

## **OWRB – FINANCIAL ANALYST SECTION – SOP’S**

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### **Annual Disclosure Reports**

Each year, the Oklahoma Water Resources Board is required to disclose certain information to the Municipal Securities Rulemaking Board (MSRB) through uploading documents in PDF format to EMMA at msrb.org. These documents must be submitted by December 27 of each year, 180 days after the end of OWRB’s fiscal year (June 30). These documents must also be provided to certain parties. A brief description of each of these documents is included in this document.

It is recommended that the analyst compiling these reports look at previous years’ reports in order to more easily complete this project. These can be found at S:\Shared\Analysts\Reports\Annual Disclosure Reports. Also, it is assumed that the names of files stated in this document will remain the same from year to year. The Lending Manager, Division Accountant, Division Attorney, and Disclosure Officer will be of invaluable assistance should you have any questions.

This document contains procedural instructions for the **Financial Loan Analyst**.

## **Description of Reports**

### **Reserve Funds Report**

This report shows the reserve amount of investments of funds and accounts established under the General Resolution, as well as the maturity date and interest rate of each investment.

### **CWSRF Loans Outstanding and Pledged to Bonds Report**

This report contains CWSRF outstanding loans sorted by entity. It lists the original loan amount, the outstanding balance, the interest rate, the maturity date, and to which bond series (if any) each loan is pledged. This is a report generated in IFS by going to Reports-End-User Reports-CW DW Outstanding Pledged Loans. Loan ORF-05-0006-CW of Broken Arrow Municipal Authority shows twice on this report because there was a supplemental loan done. The analyst must ensure the loan is listed only once on the disclosure pdf.

### **DWSRF Loans Outstanding and Pledged to Bonds Report**

This report contains DWSRF outstanding loans sorted by entity. It lists the original loan amount, the outstanding balance, the interest rate, the maturity date, and to which bond series (if any) each loan is pledged. This is a report generated in IFS by going to Reports-End-User Reports-CW DW Outstanding Pledged Loans.

NOTE: Do not include the Delaware RWD #10 loan in the report. This loan should be excluded from the annual disclosure.

### **Bond Loans Outstanding & Investment Grade Report**

This report contains FAP outstanding loans sorted by entity. It lists the original loan amount, the outstanding balance, the local reserve fund amount, the maturity date, the bond series to which each loan is pledged, and whether the interest rate is fixed or variable.

NOTE: The FAP loan balance at 6/30 fiscal year-end may differ from the FAP bond balance because FAP loan defeasances remain on the bond books but not on the loan books and also because the FAP loan payments are posted in June but the corresponding bond payments are made on July 1.

### **OWRB Bonds Audit Report**

This is the annual audit of OWRB's State Loan Program Revenue Bonds.

### **CWSRF Loan Program Audit**

This is the annual audit of OWRB's CWSRF Program.

### **CWSRF Administrative Fund Audit**

This is the annual audit of OWRB's CWSRF Administrative Fund.

### **CWSRF Single Audit Report**

This is the single audit (previously known as an A-133 audit) of OWRB's CWSRF Program. As stated by the United States Office of Management and Budget, "All non-Federal entities that expend \$750,000 or more of Federal awards in a year...are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards."

DWSRF Loan Program Audit

This is the annual audit of OWRB's DWSRF Program.

DWSRF Administrative Fund Audit

This is the annual audit of OWRB's DWSRF Administrative Fund.

DWSRF Single Audit Report

This is the single audit (also known as an A-133 audit) of OWRB's DWSRF Program.

Significant Obligor Audit

This is an annual audit from any borrower deemed a "significant obligor," which, for the SRF programs, is a borrower with an aggregate outstanding balance over 20% of the outstanding balance of all pledged loans for each program (CWSRF and DWSRF). For the FAP program, a significant obligor is a borrower whose loans comprise over 20% of the aggregate annual debt service of the total aggregate debt service for each FAP program (1986 and 2016 General Resolutions).

Interim Construction Loans

Borrowers under the Interim Construction Loan Program are listed here.

Material Events

According to the Treasury Department, "a 'Material Event' is an occurrence that affects an organization's strategic direction, mission, or business operation." This document shows what material events have occurred over the past fiscal year (FAP and SRF related events).

Cash Flow Summary

This report generally explains OWRB's programs, as well as their requirements, structural features, and legal covenants. It also shows the breakout of the types of FAP loans (water, sewer, refinancing, combo), and what percentage of FAP loans are either variable or fixed rate. We no longer show the investment vs. non-investment grade chart.

Bond Series Cash Flow Projections

These reports show cash flow projections for each bond series, including entities' future principal amounts, interest rates, and interest amounts, as well as the loan cash flow of the bond and its retirement schedule.

Estimated Bond Sinking Fund

A sinking fund is a method to repay funds borrowed through bond issues. This report shows estimates based upon loan income for various series of FAP bonds.

Cash Flow Projections with Default Assumptions

This document shows cash flow projections for the FAP program over a thirty year period under four scenarios: no defaults occurring, default occurring in the first four years, default occurring in the middle four years, and default occurring in the last four years.

## Procedures for the Analyst

Throughout this SOP, you will be instructed to “Convert to PDF” and “Combine files in Acrobat Pro.” Those processes are as follows:

### HOW TO CONVERT TO PDF

- Select “Print” in the top left-hand corner.
- Under the Printer “Name:” menu, select “Adobe PDF.”
- Select “OK.”
- Save the file to the desired location.

### HOW TO COMBINE FILES IN ACROBAT PRO

- Open Adobe Acrobat Pro.
- Click “Combine Files into PDF.”
- Click “Add Files...”
- Click “Add Files...” again.
- Choose the files you wish to combine.
- Assure that the files are listed in the order in which you want them to appear in the document.
- Click “Combine Files.”
- Click “File.”
- Click “Save.”
- Name the file and save it in the desired location.

The first step is to create the folders for the new year.

- Go to S:\Analysts\Reports\Annual Disclosure Reports.
- Create two new folders. Title one “Annual Report 20xx” (the fiscal year for which you are reporting) and the other “Annual Report 20xx PDF.” The final files that will be provided to the rating agencies are saved in the “Annual Report 20xx PDF” folder as pdfs. The other folder “Annual Report 20xx” is to be used as a repository for any draft files or other work-in-progress material which can be in Word, Excel, or other format.
- Open the “Annual Report 20xx PDF” folder.
- Create two folders. Title one “SRF” and the other “FAP”.
- In the “FAP” folder, create two folders: “1986” and “2016.”
- You may create the same “FAP” and “SRF” folders within the “Annual Report 20xx” folder if that helps you organize your draft material.
- ***All FAP files will be placed in the FAP folder and all the SRF reporting files in the SRF folder.***

### Reserve Funds Report

- This document has historically been found at S:\Finance\Investment Balance All.xlsx.
- Check with the Division Accountant to assure that the file is current.
- Copy the file onto your computer.

- Print each tab as PDF and save in the appropriate folder (SRF's in the SRF folder and FAP's in FAP folder).

### CWSRF Loans Outstanding and Pledged to Bonds Report

- Login to IFS.
- Click "Reports" in the top menu bar.
- Select "End-User Reports," and then select "End-User Reporting Engine."
- Open "CW DW Outstanding Pledged Loans" in the "All Folders" folder.
- Make "AsOfDate" 06/30/20xx of the fiscal year for which you are reporting.
- Click "OK."
- Select "Print" in the top left-hand corner.
- Check the "Print to File" box.
- For "Type," choose "Xlsx Data File."
- In the "Where" box, choose where you would like to save the file.
- Open the file you have just saved.
- **Note: You will need to make sure that loans that paid off after 6/30 are on the report (crosscheck with the Pay Off Checklists under Pay Off Approval in OnBase and/or the "Paid Off Report" in IFS), and that loans that were approved after 6/30 are *not* on the report (crosscheck with the Approved and Funded Report in IFS). You may have to manually add and delete loans from the report depending on the situation. If you add loans, make sure that you do not include the admin. fee in the interest rate. Also, do not include the 100% LF loans.**
- Enter "Not pledged at this time" into any blank cell in the "Pledged to" column.
- Make sure to insert 5 extra rows at the top of the document and between the CW and DW loans, as you will need to insert document titles and use this file to also make the DWSRF Loans Outstanding and Pledged to Bonds Report.
- In the top 4 rows, enter the text: "Oklahoma Water Resources Board [break] Clean Water State Revolving Fund Program [break] List of Loans Outstanding [break] As of June 30, 20xx."
- In the four rows above the DWSRF loans, enter the text: "Oklahoma Water Resources Board [break] Drinking Water State Revolving Fund Program [break] List of Loans Outstanding [break] As of June 30, 20xx."
- Under "As of June 30, 20xx," make the following headers for each corresponding column:
  - Loan Number
  - Borrower
  - Promissory Note Amount (Prom Note Amt)
  - Current Balance
  - Interest Rate (Rate)
  - Maturity Date (Mat Date)
  - Pledged To
- Once entered, select all of the headers and bold and underline them, then resize the columns so that all of the text appears. Change the font to Tahoma, size 8. In the four rows above these headers, Merge and Center each row across all of the columns. Change the font to Tahoma, size 8.

- Select all the cells pertaining to the CWSRF Loans Outstanding Report.
- Click the “Page Layout” tab.
- Click “Print Area,” and select “Set Print Area.”
- Click the “File” tab.
- Click “Save as Adobe PDF.”
- Click “Selection.”
- Click “Convert to PDF.”
- Click “Option...” (bottom right of box)
- Check “Fit to paper width.”
- Click “Ok.”
- Click “Save.”
- Follow the same process to create the DWSRF Loans Outstanding and Pledged to Bonds Report.

#### DWSRF Loans Outstanding and Pledged to Bonds Report

- See CWSRF Loans Outstanding and Pledged to Bonds Report.

#### Bond Loans Outstanding & Investment Grade Report

- Check with the Lending Manager to see which Excel file will need to be converted.
- Copy the file onto your computer.
- Open the file, and insert an extra column titled “Interest Rate Mode.”
- Most of the information that belongs here can be found in the previous year’s report. For new loans, check with the Lending Manager to see if they are fixed or variable rate loans.
- Check to see if any entity’s Loan Payments for the FY totals over 20% of the total Loan Payments for the FY of all loans in the associated General Resolution. If so, enter at the bottom of the document: “Significant Obligor Calculation – Borrowers with aggregate debt service over 20% of the outstanding debt service of all pledged loans.”
- Under that, enter: “Significant Obligor: [Entity Name]; current debt service of [\$x]. This borrower’s latest audit is provided.”
- Convert to PDF.

#### OWRB Bonds Audit Report

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the corresponding Bond Audit files (1986 and 2016) and paste them to the current year’s Annual Disclosure folder, in the 1986 FAP and 2016 FAP folders, respectively.

#### CWSRF Loan Program Audit

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file CWSRF Audit PDF file and paste it to the current year’s Annual Disclosure folder, in the SRF folder.

#### CWSRF Administrative Fund Audit

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file CWSRF Administrative Account Audit PDF file and paste it to the current year’s Annual Disclosure folder, in the SRF folder.

#### CWSRF Single Audit Report

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file “CWSRF Single Audit Report June 30.pdf” and paste it to the current year’s Annual Disclosure folder.

#### DWSRF Loan Program Audit

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file “DWSRF Report FINAL.pdf” and paste it to the current year’s Annual Disclosure folder.

#### DWSRF Administrative Fund Audit

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file “DWSRF Admin Report FINAL.pdf” and paste it to the current year’s Annual Disclosure folder.

#### DWSRF Single Audit Report

- Go to: “S:\SHARED\Bond Audits” and select the folder of the year with which you are working.
- Copy the file “DWSRF Single Audit Report June 30.pdf” and paste it to the current year’s Annual Disclosure folder.

#### Significant Obligor Audit

- Create a Word document to serve as a cover sheet with the following text: “Oklahoma Water Resources Board [break], FAP Significant Obligor Audits [break], For Fiscal Year ending June 30, 20xx [break], FAP Program: [break] *Qualifying Entities’ Names* [break].
- You will need to create this cover sheet for FAPs under both the 1986 and 2016 resolutions.
- For the SRF part follow the same steps as follows: Oklahoma Water Resources Board [break], SRF Significant Obligor Audits [break], For Fiscal Year ending June 30, 20xx [break], CWSRF Program: [break], *Qualifying Entities’ Names* [break] DWSRF Program: [break] *Qualifying Entities’ Names.*”
- Ask the Lending Manager where to find any audit that needs to be disclosed here.
- If the audits for the Significant Obligors are unavailable, we can include unaudited financial statements in the initial filing and post the audit when it becomes available.
- Combine the Word document with the corresponding audit(s) in Acrobat Pro.

### Material Events

- Get with the Lending Manager and the Division Attorney for guidance on this step.
- Copy the previous year's "Material Events FY 20xx" Word document (found in the "Annual Report 20xx" *non-PDF* folder) onto your computer. One for FAP and another for SRF.
- Ask the Lending Manager and the Division Attorney what events need to be listed here.
- Save the file and place it in the Annual Report 20xx" *non-PDF* folder.
- Convert to PDF.
- Save to the "Annual Report 20xx PDF" folder.

**For these next items, you will need to work closely with the Division Accountant, as they are the one who updates the relevant files.**

### Cash Flow Summary

- Ask the Division Accountant to update the pertinent information in this document and email you the required files.
- Combine the files in Acrobat Pro. *Hint: You may have to use the "Choose Pages" option before combining these files.*
- Most of the files needed will be located at S:>Finance>Cash Flow and there will either be a "FY XX Reporting" folder with all of the files in it or you will need to ask the Division Accountant which bond issue folder to use (the one closest to the end of the prior FY usually.)

### Bond Series Cash Flow Projections

- Ask the Division Accountant to show you where to find the necessary Excel files (see last point in the Cash Flow Summary section.)
- Copy all of these files onto your computer into the appropriate folder(s).
- As you prepare these reports, make sure to examine the previous years' reports in order to know where to "Set Print Area" and "Add to Print Area."
- Convert to PDF.

### Estimated Bond Sinking Fund

- See "Bond Series Cash Flow Projections."

### Cash Flow Projections with Default Assumptions

- See "Bond Series Cash Flow Projections."

### **Combining the Documents into 1 PDF**

1. After all documents above have been created and converted to PDF's, you will then combine them all into one document for the submission.
2. Using the steps from "How to Combine Files in Acrobat Pro" above, select all of the PDF's you created and combine them all.

3. Open the “Table of Contents” word document and update the page numbers as needed once the files are combined.
4. Once the Table of Contents is finalized, convert it to PDF as well and combine it with the rest of the PDF’s. Add page numbers to the document. Name it “1986 Resolution Combined” for the 1986 FAP submission, “2016 Resolution Combined” for the 2016 FAP submission, or “SRF Combined” for the SRF submission, and save it in the PDF folder of the submission you are doing.

### **Uploading to EMMA**

We upload two sets of files – one for FAP and one for SRF. Both groups have their own CUSIP numbers.

- If you do not already have one, ask the Division Attorney to make you an account with msrb.org.
- Login to msrb.org.
- Click “Emma Dataport.”
- Click “Continuing Disclosure”, then click “Create New Submission.”
- Choose “Financial/Operating Filing.” Click “Next” (bottom right).
- Select the “combined” PDF file for the disclosure you are doing. Click “Next.”
- Click the “SEC Rule 15c2-12 Disclosure” box, then click “Next.”
- Check the boxes next to “Annual Financial Information and Operating Data” and “Audited Financial Statements or CAFR.” Click “Next.”
- Enter “Annual Disclosure for Oklahoma Water Resources Board – SRF Only” in the first “Consisting of” box and “Audited Annual Disclosure for Oklahoma Water Resources Board – SRF Only” in the second “Consisting of” box. Enter “06/30/20xx” in both “Year Ended” boxes. For the FAP disclosures follow exactly the same procedure but instead of “SRF Only” type “1986 General Resolution FAP Only” and “2016 General Resolution FAP Only.” Click “Next”.
- Select “Municipal Bonds and Notes”, then click “Next.”
- Under the “Use Existing Groups” dropdown, select all applicable CUSIP groups for the type of disclosure you are doing. Select one from the dropdown and click “Add This Group”, and repeat for all needed groups of CUSIPs.
- Once you verify all of the CUSIPs you need are selected and uploaded, click “Next”.
- For “Issuer’s Contact Information,” enter the Disclosure Officer’s name. Click “Next”.
- Verify all information is correct. Once verified, click “Publish” in the bottom right. Click “Yes.”
- You will receive a confirmation email. Save this to the “Annual Report 20xx” *non-PDF* file of the year in which you are working. Save the SRF confirmation e-mail into the SRF folder and the FAP e-mails in the FAP folder.

### **Amending/Updating a Submission**

You may need to amend a submission, usually due to a Significant Obligor audit being received and needing to be inserted into the Disclosure document or to add CUSIPs to a submission.

#### **Amending the Submission Document (Adding an Audit)**

If you need to do this, **CREATE A NEW SUBMISSION** and simply follow the steps of the normal submission process (with the audit added into the combined PDF and table of contents properly adjusted). The posted date will be the date you submitted the amended posting, but the original submission will still be there with the original submission date as a separate submission. Once you get the confirmation email after submission, save it in the same folder as the original submission confirmation.

#### **Adding CUSIPs to a Submission**

If you need to add some CUSIPs to a previously posted submission, from the screen where you select the Organization, click “Update” instead of “Create”. Select the submission you wish to update and keep clicking “Next” until you get to the screen with the CUSIPs. Add the necessary CUSIPs and continue on with the submission process. Be sure you click Publish and get the confirmation email. Save that email in the same folder as the original submission confirmation email.

### **List of Annual Disclosure Recipients**

**CHECK WITH THE DIVISION CHIEF ANNUALLY  
BEFORE SENDING TO MAKE SURE THESE  
CONTACTS ARE CURRENT.**

The Lending Manager will e-mail a link to the website to these parties:

BancFirst

BOK Financial Securities

Fitch

Hilltop Securities

Moody's  
Morgan Stanley  
State Street Bank & Trust  
S&P (2 e-mail addresses)

Entity	Contact	email address	FAP	SRF
BancFirst	Tammy Engles	tengles@bancfirst.com	X	X
BofA Securities, Inc	Tom Liu	thomas.liu@bofa.com		X
BOK Financial Securities	Zack Robinson & Jeff Edwards	zrobinson@bokf.com jedwards@bokf.com	X	X
Fitch	Major Parkhurst Adrienne Booker	Major.Parkhurst@fitchratings.com Adrienne.Booker@Fitchratings.com		X
Hilltop Securities	Anne Burger Entrekin	Anne.BurgerEntrekin@hilltopsecurities.com	X	X
Moody's (2 recipients)	Ferdinand Perrault	<a href="mailto:Ferdinand.Perrault@moodys.com">Ferdinand.Perrault@moodys.com</a> plus one more if possible. Check with Kate. The second person used to be Florence Zeman. The email to her bounced back in early January 2021.		X
Morgan Stanley	Richard Weiss	Richard.Weiss@morganstanley.com		X
S&P (3 recipients)	John Schulz	pubfin_statelocalgovt@spglobal.com <a href="mailto:john.schulz@spglobal.com">john.schulz@spglobal.com</a> <a href="mailto:Scott.garrigan@spglobal.com">Scott.garrigan@spglobal.com</a>	X	X
State Street Bank & Trust	Robert Woods	R.FWoods@statestreet.com	X	
Stifel	Josh Benninghoff	benninghoffj@stifel.com	X	X

As you can see, some parties receive only the SRF files, others only the FAP, and still others receive both sets of files.

After the emails are sent, create a new folder for this fiscal year at <S:\Analysts\Reports\Annual Disclosure Reports\Sent emails> and save the sent emails as PDFs.