess of program receipts as an expense in the current year. These items are reported in net position instead of as a payable or receivable with HUD. These funds are only available to pay HAP under the Section 8 Voucher and Emergency Housing Voucher Programs. The Agency had funds restricted for the Section 8 Voucher and Emergency Housing Voucher Programs of \$0.1 million and \$0.4 million, respectively, as of September 30, 2023 and 2022.

The increase in Agency General Fund unrestricted net position (including investment in capital assets) of \$10.0 million is due to \$10.0 million in net operating income (excluding Single Family Bond Programs).

### Revenues, Expenses and Changes in Net Position

The following table presents condensed statements of revenues, expenses and changes in net position for the Agency for the years ended September 30 (in millions):

#### Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	2022
<b>Operating and Nonoperating Revenues</b>			
Investments and program loans	\$ 46.6	\$ 18.2	\$ 10.2
Net increase (decrease) in fair value of investments	31.6	(11.4)	(44.1)
Realized gain on sale of investments	5.9	3.9	2.0
Fees and other income	22.2	21.1	19.2
Federal and state program income	369.9	192.1	154.8
Total revenues	476.2	223.9	142.1
<b>Operating and Nonoperating Expenses</b>			
Interest on bonds and notes	20.3	9.6	4.4
Other bond program expenses	6.6	4.8	1.7
Salaries, general and administrative	18.9	16.4	14.8
Federal and state program expenses	205.7	192.5	156.5
Total expenses	251.5	223.3	177.4
<b>Increase (decrease) in net position</b>	224.7	0.6	(35.3)
Net position at beginning of year	162.3	161.7	197.0
Net position at end of year	<u>\$ 387.0</u>	<u>\$ 162.3</u>	<u>\$ 161.7</u>

Explanations of significant fluctuations between 2024 and 2023 in revenues, expenses, and changes in net position follow:

The net increase in the fair value of investments of \$43.0 million for 2024 was due to market interest rates being lower than in the previous year, causing an increase in the value of older, relatively lower yielding interest rate securities. The market values of fixed interest rate investments typically have an inverse relationship to interest rates.

The realized gain on sale of investments of \$5.9 million in 2024 and \$3.9 million in 2023 is due to the Agency capitalizing on market opportunities to sell newly pooled Single Family Loan Program MBS at a gain on the open market via the TBA Program instead of placing these MBS into a bond issue.

Federal and state program revenues increased by \$177.8 million due primarily to the net effect of a \$4.6 million increase in the Section 8 Contract Administration Program revenues, a \$2.9 million increase in the HOME Investment Partnership Program revenues, a \$6.8 million increase in the Section 8 Voucher Program revenues, \$164.2 million earned revenues for the OHSP, and due to a \$1.4 million decrease in the HAF revenues due to varying availability of federal program funding and activity.

Interest expense on bonds and notes payable increased by \$10.7 million in 2024 from 2023. The increase in interest expense is due to bonds and notes payable balances trending upward during 2024 due to four new bond issues totaling \$270.0 million of new debt.

Federal and state program expenses increased by \$13.2 million due primarily to the net effect of a \$4.6 million increase in the Section 8 Contract Administration Program expenses, a \$2.9 million increase in the HOME Investment Partnership Program expenses, a \$0.2 million increase in the Emergency Housing Voucher (EHV) program expenses, a \$6.9 million increase in the Section 8 Voucher Program expenses and a \$1.4 million decrease in the HAF expenses due to varying availability of federal program funding and activity.

The increase in net position of \$224.7 million from \$162.3 million in 2023 to \$387.0 million in 2024 is primarily due to an almost \$60.5 million operating profit and a \$164.2 million increase in net position due to OHFA receiving \$164.2 million more in nonoperating federal and state program revenues than federal and state program expenses.

Explanations of significant fluctuations between 2023 and 2022 in revenues, expenses, and changes in net position follow:

The net decrease in the fair value of investments of \$11.4 million for 2023 was due to market interest rates being significantly higher than in the previous year, causing a decrease in the value of older, relatively lower yielding interest rate securities. The market values of fixed interest rate investments typically have an inverse relationship to interest rates.

The realized gain on sale of investments of \$3.9 million in 2023 and \$2.0 million in 2022 is due to the Agency capitalizing on market opportunities to sell newly pooled Single Family Loan Program MBS at a gain on the open market via the TBA Program instead of placing these MBS into a bond issue.

Federal program revenues increased by \$37.3 million due primarily to the net effect of a \$1.8 million increase in the Section 8 Contract Administration Program revenues, a \$0.4 million decrease in the HOME Investment Partnership Program revenues, a \$2.3 million increase in National Housing Trust Fund revenues, a \$0.1 million decrease in the EHV program, a \$10.2 million increase in the Section 8 Voucher Program revenues, and due to a \$23.3 million increase in the HAF revenues due to varying availability of federal program funding and activity.

Interest expense on bonds and notes payable increased by \$5.2 million in 2023 from 2022. The increase in interest expense is due to bonds and notes payable balances trending upward during 2023 due to four new bond issues totaling \$190.0 million of new debt.

Federal program expenses increased by \$36.0 million due primarily to the net effect of a \$1.8 million increase in the Section 8 Contract Administration Program expenses, a \$0.4 million decrease in the HOME Investment Partnership Program expenses, a \$2.2 million increase in National Housing Trust Fund expenses, a \$0.3 million increase in the EHV program expenses, a \$8.5 million increase in the Section 8 Voucher Program expenses and a \$23.3 million increase in the HAF expenses due to varying availability of federal program funding and activity.

The increase in net position of \$0.6 million from \$161.7 million in 2022 to \$162.3 million in 2023 is primarily due to an almost \$1.0 million operating profit and a \$0.4 million decrease in net position due to OHFA receiving \$0.4 million less in nonoperating federal program revenues than federal program expenses.

## **Capital Assets and Long-Term Debt Administration**

### **Capital assets**

As of September 30, 2024 and 2023, the Agency had invested \$18.0 million and \$18.7 million, respectively, net of accumulated depreciation, in a broad range of capital assets, including a building and building improvements, land, and furniture and equipment. More detailed information about the capital assets is presented in Note 5 of the notes to the basic financial statements.

### **Long-term debt**

As of September 30, 2024, the Agency had \$626.8 million in bonds and notes payable outstanding, which is an increase of 67.8% from last year's amount of \$373.5 million. More detailed information about the bonds and notes payable is presented in Note 7 of the notes to the basic financial statements.

## **Economic Factors and Other Financial Information**

OHFA's main sources of revenues include mortgage loan activity, investment interest income, and externally funded grants. Market interest rates have an effect on both the mortgage program and investment income revenues. If interest rates rise, mortgage and investment income should increase as new loans are originated and new investments are purchased at higher rates. If interest rates fall, mortgage and investment income should decrease as new loans are originated and new investments are purchased at the lower rates. Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. Administrative fees for administering federal programs have stabilized and continue to trend slightly higher. Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

The Agency expects to continue its commitment to its mission of providing housing resources while preserving a strong financial position during the coming year.

## **Contacting OHFA's Financial Management**

This discussion and analysis is to provide additional information to our stakeholders regarding the activities of the Agency. If you have questions about this report, or need additional financial information, contact the OHFA Chief Financial Officer, Ms. Rana Askins, CPA, at (405) 419-8225; Oklahoma Housing Finance Agency, P.O. Box 26720, Oklahoma City, Oklahoma 73126-0720; e-mail: [rana.asksins@ohfa.org](mailto:rana.asksins@ohfa.org) or visit our website at [www.ohfa.org](http://www.ohfa.org).

**OKLAHOMA HOUSING FINANCE AGENCY**

**STATEMENTS OF NET POSITION**

**September 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 54,885,506	\$ 64,833,630
Investments	254,661	209,786
Accounts receivable (net of an allowance for doubtful accounts of \$1,808,974 and \$1,728,779 for 2024 and 2023, respectively)	48,339	61,139
Accounts receivable - U.S. Department of Housing and Urban Development	1,126,358	919,368
Interest receivable	307,853	363,050
Prepaid expenses	818,374	727,109
Restricted assets:		
Cash and cash equivalents	348,743,313	264,709,162
Interest receivable	3,103,174	1,704,885
Total current assets	409,287,578	333,528,129
Noncurrent assets:		
Investments	71,220,032	67,664,187
Program loans receivable (net of an allowance for bad debts of \$1,423,417 and \$704,107 for 2024 and 2023, respectively)	17,974,453	10,230,362
Nondepreciated capital assets	550,000	550,000
Capital assets, net	17,498,142	18,132,845
Restricted assets:		
Investments	562,663,494	371,284,517
Program loan receivables (net of an allowance for bad debts of \$1,339,127 and \$674,351 for 2024 and 2023, respectively)	12,052,144	6,069,160
OPEB asset	458,778	313,654
Total noncurrent assets	682,417,043	474,244,725
Total assets	1,091,704,621	807,772,854
Deferred outflows of resources:		
Pension	2,606,649	4,039,942
OPEB	160,717	194,566
Accumulated decrease in fair value of hedging derivatives	12,700	32,039
Total deferred outflows	2,780,066	4,266,547

**OKLAHOMA HOUSING FINANCE AGENCY**

**STATEMENTS OF NET POSITION (continued)**

**September 30, 2024 and 2023**

	2024	2023
<b>Liabilities</b>		
Current liabilities:		
Salaries and related expenses	791,518	734,470
Accounts payable - U.S. Department of Housing and Urban Development	651,942	1,005,579
Accounts payable - Family Self Sufficiency Program	960,691	688,737
Accounts payable - other	645,198	1,081,648
Hedging payable	12,700	32,039
Unearned revenue	71,966,454	267,036,405
Compensated absences	1,099,940	1,125,734
Interest payable	2,362,265	1,479,809
Current maturities of bonds and notes payable	14,737,610	10,911,990
Total current liabilities	93,228,318	284,096,411
Noncurrent liabilities:		
Pension liability	1,644,092	2,817,100
Arbitrage payable	200,463	-
Bonds and notes payable, less current maturities	612,031,954	362,543,571
Total noncurrent liabilities	613,876,509	365,360,671
Total liabilities	707,104,827	649,457,082
Deferred inflows of resources:		
OPEB	204,054	171,493
Pension	162,242	142,861
Total deferred inflows of resources	366,296	314,354
<b>Net Position</b>		
Invested in capital assets	18,048,142	18,682,845
Restricted for Single Family Bond Programs	77,830,801	48,640,591
Restricted for Section 8 and Emergency Housing Voucher Programs	55,747	48,028
Restricted for Oklahoma Housing Trust Fund	4,171,442	4,171,442
Restricted for Oklahoma Housing Stability Program	176,495,865	-
Unrestricted	110,411,567	90,725,059
Total net position	\$ 387,013,564	\$ 162,267,965

**OKLAHOMA HOUSING FINANCE AGENCY**

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

**Years ended September 30, 2024 and 2023**

	2024	2023
<b>Operating Revenues</b>		
Investment income	\$ 46,449,992	\$ 18,137,370
Program loan income	109,215	82,938
Net increase (decrease) in fair value of investments	31,603,808	(11,401,830)
Realized gain on sale of investments	5,921,837	3,935,767
Fees and other income	22,186,454	21,092,147
	<hr/>	<hr/>
Total operating revenues	106,271,306	31,846,392
<b>Operating Expenses</b>		
Interest on bonds and notes payable	20,249,105	9,610,701
Mortgage servicing fees	2,333,143	1,492,458
Trustees, issuer and other fees	288,376	57,272
Bad debt	1,466,153	1,340,460
Bond issue costs	2,500,687	1,990,462
Salaries and related expenses	13,625,513	11,851,778
Other general and administrative	5,300,145	4,559,867
	<hr/>	<hr/>
Total operating expenses	45,763,122	30,902,998
	<hr/>	<hr/>
Operating income	60,508,184	943,394
Nonoperating revenue (expense):		
Federal and state program revenue	369,943,295	192,085,631
Federal and state program expense	(205,705,880)	(192,473,035)
	<hr/>	<hr/>
Total nonoperating revenue (expense)	164,237,415	(387,404)
	<hr/>	<hr/>
Increase in net position	224,745,599	555,990
	<hr/>	<hr/>
Total net position, beginning of year	162,267,965	161,711,975
	<hr/>	<hr/>
Total net position, end of year	\$ 387,013,564	\$ 162,267,965
	<hr/>	<hr/>

# OKLAHOMA HOUSING FINANCE AGENCY

## STATEMENTS OF CASH FLOWS

Years ended September 30, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Receipts from fees	\$ 20,648,382	\$ 23,279,170
Receipts from program loan payments	1,879,445	1,513,227
Receipts from (used by) other sources	(195,009,922)	186,372,067
Payments to employees	(13,594,259)	(11,702,974)
Payments to suppliers	(3,329,410)	(7,735,191)
Payments for purchases of program loans	(16,911,042)	(12,778,289)
Payments for bond fees	(2,287,767)	(1,448,405)
Payments for trustee and other fees	(89,117)	(686,805)
Net cash provided by (used in) operating activities	(208,693,690)	176,812,800
<b>Cash Flows from Noncapital Financing Activities</b>		
Proceeds from issuance of bonds and notes payable	658,449,268	493,020,031
Principal paid on bonds and notes payable	(405,135,265)	(316,823,473)
Interest paid on bonds and notes payable	(19,366,649)	(8,745,341)
Payment of bond issuance costs	(2,500,687)	(1,990,462)
Receipt of federal and state program revenues	369,943,295	192,085,631
Payment of federal and state program expenses	(205,705,880)	(192,473,035)
Net cash provided by noncapital financing activities	395,684,082	165,073,351
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of capital assets	(570,407)	(5,769,200)
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(643,271,329)	(586,374,439)
Proceeds from sales and maturities of investments	485,830,471	437,660,621
Interest received on investments	45,106,900	17,065,600
Net cash used in investing activities	(112,333,958)	(131,648,218)
Net increase in cash	74,086,027	204,468,733
Cash and cash equivalents, beginning of year	329,542,792	125,074,059
Cash and cash equivalents, end of year	\$ 403,628,819	\$ 329,542,792
<b>Cash and Cash Equivalents as Reported in Statement of Net Position</b>		
Unrestricted	\$ 54,885,506	\$ 64,833,630
Restricted	348,743,313	264,709,162
	\$ 403,628,819	\$ 329,542,792

See notes to basic financial statements.



**OKLAHOMA HOUSING FINANCE AGENCY**

**STATEMENTS OF CASH FLOWS (continued)**

**Years ended September 30, 2024 and 2023**

	2024	2023
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>    Provided by Operating Activities</b>		
Operating income	\$ 60,508,184	\$ 943,394
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	1,191,918	785,085
Bad debt	1,466,153	1,340,460
Interest from investments	(46,449,992)	(18,137,370)
Bond issue costs	2,500,687	1,990,462
Net (increase) decrease in fair value of investments	(31,603,808)	11,401,830
Realized gain on sale of investments	(5,921,837)	(3,935,767)
Interest on bonds and notes payable	20,249,105	9,610,701
Change in operating assets, liabilities, deferred outflows, and deferred inflows:		
Accounts receivable and HUD receivable	(319,153)	188,892
Hedging receivable	(19,339)	874,302
Prepaid expenses	(91,265)	(101,295)
Program loans receivable	(15,126,736)	(12,619,831)
OPEB asset	(145,124)	123,818
Pension asset	-	4,270,783
Accounts payable and accrued expenses	(402,616)	(78,477)
Arbitrage payable	200,463	-
Unearned revenue	(195,069,951)	185,976,873
Pension liability	(1,173,008)	2,817,100
Deferred outflows	1,486,481	(3,029,717)
Deferred inflows	51,942	(5,740,955)
Compensated absences	(25,794)	132,512
Net cash provided by (used in) operating activities	<u>\$ (208,693,690)</u>	<u>\$ 176,812,800</u>

## **OKLAHOMA HOUSING FINANCE AGENCY**

### **NOTES TO BASIC FINANCIAL STATEMENTS**

**September 30, 2024 and 2023**

#### **Note 1 – Authorizing Legislation and Activities**

Oklahoma Housing Finance Agency (the Agency, or OHFA) is a public trust established pursuant to a Trust Indenture, as amended, which was originally adopted on May 1, 1975. Under the Trust Indenture, OHFA was created for the benefit of the State of Oklahoma (the State) pursuant to the Oklahoma Public Trust Act (the Act). Pursuant to the Act, the Governor of the State, on behalf of the State, approved the creation of OHFA and accepted the beneficial interest created thereby on May 1, 1975. The Trust Indenture was last amended by the third amendment as of August 19, 2002, with the approval of the Governor of the State. The Governor has, pursuant to the Trust Indenture, approved the by-laws of OHFA. The Governor also appoints the five-member Board of Trustees and the resident board member representing the Housing Choice Voucher Program.

OHFA is authorized, in the furtherance of public purposes, to issue mortgage revenue bonds through its Single Family Bond Programs (or Single Family Mortgage Revenue Bond Programs) in order to provide funds to promote the development of adequate residential housing and other economic development for the benefit of the State. In no event does the indebtedness constitute a debt, liability, or moral obligation of the State or any political subdivision thereof. OHFA has no taxing power. The Agency receives application, servicing and issuer fees in connection with its bond programs.

OHFA is included in the State's financial report. The State reports the transactions of OHFA in its Comprehensive Annual Financial Report as a major component unit.

In addition to its bond programs, OHFA administers Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development (HUD). OHFA receives administrative fees based on the number of housing units administered under its contracts with HUD. OHFA also administers the Home Investment Partnerships Program (HOME) for HUD. The intent of the HOME Program is to provide decent affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private sector participation. Activities that are eligible under HOME include homeowner rehabilitation, homebuyer activities, rental housing and tenant-based rental assistance. OHFA receives reimbursement of eligible costs associated with the administration of the program.

OHFA is the Section 8 Contract Administrator for federal HUD-financed Section 8 properties located throughout Oklahoma. The Agency receives a fee to administer the program determined by the number of units under contract. The Agency also administers the U.S. Department of Treasury's (Treasury) Low Income Housing Tax Credit (LIHTC) Program for the State. The Agency receives application and service fees from developers who participate in the LIHTC Program. Since 2021, the Agency has administered Treasury's Homeowner Assistance Fund.

Oklahoma House Bill 1031 established the Oklahoma Housing Stability Program (OHSP). The Oklahoma Governor approved OHFA's OHSP plan in January 2024. This program provides funds for the new construction of single-family homes for purchase and for single-family or multi-family rental housing. It also provides down payment assistance for homebuyers who purchase homes built with OHSP financing.

OHFA also administers certain other federal and state programs.

## Note 2 – Summary of Significant Accounting Policies

### Financial statement presentation

OHFA accounts for revenues and expenses related to temporary funding of certain single family first mortgage loans within its general fund until the loans are sold in specified increments in connection with related bond programs, when required, due to the temporary restrictions associated with bond programs. Intergovernmental grants are also accounted for within the Agency's general fund. Pursuant to OHFA's bond obligation resolutions, separate funds are established by each trustee bank to record all transactions relating to OHFA programs financed under each of the resolutions. Within each fund, there is a group of accounts required by the respective resolutions. The Single Family Bond Program funds and the general fund have been presented on a combined basis because OHFA is considered a single enterprise fund for financial reporting purposes. All interfund balances and transactions have been eliminated in the financial statements.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

### Basis of accounting

The Agency accounts for its activities within a proprietary fund type. The Agency's activities meet the definition of an enterprise fund because it is the intent of the Agency to recover, primarily through user charges, the cost of providing goods or services to the general public.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the Statement of Net Position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. The accrual basis of accounting is utilized by a proprietary fund. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred.

GASB is the standard-setting body for governmental accounting and financial reporting. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When the Agency incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used.

### Cash and cash equivalents

For purposes of the Statement of Cash Flows, OHFA's cash equivalents are defined as short-term, highly liquid investments that are readily convertible to cash with an original maturity of 90 days or less.

## Investments

The Agency's investment policy for the general fund is governed by state statute and the Board of Trustees' "Statement of Investment Policy." Permissible investments include direct obligations of the United States Government and Agencies, mortgage-backed securities (MBS) guaranteed by federal agencies, certificates of deposit, repurchase agreements and savings accounts. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by Federal Deposit Insurance Corporation (FDIC) insurance. Investments are reported at fair value.

The short-term investments within the Single Family Bond Programs are generally restricted by the various bond resolutions as to authorized investments. Most are commonly held in guaranteed investment contracts or money market accounts collateralized by government securities. These short-term investments are reported at cost, which approximates their fair values.

As required by GASB Statement No. 31, *Accounting for and Financial Reporting for Certain Investments and External Investment Pools*, U.S. government and agency securities and MBS are reported at fair value as determined by the investment custodians utilizing prices quoted by securities dealers, brokers, investment banks, or other services at the valuation date.

MBS reported by the Single Family Bond Programs are pass-through certificates of the Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA), which securitize qualified pools of loans or individual loans under the respective programs. These securities are reported at fair value. MBS do not have a contractual maturity date, and the Agency may be subject to the risk of prepayment on these MBS.

Without consideration of the net change in the fair value of investments, OHFA's net operating income would have been \$28,904,376 and \$12,345,224 for the years ended September 30, 2024 and 2023, respectively.

## Fair value measurements

The Agency categorizes its assets and liabilities measured at fair value within the hierarchy established by GAAP. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the Agency's own assumptions as there is little, if any, related market activity.

Hierarchy – The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs – If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

### Program loans receivable

Program loans receivable consists of a Workforce Housing Pilot Program loan, Oklahoma Housing Trust Fund loan(s) secured by mortgages, OHSP loans, and down payment and closing cost second mortgages related to Single Family Program activities. These loans are reported at cost. Based on management's evaluation of program loans receivable, a 10% allowance was deemed necessary on the second mortgages as of September 30, 2024 and 2023.

### Capital assets

Capital assets, with an initial value of \$250 or more and all furniture, are capitalized and carried at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 1 to 40 years. Maintenance and repairs are expensed as incurred. Total depreciation expense for the years ended September 30, 2024 and 2023, were \$1,191,918 and \$785,085, respectively, and is included with other general and administrative expense on the Statements of Revenues, Expenses and Changes in Net Position.

### Unearned revenue

Unearned revenue arises when the resources were received by the Agency before it has a legal claim to the resources. Amounts received under certain intergovernmental grant agreements are recognized only to the extent of allowable expenses. Any amounts received in excess of expenditures incurred are unearned and recorded as a liability.

The only exception to this accounting policy is the Section 8 Housing Choice Voucher Program. Per HUD guidance, excess budget authority disbursed to a Public Housing Agency that is not utilized to pay Housing Assistance Payment (HAP) becomes part of the net position – restricted for the Section 8 Voucher and Emergency Housing Voucher Programs.

### Bond issue costs

Bond issue costs are costs associated with issuing bonds and are expensed in the period incurred.

### Pensions and other postemployment employee benefits

The fiduciary net position of the Oklahoma Public Employees Retirement System (OPERS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes measuring the net pension and OPEB liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expense, and information about assets, liabilities and additions to/deductions from OPERS fiduciary net position. Benefit payments (including refunds of employee contributions related to pensions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Restrictions and designations of net position

The use of assets of each of the Single Family Bond Program funds is restricted by the related bond indenture and resolution. Certain amounts in the program funds are considered subject to the restriction that they may be applied to the financing of housing for the respective program purposes or to the retirement of obligations issued for such purposes. The Agency previously designated \$8,000,000 of unrestricted net position to provide funds and reserves to purchase single family loans to be acquired from future issuances under the Single Family Mortgage Revenue Bond Programs.

Net position restricted for the Section 8 Voucher and Emergency Housing Voucher Programs represent funds received from HUD in excess of HAP expenditures. These funds can only be utilized to make HAP payments for the Section 8 Voucher and Emergency Housing Voucher Programs. Net position restricted for Oklahoma Housing Trust Fund and OHSP funds are received from the State of Oklahoma and restricted in their use.

#### Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform with the 2024 presentation. These reclassifications had no impact to previously reported increase in net position.

#### Subsequent events

The Agency has evaluated events for recognition and disclosure that occurred through January 28, 2025, the date the financial statements were available to be issued. New conduit debt and single family mortgage revenue bonds were issued subsequent to year-end, see footnote 14.

### **Note 3 – Cash and Investments**

#### Deposit custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Agency requires that financial institutions pledge securities as collateral to secure the deposits of the Agency in each institution for amounts above the FDIC insurance coverage.

Current Agency policy for deposits not held by the Single Family Bond Programs requires fair value of the collateral pledged to be 110% of the deposit value. As of September 30, 2024 and 2023, the Agency was not exposed to custodial credit risk.

As of September 30, 2024 and 2023, \$129,461,788 and \$44,517,559, respectively, of the total cash consisted primarily of money market accounts held at trustee banks. These funds are classified as investments for the purposes of GASB Statement No. 40, *Deposit and Investment Risk Disclosures* requirements and therefore are not subject to deposit custodial credit risk. For presentation on the face of the Statement of Net Position, these funds are classified as cash equivalents.

#### Investment interest rate risk

The Agency limits investments to those having maturities of no more than 36 months, unless specifically authorized by the Agency's Board of Trustees, which helps manage its exposure to fair value losses from increasing interest rates.

The Agency's investments in securities and related maturities as of September 30, are listed below:

	2024				
	Investment Maturity				Fair Value Investment
	Fair Value	Less than One Year	One to Three Years	Greater Than Three Years	
Agency General Fund:					
GNMA pooled loans	\$ 40,499,014	\$ 2,654	\$ 1,212	\$ 40,495,148	Level 2
FNMA pooled loans	16,145,796	-	-	16,145,796	Level 2
Certificates of deposit	509,757	252,007	257,750	-	Level 2
Government bonds	14,320,126	-	14,320,126	-	Level 2
Total investments in securities	71,474,693	\$ 254,661	\$ 14,579,088	\$ 56,640,944	
Single Family Bond Programs:					
GNMA pooled loans	494,450,771				Level 2
FNMA pooled loans	68,212,723				Level 2
Total investments	\$ 634,138,187				
	2023				
	Investment Maturity				Fair Value Investment
	Fair Value	Less than One Year	One to Three Years	Greater Than Three Years	
Agency General Fund:					
GNMA pooled loans	\$ 40,266,625	\$ -	\$ 5,990	\$ 40,260,635	Level 2
FNMA pooled loans	13,527,737	-	-	13,527,737	Level 2
Certificates of deposit	209,786	209,786	-	-	Level 2
Government bonds	13,869,825	-	13,869,825	-	Level 2
Total investments in securities	67,873,973	\$ 209,786	\$ 13,875,815	\$ 53,788,372	
Single Family Bond Programs:					
GNMA pooled loans	327,775,620				Level 2
FNMA pooled loans	43,508,897				Level 2
Total investments	\$ 439,158,490				

#### Investment custodial credit risk

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Agency's investments in securities are held by the investment's counterparty in the name of the Agency. FNMA and GNMA are rated AA+ by Standard & Poor's or AAA by Moody's. Credit ratings are not available for the guaranteed investment contracts.

At September 30, total investments are reported in the Statement of Net Position in the following classifications:

	2024	2023
Current:		
Agency General Fund	\$ 254,661	\$ 209,786
Noncurrent:		
Restricted - Single Family Bond Programs	562,663,494	371,284,517
Agency General Fund	71,220,032	67,664,187
Total noncurrent	633,883,526	438,948,704
Total investments	\$ 634,138,187	\$ 439,158,490

The net change in fair value of investments shown in the financial statements takes into account all changes in fair value that occurred during the year. Fair value amounts for individual investments fluctuate based on changes in the market interest rates available to investors.

#### Concentration of investment credit risk

The Agency places no limit on the amount the Agency can invest in any one type of issuer. Investments by issuer that account for 5% or more of the Agency's total investments are indicated by an asterisk (\*) as follows at September 30:

	2024		2023	
	Fair Value	Credit Exposure as a Percentage of Total Investments	Fair Value	Credit Exposure as a Percentage of Total Investments
Agency General Fund:				
GNMA pooled loans	\$ 40,499,014 *	6.4%	\$ 40,266,625 *	9.2%
FNMA pooled loans	16,145,796	2.5%	13,527,737	3.1%
Certificates of deposit	509,757	0.1%	209,786	0.0%
Government bonds	14,320,126	2.3%	13,869,825	3.2%
	71,474,693	11.3%	67,873,973	15.5%
Single Family Bond Programs:				
GNMA pooled loans	494,450,771 *	78.0%	327,775,620 *	74.6%
FNMA pooled loans	68,212,723 *	10.7%	43,508,897 *	9.9%
	562,663,494	88.7%	371,284,517	84.5%
Total investments	\$ 634,138,187	100.0%	\$ 439,158,490	100.0%

#### MBS forward contracts

Beginning in 2013, the Agency entered into forward contracts to hedge the interest rate risk of delivering MBS guaranteed by GNMA and FNMA in the future, before the securities are ready for delivery (referred to as "to-be-announced," or TBA MBS). These securities represent pools of qualified mortgage loans originated by Agency approved lenders. The forward contracts offset the financial impact to the Agency of changes in interest rates between the time the loan reservations are made to originating mortgage lenders and the securitization and sale of such loans as GNMA and FNMA securities. The forward contracts are considered derivative instruments and the fair values were obtained from an external pricing specialist who



used acceptable methods and assumptions in accordance with GASB requirements, subject to review and approval by the Agency. A positive fair value represents money due the Agency by the counterparty, while a negative fair value represents money payable by the Agency.

Outstanding forward sales contracts as of September 30, 2024, are as follows:

Forward Contracts to Sell TBA Mortgage-Backed Securities	Notional Amount September 30, 2024	Trade Date	Delivery Date	Coupon Rate	Net Fair Values as Reported in the Statement of Net Position at September 30, 2024
<b>BMO Capital Markets Corp</b>					
GNMA II	\$ 1,000,000	09/06/2024	11/20/2024	7.00%	\$ 1,406
GNMA II	1,000,000	09/27/2024	12/19/2024	7.00%	1,328
<b>BNY Mellon Capital Markets LLC</b>					
GNMA II	1,000,000	08/05/2024	10/21/2024	7.00%	(2,617)
GNMA II	2,900,000	09/18/2024	10/21/2024	6.50%	2,719
<b>BOK Financial Corp</b>					
GNMA II	1,400,000	07/29/2024	10/21/2024	7.00%	(7,000)
GNMA II	1,200,000	08/14/2024	10/21/2024	7.00%	(750)
GNMA II	1,000,000	08/27/2024	11/20/2024	7.00%	(469)
FNMA	105,000	09/13/2024	10/15/2024	6.50%	189
FNMA	(105,000)	09/18/2024	10/15/2024	6.50%	(278)
GNMA II	600,000	09/18/2024	10/21/2024	6.50%	281
GNMA II	1,000,000	09/23/2024	12/19/2024	7.00%	781
FNMA	100,000	09/24/2024	10/15/2024	6.00%	164
<b>Jefferies LLC</b>					
GNMA II	1,600,000	07/19/2024	10/21/2024	7.00%	(6,313)
GNMA II	1,400,000	07/23/2024	10/21/2024	7.00%	(5,688)
GNMA II	1,100,000	09/18/2024	10/21/2024	7.00%	2,063
<b>Piper Sandler &amp; Co</b>					
GNMA II	1,400,000	07/31/2024	10/21/2024	7.00%	(4,813)
GNMA II	1,400,000	08/20/2024	11/20/2024	7.00%	438
GNMA II	1,000,000	08/22/2024	11/20/2024	7.00%	(587)
GNMA II	1,000,000	08/29/2024	11/20/2024	7.00%	625
GNMA II	1,000,000	09/10/2024	11/20/2024	7.00%	469
GNMA II	1,000,000	09/16/2024	11/20/2024	7.00%	352
GNMA II	3,200,000	09/18/2024	10/21/2024	7.00%	5,000
	<u>\$ 25,300,000</u>				
Total deferred outflows of resources accumulated decrease in fair value of hedging derivatives					<u>\$ (12,700)</u>

Outstanding forward sales contracts as of September 30, 2023, are as follows:

Forward Contracts to Sell TBA Mortgage-Backed Securities	Notional Amount September 30, 2023	Trade Date	Delivery Date	Coupon Rate	Net Fair Values as Reported in the Statement of Net Position at September 30, 2023
<b>BofA Securities Inc</b>					
GNMA II	\$ 2,400,000	08/08/2023	10/23/2023	6.50%	\$ 15,563
GNMA II	1,000,000	08/09/2023	10/23/2023	6.50%	6,406
<b>BMO Capital Markets Corp</b>					
GNMA II	1,000,000	07/31/2023	10/23/2023	6.50%	7,344
GNMA II	1,200,000	09/15/2023	11/20/2023	7.00%	(4,126)
GNMA II	1,000,000	09/18/2023	11/20/2023	7.00%	(2,773)
GNMA II	1,000,000	09/27/2023	12/20/2023	7.00%	(4,336)
<b>BNY Mellon Capital Markets LLC</b>					
GNMA II	1,300,000	09/18/2023	10/23/2023	6.50%	6,703
GNMA II	1,400,000	09/26/2023	12/20/2023	7.00%	(5,742)
<b>BOK Financial Corp</b>					
GNMA II	1,000,000	07/21/2023	10/23/2023	6.50%	7,188
GNMA II	2,000,000	07/25/2023	10/23/2023	6.50%	14,688
GNMA II	1,200,000	07/26/2023	10/23/2023	6.50%	8,719
GNMA II	3,600,000	08/22/2023	10/23/2023	7.00%	(29,814)
GNMA II	2,000,000	08/23/2023	11/20/2023	7.00%	(12,500)
GNMA II	3,200,000	08/24/2023	11/20/2023	7.00%	(17,750)
GNMA II	1,600,000	08/28/2023	11/20/2023	7.00%	(4,000)
GNMA II	4,500,000	09/08/2023	11/20/2023	7.00%	(22,500)
GNMA II	1,000,000	09/11/2023	11/20/2023	6.50%	4,688
GNMA II	5,400,000	09/11/2023	11/20/2023	7.00%	(27,000)
GNMA II	300,000	09/18/2023	10/23/2023	6.50%	1,547
GNMA II	(400,000)	09/19/2023	10/23/2023	6.50%	(1,875)
GNMA II	1,200,000	09/19/2023	11/20/2023	7.00%	(3,563)
GNMA II	1,000,000	09/28/2023	12/20/2023	7.00%	(3,125)
<b>Jefferies LLC</b>					
GNMA II	1,800,000	09/13/2023	11/20/2023	7.00%	(3,938)
GNMA II	4,000,000	09/18/2023	10/23/2023	6.50%	15,625
GNMA II	1,800,000	09/25/2023	12/20/2023	7.00%	(5,273)
<b>Piper Sandler &amp; Co</b>					
GNMA II	2,200,000	07/24/2023	10/23/2023	6.50%	17,961
GNMA II	1,000,000	07/27/2023	10/23/2023	6.50%	3,594
GNMA II	1,000,000	08/10/2023	10/23/2023	6.50%	6,250
	<u>\$ 49,700,000</u>				

Total deferred outflows of  
resources accumulated  
decrease in fair value of  
hedging derivatives

\$ (32,039)

#### Note 4 – Program Loans Receivable

Program loans receivable consists of the following at September 30:

	2024	2023
Agency general fund:		
Oklahoma Housing Trust Fund, Tivoli Homes, LLC, bearing interest at 2.00%, 24-month term, maturing March 2026	\$ 1,050,000	\$ -
OHSP, Oklahoma Homebuilder Program, bearing interest at 0%, 24-month term, maturing August 2026	131,768	-
OHSP, Oklahoma Increased Housing Program, bearing interest at 0%, 24-month term, maturing September 2026	189,000	-
Workforce Housing Pilot Program, American Opportunity Partners LLC, bearing interest at 2%, ten year term, maturing August 2029	3,792,936	3,893,403
Second Mortgages (net of allowance for bad debts of \$1,423,417 and \$704,107 for 2024 and 2023, respectively)	12,810,749	6,336,959
	17,974,453	10,230,362
Single Family Bond Programs:		
Single Family Second Mortgages (net of allowance for bad debts of \$1,339,127 and \$674,351 for 2024 and 2023, respectively)	12,052,144	6,069,160
Total program loans	<u>\$ 30,026,597</u>	<u>\$ 16,299,522</u>

In addition to the loans in the table above, certain loans from the federally appropriated HOME Investment Partnership Program and National Housing Trust Fund Program are carried at below-market interest rates, and repayment is deferred for up to 40 years. These loans are generally in either a second or more subordinate position. Given the nature of these loans and the risk associated with them, at the time of origination, they are fully expensed as part of federal and state program expenses, resulting in a net carrying value of zero. Loans with net carrying values of zero are excluded from the table above, and loans are tracked for affordability by OHFA staff. The balances of these loans for the years ended September 30, 2024 and 2023, were \$18,808,595 and \$18,056,620, respectively.

#### Note 5 – Capital Assets

Capital assets activity for the year ended September 30, was as follows:

	2024				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
Total capital assets not being depreciated	550,000	-	-	-	550,000
Capital assets being depreciated:					
Furniture and equipment	5,245,329	504,677	(1,101,990)	-	4,648,016
Buildings	17,046,478	50,980	-	-	17,097,458
Improvements	696,397	14,750	-	-	711,147
Total capital assets being depreciated	22,988,204	570,407	(1,101,990)	-	22,456,621

	2024				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Less accumulated depreciation:					
Furniture and equipment	(3,166,989)	(722,080)	1,088,798	-	(2,800,271)
Building	(1,285,513)	(421,577)	-	-	(1,707,090)
Improvements	(402,857)	(48,261)	-	-	(451,118)
Total accumulated depreciation	(4,855,359)	(1,191,918)	1,088,798	-	(4,958,479)
Total capital assets being depreciated	18,132,845	(621,511)	(13,192)	-	17,498,142
Capital assets, net	\$ 18,682,845	\$ (621,511)	\$ (13,192)	\$ -	\$ 18,048,142
	2023				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
Construction in progress	9,920,977	4,381,386	-	(14,302,363)	-
Total capital assets not being depreciated	10,470,977	4,381,386	-	(14,302,363)	550,000
Capital assets being depreciated:					
Furniture and equipment	5,172,548	717,858	(645,077)	-	5,245,329
Buildings	2,073,056	671,059	-	14,302,363	17,046,478
Improvements	696,397	-	-	-	696,397
Total capital assets being depreciated	7,942,001	1,388,917	(645,077)	14,302,363	22,988,204
Less accumulated depreciation:					
Furniture and equipment	(3,259,984)	(540,960)	633,955	-	(3,166,989)
Building	(1,088,354)	(197,159)	-	-	(1,285,513)
Improvements	(355,893)	(46,964)	-	-	(402,857)
Total accumulated depreciation	(4,704,231)	(785,083)	633,955	-	(4,855,359)
Total capital assets being depreciated	3,237,770	603,834	(11,122)	14,302,363	18,132,845
Capital assets, net	\$ 13,708,747	\$ 4,985,220	\$ (11,122)	\$ -	\$ 18,682,845

## Note 6 – Conduit Debt

The Agency has issued multi-family mortgage revenue bonds as a conduit debt issuer to promote the development of adequate residential housing and other economic development. The net proceeds of these bonds are used to provide interim and permanent financing for multi-family construction projects and establish debt-service reserves as required by the various trust indentures. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the Agency, the State, nor any political subdivision thereof, is obligated in any manner for repayment of these bonds.

The following series of bonds were outstanding as of September 30:

Development	Number of Units	Issued	Original Principal Amount	Outstanding Balance September 30, 2024	Outstanding Balance September 30, 2023
New Page	136	03/18/2016	\$ 21,000,000	\$ 6,819,542	\$ 6,927,427
Highland Trails	100	04/27/2018	9,000,000	5,219,361	5,321,727
The Curve	244	12/21/2018	30,000,000	30,000,000	25,000,000
Stillwater Springs	120	07/24/2019	12,000,000	7,486,531	7,584,588
North Pointe Apartments	184	12/20/2021	14,620,000	14,554,690	14,620,000
Country Club Gardens	353	12/29/2021	30,500,000	18,449,523	30,500,000
Chisholm Springs of Spencer	70	07/13/2022	13,000,000	5,550,737	5,550,841
Duncan Plaza	105	08/11/2022	8,520,000	8,405,000	8,470,000
Fairground Flats	216	09/08/2022	33,670,000	33,670,000	33,670,000
Cornerstone Apartments Yukon	122	09/13/2022	22,885,000	20,465,000	22,885,000
The Gates of Oklahoma City	120	01/31/2023	17,000,000	17,000,000	17,000,000
Rising Sun Apartments	224	06/21/2023	27,000,000	27,000,000	27,000,000
Pioneer Plaza Apartments	191	06/27/2023	25,989,000	25,989,000	25,989,000
Oak Tree Village	120	10/11/2023	15,500,000	15,460,000	-
Portland Place Apartments	180	10/31/2023	21,000,000	21,000,000	-
Mohawk Manor	106	12/22/2023	15,050,000	15,050,000	-
Seminole Hills	141	12/22/2023	19,900,000	19,900,000	-
Bradford Apartments	192	12/22/2023	17,416,000	17,292,432	-
Edenwood Apartments	192	12/22/2023	17,525,000	17,395,126	-
Chisholm Springs of Oklahoma City	171	02/05/2024	32,000,000	32,000,000	-
			\$ 403,575,000	\$ 358,706,942	\$ 230,518,583

#### Note 7 – Bonds and Notes Payable

The Single Family Bond Programs are generally payable in annual and semiannual installments and are subject to mandatory sinking fund requirements. These bonds are special obligations payable solely from the income and receipts of these indentures. Neither the Agency, the State, nor any political subdivision thereof, is obligated in any manner for the repayment of these bonds, which are secured by MBS and other assets of their respective indentures.

The Agency's line of credit agreement with the Federal Home Loan Bank (FHLBank) has a term of one day with automatic daily renewals subject to FHLBank discretion not to renew. The agreement requires monthly interest payments at a daily rate set based on the FHLBank's cost of funds rate (5.04% and 5.49% at September 30, 2024 and 2023, respectively) and is collateralized by investment securities. As of September 30, 2024 and 2023, there was no outstanding balance. According to the terms of the agreement, the maximum amount of credit available with FHLBank may not exceed the collateral lending value of pledged securities. At September 30, 2024 and 2023, the amount available under this line of credit was \$44,496,273 and \$45,777,829, respectively.

Bonds and notes payable and changes for the fiscal years ended 2024 and 2023, are as follows:

Single Family Bond Program	Issued	Interest Rate Range on Outstanding Amount		Maturity Through	Ending Balance September 30, 2022	Additions	Reductions	Ending Balance September 30, 2023	Additions	Reductions	Ending Balance September 30, 2024	Amount Due in One Year
2012 A	12/05/2012	2.89%	5.00%	03/01/2041	\$ 23,740,000	\$ -	\$ 2,180,000	\$ 21,560,000	\$ -	\$ 2,290,000	\$ 19,270,000	\$ 2,415,000
2013 C&D	10/30/2013	3.35%	3.75%	03/01/2044	12,780,841	-	2,170,025	10,610,816	-	1,653,441	8,957,375	472,610
2018 A	10/23/2018	2.75%	4.75%	09/01/2048	18,280,000	-	2,530,000	15,750,000	-	2,560,000	13,190,000	640,000
2019 A	08/29/2019	2.00%	5.00%	09/01/2049	35,905,000	-	4,190,000	31,715,000	-	4,250,000	27,465,000	1,310,000
2020 A	05/06/2020	1.63%	4.00%	03/01/2050	33,295,000	-	3,740,000	29,555,000	-	3,290,000	26,265,000	845,000
2020 B	12/10/2020	0.50%	3.25%	09/01/2050	26,045,000	-	2,910,000	23,135,000	-	3,170,000	19,965,000	1,375,000
2022 A	06/29/2022	2.40%	5.00%	03/01/2052	40,000,000	-	1,740,000	38,260,000	-	2,785,000	35,475,000	1,830,000
2022 B	12/07/2022	3.35%	6.25%	09/01/2053	-	50,000,000	435,000	49,565,000	-	2,955,000	46,610,000	860,000
2023 A	04/20/2023	2.75%	6.00%	03/01/2054	-	40,000,000	75,000	39,925,000	-	1,475,000	38,450,000	650,000
2023 B	07/11/2023	3.25%	5.75%	09/01/2053	-	50,000,000	-	50,000,000	-	1,730,000	48,270,000	760,000
2023 C	09/21/2023	3.45%	6.00%	03/01/2054	-	50,000,000	-	50,000,000	-	840,000	49,160,000	740,000
2023 D	12/13/2023	3.60%	6.50%	09/01/2054	-	-	-	-	60,000,000	645,000	59,355,000	765,000
2024 A	02/29/2024	3.15%	6.00%	09/01/2054	-	-	-	-	60,000,000	145,000	59,855,000	820,000
2024 B	06/13/2024	3.40%	6.25%	09/01/2055	-	-	-	-	75,000,000	-	75,000,000	855,000
2024 C	08/29/2024	3.10%	6.00%	03/01/2056	-	-	-	-	75,000,000	-	75,000,000	400,000
Total Single Family Bond Programs					190,045,841	190,000,000	19,970,025	360,075,816	270,000,000	27,788,441	602,287,375	14,737,610
Agency line of credit					-	296,100,000	296,100,000	-	376,300,000	376,300,000	-	-
Total bonds and notes payable					190,045,841	486,100,000	316,070,025	360,075,816	646,300,000	404,088,441	602,287,375	14,737,610
Unamortized premium					7,213,162	6,920,031	753,448	13,379,745	12,149,268	1,046,824	24,482,189	-
Total bonds and notes payable including unamortized premium					\$ 197,259,003	\$ 493,020,031	\$ 316,823,473	\$ 373,455,561	\$ 658,449,268	\$ 405,135,265	\$ 626,769,564	\$ 14,737,610

Debt requirements on bonds and notes payable at September 30, are as follows (in thousands):

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2054	2055-2056	Total
2024:												
Principal and interest	\$ 42,668	\$ 43,263	\$ 43,098	\$ 39,446	\$ 39,361	\$ 199,141	\$ 195,500	\$ 186,881	\$ 186,378	\$ 152,721	\$ 5,331	\$ 1,133,788
Less interest	27,930	27,414	26,871	26,346	25,942	122,233	106,514	86,506	59,933	21,596	216	531,501
Total principal	\$ 14,738	\$ 15,849	\$ 16,227	\$ 13,100	\$ 13,419	\$ 76,908	\$ 88,986	\$ 100,375	\$ 126,445	\$ 131,125	\$ 5,115	602,287
Unamortized premium												24,482
Bonds and notes payable												\$ 626,769

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## Note 8 – Nonoperating Revenues and Expenses

OHFA administers federal and state programs, the funds of which are restricted in purpose by the granting authority and are considered nonoperating income and expenses. The nonoperating revenues and expenses are shown below for the years ended September 30:

	2024	2023
Federal and state program revenues		
Federal program revenues:		
Home Investment Partnerships Program (HOME)	\$ 9,469,365	\$ 6,571,396
HOME - American Rescue Plan	-	493,631
Housing Opportunities for Persons with AIDS	621,954	468,291
National Housing Trust Fund	4,411,209	4,129,974
Performance Based Contract Administration Program	85,871,727	81,276,409
Low Income Housing Assistance Program - Section 8 Moderate Rehabilitation	108,687	128,757
Section 8 Housing Choice Vouchers Program	76,110,938	69,242,322
Section 8 Housing Choice Vouchers Program - Emergency Housing Voucher	2,562,391	1,880,321
Homeowner Assistance Fund	26,537,024	27,894,530
Total federal revenues	205,693,295	192,085,631
State program revenues:		
Oklahoma Housing Stability Program	164,250,000	-
Total state revenues	164,250,000	-
Total federal and state program revenues	\$ 369,943,295	\$ 192,085,631
Federal and state program expenses		
Federal program expenses:		
Home Investment Partnerships Program (HOME)	\$ 9,469,365	\$ 6,571,396
HOME - American Rescue Plan	-	493,631
Housing Opportunities for Persons with AIDS	621,954	468,291
National Housing Trust Fund	4,411,209	4,129,974
Performance Based Contract Administration Program	85,871,727	81,276,409
Low Income Housing Assistance Program - Section 8 Moderate Rehabilitation	108,687	128,757
Section 8 Housing Choice Vouchers Program	76,146,868	69,207,570
Section 8 Housing Choice Vouchers Program - Emergency Housing Voucher	2,539,046	2,302,477
Homeowner Assistance Fund	26,537,024	27,894,530
Total federal expenses	205,705,880	192,473,035
Total federal and state program expenses	\$ 205,705,880	\$ 192,473,035



## **Note 9 – Retirement Plans**

Employees hired prior to July 1, 1997, who elect not to be covered by the Oklahoma Public Employees Defined Benefit Pension Plan (OPERS Plan), are covered by the Oklahoma Housing Finance Agency Retirement Plan (OHFA Plan). The OHFA Plan is a defined contribution plan. No new employees are allowed to join this plan after June 30, 1997. OHFA's contribution amount is at the discretion of the Board of Trustees and does not have any limitations. The Board of Trustees approved a monthly contribution to the OHFA Plan equaling the required contribution for the OPERS plan. For September 30, 2024 and 2023, retirement expense for the OHFA plan was \$83,512 and \$90,764, respectively.

The contribution to the OHFA Plan was 15.5% of allowable compensation beginning July 1, 2009, and increased to 16.5% of allowable compensation on July 1, 2011. All OHFA employees hired after June 30, 1997, and prior to November 1, 2015, are required to participate in the OPERS Plan.

Employees hired on or after November 1, 2015, are required to participate in the State's mandatory defined contribution plan administered by OPERS (PATHFINDER). Under this plan, members choose a contribution rate which will be matched by OHFA up to 7%. For September 30, 2024 and 2023, retirement expense for the PATHFINDER plan was \$616,452 and \$482,737, respectively.

## **Note 10 – Defined Benefit Pension Plans**

### OPERS Plan description

OHFA participates in the OPERS, a cost-sharing multiple-employer defined benefit pension for many state employees in Oklahoma. It covers substantially all employees of the State except those covered by six other plans sponsored by the State and also covers employees of participating counties and local agencies. The employee and employer contribution rates for each member category are established by the Oklahoma Legislature after recommendation by the OPERS Board of Trustees based on an actuarial calculation which is performed to determine the adequacy of such contribution rates.

All OHFA employees hired on or after July 1, 1997, and prior to November 1, 2015, are covered by OPERS.

### Pension plan fiduciary net position

Detailed information about OPERS fiduciary net position is available in separately issued Comprehensive Annual Financial Reports that include financial statements and required supplemental information. These reports may be obtained on the Internet at [https://www.opers.ok.gov/wp-content/uploads/2023/11/2023\\_ACFR\\_OPERS\\_Final.pdf](https://www.opers.ok.gov/wp-content/uploads/2023/11/2023_ACFR_OPERS_Final.pdf); P.O. Box 53007, Oklahoma City, OK 73152-3007; and telephone (800) 733-9008.

### Benefits provided

OPERS provides retirement benefits to eligible employees (and their beneficiaries) of many state employees in Oklahoma. Members qualify for full retirement benefits at their specified normal retirement age or, depending upon when they became members, when the sum of the member's age and years of credited service equals 80 or 90. Generally, benefits for state, county, and local agency employees are determined at 2% of the average salary, as defined, multiplied by the number of years of credited service. Members may elect to pay an additional contribution rate to receive benefits using a 2.5% factor for each full year the additional contributions are made.

## Contributions

The contribution rates for each member category of the plan are established by the Oklahoma Legislature after recommendation by the OPERS Board of Trustees based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Each member participates based on their qualifying gross salary earned, excluding overtime. There is no cap on the qualifying gross salary earned, subject to Internal Revenue Service (IRS) limitations on compensation. The following contribution rates were in effect for State, County, and Local Agency Employees: for 2024 and 2023, state agency employers contributed 16.5% on all salary, and state employees contributed 3.5% on all salary.

For the years ended September 30, 2024 and 2023, OHFA contributed approximately \$1,062,000 and \$947,000, respectively, to the OPERS Plan. Actuarial methods and assumptions

The total pension (asset) liability for June 30, 2023 and 2022, was determined based on actuarial valuations prepared as of July 1, 2023, using the following actuarial assumptions:

- Investment return – 6.5% for 2023 and 2022 compounded annually net of investment expense and including inflation
- Salary increases, including price inflation – 3.25% to 9.25% for 2023 and 2022
- Mortality rates – In 2023 and 2022, Pub G-2010(B) Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are unadjusted, and female rates are set forward two years.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.5% for 2023 and 2022
- Payroll Growth – 3.25% for 2023 and 2022
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – ten years

The actuarial assumptions used in the July 1, 2023 valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ended June 30, 2022. The experience study report is dated April 12, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2022 experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
US TIPS	3.5%	1.8%
Total	100.0%	

### Discount rate

The discount rate used to measure the total pension liability was 6.5%, net of investment expenses, for 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

### Sensitivity of the net pension (asset) liability to changes in the discount rate

The following schedule presents the OHFA portion of the OPERS pension (asset) liability calculated using the discount rate of 6.5% for 2023 and 2022, as well as what OHFA's pension (asset) liability would be if it were calculated using a discount rate that is 1% lower than and 1% greater than the discount rate that was used in measuring the net pension (asset) liability as of June 30, 2023 and 2022, per the respective OPERS schedule of employer allocations and collective pension amounts.

	2023		
	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
OHFA's proportionate share of the net pension (asset) liability	\$ 6,350,492	\$ 1,644,092	\$ (2,313,165)
	2022		
	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
OHFA's proportionate share of the net pension (asset) liability	\$ 6,904,726	\$ 2,817,100	\$ (639,847)

### Pension (asset) liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At September 30, 2024 and 2023, respectively, OHFA reported a liability of \$1,644,092 and \$2,817,100 for its proportionate share of the OPERS net pension (asset) liability. For the years ended September 30, 2024 and 2023, OHFA recognized pension expense of \$1,064,147 and \$204,429, respectively.

The net pension (asset) liability was measured as of June 30, 2023 and 2022, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by actuarial valuations as of those dates. The employer's proportion of the net pension (asset) liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period July 1, 2022 through June 30, 2023, and the period July 1, 2021 through June 30, 2022.

The amount recognized by the Agency as its proportionate share of the net pension (asset) liability and the total portion of the net pension (asset) liability that was associated with the Agency were as follows at September 30:

	2024	2023
Agency's proportion of the net pension (asset) liability	0.36%	0.34%
Agency's proportionate share of the net pension (asset) liability	\$ 1,644,092	\$ 2,817,100
Agency's covered-employee payroll	\$ 6,802,715	\$ 6,076,376
Agency's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	24.17%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	95.91%	92.24%

At September 30, 2024 and 2023, OHFA reported its proportionate share of the OPERS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024:		
Change in proportionate share	\$ 63,063	\$ (137,337)
Changes in actuarial assumptions	347,319	-
Differences between expected and actual economic experience	45,106	(24,905)
Difference between projected and actual investment earnings	1,366,681	-
Contributions paid to OPERS subsequent to the measurement date	784,480	-
	<u>\$ 2,606,649</u>	<u>\$ (162,242)</u>
2023:		
Change in proportionate share	\$ 274,740	\$ (13,701)
Changes in actuarial assumptions	-	-
Differences between expected and actual economic experience	-	(129,160)
Difference between projected and actual investment earnings	2,956,902	-
Contributions paid to OPERS subsequent to the measurement date	808,300	-
	<u>\$ 4,039,942</u>	<u>\$ (142,861)</u>

Deferred outflows of resources of \$784,480 and \$808,300 related to pensions as of September 30, 2024 and 2023, respectively, resulting from OHFA contributions subsequent to the measurement dates of June 30, 2023 and 2022, were recognized as an increase in the net pension (asset) or reduction of the net pension liability in the years ended September 30, 2024 and 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (income) expense as follows:

Year Ended September 30,	Pension Expense
2025	\$ 430,182
2026	48,875
2027	1,492,408
2028	(311,538)

## **Note 11 – OPEB**

### OPERS OPEB plan description

OHFA participates in the OPERS Health Insurance Subsidy Plan (HISP), a cost-sharing multiple-employer defined benefit public employee health insurance subsidy retirement plan which is administered by OPERS. The HISP is classified as an "other postemployment employee benefit."

### OPEB plan fiduciary net position

Detailed information about OPERS OPEB fiduciary net position is available in separately issued Comprehensive Annual Financial Reports that include financial statements and required supplemental information. These reports may be obtained on the Internet at [https://www.opers.ok.gov/wp-content/uploads/2023/11/2023\\_ACFR\\_OPERS\\_Final.pdf](https://www.opers.ok.gov/wp-content/uploads/2023/11/2023_ACFR_OPERS_Final.pdf); P.O. Box 53007, Oklahoma City, OK 73152-3007; and telephone (800) 733-9008.

### Benefits provided

HISP provides a health insurance premium subsidy for retirees of OPERS who elect to maintain health insurance with the Office of Management Enterprise Services (OMES) Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employers. The HISP subsidy is capped at \$105 per month per retiree. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not the joint annuitants or beneficiaries.

### Contributions

The contribution rates for each member category of the plan are established by the Oklahoma Legislature after recommendation by the OPERS Board based on actuarial calculation, which is performed to determine the adequacy of such contribution rates. An actuarially determined portion of the total contribution to OPERS is set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code.

Each member participates based on their qualifying gross salary earned, excluding overtime. There is no cap on the qualifying gross salary earned, subject to IRS limitations on compensation. Only employers contribute to the HISP. The following contribution rates were in effect for State, County, and Local Agency Employees: for 2024 and 2023, state agency employers contributed 16.5% on all salary toward OPERS and HISP.

For the years ended September 30, 2024 and 2023, OHFA contributed approximately \$60,000 and \$56,000, respectively, to OPERS for the HISP.

### Actuarial methods and assumptions

The total OPEB asset (liability) as of June 30, 2023 and 2022, was determined based on actuarial valuations prepared as of July 1, 2023, using the following actuarial assumptions:

- Investment return – 6.5% for 2023 and 2022 compounded annually net of investment expense and including inflation
- Salary increases, including price inflation – 3.25% to 9.25% for 2023 and 2022
- Mortality rates – In 2023 and 2022, Pub G-2010(B) Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are unadjusted, and female rates are set forward two years.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.5% for 2023 and 2022

- Payroll Growth – 3.25% for 2023 and 2022
- Actuarial cost method – entry age
- Select period for the termination of employment assumptions – ten years

The actuarial assumptions used in the July 1, 2023 valuations are based on the results of the most recent actuarial experience study, which covered the three-year period ended June 30, 2022. The experience study report is dated April 12, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2022 experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
US TIPS	3.5%	1.8%
Total	100.0%	

#### Discount rate

The discount rate used to measure the total OPEB (asset) liability was 6.5% net of investment expenses for 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at the current contribution rate as set out in state statute. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset or liability. The discount rate determined does not use a municipal bond rate.

#### Sensitivity of the net OPEB liability to changes in the discount rate

The following schedule presents the OHFA portion of the OPERS OPEB (asset) liability calculated using the discount rates of 6.5% for 2023 and 2022, as well as what OHFA's OPEB (asset) liability would be if it were calculated using a discount rate that is 1% lower than and 1% greater than the discount rate that was used in measuring the net OPEB (asset) liability as of June 30, 2023 and 2022, per the respective OPERS schedule of employer allocations and collective OPEB amounts.

	2023		
	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
OHFA's proportionate share of the net OPEB asset	\$ (336,500)	\$ (458,778)	\$ (562,759)

	2022		
	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
OHFA's proportionate share of the net OPEB asset	\$ (202,462)	\$ (313,654)	\$ (408,925)

OPEB (assets) liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At September 30, 2024 and 2023, OHFA reported assets of \$458,778 and \$313,654, respectively, for its proportionate share of the OPERS net OPEB (asset) liability. For the years ended September 30, 2024 and 2023, OHFA recognized OPEB (revenue) expense of (\$34,257) and (\$32,424), respectively.

The net OPEB (asset) liability was measured as of June 30, 2023 and 2022, respectively, and the total OPEB (asset) liability used to calculate the net OPEB (asset) or liability was determined by actuarial valuations as of those dates. The employer's proportion of the net OPEB asset or liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period July 1, 2022 through June 30, 2023, and July 1, 2021 through June 30, 2022.

The amount recognized by the Agency as its proportionate share of the net OPEB (asset) liability and the total portion of the net OPEB (asset) liability that was associated with the Agency were as follows at September 30:

	2024	2023
Agency's proportion of the net OPEB liability (asset)	0.36%	0.34%
Agency's proportionate share of the net OPEB liability (asset)	\$ (458,778)	\$ (313,654)
Plan fiduciary net position as a percentage of the total OPEB asset or liability	141.38%	130.01%

At September 30, 2024 and 2023, OHFA reported its proportionate share of the OPERS deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024:		
Change in proportionate share	\$ 788	\$ (39,762)
Differences between expected and actual economic experience	-	(164,292)
Changes in actuarial assumptions	29,657	-
Difference between projected and actual investment earnings	85,815	-
Contributions paid to OPERS subsequent to the measurement date	44,457	-
	<u>\$ 160,717</u>	<u>\$ (204,054)</u>
2023:		
Change in proportionate share	\$ 1,930	\$ (14,788)
Differences between expected and actual economic experience	-	(156,705)
Changes in actuarial assumptions	26,484	-
Difference between projected and actual investment earnings	118,713	-
Contributions paid to OPERS subsequent to the measurement date	47,439	-
	<u>\$ 194,566</u>	<u>\$ (171,493)</u>

Deferred outflows of resources of \$44,457 and \$47,439 related to OPEB as of September 30, 2024 and 2023, respectively, resulting from OHFA contributions subsequent to the measurement dates of June 30, 2023 and 2022, were recognized as a reduction of the net OPEB liability in the year ended September 30, 2023 and 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	<u>OPEB Expense</u>
2025	\$ (33,447)
2026	(29,971)
2027	15,836
2028	(29,716)
2029	(10,496)

## **Note 12 – Risk Management**

OHFA is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. OHFA pays an annual premium to a private insurance carrier for its tort liability, property loss, workers' compensation, and general liability insurance coverage. OHFA purchases commercial employee life insurance and pays an annual premium for its employee health insurance coverage. There has not been any significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The Agency is not subject to significant risk of loss with respect to the above risks.

## **Note 13 – Contingencies**

Intergovernmental Financial Assistance – OHFA administers various federal and state programs. These programs are subject to audit and adjustments by the awarding agencies and other organizations. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. The amount, if any, of expenditures disallowed cannot be determined at this time. OHFA expects such amounts, if any, to be immaterial.

Litigation – OHFA, in the normal course of business, is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, OHFA believes the resolution of these matters will not have a material adverse effect on the financial condition of OHFA.

## **Note 14 – Subsequent Event**

In November 2024, OHFA issued \$75,000,000 of bonds (Series 2024D) to purchase mortgage-backed securities originated under the Agency's Single Family Mortgage Revenue Bond Program. The bonds have interest rates ranging from 3.2% to 6.5% and maturities ranging from September 2025 to March 2056.

The Agency issued two conduit debt multi-family mortgage revenue bonds subsequent to year-end totaling \$61,000,000.



## **REQUIRED SUPPLEMENTAL INFORMATION**

# OKLAHOMA HOUSING FINANCE AGENCY

## SCHEDULE OF OHFA'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY

### Last Ten Fiscal Years <sup>(1)</sup>

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OHFA's proportion of the net pension (asset) liability	0.35934793%	0.33514373%	0.31820207%	0.29991057%	0.30404844%	0.27042901%	0.27571479%	0.24714034%	0.23478392%	0.25492617%
OHFA's proportionate share of the net pension (asset) liability	\$ 1,644,092	\$ 2,817,100	\$ (4,270,783)	\$ 2,675,690	\$ 404,956	\$ 527,453	\$ 1,490,688	\$ 2,352,317	\$ 844,480	\$ 467,253
OHFA's covered payroll	\$ 6,802,715	\$ 6,076,376	\$ 5,641,073	\$ 5,334,545	\$ 5,195,297	\$ 4,547,539	\$ 4,809,522	\$ 4,298,455	\$ 4,374,297	\$ 4,185,176
OHFA's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	24.17%	46.36%	75.71%	50.16%	7.79%	11.60%	30.99%	54.72%	19.30%	11.18%
OPERS' fiduciary net position as a percentage of the total pension (asset) liability	95.91%	92.24%	112.51%	91.59%	98.63%	97.96%	94.28%	89.50%	96.00%	97.90%

<sup>(1)</sup> The amounts presented for each fiscal year were determined as of June 30 of the prior year.

**OKLAHOMA HOUSING FINANCE AGENCY**  
**SCHEDULE OF OHFA'S PENSION CONTRIBUTIONS**

**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,062,250	\$ 947,022	\$ 874,352	\$ 822,509	\$ 800,230	\$ 698,746	\$ 741,664	\$ 709,245	\$ 721,759	\$ 690,554
Contributions in relation to the contractually required contributions	1,062,250	947,022	874,352	822,509	800,230	698,746	741,664	709,245	721,759	690,554
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OHFA's covered payroll	\$ 6,802,715	\$ 6,076,376	\$ 5,641,073	\$ 5,334,545	\$ 5,195,297	\$ 4,547,539	\$ 4,809,522	\$ 4,298,455	\$ 4,374,297	\$ 4,185,176
Contributions as a percentage of covered payroll	15.6%	15.6%	15.4%	15.4%	15.4%	15.4%	15.4%	16.5%	16.5%	16.5%

**OKLAHOMA HOUSING FINANCE AGENCY**

**SCHEDULE OF OHFA'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**

<b>Last Seven Fiscal Years <sup>(1)</sup></b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
OHFA's proportion of the net OPEB liability (asset)	0.35934793%	0.33514373%	0.31820207%	0.29991057%	0.30404844%	0.27042901%	0.27571479%
OHFA's proportionate share of the net OPEB liability (asset)	\$ (458,778)	\$ (313,653)	\$ (437,472)	\$ (140,607)	\$ (118,198)	\$ (34,996)	\$ 31,580
OHFA's covered payroll	\$ 6,802,715	\$ 6,076,376	\$ 5,641,073	\$ 5,334,545	\$ 5,195,297	\$ 4,547,539	\$ 4,809,552
OHFA's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	6.74%	5.16%	7.76%	2.64%	2.28%	0.77%	0.66%
OPERS' fiduciary net position as a percentage of the total OPEB asset or liability	141.38%	130.01%	142.87%	114.27%	112.11%	103.94%	96.50%

<sup>(1)</sup>The amounts presented for each fiscal year were determined as of June 30 of the prior year.

Only the last seven fiscal years are presented because ten-year data is not readily available.

**OKLAHOMA HOUSING FINANCE AGENCY**  
**SCHEDULE OF OHFA'S OPEB CONTRIBUTIONS**

**Last Seven Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 60,198	\$ 55,580	\$ 56,425	\$ 57,691	\$ 56,991	\$ 51,598	\$ 51,912
Contributions in relation to the contractually required contributions	60,198	55,580	56,425	57,691	56,991	51,598	51,912
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OHFA's covered payroll	\$ 6,802,715	\$ 6,076,376	\$ 5,641,073	\$ 5,334,545	\$ 5,195,297	\$ 4,547,539	\$ 4,809,522
Contributions as a percentage of covered payroll	0.88%	0.91%	1.00%	1.08%	1.10%	1.13%	1.08%

Only the last seven fiscal years are presented because ten-year data is not readily available.

## **OTHER SUPPLEMENTAL INFORMATION**

# OKLAHOMA HOUSING FINANCE AGENCY

## SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAMS

### SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION

September 30, 2024

	1994 Master Indenture Accumulation Fund	2009 Series C NIBP Master Indenture	2012 Series A 2009 C-4	2013 Series C & D	2018 Master Indenture Special Program Fund	2018 Series A	2019 Series A	2020 Series A	2020 Series B	2022 Series A
<b>Assets</b>										
Current assets:										
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,842
Restricted assets:										
Cash and cash equivalents	496,931	150,574	394,305	1,203,210	3,964,393	268,814	661,640	383,087	349,977	972,414
Interest receivable	25,399	27,086	48,087	39,231	174,206	63,073	85,555	83,798	44,045	138,123
Total current assets	522,330	177,660	442,392	1,242,441	4,138,599	331,887	747,195	466,885	394,022	1,116,379
Noncurrent assets:										
Investments	5,162,349	8,516,042	15,753,752	10,230,227	50,005,616	15,762,943	24,731,835	27,031,015	16,778,808	32,452,658
Program loans	-	30,549	-	-	138,225	-	-	-	-	796,833
Total noncurrent assets	5,162,349	8,546,591	15,753,752	10,230,227	50,143,841	15,762,943	24,731,835	27,031,015	16,778,808	33,249,491
Total assets	5,684,679	8,724,251	16,196,144	11,472,668	54,282,440	16,094,830	25,479,030	27,497,900	17,172,830	34,365,870
<b>Liabilities</b>										
Current liabilities:										
Accounts payable	-	-	8,859	4,171	-	6,042	9,852	11,043	7,284	12,318
Interest payable	-	-	59,798	26,733	-	43,895	82,067	67,158	33,435	116,118
Current maturities of bonds payable	-	-	2,415,000	472,610	-	640,000	1,310,000	845,000	1,375,000	1,830,000
Total current liabilities	-	-	2,483,657	503,514	-	689,937	1,401,919	923,201	1,415,719	1,958,436
Noncurrent liabilities:										
Arbitrage payable	-	-	-	-	-	-	-	-	-	-
Bonds payable, less current maturities	-	-	17,944,288	8,484,765	-	12,983,155	27,780,580	26,297,848	19,385,208	34,527,957
Total noncurrent liabilities	-	-	17,944,288	8,484,765	-	12,983,155	27,780,580	26,297,848	19,385,208	34,527,957
Total liabilities	-	-	20,427,945	8,988,279	-	13,673,092	29,182,499	27,221,049	20,800,927	36,486,393
<b>Net Position</b>										
Restricted for single family bond programs	\$ 5,684,679	\$ 8,724,251	\$ (4,231,801)	\$ 2,484,389	\$ 54,282,440	\$ 2,421,738	\$ (3,703,469)	\$ 276,851	\$ (3,628,097)	\$ (2,120,523)

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAMS**

**SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION (continued)**

**September 30, 2024**

	2022 Series B	2023 Series A	2023 Series B	2023 Series C	2023 Series D	2024 Series A	2024 Series B	2024 Series C	Total Single Family Bond Programs
<b>Assets</b>									
Current assets:									
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 984	\$ 7,251	\$ 14,077
Restricted assets:									
Cash and cash equivalents	1,182,581	951,259	796,957	891,720	801,958	19,571,105	32,418,479	63,987,375	129,446,779
Interest receivable	227,194	163,008	216,503	231,580	283,807	361,758	441,681	449,040	3,103,174
Total current assets	1,409,775	1,114,267	1,013,460	1,123,300	1,085,765	19,932,863	32,861,144	64,443,666	132,564,030
Noncurrent assets:									
Investments	48,511,170	33,825,281	43,942,015	45,504,985	52,294,779	43,906,657	60,425,237	27,828,125	562,663,494
Program loans	1,583,131	1,073,108	1,395,455	1,412,744	1,608,568	1,339,107	1,835,016	839,408	12,052,144
Total noncurrent assets	50,094,301	34,898,389	45,337,470	46,917,729	53,903,347	45,245,764	62,260,253	28,667,533	574,715,638
Total assets	51,504,076	36,012,656	46,350,930	48,041,029	54,989,112	65,178,627	95,121,397	93,111,199	707,279,668
<b>Liabilities</b>									
Current liabilities:									
Accounts payable	18,295	12,701	16,141	16,858	19,945	-	-	-	143,509
Interest payable	204,294	155,484	194,521	207,867	268,916	243,460	318,044	313,541	2,335,331
Current maturities of bonds payable	860,000	650,000	760,000	740,000	765,000	820,000	855,000	400,000	14,737,610
Total current liabilities	1,082,589	818,185	970,662	964,725	1,053,861	1,063,460	1,173,044	713,541	17,216,450
Noncurrent liabilities:									
Arbitrage payable	-	30,450	44,106	32,254	54,648	39,005	-	-	200,463
Bonds payable, less current maturities	46,942,142	39,747,024	49,270,354	50,182,119	61,007,042	61,712,535	77,387,160	78,379,777	612,031,954
Total noncurrent liabilities	46,942,142	39,777,474	49,314,460	50,214,373	61,061,690	61,751,540	77,387,160	78,379,777	612,232,417
Total liabilities	48,024,731	40,595,659	50,285,122	51,179,098	62,115,551	62,815,000	78,560,204	79,093,318	629,448,867
<b>Net Position</b>									
Restricted for single family bond programs	\$ 3,479,345	\$ (4,583,003)	\$ (3,934,192)	\$ (3,138,069)	\$ (7,126,439)	\$ 2,363,627	\$ 16,561,193	\$ 14,017,881	\$ 77,830,801

See independent auditor's report.



**OKLAHOMA HOUSING FINANCE AGENCY**

**SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAMS**

**SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

**Year ended September 30, 2024**

	1994 Master Indenture Accumulation Fund	2009 Series C NIBP Master Indenture	2012 Series A 2009 C-4	2013 Series C & D	2018 Master Indenture Special Program Fund	2018 Series A	2019 Series A	2020 Series A	2020 Series B	2022 Series A
<b>Operating Revenues</b>										
Investment income	\$ 365,183	\$ 369,631	\$ 718,853	\$ 562,949	\$ 2,262,093	\$ 834,276	\$ 1,120,820	\$ 1,124,676	\$ 568,458	\$ 1,855,088
Net increase in fair value of investments	211,745	530,034	1,277,402	780,679	3,917,593	1,062,192	2,104,150	2,323,150	1,751,120	1,781,696
Other income	-	-	-	-	-	-	-	-	-	3,200
<b>Total operating revenues</b>	<b>576,928</b>	<b>899,665</b>	<b>1,996,255</b>	<b>1,343,628</b>	<b>6,179,686</b>	<b>1,896,468</b>	<b>3,224,970</b>	<b>3,447,826</b>	<b>2,319,578</b>	<b>3,639,984</b>
<b>Operating Expenses</b>										
Interest on bonds payable	-	-	664,840	346,631	-	514,349	855,140	769,162	316,089	1,390,282
Mortgage servicing fees	28,756	45,976	87,710	57,700	279,026	81,791	135,600	150,636	101,096	167,386
Trustees, issuer and other fees	1,200	-	123,588	59,933	-	83,785	137,108	152,954	102,965	171,170
Bad debt	-	1,555	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-
Other general and administrative	-	1,204	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>29,956</b>	<b>48,735</b>	<b>876,138</b>	<b>464,264</b>	<b>279,026</b>	<b>679,925</b>	<b>1,127,848</b>	<b>1,072,752</b>	<b>520,150</b>	<b>1,728,838</b>
<b>Operating income before transfers</b>	<b>546,972</b>	<b>850,930</b>	<b>1,120,117</b>	<b>879,364</b>	<b>5,900,660</b>	<b>1,216,543</b>	<b>2,097,122</b>	<b>2,375,074</b>	<b>1,799,428</b>	<b>1,911,146</b>
Equity transfers in (out)	(1,326,238)	(389,163)	579,662	(190,499)	(5,172,278)	1,243,166	1,371,923	9,911	467,334	972,144
Operating transfers in (out)	-	-	(4,109)	-	-	-	-	-	-	-
<b>Increase (decrease) in net position</b>	<b>(779,266)</b>	<b>461,767</b>	<b>1,695,670</b>	<b>688,865</b>	<b>728,382</b>	<b>2,459,709</b>	<b>3,469,045</b>	<b>2,384,985</b>	<b>2,266,762</b>	<b>2,883,290</b>
<b>Total net position, beginning of year</b>	<b>6,463,945</b>	<b>8,262,484</b>	<b>(5,927,471)</b>	<b>1,795,524</b>	<b>53,554,058</b>	<b>(37,971)</b>	<b>(7,172,514)</b>	<b>(2,108,134)</b>	<b>(5,894,859)</b>	<b>(5,003,813)</b>
<b>Total net position, end of year</b>	<b>\$ 5,684,679</b>	<b>\$ 8,724,251</b>	<b>\$ (4,231,801)</b>	<b>\$ 2,484,389</b>	<b>\$ 54,282,440</b>	<b>\$ 2,421,738</b>	<b>\$ (3,703,469)</b>	<b>\$ 276,851</b>	<b>\$ (3,628,097)</b>	<b>\$ (2,120,523)</b>

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAMS**

**SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (continued)**

**Year ended September 30, 2024**

	2022 Series B	2023 Series A	2023 Series B	2023 Series C	2023 Series D	2024 Series A	2024 Series B	2024 Series C	Total Single Family Bond Programs
<b>Operating Revenues</b>									
Investment income	\$ 3,076,993	\$ 2,180,624	\$ 2,851,539	\$ 3,248,495	\$ 3,420,121	\$ 2,685,761	\$ 1,606,040	\$ 370,796	\$ 29,222,396
Net increase in fair value of investments	2,022,868	1,222,771	1,299,553	1,265,069	1,416,714	1,169,500	1,976,199	747,310	26,859,745
Other income	7,187	3,950	1,236	-	-	-	-	-	15,573
<b>Total operating revenues</b>	<b>5,107,048</b>	<b>3,407,345</b>	<b>4,152,328</b>	<b>4,513,564</b>	<b>4,836,835</b>	<b>3,855,261</b>	<b>3,582,239</b>	<b>1,118,106</b>	<b>56,097,714</b>
<b>Operating Expenses</b>									
Interest on bonds payable	2,481,882	1,837,612	2,317,606	2,358,175	2,577,789	1,709,750	1,144,957	313,541	19,597,805
Mortgage servicing fees	249,883	171,546	217,690	215,113	179,145	104,621	59,468	-	2,333,143
Trustees, issuer and other fees	254,200	206,013	173,928	167,688	87,178	50,038	10,219	8,239	1,790,206
Bad debt	-	-	-	54,116	178,730	148,790	203,891	93,268	680,350
Bond issue costs	-	-	-	-	576,328	574,976	669,707	679,676	2,500,687
Other general and administrative	-	-	-	-	-	-	-	-	1,204
<b>Total operating expenses</b>	<b>2,985,965</b>	<b>2,215,171</b>	<b>2,709,224</b>	<b>2,795,092</b>	<b>3,599,170</b>	<b>2,588,175</b>	<b>2,088,242</b>	<b>1,094,724</b>	<b>26,903,395</b>
<b>Operating income before transfers</b>	<b>2,121,083</b>	<b>1,192,174</b>	<b>1,443,104</b>	<b>1,718,472</b>	<b>1,237,665</b>	<b>1,267,086</b>	<b>1,493,997</b>	<b>23,382</b>	<b>29,194,319</b>
Equity transfers in (out)	(582,335)	263,018	286,474	(19,327,251)	(8,364,104)	1,096,541	15,067,196	13,994,499	-
Operating transfers in (out)	-	-	-	-	-	-	-	-	(4,109)
<b>Increase (decrease) in net position</b>	<b>1,538,748</b>	<b>1,455,192</b>	<b>1,729,578</b>	<b>(17,608,779)</b>	<b>(7,126,439)</b>	<b>2,363,627</b>	<b>16,561,193</b>	<b>14,017,881</b>	<b>29,190,210</b>
<b>Total net position, beginning of year</b>	<b>1,940,597</b>	<b>(6,038,195)</b>	<b>(5,663,770)</b>	<b>14,470,710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,640,591</b>
<b>Total net position, end of year</b>	<b>\$ 3,479,345</b>	<b>\$ (4,583,003)</b>	<b>\$ (3,934,192)</b>	<b>\$ (3,138,069)</b>	<b>\$ (7,126,439)</b>	<b>\$ 2,363,627</b>	<b>\$ 16,561,193</b>	<b>\$ 14,017,881</b>	<b>\$ 77,830,801</b>

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION**

**September 30, 2024**

	Single Family Bond Programs	Agency General Fund	Eliminations	Combined Totals
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 54,885,506	\$ -	\$ 54,885,506
Investments	-	254,661	-	254,661
Accounts receivable - unrestricted (net of an allowance for doubtful accounts of \$1,808,974)	14,077	190,864	(156,602)	48,339
Accounts receivable - U.S. Department of Housing and Urban Development	-	1,126,358	-	1,126,358
Interest receivable	-	307,853	-	307,853
Prepaid expenses	-	818,374	-	818,374
Restricted assets:				
Cash and cash equivalents	129,446,779	219,296,534	-	348,743,313
Interest receivable	3,103,174	-	-	3,103,174
Total current assets	132,564,030	276,880,150	(156,602)	409,287,578
Noncurrent assets:				
Investments	-	71,220,032	-	71,220,032
Program loans receivable (net of allowance for bad debts of \$1,423,417)	-	17,974,453	-	17,974,453
Nondepreciated capital assets	-	550,000	-	550,000
Capital assets, net	-	17,498,142	-	17,498,142
Restricted assets				
Investments	562,663,494	-	-	562,663,494
Program loans receivable (net of an allowance for doubtful accounts of \$1,339,127)	12,052,144	-	-	12,052,144
OPEB asset	-	458,778	-	458,778
Total noncurrent assets	574,715,638	107,701,405	-	682,417,043
Total assets	707,279,668	384,581,555	(156,602)	1,091,704,621
Deferred outflows of resources:				
Pension	-	2,606,649	-	2,606,649
OPEB	-	160,717	-	160,717
Accumulated decrease in fair value of hedging derivatives	-	12,700	-	12,700
Total deferred outflows of resources	-	2,780,066	-	2,780,066

**OKLAHOMA HOUSING FINANCE AGENCY**

**SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION (continued)**

**September 30, 2024**

	Single Family Bond Programs	Agency General Fund	Eliminations	Combined Totals
<b>Liabilities</b>				
Current liabilities:				
Salaries and related expenses	-	791,518	-	791,518
Accounts Payable - U.S. Department of Housing and Urban Development	-	651,942	-	651,942
Accounts payable - Family Self Sufficiency Program	-	960,691	-	960,691
Accounts payable - other	143,509	658,291	(156,602)	645,198
Hedging payable	-	12,700	-	12,700
Unearned revenue	-	71,966,454	-	71,966,454
Compensated absences	-	1,099,940	-	1,099,940
Interest payable	2,335,331	26,934	-	2,362,265
Current maturities of bonds and notes payable	14,737,610	-	-	14,737,610
Total current liabilities	17,216,450	76,168,470	(156,602)	93,228,318
Noncurrent liabilities:				
Pension liability	-	1,644,092	-	1,644,092
Arbitrage payable	200,463	-	-	200,463
Bonds and notes payable, less current maturities	612,031,954	-	-	612,031,954
Total noncurrent liabilities	612,232,417	1,644,092	-	613,876,509
Total liabilities	629,448,867	77,812,562	(156,602)	707,104,827
Deferred inflows of resources:				
OPEB	-	204,054	-	204,054
Pension	-	162,242	-	162,242
Total deferred inflows of resources	-	366,296	-	366,296
<b>Net Position</b>				
Invested in capital assets	-	18,048,142	-	18,048,142
Restricted for Single Family Bond Programs	77,830,801	-	-	77,830,801
Restricted for Section 8 and Emergency Housing Voucher Programs	-	55,747	-	55,747
Restricted for Oklahoma Housing Trust Fund	-	4,171,442	-	4,171,442
Restricted for Oklahoma Housing Stability Program	-	176,495,865	-	176,495,865
Unrestricted	-	110,411,567	-	110,411,567
Total net position	\$ 77,830,801	\$ 309,182,763	\$ -	\$ 387,013,564

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SUPPLEMENTAL COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION**

**Year ended September 30, 2024**

	Single Family Bond Programs	Agency General Fund	Eliminations	Combined Totals
<b>Operating Revenues</b>				
Investment income	\$ 29,222,396	\$ 17,227,596	\$ -	\$ 46,449,992
Program loan income	-	109,215	-	109,215
Net increase in fair value of investments	26,859,745	4,744,063	-	31,603,808
Realized gain on sale of investments	-	5,921,837	-	5,921,837
Fees and other income	15,573	23,672,711	(1,501,830)	22,186,454
Total operating revenues	56,097,714	51,675,422	(1,501,830)	106,271,306
<b>Operating Expenses</b>				
Interest on bonds and notes payable	19,597,805	651,300	-	20,249,105
Mortgage servicing fees	2,333,143	-	-	2,333,143
Trustees, issuer and other fees	1,790,206	-	(1,501,830)	288,376
Bad debt	680,350	785,803	-	1,466,153
Bond issue costs	2,500,687	-	-	2,500,687
Salaries and related expenses	-	13,625,513	-	13,625,513
Other general and administrative	1,204	5,298,941	-	5,300,145
Total operating expenses	26,903,395	20,361,557	(1,501,830)	45,763,122
Operating income	29,194,319	31,313,865	-	60,508,184
Nonoperating revenues (expenses):				
Federal and state program income	-	369,943,295	-	369,943,295
Federal and state program expenses	-	(205,705,880)	-	(205,705,880)
Total nonoperating income	-	164,237,415	-	164,237,415
Income before transfers	29,194,319	195,551,280	-	224,745,599
Transfers	(4,109)	4,109	-	-
Increase in net position	29,190,210	195,555,389	-	224,745,599
Total net position, beginning of year	48,640,591	113,627,374	-	162,267,965
Total net position, end of year	\$ 77,830,801	\$ 309,182,763	\$ -	\$ 387,013,564

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS**

**Year ended September 30, 2024**

	Single Family Bond Programs	Agency General Fund	Eliminations	Combined Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from fees	\$ 15,573	\$ 22,134,639	\$(1,501,830)	\$ 20,648,382
Receipts from program loan payments	141,650	8,556,856	(6,819,061)	1,879,445
Receipts used by other sources	-	(195,009,922)	-	(195,009,922)
Payments to employees	-	(13,594,259)	-	(13,594,259)
Payments to suppliers	-	(3,329,410)	-	(3,329,410)
Payment for purchases of program loans	(6,819,061)	(16,911,042)	6,819,061	(16,911,042)
Payments for bond fees	(2,287,767)	-	-	(2,287,767)
Payments for trustee and other fees	(1,590,947)	-	1,501,830	(89,117)
Net cash used in operating activities	(10,540,552)	(198,153,138)	-	(208,693,690)
<b>Cash Flows from Noncapital Financing Activities</b>				
Proceeds from issuance of bonds and notes payable	282,149,268	376,300,000	-	658,449,268
Principal paid on bonds and notes payable	(28,835,265)	(376,300,000)	-	(405,135,265)
Interest paid on bonds and notes payable	(18,542,455)	(824,194)	-	(19,366,649)
Payment of bond issuance costs	(2,500,687)	-	-	(2,500,687)
Receipt of federal and state program revenue	-	369,943,295	-	369,943,295
Payment of federal and state program expenses	-	(205,705,880)	-	(205,705,880)
Transfers	(4,109)	4,109	-	-
Net cash provided by noncapital financing activities	232,266,752	163,417,330	-	395,684,082
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	-	(570,407)	-	(570,407)
<b>Cash Flows from Investing Activities</b>				
Purchase of investments	(221,428,222)	(421,843,107)	-	(643,271,329)
Proceeds from sales and maturities of investments	56,908,990	428,921,481	-	485,830,471
Interest received on investments	27,824,107	17,282,793	-	45,106,900
Net cash provided by (used in) investing activities	(136,695,125)	24,361,167	-	(112,333,958)
Net increase (decrease) in cash	85,031,075	(10,945,048)	-	74,086,027
Cash and cash equivalents, beginning of year	44,415,704	285,127,088	-	329,542,792
Cash and cash equivalents, end of year	\$ 129,446,779	\$ 274,182,040	\$ -	\$ 403,628,819
<b>Cash and Cash Equivalents as Reported in Statement of Net Position</b>				
Unrestricted	\$ -	\$ 54,885,506	\$ -	\$ 54,885,506
Restricted	129,446,779	219,296,534	-	348,743,313
	\$ 129,446,779	\$ 274,182,040	\$ -	\$ 403,628,819

See independent auditor's report.

**OKLAHOMA HOUSING FINANCE AGENCY**

**SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS (continued)**

**Year ended September 30, 2024**

	Single Family Bond Programs	Agency General Fund	Eliminations	Combined Totals
<b>Reconciliation of Operating Income to Net Cash Used in Operating Activities</b>				
Operating income	\$ 29,194,319	\$ 31,313,865	\$ -	\$ 60,508,184
Adjustments to reconcile operating income to net cash used in operating activities:				
Depreciation	-	1,191,918	-	1,191,918
Bad debt	680,350	785,803	-	1,466,153
Interest from investments	(29,222,396)	(17,227,596)	-	(46,449,992)
Bond issue costs	2,500,687	-	-	2,500,687
Net increase in fair value of investments	(26,859,745)	(4,744,063)	-	(31,603,808)
Realized gain on sale of investments	-	(5,921,837)	-	(5,921,837)
Interest on bonds and notes payable	19,597,805	651,300	-	20,249,105
Change in operating assets, liabilities, deferred outflows, and deferred inflows:				
Accounts receivable and HUD receivable	(14,077)	(305,076)	-	(319,153)
Hedging receivable	-	(19,339)	-	(19,339)
Prepaid expenses	-	(91,265)	-	(91,265)
Program loans receivable	(6,663,334)	(8,463,402)	-	(15,126,736)
OPEB asset	-	(145,124)	-	(145,124)
Pension asset	-	-	-	-
Accounts payable and accrued expenses	45,376	(447,992)	-	(402,616)
Arbitrage payable	200,463	-	-	200,463
Unearned revenue	-	(195,069,951)	-	(195,069,951)
Pension liability	-	(1,173,008)	-	(1,173,008)
Deferred outflows	-	1,486,481	-	1,486,481
Deferred inflows	-	51,942	-	51,942
Compensated absences	-	(25,794)	-	(25,794)
Net cash used in operating activities	\$ (10,540,552)	\$ (198,153,138)	\$ -	\$ (208,693,690)

See independent auditor's report.

## **OTHER REPORT**



**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**

To the Board of Trustees  
Oklahoma Housing Finance Agency

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of Oklahoma Housing Finance Agency (the Agency), as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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.

A handwritten signature in black ink that reads "Hogan Taylor" followed by the initials "UP".

Oklahoma City, Oklahoma  
January 28, 2025