



GROWING TOGETHER

Comprehensive Annual Financial Report

the City of Oklahoma City, Oklahoma | for the Fiscal Year ended June 30, 2012

Oklahoma City, Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



The City of
OKLAHOMA CITY

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

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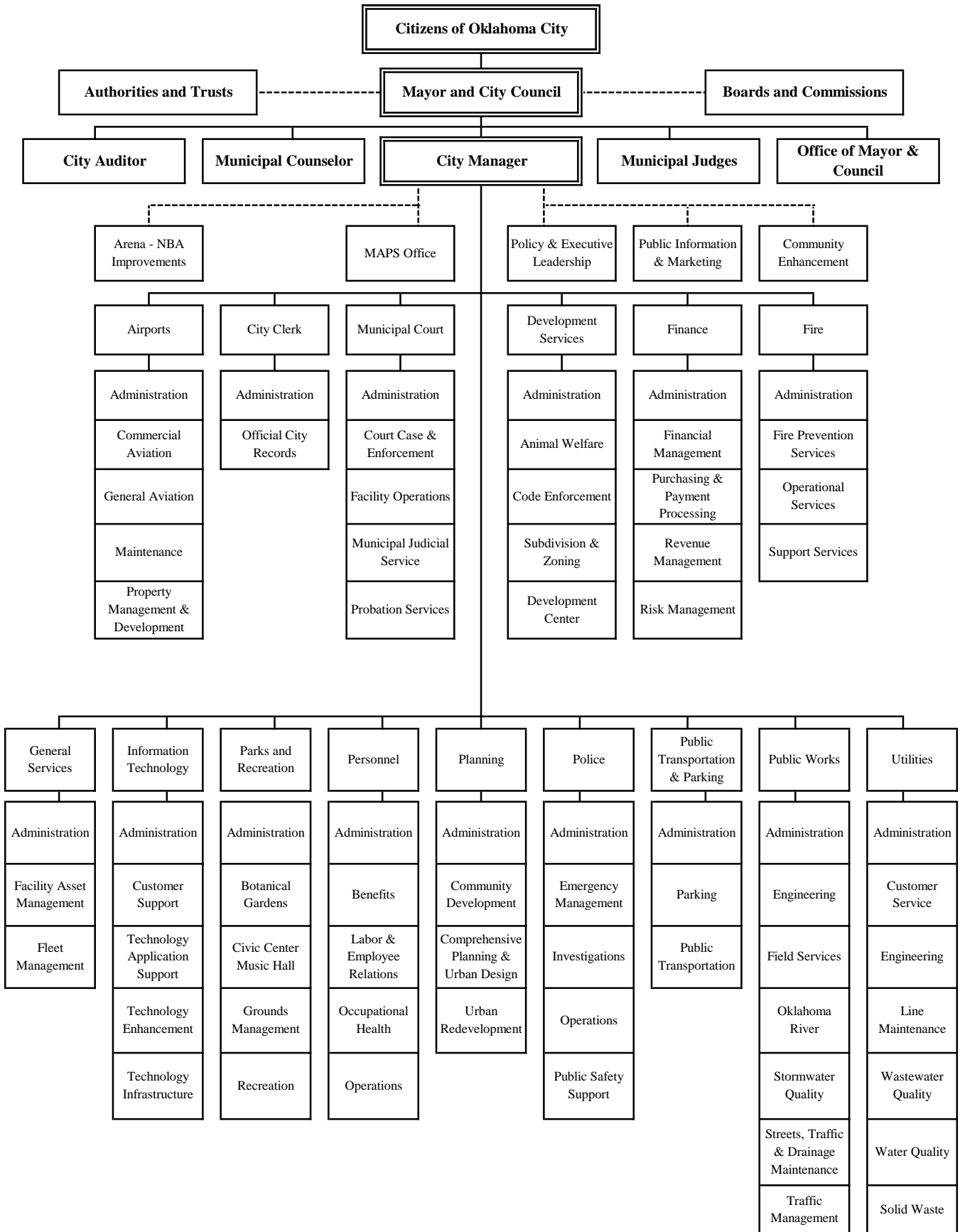
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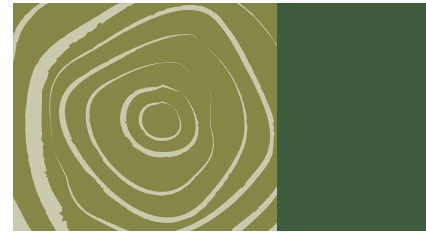
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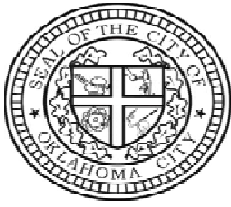
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City of Oklahoma City Organization Chart



Introductory





The City of Oklahoma City

December 18, 2012

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

The City of Oklahoma City (City) fiscal year 2012 Comprehensive Annual Financial Report (CAFR) provides a comprehensive overview of the City's financial position and the results of operations for the past fiscal year. It complies with the City Charter and Oklahoma Statutes requiring an annual independent audit and submission of the report within six months of the close of the fiscal year to the State Auditor and Inspector.

The CAFR was prepared using accounting principles generally accepted in the United States (U.S. GAAP). It is fairly stated in all material respects based on a comprehensive framework of internal controls discussed in more detail later in this letter. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. City management's narrative on the financial activities of the City for the fiscal year ended June 30, 2012, is expanded in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Independent Accountants' Report on Financial Statements and Supplementary Information. This letter of transmittal is written to convey the CAFR to its intended users and provide information about the City useful in assessing the City's general economic condition and recognize contributors to the CAFR. As such, it should be read from that perspective and in conjunction with all other sections of the CAFR.

Financial Reporting Entity

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

Independent Audit

The City engaged BKD LLP to express an opinion on the financial statements based on their audit. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The auditor's examination encompassed the basic financial statements and combining and individual fund statements and schedules for the fiscal year ended June 30, 2012. The independent accountants' report is presented as the first component of the financial section of this report. BKD LLP also audited the City's Federal financial assistance programs, complying with the provisions of the Single Audit Act. The City's Single Audit Report can be obtained from the City's Finance Department, Accounting Services Division, at 100 N. Walker, Suite 300, Oklahoma City, Oklahoma 73102.

Profile of Oklahoma City

Oklahoma City was settled in a single day as a result of the "Land Run of 1889". Today, Oklahoma City is the state capital and Oklahoma's largest city with a population of approximately 587 thousand residents. Historically, the City has pursued a policy of annexation, and at 621 square miles, is one of the largest cities in land area in the United States. Oklahoma City encompasses portions of four counties and is centrally located in the state. It is a regional center for education, energy, agribusiness, transportation, financial services, health care, wholesale and retail trade, and manufacturing.

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

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

Factors Affecting Financial Condition

Economic Outlook

The current economic environment and the economic outlook for Oklahoma City remain very positive. Because of a cost of living rating consistently below the national average; a strong industry presence; low commuting times; convenient airline travel; quality education, entertainment and sports opportunities; favorable weather; and a central location, Oklahoma City continues to receive numerous top accolades for metropolitan cities in the United States, many of which were a number one ranking. This promises an immediate and sustainable economic growth outlook for the next several years.

In a report of the 2012 Economic Forecast: State and Oklahoma City Outlook, prepared by The Steven C. Agee Economic Research & Policy Institute of Oklahoma City University (Institute), the Institute reported the U.S. national economy is still in a recovery mode. However, the Institute reported in Oklahoma nearly all jobs have been recovered or projected shortly for recovery, indicating the issue for Oklahoma City is now one of sustainable trajectory. While there were impacts of the economy for Oklahoma City, many of the effects of the recession were largely passed over according to this report. In addition to job recovery and as a result of it, sales tax receipts have been impressive and were projected by the Institute to grow by 3.15% in FY 2012 and 1.84% in FY 2013. Sales tax receipts, which are evaluated to determine the health of the economy of Oklahoma City, exceeded these projections in FY 2012, increasing by 6.43%.

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

The economy in Oklahoma City has been strong in the past two years and the future for Oklahoma City is bright. Oklahoma City is poised to meet the challenges of the future as it has done so well in the past.

Long-term Financial Planning and Major Initiatives

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

General obligation bonds are funded through property taxes. In December 2007, the citizens voted to approve \$760.5 million in general obligation bond propositions for improvement to the City's infrastructure and \$75 million for economic development incentives. Of this bond authorization, the City has issued \$230.56 million for infrastructure improvement and \$36 million for economic development incentives.

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

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

The national economic downturn has not had the severe impact on the City as experienced by other large cities in the United States. The City's sales tax collections, which are the largest single source of revenues for the City, improved in fiscal year 2011 and in fiscal year 2012. Sales tax revenues increased 6.4 percent in fiscal year 2012 over fiscal year 2011.

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

The fiscal year 2011-2015 CIP, approved by Council in February, 2011, lists projects to be implemented or continued during the years of the CIP. The City's 2011 and 2012 expenditures and 2013 capital budget by function are summarized in the following table (dollars are in thousands).

	2011 CIP Project Expenditures	2012 CIP Project Expenditures	2013 CIP Budget (1)
General government	\$1,777	\$5,399	\$17,069
Public safety	15,684	13,663	28,405
Public services (includes infrastructure)	189,878	175,834	221,864
Culture and recreation	57,178	110,627	119,507
Education	<u>56,618</u>	<u>79,673</u>	<u>88,515</u>
	<u>\$321,135</u>	<u>\$385,196</u>	<u>\$475,360</u>

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

Accountability and Budgetary Controls

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

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

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

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

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

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

Financial Policies

The City's financial policies are shaped by state law and established by the City Council. Financial policies include budgeting and financial planning, capital planning, revenue, investment, debt management, procurement, and accounting and auditing. Full descriptions of these policies are available in the City's annual budget publication which can be obtained from the City's Finance Department, Office of Management and Budget and from the City's website at www.okc.gov. As part of the City's annual budget process, compliance with established policies is reviewed. A report is provided to the City Council and published in the City's annual budget publication. The compliance report for fiscal year 2012 is included in the 2013 annual budget publication. The City's fiscal year 2011 annual budget was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. This is the 21st consecutive year the City has submitted and been awarded this honor.

Other Significant Matters

Supplemental Disclosure – Outstanding Bonded Debt

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

Certificate of Achievement for Excellence in Financial Reporting

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2011. This was the 29th consecutive year that the City has achieved this prestigious award.

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

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

Acknowledgements

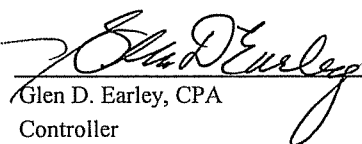
The dedicated work of the entire Finance Department, Accounting Services Division staff made possible the preparation of the City's CAFR. Other accountants and administrators at various sites throughout the City provided additional valuable help. The City also acknowledges our professional independent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



James D. Couch
City Manager



Craig Freeman
Finance Director



Glen D. Earley, CPA
Controller

SELECTED CITY OFFICIALS
MAYOR AND COUNCIL

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

CITY MANAGER AND
DEPARTMENT HEADS

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

SELECTED MANAGERS

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The City of Oklahoma City
Oklahoma

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

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



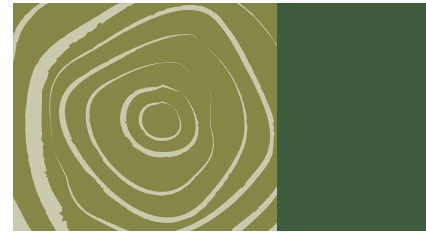
Linda C. Davidson

President

Jeffrey R. Egan

Executive Director

Financial



Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Oklahoma City, Oklahoma (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds and the discretely presented component unit presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Oklahoma City Redevelopment Authority (OCRA), which is a discretely presented component unit of the City. The financial statements of OCRA comprise 7% of the total assets and 2% of total program revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of The Combined Operations of The Cox Convention Center and The Ford Center, as Managed by SMG (SMG), an agent operating these facilities, which is presented within the Oklahoma City Public Property Authority (OCPPA) General Purpose Fund. The financial statements of SMG comprise 60%, 1% and 0% of total assets and 77%, 4% and 9% of program revenues of the OCPPA General Purpose Fund, the aggregate remaining fund information and the governmental activities, respectively. OCRA and SMG were audited by other accountants whose reports have been furnished to us and our opinions, insofar as they relate to the amounts included for OCRA and SMG, are based solely on the reports of the other accountants.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of SMG, which are included in the OCPPA General Purpose Fund, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds and the discretely presented component unit of the City as listed in the table of contents, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and budgetary comparisons for the nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note III.A.*, the previously issued 2011 financial statements have been restated. Our previously issued report on those financial statements dated December 5, 2011, is no longer to be relied upon because the previously issued statements were materially misstated.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance; however, we noted the 2011 balances presented in the management's discussion and analysis do not reflect the prior period adjustments disclosed in *Note III.A.*

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

Our audit was performed for the purpose of forming opinions on the basic financial statements as a whole. The statistical section listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

December 18, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Oklahoma City (City) annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter that precedes this discussion and analysis. The discussion focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included. Dollars are reported in thousands, except as indicated.

Financial Summary

- The City's assets exceeded its liabilities by \$2,890,279 (net assets) for 2012. This compares to the previous year when assets exceeded liabilities by \$2,659,613.
- Total liabilities of the City increased by \$31,997 to \$1,677,165 during the fiscal year. General obligation bonds issued for capital improvements during the fiscal year were \$130,110. General obligation bonds repaid during the year were \$142,335. Revenue bonds issued to support specific public services of the City were \$9,285. Revenue bonds repaid during the year were \$32,728. Commercial paper issued to support utility services was \$33,000 and no repayments were made.
- Total net assets are comprised of the following:
 - (1) Invested in capital assets, net of related debt, of \$2,005,525 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$528,605 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets were \$356,149 compared to unrestricted net assets of \$306,386 last year.
- The City's governmental funds reported total ending fund balance of \$711,830 this year. This compares to the prior year ending fund balance of \$613,785 showing an increase of \$98,045 during the current year. Unassigned fund balance is \$99,212 for fiscal year 2012.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$103,749 or 28.5% of total General Fund expenditures including transfers and 27.2% of total General Fund revenues including transfers.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds

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

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

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

Proprietary funds

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

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

Fiduciary funds

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

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and OPEB to its employees. Other supplementary information includes detail for long-term debt supporting general government services and information by fund and component unit for capital assets, receivables, payables, transfers, and payments within the reporting entity.

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

Statistical data is presented to provide trend information, revenue and debt capacity and other information helpful in analyzing the financial health of the City.

Financial Analysis of the City as a Whole

The City's net assets at June 30, 2012 are \$2,890,279. This is a \$222,354 increase over June 30, 2011 net assets, as restated, of \$2,667,925. Net assets increased \$159,066 for governmental activities and \$63,288 for business-type activities. The City's overall financial position improved during fiscal year 2012. The 2011 balances presented in this discussion and analysis have not been adjusted to reflect the restatement of prior balances related to the prior period adjustment. See Note III. C. for more information.

	Summary of Net Assets							
	Governmental Activities		Business-type Activities		Totals		Amount of Change	% Change
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
Assets								
Current assets	\$849,690	\$767,898	\$292,840	\$291,238	\$1,142,530	\$1,059,136	\$83,394	7.9%
Capital assets, net	1,502,740	1,431,131	1,786,608	1,692,262	3,289,348	3,123,393	165,955	5.3
Other non-current assets	<u>20,794</u>	<u>24,688</u>	<u>114,772</u>	<u>97,564</u>	<u>135,566</u>	<u>122,252</u>	<u>13,314</u>	10.9
Total assets	<u>2,373,224</u>	<u>2,223,717</u>	<u>2,194,220</u>	<u>2,081,064</u>	<u>4,567,444</u>	<u>4,304,781</u>	<u>262,663</u>	6.1
Liabilities								
Current liabilities	138,613	156,008	161,921	133,539	300,534	289,547	10,987	3.8
Non-current liabilities	<u>694,089</u>	<u>687,352</u>	<u>682,542</u>	<u>668,269</u>	<u>1,376,631</u>	<u>1,355,621</u>	<u>21,010</u>	1.5
Total liabilities	<u>832,702</u>	<u>843,360</u>	<u>844,463</u>	<u>801,808</u>	<u>1,677,165</u>	<u>1,645,168</u>	<u>31,997</u>	1.9
Net assets								
Invested in capital assets, net of related debt	917,055	1,004,827	1,088,470	1,032,890	2,005,525	2,037,717	(32,192)	(1.6)
Restricted	453,539	245,158	75,066	70,352	528,605	315,510	213,095	67.5
Unrestricted (deficit)	<u>169,928</u>	<u>130,372</u>	<u>186,221</u>	<u>176,014</u>	<u>356,149</u>	<u>306,386</u>	<u>49,763</u>	16.2
Total net assets	<u>\$1,540,522</u>	<u>\$1,380,357</u>	<u>\$1,349,757</u>	<u>\$1,279,256</u>	<u>\$2,890,279</u>	<u>\$2,659,613</u>	<u>\$230,666</u>	8.7

Total assets increased 5.4% or \$233,842 during the year. Of this change, increases in capital assets accounted for \$137,134; the remainder came from increases in cash, investments, and receivables related to normal growth. Liabilities increased by 1.9% or \$31,997. Bonded debt decreased by \$26,130 as a result of restructuring and other debt increased \$50,416 mainly due to increases in commercial paper and notes. There were increases in the other post-employment benefit liability of \$16,126 and other liabilities decreased \$8,729.

	Summary of Changes in Net Assets						Amount of Change	% Change
	Governmental Activities		Business-type Activities		Totals			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
Revenues								
Program revenues								
Charges for services	\$73,306	\$72,453	\$326,010	\$308,391	\$399,316	\$380,844	\$18,472	4.9%
Operating grants and contributions	65,844	73,965	11,172	11,237	77,016	85,202	(8,186)	(9.6)
Capital grants and contributions	16,504	12,003	18,706	29,978	35,210	41,981	(6,771)	(16.1)
General revenues								
Sales taxes	389,869	364,413	-	-	389,869	364,413	25,456	7.0
Use taxes	52,470	44,735	-	-	52,470	44,735	7,735	17.3
Property taxes	73,778	76,581	-	-	73,778	76,581	(2,803)	(3.7)
Franchise taxes (fees)	42,410	39,912	-	-	42,410	39,912	2,498	6.3
Other taxes	23,176	21,480	-	-	23,176	21,480	1,696	7.9
Other	<u>11,209</u>	<u>9,054</u>	<u>1,180</u>	<u>1,371</u>	<u>12,389</u>	<u>10,425</u>	<u>1,964</u>	18.8
Total revenues	<u>748,566</u>	<u>714,596</u>	<u>357,068</u>	<u>350,977</u>	<u>1,105,634</u>	<u>1,065,573</u>	<u>40,061</u>	3.8
Expenses								
General government	31,257	29,501	-	-	31,257	29,501	1,756	6.0
Public safety	322,960	295,097	-	-	322,960	295,097	27,863	9.4
Public services	127,218	146,034	-	-	127,218	146,034	(18,816)	(12.9)
Culture and recreation	87,379	77,107	-	-	87,379	77,107	10,272	13.3
Education	1,571	1,327	-	-	1,571	1,327	244	18.4
Economic development	5,335	4,902	-	-	5,335	4,902	433	8.8
Interest on long-term debt	20,824	25,882	-	-	20,824	25,882	(5,058)	(19.5)
Airports	-	-	52,824	54,103	52,824	54,103	(1,279)	(2.4)
Water and wastewater utilities	-	-	159,659	140,631	159,659	140,631	19,028	13.5
Solid waste management	-	-	37,150	35,213	37,150	35,213	1,937	5.5
Stormwater drainage	-	-	16,113	15,933	16,113	15,933	180	1.1
Golf courses	-	-	10,811	9,160	10,811	9,160	1,651	18.0
Fairgrounds	-	-	10,063	6,652	10,063	6,652	3,411	51.3
Ground transportation and parking	<u>-</u>	<u>-</u>	<u>4,741</u>	<u>5,253</u>	<u>4,741</u>	<u>5,253</u>	<u>(512)</u>	(9.7)
Total expenses	<u>596,544</u>	<u>579,850</u>	<u>291,361</u>	<u>266,945</u>	<u>887,905</u>	<u>846,795</u>	<u>41,110</u>	4.9
Increase in net assets								
before transfers	152,022	134,746	65,707	84,032	217,729	218,778	(1,049)	(0.5)
Special item	7,497	-	(2,872)	-	4,625	-	4,625	100.0
Transfers	(453)	(6,832)	453	6,832	-	-	-	0.0
Change in net assets	<u>159,066</u>	<u>127,914</u>	<u>63,288</u>	<u>90,864</u>	<u>222,354</u>	<u>218,778</u>	<u>3,576</u>	1.6
Beginning net assets								
As originally reported	1,380,357	1,301,144	1,279,256	1,207,446	2,659,613	2,508,590	151,023	6.0
Prior period adjustment	<u>1,099</u>	<u>(48,701)</u>	<u>7,213</u>	<u>(19,054)</u>	<u>8,312</u>	<u>(67,755)</u>	<u>76,067</u>	112.3
Beginning net assets, as restated	<u>1,381,456</u>	<u>1,252,443</u>	<u>1,286,469</u>	<u>1,188,392</u>	<u>2,667,925</u>	<u>2,440,835</u>	<u>227,090</u>	9.3
Ending net assets	<u>\$1,540,522</u>	<u>\$1,380,357</u>	<u>\$1,349,757</u>	<u>\$1,279,256</u>	<u>\$2,890,279</u>	<u>\$2,659,613</u>	<u>\$230,666</u>	8.7

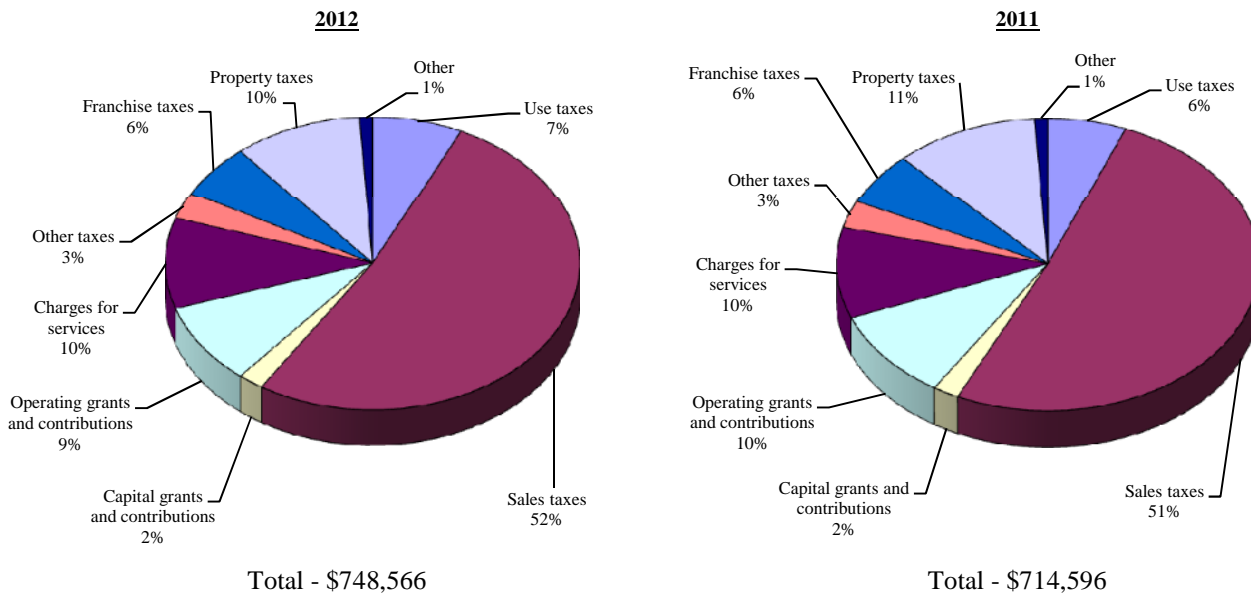
Operating grants and contributions decreased 9.6% in governmental and business-type activities. Capital grants and contributions increased 16.1%. There was a significant increase in governmental activity general revenues. This includes sales tax revenues increases of 7% and other tax revenues increases of 5.0%. Charges for services increased 4.9%. Revenue fluctuations are explained under Governmental Activities and Business-type Activities below.

Operating expenses overall rose 4.9% in fiscal year 2012. Governmental activities expenses increased 2.9% and business-type activities rose by 9.1%. Governmental activities' functional expenses, other than general government, public services, and economic development, increased in excess of 10% as a result of increased revenues. Business-type activities' functions of water and wastewater, golf courses, and fairgrounds also had increases in excess of 10% while other activities reflect decreases or small increases. Expense fluctuations are explained under Governmental Activities and Business-type Activities below. Also see the discussion of Major Governmental Funds and General Fund Budgetary Highlights.

Graphic presentations of the Summary of Changes in Net Assets follows to assist in the analysis of the City's activities for fiscal years 2012 and 2011.

Governmental Activities

REVENUES



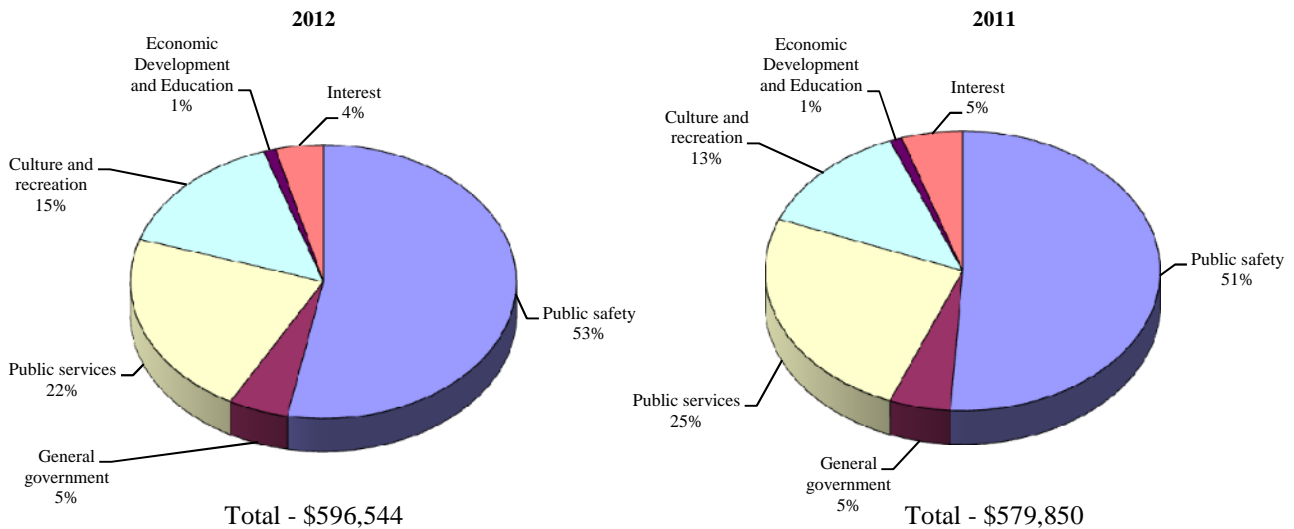
Overall revenues from governmental activities increased. Sales taxes provided 52% and 51% of the City's total governmental revenues in fiscal years 2012 and 2011, respectively. Sales tax revenues increased \$25,456 particularly as a result of strong retail and wholesale operations. These two categories comprised 71.8% of the total sales taxes. Use taxes showed an increase of \$7,735, as receipts from mining operations reported significant increases. Property tax levy collections for fiscal years 2012 and 2011 were \$74,379 and \$71,850, respectively. Franchise taxes showed an increase of \$2,498 which is attributed to a very hot summer.

Decreases in operating grants and contributions during the current year of \$8,121 were due to decreases in grant revenues, particularly Community Development Block Grants, Section 108 loan funds, and Neighborhood Stabilization Program grants, offset by a \$3 million increase in contributions from the State of Oklahoma on behalf of City police and fire employees. See Note V. B. 4. for additional information regarding on behalf payments.

Charges for services increased \$853 and remained 10% of the total governmental revenues.

Capital grants and contributions increased by \$4,501 due mainly to a \$5,345 increase in capital assets provided by developers.

FUNCTIONAL EXPENSES

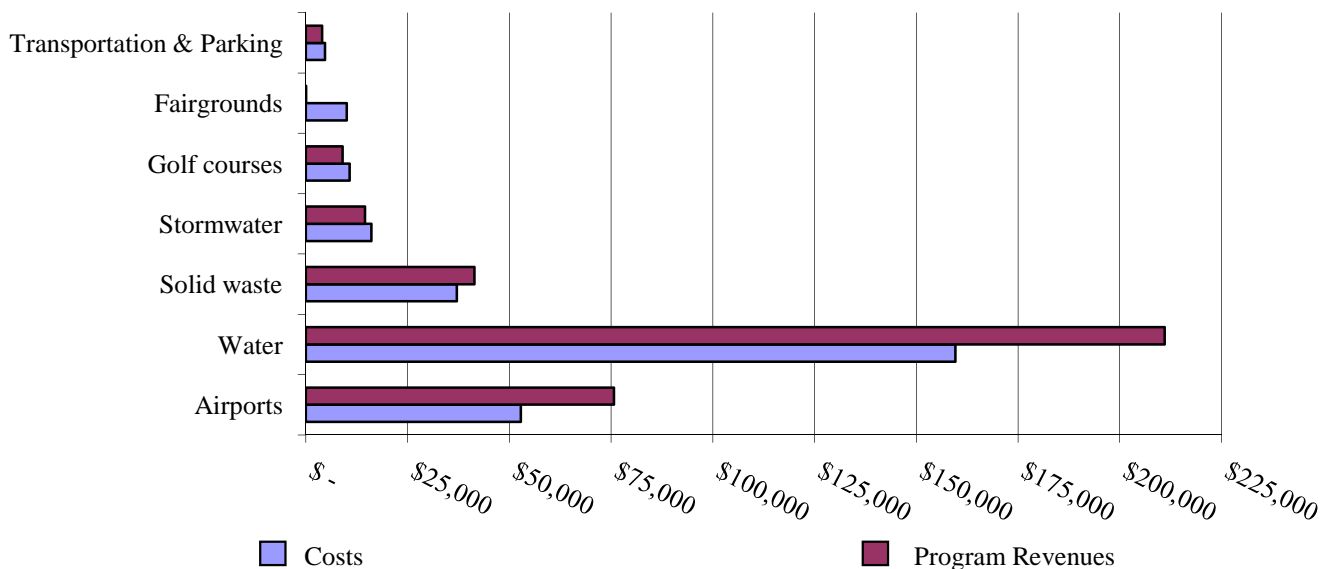


The graph shows the total governmental activities cost of \$596,544 for 2012. Public safety, with \$158,950 in cost for police and \$137,017 in cost for fire, was the largest operating service cost, at 53.0% of total cost of services in 2012. These costs, as well as all governmental activities expenses, were primarily funded by taxes. Public safety expenses used \$261,668 in taxes and other general revenues. Other governmental activities with significant tax-based funding include public services and culture and recreation activities.

General government and public safety expenses increased \$1,756 and \$27,863, respectively. Public services expenses decreased \$18,816 and culture and recreation increased \$10,272. Increases reflect recovery of revenues and the emphasis placed in these functions by the allocation of new funds available. Refer to the discussion of major Governmental Funds later in the financial analysis of City funds for more information.

Business-Type Activities

REVENUES VS. COSTS



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

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

Charges for services for business-type activities increased \$17,619, generally as a result of utility revenue increases. Operating grants and contributions decreased \$65 resulting from an increase of airport grant revenue, offset by decreases in other activities grants. Capital grants decreased \$11,272 as a result of decreased donations from developers.

Business-type activities' expenses increased \$24,416. Water and wastewater expenses increase \$19,028 as operations expanded and to address costs related to seasonal extreme temperatures. Golf course expenses increased \$1,651 resulting from a significant increase in OPEB expense. Fairgrounds expenses increased significantly by \$3,411, or 51.3%, mainly due to increased depreciation for completed construction projects. Transportation and parking reduction of expenses reflects a reduction in the internal services cost allocation.

Financial Analysis of the City's Funds

Governmental funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$711,830. Of this year-end total, \$99,212 is unassigned indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show an increase of \$98,045 over the prior year. This increase is primarily the result of the events and programs described within the analysis of the City's governmental activities.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$16,774 during fiscal year 2012. A key factor contributing to this increase is the recovery of tax revenues. Expenditures increased as the City addressed recovering revenues by increasing departmental expenditures including funding for 143 new positions and additional capital, transit, OPEB funding, as well as increased funding for the operations of the Myriad Gardens, the Oklahoma City Arena, and the Cox Center. See General Fund Budgetary Highlights for more information.

The Debt Service and General Obligation Bonds Funds have fund balances of \$56,734 and \$128,597, respectively. This fiscal year included a net increase of \$301 in the Debt Service Fund and a net decrease of \$20,007 in the General Obligation Bonds Fund. The change in Debt Service net assets reflects the City's continuing commitment to time the issuance of debt with debt retirements to support the objective of maintaining level City property taxes and reduction of reserves related to a major debt restructuring. A key factor in achieving this objective is the counties' annual reassessment of City property values, which has been steadily rising over recent years. This favorable trend in property assessments has allowed the City to maintain an active general obligation bond program without substantially increasing property tax rates. General Obligation Bonds net assets decreased as a result of expenditures for capital outlay in excess of receipts of proceeds from a new bond issue. See the discussion of long-term debt.

In fiscal year 2012, the Grants Management Fund reported a \$644 decrease in fund balance. The Grants Management Fund's fund balance is a factor of changes in notes and debt as opposed to revenues and expenses since revenues are reported to the extent expended. Both revenues and expenditures decreased significantly this year due to cuts in Federal funding.

In fiscal year 2012, the MAPS3 Sales Tax Fund reported a \$92,431 increase in fund balance. The sales tax levied for construction and renovation of multiple capital projects throughout the City is reported in the MAPS3 Sales Tax Fund. The fund balance increased significantly as tax revenues have exceeded expectations and the funded projects are only beginning to be implemented.

Proprietary funds

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

Major Proprietary Funds

The Oklahoma City Airport Trust (OCAT) Fund shares the financing and operations of the City's three airports with the Airports Fund reported within the airports activity in the government-wide statements. The presence of a major Federal Aviation Administration training facility substantially contributes to the financial performance of the City's primary airport. The OCAT Fund reported an increase in net assets of \$20,371, only slightly lower than last year, reflecting a continued positive financial performance. Additionally, significant improvements to the City's airports are in progress with additional funding provided by revenue bonds issued in recent years, facility charges and Airport Improvement Program grants. See the discussion of Capital Asset and Debt Administration.

OCWUT and the Water and Wastewater Fund share the financing and operations of the City's water and wastewater utilities reported within this activity in the government-wide statements. Although not as strong as last year, and while expenses increased significantly, the continued increase in revenues allowed a combined \$44,694 increase in net assets reported in these funds.

The McGee Creek Authority (MCA) Fund shares the financing of a municipal and industrial water supply for the City and other member participants. The MCA reported an increase in net assets of \$2,730 resulting from general operations. The MCA is structured to essentially cover the costs of operations.

The Oklahoma City Environmental Assistance Trust (OCEAT) Fund shares the financing and operations of the City's solid waste disposal program. The OCEAT Fund's net assets, as restated, increased \$2,475 during the current year which is significantly less than last year, resulting from expenses increasing slightly more than revenues. Expenses increased as a result of increased personnel and maintenance costs.

General Fund Budgetary Highlights

The original adopted General Fund budget for fiscal year was \$364,011. This was an increase of \$21,639 over the previous year budget. The General Fund adopted budget was amended three times during the fiscal year. The first amendment of approximately \$154 provided funding to improve bus service. The second amendment provided funding from fund balance for valid prior year encumbrances rolled over to the current fiscal year in the amount of \$1,501 and for a transfer of \$8 million to the Capital Improvements Fund to fund additional street resurfacing. The third amendment provided funding for police and fire positions resulting from the increased sales tax revenues.

The three budget amendments increased the budget by \$11,095 for a final amended General Fund budget of \$375,105. The General Fund budget complied with financial policies approved by the City Council and maintained core City services.

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2012, was \$1,502,740 and \$1,786,608, respectively. The total increase in this net investment was 5.0% for governmental activities and 5.6% for business-type activities. The overall increase was 5.3% for the City as a whole.

	Capital Assets, Net of Accumulated Depreciation						<u>Amount of Change</u>	<u>% Change</u>
	Governmental		Business-type		Totals			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
Non-Depreciable Assets								
Land and water storage rights	\$95,013	\$87,362	\$205,794	\$204,367	\$300,807	\$291,729	\$9,078	3.1%
Construction in progress	190,439	175,682	259,760	248,959	450,199	424,641	25,558	6.0
Total non-depreciable assets	285,452	263,044	465,554	453,326	751,006	716,370	34,636	4.8
Depreciable Assets								
Buildings	323,405	302,394	318,663	326,858	642,068	629,252	12,816	2.0
Infrastructure and improvements other than buildings	810,964	788,038	972,607	879,778	1,783,571	1,667,816	115,755	6.9
Furniture, machinery, and equipment	82,919	77,655	29,784	32,300	112,703	109,955	2,748	2.5
Total depreciable assets	1,217,288	1,168,087	1,321,054	1,238,936	2,538,342	2,407,023	131,319	5.5
Total	\$1,502,740	\$1,431,131	\$1,786,608	\$1,692,262	\$3,289,348	\$3,123,393	\$165,955	5.3

General obligation, revenue bonds, and the City's capital improvement program funded with general funds of the City provided the major funding for the construction and acquisition of capital assets with \$297,283 invested during the year. Decreases in capital assets are primarily the result of depreciation. See Note II. A. 5. for additional information about capital assets.

Debt Administration

Other Long-term Debt

The City issued notes payable of \$29,214 and retired \$2,512 and added lease obligations of \$695 and retired \$1,348. Notes increased as a result of OCWUT's greater use of this method of financing, particularly from Federal sources. Estimated claims payable decreased \$1,394. See Note II. B. 6. for additional information about notes, lease obligations, and estimated claims payable.

Bonds Payable

At the end of the fiscal year, the City had total bonded debt outstanding of \$1,107,477. Of this amount, \$553,445 is backed by the full faith and credit of the City (general obligation bonds) with debt service fully funded by voter-approved property taxes. During the current year, the City issued \$130,110 in general obligation bonds under the voter authorization discussed earlier in this report to fund infrastructure improvements and refund certain bonds. Revenue bonds in the amount of \$9,285 were issued by OCPPA Golf Courses to refund outstanding bonds. See Note II. B. 7. for additional information about bonds payable.

Bond Ratings

Current bond ratings are reported in the City's Supplemental Disclosure: Outstanding Bonded Debt report and is available from the City's Finance Department, Accounting Services Division. This report includes no rating changes during the current year.

Long-term Debt

	Governmental Activities		Business-type Activities		Totals		Amount of Change	Total % Change
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>		
Other long-term debt	\$52,496	\$55,808	\$48,494	\$20,527	\$100,990	\$76,335	\$24,655	32.3%
General obligation bonds	553,445	565,670	-	-	553,445	565,670	(12,225)	2.2
Revenue bonds	-	-	<u>554,032</u>	<u>577,475</u>	<u>554,032</u>	<u>577,475</u>	<u>(23,443)</u>	(4.1)
	<u>\$605,941</u>	<u>\$621,478</u>	<u>\$602,526</u>	<u>\$598,002</u>	<u>\$1,208,467</u>	<u>\$1,219,480</u>	<u>(\$11,013)</u>	(0.9)

Changes in long-term debt are primarily related to issuances and payments of current principal requirements and issuance of the General Obligation Refunding Bonds of 2012 that refunded \$97,925 in debt. See Note II. B. 8. for additional information about changes in long-term debt.

Economic Environment and Fees and Rates

Economic Environment

The national economic recession resulted in economic concerns and issues for the City. However, beginning in May, 2010 tax revenues began to show improvement and have surpassed expectations during 2011 and 2012.

Fees and Rates

The City utilities trusts increased water and wastewater base charge utility rates and a volume rate change of 4% effective in October, 2011. The golf courses increased green fees effective April, 2012 having little affect on the comparison of revenues from 2011 to 2012.

Contacting the City's Financial Management

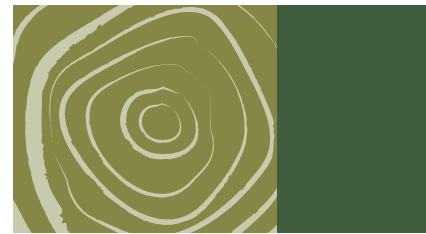
This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the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

OVERVIEW OF COMPONENT UNITS

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

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Basic Financial Statements



Government-wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Fund Financial Statements

Encompass essentially the same functions reported as governmental activities in the government-wide financial statements using modified accrual accounting and report the annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Budgetary comparison statements are included for the General Fund and the major special revenue fund.

Proprietary Fund Financial Statements

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

Fiduciary Fund Financial Statements

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

Component Unit Combining Financial Statements

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

STATEMENT OF NET ASSETS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
CURRENT ASSETS				
Pooled cash-----	\$33,161	\$3,764	\$36,925	\$ -
Non-pooled cash-----	49,321	43,881	93,202	98,247
Investments-----	621,935	238,978	860,913	119,396
Sales and use taxes receivable-----	63,265	-	63,265	-
Property taxes receivable-----	4,333	-	4,333	158
Accounts receivable, net-----	8,088	38,352	46,440	3,935
Interest, dividends, and royalties receivable-----	3,023	1,136	4,159	385
Internal balances-----	47,005	(47,005)	-	-
Receivable from component units-----	299	931	1,230	-
Receivable from primary government-----	-	-	-	8,277
Intergovernmental receivables-----	10,013	1,988	12,001	4,002
Notes receivable-----	607	-	607	177
Inventories and prepaids-----	8,640	10,815	19,455	1,599
Total current assets-----	849,690	292,840	1,142,530	236,176
NON-CURRENT ASSETS				
Investments-----	-	56,068	56,068	1,205
Notes receivable-----	4,418	1,216	5,634	10,654
Receivable from primary government-----	-	-	-	1,934
Receivable from component units-----	-	970	970	-
Deferred debt expense, net-----	2,841	3,783	6,624	309
Other-----	5,569	52,735	58,304	744
Equity interest in joint venture-----	7,966	-	7,966	-
Capital assets:				
Land, art, water storage rights, and construction in progress-----	285,452	465,554	751,006	234,222
Other capital assets, net of accumulated depreciation-----	1,217,288	1,321,054	2,538,342	157,393
Total capital assets-----	1,502,740	1,786,608	3,289,348	391,615
Total non-current assets-----	1,523,534	1,901,380	3,424,914	406,461
Total assets-----	2,373,224	2,194,220	4,567,444	642,637
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable-----	27,500	44,273	71,773	26,224
Wages and benefits payable-----	9,676	2,209	11,885	773
Payable to component units-----	7,110	1,161	8,271	-
Payable to primary government-----	-	-	-	1,235
Interest payable-----	80	383	463	-
Compensated absences-----	21,400	3,250	24,650	355
Tax anticipation debt-----	-	-	-	10,530
Commercial Paper-----	-	45,000	45,000	-
Notes, lease obligations, and estimated claims payable-----	17,147	1,496	18,643	2,067
Unearned revenue-----	3,714	7,313	11,027	299
Bond interest payable-----	8,001	20,682	28,683	16
Bonds payable-----	43,985	36,054	80,039	530
Intergovernmental payable-----	-	100	100	-
Total current liabilities-----	138,613	161,921	300,534	42,029
NON-CURRENT LIABILITIES				
Compensated absences-----	48,911	6,209	55,120	335
Payable to primary government-----	-	-	-	970
Payable to component units-----	1,934	-	1,934	-
Intergovernmental payable-----	-	57,847	57,847	-
Tax anticipation debt-----	-	-	-	106,136
Notes, lease obligations, and estimated claims payable-----	35,349	46,998	82,347	19,616
Unearned revenue-----	-	2,003	2,003	3,909
Bond interest payable-----	-	29,111	29,111	-
Bonds payable, net-----	531,422	524,047	1,055,469	3,492
Net other post-employment benefit obligation-----	76,473	16,327	92,800	1,218
Total non-current liabilities-----	694,089	682,542	1,376,631	135,676
Total liabilities-----	832,702	844,463	1,677,165	177,705
NET ASSETS				
Invested in capital assets, net of related debt-----	917,055	1,088,470	2,005,525	282,505
Restricted for:				
Capital projects-----	363,150	863	364,013	133,140
Debt service-----	52,171	54,363	106,534	2,748
Public safety-----	18,850	-	18,850	-
Public services-----	6,849	-	6,849	35,722
Culture and recreation-----	12,519	-	12,519	8
Maintenance-----	-	19,840	19,840	-
Unrestricted-----	169,928	186,221	356,149	10,809
Total net assets-----	\$1,540,522	\$1,349,757	\$2,890,279	\$464,932

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Program Revenues				Primary Government			Component Units
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type		
							Activities	Total	
Primary government									
<i>Governmental activities</i>									
General government-----	\$41,095	(\$9,838)	\$1,883	\$6,571	\$2,743	(\$20,060)	\$ -	(\$20,060)	\$ -
Public safety:									
Police-----	158,950	-	3,730	7,107	-	(148,113)	-	(148,113)	-
Fire-----	137,017	-	8	17,956	275	(118,778)	-	(118,778)	-
Other-----	26,823	170	30,530	875	811	5,223	-	5,223	-
Public services-----	127,183	35	18,429	28,355	11,477	(68,957)	-	(68,957)	-
Culture and recreation-----	86,785	594	18,519	2,140	1,198	(65,522)	-	(65,522)	-
Education-----	1,246	325	205	53	-	(1,313)	-	(1,313)	-
Economic development-----	5,335	-	2	2,787	-	(2,546)	-	(2,546)	-
Interest on long-term debt-----	20,824	-	-	-	-	(20,824)	-	(20,824)	-
Total governmental activities----	605,258	(8,714)	73,306	65,844	16,504	(440,890)	-	(440,890)	-
<i>Business-type activities</i>									
Airports-----	49,701	3,123	60,136	8,114	7,505	-	22,931	22,931	-
Water and wastewater utilities-----	158,546	1,113	198,646	1,221	11,201	-	51,409	51,409	-
Solid waste management-----	34,846	2,304	41,418	-	-	-	4,268	4,268	-
Stormwater drainage-----	14,827	1,286	14,540	-	-	-	(1,573)	(1,573)	-
Golf courses-----	10,716	95	9,063	-	-	-	(1,748)	(1,748)	-
Fairgrounds-----	10,063	-	5	-	-	-	(10,058)	(10,058)	-
Transportation and parking-----	3,948	793	2,202	1,837	-	-	(702)	(702)	-
Total business-type activities----	282,647	8,714	326,010	11,172	18,706	-	64,527	64,527	-
Total primary government--	\$887,905	\$ -	\$399,316	\$77,016	\$35,210	(440,890)	64,527	(376,363)	-
Component units									
Riverfront development-----	\$300	\$ -	\$1	\$ -	\$ -	-	-	-	(299)
Zoo operations-----	19,412	-	9,822	-	14,290	-	-	-	4,700
Foreign trade zone operations-----	4	-	9	-	-	-	-	-	5
Transportation and parking-----	30,528	-	9,558	22,599	539	-	-	-	2,168
Education-----	19,588	-	-	492	-	-	-	-	(19,096)
Economic development-----	15,175	-	1,107	8,113	-	-	-	-	(5,955)
Total component units-----	\$85,007	\$ -	\$20,497	\$31,204	\$14,829	-	-	-	(18,477)
GENERAL REVENUES									
Taxes:									
Sales taxes:									
General-----						198,383	-	198,383	-
Police-----						37,710	-	37,710	-
Fire-----						37,707	-	37,707	-
Culture and recreation-----						112,726	-	112,726	-
Tax incremental financing-----						3,343	-	3,343	-
Total sales tax-----						389,869	-	389,869	-
Use taxes-----						52,470	-	52,470	-
Hotel/Motel taxes-----						12,177	-	12,177	-
Property taxes-----						73,778	-	73,778	9,351
Franchise taxes-----						42,410	-	42,410	-
Emergency telephone taxes-----						4,598	-	4,598	-
Other taxes-----						6,401	-	6,401	-
Total taxes-----						581,703	-	581,703	9,351
Oil and gas royalties-----						1,074	-	1,074	83
Unrestricted investment income-----						2,182	1,180	3,362	430
Miscellaneous-----						7,953	-	7,953	190
Total general revenues-----						592,912	1,180	594,092	10,054
Special item-----						7,497	(2,872)	4,625	(124)
Transfers-----						(453)	453	-	-
Total general revenues, special item, and transfers-----						599,956	(1,239)	598,717	9,930
Changes in net assets-----						159,066	63,288	222,354	(8,547)
NET ASSETS BEGINNING									
As previously reported-----						1,380,357	1,279,256	2,659,613	468,703
Prior period adjustment-----						1,099	7,213	8,312	4,776
As restated-----						1,381,456	1,286,469	2,667,925	473,479
Net assets-ending-----						\$1,540,522	\$1,349,757	\$2,890,279	\$464,932

See accompanying notes to financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>General</u>	<u>Debt</u> <u>Service</u>	<u>Grants</u> <u>Management</u>	<u>MAPS3</u> <u>Sales Tax</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>							
Pooled cash-----	\$4,161	\$2,559	\$23	\$8,897	\$ -	\$10,655	\$26,295
Non-pooled cash-----	3	-	-	-	49,265	53	49,321
Investments-----	87,232	57,613	7,109	181,829	95,115	162,646	591,544
Sales and use taxes receivable-----	33,242	-	-	14,221	-	15,802	63,265
Property taxes receivable-----	-	4,332	-	-	-	1	4,333
Accounts receivable-----	5,280	-	-	-	-	2,789	8,069
Interest, dividends, and royalties receivable-----	431	276	22	874	352	824	2,779
Due from other funds-----	4,374	191	307	55	126	17,807	22,860
Receivable from component units-----	286	-	-	-	-	5	291
Intergovernmental receivables-----	1,318	-	5,749	-	-	2,946	10,013
Notes receivable, current-----	376	-	231	-	-	-	607
Inventories-----	7,164	-	-	-	-	-	7,164
Prepays-----	-	-	-	-	-	290	290
Notes receivable, non-current-----	1,508	-	2,910	-	-	-	4,418
Advance to other funds-----	1,328	-	-	4	1,019	7,855	10,206
Other assets-----	-	-	-	-	-	5,547	5,547
Total assets-----	\$146,703	\$64,971	\$16,351	\$205,880	\$145,877	\$227,220	\$807,002
<u>LIABILITIES AND</u>							
<u>FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts payable-----	\$5,247	\$ -	\$2,450	\$344	\$9,418	\$7,517	\$24,976
Wages and benefits payable-----	7,585	-	131	-	-	1,564	9,280
Due to other funds-----	11,804	5,354	1,646	22	7,803	1,812	28,441
Payable to component units, current---	1,286	-	-	-	-	5,824	7,110
Deferred revenue-----	565	2,883	6,150	228	59	3,339	13,224
Payable to component units, non-current-----	-	-	-	-	-	1,934	1,934
Advance from other funds-----	4,129	-	1,560	-	-	4,518	10,207
Total liabilities-----	30,616	8,237	11,937	594	17,280	26,508	95,172
<u>FUND BALANCES</u>							
Non-spendable-----	10,376	-	3,141	4	1,019	5,701	20,241
Restricted-----	275	56,734	3,786	205,282	127,578	69,203	462,858
Committed-----	-	-	-	-	-	42,897	42,897
Assigned-----	1,687	-	-	-	-	84,935	86,622
Unassigned-----	103,749	-	(2,513)	-	-	(2,024)	99,212
Total fund balances-----	116,087	56,734	4,414	205,286	128,597	200,712	711,830
Total liabilities and fund balances-----	\$146,703	\$64,971	\$16,351	\$205,880	\$145,877	\$227,220	\$807,002

See accompanying notes to financial statements.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

Total fund balance -- total governmental funds \$711,830

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

Land and construction in progress	\$285,452	
Capital assets	2,076,593	
Less: Accumulated depreciation	(859,305)	1,502,740
Less: Internal service fund net capital assets included in net assets above		(7,394)

The City's equity interest in the Emergency Medical Services Authority (EMSA) joint venture is not attributable to any certain fund. 7,966

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

Deferred revenues (governmental funds)	\$13,224	
Amounts collected or collectible but not earned at year-end (government-wide)	(3,714)	9,510

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

Internal service funds net assets	(\$1,927)	
Business-type activities internal liabilities to governmental fund activities	45,947	44,020

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

	Government Wide		<i>Governmental</i> <i>Funds</i>	<i>Internal</i> <i>Service</i> <i>Funds</i>	
	<i>Current</i>	<i>Non-Current</i>			
Notes, lease obligations, estimated claims payable	(\$17,147)	(\$35,349)	\$ -	\$47,120	
Bonds payable, net	(43,985)	(531,422)	-	-	
Compensated absences	(21,400)	(48,911)	-	2,003	
Deferred debt expense	-	2,841	-	-	
Interest payable	(80)	-	-	55	
Bonds interest payable	(8,001)	-	-	-	
Net other post-employment benefit obligation	-	(76,473)	-	2,599	(728,150)

Net assets of governmental activities \$1,540,522

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>General</u>	<u>Debt Service</u>	<u>Grants Management</u>	<u>MAPS3 Sales Tax</u>	<u>General Obligation Bonds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Sales taxes-----	\$197,864	\$ -	\$ -	\$100,157	\$ -	\$91,848	\$389,869
Use taxes-----	38,388	-	-	-	-	14,081	52,469
Hotel/Motel taxes-----	-	-	-	-	-	12,342	12,342
Property taxes-----	-	75,106	-	-	-	35	75,141
Emergency telephone taxes-----	-	-	-	-	-	4,597	4,597
Other taxes-----	6,401	-	-	-	-	-	6,401
Franchise taxes-----	42,433	-	-	-	-	-	42,433
Licenses and permits-----	12,741	-	-	-	-	9,153	21,894
Oil and gas royalties-----	161	-	-	-	-	912	1,073
Fines and forfeitures-----	22,912	-	-	-	-	1,123	24,035
Investment income-----	730	429	15	1,200	656	1,964	4,994
Charges for services-----	17,614	-	-	-	-	18,330	35,944
Rental income-----	9	-	-	12	-	1,252	1,273
Payments from component units-----	-	-	3	-	311	-	314
Intergovernmental programs-----	30,045	-	29,421	-	-	3,578	63,044
Other-----	5,380	28	2	-	586	3,672	9,668
Total revenues-----	374,678	75,563	29,441	101,369	1,553	162,887	745,491
EXPENDITURES							
CURRENT							
General government-----	44,954	735	-	-	-	878	46,567
Public safety:							
Police-----	107,386	-	-	-	-	35,866	143,252
Fire-----	90,381	-	-	-	-	35,557	125,938
Other-----	8,716	-	-	-	-	17,851	26,567
Public services-----	52,942	-	25,020	-	6,601	6,571	91,134
Culture and recreation-----	24,080	-	-	23	-	39,669	63,772
Education-----	-	-	-	-	-	1,519	1,519
Economic development-----	-	-	-	-	-	7,198	7,198
Capital outlay-----	422	-	5,781	8,915	64,997	43,121	123,236
DEBT SERVICE							
Principal-----	112	44,410	2,050	-	-	128	46,700
Interest-----	289	22,473	-	-	-	89	22,851
Bond issuance costs-----	-	581	-	-	-	-	581
Other debt service-----	3	13,562	-	-	-	-	13,565
Total expenditures-----	329,285	81,761	32,851	8,938	71,598	188,447	712,880
Excess (deficiency) of revenues over (under) expenditures-----	45,393	(6,198)	(3,410)	92,431	(70,045)	(25,560)	32,611
OTHER FINANCING SOURCES (USES)							
Transfers from other funds-----	6,112	-	3,592	-	50,038	38,141	97,883
Transfers to other funds-----	(35,159)	(51,703)	(826)	-	-	(11,323)	(99,011)
Capital financing-----	405	-	-	-	-	-	405
Sale of assets-----	23	-	-	-	-	435	458
Premium on bonds-----	-	19,407	-	-	-	-	19,407
Long-term debt issued-----	-	130,110	-	-	-	-	130,110
Payment to bond escrow agent-----	-	(91,315)	-	-	-	-	(91,315)
Net other financing sources (uses)-----	(28,619)	6,499	2,766	-	50,038	27,253	57,937
SPECIAL ITEM							
Special item-----	-	-	-	-	-	7,497	7,497
Net change in fund balances-----	16,774	301	(644)	92,431	(20,007)	9,190	98,045
FUND BALANCES							
Fund balances, beginning-----	99,313	56,433	5,058	112,855	148,604	191,522	613,785
Fund balances, ending-----	\$116,087	\$56,734	\$4,414	\$205,286	\$128,597	\$200,712	\$711,830

See accompanying notes to financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES **CITY OF OKLAHOMA CITY, OKLAHOMA**
For the Year Ended June 30, 2012
(dollars are in thousands)

Net change in fund balances – total governmental funds \$98,045

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

Capital outlay	\$123,236	
Depreciation expense	(62,464)	60,772

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

Sale of assets - governmental funds	(\$458)	
Loss on disposal of assets - government-wide	309	(149)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 11,889

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

	<u>Current Year</u>	<u>Prior Year</u>	
Deferred revenues reported in governmental funds	\$13,224	(\$19,733)	
Unearned revenues in the statement of activities	(3,714)	6,341	
EMSA joint venture equity interest	7,966	(6,377)	(2,293)

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

Debt activity reported in fund statements			
Long-term debt issued		(\$130,110)	
Premium on bonds		(19,407)	
Capital financing		(405)	
Debt principal		46,700	
Bond issuance costs		521	
Payment to bond escrow agent		104,881	
Interest on debt - governmental funds		22,851	
Capital lease principal payments		49	
Internal service funds debt activity			
Capital lease principal payments		11	
Debt activity recognized in the statement of activities			
Interest on long-term debt		(20,824)	4,267

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

	<u>Current Year</u>	<u>Prior Year</u>	
Compensated absences	(\$70,311)	\$70,200	
Compensated absences - internal service funds	2,003	(1,873)	
Other post-employment benefit liability	(76,473)	62,998	
Other post-employment benefit liability - internal service funds	2,599	(2,115)	
Expenses not available for fund reporting (arbitrage payable)	1,018	-	(11,954)

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

Internal service fund changes in net assets		(\$3,186)	
Business-type activities net activities due to governmental type activities		1,675	(1,511)

Change in net assets of governmental activities \$159,066

**STATEMENT OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
REVENUES							
<u>TAXES</u>							
Sales taxes-----	\$187,663	\$154	\$187,817			\$198,522	\$10,705
Use taxes-----	33,489	-	33,489			38,805	5,316
Commercial vehicle taxes-----	3,612	-	3,612			3,968	356
Motor fuel taxes-----	1,043	-	1,043			1,096	53
Excise taxes-----	4,992	-	4,992			5,654	662
Alcoholic beverage taxes-----	809	-	809			818	9
Utility taxes-----	3,970	-	3,970			3,997	27
<u>LICENSES, PERMITS AND FEES</u>							
Licenses-----	1,698	-	1,698			1,517	(181)
Permits-----	9,531	-	9,531			10,097	566
Franchise fees-----	35,983	-	35,983			36,796	813
Other police fees-----	544	-	544			468	(76)
Other fees-----	-	-	-			516	516
Fines and forfeitures-----	22,928	-	22,928			22,912	(16)
Investment income-----	1,000	-	1,000			712	(288)
Charges for services-----	12,585	(5,507)	7,078			6,668	(410)
Administrative charges-----	15,752	-	15,752			16,177	425
<u>OTHER REVENUE</u>							
Rental income-----	2,385	-	2,385			1,796	(589)
Other revenue-----	2,192	5,507	7,699			10,196	2,497
Total revenues -----	340,176	154	340,330			360,715	20,385
EXPENDITURES							
<u>GENERAL GOVERNMENT</u>							
Juvenile justice - Municipal Counselor:							
Personal services-----	167	18	185	\$182	\$ -	182	3
Supplies-----	5	-	5	4	-	4	1
Mayor and Council:							
Personal services-----	762	(7)	755	754	-	754	1
Other services and charges-----	126	(43)	83	82	-	82	1
Supplies-----	10	(4)	6	6	-	6	-
City manager:							
Personal services-----	2,379	43	2,422	2,422	-	2,422	-
Other services and charges-----	215	255	470	401	44	445	25
Supplies-----	43	(19)	24	24	-	24	-
Municipal counselor:							
Personal services-----	5,321	150	5,471	5,471	-	5,471	-
Other services and charges-----	372	10	382	380	2	382	-
Supplies-----	79	1	80	68	12	80	-
Personnel:							
Personal services-----	2,152	61	2,213	2,213	-	2,213	-
Other services and charges-----	344	(3)	341	340	1	341	-
Supplies-----	16	-	16	16	-	16	-
City clerk:							
Personal services-----	657	(72)	585	585	-	585	-
Other services and charges-----	176	(12)	164	164	-	164	-
Supplies-----	5	2	7	6	1	7	-

**STATEMENT OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
Finance:							
Personal services-----	5,847	(501)	5,346	5,346	-	5,346	-
Other services and charges-----	1,657	(13)	1,644	1,583	-	1,583	61
Supplies-----	124	(52)	72	72	-	72	-
City auditor:							
Personal services-----	983	22	1,005	1,005	-	1,005	-
Other services and charges-----	68	(8)	60	60	-	60	-
Supplies-----	10	2	12	4	8	12	-
General services:							
Personal services-----	2,662	45	2,707	2,707	-	2,707	-
Other services and charges-----	1,562	(24)	1,538	1,491	10	1,501	37
Supplies-----	150	258	408	381	18	399	9
Non-departmental:							
Personal services-----	24,046	(2,047)	21,999	21,999	-	21,999	-
Other services and charges-----	20,737	(9,585)	11,152	10,613	415	11,028	124
Supplies-----	8	(2)	6	6	-	6	-
Debt service-----	10	(7)	3	3	-	3	-
<u>PUBLIC SAFETY</u>							
Juvenile justice - Court administration:							
Personal services-----	564	10	574	527	-	527	47
Other services and charges-----	167	-	167	104	-	104	63
Supplies-----	12	-	12	9	-	9	3
Municipal courts:							
Personal services-----	4,634	(175)	4,459	4,459	-	4,459	-
Other services and charges-----	1,998	(85)	1,913	1,828	6	1,834	79
Supplies-----	230	(71)	159	158	1	159	-
Police:							
Personal services-----	91,327	1,987	93,314	93,206	-	93,206	108
Other services and charges-----	15,407	(51)	15,356	15,198	140	15,338	18
Supplies-----	702	473	1,175	929	237	1,166	9
Capital outlay-----	-	17	17	17	-	17	-
Fire:							
Personal services-----	76,231	1,398	77,629	77,590	-	77,590	39
Other services and charges-----	5,725	75	5,800	5,711	83	5,794	6
Supplies-----	1,506	49	1,555	1,545	7	1,552	3
<u>PUBLIC SERVICES</u>							
Development services:							
Personal services-----	12,459	(344)	12,115	12,115	-	12,115	-
Other services and charges-----	1,774	39	1,813	1,797	10	1,807	6
Supplies-----	662	(49)	613	610	3	613	-
Planning:							
Personal services-----	1,834	(51)	1,783	1,782	-	1,782	1
Other services and charges-----	625	409	1,034	900	78	978	56
Supplies-----	39	10	49	47	-	47	2
Public works:							
Personal services-----	19,326	(497)	18,829	18,828	-	18,828	1
Other services and charges-----	4,639	94	4,733	4,652	4	4,656	77
Supplies-----	2,121	159	2,280	1,800	418	2,218	62
Capital outlay-----	12	(12)	-	-	-	-	-

(continued)

**STATEMENT OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	General Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
<u>CULTURE AND RECREATION</u>							
Parks:							
Personal services-----	14,752	(808)	13,944	13,944	-	13,944	-
Other services and charges-----	6,371	(882)	5,489	5,062	82	5,144	345
Supplies-----	1,768	(53)	1,715	1,553	109	1,662	53
Total expenditures and encumbrances-----	335,578	(9,890)	325,688	322,759	1,689	324,448	1,240
<u>PRIOR YEAR ENCUMBRANCES</u>							
Related to prior year budgets (1)-----	-	-	-	(1,238)	-	(1,238)	1,238
Related to current year budgets-----	-	-	-	-	(1,689)	(1,689)	1,689
Net expenditures and encumbrances-----	335,578	(9,890)	325,688	\$321,521	\$ -	321,521	4,167
Excess of revenues over expenditures-----	4,598	10,044	14,642			39,194	16,218
<u>OTHER FINANCING SOURCES (USES)</u>							
<u>TRANSFERS FROM OTHER FUNDS</u>							
Grants Management Fund-----	-	41	41			41	-
Police Fund-----	8,091	487	8,578			8,577	(1)
Fire Fund-----	10,220	952	11,172			11,172	-
OCMFA General Purpose Fund-----	494	-	494			389	(105)
OCPPA General Purpose Fund-----	1,991	-	1,991			2,047	56
Special Purpose Fund-----	39	-	39			-	(39)
Total transfers from other funds-----	20,835	1,480	22,315			22,226	(89)
<u>TRANSFERS TO OTHER FUNDS</u>							
General government:							
OCMFA General Purpose Fund-----	(2,000)	-	(2,000)			(2,000)	-
OCPPA General Purpose Fund-----	(200)	-	(200)			(200)	-
OCMFA Services-----	(1,108)	-	(1,108)			(1,108)	-
Public safety:							
Emergency Management Fund-----	(2,550)	-	(2,550)			(2,550)	-
Public services:							
OCMFA General Purpose Fund-----	(700)	-	(700)			(700)	-
OCPPA General Purpose Fund-----	(164)	-	(164)			(164)	-
Parking Fund-----	(241)	-	(241)			(241)	-
Capital Improvement Fund-----	(1,078)	(20,871)	(21,949)			(21,916)	33
Culture and recreation:							
OCPPA General Purpose Fund-----	(4,572)	-	(4,572)			(4,572)	-
Golf Courses Fund-----	(1,159)	-	(1,159)			(1,159)	-
Education:							
City and Schools Use Tax Fund-----	(1,882)	-	(1,882)			(1,882)	-
Economic development:							
OCPPA General Purpose Fund-----	(255)	-	(255)			(255)	-
<u>TRANSFERS TO COMPONENT UNITS</u>							
Public services:							
COTPA-----	(12,007)	(154)	(12,161)			(12,161)	-
OCEDT-----	(517)	-	(517)			(517)	-
<u>OTHER FINANCING SOURCES</u>							
Sale of assets-----	-	-	-			53	53
Excess (deficiency) of revenues and other sources over expenditures and other uses----	(3,000)	(9,501)	(12,501)			12,048	16,215

**STATEMENT OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	General Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
<u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u>								
<u>BEGINNING FUND BALANCE</u>								
Appropriated for current year budget-----	3,000	8,263	11,263				11,263	-
Reappropriated for prior year encumbrances----	-	1,238	1,238				1,238	-
Not appropriated-----	-	-	-				46,515	46,515
Beginning fund balance-----	<u>3,000</u>	<u>9,501</u>	<u>12,501</u>				<u>59,016</u>	<u>46,515</u>
<u>ENDING FUND BALANCE</u>								
Before encumbrances-----	-	-	-				71,064	71,064
Less: current year encumbrances-----	-	-	-				(1,689)	(1,689)
Ending fund balance-----	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>69,375</u>	<u>\$69,375</u>
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>								
Current year encumbrances included in expenditures-----							1,689	
Inventories -----							7,164	
Revenue and transfer accruals-----							38,945	
Expenditure and transfer accruals-----							(1,086)	
Fund balance, ending-----							<u>\$116,087</u>	

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

**STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2012
 (dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

			Water and Wastewater		Other Enterprise		Total Enterprise	Internal Service
	OCAT	OCWUT	Fund	MCA	OCEAT	Funds	Funds	Funds
ASSETS								
CURRENT ASSETS								
Pooled cash-----	\$ -	\$ -	\$2,633	\$ -	\$ -	\$1,131	\$3,764	\$6,866
Non-pooled cash-----	1,757	30,880	-	2,451	7,389	1,404	43,881	-
Investments-----	101,487	93,348	6,090	1,816	17,181	19,056	238,978	30,391
Accounts receivable, net-----	6,216	26,597	1	23	3,450	2,065	38,352	19
Interest, dividends, and royalties receivable-----	305	636	29	44	57	65	1,136	244
Due from other funds-----	-	706	31	1	13	163	914	7,302
Receivable from component units-----	-	121	-	-	-	810	931	8
Intergovernmental receivables-----	1,923	-	-	65	-	-	1,988	-
Inventories-----	-	-	8,398	-	500	1,351	10,249	62
Prepays-----	-	533	13	-	19	1	566	1,124
Total current assets-----	111,688	152,821	17,195	4,400	28,609	26,046	340,759	46,016
NON-CURRENT ASSETS								
Investments-----	19,888	28,749	-	6,654	-	777	56,068	-
Notes receivable-----	-	1,216	-	-	-	-	1,216	-
Advance to other funds-----	-	45,391	4,185	-	-	2,723	52,299	28,961
Receivable from component units-----	-	970	-	-	-	-	970	-
Deferred debt expense, net-----	588	1,885	-	163	75	1,072	3,783	-
Other-----	7,881	51	4	44,799	-	-	52,735	22
Capital assets:								
Land, art, water storage rights and construction in progress-----	36,970	325,301	9,378	61,529	38	32,338	465,554	928
Other capital assets, net of accumulated depreciation-----	355,032	586,983	236,402	14,253	8,375	120,009	1,321,054	6,466
Capital assets, net-----	392,002	912,284	245,780	75,782	8,413	152,347	1,786,608	7,394
Total non-current assets-----	420,359	990,546	249,969	127,398	8,488	156,919	1,953,679	36,377
Total assets-----	532,047	1,143,367	267,164	131,798	37,097	182,965	2,294,438	82,393
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable-----	5,037	28,454	4,788	27	2,704	3,263	44,273	2,523
Wages and benefits payable-----	-	-	1,255	7	-	947	2,209	396
Due to other funds-----	-	943	247	-	98	271	1,559	1,076
Payable to component units-----	-	1,161	-	-	-	-	1,161	-
Interest payable-----	-	381	-	-	2	-	383	55
Compensated absences-----	-	-	1,898	11	-	1,341	3,250	698
Commercial paper-----	-	45,000	-	-	-	-	45,000	-
Notes, lease obligations, and estimated claims payable-----	85	345	-	-	813	253	1,496	16,601
Unearned deferred revenue-----	616	-	-	-	6,697	-	7,313	-
Bond interest payable-----	2,432	15,619	-	1,574	65	992	20,682	-
Bonds payable-----	19,215	10,434	-	3,505	350	2,550	36,054	-
Intergovernmental payable-----	-	-	-	100	-	-	100	-
Total current liabilities-----	27,385	102,337	8,188	5,224	10,729	9,617	163,480	21,349
NON-CURRENT LIABILITIES								
Compensated absences-----	-	-	3,726	56	-	2,427	6,209	1,305
Intergovernmental payable-----	-	57,847	-	-	-	-	57,847	-
Notes, lease obligations, and estimated claims payable-----	-	46,998	-	-	-	-	46,998	30,519
Advance from other funds-----	720	4,185	-	45,391	2,003	413	52,712	28,548
Unearned revenue-----	2,003	-	-	-	-	-	2,003	-
Bond interest payable-----	-	29,111	-	-	-	-	29,111	-
Bonds payable, net-----	95,104	294,885	-	48,353	3,021	82,684	524,047	-
Net other post-employment benefit obligation-----	-	-	9,470	-	-	6,857	16,327	2,599
Total non-current liabilities-----	97,827	433,026	13,196	93,800	5,024	92,381	735,254	62,971
Total liabilities-----	125,212	535,363	21,384	99,024	15,753	101,998	898,734	84,320
NET ASSETS								
Invested in capital assets, net of related debt-----	278,272	464,895	245,780	25,967	4,441	69,115	1,088,470	7,281
Restricted for:								
Capital projects-----	862	-	-	-	-	1	863	-
Debt service-----	26,105	17,359	-	7,864	348	2,687	54,363	-
Maintenance-----	19,840	-	-	-	-	-	19,840	-
Unrestricted-----	81,756	125,750	-	(1,057)	16,555	9,164	232,168	(9,208)
Total net assets-----	\$406,835	\$608,004	\$245,780	\$32,774	\$21,344	\$80,967		(\$1,927)

Adjustment to reflect consolidation of applicable internal service fund activities to business-type activities----- (45,947)

Net assets business-type activities----- **\$1,349,757**

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Water and Wastewater		Other Enterprise			Total Enterprise	Internal Service
	OCAT	OCWUT	Fund	MCA	OCEAT	Funds	Funds
<u>OPERATING REVENUES</u>							
<u>CHARGES FOR SERVICES</u>							
Parking-----	\$9,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water charges-----	-	113,690	-	-	-	-	113,690
Wastewater charges-----	-	77,629	-	-	-	-	77,629
Drainage charges-----	-	-	-	-	-	14,274	14,274
Sanitation charges-----	-	-	-	-	41,209	-	41,209
Landing fees-----	6,835	-	-	-	-	-	6,835
Green fees-----	-	-	-	-	-	5,075	5,075
Concessions-----	1,793	-	-	-	-	1,510	3,303
Internal service charges-----	-	-	-	-	-	-	-
Aliquot share charges-----	-	-	-	2,462	-	-	2,462
Other charges-----	14,568	2,765	-	-	-	2,261	19,594
Total charges for services-----	33,000	194,084	-	2,462	41,209	23,120	293,875
Lease and rental income-----	24,262	700	-	-	-	2,403	27,365
Other-----	-	353	-	-	-	141	494
Total operating revenues-----	57,262	195,137	-	2,462	41,209	25,664	321,734
<u>OPERATING EXPENSES</u>							
Personal services-----	8,417	43,350	-	220	7,724	14,514	74,225
Maintenance, operations, and contractual services-----	14,801	48,829	-	360	24,357	9,127	97,474
Materials and supplies-----	1,329	11,638	-	65	2,756	2,884	18,672
Depreciation-----	20,715	26,437	12,030	633	1,790	11,382	72,987
Total operating expenses-----	45,262	130,254	12,030	1,278	36,627	37,907	263,358
Operating income (loss)-----	12,000	64,883	(12,030)	1,184	4,582	(12,243)	58,376
<u>NON-OPERATING REVENUES (EXPENSES)</u>							
Facility charges-----	7,211	-	-	-	-	-	7,211
Grant operating-----	403	-	-	-	-	-	403
Investment income-----	648	1,512	-	576	73	90	2,899
Interest on torts, bonds, notes, commercial paper, and lease obligations-----	(6,525)	(11,904)	-	(3,328)	(176)	(3,681)	(25,614)
Amortization-----	(141)	(149)	-	(23)	(26)	(25)	(364)
Oil and gas royalties-----	2,821	56	-	-	-	-	2,877
Payments from component units-----	-	-	-	-	-	1,837	1,837
Other revenues (expenses)-----	49	776	(2)	8	79	143	1,053
Net non-operating revenues (expenses)-----	4,466	(9,709)	(2)	(2,767)	(50)	(1,636)	(9,698)
Income (loss) before contributions and transfers and special item-----	16,466	55,174	(12,032)	(1,583)	4,532	(13,879)	48,678
<u>CONTRIBUTIONS AND TRANSFERS</u>							
Capital contributions from developers-----	-	-	10,121	-	-	-	10,121
Grant capital-----	7,505	202	589	-	-	-	8,296
Other capital contributions-----	-	289	-	-	-	-	289
Transfers from other funds-----	-	-	-	4,313	-	8,031	12,344
Transfers to other funds-----	(449)	(9,649)	-	-	(776)	(1,019)	(11,893)
Total contributions and transfers-----	7,056	(9,158)	10,710	4,313	(776)	7,012	19,157
<u>SPECIAL ITEM</u>							
Special item-----	(2,872)	-	-	-	-	-	(2,872)
Changes in net assets-----	20,650	46,016	(1,322)	2,730	3,756	(6,867)	64,963
<u>NET ASSETS</u>							
Net assets, beginning:							
As previously reported-----	386,464	566,671	242,419	30,044	18,869	79,061	1,259
Prior period adjustment-----	(279)	(4,683)	4,683	-	(1,281)	8,773	-
Net assets, beginning, as restated-----	386,185	561,988	247,102	30,044	17,588	87,834	1,259
Total net assets, ending-----	\$406,835	\$608,004	\$245,780	\$32,774	\$21,344	\$80,967	(\$1,927)
Adjustment to reflect the consolidation of applicable internal service fund activities to business-type activities-----							(1,675)
Changes in net assets of business-type activities-----							\$63,288

See accompanying notes to financial statements.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Water and Wastewater		Other Enterprise			Total Enterprise	Internal Service	
	OCAT	OCWUT	Fund	MCA	OCEAT	Funds	Funds	Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Cash received from customers-----	\$55,526	\$193,443	\$ -	\$208	\$41,606	\$23,033	\$313,816	\$78,036
Cash payments to suppliers for goods and services-----	(10,452)	(26,683)	(35,119)	(419)	(25,214)	(19,832)	(117,719)	(69,712)
Cash payments to employees and professional contractors for services-----	(1)	-	(41,684)	(217)	-	(29,637)	(71,539)	(12,021)
Operating payments from (to) component units-----	-	3	-	-	-	3,922	3,925	-
Cost reimbursements from (to) other funds-----	(14,158)	(76,913)	76,913	-	(10,520)	24,678	-	-
Other cash receipts-----	2,950	678	19	22	495	80	4,244	3,268
Net cash provided (used) by operating activities-----	33,865	90,528	129	(406)	6,367	2,244	132,727	(429)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>								
Cash received from operating grants-----	706	-	-	-	-	-	706	-
Transfers received from (paid to) other funds-----	(8)	(9,904)	(1,305)	6,599	(717)	5,812	477	1,104
Non-capital payments from component units-----	-	1,282	-	-	-	-	1,282	-
Net cash provided (used) by non-capital financing activities--	698	(8,622)	(1,305)	6,599	(717)	5,812	2,465	1,104
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>								
Proceeds from issuance of long-term debt-----	-	61,885	-	-	-	9,013	70,898	-
Payments for acquisition and construction of capital assets-----	(25,448)	(112,692)	-	(137)	(717)	(9,375)	(148,369)	(24)
Principal paid on long-term debt-----	(17,740)	(10,089)	-	(3,305)	(1,527)	(2,305)	(34,966)	-
Interest paid on long-term debt-----	(7,146)	(22,795)	-	(3,345)	(185)	(3,854)	(37,325)	(4)
Facility charge revenue received-----	7,135	-	-	-	-	-	7,135	-
Capital/financing payments from (to) component units-----	-	289	-	-	-	-	289	-
Proceeds from sale of assets-----	35	-	-	-	46	14	95	-
Capital grants and contributions received-----	7,012	-	-	-	-	-	7,012	-
Net cash used by capital and related financing activities-----	(36,152)	(83,402)	-	(6,787)	(2,383)	(6,507)	(135,231)	(28)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Payments for purchase of investments-----	(24,263)	(284,678)	-	(9,203)	(46,443)	(27,650)	(392,237)	-
Proceeds from sale of investments-----	25,308	290,374	-	11,077	40,255	23,127	390,141	-
Changes in pooled investments-----	-	-	3,362	-	-	548	3,910	(3,664)
Investment income received-----	579	1,306	90	535	141	134	2,785	289
Purchased interest-----	-	-	5	-	27	2	34	7
Receipts from oil and gas royalties-----	-	56	-	-	-	-	56	-
Net cash provided (used) by investing activities-----	1,624	7,058	3,457	2,409	(6,020)	(3,839)	4,689	(3,368)
Net increase (decrease) in cash-----	35	5,562	2,281	1,815	(2,753)	(2,290)	4,650	(2,721)
Cash, beginning-----	1,722	25,318	352	636	10,142	4,825	42,995	9,587
Cash, ending-----	\$1,757	\$30,880	\$2,633	\$2,451	\$7,389	\$2,535	\$47,645	\$6,866

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>OCAT</u>	<u>OCWUT</u>	<u>Water and Wastewater Fund</u>	<u>MCA</u>	<u>OCEAT</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>								
Operating income (loss)-----	\$12,000	\$64,883	(\$12,030)	\$1,184	\$4,582	(\$12,243)	\$58,376	(\$4,359)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>								
Depreciation-----	20,715	26,437	12,030	633	1,790	11,382	72,987	2,089
Other revenue (expense)-----	2,822	365	(8)	33	217	88	3,517	217
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable-----	(1,362)	(1,669)	-	-	(145)	(337)	(3,513)	3,109
(Increase) decrease in due from other funds-----	-	-	4,683	-	227	963	5,873	(8,373)
(Increase) decrease in receivable from component units-----	-	3	-	-	-	1,722	1,725	28
(Increase) decrease in inventories-----	(108)	-	(2,631)	-	(225)	(27)	(2,991)	(6)
(Increase) decrease in prepaid assets-----	-	(466)	(17)	34	(19)	2	(466)	(147)
(Increase) decrease in intergovernmental receivable-----	-	-	-	(2,148)	-	-	(2,148)	-
(Increase) decrease in other assets-----	129	-	-	-	-	-	129	121
Increase (decrease) in accounts payable-----	(143)	689	1,695	5	75	451	2,772	(643)
Increase (decrease) in wages and benefits payable-----	(54)	-	(290)	-	-	(183)	(527)	(43)
Increase (decrease) in due to other funds-----	-	286	(4,969)	(151)	(449)	(577)	(5,860)	8,463
Increase (decrease) in payable to component unit-----	-	-	-	-	-	-	-	(73)
Increase (decrease) in compensated absences-----	(29)	-	270	4	-	(3)	242	129
Increase (decrease) in long-term debt-----	19	-	-	-	-	-	19	(1,318)
Increase (decrease) in notes, lease and estimated claims payable-----	-	-	-	-	-	-	-	(105)
Increase (decrease) in net other post-employment benefit obligation----	251	-	1,396	-	-	1,006	2,653	482
Increase (decrease) in deferred revenue-----	(375)	-	-	-	314	-	(61)	-
Total adjustments-----	21,865	25,645	12,159	(1,590)	1,785	14,487	74,351	3,930
Net cash provided (used) by operating activities-----	\$33,865	\$90,528	\$129	(\$406)	\$6,367	\$2,244	\$132,727	(\$429)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>								
Net increase (decrease) in fair value of investments-----	\$81	\$ -	(\$40)	\$ -	\$ -	(\$26)	\$15	(\$62)
Donated assets-----	2,872	202	10,710	-	-	-	13,784	-
Issuance of capital leases-----	-	-	-	-	-	355	355	-
Other-----	-	1,653	-	-	-	-	1,653	-
Total non-cash investing, capital, and financing activities-----	\$2,953	\$1,855	\$10,670	\$ -	\$ -	\$329	\$15,807	(\$62)

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Pension and Other Post-employment Benefit Trust Funds	Agency Fund
<u>ASSETS</u>		
Pooled cash-----	\$ -	\$231
Non-pooled cash-----	4,108	331
Total cash-----	<u>4,108</u>	<u>562</u>
<u>RECEIVABLES</u>		
Interest and dividends-----	862	13
Employer-----	272	-
Plan members-----	718	-
Other receivables-----	29	134
Total receivables-----	<u>1,881</u>	<u>147</u>
<u>INVESTMENTS, AT FAIR VALUE</u>		
Pooled investments-----	-	1,907
Domestic common stock-----	164,338	-
Passive domestic stock funds-----	70,389	-
Preferred stock-----	2,959	-
Government securities/fixed income-----	85,753	-
Passive bond fund-----	44,561	-
International stock-----	124,150	-
Passive international bond funds-----	9,631	-
Treasury money market fund-----	25,020	-
Real estate-----	30,689	-
Oklahoma City judgments-----	2,299	-
Total investments-----	<u>559,789</u>	<u>1,907</u>
Invested securities lending collateral-----	19,306	-
Total assets -----	<u>585,084</u>	<u>2,616</u>
<u>LIABILITIES</u>		
Accounts payable-----	1,906	201
Due to broker-----	16,281	-
Wages and benefits payable-----	7	-
Due to depositors-----	-	2,415
Securities lending collateral-----	19,306	-
Compensated absences, current-----	18	-
Estimated claims payable-----	810	-
Compensated absences, non-current-----	43	-
Net other post-employment benefits obligation-----	34	-
Total liabilities -----	<u>38,405</u>	<u>2,616</u>
<u>NET ASSETS HELD IN TRUST</u>		
Pension benefits-----	527,480	-
Other post-employment benefits-----	19,199	-
Net assets held in trust -----	<u>\$546,679</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	Pension and Other Post-employment Benefit Trust Funds
<u>ADDITIONS</u>	
<u>CONTRIBUTIONS</u>	
Employer-----	\$30,179
Plan members-----	17,278
Total contributions-----	<u>47,457</u>
<u>INVESTMENT INCOME</u>	
Net appreciation in fair value of investments-----	4,110
Interest-----	3,752
Dividends-----	3,895
	<u>11,757</u>
Less: investment expense-----	(1,570)
Net investment income-----	<u>10,187</u>
<u>FROM SECURITIES LENDING ACTIVITIES</u>	
Securities lending income-----	78
Securities lending expenses:	
Borrower rebates-----	15
Management fees-----	(33)
Net income from securities lending activities-----	<u>60</u>
Other-----	65
Total additions-----	<u>57,769</u>
<u>DEDUCTIONS</u>	
Benefits paid-----	50,485
Refunds of contributions-----	1,326
Administrative expenses-----	551
Total deductions-----	<u>52,362</u>
Change in net assets-----	5,407
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS</u>	
Beginning of year-----	541,272
End of year-----	<u>\$546,679</u>

See accompanying notes to financial statements.

**COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Port							
	OCRRRA	OCZT	Authority	COTPA	OCMAPS	OCRA	OCEDT	Total
ASSETS								
CURRENT ASSETS								
Non-pooled cash-----	\$ -	\$9,249	\$18	\$6,481	\$73,563	\$6,490	\$2,446	\$98,247
Investments-----	510	-	-	10,020	53,014	4,900	50,952	119,396
Property taxes receivable-----	-	-	-	-	-	-	158	158
Accounts receivable, net-----	31	361	-	3,188	68	287	-	3,935
Interest, dividends, and royalties receivable-----	-	-	-	-	321	21	43	385
Receivable from primary government-----	-	1,796	-	855	-	-	5,626	8,277
Intergovernmental receivables-----	-	-	-	1,651	2,327	24	-	4,002
Notes receivable-----	-	-	-	-	-	-	177	177
Inventories-----	-	713	-	862	-	-	-	1,575
Prepays-----	8	9	-	7	-	-	-	24
Total current assets-----	549	12,128	18	23,064	129,293	11,722	59,402	236,176
NON-CURRENT ASSETS								
Investments-----	-	1,205	-	-	-	-	-	1,205
Notes receivable-----	-	-	-	-	-	10,654	-	10,654
Receivable from primary government-----	-	1,934	-	-	-	-	-	1,934
Deferred debt expense, net-----	-	69	-	-	-	-	240	309
Other-----	-	-	-	444	-	300	-	744
Capital assets:								
Land and construction in progress-----	63	452	-	7,509	192,415	507	33,276	234,222
Other capital assets, net of accumulated depreciation-----	2,966	61,890	-	31,174	-	19,752	41,611	157,393
Total capital assets-----	3,029	62,342	-	38,683	192,415	20,259	74,887	391,615
Total non-current assets-----	3,029	65,550	-	39,127	192,415	31,213	75,127	406,461
Total assets-----	3,578	77,678	18	62,191	321,708	42,935	134,529	642,637
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable-----	7	980	-	2,094	14,959	19	8,165	26,224
Wages and benefits payable-----	-	299	-	474	-	-	-	773
Payable to primary government-----	36	-	-	955	238	-	6	1,235
Compensated absences-----	-	171	-	184	-	-	-	355
Tax anticipation debt-----	-	-	-	-	-	-	10,530	10,530
Notes payable-----	-	-	-	60	-	2,007	-	2,067
Unearned revenue-----	-	136	-	163	-	-	-	299
Bond interest payable-----	-	16	-	-	-	-	-	16
Bonds payable-----	-	530	-	-	-	-	-	530
Total current liabilities-----	43	2,132	-	3,930	15,197	2,026	18,701	42,029
NON-CURRENT LIABILITIES								
Compensated absences-----	-	-	-	335	-	-	-	335
Payable to primary government-----	-	-	-	970	-	-	-	970
Tax anticipation debt-----	-	-	-	-	-	-	106,136	106,136
Notes payable-----	-	-	-	-	-	19,616	-	19,616
Deferred revenue-----	-	2,424	-	1,235	-	250	-	3,909
Bonds payable, net-----	-	3,492	-	-	-	-	-	3,492
Net other post-employment benefit obligation-----	-	1,040	-	178	-	-	-	1,218
Total non-current liabilities-----	-	6,956	-	2,718	-	19,866	106,136	135,676
Total liabilities-----	43	9,088	-	6,648	15,197	21,892	124,837	177,705
NET ASSETS								
Invested in capital assets, net of related debt-----	3,025	59,007	-	38,000	177,470	1,190	3,813	282,505
Restricted for:								
Capital projects-----	-	-	-	-	129,037	4,103	-	133,140
Debt service-----	-	466	-	-	-	2,282	-	2,748
Public services-----	-	-	-	-	-	-	35,722	35,722
Culture and recreation-----	-	8	-	-	-	-	-	8
Unrestricted-----	510	9,109	18	17,543	4	13,468	(29,843)	10,809
Total net assets-----	\$3,535	\$68,590	\$18	\$55,543	\$306,511	\$21,043	\$9,692	\$464,932

See accompanying notes to financial statements.

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Port							
	<u>OCRRA</u>	<u>OCZT</u>	<u>Authority</u>	<u>COTPA</u>	<u>OCMAPS</u>	<u>OCRA</u>	<u>OCEDT</u>	<u>Total</u>
<u>PROGRAM EXPENSES</u>								
Riverfront development-----	\$300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$300
Zoo operations-----	-	19,412	-	-	-	-	-	19,412
Foreign trade zone operations-----	-	-	4	-	-	-	-	4
Transportation and parking-----	-	-	-	30,528	-	-	-	30,528
Education-----	-	-	-	-	19,588	-	-	19,588
Economic development-----	-	-	-	-	-	1,367	13,808	15,175
Total expenses-----	300	19,412	4	30,528	19,588	1,367	13,808	85,007
<u>PROGRAM REVENUES</u>								
<u>CHARGES FOR SERVICES</u>								
Riverfront development-----	1	-	-	-	-	-	-	1
Zoo operations-----	-	9,822	-	-	-	-	-	9,822
Foreign trade zone operations-----	-	-	9	-	-	-	-	9
Transportation and parking-----	-	-	-	9,558	-	-	-	9,558
Economic development-----	-	-	-	-	-	1,089	18	1,107
Total charges for services-----	1	9,822	9	9,558	-	1,089	18	20,497
<u>OPERATING GRANTS AND CONTRIBUTIONS</u>								
Transportation and parking-----	-	-	-	22,599	-	-	-	22,599
Education-----	-	-	-	-	492	-	-	492
Economic development-----	-	-	-	-	-	-	8,113	8,113
Total operating grants and contributions-----	-	-	-	22,599	492	-	8,113	31,204
<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>								
Zoo operations-----	-	14,290	-	-	-	-	-	14,290
Transportation and parking-----	-	-	-	539	-	-	-	539
Total capital grants and contributions-----	-	14,290	-	539	-	-	-	14,829
Total program revenues-----	1	24,112	9	32,696	492	1,089	8,131	66,530
Net program revenues (expenses)-----	(299)	4,700	5	2,168	(19,096)	(278)	(5,677)	(18,477)
<u>GENERAL REVENUES</u>								
Property taxes-----	-	-	-	-	-	2,587	6,764	9,351
Oil and gas royalties-----	83	-	-	-	-	-	-	83
Unrestricted investment income-----	-	23	-	8	-	397	2	430
Miscellaneous-----	137	-	-	-	-	-	53	190
Total general revenues-----	220	23	-	8	-	2,984	6,819	10,054
<u>SPECIAL ITEM</u>								
Special item-----	-	-	-	7,373	-	-	(7,497)	(124)
Changes in net assets-----	(79)	4,723	5	9,549	(19,096)	2,706	(6,355)	(8,547)
<u>NET ASSETS BEGINNING</u>								
Net assets-beginning, as previously reported-----	3,933	63,867	13	46,582	321,154	17,107	16,047	468,703
Prior period adjustment-----	(319)	-	-	(588)	4,453	1,230	-	4,776
Net assets-beginning, as restated-----	3,614	63,867	13	45,994	325,607	18,337	16,047	473,479
Net assets-ending-----	\$3,535	\$68,590	\$18	\$55,543	\$306,511	\$21,043	\$9,692	\$464,932

See accompanying notes to financial statements.

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Notes to Financial Statements



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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Oklahoma City (City) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2012.

I. B. BASIS OF PRESENTATION

I. B. 1. REPORTING ENTITY

Fund Types and Major Funds

Major Governmental Funds

General Fund

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

Debt Service Fund

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

Grants Management Fund

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

MAPS3 Sales Tax Fund

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

General Obligation Bonds Fund

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

Major Proprietary Funds

Oklahoma City Airport Trust (OCAT) Fund

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

Oklahoma City Water Utilities Trust (OCWUT) Fund

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

Water and Wastewater Fund

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

McGee Creek Authority (MCA) Fund

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

Oklahoma City Environmental Assistance Trust (OCEAT) Fund

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

Internal Service Funds

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

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

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

Agency Fund

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

Component Units

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

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

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

Blended Component Units Reported with Primary Government

Oklahoma City Municipal Facilities Authority (OCMFA)

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

OCWUT

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

O CAT

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

Oklahoma City Public Property Authority (OCPPA)

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

MCA

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

OCEAT

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

Discretely Presented Component Units

Oklahoma City Riverfront Redevelopment Authority (OCRRA)

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

Oklahoma City Zoological Trust (OCZT)

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

Port Authority

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

COTPA

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

Oklahoma City Metropolitan Area Public Schools Trust (OCMAPS)

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

Oklahoma City Redevelopment Authority (OCRA)

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

Oklahoma City Economic Development Trust (OCEDT)

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

Fiduciary Component Units (reported in fiduciary financial statements)

OCERS

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

COTPA Retirement

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

Oklahoma City Post-Employment Benefits Trust (OCPEBT)

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

Related Organizations

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

Lake Atoka Reservation Association (LARA)

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

Oklahoma City Urban Renewal Authority (OCURA)

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

Oklahoma City Housing Authority (OCHA)

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

Oklahoma City Industrial and Cultural Facilities Trust (OCICF)

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

Oklahoma County Utilities Services Authority (OCUSA)

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

Oklahoma City Myriad Gardens Foundation (OCMGF)

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

Civic Center Foundation (CCF)

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

Alliance for Economic Development of Oklahoma City (AEDOC)

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

I. B. 2. BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

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

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

Implementation of New Accounting Standard

Effective July 1, 2011, the City implemented Governmental Accounting Standards Board (GASB) statement number 62, Codification of Accounting and Financial Reporting Guidance Contained in FASB and Accounting Standards Board (APB) opinions issued on or before November 30, 1989. This statement places all Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements issued on or before November 30, 1989, within the authoritative GASB literature. Prior to implementation, the City applied all relevant reporting guidance contained in FASB pronouncements and APB opinions issued on or before November 30, 1989, unless they conflicted with GASB pronouncements, therefore implementation had no financial or reporting impact to the City's financial statements.

Generally Accepted Accounting Principles (U.S. GAAP)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

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

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

I. C. BUDGET POLICY AND PRACTICE

Budget Approval

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

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

Basis of Budgeting

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

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

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

I. D. 1. CASH AND INVESTMENTS

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

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

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

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

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

I. D. 2. INVENTORIES AND PREPAIDS

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

Inventories

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

	Primary Government	
	<u>Method</u>	<u>Description</u>
<i>Governmental Activities</i>		
General Fund		
General activities	First-in, First Out	Maintenance parts, salt, chemicals, gift shop, ammunition, concession items, ticket stock, and animal supplies
Fire activities	Weighted Average	Maintenance parts
Culture and recreation activities	Weighted Average	Maintenance parts and chemicals
Internal Service Funds		
Fleet	First-in, First Out	Fuel sites and tanks
Print shop	First-in, First Out	Card stock, paper, color paper, envelopes, and machine parts

Primary Government		
	<u>Method</u>	<u>Description</u>
<i>Business-Type Activities</i>		
<i>Airports</i>		
Field maintenance	Weighted Average	Maintenance parts
Fuel farm and runway maintenance	First-in, First Out	Fuel storage and runway paint
OCEAT	Weighted Average	Operational and service supplies
OCPGA Golf Courses	First-in, First Out	Golf cart maintenance and driving range supplies, restaurant and clubhouse food and condiments and cleaning supplies
Stormwater Drainage	First-in, First Out	Chemicals, first-aid supplies, welding supplies and hand tools
<i>Water and Wastewater</i>		
Pump shop and fleet maintenance shop	First-in, First Out	Maintenance parts, chemicals, instruments, repair
Line maintenance warehouse	Weighted Average	Materials and hand tools
Component Unit		
	<u>Method</u>	<u>Description</u>
COTPA - Transportation	Weighted Average	Vehicle parts and supplies

Prepays

Prepays are payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Non-current prepaids benefit periods beyond the following 12 month period.

I. D. 3. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Property Taxes Receivable and Property Tax Calendar

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

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

Other Significant Receivables

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

I. D. 4. RESTRICTED ASSETS

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

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

I. D. 5. INTERFUND BALANCES

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

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

I. D. 6. CAPITALIZED INTEREST

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

I. D. 7. CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

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

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

	<u>Useful life</u>
Buildings	10 - 50
Infrastructure and improvements other than buildings	10 - 50
Mobile equipment, furniture, machinery, and equipment	5 - 20

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service. The City capitalizes interest as a component of capital assets constructed for its own use.

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

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond and lease issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

I. D. 9. COMPENSATED ABSENCES

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

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

The City uses TIF to obtain financing using future gains in taxes to finance current improvements which will create the conditions for those future gains. When a public project is carried out, the increase in the value of surrounding real estate, and perhaps new investment, generates increased property and sales tax revenues dedicated to finance the debt issued to pay for the project. The City uses TIF to stimulate economic development. The OCEDT, OCPPA, and OCRA have TIFs in place.

I. D. 11. FUND EQUITY

Fund Balance

Non-Spendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

Committed fund balance includes amounts that are constrained for specific purposes that are internally imposed by a vote of the Board of Trustees for trusts or codified through an ordinance for City funds. Commitments of fund balance do not lapse at year-end.

Assigned Fund Balance

Assigned fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by formal action of the City Finance Director or through City Council resolution for City funds.

Unassigned Fund Balance

Unassigned fund balance includes positive fund balance within the General Fund and negative fund balances in other governmental funds.

The City maintains self balancing books of account for each detail fund balance designation, therefore negative balances at the individual level of accounting are used to reclassify negative balances of other fund balance classifications.

Fund Balance Usage

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

Minimum Fund Balances

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

Net Assets

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

Net Assets Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

I. D. 12. USE OF ESTIMATES

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

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

I. E. 1. MAJOR REVENUES

Program Revenues

Charges for Services

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

Grants and Contributions

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

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

General Revenues

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

I. E. 2. TRANSFERRED INVESTMENT INCOME

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

I. E. 3. ALLOCATION OF INDIRECT EXPENSES

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

I. F. RETAINAGES

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

II. ASSETS AND LIABILITIES

II. A. ASSETS

II. A. 1. DEPOSITS AND INVESTMENTS

Deposits

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

Custodial credit risk for deposits is not formally addressed by bond indentures or pension trust policy. Indentures require that restricted deposits be maintained by the trustee bank specified in the indenture. Pension trust investment policies restrict uninvested cash to minimal balances generally covered by the Federal deposit insurance. The OCPEBT investment policy does not formally address custodial credit risk for deposits, however, true cash deposits are minimal and are required to be collateralized at 110% for any deposits in excess of Federal deposit insurance. Except for the OCRA, deposits of the City’s reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution’s trust department or agent in the name of the City or applicable public trust. As of June 30, 2012, OCRA had no uninsured or uncollateralized deposits.

Investments

The City invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the City’s financial position.

	Primary Government			
	Fair Value/ <u>Carrying Amount</u>	<u>Cost</u>	Average Credit Quality/ <u>Ratings (1)</u>	Weighted Average Months to <u>Maturity (2)</u>
<u>POOLED INVESTMENTS (3)</u>				
Money market funds (4)	\$3,375	\$3,375	AAA/Aaa	1.8
U.S. Treasury notes	166,601	167,513	NA	18.89
Fannie Mae	153,511	153,434	AA+/Aaa	16.85
Federal obligations	195,634	196,755	AA/Aaa	18.27
Commercial Paper	<u>24,962</u>	<u>24,962</u>	A+/Aa3	2.71
Total pooled investments	<u>544,083</u>	<u>546,039</u>		
Less Agency Fund (3)	<u>(1,907)</u>	<u>(1,907)</u>		

(continued)

Investments (continued)

	Primary Government			
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	Average Credit Quality/ <u>Ratings (1)</u>	Weighted Average Months to <u>Maturity (2)</u>
<u>NON-POOLED INVESTMENTS</u>				
U.S. Treasury notes	96,556	96,638	N/A	5.56
U.S. Treasury strips	35,707	35,317	N/A	1.17
U.S. Treasury bills	14,458	14,451	N/A	1.17
Federal obligations	116,077	116,780	AA/Aaa	18.89
Fannie Mae	26,565	26,609	AA+/Aaa	15.02
Money market funds (4)	78,782	78,782	AAA/Aaa	1.82
Guaranteed investment contracts	6,653	6,653	A/A2	127.93
Certificates of deposit	<u>7</u>	<u>7</u>	N/A	5.87
Total non-pooled investments	<u>374,805</u>	<u>375,237</u>		
Total primary government investments	<u>\$916,981</u>	<u>\$919,369</u>		
<u>Pension Trust Funds</u>				
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	Effective Duration <u>(months) (2)</u>	
<u>COMMON STOCK</u>				
Domestic	\$117,855	\$100,619	N/A	
International	5,875	5,535	N/A	
<u>GOVERNMENT SECURITIES</u>				
U.S. Treasury strips	881	719	6.4	
U.S. Treasury bonds	10,551	10,122	17.39	
U.S. Treasury TIPS	936	899	15.77	
Federal agency notes	31,500	31,453	24.1	
Ginnie Mae notes	9,442	9,327	28.1	
<u>CORPORATE OBLIGATIONS</u>				
Domestic	21,527	19,742	12.55	
International	6,903	7,452	8.72	
<u>MUTUAL FUNDS</u>				
Equity	188,129	159,471	N/A	
Bond	38,338	33,336	5.2	
Bond	2,001	1,887	72.22	
Other	70,522	69,988	N/A	
<u>OTHER INVESTMENTS</u>				
Asset backed obligations	10,565	12,502	23.62	
REITs	2,959	2,488	N/A	
Money market fund (4)	18,797	18,797	1.50	
Foreign government obligations	288	238	14.73	
Securities lending short-term collateral investments	19,306	19,306	0.03	
Oklahoma City judgments	<u>2,299</u>	<u>2,299</u>	0.34	
Total pension trust fund investments (5)	<u>\$558,674</u>	<u>\$506,180</u>		

(continued)

Investments (continued)

OCPEBT Trust Funds				
	Fair Value/ <u>Carrying Amount</u>	<u>Cost</u>	Average Credit Quality/ <u>Ratings (1)</u>	Weighted Average Months to <u>Maturity (2)</u>
Passive stock funds	\$8,479	\$8,504	Not Rated	N/A
International stock	1,354	1,424	N/A	N/A
Passive bond funds	4,365	4,064	N/A	73.2
Money market funds (4)	<u>6,223</u>	<u>6,223</u>	AAA/Aaa	1.50
Total OPEB trust fund investments	<u>\$20,421</u>	<u>\$20,215</u>		
Component Units				
	Fair Value/ <u>Carrying Amount</u>	<u>Cost</u>	Average Credit Quality/ <u>Ratings (1)</u>	Weighted Average Months to <u>Maturity (2)</u>
<u>POOLED INVESTMENTS</u>				
Federal obligations	\$25,239	\$25,429	AA/Aaa	9.32
Money market funds (4)	<u>20,879</u>	<u>20,879</u>	AAA/Aaa	1.80
Total pooled investments	<u>46,118</u>	<u>46,308</u>		
<u>NON-POOLED INVESTMENTS</u>				
U.S. Treasury notes	5,013	5,012	N/A	2.57
U.S. Treasury bills	1,000	1,000	N/A	0.63
Federal obligations	25,106	26,092	AA+/Aaa	5.32
Fannie Mae	20,069	20,169	AA+/Aaa	5.42
Money market funds (4)	18,395	18,395	AAA/Aaa	1.46
Certificate of deposit	<u>4,900</u>	<u>4,900</u>	N/A	3.40
Total non-pooled investments	<u>74,483</u>	<u>75,568</u>		
Total component unit investments	<u>\$120,601</u>	<u>\$121,876</u>		

- (1) Ratings are provided where applicable to indicate associated credit risk.
- (2) Interest rate risk is estimated using either duration or weighted average months to maturity depending on the respective policy.
- (3) City Pooled investments include \$1,907 reported in the City's Agency Fund.
- (4) Consists solely of U.S. Treasury securities
- (5) Pension trust fund securities lending investments are included in the schedule.

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA

Credit Risk

Ratings represent the pension funds exposure to credit risk including obligations of the U.S. Government and those explicitly guaranteed by the U.S. Government as of June 30, 2012.

	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>CCC</u>	<u>D</u>	<u>Not Rated</u>	<u>N/A</u>
<u>GOVERNMENT SECURITIES</u>										
U.S. Treasury strips	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
U.S. Treasury bonds	0	0	0	0	0	0	0	0	0	100
U.S. Treasury TIPS	0	0	0	0	0	0	0	0	0	100
Federal obligations	0	0	0	0	0	0	0	0	0	100
Ginnie Mae notes	0	0	0	0	0	0	0	0	0	100
<u>CORPORATE OBLIGATIONS</u>										
Domestic	0	12	46	40	2	0	0	0	0	0
International	4	16	53	24	0	0	0	1	0	2
<u>MUTUAL FUNDS</u>										
Bond	0	0	0	0	0	0	0	0	100	0
<u>OTHER INVESTMENTS</u>										
Asset backed obligations	43	2	1	1	2	0	0	0	48	3
REITs	0	0	3	0	0	20	0	0	75	2
Money market fund	100	0	0	0	0	0	0	0	0	0
Foreign government obligations	0	0	13	87	0	0	0	0	0	0
Securities lending short-term collateral investments	100	0	0	0	0	0	0	0	0	0

Foreign Investments (1)

OCERS

Mexican Peso	\$1,155	International mutual funds and similar securities	<u>\$121,966</u>
Thai Baht	572		
Malaysian Ringgit	892		
Polish Zloty	678		
Russian Ruble	650		
Indonesian Rupiah	714		
Brazilian Real	740		
Turkish Lira	569		
South African Rand	590		
Australian Dollar	281		
Hungarian Forint	293		
Canadian Dollar	107		
Peruvian Nuevo Sol	292		
Colombian Peso	194		
Other	<u>1,904</u>		
International securities	<u>\$9,631</u>		

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

Securities Held by Others

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

Investment Policies

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

City Investment Policy

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

Under the City Investment Policy, the City may not invest in reverse repurchase agreements, derivative instruments created from, whose value depends on, or is derived from, the value of one or more underlying assets or indices of asset values or is a variable rate instrument. Collateralization is further restricted to permitted investments shown previously as items (1) and (2).

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Cumulatively, portfolios of the City may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total City portfolio may be placed with any single financial institution. U.S. Government securities, SLGS, City judgments, repurchase agreements, and money market funds are excluded from these restrictions.

Portfolio Structure (1)

Investment Type Limitations		Maturity Limitations	
Percentage of Total Invested Principal		Percentage of Total Invested Principal	
	<u>Maximum % (2)</u>		<u>Maximum % (4)</u>
Repurchase agreements	100.0%	0-1 year	100%
U.S. Treasury securities (3)	100.0	1-3 years	90
Certificates of deposit	50.0	3-5 years	90
Money market funds	100.0		
Savings accounts	100.0		
U.S. noncallable agency securities	100.0		
U.S. callable agency securities	20.0		
Prime commercial paper	7.5		
City judgments	5.0		

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

The City Investment Policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

OCRRA Investment Policy

Generally, OCRRA's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policies adopted by the City Council complying with State Statutes and the City Charter. Trust funds may be invested in: (1) direct obligations of the U.S. Government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; (2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of obligations of the U.S. Government, its agencies, and instrumentalities; (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law; (6) State and Local Government Series (SLGS); and (7) City direct debt obligations for which an ad valorem tax may be levied or bonds issued by a public trust of which the City is a beneficiary and judgments rendered against the City by a court of record, provided it is a prudent investment.

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

The OCRRA Investment Policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase. Certificates of deposit may not be purchased with maturities greater than 365 days from date of purchase.

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

Portfolio Structure (1)

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

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

The Trust Investment Policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

OCWUT Investment Policy

Trustees for the OCWUT adopted a separate investment policy in addition to the investment provisions of bond indentures. OCWUT funds may be invested in: (1) direct obligations of the U.S. Government, its agencies or instrumentalities to the payment of which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; (2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of obligations of the U.S. Government, its agencies, and instrumentalities; and (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law.

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

The OCWUT Investment Policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase. Certificates of deposit may not be purchased with maturities greater than 365 days from date of purchase.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the OCWUT's investment in a single issuer. Cumulatively, OCWUT's 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 Trusts portfolio may be placed with any single financial institution with the exception of repurchase agreements and money market funds. U.S. Government securities, SLGS, and City judgments are excluded from these restrictions.

Portfolio Structure (1)

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

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

The OCWUT Investment Policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

OCAT Investment Policy

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

Public Trust Bond Indenture Restrictions

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

Interest rate risk in public trust bond indentures provide that investments mature in no more than six to sixty months depending on the purpose of the funds and the requirements of the account in which funds are deposited (i.e. construction, reserve, operations and maintenance, etc.) Concentration of credit risk is not addressed.

Restricted Deposits and Investments

	Primary Government			
	Bond Principal and Interest	Construction	Bond Reserve	Total
	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>	
<i>Governmental Activities</i>	\$59,759	\$151,758	\$ -	\$211,517
<i>Business-Type Activities</i>				
OCAT Fund	6,949	980	12,264	20,193
OCWUT Fund	4,337	186	150	4,673
OCEAT Fund	416	-	-	416
MCA Fund	3,675	-	6,653	10,328
OCPPA Golf Courses Fund	442	22	-	464
OCPPA Fairgrounds Fund	<u>2,460</u>	<u>3,501</u>	<u>777</u>	<u>6,738</u>
Total business-type activities	<u>18,279</u>	<u>4,689</u>	<u>19,844</u>	<u>42,812</u>
Total primary government	<u>\$78,038</u>	<u>\$156,447</u>	<u>\$19,844</u>	<u>\$254,329</u>

	Component Units			
	Bond Principal and Interest	Construction	Bond Reserve	Total
	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>	
OCZT	<u>\$568</u>	<u>\$ -</u>	<u>\$637</u>	<u>\$1,205</u>

Pension Trust Policies

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

Asset Allocation Guidelines

	OCERS				COTPA Retirement			
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual</u>
<u>EQUITIES</u>								
Domestic	50.0%	50.0%	50.0%	53.2%	35.0%	45.0%	65.0%	46.9%
International	5.0	10.0	15.0	7.8	5.0	10.0	15.0	9.9
Alternatives	N/A	N/A	N/A	N/A	0.0	20.0	25.0	18.0
Fixed income (1)	20.0	25.0	30.0	33.1	20.0	25.0	40.0	25.2
Real estate	10.0	15.0	20.0	5.9	N/A	N/A	N/A	N/A

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

Both plans address custodial credit risk similarly with policy providing for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items; and provides periodic accounting to the respective pension boards. The pension trust funds hold \$346 thousand in common stock or stock funds. Of this amount \$164,078 million is held by the investment counterparty, not in the name of the pension fund or the City. The OCERS participates in securities lending. See subsequent securities lending disclosure for policy discussion. Securities lending short-term collateral of \$19.306 million is held by the investment counterparty, not in the name of the pension fund or the City.

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

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

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

Portfolio Parameters

Large Cap Domestic Portfolio:

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

Small Cap Portfolio:

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

International Portfolio:

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

Core Fixed Income Portfolio:

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

Core Plus Fixed Income Portfolio:

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

Securities Lending Transactions:

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

During fiscal year 2012, substantially all collateral consisted of cash. The OCERS' securities custodial bank is the agent in lending the plan's securities for cash collateral of 100% - 102%. At year-end, the OCERS has no credit risk exposure to borrowers because the amounts the OCERS owes the borrowers exceed the amounts the borrowers owe the OCERS. The contract with the lending agent requires them to indemnify the OCERS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the OCERS for income distributions by the securities' issuers while the securities are on loan. Custodial credit risk for securities lending transactions is included in the previous discussion of Pension Trust Policies.

Securities lending transactions can be terminated on demand by either the OCERS or the borrower, although the average term of the loans is one day. The term to maturity of the securities lent is matched with the term to maturity of the investment of the cash collateral by investing in overnight repurchase agreements and master notes with overnight put provisions. The contract with the agent requires that the difference between the average weighted maturity of loan transactions and the average weighted maturity of permitted investments shall not exceed three days. Such matching existed at year-end. Net income produced from securities lending activities for fiscal year 2012 was \$60 thousand. The market value of securities on loan as of June 30 was \$19.225 million, comprised of: \$5.711 million of corporate obligations, and \$13.514 million of common stock.

Derivatives:

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

Other Post-Employment Trust Policies

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

Asset Allocation Guidelines

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Actual (1)</u>
Domestic equities	30%	60%	65%	59.7%
International equities (2)	5	10	15	9.5
Fixed income	30	30	65	30.8
Cash	0	0	100	0.0

- (1) Funds held by the Trust Treasurer for cash flow purposes are invested temporarily in money market funds. These funds have not been made available to the investment manager and therefore are not included in actual percentages above. At June 30, 2012 and 2011, the amount of funds temporarily invested by the OCPEBT Trust Treasurer in money market funds was \$6,222,505 and \$2,734,390, respectively.
- (2) On September 13, 2010, the OCPEBT Board of Trustees directed management to meet target and maximum percentages within 2 years. The asset allocation for international equities temporarily exceeded its maximum guideline due to market performance but subsequently returned to within the target range.

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

Portfolio Parameters

Domestic Common Stocks:

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

Fixed Income Securities:

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

Cash Equivalents:

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

Domestic Index and Mutual Funds:

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

International Index and Mutual Funds:

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

Compliance with State Requirements

Trust investment policies and bond indentures are more restrictive than the requirements of Oklahoma law found in Title 60 of the Oklahoma Statutes and the standards of the Oklahoma Uniform Prudent Investor Act. These statutes restrict public trust investing to the Prudent Investor Rule defined by Title 60 Oklahoma Statutes to consider the purposes, terms, distribution requirements, and other circumstances of the trust and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the trust.

II. A. 2. RECEIVABLES AND UNCOLLECTIBLE AMOUNTS

Governmental Taxes and Accounts Receivable and Uncollectible Amounts

Sales and Use Taxes Receivable

Governmental activities report sales and use taxes receivable of \$63.265 million comprised of amounts received after year-end for current year taxes on sales. Sales and Use Tax are considered fully collectible.

Property Taxes Receivable and Property Tax Calendar

At fiscal year-end, receivables of \$4.334 million represent delinquent and escrowed paid-under-protest taxes. Approximately \$20 thousand of the receivable is comprised of payments to the counties made under protest. If paid-under-protest and delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue in governmental funds.

Accounts Receivable

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

	Hotel/ Motel Taxes Receivable	Emergency Telephone Taxes Receivable	Franchise Fees Receivable	Other Receivables	Total Accounts Receivable
Governmental Funds					
General Fund	\$ -	\$ -	\$4,763	\$517	\$5,280
Other Governmental Funds	<u>1,341</u>	<u>402</u>	-	<u>1,046</u>	<u>2,789</u>
Total governmental funds	1,341	402	4,763	1,563	8,069
Internal Service Funds	-	-	-	<u>19</u>	<u>19</u>
Total governmental activities	<u>\$1,341</u>	<u>\$402</u>	<u>\$4,763</u>	<u>\$1,582</u>	<u>\$8,088</u>

Proprietary Accounts Receivable and Uncollectible Amounts

	Primary Government							Component Units
	Business-Type Activities							
	Major Enterprise Funds					Other Enterprise Funds	Total Enterprise Funds	
	OCAT	OCWUT	Water Utilities	MCA	OCEAT			
Accounts receivable	\$6,216	\$28,371	\$1	\$23	\$7,885	\$3,128	\$45,624	\$3,953
Less: allowance for uncollectible accounts	-	(1,774)	-	-	(4,435)	(1,063)	(7,272)	(18)
Net accounts receivable	<u>\$6,216</u>	<u>\$26,597</u>	<u>\$1</u>	<u>\$23</u>	<u>\$3,450</u>	<u>\$2,065</u>	<u>\$38,352</u>	<u>\$3,935</u>

Component Unit Accounts Receivable

Component unit accounts receivable is comprised of \$68 thousand for OCMAPS, \$31 thousand for OCRRA, \$3.188 million for COTPA Transportation and Parking, \$287 thousand for OCRA, \$361 thousand for OCZT, consisting of various sales on account and reimbursements receivable. OCEDT reports \$158 thousand for property taxes receivable related to tax incremental financing.

Intergovernmental Receivables

A total of \$16.003 million in intergovernmental receivables is due from the Federal, state or local government at year end. Governmental funds report \$10.013 million. Proprietary funds report \$1.988 million. Component units report \$4.002 million.

Governmental Activities

General Fund	Commercial Vehicle, Excise, Motor Fuel and Alcoholic Beverage Taxes Receivable	\$1,318
Grants Management Fund	Grant Revenues Receivable	5,749
Tax Incremental Financing Fund	State Matching TIF Revenues Receivable	2,644
Special Purpose Fund	State Matching Emergency Management Funds Receivable	<u>302</u>
Total governmental activities		<u>10,013</u>
<i>Business-Type Activities</i>		
OCAT	Grant Revenues Receivable	1,923
OCMCA	Due from the Bureau of Reclamation	<u>65</u>
Total business-type activities		<u>1,988</u>
Total primary government		<u>\$12,001</u>

Component Units

COTPA	Grant Revenues Receivable	\$1,651
OCRA	State Matching TIF Revenues Receivable	24
OCMAPS	Suburban Schools Receivable	<u>2,327</u>
Total component units		<u>\$4,002</u>

Notes Receivable

Economic Development

Notes Receivable reported in governmental activities include loans of \$3.141 million made to businesses for economic development. These notes are repaid by the recipient business or future grant monies and passed on to pay related Federal Section 108 notes payable. A note receivable for \$60 thousand from ETI, Inc was established in 2009 for repayment of disallowed costs associated with the City's Workforce Investment Act grants. The note is being paid at \$500 per month over a ten year period. The unpaid balance at June 30, 2012 is \$41 thousand.

OCURA Bass Pro Leasehold Improvements Note Receivable

In 2002, the City Council adopted a funding plan for leasehold improvements to the Bass Pro Shop. The OCURA holds the lease with the Bass Pro Shop. Under the funding plan three City funds, MAPS Operations Fund, City and Schools Use Tax Fund, and Public Safety Capital Use Tax Fund, loaned OCURA \$17 million for leasehold improvements of the building. Each of the three funds recorded an advance from the General Fund. The General Fund repays these funds as monies are collected from OCURA. The balance of the note receivable from OCURA based on the funding plan is \$1.843 million at June 30, 2012.

OCRA Notes Receivable

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

OCEDT OCMGF Note Receivable

During Fiscal Year 2011 OCEDT loaned the OCMGF \$4.190 million to enable the OCMGF to acquire property in the vicinity of the Myriad Botanical Gardens for the purposes of providing for relocation of displaced Myriad Botanical Gardens facilities and to ensure that the property is used and developed in a manner compatible with the purpose of the Myriad Botanical Gardens. The land was appraised at \$4.225 million. On August 9, 2011, OCEDT approved a real estate transfer agreement between OCEDT and the OCMGF naming OCEDT as owners of the property purchased by the OCMGF. The transfer releases the OCMGF of the liability to OCEDT for the principal amount of the loan but requires OCMGF to pay any unpaid accrued interest, which was \$189 thousand at the date of the transfer and is \$177 thousand at June 30, 2012.

OCWUT Recycled Water Sales Agreement

In December 2007, OCWUT entered into a Recycled Water Sales Agreement with Gaillardia Development Corp to sell treated wastewater to be used watering the golf course. OCWUT completed the facility upgrade to comply with the EPA rulings for adding Ultraviolet (UV) and chlorination (CH) processes to the recycled water process at a cost of \$1.216 million. At June 30, 2012, \$1.216 million is outstanding.

II. A. 3. OTHER ASSETS

Non-Current Prepaid Assets

The Fire Special Revenue Fund has a three year prepaid instrument network monitoring service agreement of January 1, 2010 through December 31, 2013 of which \$8 thousand is non-current.

The Asset Forfeiture Fund has a four year prepaid finger printing units maintenance agreement for September 1, 2011 through August 31, 2014 of which \$463 thousand is non-current.

The OCMFA General Purpose Fund has a ten year prepaid software license agreement of \$855 thousand for the period of November 25, 2006 through November 24, 2016 of which \$291 thousand is non-current.

The City Water Utilities Fund has a five year software license agreement for the period June 10, 2012 through June 9, 2017 of which \$4 thousand is non-current.

The OCMFA Services Fund has several three year prepaid telephone replacement agreements. One is for the period of August 31, 2010 through August 30, 2013 and the other two agreements are for the period of December 1, 2010 through November 30, 2013. The OCMFA Services Fund has public official bonds on several City employees for the period October 1, 2011 through October 1, 2014 for \$29 thousand of these amounts \$22 thousand is non-current.

Non-Current Notes Receivables

OCAT Intergovernmental Receivables

OCAT participates in reimbursable agreements with the Federal Aviation Administration. The agreements provide certain architectural and engineering services, as well as, structural maintenance of certain capital assets. OCAT reported non-current intergovernmental receivables related to these agreements of \$7.881 million and is reported with other assets as non-current.

OCWUT Interest Receivable

The OCWUT has an outstanding note receivable with Gaillardia Golf Club for \$1.216 million that has \$51 thousand in non-current interest receivable.

MCA Receivable from Participants

In August 1992, the MCA trust indenture was amended to define the relationship between MCA and its aliquot share participants (Participants). Payment of the aliquot share of the costs affords Participants the right to store and transport water they are permitted to use. The portion of funds paid or transferred to MCA by Participants for aliquot shares are a period cost. Unpaid aliquot share balances from the Participants are cumulative and recorded as a non-current receivable by MCA. Payments to MCA from Participants reduce the amounts receivable from Participants for outstanding aliquot share payments receivable. At June 30, 2012, MCA reported \$44.799 million receivable from Participants.

Superior Management Group (SMG)

Operations and Assets Held by SMG

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

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

Net assets of operations of SMG as of June 30, 2011	\$5,041
 <u>CHARGES FOR SERVICES</u>	
Operating revenues	13,415
Distributions to the City	(1,925)
Contributions from the City	<u>4,596</u>
	<u>16,086</u>
 <u>PROGRAM EXPENSES</u>	
Operating expenses	19,081
Expenses paid by the City (utilities, etc)	<u>(2,739)</u>
	<u>16,342</u>
Net assets of operations of SMG as of June 30, 2012	<u>\$4,785</u>

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Construction in progress	\$66	\$ -	\$66
Buildings	443	122	321
Improvements other than buildings	1,968	20	1,948
Furniture, machinery, and equipment	<u>1,395</u>	<u>505</u>	<u>890</u>
	<u>\$3,872</u>	<u>\$647</u>	<u>\$3,225</u>

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

Component Unit Other Assets

COTPA Other Non-Current Assets

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

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

COTPA has a net pension asset in the amount of \$375 thousand. This asset is to be used for future pension obligations.

OCRA Other Non-Current Assets

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

II. A. 4. EQUITY INTEREST IN JOINT VENTURE

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

	Capital Interests		Total Net Assets			
	Tulsa Area	Oklahoma City Area	Net Assets		Liabilities	
July 1, 2011, capital	\$15,662	\$6,377	Assets	\$32,674	Short-term	\$11,464
Changes in net assets	(2,418)	1,589	Liabilities	11,464	Long-term	-
June 30, 2012, capital	\$13,244	\$7,966	Net assets	\$21,210		\$11,464

II. A. 5. CAPITAL ASSETS

Changes in Capital Assets

	Primary Government							
	Capital Assets, not depreciated			Capital Assets, depreciated			Total	Total
	Land, Art, and Water Storage Rights	Construction In Progress	Total Capital Assets	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment	Capital Assets, Depreciable	Capital Assets, Net
<i>Governmental Activities</i>								
CAPITAL ASSETS								
Balance, June 30, 2011	\$87,362	\$175,682	\$263,044	\$449,611	\$1,294,949	\$224,098	\$1,968,658	\$2,231,702
Increases	7,651	105,165	112,816	28,537	70,867	13,402	112,806	225,622
Decreases	-	(90,408)	(90,408)	-	(2,244)	(2,627)	(4,871)	(95,279)
Balance, June 30, 2012	<u>95,013</u>	<u>190,439</u>	<u>285,452</u>	<u>478,148</u>	<u>1,363,572</u>	<u>234,873</u>	<u>2,076,593</u>	<u>2,362,045</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA

Changes in Capital Assets (continued)

	Primary Government								
	Capital Assets, not depreciated			Capital Assets, depreciated				Total Capital Assets, Depreciable	Total Capital Assets, Net
	Land, Art, and Water Storage Rights	Construction In Progress	Total Capital Assets	Buildings	Infrastructure and Improvements Other Than Buildings	Furniture, Machinery, and Equipment			
<u>ACCUMULATED DEPRECIATION</u>									
Balance, June 30, 2011				147,217	506,911	146,443	800,571	800,571	
As previously reported				(74)	(863)	(162)	(1,099)	(1,099)	
Prior period adjustment									
As restated				147,143	506,048	146,281	799,472	799,472	
Increases				7,600	48,702	8,251	64,553	64,553	
Decreases				-	(2,142)	(2,578)	(4,720)	(4,720)	
Balance, June 30, 2012				<u>154,743</u>	<u>552,608</u>	<u>151,954</u>	<u>859,305</u>	<u>859,305</u>	
Total governmental activities	<u>95,013</u>	<u>190,439</u>	<u>285,452</u>	<u>323,405</u>	<u>810,964</u>	<u>82,919</u>	<u>1,217,288</u>	<u>1,502,740</u>	
<i>Business-Type Activities</i>									
<u>CAPITAL ASSETS</u>									
Balance, June 30, 2011				628,842	1,701,325	154,647	2,484,814	2,938,140	
As previously reported	204,367	248,959	453,326	(650)	(440)	-	(1,090)	(1,972)	
Prior period adjustment	-	(882)	(882)						
As restated	204,367	248,077	452,444	628,192	1,700,885	154,647	2,483,724	2,936,168	
Increases	1,427	134,948	136,375	4,060	137,556	7,343	148,959	285,334	
Decreases	-	(123,265)	(123,265)	(175)	(1,184)	(840)	(2,199)	(125,464)	
Balance, June 30, 2012	<u>205,794</u>	<u>259,760</u>	<u>465,554</u>	<u>632,077</u>	<u>1,837,257</u>	<u>161,150</u>	<u>2,630,484</u>	<u>3,096,038</u>	
<u>ACCUMULATED DEPRECIATION</u>									
Balance, June 30, 2011				301,984	821,547	122,347	1,245,878	1,245,878	
As previously reported				(1,831)	(6,358)	(408)	(8,597)	(8,597)	
Prior period adjustment									
As restated				300,153	815,189	121,939	1,237,281	1,237,281	
Increases				13,261	49,465	10,261	72,987	72,987	
Decreases				-	(4)	(834)	(838)	(838)	
Balance, June 30, 2012				<u>313,414</u>	<u>864,650</u>	<u>131,366</u>	<u>1,309,430</u>	<u>1,309,430</u>	
Total business-type activities	<u>205,794</u>	<u>259,760</u>	<u>465,554</u>	<u>318,663</u>	<u>972,607</u>	<u>29,784</u>	<u>1,321,054</u>	<u>1,786,608</u>	
Total	<u>\$300,807</u>	<u>\$450,199</u>	<u>\$751,006</u>	<u>\$642,068</u>	<u>\$1,783,571</u>	<u>\$112,703</u>	<u>\$2,538,342</u>	<u>\$3,289,348</u>	

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA

Changes in Capital Assets (continued)

	Component Units								
	Capital Assets, not depreciated			Capital Assets, depreciated				Total Capital Assets, Depreciable	Total Capital Assets, Net
	Land, Art, and Water Storage Rights	Construction In Progress	Total Capital Assets	Infrastructure and Improvements Other Than Buildings	Buildings	Furniture, Machinery, and Equipment			
CAPITAL ASSETS									
Balance, June 30, 2011									
As previously reported	\$7,772	\$191,417	\$199,189	\$125,264	\$36,384	\$32,959	\$194,607	\$393,796	
Prior period adjustment	-	-	-	1,337	5	(358)	984	984	
As restated	7,772	191,417	199,189	126,601	36,389	32,601	195,591	394,780	
Increases	1,580	95,064	96,644	9,477	33,923	781	44,181	140,825	
Decreases	(390)	(61,221)	(61,611)	(3,372)	(81)	(70)	(3,523)	(65,134)	
Balance, June 30 2012	<u>8,962</u>	<u>225,260</u>	<u>234,222</u>	<u>132,706</u>	<u>70,231</u>	<u>33,312</u>	<u>236,249</u>	<u>470,471</u>	
ACCUMULATED DEPRECIATION									
Balance, June 30, 2011									
As previously reported				39,258	12,605	20,924	72,787	72,787	
Prior period adjustment				-	112	(40)	72	72	
As restated				39,258	12,717	20,884	72,859	72,859	
Increases				3,086	2,704	2,440	8,230	8,230	
Decreases				(2,145)	(86)	(2)	(2,233)	(2,233)	
Balance, June 30, 2012				<u>40,199</u>	<u>15,335</u>	<u>23,322</u>	<u>78,856</u>	<u>78,856</u>	
Total	<u>\$8,962</u>	<u>\$225,260</u>	<u>\$234,222</u>	<u>\$92,507</u>	<u>\$54,896</u>	<u>\$9,990</u>	<u>\$157,393</u>	<u>\$391,615</u>	

Approximately \$240.437 million (cost of \$505.018 million and accumulated depreciation of \$264.581 million) of Airports' property is leased or held for lease to others as of June 30, 2012.

Depreciation Expense

		Primary Government		Component Units	
		Governmental Activities	Business-Type Activities		
General government	\$2,895	Airport	\$21,239	Parking	\$520
Public safety: Police	3,350	Water and wastewater	39,100	Transit	2,476
Fire	3,082	Solid waste management	1,790	Zoo	2,980
Other	2,678	Stormwater drainage	3,523	Riverfront redevelopment	84
Public services	30,218	Golf courses	1,246	Economic development	<u>2,170</u>
Culture and recreation	<u>20,241</u>	Fairgrounds	6,083		
Subtotal	62,464	Transportation and Parking	<u>6</u>		
Allocated internal service fund depreciation	<u>2,089</u>				
Total governmental activities	<u>\$64,553</u>	Total business-type activities	<u>\$72,987</u>	Total component unit activities	<u>\$8,230</u>

Capitalized Interest

	<u>Total Interest Costs Incurred</u>	<u>Capitalized Interest</u>
OCAT Fund	\$6,796	\$271
OCWUT Fund	18,120	6,235
OCPPA Fairgrounds Fund	<u>3,657</u>	<u>245</u>
	<u>\$28,573</u>	<u>\$6,751</u>

II. B. LIABILITIES

II. B. 1. DEFERRED REVENUES

Grant and certain other revenues deferred in the governmental fund financial statements include unearned revenue and revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). Deferred revenue received after 60 days is fully recognized as revenue in the government-wide statements if grantor eligibility requirements are met, as applicable. At June 30, 2012, government fund deferred revenue is \$13.224 million. Revenues earned but unavailable by governmental funds are \$9.510 million at year end. Total governmental activity unearned revenue is \$3.714 million. Business type unearned revenue is \$9.316 million and component unit deferred revenue is \$4.208 million. Non-current unearned revenues are \$2.003 million for business-type activities and \$3.909 million for component units.

	<u>Primary Government</u>					<u>Component</u>
	<u>Governmental Activities</u>			<u>Business-Type</u>	<u>Units</u>	
	<u>Deferred</u>	<u>Earned but</u>	<u>Unearned</u>	<u>Unearned</u>	<u>Total</u>	
	<u>Revenue</u>	<u>Unavailable</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
Investment income	\$698	\$698	\$ -	\$ -	\$ -	\$ -
Grant revenues	6,439	3,433	3,006	-	3,006	-
Property taxes	2,811	2,811	-	-	-	-
Other taxes	91	91	-	-	-	-
Franchise fees	209	209	-	-	-	-
Event sales	337	-	337	-	337	-
Charges for services	-	-	-	7,126	7,126	-
Advance construction costs	237	-	237	-	237	250
Naming rights - lease	-	-	-	-	-	3,927
Lease	-	-	-	-	-	23
Rent	4	-	4	2,190	2,194	7
Other advance revenues	<u>2,398</u>	<u>2,268</u>	<u>130</u>	<u>-</u>	<u>130</u>	<u>1</u>
	<u>\$13,224</u>	<u>\$9,510</u>	<u>\$3,714</u>	<u>\$9,316</u>	<u>\$13,030</u>	<u>\$4,208</u>

II. B. 2. INTERGOVERNMENTAL PAYABLES

Arbitrage Compliance

Proceeds from tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The City invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. Arbitrage liabilities of \$100 thousand are reported in business-type activities.

Payable to the Oklahoma Water Resources Board (OWRB)

During fiscal year 2010, OCWUT entered into an agreement with the Oklahoma Water Resources Board (OWRB) to repay the Federal government for certain costs related to construction of Sardis Lake in Southeastern Oklahoma. The initial cost to the Trust was \$27.814 million for the settlement of the OWRB's debt to the Federal government. In addition, the Trust has agreed to pay for additional costs of \$39.542 million for future costs due and payable to the Federal government. This amount will incur interest at a rate of 4.012% and will be added to the payable annually. The payable at June 30, 2012 is \$42.847 million which is reported with non-current liabilities. In addition, an amount of \$15.000 million is payable to reimburse the OWRB for certain costs which the state previously made payments and upon the event of the issuance of a water use permit by the OWRB in accordance with Oklahoma law.

II. B. 3. COMPENSATED ABSENCES

Compensated absences balances changed from 2011 to 2012 by accruals of \$34.074 million and usages of \$34.090 million.

	General Fund	Grants Management Fund	Other Governmental Funds	Total
Compensated absences	<u>\$56,618</u>	<u>\$502</u>	<u>\$11,188</u>	<u>\$68,308</u>

II. B. 4. TAX ANTICIPATION DEBT

OCEDT TIF Districts #2 and #3

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

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

On February 4, 2010, OCEDT issued a \$5 million Private Placement Tax Anticipation Note (2010 TAN) from JP Morgan Chase Bank, N.A. with a fixed interest rate of 4.20% for a 5 year term. The proceeds from the 2010 TAN are to fund redevelopment and improvements within the districts. As of June 30, 2012, \$25.920 million has been drawn to fund TIF #2 and #3 projects. Of the amount due, \$27.754 million is reported with non-current liabilities.

OCEDT TIF Districts #4 and #5

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA

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

In April 2012, the City Council approved a joint resolution with the Oklahoma City Economic Development Trust (OCEDT) authorizing the assignment of Bond Anticipation Note, 2006, from OCPPA to OCEDT. In addition, the resolution authorized the transfer of any Increment District Nos. 4 and 5 assets be transferred to OCEDT along with any outstanding obligations. The resolution further authorized the payment of necessary expenses related to the assignment including Bond Counsel fees and the bank's legal fees. On June 26, 2012, OCEDT authorized an extension of the maturity date to June 30, 2013; a decrease in the LOC to \$10 million; and changed the interest rate to LIBOR plus 100 basis points. As of June 30, 2012, \$7 million is outstanding against this line of credit. This indebtedness is reported in the OCEDT Fund.

OCEDT TIF District #8

On December 16, 2008, the City Council established TIF District #8. The new TIF district includes a budget of \$115 million for public improvements. On September 23, 2009, the City Council authorized the incurrance of indebtedness of OCEDT. The Private Placement Tax Anticipation Note Series 2009 was financed from Devon Corporation in the amount of \$95 million at a fixed interest rate of 5% per annum for October 1, 2009 through September 30, 2015. From October 1, 2015, to maturity date, June 30, 2034, the interest rate will be variable. No principal payments are required prior to October 1, 2014. Interest is payable on each April 1 and October 1. Per the loan agreement, on any interest payment date prior to October 1, 2014, OCEDT has elected to defer payment of accrued interest. All deferred interest is added to the principal balance of the loan. As of June 30, 2012, \$78.683 million has been drawn on the note and \$3.618 million in deferred interest has been added to the principal of the loan. This loan is reported with non-current liabilities.

Changes in Tax Anticipation Debt

	Primary Government				
	Balance		Retired/	Balance	Effective Interest
	<u>July 1, 2011</u>	<u>Issued</u>	<u>Transferred</u>	<u>June 30, 2012</u>	<u>Rate,</u> <u>June 30, 2012</u>
<i>Governmental Activities</i>					
<u>OCPPA General Purpose Fund</u>					
TIF District #4 and #5	\$8,000	\$ -	\$8,000	\$ -	1.25
	Component Unit				
	Balance	Issued/		Balance	Effective Interest
	<u>July 1, 2011</u>	<u>Transferred</u>	<u>Retired</u>	<u>June 30, 2012</u>	<u>Rate,</u> <u>June 30, 2012</u>
<u>OCEDT</u>					
TIF District #2 and #3	\$23,180	\$ -	\$1,587	\$21,593	6.99
TIF District #2 and #3	4,500	-	173	4,327	4.20
TIF District #4 and #5	-	8,000	1,000	7,000	1.25
TIF District #8	71,183	11,118	-	82,301	5.00
TIF interest payable	<u>1,173</u>	<u>5,644</u>	<u>5,372</u>	<u>1,445</u>	
	<u>\$100,036</u>	<u>\$24,762</u>	<u>\$8,132</u>	<u>\$116,666</u>	

Tax Anticipation Debt Payment Requirements to Maturity

	Component Unit							
	OCEDT							
	OCEDT-Line of Credit		OCPPA-TIF#4		OCEDT-TIF #8		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$2,085	\$1,646	\$7,000	\$88	\$ -	\$4,166	\$9,085	\$4,254
2014	2,410	1,523	-	-	-	4,377	2,410	4,377
2015	2,745	1,381	-	-	3,919	4,434	6,664	4,434
2016	1,335	1,261	-	-	3,919	5,368	5,254	5,368
2017	1,435	1,161	-	-	3,919	7,124	5,354	7,124
2018-2022	8,885	4,096	-	-	19,596	43,834	28,481	43,834
2023-2027	7,025	760	-	-	19,596	31,818	26,621	31,818
2028-2032	-	-	-	-	19,596	16,676	19,596	16,676
2033-2037	-	-	-	-	<u>11,756</u>	<u>2,575</u>	<u>11,756</u>	<u>2,575</u>
	<u>\$25,920</u>	<u>\$11,828</u>	<u>\$7,000</u>	<u>\$88</u>	<u>\$82,301</u>	<u>\$120,372</u>	<u>\$115,221</u>	<u>\$120,460</u>

Pledged Revenues

OCPPA TIF Revenues

In 2012, OCPPA recognized \$38 thousand in property tax collections and \$511 thousand in transfers from the City for sales tax designated to repay TIF issued to support economic development activities.

OCEDT TIF Revenues

The OCEDT issued tax anticipation notes to support its economic development activities. The OCEDT TIF Fund reports revenue-supported debt. In 2012, OCEDT recognized \$6.774 million in property taxes and \$5.628 million in payments from the City for sales tax.

II. B. 5. COMMERCIAL PAPER

Commercial Paper

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

It is the general practice of the Trust to extinguish commercial paper through issuance of bonded debt.

	Balance <u>July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2012</u>	Due Within <u>One Year</u>
<u>COMMERCIAL PAPER</u>					
OCWUT	<u>\$12,000</u>	<u>\$33,000</u>	<u>\$-</u>	<u>\$45,000</u>	<u>\$45,000</u>

II. B. 6. NOTES, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE

Notes Payable

Federal Section 108 Notes Payable

The City facilitated Section 108 loans, administered by the U.S. Department of Housing and Urban Development (HUD), for the Gold Dome, Climate Craft, Dell Incorporated economic development projects, and a small business revolving loan fund. These loans are secured by HUD guarantees of future Federal grant allocations for repayment through the Community Development Block Grant (CDBG) program. The Gold Dome and Dell Incorporated loans were paid off early in November of 2010. The Climate Craft loan was paid off in January 2012. JP Morgan Chase financed current outstanding Section 108 loans for City projects. These loans bear interest ranging from 0.45% - 6.62% and maturing from August 1, 2017 through August 1, 2025. Outstanding loans at June 30, 2012, are \$3.626 million and \$3 thousand in accrued interest. This loan activity is reported in the government-wide financial statements.

OCPPA General Purpose Fund Capital Financing Note

On April 25, 2006, OCPPA approved issuance of a capital financing note for the downtown underground improvement project relating to the funding of infrastructure improvements within the underground special improvement and assessment district. The downtown underground consists of a system of pedestrian tunnels used for below surface access to retail shops, restaurants, and other commercial outlets in the tunnels, as well as, surface venue access through underground pedestrian routes protected from the weather and traffic. On May 11, 2006, the Authority issued the note to Bank of America Leasing and Capital LLC for \$2 million at an annual fixed rate of 6.364% with principal and interest payable August 1 for ten years, beginning August 1, 2007. At June 30, 2012 the balance due is \$748 thousand and \$22 thousand in accrued interest.

OCPPA General Purpose Fund Non-Interest Bearing Note Payable

The OCPPA received a non-interest bearing loan of up to \$780 thousand from the Oklahoma Department of Commerce for the remediation of hazardous waste materials in the Skirvin Hotel. Repayment of the loan is deferred for five years. Annual payments of \$5 thousand commenced February 1, 2010. A loan origination fee of \$15.6 thousand will apply if the loan is not repaid in full prior to February 2015. As of June 30, 2012, the OCPPA has cumulatively drawn \$703 thousand against the total.

OCWUT Notes Payable Revolving Loans

On November 13, 2009, the OCWUT Trust finalized two revolving loans for a maximum of \$7.634 million for water line improvements and \$9.469 million in wastewater improvements. Upon completion of the construction projects, each loan has a provision for a minimum 20% match, \$2 million maximum from the American Recovery and Reinvestment Act of 2009. The match will be in the form of principal forgiveness in each loan. As of June 30, 2012, \$11.120 million has been received. The interim effective interest rates of the two loans are 2.86% and 3.57% payable on March 15 and September 15 for the term of the loans. Principal payments began on March 15, 2011 and will continue semiannually for the term of the loans. The loans expire on March 15, 2031 and September 15, 2040.

On December 1, 2010, the OCWUT Trust finalized two revolving loans for a maximum of \$24.927 million for wastewater improvements and \$35 million for water line improvements. As of June 30, 2012, \$36.223 million has been received. The interim effective interest rates of the two loans are 3.27% and 3.74% payable on March 15 and September 15 for the term of the loan. Principal payments will commence on the earlier of March 15 or September 15 following the completion of the construction projects or September 15, 2013 and will continue semiannually for the term of the loans. The loans expire on March 15, 2043. At June 30, 2012 construction projects are not complete.

OCRA Bio-Pharmaceutical Manufacturing Facility Note Payable

On August 31, 2007, OCRA issued a Bio-Pharmaceutical Manufacturing Facility note payable. The amount refinanced was \$6.528 million including \$28 thousand advanced closing costs. The note bears interest at the lesser of prime minus 1% or LIBOR plus 1%. The initial rate, determined using LIBOR plus 1% was 6.32%. The rate changes annually on July 1. The note matures July 1, 2022 and requires interest only to be paid monthly until August 1, 2010, at which time interest and principal payments commenced. As of June 30, 2012, the balance due is \$5.533 million. The interest rate at June 30, 2012 is 1.25%.

OCRA Presbyterian Health Foundation Notes Payable

OCRA issued a \$10.6 million parity tax apportionment revenue note on August 31, 2007. The note matures on July 1, 2022, and interest on the note is calculated as either LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note, and commencing on August 1, 2010, both interest and principal are due on the note. Payments are to be made on the 1st day of each month. As of June 30, 2012, the balance of the note is \$9.024 million. The interest rate at June 30, 2012 is 1.25%.

OCRA Presbyterian Health Foundation Notes Payable

On August 31, 2007, OCRA issued a \$5.3 million parity parking revenue note. The note matures on July 1, 2022, and interest on the note is calculated as either the LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note, and commencing on August 1, 2010, both interest and principal are due on the note. Payments are to be made on the 1st day of each month. The note is collateralized from operations of the Presbyterian Health Foundation Parking Garage. As of June 30, 2012, the balance of the note is \$4.512 million. The interest rate at June 30, 2012 is 1.25%.

OCRA Dean A. McGee Note Payable

OCRA issued a \$3 million parity tax apportionment revenue note on August 3, 2007. The note matures on July 1, 2022, and interest on the note is calculated as either the LIBOR rate plus 1% or the Prime rate minus 1%, whichever is less, adjusted annually on July 1st of each year. From the issue date to July 1, 2010, only interest is due on the note and commencing August 1, 2010, both interest and principal are due on the note. As of June 30, 2012, the balance of the note is \$2.554 million. The interest rate at June 30, 2012 is 1.25%.

Capital Leases

The City has outstanding capital lease agreements of \$1.404 million. These capital leases were used to finance the acquisition of copiers and office and printing equipment at a cost of \$465 thousand and sanitation equipment at cost of \$5.955 million.

Estimated Claims Payable

The City's risk management activities reported with governmental activities are recorded in the Risk Management and the OCMFA Services internal service funds. The purpose of these funds is to administer employee life, employee health, property and liability, workers' compensation, unemployment, and disability insurance programs of the City on a cost-reimbursement basis. These funds account for the risk financing activities of the City but do not constitute a transfer of risk from the City. Retiree health insurance claims liabilities are reported in OCPEBT.

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

The City records an estimated liability for indemnity health care, workers' compensation, risk management, torts, pollution remediation, and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. Claims liabilities include specific, incremental claim adjustment expenses, allocated loss adjustment expenses, and are reduced for estimated recoveries on unsettled claims such as salvage or subrogation. The liability at June 30, 2012 is \$47.977 million.

Health Insurance Claims Liabilities

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

Worker's Compensation Claims Liabilities

Worker's compensation claims incurred but not yet paid are calculated by a third-party using the inverse power curve and lognormal probability distribution methods. The City records worker's compensation claims payable at the discounted amount. The undiscounted carrying value at June 30, 2012 is \$44.50 million. Claims are discounted at 2.5%. A copy of the third party report can be obtained from Risk Management, 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Risk Liabilities

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

Tort Claims Liabilities

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

Pollution Remediation Claims Liabilities

Katy Trail

Fuel odors were encountered by a construction crew during excavation on the Katy Trail adjoining the Oklahoma City Public Schools, School Bus Service Center. A site assessment was performed and the Oklahoma Corporation Commission is investigating and working with the Oklahoma City Public Schools for potential remediation funding from the State Indemnity Fund. Potential future obligations for the City are not estimable at June 30, 2012.

Street Improvements

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

420 W. Main

In the process of remodeling the basement of 420 W. Main, floor tile was discovered to contain mastic asbestos containing material. Abatement measures were taken to remove the tile and the project is considered complete and the liability is zero at June 30, 2012.

Double Eagle Superfund Site

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

Gulfstream Maintenance Facility

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

Union Station

During project work at Union Station, asbestos was discovered in the tunnel area and attic space. The asbestos containing material (ACM) consists of sprayed on surfacing material that is located on the ceiling and walls in the building and in the attic. Currently, the proposed estimate related to the asbestos clean-up is \$60 thousand.

Pollution Remediation Obligations

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

	Primary Government			
	Estimate Method and <u>Assumption</u>	Total Estimated <u>Obligation</u>	Estimated <u>Recoveries</u>	Pollution Remediation <u>Obligation</u>
Primary Government				
<i>Governmental Activities</i>				
Street Improvements	Vendor estimate	<u>\$1</u>	<u>\$-</u>	<u>\$1</u>
Total Governmental Activities		<u>1</u>	<u>-</u>	<u>1</u>
<i>Business-Type Activities</i>				
OCAT Fund				
Gulfstream Maintenance Facility	Vendor estimate	<u>85</u>	<u>-</u>	<u>85</u>
Total Primary Government		<u>\$86</u>	<u>\$-</u>	<u>\$86</u>
Component Unit				
COTPA				
Union Station	Vendor estimate	<u>\$60</u>	<u>\$-</u>	<u>\$60</u>

Estimated Claims Aggregate Liabilities

	Primary Government						Component	Fiduciary
	Governmental Activities						Unit	Fund
	Health			Workers'		Pollution	COTPA	OCPEBT
	Care	Compensation	Risk	Tort	Remediation	Remediation	Pollution	Health
Liability balance, July 1, 2010	\$987	\$29,666	\$ -	\$10,880	\$11	\$637	\$ -	\$889
Claims and changes in estimates	14,267	12,975	6,140	2,395	(7)	(561)	-	18,060
Claims payments	<u>(14,229)</u>	<u>(4,714)</u>	<u>(1,991)</u>	<u>(7,880)</u>	<u>(4)</u>	<u>(10)</u>	-	<u>(18,017)</u>
Liability balance, July 1, 2011	1,025	37,927	4,149	5,395	-	66	-	932
Claims and changes in estimates	15,658	13,120	(1,626)	2,299	9	139	60	17,556
Claims payments	<u>(15,419)</u>	<u>(11,082)</u>	<u>(1,972)</u>	<u>(2,393)</u>	<u>(8)</u>	<u>(120)</u>	-	<u>(17,678)</u>
Liability balance, June 30, 2012	<u>\$1,264</u>	<u>\$39,965</u>	<u>\$551</u>	<u>\$5,301</u>	<u>\$1</u>	<u>\$85</u>	<u>\$60</u>	<u>\$810</u>
Assets available to pay claims	<u>\$8,620</u>	<u>\$17,140</u>	<u>\$4,471</u>	<u>(\$16,572)</u>	<u>\$105,436</u>	<u>\$81,841</u>	<u>\$17,603</u>	<u>\$20,008</u>

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

	Primary Government							Estimated Claims Payable (3)
	Governmental Activities							
	Notes Payable (1)	Capital Leases (2)					Internal	
	Governmental Funds (4)	Governmental Funds		Internal Service Funds		Service Funds		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	
2013	\$286	\$64	\$262	\$13	\$12	\$3	\$16,590	
2014	295	55	9	3	13	2	30,491	
2015	993	45	10	2	14	1	-	
2016	384	35	11	1	-	-	-	
2017	394	23	7	-	-	-	-	
2018-2022	1,350	44	-	-	-	-	-	
2023-2027	<u>1,375</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>\$5,077</u>	<u>\$276</u>	<u>\$299</u>	<u>\$19</u>	<u>\$39</u>	<u>\$6</u>	<u>\$47,081</u>	
Range of interest rates	0% - 6.62%		10%		7.97%			
Cost of assets			<u>\$405</u>		<u>\$60</u>			
Accumulated depreciation			<u>\$107</u>		<u>\$26</u>			

(continued)

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

	Primary Government				
	<i>Business-Type Activities</i>				
	<u>Notes Payable</u>		<u>Capital Leases (2)</u>		<u>Estimated</u>
	<u>OCWUT</u>		<u>Proprietary Funds</u>		<u>Claims Payable</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2013	\$345	\$357	\$1,066	\$19	\$85
2014	1,295	1,621	-	-	-
2015	1,339	1,577	-	-	-
2016	1,383	1,533	-	-	-
2017	1,431	1,485	-	-	-
2018-2022	7,920	6,659	-	-	-
2023-2027	9,364	5,215	-	-	-
2028-2032	10,662	3,508	-	-	-
2033-2037	6,423	1,929	-	-	-
2038-2042	6,045	821	-	-	-
2043-2046	<u>1,136</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$47,343</u>	<u>\$24,737</u>	<u>\$1,066</u>	<u>\$19</u>	<u>\$85</u>

Range of interest rates 2.36% - 3.24% 3.60%

Cost of assets **\$5,955**

Accumulated depreciation **\$2,599**

	Component Unit			OPEB Trust Funds
	<u>Notes Payable (1)</u>		<u>Estimated</u>	<u>Estimated</u>
	<u>OCRA</u>		<u>Claims Payable</u>	<u>Claims Payable</u>
	<u>Principal</u>	<u>Interest</u>	<u>COTPA</u>	<u>OCPEBT</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>
2013	\$2,007	\$299	\$60	\$810
2014	2,034	273	-	-
2015	2,064	243	-	-
2016	2,095	213	-	-
2017	2,125	182	-	-
2018-2022	11,105	431	-	-
2023	<u>193</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$21,623</u>	<u>\$1,641</u>	<u>\$60</u>	<u>\$810</u>

Range of interest rates 1.25%

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

II. B. 7. BONDS PAYABLE

Unamortized Bond Discount/Premium and Deferred Bonded Amount on Refunding

	Primary Government			Component Units
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	Total	
Bonds payable	\$553,445	\$554,032	\$1,107,477	\$4,215
Unamortized bond discount/premium	29,499	7,156	36,655	45
Deferred amount on refunding	<i>(7,537)</i>	<i>(1,087)</i>	<i>(8,624)</i>	<i>(238)</i>
Bonds payable, net	<u>\$575,407</u>	<u>\$560,101</u>	<u>\$1,135,508</u>	<u>\$4,022</u>

General Obligation Bonds

Bond Indentures and Covenants

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

Issuances

2012 Non-Taxable General Obligation Bonds

On May 16, 2012, the City issued \$50 million in Oklahoma City General Obligations Bonds with an average interest rate of 4.611%. Total proceeds included \$7.733 million in premium. Issuance costs were \$113 thousand. Net proceeds of \$57.91 million will be used to fund infrastructure improvements. The bonds mature on March 1, 2032.

2012 Non-Taxable General Obligation Refunding Bonds

On January 11, 2012, the City issued \$80 million in Oklahoma City General Obligations Bonds with an average interest rate of 4.155%. Total proceeds included \$11.674 million in premium. Issuance costs were \$469 thousand. Net proceeds of \$91.78 million combined with a City contribution of \$13.583 million were used to defease \$105.366 million in principal and interest for General Obligation bonds series 2002, 2002 Refunding, 2003, 2004, and 2005. The bonds mature on March 1, 2025.

General Obligation Bonds Authorized But Unissued

	2007 Authorization
Streets	\$344,865
Bridges	13,445
Traffic control	14,615
Drainage control	22,630
Parks & recreational facilities	61,285
Fire facilities	11,385
Police facilities	36,460
City maintenance facilities	17,675
Libraries	7,580
Economic & community development	<u>39,000</u>
Total	<u>\$568,940</u>

Revenue Bonds

Bond Indentures and Covenants

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

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

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

Issuances

OCAT Junior Lien Revenue Bonds

On March 3, 2011, OCAT issued \$28.675 million OCAT Junior Lien Series 30 Revenue Bonds. The Junior Lien Series 30 Bonds defeased existing Junior Lien Series 22B and 27B bonds. Bond proceeds from the Junior Lien series are used to construct various facilities at the airports. Five Junior Lien series are still outstanding.

OCPPA Hotel Tax Revenue Bonds, Series 2011

On October 1, 2011, OCPPA issued \$9.285 million Hotel Tax Revenue Bonds, Series 2011. The proceeds of \$9.183 million from the bonds, less \$183 thousand in issuance costs, will be used to finance the construction and renovation of the City of Oklahoma City Fairground facilities.

Conduit Debt

The OCAT issued four special limited obligations to construct the Federal Aviation Administration (FAA) Registry building and the Federal Bureau of Prisons Transfer Center. These facilities are located on City-owned property leased to OCAT and reported as OCAT Fund assets. The bonds and interest are limited obligations of OCAT payable only from lease rental income from the U.S. government. The bonds do not constitute a pledge of the faith and credit of OCAT or the City and are reported as liabilities. The aggregate principal amount payable at June 30, 2012 is \$35.310 million.

Bonded Debt Service Requirements To Maturity

	Primary Government							
	<i>Governmental Activities</i>			<i>Business-Type Activities</i>				
	General Obligation Bonds			Revenue Bonds				
				<u>OCAT</u>		<u>OCWUT</u>		<u>MCA</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$43,985	\$24,417	\$19,215	\$6,087	\$10,434	\$22,367	\$3,505	\$3,147
2014	43,070	22,415	13,370	4,974	10,509	22,203	3,715	2,937
2015	43,120	20,574	20,950	3,680	10,829	21,948	3,935	2,714
2016	42,955	18,609	6,745	2,686	11,070	21,669	4,170	2,478
2017	40,570	16,668	7,075	2,353	11,415	21,313	4,420	2,228
2018-2022	167,475	57,952	38,670	6,461	44,890	54,831	26,430	6,824
2023-2027	126,120	26,501	7,545	814	50,075	43,939	6,275	377
2028-2032	46,150	4,770	-	-	56,610	30,972	-	-
2033-2037	-	-	-	-	59,885	15,757	-	-
2038-2042	-	-	-	-	<u>35,165</u>	<u>2,902</u>	-	-
Totals	<u>\$553,445</u>	<u>\$191,906</u>	<u>\$113,570</u>	<u>\$27,055</u>	<u>\$300,882</u>	<u>\$257,901</u>	<u>\$52,450</u>	<u>\$20,705</u>

	Primary Government						Component	
	<i>Business-Type Activities</i>						Unit	
	Revenue Bonds						Revenue Bonds	
		<u>OCEAT</u>		<u>OCPPA</u>		<u>OCPPA</u>		<u>OCZT</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$350	\$124	\$505	\$244	\$2,045	\$3,682	\$530	\$171
2014	360	112	525	228	2,155	3,585	545	153
2015	375	99	540	211	2,270	3,482	575	125
2016	390	85	555	194	2,230	3,375	605	97
2017	160	74	575	176	2,335	3,265	630	74
2018-2022	885	270	3,155	591	13,610	14,402	1,330	75
2023-2027	850	73	2,140	103	17,490	9,628	-	-
2028-2032	-	-	-	-	22,400	5,799	-	-
2033-2037	-	-	-	-	<u>11,230</u>	<u>662</u>	-	-
Totals	<u>\$3,370</u>	<u>\$837</u>	<u>\$7,995</u>	<u>\$1,747</u>	<u>\$75,765</u>	<u>\$47,880</u>	<u>\$4,215</u>	<u>\$695</u>

Outstanding Bonds, Maturity Dates, and Interest Rates

	Primary Government			
	<u>Amount of Original Issue</u>	<u>Range of Final Maturity Dates</u>	<u>Range of Effective Interest Rates</u>	<u>Outstanding Balance</u>
<i>Governmental Activities</i>				
General obligation bonds	\$716,900	2012 - 2032	2 - 5.63	\$553,445
<i>Business-Type Activities</i>				
Revenue bonds - major enterprise funds				
OCAT Fund	242,155	2012-2027	1.6 – 9.8	113,570
OCWUT Fund	346,930	2017 - 2040	0.6 - 7.85	300,882
MCA Fund	91,860	2023	3 - 6	52,450
OCEAT Fund	8,410	2026	3 - 4.25	3,370
Revenue bonds - other enterprise funds				
OCPPA Golf Courses Fund	8,465	2024	3.15	7,995
OCPPA Fairgrounds Fund	82,105	2030 - 2036	2 - 5.5	75,765
Component Units				
	<u>Amount of Original Issue</u>	<u>Range of Final Maturity Dates</u>	<u>Range of Effective Interest Rates</u>	<u>Outstanding Balance</u>
Revenue bonds - OCZT	5,660	2019	3.125 - 5	4,215

Bond Interest Payable

The Series 1986C OCWUT Water Revenue Bonds accumulated deferred interest until 2005 when the bonds began to mature. The non-current interest payable at June 30, 2012 is \$29.111 million.

Bond Defeasance

Prior Years Defeasance

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

Current Year Defeasance

COTPA Parking System Revenue Refunding Bonds, Series 2006

On January 11, 2012, COTPA sold the Broadway Kerr Parking Garage, a Bond Financed Facility, for approximately \$8.677 million. A total of \$12.111 million was placed into a special escrow account, thereby defeasing the remaining 2006 COTPA Parking System Revenue Refunding Bonds, with an outstanding balance of \$9.060 million. The \$12.111 million consisted of \$8.677 million from the sale of the Garage, along with excess bond fund reserves and all accumulated reserves in the debt service accounts of \$3.434 million. The proceeds from the sale and accumulated bond fund reserves were used to retire \$9.144 million of the bond principal and interest payments. The remaining balance of \$2.909 million will be remitted to COTPA when the 2006 Bonds are fully paid on July 1, 2012.

General Obligation Bonds, series 2002, 2003, 2004, 2005, and General Obligation Refunding Bonds, series 2002

On January 11, 2012, the City issued \$80.110 million in general obligation bonds, with an average interest rate (coupon) of 4.51% to advance refund \$11.835 million, \$36.935 million, \$13.880 million, \$10.550 million, and \$24.725 million of outstanding 2002, 2002 (Refunding), 2003, 2004, and 2005 series bonds (refunded bonds) respectively, with an average interest of 4.70%. Total proceeds include \$11.674 million in premium. Underwriting fees and other issuance costs were approximately \$468,515 thousand. Net proceeds of approximately \$91.784 million were used to purchase U.S. government securities deposited in an irrevocable trust with an escrow agent. An additional \$13.583 million from the Debt Service Fund (sinking fund) and subsequent property tax levies is obligated to pay principal and interest payments due on non-refunded series of the refunded bond issues after the date of the refunding extending approximately three years for the longest non-refunded series. Subsequent debt service payments on the refunded bond issues will be paid from the irrevocable trust. As a result, refunded series' of the 2002, 2002 (Refunding), 2003, 2004, and 2005 bonds, in the amounts disclosed, are considered to be defeased as of the issuance date and the liability for those bonds removed from the financial statements in the period of the defeasance. The City advance refunded these bonds to benefit from the recent declines in interest rates and achieved an economic gain of approximately \$10.741 million.

Outstanding Defeased Bonds

Primary Government				
	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>	<u>Outstanding Balance</u>
<i>Governmental Activities</i>				
General obligation bonds	Combined purpose	2003	\$13,880	\$13,880
General obligation bonds	Combined purpose	2004	10,550	10,550
General obligation bonds	Combined purpose	2005	24,725	24,725
<i>Business-Type Activities</i>				
OCAT Fund	Airport facilities	Junior Lien 22B Series	625	625
OCAT Fund	Airport facilities	Junior Lien 27A Series (1)	35,520	-
OCAT Fund	Airport facilities	Junior Lien 27B Series	29,040	29,040
OCWUT	Water and wastewater utilities system	1977 Series F	6,480	2,110
OCWUT	Water and wastewater utilities system	1977 Series G	<u>1,865</u>	<u>645</u>
			<u>\$122,685</u>	<u>\$81,575</u>
Component Unit				
	<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>	<u>Outstanding Balance</u>
COTPA Parking	Parking	Series 2003	\$23,635	\$21,955
COTPA Parking	Combined purpose	Series 2006	6,895	5,035
COTPA Parking	Parking	Series 2006A	<u>9,060</u>	<u>385</u>
			<u>\$39,590</u>	<u>\$27,375</u>

(1) Junior Lien 27A series bonds were retired through call options in FY 2011.

Segment Information and Pledged Revenues

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

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

Condensed Statement of Net Assets

	<u>Primary Government</u>		<u>Component</u>
	<i>Business-Type Activities</i>		<u>Unit</u>
	<u>OCPPA Golf</u>	<u>OCPPA</u>	<u>COTPA</u>
	<u>Courses (1)</u>	<u>Fairgrounds</u>	<u>Parking</u>
<u>ASSETS</u>			
Current assets	\$3,236	\$7,648	\$12,724
Non-current assets	<u>6,981</u>	<u>74,808</u>	<u>13,373</u>
Total assets	<u>10,217</u>	<u>82,456</u>	<u>26,097</u>
<u>LIABILITIES</u>			
Current liabilities	1,336	5,000	957
Non-current liabilities	<u>9,831</u>	<u>75,196</u>	<u>970</u>
Total liabilities	<u>11,167</u>	<u>80,196</u>	<u>1,927</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	(1,022)	2,260	13,063
Restricted	380	-	-
Unrestricted	<u>(308)</u>	<u>-</u>	<u>11,107</u>
Total net assets	<u>(\$950)</u>	<u>\$2,260</u>	<u>\$24,170</u>

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

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

	<u>Primary Government</u>		<u>Component</u>
	<i>Business-Type Activities</i>		<u>Unit</u>
	<u>OCPPA Golf</u>	<u>OCPPA</u>	<u>COTPA</u>
	<u>Courses (1)</u>	<u>Fairgrounds</u>	<u>Parking</u>
<u>OPERATING INCOME</u>			
Operating revenues	\$8,777	\$5	\$6,127
Depreciation expense	(1,153)	(6,083)	(520)
Other operating expenses	<u>(8,671)</u>	<u>(570)</u>	<u>(3,043)</u>
Operating income (loss)	<u>(1,047)</u>	<u>(6,648)</u>	<u>2,564</u>
<u>NON-OPERATING REVENUES</u>			
<u>(EXPENSES)</u>			
Interest expense	(285)	(3,396)	(291)
Other	50	(7)	(2)
Transfers	889	6,182	-
Special Item	-	-	<u>7,373</u>
Changes in net assets	<u>(393)</u>	<u>(3,869)</u>	<u>9,644</u>
Beginning net assets	(557)	(495)	14,526
Prior period adjustment	-	<u>6,624</u>	-
Ending net assets	<u>(\$950)</u>	<u>\$2,260</u>	<u>\$24,170</u>

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

Condensed Statement of Cash Flows

	Primary Government		Component Unit
	Business-Type Activities		
	OCPPA Golf Courses (1)	OCPPA Fairgrounds	COTPA Parking
<u>NET CASH PROVIDED (USED) BY</u>			
Operating activities	\$550	(\$380)	\$2,971
Non-capital financing activities	713	5,632	(3)
Capital and related financing activities	(820)	(4,532)	(6,409)
Investing activities	<u>(309)</u>	<u>(3,212)</u>	<u>3,082</u>
Net increase (decrease) in cash	134	(2,492)	(359)
Beginning cash	<u>1,520</u>	<u>2,896</u>	<u>1,110</u>
Ending cash	<u>\$1,654</u>	<u>\$404</u>	<u>\$751</u>

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

II. B. 8. CHANGES IN LONG-TERM LIABILITIES

	Primary Government					
	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012	Due Within One Year	Due After One Year
<i>Governmental Activities</i>						
<u>COMPENSATED ABSENCES</u>						
Governmental funds	\$68,326	\$27,790	\$27,808	\$68,308	\$20,702	\$47,606
Internal service funds	<u>1,874</u>	<u>1,152</u>	<u>1,023</u>	<u>2,003</u>	<u>698</u>	<u>1,305</u>
	<u>70,200</u>	<u>28,942</u>	<u>28,831</u>	<u>70,311</u>	<u>21,400</u>	<u>48,911</u>
<u>NOTES, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE</u>						
Governmental funds:						
Notes payable	7,256	-	2,179	5,077	287	4,790
Lease obligations payable	8	340	49	299	259	40
Estimated claims payable	-	9	9	-	-	-
Internal service funds:						
Lease obligations payable	50	-	11	39	12	27
Estimated claims payable	<u>48,494</u>	<u>29,451</u>	<u>30,864</u>	<u>47,081</u>	<u>16,589</u>	<u>30,492</u>
	<u>55,808</u>	<u>29,800</u>	<u>33,112</u>	<u>52,496</u>	<u>17,147</u>	<u>35,349</u>
<u>BONDS PAYABLE (1)</u>						
Governmental funds-general obligation bonds	<u>565,670</u>	<u>130,110</u>	<u>142,335</u>	<u>553,445</u>	<u>43,985</u>	<u>509,460</u>
<u>NET OPEB OBLIGATION</u>						
Governmental funds	60,883	28,302	15,311	73,874	-	73,874
Internal service funds	<u>2,115</u>	<u>929</u>	<u>445</u>	<u>2,599</u>	<u>-</u>	<u>2,599</u>
	<u>62,998</u>	<u>29,231</u>	<u>15,756</u>	<u>76,473</u>	<u>-</u>	<u>76,473</u>
<i>Business-Type Activities</i>						
<u>COMPENSATED ABSENCES</u>						
Water and Wastewater Fund	5,353	3,249	2,979	5,623	1,898	3,725
MCA	63	14	10	67	11	56
Other enterprise funds	<u>3,800</u>	<u>1,847</u>	<u>1,878</u>	<u>3,769</u>	<u>1,341</u>	<u>2,428</u>
	<u>9,216</u>	<u>5,110</u>	<u>4,867</u>	<u>9,459</u>	<u>3,250</u>	<u>6,209</u>

(continued)

II. B. 8. CHANGES IN LONG-TERM LIABILITIES (continued)

	Primary Government					
	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012	Due Within One Year	Due After One Year
<u>INTERGOVERNMENTAL PAYABLE (2)</u>						
OCWUT	41,194	16,653	-	57,847	-	57,847
MCA	<u>75</u>	<u>25</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
	<u>41,269</u>	<u>16,678</u>	<u>-</u>	<u>57,947</u>	<u>100</u>	<u>57,847</u>
<u>NOTES AND LEASE OBLIGATIONS</u>						
Estimated claims payable-OCAT	66	19	-	85	85	-
Notes payable-OCWUT	18,462	29,214	333	47,343	345	46,998
Lease obligations payable-OCEAT	1,999	-	1,186	813	813	-
Lease obligations payable-Stormwater Drainage	<u>-</u>	<u>355</u>	<u>102</u>	<u>253</u>	<u>253</u>	<u>-</u>
	<u>20,527</u>	<u>29,588</u>	<u>1,621</u>	<u>48,494</u>	<u>1,496</u>	<u>46,998</u>
<u>BOND INTEREST PAYABLE, NON-CURRENT (3)</u>						
Revenue bond interest payable, non-current-OCWUT	<u>34,634</u>	<u>-</u>	<u>5,523</u>	<u>29,111</u>	<u>-</u>	<u>29,111</u>
<u>BONDS PAYABLE (REVENUE BONDS) (1)</u>						
OCAT	131,310	-	17,740	113,570	19,215	94,355
OCWUT	309,920	-	9,038	300,882	10,434	290,448
MCA	55,755	-	3,305	52,450	3,505	48,945
OCEAT	3,710	-	340	3,370	350	3,020
Other enterprise funds	<u>76,780</u>	<u>9,285</u>	<u>2,305</u>	<u>83,760</u>	<u>2,550</u>	<u>81,210</u>
	<u>577,475</u>	<u>9,285</u>	<u>32,728</u>	<u>554,032</u>	<u>36,054</u>	<u>517,978</u>
<u>NET OPEB OBLIGATION</u>						
Water and Wastewater Fund	8,074	4,157	2,761	9,470	-	9,470
Other enterprise funds	<u>5,601</u>	<u>2,794</u>	<u>1,538</u>	<u>6,857</u>	<u>-</u>	<u>6,857</u>
	<u>13,675</u>	<u>6,951</u>	<u>4,299</u>	<u>16,327</u>	<u>-</u>	<u>16,327</u>
Total primary government (4) (5)	<u>\$1,451,472</u>	<u>\$285,695</u>	<u>\$269,072</u>	<u>\$1,468,095</u>	<u>\$123,432</u>	<u>\$1,344,663</u>

(continued)

II. B. 8. CHANGES IN LONG-TERM LIABILITIES (continued)

	Component Units					
	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012	Due Within One Year	Due After One Year
<u>COMPENSATED ABSENCES</u>						
OCZT	\$189	\$ -	\$18	\$171	\$171	\$ -
COTPA	<u>462</u>	<u>416</u>	<u>359</u>	<u>519</u>	<u>184</u>	<u>335</u>
	<u>651</u>	<u>416</u>	<u>377</u>	<u>690</u>	<u>355</u>	<u>335</u>
<u>NOTES, LEASE OBLIGATIONS, AND ESTIMATED CLAIMS PAYABLE</u>						
Note payable-COTPA	-	60	-	60	60	-
Note payable-OCRA	<u>23,619</u>	<u>-</u>	<u>1,996</u>	<u>21,623</u>	<u>2,007</u>	<u>19,616</u>
	<u>23,619</u>	<u>60</u>	<u>1,996</u>	<u>21,683</u>	<u>2,067</u>	<u>19,616</u>
<u>BONDS PAYABLE (REVENUE BONDS) (1)</u>						
OCZT	4,715	-	500	4,215	530	3,685
COTPA	<u>10,775</u>	<u>-</u>	<u>10,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,490</u>	<u>-</u>	<u>11,275</u>	<u>4,215</u>	<u>530</u>	<u>3,685</u>
<u>NET OPEB OBLIGATION</u>						
OCZT	744	296	-	1,040	-	1,040
COTPA	<u>137</u>	<u>71</u>	<u>30</u>	<u>178</u>	<u>-</u>	<u>178</u>
	<u>881</u>	<u>367</u>	<u>30</u>	<u>1,218</u>	<u>-</u>	<u>1,218</u>
Total component units	<u>\$40,641</u>	<u>\$783</u>	<u>\$13,678</u>	<u>\$27,746</u>	<u>\$2,892</u>	<u>\$24,854</u>

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

	Balance	Issued	Retired	Balance	Due Within	Due After
	July 1, 2011			June 30, 2012	One Year	One Year
Pension Trust Fund						
Compensated absences - OCERS	\$54	\$22	\$15	\$61	\$18	\$43
Net OPEB obligation - OCERS	<u>29</u>	<u>14</u>	<u>9</u>	<u>34</u>	<u>-</u>	<u>34</u>
	<u>\$83</u>	<u>\$36</u>	<u>\$24</u>	<u>\$95</u>	<u>\$18</u>	<u>\$77</u>
OPEB Trust Fund						
Estimated claims payable - OCPEBT	<u>\$931</u>	<u>\$17,556</u>	<u>\$17,677</u>	<u>\$810</u>	<u>\$810</u>	<u>\$ -</u>

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

II. C. INTERFUND BALANCES

Within the Primary Government

	Primary Government								
	Governmental Activities								
	Major Governmental								
	General	Debt Service	Grants	MAPS3 Sales Tax	General Obligation Bonds	Other Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
DUE FROM									
OTHER FUNDS									
Primary Government									
<i>Governmental Activities</i>									
General	\$ -	\$ -	\$1,033	\$22	\$888	\$1,165	\$3,108	\$ -	\$3,108
Debt Service	-	-	-	-	175	-	175	-	175
Grants Management	-	-	-	-	-	307	307	-	307
General Obligation Bonds	-	-	126	-	-	-	126	-	126
Other governmental funds	<u>10,285</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>6,712</u>	<u>25</u>	<u>17,356</u>	<u>380</u>	<u>17,736</u>
Total governmental funds	10,285	-	1,493	22	7,775	1,497	21,072	380	21,452
Internal service funds	<u>1,518</u>	<u>5,354</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>205</u>	<u>7,219</u>	<u>-</u>	<u>7,219</u>
Total governmental activities	<u>11,803</u>	<u>5,354</u>	<u>1,635</u>	<u>22</u>	<u>7,775</u>	<u>1,702</u>	<u>28,291</u>	<u>380</u>	<u>28,671</u>
<i>Business Type Activities</i>									
OCWUT	-	-	-	-	-	9	9	679	688
Water and Wastewater Fund	-	-	-	-	-	-	-	17	17
MCA	1	-	-	-	-	-	1	-	1
OCEAT	-	-	-	-	-	4	4	-	4
Other enterprise funds	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>28</u>	<u>97</u>	<u>136</u>	<u>-</u>	<u>136</u>
Total business-type activities	<u>1</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>28</u>	<u>110</u>	<u>150</u>	<u>696</u>	<u>846</u>
Total due from other funds	<u>11,804</u>	<u>5,354</u>	<u>1,646</u>	<u>22</u>	<u>7,803</u>	<u>1,812</u>	<u>28,441</u>	<u>1,076</u>	<u>29,517</u>
ADVANCE TO									
OTHER FUNDS (1)									
Primary Government									
<i>Governmental Activities</i>									
General	-	-	400	-	-	928	1,328	-	1,328
MAPS3 Sales Tax	-	-	4	-	-	-	4	-	4
General Obligation Bonds	-	-	1,019	-	-	-	1,019	-	1,019
Other governmental funds	4,129	-	137	-	-	3,589	7,855	-	7,855
Internal service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,548</u>	<u>28,548</u>
Total governmental activities	<u>4,129</u>	<u>-</u>	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>4,517</u>	<u>10,206</u>	<u>28,548</u>	<u>38,754</u>
Total advance to other funds	<u>4,129</u>	<u>-</u>	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>4,517</u>	<u>10,206</u>	<u>28,548</u>	<u>38,754</u>
	<u>\$15,933</u>	<u>\$5,354</u>	<u>\$3,206</u>	<u>\$22</u>	<u>\$7,803</u>	<u>\$6,329</u>	<u>\$38,647</u>	<u>\$29,624</u>	<u>\$68,271</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA

Within the Primary Government (continued)

	Primary Government									
	Governmental Activities									
	Major Business-Type				Other Business			Total	Internal	Total
OCAT	OCWUT	Wastewater	MCA	OCEAT	Enterprise Funds	Type Activities	Activities			
DUE FROM OTHER FUNDS										
Primary Government										
<i>Governmental Activities</i>										
General	\$ -	\$938	\$73	\$ -	\$84	\$171	\$1,266	\$4,374	(\$11,804)	(\$7,430)
Debt Service	-	-	16	-	-	-	16	191	(5,354)	(5,163)
Grants Management	-	-	-	-	-	-	-	307	(1,646)	(1,339)
MAPS3 Sales Tax	-	-	55	-	-	-	55	55	(22)	33
General Obligation Bonds	-	-	-	-	-	-	-	126	(7,803)	(7,677)
Other governmental funds	-	<u>1</u>	<u>70</u>	-	-	-	<u>71</u>	<u>17,807</u>	<u>(1,812)</u>	<u>15,995</u>
Total governmental funds	-	939	214	-	84	171	1,408	22,860	(28,441)	(5,581)
Internal service funds	-	-	7	-	-	76	83	7,302	(663)	6,639
Internal activity allocation activities	-	-	-	-	-	-	-	-	<u>45,947</u>	<u>45,947</u>
Total governmental	-	939	221	-	84	247	1,491	30,162	16,843	\$47,005
<i>Business Type Activities</i>										
OCAT	-	-	-	-	-	-	-	-	-	-
OCWUT	-	-	-	-	-	18	18	706	(943)	(237)
Water and Wastewater Fund	-	-	-	-	14	-	14	31	(247)	(216)
MCA	-	-	-	-	-	-	-	1	-	1
OCEAT	-	4	-	-	-	5	9	13	(98)	(85)
Other enterprise funds	-	-	26	-	-	1	27	163	(271)	(108)
Internal activity allocation	-	-	-	-	-	-	-	-	<u>(45,947)</u>	<u>(45,947)</u>
Total business-type activities	-	4	26	-	14	24	68	914	(47,506)	(46,592)
Total due from other funds	-	943	247	-	98	271	1,559	31,076		
ADVANCE TO OTHER FUNDS (1)										
Primary Government										
<i>Governmental Activities</i>										
General	-	-	-	-	-	-	-	1,328	(1,328)	-
Other governmental funds	-	-	-	-	-	-	-	<u>28,548</u>	<u>(28,548)</u>	-
Total governmental funds	-	-	-	-	-	-	-	29,876	(29,876)	-
Internal service funds	-	-	-	-	-	413	413	<u>28,961</u>	<u>(28,961)</u>	<u>(413)</u>
Total governmental activities	-	-	-	-	-	413	413	<u>58,837</u>	<u>(58,837)</u>	<u>(413)</u>
<i>Business Type Activities</i>										
OCWUT	-	-	-	45,391	-	-	45,391	45,391	(45,391)	-
Water and Wastewater Fund	-	4,185	-	-	-	-	4,185	4,185	(4,185)	-
Other enterprise funds	<u>720</u>	-	-	-	<u>2,003</u>	-	<u>2,723</u>	<u>2,723</u>	<u>(2,723)</u>	-
Total business-type activities	<u>720</u>	<u>4,185</u>	-	<u>45,391</u>	<u>2,003</u>	-	<u>52,299</u>	<u>52,299</u>	<u>(52,299)</u>	-
Total advance to other funds	720	4,185	-	45,391	2,003	413	52,712	111,136	(111,136)	(413)
	\$720	\$5,128	\$247	\$45,391	\$2,101	\$684	\$54,271	\$142,212	(\$158,642)	(\$47,005)

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

Advances From OCMFA Services Fund to OCPPA Golf Courses Fund

In February 2001 a loan for \$1.060 million from the OCMFA Workers' Compensation Reserves to OCPPA was approved for reconstruction of the greens at Trosper Park Golf Course. The loan is being repaid from a \$1 per golf round surcharge increase, which was approved by resolution at the same time as the loan. The loan was refinanced in November 2004 for a longer period, at a lower interest rate of 4.6%. The balance of this note was paid by Trosper Golf Course in March 2012.

On February 26, 2008 a loan for \$1.270 million from the worker's compensation reserves to OCPPA Golf Courses Fund was approved for the purchase of new golf carts. The loan will be repaid over six years at an annual rate of 3.67% beginning April 1, 2008 with the final payment due March 1, 2014. The balance of this loan at June 30, 2012 is \$399 thousand and \$1 thousand accrued interest.

Advance From OCWUT to MCA

The agreement between OCWUT and MCA guarantees that OCWUT will make up any shortfalls of MCA for debt service requirements, operations and maintenance, extraordinary expenses and capital improvements, as well as funds necessary to maintain the bond fund minimum required balance reserve. MCA has recorded an advance from OCWUT to recognize the amount loaned under the agreement. At June 30, 2012 the balance due to OCWUT is \$45.391 million. It is not anticipated that MCA will repay OCWUT in the near future.

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

On October 14, 2008 a loan for \$1.032 million from the City and Schools Use Tax Fund to OCPPA General Purpose Fund was approved. The loan is to be repaid by the General Fund and OCPPA General Purpose Fund over a seven year period at an interest rate of 2%. The balance of the loan at June 30, 2012 is \$623 thousand, which includes \$5 thousand in accrued interest. The General Fund owes \$495 thousand in principal and \$5 thousand in interest while OCPPA owes \$124 thousand. It is anticipated that the OCPPA General Purpose Fund will repay the General Fund after it satisfies the City and Schools Use Tax Fund. The amount due to the General Fund is \$877 thousand in principal and \$66 thousand in accrued interest.

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

On February 16, 2010 the OCPPA received \$3.2 million from the City and School Use Tax Fund. The funds are to be used for the Cox Center facility renovations and upgrade. The loan is to be repaid from revenues generated and collected by SMG under the Extended Use License Agreement with Prodigal Hockey, LLC and from other Cox Center events. The OCPPA will replenish the City and Schools Use Tax Fund with an interest rate of 4.19% over a 10-year period. The balance of the loan at June 30, 2012 is \$3.032 million including accrued interest of \$55 thousand.

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

In 2002, the City Council adopted a funding plan for the Bass Pro Shops project. The plan recommended that building construction be funded through an appropriation to the OCURA. The funds were paid out of the Police and Fire Equipment Use Tax Fund, the MAPS Operations Fund and the City and Schools Use Tax Fund. The General Fund would then reimburse the funds over the next 15 years at an interest rate of 5.17%. The General Fund paid the balance of the advance from the Police and Fire Equipment Use Tax Fund in 2006. The General Fund paid the balance of the advance from the MAPS Operations Fund in 2011. The General Fund has an outstanding balance to the City and Schools Use Tax Fund of \$3.366 million in principal plus \$264 thousand in interest.

Cost Reimbursement Advances

City employees perform administrative and management services for various Trusts and Authorities. Reimbursements for the costs of these services are included in the Trust/Authority expenses. The advance represents the unfunded liabilities of the City Funds.

<u>Costs Expended Fund</u>	<u>Costs Reimbursed Fund</u>	<u>Advance Balance at 06/30/2012</u>
Water Utilities Fund	OCWUT	\$4,185
Solid Waste Management Fund	OCEAT	2,003
Airports Fund	OCAT	720
Information Technology Fund	OCMFA Services	1,421
Risk Management Fund	OCMFA Services	3,920
Special Districts	OCPPA General Purpose	379

COTPA Reimbursement Receivables

Parking and Transportation Funds pay administrative and management services for COTPA. Reimbursements for the costs of these services are included in COTPA expenses. The receivable represents the unfunded liabilities.

<u>Costs Expended Fund</u>	<u>Costs Reimbursed Fund</u>	<u>Advance Balance at 06/30/2012</u>
Transportation Fund	COTPA Transportation	\$620
Parking Fund	COTPA Parking	124

Annual Debt Service Requirements to Maturity for Advances Between City Funds

<u>Fiscal Year</u>	<u>From OCPPA Golf Course Fund</u>			<u>From OCPPA General Purpose Fund</u>				
	<u>OCMFA Services</u>			<u>General Fund</u>		<u>City/Schools Use Tax Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$225	\$11	\$236	\$ -	\$ -	\$295	\$127	\$422
2013	174	3	177	-	-	312	116	428
2014	-	-	-	-	-	330	104	434
2015	-	-	-	-	-	350	91	441
2016	-	-	-	-	-	322	78	400
2018-2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>877</u>	<u>85</u>	<u>1,547</u>	<u>178</u>	<u>2,687</u>
	<u>\$399</u>	<u>\$14</u>	<u>\$413</u>	<u>\$877</u>	<u>\$85</u>	<u>\$3,156</u>	<u>\$694</u>	<u>\$4,812</u>

<u>Fiscal Year</u>	<u>From General Fund</u>		
	<u>City Schools Use Tax Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$2,151	\$122	\$2,273
2014	1,484	75	1,559
2015	122	4	126
2016	104	1	105
2017	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$3,861</u>	<u>\$202</u>	<u>\$4,063</u>

Between Fiduciary Funds and Other Funds

Balances in which fiduciary funds are a party are treated as external receivables and payables substantially reported as wages and benefits payable (retirement benefits) and accounts payable (agency fund).

	Primary Government								
	Governmental Activities					Business-Type Activities			
	Major Governmental			Other	Internal	Major		Total	Component
	Grants	MAPS3		Governmental	Service	Enterprise	Other	Primary	
General	Management	Sales Tax	Funds	Funds	Water	Enterprise	Government	Units	
					Utilities	Funds			
RECEIVABLE TO									
FIDUCIARY FUNDS									
<i>Pension Trust Funds</i>									
OCERS	\$179	\$6	\$3	\$19	\$28	\$90	\$63	\$388	\$43
COTPA Retirement	-	-	-	-	-	-	-	-	33
Total Pension Trust Funds	\$179	\$6	\$3	\$19	\$28	\$90	\$63	\$388	\$76
PAYABLE FROM									
FIDUCIARY FUNDS									
<i>Agency Funds</i>									
	\$59	\$-	\$-	\$-	\$-	\$-	\$-	\$59	\$-

Between Component Units and the Primary Government

Outstanding balances in which a component unit is a party are captioned as receivables/payables for both the non-current and current portions between a component unit and the primary government.

	Component Units (1)								
	Payable to Primary Government					Receivable from Primary Government			
	COTPA	OCMAPS	OCRRA	OCEDT	Total	OCZT	COTPA	OCEDT	Total
Primary Government									
CURRENT									
<i>Governmental Activities</i>									
General Fund	\$15	\$235	\$36	\$-	\$286	\$-	\$855	\$437	\$1,292
Other governmental funds	5	-	-	-	5	1,796	-	4,028	5,824
Internal service funds	4	3	-	-	7	-	-	-	-
Total governmental activities	24	238	36	-	298	1,796	855	4,465	7,116
<i>Business Type Activities</i>									
OCWUT	121	-	-	-	121	-	-	1,161	1,161
Other enterprise funds	810	-	-	6	816	-	-	-	-
Total business-type activities	931	-	-	6	937	-	-	1,161	1,161
Total current	955	238	36	6	1,235	1,796	855	5,626	8,277
NON-CURRENT (2)									
<i>Governmental Activities</i>									
Other governmental funds	-	-	-	-	-	1,934	-	-	1,934
<i>Business Type Activities</i>									
OCWUT	970	-	-	-	970	-	-	-	-
Total non-current	970	-	-	-	970	1,934	-	-	1,934
	\$1,925	\$238	\$36	\$6	\$2,205	\$3,730	\$855	\$5,626	\$10,211

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

Long-term Payable to OCZT from City Zoo Fund

The City Zoo Fund collects sales tax designated to supplement zoo operating costs. Generally, City Zoo Fund sales tax collections are paid to the OCZT. However, the OCZT has chosen to leave an amount in the City Zoo Fund. The amount payable to OCZT at June 30, 2012 is \$1.934 million. The City does not expect to pay this amount in the next fiscal year.

Long-term Payable to OCWUT from COTPA

On June 29, 1988, OCWUT loaned \$2.425 million (including issuance costs) to COTPA. In early fiscal year 2002, OCWUT and COTPA negotiated a repayment agreement. This agreement requires COTPA to repay the loan, without interest, over a period of 20 years beginning in fiscal year 2002. The amount payable to OCWUT at June 30, 2012 is \$1.091 million. The annual debt service requirement for the advance from OCWUT to COTPA is \$121 thousand per year.

III. NET ASSETS AND FUND BALANCE

III. A. PRIOR PERIOD ADJUSTMENTS

Over/Underfunded Cost Reimbursements

Certain funds pay personnel services, and operating costs and manage certain contracts for other funds. OCPPA General Purpose Fund, OCAT, OCWUT, OCEAT and Risk Management Fund all have operations paid through Special Districts Fund, Airports Fund, Water and Wastewater Fund, Solid Waste Management Fund, and OCMFA Services Fund, respectively. In prior years, a receivable or liability had not been reflected for the unreimbursed or over reimbursed costs. The effect of the prior period adjustment impacted previously reported unrestricted net assets and unassigned fund balance as of July 1, 2011 by \$23.544 million and changes in net assets and changes in fund balance by \$3.086 million. The prior period adjustments had no impact on the government-wide governmental activities or business-type activities.

<u>Costs paid</u>	<u>Costs reported</u>	<u>Unrestricted Net Assets/ Fund Balance</u>	<u>2011 Changes in Net Assets/ Fund Balance</u>
Water Utilites Fund	OCWUT	\$4,683	\$1,772
Solid Waste Management Fund	OCEAT	1,282	236
Airports Fund	OCAT	279	762
OCMFA Services			
Information technology	Information Technology Fund	(1,249)	(468)
Property insurance	Risk Management Fund	(1,456)	286
Worker's compensation	Risk Management Fund	19,346	6,603
Special Districts Fund	OCPPA General Purpose Fund	<u>659</u>	<u>316</u>
		<u>\$23,544</u>	<u>\$9,507</u>

Capital Assets and Depreciation

During 2011, the Authority made a prior period adjustment to record accumulated depreciation through June 30, 2010 of \$908 and \$19,037 for recategorizations between depreciable and non-depreciable capital assets in governmental activities and the Fairgrounds Fund, reported with business-type activities, respectively. During 2012, it was determined that some of the in service dates used to determine the 2011 accumulated depreciation restatement amounts were in error and other depreciation balances had been adjusted in the prior year in error. In addition, this correction resulted in a correction to previously reported capitalized interest on construction projects in the Fairgrounds Fund. As a result, an adjustment was required to correct accumulated depreciation balances as of July 1, 2011 in governmental and business-type activities. The effect of the prior period adjustments resulted in a restatement of beginning of year net assets in governmental activities and the Fairgrounds Fund and business-type activities of \$1,099 and \$6,625, respectively. The effect of the prior period adjustment decreased previously reported 2011 changes in net assets \$10 for governmental activities and \$1.468 million for the Fairgrounds Fund and business-type activities.

OCRRA Racecourse Assets

In 2008, the OCRRA and the Oklahoma City Boathouse Foundation (OCBF) entered into a memorandum of understanding in which the cost of improvements and upgrades to the Oklahoma River Rowing and Canoe/Kayak Racecourse would be split by the OCBF and the OCRRA but would remain the sole, exclusive property of the City. The assets acquired by the OCBF were subsequently donated to the City and the Authority recorded them erroneously as donated assets of the OCRRA. A prior period adjustment has been made to remove the Oklahoma River Racecourse from OCRRA's capital assets in the amount of \$359, net of accumulated depreciation of \$40. The prior period adjustment resulted in a change in beginning net assets as of July 1, 2011 of \$342. The effect of the prior period adjustment reduced previously reported 2011 changes in net assets by \$24 and previously reported invested in capital assets, net of related debt, as of June 30, 2011 of \$319.

OCRRA	(359)
Equipment	40
Accumulated Depreciation	<u>(319)</u>

COTPA

The financial statements for 2011 have been restated for the effect of a prior period adjustment which resulted in a change of net assets and beginning net assets as of July 1, 2011 for COTPA and the Transportation and Parking Funds of \$520 and \$68, respectively. The Transportation and Parking Funds pay for operation costs related to COTPA. COTPA reimburses the Transportation and Parking Funds for those costs. These reimbursements have previously been recorded as payments to/from the COTPA; however, these should be recorded as payable/receivables. The effect of the prior period adjustment increased previously reported 2011 changes in net assets by \$45 and \$23 and increased unrestricted net assets at June 30, 2011 by \$520 and \$68 for the Transportation and Parking Funds, respectively.

OCRA

During 2009, OCRA purchased an undivided ownership interest in certain real estate owned by the Presbyterian Health Foundation (PHF). The total cost of the undivided interest was \$1,337. The cost should have been capitalized in OCRA's financial statements. The 2011 financial statements have been restated to reflect the asset and the related depreciation expense. The undivided interest is being depreciated over a 25-year life using the straight-line method of depreciation. The effect of the prior period adjustment reduced previously reported 2011 changes in net assets by \$54 and increased previously reported invested in capital assets, net of related debt at June 30, 2011 by \$1.230.

III. B. FUND BALANCE

	General Fund	Debt Service Fund	Grants Management Fund	MAPS3 Sales Tax Fund	General Obligation Bonds Fund	Other Governmental Funds	Total
<u>NON-SPENDABLE</u>	<u>\$10,376</u>	<u>\$ -</u>	<u>\$3,141</u>	<u>\$4</u>	<u>\$1,019</u>	<u>\$5,701</u>	<u>\$20,241</u>
<u>RESTRICTED</u>							
Public safety							
Police	-	-	-	-	-	15,226	15,226
Fire	-	-	-	-	-	11,026	11,026
Other	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,826</u>	<u>12,101</u>
Total public safety	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,078</u>	<u>38,353</u>
Public services							
Grant projects	-	-	3,786	-	-	-	3,786
Economic development	-	-	-	-	-	3	3
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,556</u>	<u>1,556</u>
Total public services	<u>-</u>	<u>-</u>	<u>3,786</u>	<u>-</u>	<u>-</u>	<u>1,559</u>	<u>5,345</u>
Culture and recreation							
Oklahoma River improvements	-	-	-	-	-	360	360
Parks	-	-	-	-	-	820	820
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,320</u>	<u>11,320</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
Capital Projects							
Bond projects	-	-	-	-	127,578	-	127,578
Sales tax projects	-	-	-	205,282	-	12,020	217,302
Other capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,046</u>	<u>5,046</u>
Total capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,282</u>	<u>127,578</u>	<u>17,066</u>	<u>349,926</u>
Debt service	<u>-</u>	<u>56,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,734</u>
Total restricted	<u>275</u>	<u>56,734</u>	<u>3,786</u>	<u>205,282</u>	<u>127,578</u>	<u>69,203</u>	<u>462,858</u>
<u>COMMITTED</u>							
Public safety-other	-	-	-	-	-	2,684	2,684
Public services-other	-	-	-	-	-	955	955
Capital Projects							
Sales tax projects	-	-	-	-	-	38,988	38,988
Other capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>	<u>270</u>
Total capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,258</u>	<u>39,258</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,897</u>	<u>42,897</u>
<u>ASSIGNED</u>							
General Government							
Encumbrances	1,687	-	-	-	-	-	1,687
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,563</u>	<u>3,563</u>
Total general government	<u>1,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,563</u>	<u>5,250</u>
Public services							
Economic development	-	-	-	-	-	7	7
OCMFA general purposes	-	-	-	-	-	2,521	2,521
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132</u>	<u>132</u>
Total public services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,660</u>	<u>2,660</u>

(continued)

III. B. FUND BALANCE (continued)

	General Fund	Debt Service Fund	Grants Management Fund	MAPS3 Sales Tax Fund	General Obligation Bonds Fund	Other Governmental Funds	Total
Culture and recreation							
Oklahoma River improvements	-	-	-	-	-	1,053	1,053
Parks	-	-	-	-	-	622	622
Other	-	-	-	-	-	2,327	2,327
Total culture and recreation	-	-	-	-	-	4,002	4,002
Capital Projects							
Sales/Use tax projects	-	-	-	-	-	4,398	4,398
Bond capital projects	-	-	-	-	-	7,611	7,611
Other capital projects	-	-	-	-	-	62,259	62,259
Total capital projects	-	-	-	-	-	74,268	74,268
Allocation to unassigned	-	-	-	-	-	442	442
Total assigned	1,687	-	-	-	-	84,935	86,622
UNASSIGNED	103,749	-	(2,513)	-	-	(2,024)	99,212
Total fund balance	<u>\$116,087</u>	<u>\$56,734</u>	<u>\$4,414</u>	<u>\$205,286</u>	<u>\$128,597</u>	<u>\$200,712</u>	<u>\$711,830</u>
ENCUMBRANCES	N/A	\$-	<u>\$8,495</u>	<u>\$4,288</u>	<u>\$28,211</u>	<u>\$25,937</u>	<u>\$66,931</u>

III. C. DEFICIT FUND NET ASSETS AND FUND BALANCE

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

Zoo Fund

Deficit net assets of \$2 thousand are the result of deferred revenues.

Tax Incremental Financing Fund

Deficit fund balance of \$2.022 million is the result of the accrual of sales tax match from the state as deferred revenue.

OCPPA Golf Courses

Deficit fund balance of \$483 thousand is the result of significant debt financing of capital assets with tight operating budgets.

Risk Management Fund

Deficit net assets of \$18.855 million are the result of the increased estimated claims related to workers compensation.

IV. REVENUES AND EXPENSES/EXPENDITURES

IV. A. SPECIAL ASSESSMENTS

Business Improvement Districts (BID)

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

Special Improvement Districts (SID)

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

Water and Wastewater Utilities Special Assessments

Special assessments are levied against a water or wastewater group of homes to pay for construction or extension of service by OCWUT. OCWUT charges each homeowner for the individual share of the construction cost, amortized over a 10-year period. Amounts receivable are reported with the accounts receivable. In fiscal year 2012, OCWUT collected \$17 thousand.

IV. B. LEASE REVENUES

Cancelable and Short-Term Leases

The City reported lease revenue from short-term and cancelable leasing arrangements including \$9 thousand in operating leases in the General Fund, communication tower rentals of \$8 thousand in the Fire Fund and \$147 thousand in the OCWUT Fund. The OCWUT Fund also has several land and boat slip leases which generated \$552 thousand. The OCPPA General Purpose Fund reported \$1.24 million from the Cox Center and Civic Center Facilities venue rentals. OCEDT reported \$18 thousand related to property rental. MAPS3 fund reported \$12 thousand related to building rental that was part of the Oklahoma City Urban Renewal Authority for the Core to Shore Urban Renewal Area relocation and replacement assistance.

Non-cancelable Leases

Special Purpose Fund

The Special Purpose Fund leases property consisting of a residence and a vacant fire station with terms that expire on December 31, 2012 and May 1, 2015, respectively.

OCAT

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

OCMFA

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

COTPA

The COTPA Parking Fund leases retail space in certain parking garages to various establishments. Most of these leases are of a short term nature, and several are for one year with up to three one year renewal options. At June 30, 2012, 29,409 square feet of garage retail space was leased and approximately 5,000 square feet of unimproved space was available to lease. In addition, the COTPA Transportation Fund leased out 7,000 square feet of office space. These leases are non-cancelable operating leases.

OCRA

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

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

OCZT

The OCZT sub-leases approximately 370 acres of land owned by the City which OCZT leases to Oklahoma Racing Associates (lessee) for the operation of a race track. Minimum lease payments to be received by the OCZT under this lease agreement approximate \$421 thousand annually and aggregate to \$1.263 million for calendar years 2011 to 2013. In addition to the fixed lease payments described, the lessee agrees to pay the OCZT one-half of one percent of the total amount wagered at the leased property in excess of \$187 million for all races conducted on the leased property during racing season and one percent of the gross gaming revenues in excess of \$60 million each year. Contingent rental revenue of \$274 thousand was earned during fiscal year 2012.

Future Minimum Rentals on Non-Cancelable Leases

	Primary Government			Component Units			
	<i>Governmental</i>	<i>Business-Type</i>		<u>COTPA</u>	<u>OCRA (2)</u>	<u>OCZT</u>	<u>Total</u>
	<u>Activities</u>	<u>OCMFA</u>	<u>OCAT</u>				
	<u>Special Purpose</u>	<u>Fund</u>	<u>Fund (1)</u>				
2013	\$4	\$4	\$20,782	\$148	\$601	\$421	\$21,960
2014	1	4	14,282	103	601	-	14,991
2015	1	4	7,396	76	601	-	8,078
2016	-	4	4,755	67	601	-	5,427
2017	-	4	4,484	5	601	-	5,094
2018 - 2022	-	19	18,632	-	3,005	-	21,656
2023 - 2027	-	-	7,041	-	3,005	-	10,046
2028 - 2032	-	-	1,535	-	3,005	-	4,540
2033 - 2037	-	-	415	-	3,005	-	3,420
	\$6	\$39	\$79,322	\$399	\$15,025	\$421	\$95,212
Rental income	\$4	\$5	\$27,797	\$282	\$601	\$1,003	\$29,692

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

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

IV. C. OPERATING LEASES

The reporting entity entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. For fiscal year 2012, rentals approximated \$1.4 million and \$15 thousand for the City and component units leases, respectively. These leases primarily support governmental activities.

Future Minimum Lease Payments for Operating Leases

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>		
2013	<u>\$ -</u>	<u>\$10,500</u>	<u>\$10,500</u>	<u>\$8,100</u>

IV. D. SPECIAL ITEM

Transfer of Debt Obligations from OCPPA to OCEDT

In March, 2012, the City Council and the Boards of OCEDT and OCPPA jointly resolved to assign the OCPPA Tax Anticipation Note, 2006, the tax anticipation debt obligation related to tax incremental financing district #4 and #5 from the OCPPA to the OCEDT, and approved the related transfer of funds from OCPPA to OCEDT. The balance transferred was \$7.497 million, which included tax anticipation debt payable of \$8 million net of \$503 thousand in cash and investments.

OCAT Assets Donated to Others

The Oklahoma City Airport Trust entered into a non-federal reimbursable agreement with the Department of Transportation Federal Aviation Administration (FAA) in February 2010 to construct and install an Instrument Landing System (ILS) to runway 35R at Wiley Post Airport and provide funding for the FAA to establish these services. The total cost of the project was \$2.872 million, which was 90% funded by a grant from the Oklahoma Aeronautics Commission, and 10% funded by an excise tax credit. In October 2011, the airport donated the asset to the FAA at which time the FAA took over ownership and maintenance of the ILS system.

COTPA Sale of Parking Garage and Parking Revenue Bond Defeasance

On January 11, 2012, the Broadway Kerr Parking Garage was sold to Sandridge Realty, L.L.C. for a total of \$8.677 million net of closing costs and rental income adjustments. A total of \$12.111 million was placed into a special escrow account, thereby defeasing the remaining Series 2006 Bonds outstanding balance of \$9.060 million. The \$12.111 million consisted of proceeds from the sale of the garage of \$8.677 million, along with excess bond fund reserves and all accumulated reserves in the debt service accounts of \$3.434 million. The proceeds from the sale and accumulated bond fund reserves will be used to retire \$9.144 million of bond principal and interest payments.

In addition, \$58 thousand of the net proceeds were used to pay fees and costs relating to the bond defeasance. Excess proceeds of \$2.909 million will be returned to COTPA after the last payment for the parking revenue bonds are fully paid on July 1, 2012.

Loss on Defeasance of COTPA Parking Revenue Bonds

Bond reserves	(\$3,434)
Receivable from escrow agent	2,909
Bonds payable at par value as of defeasement date	9,060
Bond interest payable as of defeasement date	84
Unamortized amount of debt issue costs, bond premiums and deferred refunding costs	66
Net book value of parking garage	(1,305)
Net of expenditures charged due to the sale of parking garage	<u>(7)</u>
	<u>\$7,373</u>

IV. E. INTERFUND TRANSFERS AND PAYMENTS

Transfers within the Primary Government

	<i>Governmental Activities</i>						Total Governmental Activities
	Major Governmental			Other Governmental Funds	Total Governmental Funds	Internal Service Funds	
	General	Grants	General Obligation Bonds				
<u>TRANSFERS TO OTHER FUNDS</u>							
<i>Governmental Activities</i>							
General	\$ -	\$2,265	\$ -	\$30,386	\$32,651	\$1,108	\$33,759
Debt Service	-	-	49,265	-	49,265	2,438	51,703
Grants Management	-	-	729	97	826	-	826
Other governmental funds	<u>-</u>	<u>1,327</u>	<u>44</u>	<u>3,697</u>	<u>5,068</u>	<u>73</u>	<u>5,141</u>
Total governmental funds	-	3,592	50,038	34,180	87,810	3,619	91,429
Internal service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,942</u>	<u>2,942</u>	<u>29</u>	<u>2,971</u>
Total governmental activities	<u>-</u>	<u>3,592</u>	<u>50,038</u>	<u>37,122</u>	<u>90,752</u>	<u>3,648</u>	<u>94,400</u>
<i>Business Type Activities</i>							
OCWUT	5,336	-	-	-	5,336	-	5,336
OCEAT	776	-	-	-	776	-	776
Other enterprise funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,019</u>	<u>1,019</u>	<u>-</u>	<u>1,019</u>
Total business-type activities	<u>6,112</u>	<u>-</u>	<u>-</u>	<u>1,019</u>	<u>7,131</u>	<u>-</u>	<u>7,131</u>
	<u>\$6,112</u>	<u>\$3,592</u>	<u>\$50,038</u>	<u>\$38,141</u>	<u>\$97,883</u>	<u>\$3,648</u>	<u>\$101,531</u>

(continued)

Transfers within the Primary Government (continued)

	<i>Business-Type Activities</i>			Total Primary Government
	Major	Other	Total	
	Enterprise	Enterprise	Enterprise	
	<u>MCA</u>	<u>Funds</u>	<u>Funds</u>	
<u>TRANSFERS TO OTHER FUNDS</u>				
<i>Governmental Activities</i>				
General	\$ -	\$1,400	\$1,400	\$35,159
Debt Service	-	-	-	51,703
Grants Management	-	-	-	826
Other governmental funds	-	6,182	6,182	11,323
Total governmental funds	-	7,582	7,582	99,011
Internal service funds	-	-	-	2,971
Total governmental activities	-	7,582	7,582	101,982
<i>Business Type Activities</i>				
OCAT	-	449	449	449
OCWUT	4,313	-	4,313	9,649
OCEAT	-	-	-	776
Other enterprise funds	-	-	-	1,019
Total business-type activities	4,313	449	4,762	11,893
	<u>\$4,313</u>	<u>\$8,031</u>	<u>\$12,344</u>	<u>\$113,875</u>

Payments Between Component Units and the Primary Government

	Component Units					Total		Component Units	
	<u>OCZT</u>	<u>COTPA</u>	<u>OCMAPS</u>	<u>OCEDT</u>					
<u>PAYMENTS FROM</u>									
<i>Governmental Activities</i>									
General	\$ -	\$ 12,161	\$ -	\$ 790		\$12,951			
Maps 3	-	22	-	-		22			
Other governmental funds	12,585	14	100	7,172		19,871			
	<u>\$12,585</u>	<u>\$12,197</u>	<u>\$100</u>	<u>\$7,962</u>		<u>\$32,844</u>			
<u>PAYMENTS TO</u>									
<i>Primary Government</i>									
<i>Governmental Activities</i>							<i>Business-Type Activities</i>		
General		Other		Internal Service Funds	Total		<u>OCWUT</u>	<u>COTPA</u>	
General	Grants	Obligation	Governmental		Governmental				
<u>Fund</u>	<u>Management</u>	<u>Bonds</u>	<u>Funds</u>	<u>Total</u>	<u>Activities</u>				
<u>PAYMENTS FROM</u>									
<i>Component Units</i>									
OCRRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50	
COTPA	-	3	311	4,039	4,039	8,078	12,117	-	
OCMAP	-	-	-	205	205	410	615	-	
OCEDT	368	-	-	2	2	372	374	289	
	<u>\$368</u>	<u>\$3</u>	<u>\$311</u>	<u>\$4,246</u>	<u>\$4,246</u>	<u>\$8,860</u>	<u>\$13,106</u>	<u>\$289</u>	<u>\$50</u>

Operating Subsidies

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

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

OPEB Subsidies

For the 2012 fiscal year, the General Fund contributed \$4.804 million to the OCPEBT for the City Funds and Trusts which will be used to pre-fund medical benefits to be provided in future fiscal years. The OCERS reported payments from the General Fund for the OPEB subsidy of \$9 thousand.

OCWUT Lease Agreement

A water lease agreement dated August 1, 1960, amended July 1, 1986, and a separate wastewater lease agreement dated July 1, 1986, between the OCWUT and the City provide that all City-owned water and wastewater system assets (as of the date of the lease, as well as property acquired thereafter) would be leased to the OCWUT. The lease also provides that all revenue generated by these assets will accrue to the OCWUT. Pursuant to a lease extension dated May 20, 2003, the water and wastewater lease term continues until June 30, 2050, or until all indebtedness authorized by the general bond indenture has been paid or provision has been made for it to be paid, whichever is later. In connection with the lease extension, the OCWUT is required to transfer an annual lease payment of 1% of gross revenue receipts from residential and commercial utilities sales. For fiscal year 2012, OCWUT made lease payments of \$1.642 million reported with transfers.

Transfers in Lieu of Franchise Fees

During fiscal year 2012, \$3.285 million and \$776 thousand was transferred from OCWUT and OCEAT, respectively, to the General Fund in lieu of fees paid for the exclusive right to provide water and wastewater and solid waste services, respectively, to the citizens of the City.

V. PENSION AND POST-EMPLOYMENT PLANS

V. A. DEFINED BENEFIT SINGLE EMPLOYER PENSION PLANS

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

Plan Descriptions

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

Primary Government

Oklahoma City Employee Retirement System (OCERS) provides retirement benefits for substantially all full-time, non-uniformed employees of the reporting entity except for certain COTPA and MCA employees. Unless otherwise indicated, OCERS information is provided as of the latest actuarial valuation, December 31, 2011.

Component Unit

COTPA Employee Retirement Trust (COTPA Retirement) provides retirement benefits for all COTPA employees, primarily bus drivers and related operations employees. Unless otherwise indicated, COTPA Retirement information in this note is provided as of the latest actuarial valuation, July 1, 2012.

Funding Policies, Contribution Methods, and Benefit Provisions

	OCERS	COTPA Retirement
Year established and governing authority	1958; City Council Ordinance	1970; COTPA Trustee's Resolution
Determination of contribution requirements	Actuarially determined	Contracted pursuant to union negotiations
Contribution rates:		
Employer (1)	8.56% of covered payroll	\$55.04 per week
Plan members	6.0% of covered payroll	\$44.13 per week
Funding of administrative costs	Investment earnings	Investment earnings
Period required to vest	5 years	10 years
Post-retirement benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS Board	Increases must be approved by the COTPA Board
Eligibility for distribution	30 years credited service regardless of age, or age 60 with 10 years (Pre 3/67 hires), or 25 years of credited service regardless of age, or age 65 with 5 years (Post 3/67 hires), or age 55 with 5 years on a reduced basis, or 5 years service, with benefits to begin at age 65 (60 with 10 years if Pre 3/67 hire)	25 years credited service regardless of age, or age 65 with 10 years, or age 62 with 10 years on a reduced basis.

(1) Beginning July 1, 2011, the employer contribution rate changed from 6.77% to 8.56%.

Benefit Provisions

OCERS

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

COTPA Retirement

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

Post-Retirement Adjustments

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

Membership

	<u>OCERS</u>	<u>COTPA Retirement</u>	<u>Totals</u>
Non-vested active members	737	97	834
Fully-vested active members	1,661	60	1,721
Retirees and beneficiaries currently receiving benefits	1,299	50	1,349
Terminated plan members entitled to but not yet receiving benefits	<u>75</u>	<u>4</u>	<u>79</u>
	<u>3,772</u>	<u>211</u>	<u>3,983</u>

Annual Required Contributions - Actuarial Assumptions

	<u>OCERS</u>	<u>COTPA Retirement</u>
Provisions for:		
Disability benefits	Yes	Yes
Death benefits	Yes	Yes
Valuation date	12/31/11	7/1/12
Actuarial cost method	Individual entry age	Individual entry age normal
Amortization method	Level percentage of payroll	Level dollar
Amortization period	30 years, closed	30 years, open
Actuarial asset valuation method	4-year smoothed market	5-year smoothed market
Actuarial assumptions		
Investment rate of return	8.0%	7.0%
Projected salary increases	4.5% to 8.3%	None
Cost of living increases (maximum)	4.0%	None
Inflation	4.5%	2.5%
Other	1994 group annuity table set forward 1 year for women and 3 years for men	1983 group annuity mortality tables, scale 355 withdrawal rates

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

For the December 31, 2011 OCERS actuarial valuation, the amortization period changed from 25 years, closed to 30 years, closed.

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

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

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

Net Pension Obligation (Asset)

	<u>COTPA Retirement</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual required contribution	\$380	\$414	\$419
Interest on net pension obligation	(18)	(14)	(11)
Adjustment to annual required contribution	<u>20</u>	<u>14</u>	<u>12</u>
Annual pension cost	382	414	420
Contributions made	<u>(499)</u>	<u>(466)</u>	<u>(471)</u>
Increase in net pension obligation (asset)	(117)	(52)	(51)
Net pension obligation (asset), beginning of year	<u>(258)</u>	<u>(205)</u>	<u>(154)</u>
Net pension obligation (asset), end of year	<u>(\$375)</u>	<u>(\$257)</u>	<u>(\$205)</u>

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

Annual Pension Cost and Trend Information

	<u>OCERS</u>			<u>COTPA Retirement</u>		
	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2012	\$9,615	100%	\$ -	\$382	131%	(\$375)
2011	7,133	100	-	414	113	(258)
2010	5,586	100	-	420	112	(205)

Reserves

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

V. A. 3. FUNDING STATUS AND FUNDING PROGRESS

	<u>OCERS</u>	<u>COTPA Retirement</u>
Actuarial value of plan assets (AVA)	\$514,499	\$8,507
Actuarial accrued liability (AAL)	593,922	12,367
Unfunded actuarial accrued liability (UAAL)	79,423	3,860
Funded ratio (AVA/AAL)	87%	69%
Covered payroll (active plan members)	109,293	6,930
UAAL as a percentage of covered payroll	72.7%	55.7%

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.

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

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

Plan Descriptions

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

Funding Policies, Contribution Methods and Benefit Provisions

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

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

V. B. 2. TREND INFORMATION

Trend information is presented as of June 30, 2011, the most recent actuarial valuation date. Contributions are required by Oklahoma State Statute.

Fiscal Year	Oklahoma Police <u>Pension and Retirement System</u>		Oklahoma Firefighter <u>Pension and Retirement System</u>	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2012	\$9,419	100%	\$9,481	100%
2011	9,192	100	9,319	100
2010	9,494	100	9,391	100

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

V. B. 3. FUNDING STATUS AND FUNDING PROGRESS

	Oklahoma Police Pension and <u>Retirement System</u>	Oklahoma Firefighter's Pension and <u>Retirement System</u>
Actuarial value of plan assets (AVA)	\$1,822,702,000	\$1,757,838,480
Actuarial accrued liability (AAL)	1,959,976,006	2,760,356,036
Unfunded actuarial accrued liability (UAAL)	137,274,006	1,002,517,556
Funded ratio (AVA/AAL)	93%	64%
Covered payroll (active plan members)	257,504,567	243,684,122
UAAL as a percentage of covered payroll	53.3%	411.4%

V. B. 4. STATE ON BEHALF PAYMENTS

For fiscal year 2012, the State of Oklahoma contributed estimated payments on behalf of City employees to the Oklahoma Police Pension and Retirement System of \$7 million and the Oklahoma Firefighters Pension and Retirement System of \$18 million. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

V. C. DEFINED CONTRIBUTION SINGLE EMPLOYER PENSION PLANS

The City and its component units participate in three defined contribution plans administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). For two of the plans, plan provisions and contribution requirements are established or amended by City Council resolution. Participants of the first plan are comprised of eligible employees hired before September 1, 2001. The City and participants are required to contribute 8.35% and 6% of annual covered payroll, respectively. Participants of the second plan are comprised of eligible employees hired after September 1, 2001. The City and participants are required to contribute 7% and 6% of annual covered payroll, respectively. For the fiscal year ended June 30, 2012 actual contributions by the City and plan participants were \$768 thousand and \$583 thousand, respectively.

These two plans include 102 participants comprised of City Council appointees and management personnel. Participants of the first plan vest at service inception and are entitled to 100% of vested contributions. Participants of the second plan vest after 5 years of service. The plans are money purchase plans qualified under section 401 of the Internal Revenue Code.

The third plan was established July 1, 2001, by COTPA for eligible administrative employees of COTPA (not represented by a union). Plan provisions and contribution requirements are established or amended by COTPA resolution. It is in addition to COTPA Retirement and provides that the employee may voluntarily contribute to the COTPA ICMA plan and COTPA will match employee contributions up to one thousand annually. The COTPA ICMA plan includes 34 participants. For fiscal year 2012, actual contributions by plan participants were \$37 thousand with a \$16 thousand match from COTPA.

In addition, MCA employees participate in a deferred compensation, defined contribution plan administered by Nationwide Retirement Systems established through the U.S. Conference of Mayors and approved by MCA. Participants are comprised of all eligible employees. MCA and participants contribute 8% and 6%, respectively, to the Plan. Plan provisions and contribution requirements are established and amended by the MCA Board of Trustees. All full-time employees are eligible. At June 30, 2012, 4 employees were participating in the Plan. For fiscal year ending June 30, 2012 contributions made by MCA and participants were \$11 thousand and \$9 thousand, respectively. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained from Nationwide Retirement Solutions, P.O. Box 182787, Columbus, Ohio 43218-2797.

V. D. DEFINED BENEFIT SINGLE EMPLOYER OPEB PLANS

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

COTPA OPEB

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

Plan Descriptions

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

City OPEB

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

COTPA OPEB

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

Funding Policies, Contribution Methods and Benefit Provisions

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Year established and governing authority	2008; City Council Ordinance	2009; COTPA Board Resolution
Determination of contribution requirements	City Policy	COTPA Policy
Contribution rates:		
Employer	64% of premium	Subsidy based on years of service
Plan members	36% of premium	Remainder of unsubsidized premium costs
Funding of administrative costs	Investment earnings	Investment earnings
Period required to vest	5 years	10 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Police officers are eligible for benefits under the Plan if they retire from the City with 20 years of service. Firefighters retiring before January 1, 2003 are eligible for membership. Participation may only be elected at the time of retirement.	General employees are eligible for membership in the Plan if they retire from COTPA on or after age 62 with 10 years of service or at any age with 25 years of service.

Funding Policies

City OPEB

Beginning January 1, 2012, the employer contribution rate changed from 66% of premium to 64% of premium.

COTPA OPEB

For the 2012 fiscal year, COTPA contributed a subsidy towards medical coverage of retirees based on years of service. The retirees were responsible for paying the remaining balance of the premium. COTPA contributions to the Plan were equal to the benefit payments. COTPA does not plan to fund the Plan for more than the expected benefit payments requirements in the near future.

Benefits Provided

City OPEB

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

COTPA OPEB

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

Membership

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Active members	3,291	174
Retirees and beneficiaries currently receiving benefits	<u>2,162</u>	<u>13</u>
	<u>5,453</u>	<u>187</u>

Annual Required Contributions - Actuarial Assumptions

Provisions for:	City OPEB	COTPA OPEB
Disability benefits	Yes	No
Death benefits	Yes	No
Valuation date	7/1/2011	7/1/2009
Actuarial cost method	Projected unit credit with linear proration to decrement	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	30 years, closed
Actuarial asset valuation method	4-year smoothed market	N/A
Actuarial assumptions:		
Investment rate of return	4.9%	4.0%
Blended discount rate method	The discount rate is based on the expected long-term return on the investments that are used to finance the benefit programs	N/A
Inflation rate	3.0%	2.5%
Projected salary increase	3.0%	None
Health care trend rate	4.5% (5.0% for Medicare age)	9.0%
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA	1983 group annuity mortality table for males

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

City OPEB Actuarial Changes

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

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used to develop the AAL and market value of assets was used to develop the AVA. The discount rate is currently 4.91%.

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

Annual OPEB Costs and Net OPEB Obligation

	<u>City OPEB (1)</u>	<u>COTPA OPEB</u>
Annual required contribution	\$36,182	\$74
Interest on net OPEB obligation	3,803	5
Adjustment to annual required contribution	<u>(3,492)</u>	<u>(8)</u>
Annual OPEB cost	36,493	71
Contributions made	<u>(20,065)</u>	<u>(30)</u>
Increase in net OPEB obligation	16,428	41
Net OPEB obligation, beginning of year	<u>77,446</u>	<u>137</u>
Net OPEB obligation, end of year	<u>\$93,874</u>	<u>\$178</u>

(1) Includes net OPEB obligation reported in OCERS of \$34 thousand.

Governmental Funds Net OPEB Obligation

	General Fund	Other Governmental Funds	Total
Net Other Post Employment Benefit Obligation	<u>\$61,843</u>	<u>\$12,031</u>	<u>\$73,874</u>

Trend Information

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

Fiscal Year <u>Ended</u>	<u>City OPEB</u>			
	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2012	\$36,493	\$20,065	55.0%	\$93,874
2011	39,787	18,747	47.1	77,446
2010	35,775	19,425	54.3	56,404

Fiscal Year <u>Ended</u>	<u>COTPA OPEB</u>			
	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2012	\$71	\$30	42.3%	\$178
2011	70	26	37.1	137
2010	66	18	27.3	93

Reserves

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

V. D. 3. FUNDING STATUS AND FUNDING PROGRESS

	<u>City OPEB</u>	<u>COTPA OPEB</u>
Actuarial value of plan assets (AVA)	\$15,018	\$ -
Actuarial accrued liability (AAL)	483,932	750
Unfunded actuarial accrued liability (UAAL)	468,914	750
Funded ratio (AVA/AAL)	3%	0%
Covered payroll (active plan members)	180,552	7,659
UAAL as a percentage of covered payroll	259.7%	9.8%

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

V. E. TERMINATION BENEFITS

At June 30, 2012, the City's reporting entity had 7 terminated employees participating in COBRA health and/or dental care in various options available from the City. These employees are a combination of job terminations, dependent loss of status and divorce. COBRA participants pay 102% of employee premium cost for continuing coverage. COBRA continuation coverage benefits are available for eligible employees for up to 18 months. Employees on military leave are eligible up to 24 months. Dependents of employees who lose coverage due to a qualifying event are eligible for up to 36 months. Benefits provided are not material to the financial statements.

VI. COMMITMENTS

Service Contract Commitments

Significant service contract commitments at June 30, 2012 include \$109.199 million for OCEAT solid waste management service contracts funded by charges to users; \$46.851 million for OCWUT wastewater treatment services funded by charges to users; and \$134 thousand for service contracts related to Oklahoma River projects funded with OCRRA general revenues.

Construction Commitments

Primary Government	
<i>Governmental Activities</i>	
City-wide park improvements	\$41
Infrastructure	28,773
Economic development projects	12,637
<i>Business-Type Activities</i>	
Airport renovations	21,829
Water and wastewater utilities system improvements	49,274
Fairgrounds improvements	<u>2,745</u>
Total primary government	<u>\$115,299</u>
Component Units	
Public school improvements	\$38,272
Economic development	17,856
Transportation and parking system improvements	139
Zoo improvements	<u>54</u>
Total component units	<u>\$56,321</u>

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

VII. CONTINGENCIES

Litigation

The City is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. In addition, the City currently has approximately \$5.301 million accrued in the Risk Management Fund for pending or threatened litigation for which an unfavorable outcome is considered probable. The amount of possible tort and other claims liability at June 30, 2012, is approximately \$1.290 million, which is not accrued.

Federal and State Grants

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

VIII. RELATED PARTY TRANSACTIONS

City-County Board of Health-Jointly Governed Organization

The City and the Board of County Commissioners of Oklahoma County participate in the City-County Board of Health (City-County Board) to preserve and promote public health. Five members of the City-County Board are appointed by the City Council, and four members are appointed by the Oklahoma County Commissioners with removal only for cause. The primary source of funding for the City-County Board is an ad valorem tax levy by the County. The City has an agreement with the City-County Board to perform certain inspections, issue special event licenses and collect related fees, and receive a percentage of license fees for inspections. During the fiscal year ending June 30, 2012, the City collected approximately \$119 thousand on behalf of the City-County Board. Of this amount, \$24 thousand is still payable at June 30, 2012.

IX. TRANSACTIONS WITHIN THE ENTITY

Purchased Judgments

As of June 30, 2012, the OCERS' investments include purchased judgments against the City in the amounts of \$2.299 million. The judgments earn a 5.25% interest rate. State Statutes permit the OCERS to purchase judgments rendered against the City throughout the year. In November of each year, the City (through the property tax levy process) pays the OCERS for the principal amount and earned interest for each purchased judgment.

Cost Reimbursements

Administrative Chargebacks

Administrative costs are paid from the General Fund. Other funds reimburse the General Fund for these expenses. All other centralized functions are reported in internal service funds. The revenues and expenses related to administrative charges are allocated with the indirect expense allocation. In 2012, other City funds reimbursed the General Fund \$11.364 million for these services.

For fiscal year ending June 30, 2012 the OCEDT reported payments to the City to reimburse for the cost of providing administrative and operational services of \$659 thousand.

For 2012, OCERS reported \$95 thousand and OCPEBT reported less than one thousand for City financial and administrative services.

Utility Billing and Collection

OCWUT manages billings and collections for City utilities. During 2012, the Medical Services Fund, Stormwater Drainage Fund and OCEAT Fund reimbursed OCWUT \$170 thousand, \$776 thousand, and \$1.80 million, respectively, for this service.

Pension Administration

The General Fund reimburses the OCERS for the cost of providing administrative services for the City's deferred compensation and defined contribution plans. However, responsibilities are contractually limited and the OCERS does not hold or administer these plan assets in a trustee capacity. During 2012, OCERS reported income for these services of \$33 thousand.

X. SUBSEQUENT EVENTS

COTPA Sale of Real Estate to OCWUT

On August 2, 2012 COTPA sold real estate to OCWUT. The real estate, approximately 3000 square feet of office space located on the ground floor of 501 W. Sheridan, Oklahoma City, Oklahoma, was previously leased to OCWUT to house utility billing and support services. The sale included cancelling the \$1.091 million remaining outstanding debt (receivable from COTPA and payable to OCWUT) and a single cash receipt of \$224 thousand.

Golf Revenue Bonds

On June 19, 2012, OCPPA approved issuance of Golf Revenue Bonds, Series 2012 in principal amount of \$7.665 million. The Series 2012 bonds were sold on July 11, 2012. The Series 2012 bonds will be used to finance the construction and renovation of the Lincoln Park Golf Course Clubhouse and to pay the cost of issuance of the bonds.

COTPA Infrastructure

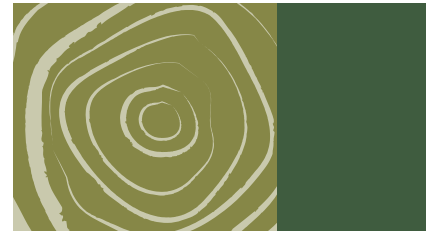
On July 13, 2012 COTPA approved a contract with The Architectural Partnership, P.C. for professional architectural and engineering services for a new multi-use parking garage. COTPA anticipates issuing new bonds to fund construction of the new parking garage located west of 105 North Hudson and east of 100 North Walker Avenue.

OCPEBT Tax Status

On December 11, 2012 OCPEBT received notice from the Internal Revenue Service (IRS) that the tax-exempt status of OCPEBT has been automatically revoked as a result of not performing certain tax return related administrative requirements. Management is in the process of evaluating the overall impact on OCPEBT and requesting retroactive reinstatement of the tax exempt status and abatement of all interest and penalties. The issue could result in future material tax liabilities if the request is denied by the IRS.

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**Required
Supplementary
Information**



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

CITY OF OKLAHOMA CITY, OKLAHOMA

I. SCHEDULE OF FUNDING PROGRESS

Oklahoma City Employees Retirement Trust

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/11	\$514,499	\$593,922	\$79,423	87%	\$109,293	73%
12/31/10	524,731	566,834	42,103	93	102,915	41
12/31/09	529,137	556,427	27,290	95	110,408	25
12/31/08	528,664	519,234	(9,430)	102	105,566	(9)
12/31/07	529,876	488,827	(41,049)	108	99,574	(41)
12/31/06	476,913	457,547	(19,366)	104	95,504	(20)

COTPA Employee Retirement Trust

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/12	\$8,507	\$12,367	\$3,860	69%	\$6,930	56%
7/1/11	7,793	11,932	4,139	65	7,595	54
7/1/10	7,089	11,687	4,598	61	7,150	64
7/1/09	6,589	11,369	4,780	58	7,464	64
7/1/08	6,158	10,728	4,570	57	6,700	68
7/1/07	6,567	9,566	2,999	69	7,900	38

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Oklahoma City Employee Retirement System Trust

<u>Fiscal Year</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2012	\$9,615	100%
2011	7,133	100
2010	5,586	100
2009	5,464	100
2008	7,212	100
2007	8,479	100

COTPA Employee Retirement Trust

<u>Fiscal Year</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2012	\$380	131%
2011	414	113
2010	419	112
2009	386	108
2008	241	136
2007	292	117

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

CITY OF OKLAHOMA CITY, OKLAHOMA

I. SCHEDULE OF FUNDING PROGRESS

City of Oklahoma City Post-Employment Benefits Trust

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a) <u>Assets (a)</u>	Actuarial Accrued Liability (AAL) (b) <u>(b)</u>	Unfunded AAL (UAAL) (b-a) <u>(b-a)</u>	Funded Ratio (a/b) <u>Ratio (a/b)</u>	Covered Payroll (c) <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/11	\$15,018	\$483,932	\$468,914	3%	\$180,552	260%
7/1/10	11,566	517,682	506,116	2	175,293	289
7/1/09	8,252	479,806	471,554	2	176,564	267

COTPA Other Post-employment Benefits

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a) <u>Assets (a)</u>	Actuarial Accrued Liability (AAL) (b) <u>(b)</u>	Unfunded AAL (UAAL) (b-a) <u>(b-a)</u>	Funded Ratio (a/b) <u>Ratio (a/b)</u>	Covered Payroll (c) <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/11	\$ -	\$750	\$750	0%	\$7,659	10%
7/1/10	-	630	630	0	7,464	8
7/1/09	-	630	630	0	7,464	8

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

City of Oklahoma City Post-employment Benefits Trust

<u>Fiscal Year</u>	Employer Contributions	Annual Required Contribution	Percentage Contributed
2012	\$20,065	\$36,182	55%
2011	18,747	39,560	47
2010	19,425	35,614	55

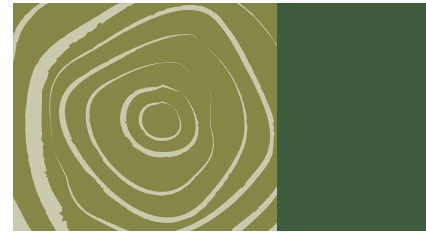
COTPA Other Post-employment Benefits

<u>Fiscal Year</u>	Employer Contributions	Annual Required Contribution	Percentage Contributed
2012	\$30	\$74	41%
2011	26	71	37
2010	23	69	33

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Combining & Individual Fund Statements & Schedules



**Non-Major
Governmental Funds**



Non-Major Governmental Funds

Special Revenue Funds

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

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

Special Revenue Funds (continued)

- * **MAPS3 Use Tax Fund** – Established by City ordinance to account for limited purpose use tax designated for the cost of management and oversight of the construction projects funded by the MAPS3 Sales Tax Fund and the enhancement of public safety by providing funding for Police and Fire positions.
- * **Special Purpose Fund** – Accounts for contributions to the City designated for specific purposes such as certain parks facilities.
- * **Special Districts Fund** – Established as the Oklahoma City Improvement and Special Services Assessment Districts Fund to account for improvements or combination of improvements that confer special benefit upon property within a designated district. Assessments are calculated annually to cover services as detailed in respective contracts between the City and the districts.
- * **Tax Incremental Financing Fund** – Established to hold sales tax collected for tax incremental financing districts of the City restricted for repayment of tax anticipation debt.
- * **Medical Services Fund** – Established by City Ordinance to account for the City's Total Care membership program for Emergency Medical Services. The program is funded through monthly assessments to eligible participating citizens.
- * **Hotel/Motel Tax Fund** – Established by City ordinance to account for a limited purpose hotel/motel occupancy tax designated for economic development.

Capital Projects Funds

Capital projects funds are used for all major capital improvements, except those reported in proprietary funds. These general government improvements are principally financed by the City's general obligation bond issues, Federal grants, General Fund transfers, and other designated resources.

- * **Capital Improvement Fund** – Established by State Statute and City ordinance to be used for various capital improvement programs. The fund's major financial resource is transfers from the General Fund.
- * **Street and Alley Fund** – Established by City ordinance to receive revenues to be used for street improvements.
- * **Metropolitan Projects Tax Fund** - Established by City ordinance to account for a limited purpose sales tax designated for construction and renovation of sports and cultural facilities in downtown Oklahoma City.
- * **Police/Fire Equipment Sales Tax Fund** – Established by City ordinance to account for limited purpose sales tax designated for police and fire capital equipment projects. This fund is designated by ordinance as the Police and Fire Capital Equipment Sales Tax Fund.

Capital Projects Funds (continued)

- * ***Police/Fire Equipment Use Tax Fund*** – Established by City ordinance to account for limited purpose use tax designated for managing police and fire capital equipment projects, providing a reserve for additional costs associated with projects specified in the sales tax ordinance, and to provide funding for other public safety capital equipment projects. This fund is designated by ordinance as the Police and Fire Capital Equipment Use Tax Fund.
- * ***City and Schools Sales Tax Fund*** – Established as a special revenue fund by City ordinance to account for a limited purpose, limited term sales tax designated for certain public school capital projects.
- * ***City and Schools Use Tax Fund*** – Established by City ordinance as the City and Schools Capital Projects Use Tax Fund to account for the use tax levied as a companion tax to the public schools sales tax as permitted by State Statute. This tax is designated for City or public school purposes.
- * ***Sports Facilities Sales Tax Fund*** – Established by City ordinance to account for the limited term sales tax levied to provide or improve City sports facilities and fund a basketball training facility.
- * ***Sports Facilities Use Tax Fund*** – Established by City ordinance as the Oklahoma City Sports Facilities and Capital Improvements Projects Use Tax Fund to account for the use tax levied as a companion tax to the sports facilities sales tax. This tax is designated for funding the basketball training facility or City capital improvement projects.

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2012
(dollars are in thousands)**

	Special Revenue Funds										
	Court				Asset Forfeiture	Zoo	OCMFA	OCPPA	MAPS Operations	Special Purpose	Special Districts
	Emergency Management	Administration and Training	Police	Fire			General Purpose	General Purpose			
ASSETS											
Pooled cash-----	\$25	\$41	\$461	\$290	\$187	\$95	\$2,272	\$1,837	\$611	\$327	\$12
Non-pooled cash-----	-	-	-	-	21	-	32	-	-	-	-
Investments-----	566	893	9,859	6,396	4,340	1,830	8,452	6,140	12,824	7,145	263
Sales and use taxes receivable----	-	-	5,388	5,388	-	1,796	-	-	-	-	-
Property taxes receivable-----	-	-	-	-	-	-	-	1	-	-	-
Accounts receivable-----	402	-	-	-	-	-	-	181	-	-	242
Interest, dividends, and royalties receivable-----	3	4	47	31	21	9	74	42	62	34	1
Due from other funds-----	150	-	347	2	2	1	9,338	135	5	2	-
Receivable from component units-----	-	-	-	-	-	-	-	5	-	-	-
Intergovernmental receivable-----	-	-	-	-	-	-	-	-	-	302	-
Prepays-----	2	-	2	15	153	-	106	-	-	-	-
Advance to other funds-----	-	-	-	-	-	-	-	-	-	-	379
Other assets-----	-	-	-	8	463	-	291	4,785	-	-	-
Total assets-----	\$1,148	\$938	\$16,104	\$12,130	\$5,187	\$3,731	\$20,565	\$13,126	\$13,502	\$7,810	\$897
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable-----	\$1	\$133	\$65	\$263	\$148	\$1	\$643	\$695	\$80	\$593	\$-
Wages and benefits payable-----	175	-	698	616	3	-	-	-	25	-	-
Due to other funds-----	-	-	927	206	66	-	10	-	6	314	25
units, current-----	-	-	-	-	-	1,796	-	-	-	-	-
Deferred revenue-----	2	1	12	12	5	2	19	352	16	311	-
Payable to component units, non-current-----	-	-	-	-	-	1,934	-	-	-	-	-
Advance from other funds-----	-	-	-	-	-	-	-	4,518	-	-	-
Total liabilities-----	178	134	1,702	1,097	222	3,733	672	5,565	127	1,218	25
FUND BALANCES											
Non-spendable-----	2	-	2	23	616	-	397	-	-	-	-
Restricted-----	-	804	14,400	11,010	4,349	-	913	2,789	-	3,765	872
Committed-----	968	-	-	-	-	-	227	334	13,375	1,225	-
Assigned-----	-	-	-	-	-	-	18,356	4,438	-	1,602	-
Unassigned-----	-	-	-	-	-	(2)	-	-	-	-	-
Total fund balances-----	970	804	14,402	11,033	4,965	(2)	19,893	7,561	13,375	6,592	872
Total liabilities and fund balances-----	\$1,148	\$938	\$16,104	\$12,130	\$5,187	\$3,731	\$20,565	\$13,126	\$13,502	\$7,810	\$897

CITY OF OKLAHOMA CITY, OKLAHOMA

Special Revenue Funds			Capital Projects Funds										Total
Tax				Street	Metropolitan	Police/Fire	Police/Fire	City and	City and	Sports	Sports		Non-Major
Incremental	Medical	Hotel/	Capital	and	Projects	Equipment	Equipment	Schools	Schools	Facilities	Facilities	MAPS3	Governmental
Financing	Services	Motel Tax	Improvement	Alley	Tax	Sales Tax	Use Tax	Sales Tax	Use Tax	Sales Tax	Use Tax	Use Tax	Funds
\$ -	\$44	\$325	\$1,337	\$109	\$ -	\$309	\$ -	\$197	\$826	\$103	\$101	\$1,146	\$10,655
-	-	-	-	-	-	-	-	-	-	-	-	-	53
-	966	7,176	28,061	2,722	502	7,055	2	4,630	18,897	8,236	3,346	22,345	162,646
1,384	-	-	-	-	-	-	-	-	-	-	-	1,846	15,802
-	-	-	-	-	-	-	-	-	-	-	-	-	1
-	478	1,341	-	-	8	1	-	80	-	56	-	-	2,789
-	6	34	135	13	-	34	-	22	90	38	16	108	824
-	13	3	7,772	1	-	3	-	2	15	7	2	7	17,807
-	-	-	-	-	-	-	-	-	-	-	-	-	5
2,644	-	-	-	-	-	-	-	-	-	-	-	-	2,946
-	-	-	12	-	-	-	-	-	-	-	-	-	290
-	-	-	34	103	-	-	-	-	7,339	-	-	-	7,855
-	-	-	-	-	-	-	-	-	-	-	-	-	5,547
\$4,028	\$1,507	\$8,879	\$37,351	\$2,948	\$510	\$7,402	\$2	\$4,931	\$27,167	\$8,440	\$3,465	\$25,452	\$227,220
\$ -	\$ -	\$224	\$1,378	\$249	\$ -	\$4	\$1	\$1	\$909	\$1,744	\$260	\$125	\$7,517
-	-	-	-	-	-	-	-	26	-	-	-	21	1,564
-	15	83	-	-	5	-	1	4	-	-	149	1	1,812
4,028	-	-	-	-	-	-	-	-	-	-	-	-	5,824
2,022	1	12	162	113	-	139	-	46	24	56	4	28	3,339
-	-	-	-	-	-	-	-	-	-	-	-	-	1,934
-	-	-	-	-	-	-	-	-	-	-	-	-	4,518
6,050	16	319	1,540	362	5	143	2	77	933	1,800	413	175	26,508
-	-	-	46	103	-	-	-	-	4,512	-	-	-	5,701
-	-	8,560	-	2,483	505	7,259	-	4,854	-	6,640	-	-	69,203
-	1,491	-	-	-	-	-	-	-	-	-	-	25,277	42,897
-	-	-	35,765	-	-	-	-	-	21,722	-	3,052	-	84,935
(2,022)	-	-	-	-	-	-	-	-	-	-	-	-	(2,024)
(2,022)	1,491	8,560	35,811	2,586	505	7,259	-	4,854	26,234	6,640	3,052	25,277	200,712
\$4,028	\$1,507	\$8,879	\$37,351	\$2,948	\$510	\$7,402	\$2	\$4,931	\$27,167	\$8,440	\$3,465	\$25,452	\$227,220

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

	Special Revenue Funds										
	Court				Asset Forfeiture	Zoo	OCMFA	OCPPA	MAPS Operations	Special Purpose	Special Districts
	Emergency Management	Administration and Training	Police	Fire			General Purpose	General Purpose			
REVENUES											
Sales taxes-----	\$ -	\$ -	\$37,710	\$37,707	\$ -	\$12,569	\$ -	\$ -	\$ -	\$ -	\$ -
Use taxes-----	-	-	-	-	-	-	-	-	-	-	-
Hotel/Motel taxes-----	-	-	-	-	-	-	-	-	-	-	-
Property taxes-----	-	-	-	-	-	-	-	35	-	-	-
Emergency telephone taxes-----	4,597	-	-	-	-	-	-	-	-	-	-
Licenses and permits-----	64	1,891	-	-	-	-	115	-	-	77	-
Oil and gas royalties-----	-	-	-	-	-	-	912	-	-	-	-
Fines and forfeitures-----	-	1	-	-	-	-	1,122	-	-	-	-
Investment income-----	8	10	74	51	51	14	71	22	140	86	6
Charges for services-----	-	-	-	-	-	-	3	16,114	-	2	1,842
Rental income-----	-	-	-	8	-	-	4	1,235	-	5	-
Intergovernmental programs-----	-	-	-	-	753	-	-	-	-	250	-
Other-----	-	-	162	-	6	-	205	-	26	2,492	-
Total revenues-----	4,669	1,902	37,946	37,766	810	12,583	2,432	17,406	166	2,912	1,848
General government-----	-	-	-	-	-	-	707	157	-	14	-
Police-----	-	1,902	33,964	-	-	-	-	-	-	-	-
Fire-----	-	-	-	35,557	-	-	-	-	-	-	-
Other-----	7,369	-	-	-	1,458	-	1,031	-	-	-	-
Public services-----	-	-	-	-	-	-	640	-	-	169	1,886
Culture and recreation-----	-	-	-	-	-	12,585	280	18,693	1,282	42	-
Education-----	-	-	-	-	-	-	-	-	-	-	-
Economic development-----	-	-	-	-	-	-	-	26	-	-	-
Capital Outlay-----	-	-	-	-	187	-	58	1,014	15	1,724	-
DEBT SERVICE											
Principal-----	-	-	-	-	-	-	-	128	-	-	-
Interest-----	-	-	-	-	-	-	-	89	-	-	-
Total expenditures-----	7,369	1,902	33,964	35,557	1,645	12,585	2,716	20,107	1,297	1,949	1,886
Excess (deficiency) of revenues over (under) expenditures-----	(2,700)	-	3,982	2,209	(835)	(2)	(284)	(2,701)	(1,131)	963	(38)
OTHER FINANCING											
Transfers from other funds-----	2,550	-	-	-	-	-	4,338	3,978	-	1,150	-
Transfers to other funds-----	-	-	-	-	(100)	-	(1,150)	(2,187)	-	(1,295)	(15)
Sale of assets-----	-	-	-	114	-	-	-	-	-	150	-
Net other financing sources (uses)-----	2,550	-	-	114	(100)	-	3,188	1,791	-	5	(15)
Special item-----	-	-	-	-	-	-	-	7,497	-	-	-
Net change in fund balances-----	(150)	-	3,982	2,323	(935)	(2)	2,904	6,587	(1,131)	968	(53)
FUND BALANCES											
Fund balances, beginning:											
As previously reported-----	1,120	804	10,420	8,710	5,900	-	16,989	1,633	14,506	5,624	266
Prior period adjustment-----	-	-	-	-	-	-	-	(659)	-	-	659
As restated-----	1,120	804	10,420	8,710	5,900	-	16,989	974	14,506	5,624	925
Fund balances, ending-----	\$970	\$804	\$14,402	\$11,033	\$4,965	(\$2)	\$19,893	\$7,561	\$13,375	\$6,592	\$872

CITY OF OKLAHOMA CITY, OKLAHOMA

Special Revenue Funds			Capital Projects Funds										Total
Incremental	Medical	Hotel/	Capital	Street	Metropolitan	Police/Fire	Police/Fire	City and	City and	Sports	Sports	MAPS3	Non-Major
Financing	Services	Motel Tax	Improvement	and	Projects	Equipment	Equipment	Schools	Schools	Facilities	Facilities	Use Tax	Governmental
				Alley	Tax	Sales Tax	Use Tax	Sales Tax	Use Tax	Sales Tax	Use Tax	Use Tax	Funds
\$3,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$91,848
525	-	-	-	-	-	-	-	-	-	-	-	13,556	14,081
-	-	12,342	-	-	-	-	-	-	-	-	-	-	12,342
-	-	-	-	-	-	-	-	-	-	-	-	-	35
-	-	-	-	-	-	-	-	-	-	-	-	-	4,597
-	7,006	-	-	-	-	-	-	-	-	-	-	-	9,153
-	-	-	-	-	-	-	-	-	-	-	-	-	912
-	-	-	-	-	-	-	-	-	-	-	-	-	1,123
-	14	73	237	36	-	76	-	56	479	267	61	132	1,964
2	-	-	-	-	-	-	-	205	162	-	-	-	18,330
-	-	-	-	-	-	-	-	-	-	-	-	-	1,252
2,575	-	-	-	-	-	-	-	-	-	-	-	-	3,578
-	-	-	39	286	12	16	-	101	154	173	-	-	3,672
6,964	7,020	12,415	276	322	12	92	-	362	795	440	61	13,688	162,887
-	-	-	-	-	-	-	-	-	-	-	-	-	878
-	-	-	-	-	-	-	-	-	-	-	-	-	35,866
-	-	-	-	-	-	-	-	-	-	-	-	-	35,557
-	7,868	-	-	-	-	125	-	-	-	-	-	-	17,851
-	-	-	1,903	654	-	-	-	-	1,319	-	-	-	6,571
-	-	5,481	-	-	-	-	-	-	-	314	34	958	39,669
-	-	-	-	-	-	-	-	1,519	-	-	-	-	1,519
7,172	-	-	-	-	-	-	-	-	-	-	-	-	7,198
-	-	-	5,510	583	5	335	-	12	3,833	26,129	2,979	737	43,121
-	-	-	-	-	-	-	-	-	-	-	-	-	128
-	-	-	-	-	-	-	-	-	-	-	-	-	89
7,172	7,868	5,481	7,413	1,237	5	460	-	1,531	5,152	26,443	3,013	1,695	188,447
(208)	(848)	6,934	(7,137)	(915)	7	(368)	-	(1,169)	(4,357)	(26,003)	(2,952)	11,993	(25,560)
-	-	-	23,783	97	-	-	-	-	450	1,795	-	-	38,141
-	-	(6,054)	(497)	-	-	-	-	-	-	-	-	(25)	(11,323)
-	-	-	129	-	-	41	-	-	1	-	-	-	435
-	-	(6,054)	23,415	97	-	41	-	-	451	1,795	-	(25)	27,253
-	-	-	-	-	-	-	-	-	-	-	-	-	7,497
(208)	(848)	880	16,278	(818)	7	(327)	-	(1,169)	(3,906)	(24,208)	(2,952)	11,968	9,190
(1,814)	2,339	7,680	19,533	3,404	498	7,586	-	6,023	30,140	30,848	6,004	13,309	191,522
-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1,814)	2,339	7,680	19,533	3,404	498	7,586	-	6,023	30,140	30,848	6,004	13,309	191,522
(\$2,022)	\$1,491	\$8,560	\$35,811	\$2,586	\$505	\$7,259	\$ -	\$4,854	\$26,234	\$6,640	\$3,052	\$25,277	\$200,712

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Debt Service Fund					
	Original Budget	Revisions	Revised Budget	Expenditures	Total Actual	Variance
<u>REVENUES</u>						
Property taxes-----	\$68,907	\$5,472	\$74,379		\$74,565	\$186
Investment income-----	1,500	(1,062)	438		410	(28)
Other revenue-----	-	-	-		28	28
Total revenues -----	70,407	4,410	74,817		75,003	186
<u>EXPENDITURES</u>						
Redemption of debt-----	57,591	3,795	61,386	\$53,756	53,756	7,630
Interest-----	25,184	(2,284)	22,900	22,613	22,613	287
Bond issue cost-----	442	158	600	581	581	19
Total expenditures-----	83,217	1,669	84,886	76,950	76,950	7,936
Excess (deficiency) of revenues over (under) expenditures-----	(12,810)	2,741	(10,069)		(1,947)	(7,750)
<u>OTHER FINANCING SOURCES</u>						
Premium on sale of bonds-----	2,287	-	2,287		1,592	(695)
<u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u>						
<u>BEGINNING FUND BALANCE</u>						
Appropriated for current year budget-----	10,523	(2,741)	7,782		7,782	-
Not appropriated-----	-	-	-		53,213	53,213
Beginning fund balance-----	10,523	(2,741)	7,782		60,995	53,213
<u>ENDING FUND BALANCE</u>						
Before encumbrances-----	-	-	-		60,640	60,640
Ending fund balance-----	\$ -	\$ -	\$ -		60,640	60,640
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>						
Revenue and transfer accruals-----					1,449	
Expenditure and transfer accruals-----					(5,355)	
Fund balance, ending-----					56,734	

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Emergency Management Fund				Total	
	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Expenditures</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>						
<u>TAXES</u>						
Emergency telephone taxes-----	\$4,603	\$ -	\$4,603		\$4,668	\$65
<u>LICENSES, PERMITS AND FEES</u>						
Licenses-----	11	-	11		62	51
Investment income-----	25	-	25		8	(17)
Total revenues -----	4,639	-	4,639		4,738	99
<u>EXPENDITURES</u>						
<u>GENERAL GOVERNMENT</u>						
Personnel:						
Personal services-----	5,430	-	5,430	5,325	5,325	105
Other services and charges-----	2,216	-	2,216	2,030	2,030	186
Supplies-----	36	-	36	17	17	19
Net expenditures and encumbrances-----	7,682	-	7,682	\$7,372	7,372	310
Excess (deficiency) of revenues over (under) expenditures-----	(3,043)	-	(3,043)		(2,634)	(211)
<u>OTHER FINANCING SOURCES (USES)</u>						
<u>TRANSFERS FROM OTHER FUNDS</u>						
General Fund-----	2,859	-	2,859		2,550	(309)
Excess (deficiency) of revenues and other sources over expenditures-----	(184)	-	(184)		(84)	(520)
Appropriated for current year budget-----	184	-	184		184	-
Not appropriated-----	-	-	-		468	468
<u>ENDING FUND BALANCE</u>						
Ending fund balance-----	\$ -	\$ -	\$ -		568	\$568
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>						
Revenue and transfer accruals-----					404	
Expenditure and transfer accruals-----					(2)	
Fund balance, ending-----					\$970	

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Court Administration and Training Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
REVENUES								
LICENSES, PERMITS AND FEES								
CLEET fees (1)-----	\$740	\$ -	\$740				\$687	(\$53)
AFIS fees (2)-----	523	-	523				483	(40)
Training fees-----	212	-	212				182	(30)
Forensic fees-----	475	-	475				466	(9)
Other police fees-----	50	-	50				52	2
Other fees-----	15	-	15				22	7
Investment income-----	20	-	20				9	(11)
Total revenues -----	2,035	-	2,035				1,901	(134)
EXPENDITURES								
GENERAL GOVERNMENT								
Municipal counselor:								
Other services and charges-----	16	-	16	\$4	\$ -		4	12
Supplies-----	8	-	8	5	-		5	3
PUBLIC SAFETY								
Municipal courts:								
Other services and charges-----	1,890	-	1,890	1,670	-		1,670	220
Supplies-----	29	-	29	-	-		-	29
Police:								
Other services and charges-----	142	35	177	137	15		152	25
Supplies-----	223	20	243	92	40		132	111
Total expenditures and encumbrances -----	2,308	55	2,363	1,908	55		1,963	400
PRIOR YEAR ENCUMBRANCES								
Related to prior year budgets (3)-----	-	-	-	(55)	-		(55)	55
Related to current year budgets-----	-	-	-	-	(55)		(55)	55
Net expenditures and encumbrances -----	2,308	55	2,363	\$1,853	\$ -		1,853	510
Excess (deficiency) of revenues over (under) expenditures -----	(273)	(55)	(328)				48	(644)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)								
BEGINNING FUND BALANCE								
Appropriated for current year budget-----	273	-	273				273	-
Reappropriated for prior year encumbrances-----	-	55	55				55	-
Not appropriated-----	-	-	-				554	554
Beginning fund balance-----	273	55	328				882	554
ENDING FUND BALANCE								
Before encumbrances-----	-	-	-				930	930
Less: current year encumbrances-----	-	-	-				(55)	(55)
Ending fund balance -----	\$ -	\$ -	\$ -				875	\$875
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES								
Current year encumbrances included in expenditures-----							55	
Revenue and transfer accruals-----							(1)	
Expenditure and transfer accruals-----							(125)	
Fund balance, ending -----							\$804	

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

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Police Fund						Total Actual	Variance
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances			
REVENUES								
TAXES								
Sales taxes-----	\$35,188	\$485	\$35,673			\$37,225	\$1,552	
Investment income-----	105	-	105			58	(47)	
Charges for services-----	591	-	591			617	26	
Total revenues -----	35,884	485	36,369			37,900	1,531	
EXPENDITURES								
PUBLIC SAFETY								
Police:								
Personal services-----	23,100	-	23,100	\$22,663	\$ -	22,663	437	
Other services and charges-----	4,286	(149)	4,137	2,771	9	2,780	1,357	
Supplies-----	407	166	573	454	47	501	72	
Total expenditures and encumbrances-----	27,793	17	27,810	25,888	56	25,944	1,866	
PRIOR YEAR ENCUMBRANCES								
Related to prior year budgets (1)-----	-	-	-	(19)	-	(19)	19	
Related to current year budgets-----	-	-	-	-	(56)	(56)	56	
Net expenditures and encumbrances-----	27,793	17	27,810	\$25,869	\$ -	25,869	1,941	
Excess of revenues over expenditures-----	8,091	468	8,559			12,031	(410)	
OTHER FINANCING SOURCES (USES)								
TRANSFERS TO OTHER FUNDS								
General government:								
General Fund-----	(8,091)	(487)	(8,578)			(8,577)	1	
Excess (deficiency) of revenues over expenditures and other uses-----	-	(19)	(19)			3,454	(409)	
FUND BALANCE (NON-GAAP BUDGETARY BASIS)								
BEGINNING FUND BALANCE								
Reappropriated for prior year encumbrances----	-	19	19			21	2	
Not appropriated-----	-	-	-			3,591	3,591	
Beginning fund balance-----	-	19	19			3,612	3,593	
ENDING FUND BALANCE								
Before encumbrances-----	-	-	-			7,066	7,066	
Less: current year encumbrances-----	-	-	-			(56)	(56)	
Ending fund balance-----	\$ -	\$ -	\$ -			7,010	\$7,010	
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES								
Current year encumbrances included in expenditures-----						56		
Revenue and transfer accruals-----						5,540		
Expenditure and transfer accruals-----						(116)		
Project length budgeted activity-----						1,912		
Fund balance, ending-----						\$14,402		

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

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Fire Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
REVENUES							
TAXES							
Sales taxes-----	\$35,187	\$954	\$36,141			\$37,223	\$1,082
Investment income-----	53	(1)	52			52	-
OTHER REVENUE							
Rental income-----	11	-	11			12	1
Other revenue-----	-	-	-			14	14
Total revenues -----	35,251	953	36,204			37,301	1,097
EXPENDITURES							
PUBLIC SAFETY							
Fire:							
Personal services-----	21,082	533	21,615	\$21,522	\$ -	21,522	93
Other services and charges-----	2,494	(481)	2,013	1,113	3	1,116	897
Supplies-----	1,405	445	1,850	1,666	26	1,692	158
Capital outlay-----	50	-	50	-	-	-	50
Total expenditures and encumbrances-----	25,031	497	25,528	24,301	29	24,330	1,198
PRIOR YEAR ENCUMBRANCES							
Related to prior year budgets (1)-----	-	-	-	(86)	-	(86)	86
Related to current year budgets-----	-	-	-	-	(29)	(29)	29
Net expenditures and encumbrances-----	25,031	497	25,528	\$24,215	\$ -	24,215	1,313
Excess of revenues over expenditures-----	10,220	456	10,676			13,086	(216)
OTHER FINANCING SOURCES (USES)							
TRANSFERS TO OTHER FUNDS							
Public safety:							
General Fund-----	(10,220)	(952)	(11,172)			(11,172)	-
OTHER FINANCING SOURCES							
Sale of Assets-----	-	-	-			114	114
Excess (deficiency) of revenues over expenditures and other uses-----	-	(496)	(496)			2,028	(102)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)							
BEGINNING FUND BALANCE							
Appropriated for current year budget-----	-	410	410			410	-
Reappropriated for prior year encumbrances-----	-	86	86			87	1
Not appropriated-----	-	-	-			3,191	3,191
Beginning fund balance-----	-	496	496			3,688	3,192
ENDING FUND BALANCE							
Before encumbrances-----	-	-	-			5,716	5,716
Less: current year encumbrances-----	-	-	-			(29)	(29)
Ending fund balance-----	\$ -	\$ -	\$ -			5,687	\$5,687
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES							
Current year encumbrances included in expenditures-----						29	
Revenue and transfer accruals-----						5,376	
Expenditure and transfer accruals-----						(59)	
Fund balance, ending-----						\$11,033	

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

**SCHEDULE OF REVENUES, EXPENDITURES,
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Asset Forfeiture Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
REVENUES							
Investment income-----	\$146	\$ -	\$146			\$48	(\$98)
Charges for services-----	1,889	-	1,889			753	(1,136)
Other revenue-----	2	-	2			9	7
Total revenues -----	2,037	-	2,037			810	(1,227)
EXPENDITURES							
PUBLIC SAFETY							
Police:							
Personal services-----	\$120	40	160	\$158	\$ -	158	2
Other services and charges-----	1,493	(32)	1,461	299	30	329	1,132
Supplies-----	2,301	368	2,669	846	177	1,023	1,646
Capital outlay-----	160	194	354	187	142	329	25
Total expenditures and encumbrances -----	4,074	570	4,644	1,490	349	1,839	2,805
PRIOR YEAR ENCUMBRANCES							
Related to prior year budgets (1)-----	-	-	-	(484)	-	(484)	484
Related to current year budgets-----	-	-	-	-	(349)	(349)	349
Net expenditures and encumbrances -----	4,074	570	4,644	\$1,006	\$ -	1,006	3,638
Deficiency of revenues under expenditures -----	(2,037)	(570)	(2,607)			(196)	(4,865)
OTHER FINANCING SOURCES (USES)							
TRANSFERS TO OTHER FUNDS							
General government:							
Capital Improvement Fund-----	(3)	-	(3)			(3)	-
Public safety:							
OCMFA General Purpose Fund-----	(97)	-	(97)			(97)	-
OTHER FINANCING SOURCES							
Sale of assets-----	4	-	4			8	4
Excess (deficiency) of revenues over expenditures and other uses -----	(2,133)	(570)	(2,703)			(288)	(4,861)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)							
BEGINNING FUND BALANCE							
Appropriated for current year budget-----	2,133	86	2,219			2,222	3
Reappropriated for prior year encumbrances-----	-	484	484			484	-
Not appropriated-----	-	-	-			1,941	1,941
Beginning fund balance-----	2,133	570	2,703			4,647	1,944
ENDING FUND BALANCE							
Before encumbrances-----	-	-	-			4,359	4,359
Less: current year encumbrances-----	-	-	-			(349)	(349)
Ending fund balance -----	\$ -	\$ -	\$ -			4,010	\$4,010
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES							
Current year encumbrances included in expenditures-----						349	
Revenue and transfer accruals-----						(5)	
Expenditure and transfer accruals-----						611	
Fund balance, ending -----						\$4,965	

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

**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Zoo Fund				
	Original Budget	Revisions	Revised Budget	Total Actual	Variance
<u>REVENUES</u>					
<u>TAXES</u>					
Sales taxes-----	\$11,638	\$ -	\$11,638	\$12,408	\$770
Investment income-----	1	-	1	15	14
Total revenues -----	11,639	-	11,639	12,423	784
<u>OTHER FINANCING SOURCES (USES)</u>					
<u>TRANSFERS TO COMPONENT UNITS</u>					
Culture and recreation:					
Oklahoma City Zoological Trust-----	(11,639)	-	(11,639)	(11,639)	-
Excess (deficiency) of revenues over expenditures and other uses-----	-	-	-	784	784
<u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u>					
<u>BEGINNING FUND BALANCE</u>					
Not appropriated-----	-	-	-	1,151	1,151
Beginning fund balance-----	-	-	-	1,151	1,151
<u>ENDING FUND BALANCE</u>					
Before encumbrances-----	-	-	-	1,935	1,935
Ending fund balance-----	\$ -	\$ -	\$ -	1,935	\$1,935
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>					
Revenue and transfer accruals-----				1,793	
Expenditure and transfer accruals-----				(3,730)	
Fund balance, ending-----				(\$2)	

**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	MAPS Operations Fund						
	Original Budget	Revisions	Revised Budget	Expenditures	Encumbrances	Total Actual	Variance
REVENUES							
Investment income-----	\$154	\$ -	\$154			\$137	(\$17)
OTHER REVENUE							
Rental income-----	401	-	401			-	(401)
Other revenue-----	88	-	88			26	(62)
Total revenues -----	643	-	643			163	(480)
EXPENDITURES							
CULTURE AND RECREATION							
Parks:							
Personal services-----	719	-	719	\$716	\$ -	716	3
Supplies-----	601	27	628	463	15	478	150
Capital outlay-----	300	-	300	-	-	-	300
Non-departmental:							
Supplies-----	525	-	525	-	-	-	525
Total expenditures and encumbrances -----	2,145	27	2,172	1,179	15	1,194	978
PRIOR YEAR ENCUMBRANCES							
Related to prior year budgets (1)-----	-	-	-	(27)	-	(27)	27
Related to current year budgets-----	-	-	-	-	(15)	(15)	15
Net expenditures and encumbrances -----	2,145	27	2,172	\$1,152	\$ -	1,152	1,020
Deficiency of revenues under expenditures -----	(1,502)	(27)	(1,529)			(989)	(1,500)
OTHER FINANCING SOURCES (USES)							
TRANSFERS FROM OTHER FUNDS							
General Fund-----	1,732	-	1,732			-	(1,732)
TRANSFERS TO OTHER FUNDS							
Culture and recreation:							
MAPS Operations Fund (project-length budget) (2)--	(669)	-	(669)			(669)	-
OTHER FINANCING SOURCES							
Sale of assets-----	-	-	-			2	2
Excess (deficiency) of revenues and other sources over expenditures and other uses -----	(439)	(27)	(466)			(1,656)	(3,230)
FUND BALANCE (NON-GAAP BUDGETARY BASIS)							
BEGINNING FUND BALANCE							
Appropriated for current year budget-----	439	-	439			439	-
Reappropriated for prior year encumbrances-----	-	27	27			29	2
Not appropriated-----	-	-	-			10,806	10,806
Beginning fund balance-----	439	27	466			11,274	10,808
ENDING FUND BALANCE							
Before encumbrances-----	-	-	-			9,618	9,618
Less: current year encumbrances-----	-	-	-			(15)	(15)
Ending fund balance -----	\$ -	\$ -	\$ -			9,603	\$9,603
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES							
Current year encumbrances included in expenditures-----						15	
Inventories-----						(2)	
Revenue and transfer accruals-----						(12)	
Project length budgeted activity-----						3,771	
Fund balance, ending -----						\$13,375	

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

**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Special Purpose Fund				Total	
	Original Budget	Revisions	Revised Budget	Expenditures	Actual	Variance
<u>REVENUES</u>						
<u>LICENSES, PERMITS AND FEES</u>						
Other fees-----	\$64	\$ -	\$64		\$51	(\$13)
Investment income-----	47	-	47		2	(45)
<u>OTHER REVENUE</u>						
Rental income-----	33	-	33		4	(29)
Total revenues -----	144	-	144		57	(87)
<u>GENERAL GOVERNMENT</u>						
City clerk:						
Other services and charges-----	169	-	169	\$126	126	43
<u>PUBLIC SERVICES</u>						
Planning:						
Other services and charges-----	69	-	69	48	48	21
<u>CULTURE AND RECREATION</u>						
Parks:						
Other services and charges-----	108	-	108	-	-	108
Supplies-----	18	-	18	-	-	18
Total expenditures and encumbrances-----	364	-	364	\$174	174	190
Excess (deficiency) of revenues						
<u>OTHER FINANCING SOURCES (USES)</u>						
<u>TRANSFERS TO OTHER FUNDS</u>						
General government:						
General Fund-----	(1)	-	(1)		-	1
Excess (deficiency) of revenues over expenditures and other uses-----	(221)	-	(221)		(117)	(276)
<u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u>						
<u>BEGINNING FUND BALANCE</u>						
Appropriated for current year budget-----	221	-	221		221	-
Not appropriated-----	-	-	-		59	59
Beginning fund balance-----	221	-	221		280	59
<u>ENDING FUND BALANCE</u>						
Before encumbrances-----	-	-	-		163	163
Ending fund balance-----	\$ -	\$ -	\$ -		163	\$163
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>						
Revenue and transfer accruals-----					1	
Project length budgeted activity-----					6,428	
Fund balance, ending-----					\$6,592	

**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Special Districts					
	Original Budget	Revisions	Revised Budget	Expenditures	Total Actual	Variance
REVENUES						
Investment income-----	\$8	\$ -	\$8		\$5	(\$3)
Charges for services-----	1,999	-	1,999		1,842	(157)
Total revenues -----	2,007	-	2,007		1,847	(160)
EXPENDITURES						
GENERAL GOVERNMENT						
Non-departmental:						
Other services and charges-----	23	-	23	\$12	12	11
Total expenditures and encumbrances -----	23	-	23	\$12	12	11
Excess of revenues over expenditures -----	1,984	-	1,984		1,835	(171)
OTHER FINANCING SOURCES (USES)						
TRANSFERS FROM OTHER FUNDS						
General Fund-----	171	-	171		-	(171)
TRANSFERS TO OTHER FUNDS						
Public services:						
OCPPA General Purpose Fund-----	(2,155)	-	(2,155)		(1,607)	548
Excess (deficiency) of revenues over expenditures and other uses -----	-	-	-		228	206
FUND BALANCE (NON-GAAP BUDGETARY BASIS)						
BEGINNING FUND BALANCE						
Not appropriated-----	-	-	-		266	266
Beginning fund balance-----	-	-	-		266	266
ENDING FUND BALANCE						
Before encumbrances-----	-	-	-		494	494
Ending fund balance -----	\$ -	\$ -	\$ -		494	\$494
RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES						
Expenditure and transfer accruals-----					378	
Fund balance, ending -----					\$872	

**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Medical Services Fund				Total	
	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Expenditures</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>						
Investment income-----	\$ -	\$ -	\$ -		\$12	\$12
Charges for services-----	8,112	-	8,112		7,019	(1,093)
Total revenues -----	8,112	-	8,112		7,031	(1,081)
<u>EXPENDITURES</u>						
<u>CULTURE AND RECREATION</u>						
Non-departmental:						
Other services and charges-----	8,112	-	8,112	\$7,868	7,868	244
 Total expenditures and encumbrances-----	8,112	-	8,112	\$7,868	7,868	244
Excess (deficiency) of revenues over (under) expenditures-----	-	-	-		(837)	(1,325)
<u>FUND BALANCE (NON-GAAP BUDGETARY BASIS)</u>						
<u>BEGINNING FUND BALANCE</u>						
Not appropriated-----	-	-	-		1,850	1,850
Beginning fund balance-----	-	-	-		1,850	1,850
<u>ENDING FUND BALANCE</u>						
Before encumbrances-----	-	-	-		1,013	1,013
Ending fund balance-----	\$ -	\$ -	\$ -		1,013	\$1,013
<u>RECONCILIATION OF FUND BALANCE NON-GAAP BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</u>						
Revenue and transfer accruals-----					478	
Fund balance, ending-----					\$1,491	

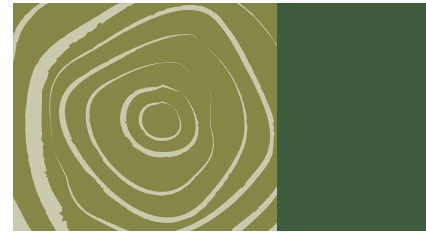
**SCHEDULE OF REVENUES, EXPENDITURES
ENCUMBRANCES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2011
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Hotel/Motel Tax Fund					
	Original		Revised		Total	
	Budget	Revisions	Budget	Expenditures	Actual	Variance
REVENUES						
TAXES						
Hotel/Motel taxes-----	\$11,337	\$ -	\$11,337		\$12,005	\$668
Investment income-----	241	-	241		71	(170)
Total revenues -----	11,578	-	11,578		12,076	498
EXPENDITURES						
CULTURE AND RECREATION						
Parks:						
Other services and charges-----	5,482	-	5,482	\$5,481	5,481	1
Net expenditures and						
encumbrances-----	5,482	-	5,482	\$5,481	5,481	1
Excess of revenues over expenditures-----	6,096	-	6,096		6,595	497
OTHER FINANCING SOURCES (USES)						
TRANSFERS FROM OTHER FUNDS						
OCPPA Fairgrounds Fund-----	5,091	-	5,091		5,302	211
TRANSFERS TO OTHER FUNDS						
Culture and recreation:						
OCPPA Fairgrounds Fund-----	(11,337)	-	(11,337)		(11,355)	(18)
Total other financing sources (uses)-----	(6,246)	-	(6,246)		(6,053)	193
Excess (deficiency) of revenues over						
 expenditures and other uses-----	(150)	-	(150)		542	690
FUND BALANCE (NON-GAAP						
 BUDGETARY BASIS)						
BEGINNING FUND BALANCE						
Appropriated for current year budget-----	150	-	150		150	-
Not appropriated-----	-	-	-		6,539	6,539
Beginning fund balance-----	150	-	150		6,689	6,539
Ending fund balance-----	\$ -	\$ -	\$ -		7,231	\$7,231
Revenue and transfer accruals-----					1,329	
Fund balance, ending-----					\$8,560	

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Non-Major Enterprise Funds



Non-Major Enterprise Funds

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

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

**COMBINING STATEMENT OF FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

								Total
				OCPPA				Non-Major
	Solid Waste	Stormwater	Golf	OCPPA			Enterprise	
	Airports	Management	Drainage	Courses	Fairgrounds	Transportation	Parking	Funds
ASSETS								
CURRENT ASSETS								
Pooled cash-----	\$62	\$58	\$351	\$254	\$404	\$ -	\$2	\$1,131
Non-pooled cash-----	-	-	-	1,404	-	-	-	1,404
Investments-----	1,504	1,313	7,794	1,238	7,152	6	49	19,056
Accounts receivable, net-----	-	-	2,065	-	-	-	-	2,065
Interest, dividends, and royalties receivable-----	7	6	37	6	9	-	-	65
Due from other funds-----	1	-	79	-	83	-	-	163
Receivable from component units-----	-	-	-	-	-	686	124	810
Inventories-----	946	-	62	343	-	-	-	1,351
Prepays-----	-	-	1	-	-	-	-	1
Total current assets-----	2,520	1,377	10,389	3,245	7,648	692	175	26,046
NON-CURRENT ASSETS								
Investments-----	-	-	-	-	777	-	-	777
Advance from other funds-----	720	2,003	-	-	-	-	-	2,723
Deferred debt expense, net-----	-	-	-	53	1,019	-	-	1,072
Capital assets:								
Land, art, and construction in progress-----	16,115	-	3,308	-	12,915	-	-	32,338
Other capital assets, net of accumulated depreciation-----	1,940	-	50,350	7,606	60,097	-	16	120,009
Capital assets, net-----	18,055	-	53,658	7,606	73,012	-	16	152,347
Total non-current assets-----	18,775	2,003	53,658	7,659	74,808	-	16	156,919
Total assets-----	21,295	3,380	64,047	10,904	82,456	692	191	182,965
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable-----	251	131	415	477	1,969	-	20	3,263
Wages and benefits payable-----	251	223	239	169	-	50	15	947
Due to other funds-----	-	10	99	103	57	1	1	271
Compensated absences-----	419	375	378	66	-	79	24	1,341
Notes, lease obligations, and estimated claims payable-----	-	-	253	-	-	-	-	253
Bond interest payable-----	-	-	-	63	929	-	-	992
Bonds payable-----	-	-	-	505	2,045	-	-	2,550
Total current liabilities-----	921	739	1,384	1,383	5,000	130	60	9,617
NON-CURRENT LIABILITIES								
Compensated absences-----	682	761	566	136	-	233	49	2,427
Advance from other funds-----	-	-	-	413	-	-	-	413
Bonds payable:								
Bonds payable-----	-	-	-	7,490	73,720	-	-	81,210
Unamortized bond discount/premium-----	-	-	-	-	1,476	-	-	1,476
Deferred amount on refunding-----	-	-	-	(2)	-	-	-	(2)
Bonds payable, net-----	-	-	-	7,488	75,196	-	-	82,684
Net other post-employment benefit obligation-----	1,638	1,880	978	1,967	-	329	65	6,857
Total non-current liabilities-----	2,320	2,641	1,544	10,004	75,196	562	114	92,381
Total liabilities-----	3,241	3,380	2,928	11,387	80,196	692	174	101,998
NET ASSETS (DEFICIT)								
Invested in capital assets, net of related debt-----	18,054	-	53,653	(344)	(2,265)	-	17	69,115
Restricted for:								
Capital projects-----	-	-	-	1	-	-	-	1
Debt service-----	-	-	-	379	2,308	-	-	2,687
Unrestricted-----	-	-	7,466	(519)	2,217	-	-	9,164
Total net assets (deficit)-----	\$18,054	\$ -	\$61,119	(\$483)	\$2,260	\$ -	\$17	\$80,967

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

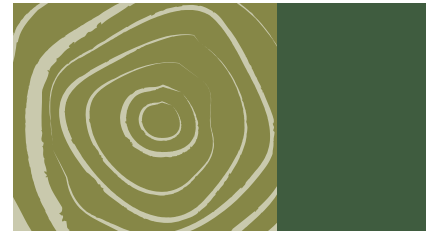
	Solid Waste		Stormwater	OCPPA Golf	OCPPA			Total Non-Major Enterprise Funds
	Airports	Management	Drainage	Courses	Fairgrounds	Transportation	Parking	
<u>OPERATING REVENUES</u>								
<u>CHARGES FOR SERVICES</u>								
Drainage charges-----	\$ -	\$ -	\$14,274	\$ -	\$ -	\$ -	\$ -	\$14,274
Green fees-----	-	-	-	5,075	-	-	-	5,075
Concessions-----	-	-	-	1,510	-	-	-	1,510
Other charges-----	-	-	55	4	-	2,007	195	2,261
Total charges for services-----	-	-	14,329	6,589	-	2,007	195	23,120
Lease and rental income-----	-	-	-	2,403	-	-	-	2,403
Other-----	-	-	111	25	5	-	-	141
Total operating revenues-----	-	-	14,440	9,017	5	2,007	195	25,664
<u>OPERATING EXPENSES</u>								
Personal services-----	-	-	7,560	4,907	-	1,683	364	14,514
Maintenance, operations, and contractual services-----	-	-	4,000	2,366	552	2,007	202	9,127
Materials and supplies-----	-	-	872	1,967	18	-	27	2,884
Depreciation-----	524	-	3,523	1,246	6,083	-	6	11,382
Total operating expenses-----	524	-	15,955	10,486	6,653	3,690	599	37,907
Operating loss-----	(524)	-	(1,515)	(1,469)	(6,648)	(1,683)	(404)	(12,243)
<u>NON-OPERATING REVENUE (EXPENSES)</u>								
Investment income-----	-	-	77	3	7	1	2	90
Interest on torts, bonds, notes, commercial paper, and lease obligations-----	-	-	(10)	(275)	(3,396)	-	-	(3,681)
Amortization-----	-	-	-	(11)	(14)	-	-	(25)
Payments from component units-----	-	-	-	-	-	1,682	155	1,837
Other revenue (expenses)-----	-	-	96	47	-	-	-	143
Net non-operating revenue (expenses)-----	-	-	163	(236)	(3,403)	1,683	157	(1,636)
Loss before transfers-----	(524)	-	(1,352)	(1,705)	(10,051)	-	(247)	(13,879)
<u>TRANSFERS</u>								
Transfers from other funds-----	449	-	-	1,159	6,182	-	241	8,031
Transfers to other funds-----	-	-	(1,019)	-	-	-	-	(1,019)
Total transfers-----	449	-	(1,019)	1,159	6,182	-	241	7,012
Changes in net assets (deficit)-----	(75)	-	(2,371)	(546)	(3,869)	-	(6)	(6,867)
<u>NET ASSETS (DEFICIT)</u>								
Net assets (deficit), beginning:								
As previously reported-----	17,850	(1,282)	63,490	63	(495)	(520)	(45)	79,061
Prior period adjustment-----	279	1,282	-	-	6,624	520	68	8,773
Net assets (deficit), beginning, as restated-----	18,129	-	63,490	63	6,129	-	23	87,834
Total net assets (deficit), ending-----	\$18,054	\$ -	\$61,119	(\$483)	\$2,260	\$ -	\$17	\$80,967

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Solid Waste		Stormwater	OCPPA		Non-Major		
	Airports	Management	Drainage	Golf	OCPPA	Transportation	Parking	Enterprise
				Courses	Fairgrounds			Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers-----	\$ -	(\$129)	\$14,199	\$8,963	\$ -	\$ -	\$ -	\$23,033
Cash payments to suppliers for goods and services-----	(5,909)	(2,284)	(4,702)	(4,308)	(385)	(2,032)	(212)	(19,832)
Cash payments to employees and professional contractors for services-----	(8,249)	(7,434)	(7,565)	(4,403)	-	(1,636)	(350)	(29,637)
Operating payments from (to) component units-----	-	-	5	-	-	3,623	294	3,922
Cost reimbursements from (to) other funds-----	14,158	10,520	-	-	-	-	-	24,678
Other cash receipts-----	-	-	35	40	5	-	-	80
Net cash provided (used) by operating activities-----	-	673	1,972	292	(380)	(45)	(268)	2,244
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
Transfers received from (paid to) other funds-----	8	1	(1,019)	949	5,632	-	241	5,812
Net cash provided (used) by non-capital financing activities-----	8	1	(1,019)	949	5,632	-	241	5,812
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES								
Proceeds from issuance of long-term debt-----	-	-	-	-	9,013	-	-	9,013
Payments for acquisition and construction of capital assets-----	(456)	-	(703)	(80)	(8,136)	-	-	(9,375)
Principal paid on long-term debt-----	-	-	-	(470)	(1,835)	-	-	(2,305)
Interest paid on long-term debt-----	-	-	(10)	(270)	(3,574)	-	-	(3,854)
Proceeds from sale of assets-----	-	-	14	-	-	-	-	14
Net cash used by capital and related financing activities-----	(456)	-	(699)	(820)	(4,532)	-	-	(6,507)
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments for purchase of investments-----	-	-	-	(1,253)	(26,397)	-	-	(27,650)
Proceeds from sale of investments-----	-	-	-	1,231	21,896	-	-	23,127
Changes in pooled investments-----	434	(651)	(288)	(291)	1,279	41	24	548
Investment income received-----	-	11	104	5	10	2	2	134
Purchased interest-----	-	-	2	-	-	-	-	2
Net cash provided (used) by investing activities-----	434	(640)	(182)	(308)	(3,212)	43	26	(3,839)
Net increase (decrease) in cash-----	(14)	34	72	113	(2,492)	(2)	(1)	(2,290)
Cash, beginning-----	76	24	279	1,545	2,896	2	3	4,825
Cash, ending-----	\$62	\$58	\$351	\$1,658	\$404	\$ -	\$2	\$2,535
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating loss-----	(\$524)	\$ -	(\$1,515)	(\$1,469)	(\$6,648)	(\$1,683)	(\$404)	(\$12,243)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Depreciation-----	524	-	3,523	1,246	6,083	-	6	11,382
Other revenue (expense)-----	-	(9)	35	62	-	-	-	88
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable-----	-	-	(337)	-	-	-	-	(337)
(Increase) decrease in due from other funds-----	-	449	514	-	-	-	-	963
(Increase) decrease in receivable from component units-----	-	-	7	-	-	1,616	99	1,722
(Increase) decrease in inventories-----	-	-	(2)	(25)	-	-	-	(27)
(Increase) decrease in prepaid assets-----	-	-	2	-	-	-	-	2
Increase (decrease) in accounts payable-----	-	72	170	3	185	-	21	451
Increase (decrease) in wages and benefits payable-----	-	(57)	(47)	(68)	-	(12)	1	(183)
Increase (decrease) in due to other funds-----	-	(129)	(420)	-	-	(25)	(3)	(577)
Increase (decrease) in compensated absences-----	-	13	(19)	(6)	-	6	3	(3)
Increase (decrease) in net other post-employment benefit obligation-----	-	334	61	549	-	53	9	1,006
Total adjustments-----	524	673	3,487	1,761	6,268	1,638	136	14,487
Net cash provided (used) by operating activities-----	\$ -	\$673	\$1,972	\$292	(\$380)	(\$45)	(\$268)	\$2,244
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Net increase (decrease) in fair value of investments-----	\$ -	(\$2)	(\$10)	(\$4)	(\$10)	\$ -	\$ -	(\$26)
Issuance of capital leases-----	-	-	355	-	-	-	-	355
Total non-cash investing, capital, and financing activities-----	\$ -	(\$2)	\$345	(\$4)	(\$10)	\$ -	\$ -	\$329

Internal Service Funds



Internal Service Funds

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

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

**COMBINING STATEMENT OF
FUND NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Print Shop</u>	<u>OCMFA Services</u>	<u>OCPPA Services</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>							
<u>CURRENT ASSETS</u>							
Pooled cash-----	\$57	\$34	\$144	\$15	\$6,589	\$27	\$6,866
Investments-----	1,330	702	3,488	332	24,460	79	30,391
Accounts receivable, net-----	-	-	16	3	-	-	19
Interest, dividends, and royalties receivable-----	6	3	17	2	215	1	244
Due from other funds-----	862	5,355	6	25	1,054	-	7,302
Receivable from component units-----	3	-	-	2	3	-	8
Inventories-----	45	-	-	17	-	-	62
Prepays-----	-	-	385	1	738	-	1,124
Total current assets-----	2,303	6,094	4,056	397	33,059	107	46,016
<u>NON-CURRENT ASSETS</u>							
Advance to other funds-----	-	3,920	1,421	-	23,620	-	28,961
Other-----	-	-	-	-	22	-	22
Capital assets:							
Land and construction in progress-----	928	-	-	-	-	-	928
Other capital assets, net of accumulated depreciation-----	103	15	19	58	6,271	-	6,466
Capital assets, net-----	1,031	15	19	58	6,271	-	7,394
Total non-current assets-----	1,031	3,935	1,440	58	29,913	-	36,377
Total assets-----	3,334	10,029	5,496	455	62,972	107	82,393
<u>LIABILITIES</u>							
<u>CURRENT LIABILITIES</u>							
Accounts payable-----	963	7	228	10	1,265	50	2,523
Wages and benefits payable-----	85	31	272	8	-	-	396
Due to other funds-----	-	-	-	-	1,076	-	1,076
Interest payable-----	-	55	-	-	-	-	55
Compensated absences-----	171	39	482	6	-	-	698
Notes, lease obligations, and estimated claims payable-----	-	2,298	-	12	14,291	-	16,601
Total current liabilities-----	1,219	2,430	982	36	16,632	50	21,349
<u>NON-CURRENT LIABILITIES</u>							
Compensated absences-----	413	76	807	9	-	-	1,305
Notes, commercial paper, lease obligations, and estimated claims payable-----	-	3,000	-	27	27,492	-	30,519
Advance from other funds-----	-	23,208	-	-	5,340	-	28,548
Net other post-employment benefit obligation-----	887	170	1,469	73	-	-	2,599
Total non-current liabilities-----	1,300	26,454	2,276	109	32,832	-	62,971
Total liabilities-----	2,519	28,884	3,258	145	49,464	50	84,320
<u>NET ASSETS (DEFICITS)</u>							
Invested in capital assets, net of related debt-----	1,030	15	18	31	6,187	-	7,281
Unrestricted-----	(215)	(18,870)	2,220	279	7,321	57	(9,208)
Total net assets (deficits)-----	\$815	(\$18,855)	\$2,238	\$310	\$13,508	\$57	(\$1,927)

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

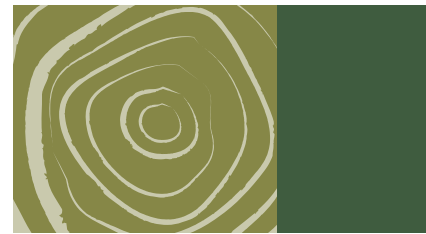
	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>Print Shop</u>	<u>OCMFA Services</u>	<u>OCPPA Services</u>	<u>Total Internal Service Funds</u>
<u>OPERATING REVENUES</u>							
Internal service charges-----	\$9,007	\$12,241	\$19,009	\$825	\$36,433	\$683	\$78,198
Other charges-----	7	-	121	-	-	-	128
Total operating revenues-----	9,014	12,241	19,130	825	36,433	683	78,326
<u>OPERATING EXPENSES</u>							
Personal services-----	2,744	1,021	8,606	232	-	-	12,603
Maintenance, operations, and contractual services----	599	16,007	7,226	459	36,354	717	61,362
Materials and supplies-----	6,098	9	453	65	6	-	6,631
Depreciation-----	9	4	14	16	2,046	-	2,089
Total operating expenses-----	9,450	17,041	16,299	772	38,406	717	82,685
Operating income (loss)-----	(436)	(4,800)	2,831	53	(1,973)	(34)	(4,359)
<u>NON-OPERATING REVENUE</u>							
Investment income-----	19	155	56	3	49	-	282
Other revenue (expenses)-----	2	206	4	2	-	-	214
Total non-operating revenue (expenses)-----	21	361	60	5	49	-	496
Income (loss) before transfers-----	(415)	(4,439)	2,891	58	(1,924)	(34)	(3,863)
<u>TRANSFERS</u>							
Transfers from other funds-----	-	3,338	-	-	237	73	3,648
Transfers to other funds-----	-	(29)	(2,942)	-	-	-	(2,971)
Total transfers-----	-	3,309	(2,942)	-	237	73	677
Changes in net assets-----	(415)	(1,130)	(51)	58	(1,687)	39	(3,186)
<u>NET ASSETS (DEFICITS)</u>							
Net assets, beginning:							
As previously reported-----	1,230	165	1,040	252	(1,446)	18	1,259
Prior period adjustment-----	-	(17,890)	1,249	-	16,641	-	-
Net assets, beginning, as restated-----	1,230	(17,725)	2,289	252	15,195	18	1,259
Total net assets (deficits), ending-----	\$815	(\$18,855)	\$2,238	\$310	\$13,508	\$57	(\$1,927)

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	Fleet Services	Risk Management	Information Technology	Print Shop	OCMFA Services	OCPPA Services	Total Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>							
Cash received from customers-----	\$8,648	\$12,209	\$19,170	\$849	\$36,477	\$683	\$78,036
Cash payments to suppliers for goods and services-----	(6,706)	(3,067)	(5,499)	(529)	(53,194)	(717)	(69,712)
Cash payments to employees and professional contractors for services-----	(2,429)	(982)	(8,392)	(218)	-	-	(12,021)
Cost reimbursements from (to) other funds-----	-	(11,323)	(2,402)	-	13,725	-	-
Other cash receipts-----	2	-	4	2	3,260	-	3,268
Net cash provided (used) by operating activities-----	(485)	(3,163)	2,881	104	268	(34)	(429)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>							
Transfers received from (paid to) other funds-----	-	3,431	(2,942)	-	493	122	1,104
Net cash provided (used) by non-capital financing activities-----	-	3,431	(2,942)	-	493	122	1,104
<u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u>							
Payments for acquisition and construction of capital assets-----	-	-	-	-	(24)	-	(24)
Interest paid on long-term debt-----	-	-	-	(4)	-	-	(4)
Net cash used by capital and related financing activities-----	-	-	-	(4)	(24)	-	(28)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>							
Changes in pooled investments-----	450	(296)	11	(98)	(3,662)	(69)	(3,664)
Investment income received-----	25	47	64	4	149	-	289
Purchased interest-----	1	-	-	-	6	-	7
Net cash provided (used) by investing activities-----	476	(249)	75	(94)	(3,507)	(69)	(3,368)
Net increase (decrease) in cash-----	(9)	19	14	6	(2,770)	19	(2,721)
Cash, beginning-----	66	15	130	9	9,359	8	9,587
Cash, ending-----	\$57	\$34	\$144	\$15	\$6,589	\$27	\$6,866
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Operating income (loss)-----	(\$436)	(\$4,800)	\$2,831	\$53	(\$1,973)	(\$34)	(\$4,359)
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>							
Depreciation-----	9	4	14	16	2,046	-	2,089
Other revenue (expense)-----	2	336	13	5	(139)	-	217
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable-----	-	-	8	(1)	3,102	-	3,109
(Increase) decrease in due from other funds-----	(364)	(3,920)	(171)	24	(3,942)	-	(8,373)
(Increase) decrease in receivable from component units-----	(3)	-	34	-	(3)	-	28
(Increase) decrease in inventories-----	(14)	-	-	8	-	-	(6)
(Increase) decrease in prepaid assets-----	-	-	87	1	(235)	-	(147)
(Increase) decrease in other assets-----	-	-	-	-	121	-	121
Increase (decrease) in accounts payable-----	6	(13)	(37)	(4)	(595)	-	(643)
Increase (decrease) in wages and benefits payable-----	(6)	(5)	(33)	1	-	-	(43)
Increase (decrease) in due to other funds-----	-	5,285	(99)	-	3,277	-	8,463
Increase (decrease) in payable to component unit-----	-	-	-	-	(73)	-	(73)
Increase (decrease) in compensated absences-----	82	16	28	3	-	-	129
Increase (decrease) in long-term debt-----	-	-	-	-	(1,318)	-	(1,318)
Increase (decrease) in notes, lease and estimated claims payable-----	-	(94)	-	(11)	-	-	(105)
Increase (decrease) in net other post-employment benefit obligation-----	239	28	206	9	-	-	482
Total adjustments-----	(49)	1,637	50	51	2,241	-	3,930
Net cash provided (used) by operating activities-----	(485)	(3,163)	2,881	104	268	(34)	(429)
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>							
Net increase (decrease) in fair value of investments-----	(\$1)	(\$4)	\$1	\$ -	(\$58)	\$ -	(\$62)
Total non-cash investing, capital, and financing activities-----	(\$1)	(\$4)	\$1	\$ -	(\$58)	\$ -	(\$62)

Fiduciary Funds



Fiduciary Funds

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

Pension Trust Funds

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

Other Post-Employment Benefit Trust Fund

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

Agency Fund

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

**COMBINING STATEMENT OF
FIDUCIARY NET ASSETS
PENSION AND OTHER POST-EMPLOYMENT
BENEFIT TRUST FUNDS
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

	OCERS	COTPA Retirement	OCPEBT	Total Pension and Other Post-employment Benefit Trust Funds
<u>ASSETS</u>				
Non-pooled cash-----	\$3,831	\$ -	\$277	\$4,108
<u>RECEIVABLES</u>				
Interest and dividends-----	820	10	32	862
Employer-----	253	19	-	272
Plan members-----	177	14	527	718
Other receivables-----	24	-	5	29
Total receivables-----	1,274	43	564	1,881
<u>INVESTMENTS, AT FAIR VALUE</u>				
Domestic common stock-----	151,254	4,605	8,479	164,338
Passive domestic stock funds-----	69,658	731	-	70,389
Preferred stock-----	2,959	-	-	2,959
Government securities/fixed income-----	85,610	143	-	85,753
Passive bond fund-----	38,338	1,858	4,365	44,561
International stock-----	121,966	830	1,354	124,150
Passive international bond funds-----	9,631	-	-	9,631
Treasury money market fund-----	18,691	106	6,223	25,020
Real estate-----	30,598	91	-	30,689
Oklahoma City judgments-----	2,299	-	-	2,299
Total investments-----	531,004	8,364	20,421	559,789
Invested securities lending collateral-----	19,306	-	-	19,306
Total assets-----	555,415	8,407	21,262	585,084
<u>LIABILITIES</u>				
Accounts payable-----	632	21	1,253	1,906
Due to broker-----	16,281	-	-	16,281
Wages and benefits payable-----	7	-	-	7
Securities lending collateral-----	19,306	-	-	19,306
Compensated absences, current-----	18	-	-	18
Estimated claims payable-----	-	-	810	810
Compensated absences, non-current-----	43	-	-	43
Net other post-employment benefits obligation-----	34	-	-	34
Total liabilities-----	36,321	21	2,063	38,405
<u>NET ASSETS HELD IN TRUST</u>				
Pension benefits-----	519,094	8,386	-	527,480
Other post-employment benefits-----	-	-	19,199	19,199
Net assets held in trust-----	\$519,094	\$8,386	\$19,199	\$546,679

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET ASSETS
PENSION AND OTHER POST-EMPLOYMENT
BENEFIT TRUST FUNDS
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

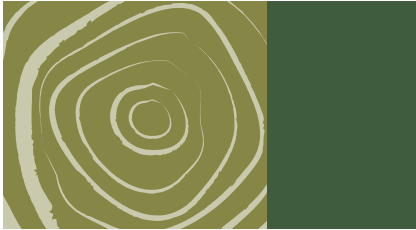
	COTPA			Total Pension and Post-employment Benefit Trust Funds
	OCERS	Retirement	OCPEBT	
<u>ADDITIONS</u>				
Contributions:				
Employer-----	\$9,615	\$499	\$20,065	\$30,179
Plan members-----	6,741	385	10,152	17,278
Total contributions-----	<u>16,356</u>	<u>884</u>	<u>30,217</u>	<u>47,457</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments--	4,538	(270)	(158)	4,110
Interest-----	3,695	56	1	3,752
Dividends-----	3,511	129	255	3,895
	<u>11,744</u>	<u>(85)</u>	<u>98</u>	<u>11,757</u>
Less: investment expense-----	(1,511)	(34)	(25)	(1,570)
Net investment income (loss)-----	<u>10,233</u>	<u>(119)</u>	<u>73</u>	<u>10,187</u>
From securities lending activities:				
Securities lending income-----	78	-	-	78
Securities lending expenses:				
Borrower rebates-----	15	-	-	15
Management fees-----	(33)	-	-	(33)
Net income from securities lending activities-----	<u>60</u>	<u>-</u>	<u>-</u>	<u>60</u>
Other-----	65	-	-	65
Total additions-----	<u>26,714</u>	<u>765</u>	<u>30,290</u>	<u>57,769</u>
<u>DEDUCTIONS</u>				
Benefits paid-----	23,915	495	26,075	50,485
Refunds of contributions-----	1,228	98	-	1,326
Administrative expenses-----	476	41	34	551
Total deductions-----	<u>25,619</u>	<u>634</u>	<u>26,109</u>	<u>52,362</u>
Change in net assets-----	<u>1,095</u>	<u>131</u>	<u>4,181</u>	<u>5,407</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS</u>				
Beginning of year-----	517,999	8,255	15,018	541,272
End of year-----	<u>\$519,094</u>	<u>\$8,386</u>	<u>\$19,199</u>	<u>\$546,679</u>

STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUND
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Pooled cash-----	\$101	\$22,961	(\$22,831)	\$231
Non-pooled cash-----	343	1,401	(1,413)	331
Interest and dividends-----	14	38	(39)	13
Other receivables-----	64	5,268	(5,198)	134
Pooled investments-----	1,909	3,120	(3,122)	1,907
Total assets-----	\$2,431	\$32,788	(\$32,603)	\$2,616
<u>LIABILITIES</u>				
Accounts payable-----	\$178	\$445	(\$422)	\$201
Due to depositors-----	2,253	19,623	(19,461)	2,415
Total liabilities-----	\$2,431	\$20,068	(\$19,883)	\$2,616

Component Unit



Component Unit

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

STATEMENT OF CASH FLOWS
PORT AUTHORITY
For the Year Ended June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers-----	\$10
Cash payments to suppliers for goods and services-----	(4)
Net cash provided by operating activities-----	<u>6</u>

Net increase in cash----- **6**

Cash, beginning-----	12
Cash, ending-----	<u>\$18</u>

RECONCILIATION OF OPERATING INCOME TO NET

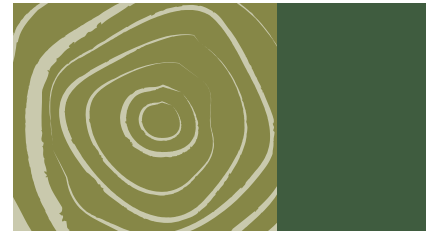
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income-----	\$5
-----------------------	-----

ADJUSTMENTS TO RECONCILE OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

(Increase) decrease in accounts receivable-----	1
Total adjustments-----	1
Net cash provided by operating activities-----	<u>\$6</u>

Other Supplementary Information



CAPITAL ASSETS
SCHEDULE BY FUND AND COMPONENT UNIT
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA

	NOT DEPRECIATED		DEPRECIATED				Accumulated Depreciation	Total
	Land, Art & Water Storage Rights	Construction In Progress	Buildings	Infrastructure & Improvements Other Than Buildings	Furniture, Machinery, and Equipment			
Primary Government								
<i>Governmental Activities</i>								
Non fund-related-----	\$94,085	\$190,439	\$477,113	\$1,363,497	\$206,761	(\$836,549)	\$1,495,346	
<u>Internal service funds</u>								
Fleet Services Fund-----	928	-	783	75	145	(900)	1,031	
Risk Management Fund-----	-	-	-	-	23	(8)	15	
Information Technology Fund-----	-	-	33	-	3,246	(3,260)	19	
Print Shop Fund-----	-	-	-	-	152	(94)	58	
OCMFA Services Fund-----	-	-	219	-	24,546	(18,494)	6,271	
OCPPA Services Fund-----	-	-	-	-	-	-	-	
	<u>928</u>	<u>-</u>	<u>1,035</u>	<u>75</u>	<u>28,112</u>	<u>(22,756)</u>	<u>7,394</u>	
	<u>95,013</u>	<u>190,439</u>	<u>478,148</u>	<u>1,363,572</u>	<u>234,873</u>	<u>(859,305)</u>	<u>1,502,740</u>	
<i>Business-type Activities</i>								
<u>Major enterprise funds</u>								
OCAT Fund-----	14,466	22,504	457,260	288,477	13,939	(404,644)	392,002	
OCWUT Fund-----	99,136	226,165	84,085	795,876	75,635	(368,613)	912,284	
Water Utilities Fund-----	9,378	-	44,061	526,452	38,239	(372,350)	245,780	
MCA Fund-----	61,529	-	4,795	21,613	569	(12,724)	75,782	
OCEAT Fund-----	-	<u>38</u>	<u>2,247</u>	<u>1,643</u>	<u>14,067</u>	<u>(9,582)</u>	<u>8,413</u>	
	<u>184,509</u>	<u>248,707</u>	<u>592,448</u>	<u>1,634,061</u>	<u>142,449</u>	<u>(1,167,913)</u>	<u>1,634,261</u>	
<u>Non-major enterprise funds</u>								
Airports Fund-----	16,115	-	8,637	30,499	5,572	(42,768)	18,055	
Solid Waste Management Fund---	-	-	1	2	310	(313)	-	
Stormwater Drainage Fund-----	3,167	141	1,392	98,295	4,512	(53,849)	53,658	
OCPPA Golf Courses Fund-----	-	-	2,881	20,895	5,142	(21,312)	7,606	
OCPPA Fairgrounds Fund-----	2,003	10,912	26,718	53,386	2,800	(22,807)	73,012	
Parking Fund-----	-	-	-	<u>119</u>	<u>365</u>	<u>(468)</u>	<u>16</u>	
	<u>21,285</u>	<u>11,053</u>	<u>39,629</u>	<u>203,196</u>	<u>18,701</u>	<u>(141,517)</u>	<u>152,347</u>	
	<u>205,794</u>	<u>259,760</u>	<u>632,077</u>	<u>1,837,257</u>	<u>161,150</u>	<u>(1,309,430)</u>	<u>1,786,608</u>	
Total primary government--	<u>\$300,807</u>	<u>\$450,199</u>	<u>\$1,110,225</u>	<u>\$3,200,829</u>	<u>\$396,023</u>	<u>(\$2,168,735)</u>	<u>\$3,289,348</u>	
Component Units								
OCRRA-----	\$32	\$31	\$ -	\$3,350	\$193	(\$577)	\$3,029	
OCZT-----	-	452	77,310	9,733	6,145	(31,298)	62,342	
COTPA-----	4,220	3,289	37,541	7,653	26,974	(40,994)	38,683	
OCMAPS-----	-	192,415	-	-	-	-	192,415	
OCRA-----	507	-	8,615	15,905	-	(4,768)	20,259	
OCEDT-----	<u>4,203</u>	<u>29,073</u>	<u>9,240</u>	<u>33,590</u>	<u>-</u>	<u>(1,219)</u>	<u>74,887</u>	
Total component units-----	<u>\$8,962</u>	<u>\$225,260</u>	<u>\$132,706</u>	<u>\$70,231</u>	<u>\$33,312</u>	<u>(\$78,856)</u>	<u>\$391,615</u>	

**LONG-TERM DEBT SUPPORTING
GENERAL GOVERNMENT SERVICES
SCHEDULE OF GENERAL OBLIGATION
BONDS OUTSTANDING BY ISSUE**

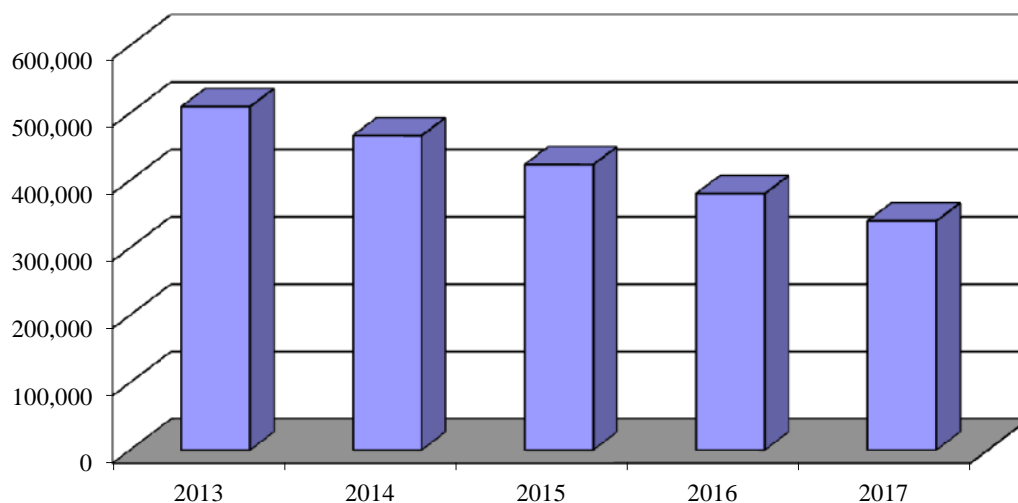
CITY OF OKLAHOMA CITY, OKLAHOMA

June 30, 2012

(dollars are in thousands)

<u>Fiscal Year</u>	<u>Issue</u>	<u>Issued</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1993	Refunding 1993 (1)	05/01/93	08/01/11	\$104,890	\$ -
2001	Combined Purpose 2001 (3)	06/01/01	07/01/11	39,000	-
2002	Combined Purpose 2002 (5)	03/01/02	03/01/12	22,500	-
2002	Refunding 2002 (2)(5)	06/01/02	03/01/12	86,725	-
2003	Combined Purpose 2003 (5)	03/01/03	03/01/13	25,000	1,390
2004	Combined Purpose 2004 (5)	03/01/04	03/01/14	20,000	2,100
2005	Combined Purpose 2005 (5)	03/01/05	03/01/15	47,000	7,425
2005	Refunding 2005 (3)	03/05/05	09/01/21	91,325	65,740
2006	Combined Purpose 2006	03/01/06	03/01/26	80,000	58,950
2007	Combined Purpose 2007	03/01/07	03/01/27	72,000	56,840
2008	Combined Purpose 2008	03/01/08	03/01/28	60,560	51,005
2008	Economic Development 2008	03/01/08	03/01/28	7,000	5,905
2009	Combined Purpose 2009	04/01/09	03/01/29	47,485	42,485
2010	Combined Purpose 2010	03/01/10	03/01/30	64,420	61,025
2010	Economic Development 2010	04/01/10	03/01/30	29,000	27,470
2011	Combined Purpose 2011	03/01/11	03/01/31	43,000	43,000
2012	Combined Purpose 2012	05/16/12	03/01/31	50,000	50,000
2012	Refunding 2012 (5)	01/11/12	03/01/25	80,110	80,110
				<u>\$970,015</u>	<u>\$553,445</u>

- (1) The 1993 Refunding issue refunded general obligation bonds issued in 1986, 1989, 1990, and 1991.
- (2) The 2002 Refunding issue refunded portions of the 1993, 1994, 1997, and 2000 general obligation bonds. Maturity dates on remaining issues are changed to reflect provisions of the 2002 Refunding.
- (3) The 2005 Refunding issue refunded portions of the 1996, 1998, 1999, and 2001 general obligation bonds. Maturity dates on remaining issues are changed to reflect provisions of the 2005 Refunding.
- (4) The graph below illustrates general obligation bond principal outstanding for the current fiscal year and projected over the next five fiscal years assuming no new bonds are issued.
- (5) The 2012 Refunding issue refunded portions of the 2002, 2003, 2004, 2005, and 2002 refunding general obligation bonds. Maturity dates on remaining issues are changed to reflect provisions of the 2012 Refunding.



**LONG-TERM DEBT SUPPORTING
GENERAL GOVERNMENT SERVICES
DEBT SERVICE TO MATURITY BY TYPE OF DEBT
June 30, 2012
(dollars are in thousands)**

CITY OF OKLAHOMA CITY, OKLAHOMA

Fiscal Year	General Obligation Bonds			Notes Payable			Capital Lease			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2013	\$43,985	\$24,417	\$68,402	\$286	\$64	\$350	\$262	\$13	\$275	\$69,027
2014	43,070	22,415	65,485	295	55	350	9	3	12	65,847
2015	43,120	20,574	63,694	993	45	1,038	10	2	12	64,744
2016	42,955	18,609	61,564	384	35	419	11	1	12	61,995
2017	40,570	16,668	57,238	394	23	417	7	-	7	57,662
2018	38,010	14,870	52,880	225	11	236	-	-	-	53,116
2019	30,885	11,876	42,761	225	10	235	-	-	-	42,996
2020	35,370	11,873	47,243	300	9	309	-	-	-	47,552
2021	32,600	10,369	42,969	300	8	308	-	-	-	43,277
2022	30,610	8,964	39,574	300	6	306	-	-	-	39,880
2023	28,515	7,675	36,190	350	5	355	-	-	-	36,545
2024	27,260	6,429	33,689	350	3	353	-	-	-	34,042
2025	25,870	5,246	31,116	350	2	352	-	-	-	31,468
2026	24,675	4,117	28,792	325	-	325	-	-	-	29,117
2027	19,800	3,034	22,834	-	-	-	-	-	-	22,834
2028	16,130	2,138	18,268	-	-	-	-	-	-	18,268
2029	13,915	1,344	15,259	-	-	-	-	-	-	15,259
2030	8,355	780	9,135	-	-	-	-	-	-	9,135
2031	5,010	371	5,381	-	-	-	-	-	-	5,381
2032	2,740	137	2,877	-	-	-	-	-	-	2,877
	<u>\$553,445</u>	<u>\$191,906</u>	<u>\$745,351</u>	<u>\$5,077</u>	<u>\$276</u>	<u>\$5,353</u>	<u>\$299</u>	<u>\$19</u>	<u>\$318</u>	<u>\$751,022</u>

**SCHEDULE OF RECEIVABLES AND PAYABLES
WITHIN THE REPORTING ENTITY
BY FUND
June 30, 2012
(dollars are in thousands)**

<u>Due to Other Funds</u>																		
<i>Governmental Activities</i>																		
	Major Funds					Other Governmental Funds												
	General	Service	Management	MAPS3	General	Emergency	Police	Fire	Asset	Forfeiture	Zoo	OCMFA	OCPPA	Special	Medical	Hotel/ Motel	Capital	Street
				Sales	Obligation							General	General					
General	Service	Management	Tax	Bonds	Management	Police	Fire	Forfeiture	Zoo	Purpose	Purpose	Operations	Purpose	Services	Tax	Fund	Alley	
DUE FROM																		
<i>Governmental Activities</i>																		
<u>Major Governmental Funds</u>																		
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$150	\$ -	\$ -	\$ -	\$ -	\$2,244	\$134	\$ -	\$ -	\$ -	\$ -	\$7,757	\$ -
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Management	1,033	-	-	-	126	-	319	-	-	-	2	-	-	-	-	-	5	-
MAPS3 Sales Tax	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds	888	175	-	-	-	-	-	-	-	-	6,712	-	-	-	-	-	-	-
<u>Other Governmental Funds</u>																		
Police	728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Forfeiture	41	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	-
OCMFA General Purpose	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAPS Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAPS3 Use Tax	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Purpose	7	-	307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Districts	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Services	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metropolitan Projects Tax	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police/Fire Equipment Use Tax	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City Schools Sales Tax	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sports Facility Use Tax	148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Internal Service Funds</u>																		
OCMFA Services	-	-	-	-	-	-	-	-	-	-	380	-	-	-	-	-	-	-
	\$3,108	\$175	\$307	\$-	\$126	\$150	\$344	\$-	\$-	\$-	\$9,338	\$134	\$-	\$-	\$-	\$-	\$7,762	\$-
<u>Major Enterprise Funds</u>																		
OCWUT	\$938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Utilities	73	16	-	55	-	-	3	2	2	1	-	-	5	2	13	3	10	1
OCEAT	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other Enterprise Funds</u>																		
Solid Waste Management	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stormwater Drainage	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCPPA Golf Courses	103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCPPA Fairgrounds	56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$1,266	\$16	\$-	\$55	\$-	\$-	\$3	\$2	\$2	\$1	\$-	\$1	\$5	\$2	\$13	\$3	\$10	\$1

CITY OF OKLAHOMA CITY, OKLAHOMA

Due to Other Funds

Governmental Activities

Business-type Activities

Other Governmental Funds						Internal Service Funds					Major Funds				Other Enterprise Funds			Total
Police/Fire	City	City	Sports	Sports	MAPS3	Fleet	Risk	Information	Print	OCMFA	Water and				Stormwater		OCPPA	
Equipment	Schools	Schools	Facility	Facility	Use	Services	Management	Technology	Shop	Services	OCWUT	Wastewater	MCA	OCEAT	Airports	Drainage	Fairgrounds	
Sales Tax	Sales Tax	Use Tax	Sales Tax	Use Tax	Tax													
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$579	\$ -	\$ -	\$23	\$916	\$ -	\$ -	\$1	\$ -	\$ -	\$ -	\$ -	\$11,804
-	-	-	-	-	-	-	5,354	-	-	-	-	-	-	-	-	-	-	5,354
-	-	8	-	-	-	-	-	4	-	138	-	-	-	-	-	11	-	1,646
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28	-	7,803
-	-	-	-	-	-	199	-	-	-	-	-	-	-	-	-	-	-	927
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	10
-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	6
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	314
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25
-	-	-	-	-	-	-	-	-	-	-	9	-	-	4	-	1	-	15
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83	83
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	5
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	149
-	-	-	-	-	-	-	-	-	-	-	679	17	-	-	-	-	-	1,076
\$-	\$-	\$8	\$-	\$-	\$-	\$784	\$5,354	\$4	\$23	\$1,054	\$688	\$17	\$1	\$4	\$-	\$53	\$83	\$29,517
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$4	\$ -	\$ -	\$ -	\$943
3	2	7	7	2	7	3	1	2	1	-	-	-	-	1	25	-	-	247
-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	-	-	98
-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	10
-	-	-	-	-	-	74	-	-	-	-	18	-	-	5	-	-	-	99
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	57
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
\$3	\$2	\$7	\$7	\$2	\$7	\$78	\$1	\$2	\$2	\$-	\$18	\$14	\$-	\$9	\$1	\$26	\$-	\$1,559

**SCHEDULE OF TRANSFERS
 WITHIN THE REPORTING ENTITY
 BY FUND
 June 30, 2012
 (dollars are in thousands)**

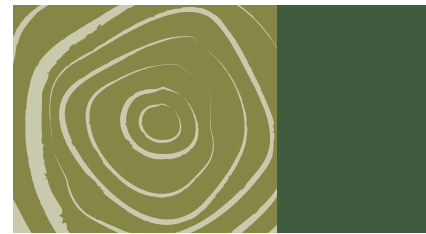
<u>Transfers From Other Funds</u>									
<i>Governmental Activities</i>									
	<u>Major Funds</u>				<u>Other Governmental Funds</u>				
	<u>General</u>	<u>Debt Service</u>	<u>Grants Management</u>	<u>Asset Forfeiture</u>	<u>OCMFA General Purpose</u>	<u>OCPPA General Purpose</u>	<u>Special Purpose</u>	<u>Special Districts</u>	<u>Hotel/ Motel Tax</u>
TRANSFERS TO									
<i>Governmental Activities</i>									
<u>Major Governmental Funds</u>									
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants Management	2,265	-	-	-	-	-	1,295	-	-
General Obligation Bonds	-	49,265	729	-	-	-	-	-	-
<u>Other Governmental Funds</u>									
Emergency Management	2,550	-	-	-	-	-	-	-	-
OCMFA General Purpose	2,581	-	-	97	-	-	-	-	-
OCPPA General Purpose	2,888	-	-	-	-	-	-	15	-
Special Purpose	-	-	-	-	1,150	-	-	-	-
Capital Improvement	21,917	-	-	3	-	319	-	-	-
Street and Alley	-	-	97	-	-	-	-	-	-
City Schools Use Tax	450	-	-	-	-	-	-	-	-
Sports Facility Sales Tax	-	-	-	-	-	1,795	-	-	-
<u>Internal Service Funds</u>									
Risk Management	900	2,438	-	-	-	-	-	-	-
OCMFA Services	<u>208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OCPPA Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>33,759</u>	<u>51,703</u>	<u>826</u>	<u>100</u>	<u>1,150</u>	<u>2,187</u>	<u>1,295</u>	<u>15</u>	<u>-</u>
	<u>\$33,759</u>	<u>\$51,703</u>	<u>\$826</u>	<u>\$100</u>	<u>\$1,150</u>	<u>\$2,187</u>	<u>\$1,295</u>	<u>\$15</u>	<u>\$-</u>
<u>Major Enterprise Funds</u>									
MCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Enterprise Funds</u>									
Airports	-	-	-	-	-	-	-	-	-
OCPPA Golf Courses	1,159	-	-	-	-	-	-	-	-
OCPPA Fairgrounds	-	-	-	-	-	-	-	-	6,054
Parking	<u>241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$1,400</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$6,054</u>

CITY OF OKLAHOMA CITY, OKLAHOMA

Transfers From Other Funds								
<i>Governmental Activities</i>				<i>Business-type Activities</i>				
<u>Other Governmental Funds</u>		<u>Internal Service Funds</u>		<u>Major Enterprise Funds</u>			<u>Other Enterprise</u>	
<u>Capital Improvements Fund</u>	<u>MAPS3 Use Tax</u>	<u>Risk Management</u>	<u>Information Technology</u>	<u>OCAT</u>	<u>OCWUT</u>	<u>OCEAT</u>	<u>Stormwater Drainage</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$5,336	\$776	\$ -	\$6,112
32	-	-	-	-	-	-	-	3,592
44	-	-	-	-	-	-	-	50,038
-	-	-	-	-	-	-	-	2,550
293	-	-	1,367	-	-	-	-	4,338
-	-	-	75	-	-	-	1,000	3,978
-	-	-	-	-	-	-	-	1,150
-	25	-	1,500	-	-	-	19	23,783
-	-	-	-	-	-	-	-	97
-	-	-	-	-	-	-	-	450
-	-	-	-	-	-	-	-	1,795
-	-	-	-	-	-	-	-	3,338
-	-	29	-	-	-	-	-	237
-	-	-	-	-	-	-	-	73
369	25	29	2,942	-	5,336	776	1,019	101,531
<u>\$369</u>	<u>\$25</u>	<u>\$29</u>	<u>\$2,942</u>	<u>\$-</u>	<u>\$5,336</u>	<u>\$776</u>	<u>\$1,019</u>	<u>\$101,531</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$4,313	\$ -	\$ -	\$4,313
-	-	-	-	449	-	-	-	449
-	-	-	-	-	-	-	-	1,159
128	-	-	-	-	-	-	-	6,182
-	-	-	-	-	-	-	-	241
<u>\$128</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$449</u>	<u>\$4,313</u>	<u>\$-</u>	<u>\$-</u>	<u>\$12,344</u>

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Statistical



Statistical

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

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

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

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**PRIMARY GOVERNMENT
NET ASSETS BY COMPONENT (1) (2)**

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

**Last Ten Fiscal Years
(dollars are in thousands)**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<i>Governmental Activities:</i>										
Invested in capital assets, net of related debt	\$917,055	\$1,004,827	\$1,020,619	\$774,069	\$685,791	\$632,004	\$613,911	\$586,785	\$526,438	\$625,118
Restricted for:										
Capital projects	363,150	159,669	103,661	222,521	269,293	240,197	207,276	180,188	167,379	10,691
Debt service	52,171	51,305	39,562	48,049	52,294	43,397	42,996	43,709	37,531	36,145
Public safety	18,850	17,246	17,221	-	-	-	1,548	26,881	42,363	84,958
Public services	6,849	6,698	5,638	9,249	-	-	-	-	4,774	264
Culture and recreation	12,519	10,240	56,152	23,921	12,215	12,613	13,279	7,016	6,123	16,573
Education	-	-	6,205	7,073	311	207	274	970	273	10,546
Unrestricted	<u>169,928</u>	<u>130,372</u>	<u>52,086</u>	<u>174,027</u>	<u>162,941</u>	<u>172,429</u>	<u>155,209</u>	<u>126,613</u>	<u>104,253</u>	<u>58,433</u>
	<u>1,540,522</u>	<u>1,380,357</u>	<u>1,301,144</u>	<u>1,258,909</u>	<u>1,182,845</u>	<u>1,100,847</u>	<u>1,034,493</u>	<u>972,162</u>	<u>889,134</u>	<u>842,728</u>
% change from prior year	11.60%	6.09%	3.35%	6.43%	7.45%	6.41%	6.41%	9.34%	5.51%	3.27%
<i>Business-type Activities:</i>										
Invested in capital assets, net of related debt	1,088,470	1,032,890	1,023,777	965,156	909,153	890,848	792,391	737,647	702,549	669,614
Restricted for:										
Capital projects	863	1,573	2,140	11,449	27,388	24,683	48,703	1,078	2,231	5,523
Debt service	54,363	51,358	39,287	35,595	36,046	40,496	38,024	41,086	35,569	41,727
Public services	-	-	162,286	98,856	77,274	63,609	108,744	106,554	101,300	107,774
Culture and recreation	-	-	-	-	229	-	-	1,870	724	1,323
Maintenance	19,840	17,421	17,482	19,348	19,964	16,914	13,535	16,801	17,451	16,124
Unrestricted	<u>186,221</u>	<u>176,014</u>	<u>(37,526)</u>	<u>(50,867)</u>	<u>(47,948)</u>	<u>(47,076)</u>	<u>(59,281)</u>	<u>(9,678)</u>	<u>109</u>	<u>9,670</u>
	<u>1,349,757</u>	<u>1,279,256</u>	<u>1,207,446</u>	<u>1,079,537</u>	<u>1,022,106</u>	<u>989,474</u>	<u>942,116</u>	<u>895,358</u>	<u>859,933</u>	<u>851,755</u>
% change from prior year	5.51%	5.95%	11.85%	5.62%	3.30%	5.03%	5.22%	4.12%	0.96%	2.45%
Primary Government										
Invested in capital assets, net of related debt	2,005,525	2,037,717	2,044,396	1,739,225	1,594,944	1,522,852	1,406,302	1,324,432	1,228,987	1,294,732
Restricted for:										
Capital projects	364,013	161,242	105,801	233,970	296,681	264,880	255,979	181,266	169,610	16,214
Debt service	106,534	102,663	78,849	83,644	88,340	83,893	81,020	84,795	73,100	77,872
Public safety	18,850	17,246	17,221	-	-	-	1,548	26,881	42,363	84,958
Public services (3)	6,849	6,698	167,924	108,105	77,274	63,609	108,744	106,554	106,074	108,038
Culture and recreation	12,519	10,240	56,152	23,921	12,444	12,613	13,279	8,886	6,847	17,896
Education	-	-	6,205	7,073	311	207	274	970	273	10,546
Maintenance	19,840	17,421	17,482	19,348	19,964	16,914	13,535	16,801	17,451	16,124
Unrestricted	<u>356,149</u>	<u>306,386</u>	<u>14,560</u>	<u>123,160</u>	<u>114,993</u>	<u>125,353</u>	<u>95,928</u>	<u>116,935</u>	<u>104,362</u>	<u>68,103</u>
Total primary government (4)	<u>\$2,890,279</u>	<u>\$2,659,613</u>	<u>\$2,508,590</u>	<u>\$2,338,446</u>	<u>\$2,204,951</u>	<u>\$2,090,321</u>	<u>\$1,976,609</u>	<u>\$1,867,520</u>	<u>\$1,749,067</u>	<u>\$1,694,483</u>
% change from prior year	8.67%	6.02%	7.28%	6.05%	5.48%	5.75%	5.84%	6.77%	3.22%	2.86%

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

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

CITY OF OKLAHOMA CITY, OKLAHOMA

**TABLE 2
page 1 of 2**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PROGRAM EXPENSES (2)										
<i>Governmental Activities</i>										
General government	\$31,257	\$29,501	\$44,301	\$42,737	\$27,544	\$45,049	\$20,084	\$14,098	\$21,615	\$37,727
Public safety:										
Police	158,950	143,367	160,889	171,042	156,015	140,947	131,985	123,014	114,959	121,707
Fire	137,017	124,945	132,709	127,573	135,838	127,187	119,742	111,056	102,814	101,885
Other	26,993	26,785	18,318	17,865	26,527	14,488	21,866	26,898	39,085	9,944
Public services	127,218	146,034	129,972	102,201	106,925	77,266	94,323	77,897	53,060	90,610
Culture and recreation	87,379	77,107	72,664	74,320	56,778	50,816	51,051	38,734	38,703	41,029
Education	1,571	1,327	1,224	41,322	89,826	85,369	82,288	75,953	83,989	41,918
Economic development	5,335	4,902	-	-	-	-	-	-	-	-
Interest on long-term debt	<u>20,824</u>	<u>25,882</u>	<u>22,617</u>	<u>24,124</u>	<u>21,413</u>	<u>20,279</u>	<u>16,949</u>	<u>15,673</u>	<u>17,457</u>	<u>16,322</u>
	<u>596,544</u>	<u>579,850</u>	<u>582,694</u>	<u>601,184</u>	<u>620,866</u>	<u>561,401</u>	<u>538,288</u>	<u>483,323</u>	<u>471,682</u>	<u>461,142</u>
<i>Business-type Activities</i>										
Airports	52,824	54,103	53,011	52,570	54,500	54,158	52,718	50,215	45,656	49,818
Water and wastewater utilities	159,659	140,631	142,496	138,135	136,938	130,819	127,702	119,455	129,589	107,412
Solid waste management	37,150	35,213	34,467	33,613	32,993	32,373	30,416	27,760	28,143	29,211
Stormwater drainage	16,113	15,933	13,495	13,791	12,790	14,277	10,850	9,780	10,214	9,994
Golf courses	10,811	9,160	11,944	10,405	9,444	9,257	8,745	8,786	9,192	8,581
Fairgrounds	10,063	6,652	2,363	2,516	2,197	2,080	2,503	617	44	118
Ground transportation and parking	<u>4,741</u>	<u>5,253</u>	<u>2,258</u>	<u>2,472</u>	<u>2,182</u>	<u>1,890</u>	<u>1,740</u>	<u>1,719</u>	<u>3,122</u>	<u>2,635</u>
	<u>291,361</u>	<u>266,945</u>	<u>260,034</u>	<u>253,502</u>	<u>251,044</u>	<u>244,854</u>	<u>234,674</u>	<u>218,332</u>	<u>225,960</u>	<u>207,769</u>
Total program expenses	<u>887,905</u>	<u>846,795</u>	<u>842,728</u>	<u>854,686</u>	<u>871,910</u>	<u>806,255</u>	<u>772,962</u>	<u>701,655</u>	<u>697,642</u>	<u>668,911</u>
PROGRAM REVENUES										
<i>Governmental Activities</i>										
CHARGES FOR SERVICES										
General government	1,883	2,220	2,143	2,413	2,452	1,500	1,312	1,062	1,210	7,005
Public safety:										
Police	3,730	3,765	3,118	2,814	1,972	2,000	2,474	2,290	2,133	3,968
Fire	8	12	11	4	20	24	13	15	13	15
Other	30,530	30,572	28,573	21,588	21,526	21,156	21,645	21,745	20,818	13,721
Public services	18,429	17,552	19,054	19,131	20,315	18,686	18,346	16,449	15,271	9,309
Culture and recreation	18,519	18,127	15,801	15,640	16,494	7,756	7,909	5,351	4,707	3,028
Education	205	204	9	-	71	-	-	-	-	-
Economic development	2	1	-	-	-	-	-	-	-	-
Operating grants and contributions	65,844	73,965	57,725	73,350	74,426	57,342	64,487	63,895	56,345	59,482
Capital grants and contributions	<u>16,504</u>	<u>12,003</u>	<u>30,761</u>	<u>24,093</u>	<u>30,780</u>	<u>14,152</u>	<u>21,459</u>	<u>38,664</u>	<u>23,967</u>	<u>4,067</u>
	<u>155,654</u>	<u>158,421</u>	<u>157,195</u>	<u>159,033</u>	<u>168,056</u>	<u>122,616</u>	<u>137,645</u>	<u>149,471</u>	<u>124,464</u>	<u>100,595</u>
<i>Business-type Activities</i>										
CHARGES FOR SERVICES										
Airports	60,136	60,647	56,105	54,089	57,978	55,107	49,885	48,858	47,144	49,538
Water and wastewater utilities	198,646	184,370	163,063	146,534	132,576	130,103	129,545	115,412	116,010	107,235
Solid waste management	41,418	39,933	38,459	37,067	32,143	31,789	30,950	28,768	27,916	28,281
Stormwater drainage	14,540	12,715	11,204	11,000	10,495	9,820	8,856	8,065	7,159	6,769
Golf courses	9,063	8,481	8,222	9,027	8,150	7,396	7,570	7,442	7,446	7,531
Fairgrounds	5	-	-	97	-	11	10	10	10	20
Ground transportation and parking	<u>2,202</u>	<u>2,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges for services	<u>326,010</u>	<u>308,391</u>	<u>277,053</u>	<u>257,814</u>	<u>241,342</u>	<u>234,226</u>	<u>228,497</u>	<u>208,555</u>	<u>205,685</u>	<u>199,374</u>
Operating grants and contributions	11,172	11,237	10,855	13,871	24,988	21,526	19,681	16,648	9,176	5,368
Capital grants and contributions	<u>18,706</u>	<u>29,978</u>	<u>26,029</u>	<u>32,708</u>	<u>15,251</u>	<u>35,719</u>	<u>34,406</u>	<u>31,401</u>	<u>20,786</u>	<u>23,953</u>
	<u>355,888</u>	<u>349,606</u>	<u>313,937</u>	<u>304,393</u>	<u>281,581</u>	<u>291,471</u>	<u>282,584</u>	<u>256,604</u>	<u>235,647</u>	<u>228,695</u>
Total program revenues	<u>511,542</u>	<u>508,027</u>	<u>471,132</u>	<u>463,426</u>	<u>449,637</u>	<u>414,087</u>	<u>420,229</u>	<u>406,075</u>	<u>360,111</u>	<u>329,290</u>

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
NET (EXPENSES) REVENUES (3)										
<i>Governmental Activities</i>	(440,890)	(421,429)	(425,499)	(442,151)	(452,785)	(438,785)	(400,643)	(333,852)	(347,218)	(360,547)
<i>Business-type Activities</i>	<u>64,527</u>	<u>82,661</u>	<u>53,903</u>	<u>50,891</u>	<u>46,617</u>	<u>46,617</u>	<u>47,910</u>	<u>38,272</u>	<u>9,687</u>	<u>20,926</u>
Net expenses	<u>(376,363)</u>	<u>(338,768)</u>	<u>(371,596)</u>	<u>(391,260)</u>	<u>(406,168)</u>	<u>(392,168)</u>	<u>(352,733)</u>	<u>(295,580)</u>	<u>(337,531)</u>	<u>(339,621)</u>
GENERAL REVENUES,										
CONTRIBUTIONS										
AND TRANSFERS										
<i>Governmental Activities</i>										
TAXES:										
Sales taxes:										
General	198,383	186,414	169,105	178,462	179,504	171,065	164,579	151,717	146,302	139,830
Police	37,710	35,367	31,919	33,462	33,657	32,074	30,859	28,447	27,432	26,218
Fire	37,707	35,367	31,919	33,462	33,657	32,074	30,859	28,447	27,432	26,218
Public services	3,343	2,210	1,132	674	-	-	-	-	130	23,281
Culture and recreation	112,726	105,055	90,566	52,155	11,219	10,692	10,286	9,482	9,144	8,739
Education	-	-	-	<u>48,065</u>	<u>89,678</u>	<u>85,288</u>	<u>82,240</u>	<u>75,936</u>	<u>72,930</u>	<u>43,429</u>
Total sales taxes	<u>389,869</u>	<u>364,413</u>	<u>324,641</u>	<u>346,280</u>	<u>347,715</u>	<u>331,193</u>	<u>318,823</u>	<u>294,029</u>	<u>283,370</u>	<u>267,715</u>
Use taxes	52,470	44,735	37,976	38,221	36,610	34,239	30,916	27,488	22,327	19,250
Hotel/Motel taxes	12,177	10,858	10,319	10,653	10,830	9,704	8,623	5,391	2,600	2,561
Property taxes	73,778	76,581	60,935	62,093	61,372	52,812	43,231	45,464	47,051	45,713
Franchise taxes (fees)	42,410	39,912	40,216	39,902	31,707	31,358	30,677	25,903	26,039	24,911
Emergency telephone taxes	4,598	4,546	4,777	4,678	4,376	-	-	-	2,389	2,425
Other taxes	<u>6,401</u>	<u>6,076</u>	<u>5,329</u>	<u>5,518</u>	<u>5,742</u>	<u>9,614</u>	<u>8,248</u>	<u>4,447</u>	<u>1,573</u>	<u>576</u>
Total taxes	<u>581,703</u>	<u>547,121</u>	<u>484,193</u>	<u>507,345</u>	<u>498,352</u>	<u>468,920</u>	<u>440,518</u>	<u>402,722</u>	<u>385,349</u>	<u>363,151</u>
Oil and gas royalties	1,074	1,066	1,178	823	1,014	782	826	733	492	362
Unrestricted investment income	2,182	2,669	5,409	17,503	27,174	24,836	15,373	8,176	2,328	15,514
Payments from component units	-	-	-	-	-	-	-	-	114	-
Miscellaneous	7,953	5,319	7,221	1,515	4,820	11,342	5,105	2,402	2,011	4,122
Transfers	(453)	(6,832)	(1,066)	(6,540)	(2,095)	(741)	1,152	2,847	3,330	4,104
Special item	<u>7,497</u>	-	-	-	-	-	-	-	-	-
	<u>599,956</u>	<u>549,343</u>	<u>496,935</u>	<u>520,646</u>	<u>529,265</u>	<u>505,139</u>	<u>462,974</u>	<u>416,880</u>	<u>393,624</u>	<u>387,253</u>
<i>Business-type Activities</i>										
Unrestricted investment income	1,180	1,371	-	-	-	-	-	-	-	1,396
Payments from component units	-	-	-	-	-	-	-	-	1,821	2,151
Transfers	453	6,832	1,066	6,540	2,095	741	(1,152)	(2,847)	(3,330)	(4,104)
Special item	<u>(2,872)</u>	-	-	-	-	-	-	-	-	-
	<u>(1,239)</u>	<u>8,203</u>	<u>1,066</u>	<u>6,540</u>	<u>2,095</u>	<u>741</u>	<u>(1,152)</u>	<u>(2,847)</u>	<u>(1,509)</u>	<u>(557)</u>
Total general revenues, contributions, transfers, and special items	<u>598,717</u>	<u>557,546</u>	<u>498,001</u>	<u>527,186</u>	<u>531,360</u>	<u>505,880</u>	<u>461,822</u>	<u>414,033</u>	<u>392,115</u>	<u>386,696</u>
CHANGES IN NET ASSETS										
<i>Governmental Activities</i>	159,066	127,914	71,436	78,495	76,455	66,354	62,331	83,028	46,406	26,706
<i>Business-type Activities</i>	<u>63,288</u>	<u>90,864</u>	<u>54,969</u>	<u>57,431</u>	<u>32,632</u>	<u>47,358</u>	<u>46,758</u>	<u>35,425</u>	<u>8,178</u>	<u>20,369</u>
Total primary government	<u>\$222,354</u>	<u>\$218,778</u>	<u>\$126,405</u>	<u>\$135,926</u>	<u>\$109,087</u>	<u>\$113,712</u>	<u>\$109,089</u>	<u>\$118,453</u>	<u>\$54,584</u>	<u>\$47,075</u>

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

(2) Expenses include allocated indirect expenses.

(3) Net (expenses) revenues is the difference between expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses indicates that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses indicate that program revenues were more than sufficient to cover expenses.

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

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

	Fiscal Year									
	2012	2011 (2)	2010	2009	2008	2007	2006	2005	2004	2003
<u>GENERAL FUND</u>										
Non-spendable	\$10,376	\$8,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	275	183	-	-	-	-	-	-	-	-
Assigned	1,687	1,239	-	-	-	-	-	-	-	-
Unassigned	103,749	89,177	-	-	-	-	-	-	-	-
<u>RESERVED FOR</u>										
Encumbrances	-	-	1,144	1,872	1,944	4,068	1,988	2,750	1,790	3,130
Restricted purposes	-	-	515	508	442	410	291	197	555	276
Non-current receivables and other assets	-	-	3,311	-	-	-	-	-	-	-
Unreserved:										
Designated	-	-	5,000	5,000	5,000	5,000	5,000	5,000	4,000	5,000
Undesignated	-	-	<u>53,730</u>	<u>74,112</u>	<u>83,179</u>	<u>79,347</u>	<u>80,265</u>	<u>64,800</u>	<u>50,437</u>	<u>50,223</u>
Total General Fund	<u>116,087</u>	<u>99,313</u>	<u>63,700</u>	<u>81,492</u>	<u>90,565</u>	<u>88,825</u>	<u>87,544</u>	<u>72,747</u>	<u>56,782</u>	<u>58,629</u>
% change from prior year	16.9%	55.9%	(21.8%)	(10.0%)	2.0%	1.5%	20.3%	28.1%	(3.2%)	(12.8%)
<u>OTHER GOVERNMENTAL FUNDS</u>										
Non-spendable	9,865	14,765	-	-	-	-	-	-	-	-
Restricted	462,583	407,211	-	-	-	-	-	-	-	-
Committed	42,897	19,381	-	-	-	-	-	-	-	-
Assigned	84,935	79,602	-	-	-	-	-	-	-	-
Unassigned	(4,537)	(6,487)	-	-	-	-	-	-	-	-
<u>RESERVED FOR</u>										
Encumbrances	-	-	87,632	84,906	99,990	84,560	63,686	51,368	34,036	48,298
Restricted purposes	-	-	3,105	11,369	11,480	11,786	12,660	-	-	-
Non-current receivables and other assets	-	-	24,934	8,492	8,935	4,781	5,095	-	-	146
<u>UNRESERVED, REPORTED IN</u>										
Debt Service Fund	-	-	47,823	46,850	48,205	36,425	36,448	38,577	33,077	30,890
Special revenue funds:										
Designated	-	-	-	-	-	-	-	400	-	-
Undesignated	-	-	171,880	151,985	93,157	89,945	77,570	81,282	116,009	133,072
Capital Projects Fund	-	-	<u>151,691</u>	<u>157,387</u>	<u>186,138</u>	<u>190,284</u>	<u>177,711</u>	<u>166,826</u>	<u>145,144</u>	<u>147,430</u>
Total other governmental funds	<u>595,743</u>	<u>514,472</u>	<u>487,065</u>	<u>460,989</u>	<u>447,905</u>	<u>417,781</u>	<u>373,170</u>	<u>338,453</u>	<u>328,266</u>	<u>359,836</u>
% change from prior year	15.8%	5.6%	5.7%	2.9%	7.2%	12.0%	10.3%	3.1%	(8.8%)	(1.7%)
Total	<u>\$711,830</u>	<u>\$613,785</u>	<u>\$550,765</u>	<u>\$542,481</u>	<u>\$538,470</u>	<u>\$506,606</u>	<u>\$460,714</u>	<u>\$411,200</u>	<u>\$385,048</u>	<u>\$418,465</u>
% change from prior year	16.0%	11.4%	1.5%	0.7%	6.3%	10.0%	12.0%	6.8%	(8.0%)	(3.4%)

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

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

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUE										
Taxes (2)	\$583,252	\$544,492	\$486,023	\$506,571	\$501,233	\$468,497	\$439,102	\$403,038	\$386,200	\$361,355
Licenses and permits	21,894	21,718	18,033	12,427	12,905	11,926	12,680	11,653	10,846	8,875
Oil and gas royalties	1,073	1,066	1,178	823	1,014	782	826	733	492	362
Fines and forfeitures	24,035	23,617	21,316	20,127	20,150	19,645	20,215	20,219	19,302	14,375
Investment income	4,994	6,599	4,952	15,519	26,154	23,636	14,362	7,657	2,180	14,971
Charges for services	35,944	35,823	37,322	38,813	38,763	28,516	26,234	23,582	22,329	23,736
Rental income	1,273	1,025	1,286	1,986	3,401	2,997	3,303	2,402	1,467	230
Payments from component units	314	579	2,558	20,793	26	26	-	-	114	342
Intergovernmental programs	63,044	67,597	53,359	59,788	64,782	58,019	64,629	64,937	55,909	57,737
Other	<u>9,668</u>	<u>3,338</u>	<u>7,221</u>	<u>1,515</u>	<u>3,974</u>	<u>11,057</u>	<u>6,470</u>	<u>2,452</u>	<u>1,794</u>	<u>3,818</u>
Total revenue	<u>745,491</u>	<u>705,854</u>	<u>633,248</u>	<u>678,362</u>	<u>672,402</u>	<u>625,101</u>	<u>587,821</u>	<u>536,673</u>	<u>500,633</u>	<u>485,801</u>
% change from prior year	5.6%	11.5%	(6.7%)	0.9%	7.6%	6.3%	9.5%	7.2%	3.1%	5.4%
EXPENDITURES										
CURRENT										
General government	46,567	46,755	53,125	49,391	65,180	38,145	41,934	37,753	44,336	47,015
Public safety	295,757	273,504	291,388	293,857	304,332	270,313	273,632	254,365	257,944	225,654
Public services	91,134	88,076	102,257	77,072	146,166	131,049	127,493	100,956	67,851	111,281
Culture and recreation	63,772	66,493	56,898	56,107	55,451	56,413	51,579	42,402	45,588	46,171
Education	1,519	1,242	1,245	41,331	89,766	85,365	82,270	75,964	83,932	41,918
Economic development	<u>7,198</u>	<u>4,861</u>	-	-	-	-	-	-	-	-
Total current	505,947	480,931	504,913	517,758	660,895	581,285	576,908	511,440	499,651	472,039
Capital outlay (3)	123,236	132,207	136,879	138,795	-	-	-	-	-	-
DEBT SERVICE										
Principal	46,700	44,071	38,933	38,780	35,641	32,039	28,345	25,965	26,025	23,025
Interest	22,851	25,542	23,630	24,391	21,402	19,429	16,192	16,042	16,774	17,328
Other	<u>14,146</u>	<u>464</u>	<u>860</u>	<u>414</u>	<u>359</u>	<u>361</u>	<u>558</u>	<u>892</u>	<u>187</u>	<u>1,101</u>
Total expenditures	<u>712,880</u>	<u>683,215</u>	<u>705,215</u>	<u>720,138</u>	<u>718,297</u>	<u>633,114</u>	<u>622,003</u>	<u>554,339</u>	<u>542,637</u>	<u>513,493</u>
Excess (deficiency) of revenues over expenditures	<u>32,611</u>	<u>22,639</u>	<u>(71,967)</u>	<u>(41,776)</u>	<u>(45,895)</u>	<u>(8,013)</u>	<u>(34,182)</u>	<u>(17,666)</u>	<u>(42,004)</u>	<u>(27,692)</u>

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

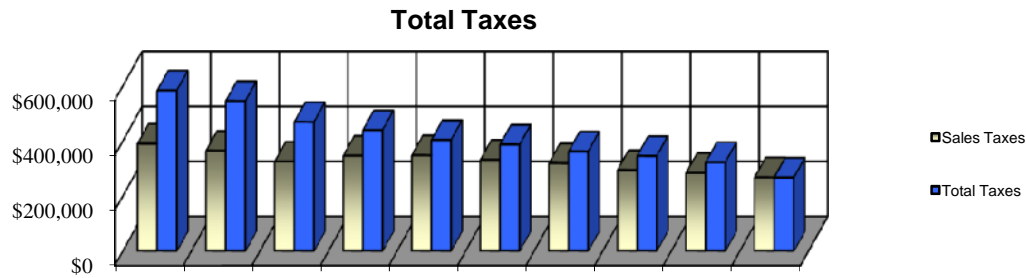
**CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 4
page 2 of 2**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>OTHER FINANCING</u>										
<u>SOURCES (USES)</u>										
Transfers from other funds	97,883	84,744	148,665	54,526	29,734	38,237	59,490	39,589	30,748	32,181
Transfers to other funds	(99,011)	(90,765)	(154,706)	(61,780)	(29,750)	(60,639)	(76,293)	(49,946)	(44,960)	(45,834)
Capital financing	405	-	-	111	320	75	2,482	236	20	68
Sale of assets	458	576	731	1,298	1,718	1,077	3,225	1,473	2,615	330
Insurance recoveries	-	-	-	-	-	-	11	-	-	-
Premium on bonds	19,407	2,826	3,167	1,127	2,013	2,300	2,121	9,400	164	2,860
Long-term debt issued	130,110	43,000	93,969	49,345	68,980	72,855	92,660	47,000	20,000	25,000
Proceeds of refunding bonds	-	-	-	-	-	-	-	91,325	-	86,725
Grant capital	-	-	101	-	-	-	-	91,325	-	86,725
Payment to refunded bonds										
Escrow agent	(91,315)	-	-	-	-	-	-	(95,259)	-	(88,562)
Net other financing sources	<u>57,937</u>	<u>40,381</u>	<u>91,927</u>	<u>44,627</u>	<u>73,015</u>	<u>53,905</u>	<u>83,696</u>	<u>43,818</u>	<u>8,587</u>	<u>12,768</u>
Net change in fund balances (4)	<u>\$90,548</u>	<u>\$63,020</u>	<u>\$19,960</u>	<u>\$2,851</u>	<u>\$27,120</u>	<u>\$45,892</u>	<u>\$49,514</u>	<u>\$26,152</u>	<u>(\$33,417)</u>	<u>(\$14,924)</u>
Capital outlay (3)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$103,535</u>	<u>\$96,628</u>	<u>\$110,496</u>	<u>\$94,087</u>	<u>\$75,741</u>	<u>\$79,402</u>
Debt service as a percentage of non-capital expenditures	14.2%	12.7%	11.2%	10.9%	9.3%	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

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

TAX REVENUES BY SOURCE (1)
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 5



Fiscal Year	Sales Taxes (2)	Property Taxes (3)	Use Taxes (4)	Franchise Taxes/Fees (5)	Hotel/Motel Taxes (6)
2012	\$389,869	\$75,141	\$52,469	\$42,433	\$12,342
2011	364,416	72,406	44,734	41,506	10,809
2010	324,641	64,343	37,976	38,720	10,237
2009	346,280	61,727	38,221	39,574	10,615
2008	347,714	64,257	36,610	31,704	10,830
2007	331,193	52,389	34,239	31,358	9,704
2006	318,823	41,815	30,916	30,677	8,623
2005	294,029	45,780	27,488	25,903	5,391
2004	283,370	47,902	22,327	27,062	2,600
2003	267,715	43,917	19,250	24,911	2,561
% change over 10 years	45.6%	71.1%	172.6%	70.3%	381.9%

Fiscal Year	Emergency Telephone Tax (7)	Tobacco Excise Tax (5)(8)	State Alcoholic Beverage Taxes (5)	Other Taxes (5)(9)	Total
2012	\$4,597	\$5,567	\$834	\$ -	\$583,252
2011	4,545	5,298	778	-	544,492
2010	4,777	4,583	746	-	468,497
2009	4,678	4,730	746	-	439,102
2008	4,376	4,893	849	-	403,038
2007	4,193	4,767	654	-	386,200
2006	2,894	4,721	612	21	361,355
2005	2,243	1,581	599	24	345,157
2004	2,389	-	529	21	322,405
2003	2,425	-	576	-	267,120
% change over 10 years	89.6%	100.0%	44.8%	0.0%	118.3%

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

SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS

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

June 30, 2012

(dollars are in thousands)

OKLAHOMA CITY	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%
Public safety-police	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Public safety-fire	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
Oklahoma City zoo	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Capital equipment-										
Police/fire (1)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500
MAPS for kids (1)	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	0.500
MAPS3 (1)	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sports facility (1)	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>1.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Oklahoma City (2)	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>	<u>3.875</u>
State of Oklahoma (3)	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>	<u>4.500</u>
Total	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>

(1) Temporary sales taxes (see notes to table 5).

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

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

TAXABLE SALES BY CATEGORY (1)

TABLE 7

Last Ten Fiscal Years

(dollars are in thousands)

	Fiscal Year										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Manufacturing	\$16,406	4.23%	\$13,814	\$11,792	\$14,078	\$13,871	\$11,854	\$11,585	\$9,408	\$8,338	\$7,538
Telecommunications											
& other	16,905	4.36	17,109	17,691	17,658	17,002	16,475	16,079	16,646	16,765	17,718
Public utilities	28,579	7.36	26,478	27,173	27,040	24,571	25,802	25,112	20,914	21,487	19,666
Wholesale trade	42,819	11.03	37,560	27,970	36,835	36,303	33,295	29,739	26,127	23,681	20,743
Retail:											
Building materials	24,146	6.22	28,431	21,592	23,987	23,490	22,853	23,433	22,353	20,268	17,741
General merchandise	49,806	12.84	48,655	47,995	50,261	50,409	49,909	49,565	47,789	47,220	45,404
Food	24,437	6.30	22,320	19,203	18,792	17,483	16,568	15,804	16,937	18,124	17,440
Automotive	11,374	2.93	10,236	9,091	10,180	10,530	10,401	9,619	9,239	9,102	8,442
Apparel	17,002	4.38	14,159	13,166	13,338	13,629	13,429	12,374	11,885	11,307	11,096
Furniture											
& accessories	25,827	6.65	25,637	22,524	24,792	25,535	24,899	22,510	21,340	22,397	22,934
Restaurants	46,829	12.07	43,743	39,831	40,868	39,721	37,171	35,722	32,660	30,234	28,441
Miscellaneous	36,606	9.43	33,259	31,218	32,630	32,319	32,765	27,147	27,299	25,493	24,111
Services:											
Hotels	8,893	2.29	8,571	7,611	8,263	8,016	7,015	6,135	5,959	5,664	5,553
Business	13,480	3.47	13,780	11,192	11,646	13,275	12,909	11,858	11,106	11,067	9,997
Other	17,564	4.53	16,951	15,360	16,678	15,641	14,249	13,115	12,586	12,121	11,762
All other categories	<u>7,417</u>	<u>1.91</u>	<u>6,630</u>	<u>3,811</u>	<u>5,622</u>	<u>6,176</u>	<u>5,051</u>	<u>6,370</u>	<u>3,748</u>	<u>2,932</u>	<u>2,392</u>
	<u>\$388,090</u>	<u>100.00%</u>	<u>\$367,333</u>	<u>\$327,220</u>	<u>\$352,668</u>	<u>\$347,971</u>	<u>\$334,645</u>	<u>\$316,167</u>	<u>\$295,996</u>	<u>\$286,200</u>	<u>\$270,978</u>

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

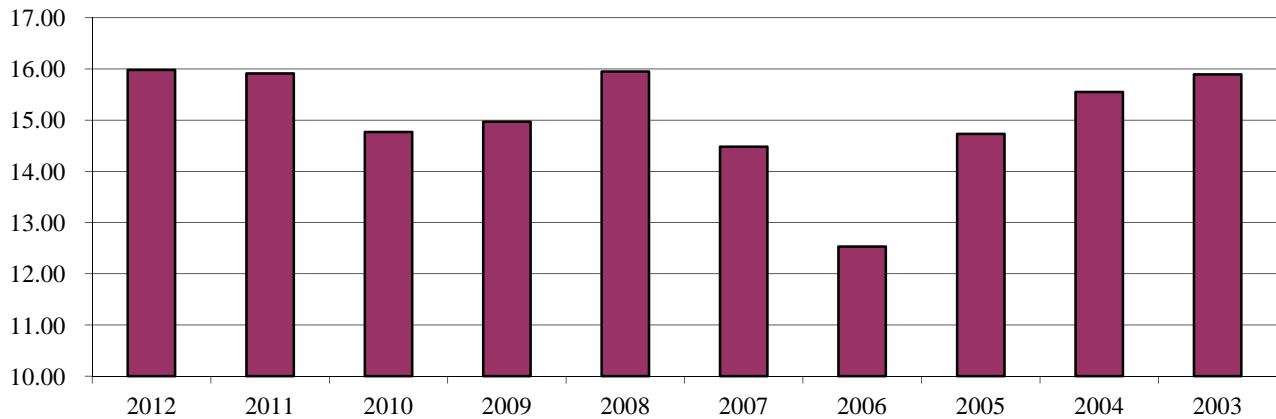
TAXABLE ASSESSED VALUE AND ESTIMATED FAIR MARKET (ACTUAL) VALUE OF PROPERTY (1)

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

June 30, 2012

(dollars are in thousands)

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



Fiscal Year	Real Property	Personal Property	Public Service Property	Less Tax Exempt Property	Total Taxable Assessed Value	Estimated Fair Market Value of	City Property Tax Rate (3)
						City Taxable Property (2)	
2012	\$3,789,765	\$779,897	\$335,269	\$124,599	\$4,780,332	\$40,458,929	15.98
2011	3,571,276	728,731	337,232	120,792	4,516,447	38,143,749	15.91
2010	3,435,800	742,922	344,152	115,543	4,407,331	37,093,359	14.77
2009	3,264,719	667,971	332,611	113,845	4,151,456	34,957,908	14.97
2008	3,028,840	631,729	352,063	111,641	3,900,991	32,655,141	15.95
2007	2,785,193	619,684	407,247	109,950	3,702,174	30,609,446	14.48
2006	2,531,790	594,479	433,662	98,730	3,461,201	28,340,075	12.53
2005	2,336,794	579,680	329,367	97,797	3,148,044	25,936,521	14.73
2004	2,168,907	567,997	323,231	97,851	2,962,284	24,299,481	15.55
2003	2,032,941	581,198	329,398	96,840	2,846,697	23,193,899	15.89

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

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

Fiscal Year	Real	Personal	Public
	Estate	Property	Service Property
2012	11.0%	13.75%	22.85%
2011	11.0	13.75	22.85
2010	11.0	13.75	22.85
2009	11.0	13.75	22.85
2008	11.0	13.75	22.85
2007	11.0	13.75	22.85
2006	11.0	13.75	22.85
2005	11.0	14.00	22.85
2004	11.0	14.00	22.85
2003	11.0	14.00	22.85

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

POTTAWATOMIE COUNTY

<u>Fiscal Year</u>	<u>Oklahoma City</u>	<u>Pottawatomie County</u>	<u>McLoud Schools</u>	<u>Gordon Cooper Vo-Tech</u>
2012	15.98	22.81	46.95	15.18
2011	15.91	22.81	47.69	15.18
2010	14.77	22.81	52.75	15.18
2009	14.97	22.81	50.14	15.18
2008	15.95	20.81	49.83	15.18
2007	14.48	20.81	50.77	15.18
2006	12.53	20.81	51.71	15.18
2005	14.73	20.81	53.15	15.18
2004	15.55	20.81	53.77	15.18
2003	15.89	20.81	55.20	15.18

CANADIAN COUNTY

<u>Fiscal Year</u>	<u>Oklahoma City</u>	<u>Canadian County</u>	<u>Banner Schools</u>	<u>Mustang Schools</u>	<u>Piedmont Schools</u>	<u>Union City Schools</u>	<u>Yukon Schools</u>
2012	15.98	16.11	43.51	65.07	73.71	55.64	71.34
2011	15.91	16.11	43.37	65.20	72.18	61.50	71.38
2010	14.77	16.11	43.64	66.47	73.01	61.33	68.79
2009	14.97	16.11	44.38	66.96	73.54	62.10	68.52
2008	15.95	16.11	44.57	66.80	74.51	55.34	68.40
2007	14.48	16.11	41.28	67.34	69.75	64.02	67.65
2006	12.53	16.11	41.28	58.58	61.29	54.93	66.96
2005	14.73	16.11	41.28	64.40	63.01	64.88	66.59
2004	15.55	16.11	41.28	65.64	64.68	59.98	64.85
2003	15.89	16.11	41.28	65.68	65.17	52.44	64.91

- (1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.
(2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and the County.

CLEVELAND COUNTY

Fiscal Year	Oklahoma City	Cleveland County	Little Axe Schools	McLoud Schools	Midwest City Schools	Moore Schools	Mustang Schools
2012	15.98	23.07	55.44	46.95	64.64	64.66	65.07
2011	15.91	23.07	64.15	47.69	65.60	66.24	65.20
2010	14.77	23.07	65.65	52.75	65.83	67.86	66.47
2009	14.97	23.07	54.33	50.14	65.05	67.11	66.96
2008	15.95	21.07	57.31	49.83	64.31	68.19	66.80
2007	14.48	21.07	60.15	50.77	62.79	60.52	67.34
2006	12.53	21.07	60.18	51.71	59.96	60.83	58.58
2005	14.73	21.07	62.96	53.15	61.11	57.72	64.40
2004	15.55	21.08	62.90	53.77	61.83	58.06	65.64
2003	15.89	21.17	57.01	55.20	60.00	58.36	65.68

Fiscal Year	Norman Schools	Robin Hill Schools	Rose State College	Moore-Norman Vo-Tech	Gordon Cooper Vo-Tech
2012	67.02	70.15	17.18	14.38	15.18
2011	66.15	52.78	17.32	14.38	15.18
2010	66.41	59.16	17.40	14.38	15.18
2009	65.42	61.72	17.30	14.38	15.18
2008	67.08	61.36	17.67	14.38	15.18
2007	62.80	65.43	18.29	14.38	15.18
2006	62.03	65.53	16.35	14.38	15.18
2005	65.55	60.55	16.50	14.38	15.18
2004	67.30	62.75	16.62	14.38	15.18
2003	65.55	47.11	16.66	14.38	15.18

(1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.

(2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and the County.

**PROPERTY TAX RATES OF DIRECT AND
OVERLAPPING GOVERNMENTS (1) (2)**
June 30, 2012

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

OKLAHOMA COUNTY

Fiscal Year	Oklahoma City	Oklahoma County	Oklahoma City Schools	Choctaw Schools	Crooked Oak Schools	Crutcho Schools	Deer Creek Schools	Edmond Schools	Harrah Schools
2012	15.98	24.06	62.09	70.22	65.84	62.01	78.09	66.28	61.01
2011	15.91	24.27	58.70	69.41	65.10	64.02	74.52	66.96	59.99
2010	14.77	25.05	58.43	68.50	67.40	46.96	77.67	66.66	61.11
2009	14.97	23.18	52.48	66.66	57.90	48.14	76.08	66.23	57.60
2008	15.95	22.29	56.73	63.11	64.17	48.14	73.05	66.35	58.56
2007	14.48	22.81	57.07	62.60	65.37	47.56	74.19	65.86	56.07
2006	12.53	22.99	58.02	62.33	66.73	48.60	75.92	65.95	57.08
2005	14.73	22.99	57.84	61.33	66.85	46.68	74.75	66.51	58.36
2004	15.55	22.35	54.44	63.85	66.41	49.47	76.37	66.23	59.74
2003	15.89	22.35	59.64	60.58	54.91	51.96	76.31	66.78	59.45

Fiscal Year	Midwest								
	Jones Schools	Luther Schools	McLoud Schools	City Schools	Millwood Schools	Moore Schools	Mustang Schools	Oakdale Schools	Piedmont Schools
2012	63.42	53.51	46.95	64.64	56.98	64.66	65.07	66.41	73.71
2011	65.26	55.45	47.69	65.60	56.80	66.24	65.20	68.42	72.18
2010	60.50	55.46	52.75	65.83	58.81	67.86	66.47	67.22	73.01
2009	64.30	56.19	50.14	65.05	59.55	67.11	66.96	59.52	73.54
2008	52.11	57.55	49.83	64.31	55.18	68.19	66.80	61.52	74.51
2007	58.15	44.08	50.77	62.79	57.54	60.52	67.34	59.96	69.75
2006	59.90	44.58	51.71	59.96	56.79	60.83	58.58	60.07	61.29
2005	55.40	46.70	53.15	61.11	55.59	57.72	64.40	62.93	63.01
2004	58.20	46.28	53.77	61.83	63.82	58.06	65.64	67.20	64.68
2003	60.19	59.95	55.20	60.00	65.92	58.36	65.68	64.12	65.17

Fiscal Year	Eastern								
	Putnam City Schools	Western Heights Schools	Oklahoma City Community College	Rose State College	Eastern Oklahoma County Vo-Tech	Francis Tuttle Vo-Tech	Metro-Tech Vo-Tech	Moore-Norman Vo-Tech	Gordon Cooper Vo-Tech
2012	62.43	62.28	5.08	17.18	16.16	15.69	15.45	14.38	15.18
2011	61.20	61.57	5.08	17.32	16.20	15.69	15.45	14.38	15.18
2010	61.52	63.53	5.08	17.40	16.09	15.46	15.45	14.38	15.18
2009	60.72	57.92	5.08	17.30	16.24	15.69	15.45	14.38	15.18
2008	56.90	60.48	5.08	17.67	16.30	15.69	15.45	14.38	15.18
2007	55.96	59.52	5.08	18.29	16.41	15.69	15.45	14.38	15.18
2006	55.14	59.98	5.08	16.35	16.43	15.69	15.45	14.38	15.18
2005	55.71	60.12	5.08	16.50	16.53	15.69	15.45	14.38	15.18
2004	56.09	58.01	5.08	16.62	16.50	14.96	15.45	14.38	15.18
2003	56.29	60.49	5.08	16.66	16.95	14.96	15.45	14.38	15.18

(1) The source for property tax rates of all Oklahoma jurisdictions is the Oklahoma State Board of Equalization. Also, see Notes to Table 8.
(2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district to the rate for Oklahoma City and Oklahoma County.

PRINCIPAL PROPERTY TAXPAYERS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 10

Fiscal Year					
2012			2001		
Principal Taxpayers	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Property Value	Principal Taxpayers	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Property Value
	OG&E	\$179,842		3.76%	OG&E
Southwestern Bell	69,953	1.46	Southwestern Bell Telephone Company	92,248	3.24
AT&T Mobility	66,600	1.39	AT&T Communications, Ent.	55,047	1.93
Oklahoma Natural Gas	36,201	0.76	General Motors Corporation	33,856	1.19
Cox Oklahoma Telecom LLC.	22,119	0.46	Oklahoma Natural Gas Co.	27,068	0.95
Hobby Lobby Stores Inc.	22,002	0.46	Southwestern Bell Wireless	16,171	0.57
Quad Graphics Inc.	17,452	0.37	Cox Oklahoma Telecom, LLC.	16,018	0.56
COX Com Inc.	16,817	0.35	Midwest Cellular Telephone	13,612	0.48
Chesapeake Land Company LLC.	16,203	0.34	Lucent Technologies	10,160	0.36
OU Medical Center	13,606	0.28	Hertz	9,776	0.34
	<u>\$460,795</u>	<u>9.63%</u>		<u>\$368,502</u>	<u>12.94%</u>
Total Assessed Valuation	<u>\$4,904,931</u>		Total Assessed Valuation	<u>\$2,943,537</u>	
Taxable Assessed Value	<u>\$4,780,332</u>		Taxable Assessed Value	<u>\$2,846,697</u>	

(1) The source for property value information is the Oklahoma County Assessor's Office.

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(dollars are in thousands)

TABLE 11

Fiscal Year	Tax Levied for the Fiscal Year (1)	Collection within the Fiscal Year of the Levy (2)		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$74,379	\$70,893	95.3%	\$ -	\$70,893	95.3%
2011	71,850	68,114	94.8	2,335	70,449	98.1
2010	65,113	61,804	94.9	2,556	64,360	98.8
2009	62,150	59,411	95.6	2,321	61,732	99.3
2008	62,229	59,557	95.7	2,529	62,086	99.8
2007	53,602	49,611	92.6	3,140	52,751	98.4
2006	43,366	39,296	90.6	3,545	42,841	98.8
2005	46,360	43,396	93.6	1,863	45,259	97.6
2004	46,058	42,509	92.3	1,265	43,774	95.0
2003	45,229	41,012	90.7	1,786	42,798	94.6

(1) The source for this information is the Oklahoma City Statements of Debt Service Fund and Requirements from Ad Valorem Tax Levy for respective fiscal years.

(2) The sources for this information are the respective County property tax collections for Oklahoma City (see Table 9).

**PRIMARY GOVERNMENT
PRINCIPAL PROPERTY TAXPAYERS
RATIOS OF OUTSTANDING DEBT BY TYPE
June 30, 2012
(dollars are in thousands)**

**CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 12**

<i>Governmental Activities</i>									
Fiscal Year	Governmental Funds				Internal Service Funds		Total		
	General	Lease	Notes	Estimated	Revenue	Lease	Governmental		
	Obligation Bonds	Obligations	Payable	Claims Payable	Bonds	Obligations	Activities		
2012	\$553,445	\$299	\$5,077	\$ -	\$ -	\$39	\$558,860		
2011	565,670	8	7,256	-	-	50	572,984		
2010	561,740	111	12,256	-	-	13	574,120		
2009	505,780	287	11,487	-	-	20	517,574		
2008	495,015	332	44,580	-	1,000	29	540,956		
2007	460,555	163	14,504	-	1,950	90	477,262		
2006	418,865	248	15,378	-	2,850	147	437,488		
2005	367,210	411	236	-	3,705	137	371,699		
2004	344,755	92	-	-	4,520	20	349,387		
2003	350,780	229	-	-	5,295	66	356,370		

<i>Business-Type Activities</i>																			
Fiscal Year	Revenue Bonds	Lease Obligations	Long-Term Interest Payable Bonds	Notes Payable OCPWA Commercial Paper (1)	Notes Payable OCPPA Golf Courses	Total Business-Type Activities	Total Primary Government (2)	Percent of Personal Income (3)	Per Capita (3)										
										2012	\$554,032	\$1,066	\$29,111	\$45,000	\$ -	\$629,209	\$1,188,069	2.7%	\$2,024
										2011	577,475	1,999	34,634	12,000	-	626,108	1,199,092	2.4	2,067
2010	543,114	3,598	39,539	47,500	-	633,751	1,207,871	2.4	2,157										
2009	507,000	4,729	43,839	20,000	-	575,568	1,093,142	2.2	1,995										
2008	485,981	5,822	47,577	36,000	-	575,380	1,116,336	2.4	2,015										
2007	493,962	508	50,757	10,000	-	555,227	1,032,489	2.3	1,888										
2006	502,413	525	53,417	-	-	556,355	993,843	2.4	1,837										
2005	521,806	1,656	55,552	-	-	579,014	950,713	2.4	1,787										
2004	493,530	2,274	57,197	-	68	553,069	902,456	2.4	1,719										
2003	446,560	2,868	58,340	-	177	507,945	864,315	2.5	1,653										

- (1) Personal income and population data are available on Table 17.
- (2) Outstanding debt balances shown in the table include the current portion reported as current liabilities in the financial statements and exclude advances, compensated absences, net other post-employment benefit obligation, and estimated rebatable arbitrage. Therefore, the total primary government amount will not tie to the financial statements.
- (3) Personal income and population data are available on Table 17.

**RATIOS OF GENERAL BONDED DEBT TO TAXABLE
ASSESSED AND ESTIMATED FAIR MARKET (ACTUAL)
VALUES AND BONDED DEBT PER CAPITA**

**CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 13**

June 30, 2012

(dollars are in thousands)

<u>Fiscal Year</u>	<u>General Obligation Bonded Debt</u>	<u>Net Bonded Debt (1)</u>	<u>Net Assessed Valuation</u>	<u>Ratio of Net Bonded Debt to Net Assessed Valuation</u>
2012	\$553,445	\$509,460	\$4,780,332	10.7
2011	565,670	521,260	4,516,447	11.5
2010	561,740	522,670	4,407,331	11.9
2009	505,780	468,320	4,151,456	11.3
2008	495,015	458,295	3,900,991	11.7
2007	460,555	427,455	3,702,174	11.5
2006	418,865	388,555	3,461,201	11.2
2005	367,210	338,865	3,148,044	10.8
2004	344,755	318,790	2,962,284	10.8
2003	350,780	326,390	2,846,697	11.5

<u>Fiscal Year</u>	<u>Estimated Fair Market Value of City Taxable Property (2)</u>	<u>Ratio of Net Bonded Debt to Estimated Fair Market Value of City Taxable Property</u>	<u>Estimated Population (in thousands) (3)</u>	<u>Per Capita Bonded Debt</u>	<u>Per Capita Net Bonded Debt</u>
2012	\$40,458,929	1.4	587	\$943	\$868
2011	38,143,749	1.5	580	975	899
2010	37,093,359	1.5	560	1,003	933
2009	34,957,908	1.4	548	923	855
2008	32,655,141	1.5	554	894	827
2007	30,609,446	1.5	547	842	781
2006	28,340,075	1.5	541	774	718
2005	25,936,521	1.4	532	690	637
2004	24,299,481	1.4	525	657	607
2003	23,193,899	1.5	523	671	624

(1) See Tables 4 and 12 for information regarding changes in City debt levels and notes to Table 14 for discussion of restricted reserves.

(2) The source of this information is the Oklahoma County Assessor's Office.

(3) Population estimates are obtained from the Oklahoma Employment Security Commission, Oklahoma Department of Commerce, and the U.S. Census Bureau.

DIRECT AND OVERLAPPING DEBT (1)
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 14

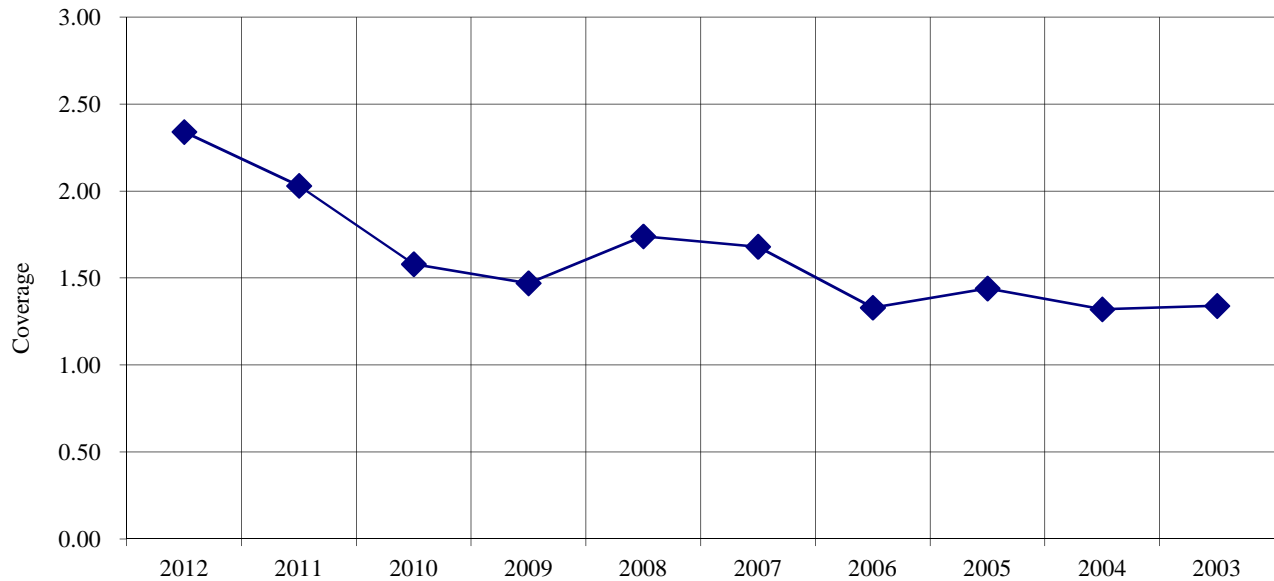
	Net General Bonded Debt Outstanding (2) (3)	Percentage Applicable to Oklahoma City (4)	Amount Applicable to Oklahoma City
Banner Schools	\$50	17.46%	\$873
Canadian County	-	40.85	-
Choctaw Schools	16,820	11.42	1,921
Cleveland County	-	24.51	-
Crooked Oak Schools	1,160	100.00	1,160
Crutcho Schools	874	5.35	47
Deer Creek Schools	13,675	61.48	8,407
Eastern Oklahoma County Vo-Tech	760	12.38	94
Edmond Schools	84,435	39.66	33,487
Francis Tuttle Vo-tech	-	58.53	-
Harrah Schools	2,466	4.97	123
Jones Schools	706	33.42	236
Little Axe Schools	795	18.74	149
Luther Schools	2,000	4.29	86
McLoud Schools	219	33.66	74
Midwest City Schools	27,460	38.59	10,597
Millwood Schools	565	89.55	506
Moore Schools	73,410	54.58	40,067
Mustang Schools	22,755	77.68	17,676
Norman Schools	41,920	77.97	32,685
Oakdale Schools	3,290	99.69	3,280
Oklahoma City Schools	134,450	86.95	116,904
Oklahoma County	61,286	67.09	41,117
Piedmont Schools	5,150	35.49	1,828
Putnam City Schools	39,250	85.17	33,429
Robin Hill Schools	155	18.18	28
Rose State College	6,800	31.64	2,152
Union City Schools	403	1.87	8
Western Heights Schools	13,275	99.94	13,267
Yukon Schools	<u>19,475</u>	<u>33.38</u>	<u>6,501</u>
	573,604		366,702
Oklahoma City	<u>509,460</u>	100.00%	<u>509,460</u>
Total direct and overlapping debt	<u>\$1,083,064</u>		<u>\$876,162</u>

- (1) Other overlapping jurisdictions identified in Table 9 have no net debt for the period shown.
- (2) Net debt outstanding is the total outstanding general obligation bonds less the reserves restricted for the repayment of principal in the Debt Service Fund. The outstanding debt balance and debt service fund restricted reserves used in this table are for the 2011-2012 tax year levy. Therefore, the net debt outstanding for the City of Oklahoma City (City) does not agree with the June 30, 2012, financial statements. Restricted reserves are created and accumulated through the property tax levy (per applicable Oklahoma Statutes) to insure that funds are on hand when debt service payments are due.
- (3) All debt shown in the schedule is repaid with property taxes. The source for bonded debt outstanding for jurisdictions other than Oklahoma City is the Oklahoma State Board of Equalization.
- (4) The percent applicable to Oklahoma City is determined by the School district's proportionate share of the total City assessed valuation as provided by the Oklahoma State Board of Equalization.

PLEDGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 1 of 7

OKLAHOMA CITY AIRPORT TRUST - AIRPORT BONDS (1)



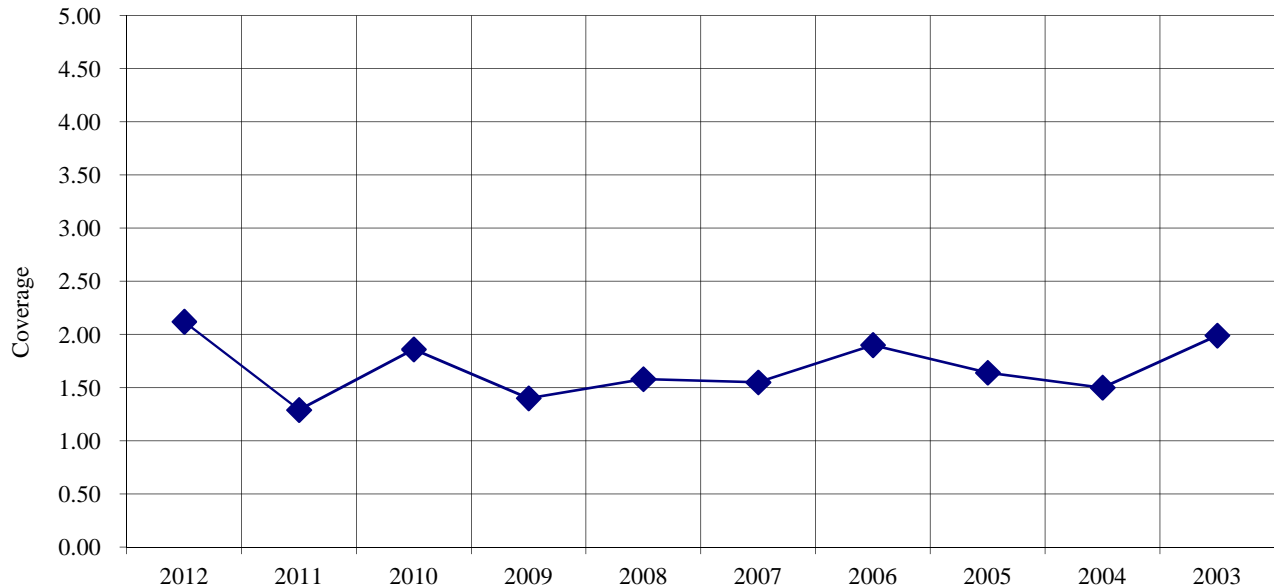
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (5)				
				Principal	Interest (4)	Total	Senior Lien		Junior Lien		Combined
							Gross	Net	Gross	Net	
2012	\$56,073	\$24,463	\$31,610	\$11,025	\$2,463	\$13,488	10.16	5.24	5.05	2.63	2.34
2011	57,370	23,090	34,280	11,370	5,510	16,880	9.41	5.19	4.52	2.51	2.03
2010	51,488	22,729	28,759	12,025	6,174	18,199	7.43	3.85	3.80	1.89	1.58
2009	51,584	22,718	28,866	12,700	6,879	19,579	7.26	3.64	3.42	1.70	1.47
2008	56,788	20,997	35,791	13,240	7,285	20,525	8.07	4.86	3.56	2.11	1.74
2007	54,168	20,358	33,810	12,420	7,708	20,128	7.65	4.55	3.47	2.03	1.68
2006	50,845	19,383	31,462	15,180	8,516	23,696	5.49	3.23	2.76	1.54	1.33
2005	48,094	17,462	30,632	13,675	7,613	21,288	4.92	2.99	3.13	1.78	1.44
2004	44,869	17,022	27,847	12,810	8,338	21,148	4.56	2.68	2.91	1.58	1.32
2003	46,476	17,568	28,908	11,625	9,913	21,538	4.63	2.73	2.98	1.63	1.34

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by the Oklahoma City Airport Trust and accumulated reserves required for certain senior lien debt.
- (2) Facility charge revenue is included in gross revenue, excluded to calculate senior lien coverage, then added back to calculate junior lien coverage.
- (3) Direct expenses include operating expenses and transfers to other funds less depreciation.
- (4) Interest requirements exclude interest paid from bond proceeds.
- (5) Senior lien and junior lien coverage ratios reflect the net coverage on junior lien debt after calculating debt service coverage on senior lien debt. Therefore, these coverage ratios will not calculate from the table. Gross coverage is calculated before operating expense. Combined coverage calculates by dividing net revenue available for debt service by total debt service requirements.

PLEDGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 2 of 7

OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY - GOLF COURSE BONDS (1)



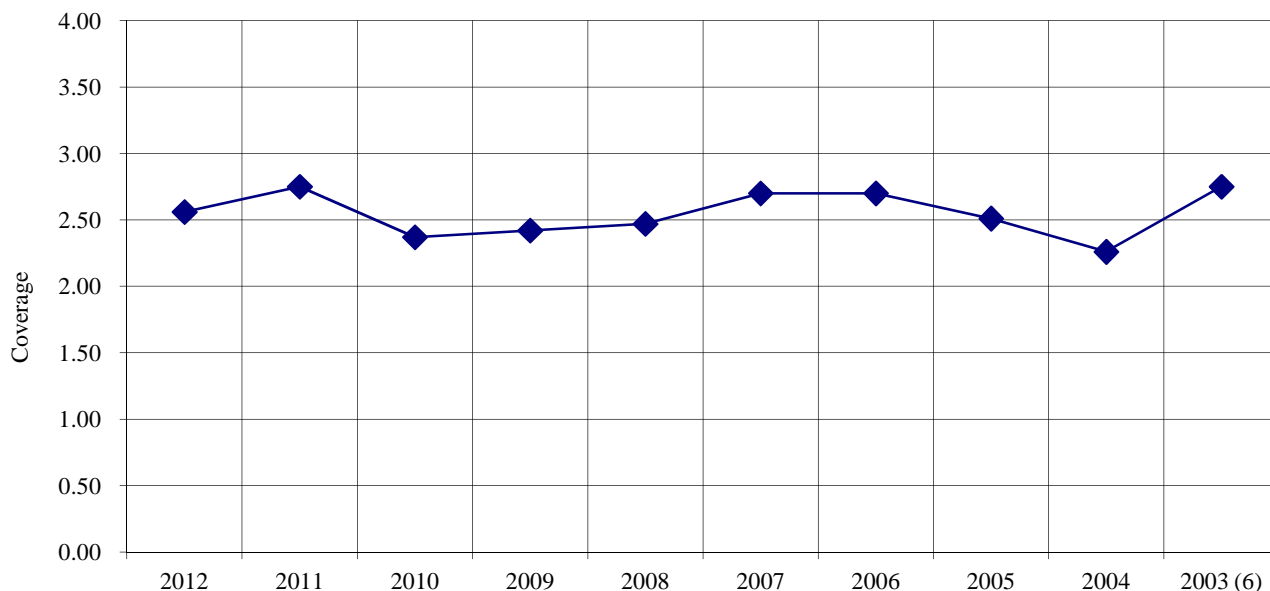
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Coverage Requirements (4)			Coverage (5)
				Principal	Interest	Total	
2012	\$9,716	\$8,122	\$1,594	\$525	\$228	\$753	2.12
2011 (6)	9,021	7,801	1,220	310	638	948	1.29
2010	8,994	7,226	1,768	310	638	948	1.86
2009	9,331	8,001	1,330	310	638	948	1.40
2008	7,835	6,333	1,502	310	638	948	1.58
2007	7,343	5,876	1,467	310	638	948	1.55
2006	7,499	5,701	1,798	310	638	948	1.90
2005	7,187	5,629	1,558	310	638	948	1.64
2004	7,187	5,765	1,422	310	638	948	1.50
2003	7,288	5,399	1,889	310	638	948	1.99

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by the Oklahoma City Public Property Authority Golf Courses.
- (2) Gross Revenues include operating revenues, investment income, other revenue, and transfers from other funds. Jimmy Stewart revenues are excluded.
- (3) Direct expenses include operating expenses less depreciation for all golf courses excluding Jimmy Stewart. Beginning fiscal 2012 direct expenses exclude OPEB expenses as the Golf Courses do not fund this cost.
- (4) Principal and interest is the maximum debt service paid in any year for bond covenant coverage calculations. The final term bond principal payment is not considered in determining the maximum debt service paid. Therefore, principal and interest will not correlate to annual bond payment amounts.
- (5) The bond covenants coverage ratio is 1.10.
- (6) 2011 has been restated.

PLEGGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 3 of 7

OKLAHOMA CITY WATER UTILITIES TRUST - WATER BONDS (1)



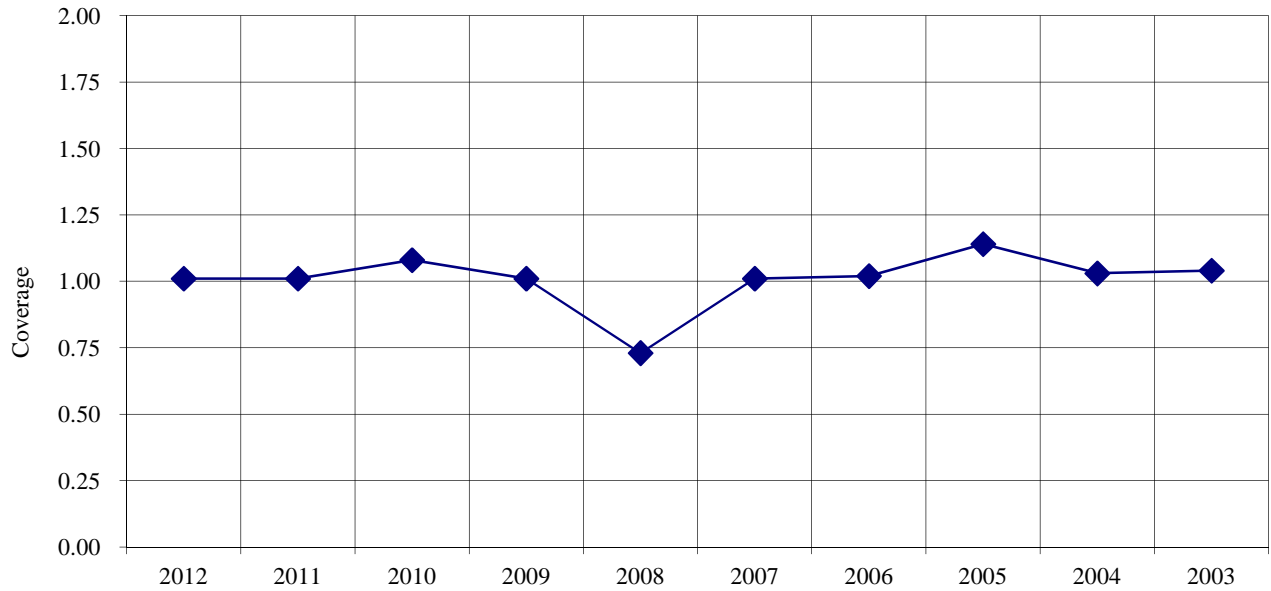
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage (5)
				Principal	Interest	Total	
2012	\$197,481	\$113,466	\$84,015	\$10,434	\$22,367	\$32,801	2.56
2011	190,075	99,749	90,326	10,434	22,367	32,801	2.75
2010	165,699	98,531	67,168	9,144	19,181	28,325	2.37
2009	152,868	91,675	61,193	9,385	15,890	25,275	2.42
2008	136,197	82,151	54,046	8,390	13,496	21,886	2.47
2007	136,218	77,075	59,143	8,390	13,496	21,886	2.70
2006	137,351	78,196	59,155	8,390	13,496	21,886	2.70
2005	124,838	69,833	55,005	8,390	13,496	21,886	2.51
2004	116,536	67,063	49,473	8,390	13,496	21,886	2.26
2003 (6)	110,903	64,611	46,292	6,480	10,382	16,862	2.75

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt will be paid from revenues earned by Oklahoma City Water Utilities
- (2) Gross revenues include operating revenues, investment income, other revenue, and transfers from other funds.
- (3) Direct expenses include operating expenses and transfers out less depreciation and amortization.
- (4) Principal and interest is the maximum debt service paid in any year for bond covenant coverage calculations. Therefore, principal and interest will not correlate to annual bond payment amounts. Final year debt service reduced by reserves held to pay debt services in that year.
- (5) The bond covenants coverage ratio is 1.20.
- (6) Gross revenues for 2002 have been adjusted by \$6.947 million for unbilled accrued receivables to enhance comparability.

PLEGGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 4 of 7

McGEE CREEK AUTHORITY - WATER BONDS (1)



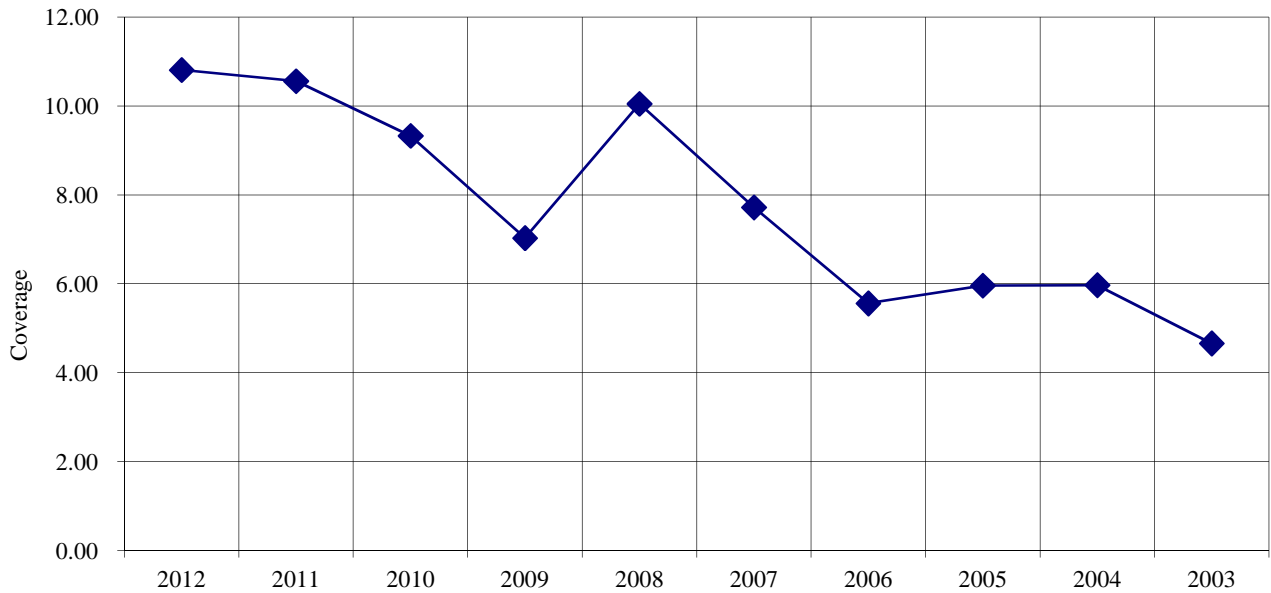
Fiscal Year	Gross Revenue (2)(3)	Direct Expenses (4)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (5)
				Principal	Interest	Total	
2012	\$7,384	\$644	\$6,740	\$3,305	\$3,345	\$6,650	1.01
2011	7,146	422	6,724	3,120	3,532	6,652	1.01
2010	7,545	393	7,152	2,940	3,709	6,649	1.08
2009	7,154	406	6,748	2,775	3,875	6,650	1.01
2008	5,025	197	4,828	2,615	4,032	6,647	0.73
2007	7,303	617	6,686	2,470	4,181	6,651	1.01
2006	7,127	324	6,803	2,330	4,318	6,648	1.02
2005	8,021	461	7,560	2,205	4,446	6,651	1.14
2004	7,425	596	6,829	2,085	4,565	6,650	1.03
2003	7,338	406	6,932	1,975	4,675	6,650	1.04

- (1) The City of Oklahoma City has no obligation for repayment of revenue bond debt. The debt is secured by an agreement of support between the Oklahoma City Water Utilities Trust and the McGee Creek Authority granting a security interest in Oklahoma City Water Utilities Trust gross revenues.
- (2) Operating transfers include from Oklahoma City Water Utilities Trust for payment of debt service and McGee Creek Authority operating expenses.
- (3) Gross Revenues include operating revenues, investment income, other revenue, transfers from other funds, and excludes amounts receivable from Participants.
- (4) Direct expenses include operating expenses less depreciation and amortization.
- (5) The bond covenants coverage ratio is 1.00. Cash balances accumulated from transfers in prior fiscal years are used to meet July 1 interest payments. Taking into consideration these balances held in the principal and interest accounts, sufficient funds were available to meet debt service requirements.

PLEGGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 5 of 7

OKLAHOMA CITY ZOOLOGICAL TRUST - ZOO BONDS (1)



Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2012	\$24,135	\$16,204	\$7,931	\$500	\$234	\$734	10.81
2011	22,301	14,875	7,426	495	208	703	10.56
2010	19,813	13,527	6,286	450	224	674	9.33
2009	20,054	15,208	4,846	446	243	689	7.03
2008	19,808	13,404	6,404	375	262	637	10.05
2007	18,356	13,420	4,936	360	279	639	7.72
2006	17,129	13,698	3,431	340	277	617	5.56
2005	16,474	12,347	4,127	325	367	692	5.96
2004	15,096	10,897	4,199	315	388	703	5.97
2003	13,348	10,115	3,233	300	394	694	4.66

(1) The City of Oklahoma City (City) has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Zoo Trust. The sales tax payments from the City are designated for the Zoo and pledged for repayment.

(2) Gross revenues include operating revenues, donations, investment income, and payments from the City. Gross revenues for 2009 have been restated for a prior error in presentation.

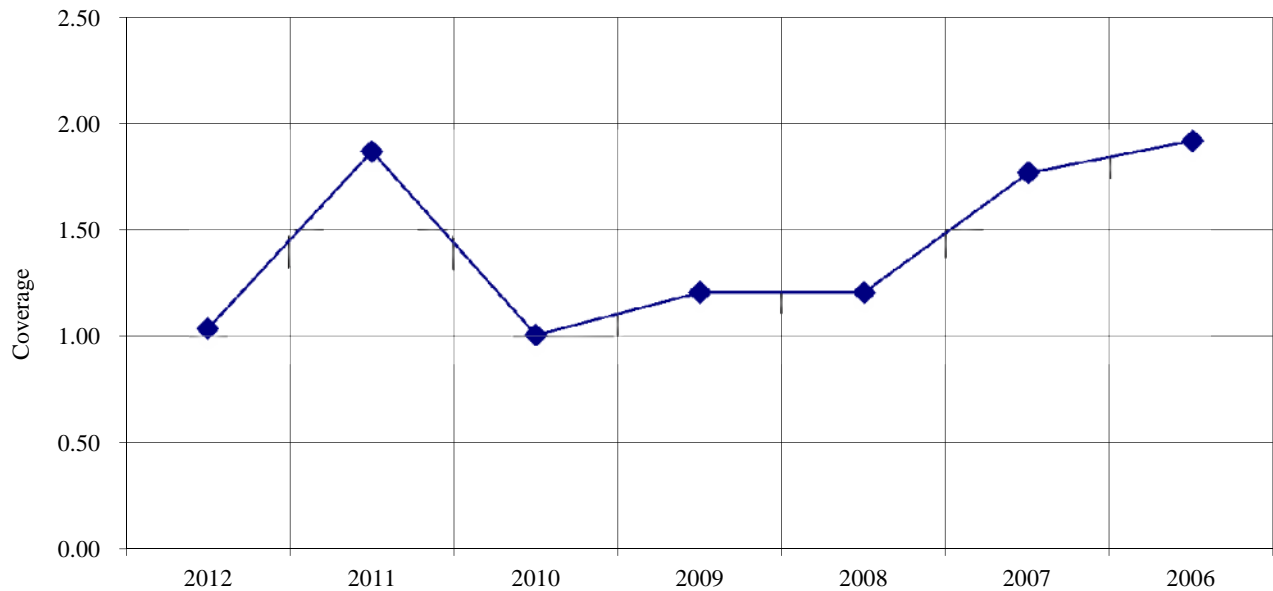
(3) Direct expenses include operating expenses less depreciation.

(4) Bond covenants requires maximum debt service paid in any year for covenants coverage compliance. The bond covenants coverage ratio is 1.00.

PLEDGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 6 of 7

OKLAHOMA CITY PUBLIC PROPERTY AUTHORITY - FAIRGROUNDS 2005 AND 2007A BOND ISSUE (1)



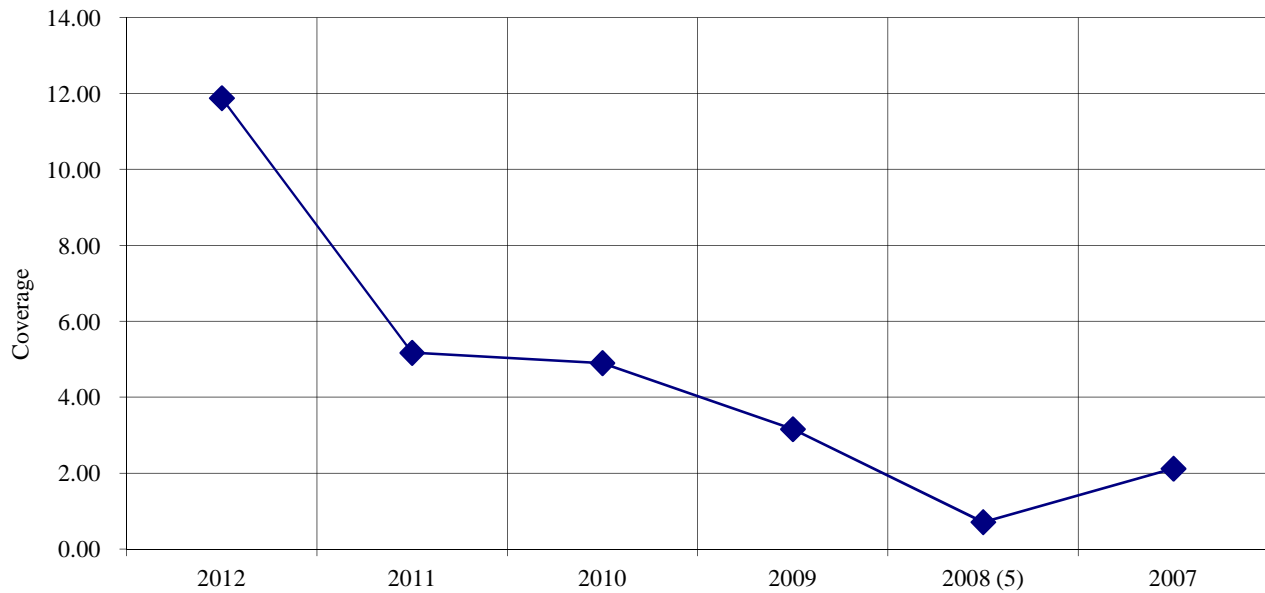
Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2012	\$6,194	\$570	\$5,624	\$1,835	\$3,574	\$5,409	1.04
2011	9,787	7	9,780	1,745	3,476	5,221	1.87
2010	5,254	5	5,249	1,665	3,544	5,209	1.01
2009	5,203	78	5,125	630	3,590	4,220	1.21
2008	4,661	110	4,551	465	3,306	3,771	1.21
2007	4,951	97	4,854	-	2,745	2,745	1.77
2006	5,403	131	5,272	-	2,745	2,745	1.92
2005	1,105	32	1,073	-	-	-	N/A
2004	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	N/A

- (1) Bonds were issued in fiscal years 2005 and 2008. The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Public Property Authority Fairgrounds. Transfers of hotel/motel tax revenues are pledged for repayment.
- (2) Gross revenues include operating revenues, transfers from other funds, and investment income.
- (3) Direct operating expenses include operating expenses less depreciation and transfers to other funds. Costs paid from bond proceeds are not included with direct operating expenses.
- (4) The bond covenants do not specify a coverage requirement.

PLEDGED-REVENUE BOND COVERAGE
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 15
page 7 of 7

OKLAHOMA CITY ENVIRONMENTAL ASSISTANCE TRUST - SOLID WASTE MANAGEMENT BONDS (1)

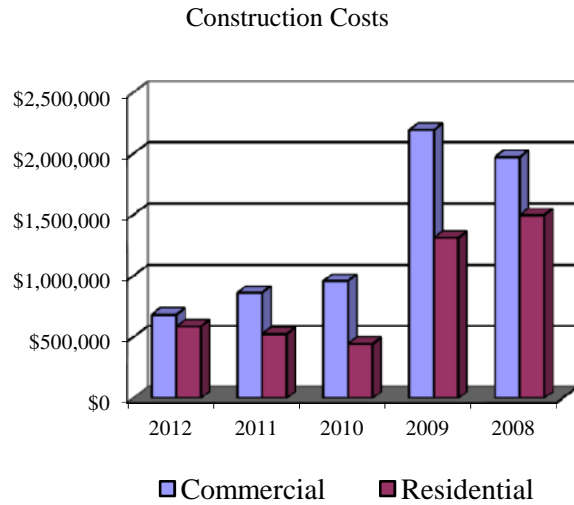
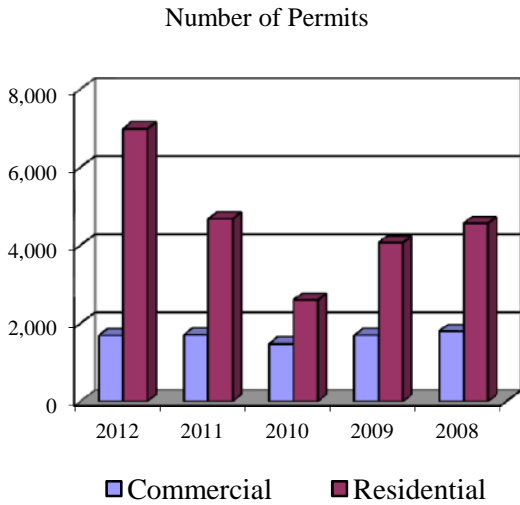


Fiscal Year	Gross Revenue (2)	Direct Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2012	\$41,282	\$35,613	\$5,669	\$340	\$137	\$477	11.88
2011	39,948	33,761	6,187	1,035	161	1,196	5.17
2010	38,272	32,383	5,889	1,005	196	1,201	4.90
2009	37,126	33,335	3,791	970	229	1,199	3.16
2008 (5)	32,529	31,682	847	940	259	1,199	0.71
2007	32,468	30,279	2,189	750	284	1,034	2.12
2006	31,541	28,009	3,532	-	93	93	37.98
2005	-	-	-	-	-	-	N/A
2004	-	-	-	-	-	-	N/A
2003	-	-	-	-	-	-	N/A

- (1) Bonds were issued in fiscal year 2006. The City of Oklahoma City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Oklahoma City Environmental Assistance Trust.
- (2) Gross revenues include operating revenues, transfers and investment income.
- (3) Direct operating expenses include operating expenses less depreciation, amortization, and transfers to other funds. Costs paid from bond proceeds are not included with direct operating expenses.
- (4) The bond covenant coverage ratio is 1.20.
- (5) Gross revenues for 2008 have been restated for a prior error in presentation.

CONSTRUCTION PERMITS (1)
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 16



Fiscal Year	Commercial Construction		Residential Construction	
	Number of Permits	Construction Cost	Number of Permits	Construction Cost
2012	1,688	\$683,541	6,984	\$587,053
2011	1,704	862,599	4,678	526,286
2010	1,477	957,370	2,594	444,209
2009	1,694	2,193,309	4,067	1,312,066
2008	1,798	1,972,096	4,562	1,496,917
2007	1,854	3,471,090	5,559	1,047,628
2006	1,850	532,307	7,301	839,103
2005	1,817	1,050,568	7,242	692,535
2004	1,906	1,215,649	7,014	613,353
2003	1,698	351,988	6,303	514,553

(1) The source of this information is the City of Oklahoma City Public Works Department Annual Building Permit Report.

DEMOGRAPHIC STATISTICS
June 30, 2012
(dollars are in thousands)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 17

<u>Fiscal Year</u>	<u>Estimated Population (in thousands) (1)(2)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Schooling (3)</u>	<u>Oklahoma City Public School District Enrollment (in thousands) (4)</u>	<u>Unemployment Rate (5)</u>
2012	587	\$43,819	\$25	34.1	84.4%	44	5.4
2011	580	49,227	39	34.0	85.4	42	5.9
2010	560	49,546	40	34.9	84.8	41	6.2
2009	548	48,595	40	34.9	83.9	42	4.8
2008	554	46,429	39	35.2	83.6	36	4.0
2007	547	44,599	37	35.1	84.1	37	4.6
2006	541	41,278	35	35.5	85.4	35	4.1
2005	532	39,646	32	30.5	83.5	37	4.4
2004	525	37,323	31	34.6	83.4	38	4.5
2003	523	34,189	29	34.8	83.3	40	4.7

- (1) Population estimates, Personal Income, Per Capita Personal Income, and Median Age are obtained from the Oklahoma City Chamber of Commerce.
- (2) Estimated population is for the City of Oklahoma City (City) only, while personal income and per capita personal income apply to the metropolitan statistical area. These amounts will not compute from the table.
- (3) This column shows the percent of the City population 25 years and older who are high school graduates or higher which is obtained through the U.S. Census Bureau (American Community Survey).
- (4) The source of this information is the Oklahoma City Public Schools' Public Relations Office.
- (5) Unemployment information was obtained from the Bureau of Labor Statistics.

MAJOR EMPLOYERS - PRIVATE AND PUBLIC (1)

June 30, 2012

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Local Governments (2)	47,692	1	8.28%	40,300	1	7.57%
State Government (2)	42,315	2	7.34	38,000	2	7.14
Federal Government (2)	28,038	3	4.87	26,000	3	4.88
Tinker Air Force Base (2)	27,000	4	4.69	24,000	4	4.51
FAA Mike Monroney Aeronautical Center	11,650	5	2.02	14,100	5	2.65
OU- Norman Campus	7,500	6	1.30	4,400	7	0.83
INTEGRIS Health (3)	6,025	7	1.05	5,850	6	1.10
OU Health Science Center	4,200	8	0.73	3,200	11	0.60
Chesapeake Energy Corp	4,000	9	0.69	-	-	0.00
Hobby Lobby Stores	4,000	10	0.69	-	-	0.00
SBC	-	-	0.00	3,560	8	0.67
General Motors Corporation	-	-	0.00	3,400	9	0.64
Express Personnel	-	-	0.00	3,400	10	0.64
OG&E Energy	3,450	11	0.60	-	-	0.00
Mercy Health System of OK	3,450	12	0.60	-	-	0.00
AT&T	3,000	13	0.52	-	-	0.00
SSM Health Care Oklahoma, Inc	2,900	14	0.50	-	-	0.00
Devon Energy Group	2,600	15	0.45	-	-	0.00
OU Medical Center	2,600	16	0.45	-	-	0.00
LSB Industries, Inc	1,875	17	0.33	-	-	0.68
Dell, Inc	1,850	18	0.32	-	-	0.00
Hertz Reservation Center	1,650	19	0.29	-	-	0.00
Farmer's Insurance Group	1,600	20	0.28	-	-	0.00
UPS	1,550	21	0.27	-	-	0.00
Great Plains Coca-Cola Bottling Company	1,500	22	0.26	-	-	0.00
Cox Communications	1,400	23	0.24	-	-	0.00
Deaconess Hospital	1,300	24	0.23	-	-	0.00
The Boeing Company	1,250	25	0.22	-	-	0.00
Johnson Controls	1,200	26	0.21	-	-	0.00
Midfirst Bank	1,150	27	0.20	-	-	0.00
Rose State College	1,100	28	0.19	-	-	0.00
American Fidelity	1,000	29	0.17	-	-	0.00
University of Central Oklahoma	1,000	30	0.17	-	-	0.00
	219,845		37.99%	166,210		31.91%

(1) Information was provided by the Greater OKC Chamber and the Center for Applied Economic Research - Oklahoma State University (government employers).

(2) Local, State and Federal Government, as well as Tinker Air Force Base include both civilian and non-civilian employees.

(3) INTEGRIS Health includes INTEGRIS Southwest Medical Center and INTEGRIS Baptist Medical Center.

PRIMARY GOVERNMENT
June 30, 2012
Last Nine Fiscal Years (2)

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 19

PRIMARY GOVERNMENT	2012	2011	2010	2009	2008	2007	2006	2005	2004
<i>Governmental Activities</i>									
<u>Governmental funds</u>									
General government	219	215	223	240	245	225	275	237	225
Public safety:									
Police	1,426	1,386	1,420	1,419	1,328	1,382	1,405	1,367	1,361
Fire	971	975	959	990	973	946	961	947	945
Other	76	76	67	78	83	83	81	88	97
Public services	519	524	521	572	574	579	592	530	511
Culture and recreation	667	677	658	695	608	605	637	644	661
Education	<u>14</u>	<u>14</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>
Total governmental funds	<u>3,892</u>	<u>3,867</u>	<u>3,857</u>	<u>4,002</u>	<u>3,818</u>	<u>3,827</u>	<u>3,958</u>	<u>3,820</u>	<u>3,808</u>
<u>Internal service funds</u>									
Fleet services	35	34	33	36	37	33	33	36	32
Risk management	11	11	11	11	9	9	9	8	9
Print shop	4	4	4	5	5	4	4	5	5
Information technology	<u>83</u>	<u>83</u>	<u>85</u>	<u>96</u>	<u>94</u>	<u>93</u>	<u>82</u>	<u>82</u>	<u>84</u>
Total internal service funds	<u>133</u>	<u>132</u>	<u>133</u>	<u>148</u>	<u>145</u>	<u>139</u>	<u>128</u>	<u>131</u>	<u>130</u>
	<u>4,025</u>	<u>3,999</u>	<u>3,990</u>	<u>4,150</u>	<u>3,963</u>	<u>3,966</u>	<u>4,086</u>	<u>3,951</u>	<u>3,938</u>
<i>Business-type Activities</i>									
Airports	100	102	99	100	99	98	93	92	89
Water utilities	585	591	574	593	577	579	469	579	557
Solid waste management	109	117	107	113	107	113	112	112	108
Stormwater drainage	63	76	62	71	77	91	110	83	87
Golf courses	239	233	228	188	244	243	266	246	251
Transportation and parking	<u>23</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>21</u>	21	<u>20</u>
	<u>1,119</u>	<u>1,143</u>	<u>1,094</u>	<u>1,089</u>	<u>1,128</u>	<u>1,145</u>	<u>1,071</u>	<u>1,133</u>	<u>1,112</u>
Total primary government	<u>5,144</u>	<u>5,142</u>	<u>5,084</u>	<u>5,239</u>	<u>5,091</u>	<u>5,111</u>	<u>5,157</u>	<u>5,084</u>	<u>5,050</u>
FIDUCIARY FUNDS									
OCERS	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u>5,146</u>	<u>5,144</u>	<u>5,086</u>	<u>5,241</u>	<u>5,093</u>	<u>5,113</u>	<u>5,159</u>	<u>5,086</u>	<u>5,052</u>

(1) Employees by function are full-time equivalents reported as of June 30.

(2) Information is not available for ten years of reporting, but will be accumulated over time as it becomes available.

OPERATING INDICATORS BY FUNCTION (1) (2)
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 20
page 1 of 2

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>GENERAL</u>										
<u>GOVERNMENT</u>										
Occupation and Business										
business licenses issued (3)	26,879	13,653	28,196	36,914	34,504	34,598	31,000	30,917	31,576	30,269
Investment Portfolio Return	1.04%	1.07%	2.11%	3.19%	4.41%	4.73%	3.66%	2.15%	1.97%	2.91%
Benchmark index (CMT) (4)	0.21%	0.19%	0.32%	0.56%	2.36%	4.91%	5.21%	3.45%	2.14%	1.02%
<u>PUBLIC SAFETY</u>										
<u>POLICE</u>										
Physical arrests	23,157	24,000	25,279	27,659	21,906	20,304	20,483	19,974	21,100	20,211
Parking violations	42,523	42,048	48,540	47,005	55,545	61,608	60,719	61,990	84,786	70,198
Traffic violations	132,862	104,993	101,094	83,911	81,946	83,993	93,477	110,841	119,612	119,378
<u>FIRE</u>										
Fire department responses	88,055	86,350	80,858	75,750	74,833	67,920	65,062	59,785	53,424	*
Fire responses in less than than five minutes (5)	61.22%	53.41%	56.95%	67.04%	52.34%	70.57%	65.20%	1	1	*
Fire inspections	8,769	7,499	7,859	7,995	3,912	3,071	3,916	2,892	2,958	*
<u>OTHER</u>										
Court cases heard	114,028	120,339	123,103	122,981	111,929	142,111	135,000	127,321	133,709	115,183
Warrants cleared and served (monthly average)	3,686	3,922	3,580	3,805	4,323	4,018	2,553	2,320	2,592	1,998
<u>PUBLIC SERVICES</u>										
Houses removed or secured	458	578	453	410	399	422	529	400	335	363
Zoning inspections	53,615	51,336	49,782	26,524	27,488	28,746	38,246	23,000	19,415	23,152
Street panels repaired (sq ft)	17,123	12,563	13,109	19,919	20,274	30,264	22,135	22,114	20,088	27,800
<u>CULTURE AND RECREATION</u>										
Youth enrolled in athletic leagues	1,808	1,120	1,382	1,455	1,554	1,268	1,265	1,425	1,302	1,372
Public education workshops (6)	-	-	40	47	56	67	70	70	57	51
<u>AIRPORTS</u>										
Average number of daily flights	71	71	68	75	85	79	79	86	88	83
Monthly passengers boarding (avg)	155,357	150,727	150,487	156,901	164,477	155,314	152,589	152,200	144,850	136,200
<u>GOLF COURSES</u>										
Rounds of golf	276,472	268,524	267,489	277,827	299,104	290,739	304,806	307,783	318,725	331,916

OPERATING INDICATORS BY FUNCTION (1) (2)
June 30, 2012

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 20
page 2 of 2

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>WATER UTILITIES</u>										
Sewer lines construction										
or repair (lnr feet) (7)	120,645	106,790	4,810	4,379	9,612	8,580	8,600	8,804	9,856	7,245
Water line										
construction or										
repair (lnr feet)	96,725	118,840	103,560	144,784	121,057	130,308	75,344	80,991	137,625	39,404
Water consumption										
(1,000,000 gal)	33,795	31,336	29,914	29,658	29,238	30,591	31,000	27,400	28,537	28,192
Wastewater										
consumption										
(1,000,000 gal)	21,184	26,474	20,940	19,112	19,214	18,769	19,090	18,583	19,094	25,412
<u>SOLID WASTE</u>										
<u>MANAGEMENT (8)</u>										
Street sweeping										
(lane miles)	19,390	18,558	18,434	18,979	19,009	18,988	19,021	18,884	22,389	18,848
Refuse collected										
(tons/day)	1,029	1,058	1,085	1,104	1,164	1,048	1,173	1,176	1,098	1,122
Recyclables collected in tons per										
in tons per day	33	35	39	40	36	33	33	34	35	37
<u>STORMWATER</u>										
<u>DRAINAGE</u>										
Construction erosion										
inspections	5,581	9,445	7,345	9,600	8,184	12,798	10,980	7,589	8,014	6,431
Stormwater										
discharge										
permits issued	748	773	1,054	1,330	848	964	752	672	1,378	1,170
<u>FAIRGROUNDS (9)</u>										
Events	185	191	191	211	204	198	200	202	193	201
Event days	2,327	2,213	2,131	2,491	2,576	2,115	2,299	1,964	1,939	1,989
<u>GROUND</u>										
<u>TRANSPORTATION</u>										
Daily motor bus										
passengers (avg)	9,928	9,657	9,729	9,493	8,881	9,893	9,291	8,310	8,320	*
<u>PARKING (10)</u>										
Average monthly										
occupancy rate (%)	94.90%	89.00%	91.00%	88.45%	85.20%	79.65%	80.90%	83.60%	85.82%	92.67%

- (1) Sources include the City of Oklahoma City (City) Annual Budget, Supplemental Disclosure-Outstanding Bonded Debt, and City Departments.
- (2) Ten years of data was not available for all operating indicators, but will be accumulated as it becomes available. Indicated with *.
- (3) Prior years included residential sales and vehicle for hire vehicles. New management guidelines in fiscal year 2011 exclude residential sales and vehicle for hire vehicles from the total number of business and occupational licenses.
- (4) CMT is the acronym for Constant Maturity Treasury. CMT decreased in 2011 in relation to decreased market yield.
- (5) In 2008 there was a significant drop off in the percentage of fire responses in less than five minutes. This was due to the implementation of a new computer aided dispatch (CAD) system, which feeds data into the fire records management system. Data was compromised for a number of months and this negatively affected the response time figures. July figures, gathered after the CAD system was fully operational, show a return to the target figure of 70%.
- (6) The Myriad Gardens facility was closed due to Project 180 renovations in fiscal year 2011, upon reopening the Myriad Garden Foundation began hosting the public information workshops. This measure will no longer be reported by City Parks and Recreation.
- (7) The reporting for sewer lines construction or repair (lnr feet) changed in 2011 to include construction whereas previous years include only repairs.
- (8) The source of this information is the Solid Waste Management Division of the Water/Wastewater Utilities Department of the City. Solid waste collection is provided by both the City and privately contracted crews. Refuse and recyclables collected are based on 252 working days.
- (9) The management of the fairgrounds is privately contracted.
- (10) The Broadway-Kerr garage was sold on January 11th, 2012. Since that sale, occupancy is over 100%.

CAPITAL ASSET AND INFRASTRUCTURE
June 30, 2012
Last Ten Fiscal Years

CITY OF OKLAHOMA CITY, OKLAHOMA
TABLE 21

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>POLICE</u>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	5	5	5	5	5	5	5	5	5	5
Patrol Units	548	577	581	580	576	573	585	574	573	*
<u>FIRE</u>										
Stations	35	35	35	35	35	35	35	35	35	35
Fire emergency apparatus (3)	84	85	84	81	79	79	*	*	*	*
<u>SOLID WASTE MANAGEMENT</u>										
Collection vehicles (4)	117	113	108	114	114	114	67	67	101	101
<u>STREETS AND HIGHWAYS</u>										
Streets (miles) (5)	7,862	7,800	7,775	7,772	7,603	7,546	12,680	12,385	12,697	11,662
New traffic signals installed	10	6	11	20	12	20	4	7	5	6
<u>PARKS AND RECREATION</u>										
Parks Acres	4,590	4,590	4,590	4,230	4,545	4,377	4,291	4,291	4,291	4,291
Lake acres - land & water recreation	14,229	14,229	14,229	14,229	*	*	*	*	*	*
Oklahoma River & Bricktown	507	507	507	507	*	*	*	*	*	*
Playgrounds	109	109	108	104	109	96	95	95	95	95
Baseball/softball /practice fields	84	84	92	92	135	135	135	135	135	135
Soccer/football fields	81	81	74	74	71	71	66	62	62	62
Community/special activity centers	30	30	26	26	26	26	26	26	26	19
<u>WATER</u>										
Water main miles	3,518	3,269	3,225	3,189	3,307	3,216	2,992	2,860	2,622	*
Fire hydrants (6)	21,527	21,527	21,147	20,441	19,713	19,194	18,373	17,506	17,242	*
Storage capacity (1000 gal)	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
<u>WASTEWATER</u>										
Sanitary sewer miles (7)	2,755	2,711	2,689	2,636	2,585	2,600	2,430	2,410	2,374	2,327
Treatment capacity (1000 gal)	111,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000
<u>STORMWATER DRAINAGE</u>										
Storm sewer miles	811.70	806.80	793.00	779.20	775.20	764.40	765.50	751.80	742.77	734.94
<u>TRANSIT</u>										
Buses	58	58	58	58	57	60	65	65	70	*
Trolleys	10	10	12	12	13	11	14	14	15	*
Van lifts	20	23	23	18	16	21	21	21	21	*

- (1) Information is provided by City of Oklahoma City departments.
- (2) Ten years of data were not available for all capital assets and infrastructure, but will be accumulated as it becomes available. Indicated with *.
- (3) Fire emergency apparatus includes emergency vehicles that respond to emergency calls for service only.
- (4) Collection vehicles changed in 2006 to include small side loaders, large side loaders, rear loaders, cherry pickers, and brush trucks.
- (5) The methodology for street miles changed in 2010 from a factor used to estimate the number of lanes to actual number of lanes used in the overall estimate of street miles. Fiscal years 2007-2009 have been restated for comparison purposes.
- (6) Hydrants were under-reported from 2006-2004 due to lack of information.
- (7) Sanitary sewers were not correctly reported prior to 2008.

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The City of Oklahoma City, Oklahoma

Single Audit Reports

June 30, 2012



The City of Oklahoma City, Oklahoma
Year Ended June 30, 2012

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**Independent Accountants' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service, fiduciary fund and the discretely presented component units of the City as of and for the year ended June 30, 2012, which collectively comprise the City's combining and individual fund statements and have issued our report thereon dated December 18, 2012, which contained a reference to the reports of other accountants and an explanatory paragraph disclosing that the prior year financial statements have been restated. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other accountants audited the financial statements of the Oklahoma City Redevelopment Authority and The Combined Operations of The Cox Convention Center and the Chesapeake Energy Arena (formerly The Ford Center), as Managed by SMG, as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those accountants. The financial statements of The Combined Operations of The Cox Convention Center and the Chesapeake Energy Arena, which are reported within the City's governmental activities, aggregate remaining fund information and nonmajor governmental funds financial statements, were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 12-01 through 12-07 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters that we reported to the City's management in a separate letter dated December 18, 2012.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, the City Council, others within the City and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

December 18, 2012

Independent Accountants' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal and State Awards

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

Compliance

We have audited the compliance of the City of Oklahoma City, Oklahoma (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB), *Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City based on our audit.

As indicated in our audit report on the basic financial statements of the City as of and for the year ended June 30, 2012, dated December 18, 2012, we did not audit the financial statements of the Oklahoma City Redevelopment Authority (the Authority) and The Combined Operations of The Cox Convention Center and the Chesapeake Energy Arena (the Arena), as Managed by SMG. Federal awards, if any, received by the Authority and Center are, therefore, outside the scope of the single audit activities which we were engaged to conduct and our reference to the City in our independent accountants' report on compliance and internal control over compliance that could have a direct and material effect on each major federal program does not encompass the financial or compliance activities, if any, conducted by the components noted above, which were audited by other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of and for the year ended June 30, 2012. We have also audited the financial statements of each nonmajor governmental, nonmajor enterprise, internal service, fiduciary fund and the discretely presented component units of the City as of and for the year ended June 30, 2012. We have issued our report on the above mentioned financial statements and schedules dated December 18, 2012, which contained a reference to the reports of other accountants and an explanatory paragraph disclosing that the prior year financial statements have been restated. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements and combining and individual fund statements and schedules. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

This report is intended solely for the information and use of the audit committee, the City Council, others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

December 28, 2012, except for paragraph on Schedule of Expenditures of Federal Awards, which is
December 18, 2012

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
U.S. Department of Commerce			
<i>Economic Development Cluster</i>			
Direct Programs			
Economic Adjustment Assistance	11.307	08-86-04550 DOC	\$ 33,499
<i>Total Economic Development Cluster</i>			33,499
<i>National Telecommunications and Information Administration</i>			
Pass-Through Oklahoma State Office of Homeland Security			
Public Safety Interoperable Communications Grant Program	11.555	116.002	282,986
Total U.S. Department of Commerce			316,485
U.S. Department of Housing and Urban Development			
<i>CDBG – Entitlement Grants Cluster</i>			
Direct Programs			
Community Development Block Grant/Entitlement Grant	14.218	B-08-MC-40-0003	31,844
Community Development Block Grant/Entitlement Grant	14.218	B-08-MN-40-0001	202,913
Community Development Block Grant/Entitlement Grant	14.218	B-09-MC-40-0003	68,539
Community Development Block Grant/Entitlement Grant	14.218	B-10-MC-40-0003 CDBG	1,404,950
Community Development Block Grant/Entitlement Grant	14.218	CDBG-CPD-FY11	2,111,010
ARRA – Community Development Block Grant/Entitlement Grant			
Recovery Funded	14.253	B-09-MY-40-0003	324,625
<i>Total CDBG – Entitlement Grants Cluster</i>			4,143,881
<i>CDBG – State-Administered CDBG Cluster</i>			
Pass-Through Oklahoma Department of Commerce			
Community Development Block Grant/State’s Program and			
Nonentitlement Grants in Hawaii	14.228	14003 NSP 08	436,475
Community Development Block Grant/State’s Program and			
Nonentitlement Grants in Hawaii	14.228	13555 NSP 08	437,229
<i>Total CDBG – State-Administered CDBG Cluster</i>			873,704
<i>Emergency Shelter Grants Program</i>			
Direct Programs			
Emergency Shelter Grants Program	14.231	S-10-MC-40-0003 ESG	230,222
<i>Total Emergency Shelter Grants Program</i>			230,222

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<i><u>Supportive Housing Program</u></i>			
Supportive Housing Program	14.235	OK56B702001	\$ 70,914
Supportive Housing Program	14.235	OK0068B6I021000	48,374
Supportive Housing Program	14.235	OK-0019-B6I020800	351,360
Supportive Housing Program	14.235	OK-0020-B6I020800	93,948
Supportive Housing Program	14.235	OK-0026-B6I020801	100,780
Supportive Housing Program	14.235	OK-0027-B6I020801	130,080
Supportive Housing Program	14.235	OK0022B6I020802	4,450
Supportive Housing Program	14.235	OK0044B6I020901	151,278
Supportive Housing Program	14.235	OK-0052B6I020900	187,601
Supportive Housing Program	14.235	OK-0053-B6I020900	253,090
Supportive Housing Program	14.235	OK0019B6I021001	161,966
Supportive Housing Program	14.235	OK0061B6I021001	79,300
Supportive Housing Program	14.235	OK-0021-B6I021003	64,419
Supportive Housing Program	14.235	OK0022B6I021003	67,867
Supportive Housing Program	14.235	OK044B6I021002	77,778
Supportive Housing Program	14.235	OK026B6I021002	94,888
Supportive Housing Program	14.235	OK045B6I021002	44,256
Supportive Housing Program	14.235	OK04B6I021002	124,999
Supportive Housing Program	14.235	OK027B6I021002	209,711
Supportive Housing Program	14.235	OK027B6I021002	185,762
Supportive Housing Program	14.235	OK063B6I021001	36,863
Supportive Housing Program	14.235	OK0045B6I021103	19,881
<i>Total Supportive Housing Program</i>			2,559,565
<i><u>Shelter Plus Care Program</u></i>			
Shelter Plus Care	14.238	OK-56-C60-2009	22,306
Shelter Plus Care	14.238	OK-0025-C6I120802	3,972
Shelter Plus Care	14.238	OK0054C6I020900	52,865
Shelter Plus Care	14.238	OK0067B6I021000	40,025
Shelter Plus Care	14.238	OK0020B6I021001	52,473
Shelter Plus Care	14.238	OK0024C6I021003	210,155
Shelter Plus Care	14.238	OK0025C6I021001	12,618
Shelter Plus Care	14.238	OK0024C6I021104	34,276
<i>Total Shelter Plus Care Program</i>			428,690
<i><u>HOME Investment Partnerships Act</u></i>			
HOME Investment Partnerships Program	14.239	M-07-MC-40-0203	348,333
HOME Investment Partnerships Program	14.239	M-08-MC-40-0203	674,698
HOME Investment Partnerships Program	14.239	M-09-MC-40-0203	254,458
HOME Investment Partnerships Program	14.239	M-10-MC-40-0203	838,716
HOME Investment Partnerships Program	14.239	M-11-MC-40-0203	44,310
<i>Total HOME Investment Partnerships Act Program</i>			2,160,515
<i><u>Housing Opportunities for Persons with AIDS</u></i>			
Housing Opportunities for Persons with AIDS	14.241	OK-H10-F001	201,779
Housing Opportunities for Persons with AIDS	14.241	OK-H11-F001	143,530
<i>Total Housing Opportunities for Persons with AIDS</i>			345,309

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
Community Planning and Development	14.246	B-98-ED-40-0006	\$ 125,500
Community Development Block Grants – Section 108 Loans	14.248	B-04-MC-40-0003-B	500,000
ARRA – Homelessness Prevention and Rapid Rehousing Program	14.257	ARRA-S-09-MY-40-0002	802,743
Community Challenge Planning Grants	14.704	CCPOK-0020-10	<u>168,695</u>
Total U.S. Department of Housing and Urban Development			<u>12,338,824</u>
U.S. Department of the Interior			
Pass-Through Oklahoma Historical Society Historic Preservation Fund Grants-In-Aid	15.904	10-607	27,844
Historic Preservation Fund Grants-In-Aid	15.904	10-803	7,950
Historic Preservation Fund Grants-In-Aid	15.904	11-607	<u>16,880</u>
Total U.S. Department of the Interior			<u>52,674</u>
U.S. Department of Justice			
Direct Programs			
Community Capacity Development Office	16.595	2006-WS-Q6-0083	16,668
Community Capacity Development Office	16.595	2008-WS-QX-0189	729
Community Capacity Development Office	16.595	2009-WS-QX-0117	35,990
Community Capacity Development Office	16.595	2005-WS-Q5-0302	(107)
Community Capacity Development Office	16.595	2006-WS-Q6-0084	15,442
Community Capacity Development Office	16.595	2007-WS-Q7-0113	(5,798)
Community Capacity Development Office	16.595	2007-WS-Q7-0042	<u>(8,219)</u>
<i>Total Community Capacity Development Office</i>			54,705
<i>JAG Program Cluster</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0514	263,787
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0819	1,482
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3149	20,145
ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2007-DD-BX-0631	<u>207,526</u>
<i>Total JAG Program Cluster</i>			492,940
ARRA – Public Safety Partnership and Community Policing Grant (Recovery Act Funded)	16.710	2009RJWX0072(CHRP)	462,987
DNA Backlog Reduction Program	16.741	2011-DN-BX-K405	121,386
Pass-Through District Attorney’s Training Council Project Safe Neighborhoods	16.609	2005-WS-Q5-0064	(11,272)
Pass-Through Oklahoma State Department of Corrections Anti-Gang Initiative	16.744	2008-PG-BX-0005	<u>614,103</u>
Total U.S. Department of Justice			<u>1,734,849</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
U.S. Department of Transportation			
<i>Federal Aviation Administration</i>			
Direct Programs			
Airport Improvement Program	20.106	AIP3-40-0072-058-2009	\$ 70,590
Airport Improvement Program	20.106	AIP3-40-0072-060-2011	3,896,434
<i>Total Airport Improvement Program</i>			<u>3,967,024</u>
<i>Highway Planning and Construction Cluster</i>			
Direct Programs			
Highway Planning and Construction	20.205	OK-70-X002	5,831
Pass-Through Association of Central Oklahoma Governments			
Highway Planning and Construction	20.205	ACOG Grant	18,505
Highway Planning and Construction	20.205	2012 ACOG Traffic Management	65,985
			<u>84,490</u>
Pass-Through Oklahoma Department of Transportation			
Highway Planning and Construction	20.205	22589 (04) STP-155E(500)EH	113,390
Highway Planning and Construction	20.205	24562(04)STP-155E (622) EH	407,649
Highway Planning and Construction	20.205	24563(04) STP-155E(623)EH	447,990
Highway Planning and Construction	20.205	26888 (04) STP-155E(745)EH	129,140
			<u>1,098,169</u>
<i>Total Highway Planning and Construction Cluster</i>			<u>1,188,490</u>
<i>Federal Transit Cluster</i>			
Direct Programs			
Federal Transit – Capital Assistance	20.500	OK-03-0007	(56)
Federal Transit – Capital Assistance	20.500	OK-03-0029	34,322
Federal Transit – Capital Assistance	20.500	OK-03-0037	477,716
Federal Transit – Formula Grants	20.507	OK-04-0015	1,336
Federal Transit – Formula Grants	20.507	OK-90-X067	1,217
Federal Transit – Formula Grants	20.507	OK-90-X073	69,868
Federal Transit – Formula Grants	20.507	OK-90-X085	4,178
Federal Transit – Formula Grants	20.507	OK-90-X094	16,296
Federal Transit – Formula Grants	20.507	OK-90-X098	184,903
Federal Transit – Formula Grants	20.507	OK-90-X102	1,908,298
Federal Transit – Formula Grants	20.507	OK-90-X107	5,463,978
Federal Transit – Formula Grants	20.507	OK-95-X001	80,132
ARRA – Federal Transit – Formula Grants	20.507	OK-96-X004	183,505
<i>Total Federal Transit Cluster</i>			<u>8,425,693</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
<i><u>Transit Services Programs Cluster</u></i>			
Direct Programs			
Job Access – Reverse Commute	20.516	OK-37-X012	\$ 78,957
Job Access – Reverse Commute	20.516	OK-37-X018	76,565
Job Access – Reverse Commute	20.516	OK-37-X021	3,648
Job Access – Reverse Commute	20.516	OK-37-X036	6,433
Job Access – Reverse Commute	20.516	OK-37-X042	494,097
New Freedom Program	20.521	OK-57-X006	100,384
New Freedom Program	20.521	OK-57-X010	98,478
New Freedom Program	20.521	OK-57-X015	20,338
New Freedom Program	20.521	OK-57-X017	<u>120,516</u>
<i>Total Transit Services Programs Cluster</i>			999,416
<i><u>Highway Safety Cluster</u></i>			
Direct Programs			
Alcohol-Impaired Driving Countermeasures Incentive Grants I	20.601	OP-11-03-11-07	108,661
Alcohol-Impaired Driving Countermeasures Incentive Grants I	20.601	OP-12-03-05-08	<u>100,839</u>
<i>Total Highway Safety Cluster</i>			209,500
TIGER Discretionary Grants	20.933	OK-79-1000	<u>80,910</u>
Total U.S. Department of Transportation			<u>14,871,033</u>
<u>National Endowment for the Humanities</u>			
Pass-Through Oklahoma Humanities Council			
National Endowment for the Humanities	45.168	Y10.108	<u>5,000</u>
Total National Endowment for the Humanities			<u>5,000</u>
<u>Environmental Protection Agency</u>			
Direct Programs			
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-96636801-0	18,407
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-96679801-0	53,917
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-96679701-0	48,204
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	BF-00F24401-0	119,907
ARRA – Brownsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-96695601-0	23,854
ARRA – Brownsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-96695701-0	38,349
ARRA – Brownsfield Assessment and Cleanup Cooperative Agreements (Recovery Act Funded)	66.818	2B-00F07901-0 ARRA	<u>230,400</u>
<i>Total Brownsfield Assessment and Cleanup</i>			533,038
Pass-Through Oklahoma Water Resources Board			
Capital Grants for State Revolving Fund	66.458	ORF-10-0010-CW	3,113,588
Safe Drinking Water State Revolving Fund	66.468	ORF-10-0010-DW	<u>2,056,154</u>
<i>Total Oklahoma Water Resources Board</i>			5,169,742
Total Environmental Protection Agency			<u>5,702,780</u>

The City of Oklahoma City, Oklahoma
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Federal Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Current Year Expenditures
U.S. Department of Energy			
Direct Programs			
State Energy Program	81.041	14917 SEP 11	\$ 136,000
ARRA – Energy Efficiency and Conservation Block Grant Program (Recovery Act Funded)	81.128	DE-EE0000920	2,339,701
Pass-Through Oklahoma Department of Commerce			
ARRA – Energy Efficiency and Conservation Block Grant Program (Recovery Act Funded)	81.128	13975-SEECBG-09	239,071
Total U.S. Department of Energy			2,714,772
U.S. Department of Homeland Security			
Pass-Through Oklahoma Department of Emergency Management Law Enforcement Officer Reimbursement Agreement Program	97.090	HST0208HSLR333	407,871
ARRA – Advanced Surveillance Program (ASP) (Recovery Act Funded)	97.118	HSTS04-09-H-REC307	2,524,041
Advanced Surveillance Program	97.118	HSTS04-10-H-CT1190	437,463
<i>Total Advanced Surveillance Program</i>			3,369,375
Direct Programs			
Assistance to Firefighters Grant	97.044	EMW-2010-FH-01081	1,631,109
Pass-Through Oklahoma Office of Homeland Security			
Non-Profit Security Program	97.008	150.001	172,612
Non-Profit Security Program	97.008	150.008	77,309
Non-Profit Security Program	97.008	131.014	247,917
Non-Profit Security Program	97.008	131.028	328,519
Non-Profit Security Program	97.008	150.005	79,555
Non-Profit Security Program	97.008	150-004	11,264
<i>Total Non-Profit Security Program</i>			917,176
State Homeland Security Program (SHSP)	97.073	144.003	78,315
State Homeland Security Program (SHSP)	97.073	240.012	698
<i>Total State Homeland Security Program</i>			79,013
Total U.S. Department of Homeland Security			5,996,673
Total Federal Assistance			43,733,090
<u>Oklahoma Department of Corrections</u>			
FY2010 Second Chance Interlocal Cooperative Agreement		Interlocal Coop Agreement	101,387
<u>Oklahoma Office of Juvenile Affairs</u>			
Community Intervention Center Interlocal Agreement		PO 4009017686	238,644
FY2012 Contract for Community Intervention Center: an Interlocal Agreement		PO 4009018584	241,880
<u>Oklahoma Aeronautics Commission</u>			
Install ILS for RW 17L/35R		PWA-10-S	302,355
Total State Assistance			884,266
Total Federal and State Assistance			\$ 44,617,356

The City of Oklahoma City, Oklahoma
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Note 1: Basis of Presentation and Accounting Policies

General

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state award programs of the City of Oklahoma City, Oklahoma (the City), for the year ended June 30, 2012. The City's reporting entity is described in *Note 1* in the City's Consolidated Annual Financial Report (CAFR). Federal financial awards received directly from federal agencies as well as federal financial awards, if any, passed through other government agencies are included on the Schedule. Required matching contributions, program income (except certain revolving loan fund program expenditures), state and private grants and other nonfederal grants and awards are not included in the Schedule.

Basis of Accounting

In prior years, the accompanying Schedule was presented using the same basis of accounting as the related funds in which the grant activity was reported in the basic financial statements. During the current year the basis of accounting was changed and is now presented using the following methods:

- a. For governmental funds presented in the basic financial statements, expenditures in this schedule are reported based on federal funds paid during the year, less expenditures accrued in the previous year, and expenditures that were paid within 90 days of the fiscal year-end that were accrued in the basic financial statements.
- b. For the Oklahoma City Airport Trust (OCAT), the Central Oklahoma Transportation and Parking Authority (COTPA) and the Oklahoma City Water Utilities Trust (OCWUT), expenditures of federal funds are now reported using the cash basis of accounting. As a result of the change in accounting basis for these funds, certain expenditures included in the current year schedule were also included in the prior year's schedule.

In addition, the accompanying schedule reflects certain adjustments resulting from transfers of funds between grants and probable repayment of questioned costs to federal agencies reported in prior years. As a result, certain grants show negative expenditures.

Note 2: Federal CFDA Numbers

Federal CFDA numbers or other identifying numbers listed on the Schedule were obtained from the respective grant/contract agreement.

The City of Oklahoma City, Oklahoma
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Note 3: Outstanding Loan Balance

The City participates in the Community Development Block Grant Section 108 Loan Guarantee Program (CFDA No. 14.248). The activity of the City's Section 108 loans guaranteed by the U.S. Department of Housing and Urban Development are as follows:

Project	Balance at Beginning of Year	Increases During Year	Decreases During Year	Balance at End of Year
Climate Craft	\$ 1,925,000	\$ -	\$ 1,925,000	\$ -
Micro-Enterprise and Small Business Loan Program	\$ 3,750,000	\$ -	\$ 125,000	\$ 3,625,000

Current year expenditures in the amount of \$500,000 as shown in the schedule of expenditures of federal and state awards Community Development Block Grant – Section 108 Loans were disbursed from program income as part of the City's Revolving Loan Fund Program established in 2006 and were not separately guaranteed by HUD as part of the Section 108 Loan Guarantee Program and are not included in the activity above.

The City also participates in the Environmental Protection Agency's (EPA) Brownfields Assessment and Cleanup Cooperative Agreements (CFDA No. 66.818). The activity of the loans issued as part of that program is as follows:

Project	Balance at Beginning of Year	Increases During Year	Decreases During Year	Balance at End of Year
Dowell Properties	\$ 1,308,667	\$ -	\$ 119,516	\$ 1,189,151
First National	\$ 1,485,475	\$ -	\$ 1,485,475	\$ -
Dowell Properties – ARRA	\$ 429,440	\$ -	\$ -	\$ 429,440
Shepherd Manor	\$ -	\$ 50,000	\$ -	\$ 50,000

During the year ended June 30, 2012, the outstanding balance of the loan with First National was determined by the City to be uncollectible and has been fully reserved for in the City's financial statements.

The City of Oklahoma City, Oklahoma
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2012

Note 4: Subrecipients

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

Federal CFDA Number	Program Title	Amount Provided to Subrecipients
14.218	Community Development Block Grant/Entitlement Grant	\$ 1,096,930
14.231	Emergency Shelter Grants	219,701
14.235	Supportive Housing Program	2,158,102
14.238	Shelter Plus Care	89,288
14.241	Housing Opportunities for Persons with AIDS	329,498
15.904	Historical Preservation Fund	14,311
16.738	Edward Byrne Memorial Justice Assistance Grant Program	12,510
16.804	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	17,239
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	<u>500,000</u>
	Total federal awards provided to subrecipients	<u>\$ 4,437,579</u>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Summary of Auditor's Results

1. The opinions expressed in the independent accountants' report were:
 Unqualified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:
Significant deficiencies noted considered material weaknesses? Yes No
Significant deficiencies noted that are not considered to be a material weakness? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:
Significant deficiency(ies) noted considered material weakness(es)? Yes No
Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

5. The opinions expressed in the independent accountants' report on compliance with requirements applicable to major federal awards were:
 Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

7. The City's major programs were:

Cluster/Program	CFDA Number
Airport Improvement Program	20.106
<i>Federal Transit Cluster</i>	
Federal Transit – Capital Investment Grants	20.500
Federal Transit – Formula Grants	20.507
ARRA – Federal Transit – Formula Grants	20.507
<i>Transit Service Programs Cluster</i>	
Job Access – Reverse Commute	20.516
New Freedom Program	20.521
Capitalization Grants for Clean Water State Revolving Funds	66.458
<i>Brownfield Assessment and Cleanup Cooperative Agreements</i>	
Brownfield Assessment and Cleanup Cooperative Agreements	66.818
ARRA – Brownfield Assessment and Cleanup Cooperative Agreements	66.818
ARRA – Energy Efficiency and Conservation Block Grant Program (Recovery Act Funded)	81.128
Assistance to Firefighters Grants	97.044
Advanced Surveillance Program (ASP)	97.118

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$1,578,950.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
12-01	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Interfund reimbursements were not properly recorded within the City and related trusts and authorities’ financial statements to reflect the fund responsible for the particular expense. As a result, the City and related trusts and authorities had not historically reported a liability for expenses incurred on their behalf which had not yet been reimbursed as of year-end. This matter required a restatement of the prior year’s financial statements to properly reflect this liability, including a prior period adjustment to reflect the City is legally responsible to fund the estimated workers’ compensation claims liability reported by the Oklahoma City Municipal Finance Authority.</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors that occurred and were not detected and/or corrected in a timely manner, resulting in a restatement of prior year’s financial statements.</p> <p>Cause – Previously issued accounting guidance was not properly implemented and the accruals recorded by the City and related trusts and authorities were not properly monitored.</p> <p>Recommendation – We recommend management increase monitoring of activity/transactions of the trusts and authorities to ensure proper year-end accruals and proper presentation in accordance with prescribed guidance.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree with the change in treatment of these transactions and have recorded these transactions in the current year and will record the appropriate amounts in the future.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-02	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – The City and related trusts and authorities continued to make material adjustments, in response to audit inquiries, to correct capital assets and related depreciation account balances. These adjustments included the correction of errors that had been made with respect to capitalization of interest on capital asset projects and errors in prior year depreciation restatement adjustments. The correction of these errors required a restatement of the 2011 financial statements of the Oklahoma Public Property Authority.</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors not detected and/or corrected in a timely manner which resulted in material adjustments to current year’s financial statements and a restatement of the 2011 financial statements.</p> <p>Cause – Current control processes and procedures did not timely identify the need to make adjustments to capital asset accounts and, due to the volume of completed projects identified in 2011, the completion dates of construction in progress assets provided by City departments to the Finance Department were not validated by the Finance Department.</p> <p>Recommendation – We recommend the continued review of asset accounting procedures and processes to identify enhancements which can be implemented to strengthen these processes and procedures as well as developing additional procedures to ensure the Finance Department that the information received from other departments has been properly validated.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree the asset management system and related accounting procedures need revision. We will revise the asset management system and develop extensive procedures to ensure the system properly tracks capital assets.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-03	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting and regulatory compliance.</p> <p>Condition – On December 12, 2012, the Oklahoma City Post-Employment Benefits Trust (the Trust) was notified by the Internal Revenue Service (IRS) that the tax-exempt status of the Trust was revoked for failure to file annual information return Form 990 – Return of Organization Exempt from Income Tax for the previous three years.</p> <p>Context – Maintaining compliance with applicable laws and regulations is critical to safeguarding the Trust’s and the City’s assets. The Trust was formed in 2008. A Form 990 – Return of Organization Exempt from Income Tax was required to be filed for the period ended June 30, 2009, and each year thereafter. These returns were not filed by the Trust. We understand that correspondence regarding this matter received by the Trust from the IRS was forwarded to legal counsel by Trust management. We also understand the Trust did not receive guidance from legal counsel regarding such correspondence and Trust management did not follow up with legal counsel regarding such correspondence. This resulted in the Trust’s failure to file the Form 990 – Return of Organization Exempt from Income Tax for three successive years, which resulted in automatic revocation of the Trust’s tax-exempt status.</p> <p>Effect – The failure to timely file Form 990 – Return of Organization Exempt from Income Tax results in monetary penalties to the Trust. In addition, the impact to the Trust for having its tax-exempt status revoked could result in a requirement to pay income taxes on the net income of the Trust.</p> <p>Cause – Proper internal controls were not implemented to ensure the required tax filings were timely submitted by the Trust.</p> <p>Recommendation – We recommend management file all delinquent IRS Form 990s and apply for reinstatement of the Trust’s tax-exempt status as instructed by the IRS and request abatement of all interest, penalties and taxes as soon as administratively possible. In addition, we recommend management implement internal controls for maintaining compliance with required regulatory filings of the Trust.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We have begun the process of filing the required annual tax returns and will file as soon as possible. We have also begun the process of requesting reinstatement of the Trust’s tax-exempt status. Since annual returns must be made public and must be reviewed by the Trustees, we believe this annual filing with the Trustees will ensure proper filing.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-04	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – In an effort to improve reporting of unrecorded payables, the City and related trusts and authorities changed the method used to identify certain payables to be accrued at year-end. The City and related trusts and authorities implemented a process whereby the department managers provided estimates of payables based on the progress on projects. The Accounting Services Division relied on the payable information provided by the department managers and did not validate the information. Based on our testing of payables, we identified certain instances where payables recorded under this new method were both overstated and understated.</p> <p>Context – Timely and accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements due to error could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Insufficient education of department managers regarding what information was actually needed and the testing of the new process methodology was not completed.</p> <p>Recommendation – We recommend that new processes implemented be clearly communicated and results tested to ensure the accuracy of the information being generated by the new process.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree the process needs improvement and will implement year-end training and a process that includes requiring documentation of amounts provided by departments in order to validate accuracy of information.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-05	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Payments made to suburban school districts were not properly recorded within the Oklahoma City Metropolitan Area Public Schools Trust’s (the Trust) financial statements to reflect unspent payments. Payments made to suburban school districts were being expensed when distributed rather than expensed when services were performed. This matter required a restatement of the prior year’s financial statements to properly reflect this asset.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors that occurred and were not detected and/or corrected in a timely manner, resulting in a restatement of the 2011 financial statements.</p> <p>Cause – Misunderstanding of the facts surrounding how the payments to suburban schools were handled which resulted in improper accounting treatment.</p> <p>Recommendation – We recommend working closely with the Operations Department to track suburban school projects for which funds have been issued but not yet expended by suburban school districts to ensure proper year-end reporting of unspent payments.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree with the change in treatment and have recorded these transactions in the current year and will record the appropriate amounts in the future.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-06	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Unauthorized access to the City’s financial data may occur and not be prevented and/or detected in a timely manner.</p> <p>Programmers in the Information Technology (IT) Department have the ability to modify programming in the software used for financial reporting. This would allow programmers to make unauthorized changes to financial data.</p> <p>Application security reports and logs are only being reviewed upon request.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Potential material misstatements in the financial statements or material misappropriation of assets due to error or fraud could occur and not be detected and/or corrected in a timely manner.</p> <p>Cause – Resources available to the IT Department may not be sufficient to allow adequate monitoring of controls and duties may need to be reviewed and redesigned.</p> <p>Recommendation – We recommend the City’s management evaluate the internal controls in the IT Department and take necessary actions as considered necessary to provide adequate resources or redesign of the control environment to allow sufficient monitoring controls.</p> <p>Views of Responsible Officials and Planned Corrective Actions – This finding was also reported in the previous year. Due to requirements of obtaining and implementing the software to address this recommendation, controls to resolve this weakness were not implemented until the first quarter of fiscal year 2013.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Reference Number	Finding
12-07	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – It was determined during the current year, certain fixed assets had been recorded on the books of the Oklahoma City Riverfront Redevelopment Authority (the Authority) in previous years that the Authority did not own. These assets had been formally accepted by the Authority; however, an agreement between the City and the Authority specifically identified these as assets of the City. This matter required a restatement of the 2011 financial statements.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Material misstatements in the financial statements resulted from errors that occurred and were not detected and/or corrected in a timely manner, resulting in a restatement of the 2011 financial statements.</p> <p>Cause – The addition of capital assets was not properly monitored in prior years.</p> <p>Recommendation – We recommend management familiarize themselves with all legal agreements which may define or limit the ownership of capital assets before such assets are recorded in the Authority’s accounts.</p> <p>Views of Responsible Officials and Planned Corrective Actions – After review of the circumstances surrounding the original treatment of this transaction, we agree with the recommended treatment and have adjusted the accounting records. We have a process to review all contracts and agreements the Authority approves.</p>

The City of Oklahoma City, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2012

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
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No matters are reportable.

The City of Oklahoma City, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2012

Reference Number	Finding	Questioned Costs
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No matters are reportable.