



Central Oklahoma Transportation & Parking Authority

A discrete component unit of The City of Oklahoma City, Oklahoma
Annual Financial Report | for the Fiscal Year ended June 30, 2020

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 Year Ended June 30, 2020

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Angela C. Pierce, CPA, Assistant Finance Director / Controller

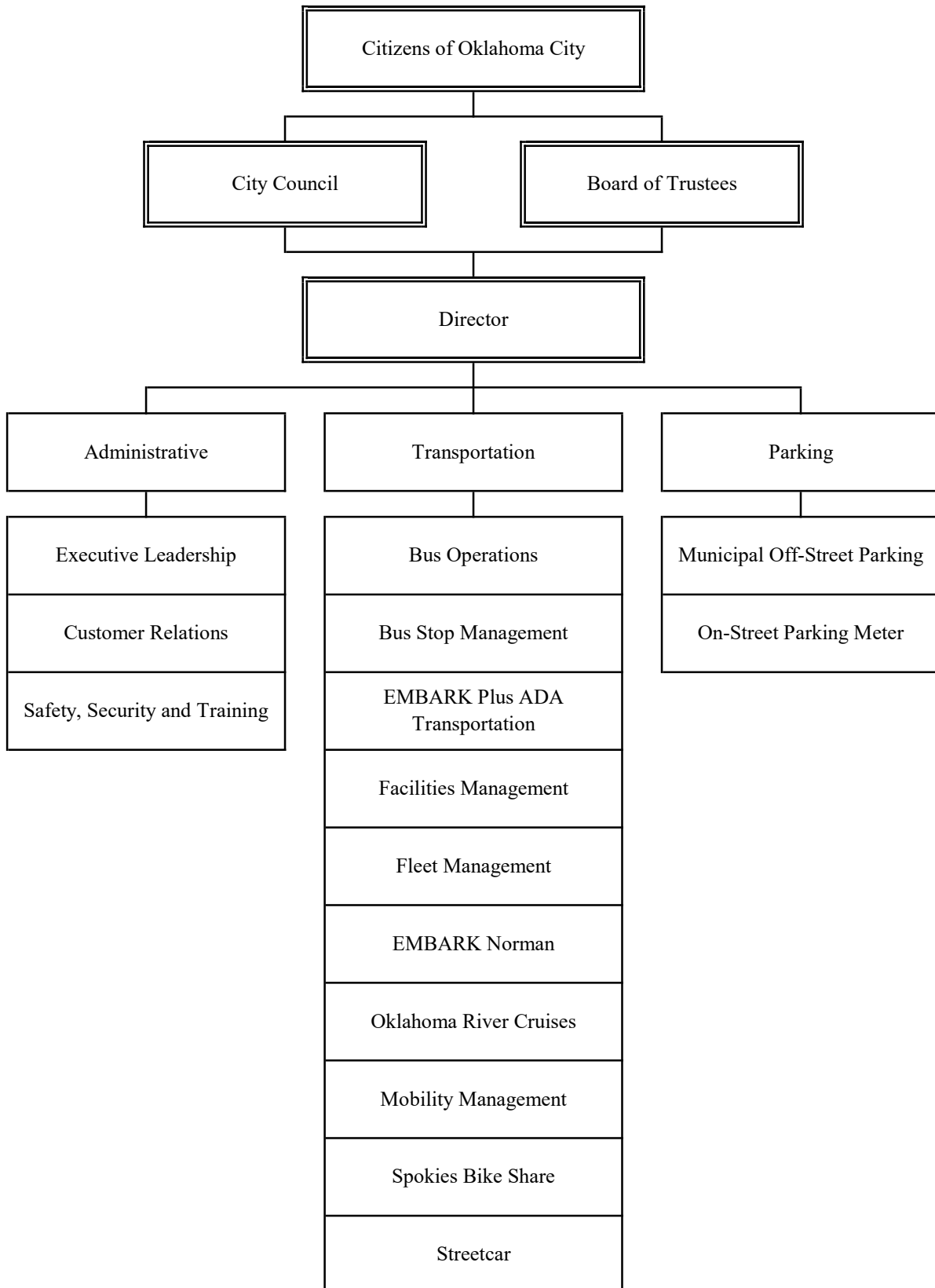
**CENTRAL OKLAHOMA
TRANSPORTATION
AND PARKING AUTHORITY**

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City of Oklahoma City Transportation and Parking Authority Organization Chart



Introductory Section

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OKLAHOMA CITY
OKLAHOMA 73109

customer service
405.235.7433 (RIDE)

administration
405.297.1331

embarkok.com



November 20, 2020

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, 2020 and 2019, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Authority is included within the City's Comprehensive Annual Financial Report (CAFR).

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

The coronavirus pandemic has cast a large shadow over the economic outlook for Oklahoma City and the country as a whole. The economic contraction in the US was unprecedented as local, state and federal leaders worked through impacts of the contraction caused by the measures designed to suppress the transmission of coronavirus. The collapse in oil prices that occurred as a result of the dramatic reduction in global oil demand as a result of the pandemic has had a significant impact on the oil and gas industry worldwide and Oklahoma was no exception. From June of 2019 to June 2020, Oklahoma experienced a 90% reduction in active drilling rigs dropping from 100 active rigs to just 10. Going back just a year more to June 2018, Oklahoma had 140 drilling rigs working in the state. The contraction in the oil and gas industry has been dramatic and the effects will continue to ripple through the economy as firms in every facet of the oil and gas industry continue to cut back on staff and expenses.

Dr. Russel Evans, Executive Director of the Steven C. Agee Economic Research & Policy Institute of Oklahoma City University, provided his economic forecast to the City Council during the annual budget workshop in February 2020, but that forecast seems like ancient history with all that has transpired since. In a recent update, Dr. Evans estimated that US Gross Domestic Product (GDP) growth over the next couple of years is expected to be stronger than in recent years. However, he projects the US economy will not fully recover the losses incurred in the first half of calendar year 2020 until 2022.

In looking at Oklahoma City specifically, Dr. Evans summer update provided two scenarios for our FY21 sales tax collections. The two scenarios were differentiated by whether additional mild recessionary influences are experienced or whether the local economy continues on its current trajectory of gradual recovery. The two scenarios generated estimated sales tax declines in Oklahoma City of 2.8% to 3.4% in FY21. The City has budgeted for a decline in sales tax of 5% in FY21.

Going forward, Oklahoma City has a number of factors in its favor when the threat of coronavirus is lifted. The cost of living and the cost of doing business are consistently rated among the best in the country. In addition, low commuting times, convenient airline travel, and excellent entertainment and sports opportunities make Oklahoma City a great place for businesses and residents. Oklahoma City has dedicated a significant portion of the CARES Act funds the City received to supporting small businesses and even carved out a portion for live performance venues in an effort to support local businesses and continued quality of life.

Oklahoma City is being recognized more and more as a great place to work, live and visit. As evidence, the Oklahoma City metropolitan area became the 25th largest metro area in the United States this year. Zillow ranked Oklahoma City No. 1 out of 42 large metro areas nationwide for tech companies and start-ups to expand. The study focused on these five factors: housing affordability, market “hotness”, demographics & labor, tech availability and livability. Oklahoma City was named to Travel+Leisure's Top 50 Destinations worldwide in 2020 and was one of only seven destinations in the United States.

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

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

Respectfully submitted,



Jason Ferbrache
Central Oklahoma Transportation and Parking Authority
Administrator



Brent Bryant
City of Oklahoma City
Finance Director



Angela Pierce, CPA
City of Oklahoma City
Assistant Finance Director / Contoller

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Authority as of June 30, 2020 and 2019, 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.

Emphasis of Matter

As discussed in *Note I.B.1*, the financial statements present only the Central Oklahoma Transportation and Parking Authority, a discrete component unit of the City, and do not purport to, and do not present fairly the financial position of the Oklahoma City Public Transportation and Parking Department as of June 30, 2020 and 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

November 20, 2020
Wichita, KS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Central Oklahoma Transportation and Parking Authority (Authority) annual financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2020 and 2019. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a discretely presented component unit of the City of Oklahoma City (City).

Financial Summary

- Authority assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,717,123 (net position) for 2020. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,571,791 (net position).
- Total assets for the Authority decreased by \$6,771,782 (5.0%) to \$128,917,416 during the fiscal year. This compares to the previous year when assets increased by \$18,639,875.
- Total liabilities for the Authority decreased by \$7,259,725 (19.6%) to \$29,807,534 during the fiscal year. This compares to the previous year when liabilities increased by \$4,439,213.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets, in the amount of \$76,433,712 at June 30, 2020, and \$49,615,513 at June 30, 2019, includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$335,455 and \$2,135,078 at June 30, 2020 and 2019, respectively, is restricted for debt service by constraints imposed by debt covenants.
 - (3) Unrestricted net position is \$21,947,956 at June 30, 2020, and \$46,821,200 at June 30, 2019.

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.

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

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

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

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

Fiduciary Funds

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

Notes to the financial statements

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

Other Information

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

Financial Analysis

The Authority's net position at fiscal year-end is \$98,717,123. This is an increase of \$145,332 over the prior year net position of \$98,571,791. Overall, the Authority's financial position improved during fiscal year 2020.

	Summary of Net Position						
	2020	2019	2020-2019 Amount of Change	2020-2019 %	2018	2019-2018 Amount of Change	2019-2018 %
Assets							
Current assets	\$35,021,621	\$62,286,383	(\$27,264,762)	(43.8%)	\$35,672,421	\$26,613,962	74.6%
Capital assets, net	93,388,820	71,579,818	21,809,002	30.5	79,541,733	(7,961,915)	(10.0)
Other non-current assets	<u>506,975</u>	<u>1,822,997</u>	<u>(1,316,022)</u>	(72.2)	<u>1,835,169</u>	<u>(12,172)</u>	(0.7)
Total assets	<u>128,917,416</u>	<u>135,689,198</u>	<u>(6,771,782)</u>	(5.0)	<u>117,049,323</u>	<u>18,639,875</u>	15.9
Deferred outflows	<u>1,324,174</u>	<u>1,411,930</u>	<u>(87,756)</u>	(6.2)	<u>1,539,456</u>	<u>(127,526)</u>	(8.3)
Liabilities							
Current liabilities	7,669,105	9,665,155	(1,996,050)	(20.7)	4,378,683	5,286,472	120.7
Non-current liabilities	<u>22,138,429</u>	<u>27,402,104</u>	<u>(5,263,675)</u>	(19.2)	<u>28,249,363</u>	<u>(847,259)</u>	(3.0)
Total liabilities	<u>29,807,534</u>	<u>37,067,259</u>	<u>(7,259,725)</u>	(19.6)	<u>32,628,046</u>	<u>4,439,213</u>	13.6
Deferred inflows	<u>1,716,933</u>	<u>1,462,078</u>	<u>254,855</u>	17.4	<u>1,672,355</u>	<u>(210,277)</u>	(12.6)
Net position							
Net investment in capital assets	76,433,712	49,615,513	26,818,199	54.1	60,043,151	(10,427,638)	(17.4)
Restricted	335,455	2,135,078	(1,799,623)	(84.3)	2,128,998	6,080	0.3
Unrestricted	<u>21,947,956</u>	<u>46,821,200</u>	<u>(24,873,244)</u>	(53.1)	<u>22,116,229</u>	<u>24,704,971</u>	111.7
Total net position	<u>\$98,717,123</u>	<u>\$98,571,791</u>	<u>\$145,332</u>	0.1	<u>\$84,288,378</u>	<u>\$14,283,413</u>	16.9

Current assets decreased by \$27.26 million in 2020 and increased by \$26.61 million in 2019. In 2020, cash and investments decreased by \$27.50 million primarily related to transfers to the escrow agent for the defeasance of 2013 bonds and funds used in the construction and purchase of capital assets, offset by proceeds for the issuance of Series 2019 bonds. Intergovernmental receivables decreased by \$1.51 million, due to the timing of receipts of Federal grant revenues. In 2019, cash and investments increased by \$23.42 million primarily due to proceeds received from the sale of the Santa Fe Garage. Intergovernmental receivables increased \$2.58 million due to the timing of receipts of Federal grant revenues. Inventories increased \$548 thousand related to parts inventory for the streetcars.

Net capital assets increased by \$21.81 million in 2020, primarily due to construction and capital acquisitions of \$26.26 million, offset by normal depreciation of \$4.34 million. Net capital assets decreased by \$7.96 million at June 30, 2019, due to asset retirements of \$8.16 million and normal depreciation of \$4.93 million, offset by construction and capital acquisitions of \$5.12 million.

Other non-current assets decreased by \$1.32 million in 2020 related to a decrease of \$1.48 million in investments. Other non-current assets decreased by \$12 thousand in 2019 related to a \$23 thousand decrease in receivable from the City relating to the Authority's share of the cost of a new City radio system and a \$9 thousand decrease in bond reserve investments, offset by a \$20 thousand increase in security insurance deposits.

Current liabilities decreased by \$2.00 million in 2020 primarily due to a decrease in accounts payable and accrued expenses of \$1.75 million related to timing of vendor payments, a decrease in bond interest payable of \$290 thousand and a decrease in bonds payable of \$240 thousand related to the defeasance of outstanding bonds, offset by an increase in wages and benefits payable of \$228 thousand relating to an increase in full-time employment positions. Current liabilities increased by \$5.29 million in 2019 primarily due to an increase in accounts payable and accrued expenses of \$4.88 million related to timing of vendor payments and an increase of \$345 thousand in payables to the City for cost reimbursement.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020 and 2019

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

Non-current liabilities decreased in 2020 by \$5.26 million primarily due to a decrease of \$4.89 million in bonds payable related to the defeasance of outstanding bonds, a decrease in net pension liability of \$456 thousand, and a decrease in net other post-employment benefit liability of \$235 thousand. Non-current liabilities decreased in 2019 by \$847 thousand primarily due to a decrease of \$650 thousand in bonds payable for the current portion due and a decrease of \$149 thousand in payable to the City for cost reimbursement.

	Summary of Changes in Net Position						
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> Amount <u>of Change</u>	<u>2020-2019</u> %	<u>2018</u>	<u>2019-2018</u> Amount <u>of Change</u>	<u>2019-2018</u> %
Operating revenues	\$9,470,107	\$10,287,335	(\$817,228)	(7.9%)	\$11,899,276	(\$1,611,941)	(13.5%)
Operating expenses							
Personal Services	22,612,873	19,509,158	3,103,715	15.9	16,976,814	2,532,344	14.9
Maintenance, operations, and contractual services	14,638,757	13,663,906	974,851	7.1	10,998,150	2,665,756	24.2
Material and supplies	4,823,750	3,948,521	875,229	22.2	3,320,521	628,000	18.9
Depreciation	<u>4,342,526</u>	<u>4,925,676</u>	<u>(583,150)</u>	<u>(11.8)</u>	<u>4,956,439</u>	<u>(30,763)</u>	<u>(0.6)</u>
Total operating expenses	<u>46,417,906</u>	<u>42,047,261</u>	<u>4,370,645</u>	10.4	<u>36,251,924</u>	<u>5,795,337</u>	16.0
Operating loss	(36,947,799)	(31,759,926)	(5,187,873)	(16.3)	(24,352,648)	(7,407,278)	(30.4)
Net non-operating revenues	37,093,131	33,704,109	3,389,022	10.1	25,557,166	8,146,943	31.9
Contributions	-	250,000	(250,000)	(100.0)	3,503,173	(3,253,173)	(92.9)
Special item	-	<u>12,089,230</u>	<u>(12,089,230)</u>	(100.0)	-	<u>12,089,230</u>	100.0
Changes in net position	145,332	14,283,413	(14,138,081)	(99.0)	4,707,691	9,575,722	203.4
Beginning net position							
As previously reported	98,571,791	84,288,378	14,283,413	16.9	83,406,994	881,384	1.1
Change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0</u>	<u>(3,826,307)</u>	<u>3,826,307</u>	<u>100.0</u>
As restated	<u>98,571,791</u>	<u>84,288,378</u>	<u>14,283,413</u>	<u>16.9</u>	<u>79,580,687</u>	<u>4,707,691</u>	<u>5.9</u>
Ending net position	<u>\$98,717,123</u>	<u>\$98,571,791</u>	<u>\$145,332</u>	0.1	<u>\$84,288,378</u>	<u>\$14,283,413</u>	16.9

Operating revenues decreased by \$817 thousand during the fiscal year ending June 30, 2020. Transportation revenues increased by \$1.27 million due to an increase of \$1.6 million related to revenues from the City of Norman as a result of the interlocal agreement, offset by a decrease in transportation charges of \$539 thousand due to decreased ridership related to the COVID-19 pandemic. Parking revenues decreased \$2.07 million primarily due to the sale of the Santa Fe Parking Garage in the prior year and the impact of COVID-19. River revenues decreased \$23 thousand due to declined ridership from severe weather, debris and silt in the beginning of the year as well as COVID-19 in the last half of the year. Operating revenues decreased by \$1.61 million during the fiscal year ending June 30, 2019. Transportation revenues increased by \$352 thousand due to an increase of \$270 thousand in advertising revenues, an increase of \$62 thousand in lease and rental income and an increase in ridership fees of \$18 thousand. Parking revenues decreased \$1.95 million mainly due to a decrease in monthly contract parking revenues related to the sale of the Santa Fe Garage. River revenues decreased \$17 thousand due to an increase in rainy weather during the spring season.

Operating expenses increased by \$4.37 million during the fiscal year ended June 30, 2020. Personal services increased \$3.10 million related to the addition of new bus drivers, normal wage increases, and an increase in healthcare premiums. Maintenance expenses increased \$975 thousand primarily due to an increase of \$413 thousand related to streetcar operations, an increase of \$167 thousand related to tire service contracts, and an increase of \$184 thousand related to security for the new transit center and the streetcar facility. Materials and supplies increased \$875 thousand primarily due to increase of \$574 thousand in repair parts and supplies and new bus shelters, an increase in wireless devices and equipment of \$151 thousand for transportation operations, and an increase of \$154 thousand related to purchase of signage for parking garages. Depreciation expense decreased \$583 thousand in 2020.

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

Net non-operating revenues increased by \$3.39 million in 2020, due to an increase of \$5.05 million in operating grants revenue, an increase of \$1.25 million in revenue from the Oklahoma City Economic Development Trust related to lease improvements with the University of Central Oklahoma at the Santa Fe Garage, an increase of \$410 thousand related to interest on bonds, offset by a decrease of \$770 thousand in the City General Fund subsidy, a decrease of \$397 thousand in investment income, and a decrease of \$112 thousand in non-capital contributions. Other expenses increased \$1.83 million mostly related to the defeasance of the Series 2013 bonds. Net non-operating revenues increased by \$8.15 million in 2019, due to a \$4.97 million increase in the City General Fund subsidy, an increase of \$3.07 million in operating grant revenues, an increase of \$622 thousand in investment income, offset by a loss on disposal of transportation assets of \$645 thousand.

Contributions and transfers decreased by \$250 thousand in 2020 due to a payment made for improvements to the Santa Fe Garage in the prior year. Contributions and transfers decreased by \$3.25 million in 2019 primarily due to capital grants received in the prior year to fund the purchase of new buses that were not received in the current year.

A special item was recorded for \$12.09 million in 2019 for the sale of the Santa Fe Garage. See Note XII for additional information.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of June 30, 2020 and 2019, was \$93,388,820 and \$71,579,818, respectively. This was an increase of 30.5% in 2020 compared to a decrease of 10.0% in 2019. See Note II. G. for more information regarding capital assets.

Capital Assets, Net of Accumulated Depreciation							
	<u>2020</u>	<u>2019</u>	2020-2019 Amount <u>of Change</u>	2020-2019 % <u>Change</u>	<u>2018</u>	2019-2018 Amount <u>of Change</u>	2019-2018 % <u>Change</u>
Non-Depreciable Assets							
Land and art	\$5,084,022	\$5,084,022	\$ -	0.0%	\$5,850,022	(\$766,000)	(13.1%)
Construction in progress	<u>25,278,653</u>	<u>2,035,716</u>	<u>23,242,937</u>	1141.8	<u>3,263,543</u>	<u>(1,227,827)</u>	(37.6)
Total non-depreciable assets	<u>30,362,675</u>	<u>7,119,738</u>	<u>23,242,937</u>	326.5	<u>9,113,565</u>	<u>(1,993,827)</u>	(21.9)
Depreciable Assets							
Buildings	9,949,234	10,024,693	(75,459)	(0.8)	9,377,829	646,864	6.9
Improvements other than buildings	4,499,034	3,371,476	1,127,558	33.4	7,310,200	(3,938,724)	(53.9)
Buses, automobiles and river boats	5,017,517	6,323,986	(1,306,469)	(20.7)	8,595,673	(2,271,687)	(26.4)
Parking garages and surface lots	34,184,064	36,890,599	(2,706,535)	(7.3)	37,236,918	(346,319)	(0.9)
Other assets	<u>9,376,296</u>	<u>7,849,326</u>	<u>1,526,970</u>	19.5	<u>7,907,548</u>	<u>(58,222)</u>	(0.7)
Total depreciable assets	<u>63,026,145</u>	<u>64,460,080</u>	<u>(1,433,935)</u>	(2.2)	<u>70,428,168</u>	<u>(5,968,088)</u>	(8.5)
	<u>\$93,388,820</u>	<u>\$71,579,818</u>	<u>\$21,809,002</u>	30.5	<u>\$79,541,733</u>	<u>(\$7,961,915)</u>	(10.0)

Construction in progress increased \$23.24 million in 2020 due to construction on the convention center parking garage project. Land decreased \$766 thousand in 2019 due to the sale of the land under the Santa Fe Parking Garage. Construction in progress decreased \$1.23 million in 2019 primarily due to the completion of renovations at the Sheridan Walker Parking Garage of \$1.22 million, the improvements to the South May Maintenance Facility of \$1.01 million and the improvements at the Union Station of \$256 thousand. This was offset by additions of \$1.05 million for improvements to the Fleet Maintenance Facility.

Depreciable assets decreased by \$1.43 million in 2020 primarily due to normal depreciation of \$4.34 million and asset retirements of \$104 thousand, offset by an increase related to a compressed natural gas upgrade at the bus maintenance facility of \$526 thousand, an upgrade of a parking access system of \$920 thousand, a bus rapid transit station of \$408 thousand and a new CNG fueling station of \$1.99 million. Depreciable assets decreased by \$5.97 million in the fiscal year ended June 30, 2019 primarily due to the sale of the Santa Fe Parking Garage of \$6.75 million and normal depreciation of \$4.93 million. This was offset by purchases of \$1.36 million for a new CNG fueling station, construction on the Convention Center Parking Garage of \$1.78 million, renovations at the Sheridan Walker Parking Garage of \$1.52 million, and improvements to the South May Maintenance Facility of \$1.01 million.

Long-term Debt

At the end of the 2020 fiscal year, the Authority had total bonded debt outstanding of \$13.81 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						
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u> <u>Amount</u> <u>of Change</u>	<u>2020-2019</u> <u>%</u> <u>Change</u>	<u>2018</u>	<u>2019-2018</u> <u>Amount</u> <u>of Change</u>	<u>2019-2018</u> <u>%</u> <u>Change</u>
Revenue bonds							
Parking	<u>\$13,805,000</u>	<u>\$18,935,000</u>	<u>(\$5,130,000)</u>	(27.1%)	<u>\$19,570,000</u>	<u>(\$635,000)</u>	(3.2%)

The change in outstanding debt for 2020 was due to defeasance of the Series 2013 revenue bonds and the issuance of the Series 2019 revenue bonds. The change in outstanding debt for 2019 is the result of scheduled principal bond debt service payments. See Note III. F. for more information regarding changes in long-term debt.

Bond Ratings

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

Economic Factors

The Authority relies on revenue from charges to customers for sales or services. During the current year, the COVID-19 pandemic negatively impacted the Authority's operations, Revenue from ridership fees and parking charges declined. Spokies operations and the river operations were temporarily suspended due to the pandemic.

Contacting the Department's Financial Management

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

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Basic Financial Statements

Fund Financial Statements

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

Proprietary Fund Financial Statements

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

Fiduciary Fund Financial Statements

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

STATEMENT OF NET POSITION
June 30,

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	2020				2019			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
ASSETS								
CURRENT ASSETS								
Non-pooled cash-----	\$9,179,273	\$273,266	\$7,547,624	\$17,000,163	\$4,732,329	\$162,251	\$4,936,126	\$9,830,706
Investments-----	6,028,770	-	6,613,054	12,641,824	13,450,271	124,232	33,738,153	47,312,656
Accounts receivable, net-----	689,847	-	145,822	835,669	167,363	-	329,473	496,836
Interest receivable-----	-	-	-	-	-	-	1,688	1,688
Internal balances-----	(45,832)	79,599	(33,767)	-	(93,279)	89,689	3,590	-
Receivable from City of Oklahoma City-----	682,229	-	-	682,229	22,632	-	-	22,632
Intergovernmental receivables-----	1,554,347	-	-	1,554,347	3,065,504	-	-	3,065,504
Inventories-----	2,272,009	4,270	-	2,276,279	1,478,519	3,865	-	1,482,384
Prepays-----	31,110	-	-	31,110	73,977	-	-	73,977
Total current assets-----	20,391,753	357,135	14,272,733	35,021,621	22,897,316	380,037	39,009,030	62,286,383
NON-CURRENT ASSETS								
Investments-----	-	-	-	-	-	-	1,483,390	1,483,390
Receivable from City of Oklahoma City-----	231,975	-	-	231,975	254,607	-	-	254,607
Other-----	275,000	-	-	275,000	85,000	-	-	85,000
Capital assets:								
Land, art, and construction in progress-----	5,259,594	718,164	24,384,917	30,362,675	5,044,669	86,663	1,988,406	7,119,738
Other capital assets, net of accumulated depreciation---	24,815,650	3,361,375	34,849,120	63,026,145	24,002,394	3,628,214	36,829,472	64,460,080
Total capital assets-----	30,075,244	4,079,539	59,234,037	93,388,820	29,047,063	3,714,877	38,817,878	71,579,818
Total non-current assets-----	30,582,219	4,079,539	59,234,037	93,895,795	29,386,670	3,714,877	40,301,268	73,402,815
Total assets-----	50,973,972	4,436,674	73,506,770	128,917,416	52,283,986	4,094,914	79,310,298	135,689,198
DEFERRED OUTFLOWS OF RESOURCES -----	1,324,174	-	-	1,324,174	1,411,930	-	-	1,411,930
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses-----	2,417,481	88,189	2,572,224	5,077,894	4,703,300	4,533	2,116,702	6,824,535
Wages and benefits payable-----	601,282	-	-	601,282	373,441	-	-	373,441
Payable to City of Oklahoma City-----	1,098,181	21	4,648	1,102,850	976,680	684	21,818	999,182
Compensated absences-----	257,307	-	-	257,307	232,057	-	-	232,057
Unearned revenue-----	-	77,778	16,406	94,184	9,946	141,471	18,962	170,379
Bond interest payable-----	-	-	125,588	125,588	-	-	415,561	415,561
Bonds payable-----	-	-	410,000	410,000	-	-	650,000	650,000
Total current liabilities-----	4,374,251	165,988	3,128,866	7,669,105	6,295,424	146,688	3,223,043	9,665,155
NON-CURRENT LIABILITIES								
Compensated absences-----	362,541	-	-	362,541	262,915	-	-	262,915
Payable to City of Oklahoma City-----	2,701,505	-	450,426	3,151,931	2,477,114	-	423,182	2,900,296
Unearned revenue-----	-	266,508	-	266,508	-	300,475	-	300,475
Bonds payable-----	-	-	13,395,000	13,395,000	-	-	18,285,000	18,285,000
Net pension liability-----	3,743,721	-	-	3,743,721	4,199,611	-	-	4,199,611
Net other post-employment benefit liability-----	1,218,728	-	-	1,218,728	1,453,807	-	-	1,453,807
Total non-current liabilities-----	8,026,495	266,508	13,845,426	22,138,429	8,393,447	300,475	18,708,182	27,402,104
Total liabilities-----	12,400,746	432,496	16,974,292	29,807,534	14,688,871	447,163	21,931,225	37,067,259
DEFERRED INFLOWS OF RESOURCES -----	1,716,933	-	-	1,716,933	1,462,078	-	-	1,462,078
NET POSITION								
Net investment in capital assets-----	29,017,402	4,007,178	43,409,132	76,433,712	26,290,178	3,714,877	19,610,458	49,615,513
Restricted for debt service-----	-	-	335,455	335,455	-	-	2,135,078	2,135,078
Unrestricted-----	9,163,065	(3,000)	12,787,891	21,947,956	11,254,789	(67,126)	35,633,537	46,821,200
Total net position-----	\$38,180,467	\$4,004,178	\$56,532,478	\$98,717,123	\$37,544,967	\$3,647,751	\$57,379,073	\$98,571,791

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

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	2020				2019			
	Transportation	River Cruises	Parking	Total Authority	Transportation	River Cruises	Parking	Total Authority
OPERATING REVENUES								
CHARGES FOR SERVICES								
Transportation charges-----	\$2,219,299	\$ -	\$ -	\$2,219,299	\$2,758,757	\$ -	\$ -	\$2,758,757
River cruise charges-----	-	93,516	-	93,516	-	116,856	-	116,856
Parking-----	-	-	4,451,535	4,451,535	-	-	6,349,667	6,349,667
Other charges-----	28	-	-	28	941	-	-	941
Total charges for services-----	2,219,327	93,516	4,451,535	6,764,378	2,759,698	116,856	6,349,667	9,226,221
Lease and rental income-----	113,928	-	154,777	268,705	112,469	-	182,333	294,802
Other-----	2,436,343	30	651	2,437,024	625,632	32	140,648	766,312
Total operating revenues-----	4,769,598	93,546	4,606,963	9,470,107	3,497,799	116,888	6,672,648	10,287,335
OPERATING EXPENSES								
Personal services-----	22,177,687	60,186	375,000	22,612,873	19,066,159	56,867	386,132	19,509,158
Maintenance, operations, and contractual services----	10,527,303	860,640	3,250,814	14,638,757	9,366,187	960,772	3,336,947	13,663,906
Materials and supplies-----	4,628,275	21,831	173,644	4,823,750	3,879,957	45,577	22,987	3,948,521
Depreciation-----	2,949,089	272,959	1,120,478	4,342,526	3,439,147	275,715	1,210,814	4,925,676
Total operating expenses-----	40,282,354	1,215,616	4,919,936	46,417,906	35,751,450	1,338,931	4,956,880	42,047,261
Operating loss-----	(35,512,756)	(1,122,070)	(312,973)	(36,947,799)	(32,253,651)	(1,222,043)	1,715,768	(31,759,926)
NON-OPERATING REVENUES (EXPENSES)								
Non-capital contributions-----	303,614	89,084	-	392,698	371,013	133,260	-	504,273
Grants operating-----	17,007,902	-	-	17,007,902	11,955,184	-	-	11,955,184
Investment income-----	208,602	2,419	368,686	579,707	317,005	5,407	654,142	976,554
Interest on bonds-----	-	-	(420,789)	(420,789)	-	-	(831,122)	(831,122)
Bond issue costs-----	-	-	(197,577)	(197,577)	-	-	-	-
Oil and gas royalties-----	846	-	-	846	154	-	-	154
Payments from Oklahoma City								
Riverfront Redevelopment Authority-----	-	25,000	-	25,000	-	25,000	-	25,000
Payments from Oklahoma City								
Economic Development Trust-----	-	-	1,250,000	1,250,000	-	-	-	-
Payments from City of Oklahoma City-----	20,343,643	753,622	215,000	21,312,265	21,111,472	750,302	220,375	22,082,149
Payments to City of Oklahoma City-----	(15,863)	-	-	(15,863)	-	-	-	-
Other revenues (expenses)-----	(1,092,116)	-	(1,748,942)	(2,841,058)	(1,085,863)	-	77,780	(1,008,083)
Net non-operating revenues (expenses)-----	36,756,628	870,125	(533,622)	37,093,131	32,668,965	913,969	121,175	33,704,109
Income before contributions and special item-----	1,243,872	(251,945)	(846,595)	145,332	415,314	(308,074)	1,836,943	1,944,183
CONTRIBUTIONS								
Other capital contributions-----	-	-	-	-	-	-	250,000	250,000
Transfers to other funds-----	(608,372)	608,372	-	-	(239,138)	239,138	-	-
Total contributions-----	(608,372)	608,372	-	-	(239,138)	239,138	250,000	250,000
SPECIAL ITEM								
Special item-----	-	-	-	-	-	-	12,089,230	12,089,230
Changes in net position-----	635,500	356,427	(846,595)	145,332	176,176	(68,936)	14,176,173	14,283,413
Total net position, beginning-----	37,544,967	3,647,751	57,379,073	98,571,791	37,368,791	3,716,687	43,202,900	84,288,378
Total net position, ending-----	\$38,180,467	\$4,004,178	\$56,532,478	\$98,717,123	\$37,544,967	\$3,647,751	\$57,379,073	\$98,571,791

STATEMENT OF CASH FLOWS
For the Years Ended June 30,

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

	2020				2019			
	Transportation	River Cruises	Parking	Total	Transportation	River Cruises	Parking	Total
				Authority				Authority
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Cash received from customers-----	\$4,484,615	\$84,152	\$4,547,775	\$9,116,542	\$3,439,317	\$118,827	\$6,631,686	\$10,189,830
Cash payments to suppliers for goods and services-----	(12,505,929)	(871,329)	(4,186,334)	(17,563,592)	(10,293,218)	(1,007,204)	(2,277,052)	(13,577,474)
Cash payments to employees and professional contractors for services--	(19,216,285)	(60,186)	-	(19,276,471)	(16,115,236)	(56,867)	-	(16,172,103)
Cash payments for internal services-----	(2,904,310)	(100)	(370,426)	(3,274,836)	(2,565,079)	(36)	(153,409)	(2,718,524)
Cash payments from City of Oklahoma City for operations-----	(619,045)	-	-	(619,045)	-	-	-	-
Cash payments within the Department/Authority for operations-----	(618,461)	618,461	-	-	(156,859)	160,449	(3,590)	-
Cost reimbursements-----	(3,132,400)	-	(430,940)	(3,563,340)	(2,706,986)	-	(405,347)	(3,112,333)
Other operating cash receipts-----	-	-	250,000	250,000	113,677	-	-	113,677
Net cash provided (used) by operating activities-----	(\$34,511,815)	(229,002)	(\$189,925)	(34,930,742)	(28,284,384)	(784,831)	3,792,288	(25,276,927)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>								
Cash received from operating grants-----	17,428,434	-	-	17,428,434	9,226,692	-	-	9,226,692
Non-capital financing payments from component units-----	-	25,000	1,250,000	1,275,000	-	25,000	-	25,000
Non-capital financing payments from City of Oklahoma City-----	19,684,045	753,622	215,000	20,652,667	21,111,472	750,302	440,375	22,302,149
Net cash provided (used) by non-capital financing activities-----	37,112,479	778,622	1,465,000	39,356,101	30,338,164	775,302	440,375	31,553,841
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>								
Proceeds from issuance of long-term debt-----	-	-	13,805,000	13,805,000	-	-	-	-
Payments for acquisition and construction of capital assets-----	(5,779,857)	(565,259)	(19,848,462)	(26,193,578)	(251,859)	(86,663)	(1,693,830)	(2,032,352)
Principal paid on long-term debt-----	-	-	(650,000)	(650,000)	-	-	(635,000)	(635,000)
Interest paid on long-term debt-----	-	-	(704,509)	(704,509)	-	-	(837,281)	(837,281)
Payments to defease bonds-----	-	-	(20,237,772)	(20,237,772)	-	-	-	-
Proceeds from sale of assets-----	-	-	-	-	7,509	-	19,674,664	19,682,173
Net cash provided (used) by capital and related financing activities	(5,779,857)	(565,259)	(27,635,743)	(33,980,859)	(244,350)	(86,663)	16,508,553	16,177,540
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Purchase of investments-----	(45,391,135)	(973,385)	(82,690,716)	(129,055,236)	(53,715,906)	(1,119,394)	(150,735,496)	(205,570,796)
Proceeds from sale of investments-----	52,730,620	1,096,910	111,221,624	165,049,154	53,774,452	1,243,525	132,028,837	187,046,814
Investment income received-----	286,652	3,129	441,258	731,039	253,375	5,588	599,430	858,393
Receipts from oil and gas royalties-----	-	-	-	-	154	-	-	154
Net cash provided (used) by investing activities-----	7,626,137	126,654	28,972,166	36,724,957	312,075	129,719	(18,107,229)	(17,665,435)
Net increase (decrease) in cash-----	4,446,944	111,015	2,611,498	7,169,457	2,121,505	33,527	2,633,987	4,789,019
Cash, beginning-----	4,732,329	162,251	4,936,126	9,830,706	2,610,824	128,724	2,302,139	5,041,687
Cash, ending-----	\$9,179,273	\$273,266	\$7,547,624	\$17,000,163	\$4,732,329	\$162,251	\$4,936,126	\$9,830,706

STATEMENT OF CASH FLOWS
For the Years Ended June 30,

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	2020				2019			
	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)-----	(\$35,512,756)	(\$1,122,070)	(\$312,973)	(\$36,947,799)	(\$32,253,651)	(\$1,222,043)	\$1,715,768	(\$31,759,926)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO								
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Depreciation-----	2,949,089	272,959	1,120,478	4,342,526	3,439,147	275,715	1,210,814	4,925,676
Other revenue (expense)-----	39,697	-	-	39,697	113,673	-	-	113,673
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable-----	(155,667)	-	183,651	27,984	(56,763)	-	1,169	(55,594)
(Increase) decrease in payments/transfers from (to)								
within the Department-----	-	608,372	-	608,372	-	239,138	-	239,138
(Increase) decrease in due from other funds-----	(47,447)	10,090	37,357	-	(156,859)	(78,690)	(3,590)	(239,139)
(Increase) decrease in receivable from City of Oklahoma City-----	22,632	-	-	22,632	22,632	-	-	22,632
(Increase) decrease in inventories-----	(793,490)	(405)	-	(793,895)	(545,537)	(2,436)	-	(547,973)
(Increase) decrease in prepaid assets-----	42,867	-	-	42,867	(28,805)	-	-	(28,805)
(Increase) decrease in other assets-----	(190,000)	-	-	(190,000)	(20,000)	-	-	(20,000)
(Increase) decrease in deferred outflows-----	87,756	-	-	87,756	127,526	-	-	127,526
Increase (decrease) in accounts payable and accrued expenses-----	(586,770)	11,291	(1,232,650)	(1,808,129)	871,374	669	914,472	1,786,515
Increase (decrease) in wages and benefits payable-----	227,841	-	-	227,841	71,486	-	-	71,486
Increase (decrease) in due to other funds-----	(608,372)	-	-	(608,372)	-	-	-	-
Increase (decrease) in payable to City of Oklahoma City-----	333,989	(663)	16,768	350,094	231,537	675	(3,083)	229,129
Increase (decrease) in compensated absences-----	124,876	-	-	124,876	21,332	-	-	21,332
Increase (decrease) in net pension liability-----	(455,890)	-	-	(455,890)	118,096	-	-	118,096
Increase (decrease) in net other post-employment benefit liability----	(235,079)	-	-	(235,079)	(39,241)	-	-	(39,241)
Increase (decrease) in unearned revenue-----	(9,946)	(8,576)	(2,556)	(21,078)	9,946	2,141	(43,262)	(31,175)
Increase (decrease) in deferred inflows-----	254,855	-	-	254,855	(210,277)	-	-	(210,277)
Total adjustments-----	1,000,941	893,068	123,048	2,017,057	3,969,267	437,212	2,076,520	6,482,999
Net cash provided (used) by operating activities-----	(\$34,511,815)	(\$229,002)	(\$189,925)	(\$34,930,742)	(\$28,284,384)	(\$784,831)	\$3,792,288	(\$25,276,927)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Net increase (decrease) in fair value of investments-----	(\$82,016)	(\$708)	(\$77,580)	(\$160,304)	\$54,151	(\$184)	\$ -	\$53,967
Total non-cash investing, capital, and financing activities	(\$82,016)	(\$708)	(\$77,580)	(\$160,304)	\$54,151	(\$184)	\$ -	\$53,967

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

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>RECEIVABLES</u>		
Interest and dividends-----	\$7,919	\$151
Employer-----	21,189	13,863
Plan members-----	16,289	10,820
Other receivables-----	-	970
Total receivables-----	<u>45,397</u>	<u>25,804</u>
<u>INVESTMENTS, AT FAIR VALUE</u>		
Domestic common stock-----	8,555,833	6,200,281
Passive domestic stock funds-----	-	2,086,041
Passive bond fund-----	2,739,601	2,544,757
International stock-----	1,988,479	2,107,376
Treasury money market fund-----	555,564	453,322
Real estate-----	238,833	256,620
Total investments-----	<u>14,078,310</u>	<u>13,648,397</u>
Total assets -----	<u>14,123,707</u>	<u>13,674,201</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses-----	13,494	6,550
Total liabilities -----	<u>13,494</u>	<u>6,550</u>
Restricted for pension benefits -----	<u>\$14,110,213</u>	<u>\$13,667,651</u>

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

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	<u>2020</u>	<u>2019</u>
<u>ADDITIONS</u>		
<u>CONTRIBUTIONS</u>		
Employer-----	\$690,445	\$583,645
Plan members-----	542,599	465,061
Total contributions-----	<u>1,233,044</u>	<u>1,048,706</u>
<u>INVESTMENT INCOME</u>		
Net appreciation in fair value of investments-----	125,808	572,642
Interest-----	1,638	2,237
Dividends-----	296,152	260,871
	<u>423,598</u>	<u>835,750</u>
Less: investment expense-----	(69,075)	(52,637)
Net investment income-----	<u>354,523</u>	<u>783,113</u>
Total additions-----	<u>1,587,567</u>	<u>1,831,819</u>
<u>DEDUCTIONS</u>		
Benefits paid-----	1,061,742	1,017,592
Refunds of contributions-----	53,830	207,588
Administrative expenses-----	29,433	45,386
Total deductions-----	<u>1,145,005</u>	<u>1,270,566</u>
Increase in net position-----	442,562	561,253
<u>NET POSITION RESTRICTED FOR PENSION</u>		
Beginning of year-----	13,667,651	13,106,398
End of year-----	<u>\$14,110,213</u>	<u>\$13,667,651</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 2020 and 2019.

I. B. BASIS OF PRESENTATION

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

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

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

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

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

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

Related Parties

Oklahoma City Riverfront Redevelopment Authority (OCRRA)

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

Oklahoma City Post-Employment Benefit Trust (OCPEBT)

OCPEBT provides post-retirement health benefits for Authority retirees.

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. 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, City Finance Director, City Treasurer, President of the Amalgamated Transit Union - Local 993 (Union), one current Authority retiree, and two plan participants appointed by the President of the Union and approved by the Board, and one independent party mutually agreed to by the Authority's Administrator and the President of the Union and approved by the Board. COTPA Retirement is a discretely presented fiduciary component unit.

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

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

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

Generally Accepted Accounting Principles (U.S. GAAP)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

COTPA Retirement

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

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

I. C. BUDGET LAW AND PRACTICE

Budget Approval

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

Basis of Budgeting

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

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

I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In May of 2020, the Governmental Accounting Standards Board (GASB) issued statement number 95, Postponement of the Effective Dates of Certain Authoritative Guidance, effective immediately to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Certain Statements that first became effective after June 15, 2018 and later have been postponed by one year up to 18 months depending upon the pronouncement. The Authority has elected to postpone implementation of GASB statement number 84 Fiduciary Activities and GASB statement number 90 Majority Equity Interests to fiscal year 2021.

I. D. 2. CASH AND INVESTMENTS

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

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

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

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

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

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

Level 3 - Significant unobservable prices or inputs.

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

I. D. 3. INVENTORIES AND PREPAIDS

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

I. D. 4. INTERGOVERNMENTAL RECEIVABLES

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

I. D. 5. RESTRICTED ASSETS

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

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

I. D. 6. INTERFUND BALANCES

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

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

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

I. D. 7. CAPITALIZED INTEREST

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

I. D. 8. CAPITAL ASSETS AND DEPRECIATION

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

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

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

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

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

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

I. D. 11. COMPENSATED ABSENCES

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

I. D. 12. RISK MANAGEMENT

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

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the Authority's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the operations. However, if the pandemic continues to evolve it is likely to have a negative impact on operating revenues from customers.

I. D. 13. USE OF ESTIMATES

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

I. D. 14. FUND EQUITY

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

Net Investment in Capital Assets

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

Restricted Net Position

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

I. E. TAX STATUS

Authority

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

COTPA Retirement

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

I. F. RETAINAGES

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

II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

II. A. DEPOSITS AND INVESTMENTS

Deposits

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

At June 30, 2020 and 2019, the Authority's cash is collateralized with securities held by the pledging financial institution in the name of the Authority, less Federal depository insurance.

Investments

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

2020								
	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>Authority</u>								
Money								
market (4)(5)	\$615,150	\$615,150	\$615,150	\$ -	\$ -	\$ -	AAA/Aaa	0.57
U.S.								
treasury bill	<u>11,981,447</u>	<u>12,026,674</u>	-	<u>12,026,674</u>	-	-	N/A	2.23
Total								
authority								
investments	<u>\$12,596,597</u>	<u>\$12,641,824</u>	<u>\$615,150</u>	<u>\$12,026,674</u>	<u>\$-</u>	<u>\$-</u>		
<u>COTPA Retirement</u>								
Mutual funds (6)								
Equity	\$10,199,714	\$10,544,312	\$10,544,312	\$ -	\$ -	\$ -	N/A	N/A
Bond	2,599,383	2,739,601	2,739,601	-	-	-	A	77.29
Real estate								
investment								
trust	260,027	238,833	238,833	-	-	-	N/A	N/A
Money								
market (4)(5)	<u>555,564</u>	<u>555,564</u>	<u>555,564</u>	-	-	-	AAA	94.92
Total fiduciary								
investments	<u>\$13,614,688</u>	<u>\$14,078,310</u>	<u>\$14,078,310</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>		

2019								
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average/ Effective Duration (months) (3)
<u>Authority</u>								
Money								
market (4)(5)	\$1,159,268	\$1,159,268	\$1,159,268	\$ -	\$ -	\$ -	AAA/Aaa	0.27
U.S.								
treasury bill	<u>47,431,246</u>	<u>47,636,778</u>	-	<u>47,636,778</u>	-	-	N/A	4.87
Total								
authority								
investments	<u>\$48,590,514</u>	<u>\$48,796,046</u>	<u>\$1,159,268</u>	<u>\$47,636,778</u>	<u>\$-</u>	<u>\$-</u>		

(continued)

Investments (continued)

	2019							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average/ Effective Duration (months) (3)
<u>COTPA Retirement</u>								
Mutual funds (6)								
Equity	\$8,583,231	\$10,393,698	\$10,393,698	\$ -	\$ -	\$ -	N/A	1.08
Bond	2,514,731	2,544,757	2,544,757	-	-	-	A	77.60
Real estate investment trust	250,801	256,620	256,620	-	-	-	N/A	N/A
Money market (4)(5)	<u>453,322</u>	<u>453,322</u>	<u>453,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA	76.80
Total fiduciary investments	<u>\$11,802,085</u>	<u>\$13,648,397</u>	<u>\$13,648,397</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 \$1,988,479 and \$2,107,376 invested in international mutual funds at June 30, 2020 and 2019, 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, 2020 and 2019.

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

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

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

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

Investment Policies

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

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

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

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

Portfolio Structure (1)

Investment Type Limitations		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		
City judgments	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

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
Domestic equities	30%	40%	50%	45%	44%
International	10	15	20	14	15
Alternatives	0	15	25	13	15
Fixed income	10	25	40	24	23
Cash Equivalents	0	5	10	4	3

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

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

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

Securities Held by Others

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

COTPA Retirement held \$10,544,312 and \$10,393,698 in common stock or stock funds at June 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Bond principal and interest accounts	\$461,043	\$1,065,561
Construction account	7,252	-
Bond reserve account	-	1,483,390
	<u>\$468,295</u>	<u>\$2,548,951</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>2020</u>		
	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>
Accounts receivable	\$710,879	\$155,320	\$866,199
Less: Allowance for uncollectible accounts	(21,032)	(9,498)	(30,530)
Net accounts receivable	<u>\$689,847</u>	<u>\$145,822</u>	<u>\$835,669</u>
Affect on revenues for change in uncollectible	<u>\$31,148</u>	<u>(\$9,118)</u>	<u>\$22,030</u>

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

II. C. INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables of \$1,550,957 in 2020 and \$3,061,316 in 2019 was due from the Federal government for grants. Intergovernmental receivables of \$3,390 in 2020 and \$4,188 in 2019 was due from the Oklahoma Department of Transportation for match provided for transportation projects.

II. D. INVENTORIES

	<u>2020</u>	<u>2019</u>
Diesel fuel, gasoline and oil	\$41,302	\$87,349
Vehicle parts and supplies	2,234,977	1,395,035
	<u>\$2,276,279</u>	<u>\$1,482,384</u>

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

II. E. PREPAIDS

	<u>2020</u>	<u>2019</u>
Memberships and dues	\$3,760	\$3,771
Software licenses and support	11,440	35,575
Insurance	-	33,428
Other	<u>15,910</u>	<u>1,203</u>
	<u>\$31,110</u>	<u>\$73,977</u>

II. F. OTHER ASSETS

	<u>2020</u>	<u>2019</u>
Insurance security deposit	<u>\$275,000</u>	<u>\$85,000</u>

II. G. CAPITAL ASSETS

Changes in Capital Assets

	<u>2020</u>					
	<u>Land and Art</u>	<u>Construction In Progress</u>				<u>Total Non-depreciable</u>
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>						
Balance, June 30, 2019	\$5,084,022	\$2,035,716				\$7,119,738
Increases	-	20,870,924				20,870,924
Transfers	-	<u>2,372,013</u>				<u>2,372,013</u>
Total capital assets, not depreciated	<u>\$5,084,022</u>	<u>\$25,278,653</u>				<u>\$30,362,675</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>Total Depreciable</u>
<u>CAPITAL ASSETS, DEPRECIATED</u>						
Balance, June 30, 2019	\$16,998,977	\$7,587,780	\$17,392,759	\$48,965,902	\$15,631,239	\$106,576,657
Increases	-	1,243,891	-	908,301	3,231,955	5,384,147
Decreases	-	(366,662)	(271,099)	-	-	(637,761)
Transfers	-	<u>317,097</u>	-	<u>(2,689,110)</u>	-	<u>(2,372,013)</u>
Balance, June 30, 2020	<u>16,998,977</u>	<u>8,782,106</u>	<u>17,121,660</u>	<u>47,185,093</u>	<u>18,863,194</u>	<u>108,951,030</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2019	6,974,284	4,216,304	11,068,773	12,075,303	7,781,913	42,116,577
Increases	75,459	433,430	1,202,926	925,726	1,704,985	4,342,526
Decreases	-	(366,662)	(167,556)	-	-	(534,218)
Balance, June 30, 2020	<u>7,049,743</u>	<u>4,283,072</u>	<u>12,104,143</u>	<u>13,001,029</u>	<u>9,486,898</u>	<u>45,924,885</u>
Total capital assets, depreciated	<u>\$9,949,234</u>	<u>\$4,499,034</u>	<u>\$5,017,517</u>	<u>\$34,184,064</u>	<u>\$9,376,296</u>	<u>\$63,026,145</u>
Total capital assets, net						<u>\$93,388,820</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY

Capital Assets (continued)

	2019								
	Land and Art	Construction In Progress	Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Non-depreciable	Total Depreciable
CAPITAL ASSETS, NOT DEPRECIATED									
Balance, June 30, 2018	\$5,850,022	\$3,263,543						\$9,113,565	
Increases	-	1,948,280						1,948,280	
Decreases	(766,000)	(200,627)						(966,627)	
Transfers	-	(2,975,480)						(2,975,480)	
Total capital assets, not depreciated	\$5,084,022	\$2,035,716						\$7,119,738	
CAPITAL ASSETS, DEPRECIATED									
Balance, June 30, 2018	\$15,612,498	\$14,589,924	\$20,670,655	\$55,244,087	\$15,003,475			\$121,120,639	
Increases	373	-	-	1,809,136	1,365,231			3,174,740	
Decreases	-	(7,071,842)	(3,277,896)	(9,606,997)	(737,467)			(20,694,202)	
Transfers	1,386,106	69,698	-	1,519,676	-			2,975,480	
Balance, June 30, 2019	16,998,977	7,587,780	17,392,759	48,965,902	15,631,239			106,576,657	
ACCUMULATED DEPRECIATION									
Balance, June 30, 2018	6,234,669	7,279,724	12,074,982	18,007,169	7,095,927			50,692,471	
Increases	739,615	429,730	1,630,306	999,525	1,126,500			4,925,676	
Decreases	-	(3,493,150)	(2,636,515)	(6,931,391)	(440,514)			(13,501,570)	
Balance, June 30, 2019	6,974,284	4,216,304	11,068,773	12,075,303	7,781,913			42,116,577	
Total capital assets, depreciated	\$10,024,693	\$3,371,476	\$6,323,986	\$36,890,599	\$7,849,326			\$64,460,080	
Total capital assets, net								\$71,579,818	

Depreciation Expense

	2020	2019
Transportation	\$2,949,089	\$3,439,147
River Cruises	272,959	275,715
Parking	1,120,478	1,210,814
	\$4,342,526	\$4,925,676

Capitalized Interest

	2020	
	Total Interest Costs Incurred	Capitalized Interest
Convention Center Garage	\$469,658	\$48,869

III. LIABILITIES

III. A. UNEARNED REVENUE

	2020	2019
CURRENT		
Transportation	\$ -	\$9,946
River	77,778	141,471
Parking	16,406	18,962
	<u>94,184</u>	<u>170,379</u>

(continued)

Unearned Revenue (continued)

<u>NON-CURRENT (1)</u>	<u>2020</u>	<u>2019</u>
River	<u>266,508</u>	<u>300,475</u>
	<u>\$360,692</u>	<u>\$470,854</u>

- (1) In July and August 2007, the Authority and OCRRA, respectively, entered into an agreement with Devon Energy Corporation (Devon) for \$2 million for the exclusive naming rights of three riverboats with an initial term of 15 years (commencing October 1, 2007) for \$133,000 per year. The payment amount was received from Devon by OCRRA in a lump sum and transferred to the Authority to finance needed system acquisitions. Devon unearned revenue at June 30, 2020 and 2019, is \$344,286 and \$433,370 including \$266,508 and \$300,475 reported as non-current unearned revenue, respectively.

III. B. COMPENSATED ABSENCES

Compensated absences balances changed from 2019 to 2020 by accruals of \$624,366 and usages of \$499,490 compared to changes in accruals of \$471,612 and usages of \$450,280 from 2018 to 2019.

III. C. REVENUE BONDS

Parking Revenue Bonds

On June 20, 2013, the Authority issued \$22,000,000 in Series 2013 Parking Revenue Bonds with an average interest rate (coupon) rate of 4.5%. The proceeds of \$22,000,000 from the bonds, less \$264,139 in issuance costs, were used to finance construction of a new parking garage in downtown Oklahoma City, known as the Arts District Parking Garage. The Series 2013 Parking Revenue Bonds were defeased in September 2019 with the proceeds from the 2018 sale of the Santa Fe Parking Garage and certain funds held under the Refunded Indenture. This resulted in a net loss on refunding of \$1,748,942 reported in other non-operating expense.

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 \$197,557 in issuance costs, are being 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, 2020 and 2019, are \$13,805,000 and \$18,935,000, respectively.

Bonded Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$410,000	\$373,433	\$783,433
2022	415,000	366,626	781,626
2023	425,000	359,491	784,491
2024	430,000	351,973	781,973
2025	440,000	344,055	784,055
2026-2030	2,350,000	1,575,623	3,925,623
2031-2035	2,650,000	1,271,126	3,921,126
2036-2040	3,075,000	843,555	3,918,555
2041-2045	<u>3,610,000</u>	<u>305,579</u>	<u>3,915,579</u>
	<u>\$13,805,000</u>	<u>\$5,791,461</u>	<u>\$19,596,461</u>

Revenue Bonds Outstanding

	<u>Amount</u>	<u>Interest</u>	<u>Issue</u>	<u>Principal</u>	<u>2020</u>	<u>2019</u>
	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Principal</u>
					<u>Balance</u>	<u>Balance</u>
Series 2013 Parking Revenue Bonds	\$22,000,000	0.71-4.97	6/20/2013	7/1/2038	\$ -	\$18,935,000
Series 2019 Parking Revenue Bonds	13,805,000	1.6-3.3	10/8/2019	9/1/2044	13,805,000	-

Bond Coverage

Gross revenue, including non-operating investment income	<u>2020</u>	<u>2019</u>
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	\$6,440,649	\$7,874,945
Net revenue available for debt service	<u>3,799,458</u>	<u>3,746,066</u>
	<u>\$2,641,191</u>	<u>\$4,128,879</u>
Principal amounts	\$460,000	\$650,000
Interest amounts	<u>325,955</u>	<u>823,221</u>
Total debt service requirements	<u>\$785,955</u>	<u>\$1,473,221</u>
Revenue bond coverage	<u>3.36</u>	<u>2.80</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 1.25 of maximum annual bond service for all bonds outstanding.

III. D. SEGMENT INFORMATION AND PLEDGED REVENUES

The Authority issued revenue bonds to support its parking garages. The financial statements report revenue-supported debt. The Authority recognized \$4,451,535 and \$6,349,667 in parking revenues in 2020 and 2019, respectively.

III. E. CHANGES IN LONG-TERM LIABILITIES

	2020					
	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020	Due Within One Year	Due After One Year
<u>COMPENSATED ABSENCES</u>						
Transportation	\$494,972	\$624,366	\$499,490	\$619,848	\$257,307	\$362,541
<u>REVENUE BONDS</u>						
Parking	18,935,000	13,805,000	18,935,000	13,805,000	410,000	13,395,000
<u>NET PENSION LIABILITY</u>						
Transportation	4,199,611	1,357,166	1,813,056	3,743,721	-	3,743,721
<u>NET OPEB LIABILITY</u>						
Transportation	1,453,807	327,436	562,515	1,218,728	-	1,218,728
Total	<u>\$25,083,390</u>	<u>\$16,113,968</u>	<u>\$21,810,061</u>	<u>\$19,387,297</u>	<u>\$667,307</u>	<u>\$18,719,990</u>

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

III. F. GUARANTEED DEBT

The City has executed an agreement of support which guarantees the City will fund debt service and bond reserve requirements for the Authority Series 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 2020 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>\$783,433</u>	<u>\$13,805,000</u>

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2021, and covered under the guarantee effective July 1, 2020. It is anticipated that the guarantees will be renewed annually.

IV. NET POSITION

Net Investment in Capital Assets

	<u>2020</u>	<u>2019</u>
Capital assets, net	\$93,388,820	\$71,579,818
Retainages and capital related accounts payable	(3,354,937)	(3,293,444)
Bonds payable, net	(13,805,000)	(18,935,000)
Bond accounts funded with bond proceeds	7,252	-
Bond issuance costs paid with bond proceeds	<u>197,577</u>	<u>264,139</u>
	<u>\$76,433,712</u>	<u>\$49,615,513</u>

Restricted for Capital Projects

	<u>2020</u>	<u>2019</u>
Bond construction account	\$7,252	\$ -
Bond construction account funded with bond proceeds	<u>(7,252)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

Restricted for Debt Service

	<u>2020</u>	<u>2019</u>
Bond principal and interest accounts	\$461,043	\$1,065,561
Bond reserve	-	1,483,390
Interest receivable on debt service accounts	-	1,688
Current bond interest payable	<u>(125,588)</u>	<u>(415,561)</u>
	<u>\$335,455</u>	<u>\$2,135,078</u>

Unrestricted

	<u>2020</u>	<u>2019</u>
Unrestricted	<u>\$21,947,956</u>	<u>\$46,821,200</u>

V. REVENUES AND EXPENSES

V. A. LEASE REVENUES

The Parking Fund leases retail space at the Arts District Parking Garage to various establishments. Most of these leases are at least two years with multi-year renewal options. In December, 2018, the Santa Fe Parking Garage was sold to Continental Resources and BancFirst. At June 30, 2020, 13,597 square feet of garage retail space was leased. In addition, the Transportation Fund leased out approximately 4,000 square feet of retail space at the Santa Fe Depot.

Minimum Rentals on Non-Cancelable Leases

2021	\$260,035
2022	211,162
2023	171,461
2024	185,745
2025	110,936
2026-2030	<u>93,332</u>
	<u>\$1,032,671</u>
Rental income	<u>\$268,705</u>

V. B. LEASE EXPENSES

On April 4, 2019, the Authority entered into a one-year lease and operations agreement with the City for the Streetcar System (System) including the Streetcar Storage and Maintenance Facility. As consideration for the City's construction and lease of the System, the Authority agreed to provide all maintenance and operations of the System and retains all revenues generated. On April 3, 2020, the Authority extended the lease one additional year through March 31, 2021.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Internal Balances

Internal balances in 2020 consist of Transportation Fund receivables from the Parking Fund for transient revenues. Internal balances in 2020 and 2019 consist of grant receivables in the River Cruises Fund from the Transportation Fund.

	2020				2019			
	Transportation	River Cruises	Parking	Total	Transportation	River Cruises	Parking	Total
Transportation Fund	\$ -	\$79,599	(\$33,767)	\$45,832	\$ -	\$89,689	\$3,590	\$93,279
River Cruises Fund	(79,599)	-	-	(79,599)	(89,689)	-	-	(89,689)
Parking Fund	<u>33,767</u>	<u>-</u>	<u>-</u>	<u>33,767</u>	<u>(3,590)</u>	<u>-</u>	<u>-</u>	<u>(3,590)</u>
	<u>(\$45,832)</u>	<u>\$79,599</u>	<u>(\$33,767)</u>	<u>\$-</u>	<u>(\$93,279)</u>	<u>\$89,689</u>	<u>\$3,590</u>	<u>\$-</u>

Receivable from / Payable to the City

	Purpose	2020		
		Transportation	River Cruises	Parking
RECEIVABLE FROM				
City General Fund	Operating subsidy	\$620,096	\$ -	\$ -
City MAPS3 Sales Tax Fund	Streetcar subsidy	30,261	-	-
City Municipal Facilities Authority Services Fund	Prefunded radio system	254,607	-	-
City Grant Management Fund	Grant match	<u>9,240</u>	<u>-</u>	<u>-</u>
		<u>\$914,204</u>	<u>\$-</u>	<u>\$-</u>
PAYABLE TO				
City General Fund	Purchasing card and payroll reimbursements	\$219,756	\$21	\$4,637
City Stormwater Drainage Fund	Grant reimbursement	242,693	-	-
City Transportation Fund	Cost reimbursement	3,316,862	-	-
City Parking Fund	Cost reimbursement	-	-	450,427
City Print Shop Fund	Postage and copy services	355	-	10
City Fleet Services Fund	Fuel chargeback	4,157	-	-
City Grant Management Fund	Grant match	<u>15,863</u>	<u>-</u>	<u>-</u>
		<u>\$3,799,686</u>	<u>\$21</u>	<u>\$455,074</u>

(continued)

Receivable from / Payable to the City (continued)

	Purpose	2019		
		Transportation	River Cruises	Parking
RECEIVABLE FROM				
City Municipal Facilities Authority Services Fund	Prefunded radio system	<u>\$277,239</u>	<u>\$-</u>	<u>\$-</u>
PAYABLE TO				
City General Fund	Purchasing card and payroll reimbursements	\$161,672	\$676	\$6,923
City General Obligation Bond Fund	Grant reimbursement	34,947	-	-
City Transportation Fund	Cost reimbursement	3,212,083	-	-
City Parking Fund	Cost reimbursement	-	-	423,182
City Print Shop Fund	Postage and copy services	5,273	8	-
City Fleet Services Fund	Fuel chargeback	21,591	-	-
City Municipal Facilities Authority Services Fund	Cell services and software licenses	18,228	-	-
Oklahoma City Public Property Authority General Purpose Fund	Thunder parking lease	<u>-</u>	<u>-</u>	<u>14,895</u>
		<u>\$3,453,794</u>	<u>\$684</u>	<u>\$445,000</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	
	2020	2019	2020	2019
Beginning balance	\$3,212,083	\$3,071,220	\$423,182	\$401,791
Personnel services	2,956,246	2,873,640	375,000	386,132
Other services	284,893	(16,314)	89,878	64,307
Interest income	(3,960)	(9,477)	(6,693)	(13,473)
Other non operating revenue	-	-	-	(10,228)
Reimbursement to the City	<u>(3,132,400)</u>	<u>(2,706,986)</u>	<u>(430,940)</u>	<u>(405,347)</u>
	<u>\$3,316,862</u>	<u>\$3,212,083</u>	<u>\$450,427</u>	<u>\$423,182</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.

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

	City Transportation Fund		City Parking Fund	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Pooled cash	\$1,223	\$2,333	\$990	\$3,531
Investments	95,944	148,572	114,301	313,599
Interest receivable	396	641	450	1,323
Inventories	-	-	128,114	23,882
Prepays	-	-	7,732	6,977
Receivable from the City	-	-	13,983	-
Net pension assets	128,580	312,195	25,136	66,592
Deferred outflows of resources	<u>636,833</u>	<u>455,757</u>	<u>129,612</u>	<u>82,368</u>
Total assets and deferred outflows	<u>862,976</u>	<u>919,498</u>	<u>420,318</u>	<u>498,272</u>

	City Transportation Fund		City Parking Fund	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>				
Accounts payable and accrued expenses	-	-	10,317	24,929
Wages and benefits payable	137,578	132,408	27,031	24,563
Payable to the City	-	-	83	101,588
Compensated absences	436,433	519,533	44,345	42,210
Net OPEB liability	2,509,033	2,398,789	552,836	505,006
Deferred inflows of resources	<u>1,096,794</u>	<u>1,080,851</u>	<u>236,133</u>	<u>223,158</u>
Total liabilities and deferred inflows	<u>4,179,838</u>	<u>4,131,581</u>	<u>870,745</u>	<u>921,454</u>

Cost reimbursement payable to (receivable from) the City	<u>\$3,316,862</u>	<u>\$3,212,083</u>	<u>\$450,427</u>	<u>\$423,182</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.

	2020			2019		
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
Transportation	\$ -	\$608,372	\$ -	\$ -	\$239,138	\$ -
River Cruises	<u>(608,372)</u>	<u>-</u>	<u>-</u>	<u>(239,138)</u>	<u>-</u>	<u>-</u>
	<u>(\$608,372)</u>	<u>\$608,372</u>	<u>\$-</u>	<u>(\$239,138)</u>	<u>\$239,138</u>	<u>\$-</u>

Payments From/To the City and Component Units

		2020			
		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
FROM					
City General Fund	Operating subsidy		\$19,994,225	\$753,622	\$215,000
City MAPS3					
Sales Tax Fund	Streetcar subsidy		349,418	-	-
OCRRA	Marketing costs subsidy		-	25,000	-
OCEDT	Capital improvements		-	-	1,250,000
			<u>\$20,343,643</u>	<u>\$778,622</u>	<u>\$1,465,000</u>

		2020			
		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
TO					
City Grant					
Management Fund	Grant match		<u>15,863</u>	-	-
			<u>\$15,863</u>	<u>\$-</u>	<u>\$-</u>

		2019			
		<u>Purpose</u>	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>
FROM					
City General Fund	Operating subsidy		\$21,111,472	\$750,302	\$220,375
OCRRA	Marketing costs subsidy		-	25,000	-
			<u>\$21,111,472</u>	<u>\$775,302</u>	<u>\$220,375</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 2020 and 2019, the Authority paid \$3,274,986 and \$2,784,535, 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, 2019 and 2018, which was rolled forward to a measurement date of June 30, 2020 and 2019. The information presented in this note as of June 30, 2020 and June 30, 2019 measurement dates will be reported in the financial statements of the Authority as of June 30, 2021 and 2020, respectively. Actuarial valuations are performed annually.

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

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

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

Employees Covered by Benefit Terms

	<u>2020</u>	<u>2019</u>
Active members	198	185
Retirees and beneficiaries currently receiving benefits	88	85
Terminated plan members entitled to but not yet receiving benefits	<u>2</u>	<u>2</u>
	<u>288</u>	<u>272</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. 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>2020</u>	<u>2019</u>
Price Inflation	0.00%	1.50%
Wage Inflation	N/A	N/A
Salary Increases	N/A	N/A
L/T Investment rate of return	7.00%	7.00%
Discount Rate	7.00%	7.00%

The Mortality table changed from the SOA RP-2000 Combined Mortality projected to 2010 (OPERS) Table to the RP-2014 Blue Collar mortality with scale MP-2016 - 2025 with adjusted rates before and after 70 to match the mortality assumption used by the state plan (OPERS).

The actuarial assumptions used were based on an experience study that was issued November 16, 2015, covering from July 1, 2010 to June 30, 2015 plan experience.

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

Long-term Expected Rate of Return and Target Allocations

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

	<u>2020</u>	<u>2019</u>
Cash	1.51%	0.01%
U.S. core fixed income	1.97	0.47
Domestic equities	7.21	5.71
Equities	8.82	7.32
Alternative strategies	3.07	1.57
The long-term expected inflation	0.00	1.50

Money-weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 3.04% for 2020 and 6.54% for 2019. 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, 2020 and 2019, respectively. The Plan holds investments exceeding 5% of the total plan market value in the Federal Institutional High Yield Bond Fund, Met West Total Return Bond Fund, Vanguard Total Bond Market Index, Vanguard Total International Bond Index Fund, and iShares Russell 1000. The Plan held no individual investments (other than U.S. government and U.S. government guaranteed obligations) whose market value exceeds 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for both years. The projection of cash flows used to determine the discount rate assumes that the Plan and members contributions will be made at the current contribution rates specified in the union contract. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

	<u>2020</u>	<u>2019</u>
Total pension liability	(\$18,589,622)	(\$17,402,105)
Fiduciary net position	<u>14,086,229</u>	<u>13,658,384</u>
Net pension asset (liability)	<u>(\$4,503,393)</u>	<u>(\$3,743,721)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 75.77%	 78.49%

Changes in Net Pension Asset/(Liability)

Measurement date June 30,	Total Pension Asset (Liability)		Plan Fiduciary Net Position		Net Pension Asset (Liability)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Beginning balance	(\$17,402,105)	(\$17,286,114)	\$13,658,384	\$13,086,503	(\$3,743,721)	(\$4,199,611)
Service cost	(587,322)	(576,276)	-	-	(587,322)	(576,276)
Interest	(1,220,875)	(1,208,211)	-	-	(1,220,875)	(1,208,211)
Differences between expected and actual experience	58,216	443,316	-	-	58,216	443,316
Changes of assumptions	(553,108)	-	-	-	(553,108)	-
Contributions - employer	-	-	683,119	581,008	683,119	581,008
Contributions - employee	-	-	538,088	462,105	538,088	462,105
Net investment income	-	-	413,762	906,643	413,762	906,643
Differences between projected and actual earnings	-	-	-	(61,223)	-	(61,223)
Benefit payments and refunds	1,115,572	1,225,180	(1,115,572)	(1,225,180)	-	-
Administrative expense	-	-	(91,565)	(91,472)	(91,565)	(91,472)
Other changes	-	-	<u>13</u>	-	<u>13</u>	-
	<u>(\$18,589,622)</u>	<u>(\$17,402,105)</u>	<u>\$14,086,229</u>	<u>\$13,658,384</u>	<u>(\$4,503,393)</u>	<u>(\$3,743,721)</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 \$4,503,393 at June 30, 2020 and has reported a net pension liability of \$3,743,721 at June 30, 2019.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	2020		2019	
	Rate	Authority Net Pension Asset(Liability)	Rate	Authority Net Pension Asset(Liability)
1% decrease	6.00%	(\$6,401,617)	6.00%	(\$5,520,066)
Current single discount rate	7.00	(4,503,393)	7.00	(3,743,721)
1% increase	8.00	(2,886,866)	8.00	(2,228,025)

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, 2018 and 2017, which was rolled forward to a measurement date of June 30, 2019 and 2018. The information presented in this note as of June 30, 2019 and 2018 measurement dates are reported in the financial statements of the Authority as of June 30, 2020 and 2019, respectively.

Pension Expense

The Authority reported \$327,957 and \$533,463 in 2020 and 2019, 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.

	2020		2019	
	Authority Deferred Outflows of Resources	Authority Deferred Inflows of Resources	Authority Deferred Outflows of Resources	Authority Deferred Inflows of Resources
Current year contributions - Employer	\$690,445	\$ -	\$583,645	\$ -
Differences between expected and actual pension plan experience	75,706	(527,316)	149,065	(206,464)
Differences between expected and actual investment earnings	-	(9,256)	135,499	-
Change of Assumptions	-	(698,009)	-	(1,034,136)
	<u>\$766,151</u>	<u>(\$1,234,581)</u>	<u>\$868,209</u>	<u>(\$1,240,600)</u>

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

	<u>2020</u>		<u>2019</u>
2020 (1)	(\$290,718)	2019 (2)	(\$119,996)
2021	(463,225)	2020	(231,460)
2022	(242,028)	2021	(403,967)
2023	(72,665)	2022	(182,770)
2024	(75,941)	2023	(13,405)
Thereafter	<u>(14,298)</u>	Thereafter	<u>(4,438)</u>
	<u>(\$1,158,875)</u>		<u>(\$956,036)</u>

(1) Amounts do not include deferred contributions made in fiscal year 2019.

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

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 46 participants at June 30, 2020, and 50 participants at June 30, 2019. For fiscal years 2020 and 2019, actual contributions by plan participants were \$90,535 and \$119,301, respectively. The Authority contributed \$12,202 and \$15,780 for 2020 and 2019, respectively.

IX. POST EMPLOYMENT BENEFIT PLANS

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

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

Plan Description

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

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

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

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

Benefit Provisions

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

Membership

	<u>2020</u>	<u>2019</u>
Active members	258	212
Retirees and beneficiaries currently receiving benefits	<u>13</u>	<u>12</u>
	<u><u>271</u></u>	<u><u>224</u></u>

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, 2019 and 2018, respectively.

Actuarial Assumptions

Price Inflation	3.00%
Wage Inflation (1)	3.25%
Salary Increases	N/A
L/T Investment rate of return	7.50%
Discount Rate (2)	4.05%
Health care trend rate	
Initial (3)	8.0% (6.00% for Medicare Age)
Ultimate	4.50%

(1) The inflation rate has been updated from 3.75% at June 30, 2018 to 3.25% at June 30, 2019.

(2) The discount rate has been updated from 4.25% at June 30, 2018 to 4.05% at June 30, 2019.

(3) The initial health care trend rate has been updated from 8.5% at June 30, 2018 to 8.0% at June 30, 2019.

Mortality rates were based on the RP-2000 combined Mortality Table fully generational using Scale AA (set forward 7 years for disabled retirees). Projected salary assumptions follow the scale used in the Oklahoma City Employee Retirement System actuarial valuation for COTPA employees.

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

Concentrations

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.05%. 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 2020 through 2027 of projected benefit payments and the 20-year municipal bond rate based on a range of indices from 2.79% - 3.51% was applied to projected benefit payments after 2027 to determine the total OPEB liability. The discount rate increased from 4.25% on June 30, 2018 to 4.05% on June 30, 2019.

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>2020</u>	<u>2019</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 11.66% and 11.25% for 2019 and 2018, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	<u>2020</u>		<u>2019</u>	
	Rate	Authority Net OPEB Liability	Rate	Authority Net OPEB Liability
1% decrease	3.05%	\$1,452,437	3.25%	\$1,695,548
Current single discount rate	4.05%	1,218,728	4.25%	1,453,807
1% increase	5.05%	1,021,102	5.25%	1,249,355

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.

		2020		2019	
		Authority		Authority	
		Net OPEB		Net OPEB	
	Rate	Liability	Rate	Liability	
1% decrease	7.00%	\$1,212,826	7.00%	\$1,445,918	
Current single discount rate	8.00%	1,218,728	8.00%	1,453,807	
1% increase	9.00%	1,225,783	9.00%	1,463,376	

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.

	2020		2019	
	Authority		Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions - Employer	\$130,000	\$ -	\$130,000	\$ -
Differences between expected and actual pension plan experience	368,499	(267,400)	413,721	-
Differences between expected and actual investment earnings	-	(35,340)	-	(11,196)
Changes in Assumptions	<u>59,524</u>	<u>(179,612)</u>	-	<u>(210,282)</u>
	<u>\$558,023</u>	<u>(\$482,352)</u>	<u>\$543,721</u>	<u>(\$221,478)</u>

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

	2020		2019	
2020	(\$37,318)	2019	\$11,145	
2021	(37,316)	2020	11,145	
2022	(34,888)	2021	11,147	
2023	(33,905)	2022	13,575	
2024	(15,441)	2023	14,557	
Thereafter	<u>104,539</u>	Thereafter	<u>130,674</u>	
	<u>(\$54,329)</u>		<u>\$192,243</u>	

OPEB's Plan Fiduciary Net Position

	<u>2020</u>	<u>2019</u>
Total OPEB liability	\$1,863,919	\$1,933,776
Fiduciary net position	<u>(645,191)</u>	<u>(479,969)</u>
Net OPEB liability	<u>\$1,218,728</u>	<u>\$1,453,807</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 34.61%	 24.82%

Authority OPEB Expense

The Authority reported \$141,493 and \$176,286 OPEB expense which includes costs related to employee participation in OPEB at June 30, 2020 and 2019, 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, 2021 and 2020.

	<u>2020</u>		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Asset (Liability)</u>
Beginning balance	\$1,933,776	\$479,969	\$1,453,807
Service cost	130,490	-	130,490
Interest	86,936	-	86,936
Differences between expected and actual experience	(320,880)	-	(320,880)
Changes of assumptions	71,429	-	71,429
Contributions - employer	-	130,000	(130,000)
Net investment income	-	73,803	(73,803)
Benefit payments and refunds	(37,832)	(37,832)	-
Administrative expense	-	<u>(749)</u>	<u>749</u>
	<u>\$1,863,919</u>	<u>\$645,191</u>	<u>\$1,218,728</u>

	<u>2019</u>		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Asset (Liability)</u>
Beginning balance	\$1,860,857	\$367,809	\$1,493,048
Service cost	118,039	-	118,039
Interest	73,300	-	73,300
Differences between expected and actual experience	46,202	-	46,202
Changes of assumptions	(115,695)	-	(115,695)
Contributions - employer	-	130,000	(130,000)

(continued)

Authority OPEB Expense (continued)

Net investment income	-	35,305	(35,305)
Benefit payments and refunds	(48,927)	(48,927)	-
Administrative expense	—	(4,218)	4,218
	<u>\$1,933,776</u>	<u>\$479,969</u>	<u>\$1,453,807</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, 2020 and 2019, the remaining amount outstanding under the agreement was \$10.66 million and \$13.5 million, respectively.

Spokies Bike Share Program

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

On December 5, 2014, the Authority approved a contract with Bicycle Transit Systems (BTS) for management of the Spokies Bike Share Program. The contract commenced on January 5, 2015 and provided for a term through December 31, 2017 with two one-year renewal options. Under the contract, BTS receives a \$15,000 per year management fee. On November 2, 2018, the Authority approved a one-year renewal with BTS, extending the contract through December 2019. Effective February 28, 2020, the Authority elected to self-manage the program rather than have an outside management company.

Parking Facilities

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

Oklahoma River Cruises

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

Construction Commitments

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

	<u>2020</u>	<u>2019</u>
	Remaining Commitment	Remaining Commitment
Transportation	\$176,692	\$2,961,777
River Cruises	267,808	-
Parking	4,882,916	707,390
	<u>\$5,327,416</u>	<u>\$3,669,167</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 July 10, 2020, the agreement was renewed through June 30, 2021.

XI. CONTINGENCIES

Federal and State Grants

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

Litigation

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

XII. SPECIAL ITEM

Sale of the Santa Fe Plaza Parking Garage

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

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

Required Supplementary Information

**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)(2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total Pension liability</u>				
Service cost	\$587,322	\$576,276	\$512,593	\$479,799
Interest	1,220,875	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	(58,216)	(443,316)	(90,304)	17,922
Changes of assumptions	553,108			
Benefit payments, including refunds of employee contributions	<u>(1,115,572)</u>	<u>(1,225,180)</u>	<u>(1,224,817)</u>	<u>(1,226,332)</u>
Net change in total pension liability	1,187,517	115,991	772,147	391,362
Pension liability, beginning	<u>17,402,105</u>	<u>17,286,114</u>	<u>16,513,967</u>	<u>16,122,605</u>
Pension liability, ending	<u>18,859,622</u>	<u>17,402,105</u>	<u>17,286,114</u>	<u>16,513,967</u>
Plan Fiduciary Net Position				
Contributions - employer	683,119	581,008	564,947	544,896
Contributions - employee	538,088	462,105	455,784	414,804
Net investment income	413,762	845,420	953,494	1,299,672
Benefit payments, including refunds of employee contributions	(1,115,572)	(1,225,180)	(1,224,817)	(1,226,332)
Administrative expense	(91,565)	(91,472)	(95,357)	(123,068)
Other	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	427,845	571,881	654,051	909,972
Plan fiduciary net position, beginning	<u>13,658,384</u>	<u>13,086,503</u>	<u>12,432,452</u>	<u>11,522,480</u>
Plan fiduciary net position, ending	<u>14,086,229</u>	<u>13,658,384</u>	<u>13,086,503</u>	<u>12,432,452</u>
Net pension (asset) liability, ending	<u>\$4,503,393</u>	<u>\$3,743,721</u>	<u>\$4,199,611</u>	<u>\$4,081,515</u>
Covered payroll	\$12,236,139	\$11,471,055	\$11,130,175	\$9,809,584
Net pension liability as a percentage of covered payroll	36.80%	32.64%	37.73%	41.61%
Plan fiduciary net position as a percentage of total pension liability	75.77%	78.49%	75.71%	75.28%
Valuation date	7/1/2019	7/1/2018	7/1/2017	7/1/2016
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	30 years, closed	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	5-year smoothed market
Investment rate of return	7.00%	7.00%	7.00%	7.00%
Cost of living benefit increases (maximum)	N/A	N/A	N/A	N/A
Inflation	0.00%	0.00%	1.50%	1.50%
Projected salary increases	N/A	N/A	N/A	N/A
Mortality table	RP-2014 Blue Collar Mortality with Scale M-2016 to 2025 with adjusted rates before and after 70.	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.	An experience study was issued November 16, 2015, covering the past five years of plan experience.

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

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

**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)(2)

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**CENTRAL OKLAHOMA TRANSPORTATION
AND PARKING AUTHORITY**

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

FY Ending <u>June 30.</u>	Actuarially Determined Contribution <u>(ADC) (4)</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>
2020	\$399,932	\$683,119	(\$283,187)	\$12,236,139	5.58%
2019	363,057	583,645	(220,588)	11,471,055	5.09
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) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2009, are not available. This information has been developed prospectively beginning in 2009 until eventually 10 years of information is available. Total plan information for years 2010 through 2013 is provided below.

<u>June 30</u>	Covered <u>Payroll</u>	Employer <u>Contributions</u>
2013	\$9,457,557	\$504,166
2012	6,930,000	498,883
2011	7,595,000	465,859

- (2) The contractually required contribution for 2019 is estimated and may change upon receipt of the actuarial report.
- (3) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.
- (4) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.

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

	<u>2020</u>	<u>2019</u>	<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	3.04%	6.54%	7.77%	11.47%	-1.62%	1.99%	17.10%

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2014, are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.
- (2) Fiscal year indicates the year of reporting for the pension plan. Pension related transactions are recognized in the financial statements in the subsequent year.

**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	8.0% (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 using scale AA	RP 2000 combined mortality table fully generational using scale AA	RP 2000 combined mortality table fully generational using scale AA
Experience study	N/A	N/A	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
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
2013	76,259	35,424	40,835	9,458,000	0.37
2012	73,841	30,253	43,588	6,930,000	0.44
2011	71,136	25,591	45,545	7,595,000	0.34

- (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, 2020 and 2019, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 20, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

November 20, 2020
Wichita, Kansas