



## **The Oklahoma City Public Transportation & Parking Department**

Annual Financial Report | The City of Oklahoma City, Oklahoma | for the Fiscal Year ended June 30, 2015

*Photo courtesy of the Oklahoma City National Memorial & Museum*



# **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***

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Mark K. Stonecipher

## ***Management***

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

Annual Financial Report for the Fiscal Year Ended June 30, 2015

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



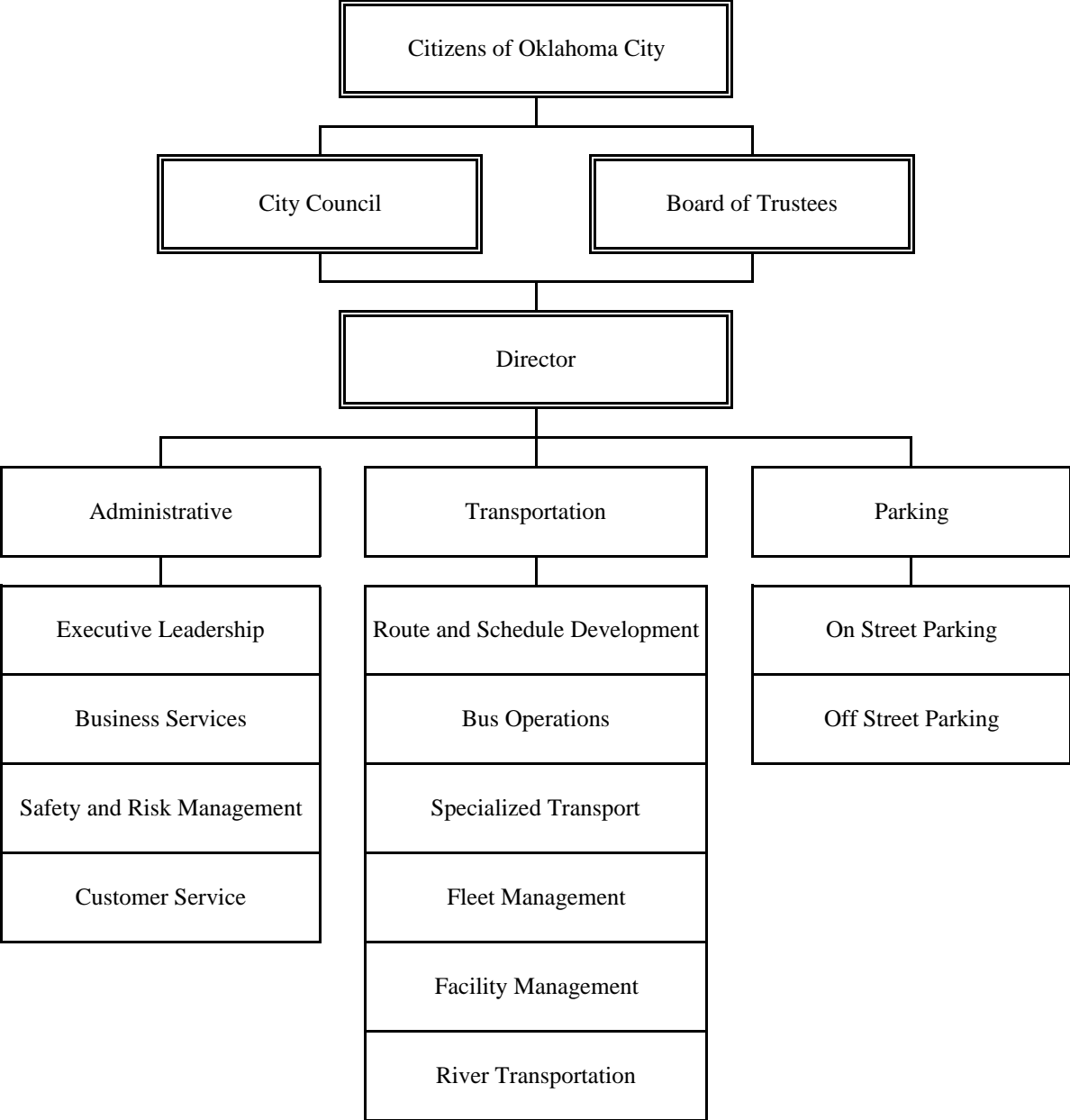
**OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

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# City of Oklahoma City Transportation and Parking Department Organization Chart



# **Introductory Section**





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OKLAHOMA CITY  
OKLAHOMA 73109

*customer service*  
405.235.7433 (RIDE)

*administration*  
405.297.1331

embarkok.com

**EMBARK**

December 4, 2015

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, 2015 and 2014, 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 in Oklahoma City is positive; however, the economic outlook has been recently muted due to low oil and natural gas prices that are negatively impacting the many energy-related companies working in and around Oklahoma City. 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, high quality education, entertainment and sports opportunities, favorable weather, and is centrally located within the State of Oklahoma. According to The Brookings Institution, greater Oklahoma City ranks No. 7 in the U.S. for economic growth, and Forbes says that Oklahoma City is among the fastest growing cities in 2015.

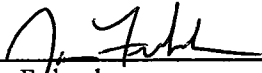
In a report prepared by The Steven C. Agee Economic Research & Policy Institute of Oklahoma City University (Institute), dated February 10, 2015 and entitled "National, State, and Local Economic Outlook," the Institute reported that the U.S. economy will continue to have positive but slow growth in 2015. The baseline forecast is for Oklahoma City metro area private sector employment to expand at a 1.7% annual pace; roughly half the average of the last four years. Employment gains will be led again by demand for consumer services including construction, leisure, health care, and retail trade. Metro area unemployment rates are expected to tick up in 2015, averaging 4.3% for the year compared to the 4.1% average set in 2014. Oklahoma City per capita personal income is estimated to have grown to \$44,899 in 2014 and is expected to reach \$45,611 in 2015. The Institute described the economic and fiscal outlook as "conflicted." Short run challenges from falling oil prices are moving into the state's economy. The extent of the short run weakness will be determined by the future price path of oil and the speed with which economic activity rebounds in the state. Oklahoma City's fiscal outlook is bolstered somewhat by long-term trends favoring concentrations of economic activity along the I-35 corridor. The fiscal outlook will be determined by the interplay of short run distress and long run development. Using a model that balances both long and short-term influences the Institute projected sales tax growth of 2.15% for fiscal year 2015-2016.

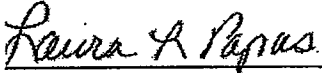
Additionally, Chris Tatham, president of ETC Institute presented on July 28, 2015, the results of a Citizen Satisfaction Survey that was conducted in May and June of 2015. Of the residents surveyed, 88% rated Oklahoma City as an excellent or good place to live, 84% as a good place to work, and 81% as a good place to raise children. Overall, Oklahoma City residents have a very positive perception of the City and think the City is moving in the right direction. Among the largest U.S. cities, Oklahoma City is 19% above the national average in overall satisfaction with City services.

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, 2015 and 2014, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the Department as of June 30, 2015 and 2014, 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, non-major enterprise funds and discrete component units 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, 2015 and 2014, 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.

As discussed in *Note IV* to the financial statements, in 2015, the Department adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require 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 GASB, 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; however, we noted that the 2014 balances presented in the management's discussion and analysis do not reflect the adjustments for GASB Statement No. 68 adoption.

***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 4, 2015, 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 4, 2015

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## 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, 2015 and 2014. 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73,343,139 (net position) for 2015. This compares to the previous year when assets exceeded liabilities by \$73,116,147 (net position).
- Total assets for the Department increased by \$1,873,799 (1.8%) to \$107,052,773 during the fiscal year. This compares to the previous year when assets increased by \$5,169,804.
- Total liabilities for the Department increased by \$1,051,956 (3.3%) to \$33,114,783 during the fiscal year. This compares to the previous year when liabilities decreased by \$1,563,335.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets, in the amount of \$54,072,820 at June 30, 2015 and \$50,818,761 at June 30, 2014 includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$2,094,785 and \$2,062,670 at June 30, 2015 and 2014, respectively, is restricted for debt service by constraints imposed by debt covenants.
  - (3) Unrestricted net position is \$17,175,534 at June 30, 2015 and \$20,234,716 at June 30, 2014.

### *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 \$73,343,139. This is an increase of \$226,992 over last year's net position of \$73,116,147. Overall, the Department's financial position improved during fiscal year 2015. During 2015, the Department adopted Governmental Accounting Standards Board (GASB) statement number 68, as amended. The balances for 2014 were not restated for the adoption of this standard. See notes to the financial statements following the basic financial statements for more information.

Summary of Net Position

	2015	2014	2015-2014		2013	2014-2013	
			Amount of Change	% Change		Amount of Change	% Change
<b>Assets</b>							
Current assets	\$28,393,234	\$33,185,292	(\$4,792,058)	(14.4%)	\$47,770,074	(\$14,584,782)	(30.5%)
Capital assets, net	76,485,271	69,747,698	6,737,573	9.7	50,170,159	19,577,539	39.0
Other non-current assets	<u>2,174,268</u>	<u>2,245,984</u>	<u>(71,716)</u>	(3.2)	<u>2,068,937</u>	<u>177,047</u>	8.6
<b>Total assets</b>	<b><u>107,052,773</u></b>	<b><u>105,178,974</u></b>	<b><u>1,873,799</u></b>	1.8	<b><u>100,009,170</u></b>	<b><u>5,169,804</u></b>	5.2
<b>Deferred outflows</b>	<b><u>640,368</u></b>	<b>-</b>	<b><u>640,368</u></b>	100.0	<b>-</b>	<b>-</b>	0.0
<b>Liabilities</b>							
Current liabilities	4,789,045	8,261,488	(3,472,443)	(42.0)	9,265,841	(1,004,353)	(10.8)
Non-current liabilities	<u>28,325,738</u>	<u>23,801,339</u>	<u>4,524,399</u>	19.0	<u>24,360,321</u>	<u>(558,982)</u>	(2.3)
<b>Total liabilities</b>	<b><u>33,114,783</u></b>	<b><u>32,062,827</u></b>	<b><u>1,051,956</u></b>	3.3	<b><u>33,626,162</u></b>	<b><u>(1,563,335)</u></b>	(4.6)
<b>Deferred inflows</b>	<b><u>1,235,219</u></b>	<b>-</b>	<b><u>1,235,219</u></b>	100.0	<b>-</b>	<b>-</b>	0.0
<b>Net position</b>							
Net investment in capital assets	54,072,820	50,818,761	3,254,059	6.4	44,332,344	6,486,417	14.6
Restricted	2,094,785	2,062,670	32,115	1.6	1,481,260	581,410	39.3
Unrestricted	<u>17,175,534</u>	<u>20,234,716</u>	<u>(3,059,182)</u>	(15.1)	<u>20,569,404</u>	<u>(334,688)</u>	(1.6)
<b>Total net position</b>	<b><u>\$73,343,139</u></b>	<b><u>\$73,116,147</u></b>	<b><u>\$226,992</u></b>	0.3	<b><u>\$66,383,008</u></b>	<b><u>\$6,733,139</u></b>	10.1

Current assets decreased by \$4.79 million and \$14.58 million in 2015 and 2014, respectively. Cash and investments decreased \$5.15 million in 2015 and \$12.09 million in 2014 mostly related to construction in the Parking division. Receivable from the City increased \$761 thousand in 2015 and decreased \$1.01 million in 2014 due to the timing of the City General Fund subsidy to the Authority Transportation Fund. Intergovernmental receivables decreased \$258 thousand and \$1.64 million related to the timing of receipts of federal grant revenues in 2015 and 2014, respectively.

Capital assets, net of accumulated depreciation, increased \$6.74 million in 2015 with construction and capital acquisitions of \$10.53 million, net of \$141 thousand in retirements and \$3.65 million in depreciation. Capital assets, net of accumulated depreciation, increased \$19.58 million in 2014 with construction and capital acquisitions of \$22.54 million, net of depreciation of \$2.96 million. Other non-current assets decreased \$72 thousand in 2015 with the decrease primarily related to pension asset adjustments for adding a pension asset of \$620 thousand for City pension allocation and reduction of a pension asset for the Central Oklahoma Transportation and Parking Employee Retirement Trust (COTPR) pension of \$689 thousand related to GASB Statement Number 68 implementation.

Current liabilities decreased \$3.47 million in 2015 due mainly to a decrease in accounts payable in the amount of \$3.52 million related to the timing of construction and wages and benefits payments, offset by the increase in bond interest and principal payable of \$28 thousand for scheduled bond payments. Current liabilities decreased \$1.00 million in 2014 primarily due 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 principal payable of \$1.02 million for scheduled bond payments..

Non-current liabilities increased \$4.52 million in 2015 due primarily to an increase in net pension liability of \$5.14 million related to implementation of GASB 68, an increase in net other post employment benefits of \$147 thousand, offset by a decrease in non-current portion of bonds payable of \$610 thousand. In 2014, non-current liabilities decreased \$559 thousand with the reduction in non-current bonds payable for the current portion due of \$580 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

	Summary of Changes in Net Position						
	2015	2014	2015-2014 Amount of Change	2015-2014 %	2013	2014-2013 Amount of Change	2014-2013 %
<b>Operating revenues</b>	<b>\$12,070,639</b>	<b>\$10,195,023</b>	<b>\$1,875,616</b>	18.4%	<b>\$9,231,762</b>	<b>\$963,261</b>	10.4%
<b>Operating expenses</b>							
Personal services	15,190,504	15,425,437	(234,933)	(1.5)	14,655,111	770,326	5.3
Maintenance, operations, and contractual services	11,734,322	9,711,062	2,023,260	20.8	9,249,075	461,987	5.0
Material and supplies	3,618,845	3,999,712	(380,867)	(9.5)	4,207,914	(208,202)	(4.9)
Depreciation	<u>3,654,647</u>	<u>2,958,208</u>	<u>696,439</u>	23.5	<u>2,932,933</u>	<u>25,275</u>	0.9
<b>Total operating expenses</b>	<b><u>34,198,318</u></b>	<b><u>32,094,419</u></b>	<b><u>2,103,899</u></b>	6.6	<b><u>31,045,033</u></b>	<b><u>1,049,386</u></b>	3.4
<b>Operating loss</b>	<b><u>(22,127,679)</u></b>	<b><u>(21,899,396)</u></b>	<b><u>(228,283)</u></b>	(1.0)	<b><u>(21,813,271)</u></b>	<b><u>(86,125)</u></b>	(0.4)
<b>Net non-operating revenues</b>	<b>28,434,385</b>	<b>26,150,961</b>	<b>2,283,424</b>	8.7	<b>29,772,971</b>	<b>(3,622,010)</b>	(12.2)
<b>Contributions</b>	<b>266,088</b>	<b>2,481,574</b>	<b>(2,215,486)</b>	(89.3)	<b>1,758,114</b>	<b>723,460</b>	41.1
<b>Special item</b>	<b>-</b>	<b>-</b>	<b>-</b>	0.0	<b><u>1,107,755</u></b>	<b><u>(1,107,755)</u></b>	(100.0)
<b>Changes in net position</b>	<b>6,572,794</b>	<b>6,733,139</b>	<b>(160,345)</b>	(2.4)	<b>10,825,569</b>	<b>(4,092,430)</b>	(37.8)
Beginning net position							
As previously reported	73,116,147	66,383,008	6,733,139	10.1	55,557,439	10,825,569	19.5
Change in accounting principle	<u>(6,345,802)</u>	-	<u>(6,345,802)</u>	100.0	-	-	0.0
As restated	<u>66,770,345</u>	<u>66,383,008</u>	<u>387,337</u>	0.6	<u>55,557,439</u>	<u>10,825,569</u>	19.5
<b>Ending net position</b>	<b><u>\$73,343,139</u></b>	<b><u>\$73,116,147</u></b>	<b><u>\$226,992</u></b>	0.3	<b><u>\$66,383,008</u></b>	<b><u>\$6,733,139</u></b>	10.1

Operating revenues increased \$1.88 million in fiscal year 2015. Parking revenues increased \$1.50 million due to continued high occupancy rates in the existing garages and the addition of the new Arts District Garage and an increase in Transportation Division revenues of \$234 thousand related to increased fare box of \$115 thousand, ticket sales of \$71 thousand and new fees for the Spokies bicycle program of \$50 thousand. 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 expenses increased \$2.10 million in fiscal year 2015. Maintenance, operations, and contractual services increased \$2.02 million related, in part, to increased utilities, consultant studies, outsourced repairs of an aging bus fleet, transit system enhancements, and rebranding in the Transportation Division. Decreases in personal services of \$235 thousand were related to a reduction in health insurance benefit costs of \$300 thousand and retirement pension contributions of \$243 thousand to offset the increase in salary costs of \$461 thousand. Reductions in materials and supplies costs of \$381 thousand were principally related to reduced fuel costs of \$436 thousand and repair parts costs of \$495 thousand in the Transportation Division, offset by increases in maintenance costs of \$338 thousand in the Parking Division. In fiscal year 2015, depreciation expense increased \$696 thousand for the completed Arts District parking garage. Operating expenses increased \$1.05 million in fiscal year 2014. Personal services increased \$770 thousand, mainly for vacation and sick pay for the retirement of tenured employees and a health insurance increase. Increased maintenance, operations, and contractual services of \$462 thousand was related in part to increased utilities, consultant studies, outsourced repairs for an aging bus fleet and transit system service enhancements. Decreased materials and supplies of \$208 thousand was mainly for reduced fuel costs, fewer accidents, and more vehicles under warranty.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2015 and 2014**

**OKLAHOMA CITY**  
**PUBLIC TRANSPORTATION**  
**AND PARKING DEPARTMENT**

Net non-operating revenues increased \$2.28 million in fiscal year 2015. This was caused by an increase in City General fund subsidy of \$3.51 million and a \$1.00 million payment from the Oklahoma City Economic Development Trust, offset by continuing reductions in Federal grant revenues of \$1.59 million. Net non-operating revenues decreased by \$3.62 million in fiscal year 2014 due to a \$5.24 million decrease in receipts of grant operating revenue due as a result of the Federal American Recovery and Reinvestment Act (ARRA) grant for the fiscal year ending 2013, offset by an increase in the City General Fund subsidy of \$1.06 million mainly for increases in personnel costs.

Contributions and transfers decreased \$2.22 million in fiscal year 2015 due principally to a decrease in Federal capital grants of \$2.15 million in the Transportation Division. Contributions and transfers increased \$723 thousand in fiscal year 2014 mostly from an increase in Federal capital grants of \$987 thousand for an increase in reimbursements for vans and buses.

A change in accounting principle related to implementing GASB 68 for pensions resulted in a \$6.35 million reduction of the beginning balance of the net position.

**Capital Assets and Debt Administration**

**Capital Assets**

The Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2015 and 2014, was \$76,485,271 and \$69,747,698, respectively. This was an increase of 9.7% in 2015 in this investment compared to an increase of 39.0% in 2014. See Note II. H. for more information regarding capital assets.

**Capital Assets, Net of Accumulated Depreciation**

	2015	2014	2015-2014 Amount of Change	2015-2014 %	2013	2014-2013 Amount of Change	2014-2013 %
<b>Non-Depreciable Assets</b>							
Land and art	\$4,955,522	\$4,907,022	\$48,500	1.0%	\$4,872,022	\$35,000	0.7%
Construction in progress	<u>2,198,017</u>	<u>26,796,183</u>	<u>(24,598,166)</u>	(91.8)	<u>10,454,333</u>	<u>16,341,850</u>	156.3
Total non-depreciable assets	<u>7,153,539</u>	<u>31,703,205</u>	<u>(24,549,666)</u>	(77.4)	<u>15,326,355</u>	<u>16,376,850</u>	106.9
<b>Depreciable Assets</b>							
Buildings	10,501,514	10,842,294	(340,780)	(3.1)	10,019,495	822,799	8.2
Improvements other than buildings	8,071,127	3,603,269	4,467,858	124.0	2,961,265	642,004	21.7
Buses, automobiles and river boats	9,468,808	10,958,861	(1,490,053)	(13.6)	9,869,194	1,089,667	11.0
Parking garages and surface lots	38,161,574	9,249,465	28,912,109	312.6	9,143,713	105,752	1.2
Other assets	<u>3,128,709</u>	<u>3,390,604</u>	<u>(261,895)</u>	(7.7)	<u>2,850,137</u>	<u>540,467</u>	19.0
Total depreciable assets	<u>69,331,732</u>	<u>38,044,493</u>	<u>31,287,239</u>	82.2	<u>34,843,804</u>	<u>3,200,689</u>	9.2
	<b><u>\$76,485,271</u></b>	<b><u>\$69,747,698</u></b>	<b><u>\$6,737,573</u></b>	9.7	<b><u>\$50,170,159</u></b>	<b><u>\$19,577,539</u></b>	39.0

Land and art increased \$49 thousand and \$35 thousand in 2015 and 2014, respectively, for the purchase of art for the new Arts District Parking Garage. Construction in progress decreased \$24.60 million in fiscal 2015 primarily related to the completion of the Arts District Parking Garage with a total cost of \$24.80 million and completion of the Century Center rehabilitation project for a total cost of \$3.55 million and transferring these projects to depreciable assets. 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.

Depreciable assets increased in 2015 by \$31.29 million mainly due to moving \$24.80 million from construction in process for completion of the new Arts District Parking Garage, \$3.55 million for the rehabilitation of the Century Center Garage, and \$4.10 million for renovating the Santa Fe Garage, offset by normal depreciation. Depreciable assets increased in 2014 by \$3.20 million mainly due to an increase of \$1.09 million for the purchase of four new buses, eleven paratransit vans, and four dodge caravans and an increase of \$1.46 million related to improvements to parking garages and various transportation facilities, offset by normal depreciation.

### Long-term Debt

At the end of the 2015 fiscal year, the Department had total bonded debt outstanding of \$21.42 million. This debt was solely 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						
			2015-2014	2015-2014			2014-2013
	2015	2014	Amount	%	2013	Amount	%
			of Change	Change		of Change	Change
Revenue bonds							
Parking	<u>\$21,420,000</u>	<u>\$22,000,000</u>	<u>(\$580,000)</u>	(2.6%)	<u>\$22,000,000</u>	<u>\$-</u>	0.0%

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. The first bond payment was made on July 1, 2014 which is the amount of the change in fiscal 2015 over fiscal 2014. See Note III. G. for more information regarding changes in long-term debt.

### Bond Ratings

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

### Economic Factors

The Transportation Division experienced a record 9.5% ridership growth in 2015. 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 and opening 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**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Pooled cash-----	\$3,276	\$125
Non-pooled cash-----	9,767,636	17,611,919
Investments-----	15,387,244	12,724,384
Accounts receivable, net-----	283,755	337,686
Interest receivable-----	2,074	364
Receivable from City of Oklahoma City-----	700,000	38,977
Intergovernmental receivables-----	1,360,142	1,618,441
Inventories-----	839,801	808,124
Prepays-----	49,306	45,272
<b>Total current assets-----</b>	<b>28,393,234</b>	<b>33,185,292</b>
<b>NON-CURRENT ASSETS</b>		
Investments-----	1,482,711	1,482,355
Prepays-----	2,008	5,270
Other-----	69,283	758,359
Net pension asset-----	620,266	-
Capital assets:		
Land, art, and construction in progress-----	7,153,539	31,703,205
Other capital assets, net of accumulated depreciation-----	69,331,732	38,044,493
<b>Total capital assets-----</b>	<b>76,485,271</b>	<b>69,747,698</b>
<b>Total non-current assets-----</b>	<b>78,659,539</b>	<b>71,993,682</b>
<b>Total assets-----</b>	<b>107,052,773</b>	<b>105,178,974</b>
<b>DEFERRED OUTFLOWS OF RESOURCES-----</b>		
	<b>640,368</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses-----	2,704,930	6,246,176
Wages and benefits payable-----	467,882	445,435
Payable to City of Oklahoma City-----	87,891	89,073
Compensated absences-----	337,721	318,031
Unearned revenue-----	147,235	147,340
Bond interest payable-----	433,386	435,433
Bonds payable-----	610,000	580,000
<b>Total current liabilities-----</b>	<b>4,789,045</b>	<b>8,261,488</b>
<b>NON-CURRENT LIABILITIES</b>		
Compensated absences-----	646,896	664,005
Unearned revenue-----	836,250	969,250
Bonds payable-----	20,810,000	21,420,000
Net pension liability-----	5,137,229	-
Net other post-employment benefit obligation-----	895,363	748,084
<b>Total non-current liabilities-----</b>	<b>28,325,738</b>	<b>23,801,339</b>
<b>Total liabilities-----</b>	<b>33,114,783</b>	<b>32,062,827</b>
<b>DEFERRED INFLOWS OF RESOURCES-----</b>		
	<b>1,235,219</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets-----	54,072,820	50,818,761
Restricted for debt service-----	2,094,785	2,062,670
Unrestricted-----	17,175,534	20,234,716
<b>Total net position-----</b>	<b>\$73,343,139</b>	<b>\$73,116,147</b>

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**

	<u>2015</u>	<u>2014</u>
<b><u>OPERATING REVENUES</u></b>		
<b><u>CHARGES FOR SERVICES</u></b>		
Transportation charges-----	\$2,929,759	\$2,695,727
River cruise charges-----	119,606	175,274
Parking-----	8,382,416	6,880,235
Other charges-----	51	-
Total charges for services-----	<u>11,431,832</u>	<u>9,751,236</u>
Lease and rental income-----	148,458	183,314
Other-----	490,349	260,473
<b>Total operating revenues-----</b>	<b><u>12,070,639</u></b>	<b><u>10,195,023</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Personal services-----	15,190,504	15,425,437
Maintenance, operations, and contractual services-----	11,734,322	9,711,062
Materials and supplies-----	3,618,845	3,999,712
Depreciation-----	3,654,647	2,958,208
<b>Total operating expenses-----</b>	<b><u>34,198,318</u></b>	<b><u>32,094,419</u></b>
<b>Operating loss-----</b>	<b><u>(22,127,679)</u></b>	<b><u>(21,899,396)</u></b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Non-capital contributions-----	133,000	133,000
Grants operating-----	9,071,837	10,668,028
Investment income-----	17,046	18,192
Interest on bonds-----	(577,847)	-
Bond issue costs-----	-	(75,325)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	1,000,000	-
Payments from City of Oklahoma City-----	18,724,592	15,253,962
Other revenues-----	15,757	103,104
<b>Net non-operating revenues-----</b>	<b><u>28,434,385</u></b>	<b><u>26,150,961</u></b>
<b>Income before contributions-----</b>	<b><u>6,306,706</u></b>	<b><u>4,251,565</u></b>
<b><u>CONTRIBUTIONS</u></b>		
Grants capital-----	256,088	2,406,063
Capital payments from City of Oklahoma City-----	-	75,000
Other capital contributions-----	10,000	511
<b>Total contributions-----</b>	<b><u>266,088</u></b>	<b><u>2,481,574</u></b>
<b>Changes in net position-----</b>	<b><u>6,572,794</u></b>	<b><u>6,733,139</u></b>
Total net assets, beginning, as previously reported-----	73,116,147	66,383,008
Change in accounting principle-----	(6,345,802)	-
Total net assets, beginning, as restated-----	<u>66,770,345</u>	<u>66,383,008</u>
<b>Total net position, ending-----</b>	<b><u>\$73,343,139</u></b>	<b><u>\$73,116,147</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION**  
**AND PARKING DEPARTMENT**

	2015	2014
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers-----	\$12,098,900	\$10,082,086
Cash payments to suppliers for goods and services-----	(11,723,283)	(15,714,904)
Cash payments to employees and professional contractors for services-----	(15,690,742)	(15,593,629)
Cash payments for internal services-----	(2,682,271)	-
Cash payments from City of Oklahoma City for operations-----	-	968,832
Cash payments within the Department/Authority for operations-----	15,539	-
Other operating cash receipts-----	49,994	-
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$17,931,863)</b>	<b>(\$20,257,615)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Cash received from operating grants-----	9,153,404	11,345,521
Non-capital financing payments from component units-----	1,050,000	50,000
Non-capital financing payments from City of Oklahoma City-----	18,064,592	15,290,164
Non-capital financing payments to City of Oklahoma City-----	-	(1,202)
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>28,267,996</b>	<b>26,684,483</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>		
Payments for acquisition and construction of capital assets-----	(14,630,155)	(21,552,083)
Principal paid on long-term debt-----	(580,000)	-
Interest paid on long-term debt-----	(868,818)	(462,043)
Capital financing payments from City of Oklahoma City-----	10,000	-
Proceeds from sale of assets-----	-	12,992
Capital grants and contributions received-----	539,996	3,468,460
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(15,528,977)</b>	<b>(18,532,674)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments-----	(33,587,507)	(16,830,488)
Proceeds from sale of investments-----	30,965,055	33,406,473
Changes in pooled investments-----	(36,146)	100,707
Investment income received-----	11,556	18,190
Purchased interest-----	(1,246)	-
<b>Net cash provided (used) by investing activities-----</b>	<b>(2,648,288)</b>	<b>16,694,882</b>
<b>Net increase (decrease) in cash-----</b>	<b>(7,841,132)</b>	<b>4,589,076</b>
Cash, beginning-----	17,612,044	13,022,968
<b>Cash, ending-----</b>	<b>\$9,770,912</b>	<b>\$17,612,044</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</u></b>		
<b><u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)-----	(\$22,127,679)	(\$21,899,396)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO</u></b>		
<b><u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Depreciation-----	3,654,647	2,958,208
Other revenue (expense)-----	49,994	-
Change in accounting principle-----	(6,345,802)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	53,930	(71,854)
(Increase) decrease in due from other funds-----	(14,597)	(24,257)
(Increase) decrease in receivable from component units-----	136,074	(18,196)
(Increase) decrease in receivable from City of Oklahoma City-----	-	1,007,594
(Increase) decrease in inventories-----	(31,677)	(15,400)
(Increase) decrease in prepaid assets-----	(771)	(34,806)
(Increase) decrease in net pension asset-----	68,808	-
(Increase) decrease in other assets-----	-	(170,680)
(Increase) decrease in deferred outflows-----	(640,368)	-
Increase (decrease) in accounts payable and accrued expenses-----	844,607	(1,982,469)
Increase (decrease) in wages and benefits payable-----	22,446	(178,709)
Increase (decrease) in due to other funds-----	12,821	25,552
Increase (decrease) in payable to City of Oklahoma City-----	(136,502)	(27,124)
Increase (decrease) in compensated absences-----	2,584	81,766
Increase (decrease) in net pension liability-----	5,137,229	-
Increase (decrease) in net other post-employment benefit obligation-----	147,279	104,340
Increase (decrease) in unearned revenue-----	-	(12,184)
Increase (decrease) in deferred inflows-----	1,235,114	-
<b>Total adjustments-----</b>	<b>4,195,816</b>	<b>1,641,781</b>
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$17,931,863)</b>	<b>(\$20,257,615)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>		
Net increase (decrease) in fair value of investments-----	\$4,615	\$265
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$4,615</b>	<b>\$265</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014	
	Division		Parking	Total	Total
	Transportation	River Cruises		Department	Department
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Pooled cash-----	\$1,386	\$ -	\$1,890	\$3,276	\$125
Non-pooled cash-----	6,129,264	302,530	3,335,842	9,767,636	17,611,919
Investments-----	8,032,836	-	7,354,408	15,387,244	12,724,384
Accounts receivable, net-----	85,552	-	198,203	283,755	337,686
Interest receivable-----	1,334	-	740	2,074	364
Payable/due from (to) within the Department-----	15,380	13,574	(28,954)	-	-
Receivable from City of Oklahoma City-----	700,000	-	-	700,000	38,977
Intergovernmental receivables-----	1,360,142	-	-	1,360,142	1,618,441
Inventories-----	830,112	2,467	7,222	839,801	808,124
Prepays-----	49,306	-	-	49,306	45,272
Total current assets-----	<b>17,205,312</b>	<b>318,571</b>	<b>10,869,351</b>	<b>28,393,234</b>	<b>33,185,292</b>
<b>NON-CURRENT ASSETS</b>					
Investments-----	-	-	1,482,711	1,482,711	1,482,355
Prepays-----	2,008	-	-	2,008	5,270
Other-----	69,283	-	-	69,283	758,359
Net pension asset-----	503,582	-	116,684	620,266	-
Capital assets:					
Land, art, and construction in progress-----	5,293,844	-	1,859,695	7,153,539	31,703,205
Other capital assets, net of accumulated depreciation-----	21,694,919	4,731,825	42,904,988	69,331,732	38,044,493
Total capital assets-----	<b>26,988,763</b>	<b>4,731,825</b>	<b>44,764,683</b>	<b>76,485,271</b>	<b>69,747,698</b>
Total non-current assets-----	<b>27,563,636</b>	<b>4,731,825</b>	<b>46,364,078</b>	<b>78,659,539</b>	<b>71,993,682</b>
<b>Total assets-----</b>	<b>44,768,948</b>	<b>5,050,396</b>	<b>57,233,429</b>	<b>107,052,773</b>	<b>105,178,974</b>
<b>DEFERRED OUTFLOWS OF RESOURCES-----</b>	<b>624,775</b>	<b>-</b>	<b>15,593</b>	<b>640,368</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses-----	1,477,680	2,697	1,224,553	2,704,930	6,246,176
Wages and benefits payable-----	456,073	-	11,809	467,882	445,435
Payable to City of Oklahoma City-----	33,955	-	53,936	87,891	89,073
Compensated absences-----	319,917	-	17,804	337,721	318,031
Unearned revenue-----	105	133,000	14,130	147,235	147,340
Bond interest payable-----	-	-	433,386	433,386	435,433
Bonds payable-----	-	-	610,000	610,000	580,000
Total current liabilities-----	<b>2,287,730</b>	<b>135,697</b>	<b>2,365,618</b>	<b>4,789,045</b>	<b>8,261,488</b>
<b>NON-CURRENT LIABILITIES</b>					
Compensated absences-----	618,108	-	28,788	646,896	664,005
Unearned revenue-----	-	836,250	-	836,250	969,250
Bonds payable-----	-	-	20,810,000	20,810,000	21,420,000
Net pension liability-----	5,137,229	-	-	5,137,229	-
Net other post-employment benefit obligation-----	804,329	-	91,034	895,363	748,084
Total non-current liabilities-----	<b>6,559,666</b>	<b>836,250</b>	<b>20,929,822</b>	<b>28,325,738</b>	<b>23,801,339</b>
<b>Total liabilities-----</b>	<b>8,847,396</b>	<b>971,947</b>	<b>23,295,440</b>	<b>33,114,783</b>	<b>32,062,827</b>
<b>DEFERRED INFLOWS OF RESOURCES-----</b>	<b>1,148,978</b>	<b>-</b>	<b>86,241</b>	<b>1,235,219</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets-----	26,428,023	4,731,825	22,912,972	54,072,820	50,818,761
Restricted for debt service-----	-	-	2,094,785	2,094,785	2,062,670
Unrestricted-----	8,969,326	(653,376)	8,859,584	17,175,534	20,234,716
<b>Total net position-----</b>	<b>\$35,397,349</b>	<b>\$4,078,449</b>	<b>\$33,867,341</b>	<b>\$73,343,139</b>	<b>\$73,116,147</b>

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**

	2015			2014	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>OPERATING REVENUES</u></b>					
<b><u>CHARGES FOR SERVICES</u></b>					
Transportation charges-----	\$2,929,759	\$ -	\$ -	\$2,929,759	\$2,695,727
River cruise charges-----	-	119,606	-	119,606	175,274
Parking-----	-	-	8,382,416	8,382,416	6,880,235
Other charges-----	51	-	-	51	-
Total charges for services-----	2,929,810	119,606	8,382,416	11,431,832	9,751,236
Lease and rental income-----	65,457	-	83,001	148,458	183,314
Other-----	479,592	5,835	4,922	490,349	260,473
<b>Total operating revenues-----</b>	<b>3,474,859</b>	<b>125,441</b>	<b>8,470,339</b>	<b>12,070,639</b>	<b>10,195,023</b>
<b><u>OPERATING EXPENSES</u></b>					
Personal services-----	14,837,664	-	352,840	15,190,504	15,425,437
Maintenance, operations, and contractual services-----	6,157,380	929,076	4,647,866	11,734,322	9,711,062
Materials and supplies-----	3,554,755	19,219	44,871	3,618,845	3,999,712
Depreciation-----	2,397,975	279,283	977,389	3,654,647	2,958,208
<b>Total operating expenses-----</b>	<b>26,947,774</b>	<b>1,227,578</b>	<b>6,022,966</b>	<b>34,198,318</b>	<b>32,094,419</b>
Payments/transfers within the Department-----	51,912	(22,958)	(28,954)	-	-
<b>Operating income (loss)-----</b>	<b>(23,421,003)</b>	<b>(1,125,095)</b>	<b>2,418,419</b>	<b>(22,127,679)</b>	<b>(21,899,396)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	9,071,837	-	-	9,071,837	10,668,028
Investment income-----	7,265	49	9,732	17,046	18,192
Interest on bonds-----	-	-	(577,847)	(577,847)	-
Bond issue costs-----	-	-	-	-	(75,325)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	1,000,000	1,000,000	-
Payments from City of Oklahoma City-----	17,459,998	762,068	502,526	18,724,592	15,253,962
Other revenues (expenses)-----	24,425	-	(8,668)	15,757	103,104
<b>Net non-operating revenues-----</b>	<b>26,563,525</b>	<b>945,117</b>	<b>925,743</b>	<b>28,434,385</b>	<b>26,150,961</b>
<b>Income (loss) before     contributions-----</b>	<b>3,142,522</b>	<b>(179,978)</b>	<b>3,344,162</b>	<b>6,306,706</b>	<b>4,251,565</b>
<b><u>CONTRIBUTIONS</u></b>					
Grants capital-----	256,088	-	-	256,088	2,406,063
Capital payments from City of Oklahoma City-----	-	-	-	-	75,000
Other capital contributions-----	10,000	-	-	10,000	511
<b>Total contributions-----</b>	<b>266,088</b>	<b>-</b>	<b>-</b>	<b>266,088</b>	<b>2,481,574</b>
<b>Changes in net position-----</b>	<b>3,408,610</b>	<b>(179,978)</b>	<b>3,344,162</b>	<b>6,572,794</b>	<b>6,733,139</b>
Total beginning net position, as previously reported	38,358,247	4,258,427	30,499,473	73,116,147	66,383,008
Change in accounting principle-----	(6,369,508)	-	23,706	(6,345,802)	-
Total net position, beginning, as restated-----	<b>31,988,739</b>	<b>4,258,427</b>	<b>30,523,179</b>	<b>66,770,345</b>	<b>66,383,008</b>
<b>Total net position, ending-----</b>	<b>\$35,397,349</b>	<b>\$4,078,449</b>	<b>\$33,867,341</b>	<b>\$73,343,139</b>	<b>\$73,116,147</b>

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**

	2015			2014	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Cash received from customers-----	\$3,570,530	\$124,800	\$8,403,570	\$12,098,900	\$10,082,086
Cash payments to suppliers for goods and services-----	(7,151,186)	(947,400)	(3,624,697)	(11,723,283)	(15,714,904)
Cash payments to employees and professional contractors for services-----	(15,092,769)	-	(597,973)	(15,690,742)	(15,593,629)
Cash payments for internal services-----	(2,657,995)	-	(24,276)	(2,682,271)	-
Cash payments from City of Oklahoma City for operations-----	-	-	-	-	968,832
Cash payments within the Department/Authority for operations-	43,417	21,774	(49,652)	15,539	-
Other operating cash receipts-----	-	-	49,994	49,994	-
<b>Net cash provided (used) by operating activities-----</b>	<b>(21,288,003)</b>	<b>(800,826)</b>	<b>4,156,966</b>	<b>(17,931,863)</b>	<b>(20,257,615)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL</u></b>					
<b><u>FINANCING ACTIVITIES</u></b>					
Cash received from operating grants-----	9,153,404	-	-	9,153,404	11,345,521
Non-capital financing payments from component units-----	-	50,000	1,000,000	1,050,000	50,000
Non-capital financing payments from City of Oklahoma City---	16,799,998	762,068	502,526	18,064,592	15,290,164
Non-capital financing payments to City of Oklahoma City-----	-	-	-	-	(1,202)
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>25,953,402</b>	<b>812,068</b>	<b>1,502,526</b>	<b>28,267,996</b>	<b>26,684,483</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL</u></b>					
<b><u>RELATED FINANCING ACTIVITIES</u></b>					
Payments for acquisition and construction of capital assets-----	(816,907)	(5,015)	(13,808,233)	(14,630,155)	(21,552,083)
Principal paid on long-term debt-----	-	-	(580,000)	(580,000)	-
Interest paid on long-term debt-----	-	-	(868,818)	(868,818)	(462,043)
Capital financing payments from City of Oklahoma City-----	10,000	-	-	10,000	-
Proceeds from sale of assets-----	-	-	-	-	12,992
Capital grants and contributions received-----	539,996	-	-	539,996	3,468,460
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(266,911)</b>	<b>(5,015)</b>	<b>(15,257,051)</b>	<b>(15,528,977)</b>	<b>(18,532,674)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Purchase of investments-----	(12,991,962)	-	(20,595,545)	(33,587,507)	(16,830,488)
Proceeds from sale of investments-----	7,997,626	-	22,967,429	30,965,055	33,406,473
Changes in pooled investments-----	(17,457)	-	(18,689)	(36,146)	100,707
Investment income received-----	5,523	49	5,984	11,556	18,190
Purchased interest-----	(1,246)	-	-	(1,246)	-
<b>Net cash provided (used) by investing activities-----</b>	<b>(5,007,516)</b>	<b>49</b>	<b>2,359,179</b>	<b>(2,648,288)</b>	<b>16,694,882</b>
<b>Net increase (decrease) in cash-----</b>	<b>(609,028)</b>	<b>6,276</b>	<b>(7,238,380)</b>	<b>(7,841,132)</b>	<b>4,589,076</b>
Cash, beginning-----	6,739,678	296,254	10,576,112	17,612,044	13,022,968
<b>Cash, ending-----</b>	<b>\$6,130,650</b>	<b>\$302,530</b>	<b>\$3,337,732</b>	<b>\$9,770,912</b>	<b>\$17,612,044</b>



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION**  
**AND PARKING DEPARTMENT**

	2015			2014	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>RECONCILIATION OF OPERATING INCOME</u></b>					
<b><u>(LOSS) TO NET CASH PROVIDED (USED)</u></b>					
<b><u>BY OPERATING ACTIVITIES</u></b>					
Operating income (loss)-----	(\$23,421,003)	(\$1,125,095)	\$2,418,419	(\$22,127,679)	(\$21,899,396)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING</u></b>					
<b><u>INCOME (LOSS) TO NET CASH PROVIDED</u></b>					
<b><u>(USED) BY OPERATING ACTIVITIES</u></b>					
Depreciation-----	2,397,975	279,283	977,389	3,654,647	2,958,208
Other revenue (expense)-----	-	-	49,994	49,994	-
Change in accounting principle-----	(6,369,508)	-	23,706	(6,345,802)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	95,672	-	(41,742)	53,930	(71,854)
(Increase) decrease in due from other funds-----	(25,110)	31,208	(20,695)	(14,597)	(24,257)
(Increase) decrease in receivable from					
from component units-----	74,173	-	61,901	136,074	(18,196)
(Increase) decrease in receivable from					
City of Oklahoma City-----	-	-	-	-	1,007,594
(Increase) decrease in inventories-----	(37,349)	(1,458)	7,130	(31,677)	(15,400)
(Increase) decrease in prepaid assets-----	(771)	-	-	(771)	(34,806)
(Increase) decrease in net pension asset-----	185,492	-	(116,684)	68,808	-
(Increase) decrease in other assets-----	-	-	-	-	(170,680)
(Increase) decrease in deferred outflows-----	(624,775)	-	(15,593)	(640,368)	-
Increase (decrease) in accounts payable and accrued expenses-----	32,989	1,679	809,939	844,607	(1,982,469)
Increase (decrease) in wages and benefits payable-----	21,280	-	1,166	22,446	(178,709)
Increase (decrease) in due to other funds-----	-	13,574	(753)	12,821	25,552
Increase (decrease) in payable to					
City of Oklahoma City-----	(51,312)	(17)	(85,173)	(136,502)	(27,124)
Increase (decrease) in compensated absences-----	11,692	-	(9,108)	2,584	81,766
Increase (decrease) in net pension liability-----	5,137,229	-	-	5,137,229	-
Increase (decrease) in net other post-employment					
benefit obligation-----	136,345	-	10,934	147,279	104,340
Increase (decrease) in unearned revenue-----	-	-	-	-	(12,184)
Increase (decrease) in deferred inflows-----	1,148,978	-	86,136	1,235,114	-
Total adjustments-----	2,133,000	324,269	1,738,547	4,195,816	1,641,781
<b>Net cash provided (used) by</b>					
<b>operating activities-----</b>	<b>(\$21,288,003)</b>	<b>(\$800,826)</b>	<b>\$4,156,966</b>	<b>(\$17,931,863)</b>	<b>(\$20,257,615)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND</u></b>					
<b><u>FINANCING ACTIVITIES</u></b>					
Net increase (decrease) in fair value of investments-----	\$1,714	\$ -	\$2,901	\$4,615	\$265
<b>Total non-cash investing, capital,</b>					
<b>and financing activities-----</b>	<b>\$1,714</b>	<b>\$ -</b>	<b>\$2,901</b>	<b>\$4,615</b>	<b>\$265</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total</u>
			<u>Transportation Division</u>			<u>Transportation Division</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Pooled cash-----	\$ -	\$1,386	\$1,386	\$ -	\$37	\$37
Non-pooled cash-----	6,129,264	-	6,129,264	6,739,641	-	6,739,641
Investments-----	7,996,017	36,819	8,032,836	2,999,967	19,360	3,019,327
Accounts receivable, net-----	85,552	-	85,552	181,224	-	181,224
Interest receivable-----	1,245	89	1,334	-	59	59
Payable/due from (to) within the Department-----	(607,547)	622,927	15,380	(705,808)	697,102	(8,706)
Receivable from City of Oklahoma City-----	700,000	-	700,000	-	38,977	38,977
Intergovernmental receivables-----	1,360,142	-	1,360,142	1,618,441	-	1,618,441
Inventories-----	830,112	-	830,112	792,763	-	792,763
Prepays-----	49,306	-	49,306	45,272	-	45,272
Total current assets-----	<b>16,544,091</b>	<b>661,221</b>	<b>17,205,312</b>	<b>11,671,500</b>	<b>755,535</b>	<b>12,427,035</b>
<b>NON-CURRENT ASSETS</b>						
Prepays-----	2,008	-	2,008	5,270	-	5,270
Other-----	69,283	-	69,283	758,359	-	758,359
Net pension asset-----	-	503,582	503,582	-	-	-
Capital assets:						
Land, art and construction in progress-----	5,293,844	-	5,293,844	5,762,280	-	5,762,280
Other capital assets, net of accumulated depreciation-----	21,694,919	-	21,694,919	22,504,499	-	22,504,499
Total capital assets, net-----	<b>26,988,763</b>	<b>-</b>	<b>26,988,763</b>	<b>28,266,779</b>	<b>-</b>	<b>28,266,779</b>
Total non-current assets-----	<b>27,060,054</b>	<b>503,582</b>	<b>27,563,636</b>	<b>29,030,408</b>	<b>-</b>	<b>29,030,408</b>
<b>Total assets-----</b>	<b>43,604,145</b>	<b>1,164,803</b>	<b>44,768,948</b>	<b>40,701,908</b>	<b>755,535</b>	<b>41,457,443</b>
<b>DEFERRED OUTFLOWS OF RESOURCES-----</b>	<b>557,477</b>	<b>67,298</b>	<b>624,775</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued expenses-----	1,477,353	327	1,477,680	1,058,889	-	1,058,889
Wages and benefits payable-----	399,938	56,135	456,073	385,398	49,392	434,790
Payable to City of Oklahoma City-----	33,955	-	33,955	11,094	-	11,094
Compensated absences-----	236,966	82,951	319,917	216,251	79,414	295,665
Unearned revenue-----	105	-	105	105	-	105
Total current liabilities-----	<b>2,148,317</b>	<b>139,413</b>	<b>2,287,730</b>	<b>1,671,737</b>	<b>128,806</b>	<b>1,800,543</b>
<b>NON-CURRENT LIABILITIES</b>						
Compensated absences-----	394,038	224,070	618,108	422,047	208,622	630,669
Net pension liability-----	5,137,229	-	5,137,229	-	-	-
Net other post-employment benefit obligation-----	307,911	496,418	804,329	249,877	418,107	667,984
Total non-current liabilities-----	<b>5,839,178</b>	<b>720,488</b>	<b>6,559,666</b>	<b>671,924</b>	<b>626,729</b>	<b>1,298,653</b>
<b>Total liabilities-----</b>	<b>7,987,495</b>	<b>859,901</b>	<b>8,847,396</b>	<b>2,343,661</b>	<b>755,535</b>	<b>3,099,196</b>
<b>DEFERRED INFLOWS OF RESOURCES-----</b>	<b>776,778</b>	<b>372,200</b>	<b>1,148,978</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net Investment in capital assets-----	26,428,023	-	26,428,023	28,091,845	-	28,091,845
Unrestricted-----	8,969,326	-	8,969,326	10,266,402	-	10,266,402
<b>Total net position-----</b>	<b>\$35,397,349</b>	<b>\$ -</b>	<b>\$35,397,349</b>	<b>\$38,358,247</b>	<b>\$ -</b>	<b>\$38,358,247</b>

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**

	2015			2014		
	Total Transportation			Total Transportation		
	Authority	Enterprise	Division	Authority	Enterprise	Division
<b><u>OPERATING REVENUES</u></b>						
Transportation charges-----	\$2,929,759	\$ -	\$2,929,759	\$2,695,727	\$ -	\$2,695,727
Other charges-----	51	-	51	-	-	-
Lease and rental income-----	65,457	-	65,457	133,767	-	133,767
Other-----	479,592	-	479,592	256,630	-	256,630
<b>Total operating revenues-----</b>	<b>3,474,859</b>	<b>-</b>	<b>3,474,859</b>	<b>3,086,124</b>	<b>-</b>	<b>3,086,124</b>
<b><u>OPERATING EXPENSES</u></b>						
Personal services-----	13,107,045	1,730,619	14,837,664	13,115,494	1,933,073	15,048,567
Maintenance, operations, and contractual services-----	6,080,339	77,041	6,157,380	5,490,741	58,615	5,549,356
Materials and supplies-----	3,554,755	-	3,554,755	3,923,640	-	3,923,640
Depreciation-----	2,397,975	-	2,397,975	2,042,806	-	2,042,806
<b>Total operating expenses-----</b>	<b>25,140,114</b>	<b>1,807,660</b>	<b>26,947,774</b>	<b>24,572,681</b>	<b>1,991,688</b>	<b>26,564,369</b>
<b>Payments/transfers within the Department-----</b>	<b>(1,652,647)</b>	<b>1,704,559</b>	<b>51,912</b>	<b>(1,897,068)</b>	<b>1,951,589</b>	<b>54,521</b>
<b>Operating loss-----</b>	<b>(23,317,902)</b>	<b>(103,101)</b>	<b>(23,421,003)</b>	<b>(23,383,625)</b>	<b>(40,099)</b>	<b>(23,423,724)</b>
<b><u>NON-OPERATING REVENUES</u></b>						
Grants operating-----	9,071,837	-	9,071,837	10,668,028	-	10,668,028
Investment income-----	6,475	790	7,265	4,940	1,301	6,241
Payments from the City of Oklahoma City-----	17,459,998	-	17,459,998	14,047,555	38,798	14,086,353
Other revenues-----	24,425	-	24,425	103,104	-	103,104
<b>Net non-operating revenues-----</b>	<b>26,562,735</b>	<b>790</b>	<b>26,563,525</b>	<b>24,823,627</b>	<b>40,099</b>	<b>24,863,726</b>
<b>Income (loss) before contributions-----</b>	<b>3,244,833</b>	<b>(102,311)</b>	<b>3,142,522</b>	<b>1,440,002</b>	<b>-</b>	<b>1,440,002</b>
<b><u>CONTRIBUTIONS</u></b>						
Grants capital-----	256,088	-	256,088	2,406,063	-	2,406,063
Capital payments from City of Oklahoma City-----	-	-	-	75,000	-	75,000
Other capital contributions-----	10,000	-	10,000	511	-	511
<b>Total contributions-----</b>	<b>266,088</b>	<b>-</b>	<b>266,088</b>	<b>2,481,574</b>	<b>-</b>	<b>2,481,574</b>
<b>Changes in net position-----</b>	<b>3,510,921</b>	<b>(102,311)</b>	<b>3,408,610</b>	<b>3,921,576</b>	<b>-</b>	<b>3,921,576</b>
Total beginning net position, as previously reported----	38,358,247	-	38,358,247	34,436,671	-	34,436,671
Change in accounting principle-----	(6,471,819)	102,311	(6,369,508)	-	-	-
Total net assets, beginning, as restated-----	31,886,428	102,311	31,988,739	34,436,671	-	34,436,671
<b>Total net position, ending-----</b>	<b>\$35,397,349</b>	<b>\$ -</b>	<b>\$35,397,349</b>	<b>\$38,358,247</b>	<b>\$ -</b>	<b>\$38,358,247</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014		
	Total			Total		
	Authority	Enterprise	Division	Authority	Enterprise	Division
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>						
Cash received from customers-----	\$3,570,530	\$ -	\$3,570,530	\$3,020,573	\$ -	\$3,020,573
Cash payments to suppliers for goods and services-----	(7,151,186)	-	(7,151,186)	(7,967,941)	(2,286,359)	(10,254,300)
Cash payments to employees and professional contractors for services-----	(13,474,286)	(1,618,483)	(15,092,769)	(13,235,049)	(1,969,463)	(15,204,512)
Cash payments for internal services-----	(2,657,995)	-	(2,657,995)	-	-	-
Cash payments from City of Oklahoma City for operations-----	-	-	-	968,832	-	968,832
Cash payments within the Department/Authority for operations-----	(1,553,112)	1,596,529	43,417	(4,380,404)	4,146,852	(233,552)
<b>Net cash provided (used) by operating activities-----</b>	<b>(21,266,049)</b>	<b>(21,954)</b>	<b>(21,288,003)</b>	<b>(21,593,989)</b>	<b>(108,970)</b>	<b>(21,702,959)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>						
Cash received from operating grants-----	9,153,404	-	9,153,404	11,345,521	-	11,345,521
Non-capital financing payments from City of Oklahoma City-----	16,759,998	40,000	16,799,998	14,122,555	-	14,122,555
Non-capital financing payments to City of Oklahoma City-----	-	-	-	-	(1,202)	(1,202)
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>25,913,402</b>	<b>40,000</b>	<b>25,953,402</b>	<b>25,468,076</b>	<b>(1,202)</b>	<b>25,466,874</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>						
Payments for acquisition and construction of capital assets-----	(816,907)	-	(816,907)	(5,444,110)	-	(5,444,110)
Capital financing payments from City of Oklahoma City-----	10,000	-	10,000	-	-	-
Proceeds from sale of assets-----	-	-	-	12,992	-	12,992
Capital grants and contributions received-----	539,996	-	539,996	3,468,460	-	3,468,460
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(266,911)</b>	<b>-</b>	<b>(266,911)</b>	<b>(1,962,658)</b>	<b>-</b>	<b>(1,962,658)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>						
Purchase of investments-----	(12,991,962)	-	(12,991,962)	(4,998,384)	-	(4,998,384)
Proceeds from sale of investments-----	7,997,626	-	7,997,626	2,999,242	-	2,999,242
Changes in pooled investments-----	-	(17,457)	(17,457)	-	102,674	102,674
Investment income received-----	4,760	763	5,523	3,762	2,618	6,380
Purchased interest-----	(1,243)	(3)	(1,246)	-	-	-
<b>Net cash provided (used) by investing activities-----</b>	<b>(4,990,819)</b>	<b>(16,697)</b>	<b>(5,007,516)</b>	<b>(1,995,380)</b>	<b>105,292</b>	<b>(1,890,088)</b>
<b>Net increase (decrease) in cash-----</b>	<b>(610,377)</b>	<b>1,349</b>	<b>(609,028)</b>	<b>(83,951)</b>	<b>(4,880)</b>	<b>(88,831)</b>
Cash, beginning-----	6,739,641	37	6,739,678	6,823,592	4,917	6,828,509
<b>Cash, ending-----</b>	<b>\$6,129,264</b>	<b>\$1,386</b>	<b>\$6,130,650</b>	<b>\$6,739,641</b>	<b>\$37</b>	<b>\$6,739,678</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014		
	Authority	Enterprise	Total Transportation Division	Authority	Enterprise	Total Transportation Division
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)-----	(\$23,317,902)	(\$103,101)	(\$23,421,003)	(\$23,383,625)	(\$40,099)	(\$23,423,724)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Depreciation-----	2,397,975	-	2,397,975	2,042,806	-	2,042,806
Other revenue (expense)-----	(6,471,819)	102,311	(6,369,508)	-	-	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	95,672	-	95,672	(58,404)	-	(58,404)
(Increase) decrease in due from other funds-----	(24,087)	(1,023)	(25,110)	(288,075)	-	(288,075)
(Increase) decrease in receivable from component units-----	-	74,173	74,173	-	(32,481)	(32,481)
(Increase) decrease in receivable from City of Oklahoma City-----	-	-	-	1,007,594	-	1,007,594
(Increase) decrease in inventories-----	(37,349)	-	(37,349)	(11,904)	-	(11,904)
(Increase) decrease in prepaid assets-----	(771)	-	(771)	(34,806)	-	(34,806)
(Increase) decrease in net pension assets-----	689,074	(503,582)	185,492	-	-	-
(Increase) decrease in other assets-----	-	-	-	(170,680)	-	(170,680)
(Increase) decrease in deferred outflows-----	(557,477)	(67,298)	(624,775)	-	-	-
Increase (decrease) in accounts payable and accrued expenses-----	32,662	327	32,989	(737,602)	-	(737,602)
Increase (decrease) in wages and benefits payable-----	14,536	6,744	21,280	(163,355)	(13,946)	(177,301)
Increase (decrease) in payable to City of Oklahoma City-----	(51,312)	-	(51,312)	(8,177)	-	(8,177)
Increase (decrease) in compensated absences-----	(7,292)	18,984	11,692	184,104	(82,427)	101,677
Increase (decrease) in net pension liability-----	5,137,229	-	5,137,229	-	-	-
Increase (decrease) in net other post-employment benefit obligation-----	58,034	78,311	136,345	35,282	59,983	95,265
Increase (decrease) in unearned revenue-----	-	-	-	(7,147)	-	(7,147)
Increase (decrease) in deferred inflows-----	776,778	372,200	1,148,978	-	-	-
Total adjustments-----	2,051,853	81,147	2,133,000	1,789,636	(68,871)	1,720,765
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$21,266,049)</b>	<b>(\$21,954)</b>	<b>(\$21,288,003)</b>	<b>(\$21,593,989)</b>	<b>(\$108,970)</b>	<b>(\$21,702,959)</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Net increase (decrease) in fair value of investments-----	\$1,714	\$-	\$1,714	\$1,178	(\$913)	\$265
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$1,714</b>	<b>\$-</b>	<b>\$1,714</b>	<b>\$1,178</b>	<b>(\$913)</b>	<b>\$265</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2015</u>	<u>2014</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Non-pooled cash-----	\$302,530	\$296,254
Payable/due from (to) within the Department-----	13,574	58,355
Inventories-----	2,467	1,009
<b>Total current assets-----</b>	<b>318,571</b>	<b>355,618</b>
<b><u>NON-CURRENT ASSETS</u></b>		
Capital assets:		
Land and construction in progress-----	-	249,263
Other capital assets, net of accumulated depreciation-----	4,731,825	4,761,846
<b>Total capital assets-----</b>	<b>4,731,825</b>	<b>5,011,109</b>
<b>Total assets-----</b>	<b>5,050,396</b>	<b>5,366,727</b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable and accrued expenses-----	2,697	6,034
Payable to City of Oklahoma City-----	-	16
Unearned revenue-----	133,000	133,000
<b>Total current liabilities-----</b>	<b>135,697</b>	<b>139,050</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Unearned revenue-----	836,250	969,250
<b>Total liabilities-----</b>	<b>971,947</b>	<b>1,108,300</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets-----	4,731,825	5,006,094
Unrestricted-----	(653,376)	(747,667)
<b>Total net position-----</b>	<b>\$4,078,449</b>	<b>\$4,258,427</b>

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**

	<u>2015</u>	<u>2014</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>OPERATING REVENUES</u></b>		
River cruise charges-----	\$119,606	\$175,274
Other-----	5,835	45
<b>Total operating revenues-----</b>	<b><u>125,441</u></b>	<b><u>175,319</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Maintenance, operations, and contractual services-----	929,076	919,488
Materials and supplies-----	19,219	43,800
Depreciation-----	279,283	264,763
<b>Total operating expenses-----</b>	<b><u>1,227,578</u></b>	<b><u>1,228,051</u></b>
<b>Payments/transfers within the Department-----</b>	<b><u>(22,958)</u></b>	<b><u>(29,852)</u></b>
<b>Operating loss-----</b>	<b><u>(1,125,095)</u></b>	<b><u>(1,082,584)</u></b>
<b><u>NON-OPERATING REVENUES</u></b>		
Non-capital contributions-----	133,000	133,000
Investment income-----	49	62
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from City of Oklahoma City-----	762,068	670,000
<b>Net non-operating revenues-----</b>	<b><u>945,117</u></b>	<b><u>853,062</u></b>
<b>Changes in net position-----</b>	<b><u>(179,978)</u></b>	<b><u>(229,522)</u></b>
Total net position, beginning-----	4,258,427	4,487,949
<b>Total net position, ending-----</b>	<b><u>\$4,078,449</u></b>	<b><u>\$4,258,427</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2015</u>	<u>2014</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers-----	\$124,800	\$175,958
Cash payments to suppliers for goods and services-----	(947,400)	(1,093,846)
Cash payments within the Department/Authority for operations-----	21,774	233,243
<b>Net cash provided (used) by operating activities-----</b>	<b>(800,826)</b>	<b>(684,645)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Non-capital financing payments from component units-----	50,000	50,000
Non-capital financing payments from City of Oklahoma City-----	762,068	670,000
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>812,068</b>	<b>720,000</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>		
Payments for acquisition and construction of capital assets-----	(5,015)	(491,078)
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(5,015)</b>	<b>(491,078)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Investment income received-----	49	60
<b>Net cash provided (used) by investing activities-----</b>	<b>49</b>	<b>60</b>
<b>Net increase (decrease) in cash-----</b>	<b>6,276</b>	<b>(455,663)</b>
Cash, beginning-----	296,254	751,917
<b>Cash, ending-----</b>	<b>\$302,530</b>	<b>\$296,254</b>
 <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)-----	(\$1,125,095)	(\$1,082,584)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Depreciation-----	279,283	264,763
Changes in assets and liabilities:		
(Increase) decrease in due from other funds-----	31,208	263,095
(Increase) decrease in inventories-----	(1,458)	5,615
Increase (decrease) in accounts payable and accrued expenses-----	1,679	(132,957)
Increase (decrease) in due to other funds-----	13,574	-
Increase (decrease) in payable to City of Oklahoma City-----	(17)	(2,577)
<b>Total adjustments-----</b>	<b>324,269</b>	<b>397,939</b>
<b>Net cash provided (used) by operating activities-----</b>	<b>(800,826)</b>	<b>(684,645)</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Pooled cash-----	\$ -	\$1,890	\$1,890	\$ -	\$88	\$88
Non-pooled cash-----	3,335,842	-	3,335,842	10,576,024	-	10,576,024
Investments-----	7,288,839	65,569	7,354,408	9,658,178	46,879	9,705,057
Accounts receivable, net-----	198,203	-	198,203	156,462	-	156,462
Interest receivable-----	581	159	740	162	143	305
Payable/due from (to) within the Department-----	(64,547)	35,593	(28,954)	(147,143)	97,494	(49,649)
Inventories-----	-	7,222	7,222	-	14,352	14,352
Total current assets-----	<u>10,758,918</u>	<u>110,433</u>	<u>10,869,351</u>	<u>20,243,683</u>	<u>158,956</u>	<u>20,402,639</u>
<b>NON-CURRENT ASSETS</b>						
Investments-----	1,482,711	-	1,482,711	1,482,355	-	1,482,355
Net pension asset-----	-	116,684	116,684	-	-	-
Capital assets:						
Land, art, and construction in progress-----	1,859,695	-	1,859,695	25,691,662	-	25,691,662
Other capital assets, net of accumulated depreciation-----	42,904,988	-	42,904,988	10,774,182	3,966	10,778,148
Total capital assets, net-----	<u>44,764,683</u>	<u>-</u>	<u>44,764,683</u>	<u>36,465,844</u>	<u>3,966</u>	<u>36,469,810</u>
Total non-current assets-----	<u>46,247,394</u>	<u>116,684</u>	<u>46,364,078</u>	<u>37,948,199</u>	<u>3,966</u>	<u>37,952,165</u>
<b>Total assets-----</b>	<b><u>57,006,312</u></b>	<b><u>227,117</u></b>	<b><u>57,233,429</u></b>	<b><u>58,191,882</u></b>	<b><u>162,922</u></b>	<b><u>58,354,804</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES-----</b>	<b>-</b>	<b>15,593</b>	<b>15,593</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued expenses-----	1,217,627	6,926	1,224,553	5,169,605	11,648	5,181,253
Wages and benefits payable-----	-	11,809	11,809	-	10,645	10,645
Payable to City of Oklahoma City-----	53,828	108	53,936	77,102	861	77,963
Compensated absences-----	-	17,804	17,804	-	22,366	22,366
Unearned revenue-----	14,130	-	14,130	14,235	-	14,235
Bond interest payable-----	433,386	-	433,386	435,433	-	435,433
Bonds payable-----	610,000	-	610,000	580,000	-	580,000
Total current liabilities-----	<u>2,328,971</u>	<u>36,647</u>	<u>2,365,618</u>	<u>6,276,375</u>	<u>45,520</u>	<u>6,321,895</u>
<b>NON-CURRENT LIABILITIES</b>						
Compensated absences-----	-	28,788	28,788	-	33,336	33,336
Bonds payable-----	20,810,000	-	20,810,000	21,420,000	-	21,420,000
Net other post-employment benefit obligation-----	-	91,034	91,034	-	80,100	80,100
Total non-current liabilities-----	<u>20,810,000</u>	<u>119,822</u>	<u>20,929,822</u>	<u>21,420,000</u>	<u>113,436</u>	<u>21,533,436</u>
<b>Total liabilities-----</b>	<b><u>23,138,971</u></b>	<b><u>156,469</u></b>	<b><u>23,295,440</u></b>	<b><u>27,696,375</u></b>	<b><u>158,956</u></b>	<b><u>27,855,331</u></b>
<b>DEFERRED INFLOWS OF RESOURCES-----</b>	<b>-</b>	<b>86,241</b>	<b>86,241</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets-----	22,912,972	-	22,912,972	17,716,856	3,966	17,720,822
Restricted for debt service-----	2,094,785	-	2,094,785	2,062,670	-	2,062,670
Unrestricted-----	8,859,584	-	8,859,584	10,715,981	-	10,715,981
<b>Total net position-----</b>	<b><u>\$33,867,341</u></b>	<b><u>\$ -</u></b>	<b><u>\$33,867,341</u></b>	<b><u>\$30,495,507</u></b>	<b><u>\$3,966</u></b>	<b><u>\$30,499,473</u></b>

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**

	2015			2014		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<b><u>OPERATING REVENUES</u></b>						
Parking-----	\$8,382,416	\$ -	\$8,382,416	\$6,880,235	\$ -	\$6,880,235
Lease and rental income-----	83,001	-	83,001	49,547	-	49,547
Other-----	4,922	-	4,922	3,798	-	3,798
<b>Total operating revenues-----</b>	<b>8,470,339</b>	<b>-</b>	<b>8,470,339</b>	<b>6,933,580</b>	<b>-</b>	<b>6,933,580</b>
<b><u>OPERATING EXPENSES</u></b>						
Personal services-----	-	352,840	352,840	-	376,870	376,870
Maintenance, operations, and contractual services-----	4,506,813	141,053	4,647,866	3,100,093	142,125	3,242,218
Materials and supplies-----	27,887	16,984	44,871	24,129	8,143	32,272
Depreciation-----	975,147	2,242	977,389	644,442	6,197	650,639
<b>Total operating expenses-----</b>	<b>5,509,847</b>	<b>513,119</b>	<b>6,022,966</b>	<b>3,768,664</b>	<b>533,335</b>	<b>4,301,999</b>
<b>Payments/transfers within the Department-----</b>	<b>(206,279)</b>	<b>177,325</b>	<b>(28,954)</b>	<b>(236,601)</b>	<b>211,932</b>	<b>(24,669)</b>
<b>Operating income (loss)-----</b>	<b>2,754,213</b>	<b>(335,794)</b>	<b>2,418,419</b>	<b>2,928,315</b>	<b>(321,403)</b>	<b>2,606,912</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>						
Investment income-----	8,913	819	9,732	10,990	899	11,889
Interest on bonds-----	(577,847)	-	(577,847)	-	-	-
Bond issue costs-----	-	-	-	(75,325)	-	(75,325)
Payments from Oklahoma City Economic Development Trust-----	1,000,000	-	1,000,000	-	-	-
Payments from City of Oklahoma City-----	193,500	309,026	502,526	183,300	314,309	497,609
Other expenses-----	(6,945)	(1,723)	(8,668)	-	-	-
<b>Net non-operating revenues-----</b>	<b>617,621</b>	<b>308,122</b>	<b>925,743</b>	<b>118,965</b>	<b>315,208</b>	<b>434,173</b>
<b>Changes in net position-----</b>	<b>3,371,834</b>	<b>(27,672)</b>	<b>3,344,162</b>	<b>3,047,280</b>	<b>(6,195)</b>	<b>3,041,085</b>
Total beginning net position, as previously reported	30,495,507	3,966	30,499,473	27,448,227	10,161	27,458,388
Change in accounting principle-----	-	23,706	23,706	-	-	-
Total net assets, beginning, as restated-----	30,495,507	27,672	30,523,179	27,448,227	10,161	27,458,388
<b>Total net position, ending-----</b>	<b>\$33,867,341</b>	<b>\$ -</b>	<b>\$33,867,341</b>	<b>\$30,495,507</b>	<b>\$3,966</b>	<b>\$30,499,473</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers-----	\$8,403,570	\$ -	\$8,403,570	\$6,885,555	\$ -	\$6,885,555
Cash payments to suppliers for goods and services-----	(3,537,366)	(87,331)	(3,624,697)	(4,048,325)	(318,433)	(4,366,758)
Cash payments to employees and professional contractors for services-----	(245,439)	(352,534)	(597,973)	-	(389,117)	(389,117)
Cash payments for internal services-----	-	(24,276)	(24,276)	-	-	-
Cash payments within the Department/Authority for operations-----	(224,455)	174,803	(49,652)	(392,283)	392,592	309
Other cash receipts-----	49,994	-	49,994	-	-	-
Net cash provided (used) by operating activities-----	<b>4,446,304</b>	<b>(289,338)</b>	<b>4,156,966</b>	<b>2,444,947</b>	<b>(314,958)</b>	<b>2,129,989</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Non-capital financing payments from component units-----	1,000,000	-	1,000,000	-	-	-
Non-capital financing payments from City of Oklahoma City-----	193,500	309,026	502,526	183,300	314,309	497,609
Net cash provided (used) by non-capital financing activities-----	<b>1,193,500</b>	<b>309,026</b>	<b>1,502,526</b>	<b>183,300</b>	<b>314,309</b>	<b>497,609</b>
<b>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</b>						
Payments for acquisition and construction of capital assets-----	(13,808,233)	-	(13,808,233)	(15,616,895)	-	(15,616,895)
Principal paid on long-term debt-----	(580,000)	-	(580,000)	-	-	-
Interest paid on long-term debt-----	(868,818)	-	(868,818)	(462,043)	-	(462,043)
Net cash provided (used) by capital and related financing activities-----	<b>(15,257,051)</b>	<b>-</b>	<b>(15,257,051)</b>	<b>(16,078,938)</b>	<b>-</b>	<b>(16,078,938)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investments-----	(20,595,545)	-	(20,595,545)	(11,832,104)	-	(11,832,104)
Proceeds from sale of investments-----	22,967,429	-	22,967,429	30,407,231	-	30,407,231
Changes in pooled investments-----	-	(18,689)	(18,689)	-	(1,967)	(1,967)
Investment income received-----	5,181	803	5,984	10,827	923	11,750
Net cash provided (used) by investing activities-----	<b>2,377,065</b>	<b>(17,886)</b>	<b>2,359,179</b>	<b>18,585,954</b>	<b>(1,044)</b>	<b>18,584,910</b>
Net increase (decrease) in cash-----	<b>(7,240,182)</b>	<b>1,802</b>	<b>(7,238,380)</b>	<b>5,135,263</b>	<b>(1,693)</b>	<b>5,133,570</b>
Cash, beginning-----	10,576,024	88	10,576,112	5,440,761	1,781	5,442,542
Cash, ending-----	<b>\$3,335,842</b>	<b>\$1,890</b>	<b>\$3,337,732</b>	<b>\$10,576,024</b>	<b>\$88</b>	<b>\$10,576,112</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)-----	\$2,754,213	(\$335,794)	\$2,418,419	\$2,928,315	(\$321,403)	\$2,606,912
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Depreciation-----	975,147	2,242	977,389	644,442	6,197	650,639
Other revenue (expense)-----	49,994	-	49,994	-	-	-
Change in accounting principle-----	-	23,706	23,706	-	-	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	(41,742)	-	(41,742)	(13,450)	-	(13,450)
(Increase) decrease in due from other funds-----	(20,695)	-	(20,695)	-	723	723
(Increase) decrease in receivable from component units-----	-	61,901	61,901	-	14,285	14,285
(Increase) decrease in inventories-----	-	7,130	7,130	-	(9,111)	(9,111)
(Increase) decrease in net pension asset-----	-	(116,684)	(116,684)	-	-	-
(Increase) decrease in deferred outflows-----	-	(15,593)	(15,593)	-	-	-
Increase (decrease) in accounts payable and accrued expenses-----	814,665	(4,726)	809,939	(1,117,932)	6,022	(1,111,910)
Increase (decrease) in wages and benefits payable-----	-	1,166	1,166	-	(1,408)	(1,408)
Increase (decrease) in due to other funds-----	-	(753)	(753)	24,979	573	25,552
Increase (decrease) in payable to City of Oklahoma City-----	(85,173)	-	(85,173)	(16,370)	-	(16,370)
Increase (decrease) in compensated absences-----	-	(9,108)	(9,108)	-	(19,911)	(19,911)
Increase (decrease) in net other post-employment benefit obligation-----	-	10,934	10,934	-	9,075	9,075
Increase (decrease) in unearned revenue-----	-	-	-	(5,037)	-	(5,037)
Increase (decrease) in deferred inflows-----	(105)	86,241	86,136	-	-	-
Total adjustments-----	1,692,091	46,456	1,738,547	(483,368)	6,445	(476,923)
Net cash provided (used) by operating activities-----	<b>\$4,446,304</b>	<b>(\$289,338)</b>	<b>\$4,156,966</b>	<b>\$2,444,947</b>	<b>(\$314,958)</b>	<b>\$2,129,989</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>						
Net increase (decrease) in fair value of investments-----	\$2,901	\$ -	\$2,901	\$ -	\$ -	\$ -
Total non-cash investing, capital, and financing activities-----	<b>\$2,901</b>	<b>\$ -</b>	<b>\$2,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
<b><u>RECEIVABLES</u></b>		
Interest and dividends-----	\$5,096	\$3,835
Employer-----	22,755	22,614
Plan members-----	17,340	17,460
Total receivables-----	<u>45,191</u>	<u>43,909</u>
<b><u>INVESTMENTS, AT FAIR VALUE</u></b>		
Domestic common stock-----	6,139,511	6,372,685
Passive domestic stock funds-----	1,107,910	1,097,116
Government securities/fixed income-----	187,919	177,347
Passive bond fund-----	2,413,997	2,278,789
International stock-----	1,444,674	1,126,928
Treasury money market fund-----	120,799	153,462
Real estate-----	102,581	100,381
Total investments-----	<u>11,517,391</u>	<u>11,306,708</u>
<b>Total assets</b> -----	<b><u>11,562,582</u></b>	<b><u>11,350,617</u></b>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses-----	-	38,470
<b><u>NET POSITION</u></b>		
Restricted for pension benefits-----	<b><u>\$11,562,582</u></b>	<b><u>\$11,312,147</u></b>

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**

	<u>2015</u>	<u>2014</u>
<b><u>ADDITIONS</u></b>		
<b><u>CONTRIBUTIONS</u></b>		
Employer-----	\$518,619	\$507,894
Plan members-----	408,558	427,745
Total contributions-----	<u>927,177</u>	<u>935,639</u>
<b><u>INVESTMENT INCOME</u></b>		
Net appreciation in fair value of investments-----	46,715	1,497,209
Interest-----	31,188	46,045
Dividends-----	147,092	104,293
	<u>224,995</u>	<u>1,647,547</u>
Less: investment expense-----	(32,891)	(39,836)
Net investment income-----	<u>192,104</u>	<u>1,607,711</u>
Other-----	325	326
<b>Total additions-----</b>	<b><u>1,119,606</u></b>	<b><u>2,543,676</u></b>
<b><u>DEDUCTIONS</u></b>		
Benefits paid-----	780,995	639,312
Refunds of contributions-----	45,784	128,434
Administrative expenses-----	42,392	40,506
<b>Total deductions-----</b>	<b><u>869,171</u></b>	<b><u>808,252</u></b>
<b>Increase in net position-----</b>	<b>250,435</b>	<b>1,735,424</b>
<b><u>NET POSITION RESTRICTED FOR PENSION</u></b>		
Beginning of year-----	11,312,147	9,576,723
<b>End of year-----</b>	<b><u>\$11,562,582</u></b>	<b><u>\$11,312,147</u></b>

See accompanying notes to financial statements.

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# **Notes to Financial Statements**



## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Oklahoma City Public Transportation and Parking Department (Department) financial activities for the fiscal years ended 2015 and 2014. Certain reclassifications were made to the 2014 operating statement to reclassify \$2,227,744 and \$166,374 between maintenance, operations, and contractual services and payments/transfers within the Department. In addition, amounts previously reported as due from/to other funds and transfers from/to other funds have been reclassified as receivable/payable from/to City of Oklahoma City and payments from/to City of Oklahoma City. Payments from/to City of Oklahoma City previously reported as transfers from/to other funds have been reclassified from contributions and transfers to non-operating revenues (expenses). The reclassifications had no effect on the net position of the Department.

### 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 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.

**Oklahoma City Employee Retirement System (OCERS)**

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

**Oklahoma City Post-Employment Benefit Trust (OCPEBT)**

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

**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 Cruises (Ferry Service) consisting of the operation of ferry 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. Costs and revenues associated with parking meters are reported in the City General 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**

*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

### 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 payable/due from (to) within Department.

All activity between funds of the Department is eliminated.

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

**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. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

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

#### **I. D. 9. 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. 10. 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. 11. RISK MANAGEMENT**

##### **Enterprise**

The Enterprise's risk management activities are recorded in the City Risk Management Fund, the Oklahoma City Municipal Facilities Authority (OCMFA) Services funds and the 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 Enterprise participates. These funds account for the risk financing activities of the Enterprise and constitute a transfer of risk from the Enterprise.

Enterprise Funds pay 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.

##### **Authority**

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

#### **I. D. 12. USE OF ESTIMATES**

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

#### **I. D. 13. 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 provided by commercially available bank rating services or on performance evaluations conducted pursuant to the Federal Community Reinvestment Act, 12 United States Code, Section 2901. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions based on evaluation by the City Treasurer of the institution's financial strength in accordance with the investment policy.

At June 30, 2015, 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.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

<b>2015</b>				
<u>Department</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Authority money market funds	\$1,371,128	\$1,371,128	AAA/Aaa	1.57
Authority U.S. Treasury bill	15,396,437	15,389,423	N/A	23.48
Enterprise pooled investments (3)	<u>102,390</u>	<u>102,386</u>	AAA/Aaa	N/A
<b>Total department investments</b>	<b><u>\$16,869,955</u></b>	<b><u>\$16,862,937</u></b>		
<b><u>COTPA Retirement</u></b>				
Mutual funds (4)				
Equity	\$8,692,095	\$6,403,608	N/A	N/A
Bond	2,413,997	2,434,951	Not Rated	39.60
Real estate investment trust	102,581	64,530	Not Rated	N/A
Government securities	187,919	183,424	Not Rated	N/A
Money market funds	<u>120,799</u>	<u>120,799</u>	AAA	1.00
<b>Total fiduciary investments</b>	<b><u>\$11,517,391</u></b>	<b><u>\$9,207,312</u></b>		

<b>2014</b>				
<u>Department</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</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
<b>Total department investments</b>	<b><u>\$14,206,739</u></b>	<b><u>\$14,204,482</u></b>		
<b><u>COTPA Retirement</u></b>				
Mutual funds (4)				
Equity	\$8,419,381	\$5,764,986	N/A	N/A
Bond	2,456,137	2,368,740	Not Rated	53.23
Real estate investment trust	100,381	58,788	Not Rated	N/A
Government securities	177,347	167,185	Not Rated	N/A
Money market funds	<u>153,462</u>	<u>153,462</u>	AAA	0.49
<b>Total fiduciary investments</b>	<b><u>\$11,306,708</u></b>	<b><u>\$8,513,161</u></b>		

- (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.

<b>2015</b>				
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Money market funds	(\$5,834)	(\$5,834)	AAA/Aaa	1.77
U.S. Treasury notes	232,766,006	233,273,806	N/A	46.95
Commercial Paper	47,974,579	57,413,727	A1/P1	5.65
Fannie Mae	223,520,069	224,423,320	AA+/Aaa	16.11
Federal obligations	<u>282,110,170</u>	<u>282,973,996</u>	AA/Aaa	15.00
	<b><u>\$786,364,990</u></b>	<b><u>\$798,079,015</u></b>		

(continued)

*Investments (continued)*

	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
	<b><u>\$728,503,067</u></b>	<b><u>\$733,618,461</u></b>		

- (4) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. COTPA Retirement has \$1,444,674 and \$1,126,928 invested in international mutual funds at June 30, 2015 and 2014, 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	2015	2014
				Actual	Actual
Domestic equities	35%	45%	65%	51%	54%
International	5	10	15	13	10
Alternatives	0	20	25	13	13
Fixed income	20	25	40	24	23

**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.

COTPA Retirement held \$8,692,095 and \$8,596,729 in common stock or stock funds at June 30, 2015 and 2014, 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>2015</u>	<u>2014</u>
Bond principal and interest accounts	\$1,045,460	\$1,015,748
Construction account	187,195	8,636,565
Bond reserve account	<u>1,482,711</u>	<u>1,482,355</u>
	<b><u>\$2,715,366</u></b>	<b><u>\$11,134,668</u></b>

**II. B. ACCOUNTS RECEIVABLE AND UNCOLLECTIBLE AMOUNTS**

Receivables include monthly parking agreements, retail leases, and charter services. These receivables are due in less than one year. The allowance amount is estimated using accounts receivable past due more than 90 days.

	<u>2015</u>			<u>2014</u>
	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>	<u>Total</u>
Accounts receivable	\$371,831	\$203,709	\$575,540	\$355,625
Less: Allowance for uncollectible accounts	<u>(286,279)</u>	<u>(5,506)</u>	<u>(291,785)</u>	<u>(17,939)</u>
<b>Net accounts receivable</b>	<b><u>\$85,552</u></b>	<b><u>\$198,203</u></b>	<b><u>\$283,755</u></b>	<b><u>\$337,686</u></b>
<b>Affect on revenues for change in uncollectibles</b>	<b><u>(\$286,279)</u></b>	<b><u>\$12,433</u></b>	<b><u>(\$273,846)</u></b>	<b><u>\$13,893</u></b>

**II. C. INTERGOVERNMENTAL RECEIVABLE**

Total intergovernmental receivables of \$1,360,142 in 2015 and \$1,618,441 in 2014 was due from the Federal government for grants.

**II. D. INVENTORIES**

	<u>2015</u>	<u>2014</u>
Diesel fuel, gasoline and oil	\$35,424	\$67,506
Vehicle parts and supplies	<u>804,377</u>	<u>740,618</u>
	<b><u>\$839,801</u></b>	<b><u>\$808,124</u></b>

**II. E. PREPAIDS**

Prepays consist mainly of maintenance support and warranties for buses and other mobile equipment. At June 30, 2015, \$49,306 was reported as current prepaids and \$2,008 as non-current prepaids in the Transportation Division. There were \$45,272 in current prepaids and \$5,270 in non-current prepaids reported at June 30, 2014.

**II. F. OTHER ASSETS**

	<u>2015</u>	<u>2014</u>
Insurance security deposit	\$65,000	\$65,000
Flexible compensation plan escrow	4,283	4,285
Net pension asset	-	689,074
	<u><b>\$69,283</b></u>	<u><b>\$758,359</b></u>

**II. G. NET PENSION ASSETS**

*Implementation of New Accounting Standards*

Effective July 1, 2014, the Department implemented GASB statement number 68, Accounting and Financial Reporting for Pensions, as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements.

Net pension assets are reported when the plan's net assets exceed the employers total pension liability. The OCERS reported a net pension asset of \$61,412,497, of which the Department's share is \$620,266 at June 30, 2015.

**II. H. CAPITAL ASSETS**

*Changes in Capital Assets*

	<u>2015</u>		
	<u>Land and Art</u>	<u>Construction In Progress</u>	<u>Total Non-depreciable</u>
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>			
Balance, June 30, 2014	\$4,907,022	\$26,796,183	\$31,703,205
Increases	48,500	10,049,366	10,097,866
Decreases	-	(85,460)	(85,460)
Transfers	-	(34,562,072)	(34,562,072)
<b>Total capital assets, not depreciated</b>	<u><b>\$4,955,522</b></u>	<u><b>\$2,198,017</b></u>	<u><b>7,153,539</b></u>

(continued)

NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

Changes in Capital Assets (continued)

	2015					
		Improvements	Buses,	Parking	Other	
	Buildings	Other Than Buildings	Automobiles, and Boats	Garages and Surface Lots	Furniture, Machinery, and Equipment	Total Depreciable
<u>CAPITAL ASSETS, DEPRECIATED</u>						
Balance, June 30, 2014	\$15,548,133	\$8,663,103	\$21,655,116	\$23,634,720	\$8,363,797	\$77,864,869
Increases	-	61,735	64,789	-	309,245	435,769
Decreases	(8,200)	(438,264)	(588,416)	(434)	(711,326)	(1,746,640)
Transfers	<u>18,000</u>	<u>5,033,868</u>	<u>-</u>	<u>29,433,026</u>	<u>77,177</u>	<u>34,562,071</u>
Balance, June 30, 2015	<u>15,557,933</u>	<u>13,320,442</u>	<u>21,131,489</u>	<u>53,067,312</u>	<u>8,038,893</u>	<u>111,116,069</u>
<u>ACCUMULATED DEPRECIATION</u>						
Balance, June 30, 2014	4,705,839	5,059,834	10,696,255	14,385,255	4,973,193	39,820,376
Increases	358,323	591,127	1,546,321	520,917	637,959	3,654,647
Decreases	(7,743)	(401,646)	(579,895)	(434)	(700,968)	(1,690,686)
Balance, June 30, 2015	<u>5,056,419</u>	<u>5,249,315</u>	<u>11,662,681</u>	<u>14,905,738</u>	<u>4,910,184</u>	<u>41,784,337</u>
<b>Total capital assets, depreciated</b>	<b><u>\$10,501,514</u></b>	<b><u>\$8,071,127</u></b>	<b><u>\$9,468,808</u></b>	<b><u>\$38,161,574</u></b>	<b><u>\$3,128,709</u></b>	<b><u>\$69,331,732</u></b>
<b>Total Department capital assets, net</b>						<b><u>\$76,485,271</u></b>

	2014					Total Non-depreciable
		Construction				
	Land and Art	In Progress				
<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
Transfers	-	(3,821,463)				(3,821,463)
<b>Total capital assets, not depreciated</b>	<b><u>\$4,907,022</u></b>	<b><u>\$26,796,183</u></b>				<b><u>\$1,703,205</u></b>
	2014					Total Depreciable
		Improvements	Buses,	Parking	Other	
	Buildings	Other Than Buildings	Automobiles, and Boats	Garages and Surface Lots	Furniture, Machinery, and Equipment	
<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	-	-	2,343,181	-	-	2,343,181
Decreases	-	-	(68,961)	-	-	(68,961)
Transfers	<u>1,146,314</u>	<u>927,575</u>	<u>217,564</u>	<u>534,999</u>	<u>995,011</u>	<u>3,821,463</u>
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>
<b>Total capital assets, depreciated</b>	<b><u>\$10,842,294</u></b>	<b><u>\$3,603,269</u></b>	<b><u>\$10,958,861</u></b>	<b><u>\$9,249,465</u></b>	<b><u>\$3,390,604</u></b>	<b><u>\$8,044,493</u></b>
<b>Total department capital assets, net</b>						<b><u>\$69,747,698</u></b>



*Depreciation Expense*

	<u>2015</u>	<u>2014</u>
Transportation	\$2,397,975	\$2,042,806
River Cruises	279,283	264,763
Parking	977,389	650,639
	<u><u>\$3,654,647</u></u>	<u><u>\$2,958,208</u></u>

*Capitalized Interest*

	<u>Total Interest Costs Incurred</u>	<u>Capitalized Interest</u>
<i>Business-type Activities</i>		
Arts District Garage	<u><b>\$434,006</b></u>	<u><b>\$289,337</b></u>

**II. I. PENSION DEFERRED OUTFLOWS**

*Implementation of New Accounting Standards*

Effective July 1, 2014, the Department implemented GASB statement number 68, Accounting and Financial Reporting for Pensions, as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements.

Differences are deferred when the pension system's actuarial estimate of the plan's experience costs for a given period differ from the actual experience costs. Deferred outflows that result from plan experience differences are divided by the beginning expected remaining service life of its members and amortized over that period, with the current year amount included in the determination of pension expense. Current year employer contributions are deferred and included in the following year net pension liability calculation. COTPA Retirement reported a deferred outflow of \$557,477 at June 30, 2015. The OCERS reported a deferred outflow of \$8,207,083, of which the Department's share is \$82,891 at June 30, 2015.

	<u>2015</u>	
	<u>Authority</u>	<u>Enterprise</u>
	COTPA	Department
	<u>Retirement</u>	<u>OCERS</u> <u>Share</u>
Current year contributions - Employer	<u><b>\$557,477</b></u>	<u><b>\$8,207,083</b></u> <u><b>\$82,891</b></u>

### III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

#### 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 \$969,250 at June 30, 2015 and \$1,102,250 at June 30, 2014 is reported with unearned revenue, of which \$836,250 and \$969,250 is reported as non-current at June 30, 2015 and 2014, 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, 2015 and 2014 there was no rebatable arbitrage liability.

#### III. C. COMPENSATED ABSENCES

Compensated absences balances changed from 2014 to 2015 by accruals of \$576,471 and usages of \$573,890 compared to changes in accruals of \$658,554 and usages of \$576,789 from 2013 to 2014.

#### 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 finance construction of a new parking garage in downtown Oklahoma City, known as the Arts District Parking 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, 2015, are \$21,420,000.

***Bonded Debt Service Requirements to Maturity***

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	650,000	823,221	1,473,221
2021-2025	3,520,000	3,816,145	7,336,145
2026-2030	4,225,000	3,073,782	7,298,782
2031-2035	5,290,000	1,973,359	7,263,359
2036-2039	<u>5,250,000</u>	<u>537,396</u>	<u>5,787,396</u>
	<b><u>\$21,420,000</u></b>	<b><u>\$13,631,842</u></b>	<b><u>\$35,051,842</u></b>

***Revenue Bonds Outstanding***

	<u>Amount</u>	<u>Interest</u>	<u>Issue</u>	<u>Principal</u>	<u>2015</u>	<u>2014</u>
<u>Authority Parking System Revenue Bonds</u>	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Balance</u>	<u>Principal Balance</u>
Series 2013	\$22,000,000	0.71-4.97	6/20/2013	7/1/2038	\$21,420,000	\$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.

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.

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>2015</u>	<u>2014</u>
Authority Parking System Revenue Bonds, Series 2003	\$23,635,000	\$ -	\$19,205,000
Authority Parking System Revenue Refunding Bonds, Series 2006	6,895,000	1,870,000	2,980,000

**Bond Coverage**

	<u>2015</u>	<u>2014</u>
Gross revenue, including non-operating investment income	\$8,672,752	\$7,127,870
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	4,740,979	3,360,823
<b>Net revenue available for debt service</b>	<b><u>\$3,931,773</u></b>	<b><u>\$3,767,047</u></b>
Principal amounts	\$610,000	\$610,000
Interest amounts	864,160	864,160
<b>Total debt service requirements</b>	<b><u>\$1,474,160</u></b>	<b><u>\$1,474,160</u></b>
<b>Revenue bond coverage</b>	<b><u>2.6</u></b>	<b><u>2.5</u></b>

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 \$8,382,416 and \$6,880,235 in parking revenues in 2015 and 2014, respectively.

**III. F. NET PENSION LIABILITY**

***Implementation of New Accounting Standards***

Effective July 1, 2014, the Department implemented GASB statement number 68, Accounting and Financial Reporting for Pensions, as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements.

A net pension liability is reported when a pension plan's total pension liability exceeds the plan's net assets. The Transportation Division reported a net pension liability of \$5,137,229 million at June 30, 2015, related to COTPA Retirement.

III. G. CHANGES IN LONG-TERM LIABILITIES

	2015					
	Balance			Balance	Due	Due
	July 1, <u>2014</u>	<u>Issued</u>	<u>Retired</u>	June 30, <u>2015</u>	Within <u>One Year</u>	After <u>One Year</u>
<u>COMPENSATED ABSENCES</u>						
Transportation	\$926,334	\$544,110	\$532,419	\$938,025	\$319,917	\$618,108
Parking	55,702	32,361	41,471	46,592	17,804	28,788
<u>REVENUE BONDS</u>						
Parking	22,000,000	-	580,000	21,420,000	610,000	20,810,000
<u>NET PENSION LIABILITY</u>						
Transportation	-	5,137,229	-	5,137,229	-	5,137,229
<u>NET OPEB OBLIGATION</u>						
Transportation	667,983	263,000	126,655	804,328	-	804,328
Parking	80,101	30,579	19,645	91,035	-	91,035
<b>Total Department</b>	<b><u>\$23,730,120</u></b>	<b><u>\$6,007,279</u></b>	<b><u>\$1,300,190</u></b>	<b><u>\$28,437,209</u></b>	<b><u>\$947,721</u></b>	<b><u>\$27,489,488</u></b>
	2014					
	Balance			Balance	Due	Due
	July 1, <u>2013</u>	<u>Issued</u>	<u>Retired</u>	June 30, <u>2014</u>	Within <u>One Year</u>	After <u>One Year</u>
<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
<b>Total Department</b>	<b><u>\$23,544,014</u></b>	<b><u>\$926,353</u></b>	<b><u>\$740,247</u></b>	<b><u>\$23,730,120</u></b>	<b><u>\$898,031</u></b>	<b><u>\$22,832,089</u></b>

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.

<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>\$1,474,160</u>	<u>\$21,420,000</u>

(1) The amount guaranteed is only the amount of debt service due on or before June 30, 2016 and covered under the guarantee effective July 1, 2015. It is anticipated that the guarantees will be renewed annually.

### III. H. PENSION DEFERRED INFLOWS

Effective July 1, 2014, the Department implemented GASB statement number 68, Accounting and Financial Reporting for Pensions, as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements.

Differences are deferred when the pension system's actuarial estimate of the plan's experience costs for a given period differ from the actual experience costs. Deferred inflows that result from plan experience differences are divided by the beginning expected remaining service life of its members and amortized over that period, with the current year amount included in the determination of pension expense. Differences are also calculated and recorded as deferred inflows when actual investment earnings exceed estimated investment earnings. This amount is amortized over a fixed 5 year period for each unique fiscal year.

	<u>2015</u>		
	<u>Authority</u>	<u>Enterprise</u>	
	COTPA <u>Retirement</u>	<u>OCERS</u>	Department <u>Share</u>
Differences between expected an actual pension plan experience	\$ -	\$3,829,000	\$31,727
Differences between projected ar actual investment earnings on plan investments	-	51,498,000	426,714
Change in assumptions	<u>776,778</u>	<u>-</u>	<u>-</u>
	<u>\$776,778</u>	<u>\$55,327,000</u>	<u>\$458,441</u>

### IV. NET POSITION

#### *Change in Accounting Principle*

Effective July 1, 2014, the Department implemented GASB statement number 68, Accounting and Financial Reporting for Pensions as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets/liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements. The implementation of this statement resulted in recording previously unrecorded net pension assets and liabilities, as well as, deferrals of employer contributions. This resulted in a restatement of previously reported net position.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
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	<u>2015</u>		
	<u>Authority</u>	<u>Enterprise</u>	
	COTPA	Department	
	<u>Retirement</u>	<u>OCERS</u>	<u>Share</u>
Beginning net pension asset (liability)	(\$6,977,819)	\$3,600,005	\$36,377
Deferred outflows of resources			
Employer contributions	<u>506,000</u>	<u>8,871,000</u>	<u>89,640</u>
	<b><u>(\$6,471,819)</u></b>	<b><u>\$12,471,005</u></b>	<b><u>\$126,017</u></b>

*Net Investment in Capital Assets*

	<u>2015</u>	<u>2014</u>
Capital assets, net	\$76,485,271	\$69,747,698
Retainages and capital related accounts payable	(1,505,424)	(5,891,280)
Bonds payable, net	(21,420,000)	(22,000,000)
Bond accounts funded with bond proceeds	187,195	8,636,565
Bond issuance costs paid with bond proceeds	<u>325,778</u>	<u>325,778</u>
	<b><u>\$54,072,820</u></b>	<b><u>\$50,818,761</u></b>

*Restricted for Capital Projects*

	<u>2015</u>	<u>2014</u>
Bond construction account	\$187,195	\$8,636,565
Bond construction account funded with bond proceeds	<u>(187,195)</u>	<u>(8,636,565)</u>
	<b><u>\$-</u></b>	<b><u>\$-</u></b>

*Restricted for Debt Service*

	<u>2015</u>	<u>2014</u>
Bond principal and interest accounts	\$1,045,460	\$1,015,748
Bond reserve	1,482,711	1,482,355
Current bond interest payable	<u>(433,386)</u>	<u>(435,433)</u>
	<b><u>\$2,094,785</u></b>	<b><u>\$2,062,670</u></b>

*Unrestricted*

	<u>2015</u>	<u>2014</u>
Unrestricted	<b><u>\$17,175,534</u></b>	<b><u>\$20,234,716</u></b>

**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, 2015, 6,309 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 5,558 square feet of office space. Rental income in 2015 and 2014 was \$148,458 and \$183,314, respectively

**Minimum Rentals on Non-Cancelable Leases**

2016	\$157,378
2017	57,168
2018	21,068
2019	<u>10,534</u>
	<u>\$246,148</u>
Rental income	<u>\$148,458</u>

**V. A. PENSION EXPENSE**

	2015	
Authority	Enterprise	
COTPA		Department
Retirement	OCERS	Share
<u>\$131,262</u>	<u>(\$3,545,295)</u>	<u>(\$14,918)</u>

**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 2015 and 2014.

	2015					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>RECEIVABLE/ DUE FROM</b>						
Authority Transportation Fund	\$ -	\$13,574	\$ -	\$622,927	\$ -	\$636,501
Authority Parking Fund	28,954	-	-	-	35,593	64,547
Enterprise Transportation Fund	-	-	-	-	-	-
	<u>\$28,954</u>	<u>\$13,574</u>	<u>\$-</u>	<u>\$622,927</u>	<u>\$35,593</u>	<u>\$701,048</u>
<b>PAYABLE/DUE TO</b>						
Authority Transportation Fund	\$ -	\$ -	\$28,954	\$ -	\$ -	\$28,954
Authority River Cruises Fund	13,574	-	-	-	-	13,574
Enterprise Transportation Fund	622,927	-	-	-	-	622,927
Enterprise Parking Fund	-	-	35,593	-	-	35,593
	<u>\$636,501</u>	<u>\$-</u>	<u>\$64,547</u>	<u>\$-</u>	<u>\$-</u>	<u>\$701,048</u>

(continued)



NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Payable/Due Within the Department (continued)*

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

*Payable/Due Within the City*

Receivable within the City at June 30, 2015 consists of a transfer of \$700 thousand from the City for bus purchases. Receivable within the City at June 30, 2014, consists of payments from the City for a salary subsidy, net of negative pooled cash of \$38,977.

Payable within the City at June 30, 2015 and 2014 includes amounts payable for chargebacks of \$72,881 and \$84,810 for administration, printing, fuel, and natural gas; \$1,761 and \$4,105 for lease revenues for event parking from the City Public Property Authority; and \$379 and \$158 for engineering services from the City Public Works Department, respectively. In addition, included in payable within the City at June 30, 2015 is amounts receivable from the City Grant Management Fund for expense reimbursements of \$12,870.

	2015					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>RECEIVABLE/ DUE FROM</b>						
City General Fund	<b><u>\$700,000</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$700,000</u></b>

*Payable/Due Within the City*

	2015					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>PAYABLE/DUE TO</b>						
City General Fund	\$7,766	\$ -	\$53,160	\$ -	\$ -	\$60,926
City Print Shop Fund	2,381	-	4	-	1	2,386
City Fleet Services Fund	9,462	-	-	-	107	9,569
City Stormwater Drainage Fund	302	-	77	-	-	379
OCPA Services Fund	<u>1,174</u>	<u>-</u>	<u>587</u>	<u>-</u>	<u>-</u>	<u>1,761</u>
City Grant Management Fund	<u>12,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,870</u>
	<b><u>\$33,955</u></b>	<b><u>\$-</u></b>	<b><u>\$53,828</u></b>	<b><u>\$-</u></b>	<b><u>\$108</u></b>	<b><u>\$87,891</u></b>

NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Payable/Due Within the City (continued)*

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

**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.

	<b>2015</b>			
	Authority			Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	
<b>TO</b>				
<u>AUTHORITY</u>				
Transportation	\$ -	\$ -	\$28,954	\$28,954
Parking	23,572	-	-	23,572
<u>ENTERPRISE</u>				
Transportation	1,658,029	46,530	-	1,704,559
Parking	<u>-</u>	<u>-</u>	<u>177,325</u>	<u>177,325</u>
	<u>\$1,681,601</u>	<u>\$46,530</u>	<u>\$206,279</u>	<u>\$1,934,410</u>

(continued)

*Payments/Transfers Within the Department (continued)*

	2014					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>TO</b>						
<b>AUTHORITY</b>						
Transportation	\$ -	\$ -	\$24,669	\$ -	\$ -	\$24,669
River Cruises	61,159	-	-	-	-	61,159
<b>ENTERPRISE</b>						
Transportation	1,860,578	91,011	-	-	-	1,951,589
Parking	-	-	211,932	-	-	211,932
	<b><u>\$1,921,737</u></b>	<b><u>\$91,011</u></b>	<b><u>\$236,601</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$2,249,349</u></b>

*Payments/Transfers Within the City and Component Units*

	2015					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>FROM</b>						
City General Fund	\$17,459,998	\$762,068	\$193,500	\$ -	\$309,026	\$18,724,592
OCRRA	-	50,000	-	-	-	50,000
Oklahoma City Economic Development Trust (OCEDT)	-	-	1,000,000	-	-	1,000,000
	<b><u>\$17,459,998</u></b>	<b><u>\$812,068</u></b>	<b><u>\$1,193,500</u></b>	<b><u>\$ -</u></b>	<b><u>\$309,026</u></b>	<b><u>\$19,774,592</u></b>

	2014					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>FROM</b>						
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
	<b><u>\$14,122,555</u></b>	<b><u>\$720,000</u></b>	<b><u>\$183,300</u></b>	<b><u>\$38,798</u></b>	<b><u>\$314,309</u></b>	<b><u>\$15,378,962</u></b>

*Dependency on the City*

During fiscal year 2015 and 2014 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 \$18,415,566 and \$14,900,855 for June 30, 2015 and 2014, respectively. Included in this funding was \$193,500 and \$183,300 in 2015 and 2014, respectively to subsidize a parking lease and in 2015, \$94,000 to support the Spokies Bicycle transportation program.

*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 2015 and 2014 the Authority Funds paid \$2,903,740 and \$2,616,644 and the Enterprise Funds paid \$218,454 and \$200,740, 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 2015 and 2014 fiscal years, the City General Fund contributed \$124,806 and \$124,806 to OCPEBT on behalf of the Department which will be used to pre-fund medical benefits to be provided in future fiscal years.

*Other*

In 2015, other payments/transfers within the City include payments from the OCRRA of \$50,000 for a share of marketing costs, \$1,000,000 from the Oklahoma City Economic Development Trust to partially offset costs for refurbishment of the Century Center Parking Garage, and \$309,026 from the City General Fund for salaries. Other payments/transfers within the City in 2014 include payments from the OCRRA of \$50,000 for a share of marketing costs, 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.

**VII. DEFINED BENEFIT SINGLE EMPLOYER PENSION PLANS**

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

*Implementation of New Accounting Standards*

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.

Effective July 1, 2014, the City implemented GASB statement number 68, Accounting and Financial Reporting for Pensions as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets/liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements.

**VII. A. OCERS**

**VII. A. 1. PLAN DESCRIPTION**

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

The 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 benefits.

**Funding Policy**

OCERS is administered by the City and funded by contributions from participants and employers as necessary. Eligible Enterprise employees participate in this plan. Contribution requirements are actuarially determined and established by City Council ordinance. Beginning July 1, 2015, the employer contribution rate changed from 9.49% to 8.00%. The employee contributes 6.00%. Administrative costs are funded with investment earnings.

**Benefit Provisions**

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.

**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>

*Actuarial Assumptions*

Valuation date	12/31/13
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Investment rate of return	7.5%
Projected salary increases	3.75% to 7.25%
Cost of living benefit increases (maximum)	2%
Inflation	3.8%
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.

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

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

*Annual pension Cost and Trend Information*

Trend information is presented as of the most recent actuarial date December 31, 2013. Contributions are required by City policy.

Fiscal <u>Year</u>	<u>Annual Pension Cost</u>		Percentage <u>Contributed</u>
	<u>OCERS</u>	Department <u>Share</u>	
2014	\$8,871,692	\$89,604	100%

*Reserves*

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

*Concentrations*

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

**VII. A. 3. NET PENSION ASSET (LIABILITY)**

*Department Share*

The departmental share of net pension asset is allocated using the departments share of employer contributions for the paryroll ending June, 30, 2014. The department portion for 2014 was 1.01%.

	2014	
	<u>Total</u>	<u>Department Share</u>
Total pension liability	(\$597,046,301)	(\$6,030,168)
Fiduciary net position	<u>658,458,798</u>	<u>6,650,434</u>
Net pension asset (liability)	<u><b>\$61,412,497</b></u>	<u><b>\$620,266</b></u>
 Plan fiduciary net position as a percentage of the total pension liability	 <b>110.29%</b>	 <b>110.29%</b>

**VII. A. 4. RATE OF RETURN AND DISCOUNT RATE**

*Rate of Return*

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

*Long-term Expected Rate of Return and Target Allocations*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation.

	<u>Long-term Expected Rate of Return</u>		<u>Target Allocation</u>
Core Bonds	2.84%	Domestic	50.00%
Core Plus	3.11%	International	10.00%
Global Bonds	2.87%	Fixed income	25.00%
Absolute Return	4.35%	Real estate	15.00%
U.S. Large Cap Equity	7.77%		
U.S. Small Cap Equity	9.03%		
International Developed Equity	8.76%		
Emerging Market Equity	10.00%		
Long/Short Equity	7.64%		
Private Equity	10.65%		
Core Real Estate	5.30%		
Opportunistic Real Estate	0.09%		
Commodities	4.21%		

***Discount Rate***

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projections of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contributions rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>Rate</u>	<u>Total Pension Asset (Liability)</u>		<u>Net Pension Asset (Liability)</u>	
		<u>OCERS</u>	<u>Department Share</u>	<u>OCERS</u>	<u>Department Share</u>
1% decrease	6.50%	(\$671,467,967)	(\$6,781,826)	(\$13,009,169)	(\$131,393)
Current single discount rate	7.50%	(597,046,301)	(6,030,168)	61,412,497	620,266
1% increase	8.50%	(534,353,265)	(5,396,968)	124,105,533	1,253,466

**VII. A. 5. FUNDING STATUS AND FUNDING PROGRESS**

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 the Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

**VII. B. COTPA RETIREMENT**

**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 for both the June 30, 2015 and 2014 actuarial dates.

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	<u>2015</u>	<u>2014</u>
Plan members	55.04 per week	55.04 per week
	44.13 per week	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	

*(Continued)*



*Funding Policies, Contribution Methods and Benefit Provisions (continued)*

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>2015</u>	<u>2014</u>
Active members	173	173
Retirees and beneficiaries currently receiving benefits	62	62
Terminated plan members entitled to but not yet receiving benefits	5	14
	<u>240</u>	<u>249</u>

**Actuarial Assumptions**

Valuation date	7/1/15
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
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	7.00%
Inflation	2.30%
Mortality table	1983 group annuity mortality tables, scale 355 withdrawal rates

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

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.

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

*Annual Pension Cost and Trend Information*

Fiscal <u>Year</u>	Annual Pension <u>Cost</u>	Percentage <u>Contributed</u>
2015	\$316,728	164%
2014	332,823	152

*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.

**VII. B. 3. NET PENSION OBLIGATION/LIABILITY**

	<u>2015</u>	<u>2014</u>
Total pension liability	\$16,988,739	\$16,447,773
Fiduciary net position	<u>(11,522,487)</u>	<u>(11,310,544)</u>
Net pension obligation/liability	<u>\$-</u>	<u>\$-</u>
Plan fiduciary net position as a percentage of the total pension liability	<b>-100.00%</b>	<b>-100.00%</b>

**VII. B. 4. RATE OF RETURN AND DISCOUNT RATE**

*Rate of Return*

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 2.00% for 2015 and 17.10% for 2014. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Long-Term Expected Rate of Return and Target Allocations*

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

	<u>2015</u>	<u>2014</u>
Cash	0.24%	0.24%
U.S. core fixed income	0.77	0.77
U.S. high yield fixed income	3.72	3.72
Developed international fixed	2.85	2.85
Emerging markets fixed income	4.91	4.91
U.S. large cap	7.05	7.05
U.S. mid cap	8.06	8.06
U.S. small cap	8.46	8.46
Developed international	8.81	8.81
Emerging markets	11.11	11.11
Diversified alternatives	2.34	2.34
Hedged equities	4.11	4.11
Low correlation alternatives	1.56	1.56
Real estate investment trusts	7.21	7.21
Infrastructure	5.29	5.29
Commodities	4.61	4.61
Private equity	11.01	11.01
The long-term expected inflation	2.25	2.25

***Discount Rate***

The discount rate used to measure the total pension liability was 5.69% and 5.34% for 2015 and 2014, respectively. The projection of cash flows used to determine the discount rate assumes that the Plan and members contributions will be made at the current contribution rates specified in the union contract. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members 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 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.

In 2015 and 2014, the bond rate of 3.73% and 3.63% is from the Moody's Bond Index Yield on 6/30/2015 and 6/27/2014, respectively. It reflects 20-year, tax exempt general obligation municipal bonds with an average rating of AA.

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

	<u>2015</u>		<u>2014</u>	
	<u>Rate</u>	<u>Net Pension Asset(Liability)</u>	<u>Rate</u>	<u>Net Pension Asset(Liability)</u>
1% decrease	4.69%	(\$7,275,765)	4.34%	(\$6,990,594)
Current single discount rate	5.69	(5,466,252)	5.34	(5,137,229)
1% increase	6.69	(3,931,202)	6.34	(3,573,620)

**VII. B. 5. FUNDING STATUS AND FUNDING PROGRESS**

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. 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 102 and 112 participants for 2015 and 2014, 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 41 participants at June 30, 2015 and 38 participants at June 30, 2014. For fiscal year 2015 and 2014 actual contributions by plan participants were \$54,257 and \$54,425, respectively. The Authority contributed \$20,359 and \$19,586 for June 30, 2015 and 2014, 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	58% of premium
Plan members	42% 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 on or after age 55 with 5 years of service or at any age with 20 years of service. Firefighters with 20 years of service 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, 2015, the employer contribution rate changed from 60% of premium to 58% 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>2015</u>	<u>2014</u>
Active members	3,592	3,289
Retirees and beneficiaries currently receiving benefits	2,145	2,161
	<u><u>5,737</u></u>	<u><u>5,450</u></u>

*Annual Required Contributions - Actuarial Assumptions*

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/14
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 actuarially 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*

	2015		2014	
	Enterprise Funds	Total	Enterprise Funds	Total
Annual required contribution	\$211,163	\$35,920,317	\$191,432	\$33,975,672
Interest on net OPEB obligation	35,219	5,990,979	29,664	5,264,870
Adjustment to annual				
Required contribution	<u>(32,331)</u>	<u>(5,499,698)</u>	<u>(27,232)</u>	<u>(4,833,132)</u>
Annual OPEB cost	214,051	36,411,598	193,864	34,407,410
Contributions made	<u>(124,806)</u>	<u>(18,815,501)</u>	<u>(124,805)</u>	<u>(19,619,034)</u>
Increase in net OPEB obligation	89,245	17,596,097	69,059	14,788,376
Net OPEB obligation,				
beginning of year	498,207	122,015,868	429,148	107,227,492
end of year	<u>\$587,452</u>	<u>\$139,611,965</u>	<u>\$498,207</u>	<u>\$122,015,868</u>

**Trend Information**

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$36,411,598	\$18,815,501	51.7%	\$139,611,965
2014	34,407,410	19,619,034	57.0	122,015,868
2013	33,258,975	19,904,516	59.8	107,227,492

**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)	\$34,027,895
Actuarial Accrued Liability (AAL)	474,680,748
Unfunded Actuarial Accrued Liability (UAAL)	440,652,853
Funded Ratio (AVA/AAL)	7%
Covered Payroll (Active Plan Members)	213,091,393
UAAL as a Percentage of Covered Payroll	207%

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>2015</u>	<u>2014</u>
Active members	178	174
Retirees and beneficiaries currently receiving benefits	7	13
	<u>185</u>	<u>187</u>

**Annual Required Contributions - Actuarial Assumptions**

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/14
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	2.0%
Projected salary increases	None
Health care trend rate	9%
Mortality table	RP-2000 Fully Generational Combined Male and Female Mortality Table with projection scale BB

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 actuarially 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>2015</u>	<u>2014</u>
Annual required contribution	\$85,569	\$78,556
Interest on net OPEB obligation	9,995	8,584
Adjustment to annual required contribution	<u>(16,036)</u>	<u>(13,206)</u>
Annual OPEB cost	79,528	73,934
Contributions made	<u>(21,494)</u>	<u>(38,652)</u>
Increase in net OPEB obligation	58,034	35,282
Net OPEB obligation, beginning of year	<u>249,877</u>	<u>214,595</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$307,911</u></b>	<b><u>\$249,877</u></b>

*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>
2015	\$79,528	\$21,494	27.0%	\$307,911
2014	73,934	38,652	52.3	249,877
2013	72,433	35,424	48.9	214,595

*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)	744,596
Unfunded Actuarial Accrued Liability (UAAL)	744,596
Funded Ratio (AVA/AAL)	0%
Covered Payroll (Active Plan Members)	9,004,446
UAAL as a Percentage of Covered Payroll	0%

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*

**Spokies Bike Share Program**

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

On December 5, 2014, the Authority approved a contract with Bicycle Transit Systems (BTS) for management of the Spokies Bike Share Program. The contract commenced on January 5, 2015 and provides for a term through January 4, 2017 with two one-year renewal options. Under the contract, BTS receives a \$15,000 per year management fee.

**Parking Facilities**

The Authority entered into a contract with Republic Parking Systems, Inc., to provide management of parking facilities through June 30, 2015, with options for two one-year extensions. The first amendment was exercised and approved on July 7, 2015 to extend the agreement for one year to June 30, 2016. 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>2015</u>	<u>2014</u>
	Remaining	Remaining
	Commitment	Commitment
Transportation	\$1,022,844	\$570,302
Parking	1,635,244	5,746,602
	<u><b>\$2,658,088</b></u>	<u><b>\$6,316,904</b></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 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

	<b>COTPA Retirement</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Total Pension liability		
Service cost	\$537,107	\$509,879
Interest	885,099	853,491
Changes of benefit terms	126,372	-
Difference between expected and actual experience of the total Pension Liability	418,907	-
Changes of assumptions	(595,738)	
Benefit payments, including refunds of employee contributions	<u>(830,781)</u>	<u>(767,421)</u>
Net change in total pension liability	<b>540,966</b>	<b>595,949</b>
Pension liability, beginning	<u>16,447,773</u>	<u>15,851,824</u>
<b>Pension liability, ending</b>	<b><u>16,988,739</u></b>	<b><u>16,447,773</u></b>
Plan Fiduciary Net Position		
Contributions - employer	518,478	506,258
Contributions - employee	412,959	428,915
Net investment income	225,040	1,643,961
Benefit payments, including refunds of employee contributions	(830,781)	(767,421)
Administrative expense	(113,753)	(63,390)
Other	-	(600)
Net change in fiduciary net position	<u>211,943</u>	<u>1,747,723</u>
Plan fiduciary net position, beginning	<u>11,310,544</u>	<u>9,562,821</u>
<b>Plan fiduciary net position, ending</b>	<b><u>11,522,487</u></b>	<b><u>11,310,544</u></b>
<b>Net pension (asset) liability, ending</b>	<b><u>\$5,466,252</u></b>	<b><u>\$5,137,229</u></b>

**II. SCHEDULE OF DEPARTMENT SHARE OF NET PENSION LIABILITY**

	<b>Oklahoma City Employee Retirement System</b>	<b>COTPA Retirement</b>	
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Department Share	1.01%	100%	100%
Department share of the net pension liability (asset)	(\$620,266)	\$5,466,252	\$5,137,229
Other funds of the City share of the net pension liability (asset)	<u>(\$60,792,231)</u>	-	-
<b>Total net pension liability (asset)</b>	<b><u>(\$61,412,497)</u></b>	<b><u>\$5,466,252</u></b>	<b><u>\$5,137,229</u></b>
Covered - employee payroll	\$124,957,446	\$9,557,433	\$9,457,557
Net pension liability as a percentage of covered - employee payroll	-49.15%	57.19%	54.32%
Plan fiduciary net position as a percentage of total pension liability	110.29%	67.82%	68.77%

**REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION**

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

*Oklahoma City Employee Retirement System*

FY Ending <u>June 30,</u>	Actuarially Determined Contribution <u>(ADC) (a)</u>	Contributions in Relation to <u>ADC (b)</u>	Contributions Deficiency <u>(Excess)(a-b)</u>	Covered <u>Payroll (c )</u>	Actual Contribution As a Percentage of <u>Covered Payroll (b/c)</u>
2014	\$89,604	\$89,604	\$ -	\$1,262,070	7%

*COTPA Retirement*

FY Ending <u>June 30,</u>	Actuarially Determined Contribution <u>(ADC) (a)</u>	Contributions in Relation to <u>ADC (b)</u>	Contributions Deficiency <u>(Excess)(a-b)</u>	Covered <u>Payroll (c )</u>	Actual Contribution As a Percentage of <u>Covered Payroll (b/c)</u>
2015	\$316,728	\$518,478	(\$201,750)	\$9,557,433	5%
2014	332,823	506,258	(\$173,435)	9,457,557	5

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Results for years before June 30, 2014 are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.

Oklahoma City Employee Retirement System amounts presented above represent the Department's share presented in Note VII. A. 3. NET PENSION ASSET (LIABILITY).

**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 <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/14	\$34,027,895	\$474,680,748	\$440,652,853	7%	\$213,091,393	207%
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

*COTPA Other Post-employment Benefits*

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/14	\$ -	\$744,596	\$744,596	0%	\$9,004,446	8%
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>	Employer <u>Contributions</u>	Annual Required <u>Contribution (ARC)</u>	Percentage <u>Contributed</u>
2015	\$18,815,501	\$35,920,317	52%
2014	19,619,034	33,975,672	58
2013	19,904,516	32,881,008	61

*COTPA Other Post-employment Benefits*

<u>Fiscal Year</u>	Employer <u>Contributions</u>	Annual Required <u>Contribution (ARC)</u>	Percentage <u>Contributed</u>
2015	\$21,494	\$85,569	25%
2014	38,652	78,556	49
2013	35,424	76,259	46

**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.

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# **Combining and Individual Fund Statements**



## ***Central Oklahoma Transportation and Parking Authority (Authority) Funds***

*Employee salaries and benefits, certain maintenance and contractual items, certain supplies, administrative chargebacks from the City of Oklahoma City (City), and certain capital asset acquisitions are paid by the Authority's funds. Authority funds also account for long-term leasing, financing, and other certain necessary business activities.*

- \* **Authority Transportation Fund** –Used to account for the operations and capital investments; including financing and other business activities, of the Oklahoma City metropolitan public transportation system. Employees include bus operators, mechanics, and certain administrative staff.*
- \* **Authority River Cruises Fund** – Accounts for the operations and capital investments, including financing and other business activities, of the Oklahoma River Cruises (Ferry Service) consisting of the operation of ferry boats on the Oklahoma River.*
- \* **Authority Parking Fund** – Accounts for the stormwater drainage utility established to address Federal mandates governing National Pollution Discharge Elimination System programs. The purpose of the utility is to provide for the development and operation of a stormwater drainage system.*

## ***City (Enterprise) Funds***

*City employee salaries and benefits, certain maintenance and contractual items, certain supplies, and administrative chargebacks from the City.*

- \* **Enterprise Transportation Fund** –Accounts for the City transportation related employees' payroll and benefits, and administrative and internal services chargebacks and is funded by the Authority Transportation Fund.*
- \* **Enterprise Parking Fund** – Accounts for the City parking related employees' payroll and benefits, and administrative and internal services chargebacks and is funded by the Authority Parking Fund.*

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014	
	Division			Total	Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Authority</u>	<u>Authority</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Non-pooled cash-----	\$6,129,264	\$302,530	\$3,335,842	\$9,767,636	\$17,611,919
Investments-----	7,996,017	-	7,288,839	15,284,856	12,658,145
Accounts receivable, net-----	85,552	-	198,203	283,755	337,686
Interest receivable-----	1,245	-	581	1,826	162
Payable/due from (to) within the Department-----	(607,547)	13,574	(64,547)	(658,520)	(794,596)
Receivable from City of Oklahoma City-----	700,000	-	-	700,000	-
Intergovernmental receivables-----	1,360,142	-	-	1,360,142	1,618,441
Inventories-----	830,112	2,467	-	832,579	793,772
Prepays-----	49,306	-	-	49,306	45,272
Total current assets-----	<u>16,544,091</u>	<u>318,571</u>	<u>10,758,918</u>	<u>27,621,580</u>	<u>32,270,801</u>
<b>NON-CURRENT ASSETS</b>					
Investments-----	-	-	1,482,711	1,482,711	1,482,355
Prepays-----	2,008	-	-	2,008	5,270
Other-----	69,283	-	-	69,283	758,359
Capital assets:					
Land, art, and construction in progress-----	5,293,844	-	1,859,695	7,153,539	31,703,205
Other capital assets, net of accumulated depreciation-----	21,694,919	4,731,825	42,904,988	69,331,732	38,040,527
Capital assets, net-----	<u>26,988,763</u>	<u>4,731,825</u>	<u>44,764,683</u>	<u>76,485,271</u>	<u>69,743,732</u>
Total non-current assets-----	<u>27,060,054</u>	<u>4,731,825</u>	<u>46,247,394</u>	<u>78,039,273</u>	<u>71,989,716</u>
Total assets-----	<b>43,604,145</b>	<b>5,050,396</b>	<b>57,006,312</b>	<b>105,660,853</b>	<b>104,260,517</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b> -----	<b>557,477</b>	<b>-</b>	<b>-</b>	<b>557,477</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses-----	1,477,353	2,697	1,217,627	2,697,677	6,234,528
Wages and benefits payable-----	399,938	-	-	399,938	385,398
Payable to City of Oklahoma City-----	33,955	-	53,828	87,783	88,212
Compensated absences-----	236,966	-	-	236,966	216,251
Notes, lease obligations, Unearned revenue-----	105	133,000	14,130	147,235	147,340
Bond interest payable-----	-	-	433,386	433,386	435,433
Bonds payable-----	-	-	610,000	610,000	580,000
Total current liabilities-----	<u>2,148,317</u>	<u>135,697</u>	<u>2,328,971</u>	<u>4,612,985</u>	<u>8,087,162</u>
<b>NON-CURRENT LIABILITIES</b>					
Compensated absences-----	394,038	-	-	394,038	422,047
Unearned revenue-----	-	836,250	-	836,250	969,250
Bonds payable-----	-	-	20,810,000	20,810,000	21,420,000
Net pension liability-----	5,137,229	-	-	5,137,229	-
Net other post-employment benefit obligation-----	307,911	-	-	307,911	249,877
Total non-current liabilities-----	<u>5,839,178</u>	<u>836,250</u>	<u>20,810,000</u>	<u>27,485,428</u>	<u>23,061,174</u>
Total liabilities-----	<b>7,987,495</b>	<b>971,947</b>	<b>23,138,971</b>	<b>32,098,413</b>	<b>31,148,336</b>
<b>DEFERRED INFLOWS OF RESOURCES</b> -----	<b>776,778</b>	<b>-</b>	<b>-</b>	<b>776,778</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets-----	26,428,023	4,731,825	22,912,972	54,072,820	50,814,795
Restricted for debt service-----	-	-	2,094,785	2,094,785	2,062,670
Unrestricted-----	8,969,326	(653,376)	8,859,584	17,175,534	20,234,716
Total net position-----	<b>\$35,397,349</b>	<b>\$4,078,449</b>	<b>\$33,867,341</b>	<b>\$73,343,139</b>	<b>\$73,112,181</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

**For the Years Ended June 30,**

	2015				2014
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<b><u>OPERATING REVENUES</u></b>					
<b><u>CHARGES FOR SERVICES</u></b>					
Transportation charges-----	\$2,929,759	\$ -	\$ -	\$2,929,759	\$2,695,727
River cruise charges-----	-	119,606	-	119,606	175,274
Parking-----	-	-	8,382,416	8,382,416	6,880,235
Other charges-----	51	-	-	51	-
Total charges for services-----	2,929,810	119,606	8,382,416	11,431,832	9,751,236
Lease and rental income-----	65,457	-	83,001	148,458	183,314
Other-----	479,592	5,835	4,922	490,349	260,473
<b>Total operating revenues-----</b>	<b>3,474,859</b>	<b>125,441</b>	<b>8,470,339</b>	<b>12,070,639</b>	<b>10,195,023</b>
<b><u>OPERATING EXPENSES</u></b>					
Personal services-----	13,107,045	-	-	13,107,045	13,115,494
Maintenance, operations, and contractual services-----	6,080,339	929,076	4,506,813	11,516,228	9,510,322
Materials and supplies-----	3,554,755	19,219	27,887	3,601,861	3,991,569
Depreciation-----	2,397,975	279,283	975,147	3,652,405	2,952,011
<b>Total operating expenses-----</b>	<b>25,140,114</b>	<b>1,227,578</b>	<b>5,509,847</b>	<b>31,877,539</b>	<b>29,569,396</b>
<b>Payments/transfers within the Department-----</b>	<b>(1,652,647)</b>	<b>(22,958)</b>	<b>(206,279)</b>	<b>(1,881,884)</b>	<b>(2,163,521)</b>
<b>Operating income (loss)-----</b>	<b>(23,317,902)</b>	<b>(1,125,095)</b>	<b>2,754,213</b>	<b>(21,688,784)</b>	<b>(21,537,894)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	9,071,837	-	-	9,071,837	10,668,028
Investment income-----	6,475	49	8,913	15,437	15,992
Interest on bonds-----	-	-	(577,847)	(577,847)	-
Bond issue costs-----	-	-	-	-	(75,325)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	1,000,000	1,000,000	-
Payments from City of Oklahoma City-----	17,459,998	762,068	193,500	18,415,566	14,900,855
Other revenues (expenses)-----	24,425	-	(6,945)	17,480	103,104
<b>Net non-operating revenues-----</b>	<b>26,562,735</b>	<b>945,117</b>	<b>617,621</b>	<b>28,125,473</b>	<b>25,795,654</b>
<b>Income (loss) before contributions-----</b>	<b>3,244,833</b>	<b>(179,978)</b>	<b>3,371,834</b>	<b>6,436,689</b>	<b>4,257,760</b>
<b><u>CONTRIBUTIONS</u></b>					
Grants capital-----	256,088	-	-	256,088	2,406,063
Capital payments from City of Oklahoma City-----	-	-	-	-	75,000
Other capital contributions-----	10,000	-	-	10,000	511
<b>Total contributions-----</b>	<b>266,088</b>	<b>-</b>	<b>-</b>	<b>266,088</b>	<b>2,481,574</b>
<b>Changes in net position-----</b>	<b>3,510,921</b>	<b>(179,978)</b>	<b>3,371,834</b>	<b>6,702,777</b>	<b>6,739,334</b>
Total beginning net position, as previously reported-	38,358,247	4,258,427	30,495,507	73,112,181	66,372,847
Change in accounting principle-----	(6,471,819)	-	-	(6,471,819)	-
Total net position, beginning, as restated-----	<b>31,886,428</b>	<b>4,258,427</b>	<b>30,495,507</b>	<b>66,640,362</b>	<b>66,372,847</b>
<b>Total net position, ending-----</b>	<b>\$35,397,349</b>	<b>\$4,078,449</b>	<b>\$33,867,341</b>	<b>\$73,343,139</b>	<b>\$73,112,181</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers-----	\$3,570,530	\$124,800	\$8,403,570	\$12,098,900	\$10,082,086
Cash payments to suppliers for goods and services-----	(7,151,186)	(947,400)	(3,537,366)	(11,635,952)	(13,110,112)
Cash payments to employees and professional contractors for services-----	(13,474,286)	-	(245,439)	(13,719,725)	(13,235,049)
Cash payments for internal services-----	(2,657,995)	-	-	(2,657,995)	-
Cash payments from City of Oklahoma City for operations-----	-	-	-	-	968,832
Cash payments within the Department/Authority for operations-----	(1,553,112)	21,774	(224,455)	(1,755,793)	(4,539,444)
Other cash receipts-----	-	-	49,994	49,994	-
<b>Net cash provided (used) by operating activities-----</b>	<b>(21,266,049)</b>	<b>(800,826)</b>	<b>4,446,304</b>	<b>(17,620,571)</b>	<b>(19,833,687)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Cash received from operating grants-----	9,153,404	-	-	9,153,404	11,345,521
Non-capital financing payments from component units-----	-	50,000	1,000,000	1,050,000	50,000
Non-capital financing payments from City of Oklahoma City-----	16,759,998	762,068	193,500	17,715,566	14,975,855
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>25,913,402</b>	<b>812,068</b>	<b>1,193,500</b>	<b>27,918,970</b>	<b>26,371,376</b>
<b>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</b>					
Payments for acquisition and construction of capital assets-----	(816,907)	(5,015)	(13,808,233)	(14,630,155)	(21,552,083)
Principal paid on long-term debt-----	-	-	(580,000)	(580,000)	-
Interest paid on long-term debt-----	-	-	(868,818)	(868,818)	(462,043)
Capital financing payments from City of Oklahoma City-----	10,000	-	-	10,000	-
Proceeds from sale of assets-----	-	-	-	-	12,992
Capital grants and contributions received-----	539,996	-	-	539,996	3,468,460
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(266,911)</b>	<b>(5,015)</b>	<b>(15,257,051)</b>	<b>(15,528,977)</b>	<b>(18,532,674)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments-----	(12,991,962)	-	(20,595,545)	(33,587,507)	(16,830,488)
Proceeds from sale of investments-----	7,997,626	-	22,967,429	30,965,055	33,406,473
Investment income received-----	4,760	49	5,181	9,990	14,649
Purchased interest-----	(1,243)	-	-	(1,243)	-
<b>Net cash provided by investing activities-----</b>	<b>(4,990,819)</b>	<b>49</b>	<b>2,377,065</b>	<b>(2,613,705)</b>	<b>16,590,634</b>
<b>Net increase (decrease) in cash-----</b>	<b>(610,377)</b>	<b>6,276</b>	<b>(7,240,182)</b>	<b>(7,844,283)</b>	<b>4,595,649</b>
Cash, beginning-----	6,739,641	296,254	10,576,024	17,611,919	13,016,270
<b>Cash, ending-----</b>	<b>\$6,129,264</b>	<b>\$302,530</b>	<b>\$3,335,842</b>	<b>\$9,767,636</b>	<b>\$17,611,919</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)-----	(\$23,317,902)	(\$1,125,095)	\$2,754,213	(\$21,688,784)	(\$21,537,894)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Depreciation-----	2,397,975	279,283	975,147	3,652,405	2,952,011
Other revenue (expense)-----	-	-	49,994	49,994	-
Change in accounting principle-----	(6,471,819)	-	-	(6,471,819)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	95,672	-	(41,742)	53,930	(71,854)
(Increase) decrease in due from other funds-----	(24,087)	31,208	(20,695)	(13,574)	(24,980)
(Increase) decrease in receivable from City of Oklahoma City-----	-	-	-	-	1,007,594
(Increase) decrease in inventories-----	(37,349)	(1,458)	-	(38,807)	(6,289)
(Increase) decrease in prepaid assets-----	(771)	-	-	(771)	(34,806)
(Increase) decrease in net pension asset-----	689,074	-	-	689,074	-
(Increase) decrease in other assets-----	-	-	-	-	(170,680)
(Increase) decrease in deferred outflows-----	(557,477)	-	-	(557,477)	-
Increase (decrease) in accounts payable and accrued expenses-----	32,662	1,679	814,665	849,006	(1,988,491)
Increase (decrease) in wages and benefits payable-----	14,536	-	-	14,536	(163,355)
Increase (decrease) in due to other funds-----	-	13,574	-	13,574	24,979
Increase (decrease) in payable to City of Oklahoma City-----	(51,312)	(17)	(85,173)	(136,502)	(27,124)
Increase (decrease) in compensated absences-----	(7,292)	-	-	(7,292)	184,104
Increase (decrease) in net pension liability-----	5,137,229	-	-	5,137,229	-
Increase (decrease) in net other post-employment benefit obligation-----	58,034	-	-	58,034	35,282
Increase (decrease) in unearned revenue-----	-	-	-	-	(12,184)
Increase (decrease) in deferred inflows-----	776,778	-	(105)	776,673	-
Total adjustments-----	2,051,853	324,269	1,692,091	4,068,213	1,704,207
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$21,266,049)</b>	<b>(\$800,826)</b>	<b>\$4,446,304</b>	<b>(\$17,620,571)</b>	<b>(\$19,833,687)</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Net increase (decrease) in fair value of investments-----	\$1,714	\$-	\$2,901	\$4,615	\$1,178
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$1,714</b>	<b>\$-</b>	<b>\$2,901</b>	<b>\$4,615</b>	<b>\$1,178</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015		2014	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS</u></b>				
Pooled cash-----	\$1,386	\$1,890	\$3,276	\$125
Investments-----	36,819	65,569	102,388	66,239
Interest receivable-----	89	159	248	202
Payable/due from (to) within the Department-----	622,927	35,593	658,520	794,596
Receivable from City of Oklahoma City-----	-	-	-	38,977
Inventories-----	-	7,222	7,222	14,352
Total current assets-----	<u>661,221</u>	<u>110,433</u>	<u>771,654</u>	<u>914,491</u>
<b><u>NON-CURRENT ASSETS</u></b>				
Net pension asset-----	503,582	116,684	620,266	-
Capital assets:				
Other capital assets, net of accumulated depreciation-----	-	-	-	3,966
Total non-current assets-----	<u>503,582</u>	<u>116,684</u>	<u>620,266</u>	<u>3,966</u>
<b>Total assets-----</b>	<b><u>1,164,803</u></b>	<b><u>227,117</u></b>	<b><u>1,391,920</u></b>	<b><u>918,457</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b> -----	<b><u>67,298</u></b>	<b><u>15,593</u></b>	<b><u>82,891</u></b>	<b><u>-</u></b>
<b><u>LIABILITIES</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable and accrued expenses-----	327	6,926	7,253	11,648
Wages and benefits payable-----	56,135	11,809	67,944	60,037
Payable to City of Oklahoma City-----	-	108	108	861
Compensated absences-----	82,951	17,804	100,755	101,780
Total current liabilities-----	<u>139,413</u>	<u>36,647</u>	<u>176,060</u>	<u>174,326</u>
<b><u>NON-CURRENT LIABILITIES</u></b>				
Compensated absences-----	224,070	28,788	252,858	241,958
Net other post-employment benefit obligation-----	496,418	91,034	587,452	498,207
Total non-current liabilities-----	<u>720,488</u>	<u>119,822</u>	<u>840,310</u>	<u>740,165</u>
<b>Total liabilities-----</b>	<b><u>859,901</u></b>	<b><u>156,469</u></b>	<b><u>1,016,370</u></b>	<b><u>914,491</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b> -----	<b><u>372,200</u></b>	<b><u>86,241</u></b>	<b><u>458,441</u></b>	<b><u>-</u></b>
<b><u>NET POSITION (DEFICIT)</u></b>				
Net Investment in capital assets-----	-	-	-	3,966
<b>Total net position (deficit)-----</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$3,966</u></b>



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015		2014	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<b><u>OPERATING EXPENSES</u></b>				
Personal services-----	\$1,730,619	\$352,840	\$2,083,459	\$2,309,943
Maintenance, operations, and contractual services-----	77,041	141,053	218,094	200,740
Materials and supplies-----	-	16,984	16,984	8,143
Depreciation-----	-	2,242	2,242	6,197
<b>Total operating expenses-----</b>	<b>1,807,660</b>	<b>513,119</b>	<b>2,320,779</b>	<b>2,525,023</b>
<b>Payments/transfers within the Department-----</b>	<b>1,704,559</b>	<b>177,325</b>	<b>1,881,884</b>	<b>2,163,521</b>
<b>Operating loss-----</b>	<b>(103,101)</b>	<b>(335,794)</b>	<b>(438,895)</b>	<b>(361,502)</b>
<b><u>NON-OPERATING REVENUE</u></b>				
Investment income-----	790	819	1,609	2,200
Payments from City of Oklahoma City-----	-	309,026	309,026	353,107
Other revenue (expenses)-----	-	(1,723)	(1,723)	-
<b>Net non-operating revenue-----</b>	<b>790</b>	<b>308,122</b>	<b>308,912</b>	<b>355,307</b>
<b>Changes in net position-----</b>	<b>(102,311)</b>	<b>(27,672)</b>	<b>(129,983)</b>	<b>(6,195)</b>
Total beginning net position, as previously reported-----	-	3,966	3,966	10,161
Change in accounting principle-----	102,311	23,706	126,017	-
Total net assets, beginning, as restated-----	<b>102,311</b>	<b>27,672</b>	<b>129,983</b>	<b>10,161</b>
<b>Total net position, ending-----</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$3,966</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2015			2014
	Division		Total	Total
	Transportation	Parking	Enterprise	Enterprise
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash payments to suppliers for goods and services-----	\$ -	(\$87,331)	(\$87,331)	(\$2,604,792)
Cash payments to employees and professional contractors for services-----	(1,618,483)	(352,534)	(1,971,017)	(2,358,580)
Cash payments for internal services-----	-	(24,276)	(24,276)	-
Cash payments to component units for operations-----	-	-	-	-
Cash payments from City of Oklahoma City for operations-----	-	-	-	-
Cash payments within the Department/Authority for operations-----	1,596,529	174,803	1,771,332	4,539,444
<b>Net cash provided (used) by operating activities-----</b>	<b>(21,954)</b>	<b>(289,338)</b>	<b>(311,292)</b>	<b>(423,928)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Non-capital financing payments from City of Oklahoma City-----	40,000	309,026	349,026	314,309
Non-capital financing payments to City of Oklahoma City-----	-	-	-	(1,202)
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>40,000</b>	<b>309,026</b>	<b>349,026</b>	<b>313,107</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Changes in pooled investments-----	(17,457)	(18,689)	(36,146)	100,707
Investment income received-----	763	803	1,566	3,541
Purchased interest-----	(3)	-	(3)	-
<b>Net cash provided (used) by investing activities-----</b>	<b>(16,697)</b>	<b>(17,886)</b>	<b>(34,583)</b>	<b>104,248</b>
<b>Net increase (decrease) in cash-----</b>	<b>1,349</b>	<b>1,802</b>	<b>3,151</b>	<b>(6,573)</b>
Cash, beginning-----	37	88	125	6,698
<b>Cash, ending-----</b>	<b>\$1,386</b>	<b>\$1,890</b>	<b>\$3,276</b>	<b>\$125</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)-----	(\$103,101)	(\$335,794)	(\$438,895)	(\$361,502)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Depreciation-----	-	2,242	2,242	6,197
Change in accounting principle-----	102,311	23,706	126,017	-
Changes in assets and liabilities:				
(Increase) decrease in due from other funds-----	(1,023)	-	(1,023)	723
(Increase) decrease in receivable from component units-----	74,173	61,901	136,074	(18,196)
(Increase) decrease in inventories-----	-	7,130	7,130	(9,111)
(Increase) decrease in net pension asset-----	(503,582)	(116,684)	(620,266)	-
(Increase) decrease in deferred outflows-----	(67,298)	(15,593)	(82,891)	-
Increase (decrease) in accounts payable and accrued expenses-----	327	(4,726)	(4,399)	6,022
Increase (decrease) in wages and benefits payable-----	6,744	1,166	7,910	(15,354)
Increase (decrease) in due to other funds-----	-	(753)	(753)	573
Increase (decrease) in compensated absences-----	18,984	(9,108)	9,876	(102,338)
Increase (decrease) in net other post-employment benefit obligation-----	78,311	10,934	89,245	69,058
Increase (decrease) in deferred inflows-----	372,200	86,241	458,441	-
Total adjustments-----	81,147	46,456	127,603	(62,426)
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$21,954)</b>	<b>(\$289,338)</b>	<b>(\$311,292)</b>	<b>(\$423,928)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>				
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$ -	(\$913)
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$913)</b>

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**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of 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, 2015, and related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated December 4, 2015, that contained *Emphasis of Matter* paragraphs regarding changes in accounting principles and 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 or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees  
Oklahoma City Public Transportation and Parking Department

***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*.

We noted certain matters that we reported to the Department’s management in a separate letter dated December 4, 2015.

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 4, 2015