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State Auditor & Inspector

Oklahoma City, Oklahoma

# *Comprehensive Annual Financial Report*

For the Fiscal Year Ended June 30, 2011

RECEIPT #

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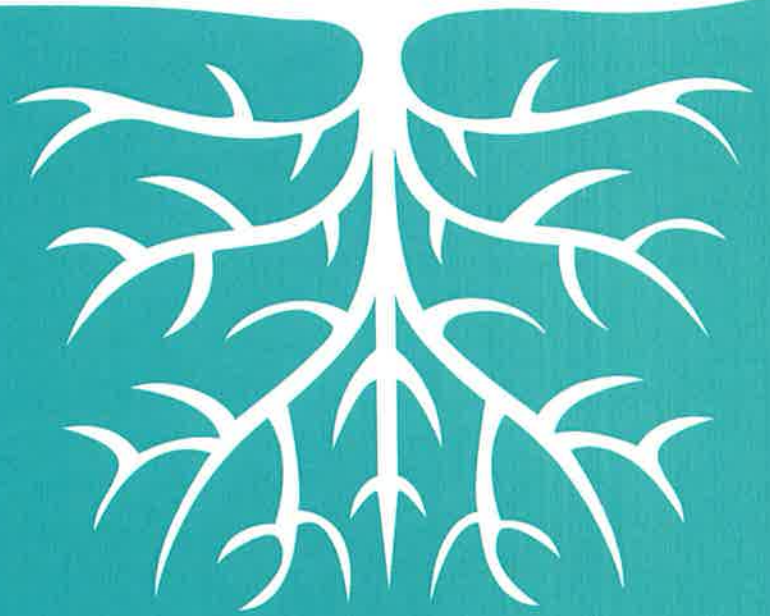


## The City of OKLAHOMA CITY

Prepared by the Department of Finance, Accounting Services Division  
Glen D. Earley, Controller



# INTRODUCTORY





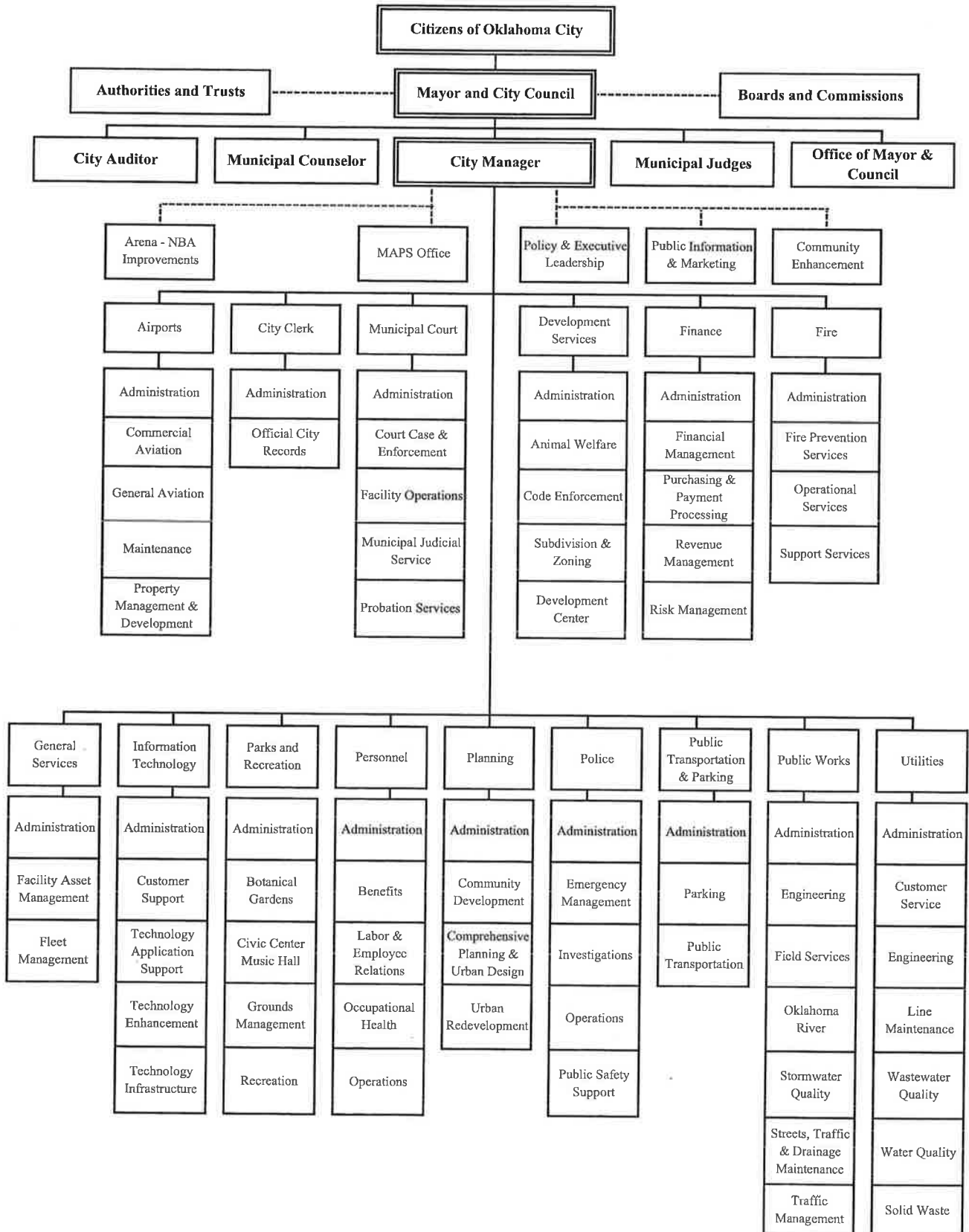


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# City of Oklahoma City Organization Chart





# The City of Oklahoma City

December 5, 2011

Citizens of Oklahoma City  
Honorable Mayor and City Council  
and other interested readers:

The City of Oklahoma City (City) fiscal year 2011 Comprehensive Annual Financial Report (CAFR) provides a comprehensive overview of the City's financial position and the results of operations for the past fiscal year. It complies with the City Charter and Oklahoma Statutes requiring an annual independent audit and submission of the report within six months of the close of the fiscal year to the State Auditor and Inspector.

The CAFR was prepared using accounting principles generally accepted in the United States (U.S. GAAP). It is fairly stated in all material respects based on a comprehensive framework of internal controls discussed in more detail later in this letter. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. City management's narrative on the financial activities of the City for the fiscal year ended June 30, 2011, is expanded in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Independent Accountants' Report on Financial Statements and Supplementary Information. This letter of transmittal is written to convey the CAFR to its intended users and provide information about the City useful in assessing the City's general economic condition and recognize contributors to the CAFR. As such, it should be read from that perspective and in conjunction with all other sections of the CAFR.

## ***Financial Reporting Entity***

The City's financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations whose relationships with the primary government are such that the City's financial statements would be misleading or incomplete if excluded. The definition of the reporting entity is based primarily on financial accountability as distinct from strictly legal relationships. See the notes to the financial statements for descriptions of legally separate organizations included with the City and other related organizations not included in the financial reporting entity.

## **Independent Audit**

The City engaged BKD LLP to express an opinion on the financial statements based on their audit. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The auditor's examination encompassed the basic financial statements and combining and individual fund statements and schedules for the fiscal year ended June 30, 2011. The independent accountants' report is presented as the first component of the financial section of this report. BKD LLP also audited the City's Federal financial assistance programs, complying with the provisions of the Single Audit Act. The City's Single Audit Report can be obtained from the City's Finance Department, Accounting Services Division, at 100 N. Walker, Suite 300, Oklahoma City, Oklahoma 73102.

## **Profile of Oklahoma City**

Oklahoma City was settled in a single day as a result of the "Land Run of 1889". Today, Oklahoma City is the state capital and Oklahoma's largest city with a population of approximately 580 thousand residents. Historically, the City has pursued a policy of annexation, and at 621 square miles, is one of the largest cities in land area in the United States. Oklahoma City encompasses portions of four counties and is centrally located in the state. It is a regional center for education, energy, agribusiness, transportation, financial services, health care, wholesale and retail trade, and manufacturing.

Incorporated in 1890, the City initiated a Council-Manager form of government in 1927. The Mayor has an equal vote with an eight-member City Council (Council). The Mayor is elected at large and the Council members are elected by residents of their wards. The Mayor and Council appoint the City Manager who serves as the City's chief administrative officer. The Mayor and Council also appoint the Municipal Counselor, City Auditor, and Municipal Judges. The Mayor, Council, and City Manager provide direction for the management of the City's financial resources and operating departments. The City provides all basic municipal services including police and fire protection, parks, street maintenance, traffic control, water and wastewater, airport facilities, and solid waste collection and disposal. The City does not own or operate any landfills.

Elected and appointed City officials work with community and volunteer groups to make Oklahoma City a vibrant American city. These efforts include a commitment to well-staffed and well-equipped public safety services, quality neighborhoods, and aggressive economic development.

***Factors Affecting Financial Condition***

**Economic Outlook**

The economic environment and outlook for Oklahoma City are positive. Although the City experienced the economic downturn other cities faced over the last few years, the current year demonstrates a solid economy and recovery trend. Dr. Russell R. Evans, Director and Research Economist for the Center for Applied Economic Research at Oklahoma State University, reviewed the economic condition of the City and State in January 2011 and projected a modest national recovery in 2011. For Oklahoma, he projected employment and personal incomes to grow, unemployment to rise slightly then fall, and retail sales to continue their growth.

An unemployment rate of 5.7% in June 2011, annual personal income increase of 3.5%, significant gains in oil and natural gas rotary rig count from the same period last year, increased sales in motor vehicles, an additional 28,300 nonfarm jobs, and significant increases in sales tax revenues are strong indicators of economic growth. In fact, August 2011 sales tax collections were up 18 percent compared to the same month the previous year.

Several large commercial construction projects including a significant upgrade for airport retail shops and the opening of a new outlet mall with full occupancy of 82 new businesses contribute to the City's current economic condition. According to the June 21, 2011 Business Journal, these and other factors put Oklahoma City on the radar of every national retailer.

The City is also developing infrastructure for this growth through a major quality of life program funded by a temporary one-cent sales tax. This seven-year plan with improvements estimated to cost \$777 million, includes a 70-acre downtown park, a modern streetcar system, a new convention center, sidewalks, trails, improvements to the Oklahoma River, senior health and wellness centers, and expansion of the Oklahoma City Fairgrounds public event buildings.

The diversity of Oklahoma City's economy is reflected in the OKC Thunder, the City's NBA team, being ranked 6th-Best Pro Sports Franchise and 2nd Best in the NBA by ESPN.

Oklahoma City's continued high rankings among metropolitan cities in the United States promises an immediate and sustainable economic growth outlook for the next few years. The City was ranked number 1 in America's Most Affordable City by Forbes Magazine (October 28, 2010); #1 in Tech Job Growth by Tech-America Foundation (December 2, 2010), 1st in Real GDP Gains among the Top 50 Markets by The Bureau of Economic Analysis (February 23, 2011), 2nd-Best Place to Start a Small Business by The Fiscal Times (July 1, 2011), and # 3 Best Cities for Recent Grads by Newsweek (June 1, 2011).

Oklahoma City's central location at the intersection of Interstate highways I-35, I-44 and I-40, its regional transportation hub at Will Rogers World Airport, ample water supplies, numerous performing arts, entertainment, and recreational facilities all contribute to a positive economic outlook for the near future.

***Long-term Financial Planning and Major Initiatives***

Financial planning for Oklahoma City is a dynamic interactive effort of the community, small and large business and industry, social and cultural service organizations, and municipal government. These dynamics are best demonstrated by the willingness of Oklahoma City citizens to tax themselves to support both City services and long-term capital investment.

General obligation bonds are funded through property taxes. In December 2007, the citizens voted to approve \$760.5 million in general obligation bond propositions for improvement to the City's infrastructure and \$75 million for economic development incentives. Of this bond authorization, the City has issued \$180.56 million for infrastructure improvement and \$36 million for economic development incentives.

In December, 2009 the citizens voted to extend a one cent sales tax for capital improvements for a better quality of life in Oklahoma City. The tax is designated for construction and renovation of multiple capital projects throughout the City and will be collected until December 2017. It is expected to generate \$777 million for these projects.

Leading for Results is the City's strategic planning and performance measurement program which focuses City services on the results that customers expect. The City budget is prepared, presented, and monitored in the Leading for Results format. All City departments report on performance measures included in their business plans. Performance reporting provides the information necessary to make informed decisions, ensure services are aligned with goals, and improve the services provided to citizens.

The current national economic downturn had an impact on the City's sales tax collections throughout most of fiscal year 2010. However, sales taxes collections began to improve in May, 2010 and have surpassed projections for fiscal year 2011.

In addition, the City coordinates public improvements of all City related entities through adoption of a Capital Improvement Plan (CIP). The goal of the City is to improve service to the community by adopting a CIP that is compatible with the City's financial condition and will fund capital improvements at a realistic and achievable level. The CIP consists of a general five-year plan of capital expenditures for all City and public trust projects. The CIP is prepared fully every two years and amended, as necessary, in other years. The amendment process ensures continuity in projects and funding. The CIP is available from the City's Finance Department, Office of Management and Budget.

The fiscal year 2011-2015 CIP, approved by Council in February, 2011, lists projects to be implemented or continued during the years of the CIP. The City's 2010 and 2011 expenditures and 2012 capital budget by function are summarized in the following table (dollars are in thousands).

	2010 CIP Project <u>Expenditures</u>	2011 CIP Project <u>Expenditures</u>	2012 CIP <u>Budget (1)</u>
General government	\$1,777	\$5,399	\$17,069
Public safety	15,684	13,663	28,405
Public services (includes infrastructure)	189,878	175,834	221,864
Culture and recreation	57,178	110,627	119,507
Education	<u>56,618</u>	<u>79,673</u>	<u>88,515</u>
	<b><u>\$321,135</u></b>	<b><u>\$385,196</u></b>	<b><u>\$475,360</u></b>

- (1) The CIP budget reflects total project estimates, including significant multi-year projects, and may not be comparable to expenditures in any one year.

***Accountability and Budgetary Controls***

The City's management has established a comprehensive internal control framework designed to provide sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City's internal control structure is subject to internal audits performed by the City Auditor's Office, and is also considered in the independent audit. Receipt of material Federal and state financial assistance subjects the City to further internal control analysis under the provisions of the Single Audit Act. The City implements cost-effective management and internal control recommendations.

The Mayor and all Council members constitute the Finance Committee, which is responsible for a detailed review of the budget and other significant City financial matters. By resolution, the City Council has established an Audit Committee responsible for reviewing matters relating to internal and external audits including internal controls, compliance with laws, regulations, and ethical standards. Additionally, the Audit Committee promotes cooperation among auditors and management, preserves the independence of the auditing function, and ensures that appropriate action is taken on audit findings. The Audit Committee is independent of day-to-day management of City operations and consists of the Mayor and at least two members of the City Council appointed by the Mayor.

The City Charter and Oklahoma Statutes require an annual independent audit. Statutes additionally require annual audits of active public trusts. By City Council resolution, public trusts of which the City is the beneficiary are encouraged to use the independent accountants selected competitively by the City. The City and its public trusts fully comply with audit requirements.

Duties of the City Auditor and staff include: internal audits of City financial records, reports, and procedures; property and equipment inventories; accounting internal controls; concessionaires, agreements, and contracts relating to City revenues; performance auditing; and special projects and investigations. The City Auditor is appointed by the City Council and is directly responsible to the Council. The City Auditor's Office is independent of City management.

The City also maintains budgetary controls to ensure compliance with the legal level of control in the annual budget. The City Council approves annually appropriated budgets for the General Fund, budgeted special revenue funds, the Debt Service Fund, and certain portions of proprietary fund operations. The level of budgetary control within the fund is by department and expenditure category. For additional information on City budgetary practices, see the notes to the financial statements related to budgetary information.

**Financial Policies**

The City's financial policies are shaped by state law and established by the City Council. Financial policies include budgeting and financial planning, capital planning, revenue, investment, debt management, procurement, and accounting and auditing. Full descriptions of these policies are available in the City's annual budget publication which can be obtained from the City's Finance Department, Office of Management and Budget and from the City's website at [www.okc.gov](http://www.okc.gov). As part of the City's annual budget process, compliance with established policies is reviewed. A report is provided to the City Council and published in the City's annual budget publication. The compliance report for fiscal year 2011 is included in the 2012 annual budget publication. The City's fiscal year 2011 annual budget was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. This is the 20th consecutive year the City has submitted and been awarded this honor.

**Other Significant Matters**

**Supplemental Disclosure – Outstanding Bonded Debt**

In response to municipal securities disclosure regulations issued by the Securities and Exchange Commission (SEC), the City publishes the Supplemental Disclosure – Outstanding Bonded Debt Report. Detailed debt service schedules and information specific to individual issues are presented for the bonded debt of the City and its related public trusts. Supplemental financial information and operating data for the City and public trust issuers are included to provide updates to official statements and ongoing disclosure of material information. The Supplemental Disclosure – Outstanding Bonded Debt Report, along with the City's CAFR and other pertinent financial documents, are submitted to the Electronic Municipal Market Access (EMMA) data collection site, the comprehensive, centralized online source for access to municipal disclosures established by the Municipal Securities Rulemaking Board (MSRB). The Supplemental Disclosure - Outstanding Bonded Debt report is prepared by the City's Finance Department, Accounting Services Division and is available upon request.

**Certificate of Achievement for Excellence in Financial Reporting**

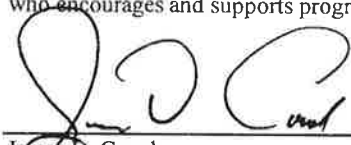
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2010. This was the 28th consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

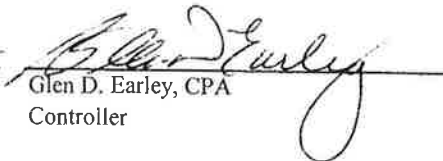
The dedicated work of the entire Finance Department, Accounting Services Division staff made possible the preparation of the City's CAFR. Other accountants and administrators at various sites throughout the City provided additional valuable help. The City also acknowledges our professional independent accountants, BKD LLP. In addition, the City staff extends appreciation to the City Council who encourages and supports progressive public accountability.



James D. Couch  
City Manager



Craig Freeman  
Finance Director



Glen D. Earley, CPA  
Controller



**SELECTED CITY OFFICIALS  
MAYOR AND COUNCIL**

Mick Cornett	Mayor
Gary Marrs	Ward 1
Ed Shadid	Ward 2
Larry McAtee	Ward 3
Pete White	Ward 4
David Greenwell	Ward 5
Margaret S. "Meg" Salyer	Ward 6
Ronald "Skip" Kelly	Ward 7
Patrick J. Ryan	Ward 8

**CITY MANAGER AND  
DEPARTMENT HEADS**

James D. Couch	City Manager
Kenneth Jordan	Municipal Counselor
Jim Williamson	City Auditor
Dennis Clowers	Assistant City Manager
M.T. Berry	Assistant City Manager
Laura A. Johnson	Assistant City Manager
Craig Freeman	Finance Director
Eric J. Wenger	Public Works Director
Marsha Slaughter	Utilities Director
Paula J. Falkenstein	General Services Director
Mark Kranenburg	Airports Director
Stacey Davis	Municipal Courts Director
Frances Kersey	City Clerk
Richard Cain	Public Transportation and Parking Director
Wendel Whisenhunt	Parks and Recreation Director
Bob Tener	Development Services
Dianna Berry	Personnel Director
G. Keith Bryant	Fire Chief
Kristy Yager	Public Information and Marketing Director
Russell Claus	Planning Director
Schad Meldrum	Information Technology Director
Dwight Scott	Oklahoma City Zoo Director
William City	Police Chief

**SELECTED MANAGERS**

Steve Hill	Assistant to the Mayor
Matt Weller	Assistant City Auditor
Larry Ogle	Parks Assistant Director
Paul Bronson	Public Works Assistant Director
Doug Dowler	Budget Director
Glen D. Earley	Controller
Amy Simpson	Purchasing Agent
Robert Ponkilla	City Treasurer
Brent Bryant	Economic Development Program Manager
Kim Sotomayor	Airports Business Manager
Renee Sachau	Police Business Manager
Lance Musgrave	Fire Business Manager
Bret Weingart	Utilities Assistant Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The City of Oklahoma City  
Oklahoma

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



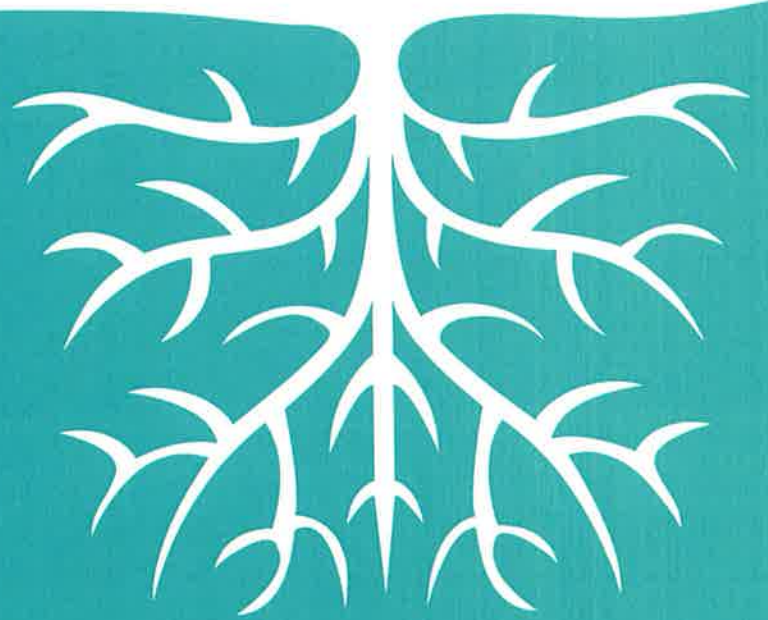
*Linda C. Dandison*

President

*Jeffrey R. Emer*

Executive Director

FINANCIAL





## Independent Accountants' Report on Financial Statements and Supplementary Information

The Honorable Mayor and City Council  
The City of Oklahoma City, Oklahoma  
Oklahoma City, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Oklahoma City, Oklahoma (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds and the discretely presented component unit presented as supplementary information in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oklahoma City Redevelopment Authority (OCRA), which is a discretely presented component unit of the City. The financial statements of OCRA comprise 6% of the total assets and 2% of total program revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of The Combined Operations of The Cox Convention Center and The Ford Center, as Managed by SMG (SMG), an agent operating these facilities, which is presented within the Oklahoma City Public Property Authority (OCPPA) General Purpose Fund. The financial statements of SMG comprise 29%, 1% and 0% of total assets and 74%, 4% and 9% of program revenues of the OCPPA General Purpose Fund, the aggregate remaining fund information and the governmental activities, respectively. OCRA and SMG were audited by other accountants whose reports have been furnished to us and our opinions, insofar as they relate to the amounts included for OCRA and SMG, are based solely on the reports of the other accountants.

We conducted our audit 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 of material misstatement. The financial statements of SMG, which are included in the OCPPA General Purpose Fund, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds and the discretely presented component unit of the City, which collectively comprise the City's combining and individual fund statements and schedules, as listed in the table of contents, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note III.A.*, in 2011, the City changed its method of accounting for fund balances under Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, by retroactively restating prior years' financial statements.

As discussed in *Note III.C.*, the previously issued 2010 financial statements have been restated. Our previously issued report on those financial statements dated December 6, 2010, is no longer to be relied upon because the previously issued statements were materially misstated and that report is replaced by this report on the restated 2010 financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and pension and other post-employment benefit information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

**BKD, LLP**

December 5, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Oklahoma City (City) annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter that precedes this discussion and analysis. The discussion focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included. Dollars are reported in thousands, except as indicated.

### *Financial Summary*

- The City's assets exceeded its liabilities by \$2,659,613 (net assets) for 2011. This compares to the previous year when assets exceeded liabilities by \$2,508,590.
- Total liabilities of the City increased by \$8,389 to \$1,645,168 during the fiscal year. General obligation bonds issued for capital improvements during the fiscal year were \$43,000. General obligation bonds repaid during the year were \$39,070. Revenue bonds issued to support specific public services of the City were \$105,865. Revenue bonds repaid during the year were \$71,504. Commercial paper issued to support utility services was \$28,500 and repayments were \$64,000.
- Total net assets are comprised of the following:
  - (1) Invested in capital assets, net of related debt, of \$2,037,717 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$315,510 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets were \$306,386 compared to unrestricted net assets of \$14,560 last year.
- The City's governmental funds reported total ending fund balance of \$613,785 this year. This compares to the prior year ending fund balance of \$550,765 showing an increase of \$63,020 during the current year. Unassigned fund balance is \$82,690 for fiscal year 2011.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$89,177 or 27.9% of total General Fund expenditures including transfers and 25.1% of total General Fund revenues including transfers.

### *Overview of the Financial Statements*

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

### **Government-wide Financial Statements**

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status and are presented to demonstrate the extent the City has met its operating objectives efficiently and effectively using all the resources available and whether the City 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 and elimination or reclassification of internal activities.

The first of these government-wide statements is the statement of net assets. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating and identify financial strengths and weaknesses and assess liquidity. Evaluation of the overall economic health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the statement of activities, which reports how the City's net assets changed during the current fiscal year and can be used to assess the City's operating results in its entirety and analyze how the City's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, culture and recreation, and education. Business-type activities include airports, water and wastewater utilities, solid waste management, stormwater drainage, golf courses, fairgrounds, and transportation and parking. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund City programs.

The City's financial reporting entity includes the funds and blended organizations of the City (primary government) and organizations for which the City is accountable (component units). Most of these legally separate organizations operate like City departments, serve as financing vehicles for City services (revenue bond issuers), or are governed by a Board of Trustees wholly comprised of the City's Mayor and Council. These organizations are blended into the primary government for financial reporting purposes. Examples of blended organizations reported as City funds include the Oklahoma City Water Utilities Trust (OCWUT) and the Oklahoma City Public Property Authority (OCPPA). Other organizations operate more independently or provide services directly to the citizens though the City remains accountable for their activities. These organizations, such as the Central Oklahoma Transportation and Parking Authority and the Oklahoma City Zoological Trust, are reported separately from the primary government though included in the City's overall reporting entity. Fiduciary organizations like pension plans and other post-employment benefit (OPEB) plans are reported separately and not blended with the government-wide statements. A schedule at the close of this discussion and analysis lists the City's component units.

#### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations and demonstrate fiscal accountability. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

#### **Governmental funds**

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.



Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the General Fund. Budgetary comparison schedules for other special revenue funds and the Debt Service Fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

#### Proprietary funds

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water and wastewater utilities and the City golf courses. Internal service funds provide services and charge fees within the City organization such as fleet services (repair and maintenance of City vehicles) and the print shop (mail and printing services for City departments). Because the City's internal service funds primarily serve governmental functions, they are generally included within the governmental activities of the government-wide financial statements.

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds and individual component units. Individual fund information for internal service funds and non-major enterprise funds is found in combining statements in a later section of this report.

#### Fiduciary funds

Fiduciary funds such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements report similarly to proprietary funds.

#### **Notes to the financial statements**

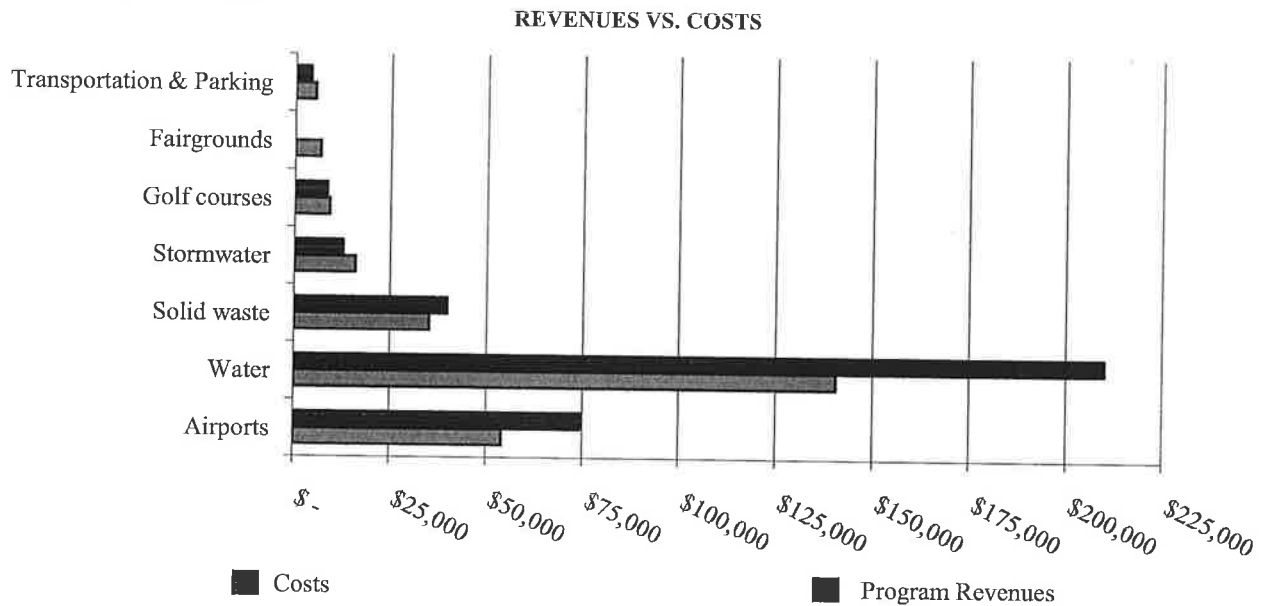
The accompanying notes to the financial statements provide information essential to gain a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

#### **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 benefits and OPEB to its employees. Other supplementary information includes detail for long-term debt supporting general government services and information by fund and component unit for capital assets, receivables, payables, transfers, and payments within the reporting entity.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major, internal service, and fiduciary funds are presented in a subsequent section of this report.

**Business-Type Activities**



For purposes of these graphs, Central Oklahoma Transportation and Parking Authority's transportation and parking activities reported with component units are combined with transportation and parking activities reported with the primary government since these responsibilities are shared. Therefore, the graph will not correspond to the summary for the transportation and parking functions.

Business-type activities are shown comparing costs to revenues generated by related services. Airports, water and wastewater utilities, solid waste management, and parking business-type activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with user charges that are not structured to recover costs. Golf courses and transportation historically have required subsidization by the City.

Charges for services for business-type activities increased \$31,338, generally as a result of utility revenue increases. Operating grants and contributions increased \$382 resulting from an increase of airport grant revenue, offset by decreases in other activities grants.

The only significant changes in business-type activities expenses was an increase in fairgrounds expenses of \$4,289 resulting from the depreciation of bond related capital assets.

***Financial Analysis of the City's Funds***

**Governmental funds**

Governmental funds are 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. Governmental funds reported ending fund balances of \$613,785. Of this year-end total, approximately \$82,690 is unassigned indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show an increase of \$63,020 over the prior year. This increase is primarily the result of the events and programs described within the analysis of the City's governmental activities.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$35,613 during fiscal year 2011. A key factor contributing to this increase is the recovery of tax revenues and a significant reduction of expenditures. Expenditures were reduced as the City applied across the board budget cuts and deferred one-time expenditures whenever possible. As the tax recovery began to be realized, expenditure constraints were relaxed but revenues surpassed expectations resulting in a large addition to fund balance by year end. See General Fund Budgetary Highlights for more information.

The Debt Service and General Obligation Bonds Funds have fund balances of \$56,433 and \$148,604, respectively. This fiscal year included a net increase of \$8,610 in the Debt Service Fund and a net decrease of \$41,069 in the General Obligation Bonds Fund. The change in Debt Service net assets reflects the City's continuing commitment to time the issuance of debt with debt retirements to support the objective of maintaining level City property taxes. A key factor in achieving this objective is the counties' annual reassessment of City property values, which has been steadily rising over recent years. This favorable trend in property assessments has allowed the City to maintain an active general obligation bond program without substantially increasing property tax rates. General Obligation Bonds net assets decreased as a result of expenditures for capital outlay in excess of receipts of proceeds from a new bond issue. See the discussion of long-term debt.

In fiscal year 2011, the Grants Management Fund reported a \$5,331 decrease in fund balance. The Grants Management Fund's fund balance is a factor of changes in notes and debt as opposed to revenues and expenses since revenues are reported to the extent expended. Both revenues and expenditures increased significantly this year due to additional new grants and Federal funds from recent disasters.

In fiscal year 2011, the MAPS3 Fund reported a \$90,634 increase in fund balance. The sales tax levied for construction and renovation of multiple capital projects throughout the City is reported in the MAPS3 Sales Tax Fund. The fund balance increased significantly as tax revenues have exceeded expectations and the funded projects are only beginning to be initiated.

**Proprietary funds**

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The Oklahoma City Airport Trust (OCAT) Fund shares the financing and operations of the City's three airports with the Airports Fund reported within the airports activity in the government-wide statements. The presence of a major Federal Aviation Administration training facility substantially contributes to the financial performance of the City's primary airport. The OCAT Fund reported an increase in net assets of \$22,311 reflecting this continued positive financial performance. Additionally, significant improvements to the City's airports are in progress with additional funding provided by revenue bonds issued in recent years, facility charges and Airport Improvement Program grants. See the discussion of Capital Asset and Debt Administration.

OCWUT and the Water and Wastewater Fund share the financing and operations of the City's water and wastewater utilities reported within this activity in the government-wide statements. Strong revenues and containment of expenses for water utilities contributed to the combined \$102,884 increase in net assets reported in these funds.

The McGee Creek Authority (MCA) Fund shares the financing of a municipal and industrial water supply for the City and other member participants. The MCA reported an increase in net assets of \$2,601 resulting from general operations. The MCA is structured to essentially cover the costs of operations.

The Oklahoma City Environmental Assistance Trust (OCEAT) Fund shares the financing and operations of the City's solid waste disposal program. The OCEAT Fund's net assets increased \$4,252 during the current year as a result of favorable operating revenues and a slight reduction in operating expenses.

**General Fund Budgetary Highlights**

The original adopted General Fund budget for fiscal year was \$333,442. This was an increase of \$5,476 over the previous year budget. The General Fund adopted budget was amended two times during the fiscal year. The first amendment of approximately \$1,112 provided funding from fund balance for valid prior year encumbrances rolled over to the current fiscal year. The second amendment refunded the MAPS3 Sales Tax Fund \$7,820 for police and fire positions that were temporarily funded out of the MAPS3 Sales Tax Fund.

The two budget amendments increased the budget by \$8,932 for a final amended General Fund budget of \$342,374. The General Fund budget complied with financial policies approved by the City Council and maintained core City services.

**Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2011, was \$1,431,131 and \$1,692,262, respectively. The total increase in this net investment was 2.1% for governmental activities and 3.1% for business-type activities. The overall increase was 2.6% for the City as a whole.

	Capital Assets, Net of Accumulated Depreciation						Amount of Change	% Change
	Governmental Activities		Business-type Activities		Totals			
	2011	2010	2011	2010	2011	2010		
<b>Non-Depreciable Assets</b>								
Land and water storage rights	\$87,362	\$77,129	\$204,367	\$202,715	\$291,729	\$279,844	\$11,885	4.2%
Construction in progress	<u>175,682</u>	<u>328,227</u>	<u>248,959</u>	<u>252,133</u>	<u>424,641</u>	<u>580,360</u>	<u>(155,719)</u>	(26.8)
<b>Total non-depreciable assets</b>	<b><u>263,044</u></b>	<b><u>405,356</u></b>	<b><u>453,326</u></b>	<b><u>454,848</u></b>	<b><u>716,370</u></b>	<b><u>860,204</u></b>	<b><u>(143,834)</u></b>	(16.7)
<b>Depreciable Assets</b>								
Buildings	302,394	275,530	326,858	311,098	629,252	586,628	42,624	7.3
Infrastructure and improvements other than buildings	788,038	647,141	879,778	841,004	1,667,816	1,488,145	179,671	12.1
Furniture, machinery, and equipment	<u>77,655</u>	<u>73,513</u>	<u>32,300</u>	<u>34,520</u>	<u>109,955</u>	<u>108,033</u>	<u>1,922</u>	1.8
<b>Total depreciable assets</b>	<b><u>1,168,087</u></b>	<b><u>996,184</u></b>	<b><u>1,238,936</u></b>	<b><u>1,186,622</u></b>	<b><u>2,407,023</u></b>	<b><u>2,182,806</u></b>	<b><u>224,217</u></b>	10.3
<b>Total</b>	<b><u>\$1,431,131</u></b>	<b><u>\$1,401,540</u></b>	<b><u>\$1,692,262</u></b>	<b><u>\$1,641,470</u></b>	<b><u>\$3,123,393</u></b>	<b><u>\$3,043,010</u></b>	<b><u>\$80,383</u></b>	2.6

General obligation, revenue bonds, and the City's capital improvement program funded with general funds of the City provided the major funding for the construction and acquisition of capital assets with \$283,266 invested during the year. Decreases in capital assets are primarily the result of depreciation. See Note II. A. 5. for additional information about capital assets.

**Debt Administration**

**Commercial Paper and Other Long-term Debt**

The City issued commercial paper and other debt of \$28,500 and \$15,202, respectively, and retired \$64,000 and \$10,391, respectively. Estimated claims payable increased \$6,379. See Note II. B. 5. for additional information about notes, commercial paper, lease obligations, and estimated claims payable.

**Bonds Payable**

At the end of the fiscal year, the City had total bonded debt outstanding of \$1,143,145. Of this amount, \$565,670 is backed by the full faith and credit of the City (general obligation bonds) with debt service fully funded by voter-approved property taxes. During the current year, the City issued \$43,000 in general obligation bonds under the voter authorization discussed earlier in this report to fund infrastructure improvements. Revenue bonds in the amount of \$105,865 were issued by OCAT and OCPPA Golf Courses to refund outstanding bonds and Oklahoma City Water Utilities Trust to refund commercial paper and fund utility capital improvements. See Note II, B. 6. for additional information about bonds payable.

**Bond Ratings**

Current bond ratings are reported in the City's Supplemental Disclosure: Outstanding Bonded Debt report and is available from the City's Finance Department, Accounting Services Division. During the current year, Standard & Poor's ratings for OCMCA Series 1992 Water Revenue Bonds changed from AAA to BBB. In addition, Standard & Poor's and Moody's ratings for OCPPA Hotel Tax Revenue Bonds Series 2005 and 2007A changed from AA to A+ and Aaa to A1, respectively.

**Long-term Debt**

	Governmental Activities		Business-type Activities		Totals		Amount of Change	Total % Change
	2011	2010	2011	2010	2011	2010		
Commercial paper	\$ -	\$ -	\$12,000	\$47,500	\$12,000	\$47,500	(\$35,500)	74.7%
Other long-term debt	55,808	53,924	20,527	13,346	76,335	67,270	9,065	13.5
General obligation bonds	565,670	561,740	-	-	565,670	561,740	3,930	0.0
Revenue bonds	-	-	577,475	543,114	577,475	543,114	34,361	6.3
	<u>\$621,478</u>	<u>\$615,664</u>	<u>\$610,002</u>	<u>\$603,960</u>	<u>\$1,231,480</u>	<u>\$1,219,624</u>	<u>\$11,856</u>	1.0

Changes in long-term debt are primarily related to issuances and payments of current principal requirements. See Note II, B. 7. for additional information about changes in long-term debt.

***Economic Environment and Fees and Rates***

**Economic Environment**

The national economic recession resulted in economic concerns and issues for the City. However, beginning in May, 2010 tax revenues began to show improvement and have surpassed expectations during 2011.

**Fees and Rates**

The City utilities trusts increased water and wastewater base charge utility rates and a volume rate change of 4%. The golf courses increased green fees at the end of the previous year, affecting comparison of revenues from 2010 to 2011.

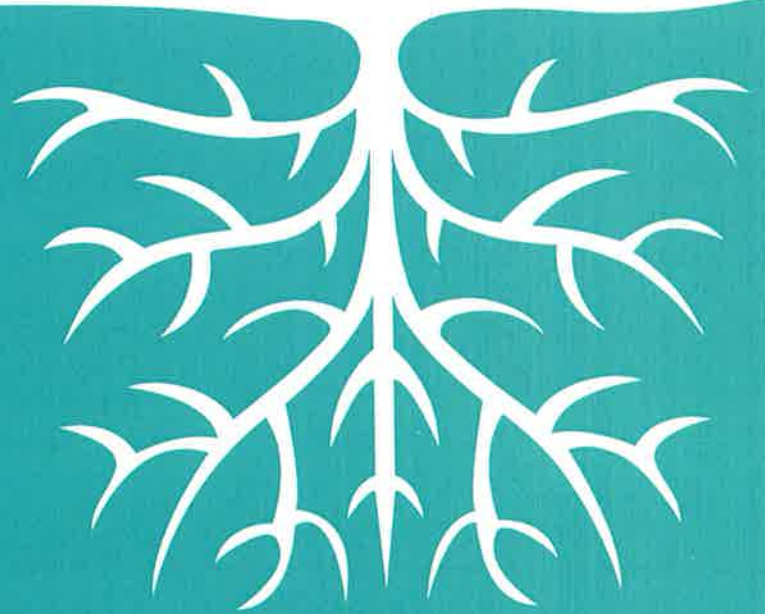
***Contacting the City's Financial Management***

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's 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.

OVERVIEW OF COMPONENT UNITS

<u>BLENDDED COMPONENT UNITS</u>	<u>DATE ESTABLISHED</u>	<u>ACTIVITY</u>
Oklahoma City Municipal Facilities Authority (OCMFA)	November 10, 1976	Municipal services
Oklahoma City Water and Wastewater Utilities Trust (OCWUT)	April 17, 1990	Water and wastewater utilities services (replaced the Oklahoma City Municipal Improvement Authority established 8/1/1960)
Oklahoma City Development Trust (OCDT)	January 2, 1958	Solid waste management and airport services (terminated 12/21/2010)
Oklahoma City Airport Trust (OCAT)	April 1, 1956	Airport services
Oklahoma City Public Property Authority (OCPPA)	August 15, 1961	Golf courses operations, fairgrounds improvements, and various municipal services
McGee Creek Authority (MCA)	August 17, 1977	Water supply services
Oklahoma City Environmental Assistance Trust (OCEAT)	January 23, 1979	Solid waste management and pollution control
<u>DISCRETELY PRESENTED COMPONENT UNITS</u>	<u>DATE ESTABLISHED</u>	<u>ACTIVITY</u>
Oklahoma City Riverfront Redevelopment Authority (OCRRA)	March 19, 1985	Riverfront development
Oklahoma City Zoological Trust (OCZT)	January 7, 1975	Oklahoma City Zoo
Port Authority of the Greater Oklahoma City Area (Port Authority)	October 30, 1962	Foreign trade zone
Central Oklahoma Transportation and Parking Authority (COTPA)	February 1, 1966	Public transportation and parking services
Oklahoma City Metropolitan Area Public Schools Trust (OCMAPS)	August 14, 2001	Renovation and construction of public schools
Oklahoma City Redevelopment Authority (OCRA)	May 7, 1985	Conservation, development and redevelopment of the City's downtown central business district
Oklahoma City Economic Development Trust (OCEDT)	October 15, 2007	Economic development
<u>FIDUCIARY COMPONENT UNITS</u>	<u>DATE ESTABLISHED</u>	<u>ACTIVITY</u>
Oklahoma City Employee Retirement System (OCERS)	January 21, 1958	Retirement benefits and disability allowances
Central Oklahoma Transportation and Parking Employee Retirement Trust (COTPA Retirement)	February 1, 1970 (effective date)	Retirement benefits
Oklahoma City Post-Employment Benefits Trust (OCPEBT)	June 17, 2008	Post-employment benefits other than retirement.

# BASIC FINANCIAL STATEMENTS







## ***Government-wide Financial Statements***

*Provide both long-term and short-term information about the City's overall status using full accrual accounting and elimination or reclassification of internal activities.*

- \* ***Governmental Activities*** – *Reports general government, public safety, public services, culture and recreation, and education activities and the general revenues of the City.*
- \* ***Business-Type Activities*** – *Reports airports, water and wastewater utilities, solid waste management, stormwater drainage, golf courses, fairgrounds, and transportation and parking activities.*
- \* ***Component Units*** – *Reports riverfront redevelopment, zoo operations, foreign trade zone operations, transportation and parking, education, and economic development activities and the general revenues of the discrete component units of the City.*

## ***Fund Financial Statements***

*Focus on the City'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 government-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. Budgetary comparison statements are included for the General Fund and the major special revenue fund.*

### **Proprietary Fund Financial Statements**

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

### **Fiduciary Fund Financial Statements**

*Report assets held for others that cannot be used to support the City's programs combined by fund type.*

### **Component Unit Combining Financial Statements**

*Provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements for discretely presented component units of the City.*

**STATEMENT OF NET ASSETS**  
**June 30, 2011**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Pooled cash	\$32,484	\$3,112	\$35,596	\$ -
Non-pooled cash	59,744	39,883	99,627	47,500
Investments	532,776	248,046	780,822	238,434
Sales and use taxes receivable	57,378	-	57,378	-
Property taxes receivable	5,158	-	5,158	168
Accounts receivable, net	12,651	34,791	47,442	766
Interest, dividends, and royalties receivable	3,372	1,137	4,509	1,188
Internal balances	45,371	(45,371)	-	-
Receivable from component units	641	229	870	-
Receivable from primary government	-	-	-	4,227
Intergovernmental receivables	10,703	2,037	12,740	763
Notes receivable	833	13	846	4,396
Inventories and prepaids	6,787	7,361	14,148	1,535
<b>Total current assets</b>	<b>767,898</b>	<b>291,238</b>	<b>1,059,136</b>	<b>298,977</b>
<b>NON-CURRENT ASSETS</b>				
Investments	-	48,957	48,957	3,500
Notes receivable	8,884	751	9,635	10,654
Receivable from primary government	-	-	-	1,150
Receivable from component units	-	1,091	1,091	-
Deferred debt expense, net	3,073	3,759	6,832	406
<b>Other</b>	<b>6,354</b>	<b>43,006</b>	<b>49,360</b>	<b>627</b>
Equity interest in joint venture	6,377	-	6,377	-
Capital assets:				
Land, art, water storage rights, and construction in progress	263,044	453,326	716,370	199,189
Other capital assets, net of accumulated depreciation	1,168,087	1,238,936	2,407,023	121,820
<b>Total capital assets</b>	<b>1,431,131</b>	<b>1,692,262</b>	<b>3,123,393</b>	<b>321,009</b>
<b>Total non-current assets</b>	<b>1,455,819</b>	<b>1,789,826</b>	<b>3,245,645</b>	<b>337,346</b>
<b>Total assets</b>	<b>2,223,717</b>	<b>2,081,064</b>	<b>4,304,781</b>	<b>636,323</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	35,426	38,581	74,007	19,680
Wages and benefits payable	11,786	2,737	14,523	751
Payable to component units	4,227	-	4,227	-
Payable to primary government	-	-	-	871
Interest payable	135	157	292	-
Compensated absences	21,581	3,235	24,816	367
Tax anticipation debt	8,000	-	8,000	2,206
Notes, lease obligations, and estimated claims payable	14,371	13,601	27,972	1,997
Unearned revenue	6,341	6,946	13,287	491
Bond interest payable	8,461	20,553	29,014	292
Bonds payable	44,410	32,729	77,139	2,215
Intergovernmental payable	1,270	15,000	16,270	-
<b>Total current liabilities</b>	<b>156,008</b>	<b>133,539</b>	<b>289,547</b>	<b>28,870</b>
<b>NON-CURRENT LIABILITIES</b>				
Compensated absences	48,619	5,981	54,600	284
Payable to primary government	-	-	-	1,091
Payable to component units	1,150	-	1,150	-
Intergovernmental payable	-	41,269	41,269	-
Tax anticipation debt	-	-	-	97,830
Notes, commercial paper, lease obligations, and estimated claims payable	41,437	18,926	60,363	21,622
Unearned revenue	-	2,433	2,433	3,840
Bond interest payable	-	34,634	34,634	-
Bonds payable, net	533,148	551,351	1,084,499	13,202
Net other post-employment benefit obligation	62,998	13,675	76,673	881
<b>Total non-current liabilities</b>	<b>687,352</b>	<b>668,269</b>	<b>1,355,621</b>	<b>138,750</b>
<b>Total liabilities</b>	<b>843,360</b>	<b>801,808</b>	<b>1,645,168</b>	<b>167,620</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,004,827	1,032,890	2,037,717	215,192
Restricted for:				
Capital projects	159,669	1,573	161,242	199,902
Debt service	51,305	51,358	102,663	4,942
Public safety	17,246	-	17,246	-
Public services	6,698	-	6,698	35,445
Culture and recreation	10,240	-	10,240	-
Maintenance	-	17,421	17,421	-
Unrestricted:				
	130,372	176,014	306,386	13,222
<b>Total net assets</b>	<b>\$1,380,357</b>	<b>\$1,279,256</b>	<b>\$2,659,613</b>	<b>\$468,703</b>

See accompanying notes to financial statements.

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2011**  
**(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Indirect Expenses Allocation	Program Revenues			Primary Government		Component Units	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities		Total
<b>Primary government</b>									
<i>Governmental activities</i>									
General government	\$39,761	(\$10,260)	\$2,220	\$5,146	\$5,842	(\$16,293)	\$ -	(\$16,293)	\$ -
Public safety:									
Police-----	143,367	-	3,765	22,002	-	(117,600)	-	(117,600)	-
Fire-----	124,945	-	12	68	-	(124,865)	-	(124,865)	-
Other-----	26,629	156	30,572	2,500	-	6,287	-	6,287	-
Public services-----	145,948	86	17,552	39,327	6,151	(83,004)	-	(83,004)	-
Culture and recreation-----	76,566	541	18,127	2,201	3	(56,776)	-	(56,776)	-
Education-----	1,094	233	204	66	-	(1,057)	-	(1,057)	-
Economic development-----	4,902	-	1	2,655	7	(2,239)	-	(2,239)	-
Interest on long-term debt-----	25,882	-	-	-	-	(25,882)	-	(25,882)	-
Total governmental activities-----	589,094	(9,244)	72,453	73,965	12,003	(421,429)	-	(421,429)	-
<i>Business-type activities</i>									
Airports-----	51,091	3,012	60,647	7,999	5,804	-	20,347	20,347	-
Water and wastewater utilities-----	138,961	1,670	184,370	1,488	24,174	-	69,401	69,401	-
Solid waste management-----	32,933	2,280	39,933	-	-	-	4,720	4,720	-
Stormwater drainage-----	14,615	1,318	12,715	-	-	-	(3,218)	(3,218)	-
Golf courses-----	9,067	93	8,481	2	-	-	(677)	(677)	-
Fairgrounds-----	6,652	-	-	-	-	-	(6,652)	(6,652)	-
Transportation and parking-----	4,382	871	2,245	1,748	-	-	(1,260)	(1,260)	-
Total business-type activities-----	257,701	9,244	308,391	11,237	29,978	-	82,661	82,661	-
<b>Total primary government-----</b>	<b>\$846,795</b>	<b>\$ -</b>	<b>\$380,844</b>	<b>\$85,202</b>	<b>\$41,981</b>	<b>(421,429)</b>	<b>82,661</b>	<b>(338,768)</b>	<b>-</b>
<b>Component units</b>									
Riverfront development-----	\$327	\$ -	\$1	\$3	\$ -	-	-	-	(323)
Zoo operations-----	17,102	-	8,779	-	13,037	-	-	-	4,714
Foreign trade zone operations-----	25	-	9	-	-	-	-	-	(16)
Transportation and parking-----	29,615	-	9,495	21,003	989	-	-	-	1,872
Education-----	30,531	-	-	1,456	-	-	-	-	(29,075)
Economic development-----	10,131	-	1,179	6,597	-	-	-	-	(2,355)
<b>Total component units-----</b>	<b>\$87,731</b>	<b>\$ -</b>	<b>\$19,463</b>	<b>\$29,059</b>	<b>\$14,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,183)</b>
<b>GENERAL REVENUES</b>									
Taxes:									
Sales taxes:									
General-----						186,414		186,414	-
Police-----						35,367		35,367	-
Fire-----						35,367		35,367	-
Culture and recreation-----						105,055		105,055	-
Tax incremental financing-----						2,210		2,210	-
Total sales tax-----						364,413		364,413	-
Use taxes-----						44,735		44,735	-
Hotel/Motel taxes-----						10,858		10,858	-
Property taxes-----						76,581		76,581	8,301
Franchise taxes-----						39,912		39,912	-
Emergency telephone taxes-----						4,546		4,546	-
Other taxes-----						6,076		6,076	-
Total taxes-----						547,121		547,121	8,301
Oil and gas royalties-----						1,066		1,066	89
Unrestricted investment income-----						2,669	1,371	4,040	72
Miscellaneous-----						5,319		5,319	235
<b>Total general revenues-----</b>						<b>556,175</b>	<b>1,371</b>	<b>557,546</b>	<b>8,697</b>
Transfers-----						(6,832)	6,832	-	-
<b>Total general revenues and transfers-----</b>						<b>549,343</b>	<b>8,203</b>	<b>557,546</b>	<b>8,697</b>
<b>Changes in net assets-----</b>						<b>127,914</b>	<b>90,864</b>	<b>218,778</b>	<b>(16,486)</b>
<b>NET ASSETS BEGINNING</b>									
As previously reported-----						1,301,144	1,207,446	2,508,590	485,189
Prior period adjustment-----						(48,701)	(19,054)	(67,755)	-
As restated-----						1,252,443	1,188,392	2,440,835	485,189
<b>Net assets-ending-----</b>						<b>\$1,380,357</b>	<b>\$1,279,256</b>	<b>\$2,659,613</b>	<b>\$468,703</b>

See accompanying notes to financial statements.

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<u>General</u>	<u>Debt Service</u>	<u>Grants Management</u>	<u>MAPS3 Sales Tax</u>	<u>General Obligation Bonds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Pooled cash-----	\$3,079	\$2,146	\$82	\$3,543	\$ -	\$14,047	\$22,897
Non-pooled cash-----	4	-	3,039	-	56,643	58	59,744
Investments-----	81,199	57,754	1,794	95,315	110,488	159,434	505,984
Sales and use taxes receivable-----	31,313	-	-	12,835	-	13,230	57,378
Property taxes receivable-----	-	5,155	-	-	-	3	5,158
Accounts receivable-----	6,523	-	-	-	-	2,999	9,522
Interest, dividends, and royalties receivable-----	536	367	16	593	500	1,166	3,178
Due from other funds-----	5,700	727	2,293	1,245	-	20,401	30,366
Receivable from component units-----	603	-	-	-	-	2	605
Intergovernmental receivables-----	-	-	8,889	-	-	1,814	10,703
Notes receivable, current-----	406	-	427	-	-	-	833
Inventories-----	5,629	-	-	-	-	-	5,629
Prepays-----	-	-	-	-	-	126	126
Notes receivable, non-current-----	2,157	-	6,727	-	-	-	8,884
Advance to other funds-----	928	-	-	-	-	9,184	10,112
Other assets-----	-	-	-	-	-	6,211	6,211
<b>Total assets-----</b>	<b>\$138,077</b>	<b>\$66,149</b>	<b>\$23,267</b>	<b>\$113,531</b>	<b>\$167,631</b>	<b>\$228,675</b>	<b>\$737,330</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable-----	\$5,784	\$ -	\$4,082	\$525	\$10,950	\$11,027	\$32,368
Wages and benefits payable-----	9,194	-	137	-	-	2,017	11,348
Due to other funds-----	17,239	5,450	2,227	-	7,751	3,708	36,375
Payable to component units, current---	205	-	-	-	-	3,949	4,154
Interest payable-----	-	-	53	-	-	-	53
Tax anticipation debt-----	-	-	-	-	-	8,000	8,000
Deferred revenue-----	610	4,266	11,458	151	326	2,922	19,733
Intergovernmental payable, current---	-	-	252	-	-	-	252
Payable to component units, non-current-----	-	-	-	-	-	1,150	1,150
Advance from other funds-----	5,732	-	-	-	-	4,380	10,112
<b>Total liabilities-----</b>	<b>38,764</b>	<b>9,716</b>	<b>18,209</b>	<b>676</b>	<b>19,027</b>	<b>37,153</b>	<b>123,545</b>
<b>FUND BALANCES</b>							
Non-spendable-----	8,714	-	6,727	-	-	8,038	23,479
Restricted-----	183	56,433	-	112,855	148,604	89,319	407,394
Committed-----	-	-	-	-	-	19,381	19,381
Assigned-----	1,239	-	-	-	-	79,602	80,841
Unassigned-----	89,177	-	(1,669)	-	-	(4,818)	82,690
<b>Total fund balances-----</b>	<b>99,313</b>	<b>56,433</b>	<b>5,058</b>	<b>112,855</b>	<b>148,604</b>	<b>191,522</b>	<b>613,785</b>
<b>Total liabilities and fund balances-----</b>	<b>\$138,077</b>	<b>\$66,149</b>	<b>\$23,267</b>	<b>\$113,531</b>	<b>\$167,631</b>	<b>\$228,675</b>	<b>\$737,330</b>

See accompanying notes to financial statements.

**RECONCILIATION OF THE BALANCE  
SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

Total fund balance -- total governmental funds \$613,785

Land and capital assets, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.

Land and construction in progress	\$263,044	
Capital assets	1,968,658	
Less: Accumulated depreciation	<u>(800,571)</u>	1,431,131
Less: Internal service fund net capital assets included in net assets above		(9,395)

The City's equity interest in the Emergency Medical Services Authority (EMSA) joint venture is not attributable to any certain fund. 6,377

Receivables not collected within 60 days of the end of the fiscal year are deferred in the funds. These other long-term assets are not available to pay current-period expenditures.

Deferred revenues (governmental funds)	\$19,733	
Amounts collected or collectible but not earned at year-end (government-wide)	<u>(6,341)</u>	13,392

Internal service funds are used by management to charge the costs of internal activities to individual funds. Assets and liabilities of the internal services funds are reclassified to the governmental activities in the statement of net assets. Internal activity is reclassified to governmental and business-type activities based on the function of the activities charged.

Internal service funds net assets	\$1,259	
Business-type activities internal liabilities to governmental fund activities	<u>44,272</u>	45,531

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

	Government Wide		Governmental Funds	Internal Service Funds	
	Current	Non-Current			
Notes, lease obligations, estimated claims payable	(\$14,371)	(\$41,437)	\$ -	\$48,544	
Bonds payable, net	(44,410)	(533,148)	-	-	
Compensated absences	(21,581)	(48,619)	-	1,873	
Intergovernmental payable	(1,270)	-	252	-	
Deferred debt expense	-	3,073	-	-	
Interest payable	(135)	-	53	56	
Bonds interest payable	(8,461)	-	-	-	
Net other post-employment benefit obligation	-	(62,998)	-	2,115	(720,464)

**Net assets of governmental activities \$1,380,357**

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2011  
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	General	Debt Service	Grants Management	MAPS3 Sales Tax	General Obligation Bonds	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Sales taxes-----	\$186,414	\$ -	\$ -	\$93,266	\$ -	\$84,736	\$364,416
Use taxes-----	32,731	-	-	-	-	12,003	44,734
Hotel/Motel taxes-----	-	-	-	-	-	10,809	10,809
Property taxes-----	-	71,711	-	-	-	695	72,406
Emergency telephone taxes-----	-	-	-	-	-	4,545	4,545
Other taxes-----	6,076	-	-	-	-	-	6,076
Franchise taxes-----	41,506	-	-	-	-	-	41,506
Licenses and permits-----	12,536	-	-	-	-	9,182	21,718
Oil and gas royalties-----	159	-	-	-	-	907	1,066
Fines and forfeitures-----	22,689	-	-	-	-	928	23,617
Investment income-----	761	525	70	1,302	1,119	2,822	6,599
Charges for services-----	18,229	-	-	-	-	17,594	35,823
Rental income-----	18	-	-	-	-	1,007	1,025
Payments from component units-----	529	-	50	-	-	-	579
Intergovernmental programs-----	26,594	-	36,575	-	-	4,428	67,597
Other-----	876	57	-	-	52	2,353	3,338
<b>Total revenues-----</b>	<b>349,118</b>	<b>72,293</b>	<b>36,695</b>	<b>94,568</b>	<b>1,171</b>	<b>152,009</b>	<b>705,854</b>
<b>EXPENDITURES</b>							
<b>CURRENT</b>							
General government-----	45,893	-	-	-	-	862	46,755
Public safety:							
Police-----	96,823	-	-	-	-	34,811	131,634
Fire-----	83,875	-	-	-	-	33,599	117,474
Other-----	8,082	-	-	-	-	16,314	24,396
Public services-----	43,057	-	38,123	-	1,860	5,036	88,076
Culture and recreation-----	21,464	-	-	-	-	45,029	66,493
Education-----	-	-	-	-	-	1,242	1,242
Economic development-----	-	-	-	-	-	4,861	4,861
Capital Outlay-----	24	-	1,475	3,765	80,560	46,383	132,207
<b>DEBT SERVICE</b>							
Principal-----	-	39,070	4,880	-	-	121	44,071
Interest-----	609	24,538	214	-	-	181	25,542
Bond issuance costs-----	-	461	-	-	-	-	461
Other debt service-----	3	-	-	-	-	-	3
<b>Total expenditures-----</b>	<b>299,830</b>	<b>64,069</b>	<b>44,692</b>	<b>3,765</b>	<b>82,420</b>	<b>188,439</b>	<b>683,215</b>
<b>Excess (deficiency) of revenues over (under) expenditures-----</b>	<b>49,288</b>	<b>8,224</b>	<b>(7,997)</b>	<b>90,803</b>	<b>(81,249)</b>	<b>(36,430)</b>	<b>22,639</b>
<b>OTHER FINANCING</b>							
<b>SOURCES (USES)</b>							
Transfers from other funds-----	6,315	-	3,127	-	43,169	32,133	84,744
Transfers to other funds-----	(20,025)	(45,440)	(465)	(169)	(2,989)	(21,677)	(90,765)
Sale of assets-----	35	-	4	-	-	537	576
Premium on bonds-----	-	2,826	-	-	-	-	2,826
Long-term debt issued-----	-	43,000	-	-	-	-	43,000
<b>Net other financing sources (uses)-----</b>	<b>(13,675)</b>	<b>386</b>	<b>2,666</b>	<b>(169)</b>	<b>40,180</b>	<b>10,993</b>	<b>40,381</b>
<b>Net change in fund balances-----</b>	<b>35,613</b>	<b>8,610</b>	<b>(5,331)</b>	<b>90,634</b>	<b>(41,069)</b>	<b>(25,437)</b>	<b>63,020</b>
<b>FUND BALANCES</b>							
Fund balances, beginning-----	63,700	47,823	10,389	22,221	189,673	216,959	550,765
<b>Fund balances, ending-----</b>	<b>\$99,313</b>	<b>\$56,433</b>	<b>\$5,058</b>	<b>\$112,855</b>	<b>\$148,604</b>	<b>\$191,522</b>	<b>\$613,785</b>

See accompanying notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**For the Year Ended June 30, 2011**  
**(dollars are in thousands)**

Net change in fund balances – total governmental funds \$63,020

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$132,207	
Capital assets transfers - internal service funds	(3,507)	
Depreciation expense	<u>(49,794)</u>	78,906

In the statement of activities, the loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets disposed, net of related accumulated depreciation.

Sale of assets - governmental funds	\$576	
Loss on disposal of assets - government-wide	<u>(8,243)</u>	(7,667)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 5,960

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Also, in the prior year, earned, but unavailable, revenue was reported as revenue in the statement of activities and in the current year, it is recognized in the governmental funds and reversed in the statement of activities.

	<u>Current Year</u>	<u>Prior Year</u>	
Deferred revenues reported in governmental funds	\$19,733	(\$18,587)	
Unearned revenues in the statement of activities	(6,341)	9,789	
EMSA joint venture equity interest	<u>6,377</u>	<u>(2,697)</u>	8,274

The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Debt activity reported in fund statements			
Long-term debt issued		(\$43,000)	
Premium on bonds		(2,826)	
Debt principal		44,071	
Bond issuance costs		461	
Interest on debt - governmental funds		25,542	
Capital lease principal payments		103	
Internal service funds debt activity			
Interest on long-term debt		5	
Debt activity recognized in the statement of activities			
Interest on long-term debt		<u>(25,882)</u>	(1,526)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

	<u>Current Year</u>	<u>Prior Year</u>	
Compensated absences	(\$70,200)	\$72,173	
Compensated absences - internal service funds	1,873	(1,996)	
Other post-employment benefit liability	(62,998)	43,467	
Other post-employment benefit liability - internal service funds	2,115	(1,537)	
Expenses not available for fund reporting (arbitrage payable)	<u>-</u>	<u>152</u>	(16,951)

Internal service funds are used by management to charge the costs of internal activities.

Internal service fund changes in net assets		(\$6,148)	
Business-type activities net activities due to governmental type activities		<u>4,046</u>	<u>(2,102)</u>

**Change in net assets of governmental activities \$127,914**

**STATEMENT OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
<b>REVENUES</b>							
<b>TAXES</b>							
Sales taxes-----	\$171,021	\$7,820	\$178,841			\$187,916	\$9,075
Use taxes-----	29,844	-	29,844			32,220	2,376
Commercial vehicle taxes-----	3,612	-	3,612			3,621	9
Motor fuel taxes-----	1,032	-	1,032			1,025	(7)
Excise taxes-----	4,560	-	4,560			5,191	631
Alcoholic beverage taxes-----	722	-	722			770	48
Utility taxes-----	3,666	-	3,666			3,939	273
<b>LICENSES, PERMITS AND FEES</b>							
Licenses-----	1,540	-	1,540			1,602	62
Permits-----	9,054	-	9,054			9,736	682
Franchise fees-----	34,666	-	34,666			34,770	104
Other police fees-----	406	-	406			538	132
Other fees-----	-	-	-			523	523
Fines and forfeitures-----	19,765	-	19,765			22,689	2,924
Investment income-----	1,070	-	1,070			1,027	(43)
Charges for services-----	11,736	-	11,736			15,210	3,474
Administrative charges-----	16,087	-	16,087			16,609	522
<b>OTHER REVENUE</b>							
Rental income-----	2,167	-	2,167			1,757	(410)
Other revenue-----	1,870	-	1,870			3,840	1,970
<b>Total revenues-----</b>	<b>312,818</b>	<b>7,820</b>	<b>320,638</b>			<b>342,983</b>	<b>22,345</b>
<b>EXPENDITURES</b>							
<b>GENERAL GOVERNMENT</b>							
Juvenile justice - Municipal Counselor:							
Personal services-----	128	36	164	\$162	\$ -	162	2
Supplies-----	5	-	5	5	-	5	-
Mayor and Council:							
Personal services-----	799	24	823	753	-	753	70
Other services and charges-----	69	1	70	63	6	69	1
Supplies-----	10	-	10	6	-	6	4
City manager:							
Personal services-----	2,266	201	2,467	2,453	-	2,453	14
Other services and charges-----	187	54	241	220	-	220	21
Supplies-----	40	20	60	50	-	50	10
Capital outlay-----	-	4	4	4	-	4	-
Municipal counselor:							
Personal services-----	5,127	7	5,134	5,117	-	5,117	17
Other services and charges-----	346	5	351	348	1	349	2
Supplies-----	78	(5)	73	71	-	71	2
Personnel:							
Personal services-----	2,080	-	2,080	2,045	-	2,045	35
Other services and charges-----	330	25	355	342	8	350	5
Supplies-----	13	(1)	12	11	-	11	1
City clerk:							
Personal services-----	523	9	532	525	-	525	7
Other services and charges-----	165	18	183	157	-	157	26
Supplies-----	5	10	15	12	-	12	3



**STATEMENT OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
Finance:							
Personal services-----	5,608	(368)	5,240	5,236	-	5,236	4
Other services and charges-----	1,579	7	1,586	1,540	-	1,540	46
Supplies-----	74	(24)	50	46	-	46	4
Capital outlay-----	-	10	10	10	-	10	-
City auditor:							
Personal services-----	976	-	976	957	-	957	19
Other services and charges-----	50	7	57	49	-	49	8
Supplies-----	10	-	10	5	-	5	5
General services:							
Personal services-----	2,606	(141)	2,465	2,455	-	2,455	10
Other services and charges-----	1,354	99	1,453	1,432	-	1,432	21
Supplies-----	130	297	427	381	13	394	33
Non-departmental:							
Personal services-----	19,622	641	20,263	20,240	-	20,240	23
Other services and charges-----	13,244	(6,852)	6,392	5,643	412	6,055	337
Supplies-----	8	240	248	3	-	3	245
Debt service-----	10	-	10	3	-	3	7
<b><u>PUBLIC SAFETY</u></b>							
Juvenile justice - Court administration:							
Personal services-----	591	(90)	501	498	-	498	3
Other services and charges-----	149	(48)	101	98	-	98	3
Supplies-----	12	-	12	10	-	10	2
Municipal courts:							
Personal services-----	4,450	(484)	3,966	3,947	-	3,947	19
Other services and charges-----	1,987	(92)	1,895	1,857	6	1,863	32
Supplies-----	230	(50)	180	168	6	174	6
Police:							
Personal services-----	84,793	(663)	84,130	84,116	-	84,116	14
Other services and charges-----	15,231	171	15,402	15,261	122	15,383	19
Supplies-----	677	386	1,063	923	91	1,014	49
Fire:							
Personal services-----	71,887	648	72,535	72,532	1	72,533	2
Other services and charges-----	5,621	(12)	5,609	5,417	112	5,529	80
Supplies-----	1,350	(21)	1,329	1,268	37	1,305	24
<b><u>PUBLIC SERVICES</u></b>							
Development services:							
Personal services-----	11,969	(616)	11,353	11,347	-	11,347	6
Other services and charges-----	1,556	31	1,587	1,539	8	1,547	40
Supplies-----	652	(52)	600	556	19	575	25
Planning:							
Personal services-----	1,529	(104)	1,425	1,424	-	1,424	1
Other services and charges-----	595	50	645	600	28	628	17
Supplies-----	39	16	55	37	13	50	5
Public works:							
Personal services-----	18,577	(948)	17,629	17,619	-	17,619	10
Other services and charges-----	4,481	811	5,292	5,198	17	5,215	77
Supplies-----	1,861	232	2,093	1,787	106	1,893	200
Capital outlay-----	13	-	13	11	-	11	2

(continued)

**STATEMENT OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
<b>CULTURE AND RECREATION</b>							
Parks:							
Personal services-----	13,501	(567)	12,934	12,926	-	12,926	8
Other services and charges-----	5,530	(102)	5,428	5,058	143	5,201	227
Supplies-----	1,645	(76)	1,569	1,355	89	1,444	125
<b>Total expenditures and encumbrances-----</b>	<b>306,368</b>	<b>(7,256)</b>	<b>299,112</b>	<b>295,896</b>	<b>1,238</b>	<b>297,134</b>	<b>1,978</b>
<b>PRIOR YEAR ENCUMBRANCES</b>							
Related to prior year budgets (1)-----	-	-	-	(1,144)	-	(1,144)	1,144
Related to current year budgets-----	-	-	-	-	(1,238)	(1,238)	1,238
<b>Net expenditures and encumbrances-----</b>	<b>306,368</b>	<b>(7,256)</b>	<b>299,112</b>	<b>\$294,752</b>	<b>\$ -</b>	<b>294,752</b>	<b>4,360</b>
<b>Excess of revenues over expenditures-----</b>	<b>6,450</b>	<b>15,076</b>	<b>21,526</b>			<b>48,231</b>	<b>17,985</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
<b>TRANSFERS FROM OTHER FUNDS</b>							
Grants Management Fund-----	-	-	-			474	474
Police Fund-----	6,700	-	6,700			8,328	1,628
Fire Fund-----	8,260	-	8,260			10,847	2,587
OCMFA General Purpose Fund-----	494	-	494			1,732	1,238
OCPPA General Purpose Fund-----	2,060	(206)	1,854			558	(1,296)
Special Purpose Fund-----	60	-	60			10	(50)
<b>Total transfers from other funds-----</b>	<b>17,574</b>	<b>(206)</b>	<b>17,368</b>			<b>21,949</b>	<b>4,581</b>
<b>TRANSFERS TO OTHER FUNDS</b>							
General government:							
OCMFA General Purpose Fund-----	-	(9)	(9)			(9)	-
OCPPA General Purpose Fund-----	(4,230)	222	(4,008)			(4,008)	-
MAPS Operations Fund-----	(1,698)	(4,796)	(6,494)			(6,494)	-
Capital Improvement Fund-----	(3,000)	(2,368)	(5,368)			(5,362)	6
City and Schools Use Tax Fund-----	-	(649)	(649)			(648)	1
OCPPA Golf Courses Fund-----	(550)	(247)	(797)			(797)	-
OCMFA Services Fund-----	(478)	(892)	(1,370)			(1,370)	-
Public safety:							
Grants Management Fund-----	-	16	16			16	-
Emergency Management Fund-----	(2,400)	-	(2,400)			(2,400)	-
OCMFA General Purpose Fund-----	(100)	(85)	(185)			(185)	-
MAPS 3 Use Tax Fund-----	(333)	(7,202)	(7,535)			(7,534)	1
Public services:							
Grants Management Fund-----	-	(25)	(25)			(25)	-
Capital Improvement Fund-----	(4)	(160)	(164)			(164)	-
Parking Fund-----	(197)	-	(197)			(197)	-
Culture and recreation:							
OCPPA Golf Courses Fund-----	(106)	(99)	(205)			(205)	-
<b>TRANSFERS TO COMPONENT UNITS</b>							
Public services:							
COTPA-----	(9,706)	106	(9,600)			(9,601)	(1)
OCEDT-----	(4,272)	-	(4,272)			(4,272)	-
<b>OTHER FINANCING SOURCES</b>							
Sale of assets-----	50	-	50			6	(44)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses----</b>	<b>(3,000)</b>	<b>(1,318)</b>	<b>(4,318)</b>			<b>26,931</b>	<b>22,529</b>

STATEMENT OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	General Fund			Total Actual	Variance
	Original Budget	Revisions	Revised Budget		
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>					
<b>BEGINNING FUND BALANCE</b>					
Appropriated for current year budget-----	3,000	-	3,000	3,000	-
Reappropriated for prior year encumbrances-----	-	1,144	1,144	1,491	347
Not appropriated-----	-	174	174	28,832	28,658
Beginning fund balance-----	<u>3,000</u>	<u>1,318</u>	<u>4,318</u>	<u>33,323</u>	<u>29,005</u>
<b>ENDING FUND BALANCE</b>					
Before encumbrances-----	-	-	-	60,254	60,254
Less: current year encumbrances-----	-	-	-	(1,238)	(1,238)
Ending fund balance-----	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>59,016</u>	<u>\$59,016</u>

**RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

Current year encumbrances included in expenditures-----	1,238
Inventories-----	5,629
Revenue and transfer accruals-----	39,006
Expenditure and transfer accruals-----	(5,576)
Fund balance, ending-----	<u>\$99,313</u>

- (1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.

**STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2011**  
**(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<b>Pension and Other Post-employment Benefit Trust Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Pooled cash	\$ -	\$101
Non-pooled cash	882	343
Total cash	882	444
<b>RECEIVABLES</b>		
Interest and dividends	848	14
Employer	1,525	-
Plan members	380	-
Other receivables	587	64
Total receivables	3,340	78
<b>INVESTMENTS, AT FAIR VALUE</b>		
Pooled investments	-	1,909
Domestic common stock	175,249	-
Passive domestic stock funds	78,765	-
Preferred stock	1,351	-
Government securities/fixed income	99,072	-
Passive bond fund	45,656	-
International stock	115,498	-
Passive international bond funds	8,482	-
Treasury money market fund	8,476	-
Real estate	26,879	-
Oklahoma City judgments	2,488	-
Total investments	561,916	1,909
Invested securities lending collateral	17,830	-
<b>Total assets</b>	<b>583,968</b>	<b>2,431</b>
<b>LIABILITIES</b>		
Accounts payable	1,918	178
Due to broker	21,926	-
Wages and benefits payable	8	-
Due to depositors	-	2,253
Securities lending collateral	17,830	-
Compensated absences, current	17	-
Estimated claims payable	931	-
Compensated absences, non-current	37	-
Net other post-employment benefits obligation	29	-
<b>Total liabilities</b>	<b>42,696</b>	<b>2,431</b>
<b>NET ASSETS HELD IN TRUST</b>		
Pension benefits	526,254	-
Other post-employment benefits	15,018	-
<b>Net assets held in trust</b>	<b>\$541,272</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**For the Year Ended June 30, 2011**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<b>Pension and Other Post-employment Benefit Trust Funds</b>
<b><u>ADDITIONS</u></b>	
<b><u>CONTRIBUTIONS</u></b>	
Employer-----	\$26,369
Plan members-----	16,265
<b>Total contributions-----</b>	<b>42,634</b>
<b><u>INVESTMENT INCOME</u></b>	
Net appreciation in fair value of investments-----	81,482
Interest-----	3,225
Dividends-----	3,284
	87,991
Less: investment expense-----	(1,526)
<b>Net investment income-----</b>	<b>86,465</b>
<b><u>FROM SECURITIES LENDING ACTIVITIES</u></b>	
Securities lending income-----	77
Securities lending expenses:	
Borrower rebates-----	(3)
Management fees-----	(25)
<b>Net income from securities lending activities-----</b>	<b>49</b>
Other-----	156
<b>Total additions-----</b>	<b>129,304</b>
<b><u>DEDUCTIONS</u></b>	
Benefits paid-----	49,798
Refunds of contributions-----	968
Administrative expenses-----	502
<b>Total deductions-----</b>	<b>51,268</b>
<b>Change in net assets-----</b>	<b>78,036</b>
<b><u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS</u></b>	
Beginning of year-----	463,236
<b>End of year-----</b>	<b>\$541,272</b>

See accompanying notes to financial statements.

**COMBINING STATEMENT OF NET ASSETS  
COMPONENT UNITS  
June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Port							Total
	OCRRA	OCZT	Authority	COTPA	OCMAPS	OCRA	OCEDT	
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Non-pooled cash-----	\$1	\$4,102	\$12	\$8,170	\$16,085	\$5,979	\$13,151	\$47,500
Investments-----	548	-	-	9,564	179,849	3,675	44,798	238,434
Property taxes receivable-----	-	-	-	-	-	-	168	168
Accounts receivable, net-----	40	415	1	174	38	98	-	766
Interest, dividends, and royalties receivable-----	-	-	-	-	1,111	21	56	1,188
Receivable from primary government-----	-	1,706	-	3	-	-	2,518	4,227
Intergovernmental receivables-----	-	-	-	759	-	4	-	763
Notes receivable-----	-	-	-	-	-	-	4,396	4,396
Inventories-----	-	743	-	779	-	-	-	1,522
Prepays-----	7	6	-	-	-	-	-	13
Total current assets-----	596	6,972	13	19,449	197,083	9,777	65,087	298,977
<b>NON-CURRENT ASSETS</b>								
Investments-----	-	967	-	2,533	-	-	-	3,500
Notes receivable-----	-	-	-	-	-	10,654	-	10,654
Receivable from primary government-----	-	1,150	-	-	-	-	-	1,150
Deferred debt expense, net-----	-	79	-	68	-	-	259	406
Other-----	-	-	-	327	-	300	-	627
Capital assets:								
Land and construction in progress-----	43	322	-	6,385	135,533	507	56,399	199,189
Other capital assets, net of accumulated depreciation-----	3,357	64,183	-	34,662	-	19,503	115	121,820
Total capital assets-----	3,400	64,505	-	41,047	135,533	20,010	56,514	321,009
Total non-current assets-----	3,400	66,701	-	43,975	135,533	30,964	56,773	337,346
<b>Total assets-----</b>	<b>3,996</b>	<b>73,673</b>	<b>13</b>	<b>63,424</b>	<b>332,616</b>	<b>40,741</b>	<b>121,860</b>	<b>636,323</b>
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable-----	22	1,228	-	1,756	11,327	15	5,332	19,680
Wages and benefits payable-----	-	333	-	418	-	-	-	751
Payable to primary government-----	37	-	-	254	135	-	445	871
Compensated absences-----	-	189	-	178	-	-	-	367
Tax anticipation debt-----	-	-	-	-	-	-	2,206	2,206
Notes payable-----	-	-	-	-	-	1,997	-	1,997
Unearned revenue-----	4	330	-	157	-	-	-	491
Bond interest payable-----	-	16	-	276	-	-	-	292
Bonds payable-----	-	500	-	1,715	-	-	-	2,215
Total current liabilities-----	63	2,596	-	4,754	11,462	2,012	7,983	28,870
<b>NON-CURRENT LIABILITIES</b>								
Compensated absences-----	-	-	-	284	-	-	-	284
Payable to primary government-----	-	-	-	1,091	-	-	-	1,091
Tax anticipation debt-----	-	-	-	-	-	-	97,830	97,830
Notes payable-----	-	-	-	-	-	21,622	-	21,622
Deferred revenue-----	-	2,472	-	1,368	-	-	-	3,840
Bonds payable, net-----	-	3,994	-	9,208	-	-	-	13,202
Net other post-employment benefit obligation-----	-	744	-	137	-	-	-	881
Total non-current liabilities-----	-	7,210	-	12,088	-	21,622	97,830	138,750
<b>Total liabilities-----</b>	<b>63</b>	<b>9,806</b>	<b>-</b>	<b>16,842</b>	<b>11,462</b>	<b>23,634</b>	<b>105,813</b>	<b>167,620</b>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt-----	3,398	59,868	-	32,568	124,374	(821)	(4,195)	215,192
Restricted for:								
Capital projects-----	-	-	-	-	196,780	3,122	-	199,902
Debt service-----	-	967	-	1,717	-	2,258	-	4,942
Public services-----	-	-	-	-	-	-	35,445	35,445
Unrestricted-----	535	3,032	13	12,297	-	12,548	(15,203)	13,222
<b>Total net assets-----</b>	<b>\$3,933</b>	<b>\$63,867</b>	<b>\$13</b>	<b>\$46,582</b>	<b>\$321,154</b>	<b>\$17,107</b>	<b>\$16,047</b>	<b>\$468,703</b>

See accompanying notes to financial statements.

**COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

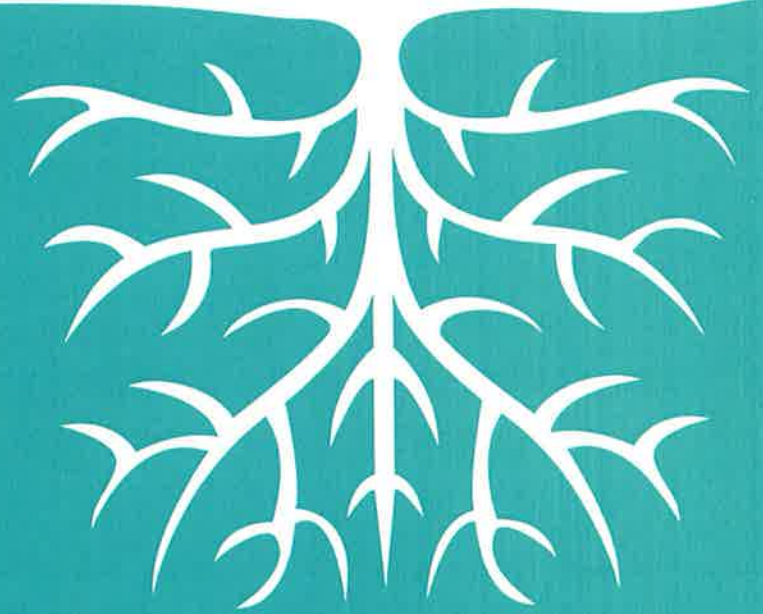
	Port							
	OCRRA	OCZT	Authority	COTPA	OCMAPS	OCRA	OCEDT	Total
<b>PROGRAM EXPENSES</b>								
Riverfront development-----	\$327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$327
Zoo operations-----	-	17,102	-	-	-	-	-	17,102
Foreign trade zone operations-----	-	-	25	-	-	-	-	25
Transportation and parking-----	-	-	-	29,615	-	-	-	29,615
Education-----	-	-	-	-	30,531	-	-	30,531
Economic development-----	-	-	-	-	-	1,398	8,733	10,131
<b>Total expenses-----</b>	<b>327</b>	<b>17,102</b>	<b>25</b>	<b>29,615</b>	<b>30,531</b>	<b>1,398</b>	<b>8,733</b>	<b>87,731</b>
<b>PROGRAM REVENUES</b>								
<b>CHARGES FOR SERVICES</b>								
Riverfront development-----	1	-	-	-	-	-	-	1
Zoo operations-----	-	8,779	-	-	-	-	-	8,779
Foreign trade zone operations-----	-	-	9	-	-	-	-	9
Transportation and parking-----	-	-	-	9,495	-	-	-	9,495
Economic development-----	-	-	-	-	-	1,168	11	1,179
<b>Total charges for services-----</b>	<b>1</b>	<b>8,779</b>	<b>9</b>	<b>9,495</b>	<b>-</b>	<b>1,168</b>	<b>11</b>	<b>19,463</b>
<b>OPERATING GRANTS AND CONTRIBUTIONS</b>								
Riverfront development-----	3	-	-	-	-	-	-	3
Transportation and parking-----	-	-	-	21,003	-	-	-	21,003
Education-----	-	-	-	-	1,456	-	-	1,456
Economic development-----	-	-	-	-	-	377	6,220	6,597
<b>Total operating grants and contributions-----</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>21,003</b>	<b>1,456</b>	<b>377</b>	<b>6,220</b>	<b>29,059</b>
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>								
Zoo operations-----	-	13,037	-	-	-	-	-	13,037
Transportation and parking-----	-	-	-	989	-	-	-	989
<b>Total capital grants and contributions-----</b>	<b>-</b>	<b>13,037</b>	<b>-</b>	<b>989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,026</b>
<b>Total program revenues-----</b>	<b>4</b>	<b>21,816</b>	<b>9</b>	<b>31,487</b>	<b>1,456</b>	<b>1,545</b>	<b>6,231</b>	<b>62,548</b>
<b>Net program revenues (expenses)-----</b>	<b>(323)</b>	<b>4,714</b>	<b>(16)</b>	<b>1,872</b>	<b>(29,075)</b>	<b>147</b>	<b>(2,502)</b>	<b>(25,183)</b>
<b>GENERAL REVENUES</b>								
Property taxes-----	-	-	-	-	-	2,724	5,577	8,301
Oil and gas royalties-----	89	-	-	-	-	-	-	89
Unrestricted investment income-----	-	16	-	28	-	26	2	72
Miscellaneous-----	156	-	-	-	35	44	-	235
<b>Total general revenues-----</b>	<b>245</b>	<b>16</b>	<b>-</b>	<b>28</b>	<b>35</b>	<b>2,794</b>	<b>5,579</b>	<b>8,697</b>
<b>Changes in net assets-----</b>	<b>(78)</b>	<b>4,730</b>	<b>(16)</b>	<b>1,900</b>	<b>(29,040)</b>	<b>2,941</b>	<b>3,077</b>	<b>(16,486)</b>
<b>NET ASSETS BEGINNING</b>								
Net assets-beginning-----	4,011	59,137	29	44,682	350,194	14,166	12,970	485,189
<b>Net assets-ending-----</b>	<b>\$3,933</b>	<b>\$63,867</b>	<b>\$13</b>	<b>\$46,582</b>	<b>\$321,154</b>	<b>\$17,107</b>	<b>\$16,047</b>	<b>\$468,703</b>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS



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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Oklahoma City (City) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2011.

### I. B. BASIS OF PRESENTATION

#### I. B. 1. REPORTING ENTITY

##### *Fund Types and Major Funds*

##### **Major Governmental Funds**

###### General Fund

Reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

###### Debt Service Fund

Accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt. The City annually levies ad valorem taxes restricted for the retirement of general obligation bonds, interest, and judgments. This fund reports ad valorem taxes collected to service debt.

###### Grants Management Fund

Established as a special revenue fund to account for the City's grant programs not reported in proprietary funds. Grants include American Recovery and Reinvestment Act Grants and Community Development Block Grants.

###### MAPS3 Sales Tax Fund

Established by City ordinance to account for limited purpose sales tax designated for construction and renovation of multiple capital projects throughout the City.

###### General Obligation Bonds Fund

Accounts for the capital expenditures of general obligation bond proceeds and reports as a capital projects fund.

##### **Major Proprietary Funds**

###### Oklahoma City Airport Trust (OCAT) Fund

Accounts for airport related construction, contracting, debt, and other matters requiring commitment for more than one fiscal year.

###### Oklahoma City Water Utilities Trust (OCWUT) Fund

Accounts for transactions relating to water and wastewater utilities construction, contracting, debt, and other matters requiring commitment for more than one fiscal year.

###### Water and Wastewater Fund

Accounts for the operating activities of the City's water and wastewater utilities services.

###### McGee Creek Authority (MCA) Fund

Accounts for the purchase of water storage rights and related debt and operations of the McGee Creek Reservoir.

###### Oklahoma City Environmental Assistance Trust (OCEAT) Fund

Accounts for primarily solid waste disposal contracting or other activities requiring commitment for more than one fiscal year.

Internal Service Funds

Account for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. These include fleet services, risk management, information technology, print shop, and central financing services. These proprietary funds are reported primarily with governmental activities in the government-wide financial statements.

Pension and Other Post-Employment Benefit (OPEB) Trust Funds

Report fiduciary resources held in trust and the receipt, investment, and distribution of retirement and other post-employment benefits (OPEB) contributions. The City's pension trust funds are limited to non-uniformed City employees and employees of the Central Oklahoma Transportation and Parking Authority (COTPA). The City's OPEB trust funds are limited to health insurance benefits for participating Oklahoma City Employee Retirement System (OCERS) retirees.

Agency Fund

Accounts for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. The City's Agency Fund is used to account for various deposits, bail bonds, performance bonds, and escrow monies.

**Component Units**

The City is a charter city in which citizens elect the Mayor at large and eight Council members by wards. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Component units of the City, except the Port Authority of the Greater Oklahoma City Area (Port Authority) and Central Oklahoma Transportation and Parking Employee Retirement Trust (COTPA Retirement), issue separately audited financial statements. Copies of component unit reports may be obtained from the City's Accounting Services Division at 100 N. Walker, Suite 300, Oklahoma City, Oklahoma 73102.

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity. Component units that do not meet the criteria for blending are reported discretely.

**Blended Component Units Reported with Primary Government**

Oklahoma City Municipal Facilities Authority (OCMFA)

Established to finance general government, risk management, architectural and engineering fees, and other activities. City Council members serve as Trustees, and the City Manager is General Manager. City employees manage Authority assets and provide services to citizens. OCMFA is reported in the OCMFA General Purpose Fund, OCMFA Utilities Fund, and OCMFA Services Fund.

OCWUT

Established to finance projects and development for the City's water and wastewater utilities. The City Manager, the Mayor, and one City Council member serve as Trustees of the Trust along with two Mayor and City Council appointees. Assets financed by the trust are managed by City employees who provide services to citizens. The OCWUT Fund is the only reporting fund.

OCDT

Established to finance airport and solid waste management projects solely for the benefit of the City. The OCDT had no activity in the current year and was dissolved in December 2010.

OCAT

Established to finance development solely for the City's airports. The Mayor, City Manager, a City Council member, a Trustee representing holders of junior and senior lien bonds, and a citizen of the City serve as Trustees. City employees manage Trust assets and provide services to citizens. The OCAT Fund is the only reporting fund.

Oklahoma City Public Property Authority (OCPPA)

Established to finance five municipal golf courses, the Oklahoma City Fairgrounds, Cox Business Services Convention Center (Cox Center), Civic Center Music Hall (Civic Center), OKC Arena, river improvements, economic development projects, and City office buildings. The City Council members serve as Trustees, and the City Manager is General Manager. OCPPA is reported in the OCPPA General Purpose Fund; OCPPA Golf Courses Fund; OCPPA Fairgrounds Fund; and OCPPA Services Fund.

MCA

Established to finance the purchase of water storage rights at the McGee Creek Reservoir for the benefit of the OCWUT. The MCA Trustees are the Mayors/Chairpersons of the respective beneficiaries including the Chairperson of the OCWUT and other participants. The City's water utility revenues fund Authority operations and debt service. The MCA Fund is the only reporting fund.

OCEAT

Established to encourage, promote, and finance pollution control, waste disposal, and cultural, educational, and housing activities. The City Council members serve as Trustees, and the City Manager is General Manager. City employees manage Trust assets and provide services to citizens. The OCEAT Fund is the only reporting fund.

**Discretely Presented Component Units**

Oklahoma City Riverfront Redevelopment Authority (OCRRA)

Established to develop, finance, and maintain the property adjacent to the Oklahoma River. The Mayor and two City Council members serve with four other Trustees appointed by the Mayor and approved by the Council. The City Manager is the General Manager. The City Council reviews the OCRRA budget. Land and improvements owned by the City are leased to the Authority at nominal cost. Substantial Authority revenues are generated by this property. Assets are managed by an OCRRA appointee.

Oklahoma City Zoological Trust (OCZT)

Established to finance and operate the Oklahoma City Zoo. Trustees include the Mayor, one City Council member, the City Manager, and six Mayor-selected and City Council-approved appointees. The City Council approves the OCZT sales tax budget and regularly transfers sales tax designated for the Zoo to the trust. Significant land and improvements, owned by the City, are leased to the OCZT at nominal cost. OCZT employees manage trust assets and provide services to citizens.

Port Authority

Established by City ordinance to administer the foreign trade zone on behalf of metropolitan Oklahoma City. The five citizens who govern the Port Authority are appointed by the Mayor with the advice and consent of the City Council.

COTPA

Established to finance, develop, and operate public transportation and parking systems. The Mayor, City Manager, City Finance Director, and five Mayor-selected and City Council-approved appointees are Trustees. The City Council approves the budget of COTPA and provides regular operating subsidies to the Authority. COTPA employees provide services to citizens.

Oklahoma City Metropolitan Area Public Schools Trust (OCMAPS)

Established to administer a dedicated City sales tax levied to provide funding for improvements to public schools attended by City-resident students. The seven Trustees are appointed by the City Council with three Trustees nominated by the Oklahoma City Independent School District Board of Education. City employees manage trust assets.

Oklahoma City Redevelopment Authority (OCRA)

Established to conserve, develop, and redevelop the central business district. The seven Trustees are nominated by the City's Mayor and approved by the City Council. OCRA is designated to receive tax apportionment revenues for certain tax increment districts of the City.

Oklahoma City Economic Development Trust (OCEDT)

Established to finance the encouragement of economic development within or near the City by providing loans, grants, and other incentives in furtherance of job creation and private investment in the community. The Mayor nominates and City Council confirms the appointment of five Trustees. OCEDT is designated to receive tax apportionment revenues for certain tax increment districts of the City.

**Fiduciary Component Units (reported in fiduciary financial statements)**

OCERS

Established to provide retirement benefits and disability allowances for substantially all full-time, civilian employees of the City and public trusts included in the City's reporting entity. Assets are held separately from the City and may be used only for the payment of benefits to the members. The OCERS Board of Trustees serves as the governing body and is comprised of thirteen members. The City Council appoints two City employees or department heads from the various City departments. The City Council also appoints three members who have demonstrated professional experience relating to pension fund investment and management practices. The City Clerk serves as an ex-officio member (non-voting) and acts as the Clerk and Secretary of the Board. The City Auditor and Finance Director are members by position. Three members are elected by ballot of active City employees. One member is elected by ballot of retired City employees. The City Treasurer serves as an ex-officio member (non-voting) and acts as the Treasurer of the OCERS.

COTPA Retirement

Established to provide retirement benefits to employees of COTPA. The COTPA Pension Plan Committee serves as the governing body and is comprised of the City's Transportation and Parking Department Director who is also the COTPA Administrator, City Finance Director, City Treasurer, President of the Amalgamated Transit Union - Local 993, one COTPA retiree appointed by the COTPA Administrator, and two retirement plan participants appointed by the COTPA Trustees. COTPA Retirement is a fiduciary fund of the discretely presented component unit COTPA.

Oklahoma City Post-Employment Benefits Trust (OCPEBT)

Established to provide post-employment benefits, other than pensions, for substantially all full-time, civilian employees of the City and public trusts included in the City's reporting entity. Assets are held separately from the City and may be used only for the payment of benefits for the members. The OCPEBT Board of Trustees serves as the governing body and is comprised of five members. Two members are appointed by the Council through retired membership. The City Clerk serves as an ex-officio member (non-voting) and acts as the Clerk and Secretary of the Board. The Finance Director, Assistant City Manager, and Personnel Director are members by position. The City Treasurer serves as an ex-officio member (non-voting) and acts as the Treasurer of the OCPEBT.

***Related Organizations***

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations.

**Lake Atoka Reservation Association (LARA)**

Created to administer the Atoka Reservoir and its facilities. The managing board consists of the Mayors of Oklahoma City and Atoka, City Manager of Oklahoma City, Chairman of the Board of Trustees of OCWUT, one member appointed by the governing body of Oklahoma City, and three citizens of Atoka County appointed by the governing body of Atoka. The Association reports independently. The report can be obtained at 420 W. Main, Suite 500, Oklahoma City, Oklahoma 73102.

**Oklahoma City Urban Renewal Authority (OCURA)**

Created to administer community development activities approved by the U.S. Department of Housing and Urban Development including projects jointly undertaken with the City. The five citizens who serve as the governing board are appointed by the Mayor and confirmed by the City Council. The City Council has no significant influence over the management, budget, or policies of the Authority. OCURA reports independently. The report can be obtained at 204 North Robinson Avenue, Oklahoma City, Oklahoma 73102.

**Oklahoma City Housing Authority (OCHA)**

Created to administer Federal funding and other financing for improvement of housing conditions in the City. The five citizens who serve as the governing board are appointed by the Mayor and approved by the City Council. The City has no significant influence over the management, budget, or policies of OCHA. The Authority reports independently. The report can be obtained at 1700 Northeast 4th, Oklahoma City, Oklahoma 73117.

**Oklahoma City Industrial and Cultural Facilities Trust (OCICF)**

Created to promote the development of industrial, manufacturing, cultural, and educational activities both inside and outside the corporate City limits. The five Trustees are appointed by the Oklahoma City Chamber of Commerce. The City has no significant influence over the management, budget, or policies of the Trust. The Trust reports independently. The report can be obtained at 123 Park Avenue, Oklahoma City, Oklahoma 73102.

**Oklahoma County Utilities Services Authority (OCUSA)**

Created to furnish water services to residents in rural areas of Oklahoma County who are not served by other water systems. Oklahoma County and the City are joint beneficiaries of the Authority. The City has no significant influence over the Authority operations, and no resident within the City's corporate limits is served by OCUSA. The Authority reports independently. The report can be obtained at 2300 North Lincoln, Oklahoma City, Oklahoma 73105.

**Oklahoma City Myriad Gardens Foundation (OCMGF)**

Created to serve as conduit for charitable contributions intended to finance a portion of the Myriad Gardens development. The OCMGF Board of Directors is comprised of nineteen members. Eight are elected by the OCMGF Board. The remainder are selected by various community organizations including the City's Mayor. The report can be obtained at 100 Myriad Gardens, Oklahoma City, Oklahoma 73102.

**Civic Center Foundation (CCF)**

Created to advance charitable and educational purposes by providing for the improvement and support of the Civic Center. The CCF Board of Directors is comprised of 29 members. Six are appointed by the Mayor with the remaining directors elected by the CCF Board. The report can be obtained at 1912 North Drexel Boulevard, Oklahoma City, Oklahoma 73107.

**Alliance for Economic Development of Oklahoma City (AEDOC)**

The AEDOC functions as a services provider that performs consolidated economic development functions pursuant to service contracts with various agencies. OCEDT has a service contract with AEDOC to provide consolidated and coordinated economic development services to the City and OCEDT. The agreement is effective May 1, 2011 through June 30, 2016. The eleven member board includes the City Manager and a City Council representative. AEDOC can be contacted at 522 Colcord Drive, Oklahoma City, OK 73102.

## I. B. 2. BASIC FINANCIAL STATEMENTS

### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, 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: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

### *Fund Financial Statements*

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

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

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-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). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Pension and OPEB trust funds recognize employer and participant contributions in the period in which contributions are due and the City has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plans. The Agency Fund is custodial in nature and does not measure results of operations.



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 City 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, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

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.

### **I. C. BUDGET POLICY AND PRACTICE**

#### ***Budget Approval***

The City Manager submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the City Council adopts the annual fiscal year budgets for City funds. The City's financial statement presents budget and actual financial statements for the following funds approved in that budget: General, Debt Service, Emergency Management, Court Administration and Training, Police, Fire, Asset Forfeiture, Arbitrage Reserve, Zoo, MAPS Operations, MAPS3 Use Tax, Medical Services Fund and Hotel/Motel Tax Funds.

In addition, the City Council approves budgets for other operations, in part or in whole, not presented in the financial statements including Airports, Capital Improvement, Street and Alley, City and Schools Sales Tax, City and Schools Use Tax, Special Districts, Internal Service, Police/Fire Equipment Sales Tax, Police/Fire Equipment Use Tax, MAPS3 Sales Tax, Solid Waste Management, Special Purpose, Stormwater Drainage, Transportation, Parking and Water and Wastewater Funds. The Grants Management Fund, a major special revenue fund, is budgeted on a project-length basis and is also subject to the Council review. Each grant agreement, approved by Council, is the legal budget for the grant. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Public trusts submit budgets and other planning documents to their respective governing bodies.

#### ***Basis of Budgeting***

Revenues are budgeted by source. With the exception of grants, expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are managed administratively and reported to the City Council. The legal level of control is by department and class within a fund. The legal level of the Grants Management Fund is determined by individual grant award. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget are made throughout the year.

The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

## **I. D. POLICIES RELATED TO ASSETS, LIABILITIES, AND FUND EQUITY**

### **I. D. 1. CASH AND INVESTMENTS**

The City Council updated and adopted formal deposit and investment policies in March 2011 (City Investment Policy). These policies apply to all City funds not contained in public trusts. In addition, public trusts including OCPPA, OCEAT, OCMFA, OCEDT, and OCMAPS formally adopted the City Investment Policy. Public trusts including OCZT, COTPA, and OCRRA continue to operate under the City's deposit and investment policy adopted January 2002 (Trust Investment Policy). The City Treasurer manages the unrestricted investments of these trusts except for OCZT and COTPA where investments are managed independently.

Where applicable, public trusts are subject to the deposit and investment policy specified in their respective bond indentures for restricted deposits and investments. The OCAT and OCWUT separately adopted investment policies. MCA, Port Authority (no investments), and OCRA have no adopted deposit and investment policy other than investment restrictions specified in applicable bond indentures.

Pension and OPEB trust funds have investment policies separately approved by their respective oversight boards.

The City maintains and controls four major cash and investment pools. These pools are allocated to the funds of the City, OCPPA, OCMFA, and OCEDT. Fund pooled cash and investments are allocated based on the fund's position in the pool and are reported either as pooled cash or investments. In addition, non-pooled cash and investments, some of which are restricted assets, are separately held.

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

### **I. D. 2. INVENTORIES AND PREPAIDS**

Both inventories and prepaids are similarly reported in government-wide and fund financial statements.

#### ***Inventories***

Inventories in governmental funds consist of expendable supplies held for consumption stated on either a first-in, first-out or weighted average basis. They are reported at cost and recorded as an expense at the time individual inventory items are used. Proprietary fund and similar component unit inventories are recorded at cost on either a first-in, first-out or weighted average basis.

	<b>Primary Government</b>	
	<u>Method</u>	<u>Description</u>
<i>Governmental Activities</i>		
General Fund		
General activities	First-in, First Out	Maintenance parts, salt, chemicals, gift shop, ammunition, concession items, ticket stock, and animal supplies
Fire activities	Weighted Average	Maintenance parts
Culture and recreation activities	Weighted Average	Maintenance parts and chemicals
Internal Service Funds		
Fleet	First-in, First Out	Fuel sites and tanks
Information technology	First-in, First Out	Paper
Print shop	First-in, First Out	Card stock, color paper, envelopes, and machine parts
<i>Business-Type Activities</i>		
Airports		
Field maintenance	Weighted Average	Maintenance parts
Fuel farm and runway maintenance	First-in, First Out	Fuel storage and runway paint
OCEAT	Weighted Average	Operational and service supplies
OCPA Golf Courses	First-in, First Out	Golf cart maintenance and driving range supplies, restaurant and clubhouse food and condiments and cleaning supplies
Stormwater Drainage	First-in, First Out	Chemicals, first-aid supplies, welding supplies and hand tools
Water and Wastewater		
Pump shop and fleet maintenance shop	First-in, First Out	Maintenance parts, chemicals, instruments, repair
Line maintenance warehouse	Weighted Average	Materials and hand tools
	<b>Component Unit</b>	
	<u>Method</u>	<u>Description</u>
COTPA - Transportation	Weighted Average	Vehicle parts and supplies

**Prepays**

Prepays are payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

**I. D. 3. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS**

***Property Taxes Receivable and Property Tax Calendar***

Property taxes are collected and remitted to the City by four county governments. Taxes levied annually on November 1 are due one-half by December 31 and one-half by March 31. Major tax payments are received December through April. Lien dates for real property are in June and October, respectively. In the governmental fund financial statements, property taxes receivable are recorded in the Debt Service Fund fifteen days (taxpayer protest period) after the debt service budget is approved by the Oklahoma County Excise Board.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the City regardless of when cash is received. Over time, substantially all property taxes are collected.

*Other Significant Receivables*

Significant receivables include sales and use tax receivable and amounts due from customers primarily for utility services and use or rental agreements for the City's airports' facilities. These receivables are due within one year. Certain enterprise funds and similar component units report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days, depending on the fund.

**I. D. 4. RESTRICTED ASSETS**

Restricted assets include assets legally restricted for capital projects funded through long-term debt, debt service reserves, facility charges, and Federal, State, and private grants. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements. Assets restricted for acquisition or construction of non-current assets or assets restricted for liquidation of long-term debt are reported with non-current assets.

It is the City's policy when purchasing goods or services, or servicing debt for which resources have been restricted, to use restricted resources first and then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

**I. D. 5. 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 blended business-type activities are eliminated and any residual balances outstanding between the activities are reported in the government-wide financial statements as internal balances.

**I. D. 6. CAPITALIZED INTEREST**

Interest costs are capitalized when incurred by enterprise funds and similar component units 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. 7. CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION**

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$7.5 thousand or more as purchase and construction outlays occur. Assets purchased or constructed with grants are an exception. These assets are capitalized at cost of \$5 thousand or more.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, 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.

	<u>Useful life</u>
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 City capitalizes interest as a component of capital assets constructed for its own use.

#### **I. D. 8. DEFERRED DEBT EXPENSE AND BOND DISCOUNTS/PREMIUMS**

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond and lease issuance costs, 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. Issuance costs are reported as expenditures.

#### **I. D. 9. COMPENSATED ABSENCES**

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination. Selected management employees are entitled to all accrued sick and vacation leave balances at termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued current and non-current liabilities in the government-wide, proprietary, fiduciary, and component unit financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees.

#### **I. D. 10. TAX INCREMENTAL FINANCING (TIF)**

The City uses TIF to obtain 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. The City uses TIF to stimulate economic development. The OCEDT, OCPPA, and OCRA have TIFs in place.

#### **I. D. 11. FUND EQUITY**

##### ***Fund Balance***

##### **Non-Spendable Fund Balance**

Fund balance reported as non-spendable includes amounts that cannot be spent because it is not in spendable form or is not expected to be converted to cash including inventories, prepaid expenses, and non-current receivables and advances.

##### **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 for trusts or codified through an ordinance for City funds. 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 or committed. Fund balance may be assigned by formal action of the City Finance Director or through City Council resolution for City funds.

**Unassigned Fund Balance**

Unassigned fund balance includes positive fund balance within the General Fund, OCMFA General Purpose Fund, and OCPPA 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 City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the City uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**Minimum Fund Balances**

City Council has adopted a minimum fund balance policy for the General Fund requiring unbudgeted reserves of 8-15%. In addition, the Council has set target levels of unbudgeted reserves of 5-10% for other City funds.

*Net Assets*

Net assets invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net assets.

**Net Assets Invested in Capital Assets, Net of Related Debt**

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 assets.

**Restricted Net Assets**

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 assets restricted for capital projects include unspent debt proceeds legally restricted for capital outlays. Restricted net assets also include purpose restrictions from enabling legislation and other external sources.

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

### **I. E. 1. MAJOR REVENUES**

#### ***Program Revenues***

##### **Charges for Services**

Program revenues reported with governmental activities include charges for services like permits and fees, parks charges, and fines and forfeitures. Business-type activity charges for services includes all operating income of proprietary funds.

##### **Grants and Contributions**

Governmental grants and contributions primarily consists of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activities grants and contributions include restricted investment income, donations from others, airport facility charges, as well as grants from Federal and state agencies.

#### ***General Revenues***

General revenues reported with governmental activities include tax revenues. Both governmental and business-type activities report unrestricted investment income as general revenues.

### **I. E. 2. TRANSFERRED INVESTMENT INCOME**

Investment income, which includes changes in the fair value of investments, associated with the Agency Fund is administratively assigned and transferred to the General Fund. Investment income related to immaterial residual balances in certain other funds is assigned and transferred to the General Fund.

### **I. E. 3. ALLOCATION OF INDIRECT EXPENSES**

The City allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. These charges are separately reported in the statement of activities. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. Component unit charges paid directly to the General Fund and fiduciary fund charges are not allocated. These functions or programs include police, fire, and certain divisions within public services and parks.

### **I. F. RETAINAGES**

It is the policy of the City to retain a percentage of construction contracts until a completed project has been accepted. A contractor may request to opt out or withdraw any part, or the whole, of the amount retained for construction contracts upon deposit with, or delivery to, the City securities limited to (1) U.S. Treasury Bonds, U.S. Treasury Notes, U.S. Treasury Bills, (2) general obligations of the State of Oklahoma, or (3) certificates of deposit from a state or national bank having its principal office in the State of Oklahoma (In Lieu Securities). No retained amount shall be withdrawn which would represent an amount in excess of the market value of the In Lieu Securities at the time of the deposit or of the par value of such securities, whichever is lower. The City holds the In Lieu Securities and 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 In Lieu Securities and utilizes the proceeds to cover any costs incurred. The City does not record the effect of holding the In Lieu Securities.

II. ASSETS AND LIABILITIES

II. A. ASSETS

II. A. 1. DEPOSITS AND INVESTMENTS

*Deposits*

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. Investment Policies require deposits to be 110% secured by collateral valued at market under the City's Investment Policy and market or par, whichever is lower under the Trust, OCAT, and OCWUT Investment Policies, less the amount covered by the Federal deposit insurance. Under the OCWUT Investment Policy, repurchase agreements are required to be collateralized at 102%. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Under the City's Investment Policy, this is determined by the bank's institutional rating on each of the performance evaluations conducted pursuant to the Federal Community Reinvestment Act, 12 United States Code, Section 2901. This is determined by a rating by independent rating agencies of C minus or above under the Trust and OCAT Investment Policies and B or above under the OCWUT Policy. 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 by resolution. Many bond indentures require deposits to be maintained by trustee banks specified in the indentures.

Custodial credit risk for deposits is not formally addressed by bond indentures or pension trust policy. Indentures require that restricted deposits be maintained by the trustee bank specified in the indenture. Pension trust investment policies restrict uninvested cash to minimal balances generally covered by the Federal deposit insurance. The OCPEBT investment policy does not formally address custodial credit risk for deposits, however, true cash deposits are minimal and are required to be collateralized at 110% for any deposits in excess of Federal deposit insurance. Except for the OCRA, deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City or applicable public trust.

*Investments*

The City 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 City's financial position.

	<u>Primary Government</u>			
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
<u>POOLED INVESTMENTS (3)</u>				
Money market funds (4)	\$9,220	\$9,220	AAA/Aaa	1.43
U.S. Treasury notes	79,382	79,461	N/A	18.58
Fannie Mae	154,683	155,930	AAA/Aaa	20.06
Federal obligations	<u>202,899</u>	<u>203,218</u>	AAA/Aaa	22.91
Total pooled investments	<u>446,184</u>	<u>447,829</u>		
Less Agency Fund (3)	<u>(1,909)</u>	<u>(1,909)</u>		

(continued)



*Investments (continued)*

	<b>Primary Government</b>			
	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings (1)	Weighted Average Months to Maturity (2)
<b>NON-POOLED INVESTMENTS</b>				
U.S. Treasury notes	50,413	50,475	N/A	13.44
U.S. Treasury strips	25,638	25,320	N/A	14.30
U.S. Treasury bills	20,274	20,232	N/A	2.50
Federal obligations	94,509	94,823	AAA/Aaa	16.07
Fannie Mae	44,073	44,699	AAA/Aaa	15.55
Money market funds (4)	136,263	136,263	AAA/Aaa	1.39
Guaranteed investment contracts	14,327	14,327	AAA/Aaa	86.87
Certificates of deposit	<u>7</u>	<u>7</u>	N/A	18.03
Total pooled investments	<u>385,504</u>	<u>386,146</u>		
<b>Total primary government     investments</b>	<b><u>\$829,779</u></b>	<b><u>\$832,066</u></b>		
<b>Pension Trust Funds</b>				
	Fair Value/ Carrying Amount	Cost	Effective Duration (months) (2)	
<b>COMMON STOCK</b>				
Domestic	\$127,726	\$106,859	N/A	
International	5,313	4,461	N/A	
<b>GOVERNMENT SECURITIES</b>				
U.S. Treasury strips	2,739	2,472	8.22	
U.S. Treasury bonds	10,357	10,504	15.73	
U.S. Treasury TIPS	1,875	1,577	18.42	
Federal agency notes	38,243	37,966	23.33	
Ginnie Mae notes	13,966	13,981	27.68	
<b>CORPORATE OBLIGATIONS</b>				
Domestic	18,213	16,980	11.91	
International	6,379	6,964	10.48	
<b>MUTUAL FUNDS</b>				
Equity	186,463	158,691	N/A	
Bond	39,727	37,258	5.3	
Bond	1,700	1,605	48.93	
Other	70,383	74,590	N/A	
<b>OTHER INVESTMENTS</b>				
Asset backed obligations	13,545	16,415	24.02	
REITs	1,196	1,074	N/A	
Money market fund (4)	5,742	5,742	1.39	
Foreign government obligations	506	487	14.18	
Securities lending short-term collateral investments	17,830	17,830	0.03	
Oklahoma City judgments	<u>2,488</u>	<u>2,488</u>	4	
<b>Total pension trust     fund investments (5)</b>	<b><u>\$564,391</u></b>	<b><u>\$517,944</u></b>		

OCPEBT Trust Funds				
	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings (1)	Weighted Average Months to Maturity (2)
Passive stock funds	\$6,312	\$5,672	N/A	N/A
International stock	1,948	1,723	N/A	N/A
Passive bond funds	4,361	4,205	AAA	68.04
Money market funds (4)	<u>2,734</u>	<u>2,734</u>	AAA/Aaa	1.39
<b>Total OPEB trust fund investments</b>	<b><u>\$15,355</u></b>	<b><u>\$14,334</u></b>		

Component Units				
	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings (1)	Weighted Average Months to Maturity (2)
<b>POOLED INVESTMENTS</b>				
Federal Obligations	\$25,556	\$25,505	AAA/Aaa	18.09
Money market funds (4)	14,211	14,211	AAA/Aaa	1.43
U.S. Treasury Notes	<u>5,031</u>	<u>5,038</u>	N/A	9.17
Total non-pooled investments	<u>44,798</u>	<u>44,754</u>		
<b>NON-POOLED INVESTMENTS</b>				
U.S. Treasury notes	40,396	40,529	N/A	8.91
Federal obligations	106,581	108,844	AAA/Aaa	6.6
Fannie Mae	30,197	30,192	AAA/Aaa	11.36
Money market funds (4)	6,993	6,993	AAA/Aaa	1.61
U.S. Treasury bonds	9,294	9,281	N/A	5.1
Certificate of deposit	<u>3,675</u>	<u>3,675</u>	N/A	4.6
Total non-pooled investments	<u>197,136</u>	<u>199,514</u>		
<b>Total component unit investments</b>	<b><u>\$241,934</u></b>	<b><u>\$244,268</u></b>		

- (1) Ratings are provided where applicable to indicate associated credit risk.
- (2) Interest rate risk is estimated using either duration or weighted average months to maturity depending on the respective policy.
- (3) City Pooled investments include \$1,909 reported in the City's Agency Fund.
- (4) Consists solely of U.S. Treasury securities
- (5) Pension trust fund securities lending investments are included in the schedule.

**Credit Risk**

Ratings represent the pension funds exposure to credit risk including obligations of the U.S. Government and those explicitly guaranteed by the U.S. Government as of June 30, 2011.

	AAA	AA	A	BBB	BB	B	CCC	D	N/R
<b>GOVERNMENT SECURITIES</b>									
U.S. Treasury strips	0%	0%	0%	0%	0%	0%	0%	0%	100%
U.S. Treasury bonds	0	0	0	0	0	0	0	0	100
U.S. Treasury TIPS	0	0	0	0	0	0	0	0	100
Federal obligations	8	1	2	0	0	0	0	0	89
Ginnie Mae notes	0	0	0	0	0	0	0	0	100

(continued)

**Credit Risk (continued)**

CORPORATE OBLIGATIONS

Domestic	3	12	47	33	5	0	0	0	0
International	0	30	46	21	0	0	0	1	2

MUTUAL FUNDS

Bond	96	0	0	1	0	0	0	0	2
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OTHER INVESTMENTS

Asset backed obligations	44	2	1	2	2	0	0	0	49
REITs	0	0	42	0	0	58	0	0	0
Money market fund (4)	100	0	0	0	0	0	0	0	0
Foreign government obligations	0	51	7	42	0	0	0	0	0
Securities lending short-term collateral investments	0	0	0	0	0	0	0	0	100
	100	0	0	0	0	0	0	0	0

**Foreign Investments (1)**

OCERS

Mexican Peso	\$362	<b>International mutual funds</b>	
Australian dollar	222	<b>and similar securities</b>	<u>\$112,436</u>
Malaysian Ringgit	320		
Polish Zloty	346		
Russian Ruble	292		
Indonesian rupiah	296		
Brazilian real	316		
Other	<u>6,328</u>		
<b>International securities</b>	<u>\$8,482</u>		

(1) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Investment in foreign bonds and equities is shown by monetary unit to indicate possible foreign currency risk.

**Securities Held by Others**

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

**Investment Policies**

Investment policies for the City's reporting entity are maintained by the City Treasurer.

City Investment Policy

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and the City Charter. City 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 City Investment Policy, the City 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 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 City Investment 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 City's investment in a single issuer. Cumulatively, portfolios of the City may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total City portfolio may be placed with any single financial institution. U.S. Government securities, SLGS, City judgments, repurchase agreements, and money market funds are excluded from these restrictions.

Portfolio Structure (1)

	Investment Type Limitations	Maturity Limitations	
	Percentage of Total Invested Principal	Percentage of Total Invested Principal	
	<u>Maximum % (2)</u>		<u>Maximum % (4)</u>
Repurchase agreements	100.0%	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 City Investment 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.

Trust Investment Policy

Generally, the Trusts' investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and the City Charter. Trust 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) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of 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) State and Local Government Series (SLGS); and (7) 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.

Under the Trust Investment Policy, the Trusts 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 Trusts' desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments shown previously as items (1) and (2).

The Trust Investment 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 Trusts' investment in a single issuer. Cumulatively, portfolios of the Trusts may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total Trusts portfolio may be placed with any single financial institution with the exception of repurchase agreements and money market funds. U.S. Government securities, SLGS, and City judgments are excluded from these restrictions.

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	Maximum % (2)		Maximum % (4)
Repurchase agreements	100%	0-1 year	100%
U.S. Treasury securities (3)	100	1-3 years	90
Certificates of deposit	50	3-5 years	90
Money market funds	100		
Savings accounts	100		
U.S. noncallable agencies securities	100		
City judgments	5		

- (1) Specifically matched cash flows are excluded.
- (2) For investments listed, there is no minimum percentage specified under the policy.
- (3) Includes SLGS.
- (4) For maturities limited to 0-1 year, the minimum percentages allowed under the policy are 5-25%.

The Trust Investment 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.

OCWUT Investment Policy

Trustees for the OCWUT adopted a separate investment policy in addition to the investment provisions of bond indentures. OCWUT 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) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of obligations of the U.S. Government, its agencies, and instrumentalities; and (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law.

Under the OCWUT Investment Policy, the Trusts 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 OCWUT's desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments shown previously as items (1) and (2).

The OCWUT Investment 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 OCWUT's investment in a single issuer. Cumulatively, portfolios of OCWUTs may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total Trusts portfolio may be placed with any single financial institution with the exception of repurchase agreements and money market funds. U.S. Government securities, SLGS, and City judgments are excluded from these restrictions.

Portfolio Structure (1)

	Investment Type Limitations	Maturity Limitations	
	Percentage of Total Invested Principal	Percentage of Total Invested Principal	
	Maximum % (2)		Maximum % (4)
Repurchase agreements	100%	0-1 year	100%
U.S. Treasury securities (3)	100	1-3 years	90
Certificates of deposit	50	3-5 years	90
Money market funds	100		
Savings accounts	100		

- (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 OCWUT Investment 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.

OCAT Investment Policy

Trustees for the OCAT adopted a separate investment policy in addition to the investment provisions of bond indentures. This separate policy, not limited to restricted funds subject to indenture requirements, provides that OCAT invest in general obligations of the United States with maturities not to exceed a term of five years or the intended date of use of said funds.

Public Trust Bond Indenture Restrictions

Public trust non-pooled cash and investments are restricted in purpose by the policies incorporated in applicable bond indentures. Credit risk policy generally restricts investing to cash, investments fully insured by the FDIC and U.S. Government agencies (obligations not fully guaranteed must meet rating criteria Moody's AA2 or better, or similarly rated by Standard and Poor's). These include principal only and interest only strips if held by a third party, certificates of deposit, guaranteed investment contracts, commercial paper, Oklahoma municipal debt, and mutual funds or money market funds invested in obligations of the U.S. Government, repurchase agreements comprised of these investment types or investment agreements approved by AmBac. There is some variation among the investments authorized by the respective indentures relating primarily to specified government agencies obligations. Trustee bank departments provide the management of restricted, non-pooled investments. Custodial credit risk for investments is not addressed by bond indentures.

Interest rate risk in public trust 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 (i.e. construction, reserve, operations and maintenance, etc.) Concentration of credit risk is not addressed.

**Restricted Deposits and Investments**

	<u>Primary Government</u>			
	Bond Principal and Interest	Construction	Bond Reserve	Total
	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>	
<i>Governmental Activities</i>	\$59,900	\$167,131	\$ -	\$227,031
<i>Business-Type Activities</i>				
OCAT Fund	8,158	1,207	12,257	21,622
OCWUT Fund	24,631	1,256	28,754	54,641
OCEAT Fund	412	-	-	412
MCA Fund	3,693	-	6,870	10,563
OCPPA Golf Courses Fund	419	22	-	441
OCPPA Fairgrounds Fund	<u>2,237</u>	<u>-</u>	<u>-</u>	<u>2,237</u>
Total business-type activities	<u>39,550</u>	<u>2,485</u>	<u>47,881</u>	<u>89,916</u>
<b>Total primary government</b>	<b><u>\$99,450</u></b>	<b><u>\$169,616</u></b>	<b><u>\$47,881</u></b>	<b><u>\$316,947</u></b>

	<u>Component Units</u>			
	Bond Principal and Interest	Construction	Bond Reserve	Total
	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>	
OCZT	\$330	\$ -	\$637	\$967
COTPA	<u>1,991</u>	<u>-</u>	<u>2,533</u>	<u>4,524</u>
<b>Total component units</b>	<b><u>\$2,321</u></b>	<b><u>\$ -</u></b>	<b><u>\$3,170</u></b>	<b><u>\$5,491</u></b>

**Pension Trust Policies**

The City's two pension trusts, OCERS and COTPA Retirement, investment policies provide for investment manager's who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policies. Manager performance is reviewed by a consultant who provides reports to the respective governing boards. Any changes in the investment management firm must be reported as they occur. Overall investment guidelines provide for diversification and allow investment in domestic and international common stocks, fixed income securities, cash equivalents, index funds, collective trust funds, mutual funds, and City judgments (OCERS only).

Asset Allocation Guidelines

	<u>OCERS</u>				<u>COTPA Retirement</u>			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>
<u>EQUITIES</u>								
Domestic	30.0%	50.0%	67.5%	53.4%	30.0%	60.0%	65.0%	64.5%
International	5.0	10.0	15.0	9.3	5.0	10.0	15.0	13.5
Fixed income (1)	20.0	35.0	50.0	32.3	30.0	30.0	65.0	22.0
Real estate	0.0	5.0	7.5	5.0	0.0	0.0	0.0	0.0

(1) For the OCERS, fixed income includes cash.

Both plans address custodial credit risk similarly with policy providing for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items; and provides periodic accounting to the respective pension boards. The pension trust funds hold \$356 thousand in common stock or stock funds. Of this amount \$163 thousand is held by the investment counterparty, not in the name of the pension fund or the City. The OCERS participates in securities lending. See subsequent securities lending disclosure for policy discussion. Securities lending short-term collateral of \$17.83 million is held by the investment counterparty, not in the name of the pension fund or the City.



COTPA Retirement addresses credit risk and concentration of credit risk with policy that prohibits investment of more than 5% of its assets in the securities of any one issuer with the exception of the U.S. Government. Policy further prohibits investment of more than 20% in any one market sector. Fixed income securities must be rated at least A. Commercial paper must be rated A1, P1. Repurchase agreements must be collateralized by U.S. Government/agency assets. Cash may not exceed 5% of the equities portfolio. The fixed income portfolio may be invested 100% in cash equivalents or fixed income securities maturing in 30 years or less.

Interest rate risk is addressed by the policy requiring that the active fixed income manager's maintain portfolio duration at a minimum of 50% and a maximum of 150% of the Barclay's Capital Aggregate Bond Index (LAGG=100).

OCERS policy provides risk parameters for various portfolio compositions. These address credit risk, concentration of credit risk, interest rate risk, and foreign currency risk applicable to the portfolio. OCERS contractually delegates portfolio management to investment managers based on these prescribed portfolio structures. Domestic equity securities (common stock or equivalent) must be traded on a major U.S. exchange and may include issues convertible to common stocks. International equity securities are non-U.S. issues whose principal markets are outside the U.S. In general, cash may not exceed more than 10% of any equity manager's portfolio.

Portfolio Parameters

Large Cap Domestic Portfolio:

Investment in equity securities may not exceed 10% of an individual equity, 10% of the market value of the individual portfolio, or 10% of any company's outstanding equity.

Small Cap Portfolio:

Investment in equity securities may not exceed 5% of an individual equity, 10% of the market value of the individual portfolio, or 5% of any company's outstanding equity.

International Portfolio:

Designates that no single stock may exceed 5% of the market value of the individual portfolio or 5% of any company's outstanding equity. Cash assets may be invested in short-term fixed income investments denominated in U.S. dollars or foreign currencies. Fixed income should not exceed 10% of the individual portfolio.

Core Fixed Income Portfolio:

Investments may include any amount of U.S. Government or U.S. Government agencies obligations. Corporate bonds are diversified by industry and may include no more than 5% of any issuer. Mortgages and mortgage-backed securities are permitted. Bonds must have a minimum quality rating of BBB with overall portfolio average credit quality of AA or higher. International bonds may not exceed 20% of an individual portfolio and no more than 5% may be invested in one country. Convertible securities or preferred stock may not exceed 5% of the portfolio. Average option adjusted duration of the portfolio shall approximate the option adjusted duration of the relevant benchmark designated as the Barclay's Capital Aggregate Bond Index.

Core Plus Fixed Income Portfolio:

Investment is structured to include 80-100% domestic securities and 0-20% high yield, emerging market, non-dollar securities which may include below investment grade corporate bonds. Other provisions are similar to the core fixed income portfolio with exceptions for bonds limited to 2% and neither cash nor structured notes, as individual investment types, may exceed 5% of the total portfolio. Derivatives may be used on a limited basis to eliminate undesirable risk. No more than 5% of the portfolio will be invested in original futures margin and option premiums. Swap contracts may be executed with counterparties whose credit rating is A2/A or better. Average option adjusted duration of the portfolio shall approximate the option adjusted duration of the relevant benchmark designated as the Barclay's Capital Aggregate Bond Index, within a band of plus or minus 20%. On an ongoing basis, cash should not exceed 5% of the portfolio.

Securities Lending Transactions:

City ordinance and the Board of Trustees permit the OCERS to lend securities with a simultaneous agreement to return collateral for the same securities in the future with agent indemnification in the event of borrower default. Securities lent may consist of both equity and fixed income securities. Collateral may consist of cash or securities issued or guaranteed by the U.S. Government or its agencies or letters of credit. The OCERS may use or invest cash collateral at its own risk. However, collateral other than cash may not be pledged, sold, or otherwise transferred without borrower default.

During fiscal year 2011, substantially all collateral consisted of cash. The OCERS' securities custodial bank is the agent in lending the plan's securities for cash collateral of 102%. At year-end, the OCERS has no credit risk exposure to borrowers because the amounts the OCERS owes the borrowers exceed the amounts the borrowers owe the OCERS. The contract with the lending agent requires them to indemnify the OCERS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the OCERS for income distributions by the securities' issuers while the securities are on loan. Custodial credit risk for securities lending transactions is included in the previous discussion of Pension Trust Policies.

Securities lending transactions can be terminated on demand by either the OCERS or the borrower, although the average term of the loans is one day. The term to maturity of the securities lent is matched with the term to maturity of the investment of the cash collateral by investing in overnight repurchase agreements and master notes with overnight put provisions. The contract with the agent requires that the difference between the average weighted maturity of loan transactions and the average weighted maturity of permitted investments shall not exceed three days. Such matching existed at year-end. Net income produced from securities lending activities for fiscal year 2011 was \$49 thousand. The market value of securities on loan as of June 30 was \$17.484 million, comprised of: \$5.969 million of corporate obligations, \$9.453 million of common stock, and \$2.062 million of U.S. Government securities.

The OCERS also receives securities lending income as a participant in one of the managed (mutual) funds it holds as an investment. Within the fund, the OCERS does not own or hold specific identifiable securities that may be loaned or any corresponding collateral received as the result of transactions. The OCERS is not a direct party to the securities lending agreement. Risks, loaned securities, collateral, or other securities lending terms cannot be specifically assigned to the OCERS as a participant in the managed fund. Selection of and participation in the managed fund inclusive of securities lending activity was approved by the OCERS Board of Trustees. OCERS income received from securities lending activities of the managed fund was \$2 thousand for fiscal year 2011.

Derivatives:

The OCERS is permitted to own derivative investments. However, OCERS investment policy restricts derivative investing with investment policy guidelines. Derivative investments comprise less than 0.5% of the OCERS portfolio.

**Other Post-Employment Trust Policies**

The OCPEBT investment policies provide for investment managers who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policy unless governed by a prospectus. Investment manager performance is reviewed by a consultant who provides reports to the governing board. Overall investment guidelines provide for diversification and allow investment in domestic common stocks, domestic and international fixed income securities, cash equivalents, and domestic and international index funds, collective trust funds, and mutual funds.

Custodial credit risk policy provides for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items; and provides periodic accounting to the Board. The OCPEBT has no investments held by an investment counterparty, not in the name of the OCPEBT.

Asset Allocation Guidelines

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual (1)</u>
Domestic equities	30%	60%	65%	50.0%
International equities (2)	5	10	15	15.4
Fixed income	30	30	65	34.6
Cash	0	0	100	0.0

- (1) Funds held by the Trust Treasurer for cash flow purposes are invested temporarily in money market funds. These funds have not been made available to the investment manager and therefore are not included in actual percentages above. At June 30, 2011 and 2010, the amount of funds invested by the OCPEBT Trust Treasurer temporarily in money market funds was \$2,734,390 and \$5,742,820, respectively.
- (2) On September 13, 2010, the OCPEBT Board of Trustees directed management to meet target and maximum percentages within 2 years. The asset allocation for international equities temporarily exceeded its maximum guideline due to market performance but subsequently returned to within the target range.

The OCPEBT policy provides risk parameters for various portfolio compositions. These address credit risk, concentration of credit risk, interest rate risk, and foreign currency risk applicable to the portfolio. The OCPEBT contractually delegates portfolio management to investment managers based on these prescribed portfolio structures. Equity securities (common stock or equivalent) must be traded on a major U.S. exchange and may include issues convertible to common stocks. International fixed income securities purchases are generally limited to issues of at least \$50 million. Investment managers may not invest in more than 5% of any one issuer or more than 30% of any one sector of the market. U.S. Government securities are excluded from these restrictions.

Portfolio Parameters

Domestic Common Stocks:

Investments are limited to stocks with both the perceived ability of the company to appreciate and achieve future growth in earnings and current dividend return.

Fixed Income Securities:

Fixed income securities must be rated "BBB" by Standard and Poor's or "Baa" by Moody's to qualify for purchase.

Cash Equivalents:

Cash equivalents are limited to A1, P1 rated commercial paper; obligations of the U.S. Government or its agencies maturing in one year or less; and broker or bank repurchase agreements collateralized by U.S. Government or its agency assets. Money market mutual funds and bank short-term investment funds invested as listed above are also acceptable.

Domestic Index and Mutual Funds:

Index and mutual funds are limited to investment company shares, collective trust fund of banks or trust companies, and insurance company separate accounts and must have at least a three year history, \$50 million in assets under management, and the same investment philosophy and strategy for the previous three years. The domestic index funds must strive to replicate the return of Standard and Poor's 500 Stock Index or Barclays Capital Aggregate Bond Index or another index as deemed to be appropriate.

International Index and Mutual Funds:

Index and mutual funds are limited to investment company shares, collective trust fund of banks or trust companies, and insurance company separate accounts; and must have at least a three year history, \$50 million in assets under management, and the same investment philosophy and strategy for the previous three years. The international index funds must strive to replicate the return of the Morgan Stanley Capital International Europe Australia and Far East Index (MSCI/EAFE).

**Compliance with State Requirements**

Trust investment policies and bond indentures 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 trust 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 trust.

**II. A. 2. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS**

*Governmental Taxes and Accounts Receivable and Uncollectible Amounts*

**Sales and Use Taxes Receivable**

Governmental activities report sales and use taxes receivable of \$57.378 million comprised of amounts received after year-end for current year taxes on sales. Sales and Use Tax are considered fully collectible.

**Property Taxes Receivable and Property Tax Calendar**

At fiscal year-end, receivables of \$5.158 million represent delinquent and escrowed paid-under-protest taxes. Approximately \$415 thousand of the receivable is comprised of payments to the counties made under protest. If paid-under-protest and delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue in governmental funds.

**Accounts Receivable**

Governmental funds report taxes receivable other than sales and property taxes as part of accounts receivable. Accounts receivable are net of allowance for uncollectible amounts which are immaterial in amount.

	Hotel/ Motel Taxes Receivable	Emergency Telephone Taxes Receivable	Tobacco Excise Taxes Receivable	Alcoholic Beverage Taxes Receivable	Franchise Fees Receivable	Other Receivables	Total Accounts Receivable
Governmental Funds							
General Fund	\$ -	\$ -	\$ -	\$104	\$4,723	\$1,696	\$6,523
Other Governmental Funds	<u>1,169</u>	<u>470</u>	<u>572</u>	<u>-</u>	<u>-</u>	<u>788</u>	<u>2,999</u>
Total governmental funds	1,169	470	572	104	4,723	2,484	9,522
Internal Service Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,129</u>	<u>3,129</u>
<b>Total governmental activities</b>	<b><u>\$1,169</u></b>	<b><u>\$470</u></b>	<b><u>\$572</u></b>	<b><u>\$104</u></b>	<b><u>\$4,723</u></b>	<b><u>\$5,613</u></b>	<b><u>\$12,651</u></b>

*Proprietary Accounts Receivable and Uncollectible Amounts*

	Primary Government						Component Units	
	Business-Type Activities							
	Major Enterprise Funds					Other Enterprise Funds		Total Enterprise Funds
	OCAT	OCWUT	Water Utilities	MCA	OCEAT			
Accounts receivable	\$4,778	\$27,070	\$1	\$23	\$7,553	\$2,760	\$42,185	\$782
Less: allowance for uncollectible accounts	<u>-</u>	<u>(2,143)</u>	<u>-</u>	<u>-</u>	<u>(4,248)</u>	<u>(1,003)</u>	<u>(7,394)</u>	<u>(16)</u>
<b>Net accounts receivable</b>	<b><u>\$4,778</u></b>	<b><u>\$24,927</u></b>	<b><u>\$1</u></b>	<b><u>\$23</u></b>	<b><u>\$3,305</u></b>	<b><u>\$1,757</u></b>	<b><u>\$34,791</u></b>	<b><u>\$766</u></b>

***Component Unit Accounts Receivable***

Component unit accounts receivable is comprised of \$38 thousand for OCMAPS, \$40 thousand for OCRRA, \$174 thousand for COTPA Transportation and Parking, \$98 thousand for OCRA, \$415 thousand for OCZT, and \$1 thousand for Port Authority consisting of various sales on account and reimbursements receivable.

***Intergovernmental Receivables***

A total of \$13.503 million in intergovernmental receivables is due from the Federal or state government at year end. Governmental funds report \$8.889 million in the Grants Management Fund and \$1.814 million in the Tax Incremental Financing Fund. Proprietary funds report \$2.023 million in the OCAT Fund and \$14 thousand in the MCA Fund. Component units report \$759 thousand in COTPA and \$4 thousand in OCRA.

***Notes Receivable***

**Economic Development**

Notes Receivable reported in governmental activities of \$7.154 million include loans made to businesses for economic development. These notes are repaid by the recipient business or future grant monies and passed on to pay related Federal Section 108 notes payable. A note receivable for \$60 thousand from ETI, Inc was established in 2009 for repayment of disallowed costs associated with the City's Workforce Investment Act grants. The note is being paid at \$500 per month over a ten year period. The unpaid balance at June 30, 2011 is \$46 thousand.

**OCURA Bass Pro Leasehold Improvements Note Receivable**

In 2002, the City Council adopted a funding plan for leasehold improvements to the Bass Pro Shop. The OCURA holds the lease with the Bass Pro Shop. Under the funding plan three City funds, MAPS Operations Fund, City and Schools Use Tax Fund, and Public Safety Capital Use Tax Fund, loaned OCURA \$17 million for leasehold improvements of the building. Each of the three funds recorded an advance from the General Fund. The General Fund repays these funds as monies are collected from OCURA. The balance of the note receivable from OCURA based on the funding plan is \$2.517 million at June 30, 2011.

**OCRA Notes Receivable**

OCRA has two notes receivable outstanding at June 30, 2011. The first is for \$6.654 million for construction at the Skirvin Hotel with Skirvin Investment Fund, LLC. The note matures December 31, 2012. Interest receivable of \$21 thousand is due at June 30, 2011. The second note for \$4 million is with Skirvin Partners, LLC. This note also matures on December 31, 2012. Interest is received monthly.

**OCEDT OCMGF Note Receivable**

On September 15, 2010, OCEDT loaned the OCMGF \$4.190 million at an interest rate of 6.25% per annum to enable the OCMGF to acquire property in the vicinity of the Myriad Botanical gardens for the purposes of providing for relocation of displaced Myriad Botanical Gardens facilities. The note is to be repaid with net rental and parking revenues collected on the properties acquired quarterly beginning July 1, 2012. Unpaid interest is added to the balance of the note. The receivable balance is \$4.396 million including \$206 thousand in accrued interest.

**OCWUT Recycled Water Sales Agreement**

In December 2007, OCWUT entered into a Recycled Water Sales Agreement with Gaillardia Development Corp to sell treated wastewater to be used watering the golf course. OCWUT completed the facility upgrade to comply with the EPA rulings for adding Ultraviolet (UV) and chlorination (CH) processes to the recycled water process at a cost of \$764 thousand. The agreement provides that this cost will be recovered by OCWUT over the remaining 269 months of the current agreement. Accordingly, the cost has been allocated between current and non-current notes receivable at year end.

**II. A. 3. OTHER ASSETS**

*Non-Current Prepaid Assets*

**City Non-Current Prepaids**

The Fire Special Revenue Fund has a three year prepaid instrument network monitoring service agreement of January 1, 2010 through December 31, 2013 of which \$23 thousand is non-current.

The Asset Forfeiture Fund has a four year prepaid finger printing units maintenance agreement for September 1, 2011 through August 31, 2014 of which \$770 thousand is non-current.

**OCMFA Non-Current Prepaids**

The OCMFA Service Fund has a ten year prepaid software license agreement of \$855 thousand for the period of November 25, 2006 through November 24, 2016 of which \$377 thousand is non-current.

The OCMFA Service Fund has a three year prepaid telephone replacement agreements. One is for the period of August 31, 2010 through August 30, 2013 and the other two agreements are for the period of December 1, 2010 through November 30, 2013, of which \$144 thousand is non-current.

*Superior Management Group (SMG)*

**Operations and Assets Held by SMG**

On October 21, 1999, OCPPA approved an agreement for management and other services with Superior Management Group (SMG). The agreement, as amended, is for the management of the Cox Business Services Convention Center (Cox Center) and the OKC Arena. SMG is compensated primarily through a flat management fee and an annual incentive fee based on financial performance. The current agreement is effective until June 30, 2013.

The operations of the Cox Convention Center and the OKC Arena are revenues and expenses of OCPPA and are reported in the statement of activities. Net assets of the operations are reported as other assets in the statement of net assets.

Net assets of operations of SMG as of June 30, 2010	\$3,753
<u>CHARGES FOR SERVICES</u>	
Operating revenues	13,297
Distributions to the City	(709)
Contributions from the City	4,484
	<u>17,072</u>
<u>PROGRAM EXPENSES</u>	
Operating expenses	18,495
Expenses paid by the City (utilities, etc)	(2,711)
	<u>15,784</u>
Net assets of operations of SMG as of June 30, 2011	<u>\$5,041</u>

**Capital Assets Purchased by SMG on Behalf of the OCPPA General Purpose Fund**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Buildings	\$418	\$100	\$318
Furniture, machinery, and equipment	1,128	408	720
	<u>\$1,546</u>	<u>\$508</u>	<u>\$1,038</u>

Depreciation expense of \$115 thousand is reported with culture and recreation in the statement of activities.

**COTPA Other Non-Current Assets**

COTPA has a \$65 thousand security deposit which is collateral to secure the obligation regarding a \$75 thousand deductible automobile liability coverage.

COTPA has \$4 thousand in non-current escrow minimum funding requirement for Section 125 Flexible Compensation Program for all full-time eligible COTPA employees.

COTPA has a net pension asset in the amount of \$258 thousand. This asset is to be used for future pension obligations.

**OCRA Other Non-Current Assets**

The OCRA Fund has a \$300 thousand non-current other asset to be used in the Presbyterian Health Foundation Program.

**Non-Current Intergovernmental Receivables**

**OCAT**

OCAT participates in reimbursable agreements with the Federal Aviation Administration. The agreements provide certain architectural and engineering services, as well as, structural maintenance of the certain capital assets. OCAT reported non-current intergovernmental receivables related to these agreements of \$305 thousand and is reported with other assets as non-current.

**Receivable from MCA Participants**

In August 1992, the MCA trust indenture was amended to define the relationship between MCA and its aliquot share participants (Participants). Payment of the aliquot share of the costs affords Participants the right to store and transport water they are permitted to use. The portion of funds paid or transferred to MCA by Participants for aliquot shares are a period cost. Unpaid aliquot share balances from the Participants are cumulative and recorded as a non-current receivable by MCA. Payments to MCA from Participants reduce the amounts receivable from Participants for outstanding aliquot share payments receivable. At June 30, 2011, MCA reported \$42.701 million receivable from Participants.

**II. A. 4. EQUITY INTEREST IN JOINT VENTURE**

The Emergency Medical Services Authority (EMSA) provides emergency medical services to participating jurisdictions. The EMSA Board of Trustees is comprised of four Trustees appointed by the Eastern Division (Tulsa area) and four Trustees appointed by the Western Division (Oklahoma City area). EMSA has established capital accounts for each beneficiary jurisdiction. These capital accounts record the economic activity of the jurisdiction and represent an equity interest. The City reports this equity interest in governmental activities in the government-wide financial statements. EMSA issues separate financial statements available at 147 North Lansing, Tulsa, Oklahoma 74106.

	Capital Interests		Total			
	Tulsa Area	Oklahoma City Area	Net Assets		Liabilities	
July 1, 2010, capital	\$14,449	\$2,697	Assets	\$34,802	Short-term	\$12,763
Changes in net assets	<u>1,213</u>	<u>3,680</u>	Liabilities	<u>12,763</u>	Long-term	-
<b>June 30, 2011, capital</b>	<b><u>\$15,662</u></b>	<b><u>\$6,377</u></b>	<b>Net assets</b>	<b><u>\$22,039</u></b>		<b><u>\$12,763</u></b>

II. A. 5. CAPITAL ASSETS

*Changes in Capital Assets*

	Primary Government							
	Capital Assets, not depreciated			Capital Assets, depreciated				
	Land, Art, and Water Storage Rights	Construction In Progress	Total Capital Assets	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Total Capital Assets, Depreciable	Total Capital Assets, Net
<i>Governmental Activities</i>								
<u>CAPITAL ASSETS</u>								
Balance, June 30, 2010								
As previously reported	\$77,129	\$328,227	\$405,356	\$415,401	\$1,097,823	\$208,063	\$1,721,287	\$2,126,643
Prior period adjustment	<u>6,253</u>	<u>(248,782)</u>	<u>(242,529)</u>	<u>38,917</u>	<u>179,439</u>	<u>24,173</u>	<u>242,529</u>	<u>-</u>
As restated	83,382	79,445	162,827	454,318	1,277,262	232,236	1,963,816	2,126,643
Increases	5,199	104,748	109,947	1,502	21,221	16,710	39,433	149,380
Decreases	<u>(1,219)</u>	<u>(8,511)</u>	<u>(9,730)</u>	<u>(6,209)</u>	<u>(3,534)</u>	<u>(24,848)</u>	<u>(34,591)</u>	<u>(44,321)</u>
Balance, June 30, 2011	<u>87,362</u>	<u>175,682</u>	<u>263,044</u>	<u>449,611</u>	<u>1,294,949</u>	<u>224,098</u>	<u>1,968,658</u>	<u>2,231,702</u>
<u>ACCUMULATED</u>								
<u>DEPRECIATION</u>								
Balance, June 30, 2010								
As previously reported				139,871	450,682	134,550	725,103	725,103
Prior period adjustment				<u>2,073</u>	<u>29,806</u>	<u>16,822</u>	<u>48,701</u>	<u>48,701</u>
As restated				141,944	480,488	151,372	773,804	773,804
Increases				7,864	28,391	15,436	51,691	51,691
Decreases				<u>(2,591)</u>	<u>(1,968)</u>	<u>(20,365)</u>	<u>(24,924)</u>	<u>(24,924)</u>
Balance, June 30, 2011				<u>147,217</u>	<u>506,911</u>	<u>146,443</u>	<u>800,571</u>	<u>800,571</u>
Total governmental activities	<u>87,362</u>	<u>175,682</u>	<u>263,044</u>	<u>302,394</u>	<u>788,038</u>	<u>77,655</u>	<u>1,168,087</u>	<u>1,431,131</u>
<i>Business-Type Activities</i>								
<u>CAPITAL ASSETS</u>								
Balance, June 30, 2010								
As previously reported	202,715	252,133	454,848	598,572	1,595,342	155,410	2,349,324	2,804,172
Prior period adjustment	<u>-</u>	<u>(74,483)</u>	<u>(74,483)</u>	<u>23,779</u>	<u>48,138</u>	<u>2,566</u>	<u>74,483</u>	<u>-</u>
As restated	202,715	177,650	380,365	622,351	1,643,480	157,976	2,423,807	2,804,172
Increases	1,652	117,427	119,079	7,487	58,107	3,842	69,436	188,515
Decreases	<u>-</u>	<u>(46,118)</u>	<u>(46,118)</u>	<u>(996)</u>	<u>(262)</u>	<u>(6,645)</u>	<u>(7,903)</u>	<u>(54,021)</u>
Balance, June 30, 2011	<u>204,367</u>	<u>248,959</u>	<u>453,326</u>	<u>628,842</u>	<u>1,701,325</u>	<u>155,173</u>	<u>2,485,340</u>	<u>2,938,666</u>
<u>ACCUMULATED</u>								
<u>DEPRECIATION</u>								
Balance, June 30, 2010								
As previously reported				287,474	754,338	120,890	1,162,702	1,162,702
Prior period adjustment				<u>1,926</u>	<u>16,679</u>	<u>449</u>	<u>19,054</u>	<u>19,054</u>
As restated				289,400	771,017	121,339	1,181,756	1,181,756
Increases				13,547	50,678	7,578	71,803	71,803
Decreases				<u>(963)</u>	<u>(148)</u>	<u>(6,044)</u>	<u>(7,155)</u>	<u>(7,155)</u>
Balance, June 30, 2011				<u>301,984</u>	<u>821,547</u>	<u>122,873</u>	<u>1,246,404</u>	<u>1,246,404</u>
Total business-type activities	<u>204,367</u>	<u>248,959</u>	<u>453,326</u>	<u>326,858</u>	<u>879,778</u>	<u>32,300</u>	<u>1,238,936</u>	<u>1,692,262</u>
<b>Total</b>	<b>\$291,729</b>	<b>\$424,641</b>	<b>\$716,370</b>	<b>\$629,252</b>	<b>\$1,667,816</b>	<b>\$109,955</b>	<b>\$2,407,023</b>	<b>\$3,123,393</b>

(continued)



*Changes in Capital Assets (continued)*

	Component Units								
	Capital Assets, not depreciated			Capital Assets, depreciated				Total Capital Assets, Depreciable	Total Capital Assets, Net
	Land, Art, and Water Storage Rights	Construction In Progress	Total Capital Assets	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Total Capital Assets, Depreciable		
<b>CAPITAL ASSETS</b>									
Balance, June 30, 2010	\$7,723	\$115,966	\$123,689	\$105,990	\$36,434	\$32,266	\$174,690	\$298,379	
Increases	49	117,565	117,614	19,433	236	2,472	22,141	139,755	
Decreases	-	(42,114)	(42,114)	(159)	(286)	(1,779)	(2,224)	(44,338)	
Balance, June 30 2011	<u>7,772</u>	<u>191,417</u>	<u>199,189</u>	<u>125,264</u>	<u>36,384</u>	<u>32,959</u>	<u>194,607</u>	<u>393,796</u>	
<b>ACCUMULATED DEPRECIATION</b>									
<b>DEPRECIATION</b>									
Balance, June 30, 2010				36,750	11,804	19,454	68,008	68,008	
Increases				2,667	1,073	2,940	6,680	6,680	
Decreases				(159)	(272)	(1,470)	(1,901)	(1,901)	
Balance, June 30, 2011				<u>39,258</u>	<u>12,605</u>	<u>20,924</u>	<u>72,787</u>	<u>72,787</u>	
<b>Total</b>	<b><u>\$7,772</u></b>	<b><u>\$191,417</u></b>	<b><u>\$199,189</u></b>	<b><u>\$86,006</u></b>	<b><u>\$23,779</u></b>	<b><u>\$12,035</u></b>	<b><u>\$121,820</u></b>	<b><u>\$321,009</u></b>	

Approximately \$502.979 million (cost of \$755.522 million and accumulated depreciation of \$252.543 million) of Airports' property is leased or held for lease to others as of June 30, 2011.

**Depreciation Expense**

		Primary Government		Component Units	
		Governmental Activities	Business-Type Activities		
General government	\$6,783	Airport	\$21,572	Parking	\$549
Public safety: Police	3,463	Water and wastewater	39,501	Transit	2,620
Fire	1,292	Solid waste management	1,713	Zoo	2,449
Other	168	Stormwater drainage	3,284	Riverfront redevelopment	105
Public services	24,468	Golf courses	1,309	Economic development	<u>957</u>
Culture and recreation	<u>13,620</u>	Fairgrounds	4,418		
Subtotal	49,794	Transportation and Parking	<u>6</u>		
Allocated internal service fund depreciation	<u>1,897</u>				
<b>Total governmental activities</b>	<b><u>\$51,691</u></b>	<b>Total business-type activities</b>	<b><u>\$71,803</u></b>	<b>Total component unit activities</b>	<b><u>\$6,680</u></b>

*Transfer of Capital Assets*

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Capital Assets, Net</u>
<i>Governmental Activities</i>			
Governmental Activities	(\$13,022)	\$9,515	(\$3,507)
<i>Internal Service Funds</i>			
OCMFA Services	23,844	(14,185)	9,659
OCPPA Services	(10,822)	4,670	(6,152)
<i>Business-Type Activities</i>			
Water and Wastewater Fund	220	-	220
Water and Wastewater Fund	201,269	(170,935)	30,334
OCMFA Utilities Fund	(201,269)	170,935	(30,334)
Solid Waste Management Fund	(220)	-	(220)

*Capitalized Interest*

	<u>Total Interest Costs Incurred</u>	<u>Interest Revenue Used to Offset Interest Costs</u>	<u>Capitalized Interest</u>
OCAT Fund	\$8,650	\$ -	\$268
OCWUT Fund	16,190	-	8,276
OCPPA Fairgrounds Fund	<u>3,459</u>	<u>-</u>	<u>1,131</u>
	<u>\$28,299</u>	<u>\$ -</u>	<u>\$9,675</u>

**II. B. LIABILITIES**

**II. B. 1. DEFERRED REVENUES**

Grant and certain other revenues deferred in the governmental fund financial statements include unearned revenue and revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). Deferred revenue received after 60 days is fully recognized as revenue in the government-wide statements if grantor eligibility requirements are met, as applicable. At June 30, 2011, government fund deferred revenue is \$19.733 million. Revenues earned but unavailable by governmental funds are \$13.392 million at year end. Total governmental activity unearned revenue is \$6.341 million. Business type unearned revenue is \$9.379 million and component unit deferred revenue is \$4.331 million. Non-current unearned revenues are \$2.433 million for business-type activities and \$3.840 million for component units.

	Primary Government					Component
	Governmental Activities			Business-Type	Total	Units
	Deferred	Earned but	Unearned	Unearned	Unearned	Unearned
	Revenue	Unavailable	Revenue	Revenue	Revenue	Revenue
Investment income	\$965	\$965	\$ -	\$ -	\$ -	\$ -
Grant revenues	11,455	5,790	5,665	-	5,665	-
Property taxes	4,175	4,175	-	-	-	-
Other taxes	1,984	1,984	-	-	-	-
Franchise fees	232	232	-	-	-	-
Event sales	319	-	319	-	319	-
Charges for services	4	-	4	6,384	6,388	-
Advance construction costs	353	-	353	-	353	4
Naming rights - lease	-	-	-	-	-	4,302
Lease	-	-	-	133	133	25
Rent	-	-	-	2,862	2,862	-
Other advance revenues	246	246	-	-	-	-
	<b>\$19,733</b>	<b>\$13,392</b>	<b>\$6,341</b>	<b>\$9,379</b>	<b>\$15,720</b>	<b>\$4,331</b>

**II. B. 2. INTERGOVERNMENTAL PAYABLES**

*Arbitrage Compliance*

Proceeds from tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The City 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. Arbitrage liabilities of \$1.018 million and \$75 thousand are reported as intergovernmental payables in governmental and business-type activities, respectively.

*Payable to the Oklahoma Water Resources Board (OWRB)*

During fiscal year 2010, OCWUT entered into an agreement with the Oklahoma Water Resources Board (OWRB) to repay the Federal government for certain costs related to construction of Sardis Lake in Southeastern Oklahoma. The initial cost to the Trust was \$27.814 million for the settlement of the OWRB's debt to the Federal government. In addition, the Trust has agreed to pay for additional costs of \$39.542 million for future costs due and payable to the Federal government. This amount will incur interest at a rate of 4.012% and will be added to the payable annually. The payable at June 30, 2011 is \$41.194 million which is reported with non-current liabilities. In addition, an amount of \$15.000 million is payable to reimburse the OWRB for certain costs which the state previously made payments and upon the event of the issuance of a water use permit by the OWRB in accordance with Oklahoma law. This amount is reported with current liabilities.

*Payable to the Federal Government*

An amount of \$252 thousand of grant expenditures was moved to the General Fund as a result of questioned costs by a Federal agency monitoring. This amount represents the total of known disallowed costs which were reimbursed by the granting agency but not yet repaid as of June 30, 2011.

**II. B. 3. COMPENSATED ABSENCES**

Compensated absences balances changed from 2010 to 2011 by accruals of \$33.241 million and usages of \$34.877 million.

	General	Grants	Other	
	Fund	Management	Governmental	Total
	Fund	Fund	Funds	Total
Compensated absences	<b>\$55,442</b>	<b>\$334</b>	<b>\$12,550</b>	<b>\$68,326</b>

## II. B. 4. TAX ANTICIPATION DEBT

### *OCPPA TIF Districts #4 and #5*

In October 2004, Dell Incorporated (Dell) announced the selection of the City as the permanent site of the Dell Business Services Center. In November 2004, the City Council approved a Memorandum of Understanding (MOU) with Dell that outlined the incentives to be provided to Dell as a result of the selection of the City. The MOU required the City to provide land and infrastructure improvements to the site along with job creation grants. In December 2004, OCPPA approved the incurrence of indebtedness to JP Morgan Chase for a \$12 million line of credit (LOC) with a rate of the London Interbank Offering Rate (LIBOR) (30 day) plus 45 basis points with full repayment due on or before December 15, 2006. The financing requires a moral (not legal) pledge by the City in the event that proceeds of the tax increment debt issued by a City beneficiary trust are insufficient to repay the LOC.

In March 2005, OCPPA increased the line of credit by an additional \$4 million to \$16 million to fund a site improvement contract for dynamic compaction. On November 14, 2006, OCPPA authorized the extension of the terms of the note that increased the amount to \$16 million and extended the maturity date to December 1, 2007. On November 20, 2007, OCPPA authorized an extension of the maturity date to December 1, 2008. On November 18, 2008, OCPPA authorized an extension of the LOC maturity date to June 30, 2009; a decrease in the LOC to \$13 million; and an increase in interest rate to LIBOR plus 90 basis points. On June 23, 2009 OCPPA authorized an extension of the maturity date to June 30, 2010. On July 6, 2010, OCPPA approved a resolution extending the maturity date to June 30, 2011 and changed the interest rate to LIBOR plus 105 basis points. On June 21, 2011, OCPPA extended the maturity date to June 30, 2012 and decreased the maximum amount of the LOC to \$11 million. As of June 30, 2011, \$8 million is outstanding on this line of credit. This indebtedness is reported in the OCPPA General Purpose Fund.

### *OCEDT TIF Districts #2 and #3*

The City created TIF District #2 on March 7, 2000 and TIF District #3 on July 20, 2004. OCPPA issued a line of credit to provide the funding for the projects related to the two TIF districts until the permanent TIF financing was finalized. The extended due date of the line of credit was December 31, 2008.

On October 22, 2008, OCEDT issued Private Placement Tax Anticipation Note 2008, (2008 TAN) from JP Morgan Chase Bank, N.A. in the amount of \$25 million with a fixed interest rate of 6.99% for a 16 year term to pay the outstanding principal and interest on the OCPPA TIF #2 and #3 line of credit in the amount of \$20.523 million. The balance of proceeds from the 2008 TAN is available to fund the remaining projects within the TIFs.

On February 4, 2010, OCEDT issued a \$5 million Private Placement Tax Anticipation Note (2010 TAN) from JP Morgan Chase Bank, N.A. with a fixed interest rate of 4.20% for a 5 year term. The proceeds from the 2010 TAN are to fund redevelopment and improvements within the districts. As of June 30, 2011, \$27.680 million has been drawn to fund TIF #2 and #3 projects. Of the amount due, \$25.920 million is reported with non-current liabilities.

### *OCEDT TIF District #8*

On December 16, 2008, the City Council established TIF District #8. The new TIF district includes a budget of \$115 million for public improvements. On September 23, 2009, the City Council authorized the incurrence of indebtedness of OCEDT. The Private Placement Tax Anticipation Note Series 2009 was financed from Devon Corporation in the amount of \$95 million at a fixed interest rate of 5% per annum for October 1, 2009 through September 30, 2015. From October 1, 2015, to maturity date, June 30, 2034, the interest rate will be variable. No principal payments are required prior to October 1, 2014. Interest is payable on each April 1 and October 1. Per the loan agreement, on any interest payment date prior to October 1, 2014, OCEDT has elected to defer payment of accrued interest. All deferred interest is added to the principal balance of the loan. As of June 30, 2011, \$69.100 million has been drawn on the note and \$2.083 million in deferred interest has been added to the principal of the loan. This loan is reported with non-current liabilities.

*Changes in Tax Anticipation Debt*

	Primary Government			Effective Interest	
	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Rate, June 30, 2011
<i>Governmental Activities</i>					
<i>OCPPA General Purpose Fund</i>					
TIF District #4 and #5	<u>\$9,000</u>	<u>\$-</u>	<u>\$1,000</u>	<u>\$8,000</u>	1.2%
	Component Unit			Effective Interest	
	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Rate, June 30, 2011
<i>OCEDT</i>					
TIF District #2 and #3	\$29,120	\$ -	\$1,440	\$27,680	6.53
TIF District #8	18,624	52,559	-	71,183	5.00
TIF interest payable	708	3,977	3,512	1,173	
	<u>\$48,452</u>	<u>\$56,536</u>	<u>\$4,952</u>	<u>\$100,036</u>	

*Tax Anticipation Debt Payment Requirements to Maturity*

	Primary Government		Component Unit					
	OCPPA General Purpose Fund		OCEDT					
	TIF #4 and #5		TIF #2 and #3		TIF #8		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$8,000	\$98	\$1,760	\$1,761	\$ -	\$3,644	\$1,760	\$5,405
2012	-	-	2,085	1,646	-	3,813	2,085	5,459
2013	-	-	2,410	1,523	-	4,006	2,410	5,529
2014	-	-	2,745	1,381	71,183	1,035	73,928	2,416
2015	-	-	1,335	1,261	-	-	1,335	1,261
2016-2020	-	-	8,285	4,694	-	-	8,285	4,694
2021-2025	-	-	9,060	1,322	-	-	9,060	1,322
	<u>\$8,000</u>	<u>\$98</u>	<u>\$27,680</u>	<u>\$13,588</u>	<u>\$71,183</u>	<u>\$12,498</u>	<u>\$98,863</u>	<u>\$26,086</u>

*Pledged Revenues*

**OCPPA TIF Revenues**

In 2011, OCPPA recognized \$695 thousand in property tax collections and \$507 thousand in transfers from the City for sales tax designated to repay TIF issued to support economic development activities.

**OCEDT TIF Revenues**

The OCEDT issued tax anticipation notes to support its economic development activities. The OCEDT TIF Fund reports revenue-supported debt. In 2011, OCEDT recognized \$5.577 million in property taxes and \$4.777 million in payments from the City for sales tax.

**II. B. 5. NOTES, COMMERCIAL PAPER, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE**

*Notes Payable*

**Federal Section 108 Notes Payable**

The City facilitated Federal Section 108 loans, administered by the U.S. Department of Housing and Urban Development (HUD), for the Gold Dome, Climate Craft, Dell Incorporated economic development projects, and a small business revolving loan fund. These loans are secured by HUD guarantees of future Federal grant allocations for repayment through the Community Development Block Grant (CDBG) program. The Gold Dome and Dell Incorporated loans were paid off early in November of 2010. JP Morgan Chase financed current outstanding Federal Section 108 loans for City projects. These loans bear interest ranging from 0.45% - 6.62% and mature from August 1, 2017 through August 1, 2025. Outstanding loans at June 30, 2011, are \$5.677 million. This loan activity is reported in the government-wide financial statements.

**OCPPA General Purpose Fund Capital Financing Note**

On April 25, 2006, OCPPA approved issuance of a capital financing note for the downtown underground improvement project relating to the funding of infrastructure improvements within the underground special improvement and assessment district. The downtown underground consists of a system of pedestrian tunnels used for below surface access to retail shops, restaurants, and other commercial outlets in the tunnels, as well as, surface venue access through underground pedestrian routes protected from the weather and traffic. On May 11, 2006, OCPPA issued a note for \$2 million at an annual fixed rate of 6.364% with principal and interest payable August 1 for ten years, beginning August 1, 2007. At June 30, 2011 the balance due is \$871 thousand and \$26 thousand in accrued interest.

**OCPPA General Purpose Fund Non-Interest Bearing Note Payable**

The OCPPA received a non-interest bearing loan of up to \$780 thousand from the Oklahoma Department of Commerce for the remediation of hazardous waste materials in the Skirvin Hotel. Repayment of the loan was deferred for five years. Annual payments of \$5 thousand commenced February 1, 2010. A loan origination fee of \$16 thousand will apply if the loan is not repaid in full prior to February 2015. As of June 30, 2011, the OCPPA has cumulatively drawn \$708 thousand against the total.

**OCWUT Notes Payable Revolving Loans**

On November 13, 2009, OCWUT finalized two revolving loans for a maximum of \$7.634 million for water line improvements and \$9.469 million in wastewater improvements. Upon completion of the construction projects, each loan has a provision for a minimum 20% match, \$2 million maximum from the American Recovery and Reinvestment Act of 2009. The match was in the form of principal forgiveness in each loan. As of June 30, 2011, \$11.295 million has been received and is outstanding. The interim effective interest rates of the two loans are 2.86% and 3.57% payable on March 15 and September 15 for the term of the loans. Principal payments began on March 15, 2011 and will continue semiannually for the term of the loans. The loans expire on March 15, 2031 and September 15, 2040.

On December 1, 2010, the OCWUT Trust finalized two revolving loans for a maximum of \$24.927 million for wastewater improvements and \$35 million for water line improvements. As of June 30, 2011, \$7.167 million has been received and is outstanding. The interim effective interest rates of the two loans are 3.27% and 3.74% payable on March 15 and September 15 for the term of the loan. Principal payments will commence on the earlier of March 15 or September 15 following the completion of the construction projects or September 15, 2013 and will continue semiannually for the term of the loans. The loans expire on March 15, 2043.

**OCRA Bio-Pharmaceutical Manufacturing Facility Note Payable**

On August 31, 2007, OCRA issued a Bio-Pharmaceutical Manufacturing Facility note payable. The amount refinanced was \$6.528 million including \$28 thousand advanced closing costs. The note bears interest at the lesser of prime minus 1% or LIBOR plus 1%. The initial rate, determined using LIBOR plus 1% was 6.32%. The rate changes annually on July 1. The note matures July 1, 2022 and requires interest only to be paid monthly until August 1, 2010, at which time interest and principal payments commenced. As of June 30, 2011, the balance due is \$6.044 million. The interest rate at June 30, 2011 is 1.53%.

**OCRA Presbyterian Health Foundation Notes Payable**

OCRA issued a \$10.600 million parity tax apportionment revenue note on August 31, 2007. The note matures on July 1, 2022, and interest on the note is calculated as either LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note, and commencing on August 1, 2010, both interest and principal are due on the note. Payments are to be made on the 1st day of each month. As of June 30, 2011, the balance of the note is \$9.856 million. The interest rate at June 30, 2011 is 1.53%.

**OCRA Presbyterian Health Foundation Notes Payable**

On August 31, 2007, OCRA issued a \$5.3 million parity parking revenue note. The note matures on July 1, 2022, and interest on the note is calculated as either the LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note, and commencing on August 1, 2010, both interest and principal are due on the note. Payments are to be made on the 1st day of each month. The note is collateralized from operations of the Presbyterian Health Foundation Parking Garage. As of June 30, 2011, the balance of the note is \$4.929 million. The interest rate at June 30, 2011 is 1.53%.

**OCRA Dean A. McGee Note Payable**

OCRA issued a \$3 million parity tax apportionment revenue note on August 3, 2007. The note matures on July 1, 2022, and interest on the note is calculated as either the LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note and commencing August 1, 2010, both interest and principal are due on the note. As of June 30, 2011, the balance of the note is \$2.790 million. The interest rate at June 30, 2011 is 1.53%.

**Commercial Paper**

On January 17, 2006, OCWUT established a commercial paper program authorizing the issuance of up to \$75 million of tax-exempt commercial paper notes with letter of credit security. On March 4, 2008, OCWUT approved a resolution authorizing an increase in the commercial paper program to an amount not to exceed \$125 million in principal of tax-exempt commercial paper notes at any one time effective April 1, 2008. The commercial paper program provides interim financing for OCWUT's ongoing capital program. Maturity of commercial paper ranges from 1 to 270 days, depending on market conditions at the time of issue.

During fiscal year 2011, commercial paper was issued in the amount of \$28.500 million. In March of 2011, \$64 million of outstanding commercial paper was paid off with the issuance of OCWUT Water and Sewer System Bonds, Series 2011. The total outstanding at June 30, 2011 is \$12 million and the weighted average interest rate for the year is 0.29%.

***Capital Leases***

The City has outstanding capital lease agreements of \$2.057 million. These capital leases were used to finance the acquisition of copiers and office and printing equipment at a cost of \$109 thousand and sanitation equipment at cost of \$5.6 million.

***Estimated Claims Payable***

The City's risk management activities reported with governmental activities are recorded in the Risk Management and the OCMFA Services internal service funds. 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 on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City. Retiree health insurance claims liabilities are reported in OCPEBT.

Significant losses are covered by commercial insurance for all major programs except one employee health care alternative and workers' compensation, for which the City retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City records an estimated liability for indemnity health care, workers' compensation, risk management, torts, pollution remediation, and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage or subrogation. The liability at June 30, 2011 is \$49.491 million.

**Health Insurance Claims Liabilities**

Health insurance claims incurred but not reported for the City's self-insured group indemnity Plan (Indemnity Plan) is calculated by a third-party using the one day weighted average of annual claims over the weighted average days lag in claims reporting. A copy of the third party report can be obtained from Human Resources, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

**Worker's Compensation Claims Liabilities**

Worker's compensation claims incurred but not yet paid are calculated by a third-party using the chain-ladder and additive distribution methods. The City records worker's compensation claims payable at the discounted amount. The undiscounted carrying value at June 30, 2011 is \$46.386 million. Claims are discounted according to present value factors implicit in the U.S. Treasury yields as of June 30, 2010. A copy of the third party report can be obtained from Risk Management, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

**Risk Liabilities**

Reported risk management liabilities constitute estimated insurance damage claims of City funds; are funded through insurance recoveries; and are recorded in the OCMFA Services Fund.

**Tort Claims Liabilities**

Reported judgments (tort liability) are principally funded through property taxes over a three-year period. Taxes collected are recorded in the Debt Service Fund and transferred to the Risk Management Fund.

**Pollution Remediation Claims Liabilities**

Shoreline Cleanup

An abandoned well was discovered on the Oklahoma River Regatta Park shoreline (Community well #11) during excavation related to a shoreline improvement project managed by OCRRA. The project is considered complete and the liability is zero at June 30, 2011.



Katy Trail

Fuel odors were encountered by a construction crew during excavation on the Katy Trail adjoining the Oklahoma City Public Schools, School Bus Service Center. A site assessment was performed and the Oklahoma Corporation Commission is investigating and working with the Oklahoma City Public Schools for potential remediation funding from the State Indemnity Fund. Potential future obligations for the City are not estimable at June 30, 2011.

Street Improvements

During subsurface geotechnical investigations, gasoline odors were encountered in the City right-of-way along North May Avenue. The City hired a consultant to perform a follow-up limited subsurface investigation. A monitoring well was installed for further investigation. Prior to entering the right of way, the City's contractor and the Oklahoma Corporation Commission is required to test for contamination. Remediation costs and funding, if any, will be determined at that time. Currently the liability is less than one thousand dollars and is reported with governmental activities.

University of Central Oklahoma (UCO) Pad Site

Hydrocarbon impacted soil was discovered at the UCO pad site. The project is considered complete and the liability is zero at June 30, 2011.

Double Eagle Superfund Site

The site became polluted when waste oil was improperly disposed of at the site. The City, and others, were asked by Union Pacific Railroad to contribute to the cost of clean-up of the site because records were produced that showed the City paid a waste hauler for disposal of its waste oil which was taken to the site. An initial payment has been made, but the issue of future payments continues to be the subject of litigation between the United States and the Railroad. The City's proposed settlement amount came as a result of direct negotiation between a group of potentially responsible parties identified by the Railroad and the Federal government. Because of the ongoing litigation, additional obligations are possible. The City believes it has met its obligation for site remediation. Potential future obligations are not estimable at year end.

Gulfstream Maintenance Facility

The Wiley Post Airport Gulfstream Maintenance Facility is polluted with chemical compounds caused by certain aviation manufacturing activities. The liability is based on contracts in place for estimated site assessment and site characterization costs provided by the vendor. The remaining obligation will be paid by OCAT and the liability is reported with business-type activities.

**Pollution Remediation Obligations**

Pollution remediation obligations represent estimated and contractually derived obligations to address the current or potential detrimental effects of existing pollution. The pollution remediation obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations.

		<u>Primary Government</u>		
		<u>Estimate</u>	<u>Total</u>	<u>Pollution</u>
		<u>Method and</u>	<u>Estimated</u>	<u>Remediation</u>
		<u>Assumption</u>	<u>Obligation</u>	<u>Obligation</u>
<i>Business-Type Activities</i>				
OCAT Fund				
Gulfstream Maintenance Facility	Vendor estimate		<u>\$66</u>	<u>\$-</u>
				<u>\$66</u>

Estimated Claims Aggregate Liabilities

	Primary Government						Fiduciary
	Governmental Activities					Business-Type	Fund
	Health	Workers'	Risk	Tort	Pollution	Pollution	Health
Care	Compensation			Remediation	Remediation	Care	
Liability balance, July 1, 2009	\$957	\$29,666	\$ -	\$8,049	\$305	\$450	\$709
Claims and changes in estimates	13,612	7,837	-	5,301	(3)	313	17,891
Claims payments	(13,582)	(7,837)	-	(2,470)	(291)	(126)	(17,711)
Liability balance, July 1, 2010	987	29,666	-	10,880	11	637	889
Claims and changes in estimates	14,267	12,975	6,140	2,393	(7)	(561)	18,059
Claims payments	(14,229)	(4,714)	(1,991)	(7,880)	(4)	(10)	(18,017)
<b>Liability balance, June 30, 2011</b>	<b>\$1,025</b>	<b>\$37,927</b>	<b>\$4,149</b>	<b>\$5,393</b>	<b>\$ -</b>	<b>\$66</b>	<b>\$931</b>
<b>Assets available to pay claims</b>	<b>\$8,046</b>	<b>\$18,660</b>	<b>\$5,605</b>	<b>\$2,892</b>	<b>\$90,416</b>	<b>\$77,753</b>	<b>\$8,962</b>

Notes, Commercial Paper, Lease Obligations, and Estimated Claims Payment Requirements to Maturity

	Primary Government						Estimated Claims Payable (3)
	Governmental Activities						
	Notes Payable (1)		Capital Leases (2)				
	Governmental Funds (4)		Governmental Funds		Internal Service Funds		Internal Service Funds
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2012	\$430	\$188	\$8	\$ -	\$11	\$4	\$13,922
2013	459	169	-	-	12	3	34,572
2014	470	150	-	-	13	2	-
2015	1,167	129	-	-	14	1	-
2016	559	108	-	-	-	-	-
2017-2021	2,494	152	-	-	-	-	-
2022-2026	1,677	17	-	-	-	-	-
2027-2031	-	-	-	-	-	-	-
	<b>\$7,256</b>	<b>\$913</b>	<b>\$8</b>	<b>\$ -</b>	<b>\$50</b>	<b>\$10</b>	<b>\$48,494</b>
Range of interest rates	0% - 6.62%		0.1		0.0797		
Cost of assets			<b>\$49</b>		<b>\$60</b>		
Accumulated depreciation			<b>\$42</b>		<b>\$12</b>		

(continued)

Notes, Commercial Paper, Lease Obligations, and Estimated Claims Payment Requirements to Maturity (continued)

<b>Primary Government</b>							
<i>Business-Type Activities</i>							
	<u>Notes Payable</u>		<u>Commercial Paper</u>		<u>Capital Leases (2)</u>		Estimated
	<u>OCWUT</u>		<u>OCWUT</u>		<u>OCEAT</u>		Claims
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Payable</u>
							<u>OCAT</u>
							<u>Principal</u>
2012	\$349	\$516	\$12,000	\$34	\$1,186	\$48	\$66
2013	564	501	-	-	813	10	-
2014	579	485	-	-	-	-	-
2015	595	469	-	-	-	-	-
2016	611	1,138	-	-	-	-	-
2017-2021	3,316	1,844	-	-	-	-	-
2022-2026	3,796	1,333	-	-	-	-	-
2027-2031	4,347	792	-	-	-	-	-
2032-2036	2,016	390	-	-	-	-	-
2037-2041	2,098	111	-	-	-	-	-
2042-2046	191	-	-	-	-	-	-
	<b><u>\$18,462</u></b>	<b><u>\$7,579</u></b>	<b><u>\$12,000</u></b>	<b><u>\$34</u></b>	<b><u>\$1,999</u></b>	<b><u>\$58</u></b>	<b><u>\$66</u></b>
Range of interest rates	2.36% - 3.24%		0.216%-0.305%		3.31%		
Cost of assets					<b><u>\$5,600</u></b>		
Accumulated depreciation					<b><u>\$469</u></b>		

	<u>Component Unit</u>		<u>OPEB Trust Funds</u>
	<u>Notes Payable (1)</u>		Estimated
	<u>OCRA</u>		Claims Payable
	<u>Principal</u>	<u>Interest</u>	<u>OCPEBT</u>
			<u>Principal</u>
2012	\$1,997	\$288	\$931
2013	2,025	258	-
2014	2,051	232	-
2015	2,076	207	-
2016	2,279	195	-
2017-2021	10,737	488	-
2022-2026	2,454	18	-
	<b><u>\$23,619</u></b>	<b><u>\$1,686</u></b>	<b><u>\$931</u></b>
Range of interest rates	0% - 3.46%		

- (1) Notes payable includes non-interest bearing notes.
- (2) For capital leases, totals of principal and interest components equal required minimum payments for periods shown, and total principal equals the net present value of these leases.
- (3) There is no effective method to determining the future maturities of actuarially determined estimated claims payable.
- (4) Governmental notes payable include Section 108 loans secured by the U.S. Department of Housing and Urban Development and use variable interest rates tied to prime. Interest is estimated using the rate in effect at June 30.

**II. B. 6. BONDS PAYABLE**

*Unamortized Bond Discount/Premium and Deferred Bonded Amount on Refunding*

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Bonds payable	\$565,670	\$577,475	\$1,143,145	\$15,490
Unamortized bond discount/premium	14,777	7,891	22,668	355
Deferred amount on refunding	(2,889)	(1,286)	(4,175)	(428)
<b>Bonds payable, net</b>	<b><u>\$577,558</u></b>	<b><u>\$584,080</u></b>	<b><u>\$1,161,638</u></b>	<b><u>\$15,417</u></b>

*General Obligation Bonds*

**Bond Indentures and Covenants**

General obligation bonds, issued by City for various municipal improvements, are approved by the voters and repaid with property taxes recorded in the Debt Service Fund. These bonds are required to be fully paid within 25 years from the date of issue and are backed by the full faith and credit of the City. The City has no debt outstanding subject to legal debt limitations. The City's borrowing capacity is restrained by maintaining the City's debt at a responsible level. Other debt issued to support governmental activities is repaid as follows: compensated absences are paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund; lease obligations are primarily paid from the General Fund; and liabilities payable from internal service funds are indicated by fund in the table summarizing changes in long-term debt.

**Issuances**

2011 Non-Taxable General Obligation Bonds

On March 1, 2011, the City issued \$43 million in Oklahoma City General Obligations Bonds with an average interest rate of 4.34%. Total proceeds included \$2.826 million in premium. Issuance costs were \$461 thousand. Net proceeds of \$45.65 million will be used to fund infrastructure improvements. The bonds mature on March 1, 2031.

**General Obligation Bonds Authorized But Unissued**

	2007 Authorization
Streets	\$376,260
Bridges	16,510
Traffic control	16,215
Drainage control	22,630
Parks & recreational facilities	69,950
Fire facilities	13,445
Police facilities	39,675
City maintenance facilities	7,580
Libraries	17,675
Economic & community development	39,000
<b>Total</b>	<b><u>\$618,940</u></b>

*Revenue Bonds*

**Bond Indentures and Covenants**

Revenue bonds outstanding consist of debt issued by the various public trusts. The debt of these trusts does not constitute debt of the City and is payable solely from resources of the trusts. In general, respective facilities and revenues derived from them are pledged for the payment of revenue bond debt service. Debt is issued for the purposes of the fund or component unit responsible for payment.

Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts. Specifically, the bond indentures for the OCAT bonds require project, bond (sinking), and various construction accounts. The general bond indenture and its supplements for OCWUT water and wastewater system bonds require the use of revenue, bond, operations and maintenance, reserve, construction, and renewal and replacement accounts. The OCEAT bond indenture requires the use of construction, revenue, and bond accounts. The MCA bond indenture requires the use of bond proceeds, project, revenue, and bond accounts. The OCPPA Golf Courses bond indenture requires the use of gross revenue, sinking, bond reserve, contingency, and future expansion accounts. The OCPPA Fairgrounds bond indenture requires the use of project, principal, interest, and reserve accounts. The OCPPA Fairgrounds bonds are collateralized by pledged hotel-motel taxes transferred from the City under a security agreement and subject to annual appropriations.

The COTPA Parking bond indenture requires the use of revenue, bond, operating and maintenance, major maintenance and replacement, reserve, construction, and special use accounts. The OCZT bonds are collateralized by the sales tax agreement with the City for sales tax designated for the Zoo and the indenture requires maintenance of bond reserve, principal (sinking), and construction accounts. The reporting entity is in compliance with all significant requirements of the various bond covenants.

#### **Issuances**

##### OCAT Airport Junior Lien Series 30 Bonds

On March 3, 2011, OCAT issued \$28.675 million Airport Junior Lien Series 30 Bonds. The proceeds from the bonds refunded \$29.665 million in outstanding aggregate principal amount of the Airport Junior Lien Series 22B Bonds and the Airport Junior Lien Series 27B Bonds.

##### OCWUT Water and Wastewater System Revenue Bonds

On February 9, 2011, OCWUT issued \$68.725 million Water and Wastewater System Revenue Bonds, Series 2011. The Series 2011 bonds provided funds to refund \$64 million in outstanding commercial paper issued for the Water and Sewer System.

##### OCPPA Golf System Refunding Revenue Bonds Series 2010

On September 1, 2010, OCPPA issued \$8.465 million Revenue Refunding Bonds, Series 2010. The proceeds from the Series 2010 bonds, less issue costs of \$69 thousand, along with the debt service reserve for the Golf System Refunded Revenue Bonds Series 1998 of \$955 thousand and the balance of principal account of \$450 thousand, were used to defease the Series 1998 balance of \$9.780 million, leaving a balance of \$21 thousand which is included in restricted investments account to be used for future projects.

#### **Conduit Debt**

The OCAT issued four special limited obligations to construct the Federal Aviation Administration (FAA) Registry building and the Federal Bureau of Prisons Transfer Center. These facilities are located on City-owned property leased to OCAT and reported as OCAT Fund assets. The bonds and interest are limited obligations of OCAT payable only from lease rental income from the U.S. Government. The aggregate principal amount payable at June 30, 2011 is \$35.310 million.

*Bonded Debt Service Requirements To Maturity*

	Primary Government							
	Governmental Activities		Business-Type Activities					
	General Obligation Bonds		Revenue Bonds					
	Principal	Interest	OCAT		OCWUT		MCA	
Principal			Interest	Principal	Interest	Principal	Interest	
2012	\$44,410	\$25,028	\$17,740	\$7,146	\$9,039	\$22,133	\$3,305	\$34
2013	45,135	23,047	19,215	6,087	10,434	22,367	3,505	31
2014	43,940	21,132	13,370	4,974	10,509	22,203	3,715	29
2015	41,355	19,145	20,950	3,680	10,829	21,948	3,935	27
2016	41,330	17,180	6,745	2,686	11,070	21,669	4,170	25
2017-2021	174,955	60,064	37,180	8,293	47,165	65,935	24,930	83
2022-2026	125,235	26,662	14,470	1,301	49,140	46,332	12,195	11
2027-2031	49,310	4,980	1,640	34	54,430	33,749	-	-
2031-2036	-	-	-	-	61,755	18,802	-	-
2037-2042	-	-	-	-	45,549	4,896	-	-
<b>Totals</b>	<b>\$565,670</b>	<b>\$197,238</b>	<b>\$131,310</b>	<b>\$34,201</b>	<b>\$309,920</b>	<b>\$280,034</b>	<b>\$55,755</b>	<b>\$240</b>

	Primary Government						Component Units			
	Business-Type Activities						Revenue Bonds			
	Revenue Bonds									
	OCEAT		OCPPA Golf Courses		OCPPA Fairgrounds		OCZT		COTPA	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$340	\$137	\$470	\$259	\$1,835	\$3,397	\$500	\$192	\$1,715	\$509
2013	350	124	505	244	1,940	3,307	530	173	1,805	421
2014	360	112	525	228	2,045	3,213	545	155	1,895	329
2015	375	99	540	211	2,155	3,111	575	128	2,000	229
2016	390	85	555	194	2,115	3,006	605	99	1,755	130
2017-2021	855	305	3,060	689	12,295	13,290	1,960	156	1,605	42
2022-2026	1,040	113	2,810	181	16,045	9,528	-	-	-	-
2027-2031	-	-	-	-	16,530	4,805	-	-	-	-
2032-2036	-	-	-	-	13,355	919	-	-	-	-
<b>Totals</b>	<b>\$3,710</b>	<b>\$975</b>	<b>\$8,465</b>	<b>\$2,006</b>	<b>\$68,315</b>	<b>\$44,576</b>	<b>\$4,715</b>	<b>\$903</b>	<b>\$10,775</b>	<b>\$1,660</b>

*Outstanding Bonds, Maturity Dates, and Interest Rates*

	<b>Primary Government</b>			
	<u>Amount of Original Issue</u>	<u>Range of Final Maturity Dates</u>	<u>Range of Interest Rates</u>	<u>Outstanding Balance</u>
<i>Governmental Activities</i>				
General obligation bonds	\$839,905	2012-2031	3.46 – 5.63%	\$565,670
<i>Business-Type Activities</i>				
Revenue bonds - major enterprise funds				
OCAT Fund	242,155	2011 – 2027	1.6 – 9.8	131,310
OCWUT Fund	346,930	2017-2041	0.6 – 7.85	309,920
MCA Fund	91,860	2023	3.0 – 6.0	55,755
OCEAT Fund	8,410	2026	3.0 – 4.25	3,710
Revenue bonds - other enterprise funds				
OCPPA Golf Courses Fund	13,495	2024	3.25 – 5.25	8,465
OCPPA Fairgrounds Fund	72,820	2030-2034	4.0 – 5.5	68,315
<b>Component Units</b>				
	<u>Amount of Original Issue</u>	<u>Range of Final Maturity Dates</u>	<u>Range of Interest Rates</u>	<u>Outstanding Balance</u>
Revenue bonds - OCZT	5,660	2019	3.125 – 5.0	4,715
Revenue bonds - COTPA	24,835	2017	5.0 – 5.25	10,775

***Bond Interest Payable***

The Series 1986C OCWUT Water Revenue Bonds accumulated deferred interest until 2005 when the bonds began to mature. The non-current interest payable at June 30, 2011 is \$34.634 million.

***Bond Defeasance***

**Prior Years Defeasance**

In prior years, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust or escrow account to provide for all future debt service payments on the old bonds. This results in a transfer of liability to the irrevocable trust or escrow account trustee. Accordingly, the trust or escrow accounts and the defeased bonds are not included in the financial statements.

**Current Year Defeasance**

**Golf System Refunding Revenue Bonds Series 1998**

On September 1, 2010, the proceeds from the Golf System Refunding Revenue Bonds Series 2010, less issue costs of \$68 thousand, along with the debt service reserve for the Golf System Refunding Revenue Bonds Series 1998 of \$954 thousand and the balance of principal account of \$450 thousand, were used to defease the Series 1998 balance of \$9.780 million, leaving a balance of \$21 thousand which is included in the restricted investments account to be used for future projects. The Series 1998 bonds carried an average interest rate of 5.15% while the Series 2010 bond issue interest rate is 3.15%. The aggregate difference in debt service requirements between the refunded debt and the new issue is \$3.428 million. The OCPPA Golf Courses Fund recognized a gain of \$1.474 million on the defeasance.

Airport Junior Lien Bonds Series 22B and 27B

On March 3, 2011, the proceeds from the Airport Junior Lien Bonds Series 30 were used to refund certain maturities of the Oklahoma City Airport Trust Junior Lien Tax-Exempt Bonds, Series 22B and 27B, in order to lower the overall junior lien debt service payments, and to pay the costs of issuance of the bonds. The series 22B and 27B bonds carried average interest rates of 5.1% and 5.29%, respectfully, while the series 30 bond issue interest rate is 4.29%. The aggregate difference in debt service requirements between the refunded debt and the new issue is \$7,498,899. The refunding resulted in present value savings of \$1,996,737 or 6.73% of the refunded bonds.

**Outstanding Defeased Bonds**

		<b>Primary Government</b>		
	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>	<u>Outstanding Balance</u>
<i>Governmental Activities</i>				
General obligation bonds	Combined purpose	2001	\$20,505	\$20,505
<i>Business-Type Activities</i>				
OCWUT Fund	Water and wastewater utilities system	1977 Series F	6,480	2,110
OCWUT Fund	Water and wastewater utilities system	1977 Series G	1,865	645
OCAT Fund	Airport facilities	Junior Lien 22B Series (1)	625	-
OCAT Fund	Airport facilities	Junior Lien 27A Series (1)	35,520	-
OCAT Fund	Airport facilities	Junior Lien 27B Series (1)	29,040	-
Golf Courses Fund	Golf courses	Series 1998 (1)	9,780	-
			<u>\$103,815</u>	<u>\$23,260</u>
		<b>Component Unit</b>		
	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>	<u>Outstanding Balance</u>
COTPA Parking	Parking	Series 2003	\$23,635	\$22,810
COTPA Parking	Parking	Series 2006A	5,655	4,915
			<u>\$29,290</u>	<u>\$27,725</u>

(1) Bonds were redeemed or called during fiscal year 2011.

**Segment Information and Pledged Revenues**

The City issues revenue bonds to support a variety of public services. The fund financial statements report major funds with revenue-supported debt for the OCAT, OCWUT, MCA and OCEAT Funds. OCZT and OCRA financial information for revenue bonds within the combining component unit's financial statements is also included in the basic financial statements.

Other funds of the primary government with revenues pledged for bonded debt are the OCPPA Golf Courses Fund which provides for the operations of four municipal golf courses (excluding James E. Stewart Golf Course) and the OCPPA Fairgrounds Fund which reports fairgrounds development activity. COTPA Parking is a fund of COTPA. COTPA Parking provides public parking primarily in downtown Oklahoma City.



Condensed Statement of Net Assets

	Primary Government		Component Unit
	<i>Business-Type Activities</i>		
	OCPPA Golf Courses (1)	OCPPA Fairgrounds	
			COTPA Parking
<b><u>ASSETS</u></b>			
Current assets	\$2,755	\$7,617	\$10,742
Non-current assets	<u>8,019</u>	<u>64,999</u>	<u>17,019</u>
<b>Total assets</b>	<b><u>10,774</u></b>	<b><u>72,616</u></b>	<b><u>27,761</u></b>
<b><u>LIABILITIES</u></b>			
Current liabilities	1,230	4,966	2,868
Non-current liabilities	<u>10,101</u>	<u>68,145</u>	<u>10,299</u>
<b>Total liabilities</b>	<b><u>11,331</u></b>	<b><u>73,111</u></b>	<b><u>13,167</u></b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	(419)	(495)	6,096
Restricted	354	-	1,717
Unrestricted	<u>(492)</u>	<u>-</u>	<u>6,781</u>
<b>Total net assets</b>	<b><u>(\$557)</u></b>	<b><u>(\$495)</u></b>	<b><u>\$14,594</u></b>

(1) Does not include James E. Stewart Golf Course because those revenues are not pledged.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	Primary Government		Component Unit
	<i>Business-Type Activities</i>		
	OCPPA Golf Courses (1)	OCPPA Fairgrounds	
			COTPA Parking
<b><u>OPERATING INCOME</u></b>			
Operating revenues	\$8,193	\$ -	\$6,139
Depreciation expense	(1,214)	(4,418)	(549)
Other operating expenses	<u>(6,848)</u>	<u>(8)</u>	<u>(3,220)</u>
<b>Operating income (loss)</b>	<b>131</b>	<b>(4,426)</b>	<b>2,370</b>
<b><u>NON-OPERATING REVENUES</u></b>			
<b><u>(EXPENSES)</u></b>			
Interest expense	(380)	(2,141)	(492)
Other	(88)	(71)	103
Transfers	<u>761</u>	<u>9,773</u>	<u>-</u>
<b>Changes in net assets</b>	<b>424</b>	<b>3,135</b>	<b>1,981</b>
Beginning net assets	(871)	15,284	12,613
Prior period adjustment	<u>(110)</u>	<u>(18,914)</u>	<u>-</u>
<b>Ending net assets</b>	<b><u>(\$557)</u></b>	<b><u>(\$495)</u></b>	<b><u>\$14,594</u></b>

(1) Does not include James E. Stewart Golf Course because those revenues are not pledged.

Condensed Statement of Cash Flows

	Primary Government		Component
	<i>Business-Type Activities</i>		Unit
	OCPPA Golf Courses (1)	OCPPA Fairgrounds	COTPA Parking
<b><u>NET CASH PROVIDED (USED) BY</u></b>			
Operating activities	\$287	(\$8)	\$3,028
Non-capital financing activities	766	10,678	9
Capital and related financing activities	(2,292)	(9,071)	(3,511)
Investing activities	<u>1,031</u>	<u>1,264</u>	<u>626</u>
<b>Net increase (decrease) in cash</b>	<b>(208)</b>	<b>2,863</b>	<b>152</b>
Beginning cash	<u>1,728</u>	<u>33</u>	<u>959</u>
<b>Ending cash</b>	<b><u>\$1,520</u></b>	<b><u>\$2,896</u></b>	<b><u>\$1,111</u></b>

(1) Does not include James E. Stewart Golf Course because those revenues are not pledged.

II. B. 7. CHANGES IN LONG-TERM LIABILITIES

	Primary Government					
	Balance <u>July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2011</u>	Due Within <u>One Year</u>	Due After <u>One Year</u>
<i>Governmental Activities</i>						
<b><u>COMPENSATED ABSENCES</u></b>						
Governmental funds	\$70,177	\$26,783	\$28,634	\$68,326	\$20,943	\$47,383
Internal service funds	<u>1,996</u>	<u>835</u>	<u>957</u>	<u>1,874</u>	<u>638</u>	<u>1,236</u>
	<u>72,173</u>	<u>27,618</u>	<u>29,591</u>	<u>70,200</u>	<u>21,581</u>	<u>48,619</u>
<b><u>NOTES, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE</u></b>						
Governmental funds:						
Notes payable	12,256	-	5,000	7,256	430	6,826
Lease obligations payable	111	-	103	8	8	-
Estimated claims payable	11	-	11	-	-	-
Internal service funds:						
Lease obligations payable	13	50	13	50	11	39
Estimated claims payable	<u>41,533</u>	<u>35,768</u>	<u>28,807</u>	<u>48,494</u>	<u>13,922</u>	<u>34,572</u>
	<u>53,924</u>	<u>35,818</u>	<u>33,934</u>	<u>55,808</u>	<u>14,371</u>	<u>41,437</u>
<b><u>BONDS PAYABLE (1)</u></b>						
Governmental funds-general obligation bonds	<u>561,740</u>	<u>43,000</u>	<u>39,070</u>	<u>565,670</u>	<u>44,410</u>	<u>521,260</u>
<b><u>NET OPEB OBLIGATION</u></b>						
Governmental funds	41,930	33,013	14,060	60,883	-	60,883
Internal service funds	<u>1,537</u>	<u>1,071</u>	<u>493</u>	<u>2,115</u>	<u>-</u>	<u>2,115</u>
	<u>43,467</u>	<u>34,084</u>	<u>14,553</u>	<u>62,998</u>	<u>-</u>	<u>62,998</u>

(continued)

II. B. 7. CHANGES IN LONG-TERM LIABILITIES (continued)

	Primary Government					
	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Due Within One Year	Due After One Year
<i>Business-Type Activities</i>						
<u>COMPENSATED ABSENCES</u>						
Water and Wastewater Fund	5,396	2,947	2,990	5,353	1,895	3,458
MCA	46	24	7	63	8	55
Other enterprise funds	<u>3,459</u>	<u>2,308</u>	<u>1,967</u>	<u>3,800</u>	<u>1,332</u>	<u>2,468</u>
	<u>8,901</u>	<u>5,279</u>	<u>4,964</u>	<u>9,216</u>	<u>3,235</u>	<u>5,981</u>
<u>INTERGOVERNMENTAL PAYABLE (2)</u>						
OCWUT	39,542	1,652	-	41,194	-	41,194
MCA	<u>53</u>	<u>22</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>75</u>
	<u>39,595</u>	<u>1,674</u>	<u>-</u>	<u>41,269</u>	<u>-</u>	<u>41,269</u>
<u>NOTES, COMMERCIAL PAPER, AND LEASE OBLIGATIONS</u>						
Estimated claims payable-OCAT	637	-	571	66	66	-
Notes payable-OCWUT	9,111	13,478	4,127	18,462	349	18,113
Commercial paper-OCWUT	47,500	28,500	64,000	12,000	12,000	-
Lease obligations payable-OCEAT	<u>3,147</u>	<u>-</u>	<u>1,148</u>	<u>1,999</u>	<u>1,186</u>	<u>813</u>
	<u>60,395</u>	<u>41,978</u>	<u>69,846</u>	<u>32,527</u>	<u>13,601</u>	<u>18,926</u>
<u>BOND INTEREST PAYABLE, NON-CURRENT (3)</u>						
Revenue bond interest payable, non-current-OCWUT	<u>39,539</u>	<u>-</u>	<u>4,905</u>	<u>34,634</u>	<u>-</u>	<u>34,634</u>
<u>BONDS PAYABLE (REVENUE BONDS) (1)</u>						
OCAT	152,935	28,675	50,300	131,310	17,740	113,570
OCWUT	246,719	68,725	5,524	309,920	9,039	300,881
MCA	58,875	-	3,120	55,755	3,305	52,450
OCEAT	4,745	-	1,035	3,710	340	3,370
Other enterprise funds	<u>79,840</u>	<u>8,465</u>	<u>11,525</u>	<u>76,780</u>	<u>2,305</u>	<u>74,475</u>
	<u>543,114</u>	<u>105,865</u>	<u>71,504</u>	<u>577,475</u>	<u>32,729</u>	<u>544,746</u>
<u>NET OPEB OBLIGATION</u>						
Water and Wastewater Fund	6,073	4,720	2,719	8,074	-	8,074
Other enterprise funds	<u>5,628</u>	<u>1,439</u>	<u>1,466</u>	<u>5,601</u>	<u>-</u>	<u>5,601</u>
	<u>11,701</u>	<u>6,159</u>	<u>4,185</u>	<u>13,675</u>	<u>-</u>	<u>13,675</u>
<b>Total primary government (4) (5)</b>	<b><u>\$1,434,549</u></b>	<b><u>\$301,475</u></b>	<b><u>\$272,552</u></b>	<b><u>\$1,463,472</u></b>	<b><u>\$129,927</u></b>	<b><u>\$1,333,545</u></b>

(continued)

II. B. 7. CHANGES IN LONG-TERM LIABILITIES (continued)

	Component Units					
	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011	Due Within One Year	Due After One Year
<u>COMPENSATED ABSENCES</u>						
OCZT	\$163	\$26	\$ -	\$189	\$189	\$ -
COTPA	466	318	322	462	178	284
	629	344	322	651	367	284
<u>NOTES, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE</u>						
Note payable-OCRA	25,400	-	1,781	23,619	1,997	21,622
<u>BONDS PAYABLE (REVENUE BONDS) (1)</u>						
OCZT	5,210	-	495	4,715	500	4,215
COTPA	12,410	-	1,635	10,775	1,715	9,060
	17,620	-	2,130	15,490	2,215	13,275
<u>NET OPEB OBLIGATION</u>						
OCZT	1,214	(470)	-	744	-	744
COTPA	93	70	26	137	-	137
	1,307	(400)	26	881	-	881
<b>Total component units</b>	<b>\$44,956</b>	<b>(\$56)</b>	<b>\$4,259</b>	<b>\$40,641</b>	<b>\$4,579</b>	<b>\$36,062</b>

- (1) Bonds payable does not include unamortized bond discount/premium or deferred amounts on refunding.  
 (2) Intergovernmental payable does not include amounts payable within one year.  
 (3) Bond interest payable does not include amounts payable within one year.  
 (4) Fiduciary fund liabilities are detailed below:

	Balance			Balance June 30, 2011	Due Within One Year	Due After One Year
	July 1, 2010	Issued	Retired			
<u>Pension Trust Fund</u>						
Compensated absences - OCERS	\$47	\$20	\$13	\$54	\$17	\$37
Net OPEB obligation - OCERS	21	16	8	29	-	29
	\$68	\$36	\$21	\$83	\$17	\$66
<u>OPEB Trust Fund</u>						
Estimated claims payable - OCPEBT	\$889	\$18,059	\$18,017	\$931	\$931	\$ -

- (5) Long-term payable to/from the primary government/component units are not included above.

II. C. INTERFUND BALANCES

*Within the Primary Government*

	Primary Government							
	Governmental Activities							
	Major Governmental			General Obligation Bonds	Other Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
	General	Debt Service	Grants					
<b><u>DUE FROM</u></b>								
<b><u>OTHER FUNDS</u></b>								
<b>Primary Government</b>								
<i>Governmental Activities</i>								
General	\$ -	\$ -	\$2,067	\$963	\$789	\$3,819	\$96	\$3,915
Debt Service	727	-	-	-	-	727	-	727
Grants Management	-	-	-	2,293	-	2,293	-	2,293
MAPS3 Sales Tax	1,245	-	-	-	-	1,245	-	1,245
Other governmental funds	<u>13,856</u>	<u>-</u>	<u>135</u>	<u>4,465</u>	<u>1,317</u>	<u>19,773</u>	<u>36</u>	<u>19,809</u>
Total governmental funds	15,828	-	2,202	7,721	2,106	27,857	132	27,989
Internal service funds	<u>1,411</u>	<u>5,450</u>	<u>9</u>	<u>-</u>	<u>127</u>	<u>6,997</u>	<u>-</u>	<u>6,997</u>
Total governmental activities	<u>17,239</u>	<u>5,450</u>	<u>2,211</u>	<u>7,721</u>	<u>2,233</u>	<u>34,854</u>	<u>132</u>	<u>34,986</u>
<i>Business Type Activities</i>								
OCWUT	-	-	-	-	1,439	1,439	469	1,908
Water and Wastewater Fund	-	-	-	-	-	-	1	1
OCBAT	-	-	-	-	26	26	-	26
Other enterprise funds	<u>-</u>	<u>-</u>	<u>16</u>	<u>30</u>	<u>10</u>	<u>56</u>	<u>1</u>	<u>57</u>
Total business-type activities	<u>-</u>	<u>-</u>	<u>16</u>	<u>30</u>	<u>1,475</u>	<u>1,521</u>	<u>471</u>	<u>1,992</u>
<b>Total due from other funds</b>	<b><u>17,239</u></b>	<b><u>5,450</u></b>	<b><u>2,227</u></b>	<b><u>7,751</u></b>	<b><u>3,708</u></b>	<b><u>36,375</u></b>	<b><u>603</u></b>	<b><u>36,978</u></b>
<b><u>ADVANCE TO</u></b>								
<b><u>OTHER FUNDS (1)</u></b>								
<b>Primary Government</b>								
<i>Governmental Activities</i>								
General	-	-	-	-	928	928	-	928
Other governmental funds	<u>5,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,452</u>	<u>9,184</u>	<u>-</u>	<u>9,184</u>
Total governmental activities	<u>5,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,380</u>	<u>10,112</u>	<u>-</u>	<u>10,112</u>
<b>Total advance to other funds</b>	<b><u>5,732</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,380</u></b>	<b><u>10,112</u></b>	<b><u>-</u></b>	<b><u>10,112</u></b>
	<b><u>\$22,971</u></b>	<b><u>\$5,450</u></b>	<b><u>\$2,227</u></b>	<b><u>\$7,751</u></b>	<b><u>\$8,088</u></b>	<b><u>\$46,487</u></b>	<b><u>\$603</u></b>	<b><u>\$47,090</u></b>

(continued)

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

CITY OF OKLAHOMA CITY, OKLAHOMA

Within the Primary Government (continued)

	Primary Government								
	Governmental Activities								
	Major Business-Type				Other			Internal	Total
	OCWUT	Water and Wastewater	MCA	OCEAT	Enterprise Funds	Business Type Activities	Activities		
<b><u>DUE FROM</u></b>									
<b><u>OTHER FUNDS</u></b>									
<b>Primary Government</b>									
<i>Governmental Activities</i>									
General	\$570	\$793	\$ -	\$39	\$383	\$1,785	\$5,700	(\$17,239)	(\$11,539)
Debt Service	-	-	-	-	-	-	727	(5,450)	(4,723)
Grants Management	-	-	-	-	-	-	2,293	(2,227)	66
MAPS3 Sales Tax	-	-	-	-	-	-	1,245	-	1,245
General Obligation Bonds	-	-	-	-	-	-	-	(7,751)	(7,751)
Other governmental funds	-	114	-	-	478	592	20,401	(3,708)	16,693
Total governmental funds	570	907	-	39	861	2,377	30,366	(36,375)	(6,009)
Internal service funds	-	9	-	-	34	43	7,040	68	7,108
Internal activity allocation	-	-	-	-	-	-	-	44,272	44,272
Total governmental activities	<u>570</u>	<u>916</u>	<u>-</u>	<u>39</u>	<u>895</u>	<u>2,420</u>	<u>37,406</u>	<u>7,965</u>	<u>\$45,371</u>
<i>Business Type Activities</i>									
OCWUT	-	783	-	-	361	1,144	3,052	(628)	2,424
Water and Wastewater Fund	-	-	-	-	-	-	1	(2,306)	(2,305)
OCEAT	58	69	-	-	87	214	240	(1,209)	(969)
Other enterprise funds	-	538	-	1,170	-	1,708	1,765	(1,343)	422
Internal activity allocation	-	-	-	-	-	-	-	(44,272)	(44,272)
Total business-type activities	<u>58</u>	<u>1,390</u>	<u>-</u>	<u>1,170</u>	<u>448</u>	<u>3,066</u>	<u>5,058</u>	<u>(49,758)</u>	<u>(44,700)</u>
<b>Total due from other funds</b>	<b><u>628</u></b>	<b><u>2,306</u></b>	<b><u>-</u></b>	<b><u>1,209</u></b>	<b><u>1,343</u></b>	<b><u>5,486</u></b>	<b><u>42,464</u></b>		
<b><u>ADVANCE TO</u></b>									
<b><u>OTHER FUNDS (1)</u></b>									
<b>Primary Government</b>									
<i>Governmental Activities</i>									
General	-	-	-	-	-	-	928	(928)	-
Other governmental funds	-	-	-	-	-	-	9,184	(9,184)	-
Total governmental funds	-	-	-	-	-	-	10,112	(10,112)	-
Internal service funds	-	-	-	-	671	671	671	(1,342)	(671)
Total governmental activities	-	-	-	-	671	671	10,783	(11,454)	(671)
<i>Business Type Activities</i>									
OCWUT	-	-	43,257	-	-	43,257	43,257	(43,257)	-
<b>Total advance to other funds</b>	<b>-</b>	<b>-</b>	<b>43,257</b>	<b>-</b>	<b>671</b>	<b>43,928</b>	<b>54,040</b>	<b>(54,711)</b>	<b>(671)</b>
	<b><u>\$628</u></b>	<b><u>\$2,306</u></b>	<b><u>\$43,257</u></b>	<b><u>\$1,209</u></b>	<b><u>\$2,014</u></b>	<b><u>\$49,414</u></b>	<b><u>\$96,504</u></b>	<b><u>(\$104,469)</u></b>	<b><u>(\$45,371)</u></b>

(1) These balances are not expected to be repaid within one year.

Advances From OCMFA Services Fund to OCPPA Golf Courses Fund

In February 2001 a loan for \$1.060 million from the OCMFA Workers' Compensation Reserves to OCPPA was approved for reconstruction of the greens at Trosper Park Golf Course. The loan is being repaid from a \$1 per golf round surcharge increase, which was approved by resolution at the same time as the loan. The loan was refinanced in November 2004 for a longer period, at a lower interest rate of 4.6%, with the final payment due in March 2012. At June 30, 2011, the balance of this loan is \$52 thousand which includes accrued interest of less than a thousand.

In April 2006 a loan for \$481 thousand from the workers compensation reserves to the OCPPA Golf Courses Fund was approved for the purchase of 140 new golf carts. The loan is being repaid from Lake Hefner Golf Course revenues. The loan was to be repaid over five years at an annual interest rate of 5.36% beginning June 1, 2006 with final payment due on May 1, 2011. The balance of this note was paid by Lake Hefner Golf Course in May 2011.

On February 26, 2008 a loan for \$1.270 million from the worker's compensation reserves to OCPPA Golf Courses Fund was approved for the purchase of new golf carts. The loan will be repaid over six years at an annual rate of 3.67% beginning April 1, 2008 with the final payment due March 1, 2014. The balance of this loan at June 30, 2011 is \$617 thousand and \$2 thousand accrued interest.

Advance From OCWUT to MCA

The agreement between OCWUT and MCA guarantees that OCWUT will make up any shortfalls of MCA for debt service requirements, operations and maintenance, extraordinary expenses and capital improvements, as well as funds necessary to maintain the bond fund minimum required balance reserve. MCA has recorded an advance from OCWUT to recognize the amount loaned under the agreement. At June 30, 2011 the balance due to OCWUT is \$43.257 million. It is not anticipated that MCA will repay OCWUT in the near future.

Advance From City and Schools Use Tax Fund and General Fund to OCPPA General Purpose Fund

On October 14, 2008 a loan for \$1.031 million from the City and Schools Use Tax Fund to OCPPA General Purpose Fund was approved. The loan is to be repaid by the General Fund and OCPPA General Purpose Fund over a seven year period at an interest rate of 2%. The balance of the loan at June 30, 2011 is \$766 thousand, which includes \$4 thousand in accrued interest. The General Fund owes \$631 thousand in principal and \$4 thousand in interest while OCPPA owes \$131 thousand. It is anticipated that the OCPPA General Purpose Fund will repay the General Fund after it satisfies the City and Schools Use Tax Fund. The amount due to the General Fund is \$877 thousand in principal and \$51 thousand in accrued interest.

Advance From City and Schools Use Tax Fund to OCPPA General Purpose Fund

On February 16, 2010 the OCPPA received \$3.2 million from the City and School Use Tax Fund. The funds are to be used for the Cox 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 Center events. The OCPPA will replenish the City and Schools Use Tax Fund with an interest rate of 4.19% over a 10-year period. The balance of the loan at June 30, 2011 is \$3.299 million including accrued interest of \$22 thousand.

Advance From City and Schools Use Tax Fund, MAPS Operations Fund and Police and Fire Use Tax Fund to General Fund

In 2002, the City Council adopted a funding plan for the Bass Pro Shops project. The plan recommended that building construction be funded through an appropriation to the OCURA. The funds were paid out of the Police and Fire Equipment Use Tax Fund, the MAPS Operations Fund and the City and Schools Use Tax Fund. The General Fund would then reimburse the funds over the next 15 years at an interest rate of 5.17%. The General Fund paid the balance of the advance from the Police and Fire Equipment Use Tax Fund in 2006. The General Fund paid the balance of the advance from the MAPS Operations Fund in 2011. The General Fund has an outstanding balance to the City and Schools Use Tax Fund of \$3.766 million in principal plus \$1.331 million in interest.

III. NET ASSETS AND FUND BALANCE

III. A. FUND BALANCE

Implementation of New Accounting Standard

Effective July 1, 2010, the City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement requires the City to classify fund balances as spendable or non-spendable and to specifically identify restrictions or limitations on spendable amounts. Implementing this standard had no impact on reported total fund balances, only the classification of those fund balances. This statement broadened the definition of a capital project fund type which resulted in the reclassification of beginning fund balance of certain special revenue funds to capital project funds. This included the following fund balances; Street and Alley (\$5,976), Metropolitan Projects Tax (\$485), Police/Fire Equipment Sales Tax (\$9,744), Police/Fire Equipment Use Tax (\$85), City and Schools Sales Tax (\$6,439), City and Schools Use Tax (\$36,904), Sports Facilities Sales Tax (\$41,484), and the Sports Facilities Use Tax (\$10,171).

	General Fund	Debt Service Fund	Grants Management Fund	MAPS3 Sales Tax Fund	General Obligation Bonds Fund	Other Governmental Funds	Total
<u>NON-SPENDABLE</u>	<u>\$8,714</u>	<u>\$ -</u>	<u>\$6,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$8,038</u>	<u>\$23,479</u>
<u>RESTRICTED</u>							
Public safety							
Police	-	-	-	-	-	11,239	11,239
Fire	-	-	-	-	-	8,693	8,693
Other	<u>183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,915</u>	<u>13,098</u>
Total public safety	<u>183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,847</u>	<u>33,030</u>
Public services							
Grant projects	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	47	47
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>984</u>	<u>984</u>
Total public services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>	<u>1,031</u>
Culture and recreation							
Parks	-	-	-	-	-	303	303
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,753</u>	<u>9,753</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,056</u>	<u>10,056</u>
Capital Projects							
Bond projects	-	-	-	-	148,604	-	148,604
Sales tax projects	-	-	-	112,855	-	39,216	152,071
Other capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,169</u>	<u>6,169</u>
Total capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,855</u>	<u>148,604</u>	<u>45,385</u>	<u>306,844</u>
Debt service	<u>-</u>	<u>56,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,433</u>
Total restricted	<u>183</u>	<u>56,433</u>	<u>-</u>	<u>112,855</u>	<u>148,604</u>	<u>89,319</u>	<u>407,394</u>
<u>COMMITTED</u>							
Public safety-other	-	-	-	-	-	3,703	3,703
Public services-other	-	-	-	-	-	923	923
Culture and recreation							
MAPS use tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,515</u>	<u>14,515</u>
Capital Projects							
Other capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240</u>	<u>240</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,381</u>	<u>19,381</u>

(continued)



III. A. FUND BALANCE (continued)

	General Fund	Debt Service Fund	Grants Management Fund	MAPS3 Sales Tax Fund	General Obligation Bonds Fund	Other Governmental Funds	Total
<b>ASSIGNED</b>							
General Government							
Encumbrances	1,239	-	-	-	-	1,918	3,157
Other	-	-	-	-	-	1,153	1,153
Total general government	<u>1,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,071</u>	<u>4,310</u>
Public services							
Economic development	-	-	-	-	-	7	7
OCMFA general purposes	-	-	-	-	-	2,469	2,469
Other	-	-	-	-	-	13,446	13,446
Culture and recreation							
Parks	-	-	-	-	-	5,389	5,389
Other	-	-	-	-	-	13,196	13,196
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,585</u>	<u>18,585</u>
Capital Projects							
Sales/Use tax projects	-	-	-	-	-	6,004	6,004
Bond capital projects	-	-	-	-	-	6,733	6,733
Other capital projects	-	-	-	-	-	42,930	42,930
Total capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,667</u>	<u>55,667</u>
Allocation to unassigned	-	-	-	-	-	(13,643)	(13,643)
Total assigned	<u>1,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,602</u>	<u>80,841</u>
<b>UNASSIGNED</b>	<u>89,177</u>	<u>-</u>	<u>(1,669)</u>	<u>-</u>	<u>-</u>	<u>(4,818)</u>	<u>82,690</u>
Total fund balance	<u>\$99,313</u>	<u>\$56,433</u>	<u>\$5,058</u>	<u>\$112,855</u>	<u>\$148,604</u>	<u>\$191,522</u>	<u>\$613,785</u>
<b>ENCUMBRANCES</b>	N/A	<u>\$-</u>	<u>\$11,596</u>	<u>\$-</u>	<u>\$-</u>	<u>\$10,096</u>	<u>\$21,692</u>

III. B. DEFICIT FUND NET ASSETS AND FUND BALANCE

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

**Tax Incremental Financing Fund**

Deficit fund balance of \$1.814 million is the result of the accrual of sales tax match from the state as deferred revenue.

**Solid Waste Management Fund Net Assets**

Deficit net assets of \$1.282 million are the result of the accrual of compensated absences and the net OPEB obligation. The OCEAT Fund provides subsidies to support the Solid Waste Management Fund.

**OCPPA Fairgrounds Fund Net Assets**

Deficit net assets of \$495 thousand are the result of increased depreciation expense for completed bond projects.

**Parking Fund Net Assets**

Deficit net assets of \$45 thousand are the result of revenue and subsidy inadequate to cover expenses including the accrual of compensated absences and the net OPEB obligation. Compensated absences are funded when paid.

**Transportation Fund Net Assets**

Deficit net assets of \$520 thousand are the result of the accrual of compensated absences and the net OPEB obligation. Compensated absences are funded when paid.

**OCMFA Services Fund Net Assets**

Deficit net assets of \$1.446 million are the result of the increased estimated claims related to workers compensation.

**III. C. PRIOR PERIOD ADJUSTMENT**

**Capital Assets**

A prior period adjustment was made to record accumulated depreciation through June 30, 2010, of \$48.701 million and \$19.054 million for completed construction projects totaling \$248.782 million and \$74.483 million not previously moved from construction in progress to depreciable assets on governmental and business type activities, respectively. The effect of the prior period adjustment reduced previously reported changes in net assets for the year ended June 30, 2010 by \$12.861 million and \$17.904 million for governmental and business-type activities, respectively. The prior period adjustment had no effect on the previously reported 2010 changes in fund balances.

	<u>Capital Assets</u>	<u>Depreciation</u>
<i>Governmental Activities</i>	<u>\$248,782</u>	<u>\$48,701</u>
<i>Business Type Activities</i>		
Stormwater drainage	248	17
OCPPA Golf Courses	404	123
OCPPA Fairgrounds	<u>73,831</u>	<u>18,914</u>
Total business-Type activities	<u>74,483</u>	<u>19,054</u>
Total prior period adjustment	<u>\$323,265</u>	<u>\$67,755</u>

**IV. REVENUES AND EXPENSES/EXPENDITURES**

**IV. A. SPECIAL ASSESSMENTS**

***Business Improvement Districts (BID)***

The City has a special assessment for services or improvements to participating property owners of the designated BIDs. Such services include marketing, general administrative, landscaping, street sweeping, and canal and concourse maintenance services. The assessment fee allows property owners in the BID to identify and prioritize services. The City currently has four BIDs: Downtown, Stockyards, Western Avenue and Capitol Hill. The City provides an additional contribution of \$12 thousand to Stockyards in addition to the assessments collected.

***Special Improvement Districts (SID)***

The City has a special assessment to provide funding for major capital renovations to the property owners in the SID. The City has one SID, the underground tunnel system (Underground). The SID was created to provide funding for capital improvements and enhancements to the existing Underground, formerly known as the Concourse. The City does not provide any funding beyond the assessment collections.

***Water and Wastewater Utilities Special Assessments***

Special assessments are levied against a water or wastewater group of homes to pay for construction or extension of service by OCWUT. OCWUT charges each homeowner for their individual share of the construction cost, amortized over a 10-year period. Amounts receivable are reported with the accounts receivable. In fiscal year 2011, OCWUT collected \$20 thousand.

#### IV. B. LEASE REVENUES

##### *Cancelable and Short-Term Leases*

The City reported lease revenue from short-term and cancelable leasing arrangements including \$18 thousand in operating leases in the General Fund, communication tower rentals of \$11 thousand in the Fire Fund and \$188 thousand in the OCWUT Fund. The OCWUT Fund also has several land and boat slip leases which generated \$474 thousand. The OCPPA General Purpose Fund reported \$988 thousand from the Cox Center and Civic Center Facilities venue rentals. OCEDT reported \$11 thousand related to property rental.

##### *Non-cancelable Leases*

##### **Special Purpose Fund**

The Special Purpose Fund leases property consisting of a residence and a vacant fire station with terms that expire on December 31, 2011 and May 1, 2015, respectively.

##### **OCAT**

The OCAT Fund leases its property to commercial airlines, car rental companies, concessionaires, several fixed base operators who service the airline industry, and the Federal Aviation Administration. These leases are non-cancelable operating leases.

##### **OCMFA**

The OCMFA General Purpose Fund leases the Old Central Fire Station to the Arts Council of Oklahoma City. The term is 15 years and expiring December 31, 2022. The annual rent is adjusted based on the most recent change in the consumer Price Index for all Urban Consumers, as reported by the U.S. Department of Labor Bureau of Labor Statistics.

##### **COTPA**

The COTPA Parking Fund leases retail space in certain parking garages to various establishments. Most of these leases are of a short term nature, and several are for one year with up to three one year renewal options. At June 30, 2011, 56,768 square feet of garage retail space was leased and approximately 5,000 square feet of unimproved space was available to lease. In addition, the COTPA Transportation Fund leased out 7,000 square feet of office space. These leases are non-cancelable operating leases.

##### **OCRA**

OCRA leases a parking garage to Presbyterian Health Foundation (PHF). The term is 30 years and expires on June 30, 2034. The lease revenue is essentially the annual principal and interest on a promissory note issued for the acquisition of the parking garage. After repayment of the indebtedness, the monthly rent will continue at the most recent monthly rate until termination of the lease.

In addition, OCRA has a ground lease with Skirvin Partners, LLC for land beneath the Skirvin Hotel. It is a 99-year lease agreement which will end on December 29, 2104. Payments under the lease are 1% of the property value increased annually by 8.5% of the current year net operating income (Rent Capitalization Value). Skirvin Partners, LLC, has the option to purchase the land at the end of the lease.

##### **OCZT**

The OCZT sub-leases approximately 370 acres of land owned by the City which OCZT leases to Oklahoma Racing Associates (lessee) for the operation of a race track. Minimum lease payments to be received by the OCZT under this lease agreement approximate \$421 thousand annually and aggregate to \$1.263 million for fiscal years 2010 to 2013. In addition to the fixed lease payments described, the lessee agrees to pay the OCZT one-half of one percent of the total amount wagered at the leased property in excess of \$187 million for all races conducted on the leased property during racing season and one percent of the gross gaming revenues in excess of \$60 million each year. Contingent rental revenue of \$203 thousand was earned during fiscal year 2011.

Future Minimum Rentals on Non-Cancelable Leases

	Primary Government			Component Units			Total
	Governmental	Business-Type		COTPA	OCRA (2)	OCZT	
	Activities	OCMFA	OCAT				
Special Purpose	Fund	Fund (1)					
2011	\$3	\$4	\$21,580	\$331	\$593	\$421	\$22,932
2012	1	4	14,273	126	593	421	15,418
2013	1	4	13,858	79	593	-	14,535
2014	1	4	7,010	68	593	-	7,676
2015	-	4	4,313	17	593	-	4,927
2016-2020	-	17	19,357	92	2,965	-	22,431
2021-2025	-	-	7,737	-	2,965	-	10,702
2026-2030	-	-	779	-	2,965	-	3,744
2031-2035	-	-	588	-	2,965	-	3,553
	<u>\$6</u>	<u>\$37</u>	<u>\$89,495</u>	<u>\$713</u>	<u>\$14,825</u>	<u>\$842</u>	<u>\$105,918</u>
Rental income	<u>\$4</u>	<u>\$4</u>	<u>\$32,054</u>	<u>\$422</u>	<u>\$593</u>	<u>\$822</u>	<u>\$33,899</u>

(1) Several of the leases include rental amounts that are redetermined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at fiscal year-end. The OCAT and OCRA Funds have several leases that have variable rental charge due to increases in the percentage of prior year revenue. The future minimum rentals on these leases will be recalculated as of each fiscal year end.

(2) Lease amounts are recalculated annually based on formulas defined in the lease agreements. The PHF lease payment may change with fluctuations of the variable interest rate on the underlying debt and because rent, in the Skirvin Hotel lease, is a factor of the Rent Capitalization Value that changes annually. Future minimum rentals for these leases are based on rates in effect at fiscal year-end.

IV. C. OPERATING LEASES

The reporting entity entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For fiscal year 2011, rentals approximated \$1.6 million and \$19 thousand for the City and component units leases, respectively. These leases primarily support governmental activities.

IV. D. INTERFUND TRANSFERS AND PAYMENTS

*Transfers within the Primary Government*

	<i>Governmental Activities</i>							<u>Total Governmental Activities</u>
	<u>Major Governmental</u>			<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Government Wide Transfers</u>		
	<u>General</u>	<u>Grants</u>	<u>Obligation Bonds</u>					
<b><u>TRANSFERS TO OTHER FUNDS</u></b>								
<i>Governmental Activities</i>								
General	\$ -	\$ -	\$ -	\$17,513	\$17,513	\$1,313	\$ -	\$18,826
Debt Service	-	-	43,000	-	43,000	2,440	-	45,440
Grants Management	465	-	-	-	465	-	-	465
MAPS3 Sales Tax	-	-	169	-	169	-	-	169
General Obligation Bonds	-	2,989	-	-	2,989	-	-	2,989
Other governmental funds	<u>318</u>	<u>138</u>	<u>-</u>	<u>10,056</u>	<u>10,512</u>	<u>-</u>	<u>-</u>	<u>10,512</u>
Total governmental funds	783	3,127	43,169	27,569	74,648	3,753	-	78,401
Government wide transfers	-	-	-	-	-	9,659	-	9,659
Internal service funds	-	-	-	<u>4,564</u>	<u>4,564</u>	<u>12,971</u>	<u>6,152</u>	<u>23,687</u>
Total governmental activities	783	3,127	43,169	32,133	79,212	26,383	6,152	111,747
<i>Business Type Activities</i>								
OCWUT	4,779	-	-	-	4,779	-	-	4,779
OCEAT	<u>753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>753</u>	<u>-</u>	<u>-</u>	<u>753</u>
Total business-Type activities	<u>5,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,532</u>	<u>-</u>	<u>-</u>	<u>5,532</u>
	<b><u>\$6,315</u></b>	<b><u>\$3,127</u></b>	<b><u>\$43,169</u></b>	<b><u>\$32,133</u></b>	<b><u>\$84,744</u></b>	<b><u>\$26,383</u></b>	<b><u>\$6,152</u></b>	<b><u>\$117,279</u></b>

	<i>Business-Type Activities</i>						<u>Total Primary Government</u>
	<u>Major Enterprise</u>			<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>		
	<u>OCWUT</u>	<u>Wastewater</u>	<u>MCA</u>				
<b><u>TRANSFERS TO OTHER FUNDS</u></b>							
<i>Governmental Activities</i>							
General		\$ -	\$ -	\$ -	\$1,199	\$1,199	\$20,025
Debt Service		-	-	-	-	-	45,440
Grants Management		-	-	-	-	-	465
MAPS3 Sales Tax		-	-	-	-	-	169
General Obligation Bonds		-	-	-	-	-	2,989
Other governmental funds	<u>1,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,778</u>	<u>11,165</u>	<u>21,677</u>
Total governmental funds	1,387	-	-	-	10,977	12,364	90,765
Government wide transfers	-	-	-	-	-	-	9,659
Internal service funds	-	-	-	-	-	-	<u>23,687</u>
Total governmental activities	<u>1,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,977</u>	<u>12,364</u>	<u>124,111</u>
<i>Business Type Activities</i>							
OCAT		-	-	-	13,375	13,375	13,375
OCWUT		-	-	4,328	-	4,328	9,107
Water and Wastewater Fund	1,897	-	-	-	-	1,897	1,897
OCEAT		-	-	-	9,545	9,545	10,298
Other enterprise funds	<u>220</u>	<u>30,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,554</u>	<u>30,554</u>
Total business-type activities	<u>2,117</u>	<u>30,334</u>	<u>4,328</u>	<u>-</u>	<u>22,920</u>	<u>59,699</u>	<u>65,231</u>
	<b><u>\$3,504</u></b>	<b><u>\$30,334</u></b>	<b><u>\$4,328</u></b>	<b><u>\$3,897</u></b>	<b><u>\$72,063</u></b>	<b><u>\$72,063</u></b>	<b><u>\$189,342</u></b>

*Payments Between Component Units and the Primary Government*

	Component Units			
	OCZT	COTPA	OCEDT	Total
<b><u>PAYMENTS FROM</u></b>				
<i>Governmental Activities</i>				
General	\$ -	\$9,601	\$790	\$10,391
General Obligation Bonds	-	311	-	311
Other governmental funds	<u>11,792</u>	<u>5</u>	<u>4,971</u>	<u>16,768</u>
	<u>11,792</u>	<u>9,917</u>	<u>5,761</u>	<u>27,470</u>
<i>Business-Type Activities</i>				
Other enterprise funds	-	<u>6</u>	-	<u>6</u>
	<u>\$11,792</u>	<u>\$9,923</u>	<u>\$5,761</u>	<u>\$27,476</u>

	Primary Government				Component Units
	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		
	General	Other Governmental	Other Enterprise	Total	
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	
<b><u>PAYMENTS FROM</u></b>					
<b>Component Units</b>					
OCRRA	\$ -	\$ -	\$ -	\$ -	\$ 3
COTPA	-	-	3,993	3,993	9
OCRA	-	-	-	-	-
OCMAP	-	204	-	204	-
OCEDT	<u>529</u>	<u>51</u>	-	<u>580</u>	-
	<u>\$529</u>	<u>\$255</u>	<u>\$3,993</u>	<u>\$4,777</u>	<u>\$12</u>

***Operating Subsidies***

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

Substantial operating subsidies are provided to certain component units as follows: (1) the City levies a designated sales tax for the support and improvement of the Oklahoma City Zoo. The City receives the Zoo sales tax and pays it to the OCZT where it is used to improve and maintain the Zoo; (2) the City receives sales tax designated for economic development and pays it to OCEDT to fund tax anticipation debt service; (3) the General Fund provides a significant operating subsidy to COTPA to support public transportation in metropolitan Oklahoma City. COTPA provides subsidies to City parking and transportation funds for the administration and operation of certain parking and transportation activities. Such payments are reported as expenditures/expenses and revenues as appropriate.

***OPEB Subsidies***

For the 2011 fiscal year, the General Fund contributed \$4.717 million to the OCPEBT for the City Funds and Trusts which will be used to pre-fund medical benefits to be provided in future fiscal years. The OCERS reported payments from the General Fund for the OPEB subsidy of \$9 thousand.

*OCWUT Lease Agreement*

A water lease agreement dated August 1, 1960, amended July 1, 1986, and a separate wastewater lease agreement dated July 1, 1986, between the OCWUT and the City provide that all City-owned water and wastewater system assets (as of the date of the lease, as well as property acquired thereafter) would be leased to the OCWUT. The lease also provides that all revenue generated by these assets will accrue to the OCWUT. Pursuant to a lease extension dated May 20, 2003, the water and wastewater lease term continues until June 30, 2050, or until all indebtedness authorized by the general bond indenture has been paid or provision has been made for it to be paid, whichever is later. In connection with the lease extension, the OCWUT is required to transfer an annual lease payment of 1% of gross revenue receipts from residential and commercial utilities sales. For fiscal year 2011, OCWUT made lease payments of \$1.593 million reported with transfers.

*Transfers in Lieu of Franchise Fees*

During fiscal year 2011, \$3.186 million and \$753 thousand was transferred from OCWUT and OCEAT, respectively, to the General Fund in lieu of fees paid for the exclusive right to provide water and wastewater and solid waste services, respectively, to the citizens of the City.

**V. PENSION AND POST-EMPLOYMENT PLANS**

**V. A. DEFINED BENEFIT SINGLE EMPLOYER PENSION PLANS**

**V. A. 1. PLAN DESCRIPTIONS, CONTRIBUTION INFORMATION, FUNDING POLICIES, AND BENEFIT PROVISIONS**

*Plan Descriptions*

The City reporting entity participates in two single-employer, defined benefit, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Actuarial valuations are performed annually.

**Primary Government**

Oklahoma City Employee Retirement System (OCERS) provides retirement benefits for substantially all full-time, non-uniformed employees of the reporting entity except for certain COTPA and MCA employees. Unless otherwise indicated, OCERS information is provided as of the latest actuarial valuation, December 31, 2010.

**Component Unit**

COTPA Employee Retirement Trust (COTPA Retirement) provides retirement benefits for all COTPA employees, primarily bus drivers and related operations employees. Unless otherwise indicated, COTPA Retirement information in this note is provided as of the latest actuarial valuation, July 1, 2011.

*Funding Policies, Contribution Methods, and Benefit Provisions*

	OCERS	COTPA Retirement
Year established and governing authority	1958; City Council Ordinance	1970; COTPA Trustee's Resolution
Determination of contribution requirements	Actuarially determined	Contracted pursuant to union negotiations
Contribution rates:		
Employer (1)	6.77% of covered payroll	\$55.04 per week
Plan members	6.0% of covered payroll	\$44.13 per week
Funding of administrative costs	Investment earnings	Investment earnings
Period required to vest	5 years	10 years
Post-retirement benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS Board	Increases must be approved by the COTPA Board
Eligibility for distribution	30 years credited service regardless of age, or age 60 with 10 years (Pre 3/67 hires), or 25 years of credited service regardless of age, or age 65 with 5 years (Post 3/67 hires), or age 55 with 5 years on a reduced basis, or 5 years service, with benefits to begin at age 65 (60 with 10 years if Pre 3/67 hire)	25 years credited service regardless of age, or age 65 with 10 years, or age 62 with 10 years on a reduced basis.

(1) Beginning June 11, 2010, the employer contribution rate changed from 5.04% to 6.77%.

**Benefit Provisions**

OCERS

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.

COTPA Retirement

Employees of COTPA are required to participate in the Plan after completion of six months of employment. COTPA employees who retire at or after the age of 65 with 10 years of credited service or upon 25 years of full time employment are entitled to receive monthly pension benefits equal to the sum of \$54 dollars per month for each year of service from their date of hire, plus variable cost of living increases based on their date of retirement. An early retirement option with reduced benefits is available at age 62 with 10 years of credited service.

**Post-Retirement Adjustments**

OCERS pension benefits may be adjusted annually for changes in the Consumer Price Index. The maximum adjustment is 4% compounded annually. COTPA Retirement does not specify annual increases. All pension benefit adjustments must be approved by the Board of Trustees of the respective plan.



**Membership**

	<u>OCERS</u>	<u>COTPA Retirement</u>	<u>Totals</u>
Non-vested active members	692	102	794
Fully-vested active members	1,612	63	1,675
Retirees and beneficiaries currently receiving benefits	1,283	48	1,331
Terminated plan members entitled to but not yet receiving benefits	<u>81</u>	<u>4</u>	<u>85</u>
	<b><u>3,668</u></b>	<b><u>217</u></b>	<b><u>3,885</u></b>

**Annual Required Contributions - Actuarial Assumptions**

	<u>OCERS</u>	<u>COTPA Retirement</u>
Provisions for:		
Disability benefits	Yes	Yes
Death benefits	Yes	Yes
Valuation date	12/31/10	7/1/11
Actuarial cost method	Individual entry age	Individual entry age normal
Amortization method	Level percentage of payroll	Level dollar
Amortization period	25 years, closed	30 years, open
Actuarial asset valuation method	4-year smoothed market	5-year smoothed market
Actuarial assumptions		
Investment rate of return	8.0%	7.0%
Projected salary increases	4.5% to 8.3%	None
Cost of living increases (maximum)	4.0%	None
Inflation	4.5%	None
Other	1994 group annuity table set forward 1 year for women and 3 years for men	1983 group annuity mortality tables, scale 355 withdrawal rates

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by OCERS and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between OCERS and Plan members to that point. Actuarial calculations reflect a long-term perspective. The actuarial methods and assumptions use techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

For the December 31, 2010 OCERS actuarial valuation, the amortization period changed from 26 years, closed to 25 years, closed.

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

**V. A. 2. ANNUAL PENSION COST, NET PENSION OBLIGATION, TREND INFORMATION, AND RESERVES**

The OCERS issues a separate, stand-alone report which can be obtained from the City's Accounting Services Division. Annual reporting for COTPA Retirement is presented in the City's CAFR and the COTPA annual report. COTPA Retirement does not issue a stand alone report.

*Net Pension Obligation (Asset)*

	<u>COTPA Retirement</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$414	\$419	\$386
Interest on net pension obligation	(14)	(11)	(9)
Adjustment to annual required contribution	<u>13</u>	<u>12</u>	<u>9</u>
Annual pension cost	413	420	386
Contributions made	<u>(466)</u>	<u>(471)</u>	<u>(416)</u>
Increase in net pension obligation (asset)	(53)	(51)	(30)
Net pension obligation (asset), beginning of year	<u>(205)</u>	<u>(154)</u>	<u>(124)</u>
<b>Net pension obligation (asset), end of year</b>	<b><u>(\$258)</u></b>	<b><u>(\$205)</u></b>	<b><u>(\$154)</u></b>

COTPA reports net pension assets related to COTPA Retirement as prepaid. COTPA will use the net pension asset to reduce future contributions.

*Annual Pension Cost and Trend Information*

	<u>OCERS</u>			<u>COTPA Retirement</u>		
	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2011	\$7,133	100%	\$ -	\$413	113%	(\$258)
2010	5,586	100	-	420	112	(205)
2009	5,464	100	-	386	108	(154)

*Reserves*

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. The plans 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.

**V. A. 3. FUNDING STATUS AND FUNDING PROGRESS**

	<u>OCERS</u>	<u>COTPA Retirement</u>
Actuarial value of plan assets (AVA)	\$524,731	\$7,793
Actuarial accrued liability (AAL)	566,834	11,932
Unfunded actuarial accrued liability (UAAL)	42,103	4,139
Funded ratio (AVA/AAL)	93%	65%
Covered payroll (active plan members)	102,915	7,595
UAAL as a percentage of covered payroll	40.9%	54.5%

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**V. B. DEFINED BENEFIT COST-SHARING, MULTIPLE-EMPLOYER PENSION PLANS**

**V. B. 1. PLAN DESCRIPTIONS, CONTRIBUTION INFORMATION, AND FUNDING POLICIES**

*Plan Descriptions*

Oklahoma City participates in two statewide, cost-sharing, multiple-employer defined benefit plans on behalf of police officers and firefighters.

*Funding Policies, Contribution Methods and Benefit Provisions*

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter Pension and Retirement System
Eligibility to participate	All full-time officers employed by a participating municipality; not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Authority establishing contribution obligations and benefit provisions	State Statute	State Statute
Plan members' contribution rate	8% of covered payroll	8% of covered payroll
City's contribution rate	13% of covered payroll	13% of covered payroll
Period required to vest	10 years	10 years
Benefits and eligibility for distribution (full-time)	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits	20 years credited service, 2 1/2% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; if vested, at or after age 50, or after 10 but before 20 years of credited service, with reduced benefits
Benefits and eligibility for distribution (volunteer)	N/A	20 years credited service equal to \$7.53 per month per year of service, with a maximum of 30 years considered
Deferred retirement option	Yes, 20 years credited service with additional option to participate in deferred option plan for a maximum of 5 years	Yes, 20 years credited service with continued service for 30 or more years

These two plans are administered by agencies of the State of Oklahoma and funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

**V. B. 2. TREND INFORMATION**

Trend information is presented as of June 30, 2010, the most recent actuarial valuation date. Contributions are required by Oklahoma State Statute.

Fiscal Year	Oklahoma Police Pension and Retirement System		Oklahoma Firefighter Pension and Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2011	\$9,192	100%	\$9,319	100%
2009	9,494	100	9,391	100
2008	9,308	100	9,441	100

Trend information showing the progress of the systems in accumulating sufficient assets to pay benefits when due is presented in the annual financial reports of the respective plans. Copies of these reports may be obtained from the respective state retirement systems; Oklahoma Police Pension and Retirement System 1001 N.W. 63rd Street, Suite 305, Oklahoma City, OK 73116-7335, and the Oklahoma Firefighter Pension and Retirement System at 4545 N. Lincoln Blvd. Ste. 265, Oklahoma City, OK 73105.

**V. B. 3. FUNDING STATUS AND FUNDING PROGRESS**

	Oklahoma Police Pension and <u>Retirement System</u>	Oklahoma Firefighter's Pension and <u>Retirement System</u>
Actuarial value of plan assets (AVA)	\$1,754,372,000	\$1,681,531,081
Actuarial accrued liability (AAL)	2,341,619,152	3,149,411,893
Unfunded actuarial accrued liability (UAAL)	587,247,152	1,467,880,812
Funded ratio (AVA/AAL)	75%	53%
Covered payroll (active plan members)	249,582,676	248,520,483
UAAL as a percentage of covered payroll	235.3%	590.6%

**V. B. 4. STATE ON BEHALF PAYMENTS**

For fiscal year 2011, the State of Oklahoma contributed estimated payments on behalf of City employees to the Oklahoma Police Pension and Retirement System of \$6 million and the Oklahoma Firefighters Pension and Retirement System of \$16 million. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

**V. C. DEFINED CONTRIBUTION SINGLE EMPLOYER PENSION PLANS**

The City and its component units participate in three defined contribution plans administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). For two of the plans, plan provisions and contribution requirements are established or amended by City Council resolution. 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% of annual covered payroll, respectively. Participants of the second plan are comprised of eligible employees hired after September 1, 2001. The City and participants are required to contribute 7% and 6% of annual covered payroll, respectively. For the fiscal year ended June 30, 2011 actual contributions by the City and plan participants were \$751 thousand and \$569 thousand, respectively.

These two plans include 109 participants comprised of City Council appointees and management personnel. Participants of the first plan vest at service inception and are entitled to 100% of vested contributions. Participants of the second plan vest after 5 years of service. The plans are money purchase plans qualified under section 401 of the Internal Revenue Code.

The third plan was established July 1, 2001, by COTPA for eligible administrative employees of COTPA (not represented by a union). Plan provisions and contribution requirements are established or amended by COTPA resolution. It is in addition to COTPA Retirement and provides that the employee may voluntarily contribute to the COTPA ICMA plan and COTPA will match employee contributions up to one thousand annually. The COTPA ICMA plan includes 30 participants. For fiscal year 2011, actual contributions by plan participants were \$30 thousand with a \$14 thousand match from COTPA.

In addition, MCA employees participate in a deferred compensation, defined contribution plan administered by Nationwide Retirement Systems established through the U.S. Conference of Mayors and approved by MCA. Participants are comprised of all eligible employees. MCA and participants contribute 8% and 6%, respectively, to the Plan. Plan provisions and contribution requirements are established and amended by the MCA Board of Trustees. All full-time employees are eligible. At June 30, 2011, 8 employees were participating in the Plan. For fiscal year ending June 30, 2011 contributions made by MCA and participants were \$4 thousand and \$11 thousand, respectively. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained from Nationwide Retirement Solutions, P.O. Box 182787, Columbus, Ohio 43218-2797.

#### **V. D. DEFINED BENEFIT SINGLE EMPLOYER OPEB PLANS**

##### **V. D. 1. PLAN DESCRIPTIONS, CONTRIBUTION INFORMATION, AND FUNDING POLICIES**

###### **COTPA OPEB**

COTPA provides post-employment benefit options for health care and life insurance to eligible retirees and terminated employees. The benefits are provided in accordance with, collective bargaining agreements and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, and whether the employee has vested in the respective retirement plan.

###### *Plan Descriptions*

The City provides post-employment benefits to employees in two single-employer, defined benefit OPEB plans. Assets are held separately and may be used only for payment of benefits to members of the Plans.

###### **City OPEB**

The City provides post-employment healthcare benefits for retired employees and their dependents through the City of Oklahoma City Post-retirement Medical Plan (the City OPEB Plan), a single-employer defined benefit healthcare plan. 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. The City OPEB Plan issues a separate report that can be obtained from Human Resources at 420 W. Main, Suite 110, Oklahoma City, OK 73102. The City OPEB Plan covers all current retirees who elected post-retirement medical coverage through the City and future retired general employees. All firefighters retiring after December 31, 2002 are covered under a separate plan established specifically to provide medical benefits to City firefighters and are not considered for this disclosure. Retirees of COTPA and MCA are also not covered under the Plan.

###### **COTPA OPEB**

COTPA provides post-employment healthcare benefits for retired employees and their dependents through the COTPA Post-retirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan. The benefits, coverage levels, employee contributions and employer contributions are governed by COTPA and can be amended by COTPA through its personnel manual and union contracts.

***Funding Policies, Contribution Methods and Benefit Provisions***

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Year established and governing authority	2008; City Council Ordinance	2009; COTPA Board Resolution
Determination of contribution requirements	City Policy	COTPA Policy
Contribution rates:		
Employer	66% of premium	Subsidy based on years of service
Plan members	34% of premium	Remainder of unsubsidized premium costs
Funding of administrative costs	Investment earnings	Investment earnings
Period required to vest	5 years	10 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Police officers are eligible for benefits under the Plan if they retire from the City with 20 years of service. Firefighters retiring before January 1, 2003 are eligible for membership. Participation may only be elected at the time of retirement.	General employees are eligible for membership in the Plan if they retire from COTPA on or after age 62 with 10 years of service or at any age with 25 years of service.

**Funding Policies**

City OPEB

Beginning January 1, 2011, the employer contribution rate changed from 68% of premium to 66% of premium. The employee contributes the balance of the premium.

COTPA OPEB

For the 2011 fiscal year, COTPA contributed a subsidy towards medical coverage of retirees based on years of service. The retirees were responsible for paying the remaining balance of the premium. COTPA contributions to the Plan were equal to the benefit payments. COTPA does not plan to fund the Plan for more than the expected benefit payments requirements in the near future.

**Benefits Provided**

City OPEB

The City provides medical benefits either through a fully insured health plan or through a self-insured Group Indemnity Plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage. Coverage for dependents can continue upon the death of the retiree. Spouses of employees who die in active service while eligible for benefits can receive coverage.

COTPA OPEB

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

**Membership**

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Active members	3,182	102
Retirees and beneficiaries currently receiving benefits	<u>2,183</u>	<u>63</u>
	<u>5,365</u>	<u>165</u>

**Annual Required Contributions - Actuarial Assumptions**

Provisions for:	<u>City OPEB</u>	<u>COTPA OPEB</u>
Disability benefits	Yes	No
Death benefits	Yes	No
Valuation date	7/1/2010	7/1/2008
Actuarial cost method	Projected unit credit with linear proration to decrement	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	30 years, closed
Actuarial asset valuation method	4-year smoothed market	N/A
Actuarial assumptions:		
Investment rate of return	4.9%	4.0%
Blended discount rate method	The discount rate is based on the expected long-term return on the investments that are used to finance the benefit programs	N/A
Projected salary increase	3.0%	None
Health care trend rate	4.5% (5.0% for Medicare age)	9.0%
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA	1983 group annuity mortality table for males

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employee and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. Actuarial calculations reflect a long-term perspective. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**City OPEB Actuarial Changes**

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.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used to develop the AAL and market value of assets was used to develop the AVA. The discount rate changed from 4.5% to 4.91%.

V. D. 2. ANNUAL OPEB COST, NET OPEB OBLIGATION, TREND INFORMATION, AND RESERVES

*Annual OPEB Costs and Net OPEB Obligation*

	<u>City OPEB (1)</u>	<u>COTPA OPEB</u>
Annual required contribution	\$39,560	\$71
Interest on net OPEB obligation	2,769	4
Adjustment to annual required contribution	<u>(2,540)</u>	<u>(5)</u>
Annual OPEB cost	39,789	70
Contributions made	<u>(18,747)</u>	<u>(26)</u>
Increase in net OPEB obligation	21,042	44
Net OPEB obligation, beginning of year	<u>56,404</u>	<u>93</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$77,446</u></b>	<b><u>\$137</u></b>

(1) Includes net OPEB obligation reported in OCERS of \$29 thousand.

**Governmental Funds Net OPEB Obligation**

	General Fund	Other Governmental Funds	Total
Net Other Post Employment Benefit Obligation	<u>\$51,895</u>	<u>\$11,103</u>	<u>\$62,998</u>

*Trend Information*

This is the third fiscal year for which the City had an actuarial valuation performed and the first fiscal year COTPA had an actuarial valuation performed to determine projected liabilities as the employer's annual required contributions (ARC).

Fiscal Year <u>Ended</u>	<u>City OPEB</u>			
	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2011	\$39,789	\$18,747	47.1%	\$77,446
2010	35,775	19,425	54.3	56,404
2009	47,645	18,688	39.2	40,053

Fiscal Year <u>Ended</u>	<u>COTPA OPEB</u>			
	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2011	\$70	\$26	37.1%	\$137
2010	68	23	33.8	93
2009	66	18	27.3	48

*Reserves*

There are no assets legally reserved for purposes other than the payment of Plan member benefits for either Plan. The Plans 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.



**V. D. 3. FUNDING STATUS AND FUNDING PROGRESS**

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Actuarial value of plan assets (AVA)	\$11,566	\$ -
Actuarial accrued liability (AAL)	517,682	630
Unfunded actuarial accrued liability (UAAL)	506,116	630
Funded ratio (AVA/AAL)	2%	0%
Covered payroll (active plan members)	175,293	7,464
UAAL as a percentage of covered payroll	288.7%	8.4%

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. OCPEBT financial statements may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102. COTPA OPEB is presented as a part of COTPA financial statements and does not issue a stand-alone report.

**V. E. TERMINATION BENEFITS**

At June 30, 2011, the City's reporting entity had 7 terminated employees participating in COBRA health and/or dental care in various options available from the City. These employees are a combination of job terminations, dependent loss of status and divorce. COBRA participants pay 102% of employee premium cost for continuing coverage. COBRA continuation coverage benefits are available for eligible employees for up to 18 months. Employees on military leave are eligible up to 24 months. Dependents of employees who lose coverage due to a qualifying event are eligible for up to 36 months. Benefits provided are not material to the financial statements.

**VI. COMMITMENTS**

*Service Contract Commitments*

Significant service contract commitments at June 30, 2011 include \$76.196 million for OCEAT solid waste management service contracts funded by charges to users; \$57.263 million for OCWUT wastewater treatment services funded by charges to users; and \$161.808 thousand for service contracts related to Oklahoma River projects funded with OCRRA general revenues.

*Construction Commitments*

<b>Primary Government</b>	
<i>Governmental Activities</i>	
City-wide park improvements	\$26
Infrastructure	50,414
Economic development projects	29,396
<i>Business-Type Activities</i>	
Airport renovations	9,786
Water and wastewater utilities system improvements	92,014
McGee Creek improvements	20
Stormwater drainage improvements	14
Fairgrounds improvements	658
<b>Total primary government</b>	<b><u>\$182,328</u></b>
<b>Component Units</b>	
Public school improvements	\$55,202
Economic development	23,310
Transportation and parking system improvements	80
Zoo improvements	1,449
<b>Total component units</b>	<b><u>\$80,041</u></b>

Construction projects included in governmental activities are substantially funded with general obligation bond proceeds. Business-type activities and COTPA include construction funded with the proceeds of revenue bonds and user charges. COTPA construction is also funded with federal grants and subsidies. Public school improvements are funded with a temporary dedicated sales tax. Economic development is funded by general obligation limited tax as well as tax incremental financing. Zoo improvements are substantially funded with the proceeds of revenue bonds and a continuing, dedicated sales tax.

**VII. CONTINGENCIES**

*Litigation*

The City is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. In addition, the City currently has approximately \$5.393 million accrued in the Risk Management Fund for pending or threatened litigation for which an unfavorable outcome is considered probable. The amount of possible tort and other claims liability at June 30, 2011, is approximately \$3.417 million, which is not accrued.

*Federal and State Grants*

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

## VIII. RELATED PARTY TRANSACTIONS

### *City-County Board of Health-Jointly Governed Organization*

The City and the Board of County Commissioners of Oklahoma County participate in the City-County Board of Health (City-County Board) to preserve and promote public health. Five members of the City-County Board are appointed by the City Council, and four members are appointed by the Oklahoma County Commissioners with removal only for cause. The primary source of funding for the City-County Board is an ad valorem tax levy by the County. The City has an agreement with the City-County Board to perform certain inspections, issue special event licenses and collect related fees, and receive a percentage of license fees for inspections. During the fiscal year ending June 30, 2011, the City collected approximately \$217 thousand on behalf of the City-County Board. Of this amount, \$41 thousand is still payable at June 30, 2011.

## IX. TRANSACTIONS WITHIN THE ENTITY

### *Purchased Judgments*

As of June 30, 2011, the OCERS' investments include purchased judgments against the City in the amounts of \$2.488 million. The judgments earn a 5.25% interest rate. State Statutes permit the OCERS to purchase judgments rendered against the City throughout the year. In November of each year, the City (through the property tax levy process) pays the OCERS for the principal amount and earned interest for each purchased judgment.

### *Cost Reimbursements*

#### **Administrative Chargebacks**

Administrative costs are paid from the General Fund. Other funds reimburse the General Fund for these expenses. All other centralized functions are reported in internal service funds. The revenues and expenses related to administrative charges are allocated with the indirect expense allocation. In 2011 other City funds reimbursed the General Fund \$11.864 million for administrative services.

For fiscal year ending June 30, 2011 the OCEDT reported payments to the City to reimburse for the cost of providing administrative and operational services of \$529 thousand.

For 2011, OCERS reported \$100 thousand and OCPEBT reported less than one thousand for City financial and administrative services.

#### **Utility Billing and Collection**

OCWUT manages billings and collections for City utilities. During 2011, the Medical Services Fund, Stormwater Drainage Fund and OCEAT Fund reimbursed OCWUT \$744 thousand, \$1.724 million, and \$156 thousand, respectively, for this service.

#### **Pension Administration**

The General Fund reimburses the OCERS for the cost of providing administrative services for the City's deferred compensation and defined contribution plans. However, responsibilities are contractually limited and the OCERS does not hold or administer these plan assets in a trustee capacity. During 2011, OCERS reported income for these services of \$33 thousand.

## X. SUBSEQUENT EVENTS

### *Investment Ratings*

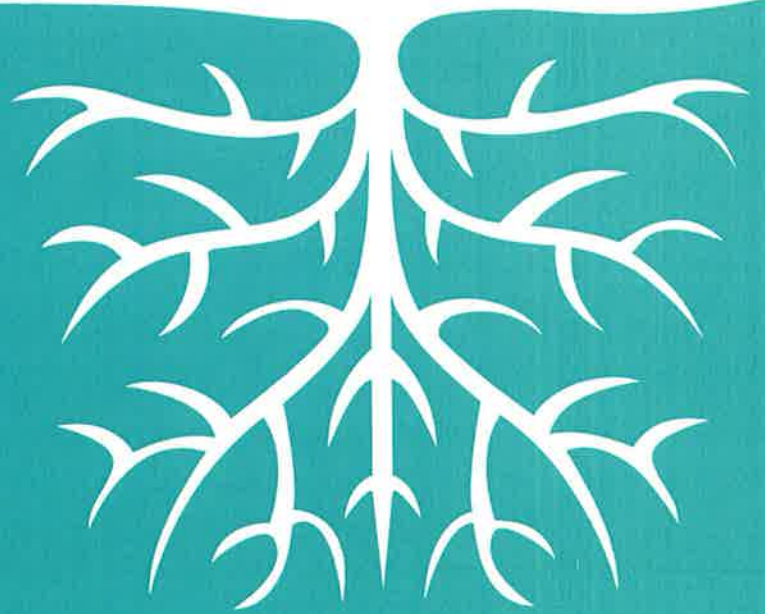
On August 5, 2011, Standard and Poor's lowered its long-term credit rating on the obligations of the U.S. Government from AAA to AA+. On August 8, 2011, Standard and Poor's also lowered its long-term credit ratings on U.S. Government backed securities from AAA to AA+. Moody's has not lowered its ratings on the obligations of U.S. Government and continue to give these top ratings.

Instruments of this nature are key assets of the City's investment portfolio. Although the federal banking regulators continue to accept these instruments as top-tiered, risk-based capital assets, these downgrades could adversely affect the market value of these securities and subject the City to other risks that are not predictable.

### *OCEDT Note Receivable*

During Fiscal Year 2011 OCEDT loaned the OCMGF \$4.190 million to enable the OCMGF to acquire property in the vicinity of the Myriad Botanical Gardens for the purposes of providing for relocation of displaced Myriad Botanical Gardens facilities and to ensure that the property is used and developed in a manner compatible with the purpose of the Myriad Botanical Gardens. The land was appraised at \$4.225 million. On August 9, 2011, OCEDT approved a real estate transfer agreement between OCEDT and the OCMGF naming OCEDT as owners of the property purchased by the OCMGF. The transfer releases the OCMGF of the liability to OCEDT for the principal amount of the loan but requires OCMGF to pay any unpaid accrued interest, which was \$189 thousand at the date of the transfer under the same terms as the original note.

REQUIRED SUPPLEMENTARY INFORMATION





**REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

**I. SCHEDULE OF FUNDING PROGRESS**

***Oklahoma City Employees Retirement Trust***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$524,731	\$566,834	\$42,103	93%	\$102,915	41%
12/31/09	529,137	556,427	27,290	95	110,408	25
12/31/08	528,664	519,234	(9,430)	102	105,566	(9)
12/31/07	529,876	488,827	(41,049)	108	99,574	(41)
12/31/06	476,913	457,547	(19,366)	104	95,504	(20)
12/31/05	424,182	436,904	12,722	97	91,641	14

***COTPA Employee Retirement Trust***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
7/1/11	\$7,793	\$11,932	\$4,139	65%	\$7,595	54%
7/1/10	7,089	11,687	4,598	61	7,150	64
7/1/09	6,589	11,369	4,780	58	7,464	64
7/1/08	6,158	10,728	4,570	57	6,700	68
7/1/07	6,567	9,566	2,999	69	7,900	38
7/1/06	5,464	9,077	3,613	60	5,400	67

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

***Oklahoma City Employee Retirement System Trust***

Fiscal Year	Annual Required Contribution	Percentage Contributed
2011	\$7,133	100%
2010	5,586	100
2009	5,464	100
2008	7,212	100
2007	8,479	100
2006	7,838	100

***COTPA Employee Retirement Trust***

Fiscal Year	Annual Required Contribution	Percentage Contributed
2011	\$414	113%
2010	419	112
2009	386	108
2008	241	136
2007	292	117
2006	298	109

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

See Note V. A. DEFINED BENEFIT SINGLE EMPLOYER PENSION PLANS for actuarial assumptions and other information used to determine the annual required contributions.

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

**I. SCHEDULE OF FUNDING PROGRESS**

*City of Oklahoma City Post-Employment Benefits Trust*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/10	\$11,566	\$517,682	\$506,116	2%	\$175,293	289%
7/1/09	8,252	479,806	471,554	2	176,564	267
7/1/08	5,000	635,125	630,125	1	171,421	368

*COTPA Other Post-employment Benefits*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/10	\$ -	\$630	\$630	0%	\$7,464	8%
7/1/09	-	630	630	0	7,464	8
7/1/08	-	630	630	0	7,464	8

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

*City of Oklahoma City Post-employment Benefits Trust*

Fiscal Year	Employer Contributions	Annual Required Contribution	Percentage Contributed
2011	\$18,747	\$39,560	47%
2010	19,425	35,614	55
2009	18,688	47,826	39

*COTPA Other Post-employment Benefits*

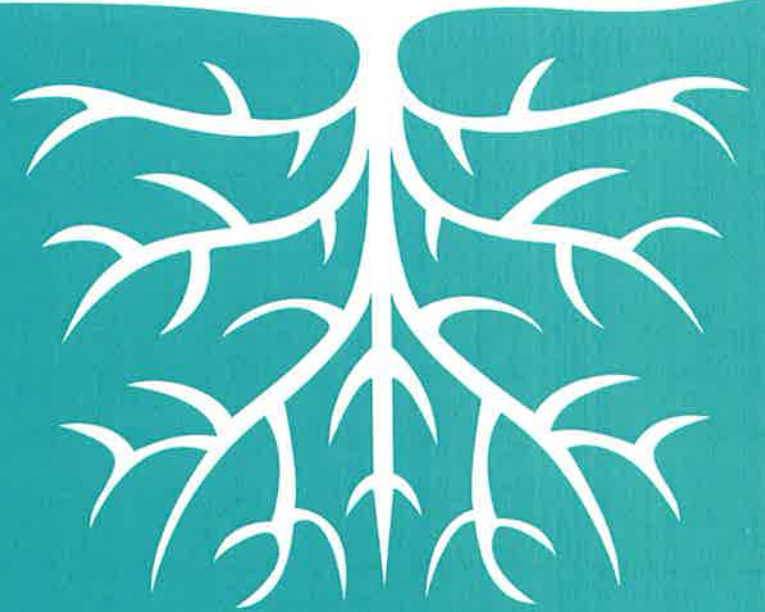
Fiscal Year	Employer Contributions	Annual Required Contribution	Percentage Contributed
2011	\$26	\$71	37%
2010	23	69	33
2009	18	66	27

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

See Note V. D. DEFINED BENEFIT SINGLE EMPLOYER OPEB PLANS for actuarial assumptions and other information used to determine the annual required contributions.

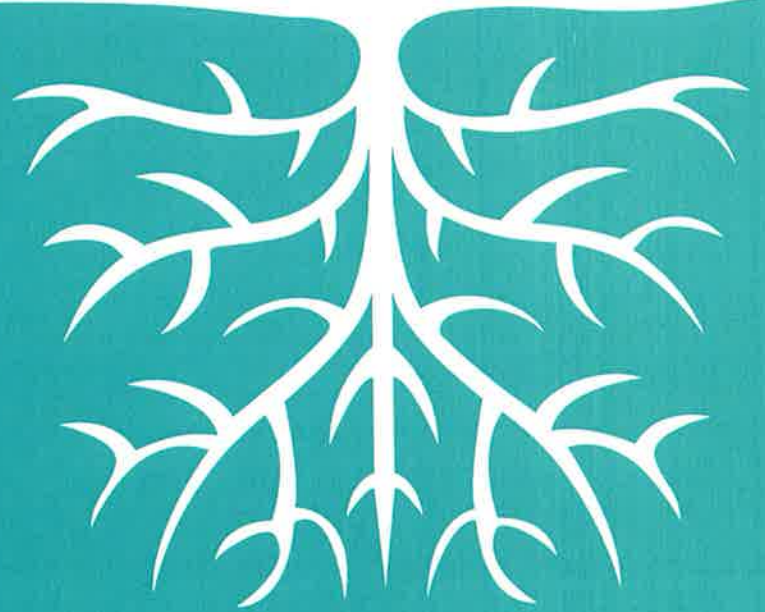


COMBINING & INDIVIDUAL FUND  
STATEMENTS & SCHEDULES





NON-MAJOR GOVERNMENTAL FUNDS





## ***Non-Major Governmental Funds***

### **Special Revenue Funds**

*Special revenue funds are used by the City to account for revenues derived from specific taxes, licenses, penalties, intergovernmental grants, and other restricted revenues which are designated to finance particular functions or activities of the City.*

- \* ***Emergency Management Fund*** – Established by City ordinance to account for revenues and expenditures related to the operation of the primary emergency response service.
- \* ***Court Administration and Training Fund*** – Established by State Statute and City ordinance to receive revenues from prescribed penalty assessments to be used for law enforcement, court, and prosecution training.
- \* ***Police Fund*** – Established by City ordinance to account for limited purpose sales tax designated for police services. This fund is designated by ordinance as the "Police Services, Facilities, or Equipment Tax Fund."
- \* ***Fire Fund*** – Established by City ordinance to account for limited purpose sales tax designated for fire protection services. This fund is designated by ordinance as the "Fire-fighting and Fire-Rescue Services, Facilities, or Equipment Tax Fund."
- \* ***Asset Forfeiture Fund*** – Established to account for the acceptance of Federal forfeited property from illegal drug activity. Subsequent to the establishment of the fund, state asset forfeiture activities were also included.
- \* ***Arbitrage Reserve Fund*** – Established to account for funding accumulations and payment of general obligation arbitrage liabilities.
- \* ***Zoo Fund*** – Established by City ordinance to account for limited purpose sales tax designated for the Oklahoma City Zoo.
- \* ***Oklahoma City Municipal Facilities Authority (OCMFA) General Purpose Fund*** – Established for financial reporting purposes to include the general government activities of OCMFA.
- \* ***Oklahoma City Public Property Authority (OCPPA) General Purpose Fund*** – Established for financial reporting purposes to include the general government activities of OCPPA.
- \* ***MAPS Operations Fund*** – Established by City ordinance to account for limited purpose use tax designated for operations and capital replacement of sports and cultural facilities. This fund is designated by ordinance as the Metropolitan Area Projects Operation, Maintenance, and Capital Replacement Fund.

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2011  
(dollars are in thousands)**

	Special Revenue Funds											
	Court							OCMFA	OCPPA	MAPS	MAPS3	Special
	Emergency Management	Administration and Training	Police	Fire	Asset Forfeiture	Arbitrage Reserve	Zoo	General Purpose	General Purpose			
<b>ASSETS</b>												
Pooled cash-----	\$19	\$34	\$236	\$173	\$185	\$24	\$41	\$3,913	\$4,797	\$457	\$151	\$207
Non-pooled cash-----	-	-	-	-	21	-	-	34	1	-	-	-
Investments-----	504	891	6,367	4,666	4,987	653	1,089	8,737	6,500	12,279	4,076	5,592
Sales and use taxes receivable-----	-	-	4,904	4,904	-	-	1,635	-	-	-	1,787	-
Property taxes receivable-----	-	-	-	-	-	-	-	-	3	-	-	-
Accounts receivable-----	470	-	-	-	8	-	-	-	261	2	-	-
Interest, dividends, and royalties receivable-----	4	7	52	43	38	7	3	62	56	65	26	36
Due from other funds-----	317	11	189	1	9	8	19	4,465	517	1,867	7,437	59
Receivable from component units-----	-	-	-	-	-	-	-	-	2	-	-	-
Intergovernmental receivable-----	-	-	-	-	-	-	-	-	-	-	-	-
Prepays-----	-	-	-	15	-	-	-	108	-	-	-	3
Advance to other funds-----	-	-	-	-	-	-	-	-	-	-	-	-
Other assets-----	-	-	-	23	770	-	-	377	5,041	-	-	-
<b>Total assets-----</b>	<b>\$1,314</b>	<b>\$943</b>	<b>\$11,748</b>	<b>\$9,825</b>	<b>\$6,018</b>	<b>\$692</b>	<b>\$2,787</b>	<b>\$17,696</b>	<b>\$17,178</b>	<b>\$14,670</b>	<b>\$13,477</b>	<b>\$5,897</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Accounts payable-----	\$ -	\$138	\$6	\$173	\$88	\$ -	\$ -	\$497	\$1,353	\$115	\$1	\$264
Wages and benefits payable-----	192	-	876	728	-	-	-	-	-	26	161	-
Due to other funds-----	-	-	436	207	22	691	-	185	1,480	3	-	-
Payable to component units, current-----	-	-	-	-	-	-	1,635	-	-	-	-	-
Tax anticipation debt-----	-	-	-	-	-	-	-	-	8,000	-	-	-
Deferred revenue-----	2	1	10	7	8	1	2	25	332	20	6	9
Payable to component units, non-current-----	-	-	-	-	-	-	1,150	-	-	-	-	-
Advance from other funds-----	-	-	-	-	-	-	-	-	4,380	-	-	-
<b>Total liabilities-----</b>	<b>194</b>	<b>139</b>	<b>1,328</b>	<b>1,115</b>	<b>118</b>	<b>692</b>	<b>2,787</b>	<b>707</b>	<b>15,545</b>	<b>164</b>	<b>168</b>	<b>273</b>
<b>FUND BALANCES</b>												
Non-spendable-----	-	-	-	38	770	-	-	485	-	-	-	3
Restricted-----	-	804	10,420	8,672	5,130	-	-	776	4,628	-	-	2,584
Committed-----	1,120	-	-	-	-	-	-	244	9	14,506	-	1,163
Assigned-----	-	-	-	-	-	-	-	15,484	-	-	13,309	1,874
Unassigned-----	-	-	-	-	-	-	-	-	(3,004)	-	-	-
<b>Total fund balances-----</b>	<b>1,120</b>	<b>804</b>	<b>10,420</b>	<b>8,710</b>	<b>5,900</b>	<b>-</b>	<b>-</b>	<b>16,989</b>	<b>1,633</b>	<b>14,506</b>	<b>13,309</b>	<b>5,624</b>
<b>Total liabilities and fund balances-----</b>	<b>\$1,314</b>	<b>\$943</b>	<b>\$11,748</b>	<b>\$9,825</b>	<b>\$6,018</b>	<b>\$692</b>	<b>\$2,787</b>	<b>\$17,696</b>	<b>\$17,178</b>	<b>\$14,670</b>	<b>\$13,477</b>	<b>\$5,897</b>

CITY OF OKLAHOMA CITY, OKLAHOMA

Special Revenue Funds				Capital Projects Funds									Total
Special	Tax	Medical	Hotel/	Capital	Street	Metropolitan	Police/Fire	Police/Fire	City and	City and	Sports	Sports	Non-Major
Districts	Incremental	Services	Motel Tax	Improvement	and Alley	Projects Tax	Equipment Sales Tax	Equipment Use Tax	Schools Sales Tax	Schools Use Tax	Facilities Sales Tax	Facilities Use Tax	Governmental Funds
\$3	\$ -	\$64	\$261	\$608	\$140	\$ -	\$283	\$3	\$208	\$741	\$1,198	\$301	\$14,047
-	-	-	-	-	-	2	-	-	-	-	-	-	58
87	-	1,707	7,016	16,353	3,779	495	7,613	81	5,602	19,943	32,314	8,103	159,434
-	-	-	-	-	-	-	-	-	-	-	-	-	13,230
-	-	-	-	-	-	-	-	-	-	-	-	-	3
175	-	491	1,169	93	7	1	75	-	159	-	80	8	2,999
2	-	8	50	117	34	-	59	-	44	158	232	63	1,166
-	1,011	150	556	2,896	43	-	178	1	55	240	350	22	20,401
-	-	-	-	-	-	-	-	-	-	-	-	-	2
-	1,814	-	-	-	-	-	-	-	-	-	-	-	1,814
-	-	-	-	-	-	-	-	-	-	-	-	-	126
-	-	-	-	-	-	-	-	-	-	9,184	-	-	9,184
-	-	-	-	-	-	-	-	-	-	-	-	-	6,211
<b>\$267</b>	<b>\$2,825</b>	<b>\$2,420</b>	<b>\$9,052</b>	<b>\$20,067</b>	<b>\$4,003</b>	<b>\$498</b>	<b>\$8,208</b>	<b>\$85</b>	<b>\$6,068</b>	<b>\$30,266</b>	<b>\$34,174</b>	<b>\$8,497</b>	<b>\$228,675</b>
\$ -	\$ -	\$ -	\$1,192	\$508	\$370	\$ -	\$480	\$ -	\$2	\$94	\$3,275	\$2,471	\$11,027
-	-	-	-	-	-	-	-	-	34	-	-	-	2,017
1	511	78	-	-	-	-	-	85	-	-	-	9	3,708
-	2,314	-	-	-	-	-	-	-	-	-	-	-	3,949
-	-	-	-	-	-	-	-	-	-	-	-	-	8,000
-	1,814	3	180	26	229	-	142	-	9	32	51	13	2,922
-	-	-	-	-	-	-	-	-	-	-	-	-	1,150
-	-	-	-	-	-	-	-	-	-	-	-	-	4,380
1	4,639	81	1,372	534	599	-	622	85	45	126	3,326	2,493	37,153
-	-	-	-	-	-	-	-	-	-	6,742	-	-	8,038
266	-	-	7,680	-	3,404	498	7,586	-	6,023	-	30,848	-	89,319
-	-	2,339	-	-	-	-	-	-	-	-	-	-	19,381
-	-	-	-	19,533	-	-	-	-	-	23,398	-	6,004	79,602
-	(1,814)	-	-	-	-	-	-	-	-	-	-	-	(4,818)
266	(1,814)	2,339	7,680	19,533	3,404	498	7,586	-	6,023	30,140	30,848	6,004	191,522
<b>\$267</b>	<b>\$2,825</b>	<b>\$2,420</b>	<b>\$9,052</b>	<b>\$20,067</b>	<b>\$4,003</b>	<b>\$498</b>	<b>\$8,208</b>	<b>\$85</b>	<b>\$6,068</b>	<b>\$30,266</b>	<b>\$34,174</b>	<b>\$8,497</b>	<b>\$228,675</b>

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

	Special Revenue Funds													
	Court				Asset Forfeiture			Arbitrage Reserve	Zoo	OCMFA	OCPPA	MAPS	MAPS3	Special
	Emergency Management	Administration and Training	Police	Fire	Forfeiture	Reserve			General Purpose	General Purpose	Operations	Use Tax	Purpose	
<b>REVENUES</b>														
Sales taxes-----	\$ -	\$ -	\$35,367	\$35,367	\$ -	\$ -	\$11,789		\$ -	\$ -	\$ -	\$ -	\$ -	
Use taxes-----	-	-	-	-	-	-	-	-	-	-	-	11,570	-	
Hotel/Motel taxes-----	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property taxes-----	-	-	-	-	-	-	-	-	-	695	-	-	-	
Emergency telephone taxes-----	4,545	-	-	-	-	-	-	-	-	-	-	-	-	
Licenses and permits-----	9	1,902	-	-	-	-	-	-	60	-	-	-	30	
Oil and gas royalties-----	-	-	-	-	-	-	-	-	907	-	-	-	-	
Fines and forfeitures-----	-	-	-	-	-	-	-	-	928	-	-	-	-	
Investment income-----	6	11	88	73	73	8	3	120	134	427	60	91		
Charges for services-----	-	-	-	-	1	-	-	6	15,933	-	-	2		
Rental income-----	-	-	-	11	-	-	-	4	988	-	-	4		
Intergovernmental programs-----	-	-	-	-	2,357	-	-	-	113	-	-	-		
Other-----	-	-	83	1	-	-	-	275	-	91	-	438		
<b>Total revenues-----</b>	<b>4,560</b>	<b>1,913</b>	<b>35,538</b>	<b>35,452</b>	<b>2,431</b>	<b>8</b>	<b>11,792</b>	<b>2,300</b>	<b>17,863</b>	<b>518</b>	<b>11,630</b>	<b>565</b>		
<b>EXPENDITURES</b>														
<b>CURRENT</b>														
General government-----	-	-	-	-	-	-	-	768	94	-	-	-	-	
Public safety														
Police-----	-	1,789	33,022	-	-	-	-	-	-	-	-	-	-	
Fire-----	-	-	-	33,530	-	-	-	-	-	-	-	-	69	
Other-----	6,943	-	-	-	1,242	-	-	851	-	-	-	-	-	
Public services-----	-	-	-	-	-	-	-	937	1,534	-	-	-	366	
Culture and recreation-----	-	-	-	-	-	-	11,792	40	18,596	1,256	8,110	149		
Education-----	-	-	-	-	-	-	-	-	-	-	-	-		
Economic development-----	-	-	-	-	-	-	-	-	83	-	-	-		
Capital Outlay-----	-	-	-	222	1,090	-	-	273	10,512	93	-	556		
<b>Total expenditures-----</b>	<b>6,943</b>	<b>1,789</b>	<b>33,022</b>	<b>33,752</b>	<b>2,332</b>	<b>-</b>	<b>11,792</b>	<b>2,869</b>	<b>31,121</b>	<b>1,349</b>	<b>8,110</b>	<b>1,140</b>		
<b>Excess (deficiency) of revenues over (under) expenditures-----</b>	<b>(2,383)</b>	<b>124</b>	<b>2,516</b>	<b>1,700</b>	<b>99</b>	<b>8</b>	<b>-</b>	<b>(569)</b>	<b>(13,258)</b>	<b>(831)</b>	<b>3,520</b>	<b>(575)</b>		
<b>OTHER FINANCING SOURCES (USES)</b>														
Transfers from other funds-----	2,400	-	-	-	-	-	-	1,212	6,026	-	7,534	1,590		
Transfers to other funds-----	-	-	-	-	(38)	(689)	-	(2,406)	(4,387)	-	(350)	(11)		
Sale of assets-----	-	-	1	25	26	-	-	-	-	3	-	87		
<b>Net other financing sources (uses)-----</b>	<b>2,400</b>	<b>-</b>	<b>1</b>	<b>25</b>	<b>(12)</b>	<b>(689)</b>	<b>-</b>	<b>(1,194)</b>	<b>1,639</b>	<b>3</b>	<b>7,184</b>	<b>1,666</b>		
<b>Net change in fund balances----</b>	<b>17</b>	<b>124</b>	<b>2,517</b>	<b>1,725</b>	<b>87</b>	<b>(681)</b>	<b>-</b>	<b>(1,763)</b>	<b>(11,619)</b>	<b>(828)</b>	<b>10,704</b>	<b>1,091</b>		
<b>FUND BALANCES</b>														
Fund balances, beginning-----	1,103	680	7,903	6,985	5,813	681	-	18,752	13,252	15,334	2,605	4,533		
<b>Fund balances, ending-----</b>	<b>\$1,120</b>	<b>\$804</b>	<b>\$10,420</b>	<b>\$8,710</b>	<b>\$5,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$16,989</b>	<b>\$1,633</b>	<b>\$14,506</b>	<b>\$13,309</b>	<b>\$5,624</b>		



CITY OF OKLAHOMA CITY, OKLAHOMA

Special Revenue Funds				Capital Projects Funds									Total
Special Districts	Tax Incremental Financing	Medical Services	Hotel/Motel Tax	Capital Improvement	Street and Alley	Metropolitan Projects Tax	Police/Fire Equipment Sales Tax	Police/Fire Equipment Use Tax	City and Schools Sales Tax	City and Schools Use Tax	Sports Facilities Sales Tax	Sports Facilities Use Tax	Non-Major Governmental Funds
\$ -	\$2,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$84,736
-	433	-	-	-	-	-	-	-	-	-	-	-	12,003
-	-	-	10,809	-	-	-	-	-	-	-	-	-	10,809
-	-	-	-	-	-	-	-	-	-	-	-	-	695
-	-	-	-	-	-	-	-	-	-	-	-	-	4,545
-	-	7,181	-	-	-	-	-	-	-	-	-	-	9,182
-	-	-	-	-	-	-	-	-	-	-	-	-	907
-	-	-	-	-	-	-	-	-	-	-	-	-	928
-	-	10	79	184	65	-	103	-	76	583	517	111	2,822
1,448	-	-	-	-	-	-	-	-	204	-	-	-	17,594
-	-	-	-	-	-	-	-	-	-	-	-	-	1,007
-	1,958	-	-	-	-	-	-	-	-	-	-	-	4,428
227	-	-	-	-	78	13	3	-	546	126	472	-	2,353
<b>1,675</b>	<b>4,604</b>	<b>7,191</b>	<b>10,888</b>	<b>184</b>	<b>143</b>	<b>13</b>	<b>106</b>	<b>-</b>	<b>826</b>	<b>709</b>	<b>989</b>	<b>111</b>	<b>152,009</b>
-	-	-	-	-	-	-	-	-	-	-	-	-	862
-	-	-	-	-	-	-	-	-	-	-	-	-	34,811
-	-	-	-	-	-	-	-	-	-	-	-	-	33,599
-	-	6,948	-	-	-	-	245	85	-	-	-	-	16,314
34	-	-	-	982	510	-	-	-	-	673	-	-	5,036
-	-	-	5,040	-	-	-	-	-	-	-	5	41	45,029
-	-	-	-	-	-	-	-	-	1,242	-	-	-	1,242
-	4,778	-	-	-	-	-	-	-	-	-	-	-	4,861
-	-	-	-	5,010	2,080	-	2,145	-	-	6,800	14,620	2,982	46,383
-	-	-	-	-	-	-	-	-	-	-	-	-	121
-	-	-	-	-	-	-	-	-	-	-	-	-	181
<b>34</b>	<b>4,778</b>	<b>6,948</b>	<b>5,040</b>	<b>5,992</b>	<b>2,590</b>	<b>-</b>	<b>2,390</b>	<b>85</b>	<b>1,242</b>	<b>7,473</b>	<b>14,625</b>	<b>3,023</b>	<b>188,439</b>
<b>1,641</b>	<b>(174)</b>	<b>243</b>	<b>5,848</b>	<b>(5,808)</b>	<b>(2,447)</b>	<b>13</b>	<b>(2,284)</b>	<b>(85)</b>	<b>(416)</b>	<b>(6,764)</b>	<b>(13,636)</b>	<b>(2,912)</b>	<b>(36,430)</b>
-	-	-	-	10,371	-	-	-	-	-	-	3,000	-	32,133
(2,002)	(507)	-	(9,773)	(104)	(125)	-	(30)	-	-	-	-	(1,255)	(21,677)
-	-	-	-	239	-	-	156	-	-	-	-	-	537
<b>(2,002)</b>	<b>(507)</b>	<b>-</b>	<b>(9,773)</b>	<b>10,506</b>	<b>(125)</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>(1,255)</b>	<b>10,993</b>
<b>(361)</b>	<b>(681)</b>	<b>243</b>	<b>(3,925)</b>	<b>4,698</b>	<b>(2,572)</b>	<b>13</b>	<b>(2,158)</b>	<b>(85)</b>	<b>(416)</b>	<b>(6,764)</b>	<b>(10,636)</b>	<b>(4,167)</b>	<b>(25,437)</b>
627	(1,133)	2,096	11,605	14,835	5,976	485	9,744	85	6,439	36,904	41,484	10,171	216,959
<b>\$266</b>	<b>(\$1,814)</b>	<b>\$2,339</b>	<b>\$7,680</b>	<b>\$19,533</b>	<b>\$3,404</b>	<b>\$498</b>	<b>\$7,586</b>	<b>\$ -</b>	<b>\$6,023</b>	<b>\$30,140</b>	<b>\$30,848</b>	<b>\$6,004</b>	<b>\$191,522</b>

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

<b>Debt Service Fund</b>						
	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Expenditures</u>	<u>Total Actual</u>	<u>Variance</u>
<b>REVENUES</b>						
Property taxes-----	\$67,207	\$4,642	\$71,849		\$71,175	(\$674)
Investment income-----	1,278	(278)	1,000		753	(247)
<b>OTHER REVENUE</b>						
Other revenue-----	-	-	-		57	57
<b>Total revenues</b> -----	<b>68,485</b>	<b>4,364</b>	<b>72,849</b>		<b>71,985</b>	<b>(864)</b>
<b>EXPENDITURES</b>						
Redemption of debt-----	47,584	9,742	57,326	\$46,950	46,950	10,376
Interest-----	25,748	(91)	25,657	25,372	25,372	285
Bond issue cost-----	426	35	461	461	461	-
<b>Total expenditures</b> -----	<b>73,758</b>	<b>9,686</b>	<b>83,444</b>	<b>72,783</b>	<b>72,783</b>	<b>10,661</b>
<b>Deficiency of revenues under expenditures</b> -----	<b>(5,273)</b>	<b>(5,322)</b>	<b>(10,595)</b>		<b>(798)</b>	<b>(11,525)</b>
<b>OTHER FINANCING USES</b>						
Premium on sale of bonds-----	3,053	(1,553)	1,500		2,826	1,326
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Appropriated for current year budget-----	2,220	6,875	9,095		9,095	-
Not appropriated-----	-	-	-		49,872	49,872
Beginning fund balance-----	2,220	6,875	9,095		58,967	49,872
<b>ENDING FUND BALANCE</b>						
Before encumbrances-----	-	-	-		60,995	60,995
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>60,995</b>	<b>\$60,995</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Revenue and transfer accruals-----					888	
Expenditure and transfer accruals-----					(5,450)	
<b>Fund balance, ending</b> -----					<b>\$56,433</b>	

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Emergency Management Fund				Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures		
<b>REVENUES</b>						
<b>TAXES</b>						
Emergency telephone taxes-----	\$4,804	\$ -	\$4,804		\$4,323	(\$481)
<b>LICENSES, PERMITS AND FEES</b>						
Licenses-----	11	-	11		9	(2)
Investment income-----	29	-	29		10	(19)
<b>Total revenues</b> -----	<b>4,844</b>	<b>-</b>	<b>4,844</b>		<b>4,342</b>	<b>(502)</b>
<b>EXPENDITURES</b>						
<b>GENERAL GOVERNMENT</b>						
Personnel:						
Personal services-----	5,116	-	5,116	4,808	4,808	308
Other services and charges-----	2,275	-	2,275	2,130	2,130	145
Supplies-----	36	-	36	5	5	31
<b>Net expenditures and encumbrances</b> -----	<b>7,427</b>	<b>-</b>	<b>7,427</b>	<b>\$6,943</b>	<b>6,943</b>	<b>484</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b> -----	<b>(2,583)</b>	<b>-</b>	<b>(2,583)</b>		<b>(2,601)</b>	<b>(986)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>TRANSFERS FROM OTHER FUNDS</b>						
General Fund-----	2,583	-	2,583		2,400	(183)
<b>Excess (deficiency) of revenues and other sources over expenditures</b> -----	<b>-</b>	<b>-</b>	<b>-</b>		<b>(201)</b>	<b>(1,169)</b>
Not appropriated-----	-	-	-		853	853
<b>ENDING FUND BALANCE</b>						
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>652</b>	<b>\$652</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Revenue and transfer accruals-----					387	
Expenditure and transfer accruals-----					81	
<b>Fund balance, ending</b> -----					<b>\$1,120</b>	

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Court Administration and Training Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
<b>REVENUES</b>							
<b>LICENSES, PERMITS AND FEES</b>							
CLEET fees (1)-----	\$619	\$211	\$830			\$863	\$33
AFIS fees (2)-----	435	148	583			490	(93)
Training fees-----	156	-	156			7	(149)
Forensic fees-----	420	66	486			472	(14)
Other police fees-----	61	-	61			70	9
Investment income-----	20	-	20			14	(6)
<b>Total revenues</b> -----	<b>1,711</b>	<b>425</b>	<b>2,136</b>			<b>1,916</b>	<b>(220)</b>
<b>EXPENDITURES</b>							
<b>GENERAL GOVERNMENT</b>							
Municipal counselor:							
Personal services-----	5	-	5	\$1	\$ -	1	4
Supplies-----	6	2	8	6	-	6	2
<b>PUBLIC SAFETY</b>							
Municipal courts:							
Personal services-----	8	-	8	-	-	-	8
Other services and charges-----	1,618	425	2,043	1,679	-	1,679	364
Supplies-----	25	-	25	6	-	6	19
Police:							
Personal services-----	75	1	76	41	-	41	35
Other services and charges-----	17	10	27	5	15	20	7
Supplies-----	93	14	107	58	40	98	9
<b>Total expenditures and encumbrances</b> -----	<b>1,847</b>	<b>452</b>	<b>2,299</b>	<b>1,796</b>	<b>55</b>	<b>1,851</b>	<b>448</b>
<b>PRIOR YEAR ENCUMBRANCES</b>							
Related to prior year budgets (3)-----	-	-	-	(8)	-	(8)	8
Related to current year budgets-----	-	-	-	-	(55)	(55)	55
<b>Net expenditures and encumbrances</b> -----	<b>1,847</b>	<b>452</b>	<b>2,299</b>	<b>\$1,788</b>	<b>\$ -</b>	<b>1,788</b>	<b>511</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b> -----	<b>(136)</b>	<b>(27)</b>	<b>(163)</b>			<b>128</b>	<b>(731)</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>							
<b>BEGINNING FUND BALANCE</b>							
Appropriated for current year budget-----	136	19	155			155	-
Reappropriated for prior year encumbrances-----	-	8	8			8	-
Not appropriated-----	-	-	-			646	646
Beginning fund balance-----	136	27	163			809	646
<b>ENDING FUND BALANCE</b>							
Before encumbrances-----	-	-	-			937	937
Less: current year encumbrances-----	-	-	-			(55)	(55)
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>882</b>	<b>\$882</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>							
Current year encumbrances included in expenditures-----						55	
Revenue and transfer accruals-----						(1)	
Expenditure and transfer accruals-----						(132)	
<b>Fund balance, ending</b> -----						<b>\$804</b>	

- (1) "CLEET" is the acronym for Council on Law Enforcement, Education, and Training.
- (2) "AFIS" is the acronym for Automated Fingerprint Identification System
- (3) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Police Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
<b>REVENUES</b>								
<b>TAXES</b>								
Sales taxes-----	\$31,932	\$1,626	\$33,558			\$35,234	\$1,676	
Investment income-----	138	-	138			81	(57)	
Charges for services-----	591	-	591			705	114	
<b>Total revenues</b> -----	<b>32,661</b>	<b>1,626</b>	<b>34,287</b>			<b>36,020</b>	<b>1,733</b>	
<b>EXPENDITURES</b>								
<b>PUBLIC SAFETY</b>								
Police:								
Personal services-----	22,431	244	22,675	\$22,530	\$ -	22,530	145	
Other services and charges-----	3,365	(254)	3,111	2,665	13	2,678	433	
Supplies-----	165	48	213	187	6	193	20	
<b>Total expenditures and encumbrances</b> -----	<b>25,961</b>	<b>38</b>	<b>25,999</b>	<b>25,382</b>	<b>19</b>	<b>25,401</b>	<b>598</b>	
<b>PRIOR YEAR ENCUMBRANCES</b>								
Related to prior year budgets (1)-----	-	-	-	(39)	-	(39)	39	
Related to current year budgets-----	-	-	-	-	(19)	(19)	19	
<b>Net expenditures and encumbrances</b> -----	<b>25,961</b>	<b>38</b>	<b>25,999</b>	<b>\$25,343</b>	<b>\$ -</b>	<b>25,343</b>	<b>656</b>	
<b>Excess of revenues over expenditures</b> -----	<b>6,700</b>	<b>1,588</b>	<b>8,288</b>			<b>10,677</b>	<b>1,077</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>TRANSFERS TO OTHER FUNDS</b>								
General government:								
General Fund-----	(6,700)	(1,627)	(8,327)			(8,328)	(1)	
<b>OTHER FINANCING SOURCES</b>								
Sale of City Property-----	-	-	-			1	1	
<b>Excess (deficiency) of revenues over expenditures and other uses</b> -----	<b>-</b>	<b>(39)</b>	<b>(39)</b>			<b>2,350</b>	<b>1,077</b>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>								
<b>BEGINNING FUND BALANCE</b>								
Reappropriated for prior year encumbrances----	-	39	39			43	4	
Not appropriated-----	-	-	-			1,238	1,238	
Beginning fund balance-----	-	39	39			1,281	1,242	
<b>ENDING FUND BALANCE</b>								
Before encumbrances-----	-	-	-			3,631	3,631	
Less: current year encumbrances-----	-	-	-			(19)	(19)	
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>3,612</b>	<b>\$3,612</b>	
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>								
Current year encumbrances included in expenditures-----						19		
Revenue and transfer accruals-----						4,528		
Expenditure and transfer accruals-----						367		
Project length budgeted activity-----						1,894		
<b>Fund balance, ending</b> -----						<b>\$10,420</b>		

(1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Fire Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
<b>REVENUES</b>								
<b>TAXES</b>								
Sales taxes-----	\$31,932	\$2,588	\$34,520			\$35,234	\$714	
Investment income-----	157	-	157			84	(73)	
<b>OTHER REVENUE</b>								
Rental income-----	11	-	11			11	-	
Other revenue-----	-	-	-			3	3	
<b>Total revenues</b> -----	<b>32,100</b>	<b>2,588</b>	<b>34,688</b>			<b>35,332</b>	<b>644</b>	
<b>EXPENDITURES</b>								
<b>PUBLIC SAFETY</b>								
Fire:								
Personal services-----	20,677	-	20,677	\$20,411	\$ -	20,411	266	
Other services and charges-----	1,708	(535)	1,173	1,008	12	1,020	153	
Supplies-----	1,405	329	1,734	1,305	74	1,379	355	
Capital outlay-----	50	472	522	222	-	222	300	
<b>Total expenditures and encumbrances</b> -----	<b>23,840</b>	<b>266</b>	<b>24,106</b>	<b>22,946</b>	<b>86</b>	<b>23,032</b>	<b>1,074</b>	
<b>PRIOR YEAR ENCUMBRANCES</b>								
Related to prior year budgets (1)-----	-	-	-	(229)	-	(229)	229	
Related to current year budgets-----	-	-	-	-	(86)	(86)	86	
<b>Net expenditures and encumbrances</b> -----	<b>23,840</b>	<b>266</b>	<b>24,106</b>	<b>\$22,717</b>	<b>\$ -</b>	<b>22,717</b>	<b>1,389</b>	
<b>Excess of revenues over expenditures</b> -----	<b>8,260</b>	<b>2,322</b>	<b>10,582</b>			<b>12,615</b>	<b>(745)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>TRANSFERS TO OTHER FUNDS</b>								
Public services:								
General Fund-----	(8,260)	(2,587)	(10,847)			(10,847)	-	
<b>OTHER FINANCING SOURCES</b>								
Sale of assets-----	-	-	-			25	25	
<b>Excess (deficiency) of revenues over expenditures and other uses</b> -----	<b>-</b>	<b>(265)</b>	<b>(265)</b>			<b>1,793</b>	<b>(720)</b>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>								
<b>BEGINNING FUND BALANCE</b>								
Reappropriated for prior year encumbrances-----	-	229	229			229	-	
Not appropriated-----	-	36	36			1,752	1,716	
Beginning fund balance-----	-	265	265			1,981	1,716	
Before encumbrances-----	-	-	-			3,774	3,774	
Less: current year encumbrances-----	-	-	-			(86)	(86)	
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>3,688</b>	<b>\$3,688</b>	
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>								
Current year encumbrances included in expenditures-----						86		
Revenue and transfer accruals-----						4,744		
Expenditure and transfer accruals-----						192		
<b>Fund balance, ending</b> -----						<b>\$8,710</b>		

(1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Asset Forfeiture Fund				Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures Encumbrances		
<b>REVENUES</b>						
Fines and forfeitures-----	1,169	-	1,169		2,357	1,188
Investment income-----	285	-	285		94	(191)
<b>OTHER REVENUE</b>						
Other revenue-----	26	-	26		19	(7)
<b>Total revenues</b> -----	<b>1,480</b>	<b>-</b>	<b>1,480</b>		<b>2,470</b>	<b>990</b>
<b>EXPENDITURES</b>						
<b>PUBLIC SAFETY</b>						
Police:						
Personal services-----	200	-	200	\$136	\$ -	136
Other services and charges-----	1,499	32	1,531	200	18	218
Supplies-----	2,198	221	2,419	941	437	1,378
Capital outlay-----	160	1,792	1,952	1,860	29	1,889
<b>Total expenditures and encumbrances</b> -----	<b>4,057</b>	<b>2,045</b>	<b>6,102</b>	<b>3,137</b>	<b>484</b>	<b>3,621</b>
<b>PRIOR YEAR ENCUMBRANCES</b>						
Related to prior year budgets (1)-----	-	-	-	(2,028)	-	(2,028)
Related to current year budgets-----	-	-	-	-	(484)	(484)
<b>Net expenditures and encumbrances</b> -----	<b>4,057</b>	<b>2,045</b>	<b>6,102</b>	<b>\$1,109</b>	<b>\$ -</b>	<b>1,109</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b> -----	<b>(2,577)</b>	<b>(2,045)</b>	<b>(4,622)</b>		<b>1,361</b>	<b>(4,003)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>TRANSFERS TO OTHER FUNDS</b>						
General government:						
Capital Improvement Fund-----	100	-	100		(25)	(125)
Public safety:						
Grants Management Fund-----	-	-	-		(13)	(13)
<b>Excess (deficiency) of revenues and other sources expenditures and other uses</b> -----	<b>(2,477)</b>	<b>(2,045)</b>	<b>(4,522)</b>		<b>1,323</b>	<b>(4,141)</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Appropriated for current year budget-----	2,477	17	2,494		2,497	3
Reappropriated for prior year encumbrances-----	-	2,028	2,028		2,028	-
Not appropriated-----	-	-	-		(717)	(717)
<b>Beginning fund balance</b> -----	<b>2,477</b>	<b>2,045</b>	<b>4,522</b>		<b>3,808</b>	<b>(714)</b>
<b>ENDING FUND BALANCE</b>						
Before encumbrances-----	-	-	-		5,131	5,131
Less: current year encumbrances-----	-	-	-		(484)	(484)
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>4,647</b>	<b>\$4,647</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Current year encumbrances included in expenditures-----					484	
Revenue and transfer accruals-----					728	
Expenditure and transfer accruals-----					41	
<b>Fund balance, ending</b> -----					<b>\$5,900</b>	

(1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.

**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Arbitrage Reserve Fund			Total Actual	Variance
	Original Budget	Revisions	Revised Budget		
<b>REVENUES</b>					
Investment income-----	\$ -	\$ -	\$ -	\$11	\$11
<b>Total revenues</b> -----	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>					
<b>BEGINNING FUND BALANCE</b>					
Not appropriated-----	-	-	-	680	680
Beginning fund balance-----	-	-	-	680	680
<b>ENDING FUND BALANCE</b>					
Before encumbrances-----	-	-	-	691	691
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>691</b>	<b>\$691</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and transfer accruals-----				(691)	
<b>Fund balance, ending</b> -----				<b>\$ -</b>	



**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<u>Zoo Fund</u>				
	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Total Actual</u>	<u>Variance</u>
<b><u>REVENUES</u></b>					
<b><u>TAXES</u></b>					
Sales taxes-----	\$10,644	\$ -	\$10,644	\$11,731	\$1,087
Investment income-----	92	-	92	26	(66)
<b>Total revenues</b> -----	<b>10,736</b>	<b>-</b>	<b>10,736</b>	<b>11,757</b>	<b>1,021</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
<b><u>TRANSFERS TO COMPONENT UNITS</u></b>					
Culture and recreation:					
OCZT-----	(13,583)	-	(13,583)	(13,583)	-
<b>Excess (deficiency) of revenues over expenditures and other uses</b> -----	<b>(2,847)</b>	<b>-</b>	<b>(2,847)</b>	<b>(1,826)</b>	<b>1,021</b>
<b><u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u></b>					
<b><u>BEGINNING FUND BALANCE</u></b>					
Appropriated for current year budget-----	2,847	-	2,847	2,847	-
Not appropriated-----	-	-	-	130	130
Beginning fund balance-----	<b>2,847</b>	<b>-</b>	<b>2,847</b>	<b>2,977</b>	<b>130</b>
<b><u>ENDING FUND BALANCE</u></b>					
Before encumbrances-----	-	-	-	1,151	1,151
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,151</b>	<b>\$1,151</b>
<b><u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u></b>					
Revenue and transfer accruals-----				1,633	
Expenditure and transfer accruals-----				(2,784)	
<b>Fund balance, ending</b> -----				<b>\$ -</b>	

**SCHEDULE OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	MAPS Operations Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
<b>REVENUES</b>								
Investment income-----	\$199	\$ -	\$199			\$116	(\$83)	
<b>OTHER REVENUE</b>								
Rental income-----	401	-	401			283	(118)	
Other revenue-----	90	-	90			90	-	
<b>Total revenues</b> -----	<b>690</b>	<b>-</b>	<b>690</b>			<b>489</b>	<b>(201)</b>	
<b>EXPENDITURES</b>								
<b>CULTURE AND RECREATION</b>								
Parks:								
Personal services-----	719	-	719	\$585	\$ -	585	134	
Other services and charges-----	598	52	650	399	27	426	224	
Supplies-----	212	6	218	102	-	102	116	
Capital outlay-----	300	27	327	2	-	2	325	
Non-departmental:								
Other services and charges-----	525	-	525	-	-	-	525	
<b>Total expenditures and encumbrances</b> -----	<b>2,354</b>	<b>85</b>	<b>2,439</b>	<b>1,088</b>	<b>27</b>	<b>1,115</b>	<b>1,324</b>	
<b>PRIOR YEAR ENCUMBRANCES</b>								
Related to prior year budgets (1)-----	-	-	-	(85)	-	(85)	85	
Related to current year budgets-----	-	-	-	-	(27)	(27)	27	
<b>Net expenditures and encumbrances</b> -----	<b>2,354</b>	<b>85</b>	<b>2,439</b>	<b>\$1,003</b>	<b>\$ -</b>	<b>1,003</b>	<b>1,436</b>	
<b>Deficiency of revenues under expenditures</b> -----	<b>(1,664)</b>	<b>(85)</b>	<b>(1,749)</b>			<b>(514)</b>	<b>(1,637)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>TRANSFERS FROM OTHER FUNDS</b>								
General Fund-----	1,698	-	1,698			6,494	4,796	
<b>TRANSFERS TO OTHER FUNDS</b>								
General government:								
MAPS Operations Fund (project-length budget) (2)-----	(649)	-	(649)			(649)	-	
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> -----	<b>(615)</b>	<b>(85)</b>	<b>(700)</b>			<b>5,331</b>	<b>3,159</b>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>								
<b>BEGINNING FUND BALANCE</b>								
Appropriated for current year budget-----	615	-	615			615	-	
Reappropriated for prior year encumbrances-----	-	85	85			85	-	
Not appropriated-----	-	-	-			5,270	5,270	
<b>Beginning fund balance</b> -----	<b>615</b>	<b>85</b>	<b>700</b>			<b>5,970</b>	<b>5,270</b>	
<b>ENDING FUND BALANCE</b>								
Before encumbrances-----	-	-	-			11,301	11,301	
Less: current year encumbrances-----	-	-	-			(27)	(27)	
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>11,274</b>	<b>\$11,274</b>	
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>								
Current year encumbrances included in expenditures-----						27		
Revenue and transfer accruals-----						2		
Expenditure and transfer accruals-----						(15)		
Project length budgeted activity-----						3,218		
<b>Fund balance, ending</b> -----						<b>\$14,506</b>		

- (1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.
- (2) Transfers within the same legal fund do not require budgetary authority.

**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<b>Police/Fire Equipment Use Tax Fund</b>				<b>Total Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Revisions</b>	<b>Revised Budget</b>	<b>Expenditures</b>		
<b>REVENUES</b>						
Investment income-----	\$ -	\$ -	\$ -		\$1	\$1
<b>Total revenues</b> -----	<b>-</b>	<b>-</b>	<b>-</b>		<b>1</b>	<b>1</b>
<b>EXPENDITURES</b>						
<b>GENERAL GOVERNMENT</b>						
City manager:						
Personal services-----	-	85	85	<b>\$85</b>	85	-
<b>Excess (deficiency) of revenues over (under) expenditures</b> -----	<b>-</b>	<b>(85)</b>	<b>(85)</b>		<b>(84)</b>	<b>1</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Appropriated for current year budget-----	-	85	85		85	-
Not appropriated-----	-	-	-		(2)	(2)
Beginning fund balance-----	-	85	85		83	(2)
<b>ENDING FUND BALANCE</b>						
Before encumbrances-----	-	-	-		(1)	(1)
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>(1)</b>	<b>(\$1)</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Revenue and transfer accruals-----					(504)	
Expenditure and transfer accruals-----					505	
<b>Fund balance, ending</b> -----					<b>\$ -</b>	

**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	City and Schools Sales Tax Fund							
	Original		Revised		Total			
	Budget	Revisions	Budget	Expenditures	Encumbrances	Actual	Variance	
<b>REVENUES</b>								
Charges for services-----	\$ -	\$ -	\$ -			\$16	\$16	
<b>OTHER REVENUE</b>								
Other revenue-----	-	-	-			447	447	
Other revenue-----	-	-	-			100	100	
<b>Total revenues</b> -----	<b>-</b>	<b>-</b>	<b>-</b>			<b>563</b>	<b>563</b>	
<b>EXPENDITURES</b>								
<b>EDUCATION</b>								
City manager:								
Personal services-----	792	-	792	728	-	728	64	
Other services and charges-----	402	-	402	306	-	306	96	
Supplies-----	41	7	48	19	4	23	25	
<b>Total expenditures and encumbrances</b> -----	<b>1,235</b>	<b>7</b>	<b>1,242</b>	<b>1,053</b>	<b>4</b>	<b>1,057</b>	<b>185</b>	
<b>PRIOR YEAR ENCUMBRANCES</b>								
Related to prior year budgets (1)-----	-	-	-	(7)	-	(7)	7	
Related to current year budgets-----	-	-	-	-	(4)	(4)	4	
<b>Net expenditures and encumbrances</b> -----	<b>1,235</b>	<b>7</b>	<b>1,242</b>	<b>\$1,046</b>	<b>\$ -</b>	<b>1,046</b>	<b>196</b>	
<b>Deficiency of revenues under expenditures</b> -----	<b>(1,235)</b>	<b>(7)</b>	<b>(1,242)</b>			<b>(483)</b>	<b>367</b>	
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>TRANSFERS TO OTHER FUNDS</b>								
Education:								
Sales Tax Fund (project-length budget) (2)-----	(175)	-	(175)			-	175	
<b>Excess (deficiency) of revenues over expenditures and other uses</b> -----	<b>(1,410)</b>	<b>(7)</b>	<b>(1,417)</b>			<b>(483)</b>	<b>542</b>	
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>								
<b>BEGINNING FUND BALANCE</b>								
Appropriated for current year budget-----	1,410	-	1,410			1,410	-	
Reappropriated for prior year encumbrances-----	-	7	7			7	-	
Not appropriated-----	-	-	-			4,940	4,940	
<b>Beginning fund balance</b> -----	<b>1,410</b>	<b>7</b>	<b>1,417</b>			<b>6,357</b>	<b>4,940</b>	
<b>ENDING FUND BALANCE</b>								
Before encumbrances-----	-	-	-			5,874	5,874	
Less: current year encumbrances-----	-	-	-			(4)	(4)	
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>5,870</b>	<b>\$5,870</b>	
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>								
Current year encumbrances included in expenditures-----						4		
Revenue and transfer accruals-----						149		
<b>Fund balance, ending</b> -----						<b>\$6,023</b>		

- (1) Expenditures paid against prior year encumbrances are reported with current year expenditures in the schedule shown. Prior year encumbrances reduce beginning budgetary fund balance. Therefore, prior year encumbrances are subtracted from current year expenditures to appropriately report the amount of beginning fund balance.
- (2) Transfers within the same legal fund do not require budgetary authority.

**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	MAPS3 Use Tax Fund					
	Original Budget	Revisions	Revised Budget	Expenditures	Total Actual	Variance
<b>REVENUES</b>						
<b>TAXES</b>						
Use taxes-----	\$9,672	\$ -	\$9,672		\$11,275	\$1,603
Investment income-----	20	-	20		70	50
Charges for services-----	-	-	-		16	16
<b>Total revenues</b> -----	<b>9,692</b>	<b>-</b>	<b>9,692</b>		<b>11,361</b>	<b>1,669</b>
<b>EXPENDITURES</b>						
<b>PUBLIC SAFETY</b>						
Police:						
Personal services-----	4,304	-	4,304	\$4,186	4,186	118
Other services and charges-----	104	-	104	104	104	-
Supplies-----	25	-	25	-	-	25
Fire:						
Personal services-----	3,208	-	3,208	3,172	3,172	36
Other services and charges-----	72	-	72	72	72	-
Supplies-----	106	-	106	-	-	106
<b>CULTURE AND RECREATION</b>						
City manager:						
Personal services-----	463	-	463	352	352	111
Other services and charges-----	1,040	-	1,040	234	234	806
Supplies-----	20	-	20	6	6	14
<b>Total expenditures and encumbrances</b> -----	<b>9,342</b>	<b>-</b>	<b>9,342</b>	<b>\$8,126</b>	<b>8,126</b>	<b>1,216</b>
<b>Excess of revenues over expenditures</b> -----	<b>350</b>	<b>-</b>	<b>350</b>		<b>3,235</b>	<b>2,885</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>TRANSFERS FROM OTHER FUNDS</b>						
Police Fund-----	-	-	-		4,290	4,290
Fire Fund-----	-	-	-		3,244	3,244
<b>TRANSFERS TO OTHER FUNDS</b>						
Culture and recreation:						
Capital Improvements Fund-----	(350)	-	(350)		(350)	-
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b> -----	<b>-</b>	<b>-</b>	<b>-</b>		<b>10,419</b>	<b>10,419</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Not appropriated-----	-	-	-		1,111	1,111
Beginning fund balance-----	-	-	-		1,111	1,111
<b>ENDING FUND BALANCE</b>						
Before encumbrances-----	-	-	-		11,530	11,530
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>11,530</b>	<b>\$11,530</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Revenue and transfer accruals-----					1,684	
Expenditure and transfer accruals-----					95	
<b>Fund balance, ending</b> -----					<b>\$13,309</b>	

**SCHEDULE OF REVENUES, EXPENDITURES  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Medical Services Fund				Total	
	Original Budget	Revisions	Revised Budget	Expenditures	Actual	Variance
<b>REVENUES</b>						
Investment income-----	\$24	\$ -	\$24		\$15	(\$9)
Charges for services-----	7,200	-	7,200		7,217	17
<b>Total revenues</b> -----	<b>7,224</b>	<b>-</b>	<b>7,224</b>		<b>7,232</b>	<b>8</b>
<b>EXPENDITURES</b>						
<b>CULTURE AND RECREATION</b>						
Non-departmental:						
Other services and charges-----	7,224	-	7,224	\$6,948	6,948	276
<b>Total expenditures and encumbrances</b> -----	<b>7,224</b>	<b>-</b>	<b>7,224</b>	<b>\$6,948</b>	<b>6,948</b>	<b>276</b>
<b>Excess of revenues over expenditures</b> -----	<b>-</b>	<b>-</b>	<b>-</b>		<b>284</b>	<b>(268)</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Not appropriated-----	-	-	-		1,566	1,566
Beginning fund balance-----	-	-	-		1,566	1,566
<b>ENDING FUND BALANCE</b>						
Before encumbrances-----	-	-	-		1,850	1,850
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>1,850</b>	<b>\$1,850</b>
<b>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>						
Revenue and transfer accruals-----					459	
Expenditure and transfer accruals-----					30	
<b>Fund balance, ending</b> -----					<b>\$2,339</b>	

**STATEMENT OF REVENUES, EXPENDITURES,  
ENCUMBRANCES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

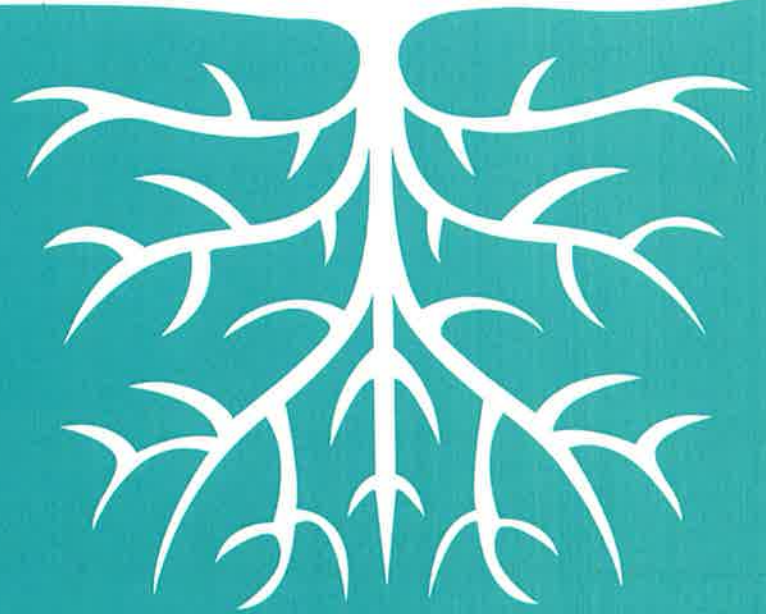
**CITY OF OKLAHOMA CITY, OKLAHOMA**

	Hotel/Motel Tax Fund					
	Original Budget	Revisions	Revised Budget	Expenditures	Total Actual	Variance
<b>REVENUES</b>						
<b>TAXES</b>						
Hotel/Motel taxes-----	\$9,811	\$1,400	\$11,211		\$10,944	(\$267)
Investment income-----	299	-	299		116	(183)
<b>Total revenues</b> -----	<b>10,110</b>	<b>1,400</b>	<b>11,510</b>		<b>11,060</b>	<b>(450)</b>
<b>EXPENDITURES</b>						
<b>CULTURE AND RECREATION</b>						
Convention and visitors:						
Other services and charges-----	5,472	-	5,472	\$5,040	5,040	432
<b>Net expenditures and     encumbrances</b> -----	<b>5,472</b>	<b>-</b>	<b>5,472</b>	<b>\$5,040</b>	<b>5,040</b>	<b>432</b>
<b>Excess of revenues over expenditures</b> -----	<b>4,638</b>	<b>1,400</b>	<b>6,038</b>		<b>6,020</b>	<b>(882)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>TRANSFERS FROM OTHER FUNDS</b>						
OCPPA General Purpose Fund-----	3,881	-	3,881		4,782	901
<b>TRANSFERS TO OTHER FUNDS</b>						
Culture and recreation:						
OCPPA Fairgrounds Fund-----	(8,919)	(5,900)	(14,819)		(14,555)	264
Total other financing sources (uses)-----	(5,038)	(5,900)	(10,938)		(9,773)	1,165
<b>Excess (deficiency) of revenues over expenditures and other uses</b> -----	<b>(400)</b>	<b>(4,500)</b>	<b>(4,900)</b>		<b>(3,753)</b>	<b>283</b>
<b>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</b>						
<b>BEGINNING FUND BALANCE</b>						
Appropriated for current year budget-----	400	4,500	4,900		4,900	-
Not appropriated-----	-	-	-		5,542	5,542
Beginning fund balance-----	400	4,500	4,900		10,442	5,542
<b>Ending fund balance</b> -----	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>6,689</b>	<b>\$6,689</b>
Revenue and transfer accruals-----					1,169	
Expenditure and transfer accruals-----					(178)	
<b>Fund balance, ending</b> -----					<b>\$7,680</b>	

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NON-MAJOR ENTERPRISE FUNDS





## ***Non-Major Enterprise Funds***

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

- \* ***Airports Fund*** – *Accounts for airport related operating activity including Will Rogers World Airport, Wiley Post Airport, and Clarence E. Page Airport.*
- \* ***Oklahoma City Municipal Facilities Authority (OCMFA) Utilities Fund*** – *Accounts for primarily wastewater and water utility assets acquired by the OCMFA.*
- \* ***Solid Waste Management Fund*** – *Accounts for activity related to solid waste management and disposal.*
- \* ***Stormwater Drainage Fund*** – *Accounts for the stormwater drainage utility established to address Federal mandates governing National Pollution Discharge Elimination System (NPDES) programs. The purpose of the utility is to provide for the development and operation of a stormwater drainage system.*
- \* ***Oklahoma City Public Property Authority (OCPPA) Golf Courses Fund*** – *Accounts for the operations of five municipal golf courses.*
- \* ***Oklahoma City Public Property Authority (OCPPA) Fairgrounds Fund*** – *Accounts for the operations and management agreements with the State Fair of Oklahoma, Inc..*
- \* ***Transportation Fund*** – *Accounts for operating activities relating to the City's ground transportation system other than bus drivers and mechanics.*
- \* ***Parking Fund*** – *Accounts for operating activities relating to the City's parking system.*

**COMBINING STATEMENT OF FUND NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
June 30, 2011  
(dollars are in thousands)**

	<u>Airports</u>	<u>OCMFA Utilities</u>	<u>Solid Waste Management</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Pooled cash-----	\$76	\$ -	\$24
Non-pooled cash-----	-	-	-
Investments-----	2,041	-	664
Accounts receivable, net-----	14	-	-
Interest, dividends, and royalties receivable-----	19	-	6
Due from other funds-----	-	-	1,171
Receivable from component units-----	-	-	-
Inventories-----	838	-	-
Prepays-----	-	-	-
Total current assets-----	<u>2,988</u>	<u>-</u>	<u>1,865</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Deferred debt expense, net-----	-	-	-
Capital assets:			
Land, art, water storage rights, and construction in progress-----	16,115	-	-
Other capital assets, net of accumulated depreciation-----	2,015	-	-
Capital assets, net-----	<u>18,130</u>	<u>-</u>	<u>-</u>
Total non-current assets-----	<u>18,130</u>	<u>-</u>	<u>-</u>
<b>Total assets-----</b>	<b><u>21,118</u></b>	<b><u>-</u></b>	<b><u>1,865</u></b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable-----	345	-	59
Wages and benefits payable-----	304	-	280
Due to other funds-----	102	-	138
Compensated absences-----	423	-	367
Bond interest payable-----	-	-	-
Bonds payable-----	-	-	-
Total current liabilities-----	<u>1,174</u>	<u>-</u>	<u>844</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Compensated absences-----	706	-	757
Advance from other funds-----	-	-	-
Bonds payable:			
Bonds payable-----	-	-	-
Unamortized bond discount/premium-----	-	-	-
Deferred amount on refunding-----	-	-	-
Bonds payable, net-----	<u>-</u>	<u>-</u>	<u>-</u>
Net other post-employment benefit obligation-----	1,388	-	1,546
Total non-current liabilities-----	<u>2,094</u>	<u>-</u>	<u>2,303</u>
<b>Total liabilities-----</b>	<b><u>3,268</u></b>	<b><u>-</u></b>	<b><u>3,147</u></b>
<b><u>NET ASSETS (DEFICIT)</u></b>			
Invested in capital assets, net of related debt-----	18,129	-	-
Restricted for:			
Capital projects-----	-	-	-
Debt service-----	-	-	-
Unrestricted-----	(279)	-	(1,282)
<b>Total net assets (deficit)-----</b>	<b><u>\$17,850</u></b>	<b><u>\$ -</u></b>	<b><u>(\$1,282)</u></b>

CITY OF OKLAHOMA CITY, OKLAHOMA

<u>Stormwater Drainage</u>	<u>OCPPA Golf Courses</u>	<u>OCPPA Fairgrounds</u>	<u>Transportation</u>	<u>Parking</u>	<u>Total Non-Major Enterprise Funds</u>
\$279	\$387	\$1,989	\$2	\$3	\$2,760
-	1,158	907	-	-	2,065
7,518	930	4,721	48	73	15,995
1,743	-	-	-	-	1,757
55	2	-	1	1	84
594	-	-	-	-	1,765
5	-	-	100	-	105
60	318	-	-	-	1,216
3	-	-	-	-	3
<b>10,257</b>	<b>2,795</b>	<b>7,617</b>	<b>151</b>	<b>77</b>	<b>25,750</b>
-	64	968	-	-	1,032
4,473	-	7,658	-	-	28,246
51,777	8,726	56,373	-	23	118,914
56,250	8,726	64,031	-	23	147,160
56,250	8,790	64,999	-	23	148,192
<b>66,507</b>	<b>11,585</b>	<b>72,616</b>	<b>151</b>	<b>100</b>	<b>173,942</b>
332	416	1,759	-	1	2,912
286	237	-	63	14	1,184
519	42	512	26	4	1,343
384	62	-	70	26	1,332
-	67	860	-	-	927
-	470	1,835	-	-	2,305
1,521	1,294	4,966	159	45	10,003
579	146	-	236	44	2,468
-	671	-	-	-	671
-	7,995	66,480	-	-	74,475
-	-	1,665	-	-	1,665
-	(2)	-	-	-	(2)
-	7,993	68,145	-	-	76,138
917	1,418	-	276	56	5,601
1,496	10,228	68,145	512	100	84,878
<b>3,017</b>	<b>11,522</b>	<b>73,111</b>	<b>671</b>	<b>145</b>	<b>94,881</b>
56,187	352	(6,058)	-	23	68,633
-	1	-	-	-	1
-	353	1,376	-	-	1,729
7,303	(643)	4,187	(520)	(68)	8,698
<b>\$63,490</b>	<b>\$63</b>	<b>(\$495)</b>	<b>(\$520)</b>	<b>(\$45)</b>	<b>\$79,061</b>

**COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN FUND NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

	<u>Airports</u>	<u>OCMFA Utilities</u>	<u>Solid Waste Management</u>
<b><u>OPERATING REVENUES</u></b>			
<b><u>CHARGES FOR SERVICES</u></b>			
Drainage charges-----	\$ -	\$ -	\$ -
Green fees-----	-	-	-
Concessions-----	-	-	-
Other charges-----	-	-	-
Total charges for services-----	-	-	-
Lease and rental income-----	-	-	-
Other-----	-	-	-
<b>Total operating revenues-----</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>OPERATING EXPENSES</u></b>			
Personal services-----	7,996	-	7,359
Maintenance, operations, and contractual services-----	5,412	-	1,348
Materials and supplies-----	493	-	1,078
Depreciation-----	480	6,097	-
<b>Total operating expenses-----</b>	<b>14,381</b>	<b>6,097</b>	<b>9,785</b>
<b>Operating loss-----</b>	<b>(14,381)</b>	<b>(6,097)</b>	<b>(9,785)</b>
<b><u>NON-OPERATING REVENUE (EXPENSES)</u></b>			
Investment income-----	24	-	-
Interest on torts, bonds, notes, commercial paper, and lease obligations-----	-	-	-
Amortization-----	-	-	-
Payments from component units-----	-	-	-
Other revenue (expenses)-----	14	-	1
<b>Net non-operating revenue (expenses)-----</b>	<b>38</b>	<b>-</b>	<b>1</b>
<b>Loss before transfers-----</b>	<b>(14,343)</b>	<b>(6,097)</b>	<b>(9,784)</b>
<b><u>TRANSFERS</u></b>			
Transfers from other funds-----	13,375	-	9,545
Transfers to other funds-----	-	(30,334)	(220)
<b>Total transfers-----</b>	<b>13,375</b>	<b>(30,334)</b>	<b>9,325</b>
<b>Changes in net assets (deficit)-----</b>	<b>(968)</b>	<b>(36,431)</b>	<b>(459)</b>
<b><u>NET ASSETS (DEFICIT)</u></b>			
Net assets (deficit), beginning:			
As previously reported-----	18,818	36,431	(823)
Prior period adjustment-----	-	-	-
Net assets (deficit), beginning, as restated-----	18,818	36,431	(823)
<b>Total net assets (deficit), ending-----</b>	<b>\$17,850</b>	<b>-</b>	<b>(\$1,282)</b>

CITY OF OKLAHOMA CITY, OKLAHOMA

<u>Stormwater Drainage</u>	<u>OCPPA Golf Courses</u>	<u>OCPPA Fairgrounds</u>	<u>Transportation</u>	<u>Parking</u>	<u>Total Non-Major Enterprise Funds</u>
\$12,439	\$ -	\$ -	\$ -	\$ -	\$12,439
-	4,783	-	-	-	4,783
-	1,415	-	-	-	1,415
131	4	-	2,024	221	2,380
12,570	6,202	-	2,024	221	21,017
-	2,216	-	-	-	2,216
104	-	-	-	-	104
<b>12,674</b>	<b>8,418</b>	<b>-</b>	<b>2,024</b>	<b>221</b>	<b>23,337</b>
7,561	3,176	-	1,610	348	28,050
4,213	2,136	6	2,025	228	15,368
473	1,920	2	-	5	3,971
3,284	1,309	4,418	-	6	15,594
<b>15,531</b>	<b>8,541</b>	<b>4,426</b>	<b>3,635</b>	<b>587</b>	<b>62,983</b>
<b>(2,857)</b>	<b>(123)</b>	<b>(4,426)</b>	<b>(1,611)</b>	<b>(366)</b>	<b>(39,646)</b>
75	14	14	-	4	131
-	(380)	(2,141)	-	-	(2,521)
-	(5)	(85)	-	-	(90)
-	-	-	1,563	185	1,748
(23)	(95)	-	-	-	(103)
<b>52</b>	<b>(466)</b>	<b>(2,212)</b>	<b>1,563</b>	<b>189</b>	<b>(835)</b>
<b>(2,805)</b>	<b>(589)</b>	<b>(6,638)</b>	<b>(48)</b>	<b>(177)</b>	<b>(40,481)</b>
-	1,007	9,773	-	197	33,897
-	-	-	-	-	(30,554)
-	<b>1,007</b>	<b>9,773</b>	<b>-</b>	<b>197</b>	<b>3,343</b>
<b>(2,805)</b>	<b>418</b>	<b>3,135</b>	<b>(48)</b>	<b>20</b>	<b>(37,138)</b>
66,312	(232)	15,284	(472)	(65)	135,253
(17)	(123)	(18,914)	-	-	(19,054)
66,295	(355)	(3,630)	(472)	(65)	116,199
<b>\$63,490</b>	<b>\$63</b>	<b>(\$495)</b>	<b>(\$520)</b>	<b>(\$45)</b>	<b>\$79,061</b>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2011**  
**(dollars are in thousands)**

	<u>Airports</u>	<u>OCMFA Utilities</u>	<u>Solid Waste Management</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers-----	\$ -	\$ -	\$15
Cash payments to suppliers for goods and services-----	(6,022)	-	(2,447)
Cash payments to employees and professional contractors for services-----	(7,779)	-	(6,960)
Cash payments for internal services-----	-	-	-
Operating payments from (to) component units-----	-	-	-
Other cash receipts-----	-	-	-
<b>Net cash provided (used) by operating activities-----</b>	<b>(13,801)</b>	<b>-</b>	<b>(\$9,392)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Cash received from operating grants-----	-	-	-
Transfers received from (paid to) other funds-----	13,375	-	8,375
Payments from (to) component units for non-capital financing activities-----	-	-	-
<b>Net cash provided by non-capital financing activities-----</b>	<b>13,375</b>	<b>-</b>	<b>8,375</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>			
Payments for acquisition and construction of capital assets-----	(275)	-	-
Principal paid on long-term debt-----	-	-	-
Interest paid on long-term debt-----	-	-	-
Proceeds from sale of assets-----	24	-	-
<b>Net cash used by capital and     related financing activities-----</b>	<b>(251)</b>	<b>-</b>	<b>-</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Payments for purchase of investments-----	-	-	(1,704)
Proceeds from sale of investments-----	-	-	2,539
Changes in pooled investments-----	410	-	-
Investment income received-----	29	-	9
<b>Net cash provided (used) by investing activities-----</b>	<b>439</b>	<b>-</b>	<b>844</b>
<b>Net increase (decrease) in cash-----</b>	<b>(238)</b>	<b>-</b>	<b>(173)</b>
Cash, beginning-----	314	-	197
<b>Cash, ending-----</b>	<b>\$76</b>	<b>\$ -</b>	<b>\$24</b>
<b><u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating loss-----	(\$14,381)	(\$6,097)	(\$9,785)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Depreciation-----	480	6,097	-
Other revenue (expense)-----	-	-	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable-----	-	-	-
(Increase) decrease in due from other funds-----	-	-	-
(Increase) decrease in receivable from component units-----	-	-	-
(Increase) decrease in inventories-----	(86)	-	-
(Increase) decrease in prepaid assets-----	-	-	-
Increase (decrease) in accounts payable-----	(31)	-	(16)
Increase (decrease) in wages and benefits payable-----	(81)	-	(65)
Increase (decrease) in due to other funds-----	-	-	15
Increase (decrease) in compensated absences-----	(62)	-	86
Increase (decrease) in net other post-employment benefit obligation-----	360	-	373
<b>Total adjustments-----</b>	<b>580</b>	<b>6,097</b>	<b>393</b>
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$13,801)</b>	<b>\$ -</b>	<b>(\$9,392)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>			
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$ -
Transfer of capital assets from (to) other funds-----	-	(30,334)	(220)
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$ -</b>	<b>(\$30,334)</b>	<b>(\$220)</b>

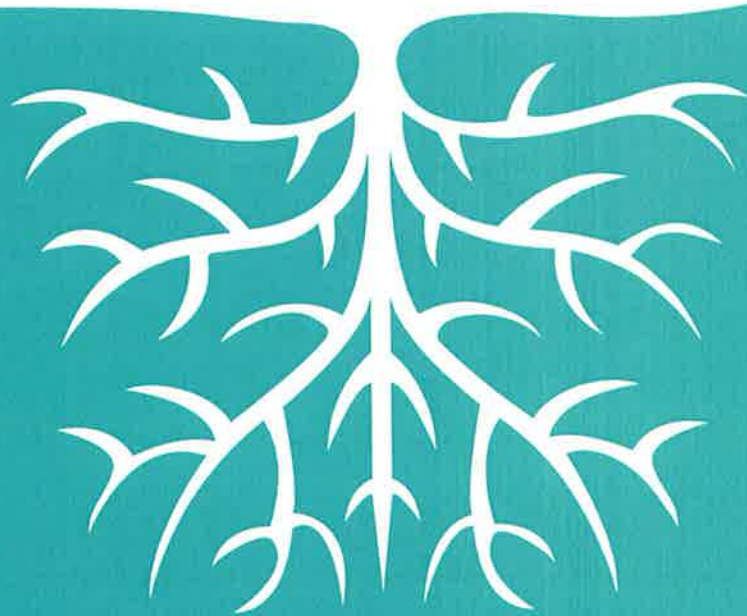


CITY OF OKLAHOMA CITY, OKLAHOMA

<u>Stormwater Drainage</u>	<u>OCPPA Golf Courses</u>	<u>OCPPA Fairgrounds</u>	<u>Transportation</u>	<u>Parking</u>	<u>Total Non-Major Enterprise Funds</u>
\$12,498	\$8,412	\$ -	\$ -	\$ -	\$20,925
(4,635)	(4,201)	(8)	(2,025)	(229)	(19,567)
(7,134)	(4,168)	-	(1,544)	(334)	(27,919)
-	(49)	-	-	-	(49)
66	-	-	1,949	220	2,235
-	58	-	24	-	82
<b>795</b>	<b>52</b>	<b>(8)</b>	<b>(1,596)</b>	<b>(343)</b>	<b>(24,293)</b>
42	-	-	-	-	42
-	1,012	10,678	-	197	33,637
-	-	-	1,563	185	1,748
<b>42</b>	<b>1,012</b>	<b>10,678</b>	<b>1,563</b>	<b>382</b>	<b>35,427</b>
(1,327)	(92)	(4,160)	-	-	(5,854)
-	(1,761)	(1,745)	-	-	(3,506)
-	(439)	(3,476)	-	-	(3,915)
21	-	310	-	-	355
<b>(1,306)</b>	<b>(2,292)</b>	<b>(9,071)</b>	<b>-</b>	<b>-</b>	<b>(12,920)</b>
(300)	(29,446)	(15,444)	-	-	(46,894)
-	30,425	19,109	-	-	52,073
-	44	(2,415)	23	(41)	(1,979)
95	10	14	3	1	161
<b>(205)</b>	<b>1,033</b>	<b>1,264</b>	<b>26</b>	<b>(40)</b>	<b>3,361</b>
<b>(674)</b>	<b>(195)</b>	<b>2,863</b>	<b>(7)</b>	<b>(1)</b>	<b>1,575</b>
953	1,740	33	9	4	3,250
<b>\$279</b>	<b>\$1,545</b>	<b>\$2,896</b>	<b>\$2</b>	<b>\$3</b>	<b>\$4,825</b>
(2,857)	(\$123)	(\$4,426)	(\$1,611)	(\$366)	(\$39,646)
3,284	1,309	4,418	-	6	15,594
-	62	-	-	-	62
(176)	-	-	-	-	(176)
(320)	(142)	-	-	-	(462)
10	-	-	(75)	-	(65)
(5)	(4)	-	-	-	(95)
23	-	-	-	-	23
32	(161)	-	-	(1)	(177)
(48)	(43)	-	(15)	(3)	(255)
382	167	-	24	3	591
291	16	-	7	3	341
179	(1,029)	-	74	15	(28)
3,652	175	4,418	15	23	15,353
<b>\$795</b>	<b>\$52</b>	<b>(\$8)</b>	<b>(\$1,596)</b>	<b>(\$343)</b>	<b>(\$24,293)</b>
\$ -	\$ -	(\$2)	\$ -	\$ -	(\$2)
-	-	-	-	-	(30,554)
<b>\$ -</b>	<b>\$ -</b>	<b>(\$2)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$30,556)</b>

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INTERNAL SERVICE FUNDS





## ***Internal Service Funds***

*Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis.*

- \* ***Fleet Services Fund*** – *Established to account for the operations of the City's motor pool.*
- \* ***Risk Management Fund*** – *Established to administer the City's various insurance programs.*
- \* ***Information Technology Fund*** – *Established to account for the operation of the City's computer and telecommunication systems.*
- \* ***Print Shop Fund*** – *Established to account for the operation of the City's mailing and printing services.*
- \* ***Oklahoma City Municipal Facilities Authority (OCMFA) Services Fund*** – *Established to account for OCMFA financial transactions relating primarily to risk management, information technology, various lease purchasing agreements, and other related activities that require commitment for more than one fiscal year.*
- \* ***Oklahoma City Public Property Authority (OCPPA) Services Fund*** – *Established to account for OCPPA financial transactions relating to centralized utility billings.*

COMBINING STATEMENT OF  
 FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 June 30, 2011  
 (dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Fleet Services	Risk Management	Information Technology	Print Shop	OCMFA Services	OCPPA Services	Total Internal Service Funds
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Pooled cash-----	\$66	\$15	\$130	\$9	\$9,359	\$8	\$9,587
Investments-----	1,781	411	3,499	235	20,856	10	26,792
Accounts receivable, net-----	-	-	25	2	3,102	-	3,129
Interest, dividends, and royalties receivable-----	13	21	34	2	124	-	194
Due from other funds-----	498	5,478	7	49	1,008	-	7,040
Receivable from component units-----	-	-	34	2	-	-	36
Inventories-----	31	-	-	25	-	-	56
Prepays-----	-	-	472	1	503	-	976
Total current assets-----	2,389	5,925	4,201	325	34,952	18	47,810
<b>NON-CURRENT ASSETS</b>							
Advance to other funds-----	-	-	-	-	671	-	671
Other-----	-	-	-	-	143	-	143
Capital assets:							
Land and construction in progress-----	928	-	-	-	-	-	928
Other capital assets, net of accumulated depreciation-----	121	19	33	74	8,220	-	8,467
Capital assets, net-----	1,049	19	33	74	8,220	-	9,395
Total non-current assets-----	1,049	19	33	74	9,034	-	10,209
<b>Total assets-----</b>	<b>3,438</b>	<b>5,944</b>	<b>4,234</b>	<b>399</b>	<b>43,986</b>	<b>18</b>	<b>58,019</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable-----	969	21	267	14	1,787	-	3,058
Wages and benefits payable-----	91	36	304	7	-	-	438
Due to other funds-----	-	33	99	-	471	-	603
Payable to component units-----	-	-	-	-	73	-	73
Interest payable-----	-	56	-	-	-	-	56
Compensated absences-----	148	39	446	4	-	-	637
Notes, lease obligations, and estimated claims payable-----	-	2,393	-	11	11,529	-	13,933
Total current liabilities-----	1,208	2,578	1,116	36	13,860	-	18,798
<b>NON-CURRENT LIABILITIES</b>							
Compensated absences-----	353	60	815	8	-	-	1,236
Notes, commercial paper, lease obligations, and estimated claims payable-----	-	3,000	-	39	31,572	-	34,611
Net other post-employment benefit obligation-----	647	141	1,263	64	-	-	2,115
Total non-current liabilities-----	1,000	3,201	2,078	111	31,572	-	37,962
<b>Total liabilities-----</b>	<b>2,208</b>	<b>5,779</b>	<b>3,194</b>	<b>147</b>	<b>45,432</b>	<b>-</b>	<b>56,760</b>
<b>NET ASSETS (DEFICITS)</b>							
Invested in capital assets, net of related debt-----	1,048	19	32	35	8,192	-	9,326
Unrestricted-----	182	146	1,008	217	(9,638)	18	(8,067)
<b>Total net assets (deficits)-----</b>	<b>\$1,230</b>	<b>\$165</b>	<b>\$1,040</b>	<b>\$252</b>	<b>(\$1,446)</b>	<b>\$18</b>	<b>\$1,259</b>

COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2011  
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Fleet Services	Risk Management	Information Technology	Print Shop	OCMFA Services	OCPPA Services	Total Internal Service Funds
<b>OPERATING REVENUES</b>							
Internal service charges-----	\$8,187	\$12,764	\$18,232	\$801	\$33,246	\$966	\$74,196
Other charges-----	-	-	20	-	1	-	21
Other-----	-	-	4	-	5,186	-	5,190
<b>Total operating revenues-----</b>	<b>8,187</b>	<b>12,764</b>	<b>18,256</b>	<b>801</b>	<b>38,433</b>	<b>966</b>	<b>79,407</b>
<b>OPERATING EXPENSES</b>							
Personal services-----	2,498	964	8,046	241	-	-	11,749
Maintenance, operations, and contractual services---	614	2,980	4,828	364	58,903	894	68,583
Materials and supplies-----	5,315	15	461	61	20	-	5,872
Depreciation-----	13	1	29	16	1,620	218	1,897
<b>Total operating expenses-----</b>	<b>8,440</b>	<b>3,960</b>	<b>13,364</b>	<b>682</b>	<b>60,543</b>	<b>1,112</b>	<b>88,101</b>
<b>Operating income (loss)-----</b>	<b>(253)</b>	<b>8,804</b>	<b>4,892</b>	<b>119</b>	<b>(22,110)</b>	<b>(146)</b>	<b>(8,694)</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>							
Investment income-----	14	32	73	1	301	4	425
Interest on torts and lease obligations-----	-	-	-	(5)	-	-	(5)
Other revenue (expenses)-----	(22)	-	-	1	31	(580)	(570)
<b>Total non-operating revenue (expenses)-----</b>	<b>(8)</b>	<b>32</b>	<b>73</b>	<b>(3)</b>	<b>332</b>	<b>(576)</b>	<b>(150)</b>
<b>Income (loss) before transfers-----</b>	<b>(261)</b>	<b>8,836</b>	<b>4,965</b>	<b>116</b>	<b>(21,778)</b>	<b>(722)</b>	<b>(8,844)</b>
<b>TRANSFERS</b>							
Transfers from other funds-----	-	2,440	-	-	23,943	-	26,383
Transfers to other funds-----	(1)	(11,313)	(5,402)	-	-	(6,971)	(23,687)
<b>Total transfers-----</b>	<b>(1)</b>	<b>(8,873)</b>	<b>(5,402)</b>	<b>-</b>	<b>23,943</b>	<b>(6,971)</b>	<b>2,696</b>
<b>Changes in net assets-----</b>	<b>(262)</b>	<b>(37)</b>	<b>(437)</b>	<b>116</b>	<b>2,165</b>	<b>(7,693)</b>	<b>(6,148)</b>
<b>NET ASSETS (DEFICITS)</b>							
Total net assets (deficits), beginning-----	1,492	202	1,477	136	(3,611)	7,711	7,407
<b>Total net assets (deficits), ending-----</b>	<b>\$1,230</b>	<b>\$165</b>	<b>\$1,040</b>	<b>\$252</b>	<b>(\$1,446)</b>	<b>\$18</b>	<b>\$1,259</b>

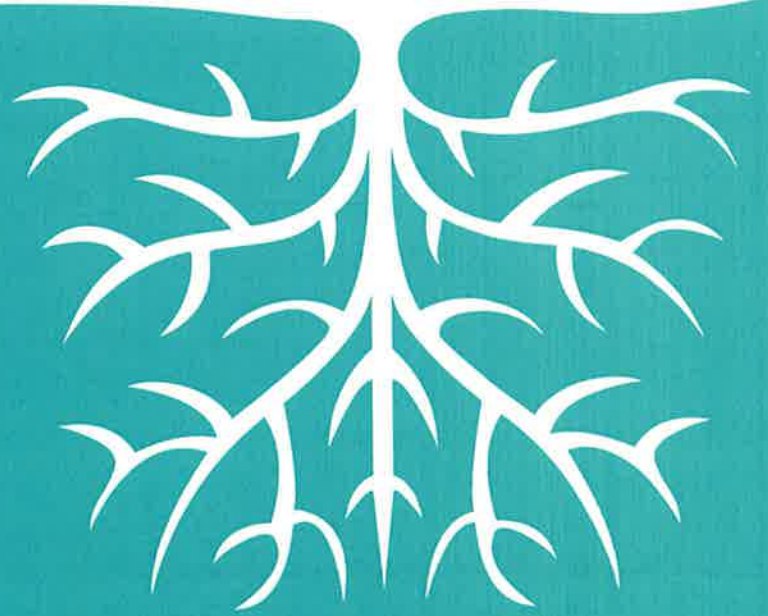
**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

	<b>Fleet Services</b>	<b>Risk Management</b>	<b>Information Technology</b>	<b>Print Shop</b>	<b>OCMFA Services</b>	<b>OCPPA Services</b>	<b>Total Internal Service Funds</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>							
Cash received from customers-----	\$8,188	\$12,782	\$18,221	\$772	\$38,799	\$966	\$79,728
Cash payments to suppliers for goods and services-----	(5,738)	(8,481)	(5,751)	(375)	(45,833)	(894)	(67,072)
Cash payments to employees and professional contractors for services-----	(2,220)	(935)	(8,011)	(271)	-	-	(11,437)
Operating payments from (to) component units-----	-	-	-	-	73	-	73
Other cash receipts-----	6	6	41	1	(3,023)	-	(2,969)
<b>Net cash provided (used) by operating activities-----</b>	<b>236</b>	<b>3,372</b>	<b>4,500</b>	<b>127</b>	<b>(9,984)</b>	<b>72</b>	<b>(1,677)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>							
Interest paid on torts-----	-	(744)	-	-	-	-	(744)
Transfers received from (paid to) other funds-----	(1)	(2,627)	(5,402)	-	14,280	(818)	5,432
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>(1)</b>	<b>(3,371)</b>	<b>(5,402)</b>	<b>-</b>	<b>14,280</b>	<b>(818)</b>	<b>4,688</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>							
Payments for acquisition and construction of capital assets-----	-	-	-	(60)	(15)	-	(75)
Interest paid on long-term debt-----	-	-	-	(4)	-	-	(4)
Proceeds from sale of assets-----	15	-	-	-	-	-	15
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>(64)</b>	<b>(15)</b>	<b>-</b>	<b>(64)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>							
Changes in pooled investments-----	(371)	(43)	478	(76)	(3,227)	501	(2,738)
Investment income received-----	4	9	34	1	67	8	123
Purchased interest-----	(1)	-	-	-	(19)	-	(20)
<b>Net cash provided (used) by investing activities-----</b>	<b>(368)</b>	<b>(34)</b>	<b>512</b>	<b>(75)</b>	<b>(3,179)</b>	<b>509</b>	<b>(2,635)</b>
<b>Net increase (decrease) in cash-----</b>	<b>(118)</b>	<b>(33)</b>	<b>(390)</b>	<b>(12)</b>	<b>1,102</b>	<b>(237)</b>	<b>312</b>
Cash, beginning-----	184	48	520	21	8,257	245	9,275
<b>Cash, ending-----</b>	<b>\$66</b>	<b>\$15</b>	<b>\$130</b>	<b>\$9</b>	<b>\$9,359</b>	<b>\$8</b>	<b>\$9,587</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>							
Operating income (loss)-----	(\$253)	\$8,804	\$4,892	\$119	(\$22,110)	(\$146)	(\$8,694)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>							
Depreciation-----	13	1	29	16	1,620	218	1,897
Other revenue (expense)-----	6	-	4	1	31	-	42
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	-	-	(3)	1	(3,102)	-	(3,104)
(Increase) decrease in due from other funds-----	1	-	(7)	(29)	376	-	341
(Increase) decrease in receivable from component units-----	-	-	(26)	(1)	-	-	(27)
(Increase) decrease in inventories-----	7	-	2	1	-	-	10
(Increase) decrease in prepaid assets-----	-	-	(472)	(1)	(38)	-	(511)
(Increase) decrease in other assets-----	-	-	-	-	(143)	-	(143)
Increase (decrease) in accounts payable-----	207	-	19	-	391	-	617
Increase (decrease) in wages and benefits payable-----	(29)	(12)	(113)	(3)	-	-	(157)
Increase (decrease) in due to other funds-----	-	25	37	-	470	-	532
Increase (decrease) in payable to component unit-----	-	-	-	-	73	-	73
Increase (decrease) in compensated absences-----	45	1	(128)	(39)	-	-	(121)
Increase (decrease) in long-term debt-----	-	-	-	-	12,448	-	12,448
Increase (decrease) in notes, lease and estimated claims payable-----	(23)	(5,486)	-	50	-	-	(5,459)
Increase (decrease) in net other post-employment benefit obligation-----	262	39	266	12	-	-	579
Total adjustments-----	489	(5,432)	(392)	8	12,126	218	7,017
<b>Net cash provided (used) by operating activities-----</b>	<b>\$236</b>	<b>\$3,372</b>	<b>\$4,500</b>	<b>\$127</b>	<b>(\$9,984)</b>	<b>\$72</b>	<b>(\$1,677)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>							
Net increase (decrease) in fair value of investments-----	\$15	\$7	\$43	\$2	\$166	(\$2)	\$231
Transfer of capital assets from (to) other funds-----	-	-	-	-	9,659	(6,152)	3,507
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$15</b>	<b>\$7</b>	<b>\$43</b>	<b>\$2</b>	<b>\$9,825</b>	<b>(\$6,154)</b>	<b>\$3,738</b>



FIDUCIARY FUNDS





## ***Fiduciary Funds***

*Fiduciary funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the City's programs.*

### **Pension Trust Funds**

- \* ***Oklahoma City Employee Retirement System Fund (OCERS)*** – *Established to account for the receipt, investment, and distribution of retirement contributions from the City and its non-uniformed employees.*
- \* ***Central Oklahoma Transportation and Parking Employee Retirement Trust (COTPA Retirement)*** – *Established to provide retirement benefits to employees of the Central Oklahoma Transportation and Parking Authority (COTPA), a discretely reported component unit of the City.*

### **Other Post-Employment Benefit Trust Fund**

- \* ***Oklahoma City Post-Employment Benefits Trust (OCPEBT)*** – *Established to provide post-employment benefits to retirees of the City and their beneficiaries.*

### **Agency Fund**

- \* ***Agency Fund*** – *Accounts for various deposits, bail bonds, performance bonds, escrow monies, and special assessments for which the City has no responsibility but acts only as an agent for the participants.*

COMBINING STATEMENT OF  
 FIDUCIARY NET ASSETS  
 PENSION AND OTHER POST-EMPLOYMENT  
 BENEFIT TRUST FUNDS  
 June 30, 2011  
 (dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	OCERS	COTPA Retirement	OCPEBT	Total Pension and Other Post-employment Benefit Trust Funds
<b>ASSETS</b>				
Non-pooled cash-----	\$618	\$ -	\$264	\$882
<b>RECEIVABLES</b>				
Interest and dividends-----	826	8	14	848
Employer-----	446	19	1,060	1,525
Plan members-----	363	15	2	380
Other receivables-----	49	-	538	587
Total receivables-----	1,684	42	1,614	3,340
<b>INVESTMENTS, AT FAIR VALUE</b>				
Domestic common stock-----	164,428	4,509	6,312	175,249
Passive domestic stock funds-----	78,045	720	-	78,765
Preferred stock-----	1,351	-	-	1,351
Government securities/fixed income-----	98,940	132	-	99,072
Passive bond fund-----	39,727	1,568	4,361	45,656
International stock-----	112,436	1,114	1,948	115,498
Passive international bond funds-----	8,482	-	-	8,482
Treasury money market fund-----	5,639	103	2,734	8,476
Real estate-----	26,798	81	-	26,879
Oklahoma City judgments-----	2,488	-	-	2,488
Total investments-----	538,334	8,227	15,355	561,916
Invested securities lending collateral-----	17,830	-	-	17,830
<b>Total assets-----</b>	<b>558,466</b>	<b>8,269</b>	<b>17,233</b>	<b>583,968</b>
<b>LIABILITIES</b>				
Accounts payable-----	620	14	1,284	1,918
Due to broker-----	21,926	-	-	21,926
Wages and benefits payable-----	8	-	-	8
Securities lending collateral-----	17,830	-	-	17,830
Compensated absences, current-----	17	-	-	17
Estimated claims payable-----	-	-	931	931
Compensated absences, non-current-----	37	-	-	37
Net other post-employment benefits obligation-----	29	-	-	29
<b>Total liabilities-----</b>	<b>40,467</b>	<b>14</b>	<b>2,215</b>	<b>42,696</b>
<b>NET ASSETS HELD IN TRUST</b>				
Pension benefits-----	517,999	8,255	-	526,254
Other post-employment benefits-----	-	-	15,018	15,018
<b>Net assets held in trust-----</b>	<b>\$517,999</b>	<b>\$8,255</b>	<b>\$15,018</b>	<b>\$541,272</b>

COMBINING STATEMENT OF CHANGES  
 IN FIDUCIARY NET ASSETS  
 PENSION AND OTHER POST-EMPLOYMENT  
 BENEFIT TRUST FUNDS  
 For the Year Ended June 30, 2011  
 (dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

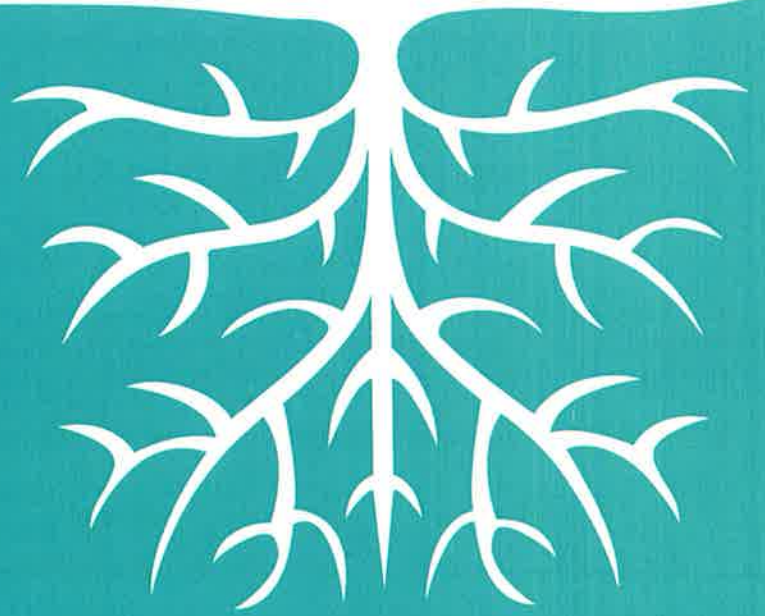
	OCERS	COTPA Retirement	OCPEBT	Total Pension and Post-employment Benefit Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer-----	\$7,133	\$489	\$18,747	\$26,369
Plan members-----	6,285	377	9,603	16,265
Total contributions-----	13,418	866	28,350	42,634
Investment income:				
Net appreciation in fair value of investments-----	79,095	1,388	999	81,482
Interest-----	3,167	53	5	3,225
Dividends-----	2,945	104	235	3,284
	85,207	1,545	1,239	87,991
Less: investment expense-----	(1,458)	(32)	(36)	(1,526)
Net investment income-----	83,749	1,513	1,203	86,465
From securities lending activities:				
Securities lending income-----	77	-	-	77
Securities lending expenses:				
Borrower rebates-----	(3)	-	-	(3)
Management fees-----	(25)	-	-	(25)
Net income from securities lending activities-----	49	-	-	49
Other-----	156	-	-	156
<b>Total additions-----</b>	<b>97,372</b>	<b>2,379</b>	<b>29,553</b>	<b>129,304</b>
<b>DEDUCTIONS</b>				
Benefits paid-----	23,288	452	26,058	49,798
Refunds of contributions-----	819	149	-	968
Administrative expenses-----	429	27	46	502
<b>Total deductions-----</b>	<b>24,536</b>	<b>628</b>	<b>26,104</b>	<b>51,268</b>
<b>Change in net assets-----</b>	<b>72,836</b>	<b>1,751</b>	<b>3,449</b>	<b>78,036</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS</b>				
Beginning of year-----	445,163	6,504	11,569	463,236
<b>End of year-----</b>	<b>\$517,999</b>	<b>\$8,255</b>	<b>\$15,018</b>	<b>\$541,272</b>

STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUND  
 June 30, 2011  
 (dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b><u>ASSETS</u></b>				
Pooled cash-----	\$378	\$18,646	(\$18,923)	\$101
Non-pooled cash-----	485	595	(737)	343
Interest and dividends-----	16	19	(21)	14
Other receivables-----	47	4,672	(4,655)	64
Pooled investments-----	1,641	1,095	(827)	1,909
<b>Total assets-----</b>	<b>\$2,567</b>	<b>\$25,027</b>	<b>(\$25,163)</b>	<b>\$2,431</b>
<b><u>LIABILITIES</u></b>				
Accounts payable-----	\$143	\$458	(\$423)	\$178
Due to depositors-----	2,424	17,280	(17,451)	2,253
<b>Total liabilities-----</b>	<b>\$2,567</b>	<b>\$17,738</b>	<b>(\$17,874)</b>	<b>\$2,431</b>

COMPONENT UNIT







## ***Component Unit***

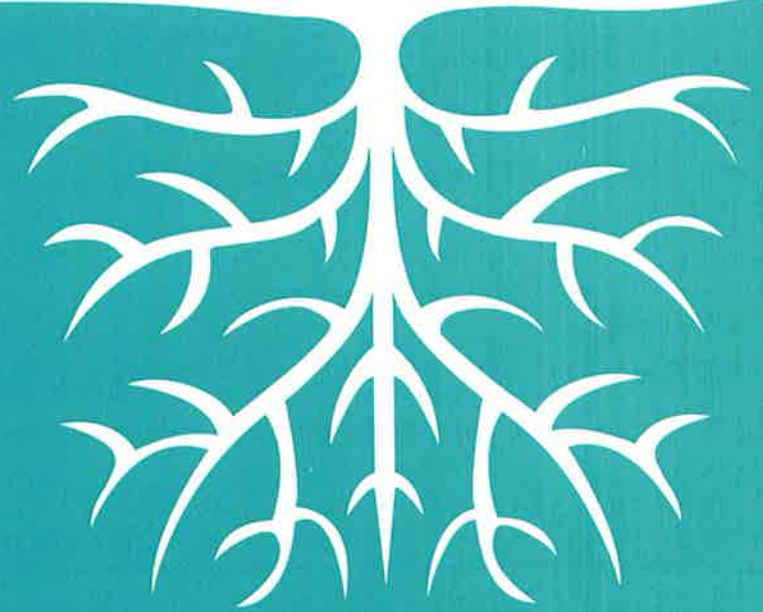
*Additional financial statements are presented for all discrete component units of the City that do not report separately.*

STATEMENT OF CASH FLOWS  
 PORT AUTHORITY  
 For the Year Ended June 30, 2011  
 (dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Cash received from customers-----	\$9
Cash payments to suppliers for goods and services-----	(33)
<b>Net cash used by operating activities</b> -----	<b>(24)</b>
Net decrease in cash-----	(24)
Cash, beginning-----	36
Cash, ending-----	<u>\$12</u>
<b><u>RECONCILIATION OF OPERATING LOSS TO NET</u></b>	
<b><u>CASH USED BY OPERATING ACTIVITIES</u></b>	
Operating loss-----	(\$16)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO</u></b>	
<b><u>NET CASH USED BY OPERATING ACTIVITIES</u></b>	
(Increase) decrease in accounts receivable-----	(1)
Increase (decrease) in accounts payable-----	(7)
Total adjustments-----	(8)
<b>Net cash used by operating activities</b> -----	<b>(24)</b>

OTHER SUPPLEMENTARY INFORMATION





**CAPITAL ASSETS**  
**SCHEDULE BY FUND AND COMPONENT UNIT**  
**June 30, 2011**  
**(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

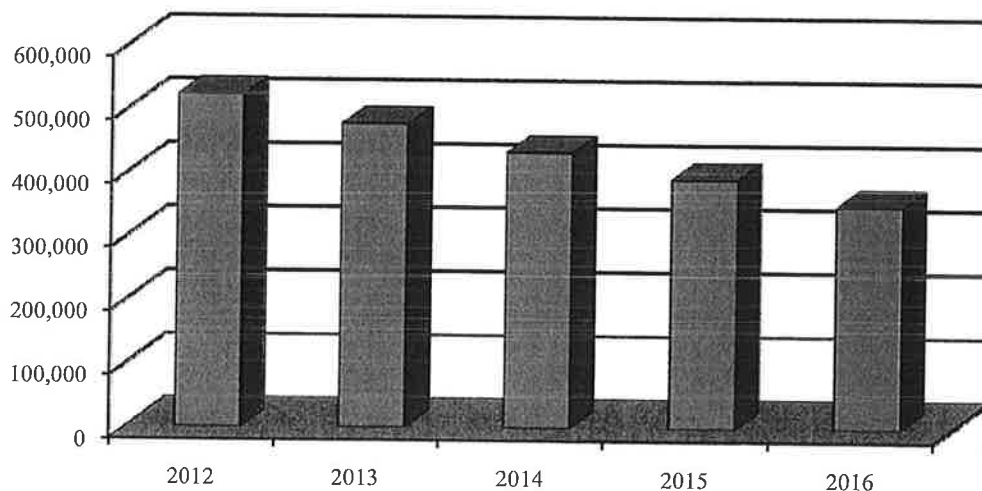
	NOT DEPRECIATED		DEPRECIATED				Total
	Land, Art & Water Storage Rights	Construction In Progress	Buildings	Infrastructure & Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Accumulated Depreciation	
<b>Primary Government</b>							
<i>Governmental Activities</i>							
Non fund-related-----	\$86,434	\$175,682	\$448,576	\$1,294,874	\$196,049	(\$779,879)	\$1,421,736
<u>Internal service funds</u>							
Fleet Services Fund-----	928	-	783	75	167	(904)	1,049
Risk Management Fund-----	-	-	-	-	36	(17)	19
Information Technology Fund-----	-	-	33	-	3,245	(3,245)	33
Print Shop Fund-----	-	-	-	-	152	(78)	74
OCMFA Services Fund-----	-	-	219	-	24,449	(16,448)	8,220
OCPPA Services Fund-----	-	-	-	-	-	-	-
	<u>928</u>	<u>-</u>	<u>1,035</u>	<u>75</u>	<u>28,049</u>	<u>(20,692)</u>	<u>9,395</u>
	<u>87,362</u>	<u>175,682</u>	<u>449,611</u>	<u>1,294,949</u>	<u>224,098</u>	<u>(800,571)</u>	<u>1,431,131</u>
<i>Business-type Activities</i>							
<u>Major enterprise funds</u>							
OCAT Fund-----	14,466	7,792	455,638	288,128	13,829	(384,048)	395,805
OCWUT Fund-----	97,709	233,614	84,083	672,366	71,212	(342,944)	816,040
Water Utilities Fund-----	9,378	-	44,033	515,790	38,296	(360,395)	247,102
MCA Fund-----	61,529	594	4,795	21,000	510	(12,092)	76,336
OCEAT Fund-----	-	-	2,419	1,581	13,686	(7,867)	9,819
	<u>183,082</u>	<u>242,000</u>	<u>590,968</u>	<u>1,498,865</u>	<u>137,533</u>	<u>(1,107,346)</u>	<u>1,545,102</u>
<u>Non-major enterprise funds</u>							
Airports Fund-----	16,113	-	8,633	30,499	5,226	(42,341)	18,130
Solid Waste Management Fund---	-	-	1	2	310	(313)	-
Stormwater Drainage Fund-----	3,167	1,306	83	98,295	3,956	(50,557)	56,250
OCPPA Golf Courses Fund-----	-	-	2,880	20,896	5,016	(20,066)	8,726
OCPPA Fairgrounds Fund-----	2,005	5,653	26,277	52,649	2,767	(25,320)	64,031
Parking Fund-----	-	-	-	119	365	(461)	23
	<u>21,285</u>	<u>6,959</u>	<u>37,874</u>	<u>202,460</u>	<u>17,640</u>	<u>(139,058)</u>	<u>147,160</u>
	<u>204,367</u>	<u>248,959</u>	<u>628,842</u>	<u>1,701,325</u>	<u>155,173</u>	<u>(1,246,404)</u>	<u>1,692,262</u>
<b>Total primary government--</b>	<b>\$291,729</b>	<b>\$424,641</b>	<b>\$1,078,453</b>	<b>\$2,996,274</b>	<b>\$379,271</b>	<b>(\$2,046,975)</b>	<b>\$3,123,393</b>
<b>Component Units</b>							
OCRRA-----	\$32	\$11	\$ -	\$3,339	\$551	(\$533)	\$3,400
OCZT-----	-	322	77,310	9,268	5,929	(28,324)	64,505
COTPA-----	4,609	1,775	40,675	7,734	26,479	(40,225)	41,047
OCMAPS-----	-	135,533	-	-	-	-	135,533
OCRA-----	507	-	7,278	15,900	-	(3,675)	20,010
OCEDT-----	2,624	53,776	1	143	-	(30)	56,514
<b>Total component units-----</b>	<b>\$7,772</b>	<b>\$191,417</b>	<b>\$125,264</b>	<b>\$36,384</b>	<b>\$32,959</b>	<b>(\$72,787)</b>	<b>\$321,009</b>

**LONG-TERM DEBT SUPPORTING  
GENERAL GOVERNMENT SERVICES  
SCHEDULE OF GENERAL OBLIGATION  
BONDS OUTSTANDING BY ISSUE  
June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

<u>Fiscal Year</u>	<u>Issue</u>	<u>Issued</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1993	Refunding 1993 (1)	05/01/93	08/01/11	\$104,890	\$1,555
2000	Combined Purpose 2000 (2)	06/01/00	07/01/10	41,385	-
2001	Combined Purpose 2001 (3)	06/01/01	07/01/11	39,000	2,055
2002	Combined Purpose 2002	03/01/02	03/01/22	22,500	13,020
2002	Refunding 2002 (2)	06/01/02	03/01/20	86,725	45,545
2003	Combined Purpose 2003	03/01/03	03/01/23	25,000	16,660
2004	Combined Purpose 2004	03/01/04	03/01/24	20,000	13,700
2005	Combined Purpose 2005	03/01/05	03/01/25	47,000	34,625
2005	Refunding 2005 (3)	03/05/05	09/01/21	91,325	72,855
2006	Combined Purpose 2006	03/01/06	03/01/26	80,000	63,160
2007	Combined Purpose 2007	03/01/07	03/01/27	72,000	60,630
2008	Combined Purpose 2008	03/01/08	03/01/28	60,560	54,190
2008	Economic Development 2008	03/01/08	03/01/28	7,000	6,270
2009	Combined Purpose 2009	04/01/09	03/01/29	47,485	44,985
2010	Combined Purpose 2010	03/01/10	03/01/30	64,420	64,420
2010	Economic Development 2010	04/01/10	03/01/30	29,000	29,000
2011	Combined Purpose 2011	03/01/11	03/01/31	<u>43,000</u>	<u>43,000</u>
				<b><u>\$881,290</u></b>	<b><u>\$565,670</u></b>

- (1) The 1993 Refunding issue refunded general obligation bonds issued in 1986, 1989, 1990, and 1991.
- (2) The 2002 Refunding issue refunded portions of the 1993, 1994, 1997, and 2000 general obligation bonds. Maturity dates on remaining issues are changed to reflect provisions of the 2002 Refunding.
- (3) The 2005 Refunding issue refunded portions of the 1996, 1998, 1999, and 2001 general obligation bonds. Maturity dates on remaining issues are changed to reflect provisions of the 2005 Refunding.
- (4) The graph below illustrates general obligation bond principal outstanding for the current fiscal year and projected over the next five fiscal years assuming no new bonds are issued.



**LONG-TERM DEBT SUPPORTING  
GENERAL GOVERNMENT SERVICES  
DEBT SERVICE TO MATURITY BY TYPE OF DEBT  
June 30, 2011  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

Fiscal Year	General Obligation Bonds			Notes Payable			Capital Lease			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2012	\$44,410	\$25,028	\$69,438	\$430	\$188	\$618	\$8	\$ -	\$8	\$70,064
2013	45,135	23,047	68,182	459	169	628	-	-	-	68,810
2014	43,940	21,132	65,072	470	150	620	-	-	-	65,692
2015	41,355	19,145	60,500	1,167	129	1,296	-	-	-	61,796
2016	41,330	17,180	58,510	559	108	667	-	-	-	59,177
2017	39,045	15,277	54,322	569	85	654	-	-	-	54,976
2018	36,510	13,565	50,075	1,100	40	1,140	-	-	-	51,215
2019	36,475	11,940	48,415	225	10	235	-	-	-	48,650
2020	33,490	10,363	43,853	300	9	309	-	-	-	44,162
2021	29,435	8,918	38,353	300	8	308	-	-	-	38,661
2022	29,345	7,649	36,994	300	6	306	-	-	-	37,300
2023	26,135	6,411	32,546	350	5	355	-	-	-	32,901
2024	24,815	5,271	30,086	350	3	353	-	-	-	30,439
2025	23,690	4,189	27,879	350	2	352	-	-	-	28,231
2026	21,250	3,142	24,392	327	1	328	-	-	-	24,720
2027	17,020	2,202	19,222	-	-	-	-	-	-	19,222
2028	13,350	1,445	14,795	-	-	-	-	-	-	14,795
2029	9,675	832	10,507	-	-	-	-	-	-	10,507
2030	7,035	406	7,441	-	-	-	-	-	-	7,441
2031	<u>2,230</u>	<u>96</u>	<u>2,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,326</u>
	<b><u>\$565,670</u></b>	<b><u>\$197,238</u></b>	<b><u>\$762,908</u></b>	<b><u>\$7,256</u></b>	<b><u>\$913</u></b>	<b><u>\$8,169</u></b>	<b><u>\$8</u></b>	<b><u>\$ -</u></b>	<b><u>\$8</u></b>	<b><u>\$771,085</u></b>

**SCHEDULE OF RECEIVABLES AND PAYABLES  
WITHIN THE REPORTING ENTITY  
BY FUND  
June 30, 2011  
(dollars are in thousands)**

	<u>Due to Other Funds</u>																		
	<u>Governmental Activities</u>																		
	Major Funds													Other Governmental Funds					
	Debt		Grants	MAPS3		Court			Asset		Arbitrage	OCMFA		OCPPA		MAPS3		Tax	
General	Service	Management	Sales	Emergency	Administration	Police	Fire	Forfeiture	Reserve	Zon	General	General	MAPS	Use	Special	Incremental	Medical		
			Tax	Managemen	and Training						Purpose	Purpose	Operations	Tax	Purpose	Financing	Services		
<b>DUE FROM</b>																			
<i>Governmental Activities</i>																			
<b>Major Governmental Funds</b>																			
General	\$ -	\$727	\$ -	\$1,245	\$317	\$11	\$ -	\$ -	\$9	\$8	\$19	\$ -	\$ -	\$1,867	\$7,433	\$59	\$1,011	\$28	
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants Management	2,067	-	-	-	-	-	135	-	-	-	-	-	-	-	-	-	-	-	
General Obligation Bonds	963	-	2,293	-	-	-	-	-	-	-	4,465	-	-	-	-	-	-	-	
<b>Other Governmental Funds</b>																			
Police	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fire	207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Asset Forfeiture	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	
Arbitrage Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OCMFA General Purpose	177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OCPPA General Purpose	92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MAPS Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Districts	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax Incremental Financing	-	-	-	-	-	-	-	-	-	-	-	-	511	-	-	-	-	-	
Medical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Police/Fire Equipment Use Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sports Facility Use Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	
<b>Internal Service Funds</b>																			
Risk Management	-	-	-	-	-	-	32	1	-	-	-	-	-	-	-	-	-	-	
Information Technology	96	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	
OCMFA Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>\$3,915</b>	<b>\$727</b>	<b>\$2,293</b>	<b>\$1,245</b>	<b>\$317</b>	<b>\$11</b>	<b>\$189</b>	<b>\$1</b>	<b>\$9</b>	<b>\$8</b>	<b>\$19</b>	<b>\$4,465</b>	<b>\$514</b>	<b>\$1,867</b>	<b>\$7,437</b>	<b>\$59</b>	<b>\$1,011</b>	<b>\$28</b>	
<b>Major Enterprise Funds</b>																			
OCWUT	\$570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Utilities	793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114	
OCEAT	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Other Enterprise Funds</b>																			
Airports	101	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	
Solid Waste Management	138	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Stormwater Drainage	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	
OCPPA Golf Courses	40	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	
OCPPA Fairgrounds	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transportation	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>\$1,785</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$3</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$122</b>	



CITY OF OKLAHOMA CITY, OKLAHOMA

Due to Other Funds																			
Governmental Activities											Business-type Activities								
Other Governmental Funds											Internal Service Funds				Major Funds			Other Enterprise Funds	
Hotel/ Motel Tax	Capital Improvements Fund	Street and Alley	Police/Fire Equipment Sales Tax	Police/Fire Equipment Use Tax	City Schools Sales Tax	City Schools Use Tax	Sports Facility Sales Tax	Sports Facility Use Tax	Fleet Services	Risk Management	Information Technology	Print Shop	OCMFA Services	Water and QCWLT	Wastewater OCEAT	Solid Waste Management	Stormwater Drainage	Total	
\$89	\$2,205	\$43	\$93	\$1	\$51	\$240	\$350	\$22	\$332	\$28	\$-	\$45	\$1,006	\$-	\$-	\$-	\$-	\$-	\$17,239
-	-	-	-	-	-	-	-	-	-	5,450	-	-	-	-	-	-	-	-	5,450
-	-	-	-	-	-	-	-	-	-	-	7	-	2	-	-	-	-	16	2,227
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	7,751
-	-	-	-	-	-	-	-	-	124	-	-	-	-	-	-	-	-	-	436
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	207
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22
-	691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	691
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	185
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,387	-	-	-	1	1,480
-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	3
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511
-	-	-	-	-	-	-	-	-	-	-	-	-	-	52	-	26	-	-	78
-	-	-	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85
-	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	1	9
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99
-	-	-	-	-	-	-	-	-	-	-	-	-	-	469	1	-	1	-	471
<b>\$89</b>	<b>\$2,896</b>	<b>\$43</b>	<b>\$178</b>	<b>\$1</b>	<b>\$55</b>	<b>\$240</b>	<b>\$350</b>	<b>\$22</b>	<b>\$459</b>	<b>\$5,478</b>	<b>\$7</b>	<b>\$45</b>	<b>\$1,008</b>	<b>\$1,908</b>	<b>\$1</b>	<b>\$26</b>	<b>\$1</b>	<b>\$56</b>	<b>\$36,978</b>
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$58	\$-	\$-	\$628
-	-	-	-	-	-	-	-	-	5	-	-	4	-	783	-	69	-	538	2,306
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,170	-	1,209
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138
-	-	-	-	-	-	-	-	-	34	-	-	-	-	361	-	87	-	-	519
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42
467	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	512
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
<b>\$467</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$39</b>	<b>\$-</b>	<b>\$-</b>	<b>\$4</b>	<b>\$-</b>	<b>\$1,144</b>	<b>\$-</b>	<b>\$214</b>	<b>\$1,170</b>	<b>\$538</b>	<b>\$5,486</b>

**SCHEDULE OF TRANSFERS  
WITHIN THE REPORTING ENTITY  
BY FUND  
June 30, 2011  
(dollars are in thousands)**

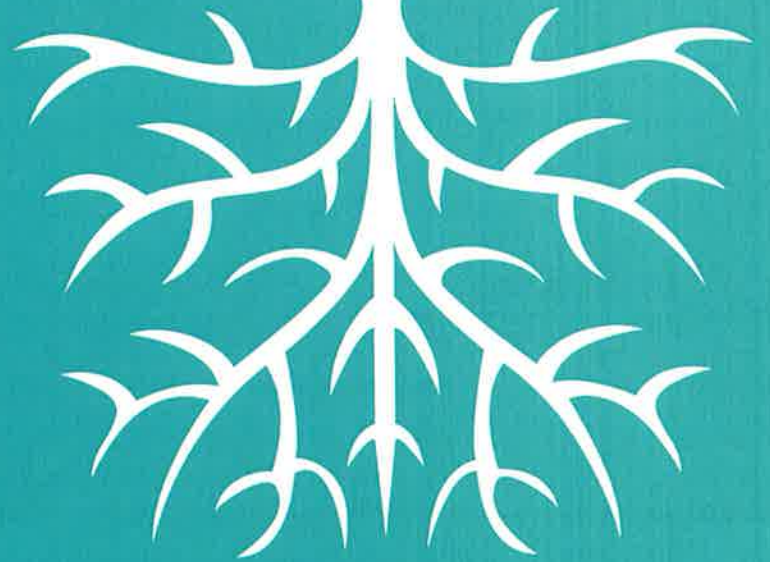
	<u>Transfers From Other Funds</u>													
	<u>Governmental Activities</u>													
	Major Funds					Other Governmental Funds								
	Debt		MAPS3 General		Asset		OCMFA		OCPPA		MAPS3		Tax	Hotel/
<u>General</u>	<u>Service</u>	<u>Management</u>	<u>Sales</u>	<u>Obligation</u>	<u>Forfeiture</u>	<u>Reserve</u>	<u>Purpose</u>	<u>General</u>	<u>General</u>	<u>Use</u>	<u>Special</u>	<u>Special</u>	<u>Incremental</u>	<u>Motel</u>
			<u>Tax</u>	<u>Bonds</u>							<u>Purpose</u>	<u>Districts</u>	<u>Financing</u>	<u>Tax</u>
<u>TRANSFERS TO</u>														
<u>Governmental Activities</u>														
<u>Major Governmental Funds</u>														
General	\$-	\$-	\$465	\$-	\$-	\$-	\$-	\$307	\$-	\$-	\$11	\$-	\$-	\$-
Grants Management	-	-	-	-	2,989	13	-	-	-	-	-	-	-	-
General Obligation Bonds	-	43,000	-	169	-	-	-	-	-	-	-	-	-	-
<u>Other Governmental Funds</u>														
Emergency Management	2,400	-	-	-	-	-	-	-	-	-	-	-	-	-
OCMFA General Purpose	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCPPA General Purpose	2,052	-	-	-	-	-	-	-	-	-	-	2,002	507	-
MAPS3 Use Tax	7,534	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Purpose	-	-	-	-	-	-	1,590	-	-	-	-	-	-	-
Capital Improvement	5,527	-	-	-	25	689	509	-	350	-	-	-	-	-
Sports Facility Sales Tax	-	-	-	-	-	-	-	3,000	-	-	-	-	-	-
<u>Internal Service Funds</u>														
Risk Management	-	2,440	-	-	-	-	-	-	-	-	-	-	-	-
OCMFA Services	1,313	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>18,826</u>	<u>45,440</u>	<u>465</u>	<u>169</u>	<u>2,989</u>	<u>38</u>	<u>689</u>	<u>2,406</u>	<u>3,000</u>	<u>350</u>	<u>11</u>	<u>2,002</u>	<u>507</u>	<u>-</u>
Government-wide transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$18,826</u>	<u>\$45,440</u>	<u>\$465</u>	<u>\$169</u>	<u>\$2,989</u>	<u>\$38</u>	<u>\$689</u>	<u>\$2,406</u>	<u>\$3,000</u>	<u>\$350</u>	<u>\$11</u>	<u>\$2,002</u>	<u>\$507</u>	<u>\$-</u>
<u>Major Enterprise Funds</u>														
OCWUT	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,387	\$-	\$-	\$-	\$-	\$-
Water and Wastewater	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MCA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other Enterprise Funds</u>														
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCPPA Golf Courses	1,002	-	-	-	-	-	-	-	-	-	-	-	-	-
OCPPA Fairgrounds	-	-	-	-	-	-	-	-	-	-	-	-	-	9,773
Parking	197	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$1,199</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,387</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$9,773</u>

CITY OF OKLAHOMA CITY, OKLAHOMA

Transfers From Other Funds										Business-type Activities					
Governmental Activities															
Other Governmental Funds				Internal Service Funds				Major Enterprise Funds							
Capital Improvements Fund	Street and Alley	Police/Fire Equipment Sales Tax	Sports Facility Use Tax	Fleet Services	Risk Management	Information Technology	OCPPA Services	Government Wide Transfer	OCAT	OCWUT	Water and Wastewater	OCEAT	OCMFA Utilities	Solid Waste Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,779	\$ -	\$753	\$ -	\$ -	\$6,315
-	125	-	-	-	-	-	-	-	-	-	-	-	-	-	3,127
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,169
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,400
-	-	30	-	-	-	1,182	-	-	-	-	-	-	-	-	1,212
99	-	-	1,255	-	-	57	54	-	-	-	-	-	-	-	6,026
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,534
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,590
-	-	-	-	1	-	2,505	765	-	-	-	-	-	-	-	10,371
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,440
-	-	-	-	-	11,313	1,658	-	9,659	-	-	-	-	-	-	23,943
99	125	30	1,255	1	11,313	5,402	819	9,659	-	4,779	-	753	-	-	111,127
-	-	-	-	-	-	-	6,152	-	-	-	-	-	-	-	6,152
\$99	\$125	\$30	\$1,255	\$1	\$11,313	\$5,402	\$6,971	\$9,659	\$-	\$4,779	\$-	\$753	\$-	\$-	\$117,279
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,897	\$ -	\$ -	\$220	\$3,504
-	-	-	-	-	-	-	-	-	-	-	-	-	30,334	-	30,334
-	-	-	-	-	-	-	-	-	-	4,328	-	-	-	-	4,328
-	-	-	-	-	-	-	-	-	13,375	-	-	-	-	-	13,375
-	-	-	-	-	-	-	-	-	-	-	9,545	-	-	-	9,545
5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,007
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,773
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	197
\$5	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$13,375	\$4,328	\$1,897	\$9,545	\$30,334	\$220	\$72,063

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STATISTICAL





## **Statistical**

*This section of the City's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This information has not been audited by the independent auditor.*

- \* **Financial Trends** – These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time.*
- \* **Revenue Capacity** – These schedules contain information to help the reader assess the City's significant local revenue sources, the sales tax and the property tax, as well as other revenue sources.*
- \* **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*
- \* **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.*
- \* **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.*

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**PRIMARY GOVERNMENT  
NET ASSETS BY COMPONENT (1) (2)**  
Last Ten Fiscal Years  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 1**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<i>Governmental Activities:</i>										
Invested in capital assets, net of related debt	\$1,004,827	\$1,020,619	\$774,069	\$685,791	\$632,004	\$613,911	\$586,785	\$526,438	\$625,118	\$604,967
Restricted for:										
Capital projects	159,669	103,661	222,521	269,293	240,197	207,276	180,188	167,379	10,691	21,430
Debt service	51,305	39,562	48,049	52,294	43,397	42,996	43,709	37,531	36,145	32,747
Public safety	17,246	17,221	-	-	-	1,548	26,881	42,363	84,958	68,550
Public services	6,698	5,638	9,249	-	-	-	-	4,774	264	1,766
Culture and recreation	10,240	56,152	23,921	12,215	12,613	13,279	7,016	6,123	16,573	19,691
Education	-	6,205	7,073	311	207	274	970	273	10,546	6,043
Unrestricted	<u>130,372</u>	<u>52,086</u>	<u>174,027</u>	<u>162,941</u>	<u>172,429</u>	<u>155,209</u>	<u>126,613</u>	<u>104,253</u>	<u>58,433</u>	<u>60,828</u>
	<u>1,380,357</u>	<u>1,301,144</u>	<u>1,258,909</u>	<u>1,182,845</u>	<u>1,100,847</u>	<u>1,034,493</u>	<u>972,162</u>	<u>889,134</u>	<u>842,728</u>	<u>816,022</u>
% change from prior year	6.09%	3.35%	6.43%	7.45%	6.41%	6.41%	9.34%	5.51%	3.27%	6.00%
<i>Business-type Activities:</i>										
Invested in capital assets, net of related debt	1,032,890	1,023,777	965,156	909,153	890,848	792,391	737,647	702,549	669,614	639,886
Restricted for:										
Capital projects	1,573	2,140	11,449	27,388	24,683	48,703	1,078	2,231	5,523	6,744
Debt service	51,358	39,287	35,595	36,046	40,496	38,024	41,086	35,569	41,727	42,333
Public services	-	162,286	98,856	77,274	63,609	108,744	106,554	101,300	107,774	112,543
Culture and recreation	-	-	-	229	-	-	1,870	724	1,323	1,688
Maintenance	17,421	17,482	19,348	19,964	16,914	13,535	16,801	17,451	16,124	14,801
Unrestricted	<u>176,014</u>	<u>(37,526)</u>	<u>(50,867)</u>	<u>(47,948)</u>	<u>(47,076)</u>	<u>(59,281)</u>	<u>(9,678)</u>	<u>109</u>	<u>9,670</u>	<u>13,391</u>
	<u>1,279,256</u>	<u>1,207,446</u>	<u>1,079,537</u>	<u>1,022,106</u>	<u>989,474</u>	<u>942,116</u>	<u>895,358</u>	<u>859,933</u>	<u>851,755</u>	<u>831,386</u>
% change from prior year	5.95%	11.85%	5.62%	3.30%	5.03%	5.22%	4.12%	0.96%	2.45%	3.88%
<b>Primary Government</b>										
Invested in capital assets, net of related debt	2,037,717	2,044,396	1,739,225	1,594,944	1,522,852	1,406,302	1,324,432	1,228,987	1,294,732	1,244,853
Restricted for:										
Capital projects	161,242	105,801	233,970	296,681	264,880	255,979	181,266	169,610	16,214	28,174
Debt service	102,663	78,849	83,644	88,340	83,893	81,020	84,795	73,100	77,872	75,080
Public safety	17,246	17,221	-	-	-	1,548	26,881	42,363	84,958	68,550
Public services (3)	6,698	167,924	108,105	77,274	63,609	108,744	106,554	106,074	108,038	114,309
Culture and recreation	10,240	56,152	23,921	12,444	12,613	13,279	8,886	6,847	17,896	21,379
Education	-	6,205	7,073	311	207	274	970	273	10,546	6,043
Maintenance	17,421	17,482	19,348	19,964	16,914	13,535	16,801	17,451	16,124	14,801
Unrestricted	<u>306,386</u>	<u>14,560</u>	<u>123,160</u>	<u>114,993</u>	<u>125,353</u>	<u>95,928</u>	<u>116,935</u>	<u>104,362</u>	<u>68,103</u>	<u>74,219</u>
<b>Total primary government (4)</b>	<u>\$2,659,613</u>	<u>\$2,508,590</u>	<u>\$2,338,446</u>	<u>\$2,204,951</u>	<u>\$2,090,321</u>	<u>\$1,976,609</u>	<u>\$1,867,520</u>	<u>\$1,749,067</u>	<u>\$1,694,483</u>	<u>\$1,647,408</u>
% change from prior year	6.02%	7.28%	6.05%	5.48%	5.75%	5.84%	6.77%	3.22%	2.86%	4.92%

- (1) This schedule reports using the accrual basis of accounting.
- (2) Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or Federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City, as is the case with several special revenue funds restricted to the purposes of the fund. Public trust net assets are restricted by applicable trust and bond indentures to the purposes of the trust, appropriately reported in separate funds at the fund reporting level. However, as with certain special revenue funds, the requirement for additional restriction arises in the government-wide statements where business-type activities are consolidated. Therefore, trust net assets comprise the primary differences between the restricted net assets reported in the proprietary statement of fund net assets and the government-wide business-type activities restricted net assets.
- (3) Net assets of public trusts were reported as restricted for public services until 2011.
- (4) See Table 2 for changes in net assets from year to year.

**PRIMARY GOVERNMENT  
CHANGES IN NET ASSETS (1)  
Last Ten Fiscal Years  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 2  
page 1 of 2**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>PROGRAM EXPENSES (2)</b>										
<i>Governmental Activities</i>										
General government	\$29,501	\$44,301	\$42,737	\$27,544	\$45,049	\$20,084	\$14,098	\$21,615	\$37,727	\$26,959
Public safety:										
Police	143,367	160,889	171,042	156,015	140,947	131,985	123,014	114,959	121,707	114,770
Fire	124,945	132,709	127,573	135,838	127,187	119,742	111,056	102,814	101,885	102,672
Other	26,785	18,318	17,865	26,527	14,488	21,866	26,898	39,085	9,944	8,360
Public services	146,034	129,972	102,201	106,925	77,266	94,323	77,897	53,060	90,610	29,909
Culture and recreation	77,107	72,664	74,320	56,778	50,816	51,051	38,734	38,703	41,029	101,027
Education	1,327	1,224	41,322	89,826	85,369	82,288	75,953	83,989	41,918	10,792
Economic development	4,902	-	-	-	-	-	-	-	-	-
Interest on long-term debt	25,882	22,617	24,124	21,413	20,279	16,949	15,673	17,457	16,322	17,872
	<u>579,850</u>	<u>582,694</u>	<u>601,184</u>	<u>620,866</u>	<u>561,401</u>	<u>538,288</u>	<u>483,323</u>	<u>471,682</u>	<u>461,142</u>	<u>412,361</u>
<i>Business-type Activities</i>										
Airports	54,103	53,011	52,570	54,500	54,158	52,718	50,215	45,656	49,818	50,882
Water and wastewater utilities	140,631	142,496	138,135	136,938	130,819	127,702	119,455	129,589	107,412	105,192
Solid waste management	35,213	34,467	33,613	32,993	32,373	30,416	27,760	28,143	29,211	25,478
Stormwater drainage	15,933	13,495	13,791	12,790	14,277	10,850	9,780	10,214	9,994	8,546
Golf courses	9,160	11,944	10,405	9,444	9,257	8,745	8,786	9,192	8,581	8,476
Fairgrounds	6,652	2,363	2,516	2,197	2,080	2,503	617	44	118	117
Ground transportation and parking	5,253	2,258	2,472	2,182	1,890	1,740	1,719	3,122	2,635	2,601
	<u>266,945</u>	<u>260,034</u>	<u>253,502</u>	<u>251,044</u>	<u>244,854</u>	<u>234,674</u>	<u>218,332</u>	<u>225,960</u>	<u>207,769</u>	<u>201,292</u>
<b>Total program expenses</b>	<b><u>846,795</u></b>	<b><u>842,728</u></b>	<b><u>854,686</u></b>	<b><u>871,910</u></b>	<b><u>806,255</u></b>	<b><u>772,962</u></b>	<b><u>701,655</u></b>	<b><u>697,642</u></b>	<b><u>668,911</u></b>	<b><u>613,653</u></b>
<b>PROGRAM REVENUES</b>										
<i>Governmental Activities</i>										
<b>CHARGES FOR SERVICES</b>										
General government	2,220	2,143	2,413	2,452	1,500	1,312	1,062	1,210	7,005	2,906
Public safety:										
Police	3,765	3,118	2,814	1,972	2,000	2,474	2,290	2,133	3,968	2,871
Fire	12	11	4	20	24	13	15	13	15	10
Other	30,572	28,573	21,588	21,526	21,156	21,645	21,745	20,818	13,721	13,649
Public services	17,552	19,054	19,131	20,315	18,686	18,346	16,449	15,271	9,309	7,660
Culture and recreation	18,127	15,801	15,640	16,494	7,756	7,909	5,351	4,707	3,028	3,532
Education	204	9	0	71	-	-	-	-	-	-
Economic development	1	-	-	-	-	-	-	-	-	-
Operating grants and contributions	73,965	57,725	73,350	74,426	57,342	64,487	63,895	56,345	59,482	56,111
Capital grants and contributions	<u>12,003</u>	<u>30,761</u>	<u>24,093</u>	<u>30,780</u>	<u>14,152</u>	<u>21,459</u>	<u>38,664</u>	<u>23,967</u>	<u>4,067</u>	<u>3,470</u>
	<u>158,421</u>	<u>157,195</u>	<u>159,033</u>	<u>168,056</u>	<u>122,616</u>	<u>137,645</u>	<u>149,471</u>	<u>124,464</u>	<u>100,595</u>	<u>90,209</u>
<i>Business-type Activities</i>										
<b>CHARGES FOR SERVICES</b>										
Airports	60,647	56,105	54,089	57,978	55,107	49,885	48,858	47,144	49,538	50,051
Water and wastewater utilities	184,370	163,063	146,534	132,576	130,103	129,545	115,412	116,010	107,235	113,071
Solid waste management	39,933	38,459	37,067	32,143	31,789	30,950	28,768	27,916	28,281	26,981
Stormwater drainage	12,715	11,204	11,000	10,495	9,820	8,856	8,065	7,159	6,769	7,067
Golf courses	8,481	8,222	9,027	8,150	7,396	7,570	7,442	7,446	7,531	7,423
Fairgrounds	-	-	97	-	11	10	10	10	20	-
Ground transportation and parking	<u>2,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>Total charges for services</b>	<b><u>308,391</u></b>	<b><u>277,053</u></b>	<b><u>257,814</u></b>	<b><u>241,342</u></b>	<b><u>234,226</u></b>	<b><u>228,497</u></b>	<b><u>208,555</u></b>	<b><u>205,685</u></b>	<b><u>199,374</u></b>	<b><u>204,595</u></b>
Operating grants and contributions	11,237	10,855	13,871	24,988	21,526	19,681	16,648	9,176	5,368	10,829
Capital grants and contributions	<u>29,978</u>	<u>26,029</u>	<u>32,708</u>	<u>15,251</u>	<u>35,719</u>	<u>34,406</u>	<u>31,401</u>	<u>20,786</u>	<u>23,953</u>	<u>15,930</u>
	<u>349,606</u>	<u>313,937</u>	<u>304,393</u>	<u>281,581</u>	<u>291,471</u>	<u>282,584</u>	<u>256,604</u>	<u>235,647</u>	<u>228,695</u>	<u>231,354</u>
<b>Total program revenues</b>	<b><u>508,027</u></b>	<b><u>471,132</u></b>	<b><u>463,426</u></b>	<b><u>449,637</u></b>	<b><u>414,087</u></b>	<b><u>420,229</u></b>	<b><u>406,075</u></b>	<b><u>360,111</u></b>	<b><u>329,290</u></b>	<b><u>321,563</u></b>

**PRIMARY GOVERNMENT  
CHANGES IN NET ASSETS (1)**  
Last Ten Fiscal Years  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 2**  
page 2 of 2

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>NET (EXPENSES) REVENUES (3)</b>										
<i>Governmental Activities</i>	(421,429)	(425,499)	(442,151)	(452,785)	(438,785)	(400,643)	(333,852)	(347,218)	(360,547)	(322,152)
<i>Business-type Activities</i>	<u>82,661</u>	<u>53,903</u>	<u>50,891</u>	<u>46,617</u>	<u>46,617</u>	<u>47,910</u>	<u>38,272</u>	<u>9,687</u>	<u>20,926</u>	<u>30,062</u>
Net expenses	<u>(338,768)</u>	<u>(371,596)</u>	<u>(391,260)</u>	<u>(406,168)</u>	<u>(392,168)</u>	<u>(352,733)</u>	<u>(295,580)</u>	<u>(337,531)</u>	<u>(339,621)</u>	<u>(292,090)</u>
<b>GENERAL REVENUES,</b>										
<b>CONTRIBUTIONS</b>										
<b>AND TRANSFERS</b>										
<i>Governmental Activities</i>										
<b>TAXES:</b>										
Sales taxes:										
General	186,414	169,105	178,462	179,504	171,065	164,579	151,717	146,302	139,830	140,576
Police	35,367	31,919	33,462	33,657	32,074	30,859	28,447	27,432	26,218	26,358
Fire	35,367	31,919	33,462	33,657	32,074	30,859	28,447	27,432	26,218	26,358
Public services	2,210	1,132	674	-	-	-	-	130	23,281	34,980
Culture and recreation	105,055	90,566	52,155	11,219	10,692	10,286	9,482	9,144	8,739	8,786
Education	-	-	<u>48,065</u>	<u>89,678</u>	<u>85,288</u>	<u>82,240</u>	<u>75,936</u>	<u>72,930</u>	<u>43,429</u>	<u>16,805</u>
Total sales taxes	<u>364,413</u>	<u>324,641</u>	<u>346,280</u>	<u>347,715</u>	<u>331,193</u>	<u>318,823</u>	<u>294,029</u>	<u>283,370</u>	<u>267,715</u>	<u>253,863</u>
Use taxes	44,735	37,976	38,221	36,610	34,239	30,916	27,488	22,327	19,250	20,123
Hotel/Motel taxes	10,858	10,319	10,653	10,830	9,704	8,623	5,391	2,600	2,561	2,572
Property taxes	76,581	60,935	62,093	61,372	52,812	43,231	45,464	47,051	45,713	41,727
Franchise taxes (fees)	39,912	40,216	39,902	31,707	31,358	30,677	25,903	26,039	24,911	24,375
Emergency telephone taxes	4,546	4,777	4,678	4,376	-	-	-	2,389	2,425	2,446
Other taxes	<u>6,076</u>	<u>5,329</u>	<u>5,518</u>	<u>5,742</u>	<u>9,614</u>	<u>8,248</u>	<u>4,447</u>	<u>1,573</u>	<u>576</u>	<u>525</u>
Total taxes	<u>547,121</u>	<u>484,193</u>	<u>507,345</u>	<u>498,352</u>	<u>468,920</u>	<u>440,518</u>	<u>402,722</u>	<u>385,349</u>	<u>363,151</u>	<u>345,631</u>
Oil and gas royalties	1,066	1,178	823	1,014	782	826	733	492	362	249
Unrestricted investment income	2,669	5,409	17,503	27,174	24,836	15,373	8,176	2,328	15,514	18,902
Payments from component units	-	-	-	-	-	-	-	114	-	-
Miscellaneous	5,319	7,221	1,515	4,820	11,342	5,105	2,402	2,011	4,122	1,362
Transfers	<u>(6,832)</u>	<u>(1,066)</u>	<u>(6,540)</u>	<u>(2,095)</u>	<u>(741)</u>	<u>1,152</u>	<u>2,847</u>	<u>3,330</u>	<u>4,104</u>	<u>2,203</u>
	<u>549,343</u>	<u>496,935</u>	<u>520,646</u>	<u>529,265</u>	<u>505,139</u>	<u>462,974</u>	<u>416,880</u>	<u>393,624</u>	<u>387,253</u>	<u>368,347</u>
<i>Business-type Activities</i>										
Unrestricted investment income	1,371	-	-	-	-	-	-	-	1,396	1,366
Payments from component units	-	-	-	-	-	-	-	1,821	2,151	1,836
Transfers	<u>6,832</u>	<u>1,066</u>	<u>6,540</u>	<u>2,095</u>	<u>741</u>	<u>(1,152)</u>	<u>(2,847)</u>	<u>(3,330)</u>	<u>(4,104)</u>	<u>(2,203)</u>
	<u>8,203</u>	<u>1,066</u>	<u>6,540</u>	<u>2,095</u>	<u>741</u>	<u>(1,152)</u>	<u>(2,847)</u>	<u>(1,509)</u>	<u>(557)</u>	<u>999</u>
<b>Total general revenues, contributions and transfers</b>	<u>557,546</u>	<u>498,001</u>	<u>527,186</u>	<u>531,360</u>	<u>505,880</u>	<u>461,822</u>	<u>414,033</u>	<u>392,115</u>	<u>386,696</u>	<u>369,346</u>
<b>CHANGES IN NET ASSETS</b>										
<i>Governmental Activities</i>	127,914	71,436	78,495	76,455	66,354	62,331	83,028	46,406	26,706	46,195
<i>Business-type Activities</i>	<u>90,864</u>	<u>54,969</u>	<u>57,431</u>	<u>32,632</u>	<u>47,358</u>	<u>46,758</u>	<u>35,425</u>	<u>8,178</u>	<u>20,369</u>	<u>31,061</u>
Total primary government	<u>\$218,778</u>	<u>\$126,405</u>	<u>\$135,926</u>	<u>\$109,087</u>	<u>\$113,712</u>	<u>\$109,089</u>	<u>\$118,453</u>	<u>\$54,584</u>	<u>\$47,075</u>	<u>\$77,256</u>

- (1) This schedule reports using the accrual basis of accounting.
- (2) Expenses include allocated indirect expenses.
- (3) Net (expenses) revenues is the difference between expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses indicates that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses indicate that program revenues were more than sufficient to cover expenses.

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**GOVERNMENTAL FUNDS  
FUND BALANCES (1)  
Last Ten Fiscal Years  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 3**

	Fiscal Year									
	2011 (2)	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>GENERAL FUND</u></b>										
Non-spendable	\$8,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	183	-	-	-	-	-	-	-	-	-
Assigned	1,239	-	-	-	-	-	-	-	-	-
Unassigned	89,177	-	-	-	-	-	-	-	-	-
<b><u>RESERVED FOR</u></b>										
Encumbrances	-	1,144	1,872	1,944	4,068	1,988	2,750	1,790	3,130	3,226
Restricted purposes	-	515	508	442	410	291	197	555	276	396
Non-current receivables and other assets	-	3,311	-	-	-	-	-	-	-	-
Unreserved:										
Designated	-	5,000	5,000	5,000	5,000	5,000	5,000	4,000	5,000	8,646
Undesignated	-	<u>53,730</u>	<u>74,112</u>	<u>83,179</u>	<u>79,347</u>	<u>80,265</u>	<u>64,800</u>	<u>50,437</u>	<u>50,223</u>	<u>54,947</u>
<b>Total General Fund</b>	<b><u>99,313</u></b>	<b><u>63,700</u></b>	<b><u>81,492</u></b>	<b><u>90,565</u></b>	<b><u>88,825</u></b>	<b><u>87,544</u></b>	<b><u>72,747</u></b>	<b><u>56,782</u></b>	<b><u>58,629</u></b>	<b><u>67,215</u></b>
% change from prior year	55.9%	(21.8%)	(10.0%)	2.0%	1.5%	20.3%	28.1%	(3.2%)	(12.8%)	(9.6%)
<b><u>OTHER GOVERNMENTAL FUNDS</u></b>										
Non-spendable	14,765	-	-	-	-	-	-	-	-	-
Restricted	407,211	-	-	-	-	-	-	-	-	-
Committed	19,381	-	-	-	-	-	-	-	-	-
Assigned	79,602	-	-	-	-	-	-	-	-	-
Unassigned	(6,487)	-	-	-	-	-	-	-	-	-
<b><u>RESERVED FOR</u></b>										
Encumbrances	-	87,632	84,906	99,990	84,560	63,686	51,368	34,036	48,298	55,899
Restricted purposes	-	3,105	11,369	11,480	11,786	12,660	-	-	-	-
Non-current receivables and other assets	-	24,934	8,492	8,935	4,781	5,095	-	-	146	146
<b><u>UNRESERVED, REPORTED IN</u></b>										
Debt Service Fund	-	47,823	46,850	48,205	36,425	36,448	38,577	33,077	30,890	29,211
Special revenue funds:										
Designated	-	-	-	-	-	-	400	-	-	-
Undesignated	-	171,880	151,985	93,157	89,945	77,570	81,282	116,009	133,072	129,706
Capital Projects Fund	-	<u>151,691</u>	<u>157,387</u>	<u>186,138</u>	<u>190,284</u>	<u>177,711</u>	<u>166,826</u>	<u>145,144</u>	<u>147,430</u>	<u>151,212</u>
<b>Total other governmental funds</b>	<b><u>514,472</u></b>	<b><u>487,065</u></b>	<b><u>460,989</u></b>	<b><u>447,905</u></b>	<b><u>417,781</u></b>	<b><u>373,170</u></b>	<b><u>338,453</u></b>	<b><u>328,266</u></b>	<b><u>359,836</u></b>	<b><u>366,174</u></b>
% change from prior year	5.6%	5.7%	2.9%	7.2%	12.0%	10.3%	3.1%	(8.8%)	(1.7%)	(12.3%)
<b>Total</b>	<b><u>\$613,785</u></b>	<b><u>\$550,765</u></b>	<b><u>\$542,481</u></b>	<b><u>\$538,470</u></b>	<b><u>\$506,606</u></b>	<b><u>\$460,714</u></b>	<b><u>\$411,200</u></b>	<b><u>\$385,048</u></b>	<b><u>\$418,465</u></b>	<b><u>\$433,389</u></b>
% change from prior year	11.4%	1.5%	0.7%	6.3%	10.0%	12.0%	6.8%	(8.0%)	(3.4%)	(11.9%)

(1) This schedule reports using the modified accrual basis of accounting.

(2) The City of Oklahoma City implemented GASB 54 in fiscal year 2011 which changed fund balance classifications.

**GOVERNMENTAL FUNDS  
CHANGES IN FUND BALANCES (1)  
Last Ten Fiscal Years  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 4  
page 1 of 2**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>REVENUE</b>										
Taxes (2)	\$544,492	\$486,023	\$506,571	\$501,233	\$468,497	\$439,102	\$403,038	\$386,200	\$361,355	\$345,157
Licenses and permits	21,718	18,033	12,427	12,905	11,926	12,680	11,653	10,846	8,875	7,972
Oil and gas royalties	1,066	1,178	823	1,014	782	826	733	492	362	249
Fines and forfeitures	23,617	21,316	20,127	20,150	19,645	20,215	20,219	19,302	14,375	12,602
Investment income	6,599	4,952	15,519	26,154	23,636	14,362	7,657	2,180	14,971	18,080
Charges for services	35,823	37,322	38,813	38,763	28,516	26,234	23,582	22,329	23,736	19,150
Rental income	1,025	1,286	1,986	3,401	2,997	3,303	2,402	1,467	230	304
Payments from component units	579	2,558	20,793	26	26	-	-	114	342	56,396
Intergovernmental programs	67,597	53,359	59,788	64,782	58,019	64,629	64,937	55,909	57,737	-
Other	<u>3,338</u>	<u>7,221</u>	<u>1,515</u>	<u>3,974</u>	<u>11,057</u>	<u>6,470</u>	<u>2,452</u>	<u>1,794</u>	<u>3,818</u>	<u>871</u>
<b>Total revenue</b>	<b><u>705,854</u></b>	<b><u>633,248</u></b>	<b><u>678,362</u></b>	<b><u>672,402</u></b>	<b><u>625,101</u></b>	<b><u>587,821</u></b>	<b><u>536,673</u></b>	<b><u>500,633</u></b>	<b><u>485,801</u></b>	<b><u>460,781</u></b>
% change from prior year	11.5%	(6.7%)	0.9%	7.6%	6.3%	9.5%	7.2%	3.1%	5.4%	1.9%
<b>EXPENDITURES</b>										
<b>CURRENT</b>										
General government	46,755	53,125	49,391	65,180	38,145	41,934	37,753	44,336	47,015	46,860
Public safety	273,504	291,388	293,857	304,332	270,313	273,632	254,365	257,944	225,654	220,100
Public services	88,076	102,257	77,072	146,166	131,049	127,493	100,956	67,851	111,281	115,185
Culture and recreation	66,493	56,898	56,107	55,451	56,413	51,579	42,402	45,588	46,171	102,177
Education	1,242	1,245	41,331	89,766	85,365	82,270	75,964	83,932	41,918	10,792
Economic development	<u>4,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current</b>	<b>480,931</b>	<b>504,913</b>	<b>517,758</b>	<b>660,895</b>	<b>581,285</b>	<b>576,908</b>	<b>511,440</b>	<b>499,651</b>	<b>472,039</b>	<b>495,114</b>
Capital outlay (3)	132,207	136,879	138,795	-	-	-	-	-	-	-
<b>DEBT SERVICE</b>										
Principal	44,071	38,933	38,780	35,641	32,039	28,345	25,965	26,025	23,025	20,140
Interest	25,542	23,630	24,391	21,402	19,429	16,192	16,042	16,774	17,328	16,834
Other	<u>464</u>	<u>860</u>	<u>414</u>	<u>359</u>	<u>361</u>	<u>558</u>	<u>892</u>	<u>187</u>	<u>1,101</u>	<u>144</u>
<b>Total expenditures</b>	<b><u>683,215</u></b>	<b><u>705,215</u></b>	<b><u>720,138</u></b>	<b><u>718,297</u></b>	<b><u>633,114</u></b>	<b><u>622,003</u></b>	<b><u>554,339</u></b>	<b><u>542,637</u></b>	<b><u>513,493</u></b>	<b><u>532,232</u></b>
% change from prior year	(3.1%)	(2.1%)	0.3%	13.5%	1.8%	12.2%	2.2%	5.7%	(3.5)%	11.5%
<b>Excess (deficiency) of revenues over expenditures</b>	<b><u>22,639</u></b>	<b><u>(71,967)</u></b>	<b><u>(41,776)</u></b>	<b><u>(45,895)</u></b>	<b><u>(8,013)</u></b>	<b><u>(34,182)</u></b>	<b><u>(17,666)</u></b>	<b><u>(42,004)</u></b>	<b><u>(27,692)</u></b>	<b><u>(71,451)</u></b>

**GOVERNMENT FUNDS  
CHANGES IN FUND BALANCES (1)**  
Last Ten Fiscal Years  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 4**  
page 2 of 2

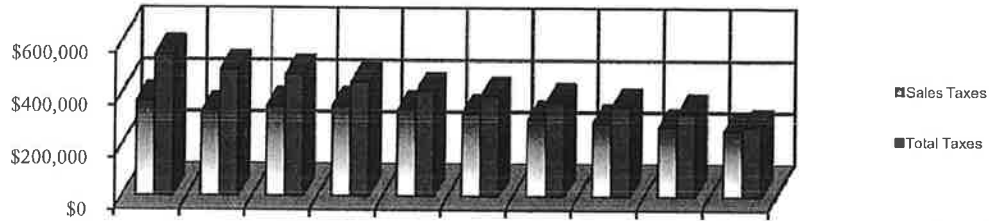
	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>OTHER FINANCING:</b>										
<b>SOURCES (USES)</b>										
Transfers from other funds	84,744	148,665	54,526	29,734	38,237	59,490	39,589	30,748	32,181	42,094
Transfers to other funds	(90,765)	(154,706)	(61,780)	(29,750)	(60,639)	(76,293)	(49,946)	(44,960)	(45,834)	(53,639)
Capital financing	-	-	111	320	75	2,482	236	20	68	296
Sale of assets	576	731	1,298	1,718	1,077	3,225	1,473	2,615	330	1,282
Insurance recoveries	-	-	-	-	-	11	-	-	-	-
Premium on bonds	2,826	3,167	1,127	2,013	2,300	2,121	9,400	164	2,860	229
Long-term debt issued	43,000	93,969	49,345	68,980	72,855	92,660	47,000	20,000	25,000	22,500
Proceeds of refunding bonds	-	-	-	-	-	-	91,325	-	86,725	-
Grant capital	-	101	-	-	-	-	91,325	-	86,725	-
Payment to refunded bonds										
Escrow agent	-	-	-	-	-	-	(95,259)	-	(88,562)	-
Net other financing sources	<u>40,381</u>	<u>91,927</u>	<u>44,627</u>	<u>73,015</u>	<u>53,905</u>	<u>83,696</u>	<u>43,818</u>	<u>8,587</u>	<u>12,768</u>	<u>12,762</u>
Net change in fund balances (4)	<u>\$63,020</u>	<u>\$19,960</u>	<u>\$2,851</u>	<u>\$27,120</u>	<u>\$45,892</u>	<u>\$49,514</u>	<u>\$26,152</u>	<u>(\$33,417)</u>	<u>(\$14,924)</u>	<u>(\$58,689)</u>
Capital outlay (3)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$103,535</u>	<u>\$96,628</u>	<u>\$110,496</u>	<u>\$94,087</u>	<u>\$75,741</u>	<u>\$79,402</u>	<u>\$137,561</u>
Debt service as a percentage of non-capital expenditures	14.5%	12.4%	12.2%	10.2%	10.6%	9.5%	10.1%	10.1%	10.3%	10.3%

- (1) This schedule reports using the modified accrual basis of accounting.
- (2) See Table 5 for additional detail for taxes.
- (3) Beginning in 2009, the City of Oklahoma City opted to report capital outlay separately from current expenditures.
- (4) See Table 3 for ending fund balances for reported years.

**TAX REVENUES BY SOURCE (1)**  
**Last Ten Fiscal Years**  
**(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 5**

**Total Taxes**



Fiscal Year	Sales Taxes (2)	Property Taxes (3)	Use Taxes (4)	Franchise Taxes/Fees (5)	Hotel/Motel Taxes (6)
2011	\$364,416	\$72,406	\$44,734	\$41,506	\$10,809
2010	324,641	64,343	37,976	38,720	10,237
2009	346,280	61,727	38,221	39,574	10,615
2008	347,714	64,257	36,610	31,704	10,830
2007	331,193	52,389	34,239	31,358	9,704
2006	318,823	41,815	30,916	30,677	8,623
2005	294,029	45,780	27,488	25,903	5,391
2004	283,370	47,902	22,327	27,062	2,600
2003	267,715	43,917	19,250	24,911	2,561
2002	253,863	41,253	20,123	24,375	2,572
% change over 10 years	43.5%	75.5%	122.3%	70.3%	320.3%

Fiscal Year	Emergency Telephone Tax (7)	Tobacco Excise Tax (5)(8)	State Alcoholic Beverage Taxes (5)	Other Taxes (5)(9)	Total
2011	\$4,545	\$5,298	\$778	\$ -	\$544,492
2010	4,777	4,583	746	-	486,023
2009	4,678	4,730	746	-	468,497
2008	4,376	4,893	849	-	439,102
2007	4,193	4,767	654	-	403,038
2006	2,894	4,721	612	21	386,200
2005	2,243	1,581	599	24	361,355
2004	2,389	-	529	21	345,157
2003	2,425	-	576	-	322,405
2002	2,446	-	525	-	267,120
% change over 10 years	85.8%	100.0%	48.2%	0.0%	103.8%

- (1) This schedule reports using the modified accrual basis of accounting.
- (2) Sales taxes are reported in the General, Police, Fire, Zoo, Police/Fire Equipment Sales Tax, City and Schools Sales Tax, Sports Facility Sales Tax, MAPS3 Sales Tax and Tax Increment Financing Funds. City of Oklahoma City (City) voters approved a special purpose sales tax for the improvement of public school systems serving students residing within the corporate limits of the City effective January 1, 2002 through December 31, 2008. Effective January 1, 2009 and continuing to March 31, 2010, City voters approved a special purpose tax to fund capital improvements to the Oklahoma City Arena and NBA Practice Facility. Effective April 1, 2010, City voters approved a one-cent sales tax for the MAPS3 projects, which consists of eight public projects and expires on December 31, 2017.
- (3) These revenues are reported in the Debt Service Fund and the OCPPA General Purpose Fund. The City does not levy property taxes for operations. Property taxes are used to service general obligation debt.
- (4) General, Police/Fire Equipment Use Tax, City and Schools Use Tax, Sports Facility Use Tax, and MAPS3 Use Tax Funds report use tax. Use tax is collected with sales taxes. See Note (2).
- (5) These revenues are reported in the General Fund.
- (6) These revenues are reported in the General Fund to fiscal year 2004. In fiscal year 2005, (effective January 1, 2005), the hotel/motel tax was increased from 2% to 5.5% and separately reported in the Hotel/Motel Tax Fund, thereafter.
- (7) The emergency telephone tax is designated to fund "911" emergency services and is reported in the Emergency Management Fund
- (8) In fiscal year 2005, state law changed the taxation of tobacco products and exempted them from sales tax, but implemented a new Excise Tax.
- (9) As of November 21, 2005, Remington Park became an operating registered racino and no longer charges admission and therefore has no reported admission taxes.



**SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 6**

Last Ten Fiscal Years  
(dollars are in thousands)

OKLAHOMA CITY	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%
Public safety-police	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Public safety-fire	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Oklahoma city zoo	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Capital equipment-										
Police/fire (1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.500
MAPS/downtown										
redevelopment (1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MAPS for kids (1)	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	0.500	0.000
MAPS3 (1)	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sports facility (1)	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Oklahoma City (2)	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.375</u>
State of Oklahoma (3)	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
<b>Total</b>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>8.375%</b></u>	<u><b>7.875%</b></u>

(1) Temporary sales taxes (see notes to table 4).

(2) The source for the Oklahoma City sales tax rates is the City of Oklahoma City Annual Budget. Oklahoma City sales tax increases must be approved by voters.

(3) The source for other sales tax rates is the State of Oklahoma Tax Commission.

**TAXABLE SALES BY CATEGORY (1)**

**TABLE 7**

Last Ten Fiscal Years  
(dollars are in thousands)

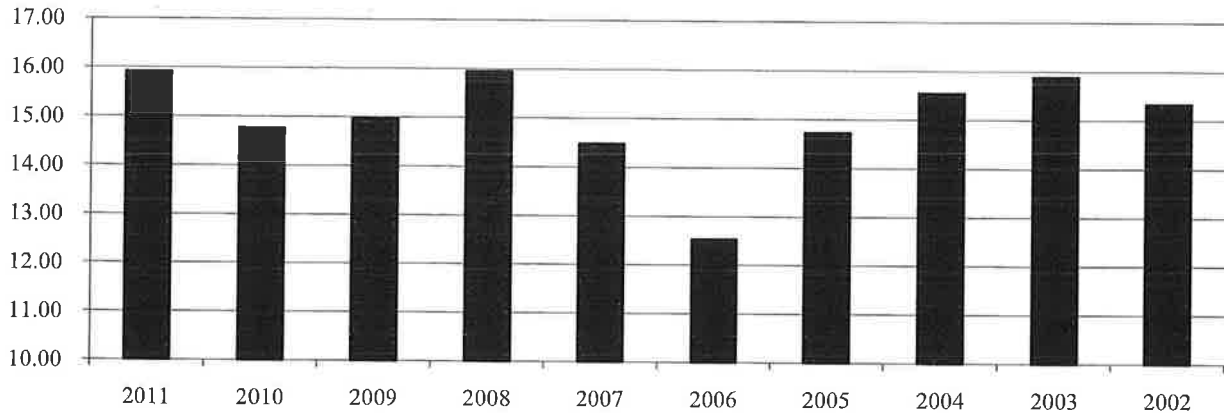
	Fiscal Year										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Manufacturing	\$13,814	3.76%	\$11,792	\$14,078	\$13,871	\$11,854	\$11,585	\$9,408	\$8,338	\$7,538	\$6,885
Telecommunications											
& other	17,109	4.66	17,691	17,658	17,002	16,475	16,079	16,646	16,765	17,718	15,978
Public utilities	26,478	7.21	27,173	27,040	24,571	25,802	25,112	20,914	21,487	19,666	17,824
Wholesale trade	37,560	10.23	27,970	36,835	36,303	33,295	29,739	26,127	23,681	20,743	19,732
Retail:											
Building materials	28,431	7.74	21,592	23,987	23,490	22,853	23,433	22,353	20,268	17,741	16,464
General merchandise	48,655	13.25	47,995	50,261	50,409	49,909	49,565	47,789	47,220	45,404	39,366
Food	22,320	6.08	19,203	18,792	17,483	16,568	15,804	16,937	18,124	17,440	17,843
Automotive	10,236	2.79	9,091	10,180	10,530	10,401	9,619	9,239	9,102	8,442	8,454
Apparel	14,159	3.85	13,166	13,338	13,629	13,429	12,374	11,885	11,307	11,096	10,278
Furniture											
& accessories	25,637	6.98	22,524	24,792	25,535	24,899	22,510	21,340	22,397	22,934	22,065
Restaurants	43,743	11.91	39,831	40,868	39,721	37,171	35,722	32,660	30,234	28,441	26,389
Miscellaneous	33,259	9.05	31,218	32,630	32,319	32,765	27,147	27,299	25,493	24,111	21,637
Services:											
Hotels	8,571	2.33	7,611	8,263	8,016	7,015	6,135	5,959	5,664	5,553	5,516
Business	13,780	3.75	11,192	11,646	13,275	12,909	11,858	11,106	11,067	9,997	11,781
Other	16,951	4.61	15,360	16,678	15,641	14,249	13,115	12,586	12,121	11,762	11,013
All other categories	6,630	1.80	3,811	5,622	6,176	5,051	6,370	3,748	2,932	2,392	2,188
	<u>\$367,333</u>	<u>100.00%</u>	<u>\$327,220</u>	<u>\$352,668</u>	<u>\$347,971</u>	<u>\$334,645</u>	<u>\$316,167</u>	<u>\$295,996</u>	<u>\$286,200</u>	<u>\$270,978</u>	<u>\$253,413</u>

(1) The source for taxable sales by category is the Oklahoma Tax Commission. The City is prohibited by law from reporting individual sales taxpayers.

**TAXABLE ASSESSED VALUE AND ESTIMATED FAIR MARKET (ACTUAL) VALUE OF PROPERTY (1)**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 8**

**Oklahoma City Tax Rates Per \$1,000 of Net Valuation**



Fiscal Year	Real Property	Personal Property	Public Service Property	Less Tax Exempt Property	Total Taxable Assessed Value	Estimated Fair Market Value of City Taxable Property (2)	City Property Tax Rate (3)
2011	\$3,571,276	\$728,731	\$337,232	\$120,792	\$4,516,447	\$38,143,749	15.91
2010	3,435,800	742,922	344,152	115,543	4,407,331	37,093,359	14.77
2009	3,264,719	667,971	332,611	113,845	4,151,456	34,957,908	14.97
2008	3,028,840	631,729	352,063	111,641	3,900,991	32,655,141	15.95
2007	2,785,193	619,684	407,247	109,950	3,702,174	30,609,446	14.48
2006	2,531,790	594,479	433,662	98,730	3,461,201	28,340,075	12.53
2005	2,336,794	579,680	329,367	97,797	3,148,044	25,936,521	14.73
2004	2,168,907	567,997	323,231	97,851	2,962,284	24,299,481	15.55
2003	2,032,941	581,198	329,398	96,840	2,846,697	23,193,899	15.89
2002	1,919,165	555,366	331,863	94,630	2,711,764	21,869,147	15.34

(1) Property taxes are collected for the City of Oklahoma City (City) by four counties: Pottawatomie, Canadian, Cleveland, and Oklahoma. The determination of the net assessed valuation is made annually by each County. The source of property value information and conversion factors were provided by the Oklahoma County Assessor's Office.

(2) The relationship (%) of total taxable assessed value to estimated fair market value is shown below:

Fiscal Year	Real Estate	Personal Property	Public Service Property
2011	11.0%	13.75%	22.85%
2010	11.0	13.75	22.85
2009	11.0	13.75	22.85
2008	11.0	13.75	22.85
2007	11.0	13.75	22.85
2006	11.0	13.75	22.85
2005	11.0	14.00	22.85
2004	11.0	14.00	22.85
2003	11.0	14.00	22.85
2002	11.0	14.50	22.85

(3) The City property tax rate is per \$1,000 of assessed value. Voter approval is required to increase property tax rates. City property tax is levied to service general obligation debt.

**PROPERTY TAX RATES OF DIRECT  
AND OVERLAPPING GOVERNMENTS (1) (2)**  
Last Ten Fiscal Years

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 9**  
page 1 of 3

**POTTAWATOMIE COUNTY**

<u>Fiscal Year</u>	<u>Oklahoma City</u>	<u>Pottawatomie County</u>	<u>McLoud Schools</u>	<u>Gordon Cooper Vo-Tech</u>
2011	15.91	22.81	47.69	15.18
2010	14.77	22.81	52.75	15.18
2009	14.97	22.81	50.14	15.18
2008	15.95	20.81	49.83	15.18
2007	14.48	20.81	50.77	15.18
2006	12.53	20.81	51.71	15.18
2005	14.73	20.81	53.15	15.18
2004	15.55	20.81	53.77	15.18
2003	15.89	20.81	55.20	15.18
2002	15.34	20.81	56.05	15.18

**CANADIAN COUNTY**

<u>Fiscal Year</u>	<u>Oklahoma City</u>	<u>Canadian County</u>	<u>Banner Schools</u>	<u>Mustang Schools</u>	<u>Piedmont Schools</u>	<u>Union City Schools</u>	<u>Yukon Schools</u>
2011	15.91	16.11	43.37	65.20	72.18	61.50	71.38
2010	14.77	16.11	43.64	66.47	73.01	61.33	68.79
2009	14.97	16.11	44.38	66.96	73.54	62.10	68.52
2008	15.95	16.11	44.57	66.80	74.51	55.34	68.40
2007	14.48	16.11	41.28	67.34	69.75	64.02	67.65
2006	12.53	16.11	41.28	58.58	61.29	54.93	66.96
2005	14.73	16.11	41.28	64.40	63.01	64.88	66.59
2004	15.55	16.11	41.28	65.64	64.68	59.98	64.85
2003	15.89	16.11	41.28	65.68	65.17	52.44	64.91
2002	15.34	16.11	41.28	66.07	66.31	52.75	65.79

(1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.

(2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and the County.

**PROPERTY TAX RATES OF DIRECT AND  
OVERLAPPING GOVERNMENTS (1) (2)**  
Last Ten Fiscal Years

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 9**  
page 2 of 3

**CLEVELAND COUNTY**

Fiscal Year	Oklahoma City	Cleveland County	Little Axe Schools	McLoud Schools	Midwest City Schools	Moore Schools	Mustang Schools
2011	15.91	23.07	64.15	47.69	65.60	66.24	65.20
2010	14.77	23.07	65.65	52.75	65.83	67.86	66.47
2009	14.97	23.07	54.33	50.14	65.05	67.11	66.96
2008	15.95	21.07	57.31	49.83	64.31	68.19	66.80
2007	14.48	21.07	60.15	50.77	62.79	60.52	67.34
2006	12.53	21.07	60.18	51.71	59.96	60.83	58.58
2005	14.73	21.07	62.96	53.15	61.11	57.72	64.40
2004	15.55	21.08	62.90	53.77	61.83	58.06	65.64
2003	15.89	21.17	57.01	55.20	60.00	58.36	65.68
2002	15.34	21.21	58.10	56.05	62.63	57.68	66.07

Fiscal Year	Norman Schools	Robin Hill Schools	Rose State College	Moore-Norman Vo-Tech	Gordon Cooper Vo-Tech
2011	66.15	52.78	17.32	14.38	15.18
2010	66.41	59.16	17.40	14.38	15.18
2009	65.42	61.72	17.30	14.38	15.18
2008	67.08	61.36	17.67	14.38	15.18
2007	62.80	65.43	18.29	14.38	15.18
2006	62.03	65.53	16.35	14.38	15.18
2005	65.55	60.55	16.50	14.38	15.18
2004	67.30	62.75	16.62	14.38	15.18
2003	65.55	47.11	16.66	14.38	15.18
2002	58.91	47.85	16.78	14.38	15.18

- (1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.  
 (2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and the County.

**PROPERTY TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS (1) (2)**  
**Last Ten Fiscal Years**

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 9**  
**page 3 of 3**

**OKLAHOMA COUNTY**

Fiscal Year	Oklahoma City	Oklahoma County	Oklahoma City Schools	Choctaw Schools	Crooked Oak Schools	Crutcho Schools	Deer Creek Schools	Edmond Schools	Harrah Schools
2011	15.91	24.27	58.70	69.41	65.10	64.02	74.52	66.96	59.99
2010	14.77	25.05	58.43	68.50	67.40	46.96	77.67	66.66	61.11
2009	14.97	23.18	52.48	66.66	57.90	48.14	76.08	66.23	57.60
2008	15.95	22.29	56.73	63.11	64.17	48.14	73.05	66.35	58.56
2007	14.48	22.81	57.07	62.60	65.37	47.56	74.19	65.86	56.07
2006	12.53	22.99	58.02	62.33	66.73	48.60	75.92	65.95	57.08
2005	14.73	22.99	57.84	61.33	66.85	46.68	74.75	66.51	58.36
2004	15.55	22.35	54.44	63.85	66.41	49.47	76.37	66.23	59.74
2003	15.89	22.35	59.64	60.58	54.91	51.96	76.31	66.78	59.45
2002	15.34	22.29	47.91	64.34	56.42	52.91	76.51	66.67	60.74

**Midwest**

Fiscal Year	Jones Schools	Luther Schools	McLoud Schools	City Schools	Millwood Schools	Moore Schools	Mustang Schools	Oakdale Schools	Piedmont Schools
2011	65.26	55.45	47.69	65.60	56.80	66.24	65.20	68.42	72.18
2010	60.50	55.46	52.75	65.83	58.81	67.86	66.47	67.22	73.01
2009	64.30	56.19	50.14	65.05	59.55	67.11	66.96	59.52	73.54
2008	52.11	57.55	49.83	64.31	55.18	68.19	66.80	61.52	74.51
2007	58.15	44.08	50.77	62.79	57.54	60.52	67.34	59.96	69.75
2006	59.90	44.58	51.71	59.96	56.79	60.83	58.58	60.07	61.29
2005	55.40	46.70	53.15	61.11	55.59	57.72	64.40	62.93	63.01
2004	58.20	46.28	53.77	61.83	63.82	58.06	65.64	67.20	64.68
2003	60.19	59.95	55.20	60.00	65.92	58.36	65.68	64.12	65.17
2002	62.65	60.60	56.05	62.63	69.83	57.68	66.07	54.26	66.31

Fiscal Year	Putnam City Schools	Western Heights Schools	Oklahoma City Community College	Rose State College	Eastern Oklahoma County Vo-Tech	Francis Tuttle Vo-Tech	Metro-Tech Vo-Tech	Moore-Norman Vo-Tech	Gordon Cooper Vo-Tech
2011	61.20	61.57	5.08	17.32	16.20	15.69	15.45	14.38	15.18
2010	61.52	63.53	5.08	17.40	16.09	15.46	15.45	14.38	15.18
2009	60.72	57.92	5.08	17.30	16.24	15.69	15.45	14.38	15.18
2008	56.90	60.48	5.08	17.67	16.30	15.69	15.45	14.38	15.18
2007	55.96	59.52	5.08	18.29	16.41	15.69	15.45	14.38	15.18
2006	55.14	59.98	5.08	16.35	16.43	15.69	15.45	14.38	15.18
2005	55.71	60.12	5.08	16.50	16.53	15.69	15.45	14.38	15.18
2004	56.09	58.01	5.08	16.62	16.50	14.96	15.45	14.38	15.18
2003	56.29	60.49	5.08	16.66	16.95	14.96	15.45	14.38	15.18
2002	56.68	58.21	5.08	16.78	17.21	15.69	15.45	14.38	15.18

- (1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.
- (2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and Oklahoma County.

**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Ten Years Ago**  
**(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 10**

Principal Taxpayers	Fiscal Year				
	2011		2001		
	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Property Value	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Property Value	
Oklahoma Gas and Electric Company	\$170,847	3.78%	Oklahoma Gas and Electric Company	\$94,546	3.49%
Southwestern Bell Telephone Company	73,002	1.62	Southwestern Bell Telephone Company	92,248	3.40
AT&T Mobility LLC	56,977	1.26	AT&T Communications, Ent.	55,047	2.03
Oklahoma Natural Gas Company	35,585	0.79	General Motors Corporation	33,856	1.25
Cox Oklahoma Telecom LLC	22,058	0.49	Oklahoma Natural Gas Company	27,068	1.00
Hobby Lobby Stores Inc	17,150	0.38	Southwestern Bell Wireless	16,171	0.60
Chesapeake Land Company LLC	16,489	0.37	Cox Oklahoma Telecom, LLC.	16,018	0.59
COX Com Inc	16,128	0.36	Midwest Cellular Telephone	13,612	0.50
OU Medical Center	13,839	0.31	Lucent Technologies	10,160	0.37
Quad Graphics Inc	10,620	0.24	Hertz	9,776	0.36
	<b>\$432,695</b>	<b>9.58%</b>		<b>\$368,502</b>	<b>13.59%</b>
Total Assessed Valuation	<b>\$4,637,239</b>		Total Assessed Valuation	<b>\$2,806,394</b>	
Taxable Assessed Value	<b>\$4,516,447</b>		Taxable Assessed Value	<b>\$2,711,764</b>	

(1) The source for property value information is the Oklahoma County Assessor's Office.

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**  
**(dollars are in thousands)**

**TABLE 11**

Fiscal Year	Tax Levied for the Fiscal Year (1)	Collection within the Fiscal Year of the Levy (2)		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$71,850	\$68,114	94.8%	\$ -	\$68,114	94.8%
2010	65,113	61,804	94.9	2,017	63,821	98.0
2009	62,150	59,411	95.6	2,121	61,532	99.0
2008	62,229	59,557	95.7	2,500	62,057	99.7
2007	53,602	49,611	92.6	3,136	52,747	98.4
2006	43,366	39,296	90.6	3,543	42,839	98.8
2005	46,360	43,396	93.6	1,859	45,255	97.6
2004	46,058	42,509	92.3	1,254	43,763	95.0
2003	45,229	41,012	90.7	1,786	42,798	94.6
2002	41,599	39,838	95.8	1,567	41,405	99.5

(1) The source for this information is the Oklahoma City Statements of Debt Service Fund and Requirements from Ad Valorem Tax Levy for respective fiscal years.

(2) The sources for this information are the respective County property tax collections for Oklahoma City (see Table 9).

**PRIMARY GOVERNMENT  
PRINCIPAL PROPERTY TAXPAYERS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Current Year and Nine Years Ago  
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 12**

<i>Governmental Activities</i>							
Fiscal Year	Governmental Funds			Internal Service Funds			Total Governmental Activities
	General Obligation Bonds	Lease Obligations	Notes Payable	Revenue Bonds	Lease Obligations	Estimated Claims Payable	
2011	\$565,670	\$8	\$7,256	\$ -	\$50	\$48,494	\$621,478
2010	561,740	111	12,256	-	13	41,533	615,653
2009	505,780	287	11,487	-	20	38,672	556,246
2008	495,015	332	44,580	1,000	29	42,951	583,907
2007	460,555	163	14,504	1,950	90	46,451	523,713
2006	418,865	248	15,378	2,850	147	41,245	478,733
2005	367,210	411	236	3,705	137	30,635	402,334
2004	344,755	92	-	4,520	20	21,095	370,482
2003	350,780	229	-	5,295	66	20,070	376,440
2002	344,815	372	-	6,035	71	22,156	373,449

<i>Business-Type Activities</i>									
Fiscal Year	Revenue Bonds	Lease Obligations	Long-Term Interest Payable Bonds	Notes Payable OCWUT Commercial Paper	Notes Payable OCPPA Golf Courses	Total Business-Type Activities	Total Primary Government (1)	Percent of Personal Income (2)	Per Capita (2)
2010	543,114	3,598	39,539	47,500	-	633,751	1,249,404	2.5	2,231
2009	507,000	4,729	43,839	20,000	-	575,568	1,131,814	2.3	2,065
2008	485,981	5,822	47,577	36,000	-	575,380	1,159,287	2.5	2,093
2007	493,962	508	50,757	10,000	-	555,227	1,078,940	2.4	1,972
2006	502,413	525	53,417	-	-	556,355	1,035,088	2.5	1,913
2005	521,806	1,656	55,552	-	-	579,014	981,348	2.5	1,845
2004	493,530	2,274	57,197	-	68	553,069	923,551	2.5	1,759
2003	446,560	2,868	58,340	-	177	507,945	884,385	2.6	1,691
2002	514,065	3,439	57,578	-	342	575,424	948,873	2.9	1,832

- (1) Outstanding debt balances shown in the table include the current portion reported as current liabilities in the financial statements and exclude advances, compensated absences, net other post-employment benefit obligation, and estimated rebatable arbitrage. Therefore, the total primary government amount will not tie to the financial statements.
- (2) Personal income and population data are available on Table 17.

**RATIOS OF GENERAL BONDED DEBT TO TAXABLE  
ASSESSED AND ESTIMATED FAIR MARKET (ACTUAL)  
VALUES AND BONDED DEBT PER CAPITA**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 13**

**Last Ten Fiscal Years  
(dollars are in thousands)**

<u>Fiscal Year</u>	<u>General Obligation Bonded Debt</u>	<u>Net Bonded Debt (1)</u>	<u>Net Assessed Valuation</u>	<u>Ratio of Net Bonded Debt to Net Assessed Valuation</u>
2011	\$565,670	\$521,260	\$4,516,447	11.5
2010	561,740	522,670	4,407,331	11.9
2009	505,780	468,320	4,151,456	11.3
2008	495,015	458,295	3,900,991	11.7
2007	460,555	427,455	3,702,174	11.5
2006	418,865	388,555	3,461,201	11.2
2005	367,210	338,865	3,148,044	10.8
2004	344,755	318,790	2,962,284	10.8
2003	350,780	326,390	2,846,697	11.5
2002	344,815	323,595	2,711,764	11.9

<u>Fiscal Year</u>	<u>Estimated Fair Market Value of City Taxable Property (2)</u>	<u>Ratio of Net Bonded Debt to Estimated Fair Market Value of City Taxable Property</u>	<u>Estimated Population (in thousands) (3)</u>	<u>Per Capita Bonded Debt</u>	<u>Per Capita Net Bonded Debt</u>
2011	\$38,143,749	1.5	580	\$975	\$899
2010	37,093,359	1.5	560	1,003	933
2009	34,957,908	1.4	548	923	855
2008	32,655,141	1.5	554	894	827
2007	30,609,446	1.5	547	842	781
2006	28,340,075	1.5	541	774	718
2005	25,936,521	1.4	532	690	637
2004	24,299,481	1.4	525	657	607
2003	23,193,899	1.5	523	671	624
2002	21,869,147	1.6	518	666	625

(1) See Tables 4 and 12 for information regarding changes in City debt levels and notes to Table 14 for discussion of restricted reserves.

(2) The source of this information is the Oklahoma County Assessor's Office.

(3) Population estimates are obtained from the Oklahoma Employment Security Commission, Oklahoma Department of Commerce, and the U.S. Census Bureau.



**DIRECT AND OVERLAPPING DEBT (1)**  
**June 30, 2011**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 14**

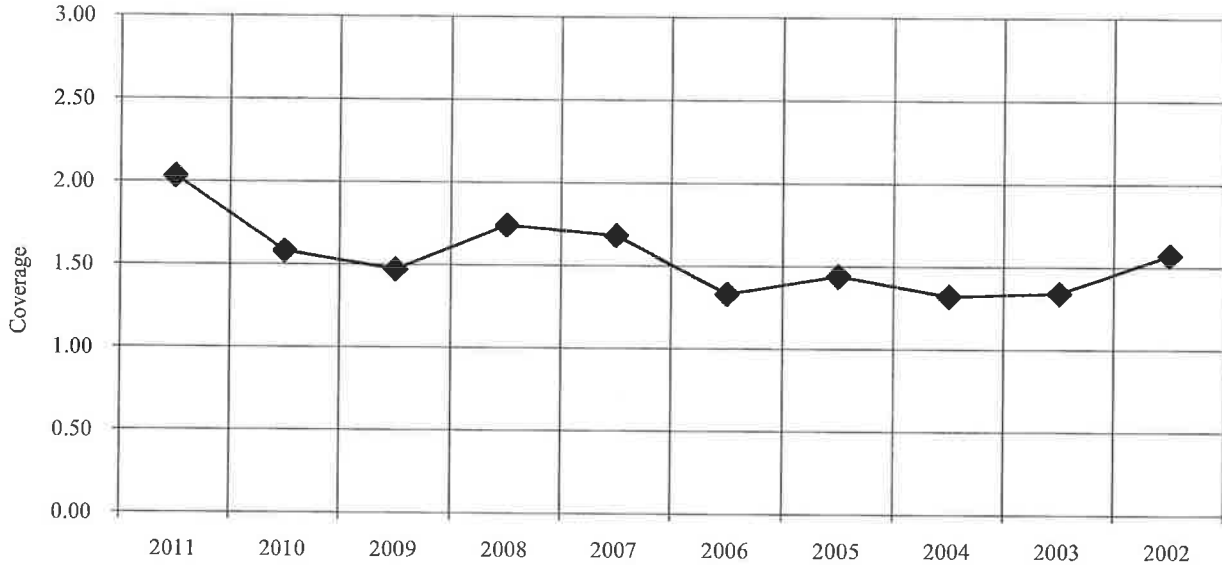
	Net General Bonded Debt Outstanding (2) (3)	Percentage Applicable to Oklahoma City (4)	Amount Applicable to Oklahoma City
Banner Schools	\$100	15.26%	\$1,526
Canadian County	-	41.07	-
Choctaw Schools	14,949	11.10	1,659
Cleveland County	-	24.80	-
Crooked Oak Schools	1,831	100.00	1,831
Crutcho Schools	1,132	5.41	61
Deer Creek Schools	16,900	60.08	10,154
Eastern Oklahoma County Vo-Tech	164	12.09	20
Edmond Schools	81,660	39.15	31,970
Francis Tuttle Vo-tech	-	58.33	-
Harrah Schools	2,555	4.91	125
Jones Schools	1,412	33.34	471
Little Axe Schools	1,185	18.94	224
Luther Schools	3,040	4.13	126
McLoud Schools (5)	(186)	32.15	(60)
Midwest City Schools	27,490	37.03	10,180
Millwood Schools	571	89.34	510
Moore Schools	78,133	54.94	42,926
Mustang Schools	23,048	76.63	17,662
Norman Schools (6)	52,620	0.00	-
Oakdale Schools	3,133	99.68	3,123
Oklahoma City Schools	153,111	87.04	133,268
Oklahoma County	67,107	67.00	44,962
Piedmont Schools	3,165	35.78	1,132
Putnam City Schools	39,940	85.07	33,977
Robin Hill Schools (5)	(64)	18.41	(12)
Rose State College	6,800	30.35	2,064
Union City Schools	642	1.76	11
Western Heights Schools	13,441	99.93	13,432
Yukon Schools	<u>19,425</u>	<u>33.15</u>	<u>6,439</u>
	613,304		357,781
<b>Oklahoma City</b>	<b><u>522,670</u></b>	<b>100.00%</b>	<b><u>522,670</u></b>
<b>Total direct and overlapping debt</b>	<b><u>\$1,135,974</u></b>		<b><u>\$880,451</u></b>

- (1) Other overlapping jurisdictions identified in Table 9 have no net debt for the period shown.
- (2) Net debt outstanding is the total outstanding general obligation bonds less the reserves restricted for the repayment of principal in the Debt Service Fund. The outstanding debt balance and debt service fund restricted reserves used in this table are for the 2010-2011 tax year levy. Therefore, the net debt outstanding for the City of Oklahoma City (City) does not agree with the June 30, 2011, financial statements. Restricted reserves are created and accumulated through the property tax levy (per applicable Oklahoma Statutes) to insure that funds are on hand when debt service payments are due.
- (3) All debt shown in the schedule is repaid with property taxes. The source for bonded debt outstanding for jurisdictions other than Oklahoma City is the Oklahoma State Board of Equalization.
- (4) The percent applicable to Oklahoma City is determined by the School district's proportionate share of the total City assessed valuation as provided by the Oklahoma State Board of Equalization.
- (5) The percentage applicable to the City is less than 1%.
- (6) Net bonded debt is reported as a negative because sinking fund cash exceeds bonds outstanding.

**PLEGGED-REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
page 1 of 8

**OKLAHOMA CITY AIRPORT TRUST - AIRPORT BONDS (1)**



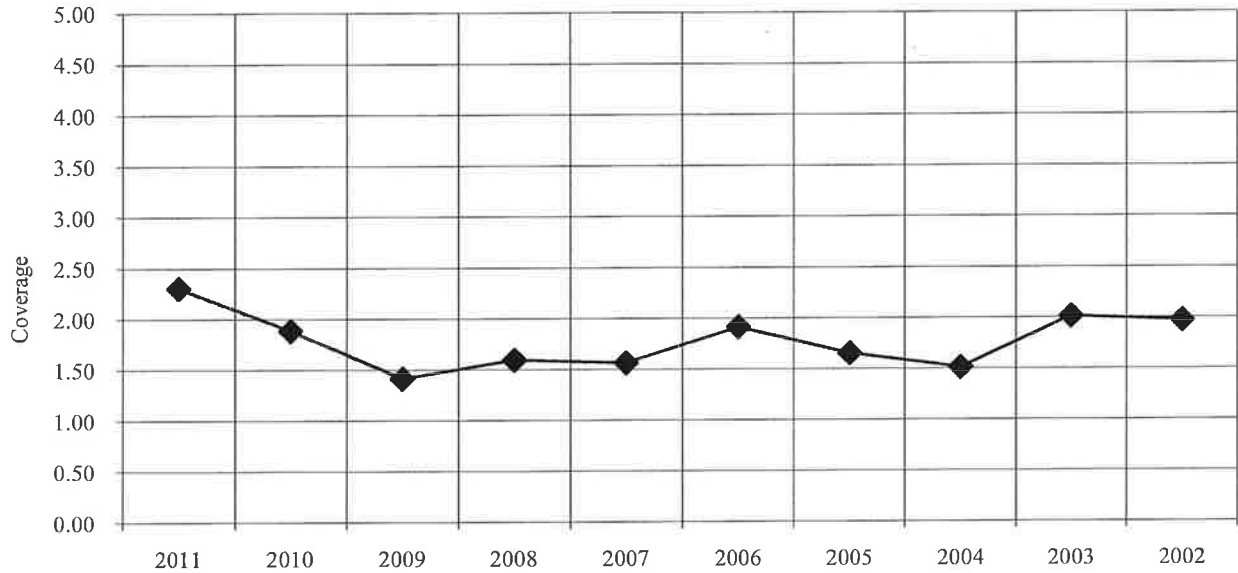
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (5)				
				Principal	Interest (4)	Total	Senior Lien		Junior Lien		Combined
							Gross	Net	Gross	Net	
2011	\$57,370	\$23,090	\$34,280	\$11,370	\$5,510	\$16,880	9.41	5.19	4.52	2.51	2.03
2010	51,488	22,729	28,759	12,025	6,174	18,199	7.43	3.85	3.80	1.89	1.58
2009	51,584	22,718	28,866	12,700	6,879	19,579	7.26	3.64	3.42	1.70	1.47
2008	56,788	20,997	35,791	13,240	7,285	20,525	8.07	4.86	3.56	2.11	1.74
2007	54,168	20,358	33,810	12,420	7,708	20,128	7.65	4.55	3.47	2.03	1.68
2006	50,845	19,383	31,462	15,180	8,516	23,696	5.49	3.23	2.76	1.54	1.33
2005	48,094	17,462	30,632	13,675	7,613	21,288	4.92	2.99	3.13	1.78	1.44
2004	44,869	17,022	27,847	12,810	8,338	21,148	4.56	2.68	2.91	1.58	1.32
2003	46,476	17,568	28,908	11,625	9,913	21,538	4.63	2.73	2.98	1.63	1.34
2002	43,019	16,758	26,261	9,625	7,139	16,764	4.73	2.95	4.41	2.30	1.57

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by the Oklahoma City Airport Trust and accumulated reserves required for certain senior lien debt.
- (2) Facility charge revenue is included in gross revenue, excluded to calculate senior lien coverage, then added back to calculate junior lien coverage.
- (3) Direct expenses include operating expenses and transfers to other funds less depreciation.
- (4) Interest requirements exclude interest paid from bond proceeds.
- (5) Senior lien and junior lien coverage ratios reflect the net coverage on junior lien debt after calculating debt service coverage on senior lien debt. Therefore, these coverage ratios will not calculate from the table. Gross coverage is calculated before operating expense. Combined coverage calculates by dividing net revenue available for debt service by total debt service requirements.

**PLEGGED-REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
**page 2 of 8**

**OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY - GOLF COURSE BONDS (1)**



Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Coverage Requirements (4)			Coverage (5)
				Principal	Interest	Total	
2011	\$9,963	\$7,801	\$2,162	\$450	\$492	\$942	2.30
2010	8,994	7,226	1,768	430	512	942	1.88
2009	9,331	8,001	1,330	430	512	942	1.41
2008	7,835	6,333	1,502	430	512	942	1.59
2007	7,343	5,876	1,467	430	512	942	1.56
2006	7,499	5,701	1,798	430	512	942	1.91
2005	7,187	5,629	1,558	430	512	942	1.65
2004	7,187	5,765	1,422	430	512	942	1.51
2003	7,288	5,399	1,889	430	512	942	2.01
2002	7,174	5,315	1,859	430	512	942	1.97

(1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by the Oklahoma City Public Property Authority Golf Courses.

(2) Gross Revenues include operating revenues, investment income, other revenue, and transfers from other funds. Jimmy Stewart revenues are excluded.

(3) Direct expenses include operating expenses less depreciation for all golf courses excluding Jimmy Stewart.

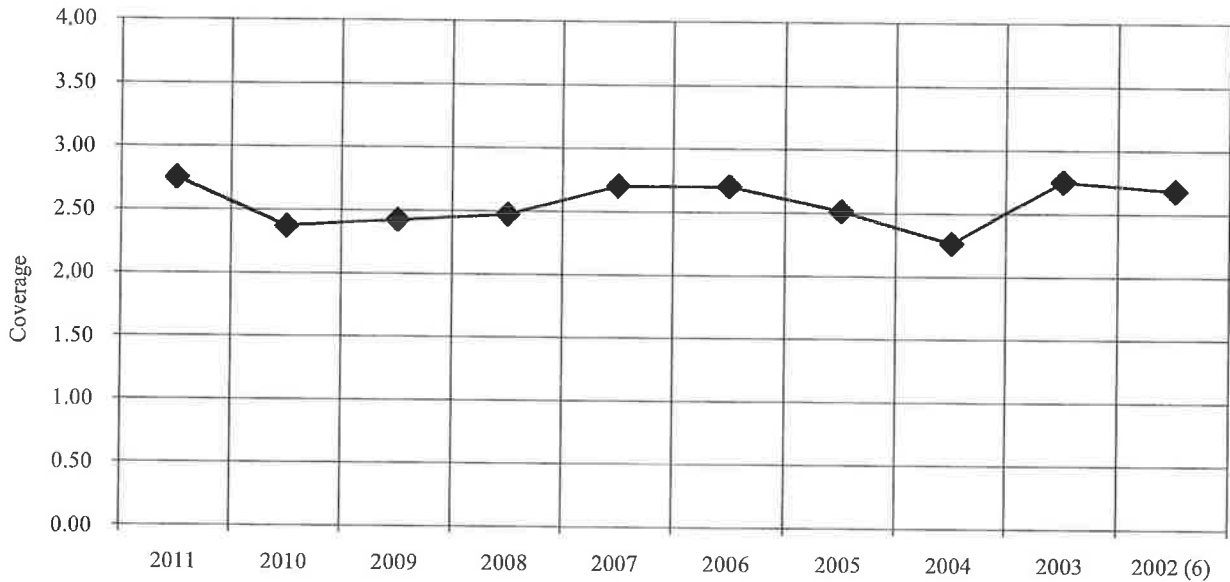
(4) Principal and interest is the maximum debt service paid in any year for bond covenant coverage calculations. Therefore, principal and interest will not correlate to annual bond payment amounts. Final year debt service reduced by reserves held to pay debt services in that year.

(5) The bond covenants coverage ratio is 1.25.

**PLEGGED-REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
**page 3 of 8**

**OKLAHOMA CITY WATER UTILITIES TRUST - WATER BONDS (1)**



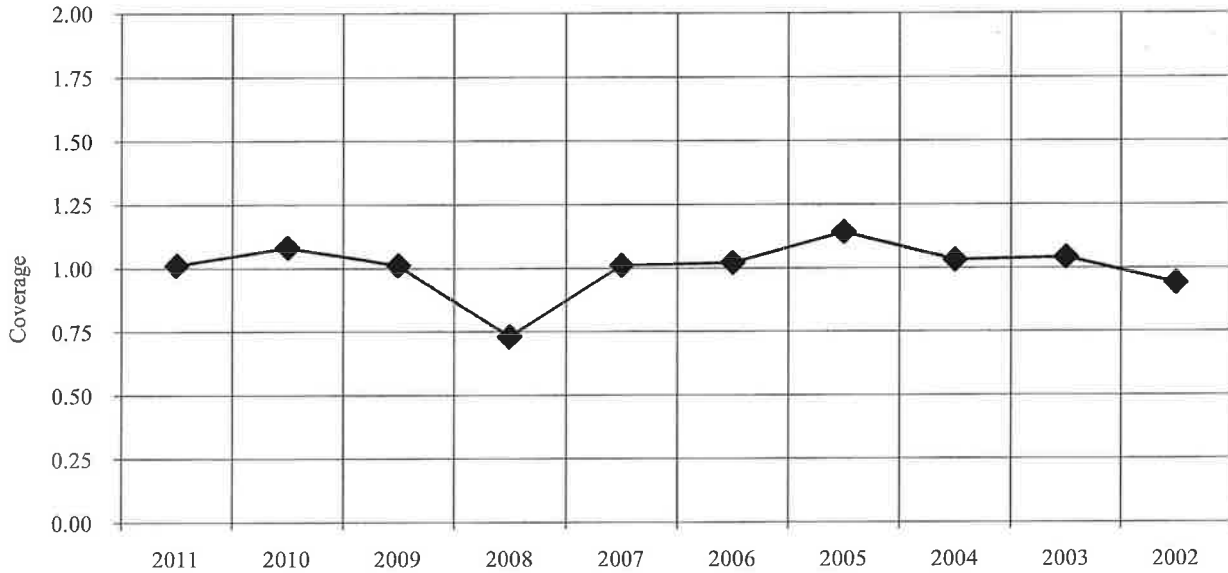
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage (5)
				Principal	Interest	Total	
2011	\$190,075	\$99,749	\$90,326	\$10,434	\$22,367	\$32,801	2.75
2010	165,699	98,531	67,168	9,144	19,181	28,325	2.37
2009	152,868	91,675	61,193	9,385	15,890	25,275	2.42
2008	136,197	82,151	54,046	8,390	13,496	21,886	2.47
2007	136,218	77,075	59,143	8,390	13,496	21,886	2.70
2006	137,351	78,196	59,155	8,390	13,496	21,886	2.70
2005	124,838	69,833	55,005	8,390	13,496	21,886	2.51
2004	116,536	67,063	49,473	8,390	13,496	21,886	2.26
2003	110,903	64,611	46,292	6,480	10,382	16,862	2.75
2002 (6)	110,699	62,372	48,327	5,885	12,170	18,055	2.68

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by Oklahoma City Water Utilities
- (2) Gross revenues include operating revenues, investment income, other revenue, and transfers from other funds.
- (3) Direct expenses include operating expenses and transfers out less depreciation and amortization.
- (4) Principal and interest is the maximum debt service paid in any year for bond covenant coverage calculations. Therefore, principal and interest will not correlate to annual bond payment amounts. Final year debt service reduced by reserves held to pay debt services in that year.
- (5) The bond covenants coverage ratio is 1.20.
- (6) Gross revenues for 2002 have been adjusted by \$6.947 million for unbilled accrued receivables to enhance comparability.

**PLEDGED-REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
**page 4 of 8**

**McGEE CREEK AUTHORITY - WATER BONDS (1)**



Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage (5)
				Principal	Interest	Total	
2011	\$7,146	\$422	\$6,724	\$3,120	\$3,532	\$6,652	1.01
2010	7,545	393	7,152	2,940	3,709	6,649	1.08
2009	7,154	406	6,748	2,775	3,875	6,650	1.01
2008	5,025	197	4,828	2,615	4,032	6,647	0.73
2007	7,303	617	6,686	2,470	4,181	6,651	1.01
2006	7,127	324	6,803	2,330	4,318	6,648	1.02
2005	8,021	461	7,560	2,205	4,446	6,651	1.14
2004	7,425	596	6,829	2,085	4,565	6,650	1.03
2003	7,338	406	6,932	1,975	4,675	6,650	1.04
2002	6,567	310	6,257	1,870	4,778	6,648	0.94

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt is secured by an agreement of support between the Oklahoma City Water Utilities Trust and the McGee Creek Authority granting a security interest in Oklahoma City Water Utilities Trust gross revenues.
- (2) Operating transfers include from Oklahoma City Water Utilities Trust for payment of debt service and McGee Creek Authority operating expenses.
- (3) Gross Revenues include operating revenues, investment income, other revenue, transfers from other funds, and excludes amounts receivable from Participants.
- (4) Direct expenses include operating expenses less depreciation and amortization.
- (5) The bond covenants coverage ratio is 1.00. Cash balances accumulated from transfers in prior fiscal years are used to meet July 1 interest payments. Taking into consideration these balances held in the principal and interest accounts, sufficient funds were available to meet debt service requirements.

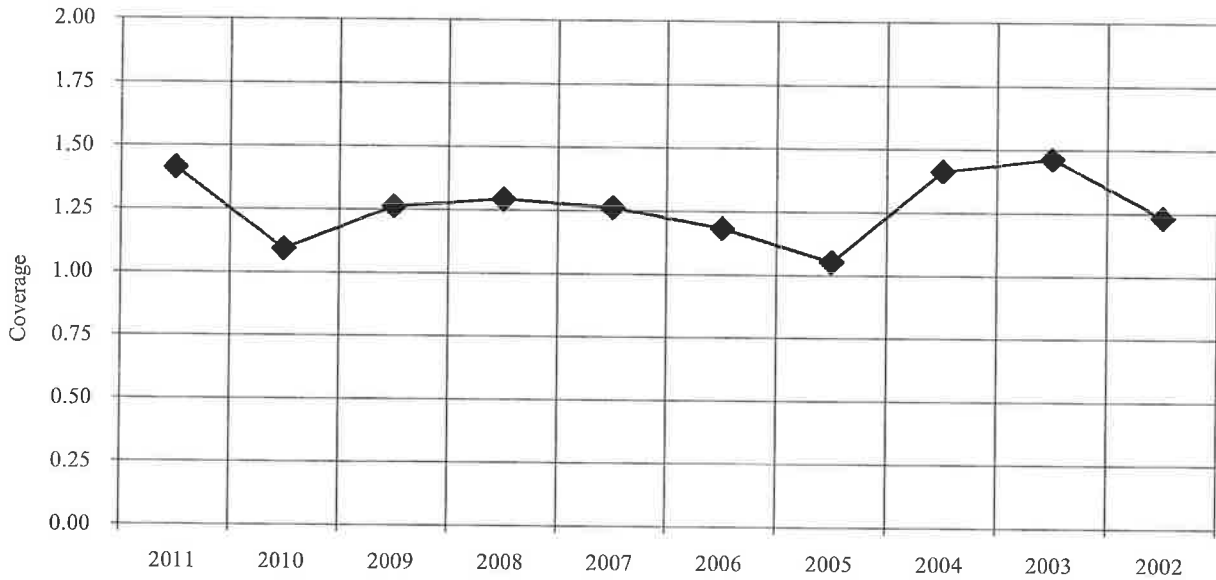
**PLEGGED-REVENUE BOND COVERAGE**

**CITY OF OKLAHOMA CITY, OKLAHOMA**

**Last Ten Fiscal Years**  
 (dollars are in thousands)

**TABLE 15**  
 page 5 of 8

**CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY - PARKING BONDS (1)**



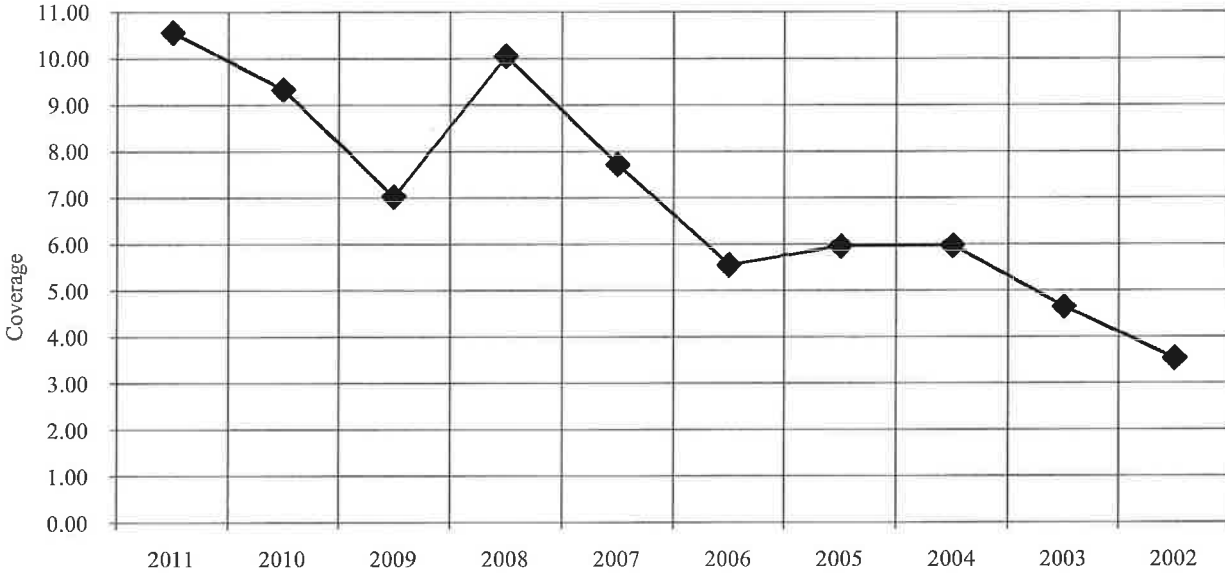
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2011	\$6,155	\$3,014	\$3,141	\$1,635	\$593	\$2,228	1.41
2010	7,143	2,954	4,189	2,421	1,417	3,838	1.09
2009	9,119	3,274	5,845	2,390	2,249	4,639	1.26
2008	9,107	3,172	5,935	2,260	2,350	4,610	1.29
2007	8,906	2,796	6,110	2,725	2,135	4,860	1.26
2006	8,542	3,106	5,436	1,870	2,748	4,618	1.18
2005	7,728	2,737	4,991	1,770	3,005	4,775	1.05
2004	7,509	2,624	4,885	1,685	1,780	3,465	1.41
2003	7,690	2,625	5,065	1,605	1,859	3,464	1.46
2002	6,800	2,542	4,258	1,535	1,933	3,468	1.23

- (1) The City of Oklahoma City (City) has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Central Oklahoma Transportation and Parking Authority. The parking bonds are secured principally by net revenues from certain parking facilities owned or operated by Central Oklahoma Transportation and Parking Authority and any money received from the Oklahoma City Water Utilities Trust under an agreement of support. Subsidies from the City provide financial assistance, as required.
- (2) Gross Revenues include operating revenues, investment income, other revenue, and payments and transfers from other funds and exclude net water and sewer revenues of the Oklahoma City Water Utilities Trust, as defined in the bond indenture. These revenues are permitted for the computation of the coverage ratio but are excluded from the table above to present the coverage ratio based on the stand-alone parking system operations of Central Oklahoma Transportation and Parking Authority only.
- (3) Direct expenses include operating expenses less depreciation and transfers to Parking Enterprise.
- (4) The bond covenants coverage ratio is 1.00.

**PLEGGED-REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
**page 6 of 8**

**OKLAHOMA CITY ZOOLOGICAL TRUST - ZOO BONDS (1)**



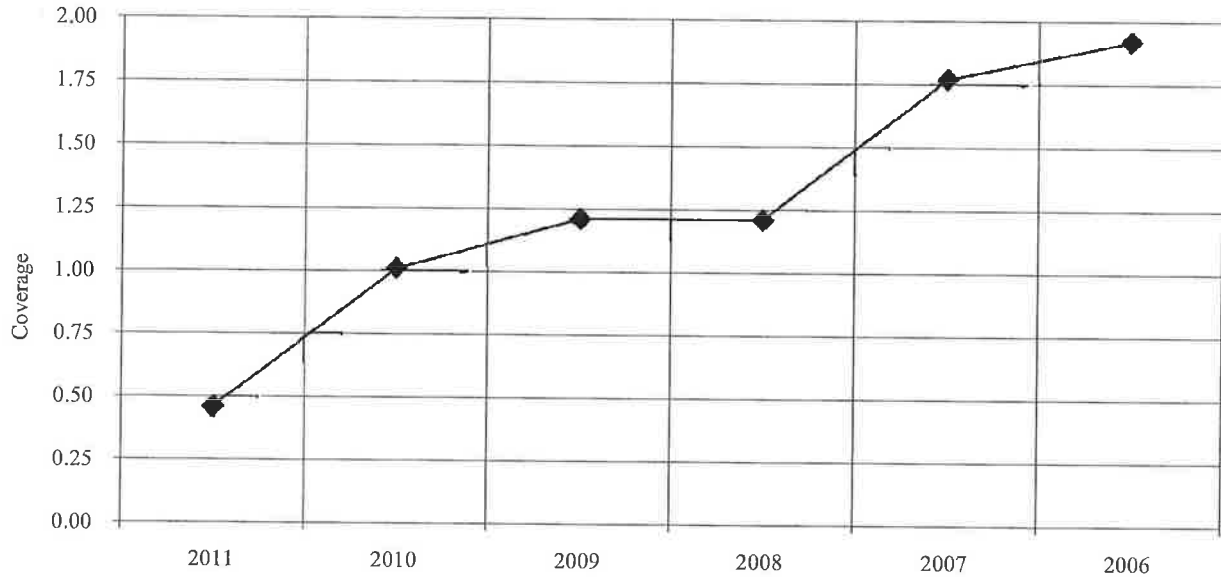
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2011	\$22,301	\$14,875	\$7,426	\$495	\$208	\$703	10.56
2010	19,813	13,527	6,286	450	224	674	9.33
2009	20,054	15,208	4,846	446	243	689	7.03
2008	19,808	13,404	6,404	375	262	637	10.05
2007	18,356	13,420	4,936	360	279	639	7.72
2006	17,129	13,698	3,431	340	277	617	5.56
2005	16,474	12,347	4,127	325	367	692	5.96
2004	15,096	10,897	4,199	315	388	703	5.97
2003	13,348	10,115	3,233	300	394	694	4.66
2002	13,319	10,867	2,452	285	406	691	3.55

- (1) The City of Oklahoma City (City) has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Zoo Trust. The sales tax payments from the City are designated for the Zoo and pledged for repayment.
- (2) Gross revenues include operating revenues, donations, investment income, and payments from the City. Gross revenues for 2009 have been restated for a prior error in presentation.
- (3) Direct expenses include operating expenses less depreciation.
- (4) Bond covenants requires maximum debt service paid in any year for covenants coverage compliance. The bond covenants coverage ratio is 1.00.

**PLEGGED-REVENUE BOND COVERAGE**  
**Last Seven Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
page 7 of 8

**OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY - FAIRGROUNDS 2005 AND 2007A BOND ISSUE (1)**



Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2011	\$9,787	\$7,401	\$2,386	\$1,745	\$3,476	\$5,221	0.46
2010	5,254	5	5,249	1,665	3,544	5,209	1.01
2009	5,203	78	5,125	630	3,590	4,220	1.21
2008	4,661	110	4,551	465	3,306	3,771	1.21
2007	4,951	97	4,854	-	2,745	2,745	1.77
2006	5,403	131	5,272	-	2,745	2,745	1.92
2005	1,105	32	1,073	-	-	-	N/A

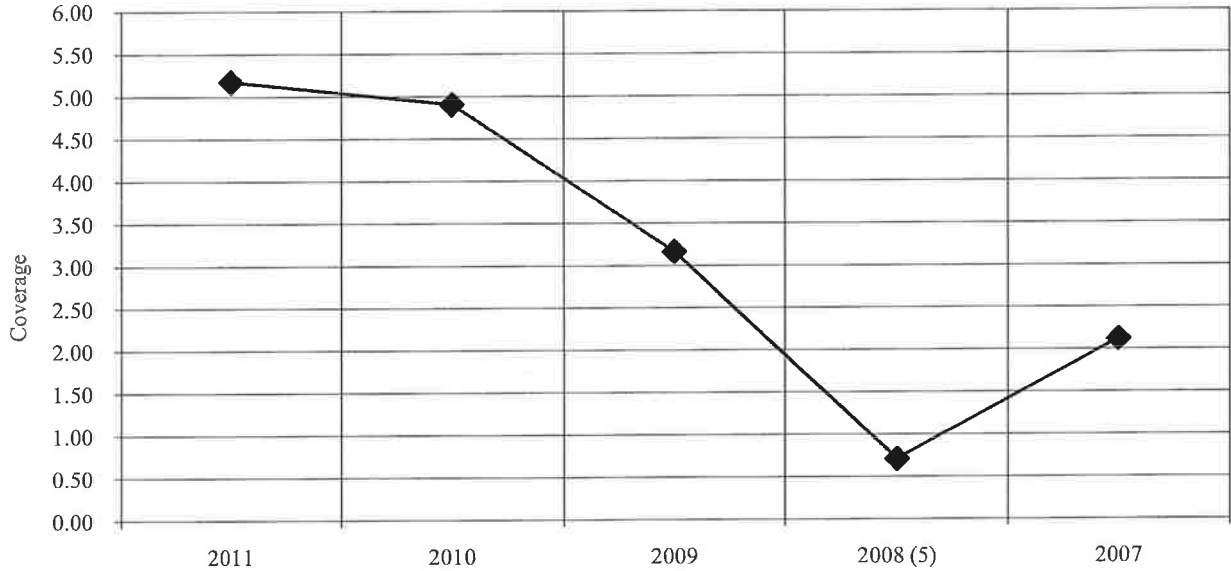
- (1) Bonds were issued in fiscal years 2005 and 2008. The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Public Property Authority Fairgrounds. Transfers of hotel/motel tax revenues are pledged for repayment.
- (2) Gross revenues include operating revenues, transfers from other funds, and investment income.
- (3) Direct operating expenses include operating expenses less depreciation and transfers to other funds. Costs paid from bond proceeds are not included with direct operating expenses.
- (4) The bond covenants do not specify a coverage requirement.



**PLEDGED-REVENUE BOND COVERAGE**  
**Last Six Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 15**  
**page 8 of 8**

**OKLAHOMA CITY ENVIRONMENTAL ASSISTANCE TRUST - SOLID WASTE MANAGEMENT BONDS (1)**

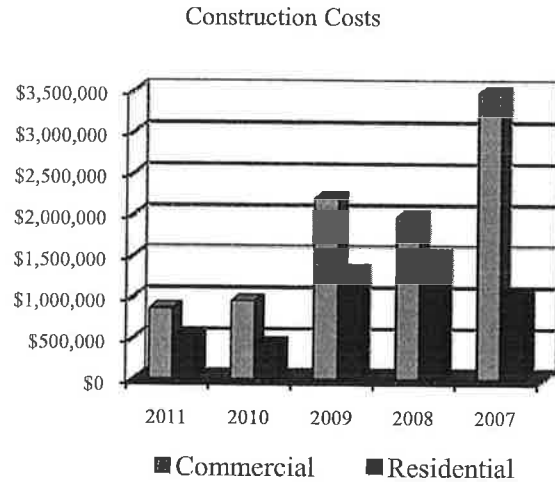
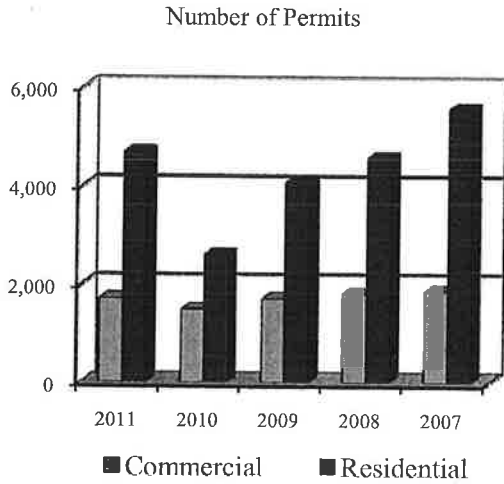


Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2011	\$39,948	\$33,761	\$6,187	\$1,035	\$161	\$1,196	5.17
2010	38,272	32,383	5,889	1,005	196	1,201	4.90
2009	37,126	33,335	3,791	970	229	1,199	3.16
2008 (5)	32,529	31,682	847	940	259	1,199	0.71
2007	32,468	30,279	2,189	750	284	1,034	2.12
2006	31,541	28,009	3,532	-	93	93	N/A

- (1) Bonds were issued in fiscal year 2006. The City of Oklahoma City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Environmental Assistance Trust.
- (2) Gross revenues include operating revenues, transfers and investment income.
- (3) Direct operating expenses include operating expenses less depreciation, amortization, and transfers to other funds. Costs paid from bond proceeds are not included with direct operating expenses.
- (4) The bond covenant coverage ratio is 1.20.
- (5) Gross revenues for 2008 have been restated for a prior error in presentation.

**CONSTRUCTION PERMITS (1)**  
**Last Ten Fiscal Years**  
 (dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 16**



Fiscal Year	Commercial Construction		Residential Construction	
	Number of Permits	Construction Cost	Number of Permits	Construction Cost
2011	1,704	\$862,599	4,678	\$526,286
2010	1,477	957,370	2,594	444,209
2009	1,694	2,193,309	4,067	1,312,066
2008	1,798	1,972,096	4,562	1,496,917
2007	1,854	3,471,090	5,559	1,047,628
2006	1,850	532,307	7,301	839,103
2005	1,817	1,050,568	7,242	692,535
2004	1,906	1,215,649	7,014	613,353
2003	1,698	351,988	6,303	514,553
2002	1,987	465,327	5,367	501,578

(1) The source of this information is the City of Oklahoma City Public Works Department Annual Building Permit Report.

**DEMOGRAPHIC STATISTICS**  
**Last Ten Fiscal Years**  
(dollars are in thousands)

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 17**

Fiscal Year	Estimated Population (in thousands) (1)(2)	Personal Income (3)	Per Capita Personal Income (3)	Median Age (1)	Education Level in Years of Schooling (4)	Oklahoma City Public School District Enrollment (in thousands) (5)	Unemployment Rate (6)
2011	580	\$49,227	\$39	34.0	85.4%	42	5.9
2010	560	49,546	40	34.9	84.8	41	6.2
2009	548	48,595	40	34.9	83.9	42	4.8
2008	554	46,429	39	35.2	83.6	36	4.0
2007	547	44,599	37	35.1	84.1	37	4.6
2006	541	41,278	35	35.5	85.4	35	4.1
2005	532	39,646	32	30.5	83.5	37	4.4
2004	525	37,323	31	34.6	83.4	38	4.5
2003	523	34,189	29	34.8	83.3	40	4.7
2002	518	32,482	28	34.4	79.6	41	4.1

- (1) Population estimates, median age, and education level in years of schooling are obtained from the U.S. Census Bureau.
- (2) Estimated population is for the City of Oklahoma City (City) only, while personal income and per capita personal income apply to the metropolitan statistical area. These amounts will not compute from the table.
- (3) Personal Income and Per Capita Personal Income information is obtained from the U.S. Bureau of Economic Analysis as it becomes available.
- (4) This column shows the percent of the City population 25 years and older who are high school graduates or higher which is obtained through the U.S. Census Bureau (American Community Survey).
- (5) The source of this information is the Oklahoma City Public Schools' Public Relations Office.
- (6) Unemployment information was obtained from the Bureau of Labor Statistics.

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**MAJOR EMPLOYERS - PRIVATE AND PUBLIC  
OKLAHOMA CITY METROPOLITAN AREA (1)  
Current Year and Nine Years Ago**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 18**

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Local Governments (2)	49,200	1	8.85%	39,800	1	7.37%
State Government (2)	41,000	2	7.38	36,700	2	6.79
Tinker Air Force Base (2)	27,000	3	4.86	24,080	4	4.46
Federal Government (2)	26,300	4	4.73	28,500	3	5.27
INTEGRIS Health (3)	9,200	5	1.65	5,300	7	0.98
FAA Aeronautical Center	7,000	6	1.26	3,500	9	0.65
University of Oklahoma	-	-	0.00	6,603	5	1.22
Oklahoma City Public Schools	-	-	0.00	5,722	6	1.06
OU Health Sciences Center	4,200	7	0.76	3,125	11	0.58
General Motors	-	-	0.00	3,500	10	0.65
OGE Energy Corp.	3,450	8	0.62	-	-	0.00
Healthcare of Oklahoma	-	-	0.00	3,061	12	0.57
AT&T	3,000	9	0.54	-	-	0.00
Chesapeake Energy Corporation	3,000	10	0.54	-	-	0.00
SSM Health Care of Oklahoma, Inc.	2,750	11	0.49	-	-	0.00
Devon Energy Corporation	2,600	12	0.47	-	-	0.00
OU Medical Center	2,600	13	0.47	-	-	0.00
Hobby Lobby Stores Inc.	2,500	14	0.45	-	-	0.00
LSB Industries, Inc	1,875	15	0.34	-	-	0.00
Hertz Corporation	1,650	16	0.30	-	-	0.00
Farmers Insurance Group	1,600	17	0.29	-	-	0.00
UPS	1,550	18	0.28	2,700	13	0.50
Dell	1,500	19	0.27	-	-	0.00
Great Plains Coca-Cola Bottling Company	1,500	20	0.27	-	-	0.00
Cox Communications	1,400	21	0.25	-	-	0.00
Deaconess Hospital	1,200	22	0.22	-	-	0.00
Johnson Controls	1,200	23	0.22	-	-	0.00
Midfirst Bank	1,150	24	0.21	-	-	0.00
Rose State College	1,100	25	0.20	-	-	0.00
American Fidelity	1,000	26	0.18	-	-	0.00
Oklahoma Publishing Co.	1,000	27	0.18	-	-	0.00
	<b><u>201,525</u></b>		<b>36.28%</b>	<b><u>162,591</u></b>		<b>30.1%</b>

(1) Information was provided by the Greater OKC Chamber and the Center for Applied Economic Research - Oklahoma State University (government employers).

(2) Local, State and Federal Government, as well as Tinker Air Force Base include both civilian and non-civilian employees.

(3) INTEGRIS Health includes INTEGRIS Southwest Medical Center and INTEGRIS Baptist Medical Center.

**PRIMARY GOVERNMENT  
CITY EMPLOYEES BY FUNCTION (1)  
Last Eight Fiscal Years (2)**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 19**

<b>PRIMARY GOVERNMENT</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<i>Governmental Activities</i>								
<i>Governmental funds</i>								
General government	215	223	240	245	225	275	237	225
Public safety:								
Police	1,386	1,420	1,419	1,328	1,382	1,405	1,367	1,361
Fire	975	959	990	973	946	961	947	945
Other	76	67	78	83	83	81	88	97
Public services	524	521	572	574	579	592	530	511
Culture and recreation	677	658	695	608	605	637	644	661
Education	<u>14</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>
Total governmental funds	<u>3,867</u>	<u>3,857</u>	<u>4,002</u>	<u>3,818</u>	<u>3,827</u>	<u>3,958</u>	<u>3,820</u>	<u>3,808</u>
<i>Internal service funds</i>								
Fleet services	34	33	36	37	33	33	36	32
Risk management	11	11	11	9	9	9	8	9
Print shop	4	4	5	5	4	4	5	5
Information technology	<u>83</u>	<u>85</u>	<u>96</u>	<u>94</u>	<u>93</u>	<u>82</u>	<u>82</u>	<u>84</u>
Total internal service funds	<u>132</u>	<u>133</u>	<u>148</u>	<u>145</u>	<u>139</u>	<u>128</u>	<u>131</u>	<u>130</u>
	<u>3,999</u>	<u>3,990</u>	<u>4,150</u>	<u>3,963</u>	<u>3,966</u>	<u>4,086</u>	<u>3,951</u>	<u>3,938</u>
<i>Business-type Activities</i>								
Airports	102	99	100	99	98	93	92	89
Water utilities	591	574	593	577	579	469	579	557
Solid waste management	117	107	113	107	113	112	112	108
Stormwater drainage	76	62	71	77	91	110	83	87
Golf courses	233	228	188	244	243	266	246	251
Transportation and parking	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>20</u>
	<u>1,143</u>	<u>1,094</u>	<u>1,089</u>	<u>1,128</u>	<u>1,145</u>	<u>1,071</u>	<u>1,133</u>	<u>1,112</u>
<b>Total primary government</b>	<b><u>5,142</u></b>	<b><u>5,084</u></b>	<b><u>5,239</u></b>	<b><u>5,091</u></b>	<b><u>5,111</u></b>	<b><u>5,157</u></b>	<b><u>5,084</u></b>	<b><u>5,050</u></b>
<b>FIDUCIARY FUNDS</b>								
OCERS	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Total</b>	<b><u>5,144</u></b>	<b><u>5,086</u></b>	<b><u>5,241</u></b>	<b><u>5,093</u></b>	<b><u>5,113</u></b>	<b><u>5,159</u></b>	<b><u>5,086</u></b>	<b><u>5,052</u></b>

(1) Employees by function are full-time equivalents reported as of June 30.

(2) Information is not available for ten years of reporting, but will be accumulated over time as it becomes available.

**OPERATING INDICATORS BY FUNCTION (1) (2)**  
**Last Ten Fiscal Years**

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 20**  
**page 1 of 2**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>GENERAL</u></b>										
<b><u>GOVERNMENT</u></b>										
Occupation and Business										
business licenses issued (3)	13,653	28,196	36,914	34,504	34,598	31,000	30,917	31,576	30,269	30,093
Investment Portfolio Return	1.07%	2.11%	3.19%	4.41%	4.73%	3.66%	2.15%	1.97%	2.91%	4.37%
Benchmark index (CMT) (4)	0.19%	0.32%	0.56%	2.36%	4.91%	5.21%	3.45%	2.14%	1.02%	2.10%
<b><u>PUBLIC SAFETY</u></b>										
<b><u>POLICE</u></b>										
Physical arrests	24,000	25,279	27,659	21,906	20,304	20,483	19,974	21,100	20,211	20,113
Parking violations	42,048	48,540	47,005	55,545	61,608	60,719	61,990	84,786	70,198	68,180
Traffic violations	104,993	101,094	83,911	81,946	83,993	93,477	110,841	119,612	119,378	114,127
<b><u>FIRE</u></b>										
Fire department responses	86,350	80,858	75,750	74,833	67,920	65,062	59,785	53,424	*	*
Fire responses in less than than five minutes (5)	53.41%	56.95%	67.04%	52.34%	70.57%	65.20%	71.00%	1	*	*
Fire inspections	7,499	7,859	7,995	3,912	3,071	3,916	2,892	2,958	*	*
<b><u>OTHER</u></b>										
Court cases heard	120,339	123,103	122,981	111,929	142,111	135,000	127,321	133,709	115,183	111,408
Warrants cleared and served (monthly average)	3,922	3,580	3,805	4,323	4,018	2,553	2,320	2,592	1,998	*
<b><u>PUBLIC SERVICES</u></b>										
Houses removed or secured	578	453	410	399	422	529	400	335	363	520
Zoning inspections	51,336	49,782	26,524	27,488	28,746	38,246	23,000	19,415	23,152	27,131
Street panels repaired (sq ft)	12,563	13,109	19,919	20,274	30,264	22,135	22,114	20,088	27,800	19,142
<b><u>CULTURE AND RECREATION</u></b>										
Youth enrolled in athletic leagues	1,120	1,382	1,455	1,554	1,268	1,265	1,425	1,302	1,372	3,846
Public education workshops (6)	-	40	47	56	67	70	70	57	51	104
<b><u>AIRPORTS</u></b>										
Average number of daily flights	71	68	75	85	79	79	86	88	83	79
Monthly passengers boarding (avg)	150,727	150,487	156,901	164,477	155,314	152,589	152,200	144,850	136,200	142,674
<b><u>GOLF COURSES</u></b>										
Rounds of golf	268,524	267,489	277,827	299,104	290,739	304,806	307,783	318,725	331,916	335,544

**OPERATING INDICATORS BY FUNCTION (1) (2)**  
**Last Ten Fiscal Years**

**CITY OF OKLAHOMA CITY, OKLAHOMA**  
**TABLE 20**  
**page 2 of 2**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>WATER UTILITIES</u></b>										
Sewer lines construction or repair (lnr feet) (7)	106,790	4,810	4,379	9,612	8,580	8,600	8,804	9,856	7,245	8,843
Water line construction or repair (lnr feet)	118,840	103,560	144,784	121,057	130,308	75,344	80,991	137,625	39,404	65,611
Water consumption (1,000,000 gal)	31,336	29,914	29,658	29,238	30,591	31,000	27,400	28,537	28,192	27,999
Wastewater consumption (1,000,000 gal)	26,474	20,940	19,112	19,214	18,769	19,090	18,583	19,094	25,412	19,308
<b><u>SOLID WASTE MANAGEMENT (8)</u></b>										
Street sweeping (lane miles)	18,558	18,434	18,979	19,009	18,988	19,021	18,884	22,389	18,848	19,996
Refuse collected (tons/day)	1,058	1,085	1,104	1,164	1,048	1,173	1,176	1,098	1,122	965
Recyclables collected in tons per in tons per day	35	39	40	36	33	33	34	35	37	38
<b><u>STORMWATER DRAINAGE</u></b>										
Construction erosion inspections	9,445	7,345	9,600	8,184	12,798	10,980	7,589	8,014	6,431	5,329
Stormwater environmental permits issued	773	1,054	1,330	848	964	752	672	1,378	1,170	896
<b><u>FAIRGROUNDS (9)</u></b>										
Events	191	191	211	204	198	200	202	193	201	209
Event days	2,213	2,131	2,491	2,576	2,115	2,299	1,964	1,939	1,989	1,967
<b><u>GROUND TRANSPORTATION</u></b>										
Daily motor bus passengers (avg)	9,657	9,729	9,493	8,881	9,893	9,291	8,310	8,320	*	*
<b><u>PARKING (10)</u></b>										
Average monthly occupancy rate (%)	89.00%	91.00%	88.45%	85.20%	79.65%	80.90%	83.60%	85.82%	92.67%	97.10%

- (1) Sources include the City of Oklahoma City (City) Annual Budget, Supplemental Disclosure-Outstanding Bonded Debt, and City Departments.
- (2) Ten years of data was not available for all operating indicators, but will be accumulated as it becomes available. Indicated with \*.
- (3) Prior years included residential sales and vehicle for hire vehicles. New management guidelines in fiscal year 2011 exclude residential sales and vehicle for hire vehicles from the total number of business and occupational licenses.
- (4) CMT is the acronym for Constant Maturity Treasury. CMT decreased in 2011 in relation to decreased market yield.
- (5) In 2008 there was a significant drop off in the percentage of fire responses in less than five minutes. This was due to the implementation of a new computer aided dispatch (CAD) system, which feeds data into the fire records management system. Data was compromised for a number of months and this negatively affected the response time figures. July figures, gathered after the CAD system was fully operational, show a return to the target figure of 70%.
- (6) The Myriad Gardens facility has been closed due to Project 180 renovations, therefore no public education workshops have occurred during fiscal year 2011.
- (7) The reporting for sewer lines construction or repair (lnr feet) changed in 2011 to include construction whereas previous years include only repairs.
- (8) The source of this information is the Solid Waste Management Division of the Water/Wastewater Utilities Department of the City. Solid waste collection is provided by both the City and privately contracted crews. Refuse and recyclables collected are based on 252 working days.
- (9) The management of the fairgrounds is privately contracted.
- (10) The City Center expansion opened in August 2006 adding 673 monthly parking spaces. This addition impacted the occupancy rate negatively for several months in 2007. The occupancy rate for June 2007 was 82%.



**CAPITAL ASSET AND INFRASTRUCTURE  
STATISTICS BY FUNCTION (1) (2)  
Last Ten Fiscal Years**

**CITY OF OKLAHOMA CITY, OKLAHOMA  
TABLE 21**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b><u>POLICE</u></b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	5	5	5	5	5	5	5	5	5	5
Patrol Units	577	581	580	576	573	585	574	573	*	*
<b><u>FIRE</u></b>										
Stations	35	35	35	35	35	35	35	35	35	35
Fire emergency apparatus (3)	85	84	81	79	79	*	*	*	*	*
<b><u>SOLID WASTE MANAGEMENT</u></b>										
Collection vehicles (4)	113	108	114	114	114	67	67	101	101	101
<b><u>STREETS AND HIGHWAYS</u></b>										
Streets (miles) (5)	7,800	7,775	7,772	7,603	7,546	12,680	12,385	12,697	11,662	11,768
New traffic signals installed	6	11	20	12	20	4	7	5	6	17
<b><u>PARKS AND RECREATION</u></b>										
Parks Acres	4,590	4,590	4,230	4,545	4,377	4,291	4,291	4,291	4,291	4,291
Lake acres - land & water recreation	14,229	14,229	14,229	*	*	*	*	*	*	*
Oklahoma River & Bricktown	507	507	507	*	*	*	*	*	*	*
Playgrounds	109	108	104	109	96	95	95	95	95	95
Baseball/softball /practice fields	84	92	92	135	135	135	135	135	135	135
Soccer/football fields	81	74	74	71	71	66	62	62	62	62
Community/special activity centers	30	26	26	26	26	26	26	26	19	23
<b><u>WATER</u></b>										
Water main miles	3,269	3,225	3,189	3,307	3,216	2,992	2,860	2,622	*	*
Fire hydrants (6)	21,527	21,147	20,441	19,713	19,194	18,373	17,506	17,242	*	*
Storage capacity (1000 gal)	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	60,000
<b><u>WASTEWATER</u></b>										
Sanitary sewer miles (7)	2,711	2,689	2,636	2,585	2,600	2,430	2,410	2,374	2,327	2,286
Treatment capacity (1000 gal)	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000
<b><u>STORMWATER DRAINAGE</u></b>										
Storm sewer miles	806.80	793.00	779.20	775.20	764.40	765.50	751.80	742.77	734.94	718.10
<b><u>TRANSIT</u></b>										
Buses	58	58	58	57	60	65	65	70	*	*
Trolleys	10	12	12	13	11	14	14	15	*	*
Van lifts	23	23	18	16	21	21	21	21	*	*

(1) Information is provided by City of Oklahoma City departments.

(2) Ten years of data were not available for all capital assets and infrastructure, but will be accumulated as it becomes available. Indicated with \*.

(3) Fire emergency apparatus includes emergency vehicles that respond to emergency calls for service only.

(4) Collection vehicles changed in 2006 to include small side loaders, large side loaders, rear loaders, cherry pickers, and brush trucks.

(5) The methodology for street miles changed in 2010 from a factor used to estimate the number of lanes to actual number of lanes used in the overall estimate of street miles. Fiscal years 2007-2009 have been restated for comparison purposes.

(6) Hydrants were under-reported from 2006-2004 due to lack of information.

(7) Sanitary sewers were not correctly reported prior to 2008.

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**Oklahoma City Zoological Trust**  
(A Component Unit of the City of Oklahoma City, Oklahoma)  
Accountants' Reports and Financial Statements  
June 30, 2011 and 2010

RECEIPT #  
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**BKD**<sub>LLP</sub>  
CPAs & Advisors

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**Oklahoma City Zoological Trust**  
(A Component Unit of the City of Oklahoma City, Oklahoma)  
Accountants' Reports and Financial Statements  
June 30, 2011 and 2010

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**Oklahoma City Zoological Trust**  
**June 30, 2011 and 2010**

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## Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Trustees  
Oklahoma City Zoological Trust  
Oklahoma City, Oklahoma

We have audited the accompanying basic financial statements of the Oklahoma City Zoological Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2011 and 2010, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.





Board of Trustees  
Oklahoma City Zoological Trust  
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Our audit was conducted for the purpose of forming an opinion on the Trust's basic financial statements. The accompanying supplementary combining account information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

*BKD, LLP*

Oklahoma City, Oklahoma  
December 2, 2011



# Oklahoma City Zoological Trust

## Management's Discussion and Analysis

### Years Ended June 30, 2011 and 2010

Within this section of the Oklahoma City Zoological Trust (the Trust) annual financial report, the Trust's management provides narrative discussion and analysis of the Trust's financial activities for the years ended June 30, 2011 and 2010. This should be read in conjunction with the accompanying financial statements of the Trust. The Trust is a component unit of the City of Oklahoma City, Oklahoma (the City).

#### ***Financial Highlights***

Trust assets exceeded liabilities by \$63,867,577 (net assets) for fiscal year 2011. This compares to the previous year when assets exceeded liabilities by \$59,136,552.

Total net assets at June 30, 2011, are comprised of the following:

- Invested in capital assets, net of related debt, of \$60,532,685 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
- Net assets restricted for debt service include investments in trust accounts of \$221,682.
- Unrestricted net assets of \$3,113,210 represent the portion available to maintain the Trust's continuing obligations to citizens and creditors.

Total liabilities of the Trust decreased by \$1,676,240 to \$9,804,015 during the fiscal year.

#### ***Overview of the Financial Statements***

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

#### **Basic Financial Statements**

These statements provide both long- and short-term financial information about the overall status of the Trust. The Trust's financial reporting uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these statements is the statement of net assets. This is the statement of financial position presenting information that includes all of the Trust's assets and liabilities with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Trust as a whole is improving or deteriorating.

The second statement is the statement of revenues, expenses and changes in net assets, which reports how the Trust's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The statement of cash flows reports the inflows and outflows of trust cash.



## Financial Analysis

The Trust's net assets at June 30, 2011, are \$63,867,577. This is an increase of \$4,731,025 over the amount of net assets at June 30, 2010, of \$59,136,552. The overall financial position of the Trust improved during the 2011 and 2010 fiscal years. The following table provides a summary of net assets:

### Summary of Net Assets

	2011	2010	2009	2011 versus 2010		2010 versus 2009	
				Amount Change	Percent Change	Amount Change	Percent Change
<b>Assets</b>							
Current and other assets	\$ 9,166,908	\$ 12,108,988	\$ 18,575,333	\$ (2,942,080)	-24.3%	\$ (6,466,345)	-34.8%
Capital assets	64,504,684	58,507,819	48,599,641	5,996,865	10.2%	9,908,178	20.4%
Total assets	73,671,592	70,616,807	67,174,974	3,054,785	4.3%	3,441,833	5.1%
<b>Liabilities</b>							
Current liabilities	2,593,369	3,279,937	2,593,677	(686,568)	-20.9%	686,260	26.5%
Noncurrent liabilities	7,210,646	8,200,318	9,321,349	(989,672)	-12.1%	(1,121,031)	-12.0%
Total liabilities	9,804,015	11,480,255	11,915,026	(1,676,240)	-14.6%	(434,771)	-3.6%
<b>Net Assets</b>							
Invested in capital assets, net of related debt	60,532,685	52,914,201	43,037,820	7,618,484	14.4%	9,876,381	22.9%
Restricted for debt service	221,682	91,735	875,142	129,947	141.7%	(783,407)	-89.5%
Restricted for health claims	-	320,129	366,323	(320,129)	-100.0%	(46,194)	-12.6%
Unrestricted	3,113,210	5,810,487	10,980,663	(2,697,277)	-46.4%	(5,170,176)	-47.1%
Total net assets	\$ 63,867,577	\$ 59,136,552	\$ 55,259,948	\$ 4,731,025	8.0%	\$ 3,876,604	7.0%

The decrease in current assets and the increase in capital assets during 2011 and 2010 are primarily due to capital expenditures for the Children's Zoo renovation and construction of the new elephant exhibit. The \$10,000,000 Children's Zoo was opened in Spring 2010 and the \$13,000,000 elephant exhibit opened in Spring 2011.

During fiscal years 2011 and 2010, current liabilities decreased due to accounts payable related to construction projects winding down.

During fiscal years 2011 and 2010, long-term liabilities decreased because of the principal payments on the bonds, the continued amortization of deferred lease revenue and a decrease in the other postemployment benefits (OPEB) obligation.



## Summary of Changes in Net Assets

	2011	2010	2009	2011 versus 2010		2010 versus 2009	
				Amount Change	Percent Change	Amount Change	Percent Change
Operating revenues	\$ 8,778,924	\$ 7,236,100	\$ 7,508,814	\$ 1,542,824	21.3%	\$ (272,714)	-3.6%
Nonoperating revenues							
Sales tax payments from the City	11,792,359	10,691,409	11,297,083	1,100,950	10.3%	(605,674)	-5.4%
OPEB payments from the City	469,677	445,422	51,091	24,255	5.4%	394,331	771.8%
Investment income	15,599	20,456	183,485	(4,857)	-23.7%	(163,029)	-88.9%
Donations	1,245,019	1,361,081	1,064,850	(116,062)	-8.5%	296,231	27.8%
<b>Total revenues</b>	<b>22,301,578</b>	<b>19,754,468</b>	<b>20,105,323</b>	<b>2,547,110</b>	<b>12.9%</b>	<b>(350,855)</b>	<b>-1.7%</b>
Operating expenses	17,323,873	15,616,212	17,258,720	1,707,661	10.9%	(1,642,508)	-9.5%
Nonoperating expenses							
Interest expense	246,680	261,652	256,175	(14,972)	-5.7%	5,477	2.1%
<b>Total expenses</b>	<b>17,570,553</b>	<b>15,877,864</b>	<b>17,514,895</b>	<b>1,692,689</b>	<b>10.7%</b>	<b>(1,637,031)</b>	<b>-9.3%</b>
<b>Change in net assets</b>	<b>4,731,025</b>	<b>3,876,604</b>	<b>2,590,428</b>	<b>854,421</b>	<b>22.0%</b>	<b>1,286,176</b>	<b>49.7%</b>
Net assets							
Beginning of year	59,136,552	55,259,948	52,669,520	3,876,604	7.0%	2,590,428	4.9%
End of year	\$ 63,867,577	\$ 59,136,552	\$ 55,259,948	\$ 4,731,025	8.0%	\$ 3,876,604	7.0%

During 2011, operating revenues increased 21.3% due to a 21.1% increase in attendance. Operating expenses increased 10.9% due to an increase in personnel services, depreciation and utility expenses. Sales tax payments from the City increased 10.3% due to improved economic conditions. OPEB payments from the City increased by 5.4% due to an increased required contribution. Investment income decreased 23.7% due to lower interest rates and lower balances.

During 2010, operating revenues decreased 3.6% due to a 2% drop in attendance. Operating expenses decreased 9.5% due to a decrease in personnel services. Sales tax payments from the City decreased 5.4% due to economic conditions. OPEB payments from the City increased by 771.8% due to an increased required contribution. Investment income decreased 88.9% due to lower interest rates and lower balances.

In fiscal year 1991, voters passed a permanent 1/8 cent sales tax increase dedicated to the Trust. In accordance with State Statutes, the state collects the monies and remits them to the City. Monies are paid by the City to the Trust on a monthly basis.

During 2011, the donations from Oklahoma Zoological Society, Inc., decreased by 8.5%. Most of the donations related to renovation of the Children's Zoo and construction of the new elephant exhibit. During 2010, the donations from Oklahoma Zoological Society, Inc., increased by 27.8%. Most of the donations related to renovation of the Children's Zoo and construction of the new elephant exhibit.

## Capital Assets and Debt Administration

The Trust envisions spending approximately \$17,300,000 for an Asia exhibit as the final element of the 2002 Master Plan. The 2010 Master Plan envisions spending \$68,229,791 over a ten-year period. Individual elements of the plan and their estimated costs are: the Veterinary Hospital – \$9,131,457; World Plaza – \$2,513,104; northwest zoo improvements – \$2,482,428; Africa Phase 1 – \$20,530,236; zip line, ropes course, safari boat – \$757,589; northeast zoo improvements – \$27,383,941; signage – \$2,240,974; and parking lot improvements – \$3,190,062.





## Capital Assets, Net of Accumulated Depreciation

	2011	2010	2009	2011 versus 2010		2010 versus 2009	
				Amount Change	Percent Change	Amount Change	Percent Change
<b>Nondepreciable Assets</b>							
Construction in progress	\$ 322,024	\$ 10,258,526	\$ 8,763,941	\$ (9,936,502)	-96.9%	\$ 1,494,585	17.1%
<b>Depreciable Assets</b>							
Buildings and grounds	58,620,209	42,728,503	34,283,737	15,891,706	37.2%	8,444,766	24.6%
Improvements	3,815,004	3,856,577	4,234,631	(41,573)	-1.1%	(378,054)	-8.9%
Equipment and other	1,747,447	1,664,213	1,317,333	83,234	5.0%	346,880	26.3%
<b>Total</b>	<b>\$ 64,504,684</b>	<b>\$ 58,507,819</b>	<b>\$ 48,599,642</b>	<b>\$ 5,996,865</b>	<b>10.2%</b>	<b>\$ 9,908,177</b>	<b>20.4%</b>

## Capital Assets

The Trust's investment in capital assets, net of accumulated depreciation, as of June 30, 2011, was \$64,504,684. The increase of \$5,996,865 or 10.2% from June 30, 2010, is due primarily to capital asset additions of \$8,460,184 offset by depreciation expense of \$2,449,102.

The Trust's investment in capital assets, net of accumulated depreciation, as of June 30, 2010, was \$58,507,819. The increase of \$9,908,177 or 20.4% from June 30, 2009, is due primarily to capital asset additions of \$12,055,395 offset by depreciation expense of \$2,147,217.

## Long-Term Debt

At the end of fiscal years 2011 and 2010, the Trust had total bonded debt outstanding of \$4,715,000 and \$5,210,000, respectively. This debt is collateralized by the sales tax revenues received from the City. See *Note 4* to the financial statements for more information regarding bonded debt.

## Bond Rating

The Trust's bond is rated Aaa by Moody's. This rating is disclosed on the face of the final official statement for the bond. Bond rating has not changed since issuance.

## Outstanding Bonds

	2011	2010	2009	2011 versus 2010		2010 versus 2009	
				Amount Change	Percent Change	Amount Change	Percent Change
Revenue bonds	\$ 4,715,000	\$ 5,210,000	\$ 5,660,000	\$ (495,000)	-9.5%	\$ (450,000)	-8.0%

## Economic Factors

Economic factors significantly affecting Oklahoma City's economic strength is its central location at the intersection of Interstate highways 1-35 and 1-40; a regional transportation hub in Will Rogers World Airport; ample water supplies; and numerous performing arts, entertainment and recreational facilities.

The source for economic data is the Oklahoma State University Center for Applied Economic Research.

## Contacting the Trust's Financial Management

This financial report is designed to provide a general overview of the Trust'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 Zoo Trust Finance Department, 2101 N.E. 50<sup>th</sup>, Oklahoma City, Oklahoma 73111.



**Oklahoma City Zoological Trust**  
**Statements of Net Assets**  
**June 30, 2011 and 2010**

**Assets**

	<u>2011</u>	<u>2010</u>
Cash	\$ 4,081,940	\$ 5,515,954
Receivable from the City	2,784,230	4,574,904
Accounts receivable	485,984	43,947
Inventories	743,022	681,944
Prepaid expenses	6,209	23,040
Cash, restricted	19,788	395,379
	<u>8,121,173</u>	<u>11,235,168</u>
<b>Noncurrent Assets</b>		
Investments, restricted	967,192	785,459
Deferred debt expense, net	78,543	88,361
Capital assets		
Construction in progress	322,024	10,258,526
Other capital assets, net of accumulated depreciation	64,182,660	48,249,293
	<u>65,550,419</u>	<u>59,381,639</u>
Total noncurrent assets	<u>65,550,419</u>	<u>59,381,639</u>
Total assets	<u>\$ 73,671,592</u>	<u>\$ 70,616,807</u>

**Liabilities**

**Current Liabilities**

Accounts payable	\$ 1,225,863	\$ 2,177,194
Wages and benefits payable	332,638	427,294
Compensated absences	189,066	163,100
Bonds payable, current	500,000	495,000
Bond interest payable	15,971	17,349
Other accrued liabilities	329,831	-
	<u>2,593,369</u>	<u>3,279,937</u>
Total current liabilities	<u>2,593,369</u>	<u>3,279,937</u>

**Noncurrent Liabilities**

Bonds payable, net	3,994,631	4,467,085
Deferred lease revenue	2,471,899	2,519,440
Net OPEB obligation	744,116	1,213,793
	<u>7,210,646</u>	<u>8,200,318</u>
Total noncurrent liabilities	<u>7,210,646</u>	<u>8,200,318</u>
Total liabilities	<u>\$ 9,804,015</u>	<u>\$ 11,480,255</u>

**Net Assets**

Invested in capital assets, net of related debt	60,532,685	52,914,201
Restricted for debt service	221,682	91,735
Restricted for health claims	-	320,129
Unrestricted	3,113,210	5,810,487
	<u>63,867,577</u>	<u>59,136,552</u>
Total net assets	<u>\$ 63,867,577</u>	<u>\$ 59,136,552</u>



**Oklahoma City Zoological Trust**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Zoo admissions	\$ 2,607,161	\$ 1,946,868
Concessions	2,277,617	1,890,989
Animal sales	-	2,300
Zoo activities	2,929,516	2,391,252
Rent	821,776	827,797
Other	142,854	176,894
	<u>8,778,924</u>	<u>7,236,100</u>
<b>Operating Expenses</b>		
Personnel services	8,841,792	7,948,607
Maintenance, operations and contractual services	2,786,052	2,536,603
Materials and supplies	2,769,043	2,607,201
Depreciation	2,449,096	2,147,217
Animal purchases	3,910	14,435
Other	473,980	362,149
	<u>17,323,873</u>	<u>15,616,212</u>
Total operating expenses	<u>17,323,873</u>	<u>15,616,212</u>
Operating loss	<u>(8,544,949)</u>	<u>(8,380,112)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Donations	1,245,019	1,361,081
Investment income	15,599	20,456
Interest expense	(246,680)	(261,652)
OPEB payments from the City	469,677	445,422
Sales tax payments from the City	11,792,359	10,691,409
	<u>13,275,974</u>	<u>12,256,716</u>
Total nonoperating revenues (expenses)	<u>13,275,974</u>	<u>12,256,716</u>
<b>Change in Net Assets</b>	4,731,025	3,876,604
<b>Net Assets, Beginning of Year</b>	<u>59,136,552</u>	<u>55,259,948</u>
<b>Net Assets, End of Year</b>	<u>\$ 63,867,577</u>	<u>\$ 59,136,552</u>



**Oklahoma City Zoological Trust**  
**Statements of Cash Flows**  
**Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 8,619,177	\$ 7,102,284
Cash payments to suppliers for goods and services	(5,874,468)	(5,551,584)
Cash payments to employees for services	(9,380,159)	(8,326,320)
Net cash used in operating activities	<u>(6,635,450)</u>	<u>(6,775,620)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Sales tax payments from the City	13,583,033	11,413,202
OPEB payments from the City	469,677	445,422
Donations received	1,245,019	1,361,081
Net cash provided by noncapital financing activities	<u>15,297,729</u>	<u>13,219,705</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(9,600,050)	(11,328,523)
Principal paid on bonds	(495,000)	(450,000)
Interest paid on bonds	(210,694)	(226,433)
Net cash used in capital and related financing activities	<u>(10,305,744)</u>	<u>(12,004,956)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(14,924,797)	(35,366)
Proceeds from sale of investments	14,743,064	9,989,163
Investment income	15,599	20,456
Net cash provided by (used in) investing activities	<u>(166,134)</u>	<u>9,974,253</u>
Net increase (decrease) in cash	(1,809,599)	4,413,382
<b>Cash</b>		
Beginning of year	<u>5,911,333</u>	<u>1,497,951</u>
End of year	<u>\$ 4,101,734</u>	<u>\$ 5,911,333</u>
<b>Reconciliation to Cash</b>		
Unrestricted	\$ 4,081,940	\$ 5,515,954
Restricted	19,788	395,379
Total cash	<u>\$ 4,101,728</u>	<u>\$ 5,911,333</u>

See Notes to Financial Statements





	<u>2011</u>	<u>2010</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in)</b>		
<b>Operating Activities</b>		
Operating loss	\$ (8,544,949)	\$ (8,380,112)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation	2,449,096	2,147,217
Changes in operating assets and liabilities		
Accounts receivable	(442,037)	169,235
Inventories	(61,078)	31,969
Prepaid expenses	16,831	(6,885)
Accounts payable	202,764	(56,280)
Wages and benefits payable	(94,656)	(22,979)
Compensated absences	25,966	(4,208)
Other accrued liabilities	329,831	-
Deferred lease revenue	(47,541)	(303,051)
Net OPEB obligation	(469,677)	(350,526)
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	<u>\$ (6,635,450)</u>	<u>\$ (6,775,620)</u>



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

### Note 1: Summary of Significant Accounting Policies

#### ***Nature of Operations and Reporting Entity***

The Oklahoma City Zoological Trust (the Trust) was created by the City of Oklahoma City, Oklahoma (the City), on January 7, 1975, under the laws of the State of Oklahoma (the State) for the purpose of developing, maintaining, operating and managing the Oklahoma City Zoo (the Zoo). Trustees include the Mayor, the City Manager, one member of the City Council and six other persons who are recommended by the Oklahoma Zoological Society, Inc. (the Society) selected by the Mayor and approved by the City Council. The City Council also approves the Trust's sales tax budget. If the Trust terminates, the Trust agreement provides that the assets shall revert to the City. While the Trust is a legally separate entity whose beneficiary is the City, it is a component unit of the City reported as a proprietary fund, and the accompanying financial statements are discretely presented in the City's comprehensive annual financial report, a copy of which may be obtained from the City's Accounting Services Division.

#### ***Organization and Reporting Entity***

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

The Society is an Oklahoma not-for-profit organization that was created in 1954 to support and promote the Zoo. The Society does this through membership drives, annual fund-raising, capital campaigns, marketing, special events and public relations. The economic resources received and held by the Society for the benefit of the Trust are not significant to the Trust's overall financial position. As a result, the Society is not considered a component unit of the Trust under the definition of GASB Statement No. 39.

#### ***Measurement Focus and Basis of Accounting***

As a proprietary fund, the Trust is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liability is incurred.

The Trust prepares its financial statements in conformity with all applicable GASB pronouncements. Pursuant to GASB No. 20, the Trust has elected to apply the provisions of all relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, and do not conflict with or contradict GASB pronouncements.



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

The Trust is organized into accounts in order to achieve sound and efficient financial administration and reporting. Each account is considered a separate accounting entity, while all accounts are combined in the basic financial statements. The accounts include:

### **Operating Account**

This account is used to account for the Trust's operations and all financial resources except those accounted for in other funds.

### **Designated Animal Account**

Established by the Lease and Operating Agreement between the City and the Trust dated June 11, 1985, this account receives funds from the sale of zoo animals. These funds may be expended for approved animal purchases or for approved minor zoo improvements.

### **Designated Account**

Established by the Board of Trustees, this account is used to account for the resources received in the settlement of the estate of a donor. The donor placed no restrictions on the use of the funds.

### **Sales Tax Account**

This account is used to account for that portion of the City sales tax, which is earmarked specifically for use by the Trust. This account also includes bond funds, which are used for construction.

When both restricted and unrestricted resources are available for use, it is the Trust's policy to use restricted resources first and then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and liabilities in the financial statements.

## ***Operating and Nonoperating Revenues and Expenses***

Operating income or loss includes revenues and expenses related to the primary, continuing operations of the Trust. Principal operating revenues are charges to customers for sales or services. Principal operating expenses are the cost of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

## ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

### ***Cash and Investments***

The Board of Trustees formally adopted the City's deposit and investment policy for unrestricted accounts in addition to policies specified in the Zoo bond indenture applicable to the Trust's sales tax fund as restricted by the indenture.

Cash includes only cash deposits in order to appropriately report investment activity. Investments are comprised of funds deposited into trustee banks in accordance with the investment policy specified in the bond indenture for restricted deposits and investments.

Investments are reported at fair value based on quoted market prices.

### ***Receivable from the City of Oklahoma City***

During the year ended June 30, 1991, voters passed a sales tax increase, which was earmarked specifically for the purpose of funding certain Zoo activities. In accordance with State Statutes, the State collects the monies and remits them to the City, who accounts for the receipt of the sales taxes and interest earned on related deposits in a separate limited-purpose fund. The Trust records such amounts as Receivable from the City at the time the City earns the taxes. In accordance with the City Ordinance authorizing the tax, the Trust records such activity in a separate fund, the Sales Tax Fund. Monies are paid by the State to the City on a monthly basis. Funds are transferred upon request from the Trust. The funds are invested in the City's investment pool and are reported in the City's comprehensive annual financial report.

### ***Accounts Receivable***

Management believes all accounts are collectible; therefore, an allowance for uncollectible receivables has not been provided for the years ended June 30, 2011 and 2010.

### ***Inventories***

Inventories consist of gift shop merchandise, concession food, animal food and certain operating supplies and are valued at the lower of cost or market value on the first-in, first-out method.

### ***Capital Assets and Depreciation***

Capital assets are stated at actual or estimated historical cost, net of accumulated depreciation. Donated capital assets are stated at fair market value at the date of donation. Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service. Capital assets consist of only those items acquired since the formation of the Trust whose cost is greater than or equal to \$7,500. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Buildings and grounds	5–50 years
Improvements	2–20 years
Equipment and other	3–10 years

Individual animals are expensed when purchased.





# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

Maintenance and repairs to property and equipment are charged to operations, while renewals and betterments are capitalized. When property or equipment are disposed of or sold, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

### ***Interest Capitalization***

Interest costs related to revenue bonds are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time to get them ready for their intended purpose. 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. There was no interest capitalized for the years ended June 30, 2011 and 2010.

### ***Revenue Recognition***

Operating revenues are recorded when goods and services are provided.

### ***Deferred Debt Expense and Bond Discount***

The costs of issuing revenue bonds and the related bond discounts and premiums have been capitalized and are being amortized over the term of the bonds using a method which approximates the effective interest method.

### ***Compensated Absences***

Employees are granted paid time off (PTO) benefits in varying amounts depending on tenure with the Trust. These benefits accumulate pro rata by two-week periods and must be taken within the calendar year. Employees can elect to carry over a maximum of 40 hours into the next calendar year. PTO benefits are accrued as earned.

Sick leave benefits accrue to employees at the rate of five hours per two-week pay period to a maximum accrual of 520 hours. Employees are not entitled to payment of their sick leave balance at termination; therefore, no liability related to sick leave is recorded in the accompanying basic financial statements.

### ***Deferred Lease Revenue***

Deferred lease revenue from the Remington Park Race Track facility owned by Global Gaming RP, LLC is being amortized over the initial lease term and the five renewal option periods for a term of 75 years. (See *Note 7*.)

### ***Income Tax***

The Trust is exempt from federal income tax under Section 115 of the Internal Revenue Code.



**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

***Reclassifications***

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on earnings.

**Note 2: Deposits and Investments**

***Deposits***

Custodial credit risk for deposits is the risk that in the event of bank failure the Trust's deposits may not be returned or the Trust will not be able to recover collateral securities in the possession of an outside party. The City/Trust policy requires deposits to be 110% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service, as determined by a rating of C- or above by independent rating agencies. 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 of solicited responses and certifications provided by financial institutions and recommendations of an evaluation committee and/or the City Treasurer.

At June 30, 2011, all bank balances of Trust accounts were insured or collateralized with securities held by the Trust or collateralized with securities held by the trustee bank's trust department in the Trust's name.

***Investments***

The general bond indenture for the Oklahoma City Zoological Trust Sales Tax and Revenue Bonds (Bond Indenture) requires the use of trust accounts. The bond account is used to segregate resources accumulated for debt service payments over the next 12 months. The bond reserve account is used for proceeds of revenue bond issuances set aside to make up potential future deficiencies in the bond account or to make the last bond principal and interest payments.



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

As of June 30, 2011 and 2010, the Trust had the following investments and maturities:

Types of Investments	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted- Average Days to Maturity (2)
Money market funds				
2011	\$ 967,192	\$ 967,192	AAAm/Aaa	44
2010	\$ 785,459	\$ 785,459	AAAm/Aaa	44

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

(2) Interest rate risk is estimated using weighted-average days to maturity.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and the City Charter. City/Trust funds may be invested in: 1) direct obligations of the United States government, its agencies or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; 2) obligations of the Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or any federal farm credit bank, federal land bank or federal home loan bank notes or bonds; 3) collateralized or insured certificates of deposit and other evidence of deposits at banks, savings banks, savings and loan associations and credit unions located in the City when secured by appropriate collateral; 4) repurchase agreements that have underlying collateral of direct obligations or obligations of the United States government, its agencies and instrumentalities; 5) money market funds regulated by the Securities and Exchange Commission and which investments consist of the authorized investments (domestic securities) with restrictions as specified in state law; 6) State and Local Government Series (SLGS); and 7) 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.

Under the policy, the City/Trust 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** – 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 overconcentration 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.



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Cumulatively, portfolios may not be invested in any given financial institution in excess of 5% of such institution’s total assets. Additionally, no more than 5% of the total portfolio may be placed with any single financial institution with the exception of repurchase agreements. U.S. government securities, SLGS and City judgments are excluded from these restrictions.

<b>Maturity Limitations</b>		<b>Investment-Type Limitations</b>	
<b>Percentage of Total Principal</b>		<b>Percentage of Total Invested Principal</b>	
<b>Maximum % (1)</b>		<b>Maximum % (3)</b>	
0–1 year	100%	Repurchase agreements	100%
1–3 years	90%	U.S. Treasury securities (2)	100%
3–5 years	90%	Certificates of deposit	50%
		Money market funds	100%
		Savings account	100%
		U.S. noncancellable agencies securities	100%
		Judgments	5%

Except in instances of specifically matched cash flows, the portfolio is structured as follows:

- (1) For maturities limited to 0–1 year, the minimum percentages allowed under the policy are 5–25%.
- (2) Includes SLGS.
- (3) For investments listed, there is no minimum percentage specified under the policy.

The City/Trust 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 10 years.

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

City policy is more restrictive than the requirements of Oklahoma law found in Title 62 of the Oklahoma Statutes as follows: Statutes allow investment in any agencies or instrumentalities of the U.S. government; negotiable certificates of deposit are permitted investments without collateralization restrictions (limited to 10% of investable funds and not more than half of the 10% may be invested in any one financial institution); prime banker’s acceptances are acceptable investment instruments (limited to 270 days maturity or less and may comprise no more than 10% of investable funds with no more than half of the 10% in any one commercial bank); prime commercial paper is also permitted (restricted to 180 days maturity or less and may not comprise more than 10% of the outstanding paper of an issuing corporation with no more than 7.5% of investable funds permitted to be in commercial paper); purchase of municipal direct debt is not limited to Oklahoma City direct debt and may include Oklahoma counties and school districts.





**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

The Sales Tax and Revenue Bond Indenture prescribes authorized investments for accounts restricted under the indenture as follows:

- (1) Direct obligations unconditionally guaranteed by the United States of America
- (2) Bonds or debentures payable in cash issued by following federal agencies:
  - Export Import Bank of the United States
  - Federal Financing Bank
  - Farmers Home Administration
  - Federal Housing Administration
  - Maritime Administration
  - Public Housing Authorities
  - Government National Mortgage Association
- (3) Investments fully insured by Federal Deposit Insurance Corporation (FDIC), including:
  - Certificates of deposit
  - Savings accounts
  - Deposit accounts
  - Depository receipts
- (4) Certificates of deposit in excess of FDIC insurance properly secured by collateral security consisting of obligations described in (1) and (2) above
- (5) Commercial paper
- (6) Money market funds
- (7) Investment agreements

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

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



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

Trust investments were restricted for the following purposes at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Refunding Series bond issue		
Bond reserve account	\$ 637,084	\$ 637,013
Bond principal account	<u>330,108</u>	<u>148,446</u>
	<u>\$ 967,192</u>	<u>\$ 785,459</u>

### **Summary of Carrying Values**

The carrying values of deposits and investments shown above are included in the balance sheets as follows:

	<u>2011</u>	<u>2010</u>
Carrying value		
Deposits	\$ 4,101,728	\$ 5,911,333
Investments	<u>967,192</u>	<u>785,459</u>
	<u>\$ 5,068,920</u>	<u>\$ 6,696,792</u>
Included in the following balance sheet captions		
Cash	\$ 4,081,940	\$ 5,515,954
Cash, restricted	19,788	395,379
Noncurrent restricted investments	<u>967,192</u>	<u>785,459</u>
	<u>\$ 5,068,920</u>	<u>\$ 6,696,792</u>



**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**Note 3: Capital Assets**

Capital assets consist of the following:

	<b>Balance, July 01, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance, June 30, 2011</b>
Depreciable capital assets					
Buildings and grounds	\$ 59,966,837	\$ -	\$ (159,287)	\$ 17,502,635	\$ 77,310,185
Improvements	9,500,427	9,856	(274,547)	32,120	9,267,856
Equipment and other	5,804,780	431,612	(713,756)	406,240	5,928,876
Total depreciable capital assets	<u>75,272,044</u>	<u>441,468</u>	<u>(1,147,590)</u>	<u>17,940,995</u>	<u>92,506,917</u>
Less accumulated depreciation					
Buildings and grounds	17,238,334	1,610,929	(159,287)	-	18,689,976
Improvements	5,643,850	83,549	(274,547)	-	5,452,852
Equipment and other	4,140,567	754,618	(713,756)	-	4,181,429
Total accumulated depreciation	<u>27,022,751</u>	<u>2,449,096</u>	<u>(1,147,590)</u>	<u>-</u>	<u>28,324,257</u>
Depreciable capital assets net of accumulated depreciation	<u>\$ 48,249,293</u>	<u>\$ (2,007,628)</u>	<u>\$ -</u>	<u>\$ 17,940,995</u>	<u>\$ 64,182,660</u>
Nondepreciable capital assets					
Construction in progress	<u>\$ 10,258,526</u>	<u>\$ 8,018,710</u>	<u>\$ (14,217)</u>	<u>\$ (17,940,995)</u>	<u>\$ 322,024</u>
	<b>Balance, July 01, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance, June 30, 2010</b>
Depreciable capital assets					
Buildings and grounds	\$ 50,164,553	\$ 417,639	\$ -	\$ 9,384,645	\$ 59,966,837
Improvements	9,417,126	34,000	-	49,301	9,500,427
Equipment and other	5,162,791	505,597	(33,236)	169,628	5,804,780
Total depreciable capital assets	<u>64,744,470</u>	<u>957,236</u>	<u>(33,236)</u>	<u>9,603,574</u>	<u>75,272,044</u>
Less accumulated depreciation					
Buildings and grounds	15,880,816	1,357,518	-	-	17,238,334
Improvements	5,182,495	461,355	-	-	5,643,850
Equipment and other	3,845,459	328,344	(33,236)	-	4,140,567
Total accumulated depreciation	<u>24,908,770</u>	<u>2,147,217</u>	<u>(33,236)</u>	<u>-</u>	<u>27,022,751</u>
Depreciable capital assets net of accumulated depreciation	<u>\$ 39,835,700</u>	<u>\$ (1,189,981)</u>	<u>\$ -</u>	<u>\$ 9,603,574</u>	<u>\$ 48,249,293</u>
Nondepreciable capital assets					
Construction in progress	<u>\$ 8,763,941</u>	<u>\$ 11,098,159</u>	<u>\$ -</u>	<u>\$ (9,603,574)</u>	<u>\$ 10,258,526</u>



**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**Note 4: Long-Term Obligations**

The following is a summary of long-term obligation transactions for the years ended June 30, 2011 and 2010:

Description and Purpose	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
<b>2011</b>					
Revenue bonds	\$ 5,210,000	\$ -	\$ 495,000	\$ 4,715,000	\$ 500,000
Net OPEB obligation	1,213,793	-	469,677	744,116	-
	<u>\$ 6,423,793</u>	<u>\$ -</u>	<u>\$ 964,677</u>	<u>\$ 5,459,116</u>	<u>\$ 500,000</u>
<b>2010</b>					
Revenue bonds	\$ 5,660,000	\$ -	\$ 450,000	\$ 5,210,000	\$ 495,000
Net OPEB obligation	1,564,319	-	350,526	1,213,793	-
	<u>\$ 7,224,319</u>	<u>\$ -</u>	<u>\$ 800,526</u>	<u>\$ 6,423,793</u>	<u>\$ 495,000</u>

**Revenue Bonds Payable**

On June 30, 1999, the Trust issued \$8,500,000 of revenue bonds, which mature through 2019 (Series 1999 Bonds), for the purpose of financing the construction of certain facilities and the improvement of existing facilities. The bonds are collateralized by the sales tax revenues received from the City pursuant to the Sales Tax and Revenue Bond Indenture (the Indenture).

During 2005, a portion of the 1999 bonds were refunded by issuing \$5,660,000 in revenue bonds. As a result of this refunding, the Trust recognized a deferred amount on refunding which is being amortized over 14 years, the remaining life of the refunded debt. Revenue bonds payable are reflected net of deferred amounts on refunding of \$271,560 and \$305,505 and unamortized premiums of \$51,191 and \$57,590 at June 30, 2011 and 2010, respectively. The amount of unamortized deferred debt expense at June 30, 2011 and 2010, was \$78,543 and \$88,361, respectively.

The Indenture requires the use of a project account, an interest account, a principal account and a bond fund reserve account. These accounts are held by a trustee bank and managed pursuant to the terms of the Indenture. The Indenture provides that sales tax revenue will be deposited into a revenue fund, and transfers will be made to the respective accounts for current requirements on a monthly basis.

Proceeds from tax-exempt bonds issued after September 1, 1996, are subject to the 1996 Tax Reform Act. The Trust complies with Internal Revenue Service regulations in order to maintain tax-exempt status on the bonds. The Trust had no arbitrage rebate liability at June 30, 2011 or 2010.





**Oklahoma City Zoological Trust**  
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Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year	Interest Rate Percentage	Outstanding Principal	Interest	Total
2012	3.75%	\$ 500,000	\$ 190,090	\$ 690,090
2013	3.38%	530,000	171,412	701,412
2014	5.00%	545,000	152,744	697,744
2015	5.00%	575,000	125,369	700,369
2016	3.75%	605,000	97,124	702,124
2017-2019	3.80%-4.00%	1,960,000	149,554	2,109,554
		<u>\$ 4,715,000</u>	<u>\$ 886,293</u>	<u>\$ 5,601,293</u>

**Note 5: Employee Retirement Plan**

All full-time employees of the Trust are eligible to participate in the City's Employee Retirement System (ERS), a single-employer defined benefit public employee retirement system. The executive director and division directors can elect to participate in a 401(a) plan instead of the City's ERS. The Trust's covered payroll approximated \$4,670,671 and \$4,508,000 for the years ended June 30, 2011 and 2010, respectively. The total payroll for all trust employees approximated \$6,460,875 and \$5,943,000 for the years ended June 30, 2011 and 2010, respectively.

Actuarial valuations are performed annually. Unless otherwise indicated, information in this note is provided as of the latest actuarial valuation, December 31, 2010.

***Eligibility, Contribution Methods and Benefit Provisions***

Year established and governing authority	1958; City Council ordinance
Determination of contribution requirements	Actuarially determined
Employer contributions	8.56% of covered payroll
Plan member contributions	6.00% of covered payroll
Eligible to participate	Full-time trust employees
Funding of administrative costs	Investment earnings
Period required vesting	Five years
Eligibility for distribution	30 years credited service regardless of age, or age 60 with ten years (pre-March 1967 hires), or 25 years credited service regardless of age, or age 65 with five years (post-March 1967 hires), or age 55 with five years on a reduced basis, or five years service, with benefits to begin at age 65 (60 with 10 years if pre-March 1967 hire)



**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
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Postretirement benefit increases	Cost of living adjustments, compounded annually, increases must be approved by the ERS Board
Provisions for disability benefits	Yes
Provisions for death benefits	Yes

***Plan Membership***

	<u>2011</u>	<u>2010</u>
Nonvested active members	692	763
Fully vested active members	1,612	1,617
Retirees and beneficiaries currently receiving benefits	1,283	1,218
Terminated plan members entitled to but not yet receiving benefits	<u>81</u>	<u>73</u>
	<u>\$ 3,668</u>	<u>\$ 3,671</u>

***Plan Assets***

There are no assets legally reserved for purposes other than the payment of plan member benefits. 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.

***Pension Cost and Net Pension Obligation***

Annual required contributions (ARC) were made for all years shown. There were no net pension obligations outstanding for the current year or previous three years. Three-year trend information of the City's annual pension cost and net pension obligations to the ERS is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 7,132,772	100%	\$ -
2010	5,586,000	100%	-
2009	5,464,000	100%	-



**Oklahoma City Zoological Trust**  
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Actuarial methods and assumptions used to determine the ARC are as follows:

Valuation date	December 31, 2010
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period (1)	25 years, closed
Actuarial asset valuation method	Four-year smoothed market
Actuarial assumptions	
Investment rate of return	8.0%
Projected salary increases	4.5%–8.3%
Postretirement benefit increases (maximum)	4.0%
Inflation	4.5%
Other	1994 group annuity table set forward one year for women and three years for men

(1) The actuarial report for the ERS as a whole dated December 31, 2010, changed the amortization period from 26 years to 25 years.

Employer contribution rates are determined by City Council. The ERS issues a separate stand-alone report which can be obtained from the City's Accounting Services Division at 100 N. Walker, Oklahoma City, Oklahoma 73102.

***Related-Party Transactions***

As of June 30, 2011 and 2010, the ERS held judgments in the amount of \$2,488,410 and \$3,250,614, respectively. The judgments earn interest of 5.25%. State Statutes permit the ERS to purchase judgments rendered against the City throughout the year. In October of each year, the City (through the property tax levy process) pays the ERS for the principal amount and earned interest for each purchased judgment.

***Funding Status***

The required schedule of funding progress as of the last actuarial date was as follows:

Actuarial accrued liability (AAL)	\$	566,834,000
Actuarial value of plan assets (AVA)	\$	524,731,000
Unfunded actuarial accrued liability (UAAL)	\$	42,103,000
Funded ratio (AVA/AAL)		93%
Covered payroll (Active Plan Members)	\$	102,915,000
UAAL as a percentage of covered payroll		41%



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

### Note 6: Other Postemployment Benefits (OPEB)

#### ***Plan Description***

The City provides postemployment health care benefits for retired employees and their dependents through the City of Oklahoma City Post-Retirement Medical Plan (OPEBT), a single-employer defined benefit health care plan. 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. OPEBT issues a separate report that can be obtained from the City's Human Resource Department at 420 W. Main, Suite 110, Oklahoma City, Oklahoma 73102.

#### ***Benefits Provided***

The City provides postretirement health care benefits to its retirees. OPEBT covers all current retirees who elected postretirement medical coverage and future retired general employees.

The City provides subsidized medical benefits either through a fully-insured health plan or through a self-insured Group Indemnity Plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage. General employees are eligible for membership in OPEBT if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Coverage for dependents can continue upon the death of the retiree. Spouses of employees who die in active service while eligible for benefits can receive coverage.

#### ***Funding Policy***

The City contributes 70% of the premium as a subsidy toward medical coverage of retirees and their dependents. The retirees and their dependents are responsible for paying the remaining 30% of the premium. The City also intends to make additional contributions to the irrevocable trust that has been established for the funding of OPEBT's postretirement benefit obligation.

#### ***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method was used to develop the Actuarial Accrued Liability (AAL), and market value of assets was used to develop the Actuarial Value of Plan Assets (AVA). The discount rate changed from 4.5% to 4.91%. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open 30-year period basis.





# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

### Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contribution to the Plan and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributions	Net OPEB Obligation
June 30, 2011	\$ 39,786,634	\$ 18,746,938	47.4%	\$ 77,444,366
June 30, 2010	\$ 35,775,474	\$ 19,424,748	54.3%	\$ 56,404,670
June 30, 2009	\$ 47,644,577	\$ 18,688,224	39.2%	\$ 40,053,944

The net OPEB obligation as of June 30, 2011 and 2010, was calculated as follows:

	2011		2010	
	OPEBT (1)	Trust	OPEBT	Trust
Annual required contribution	\$ 39,559,528	\$ 331,656	\$ 35,614,202	\$ 816,657
Interest on net OPEB obligation	2,769,469	23,218	1,966,649	45,097
Adjustment to annual required contribution	(2,542,363)	(667,320)	(1,805,377)	(766,858)
Annual OPEB cost	39,786,634	(312,446)	35,775,474	94,896
Contributions made	(18,746,938)	(157,231)	(19,424,748)	(445,422)
Increase (decrease) in net OPEB obligation	21,039,696	(469,677)	16,350,726	(350,526)
Net OPEB obligation, beginning of year	56,404,670	1,213,793	40,053,944	1,564,319
Net OPEB obligation, end of year	<u>\$ 77,444,366</u>	<u>\$ 744,116</u>	<u>\$ 56,404,670</u>	<u>\$ 1,213,793</u>

(1) In fiscal year 2011, the ratio used to distribute OPEB costs to participating funds was changed from full-time employees to full-time eligible employees.



**Oklahoma City Zoological Trust**  
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***Funded Status and Funding Progress***

The funded status of the Plan as of July 1, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 517,681,810
Actuarial value of plan assets (AVA)	\$ 11,565,753
Unfunded actuarial accrued liability (UAAL)	\$ 506,116,057
Funded ratio (AVA/AAL)	2.2%
Covered payroll (active plan members)	\$ 175,293,051
UAAL as a percentage of covered payroll	288.7%

The OPEB Trust (OPEBT) issues a publicly available Comprehensive Annual Financial Report (CAFR) which may be obtained from the City's Accounting Services Division at 100 N. Walker, Oklahoma City, Oklahoma 73102. The CAFR includes the financial statements and required supplementary information of the OPEBT.

**Note 7: Leases**

The Trust has various agreements whereby land is leased by the Trust from the City, from the Society (both discussed in *Note 8*) and from the City of Nichols Hills. The Nichols Hills lease is a 25-year renewable operating lease at an expense of \$21,480 per year. This leased property is subleased under an operating lease to Global Gaming RP, LLC through December 31, 2013, with 5 renewal options for 10 years each through calendar year 2063. The Trust received an advance rental of \$4,000,000 and incurred initial costs of \$557,249. The net amount, less income earned to date, is recorded as deferred lease revenue and is being amortized to income over the term of the lease period, including the renewal options.

Minimum annual future rental payments to the Trust, net of amounts payable by the Trust to the Society and the City of Nichols Hills, are approximately \$1,263,000 for calendar years 2011 through 2013. In addition, the Trust is entitled to receive one-half of 1% of Global Gaming RP, LLC's total annual handle, as defined in the agreement, that exceeds \$187 million and 1% of the gross gaming revenues in excess of \$60 million each year. Contingent rental revenue earned during the years ended June 30, 2011 and 2010, approximated \$203,000 and \$91,000, respectively.

The Trust entered into an amended and restated lease and operating agreement dated as of June 19, 1990, whereby the City leased to the Trust its presently existing and hereafter acquired Zoo facilities until December 31, 2063, or to such later date as all bonds or any indebtedness of the Trust, secured by revenues of the Zoo, is paid or provisions for payment made.

On December 19, 2007, the Trust entered into a sublease agreement with Facility Management Group, Inc. (FMG) in which FMG will lease and operate the Zoo Amphitheatre for five years. The contract stipulates that FMG pay the Trust \$200,000 per year in years one and two, \$225,000 per year in years three and four and \$250,000 in year five.



**Oklahoma City Zoological Trust**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

The future minimum lease receipts (payments) at June 30, 2011, were:

	<b>Lease Receipts</b>	<b>Lease Payments</b>	<b>Net Lease Receipts</b>
2012	\$ 923,949	\$ (65,480)	\$ 858,469
2013	673,949	(65,480)	608,469
2014	673,949	(65,480)	608,469
2015	673,949	(65,480)	608,469
2016	673,949	(65,480)	608,469
Thereafter	<u>32,349,532</u>	<u>(3,143,040)</u>	<u>29,206,492</u>
	<u>\$ 35,969,277</u>	<u>\$ (3,470,440)</u>	<u>\$ 32,498,837</u>

Net rental income for all operating leases consisted of:

	<b>2011</b>	<b>2010</b>
Minimum rental expense	\$ (96,301)	\$ (96,301)
Contingent rental expense	(21,814)	(17,555)
Sublease rental income	692,878	810,878
Sublease contingent rental income	203,295	91,397
Other rental income	<u>43,718</u>	<u>39,378</u>
	<u>\$ 821,776</u>	<u>\$ 827,797</u>

**Note 8: Related-Party Transactions**

During the years ended June 30, 2011 and 2010, the Trust recorded payments from the City derived from sales tax receipts approximating \$11,789,000 and \$10,649,000, respectively, and from investment income on related deposits of approximately \$4,000 and \$43,000, respectively.

The City leases to the Trust real and personal property of the Zoo at no cost to the Trust. This agreement gives the Trust the right to operate and realize the revenues of the Zoo. The City also leases to the Trust the main portion of the Remington Park Race Track site at no cost to the Trust.

The City provides certain services to the Trust. Charges for those services for the years ended June 30, 2011 and 2010, approximated \$644,000 and \$655,000, respectively, and include administrative, insurance, printing, postage and workers' compensation expenses.

The Society leases a small portion of the Remington Park Race Track site to the Trust for \$74,821 per year expiring in 2013, with additional 50-year renewal options in the increment of 25 years each. Also, for fiscal years 2011 and 2010, the Society provided Zoo support and donated approximately \$1,449,000 and \$1,542,000, respectively, in Society membership dues, purchase of admission tickets, catering and other payments used to support Zoo operations and activities recognized in different revenue categories in the Trust's financial statements. As of June 30, 2011, the Trust had a receivable from the Society of approximately \$363,000.



# Oklahoma City Zoological Trust

## Notes to Financial Statements

June 30, 2011 and 2010

### Note 9: Risk Management

The Zoo is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Zoo pays an insurance premium to the City for property loss and workers' compensation insurance coverage. Significant losses are covered by commercial insurance policies for all other programs except employee health, dental and life insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Substantially all of the Zoo's employees and their dependents are eligible to participate in the Zoo's employee health insurance plan, which includes dental and life insurance. The Zoo is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of \$1,026,697. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Zoo's estimate will change by a material amount in the near term.

Activity in the Zoo's accrued employee health claims liability, included in accounts payable on the statements of net assets, during 2011 and 2010 is summarized as follows:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 75,250	\$ 143,746
Current year claims incurred and changes in estimates for claims incurred in prior years	773,158	473,710
Claims and expenses paid	<u>(773,158)</u>	<u>(542,206)</u>
Balance, end of year	<u>\$ 75,250</u>	<u>\$ 75,250</u>

### Note 10: Commitments

On September 11, 2006, the Trust entered into a contract with Moore Iacofano Goltsman, Inc., to provide design services relating to the construction of the Children's Zoo approximating \$1,072,000. Remaining commitments as of June 30, 2011, approximated 27,000.

On December 19, 2007, the Trust entered into a contract with Torre Design Consortium, LTD to provide design services relating to the construction of the Zoo's Asia Exhibit approximating \$3,809,000. Remaining commitments as of June 30, 2011, approximated \$950,000.

On June 30, 2009, the Trust entered into a contract with Lippert Brothers, Inc., to provide services relating to the construction of the Zoo's Asia Exhibit approximating \$13,518,000. Remaining commitments as of June 30, 2011, approximated \$54,000.





## **Supplementary Information**



**Oklahoma City Zoological Trust**  
**Combining Schedule of Net Assets**  
**June 30, 2011**

	Operating Account	Designated Animal Account	Designated Account	Sales Tax Account	Total
<b>Assets</b>					
Cash	\$ 1,300,960	\$ 280	\$ 11,768	\$ 2,768,932	\$ 4,081,940
Receivable from the City	-	-	-	2,784,230	2,784,230
Accounts receivable	485,509	475	-	-	485,984
Inventories	743,022	-	-	-	743,022
Prepaid expenses	6,209	-	-	-	6,209
Cash, restricted	19,788	-	-	-	19,788
<b>Total current assets</b>	<b>2,555,488</b>	<b>755</b>	<b>11,768</b>	<b>5,553,162</b>	<b>8,121,173</b>
<b>Noncurrent Assets</b>					
Investments, restricted	-	-	-	967,192	967,192
Deferred debt expense, net	78,543	-	-	-	78,543
Capital assets					
Construction in progress	12,678	-	-	309,346	322,024
Other capital assets, net of accumulated depreciation	5,789,037	71,327	-	58,322,296	64,182,660
<b>Total noncurrent assets</b>	<b>5,880,258</b>	<b>71,327</b>	<b>-</b>	<b>59,598,834</b>	<b>65,550,419</b>
<b>Total assets</b>	<b>\$ 8,435,746</b>	<b>\$ 72,082</b>	<b>\$ 11,768</b>	<b>\$ 65,151,996</b>	<b>\$ 73,671,592</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 932,579	\$ -	\$ -	\$ 293,284	\$ 1,225,863
Wages and benefits payable	332,638	-	-	-	332,638
Compensated absences	189,066	-	-	-	189,066
Bonds payable, current	-	-	-	500,000	500,000
Bond interest payable	-	-	-	15,971	15,971
<b>Total current liabilities</b>	<b>1,454,283</b>	<b>-</b>	<b>-</b>	<b>809,255</b>	<b>2,263,538</b>
<b>Noncurrent Liabilities</b>					
Bonds payable, net	-	-	-	3,994,631	3,994,631
Deferred lease revenue	2,801,730	-	-	-	2,801,730
Net OPEB obligation	744,116	-	-	-	744,116
<b>Total noncurrent liabilities</b>	<b>3,545,846</b>	<b>-</b>	<b>-</b>	<b>3,994,631</b>	<b>7,540,477</b>
<b>Total liabilities</b>	<b>\$ 5,000,129</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,803,886</b>	<b>\$ 9,804,015</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	\$ 5,801,715	\$ 71,327	\$ -	\$ 54,659,643	\$ 60,532,685
Restricted for debt service	-	-	-	221,682	221,682
Unrestricted	(2,366,098)	755	11,768	5,466,785	3,113,210
<b>Total net assets</b>	<b>\$ 3,435,617</b>	<b>\$ 72,082</b>	<b>\$ 11,768</b>	<b>\$ 60,348,110</b>	<b>\$ 63,867,577</b>



**Oklahoma City Zoological Trust**  
**Combining Schedule of Revenues, Expenses and Changes in Net Assets**  
**Year Ended June 30, 2011**

	Operating Account	Designated Animal Account	Designated Account	Sales Tax Account	Total
<b>Operating Revenues</b>					
Zoo admissions	\$ 2,607,161	\$ -	\$ -	\$ -	\$ 2,607,161
Concessions	2,277,617	-	-	-	2,277,617
Zoo activities	2,929,516	-	-	-	2,929,516
Rent	821,776	-	-	-	821,776
Other	142,854	-	-	-	142,854
	<u>8,778,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,778,924</u>
Total operating revenues					
<b>Operating Expenses</b>					
Personnel services	8,841,792	-	-	-	8,841,792
Maintenance, operations and contractual services	2,786,052	-	-	-	2,786,052
Materials and supplies	2,728,158	16,705	-	24,180	2,769,043
Depreciation	335,427	3,830	-	2,109,839	2,449,096
Animal purchases	-	3,910	-	-	3,910
Other	473,980	-	-	-	473,980
	<u>15,165,409</u>	<u>24,445</u>	<u>-</u>	<u>2,134,019</u>	<u>17,323,873</u>
Total operating expenses					
Operating loss	<u>(6,386,485)</u>	<u>(24,445)</u>	<u>-</u>	<u>(2,134,019)</u>	<u>(8,544,949)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Donations	1,240,417	-	4,602	-	1,245,019
Investment income	12,580	-	2,900	119	15,599
Interest expense	-	-	-	(246,680)	(246,680)
OPEB payments from the City	469,677	-	-	-	469,677
Sales tax payments from the City	-	-	-	11,792,359	11,792,359
	<u>1,722,674</u>	<u>-</u>	<u>7,502</u>	<u>11,545,798</u>	<u>13,275,974</u>
Total nonoperating revenues (expenses)					
Change in net assets before transfer	(4,663,811)	(24,445)	7,502	9,411,779	4,731,025
<b>Transfers Between Accounts</b>	<u>5,494,592</u>	<u>20,533</u>	<u>-</u>	<u>(5,515,125)</u>	<u>-</u>
Change in net assets	830,781	(3,912)	7,502	3,896,654	4,731,025
<b>Net Assets, Beginning of Year</b>	<u>2,604,836</u>	<u>75,994</u>	<u>4,266</u>	<u>56,451,456</u>	<u>59,136,552</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,435,617</u>	<u>\$ 72,082</u>	<u>\$ 11,768</u>	<u>\$ 60,348,110</u>	<u>\$ 63,867,577</u>



**Independent Accountants' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Trustees  
Oklahoma City Zoological Trust  
Oklahoma City, Oklahoma

We have audited the basic financial statements of the Oklahoma City Zoological Trust (the Trust), a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 2, 2011. We conducted our audit 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Trust's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control over financial reporting.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Trust's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.





Board of Trustees  
Oklahoma City Zoological Trust

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Trust'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*.

We noted certain matters that we reported to the Trust's management in a separate letter dated December 2, 2011.

The Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* of the City should be read in conjunction with this report.

This report is intended solely for the information and use of the Board of Trustees, the City, management and others within the Trust and is not intended to be and should not be used by anyone other than these specified parties.

**BKD, LLP**

December 2, 2011



**FILED**  
DEC 29 2011  
State Auditor & Inspector

**The City of Oklahoma City, Oklahoma**

Single Audit Reports

June 30, 2011

**RECEIPT #**

30084

**BKD**<sup>LLP</sup>  
CPAs & Advisors

**FILED**  
DEC 29 2011  
State Auditor & Inspector

# The City of Oklahoma City, Oklahoma

Single Audit Reports

June 30, 2011

RECEIPT #

10007



**The City of Oklahoma City, Oklahoma**  
**Year Ended June 30, 2011**

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**Independent Accountants' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council  
The City of Oklahoma City, Oklahoma  
Oklahoma City, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary fund and the discretely presented component units of the City as of and for the year ended June 30, 2011, which collectively comprise the City's combining and individual fund statements and have issued our report thereon dated December 5, 2011, which contained a reference to the reports of other accountants and explanatory paragraphs regarding a change in accounting principle and disclosing that the prior year financial statements have been restated. We conducted our audit 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. Other accountants audited the financial statements of the Oklahoma City Redevelopment Authority and The Combined Operations of The Cox Convention Center and The Ford Center, as Managed by SMG, as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those accountants. The financial statements of The Combined Operations of The Cox Convention Center and The Ford Center, which are reported within the City's governmental activities, aggregate remaining fund information and nonmajor governmental funds financial statements, were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and deficiencies that we consider to be significant deficiencies.





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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 11-01, 11-02 and 11-03 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 11-04, 11-05 and 11-06 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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*.

We also noted certain matters that we reported to the City's management in a separate letter dated December 5, 2011.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, City Council, others within the City and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

December 5, 2011



**Independent Accountants' Report on Compliance With  
Requirements That Could Have a Direct and Material Effect on Each Major  
Program and on Internal Control Over Compliance in Accordance with OMB  
Circular A-133 and on the Schedule of Expenditures of Federal and State Awards**

The Honorable Mayor and City Council  
The City of Oklahoma City, Oklahoma  
Oklahoma City, Oklahoma

**Compliance**

We have audited the compliance of the City of Oklahoma City, Oklahoma (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City based on our audit.

As indicated in our audit report on the basic financial statements of the City as of and for the year ended June 30, 2011, dated December 5, 2011, we did not audit the financial statements of the Oklahoma City Redevelopment Authority (Authority) and The Combined Operations of The Cox Convention Center and The Ford Center (Center), as Managed by SMG. Federal awards, if any, received by the Authority and Center are, therefore, outside the scope of the single audit activities which we were engaged to conduct and our reference to the City in our independent accountants' report on compliance and internal control over compliance that could have a direct and material effect on each major federal program does not encompass the financial or compliance activities, if any, conducted by the components noted above, which were audited by other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.



The Honorable Mayor and City Council  
The City of Oklahoma City, Oklahoma

### **Internal Control over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

### **Schedule of Expenditures of Federal and State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2011. We have also audited the financial statements of each nonmajor governmental, nonmajor enterprise, internal service, fiduciary fund and the discretely presented component units of the City as of and for the year ended June 30, 2011. We have issued our report on the above mentioned financial statements and schedules dated December 5, 2011, which contained a reference to the reports of other accountants and explanatory paragraphs regarding a change in accounting principle and disclosing that the prior year financial statements have been restated. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and combining and individual fund statements and schedules. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, City Council, others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

December 8, 2011, except for paragraph on Schedule of Expenditures of Federal Awards, which is  
December 5, 2011



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Direct Programs:			
<u>Forestry Services</u>			
Cooperative Forestry Assistance	10.664	Putting Down n Roots	\$ 20,000
<b>Total U.S. Department of Agriculture</b>			<b>20,000</b>
<b><u>U.S. Department of Commerce</u></b>			
Direct Programs:			
<u>Economic Development Cluster</u>			
Investments for Public Works and Economic Development Facilities	11.300	08-86-04550 DOC	66,501
<i>Total Economic Development Cluster</i>			66,501
Pass-through Oklahoma State Office of Homeland Security			
<u>National Telecommunications and Information Administration</u>			
Public Safety Interoperable Communications Grant Program	11.555	07-(PSIC)	620,969
<b>Total U.S. Department of Commerce</b>			<b>687,470</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct Programs:			
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grant/Entitlement Grant	14.218	B-08-MC-40-0003	1,796,858
Community Development Block Grant/Entitlement Grant	14.218	B-09-MC-40-0003	2,516,098
Community Development Block Grant/Entitlement Grant	14.218	B-10-MC-40-0003	4,432,256
Community Development Block Grant/Entitlement Grant	14.218	B-99-MO-40-0003	543,000
ARRA - Community Development Block Grant ARRA Entitlement Grant (CDBG-R) Recovery Act Funded)	14.253	ARRA-B-09-MY-40-0003 CDBG-R	628,571
<i>Total CDBG - Entitlement Grants Cluster</i>			9,916,783
<u>CDBG - State Administered CDBG Cluster</u>			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-08-MN-40-0001	2,630,102
Pass through Oklahoma Department of Commerce:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	14003 NSP 08	1,104,609
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	13555 NSP 08	3,283,548
<i>Total CDBG - State Administered CDBG Cluster</i>			7,018,259
Direct Programs:			
<u>Emergency Shelter Grants Program</u>			
Emergency Shelter Grants Program	14.231	S-10-MC-40-0003 ESG	231,827





**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<u>Supportive Housing Program</u>			
Supportive Housing Program	14.235	OK-56-B602-001	\$ 113,362
Supportive Housing Program	14.235	OK-56-B702-001	149,478
Supportive Housing Program	14.235	OK-56-B702-006	125,569
Supportive Housing Program	14.235	OK0019B6I020800	200,746
Supportive Housing Program	14.235	OK0020B6I020800	115,517
Supportive Housing Program	14.235	OK0022 B6I020801	6,194
Supportive Housing Program	14.235	OK0026 B6I020801	190,611
Supportive Housing Program	14.235	OK0027 B6I020801	177,061
Supportive Housing Program	14.235	OK0021B6I020802	59,591
Supportive Housing Program	14.235	OK0022B6I020802	68,551
Supportive Housing Program	14.235	OK0044B6I020901	89,537
Supportive Housing Program	14.235	OK0045B6I020901	49,500
Supportive Housing Program	14.235	OK0046B6I020901	124,999
Supportive Housing Program	14.235	OK0052B6I020900	38,121
Supportive Housing Program	14.235	OK0053B6I020900	125,283
Supportive Housing Program	14.235	OK0021B6I021003	14,280
Supportive Housing Program	14.235	OK0045B6I021002	21,801
Supportive Housing Program	14.235	OK0063B6I021001	14,847
Total Supportive Housing Program			1,685,048
<u>Shelter Plus Care Program</u>			
Shelter Plus Care	14.238	OK-56-C602-009	27,589
Shelter Plus Care	14.238	OK0025C6I020801	6,294
Shelter Plus Care	14.238	OK0023C6I020802	(4,905)
Shelter Plus Care	14.238	OK0024C6I020802	204,375
Shelter Plus Care	14.238	OK0025C6I020802	11,916
Shelter Plus Care	14.238	OK0054C6I020900	31,610
Shelter Plus Care	14.238	OK0024C6I021003	32,185
Total Shelter Plus Care Program			309,064
<u>HOME Investment Partnerships Act</u>			
HOME Investment Partnerships Program	14.239	M-06-MC-40-0203	34,892
HOME Investment Partnerships Program	14.239	M-07-MC-40-0203	278,827
HOME Investment Partnerships Program	14.239	M-08-MC-40-0230	895,762
HOME Investment Partnerships Program	14.239	M-09-MC-40-0203 HOME	1,038,833
HOME Investment Partnerships Program	14.239	M-10-MC-40-0203 HOME/ADDI	678,781
Total HOME investment Program			2,927,095
<u>Housing Opportunities for Persons with AIDS</u>			
Housing Opportunities for Persons with AIDS	14.241	OK-H09-F001 HOPWA	148,070
Housing Opportunities for Persons with AIDS	14.241	OK-H10-F001 HOPWA	311,966
Total Housing Opportunitess for Persons with AIDS			460,036



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<u>Homeless Prevention and Rapid Rehousing Program Grants</u>			
ARRA - Homeless Prevention and Rapid Re-housing Program (HPRP) (Recovery Act Funded)	14.257	S-09-MY-40-0002	\$ 839,265
<u>Office of Sustainable Housing and Communities</u>			
Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants	14.704	CCPOK0020-10	1,643
<b>Total U.S. Dept. of Housing &amp; Urban Development</b>			<b>23,389,020</b>
<u>U.S. Department of the Interior</u>			
Pass-through Oklahoma Historical Society			
Historic Preservation Fund Grants-In-Aid	15.904	09-607	14,834
Historic Preservation Fund Grants-In-Aid	15.904	10-607	1,255
Historic Preservation Fund Grants-In-Aid	15.904	10-803	4,450
<b>Total U.S. Department of the Interior</b>			<b>20,539</b>
<u>U.S. Department of Justice</u>			
Direct Programs:			
<u>Office of Justice Programs</u>			
Federal Asset Forfeiture Program (Fund 022)	16.000	Unknown	96,957
Community Capacity Development Office	16.595		(58,246)
Community Capacity Development Office	16.595	2006-WS-Q6-0083	(77,877)
Community Capacity Development Office	16.595	2006-WS-Q6-0084	(41,148)
Community Capacity Development Office	16.595	2007-WS-Q7-0113	(26,798)
Community Capacity Development Office	16.595	2007-WS-Q7-0042	(18,402)
Community Capacity Development Office	16.595	2008-WS-QX-0189	7,650
Community Capacity Development Office	16.595	2009 WS-QX-0117 CTP-5	48,463
Total Community Capacity Development Office			(166,358)
<u>JAG Program Cluster</u>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1337	23,220
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0600	198,648
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0514	274,874
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0819	121,735
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units of Local Government	16.804	2009-F4792-OK-SB	1,937,663
Total JAG Program Cluster			2,556,140
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2007-DD-BX-0631	373,497
Pass-through District Attorney's Training Council			
Project Safe Neighborhoods	16.609	2005-WS-Q5-0064	(28,269)



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
Direct Programs:			
Anti-Gang Initiative	16.744	2008-PG-BX-0005	\$ (10,624)
ARRA - Public Safety Partnership and Community Policing Grant (Recovery Act Funded)	16.710	ARRA COPS-CHRP-2009-1	405,299
<b>Total U.S. Department of Justice</b>			<b>3,226,642</b>
<b><u>U.S. Department of Transportation</u></b>			
Direct Programs:			
<u>Federal Aviation Administration</u>			
ARRA - Airport Improvement Program	20.106	AIP3-40-0072-056-2009	361,491
Airport Improvement Program	20.106	AIP3-40-0072-057-2009	3,442
Airport Improvement Program	20.106	AIP3-40-0072-058-2009	441,800
Airport Improvement Program	20.106	AIPS-40-0072-059-2010	1,063,638
Airport Improvement Program	20.106	AIP3-40-0073-019-2009	81,582
Airport Improvement Program	20.106	AIPS-40-0073-059-2010	1,164,202
Total Airport Improvement Program			3,116,155
<u>Highway Planning and Construction Cluster</u>			
Direct Programs:			
Highway Planning and Construction	20.205	OK-70-X002	2,670
Pass-through Association of Central Oklahoma Governments:			
Highway Planning and Construction	20.205	2010 ACOG Traffic Mgmt	73,183
Highway Planning and Construction	20.205	FY 11 ACOG GRANT	56,786
			129,969
Pass-through Oklahoma Department of Transportation:			
Highway Planning and Construction	20.205	STP-155E(354)EH	91,626
Highway Planning and Construction	20.205	STP-155E(246)EH	241,751
Highway Planning and Construction	20.205	STP-155E(500)EH	31,196
Highway Planning and Construction	20.205	STP-155E(622)EH	187,241
Highway Planning and Construction	20.205	STP-155E(623)EH	3,019
			554,833
Total Highway Planning and Construction Cluster			687,472



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<i>Federal Transit Cluster</i>			
Direct Programs:			
Federal Transit - Capital Investment Grant	20.500	OK-03-0007	\$ 80,557
Federal Transit - Capital Investment Grant	20.500	OK-03-0029	3,400
Federal Transit - Capital Investment Grant	20.500	OK-03-0037	583,660
Federal Transit - Formula Grants	20.507	OK-90-X067	61,783
Federal Transit - Formula Grants	20.507	OK-90-X071	557,052
Federal Transit - Formula Grants	20.507	OK-90-X073	12,661
Federal Transit - Formula Grants	20.507	OK-90-X080	17,689
Federal Transit - Formula Grants	20.507	OK-90-X085	18,732
Federal Transit - Formula Grants	20.507	OK-90-X094	567,421
Federal Transit - Formula Grants	20.507	OK-90-X098	1,631,560
Federal Transit - Formula Grants	20.507	OK-90-X102	4,993,525
Federal Transit - Formula Grants	20.507	OK-95-X001	144,457
ARRA - Federal Transit - Formula Grants	20.507	OK-96-X004	1,111,562
<i>Total Federal Transit Cluster</i>			9,784,059
<i>Transit Services Programs Cluster</i>			
Direct Programs:			
Job Access - Reverse Commute	20.516	OK-37-X021	51
Job Access - Reverse Commute	20.516	OK-37-X028	12,134
Job Access - Reverse Commute	20.516	OK-37-X036	520,534
New Freedom Program	20.521	OK-57-X006	22,652
New Freedom Program	20.521	OK-57-X010	92,647
New Freedom Program	20.521	OK-57-X015	16,296
<i>Total Transit Services Programs Cluster</i>			664,314
<i>Highway Safety Cluster</i>			
Pass-through Oklahoma Highway Safety Office:			
Safe and Community Highway Safety	20.600	K810030403 DUI	55,111
Safe and Community Highway Safety	20.600	K810030403 DUI	88,194
Safe and Community Highway Safety	20.600	k810030707 (DUI)	63,613
Safe and Community Highway Safety	20.600	K811030707 (DUI)	27,036
<i>Total Highway Safety Cluster</i>			233,954
<b>Total U.S. Department of Transportation</b>			<b>14,485,954</b>
<b><u>Environmental Protection Agency</u></b>			
Pass through the Oklahoma Water Resources Board			
Capitalization Grants for Clean Water State Revolving Fund	66.458	ORF-09-0021-CW	1,708,602





**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
Direct Programs:			
Brow nsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-966031-01-0	\$ 17,290
Brow nsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-966368-01-0	19,823
Brow nsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-966368-01-0	21,122
Brow nsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-966797-01	12,633
ARRA - Brow nsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-96695601-0	37,549
ARRA - Brow nsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-96695701-0	102,129
ARRA - Brow nsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-00F07901-0	669,600
Total Brow nsfield Assessment and Cleanup Cooperative Agreements			880,146
<b>Total Environmental Protection Agency</b>			<b>2,588,748</b>
<b><u>U.S. Department of Energy</u></b>			
Pass-through Oklahoma Department of Commerce:			
ARRA - Energy Efficiency and Conservation Block Grant Program (Recovery Act Funded)	81.128	DE-EE000920	2,438,362
<b>Total U.S. Department of Energy</b>			<b>2,438,362</b>
<b><u>U.S. Department of Health &amp; Human Services</u></b>			
<b><u>Aging Cluster</u></b>			
Pass-through State of Oklahoma Areawide Aging Agency:			
Transportation for Elderly	93.044	34-0801-40	258,094
Total Aging Cluster			258,094
<b>Total U.S. Department of Health &amp; Human Services</b>			<b>258,094</b>
<b><u>Executive Office of the President</u></b>			
Direct Programs:			
<u>Office of National Drug Control Policy</u>			
High Intensity Drug Trafficking Areas Program	95.001	G09NT0003A (HIDTA)	54,968
<b>Total Executive Office of the President</b>			<b>54,968</b>
<b><u>U.S. Department of Homeland Security</u></b>			
Pass-through Oklahoma Department of Emergency Management:			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HST0208HSLR333	440,268



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 1712-DR-OK	\$ 370,940
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1735-DR-OK_GEN PROJ #16	9,272
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	BZPP-118.00	199,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-PA-1786 PW GUSTAV	66,369
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	OK-SHSP-144	48,787
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-SNOW 2009 CANADIAN	26,856
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	MAY 2010 TORNADO CLEAN UP	415,581
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	2010 JUNE FLOODING	45,082
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1735-DR-OK-HMPG	13,433
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1876-DR-OK	20,580
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			1,215,900
ARRA - Advanced Surveillance Program (ASP) (Recovery Act Funded)	97.118	HSTS04-09-H-REC307	1,209,131
Advanced Surveillance Program	97.118	HSTS04-10-H-CT1190	106,651
Total Advanced Surveillance Program			1,315,782
Direct Programs:			
Assistance to Firefighters Grant	97.044	EMW-2009-FP-01128	35,200
Assistance to Firefighters Grant	97.044	EMW-2010-FH-01081	201,559
Total Assistance to Firefighters Grant			236,759
Pass-through Oklahoma Office of Homeland Security:			
Non-Profit Security Program	97.008	Urban Area Initiative #150.001	1,627,333
Non-Profit Security Program	97.008	Urban Area Initiative #150.008	47,191
Total Non-Profit Security Program			1,674,524
State Homeland Security Program (SHSP)	97.073	124.002	56,969
Law Enforcement Terrorism Prevention Program	97.074	OK LETP-102.004 Fusion	9,906
<b>Total U.S. Department of Homeland Security</b>			<b>4,950,108</b>
<b>Total Federal Assistance</b>			<b>52,119,905</b>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

State Agency/Grant Name	Grant Number or Other Identifying Number	Current Year Expenditures
<u>Oklahoma Department of Corrections</u> DOC Interlocal Second Chance Program		\$ 27,013
<u>Oklahoma Department of Transportation</u> OHC Grant		8,500
<u>Oklahoma Office of Juvenile Affairs</u> Community Intervention Cntr Program/Youth Svcs ok OKC Cnty INC	PO 4009017686	238,644
<u>Oklahoma Aeronautics Commission</u> Strengthen Taxiway A, A-8 N of Taxiway A-7, MITL's	PWA-08-F	105,865
Install Lighted ILS Hold Position Signs RW 17L/35R	PWA-08-S	16,632
Install ILS for RW 17L/35R	PWA-10-S	1,213,808
Total Oklahoma Aeronautics Commission		1,336,305
<b>Total State Assistance</b>		<b>1,610,462</b>
<b>Total Federal and State Assistance</b>		<b>\$ 53,730,367</b>



**The City of Oklahoma City, Oklahoma**  
**Notes to Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

**Note 1: Basis of Presentation and Accounting Policies**

**General**

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state award programs of the City of Oklahoma City, Oklahoma (the City), for the year ended June 30, 2011. The City's reporting entity is described in *Note 1* in the City's Consolidated Annual Financial Report (CAFR). Federal financial awards received directly from federal agencies as well as federal financial awards, if any, passed through other government agencies are included on the Schedule. Required matching contributions, program income, state and private grants and other nonfederal grants and awards are not included in the Schedule.

**Basis of Accounting**

The accompanying Schedule is presented using the same basis of accounting as the related fund in which the grant activity is reported in the basic financial statements. These bases of accounting are described in *Note 1* of the City's CAFR. In addition, the accompanying schedule reflects certain adjustments resulting from transfers of funds between grants and probable repayment of questioned costs to federal agencies reported in prior years. As a result, certain grants show negative expenditures.

**Note 2: Federal CFDA Numbers**

Federal CFDA numbers or other identifying numbers listed on the Schedule were obtained from the respective grant/contract agreement.

**Note 3: Outstanding Loan Balance**

The City participates in the Community Development Block Grant Section 108 Loan Guarantee Program. This program is identified as CFDA Number 14.248 and is not included in the accompanying Schedule, as no new funds were drawn down or guaranteed during the year ended June 30, 2011. The City's Section 108 loans included:

Project	Balance Drawn	Balance at Beginning of Year	Balance at Year End
Gold Dome Building	\$ 1,000,000	\$ 937,000	\$ —
Climate Craft	3,500,000	2,100,000	1,925,000
Micro Enterprise and Small Business Loan Program	4,000,000	3,875,000	3,750,000
Dell Business Services Centers	4,684,000	3,643,000	—





**The City of Oklahoma City, Oklahoma**  
**Notes to Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2011**

**Note 4: Subrecipients**

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

Federal CFDA Number	Program Title	Amount Provided to Subrecipients
14.218	Community Development Block Grant/Entitlement Grant	\$ 1,962,683
14.231	Emergency Shelter Grants	220,236
14.235	Supportive Housing Program	1,618,118
14.238	Shelter Plus Care	309,064
14.214	Housing Opportunities for Persons with AIDS	445,539
14.257	ARRA - Homeless Prevention and Rapid Re-housing Program (HPRP) Recovery Act Funded	815,496
16.738	Edward Byrne Memorial Justice Assistance Grant Program	336,762
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units of Local Government	794,441
Total Federal Awards Provided to Subrecipients		<u>\$ 6,502,339</u>

**Note 5: Nonprofit Security Grant Program Eligibility**

The City has received grant funding from the U.S. Department of Homeland Security that was passed through the State of Oklahoma Office of Homeland Security under CFDA Number 97.008 - Non-Profit Security Grant Program and had total expenditures in the current year of \$1,674,524. Although the title of the grant and the grant regulations specify Non-Profit 501(c)3 entities are the only eligible recipients, the State has verbally confirmed that the City was eligible to receive this funding.



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2011**

**Summary of Auditor's Results**

1. The opinion(s) expressed in the independent accountants' report was (were):  
 Unqualified     Qualified     Adverse     Disclaimed
  
2. The independent accountants' report on internal control over financial reporting described:  
Significant deficiency(ies) noted considered material weakness(es)?     Yes     No  
Significant deficiency(ies) noted that are not considered to be a material weakness?     Yes     No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?     Yes     No
  
4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:  
Significant deficiency(ies) noted considered material weakness(es)?     Yes     No  
Significant deficiency(ies) noted that are not considered to be a material weakness?     Yes     No
  
5. The opinion(s) expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was (were):  
 Unqualified     Qualified     Adverse     Disclaimed
  
6. The audit disclosed findings required to be reported by OMB Circular A-133?     Yes     No



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

7. The City's major programs were:

Cluster/Program	CFDA Number
1 <i>Community Development Block Grant - Entitlement Grants Cluster</i>	
Community Development Block Grants/Entitlement Grants	14.218
ARRA -Community Development Block Grants/Entitlement Grant	14.253
2 <i>Community Development Block Grants – Section 108 Loan Guarantees</i>	14.248
3 <i>Federal Transit Cluster</i>	
Federal Transit - Capital Investment Grants	20.500
Federal Transit - Formula Grants	20.507
ARRA - Federal Transit - Formula Grants	20.507
4 <i>JAG Program Cluster</i>	
Edward Byrne Memorial Assistance Grant Program	16.738
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units of Local Government	16.804
5 <i>Edward Byrne Memorial State and Local Law Enforcement Assistance     Discretionary Program</i>	16.580
6 <i>ARRA - Energy Efficiency and Conservation Block Grant Program (Recovery     Act Funded)</i>	81.128
7 <i>Non-Profit Security Program</i>	97.008

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$1,880,247.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133?

Yes

No



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

**Findings Required to be Reported by *Government Auditing Standards***

<b>Reference Number</b>	<b>Finding</b>
11-01	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – In the prior year’s audit, we communicated a material weakness concerning controls over capital asset accounting. The Accounting Services Division of Finance Department (the Finance Department) implemented additional control procedures in response to our finding. As a result, it was determined during the current year that certain fixed assets had not been accurately reclassified in prior periods from construction in progress to the appropriate fixed asset categories upon completion of the associated project(s) and artwork had previously been depreciated as equipment. This resulted in an incorrect depreciation expense in prior years. This matter required a restatement of the prior year’s financial statements.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors that occurred and were not detected and/or corrected in a timely manner, resulting in a restatement of prior year’s financial statements.</p> <p>Cause – The completion status of construction in progress was not properly monitored in prior years.</p> <p>Recommendation – We recommend depreciation begin when construction in progress is substantially complete and the assets are placed in service, and artwork be classified correctly to ensure it is not depreciated. We acknowledge that significant efforts have been made to improve controls over capital asset accounting and recommend the Finance Department continue to look for additional ways to further improve controls and reconciliations relating to capital assets as well as developing additional procedures to ensure the Finance Department is properly notified of asset status.</p> <p>Views of Responsible Officials and Planned Corrective Actions – By policy, depreciation is begun when the City Council and Public Trusts place assets in service through their acceptance at meetings. We have changed the process from a departmental notice to the Finance Department of these completed projects to a process requiring the Finance Department to reconcile these notices to the various Board agendas. This reconciliation should ensure all completed projects are recorded timely. In addition, we have implemented a capital assets manual that should communicate capital asset requirements to all departments and guide capitalization procedures in the Finance Department. The capital assets manual addresses the proper classification and treatment of artwork.</p>





**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-02	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Unauthorized access to the City’s financial data may occur and not be prevented and/or detected in a timely manner.</p> <p>Programmers in the Information Technology (IT) Department have the ability to modify programming in the software used for financial reporting. This would allow programmers to make unauthorized changes to financial data.</p> <p>A notification of termination of employees and contractors is not always reaching the IT Department. This allows former employees or contractors to have unsupervised access in the system. We noted two former employees, who still had access in the Peoplesoft system. In addition, one contractor still had an active account in FMS, though the network account was disabled.</p> <p>Application security reports and logs are only being reviewed upon request.</p> <p>Cedar Crestone support user accounts are generic in nature. Since these accounts are only activated during support windows, the assignment of the account could be tracked manually. Currently, no tracking is being performed.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements or material misappropriation of assets due to error or fraud could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Resources available to the IT Department may not be sufficient to allow adequate monitoring of controls and duties may need to be reviewed and redesigned.</p> <p>Recommendation -- We recommend the City’s management evaluate the internal controls in the IT Department and take necessary actions as considered necessary to provide adequate resources or redesign of the control environment to allow sufficient monitoring controls.</p>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-02, continued	<p>Views of Responsible Officials and Planned Corrective Actions – Best practice is for developers to have access to preproduction environments only (development and test/staging environments) and no access to the production environment. Development is then performed in the development environment and reviewed and audited by separate personnel, typically build and release engineers. Deployment to the production environment is made by a third entity, typically a release or deployment manager, with authorized access to the production environment. All deployments are logged and reviewed by system administrators.</p> <p>Currently, Enterprise team developers perform all functions of development, testing, user functional signoff and deployment to production. This is only the case because the City does not have sufficient IT personnel resources to achieve this division of responsibilities, as is best practice. We will review the possibility of adding additional controls to mitigate improper changes within the production environment.</p>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-03	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – During 2011, management identified certain adjustments in the initial accounting of transactions relating to a capital lease and note receivable related to agreements with a golf course and third-party service provider, which required restatement of prior year financial statements. The material nature of the adjustments indicates a deficiency in the internal controls of the Oklahoma City Water Utilities Trust (the Trust).</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors not detected and/or corrected in a timely manner which resulted in a restatement of prior year’s financial statements.</p> <p>Cause – Notifications of these nonstandard transactions were not communicated to the appropriate personnel for recording in the Trust’s financial statements.</p> <p>Recommendation – We recommend the Trust’s management evaluate the current notification procedures and communication of nonstandard transactions, so that those transactions may be properly evaluated and reported within the Trust’s financial statements.</p> <p>Views of Responsible Officials and Planned Corrective Actions – The Finance Department-Accounting Services Division reviews Trust agendas for identifying non-routine transactions and makes determinations regarding necessary accounting transactions. In addition, the Accounting Services Division has established a year-end closing process to review for unusual events occurring during the year.</p>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-04	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Based on our identification of unrecorded payables during our search for unrecorded liabilities, management discovered an error in their system query that is designed to identify unrecorded payables. Management corrected the query and identified additional unrecorded payables.</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements due to error could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Review of query criteria may not be sufficient to support the timely identification of unrecorded payables.</p> <p>Recommendation – We recommend reviews of system queries related to the accounts payable cycle be enhanced.</p> <p>View of Responsible Officials and Planned Corrective Actions – A change was made in the information coded into accounts payable transactions in an effort to provide better information for the unrecorded payables. This added information caused the unrecorded payables search process to work improperly. We will review the process each year before using to ensure it works properly. In addition, we will research a more reliable method for identifying unrecorded payables.</p>





**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Findings</b>
11-05	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Certain limitations exist with the current asset keeper system. An error occurred in recording an asset in a previous year, which was corrected by recording a negative asset. In 2011, it was noted the negative capital asset was not removed when the original asset recorded was disposed, which resulted in an overstatement of revenues in the current year. The nature of the error indicates a deficiency in internal control over financial reporting of the City and its related trusts and authorities (the City).</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements or material misappropriations of assets due to error or fraud could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Due to limitation of correcting assets with the system, the City uses negative assets to correct initial recordings. Reconciliations, account analysis and reviews may not be sufficient to ensure timely and accurate financial reporting.</p> <p>Recommendation – We recommend the City’s management evaluate the current policies and procedures around reconciliations, account analysis and reviews within their capital asset management system and incorporate additional procedures as deemed necessary to identify errors or misstatements.</p> <p>Views of Responsible Officials and Planned Corrective Actions – The Accounting Services Division is in the process of developing reports for departments to use to examine asset listings more often than biennially as required by ordinance. In addition, internal monthly reporting and analysis is being developed to be used to identify asset errors.</p>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-06	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Property insurance claims and recoveries relating to an event which occurred in May 2010 were not recognized until the current year. Transactions involving non-cash and non-routine transactions require additional accounting and understanding from the Oklahoma City Municipal Facilities Authority (the Authority).</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Non-cash transactions could occur without being recorded accurately resulting in potential material misstatements in the financial statements or material misappropriations of assets due to error or fraud and not be detected and/or corrected in a timely manner.</p> <p>Cause – Due to a lack of communication between involved parties and an appropriate awareness of events by accounting personnel, proper accounting for this transaction was not completed timely. The Authority should maintain an understanding of non-cash and non-routine transactions in order to ensure they are properly accounted for.</p> <p>Recommendation – We recommend that additional channels of communication be established between Authority operations and accounting to ensure that accounting for non-routine transactions may be properly understood and accounting determined. Additionally, we recommend that the Authority evaluate events for impacts on the Authority’s activities to determine whether additional accounting is necessary.</p> <p>Views of Responsible Officials and Planned Corrective Actions –The Finance Department – Accounting Services Division reviews Trust agendas for identifying non-routine transactions and makes determinations regarding necessary accounting transactions. In addition, the Accounting Service Division has established a process to review unusual events during the year during the year-end closing process.</p>



**The City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Questioned Costs, continued**  
**Year Ended June 30, 2011**

**Findings Required to be Reported by OMB Circular A-133**

<b>Reference Number</b>	<b>Finding</b>	<b>Questioned Costs</b>
No matters are reportable		



**The City of Oklahoma City, Oklahoma**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2011**

<b>Summary of Finding</b>		<b>Status</b>
<b>Finding</b>	10-06	Resolved
	CFDA No. 20.205, Highway Planning & Construction Cluster, Federal Transit Administration, Grant No. OK-70-X002	
<b>Summary of Finding</b>	Expenses of \$327,020 from fiscal year 2009 were inappropriately included in the fiscal year 2010 Schedule.	
<b>Views of Responsible Officials to Prior Audit Findings</b>	We agree and will review special circumstances, such as retroactive grant awards, to ensure reporting in compliance with GASB 34.	
<b>Corrective Action Taken</b>	The City has implemented specific periodic training directed at improving grant expenditure and revenue recognition. A process has also been added to year-end procedures to reconcile the Schedule to the City's CAFR.	





**The City of Oklahoma City, Oklahoma**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2011**

<b>Summary of Finding</b>		<b>Status</b>
<b>Finding</b>	09-02	Resolved
	CFDA No. 20.205, Highway Planning & Construction Cluster, Federal Transit Administration, Grant No. OK-70-X002	
<b>Summary of Finding</b>	Expenses of \$964,341 from fiscal year 2008 were inappropriately included in the fiscal year 2009 Schedule.	
<b>Views of Responsible Officials to Prior Audit Findings</b>	We agree and will review special circumstances, such as retroactive grant awards, to ensure reporting in compliance with GASB 34.	
<b>Corrective Action Taken</b>	See finding 10-06.	



**The City of Oklahoma City, Oklahoma**  
**Summary Schedule of Prior Audit Findings, continued**  
**Year Ended June 30, 2011**

<b>Summary of Finding</b>		<b>Status</b>
<b>Finding</b>	09-03	Resolved
	CFDA Numbers 16.580 and 16.744, Targeting Violent Crime Initiative and Oklahoma City Anti Gang, Department of Justice, Grant Numbers 2007-DD-BX-0631 and 2008-PG-BX-0005	
<b>Summary of Finding</b>	Certain equipment acquired under the above grant awards in excess of \$5,000 were misclassified as supplies and not included in physical inventories.	
<b>Views of Responsible Officials to Prior Audit Findings</b>	The Weed and Seed program was reassigned to the Oklahoma City Police Department effective July 1, 2009. More rigorous review of inventory classification and a physical inventory every two years will be conducted in compliance with City policy.	
<b>Corrective Action Taken</b>	All grant expenditures are reviewed for proper classification as a capital asset. Additional controls were implemented on January 1, 2011, with the implementation of the Grants Internal Control Manual.	



**The City of Oklahoma City, Oklahoma**  
**Summary Schedule of Prior Audit Findings, continued**  
**Year Ended June 30, 2011**

<b>Summary of Finding</b>		<b>Status</b>
<b>Finding</b>	09-04	Resolved
	CFDA Numbers 16.580, 16.744 and 16.595, Targeting Violent Crime Initiative, Oklahoma City Anti Gang and Weed and Seed Program, Department of Justice, Grant Numbers 2007-DD-BX-0631, 2008-PG-BX-0005 and 2008-WS-QX-0189.	
<b>Summary of Finding</b>	Several transactions were tested for adequate internal controls but lacked sufficient evidence of supervisory review. Additionally, progress reports were not reviewed or submitted on a timely basis.	
<b>Views of Responsible Officials to Prior Audit Findings</b>	<p>Purchasing and accounting policies and procedures are being revised by the Finance Department to more clearly reflect that the review of transactions is at a more detailed level and is conducted by a person with supervisory responsibility over the program. Procedures will require evidence of review with initials or signatures as documentation.</p> <p>This program was reassigned to the Oklahoma City Police Department effective July 1, 2009. More rigorous review of properly authorized signatures will be conducted in compliance with City policy.</p>	
<b>Corrective Action Taken</b>	Procedures now require the authorization of two individuals to expend federal funds. We have also included information regarding authorization and review of expenditures in the Grants Internal Control Manual.	



**The City of Oklahoma City, Oklahoma**  
**Summary Schedule of Prior Audit Findings, continued**  
**Year Ended June 30, 2011**

	<b>Summary of Finding</b>	<b>Status</b>
<b>Finding</b>	09-05  CFDA Numbers 16.580, 16.744 and 16.595, Targeting Violent Crime Initiative, Oklahoma City Anti Gang and Weed and Seed Program, Department of Justice, Grant Numbers 2007-DD-BX-0631, 2008-PG-BX-0005 and 2008-WS-QX-0189.	Resolved
<b>Summary of Finding</b>	Certain expenses reviewed were not allowable under the grant agreements. Certain questioned costs were noted of \$15,644.	
<b>Views of Responsible Officials to Prior Audit Findings</b>	During the audit period, the three grant programs reviewed were administered by the Neighborhood Services Department. Effective July 1, 2009, these programs were moved to the Police Department where they have been rigorously reviewed. The Police Department will pay much closer attention to the allowability of grant expenditures in accordance with the grant agreements and Circular A-87 prior to requesting reimbursement.	
<b>Corrective Action Taken</b>	<p>During the current year, the City recorded a liability for probable repayment to the U.S. Department of Justice for questioned costs, totaling approximately \$250,000.</p> <p>Procedures now require the authorization of two individuals to expend funds. We have also included information regarding authorization and review of expenditures in the Grants Internal Control Manual.</p> <p>Special emphasis has been placed in the Grants Internal Control Manual on allowability of expenditures, including necessary, reasonable and allocable characteristics.</p>	

