

THE OKLAHOMA CITY PUBLIC TRANSPORTATION AND PARKING DEPARTMENT

Blended Operations of the Central Oklahoma
Transportation and Parking Authority, a Discrete Component Unit of
Oklahoma City, Oklahoma and the Transportation and Parking
Enterprise Funds of the City of Oklahoma City, Oklahoma

***Central Oklahoma
Transportation and Parking
Authority
Board of Trustees***

***City of Oklahoma City
Mayor and Council***

Mick Cornett, Mayor

Chris Kauffman, Chairman
Bernard L. Semtner, III, Vice Chairman
Kay Bickham
Craig Freeman
David Greenwell
Veran Randle
Mick Cornett
James D. Couch

James Greiner
Ed Shadid
Larry McAtee
Pete White
David Greenwell
Margaret S. "Meg" Salyer
John A. Pettis Jr.
Patrick J. Ryan

Management

Jason Ferbrache, Department Director
James D. Couch, City Manager

Annual Financial Report for the Fiscal Year Ended June 30, 2014

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

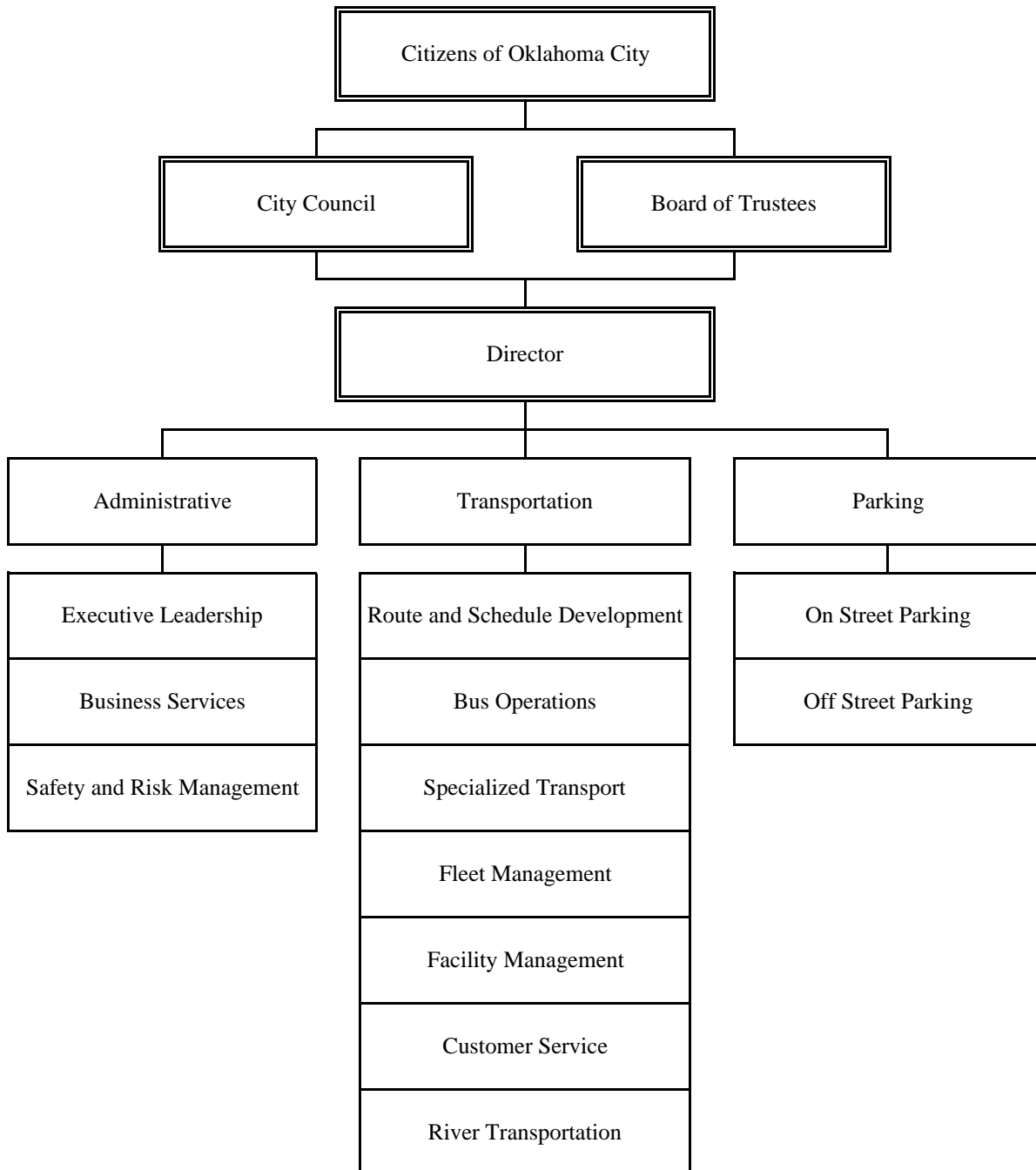
**OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

TABLE OF CONTENTS

For the Fiscal Years Ended June 30, 2014 and 2013

	PAGE
City of Oklahoma City Transportation and Parking Department Organization Chart	ii
Introductory:	
Transmittal Letter	#VALUE!
Financial:	
Independent Auditor's Report on Financial Statements and Supplementary Information	3
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Department-wide Financial Statements:</i>	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	15
<i>Division Financial Statements:</i>	
Statements of Net Position	16
Statements of Revenues, Expenses, and Changes in Net Position	17
Statements of Cash Flows	18
Division Combining Financial Statements:	
<i>Transportation Division:</i>	
Statements of Net Position	20
Statements of Revenues, Expenses, and Changes in Net Position	21
Statements of Cash Flows	23
<i>River Cruises Division:</i>	
Statements of Net Position	24
Statements of Revenues, Expenses, and Changes in Net Position	25
Statements of Cash Flows	27
<i>Parking Division:</i>	
Statements of Net Position	28
Statements of Revenues, Expenses, and Changes in Net Position	29
Statements of Cash Flows	31
COTPA Retirement Trust:	
Statements of Fiduciary Net Position	32
Statements of Changes in Fiduciary Net Position	33
Notes to Financial Statements	34
Required Supplementary Information:	
Defined Benefit Pension Trusts	73
Other Post-Employment Benefits Trusts	76
Supplementary Information:	
<i>Authority Funds:</i>	
Schedules of Net Position	78
Schedules of Revenues, Expenses, and Changes in Net Position	79
Schedules of Cash Flows	81
<i>Enterprise Funds:</i>	
Schedules of Net Position	82
Schedules of Revenues, Expenses, and Changes in Net Position	83
Schedules of Cash Flows	85
Independent Auditor's 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 <i>Government Auditing Standards</i>	87

City of Oklahoma City Transportation and Parking Department Organization Chart



Introductory Section

300 SW 7TH STREET
OKLAHOMA CITY
OKLAHOMA 73109

customer service
405.235.7433 (RIDE)

administration
405.297.1331

embarkok.com



December 11, 2014

The Board of Trustees of the
Central Oklahoma Transportation and Parking Authority
Honorable Mayor and City Council

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

The Department's annual report includes the report of independent auditors, management's discussion and analysis (MD&A), Department-wide, division, and fund financial statements, related notes, and required supplementary information. Management's narrative on the financial activities of the Department for the fiscal years ended June 30, 2014 and 2013, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Department is included within the City's Comprehensive Annual Financial Report (CAFR).

The Department consists of the combined financial transactions of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City, and the Transportation and Parking Enterprise Funds of the City (Enterprise). Services and activities of the Department, provided on behalf of the City, include financing and operation of ground and river transportation and parking services available to the public.

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

The City Enterprise funds were established in July 1989 in connection with an agreement between the Authority and the City that allows the management of the day to day operations of the transportation and parking systems to be conducted by the City.

The current economic environment and the economic outlook for Oklahoma City continue to remain very positive. The cost of living rating is consistently below the national average; and the City has a strong industry presence; low commuting times; convenient airline travel; quality education, entertainment and sports opportunities; favorable weather; and a central location within the State of Oklahoma. Oklahoma City continues to receive numerous top accolades for metropolitan cities in the United States including Forbes 2014 ranking of Oklahoma City as the 7th Best Place for Business and Careers. This rating was based on a dozen factors related to jobs, costs of business and living, income growth, quality of life, and the education of the workforce. These factors promise an immediate and sustainable economic growth outlook for the next several years.

In a report prepared by The Steven C. Agee Economic Research & Policy Institute of Oklahoma City University, dated February 4, 2014 and entitled "Greater Oklahoma City Economic Forecast", the Institute reported that the U.S. economy will carry positive economic momentum in 2014 and in future years will support the continued economic growth in Oklahoma City. However, the Institute cites that cities who have had a low unemployment rate for an extended period of time, such as Oklahoma City, can face some unique challenges in the areas of talent recruitment and wages. Since November of 2013, Oklahoma City has experienced the lowest unemployment rate among cities with more than 1 million in population for 26 of the past 35 months. The unemployment rate is expected to trend down to 4.5% by the end of 2014 and 4.11% by the end of 2015. Additionally, for the 6th straight year, it has remained 2 percentage points below the nation's unemployment rate. The Institute reported that recent employment and earnings growth should result in positive sales tax momentum with a general projection of 4% to 6% annual growth in sales tax revenues for calendar years 2014 and 2015 depending on the national economy. Average weekly earnings, a key driver of sales tax growth, is expected to grow 5.1 percent in fiscal year 2015. Without any significant changes in the national economy, overall job growth is expected to be around 3.0 percent for fiscal year 2015.

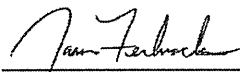
Fiscal year 2014, in terms of sales tax revenue growth, substantiates this positive outlook for fiscal year 2015. The first three quarters of fiscal year 2014 saw growth of less than 1.0 percent. The final quarter of the year saw growth of 8.4%. For the year, sales tax revenue grew at 2.7%. This strong performance at the end of the year, coupled with better than expected performance in several other revenue categories allowed for increases in several programs for fiscal year 2015. Budgeted expenditures for fiscal year 2015 also were based on the positive projected economic growth.

Any economic outlook is predicated on sustainable factors. The City Council has a continuing priority to its citizens to fulfill the promises made to them with regard to completing the projects established in voter initiatives to invest in the City. In addition, the City Council is focused on pursuing a financial model that provides adequate resources to meet the expectations for services as Oklahoma City grows and maintaining strong financial management that is evidenced by the highest possible rating of the City's general obligation bonds by both Moody's and Standard and Poor's.

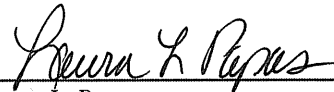
The Mayor (or his appointed surrogate), the City Manager (or his appointed surrogate), and the City Finance Director, serve as the Authority's Trustees with five other Trustees appointed by the Mayor and approved by the Council. The Department participates in the City's comprehensive accounting and budgetary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

In compliance with statutory requirements, the Department engaged BKD, LLP to conduct its annual audit. The Department acknowledges the professional and competent services of its independent auditors.

Respectfully submitted,



Jason Ferbrache
City of Oklahoma City
Public Transportation and Parking Director



Laura L. Papas
City of Oklahoma City
Controller

Financial Section

Independent Auditor's Report on Financial Statements and Supplementary Information

Board of Trustees
Oklahoma City Public Transportation and Parking Department
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities, each major fund and the aggregate remaining fund information, of the Oklahoma City Public Transportation and Parking Department (the Department), a discrete component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the years ended June 30, 2014 and 2013, and the related notes to the basic financial statements, which collectively comprise the Department's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the Department as of June 30, 2014 and 2013, and the respective changes in its financial position and its cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note I.B.2*, the financial statements of the Department are intended to present the financial position, the changes in financial position and the cash flows of only that portion of the business-type activities and major funds of the City that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2014 and 2013, the changes in its financial position or its cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying schedules outlined in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audits were conducted for the purpose of forming opinions on the basic financial statements as a whole. The transmittal letter preceding this report is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The transmittal letter has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, on our consideration of the Department'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* in considering the Department's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
December 11, 2014

This Page Left Intentionally Blank

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Public Transportation and Parking Department (Department) annual financial report, the Department's management provides narrative discussion and analysis of the financial activities of the Department for the fiscal years ended June 30, 2014 and 2013. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Department consists of the blended operations of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City of Oklahoma City (City), and the Transportation and Parking Enterprise Funds (Enterprise) of the City.

Financial Summary

- Department assets exceeded liabilities by \$73,116,147 (net position) for 2014. This compares to the previous year when assets exceeded liabilities by \$66,383,008 (net position).
- Total assets for the Department increased by \$5,169,804 (5.2%) to \$105,178,974 during the fiscal year. This compares to the previous year when assets increased by \$37,744,750.
- Total liabilities for the Department decreased by \$1,563,335 (4.6%) to \$32,062,827 during the fiscal year. This compares to the previous year when liabilities increased by \$26,919,181.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets, in the amount of \$50,818,761 at June 30, 2014 and \$44,332,344 at June 30, 2013 includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$2,062,670 and \$1,481,260 at June 30, 2014 and 2013, respectively, is restricted for debt service by constraints imposed by debt covenants.
 - (3) Unrestricted net position is \$20,234,716 at June 30, 2014 and \$20,569,404 at June 30, 2013.

Overview of the Financial Statements

This discussion and analysis introduces the Department's basic financial statements. The basic financial statements include: (1) Department-wide financial statements, (2) division financial statements and division combining financial statements, (3) fiduciary financial statements, and (4) notes to the financial statements. The Department also includes in this report additional information to supplement the basic financial statements.

Department-wide Financial Statements

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

The first of these statements is the statement of net position. This is the statement of position presenting information that includes all of the Department's assets and liabilities, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department as a whole is improving or deteriorating and identify financial strengths and weaknesses and assess liquidity.

The second statement is the statement of revenues, expenses, and changes in net position which reports how the Department's net position changed during the current fiscal year and can be used to assess the Department's operating results in its entirety and analyze how the Department's programs are financed. 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 Department cash.

Information for the Enterprise and the Authority Departmental Funds are found in the combining statements in a later section of this report.

Division Financial Statements

The division financial statements and division combining financial statements report services for which the Department charges customers a fee. Services are provided to customers external to the Department for public transportation and parking.

These statements provide both long-term and short-term financial information consistent with the focus provided by the department-wide financial statements, but with more detail.

Fiduciary Financial Statements

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

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to gain a full understanding of the Department-wide, division, and fiduciary financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

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

Financial Analysis

The Department's net position at fiscal year-end is \$73,116,147. This is an increase of \$6,733,139 over last year's net position of \$66,383,008. Overall, the Department's financial position improved during fiscal year 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Summary of Net Position							
			2014-2013	2014-2013		2013-2012	2013-2012
			Amount	%		Amount	%
	<u>2014</u>	<u>2013</u>	<u>of Change</u>	<u>Change</u>	<u>2012</u>	<u>of Change</u>	<u>Change</u>
Assets							
Current assets	\$33,185,292	\$47,770,074	(\$14,584,782)	(30.5%)	\$23,120,772	\$24,649,302	106.6%
Capital assets, net	69,747,698	50,170,159	19,577,539	39.0	38,699,422	11,470,737	29.6
Other non-current assets	<u>2,245,984</u>	<u>2,068,937</u>	<u>177,047</u>	8.6	<u>444,226</u>	<u>1,624,711</u>	365.7
Total assets	<u>105,178,974</u>	<u>100,009,170</u>	<u>5,169,804</u>	5.2	<u>62,264,420</u>	<u>37,744,750</u>	60.6
Liabilities							
Current liabilities	8,261,488	9,265,841	(1,004,353)	(10.8)	3,312,937	5,952,904	179.7
Non-current liabilities	<u>23,801,339</u>	<u>24,360,321</u>	<u>(558,982)</u>	(2.3)	<u>3,394,044</u>	<u>20,966,277</u>	617.7
Total liabilities	<u>32,062,827</u>	<u>33,626,162</u>	<u>(1,563,335)</u>	(4.6)	<u>6,706,981</u>	<u>26,919,181</u>	401.4
Net position							
Net investment in capital assets	50,818,761	44,332,344	6,486,417	14.6	38,016,936	6,315,408	16.6
Restricted	2,062,670	1,481,260	581,410	39.3	-	1,481,260	100.0
Unrestricted	<u>20,234,716</u>	<u>20,569,404</u>	<u>(334,688)</u>	(1.6)	<u>17,540,503</u>	<u>3,028,901</u>	17.3
Total net position	<u>\$73,116,147</u>	<u>\$66,383,008</u>	<u>\$6,733,139</u>	10.1	<u>\$55,557,439</u>	<u>\$10,825,569</u>	19.5

Current assets decreased by \$14.58 million in 2014 and increased by \$24.65 million in 2013. Cash and investments decreased \$12.09 million in 2014 including \$16.68 million in restricted investments mostly related to construction in the Parking division. Cash and investments increased \$25.87 million in 2013 including \$21.71 million in restricted investments related to bonds issued in 2013. Accounts receivable decreased \$2.92 million in 2013 due to the receipt of \$2.94 million receivable from the escrow agent related to the defeasance of bonds in 2012. Receivable from the City decreased \$1.01 million in 2014 and increased \$152 thousand in 2013 due to the timing of the City General Fund subsidy to the Authority Transportation Fund. Intergovernmental receivables decreased \$1.64 million and increased \$1.61 million related to the timing of receipts of Federal grant revenues in 2014 and 2013, respectively.

Capital assets, net of accumulated depreciation, increased \$19.58 million in 2014 with construction and capital acquisitions of \$23.15 million, net of \$619 thousand in retirements and \$2.96 million in depreciation. Capital assets, net of accumulated depreciation, increased \$11.47 million in 2013 with construction and capital acquisitions of \$15.04 million, net of depreciation of \$2.93 million. Other non-current assets increased \$177 thousand in 2014 with the increase in the pension asset related to pension contributions in excess of the actuarially determined annual required contribution. Other non-current assets increased \$1.62 million in 2013 with the increase of non-current investments of \$1.48 million related to the bond reserve for bonds issued in 2013.

Current liabilities decreased \$1.00 million in 2014 due mainly to a decrease in accounts payable in the amount of \$1.99 million related to the timing of construction and wages and benefits payments, offset by the increase in bond interest and principle payable of \$1.02 million for scheduled bond payments. Current liabilities increased \$5.95 million in 2013 primarily due to an increase in accounts payable in the amount of \$5.94 million related to the timing of construction payments.

Non-current liabilities decreased \$559 thousand in 2014 with the reduction in non-current bonds payable for the current portion due of \$580 thousand. Non-current liabilities increased \$20.97 million in 2013 due to an increase in bonds payable of \$22.00 million with the issuance of bonds, offset by a decrease in payable to the City of \$970 thousand with the exchange of the receivable from the Oklahoma City Water Utilities Trust (OCWUT) for retail space.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Summary of Changes in Net Position							
			2014-2013	2014-2013		2013-2012	2013-2012
			Amount	%		Amount	%
	<u>2014</u>	<u>2013</u>	<u>of Change</u>	<u>Change</u>	<u>2012</u>	<u>of Change</u>	<u>Change</u>
Operating revenues	\$10,195,023	\$9,231,762	\$963,261	10.4%	\$9,250,895	(\$19,133)	(0.2%)
Operating expenses							
Personal services	15,425,437	14,655,111	770,326	5.3	13,920,423	734,688	5.3
Maintenance, operations, and contractual services	9,711,062	9,249,075	461,987	5.0	9,422,211	(173,136)	(1.8)
Material and supplies	3,999,712	4,207,914	(208,202)	(4.9)	3,894,340	313,574	8.1
Depreciation	<u>2,958,208</u>	<u>2,932,933</u>	<u>25,275</u>	0.9	<u>3,003,078</u>	<u>(70,145)</u>	(2.3)
Total operating expenses	<u>32,094,419</u>	<u>31,045,033</u>	<u>1,049,386</u>	3.4	<u>30,240,052</u>	<u>804,981</u>	2.7
Operating loss	<u>(21,899,396)</u>	<u>(21,813,271)</u>	<u>(86,125)</u>	(0.4)	<u>(20,989,157)</u>	<u>(824,114)</u>	(3.9)
Net non-operating revenues	25,797,854	29,772,971	(3,975,117)	(13.4)	22,377,556	7,395,415	33.0
Contributions and transfers	2,834,681	1,758,114	1,076,567	61.2	780,704	977,410	125.2
Special item	-	<u>1,107,755</u>	<u>(1,107,755)</u>	(100.0)	<u>7,373,238</u>	<u>(6,265,483)</u>	(85.0)
Changes in net position	6,733,139	10,825,569	(4,092,430)	(37.8)	9,542,341	1,283,228	13.4
Beginning net position	<u>66,383,008</u>	<u>55,557,439</u>	<u>10,825,569</u>	19.5	<u>46,015,098</u>	<u>9,542,341</u>	20.7
Ending net position	<u>\$73,116,147</u>	<u>\$66,383,008</u>	<u>\$6,733,139</u>	10.1	<u>\$55,557,439</u>	<u>\$10,825,569</u>	19.5

Operating revenues increased \$963 thousand in fiscal year 2014. Parking revenues increased \$865 thousand due to continued high occupancy rates and lease revenues increased in the Transportation Division \$107 thousand with new leases related to the newly acquired Santa Fe Railroad Depot. Operating revenues decreased \$19 thousand in fiscal year 2013. Parking revenues increased \$167 thousand due to high occupancy rates system wide which was offset by a decrease of \$206 thousand in lease and rental income in large part the result of the exchange of receivable from OCWUT for retail space.

Operating expenses increased \$1.05 million in fiscal year 2014. The increase was the result of an increase in personal services of \$770 thousand, mainly for vacation and sick pay for the retirement of tenured employees and a health insurance increase, an increase of \$462 thousand in maintenance, operations, and contractual services related in part to increased utilities, consultant studies, outsourced repairs of an aging bus fleet, transit system service enhancements, and rebranding in the Transportation Division, an increase in parking contracts and services, offset by a decrease in materials and supplies of \$208 thousand mainly for reduced fuel costs, fewer accidents, and more vehicles under warranty. Operating expenses increased \$805 thousand in fiscal year 2013. The increase was the result of an increase in personal services of \$735 thousand, in part for a cost of living pay raise and an increase in materials and supplies of \$314 thousand mainly related to the purchase of wheelchair constraint systems and parts for the aging bus fleet, offset by a decrease of \$173 thousand in maintenance, operations, and contractual services related to a decrease in planning studies in transit of approximately \$240 thousand, a decrease in advertising and promotions of \$140 thousand related to air quality promotions, offset by a new Oklahoma City Thunder parking lease of \$199 thousand.

Net non-operating revenues decreased by \$3.98 million in fiscal year 2014 due to a \$5.24 million decrease in receipts of grant operating revenue due to a Federal American Recovery and Reinvestment Act (ARRA) grant for 2013 ending, offset by an increase in the City General Fund subsidy of \$1.06 million mainly for increases in personnel costs. Net non-operating revenues increased by \$7.40 million in fiscal year 2013 due to a \$5.69 million increase in receipts of grant operating revenue for an ARRA grant and an increase in the City General Fund subsidy of \$1.66 million mainly for increases in personnel costs and costs to operate and maintain the bus fleet and service enhancements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Contributions and transfers increased \$1.08 million in fiscal year 2014 mostly from an increase in Federal capital grants of \$987 thousand for an increase in reimbursements for vans and buses. Contributions and transfers increased \$977 thousand in fiscal year 2013 mostly from an increase in Federal capital grants of \$894 thousand for an increase in capital awards and an increase in capital payments from the City of \$62 thousand for an increase in grant match.

A special item of \$1.11 million was reported in 2013 for the exchange of retail space for the cancellation of debt with OCWUT. In 2012 a special item was reported in the amount of \$7.37 million related to the sale of the Broadway Kerr parking garage and the resulting defeasance of bonds.

Capital Assets and Debt Administration

Capital Assets

The Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2014 and 2013, was \$69,747,698 and \$50,170,159, respectively. This was an increase of 39.0% in this investment compared to an increase of 29.6% in 2013. See Note II. G. for more information regarding capital assets.

Capital Assets, Net of Accumulated Depreciation

			2014-2013	2014-2013		2013-2012	2013-2012
			Amount	%		Amount	%
	<u>2014</u>	<u>2013</u>	<u>of Change</u>	<u>Change</u>	<u>2012</u>	<u>of Change</u>	<u>Change</u>
Non-Depreciable Assets							
Land and art	\$4,907,022	\$4,872,022	\$35,000	0.7%	\$4,219,827	\$652,195	15.5%
Construction in progress	<u>26,796,183</u>	<u>10,454,333</u>	<u>16,341,850</u>	156.3	<u>3,289,253</u>	<u>7,165,080</u>	217.8
Total non-depreciable assets	<u>31,703,205</u>	<u>15,326,355</u>	<u>16,376,850</u>	106.9	<u>7,509,080</u>	<u>7,817,275</u>	104.1
Depreciable Assets							
Buildings	10,842,294	10,019,495	822,799	8.2	10,604,430	(584,935)	(5.5)
Improvements other than buildings	3,603,269	2,961,265	642,004	21.7	3,005,611	(44,346)	(1.5)
Buses, automobiles and river boats	10,958,861	9,869,194	1,089,667	11.0	7,040,334	2,828,860	40.2
Parking garages and surface lots	9,249,465	9,143,713	105,752	1.2	9,278,163	(134,450)	(1.4)
Other assets	<u>3,390,604</u>	<u>2,850,137</u>	<u>540,467</u>	19.0	<u>1,261,804</u>	<u>1,588,333</u>	125.9
Total depreciable assets	<u>38,044,493</u>	<u>34,843,804</u>	<u>3,200,689</u>	9.2	<u>31,190,342</u>	<u>3,653,462</u>	11.7
	<u>\$69,747,698</u>	<u>\$50,170,159</u>	<u>\$19,577,539</u>	39.0	<u>\$38,699,422</u>	<u>\$11,470,737</u>	29.6

Land and art increased \$35 thousand and \$652 thousand in 2014 and 2013 for the purchase of art and land, respectively, for the new Arts District Parking Garage. Construction in progress increased \$16.34 million in fiscal year 2014 related to \$14.38 million in new Arts District Parking Garage construction, \$1.62 million related to Santa Fe Parking Garage improvements, and \$1.02 million in Century Center Parking Garage improvements. Construction in progress increased \$7.17 million in fiscal year 2013 related to \$3.86 million in new Arts District Parking Garage construction, \$1.12 million in Santa Fe Parking Garage improvements, and \$2.32 million in construction of the Oklahoma River Cruises maintenance building.

Depreciable assets increased in 2014 by \$2.99 million mainly due to buses, automobiles and river boats increase of \$1.09 million with the purchase of four new buses, eleven paratransit vans, and four dodge caravans and an increase of \$1.46 million in buildings and improvements other than buildings related to improvements to parking garages and various transportation facilities, offset by normal depreciation. Depreciable assets increased in 2013 by \$3.65 million mainly due to buses, automobiles and river boats increase of \$2.83 million with the purchase of new buses and an increase of \$1.59 million in other assets which included furniture, machinery, and equipment, offset by normal depreciation.

Long-term Debt

At the end of the 2014 fiscal year, the Department had total bonded debt outstanding of \$22.00 million. This debt was primarily supported by pledged revenues generated by the parking activities of the Department (revenue bonds). See Note III. D. for more information regarding revenue bonds.

	Outstanding Bonds							
	2014-2013		2014-2013		2013-2012		2013-2012	
	Amount	%	Amount	%	Amount	%	Amount	%
	<u>2014</u>	<u>2013</u>	<u>of Change</u>	<u>Change</u>	<u>2012</u>	<u>of Change</u>	<u>Change</u>	
Revenue bonds								
Parking	<u>\$22,000,000</u>	<u>\$22,000,000</u>	<u>\$ -</u>	0.0%	<u>\$ -</u>	<u>\$22,000,000</u>		100.0%

Series 2013 Parking Revenue Bonds were issued in the amount of \$22.00 million in 2013 to pay for the construction of the new Arts District parking facility. See Note III. F. for more information regarding changes in long-term debt.

Bond Ratings

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

Economic Factors

Continued economic recovery in 2014 did not translate into increased bus ridership. Parking occupancy remained strong. The increase in the Trust financial position is the result of the continued subsidy of the Transportation division by the City and the construction of the new Arts District Parking Garage in the Parking Division.

Contacting the Department's Financial Management

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

Basic Financial Statements

Department-wide Financial Statements

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

* ***Business-Type Activities*** – *Reports transportation and parking activities.*

Fund Financial Statements

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

Proprietary Fund Financial Statements

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

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

Fiduciary Fund Financial Statements

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

STATEMENTS OF NET POSITION
June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014	2013
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Pooled cash-----	\$125	\$6,698
Non-pooled cash-----	17,611,919	13,016,270
Investments-----	12,724,384	29,401,905
Accounts receivable, net-----	337,686	265,831
Interest receivable-----	364	630
Due from other funds-----	38,977	723
Receivable from primary government-----	-	1,007,593
Intergovernmental receivables-----	1,618,441	3,261,962
Inventories-----	808,124	792,725
Prepays-----	45,272	15,737
Total current assets-----	<u>33,185,292</u>	<u>47,770,074</u>
<u>NON-CURRENT ASSETS</u>		
Investments-----	1,482,355	1,481,260
Prepays-----	5,270	-
Other-----	758,359	587,677
Capital assets:		
Land, art, and construction in progress-----	31,703,205	15,326,355
Other capital assets, net of accumulated depreciation-----	38,044,493	34,843,804
Total capital assets-----	<u>69,747,698</u>	<u>50,170,159</u>
Total non-current assets-----	<u>71,993,682</u>	<u>52,239,096</u>
Total assets-----	<u>105,178,974</u>	<u>100,009,170</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses-----	6,246,176	8,061,384
Wages and benefits payable-----	445,435	624,765
Due to other funds-----	861	694
Payable to primary government-----	88,212	133,532
Compensated absences-----	318,031	285,943
Unearned revenue-----	147,340	159,523
Bond interest payable-----	435,433	-
Bonds payable-----	580,000	-
Total current liabilities-----	<u>8,261,488</u>	<u>9,265,841</u>
<u>NON-CURRENT LIABILITIES</u>		
Compensated absences-----	664,005	614,328
Unearned revenue-----	969,250	1,102,250
Bonds payable-----	21,420,000	22,000,000
Net other post-employment benefit obligation-----	748,084	643,743
Total non-current liabilities-----	<u>23,801,339</u>	<u>24,360,321</u>
Total liabilities-----	<u>32,062,827</u>	<u>33,626,162</u>
<u>NET POSITION</u>		
Net investment in capital assets-----	50,818,761	44,332,344
Restricted for debt service-----	2,062,670	1,481,260
Unrestricted-----	20,234,716	20,569,404
Total net position-----	<u>\$73,116,147</u>	<u>\$66,383,008</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014	2013
<u>OPERATING REVENUES</u>		
<u>CHARGES FOR SERVICES</u>		
Transportation charges-----	\$2,695,727	\$2,721,503
River cruise charges-----	175,274	150,458
Parking-----	6,880,235	6,015,144
Total charges for services-----	9,751,236	8,887,105
Lease and rental income-----	183,314	87,866
Other-----	260,473	256,791
Total operating revenues-----	10,195,023	9,231,762
<u>OPERATING EXPENSES</u>		
Personal services-----	15,425,437	14,655,111
Maintenance, operations, and contractual services-----	9,711,062	9,249,075
Materials and supplies-----	3,999,712	4,207,914
Depreciation-----	2,958,208	2,932,933
Total operating expenses-----	32,094,419	31,045,033
Operating loss-----	(21,899,396)	(21,813,271)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Non-capital contributions-----	133,000	133,000
Grants operating-----	10,668,028	15,911,611
Investment income-----	18,192	16,171
Bond issue costs-----	(75,325)	(250,453)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	-	45,286
Payments from City of Oklahoma City-----	14,900,855	13,841,451
Other revenues-----	103,104	25,905
Net non-operating revenues-----	25,797,854	29,772,971
Income before contributions and transfers and special item-----	3,898,458	7,959,700
<u>CONTRIBUTIONS AND TRANSFERS</u>		
Grants capital-----	2,406,063	1,419,255
Capital payments from City of Oklahoma City-----	75,000	75,976
Other capital contributions-----	511	-
Transfers from other funds-----	353,107	262,883
Total contributions and transfers-----	2,834,681	1,758,114
<u>SPECIAL ITEM</u>		
Special item-----	-	1,107,755
Changes in net position-----	6,733,139	10,825,569
Total net position, beginning-----	66,383,008	55,557,439
Total net position, ending-----	\$73,116,147	\$66,383,008

See accompanying notes to financial statements.

This Page Left Intentionally Blank

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$10,082,086	\$9,562,340
Cash payments to suppliers for goods and services-----	(15,714,904)	(12,794,462)
Cash payments to employees and professional contractors for services-----	(15,593,629)	(14,710,764)
Operating payments from (to) City of Oklahoma City-----	968,832	(152,245)
Net cash provided (used) by operating activities-----	(20,257,615)	(18,095,131)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash received from operating grants-----	11,345,521	13,841,764
Transfers received from other funds-----	314,309	326,960
Transfers paid to other funds-----	(1,202)	-
Non-capital financing payments from (to) component units-----	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	14,975,855	13,841,451
Other non-capital financing cash receipts-----	-	210,185
Net cash provided (used) by non-capital financing activities-----	26,684,483	28,270,360
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Proceeds from issuance of long-term debt-----	-	21,749,547
Payments for acquisition and construction of capital assets-----	(21,552,083)	(9,494,056)
Interest paid on long-term debt-----	(462,043)	-
Capital financing payments from (to) component units-----	-	45,286
Proceeds from sale of assets-----	12,992	3,118,204
Capital grants and contributions received-----	3,468,460	1,737,939
Net cash provided (used) by capital and related financing activities-----	(18,532,674)	17,156,920
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments-----	(16,830,488)	(34,001,911)
Proceeds from sale of investments-----	33,406,473	13,307,282
Changes in pooled investments-----	100,707	(113,001)
Investment income received-----	18,190	15,372
Net cash provided (used) by investing activities-----	16,694,882	(20,792,258)
Net increase (decrease) in cash-----	4,589,076	6,539,891
Cash, beginning-----	13,022,968	6,483,077
Cash, ending-----	\$17,612,044	\$13,022,968
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)-----	(\$21,899,396)	(\$21,813,271)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Depreciation-----	2,958,208	2,932,933
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	(71,854)	25,303
(Increase) decrease in due from other funds-----	(24,257)	(24,670)
(Increase) decrease in receivable from component units-----	(18,196)	21,520
(Increase) decrease in receivable from City of Oklahoma City-----	1,007,594	(152,245)
(Increase) decrease in inventories-----	(15,400)	69,070
(Increase) decrease in prepaid assets-----	(34,806)	(9,061)
(Increase) decrease in other assets-----	(170,680)	(143,452)
Increase (decrease) in accounts payable and accrued expenses-----	(1,982,469)	827,753
Increase (decrease) in wages and benefits payable-----	(178,709)	85,733
Increase (decrease) in due to other funds-----	25,552	4,982
Increase (decrease) in payable to City of Oklahoma City-----	(27,124)	75,660
Increase (decrease) in compensated absences-----	81,766	(4,343)
Increase (decrease) in notes, lease and estimated claims payable-----	-	(60,000)
Increase (decrease) in net other post-employment benefit obligation-----	104,340	72,325
Increase (decrease) in unearned revenue-----	(12,184)	(3,368)
Total adjustments-----	1,641,781	3,718,140
Net cash provided (used) by operating activities-----	(20,257,615)	(18,095,131)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>		
Net increase (decrease) in fair value of investments-----	\$265	(\$260)
Forgiveness of debt-----	-	1,091,250
Transfers of assets from (to) other funds-----	-	(207,245)
Total non-cash investing, capital, and financing activities-----	\$265	\$883,745

See accompanying notes to financial statements.

DIVISION STATEMENTS OF NET POSITION
June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013	
	Division			Total	
	Transportation	River Cruises	Parking	Department	Department
ASSETS					
CURRENT ASSETS					
Pooled cash-----	\$37	\$ -	\$88	\$125	\$6,698
Non-pooled cash-----	6,739,641	296,254	10,576,024	17,611,919	13,016,270
Investments-----	3,019,327	-	9,705,057	12,724,384	29,401,905
Accounts receivable, net-----	181,224	-	156,462	337,686	265,831
Interest receivable-----	59	-	305	364	630
Payable/due from (to) within the Department----	(8,706)	58,355	(49,649)	-	-
Due from other funds-----	38,977	-	-	38,977	723
Receivable from primary government-----	-	-	-	-	1,007,593
Intergovernmental receivables-----	1,618,441	-	-	1,618,441	3,261,962
Inventories-----	792,763	1,009	14,352	808,124	792,725
Prepays-----	45,272	-	-	45,272	15,737
Total current assets-----	12,427,035	355,618	20,402,639	33,185,292	47,770,074
NON-CURRENT ASSETS					
Investments-----	-	-	1,482,355	1,482,355	1,481,260
Prepays-----	5,270	-	-	5,270	-
Other-----	758,359	-	-	758,359	587,677
Capital assets:					
Land, art, and construction in progress-----	5,762,280	249,263	25,691,662	31,703,205	15,326,355
Other capital assets, net of accumulated depreciation-----	22,504,499	4,761,846	10,778,148	38,044,493	34,843,804
Total capital assets-----	28,266,779	5,011,109	36,469,810	69,747,698	50,170,159
Total non-current assets-----	29,030,408	5,011,109	37,952,165	71,993,682	52,239,096
Total assets-----	41,457,443	5,366,727	58,354,804	105,178,974	100,009,170
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued expenses-----	1,058,889	6,034	5,181,253	6,246,176	8,061,384
Wages and benefits payable-----	434,790	-	10,645	445,435	624,765
Due to other funds-----	-	-	861	861	694
Payable to primary government-----	11,094	16	77,102	88,212	133,532
Compensated absences-----	295,665	-	22,366	318,031	285,943
Unearned revenue-----	105	133,000	14,235	147,340	159,523
Bond interest payable-----	-	-	435,433	435,433	-
Bonds payable-----	-	-	580,000	580,000	-
Total current liabilities-----	1,800,543	139,050	6,321,895	8,261,488	9,265,841
NON-CURRENT LIABILITIES					
Compensated absences-----	630,669	-	33,336	664,005	614,328
Unearned revenue-----	-	969,250	-	969,250	1,102,250
Bonds payable-----	-	-	21,420,000	21,420,000	22,000,000
Net other post-employment benefit obligation---	667,984	-	80,100	748,084	643,743
Total non-current liabilities-----	1,298,653	969,250	21,533,436	23,801,339	24,360,321
Total liabilities-----	3,099,196	1,108,300	27,855,331	32,062,827	33,626,162
NET POSITION					
Net investment in capital assets-----	28,091,845	5,006,094	17,720,822	50,818,761	44,332,344
Restricted for debt service-----	-	-	2,062,670	2,062,670	1,481,260
Unrestricted-----	10,266,402	(747,667)	10,715,981	20,234,716	20,569,404
Total net position-----	\$38,358,247	\$4,258,427	\$30,499,473	\$73,116,147	\$66,383,008

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<u>OPERATING REVENUES</u>					
<u>CHARGES FOR SERVICES</u>					
Transportation charges-----	\$2,695,727	\$ -	\$ -	\$2,695,727	\$2,721,503
River cruise charges-----	-	175,274	-	175,274	150,458
Parking-----	-	-	6,880,235	6,880,235	6,015,144
Total charges for services-----	2,695,727	175,274	6,880,235	9,751,236	8,887,105
Lease and rental income-----	133,767	-	49,547	183,314	87,866
Other-----	256,630	45	3,798	260,473	256,791
Total operating revenues-----	3,086,124	175,319	6,933,580	10,195,023	9,231,762
<u>OPERATING EXPENSES</u>					
Personal services-----	15,048,567	-	376,870	15,425,437	14,655,111
Maintenance, operations, and contractual services-----	5,549,356	919,488	3,242,218	9,711,062	9,249,075
Materials and supplies-----	3,923,640	43,800	32,272	3,999,712	4,207,914
Depreciation-----	2,042,806	264,763	650,639	2,958,208	2,932,933
Total operating expenses-----	26,564,369	1,228,051	4,301,999	32,094,419	31,045,033
Payments/transfers within the Department-----	54,521	(29,852)	(24,669)	-	-
Operating income (loss)-----	(23,423,724)	(1,082,584)	2,606,912	(21,899,396)	(21,813,271)
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	10,668,028	-	-	10,668,028	15,911,611
Investment income-----	6,241	62	11,889	18,192	16,171
Bond issue costs-----	-	-	(75,325)	(75,325)	(250,453)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	-	-	45,286
Payments from City of Oklahoma City-----	14,047,555	670,000	183,300	14,900,855	13,841,451
Other revenues-----	103,104	-	-	103,104	25,905
Net non-operating revenues-----	24,824,928	853,062	119,864	25,797,854	29,772,971
Income (loss) before contributions and transfers and special item-----	1,401,204	(229,522)	2,726,776	3,898,458	7,959,700
<u>CONTRIBUTIONS AND TRANSFERS</u>					
Grants capital-----	2,406,063	-	-	2,406,063	1,419,255
Capital payments from City of Oklahoma City-----	75,000	-	-	75,000	75,976
Other capital contributions-----	511	-	-	511	-
Transfers from other funds-----	38,798	-	314,309	353,107	262,883
Total contributions and transfers-----	2,520,372	-	314,309	2,834,681	1,758,114
<u>SPECIAL ITEM</u>					
Special item-----	-	-	-	-	1,107,755
Changes in net position-----	3,921,576	(229,522)	3,041,085	6,733,139	10,825,569
Total net position, beginning-----	34,436,671	4,487,949	27,458,388	66,383,008	55,557,439
Total net position, ending-----	\$38,358,247	\$4,258,427	\$30,499,473	\$73,116,147	\$66,383,008

See the accompanying notes to financial statements.

DIVISION STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers-----	\$3,020,573	\$175,958	\$6,885,555	\$10,082,086	\$9,562,340
Cash payments to suppliers for goods and services-----	(10,254,300)	(1,093,846)	(4,366,758)	(15,714,904)	(12,794,462)
Cash payments to employees and professional contractors for services-----	(15,204,512)	-	(389,117)	(15,593,629)	(14,710,764)
Operating payments from (to) City of Oklahoma City-----	968,832	-	-	968,832	(152,245)
Operating payments within the Department-----	(233,552)	233,243	309	-	-
Net cash provided (used) by operating activities-----	(21,702,959)	(684,645)	2,129,989	(20,257,615)	(18,095,131)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Cash received from operating grants-----	11,345,521	-	-	11,345,521	13,841,764
Transfers received from other funds-----	-	-	314,309	314,309	326,960
Transfers paid to other funds-----	(1,202)	-	-	(1,202)	-
Non-capital financing payments from (to) component units-----	-	50,000	-	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	14,122,555	670,000	183,300	14,975,855	13,841,451
Other non-capital financing cash receipts-----	-	-	-	-	210,185
Net cash provided (used) by non-capital financing activities-----	25,466,874	720,000	497,609	26,684,483	28,270,360
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>					
Proceeds from issuance of long-term debt-----	-	-	-	-	21,749,547
Payments for acquisition and construction of capital assets-----	(5,444,110)	(491,078)	(15,616,895)	(21,552,083)	(9,494,056)
Interest paid on long-term debt-----	-	-	(462,043)	(462,043)	-
Capital financing payments from (to) component units-----	-	-	-	-	45,286
Proceeds from sale of assets-----	12,992	-	-	12,992	3,118,204
Capital grants and contributions received-----	3,468,460	-	-	3,468,460	1,737,939
Net cash provided (used) by capital and related financing activities-----	(1,962,658)	(491,078)	(16,078,938)	(18,532,674)	17,156,920
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments-----	(4,998,384)	-	(11,832,104)	(16,830,488)	(34,001,911)
Proceeds from sale of investments-----	2,999,242	-	30,407,231	33,406,473	13,307,282
Changes in pooled investments-----	102,674	-	(1,967)	100,707	(113,001)
Investment income received-----	6,380	60	11,750	18,190	15,372
Net cash provided (used) by investing activities-----	(1,890,088)	60	18,584,910	16,694,882	(20,792,258)
Net increase (decrease) in cash-----	(88,831)	(455,663)	5,133,570	4,589,076	6,539,891
Cash, beginning-----	6,828,509	751,917	5,442,542	13,022,968	6,483,077
Cash, ending-----	\$6,739,678	\$296,254	\$10,576,112	\$17,612,044	\$13,022,968

DIVISION STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	2014			2013	
	Division			Total	
	Transportation	River Cruises	Parking	Department	Department
<u>RECONCILIATION OF OPERATING INCOME</u>					
<u>(LOSS) TO NET CASH PROVIDED (USED)</u>					
<u>BY OPERATING ACTIVITIES</u>					
Operating income (loss)-----	(\$23,423,724)	(\$1,082,584)	\$2,606,912	(\$21,899,396)	(\$21,813,271)
<u>ADJUSTMENTS TO RECONCILE OPERATING</u>					
<u>INCOME (LOSS) TO NET CASH PROVIDED</u>					
<u>(USED) BY OPERATING ACTIVITIES</u>					
Depreciation-----	2,042,806	264,763	650,639	2,958,208	2,932,933
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	(58,404)	-	(13,450)	(71,854)	25,303
(Increase) decrease in due from other funds-----	(288,075)	263,095	723	(24,257)	(24,670)
(Increase) decrease in receivable from					
from component units-----	(32,481)	-	14,285	(18,196)	21,520
(Increase) decrease in receivable from					
City of Oklahoma City-----	1,007,594	-	-	1,007,594	(152,245)
(Increase) decrease in inventories-----	(11,904)	5,615	(9,111)	(15,400)	69,070
(Increase) decrease in prepaid assets-----	(34,806)	-	-	(34,806)	(9,061)
(Increase) decrease in other assets-----	(170,680)	-	-	(170,680)	(143,452)
Increase (decrease) in accounts payable and accrued expenses-----	(737,602)	(132,957)	(1,111,910)	(1,982,469)	827,753
Increase (decrease) in wages and benefits payable-----	(177,301)	-	(1,408)	(178,709)	85,733
Increase (decrease) in due to other funds-----	-	-	25,552	25,552	4,982
Increase (decrease) in payable to					
City of Oklahoma City-----	(8,177)	(2,577)	(16,370)	(27,124)	75,660
Increase (decrease) in compensated absences-----	101,677	-	(19,911)	81,766	(4,343)
Increase (decrease) in estimated claims payable-----	-	-	-	-	(60,000)
Increase (decrease) in net other post-employment					
benefit obligation-----	95,265	-	9,075	104,340	72,325
Increase (decrease) in unearned revenue-----	(7,147)	-	(5,037)	(12,184)	(3,368)
Total adjustments-----	1,720,765	397,939	(476,923)	1,641,781	3,718,140
Net cash provided (used) by					
operating activities-----	(\$21,702,959)	(\$684,645)	\$2,129,989	(\$20,257,615)	(\$18,095,131)
<u>NON-CASH INVESTING, CAPITAL, AND</u>					
<u>FINANCING ACTIVITIES</u>					
Net increase (decrease) in fair value of investments-----	\$265	\$ -	\$ -	\$265	(\$260)
Forgiveness of debt-----	-	-	-	-	1,091,250
Transfers of assets from (to) other funds-----	-	-	-	-	(207,245)
Total non-cash investing, capital,					
and financing activities-----	\$265	\$ -	\$ -	\$265	\$883,745

See accompanying notes to financial statements.

**STATEMENTS OF NET POSITION
TRANSPORTATION DIVISION
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	Total			Total		
	Transportation			Transportation		
	Authority	Enterprise	Division	Authority	Enterprise	Division
ASSETS						
CURRENT ASSETS						
Pooled cash-----	\$ -	\$37	\$37	\$ -	\$4,917	\$4,917
Non-pooled cash-----	6,739,641	-	6,739,641	6,823,592	-	6,823,592
Investments-----	2,999,967	19,360	3,019,327	999,646	122,947	1,122,593
Accounts receivable, net-----	181,224	-	181,224	122,819	-	122,819
Interest receivable-----	-	59	59	-	463	463
Payable/due from (to) within the Department-----	(705,808)	697,102	(8,706)	(961,402)	664,621	(296,781)
Due from other funds-----	-	38,977	38,977	-	-	-
Receivable from primary government-----	-	-	-	1,007,593	-	1,007,593
Intergovernmental receivables-----	1,618,441	-	1,618,441	3,261,962	-	3,261,962
Inventories-----	792,763	-	792,763	780,860	-	780,860
Prepays-----	45,272	-	45,272	15,737	-	15,737
Total current assets-----	11,671,500	755,535	12,427,035	12,050,807	792,948	12,843,755
NON-CURRENT ASSETS						
Prepays-----	5,270	-	5,270	-	-	-
Other-----	758,359	-	758,359	587,677	-	587,677
Capital assets:						
Land and construction in progress-----	5,762,280	-	5,762,280	7,495,148	-	7,495,148
Other capital assets, net of accumulated depreciation-----	22,504,499	-	22,504,499	18,937,389	-	18,937,389
Total capital assets, net-----	28,266,779	-	28,266,779	26,432,537	-	26,432,537
Total non-current assets-----	29,030,408	-	29,030,408	27,020,214	-	27,020,214
Total assets-----	40,701,908	755,535	41,457,443	39,071,021	792,948	39,863,969
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued expenses-----	1,058,889	-	1,058,889	3,357,800	2	3,357,802
Wages and benefits payable-----	385,398	49,392	434,790	548,757	63,954	612,711
Due to other funds-----	-	-	-	-	406	406
Payable to primary government-----	11,094	-	11,094	51,751	-	51,751
Compensated absences-----	216,251	79,414	295,665	171,188	89,303	260,491
Unearned revenue-----	105	-	105	7,252	-	7,252
Total current liabilities-----	1,671,737	128,806	1,800,543	4,136,748	153,665	4,290,413
NON-CURRENT LIABILITIES						
Compensated absences-----	422,047	208,622	630,669	283,007	281,160	564,167
Net other post-employment benefit obligation-----	249,877	418,107	667,984	214,595	358,123	572,718
Total non-current liabilities-----	671,924	626,729	1,298,653	497,602	639,283	1,136,885
Total liabilities-----	2,343,661	755,535	3,099,196	4,634,350	792,948	5,427,298
NET POSITION						
Net Investment in capital assets-----	28,091,845	-	28,091,845	24,696,287	-	24,696,287
Unrestricted-----	10,266,402	-	10,266,402	9,740,384	-	9,740,384
Total net position-----	\$38,358,247	\$ -	\$38,358,247	\$34,436,671	\$ -	\$34,436,671

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	Total Transportation			Total Transportation		
	Authority	Enterprise	Division	Authority	Enterprise	Division
<u>OPERATING REVENUES</u>						
Transportation charges-----	\$2,695,727	\$ -	\$2,695,727	\$2,721,503	\$ -	\$2,721,503
Lease and rental income-----	133,767	-	133,767	26,395	-	26,395
Other-----	256,630	-	256,630	252,570	-	252,570
Total operating revenues-----	3,086,124	-	3,086,124	3,000,468	-	3,000,468
<u>OPERATING EXPENSES</u>						
Personal services-----	13,115,494	1,933,073	15,048,567	12,517,254	1,771,317	14,288,571
Maintenance, operations, and contractual services-----	3,262,997	2,286,359	5,549,356	3,027,331	2,237,149	5,264,480
Materials and supplies-----	3,923,640	-	3,923,640	4,164,088	-	4,164,088
Depreciation-----	2,042,806	-	2,042,806	2,016,955	-	2,016,955
Total operating expenses-----	22,344,937	4,219,432	26,564,369	21,725,628	4,008,466	25,734,094
Payments/transfers within the Department----	(4,124,812)	4,179,333	54,521	(4,819,232)	4,008,098	(811,134)
Operating loss-----	(23,383,625)	(40,099)	(23,423,724)	(23,544,392)	(368)	(23,544,760)
<u>NON-OPERATING REVENUES</u>						
Grants operating-----	10,668,028	-	10,668,028	15,911,611	-	15,911,611
Investment income-----	4,940	1,301	6,241	6,172	368	6,540
Payments from Oklahoma City Economic Development Trust-----	-	-	-	45,286	-	45,286
Payments from the City of Oklahoma City General Fund-----	14,047,555	-	14,047,555	12,833,545	-	12,833,545
Payments from the City of Oklahoma City MAPS3 Sales Tax Fund-----	-	-	-	208,820	-	208,820
Other revenues-----	103,104	-	103,104	64,278	-	64,278
Net non-operating revenues-----	24,823,627	1,301	24,824,928	29,069,712	368	29,070,080
Income (loss) before contributions and transfers-----	1,440,002	(38,798)	1,401,204	5,525,320	-	5,525,320
<u>CONTRIBUTIONS AND TRANSFERS</u>						
Grants capital-----	2,406,063	-	2,406,063	1,419,255	-	1,419,255
Capital payments from City of Oklahoma City---	75,000	-	75,000	75,976	-	75,976
Other capital contributions-----	511	-	511	-	-	-
Transfers from other funds-----	-	38,798	38,798	-	-	-
Total contributions and transfers-----	2,481,574	38,798	2,520,372	1,495,231	-	1,495,231
Changes in net position-----	3,921,576	-	3,921,576	7,020,551	-	7,020,551
Total net position, beginning-----	34,436,671	-	34,436,671	27,416,120	-	27,416,120
Total net position, ending-----	\$38,358,247	\$ -	\$38,358,247	\$34,436,671	\$ -	\$34,436,671

See accompanying notes to financial statements.

This Page Left Intentionally Blank

**STATEMENTS OF CASH FLOWS
TRANSPORTATION DIVISION
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	Authority	Enterprise	Total Transportation Division	Authority	Enterprise	Total Transportation Division
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Cash received from customers-----	\$3,020,573	\$ -	\$3,020,573	\$3,265,972	\$ -	\$3,265,972
Cash payments to suppliers for goods and services-----	(7,967,941)	(2,286,359)	(10,254,300)	(6,387,435)	(2,216,552)	(8,603,987)
Cash payments to employees and professional contractors for services-----	(13,235,049)	(1,969,463)	(15,204,512)	(12,679,896)	(1,669,758)	(14,349,654)
Operating payments from (to) City of Oklahoma City-----	968,832	-	968,832	(152,245)	-	(152,245)
Operating payments within the Department-----	(4,380,404)	4,146,852	(233,552)	(4,819,234)	4,008,099	(811,135)
Net cash provided (used) by operating activities-----	(21,593,989)	(108,970)	(21,702,959)	(20,772,838)	121,789	(20,651,049)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>						
Cash received from operating grants-----	11,345,521	-	11,345,521	13,841,764	-	13,841,764
Transfers paid to other funds-----	-	(1,202)	(1,202)	-	-	-
Non-capital financing payments from (to) City of Oklahoma City-----	14,122,555	-	14,122,555	13,042,365	-	13,042,365
Other non-capital financing cash receipts-----	-	-	-	248,558	-	248,558
Net cash provided (used) by non-capital financing activities-----	25,468,076	(1,202)	25,466,874	27,132,687	-	27,132,687
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>						
Payments for acquisition and construction of capital assets-----	(5,444,110)	-	(5,444,110)	(6,339,787)	-	(6,339,787)
Capital financing payments from (to) component units-----	-	-	-	45,286	-	45,286
Proceeds from sale of assets-----	12,992	-	12,992	(14,406)	-	(14,406)
Capital grants and contributions received-----	3,468,460	-	3,468,460	1,737,939	-	1,737,939
Net cash provided (used) by capital and related financing activities-----	(1,962,658)	-	(1,962,658)	(4,570,968)	-	(4,570,968)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Purchase of investments-----	(4,998,384)	-	(4,998,384)	(1,999,140)	-	(1,999,140)
Proceeds from sale of investments-----	2,999,242	-	2,999,242	2,000,000	-	2,000,000
Changes in pooled investments-----	-	102,674	102,674	-	(117,440)	(117,440)
Investment income received-----	3,762	2,618	6,380	5,411	373	5,784
Net cash provided (used) by investing activities-----	(1,995,380)	105,292	(1,890,088)	6,271	(117,067)	(110,796)
Net increase (decrease) in cash-----	(83,951)	(4,880)	(88,831)	1,795,152	4,722	1,799,874
Cash, beginning-----	6,823,592	4,917	6,828,509	5,028,440	195	5,028,635
Cash, ending-----	\$6,739,641	\$37	\$6,739,678	\$6,823,592	\$4,917	\$6,828,509
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>						
Operating income (loss)-----	(\$23,383,625)	(\$40,099)	(\$23,423,724)	(\$23,544,392)	(\$368)	(\$23,544,760)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>						
Depreciation-----	2,042,806	-	2,042,806	2,016,955	-	2,016,955
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	(58,404)	-	(58,404)	(31,277)	-	(31,277)
(Increase) decrease in due from other funds-----	(288,075)	-	(288,075)	296,781	-	296,781
(Increase) decrease in receivable from component units-----	-	(32,481)	(32,481)	-	21,520	21,520
(Increase) decrease in receivable from City of Oklahoma City-----	1,007,594	-	1,007,594	(152,245)	-	(152,245)
(Increase) decrease in inventories-----	(11,904)	-	(11,904)	72,833	-	72,833
(Increase) decrease in prepaid assets-----	(34,806)	-	(34,806)	(9,061)	-	(9,061)
(Increase) decrease in other assets-----	(170,680)	-	(170,680)	(143,452)	-	(143,452)
Increase (decrease) in accounts payable and accrued expenses-----	(737,602)	-	(737,602)	708,099	-	708,099
Increase (decrease) in wages and benefits payable-----	(163,355)	(13,946)	(177,301)	74,803	13,430	88,233
Increase (decrease) in due to other funds-----	-	-	-	-	(926)	(926)
Increase (decrease) in payable to City of Oklahoma City-----	(8,177)	-	(8,177)	25,885	-	25,885
Increase (decrease) in compensated absences-----	184,104	(82,427)	101,677	(65,091)	58,603	(6,488)
Increase (decrease) in notes, lease and estimated claims payable-----	-	-	-	(60,000)	-	(60,000)
Increase (decrease) in net other post-employment benefit obligation-----	35,282	59,983	95,265	37,009	29,530	66,539
Increase (decrease) in unearned revenue-----	(7,147)	-	(7,147)	315	-	315
Total adjustments-----	1,789,636	(68,871)	1,720,765	2,771,554	122,157	2,893,711
Net cash provided (used) by operating activities-----	(21,593,989)	(108,970)	(21,702,959)	(20,772,838)	121,789	(20,651,049)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>						
Net increase (decrease) in fair value of investments-----	\$1,178	(\$913)	\$265	\$ -	(\$442)	(\$442)
Total non-cash investing, capital, and financing activities-----	\$1,178	(\$913)	\$265	\$ -	(\$442)	(\$442)

See accompanying notes to financial statements.

**STATEMENTS OF NET POSITION
RIVER CRUISES DIVISION
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014	2013
	<u>Authority</u>	<u>Authority</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Non-pooled cash-----	\$296,254	\$751,917
Payable/due from (to) within the Department-----	58,355	321,451
Inventories-----	1,009	6,624
Total current assets-----	<u>355,618</u>	<u>1,079,992</u>
<u>NON-CURRENT ASSETS</u>		
Capital assets:		
Land and construction in progress-----	249,263	623,762
Other capital assets, net of accumulated depreciation-----	4,761,846	4,491,447
Total capital assets-----	<u>5,011,109</u>	<u>5,115,209</u>
Total assets-----	<u>5,366,727</u>	<u>6,195,201</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses-----	6,034	469,408
Payable to primary government-----	16	2,594
Unearned revenue-----	133,000	133,000
Total current liabilities-----	<u>139,050</u>	<u>605,002</u>
<u>NON-CURRENT LIABILITIES</u>		
Unearned revenue-----	969,250	1,102,250
Total liabilities-----	<u>1,108,300</u>	<u>1,707,252</u>
<u>NET POSITION</u>		
Net investment in capital assets-----	5,006,094	4,779,778
Unrestricted-----	(747,667)	(291,829)
Total net position-----	<u>\$4,258,427</u>	<u>\$4,487,949</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014	2013
	<u>Authority</u>	<u>Authority</u>
<u>OPERATING REVENUES</u>		
River cruise charges-----	\$175,274	\$150,458
Other-----	45	36
Total operating revenues-----	175,319	150,494
<u>OPERATING EXPENSES</u>		
Maintenance, operations, and contractual services-----	919,488	1,005,579
Materials and supplies-----	43,800	38,200
Depreciation-----	264,763	262,414
Total operating expenses-----	1,228,051	1,306,193
Payments/transfers within the Department-----	(29,852)	835,804
Operating loss-----	(1,082,584)	(319,895)
<u>NON-OPERATING REVENUES</u>		
Non-capital contributions-----	133,000	133,000
Investment income-----	62	85
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from City of Oklahoma City General Fund-----	670,000	670,000
Net non-operating revenues-----	853,062	853,085
Changes in net position-----	(229,522)	533,190
Total net position, beginning-----	4,487,949	3,954,759
Total net position, ending-----	\$4,258,427	\$4,487,949

See accompanying notes to financial statements.

This Page Left Intentionally Blank

STATEMENTS OF CASH FLOWS
RIVER CRUISES DIVISION
For the Years Ended June 30,

OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	2014	2013
	<u>Authority</u>	<u>Authority</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$175,958	\$150,022
Cash payments to suppliers for goods and services-----	(1,093,846)	(1,242,521)
Operating payments within the Department-----	233,243	835,805
Net cash provided (used) by operating activities-----	<u>(684,645)</u>	<u>(256,694)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Transfers received from other funds-----	-	64,800
Non-capital financing payments from (to) component units-----	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	670,000	670,000
Net cash provided (used) by non-capital financing activities-----	<u>720,000</u>	<u>784,800</u>
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Payments for acquisition and construction of capital assets-----	(491,078)	(478,309)
Net cash provided (used) by capital and related financing activities-----	<u>(491,078)</u>	<u>(478,309)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income received-----	60	84
Net cash provided (used) by investing activities-----	<u>60</u>	<u>84</u>
Net increase (decrease) in cash-----	<u>(455,663)</u>	<u>49,881</u>
Cash, beginning-----	751,917	702,036
Cash, ending-----	<u>\$296,254</u>	<u>\$751,917</u>
 <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY</u>		
<u>OPERATING ACTIVITIES</u>		
Operating income (loss)-----	(\$1,082,584)	(\$319,895)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO</u>		
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Depreciation-----	264,763	262,414
Changes in assets and liabilities:		
(Increase) decrease in due from other funds-----	263,095	(321,451)
(Increase) decrease in inventories-----	5,615	1,478
Increase (decrease) in accounts payable and accrued expenses-----	(132,957)	118,166
Increase (decrease) in payable to City of Oklahoma City-----	(2,577)	2,594
Total adjustments-----	397,939	63,201
Net cash provided (used) by operating activities-----	<u>(\$684,645)</u>	<u>(\$256,694)</u>

See accompanying notes to financial statements.

**STATEMENTS OF NET POSITION
PARKING DIVISION
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<u>ASSETS</u>						
<u>CURRENT ASSETS</u>						
Pooled cash-----	\$ -	\$88	\$88	\$ -	\$1,781	\$1,781
Non-pooled cash-----	10,576,024	-	10,576,024	5,440,761	-	5,440,761
Investments-----	9,658,178	46,879	9,705,057	28,234,399	44,913	28,279,312
Accounts receivable, net-----	156,462	-	156,462	143,012	-	143,012
Interest receivable-----	162	143	305	-	167	167
Payable/due from (to) within the Department--	(147,143)	97,494	(49,649)	(136,450)	111,780	(24,670)
Due from other funds-----	-	-	-	-	723	723
Inventories-----	-	14,352	14,352	-	5,241	5,241
Total current assets-----	20,243,683	158,956	20,402,639	33,681,722	164,605	33,846,327
<u>NON-CURRENT ASSETS</u>						
Investments-----	1,482,355	-	1,482,355	1,481,260	-	1,481,260
Capital assets:						
Land, art, and construction in progress-----	25,691,662	-	25,691,662	7,207,445	-	7,207,445
Other capital assets, net of accumulated depreciation-----	10,774,182	3,966	10,778,148	11,404,805	10,163	11,414,968
Total capital assets, net-----	36,465,844	3,966	36,469,810	18,612,250	10,163	18,622,413
Total non-current assets-----	37,948,199	3,966	37,952,165	20,093,510	10,163	20,103,673
Total assets-----	58,191,882	162,922	58,354,804	53,775,232	174,768	53,950,000
<u>LIABILITIES</u>						
<u>CURRENT LIABILITIES</u>						
Accounts payable and accrued expenses-----	5,169,605	11,648	5,181,253	4,228,547	5,627	4,234,174
Wages and benefits payable-----	-	10,645	10,645	-	12,054	12,054
Due to other funds-----	-	861	861	-	288	288
Payable to primary government-----	77,102	-	77,102	79,187	-	79,187
Compensated absences-----	-	22,366	22,366	-	25,452	25,452
Unearned revenue-----	14,235	-	14,235	19,271	-	19,271
Bond interest payable-----	435,433	-	435,433	-	-	-
Bonds payable-----	580,000	-	580,000	-	-	-
Total current liabilities-----	6,276,375	45,520	6,321,895	4,327,005	43,421	4,370,426
<u>NON-CURRENT LIABILITIES</u>						
Compensated absences-----	-	33,336	33,336	-	50,161	50,161
Bonds payable, net-----	21,420,000	-	21,420,000	22,000,000	-	22,000,000
Net other post-employment benefit obligation--	-	80,100	80,100	-	71,025	71,025
Total non-current liabilities-----	21,420,000	113,436	21,533,436	22,000,000	121,186	22,121,186
Total liabilities-----	27,696,375	158,956	27,855,331	26,327,005	164,607	26,491,612
<u>NET POSITION</u>						
Net investment in capital assets-----	17,716,856	3,966	17,720,822	14,846,118	10,161	14,856,279
Restricted for debt service-----	2,062,670	-	2,062,670	1,481,260	-	1,481,260
Unrestricted-----	10,715,981	-	10,715,981	11,120,849	-	11,120,849
Total net position-----	\$30,495,507	\$3,966	\$30,499,473	\$27,448,227	\$10,161	\$27,458,388

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<u>OPERATING REVENUES</u>						
Parking-----	\$6,880,235	\$ -	\$6,880,235	\$6,015,144	\$ -	\$6,015,144
Lease and rental income-----	49,547	-	49,547	61,471	-	61,471
Other-----	3,798	-	3,798	4,185	-	4,185
Total operating revenues-----	6,933,580	-	6,933,580	6,080,800	-	6,080,800
<u>OPERATING EXPENSES</u>						
Personal services-----	-	376,870	376,870	-	366,540	366,540
Maintenance, operations, and contractual services-----	2,933,719	308,499	3,242,218	2,688,255	290,761	2,979,016
Materials and supplies-----	24,129	8,143	32,272	2,738	2,888	5,626
Depreciation-----	644,442	6,197	650,639	647,367	6,197	653,564
Total operating expenses-----	3,602,290	699,709	4,301,999	3,338,360	666,386	4,004,746
Payments/transfers within the Department-----	(402,975)	378,306	(24,669)	(421,114)	396,444	(24,670)
Operating income (loss)-----	2,928,315	(321,403)	2,606,912	2,321,326	(269,942)	2,051,384
<u>NON-OPERATING REVENUES (EXPENSES)</u>						
Investment income-----	10,990	899	11,889	8,684	862	9,546
Bond issue costs-----	(75,325)	-	(75,325)	(250,453)	-	(250,453)
Payments from City of Oklahoma City-----	183,300	-	183,300	129,086	-	129,086
Other expenses-----	-	-	-	(38,373)	-	(38,373)
Net non-operating revenues (expenses)-----	118,965	899	119,864	(151,056)	862	(150,194)
Income (loss) before contributions and transfers and special item-----	3,047,280	(320,504)	2,726,776	2,170,270	(269,080)	1,901,190
<u>TRANSFERS</u>						
Transfers from other funds-----	-	314,309	314,309	-	262,883	262,883
<u>SPECIAL ITEM</u>						
Special item-----	-	-	-	1,107,755	-	1,107,755
Changes in net position-----	3,047,280	(6,195)	3,041,085	3,278,025	(6,197)	3,271,828
Total net position, beginning-----	27,448,227	10,161	27,458,388	24,170,202	16,358	24,186,560
Total net position, ending-----	\$30,495,507	\$3,966	\$30,499,473	\$27,448,227	\$10,161	\$27,458,388

See accompanying notes to financial statements.

This Page Left Intentionally Blank

**STATEMENTS OF CASH FLOWS
PARKING DIVISION
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
Cash received from customers-----	\$6,885,555	\$ -	\$6,885,555	\$6,146,346	\$ -	\$6,146,346
Cash payments to suppliers for goods and services-----	(4,048,325)	(318,433)	(4,366,758)	(2,633,051)	(314,903)	(2,947,954)
Cash payments to employees and professional contractors for services-----	-	(389,117)	(389,117)	-	(361,110)	(361,110)
Operating payments within the Department-----	(392,283)	392,592	309	(433,564)	408,894	(24,670)
Net cash provided (used) by operating activities-----	2,444,947	(314,958)	2,129,989	3,079,731	(267,119)	2,812,612
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>						
Transfers received from other funds-----	-	314,309	314,309	-	262,160	262,160
Non-capital financing payments from (to) City of Oklahoma City-----	183,300	-	183,300	129,086	-	129,086
Other non-capital financing cash receipts-----	-	-	-	(38,373)	-	(38,373)
Net cash provided (used) by non-capital financing activities-----	183,300	314,309	497,609	90,713	262,160	352,873
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>						
Proceeds from issuance of long-term debt-----	-	-	-	21,749,547	-	21,749,547
Payments for acquisition and construction of capital assets-----	(15,616,895)	-	(15,616,895)	(2,675,960)	-	(2,675,960)
Interest paid on long-term debt-----	(462,043)	-	(462,043)	-	-	-
Proceeds from sale of assets-----	-	-	-	3,132,610	-	3,132,610
Net cash provided (used) by capital and related financing activities-----	(16,078,938)	-	(16,078,938)	22,206,197	-	22,206,197
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
Purchase of investments-----	(11,832,104)	-	(11,832,104)	(32,002,771)	-	(32,002,771)
Proceeds from sale of investments-----	30,407,231	-	30,407,231	11,307,282	-	11,307,282
Changes in pooled investments-----	-	(1,967)	(1,967)	-	4,439	4,439
Investment income received-----	10,827	923	11,750	8,759	745	9,504
Net cash provided (used) by investing activities-----	18,585,954	(1,044)	18,584,910	(20,686,730)	5,184	(20,681,546)
Net increase (decrease) in cash-----	5,135,263	(1,693)	5,133,570	4,689,911	225	4,690,136
Cash, beginning-----	5,440,761	1,781	5,442,542	750,850	1,556	752,406
Cash, ending-----	\$10,576,024	\$88	\$10,576,112	\$5,440,761	\$1,781	\$5,442,542
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>						
Operating income (loss)-----	\$2,928,315	(\$321,403)	\$2,606,912	\$2,321,326	(\$269,942)	\$2,051,384
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>						
Depreciation-----	644,442	6,197	650,639	647,367	6,197	653,564
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	(13,450)	-	(13,450)	44,130	12,450	56,580
(Increase) decrease in due from other funds-----	-	723	723	-	-	-
(Increase) decrease in receivable from component units-----	-	14,285	14,285	-	-	-
(Increase) decrease in inventories-----	-	(9,111)	(9,111)	-	(5,241)	(5,241)
Increase (decrease) in accounts payable and accrued expenses-----	(1,117,932)	6,022	(1,111,910)	17,272	(15,784)	1,488
Increase (decrease) in wages and benefits payable-----	-	(1,408)	(1,408)	-	(2,500)	(2,500)
Increase (decrease) in due to other funds-----	24,979	573	25,552	6,138	(230)	5,908
Increase (decrease) in payable to City of Oklahoma City-----	(16,370)	-	(16,370)	47,181	-	47,181
Increase (decrease) in compensated absences-----	-	(19,911)	(19,911)	-	2,145	2,145
Increase (decrease) in net other post-employment benefit obligation-----	-	9,075	9,075	-	5,786	5,786
Increase (decrease) in unearned revenue-----	(5,037)	-	(5,037)	(3,683)	-	(3,683)
Total adjustments-----	(483,368)	6,445	(476,923)	758,405	2,823	761,228
Net cash provided (used) by operating activities-----	\$2,444,947	(\$314,958)	\$2,129,989	\$3,079,731	(\$267,119)	\$2,812,612
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>						
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$ -	\$ -	\$182	\$182
Forgiveness of debt-----	-	-	-	1,091,250	-	1,091,250
Transfers of assets from (to) other funds-----	-	-	-	(207,245)	-	(207,245)
Total non-cash investing, capital, and financing activities-----	\$ -	\$ -	\$ -	\$884,005	\$182	\$884,187

See accompanying notes to financial statements.

COTPA RETIREMENT TRUST
STATEMENTS OF FIDUCIARY NET POSITION
June 30,

OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	2014	2013
<u>ASSETS</u>		
<u>RECEIVABLES</u>		
Interest and dividends-----	\$3,835	\$7,172
Employer-----	22,614	20,978
Plan members-----	17,460	18,630
Total receivables-----	<u>43,909</u>	<u>46,780</u>
<u>INVESTMENTS, AT FAIR VALUE</u>		
Domestic common stock-----	6,372,685	5,302,715
Passive domestic stock funds-----	1,097,116	831,426
Government securities/fixed income-----	177,347	159,909
Passive bond fund-----	2,278,789	2,134,298
International stock-----	1,126,928	960,529
Treasury money market fund-----	153,462	86,382
Real estate-----	100,381	97,805
Total investments-----	<u>11,306,708</u>	<u>9,573,064</u>
Total assets-----	<u>11,350,617</u>	<u>9,619,844</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses-----	38,470	29,562
Due to broker-----	-	13,559
Total liabilities-----	<u>38,470</u>	<u>43,121</u>
<u>NET POSITION</u>		
Net position, restricted for pensions-----	<u>\$11,312,147</u>	<u>\$9,576,723</u>

See accompanying notes to financial statements.

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

OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	2014	2013
<u>ADDITIONS</u>		
<u>CONTRIBUTIONS</u>		
Employer-----	\$507,894	\$505,990
Plan members-----	427,745	401,683
Total contributions-----	<u>935,639</u>	<u>907,673</u>
<u>INVESTMENT INCOME</u>		
Net appreciation in fair value of investments-----	1,497,209	784,405
Interest-----	46,045	59,436
Dividends-----	104,293	126,328
	<u>1,647,547</u>	<u>970,169</u>
Less: investment expense-----	(39,836)	(38,011)
Net investment income (loss)-----	<u>1,607,711</u>	<u>932,158</u>
Other-----	326	473
Total additions-----	<u>2,543,676</u>	<u>1,840,304</u>
<u>DEDUCTIONS</u>		
Benefits paid-----	639,312	538,362
Refunds of contributions-----	128,434	66,988
Administrative expenses-----	40,506	43,551
Total deductions-----	<u>808,252</u>	<u>648,901</u>
Increase in net position-----	1,735,424	1,191,403
<u>NET POSITION RESTRICTED FOR PENSION</u>		
Beginning of year-----	9,576,723	8,385,320
End of year-----	<u>\$11,312,147</u>	<u>\$9,576,723</u>

See accompanying notes to financial statements.

This Page Left Intentionally Blank

Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Oklahoma City Public Transportation and Parking Department (Department) financial activities for the fiscal years ended 2014 and 2013.

I. B. BASIS OF PRESENTATION

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

The Department consists of the combined financial transactions of the Central Oklahoma Transportation and Parking Authority (Authority) and the Transportation and Parking Enterprise (Enterprise) funds of the City of Oklahoma City (City). The Central Oklahoma Transportation and Parking Authority Employee Retirement Trust (COTPA Retirement) is reported with the fund financial statements as a fiduciary component unit of the Authority. COTPA Retirement resources are not available to fund Department programs.

Authority

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

The Authority funds are the legal funds through which the Authority's employees are compensated. Authority employees are generally bus operators, mechanics, and certain administrative staff. Employee salaries and benefits, certain maintenance and contractual items, certain supplies, administrative chargebacks from the City, and certain capital asset acquisitions are paid by the Authority's funds. Authority funds also account for long-term leasing, financing, and other necessary business activities not budgeted within the City Enterprise funds.

City

Oklahoma City is a charter city in which citizens elect the Mayor at large and eight Council members by wards. The City is the beneficiary of the public trust operated by the Authority. Upon termination of the trust, the residual of the trust estate will revert to the City. The Trustees of the Authority are the Mayor, City Manager, City Finance Director, and five citizens appointed by the City Council upon nomination by the Mayor. The City also provides substantial funding to the Authority for operations and asset acquisitions.

The City hires the Department's Director who is responsible for hiring all other employees of the Authority. The City Council approves subsidies from the City to the Authority. The Authority is included in the City's financial reporting entity.

The Enterprise funds of the City are the legal funds through which the Department's City employees are compensated. Employee salaries, employee benefits, certain maintenance and contractual items, certain supplies, administrative chargebacks from the City, and certain capital assets are reported in these funds.

COTPA Retirement

COTPA Retirement is a single employer public employee retirement system established in 1970. It is a defined benefit pension plan for Authority employees. COTPA Retirement does not have employees. All administrative tasks are performed by employees of the Authority.

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

The Authority is a component unit of the City because the City appoints all (voting majority) of the Board of Trustees (Board) and the Authority is fiscally dependant on the City with subsidies for transportation and an agreement of support for revenue bonds. The Authority secures approval of the City Council for all rates and fees. The Authority is discretely presented because the majority of the Board is not the same as the voting majority of the City Council.

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

Related Party

Oklahoma City Riverfront Redevelopment Authority (OCRRA)

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

I. B. 2. BASIC FINANCIAL STATEMENTS

Department-wide Financial Statements

The basic financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements report financial information for the Department as a whole.

Fund Financial Statements

Fund financial statements are combined by Division for Department funds, and all funds are considered major. COTPA Retirement is reported separately from Department funds.

Transportation Division

Authority Transportation Fund

This fund is used to account for the operations and capital investments; including financing and other business activities, of the Oklahoma City metropolitan public transportation system not budgeted in the City Enterprise Transportation Fund.

Enterprise Transportation Fund

This fund is used to account for the City transportation related employees' payroll and benefits, and administrative and internal services chargebacks and is funded by the Authority Transportation Fund.

River Cruises Division

Authority River Cruises Fund

This fund is used to account for the operations and capital investments, including financing and other business activities, of the Oklahoma River Water Transport Mobility System consisting of the operation of river boats on the Oklahoma River.

Parking Division

Authority Parking Fund

This fund is used to account for the operations and capital investments; including financing and other business activities, of the Oklahoma City metropolitan public parking system not budgeted in the City Enterprise Parking Fund.

Enterprise Parking Fund

This fund is used to account for the City parking related employees' payroll and benefits, and administrative and internal services chargebacks and is funded by the Authority Parking Fund.

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

Implementation of New Accounting Standard

Effective July 1, 2012, the Department implemented Governmental Accounting Standards Board (GASB) statement number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines deferred outflows and deferred inflows of resources and where they are to be reported in the financial statements and redefine and provide new calculations for the classifications of net position.

Generally Accepted Accounting Principles (U.S. GAAP)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Department reports using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. COTPA Retirement financial statements also report using this same focus and basis of accounting. Employer and participant contributions are recognized in the period in which contributions are due and the Department has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan.

Department Funds

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

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

COTPA Retirement Fund

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

I. C. BUDGET LAW AND PRACTICE

Budget Approval

Authority Funds

Oklahoma Statutes require the submission of financial information for public trusts. However, legal budgetary control levels are not specified. Accordingly, the Authority's budget is submitted to its governing body for approval. Appropriations are recorded and available for encumbrance or expense as revenue is received in cash. Revenues are budgeted by source. For general operations, expenses are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Expenses may not exceed appropriations. Budget revisions at this level are managed administratively and reported to the Board of Trustees. Revisions to the budget are made throughout the year. For capital and grant related expenses, budgetary control is exercised on a project-length basis. Therefore, appropriations are carried forward each year until projects are completed. Management's policy prohibits expenses to exceed appropriations at the detail, line-item level. Management may transfer appropriations without governing body approval.

Enterprise Funds

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. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

Department Funds

Revenues are budgeted by source. Expenses 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. Expenses may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget can be made throughout the year.

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

Implementation of New Accounting Standard

Effective July 1, 2012, the Department implemented GASB statement number 65, Items Previously Reported as Assets and Liabilities. This statement redefines certain financial elements previously reported as assets and liabilities as deferred outflows and deferred inflows of resources.

I. D. 1. CASH AND INVESTMENTS

The Enterprise Funds are subject to the City's deposit and investment policy formally adopted by the City Council. The Authority's governing Board formally adopted the City's updated deposit and investment policy for unrestricted accounts in July 2012, in addition to policies specified in the Authority bond indenture applicable to the Department's Authority funds as restricted by the indenture. COTPA Retirement has deposit and investment policies separately approved by the retirement system's Board.

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

I. D. 2. INVENTORIES AND PREPAIDS

Inventories are recorded at a weighted average. Inventories are primarily fuel, vehicle parts and supplies. Prepaids are recorded when purchased and expensed when used.

I. D. 3. INTERGOVERNMENTAL RECEIVABLES

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

I. D. 4. RESTRICTED ASSETS

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

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

I. D. 5. INTERFUND BALANCES

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one City 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 interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

All activity between funds of the Department are eliminated.

I. D. 6. CAPITALIZED INTEREST

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

I. D. 7. CAPITAL ASSETS AND DEPRECIATION

Property and equipment are recorded at cost and presented net of accumulated depreciation. Capital assets are depreciated on a straight-line basis over the estimated economic useful lives of the respective assets as follows: 50 years for parking garages and buildings; 20 years for other improvements; 5 to 12 years for vans, buses, trolleys, and automobiles; 25 years for watercraft; and 3 to 10 years for furniture, fixtures and equipment. Leasehold improvements are amortized on a straight-line basis over the lesser of the terms of the related leases or the useful lives of the improvements. The Department generally capitalizes assets with cost of \$7,500 or more as purchases and construction outlays occur. Assets purchased or constructed with grants are the exception. These assets are capitalized at cost of \$5,000 or more. Maintenance and repairs are charged to operations, while renewals and betterments are capitalized. When property is retired or otherwise disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting difference is recorded as non-operating revenues/expenses.

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

I. D. 8. LONG-TERM DEBT, BOND DISCOUNT OR PREMIUM, AND DEFERRED AMOUNTS FROM REFUNDING

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

I. D. 9. COMPENSATED ABSENCES

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

I. D. 10. RISK MANAGEMENT

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

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

The Authority is self-insured for liability related to accidents involving their transportation equipment up to \$75,000 per incident.

I. D. 11. USE OF ESTIMATES

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

I. D. 12. FUND EQUITY

Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

I. E. TAX STATUS

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

I. F. RETAINAGES

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

II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

II. A. DEPOSITS AND INVESTMENTS

Deposits

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

At June 30, 2014, the Department's cash is collateralized with securities held by the pledging financial institution in the name of the Department, less Federal depository insurance.

Investments

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

2014				
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
<u>Department</u>				
Authority money market funds	\$9,740,826	\$9,740,826	AAA/Aaa	1.63
Authority U.S. Treasury bill	4,399,673	4,397,416	N/A	2.28
Enterprise pooled investments (3)	<u>66,240</u>	<u>66,240</u>	AAA/Aaa	N/A
Total department investments	<u>\$14,206,739</u>	<u>\$14,204,482</u>		
<u>COTPA Retirement</u>				
Mutual funds (4)				
Equity	\$8,697,109	\$5,990,959	N/A	N/A
Bond	2,456,137	2,368,740	Not Rated	53.23
Money market funds	<u>153,462</u>	<u>153,462</u>	AAA	0.49
Total fiduciary investments	<u>\$11,306,708</u>	<u>\$8,513,161</u>		
2013				
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
<u>Department</u>				
Authority money market funds	\$21,715,739	\$21,715,739	A+/A3	1.62
Authority U.S. Treasury bill	8,999,566	8,996,411	N/A	1.04
Enterprise pooled investments (3)	<u>167,860</u>	<u>167,860</u>	AAA/Aaa	N/A
Total department investments	<u>\$30,883,165</u>	<u>\$30,880,010</u>		
<u>COTPA Retirement</u>				
Mutual funds (4)				
Equity	\$7,192,475	\$5,552,079	N/A	N/A
Bond	2,294,207	2,258,228	Not Rated	66.84
Money market funds	<u>86,382</u>	<u>86,382</u>	AAA	1.19
Total fiduciary investments	<u>\$9,573,064</u>	<u>\$7,896,689</u>		

- (1) Ratings are provided where applicable to indicate associated credit risk.
- (2) Interest rate risk is estimated using weighted average months to maturity.
- (3) Enterprise investments are allocated from total City pooled investments.

2014				
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
Money market funds	\$193,806	\$193,806	AAA/Aaa	1.80
U.S. Treasury notes	386,232,182	390,395,724	N/A	19.15
Commercial Paper	47,974,579	47,949,960	A1/P1	2.95
Fannie Mae	129,915,046	130,363,419	AA+/Aaa	18.65
Federal obligations	<u>164,187,454</u>	<u>164,715,552</u>	AA/Aaa	17.04
	<u>\$728,503,067</u>	<u>\$733,618,461</u>		

(continued)

Investments (continued)

	2013			
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
Money market funds	\$4,453,506	\$4,453,506	AAA/Aaa	1.73
U.S. Treasury notes	223,439,067	226,889,870	N/A	19.59
Commercial Paper	22,481,202	22,475,452	A1+/P1	2.83
Fannie Mae	197,956,076	199,074,099	AA+/Aaa	19.15
Federal obligations	<u>156,224,600</u>	<u>158,151,063</u>	AA+/Aaa	11.42
	<u>\$604,554,451</u>	<u>\$611,043,990</u>		

- (4) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. COTPA Retirement has \$1,126,928 and \$960,529 invested in international mutual funds at June 30, 2014 and 2013, respectively.

Investment Policies

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

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

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

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

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	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 account	100		
U.S. non-callable agencies securities	100		
U.S. Callable Agency Securities	20		
Prime Commercial Paper	7.5		
City Judgments	5		

(1) Specifically matched cash flows are excluded.

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

(3) Includes SLGS.

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

Department 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.

Authority Indenture Restrictions

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

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

Pension Trust Investment Policy

COTPA Retirement has investment policies separately approved by the oversight board. Investment activity follows the Prudent Person Rule providing for the preservation of capital, with the goal to achieve the highest possible rate of return consistent with the tolerance for risk determined by the board. 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 policy.

Manager performance is reviewed by a consultant who provides reports to the governing board. 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, and mutual funds. The 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. COTPA Retirement policy prohibits investment of more than 5% of its assets in the securities of any one issuer held either in individual investments or through a mutual fund with the exception of the U.S. government. Policy further prohibits investment of more than 20% in any one market sector and limits common stock purchases to those issues on which the investment manager maintains current opinions. Fixed income securities must be rated at least A. Commercial paper must be rated A1, P1. Obligations of the U.S. government or its agencies maturing in one year or less. Repurchase agreements must be collateralized by U.S. government/agency assets. Money market mutual funds and bank STIF funds are subject to the same restrictions of rating A1, P1, maturing in one year or less, and must be collateralized by the U.S. government/agency assets. Mutual and collective trust funds, and insurance companies must have at least a five year history, \$50 million in assets (\$30 millions for international/emerging markets) under management, and the same management and investment strategy for the previous five years. Alternatives mutual funds use market neutral, long-short, and arbitrage strategies or invest in real estate investment trusts or commodity indices, which enhances the diversification of the overall portfolio by including positions whose gains and losses are not correlated with the other portions of the portfolio and improve the risk-adjusted return on the portfolio.

Asset allocation guidelines

	Minimum	Target	Maximum	2014 Actual	2013 Actual
Domestic equities	35%	45%	65%	54%	47%
International	5	10	15	10	10
Alternatives	0	20	25	13	18
Fixed income	20	25	40	23	25

Cash Reserve Policy

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

Cash Reserve Guidelines

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

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

Securities Held by Others

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

COTPA Retirement held \$8,596,729 and \$7,094,670 in common stock or stock funds at June 30, 2014 and 2013, respectively. These are held by the investment counterparty, not in the name of COTPA Retirement or the Authority.

Compliance with State Requirements

Department investment policy and the bond indenture, as well as, the pension trust policy, are more restrictive than the requirements of Oklahoma law found in Title 60 of the Oklahoma Statutes and the standards of the Oklahoma Uniform Prudent Investor Act. These statutes restrict public Department 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 Department portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Department.

Restricted Deposits and Investments

	<u>2014</u>	<u>2013</u>
Bond principal and interest accounts	\$1,015,748	\$ -
Construction account	8,636,565	21,711,076
Bond issuance cost account	-	97,900
Bond reserve account	<u>1,482,355</u>	<u>1,481,260</u>
	<u>\$11,134,668</u>	<u>\$23,290,236</u>

II. B. ACCOUNTS RECEIVABLE AND UNCOLLECTIBLE AMOUNTS

Receivables include monthly parking agreements, public transportation incentive agreements with various downtown vendors, and charter services. These receivables are due in less than one year. Transportation receivables are considered fully collectible. The allowance amount for parking is estimated using accounts receivable past due more than 90 days.

	<u>2014</u>			<u>2013</u>
	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>	<u>Total</u>
Accounts receivable	\$181,224	\$174,401	\$355,625	\$297,663
Less: Allowance for uncollectible accounts	-	(17,939)	(17,939)	(31,832)
Net accounts receivable	<u>\$181,224</u>	<u>\$156,462</u>	<u>\$337,686</u>	<u>\$265,831</u>
Affect on revenues for change in uncollectibles	<u>\$ -</u>	<u>\$13,893</u>	<u>\$13,893</u>	<u>(\$13,934)</u>

II. C. INTERGOVERNMENTAL RECEIVABLE

Total intergovernmental receivables of \$1,618,441 in 2014 and \$3,261,962 in 2013 was due from the Federal government for grants.

II. D. INVENTORIES

	<u>2014</u>	<u>2013</u>
Diesel fuel, gasoline and oil	\$67,506	\$46,467
Vehicle parts and supplies	<u>740,618</u>	<u>746,258</u>
	<u>\$808,124</u>	<u>\$792,725</u>

II. E. PREPAIDS

Prepays consist mainly of maintenance support and warranties for buses and other mobile equipment. At June 30, 2014, \$45,272 was reported as current prepaids and \$5,270 as non-current prepaids in the Transportation Division. There were \$15,737 in current prepaids reported at June 30, 2013.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

II. F. OTHER ASSETS

	2014	2013
Insurance security deposit	\$65,000	\$65,000
Flexible compensation plan escrow	4,285	4,283
Net pension asset	689,074	518,394
	<u>\$758,359</u>	<u>\$587,677</u>

II. G. CAPITAL ASSETS

Changes in Capital Assets

	2014					
	Land and Art	Construction In Progress				Total Non-depreciable
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>						
Balance, June 30, 2013	\$4,872,022	\$10,454,333				\$15,326,355
Increases	35,000	20,163,313				20,198,313
Decreases	-	(3,821,463)				(3,821,463)
Total capital assets, not depreciated	<u>\$4,907,022</u>	<u>\$26,796,183</u>				<u>\$31,703,205</u>
	Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Depreciable
<u>CAPITAL ASSETS, DEPRECIATED</u>						
Balance, June 30, 2013	\$14,401,819	\$7,735,528	\$19,163,332	\$23,099,721	\$7,368,786	\$71,769,186
Increases	1,146,314	927,575	2,560,745	534,999	995,011	6,164,644
Decreases	-	-	(68,961)	-	-	(68,961)
Balance, June 30, 2014	<u>15,548,133</u>	<u>8,663,103</u>	<u>21,655,116</u>	<u>23,634,720</u>	<u>8,363,797</u>	<u>77,864,869</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2013	4,382,324	4,774,263	9,294,138	13,956,008	4,518,649	36,925,382
Increases	323,515	285,571	1,465,331	429,247	454,544	2,958,208
Decreases	-	-	(63,214)	-	-	(63,214)
Balance, June 30, 2014	<u>4,705,839</u>	<u>5,059,834</u>	<u>10,696,255</u>	<u>14,385,255</u>	<u>4,973,193</u>	<u>39,820,376</u>
Total capital assets, depreciated	<u>\$10,842,294</u>	<u>\$3,603,269</u>	<u>\$10,958,861</u>	<u>\$9,249,465</u>	<u>\$3,390,604</u>	<u>\$8,044,493</u>
Total Department capital assets, net						<u>\$69,747,698</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

II. G. CAPITAL ASSETS (continued)

	2013					
	Construction		Total			
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>	<u>Land and Art</u>	<u>In Progress</u>	<u>Non-depreciable</u>			
Balance, June 30, 2012	\$4,219,827	\$3,289,253	\$7,509,080			
Increases	652,195	8,948,194	9,600,389			
Decreases	—	(1,783,114)	(1,783,114)			
Total capital assets, not depreciated	<u>\$4,872,022</u>	<u>\$10,454,333</u>	<u>15,326,355</u>			
	Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Depreciable
<u>CAPITAL ASSETS, DEPRECIATED</u>						
Balance, June 30, 2012	\$14,689,509	\$7,550,175	\$22,030,696	\$23,141,280	\$5,242,523	\$72,654,183
Increases	23,214	259,167	4,358,742	465,980	2,153,863	7,260,966
Decreases	(310,904)	(73,814)	(7,226,106)	(507,539)	(27,600)	(8,145,963)
Balance, June 30, 2013	<u>14,401,819</u>	<u>7,735,528</u>	<u>19,163,332</u>	<u>23,099,721</u>	<u>7,368,786</u>	<u>71,769,186</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2012	4,085,079	4,544,564	14,990,362	13,863,117	3,980,719	41,463,841
Increases	297,257	303,513	1,440,106	339,470	552,587	2,932,933
Decreases	(12)	(73,814)	(7,136,330)	(246,579)	(14,657)	(7,471,392)
Balance, June 30, 2013	<u>4,382,324</u>	<u>4,774,263</u>	<u>9,294,138</u>	<u>13,956,008</u>	<u>4,518,649</u>	<u>36,925,382</u>
Total capital assets, depreciated	<u>\$10,019,495</u>	<u>\$2,961,265</u>	<u>\$9,869,194</u>	<u>\$9,143,713</u>	<u>\$2,850,137</u>	<u>34,843,804</u>
Total department capital assets, net						<u>\$50,170,159</u>

Depreciation Expense

	2014	2013
Transportation	\$2,042,806	\$2,016,955
River Cruises	264,763	262,414
Parking	650,639	653,564
	<u>\$2,958,208</u>	<u>\$2,932,933</u>

Transfer of Capital Assets

On August 2, 2012, the Authority transferred real estate to OCWUT through an exchange of cash and the cancellation of amounts payable to OCWUT. The asset was transferred with cost of \$507,539 and accumulated depreciation of \$300,294.

Capitalized Interest

	Total Interest Costs Incurred	Capitalized Interest
<i>Business-type Activities</i>		
Arts District Garage	<u>\$897,476</u>	<u>\$897,476</u>

III. LIABILITIES

III. A. UNEARNED REVENUE

In July and August 2007, the Authority and OCRRA, respectively, entered into an agreement with Devon Energy Corporation (Devon) for \$2 million. Among other conditions, the agreement grants Devon the exclusive naming rights for the Oklahoma River Transit System (ORTS), which covered the three ORTS watercraft placed into service by the Authority, and is effective for an initial term of 15 years (commencing October 1, 2007). Devon has the option to extend this agreement for one additional 5-year renewal period. In addition, Devon was granted the right of first refusal for naming rights to any additional watercraft placed into service by the Authority. The payment amount, set forth in the agreement, was received from Devon by the OCRRA in a lump sum and transferred to the Authority to finance needed system acquisitions.

Should the Authority Trustees or OCRRA Trustees elect to terminate operation of the ORTS system prior to the expiration of the initial term of the agreement (September 30, 2022), the Authority shall reimburse Devon \$133,000 per year for each year of the initial term remaining after termination. The unearned portion of the payment received for the naming rights of \$1,102,250 at June 30, 2014 and \$1,235,250 at June 30, 2013 is reported with unearned revenue, of which \$969,250 and \$1,102,250 is reported as non-current at June 30, 2014 and 2013, respectively.

III. B. INTERGOVERNMENTAL PAYABLE - ARBITRAGE COMPLIANCE

Proceeds from tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Department invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. The arbitrage filing requirements for the bond issue is 60 days from July 1, 2014 if a liability exists. At June 30, 2014 and 2013 there was no rebatable arbitrage liability.

III. C. COMPENSATED ABSENCES

Compensated absences balances changed from 2013 to 2014 by accruals of \$658,554 and usages of \$576,789 compared to changes in accruals of \$497,896 and usages of \$502,238 from 2012 to 2013.

III. D. REVENUE BONDS

Bond Issuance

On June 20, 2013, the Authority issued \$22,000,000 in Parking Revenue Bonds, Series 2013 with an average interest rate (coupon) of 4.5%. The proceeds of \$22,000,000 from the bonds, less \$325,778 in issuance costs, to be used to finance construction of a new parking garage in downtown Oklahoma City, known as the Arts District Garage.

Parking Revenue Bonds

In 2013 the Authority issued bonds for financing part of the construction of a new parking facility. The bonds are collateralized principally by the net revenues of the parking system and revenues pledged by the City under an agreement of support (City Agreement).

The Series 2013 Parking Revenue Bonds mature on July 1, 2014 through July 1, 2038. Interest payments are payable on January 1 and July 1 beginning January 1, 2014. The Series 2013 Bonds are subject to optional redemption on or after July 1, 2023. Series 2013 Bonds outstanding at June 30, 2014, are \$22,000,000.

Bonded Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$580,000	\$868,818	\$1,448,818
2016	610,000	864,160	1,474,160
2017	615,000	857,776	1,472,776
2018	625,000	848,722	1,473,722
2019	635,000	837,281	1,472,281
2020-2024	3,420,000	3,923,885	7,343,885
2025-2029	4,055,000	3,251,169	7,306,169
2030-2034	5,050,000	2,221,762	7,271,762
2035-2039	<u>6,410,000</u>	<u>827,090</u>	<u>7,237,090</u>
	<u>\$22,000,000</u>	<u>\$14,500,663</u>	<u>\$36,500,663</u>

Revenue Bonds Outstanding

	Amount	Interest	Issue	Principal	<u>2014</u>	<u>2013</u>
<u>Authority Parking System Revenue Bonds</u>	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Principal Balance</u>	<u>Principal Balance</u>
Series 2013	\$22,000,000	0.71-4.97	6/20/2013	7/1/2038	\$22,000,000	\$22,000,000

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.

On October 1, 2009, the City Center East Parking Garage was sold to Specialty Real Estate Services, L.L.C. and the City Center West Parking Garage was sold to Devon Energy Corporation through the Oklahoma City Urban Renewal Authority (OCURA) for a total of \$25,614,275, net of certain closing costs. As a result of these sales, the remaining Series 2003 Bonds outstanding of \$23,635,000 were defeased at a cost of \$26,363,768. The cost to defease was funded with \$24,354,084 of the net proceeds from the sales of the garages and bond fund reserves of \$2,009,684.

Related to the sale of the City Center West Parking Garage to Devon Energy Corporation was the vacation and subsequent demolition of the Scissor Parking Facility which resulted in a partial defeasement of the Series 2006 Bonds in the amount of \$6,895,000 at a cost of \$7,637,097. The Authority defeased the Series 2006 Bonds with \$1,057,210 of the net proceeds from the sales of garages, bond fund reserves of \$219,887, a payment from the Oklahoma City Economic Development Trust (OCEDT) of \$4,360,000, and a contribution from OCURA of \$2,000,000.

In addition, \$179,356 of the net sales proceeds were used to pay fees and costs relating to the bond defeasance. Excess proceeds of \$23,625 were transferred to operations of the Parking Authority.

In addition to the payment received from OCEDT to help fund the defeasement of the Series 2006 Bonds, the Authority also received \$3,865,550 from OCEDT for reimbursement of the total capital outlay expended to make the parking garages ready for sale.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

On January 11, 2012, the Broadway Kerr Parking Garage was sold to Sandridge Realty, L.L.C. for a total of \$8,677,334 net of closing costs and rental income adjustments. A total of \$12,111,260 was placed into a special escrow account, thereby defeasing the remaining Series 2006 Bonds outstanding balance of \$9,060,000. The \$12,111,260 consisted of proceeds from the sale of the garage of \$8,677,334, along with excess bond fund reserves and all accumulated reserves in the debt service accounts of \$3,433,926. The proceeds from the sale and accumulated bond fund reserves were used to retire \$9,144,150 of bond principal and interest payments. On March 1, 2012, \$8,675,000 in principal was called on the bonds and the remaining \$385,000 outstanding was paid on July 1, 2012.

In addition, \$58,250 of the net proceeds were used to pay fees and costs relating to the bond defeasance. Excess proceeds of \$2,908,860 were returned to the Authority after the last payment for the Series 2006 bonds was fully paid on July 1, 2012.

Outstanding Defeased Bonds

	<u>Defeased Balance</u>	<u>Outstanding Balance</u>	
		<u>2014</u>	<u>2013</u>
Authority Parking System Revenue Bonds, Series 2003	\$23,635,000	\$19,205,000	\$21,070,000
Authority Parking System Revenue Refunding Bonds, Series 2006	6,895,000	2,980,000	4,035,000

Bond Coverage

	<u>2014</u>	<u>2013</u>
Gross revenue, including non-operating investment income	\$7,127,870	\$6,218,570
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	<u>3,360,823</u>	<u>3,112,107</u>
Net revenue available for debt service	<u>\$3,767,047</u>	<u>\$3,106,463</u>
Principal amounts	\$610,000	\$610,000
Interest amounts	<u>864,160</u>	<u>864,160</u>
Total debt service requirements	<u>\$1,474,160</u>	<u>\$1,474,160</u>
Revenue bond coverage	<u>2.5</u>	<u>2.1</u>

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

III. E. SEGMENT INFORMATION AND PLEDGED REVENUES

The Authority issued revenue bonds to support its parking garages. The financial statements report revenue-supported debt. The Authority recognized \$6,880,235 and \$6,015,144 in parking revenues in 2014 and 2013, respectively.

III. F. CHANGES IN LONG-TERM LIABILITIES

	2014					
	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014	Due Within One Year	Due After One Year
<u>COMPENSATED ABSENCES</u>						
Transportation	\$824,658	\$639,026	\$537,350	\$926,334	\$295,666	\$630,668
Parking	75,613	19,528	39,439	55,702	22,365	33,337
<u>REVENUE BONDS</u>						
Parking	22,000,000	-	-	22,000,000	580,000	21,420,000
<u>NET OPEB OBLIGATION</u>						
Transportation	572,718	239,078	143,813	667,983	-	667,983
Parking	71,025	28,721	19,645	80,101	-	80,101
Total Department	<u>\$23,544,014</u>	<u>\$926,353</u>	<u>\$740,247</u>	<u>\$23,730,120</u>	<u>\$898,031</u>	<u>\$22,832,089</u>

	2013					
	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013	Due Within One Year	Due After One Year
<u>PAYABLE TO OCWUT</u>						
Parking	\$1,091,250	\$ -	\$1,091,250	\$ -	\$ -	\$ -
<u>COMPENSATED ABSENCES</u>						
Transportation	831,146	455,443	461,931	824,658	260,491	564,167
Parking	73,467	42,453	40,307	75,613	25,452	50,161
<u>ESTIMATED CLAIMS PAYABLE</u>						
Transportation	60,000	-	60,000	-	-	-
<u>REVENUE BONDS</u>						
Parking	-	22,000,000	-	22,000,000	-	22,000,000
<u>NET OPEB OBLIGATION</u>						
Transportation	506,179	194,237	127,698	572,718	-	572,718
Parking	65,239	25,643	19,857	71,025	-	71,025
Total Department	<u>\$2,627,281</u>	<u>\$22,717,776</u>	<u>\$1,801,043</u>	<u>\$23,544,014</u>	<u>\$285,943</u>	<u>\$23,258,071</u>

III. G. GUARANTEED DEBT

Implementation of New Accounting Standard

Effective July 1, 2013, the Department implemented GASB statement number 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the governments will be required to make a payment on the guarantee. This Statement also specifies the information required to be disclosed by governments extending nonexchange financial guarantees as well as governments that receive nonexchange financial guarantees. This statement has been applied retroactively, when practical, for all periods presented.

The City has executed an agreement of support which guarantees the City will fund debt service and bond reserve requirements for the Authority Series 2013 bonds. Under Oklahoma law, the City may only be obligated to transfer up to the end of its fiscal year (June 30) and has no legal obligation or promise to transfer beyond its fiscal year. The debt instruments recognize the limitations set by state law and the City's moral obligation to renew the guarantees. The debt instruments require the City to renew the guarantees annually. The City did not and was not required to fund debt service for the Authority in 2014 or any preceding year in which the debt was outstanding.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

<u>Maximum of Bond Reserve or Bond Debt Service Requirements</u>	<u>Total Amount Guaranteed (1)</u>	<u>Total Amount Outstanding</u>
Authority Parking System Revenue Bonds, Series 2013	<u>\$1,448,818</u>	<u>\$22,000,000</u>

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2015 and covered under the guarantee effective July 1, 2014. It is anticipated that the guarantees will be renewed annually.

IV. NET POSITION

Net Investment in Capital Assets

	<u>2014</u>	<u>2013</u>
Capital assets, net	\$69,747,698	\$50,170,159
Retainages and capital related accounts payable	(5,891,280)	(5,799,344)
Bonds payable, net	(22,000,000)	(22,000,000)
Bond accounts funded with bond proceeds	8,636,565	21,711,076
Bond issuance costs paid with bond proceeds	<u>325,778</u>	<u>250,453</u>
	<u>\$50,818,761</u>	<u>\$44,332,344</u>

Restricted for Capital Projects

	<u>2014</u>	<u>2013</u>
Bond construction account	\$8,636,565	\$21,711,076
Bond construction account funded with bond proceeds	<u>(8,636,565)</u>	<u>(21,711,076)</u>
	<u>\$ -</u>	<u>\$ -</u>

Restricted for Debt Service

	<u>2014</u>	<u>2013</u>
Bond principal and interest accounts	\$1,015,748	\$ -
Bond reserve	1,482,355	1,481,260
Current bond interest payable	<u>(435,433)</u>	<u>-</u>
	<u>\$2,062,670</u>	<u>\$1,481,260</u>

Unrestricted

	<u>2014</u>	<u>2013</u>
Unrestricted	<u>\$20,234,716</u>	<u>\$20,569,404</u>

V. REVENUES AND EXPENSES

V. A. LEASE REVENUES

The Parking Division of the Authority 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, 2014, 29,409 square feet of garage retail space was leased and approximately 5,000 square feet of unimproved space was available to lease. In addition, the Transportation Division of the Authority leases out 7,000 square feet of office space. These leases are non-cancelable operating leases. Rental income in 2014 and 2013 was \$183,314 and \$87,866, respectively

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Minimum Rentals on Non-Cancelable Leases

2015	\$184,674
2016	160,127
2017	<u>44,700</u>
	<u>\$389,501</u>

V. B. SPECIAL ITEM

Real Estate exchange to OCWUT

A special item has been reported in 2013 related to the exchange of real estate to OCWUT on August 2, 2012. Approximately 22,036 square feet of office space located on the ground floor of 501 W. Sheridan, Oklahoma City, Oklahoma, was previously leased to OCWUT to provide utility billing and support services. The exchange included cancelling the \$1,091,250 remaining outstanding debt associated with the repayment agreement dated June 28, 1988, and a single cash receipt of \$223,750. The net book value of the office space was \$207,245 as of the date of exchange resulting in a special item gain on sale of \$1,107,755.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Payable/Due Within the Department

Receivable/payables within the Department consist of reimbursements from the Parking Authority to the Transit Authority for repair parts and labor for shuttle vehicles and payroll costs, grant receivables in the River Authority from the Transportation Authority, and cost reimbursements between the Enterprise and Authority funds in both 2014 and 2013.

	2014					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
Authority Transportation Fund	\$ -	\$58,355	\$ -	\$697,102	\$ -	\$755,457
Authority Parking Fund	<u>49,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,494</u>	<u>147,143</u>
	<u>\$49,649</u>	<u>\$58,355</u>	<u>\$ -</u>	<u>\$697,102</u>	<u>\$97,494</u>	<u>\$902,600</u>
PAYABLE/DUE TO						
Authority Transportation Fund	\$ -	\$ -	\$49,649	\$ -	\$ -	\$49,649
Authority River Cruises Fund	58,355	-	-	-	-	58,355
Enterprise Transportation Fund	697,102	-	-	-	-	697,102
Enterprise Parking Fund	<u>-</u>	<u>-</u>	<u>97,494</u>	<u>-</u>	<u>-</u>	<u>97,494</u>
	<u>\$755,457</u>	<u>\$ -</u>	<u>\$147,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$902,600</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Payable/Due Within the Department (continued)

	2013					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
Authority Transportation Fund	\$ -	\$321,451	\$ -	\$664,621	\$ -	\$986,072
Authority Parking Fund	<u>24,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,780</u>	<u>136,450</u>
	<u>\$24,670</u>	<u>\$321,451</u>	<u>\$-</u>	<u>\$664,621</u>	<u>\$111,780</u>	<u>\$1,122,522</u>
PAYABLE/DUE TO						
Authority Transportation Fund	\$ -	\$ -	\$24,670	\$ -	\$ -	\$24,670
Authority River Cruises Fund	321,451	-	-	-	-	321,451
Enterprise Transportation Fund	664,621	-	-	-	-	664,621
Enterprise Parking Fund	<u>-</u>	<u>-</u>	<u>111,780</u>	<u>-</u>	<u>-</u>	<u>111,780</u>
	<u>\$986,072</u>	<u>\$-</u>	<u>\$136,450</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,122,522</u>

Payable/Due Within the City

Receivable within the City consists of payments from the City for a salary subsidy, net of negative pooled cash of \$38,977 at June 30, 2014 and a operating subsidy of \$1 million, refunds of internal service fund charges of \$4,269 for natural gas and fuel and a refund of engineering service charges from the City Public Works Department of \$4,047 at June 30, 2013.

Payable within the City at June 30, 2014 and 2013 includes amounts payable for chargebacks of \$88,915 and \$119,233 for administration, printing, fuel, and natural gas and \$158 and \$297 for engineering services from the City Public Works Department, respectively. Also, included in payable within the City at June 30, 2013 is amounts payable for lease revenues of \$14,696 for event parking.

	2014					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
City General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$38,977</u>	<u>\$ -</u>	<u>\$38,977</u>

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Payable/Due Within the City

2014						
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>
PAYABLE/DUE TO						
City General Fund	\$1,585	\$ -	\$76,944	\$ -	\$695	\$79,224
City Print Shop Fund	603	16	-	-	53	672
City Fleet Services Fund	8,610	-	-	-	113	8,723
City Stormwater Drainage Fund	-	-	158	-	-	158
OCPPA Services Fund	<u>296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296</u>
	<u>\$11,094</u>	<u>\$16</u>	<u>\$77,102</u>	<u>\$-</u>	<u>\$861</u>	<u>\$89,073</u>

2013						
	<u>Authority</u>			<u>Enterprise</u>		<u>Total</u>
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
RECEIVABLE/ DUE FROM						
City General Fund	\$1,004,047	\$ -	\$ -	\$ -	\$ -	\$1,004,047
OCPPA General Purpose Fund	3,546	-	-	-	-	3,546
City Fleet Services Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>723</u>	<u>723</u>
	<u>\$1,007,593</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$723</u>	<u>\$1,008,316</u>

PAYABLE/DUE TO						
City General Fund	\$36,800	\$1,268	\$74,778	\$406	\$288	\$113,540
City Print Shop Fund	1,600	-	7	-	-	1,607
City Fleet Services Fund	13,074	1,326	-	-	-	14,400
City Stormwater Drainage Fund	-	-	297	-	-	297
OCPPA General Purpose Fund	-	-	4,105	-	-	4,105
OCMFA General Purpose Fund	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277</u>
	<u>\$51,751</u>	<u>\$2,594</u>	<u>\$79,187</u>	<u>\$406</u>	<u>\$288</u>	<u>\$134,226</u>

VI. B. INTERFUND PAYMENTS/TRANSFERS

Payments/Transfers Within the Department

Payments/transfers within the Department consist of the transfer of grant revenue funds from the Transportation Authority to the River Authority, a chargeback reclassification from the Transportation Authority fund to the Transportation Enterprise fund, monthly administrative payments from the Transportation Authority to the Transportation Enterprise fund, cost reimbursement transfers between the Authority and Enterprise funds, and a reimbursement for payroll costs from the Parking Authority to the Transportation Authority.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

2014						
	Authority			Enterprise		Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
TO						
AUTHORITY						
Transportation	\$ -	\$ -	\$24,669	\$ -	\$ -	\$24,669
River Cruises	61,159	-	-	-	-	61,159
ENTERPRISE						
Transportation	4,088,322	91,011	-	-	-	4,179,333
Parking	-	-	378,306	-	-	378,306
	<u>\$4,149,481</u>	<u>\$91,011</u>	<u>\$402,975</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,643,467</u>

2013						
	Authority			Enterprise		Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
TO						
AUTHORITY						
Transportation	\$ -	\$ -	\$24,670	\$ -	\$ -	\$24,670
River Cruises	920,432	-	-	-	-	920,432
ENTERPRISE						
Transportation	3,923,470	84,628	-	-	-	4,008,098
Parking	-	-	396,444	-	-	396,444
	<u>\$4,843,902</u>	<u>\$84,628</u>	<u>\$421,114</u>	<u>\$-</u>	<u>\$-</u>	<u>\$5,349,644</u>

Payments/Transfers Within the City and Component Units

2014						
	Authority			Enterprise		Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
FROM						
City General Fund	\$14,047,555	\$670,000	\$183,300	\$38,798	\$314,309	\$15,253,962
City Capital						
Improvement Fund	75,000	-	-	-	-	75,000
OCRRA	-	50,000	-	-	-	50,000
	<u>\$14,122,555</u>	<u>\$720,000</u>	<u>\$183,300</u>	<u>\$38,798</u>	<u>\$314,309</u>	<u>\$15,378,962</u>

2013						
	Authority			Enterprise		Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
FROM						
City General Fund	\$12,834,341	\$670,000	\$129,086	\$ -	\$262,883	\$13,896,310
City MAPS3						
Sales Tax Fund	208,000	-	-	-	-	208,000
City Capital						
Improvement Fund	36,000	-	-	-	-	36,000
City Street & Alley Fund	40,000	-	-	-	-	40,000
OCRRA	-	50,000	-	-	-	50,000
Oklahoma City						
Economic Development						
Trust (OCEDT)	45,286	-	-	-	-	45,286
	<u>\$13,163,627</u>	<u>\$720,000</u>	<u>\$129,086</u>	<u>\$-</u>	<u>\$262,883</u>	<u>\$14,275,596</u>

Dependency on the City

During fiscal year 2014 and 2013 revenues from the Authority Transportation and River Cruises Funds were not sufficient to meet operating expenses. As a result, the Authority received funding from the City General Fund to subsidize operations of \$14,717,555 and \$13,504,341 for June 30, 2014 and 2013, respectively.

Administrative Chargebacks

City employees external to the Department perform some administrative functions which are reimbursed through administrative chargebacks recorded with operating expenses of the Authority and Enterprise Funds. In fiscal year 2014 and 2013 the Authority Funds paid \$2,616,644 and \$2,464,453 and the Enterprise Funds paid \$0 and \$5,828, respectively, for these services. The Authority reimbursed the Enterprise Funds for its share of the costs through payments within the Department.

OPEB Subsidy

For the 2014 and 2013 fiscal years, the City General Fund contributed \$124,806 and \$112,131 to OCPEBT on behalf of the Department which will be used to pre-fund medical benefits to be provided in future fiscal years.

Other

Other payments/transfers within the City in 2014 include payments from the OCRRA of \$50,000 for a share of marketing costs, \$183,300 for payments from the City General Fund to the Parking Authority for a parking lease, a \$75,000 payment from the City Capital Improvements Fund for local shares of grant matches, and \$353,107 from the City General Fund for salaries. Other payments/transfers within the City in 2013 include payments from the OCRRA of \$50,000 for a share of marketing costs, \$129,086 for payments from the City General Fund to the Parking Authority for a parking lease, a \$36,000 payment from the City Capital Improvements Fund and \$40,000 payment from the City Street and Alley Fund for local shares of grant matches, \$262,883 from the City General Fund for salaries, and a payment of \$45,286 from OCEDT for reimbursement for the Myriad Garden trolley shelter.

VII. DEFINED BENEFIT PENSION PLANS

Employees of the Department participate in one of two single-employer, defined benefit public employee retirement systems.

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

VII. A. 1. PLAN DESCRIPTION

The OCERS is the administrator of a single employer defined benefit local government retirement plan for the City of Oklahoma City. Plan amendments and benefit provisions are established and amended by City Council action. Unless otherwise indicated, the information in this note is provided as of the latest actuarial valuation, December 31, 2013. Actuarial valuations are performed annually.

Funding Policies, Contribution Methods and Benefit Provisions

Year established and governing authority	1958; City Council Ordinance
Determination of contribution requirements	Actuarially determined
Contribution Rates:	
Employer	8.00% of covered payroll
Plan members	6.00% of covered payroll
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Cost of living benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS 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 benefit.

Funding Policy

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning July 1, 2014, the employer contribution rate changed from 9.49% of covered payroll to 8.00% of covered payroll. The employee contributes 6.00% of covered payroll. Administrative costs are funded with investment earnings.

Benefit Provisions

The OCERS was established by City Council Ordinance in 1958 to hold funds in trust to provide pension, disability, and survivor benefits to its members.

Benefit provisions include both duty and non-duty disability retirement and death benefits. Average Final Compensation (AFC) determines the retirement benefit and is calculated as the highest 36 months of earned employee compensation (excluding compensation for unused vacation and sick leave and amounts elected to be deferred under Section 125 of the Internal Revenue Code) during the last 60 months of service. Generally, the normal retirement benefit is 2% of AFC for each full year of service, plus 1/12 of 2% for each whole month of a partial year of service to a maximum of 100% of AFC. There are modifications to the normal retirement benefit for early and deferred retirement, duty and non-duty disability, and death benefits.

Cost of Living Adjustments

Retirement pension may be adjusted annually for changes in the Consumer Price Index. The maximum adjustment is 2% compounded annually.

NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

Membership

	<u>2014</u>	<u>2013</u>
Active employees - nonvested	761	762
Active employees - vested	1,726	1,697
Retirees and beneficiaries currently receiving benefits	1,345	1,324
Terminated plan members entitled to but not yet receiving benefits	82	83
	<u><u>3,914</u></u>	<u><u>3,866</u></u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	12/31/13
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period	28 years, closed
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	7.5%
Cost of living benefit increases (maximum)	2%
Inflation	3.8%
Projected salary increases	3.75% to 7.25%
Mortality table	RP 2000 mortality table projected to 2010 was used in this valuation

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 actuarial valuation dated December 31, 2013, the amortization period changed from 29 years, closed to 28 years, closed.

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

VII. A. 2. ANNUAL PENSION COST, TREND INFORMATION, AND RESERVES

Annual Pension Cost and Trend Information

<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation (NPO)</u>
2014	\$8,871,691	100%	\$ -
2013	11,320,094	100	-
2012	9,614,625	100	-

Reserves

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.

VII. A. 3. FUNDING STATUS AND FUNDING PROGRESS

Actuarial value of plan assets (AVA)	\$589,527,000
Actuarial accrued liability (AAL)	581,866,000
Unfunded actuarial accrued liability (UAAL)	(7,661,000)
Funded ratio (AVA/AAL)	101%
Covered payroll (active Plan members)	119,457,000
UAAL as a percentage of covered payroll	(6%)

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. OCERS financial statements may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

**VII. B CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY EMPLOYEE
RETIREMENT TRUST (COTPA RETIREMENT)**

Implementation of New Accounting Standard

Effective July 1, 2013, the Trust implemented GASB statement number 67, Financial Reporting for Pension Plans. This statement amends GASB statement number 25 to improve financial reporting by state and local governmental pension plans.

VII. B. 1. PLAN DESCRIPTION

COTPA Retirement provides retirement benefits for all Authority employees, primarily bus drivers and related operations employees. Unless otherwise indicated, COTPA Retirement information in this note is provided as of the latest actuarial valuation, June 30, 2014.

Management of the COTPA Retirement is vested in the Pension Committee, which consists of eight members - five by position and three appointed by Authority Director or Trustees.

Actuarial valuations are performed annually.

Funding Policies, Contribution Methods and Benefit Provisions

Year established and governing authority	1970; Authority Board Resolution
Determination of contribution requirements	Contracted pursuant to union negotiations
Employer	\$55.04 per week
Plan members	\$44.13 per week
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Cost of living increases	Increases must be approved by the COTPA Board
Eligibility for distribution	25 years credited service regardless of age, or age 65 with 10 years, or age 62 with 10 years on a reduced basis.

Funding Policy

Contribution requirements are negotiated and established pursuant to union contract. The employer contributes \$55.04 per week and the employee contributes \$44.13 per week of covered payroll. Administrative costs are funded with investment earnings.

Benefit Provisions

Employees of the Authority are required to participate in the Plan after completion of six months of employment. The Authority 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 \$54.00 per month for each year of service from their date of hire, plus variable cost of living increases based on their date of retirement. An early retirement option with reduced benefits is available at age 62 with 10 years of credited service.

Membership

	<u>2014</u>	<u>2013</u>
Active members	173	167
Retirees and beneficiaries currently receiving benefits	62	56
Terminated plan members entitled to but not yet receiving benefits	14	4
	<u>249</u>	<u>227</u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	7/1/14
Actuarial cost method	Individual entry age normal
Amortization method	Level dollar
Amortization period	30 years, open
Actuarial asset valuation method	5-year smoothed market
Actuarial Assumptions	
Investment rate of return	7%
Inflation	2.3%
Mortality table	1983 group annuity mortality tables, scale 355 withdrawal rates

Long-Term Expected Rate of Return on Pension Plan Investment

The long-term expected rate of return on pension plan investments was determined using a geometric basis and a time horizon of 20 years. The capital market expectations are initially developed by combining historical risk, return, and correlation data with state-of-the-art techniques and tools that mitigate the limitations of traditional optimization methods. The asset allocation committee at Bank of Oklahoma Financial then employs a qualitative overlay to determine the long-term expected returns.

Asset Class	Long-Term Expected Real Rate of Return (1)
Cash	0.24%
U.S. core fixed income	0.77
U.S. high yield fixed income	3.72
Developed international fixed	2.85
Emerging markets fixed income	4.91
U.S. large cap	7.05
U.S. mid cap	8.06
U.S. small cap	8.46
Developed international	8.81
Emerging markets	11.11
Diversified alternatives	2.34
Hedged equities	4.11
Low correlation alternatives	1.56
Real estate investment trusts	7.21
Infrastructure	5.29
Commodities	4.61
Private equity	11.01

(1) The long-term expected inflation is assumed to be 2.25%.

Discount Rate

The discount rate used to measure the total pension liability was 5.34%. The projection of cash flows used to determine the discount rate assumes that the Plan and members contributions will be made at the current contribution rates specified in the union contract (\$55.04 per employee per week for the employer and \$44.13 per employee per week for the participants). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the year 2035 (or 23 years out). At that point in time, the plan's fiduciary net position will be insufficient to satisfy projected future benefits payments. Therefore, the long-term expected rate of return on pension plan investments (7.0%) was applied to years 1 through 23 (2013 - 2035) of projected benefit payments and a bond rate of 3.63% was applied to projected benefit payments after 2035 to determine the total pension liability.

The bond rate of 3.63% is from the Moody's Bond Index Yield on 6/27/2014. It reflects 20-year, tax exempt general obligation municipal bonds with an average rating of AA.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (4.34%)	Current Discount (5.34%)	1% Increase (6.34%)
Net pension liability	\$6,990,594	\$5,137,229	\$3,573,620

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the Authority 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 Authority 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.

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

VII. B. 2. ANNUAL PENSION COST, NET PENSION OBLIGATION, TREND INFORMATION, AND RESERVES

Net Pension Obligation

	<u>2014</u>
Total pension liability	\$16,447,773
Plan fiduciary net position	<u>(11,310,544)</u>
	<u>\$5,137,229</u>
Plan fiduciary net position as a percentage of the total pension liability	68.77%

Reserves

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

Concentrations

The pension plan does not hold any individual securities, but invests in mutual funds. The Plan holds investments exceeding 5% of the total plan market value in the American Beacon Large Cap Value Fund, Fidelity Contrafund, JP Morgan Large Cap Growth, Vanguard 500 Index Fund, and PIMCO Total Return Fund. The Plan held no individual investments (other than U.S. government and U.S. government guaranteed obligations) whose market value exceeds 5% or more of net assets available for benefits. There are no long-term contracts for contributions.

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.10 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VII. B. 3. FUNDING STATUS AND FUNDING PROGRESS

The required supplementary information defined benefit pension schedules immediately following the notes to the financial statements presents certain ten-year trend information for as many years for which information measured in conformity with the requirements of GASB 67 is available. A copy of the actuarial report referred to in this note may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102. COTPA Retirement does not present a stand-alone report.

VIII. DEFINED CONTRIBUTION PENSION PLANS

City Defined Contribution Plans

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

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

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

The two plans include 112 and 100 participants for 2014 and 2013, respectively, comprised of City Council appointees and management personnel.

Authority Defined Contribution Plan

The Authority participates in a defined contribution plan established July 1, 2001 for eligible administrative employees (not represented by a union). Plan provisions and contribution requirements are established or amended by Authority resolution. It is in addition to COTPA Retirement and provides that the employee may voluntarily contribute to the ICMA plan and the Authority will match employee contributions up to \$1,000 annually. The ICMA plan includes 38 participants at June 30, 2014 and June 30, 2013. For fiscal year 2014 and 2013 actual contributions by plan participants were \$54,425 and \$44,003, respectively. The Authority contributed \$19,586 and \$20,565 for June 30, 2014 and 2013, respectively.

IX. OTHER POST EMPLOYMENT BENEFITS (OPEB)

IX. A. CITY OPEB

IX. A. 1. PLAN DESCRIPTION

The City provides post-employment healthcare benefits for retired employees and their dependents through the City of Oklahoma City Post-retirement Medical Plan (the Plan), a single-employer defined benefit healthcare plan administered by the OCPEBT. 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 Plan issues a separate report that can be obtained from Human Resources at 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Funding Policies, Contribution Methods and Benefit Provisions

Year established and governing authority	2008; City Council Ordinance
Determination of contribution requirements	City Policy
Contribution rates:	
Employer	60% of premium
Plan members	40% of premium
Funding of administrative costs	Investment earnings
Period required to vest	5 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.

Funding Policy

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning January 1, 2014, the employer contribution rate changed from 62% of premium to 60% of premium. The employee contributes the balance of the premium. Administrative costs are funded with investment earnings.

Benefit Provisions

The City 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 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. 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. 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.

Membership

	<u>2014</u>	<u>2013</u>
Active members	3,289	3,353
Retirees and beneficiaries currently receiving benefits	2,161	2,161
	<u>5,450</u>	<u>5,514</u>

Annual Required Contributions - Actuarial Assumptions

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/13
Actuarial cost method	Projected unit credit with linear proration to decrement
Amortization method	Level percentage of payroll
Amortization period	30 years, open
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	4.91%
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
Inflation	3%
Projected salary increases	3%
Health care trend rate	4.5% (4.5% for Medicare age)
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by OCPEBT 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 OCPEBT 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.

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

IX. A. 2. ANNUAL OPEB COSTS, NET OPEB OBLIGATION, TREND INFORMATION, AND RESERVES

Annual OPEB Costs and Net OPEB Obligation

	2014		2013	
	Enterprise		Enterprise	
	<u>Funds</u>	<u>Total</u>	<u>Funds</u>	<u>Total</u>
Annual required contribution	\$191,432	\$33,975,672	\$145,772	\$32,881,008
Interest on net OPEB obligation	29,664	5,264,870	20,434	4,609,166
Adjustment to annual				
Required contribution	(27,232)	(4,833,132)	(18,758)	(4,231,199)
Annual OPEB cost	193,864	34,407,410	147,448	33,258,975
Contributions made	(124,805)	(19,619,034)	(112,132)	(19,904,516)
Increase in net OPEB obligation	69,059	14,788,376	35,316	13,354,459
Net OPEB obligation,				
beginning of year	429,148	107,227,492	393,832	93,873,033
end of year	<u>\$498,207</u>	<u>\$122,015,868</u>	<u>\$429,148</u>	<u>\$107,227,492</u>

Trend Information

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2014	\$34,407,410	\$19,619,034	57.0%	\$122,015,868
2013	33,258,975	19,904,516	59.8	107,227,492
2012	36,493,651	20,064,984	55.0	93,873,033

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.

IX. A. 3. FUNDED STATUS AND FUNDING PROGRESS

Actuarial Value of Plan Assets (AVA)	\$26,315,759
Actuarial Accrued Liability (AAL)	451,028,790
Unfunded Actuarial Accrued Liability (UAAL)	424,713,031
Funded Ratio (AVA/AAL)	6%
Covered Payroll (Active Plan Members)	203,859,835
UAAL as a Percentage of Covered Payroll	208%

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 including the actuarial report referred to in this note may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

IX. B. AUTHORITY OPEB

IX. B. 1. PLAN DESCRIPTION

The Authority 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 the Authority and can be amended by the Authority through its personnel manual and union contracts.

Funding Policies, Contribution Methods and Benefit Provisions

Year established and governing authority	2009; Authority Board Resolution
Determination of contribution requirements	Authority Policy
Contribution rates:	
Employer	Subsidy based on years of service
Plan members	Remainder of unsubsidized premium costs
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Eligibility for distribution	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 Policy

Contribution requirements are actuarially determined and established by the Authority Board. The employer contributes a subsidy based on years of service and the employee contributes the remainder of unsubsidized premium costs. Administrative costs are funded with investment earnings.

Benefit Provisions

The Authority provides post-retirement healthcare benefits to its retirees. The Plan covers all current retirees who elected post-retirement medical coverage and future retired general employees.

The Authority provides medical benefits through a fully insured health plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage.

Membership

	<u>2014</u>	<u>2013</u>
Active members	174	174
Retirees and beneficiaries currently receiving benefits	13	13
	<u>187</u>	<u>187</u>

Annual Required Contributions - Actuarial Assumptions

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/11
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	30 years, closed
Actuarial asset valuation method	N/A
Actuarial Assumptions	
Investment rate of return	4%
Inflation	2.5%
Projected salary increases	None
Health care trend rate	9%
Mortality table	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 Authority 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 Authority 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.

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

IX. B. 2. ANNUAL OPEB COSTS, NET OPEB OBLIGATION, TREND INFORMATION AND RESERVES

Annual OPEB Costs and Net OPEB Obligation

	<u>2014</u>	<u>2013</u>
Annual required contribution	\$78,556	\$76,259
Interest on net OPEB obligation	8,584	7,103
Adjustment to annual required contribution	<u>(13,206)</u>	<u>(10,929)</u>
Annual OPEB cost	73,934	72,433
Contributions made	<u>(38,652)</u>	<u>(35,424)</u>
Increase in net OPEB obligation	35,282	37,009
Net OPEB obligation, beginning of year	<u>214,595</u>	<u>177,586</u>
Net OPEB obligation, end of year	<u>\$249,877</u>	<u>\$214,595</u>

Trend Information

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	\$73,934	\$38,652	52.3%	\$249,877
2013	72,433	35,424	48.9	214,595
2012	71,037	30,253	42.6	177,586

Reserves

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

IX. B. 3. FUNDED STATUS AND FUNDING PROGRESS

Actuarial Value of Plan Assets (AVA)	\$ -
Actuarial Accrued Liability (AAL)	750,493
Unfunded Actuarial Accrued Liability (UAAL)	750,493
Funded Ratio (AVA/AAL)	0%
Covered Payroll (Active Plan Members)	7,659,048
UAAL as a Percentage of Covered Payroll	10%

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. COTPA OPEB does not issue a stand-alone report.

X. COMMITMENTS

Contract Commitments

Parking Facilities

The Authority entered into a contract with Republic Parking Systems, Inc., to provide management of parking facilities through June 30, 2013, with options for two one-year extensions. The renewal options were exercised to extend the contract through June 30, 2015. The amount of the contract is \$48,000 annually plus operating expenses and management incentive fees not to exceed \$96,000 annually.

Oklahoma River Cruises

On July 10, 2009, the Authority approved a new contract with Hornblower Marine Service (HMS), retroactive to January 1, 2009. The contract provides for three one-year renewal options. Under the contract, HMS received a \$15,000 per month management fee for the months of March through December plus reimbursement of operating costs not paid directly to suppliers by the Authority. On August 3, 2012, the Board approved the final one-year extension of the contract from January 1, 2013 to December 31, 2013 under the same terms and conditions from the original contract.

On February 14, 2014, the Board approved a new contract with HMS, retroactive to January 1, 2014. The new contract provides for a term through December 31, 2016 with two one-year renewal options. Under the contract, HMS received a contract fee of \$64,583 per month for ferry operations and for services rendered under year one of the agreement. The annual expense operating budget will be added to the annual management fee to establish the annual contract fee for contract years two and three and any subsequent extensions. In addition to the annual management fee and contract fee, HMS was paid an incentive of 15% of the gross of all charter cruises boat rental fees. Ferry service commenced on April 1, 2014.

Construction Commitments

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

	<u>2014</u>	<u>2013</u>
	Remaining	Remaining
	Commitment	Commitment
Transportation	\$570,302	\$2,395,978
River Cruises	-	135,118
Parking	5,746,602	17,392,021
	<u>\$6,316,904</u>	<u>\$19,923,117</u>

XI. CONTINGENCIES

Federal Grants

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

Litigation

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

Required Supplementary Information

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

I. SCHEDULE OF FUNDING PROGRESS

Oklahoma City Employee Retirement System Trust

Actuarial Valuation	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>			
12/31/13	\$589,527,000	\$581,866,000	(\$7,661,000)	101%	\$119,457,000	(6%)
12/31/12	547,686,000	553,588,000	5,902,000	99	114,933,000	5
12/31/11	514,499,000	593,922,000	79,423,000	87	109,293,000	73
12/31/10	524,731,000	566,834,000	42,103,000	93	102,915,000	41
12/31/09	529,137,000	556,427,000	27,290,000	95	110,408,000	25
12/31/08	528,664,000	519,234,000	(9,430,000)	102	105,566,000	(9)

COTPA Retirement

Schedule of Changes in the Net Pension Liability and Related Ratios

	<u>2014</u>
<u>Total Pension Liability</u>	
Service Cost	\$537,107
Interest	826,263
Benefits payments, including refunds of employee contributions	<u>(767,421)</u>
Net change in total pension liability	595,949
Pension liability, beginning	<u>15,851,824</u>
Pension liability, ending	16,447,773
<u>Plan Fiduciary Net Position</u>	
Contributions - employer	506,258
Contributions - employee	428,915
Net investment income	1,643,961
Benefit payments, including refunds of employee contributions	(767,421)
Administrative expense	(63,390)
Other	<u>1,003</u>
Net change in fiduciary net position	1,749,326
Plan fiduciary net position, beginning	<u>9,562,821</u>
Plan fiduciary net position, ending	<u>\$11,312,147</u>
Net pension liability, ending	<u>\$5,135,626</u>
Plan fiduciary net position as a percentage of total pension liability	68.78%
Covered - employee payroll	<u>\$9,557,433</u>
Net pension liability as a percentage of covered - employee payroll	53.73%

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Oklahoma City Employee Retirement System Trust

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2014	\$8,871,691	100%
2013	11,320,094	100
2012	9,614,625	100
2011	7,132,772	100
2010	5,585,595	100
2009	5,464,178	100

COTPA Retirement

<u>Actuarial Valuation Date</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to ADC</u>	<u>Contributions Deficiency (Excess) (b-a)</u>	<u>Covered Payroll (c)</u>	<u>Covered Payroll As of Percentage of Covered Employee Payroll ((b-a)/c)</u>
7/1/14	\$332,823	\$506,258	(\$173,435)	\$9,557,433	5.30%
7/1/13	358,722	504,166	(145,444)	9,457,557	5.33
7/1/12	380,320	498,883	(118,563)	6,930,000	7.20
7/1/11	413,569	465,859	(52,290)	7,595,000	6.13
7/1/10	419,181	471,252	(52,071)	7,150,000	6.59
7/1/09	385,660	416,086	(30,426)	7,464,000	5.57
7/1/08	240,883	327,363	(86,480)	6,700,000	4.89
7/1/07	291,987	341,016	(49,029)	7,900,000	4.32
7/1/06	298,494	325,358	(26,864)	5,400,000	6.03
7/1/05	324,500	353,705	(29,205)	5,500,000	6.43

III. CHANGES IN NET PENSION LIABILITY BY SOURCE

COTPA Retirement

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at July 1, 2013	<u>\$15,851,824</u>	<u>\$9,562,821</u>	<u>\$6,289,003</u>
Changes for the year:			
Service cost	537,107	-	537,107
Interest	826,263	-	826,263
Contributions - employer	-	506,258	(506,258)
Contributions - employee	-	428,915	(428,915)
Net investment income	-	1,643,961	(1,643,961)
Benefit payments, including refunds of employee contributions	(767,421)	(767,421)	-
Administrative expense	-	(63,390)	63,390
Other changes	-	1,003	(1,003)
Net changes	<u>595,949</u>	<u>1,749,326</u>	<u>(1,153,377)</u>
Balances at June 30, 2014	<u>\$16,447,773</u>	<u>\$11,312,147</u>	<u>\$5,135,626</u>

IV. SCHEDULE OF INVESTMENT RETURNS

COTPA Retirement

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	17.10%

V. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Oklahoma City Retirement System Trust

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

COTPA Retirement

The actuarially determined contribution is calculated using the following assumptions:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Asset valuation method:	5-year smoothed subject to a 20% corridor around the market value of assets
Salary increases:	N/A, benefit is not salary related
Investment rate of return:	7.00%, net of pension plan investment expenses
Retirement age:	The earlier of age 65 or 25 years of service
Mortality:	1983 Group Annuity Mortality Table for Males

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

I. SCHEDULE OF FUNDING PROGRESS

City of Oklahoma City Post-Employment Benefits Trust

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a) <u>Assets (a)</u>	Actuarial Accrued Liability (AAL) (b) <u>(b)</u>	Unfunded AAL (UAAL) (b-a) <u>(b-a)</u>	Funded Ratio (a/b) <u>Ratio (a/b)</u>	Covered Payroll (c) <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/13	\$26,315,759	\$451,028,790	\$424,713,031	6%	\$203,859,835	208%
7/1/12	19,198,729	433,863,156	414,664,427	4	197,922,710	210
7/1/11	15,017,721	483,931,717	468,913,996	3	180,551,843	260

COTPA Other Post-employment Benefits

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a) <u>Assets (a)</u>	Actuarial Accrued Liability (AAL) (b) <u>(b)</u>	Unfunded AAL (UAAL) (b-a) <u>(b-a)</u>	Funded Ratio (a/b) <u>Ratio (a/b)</u>	Covered Payroll (c) <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/11	\$ -	\$750,493	\$750,493	0%	\$7,659,048	10%
7/1/11	-	750,493	750,493	0	7,659,048	10
7/1/11	-	750,493	750,493	0	7,659,048	10

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

City of Oklahoma City Post-Employment Benefits Trust

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2014	\$19,619,034	\$33,975,672	58%
2013	19,904,516	32,881,008	61
2012	20,064,984	36,181,832	55

COTPA Other Post-employment Benefits

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2014	\$38,652	\$78,556	49%
2013	35,424	76,259	46
2012	30,253	73,841	41

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

See Note IX. OTHER POST EMPLOYMENT BENEFITS (OPEB) for actuarial assumptions and other information used to determine the annual required contributions.

Combining and Individual Fund Statements

This Page Left Intentionally Blank

**SCHEDULES OF NET POSITION
AUTHORITY FUNDS
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014			2013	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Non-pooled cash-----	\$6,739,641	\$296,254	\$10,576,024	\$17,611,919	\$13,016,270
Investments-----	2,999,967	-	9,658,178	12,658,145	29,234,045
Accounts receivable, net-----	181,224	-	156,462	337,686	265,831
Interest receivable-----	-	-	162	162	-
Payable/due from (to) within the Department-----	(705,808)	58,355	(147,143)	(794,596)	(776,401)
Receivable from primary government-----	-	-	-	-	1,007,593
Intergovernmental receivables-----	1,618,441	-	-	1,618,441	3,261,962
Inventories-----	792,763	1,009	-	793,772	787,484
Prepays-----	45,272	-	-	45,272	15,737
Total current assets-----	11,671,500	355,618	20,243,683	32,270,801	46,812,521
<u>NON-CURRENT ASSETS</u>					
Investments-----	-	-	1,482,355	1,482,355	1,481,260
Prepays-----	5,270	-	-	5,270	-
Other-----	758,359	-	-	758,359	587,677
Capital assets:					
Land, art, and construction in progress-----	5,762,280	249,263	25,691,662	31,703,205	15,326,355
Other capital assets, net of accumulated depreciation-----	22,504,499	4,761,846	10,774,182	38,040,527	34,833,641
Capital assets, net-----	28,266,779	5,011,109	36,465,844	69,743,732	50,159,996
Total non-current assets-----	29,030,408	5,011,109	37,948,199	71,989,716	52,228,933
Total assets-----	40,701,908	5,366,727	58,191,882	104,260,517	99,041,454
<u>LIABILITIES</u>					
<u>CURRENT LIABILITIES</u>					
Accounts payable and accrued expenses-----	1,058,889	6,034	5,169,605	6,234,528	8,055,755
Wages and benefits payable-----	385,398	-	-	385,398	548,757
Payable to primary government-----	11,094	16	77,102	88,212	133,532
Compensated absences-----	216,251	-	-	216,251	171,188
Notes, lease obligations, Unearned revenue-----	105	133,000	14,235	147,340	159,523
Bond interest payable-----	-	-	435,433	435,433	-
Bonds payable-----	-	-	580,000	580,000	-
Total current liabilities-----	1,671,737	139,050	6,276,375	8,087,162	9,068,755
<u>NON-CURRENT LIABILITIES</u>					
Compensated absences-----	422,047	-	-	422,047	283,007
Unearned revenue-----	-	969,250	-	969,250	1,102,250
Bonds payable-----	-	-	21,420,000	21,420,000	22,000,000
Net other post-employment benefit obligation-----	249,877	-	-	249,877	214,595
Total non-current liabilities-----	671,924	969,250	21,420,000	23,061,174	23,599,852
Total liabilities-----	2,343,661	1,108,300	27,696,375	31,148,336	32,668,607
<u>NET POSITION</u>					
Net investment in capital assets-----	28,091,845	5,006,094	17,716,856	50,814,795	44,322,183
Restricted for debt service-----	-	-	2,062,670	2,062,670	1,481,260
Unrestricted-----	10,266,402	(747,667)	10,715,981	20,234,716	20,569,404
Total net position-----	\$38,358,247	\$4,258,427	\$30,495,507	\$73,112,181	\$66,372,847

**SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
AUTHORITY FUNDS**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

For the Years Ended June 30,

	2014				2013
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<u>OPERATING REVENUES</u>					
<u>CHARGES FOR SERVICES</u>					
Transportation charges-----	\$2,695,727	\$ -	\$ -	\$2,695,727	\$2,721,503
River cruise charges-----	-	175,274	-	175,274	150,458
Parking-----	-	-	6,880,235	6,880,235	6,015,144
Total charges for services-----	2,695,727	175,274	6,880,235	9,751,236	8,887,105
Lease and rental income-----	133,767	-	49,547	183,314	87,866
Other-----	256,630	45	3,798	260,473	256,791
Total operating revenues-----	3,086,124	175,319	6,933,580	10,195,023	9,231,762
<u>OPERATING EXPENSES</u>					
Personal services-----	13,115,494	-	-	13,115,494	12,517,254
Maintenance, operations, and contractual services-----	3,262,997	919,488	2,933,719	7,116,204	6,721,165
Materials and supplies-----	3,923,640	43,800	24,129	3,991,569	4,205,026
Depreciation-----	2,042,806	264,763	644,442	2,952,011	2,926,736
Total operating expenses-----	22,344,937	1,228,051	3,602,290	27,175,278	26,370,181
Payments/transfers within the Department-----	(4,124,812)	(29,852)	(402,975)	(4,557,639)	(4,404,542)
Operating income (loss)-----	(23,383,625)	(1,082,584)	2,928,315	(21,537,894)	(21,542,961)
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	10,668,028	-	-	10,668,028	15,911,611
Investment income-----	4,940	62	10,990	15,992	14,941
Bond issue costs-----	-	-	(75,325)	(75,325)	(250,453)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	-	-	45,286
Payments from City of Oklahoma City-----	14,047,555	670,000	183,300	14,900,855	13,632,631
Payments from the City of MAPS3 Sales Tax Fund-----	-	-	-	-	208,820
Other revenues-----	103,104	-	-	103,104	25,905
Net non-operating revenues-----	24,823,627	853,062	118,965	25,795,654	29,771,741
Income (loss) before contributions and special item-----	1,440,002	(229,522)	3,047,280	4,257,760	8,228,780
<u>CONTRIBUTIONS</u>					
Grants capital-----	2,406,063	-	-	2,406,063	1,419,255
Capital payments from City of Oklahoma City-----	75,000	-	-	75,000	75,976
Other capital contributions-----	511	-	-	511	-
Total contributions-----	2,481,574	-	-	2,481,574	1,495,231
<u>SPECIAL ITEM</u>					
Special item-----	-	-	-	-	1,107,755
Total special item-----	-	-	-	-	1,107,755
Changes in net position-----	3,921,576	(229,522)	3,047,280	6,739,334	10,831,766
Total net position, beginning-----	34,436,671	4,487,949	27,448,227	66,372,847	55,541,081
Total net position, ending-----	\$38,358,247	\$4,258,427	\$30,495,507	\$73,112,181	\$66,372,847

This Page Left Intentionally Blank

**SCHEDULES OF CASH FLOWS
AUTHORITY FUNDS
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014				2013
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers-----	\$3,020,573	\$175,958	\$6,885,555	\$10,082,086	\$9,562,340
Cash payments to suppliers for goods and services-----	(7,967,941)	(1,093,846)	(4,048,325)	(13,110,112)	(10,263,007)
Cash payments to employees and professional contractors for services-----	(13,235,049)	-	-	(13,235,049)	(12,679,896)
Operating payments from (to) City of Oklahoma City-----	968,832	-	-	968,832	(152,245)
Operating payments within the Department-----	(4,380,404)	233,243	(392,283)	(4,539,444)	(4,416,993)
Net cash provided (used) by operating activities-----	(21,593,989)	(684,645)	2,444,947	(19,833,687)	(17,949,801)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Cash received from operating grants-----	11,345,521	-	-	11,345,521	13,841,764
Transfers received from other funds-----	-	-	-	-	64,800
Non-capital financing payments from (to) component units-----	-	50,000	-	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	14,122,555	670,000	183,300	14,975,855	13,841,451
Other non-capital financing cash receipts-----	-	-	-	-	210,185
Net cash provided (used) by non-capital financing activities-----	25,468,076	720,000	183,300	26,371,376	28,008,200
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>					
Proceeds from issuance of long-term debt-----	-	-	-	-	21,749,547
Payments for acquisition and construction of capital assets-----	(5,444,110)	(491,078)	(15,616,895)	(21,552,083)	(9,494,056)
Interest paid on long-term debt-----	-	-	(462,043)	(462,043)	-
Capital financing payments from (to) component units-----	-	-	-	-	45,286
Proceeds from sale of assets-----	12,992	-	-	12,992	3,118,204
Capital grants and contributions received-----	3,468,460	-	-	3,468,460	1,737,939
Net cash provided (used) by capital and related financing activities-----	(1,962,658)	(491,078)	(16,078,938)	(18,532,674)	17,156,920
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments-----	(4,998,384)	-	(11,832,104)	(16,830,488)	(34,001,911)
Proceeds from sale of investments-----	2,999,242	-	30,407,231	33,406,473	13,307,282
Investment income received-----	3,762	60	10,827	14,649	14,254
Net cash provided by investing activities-----	(1,995,380)	60	18,585,954	16,590,634	(20,680,375)
Net increase (decrease) in cash-----	(83,951)	(455,663)	5,135,263	4,595,649	6,534,944
Cash, beginning-----	6,823,592	751,917	5,440,761	13,016,270	6,481,326
Cash, ending-----	\$6,739,641	\$296,254	\$10,576,024	\$17,611,919	\$13,016,270
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Operating income (loss)-----	(\$23,383,625)	(\$1,082,584)	\$2,928,315	(\$21,537,894)	(\$21,542,961)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Depreciation-----	2,042,806	264,763	644,442	2,952,011	2,926,736
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	(58,404)	-	(13,450)	(71,854)	12,853
(Increase) decrease in due from other funds-----	(288,075)	263,095	-	(24,980)	(24,670)
(Increase) decrease in receivable from City of Oklahoma City-----	1,007,594	-	-	1,007,594	(152,245)
(Increase) decrease in inventories-----	(11,904)	5,615	-	(6,289)	74,311
(Increase) decrease in prepaid assets-----	(34,806)	-	-	(34,806)	(9,061)
(Increase) decrease in other assets-----	(170,680)	-	-	(170,680)	(143,452)
Increase (decrease) in accounts payable and accrued expenses-----	(737,602)	(132,957)	(1,117,932)	(1,988,491)	843,537
Increase (decrease) in wages and benefits payable-----	(163,355)	-	-	(163,355)	74,803
Increase (decrease) in due to other funds-----	-	-	24,979	24,979	6,138
Increase (decrease) in payable to City of Oklahoma City-----	(8,177)	(2,577)	(16,370)	(27,124)	75,660
Increase (decrease) in compensated absences-----	184,104	-	-	184,104	(65,091)
Increase (decrease) in notes, lease and estimated claims payable-----	-	-	-	-	(60,000)
Increase (decrease) in net other post-employment benefit obligation-----	35,282	-	-	35,282	37,009
Increase (decrease) in unearned revenue-----	(7,147)	-	(5,037)	(12,184)	(3,368)
Total adjustments-----	1,789,636	397,939	(483,368)	1,704,207	3,593,160
Net cash provided (used) by operating activities-----	(21,593,989)	(684,645)	2,444,947	(19,833,687)	(17,949,801)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>					
Net increase (decrease) in fair value of investments-----	\$1,178	\$ -	\$ -	\$1,178	\$ -
Forgiveness of debt-----	-	-	-	-	1,091,250
Other-----	-	-	-	-	(207,245)
Total non-cash investing, capital, and financing activities-----	\$1,178	\$ -	\$ -	\$1,178	\$884,005

**SCHEDULES OF NET POSITION
ENTERPRISE FUNDS
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014		2013	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Pooled cash-----	\$37	\$88	\$125	\$6,698
Investments-----	19,360	46,879	66,239	167,860
Interest receivable-----	59	143	202	630
Payable/due from (to) within the Department-----	697,102	97,494	794,596	776,401
Due from other funds-----	38,977	-	38,977	723
Inventories-----	-	14,352	14,352	5,241
Total current assets-----	755,535	158,956	914,491	957,553
<u>NON-CURRENT ASSETS</u>				
Capital assets:				
Other capital assets, net of accumulated depreciation-----	-	3,966	3,966	10,163
Total assets-----	755,535	162,922	918,457	967,716
<u>LIABILITIES</u>				
<u>CURRENT LIABILITIES</u>				
Accounts payable and accrued expenses-----	-	11,648	11,648	5,629
Wages and benefits payable-----	49,392	10,645	60,037	76,008
Due to other funds-----	-	861	861	694
Compensated absences-----	79,414	22,366	101,780	114,755
Total current liabilities-----	128,806	45,520	174,326	197,086
<u>NON-CURRENT LIABILITIES</u>				
Compensated absences-----	208,622	33,336	241,958	331,321
Net other post-employment benefit obligation-----	418,107	80,100	498,207	429,148
Total non-current liabilities-----	626,729	113,436	740,165	760,469
Total liabilities-----	755,535	158,956	914,491	957,555
<u>NET POSITION (DEFICIT)</u>				
Net Investment in capital assets-----	-	3,966	3,966	10,161
Total net position (deficit)-----	\$ -	\$3,966	\$3,966	\$10,161

**SCHEDULES OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS**

For the Years Ended June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014		2013	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<u>OPERATING EXPENSES</u>				
Personal services-----	\$1,933,073	\$376,870	\$2,309,943	\$2,137,857
Maintenance, operations, and contractual services-----	2,286,359	308,499	2,594,858	2,527,910
Materials and supplies-----	-	8,143	8,143	2,888
Depreciation-----	-	6,197	6,197	6,197
Total operating expenses-----	4,219,432	699,709	4,919,141	4,674,852
Payments/transfers within the Department-----	4,179,333	378,306	4,557,639	4,404,542
Operating loss-----	(40,099)	(321,403)	(361,502)	(270,310)
<u>NON-OPERATING REVENUE</u>				
Investment income-----	1,301	899	2,200	1,230
Net non-operating revenue-----	1,301	899	2,200	1,230
Loss before contributions and transfers-----	(38,798)	(320,504)	(359,302)	(269,080)
<u>TRANSFERS</u>				
Transfers from other funds-----	38,798	314,309	353,107	262,883
Changes in net position (deficit)-----	-	(6,195)	(6,195)	(6,197)
Total net position (deficit), beginning-----	-	10,161	10,161	16,358
Total net position (deficit), ending-----	\$ -	\$3,966	\$3,966	\$10,161

This Page Left Intentionally Blank

**SCHEDULES OF CASH FLOWS
ENTERPRISE FUNDS
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2014		2013
	Division		Total
	Transportation	Parking	Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash payments to suppliers for goods and services-----	(\$2,286,359)	(\$318,433)	(\$2,604,792)
Cash payments to employees and professional contractors for services-----	(1,969,463)	(389,117)	(2,358,580)
Operating payments within the Department-----	4,146,852	392,592	4,539,444
Net cash provided (used) by operating activities-----	(108,970)	(314,958)	(423,928)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers received from other funds-----	-	314,309	314,309
Transfers paid to other funds-----	(1,202)	-	(1,202)
Net cash provided (used) by non-capital financing activities-----	(1,202)	314,309	313,107
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Changes in pooled investments-----	102,674	(1,967)	100,707
Investment income received-----	2,618	923	3,541
Net cash provided (used) by investing activities-----	105,292	(1,044)	104,248
Net increase (decrease) in cash-----	(4,880)	(1,693)	(6,573)
Cash, beginning-----	4,917	1,781	6,698
Cash, ending-----	\$37	\$88	\$125
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income (loss)-----	(\$40,099)	(\$321,403)	(\$361,502)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Depreciation-----	-	6,197	6,197
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable-----	-	-	-
(Increase) decrease in due from other funds-----	-	723	723
(Increase) decrease in receivable from component units-----	(32,481)	14,285	(18,196)
(Increase) decrease in inventories-----	-	(9,111)	(9,111)
Increase (decrease) in accounts payable and accrued expenses-----	-	6,022	6,022
Increase (decrease) in wages and benefits payable-----	(13,946)	(1,408)	(15,354)
Increase (decrease) in due to other funds-----	-	573	573
Increase (decrease) in compensated absences-----	(82,427)	(19,911)	(102,338)
Increase (decrease) in net other post-employment benefit obligation-----	59,983	9,075	69,058
Total adjustments-----	(68,871)	6,445	(62,426)
Net cash provided (used) by operating activities-----	(108,970)	(314,958)	(423,928)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>			
Net increase (decrease) in fair value of investments-----	(\$913)	\$ -	(\$913)
Total non-cash investing, capital, and financing activities-----	(\$913)	\$ -	(\$913)

This Page Left Intentionally Blank

**Independent Auditor's 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 Public Transportation and Parking Department
Oklahoma City, Oklahoma

We have audited, 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, the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Oklahoma City Public Transportation and Parking Department (the Department), a discrete component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated December 11, 2014, which contained an emphasis of matter paragraph regarding departmental reporting.

Internal Control over Financial Reporting

Management of the Department is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Department's internal control to determine the audit procedures that are appropriate in the circumstances 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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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*.

The Independent Auditor's 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.

Purpose of this Report

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

BKD, LLP

Oklahoma City, Oklahoma
December 11, 2014