



Oklahoma City Public Property Authority

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

THE OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY

A Blended Component Unit of
Oklahoma City, Oklahoma

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Annual Financial Report for the Fiscal Year Ended June 30, 2020

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

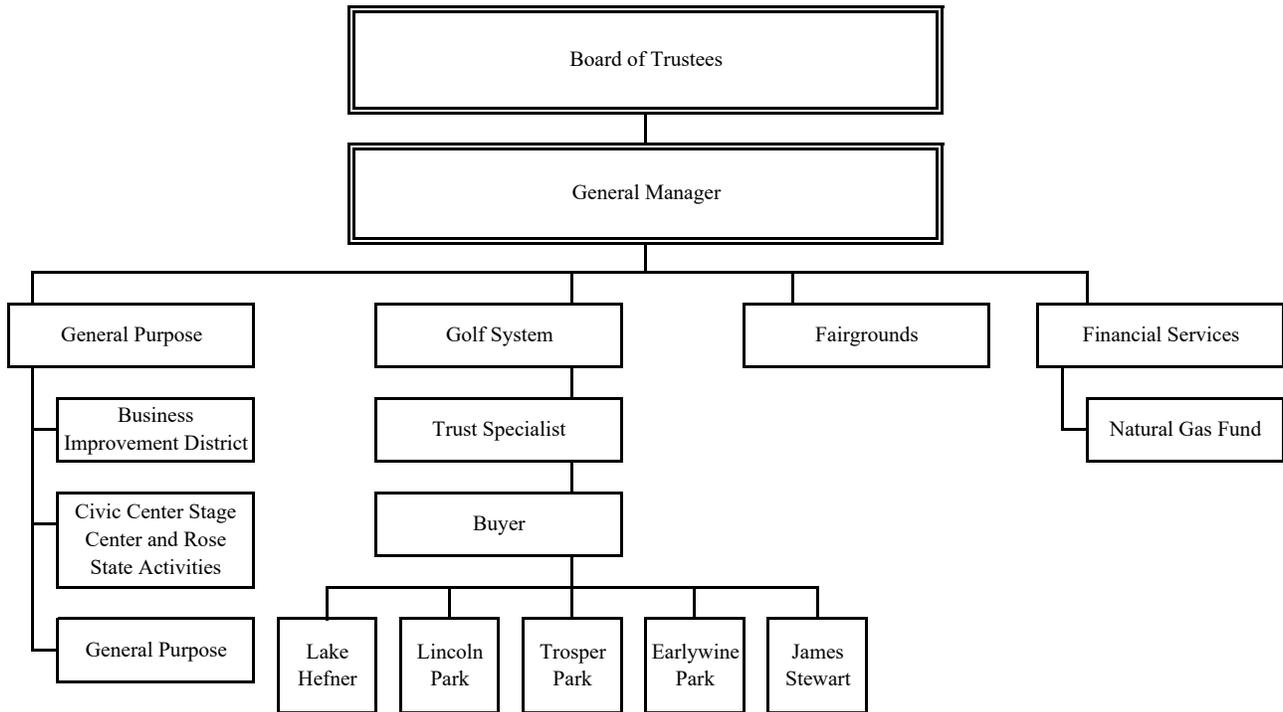
THE OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY

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Oklahoma City Public Property Authority Organization Chart



Introductory Section



The City of **OKLAHOMA CITY**

November 20, 2020

The Board of Trustees
Oklahoma City Public Property Authority

The Oklahoma City Public Property 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. The Oklahoma 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 independent auditor's reports, management's discussion and analysis (MD&A), Authority-wide, fund, and combining 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's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Authority. Only funds within that framework are included. The Authority is a blended component unit of the City of Oklahoma City (City) and, as such, is included within the funds of the City's Comprehensive Annual Financial Report (CAFR).

The Authority, a public trust, was created and exists by trust indenture dated August 15, 1961, pursuant to the provisions of Title 60, Section 176 to 180 of the Oklahoma Statutes 1951, and the Oklahoma Trust Act. The property is held and administered by the Authority for the use and benefit of the City under the terms of the trust indenture. The City's Mayor and Council serve as the Authority's Trustees and the City Manager is the General Manager.

Services and activities of the Authority provided on behalf of the City include financing and operation of five municipal golf courses, the Oklahoma City Fairgrounds, Cox Convention Center, Chesapeake Energy Arena, Civic Center Music Hall, and other City buildings. The Authority uses City hotel/motel tax collections to fund debt service on bonds issued for fairgrounds improvements.

In January 1966 the Golf Commission was created by the Authority to establish plans and recommend policies for the operation, maintenance, and construction of the golf courses and related facilities and activities.

The Authority uses fees collected by the City to provide improvements and special services for property owners in City business improvement districts. Property owners are assessed fees to fund these services. There are currently five business improvement districts in the City including Downtown, Stockyards, Western Avenue, Capitol Hill, and Adventure.

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.

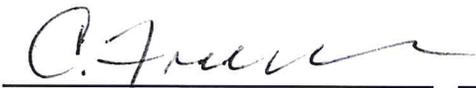
Dr. Russel Evans, Executive Director of the Steven C. Agee Economic Research & Policy Institute of Oklahoma City University, provided his economic forecast to the City Council during the annual budget workshop in February 2020, but that forecast seems like ancient history with all that has transpired 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 sales tax of 5% in FY21.

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 analyses. Additionally, the Authority's management maintains budgetary controls to ensure effective financial oversight.

By City Council resolution, public trusts of which the City is the beneficiary are encouraged to use the independent auditors competitively selected by the City. In compliance with that resolution, 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,



Craig Freeman
City of Oklahoma City,
General Manager



Brent Bryant
City of Oklahoma City,
Finance Director



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

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma City Public Property Authority
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Oklahoma City Public Property Authority (Authority), a blended 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. The financial statements for The Combined Operations of the Cox Convention Center and the Chesapeake Energy Arena, as managed by SMG (Arena), which are reported within the Oklahoma City Public Property Authority's governmental activities and general purpose fund financial statements, were not audited in accordance with *Government Auditing Standards*.

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 governmental activities, 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, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 in 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and 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 combining financial statements and introductory section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section 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 Oklahoma City Public Property 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. Additional information is available in the transmittal letter which precedes this discussion and analysis. The Authority is a blended component unit of the City of Oklahoma City.

Financial Summary

- Authority assets and deferred outflows exceeded liabilities and deferred inflows by \$59,284,555 (net position) for 2020. This compares to 2019 when assets and deferred outflows exceeded liabilities and deferred inflows by \$62,699,289.
- Total assets for the Authority decreased by \$7,042,294 to \$168,582,407 during fiscal year 2020 and decreased by \$10,428,793 to \$175,624,701 during fiscal year 2019.
- Total liabilities for the Authority decreased by \$3,154,069 to \$108,133,755 during fiscal year 2020 and decreased by \$8,901,741 to \$111,287,824 during fiscal year 2019.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$46,713,305 and \$49,535,054 for 2020 and 2019, respectively, include property and equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$6,024,800 and \$5,838,998 for 2020 and 2019, respectively, is restricted for capital projects and debt service.
 - (3) Net position of \$175,701 and \$169,187 for 2020 and 2019, respectively, is restricted for public service.
 - (4) Net position of \$1,889,120 and \$2,033,721 for 2020 and 2019, respectively, is restricted for culture and recreation.
 - (5) Unrestricted net position is \$4,481,629 for 2020 and \$5,122,329 for 2019.
- The Authority's governmental fund reported total ending fund balance of \$11,418,755 in 2020. This compares to the 2019 ending fund balance of \$12,337,744, showing a decrease of \$918,989 during 2020.

Overview of the Financial Statements

This discussion and analysis introduces the Authority's basic financial statements. The basic financial statements include: (1) Authority-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Authority also includes additional information in this report to supplement the basic financial statements.

Authority-wide Financial Statements

The Authority's annual report includes two Authority-wide 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 Authority-wide 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 Authority-wide statement is the statement of activities which reports how the Authority's net position changed during the fiscal years and can be used to assess the Authority's operating results in its entirety and analyze how the Authority's programs are financed. All revenues and expenses are included regardless of when cash is received or paid.

Both Authority-wide financial statements distinguish governmental activities from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities column includes general government functions supporting public services and culture and recreation activities, including economic development reported in the Authority's governmental fund. Business-type activities include golf courses, fairgrounds, and financial services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. All Authority funds are reported as major funds.

Governmental Fund

The governmental fund is reported in the fund financial statements and reports public services and culture and recreation functions as reported in the Authority-wide financial statements. Fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements and the commitment of spendable resources for the near-term.

Since the Authority-wide financial statements focus includes the long-term view, comparisons between the two perspectives may provide useful insights. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Proprietary Funds

Proprietary funds are reported in the fund financial statements and generally report services for which the Authority charges customers a fee. The Authority reports these as enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the Authority-wide financial statements. Services of enterprise funds are provided to customers external to the Authority such as public golf courses.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the Authority-wide financial statements. Individual golf course information which comprises the Golf Courses Fund is found in the combining statements in a later section of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to gain a full understanding of the Authority-wide and fund 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 City's progress in funding its obligation to provide pension and other post-employment benefits to its employees, including employees of the Authority.

Financial Analysis

Governmental activities support public services, parks, and public events, including economic development projects. The Authority contracts with Superior Management Group (SMG), an outside firm, for the management and operation of the Cox Convention Center, the Chesapeake Energy Arena and the Oklahoma City Convention Center. Certain activities related to the downtown canal are other cultural and recreational venues administered through the Authority. The City's business improvement district service contracts are also administered through the Authority. These activities are subsidized by the City.

Business-type activities are primarily comprised of five public golf courses, fairgrounds and central financing services that receive support from the City.

The Authority's net position at June 30, 2020 is \$59,284,555. This is a decrease of \$3,414,734 from the June 30, 2019 net position of \$62,699,289. Overall the Authority's financial position declined during fiscal year 2020.

Summary of Net Position

	Governmental		Business-type		Total		2020 - 2019 % Change	Governmental	Business-type	2018 Total	2019 - 2018 % Change
	Activities		Activities		2018	Activities					
	2020	2019	2020	2019	2020	2019		2018	2018		
Assets											
Current assets	\$27,339,105	\$25,558,332	\$13,187,698	\$14,181,455	\$40,526,803	\$39,739,787	2.0%	\$24,251,788	\$17,889,764	\$42,141,552	(5.7%)
Capital assets, net	76,020,036	79,382,709	50,416,014	54,476,157	126,436,050	133,858,866	(5.5)	83,186,363	58,588,181	141,774,544	(5.6)
Other non-current assets	<u>21,298</u>	<u>92,810</u>	<u>1,598,256</u>	<u>1,933,238</u>	<u>1,619,554</u>	<u>2,026,048</u>	(20.1)	<u>164,128</u>	<u>1,973,270</u>	<u>2,137,398</u>	(5.2)
Total assets	<u>103,380,439</u>	<u>105,033,851</u>	<u>65,201,968</u>	<u>70,590,850</u>	<u>168,582,407</u>	<u>175,624,701</u>	(4.0)	<u>107,602,279</u>	<u>78,451,215</u>	<u>186,053,494</u>	(5.6)
Deferred outflows	—	—	<u>1,081,653</u>	<u>903,684</u>	<u>1,081,653</u>	<u>903,684</u>	19.7	—	<u>702,811</u>	<u>702,811</u>	28.6
Liabilities											
Current liabilities	15,320,636	12,257,932	6,074,206	6,713,392	21,394,842	18,971,324	12.8	10,945,233	7,703,800	18,649,033	1.7
Non-current liabilities	<u>2,765,911</u>	<u>2,968,447</u>	<u>83,973,002</u>	<u>89,348,053</u>	<u>86,738,913</u>	<u>92,316,500</u>	(6.0)	<u>5,746,728</u>	<u>95,793,804</u>	<u>101,540,532</u>	(9.1)
Total liabilities	<u>18,086,547</u>	<u>15,226,379</u>	<u>90,047,208</u>	<u>96,061,445</u>	<u>108,133,755</u>	<u>111,287,824</u>	(2.8)	<u>16,691,961</u>	<u>103,497,604</u>	<u>120,189,565</u>	(7.4)
Deferred inflows	—	—	<u>2,245,750</u>	<u>2,541,272</u>	<u>2,245,750</u>	<u>2,541,272</u>	(11.6)	—	<u>1,147,263</u>	<u>1,147,263</u>	121.5
Net position (deficit)											
Net investment in capital assets	76,020,036	79,088,919	(29,306,731)	(29,553,865)	46,713,305	49,535,054	(5.7)	82,754,268	(25,513,550)	57,240,718	(13.5)
Restricted for:											
Capital projects	2,146,236	2,110,678	-	-	2,146,236	2,110,678	1.7	1,608,715	1,115	1,609,830	31.1
Debt service	-	-	3,878,564	3,728,320	3,878,564	3,728,320	4.0	-	3,570,113	3,570,113	4.4
Public services	175,701	169,187	-	-	175,701	169,187	3.9	268,903	-	268,903	(37.1)
Culture and recreation	1,889,120	2,033,721	-	-	1,889,120	2,033,721	(7.1)	1,825,079	-	1,825,079	11.4
Unrestricted	<u>5,062,799</u>	<u>6,404,967</u>	<u>(581,170)</u>	<u>(1,282,638)</u>	<u>4,481,629</u>	<u>5,122,329</u>	(12.5)	<u>4,453,353</u>	<u>(3,548,519)</u>	<u>904,834</u>	466.1
Total net position (deficit)	<u>\$85,293,892</u>	<u>\$89,807,472</u>	<u>(\$26,009,337)</u>	<u>(\$27,108,183)</u>	<u>\$59,284,555</u>	<u>\$62,699,289</u>	(5.4)	<u>\$90,910,318</u>	<u>(\$25,490,841)</u>	<u>\$65,419,477</u>	(4.2)

Governmental activities current assets increased by \$1.78 million and by \$1.31 million in 2020 and 2019, respectively. Cash and investments increased by \$1.67 million and decreased by \$209 thousand, respectively, for 2020 and 2019. Accounts receivable increased by \$162 thousand in 2020 and by \$1.56 million in 2019 primarily related to receivables at the Chesapeake Energy Arena and Cox Convention Center.

Business-type activities current assets decreased by \$994 thousand and \$3.71 million in 2020 and 2019, respectively. This was primarily due to a decrease in receivables from the City related to fairground capital projects of \$2 million in 2020, offset by a \$940 thousand increase in cash and investments. The decrease in 2019 was primarily due to a decrease in cash and investments of \$4.93 million offset by a \$1.27 million increase in receivables from the City related to fairground capital projects.

Capital assets for governmental activities, net of accumulated depreciation, decreased \$3.36 million and \$3.80 million in 2020 and 2019, respectively. This is primarily related to normal depreciation of \$3.63 million and \$4.72 million in 2020 and 2019, respectively, offset by acquisitions and construction costs. Business-type activities capital assets, net of accumulated depreciation, decreased \$4.06 million in 2020 primarily related to normal depreciation of \$4.37 million, offset by acquisitions and construction costs and in 2019 it decreased \$4.11 million primarily related to normal depreciation of \$5.47 million offset by acquisitions and construction costs.

Total governmental activities liabilities increased \$2.86 million and decreased \$1.47 million in 2020 and 2019, respectively. In 2020 unearned revenue primarily related to the Chesapeake Energy Arena and Cox Convention Center increased \$3.71 million. Accounts payable and payable to the City of Oklahoma City also decreased \$642 thousand and \$241 thousand, respectively. In 2019, payable to the City decreased \$4.62 million primarily related to the third amendment of the management and operating agreement between the City, the Authority, and the Civic Center Foundation (Foundation). The amendment provides that the Foundation assume the Authority's outstanding payable for the Civic Center sound system, be responsible for all Civic Center operating costs, and retain all net revenues resulting from Civic Center operations. The decrease was offset by a \$2.67 million increase in accounts payable and a \$633 thousand increase in unearned revenue related to the Chesapeake Energy Arena and Cox Convention Center.

Total liabilities in business-type activities decreased \$6.01 million in 2020 primarily due to a \$4.60 million decrease in net bonds payable, a \$534 thousand decrease in actuarially determined OPEB liability and a \$607 thousand decrease in accounts payable related to the timing of payments. Total liabilities in business-type activities decreased \$7.43 million in 2019 primarily due to a \$3.95 million decrease in net bonds payable related to the refunding of Series 2007A Hotel Tax Revenue Bonds, a \$2.14 million decrease in actuarially determined OPEB liability, a \$575 thousand decrease in accounts payable related to the timing of payments, and a \$761 thousand decrease in payable to the City related to timing of payments.

Summary of Changes in Net Position

	Governmental		Business-type		Total		2020 - 2019	Governmental	Business-type	2018	2019 - 2018
	Activities		Activities					Activities	Activities	Total	% Change
	2020	2019	2020	2019	2020	2019	% Change	2018	2018	Total	% Change
Revenues											
Charges for services	\$12,448,049	\$17,315,521	\$9,310,641	\$9,034,040	\$21,758,690	\$26,349,561	(17.4%)	\$21,200,963	\$9,723,818	\$30,924,781	(14.8%)
Operating grants and contributions	15,473,543	9,603,902	7,805,424	9,648,337	23,278,967	19,252,239	20.9	8,303,705	9,684,700	17,988,405	7.0
Capital grants and contributions	-	1,247	-	-	-	1,247	(100.0)	14,917	-	14,917	(91.6)
General revenues	<u>772,407</u>	<u>958,856</u>	<u>43,133</u>	<u>43,646</u>	<u>815,540</u>	<u>1,002,502</u>	(18.6)	<u>590,962</u>	<u>3,182</u>	<u>594,144</u>	68.7
Total revenues	<u>28,693,999</u>	<u>27,879,526</u>	<u>17,159,198</u>	<u>18,726,023</u>	<u>45,853,197</u>	<u>46,605,549</u>	(1.6)	<u>30,110,547</u>	<u>19,411,700</u>	<u>49,522,247</u>	(5.9)
Expenses											
General government	3,289	94,183	-	-	3,289	94,183	(96.5)	130,760	-	130,760	(28.0)
Police	66,600	61,050	-	-	66,600	61,050	0.1	-	-	-	1.0
Public services	617,200	1,338,286	-	-	617,200	1,338,286	(53.9)	863,091	-	863,091	55.1
Culture and recreation	32,436,565	30,523,007	-	-	32,436,565	30,523,007	6.3	31,528,849	-	31,528,849	(3.2)
Economic development	169	198	-	-	169	198	(14.6)	198	-	198	0.0
Interest on long-term debt	83,756	84,003	-	-	83,756	84,003	(0.3)	175,302	-	175,302	(52.1)
Golf courses	-	-	8,225,060	8,608,767	8,225,060	8,608,767	(4.5)	-	9,818,305	9,818,305	(12.3)
Fairgrounds	-	-	7,220,052	11,038,883	7,220,052	11,038,883	(34.6)	-	11,250,815	11,250,815	(1.9)
Financial services	-	-	<u>615,240</u>	<u>695,715</u>	<u>615,240</u>	<u>695,715</u>	(11.6)	-	<u>775,316</u>	<u>775,316</u>	(10.3)
Total expenses	<u>33,207,579</u>	<u>32,100,727</u>	<u>16,060,352</u>	<u>20,343,365</u>	<u>49,267,931</u>	<u>52,444,092</u>	(6.1)	<u>32,698,200</u>	<u>21,844,436</u>	<u>54,542,636</u>	(3.8)
Special items	-	3,118,355	-	-	-	3,118,355	(100.0)	-	-	-	100.0
Changes in net position	(4,513,580)	(1,102,846)	1,098,846	(1,617,342)	(3,414,734)	(2,720,188)	(25.5)	(2,587,653)	(2,432,736)	(5,020,389)	45.8
Beginning net position (deficit)											
As previously reported	<u>89,807,472</u>	<u>90,910,318</u>	<u>(27,108,183)</u>	<u>(25,490,841)</u>	<u>62,699,289</u>	<u>65,419,477</u>	(4.2)	<u>93,497,971</u>	<u>(19,309,873)</u>	<u>74,188,098</u>	(11.8)
Change in accounting principle	-	-	-	-	-	-	0.0	-	<u>(3,748,232)</u>	<u>(3,748,232)</u>	100.0
As restated	<u>89,807,472</u>	<u>90,910,318</u>	<u>(27,108,183)</u>	<u>(25,490,841)</u>	<u>62,699,289</u>	<u>65,419,477</u>	(4.2)	<u>93,497,971</u>	<u>(23,058,105)</u>	<u>70,439,866</u>	(7.1)
Ending net position (deficit)	<u>\$85,293,892</u>	<u>\$89,807,472</u>	<u>(\$26,009,337)</u>	<u>(\$27,108,183)</u>	<u>\$59,284,555</u>	<u>\$62,699,289</u>	(5.4)	<u>\$90,910,318</u>	<u>(\$25,490,841)</u>	<u>\$65,419,477</u>	(4.2)

Governmental activities charges for services decreased \$4.87 million and decreased \$3.89 million in 2020 and 2019, respectively, primarily due to public event charges. In 2020, public event charges were greatly impacted by the COVID pandemic. Business-type activities charges for services increased \$277 thousand in 2020 primarily due to increases in Golf Courses Fund revenue and decreased \$690 thousand in 2019 primarily due to decreases in Golf Courses Fund revenue.

Governmental expenses increased \$1.11 million in 2020. This is primarily due to an increase of \$1.8 million in the new convention center management fees. Governmental expenses decreased \$597 thousand in 2019. This is primarily related to decreases of \$966 thousand in Civic Center operations, offset by increases of \$475 thousand in public services expenses.

Business-type expenses decreased \$4.28 million in 2020. Golf course expenses decreased \$384 thousand primarily due to decreases in maintenance and operating costs. Fairground expenses decreased \$3.8 million primarily due to decreases in transfers to special purpose fund related to drainage project, bond issue and insurance costs, depreciation expense and non-capital construction costs. Business-type expenses decreased \$1.50 million in 2019. Golf course expenses decreased \$1.21 million primarily due to decreases in maintenance and operating costs. Fairground expenses decreased \$212 thousand primarily due to decreases in non-capital related costs. Financial services expenses decreased \$80 thousand due to natural gas cost savings.

There were no special items to report in 2020. The \$3.12 million in 2019 for special items is a result of the Foundation assuming the Authority's outstanding payable for the Civic Center sound system.

Governmental Fund

As discussed, the Authority governmental fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Authority governmental fund reported an ending fund balance of \$11,418,755 for 2020, of which \$449,411 is unassigned. This compares to \$12,337,744 for 2019, of which \$190,502 is unassigned.

The total ending fund balance of the governmental fund for 2020 shows a decrease of \$918,989 from the ending balance for 2019. This decrease is primarily the result of the events and programs described within the analysis of the Authority's governmental activities.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2020 and 2019, was \$126,436,050 and \$133,858,866, respectively.

Capital Assets, Net of Accumulated Depreciation

	Governmental		Business-type		Total		2019 - 2020	Governmental	Business-type	2018	2019 - 2018
	Activities		Activities		Total		Total	Activities	Activities		
	2020	2019	2020	2019	2020	2019	% Change	2018	2018		
Non-Depreciable											
Assets											
Construction in progress	\$101,752	\$279,185	\$3,999,518	\$8,275,392	\$4,101,270	\$8,554,577	(52.1%)	\$203,962	\$7,510,793	\$7,714,755	10.9%
Land and art	9,357,815	9,232,985	2,004,837	2,004,837	11,362,652	11,237,822	1.1	8,912,295	2,004,837	10,917,132	2.9
Total non-depreciable assets	9,459,567	9,512,170	6,004,355	10,280,229	15,463,922	19,792,399	(21.9)	9,116,257	9,515,630	18,631,887	6.2
Depreciable Assets											
Buildings	36,100,233	37,239,235	28,280,017	29,176,549	64,380,250	66,415,784	(3.1)	38,472,311	29,956,175	68,428,486	(2.9)
Improvements other than buildings	24,276,524	25,397,166	13,915,947	12,458,543	38,192,471	37,855,709	0.9	26,916,305	16,422,078	43,338,383	(12.7)
Furniture, machinery, and equipment	6,183,712	7,234,138	2,215,695	2,560,836	8,399,407	9,794,974	(14.2)	8,681,490	2,694,298	11,375,788	(13.9)
Total depreciable assets	66,560,469	69,870,539	44,411,659	44,195,928	110,972,128	114,066,467	(2.7)	74,070,106	49,072,551	123,142,657	(7.4)
Total	\$76,020,036	\$79,382,709	\$50,416,014	\$54,476,157	\$126,436,050	\$133,858,866	(5.5)	\$83,186,363	\$58,588,181	\$141,774,544	(5.6)

In 2020, construction in progress for governmental activities decreased \$177 thousand primarily due to decreases in Civic Center Music Hall sound system upgrade expenses. Land and art increased \$125 thousand due to the purchase of Land Run sculptures. Depreciable assets in governmental activities decreased \$3.31 million in 2020 primarily due to normal depreciation of \$3.63 million, offset by \$323 thousand in asset additions. Asset additions primarily included \$205 thousand in Chesapeake Energy Arena and Cox Convention Center upgrades and \$66 thousand in sound system equipment for the Civic Center Music Hall. In 2019, construction in progress for governmental activities increased \$75 thousand primarily due to upgrades being made to the Civic Center Music Hall sound system. Land and art increased \$321 thousand due to the purchase of Land Run sculptures. Depreciable assets in governmental activities decreased \$4.20 million in 2019 primarily due to normal depreciation of \$4.72 million, offset by \$530 thousand in asset additions. Asset additions primarily included \$381 thousand in Chesapeake Energy Arena and Cox Convention Center upgrades and \$148 thousand in sound system equipment for the Civic Center Music Hall.

In 2020, business-type construction in progress decreased \$4.28 million primarily due to the completion of the south RV parking lot repaving project. Depreciable assets for business-type activities increased \$216 thousand in 2020 primarily due to \$4.37 million in normal depreciation, offset by asset additions of \$4.59 million. Asset additions included \$4.06 million for RV parking lot repaving, \$211 thousand for Fairgrounds north parking lot lighting and \$236 thousand for a packer truck. In 2019, business-type activities construction in progress increased \$765 thousand primarily due to construction of the new fairgrounds arena and upgrades to the Lincoln Park Golf Course driving range building. Depreciable assets for business-type activities decreased \$4.88 million in 2019 primarily due to \$5.47 million in normal depreciation, offset by asset additions of \$588 thousand. Asset additions included \$254 thousand for street sweeper, \$195 thousand for emergency generator, and \$25 thousand for highway marquees at the fairgrounds.

See Note II. E. for more information regarding capital assets.

Long-term Debt

Advances

At the end of June 30, 2020 and 2019, the Authority had total advances outstanding of \$2,746,979 and \$2,998,049, respectively. See Note VI. A. for more information regarding advances.

Revenue Bonds

At the end of the fiscal year the Authority had total outstanding bonded debt of \$76,960,000 including fairgrounds bonded debt outstanding of \$67,505,000 and golf bonded debt of \$9,455,000. This debt is supported by pledged revenues from the business type activities of the Authority. See Note III. C. for more information regarding revenue bonds.

	Outstanding Long-term Debt						
	2020 - 2019				2019 - 2018		
	2020	2019	Change	% Change	2018	Change	% Change
Advances	\$2,746,979	\$2,998,049	(\$251,070)	(8.4%)	\$7,420,371	(\$4,422,322)	(59.6%)
Revenue bonds	76,960,000	80,845,000	(3,885,000)	(4.8)	86,025,000	(5,180,000)	(6.0)
	\$79,706,979	\$83,843,049	(\$4,136,070)	(4.9)	\$93,445,371	(\$9,602,322)	(10.3)

The change in outstanding debt in 2020 for advances is primarily due to a decrease in the advance from OCMFA for golf carts due to scheduled repayments. The decrease in revenue bonds is due to the scheduled debt payments of \$3.89 million. The change in outstanding debt in 2019 for advances is primarily due to the removal of a \$3.12 million advance from OCMFA for the purchase of a new Civic Center sound system as a liability of the Authority and \$1.30 million of scheduled debt payments. The decrease in revenue bonds is due to the defeasance of \$15.88 million of Series 2007A Hotel Tax Revenue Bonds and scheduled debt payments of \$3.71 million, offset by the issuance of Series 2018 Hotel Tax Revenue Refunding Bonds. See Note III. F. for more information regarding changes in long-term debt.

Bond Ratings

Standard and Poor's rated the Authority's 2012 Golf System Revenue Bonds as AA. 2010 Golf Revenue Bonds are privately placed. Fairgrounds hotel tax revenue bonds are rated A+ and A1 by Standard and Poor and Moody's, respectively.

Economic Factors

Economic factors directly affected the Authority's financial position for the golf courses. The operating revenue for the golf courses increased over the past fiscal year primarily as a result of more golf rounds played. The golf courses experienced an increase in rounds of 4.6%, primarily due to increases in daily rounds. Culture and recreation activities and Fairgrounds activities were significantly impacted by the national economic contraction brought on by the coronavirus pandemic.

Contacting the Authority'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.

Basic Financial Statements

Authority-wide Financial Statements

Provide both long-term and short-term information about the Authority's overall status using full accrual accounting.

- * ***Governmental Activities*** – *Reports general government, public services, culture and recreation, and economic development and the general revenues of the Authority.*
- * ***Business-Type Activities*** – *Reports golf courses, fairgrounds, and financial services activities.*

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.

Governmental Fund Financial Statements

Encompass essentially the same functions reported as governmental activities in the authority-wide financial statements using modified accrual accounting and report the annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Proprietary Fund Financial Statements

Provide both long-term and short-term information about the Authority's overall status using full accrual accounting.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

STATEMENT OF NET POSITION
June 30,

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

	2020			2019		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
ASSETS						
CURRENT ASSETS						
Cash-----	\$13,142,119	\$1,736,553	\$14,878,672	\$11,227,092	\$1,198,946	\$12,426,038
Investments-----	10,718,475	11,025,293	21,743,768	10,959,276	10,622,029	21,581,305
Property taxes receivable-----	4,114	-	4,114	3,090	-	3,090
Accounts receivable, net-----	2,828,946	7,653	2,836,599	2,666,565	5,766	2,672,331
Interest, dividends, and royalties receivable-----	35,754	17,696	53,450	42,920	28,638	71,558
Internal balances-----	43,752	(43,752)	-	36,492	(36,492)	-
Receivable from the City of Oklahoma City-----	32,680	97,036	129,716	82,452	2,024,636	2,107,088
Receivable from component units-----	-	-	-	14,895	-	14,895
Advanced funding-----	162,887	-	162,887	162,887	-	162,887
Inventories and prepaids-----	370,378	347,219	717,597	362,663	337,932	700,595
Total current assets-----	27,339,105	13,187,698	40,526,803	25,558,332	14,181,455	39,739,787
NON-CURRENT ASSETS						
Investments-----	-	1,261,126	1,261,126	-	1,252,255	1,252,255
Prepaids, non-current-----	21,298	190,182	211,480	92,810	202,890	295,700
Net pension asset-----	-	146,948	146,948	-	478,093	478,093
Capital assets:						
Land and construction in progress-----	9,459,567	6,004,355	15,463,922	9,512,170	10,280,229	19,792,399
Other capital assets, net of accumulated depreciation-----	66,560,469	44,411,659	110,972,128	69,870,539	44,195,928	114,066,467
Capital assets, net-----	76,020,036	50,416,014	126,436,050	79,382,709	54,476,157	133,858,866
Total non-current assets-----	76,041,334	52,014,270	128,055,604	79,475,519	56,409,395	135,884,914
Total assets-----	103,380,439	65,201,968	168,582,407	105,033,851	70,590,850	175,624,701
DEFERRED OUTFLOWS OF RESOURCES						
	-	1,081,653	1,081,653	-	903,684	903,684
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued expenses-----	4,151,399	497,908	4,649,307	5,110,013	1,105,829	6,215,842
Wages and benefits payable-----	-	242,865	242,865	-	238,665	238,665
Payable to City of Oklahoma City-----	934,105	321,526	1,255,631	627,820	486,398	1,114,218
Payable to component units-----	3,663	-	3,663	-	-	-
Compensated absences-----	-	45,550	45,550	-	52,620	52,620
Unearned revenue-----	10,231,469	-	10,231,469	6,520,099	-	6,520,099
Bond interest payable-----	-	901,357	901,357	-	944,880	944,880
Bonds payable-----	-	4,065,000	4,065,000	-	3,885,000	3,885,000
Total current liabilities-----	15,320,636	6,074,206	21,394,842	12,257,932	6,713,392	18,971,324
NON-CURRENT LIABILITIES						
Compensated absences-----	-	88,738	88,738	-	117,136	117,136
Payable to City of Oklahoma City-----	2,503,647	68,463	2,572,110	2,568,617	104,594	2,673,211
Unearned revenue-----	262,264	-	262,264	399,830	-	399,830
Bonds payable-----	-	72,895,000	72,895,000	-	76,960,000	76,960,000
Unamortized bond discount/premium-----	-	5,605,055	5,605,055	-	6,316,646	6,316,646
Bonds payable, net-----	-	78,500,055	78,500,055	-	83,276,646	83,276,646
Net other post-employment benefit liability-----	-	5,315,746	5,315,746	-	5,849,677	5,849,677
Total non-current liabilities-----	2,765,911	83,973,002	86,738,913	2,968,447	89,348,053	92,316,500
Total liabilities-----	18,086,547	90,047,208	108,133,755	15,226,379	96,061,445	111,287,824
DEFERRED INFLOWS OF RESOURCES						
	-	2,245,750	2,245,750	-	2,541,272	2,541,272
NET POSITION (DEFICIT)						
Net investment in capital assets-----	76,020,036	(29,306,731)	46,713,305	79,088,919	(29,553,865)	49,535,054
Restricted for: Capital projects-----	2,146,236	-	2,146,236	2,110,678	-	2,110,678
Debt service-----	-	3,878,564	3,878,564	-	3,728,320	3,728,320
Public services-----	175,701	-	175,701	169,187	-	169,187
Culture and recreation-----	1,889,120	-	1,889,120	2,033,721	-	2,033,721
Unrestricted-----	5,062,799	(581,170)	4,481,629	6,404,967	(1,282,638)	5,122,329
Total net position (deficit)-----	\$85,293,892	(\$26,009,337)	\$59,284,555	\$89,807,472	(\$27,108,183)	\$62,699,289

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
For the Years Ended June 30,

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
PROGRAM EXPENSES						
General government-----	\$3,289	\$ -	\$3,289	\$94,183	\$ -	\$94,183
Police-----	66,600	-	66,600	61,050	-	61,050
Public services-----	617,200	-	617,200	1,338,286	-	1,338,286
Culture and recreation-----	32,436,565	-	32,436,565	30,523,007	-	30,523,007
Golf courses-----	-	8,225,060	8,225,060	-	8,608,767	8,608,767
Fairgrounds-----	-	7,220,052	7,220,052	-	11,038,883	11,038,883
Financial services-----	-	615,240	615,240	-	695,715	695,715
Economic development-----	169	-	169	198	-	198
Interest on long-term debt-----	83,756	-	83,756	84,003	-	84,003
Total expenses-----	33,207,579	16,060,352	49,267,931	32,100,727	20,343,365	52,444,092
PROGRAM REVENUES						
CHARGES FOR SERVICES						
Culture and recreation-----	12,448,049	-	12,448,049	17,315,521	-	17,315,521
Golf courses-----	-	8,686,369	8,686,369	-	8,347,859	8,347,859
Financial services-----	-	624,272	624,272	-	686,181	686,181
Total charges for services-----	12,448,049	9,310,641	21,758,690	17,315,521	9,034,040	26,349,561
OPERATING GRANTS AND CONTRIBUTIONS						
General government-----	15,275,951	-	15,275,951	9,415,912	-	9,415,912
Culture and recreation-----	196,096	-	196,096	186,852	-	186,852
Golf courses-----	-	1,191,947	1,191,947	-	947,107	947,107
Fairgrounds-----	-	6,613,477	6,613,477	-	8,701,230	8,701,230
Economic development-----	1,496	-	1,496	1,138	-	1,138
Total operating grants and contributions-----	15,473,543	7,805,424	23,278,967	9,603,902	9,648,337	19,252,239
CAPITAL GRANTS AND CONTRIBUTIONS						
Culture and recreation-----	-	-	-	1,247	-	1,247
Total capital grants and contributions-----	-	-	-	1,247	-	1,247
Total program revenues-----	27,921,592	17,116,065	45,037,657	26,920,670	18,682,377	45,603,047
Net program expense-----	(5,285,987)	1,055,713	(4,230,274)	(5,180,057)	(1,660,988)	(6,841,045)
GENERAL REVENUES						
Tax incremental financing property taxes-----	70,623	-	70,623	68,484	-	68,484
Unrestricted investment income-----	202,809	43,133	245,942	281,410	43,646	325,056
Miscellaneous-----	498,975	-	498,975	608,962	-	608,962
Total general revenues-----	772,407	43,133	815,540	958,856	43,646	1,002,502
Special item-----	-	-	-	3,118,355	-	3,118,355
Special And Extraordinary Items-----	-	-	-	3,118,355	-	3,118,355
Changes in net position-----	(4,513,580)	1,098,846	(3,414,734)	(1,102,846)	(1,617,342)	(2,720,188)
NET POSITION BEGINNING						
Net position-beginning						
As previously reported-----	-	-	-	90,910,318	(25,490,841)	65,419,477
Net position-beginning, as restated-----	-	-	-	90,910,318	(25,490,841)	65,419,477
Net position-beginning-----	89,807,472	(27,108,183)	62,699,289	-	-	-
Net position-ending-----	\$85,293,892	(\$26,009,337)	\$59,284,555	\$89,807,472	(\$27,108,183)	\$62,699,289

See accompanying notes to financial statements.

**BALANCE SHEET
GOVERNMENTAL FUND
June 30,**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	2020	2019
	General Purpose Fund	General Purpose Fund
<u>ASSETS</u>		
Pooled cash-----	\$24,629	\$1,576
Non-pooled cash-----	13,117,490	11,225,516
Investments-----	10,718,475	10,959,276
Property taxes receivable-----	4,114	3,090
Accounts receivable-----	2,828,946	2,666,565
Interest, dividends, and royalties receivable-----	35,754	42,920
Due within the Authority-----	43,752	36,492
Receivable from City of Oklahoma City-----	32,680	82,452
Receivable from component units-----	-	14,895
Advanced funding-----	162,887	162,887
Inventories-----	229,124	219,237
Prepays-----	141,254	143,426
Prepays, non-current-----	21,298	92,810
Total assets-----	<u>\$27,360,403</u>	<u>\$25,651,142</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenditures-----	\$4,151,399	\$5,110,013
Payable to City of Oklahoma City-----	585,028	339,903
Payable to component units, current-----	3,663	-
Unearned revenue-----	10,231,469	6,520,099
Unearned revenue, non-current-----	262,264	399,830
Total liabilities-----	<u>15,233,823</u>	<u>12,369,845</u>
DEFERRED INFLOWS OF RESOURCES-----	<u>707,825</u>	<u>943,553</u>
<u>FUND BALANCES</u>		
Non-spendable-----	391,676	455,473
Restricted-----	3,925,200	3,642,956
Committed-----	628,601	705,852
Assigned-----	6,023,867	7,342,961
Unassigned-----	449,411	190,502
Total fund balance-----	<u>11,418,755</u>	<u>12,337,744</u>
Total liabilities, deferred inflows of resources, and fund balance-----	<u>\$27,360,403</u>	<u>\$25,651,142</u>
<u>RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION, GOVERNMENTAL ACTIVITIES</u>		
Total fund balance-----	\$11,418,755	\$12,337,744
Capital assets, net of accumulated depreciation-----	76,020,036	79,382,709
Revenue earned but not available-----	707,825	943,553
Long-term payable to the City of Oklahoma City, current-----	(349,077)	(287,917)
Long-term payable to the City of Oklahoma City, non-current-----	(2,503,647)	(2,568,617)
Net position-governmental activities-----	<u>\$85,293,892</u>	<u>\$89,807,472</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	<u>2020</u>	<u>2019</u>
	<u>General Purpose Fund</u>	<u>General Purpose Fund</u>
REVENUES		
Tax incremental financing property taxes-----	\$69,599	\$68,468
Facility fees-----	72,763	131,975
Investment income-----	324,884	392,491
Public events charges-----	11,237,869	14,846,222
Other charges for services-----	236,415	468,346
Rental income-----	1,138,272	1,329,367
Payments from the City of Oklahoma City-----	15,275,951	9,415,984
Other-----	573,974	683,962
Total revenues-----	<u>\$28,929,727</u>	<u>27,336,815</u>
EXPENDITURES		
CURRENT		
Payments to the City of Oklahoma City-----	-	94,183
General government-----	3,289	-
Police-----	66,600	61,050
Culture and recreation-----	29,420,870	27,131,975
Economic development-----	169	198
Capital outlay-----	270,222	925,667
DEBT SERVICE		
Interest-----	83,756	84,003
Long-term payable to the City of Oklahoma City-----	3,810	3,652,428
Total expenditures-----	<u>29,848,716</u>	<u>31,949,504</u>
Deficiency of revenues under expenditures-----	<u>(\$918,989)</u>	<u>(4,612,689)</u>
Sale of assets-----	-	1,247
Net other financing sources-----	<u>-</u>	<u>1,247</u>
SPECIAL ITEM		
Special item-----	-	3,118,355
Total special item-----	<u>-</u>	<u>3,118,355</u>
Net change in fund balance-----	<u>(918,989)</u>	<u>(1,493,087)</u>
Fund balance, beginning-----	12,337,744	13,830,831
Fund balance, ending-----	<u>11,418,755</u>	<u>\$12,337,744</u>
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES, GOVERNMENTAL ACTIVITIES		
Net change in fund balance-----	(918,989)	(\$1,493,087)
Capital outlay-----	270,222	925,667
Depreciation expense-----	(3,632,895)	(4,720,544)
Loss on disposal of assets-----	-	(8,777)
Recognition of earned but unavailable revenue-----	(235,728)	541,467
Long-term payable to the City of Oklahoma City-----	3,810	3,652,428
Change in net position (deficit)-governmental activities-----	<u>(\$4,513,580)</u>	<u>(\$1,102,846)</u>

See accompanying notes to financial statements.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30,**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	2020				2019			
	Enterprise Funds				Enterprise Funds			
	Golf	Fairgrounds	Financial	Total	Golf	Fairgrounds	Financial	Total
	Courses	Fund	Services		Courses	Fund	Services	
Fund	Fund	Fund		Fund	Fund	Fund		
ASSETS								
CURRENT ASSETS								
Pooled cash-----	\$1,469	\$2,128	\$402	\$3,999	\$ -	\$ -	\$ -	\$ -
Non-pooled cash-----	1,732,554	-	-	1,732,554	1,198,946	-	-	1,198,946
Investments-----	1,832,739	9,122,643	69,911	11,025,293	1,699,646	8,827,846	94,537	10,622,029
Accounts receivable, net-----	7,653	-	-	7,653	5,766	-	-	5,766
Interest, dividends, and royalties receivable-----	3,552	13,918	226	17,696	5,594	22,677	367	28,638
Due within Authority-----	-	(43,752)	-	(43,752)	(6,727)	(29,124)	(641)	(36,492)
Receivable from the City of Oklahoma City-----	29,148	67,888	-	97,036	-	2,024,636	-	2,024,636
Inventories-----	334,599	-	-	334,599	321,789	-	-	321,789
Prepays-----	629	11,991	-	12,620	4,104	12,039	-	16,143
Total current assets-----	3,942,343	9,174,816	70,539	13,187,698	3,229,118	10,858,074	94,263	14,181,455
Investments-----	455,710	805,416	-	1,261,126	455,710	796,545	-	1,252,255
Prepays, non-current-----	-	190,182	-	190,182	662	202,228	-	202,890
Net pension asset-----	146,948	-	-	146,948	478,093	-	-	478,093
Land and construction in progress-----	-	6,004,355	-	6,004,355	165	10,280,064	-	10,280,229
Other capital assets, net of accumulated depreciation-----	9,406,640	35,005,019	-	44,411,659	10,096,884	34,099,044	-	44,195,928
Capital assets, net-----	9,406,640	41,009,374	-	50,416,014	10,097,049	44,379,108	-	54,476,157
Total non-current assets-----	10,009,298	42,004,972	-	52,014,270	11,031,514	45,377,881	-	56,409,395
Total assets-----	13,951,641	51,179,788	70,539	65,201,968	14,260,632	56,235,955	94,263	70,590,850
DEFERRED OUTFLOWS OF RESOURCES-----	929,396	152,257	-	1,081,653	740,008	163,676	-	903,684
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses-----	379,452	90,584	27,872	497,908	272,879	768,036	64,914	1,105,829
Wages and benefits payable-----	242,865	-	-	242,865	238,665	-	-	238,665
Payable to City of Oklahoma City-----	246,413	75,113	-	321,526	400,307	86,091	-	486,398
Compensated absences-----	45,550	-	-	45,550	52,620	-	-	52,620
Bond interest payable-----	79,227	822,130	-	901,357	85,988	858,892	-	944,880
Bonds payable-----	900,000	3,165,000	-	4,065,000	870,000	3,015,000	-	3,885,000
Total current liabilities-----	1,893,507	4,152,827	27,872	6,074,206	1,920,459	4,728,019	64,914	6,713,392
NON-CURRENT LIABILITIES								
Compensated absences-----	88,738	-	-	88,738	117,136	-	-	117,136
Payable to City of Oklahoma City-----	68,463	-	-	68,463	104,594	-	-	104,594
Bonds payable:								
Bonds payable-----	8,555,000	64,340,000	-	72,895,000	9,455,000	67,505,000	-	76,960,000
Unamortized bond discount/premium-----	22,280	5,582,775	-	5,605,055	24,597	6,292,049	-	6,316,646
Bonds payable, net-----	8,577,280	69,922,775	-	78,500,055	9,479,597	73,797,049	-	83,276,646
Net other post-employment benefit liability-----	5,315,746	-	-	5,315,746	5,849,677	-	-	5,849,677
Total non-current liabilities-----	14,050,227	69,922,775	-	83,973,002	15,551,004	73,797,049	-	89,348,053
Total liabilities-----	15,943,734	74,075,602	27,872	90,047,208	17,471,463	78,525,068	64,914	96,061,445
DEFERRED INFLOWS OF RESOURCES-----	2,106,430	139,320	-	2,245,750	2,387,024	154,248	-	2,541,272
NET POSITION (DEFICIT)								
Net investment in capital assets-----	598,494	(29,905,225)	-	(29,306,731)	411,819	(29,965,684)	-	(29,553,865)
Restricted for debt service-----	699,398	3,179,166	-	3,878,564	669,909	3,058,411	-	3,728,320
Unrestricted-----	(4,467,019)	3,843,182	42,667	(581,170)	(5,939,575)	4,627,588	29,349	(1,282,638)
Total net position (deficit)-----	(\$3,169,127)	(\$22,882,877)	\$42,667	(\$26,009,337)	(\$4,857,847)	(\$22,279,685)	\$29,349	(\$27,108,183)

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	2020				2019			
	Enterprise Funds				Enterprise Funds			
	Golf		Financial		Golf		Financial	
	Courses	Fairgrounds	Services	Total	Courses	Fairgrounds	Services	Total
	Fund	Fund	Fund	Total	Fund	Fund	Fund	Total
OPERATING REVENUES								
CHARGES FOR SERVICES								
Green fees-----	\$5,043,558	\$ -	\$ -	\$5,043,558	\$4,656,871	\$ -	\$ -	\$4,656,871
Concessions-----	1,135,400	-	-	1,135,400	1,329,495	-	-	1,329,495
Natural gas charges-----	-	-	624,272	624,272	-	-	686,181	686,181
Other charges-----	22,837	-	-	22,837	28,149	-	-	28,149
Total charges for services-----	6,201,795	-	624,272	6,826,067	6,014,515	-	686,181	6,700,696
Golf cart rentals-----	2,409,740	-	-	2,409,740	2,220,427	-	-	2,220,427
Other-----	10,899	-	-	10,899	16,486	-	-	16,486
Total operating revenues-----	8,622,434	-	624,272	9,246,706	8,251,428	-	686,181	8,937,609
OPERATING EXPENSES								
Personal services-----	3,418,220	-	-	3,418,220	3,523,246	-	-	3,523,246
Maintenance, operations, and contractual services-----	2,312,020	689,595	615,240	3,616,855	2,041,323	1,813,091	695,715	4,550,129
Materials and supplies-----	1,468,676	232,562	-	1,701,238	1,773,496	203,356	-	1,976,852
Depreciation-----	700,789	3,673,351	-	4,374,140	913,004	4,554,576	-	5,467,580
Total operating expenses-----	7,899,705	4,595,508	615,240	13,110,453	8,251,069	6,571,023	695,715	15,517,807
Operating income (loss)-----	722,729	(4,595,508)	9,032	(3,863,747)	359	(6,571,023)	(9,534)	(6,580,198)
NON-OPERATING REVENUE (EXPENSE)								
Investment income-----	46,934	186,054	4,286	237,274	56,548	268,544	4,681	329,773
Interest on bonds and notes-----	(327,672)	(2,612,451)	-	(2,940,123)	(360,105)	(2,805,388)	-	(3,165,493)
Bond issue costs-----	-	-	-	-	-	(215,383)	-	(215,383)
Bond insurance-----	-	(12,093)	-	(12,093)	-	(147,089)	-	(147,089)
Amortization-----	2,317	-	-	2,317	2,407	-	-	2,407
Payments from City of Oklahoma City-----	1,180,477	6,430,806	-	7,611,283	925,763	8,434,869	-	9,360,632
Payments to City of Oklahoma City-----	-	-	-	-	-	(1,300,000)	-	(1,300,000)
Other revenue-----	63,935	-	-	63,935	96,431	1,578	-	98,009
Net non-operating revenue-----	965,991	3,992,316	4,286	4,962,593	721,044	4,237,131	4,681	4,962,856
Changes in net position (deficit)-----	1,688,720	(603,192)	13,318	1,098,846	721,403	(2,333,892)	(4,853)	(1,617,342)
Total net assets (deficit), beginning-----	(4,857,847)	(22,279,685)	29,349	(27,108,183)	(5,579,250)	(19,945,793)	34,202	(25,490,841)
Total net position (deficit), ending-----	(\$3,169,127)	(\$22,882,877)	\$42,667	(\$26,009,337)	(\$4,857,847)	(\$22,279,685)	\$29,349	(\$27,108,183)

See accompanying notes to financial statements.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	2020				2019			
	Enterprise Funds				Enterprise Funds			
	Golf	Fairgrounds	Financial	Total	Golf	Fairgrounds	Financial	Total
	Courses	Fund	Services		Courses	Fund	Services	
Fund	Fund	Fund		Fund	Fund	Fund		
<u>CASH FLOWS FROM OPERATING</u>								
<u>ACTIVITIES</u>								
Cash received from customers-----	\$8,705,642	\$ -	\$623,630	\$9,329,272	\$8,353,809	\$5	\$686,821	\$9,040,635
Cash payments to suppliers for goods and services-----	(3,560,273)	(1,406,174)	(652,280)	(5,618,727)	(3,585,260)	(1,703,012)	(694,008)	(5,982,280)
Cash payments to employees and professional contractors for services-----	(4,124,785)	-	-	(4,124,785)	(4,301,743)	-	-	(4,301,743)
Cash payments for internal services-----	(172,688)	39,212	-	(133,476)	(151,668)	-	-	(151,668)
Operating payments from City of Oklahoma City-----	1,180,476	8,411,689	-	9,592,165	925,763	6,410,233	-	7,335,996
Operating payments to City of Oklahoma City-----	(192,226)	-	-	(192,226)	(269,202)	(1,300,000)	-	(1,569,202)
Net cash provided (used) by operating activities--	1,836,146	7,044,727	(28,650)	8,852,223	971,699	3,407,226	(7,187)	4,371,738
<u>CASH FLOWS FROM CAPITAL AND</u>								
<u>CAPITAL RELATED FINANCING</u>								
<u>ACTIVITIES</u>								
Proceeds from issuance of long-term debt-----	-	-	-	-	-	15,962,987	-	15,962,987
Payments for acquisition and construction of capital assets-----	(16,694)	(556,697)	-	(573,391)	(212,764)	(1,857,693)	-	(2,070,457)
Principal paid on long-term debt-----	(870,000)	(3,015,000)	-	(3,885,000)	(845,000)	(18,742,897)	-	(19,587,897)
Interest paid on long-term debt-----	(330,255)	(3,362,044)	-	(3,692,299)	(356,776)	(3,565,616)	-	(3,922,392)
Capital and capital related payments to City of								
Net cash provided (used) by capital and capital related financing activities-----	(1,216,949)	(6,933,741)	-	(8,150,690)	(1,414,540)	(8,203,219)	-	(9,617,759)
<u>CASH FLOWS FROM INVESTING</u>								
<u>ACTIVITIES</u>								
Payments for purchase of investments-----	(1,229,824)	(6,489,662)	-	(7,719,486)	(1,236,617)	(52,796,373)	-	(54,032,990)
Proceeds from sale of investments-----	1,207,823	6,855,815	-	8,063,638	1,428,541	57,136,252	-	58,564,793
Changes in pooled investments-----	(111,094)	(669,825)	24,626	(756,293)	99,552	182,993	2,123	284,668
Investment income received-----	13,511	194,814	4,426	212,751	54,903	265,363	4,528	324,794
Purchased interest-----	35,464	-	-	35,464	36	126	3	165
Net cash provided (used) by investing activities-----	(84,120)	(108,858)	29,052	(163,926)	346,415	4,788,361	6,654	5,141,430
Net increase in cash-----	535,077	2,128	402	537,607	(96,426)	(7,632)	(533)	(104,591)
Cash, beginning-----	1,198,946	-	-	1,198,946	1,295,372	7,632	533	1,303,537
Cash, ending-----	\$1,734,023	\$2,128	\$402	\$1,736,553	\$1,198,946	\$ -	\$ -	\$1,198,946

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	2020				2019			
	Enterprise Funds				Enterprise Funds			
	Golf	Fairgrounds	Financial	Total	Golf	Fairgrounds	Financial	Total
	Courses		Services		Courses		Services	
Fund	Fund	Fund		Fund	Fund	Fund		
RECONCILIATION OF OPERATING								
LOSS TO NET CASH PROVIDED BY								
OPERATING ACTIVITIES								
Operating income (loss)-----	\$722,729	(\$4,595,508)	\$9,032	(\$3,863,747)	\$359	(\$6,571,023)	(\$9,534)	(\$6,580,198)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET								
CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Depreciation-----	700,789	3,673,351	-	4,374,140	913,004	4,554,576	-	5,467,580
Other revenue (expense)-----	63,935	(12,093)	-	51,842	96,431	(147,089)	-	(50,658)
(Increase) decrease in accounts receivable-----	(1,887)	-	-	(1,887)	(5,273)	-	-	(5,273)
(Increase) decrease in receivable from component units-----	1,151,329	8,396,750	-	9,548,079	925,763	5,865,140	-	6,790,903
(Increase) decrease in receivable from City of								
(Increase) decrease in inventories-----	(12,810)	-	-	(12,810)	10,696	-	-	10,696
(Increase) decrease in prepaid assets-----	4,137	12,094	-	16,231	4,121	98,553	-	102,674
(Increase) decrease in net pension asset-----	331,145	-	-	331,145	(42,771)	-	-	(42,771)
(Increase) decrease in deferred outflows-----	(189,388)	-	-	(189,387)	(37,197)	-	-	(37,197)
Increase (decrease) in accounts payable and accrued expenses-----	112,891	(444,496)	(37,042)	(368,648)	(97,802)	332,851	1,706	236,755
Increase (decrease) in wages and benefits payable-----	4,200	-	-	4,200	15,675	-	-	15,675
Increase (decrease) in payable to City of								
Oklahoma City-----	(200,931)	14,629	(640)	(186,942)	(94,975)	(725,782)	641	(820,116)
Increase (decrease) in compensated absences-----	(35,468)	-	-	(35,468)	10,551	-	-	10,551
Increase (decrease) in net pension liability-----	(533,931)	-	-	(533,931)	-	-	-	-
Increase (decrease) in net other post-employment benefit liability-----	-	-	-	-	(2,135,819)	-	-	(2,135,819)
Increase (decrease) in deferred inflows-----	(280,594)	-	-	(280,594)	1,408,936	-	-	1,408,936
Total adjustments-----	1,113,417	11,640,235	(37,682)	12,715,970	971,340	9,978,249	2,347	10,951,936
Net cash provided (used) by operating activities---	\$1,836,146	\$7,044,727	(\$28,650)	\$8,852,223	\$971,699	\$3,407,226	(\$7,187)	\$4,371,738

See accompanying notes to financial statements.

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Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Oklahoma City Public Property Authority (Authority) financial activities for the fiscal years ended June 30, 2020 and 2019. Certain amounts from the prior year have been reclassified to conform to the current year presentation.

I. B. BASIS OF PRESENTATION

I. B. 1. REPORTING ENTITY AND RELATIONSHIP TO THE CITY OF OKLAHOMA CITY (CITY)

Due to restrictions of the state constitution relating to the issuance of municipal debt, the City created public trusts to finance City services with revenue bonds or other non-general obligation financing, and to provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts were created to provide financing services and are blended into the City's primary government although retaining separate legal identity.

The Authority is a public trust created pursuant to Title 60 of the Oklahoma Statutes, section 176, et seq. The Authority was established August 15, 1961, with the City named as the beneficiary. The purpose of the Authority is generally to provide a means of financing various municipal recreational improvements and services.

The provisions of the trust indenture provide that the Authority will lease or otherwise manage the related property and improvements financed by the Authority. The Authority will receive all revenues generated from the related properties to pay the debt service requirements on the revenue bonds issued by the Authority plus costs and expenses incidental to the management, operation, maintenance, and conservation of the Authority. In addition, the Authority is responsible for all operating expenses and the financing of future improvements to the five City municipal golf courses.

The Mayor and members of the City Council of the City serve as the Trustees for the Authority. The City Manager serves as the General Manager. The Authority does not have the power to levy taxes. The City has no obligation for debt issued by the Authority.

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

The Authority is presented as a blended component unit of the City and is included in the City's financial reporting entity. The Authority meets the requirements for blending because the Authority's governing body is identical to the City's elected governing board (City Council), and the Authority is managed as a department of the City under the direction of the City Manager using City employees.

The Authority is included in the City's financial reporting entity presented in the City's CAFR. The City CAFR may be obtained from the Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Authority Administration

The Authority's employees perform activities for the golf courses only. All other activities of the Authority are performed by City employees.

Related Parties

Oklahoma City Employee Retirement System (OCERS)

OCERS provides retirement benefits and disability allowances for employees of the Authority.

Oklahoma City Post-Employment Benefit Trust (OCPEBT)

OCPEBT provides post-retirement health benefits for employees of the Authority.

I. B. 2. BASIC FINANCIAL STATEMENTS

Authority-wide Financial Statements

The Authority-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Authority as a whole. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities which are generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which include fees and other charges to users of the Authority's services. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and enterprise (proprietary) funds. All funds of the Authority are considered major.

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-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements also report using this same focus and 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.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Governmental Fund

The governmental fund uses the current financial resources measurement focus. Only current assets and current liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available resources during a given period.

General Purpose Fund

This fund is used by the Authority to account for specific revenues including events, box office sales, lease revenues, and tax increment ad valorem income which are designated to finance general government functions or activities of the Authority, such as public services, parks, and public events including economic development projects.

Proprietary Funds

Proprietary funds use the economic resources measurement focus. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds 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. Other revenues and expenses are classified as non-operating in the financial statements.

Enterprise Funds

Golf Courses Fund

This fund is used to account for the revenues and expenses of five municipal golf courses.

Fairgrounds Fund

This fund is used to account for payments from the City for hotel/motel tax revenues dedicated for debt service and the expenditure of bond funds.

Financial Services Fund

The City currently has multiple facilities that use natural gas in sufficient volumes to qualify for use of a third party natural gas supplier rather than the local natural gas utility. On July 1, 2010, the City designated the Financial Services Fund to consolidate and manage the third party natural gas contracts of the City.

I. C. BUDGET LAW AND PRACTICE

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 annually and is received by the City Council for approval. Budgetary control of Authority operations is exercised on a project-length basis for most funds of the Authority. The exception is the Golf Course Fund where the budget is developed on an annual basis. Appropriations in funds other than the Golf Course Fund are carried forward each year until projects are completed. Appropriations for the Golf Course Fund expires at the close of the fiscal year. Management's policy prohibits expenditure/expenses exceeding revenues. Management may transfer appropriations without governing body approval.

**I. D. POLICIES RELATED TO ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRE
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 participates in the investment policy approved by the City Council. The Authority's governing board formally adopted the City's updated deposit and investment policy in November 2017. Where applicable, deposit and investment policies for restricted funds are specified in the respective bond indentures.

The Authority maintains and controls a cash and investment operating pool which functions as a demand deposit account for participating funds of the Authority. Fund pooled cash and investments are allocated to the funds based on the fund's position in the pool and reported as pooled cash and investments. In addition, non-pooled cash and investments are separately held and reflected in respective funds as non-pooled cash and investments. The Authority engages in non-pooled investing activity for bond proceeds, golf course operations, and other functionally separate activities.

Investments are carried at fair value determined by quoted market prices. The management of the restricted investments is performed in accordance with applicable bond indentures and at the direction of the trustee bank. 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 in governmental funds are recorded on either a weighted average or first-in first-out basis. Inventories for proprietary funds are recorded on either a market basis or first-in first-out basis.

Prepays are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Non-current prepays 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/expenditures in the year of payment.

I. D. 4. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Property Taxes Receivable

Property taxes are collected and remitted to the Authority by Oklahoma County for specifically identified Tax Incremental Financing (TIF) districts. Taxes are levied annually. Property taxes receivable are estimated from the prior calendar year receipts. In the governmental fund financial statements, property tax revenues are recorded for all receipts during the year and for 60 days after year-end.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the Authority regardless of when cash is received.

Other Significant Receivables

Significant receivables are due from promoters, advertisers, ticketing agencies, and other businesses. These receivables, due within 30 days, are stated net of an allowance for doubtful accounts. The allowance amount is estimated using the length of time the receivables are past due.

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 and capital projects.

When both restricted and unrestricted resources are available for use, it is the Authority'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 include outstanding charges by one fund to another 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 due to/from other funds (i.e., the current portion of intrafund loans) or advances to/from other funds (i.e., the non-current portion of intrafund loans). All activity between governmental and business-type activities of the Authority is eliminated and any residual balances outstanding between the activities are reported in the Authority-wide financial statements as internal balances.

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

The Authority generally capitalizes assets with cost of \$50,000 or more. Items that do not meet the monetary threshold listed in the policy summary are expensed in the period incurred with the exception of golf carts used for golf operations. Property and equipment are stated at actual or estimated historical cost. Donated assets are stated at their fair market value on the date donated. Capital assets are reported in the Authority-wide statements and respective proprietary funds and are depreciated using the straight line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	10 - 50
Infrastructure and improvements other than buildings	10 - 50
Mobile equipment, furniture, machinery, and equipment	5 - 20

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service. The Authority's proprietary funds capitalize interest as a component of capital assets constructed for its own use.

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

In addition to assets and liabilities, the statement of financial position and the governmental fund balance sheet 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. DEBT, BOND DISCOUNT AND PREMIUM, AND DEFERRED AMOUNTS FROM REFUNDING

In the Authority-wide and proprietary financial statements, 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. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. 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

Golf course employees are granted vacation benefits in varying amounts depending on tenure with the Authority. These benefits accumulate pro rata by pay period. The employee's right to use accumulated vacation and to receive an accumulated vacation payment upon termination vests after one year of employment. Sick leave accrues to employees at the rate of approximately 5 days per year with a maximum accrual of approximately 25 days. After one year of service, employees are entitled to a percentage of their sick leave balance upon termination.

I. D. 12. 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; accordingly, actual results could differ from those estimates.

I. D. 13. TIF

TIF is a method of obtaining financing using future gains in taxes to finance current improvements which will create the conditions for those future gains. When a public project is carried out, the increase in the value of surrounding real estate, and perhaps new investment, generates increased property and sales tax revenues dedicated to finance the debt issued to pay for the project.

I. D. 14. FUND EQUITY

Fund Balance

Non-Spendable Fund Balance

Fund balance reported as non-spendable includes amounts not in spendable form or is not expected to be converted to cash including inventories, prepaid expenses, and advance funding. In addition, non-current assets which will eventually be converted to cash are reported as non-spendable when otherwise unassigned.

Restricted Fund Balance

Restricted fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation including City ordinances approved by a vote of the Citizens.

Committed Fund Balance

Committed fund balance includes amounts that are constrained for specific purposes that are internally imposed by a vote of the Board of Trustees. Commitments of fund balance do not lapse at year-end.

Assigned Fund Balance

Assigned fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by formal action of the City Finance Director.

Unassigned Fund Balance

Unassigned fund balance includes fund balance within the General Purpose Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Fund Balance Usage

The Authority uses restricted amounts when both restricted and unrestricted fund balance is available unless there are legal documents or contracts prohibiting such use, such as a grant agreements requiring dollar for dollar spending. Additionally, the Authority uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Net Position

Net investment in capital assets 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 debt, 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 include purpose restrictions from enabling legislation and other external sources.

I. D. 15. RISK MANAGEMENT

The Authority's risk management activities are recorded in the City Risk Management, the Oklahoma City Municipal Facilities Authority (OCMFA) Services funds and Oklahoma City Post-Employment Benefits Trust (OCPEBT). The purpose of these funds is to administer employee life, employee health, property and liability, workers' compensation, unemployment, and disability insurance programs of the City, in which the Authority participates. These funds account for the risk financing activities of the Authority and constitute a transfer of risk from the Authority.

The Authority pays premiums to the City included with other administrative chargebacks and has no other costs or liabilities related to risk management activities. Costs and liabilities for commercial insurance, stop-loss insurance, and claims paid are recorded in the City Risk Management Fund and the OCMFA Services Fund. Retiree health insurance claims costs and liabilities are reported in OCPEBT.

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 Authority's operations. However, if the pandemic continues to evolve it is likely to have a negative impact on revenue from culture and recreation activities and hotel/motel tax.

I. E. POLICIES RELATED TO REVENUES AND EXPENDITURES/EXPENSES

I. E. 1. MAJOR REVENUES

Governmental Fund

Program revenue reported in governmental activities include public events charges for services such as box office fees and management fees. Other charges for service include water taxi receipts.

General revenues reported in governmental activities include property ad valorem tax for TIF proceeds, investment income, naming rights and other operating income.

Proprietary Funds

Operating revenues in the Golf Course Fund include green fees, driving range, café at the golf courses, locker and golf cart rental, and other non-operating revenue and interest income.

Non-operating interest income and payments from the City Hotel/Motel Tax Fund are the revenues recognized in the Fairgrounds Fund.

The Authority's Financial Service Fund has charges to City departments for natural gas service from third party providers and receives investment income.

I. E. 2. LEASE OPERATING AGREEMENTS

Fairgrounds

On October 3, 2006, the Authority and the City entered into a management agreement with the State Fair of Oklahoma, Inc. (Fair), a private, nonprofit corporation. Under terms of this agreement, all fairgrounds-related property, owned by the City and the Authority, is leased to the Fair. The Fair, in return, agrees to operate, manage, and maintain the fairgrounds.

Golf Facilities

The Authority leases the Lake Hefner, Lincoln Park, Trooper Park, and Earlywine Park golf facilities from the City. The lease agreements provide that all revenues generated by these assets will accrue to the Authority. Although each course is leased to the Authority individually, the terms of these leases are substantially the same. The Authority is responsible for all costs and expenses of operating and maintaining the golf facilities with the exception of water used for course maintenance, which is subsidized by the City's General Fund through payments to the Authority. The lease agreements require a nominal annual rental payment and provide that they shall remain in effect as long as revenue bonds of the Authority remain outstanding.

The Authority provides supervision of the operation and maintenance of the James E. Stewart Golf Course, pursuant to a joint resolution between the City and the Authority dated May 27, 1997.

The golf facilities are managed and maintained by employees of the Authority under advisory direction of a nine-member Golf Commission which is appointed by the Chairman of the Trustees (the Mayor) and approved by the Trustees. The golf facilities and golf system-related activity are recorded in the Authority's Golf Courses Fund.

Chickasaw Bricktown Ballpark (Ballpark)

As part of the City's Metropolitan Area Projects (MAPS) downtown revitalization program, a new downtown ballpark was constructed. On October 7, 1997, the City Council leased the new downtown ballpark and related facilities to the Authority for an initial 10 year term. The lease was extended to 2012 and will be extended automatically for the same rental and terms for two additional terms of five years each. On the same date, the Authority subleased the Ballpark to the Oklahoma City Athletic Club Limited Partnership that holds the franchise for the Oklahoma Redhawks baseball team. On September 24, 2014, The OKC TransitionCO acquired the rights and responsibilities of the sublease from the Oklahoma City Athletic Club and changed the name of the organization to the Oklahoma City Dodgers baseball team. The sublease is subject to the terms of a financing agreement to provide for the continued operations and maintenance of the Ballpark. The sublease requires annual rent equal to the greater of 7% of paid admissions for all events or \$250,000. Rentals are deposited by the Authority in a capital improvements account designated for future Ballpark capital improvements. This lease and sublease activity are reported in the General Purpose Fund.

On September 23, 2014, the Authority approved a \$1.00 facility fee charge to most ticketed events at the Ballpark. These proceeds will be remitted to the Authority for the purpose of making capital improvements and future capital maintenance.

Cox Convention Center, Chesapeake Energy Arena, and Civic Center Music Hall

The Authority leases the Cox Convention Center, Chesapeake Energy Arena, and Civic Center Music Hall (Civic Center) from the City. The amended lease, dated June 4, 2002, is for a twenty-five year period which began on May 11, 1999. The lease requires all of the proceeds derived from the operations of the leased premises to be paid as rental payments to the City. This lease and sublease activity are reported in the General Purpose Fund. On June, 19, 2018, the Authority entered into an agreement with the Civic Center Foundation (Foundation) for the management and operation of the Civic Center. In consideration of the Foundation's agreement to provide all necessary operating capital as well as accept the financial risk of operations, the City and the Authority agreed that the Foundation is entitled to receive and shall retain all net revenues realized through the Foundation's operation subject to the terms of the Agreement.

Oklahoma City Thunder

The Authority approved an agreement on April 15, 2008, with the Oklahoma City Thunder (Team) for use of the Chesapeake Energy Arena and National Basketball Association (NBA) Practice Facility during a 15-year initial term and five potential three-year renewal term(s).

The Team pays annual arena rent. Additional rent is to be paid for each pre-season and post-season home game. The Team pays the Authority the annual naming rights revenue and annual NBA practice facility rent. Rent and naming rights fees are subject to periodic consumer price index adjustments, capped at 3% annually. These activities are reported in the General Purpose Fund.

I. E. 3. MANAGEMENT AGREEMENTS

Cox Convention Center, Chesapeake Energy Arena and Oklahoma City Downtown Convention Center

On October 19, 1999, the City and the Authority entered into a management agreement with Superior Management Group (SMG). Under the agreement, SMG agreed to manage and operate the Cox Convention Center and Chesapeake Energy Arena. On November 8, 2016, the City and Authority entered into a management agreement with SMG to manage and operate the Oklahoma City Downtown Convention Center. SMG subcontracts with various entities to provide services including marketing, food and beverages for events at the facilities. The audited financial statements for SMG are available upon request from the City Finance department, 100 N. Walker, Suite 300, Oklahoma City, OK, 73012.

Civic Center Music Hall

On June 19, 2018, the City and the Authority entered into a management agreement with the Civic Center Foundation (Foundation). Under the agreement, the Foundation agreed to manage and operate the Civic Center Music Hall. This includes, but is not limited to, presenting the annual Broadway season; administering suite leases; overseeing retail food and beverage services; providing event scheduling and ticketing services; and performing routine maintenance and general repairs. The Foundation has developed operating policies and procedures, with the approval of the Authority General Manager. The Foundation is also required to submit an annual performance report. The agreement will run through June 30, 2023, and can be renewed for four additional five-year terms, for a total of 25 years.

Golf Courses

The professional managers of the respective golf courses are contracted by the Authority under the terms of five-year professional services agreements. These professional services agreements provide for compensation to be paid monthly to the professional managers at a rate equal to a fixed fee plus a percentage of gross golf cart rentals and a percentage of all other operating revenues, including green fees, restaurant income, and driving range fees. The professional managers receive all the revenues from the sale and rental of golf merchandise, repairs to patrons' golf equipment, and golf lessons. However, they must bear substantially all the costs and expenses related to these activities.

The professional services agreements also require the Authority to provide health, life and dental insurance coverage to the professional managers, as well as retirement benefits.

Tennis Center

In January, 2010, the City and the Authority entered into an agreement for management and operations of the tennis program and facilities at the Oklahoma City Tennis Center with OKC Public Tennis, LLC, for the period of January 14, 2010, through January 14, 2013. On December 11, 2012, the City of Oklahoma City approved an amendment to the agreement extending the term for an additional three years. On April 21, 2015, a fourth amendment to the agreement was approved retroactive to January 14, 2013, through January 13, 2016. On August 18, 2016, the Authority entered into a new agreement for management and operations of the tennis program and facilities at the Oklahoma City Tennis Center. This agreement was retroactive for the period from January 14, 2016 through January 14, 2026. OKC Public Tennis, LLC assumes sole responsibility for management and compensation of the staff and management of the tennis program and facilities including tennis lessons, court rentals, tournaments, clinics, camps, pro shop operations, food and beverage services, and tennis equipment repairs, subject to overall policy direction and approval of the City and the Authority.

Rose State College

In June 2015, the first renewal of an agreement between Rose State College and the Authority was signed regarding the management of the Theater. The term of the agreement was extended from July 1, 2015, and through June 30, 2016. On June 21, 2016, the City of Oklahoma City approved a second renewal extending the agreement through June 30, 2017. On June 13, 2017, the City of Oklahoma City approved a third renewal extending the agreement through June 30, 2018. Under the terms of the agreement, the Civic Center staff is responsible for managing the theater and the City is reimbursed for all expenses incurred. These activities were reported in the General Purpose Fund. As of July 1, 2018, the Foundation is now responsible for the management of the Theater and in consideration for incurring all expenses will be entitled to receive all net revenues.

USA Softball Hall of Fame Complex and Stadium Facilities

In August 2014, the City and the Authority entered into an agreement for the management and operation of the USA Softball Hall of Fame Complex and the Stadium Facilities, with USA Softball, Inc. (formerly Amateur Softball Association of America). The term of the agreement is for a primary term of thirty-five (35) years, commencing on May 1, 2014, with an option belonging to USA Softball, Inc. to renew the lease for an additional thirty-five (35) years.

I. F. TAX STATUS

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.

I. G. RETAINAGES

It is the policy of the Authority to retain a percentage of construction contracts until a completed project has been accepted by the Trustees. 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.

I. H. REVENUE RESERVES

Capital Improvements

Effective May 1, 1995, the Golf Commission recommended and the Trustees of the Authority approved a surcharge on golf rounds. Current rates are \$0.50 to \$9.00 for daily rounds and \$350.00 to \$900.00 for annual rounds. These funds are generally used for the major renovation of existing courses. The use of these funds is subject to the approval of the Golf Commission and the Trustees of the Authority.

Operating Reserve

Golf courses are required to deposit \$0.50 to \$2.00 of each green fee to a savings account and amounts are generally spent as needed. Spending of these funds is recommended by the Golf Commission and approved by the Trustees of the Authority.

Equipment Replacement

Golf courses are required to deposit \$0.50 to \$4.00 of each cart rental to a savings account and amounts are generally spent as needed. Spending of these funds is recommended by the Golf Commission and approved by the Trustees of the Authority.

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. 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 institutions' financial strength in accordance with the investment policy.

The general bond indentures for the Golf System Revenue Bonds and Fairgrounds Hotel Tax Revenue Bonds require the use of trust accounts. The bond accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The operating and maintenance account is used for resources set aside to make up deficiencies in operating and maintenance activities. The construction accounts are used for proceeds of revenue bond issuances that are restricted for use in construction. The bond reserve account is used for proceeds of revenue bond issuances set aside to make up potential future deficiencies in the bond accounts, or to make the last bond principal and interest payments.

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 or the City, less Federal depository insurance, except for \$12,867,490 held by SMG that exceeds federally insured limits.

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.

		2020						
		Fair Value/ Carrying	Level 1	Level 2	Level 3	Measured at	Average	
<u>Cost</u>	<u>Amount</u>	<u>Inputs</u>	<u>Inputs</u>	<u>Inputs</u>	<u>NAV (1)</u>	<u>Ratings (2)</u>	<u>Weighted Average</u>	<u>(months) (3)</u>
<u>POOLED</u>								
<u>INVESTMENTS</u>								
Money								
market (4)(5)	\$5,741,805	\$5,741,805	\$5,741,805	\$ -	\$ -	\$ -	AAA/Aaa	1.33
Federal								
Obligations	5,018,219	5,175,499	-	5,175,499	-	-	AA/Aaa	17.94
US Treasury								
Notes	3,990,164	4,079,532	-	4,079,532	-	-	AAA/Aaa	16.13
Fannie Mae	<u>978,031</u>	<u>1,029,514</u>	<u>-</u>	<u>1,029,514</u>	<u>-</u>	<u>-</u>	AA/Aaa	21.47
Total pooled								
investments	<u>15,728,219</u>	<u>16,026,350</u>	<u>5,741,805</u>	<u>10,284,545</u>	<u>-</u>	<u>-</u>		
<u>NON-POOLED</u>								
<u>INVESTMENTS</u>								
Money								
market (4)(5)	<u>6,978,544</u>	<u>6,978,544</u>	<u>6,978,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA/Aaa	1.16
Total								
investments	<u>\$22,706,763</u>	<u>\$23,004,894</u>	<u>\$12,720,349</u>	<u>\$10,284,545</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 (months) (3)
<u>POOLED</u>								
<u>INVESTMENTS</u>								
Money								
market (4)(5)	\$3,440,800	\$3,440,800	\$3,440,800	\$ -	\$ -	\$ -	AAA/Aaa	1.10
Federal								
Obligations	6,009,649	6,089,888	-	6,089,888	-	-	AA/Aaa	26.37
US Treasury								
Notes	2,985,216	2,984,948	-	2,984,948	-	-	AAA/Aaa	14.60
Fannie Mae	<u>2,991,221</u>	<u>2,995,228</u>	<u>-</u>	<u>2,995,228</u>	<u>-</u>	<u>-</u>	AA/Aaa	16.87
Total pooled investments	<u>15,426,886</u>	<u>15,510,864</u>	<u>3,440,800</u>	<u>12,070,064</u>	<u>-</u>	<u>-</u>		
<u>NON-POOLED</u>								
<u>INVESTMENTS</u>								
Money								
market (4)(5)	<u>7,322,696</u>	<u>7,322,696</u>	<u>7,322,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	AAA/Aaa	1.00
Total investments	<u>\$22,749,582</u>	<u>\$22,833,560</u>	<u>\$10,763,496</u>	<u>\$12,070,064</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.

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.

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.

Federal obligations consist of Federal Home Loan Bank notes. These securities use pricing models that maximize the use of observable inputs for similar securities and are valued at level 2. U.S. Treasury notes use similar pricing models and are also valued at level 2.

Investment Policy

The Authority's investment policy is maintained by the City Treasurer. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Authority funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. government is pledged, or obligations to 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 shown previously as items (1) and (2).

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Cumulatively, portfolios of the Authority may not be invested in any given financial institution in excess of 5% of such institution's total assets 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%	0-1 year	100%
U.S. Treasury securities (3)	100.0	1-3 years	90
Certificates of deposit	50.0	3-5 years	90
Money market funds	100.0		
Savings accounts	100.0		
U.S. noncallable agencies securities	100.0		
U.S. callable agency securities	20.0		
Prime commercial paper	7.5		
City judgments	5.0		

- (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%.

The 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.

Securities Held by Others

For investments, 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. Policy provides that investment collateral is held by a third party custodian with whom the City 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. The Authority's unrestricted investments are insured or collateralized with securities held by the Authority, or its agent in the Authority's name.

Bond Indentures Restrictions

The bond indentures provide 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.

Golf System Revenue Bonds

Golf course bond indentures restrict investing to governmental obligations; governmental obligations which have been stripped of their unmatured interest coupons and interest coupons which have been stripped from governmental obligations, provided that such obligations must be held by a third party; bonds, debentures, notes, or evidence of indebtedness issued by the: bank for cooperatives, federal home loan banks, federal land bank, federal financing bank, Federal National Mortgage Association, Government National Mortgage Association, Student Loan Marketing Association; interest-bearing time or demand deposits, certificates of deposit or similar banking arrangements with any government securities dealer; certificates of deposit secured by collateral described in (1) and (2) above; investments fully insured by Federal depository insurance; repurchase agreements; money market accounts; commercial paper; shares of mutual funds; advanced refunding municipal bonds; and guaranteed investment contracts.

Fairgrounds Hotel Tax Revenue Bonds

Fairgrounds bond indentures restrict investing to governmental obligations; bonds, debentures, notes or evidence of indebtedness issued by the: export – import bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing and Urban Development, Federal Housing Administration; bonds or notes issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; commercial paper; money market accounts; advanced refunding municipal bonds; and certificates of deposit.

Restricted Deposits and Investments

	<u>2020</u>		<u>2019</u>	
	Golf System Revenue Bonds	Fairgrounds Hotel Tax Revenue Bonds	Golf System Revenue Bonds	Fairgrounds Hotel Tax Revenue Bonds
Bond principal and interest	\$778,604	\$3,195,880	\$755,878	\$3,120,758
Construction accounts	6,108	1,736,826	6,833	2,186,971
Bond reserve	<u>455,710</u>	<u>805,416</u>	<u>455,710</u>	<u>796,545</u>
	<u>\$1,240,422</u>	<u>\$5,738,122</u>	<u>\$1,218,421</u>	<u>\$6,104,274</u>

Compliance with State Requirements

Authority investment policy and the bond indentures, 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 Authority investing to the Prudent Investor Rule defined by Title 60 Oklahoma Statutes to consider the purposes, terms, distribution requirements, and other circumstances of the trust and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Authority.

II. B. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Property Taxes Receivable

Revenues include TIF property tax collections. TIF property taxes from designated TIF districts are paid directly to the Authority. Taxes are levied annually on November 1. One-half of levied tax is due by December 31 and one-half is due by March 31. Major tax payments are received December through April. Lien dates for real property are in June and October, respectively. Property taxes receivable and related revenue include all amounts due the Authority regardless of when cash is received. Over time, substantially all property taxes are collected. In 2020 and 2019, respectively, the Authority recognized \$4,114 and \$3,090 in property taxes receivable.

Accounts Receivable

	<u>2020</u>	<u>2019</u>
<i>Governmental activities</i>		
Ticket and event receivables	\$1,861,794	\$1,837,281
Lease revenues receivables	569,185	239,384
Other receivables	<u>397,967</u>	<u>589,900</u>
	<u>\$2,828,946</u>	<u>\$2,666,565</u>
<i>Business-type activities</i>		
Golf course miscellaneous receivables	<u>\$7,653</u>	<u>\$5,766</u>

Advance Funding

The Authority advances funds to a management company to operate the City's business improvement districts. As of June 30, 2020 and 2019, \$162,887 was unexpended.

II. C. INVENTORIES

	<u>2020</u>	<u>2019</u>
<i>Governmental activities</i>		
Food and beverage items and other supplies	<u>\$229,124</u>	<u>\$219,237</u>
 <i>Business-type activities</i>		
Restaurant inventory	45,149	46,852
Cart barn and driving range supplies	42,847	41,057
Maintenance and janitorial supplies	<u>246,603</u>	<u>233,880</u>
	<u>334,599</u>	<u>321,789</u>
	<u>\$563,723</u>	<u>\$541,026</u>

II. D. PREPAID ASSETS

	<u>2020</u>	<u>2019</u>
<i>Governmental activities</i>		
Software license and support agreements	\$92,421	\$203,004
Other	\$43,239	\$ -
SMG operations	<u>26,892</u>	<u>33,232</u>
	<u>162,552</u>	<u>236,236</u>
 <i>Business-type activities</i>		
Prepaid insurance	\$202,283	\$214,528
Software and vehicle maintenance	383	2,711
Business and vehicle insurance	<u>136</u>	<u>1,794</u>
	<u>202,802</u>	<u>219,033</u>
	<u>\$365,354</u>	<u>\$455,269</u>

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

II. E. CAPITAL ASSETS

Changes in Capital Assets

	2020								
	Capital Assets, not depreciated			Capital Assets, depreciated					Total Capital Assets, net
	Land and Art	Construction In Progress	Total Capital Assets, not depreciated	Buildings	Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Total Capital Assets, depreciated		
<i>Governmental Activities</i>									
<u>CAPITAL ASSETS</u>									
Balance, June 30, 2019	\$9,232,985	\$279,185	\$9,512,170	\$50,729,266	\$45,614,434	\$22,250,485	\$118,594,185	\$128,106,355	
Increases	114,080	-	114,080	-	-	156,142	156,142	270,222	
Transfers	<u>10,750</u>	<u>(177,433)</u>	<u>(166,683)</u>	<u>-</u>	<u>-</u>	<u>166,683</u>	<u>166,683</u>	<u>-</u>	
Balance, June 30, 2020	<u>9,357,815</u>	<u>101,752</u>	<u>9,459,567</u>	<u>50,729,266</u>	<u>45,614,434</u>	<u>22,573,310</u>	<u>118,917,010</u>	<u>128,376,577</u>	
<u>ACCUMULATED</u>									
<u>DEPRECIATION</u>									
Balance, June 30, 2019				13,490,031	20,217,268	15,016,347	48,723,646	48,723,646	
Increases				<u>1,139,002</u>	<u>1,120,642</u>	<u>1,373,251</u>	<u>3,632,895</u>	<u>3,632,895</u>	
Balance, June 30, 2020				<u>14,629,033</u>	<u>21,337,910</u>	<u>16,389,598</u>	<u>52,356,541</u>	<u>52,356,541</u>	
Total governmental activities	<u>9,357,815</u>	<u>101,752</u>	<u>9,459,567</u>	<u>36,100,233</u>	<u>24,276,524</u>	<u>6,183,712</u>	<u>66,560,469</u>	<u>76,020,036</u>	
<i>Business-type Activities</i>									
<u>CAPITAL ASSETS</u>									
Balance, June 30, 2019	2,004,837	8,275,392	10,280,229	39,394,172	84,688,123	9,734,501	133,816,796	144,097,025	
Increases	-	16,996	16,996	165	3,729	298,707	302,601	319,597	
Decreases	-	(5,600)	(5,600)	-	-	-	-	(5,600)	
Transfers	<u>-</u>	<u>(4,287,270)</u>	<u>(4,287,270)</u>	<u>-</u>	<u>4,278,370</u>	<u>8,900</u>	<u>4,287,270</u>	<u>-</u>	
Balance, June 30, 2020	<u>2,004,837</u>	<u>3,999,518</u>	<u>6,004,355</u>	<u>39,394,337</u>	<u>88,970,222</u>	<u>10,042,108</u>	<u>138,406,667</u>	<u>144,411,022</u>	
<u>ACCUMULATED</u>									
<u>DEPRECIATION</u>									
Balance, June 30, 2019				10,217,623	72,229,580	7,173,665	89,620,868	89,620,868	
Increases				<u>896,697</u>	<u>2,824,695</u>	<u>652,748</u>	<u>4,374,140</u>	<u>4,374,140</u>	
Balance, June 30, 2020				<u>11,114,320</u>	<u>75,054,275</u>	<u>7,826,413</u>	<u>93,995,008</u>	<u>93,995,008</u>	
Total business-type activities	<u>2,004,837</u>	<u>3,999,518</u>	<u>6,004,355</u>	<u>28,280,017</u>	<u>13,915,947</u>	<u>2,215,695</u>	<u>44,411,659</u>	<u>50,416,014</u>	
Total	<u>\$11,362,652</u>	<u>\$4,101,270</u>	<u>\$15,463,922</u>	<u>\$64,380,250</u>	<u>\$38,192,471</u>	<u>\$8,399,407</u>	<u>\$110,972,128</u>	<u>\$126,436,050</u>	

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

OKLAHOMA CITY PUBLIC
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Capital Assets (continued)

	2019							
	Capital Assets, not depreciated			Capital Assets, depreciated				
	Land and Art	Construction In Progress	Total Capital Assets, not depreciated	Buildings	Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Total Capital Assets, depreciated	Total Capital Assets, net
<i>Governmental Activities</i>								
<u>CAPITAL ASSETS</u>								
Balance, June 30, 2018	\$8,912,295	\$203,962	\$9,116,257	\$50,729,266	\$45,614,434	\$21,955,797	\$118,299,497	\$127,415,754
Increases	320,690	75,223	395,913	-	-	529,754	529,754	925,667
Decreases	-	-	-	-	-	(235,066)	(235,066)	(235,066)
Balance, June 30, 2019	<u>9,232,985</u>	<u>279,185</u>	<u>9,512,170</u>	<u>50,729,266</u>	<u>45,614,434</u>	<u>22,250,485</u>	<u>118,594,185</u>	<u>128,106,355</u>
<u>ACCUMULATED</u>								
<u>DEPRECIATION</u>								
Balance, June 30, 2018				12,256,955	18,698,129	13,274,307	44,229,391	44,229,391
Increases				1,233,076	1,519,139	1,968,329	4,720,544	4,720,544
Decreases				-	-	(226,289)	(226,289)	(226,289)
Balance, June 30, 2019				<u>13,490,031</u>	<u>20,217,268</u>	<u>15,016,347</u>	<u>48,723,646</u>	<u>48,723,646</u>
Total governmental activities	<u>9,232,985</u>	<u>279,185</u>	<u>9,512,170</u>	<u>37,239,235</u>	<u>25,397,166</u>	<u>7,234,138</u>	<u>69,870,539</u>	<u>79,382,709</u>
<i>Business-type Activities</i>								
<u>CAPITAL ASSETS</u>								
Balance, June 30, 2018	2,004,837	7,510,793	9,515,630	39,279,425	84,688,123	9,449,077	133,416,625	142,932,255
Increases	-	764,599	764,599	114,747	-	474,626	589,373	1,353,972
Decreases	-	-	-	-	-	(189,202)	(189,202)	(189,202)
Balance, June 30, 2019	<u>2,004,837</u>	<u>8,275,392</u>	<u>10,280,229</u>	<u>39,394,172</u>	<u>84,688,123</u>	<u>9,734,501</u>	<u>133,816,796</u>	<u>144,097,025</u>
<u>ACCUMULATED</u>								
<u>DEPRECIATION</u>								
Balance, June 30, 2018				9,323,250	68,266,045	6,754,779	84,344,074	84,344,074
Increases				894,373	3,963,535	609,672	5,467,580	5,467,580
Decreases				-	-	(190,786)	(190,786)	(190,786)
Balance, June 30, 2019				<u>10,217,623</u>	<u>72,229,580</u>	<u>7,173,665</u>	<u>89,620,868</u>	<u>89,620,868</u>
Total business-type activities	<u>2,004,837</u>	<u>8,275,392</u>	<u>10,280,229</u>	<u>29,176,549</u>	<u>12,458,543</u>	<u>2,560,836</u>	<u>44,195,928</u>	<u>54,476,157</u>
Total	<u>\$11,237,822</u>	<u>\$8,554,577</u>	<u>\$19,792,399</u>	<u>\$66,415,784</u>	<u>\$37,855,709</u>	<u>\$9,794,974</u>	<u>\$114,066,467</u>	<u>\$133,858,866</u>

Depreciation Expense

	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Culture and recreation	\$2,398,806	\$3,589,113	Golf courses	\$700,789
Public services	1,234,089	1,131,431	Fairgrounds	3,673,351
	<u>\$3,632,895</u>	<u>\$4,720,544</u>		<u>\$4,374,140</u>
				<u>\$5,467,580</u>

Capitalized Interest

	2020		2019	
	Total Interest Costs Incurred	Capitalized Interest	Total Interest Costs Incurred	Capitalized Interest
<i>Business-type Activities</i>				
Fairgrounds	\$2,612,499	\$48	\$2,814,808	\$9,420
Golf Courses	<u>327,672</u>	-	<u>360,105</u>	-
	<u>\$2,940,171</u>	<u>\$48</u>	<u>\$3,174,913</u>	<u>\$9,420</u>

II. F. DEFERRED OUTFLOWS OF RESOURCES

Deferred Amounts on Refunding

Deferred amounts on refundings of bonds results from a difference in the carrying value of refunded debt to its reacquisition price. Deferred amounts on refunding are amortized over the shorter of the life of the refunded or refunding debt. The Golf Courses Fund reported deferred amounts on refunding of \$2,391 less accumulated amortization of \$1,798 and \$1,615 at June 30, 2020 and 2019, respectively, related to the refunding of the 1998 Golf Revenue Refunding and Improvement Bonds. The Fairgrounds Fund reported deferred amounts on refunding of \$171,289 less accumulated amortization of \$19,032 and \$7,613 at June 30, 2020 and 2019, respectively, related to the refunding of the 2007A Hotel Tax Revenue Bonds.

III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

III. A. UNEARNED REVENUES

	<i>Governmental Activities</i>	
	<u>2020</u>	<u>2019</u>
<u>CURRENT</u>		
SMG operations	\$9,837,533	\$6,126,458
Digital Antennae Service (DAS) leases	345,226	334,866
Utility Reimbursements	48,710	33,775
Naming rights	-	<u>25,000</u>
	<u>\$10,231,469</u>	<u>\$6,520,099</u>
<u>NON-CURRENT</u>		
DAS leases	<u>\$262,264</u>	<u>\$399,830</u>

III. B. COMPENSATED ABSENCES

Compensated absences balances changed from June 30, 2019 to June 30, 2020 by accruals of \$65,954 and usages of \$101,422, and from June 30, 2018 to June 30, 2019 by accruals of \$113,264 and usages of \$102,713.

III. C. REVENUE BONDS

Unamortized Bond Discount/Premium

	2020			2019		
	Golf Courses	Fairgrounds	Total	Golf Courses	Fairgrounds	Total
Bonds payable	\$5,995,000	\$67,505,000	\$73,500,000	\$6,235,000	\$70,520,000	\$76,755,000
Bonds payable from private placements	3,460,000	-	3,460,000	4,090,000	-	4,090,000
Unamortized bond discount/premium	<u>22,280</u>	<u>5,582,775</u>	<u>5,605,055</u>	<u>24,597</u>	<u>6,292,049</u>	<u>6,316,646</u>
Bonds payable, net	<u>\$9,477,280</u>	<u>\$73,087,775</u>	<u>\$82,565,055</u>	<u>\$10,349,597</u>	<u>\$76,812,049</u>	<u>\$87,161,646</u>

Golf Courses Revenue Bonds

On September 1, 2010, the Private Placement Series 2010 Golf Courses Revenue Refunding Bonds were issued for \$8,465,000 and the proceeds were transferred to the Series 1998 Golf Courses Revenue Bond redemption trust account and were used to call the Series 1998 Golf Courses Revenue Bonds on October 1, 2010. Private Placement Series 2010 Golf Courses Revenue Refunding Bonds, less issue costs of \$68,979, along with the debt service reserve for the Series 1998 Golf Courses Revenue Bonds of \$954,625 and the balance of principal account of \$450,000 were used to defease the Series 1998 Golf Courses Revenue Bonds balance of \$9,780,000 leaving a balance of \$20,646 to be used for future projects. The Private Placement Series 2010 Golf Courses Revenue Bond issue interest rate is 3.15%.

On July 11, 2012, the Series 2012 Golf Courses Revenue Bonds were issued for \$7,565,000 to improve Lincoln Park Golf Course. The Series 2012 Golf Courses Revenue Bonds less issue costs of \$75,115 were used to supplement the City Series 2010 General Obligation Bond amount of \$2,250,000 to be used for construction and renovation of the course facilities. The average interest rate on these bonds is 2.81%.

Fairgrounds Hotel/Motel Tax Revenue Bonds

On December 14, 2004, City voters approved a 5.5% hotel tax for the purpose of encouraging, promoting and fostering convention and tourism for the City. Pursuant to the security agreement, the City agrees on a year to year basis to transfer the hotel tax revenues to the Authority.

The bonds are limited obligations of the Authority payable solely from the trust estate pledged under the indenture consisting of the convention and tourism development portion and the fairgrounds development portion of the hotel tax revenues received by the Authority from the City pursuant to the security agreement described below. Interest on the bonds is payable each April 1 and October 1, commencing April 1, 2006. The indenture requires the use of project, principal, interest, and reserve accounts.

The fairgrounds are owned by the City and leased to the Authority pursuant to a lease agreement dated November 1, 1961, as amended. The term of the lease has been extended for as long as the bonds remain outstanding.

On August 1, 2007, the Authority issued \$20 million in Series 2007A Hotel Tax Revenue Bonds with an average interest rate of 4.24%. Total proceeds included \$322,145 in discount. Issuance costs were \$396,920. Net proceeds of \$19,280,935 are used to fund various fairgrounds renovations, primarily the Norick Coliseum, the prime location for all equine events. Other significant uses of funds include a new gateway, security fencing, transportation trams, parking lots and associated drainage. These bonds were paid in full with the proceeds from the issuance of the Revenue Refunding Bonds, Series 2018.

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OKLAHOMA CITY PUBLIC
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On October 1, 2011, the Authority issued \$9,285,000 in Series 2011 Hotel Tax Revenue Bonds. The proceeds of \$9,183,007 from the bonds, less \$183,007 in issuance costs, will be used to finance the construction and renovation of the fairgrounds facilities.

On July 30, 2015, the Authority issued \$58,305,000 in Series 2015 Hotel Tax Revenue Refunding Bonds. Total proceeds included \$7,372,124 in premium. Issuance costs were \$242,562. Net proceeds of \$20,007,200 will be used to fund infrastructure improvements. The Series 2015 Hotel Tax Revenue Refunding Bonds defeased \$43,860,000 of Series 2005 Hotel Tax refunding revenue bonds and was used to call \$1,800,000 in Series 2012 Hotel Tax Revenue Bonds.

On October 1, 2018, the Authority issued \$14,400,000 in Series 2018 Hotel Tax Revenue Refunding Bonds. Total proceeds included \$1,778,371 in premium. Issuance costs were \$215,383. Net proceeds of \$16,104,735 defeased \$15,913,804 of Series 2007A Hotel Tax Revenue Bonds.

Bonded Debt Service Requirements to Maturity

Golf System Bonds

Fiscal Year	Private Placement Golf System Series 2010			Golf System Series 2012		
	Principal	Interest	Total	Principal	Interest	Total
	2021	\$650,000	\$98,753	\$748,753	\$250,000	\$204,165
2022	670,000	77,962	747,962	255,000	196,590	451,590
2023	690,000	56,543	746,543	265,000	188,790	453,790
2024	715,000	34,413	749,413	275,000	180,690	455,690
2025	735,000	11,576	746,576	280,000	172,365	452,365
2026-2030	-	-	-	1,550,000	720,779	2,270,779
2031-2035	-	-	-	1,835,000	424,334	2,259,334
2036-2040	-	-	-	<u>1,285,000</u>	<u>75,554</u>	<u>1,360,554</u>
	<u>\$3,460,000</u>	<u>\$279,247</u>	<u>\$3,739,247</u>	<u>\$5,995,000</u>	<u>\$2,163,267</u>	<u>\$8,158,267</u>

Fairgrounds Bonds

Fiscal Year	Fairgrounds Series 2011			Fairgrounds Series 2015		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$135,000	\$349,356	\$484,356	\$2,850,000	\$2,175,750	\$5,025,750
2022	140,000	344,544	484,544	2,995,000	2,029,625	5,024,625
2023	145,000	339,104	484,104	3,150,000	1,876,000	5,026,000
2024	150,000	333,020	483,020	3,310,000	1,714,500	5,024,500
2025	155,000	326,728	481,728	3,480,000	1,544,750	5,024,750
2026-2030	885,000	1,529,074	2,414,074	20,275,000	4,856,125	25,131,125
2031-2035	5,820,000	511,616	6,331,616	3,655,000	1,764,875	5,419,875
2036-2040	<u>910,000</u>	<u>41,402</u>	<u>951,402</u>	<u>5,225,000</u>	<u>750,875</u>	<u>5,975,875</u>
	<u>\$8,340,000</u>	<u>\$3,774,844</u>	<u>\$12,114,844</u>	<u>\$44,940,000</u>	<u>\$16,712,500</u>	<u>\$61,652,500</u>

(continued)

Fairgrounds Bonds (continued)

Fiscal Year	Fairgrounds Series 2018		
	Principal	Interest	Total
2021	\$180,000	\$686,200	\$866,200
2022	190,000	678,800	868,800
2023	195,000	671,100	866,100
2024	205,000	663,100	868,100
2025	215,000	654,700	869,700
2026-2030	1,185,000	3,143,675	4,328,675
2031-2035	<u>12,055,000</u>	<u>1,498,875</u>	<u>13,553,875</u>
	<u>\$14,225,000</u>	<u>\$7,996,450</u>	<u>\$22,221,450</u>

Revenue Bonds Outstanding

	Amount Issued	Interest Rate %	Issue Date	Principal Maturity Date	2020	2019
					Balance	Balance
Private placement						
Golf System, Series 2010	\$8,465,000	3.15	09-01-10	10-01-23	\$3,460,000	\$4,090,000
Golf System, Series 2012	7,565,000	0.45 - 3.85	07-11-12	10-01-37	5,995,000	6,235,000
Fairgrounds, Series 2011	9,285,000	2.0 - 4.5	10-01-11	10-01-36	8,340,000	8,470,000
Fairgrounds, Series 2015	58,305,000	3.0 - 5.0	07-30-15	10-01-39	44,940,000	47,650,000
Fairgrounds, Series 2018	14,400,000	3.0 - 5.0	10-01-18	10-01-33	<u>14,225,000</u>	<u>14,400,000</u>
					<u>\$76,960,000</u>	<u>\$80,845,000</u>

Bond Coverage

Golf System Bonds

	2020	2019
Gross revenue, including non-operating revenues and payments from the City	\$9,220,176	\$8,641,117
Direct operating expenses, excluding other post-employment benefit expense, payments to the City, depreciation and amortization	<u>7,089,759</u>	<u>6,879,790</u>
Net revenue available for debt service	<u>\$2,130,417</u>	<u>\$1,761,327</u>
Principal amounts	\$990,000	\$990,000
Interest amounts	<u>215,104</u>	<u>215,104</u>
Total debt service requirements	<u>\$1,205,104</u>	<u>\$1,205,104</u>
Revenue bond coverage	<u>1.77</u>	<u>1.46</u>

The bond indentures require the payment of principal and interest before any other expenditures may be made. Gross revenues and expenses for golf bonds exclude James E. Stewart Golf Course and direct operating expenses exclude administrative payments to the City. In addition, depreciation and amortization expenses are excluded from the direct operating expenses as they do not affect funds available for debt service. Principal and interest is the maximum debt service paid in any year for bond covenants coverage calculations for Series 2012 golf bonds. The required revenue bond coverage is 1.1 for golf bonds.

Fairgrounds Bonds

	<u>2020</u>	<u>2019</u>
Gross revenue, including non-operating revenues and payments from the City	<u>\$11,237,472</u>	<u>\$14,239,938</u>
Principal amounts	\$3,015,000	\$2,700,000
Interest amounts	<u>3,362,044</u>	<u>3,147,612</u>
Total debt service requirements	<u>\$6,377,044</u>	<u>\$5,847,612</u>
Revenue bond coverage	<u>1.76</u>	<u>2.44</u>

Gross revenues for the fairgrounds bonds are 10/11ths of the recognized hotel/motel taxes collected by the City and pledged to the debt. No direct expenses are included as the operations of the fairgrounds are not reported as part of the Authority. There is no required revenue bond coverage for fairground bonds.

Bond Defeasance

Prior Year Defeasance

Series 2007A Hotel Tax Revenue Bonds

On October 1, 2018, the Authority issued \$14,400,000 in Series 2018 Hotel Tax Revenue Refunding Bonds, with an average interest rate (coupon) of 4.92% to advance refund \$15,875,000 of Series 2007A Hotel Tax Revenue Bonds. Total proceeds include \$1,778,371 in premium. As a result, Series 2007A Hotel Tax Revenue Bonds, in the amount disclosed, is considered defeased as of the issuance date and the liability for the bonds removed from the financial statements in the period of the defeasance. The Authority advance refunded these bonds for the recent decline in interest rates and achieved an economic gain of approximately \$1,101,881.

III. D. SEGMENT INFORMATION AND PLEDGED REVENUES

The Authority issued revenue bonds to support its golf course activities and fairgrounds improvements. The Authority financial statements report revenue-supported debt. In 2020 and 2019 the Authority recognized \$8,308,069 and \$7,973,245 in golf course revenues excluding James E. Stewart Golf Course, respectively, and \$6,430,806 and \$8,434,869 in hotel/motel tax payments from the City to the Fairgrounds Fund, respectively.

III. E. ARBITRAGE COMPLIANCE

Proceeds from tax-exempt revenue bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Authority invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. The Authority did not have an arbitrage liability as of June 30, 2020 and 2019.

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

III. F. CHANGES IN LONG-TERM DEBT

2020						
	Balance July 1,	Issued	Retired	Balance June 30, 2020	Due Within One Year	Due After One Year
<i>Primary Authority</i>						
<i>Business-type Activities</i>						
<u>COMPENSATED ABSENCES</u>						
Golf Courses Fund	<u>\$169,756</u>	<u>\$65,954</u>	<u>\$101,422</u>	<u>\$134,288</u>	<u>\$45,550</u>	<u>\$88,738</u>
<u>REVENUE BONDS</u>						
Golf Courses Fund	6,259,597	-	242,317	6,017,280	250,000	5,767,280
Golf Courses Fund from private placement	4,090,000	-	630,000	3,460,000	650,000	2,810,000
Fairgrounds Fund	<u>76,812,049</u>	<u>-</u>	<u>3,724,274</u>	<u>73,087,775</u>	<u>3,165,000</u>	<u>69,922,775</u>
Total revenue bonds	-	-	<u>4,596,591</u>	<u>82,565,055</u>	<u>4,065,000</u>	<u>78,500,055</u>
<u>NET OPEB LIABILITY</u>						
Golf Courses Fund	<u>5,849,677</u>	<u>621,232</u>	<u>1,155,163</u>	<u>5,315,746</u>	-	<u>5,315,746</u>
Total business-type activities	-	<u>687,186</u>	<u>5,853,176</u>	<u>88,015,089</u>	<u>4,110,550</u>	<u>83,904,539</u>
Total primary Authority	<u>\$-</u>	<u>\$687,186</u>	<u>\$5,853,176</u>	<u>\$88,015,089</u>	<u>\$4,110,550</u>	<u>\$83,904,539</u>
2019						
	Balance July 1,	Issued	Retired	Balance June 30, 2019	Due Within One Year	Due After One Year
<i>Primary Authority</i>						
<i>Business-type Activities</i>						
<u>COMPENSATED ABSENCES</u>						
Golf Courses Fund	<u>\$159,205</u>	<u>\$113,264</u>	<u>\$102,713</u>	<u>\$169,756</u>	<u>\$52,620</u>	<u>\$117,136</u>
<u>REVENUE BONDS</u>						
Golf Courses Fund	6,497,005	-	237,408	(237,408)	240,000	(477,408)
Golf Courses Fund from private placement	4,700,000	-	610,000	(610,000)	630,000	(1,240,000)
Fairgrounds Fund	<u>79,910,469</u>	<u>16,178,371</u>	<u>19,276,791</u>	<u>(3,098,420)</u>	<u>3,015,000</u>	<u>(6,113,420)</u>
Total revenue bonds	-	<u>16,178,371</u>	<u>20,124,199</u>	<u>(3,945,828)</u>	<u>3,885,000</u>	<u>(7,830,828)</u>
<u>NET OPEB LIABILITY</u>						
Golf Courses Fund	<u>7,985,496</u>	<u>202,423</u>	<u>2,338,242</u>	<u>5,849,677</u>	-	<u>5,849,677</u>
Total business-type activities	-	<u>16,494,058</u>	<u>22,565,154</u>	<u>2,073,605</u>	<u>3,937,620</u>	<u>(1,864,015)</u>
Total primary Authority	<u>\$-</u>	<u>\$16,494,058</u>	<u>\$22,565,154</u>	<u>\$2,073,605</u>	<u>\$3,937,620</u>	<u>(\$1,864,015)</u>

III. G. GUARANTEED DEBT

A guarantee of debt represents a promise to meet any debt service requirements that falls short without the expectation or requirement of benefit to the City. The City has provided a guarantee of the debt for the Authority. Although the guarantee must be approved each year by City Council, the guarantee is required to be intact as part of the debt instrument. The City has not and does not expect to act on any of these guarantees.

	2020		2019	
	Amount Guaranteed (1)	Total Amount Outstanding (2)	Amount Guaranteed (1)	Total Amount Outstanding (2)
<i>Business-Type Activities</i>				
Golf Courses bonded debt	<u>\$1,202,918</u>	<u>\$9,455,000</u>	<u>\$1,200,427</u>	<u>\$10,325,000</u>

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2021 and 2020, and covered under the guarantee effective June 30, 2020 and 2019. It is anticipated that the guarantees will be renewed annually.

(2) The amount outstanding does not include interest.

The City has executed an agreement of support which guarantees the City will fund bond reserve requirements for the Series 2012 Golf Courses Revenue Bonds. Under Oklahoma law, the City may only be obligated to transfer up to the end of its fiscal year (June 30) and has no legal obligation or promise to transfer 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 bond reserve requirements for the Authority in 2020 or any preceding year in which the debt was outstanding.

III. H. DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue

	2020	2019
OKC Dodgers facility Fees	\$319,000	\$539,611
Bricktown ballpark rent	372,000	168,542
SMG event receivables	-	220,116
Investment earnings	12,711	12,194
Property tax	<u>4,114</u>	<u>3,090</u>
	<u>\$707,825</u>	<u>\$943,553</u>

Deferred Amount on Refunding

Deferred amounts on refundings of bonds results from a difference in the carrying value of refunded debt to its reacquisition price. Deferred amounts on refunding are amortized over the shorter of the life of the refunded or refunding debt. The Fairgrounds Fund reported a deferred amount on refunding related to the refunding of the 2005 Series Hotel Tax Revenue Bonds of \$212,712, less accumulated amortization of \$73,392 at June 30, 2020 and \$58,464 at June 30, 2019.

IV. FUND EQUITY

IV. A. FUND BALANCE

Non-spendable Fund Balance

	<u>2020</u>	<u>2019</u>
Inventories	\$229,124	\$219,237
Prepays	<u>162,552</u>	<u>236,236</u>
	<u>\$391,676</u>	<u>\$455,473</u>

Restricted Fund Balance

	<u>2020</u>	<u>2019</u>
Restricted for TIF districts	\$101,288	\$89,069
Restricted for special improvement districts	105,309	102,187
Restricted for business improvement districts	99,626	14,820
Restricted for Cox Convention Center maintenance	324,179	866,372
Restricted for NBA practice facility	843,522	747,922
Restricted for Civic Center improvements	5,656	185,746
Restricted for Ballpark capital improvements	774,251	517,698
Restricted for Chesapeake Energy Arena capital improvements	1,469,929	1,001,522
Restricted for Softball Hall of Fame donations	<u>201,440</u>	<u>117,620</u>
	<u>\$3,925,200</u>	<u>\$3,642,956</u>

Committed Fund Balance

	<u>2020</u>	<u>2019</u>
Committed for metropolitan area projects use tax capital projects	<u>\$628,601</u>	<u>\$705,852</u>

Assigned Fund Balance

	<u>2020</u>	<u>2019</u>
Assigned for Metropolitan Area Projects support	\$537,644	\$808,552
Assigned for the centennial land run project	17,473	129,546
Assigned for fairgrounds electricity	129,568	128,988
Assigned for Oklahoma City Redhawks utility reimbursements	32,458	31,830
Assigned for water taxi and canal operations	269,170	255,397
Assigned for non-capital equipment replacement	2,026,726	1,888,376
Assigned for SMG operations	2,401,687	2,916,788
Assigned for NBA practice facility	12,730	12,346
Assigned for Oklahoma River sediment removal	248,683	847,597
Assigned for General Purpose Fund encumbrances	<u>347,728</u>	<u>323,541</u>
	<u>\$6,023,867</u>	<u>\$7,342,961</u>

(continued)

Fund Balance (continued)

Unassigned

Unassigned	<u>2020</u> <u>\$449,411</u>	<u>2019</u> <u>\$190,502</u>
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IV. B. NET POSITION

Net Investment in Capital Assets

	<u>2020</u>			<u>2019</u>		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Capital assets, net	\$76,020,036	\$50,416,014	\$126,436,050	\$79,382,709	\$54,476,157	\$133,858,866
Retainages and capital related accounts payable	-	(101,771)	(101,771)	(293,790)	(260,001)	(553,791)
Bonds payable, net	-	(82,565,055)	(82,565,055)	-	(87,161,646)	(87,161,646)
Deferred amount on refunding	-	13,530	13,530	-	10,204	10,204
Bond accounts funded with bond proceeds	-	2,198,621	2,198,621	-	2,649,491	2,649,491
Bond issuance costs paid from bond proceeds	-	731,930	731,930	-	731,930	731,930
	<u>\$76,020,036</u>	<u>(\$29,306,731)</u>	<u>\$46,713,305</u>	<u>\$79,088,919</u>	<u>(\$29,553,865)</u>	<u>\$49,535,054</u>

Restricted for Capital Projects

	<u>2020</u>			<u>2019</u>		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Sports facility sales tax capital projects	\$1,938,673	\$ -	\$1,938,673	\$1,924,583	\$ -	\$1,924,583
Bond construction account	-	1,742,934	1,742,934	-	2,193,804	2,193,804
Bond construction account funded with bond proceeds	-	(1,742,934)	(1,742,934)	-	(2,193,804)	(2,193,804)
Restricted for other capital projects	207,563	-	207,563	186,095	-	186,095
	<u>\$2,146,236</u>	<u>\$ -</u>	<u>\$2,146,236</u>	<u>\$2,110,678</u>	<u>\$ -</u>	<u>\$2,110,678</u>

Restricted for Debt Service

	<u>2020</u>			<u>2019</u>		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Bond principal and interest accounts	\$ -	\$3,974,484	\$3,974,484	\$ -	\$3,876,636	\$3,876,636
Bond reserve accounts	-	1,261,126	1,261,126	-	1,252,255	1,252,255
Bond reserve funded with bond proceeds	-	(455,689)	(455,689)	-	(455,691)	(455,691)
Current bond interest payable	-	(901,357)	(901,357)	-	(944,880)	(944,880)
	<u>\$ -</u>	<u>\$3,878,564</u>	<u>\$3,878,564</u>	<u>\$ -</u>	<u>\$3,728,320</u>	<u>\$3,728,320</u>

(continued)

Net Position (continued)

Restricted for Culture and Recreation

	2020			2019		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<i>Activities</i>	<i>Activities</i>		<i>Activities</i>	<i>Activities</i>	
Restricted for Cox Convention Center maintenance	\$417,692	\$ -	\$417,692	\$1,031,291	\$ -	\$1,031,291
Restricted for Chesapeake Energy Arena capital improvements	<u>1,471,428</u>	-	<u>1,471,428</u>	<u>1,002,430</u>	-	<u>1,002,430</u>
	<u>\$1,889,120</u>	<u>\$-</u>	<u>\$1,889,120</u>	<u>\$2,033,721</u>	<u>\$-</u>	<u>\$2,033,721</u>

Restricted for Public Services

	2020			2019		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<i>Activities</i>	<i>Activities</i>		<i>Activities</i>	<i>Activities</i>	
Restricted for TIF districts	\$3,187	\$ -	\$3,187	\$3,092	\$ -	\$3,092
Restricted for business improvement districts	<u>172,514</u>	-	<u>172,514</u>	<u>166,095</u>	-	<u>166,095</u>
	<u>\$175,701</u>	<u>\$-</u>	<u>\$175,701</u>	<u>\$169,187</u>	<u>\$-</u>	<u>\$169,187</u>

Unrestricted

	2020			2019		
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>
	<i>Activities</i>	<i>Activities</i>		<i>Activities</i>	<i>Activities</i>	
Unrestricted	<u>\$5,062,799</u>	<u>(\$581,170)</u>	<u>\$4,481,629</u>	<u>\$6,404,967</u>	<u>(\$1,282,638)</u>	<u>\$5,122,329</u>

IV. C. DEFICIT FUND NET POSITION AND FUND BALANCE

Deficits resulting from accrual reporting do not constitute violations of Oklahoma State Statutes.

Deficit Fund Net Position

OCPPA Fairgrounds

Deficit net position at June 30, 2020 and 2019 of \$22,882,877 and \$22,279,685, respectively, is the result of depreciation of capital assets as construction projects are completed.

OCPPA Golf Courses

Deficit net position at June 30, 2020 and 2019 of \$3,169,127 and \$4,857,847, respectively, is the result of significant debt financing of capital assets with tight operating budgets.

V. REVENUES AND EXPENSES

V. A. LEASE REVENUES

The Authority leases digital antenna system sectors in the Cox Convention Center and the Chesapeake Energy Arena to various mobile data coverage providers. The providers pay an annual license fee per each sector leased inside of the building to enhance the data coverage for the facility. The leases are paid annually under a five year initial agreement with an additional renewal agreement of five years available at the commencement of the first agreement. These leases are non-cancelable operating leases. Rental income through June 30, 2020 and 2019 was \$713,718 and \$710,282, respectively.

In July 2009, OCPPA and the Professional Basketball Club, LLC entered into a fifteen year lease agreement for the use of a National Basketball Association practice facility. There are five renewal terms of three years each. The annual rental income is \$100,000 which is subject to adjustment beginning with the commencement of the sixth operating year. Adjustments are based upon increases in the consumer price index capped at 3% annually.

In September 2014, The OKC TransitionCO acquired the rights and responsibilities of a sublease for the Chickasaw Bricktown Ballpark from the Oklahoma City Athletic Club. The sublease is subject to the terms of a financing agreement to provide for the continued operations and maintenance of the Ballpark. The sublease requires annual rent equal to the greater of 7% of paid admissions for all events or \$200,000. Rentals are deposited by the Authority in a capital improvements account designated for future Ballpark capital improvements.

Minimum Rentals on Non-Cancelable Leases

2021	\$1,030,364
2022	875,618
2023	723,721
2024	593,350
2025	<u>36,932</u>
	<u>\$3,259,985</u>

Rental income (1) **\$1,138,272**

(1) Rental income does not include revenues received for golf cart rentals.

VI. INTERFUND TRANSACTIONS

All activity between governmental and business-type activities are eliminated and any residual balances outstanding between the activities are reported in the Authority-wide financial statements as internal balances.

VI. A. INTERFUND BALANCES

Due Within the Golf Courses

Amounts due within the golf courses represent unpaid balances from the golf courses to the golf system for daily revenue surcharges, equipment fund, operating reserve and administrative charges for equipment purchases, additional expenses, and debt service payments.

(continued)

Due Within the Golf Courses (continued)

		2020						
		DUE TO						
		Golf Courses Fund						
		Lake Hefner	Lincoln Park	Trosper Park	Earlywine Park	James	Golf Course	
		Golf Course	Golf Course	Golf Course	Golf Course	Stewart	System	Total
<u>DUE FROM</u>								
Lake Hefner	\$ -	(\$1,943)	\$21	\$ -	\$ -	(\$51,204)		(\$53,126)
Lincoln	1,943	-	970	2,306	432	(62,003)		(56,352)
Trosper	(21)	(970)	-	-	(3,985)	(13,695)		(18,671)
Earlywine	-	(2,306)	-	-	-	(37,676)		(39,982)
James Stewart	-	(432)	3,985	-	-	-		3,553
Golf Course System	<u>51,204</u>	<u>62,003</u>	<u>13,695</u>	<u>37,676</u>	<u>-</u>	<u>-</u>		<u>164,578</u>
	<u>\$53,126</u>	<u>\$56,352</u>	<u>\$18,671</u>	<u>\$39,982</u>	<u>(\$3,553)</u>	<u>(\$164,578)</u>		<u>\$-</u>

		2019						
		DUE TO						
		Golf Courses Fund						
		Lake Hefner	Lincoln Park	Trosper Park	Earlywine Park	James	Golf Course	
		Golf Course	Golf Course	Golf Course	Golf Course	Stewart	System	Total
<u>DUE FROM</u>								
Lake Hefner	\$ -	(\$1,743)	\$ -	\$ -	\$ -	(\$51,021)		(\$52,764)
Lincoln	1,743	-	775	1,485	387	(67,168)		(62,778)
Trosper	-	(775)	-	-	-	(10,808)		(11,583)
Earlywine	-	(387)	-	-	-	(31,570)		(31,957)
James Stewart	-	(1,485)	-	-	-	-		(1,485)
Golf Course System	<u>51,021</u>	<u>67,168</u>	<u>10,808</u>	<u>31,570</u>	<u>-</u>	<u>-</u>		<u>160,567</u>
	<u>\$52,764</u>	<u>\$62,778</u>	<u>\$11,583</u>	<u>\$33,055</u>	<u>\$387</u>	<u>(\$160,567)</u>		<u>\$-</u>

Payable To/Receivable From the City

		2020				
		<i>Governmental Activities</i>		<i>Business-Type Activities</i>		
Purpose		General Purpose Fund	Golf Courses Fund	Fairgrounds Fund	Financial Services Fund	Total
<u>Receivable From</u>						
Special Revenue Fund	Operating Expenses	\$ -	\$29,148	\$67,888	\$ -	\$97,036
City Capital Improvements Fund	Unspent Transfers	<u>32,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$32,680</u>	<u>\$29,148</u>	<u>\$67,888</u>	<u>\$-</u>	<u>\$97,036</u>
<u>Payable To</u>						
<u>CURRENT</u>						
City General Fund	Administrative charges and utilities	\$585,029	\$165,064	\$75,113	\$ -	\$240,177
	TIF district #6 payable	59,274	-	-	-	-
City Special Districts (BID)	Cost reimbursement	204,935	-	-	-	-
City Schools Use Tax Fund	Hockey payable	84,867	-	-	-	-
OCMFA Services Fund	Golf cart payable	-	36,333	-	-	36,333
	Golf pro health ins	<u>-</u>	<u>45,016</u>	<u>-</u>	<u>-</u>	<u>45,016</u>
		<u>\$934,105</u>	<u>\$246,413</u>	<u>\$75,113</u>	<u>\$-</u>	<u>\$321,526</u>
<u>NON-CURRENT</u>						
City General Fund	TIF district #6 payable	\$642,313	\$ -	\$ -	\$ -	\$ -
City Schools Use Tax Fund	Hockey payable	1,861,334	-	-	-	-
OCMFA Services Fund	Golf cart payable	<u>-</u>	<u>68,463</u>	<u>-</u>	<u>-</u>	<u>68,463</u>
		<u>\$2,503,647</u>	<u>\$68,463</u>	<u>\$-</u>	<u>\$-</u>	<u>\$68,463</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

Payable To/Receivable From the City (continued)

		2019				
		<i>Governmental Activities</i>	<i>Business-Type Activities</i>			
	Purpose	General Purpose Fund	Golf Courses Fund	Fairgrounds Fund	Financial Services Fund	Total
<u>Receivable From</u>						
Special Revenue Fund	Operating Expenses	\$ -	\$ -	\$2,024,636	\$ -	\$2,024,636
City Capital Improvements Fund	Unspent Transfers	<u>82,452</u>	-	-	-	-
		<u>\$82,452</u>	<u>\$-</u>	<u>\$2,024,636</u>	<u>\$-</u>	<u>\$2,024,636</u>
<u>Payable To</u>						
<u>CURRENT</u>						
City General Fund	Administrative charges and utilities	\$234,001	\$212,057	\$86,091	\$ -	\$298,148
	TIF district #6 payable	57,896	-	-	-	-
City Special Districts (BID)	Cost reimbursement	117,010	-	-	-	-
	Other charges	105,900	-	-	-	-
City Schools Use Tax Fund	Hockey payable	113,013	-	-	-	-
OCMFA Services Fund	Golf cart payable	-	<u>188,250</u>	-	-	<u>188,250</u>
		<u>\$627,820</u>	<u>\$400,307</u>	<u>\$86,091</u>	<u>\$-</u>	<u>\$486,398</u>
<u>NON-CURRENT</u>						
City General Fund	TIF district #6 payable	\$700,420	\$ -	\$ -	\$ -	\$ -
City Schools Use Tax Fund	Hockey payable	1,868,197	-	-	-	-
OCMFA Services Fund	Golf cart payable	-	<u>104,594</u>	-	-	<u>104,594</u>
		<u>\$2,568,617</u>	<u>\$104,594</u>	<u>\$-</u>	<u>\$-</u>	<u>\$104,594</u>

Advances Within the City

Civic Center Sound System Payable

On August 1, 2017, the City approved a Transfer of Funds and Repayment Agreement (Agreement) between the OCMFA and the OCPPA to purchase a sound system for the Civic Center Music Hall and related financial transactions according to the terms of the Agreement. The Agreement provides a principal amount of \$3,706,000 at an interest rate of 2.64% to be repaid in six annual payments. On July 1, 2018, the Civic Center Foundation assumed the Agreement and will repay the remaining five payments according to the terms outlined in the original Agreement. As a result of this, the outstanding balance between OCMFA and the Authority have been removed.

TIF District #6 Payable

On October 14, 2008, the Authority received \$1,031,653 from the City City and Schools Use Tax Fund. The funds were used to repay the line of credit related to TIF District #6. The loan was repaid by the City General Fund and the General Purpose Fund over a seven year period at an interest rate of 2%. The City General Fund will now be repaid over the next fourteen years with an interest rate of 0.25%. The balance of the loan at June 30, 2020 and 2019, is \$700,420 and \$1,167 of accrued interest and \$757,211 and \$1,105 of accrued interest, respectively.

Cost Reimbursement Payable To City Special Districts Fund

The City Special Districts Fund assesses property owners to fund services that confer a special benefit upon property within a designated district, such as street sweeping and landscaping. The contracts for these services are managed by the Authority and reimbursed by the City Special Districts Fund. The advance represents funds received in excess of funds expended at June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Beginning balance	\$117,010	\$191,679
Other services	81,680	(81,680)
Investment income	<u>6,245</u>	<u>7,011</u>
	<u>\$204,935</u>	<u>\$117,010</u>

DAS Payable

On February 25, 2013, \$900,000 was transferred from the City General Fund and \$710,000 was transferred from the City MAPS Operations Fund to finance DAS improvements. The loan is non-interest bearing and will be repaid over seven years. The loans will be repaid with DAS revenues. The final payment on this loan occurred in October 2018.

Hockey Payable

On February 16, 2010, the Authority received \$3,200,000 from the City and School Use Tax Fund. The funds are to be used for the Cox Convention Center facility renovations and upgrade. The loan is to be repaid from revenues generated and collected by SMG under the extended use license agreement with Prodigal Hockey, LLC and from other Cox Convention Center events. The replenishment to the City and Schools Capital Projects Use Tax Fund with an interest rate of 4.19%. Initially, it was anticipated that the amount would be repaid by 2020, however, due to decreased hockey ticket sales, this estimate has been changed to 2036. The balance of the loan at June 30, 2020 and 2019, is \$1,941,966 and \$4,235 of accrued interest and \$1,948,553 and \$32,657 of accrued interest, respectively.

Golf Cart Payable

On January 13, 2015, the Authority received \$1,088,943 from the OCMFA Services Fund worker's compensation reserves. The funds were used for the purchase of 280 golf carts for Lake Hefner and Lincoln Park Golf Courses. The loan has an interest rate of 2.26% and will be repaid over a 5-year period. On March 13, 2018, the Authority received \$180,080 from the OCMFA Services Fund worker's compensation reserves. The funds were used to purchase 70 golf carts for Trospen Park Golf Course. The loan has an interest rate of 2.33% and will be repaid over a 5-year period. The balance of the loans at June 30, 2020 and 2019, are \$104,593 and \$203 of accrued interest and \$292,285 and \$559 of accrued interest, respectively. The loans were made to the 3 golf courses as follows:

Lake Hefner Golf Course	\$462,809
Lincoln Park Golf Course	626,134
Trospen Park Golf Course	180,080

Annual Payment Requirements to Maturity

Fiscal Year	TIF District #6 Payable			Hockey Payable			Golf Cart Payable		
	City General Fund			City and Schools Use Tax Fund			OCMFA Services		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$58,107	\$1,751	\$59,858	\$80,632	\$81,368	\$162,000	\$36,130	\$2,053	\$38,183
2022	59,450	1,606	61,056	84,010	77,990	162,000	36,981	1,202	38,183
2023	60,820	1,457	62,277	87,530	74,470	162,000	31,482	337	31,819
2024	62,217	1,305	63,522	91,198	70,802	162,000	-	-	-
2025	64,850	1,150	66,000	95,019	66,981	162,000	-	-	-
2026-2030	326,693	3,308	330,001	538,256	271,744	810,000	-	-	-
2031-2035	68,283	171	68,454	660,875	149,125	810,000	-	-	-
2036-2040	-	-	-	304,446	19,259	323,705	-	-	-
	\$700,420	\$10,748	\$711,168	\$1,941,966	\$811,739	\$2,753,705	\$104,593	\$3,592	\$108,185

VI. B. INTERFUND TRANSFERS AND PAYMENTS

Transfers Within the Golf Courses

Transfers within the golf courses include operating transfers for daily surcharges on golf rounds played. Additionally transfers include operating reserve, equipment fund and administrative charges from each course to the golf system for additional expenses, new equipment purchases and water expenses from the City.

	2020						
	Golf Courses Fund						
	Lake Hefner Golf Course	Lincoln Park Lincoln Park	Trospen Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	Total
Lake Hefner	\$ -	\$ -	\$ -	\$ -	\$ -	\$508,495	\$508,495
Lincoln	-	-	-	-	-	556,365	556,365
Trospen	-	-	-	-	-	78,467	78,467
Earlywine	-	-	-	-	-	207,043	207,043
Golf System	(508,495)	(556,365)	(78,467)	(207,043)	-	-	(1,350,370)
	(\$508,495)	(\$556,365)	(\$78,467)	(\$207,043)	\$ -	\$1,350,370	\$ -

(continued)

Transfers Within the Golf Courses (continued)

	2019						Total
	Golf Courses Fund						
	Lake Hefner Golf Course	Lincoln Park Lincoln Park	Trosper Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	
Lake Hefner	\$ -	\$ -	\$ -	\$ -	\$ -	\$355,693	\$355,693
Lincoln	-	-	-	-	-	531,139	531,139
Trosper	-	-	-	-	-	6,651	6,651
Earlywine	-	-	-	-	-	315,286	315,286
Golf System	<u>(355,693)</u>	<u>(531,139)</u>	<u>(6,651)</u>	<u>(315,286)</u>	-	-	<u>(1,208,769)</u>
	<u>(\$355,693)</u>	<u>(\$531,139)</u>	<u>(\$6,651)</u>	<u>(\$315,286)</u>	<u>\$ -</u>	<u>\$1,208,769</u>	<u>\$ -</u>

Payments To/From the City

	2020				
	Purpose	Governmental Activities		Business-type Activities	
		General	Golf Courses	Fairgrounds	Total
		Purpose Fund	Fund	Fund	
<u>PAYMENT FROM</u>					
City General Fund	Operating subsidies	\$11,281,971	\$1,180,477	\$ -	\$1,180,477
City Capital Improvement	Capital projects	1,493,980	-	-	-
Stormwater Fund	OK River dredging	2,500,000	-	-	-
City Hotel/Motel Tax Fund	Fairgrounds debt service	-	-	6,430,806	6,430,806
		<u>\$15,275,951</u>	<u>\$1,180,477</u>	<u>\$6,430,806</u>	<u>\$7,611,283</u>

	2019				
	Purpose	Governmental Activities		Business-type Activities	
		General	Golf Courses	Fairgrounds	Total
		Purpose Fund	Fund	Fund	
<u>PAYMENT FROM</u>					
City General Fund	Operating subsidies	\$9,415,984	\$925,763	\$ -	\$925,763
City Hotel/Motel Tax Fund	Fairgrounds debt service	-	-	8,434,869	8,434,869
		<u>\$9,415,984</u>	<u>\$925,763</u>	<u>\$8,434,869</u>	<u>\$9,360,632</u>
<u>PAYMENTS TO</u>					
City Capital Improvement	Capital projects	\$94,183	\$ -	\$ -	\$ -
City Special Purpose	Capital projects	-	-	1,300,000	1,300,000
		<u>\$94,183</u>	<u>\$ -</u>	<u>\$1,300,000</u>	<u>\$1,300,000</u>

Dependency on the City

For the year ended June 30, 2020, governmental activities include operating subsidies for SMG management operations, utilities, and facility maintenance in the amount of \$10,587,597, management fees for the Civic Center Foundation and OKC Public Tennis, LLC of \$850,000 and \$40,000 respectively, convention center and arena capital improvements of \$1,193,980, Oklahoma River sediment dredging of \$2,500,000 and additional subsidies for audit fees and hanger lease expenses of \$104,374. For the year ended June 30, 2019, governmental activities include operating subsidies for SMG management operations, utilities, and facility maintenance in the amount of \$8,339,168, management fees for the Civic Center Foundation and OKC Public Tennis, LLC of \$850,000 and \$40,000, respectively, and additional subsidies for audit fees, hanger lease expenses, and preplanning costs for MAPS 3 of \$186,816.

Business-type activities include a subsidy from the City for the cost of water and wastewater services to the Golf Courses Fund. For the fiscal years ended June 30, 2020 and 2019, the City General Fund provided \$834,206 and \$579,492, respectively, to cover these costs. James E. Stewart Golf Course received a subsidy from the City General Fund in the amount of \$346,271 and \$346,271, respectively, for operating expenses. In addition, the City Hotel/Motel Tax Fund provides funds for debt service on the fairgrounds bonds.

VI. C. OTHER INTERFUND TRANSACTIONS

Administrative Charges

On August 26, 2003, the Authority increased green fees of \$0.25 to \$0.50 and annual green fees \$25.00 to \$62.50. This fee will reimburse a portion of funds necessary to finance various City administrative costs and water payments associated with the operation of the golf courses. On May 31, 2016, the Authority approved the extension of the fee through June 30, 2017. On February 13, 2018, the Authority approved the extension of the fee through June 30, 2018. On May 22, 2018, the Authority approved the extension of the fee through June 30, 2019 and on June 18, 2019, the Authority approved the extension through June 30, 2020. The revenue generated from the fee extensions will be deposited into each golf course operations account and paid to the City's General Fund. As of June 30, 2020 and 2019 the charges are as follows:

	<u>2020</u>	<u>2019</u>
Lake Hefner	\$22,722	\$21,709
Lincoln	23,974	25,011
Trosper	8,515	6,000
Earlywine	<u>16,264</u>	<u>14,793</u>
	<u>\$71,475</u>	<u>\$67,513</u>

In 2012, the Authority hired a Trust Specialist to manage the overall operations of the golf courses. The Trust Specialist is an employee of the City. The golf courses reimburse the City for the Trust Specialist's salary. As of June 30, 2020 and 2019 the reimbursements to the City are as follows:

	<u>2020</u>	<u>2019</u>
Lake Hefner	\$24,402	\$22,364
Lincoln	24,402	22,364
Trosper	12,201	11,104
Earlywine	<u>24,402</u>	<u>22,364</u>
	<u>\$85,407</u>	<u>\$78,196</u>

VII. PENSION PLANS

VII. A. DEFINED BENEFIT PENSION PLAN

VII. A. 1. OKLAHOMA CITY EMPLOYEE RETIREMENT SYSTEM (OCERS)

Plan Description

The OCERS was established by city council ordinance in 1958 to hold funds in trust to provide pension, disability and survivor benefits to its members. The system provides retirement benefits for substantially all full-time employees of the Authority.

OCERS is the administrator of a single employer defined benefit local government retirement plan for the City of Oklahoma City. Unless otherwise indicated, the information in this note is for both the valuation dates December 31, 2018 and 2017. The information presented in this note as of June 30, 2019 and 2018 measurement dates will be reported in the financial statements of the authority as of June 30, 2020 and 2019. Actuarial valuations are performed annually.

The required supplementary information defined benefit pension schedules immediately following the notes to the financial statements presents certain ten-year trend information for as many available years in accordance with the requirements of GASB 68. Detailed information about OCERS Retirement Plans' fiduciary net position is available in the separately issued OCERS report. 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, Oklahoma 73102.

Benefit Provisions

OCERS employees hired prior to March 1, 1967 are entitled to receive benefits with 30 years of credited service, regardless of age or age 60 with 20 years of service. Employees hired after March 1, 1967 are entitled to receive benefits with 25 years of credited service, regardless of age or age 65 with 5 years of service. Any employee age 55 with 5 years on a reduced basis are entitled to pension benefits. Benefit provisions include both duty and non-duty disability retirement and death benefits. Average Final Compensation (AFC) determines the retirement benefit and is calculated as the highest 36 months of earned employee compensation (excluding compensation for unused vacation and sick leave and amounts elected to be deferred under Section 125 of the Internal Revenue Code) during the last 60 months of service. Generally, the normal retirement benefit is 2% of AFC for each full year of service, plus 1/12 of 2% for each whole month of a partial year of service to a maximum of 100% of AFC. There are modifications to the normal retirement benefit for early and deferred retirement, duty and non-duty disability, and death benefits. Cost of living adjustments are compounded annually and increases must be approved by the board.

Employees Covered By Benefit Terms

	<u>2020</u>	<u>2019</u>
Retirees and beneficiaries currently receiving benefits	1,595	1,545
Inactive plan members entitled to but not yet receiving benefits.	140	120
Active employees	<u>2,457</u>	<u>2,425</u>
Total Plan Members	<u>4,192</u>	<u>4,090</u>

Contributions

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning July 1, 2019, the employer contribution rate changed from 5.28% of covered payroll to 5.23% of covered payroll. Beginning July 1, 2018, the employer contribution rate changed from 5.33% of covered payroll to 5.28% of covered payroll. The employee contributes 6.00% of covered payroll. Administrative costs are funded with investment earnings.

VII. A. 2. NET PENSION ASSET/LIABILITY

Actuarial Assumptions (1)

The total pension asset and liability actuarial valuation was determined using the following actuarial assumptions, applied to periods included in the measurement:

Price Inflation Rate	2.25%
Wage inflation	3.25%
Salary increases	3.25%
Post-Retirement COLA	2.00%
Investment ROR	7.10%

(1) There were no changes in the actuarial assumptions from 2019 to 2020.

Mortality rates were based on the RP-2000 Mortality Table projected to 2010.

The actuarial assumptions were based on the results of an experience study for this retirement system covering the period January 1, 2008 through December 31, 2012. A report dated May 31, 2018 presented the results of the experience study.

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 building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 included in the pension plan's target asset allocation.

NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY

	Long-term Expected Rate of Return			Target Allocation	
	2020	2019		2020	2019
Core Bonds	2.62%	2.74%	Domestic	50.00%	50.00%
Core Plus	2.89	3.01	International	10.00	10.00
Global Bonds	2.43	2.52	Fixed income	25.00	25.00
Absolute Return	4.25	3.82	Real estate	15.00	15.00
U.S. Large Cap Equity	7.20	7.53			
U.S. Small Cap Equity	8.41	8.79			
International Developed Equity	8.14	8.51			
Emerging Market Equity	9.39	9.80			
Long/Short Equity	5.64	6.27			
Private Equity	10.40	10.16			
Core Real Estate	6.79	5.91			
Opportunistic Real Estate	9.79	9.00			
Commodities	0.00	2.17			

Concentrations

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

A single discount rate of 7.1% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.1%. The projections of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contributions rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate changed from 7.4% in 2018 to 7.1% in 2019. There was no change in 2020.

Changes in Net Pension Asset/Liability

	2020					
	Total Pension (Liability)		Plan Fiduciary Net Position		Net Pension Asset (Liability)	
	OCERS	Authority Share	OCERS	Authority Share	OCERS	Authority Share
Beginning balance	\$(711,681,455)	\$(12,191,651)	\$739,589,878	\$12,669,744	\$27,908,423	\$478,093
Service cost	(17,109,500)	(260,064)	-	-	(17,109,500)	(260,064)
Interest	(49,808,281)	(757,086)	-	-	(49,808,281)	(757,086)
Differences between expected and actual experience	(4,651,637)	(70,705)	-	-	(4,651,637)	(70,705)
Contributions - employer	-	-	7,028,090	106,827	7,028,090	106,827
Contributions - employee	-	-	8,055,203	122,439	8,055,203	122,439
Net investment income	-	-	38,627,553	587,139	38,627,553	587,139
Differences between benefit payments and refunds	37,422,244	568,818	(37,422,244)	(568,818)	-	-
Administrative expense	-	-	(481,486)	(7,319)	(481,486)	(7,319)
Other changes	-	1,374,093	99,299	(1,426,469)	99,299	(52,376)
	\$(745,828,629)	\$(11,336,595)	\$755,496,293	\$11,483,543	\$9,667,664	\$146,948

Changes in Net Pension Asset/Liability (continued)

	2019					
	Total Pension (Liability)		Plan Fiduciary Net Position		Net Pension Asset (Liability)	
	<u>OCERS</u>	Authority <u>Share</u>	<u>OCERS</u>	Authority <u>Share</u>	<u>OCERS</u>	Authority <u>Share</u>
Beginning balance	\$(677,114,634)	\$(11,781,795)	\$702,133,165	\$12,217,117	\$25,018,531	\$435,322
Service cost	(16,298,968)	(279,214)	-	-	(16,298,968)	(279,214)
Interest	(49,396,977)	(846,208)	-	-	(49,396,977)	(846,208)
Differences between expected and actual experience	11,129,273	190,653	-	-	11,129,273	190,653
Changes of assumptions	(15,474,961)	(265,098)	-	-	(15,474,961)	(265,098)
Contributions - employer	-	-	7,056,707	120,887	7,056,707	120,887
Contributions - employee	-	-	8,018,246	137,359	8,018,246	137,359
Net investment income	-	-	58,534,107	1,002,734	58,534,107	1,002,734
Differences between benefit payments and refunds	35,474,812	607,711	(35,474,812)	(607,711)	-	-
Administrative expense	-	-	(504,102)	(8,636)	(504,102)	(8,636)
Other changes	-	182,300	(173,433)	(192,006)	(173,433)	(9,706)
	<u>(\$711,681,455)</u>	<u>(\$12,191,651)</u>	<u>\$739,589,878</u>	<u>\$12,669,744</u>	<u>\$27,908,423</u>	<u>\$478,093</u>

A net pension asset is reported when a plan's net position exceeds the plan's total pension liability. Whereas a net pension liability is reported when a plan's total pension liability exceeds the plan's net position. The Authority's share of the net pension asset/liability is allocated using the Authority share of employer contributions for the last payroll in the fiscal year. The Authority's share is 1.52% and 1.71% for 2020 and 2019, respectively.

	<u>2020</u>	<u>2019</u>
Net pension asset	\$9,667,664	\$27,908,423
Authority share	146,948	478,093

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	2020					
	Rate	<u>Total Pension (Liability)</u>		<u>Net Pension Asset (Liability)</u>		
		<u>OCERS</u>	Authority <u>Share</u>	<u>OCERS</u>	Authority <u>Share</u>	
1% decrease	6.10%	(\$835,782,272)	(\$12,703,891)	(\$80,285,979)	(\$1,220,347)	
Current single discount rate	7.10	(745,828,629)	(11,336,595)	9,667,664	146,948	
1% increase	8.10	(669,964,474)	(10,183,460)	85,531,819	1,300,084	

	2019					
	Rate	<u>Total Pension (Liability)</u>		<u>Net Pension Asset (Liability)</u>		
		<u>OCERS</u>	Authority <u>Share</u>	<u>OCERS</u>	Authority <u>Share</u>	
1% decrease	6.10%	(\$798,368,605)	(\$13,676,669)	(\$58,778,727)	(\$1,006,925)	
Current single discount rate	7.10	(711,681,455)	(12,191,651)	27,908,423	478,093	
1% increase	8.10	(638,626,672)	(10,940,167)	100,963,206	1,729,577	

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

Pension Expense

The Authority reported \$275,359 and \$68,738 in pension expense which includes costs related to employee participation in OCERS at June 30, 2020 and 2019, respectively.

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			
	Total Plan		Total Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions -				
Employer	\$7,756,180	\$ -	\$117,896	\$ -
Difference between expected and actual experience	3,916,014	16,742,463	59,523	254,484
Changes in assumptions	13,731,288	-	208,716	-
Net difference between projected and actual earnings on pension plan investments	<u>6,991,513</u>	<u>-</u>	<u>106,271</u>	<u>-</u>
	<u>\$32,394,995</u>	<u>\$16,742,463</u>	<u>\$492,406</u>	<u>\$254,484</u>
	2019			
	Total Plan		Total Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions -				
Employer	\$7,028,089	\$ -	\$104,015	\$ -
Difference between expected and actual experience	-	22,144,946	-	370,432
Changes in assumptions	17,173,587	-	267,535	-
Net difference between projected and actual earnings on pension plan investments	<u>5,714,601</u>	<u>-</u>	<u>115,429</u>	<u>-</u>
	<u>\$29,916,277</u>	<u>\$22,144,946</u>	<u>\$486,979</u>	<u>\$370,432</u>

Deferred employer contribution of \$117,896 and \$104,015 made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2021 and 2020, respectively.

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

	2020			2019	
	OCERS	Authority Share		OCERS	Authority Share
2021	\$5,908,687	\$89,812	2020	\$7,224,286	\$123,758
2022	(4,313,632)	(65,567)	2021	2,557,718	43,816
2023	1,385,735	21,063	2022	(7,664,601)	(131,301)
2024	3,601,046	54,736	2023	(1,965,234)	(33,666)
2025	1,076,617	16,365	2024	250,079	4,284
Thereafter	237,899	3,617	Thereafter	340,994	5,641
	<u>\$7,896,352</u>	<u>\$120,026</u>		<u>\$743,242</u>	<u>\$12,532</u>

VII. B. DEFINED CONTRIBUTION PLANS

The Authority participates in two defined contribution plans administered by the International City Manager’s Association Retirement Corporation. Plan provisions and contribution requirements are established or amended by City Council resolution. The plans are money purchase plans qualified under section 401 of the Internal Revenue Code.

Participants of the first plan are comprised of eligible employees hired before September 1, 2001. The City and participants are required to contribute 8.35% and 6.0% of annual covered payroll, respectively. Participants of the first plan vest at service inception and are entitled to 100% of vested contributions

Participants of the second plan are comprised of eligible employees hired after September 1, 2001. The City and participants are required to contribute 7.0% and 6.0% of annual covered payroll, respectively. Participants of the second plan vest after 5 years of service.

The two plans include 91 participants comprised of City Council appointees and management personnel. The Authority currently has no participants in the plan.

VIII. POST-EMPLOYMENT BENEFIT PLANS

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

VIII. 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 City of Oklahoma City Post-retirement Medical Plan (the Plan).

Oklahoma City Post Employment Benefit Trust was established by City Council ordinance in 2008 as the administrator of a single employer defined benefit health care plan. Unless otherwise indicated, the information in their note is provided as of the latest actuarial valuation and measurement date of June 30, 2019 and 2018, respectively. Actuarial valuations are performed annually.

The required supplementary information other post employment benefit schedules immediately following the notes to the financial statements presents ten-year information for as many available years in accordance with requirements of GASB 75. Detailed information about other post employment benefit plan's fiduciary net position is available in a separately issued other post employment benefit report along with a copy of the actuarial report referred to in this note may be obtained from the Oklahoma City Financial Department, Accounting Service Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

Benefit Provisions

The City offers post-retirement healthcare benefits to eligible retirees of the City or approved public trust and their eligible survivors and dependents either through a fully insured health plan or through the City's Self-Funded Group Plan. Post-retirement healthcare benefits include general inpatient and outpatient medical services and prescription drug coverage (collectively "Plan Benefits"). Additional benefits for dental, life, and vision are available to eligible retirees with no premium sharing contributed by the City. The City is not legally obligated to subsidize Plan Benefits for any retiree. However, subject to meeting one of the criteria by the resolution Plan Benefits are only available to certain public trust and City general or special pay-plan retirees and retired police officers provided the retiree was hired before January 1, 2017, and those retired firefighters who retired on or before December 31, 2002, provided the retiree continuously maintains or has maintained coverage from the time of retirement. Employees hired on or after January 1, 2017 are not eligible for subsidized retiree Plan Benefits. To be eligible for subsidized Plan Benefits, if the City Council in its sole discretion determines to subsidize premium costs of the Plan Benefits, the retiree must meet the qualifications of the resolution that was approved on November 8, 2016. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts.

Post-retirement benefits for retirees are not subject to any changes in the Consumer Price Index.

Employees Covered by Benefit Terms

	<u>2020</u>	<u>2019</u>
Inactive employees currently receiving benefits	2,136	2,142
Active employees	<u>3,531</u>	<u>3,153</u>
	<u>5,667</u>	<u>5,295</u>

Contributions

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning January 1, 2019, the employer contribution rate changed from 52% of premium to 50% of premium. Beginning January 1, 2018, the employer contribution rate changed from 54% of premium to 52% of premium. The employee contributes the balance of the premium. Administrative costs are funded with investment earnings.

VIII. A. 2. NET OPEB 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 and the total OPEB liability used to calculate the net OPEB liability was actuarially determined. The Authority's share of Net OPEB Liability is allocated using the Authority's share of employees for the payroll ending June 30, 2020 and 2019. The Authority's share is 1.25% and 1.39%, respectively.

Actuarial Assumptions

The total OPEB liability was determined using the following assumptions:

Inflation rate	3.00%
Wage inflation (1)	3.25%
Discount Rate (2)	4.05%
Investment rate of return	7.5%
Health care trend rate (3)	8.0% (6.00% for Medicare Age)
Ultimate rate	4.50%

- (1) The wage inflation rate changed from 3.75% in 2019 to 3.25% in 2020.
- (2) The Discount Rate changed from 4.25% in 2019 to 4.05% in 2020.
- (3) The Initial Health Care Trend Rate changed from 8.5% in 2019 to 8.0% in 2020.

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 General 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 Plan held no individual investments (other than U.S. government and U.S. government guaranteed obligations) whose market values 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 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 decreased from 4.25% on June 30, 2019 to 4.05% on June 30, 2020.

Long-term Expected Rate of Return and Target Allocation

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 included in the OPEB plan's target asset allocation.

	Long-term Expected Rate of Return	
	2020	2019
Domestic Equity	7.50%	7.50%
Domestic Bonds	2.50	2.50
International Equity	8.50	8.50
International Bonds	3.50	3.50
Real Estate	4.50	4.50

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

	2020				
	Rate	Total OPEB Liability		Net OPEB Liability	
		Total Plan	Authority Share	OPEB	Authority Share
1% decrease	3.05%	\$578,504,530	\$7,231,307	\$514,259,677	\$6,428,246
Current single discount rate	4.05	489,504,645	6,118,808	425,259,792	5,315,746
1% increase	5.05	419,178,905	5,239,736	354,934,052	4,436,676

	2019				
	Rate	Total OPEB Liability		Net OPEB Liability	
		Total Plan	Authority Share	OPEB	Authority Share
1% decrease	3.25%	\$560,617,343	\$7,792,581	\$502,979,266	\$6,991,412
Current single discount rate	4.25	478,478,223	6,650,847	420,840,146	5,849,677
1% increase	5.25	413,163,048	5,742,966	355,524,971	4,941,797

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

	2020				
	Beginning Rate	Total OPEB Liability		Net OPEB Liability	
		Total Plan	Authority Share	OPEB	Authority Share
1% decrease	7.00%	\$411,890,554	\$5,148,632	\$347,645,701	\$4,345,571
Current single discount rate	8.00	489,504,645	6,118,808	425,259,792	5,315,746
1% increase	9.00	590,150,604	7,376,883	525,905,751	6,573,822

	2019				
	Beginning Rate	Total OPEB Liability		Net OPEB Liability	
		Total Plan	Authority Share	OPEB	Authority Share
1% decrease	7.50%	\$406,444,840	\$5,649,583	\$348,806,763	\$4,848,414
Current single discount rate	8.50	478,478,223	6,650,847	420,840,146	5,849,677
1% increase	9.50	571,063,304	7,937,780	513,425,227	7,136,611

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			
	Total Plan		Total Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions -				
Employer	\$14,562,836	\$ -	\$182,035	\$ -
Difference between expected and actual experience	3,226,238	90,745,054	40,328	1,134,313
Changes in assumptions	17,122,683	56,361,322	214,034	704,517
Net different between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,049,272</u>	<u>-</u>	<u>13,116</u>
	<u>\$34,911,757</u>	<u>\$148,155,648</u>	<u>\$436,397</u>	<u>\$1,851,946</u>
	2019			
	Total Plan		Total Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions -				
Employer	\$14,562,836	\$ -	\$202,426	\$ -
Difference between expected and actual experience	3,584,709	77,251,659	49,827	1,073,796
Changes in assumptions	-	65,481,461	-	910,192
Net different between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,345,619</u>	<u>-</u>	<u>32,604</u>
	<u>\$18,147,545</u>	<u>\$145,078,739</u>	<u>\$252,253</u>	<u>\$2,016,592</u>

Deferred employer contributions of \$182,035 and \$202,426 made subsequent to the actuarial date will be recognized as a reduction of the net OPEB liability for year ending June 30, 2021 and 2020, respectively.

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

	2020		2019		
	OPEB	Authority Share	OPEB	Authority Share	
2021	(\$27,103,724)	(\$338,797)	2020	(\$24,893,282)	(\$346,017)
2022	(27,103,726)	(338,797)	2021	(24,893,282)	(346,017)
2023	(26,724,213)	(334,053)	2022	(24,893,284)	(346,017)
2024	(26,422,442)	(330,281)	2023	(24,513,771)	(340,741)
2025	(5,981,895)	(74,774)	2024	(24,212,001)	(336,547)
Thereafter	<u>(14,470,727)</u>	<u>(180,882)</u>	Thereafter	<u>(18,088,410)</u>	<u>(251,426)</u>
	<u>(\$127,806,727)</u>	<u>(\$1,597,584)</u>		<u>(\$141,494,030)</u>	<u>(\$1,966,765)</u>

OPEB Expense

The Authority reported \$66,190 and \$189,827 in OPEB expense which includes costs related to employee participation in OPEB at June 30, 2020 and 2019.

VIII. A. 3. CHANGES IN NET OPEB LIABILITY

	2020					
	Total OPEB Liability		Plan Fiduciary Net Position		Net OPEB Liability	
	OPEBT	Authority Share	OPEBT	Authority Share	OPEBT	Authority Share
Beginning balance	\$478,478,223	\$6,650,847	\$57,638,077	\$801,170	\$420,840,146	\$5,849,677
Service cost	15,984,135	199,802	-	-	15,984,135	199,802
Interest	20,771,885	259,649	-	-	20,771,885	259,649
Differences between expected and actual experience	(34,732,472)	(434,156)	-	-	(34,732,472)	(434,156)
Changes of assumptions	20,547,220	256,840	-	-	20,547,220	256,840
Contributions - employer	-	-	14,562,836	182,035	(14,562,836)	(182,035)
Net investment income	-	-	3,662,441	45,781	(3,662,441)	(45,781)
Benefit payments including Refunds of employee contributions	(11,544,346)	(144,304)	(11,544,346)	(144,304)	-	-
Administrative expense	-	-	(74,155)	(927)	74,155	927
Other changes	-	(669,870)	-	(80,693)	-	(589,177)
	<u>\$489,504,645</u>	<u>\$6,118,808</u>	<u>\$64,244,853</u>	<u>\$803,062</u>	<u>\$425,259,792</u>	<u>\$5,315,746</u>

(Continued)

Changes in Net OPEB Liability (Continued)

	2019					
	Total OPEB Liability		Plan Fiduciary Net Position		Net OPEB Liability	
	OPEBT	Authority Share	OPEBT	Authority Share	OPEBT	Authority Share
Beginning balance	\$570,691,262	\$8,731,576	\$48,763,398	\$746,080	\$521,927,864	\$7,985,496
Service cost	20,334,929	282,656	-	-	20,334,929	282,656
Interest	21,960,203	305,247	-	-	21,960,203	305,247
Differences between expected and actual experience	(92,701,991)	(1,288,558)	-	-	(92,701,991)	(1,288,558)
Changes of assumptions	(30,863,912)	(429,008)	-	-	(30,863,912)	(429,008)
Contributions - employer	-	-	14,562,836	202,423	(14,562,836)	(202,423)
Net investment income	-	-	5,297,821	73,640	(5,297,821)	(73,640)
Benefit payments including Refunds of employee contributions	(10,942,268)	(152,098)	(10,942,268)	(152,098)	-	-
Administrative expense	-	-	(43,710)	(608)	43,710	608
Other changes	-	(798,968)	-	(68,267)	-	(730,701)
	<u>\$478,478,223</u>	<u>\$6,650,847</u>	<u>\$57,638,077</u>	<u>\$801,170</u>	<u>\$420,840,146</u>	<u>\$5,849,677</u>

IX. COMMITMENTS

Construction projects are substantially funded with revenue bonds. Active construction in progress remaining commitments at June 30, 2020 and 2019, are composed of improvements in government activities totaling \$1,212,419 and \$48,001, and fairgrounds improvements of \$67,720 and \$85,774, respectively.

An agreement has been entered into between the Authority, the National Collegiate Athletic Association (NCAA) the Oklahoma City All Sports Association (OCASA) and the City, whereby the Authority has committed to fund various improvements to the Softball Hall of Fame Complex, in return for the NCAA's commitment to hold, sponsor, and play the NCAA Division I Women's Collegiate Softball World Series in Oklahoma City through 2035. The funding commitment and NCAA commitment is based upon the completion of various phases of the anticipated overall project. The aggregate funding commitment from the Authority is approximately \$33.5 million. Of this amount, \$24.5 million is expected to be funded by City general obligation bond proceeds, \$6 million is expected to be funded with donations and sponsorships and \$3 million is expected to be funded by naming rights. The Authority has assigned the obligations to be funded by City general obligation bond proceeds, donations, and sponsorships to the City.

As of June 30, 2020 and 2019, the remaining commitment under the agreement is approximately \$22.849 million including \$20.088 million assigned to the City and \$23.015 million including \$20.101 million assigned to the City, respectively.

X. CONTINGENCIES

The Authority is party to various legal proceedings which normally occur in operations. Any liabilities resulting from these legal proceedings are not likely to have a material adverse impact on the Authority.

Required Supplementary Information

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

I. SCHEDULE OF AUTHORITY'S SHARE OF NET PENSION LIABILITY (ASSET) (1)(2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority Share	1.52%	1.71%	1.74%	1.74%	1.77%	1.64%
Authority share of the net pension liability (asset)	(\$146,948)	(\$478,093)	(\$435,322)	\$20,413	(\$829,389)	(\$1,007,164)
Other funds of the City share of the net pension liability (asset)	<u>(9,520,716)</u>	<u>(27,430,330)</u>	<u>(24,583,209)</u>	<u>1,152,725</u>	<u>(46,028,698)</u>	<u>(60,405,333)</u>
Total net pension liability (asset)	<u>(\$9,667,664)</u>	<u>(\$27,908,423)</u>	<u>(\$25,018,531)</u>	<u>\$1,173,138</u>	<u>(\$46,858,087)</u>	<u>(\$61,412,497)</u>
Covered payroll	\$135,200,068	\$130,273,619	\$114,233,221	\$126,036,039	\$127,805,936	\$124,957,446
Authority share of covered payroll	\$2,055,041	\$2,227,679	\$1,987,658	\$2,193,027	\$2,262,165	\$2,049,302
Net pension liability (asset) as a percentage of covered payroll	(7.15%)	(21.46%)	(21.90%)	0.93%	(36.66%)	(49.15%)
Plan fiduciary net position as a percentage of total pension liability	101.30%	103.92%	103.69%	99.82%	107.52%	110.29%

- (1) Amounts presented above represent the Authority's proportionate share presented in Note VII. A. DEFINED BENEFIT PENSION PLAN -
- (2) 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.

II. SCHEDULE OF AUTHORITY'S SHARE OF EMPLOYER CONTRIBUTIONS (1)(2)

<u>June 30.</u>	Contractually Required Contribution (CRC) (3)	Contributions in Relation to CRC	Contributions Deficiency (Excess)	Covered Payroll	Actual Contribution As a Percentage of Covered Payroll
2020 (4)	\$117,896	\$117,896	\$ -	\$1,964,933	6.00
2019	107,479	106,827	652	2,055,041	5.20
2018	117,621	120,670	(3,049)	2,227,679	5.42
2017	105,942	119,563	(13,621)	1,987,658	6.02
2016	128,950	128,953	(3)	2,193,027	5.88
2015	145,683	145,265	418	2,262,165	6.42
2014	146,525	145,496	1,029	2,049,302	7.10

- (1) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.
- (2) This schedule is presented to illustrate the requirement to show information for 10 years. However, Authority share for fiscal years before June 30, 2014, is not available. This information will be developed prospectively until eventually 10 years of information is available. Total plan information is provided below.
- (3) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.
- (4) The contractually required contribution for 2020 is estimated and may change upon receipt of the actuarial report.

<u>June 30.</u>	Covered Payroll	Employer Contributions
2013	\$109,293,000	\$9,614,625
2012	102,915,000	7,132,772
2011	110,408,000	5,585,595

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

See Note VII. PENSION PLANS for actuarial assumptions and other information used to determine the annual required contributions.

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

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority Share	1.25%	1.39%	1.53%
Authority share of the net OPEB liability (asset)	\$5,315,746	\$5,849,677	\$7,985,496
Other funds of the City share of the net OPEB liability (asset)	<u>419,944,046</u>	<u>414,990,469</u>	<u>513,942,368</u>
Total net OPEB liability (asset)	<u>425,259,792</u>	<u>420,840,146</u>	<u>521,927,864</u>
Covered - employee payroll	\$231,394,742	\$209,791,182	\$224,808,000
Authority share of covered - employee payroll	\$2,892,434	\$2,916,097	\$3,439,562
Net OPEB liability (asset) as a percentage of covered - employee payroll	183.78%	200.60%	232.17%
Plan fiduciary net position as a percentage of total OPEB liability	13.2%	12.0%	8.5%

- (1) Amounts presented above represent the Authority's proportionate share presented in Note VIII. OTHER POST-EMPLOYMENT BENEFITS (OPEB).
- (2) This schedule is presented to illustrate the requirement to show information for 10 years. However, results for measurement years before June 30, 2018, are not available. This information will be developed prospectively beginning in 2018 until eventually 10 years of information is available.

II. SCHEDULE OF AUTHORITY'S SHARE OF EMPLOYER CONTRIBUTIONS (1)(2)

<u>June 30,</u>	Contractually Required Contribution <u>(CRC) (3)</u>	Contributions in Relation to <u>CRC</u>	Contributions Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution As a Percentage of Covered-Employee <u>Payroll</u>
2020 (4)	\$182,035	\$182,035	\$ -	\$3,033,917	6.00%
2019	270,984	202,423	68,561	2,892,434	7.00%
2018	349,779	222,811	126,968	2,916,097	7.64%

- (1) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.
- (2) This schedule is presented to illustrate the requirement to show information for 10 years. However, Authority share for fiscal years before June 30, 2018, is not available. This information will be developed prospectively until eventually 10 years of information is available. Total plan information is provided below.
- (3) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.
- (4) The contractually required contribution for is estimated and may change upon receipt of the actuarial report.

<u>June 30,</u>	Covered <u>Payroll</u>	Employer <u>Contributions</u>
2017	224,808,000	15,817,181
2016	219,484,135	17,811,341
2015	213,091,393	18,815,545
2014	203,859,835	19,619,034
2013	197,922,710	19,904,516
2012	180,551,843	20,064,984
2011	175,293,051	18,746,938

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

See Note VIII. POST-EMPLOYMENT BENEFIT PLANS for actuarial assumptions and other information used to determine the annual required contributions.

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Combining Financial Statements

Golf Courses Fund

- * ***Lake Hefner Golf Course*** –Used to account for the operations of the Lake Hefner Golf Course.
- * ***Lincoln Park Golf Course*** –Used to account for the operations of the Lincoln Park Golf Course.
- * ***Trosper Park Golf Course*** –Used to account for the operations of the Trosper Park Golf Course.
- * ***Earlywine Park Golf Course*** –Used to account for the operations of the Earlywine Park Golf Course.
- * ***James E. Stewart Golf Course*** –Used to account for the operations of the James E. Stewart Golf
- * ***Golf Course System*** –Used to account for the collective capital investments and operational costs paid from surcharges on green fees and other transfers from the individual golf courses.

**COMBINING STATEMENT OF NET POSITION
GOLF COURSES FUND
June 30, 2020**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	Lake Hefner Golf Course	Lincoln Park Golf Course	Trosper Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	Total Golf Fund
ASSETS							
CURRENT ASSETS							
Pooled cash-----	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,469	\$1,469
Non-pooled cash-----	\$540,078	\$522,620	\$165,987	\$419,928	\$83,941	\$ -	\$1,732,554
Investments-----	-	-	-	-	-	1,832,739	1,832,739
Accounts receivable, net-----	19	3	3	7,627	-	1	7,653
Interest, dividends, and royalties receivable-----	-	-	-	-	-	3,552	3,552
Due within golf courses-----	(53,126)	(56,352)	(18,671)	(39,982)	3,553	164,578	-
Receivable from the City of Oklahoma City-----	7,185	14,730	-	3,998	3,234	1	29,148
Inventories-----	118,212	67,265	26,031	103,622	19,469	-	334,599
Prepays-----	-	384	109	136	-	-	629
Total current assets-----	612,368	548,650	173,459	495,329	110,197	2,002,340	3,942,343
NON-CURRENT ASSETS							
Investments-----	-	-	-	-	-	455,710	455,710
Net pension asset-----	22,042	11,756	29,390	47,023	36,737	-	146,948
Capital assets:							
Other capital assets, net of accumulated depreciation--	283,627	1,551,026	406,308	412,728	188,335	6,564,616	9,406,640
Capital assets, net-----	283,627	1,551,026	406,308	412,728	188,335	6,564,616	9,406,640
Total non-current assets-----	305,669	1,562,782	435,698	459,751	225,072	7,020,326	10,009,298
Total assets-----	918,037	2,111,432	609,157	955,080	335,269	9,022,666	13,951,641
DEFERRED OUTFLOWS OF RESOURCES-----	211,675	146,574	152,070	226,475	192,009	593	929,396
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued expenses-----	90,723	76,601	25,687	78,870	21,550	86,021	379,452
Wages and benefits payable-----	70,327	77,970	18,640	48,625	27,304	(1)	242,865
Payable to the City of Oklahoma City-----	83,079	102,262	59,327	57,062	20,428	(75,745)	246,413
Compensated absences-----	18,770	12,944	4,324	2,181	7,331	-	45,550
Bond interest payable-----	-	-	-	-	-	79,227	79,227
Bonds payable-----	-	-	-	-	-	900,000	900,000
Total current liabilities-----	262,899	269,777	107,978	186,738	76,613	989,502	1,893,507
NON-CURRENT LIABILITIES							
Compensated absences-----	17,573	38,200	3,518	17,429	12,018	-	88,738
Payable to the City of Oklahoma City-----	-	-	68,463	-	-	-	68,463
Bonds payable, net-----	-	-	-	-	-	8,577,280	8,577,280
Net other post-employment benefit liability-----	1,678,713	1,305,547	652,773	839,357	839,356	-	5,315,746
Total non-current liabilities-----	1,696,286	1,343,747	724,754	856,786	851,374	8,577,280	14,050,227
Total liabilities-----	1,959,185	1,613,524	832,732	1,043,524	927,987	9,566,782	15,943,734
DEFERRED INFLOWS OF RESOURCES	623,017	475,196	278,317	373,857	356,043	-	2,106,430
NET POSITION (DEFICIT)							
Net investment in capital assets-----	283,627	1,551,026	406,308	412,728	188,335	(2,243,530)	598,494
Debt service-----	-	-	-	-	-	699,398	699,398
Unrestricted-----	(1,736,117)	(1,381,740)	(756,130)	(648,554)	(945,087)	1,000,609	(4,467,019)
Total net position (deficit)-----	(\$1,452,490)	\$169,286	(\$349,822)	(\$235,826)	(\$756,752)	(\$543,523)	(\$3,169,127)

**COMBINING STATEMENT OF NET POSITION
GOLF COURSES FUND
July 1, 2019**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	Lake Hefner Golf Course	Lincoln Park Golf Course	Trosper Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	Total Golf Fund
ASSETS							
CURRENT ASSETS							
Non-pooled cash-----	446,344	402,990	101,622	189,845	58,141	4	1,198,946
Investments-----	-	-	-	-	-	1,699,646	1,699,646
Accounts receivable, net-----	-	4	224	-	5,538	-	5,766
Interest, dividends, and royalties receivable-----	-	-	-	-	-	5,594	5,594
Due within golf courses-----	(52,764)	(62,778)	(11,583)	(33,055)	(387)	160,567	-
Due within Authority-----	-	-	-	-	-	(6,727)	(6,727)
Inventories-----	106,322	66,981	28,243	101,573	18,670	-	321,789
Prepays-----	-	2,311	143	1,650	-	-	4,104
Total current assets-----	499,902	409,508	118,649	260,013	81,962	1,859,084	3,229,118
NON-CURRENT ASSETS							
Investments-----	-	-	-	-	-	455,710	455,710
Prepays, non-current-----	-	401	116	145	-	-	662
Net pension asset-----	165,138	128,569	27,620	102,295	54,471	-	478,093
Capital assets:							
Land and construction in progress-----	-	-	-	-	-	165	165
Other capital assets, net of accumulated depreciation---	406,544	1,717,484	497,972	561,317	203,704	6,709,863	10,096,884
Capital assets, net-----	406,544	1,717,484	497,972	561,317	203,704	6,710,028	10,097,049
Total non-current assets-----	571,682	1,846,454	525,708	663,757	258,175	7,165,738	11,031,514
Total assets-----	1,071,584	2,255,962	644,357	923,770	340,137	9,024,822	14,260,632
DEFERRED OUTFLOWS OF RESOURCES-----	251,734	193,186	51,554	133,604	109,155	775	740,008
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued expenses-----	72,274	61,490	20,578	34,929	27,271	56,337	272,879
Wages and benefits payable-----	77,809	65,882	16,495	54,665	23,814	-	238,665
Payable to the City of Oklahoma City-----	124,912	191,628	55,634	37,448	31,954	(41,269)	400,307
Compensated absences-----	20,256	11,695	3,709	11,583	5,377	-	52,620
Bond interest payable-----	-	-	-	-	-	85,988	85,988
Bonds payable-----	-	-	-	-	-	870,000	870,000
Total current liabilities-----	295,251	330,695	96,416	138,625	88,416	971,056	1,920,459
NON-CURRENT LIABILITIES							
Compensated absences-----	30,384	52,314	4,314	19,635	10,489	-	117,136
Payable to the City of Oklahoma City-----	-	-	104,594	-	-	-	104,594
Bonds payable, net-----	-	-	-	-	-	9,479,597	9,479,597
Net other post-employment benefit liability-----	1,914,599	1,488,743	531,735	851,129	1,063,471	-	5,849,677
Total non-current liabilities-----	1,944,983	1,541,057	640,643	870,764	1,073,960	9,479,597	15,551,004
Total liabilities-----	2,240,234	1,871,752	737,059	1,009,389	1,162,376	10,450,653	17,471,463
DEFERRED INFLOWS OF RESOURCES-----	788,318	612,151	204,880	370,121	411,554	-	2,387,024
NET POSITION (DEFICIT)							
Net investment in capital assets-----	406,541	1,717,482	497,971	561,317	203,703	(2,975,195)	411,819
Debt service-----	-	-	-	-	-	669,909	669,909
Unrestricted-----	(2,111,775)	(1,752,237)	(743,999)	(883,453)	(1,328,341)	880,230	(5,939,575)
Total net position (deficit)-----	(\$1,705,234)	(\$34,755)	(\$246,028)	(\$322,136)	(\$1,124,638)	(\$1,425,056)	(\$4,857,847)

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2020**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	<u>Lake Hefner Golf Course</u>	<u>Lincoln Park Golf Course</u>	<u>Trosper Park Golf Course</u>	<u>Earlywine Park Golf Course</u>	<u>James E. Stewart Golf Course</u>	<u>Golf Course System</u>	<u>Total Golf Fund</u>
<u>OPERATING REVENUES</u>							
<u>CHARGES FOR SERVICES</u>							
Green fees-----	\$1,671,494	\$1,595,171	\$503,968	\$1,077,480	\$195,445	\$ -	\$5,043,558
Concessions-----	432,770	407,707	86,922	168,143	39,858	-	1,135,400
Other charges-----	2,364	18,844	93	1,524	12	-	22,837
Total charges for services-----	<u>2,106,628</u>	<u>2,021,722</u>	<u>590,983</u>	<u>1,247,147</u>	<u>235,315</u>	<u>-</u>	<u>6,201,795</u>
Golf cart rentals-----	744,487	794,363	279,454	513,858	77,578	-	2,409,740
Other-----	782	2,918	3,279	2,448	1,472	-	10,899
Total operating revenues-----	<u>2,851,897</u>	<u>2,819,003</u>	<u>873,716</u>	<u>1,763,453</u>	<u>314,365</u>	<u>-</u>	<u>8,622,434</u>
<u>OPERATING EXPENSES</u>							
Personal services-----	1,130,146	945,451	480,405	806,925	55,293	-	3,418,220
Maintenance, operations, and contractual services-----	396,861	454,907	176,473	260,913	109,839	913,027	2,312,020
Materials and supplies-----	440,449	491,379	137,348	254,286	145,214	-	1,468,676
Depreciation-----	122,914	166,456	102,043	148,589	15,368	145,419	700,789
Total operating expenses-----	<u>2,090,370</u>	<u>2,058,193</u>	<u>896,269</u>	<u>1,470,713</u>	<u>325,714</u>	<u>1,058,446</u>	<u>7,899,705</u>
Operating income (loss)-----	<u>761,527</u>	<u>760,810</u>	<u>(22,553)</u>	<u>292,740</u>	<u>(11,349)</u>	<u>(1,058,446)</u>	<u>722,729</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>							
Investment income-----	-	-	-	-	-	46,934	46,934
Interest on bonds and notes-----	(428)	(579)	(2,816)	-	-	(323,849)	(327,672)
Amortization-----	-	-	-	-	-	2,317	2,317
Payments from the City of Oklahoma City-----	-	-	-	-	346,271	834,206	1,180,477
Other revenues-----	141	175	42	613	32,964	30,000	63,935
Net non-operating revenues (expenses)-----	<u>(287)</u>	<u>(404)</u>	<u>(2,774)</u>	<u>613</u>	<u>379,235</u>	<u>589,608</u>	<u>965,991</u>
Income (loss) before transfers-----	<u>761,240</u>	<u>760,406</u>	<u>(25,327)</u>	<u>293,353</u>	<u>367,886</u>	<u>(468,838)</u>	<u>1,688,720</u>
Transfers within the golf courses-----	(508,495)	(556,365)	(78,467)	(207,043)	-	1,350,370	-
Changes in net position (deficit)-----	<u>252,745</u>	<u>204,041</u>	<u>(103,794)</u>	<u>86,310</u>	<u>367,886</u>	<u>881,532</u>	<u>1,688,720</u>
Total net position, beginning-----	(1,705,235)	(34,755)	(246,028)	(322,136)	(1,124,638)	(1,425,055)	(4,857,847)
Total net position (deficit), ending-----	<u>(\$1,452,490)</u>	<u>\$169,286</u>	<u>(\$349,822)</u>	<u>(\$235,826)</u>	<u>(\$756,752)</u>	<u>(\$543,523)</u>	<u>(\$3,169,127)</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2019**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	Lake Hefner Golf Course	Lincoln Park Golf Course	Trosper Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	Total Golf Fund
<u>OPERATING REVENUES</u>							
<u>CHARGES FOR SERVICES</u>							
Green fees-----	\$1,555,604	\$1,567,338	\$377,943	\$1,005,145	\$150,841	\$ -	\$4,656,871
Concessions-----	524,503	476,085	90,320	177,900	60,687	-	1,329,495
Other charges-----	1,687	23,100	932	2,410	20	-	28,149
Total charges for services-----	2,081,794	2,066,523	469,195	1,185,455	211,548	-	6,014,515
Golf cart rentals-----	677,339	790,477	223,525	468,712	60,374	-	2,220,427
Other-----	2,454	5,544	2,180	47	4,732	1,529	16,486
Total operating revenues-----	2,761,587	2,862,544	694,900	1,654,214	276,654	1,529	8,251,428
<u>OPERATING EXPENSES</u>							
Personal services-----	983,527	762,404	461,871	497,635	817,809	-	3,523,246
Maintenance, operations, and contractual services-----	343,020	439,111	161,289	247,741	105,308	744,854	2,041,323
Materials and supplies-----	607,394	593,502	147,281	265,165	160,154	-	1,773,496
Depreciation-----	125,116	296,749	122,701	158,715	66,634	143,089	913,004
Total operating expenses-----	2,059,057	2,091,766	893,142	1,169,256	1,149,905	887,943	8,251,069
Operating income (loss)-----	702,530	770,778	(198,242)	484,958	(873,251)	(886,414)	359
<u>NON-OPERATING REVENUES (EXPENSES)</u>							
Investment income-----	-	-	-	-	-	56,548	56,548
Interest on bonds and notes-----	(2,455)	(3,322)	(3,629)	-	-	(350,699)	(360,105)
Amortization-----	-	-	-	-	-	2,407	2,407
Payments from the City of Oklahoma City-----	-	-	-	-	346,271	579,492	925,763
Other revenues-----	81	133	34	55	66,128	30,000	96,431
Net non-operating revenues (expenses)-----	(2,374)	(3,189)	(3,595)	55	412,399	317,748	721,044
Income (loss) before transfers-----	700,156	767,589	(201,837)	485,013	(460,852)	(568,666)	721,403
Transfers within the golf courses-----	(355,693)	(531,139)	(6,651)	(315,286)	-	1,208,769	-
Changes in net position (deficit)-----	344,463	236,450	(208,488)	169,727	(460,852)	640,103	721,403
Total net position, beginning-----	(2,049,697)	(271,205)	(37,540)	(491,863)	(663,786)	(2,065,159)	(5,579,250)
Total net position (deficit), ending-----	(\$1,705,234)	(\$34,755)	(\$246,028)	(\$322,136)	(\$1,124,638)	(\$1,425,056)	(\$4,857,847)

**COMBINING STATEMENT OF CASH FLOWS
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2020**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	<u>Lake Hefner Golf Course</u>	<u>Lincoln Park Golf Course</u>	<u>Trosper Park Golf Course</u>	<u>Earlywine Park Golf Course</u>	<u>James E. Stewart Golf Course</u>	<u>Golf Course System</u>	<u>Total Golf Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Cash received from customers-----	\$2,818,086	\$2,828,042	\$862,451	\$1,779,565	\$354,231	\$63,267	\$8,705,642
Cash payments to suppliers for goods and services-----	(783,999)	(919,439)	(296,462)	(481,995)	(279,023)	(799,355)	(3,560,273)
Cash payments to employees and professional contractors for services-----	(1,336,720)	(1,084,188)	(369,963)	(851,020)	(392,797)	(90,097)	(4,124,785)
Cash payments for internal services-----	(22,798)	(60,050)	(7,517)	(9,424)	(2,882)	(70,017)	(172,688)
Operating payments from City of Oklahoma City-----	(508,495)	(556,366)	(78,467)	(207,043)	346,271	2,184,576	1,180,476
Operating payments to City of Oklahoma City-----	(65,318)	(88,369)	(38,183)	-	-	(356)	(192,226)
Operating payments within the Department-----	(7,022)	-	2,886	-	-	4,136	-
Net cash provided by operating activities-----	93,734	119,630	74,745	230,083	25,800	1,292,154	1,836,146
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>							
Payments for acquisition and construction of capital assets-----	-	-	-	-	-	(16,694)	(16,694)
Principal paid on long-term debt-----	-	-	-	-	-	(870,000)	(870,000)
Interest paid on long-term debt-----	-	-	-	-	-	(330,255)	(330,255)
Proceeds from sale of assets-----	-	-	(10,380)	-	-	10,380	-
Net cash provided (used) by capital and related financing activities-----	-	-	(10,380)	-	-	(1,206,569)	(1,216,949)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>							
Payments for purchase of investments-----	-	-	-	-	-	(1,229,824)	(1,229,824)
Proceeds from sale of investments-----	-	-	-	-	-	1,207,823	1,207,823
Changes in pooled investments-----	-	-	-	-	-	(111,094)	(111,094)
Investment income received-----	-	-	-	-	-	13,511	13,511
Purchased interest-----	-	-	-	-	-	35,464	35,464
Net cash provided (used) by investing activities-----	-	-	-	-	-	(84,120)	(84,120)
Net increase in cash-----	93,734	119,630	64,365	230,083	25,800	1,465	535,077
Cash, beginning-----	446,344	402,990	101,622	189,845	58,141	4	1,198,946
Cash, ending-----	\$540,078	\$522,620	\$165,987	\$419,928	\$83,941	\$1,469	\$1,734,023

**COMBINING STATEMENT OF CASH FLOWS
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2020**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	Lake Hefner Golf Course	Lincoln Park Golf Course	Trosper Park Golf Course	Earlywine Park Golf Course	James E. Stewart Golf Course	Golf Course System	Total Golf Fund
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>							
Operating income (loss)-----	\$761,527	\$760,810	(\$22,553)	\$292,740	(\$11,349)	(\$1,058,446)	\$722,729
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) PROVIDED BY OPERATING ACTIVITIES</u>							
Depreciation-----	122,914	166,456	102,043	148,589	15,368	145,419	700,789
Other revenue-----	141	175	42	613	32,964	30,000	63,935
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	(19)	1	221	(7,627)	5,538	(1)	(1,887)
(Increase) decrease in receivable from City of Oklahoma City-----	(515,318)	(577,523)	(71,379)	(204,115)	339,097	2,180,567	1,151,329
(Increase) decrease in inventories-----	(11,890)	(284)	2,212	(2,049)	(799)	-	(12,810)
(Increase) decrease in prepaid assets-----	-	2,328	150	1,659	-	-	4,137
(Increase) decrease in net pension asset-----	143,096	116,813	(1,770)	55,272	17,734	-	331,145
(Increase) decrease in deferred outflows-----	40,059	46,613	(100,516)	(92,872)	(82,854)	182	(189,388)
Increase (decrease) in accounts payable and accrued expenses-----	18,451	15,115	5,109	43,943	(5,720)	35,993	112,891
Increase (decrease) in wages and benefits payable-----	(7,482)	12,088	2,145	(6,040)	3,490	(1)	4,200
Increase (decrease) in payable to City of Oklahoma City-----	(42,261)	(89,946)	(35,253)	19,614	(11,526)	(41,559)	(200,931)
Increase (decrease) in compensated absences-----	(14,297)	(12,865)	(181)	(11,608)	3,483	-	(35,468)
Increase (decrease) in liabilities payable from restricted assets-----	-	(183,196)	-	-	-	183,196	-
Increase (decrease) in net pension liability-----	(235,886)	-	121,038	(11,772)	(224,115)	(183,196)	(533,931)
Increase (decrease) in net other post-employment benefit liability-----	-	-	-	-	-	-	-
Increase (decrease) in deferred inflows-----	(165,301)	(136,955)	73,437	3,736	(55,511)	-	(280,594)
Total adjustments-----	(667,793)	(641,180)	97,298	(62,657)	37,149	2,350,600	1,113,417
Net cash provided by operating activities-----	\$93,734	\$119,630	\$74,745	\$230,083	\$25,800	\$1,292,154	\$1,836,146

**COMBINING STATEMENT OF CASH FLOWS
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2019**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	<u>Lake Hefner Golf Course</u>	<u>Lincoln Park Golf Course</u>	<u>Trosper Park Golf Course</u>	<u>Earlywine Park Golf Course</u>	<u>James E. Stewart Golf Course</u>	<u>Golf Course System</u>	<u>Total Golf Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Cash received from customers-----	\$2,766,242	\$2,860,747	\$697,861	\$1,646,066	\$337,201	\$45,692	\$8,353,809
Cash payments to suppliers for goods and services-----	(918,701)	(910,815)	(296,177)	(487,087)	(235,975)	(736,505)	(3,585,260)
Cash payments to employees and professional contractors for services-----	(1,455,771)	(1,180,290)	(374,801)	(862,238)	(429,136)	493	(4,301,743)
Cash payments for internal services-----	(30,012)	(72,874)	(9,534)	(13,924)	(2,735)	(22,589)	(151,668)
Operating payments from City of Oklahoma City-----	-	-	(6,651)	-	346,271	586,143	925,763
Operating payments to City of Oklahoma City-----	(97,977)	(132,553)	(38,183)	-	-	(489)	(269,202)
Operating payments within the Department-----	(341,901)	(521,588)	(1,967)	(311,598)	(544)	1,177,598	-
Net cash provided (used) by operating activities-----	(78,120)	42,627	(29,452)	(28,781)	15,082	1,050,343	971,699
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>							
Payments for acquisition and construction of capital assets-----	-	-	-	-	(12,500)	(200,264)	(212,764)
Principal paid on long-term debt-----	-	-	-	-	-	(845,000)	(845,000)
Interest paid on long-term debt-----	-	-	-	-	-	(356,776)	(356,776)
Net cash provided (used) by captal and related financing activities-----	-	-	-	-	(12,500)	(1,402,040)	(1,414,540)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>							
Payments for purchase of investments-----	-	-	-	-	-	(1,236,617)	(1,236,617)
Proceeds from sale of investments-----	-	-	-	-	-	1,428,541	1,428,541
Changes in pooled investments-----	-	-	-	-	-	99,552	99,552
Investment income received-----	-	-	-	-	-	54,903	54,903
Purchased interest-----	-	-	-	-	-	36	36
Net cash provided by investing activities-----	-	-	-	-	-	346,415	346,415
Net increase (decrease) in cash-----	(78,120)	42,627	(29,452)	(28,781)	2,582	(5,282)	(96,426)
Cash, beginning-----	524,464	360,363	131,074	218,626	55,559	5,286	1,295,372
Cash, ending-----	\$446,344	\$402,990	\$101,622	\$189,845	\$58,141	\$4	\$1,198,946

**COMBINING STATEMENT OF CASH FLOWS
GOLF COURSES FUND
For the Fiscal Year Ended June 30, 2019**

**OKLAHOMA CITY PUBLIC
PROPERTY AUTHORITY**

	<u>Lake Hefner Golf Course</u>	<u>Lincoln Park Golf Course</u>	<u>Trosper Park Golf Course</u>	<u>Earlywine Park Golf Course</u>	<u>James E. Stewart Golf Course</u>	<u>Golf Course System</u>	<u>Total Golf Fund</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>							
Operating income (loss)-----	\$702,530	\$770,778	(\$198,242)	\$484,958	(\$873,251)	(\$886,414)	\$359
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) PROVIDED BY OPERATING ACTIVITIES</u>							
Depreciation-----	125,116	296,749	122,701	158,715	66,634	143,089	913,004
Other revenue-----	81	133	34	55	66,128	30,000	96,431
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	-	388	(224)	101	(5,538)	-	(5,273)
(Increase) decrease in payments/transfers from (to) within the Department-----	-	(531,139)	-	(315,286)	-	846,425	-
(Increase) decrease in receivable from City of Oklahoma City-	13,793	9,551	(8,618)	3,688	346,271	561,078	925,763
(Increase) decrease in inventories-----	13,829	(628)	(450)	(5,600)	3,545	-	10,696
(Increase) decrease in prepaid assets-----	(1)	2,320	149	1,653	-	-	4,121
(Increase) decrease in net pension asset-----	(15,027)	(10,982)	(2,601)	(7,225)	(6,936)	-	(42,771)
(Increase) decrease in deferred outflows-----	(7,419)	(510)	(7,134)	7,806	(30,122)	182	(37,197)
Increase (decrease) in accounts payable and accrued expenses-	(41,078)	(16,794)	1,057	(9,329)	12,901	(44,559)	(97,802)
Increase (decrease) in wages and benefits payable-----	6,515	1,762	2,497	6,003	(1,102)	-	15,675
Increase (decrease) in payable to City of Oklahoma City-----	(420,083)	(70,850)	(32,925)	18,623	9,718	400,542	(94,975)
Increase (decrease) in compensated absences-----	2,007	7,010	(1,992)	(407)	3,933	-	10,551
Increase (decrease) in net other post-employment benefit liability-----	(903,811)	(755,547)	(42,385)	(558,077)	124,001	-	(2,135,819)
Increase (decrease) in deferred inflows-----	445,428	340,386	138,681	185,541	298,900	-	1,408,936
Total adjustments-----	(780,650)	(728,151)	168,790	(513,739)	888,333	1,936,757	971,340
Net cash provided (used) by operating activities-----	(\$78,120)	\$42,627	(\$29,452)	(\$28,781)	\$15,082	\$1,050,343	\$971,699

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Oklahoma City Public Property 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 governmental activities, the business-type activities, and each major fund of the Oklahoma City Public Property Authority (Authority), a blended 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. The financial statements for The Combined Operations of the Cox Convention Center and the Chesapeake Energy Arena, as managed by SMG (Arena), which are reported within the Oklahoma City Public Property Authority's governmental activities and general purpose fund financial statements, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Arena.

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 an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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