Central Oklahoma Transportation & Parking Authority

A discrete component unit of The City of Oklahoma City, Oklahoma

Annual Financial Report | for the Fiscal Year ended June 30, 2019

THE CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

A Discrete Component Unit of
Oklahoma City, Oklahoma

Annual Financial Report for the Fiscal Year Ended June 30, 2019

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Laura L. Papas, Controller

CENTRAL OKLAHOMA
TRANSPORTATION
AND PARKING AUTHORITY

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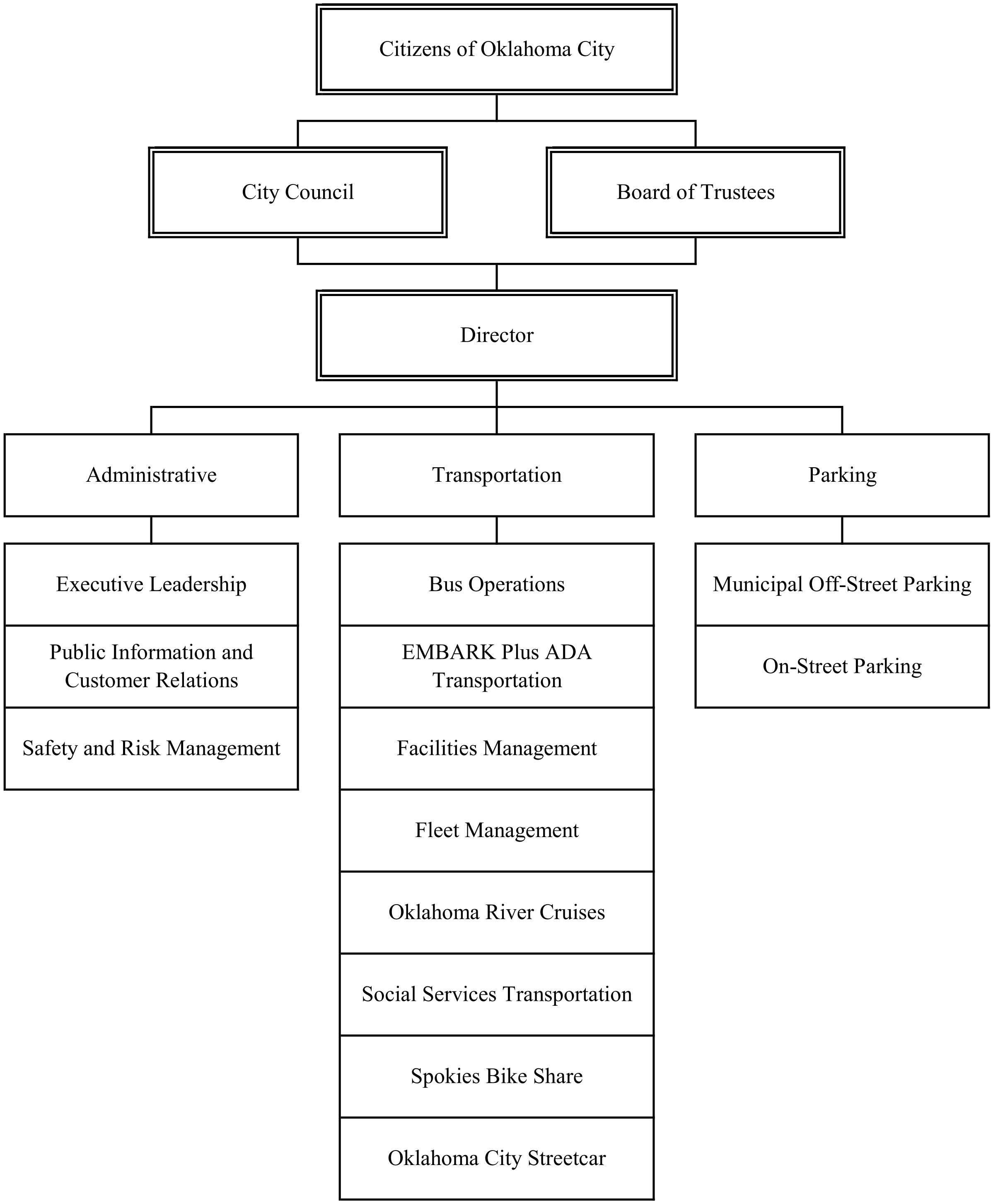
City of Oklahoma City Transportation and Parking Authority Organization Chart



Introductory Section

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OKLAHOMA 73109

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adminstration
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November 20, 2019

The Board of Trustees of the
Central Oklahoma Transportation and Parking Authority

The Central Oklahoma Transportation and Parking Authority (Authority) annual financial report (annual report) provides a comprehensive overview of the Authority's financial position and the results of operations during the past fiscal year. It complies with reporting requirements specified by Oklahoma State Statutes and the dictates of effective financial management practices. The City of Oklahoma City (City) Finance Department, Accounting Services Division, prepared this report in compliance with accounting principles generally accepted in the United States of America (U.S. GAAP). It is fairly stated in all material respects. Responsibility for the accuracy of the reported information and the completeness and fairness of the presentation, including disclosures, rests with the Authority.

The Authority's annual report includes the report of independent auditors, management's discussion and analysis (MD&A), financial statements, related notes, and required supplementary information. Management's narrative on the financial activities of the Authority for the fiscal years ended June 30, 2019 and 2018, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Authority is included within the City's Comprehensive Annual Financial Report (CAFR).

The Authority was established on February 1, 1966, to plan, establish, develop, acquire, construct, purchase, install, repair, enlarge, improve, maintain, equip, finance and refinance, operate and regulate public transportation systems and facilities and public parking systems and facilities within and outside the territorial boundaries of the City.

Oklahoma City continued its recovery in Fiscal Year (FY) 2019 from the regional recession caused by the significant downturn in the energy industry that occurred in Oklahoma in FY 2016 and FY 2017. While Oklahoma City has a diverse economic base, the energy industry still has a major impact on the health of the local economy. The reduction in oil and gas drilling activity in Oklahoma due to moderating oil prices and technological advancements have resulted in 25% fewer oil and natural gas drilling rigs in the state at the end of FY 2019 compared to last year. This reduction in oil field activity has slowed the growth in the Oklahoma City economy.

In his February 5, 2019 report, Dr. Russel Evans, Executive Director of the Steven C. Agee Economic Research & Policy Institute of Oklahoma City University, provided his economic forecast to the City Council during the annual budget workshop. Dr. Evans provided a forecast of 2.4% growth in gross domestic product in calendar 2019, followed by reduced growth of 1.8% in 2020. For the state economy, Dr. Evans projects a similar pattern of 2.9% growth in 2019 and 1.1% growth in 2020 for gross state product.

Dr. Evans noted how Oklahoma City continues to emerge as the center of economic activity in the state. The outlook for growth in Oklahoma City is more balanced with 2.0% growth in gross city product in 2019 and 2.2% in 2020. Dr. Evans' fiscal forecast for Oklahoma City projected sales tax growth in FY19 of 4.1 – 4.5%. With slower than expected sales tax growth in the last half of the year, the City realized actual sales tax growth of 3.4%. For FY20, three different scenarios were presented. The first was for continued slow U.S. growth with continued modest oil prices. This scenario resulted in projected FY20 sales tax growth of 3.1%. The second scenario also forecast continued slow US growth, but low oil prices. This scenario resulted in projected FY20 sales tax growth of 1.8%. The final scenario was for a mild recession in the US with continued moderate oil prices. This final scenario resulted in a projected FY20 sales tax decline of 1.3%.

Going forward, Oklahoma City has a number of factors in its favor. The cost of living and the cost of doing business are consistently rated among the best in the country. In addition, low commuting times, convenient airline travel, and excellent entertainment and sports opportunities make Oklahoma City a great place for businesses and residents.

Oklahoma City is being recognized more and more as a great place to work, live and visit. The website BusinessStudent.com recently ranked OKC as its No. 3 place for business professionals to work and live. The metro's low rental costs and high average salary for professionals propelled OKC into the top 5. Thanks to low costs of living, high wages, low unemployment and one of the largest millennial workforce percentages, the Oklahoma City metro ranks among the nation's best cities for job seeking millennials.

The Mayor (or his appointed surrogate), the City Manager (or his appointed surrogate), and the City Finance Director, serve as the Authority's Trustees with five other Trustees appointed by the Mayor and approved by the Council. The Authority participates in the City's comprehensive accounting and budgetary system. Interim financial statements provide Authority management and other interested readers with regular financial analysis. Additionally, the Authority's management maintains budgetary controls to ensure effective financial oversight.

In compliance with statutory requirements, the Authority engaged AGH, L.C. to conduct its annual audit. The Authority acknowledges the professional and competent services of its independent auditors.

Respectfully submitted,

Jason Ferbrache
Central Oklahoma Transportation and Parking Authority
Administrator

Laura L. Papas
City of Oklahoma City
Controller

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Central Oklahoma Transportation and Parking Authority
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2019 and 2018, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Authority as of June 30, 2019 and 2018, and the respective changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Allen, Gibbs & Houlik, L.C. aghlc.com aghemployersolutions.com aghuniversity.com 316.267.7231 301 N. Main, Suite 1700 Wichita, KS 67202-4868

Emphasis of Matter

As discussed in *Note I.B.1*, the financial statements present only the Central Oklahoma Transportation and Parking Authority, a discrete component unit of the City, and do not purport to, and do not, present fairly the financial position of the Oklahoma City Public Transportation and Parking Department as of June 30, 2019 and 2018, the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and pension and other post-employment information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying transmittal letter is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2019
Wichita, KS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Central Oklahoma Transportation and Parking Authority (Authority) annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2019 and 2018. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a discretely presented component unit of the City of Oklahoma City (City).

Financial Summary

- Authority assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $98,571,791 (net position) for 2019. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $84,288,378 (net position).

- Total assets for the Authority increased by $18,639,875 (15.9%) to $135,689,198 during the fiscal year. This compares to the previous year when assets increased by $3,965,681.

- Total liabilities for the Authority increased by $4,439,213 (13.6%) to $37,067,259 during the fiscal year. This compares to the previous year when liabilities increased by $3,281,874.

- Total net position is comprised of the following:
  (1) Net investment in capital assets, in the amount of $49,615,513 at June 30, 2019, and $60,043,151 at June 30, 2018, includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $2,135,078 and $2,128,998 at June 30, 2019 and 2018, respectively, is restricted for debt service by constraints imposed by debt covenants.
  (3) Unrestricted net position is $46,821,200 at June 30, 2019, and $22,116,229 at June 30, 2018.

Overview of the Financial Statements

This discussion and analysis introduces the Authority's basic financial statements. The basic financial statements include: (1) statement of net position, (2) statement of revenues, expenses and changes in net position, (3) statement of cash flows (4) fiduciary financial statements, and (5) notes to the financial statements. The Authority also includes in this report additional information to supplement the basic financial statements.

Financial Statements

<u>Proprietary Funds</u>
Proprietary funds report transportation, parking and river cruise services for which the Authority charges a fee.

The Authority's annual report includes three proprietary fund financial statements. These statements provide both long-term and short-term information about the overall status of the Authority and are presented to demonstrate the extent to which the Authority has met its operating objectives efficiently and effectively using all the resources available and whether the Authority can continue to meet its objectives in the foreseeable future. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these statements is the statement of net position. This statement presents all of the Authority's assets and liabilities, with the difference reported as net position. Increases or decreases in net position may indicate whether the financial position of the Authority as a whole is improving or deteriorating, identify financial strengths and weaknesses, and be used to assess liquidity.

The second statement is the statement of revenues, expenses, and changes in net position which reports how the Authority's net position changed during the fiscal year. This statement can be used to assess the Authority's operating results and analyze how the Authority's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid.

The third statement is the statement of cash flows which reports the inflows and outflows of Authority cash.

Fiduciary Funds

The Central Oklahoma Transportation and Parking Employee Retirement Trust (COTPA Retirement) is a fiduciary component unit of the Authority. COTPA Retirement reports pension resources that are not available to fund Authority programs. COTPA Retirement reporting includes both short and long-term assets and liabilities and all current year revenues and expenses regardless of when cash is received or paid.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to gain a full understanding of the proprietary funds, and fiduciary financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligations to provide pension and other post-employment benefits to its employees.

Financial Analysis

The Authority's net position at fiscal year-end is $98,571,791. This is an increase of $14,283,413 over the prior year net position of $84,288,378. Overall, the Authority's financial position improved during fiscal year 2019.

Summary of Net Position

	2019	2018	2019-2018 Amount of Change	2019-2018 % Change	2017	2018-2017 Amount of Change	2018-2017 % Change
Assets							
Current assets	$62,286,383	$35,672,421	$26,613,962	74.6%	$33,989,744	$1,682,677	5.0%
Capital assets, net	71,579,818	79,541,733	(7,961,915)	(10.0)	77,246,538	2,295,195	3.0
Other non-current assets	1,822,997	1,835,169	(12,172)	(0.7)	1,847,360	(12,191)	(0.7)
Total assets	**135,689,198**	**117,049,323**	**18,639,875**	15.9	**113,083,642**	**3,965,681**	3.5
Deferred outflows	**1,411,930**	**1,539,456**	**(127,526)**	(8.3)	**1,579,685**	**(40,229)**	(2.5)
Liabilities							
Current liabilities	9,665,155	4,378,683	5,286,472	120.7	3,756,384	622,299	16.6
Non-current liabilities	27,402,104	28,249,363	(847,259)	(3.0)	25,589,788	2,659,575	10.4
Total liabilities	**37,067,259**	**32,628,046**	**4,439,213**	13.6	**29,346,172**	**3,281,874**	11.2
Deferred inflows	**1,462,078**	**1,672,355**	**(210,277)**	(12.6)	**1,910,161**	**(237,806)**	(12.4)
Net position							
Net investment in capital assets	49,615,513	60,043,151	(10,427,638)	(17.4)	57,286,626	2,756,525	4.8
Restricted	2,135,078	2,128,998	6,080	0.3	2,107,536	21,462	1.0
Unrestricted	46,821,200	22,116,229	24,704,971	111.7	24,012,832	(1,896,603)	(7.9)
Total net position	**$98,571,791**	**$84,288,378**	**$14,283,413**	16.9	**$83,406,994**	**$881,384**	1.1

Current assets increased by $26.61 million in 2019 and $1.68 million in 2018. In 2019, cash and investments increased by $23.42 million primarily due to proceeds received from the sale of the Santa Fe Garage. Intergovernmental receivables increased $2.58 million due to the timing of receipts of Federal grant revenues. Inventories increased $548 thousand related to parts inventory for the streetcars. In 2018, cash and investments increased by $3.12 million. Receivable from the City decreased $1.31 million primarily related to the timing of the City General Fund subsidy payment. Intergovernmental receivables decreased $194 thousand due to the timing of receipts of Federal grant revenues.

Net capital assets decreased by $7.96 million at June 30, 2019, due to asset retirements of $8.16 million and normal depreciation of $4.93 million, offset by construction and capital acquisitions of $5.12 million. Net capital assets increased by $2.30 million at June 30, 2018, due to construction and capital acquisitions of $7.25 million, offset by normal depreciation of $4.96 million.

Other non-current assets decreased by $12 thousand in 2019 related to a $23 thousand decrease in receivable from the City relating to the Authority's share of the cost of a new City radio system and a $9 thousand decrease in bond reserve investments, offset by a $20 thousand increase in security insurance deposits. Other non-current assets decreased by $12 thousand in 2018 primarily related to prefunded payments to the City for a new radio system, offset by an increase of $11 thousand in bond reserve investments.

Current liabilities increased by $5.29 million in 2019 primarily due to an increase in accounts payable and accrued expenses of $4.88 million related to timing of vendor payments and an increase of $345 thousand in payables to the City for cost reimbursement. Current liabilities increased by $622 thousand in 2018 primarily due to an increase in accounts payable and accrued expenses of $270 thousand related to timing of vendor payments and an increase of $352 thousand in payables to the City for cost reimbursement.

In 2019, non-current liabilities decreased by $847 thousand primarily due to a decrease of $650 thousand in bonds payable for the current portion due and a decrease of $149 thousand in payable to the City for cost reimbursement. In 2018, non-current liabilities increased by $2.66 million primarily due to a $2.60 million increase in payable to the City for cost reimbursement to the City Transportation Fund related to a change in accounting principle.

Summary of Changes in Net Position

	2019	2018	2019-2018 Amount of Change	2019-2018 % Change	2017	2018-2017 Amount of Change	2018-2017 % Change
Operating revenues	**$10,287,335**	**$11,899,276**	**($1,611,941)**	(13.5%)	**$11,713,557**	**$185,719**	1.6%
Operating expenses							
Personal Services	19,509,158	16,976,814	2,532,344	14.9	16,562,887	413,927	2.5
Maintenance, operations, and contractual services	13,663,906	10,998,150	2,665,756	24.2	10,253,453	744,697	7.3
Material and supplies	3,948,521	3,320,521	628,000	18.9	3,499,455	(178,934)	(5.1)
Depreciation	4,925,676	4,956,439	(30,763)	(0.6)	4,617,165	339,274	7.3
Total operating expenses	**42,047,261**	**36,251,924**	**5,795,337**	16.0	**34,932,960**	**1,318,964**	3.8
Operating loss	**(31,759,926)**	**(24,352,648)**	**(7,407,278)**	(30.4)	**(23,219,403)**	**(1,133,245)**	(4.9)
Net non-operating revenues	**33,704,109**	**25,557,166**	**8,146,943**	31.9	**24,802,945**	**754,221**	3.0
Contributions	**250,000**	**3,503,173**	**(3,253,173)**	(92.9)	**2,219,931**	**1,283,242**	57.8
Special item	**12,089,230**	**-**	**12,089,230**	100.0	**-**	**-**	0.0
Changes in net position	**14,283,413**	**4,707,691**	**9,575,722**	203.4	**3,803,473**	**904,218**	23.8
Beginning net position							
As previously reported	84,288,378	83,406,994	881,384	1.1	79,603,521	3,803,473	4.8
Change in accounting principle	-	(3,826,307)	3,826,307	100.0	-	(3,826,307)	(100.0)
As restated	84,288,378	79,580,687	4,707,691	5.9	79,603,521	(22,834)	0.0
Ending net position	**$98,571,791**	**$84,288,378**	**$14,283,413**	16.9	**$83,406,994**	**$881,384**	1.1

Operating revenues decreased by $1.61 million during the fiscal year ending June 30, 2019. Transportation revenues increased by $352 thousand due to an increase of $270 thousand in advertising revenues, an increase of $62 thousand in lease and rental income and an increase in ridership fees of $18 thousand. Parking revenues decreased $1.95 million mainly due to a decrease in monthly contract parking revenues related to the sale of the Santa Fe Garage. River revenues decreased $17 thousand due to an increase in rainy weather during the spring season. Operating revenues increased by $186 thousand during the fiscal year ended June 30, 2018. Transportation revenues decreased by $66 thousand primarily due to a decrease of $157 thousand in ridership fees, offset by a $26 thousand increase in lease revenue due to the reinstatement of the Santa Fe Station lease after renovations were completed, and an increase of $64 thousand in advertising revenues. Parking revenues increased by $255 thousand mainly due to an increase of $280 thousand in higher monthly and transient parking revenues, offset by a $26 thousand decrease in lease and other revenues. River revenues remained relatively constant.

Operating expenses increased by $5.80 million during the fiscal year ended June 30, 2019. Personal services increased $2.53 million related to the addition of new bus drivers, normal wage increases, an increase in healthcare premiums and an increase in retirement pension contributions. Maintenance expenses increased $2.67 million primarily due to an increase of $2.61 million related to streetcar operations, an increase of $365 thousand for planning studies associated with the northwest bus rapid transit project, an increase of $211 thousand in insurance claim payouts and reserves, an increase of $174 thousand in additional security services for the transit center and the streetcar facility and an increase of $84 thousand in vehicle insurance. This was offset by a decrease of $420 thousand for roof repairs at the Century Center parking garage and a decrease of $404 thousand for Regional Transit Authority membership dues paid in the prior year. Materials and supplies increased $628 thousand mainly due to an increase in repair parts for $280 thousand which fluctuate based upon need, the purchase of new bus shelters for $271 thousand and the purchase of dash bikes and equipment for $63 thousand. Depreciation expense decreased $31 thousand in 2019. Operating expenses increased by $1.32 million during the fiscal year ended June 30, 2018. Maintenance expense increased $745 thousand due to stocking the maintenance facility with repair parts for the new buses. Personal services increased by $414 thousand primarily related to an increase in healthcare premiums and normal pay increases. Depreciation expense increased by $339 thousand primarily due to projects completed at the end of 2017 being depreciated for a full year.

Net non-operating revenues increased by $8.15 million in 2019, due to a $4.97 million increase in the City General Fund subsidy, an increase of $3.07 million in operating grant revenues, an increase of $622 thousand in investment income, offset by a loss on disposal of transportation assets of $645 thousand. Net non-operating revenues increased by $754 thousand in 2018, primarily due to a $1.05 million increase in the City General Fund subsidy, offset by a $388 thousand decrease in operating grant revenues.

Contributions and transfers decreased by $3.25 million in 2019 primarily due to capital grants received in the prior year to fund the purchase of new buses that were not received in the current year. Contributions and transfers increased by $1.28 million in 2018 primarily due to capital grants of $1.46 million received to fund the purchase of new buses, offset by a decrease in other capital contributions of $178 thousand.

A special item has been recorded for $12.09 million for the sale of the Santa Fe Garage in December, 2018. See Note XII for additional information.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of June 30, 2019 and 2018, was $71,579,818 and $79,541,733, respectively. This was a decrease of 10.0% in 2019 compared to an increase of 3.0% in 2018. See Note II. G. for more information regarding capital assets.

Capital Assets, Net of Accumulated Depreciation

	2019	2018	2019-2018 Amount of Change	2019-2018 % Change	2017	2018-2017 Amount of Change	2018-2017 % Change
Non-Depreciable Assets							
Land and art	$5,084,022	$5,850,022	($766,000)	(13.1%)	$5,850,022	$ -	0.0%
Construction in progress	2,035,716	3,263,543	(1,227,827)	(37.6)	1,507,215	1,756,328	116.5
Total non-depreciable assets	7,119,738	9,113,565	(1,993,827)	(21.9)	7,357,237	1,756,328	23.9
Depreciable Assets							
Buildings	10,024,693	9,377,829	646,864	6.9	9,715,381	(337,552)	(3.5)
Improvements other than buildings	3,371,476	7,310,200	(3,938,724)	(53.9)	8,020,558	(710,358)	(8.9)
Buses, automobiles and river boats	6,323,986	8,595,673	(2,271,687)	(26.4)	10,331,656	(1,735,983)	(16.8)
Parking garages and surface lots	36,890,599	37,236,918	(346,319)	(0.9)	38,296,362	(1,059,444)	(2.8)
Other assets	7,849,326	7,907,548	(58,222)	(0.7)	3,525,344	4,382,204	124.3
Total depreciable assets	64,460,080	70,428,168	(5,968,088)	(8.5)	69,889,301	538,867	0.8
	$71,579,818	**$79,541,733**	**($7,961,915)**	(10.0)	**$77,246,538**	**$2,295,195**	3.0

Land decreased $766 thousand in 2019 due to the sale of the land under the Santa Fe Parking Garage. Construction in progress decreased $1.23 million in 2019 primarily due to the completion of renovations at the Sheridan Walker Parking Garage of $1.22 million, the improvements to the South May Maintenance Facility of $1.01 million and the improvements at the Union Station of $256 thousand. This was offset by additions of $1.05 million for improvements to the Fleet Maintenance Facility. Construction in progress increased $1.76 million in 2018 primarily due to increases of $1.13 million for the Sheridan Walker Parking Garage renovations.

Depreciable assets decreased by $5.97 million in the fiscal year ended June 30, 2019 primarily due to the sale of the Santa Fe Parking Garage of $6.75 million and normal depreciation of $4.93 million. This was offset by purchases of $1.36 million for a new CNG fueling station, construction on the Convention Center Parking Garage of $1.78 million, renovations at the Sheridan Walker Parking Garage of $1.52 million, and improvements to the South May Maintenance Facility of $1.01 million. Depreciable assets increased by $539 thousand in the fiscal year ended June 30, 2018, primarily due to the purchase of new buses for $5.43 million, offset by normal depreciation of $4.96 million.

Long-term Debt

At the end of the 2019 fiscal year, the Authority had total bonded debt outstanding of $18.94 million. This debt was solely supported by pledged revenues generated by the parking activities of the Authority (revenue bonds). See Note III. C. for more information regarding revenue bonds.

Outstanding Bonds

	2019	2018	2019-2018 Amount of Change	2019-2018 % Change	2017	2018-2017 Amount of Change	2018-2017 % Change
Revenue bonds							
Parking	**$18,935,000**	**$19,570,000**	**($635,000)**	(3.2%)	**$20,195,000**	**($625,000)**	(3.1%)

The change in outstanding debt for both 2019 and 2018 is the result of scheduled principal bond debt service payments. See Note III. F. for more information regarding changes in long-term debt.

Bond Ratings

The bonds are issued through the Authority. Authority bonds are rated Aa2 and AA+ by Moody's and Standard and Poor's rating agencies, respectively.

Economic Factors

The transportation division continues to follow a nation-wide trend of decreasing ridership due to lower unemployment and rising wages that make owning and operating a car more affordable. Parking revenue decreased during the year due to the sale of the Santa Fe Parking Garage.

Contacting the Department's Financial Management

This financial report is designed to provide a general overview of the Authority's finances, comply with finance-related laws and regulations, and demonstrate commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department, Accounting Services Division, at 100 North Walker, Suite 300, Oklahoma City, Oklahoma 73102.

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Basic Financial Statements

Fund Financial Statements

Focus on the Authority's most significant funds. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Proprietary Fund Financial Statements

Generally report services for which the Authority charges customers a fee using full accrual accounting and provide both long-term and short-term financial information.

Fiduciary Fund Financial Statements

Report assets held for others that cannot be used to support the Authority's programs.

STATEMENT OF NET POSITION
June 30,

CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

	2019				2018			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
ASSETS								
CURRENT ASSETS								
Non-pooled cash	$4,732,329	$162,251	$4,936,126	$9,830,706	$2,610,824	$128,724	$2,302,139	$5,041,687
Investments	13,450,271	124,232	33,738,153	47,312,656	13,454,666	248,547	14,981,331	28,684,544
Accounts receivable, net	167,363	-	329,473	496,836	156,352	-	80,643	236,995
Interest receivable	-	-	1,688	1,688	-	-	1,160	1,160
Internal balances	(93,279)	89,689	3,590	-	(10,999)	10,999	-	-
Receivable from City of Oklahoma City	22,632	-	-	22,632	22,632	-	220,000	242,632
Intergovernmental receivables	3,065,504	-	-	3,065,504	485,911	-	-	485,911
Inventories	1,478,519	3,865	-	1,482,384	932,982	1,429	-	934,411
Prepaids	73,977	-	-	73,977	45,081	-	-	45,081
Total current assets	22,897,316	380,037	39,009,030	62,286,383	17,697,449	389,699	17,585,273	35,672,421
NON-CURRENT ASSETS								
Investments	-	-	1,483,390	1,483,390	-	-	1,492,839	1,492,839
Receivable from City of Oklahoma City	254,607	-	-	254,607	277,239	-	-	277,239
Prepaids	-	-	-	-	91	-	-	91
Other	85,000	-	-	85,000	65,000	-	-	65,000
Capital assets:								
Land, art, and construction in progress	5,044,669	86,663	1,988,406	7,119,738	4,905,541	-	4,208,024	9,113,565
Other capital assets, net of accumulated depreciation	24,002,394	3,628,214	36,829,472	64,460,080	25,261,510	3,903,929	41,262,729	70,428,168
Total capital assets	29,047,063	3,714,877	38,817,878	71,579,818	30,167,051	3,903,929	45,470,753	79,541,733
Total non-current assets	29,386,670	3,714,877	40,301,268	73,402,815	30,509,381	3,903,929	46,963,592	81,376,902
Total assets	**52,283,986**	**4,094,914**	**79,310,298**	**135,689,198**	**48,206,830**	**4,293,628**	**64,548,865**	**117,049,323**
DEFERRED OUTFLOWS OF RESOURCES	**1,411,930**	**-**	**-**	**1,411,930**	**1,539,456**	**-**	**-**	**1,539,456**
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	4,703,300	4,533	2,116,702	6,824,535	1,123,248	3,867	820,236	1,947,351
Wages and benefits payable	373,441	-	-	373,441	301,955	-	-	301,955
Payable to City of Oklahoma City	976,680	684	21,818	999,182	584,141	9	69,993	654,143
Compensated absences	232,057	-	-	232,057	216,959	-	-	216,959
Unearned revenue	9,946	141,471	18,962	170,379	-	139,330	62,224	201,554
Bond interest payable	-	-	415,561	415,561	-	-	421,721	421,721
Bonds payable	-	-	650,000	650,000	-	-	635,000	635,000
Total current liabilities	6,295,424	146,688	3,223,043	9,665,155	2,226,303	143,206	2,009,174	4,378,683
NON-CURRENT LIABILITIES								
Compensated absences	262,915	-	-	262,915	256,681	-	-	256,681
Payable to City of Oklahoma City	2,477,114	-	423,182	2,900,296	2,647,593	-	401,791	3,049,384
Unearned revenue	-	300,475	-	300,475	-	433,735	-	433,735
Bonds payable	-	-	18,285,000	18,285,000	-	-	18,935,000	18,935,000
Net pension liability	4,199,611	-	-	4,199,611	4,081,515	-	-	4,081,515
Net other post-employment benefit liability	1,453,807	-	-	1,453,807	1,493,048	-	-	1,493,048
Total non-current liabilities	8,393,447	300,475	18,708,182	27,402,104	8,478,837	433,735	19,336,791	28,249,363
Total liabilities	**14,688,871**	**447,163**	**21,931,225**	**37,067,259**	**10,705,140**	**576,941**	**21,345,965**	**32,628,046**
DEFERRED INFLOWS OF RESOURCES	**1,462,078**	**-**	**-**	**1,462,078**	**1,672,355**	**-**	**-**	**1,672,355**
NET POSITION								
Net investment in capital assets	26,290,178	3,714,877	19,610,458	49,615,513	30,118,841	3,903,929	26,020,381	60,043,151
Restricted for debt service	-	-	2,135,078	2,135,078	-	-	2,128,998	2,128,998
Unrestricted	11,254,789	(67,126)	35,633,537	46,821,200	7,249,950	(187,242)	15,053,521	22,116,229
Total net position	**$37,544,967**	**$3,647,751**	**$57,379,073**	**$98,571,791**	**$37,368,791**	**$3,716,687**	**$43,202,900**	**$84,288,378**

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

For the Years Ended June 30,

	2019				2018			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
OPERATING REVENUES								
CHARGES FOR SERVICES								
Transportation charges	$2,758,757	$ -	$ -	$2,758,757	$2,740,073	$ -	$ -	$2,740,073
River cruise charges	-	116,856	-	116,856	-	133,568	-	133,568
Parking	-	-	6,349,667	6,349,667	-	-	8,386,635	8,386,635
Other charges	941	-	-	941	-	-	-	-
Total charges for services	2,759,698	116,856	6,349,667	9,226,221	2,740,073	133,568	8,386,635	11,260,276
Lease and rental income	112,469	-	182,333	294,802	50,601	-	232,897	283,498
Other	625,632	32	140,648	766,312	355,471	31	-	355,502
Total operating revenues	**3,497,799**	**116,888**	**6,672,648**	**10,287,335**	**3,146,145**	**133,599**	**8,619,532**	**11,899,276**
OPERATING EXPENSES								
Personal services	19,066,159	56,867	386,132	19,509,158	16,618,543	53,131	305,140	16,976,814
Maintenance, operations, and contractual services	9,366,187	960,772	3,336,947	13,663,906	6,265,235	807,371	3,925,544	10,998,150
Materials and supplies	3,879,957	45,577	22,987	3,948,521	3,283,128	8,319	29,074	3,320,521
Depreciation	3,439,147	275,715	1,210,814	4,925,676	3,101,588	275,966	1,578,885	4,956,439
Total operating expenses	**35,751,450**	**1,338,931**	**4,956,880**	**42,047,261**	**29,268,494**	**1,144,787**	**5,838,643**	**36,251,924**
Operating loss	**(32,253,651)**	**(1,222,043)**	**1,715,768**	**(31,759,926)**	**(26,122,349)**	**(1,011,188)**	**2,780,889**	**(24,352,648)**
NON-OPERATING REVENUES (EXPENSES)								
Non-capital contributions	371,013	133,260	-	504,273	326,999	133,260	-	460,259
Grants operating	11,955,184	-	-	11,955,184	8,887,445	-	-	8,887,445
Investment income	317,005	5,407	654,142	976,554	169,016	2,802	182,744	354,562
Interest on bonds	-	-	(831,122)	(831,122)	-	-	(843,441)	(843,441)
Oil and gas royalties	154	-	-	154	-	-	-	-
Payments from Oklahoma City Riverfront Redevelopment Authority	-	25,000	-	25,000	-	25,000	-	25,000
Payments from City of Oklahoma City	21,111,472	750,302	220,375	22,082,149	16,168,001	725,566	220,000	17,113,567
Other revenues (expenses)	(1,085,863)	-	77,780	(1,008,083)	(440,226)	-	-	(440,226)
Net non-operating revenues (expenses)	**32,668,965**	**913,969**	**121,175**	**33,704,109**	**25,111,235**	**886,628**	**(440,697)**	**25,557,166**
Income before contributions and special item	**415,314**	**(308,074)**	**1,836,943**	**1,944,183**	**(1,011,114)**	**(124,560)**	**2,340,192**	**1,204,518**
CONTRIBUTIONS								
Grants capital	-	-	-	-	3,468,173	-	-	3,468,173
Other capital contributions	-	-	250,000	250,000	35,000	-	-	35,000
Transfers to other funds	(239,138)	239,138	-	-	(30,470)	30,470	-	-
Total contributions	**(239,138)**	**239,138**	**250,000**	**250,000**	**3,472,703**	**30,470**	**-**	**3,503,173**
SPECIAL ITEM								
Special item	**-**	**-**	**12,089,230**	**12,089,230**	**-**	**-**	**-**	**-**
Changes in net position	**176,176**	**(68,936)**	**14,176,173**	**14,283,413**	**2,461,589**	**(94,090)**	**2,340,192**	**4,707,691**
Total net assets, beginning, as previously reported	37,368,791	3,716,687	43,202,900	84,288,378	38,251,289	3,810,777	41,344,928	83,406,994
Change in accounting principle	-	-	-	-	(3,344,087)	-	(482,220)	(3,826,307)
Total net assets, beginning, as restated	**37,368,791**	**3,716,687**	**43,202,900**	**84,288,378**	**34,907,202**	**3,810,777**	**40,862,708**	**79,580,687**
Total net position, ending	**$37,544,967**	**$3,647,751**	**$57,379,073**	**$98,571,791**	**$37,368,791**	**$3,716,687**	**$43,202,900**	**$84,288,378**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
For the Years Ended June 30,

CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

	2019				2018			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	$3,439,317	$118,827	$6,631,686	$10,189,830	$3,107,860	$126,891	$8,472,200	$11,706,951
Cash payments to suppliers for goods and services	(10,293,218)	(1,007,204)	(2,277,052)	(13,577,474)	(7,233,545)	(869,757)	(3,469,038)	(11,572,340)
Cash payments to employees and professional contractors for services	(16,115,236)	(56,867)	-	(16,172,103)	(14,178,730)	(103,382)	-	(14,282,112)
Cash payments for internal services	(2,565,079)	(36)	(153,409)	(2,718,524)	(2,374,419)	(38)	(158,283)	(2,532,740)
Cash payments within the Department/Authority for operations	(156,859)	160,449	(3,590)	-	(159,365)	126,494	32,871	-
Cost reimbursements	(2,706,986)	-	(405,347)	(3,112,333)	(2,350,000)	-	(484,886)	(2,834,886)
Other operating cash receipts	113,677	-	-	113,677	6,395	-	-	6,395
Net cash provided (used) by operating activities	**($28,284,384)**	**(784,831)**	**$3,792,288**	**(25,276,927)**	**(23,181,804)**	**(719,792)**	**4,392,864**	**(19,508,732)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
Cash received from operating grants	9,226,692	-	-	9,226,692	8,896,231	-	-	8,896,231
Non-capital financing payments from component units	-	25,000	-	25,000	-	25,000	-	25,000
Non-capital financing payments from City of Oklahoma City	21,111,472	750,302	440,375	22,302,149	17,440,357	725,566	220,000	18,385,923
Net cash provided (used) by non-capital financing activities	**30,338,164**	**775,302**	**440,375**	**31,553,841**	**26,336,588**	**750,566**	**220,000**	**27,307,154**
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES								
Payments for acquisition and construction of capital assets	(251,859)	(86,663)	(1,693,830)	(2,032,352)	(5,915,331)	-	(1,161,680)	(7,077,011)
Principal paid on long-term debt	-	-	(635,000)	(635,000)	-	-	(625,000)	(625,000)
Interest paid on long-term debt	-	-	(837,281)	(837,281)	-	-	(848,724)	(848,724)
Capital financing payments from City of Oklahoma City	-	-	-	-	35,000	-	-	35,000
Proceeds from sale of assets	7,509	-	19,674,664	19,682,173	29,357	-	-	29,357
Capital grants and contributions received	-	-	-	-	3,468,173	-	-	3,468,173
Net cash provided (used) by capital and related financing activities	**(244,350)**	**(86,663)**	**16,508,553**	**16,177,540**	**(2,382,801)**	**-**	**(2,635,404)**	**(5,018,205)**
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of investments	(53,715,906)	(1,119,394)	(150,735,496)	(205,570,796)	(54,334,130)	(1,368,609)	(75,266,463)	(130,969,202)
Proceeds from sale of investments	53,774,452	1,243,525	132,028,837	187,046,814	54,880,606	1,120,953	72,328,036	128,329,595
Investment income received	253,375	5,588	599,430	858,393	132,208	1,910	144,762	278,880
Receipts from oil and gas royalties	154	-	-	154	-	-	-	-
Net cash provided (used) by investing activities	**312,075**	**129,719**	**(18,107,229)**	**(17,665,435)**	**678,684**	**(245,746)**	**(2,793,665)**	**(2,360,727)**
Net increase (decrease) in cash	**2,121,505**	**33,527**	**2,633,987**	**4,789,019**	**1,450,667**	**(214,972)**	**(816,205)**	**419,490**
Cash, beginning	2,610,824	128,724	2,302,139	5,041,687	1,160,157	343,696	3,118,344	4,622,197
Cash, ending	**$4,732,329**	**$162,251**	**$4,936,126**	**$9,830,706**	**$2,610,824**	**$128,724**	**$2,302,139**	**$5,041,687**

See accompanying notes to financial statements.

	2019				2018			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating income (loss)	($32,253,651)	($1,222,043)	$1,715,768	($31,759,926)	($26,122,349)	($1,011,188)	$2,780,889	($24,352,648)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Depreciation	3,439,147	275,715	1,210,814	4,925,676	3,101,588	275,966	1,578,885	4,956,439
Other revenue (expense)	113,673	-	-	113,673	6,395	-	-	6,395
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(56,763)	-	1,169	(55,594)	18,236	-	(33,571)	(15,335)
(Increase) decrease in payments/transfers from (to) within the Department	-	239,138	-	239,138	(30,470)	30,470	-	-
(Increase) decrease in due from other funds	(156,859)	(78,690)	(3,590)	(239,139)	(128,894)	96,023	32,871	-
(Increase) decrease in receivable from City of Oklahoma City	22,632	-	-	22,632	22,631	-	(5,250)	17,381
(Increase) decrease in inventories	(545,537)	(2,436)	-	(547,973)	(36,044)	(240)	-	(36,284)
(Increase) decrease in prepaid assets	(28,805)	-	-	(28,805)	21,364	-	-	21,364
(Increase) decrease in other assets	(20,000)	-	-	(20,000)	-	-	-	-
(Increase) decrease in deferred outflows	127,526	-	-	127,526	414,345	-	-	414,345
Increase (decrease) in accounts payable and accrued expenses	871,374	669	914,472	1,786,515	(94,901)	(12,796)	203,714	96,017
Increase (decrease) in wages and benefits payable	71,486	-	-	71,486	69,526	-	-	69,526
Increase (decrease) in payable to City of Oklahoma City	231,537	675	(3,083)	229,129	210,619	(90,999)	(73,890)	45,730
Increase (decrease) in compensated absences	21,332	-	-	21,332	71,131	-	-	71,131
Increase (decrease) in net pension liability	118,096	-	-	118,096	(518,610)	-	-	(518,610)
Increase (decrease) in net other post-employment benefit liability	(39,241)	-	-	(39,241)	51,540	-	-	51,540
Increase (decrease) in unearned revenue	9,946	2,141	(43,262)	(31,175)	(105)	(7,028)	(90,784)	(97,917)
Increase (decrease) in deferred inflows	(210,277)	-	-	(210,277)	(237,806)	-	-	(237,806)
Total adjustments	3,969,267	437,212	2,076,520	6,482,999	2,940,545	291,396	1,611,975	4,843,916
Net cash provided (used) by operating activities	**($28,284,384)**	**($784,831)**	**$3,792,288**	**($25,276,927)**	**($23,181,804)**	**($719,792)**	**$4,392,864**	**($19,508,732)**
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Net increase (decrease) in fair value of investments	$54,151	($184)	$ -	$53,967	$36,618	$891	$34,766	$72,275
Total non-cash investing, capital, and financing activities	**$54,151**	**($184)**	**$ -**	**$53,967**	**$36,618**	**$891**	**$34,766**	**$72,275**

	2019	**2018**
ASSETS		
RECEIVABLES		
Interest and dividends	$151	$10,255
Employer	13,863	11,225
Plan members	10,820	8,834
Other receivables	970	-
Total receivables	25,804	30,314
INVESTMENTS, AT FAIR VALUE		
Domestic common stock	6,200,281	5,346,114
Passive domestic stock funds	2,086,041	1,889,632
Passive bond fund	2,544,757	2,868,972
International stock	2,107,376	2,104,318
Treasury money market fund	453,322	638,357
Real estate	256,620	228,691
Total investments	13,648,397	13,076,084
Total assets	**13,674,201**	**13,106,398**
LIABILITIES		
Accounts payable and accrued expenses	6,550	-
Total liabilities	**6,550**	**-**
Restricted for pension benefits	**$13,667,651**	**$13,106,398**

See accompanying notes to financial statements.

	2019	2018
ADDITIONS		
CONTRIBUTIONS		
Employer	$583,645	$545,728
Plan members	465,061	440,612
Total contributions	1,048,706	986,340
INVESTMENT INCOME		
Net appreciation in fair value of investments	572,642	723,532
Interest	2,237	2,121
Dividends	260,871	227,678
	835,750	953,331
Less: investment expense	(52,637)	(52,066)
Net investment income	783,113	901,265
Total additions	**1,831,819**	**1,887,605**
DEDUCTIONS		
Benefits paid	1,017,592	981,658
Refunds of contributions	207,588	243,159
Administrative expenses	45,386	43,291
Total deductions	**1,270,566**	**1,268,108**
Increase in net position	**561,253**	**619,497**
NET POSITION RESTRICTED FOR PENSION		
Beginning of year	13,106,398	12,486,901
End of year	**$13,667,651**	**$13,106,398**

See accompanying notes to financial statements.

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Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Central Oklahoma Transportation and Parking Authority (Authority) financial activities for the fiscal years ended 2019 and 2018. Certain reclassifications between current and non-current liabilities on the 2018 Statement of Net Position have been made to conform with current year presentation.

I. B. BASIS OF PRESENTATION

I. B. 1. REPORTING ENTITY AND RELATIONSHIP TO THE CITY

The Authority was created in 1966 as a public trust pursuant to Title 60 of the Oklahoma Statutes, Section 176, et. seq. The purpose of the Authority is to provide a means of financing municipal public transportation services and public parking facilities. The trust indenture provides that the Authority will acquire and operate the transportation service and parking facilities and equipment, receive all revenue generated from these services, pay the debt service requirements on the revenue bonds issued by the Authority, pay all operating expenses, and finance future improvements.

The Authority funds are the legal funds through which the Authority's employees are compensated. Authority employees are generally bus operators, mechanics, and certain administrative staff. Employee salaries and benefits, certain maintenance and contractual items, certain supplies, administrative chargebacks from the City, and certain capital asset acquisitions are paid by the Authority's funds. Authority funds also account for long-term leasing, financing, and other necessary business activities.

Method of Reporting in the City's Comprehensive Annual Financial Report (CAFR)

The Authority is a component unit of the City because the City appoints all (voting majority) of the Board of Trustees (Board) and the Authority is fiscally dependent on the City for transportation subsidies and revenue bond support. The Authority is discretely presented because the majority of the Board is not the same as the voting majority of the City Council.

The Authority is included in the City's financial reporting entity as a discrete component unit, and COTPA Retirement Trust is presented as a fiduciary pension trust fund. The City CAFR may be obtained from the Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Related Parties

Oklahoma City Riverfront Redevelopment Authority (OCRRA)
OCRRA is a public trust of the City. On January 13, 2006, the Authority Trustees approved a resolution accepting an administrative role in developing and operating the water transport system as part of a joint Oklahoma River Water Mobility System Plan (System Plan). On June 20, 2006, the City Council approved a joint resolution with the Authority and OCRRA regarding the assignment and acceptance of these responsibilities. Per the resolution, the Authority will be primarily responsible for operations and finance issues, while OCRRA will provide support in areas of planning, development, and marketing. Activity relating to the System Plan is included in the financial statements of the Authority River Cruises Fund.

Oklahoma City Post-Employment Benefit Trust (OCPEBT)
OCPEBT provides post-retirement health benefits for Authority retirees.

I. B. 2. BASIC FINANCIAL STATEMENTS

Financial statements are provided for proprietary and fiduciary funds. All funds are considered major.

Transportation Fund

This fund is used to account for the operations and capital investments, including financing and other business activities, of the Oklahoma City metropolitan public transportation system, including Spokies bike share and streetcar operations.

River Cruises Fund

This fund is used to account for the operations and capital investments, including financing and other business activities, of the Oklahoma River Cruises (Ferry Service) consisting of the operation of ferry boats on the Oklahoma River.

Parking Fund

This fund is used to account for the operations and capital investments, including financing and other business activities, of the Oklahoma City metropolitan public parking system. Costs and revenues associated with parking meters are reported in the City General Fund.

COTPA Retirement Trust (COTPA Retirement)

COTPA Retirement provides retirement benefits to employees of the Authority. The Pension Plan Committee serves as the governing body and is comprised of the City's Transportation and Parking Department Director who is also the Authority Administrator, the Authority Human Resources Manager, City Finance Director, City Treasurer, President of the Amalgamated Transit Union - Local 993 (Union), one current Authority retiree, and two plan participants appointed by the President of the Union and approved by the Board, and one independent party mutually agreed to by the Authority's Administrator and the President of the Union and approved by the Board. COTPA Retirement is a discretely presented fiduciary component unit.

On November 22, 2017, the Authority approved changes to the governing board including adding the Authority Human Resources Manager and one independent party mutually agreed upon by the Authority Administrator and the President of the Union and approved by the Board. In addition, prior to this change, the one current retiree was appointed by the Authority Administrator and the two plan participants were appointed by the Board.

The COTPA Retirement financial statements, along with required supplementary information, is reported in the audited annual financial statements of the Authority. Interim financial statements are provided to management and may be obtained from the Finance Department, Accounting Services Division, 100 N Walker, Suite 300, Oklahoma City, OK 73102.

I. B. 3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Generally Accepted Accounting Principles (U.S. GAAP)

The financial statements of the Authority are prepared in accordance with U.S. GAAP. The Authority applies all relevant GASB pronouncements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority reports using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

All assets and liabilities (whether current or non-current) are included in the statement of net position.

Operating income reported in the fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets.

COTPA Retirement

COTPA Retirement financial statements also report using this same focus and basis of accounting as the Authority. Employer and participant contributions are recognized in the period in which contributions are due and the Authority has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

All assets and liabilities (whether current or non-current) are included in the statement of fiduciary net position. Changes in plan net position reported in the fund financial statements include additions and deductions related to retirement benefits provided to Authority employees. Additions are contributions from the Authority and Plan members, and investment income. Deductions include the cost of benefits and administrative expenses.

I. C. BUDGET LAW AND PRACTICE

Budget Approval

Oklahoma Statutes require the submission of financial information for public trusts. However, legal budgetary control levels are not specified. The Authority's budget is submitted to its governing body for approval. Budget revisions at this level are managed administratively and reported to the Board of Trustees. Revisions to the budget are made throughout the year. Management's policy prohibits expenses to exceed appropriations at the detail line item level. Management may transfer appropriations without governing body approval.

Basis of Budgeting

Appropriations are recorded and available for encumbrance or expense as revenue is received in cash. Revenues are budgeted by source. Expenses are budgeted by division and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are managed administratively and reported to the City Council. The legal level of control is by division and class within a fund. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget are made throughout the year. Expenses may not exceed appropriations at this level. For capital and grant related expenses, budgetary control is exercised on a project-length basis. Therefore, appropriations are carried forward each year until projects are completed.

I. D. POLICIES RELATED TO ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Effective July 1, 2018, the Authority implemented Governmental Accounting Standards Board (GASB) statement number 83, Certain Asset Retirement Obligations. This statement provides guidance on financial reporting for certain asset retirement obligations not provided in earlier pronouncements. There was no impact to the Authority's financial position related to this implementation.

Effective July 1, 2018, the Authority implemented GASB statement number 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The primary purpose of this statement is to improve information disclosed in notes to financial statements related to debt, including direct borrowings and direct placements. It also requires additional essential information related to debt be disclosed. There was no impact to the Authority's disclosures related to this implementation.

Effective July 1, 2017, the Authority implemented GASB statement number 85, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, pensions and other postemployment benefits (OPEB).

Effective July 1, 2017, the City implemented GASB statement number 75, Accounting and Financial Reporting for Postemployment benefits other than pension plans. This statement replaces GASB statements 45 as amended and 57. This statement establishes standards for measuring and recognizing liabilities, deferred outflows, deferred inflows of resources, and expenses/expenditures. It also includes note disclosure and required supplementary information requirements. Please see Note IV for more information.

I. D. 2. CASH AND INVESTMENTS

The Authority’s governing Board formally adopted the City’s updated deposit and investment policy for unrestricted accounts in June 2018. These policies are in addition to restrictions on Authority funds specified in the Authority bond indentures. COTPA Retirement has deposit and investment policies separately approved by the retirement system’s governing body.

Investments are reported at fair value which is determined using selected bases. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to COTPA Retirement not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Cash deposits are reported at carrying amount which approximates fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Accounting guidance establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable.

Level 3 - Significant unobservable prices or inputs.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

I. D. 3. INVENTORIES AND PREPAIDS

Inventories are recorded at a weighted average. Inventories are primarily fuel, vehicle parts and supplies. Prepaids are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Noncurrent prepaids benefit periods beyond the following 12 month period. Payments to vendors that are less than $5,000 are considered de minimus and are reported with expenses in the year of payment.

I. D. 4. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables represent the receivable from the Federal Transit Administration for transit assistance for reimbursement of capital outlays and maintenance costs related to capital assets purchased with those funds.

I. D. 5. RESTRICTED ASSETS

Certain assets are restricted for capital projects funded through long-term debt and debt service reserves. Restricted deposits and investments are legally restricted for the payment of currently maturing debt service.

When both restricted and unrestricted resources are available for use, it is the Trust's policy to use restricted resources first, then unrestricted resources as needed.

I. D. 6. INTERFUND BALANCES

Generally, outstanding balances between funds reported as due to/from other funds are for services or goods, subsidy commitments outstanding at year-end, or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as internal balances.

Activity between the Authority and funds of the City or its component units are described as payable/receivable to (from) City of Oklahoma City or component units.

City employees perform certain administrative and management services for the Authority. Reimbursements for the costs of these services, which includes salaries, pension, and OPEB, are included with payments to the primary government. The payable to primary government represents the unfunded liabilities to City Funds.

I. D. 7. CAPITALIZED INTEREST

Interest costs are capitalized when incurred on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

I. D. 8. CAPITAL ASSETS AND DEPRECIATION

Property and equipment are recorded at cost and presented net of accumulated depreciation. Capital assets are depreciated on a straight-line basis over the estimated economic useful lives of the respective assets as follows: 50 years for parking garages and buildings; 20 years for other improvements; 5 to 12 years for vans, buses, trolleys, and automobiles; 25 years for watercraft; and 3 to 10 years for furniture, fixtures and equipment. Leasehold improvements are amortized on a straight-line basis over the lesser of the terms of the related leases or the useful lives of the improvements. The Authority generally capitalizes assets with cost of $50,000 or more as purchases and construction outlays occur. Assets purchased or constructed with grants are the exception. These assets are capitalized at a cost of $5,000 or more. Maintenance and repairs are charged to operations, while renewals and betterments are capitalized. When property is retired or otherwise disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting difference is recorded as non-operating revenues/expenses.

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

I. D. 9. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position may report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

I. D. 10. LONG-TERM DEBT, BOND DISCOUNT OR PREMIUM, AND DEFERRED AMOUNTS FROM REFUNDING

Outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. Bond discounts and premiums are reported with bonds payable and deferred amounts from refunding are reported as deferred outflows in the statement of net position.

I. D. 11. COMPENSATED ABSENCES

Compensated absences represent the accrued vested vacation and sick leave benefits attributable to full-time employees based on the personnel policies or union bargaining agreements of the City and the Authority.

I. D. 12. RISK MANAGEMENT

The Authority is self-insured for liability related to accidents involving their transportation equipment up to $75,000 per incident. The Authority pays premiums for commercial insurance for employee short-term disability and life, unemployment, employee felonious assault, and retiree health benefits. The Authority's property and liability insurance is administered through the City's Risk Management Fund and the Oklahoma City Municipal Facilities Authority (OCMFA) which accounts for the risk financing activities and assumes the risk of loss.

I. D. 13. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures and accordingly, actual results could differ from those estimates.

I. D. 14. FUND EQUITY

Proprietary fund financial statements report net position. Amounts invested in capital assets, net of related debt, and legally restricted amounts are reported separately from unrestricted net position.

Net Investment in Capital Assets
The amount reported is calculated as total capital assets less accumulated depreciation and outstanding debt used to purchase the assets net of unspent portions. Unspent portions of bonds payable, along with any amounts used to fund debt reserves, are included with restricted net position.

Restricted Net Position
Amounts reported as restricted for debt service include those amounts held in restricted accounts as required by the debt instrument. Restricted amounts held to pay bond interest are reduced by accrued interest payable. Net position restricted for capital projects include unspent debt proceeds legally restricted for capital outlays. Restricted net position also includes purpose restrictions from enabling legislation and other external sources.

I. E. TAX STATUS

Authority

The Authority is exempt from Federal and state income taxes under section 115 of the Internal Revenue Code for any trade or business related to the Authority's tax-exempt purpose or function.

COTPA Retirement

On January 25, 2017, the Internal Revenue Service determined that COTPA Retirement is designed in accordance with Section 401(a) of the Internal Revenue Code.

I. F. RETAINAGES

It is the policy of the Authority to retain a percentage of construction contracts until a completed project has been accepted by the Board. Contractors may request to opt out of this retainage by providing a certificate of deposit with the City. The City holds the certificate of deposit and the Authority retains the risk of incurring costs related to a contractor's failure to perform. However, in the event of non-performance, the City calls the certificate and pays the proceeds to the Authority to cover any costs incurred. The Authority does not record the effect of holding the certificates of deposit.

II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

II. A. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires deposits to be 110 percent secured by collateral valued at market less the amount of the Federal depository insurance (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health, as determined by the bank's institutional rating provided by commercially available bank rating services or on performance evaluations conducted pursuant to the Federal Community Reinvestment Act, 12 United States Code, Section 2901. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions based on evaluation by the City Treasurer of the institution's financial strength in accordance with the investment policy.

At June 30, 2019 and 2018, the Authority's cash is collateralized with securities held by the pledging financial institution in the name of the Authority, less Federal depository insurance.

Investments

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Authority's financial position. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

	2019							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average/ Effective Duration (months) (3)
Authority								
Money market (4)(5)	$1,159,268	$1,159,268	$1,159,268	$ -	$ -	$ -	AAA/Aaa	0.27
U.S. treasury bill	47,431,246	47,636,778	-	47,636,778	-	-	N/A	4.87
Total authority investments	**$48,590,514**	**$48,796,046**	**$1,159,268**	**$47,636,778**	**$ -**	**$ -**		
COTPA Retirement								
Mutual funds (6)								
Equity	$8,583,231	$10,393,698	$10,393,698	$ -	$ -	$ -	N/A	1.08
Bond	2,514,731	2,544,757	2,544,757	-	-	-	A	77.60
Real estate investment trust	250,801	256,620	256,620	-	-	-	N/A	N/A
Money market (4)(5)	453,322	453,322	453,322	-	-	-	AAA	76.80
Total fiduciary investments	**$11,802,085**	**$13,648,397**	**$13,648,397**	**$ -**	**$ -**	**$ -**		

	2018							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average/ Effective Duration (months) (3)
Authority								
Money market (4)(5)	$1,159,500	$1,159,500	$1,159,500	$ -	$ -	$ -	AAA/Aaa	0.27
U.S. treasury bill	28,907,033	29,017,883	-	29,017,883	-	-	N/A	2.90
Total authority investments	**$30,066,533**	**$30,177,383**	**$1,159,500**	**$29,017,883**	**$ -**	**$ -**		

(continued)

Investments (continued)

	2018							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average/ Effective Duration (months) (3)
COTPA Retirement								
Mutual funds (6)								
Equity	$7,721,084	$9,340,064	$9,340,064	$ -	$ -	$ -	N/A	37.32
Bond	2,970,457	2,868,972	2,868,972	-	-	-	B	75.87
Real estate investment trust	240,704	228,691	228,691	-	-	-	N/A	N/A
Money market (4)(5)	638,357	638,357	638,357	-	-	-	AAA	0.87
Total fiduciary investments	**$11,570,602**	**$13,076,084**	**$13,076,084**	**$ -**	**$ -**	**$ -**		

(1) The net asset value (NAV) is a practical expedient to estimate fair value.

(2) Ratings are provided where applicable to indicate associated credit risk.

(3) Interest rate risk is estimated using weighted average months to maturity.

(4) Cost approximates fair value.

(5) Consists solely of U.S. Treasury securities.

(6) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. COTPA Retirement has $2,107,376 and $2,104,318 invested in international mutual funds at June 30, 2019 and 2018, respectively.

Fair Value Measurement

The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used at June 30, 2019 and 2018.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Money market funds are reported at cost, which approximates fair value, are traded on active markets at quoted prices, and are valued at level 1.

U.S. treasury bills and U.S. Treasury notes are valued at level 2 using pricing models that maximize the use of observable inputs for similar securities.

Mutual funds are valued at the daily closing price as reported by COTPA Retirement. Mutual funds held by the pension trust are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Investment Policies

The Authority's investment policy is maintained by the City Treasurer. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Authority funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities, the payment of which the full faith and credit of the U.S. government is pledged, or obligations, the payment of which the full faith and credit of the State of Oklahoma is pledged; (2) Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those insured by or fully guaranteed as principal and interest by Federal agencies or U.S. government-sponsored enterprises; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in Oklahoma when secured by appropriate collateral or fully insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located outside of Oklahoma; (4) repurchase agreements that have underlying collateral of direct obligations or obligations of the U.S. government, its agencies, and instrumentalities; (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law; (6) savings accounts or certificates of savings and loan associations, banks, and credit unions, to the extent the accounts are fully insured by Federal depository insurance; (7) State and Local Government Series (SLGS); (8) City direct debt obligations for which an ad valorem tax may be levied or bonds issued by a public trust of which the City is a beneficiary and judgments rendered against the City by a court of record, provided it is a prudent investment; (9) prime commercial paper with a maturity date less than 180 days which represents less than 10% of the outstanding paper of an issuing corporation.

Under the policy, the Authority may not invest in reverse repurchase agreements, derivative instruments created from, whose value depends on, or is derived from, the value of one or more underlying assets or indices of asset values and/or has no call options prior to the desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments in items (1) and (2).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase. Certificates of deposit may not be purchased with maturities greater than 365 days from date of purchase.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. Cumulatively, portfolios of the Authority may not be invested in any given financial institution in excess of 5% of such institution’s total assets excluding U.S. government securities and those issued by government sponsored enterprises, SLGS, and City judgments. Additionally, no more than 5% of the total Authority portfolio may be placed with any single financial institution, excluding U.S. government securities and those issued by government sponsored enterprises, savings, money market funds, SLGS, City judgments, and repurchase agreements.

Portfolio Structure (1)

Investment Type Limitations Percentage of Total Invested Principal	
	Maximum % (2)
Repurchase agreements	100%
U.S. Treasury securities (3)	100
Certificates of deposit	50
Money market funds	100
Savings account	100
U.S. non-callable agencies securities	100
U.S. callable agency securities	20
Prime commercial paper	7.5
City judgments	5

Maturity Limitations Percentage of Total Invested Principal	
	Maximum % (4)
0-1 year	100%
1-3 years	90
3-5 years	90

(1) Specifically matched cash flows are excluded.

(2) For investments listed, there is no minimum percentage specified under the policy.

(3) Includes SLGS.

(4) For maturities limited to 0-1 year, the minimum percentages allowed under the policy are 5-25%.

Authority policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

Bond Indenture Restrictions

Authority non-pooled cash and investments are restricted in purpose by the policies incorporated in the applicable bond indenture. A trustee bank provides the management of these restricted, non-pooled investments. Custodial credit risk for investments is not addressed by the bond indenture.

The bond indenture prescribes authorized investments for accounts restricted under the indenture to (1) direct obligations unconditionally guaranteed by the U. S.; (2) bonds or debentures payable in cash issued by the following Federal agencies: (a) Export Import Bank of the United States, (b) Federal Financing Bank, (c) Farmer's Home Administration, (d) Federal Housing Administration, (e) Maritime Administration, (f) Public Housing Authorities, (g) Government National Mortgage Association; (3) investments fully insured by FDIC including: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, (d) depository receipts; (4) certificates of deposit in excess of FDIC insurance properly secured by collateral security consisting of obligations described in (1) and (2) above; (5) commercial paper; (6) money market funds; and (7) investment agreements.

The bond indenture provides that investments mature in no more than six to sixty months, depending on the purpose of the funds and the requirements of the account in which funds are deposited.

Pension Trust Investment Policy

COTPA Retirement has an investment policy separately approved by the pension plan committee. Investment activity follows the Oklahoma Uniform Prudent Investor Act providing for the preservation of capital, with the goal to achieve the highest possible rate of return consistent with the tolerance for risk determined by the governing body. The investment policy provides for the hiring of Financial Consultant(s) and Investment Manager(s) to implement the investment of assets in accordance with investment guidelines set out in the policy. The policy provides for the engagement of a custodian bank who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items; and provides periodic accounting statements.

Manager performance is reviewed by a consultant who provides reports to the governing body. Any changes in the investment management firm must be reported as they occur. Overall investment guidelines provide for a diversified portfolio and allow investment in cash equivalents, fixed income securities, equity securities, liquid alternatives, and mutual pooled funds. COTPA Retirement policy prohibits investment of more than 5% of its assets in the securities of any one issuer held either in individual investments or through a mutual fund with the exception of U.S. government securities. Policy further prohibits investment of more than 20% in any one market sector. Fixed income securities must be considered "Investment Grade" by at least one of the major rating agencies at the time of purchase. Cash equivalents can include treasury bills, money market mutual funds, repurchase agreements, certificates of deposits or FDIC insured deposits. Liquid alternatives shall be restricted to mutual funds and/or exchange traded funds with daily liquidity.

Asset allocation guidelines

	Minimum	Target	Maximum	**2019** Actual	**2018** Actual
Domestic equities	30%	40%	50%	44%	56%
International	10	15	20	15	15
Alternatives	0	15	25	15	9
Fixed income	10	25	40	23	20
Cash Equivalents	0	5	10	3	0

Cash Reserve Policy
The governing body may elect to reduce risk exposure by raising cash reserves. It may, at its discretion, retain a manager to manage such cash reserves in a Special Cash Reserve Fund. The implementation of a cash reserve policy will be driven by the current level of interest rates as reflected by the discount rate as determined by the Federal Reserve.

Cash Reserve Guidelines

Percent of Total Fund Invested in Special Cash Reserve Fund	Discount Rate Levels
0-3 %	4% or less
6	>4% to 6%
12	>6% to 7%
18	>7% to <8%
24	>8% to <9%
30	9% or above

The fixed income portfolio may be invested 100% in cash equivalents or up to 100% in fixed income securities maturing in 30 years or less. The policy also requires that the active fixed income manager maintain portfolio duration at a minimum of 50% and a maximum of 150% of the Barclays Aggregate Bond Index (AGG=100).

Securities Held by Others
Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Authority policy provides that investment collateral is held by a third party custodian with whom the Authority has a current custodial agreement in the Authority's name or be held in the name of both parties by the Federal Reserve Bank servicing Oklahoma.

COTPA Retirement held $10,393,698 and $9,340,064 in common stock or stock funds at June 30, 2019 and 2018, respectively. These are held by the investment counterparty, not in the name of COTPA Retirement or the Authority.

Compliance with State Requirements

Authority investment policy and the bond indenture, as well as, the pension trust policy, are more restrictive than the requirements of Oklahoma law found in Title 60 of the Oklahoma Statutes and the standards of the Oklahoma Uniform Prudent Investor Act. These statutes restrict public investing to the Prudent Investor Rule defined by Title 60 of the Oklahoma Statutes to consider the purposes, terms, distribution requirements, and other circumstances of the Trust and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the Authority's portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Authority.

Restricted Deposits and Investments

	2019	2018
Bond principal and interest accounts	$1,065,561	$1,056,720
Bond reserve account	1,483,390	1,492,839
	$2,548,951	$2,549,559

II. B. ACCOUNTS RECEIVABLE AND UNCOLLECTIBLE AMOUNTS

Receivables include monthly parking agreements, retail leases, and charter services. These receivables are due in less than one year. The allowance amount is estimated using accounts receivable past due more than 90 days.

	2019		
	Transportation	Parking	Total
Accounts receivable	$219,543	$329,853	$549,396
Less: Allowance for uncollectible accounts	(52,180)	(380)	(52,560)
Net accounts receivable	**$167,363**	**$329,473**	**$496,836**
Affect on revenues for change in uncollectible	**($51,511)**	**$869**	**($50,642)**

	2018		
	Transportation	Parking	Total
Accounts receivable	$157,021	$81,892	$238,913
Less: Allowance for uncollectible accounts	(669)	(1,249)	(1,918)
Net accounts receivable	**$156,352**	**$80,643**	**$236,995**
Affect on revenues for change in uncollectible	**($69)**	**$68,245**	**$68,176**

II. C. INTERGOVERNMENTAL RECEIVABLE

Total intergovernmental receivables of $3,065,504 in 2019 and $485,911 in 2018 was due from the Federal government for grants.

II. D. INVENTORIES

	2019	2018
Diesel fuel, gasoline and oil	$87,349	$56,128
Vehicle parts and supplies	1,395,035	878,283
	$1,482,384	$934,411

II. E. PREPAIDS

	2019	2018
Memberships and dues	$3,771	$3,773
Software licenses and support	35,575	34,330
Insurance	33,428	7,069
Other	1,203	-
	$73,977	$45,172

II. F. OTHER ASSETS

	2019	2018
Insurance security deposit	$85,000	$65,000

II. G. CAPITAL ASSETS

Changes in Capital Assets

2019

	Land and Art	Construction In Progress	Total Non-depreciable
CAPITAL ASSETS, NOT DEPRECIATED			
Balance, June 30, 2018	$5,850,022	$3,263,543	$9,113,565
Increases	-	1,948,280	1,948,280
Decreases	(766,000)	(200,627)	(966,627)
Transfers	-	(2,975,480)	(2,975,480)
Total capital assets, not depreciated	**$5,084,022**	**$2,035,716**	**$7,119,738**

	Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Depreciable
CAPITAL ASSETS, DEPRECIATED						
Balance, June 30, 2018	$15,612,498	$14,589,924	$20,670,655	$55,244,087	$15,003,475	$121,120,639
Increases	373	-	-	1,809,136	1,365,231	3,174,740
Decreases	-	(7,071,842)	(3,277,896)	(9,606,997)	(737,467)	(20,694,202)
Transfers	1,386,106	69,698	-	1,519,676	-	2,975,480
Balance, June 30, 2019	16,998,977	7,587,780	17,392,759	48,965,902	15,631,239	106,576,657
ACCUMULATED DEPRECIATION						
Balance, June 30, 2018	6,234,669	7,279,724	12,074,982	18,007,169	7,095,927	50,692,471
Increases	739,615	429,730	1,630,306	999,525	1,126,500	4,925,676
Decreases	-	(3,493,150)	(2,636,515)	(6,931,391)	(440,514)	(13,501,570)
Balance, June 30, 2019	6,974,284	4,216,304	11,068,773	12,075,303	7,781,913	42,116,577
Total capital assets, depreciated	**$10,024,693**	**$3,371,476**	**$6,323,986**	**$36,890,599**	**$7,849,326**	**$64,460,080**
Total capital assets, net						**$71,579,818**

(continued)

Capital Assets (continued)

2018			
CAPITAL ASSETS, NOT DEPRECIATED	Land and Art	Construction In Progress	Total Non-depreciable
Balance, June 30, 2017	$5,850,022	$1,507,215	$7,357,237
Increases	-	1,808,193	1,808,193
Transfers	-	(51,865)	(51,865)
Total capital assets, not depreciated	**$5,850,022**	**$3,263,543**	**$9,113,565**

	Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Depreciable
CAPITAL ASSETS, DEPRECIATED						
Balance, June 30, 2017	$15,557,933	$14,589,924	$23,090,275	$55,244,087	$9,562,735	$118,044,954
Increases	2,700	-	-	-	5,440,740	5,443,440
Decreases	-	-	(2,419,620)	-	-	(2,419,620)
Transfers	51,865	-	-	-	-	51,865
Balance, June 30, 2018	15,612,498	14,589,924	20,670,655	55,244,087	15,003,475	121,120,639
ACCUMULATED DEPRECIATION						
Balance, June 30, 2017	5,842,552	6,569,366	12,758,619	16,947,725	6,037,391	48,155,653
Increases	392,117	710,358	1,735,984	1,059,444	1,058,536	4,956,439
Decreases	-	-	(2,419,621)	-	-	(2,419,621)
Balance, June 30, 2018	6,234,669	7,279,724	12,074,982	18,007,169	7,095,927	50,692,471
Total capital assets, depreciated	**$9,377,829**	**$7,310,200**	**$8,595,673**	**$37,236,918**	**$7,907,548**	**$70,428,168**
Total capital assets, net						**$79,541,733**

Depreciation Expense

	2019	2018
Transportation	$3,439,147	$3,101,588
River Cruises	275,715	275,966
Parking	1,210,814	1,578,885
	$4,925,676	**$4,956,439**

III. LIABILITIES

III. A. UNEARNED REVENUE

	2019	2018
CURRENT		
Transportation	$9,946	$ -
River	141,471	139,330
Parking	18,962	62,224
	170,379	201,554

(continued)

Unearned Revenue (continued)

	2019	2018
NON-CURRENT (1)		
River	300,475	433,735
	$470,854	**$635,289**

(1) In July and August 2007, the Authority and OCRRA, respectively, entered into an agreement with Devon Energy Corporation (Devon) for $2 million for the exclusive naming rights of three riverboats with an initial term of 15 years (commencing October 1, 2007) for $133,000 per year. The payment amount was received from Devon by OCRRA in a lump sum and transferred to the Authority to finance needed system acquisitions. Devon unearned revenue at June 30, 2019 and 2018, is $433,370 and $566,630 including $300,475 and $433,735 reported as non-current unearned revenue, respectively.

III. B. COMPENSATED ABSENCES

Compensated absences balances changed from 2018 to 2019 by accruals of $471,612 and usages of $450,280 compared to changes in accruals of $487,611 and usages of $416,480 from 2017 to 2018.

III. C. REVENUE BONDS

Parking Revenue Bonds

On June 20, 2013, the Authority issued $22,000,000 in Series 2013 Parking Revenue Bonds with an average interest rate (coupon) of 4.5%. The proceeds of $22,000,000 from the bonds, less $264,139 in issuance costs, were used to finance construction of a new parking garage in downtown Oklahoma City, known as the Arts District Parking Garage. These bonds are collateralized principally by the net revenues of the parking system and revenues pledged by the City under an agreement of support (City Agreement).

The Series 2013 Parking Revenue Bonds mature on July 1, 2014, through July 1, 2038. Interest payments are payable on January 1 and July 1 beginning January 1, 2014. The bonds are subject to optional redemption on or after July 1, 2023. Bonds outstanding at June 30, 2019 and 2018, are $18,935,000 and $19,570,000, respectively.

Bonded Debt Service Requirements to Maturity

Fiscal Year	Principal	Interest	Total
2020	$650,000	$823,221	$1,473,221
2021	665,000	806,339	1,471,339
2022	680,000	787,203	1,467,203
2023	700,000	765,543	1,465,543
2024	725,000	741,579	1,466,579
2025-2029	4,055,000	3,251,168	7,306,168
2030-2034	5,050,000	2,221,762	7,271,762
2035-2039	6,410,000	827,088	7,237,088
	$18,935,000	**$10,223,903**	**$29,158,903**

Revenue Bonds Outstanding

	Amount Issued	Interest Rate %	Issue Date	Principal Maturity Date	2019 Principal Balance	2018 Principal Balance
Series 2013 Parking Revenue Bonds	$22,000,000	0.71-4.97	6/20/2013	7/1/2038	$18,935,000	$19,570,000

Bond Coverage

	2019	2018
Gross revenue, including non-operating investment income	$7,874,945	$9,022,276
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	3,746,066	4,259,758
Net revenue available for debt service	**$4,128,879**	**$4,762,518**
Principal amounts	$650,000	$650,000
Interest amounts	823,221	823,221
Total debt service requirements	**$1,473,221**	**$1,473,221**
Revenue bond coverage	**2.80**	**3.23**

The bond indentures require the payment of principal and interest before any other expenditures may be made. In addition, depreciation and amortization expenses are excluded from the direct operating expenses as they do not affect funds available for debt service. The revenue bonds are secured principally by net revenues of the parking system and from amounts that could be received, if needed, from the City. See Note III.F for more information regarding guaranteed debt. Per the bond indenture, principal and interest amounts are derived from the highest annual principal and interest amounts outstanding. The required revenue bond coverage is 1.25 of maximum annual bond service for all bonds outstanding.

III. D. SEGMENT INFORMATION AND PLEDGED REVENUES

The Authority issued revenue bonds to support its parking garages. The financial statements report revenue-supported debt. The Authority recognized $6,349,667 and $8,386,635 in parking revenues in 2019 and 2018, respectively.

III. E. CHANGES IN LONG-TERM LIABILITIES

	2019						
	Balance July 1, 2018	Change in Accounting Principle	Issued	Retired	Balance June 30, 2019	Due Due Within One Year	Due Due After One Year
COMPENSATED ABSENCES							
Transportation	$473,640	$ -	$471,612	$450,280	$494,972	$232,057	$262,915
REVENUE BONDS							
Parking	19,570,000	-	-	635,000	18,935,000	650,000	18,285,000
NET PENSION LIABILITY							
Transportation	4,081,515	-	1,472,454	1,354,358	4,199,611	-	4,199,611
NET OPEB LIABILITY							
Transportation	1,493,048	-	290,686	329,927	1,453,807	-	1,453,807
Total	**$25,618,203**	**$ -**	**$2,234,752**	**$2,769,565**	**$25,083,390**	**$882,057**	**$24,201,333**

(continued)

Changes in Long-Term Liabilities (continued)

	2018						
	Balance July 1, 2017	Change in Accounting Principle	Issued	Retired	Balance June 30, 2018	Due Within One Year	Due After One Year
COMPENSATED ABSENCES							
Transportation	$402,509	$ -	$487,611	$416,480	$473,640	$216,959	$256,681
REVENUE BONDS							
Parking	20,195,000	-	-	625,000	19,570,000	635,000	18,935,000
NET PENSION LIABILITY							
Transportation	4,600,125	-	1,155,816	1,674,426	4,081,515	-	4,081,515
NET OPEB LIABILITY							
Transportation	191,775	1,249,733	618,155	566,615	1,493,048	-	1,493,048
Total	**$25,389,409**	**$1,249,733**	**$2,261,582**	**$3,282,521**	**$25,618,203**	**$851,959**	**$24,766,244**

III. F. GUARANTEED DEBT

The City has executed an agreement of support which guarantees the City will fund debt service and bond reserve requirements for the Authority Series 2013 Parking Revenue Bonds. Under Oklahoma law, the City may only be obligated to transfer funds for current year principal and interest due up to the end of its fiscal year (June 30) and has no legal obligation or requirement to transfer funds for current year amounts due beyond its fiscal year. The debt instruments recognize the limitations set by state law and the City's moral obligation to renew the guarantees. The debt instruments require the City to renew the guarantees annually. The City did not and was not required to fund debt service for the Authority in 2019 or any preceding year in which the debt was outstanding.

Maximum of Bond Reserve or Bond Debt Service Requirements	Total Amount Guaranteed (1)	Total Amount Outstanding
Series 2013 Parking Revenue Bonds	**$1,473,221**	**$18,935,000**

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2020, and covered under the guarantee effective July 1, 2019. It is anticipated that the guarantees will be renewed annually.

IV. NET POSITION

Change in Accounting Principle

Effective July 1, 2017, the Authority changed its method of accounting and recognized an additional liability and reduced net position by $2,950,651 due to the chargeback from the City for the adoption of GASB Statement No. 75, Accounting and Financial Reporting for Post employment Benefits Other than Pensions. In addition, the Authority recognized an increase in the OPEB liability of $1,249,733 and an increase in deferred outflows of $374,116, and reduced net position by $875,617 related to the Authority's adoption of GASB Statement No. 75 related to the Authority's employees.

Net Investment in Capital Assets

	2019	2018
Capital assets, net	$71,579,818	$79,541,733
Retainages and capital related accounts payable	(3,293,444)	(192,721)
Bonds payable, net	(18,935,000)	(19,570,000)
Bond issuance costs paid with bond proceeds	264,139	264,139
	$49,615,513	**$60,043,151**

Restricted for Debt Service

	2019	2018
Bond principal and interest accounts	$1,065,561	$1,056,720
Bond reserve	1,483,390	1,492,839
Interest receivable on debt service accounts	1,688	1,160
Current bond interest payable	(415,561)	(421,721)
	$2,135,078	**$2,128,998**

Unrestricted

	2019	2018
Unrestricted	**$46,821,200**	**$22,116,229**

V. REVENUES AND EXPENSES

V. A. LEASE REVENUES

The Parking Fund leases retail space at the Santa Fe and Arts District Parking Garages to various establishments. Most of these leases are at least two years with multi-year renewal options. In December, 2018, the Santa Fe Parking Garage was sold to Continental Resources and BancFirst. At June 30, 2019, 13,556 square feet of garage retail space was leased. In addition, the Transportation Fund leased out approximately 4,000 square feet of retail space at the Santa Fe Depot.

Minimum Rentals on Non-Cancelable Leases

2020	$205,214
2021	204,103
2022	187,234
2023	126,434
2024	119,734
2025 - 2029	217,467
	$1,060,186
Rental income	**$294,802**

V. B. LEASE EXPENSES

On April 4, 2019, the Authority entered into a one year lease and operations agreement with the City for the Streetcar System (System) including the Streetcar Storage and Maintenance Facility. As consideration for the City's construction and lease of the System, the Authority agreed to provide all maintenance and operations of the System and retains all revenues generated.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Internal Balances

Internal balances in 2019 consist of Parking Fund receivables from the Transportation Fund for operating costs. Internal balances in 2019 and 2018 consist of grant receivables in the River Cruises Fund from the Transportation Fund.

	2019				2018			
	Transportation	River Cruises	Parking	Total	Transportation	River Cruises	Parking	Total
Transportation Fund	$ -	$89,689	$3,590	$93,279	$ -	$10,999	$ -	$10,999
River Cruises Fund	(89,689)	-	-	(89,689)	(10,999)	-	-	(10,999)
Parking Fund	(3,590)	-	-	(3,590)	-	-	-	-
	($93,279)	$89,689	$3,590	$ -	($10,999)	$10,999	$ -	$ -

2019

	Purpose	Transportation	River Cruises	Parking
RECEIVABLE FROM				
City Municipal Facilities Authority Services fund	Prefunded radio system	$277,239	$ -	$ -

	Purpose	Transportation	River Cruises	Parking
PAYABLE TO				
City General Fund	Purchasing card and payroll reimbursements	$161,672	$676	$6,923
City General Obligation Bond Fund	Grant reimbursement	34,947	-	-
City Transportation Fund	Cost reimbursement	3,212,083	-	-
City Parking Fund	Cost reimbursement	-	-	423,182
City Print Shop Fund	Postage and copy services	5,273	8	-
City Fleet Services Fund	Fuel chargeback	21,591	-	-
City Municipal Facilities Authority Services fund	Cell services and software licenses	18,228	-	-
Oklahoma City Public Property Authority General Purpose Fund	Thunder parking lease	-	-	14,895
		$3,453,794	$684	$445,000

2018

	Purpose	Transportation	River Cruises	Parking
RECEIVABLE FROM				
City General Fund	Operating subsidy	$ -	$ -	$220,000
City Municipal Facilities Authority Services Fund	Prefunded radio system	299,871	-	-
		$299,871	$ -	$220,000

(continued)

Receivable From/Payable To (continued)

PAYABLE TO	Purpose	Transportation	River Cruises	Parking
City General Fund	City General Fund	$121,438	$9	$16,599
City Transportation Fund	Cost reimbursement	3,071,220	-	-
City Parking Fund	Cost reimbursement	-	-	401,791
City Print Shop Fund	Postage and copy services	1,792	-	-
City Fleet Services Fund	Fuel chargeback	31,491	-	-
City Stormwater Drainage Fund	Administrative charges	1,210	-	176
City Municipal Facilities Authority Services fund	Cell services	4,583	-	-
Oklahoma City Public Property Authority General Purpose Fund	Thunder parking lease	-	-	53,218
		$3,231,734	$9	$471,784

Cost Reimbursement Payable to (Receivable From) the City Transportation and Parking Funds

City employees perform all administrative and management services for the Authority. Reimbursements for the costs of these services are included in the Authority's expenses. The advance represents the unfunded non-current liabilities of the City Transportation and City Parking Funds.

	Transportation		Parking	
	2019	**2018**	**2019**	**2018**
Beginning balance, as previously reported	$3,071,220	$399,058	$401,791	$52,980
Change in accounting principle See Note IV for more information	-	2,468,471	-	482,220
Beginning balance as restated	3,071,220	2,867,529	401,791	535,200
Personnel services	2,873,640	2,579,213	386,132	305,140
Other services	(16,314)	379,267	64,307	48,730
Interest income	(9,477)	(189)	(13,473)	(2,393)
Other non operating revenue	-	(404,600)	(10,228)	-
Reimbursement to the City	(2,706,986)	(2,350,000)	(405,347)	(484,886)
	$3,212,083	$3,071,220	$423,182	$401,791

The assets, deferred outflows, liabilities, and deferred inflows of the City Transportation and Parking Funds represent assets and deferred outflows that may be used to reduce Authority reimbursement requirements and the liabilities and deferred inflows represent current and future liabilities that the Authority will be required to fund.

	City Transportation Fund		City Parking Fund	
	2019	**2018**	**2019**	**2018**
ASSETS AND DEFERRED OUTFLOWS				
Pooled cash	$2,333	$2,527	$3,531	$509
Investments	148,572	215,949	313,599	260,756
Interest receivable	641	922	1,323	1,092
Inventories	-	-	23,882	6,427
Prepaids	-	-	6,977	-
Net pension assets	312,195	275,204	66,592	62,546
Deferred outflows of resources	455,757	368,336	82,368	80,516
Total assets and deferred outflows	**919,498**	**862,938**	**498,272**	**411,846**

(continued)

Cost Reimbursement Payable to (Receivable From) the City Transportation and Parking Funds (continued)

	City Transportation Fund		City Parking Fund	
	2019	**2018**	**2019**	**2018**
LIABILITIES AND DEFERRED INFLOWS				
Accounts payable and accrued expenses	-	-	24,929	35,258
Wages and benefits payable	132,408	111,711	24,563	19,954
Payable to the City	-	-	101,588	61,370
Compensated absences	519,533	465,619	42,210	32,109
Net OPEB liability	2,398,789	2,922,796	505,006	574,120
Deferred inflows of resources	1,080,851	434,032	223,158	90,826
Total liabilities and deferred inflows	**4,131,581**	**3,934,158**	**921,454**	**813,637**
Cost reimbursement payable to (receivable from) the City	**$3,212,083**	**$3,071,220**	**$423,182**	**$401,791**

VI. B. INTERFUND PAYMENTS/TRANSFERS

Transfers

Transfers within the Authority consist of the transfer of grant revenue funds from the Transportation Fund to the River Cruises Fund.

	2019			2018		
	Transportation	River Cruises	Parking	Transportation	River Cruises	Parking
Transportation	$ -	$239,138	$ -	$ -	$30,470	$ -
River Cruises	(239,138)	-	-	(30,470)	-	-
	($239,138)	**$239,138**	**$ -**	**($30,470)**	**$30,470**	**$ -**

Payments From/To the City and Component Units

	2019			
	Purpose	Transportation	River Cruises	Parking
FROM				
City General Fund	Operating subsidy	$21,111,472	$750,302	$220,375
OCRRA	Marketing costs subsidy	-	25,000	-
		$21,111,472	**$775,302**	**$220,375**

	2018			
	Purpose	Transportation	River Cruises	Parking
FROM				
City General Fund	Operating subsidy	$16,168,001	$725,566	$220,000
OCRRA	Marketing costs subsidy	-	25,000	-
		$16,168,001	**$750,566**	**$220,000**

VI. C. OTHER INTERFUND TRANSACTIONS

Administrative Chargebacks

City employees external to the Authority perform some administrative functions which are reimbursed through administrative chargebacks recorded with the operating expenses of the Authority. In fiscal years 2019 and 2018, the Authority paid $2,784,535 and $2,607,727, respectively, for these services. The payments are reported with operating expenses.

VII. PENSION PLANS

VII. A. DEFINED BENEFIT SINGLE EMPLOYER PENSION PLAN

VII. A. 1. COTPA EMPLOYEE RETIREMENT SYSTEM

Plan Description

COTPA Retirement provides retirement benefits for all Authority employees, primarily bus drivers, and related operations employees. Unless otherwise indicated, COTPA Retirement information in this note is for both the valuation dates July 1, 2018 and 2017, which was rolled forward to a measurement date of June 30, 2019 and 2018. The information presented in this note as of June 30, 2019 and June 30, 2018 measurement dates will be reported in the financial statements of the Authority as of June 30, 2020 and 2019, respectively. Actuarial valuations are performed annually.

Management of COTPA Retirement is vested in the Pension Plan Committee. The governing body is comprised of the City's Transportation and Parking Department Director who is also the Authority Administrator, the Authority Human Resources Manager, City Finance Director, City Treasurer, President of the Union, one current Authority retiree, and two plan participants appointed by the President of the Union and approved by the Authority Trustees, and one independent party mutually agreed to by the Authority's Administrator and the President of the Union and approved by the Authority Trustees. COTPA Retirement is a discretely presented fiduciary component unit.

The required supplementary information immediately following the notes to the financial statements presents certain ten-year trend information for as many years for which information measured in conformity with the requirements of GASB 68 is available. A copy of the actuarial report referred to in this note may be obtained from the City Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Employees of the Authority are required to participate in the Plan after completion of six months of employment. The Authority employees are eligible for distribution at the earlier of age 65 with 10 years of service or age 60 with 30 years of service and are entitled to receive monthly pension benefits equal to the sum of $60.00 per month for each year of service from their date of hire, plus variable cost of living increases based on their date of retirement. An early retirement option with reduced benefits is available at age 62 with 10 years of credited service.

Employees Covered by Benefit Terms

	2019	2018
Active members	185	194
Retirees and beneficiaries currently receiving benefits	85	85
Terminated plan members entitled to but not yet receiving benefits	2	4
	272	283

Contributions

Contribution requirements are negotiated and established pursuant to union contract. Beginning July 1, 2018, the employer contribution rate was changed from $58.17 per week to $60.05 per week, and the employee contribution rate changed from $46.64 per week to $48.52 per week. Administrative costs are funded with investment earnings.

VII. A. 2. NET PENSION ASSET/LIABILITY

Actuarial Assumptions

The Total Pension Asset and Liability actuarial valuation was determined using the following actuarial assumptions applied to persons included in the measurement:

	2019	2018
Price Inflation	1.50%	1.50%
Wage Inflation	N/A	N/A
Salary Increases	N/A	N/A
L/T Investment rate of return	7.00%	7.00%
Discount Rate	7.00%	7.00%

Mortality rates were based on the SOA RP-2000 Combined Mortality projected to 2010 (OPERS) Table.

The actuarial assumptions used were based on an experience study that was issued November 16, 2015, covering the past five years of plan experience.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Long-term Expected Rate of Return and Target Allocations

The long-term expected rate of return on pension plan investments was determined using a geometric basis and a time horizon of 20 years. The capital market expectations are initially developed by combining historical risk, return, and correlation data with state-of-the-art techniques and tools that mitigate the limitations of traditional optimization methods. The asset allocation committee at Bank of Oklahoma Financial then employs a qualitative overlay to determine the long-term expected returns. See NOTE II. A. DEPOSITS AND INVESTMENTS, *Investments* , Pension Trust Investment Policy, Asset allocation guidelines for target allocation of investments.

	2019	2018
Cash	0.01%	0.01%
U.S. core fixed income	0.47	0.47
Domestic equities	5.71	5.71
Equities	7.32	7.32
Alternative strategies	1.57	1.57
The long-term expected inflation	1.50	1.50

Money-weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 6.54% for 2019 and 7.77% for 2018. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

The pension plan does not hold any individual securities, but invests in mutual funds at June 30, 2019 and 2018, respectively. The Plan holds investments exceeding 5% of the total plan market value in the Federal Institutional High Yield Bond Fund, Met West Total Return Bond Fund, Vanguard Total Bond Market Index, and Vanguard Total International Bond Index Fund. The Plan held no individual investments (other than U.S. government and U.S. government guaranteed obligations) whose market value exceeds 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for both years. The projection of cash flows used to determine the discount rate assumes that the Plan and members contributions will be made at the current contribution rates specified in the union contract. 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 payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

	2019	2018
Total pension liability	($17,402,105)	($17,286,114)
Fiduciary net position	13,658,384	13,086,503
Net pension asset (liability)	($3,743,721)	($4,199,611)
Plan fiduciary net position as a percentage of the total pension liability	**78.49%**	**75.71%**

Changes in Net Pension Asset/(Liability)

	Total Pension Asset (Liability)		Plan Fiduciary Net Position		Net Pension Asset (Liability)	
Measurement date June 30,	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Beginning balance	($17,286,114)	($16,513,967)	$13,086,503	$12,432,452	($4,199,611)	($4,081,515)
Service cost	(576,276)	(512,593)	-	-	(576,276)	(512,593)
Interest	(1,208,211)	(1,149,716)	-	-	(1,208,211)	(1,149,716)
Changes of benefits terms	-	(424,959)	-	-	-	(424,959)
Differences between expected and actual experience	443,316	90,304	-	-	443,316	90,304
Contributions - employer	-	-	581,008	564,947	581,008	564,947
Contributions - employee	-	-	462,105	455,784	462,105	455,784
Net investment income	-	-	906,643	953,494	906,643	953,494
Differences between projected and actual earnings	-	-	(61,223)	-	(61,223)	-
Benefit payments and refunds	1,225,180	1,224,817	(1,225,180)	(1,224,817)	-	-
Administrative expense	-	-	(91,472)	(95,357)	(91,472)	(95,357)
	($17,402,105)	**($17,286,114)**	**$13,658,384**	**$13,086,503**	**($3,743,721)**	**($4,199,611)**

The net pension liability is reported when a pension plan's total pension liability exceeds the plan's net position. Related to COTPA Retirement, the Authority will report a net pension liability of $3,743,721 at June 30, 2020 and has reported a net pension liability of $4,199,611 at June 30, 2019.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	2019		2018	
	Rate	Authority Net Pension Asset(Liability)	Rate	Authority Net Pension Asset(Liability)
1% decrease	6.00%	($5,520,066)	6.00%	($6,010,485)
Current single discount rate	7.00	(3,743,721)	7.00	(4,199,611)
1% increase	8.00	(2,228,025)	8.00	(2,658,302)

VII. A. 3. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Unless otherwise indicated, COTPA Retirement information in this note is for both the valuation dates July 1, 2017 and 2016, which was rolled forward to a measurement date of June 30, 2018 and 2017. The information presented in this note as of June 30, 2018 and 2017 measurement dates are reported in the financial statements of the Authority as of June 30, 2019 and 2018, respectively.

Pension Expense

The Authority reported $533,463 and $237,311 in 2019 and 2018, respectively, in pension expense which includes costs related to employee participation in COTPA Retirement.

Pension Deferred Outflows And Inflows

Deferred outflows / (inflows) of resources represents the following items that have not been recognized in the pension expense:

1. Differences between expected and actual experience of the pension plan.
2. Changes of assumptions.
3. Difference between projected and actual earnings in pension plan investments.

The initial amortization period for the first two items noted above is based on the average future service to retirement while the difference between projected and actual earnings in pension plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

	2019 Authority		2018 Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions - Employer	$583,645	$ -	$545,728	$ -
Differences between expected and actual pension plan experience	149,065	(206,464)	222,424	(167,121)
Differences between expected and actual investment earnings	135,499	-	228,563	-
Change of Assumptions	-	(1,034,136)	-	(1,370,263)
	$868,209	**($1,240,600)**	**$996,715**	**($1,537,384)**

Deferred Inflows of Resources and Deferred Outflows of Resources to be Recognized in Future Pension Expense

	2019		2019
2020 (1)	($119,996)	2019 (2)	($281,175)
2021	(231,460)	2020	(86,980)
2022	(403,967)	2021	(198,444)
2023	(182,770)	2022	(370,951)
2024	(13,405)	2023	(149,753)
Thereafter	(4,438)	Thereafter	906
	($945,931)		**($1,086,397)**

(1) Amounts do not include deferred contributions made in fiscal year 2018.

(2) Amounts do not include deferred contributions made in fiscal year 2017.

VIII. DEFINED CONTRIBUTION PENSION PLANS

The Authority participates in a defined contribution plan established July 1, 2001, for eligible administrative employees (not represented by a union). Plan provisions and contribution requirements are established or amended by Authority resolution. It is in addition to COTPA Retirement and provides that the employee may voluntarily contribute to the ICMA plan and the Authority will match employee contributions up to $1,000 annually. The ICMA plan includes 50 participants at June 30, 2019, and 56 participants at June 30, 2018. For fiscal years 2019 and 2018, actual contributions by plan participants were $119,301 and $72,623, respectively. The Authority contributed $15,780 and $14,830 for 2019 and 2018, respectively.

IX. POST EMPLOYMENT BENEFIT PLANS

IX. A. DEFINED BENEFIT SINGLE EMPLOYER OTHER POST EMPLOYMENT BENEFIT PLANS

IX. A. 1. OKLAHOMA CITY OTHER POST EMPLOYMENT BENEFIT PLAN (OPEB)

Plan Description

The Authority provides post-employment healthcare benefits for retired employees and their dependents through the Authority Post-retirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan administered by the OCPEBT. The Plan issues a separate report that can be obtained from Human Resources at 420 W. Main, Suite 110, Oklahoma City, OK 73102. The Plan covers all general employees. Unless otherwise indicated, the information in this note is provided as of the latest actuarial valuation and measurement date of June 30, 2018 and 2017, respectively.

The OCPEBT administers two separate post-employment healthcare benefit plans. Unless otherwise indicated, the information provided in this note is provided for the Authority Plan only.

The Plan and required supplementary information schedules are updated annually and reported in the audited annual financial reports of the Authority and in quarterly reports issued by OCPEBT.

OCPEBT financial statements including the actuarial report be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Benefit Provisions

The Authority provides post-retirement healthcare benefits to its retirees. The Plan covers all current retirees who elected post-retirement medical coverage and future retired general employees. The Authority provides medical benefits through a fully insured health plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage.

Membership

	2019	2018
Active members	212	212
Retirees and beneficiaries currently receiving benefits	12	13
	224	225

Contributions

Contribution requirements are actuarially determined and established by the Authority Board. For retirees over age 65, the Authority contributed a subsidy towards medical coverage of retires based on years of service. The retirees were responsible for paying the remaining balance of the premium. Authority contributions to the Plan were equal to the benefit payments. The Authority does not plan to fund the Plan for more than the expected benefit payments requirements in the near future.

IX. A. 2. NET OPEB ASSET (LIABILITY)

The Authority's net OPEB liability is reported when a OPEB plan's total OPEB liability exceeds the plan's net assets. The Authority's net OPEB liability used to calculate the net OPEB liability was actuarially determined at June 30, 2017 and 2018, respectively.

Actuarial Assumptions

Price Inflation (1)	3.00%
Wage Inflation	3.75%
Salary Increases	N/A
L/T Investment rate of return	7.50%
Discount Rate (2)	4.25%
Health care trend rate	
Initial	8.5% (6.00% for Medicare Age)
Ultimate	4.50%

(1) The inflation rate has been updated from 3.75% at June 30, 2017 to 3.00% at June 30, 2018.

(2) The discount rate has been updated from 3.75% at June 30, 2017 to 4.25% at June 30, 2018.

Mortality rates were based on the RP-2000 combined Mortality Table fully generational using Scale AA.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Concentrations

The Trust held no individual investments (other than U.S. government and U.S government guaranteed obligations) whose market value exceeds 5% or more of net assets available for benefits. There are no longer-term contracts for contributions.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.25%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaing benefit payments after the net position is exhausted are discounted at the 20-year municipal bond rate. Therefore, the long-term expected rate of return on OPEB investments (7.50%) was applied to years 2020 through 2027 of projected benenfit payments and the 20-year municipal bond rate based on a range of indices from 2.98% - 3.87% was applied to projected benefit payments after 2027 to determine the total OPEB liability. The discount rate increased from 3.75% on June 30, 2017 to 4.25% on June 30, 2018.

Long-Term Expected Rate of Return and Target Allocations

The long-term expected rate of return on OPEB plan investments was determined using a building-block method 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class are included in the OPEB plan's target asset allocation.

	2019	2018
Domestic Equity	7.5%	7.5%
Domestic Bonds	2.5	2.5
International Equity	8.5	8.5
International Bonds	3.5	3.5
Real Estate	4.5	4.5

Rate of Return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was 11.25% and 11.43% for 2019 and 2018, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the Authority calculated using the discount rate, as well as what the Authority's total OPEB liability would be if calculated using a discount rate that is 1-percentage-point lower (-1.00%) or 1-percentage-point higher (1.00%) than the current rate and the resulting net OPEB liability:

	2019		2018	
	Rate	Authority Net OPEB Liability	Rate	Authority Net OPEB Liability
1% decrease	3.25%	$1,695,548	2.75%	$1,735,587
Current single discount rate	4.25%	1,453,807	3.75%	1,493,048
1% increase	5.25%	1,249,355	4.75%	1,288,774

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trends

The following table presents the total OPEB liability of the Authority calculated using the health care trend rates assumed, as well as what the Authority's total OPEB liability would be if calculated using health care trend rates that are 1-percentage-point lower(-1.00%) or 1-percentage-point higher (1.00%) than the current rates and the resulting net OPEB liability.

	2019		2018	
	Rate	Authority Net OPEB Liability	Rate	Authority Net OPEB Liability
1% decrease	7.0-3.5%	$1,445,918	7.5-3.5%	$1,485,782
Current single discount rate	8.0-4.5%	1,453,807	8.5-4.5%	1,493,048
1% increase	9.0-5.5%	1,463,376	9.5-5.5%	1,501,813

OPEB Deferred Outflows and Inflows

Deferred outflows / (inflows) of resources represents the following items that have not been recognized in the OPEB expense:

1. Differences between expected and actual experience of the OPEB plan.
2. Changes of assumptions.
3. Difference between projected and actual earnings in OPEB plan investments.

The initial amortization period for the first two items noted above is based on the average future service to retirement while the difference between projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

	2019 Authority		2018 Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions - Employer	$130,000	$ -	$130,000	$ -
Differences between expected and actual pension plan experience	413,721	-	412,741	-
Differences between expected and actual investment earnings	-	(11,196)	-	(9,714)
Changes in Assumptions	-	(210,282)	-	(125,257)
	$543,721	**($221,478)**	**$542,741**	**($134,971)**

Deferred Outflows (Deferred Inflows) of Resources to be Recognized in Future OPEB Expense

2019		2018	
2019	$11,145	2018	$23,706
2020	11,145	2019	23,706
2021	11,147	2020	23,706
2022	13,575	2021	23,708
2023	14,557	2022	26,135
Thereafter	130,674	Thereafter	156,809
	$192,243		**$277,770**

OPEB's Plan Fiduciary Net Position

	2019	2018
Total OPEB liability	($1,933,776)	($1,860,857)
Fiduciary net position	479,969	367,809
Net OPEB asset (liability)	($1,453,807)	($1,493,048)
Plan fiduciary net position as a percentage of the total OPEB liability	**24.82%**	**19.77%**

Authority OPEB Expense

The Authority reported $152,580 and $147,886 in OPEB expense which includes costs related to employee participation in OPEB at June 30, 2019 and 2018, respectively. Deferred employer contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the years ending June 30, 2020 and 2019.

	2019		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset (Liability)
Beginning balance	($1,860,857)	$367,809	($1,493,048)
Service cost	(118,039)	-	(118,039)
Interest	(73,300)	-	(73,300)
Differences between expected and actual experience	(46,202)	-	(46,202)
Changes of assumptions	115,695	-	115,695
Contributions - employer	-	130,000	130,000
Net investment income	-	35,305	35,305
Benefit payments and refunds	48,927	(48,927)	-
Administrative expense	-	(4,218)	(4,218)
	($1,933,776)	**$479,969**	**($1,453,807)**

	2018		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset (Liability)
Beginning balance	($1,441,508)	$ -	($1,441,508)
Service cost	(91,462)	-	(91,462)
Interest	(45,349)	-	(45,349)
Differences between expected and actual experience	(450,263)	-	(450,263)
Changes of assumptions	136,644	-	136,644
Contributions - employer	-	374,116	374,116
Contributions - employee	-	24,774	24,774
Benefit payments and refunds	31,081	(31,081)	-
	($1,860,857)	**$367,809**	**($1,493,048)**

X. COMMITMENTS

Contract Commitments

Oklahoma City Streetcar System

On June 2, 2017, the Authority approved a contract with Herzog Transit Services, Inc. for the operation and maintenance of the Oklahoma City Streetcar System through June 30, 2023 with one, five-year renewal option. The total amount of the contract is $17.3 million with the annual amounts scheduled to grow in phases with the implementation and growth of the streetcar system. As of June 30, 2019 and 2018, the remaining amount outstanding under the agreement was $13.5 million and $16.7 million, respectively.

Spokies Bike Share Program

On June 6, 2014, the Authority approved a resolution accepting administrative responsibility for the Oklahoma City Bike Share Program (Spokies). The resolution assigns overall program administration to the Authority, makes the Authority the point of contact with the Federal Transit Administration, assigns marketing and contract administration to the Authority, and assigns system expansion and financial administration to the Authority.

On December 5, 2014, the Authority approved a contract with Bicycle Transit Systems (BTS) for management of the Spokies Bike Share Program. The contract commenced on January 5, 2015 and provides for a term through December 31, 2017 with two one-year renewal options. Under the contract, BTS receives a $15,000 per year management fee. On November 2, 2018, the Authority approved a one year renewal with BTS, extending the contract through December 2019.

Parking Facilities

On August 4, 2017 the Authority approved a new contract with Republic Parking Systems, Inc. retroactive to July 1, 2017. The new contract provides for a term through June 30, 2022 with two, three-year renewal options. The amount of the contract is $185,000 annually of which $50,000 is an annual performance incentive.

Oklahoma River Cruises

On February 14, 2014, the Board approved a new contract with HMS Ferries, Inc., retroactive to January 1, 2014, with a term through December 31, 2016 with two, one-year renewal options. On October 7, 2016, the Authority approved the first extension option and a second extension option was approved on December 15, 2017, which extended the term through December 31, 2018. On December 7, 2018, the Board approved a new contract with HMS Ferries, Inc. effective January 1, 2019. The new contract provides for a term through December 31, 2024, with one, five-year renewal option. Under the contract, HMS receives an annual management fee of $180,000 which increases by 2% per year beginning with the second year of the contract. In addition, HMS received a contract fee of $64,000 per month for ferry operations and for services rendered under the agreement plus reimbursement for expenditures made on behalf of COTPA for management, operation and maintenance of the vessels.

Construction Commitments

Construction projects are substantially funded with operating revenues, City subsidies, bond proceeds, and Federal grants.

	2019	2018
	Remaining Commitment	Remaining Commitment
Transportation	$2,961,777	$642,790
Parking	707,390	24,084
	$3,669,167	**$666,874**

XI. CONTINGENCIES

Federal and State Grants

In the normal course of operations, the Authority receives grant funds from various Federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Authority. In the opinion of management and legal counsel, none of these matters will have a material adverse effect on the financial position or operations of the Authority. The Authority is self-insured for property loss of buses. In the event of loss due to casualty or fire, the Authority is responsible for refunding the Federal government 83% of the net book value of certain buses.

XII. SPECIAL ITEM

Sale of the Santa Fe Plaza Parking Garage

In December 2018, a special item was recorded for the sale of the Santa Fe Plaza garage to Continental Resources, Inc, and BancFirst Corporation, located at 101 North E. K. Gaylord Boulevard for $19,607,112, net of certain closing costs and agreed upon repairs.

Proceeds from the sale of the Santa Fe Plaza Garage	$22,500,000
Closing costs and agreed upon repairs	(2,892,888)
Costs of Santa Fe Plaza Garage, net of accumulated depreciation	(7,517,882)
	$12,089,230

XIII. SUBSEQUENT EVENTS

Interlocal Agreement with the City of Norman

On August 2, 2019, the Authority entered into an interlocal agreement (agreement) with the City of Norman (Norman) for EMBARK to provide fixed route and paratransit bus services. Fixed route service began August 5, 2019 and paratransit services began October 1, 2019. The term on the agreement is through June 30, 2020 and is automatically renewable subject to mutual agreement on the renewal year's annual cost. Norman will compensate EMBARK for full cost recovery and administrative costs of delivering the services which is estimated to be $2,428,293 through the initial term of the agreement. In addition, Norman will fund one time startup expenses such as compatible software, GPS, fareboxes and camera systems, estimated to cost $1,218,646 to ensure that EMBARK services in Oklahoma City and Norman are seamless to customers.

Bond defeasance

On September 9, 2019, the Authority placed $20,237,772 of the proceeds from the sale of the Santa Fe Garage in an irrevocable escrow account to officially defease the outstanding maturities of its Central Oklahoma Transportation and Parking Authority Parking System Revenue Bonds, Taxable Series 2013.

Bond issuance

On October 8, 2019, the Authority issued its Central Oklahoma Transportation and Parking Authority System Revenue Bonds, Taxable Series 2019 in the amount of $13,805,000 to finance a portion of the construction of a new parking garage near the new MAPS3 Oklahoma City Convention Center. The bonds mature on September 1, 2020 through September 1, 2044. Interest is payable semi-annually on September 1 and March 1.

Required Supplementary Information

I. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (1)(2)

	2019	2018	2017
Total Pension liability			
Service cost	$576,276	$512,593	$479,799
Interest	1,208,211	1,149,716	1,119,973
Changes of benefit terms	-	424,959	-
Difference between expected and actual experience of the total pension liability	(443,316)	(90,304)	17,922
Benefit payments, including refunds of employee contributions	(1,225,180)	(1,224,817)	(1,226,332)
Net change in total pension liability	**115,991**	**772,147**	**391,362**
Pension liability, beginning	**17,286,114**	**16,513,967**	**16,122,605**
Pension liability, ending	**17,402,105**	**17,286,114**	**16,513,967**
Plan Fiduciary Net Position			
Contributions - employer	581,008	564,947	544,896
Contributions - employee	462,105	455,784	414,804
Net investment income	845,420	953,494	1,299,672
Benefit payments, including refunds of employee contributions	(1,225,180)	(1,224,817)	(1,226,332)
Administrative expense	(91,472)	(95,357)	(123,068)
Net change in fiduciary net position	**571,881**	**654,051**	**909,972**
Plan fiduciary net position, beginning	**13,086,503**	**12,432,452**	**11,522,480**
Plan fiduciary net position, ending	**13,658,384**	**13,086,503**	**12,432,452**
Net pension (asset) liability, ending	**$3,743,721**	**$4,199,611**	**$4,081,515**
Covered payroll	$11,471,055	$11,130,175	$9,809,584
Net pension liability as a percentage of covered payroll	32.64%	37.73%	41.61%
Plan fiduciary net position as a percentage of total pension liability	78.49%	75.71%	75.28%
Valuation date	7/1/2018	7/1/2017	7/1/2016
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll
Amortization period	30 years, closed	30 years, closed	30 years, closed
Actuarial asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Investment rate of return	7.00%	7.00%	7.00%
Cost of living benefit increases (maximum)	N/A	N/A	N/A
Inflation	1.50%	1.50%	1.50%
Projected salary increases	N/A	N/A	N/A
Mortality table	SOA RP 2000 combined mortality table projected to 2010	SOA RP 2000 combined mortality table projected to 2010	SOA RP 2000 combined mortality table projected to 2010
Experience study	An experience study was issued November 16, 2015, covering the past five years of plan experience.	An experience study was issued November 16, 2015, covering the past five years of plan experience.	An experience study was issued November 16, 2015, covering the past five years of plan experience.

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2014, are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.

(2) Amounts presented are reported in the financial statements in the next fiscal year.

I. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (1)(2)

	2016	2015	2014
Total Pension liability			
Service cost	$516,377	$537,107	$509,879
Interest	967,116	885,099	853,491
Changes of benefit terms	468,814	126,372	-
Difference between expected and actual experience of the total pension liability	(240,421)	418,907	-
Changes of assumptions	(1,547,072)	(595,738)	-
Benefit payments, including refunds of employee contributions	(1,030,948)	(830,781)	(767,421)
Net change in total pension liability	**(866,134)**	**540,966**	**595,949**
Pension liability, beginning	**16,988,739**	**16,447,773**	**15,851,824**
Pension liability, ending	**16,122,605**	**16,988,739**	**16,447,773**
Plan Fiduciary Net Position			
Contributions - employer	953,953	518,478	506,258
Contributions - employee	401,187	412,959	428,915
Net investment income	(189,349)	225,040	1,643,961
Benefit payments, including refunds of employee contributions	(1,030,948)	(830,781)	(767,421)
Administrative expense	(134,850)	(113,753)	(63,390)
Other	-	-	(600)
Net change in fiduciary net position	**(7)**	**211,943**	**1,747,723**
Plan fiduciary net position, beginning	**11,522,487**	**11,310,544**	**9,562,821**
Plan fiduciary net position, ending	**11,522,480**	**11,522,487**	**11,310,544**
Net pension (asset) liability, ending	**$4,600,125**	**$5,466,252**	**$5,137,229**
Covered payroll	$9,947,437	$9,557,433	$9,457,557
Net pension liability as a percentage of covered payroll	46.24%	57.19%	54.32%
Plan fiduciary net position as a percentage of total pension liability	71.47%	67.82%	68.77%
Valuation date	7/1/2015	7/1/2014	7/1/2013
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal
Amortization method	Level % of payroll	Level dollar	Level dollar
Amortization period	30 years, open	30 years, open	30 years, open
Actuarial asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Investment rate of return	7.00%	5.69%	5.34%
Cost of living benefit increases (maximum)	N/A	N/A	N/A
Inflation	2.50%	2.25%	2.50%
Projected salary increases	N/A	N/A	N/A
Mortality table	SOA RP 2000 combined mortality table projected to 2010	1983 group annuity mortality tables, scale 355 withdrawal rates	1983 group annuity mortality tables, scale 355 withdrawal rates
Experience study	An experience study was issued November 16, 2015, covering the past five years of plan experience.	An experience study will be conducted in advance of the next fiscal year end.	An experience study will be conducted in advance of the next fiscal year end.

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2014, are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.

(2) Amounts presented are reported in the financial statements in the next fiscal year.

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS - COTPA RETIREMENT (1)(3)

FY Ending June 30,	Actuarially Determined Contribution (ADC) (4)	Contributions in Relation to ADC	Contributions Deficiency (Excess)	Covered Payroll	Actual Contribution As a Percentage of Covered Payroll
2019 (2)	$583,645	$583,645	$ -	$11,672,900	5.00%
2018	374,113	545,728	(171,615)	11,130,175	4.90
2017	379,863	544,896	(165,033)	9,809,584	5.55
2016	298,220	953,953	(655,733)	9,947,437	9.59
2015	316,228	518,478	(202,250)	9,557,433	5.42
2014	332,023	506,258	(174,235)	9,457,557	5.35

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2009, are not available. This information has been developed prospectively beginning in 2009 until eventually 10 years of information is available. Total plan information for years 2010 through 2013 is provided below.

June 30	Covered Payroll	Employer Contributions
2013	$9,457,557	$504,166
2012	6,930,000	498,883
2011	7,595,000	465,859
2010	7,150,000	471,252

(2) The contractually required contribution for 2019 is estimated and may change upon receipt of the actuarial report.

(3) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.

(4) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.

III. SCHEDULE OF INVESTMENT RETURNS (1)(2)

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	6.54%	7.77%	11.47%	-1.62%	1.99%	17.10%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2014, are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.

(2) Fiscal year indicates the year of reporting for the pension plan. Pension related transactions are recognized in the financial statements in the subsequent year.

I. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS (1)

	2019	2018
Measurement Date	June 30, 2018	June 30, 2017
Total OPEB Liability		
Service cost	$118,039	$91,462
Interest	73,300	45,349
Differences between expected and actual experience of the total OPEB liability	46,202	450,263
Assumption changes	(115,695)	(136,644)
Benefits payments, including refunds	(48,927)	(31,081)
Net change in total OPEB liability	**72,919**	**419,349**
OPEB liability, beginning	**1,860,857**	**1,441,508**
OPEB liability, ending	**1,933,776**	**1,860,857**
Plan Fiduciary Net Position		
Contributions - employer	130,000	374,116
Net investment income	35,305	24,774
Benefits payments, including refunds	(48,927)	(31,081)
Trust Administrative Expenses	(4,218)	-
Net change in fiduciary net position	**112,160**	**367,809**
Plan fiduciary net position, beginning	**367,809**	**-**
Plan fiduciary net position, ending	**479,969**	**367,809**
Net OPEB liability, ending	**$1,453,807**	**$1,493,048**
Covered - employee payroll	$9,014,084	$9,500,000
Net OPEB liability (asset) as a percentage of covered - employee payroll	16.13%	15.72%
Plan fiduciary net position as a percentage of total OPEB liability	24.82%	19.77%
Actuarial assumptions		
Valuation date	6/30/18	6/30/17
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll
Amortization period	30 years, closed	30 years, closed
Actuarial asset valuation method	4-year smoothed market	4-year smoothed market
Investment rate of return	7.50%	7.50%
Health care trend rate		
Initial	8.5% (6.00% for Medicare Age)	8.5% (6.00% for Medicare Age)
Ultimate	4.50%	4.50%
Inflation	3.00%	3.75%
Wage Inflation	3.75%	3.75%
Mortality table	RP 2000 combined mortality table fully generational using scale AA	RP 2000 combined mortality table fully generational using scale AA
Experience study	N/A	N/A

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2017 are not available. This information will be developed prospectively beginning in 2017 until eventually 10 years of information is available.

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS (1)

Fiscal Year Ending June 30,	Actuarially Determined Contribution (ADC)(2)	Contributions in relation to ADC	Contributions Deficiency (Excess)	Covered Employee Payroll (3)	Actual Contribution As a Percentage of Covered Employee Payroll
2019	$130,000	$130,000	$ -	$11,131,028	1.17%
2018	111,934	130,000	(18,066)	9,014,084	1.44
2017	169,203	374,116	(204,913)	9,500,000	3.94
2016	88,559	24,638	63,921	9,274,579	0.27
2015	85,569	21,494	64,075	9,004,446	0.24
2014	78,556	38,625	39,931	9,458,000	0.41
2013	76,259	35,424	40,835	9,458,000	0.37
2012	73,841	30,253	43,588	6,930,000	0.44
2011	71,136	25,591	45,545	7,595,000	0.34
2010	68,563	23,256	45,307	7,150,000	0.33

(1) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.

(2) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.

(3) The amounts reported prior to 2015 have been rounded. Covered employee payroll amounts reported after 2015 are actual amounts provided to the actuary.

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INDEPENDENT AUDITOR'S 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*

To the Board of Trustees
Central Oklahoma Transportation and Parking Authority
Oklahoma City, Oklahoma

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, the financial statements of the business type activities and each major fund of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2019 and 2018, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 20, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 audits we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

Allen, Gibbs & Houlik, L.C. aghlc.com aghemployersolutions.com aghuniversity.com 316.267.7231 301 N. Main, Suite 1700 Wichita, KS 67202-4868

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2019
Wichita, Kansas