

THE OKLAHOMA CITY PUBLIC TRANSPORTATION AND PARKING DEPARTMENT

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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



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Annual Financial Report for the Fiscal Year Ended June 30, 2011

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Glen D. Earley, Controller

Introductory Section

**OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

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December 2, 2011

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 accountants, 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 year ended June 30, 2011, is in the MD&A section of this report, immediately following the independent accountants' 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. 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 economic environment and outlook for Oklahoma City are positive. Although the City experienced the economic downturn other cities faced over the last few years, the current year demonstrates a solid economy and recovery trend. Dr. Russell R. Evans, Director and Research Economist for the Center for Applied Economic Research at Oklahoma State University, reviewed the economic condition of the City and State in January 2011 and projected a modest national recovery in 2011. For Oklahoma, he projected employment and personal incomes to grow, unemployment to rise slightly then fall, and retail sales to continue their growth.

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

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

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

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


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


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

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.

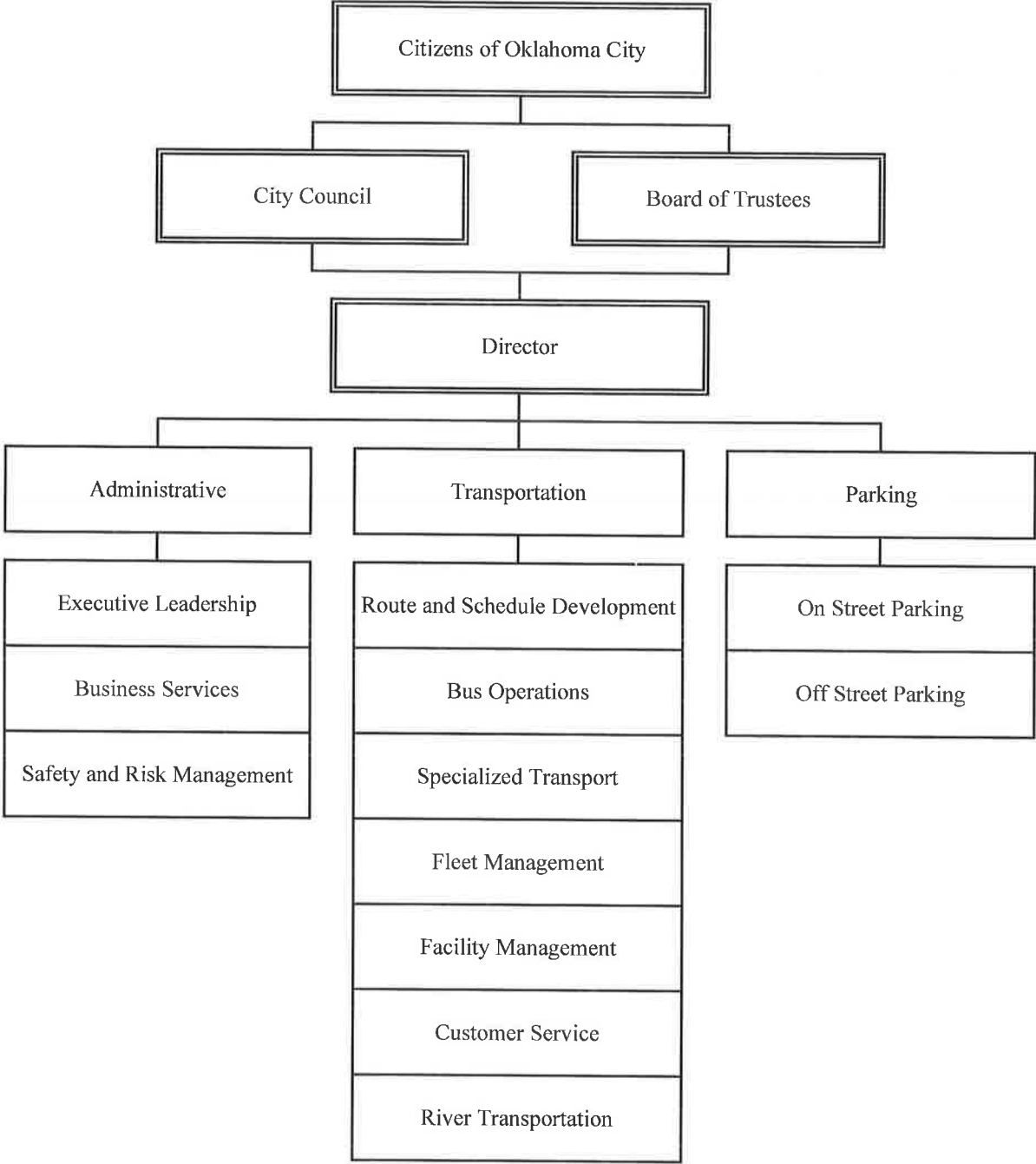
In compliance with statutory requirements, the Department engaged BKD, LLP to conduct its annual audit. The Department acknowledges the professional and competent services of its independent accountants.

Respectfully submitted,


Richard Cain
City of Oklahoma City
Public Transportation and Parking Director


Glen D. Earley, CPA
City of Oklahoma City
Controller

City of Oklahoma City Transportation and Parking Department Organization Chart



Financial Section

Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying 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), including the Central Oklahoma Transportation and Parking Authority, a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in *Note I.B.1*, the financial statements of the Department are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities, each major fund and the aggregate remaining fund information 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, 2011 and 2010, the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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 Oklahoma City Public Transportation and Parking Department as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

BKD, LLP

December 2, 2011

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, 2011 and 2010. 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 of the City.

Financial Summary

- Department assets exceeded liabilities by \$46,015,098 (net assets) for 2011. This compares to the previous year when assets exceeded liabilities by \$44,141,688 (net assets).
- Total assets for the Department decreased by \$100,773 (.2%) to \$63,572,849 during the fiscal year. This compares to the previous year when assets decreased by \$34,496,040.
- Total liabilities for the Department decreased by \$1,974,183 (10.1%) to \$17,557,751 during the fiscal year. This compares to the previous year when liabilities decreased by \$35,307,482.
- Total net assets are comprised of the following:
 - (1) Investment in capital assets, net of related debt, in the amount of \$32,589,884 at June 30, 2011 and \$30,961,126 at June 30, 2010 includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Restricted net assets of \$1,716,756 and \$1,635,036 at June 30, 2011 and 2010, includes restricted for debt service of \$1,716,756 and \$1,635,035, respectively, and restricted for capital projects of \$1 at June 30, 2010.
 - (3) Unrestricted net assets of \$11,708,458 at June 30, 2011 and \$11,545,526 at June 30, 2010.

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 assets. This is the statement of position presenting information that includes all of the Department's assets and liabilities, with the difference reported as net assets. Increases or decreases in net assets 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 assets which reports how the Department's net assets 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 City 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 assets at fiscal year-end are \$46,015,098. This is an increase of \$1,873,410 over last year's net assets of \$44,141,688. Overall, the Department's financial position improved during both fiscal years 2011 and 2010. Reclasses to 2010 and 2009 net assets have been made to properly report retainages and capital related accounts payable and bond issuance costs funded with bond proceeds as part of invested in capital assets net of related debt instead of unrestricted net assets and interest receivable on bond investments as part of net assets restricted for debt service instead of unrestricted net assets. The unspent portion of construction funds funded with bond proceeds have also been reclassified to invested in capital assets, net of related debt, rather than reported in restricted for capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011 and 2010

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	Summary of Net Assets						
	2011	2010	2011-2010 Amount of Change	2011-2010 %	2010-2009 Amount of Change	2010-2009 %	
Assets							
Current assets	\$19,575,386	\$19,977,534	(\$402,148)	(2.0%)	\$18,366,471	\$1,611,063	8.8%
Capital assets, net	41,069,696	40,694,404	375,292	0.9	74,394,150	(33,699,746)	(45.3)
Other non-current assets	<u>2,927,767</u>	<u>3,001,684</u>	<u>(73,917)</u>	(2.5)	<u>5,409,041</u>	<u>(2,407,357)</u>	(44.5)
Total assets	<u>63,572,849</u>	<u>63,673,622</u>	<u>(100,773)</u>	(0.2)	<u>98,169,662</u>	<u>(34,496,040)</u>	(35.1)
Liabilities							
Current liabilities	4,858,258	4,953,499	(95,241)	(1.9)	7,741,199	(2,787,700)	(36.0)
Non-current liabilities	<u>12,699,493</u>	<u>14,578,435</u>	<u>(1,878,942)</u>	(12.9)	<u>47,098,217</u>	<u>(32,519,782)</u>	(69.0)
Total liabilities	<u>17,557,751</u>	<u>19,531,934</u>	<u>(1,974,183)</u>	(10.1)	<u>54,839,416</u>	<u>(35,307,482)</u>	(64.4)
Net assets							
Invested in capital assets, net of related debt	32,589,884	30,961,126	1,628,758	5.3	32,952,350	(1,991,224)	(6.0)
Restricted	1,716,756	1,635,036	81,720	5.0	3,220,171	(1,585,135)	(49.2)
Unrestricted	<u>11,708,458</u>	<u>11,545,526</u>	<u>162,932</u>	1.4	<u>7,157,725</u>	<u>4,387,801</u>	61.3
Total net assets	<u>\$46,015,098</u>	<u>\$44,141,688</u>	<u>\$1,873,410</u>	4.2	<u>\$43,330,246</u>	<u>\$811,442</u>	1.9

Current assets decreased \$402 thousand in fiscal year 2011 and increased \$1.61 million in fiscal year 2010. Notable changes in current assets were an increase in cash and investments of \$3.26 million in fiscal year 2011. Intergovernmental receivables decreased \$2.32 million in fiscal year 2011 for payments related to reimbursable grants and increased \$1.15 million in fiscal year 2010 due to an increased level of grant draws at the end of the fiscal year. Receivable from component units decreased \$400 thousand with the final payment received from the Oklahoma City Economic Development Trust in fiscal year 2011 for costs related to making parking garages ready for sale in fiscal year 2010. Receivable from primary government decreased \$1.00 million in fiscal year 2011 and is related to the timing of the General Fund subsidy payment and reimbursement of capital outlay for vans purchased with the City's general obligation bond proceeds in fiscal year 2010.

Capital assets net of accumulated depreciation did not change significantly in fiscal year 2011 and decreased by \$33.70 million in fiscal year 2010, mainly due to the sale and abandonment of parking garages. Other non-current assets decreased by an additional \$2.41 million in fiscal year 2010. This was also due to the sale and abandonment of parking garages, resulting in a decrease in non-current investments of \$2.31 million as well as a decrease in net deferred debt expense related to bonds of \$375 thousand.

Current liabilities decreased in fiscal year 2010 by \$2.79 million from a decrease in current bonds payable due to the defeasance and early redemption of revenue bonds and normal debt service. The current bonds payable liability decreased by \$1.59 million and bond interest payable decreased by an additional \$793 thousand. Accounts payable decreased \$524 thousand in fiscal year 2010 related to the timing of payments at year end. There was only a slight reduction of current liabilities in fiscal year 2011.

Non-Current liabilities decreased \$1.88 million in fiscal year 2011 and \$32.52 million in fiscal year 2010, respectively. The decrease in fiscal year 2011 consisted mainly of a decrease in bonds payable of \$1.77 million which included the normal debt payment, amortization of premium and deferred amount on refunding. The decrease in fiscal year 2010 included a decrease in bonds payable, net, for the current payable for debt service of \$1.64 million and a \$30.84 decrease in bonds payable, net, related to the defeasance and early redemption of revenue bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011 and 2010

OKLAHOMA CITY
PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	Summary of Changes in Net Assets						
	2011	2010	2011-2010 Amount of Change	2011-2010 %	2009	2010-2009 Amount of Change	2010-2009 %
Operating revenues	<u>\$9,165,880</u>	<u>\$9,534,432</u>	<u>(\$368,552)</u>	<u>(3.9%)</u>	<u>\$11,556,286</u>	<u>(\$2,021,854)</u>	<u>(17.5%)</u>
Operating expenses							
Personal services	13,288,909	13,347,342	(58,433)	(0.4)	13,001,918	345,424	2.7
Maintenance, operations, and contractual services	8,894,148	8,677,623	216,525	2.5	9,317,245	(639,622)	(6.9)
Material and supplies	3,577,306	3,010,586	566,720	18.8	3,883,224	(872,638)	(22.5)
Depreciation	<u>3,176,905</u>	<u>3,521,424</u>	<u>(344,519)</u>	<u>(9.8)</u>	<u>4,242,360</u>	<u>(720,936)</u>	<u>(17.0)</u>
Total operating expenses	<u>28,937,268</u>	<u>28,556,975</u>	<u>380,293</u>	<u>1.3</u>	<u>30,444,747</u>	<u>(1,887,772)</u>	<u>(6.2)</u>
Operating loss	(19,771,388)	(19,022,543)	(748,845)	(3.9)	(18,888,461)	(134,082)	(0.7)
Net non-operating revenues	20,459,175	21,190,357	(731,182)	(3.5)	19,004,133	2,186,224	11.5
Contributions and transfers	1,185,623	2,170,679	(985,056)	(45.4)	4,972,696	(2,802,017)	(56.3)
Special item	-	(3,527,051)	3,527,051	100.0	-	(3,527,051)	100.0
Changes in net assets	1,873,410	811,442	1,061,968	130.9	5,088,368	(4,276,926)	(84.1)
Beginning net assets	<u>44,141,688</u>	<u>43,330,246</u>	<u>811,442</u>	<u>1.9</u>	<u>38,241,878</u>	<u>5,088,368</u>	<u>13.3</u>
Ending net assets	<u>\$46,015,098</u>	<u>\$44,141,688</u>	<u>\$1,873,410</u>	4.2	<u>\$43,330,246</u>	<u>\$811,442</u>	1.9

Operating revenues decreased \$369 thousand and \$2.02 million in fiscal year 2011 and fiscal year 2010, respectively. Transportation revenues increased in fiscal year 2011 by \$507 thousand due to increased ridership. Parking revenues decreased \$1.01 million in fiscal year 2011 and \$1.95 million in fiscal year 2010 primarily as a result of the sales and abandonment of parking garages in October 2009, which reduced available parking in the system by approximately 2,652 spaces.

Operating expenses increased \$380 thousand in fiscal year 2011 and decreased \$1.89 million in fiscal year 2010. Increases in fiscal year 2011 were the result of increases in maintenance, operations, and material and supplies of \$786 thousand related to increased ridership in the Transportation Division and another year of usage on the bus fleet offset by a reduction in personal services and depreciation expense totaling \$403 thousand. Decreases in fiscal year 2010 were primarily from decreases in maintenance, operations, and materials and supplies of \$1.51 million related to the Parking Division sales and abandonment of parking garages and reduced Transportation Division maintenance, repair and parts costs mainly due to a newer fleet of buses.

Net non-operating revenues decreased by \$731 thousand in fiscal year 2011 due to a decrease in the City's operating subsidy of \$1.47 million from City budget cuts, offset by an increase in grants income of \$367 thousand and a decrease in interest expense on bonds of \$448 thousand related to the sales and abandonment of garages in the Parking Division. Net non-operating revenues increased by \$2.19 million in fiscal year 2010. This increase was related to an increase in operating grants of \$1.00 million, a decrease in interest expense on bonds of \$1.13 million due to defeasance of revenue bonds, a decrease in other expense of \$1.16 million due to less spending on grant reimbursable expenditures, and a reduction in the City's operating subsidy of \$1.07 million due to City budget cuts.

Contributions and transfers decreased \$985 thousand and \$2.80 million in fiscal year 2011 and fiscal year 2010, respectively, in part due to a decrease in grants capital in fiscal year 2011 of \$1.13 million and \$2.16 million in fiscal year 2010. There was also a decrease in capital contributions from the City's Stormwater drainage fund in fiscal year 2010 of \$589 thousand related to payments to the River authority fund in fiscal year 2009 for the construction of the river boat maintenance facility.

Capital Assets and Debt Administration

Capital Assets

The Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2011 and 2010, was \$41,069,696 and \$40,694,404, respectively. This was an increase of 0.9% in this investment compared to a decrease of 45.3% in 2010. See Note II. A. 4. for more information regarding capital assets.

Capital Assets, Net of Accumulated Depreciation

	2011	2010	2011-2010 Amount of Change	2011-2010 %	2009	2010-2009 Amount of Change	2010-2009 %
Non-Depreciable Assets							
Land	\$4,609,827	\$4,609,827	\$ -	0.0%	\$4,726,447	(\$116,620)	(2.5%)
Construction in progress	<u>1,774,894</u>	<u>1,513,193</u>	<u>261,701</u>	17.3	<u>3,066,231</u>	<u>(1,553,038)</u>	(50.6)
Total non-depreciable assets	<u>6,384,721</u>	<u>6,123,020</u>	<u>261,701</u>	4.3	<u>7,792,678</u>	<u>(1,669,658)</u>	(21.4)
Depreciable Assets							
Buildings	10,779,123	9,274,176	1,504,947	16.2	8,608,894	665,282	7.7
Improvements other than buildings	3,499,257	3,737,234	(237,977)	(6.4)	2,329,033	1,408,201	60.5
Buses, automobiles and river boats	8,130,309	8,603,712	(473,403)	(5.5)	9,990,309	(1,386,597)	(13.9)
Parking garages and surface lots	10,565,653	10,905,731	(340,078)	(3.1)	43,511,782	(32,606,051)	(74.9)
Other assets	<u>1,710,633</u>	<u>2,050,531</u>	<u>(339,898)</u>	(16.6)	<u>2,161,454</u>	<u>(110,923)</u>	(5.1)
Total depreciable assets	<u>34,684,975</u>	<u>34,571,384</u>	<u>113,591</u>	0.3	<u>66,601,472</u>	<u>(32,030,088)</u>	(48.1)
	<u>\$41,069,696</u>	<u>\$40,694,404</u>	<u>\$375,292</u>	0.9	<u>\$74,394,150</u>	<u>(\$33,699,746)</u>	(45.3)

Non-depreciable assets increased in fiscal year 2011 by \$262 thousand for gate construction for parking garages. There was a decrease in fiscal year 2010 of \$1.70 million due mostly to construction assets being finalized and placed into service related to the renovation and remodeling of the Union Station Headquarters and vehicle maintenance and transit office facilities.

Depreciable assets increased by \$114 thousand in fiscal year 2011 for decreases in improvements other than buildings, buses, automobiles, parking garages, and other assets of \$1.39, mostly for normal depreciation and retirements, offset by construction assets being placed into service in buildings and related subsequent depreciation totaling \$1.50 million. The decrease in total depreciable assets in fiscal year 2010 of \$32.03 million was mainly due to the disposal of parking garages totaling \$32.13 million; the related sale and abandonment of the City Center East, West and Scissor garages; the removal of capital outlay capitalized in the prior year to make garages ready for sale, totaling \$2.07 million and reduction in net book value for depreciation of \$2.02 million. Increases in fiscal year 2010 included renovation and remodeling of the Union Station Headquarters and vehicle maintenance and transit office facilities totaling \$2.47 million and purchases of buses and other mobile equipment totaling \$735 thousand by the Transportation Division and construction of a river boat maintenance facility totaling \$874 thousand by the River Cruises Division.

Long-term Debt

At the end of the 2011 and 2010 fiscal years, the Department had total bonded debt outstanding of \$10,775,000 and \$12,410,000, respectively. This debt is primarily supported by pledged revenues generated by the parking activities of the Department (revenue bonds). See Note II. B. 4. for more information regarding revenue bonds.

	Outstanding Bonds						
			2011-2010	2011-2010			2010-2009
	<u>2011</u>	<u>2010</u>	Amount	%	<u>2009</u>	Amount	%
		<u>of Change</u>	<u>Change</u>		<u>of Change</u>	<u>Change</u>	
Revenue bonds							
Parking	<u>\$10,775,000</u>	<u>\$12,410,000</u>	<u>(\$1,635,000)</u>	(13.2%)	<u>\$46,160,000</u>	<u>(\$33,750,000)</u>	(73.1%)

In 2011 bonded debt was reduced by regular debt service payments of \$1.64 million. Outstanding bonds were reduced by the regular debt service payment of \$3.22 million and defeasement of \$30.53 million in 2010. See Note II. B. 6. for more information regarding changes in long-term debt.

Bond Ratings

The bonds are issued through the Authority. Authority bonds are rated A1 and A+ by Moody's and Fitch rating agencies, respectively.

Economic Factors

The national economic recession resulted in increased bus ridership. Market fluctuations have caused a decrease in investment income.

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.

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Basic Financial Statements

Authority-wide Financial Statements

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

* ***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.

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 ASSETS
June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Pooled cash-----	\$4,460	\$13,634
Non-pooled cash-----	8,169,572	4,307,931
Investments-----	9,684,851	10,176,935
Accounts receivable, net-----	173,596	234,043
Interest receivable-----	1,516	1,100
Receivable from component units-----	-	400,004
Receivable from primary government-----	2,953	999,999
Intergovernmental receivables-----	759,256	3,082,287
Inventories-----	779,182	761,601
Total current assets-----	19,575,386	19,977,534
NON-CURRENT ASSETS		
Investments-----	2,533,119	2,632,647
Deferred debt expense, net-----	67,615	94,962
Other-----	69,283	69,283
Net pension asset-----	257,750	204,792
Capital assets:		
Land and construction in progress-----	6,384,721	6,123,020
Other capital assets, net of accumulated depreciation-----	34,684,975	34,571,384
Total capital assets-----	41,069,696	40,694,404
Total non-current assets-----	43,997,463	43,696,088
Total assets-----	63,572,849	63,673,622
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable-----	1,758,048	1,904,093
Wages and benefits payable-----	494,264	467,047
Due to other funds-----	29,901	2,923
Payable to primary government-----	153,634	140,936
Compensated absences-----	273,918	285,604
Deferred revenue-----	157,418	200,946
Bond interest payable-----	276,075	316,950
Bonds payable-----	1,715,000	1,635,000
Total current liabilities-----	4,858,258	4,953,499
NON-CURRENT LIABILITIES		
Compensated absences-----	563,779	545,874
Payable to primary government-----	1,091,250	1,212,500
Deferred revenue-----	1,368,250	1,501,250
Bonds payable:		
Bonds payable-----	9,060,000	10,775,000
Unamortized bond premium-----	303,888	426,797
Deferred amount on refunding-----	(156,200)	(219,376)
Bonds payable, net-----	9,207,688	10,982,421
Net other post-employment benefit obligation-----	468,526	336,390
Total non-current liabilities-----	12,699,493	14,578,435
Total liabilities-----	17,557,751	19,531,934
NET ASSETS		
Invested in capital assets, net of related debt-----	32,589,884	30,961,126
Restricted for: Capital projects-----	-	1
Debt service-----	1,716,756	1,635,035
Unrestricted-----	11,708,458	11,545,526
Total net assets-----	\$46,015,098	\$44,141,688

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
<u>OPERATING REVENUES</u>		
<u>CHARGES FOR SERVICES</u>		
Transportation charges-----	\$2,587,996	\$2,080,955
River cruise charges-----	209,439	140,960
Parking-----	5,738,440	6,747,964
Total charges for services-----	<u>8,535,875</u>	<u>8,969,879</u>
Lease and rental income-----	421,591	412,803
Other-----	208,414	151,750
Total operating revenues-----	<u>9,165,880</u>	<u>9,534,432</u>
<u>OPERATING EXPENSES</u>		
Personal services-----	13,288,909	13,347,342
Maintenance, operations, and contractual services-----	8,894,148	8,677,623
Materials and supplies-----	3,577,306	3,010,586
Depreciation-----	3,176,905	3,521,424
Total operating expenses-----	<u>28,937,268</u>	<u>28,556,975</u>
Operating loss-----	<u>(19,771,388)</u>	<u>(19,022,543)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Non-capital contributions-----	133,000	133,000
Grants operating-----	11,253,421	10,886,107
Investment income-----	35,451	20,289
Interest on bonds-----	(492,417)	(940,027)
Amortization-----	(27,347)	(40,672)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000
Payments from Oklahoma City Economic Development Trust-----	8,729	-
Payments from City of Oklahoma City-----	9,606,151	11,079,569
Other revenues (expenses)-----	(57,813)	2,091
Net non-operating revenues-----	<u>20,459,175</u>	<u>21,190,357</u>
Income before contributions and transfers and special item-----	687,787	2,167,814
<u>CONTRIBUTIONS AND TRANSFERS</u>		
Capital contributions from developers-----	6,500	-
Grants capital-----	670,287	1,796,870
Capital payments from City of Oklahoma City-----	310,904	178,269
Other capital contributions-----	1,054	5,271
Transfers from other funds-----	196,878	190,269
Total contributions and transfers-----	<u>1,185,623</u>	<u>2,170,679</u>
<u>SPECIAL ITEM</u>		
Special item-----	-	<u>(3,527,051)</u>
Changes in net assets-----	1,873,410	811,442
Total net assets, beginning-----	44,141,688	43,330,246
Total net assets, ending-----	<u>\$46,015,098</u>	<u>\$44,141,688</u>

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011	2010
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$9,190,063	\$9,481,583
Cash payments to suppliers for goods and services-----	(12,405,009)	(11,666,213)
Cash payments to employees and professional contractors for services-----	(13,149,389)	(13,066,401)
Operating payments from (to) City of Oklahoma City-----	(2,900)	-
Other operating cash receipts-----	23,667	183,829
Net cash provided (used) by operating activities-----	(16,343,568)	(15,067,202)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash received from operating grants-----	12,337,616	9,244,311
Transfers received from (paid to) other funds-----	331,470	190,269
Non-capital financing payments from (to) component units-----	-	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	10,453,004	10,227,177
Other non-capital financing cash receipts-----	232,685	323,518
Net cash provided (used) by non-capital financing activities-----	23,354,775	20,035,275
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Payments for acquisition and construction of capital assets-----	(3,858,466)	(6,861,035)
Principal paid on long-term debt-----	(1,635,000)	(3,220,000)
Interest paid on long-term debt-----	(593,025)	(1,416,725)
Payments to defease bonds-----	-	(34,180,221)
Capital financing payments from (to) component units-----	276,854	7,825,546
Capital financing payments from (to) City of Oklahoma City-----	316,443	57,019
Proceeds from sale of assets-----	121,355	25,639,360
Capital grants and contributions received-----	1,585,397	4,289,487
Other capital and capital related financing activities-----	1,054	(154,915)
Net cash provided (used) by capital and related financing activities-----	(3,785,388)	(8,021,484)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments-----	(18,528,050)	(13,361,474)
Proceeds from sale of investments-----	19,150,782	15,138,288
Changes in pooled investments-----	(31,119)	133,554
Investment income received-----	35,036	24,541
Purchased interest-----	(1)	-
Net cash provided (used) by investing activities-----	626,648	1,934,909
Net increase (decrease) in cash-----	3,852,467	(1,118,502)
Cash, beginning-----	4,321,565	5,440,067
Cash, ending-----	\$8,174,032	\$4,321,565
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)-----	(\$19,771,388)	(\$19,022,543)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Depreciation-----	3,176,905	3,521,424
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	60,446	174,430
(Increase) decrease in payments/transfers from (to) within the Department-----	9,708	-
(Increase) decrease in due from other funds-----	6,674	-
(Increase) decrease in receivable from component units-----	(75,000)	-
(Increase) decrease in receivable from City of Oklahoma City-----	(2,953)	620
(Increase) decrease in inventories-----	(17,582)	(112,156)
(Increase) decrease in prepaid assets-----	(52,958)	(51,255)
(Increase) decrease in other assets-----	-	(69,283)
Increase (decrease) in accounts payable-----	85,863	180,260
Increase (decrease) in wages and benefits payable-----	27,215	93,396
Increase (decrease) in due to other funds-----	26,978	-
Increase (decrease) in payable to City of Oklahoma City-----	87,698	4,503
Increase (decrease) in compensated absences-----	6,219	114,678
Increase (decrease) in net other post-employment benefit obligation-----	132,136	132,559
Increase (decrease) in deferred revenue-----	(43,529)	(33,835)
Total adjustments-----	3,427,820	3,955,341
Net cash provided (used) by operating activities-----	(16,343,568)	(15,067,202)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>		
Net increase (decrease) in fair value of investments-----	\$13,317	(\$3,070)

See accompanying notes to financial statements.

DIVISION STATEMENTS OF NET ASSETS
June 30,

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
ASSETS					
CURRENT ASSETS					
Pooled cash-----	\$1,759	\$ -	\$2,701	\$4,460	\$13,634
Non-pooled cash-----	6,196,154	862,957	1,110,461	8,169,572	4,307,931
Investments-----	48,096	-	9,636,755	9,684,851	10,176,935
Accounts receivable, net-----	89,043	-	84,553	173,596	234,043
Interest receivable-----	509	-	1,007	1,516	1,100
Payable/due from (to) within the Department---	16,382	-	(16,382)	-	-
Receivable from component units-----	-	-	-	-	400,004
Receivable from primary government-----	2,900	53	-	2,953	999,999
Intergovernmental receivables-----	759,256	-	-	759,256	3,082,287
Inventories-----	777,356	1,826	-	779,182	761,601
Total current assets-----	<u>7,891,455</u>	<u>864,836</u>	<u>10,819,095</u>	<u>19,575,386</u>	<u>19,977,534</u>
NON-CURRENT ASSETS					
Investments-----	-	-	2,533,119	2,533,119	2,632,647
Deferred debt expense, net-----	-	-	67,615	67,615	94,962
Other-----	69,283	-	-	69,283	69,283
Net pension asset-----	257,750	-	-	257,750	204,792
Capital assets:					
Land and construction in progress-----	3,185,485	-	3,199,236	6,384,721	6,123,020
Other capital assets, net of accumulated depreciation-----	18,578,166	4,865,413	11,241,396	34,684,975	34,571,384
Total capital assets-----	<u>21,763,651</u>	<u>4,865,413</u>	<u>14,440,632</u>	<u>41,069,696</u>	<u>40,694,404</u>
Total non-current assets-----	<u>22,090,684</u>	<u>4,865,413</u>	<u>17,041,366</u>	<u>43,997,463</u>	<u>\$43,696,088</u>
Total assets-----	<u>29,982,139</u>	<u>5,730,249</u>	<u>27,860,461</u>	<u>63,572,849</u>	<u>63,673,622</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable-----	864,854	173,725	719,469	1,758,048	1,904,093
Wages and benefits payable-----	480,482	-	13,782	494,264	467,047
Due to other funds-----	25,864	-	4,037	29,901	2,923
Payable to primary government-----	18,398	480	134,756	153,634	140,936
Compensated absences-----	248,211	-	25,707	273,918	285,604
Deferred revenue-----	812	133,000	23,606	157,418	200,946
Bond interest payable-----	-	-	276,075	276,075	316,950
Bonds payable-----	-	-	1,715,000	1,715,000	1,635,000
Total current liabilities-----	<u>1,638,621</u>	<u>307,205</u>	<u>2,912,432</u>	<u>4,858,258</u>	<u>4,953,499</u>
NON-CURRENT LIABILITIES					
Compensated absences-----	519,388	-	44,391	563,779	545,874
Payable to primary government-----	-	-	1,091,250	1,091,250	1,212,500
Deferred revenue-----	-	1,368,250	-	1,368,250	1,501,250
Bonds payable:					
Bonds payable-----	-	-	9,060,000	9,060,000	10,775,000
Unamortized bond premium-----	-	-	303,888	303,888	426,797
Deferred amount on refunding-----	-	-	(156,200)	(156,200)	(219,376)
Bonds payable, net-----	-	-	9,207,688	9,207,688	10,982,421
Net other post-employment benefit obligation---	412,526	-	56,000	468,526	336,390
Total non-current liabilities-----	<u>931,914</u>	<u>1,368,250</u>	<u>10,399,329</u>	<u>12,699,493</u>	<u>14,578,435</u>
Total liabilities-----	<u>2,570,535</u>	<u>1,675,455</u>	<u>13,311,761</u>	<u>17,557,751</u>	<u>19,531,934</u>
NET ASSETS					
Invested in capital assets, net of related debt----	21,643,824	4,827,007	6,119,053	32,589,884	30,961,126
Restricted for: Capital projects-----	-	-	-	-	1
Debt service-----	-	-	1,716,756	1,716,756	1,635,035
Unrestricted-----	5,767,780	(772,213)	6,712,891	11,708,458	11,545,526
Total net assets-----	<u>\$27,411,604</u>	<u>\$4,054,794</u>	<u>\$14,548,700</u>	<u>\$46,015,098</u>	<u>\$44,141,688</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010	
	Division		Total	Total	
	Transportation	River Cruises	Parking	Department	
OPERATING REVENUES					
CHARGES FOR SERVICES					
Transportation charges-----	\$2,587,996	\$ -	\$ -	\$2,587,996	\$2,080,955
River cruise charges-----	-	209,439	-	209,439	140,960
Parking-----	-	-	5,738,440	5,738,440	6,747,964
Total charges for services-----	2,587,996	209,439	5,738,440	8,535,875	8,969,879
Lease and rental income-----	25,000	-	396,591	421,591	412,803
Other-----	204,774	55	3,585	208,414	151,750
Total operating revenues-----	2,817,770	209,494	6,138,616	9,165,880	9,534,432
OPERATING EXPENSES					
Personal services-----	12,940,700	-	348,209	13,288,909	13,347,342
Maintenance, operations, and contractual services-----	4,989,800	929,035	2,975,313	8,894,148	8,677,623
Materials and supplies-----	3,460,431	66,415	50,460	3,577,306	3,010,586
Depreciation-----	2,396,727	224,714	555,464	3,176,905	3,521,424
Total operating expenses-----	23,787,658	1,220,164	3,929,446	28,937,268	28,556,975
Payments/transfers within the Department-----	38,185	(17,275)	(20,910)	-	-
Operating income (loss)-----	(20,931,703)	(1,027,945)	2,188,260	(19,771,388)	(19,022,543)
NON-OPERATING REVENUES (EXPENSES)					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	11,253,421	-	-	11,253,421	10,886,107
Investment income-----	15,599	465	19,387	35,451	20,289
Interest on bonds-----	-	-	(492,417)	(492,417)	(940,027)
Amortization-----	-	-	(27,347)	(27,347)	(40,672)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	-	-	-	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	8,729	8,729	-
Payments from City of Oklahoma City-----	8,900,612	705,539	-	9,606,151	11,079,569
Other revenues (expenses)-----	(163,567)	-	105,754	(57,813)	2,091
Net non-operating revenues (expenses)-----	20,006,065	839,004	(385,894)	20,459,175	21,190,357
Income (loss) before contributions and transfers and special item----	(925,638)	(188,941)	1,802,366	687,787	2,167,814
CONTRIBUTIONS AND TRANSFERS					
Capital contributions from developers-----	-	6,500	-	6,500	-
Grants capital-----	667,617	2,670	-	670,287	1,796,870
Capital payments from City of Oklahoma City-----	310,904	-	-	310,904	178,269
Other capital contributions-----	1,054	-	-	1,054	5,271
Transfers from other funds-----	-	-	196,878	196,878	190,269
Total contributions and transfers-----	979,575	9,170	196,878	1,185,623	2,170,679
SPECIAL ITEM					
Special item-----	-	-	-	-	(3,527,051)
Changes in net assets-----	53,937	(179,771)	1,999,244	1,873,410	811,442
Total net assets, beginning-----	27,357,667	4,234,565	12,549,456	44,141,688	43,330,246
Total net assets, ending-----	\$27,411,604	\$4,054,794	\$14,548,700	\$46,015,098	\$44,141,688

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

	2011			2010	
	Division		Total	Total	
	Transportation	River Cruises	Parking	Department	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers-----	\$2,825,879	\$209,978	\$6,154,206	\$9,190,063	\$9,481,583
Cash payments to suppliers for goods and services-----	(8,447,515)	(1,020,513)	(2,936,981)	(12,405,009)	(11,666,213)
Cash payments to employees and professional contractors for services-----	(12,821,978)	-	(327,411)	(13,149,389)	(13,066,401)
Operating payments from (to) City of Oklahoma City-----	(2,900)	-	-	(2,900)	-
Operating payments within the Department-----	38,185	(17,275)	(20,910)	-	-
Other cash receipts-----	23,667	-	-	23,667	183,829
Net cash provided (used) by operating activities--	(18,384,662)	(827,810)	2,868,904	(16,343,568)	(15,067,202)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from operating grants-----	12,337,616	-	-	12,337,616	9,244,311
Transfers received from (paid to) other funds-----	35,719	98,873	196,878	331,470	190,269
Non-capital financing payments from (to) component units-- Non-capital financing payments from (to)	-	-	-	-	50,000
City of Oklahoma City-----	9,753,004	700,000	-	10,453,004	10,227,177
Other non-capital financing cash receipts-----	223,925	-	8,760	232,685	323,518
Net cash provided (used) by non-capital financing activities-----	22,350,264	798,873	205,638	23,354,775	20,035,275
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES					
Payments for acquisition and construction of capital assets-- Principal paid on long-term debt-----	(2,259,842)	(36,526)	(1,562,098)	(3,858,466)	(6,861,035)
Interest paid on long-term debt-----	-	-	(1,635,000)	(1,635,000)	(3,220,000)
Payments to defease bonds-----	-	-	-	-	(34,180,221)
Capital financing payments from (to) component units-- Capital financing payments from (to)	(1,900)	-	278,754	276,854	7,825,546
City of Oklahoma City-----	310,904	5,539	-	316,443	57,019
Proceeds from sale of assets-----	121,355	-	-	121,355	25,639,360
Capital grants and contributions received-----	1,538,495	46,902	-	1,585,397	4,289,487
Other capital and capital related financing activities-----	1,054	-	-	1,054	(154,915)
Net cash provided (used) by capital and related financing activities-----	(289,934)	15,915	(3,511,369)	(3,785,388)	(8,021,484)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments-----	-	-	(18,528,050)	(18,528,050)	(13,361,474)
Proceeds from sale of investments-----	-	-	19,150,782	19,150,782	15,138,288
Changes in pooled investments-----	23,413	-	(54,532)	(31,119)	133,554
Investment income received-----	15,776	466	18,794	35,036	24,541
Purchased interest-----	-	-	(1)	(1)	-
Net cash provided (used) by investing activities--	39,189	466	586,993	626,648	1,934,909
Net increase (decrease) in cash-----	3,714,857	(12,556)	150,166	3,852,467	(1,118,502)
Cash, beginning-----	2,483,056	875,513	962,996	4,321,565	5,440,067
Cash, ending-----	\$6,197,913	\$862,957	\$1,113,162	\$8,174,032	\$4,321,565

(continued)

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

OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT

	2011			2010
	Division		Total	Total
	Transportation	River Cruises	Parking	Department
RECONCILIATION OF OPERATING INCOME				
<u>(LOSS) TO NET CASH PROVIDED (USED)</u>				
<u>BY OPERATING ACTIVITIES</u>				
Operating income (loss)-----	(\$20,931,703)	(\$1,027,945)	\$2,188,260	(\$19,771,388)
<u>ADJUSTMENTS TO RECONCILE OPERATING</u>				
<u>INCOME (LOSS) TO NET CASH PROVIDED</u>				
<u>(USED) BY OPERATING ACTIVITIES</u>				
Depreciation-----	2,396,727	224,714	555,464	3,176,905
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable-----	8,108	-	52,338	60,446
(Increase) decrease in payments/transfers				
within the Department-----	9,708	-	-	9,708
(Increase) decrease in due from other funds-----	-	164	6,510	6,674
(Increase) decrease in receivable from				
from component units-----	(75,000)	-	-	(75,000)
(Increase) decrease in receivable from				
City of Oklahoma City-----	(2,900)	(53)	-	(2,953)
(Increase) decrease in inventories-----	(19,963)	2,381	-	(17,582)
(Increase) decrease in prepaid assets-----	(52,958)	-	-	(52,958)
(Increase) decrease in other assets-----	-	-	-	(69,283)
Increase (decrease) in accounts payable-----	15,715	(27,551)	97,699	85,863
Increase (decrease) in wages and benefits payable-----	30,197	-	(2,982)	27,215
Increase (decrease) in due to other funds-----	23,667	-	3,311	26,978
Increase (decrease) in payable to				
City of Oklahoma City-----	92,818	480	(5,600)	87,698
Increase (decrease) in compensated absences-----	3,454	-	2,765	6,219
Increase (decrease) in net other post-employment				
benefit obligation-----	117,468	-	14,668	132,136
Increase (decrease) in deferred revenue-----	-	-	(43,529)	(43,529)
Total adjustments-----	2,547,041	200,135	680,644	3,427,820
Net cash provided (used) by				
operating activities-----	(\$18,384,662)	(\$827,810)	\$2,868,904	(\$16,343,568)
NON-CASH INVESTING, CAPITAL, AND				
<u>FINANCING ACTIVITIES</u>				
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$13,317	\$13,317
Total non-cash investing, capital,				
and financing activities-----	\$ -	\$ -	\$13,317	\$13,317

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010		
	Authority	Enterprise	Total Transportation Division	Authority	Enterprise	Total Transportation Division
ASSETS						
CURRENT ASSETS						
Pooled cash-----	\$ -	\$1,759	\$1,759	\$ -	\$9,440	\$9,440
Non-pooled cash-----	6,196,154	-	6,196,154	2,473,616	-	2,473,616
Investments-----	-	48,096	48,096	-	71,509	71,509
Accounts receivable, net-----	89,043	-	89,043	97,151	-	97,151
Interest receivable-----	-	509	509	-	686	686
Payable/due from (to) within the Department-----	(83,618)	100,000	16,382	(158,397)	25,000	(133,397)
Receivable from primary government-----	2,900	-	2,900	999,999	-	999,999
Intergovernmental receivables-----	759,256	-	759,256	3,082,287	-	3,082,287
Inventories-----	777,356	-	777,356	757,394	-	757,394
Total current assets-----	7,741,091	150,364	7,891,455	7,252,050	106,635	7,358,685
NON-CURRENT ASSETS						
Other-----	69,283	-	69,283	69,283	-	69,283
Net pension asset-----	257,750	-	257,750	204,792	-	204,792
Capital assets:						
Land and construction in progress-----	3,185,485	-	3,185,485	4,595,917	-	4,595,917
Other capital assets, net of accumulated depreciation-----	18,578,166	-	18,578,166	17,880,152	-	17,880,152
Total capital assets, net-----	21,763,651	-	21,763,651	22,476,069	-	22,476,069
Total non-current assets-----	22,090,684	-	22,090,684	22,750,144	-	22,750,144
Total assets-----	29,831,775	150,364	29,982,139	30,002,194	106,635	30,108,829
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable-----	864,854	-	864,854	1,238,085	2	1,238,087
Wages and benefits payable-----	417,564	62,918	480,482	371,920	78,362	450,282
Due to other funds-----	-	25,864	25,864	-	2,197	2,197
Payable to primary government-----	18,398	-	18,398	580	-	580
Compensated absences-----	178,150	70,061	248,211	187,624	75,541	263,165
Deferred revenue-----	812	-	812	812	-	812
Total current liabilities-----	1,479,778	158,843	1,638,621	1,799,021	156,102	1,955,123
NON-CURRENT LIABILITIES						
Compensated absences-----	283,513	235,875	519,388	277,547	223,434	500,981
Net other post-employment benefit obligation-----	136,802	275,724	412,526	92,882	202,176	295,058
Total non-current liabilities-----	420,315	511,599	931,914	370,429	425,610	796,039
Total liabilities-----	1,900,093	670,442	2,570,535	2,169,450	581,712	2,751,162
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt--	21,643,824	-	21,643,824	22,377,992	-	22,377,992
Unrestricted-----	6,287,858	(520,078)	5,767,780	5,454,752	(475,077)	4,979,675
Total net assets (deficit)-----	\$27,931,682	(\$520,078)	\$27,411,604	\$27,832,744	(\$475,077)	\$27,357,667

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010		
	Total Transportation			Total Transportation		
	Authority	Enterprise	Division	Authority	Enterprise	Division
<u>OPERATING REVENUES</u>						
Transportation charges-----	\$2,587,996	\$ -	\$2,587,996	\$2,080,955	\$ -	\$2,080,955
Lease and rental income-----	25,000	-	25,000	32,077	-	32,077
Other-----	204,774	-	204,774	138,334	-	138,334
Total operating revenues-----	2,817,770	-	2,817,770	2,251,366	-	2,251,366
<u>OPERATING EXPENSES</u>						
Personal services-----	11,330,882	1,609,818	12,940,700	11,439,567	1,543,501	12,983,068
Maintenance, operations, and contractual services-----	2,965,251	2,024,549	4,989,800	4,439,508	457,343	4,896,851
Materials and supplies-----	3,460,431	-	3,460,431	2,967,933	-	2,967,933
Depreciation-----	2,396,727	-	2,396,727	2,563,368	-	2,563,368
Total operating expenses-----	20,153,291	3,634,367	23,787,658	21,410,376	2,000,844	23,411,220
Payments/transfers within the Department-----	(3,549,095)	3,587,280	38,185	(2,454,542)	1,826,065	(628,477)
Operating loss-----	(20,884,616)	(47,087)	(20,931,703)	(21,613,552)	(174,779)	(21,788,331)
<u>NON-OPERATING REVENUES (EXPENSES)</u>						
Grants operating-----	11,253,421	-	11,253,421	10,886,107	-	10,886,107
Investment income-----	13,513	2,086	15,599	10,933	1,588	12,521
Payments from the City of Oklahoma City General Fund-----	8,900,612	-	8,900,612	10,379,569	-	10,379,569
Other expenses-----	(163,567)	-	(163,567)	(61,757)	-	(61,757)
Net non-operating revenues-----	20,003,979	2,086	20,006,065	21,214,852	1,588	21,216,440
Loss before contributions and transfers-----	(880,637)	(45,001)	(925,638)	(398,700)	(173,191)	(571,891)
<u>CONTRIBUTIONS AND TRANSFERS</u>						
Grants capital-----	667,617	-	667,617	1,532,178	-	1,532,178
Capital payments from City of Oklahoma City-----	310,904	-	310,904	134,031	-	134,031
Other capital contributions-----	1,054	-	1,054	5,271	-	5,271
Total contributions and transfers-----	979,575	-	979,575	1,671,480	-	1,671,480
Changes in net assets-----	98,938	(45,001)	53,937	1,272,780	(173,191)	1,099,589
Total net assets (deficit), beginning-----	27,832,744	(475,077)	27,357,667	26,559,964	(301,886)	26,258,078
Total net assets (deficit), ending-----	\$27,931,682	(\$520,078)	\$27,411,604	\$27,832,744	(\$475,077)	\$27,357,667

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**

	2011			2010		
	Authority	Total		Authority	Total	
		Enterprise	Division		Enterprise	Division
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers-----	\$2,825,879	\$ -	\$2,825,879	\$2,243,617	\$ -	\$2,243,617
Cash payments to suppliers for goods and services-----	(6,422,966)	(2,024,549)	(8,447,515)	(7,623,832)	(457,343)	(8,081,175)
Cash payments to employees and professional contractors for services-----	(11,277,222)	(1,544,756)	(12,821,978)	(11,296,779)	(1,454,899)	(12,751,678)
Operating payments from (to) City of Oklahoma City-----	(2,900)	-	(2,900)	-	-	-
Operating payments within the Department-----	(3,474,095)	3,512,280	38,185	(2,429,542)	1,801,065	(628,477)
Other operating cash receipts-----	-	23,667	23,667	170,412	-	170,412
Net cash provided (used) by operating activities-----	(18,351,304)	(33,358)	(18,384,662)	(18,936,124)	(111,177)	(19,047,301)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Cash received from operating grants-----	12,337,616	-	12,337,616	9,244,311	-	9,244,311
Transfers received from (paid to) other funds-----	35,719	-	35,719	(35,719)	-	(35,719)
Non-capital financing payments from (to) City of Oklahoma City-----	9,753,004	-	9,753,004	9,527,177	-	9,527,177
Other non-capital financing cash receipts-----	223,925	-	223,925	256,919	2,197	259,116
Net cash provided (used) by non-capital financing activities-----	22,350,264	-	22,350,264	18,992,688	2,197	18,994,885
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES						
Payments for acquisition and construction of capital assets-----	(2,259,842)	-	(2,259,842)	(3,536,485)	-	(3,536,485)
Capital financing payments from (to) component units-----	(1,900)	-	(1,900)	-	-	-
Capital financing payments from (to) City of Oklahoma City-----	310,904	-	310,904	134,031	-	134,031
Proceeds from sale of assets-----	121,355	-	121,355	25,085	-	25,085
Capital grants and contributions received-----	1,538,495	-	1,538,495	1,862,058	-	1,862,058
Other capital and capital related financing activities-----	1,054	-	1,054	(154,915)	-	(154,915)
Net cash provided (used) by capital and related financing activities-----	(289,934)	-	(289,934)	(1,670,226)	-	(1,670,226)
CASH FLOWS FROM INVESTING ACTIVITIES						
Changes in pooled investments-----	-	23,413	23,413	-	111,129	111,129
Investment income received-----	13,512	2,264	15,776	10,933	4,916	15,849
Net cash provided (used) by investing activities-----	13,512	25,677	39,189	10,933	116,045	126,978
Net increase (decrease) in cash-----	3,722,538	(7,681)	3,714,857	(1,602,729)	7,065	(1,595,664)
Cash, beginning-----	2,473,616	9,440	2,483,056	4,076,345	2,375	4,078,720
Cash, ending-----	\$6,196,154	\$1,759	\$6,197,913	\$2,473,616	\$9,440	\$2,483,056
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)-----	(\$20,884,616)	(\$47,087)	(\$20,931,703)	(\$21,613,552)	(\$174,779)	(\$21,788,331)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Depreciation-----	2,396,727	-	2,396,727	2,563,368	-	2,563,368
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	8,108	-	8,108	162,040	-	162,040
(Increase) decrease in payments/transfers from (to) within the Department-----	9,708	-	9,708	(9,708)	-	(9,708)
(Increase) decrease in receivable from component units-----	-	(75,000)	(75,000)	25,000	(25,000)	-
(Increase) decrease in receivable from City of Oklahoma City-----	(2,900)	-	(2,900)	620	-	620
(Increase) decrease in inventories-----	(19,963)	-	(19,963)	(107,949)	-	(107,949)
(Increase) decrease in prepaid assets-----	(52,958)	-	(52,958)	(51,255)	-	(51,255)
(Increase) decrease in other assets-----	-	-	-	(69,283)	-	(69,283)
Increase (decrease) in accounts payable-----	15,715	-	15,715	(47,597)	-	(47,597)
Increase (decrease) in wages and benefits payable-----	45,644	(15,447)	30,197	87,870	4,961	92,831
Increase (decrease) in due to other funds-----	-	23,667	23,667	-	-	-
Increase (decrease) in payable to City of Oklahoma City-----	92,818	-	92,818	5	-	5
Increase (decrease) in compensated absences-----	(3,507)	6,961	3,454	79,810	10,976	90,786
Increase (decrease) in net other post-employment benefit obligation-----	43,920	73,548	117,468	44,507	72,665	117,172
Total adjustments-----	2,533,312	13,729	2,547,041	2,677,428	63,602	2,741,030
Net cash provided (used) by operating activities-----	(18,351,304)	(33,358)	(18,384,662)	(18,936,124)	(111,177)	(19,047,301)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$ -	\$ -	(\$2,345)	(\$2,345)
Total non-cash investing, capital, and financing activities-----	\$ -	\$ -	\$ -	\$ -	(\$2,345)	(\$2,345)

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
	<u>Authority</u>	<u>Authority</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Non-pooled cash-----	\$862,957	\$875,513
Payable/due from (to) within the Department-----	-	143,269
Receivable from primary government-----	53	-
Inventories-----	1,826	4,207
Total current assets -----	864,836	1,022,989
<u>NON-CURRENT ASSETS</u>		
Capital assets:		
Other capital assets, net of accumulated depreciation-----	4,865,413	5,030,320
Total capital assets -----	4,865,413	5,030,320
Total assets -----	5,730,249	6,053,309
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable-----	173,725	184,494
Payable to primary government-----	480	-
Deferred revenue-----	133,000	133,000
Total current liabilities -----	307,205	317,494
<u>NON-CURRENT LIABILITIES</u>		
Deferred revenue-----	1,368,250	1,501,250
Total liabilities -----	1,675,455	1,818,744
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt-----	4,827,007	5,008,695
Unrestricted-----	(772,213)	(774,130)
Total net assets -----	\$4,054,794	\$4,234,565

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
	<u>Authority</u>	<u>Authority</u>
<u>OPERATING REVENUES</u>		
River cruise charges-----	\$209,439	\$140,960
Other-----	55	2,227
Total operating revenues-----	209,494	143,187
<u>OPERATING EXPENSES</u>		
Maintenance, operations, and contractual services-----	929,035	959,934
Materials and supplies-----	66,415	18,464
Depreciation-----	224,714	199,086
Total operating expenses-----	1,220,164	1,177,484
Payments/transfers within the Department-----	(17,275)	628,477
Operating loss-----	(1,027,945)	(405,820)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Non-capital contributions-----	133,000	133,000
Investment income-----	465	409
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000
Payments from City of Oklahoma City-----	705,539	700,000
Net non-operating revenues-----	839,004	883,409
Income (loss) before contributions and transfers-----	(188,941)	477,589
<u>CONTRIBUTIONS AND TRANSFERS</u>		
Capital contributions from developers-----	6,500	-
Grants capital-----	2,670	264,692
Capital payments from City of Oklahoma City-----	-	44,238
Total contributions and transfers-----	9,170	308,930
Changes in net assets-----	(179,771)	786,519
Total net assets, beginning-----	4,234,565	3,448,046
Total net assets, ending-----	\$4,054,794	\$4,234,565

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
	<u>Authority</u>	<u>Authority</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers-----	\$209,978	\$141,094
Cash payments to suppliers for goods and services-----	(1,020,513)	(875,974)
Operating payments within the Department-----	(17,275)	628,477
Other operating cash receipts-----	-	2,227
Net cash provided (used) by operating activities-----	(827,810)	(104,176)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Transfers received from (paid to) other funds-----	98,873	35,719
Non-capital financing payments from (to) component units-----	-	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	700,000	700,000
Net cash provided (used) by non-capital financing activities-----	798,873	785,719
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>		
Payments for acquisition and construction of capital assets-----	(36,526)	(1,091,450)
Capital financing payments from (to) City of Oklahoma City-----	5,539	44,238
Capital grants and contributions received-----	46,902	427,429
Net cash provided (used) by capital and related financing activities-----	15,915	(619,783)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income received-----	466	408
Net cash provided (used) by investing activities-----	466	408
Net increase (decrease) in cash-----	(12,556)	62,168
Cash, beginning-----	875,513	813,345
Cash, ending-----	\$862,957	\$875,513
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income (loss)-----	(\$1,027,945)	(\$405,820)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Depreciation-----	224,714	199,086
Changes in assets and liabilities:		
(Increase) decrease in due from other funds-----	164	(164)
(Increase) decrease in receivable from City of Oklahoma City-----	(53)	-
(Increase) decrease in inventories-----	2,381	(4,207)
Increase (decrease) in accounts payable-----	(27,551)	110,858
Increase (decrease) in payable to City of Oklahoma City-----	480	(3,929)
Total adjustments-----	200,135	301,644
Net cash provided (used) by operating activities-----	(827,810)	(104,176)

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
ASSETS						
CURRENT ASSETS						
Pooled cash-----	\$ -	\$2,701	\$2,701	\$ -	\$4,194	\$4,194
Non-pooled cash-----	1,110,461	-	1,110,461	958,802	-	958,802
Investments-----	9,563,764	72,991	9,636,755	10,073,651	31,775	10,105,426
Accounts receivable, net-----	84,553	-	84,553	136,892	-	136,892
Interest receivable-----	37	970	1,007	109	305	414
Payable/due from (to) within the Department---	(16,382)	-	(16,382)	(9,872)	-	(9,872)
Receivable from component units-----	-	-	-	400,004	-	400,004
Total current assets-----	<u>10,742,433</u>	<u>76,662</u>	<u>10,819,095</u>	<u>11,559,586</u>	<u>36,274</u>	<u>11,595,860</u>
NON-CURRENT ASSETS						
Investments-----	2,533,119	-	2,533,119	2,632,647	-	2,632,647
Deferred debt expense, net-----	67,615	-	67,615	94,962	-	94,962
Capital assets:						
Land and construction in progress-----	3,199,236	-	3,199,236	1,527,103	-	1,527,103
Other capital assets, net of accumulated depreciation-----	11,218,841	22,555	11,241,396	11,632,159	28,753	11,660,912
Total capital assets, net-----	<u>14,418,077</u>	<u>22,555</u>	<u>14,440,632</u>	<u>13,159,262</u>	<u>28,753</u>	<u>13,188,015</u>
Total non-current assets-----	<u>17,018,811</u>	<u>22,555</u>	<u>17,041,366</u>	<u>15,886,871</u>	<u>28,753</u>	<u>15,915,624</u>
Total assets-----	<u>27,761,244</u>	<u>99,217</u>	<u>27,860,461</u>	<u>27,446,457</u>	<u>65,027</u>	<u>27,511,484</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable-----	718,738	731	719,469	479,366	2,146	481,512
Wages and benefits payable-----	-	13,782	13,782	-	16,765	16,765
Due to other funds-----	-	4,037	4,037	-	726	726
Payable to primary government-----	134,756	-	134,756	140,356	-	140,356
Compensated absences-----	-	25,707	25,707	-	22,439	22,439
Deferred revenue-----	23,606	-	23,606	67,134	-	67,134
Bond interest payable-----	276,075	-	276,075	316,950	-	316,950
Bonds payable-----	1,715,000	-	1,715,000	1,635,000	-	1,635,000
Total current liabilities-----	<u>2,868,175</u>	<u>44,257</u>	<u>2,912,432</u>	<u>2,638,806</u>	<u>42,076</u>	<u>2,680,882</u>
NON-CURRENT LIABILITIES						
Compensated absences-----	-	44,391	44,391	-	44,893	44,893
Payable to primary government-----	1,091,250	-	1,091,250	1,212,500	-	1,212,500
Bonds payable:						
Bonds payable-----	9,060,000	-	9,060,000	10,775,000	-	10,775,000
Unamortized bond premium-----	303,888	-	303,888	426,797	-	426,797
Deferred amount on refunding-----	(156,200)	-	(156,200)	(219,376)	-	(219,376)
Bonds payable, net-----	<u>9,207,688</u>	<u>-</u>	<u>9,207,688</u>	<u>10,982,421</u>	<u>-</u>	<u>10,982,421</u>
Net other post-employment benefit obligation---	-	56,000	56,000	-	41,332	41,332
Total non-current liabilities-----	<u>10,298,938</u>	<u>100,391</u>	<u>10,399,329</u>	<u>12,194,921</u>	<u>86,225</u>	<u>12,281,146</u>
Total liabilities-----	<u>13,167,113</u>	<u>144,648</u>	<u>13,311,761</u>	<u>14,833,727</u>	<u>128,301</u>	<u>14,962,028</u>
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt----	6,096,498	22,555	6,119,053	3,545,686	28,753	3,574,439
Restricted for: Capital projects-----	-	-	-	1	-	1
Debt service-----	1,716,756	-	1,716,756	1,635,035	-	1,635,035
Unrestricted-----	6,780,877	(67,986)	6,712,891	7,432,008	(92,027)	7,339,981
Total net assets (deficit)-----	<u>\$14,594,131</u>	<u>(\$45,431)</u>	<u>\$14,548,700</u>	<u>\$12,612,730</u>	<u>(\$63,274)</u>	<u>\$12,549,456</u>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
<u>OPERATING REVENUES</u>						
Parking-----	\$5,738,440	\$ -	\$5,738,440	\$6,747,964	\$ -	\$6,747,964
Lease and rental income-----	396,591	-	396,591	380,726	-	380,726
Other-----	3,585	-	3,585	11,189	-	11,189
Total operating revenues-----	6,138,616	-	6,138,616	7,139,879	-	7,139,879
<u>OPERATING EXPENSES</u>						
Personal services-----	-	348,209	348,209	9,708	354,566	364,274
Maintenance, operations, and contractual services-----	2,747,369	227,944	2,975,313	2,813,417	7,421	2,820,838
Materials and supplies-----	45,621	4,839	50,460	15,176	9,013	24,189
Depreciation-----	549,267	6,197	555,464	752,773	6,197	758,970
Total operating expenses-----	3,342,257	587,189	3,929,446	3,591,074	377,197	3,968,271
Payments/transfers within the Department-----	(426,131)	405,221	(20,910)	(116,112)	116,112	-
Operating income (loss)-----	2,370,228	(181,968)	2,188,260	3,432,693	(261,085)	3,171,608
<u>NON-OPERATING REVENUES (EXPENSES)</u>						
Investment income-----	16,454	2,933	19,387	3,615	3,744	7,359
Interest on bonds-----	(492,417)	-	(492,417)	(940,027)	-	(940,027)
Amortization-----	(27,347)	-	(27,347)	(40,672)	-	(40,672)
Payments from Oklahoma City Economic Development Trust-----	8,729	-	8,729	-	-	-
Other revenue-----	105,754	-	105,754	63,848	-	63,848
Net non-operating revenues (expenses)-----	(388,827)	2,933	(385,894)	(913,236)	3,744	(909,492)
Income (loss) before contributions and transfers and special item-----	1,981,401	(179,035)	1,802,366	2,519,457	(257,341)	2,262,116
<u>CONTRIBUTIONS AND TRANSFERS</u>						
Transfers from other funds-----	-	196,878	196,878	-	190,269	190,269
Total contributions and transfers-----	-	196,878	196,878	-	190,269	190,269
<u>SPECIAL ITEM</u>						
Special item-----	-	-	-	(3,527,051)	-	(3,527,051)
Changes in net assets-----	1,981,401	17,843	1,999,244	(1,007,594)	(67,072)	(1,074,666)
Total net assets (deficit), beginning-----	12,612,730	(63,274)	12,549,456	13,620,324	3,798	13,624,122
Total net assets (deficit), ending-----	\$14,594,131	(\$45,431)	\$14,548,700	\$12,612,730	(\$63,274)	\$12,549,456

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers-----	\$6,154,206	\$ -	\$6,154,206	\$7,096,872	\$ -	\$7,096,872
Cash payments to suppliers for goods and services-----	(2,706,093)	(230,888)	(2,936,981)	(2,693,264)	(15,800)	(2,709,064)
Cash payments to employees and professional contractors for services-----	6,346	(333,757)	(327,411)	-	(314,723)	(314,723)
Operating payments within the Department-----	(426,131)	405,221	(20,910)	(116,112)	116,112	-
Other cash receipts-----	-	-	-	11,190	-	11,190
Net cash provided (used) by operating activities-----	3,028,328	(159,424)	2,868,904	4,298,686	(214,411)	4,084,275
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers received from (paid to) other funds-----	-	196,878	196,878	-	190,269	190,269
Other non-capital financing cash receipts-----	8,760	-	8,760	63,847	555	64,402
Net cash provided (used) by non-capital financing activities-----	8,760	196,878	205,638	63,847	190,824	254,671
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES						
Payments for acquisition and construction of capital assets-----	(1,562,098)	-	(1,562,098)	(2,233,100)	-	(2,233,100)
Principal paid on long-term debt-----	(1,635,000)	-	(1,635,000)	(3,220,000)	-	(3,220,000)
Interest paid on long-term debt-----	(593,025)	-	(593,025)	(1,416,725)	-	(1,416,725)
Payments to defease bonds-----	-	-	-	(34,180,221)	-	(34,180,221)
Capital financing payments from (to) component units-----	278,754	-	278,754	7,825,546	-	7,825,546
Capital financing payments from (to) City of Oklahoma City-----	-	-	-	(121,250)	-	(121,250)
Proceeds from sale of assets-----	-	-	-	25,614,275	-	25,614,275
Capital grants and contributions received-----	-	-	-	2,000,000	-	2,000,000
Net cash provided (used) by capital and related financing activities-----	(3,511,369)	-	(3,511,369)	(5,731,475)	-	(5,731,475)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments-----	(18,528,050)	-	(18,528,050)	(13,361,474)	-	(13,361,474)
Proceeds from sale of investments-----	19,150,782	-	19,150,782	15,138,288	-	15,138,288
Changes in pooled investments-----	(13,317)	(41,215)	(54,532)	-	22,425	22,425
Investment income received-----	16,526	2,268	18,794	3,623	4,661	8,284
Purchased interest-----	(1)	-	(1)	-	-	-
Net cash provided (used) by investing activities-----	625,940	(38,947)	586,993	1,780,437	27,086	1,807,523
Net increase (decrease) in cash-----	151,659	(1,493)	150,166	411,495	3,499	414,994
Cash, beginning-----	958,802	4,194	962,996	547,307	695	548,002
Cash, ending-----	\$1,110,461	\$2,701	\$1,113,162	\$958,802	\$4,194	\$962,996
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)-----	\$2,370,228	(\$181,968)	\$2,188,260	\$3,432,693	(\$261,085)	\$3,171,608
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Depreciation-----	549,267	6,197	555,464	752,773	6,197	758,970
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	52,338	-	52,338	12,390	-	12,390
(Increase) decrease in payments/transfers from (to) within the Department-----	-	-	-	9,708	-	9,708
(Increase) decrease in due from other funds-----	6,510	-	6,510	164	-	164
Increase (decrease) in accounts payable-----	99,114	(1,415)	97,699	116,487	512	116,999
Increase (decrease) in wages and benefits payable-----	-	(2,982)	(2,982)	-	565	565
Increase (decrease) in due to other funds-----	-	3,311	3,311	-	-	-
Increase (decrease) in payable to City of Oklahoma City-----	(5,600)	-	(5,600)	8,306	121	8,427
Increase (decrease) in compensated absences-----	-	2,765	2,765	-	23,892	23,892
Increase (decrease) in net other post-employment benefit obligation-----	-	14,668	14,668	-	15,387	15,387
Increase (decrease) in deferred revenue-----	(43,529)	-	(43,529)	(33,835)	-	(33,835)
Total adjustments-----	658,100	22,544	680,644	865,993	46,674	912,667
Net cash provided (used) by operating activities-----	\$3,028,328	(\$159,424)	\$2,868,904	\$4,298,686	(\$214,411)	\$4,084,275
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Net increase (decrease) in fair value of investments-----	\$13,317	\$ -	\$13,317	\$ -	(\$725)	(\$725)
Total non-cash investing, capital, and financing activities-----	\$13,317	\$ -	\$13,317	\$ -	(\$725)	(\$725)

See accompanying notes to financial statements.

**COTPA RETIREMENT TRUST
STATEMENTS OF PLAN NET ASSETS
June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
<u>RECEIVABLES</u>		
Interest and dividends-----	\$6,874	\$6,783
Employer-----	19,264	14,531
Plan members-----	15,068	11,483
Total receivables-----	<u>41,206</u>	<u>32,797</u>
<u>INVESTMENTS, AT FAIR VALUE</u>		
Domestic common stock-----	4,509,435	3,319,338
Passive domestic stock funds-----	720,331	508,873
Government securities/fixed income-----	132,236	132,879
Passive bond fund-----	1,567,741	1,524,018
International stock-----	1,113,953	843,503
Treasury money market fund-----	103,192	93,650
Real estate-----	80,979	64,102
Total investments-----	<u>8,227,867</u>	<u>6,486,363</u>
Total assets -----	<u>8,269,073</u>	<u>6,519,160</u>
<u>LIABILITIES</u>		
Accounts payable-----	<u>14,306</u>	<u>15,755</u>
<u>NET ASSETS</u>		
Held in trust for pension benefits-----	<u>\$8,254,767</u>	<u>\$6,503,405</u>

**COTPA RETIREMENT TRUST
STATEMENTS OF CHANGES IN PLAN NET ASSETS
For the Years Ended June 30,**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	<u>2011</u>	<u>2010</u>
<u>ADDITIONS</u>		
<u>CONTRIBUTIONS</u>		
Employer-----	\$489,196	\$472,652
Plan members-----	376,862	375,265
Total contributions-----	866,058	847,917
<u>INVESTMENT INCOME</u>		
Net appreciation in fair value of investments-----	1,387,895	584,557
Interest-----	52,625	58,841
Dividends-----	104,022	68,995
	1,544,542	712,393
Less: investment expense-----	(31,969)	(27,993)
Net investment income (loss)-----	1,512,573	684,400
Other-----	350	250
Total additions-----	2,378,981	1,532,567
<u>DEDUCTIONS</u>		
Benefits paid-----	451,323	430,429
Refunds of contributions-----	149,289	100,990
Administrative expenses-----	27,007	21,048
Total deductions-----	627,619	552,467
Change in net assets-----	1,751,362	980,100
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>		
Beginning of year-----	6,503,405	5,523,305
End of year-----	\$8,254,767	\$6,503,405

See accompanying notes to financial statements.

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 2011 and 2010. Reclasses to 2010 net assets have been made to properly report retainages and capital related accounts payable and bond issuance costs funded with bond proceeds as part of invested in capital assets net of related debt instead of unrestricted net assets and interest receivable on bond investments as part of net assets restricted for debt service instead of unrestricted net assets. The unspent portion of construction funds funded with bond proceeds have also been reclassified to invested in capital assets net of related debt rather than reported in restricted for capital projects.

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 discrete 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 City has no legal obligation for debt issued by the Authority. 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 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 Organization

Oklahoma City Riverfront Redevelopment Authority (OCRRA)

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

I. B. 2. BASIC FINANCIAL STATEMENTS

Department-wide Financial Statements

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

Fund Financial Statements

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

Transportation Division

Authority Transportation Fund

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

Enterprise Transportation Fund

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

River Cruises Division

Authority River Cruises Fund

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

Parking Division

Authority Parking Fund

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

Enterprise Parking Fund

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

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

The financial statements of the Department are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Department applies all relevant Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Department does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

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 assets.

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 plan net assets. Changes in plan net assets 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 AND LIABILITIES

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 deposit and investment policy for unrestricted accounts in addition to policies specified in the Authority bond indenture applicable to the Department's Authority funds as restricted by the indenture. COTPA Retirement has deposit and investment policies separately approved by the retirement system's Board.

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

I. D. 2. INVENTORIES AND PREPAIDS

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

I. D. 3. INTERGOVERNMENTAL RECEIVABLES

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

I. D. 4. RESTRICTED ASSETS

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

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

I. D. 5. INTERFUND BALANCES

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one City fund to another for services or goods, subsidy commitments outstanding at year-end, or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

All activity between funds of the Department are eliminated. Amounts reported as due to/from or payable to/from are due to funds external of the Department but within the City.

I. D. 6. CAPITALIZED INTEREST

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

I. D. 7. CAPITAL ASSETS AND DEPRECIATION

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

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

I. D. 8. LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNTS OR PREMIUMS

Outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

I. D. 9. COMPENSATED ABSENCES

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

I. D. 10. RISK FINANCING

The Department's risk management activities are recorded in the City Risk Management and the Oklahoma City Municipal Facilities Authority (OCMFA) Services internal service funds. The purpose of these funds is to administer employee life, employee health, property and liability, workers' compensation, unemployment, and disability insurance programs of the Department on a cost-reimbursement basis. These funds account for the risk financing activities of the Department but do not constitute a transfer of risk from the Department.

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

The City records an estimated liability for indemnity health care, workers' compensation, torts, pollution remediation, and other claims against the Department. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as subrogation. The Department does not recognize any liabilities related to risk financing.

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

I. D. 11. USE OF ESTIMATES

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

I. D. 12. FUND EQUITY

Net Assets

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

Net Assets Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

I. 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. DETAIL NOTES ON ASSETS AND LIABILITIES

II. A. ASSETS

II. A. 1. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the 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 policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal deposit insurance. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service, as determined by a rating of C minus or above by independent rating agencies. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of an evaluation committee and/or the City Treasurer.

At June 30, 2011 and 2010, the Department's cash is collateralized with securities held by the pledging financial institution in the name of the City or Authority, less the Federal depository insurance. The Department's Enterprise funds participate in the City's internal investment pool managed under the oversight of the City Treasurer.

The general bond indenture for the Authority Parking System Revenue Bonds (Bond Indenture) requires the use of trust accounts. The bond accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The operating revenue account is used to receive gross revenues of the Parking Division. The operating and maintenance account is used for resources set aside to make up deficiencies in operating and maintenance activities. The construction accounts are used for proceeds of revenue bond issuances that are restricted for use in construction. The bond reserve account is used for proceeds of revenue bond issuances set aside to make up potential future deficiencies in the bond accounts, or to make the last bond debt service principal and interest payments.

Investments

The Department 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.

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	2011				
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)	Effective Duration (2)
<u>Department</u>					
Authority money market funds	\$12,096,883	\$12,096,883	AAA/Aaa	1.30	
Enterprise pooled investments (3)	121,087	121,086	AAA/Aaa	N/A	
Total department investments	\$12,217,970	\$12,217,969			
<u>COTPA Retirement</u>					
Mutual funds (4)					
Equity	\$6,424,698	\$4,767,096	AAA/Aaa		
Bond	1,699,977	1,604,901	A		49
Money market funds	103,192	103,192	AAA/Aaa	0.45	
Total fiduciary investments	\$8,227,867	\$6,475,189			
<u>Department</u>					
Authority money market funds	\$12,706,298	\$12,706,298	AAA/Aaa	1.28	
Enterprise pooled investments (3)	103,284	103,566	AAA/Aaa	N/A	
Total department investments	\$12,809,582	\$12,809,864			
<u>COTPA Retirement</u>					
Mutual funds (4)					
Equity	\$4,735,816	\$4,302,409	AAA/Aaa		
Bond	1,656,897	1,555,416	A		48
Money market fund	93,650	93,650	AAA/Aaa	0.45	
Total fiduciary investments	\$6,486,363	\$5,951,475			

- (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.

	2011			
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
Money market funds	\$5,537,006	\$5,537,006	AAA/Aaa	1.43
U.S. Treasury notes	71,186,135	71,213,594	N/A	18.89
Fannie Mae	147,494,645	148,760,645	AAA/Aaa	19.80
Federal obligations	183,207,665	183,466,870	AAA/Aaa	23.56
	\$407,425,451	\$408,978,115		

	2010			
	Fair Value/ Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity (2)
Money market funds	\$11,688,006	\$11,688,006	AAA/Aaa	1.41
U.S. Treasury notes	40,684,542	40,657,344	N/A	18.17
U.S. Treasury bonds	15,038,280	14,564,062	N/A	0.83
Fannie Mae	42,425,000	43,116,250	AAA/Aaa	17.83
Federal obligations	153,607,785	154,142,080	AAA/Aaa	13.13
Certificate of deposit	2,000,000	2,000,000	N/A	3.83
	\$265,443,613	\$266,167,742		

- (4) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. COTPA Retirement has \$1,113,953 and \$843,503 invested in international mutual funds at June 30, 2011 and 2010, respectively.

Department Investment Policies

Investment Policies for the Department are maintained by the City Treasurer. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Authority funds may be invested in: (1) direct obligations of the U. S. government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; (2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of 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) State and Local Government Series (SLGS); and (7) City direct debt obligations for which an ad valorem tax may be levied or bonds issued by a public trust of which the City is a beneficiary and judgments rendered against the City by a court of record, provided it is a prudent investment.

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

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	Maximum % (2)		Maximum % (4)
Repurchase agreements	100%	0-1 year	100%
U.S. Treasury securities (3)	100	1-3 years	90
Certificates of deposit	50	3-5 years	90
Money market funds	100		
Savings account	100		
U.S. non-callable agencies securities	100		
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 with the exception of the U.S. government. Policy further prohibits investment of more than 20% in any one market sector. Fixed income securities must be rated at least A. Commercial paper must be rated A1, P1. Repurchase agreements must be collateralized by U.S. government/agency assets.

Asset allocation guidelines

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Domestic equities	30%	60%	65%	65%	60%
International	5	10	15	14	13
Fixed income	30	30	65	22	27

Cash may not exceed 5% of the equities portfolio. The fixed income portfolio may be invested 100% in securities maturing in 30 years or less.

Securities Held by Others

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities in the possession of an outside party. 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 \$6,343,719 and \$4,671,714 in common stock or stock funds at June 30, 2011 and 2010, 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>2011</u>	<u>2010</u>
Bond principal and interest accounts	\$1,991,075	\$1,951,950
Construction accounts	-	101,247
Bond reserve accounts	<u>2,533,119</u>	<u>2,531,400</u>
	<u>\$4,524,194</u>	<u>\$4,584,597</u>

II. A. 2. ACCOUNTS RECEIVABLE AND UNCOLLECTIBLE AMOUNTS

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

	<u>2011</u>			<u>2010</u>
	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>	<u>Total</u>
Accounts receivable	\$89,043	\$101,408	\$190,451	\$243,131
Less: Allowance for uncollectible accounts	-	(16,855)	(16,855)	(9,088)
Net accounts receivable	<u>\$89,043</u>	<u>\$84,553</u>	<u>\$173,596</u>	<u>\$234,043</u>
Affect on revenues for change in uncollectibles	<u>\$-</u>	<u>(\$7,767)</u>	<u>(\$7,767)</u>	<u>\$69,597</u>

II. A. 3. INVENTORIES

	<u>2011</u>	<u>2010</u>
Diesel fuel, gasoline and oil	\$60,241	\$55,986
Vehicle parts and supplies	<u>718,941</u>	<u>705,615</u>
	<u>\$779,182</u>	<u>\$761,601</u>

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II. A. 4. CAPITAL ASSETS

Changes in Capital Assets

							2011	
		Construction					Total	
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>		<u>Land</u>	<u>In Progress</u>				<u>Non-depreciable</u>	
Balance, June 30, 2010		\$4,609,827	\$1,513,193				\$6,123,020	
Increases		-	1,916,619				1,916,619	
Decreases		-	(1,654,918)				(1,654,918)	
Total capital assets, not depreciated		<u>\$4,609,827</u>	<u>\$1,774,894</u>				<u>6,384,721</u>	
		Improvements	Buses,	Parking	Other			
		Other Than	Automobiles,	Garages and	Furniture,			
<u>CAPITAL ASSETS, DEPRECIATED</u>		<u>Buildings</u>	<u>and Boats</u>	<u>Surface Lots</u>	<u>and Equipment</u>	<u>Total</u>		
		<u>Buildings</u>	<u>and Boats</u>	<u>Surface Lots</u>	<u>and Equipment</u>	<u>Depreciable</u>		
Balance, June 30, 2010		\$12,755,917	\$7,819,191	\$20,702,728	\$25,989,230	\$5,572,038	\$72,839,104	
Increases		1,797,280	45,337	1,486,906	132,627	147,215	3,609,365	
Decreases		-	(11,388)	(621,280)	-	(443,873)	(1,076,541)	
Balance, June 30, 2011		<u>14,553,197</u>	<u>7,853,140</u>	<u>21,568,354</u>	<u>26,121,857</u>	<u>5,275,380</u>	<u>75,371,928</u>	
<u>ACCUMULATED DEPRECIATION</u>								
Balance, June 30, 2010		3,481,741	4,081,957	12,099,016	15,083,499	3,521,507	38,267,720	
Increases		292,333	273,409	1,724,062	472,705	414,396	3,176,905	
Decreases		-	(1,483)	(385,033)	-	(371,156)	(757,672)	
Balance, June 30, 2011		<u>3,774,074</u>	<u>4,353,883</u>	<u>13,438,045</u>	<u>15,556,204</u>	<u>3,564,747</u>	<u>40,686,953</u>	
Total capital assets, depreciated		<u>\$10,779,123</u>	<u>\$3,499,257</u>	<u>\$8,130,309</u>	<u>\$10,565,653</u>	<u>\$1,710,633</u>	<u>34,684,975</u>	
Total Department capital assets, net							<u>\$41,069,696</u>	

							2010	
		Construction					Total	
<u>CAPITAL ASSETS, NOT DEPRECIATED</u>		<u>Land</u>	<u>In Progress</u>				<u>Non-depreciable</u>	
Balance, June 30, 2009		\$4,726,447	\$3,066,231				\$7,792,678	
Increases		-	3,933,603				3,933,603	
Decreases		(116,620)	(5,486,641)				(5,603,261)	
Total capital assets, not depreciated		<u>\$4,609,827</u>	<u>\$1,513,193</u>				<u>6,123,020</u>	
		Improvements	Buses,	Parking	Other			
		Other Than	Automobiles,	Garages and	Furniture,			
<u>CAPITAL ASSETS, DEPRECIATED</u>		<u>Buildings</u>	<u>and Boats</u>	<u>Surface Lots</u>	<u>and Equipment</u>	<u>Total</u>		
		<u>Buildings</u>	<u>and Boats</u>	<u>Surface Lots</u>	<u>and Equipment</u>	<u>Depreciable</u>		
Balance, June 30, 2009		\$11,857,829	\$6,186,046	\$26,177,028	\$69,018,077	\$5,571,363	\$118,810,343	
Increases		898,088	1,633,145	735,361	81,231	346,394	3,694,219	
Decreases		-	-	(6,209,661)	(43,110,078)	(345,719)	(49,665,458)	
Balance, June 30, 2010		<u>12,755,917</u>	<u>7,819,191</u>	<u>20,702,728</u>	<u>25,989,230</u>	<u>5,572,038</u>	<u>72,839,104</u>	
<u>ACCUMULATED DEPRECIATION</u>								
Balance, June 30, 2009		3,248,935	3,857,013	16,186,719	25,506,295	3,409,909	52,208,871	
Increases		232,806	224,944	1,935,451	670,906	457,317	3,521,424	
Decreases		-	-	(6,023,154)	(11,093,702)	(345,719)	(17,462,575)	
Balance, June 30, 2010		<u>3,481,741</u>	<u>4,081,957</u>	<u>12,099,016</u>	<u>15,083,499</u>	<u>3,521,507</u>	<u>38,267,720</u>	
Total capital assets, depreciated		<u>\$9,274,176</u>	<u>\$3,737,234</u>	<u>\$8,603,712</u>	<u>\$10,905,731</u>	<u>\$2,050,531</u>	<u>34,571,384</u>	
Total department capital assets, net							<u>\$40,694,404</u>	

Depreciation Expense

	<u>2011</u>	<u>2010</u>
Transportation	\$2,396,727	\$2,563,368
River Cruises	224,714	199,086
Parking	555,464	758,970
	<u>\$3,176,905</u>	<u>\$3,521,424</u>

II. B. LIABILITIES

II. B. 1. DEFERRED REVENUES

In July and August 2007, the Authority and the 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 (OTRS), which covered the three OTRS watercraft placed into service by the Authority, and is effective for an initial term of 15 years (commencing October 1, 2007). Devon has the option to extend this agreement for one additional 5-year renewal period. In addition, Devon was granted the right of first refusal for naming rights to any additional watercraft placed into service by the Authority. The payment amount, set forth in the agreement, was received from Devon by the OCRRA in a lump sum and transferred to the Authority to finance needed system acquisitions.

Should the Authority Trustees or OCRRA Trustees elect to terminate operation of the ORTS system prior to the expiration of the initial term of the agreement (September 30, 2022), the Authority shall reimburse Devon \$133,000 per year for each year of the initial term remaining after termination. The unearned portion of the payment received for the naming rights of \$1,501,250 at June 30, 2011 and \$1,634,250 at June 30, 2010 is reported with deferred revenue.

II. B. 2. 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, 2010 if a liability exists. At June 30, 2011 and 2010 there was no contingent rebatable arbitrage liability that needed to be recorded.

II. B. 3. COMPENSATED ABSENCES

Compensated absences balances changed from 2010 to 2011 by accruals of \$472,605 and usages of \$466,386 compared to changes in accruals of \$598,384 and usages of \$483,705 from 2009 to 2010.

II. B. 4. REVENUE BONDS

Parking Revenue Bonds

The Authority issued bonds for financing the construction of parking facilities and for refinancing outstanding bond issues. The bonds are collateralized principally by the net revenues of certain parking facilities owned or operated by the Authority and revenues pledged by Oklahoma City Water Utilities Trust (OCWUT) under an Agreement of Support (Agreement).

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Concurrent with the issuance of bonds, the Authority and the OCWUT, formerly known as the Oklahoma City Municipal Improvement Authority (OCMIA), entered into an Agreement. The Agreement provides for financial support of the Department's parking system from the monthly net revenues of the water and wastewater systems of the City. OCWUT is required to replenish the Authority's bond reserve account if the balance in such account remains below the minimum required amount for a period of eleven months. OCWUT is further required to maintain or revise its schedule of rates and charges for services at or to a level sufficient to provide adequate net revenues to ensure that such support is available.

A similar agreement was entered into with OCWUT when the Series 2003 revenue bonds and 2006 refunding bonds were issued.

On November 12, 2003, the Authority issued \$26,715,000 in parking system revenue bonds (Series 2003) with an average interest rate (coupon) of 4.6%. Total proceeds of \$26,865,418 included a premium of \$150,418. Underwriting and other issuance costs totaled \$437,185. The proceeds of the bonds were used to (1) provide funds to finance the design and construction of the City Center (formerly Galleria) Parking Garage Expansion Project which is owned and operated by the Authority, (2) provide funds to reimburse the Authority for monies previously expended to finance the Project, (3) fund the Series 2003 Bond Reserve Fund, and (4) pay the issuance costs of the 2003 Bonds.

The Series 2003 Revenue Bonds mature on July 1, 2006 through 2028. Interest payments are payable on January 1 and July 1 beginning July 1, 2004. The Series 2003 Bonds with stated maturities on and after July 1, 2014, are subject to early redemption on July 1, 2013, in whole or in part at the option of the Authority at par value plus accrued interest to date of redemption. Series 2003 Bonds were fully defeased in October 2009.

On August 18, 2005, the Authority sold Revenue Refunding Bonds, Series 2006 for \$24,835,000 of forward delivery refunding bonds with an average interest rate (coupon) of 5.1%. Total proceeds included a premium of \$1,727,204. Underwriting fees, insurance premiums, and other issuance costs were \$384,301. The bonds were delivered on April 5, 2006 to refund the Parking System Revenue and Refunding Bonds, Series 1996 with an average interest rate of 5.3%. Net proceeds of \$27,401,722 and \$1,495,412 excess bond reserve funds were used to purchase U.S. government securities deposited in an irrevocable trust with an escrow agent. Remaining proceeds of \$271,643 were deposited in a construction fund. Total remaining debt service on the refunded bonds was paid on July 3, 2006, from the irrevocable trust. The Authority refunded the 1996 bonds with this forward transaction to capture benefits from recent declines in interest rates. The Authority realized approximate economic gain of \$1,300,000 and debt service cash flow benefit between the new and old bonds of \$3,900,000.

The Series 2006 Revenue Refunding Bonds mature on July 1, 2007 through 2016. Interest payments are payable on January 1 and July 1 beginning January 1, 2007. The Series 2006 Bonds are not subject to optional redemption. Series 2006 Bonds outstanding at June 30, 2011 and 2010, are \$10,775,000 and \$12,410,000 respectively. In October 2009, \$6,895,000 of Series 2006 Bonds were defeased.

Bonded Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$1,715,000	\$509,275	\$2,224,275
2013	1,805,000	421,275	2,226,275
2014	1,895,000	328,775	2,223,775
2015	2,000,000	228,900	2,228,900
2016	1,755,000	130,331	1,885,331
2017	1,605,000	42,131	1,647,131
	<u>\$10,775,000</u>	<u>\$1,660,687</u>	<u>\$12,435,687</u>

Revenue Bonds Outstanding

	Amount	Interest	Issue	Principal	<u>2011</u>	<u>2010</u>
<u>Authority Parking System Revenue Bonds</u>	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Principal Balance</u>	<u>Principal Balance</u>
Series 2006	\$24,835,000	5.00-5.25	4/5/2006	7/1/2016	\$10,775,000	\$12,410,000

Bond Defeasance

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

Related to the sale of the City Center West Parking Garage to Devon Energy Corporation was the vacation and subsequent demolition of the Scissor Parking Facility which resulted in a partial defeasement of the Series 2006 Bonds in the amount of \$6,895,000 at a cost of \$7,637,097. The Authority defeased the Series 2006 Bonds with \$1,057,210 of the net proceeds from the sales of the 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 to date from OCEDT for reimbursement of the total capital outlay expended to date to make the parking garages ready for sale.

Loss on Defeasance of Revenue Bonds

	Series 2003	Series 2006	Total
	<u>Bonds</u>	<u>Bonds</u>	
Cost to defease bonds	(\$26,363,768)	(\$7,637,097)	(\$34,000,865)
Bonds payable at par value as of defeasement date	23,635,000	6,895,000	30,530,000
Unamortized amount of debt issue costs, bond premiums and deferred refunding costs	(177,161)	76,394	(100,767)
Bond interest payable as of defeasement date	287,996	94,898	382,894
Legal and professional fees	(139,001)	(40,355)	(179,356)
	<u>(\$2,756,934)</u>	<u>(\$611,160)</u>	<u>(\$3,368,094)</u>

Outstanding Defeased Bonds

	Original Amount	Outstanding Balance	
		<u>2011</u>	<u>2010</u>
Authority Parking System Revenue Bonds, Series 2003	\$23,635,000	\$22,810,000	\$23,635,000
Authority Parking System Revenue Refunding Bonds, Series 2006	6,895,000	4,915,000	5,655,000

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Bond Coverage

	<u>2011</u>	<u>2010</u>
Gross revenue, including non-operating investment income	\$6,155,070	\$7,143,494
Direct operating expenses, excluding depreciation, and transfers to Parking Enterprise Fund	<u>3,013,505</u>	<u>2,954,413</u>
Net revenue available for debt service	<u>\$3,141,565</u>	<u>\$4,189,081</u>
Principal amounts	\$1,635,000	\$2,420,800
Interest amounts	<u>593,025</u>	<u>1,416,725</u>
Total debt service requirements	<u>\$2,228,025</u>	<u>\$3,837,525</u>
Revenue bond coverage	<u>1.41</u>	<u>1.09</u>

The bond indentures require the payment of principal and interest before any other expenditures may be made. In addition, depreciation and amortization expenses are excluded from the direct operating expenses as they do not affect funds available for debt service. The revenue bonds are secured principally by net revenues of certain parking facilities owned or operated by the Authority and from amounts that could be received, if needed, from the OCWUT under the Agreement. No consideration of OCWUT revenues has been included in the above calculation. The required revenue bond coverage is 1.0.

II. B. 5. 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 \$5,738,440 and \$6,747,964 in parking revenues in 2011 and 2010, respectively.

II. B. 6. CHANGES IN LONG-TERM LIABILITIES

	<u>2011</u>						
	Balance				Balance	Due	Due
	July 1, <u>2010</u>	<u>Issued</u>	<u>Retired</u>	June 30, <u>2011</u>	<u>Within</u> <u>One Year</u>	<u>After</u> <u>One Year</u>	
<u>PAYABLE TO OCWUT</u>							
Parking	\$1,333,750	\$2,932	\$121,250	\$1,215,432	\$124,182	\$1,091,250	
<u>COMPENSATED ABSENCES</u>							
Transportation	764,146	438,524	435,071	767,599	248,211	519,388	
Parking	67,332	34,081	31,315	70,098	25,707	44,391	
<u>REVENUE BONDS</u>							
Parking	12,410,000	-	1,635,000	10,775,000	1,715,000	9,060,000	
<u>NET OPEB OBLIGATION</u>							
Transportation	295,058	233,922	116,454	412,526	-	412,526	
Parking	<u>41,332</u>	<u>33,279</u>	<u>18,611</u>	<u>56,000</u>	-	<u>56,000</u>	
Total Department	<u>\$14,911,618</u>	<u>\$742,738</u>	<u>\$2,357,701</u>	<u>\$13,296,655</u>	<u>\$2,113,100</u>	<u>\$11,183,555</u>	

(continued)

II. B. 6. CHANGES IN LONG-TERM LIABILITIES (continued)

	2010					
	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010	Due Within One Year	Due After One Year
<u>PAYABLE TO OCWUT</u>						
Parking	\$1,455,000	\$ -	\$121,250	\$1,333,750	\$121,250	\$1,212,500
<u>COMPENSATED ABSENCES</u>						
Transportation	673,359	546,300	455,513	764,146	263,165	500,981
Parking	43,440	52,084	28,192	67,332	22,439	44,893
<u>REVENUE BONDS</u>						
Parking	46,160,000	-	33,750,000	12,410,000	1,635,000	10,775,000
<u>NET OPEB OBLIGATION</u>						
Transportation	177,886	219,090	101,918	295,058	-	295,058
Parking	25,946	31,498	16,112	41,332	-	41,332
Total Department	<u>\$48,535,631</u>	<u>\$848,972</u>	<u>\$34,472,985</u>	<u>\$14,911,618</u>	<u>\$2,041,854</u>	<u>\$12,869,764</u>

II. C. INTERFUND BALANCES

Payable/Due Within the Department

	2011					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
Authority Transportation Fund	\$ -	\$ -	\$ -	\$100,000	\$ -	\$100,000
Authority Parking Fund	<u>16,382</u>	-	-	-	-	<u>16,382</u>
	<u>\$16,382</u>	<u>\$-</u>	<u>\$-</u>	<u>\$100,000</u>	<u>\$-</u>	<u>\$116,382</u>
PAYABLE/DUE TO						
Authority Transportation Fund	\$ -	\$ -	\$16,382	\$ -	\$ -	\$16,382
Transportation City						
Enterprise Fund	<u>100,000</u>	-	-	-	-	<u>100,000</u>
	<u>\$100,000</u>	<u>\$-</u>	<u>\$16,382</u>	<u>\$-</u>	<u>\$-</u>	<u>\$116,382</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
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Payable/Due Within the Department (continued)

	2010					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
Authority Transportation Fund	\$ -	\$143,105	\$ -	\$25,000	\$ -	\$168,105
Authority Parking Fund	9,708	164	-	-	-	9,872
	<u>\$9,708</u>	<u>\$143,269</u>	<u>\$-</u>	<u>\$25,000</u>	<u>\$-</u>	<u>\$177,977</u>
PAYABLE/DUE TO						
Authority Transportation Fund	\$ -	\$ -	\$9,708	\$ -	\$ -	\$9,708
Authority River Cruises Fund	143,105	-	164	-	-	143,269
Transportation City						
Enterprise Fund	25,000	-	-	-	-	25,000
	<u>\$168,105</u>	<u>\$-</u>	<u>\$9,872</u>	<u>\$-</u>	<u>\$-</u>	<u>\$177,977</u>

Payable/Due Within the City

	2011					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
RECEIVABLE/ DUE FROM						
City General Fund	<u>\$2,900</u>	<u>\$53</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,953</u>
PAYABLE/DUE TO						
City General Fund	\$13,288	\$ -	\$11,274	\$25,864	\$3,844	\$54,270
City Print Shop Fund	1,600	427	16	-	27	2,070
City Fleet Services Fund	3	53	503	-	166	725
OCPPA General Purpose Fund	575	-	1,713	-	-	2,288
OCWUT	2,932	-	121,250	-	-	124,182
	<u>\$18,398</u>	<u>\$480</u>	<u>\$134,756</u>	<u>\$25,864</u>	<u>\$4,037</u>	<u>\$183,535</u>
ADVANCE FROM						
OCWUT	<u>\$-</u>	<u>\$-</u>	<u>\$1,091,250</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,091,250</u>

(continued)

Payable/Due Within the City (continued)

	2010					<u>Total</u>
	Authority			Enterprise		
	<u>Transportation</u>	River <u>Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
RECEIVABLE/						
 DUE FROM						
City General Fund	\$846,585	\$ -	\$ -	\$ -	\$ -	\$846,585
City General Obligation Fund	153,414	-	-	-	-	153,414
OCEDT	<u>-</u>	<u>-</u>	<u>400,004</u>	<u>-</u>	<u>-</u>	<u>400,004</u>
	<u>\$999,999</u>	<u>\$-</u>	<u>\$400,004</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,400,003</u>
PAYABLE/DUE TO						
City General Fund	\$ -	\$ -	\$16,148	\$2,197	\$555	\$18,900
City Print Shop Fund	580	-	4	-	4	588
City Fleet Services Fund	-	-	-	-	167	167
OCPPA General Purpose Fund	-	-	2,954	-	-	2,954
OCWUT	<u>-</u>	<u>-</u>	<u>121,250</u>	<u>-</u>	<u>-</u>	<u>121,250</u>
	<u>\$580</u>	<u>\$-</u>	<u>\$140,356</u>	<u>\$2,197</u>	<u>\$726</u>	<u>\$143,859</u>
ADVANCE FROM						
OCWUT	<u>\$-</u>	<u>\$-</u>	<u>\$1,212,500</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,212,500</u>

Advance From City Funds
OCWUT

On June 29, 1988, OCWUT loaned the Authority \$2,425,000 (including issuance costs) pursuant to the Agreement. In early fiscal year 2002, OCWUT and the Authority negotiated a repayment agreement. This agreement requires the Authority to repay the loan, without interest, over a period of 20 years beginning in fiscal year 2002. Debt service requirements are \$121,250 annually, which is the current portion of the advance due. The non-current amount payable to OCWUT at June 30, 2011 and 2010 was \$1,091,250 and \$1,212,500 respectively.

III. NET ASSETS

Invested in Capital Assets, Net of Related Debt

	<u>2011</u>	<u>2010</u>
Capital assets, net	\$41,069,696	\$40,694,404
Retainages and capital related accounts payable	(472,825)	(132,805)
Bonds payable, net	(10,922,688)	(12,617,421)
Bond accounts funded with bond proceeds	2,531,400	2,632,647
Bond issuance costs paid with bond proceeds	<u>384,301</u>	<u>384,301</u>
	<u>\$32,589,884</u>	<u>\$30,961,126</u>

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Restricted for Capital Projects

	<u>2011</u>	<u>2010</u>
Bond construction account	\$ -	\$101,247
Bond construction account funded with bond proceeds	-	(101,247)
Interest receivable on construction accounts	-	<u>1</u>
	<u>\$-</u>	<u>\$1</u>

Restricted for Debt Service

	<u>2011</u>	<u>2010</u>
Bond principal and interest accounts	\$1,991,075	\$1,951,950
Bond reserve	2,533,119	2,531,400
Bond reserve funded with bond proceeds	(2,531,400)	(2,531,400)
Interest receivable on bond investments	37	35
Current bond interest payable	<u>(276,075)</u>	<u>(316,950)</u>
	<u>\$1,716,756</u>	<u>\$1,635,035</u>

Unrestricted

	<u>2011</u>	<u>2010</u>
Unrestricted	<u>\$11,708,458</u>	<u>\$11,545,526</u>

IV. 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, 2011, 56,768 square feet of garage retail space was leased and approximately 5,000 square feet of unimproved space was available to lease. In addition, the Transportation Division of the Authority leases out 7,000 square feet of office space. These leases are non-cancelable operating leases.

Minimum Rentals on Non-Cancelable Leases

2012	\$331,190
2013	125,973
2014	78,513
2015	68,024
2016	16,700
2017 - 2021	<u>92,100</u>
	<u>\$712,500</u>
Rental income	<u>\$421,591</u>

IV. B. INTERFUND PAYMENTS/TRANSFERS

Payments/Transfers Within the Department

	2011					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
TO						
AUTHORITY						
Transportation	\$ -	\$ -	\$20,910	\$ -	\$ -	\$20,910
River Cruises	58,917	-	-	-	-	58,917
ENTERPRISE						
Transportation	3,511,088	76,192	-	-	-	3,587,280
Parking	-	-	405,221	-	-	405,221
	<u>\$3,570,005</u>	<u>\$76,192</u>	<u>\$426,131</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,072,328</u>

	2010					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
TO						
AUTHORITY						
River Cruises	\$700,880	\$ -	\$ -	\$ -	\$ -	\$700,880
ENTERPRISE						
Transportation	1,753,662	72,403	-	-	-	1,826,065
Parking	-	-	116,112	-	-	116,112
	<u>\$2,454,542</u>	<u>\$72,403</u>	<u>\$116,112</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,643,057</u>

Payments/Transfers Within the City

	2011					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
FROM						
City General Fund	\$8,900,612	\$700,000	\$ -	\$ -	\$196,878	\$9,797,490
City Capital Improvement Fund	310,904	-	-	-	-	310,904
City Stormwater Drainage Fund	-	5,539	-	-	-	5,539
	<u>\$9,211,516</u>	<u>\$705,539</u>	<u>\$-</u>	<u>\$-</u>	<u>\$196,878</u>	<u>\$10,113,933</u>

(continued)

Payments/Transfers Within the City (continued)

	2010					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
FROM						
City General Fund	\$10,379,569	\$700,000	\$ -	\$ -	\$190,269	\$11,269,838
City Capital Improvement Fund	134,031	-	-	-	-	134,031
City Stormwater Drainage Fund	-	44,238	-	-	-	44,238
OCRRA (1)	-	50,000	-	-	-	50,000
OCEDT (2)	-	-	8,225,550	-	-	8,225,550
	<u>\$10,513,600</u>	<u>\$794,238</u>	<u>\$8,225,550</u>	<u>\$-</u>	<u>\$190,269</u>	<u>\$19,723,657</u>

(1) OCRRA paid \$50,000 in 2010 for its share of marketing costs relating to promoting the river cruises.

(2) Included as a component of special item. See Note IV. C. for additional information.

Dependency on the City

During fiscal year 2011 and 2010 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 \$9,600,612 and \$11,079,569 for June 30, 2011 and 2010, respectively.

Administrative Chargebacks

City employees external to the Department perform some administrative functions which are reimbursed through administrative chargebacks recorded with operating expenses of the Authority and Enterprise Funds. In fiscal year 2011 and 2010 the Authority Funds paid \$1,603,733 and \$1,516,444 and the Enterprise Funds paid \$462,955 and \$464,764, respectively, for these services. The Authority reimbursed the Enterprise Funds for it's share of the costs through payments within the Department.

OPEB Subsidy

For the 2011 and 2010 fiscal years, the City General Fund contributed \$109,474 and \$94,774 to the Oklahoma City Post-Employment Benefit Trust (OCPEBT) on behalf of the Department which will be used to pre-fund medical benefits to be provided in future fiscal years.

IV. C. SPECIAL ITEM

A special item has been reported in 2010 related to the sales and abandonment of parking garages and resulting defeasance of bonds.

Loss on Sales and Abandonment of Parking Garages

Proceeds from the sale of the City Center East and West Parking Garages	\$25,614,275
Cost of the City Center East and West Parking Garages, net of accumulated depreciation	(24,773,801)
Cost of abandoned Scissor Parking Facility, net of accumulated depreciation	(7,359,431)
Cost of additional capital outlay required to make the parking garages ready for sale	<u>(3,865,550)</u>
	<u>(10,384,507)</u>

Loss on Defeasance of Revenue Bonds

(3,368,094)

Contributions Received

Oklahoma City Urban Renewal Authority	2,000,000
OCEDT (includes reimbursement of \$3,865,550 for capital outlay to make garages ready for sale)	<u>8,225,550</u>
	<u>10,225,550</u>
	<u>(\$3,527,051)</u>

V. DEFINED BENEFIT PENSION PLANS

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

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

V. A. 1. PLAN DESCRIPTION

The OCERS is the administrator of a single employer defined benefit local government retirement plan for the City of Oklahoma City. Plan amendments and benefit provisions are established and amended by City Council action. Unless otherwise indicated, the information in this note is provided as of the latest actuarial valuation, December 31, 2010. 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
Employer	
Employer	6.77% of covered payroll
Plan members	6.0% 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 to begin at age 65 (60 with 10 years if Pre 3/67 hire)

Funding Policy

Contribution requirements are actuarially determined and established by City Council ordinance. The employer contributes 6.77% of covered payroll and the employee contributes 6.0% of covered payroll. Administrative costs are funded with investment earnings.

Benefit Provisions

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

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

Cost of Living Adjustments

Retirement pension may be adjusted annually for changes in the Consumer Price Index. The maximum adjustment is 4% compounded annually.

Membership

	<u>2011</u>	<u>2010</u>
Active employees - nonvested	692	763
Active employees - vested	1,612	1,617
Retirees and beneficiaries currently receiving benefits	1,283	1,218
Terminated plan members entitled to but not yet receiving benefits	81	73
	<u>3,668</u>	<u>3,671</u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	12/31/10
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period	25 years, closed
Actuarial asset valuation method	4-year smoothed market
 Actuarial Assumptions	
Investment rate of return	8%
Cost of living benefit increases (maximum)	4%
Inflation	4.5%
Projected salary increases	4.5% to 8.3%
Mortality table	1994 group annuity table set forward 1 year for women and 3 years for men

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 used techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

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

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

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

Annual Pension Cost and Trend Information

Fiscal <u>Year</u>	Annual Pension <u>Cost</u>	Percentage <u>Contributed</u>	Net Pension <u>Obligation (NPO)</u>
2011	\$7,132,772	100%	\$ -
2010	5,585,595	100	-
2009	5,464,178	100	-

Reserves

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

V. A. 3. FUNDING STATUS AND FUNDING PROGRESS

Actuarial value of plan assets (AVA)	\$524,731,000
Actuarial accrued liability (AAL)	566,834,000
Unfunded actuarial accrued liability (UAAL)	42,103,000
Funded ratio (AVA/AAL)	93%
Covered payroll (active Plan members)	102,915,000
UAAL as a percentage of covered payroll	40.9%

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. OCERS financial statements may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

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

V. B. 1. PLAN DESCRIPTION

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

Actuarial valuations are performed annually.

Funding Policies, Contribution Methods and Benefit Provisions

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

Funding Policy

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

Benefit Provisions

Employees of the Authority are required to participate in the Plan after completion of six months of employment. The Authority employees who retire at or after the age of 65 with 10 years of credited service or upon 25 years of full time employment are entitled to receive monthly pension benefits equal to the sum of \$54.00 per month for each year of service from their date of hire, plus variable cost of living increases based on their date of retirement. An early retirement option with reduced benefits is available at age 62 with 10 years of credited service.

Membership

	<u>2011</u>	<u>2010</u>
Non-vested active members	102	101
Fully-vested active members	63	60
Retirees and beneficiaries currently receiving benefits	48	49
Terminated plan members entitled to but not yet receiving benefits	4	4
	<u>217</u>	<u>214</u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	7/1/11
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%
Mortality table	1983 group annuity mortality tables, scale 355 withdrawal rates

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

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

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

Annual Pension Cost and Net Pension Obligation

	<u>2011</u>	<u>2010</u>
Annual required contribution	\$413,569	\$419,181
Interest on net pension obligation	(14,459)	(10,748)
Adjustment to annual required contribution	<u>13,791</u>	<u>11,564</u>
Annual pension cost	412,901	419,997
Contributions made	<u>(465,859)</u>	<u>(471,252)</u>
Increase (decrease) in net pension obligation	(52,958)	(51,255)
Net pension obligation (asset), beginning of year	<u>(204,792)</u>	<u>(153,537)</u>
Net pension obligation (asset), end of year	<u>(\$257,750)</u>	<u>(\$204,792)</u>

Trend Information

Fiscal <u>Year</u>	Annual Pension <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual Pension <u>Cost Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2011	\$412,901	\$465,859	113%	(\$257,750)
2010	419,997	471,252	112	(204,792)
2009	385,660	327,363	85	153,537

Reserves

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

V. B. 3. FUNDING STATUS AND FUNDING PROGRESS

Actuarial Value of Plan Assets (AVA)	\$7,793,262
Actuarial Accrued Liability (AAL)	11,931,856
Unfunded Actuarial Accrued Liability (UAAL)	4,138,594
Funded Ratio (AVA/AAL)	65%
Covered Payroll (Active Plan Members)	7,595,000
UAAL as a Percentage of Covered Payroll	54.5%

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

VI. 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 109 and 108 participants for 2011 and 2010, 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 30 participants at June 30, 2011 and 27 participants at June 30, 2010. For fiscal year 2011 and 2010 actual contributions by plan participants were \$29,916 and \$27,359, respectively. The Authority contributed \$14,319 and \$12,902 for June 30, 2011 and 2010, respectively.

VII. OPEB

VII. A. CITY OPEB

VII. 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	66% of premium
Plan members	34% of premium
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Police officers are eligible for benefits under the Plan if they retire from the City with 20 years of service. Firefighters retiring before January 1, 2003 are eligible for membership. Participation may only be elected at the time of retirement.

Funding Policy

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning January 1, 2011, the employer contribution rate changed from 68% of premium to 66% 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>2011</u>	<u>2010</u>
Active members	3,182	3,188
Retirees and beneficiaries currently receiving benefits	2,183	2,337
	<u>5,365</u>	<u>5,525</u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	7/1/10
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
Projected salary increases	3%
Health care trend rate	4.5% (5.0% for Medicare age)
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA

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

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

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

Annual OPEB Costs and Net OPEB Obligation

	2011		2010	
	Enterprise Funds	Total	Enterprise Funds	Total
Annual required contribution	\$196,627	\$39,559,528	\$182,104	\$35,614,202
Interest on net OPEB obligation	12,959	2,769,469	8,799	1,966,649
Adjustment to annual				
Required contribution	(11,896)	(2,542,363)	(8,077)	(1,805,377)
Annual OPEB cost	197,690	39,786,634	182,826	35,775,474
Contributions made	(109,474)	(18,746,938)	(94,775)	(19,424,748)
Increase in net OPEB obligation	88,216	21,039,696	88,051	16,350,726
Net OPEB obligation,				
beginning of year	243,508	56,404,670	155,457	40,053,944
end of year	<u>\$331,724</u>	<u>\$77,444,366</u>	<u>\$243,508</u>	<u>\$56,404,670</u>

Trend Information

Fiscal year 2008 was the first year for which the City had an actuarial valuation performed to determine the projected liabilities of the plan as of that date as well as the employer’s annual required contribution (ARC).

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$39,786,634	\$18,746,938	47.1%	\$77,444,366
2010	35,775,474	19,424,748	54.3	56,404,670
2009	47,644,577	18,688,224	39.2	40,053,944

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.

VII. A. 3. FUNDED STATUS AND FUNDING PROGRESS

Actuarial Value of Plan Assets (AVA)	\$11,565,753
Actuarial Accrued Liability (AAL)	517,681,810
Unfunded Actuarial Accrued Liability (UAAL)	506,116,057
Funded Ratio (AVA/AAL)	2%
Covered Payroll (Active Plan Members)	175,293,051
UAAL as a Percentage of Covered Payroll	288.7%

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.

VII. B. AUTHORITY OPEB

VII. 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 the Authority 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>2011</u>	<u>2010</u>
Active employees - nonvested	102	101
Active employees - vested	63	60
	<u>165</u>	<u>161</u>

Annual Required Contributions - Actuarial Assumptions

Valuation date	7/1/10
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%
Projected salary increases	None
Health care trend rate	9%
Mortality table	1983 group annuity mortality table for males

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

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

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

Annual OPEB Costs and Net OPEB Obligation

	<u>2011</u>	<u>2010</u>
Annual required contribution	\$71,136	\$68,563
Interest on net OPEB obligation	3,715	1,935
Adjustment to annual required contribution	<u>(5,340)</u>	<u>(2,735)</u>
Annual OPEB cost	69,511	67,763
Contributions made	<u>(25,591)</u>	<u>(23,256)</u>
Increase in net OPEB obligation	43,920	44,507
Net OPEB obligation, beginning of year	<u>92,882</u>	<u>48,375</u>
Net OPEB obligation, end of year	<u>\$136,802</u>	<u>\$92,882</u>

Trend Information

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2011	\$69,511	\$25,591	36.8%	\$136,802
2010	67,763	23,256	34.3	92,882
2009	65,880	17,505	26.6	48,375

Reserves

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

VII. B. 3. FUNDED STATUS AND FUNDING PROGRESS

Actuarial Value of Plan Assets (AVA)	\$ -
Actuarial Accrued Liability (AAL)	\$629,842
Unfunded Actuarial Accrued Liability (UAAL)	\$629,842
Funded Ratio (AVA/AAL)	0%
Covered Payroll (Active Plan Members)	\$7,464,369
UAAL as a Percentage of Covered Payroll	8.4%

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. COTPA OPEB does not issue a stand-alone report.

VIII. COMMITMENTS

Contract Commitments

Parking Facilities

The Authority entered into a contract with Republic Parking Systems, Inc., to provide management of parking facilities through June 30, 2009, with options for two one-year extensions. The renewal options were exercised to extend the contract through June 30, 2011. The amount of the contract is \$60,000 annually plus operating expenses and management incentive fees not to exceed \$45,000 annually.

Oklahoma River Cruises

On July 10, 2009, the Board of the Authority, by mutual agreement with Hornblower Marine Service (HMS), exercised their right to terminate the contract with HMS that was approved by the Board on September 7, 2007. Also, on July 10, 2009, the Board approved a new contract with HMS, retroactive to January 1, 2009. The new contract more accurately addressed the needs of the Authority and the responsibilities of HMS. The new contract provides for three one-year renewal options. On November 5, 2010, the Board approved a one-year renewal of the contract to December 31, 2011. Under the contract, HMS will receive 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. HMS will not receive a management fee for the months of January and February, as the vessels are dry docked.

Construction Commitments

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

	<u>2011</u>	<u>2010</u>
	Remaining Commitment	Remaining Commitment
Transportation	\$230,140	\$190,344
Parking	334,162	132,627
	<u>\$564,302</u>	<u>\$322,971</u>

IX. 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.

X. TERMINATION BENEFITS

At June 30, 2011 and 2010, the Authority had 0 and 1, respectively, terminated employees participating in COBRA health and/or dental care in various options available from the Authority. COBRA participants pay 102% of the employee premium cost for continuing coverage. COBRA continuation coverage benefits are available for eligible employees for 18 months. Employees on military leave are eligible for 24 months. Dependents of employees who lose coverage due to a qualifying event are eligible for 36 months. Benefits provided are not material to the financial statements.

XI. SUBSEQUENT EVENTS

On October 14, 2011 the board adopted a resolution authorizing the sale of the Broadway-Kerr parking garage to SandRidge Realty, LLC for the purchase price of approximately \$8,686,250. A specific closing date is yet to be determined. The resolution also included authorization of the redemption or defeasance of outstanding Parking System Revenue Refunding Bonds, Series 2006 and directing the use of the proceeds of such sale. The outstanding Series 2006 bonds payable at June 30, 2011 was \$10,775,000.

Required Supplementary Information

**REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION**

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

I. SCHEDULE OF FUNDING PROGRESS

Oklahoma City Employee Retirement System Trust

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$524,731,000	\$566,834,000	\$42,103,000	93%	\$102,915,000	41%
12/31/09	529,137,000	556,427,000	27,290,000	95	110,408,000	25
12/31/08	528,664,000	519,234,000	(9,430,000)	102	105,566,000	(9)
12/31/07	529,876,000	488,827,000	(41,049,000)	108	99,574,000	(41)
12/31/06	476,913,000	457,547,000	(19,366,000)	104	95,504,000	(20)
12/31/05	424,182,000	436,904,000	12,722,000	97	91,641,000	14

COTPA Employee Retirement Trust

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/11	\$7,793,262	\$11,931,856	\$4,138,594	65%	\$7,595,000	54%
7/1/10	7,088,605	11,687,203	4,598,598	61	7,150,000	64
7/1/09	6,589,076	11,368,905	4,779,829	58	7,464,000	64
7/1/08	6,158,202	10,728,353	4,570,151	57	6,700,000	68
7/1/07	6,566,848	9,565,549	2,998,701	69	7,900,000	38
7/1/06	5,463,554	9,076,770	3,613,216	60	5,400,000	67

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Oklahoma City Employee Retirement System Trust

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$7,132,772	100%
2010	5,585,595	100
2009	5,464,178	100
2008	7,211,608	100
2007	8,479,329	100
2006	7,837,510	100

COTPA Employee Retirement Trust

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$465,859	\$413,569	113%
2010	471,252	419,181	112
2009	416,086	385,660	108
2008	327,363	240,883	136
2007	341,016	291,987	117
2006	325,358	298,494	109

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

I. SCHEDULE OF FUNDING PROGRESS

City of Oklahoma City Post-Employment Benefits Trust

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/10	\$11,565,753	\$517,681,810	\$506,116,057	2%	\$175,293,051	289%
7/1/09	8,252,345	479,805,848	471,553,503	2	176,563,546	267
7/1/08	5,000,000	635,125,217	630,125,217	1	171,420,918	368

COTPA Other Post-employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/10	\$ -	\$629,842	\$629,842	0%	\$7,464,369	8%
7/1/09	-	629,842	629,842	0	7,464,369	8
7/1/08	-	629,842	629,842	0	7,464,369	8

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

City of Oklahoma City Post-Employment Benefits Trust

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$18,746,938	\$39,559,528	47%
2010	19,424,748	35,614,202	55
2009	18,688,224	47,826,483	39

COTPA Other Post-employment Benefits

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$25,591	\$71,136	36%
2010	23,256	68,563	34
2009	17,505	65,880	27

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Combining and Individual Fund Statements

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
ASSETS					
CURRENT ASSETS					
Non-pooled cash-----	\$6,196,154	\$862,957	\$1,110,461	\$8,169,572	\$4,307,931
Investments-----	-	-	9,563,764	9,563,764	10,073,651
Accounts receivable, net-----	89,043	-	84,553	173,596	234,043
Interest receivable-----	-	-	37	37	109
Payable/due from (to) within the Department-----	(83,618)	-	(16,382)	(100,000)	(25,000)
Receivable from component units-----	-	-	-	-	400,004
Receivable from primary government-----	2,900	53	-	2,953	999,999
Intergovernmental receivables-----	759,256	-	-	759,256	3,082,287
Inventories-----	777,356	1,826	-	779,182	761,601
Total current assets-----	7,741,091	864,836	10,742,433	19,348,360	19,834,625
NON-CURRENT ASSETS					
Investments-----	-	-	2,533,119	2,533,119	2,632,647
Deferred debt expense, net-----	-	-	67,615	67,615	94,962
Other-----	69,283	-	-	69,283	69,283
Net pension assets-----	257,750	-	-	257,750	204,792
Capital assets:	-	-	-	-	-
Land and construction in progress-----	3,185,485	-	3,199,236	6,384,721	6,123,020
Other capital assets, net of accumulated depreciation-----	18,578,166	4,865,413	11,218,841	34,662,420	34,542,631
Capital assets, net-----	21,763,651	4,865,413	14,418,077	41,047,141	40,665,651
Total non-current assets-----	22,090,684	4,865,413	17,018,811	43,974,908	43,667,335
Total assets-----	29,831,775	5,730,249	27,761,244	63,323,268	63,501,960
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable-----	864,854	173,725	718,738	1,757,317	1,901,945
Wages and benefits payable-----	417,564	-	-	417,564	371,920
Payable to primary government-----	18,398	480	134,756	153,634	140,936
Compensated absences-----	178,150	-	-	178,150	187,624
Deferred revenue-----	812	133,000	23,606	157,418	200,946
Bond interest payable-----	-	-	276,075	276,075	316,950
Bonds payable-----	-	-	1,715,000	1,715,000	1,635,000
Total current liabilities-----	1,479,778	307,205	2,868,175	4,655,158	4,755,321
NON-CURRENT LIABILITIES					
Compensated absences-----	283,513	-	-	283,513	277,547
Payable to primary government-----	-	-	1,091,250	1,091,250	1,212,500
Deferred revenue-----	-	1,368,250	-	1,368,250	1,501,250
Bonds payable:	-	-	-	-	-
Bonds payable-----	-	-	9,060,000	9,060,000	10,775,000
Unamortized bond premium-----	-	-	303,888	303,888	426,797
Deferred amount on refunding-----	-	-	(156,200)	(156,200)	(219,376)
Bonds payable, net-----	-	-	9,207,688	9,207,688	10,982,421
Net other post-employment benefit obligation-----	136,802	-	-	136,802	92,882
Total non-current liabilities-----	420,315	1,368,250	10,298,938	12,087,503	14,066,600
Total liabilities-----	1,900,093	1,675,455	13,167,113	16,742,661	18,821,921
NET ASSETS					
Invested in capital assets, net of related debt-----	21,643,824	4,827,007	6,096,498	32,567,329	30,932,373
Restricted for: Capital projects-----	-	-	-	-	1
Debt service-----	-	-	1,716,756	1,716,756	1,635,035
Unrestricted-----	6,287,858	(772,213)	6,780,877	12,296,522	12,112,630
Total net assets-----	\$27,931,682	\$4,054,794	\$14,594,131	\$46,580,607	\$44,680,039

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

For the Years Ended June 30,

	2011			2010	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
OPERATING REVENUES					
CHARGES FOR SERVICES					
Transportation charges-----	\$2,587,996	\$ -	\$ -	\$2,587,996	\$2,080,955
River cruise charges-----	-	209,439	-	209,439	140,960
Parking-----	-	-	5,738,440	5,738,440	6,747,964
Total charges for services-----	2,587,996	209,439	5,738,440	8,535,875	8,969,879
Lease and rental income-----	25,000	-	396,591	421,591	412,803
Other-----	204,774	55	3,585	208,414	151,750
Total operating revenues-----	2,817,770	209,494	6,138,616	9,165,880	9,534,432
OPERATING EXPENSES					
Personal services-----	11,330,882	-	-	11,330,882	11,449,275
Maintenance, operations, and contractual services-----	2,965,251	929,035	2,747,369	6,641,655	8,212,859
Materials and supplies-----	3,460,431	66,415	45,621	3,572,467	3,001,573
Depreciation-----	2,396,727	224,714	549,267	3,170,708	3,515,227
Total operating expenses-----	20,153,291	1,220,164	3,342,257	24,715,712	26,178,934
Payments/transfers within the Department-----	(3,549,095)	(17,275)	(426,131)	(3,992,501)	(1,942,177)
Operating income (loss)-----	(20,884,616)	(1,027,945)	2,370,228	(19,542,333)	(18,586,679)
NON-OPERATING REVENUES (EXPENSES)					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	11,253,421	-	-	11,253,421	10,886,107
Investment income-----	13,513	465	16,454	30,432	14,957
Interest on bonds-----	-	-	(492,417)	(492,417)	(940,027)
Amortization-----	-	-	(27,347)	(27,347)	(40,672)
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	-	-	-	50,000
Payments from Oklahoma City Economic Development Trust-----	-	-	8,729	8,729	-
Payments from City of Oklahoma City-----	8,900,612	705,539	-	9,606,151	11,079,569
Other revenue (expenses)-----	(163,567)	-	105,754	(57,813)	2,091
Net non-operating revenues (expenses)-----	20,003,979	839,004	(388,827)	20,454,156	21,185,025
Income (loss) before contributions and special item-----	(880,637)	(188,941)	1,981,401	911,823	2,598,346
CONTRIBUTIONS					
Capital contributions from developers-----	-	6,500	-	6,500	-
Grant capital-----	667,617	2,670	-	670,287	1,796,870
Capital payments from City of Oklahoma City-----	310,904	-	-	310,904	178,269
Other capital contributions-----	1,054	-	-	1,054	5,271
Total contributions-----	979,575	9,170	-	988,745	1,980,410
SPECIAL ITEM					
Special item-----	-	-	-	-	(3,527,051)
Total special item-----	-	-	-	-	(3,527,051)
Changes in net assets-----	98,938	(179,771)	1,981,401	1,900,568	1,051,705
Total net assets, beginning-----	27,832,744	4,234,565	12,612,730	44,680,039	43,628,334
Total net assets, ending-----	\$27,931,682	\$4,054,794	\$14,594,131	\$46,580,607	\$44,680,039

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011			2010	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers-----	\$2,825,879	\$209,978	\$6,154,206	\$9,190,063	\$9,481,583
Cash payments to suppliers for goods and services-----	(6,422,966)	(1,020,513)	(2,706,093)	(10,149,572)	(11,193,070)
Cash payments to employees and professional contractors for services-----	(11,277,222)	-	6,346	(11,270,876)	(11,296,779)
Operating payments from (to) City of Oklahoma City-----	(2,900)	-	-	(2,900)	-
Operating payments within the Department-----	(3,474,095)	(17,275)	(426,131)	(3,917,501)	(1,917,177)
Other operating cash receipts-----	-	-	-	-	183,829
Net cash provided (used) by operating activities-----	(18,351,304)	(827,810)	3,028,328	(16,150,786)	(14,741,614)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash received from operating grants-----	12,337,616	-	-	12,337,616	9,244,311
Transfers received from (paid to) other funds-----	35,719	98,873	-	134,592	-
Non-capital financing payments from (to) component units-----	-	-	-	-	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	9,753,004	700,000	-	10,453,004	10,227,177
Other non-capital financing cash receipts-----	223,925	-	8,760	232,685	320,766
Net cash provided (used) by non-capital financing activities-----	22,350,264	798,873	8,760	23,157,897	19,842,254
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES					
Payments for acquisition and construction of capital assets-----	(2,259,842)	(36,526)	(1,562,098)	(3,858,466)	(6,861,035)
Principal paid on long-term debt-----	-	-	(1,635,000)	(1,635,000)	(3,220,000)
Interest paid on long-term debt-----	-	-	(593,025)	(593,025)	(1,416,725)
Payments to defease bonds-----	-	-	-	-	(34,180,221)
Capital financing payments from (to) component units-----	(1,900)	-	278,754	276,854	7,825,546
Capital financing payments from (to) City of Oklahoma City-----	310,904	5,539	-	316,443	57,019
Proceeds from sale of assets-----	121,355	-	-	121,355	25,639,360
Capital grants and contributions received-----	1,538,495	46,902	-	1,585,397	4,289,487
Other capital and capital related financing activities-----	1,054	-	-	1,054	(154,915)
Net cash provided (used) by capital and related financing activities-----	(289,934)	15,915	(3,511,369)	(3,785,388)	(8,021,484)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments-----	-	-	(18,528,050)	(18,528,050)	(13,361,474)
Proceeds from sale of investments-----	-	-	19,150,782	19,150,782	15,138,288
Changes in pooled investments-----	-	-	(13,317)	(13,317)	-
Investment income received-----	13,512	466	16,526	30,504	14,964
Purchased interest-----	-	-	(1)	(1)	-
Net cash provided by investing activities-----	13,512	466	625,940	639,918	1,791,778
Net increase (decrease) in cash-----	3,722,538	(12,556)	151,659	3,861,641	(1,129,066)
Cash, beginning-----	2,473,616	875,513	958,802	4,307,931	5,436,997
Cash, ending-----	\$6,196,154	\$862,957	\$1,110,461	\$8,169,572	\$4,307,931
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)-----	(\$20,884,616)	(\$1,027,945)	\$2,370,228	(\$19,542,333)	(\$18,586,679)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Depreciation-----	2,396,727	224,714	549,267	3,170,708	3,515,227
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	8,108	-	52,338	60,446	174,430
(Increase) decrease in payments/transfers from (to) within the Department-----	9,708	-	-	9,708	-
(Increase) decrease in due from other funds-----	-	164	6,510	6,674	-
(Increase) decrease in receivable from component units-----	-	-	-	-	25,000
(Increase) decrease in receivable from City of Oklahoma City-----	(2,900)	(53)	-	(2,953)	620
(Increase) decrease in inventories-----	(19,963)	2,381	-	(17,582)	(112,156)
(Increase) decrease in prepaid assets-----	(52,958)	-	-	(52,958)	(51,255)
(Increase) decrease in other assets-----	-	-	-	-	(69,283)
Increase (decrease) in accounts payable-----	15,715	(27,551)	99,114	87,278	179,748
Increase (decrease) in wages and benefits payable-----	45,644	-	-	45,644	87,870
Increase (decrease) in payable to City of Oklahoma City-----	92,818	480	(5,600)	87,698	4,382
Increase (decrease) in compensated absences-----	(3,507)	-	-	(3,507)	79,810
Increase (decrease) in net other post-employment benefit obligation-----	43,920	-	-	43,920	44,507
Increase (decrease) in deferred revenue-----	-	-	(43,529)	(43,529)	(33,835)
Total adjustments-----	2,533,312	200,135	658,100	3,391,547	3,845,065
Net cash provided (used) by operating activities-----	(\$18,351,304)	(\$827,810)	\$3,028,328	(\$16,150,786)	(\$14,741,614)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$13,317	\$13,317	\$ -
Total non-cash investing, capital, and financing activities-----	\$ -	\$ -	\$13,317	\$13,317	\$ -

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

	2011		2010	
	Division		Total	Total
	Transportation	Parking	Enterprise	Enterprise
ASSETS				
CURRENT ASSETS				
Pooled cash-----	\$1,759	\$2,701	\$4,460	\$13,634
Investments-----	48,096	72,991	121,087	103,284
Interest receivable-----	509	970	1,479	991
Payable/due from (to) within the Department-----	100,000	-	100,000	25,000
Total current assets-----	150,364	76,662	227,026	142,909
NON-CURRENT ASSETS				
Capital assets:				
Other capital assets, net of accumulated depreciation-----	-	22,555	22,555	28,753
Total assets-----	150,364	99,217	249,581	171,662
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable-----	-	731	731	2,148
Wages and benefits payable-----	62,918	13,782	76,700	95,127
Due to other funds-----	25,864	4,037	29,901	2,923
Compensated absences-----	70,061	25,707	95,768	97,980
Total current liabilities-----	158,843	44,257	203,100	198,178
NON-CURRENT LIABILITIES				
Compensated absences-----	235,875	44,391	280,266	268,327
Net other post-employment benefit obligation-----	275,724	56,000	331,724	243,508
Total non-current liabilities-----	511,599	100,391	611,990	511,835
Total liabilities-----	670,442	144,648	815,090	710,013
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt-----	-	22,555	22,555	28,753
Unrestricted-----	(520,078)	(67,986)	(588,064)	(567,104)
Total net assets (deficit)-----	(\$520,078)	(\$45,431)	(\$565,509)	(\$538,351)

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION
AND PARKING DEPARTMENT**

For the Years Ended June 30,

	2011		2010	
	Division		Total	Total
	Transportation	Parking	Enterprise	Enterprise
<u>OPERATING EXPENSES</u>				
Personal services-----	\$1,609,818	\$348,209	\$1,958,027	\$1,898,067
Maintenance, operations, and contractual services-----	2,024,549	227,944	2,252,493	464,764
Materials and supplies-----	-	4,839	4,839	9,013
Depreciation-----	-	6,197	6,197	6,197
Total operating expenses-----	3,634,367	587,189	4,221,556	2,378,041
Payments/transfers within the Department-----	3,587,280	405,221	3,992,501	1,942,177
Operating loss-----	(47,087)	(181,968)	(229,055)	(435,864)
<u>NON-OPERATING REVENUE</u>				
Investment income-----	2,086	2,933	5,019	5,332
Net non-operating revenue-----	2,086	2,933	5,019	5,332
Loss before contributions and transfers-----	(45,001)	(179,035)	(224,036)	(430,532)
<u>CONTRIBUTIONS AND TRANSFERS</u>				
Transfers from other funds-----	-	196,878	196,878	190,269
Total contributions and transfers-----	-	196,878	196,878	190,269
Changes in net assets-----	(45,001)	17,843	(27,158)	(240,263)
Total net assets (deficit), beginning-----	(475,077)	(63,274)	(538,351)	(298,088)
Total net assets (deficit), ending-----	(\$520,078)	(\$45,431)	(\$565,509)	(\$538,351)

Board of Trustees
Central Oklahoma Transportation and Parking Department
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We also noted certain matters that we reported to the Department's management in a separate letter dated December 2, 2011.

The Independent Accountants' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* of the City should be read in conjunction with this report.

This report is intended solely for the information and use of the Board of Trustees, the City, management and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

December 2, 2011

Central Oklahoma Transportation and Parking Authority
Schedule of Findings and Responses
Year Ended June 30, 2011

Reference Number	Finding
11-01	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Certain limitations exist with the current asset keeper system. An error occurred in recording an asset in a previous year, which was corrected by recording a negative asset. In 2011, it was noted the negative capital asset was not removed when the original asset recorded was disposed, which resulted in an overstatement of revenues in the current year. The nature of the error indicates a deficiency in internal control over financial reporting of the Department.</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements or material misappropriations of assets due to error or fraud could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Due to limitation of correcting assets with the system, the Department uses negative assets to correct initial recordings. Reconciliations, account analysis and reviews may not be sufficient to ensure timely and accurate financial reporting.</p> <p>Recommendation – We recommend the Department’s management evaluate the current policies and procedures around reconciliations, account analysis and reviews within their capital asset management system and incorporate additional procedures as deemed necessary to identify errors or misstatements.</p> <p>Views of Responsible Officials and Planned Corrective Actions – The Accounting Services Division is in the process of developing reports for departments to use to examine asset listings more often than biennially as required by ordinance. In addition, internal monthly reporting and analysis is being developed to be used to identify asset errors.</p>

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