



Central Oklahoma Transportation & Parking Authority

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

Annual Financial Report | for the Fiscal Years ended June 30, 2023 and 2022

THE CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

A Discrete Component Unit of
Oklahoma City, Oklahoma

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Craig Freeman, City Manager

Annual Financial Report for the Fiscal Years Ended June 30, 2023 and 2022

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Alex E. Fedak, CPA, Controller

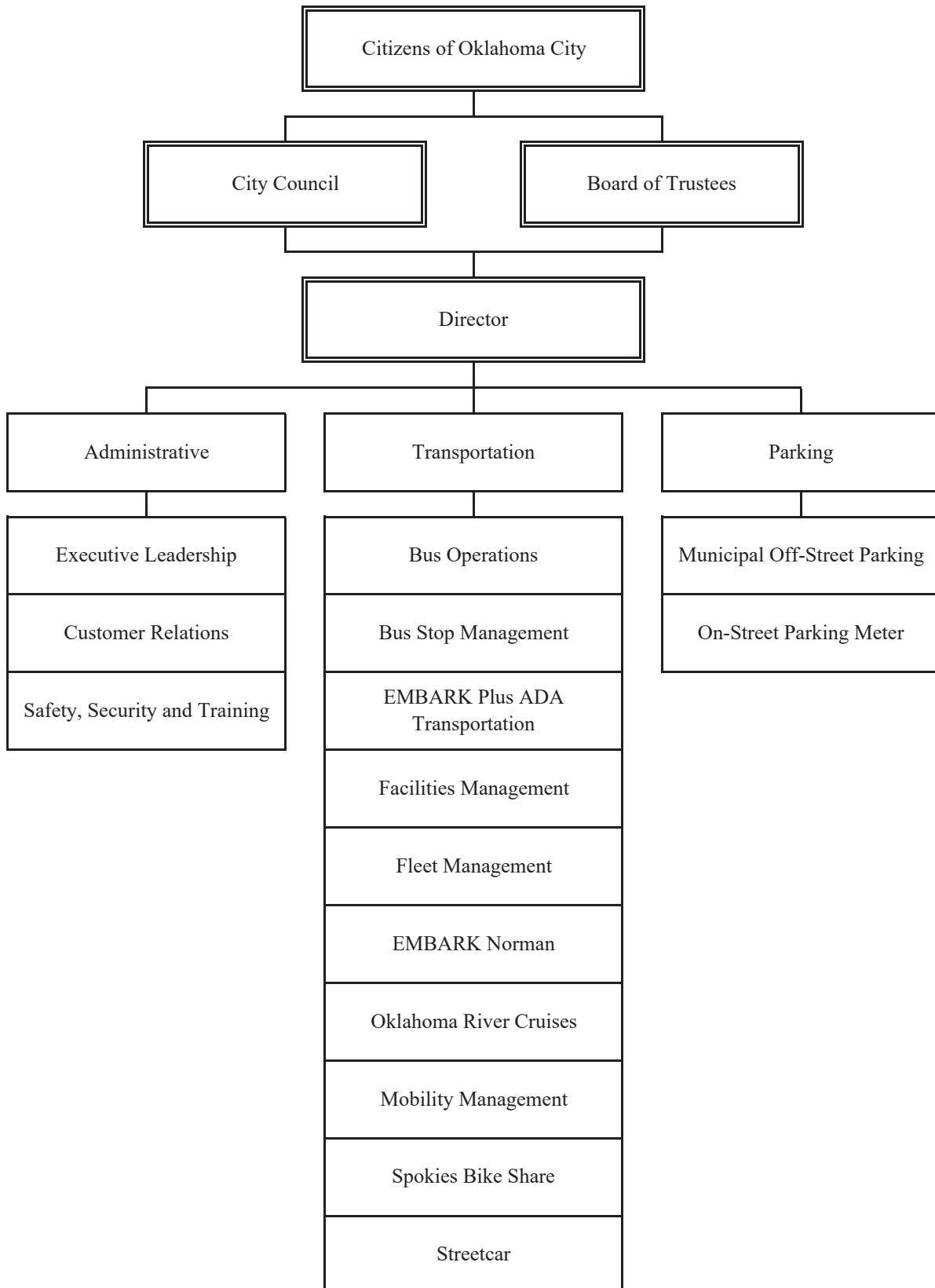
**CENTRAL OKLAHOMA
TRANSPORTATION
AND PARKING AUTHORITY**

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City of Oklahoma City Transportation and Parking Authority Organization Chart



Introductory Section

300 SW 7TH STREET
OKLAHOMA CITY
OKLAHOMA 73109

customer service
405.235.7433 (RIDE)

administration
405.297.1331

embarkok.com



December 5, 2023

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, 2023 and 2022, 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 Annual Comprehensive Financial Report (ACFR).

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.

Dr. Russell Evans, Partner and Chief Economist at the Thorberg Collectorate, provides an annual economic outlook to City leaders in February. Dr. Evans' expectation for 2023 was at best a slow economic growth, with a real possibility of a mild recession surfacing at some point. Although the labor market and consumer spending remained strong during the first half of the fiscal year, both were beginning to show signs of weakness as unemployment gradually rose and household net worth and savings fell. While inflation had begun to moderate, household spending was considered unlikely to keep pace and the record high revenue growth the City experienced in recent years from high sales and use tax collections were expected to significantly diminish in fiscal year 2023. Per-capita personal income in Oklahoma City was expected to increase 1.9% in 2023, due to current labor market strength. The forecast for nonfarm and private employment in Oklahoma City was for 0.8% growth in the number of people employed. Dr. Evans' forecast predicted sales tax growth of between 5.9% and 7.1% for fiscal year 2023, as the record-high growth witnessed in recent years recedes with the likelihood of an economic downturn at some point during the period.

In September 2023, Dr. Evans provided a mid-year update which took into consideration slowing job growth and increasing consumer fragility nationwide. The fragility of the consumer is underscored by the decline of personal savings to below pre-pandemic levels and rising credit card balances which have been fueling recent consumption. Despite these worrying signs, Oklahoma City is on a solid economic footing as payroll employment and average weekly earnings have grown. Oklahoma City is expected to maintain positive fiscal performance through fiscal year 2024, with sales tax collections forecasted to grow 2.5% and use tax collections expected to grow 11.4% in the baseline scenario. Still, there remain considerable downside risks to the forecast with uncertainty over how determined federal fiscal policy will be in imposing an economic slowdown and the ability of fragile consumers to weather such a contraction.


Going forward, there are several factors that position Oklahoma City to successfully weather a period of economic slowdown. The cost of living and the cost of doing business remain highly competitive among large cities in the U.S. 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 received \$123 million from the American Rescue Plan Act (ARPA) and has allocated 6% to the public health response to the COVID-19 pandemic, 30% to tourism and combating the negative economic impacts of the pandemic, and 64% to capital investments in infrastructure and public amenities.

Oklahoma City is being recognized more and more as a great place to work, live and visit. As evidence, Oklahoma City ranked number one as the least expensive metro for rent for January 2023 in the Realtor.com report using rental sources that reliably report data each month within the top 50 largest metropolitan areas. In its most recent analysis, Bankrate ranked Oklahoma City number four for the best city to live in in 2022 by examining the 100 largest metropolitan areas applying several factors including affordability, overall well-being, diversity, job market and migration patterns. Oklahoma City ranked number eight in WalletHub's '2022's Best & Worst-Run Cities in America' comparing 150 of the United States' largest cities judged on their quality of services in contrast to their per-capita budget. Oklahoma City also earned a AAA rating from Moody's and S&P for the 13th year in a row, which is the highest rating awarded by each agency.

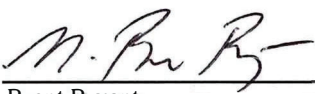
The Mayor (or his appointed surrogate), the City Manager (or his appointed surrogate), and the Chief Financial Officer, serve as the Authority's Trustees with five other Trustees appointed by the Mayor and approved by the Council. The Authority participates in the City's comprehensive accounting and 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



Brent Bryant
City of Oklahoma City
Chief Financial Officer



Alex E. Fedak, CPA
City of Oklahoma City
Controllor

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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 (City), as of and for the years ended June 30, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023 and 2022, 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.

Basis for Opinions

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

Emphasis of Matters

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, 2023 and 2022, the changes in financial position and its 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.

As discussed in Note IV.A. to the financial statements, the Authority adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 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

Wichita, KS
December 5, 2023

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, 2023 and 2022. 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

- In 2023, the Authority implemented GASB Statement No. 96. This standard was applied retrospectively, which required a restatement of the 2022 financials.
- Authority assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$117,592,414 (net position) for 2023. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,533,381 (net position).
- Total assets for the Authority increased by \$17,978,900 (13.3%) to \$153,277,545 during the fiscal year. This compares to the previous year when assets increased by \$8,076,586.
- Total liabilities for the Authority increased by \$6,901,922 (27.3%) to \$32,218,293 during the fiscal year. This compares to the previous year when liabilities decreased by \$2,274,570.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets, in the amount of \$86,440,367 at June 30, 2023, and \$85,150,988 at June 30, 2022, includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$358,333 and \$354,560 at June 30, 2023 and 2022, respectively, is restricted for debt service by constraints imposed by debt covenants.
 - (3) Unrestricted net position is \$30,793,714 at June 30, 2023, and \$22,027,833 at June 30, 2022.

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

Proprietary Funds

Proprietary funds report transportation, parking and river cruise services for which the Authority charges a fee. Transportation services include the Oklahoma City metropolitan public transportation system, Embark Norman, Spokies bike share and streetcar operations.

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 \$117,592,414. This is an increase of \$10,059,033 over the prior year net position of \$107,533,381. Overall, the Authority's financial position improved during fiscal year 2023.

	Summary of Net Position						
	2023	2022	2023-2022 Amount of Change	2023-2022 %	2021	2022-2021 Amount of Change	2022-2021 %
Assets							
Current assets	\$43,737,777	\$34,849,985	\$8,887,792	25.5%	\$25,896,941	\$8,953,044	34.6%
Capital assets, net	105,366,363	99,630,026	5,736,337	5.8	100,096,621	(466,595)	(0.5)
Other non-current assets	4,173,405	818,634	3,354,771	409.8	1,228,497	(409,863)	(33.4)
Total assets	153,277,545	135,298,645	17,978,900	13.3	127,222,059	8,076,586	6.3
Deferred outflows	3,073,999	2,084,952	989,047	47.4	2,356,605	(271,653)	(11.5)
Liabilities							
Current liabilities	11,738,757	7,908,687	3,830,070	48.4	4,157,976	3,750,711	90.2
Non-current liabilities	20,479,536	17,407,684	3,071,852	17.6	23,432,965	(6,025,281)	(25.7)
Total liabilities	32,218,293	25,316,371	6,901,922	27.3	27,590,941	(2,274,570)	(8.2)
Deferred inflows	6,540,837	4,533,845	2,006,992	44.3	2,569,184	1,964,661	76.5
Net position							
Net investment in capital assets	86,440,367	85,150,988	1,289,379	1.5	86,682,006	(1,531,018)	(1.8)
Restricted	358,333	354,560	3,773	1.1	345,841	8,719	2.5
Unrestricted	30,793,714	22,027,833	8,765,881	39.8	12,390,692	9,637,141	77.8
Total net position	117,592,414	107,533,381	10,059,033	9.4	99,418,539	8,114,842	8.2

Current assets increased by \$8.90 million in 2023 and increased by \$8.95 million in 2022. In 2023, cash and investments increased by \$2.79 million related to an increase of \$519 thousand in the Transportation fund, \$891 thousand in the River Cruises fund, and \$1.38 million in the Parking fund, all primarily related to increased operating revenues and transfers. Intergovernmental receivables increased \$6.82 million, due to timing of receipts for Federal grant revenues. Receivables from the City of Oklahoma City decreased by \$866 thousand, primarily related to a decrease in the receivable of a reimbursement for streetcar parts. In 2022, cash and investments increased by \$7.89 million related to an increase of \$5.80 million in the Transportation fund and \$1.88 million in the Parking fund, both primarily related to increased operating revenues. Intergovernmental receivables increased by \$616 thousand, due to the timing of receipts of Federal grant revenues. Inventories increased by \$571 thousand, primarily due to increased inventory of Streetcar parts. Receivables from the City of Oklahoma City decreased by \$473 thousand, primarily due to a decrease in the receivable of a reimbursement for streetcar parts.

Net capital assets increased by \$5.74 million in 2023, primarily due an increase in construction in progress of \$8.92 million, offset by a decrease in depreciable assets due to retirements. Net capital assets decreased by \$467 thousand in 2022, primarily due to normal depreciation of \$6.43 million, offset by construction and capital acquisitions of \$5.97 million.

Other non-current assets increased by \$3.35 million in 2023, primarily related to an increase in non-current lease receivable. Other non-current assets decreased by \$410 thousand in 2022, primarily related to a decrease of \$275 thousand in the insurance security deposit.

Current liabilities increased by \$3.83 million in 2023, primarily due to an increase in accounts payable and accrued expenses of \$4.05 million related to timing of vendor payments, offset by a decrease in payable to the City of \$639 thousand. Current liabilities increased by \$3.75 million in 2022, primarily related to an increase in payable to the City of \$1.78 million and an increase in accounts payable and accrued expenses related to timing of vendor payments.

Non-current liabilities increased in 2023 by \$3.07 million, primarily due to an increase in payable to the City of \$1.77 million and an increase in net pension liability of \$1.47 million, offset by a decrease in bonds payable of \$430 thousand. Non-current liabilities decreased in 2022 by \$6.03 million due to a decrease in net pension liability of \$3.00 million, a decrease in payable to the City of \$2.22 million, a decrease in net other post-employment benefit liability of \$402 thousand and a decrease in bonds payable of \$425 thousand.

	Summary of Changes in Net Position						
	2023	2022	2023-2022 Amount of Change	2023-2022 %	2021	2022-2021 Amount of Change	2022-2021 %
Operating revenues	\$13,825,156	\$12,443,187	\$1,381,969	11.1%	\$8,200,361	\$4,242,826	51.7%
Operating expenses							
Personal Services	29,463,781	25,257,151	4,206,630	16.7	24,550,855	706,296	2.9
Maintenance, operations, and contractual services	18,481,359	16,747,485	1,733,874	10.4	12,826,417	3,921,068	30.6
Material and supplies	5,139,549	4,440,775	698,774	15.7	4,309,104	131,671	3.1
Depreciation	6,699,608	6,432,799	266,809	4.1	5,715,316	717,483	12.6
Total operating expenses	59,784,297	52,878,210	6,906,087	13.1	47,401,692	5,476,518	11.6
Operating loss	(45,959,141)	(40,435,023)	(5,524,118)	(13.7)	(39,201,331)	(1,233,692)	(3.1)
Net non-operating revenues	55,776,714	48,549,865	7,226,849	14.9	39,036,543	9,513,322	24.4
Contributions	241,460	-	241,460	100.0	866,204	(866,204)	(100.0)
Changes in net position	10,059,033	8,114,842	1,944,191	24.0	701,416	7,413,426	1056.9
Beginning net position	107,533,381	99,418,539	8,114,842	8.2	98,717,123	701,416	0.7
Ending net position	\$117,592,414	\$107,533,381	\$10,059,033	9.4	\$99,418,539	\$8,114,842	8.2

Operating revenues increased by \$1.38 million during the fiscal year ending June 30, 2023. Transportation revenues increased by \$995 thousand due to an increase of \$595 thousand related to revenues from the City of Norman as a result of the Interlocal agreement and an increase of \$322 thousand in transportation charges due to increased ridership. Parking revenues increased by \$375 thousand due to an increase in event revenue compared to the prior year.

Operating revenues increased by \$4.24 million during the fiscal year ending June 30, 2022. Transportation revenues increased by \$1.16 million due to an increase of \$644 thousand related to revenues from the City of Norman as a result of the Interlocal agreement, an increase of \$474 thousand in transportation charges due to increased ridership and an increase of \$161 thousand related to the city/county cost share for reimbursement from the City of Edmond. Parking revenues increased by \$2.85 million due to an increase in event revenue compared to the prior year. River revenues increased \$243 thousand due to the river cruises being shut down for a portion of the prior year.

Operating expenses increased by \$6.91 million during the fiscal year ended June 30, 2023. Personal services increased by \$4.21 million due to an increase in salaries and wages. Maintenance, operations and contractual service expenses increased by \$1.74 million, primarily related to an increase in contracts related to streetcar and parking operations.

Operating expenses increased by \$5.48 million during the fiscal year ended June 30, 2022. Maintenance, operations and contractual service expenses increased by \$3.92 million, primarily related to an increase in contracts related to streetcar and parking operations. Personal services increased by \$706 thousand due to an increase in salaries and wages. Depreciation expense increased \$717 thousand in 2022.

Net non-operating revenues increased by \$7.23 million in 2023, primarily due to an increase of \$7.91 million in the City General Fund subsidy received to cover additional operating expenses and an increase of \$408 thousand in interest income, offset by a decrease of \$2.11 million in operating grants. Net non-operating revenues increased by \$9.51 million in 2022, primarily due to an increase of \$2.88 million in operating grants revenue and an increase of \$6.73 million in the City General Fund subsidy.

Contributions and transfers increased by \$241 thousand in 2023 due to a transfer from the general fund for Santa Fe Skywalk repairs. Contributions and transfers decreased by \$866 thousand in 2022 due to a transfer from the general fund for the City's portion of the Regional Transit Authority funding in 2021.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of June 30, 2023 and 2022, was \$105,366,363 and \$99,630,026, respectively. This was an increase of \$5.14 million in 2023. See Note II. G. for more information regarding capital assets.

Capital Assets, Net of Accumulated Depreciation

	<u>2023</u>	<u>2022</u>	<u>2023-2022</u> Amount <u>of Change</u>	<u>2023-2022</u> % <u>Change</u>	<u>2021</u>	<u>2022-2021</u> Amount <u>of Change</u>	<u>2022-2021</u> % <u>Change</u>
Non-Depreciable Assets							
Land and art	\$5,415,137	\$5,415,137	\$ -	0.0%	\$5,348,137	\$67,000	1.3%
Construction in progress	<u>11,418,218</u>	<u>2,501,682</u>	<u>8,916,536</u>	356.4	<u>2,325,224</u>	<u>176,458</u>	7.6
Total non-depreciable assets	<u>16,833,355</u>	<u>7,916,819</u>	<u>8,916,536</u>	112.6	<u>7,673,361</u>	<u>243,458</u>	3.2
Depreciable Assets							
Buildings	7,943,695	9,624,512	(1,680,817)	(17.5)	10,055,518	(431,006)	(4.3)
Improvements other than buildings	5,993,182	4,678,217	1,314,965	28.1	4,864,730	(186,513)	(3.8)
Buses, automobiles and river boats	1,686,209	2,494,021	(807,812)	(32.4)	3,574,038	(1,080,017)	(30.2)
Parking garages and surface lots	57,864,599	59,348,350	(1,483,751)	(2.5)	60,807,045	(1,458,695)	(2.4)
Other assets	14,405,027	15,525,248	(1,120,221)	(7.2)	13,121,929	2,403,319	18.3
Subscriptions	640,296	42,859	597,437	1394.0	-	42,859	100.0
Total depreciable assets	<u>88,533,008</u>	<u>91,713,207</u>	<u>(3,180,199)</u>	(3.5)	<u>92,423,260</u>	<u>(710,053)</u>	(0.8)
	<u>\$105,366,363</u>	<u>\$99,630,026</u>	<u>\$5,736,337</u>	5.8	<u>\$100,096,621</u>	<u>(\$466,595)</u>	(0.5)

Construction in progress increased \$8.92 million in 2023 due to the bus rapid transit project. Construction in progress increased \$176 thousand in 2022 due to the bus rapid transit project, offset by the completion of the ferry landing terminal which decreased construction in progress by \$107 thousand and the completion of the meridian landing pavilion, which decreased construction in progress by \$377 thousand.

Depreciable assets decreased by \$3.18 million in 2023, primarily due to the sale of Union Station and retirements. Depreciable assets decreased by \$710 thousand in 2022 due to normal depreciation of \$6.43 million, offset by an increase of \$5.86 million in assets related to new CNG buses and CNG fueling stations.

Long-term Debt

At the end of the 2023 fiscal year, the Authority had total bonded debt outstanding of \$12.56 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						
			2023-2022	2023-2022			2022-2021
	<u>2023</u>	<u>2022</u>	Amount	%	<u>2021</u>	Amount	%
			<u>of Change</u>	<u>Change</u>		<u>of Change</u>	<u>Change</u>
Revenue bonds							
Parking	<u>\$12,555,000</u>	<u>\$12,980,000</u>	<u>(\$425,000)</u>	(3.3%)	<u>\$13,395,000</u>	<u>(\$415,000)</u>	(3.1%)

The change in outstanding debt for 2023 and 2022 is the result of scheduled principal bond debt service payments. See Note III. E. 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.

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.

STATEMENTS OF NET POSITION
June 30,

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	2023				2022 (Restated)			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
ASSETS								
CURRENT ASSETS								
Non-pooled cash-----	\$16,037,308	\$1,159,726	\$6,350,789	\$23,547,823	\$15,508,289	\$268,473	\$5,454,780	\$21,231,542
Investments-----	3,986,494	-	2,959,079	6,945,573	3,996,686	-	2,474,479	6,471,165
Accounts receivable, net-----	946,329	-	106,614	1,052,943	723,208	1,168	131,248	855,624
Lease Receivable-----	104,244	-	262,147	366,391	292,015	-	206,449	498,464
Interest receivable-----	217	-	12,475	12,692	369	-	757	1,126
Internal balances-----	(24,570)	24,570	-	-	4,556	-	(4,556)	-
Receivable from component units-----	-	-	-	-	-	25,000	-	25,000
Receivable from City of Oklahoma City-----	22,775	-	-	22,775	668,589	-	220,375	888,964
Intergovernmental receivables-----	8,250,659	-	-	8,250,659	1,426,303	-	-	1,426,303
Inventories-----	3,470,322	9,849	-	3,480,171	3,380,746	11,474	-	3,392,220
Prepays-----	58,750	-	-	58,750	59,577	-	-	59,577
Total current assets-----	32,852,528	1,194,145	9,691,104	43,737,777	26,060,338	306,115	8,483,532	34,849,985
NON-CURRENT ASSETS								
Lease receivable-----	135,525	-	3,573,800	3,709,325	236,103	-	395,820	631,923
Receivable from City of Oklahoma City-----	164,080	-	-	164,080	186,711	-	-	186,711
Prepays-----	-	-	300,000	300,000	-	-	-	-
Capital assets:								
Land, art, and construction in progress-----	14,335,124	379,921	2,118,310	16,833,355	5,798,509	-	2,118,310	7,916,819
Other capital assets, net of accumulated depreciation--	26,290,856	3,549,722	58,692,430	88,533,008	27,370,321	3,897,559	60,445,327	91,713,207
Total capital assets-----	40,625,980	3,929,643	60,810,740	105,366,363	33,168,830	3,897,559	62,563,637	99,630,026
Total non-current assets-----	40,925,585	3,929,643	64,684,540	109,539,768	33,591,644	3,897,559	62,959,457	100,448,660
Total assets-----	73,778,113	5,123,788	74,375,644	153,277,545	59,651,982	4,203,674	71,442,989	135,298,645
DEFERRED OUTFLOWS OF RESOURCES-----	3,073,999	-	-	3,073,999	2,084,952	-	-	2,084,952
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses-----	7,523,143	107,917	499,306	8,130,366	3,478,801	12,541	588,178	4,079,520
Wages and benefits payable-----	974,548	-	-	974,548	790,970	-	-	790,970
Payable to City of Oklahoma City-----	1,357,853	738	54,569	1,413,160	1,711,274	99	340,610	2,051,983
Interest payable-----	1,596	-	-	1,596	71	-	-	71
Compensated absences-----	468,407	-	-	468,407	412,650	-	-	412,650
Notes, leases, and subscriptions payable-----	186,151	-	-	186,151	12,388	-	-	12,388
Unearned revenue-----	-	-	15,918	15,918	-	-	15,055	15,055
Bond interest payable-----	-	-	118,611	118,611	-	-	121,050	121,050
Bonds payable-----	-	-	430,000	430,000	-	-	425,000	425,000
Total current liabilities-----	10,511,698	108,655	1,118,404	11,738,757	6,406,154	12,640	1,489,893	7,908,687
NON-CURRENT LIABILITIES								
Compensated absences-----	428,207	-	-	428,207	371,603	-	-	371,603
Payable to City of Oklahoma City-----	2,956,171	-	580,464	3,536,635	1,473,878	-	289,076	1,762,954
Notes, commercial paper, lease								
Notes, leases, and subscriptions payable-----	431,697	-	-	431,697	19,005	-	-	19,005
Bonds payable-----	-	-	12,125,000	12,125,000	-	-	12,555,000	12,555,000
Net pension liability-----	2,967,401	-	-	2,967,401	1,501,874	-	-	1,501,874
Net other post-employment benefit liability-----	990,596	-	-	990,596	1,197,248	-	-	1,197,248
Total non-current liabilities-----	7,774,072	-	12,705,464	20,479,536	4,563,608	-	12,844,076	17,407,684
Total liabilities-----	18,285,770	108,655	13,823,868	32,218,293	10,969,762	12,640	14,333,969	25,316,371
DEFERRED INFLOWS OF RESOURCES-----	2,733,458	77,742	3,729,637	6,540,837	3,726,664	211,014	596,167	4,533,845
NET POSITION								
Net investment in capital assets-----	34,145,380	3,841,669	48,453,318	86,440,367	31,472,215	3,897,559	49,781,214	85,150,988
Restricted for debt service-----	-	-	358,333	358,333	-	-	354,560	354,560
Unrestricted-----	21,687,504	1,095,722	8,010,488	30,793,714	15,568,293	82,461	6,377,079	22,027,833
Total net position-----	\$55,832,884	\$4,937,391	\$56,822,139	\$117,592,414	\$47,040,508	\$3,980,020	\$56,512,853	\$107,533,381

**STATEMENTS OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30,**

	2023				2022 (Restated)			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
OPERATING REVENUES								
CHARGES FOR SERVICES								
Transportation charges-----	\$2,378,317	\$ -	\$ -	\$2,378,317	\$2,056,803	\$ -	\$ -	\$2,056,803
River cruise charges-----	-	132,659	-	132,659	-	121,532	-	121,532
Parking-----	-	-	5,468,999	5,468,999	-	-	5,017,826	5,017,826
Other charges-----	1,606	-	-	1,606	103	-	-	103
Total charges for services-----	2,379,923	132,659	5,468,999	7,981,581	2,056,906	121,532	5,017,826	7,196,264
Lease and rental income-----	751,814	133,272	832,588	1,717,674	745,444	133,272	920,738	1,799,454
Management service income-----	3,670,506	-	-	3,670,506	3,074,907	-	-	3,074,907
Other-----	442,986	22	12,387	455,395	372,536	26	-	372,562
Total operating revenues-----	7,245,229	265,953	6,313,974	13,825,156	6,249,793	254,830	5,938,564	12,443,187
OPERATING EXPENSES								
Personal services-----	29,231,164	12,136	220,481	29,463,781	25,173,331	-	83,820	25,257,151
Maintenance, operations, and contractual services----	13,462,089	979,400	4,039,870	18,481,359	12,832,936	845,920	3,068,629	16,747,485
Materials and supplies-----	5,015,948	25,973	97,628	5,139,549	4,399,740	8,298	32,737	4,440,775
Depreciation & amortization-----	4,598,875	347,837	1,752,896	6,699,608	4,207,238	352,469	1,873,092	6,432,799
Total operating expenses-----	52,308,076	1,365,346	6,110,875	59,784,297	46,613,245	1,206,687	5,058,278	52,878,210
Operating loss-----	(45,062,847)	(1,099,393)	203,099	(45,959,141)	(40,363,452)	(951,857)	880,286	(40,435,023)
NON-OPERATING REVENUES (EXPENSES)								
Non-capital contributions-----	234,497	-	-	234,497	236,746	1	-	236,747
Grants operating-----	26,216,680	-	-	26,216,680	28,325,776	-	-	28,325,776
Interest income-----	200,949	177	221,779	422,905	12,143	20	2,455	14,618
Interest on bonds, leases, and notes-----	(16,338)	-	(357,052)	(373,390)	(71)	-	(364,309)	(364,380)
Oil and gas royalties-----	1,000	-	-	1,000	250	-	-	250
Payments from Oklahoma City								
Riverfront Redevelopment Authority-----	-	25,000	-	25,000	-	25,000	-	25,000
Payments from City of Oklahoma City-----	28,333,355	763,125	-	29,096,480	20,461,301	722,520	-	21,183,821
Other revenues (expenses)-----	153,542	-	-	153,542	(871,967)	-	-	(871,967)
Net non-operating revenues (expenses)-----	55,123,685	788,302	(135,273)	55,776,714	48,164,178	747,541	(361,854)	48,549,865
Income before contributions-----	10,060,838	(311,091)	67,826	9,817,573	7,800,726	(204,316)	518,432	8,114,842
CONTRIBUTIONS								
Other capital contributions-----	-	-	241,460	241,460	-	-	-	-
Transfers to other funds-----	(1,268,462)	1,268,462	-	-	(122,169)	122,169	-	-
Total contributions-----	(1,268,462)	1,268,462	241,460	241,460	(122,169)	122,169	-	-
Changes in net position-----	8,792,376	957,371	309,286	10,059,033	7,678,557	(82,147)	518,432	8,114,842
Total net position, beginning-----	47,040,508	3,980,020	56,512,853	107,533,381	39,361,951	4,062,167	55,994,421	99,418,539
Total net position, ending-----	\$55,832,884	\$4,937,391	\$56,822,139	\$117,592,414	\$47,040,508	\$3,980,020	\$56,512,853	\$107,533,381

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

	2023				2022 (Restated)			
				Total				Total
	Transportation	River Cruises	Parking	Authority	Transportation	River Cruises	Parking	Authority
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Cash received from customers-----	\$8,080,974	\$133,715	\$6,246,863	\$14,461,552	\$6,720,968	\$120,366	\$5,891,010	\$12,732,344
Cash payments to suppliers for goods and services-----	(15,680,362)	(995,579)	(3,991,909)	(20,667,850)	(14,199,175)	(779,333)	(2,978,395)	(17,956,903)
Cash payments to employees and professional contractors for services-----	(24,760,360)	(12,136)	7,484	(24,765,012)	(23,802,135)	-	(185)	(23,802,320)
Cash payments for internal services-----	(3,595,413)	(16)	(232,280)	(3,827,709)	(2,758,272)	(25)	(83,161)	(2,841,458)
Cash payments from City of Oklahoma City for operations-----	-	-	271,460	271,460	-	-	-	-
Cash payments to City of Oklahoma City for operations-----	-	-	(580)	(580)	-	-	(5,958)	(5,958)
Cash payments within the Department/Authority for operations-----	(1,239,336)	1,243,892	(4,556)	-	(131,621)	136,569	(4,948)	-
Cost reimbursements-----	(3,945,918)	-	(331,806)	(4,277,724)	(3,229,797)	-	(123,568)	(3,353,365)
Other operating cash receipts-----	-	22	-	22	-	26	-	26
Net cash provided (used) by operating activities-----	(\$41,140,415)	369,898	\$1,964,676	(38,805,841)	(37,400,032)	(522,397)	2,694,795	(35,227,634)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>								
Cash received from operating grants-----	18,368,703	-	-	18,368,703	26,463,762	-	-	26,463,762
Transfers received from other funds-----	-	50,000	-	50,000	-	-	-	-
Non-capital financing payments from City of Oklahoma City-----	28,333,355	763,125	-	29,096,480	21,154,387	722,520	-	21,876,907
Non-capital financing payments to City of Oklahoma City-----	645,815	-	-	645,815	(15,863)	-	-	(15,863)
Net cash provided (used) by non-capital financing activities-----	47,347,873	813,125	-	48,160,998	47,602,286	722,520	-	48,324,806
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>								
Payments for acquisition and construction of capital assets-----	(6,157,553)	(291,947)	-	(6,449,500)	(4,438,966)	-	(38,820)	(4,477,786)
Principal paid on long-term debt-----	(128,615)	-	(425,000)	(553,615)	(13,000)	-	(415,000)	(428,000)
Interest paid on long-term debt-----	(14,813)	-	(359,491)	(374,304)	-	-	(366,626)	(366,626)
Proceeds from sale of assets-----	412,804	-	-	412,804	38,751	-	-	38,751
Net cash provided (used) by capital and related financing activities-----	(5,888,177)	(291,947)	(784,491)	(6,964,615)	(4,413,215)	-	(820,446)	(5,233,661)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Purchase of investments-----	(23,701,116)	-	(23,588,666)	(47,289,782)	(17,984,934)	-	(17,137,928)	(35,122,862)
Proceeds from sale of investments-----	23,786,453	-	23,145,735	46,932,188	17,991,193	-	17,133,584	35,124,777
Investment income received-----	120,636	177	168,223	289,036	7,002	20	3,387	10,409
Interest collected on leases-----	3,765	-	(9,468)	(5,703)	4,475	-	3,731	8,206
Net cash provided (used) by investing activities-----	209,738	177	(284,176)	(74,261)	17,736	20	2,774	20,530
Net increase (decrease) in cash-----	529,019	891,253	896,009	2,316,281	5,806,775	200,143	1,877,123	7,884,041
Cash, beginning-----	15,508,289	268,473	5,454,780	21,231,542	9,701,514	68,330	3,577,657	13,347,501
Cash, ending-----	\$16,037,308	\$1,159,726	\$6,350,789	\$23,547,823	\$15,508,289	\$268,473	\$5,454,780	\$21,231,542

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	2023				2022 (Restated)			
	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)-----	(\$45,062,847)	(\$1,099,393)	\$203,099	(\$45,959,141)	(\$40,363,452)	(\$951,857)	\$880,286	(\$40,435,023)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO								
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Depreciation-----	4,598,875	347,837	1,752,896	6,699,608	4,207,238	352,469	1,873,092	6,432,799
Other revenue (expense)-----	965,744	-	-	965,744	550,468	-	-	550,468
Changes in assets and liabilities:								
(Increase) decrease in accounts and lease receivable-----	99,338	1,168	198,075	298,581	(154,624)	73,067	114,828	33,271
(Increase) decrease in payments/transfers from (to)								
within the Department-----	(1,268,462)	1,268,462	-	-	(122,169)	122,169	-	-
(Increase) decrease in due from other funds-----	29,126	(24,570)	(4,556)	-	(9,452)	14,400	(4,948)	-
(Increase) decrease in receivable from City of Oklahoma City-----	22,631	-	461,835	484,466	22,632	-	(220,375)	(197,743)
(Increase) decrease in inventories-----	(89,576)	1,625	-	(87,951)	(560,793)	(10,089)	-	(570,882)
(Increase) decrease in prepaid assets-----	827	-	(300,000)	(299,173)	(33,087)	-	-	(33,087)
(Increase) decrease in intergovernmental receivable-----	-	-	-	-	(6,234)	-	-	(6,234)
(Increase) decrease in other assets-----	-	-	-	-	275,000	-	-	275,000
(Increase) decrease in deferred outflows-----	(989,047)	-	-	(989,047)	271,653	-	-	271,653
Increase (decrease) in accounts payable and accrued expenses-----	(139,062)	7,402	(88,872)	(220,532)	107,158	11,027	161,074	279,259
Increase (decrease) in wages and benefits payable-----	183,578	-	-	183,578	132,924	-	-	132,924
Increase (decrease) in payable to City of Oklahoma City-----	130,430	639	14,985	146,054	(481,640)	(311)	45,442	(436,509)
Increase (decrease) in compensated absences-----	112,361	-	-	112,361	103,305	-	-	103,305
Increase (decrease) in intergovernmental payable-----	-	-	-	-	(4,169)	-	-	(4,169)
Increase (decrease) in net pension liability-----	1,465,527	-	-	1,465,527	(3,001,519)	-	-	(3,001,519)
Increase (decrease) in net other post-employment benefit liability--	(206,652)	-	-	(206,652)	(402,133)	-	-	(402,133)
Increase (decrease) in unearned revenue-----	-	-	863	863	-	-	4,619	4,619
Increase (decrease) in deferred inflows-----	(993,206)	(133,272)	(273,649)	(1,400,127)	2,068,862	(133,272)	(159,223)	1,776,367
Total adjustments-----	3,922,432	1,469,291	1,761,577	7,153,300	2,963,420	429,460	1,814,509	5,207,389
Net cash provided (used) by operating activities-----	(\$41,140,415)	\$369,898	\$1,964,676	(\$38,805,841)	(\$37,400,032)	(\$522,397)	\$2,694,795	(\$35,227,634)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Net increase (decrease) in fair value of investments-----	\$75,145	\$ -	\$ -	\$75,145	\$3,169	\$ -	\$968	\$4,137
Leases issued-----	-	-	3,407,119	3,407,119	188,293	-	-	188,293
Subscriptions issued-----	715,069	-	-	715,069	44,393	-	-	44,393
Total non-cash investing, capital, and financing activities	\$790,214	\$ -	\$3,407,119	\$4,197,333	\$235,855	\$ -	\$968	\$236,823

**COTPA RETIREMENT TRUST
STATEMENTS OF FIDUCIARY NET POSITION
June 30,**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>CASH</u>		
Non-pooled cash-----	\$ -	\$135
Total cash-----	<u>-</u>	<u>135</u>
<u>RECEIVABLES</u>		
Interest and dividends-----	16,729	8,074
Employer-----	34,966	25,221
Plan members-----	27,881	19,746
Total receivables-----	<u>79,576</u>	<u>53,041</u>
<u>INVESTMENTS, AT FAIR VALUE</u>		
Domestic common stock-----	10,761,537	9,468,497
Passive bond fund-----	2,961,352	2,907,680
International stock-----	2,614,504	2,323,648
Treasury money market fund-----	1,159,091	944,480
Total investments-----	<u>17,496,484</u>	<u>15,644,305</u>
Total assets -----	<u>17,576,060</u>	<u>15,697,481</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses-----	22,998	23,522
Total liabilities -----	<u>22,998</u>	<u>23,522</u>
Restricted for pension benefits -----	<u>\$17,553,062</u>	<u>\$15,673,959</u>

**COTPA RETIREMENT TRUST
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30,**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	<u>2023</u>	<u>2022</u>
<u>ADDITIONS</u>		
<u>CONTRIBUTIONS</u>		
Employer-----	\$770,938	\$763,561
Plan members-----	655,020	617,043
Total contributions-----	1,425,958	1,380,604
<u>INVESTMENT INCOME</u>		
Net appreciation (depreciation) in fair value of investments-----	1,487,342	(2,524,865)
Interest-----	36,187	1,614
Dividends-----	317,989	275,479
	<u>1,841,518</u>	<u>(2,247,772)</u>
Less: investment expense-----	(64,830)	(69,972)
Net investment income-----	1,776,688	(2,317,744)
Total additions-----	3,202,646	(937,140)
<u>DEDUCTIONS</u>		
Benefits paid-----	1,149,378	1,044,282
Refunds of contributions-----	127,598	222,537
Administrative expenses-----	46,567	54,507
Total deductions-----	1,323,543	1,321,326
Increase (decrease) in net position (deficit)-----	1,879,103	(2,258,466)
<u>NET POSITION RESTRICTED FOR PENSION</u>		
Beginning of year-----	15,673,959	17,932,425
End of year-----	<u>\$17,553,062</u>	<u>\$15,673,959</u>

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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 2023 and 2022.

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 Annual Comprehensive Financial Report (ACFR)

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 ACFR may be obtained online at okc.gov/departments/finance.

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.

Regional Transit Authority of Central Oklahoma (RTA)

On January 29, 2020, the Authority entered into an agreement with the RTA to provide interim administrative services for the period of February 1, 2020 through January 31, 2022 and annually renewable thereafter. This agreement was renewed on January 18, 2023 for the period of February 1, 2023 through January 31, 2024. The services provided will primarily consist of personnel allocated to support policy development, financial services, administration, public information, marketing, community relations, technology and record keeping. The Authority's administrator is to provide services as the RTA's Interim Executive Director.

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 Embark Norman, 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, Chief Financial Officer, 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

In 2023, the Authority implemented the following accounting standards.

The Authority implemented GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to eliminate diversity in practice and provide a single method of reporting conduit debt obligations and improving related required note disclosures. This standard did not have a material impact on the Authority's financial statements.

The Authority implemented GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objectives of this Statement are to better meet the information needs of financial statement users by improving the comparability of financial statements among governments by addressing issues related to public-private and public-public partnership arrangements and also provide guidance for accounting and financial reporting for availability payment arrangements. Implementation of this standard did not have a material impact on the Authority's financial statements.

The Authority implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding a SBITA. This standard has been applied retroactively. See note IV.A. for more information regarding GASB Statement No. 96.

The Authority implemented GASB Statement No. 99, Omnibus 2022. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. There was no effect of adopting GASB Statement No. 99 to the financial statements.

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 November 2021. 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. ACCOUNTS RECEIVABLE

Significant receivables include receivables for property damage recoveries and nuisance abatement fees. Receivables related to insurance recoveries are recorded when the amount is considered realized or realizable. These receivables are expected to be fully collected and therefore no allowance for doubtful accounts has been recorded. Receivables for nuisance abatement are recorded when the services are provided. These receivables are reported net of an allowance for uncollectible accounts. The allowance is estimated using average historical collections.

I. D. 4. LEASE RECEIVABLES

Lease receivables are reported for lease arrangements in which the Authority is providing the right for another entity to use its nonfinancial assets as stated in a contract for a period of time in an exchange or exchange like transaction. Management determines the allowance for uncollectible leases by identifying known leases that will not be collected and by estimating the remaining leases that are likely not to be collected.

I. D. 5. 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 minimis and are reported with expenses in the year of payment.

I. D. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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 assets 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 assets that applies to a future period which will not be recognized as an inflow of resources until that time.

I. D. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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 including accounts payable and retainages payable, 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, 2023 and 2022, the Authority's cash is collateralized with securities held by the pledging financial institution in the name of the Authority, less Federal depository insurance.

NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

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.

2023								
	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)	\$961,878	\$961,878	\$961,878	\$ -	\$ -	\$ -	AAA/Aaa	0.10
U.S.								
treasury bill	5,861,327	5,983,695	-	5,983,695	-	-	N/A	0.74
Total authority investments	\$6,823,205	\$6,945,573	\$961,878	\$5,983,695	\$-	\$-		

2023								
	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	\$10,863,741	\$13,376,041	\$13,376,041	\$ -	\$ -	\$ -	N/A	N/A
Bond	3,454,674	2,961,352	2,961,352	-	-	-	A	76.95
Money								
market (4)(5)	1,159,091	1,159,091	1,159,091	-	-	-	AAA	0.96
Total fiduciary investments	\$15,477,506	\$17,496,484	\$17,496,484	\$-	\$-	\$-		

2022								
	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)	\$475,217	\$475,217	\$475,217	\$ -	\$ -	\$ -	AAA/Aaa	0.40
U.S.								
treasury bill	5,990,394	5,995,948	-	5,995,948	-	-	N/A	0.78
Total authority investments	\$6,465,611	\$6,471,165	\$475,217	\$5,995,948	\$-	\$-		

(continued)

Investments (continued)

		2022						
	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)
<u>COTPA Retirement</u>								
Mutual funds (6)								
Equity	\$10,594,766	\$11,792,145	\$11,792,145	\$ -	\$ -	\$ -	N/A	N/A
Bond	3,304,135	2,907,680	2,907,680	-	-	-	A	77.82
Money								
market (4)(5)	944,480	944,480	944,480	-	-	-	AAA	1.56
Total fiduciary								
investments	<u>\$14,843,381</u>	<u>\$15,644,305</u>	<u>\$15,644,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

(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 \$2,614,504 and \$2,323,648 invested in international mutual funds at June 30, 2023 and 2022, 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, 2023 and 2022.

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 to the payment of which the full faith and credit of the U.S. government is pledged, or investment grade obligations of this state; provided, that any such security shall be rated A+ or better by Standard and Poor's Corporation or A1 or better by Moody's Investor Service or an equivalent investment grade by a securities ratings organization accepted by the National Association of Insurance Commissioners including investment grade obligations of state agencies; (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) County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgements against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust of which such county, municipality or school district is a beneficiary thereof; (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 shown previously as 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. Additionally, no more than 5% of the total Authority portfolio may be placed with any single financial institution. U.S. government securities, SLGS, City judgments, repurchase agreements, and money market funds are excluded from these restrictions.

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	<u>Maximum % (2)</u>		<u>Maximum % (4)</u>
Repurchase agreements	100%	0-1 year	100%
U.S. Treasury securities (3)	100	1-3 years	90
Certificates of deposit	50	3-5 years	90
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		
Direct debt obligations and judgements	5		

(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	2023 Actual	2022 Actual
Domestic equities	30%	40%	50%	43%	42%
International	10	15	20	15	15
Alternatives	-	15	25	15	16
Fixed income	10	25	40	20	21
Cash Equivalents	-	5	10	7	6

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 \$13,376,041 and \$11,792,145 in common stock or stock funds at June 30, 2023 and 2022, 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 Authority 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

	<u>2023</u>	<u>2022</u>
Bond principal and interest accounts	<u>\$476,944</u>	<u>\$475,610</u>

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.

	<u>2023</u>			
	<u>Transportation</u>	<u>Parking</u>	<u>River</u>	<u>Total</u>
Accounts receivable	\$946,329	\$108,727	\$ -	\$1,055,056
Less: Allowance for uncollectible accounts	-	(2,113)	-	(2,113)
Net accounts receivable	<u>\$946,329</u>	<u>\$106,614</u>	<u>\$-</u>	<u>\$1,052,943</u>
Affect on revenues for change in uncollectible	<u>\$19,391</u>	<u>\$715</u>	<u>\$-</u>	<u>\$20,106</u>
	<u>2022</u>			
	<u>Transportation</u>	<u>Parking</u>	<u>River</u>	<u>Total</u>
Accounts receivable	\$742,599	\$134,076	\$1,168	\$877,843
Less: Allowance for uncollectible accounts	(19,391)	(2,828)	-	(22,219)
Net accounts receivable	<u>\$723,208</u>	<u>\$131,248</u>	<u>\$1,168</u>	<u>\$855,624</u>
Affect on revenues for change in uncollectible	<u>(\$14,891)</u>	<u>\$3,181</u>	<u>\$-</u>	<u>(\$11,710)</u>

II. C. LEASE RECEIVABLE AND REVENUE

							2023				
		Interest	Lease	Deferred	Lease	Interest					
Lease Term	Rate	Receivable Net	Inflow	Revenue	Revenue	Revenue					
Midfirst Santa Fe Parking Lot	5 years	.427%	\$30,720	\$34,041	\$30,833	\$33					
OCMFA Employee Health Clinic	4 years	.521%	52,592	52,209	34,806	358					
OK Philharmonic Society	5 years	.624%	130,202	127,826	42,609	936					
Oklahoma Humanities Council Inc	5 years	.624%	83,933	80,153	26,718	587					
Canterbury Choral Society	5 years	.624%	65,470	64,275	21,425	471					
Clarity Coffee	2 years	.545%	9,040	9,006	21,615	104					
OKC Public Schools Foundation	5 years	.521%	56,871	55,673	25,695	359					
Pinkitzel	3 years	1.375%	89,597	88,835	56,106	1,587					
Houck Transit Advertising	5 years	.427%	-	-	107,414	345					
Jackalope	5 years	1.011%	150,173	141,976	43,685	1,679					
Griffin Communications	10 years	3.12%	3,113,196	3,015,972	124,757	99,271					
GSA Parking	10 years	1.83%	293,922	290,483	25,355	4,430					
Devon Naming Rights	17 years	0%	-	77,742	133,272	-					
			<u>\$4,075,716</u>	<u>\$4,038,191</u>	<u>\$694,290</u>	<u>\$110,160</u>					
							2022				
		Interest	Lease	Deferred	Lease	Interest					
Lease Term	Rate	Receivable	Inflow	Revenue	Revenue	Revenue					
Midfirst Santa Fe Parking Lot	5 years	.427%	\$30,619	\$34,161	\$28,800	\$164					
OCMFA Employee Health Clinic	4 years	.521%	87,430	87,014	34,804	539					
OK Philharmonic Society	5 years	.624%	173,065	170,434	34,358	1,203					
Oklahoma Humanities Council Inc	5 years	.624%	108,520	106,870	21,123	754					
Canterbury Choral Society	5 years	.624%	89,080	85,699	21,425	605					
Clarity Coffee	2 years	.545%	30,653	30,621	22,396	123					
OKC Public Schools Foundation	5 years	.521%	82,903	81,368	25,695	494					
Pinkitzel	3 years	1.375%	154,729	144,942	54,796	902					
Houck Transit Advertising	5 years	.427%	174,595	107,414	107,414	1,040					
Jackalope	5 years	1.011%	198,793	185,661	32,764	1,520					
Devon Naming Rights	17 years	0%	-	211,014	133,272	-					
			<u>\$1,130,387</u>	<u>\$1,245,198</u>	<u>\$516,847</u>	<u>\$7,344</u>					

The Authority reported variable revenues related to leases in the amount of \$1,023,384 and \$1,282,607 in 2023 and 2022 respectively.

II. D. INTERGOVERNMENTAL RECEIVABLE

Federal Government for grants	\$8,247,654	\$1,417,145
RTA administrative fees	2,610	2,530
Federal Government for employer paid taxes	-	6,233
Oklahoma Dept. of Transportation for project match	<u>395</u>	<u>395</u>
	<u>\$8,250,659</u>	<u>\$1,426,303</u>

NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

II. E. INVENTORIES

	<u>2023</u>	<u>2022</u>
Diesel fuel, gasoline and oil	\$70,502	\$89,595
Vehicle parts and supplies	<u>3,409,669</u>	<u>3,302,625</u>
	<u>\$3,480,171</u>	<u>\$3,392,220</u>

II. F. PREPAIDS

	<u>2023</u>	<u>2022</u>
Memberships and dues	\$1,813	\$ -
Software licenses and support	56,937	35,998
Other	<u>300,000</u>	<u>23,579</u>
	<u>\$358,750</u>	<u>\$59,577</u>

II. G. CAPITAL ASSETS

Changes in Capital Assets

	<u>2023</u>						
			<u>Construction</u>		<u>Total</u>		
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>	<u>Land and Art</u>	<u>In Progress</u>	<u>Non-depreciable</u>				
Balance, June 30, 2022	\$5,415,137	\$2,501,682	\$7,916,819				
Increases	-	10,872,287	10,872,287				
Transfers	-	(1,955,751)	(1,955,751)				
Balance, June 30, 2023	<u>5,415,137</u>	<u>11,418,218</u>	<u>16,833,355</u>				
Total capital assets, not depreciated	<u>\$5,415,137</u>	<u>\$11,418,218</u>	<u>\$16,833,355</u>				
	<u>Improvements</u>		<u>Buses</u>	<u>Parking</u>	<u>Other Furniture,</u>	<u>Right to use</u>	<u>Total</u>
<u>CAPITAL ASSETS, DEPRECIATED</u>	<u>Buildings</u>	<u>Other Than Buildings</u>	<u>and Boats</u>	<u>Garages and Surface Lots</u>	<u>Machinery, and Equipment</u>	<u>SBITA</u>	<u>Depreciable</u>
Balance, June 30, 2022	\$17,537,163	\$10,341,123	\$16,871,383	\$74,809,700	\$29,932,168	\$44,393	\$149,535,930
Increases	-	423,242	-	-	2,161,400	715,069	3,299,711
Decreases	(3,897,914)	(954,472)	(987,499)	-	(348,478)	-	(6,188,363)
Transfers	-	<u>2,420,626</u>	-	-	-	-	<u>2,420,626</u>
Balance, June 30, 2023	<u>13,639,249</u>	<u>12,230,519</u>	<u>15,883,884</u>	<u>74,809,700</u>	<u>31,745,090</u>	<u>759,462</u>	<u>149,067,904</u>
	<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2022	7,912,651	5,662,906	14,377,362	15,461,350	14,406,920	1,534	57,822,723
Increases	322,219	733,104	807,812	1,483,751	3,235,090	117,632	6,699,608
Decreases	(2,539,316)	(740,774)	(987,499)	-	(184,721)	-	(4,452,310)
Transfers	-	<u>582,101</u>	-	-	<u>(117,226)</u>	-	<u>464,875</u>
Balance, June 30, 2023	<u>5,695,554</u>	<u>6,237,337</u>	<u>14,197,675</u>	<u>16,945,101</u>	<u>17,340,063</u>	<u>119,166</u>	<u>60,534,896</u>
Total capital assets, depreciated	<u>\$7,943,695</u>	<u>\$5,993,182</u>	<u>\$1,686,209</u>	<u>\$57,864,599</u>	<u>\$14,405,027</u>	<u>\$640,296</u>	<u>\$88,533,008</u>
Total capital assets, net							<u>\$105,366,363</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

Capital Assets (continued)

		2022						
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>		<u>Land and Art</u>	<u>Construction</u>		<u>Total</u>			
			<u>In Progress</u>	<u>Non-depreciable</u>				
Balance, June 30, 2021		\$5,348,137	\$2,325,224	\$7,673,361				
Increases		67,000	660,347	727,347				
Transfers		-	(483,889)	(483,889)				
Balance, June 30, 2022		5,415,137	2,501,682	7,916,819				
Total capital assets, not depreciated		<u>\$5,415,137</u>	<u>\$2,501,682</u>	<u>\$7,916,819</u>				

<u>CAPITAL ASSETS, DEPRECIATED</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Buses Automobiles and Boats</u>	<u>Parking Garages and Surface Lots</u>	<u>Other Furniture, Machinery, and Equipment</u>	<u>Right to use SBITA</u>	<u>Total Depreciable</u>
Balance, June 30, 2021	\$17,537,163	\$9,809,477	\$17,121,660	\$74,784,234	\$24,810,927	\$ -	\$144,063,461
Increases	-	47,757	-	25,466	5,121,241	44,393	5,238,857
Decreases	-	-	(250,277)	-	-	-	(250,277)
Transfers	-	483,889	-	-	-	-	483,889
Balance, June 30, 2022	<u>17,537,163</u>	<u>10,341,123</u>	<u>16,871,383</u>	<u>74,809,700</u>	<u>29,932,168</u>	<u>44,393</u>	<u>149,535,930</u>

<u>ACCUMULATED DEPRECIATION</u>							
Balance, June 30, 2021	7,481,645	4,944,747	13,547,622	13,977,189	11,688,998	-	51,640,201
Increases	431,006	718,159	1,080,017	1,484,161	2,717,922	1,534	6,432,799
Decreases	-	-	(250,277)	-	-	-	(250,277)
Balance, June 30, 2022	<u>7,912,651</u>	<u>5,662,906</u>	<u>14,377,362</u>	<u>15,461,350</u>	<u>14,406,920</u>	<u>1,534</u>	<u>57,822,723</u>
Total capital assets, depreciated	<u>\$9,624,512</u>	<u>\$4,678,217</u>	<u>\$2,494,021</u>	<u>\$59,348,350</u>	<u>\$15,525,248</u>	<u>\$42,859</u>	<u>\$91,713,207</u>
Total capital assets, net							<u>\$99,630,026</u>

Depreciation Expense

	<u>2023</u>	<u>2022</u>
Transportation	\$4,598,875	\$4,207,238
River Cruises	347,837	352,469
Parking	<u>1,752,896</u>	<u>1,873,092</u>
	<u>\$6,699,608</u>	<u>\$6,432,799</u>

III. LIABILITIES

III. A. UNEARNED REVENUE

	<u>2023</u>	<u>2022</u>
<u>CURRENT</u> Parking	<u>\$15,918</u>	<u>\$15,055</u>

III. B. COMPENSATED ABSENCES

Compensated absences balances changed from 2022 to 2023 by accruals of \$1,168,343 and usages of \$1,055,982 compared to changes in accruals of \$1,016,460 and usages of \$913,157 from 2021 to 2022.

III. C. SUBSCRIPTIONS PAYABLE

			2023	2022
	<u>Lease Term</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>	<u>Outstanding Balance</u>
Canto, Inc.	42 Months	1.93%	\$19,005	\$31,393
Mecatran	4 years	3.16%	598,843	-

Principal and Interest Requirements to Maturity

Year Ending	Total to be		
June 30,	Paid	Principal	Interest
2024	\$ 202,411	\$ 186,151	\$ 16,260
2025	124,904	112,885	12,019
2026	118,408	109,919	8,489
2027	136,719	131,873	4,846
2028	<u>77,555</u>	<u>77,020</u>	<u>535</u>
	<u>\$659,997</u>	<u>\$617,848</u>	<u>\$42,149</u>

III. D. REVENUE BONDS

Parking Revenue Bonds

On October 8 2019, COTPA issued \$13,805,000 in Parking Revenue Bonds, Series 2019 with an average interest rate (coupon) of 3.01%. The proceeds of \$13,805,000 from the bonds, less \$197,577 in issuance costs, were used to finance a portion of the construction of a new parking garage near the new MAPS 3 Oklahoma City Convention Center. The 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 2019 Parking Revenue Bonds mature on September 1, 2020, through September 1, 2044. Interest payments are payable on September 1 and March 1 beginning March 1, 2020. The bonds are subject to optional redemption on or after September 1, 2029.

Total bonds outstanding at June 30, 2023 and 2022, are \$12,555,000 and \$12,980,000, respectively.

Bonded Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$430,000	\$351,973	\$781,973
2025	440,000	344,055	784,055
2026	450,000	335,426	785,426
2027	460,000	325,955	785,955
2028	470,000	315,733	785,733
2029-2033	2,515,000	1,404,283	3,919,283
2034-2038	2,890,000	1,029,787	3,919,787
2039-2043	3,385,000	534,292	3,919,292
2044-2045	<u>1,515,000</u>	<u>50,408</u>	<u>1,565,408</u>
	<u>\$12,555,000</u>	<u>\$4,691,912</u>	<u>\$17,246,912</u>

Revenue Bonds Outstanding

	Amount	Interest	Issue	Principal	<u>2023</u>	<u>2022</u>
	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	Principal	Principal
					<u>Balance</u>	<u>Balance</u>
Series 2019 Parking Revenue Bonds	\$13,805,000	1.6-3.3	10/8/2019	9/1/2044	\$12,555,000	\$12,980,000

Bond Coverage

	<u>2023</u>	<u>2022</u>
Gross revenue, including non-operating investment income	\$6,535,753	\$5,941,019
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	<u>4,357,979</u>	<u>3,185,186</u>
Net revenue available for debt service	<u>\$2,177,774</u>	<u>\$2,755,833</u>
Principal amounts	\$460,000	\$460,000
Interest amounts	<u>325,955</u>	<u>325,955</u>
Total debt service requirements	<u>\$785,955</u>	<u>\$785,955</u>
Revenue bond coverage	<u>2.77</u>	<u>3.51</u>

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 1.0 of maximum annual bond service for all bonds outstanding.

III. E. 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 \$5,468,999 and \$5,017,826 in parking revenues in 2023 and 2022, respectively.

III. F. CHANGES IN LONG-TERM LIABILITIES

	<u>2023</u>					
	Balance			Balance	Due	Due
	July 1,			June 30,	Within	After
	<u>2022</u>	<u>Issued</u>	<u>Retired</u>	<u>2023</u>	<u>One Year</u>	<u>One Year</u>
<u>COMPENSATED ABSENCES</u>						
Transportation	\$784,253	\$1,168,343	\$1,055,982	\$896,614	\$468,407	\$428,207
<u>NOTES, LEASES and</u>						
<u>SUBSCRIPTIONS</u>						
Transportation	31,393	715,069	128,614	617,848	186,151	431,697
<u>REVENUE BONDS</u>						
Parking	12,980,000	-	425,000	12,555,000	430,000	12,125,000
<u>NET PENSION LIABILITY</u>						
Transportation	1,501,874	4,333,950	2,868,423	2,967,401	-	2,967,401
<u>NET OPEB LIABILITY</u>						
Transportation	<u>1,197,248</u>	<u>385,976</u>	<u>592,628</u>	<u>990,596</u>	<u>-</u>	<u>990,596</u>
Total	<u>\$16,494,768</u>	<u>\$6,603,338</u>	<u>\$5,070,647</u>	<u>\$18,027,459</u>	<u>\$1,084,558</u>	<u>\$16,942,901</u>

Changes in Long-Term Liabilities

	2022					
	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022	Due Within One Year	Due After One Year
<u>COMPENSATED ABSENCES</u>						
Transportation	\$680,950	\$1,016,460	\$913,157	\$784,253	\$412,650	\$371,603
<u>NOTES, LEASES and SUBSCRIPTIONS</u>						
Transportation	-	44,393	13,000	31,393	12,388	19,005
<u>REVENUE BONDS</u>						
Parking	13,395,000	-	415,000	12,980,000	425,000	12,555,000
<u>NET PENSION LIABILITY</u>						
Transportation	4,503,393	1,252,793	4,254,312	1,501,874	-	1,501,874
<u>NET OPEB LIABILITY</u>						
Transportation	1,599,381	186,144	588,277	1,197,248	-	1,197,248
Total	<u>\$20,178,724</u>	<u>\$2,499,790</u>	<u>\$6,183,746</u>	<u>\$16,494,768</u>	<u>\$850,038</u>	<u>\$15,644,730</u>

III. G. 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 2019 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 2023 or any preceding year in which the debt was outstanding.

<u>Maximum of Bond Reserve or Bond Debt Service Requirements</u>	Total Amount Guaranteed (1)	Total Amount Outstanding
Series 2019 Parking Revenue Bonds	<u>\$781,973</u>	<u>\$12,555,000</u>

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2024, and covered under the guarantee effective July 1, 2023. It is anticipated that the guarantees will be renewed annually.

III. H. DEFERRED INFLOWS OF RESOURCES

Leases

At June 30, 2023, the Authority reported deferred inflows related to leases receivable of \$230,812 in Transportation, \$3,729,637 in Parking and \$77,742 in River. At June 30, 2022, the Authority reported deferred inflows related to leases receivable of \$438,017 in Transportation, \$596,167 in Parking and \$211,014 in River.

IV. NET POSITION

IV. A. CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principle

On July 1, 2022, the Authority adopted GASB Statement No. 96, Subscription Based Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about the governments' subscription based arrangements. This statement establishes a single model for accounting of subscription services based on the principle that subscriptions result in a right-to-use asset and a corresponding liability. The Authority implemented this standard as of July 1, 2021 and restated the following balances as of and for the year ended June 30, 2022.

	As of June 30, 2022		
	As previously reported	GASB 96 implementation	As restated
Prepays	\$71,470	(\$11,893)	\$59,577
Other capital assets, net	91,670,348	42,859	\$91,713,207
Interest payable	-	71	71
Short term notes, leases, subscriptions	-	12,388	12,388
Long term notes, leases, subscriptions	-	19,005	19,005
Maintenance, operations and contractual services	16,748,592	(1,107)	16,747,485
Depreciation and amortization	6,431,265	1,534	6,432,799
Interest on bonds, leases and notes	(364,309)	(71)	(364,380)
Net investment in capital assets	85,139,522	11,466	85,150,988
Unrestricted net position	22,039,797	(11,964)	22,027,833

Net Investment in Capital Assets

	<u>2023</u>	<u>2022</u>
Capital assets, net	\$105,366,363	\$99,630,026
Retainages and capital related accounts payable	(5,950,725)	(1,665,222)
Bonds payable, net	(12,555,000)	(12,980,000)
Subscriptions payable	(617,848)	(31,393)
Bond issuance costs paid with bond proceeds	<u>197,577</u>	<u>197,577</u>
	<u>\$86,440,367</u>	<u>\$85,150,988</u>

Restricted for Debt Service

	<u>2023</u>	<u>2022</u>
	<u>\$358,333</u>	<u>\$354,560</u>

Unrestricted

	<u>2023</u>	<u>2022</u>
Unrestricted	<u>\$30,793,714</u>	<u>\$22,027,833</u>

V. REVENUES AND EXPENSES

V. A. 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. On April 3, 2020, the Authority extended the lease one additional year through March 31, 2021. On November 5, 2021, a new agreement was entered into for a 45 year lease, ending November 4, 2066. Under GASB 87 standards, this is considered a non-exchange agreement.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Internal Balances

Internal balances in 2023 consist of grant receivables in the River Cruises Fund from the Transportation Fund. Internal balances in 2022 consist of Transportation Fund receivables from the Parking Fund for transient revenues.

	2023				2022			
	Transportation	River Cruises	Parking	Total	Transportation	River Cruises	Parking	Total
Transportation Fund	\$ -	\$24,570	\$ -	\$24,570	\$ -	\$ -	(\$4,556)	(\$4,556)
River Cruises Fund	(24,570)	-	-	(24,570)	-	-	-	-
Parking Fund	-	-	-	-	4,556	-	-	4,556
	<u>(\$24,570)</u>	<u>\$24,570</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,556</u>	<u>\$-</u>	<u>(\$4,556)</u>	<u>\$-</u>

Receivable from / Payable to the City and Component Units

		2023			
		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
RECEIVABLE FROM					
City General Fund	Operating subsidy		\$143	\$ -	\$ -
City Municipal Facilities					
Authority Services Fund	Prefunded radio system		<u>186,712</u>	<u>-</u>	<u>-</u>
			<u>\$186,855</u>	<u>\$-</u>	<u>\$-</u>

		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
PAYABLE TO					
City General Fund	Purchasing card and payroll reimbursements		\$247,594	\$330	\$16,222
City Transportation Fund	Payroll reimbursement		14,220	408	-
City Transportation Fund	Cost reimbursement		2,956,171	-	-
City Parking Fund	Payroll reimbursement		-	-	7,484
City Parking Fund	Cost reimbursement		-	-	580,464
City Print Shop Fund	Postage and copy services		1,556	-	41
City Fleet Services Fund	Fuel chargeback		92	-	-
City IT Fund	Cell reimbursement		94,391	-	-
Capital Improvement Fund	Capital improvement		1,000,000	-	30,000
City Municipal Facilities					
Oklahoma City Public Property Authority General Purpose Fund	Lot 61 revenue share		<u>-</u>	<u>-</u>	<u>822</u>
			<u>\$4,314,024</u>	<u>\$738</u>	<u>\$635,033</u>

		2022			
		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
RECEIVABLE FROM					
City General Fund	Operating subsidy		\$645,957	\$ -	\$220,375
Oklahoma City Riverfront Redevelopment Authority	Marketing costs subsidy		-	25,000	-
City Municipal Facilities					
Authority Services Fund	Prefunded radio system		<u>209,343</u>	<u>-</u>	<u>-</u>
			<u>\$855,300</u>	<u>\$25,000</u>	<u>\$220,375</u>

		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
PAYABLE TO					
City General Fund	Purchasing card and payroll reimbursements		\$209,514	\$99	\$7,800
City Transportation Fund	Payroll reimbursement		5,514	-	-
City Transportation Fund	Cost reimbursement		2,946,484	-	-
City Parking Fund	Cost reimbursement		-	-	617,672
City Print Shop Fund	Postage and copy services		1,222	-	-
City Fleet Services Fund	Fuel chargeback		22,418	-	-
Oklahoma City Public Property Authority General Purpose Fund	Thunder parking lease		<u>-</u>	<u>-</u>	<u>4,214</u>
			<u>\$3,185,152</u>	<u>\$99</u>	<u>\$629,686</u>

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	
	2023	2022	2023	2022
Beginning balance	\$2,946,484	\$3,420,796	\$617,672	\$565,362
Personnel services	3,690,218	2,503,173	220,480	83,820
Other services	266,943	316,347	83,754	86,385
Interest income	(1,556)	1,489	(9,636)	5,858
Other income	-	(65,524)	-	(185)
Reimbursement to the City	<u>(3,945,918)</u>	<u>(3,229,797)</u>	<u>(331,806)</u>	<u>(123,568)</u>
	<u>\$2,956,171</u>	<u>\$2,946,484</u>	<u>\$580,464</u>	<u>\$617,672</u>

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	
	2023	2022	2023	2022
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Pooled cash	\$530	\$1,296	\$1,860	\$1,544
Investments	137,209	146,794	464,136	145,892
Interest receivable	632	584	2,136	598
Inventories	-	-	110,862	58,074
Receivable from the City	-	-	-	273
Receivable from Component Unit	14,628	5,514	7,484	-
Net pension assets	-	1,268,588	-	174,310
Deferred outflows of resources	<u>1,817,692</u>	<u>1,168,172</u>	<u>287,657</u>	<u>186,588</u>
Total assets and deferred outflows	<u>1,970,691</u>	<u>2,590,948</u>	<u>874,135</u>	<u>567,279</u>

	City Transportation Fund		City Parking Fund	
	2023	2022	2023	2022
<u>LIABILITIES AND DEFERRED INFLOWS</u>				
Accounts payable and accrued expenses	\$30,825	\$ -	\$52,157	\$31,816
Wages and benefits payable	78,084	121,772	10,976	17,833
Payable to the City	-	-	598,068	255,383
Compensated absences	563,042	433,385	54,344	13,870
Net OPEB liability	1,824,840	2,432,057	329,068	461,250
Net pension liability	760,097	-	114,535	-
Deferred inflows of resources	<u>1,669,974</u>	<u>2,550,218</u>	<u>295,451</u>	<u>404,799</u>
Total liabilities and deferred inflows	<u>4,926,862</u>	<u>5,537,432</u>	<u>1,454,599</u>	<u>1,184,951</u>

Cost reimbursement payable to (receivable from) the City	<u>\$2,956,171</u>	<u>\$2,946,484</u>	<u>\$580,464</u>	<u>\$617,672</u>
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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.

	2023			2022		
	Transportation	River Cruises	Parking	Transportation	River Cruises	Parking
Transportation	\$ -	\$1,268,462	\$ -	\$ -	\$122,169	\$ -
River Cruises	<u>(1,268,462)</u>	<u>-</u>	<u>-</u>	<u>(122,169)</u>	<u>-</u>	<u>-</u>
	<u>(\$1,268,462)</u>	<u>\$1,268,462</u>	<u>\$-</u>	<u>(\$122,169)</u>	<u>\$122,169</u>	<u>\$-</u>

Payments From/To the City and Component Units

	Purpose	2023		
		Transportation	River Cruises	Parking
FROM				
City General Fund	Operating subsidy	\$28,333,355	\$763,125	\$ -
OCRRA	Marketing costs subsidy	<u>-</u>	<u>25,000</u>	<u>-</u>
		<u>\$28,333,355</u>	<u>\$788,125</u>	<u>\$-</u>

	Purpose	2022		
		Transportation	River Cruises	Parking
FROM				
City General Fund	Operating subsidy	\$20,461,301	\$722,520	\$ -
OCRRA	Marketing costs subsidy	<u>-</u>	<u>25,000</u>	<u>-</u>
		<u>\$20,461,301</u>	<u>\$747,520</u>	<u>\$-</u>

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 2023 and 2022, the Authority paid \$4,170,157 and \$3,376,302, 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, 2023 and 2022, which was rolled forward to a measurement date of June 30, 2023 and 2022. The information presented in this note as of June 30, 2023 and June 30, 2022 measurement dates will be reported in the financial statements of the Authority as of June 30, 2024 and 2023, 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, Chief Financial Officer, 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

	<u>2023</u>	<u>2022</u>
Active members	268	240
Retirees and beneficiaries currently receiving benefits	92	93
Terminated plan members entitled to but not yet receiving benefits	19	18
	<u>379</u>	<u>351</u>

Contributions

Contribution requirements are negotiated and established pursuant to union contract. Effective July 1, 2018, the employer contribution rate is \$60.05 per week, and the employee contribution rate is \$48.52 per week. Beginning July 1, 2023, the employer contribution rate is \$69.05 per week and the employee contribution rate is \$57.52 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:

	<u>2023</u>	<u>2022</u>
Price Inflation (1)	2.51%	2.35%
Wage Inflation	N/A	N/A
Salary Increases	N/A	N/A
L/T Investment rate of return	6.75%	6.75%
Discount Rate	6.75%	6.75%

(1) The price inflation rate of return changed from 2.35% to 2.51% during the current fiscal year.

The mortality table has been updated to the PubG-2010(B) table, below median amounts for general employees, projected to 2030 using scale MP-2021, with two year age set forward for females. This changed from using scale MP-2020 to MP-2021.

The actuarial assumptions used were based on an experience study that was issued December 28, 2021, covering from July 1, 2010 to June 30, 2020 plan experience. There was no change in the current year.

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.

	<u>2023</u>	<u>2022</u>
Cash	0.47%	0.35%
U.S. core fixed income	0.63	0.17
Domestic equities	4.70	5.71
International Equities	4.97	6.11
Alternative strategies	2.79	3.06
The long-term expected inflation	2.51	2.35

Money-weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 11.78% for 2023 and (12.57%) for 2022. 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, 2023 and 2022, respectively. The Plan holds investments exceeding 5% of the total plan market value in the Met West Total Return Bond Fund, Vanguard Total Bond Market Index, First Eagle Global, iShares Russell 1000, Invesco Premium and Baird Aggregate Bond. 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 6.75% for 2023 and 2022. 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. There was no decrease in the discount rate for the current year.

Pension Plan Fiduciary Net Position

	<u>2023</u>	<u>2022</u>
Total pension asset (liability)	(\$20,241,153)	(\$18,619,914)
Fiduciary net position	<u>17,513,214</u>	<u>15,652,513</u>
Net pension asset (liability)	<u>(\$2,727,939)</u>	<u>(\$2,967,401)</u>
Plan fiduciary net position as a percentage of the total pension liability	86.52%	84.06%

Changes in Net Pension Asset/(Liability)

	Total Pension Asset (Liability)		Plan Fiduciary Net Position		Net Pension Asset (Liability)	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Measurement date June 30,						
Beginning balance	(\$18,619,914)	(\$19,417,412)	\$15,652,513	\$17,915,538	(\$2,967,401)	(\$1,501,874)
Service cost	(802,175)	(856,975)	-	-	(802,175)	(856,975)
Interest	(1,268,597)	(1,326,464)	-	-	(1,268,597)	(1,326,464)
Changes of benefits terms	(1,057,065)	-	-	-	(1,057,065)	-
Differences between expected and actual experience	229,622	688,993	-	-	229,622	688,993
Changes of assumptions	-	1,025,125	-	-	-	1,025,125
Contributions - employer	-	-	761,194	761,554	761,194	761,554
Contributions - employee	-	-	646,884	615,437	646,884	615,437
Net investment income	-	-	1,841,518	(2,247,774)	1,841,518	(2,247,774)
Differences between projected and actual earnings	-	-	-	-	-	-
Benefit payments and refunds	1,276,976	1,266,819	(1,276,976)	(1,266,819)	-	-
Administrative expense	-	-	(111,919)	(125,423)	(111,919)	(125,423)
	<u>(\$20,241,153)</u>	<u>(\$18,619,914)</u>	<u>\$17,513,214</u>	<u>\$15,652,513</u>	<u>(\$2,727,939)</u>	<u>(\$2,967,401)</u>

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 \$2,727,939 at June 30, 2023 and has reported a net pension liability of \$2,967,401 at June 30, 2022.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	<u>2023</u>		<u>2022</u>	
	<u>Rate</u>	<u>Authority Net Pension Asset(Liability)</u>	<u>Rate</u>	<u>Authority Net Pension Asset(Liability)</u>
1% decrease	5.75%	(\$4,834,704)	5.75%	(\$4,890,776)
Current single discount rate	6.75	(2,727,939)	6.75	(2,967,401)
1% increase	7.75	(937,285)	7.75	(1,330,899)

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, 2021 and 2020, which was rolled forward to a measurement date of June 30, 2022 and 2021. The information presented in this note as of June 30, 2022 and 2021 measurement dates are reported in the financial statements of the Authority as of June 30, 2023 and 2022, respectively.

Pension Expense

The Authority reported \$295,815 and (\$322,663) in 2023 and 2022, 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.

	2023		2022	
	Authority Deferred Outflows of Resources	Deferred Inflows of Resources	Authority Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions - Employer	\$770,938	\$ -	\$763,561	\$ -
Differences between expected and actual pension plan experience	42,525	(793,251)	54,031	(322,692)
Differences between expected and actual investment earnings	1,188,503	-	-	(2,076,687)
Change of Assumptions	<u>428,251</u>	<u>(871,663)</u>	<u>540,515</u>	<u>(132,068)</u>
	<u>\$2,430,217</u>	<u>(\$1,664,914)</u>	<u>\$1,358,107</u>	<u>(\$2,531,447)</u>

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

	2023		2022
2024 (1)	(\$19,455)	2023 (2)	(\$623,526)
2025	(22,732)	2024	(454,163)
2026	(69,652)	2025	(457,440)
2027	508,620	2026	(504,360)
2028	(227,928)	2027	73,911
Thereafter	<u>(174,488)</u>	Thereafter	<u>28,677</u>
	<u>(\$5,635)</u>		<u>(\$1,936,901)</u>

(1) Amounts do not include deferred contributions made in fiscal year 2024.

(2) Amounts do not include deferred contributions made in fiscal year 2023.

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 47 participants at June 30, 2023, and 43 participants at June 30, 2022. For fiscal years 2023 and 2022, actual contributions by plan participants were \$80,085 and \$95,834, respectively. The Authority contributed \$20,443 and \$17,867 for 2023 and 2022, 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, 2022 and 2021, 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 online at okc.gov/departments/finance.

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 (1)

	<u>2023</u>	<u>2022</u>
Active members	261	261
Retirees and beneficiaries currently receiving benefits	<u>15</u>	<u>15</u>
	<u><u>276</u></u>	<u><u>276</u></u>

(1) COTPA membership numbers for OPEB are calculated every other year.

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 retirees 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, 2022 and 2021, respectively.

Actuarial Assumptions

Price Inflation	3.00%
Wage Inflation	3.00%
L/T Investment rate of return	7.50%
Discount Rate (1)	5.04%
Health care trend rate	
Initial (2)	7.5% (5.75% for Medicare Age)
Ultimate	4.50%

(1) The discount rate has been updated from 3.35% at June 30, 2021 to 5.04% at June 30, 2022.

(2) The initial health care trend rate has been updated from 8.00% (6.00 % for medicare age) at June 30, 2021 to 7.50% (5.75% for medicare age) at June 30, 2022.

Mortality rates were based on the RPH-2014 Blue Collar Head Count weighted Mortality Table fully generational using Scale MP-2016 (set forward 5 years for disabled retirees). There was no change in the mortality table during the year.

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 5.04%. 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 remaining 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 2022 through 2030 of projected benefit payments and the 20-year municipal bond rate based on a range of indices from 3.54% - 4.09% was applied to projected benefit payments after 2030 to determine the total OPEB liability. The discount rate changed from 3.35% at June 30, 2021 to 5.04% at June 30, 2022.

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.

	<u>2023</u>	<u>2022</u>
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 9.12% and 13.09% for 2022 and 2021, 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:

	<u>2023</u>		<u>2022</u>	
	Rate	Authority Net OPEB Liability	Rate	Authority Net OPEB Liability
1% decrease	4.04%	\$1,246,024	2.35%	\$1,515,107
Current single discount rate	5.04%	990,596	3.35%	1,197,248
1% increase	6.04%	775,132	4.35%	932,564

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.

	<u>2023</u>		<u>2022</u>	
	Rate	Authority Net OPEB Liability	Rate	Authority Net OPEB Liability
1% decrease	6.50%	\$986,029	7.00%	\$1,192,482
Current single discount rate	7.50%	990,596	8.00%	1,197,248
1% increase	8.50%	996,006	9.00%	1,202,935

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.

	2023		2022	
	Authority Deferred Outflows of Resources	Deferred Inflows of Resources	Authority Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions - Employer	\$130,000	\$ -	\$130,000	\$ -
Differences between expected and actual pension plan experience	312,148	(382,163)	383,809	(483,652)
Differences between expected and actual investment earnings	42,268	-	-	(155,276)
Changes in Assumptions	<u>159,366</u>	<u>(455,569)</u>	<u>213,036</u>	<u>(118,272)</u>
	<u>\$643,782</u>	<u>(\$837,732)</u>	<u>\$726,845</u>	<u>(\$757,200)</u>

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

	2023		2022
2024 (1)	(\$124,030)	2023 (2)	(\$67,292)
2025	(105,565)	2024	(66,309)
2026	(60,655)	2025	(47,844)
2027	(85,969)	2026	(2,934)
2028	26,135	2027	(28,245)
Thereafter	<u>26,134</u>	Thereafter	<u>52,269</u>
	<u>(\$323,950)</u>		<u>(\$160,355)</u>

(1) Amounts do not include deferred contributions made in fiscal year 2023.

(2) Amounts do not include deferred contributions made in fiscal year 2022.

OPEB's Plan Fiduciary Net Position

	2023	2022
Total OPEB liability	\$2,062,344	\$2,304,934
Fiduciary net position	<u>(1,071,748)</u>	<u>(1,107,686)</u>
Net OPEB liability	<u>\$990,596</u>	<u>\$1,197,248</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.97%	48.06%

Authority OPEB Expense

The Authority reported \$86,943 and \$147,579 OPEB expense which includes costs related to employee participation in OPEB at June 30, 2023 and 2022, 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, 2024 and 2023.

	2023		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset (Liability)
Beginning balance	\$2,304,934	\$1,107,686	\$1,197,248
Service cost	206,758	-	206,758
Interest	83,280	-	83,280
Differences between expected and actual experience	(20,792)	-	(20,792)
Changes of assumptions	(459,959)	-	(459,959)
Contributions - employer	-	130,000	(130,000)
Net investment income	-	(106,469)	106,469
Benefit payments and refunds	(51,877)	(51,877)	-
Administrative expense	-	(7,592)	7,592
	<u>\$2,062,344</u>	<u>\$1,071,748</u>	<u>\$990,596</u>

	2022		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Asset (Liability)
Beginning balance	\$2,405,830	\$806,449	\$1,599,381
Service cost	188,201	-	188,201
Interest	86,088	-	86,088
Differences between expected and actual experience	(387,855)	-	(387,855)
Changes of assumptions	61,565	-	61,565
Contributions - employer	-	130,000	(130,000)
Net investment income	-	226,382	(226,382)
Differences between projected	-	-	-
Benefit payments and refunds	(48,895)	(48,895)	-
Administrative expense	-	(6,250)	6,250
	<u>\$2,304,934</u>	<u>\$1,107,686</u>	<u>\$1,197,248</u>

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, 2023 there was not an outstanding amount under the agreement and as of June 30, 2022 the remaining amount outstanding under the agreement was \$3.69 million. On June 2, 2023, the Authority approved an amended and restated professional services agreement with Herzog Transit Services, Inc. through June 30, 2028. The estimated amount of the contract is \$4.50 million annually.

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. The amount of the contract is \$185,000 annually of which \$50,000 is an annual performance incentive. On July 1, 2023 the Authority approved a new contract with PCI Municipal Services, LLC. The new contract provides for a term through June 30, 2027 with two - three year renewal options. The amount of the contract is \$158,502 annually with a possible \$60,000 annual incentive fee.

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.

	<u>2023</u>	<u>2022</u>
	Remaining Commitment	Remaining Commitment
Transportation	\$3,301,995	\$2,399,873
River Cruises	4,087	5,122
Parking	109,404	109,404
	<u>\$3,415,486</u>	<u>\$2,514,399</u>

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 original term on the agreement was through June 30, 2020 and is automatically renewable subject to mutual agreement on the renewal year's annual cost. Norman agreed to compensate EMBARK for full cost recovery and administrative costs of delivering the services through the initial term of the agreement. In addition, Norman funded one-time startup expenses such as compatible software and GPS systems, to ensure that EMBARK services in Oklahoma City and Norman were seamless to customers. On June 2, 2023, the agreement was renewed through June 30, 2024.

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.

Required Supplementary Information

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**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

I. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Total Pension liability</u>				
Service cost	\$802,175	\$856,975	\$690,908	\$587,322
Interest	1,268,597	1,326,464	1,301,190	1,220,875
Changes of benefit terms	1,057,065	1,057,065	-	-
Difference between expected and actual experience of the total pension liability	(229,622)	(688,993)	58,959	(58,216)
Changes of assumptions	-	(1,025,125)	184,764	553,108
Benefit payments, including refunds of employee contributions	<u>(1,276,976)</u>	<u>(1,266,819)</u>	<u>(1,408,031)</u>	<u>(1,115,572)</u>
Net change in total pension liability	1,621,239	(797,498)	827,790	1,187,517
Pension liability, beginning	<u>18,619,914</u>	<u>19,417,412</u>	<u>18,589,622</u>	<u>17,402,105</u>
Pension liability, ending	<u>20,241,153</u>	<u>18,619,914</u>	<u>19,417,412</u>	<u>18,589,622</u>
Plan Fiduciary Net Position				
Contributions - employer	761,194	761,554	757,110	683,119
Contributions - employee	646,884	615,437	591,535	538,088
Net investment income	1,841,518	(2,247,774)	3,990,676	413,762
Benefit payments, including refunds of employee contributions	(1,276,976)	(1,266,819)	(1,408,031)	(1,115,572)
Administrative expense	<u>(111,919)</u>	<u>(125,423)</u>	<u>(101,981)</u>	<u>(91,565)</u>
Net change in fiduciary net position	1,860,701	(2,263,025)	3,829,309	427,845
Plan fiduciary net position, beginning	<u>15,652,513</u>	<u>17,915,538</u>	<u>14,086,229</u>	<u>13,658,384</u>
Plan fiduciary net position, ending	<u>17,513,214</u>	<u>15,652,513</u>	<u>17,915,538</u>	<u>14,086,229</u>
Net pension (asset) liability, ending	<u>\$2,727,939</u>	<u>\$2,967,401</u>	<u>(\$1,501,874)</u>	<u>\$4,503,393</u>
Covered payroll	\$17,104,031	\$15,933,152	\$13,054,668	\$12,236,139
Net pension liability as a percentage of covered payroll	15.95%	18.62%	11.50%	36.80%
Plan fiduciary net position as a percentage of total pension liability	86.52%	84.06%	92.27%	75.77%
Valuation date	7/1/2022	7/1/2021	7/1/2020	7/1/2019
Actuarial cost method	Individual entry age normal	Individual entry age normal	Individual entry age normal	Individual entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Amortization period	25 years, closed	25 years, closed	30 years, closed	30 years, closed
Actuarial asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Investment rate of return	6.75%	6.75%	6.75%	7.00%
Cost of living benefit increases (maximum)	N/A	N/A	N/A	N/A
Inflation	2.51%	2.35%	2.00%	0.00%
Projected salary increases	N/A	N/A	N/A	N/A
Mortality table	PubG-2010(B)table projected to 2030 using scale MP-2021 with two year age set forward for females.	PubG-2010(B)table projected to 2030 using scale MP-2020 with two year age set forward for females.	PubG-2010(B)table projected to 2030 using scale MP-2020 with two year age set forward for females.	RP-2014 Blue Collar Mortality with Scale M-2016 to 2025 with adjusted rates before and after 70.
Experience study	An experience study was issued December 28, 2021, covering the past five years of plan experience.	An experience study was issued December 28, 2021, 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) Amounts presented are reported in the financial statements in the next fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total Pension liability</u>			
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	<u>(1,225,180)</u>	<u>(1,224,817)</u>	<u>(1,226,332)</u>
Net change in total pension liability	115,991	772,147	391,362
Pension liability, beginning	<u>17,286,114</u>	<u>16,513,967</u>	<u>16,122,605</u>
Pension liability, ending	<u>17,402,105</u>	<u>17,286,114</u>	<u>16,513,967</u>
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	<u>(91,472)</u>	<u>(95,357)</u>	<u>(123,068)</u>
Net change in fiduciary net position	571,881	654,051	909,972
Plan fiduciary net position, beginning	<u>13,086,503</u>	<u>12,432,452</u>	<u>11,522,480</u>
Plan fiduciary net position, ending	<u>13,658,384</u>	<u>13,086,503</u>	<u>12,432,452</u>
Net pension (asset) liability, ending	<u>\$3,743,721</u>	<u>\$4,199,611</u>	<u>\$4,081,515</u>
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	0.00%	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) Amounts presented are reported in the financial statements in the next fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total Pension liability</u>			
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	<u>(1,030,948)</u>	<u>(830,781)</u>	<u>(767,421)</u>
Net change in total pension liability	<u>(866,134)</u>	<u>540,966</u>	<u>595,949</u>
Pension liability, beginning	<u>16,988,739</u>	<u>16,447,773</u>	<u>15,851,824</u>
Pension liability, ending	<u>16,122,605</u>	<u>16,988,739</u>	<u>16,447,773</u>
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	<u>(7)</u>	<u>211,943</u>	<u>1,747,723</u>
Plan fiduciary net position, beginning	<u>11,522,487</u>	<u>11,310,544</u>	<u>9,562,821</u>
Plan fiduciary net position, ending	<u>11,522,480</u>	<u>11,522,487</u>	<u>11,310,544</u>
Net pension (asset) liability, ending	<u>\$4,600,125</u>	<u>\$5,466,252</u>	<u>\$5,137,229</u>
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) Amounts presented are reported in the financial statements in the next fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

FY Ending <u>June 30.</u>	Actuarially Determined Contribution <u>(ADC) (2)</u>	Contributions in Relation to <u>ADC</u>	Contributions Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution As a Percentage of <u>Covered Payroll</u>
2023	\$435,724	\$761,194	(\$325,470)	\$17,104,031	4.45
2022	405,793	761,554	(355,761)	15,933,152	4.78
2021	506,344	757,110	(250,766)	13,054,668	5.80
2020	399,932	683,119	(283,187)	12,236,139	5.58
2019	363,057	581,008	(217,951)	11,471,055	5.06
2018	374,113	564,947	(190,834)	11,130,175	5.08
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) 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.

III. SCHEDULE OF INVESTMENT RETURNS (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	11.78%	-12.57%	28.39%	3.04%	6.54%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.77%	11.47%	-1.62%	1.99%	17.10%

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

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020
<u>Total OPEB Liability</u>			
Service cost	\$206,758	\$188,201	\$146,296
Interest	83,280	86,088	80,756
Differences between expected and actual experience of the total OPEB liability	(20,792)	(387,855)	158,632
Assumption changes	(459,959)	61,565	189,026
Benefits payments, including refunds	<u>(51,877)</u>	<u>(48,895)</u>	<u>(32,799)</u>
Net change in total OPEB liability	(242,590)	(100,896)	541,911
OPEB liability, beginning	<u>2,304,934</u>	<u>2,405,830</u>	<u>1,863,919</u>
OPEB liability, ending	<u>2,062,344</u>	<u>2,304,934</u>	<u>2,405,830</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	130,000	130,000	130,000
Net investment income	(106,469)	226,382	68,489
Benefits payments, including refunds	(51,877)	(48,895)	(32,799)
Trust Administrative Expenses	<u>(7,592)</u>	<u>(6,250)</u>	<u>(4,432)</u>
Net change in fiduciary net position	(35,938)	301,237	161,258
Plan fiduciary net position, beginning	<u>1,107,686</u>	<u>806,449</u>	<u>645,191</u>
Plan fiduciary net position, ending	<u>1,071,748</u>	<u>1,107,686</u>	<u>806,449</u>
Net OPEB liability, ending	<u>\$990,596</u>	<u>\$1,197,248</u>	<u>\$1,599,381</u>
Covered - employee payroll	\$12,343,180	\$11,983,670	\$11,492,787
Net OPEB liability (asset) as a percentage of covered - employee payroll	8.00%	10.00%	13.92%
Plan fiduciary net position as a percentage of total OPEB liability	51.97%	48.06%	33.52%
<u>Actuarial assumptions</u>			
Valuation date	6/30/22	6/30/21	6/30/20
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	30 years, closed	30 years, closed	30 years, closed
Actuarial asset valuation method	4-year smoothed market	4-year smoothed market	4-year smoothed market
Investment rate of return	7.50%	7.50%	7.50%
Health care trend rate			
Initial	7.5% (5.75% for Medicare Age)	8.0% (6.0% for Medicare Age)	7.5% (5.75% for Medicare Age)
Ultimate	4.50%	4.50%	4.50%
Inflation	3.00%	3.00%	3.25%
Wage Inflation	3.00%	3.00%	3.25%
Mortality table	RPH 2014 weighted mortality table fully generational using scale MP-2016	RPH 2014 weighted mortality table fully generational using scale MP-2016	RP 2000 combined mortality table fully generational using scale AA
Experience study	N/A	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.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
<u>Total OPEB Liability</u>			
Service cost	\$130,490	\$118,039	\$91,462
Interest	86,936	73,300	45,349
Differences between expected and actual experience of the total OPEB liability	(320,880)	46,202	450,263
Assumption changes	71,429	(115,695)	(136,644)
Benefits payments, including refunds	<u>(37,832)</u>	<u>(48,927)</u>	<u>(31,081)</u>
Net change in total OPEB liability	(69,857)	72,919	419,349
OPEB liability, beginning	<u>1,933,776</u>	<u>1,860,857</u>	<u>1,441,508</u>
OPEB liability, ending	<u>1,863,919</u>	<u>1,933,776</u>	<u>1,860,857</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	130,000	130,000	374,116
Net investment income	73,803	35,305	24,774
Benefits payments, including refunds	(37,832)	(48,927)	(31,081)
Trust Administrative Expenses	<u>(749)</u>	<u>(4,218)</u>	-
Net change in fiduciary net position	165,222	112,160	367,809
Plan fiduciary net position, beginning	<u>479,969</u>	<u>367,809</u>	-
Plan fiduciary net position, ending	<u>645,191</u>	<u>479,969</u>	<u>367,809</u>
Net OPEB liability, ending	<u>\$1,218,728</u>	<u>\$1,453,807</u>	<u>\$1,493,048</u>
Covered - employee payroll	\$11,131,028	\$9,014,084	\$9,500,000
Net OPEB liability (asset) as a percentage of covered - employee payroll	10.95%	16.13%	15.72%
Plan fiduciary net position as a percentage of total OPEB liability	34.61%	24.82%	19.77%
<u>Actuarial assumptions</u>			
Valuation date	6/30/19	6/30/18	6/30/17
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	30 years, closed 4-year smoothed	30 years, closed 4-year smoothed	30 years, closed 4-year smoothed
Actuarial asset valuation method	market	market	market
Investment rate of return	7.50%	7.50%	7.50%
Health care trend rate			
Initial	8.5% (6.00% for Medicare Age)	8.5% (6.00% for Medicare Age)	8.5% (6.00% for Medicare Age)
Ultimate	4.50%	4.50%	4.50%
Inflation	3.00%	3.00%	3.75%
Wage Inflation	3.25%	3.75%	3.75%
Mortality table	RP 2000 combined mortality table fully generational	RP 2000 combined mortality table fully generational	RP 2000 combined mortality table fully generational
Experience study	N/A	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.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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
2023	\$138,423	\$130,000	\$8,423	\$17,672,623	0.74
2022	125,392	130,000	(4,608)	12,343,180	1.05
2021	138,743	130,000	8,743	11,983,670	1.08
2020	123,057	130,000	(6,943)	11,492,787	1.13
2019	131,904	130,000	1,904	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

- (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.

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, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on 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) as a basis for designing 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 an opinion 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of finding and response. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Wichita, KS
December 5, 2023

CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY

SCHEDULE OF FINDING AND RESPONSE

YEAR ENDED JUNE 30, 2023

Finding 2023-001: Beneficiary Distributions (Significant Deficiency)

Out of 25 fiscal year 2023 distributions tested, one beneficiary received an incorrect monthly benefit payment and for one participant who received a lump sum refund of contributions, management was unable to provide support for the distributed amount. We recommend that management develop processes to review the calculation of payment amounts owed to new beneficiaries (including lump sum refund distributions, new annuitants, and new survivor beneficiaries) for accuracy on a timely and ongoing basis.

Criteria or Specific Requirement: Internal controls should be designed to provide adequate control over benefits paid to participants.

Cause: These issues resulted from a lack of management oversight and review of calculated distribution amounts.

Effect: Lack of controls and procedures over calculated benefit amounts could result in over- or under-payment of benefits to participants, and could result in misstatements being present in the financial statements.

Recommendations: We recommend that management develop processes to review the calculation of payment amounts owed to new beneficiaries (including lump sum refund distributions, new annuitants, and new survivor beneficiaries) for accuracy on a timely and ongoing basis.

Management Response: Agree. COTPA will implement a two-step review process for beneficiary payments and lump sum refunds. COTPA will implement a practice of converting all calculation worksheets to PDF to retain in the employee records for all calculations for beneficiary payments and lump sum refunds.