

**OUR FUTURE IS BRIGHT**



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

Annual Financial Report | the City of Oklahoma City, Oklahoma | for the Fiscal Year ended June 30, 2013



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

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

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Transportation and Parking  
Authority  
Board of Trustees***

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

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

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

## ***Management***

Richard Cain, Department Director  
James D. Couch, City Manager

Annual Financial Report for the Fiscal Year Ended June 30, 2013

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



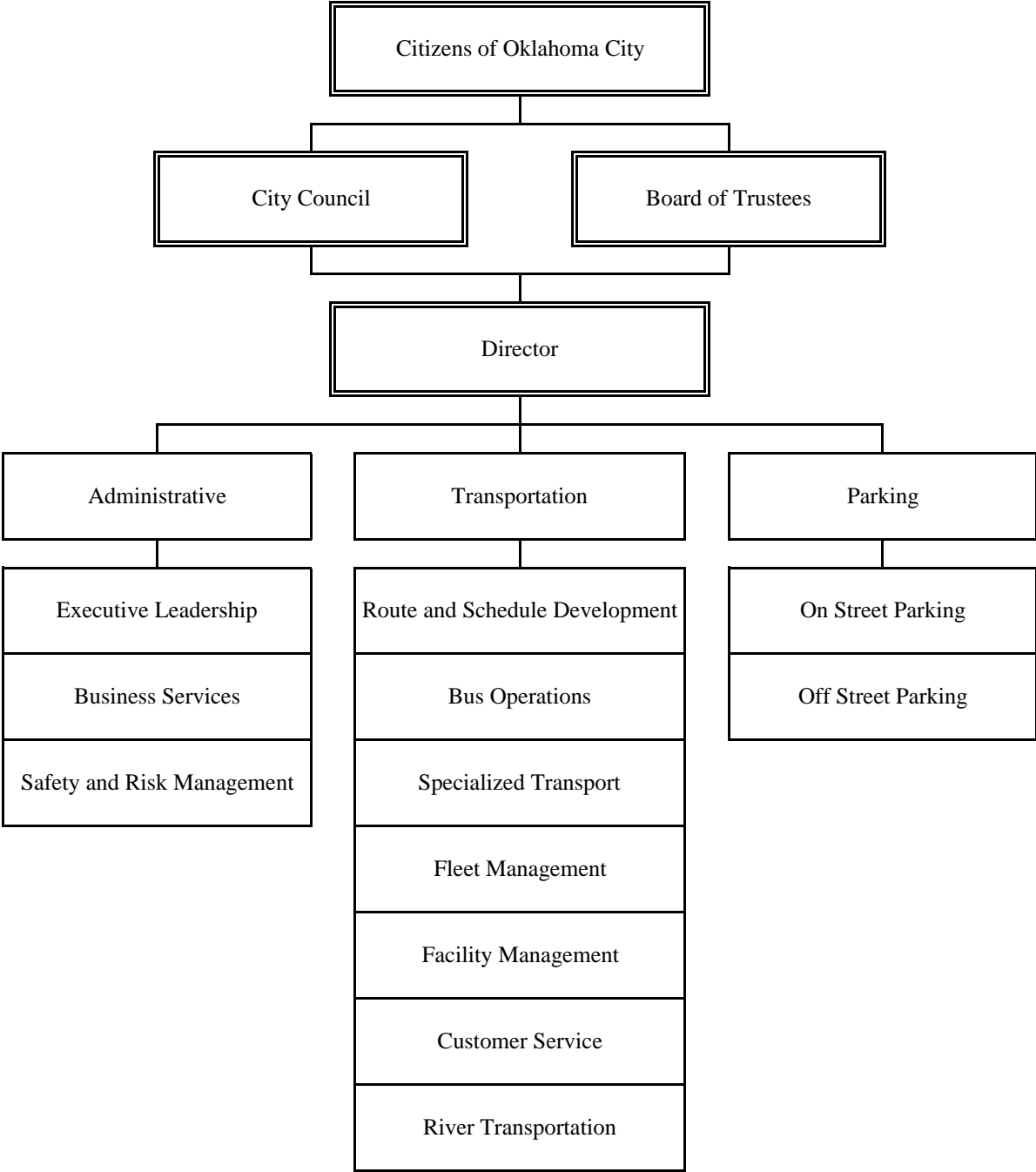
**OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

**TABLE OF CONTENTS**

For the Fiscal Years Ended June 30, 2013 and 2012

	<b>PAGE</b>
City of Oklahoma City Transportation and Parking Department Organization Chart	iv
Introductory:	
Transmittal Letter	1
Financial:	
Independent Auditor's Report on Financial Statements and Supplementary Information	3
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Department-wide Financial Statements:</i>	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	15
<i>Division Financial Statements:</i>	
Statements of Net Position	16
Statements of Revenues, Expenses, and Changes in Net Position	17
Statements of Cash Flows	18
Division Combining Financial Statements:	
<i>Transportation Division:</i>	
Statements of Net Position	20
Statements of Revenues, Expenses, and Changes in Net Position	21
Statements of Cash Flows	23
<i>River Cruises Division:</i>	
Statements of Net Position	24
Statements of Revenues, Expenses, and Changes in Net Position	25
Statements of Cash Flows	27
<i>Parking Division:</i>	
Statements of Net Position	28
Statements of Revenues, Expenses, and Changes in Net Position	29
Statements of Cash Flows	31
COTPA Retirement Trust:	
Statements of Plan Net Position	32
Statements of Changes in Plan Net Position	33
Notes to Financial Statements	34
Required Supplementary Information:	
Defined Benefit Pension Trusts	73
Other Post-Employment Benefits Trusts	74
Supplementary Information:	
<i>Authority Funds:</i>	
Schedules of Net Position	76
Schedules of Revenues, Expenses, and Changes in Net Position	77
Schedules of Cash Flows	79
<i>Enterprise Funds:</i>	
Schedules of Net Position	80
Schedules of Revenues, Expenses, and Changes in Net Position	81
Schedules of Cash Flows	83
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85

# City of Oklahoma City Transportation and Parking Department Organization Chart



# **Introductory Section**







December 6, 2013

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

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

The Department's annual report includes the report of independent auditors, management's discussion and analysis (MD&A), Department-wide, division, and fund financial statements, related notes, and required supplementary information. Management's narrative on the financial activities of the Department for the fiscal years ended June 30, 2013 and 2012, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and supplementary information. The Department is included within the City's Comprehensive Annual Financial Report (CAFR).

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

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

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

The current economic environment and the economic outlook for Oklahoma City 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 including Forbes February 25, 2013 ranking of Oklahoma City as one of the best cities for good jobs. These factors promise an immediate and sustainable economic growth outlook for the next several years.

In a report prepared by The Steven C. Agee Economic Research & Policy Institute of Oklahoma City University (Institute), dated January 31, 2013 and entitled "City of Oklahoma City Economic Outlook", the Institute reported that calendar year 2013, while remaining in a general recovery mode, will be another year of underperformance nationally, citing unresolved Federal issues. On the other hand the Institute cites historical patterns of economic activity in Oklahoma as reasons Oklahoma City has and will not closely follow the national trend. As a result they report that Oklahoma City should continue to enjoy broad growth as long as the national economy is in a general recovery mode. The Institute reported that recent employment and earnings growth should result in positive sales tax momentum with a general projection of 4.4 percent annual growth in sales tax revenues for calendar years 2013 and 2014 with a range from 2.6 percent to 7.4 percent depending on the national economy. Personal income is expected to grow 4.3 percent and 3.7 percent for calendar years 2013 and 2014, respectively. Without any significant changes in the national economy, overall job growth is expected to be around 2.5 percent for calendar years 2013 and 2014 and possibly in excess of 4 percent in some job sectors.

Fiscal year 2013, in terms of sales tax revenue growth, substantiates this positive outlook, with an increase for the year of over 5 percent. Expenditures for the year, predicated on this growth, allowed for increases in several programs. Budgeted expenditures for fiscal year 2014 also were based on the positive projected economic growth.

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

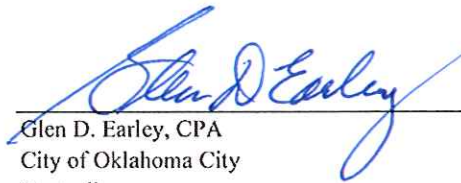
The Mayor (or his appointed surrogate), the City Manager (or his appointed surrogate), and the City Finance Director, serve as the Authority's Trustees with five other Trustees appointed by the Mayor and approved by the Council. The Department participates in the City's comprehensive accounting and budgetary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

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

Respectfully submitted,



Richard Cain  
City of Oklahoma City  
Public Transportation and Parking Director



Glen D. Earley, CPA  
City of Oklahoma City  
Controller

# **Financial Section**



## Independent Auditor's Report on Financial Statements and Supplementary Information

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, major funds and the aggregate remaining fund information, of the Oklahoma City Public Transportation and Parking Department (the Department), a discrete component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the major funds and the aggregate remaining fund information of the Department as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

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

**Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department’s basic financial statements. The accompanying schedules outlined in the supplementary information section of the table of contents 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.

**Other Information**

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of Department’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Department’s internal control over financial reporting and compliance.

**BKD, LLP**  
Oklahoma City, Oklahoma  
December 6, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Public Transportation and Parking Department (Department) annual financial report, the Department's management provides narrative discussion and analysis of the financial activities of the Department for the fiscal years ended June 30, 2013 and 2012. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Department consists of the blended operations of the Central Oklahoma Transportation and Parking Authority (Authority), a discrete component unit of the City of Oklahoma City (City), and the Transportation and Parking Enterprise Funds (Enterprise) of the City.

### *Financial Summary*

- Department assets exceeded liabilities by \$66,383,008 (net position) for 2013. This compares to the previous year when assets exceeded liabilities by \$55,557,439 (net position).
- Total assets for the Department increased by \$37,744,750 (60.6%) to \$100,009,170 during the fiscal year. This compares to the previous year when assets decreased by \$1,308,429.
- Total liabilities for the Department increased by \$26,919,181 (401.4%) to \$33,626,162 during the fiscal year. This compares to the previous year when liabilities decreased by \$10,850,770.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets, in the amount of \$44,332,344 at June 30, 2013 and \$38,016,936 at June 30, 2012 includes capital assets, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$1,481,260 at June 30, 2013 is restricted for debt service by constraints imposed by debt covenants.
  - (3) Unrestricted net position of \$20,569,404 at June 30, 2013 and \$17,540,503 at June 30, 2012.

### *Overview of the Financial Statements*

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

### **Department-wide Financial Statements**

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

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

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

The statement of cash flows reports the inflows and outflows of Department cash.

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

#### **Division Financial Statements**

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

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

#### **Fiduciary Financial Statements**

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

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

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

#### **Other Information**

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

#### ***Financial Analysis***

The Department's net position at fiscal year-end is \$66,383,008. This is an increase of \$10,825,569 over last year's net position of \$55,557,439. Overall, the Department's financial position improved during fiscal year 2013.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2013 and 2012**

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

	<b>Summary of Net Position</b>						
	<u>2013</u>	<u>2012</u>	2013-2012 Amount <u>of Change</u>	2013-2012 %	<u>2011</u>	2012-2011 Amount <u>of Change</u>	2012-2011 %
<b>Assets</b>							
Current assets	\$47,770,074	\$23,120,772	\$24,649,302	106.6%	\$19,575,386	\$3,545,386	18.1%
Capital assets, net	50,170,159	38,699,422	11,470,737	29.6	41,069,696	(2,370,274)	(5.8)
Other non-current assets	<u>2,068,937</u>	<u>444,226</u>	<u>1,624,711</u>	365.7	<u>2,927,767</u>	<u>(2,483,541)</u>	(84.8)
<b>Total assets</b>	<b><u>100,009,170</u></b>	<b><u>62,264,420</u></b>	<b><u>37,744,750</u></b>	60.6	<b><u>63,572,849</u></b>	<b><u>(1,308,429)</u></b>	(2.1)
<b>Liabilities</b>							
Current liabilities	9,265,841	3,312,937	5,952,904	179.7	4,858,258	(1,545,321)	(31.8)
Non-current liabilities	<u>24,360,321</u>	<u>3,394,044</u>	<u>20,966,277</u>	617.7	<u>12,699,493</u>	<u>(9,305,449)</u>	(73.3)
<b>Total liabilities</b>	<b><u>33,626,162</u></b>	<b><u>6,706,981</u></b>	<b><u>26,919,181</u></b>	401.4	<b><u>17,557,751</u></b>	<b><u>(10,850,770)</u></b>	(61.8)
<b>Net position</b>							
Net investment in capital assets	44,332,344	38,016,936	6,315,408	16.6	32,589,884	5,427,052	16.7
Restricted	1,481,260	-	1,481,260	100.0	1,716,756	(1,716,756)	(100.0)
Unrestricted	<u>20,569,404</u>	<u>17,540,503</u>	<u>3,028,901</u>	17.3	<u>11,708,458</u>	<u>5,832,045</u>	49.8
<b>Total net position</b>	<b><u>\$66,383,008</u></b>	<b><u>\$55,557,439</u></b>	<b><u>\$10,825,569</u></b>	19.5	<b><u>\$46,015,098</u></b>	<b><u>\$9,542,341</u></b>	20.7

Current assets increased by \$24.65 million and \$3.55 million in 2013 and 2012, respectively. Cash and investments increased \$25.87 million in 2013 including \$21.71 million in restricted investments related to bonds issued in 2013. Cash and investments decreased \$1.30 million in 2012 which included \$1.99 million in current restricted investments related to the defeasance of bonds in 2012. Accounts receivable decreased \$2.92 million and increased \$3.01 million in 2013 and 2012, respectively, mainly due to the recognition in 2012 and subsequent receipt in 2013 of \$2.94 million receivable from the escrow agent related to the defeasance of bonds in 2012. Receivable from the City increased \$152 thousand in 2013 and \$852 thousand in 2012 due to the timing of the City General Fund subsidy to the Authority Parking Fund. Intergovernmental receivable increased \$1.61 million and \$892 thousand related to the timing of receipts of Federal grant revenues.

Capital assets, net of accumulated depreciation, increased \$11.47 million in 2013 with construction and capital acquisitions of \$15.04 million, net of depreciation of \$2.93 million. Capital assets, net of accumulated depreciation, decreased \$2.37 million in fiscal year 2012 with construction and capital acquisitions of \$1.80 million, net of \$1.17 million in retirements and \$3.00 million in depreciation. Other non-current assets increased \$1.62 million in 2013 with the increase of non-current investments of \$1.48 million related to the bond reserve for bonds issued in 2013. Other non-current assets decreased by \$2.48 million in fiscal year 2012 due to the defeasance of bonds payable and use of \$2.53 million bond reserve.

Current liabilities increased \$5.95 million in 2013 due to an increase in accounts payable in the amount of \$5.94 million related to the timing of construction payments. Current liabilities decreased in fiscal year 2012 by \$1.55 million due to the defeasance of bonds payable which resulted in the decrease of current bonds payable of \$1.72 million and bond interest payable of \$276 thousand.

Non-current liabilities increased \$20.97 million in 2013 due to an increase in bonds payable of \$22.00 million with the issuance of bonds offset by a decrease in payable to primary government of \$970 thousand with the exchange of the advance from the Oklahoma City Water Utilities Trust (OCWUT) for retail space. Non-current liabilities decreased \$9.31 million in fiscal year 2012. The decrease in fiscal year 2012 consisted mainly of a decrease in non-current bonds payable, net, of \$9.21 million which is related to the sale of Broadway Kerr Parking Garage and the defeasance of bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

	Summary of Changes in Net Position						
	2013	2012	2013-2012 Amount of Change	2013-2012 %	2011	2012-2011 Amount of Change	2012-2011 %
<b>Operating revenues</b>	<b>\$9,231,762</b>	<b>\$9,250,895</b>	<b>(\$19,133)</b>	<b>(0.2%)</b>	<b>\$9,165,880</b>	<b>\$85,015</b>	<b>0.9%</b>
<b>Operating expenses</b>							
Personal services	14,655,111	13,920,423	734,688	5.3	13,288,909	631,514	4.8
Maintenance, operations, and contractual services	9,249,075	9,422,211	(173,136)	(1.8)	8,894,148	528,063	5.9
Material and supplies	4,207,914	3,894,340	313,574	8.1	3,577,306	317,034	8.9
Depreciation	<u>2,932,933</u>	<u>3,003,078</u>	<u>(70,145)</u>	<u>(2.3)</u>	<u>3,176,905</u>	<u>(173,827)</u>	<u>(5.5)</u>
<b>Total operating expenses</b>	<b><u>31,045,033</u></b>	<b><u>30,240,052</u></b>	<b><u>804,981</u></b>	<b>2.7</b>	<b><u>28,937,268</u></b>	<b><u>1,302,784</u></b>	<b>4.5</b>
<b>Operating loss</b>	<b>(21,813,271)</b>	<b>(20,989,157)</b>	<b>(824,114)</b>	<b>(3.9)</b>	<b>(19,771,388)</b>	<b>(1,217,769)</b>	<b>(6.2)</b>
<b>Net non-operating revenues</b>	<b>29,772,971</b>	<b>22,377,556</b>	<b>7,395,415</b>	<b>33.0</b>	<b>20,459,175</b>	<b>1,918,381</b>	<b>9.4</b>
<b>Contributions and transfers</b>	<b>1,758,114</b>	<b>780,704</b>	<b>977,410</b>	<b>125.2</b>	<b>1,185,623</b>	<b>(404,919)</b>	<b>(34.2)</b>
<b>Special item</b>	<b><u>1,107,755</u></b>	<b><u>7,373,238</u></b>	<b><u>(6,265,483)</u></b>	<b>(85.0)</b>	<b>-</b>	<b><u>7,373,238</u></b>	<b>100.0</b>
<b>Changes in net position</b>	<b>10,825,569</b>	<b>9,542,341</b>	<b>1,283,228</b>	<b>13.4</b>	<b>1,873,410</b>	<b>7,668,931</b>	<b>409.4</b>
Beginning net position	<u>55,557,439</u>	<u>46,015,098</u>	<u>9,542,341</u>	20.7	<u>44,141,688</u>	<u>1,873,410</u>	4.2
<b>Ending net position</b>	<b><u>\$66,383,008</u></b>	<b><u>\$55,557,439</u></b>	<b><u>\$10,825,569</u></b>	<b>19.5</b>	<b><u>\$46,015,098</u></b>	<b><u>\$9,542,341</u></b>	<b>20.7</b>

Operating revenues decreased \$19 thousand in fiscal year 2013. Parking revenues increased \$167 thousand due to high occupancy rates system wide which was offset by a decrease of \$206 thousand in lease and rental income in large part the result of the exchange of retail space for extinguishment of debt with the Oklahoma City Water Utilities Trust (OCWUT). Operating revenues increased \$85 thousand in fiscal year 2012 as Transportation revenues increased by \$142 thousand due to increased ridership and Parking revenues increased \$110 thousand due to the Thunder NBA Finals games. This was offset by the sale of Broadway Kerr Parking garage and the reduction in 901 parking spaces.

Operating expenses increased \$805 thousand in fiscal year 2013. The increase was the result of an increase in personal services of \$735 thousand, mainly for a cost of living pay raise offset by a decrease of \$173 thousand in maintenance, operations, and contractual services. Materials and supplies increased in fiscal year 2013 \$314 thousand mainly related to purchase of wheelchair constraint systems and parts for the aging bus fleet which was offset by a decrease in depreciation expense of \$70 thousand related to the sale of the Broadway Kerr Garage in 2012. Operating expenses increased \$1.30 million in fiscal year 2012 and were the result of increases in personal services, maintenance, operations, and material and supplies of \$1.21 million related to a cost of living pay raise and increased ridership in the Transportation Division and usage of the bus fleet, offset by a reduction in depreciation expense totaling \$174 thousand.

Net non-operating revenues increased by \$7.40 million in fiscal year 2013 due to a \$5.69 million increase in receipts of grant operating revenue and an increase in the City General Fund subsidy of \$1.66 million mainly for increases in personnel costs and costs to operate and maintain the bus fleet. Net non-operating revenues increased by \$1.92 million in fiscal year 2012 due to an increase in the City General Fund subsidy of \$2.58 million for changes to personnel related costs, offset by a decrease in grants income of \$1.30 million due to the reduction in the American Recovery and Reinvestment Act grant revenue and a decrease in interest on bonds of \$202 thousand related to the sale of the Broadway Kerr Parking Garage and defeasance of 2006 Bonds.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2013 and 2012**

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

Contributions and transfers increased \$977 thousand in fiscal year 2013 mostly from an increase in Federal capital grants of \$894 thousand and an increase in capital payments from the City of \$62 thousand. Contributions and transfers decreased \$405 thousand in fiscal year 2012 due to a decrease in federal capital grants of \$145 thousand and capital payments from the City of \$297 thousand.

A special item of \$1.12 million was reported in 2013 for the exchange of real estate for the cancellation of debt with OCWUT. In 2012 a special item was reported in the amount of \$7.37 million related to the sale of the Broadway Kerr parking garage and the resulting defeasance of bonds. See Note V.B. for additional information regarding special items.

***Capital Assets and Debt Administration***

**Capital Assets**

The Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2013 and 2012, was \$50,170,159 and \$38,699,422, respectively. This was an increase of 29.6% in this investment compared to a decrease of 5.8% in 2012. See Note II. E. for more information regarding capital assets.

**Capital Assets, Net of Accumulated Depreciation**

	2013	2012	2013-2012 Amount of Change	2013-2012 %	2011	2012-2011 Amount of Change	2012-2011 %
<b>Non-Depreciable Assets</b>							
Land	\$4,872,022	\$4,219,827	\$652,195	15.5%	\$4,609,827	(\$390,000)	(8.5%)
Construction in progress	<u>10,454,333</u>	<u>3,289,253</u>	<u>7,165,080</u>	217.8	<u>1,774,894</u>	<u>1,514,359</u>	85.3
Total non-depreciable assets	<u>15,326,355</u>	<u>7,509,080</u>	<u>7,817,275</u>	104.1	<u>6,384,721</u>	<u>1,124,359</u>	17.6
<b>Depreciable Assets</b>							
Buildings	10,019,495	10,604,430	(584,935)	(5.5)	10,779,123	(174,693)	(1.6)
Improvements other than buildings	2,961,265	3,005,611	(44,346)	(1.5)	3,499,257	(493,646)	(14.1)
Buses, automobiles and river boats	9,869,194	7,040,334	2,828,860	40.2	8,130,309	(1,089,975)	(13.4)
Parking garages and surface lots	9,143,713	9,278,163	(134,450)	(1.4)	10,565,653	(1,287,490)	(12.2)
Other assets	<u>2,850,137</u>	<u>1,261,804</u>	<u>1,588,333</u>	125.9	<u>1,710,633</u>	<u>(448,829)</u>	(26.2)
Total depreciable assets	<u>34,843,804</u>	<u>31,190,342</u>	<u>3,653,462</u>	11.7	<u>34,684,975</u>	<u>(3,494,633)</u>	(10.1)
	<b><u>\$50,170,159</u></b>	<b><u>\$38,699,422</u></b>	<b><u>\$11,470,737</u></b>	29.6	<b><u>\$41,069,696</u></b>	<b><u>(\$2,370,274)</u></b>	(5.8)

Land increased in fiscal year 2013 by \$652 thousand with the purchase of land for the new Arts District Garage and decreased in 2012 by \$390 thousand related to the sale of Broadway Kerr Parking Garage. Construction in progress increased \$7.17 million in fiscal year 2013 related to the new parking garage construction and improvements to various Transit facilities and increased \$1.51 million in fiscal year 2012 related to installation of automatic vehicle location systems on buses, gate construction related to parking garages, and concrete repairs for Santa Fe Parking Garage.

Depreciable assets increased in 2013 by \$3.65 mainly due to Buses, automobiles and river boats increase of \$2.83 million with the purchase of new buses and an increase of \$1.59 million in other assets which included furniture, machinery, and equipment offset by normal depreciation. Depreciable assets decreased by \$3.49 million in 2012 due to the sale of Broadway Kerr Parking Garage and normal depreciation.

**Long-term Debt**

At the end of the 2013 fiscal year, the Department had total bonded debt outstanding of \$22.00 million. This debt was primarily supported by pledged revenues generated by the parking activities of the Department (revenue bonds). See Note III. E. for more information regarding revenue bonds.

	<b>Outstanding Bonds</b>						
	<u>2013</u>	<u>2012</u>	2013-2012 Amount of Change	2013-2012 %	<u>2011</u>	2012-2011 Amount of Change	2012-2011 %
Revenue bonds							
Parking	<u>\$22,000,000</u>	<u>\$-</u>	<u>\$22,000,000</u>	100.0%	<u>\$10,775,000</u>	<u>(\$10,775,000)</u>	(100.0%)

Series 2013 Parking Revenue Bonds were issued in the amount of \$22.00 million in 2013 to pay for part of the construction of the new Arts District parking facility. In 2012, Revenue Refunding Bonds, Series 2006 were extinguished by regular debt service payments of \$1.72 million and the defeasance of the remaining balance of \$9.06 million. See Note III. G. for more information regarding changes in long-term debt.

**Bond Ratings**

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

***Economic Factors***

Continued economic recovery resulted in increased bus ridership and increased parking demand. Market fluctuations caused a decrease in investment income.

***Contacting the Department's Financial Management***

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

# **Basic Financial Statements**



## ***Department-wide Financial Statements***

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

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

## ***Fund Financial Statements***

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

### **Proprietary Fund Financial Statements**

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

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

### **Fiduciary Fund Financial Statements**

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

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<b>2013</b>	<b>2012</b>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Pooled cash-----	\$6,698	\$1,751
Non-pooled cash-----	13,016,270	6,481,326
Investments-----	29,401,905	10,075,035
Accounts receivable, net-----	265,831	3,187,544
Interest receivable-----	630	331
Due from other funds-----	723	-
Receivable from primary government-----	1,007,593	855,349
Intergovernmental receivables-----	3,261,962	1,650,966
Inventories-----	792,725	861,794
Prepays-----	15,737	6,676
<b>Total current assets-----</b>	<b>47,770,074</b>	<b>23,120,772</b>
<b><u>NON-CURRENT ASSETS</u></b>		
Investments-----	1,481,260	-
Other-----	587,677	444,226
Capital assets:		
Land and construction in progress-----	15,326,355	7,509,080
Other capital assets, net of accumulated depreciation-----	34,843,804	31,190,342
<b>Total capital assets-----</b>	<b>50,170,159</b>	<b>38,699,422</b>
<b>Total non-current assets-----</b>	<b>52,239,096</b>	<b>39,143,648</b>
<b>Total assets-----</b>	<b>100,009,170</b>	<b>62,264,420</b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable-----	8,061,384	2,116,775
Wages and benefits payable-----	624,765	539,033
Due to other funds-----	694	1,847
Payable to component units-----	-	121,250
Payable to primary government-----	133,532	23,904
Compensated absences-----	285,943	287,237
Estimated claims payable-----	-	60,000
Unearned revenue-----	159,523	162,891
<b>Total current liabilities-----</b>	<b>9,265,841</b>	<b>3,312,937</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Compensated absences-----	614,328	617,376
Payable to component units-----	-	970,000
Unearned revenue-----	1,102,250	1,235,250
Bonds payable-----	22,000,000	-
Net other post-employment benefit obligation-----	643,743	571,418
<b>Total non-current liabilities-----</b>	<b>24,360,321</b>	<b>3,394,044</b>
<b>Total liabilities-----</b>	<b>33,626,162</b>	<b>6,706,981</b>
<b><u>NET POSITION</u></b>		
Net Investment in capital assets-----	44,332,344	38,016,936
Restricted for debt service-----	1,481,260	-
Unrestricted-----	20,569,404	17,540,503
<b>Total net position-----</b>	<b>\$66,383,008</b>	<b>\$55,557,439</b>

See accompanying notes to financial statements.



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
<b><u>OPERATING REVENUES</u></b>		
<b><u>CHARGES FOR SERVICES</u></b>		
Transportation charges-----	\$2,721,503	\$2,729,519
River cruise charges-----	150,458	186,020
Parking-----	6,015,144	5,847,988
Other charges-----	-	264
Total charges for services-----	<u>8,887,105</u>	<u>8,763,791</u>
Lease and rental income-----	87,866	294,183
Other-----	256,791	192,921
<b>Total operating revenues-----</b>	<b><u>9,231,762</u></b>	<b><u>9,250,895</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Personal services-----	14,655,111	13,920,423
Maintenance, operations, and contractual services-----	9,249,075	9,422,211
Materials and supplies-----	4,207,914	3,894,340
Depreciation-----	2,932,933	3,003,078
<b>Total operating expenses-----</b>	<b><u>31,045,033</u></b>	<b><u>30,240,052</u></b>
<b>Operating loss-----</b>	<b><u>(21,813,271)</u></b>	<b><u>(20,989,157)</u></b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Non-capital contributions-----	133,000	133,000
Grants operating-----	15,911,611	10,226,456
Investment income-----	16,171	16,460
Interest on bonds-----	-	(290,751)
Bond issue costs-----	(250,453)	-
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	45,286	-
Payments from City of Oklahoma City-----	13,841,451	12,183,855
Other revenues (expenses)-----	25,905	58,536
<b>Net non-operating revenues-----</b>	<b><u>29,772,971</u></b>	<b><u>22,377,556</u></b>
<b>Income before contributions and transfers and special item-----</b>	<b>7,959,700</b>	<b>1,388,399</b>
<b><u>CONTRIBUTIONS AND TRANSFERS</u></b>		
Grants capital-----	1,419,255	525,342
Capital payments from City of Oklahoma City-----	75,976	14,024
Transfers from other funds-----	262,883	241,338
<b>Total contributions and transfers-----</b>	<b><u>1,758,114</u></b>	<b><u>780,704</u></b>
<b><u>SPECIAL ITEM</u></b>		
Special item-----	<b><u>1,107,755</u></b>	<b><u>7,373,238</u></b>
<b>Changes in net position-----</b>	<b>10,825,569</b>	<b>9,542,341</b>
Total net position, beginning-----	55,557,439	46,015,098
<b>Total net position, ending-----</b>	<b><u>\$66,383,008</u></b>	<b><u>\$55,557,439</u></b>

See accompanying notes to financial statements.

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

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

	<u>2013</u>	<u>2012</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers-----	\$9,562,340	\$9,129,146
Cash payments to suppliers for goods and services-----	(12,794,462)	(13,240,119)
Cash payments to employees and professional contractors for services-----	(14,710,764)	(13,663,642)
Operating payments from (to) City of Oklahoma City-----	(152,245)	(1,144,765)
<b>Net cash provided (used) by operating activities-----</b>	<b>(18,095,131)</b>	<b>(18,919,380)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Cash received from operating grants-----	13,841,764	9,012,158
Transfers received from other funds-----	326,960	-
Transfers paid to other funds-----	-	35,270
Non-capital financing payments from (to) component units-----	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	13,841,451	12,183,855
Other non-capital financing cash receipts-----	210,185	296,994
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>28,270,360</b>	<b>21,578,277</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>		
Proceeds from issuance of long-term debt-----	21,749,547	-
Payments for acquisition and construction of capital assets-----	(9,494,056)	(1,558,076)
Principal paid on long-term debt-----	-	(1,715,000)
Interest paid on long-term debt-----	-	(574,927)
Payments to defease bonds-----	-	(12,111,260)
Capital financing payments from (to) component units-----	45,286	(121,250)
Proceeds from sale of assets-----	3,118,204	8,678,464
Capital grants and contributions received-----	1,737,939	891,619
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>17,156,920</b>	<b>(6,510,430)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments-----	(34,001,911)	(18,995,594)
Proceeds from sale of investments-----	13,307,282	21,059,546
Changes in pooled investments-----	(113,001)	66,321
Investment income received-----	15,372	30,222
Purchased interest-----	-	83
<b>Net cash provided (used) by investing activities-----</b>	<b>(20,792,258)</b>	<b>2,160,578</b>
<b>Net increase (decrease) in cash-----</b>	<b>6,539,891</b>	<b>(1,690,955)</b>
Cash, beginning-----	6,483,077	8,174,032
<b>Cash, ending-----</b>	<b>\$13,022,968</b>	<b>\$6,483,077</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)-----	(\$21,813,271)	(\$20,989,157)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Depreciation-----	2,932,933	3,003,078
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable-----	25,303	(105,087)
(Increase) decrease in due from other funds-----	(24,670)	(12,571)
(Increase) decrease in receivable from component units-----	21,520	-
(Increase) decrease in receivable from City of Oklahoma City-----	(152,245)	(852,396)
(Increase) decrease in inventories-----	69,070	(82,613)
(Increase) decrease in prepaid assets-----	(9,061)	(6,676)
(Increase) decrease in other assets-----	(143,452)	(117,193)
Increase (decrease) in accounts payable-----	827,753	(16,229)
Increase (decrease) in wages and benefits payable-----	85,733	44,770
Increase (decrease) in due to other funds-----	4,982	(12,107)
Increase (decrease) in payable to City of Oklahoma City-----	75,660	(8,479)
Increase (decrease) in compensated absences-----	(4,343)	66,915
Increase (decrease) in notes, lease and estimated claims payable-----	(60,000)	60,000
Increase (decrease) in net other post-employment benefit obligation-----	72,325	102,892
Increase (decrease) in unearned revenue-----	(3,368)	5,473
Total adjustments-----	3,718,140	2,069,777
<b>Net cash provided (used) by operating activities-----</b>	<b>(18,095,131)</b>	<b>(18,919,380)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>		
Net increase (decrease) in fair value of investments-----	(\$260)	(\$12,964)
Forgiveness of debt-----	1,091,250	-
Transfers of assets from (to) other funds-----	(207,245)	-
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$883,745</b>	<b>(\$12,964)</b>

See accompanying notes to financial statements.

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

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

	2013			Total Department	2012
	Division		Total Department		Total
	Transportation	River Cruises			Parking
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Pooled cash-----	\$4,917	\$ -	\$1,781	\$6,698	\$1,751
Non-pooled cash-----	6,823,592	751,917	5,440,761	13,016,270	6,481,326
Investments-----	1,122,593	-	28,279,312	29,401,905	10,075,035
Accounts receivable, net-----	122,819	-	143,012	265,831	3,187,544
Interest receivable-----	463	-	167	630	331
Payable/due from (to) within the Department----	(296,781)	321,451	(24,670)	-	-
Due from other funds-----	-	-	723	723	-
Receivable from primary government-----	1,007,593	-	-	1,007,593	855,349
Intergovernmental receivables-----	3,261,962	-	-	3,261,962	1,650,966
Inventories-----	780,860	6,624	5,241	792,725	861,794
Prepays-----	15,737	-	-	15,737	6,676
Total current assets-----	<u>12,843,755</u>	<u>1,079,992</u>	<u>33,846,327</u>	<u>47,770,074</u>	<u>23,120,772</u>
<b>NON-CURRENT ASSETS</b>					
Investments-----	-	-	1,481,260	1,481,260	-
Other-----	587,677	-	-	587,677	444,226
Capital assets:					
Land and construction in progress-----	7,495,148	623,762	7,207,445	15,326,355	7,509,080
Other capital assets, net of accumulated depreciation-----	18,937,389	4,491,447	11,414,968	34,843,804	31,190,342
Total capital assets-----	<u>26,432,537</u>	<u>5,115,209</u>	<u>18,622,413</u>	<u>50,170,159</u>	<u>38,699,422</u>
Total non-current assets-----	<u>27,020,214</u>	<u>5,115,209</u>	<u>20,103,673</u>	<u>52,239,096</u>	<u>39,143,648</u>
<b>Total assets-----</b>	<b><u>39,863,969</u></b>	<b><u>6,195,201</u></b>	<b><u>53,950,000</u></b>	<b><u>100,009,170</u></b>	<b><u>62,264,420</u></b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable-----	3,357,802	469,408	4,234,174	8,061,384	2,116,775
Wages and benefits payable-----	612,711	-	12,054	624,765	539,033
Due to other funds-----	406	-	288	694	1,847
Payable to component units-----	-	-	-	-	121,250
Payable to primary government-----	51,751	2,594	79,187	133,532	23,904
Compensated absences-----	260,491	-	25,452	285,943	287,237
Estimated claims payable-----	-	-	-	-	60,000
Unearned revenue-----	7,252	133,000	19,271	159,523	162,891
Total current liabilities-----	<u>4,290,413</u>	<u>605,002</u>	<u>4,370,426</u>	<u>9,265,841</u>	<u>3,312,937</u>
<b>NON-CURRENT LIABILITIES</b>					
Compensated absences-----	564,167	-	50,161	614,328	617,376
Payable to component units-----	-	-	-	-	970,000
Unearned revenue-----	-	1,102,250	-	1,102,250	1,235,250
Bonds payable-----	-	-	22,000,000	22,000,000	-
Net other post-employment benefit obligation---	572,718	-	71,025	643,743	571,418
Total non-current liabilities-----	<u>1,136,885</u>	<u>1,102,250</u>	<u>22,121,186</u>	<u>24,360,321</u>	<u>3,394,044</u>
<b>Total liabilities-----</b>	<b><u>5,427,298</u></b>	<b><u>1,707,252</u></b>	<b><u>26,491,612</u></b>	<b><u>33,626,162</u></b>	<b><u>6,706,981</u></b>
<b>NET POSITION</b>					
Net Investment in capital assets-----	24,696,287	4,779,778	14,856,279	44,332,344	38,016,936
Restricted for: Debt service-----	-	-	1,481,260	1,481,260	-
Unrestricted-----	9,740,384	(291,829)	11,120,849	20,569,404	17,540,503
<b>Total net position-----</b>	<b><u>\$34,436,671</u></b>	<b><u>\$4,487,949</u></b>	<b><u>\$27,458,388</u></b>	<b><u>\$66,383,008</u></b>	<b><u>\$55,557,439</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>OPERATING REVENUES</u></b>					
<b><u>CHARGES FOR SERVICES</u></b>					
Transportation charges-----	\$2,721,503	\$ -	\$ -	\$2,721,503	\$2,729,519
River cruise charges-----	-	150,458	-	150,458	186,020
Parking-----	-	-	6,015,144	6,015,144	5,847,988
Other charges-----	-	-	-	-	264
Total charges for services-----	2,721,503	150,458	6,015,144	8,887,105	8,763,791
Lease and rental income-----	26,395	-	61,471	87,866	294,183
Other-----	252,570	36	4,185	256,791	192,921
<b>Total operating revenues-----</b>	<b>3,000,468</b>	<b>150,494</b>	<b>6,080,800</b>	<b>9,231,762</b>	<b>9,250,895</b>
<b><u>OPERATING EXPENSES</u></b>					
Personal services-----	14,288,571	-	366,540	14,655,111	13,920,423
Maintenance, operations, and contractual services-----	5,264,480	1,005,579	2,979,016	9,249,075	9,422,211
Materials and supplies-----	4,164,088	38,200	5,626	4,207,914	3,894,340
Depreciation-----	2,016,955	262,414	653,564	2,932,933	3,003,078
<b>Total operating expenses-----</b>	<b>25,734,094</b>	<b>1,306,193</b>	<b>4,004,746</b>	<b>31,045,033</b>	<b>30,240,052</b>
Payments/transfers within the Department-----	(811,134)	835,804	(24,670)	-	-
<b>Operating income (loss)-----</b>	<b>(23,544,760)</b>	<b>(319,895)</b>	<b>2,051,384</b>	<b>(21,813,271)</b>	<b>(20,989,157)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	15,911,611	-	-	15,911,611	10,226,456
Investment income-----	6,540	85	9,546	16,171	16,460
Interest on bonds-----	-	-	-	-	(290,751)
Bond issue costs-----	-	-	(250,453)	(250,453)	-
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	45,286	-	-	45,286	-
Payments from City of Oklahoma City-----	13,042,365	670,000	129,086	13,841,451	12,183,855
Other revenues (expenses)-----	64,278	-	(38,373)	25,905	58,536
<b>Net non-operating revenues (expenses)-----</b>	<b>29,070,080</b>	<b>853,085</b>	<b>(150,194)</b>	<b>29,772,971</b>	<b>22,377,556</b>
<b>Income before contributions and transfers and special item-----</b>	<b>5,525,320</b>	<b>533,190</b>	<b>1,901,190</b>	<b>7,959,700</b>	<b>1,388,399</b>
<b><u>CONTRIBUTIONS AND TRANSFERS</u></b>					
Grants capital-----	1,419,255	-	-	1,419,255	525,342
Capital payments from City of Oklahoma City-----	75,976	-	-	75,976	14,024
Transfers from other funds-----	-	-	262,883	262,883	241,338
<b>Total contributions and transfers-----</b>	<b>1,495,231</b>	<b>-</b>	<b>262,883</b>	<b>1,758,114</b>	<b>780,704</b>
<b><u>SPECIAL ITEM</u></b>					
Special item-----	-	-	1,107,755	1,107,755	7,373,238
<b>Changes in net position-----</b>	<b>7,020,551</b>	<b>533,190</b>	<b>3,271,828</b>	<b>10,825,569</b>	<b>9,542,341</b>
Total net position, beginning-----	27,416,120	3,954,759	24,186,560	55,557,439	46,015,098
<b>Total net position, ending-----</b>	<b>\$34,436,671</b>	<b>\$4,487,949</b>	<b>\$27,458,388</b>	<b>\$66,383,008</b>	<b>\$55,557,439</b>

See the accompanying notes to financial statements.

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

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

	2013			2012	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Cash received from customers-----	\$3,265,972	\$150,022	\$6,146,346	\$9,562,340	\$9,129,146
Cash payments to suppliers for goods and services-----	(8,603,987)	(1,242,521)	(2,947,954)	(12,794,462)	(13,240,119)
Cash payments to employees and professional contractors for services-----	(14,349,654)	-	(361,110)	(14,710,764)	(13,663,642)
Operating payments from (to) City of Oklahoma City-----	(152,245)	-	-	(152,245)	(1,144,765)
Operating payments within the Department-----	(811,135)	835,805	(24,670)	-	-
<b>Net cash provided (used) by operating activities--</b>	<b>(20,651,049)</b>	<b>(256,694)</b>	<b>2,812,612</b>	<b>(18,095,131)</b>	<b>(18,919,380)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>					
Cash received from operating grants-----	13,841,764	-	-	13,841,764	9,012,158
Transfers received from other funds-----	-	64,800	262,160	326,960	-
Transfers paid to other funds-----	-	-	-	-	35,270
Non-capital financing payments from (to) component units Non-capital financing payments from (to) City of Oklahoma City-----	-	50,000	-	50,000	50,000
Other non-capital financing cash receipts-----	248,558	-	(38,373)	210,185	296,994
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>27,132,687</b>	<b>784,800</b>	<b>352,873</b>	<b>28,270,360</b>	<b>21,578,277</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>					
Proceeds from issuance of long-term debt-----	-	-	21,749,547	21,749,547	-
Payments for acquisition and construction of capital assets-----	(6,339,787)	(478,309)	(2,675,960)	(9,494,056)	(1,558,076)
Principal paid on long-term debt-----	-	-	-	-	(1,715,000)
Interest paid on long-term debt-----	-	-	-	-	(574,927)
Payments to defease bonds-----	-	-	-	-	(12,111,260)
Capital financing payments from (to) component units-----	45,286	-	-	45,286	(121,250)
Proceeds from sale of assets-----	(14,406)	-	3,132,610	3,118,204	8,678,464
Capital grants and contributions received-----	1,737,939	-	-	1,737,939	891,619
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(4,570,968)</b>	<b>(478,309)</b>	<b>22,206,197</b>	<b>17,156,920</b>	<b>(6,510,430)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Purchase of investments-----	(1,999,140)	-	(32,002,771)	(34,001,911)	(18,995,594)
Proceeds from sale of investments-----	2,000,000	-	11,307,282	13,307,282	21,059,546
Changes in pooled investments-----	(117,440)	-	4,439	(113,001)	66,321
Investment income received-----	5,784	84	9,504	15,372	30,222
Purchased interest-----	-	-	-	-	83
<b>Net cash provided (used) by investing activities---</b>	<b>(110,796)</b>	<b>84</b>	<b>(20,681,546)</b>	<b>(20,792,258)</b>	<b>2,160,578</b>
<b>Net increase (decrease) in cash-----</b>	<b>1,799,874</b>	<b>49,881</b>	<b>4,690,136</b>	<b>6,539,891</b>	<b>(1,690,955)</b>
Cash, beginning-----	5,028,635	702,036	752,406	6,483,077	8,174,032
<b>Cash, ending-----</b>	<b>\$6,828,509</b>	<b>\$751,917</b>	<b>\$5,442,542</b>	<b>\$13,022,968</b>	<b>\$6,483,077</b>

(continued)

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

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

	2013			2012	
	Division			Total	Total
	Transportation	River Cruises	Parking	Department	Department
<b><u>RECONCILIATION OF OPERATING INCOME</u></b>					
<b><u>(LOSS) TO NET CASH PROVIDED (USED)</u></b>					
<b><u>BY OPERATING ACTIVITIES</u></b>					
Operating income (loss)-----	(\$23,544,760)	(\$319,895)	\$2,051,384	(\$21,813,271)	(\$20,989,157)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING</u></b>					
<b><u>INCOME (LOSS) TO NET CASH PROVIDED</u></b>					
<b><u>(USED) BY OPERATING ACTIVITIES</u></b>					
Depreciation-----	2,016,955	262,414	653,564	2,932,933	3,003,078
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	(31,277)	-	56,580	25,303	(105,087)
(Increase) decrease in due from other funds-----	296,781	(321,451)	-	(24,670)	(12,571)
(Increase) decrease in receivable from from component units-----	21,520	-	-	21,520	-
(Increase) decrease in receivable from City of Oklahoma City-----	(152,245)	-	-	(152,245)	(852,396)
(Increase) decrease in inventories-----	72,833	1,478	(5,241)	69,070	(82,613)
(Increase) decrease in prepaid assets-----	(9,061)	-	-	(9,061)	(6,676)
(Increase) decrease in other assets-----	(143,452)	-	-	(143,452)	(117,193)
Increase (decrease) in accounts payable-----	708,099	118,166	1,488	827,753	(16,229)
Increase (decrease) in wages and benefits payable----	88,233	-	(2,500)	85,733	44,770
Increase (decrease) in due to other funds-----	(926)	-	5,908	4,982	(12,107)
Increase (decrease) in payable to City of Oklahoma City-----	25,885	2,594	47,181	75,660	(8,479)
Increase (decrease) in compensated absences-----	(6,488)	-	2,145	(4,343)	66,915
Increase (decrease) in notes payable-----	(60,000)	-	-	(60,000)	60,000
Increase (decrease) in net other post-employment benefit obligation-----	66,539	-	5,786	72,325	102,892
Increase (decrease) in unearned revenue-----	315	-	(3,683)	(3,368)	5,473
Total adjustments-----	2,893,711	63,201	761,228	3,718,140	2,069,777
<b>Net cash provided (used) by operating activities-----</b>	<b>(\$20,651,049)</b>	<b>(\$256,694)</b>	<b>\$2,812,612</b>	<b>(\$18,095,131)</b>	<b>(\$18,919,380)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND</u></b>					
<b><u>FINANCING ACTIVITIES</u></b>					
Net increase (decrease) in fair value of investments-----	(\$442)	\$ -	\$182	(\$260)	(\$12,964)
Forgiveness of debt-----	-	-	1,091,250	1,091,250	-
Transfers of assets from (to) other funds-----	-	-	(207,245)	(207,245)	-
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>(\$442)</b>	<b>\$ -</b>	<b>\$884,187</b>	<b>\$883,745</b>	<b>(\$12,964)</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total</u>
			<u>Transportation Division</u>			<u>Transportation Division</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Pooled cash-----	\$ -	\$4,917	\$4,917	\$ -	\$195	\$195
Non-pooled cash-----	6,823,592	-	6,823,592	5,028,440	-	5,028,440
Investments-----	999,646	122,947	1,122,593	999,747	5,950	1,005,697
Accounts receivable, net-----	122,819	-	122,819	91,542	-	91,542
Interest receivable-----	-	463	463	-	22	22
Payable/due from (to) within the Department-----	(961,402)	664,621	(296,781)	(732,408)	686,140	(46,268)
Receivable from primary government-----	1,007,593	-	1,007,593	855,349	-	855,349
Intergovernmental receivables-----	3,261,962	-	3,261,962	1,650,966	-	1,650,966
Inventories-----	780,860	-	780,860	853,691	-	853,691
Prepays-----	15,737	-	15,737	6,676	-	6,676
<b>Total current assets-----</b>	<b>12,050,807</b>	<b>792,948</b>	<b>12,843,755</b>	<b>8,754,003</b>	<b>692,307</b>	<b>9,446,310</b>
<b>NON-CURRENT ASSETS</b>						
Other-----	587,677	-	587,677	444,226	-	444,226
Capital assets:						
Land and construction in progress-----	7,495,148	-	7,495,148	4,053,888	-	4,053,888
Other capital assets, net of accumulated depreciation-----	18,937,389	-	18,937,389	16,635,268	-	16,635,268
<b>Total capital assets, net-----</b>	<b>26,432,537</b>	<b>-</b>	<b>26,432,537</b>	<b>20,689,156</b>	<b>-</b>	<b>20,689,156</b>
<b>Total non-current assets-----</b>	<b>27,020,214</b>	<b>-</b>	<b>27,020,214</b>	<b>21,133,382</b>	<b>-</b>	<b>21,133,382</b>
<b>Total assets-----</b>	<b>39,071,021</b>	<b>792,948</b>	<b>39,863,969</b>	<b>29,887,385</b>	<b>692,307</b>	<b>30,579,692</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable-----	3,357,800	2	3,357,802	1,229,154	-	1,229,154
Wages and benefits payable-----	548,757	63,954	612,711	473,956	50,525	524,481
Due to other funds-----	-	406	406	-	1,329	1,329
Payable to primary government-----	51,751	-	51,751	4,347	-	4,347
Compensated absences-----	171,188	89,303	260,491	184,373	78,794	263,167
Estimated claims payable-----	-	-	-	60,000	-	60,000
Unearned revenue-----	7,252	-	7,252	6,937	-	6,937
<b>Total current liabilities-----</b>	<b>4,136,748</b>	<b>153,665</b>	<b>4,290,413</b>	<b>1,958,767</b>	<b>130,648</b>	<b>2,089,415</b>
<b>NON-CURRENT LIABILITIES</b>						
Compensated absences-----	283,007	281,160	564,167	334,912	233,066	567,978
Net other post-employment benefit obligation-----	214,595	358,123	572,718	177,586	328,593	506,179
<b>Total non-current liabilities-----</b>	<b>497,602</b>	<b>639,283</b>	<b>1,136,885</b>	<b>512,498</b>	<b>561,659</b>	<b>1,074,157</b>
<b>Total liabilities-----</b>	<b>4,634,350</b>	<b>792,948</b>	<b>5,427,298</b>	<b>2,471,265</b>	<b>692,307</b>	<b>3,163,572</b>
<b>NET POSITION</b>						
Net Investment in capital assets-----	24,696,287	-	24,696,287	20,373,454	-	20,373,454
Unrestricted-----	9,740,384	-	9,740,384	7,042,666	-	7,042,666
<b>Total net position-----</b>	<b>\$34,436,671</b>	<b>\$ -</b>	<b>\$34,436,671</b>	<b>\$27,416,120</b>	<b>\$ -</b>	<b>\$27,416,120</b>

See accompanying notes to financial statements.



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	Total Transportation			Total Transportation		
	Authority	Enterprise	Division	Authority	Enterprise	Division
<b><u>OPERATING REVENUES</u></b>						
Transportation charges-----	\$2,721,503	\$ -	\$2,721,503	\$2,729,519	\$ -	\$2,729,519
Other charges-----	-	-	-	264	-	264
Lease and rental income-----	26,395	-	26,395	19,785	-	19,785
Other-----	252,570	-	252,570	187,884	-	187,884
<b>Total operating revenues-----</b>	<b>3,000,468</b>	<b>-</b>	<b>3,000,468</b>	<b>2,937,452</b>	<b>-</b>	<b>2,937,452</b>
<b><u>OPERATING EXPENSES</u></b>						
Personal services-----	12,517,254	1,771,317	14,288,571	11,873,363	1,683,375	13,556,738
Maintenance, operations, and contractual services-----	3,027,331	2,237,149	5,264,480	3,590,108	2,007,236	5,597,344
Materials and supplies-----	4,164,088	-	4,164,088	3,822,128	-	3,822,128
Depreciation-----	2,016,955	-	2,016,955	2,232,178	-	2,232,178
<b>Total operating expenses-----</b>	<b>21,725,628</b>	<b>4,008,466</b>	<b>25,734,094</b>	<b>21,517,777</b>	<b>3,690,611</b>	<b>25,208,388</b>
<b>Payments/transfers within the Department-----</b>	<b>(4,819,232)</b>	<b>4,008,098</b>	<b>(811,134)</b>	<b>(3,768,381)</b>	<b>3,689,192</b>	<b>(79,189)</b>
<b>Operating loss-----</b>	<b>(23,544,392)</b>	<b>(368)</b>	<b>(23,544,760)</b>	<b>(22,348,706)</b>	<b>(1,419)</b>	<b>(22,350,125)</b>
<b><u>NON-OPERATING REVENUES</u></b>						
Grants operating-----	15,911,611	-	15,911,611	10,226,456	-	10,226,456
Investment income-----	6,172	368	6,540	7,931	1,419	9,350
Payments from Oklahoma City Economic Development Trust-----	45,286	-	45,286	-	-	-
Payments from the City of Oklahoma City General Fund-----	12,833,545	-	12,833,545	11,491,369	-	11,491,369
Payments from the City of Oklahoma City MAPS3 Sales Tax Fund-----	208,820	-	208,820	22,486	-	22,486
Other revenue-----	64,278	-	64,278	65,614	-	65,614
<b>Net non-operating revenues-----</b>	<b>29,069,712</b>	<b>368</b>	<b>29,070,080</b>	<b>21,813,856</b>	<b>1,419</b>	<b>21,815,275</b>
<b>Income (loss) before contributions and transfers-----</b>	<b>5,525,320</b>	<b>-</b>	<b>5,525,320</b>	<b>(534,850)</b>	<b>-</b>	<b>(534,850)</b>
<b><u>CONTRIBUTIONS AND TRANSFERS</u></b>						
Grants capital-----	1,419,255	-	1,419,255	525,342	-	525,342
Capital payments from City of Oklahoma City---	75,976	-	75,976	14,024	-	14,024
<b>Total contributions and transfers-----</b>	<b>1,495,231</b>	<b>-</b>	<b>1,495,231</b>	<b>539,366</b>	<b>-</b>	<b>539,366</b>
<b>Changes in net position-----</b>	<b>7,020,551</b>	<b>-</b>	<b>7,020,551</b>	<b>4,516</b>	<b>-</b>	<b>4,516</b>
Total net position, beginning-----	27,416,120	-	27,416,120	27,411,604	-	27,411,604
<b>Total net position, ending-----</b>	<b>\$34,436,671</b>	<b>\$ -</b>	<b>\$34,436,671</b>	<b>\$27,416,120</b>	<b>\$ -</b>	<b>\$27,416,120</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	Authority	Enterprise	Total Transportation Division	Authority	Enterprise	Total Transportation Division
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>						
Cash received from customers-----	\$3,265,972	\$ -	\$3,265,972	\$2,934,953	\$ -	\$2,934,953
Cash payments to suppliers for goods and services-----	(6,387,435)	(2,216,552)	(8,603,987)	(7,191,376)	(2,031,771)	(9,223,147)
Cash payments to employees and professional contractors for services-----	(12,679,896)	(1,669,758)	(14,349,654)	(11,676,357)	(1,636,980)	(13,313,337)
Operating payments from (to) City of Oklahoma City-----	(152,245)	-	(152,245)	(1,320,981)	-	(1,320,981)
Operating payments within the Department-----	(4,819,234)	4,008,099	(811,135)	(3,528,750)	3,623,135	94,385
Net cash provided (used) by operating activities-----	<b>(20,772,838)</b>	<b>121,789</b>	<b>(20,651,049)</b>	<b>(20,782,511)</b>	<b>(45,616)</b>	<b>(20,828,127)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>						
Cash received from operating grants-----	13,841,764	-	13,841,764	9,012,158	-	9,012,158
Transfers paid to other funds-----	-	-	-	(157,215)	-	(157,215)
Non-capital financing payments from (to) City of Oklahoma City-----	13,042,365	-	13,042,365	11,513,855	-	11,513,855
Other non-capital financing cash receipts-----	248,558	-	248,558	300,427	-	300,427
Net cash provided (used) by non-capital financing activities-----	<b>27,132,687</b>	<b>-</b>	<b>27,132,687</b>	<b>20,669,225</b>	<b>-</b>	<b>20,669,225</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>						
Payments for acquisition and construction of capital assets-----	(6,339,787)	-	(6,339,787)	(955,361)	-	(955,361)
Capital financing payments from (to) component units-----	45,286	-	45,286	-	-	-
Proceeds from sale of assets-----	(14,406)	-	(14,406)	1,130	-	1,130
Capital grants and contributions received-----	1,737,939	-	1,737,939	891,619	-	891,619
Net cash provided (used) by capital and related financing activities-----	<b>(4,570,968)</b>	<b>-</b>	<b>(4,570,968)</b>	<b>(62,612)</b>	<b>-</b>	<b>(62,612)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>						
Payments for purchase of investments-----	(1,999,140)	-	(1,999,140)	(1,999,444)	-	(1,999,444)
Proceeds from sale of investments-----	2,000,000	-	2,000,000	1,000,000	-	1,000,000
Changes in pooled investments-----	-	(117,440)	(117,440)	-	42,405	42,405
Investment income received-----	5,411	373	5,784	7,628	1,602	9,230
Purchased interest-----	-	-	-	-	45	45
Net cash provided (used) by investing activities-----	<b>6,271</b>	<b>(117,067)</b>	<b>(110,796)</b>	<b>(991,816)</b>	<b>44,052</b>	<b>(947,764)</b>
Net increase (decrease) in cash-----	<b>1,795,152</b>	<b>4,722</b>	<b>1,799,874</b>	<b>(1,167,714)</b>	<b>(1,564)</b>	<b>(1,169,278)</b>
Cash, beginning-----	5,028,440	195	5,028,635	6,196,154	1,759	6,197,913
Cash, ending-----	<b>\$6,823,592</b>	<b>\$4,917</b>	<b>\$6,828,509</b>	<b>\$5,028,440</b>	<b>\$195</b>	<b>\$5,028,635</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>						
Operating income (loss)-----	(\$23,544,392)	(\$368)	(\$23,544,760)	(\$22,348,706)	(\$1,419)	(\$22,350,125)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>						
Depreciation-----	2,016,955	-	2,016,955	2,232,178	-	2,232,178
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	(31,277)	-	(31,277)	(2,498)	-	(2,498)
(Increase) decrease in payments/transfers from (to) within the Department-----	-	-	-	66,062	(66,062)	-
(Increase) decrease in due from other funds-----	296,781	-	296,781	(2,207)	-	(2,207)
(Increase) decrease in receivable from component units-----	-	21,520	21,520	-	-	-
(Increase) decrease in receivable from City of Oklahoma City-----	(152,245)	-	(152,245)	(852,449)	-	(852,449)
(Increase) decrease in inventories-----	72,833	-	72,833	(76,336)	-	(76,336)
(Increase) decrease in prepaid assets-----	(9,061)	-	(9,061)	(6,676)	-	(6,676)
(Increase) decrease in other assets-----	(143,452)	-	(143,452)	(117,193)	-	(117,193)
Increase (decrease) in accounts payable-----	708,099	-	708,099	102,495	-	102,495
Increase (decrease) in wages and benefits payable-----	74,803	13,430	88,233	56,391	(12,393)	43,998
Increase (decrease) in due to other funds-----	-	(926)	(926)	15,947	(24,535)	(8,588)
Increase (decrease) in payable to City of Oklahoma City-----	25,885	-	25,885	(14,050)	-	(14,050)
Increase (decrease) in compensated absences-----	(65,091)	58,603	(6,488)	57,622	5,924	63,546
Increase (decrease) in notes, lease and estimated claims payable-----	(60,000)	-	(60,000)	60,000	-	60,000
Increase (decrease) in net other post-employment benefit obligation-----	37,009	29,530	66,539	40,784	52,869	93,653
Increase (decrease) in unearned revenue-----	315	-	315	6,125	-	6,125
Total adjustments-----	<b>2,771,554</b>	<b>122,157</b>	<b>2,893,711</b>	<b>1,566,195</b>	<b>(44,197)</b>	<b>1,521,998</b>
Net cash provided (used) by operating activities-----	<b>(20,772,838)</b>	<b>\$121,789</b>	<b>(20,651,049)</b>	<b>(20,782,511)</b>	<b>(45,616)</b>	<b>(20,828,127)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>						
Net increase (decrease) in fair value of investments-----	\$ -	(\$442)	(\$442)	\$ -	\$259	\$259
Total non-cash investing, capital, and financing activities-----	<b>\$ -</b>	<b>(\$442)</b>	<b>(\$442)</b>	<b>\$ -</b>	<b>\$259</b>	<b>\$259</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Non-pooled cash-----	\$751,917	\$702,036
Payable/due from (to) within the Department-----	321,451	64,800
Inventories-----	6,624	8,103
<b>Total current assets-----</b>	<b>1,079,992</b>	<b>774,939</b>
<b><u>NON-CURRENT ASSETS</u></b>		
Capital assets:		
Land and construction in progress-----	623,762	-
Other capital assets, net of accumulated depreciation-----	4,491,447	4,621,110
<b>Total capital assets-----</b>	<b>5,115,209</b>	<b>4,621,110</b>
<b>Total assets-----</b>	<b>6,195,201</b>	<b>5,396,049</b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable-----	469,408	73,040
Payable to primary government-----	2,594	-
Unearned revenue-----	133,000	133,000
<b>Total current liabilities-----</b>	<b>605,002</b>	<b>206,040</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Unearned revenue-----	1,102,250	1,235,250
<b>Total liabilities-----</b>	<b>1,707,252</b>	<b>1,441,290</b>
<b><u>NET POSITION</u></b>		
Net Investment in capital assets-----	4,779,778	4,563,883
Unrestricted-----	(291,829)	(609,124)
<b>Total net position-----</b>	<b>\$4,487,949</b>	<b>\$3,954,759</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>OPERATING REVENUES</u></b>		
River cruise charges-----	\$150,458	\$186,020
Other-----	36	51
<b>Total operating revenues-----</b>	<b><u>150,494</u></b>	<b><u>186,071</u></b>
<b><u>OPERATING EXPENSES</u></b>		
Maintenance, operations, and contractual services-----	1,005,579	948,717
Materials and supplies-----	38,200	44,071
Depreciation-----	262,414	244,302
<b>Total operating expenses-----</b>	<b><u>1,306,193</u></b>	<b><u>1,237,090</u></b>
<b>Payments/transfers within the Department-----</b>	<b><u>835,804</u></b>	<b><u>97,778</u></b>
<b>Operating loss-----</b>	<b><u>(319,895)</u></b>	<b><u>(953,241)</u></b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Non-capital contributions-----	133,000	133,000
Investment income-----	85	206
Payments from Oklahoma City Riverfront Redevelopment Authority-----	50,000	50,000
Payments from City of Oklahoma City General Fund-----	670,000	670,000
<b>Net non-operating revenues-----</b>	<b><u>853,085</u></b>	<b><u>853,206</u></b>
<b>Changes in net position-----</b>	<b><u>533,190</u></b>	<b><u>(100,035)</u></b>
Total net position, beginning-----	3,954,759	4,054,794
<b>Total net position, ending-----</b>	<b><u>\$4,487,949</u></b>	<b><u>\$3,954,759</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
	<u>Authority</u>	<u>Authority</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers-----	\$150,022	\$185,928
Cash payments to suppliers for goods and services-----	(1,242,521)	(1,061,627)
Operating payments from (to) City of Oklahoma City-----	-	176,216
Operating payments within the Department-----	835,805	(94,385)
<b>Net cash provided (used) by operating activities-----</b>	<b>(256,694)</b>	<b>(793,868)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Transfers received from other funds-----	64,800	-
Transfers paid to other funds-----	-	(48,853)
Non-capital financing payments from (to) component units-----	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	670,000	670,000
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>784,800</b>	<b>671,147</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>		
Payments for acquisition and construction of capital assets-----	(478,309)	(38,406)
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(478,309)</b>	<b>(38,406)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Investment income received-----	84	206
<b>Net cash provided (used) by investing activities-----</b>	<b>84</b>	<b>206</b>
<b>Net increase (decrease) in cash-----</b>	<b>49,881</b>	<b>(160,921)</b>
Cash, beginning-----	702,036	862,957
<b>Cash, ending-----</b>	<b>\$751,917</b>	<b>\$702,036</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)-----	(\$319,895)	(\$953,241)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Depreciation-----	262,414	244,302
Changes in assets and liabilities:		
(Increase) decrease in due from other funds-----	(321,451)	(15,947)
(Increase) decrease in receivable from City of Oklahoma City-----	-	53
(Increase) decrease in inventories-----	1,478	(6,277)
Increase (decrease) in accounts payable-----	118,166	(62,278)
Increase (decrease) in payable to City of Oklahoma City-----	2,594	(480)
Total adjustments-----	63,201	159,373
<b>Net cash provided (used) by operating activities-----</b>	<b>(256,694)</b>	<b>(793,868)</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Pooled cash-----	\$ -	\$1,781	\$1,781	\$ -	\$1,556	\$1,556
Non-pooled cash-----	5,440,761	-	5,440,761	750,850	-	750,850
Investments-----	28,234,399	44,913	28,279,312	9,020,170	49,168	9,069,338
Accounts receivable, net-----	143,012	-	143,012	3,096,002	-	3,096,002
Interest receivable-----	-	167	167	76	233	309
Payable/due from (to) within the Department---	(136,450)	111,780	(24,670)	(142,762)	124,230	(18,532)
Due from other funds-----	-	723	723	-	-	-
Inventories-----	-	5,241	5,241	-	-	-
Total current assets-----	<b>33,681,722</b>	<b>164,605</b>	<b>33,846,327</b>	<b>12,724,336</b>	<b>175,187</b>	<b>12,899,523</b>
<b>NON-CURRENT ASSETS</b>						
Investments-----	1,481,260	-	1,481,260	-	-	-
Capital assets:						
Land and construction in progress-----	7,207,445	-	7,207,445	3,455,192	-	3,455,192
Other capital assets, net of accumulated depreciation-----	11,404,805	10,163	11,414,968	9,917,606	16,358	9,933,964
Total capital assets, net-----	<b>18,612,250</b>	<b>10,163</b>	<b>18,622,413</b>	<b>13,372,798</b>	<b>16,358</b>	<b>13,389,156</b>
Total non-current assets-----	<b>20,093,510</b>	<b>10,163</b>	<b>20,103,673</b>	<b>13,372,798</b>	<b>16,358</b>	<b>13,389,156</b>
<b>Total assets-----</b>	<b>53,775,232</b>	<b>174,768</b>	<b>53,950,000</b>	<b>26,097,134</b>	<b>191,545</b>	<b>26,288,679</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable-----	4,228,547	5,627	4,234,174	793,171	21,410	814,581
Wages and benefits payable-----	-	12,054	12,054	-	14,552	14,552
Due to other funds-----	-	288	288	-	518	518
Payable to component units-----	-	-	-	121,250	-	121,250
Payable to primary government-----	79,187	-	79,187	19,557	-	19,557
Compensated absences-----	-	25,452	25,452	-	24,070	24,070
Unearned revenue-----	19,271	-	19,271	22,954	-	22,954
Total current liabilities-----	<b>4,327,005</b>	<b>43,421</b>	<b>4,370,426</b>	<b>956,932</b>	<b>60,550</b>	<b>1,017,482</b>
<b>NON-CURRENT LIABILITIES</b>						
Compensated absences-----	-	50,161	50,161	-	49,398	49,398
Payable to component units-----	-	-	-	970,000	-	970,000
Bonds payable, net-----	22,000,000	-	22,000,000	-	-	-
Net other post-employment benefit obligation--	-	71,025	71,025	-	65,239	65,239
Total non-current liabilities-----	<b>22,000,000</b>	<b>121,186</b>	<b>22,121,186</b>	<b>970,000</b>	<b>114,637</b>	<b>1,084,637</b>
<b>Total liabilities-----</b>	<b>26,327,005</b>	<b>164,607</b>	<b>26,491,612</b>	<b>1,926,932</b>	<b>175,187</b>	<b>2,102,119</b>
<b>NET POSITION</b>						
Net Investment in capital assets-----	14,846,118	10,161	14,856,279	13,063,241	16,358	13,079,599
Restricted for: Debt service-----	1,481,260	-	1,481,260	-	-	-
Unrestricted-----	11,120,849	-	11,120,849	11,106,961	-	11,106,961
<b>Total net position-----</b>	<b>\$27,448,227</b>	<b>\$10,161</b>	<b>\$27,458,388</b>	<b>\$24,170,202</b>	<b>\$16,358</b>	<b>\$24,186,560</b>

See accompanying notes to financial statements.



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>	<u>Authority</u>	<u>Enterprise</u>	<u>Total Parking Division</u>
<b><u>OPERATING REVENUES</u></b>						
Parking-----	\$6,015,144	\$ -	\$6,015,144	\$5,847,988	\$ -	\$5,847,988
Lease and rental income-----	61,471	-	61,471	274,398	-	274,398
Other-----	4,185	-	4,185	4,986	-	4,986
<b>Total operating revenues-----</b>	<b>6,080,800</b>	<b>-</b>	<b>6,080,800</b>	<b>6,127,372</b>	<b>-</b>	<b>6,127,372</b>
<b><u>OPERATING EXPENSES</u></b>						
Personal services-----	-	366,540	366,540	-	363,685	363,685
Maintenance, operations, and contractual services-----	2,688,255	290,761	2,979,016	2,673,705	202,445	2,876,150
Materials and supplies-----	2,738	2,888	5,626	907	27,234	28,141
Depreciation-----	647,367	6,197	653,564	520,401	6,197	526,598
<b>Total operating expenses-----</b>	<b>3,338,360</b>	<b>666,386</b>	<b>4,004,746</b>	<b>3,195,013</b>	<b>599,561</b>	<b>3,794,574</b>
<b>Payments/transfers within the Department-----</b>	<b>(421,114)</b>	<b>396,444</b>	<b>(24,670)</b>	<b>(368,820)</b>	<b>350,231</b>	<b>(18,589)</b>
<b>Operating income (loss)-----</b>	<b>2,321,326</b>	<b>(269,942)</b>	<b>2,051,384</b>	<b>2,563,539</b>	<b>(249,330)</b>	<b>2,314,209</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>						
Investment income-----	8,684	862	9,546	5,109	1,795	6,904
Interest on bonds-----	-	-	-	(290,751)	-	(290,751)
Bond issue costs-----	(250,453)	-	(250,453)	-	-	-
Payments from City of Oklahoma City-----	129,086	-	129,086	-	-	-
Other expenses-----	(38,373)	-	(38,373)	(7,078)	-	(7,078)
<b>Net non-operating revenues (expenses)-----</b>	<b>(151,056)</b>	<b>862</b>	<b>(150,194)</b>	<b>(292,720)</b>	<b>1,795</b>	<b>(290,925)</b>
<b>Income (loss) before contributions and transfers and special item-----</b>	<b>2,170,270</b>	<b>(269,080)</b>	<b>1,901,190</b>	<b>2,270,819</b>	<b>(247,535)</b>	<b>2,023,284</b>
<b><u>TRANSFERS</u></b>						
<b>Transfers from other funds-----</b>	<b>-</b>	<b>262,883</b>	<b>262,883</b>	<b>-</b>	<b>241,338</b>	<b>241,338</b>
<b><u>SPECIAL ITEM</u></b>						
<b>Special item-----</b>	<b>1,107,755</b>	<b>-</b>	<b>1,107,755</b>	<b>7,373,238</b>	<b>-</b>	<b>7,373,238</b>
<b>Changes in net position-----</b>	<b>3,278,025</b>	<b>(6,197)</b>	<b>3,271,828</b>	<b>9,644,057</b>	<b>(6,197)</b>	<b>9,637,860</b>
Total net position, beginning-----	24,170,202	16,358	24,186,560	14,526,145	22,555	14,548,700
<b>Total net position, ending-----</b>	<b>\$27,448,227</b>	<b>\$10,161</b>	<b>\$27,458,388</b>	<b>\$24,170,202</b>	<b>\$16,358</b>	<b>\$24,186,560</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012		
	Authority	Enterprise	Total Parking Division	Authority	Enterprise	Total Parking Division
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>						
Cash received from customers-----	\$6,146,346	\$ -	\$6,146,346	\$6,008,265	\$ -	\$6,008,265
Cash payments to suppliers for goods and services-----	(2,633,051)	(314,903)	(2,947,954)	(2,742,825)	(212,520)	(2,955,345)
Cash payments to employees and professional contractors for services-----	-	(361,110)	(361,110)	-	(350,305)	(350,305)
Operating payments within the Department-----	(433,564)	408,894	(24,670)	(293,988)	293,988	-
<b>Net cash provided (used) by operating activities-----</b>	<b>3,079,731</b>	<b>(267,119)</b>	<b>2,812,612</b>	<b>2,971,452</b>	<b>(268,837)</b>	<b>2,702,615</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>						
Transfers received from other funds-----	-	262,160	262,160	-	-	-
Transfers paid to other funds-----	-	-	-	-	241,338	241,338
Non-capital financing payments from (to) City of Oklahoma City-----	129,086	-	129,086	-	-	-
Other non-capital financing cash receipts-----	(38,373)	-	(38,373)	(3,433)	-	(3,433)
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>90,713</b>	<b>262,160</b>	<b>352,873</b>	<b>(3,433)</b>	<b>241,338</b>	<b>237,905</b>
<b><u>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</u></b>						
Proceeds from issuance of long-term debt-----	21,749,547	-	21,749,547	-	-	-
Payments for acquisition and construction of capital assets-----	(2,675,960)	-	(2,675,960)	(564,309)	-	(564,309)
Principal paid on long-term debt-----	-	-	-	(1,715,000)	-	(1,715,000)
Interest paid on long-term debt-----	-	-	-	(574,927)	-	(574,927)
Payments to defease bonds-----	-	-	-	(12,111,260)	-	(12,111,260)
Capital financing payments from (to) component units-----	-	-	-	(121,250)	-	(121,250)
Proceeds from sale of assets-----	3,132,610	-	3,132,610	8,677,334	-	8,677,334
<b>Net cash provided (used) by capital and     related financing activities-----</b>	<b>22,206,197</b>	<b>-</b>	<b>22,206,197</b>	<b>(6,409,412)</b>	<b>-</b>	<b>(6,409,412)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>						
Purchase of investments-----	(32,002,771)	-	(32,002,771)	(16,996,150)	-	(16,996,150)
Proceeds from sale of investments-----	11,307,282	-	11,307,282	20,059,546	-	20,059,546
Changes in pooled investments-----	-	4,439	4,439	-	23,916	23,916
Investment income received-----	8,759	745	9,504	18,386	2,400	20,786
Purchased interest-----	-	-	-	-	38	38
<b>Net cash provided (used) by investing activities-----</b>	<b>(20,686,730)</b>	<b>5,184</b>	<b>(20,681,546)</b>	<b>3,081,782</b>	<b>26,354</b>	<b>3,108,136</b>
<b>Net increase (decrease) in cash-----</b>	<b>4,689,911</b>	<b>225</b>	<b>4,690,136</b>	<b>(359,611)</b>	<b>(1,145)</b>	<b>(360,756)</b>
Cash, beginning-----	750,850	1,556	752,406	1,110,461	2,701	1,113,162
<b>Cash, ending-----</b>	<b>\$5,440,761</b>	<b>\$1,781</b>	<b>\$5,442,542</b>	<b>\$750,850</b>	<b>\$1,556</b>	<b>\$752,406</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>						
Operating income (loss)-----	\$2,321,326	(\$269,942)	\$2,051,384	\$2,563,539	(\$249,330)	\$2,314,209
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>						
Depreciation-----	647,367	6,197	653,564	520,401	6,197	526,598
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable-----	44,130	12,450	56,580	(102,589)	-	(102,589)
(Increase) decrease in payments/transfers from (to) within the Department-----	-	-	-	56,243	(56,243)	-
(Increase) decrease in due from other funds-----	-	-	-	5,583	-	5,583
(Increase) decrease in inventories-----	-	(5,241)	(5,241)	-	-	-
Increase (decrease) in accounts payable-----	17,272	(15,784)	1,488	(77,124)	20,678	(56,446)
Increase (decrease) in wages and benefits payable-----	-	(2,500)	(2,500)	-	772	772
Increase (decrease) in due to other funds-----	6,138	(230)	5,908	-	(3,519)	(3,519)
Increase (decrease) in payable to City of Oklahoma City-----	47,181	-	47,181	6,051	-	6,051
Increase (decrease) in compensated absences-----	-	2,145	2,145	-	3,369	3,369
Increase (decrease) in net other post-employment benefit obligation-----	-	5,786	5,786	-	9,239	9,239
Increase (decrease) in unearned revenue-----	(3,683)	-	(3,683)	(652)	-	(652)
Total adjustments-----	758,405	2,823	761,228	407,913	(19,507)	388,406
<b>Net cash provided (used) by operating activities-----</b>	<b>\$3,079,731</b>	<b>(\$267,119)</b>	<b>\$2,812,612</b>	<b>\$2,971,452</b>	<b>(\$268,837)</b>	<b>\$2,702,615</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>						
Net increase (decrease) in fair value of investments-----	\$ -	\$182	\$182	(\$13,317)	\$94	(\$13,223)
Forgiveness of debt-----	1,091,250	-	1,091,250	-	-	-
Transfers of assets from (to) other funds-----	(207,245)	-	(207,245)	-	-	-
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$884,005</b>	<b>\$182</b>	<b>\$884,187</b>	<b>(\$13,317)</b>	<b>\$94</b>	<b>(\$13,223)</b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
<b><u>RECEIVABLES</u></b>		
Interest and dividends-----	\$7,172	\$9,740
Employer-----	20,978	19,154
Plan members-----	18,630	14,298
Total receivables-----	<u>46,780</u>	<u>43,192</u>
<b><u>INVESTMENTS, AT FAIR VALUE</u></b>		
Domestic common stock-----	5,302,715	4,605,150
Passive domestic stock funds-----	831,426	731,090
Government securities/fixed income-----	159,909	143,294
Passive bond fund-----	2,134,298	1,858,095
International stock-----	960,529	829,711
Treasury money market fund-----	86,382	106,006
Real estate-----	97,805	90,550
Total investments-----	<u>9,573,064</u>	<u>8,363,896</u>
<b>Total assets-----</b>	<b><u>9,619,844</u></b>	<b><u>8,407,088</u></b>
<b><u>LIABILITIES</u></b>		
Accounts payable-----	29,562	21,768
Due to broker-----	13,559	-
<b>Total liabilities-----</b>	<b><u>43,121</u></b>	<b><u>21,768</u></b>
<b><u>NET POSITION</u></b>		
Held in trust for pension benefits-----	<b><u>\$9,576,723</u></b>	<b><u>\$8,385,320</u></b>

See accompanying notes to financial statements.

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	<u>2013</u>	<u>2012</u>
<b><u>ADDITIONS</u></b>		
<b><u>CONTRIBUTIONS</u></b>		
Employer-----	\$505,990	\$498,772
Plan members-----	401,683	385,312
Total contributions-----	<u>907,673</u>	<u>884,084</u>
<b><u>INVESTMENT INCOME</u></b>		
Net appreciation (depreciation) in fair value of investments-----	784,405	(269,808)
Interest-----	59,436	54,659
Dividends-----	126,328	129,455
	970,169	(85,694)
Less: investment expense-----	(38,011)	(33,756)
Net investment income (loss)-----	<u>932,158</u>	<u>(119,450)</u>
Other-----	473	275
<b>Total additions-----</b>	<b><u>1,840,304</u></b>	<b><u>764,909</u></b>
<b><u>DEDUCTIONS</u></b>		
Benefits paid-----	538,362	495,515
Refunds of contributions-----	66,988	98,306
Administrative expenses-----	43,551	40,535
<b>Total deductions-----</b>	<b><u>648,901</u></b>	<b><u>634,356</u></b>
<b>Change in net position-----</b>	<b>1,191,403</b>	<b>130,553</b>
<b><u>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</u></b>		
Beginning of year-----	8,385,320	8,254,767
<b>End of year-----</b>	<b><u>\$9,576,723</u></b>	<b><u>\$8,385,320</u></b>

See accompanying notes to financial statements.

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# **Notes to Financial Statements**





## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Oklahoma City Public Transportation and Parking Department (Department) financial activities for the fiscal years ended 2013 and 2012. Certain reclassifications have been made within the accompanying financial statements to conform to the 2013 financial presentation including balances previously reported as payable to the primary government for amounts payable to the Oklahoma City Water Utilities Trust (OCWUT) (on June 19, 1988 OCWUT loaned the Authority \$2,425,000 on June 19, 1988 and as of June 30, 2012 the balance due was \$1,091,250) which have been reclassified from payable to primary government to payable to component unit.

### I. B. BASIS OF PRESENTATION

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

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

#### *Authority*

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

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

#### *City*

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

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

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

*COTPA Retirement*

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

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

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

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

*Related Party*

**Oklahoma City Riverfront Redevelopment Authority (OCRRA)**

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

**I. B. 2. BASIC FINANCIAL STATEMENTS**

*Department-wide Financial Statements*

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

*Fund Financial Statements*

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

**Transportation Division**

Authority Transportation Fund

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

Enterprise Transportation Fund

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

**River Cruises Division**

Authority River Cruises Fund

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

**Parking Division**

Authority Parking Fund

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

Enterprise Parking Fund

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

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

*Implementation of New Accounting Standard*

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

*Generally Accepted Accounting Principles (U.S. GAAP)*

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

*Measurement Focus, Basis of Accounting and Financial Statement Presentation*

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

*Department Funds*

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

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

*COTPA Retirement Fund*

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

## I. C. BUDGET LAW AND PRACTICE

### *Budget Approval*

#### **Authority Funds**

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

#### **Enterprise Funds**

The City Manager submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the City Council adopts the annual fiscal year budgets for City funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

### *Basis of Budgeting*

#### **Department Funds**

Revenues are budgeted by source. Expenses are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are managed administratively and reported to the City Council. The legal level of control is by department and class within a fund. Expenses may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget can be made throughout the year.

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

### *Implementation of New Accounting Standard*

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

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

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

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

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

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

#### **I. D. 3. INTERGOVERNMENTAL RECEIVABLES**

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

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

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

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

#### **I. D. 5. INTERFUND BALANCES**

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

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

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

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

#### **I. D. 7. CAPITAL ASSETS AND DEPRECIATION**

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

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

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

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

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

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

**I. D. 10. RISK MANAGEMENT**

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

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

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

**I. D. 11. USE OF ESTIMATES**

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

**I. D. 12. FUND EQUITY**

*Net Position*

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

**Net Investment in Capital Assets**

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

### **Restricted Net Position**

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

### **I. E. TAX STATUS**

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

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

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

## **II. ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

### **II. A. DEPOSITS AND INVESTMENTS**

#### *Deposits*

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

At June 30, 2013, the Department's cash is collateralized with securities held by the pledging financial institution in the name of the Department, less Federal depository insurance.

#### *Investments*

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

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

<b>2013</b>				
<u>Department</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Authority money market funds	\$21,715,739	\$21,715,739	A+/A3	1.62
Authority U.S. Treasury bill	8,999,566	8,996,411	N/A	1.04
Enterprise pooled investments (3)	<u>167,860</u>	<u>167,860</u>	AAA/Aaa	N/A
<b>Total department investments</b>	<b><u>\$30,883,165</u></b>	<b><u>\$30,880,010</u></b>		
<b><u>COTPA Retirement</u></b>				
Mutual funds (4)				
Equity	\$7,192,475	\$5,552,079	N/A	N/A
Bond	2,294,207	2,258,228	Not Rated	66.84
Money market funds	<u>86,382</u>	<u>86,382</u>	AAA	1.19
<b>Total fiduciary investments</b>	<b><u>\$9,573,064</u></b>	<b><u>\$7,896,689</u></b>		

<b>2012</b>				
<u>Department</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Authority money market funds	\$9,020,170	\$9,020,170	AAA/Aaa	1.17
Authority U.S. Treasury bill	999,747	999,747	N/A	0.63
Enterprise pooled investments (3)	<u>55,118</u>	<u>55,119</u>	AAA/Aaa	N/A
<b>Total department investments</b>	<b><u>\$10,075,035</u></b>	<b><u>\$10,075,036</u></b>		
<b><u>COTPA Retirement</u></b>				
Mutual funds (4)				
Equity	\$6,256,501	\$5,090,742	N/A	N/A
Bond	2,001,389	1,886,737	Not Rated	72.22
Money market funds	<u>106,006</u>	<u>106,006</u>	AAA/Aaa	1.27
<b>Total fiduciary investments</b>	<b><u>\$8,363,896</u></b>	<b><u>\$7,083,485</u></b>		

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

<b>2013</b>				
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Money market funds	\$4,453,506	\$4,453,506	AAA/Aaa	1.73
U.S. Treasury notes	223,439,067	226,889,870	N/A	19.59
Commercial Paper	22,481,202	22,475,452	A1+/P1	2.83
Fannie Mae	197,956,076	199,074,099	AA+/Aaa	19.15
Federal obligations	<u>156,224,600</u>	<u>158,151,063</u>	AA+/Aaa	11.42
	<b><u>\$604,554,451</u></b>	<b><u>\$611,043,990</u></b>		
<b>2012</b>				
	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Ratings (1)</u>	<u>Weighted Average Months to Maturity (2)</u>
Money market funds	\$594,006	\$594,006	AAA/Aaa	1.80
U.S. Treasury notes	160,540,569	161,272,523	N/A	19.35
Fannie Mae	144,286,004	144,149,442	AA+/Aaa	16.88
Federal obligations	<u>172,941,377</u>	<u>173,586,955</u>	AA+/Aaa	18.83
	<b><u>\$478,361,956</u></b>	<b><u>\$479,602,926</u></b>		

- (4) Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. COTPA Retirement has \$960,529 and \$829,711 invested in international mutual funds at June 30, 2013 and 2012, respectively.



**Investment Policies**

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

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

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

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

**Portfolio Structure (1)**

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

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

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

**Authority Indenture Restrictions**

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

The Authority bond indenture prescribes authorized investments for accounts restricted under the indenture to (1) direct obligations unconditionally guaranteed by the U. S.; (2) bonds or debentures payable in cash issued by the following Federal agencies: (a) Export Import Bank of the United States, (b) Federal Financing Bank, (c) Farmer’s Home Administration, (d) Federal Housing Administration, (e) Maritime Administration, (f) Public Housing Authorities, (g) Government National Mortgage Association; (3) investments fully insured by FDIC including: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, (d) depository receipts; (4) certificates of deposit in excess of FDIC insurance properly secured by collateral security consisting of obligations described in (1) and (2) above; (5) commercial paper; (6) money market funds; (7) investment agreements.

The bond indenture provides that investments mature in no more than six to sixty months, depending on the purpose of the funds and the requirements of the account in which funds are deposited (bond, operating and maintenance, construction, etc.).

**Pension Trust Investment Policy**

COTPA Retirement has investment policies separately approved by the oversight board. Investment activity follows the Prudent Person Rule providing for the preservation of capital, with the goal to achieve the highest possible rate of return consistent with the tolerance for risk determined by the board. Investment policies provide for investment manager(s) who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policy.

Manager performance is reviewed by a consultant who provides reports to the governing board. Any changes in the investment management firm must be reported as they occur. Overall investment guidelines provide for diversification and allow investment in domestic and international common stocks, fixed income securities, cash equivalents, index funds, collective trust funds, and mutual funds. The policy provides for the engagement of a custodian who accepts possession of securities for safekeeping; collects and disburses income; collects principal of sold, matured, or called items, and provides periodic accounting to the board. COTPA Retirement policy prohibits investment of more than 5% of its assets in the securities of any one issuer with the exception of the U.S. government. Policy further prohibits investment of more than 20% in any one market sector and limits common stock purchases to those issues on which the investment manager maintains current opinions. Fixed income securities must be rated at least A. Commercial paper must be rated A1, P1. Obligations of the U.S. government or its agencies maturing in one year or less. Repurchase agreements must be collateralized by U.S. government/agency assets. Money market mutual funds and bank STIF funds are subject to the same restrictions of rating A1, P1, maturing in one year or less, and must be collateralized by the U.S. government/agency assets. Mutual and collective trust funds, and insurance companies must have at least a five year history, \$50 million in assets (\$30 millions for international/emerging markets) under management, and the same management and investment strategy for the previous five years. Alternatives mutual funds use market neutral, long-short, and arbitrage strategies or invest in real estate investment trusts or commodity indices, which enhances the diversification of the overall portfolio by including positions whose gains and losses are not correlated with the other portions of the portfolio and improve the risk-adjusted return on the portfolio.

Asset allocation guidelines

	Minimum	Target	Maximum	2013	2012
				Actual	Actual
Domestic equities	35%	45%	65%	49%	47%
International	5	10	15	10	10
Alternatives	0	20	25	16	18
Fixed income	20	25	40	25	25

**Cash Reserve Policy**

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

**Cash Reserve Guidelines**

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

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

**Securities Held by Others**

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

COTPA Retirement held \$7,094,670 and \$6,165,951 in common stock or stock funds at June 30, 2013 and 2012, respectively. These are held by the investment counterparty, not in the name of COTPA Retirement or the Authority.

**Compliance with State Requirements**

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

**Restricted Deposits and Investments**

	<u>2013</u>	<u>2012</u>
Construction account	\$21,711,076	\$ -
Bond issuance cost account	97,900	-
Bond reserve account	<u>1,481,260</u>	<u>-</u>
	<u><b>\$23,290,236</b></u>	<u><b>\$ -</b></u>

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

Receivables include monthly parking agreements, public transportation incentive agreements with various downtown vendors, and charter services. These receivables are due in less than one year. Transportation receivables are considered fully collectible. The allowance amount for parking is estimated using accounts receivable past due more than 90 days. In 2012, accounts receivable also includes \$2,908,860 receivable from the refunding escrow agent related to the defeasance of bonds.

	<u>2013</u>			<u>2012</u>
	<u>Transportation</u>	<u>Parking</u>	<u>Total</u>	<u>Total</u>
Accounts receivable	\$122,819	\$174,844	\$297,663	\$3,205,442
Less: Allowance for uncollectible accounts	<u>-</u>	<u>(31,832)</u>	<u>(31,832)</u>	<u>(17,898)</u>
<b>Net accounts receivable</b>	<u><b>\$122,819</b></u>	<u><b>\$143,012</b></u>	<u><b>\$265,831</b></u>	<u><b>\$3,187,544</b></u>
<b>Affect on revenues for change in uncollectibles</b>	<u><b>\$ -</b></u>	<u><b>(\$13,934)</b></u>	<u><b>(\$13,934)</b></u>	<u><b>(\$1,043)</b></u>

**II. C. INTERGOVERNMENTAL RECEIVABLE**

Total intergovernmental receivables of \$3,261,962 in 2013 and \$1,650,966 in 2012 was due from the Federal government for grants.

**II. D. INVENTORIES**

	<u>2013</u>	<u>2012</u>
Diesel fuel, gasoline and oil	\$46,467	\$54,550
Vehicle parts and supplies	<u>746,258</u>	<u>807,244</u>
	<u><b>\$792,725</b></u>	<u><b>\$861,794</b></u>

**II. E. PREPAIDS**

Prepays consists mainly of maintenance support with Trapeze Software Group regarding the Authority's transportation services. The coverage period is through March 31, 2014. At June 30, 2013, \$15,737 was reported as current prepaids in Transportation Division. There were \$6,676 prepaids reported at June 30, 2012.

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013 and 2012**

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

**II. F. OTHER ASSETS**

	<u>2013</u>	<u>2012</u>
Insurance security deposit	\$65,000	\$65,000
Flexible compensation plan escrow	4,283	4,283
Net pension asset	518,394	374,943
	<u>\$587,677</u>	<u>\$444,226</u>

**II. G. CAPITAL ASSETS**

*Changes in Capital Assets*

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

(continued)

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Changes in Capital Assets (continued)*

	2012							
	Land	Construction In Progress			Other Furniture, Machinery, and Equipment	Total Non-depreciable		
<b>CAPITAL ASSETS, NOT DEPRECIATED</b>								
Balance, June 30, 2011	\$4,609,827	\$1,774,894				\$6,384,721		
Increases	-	1,540,517				1,540,517		
Decreases	(390,000)	(26,158)				(416,158)		
<b>Total capital assets, not depreciated</b>	<b><u>\$4,219,827</u></b>	<b><u>\$3,289,253</u></b>				<b><u>7,509,080</u></b>		
			Buildings	Improvements Other Than Buildings	Buses, Automobiles, and Boats	Parking Garages and Surface Lots	Other Furniture, Machinery, and Equipment	Total Depreciable
<b>CAPITAL ASSETS, DEPRECIATED</b>								
Balance, June 30, 2011	\$14,553,197	\$7,853,140		\$21,568,354	\$26,121,857	\$5,275,380		\$75,371,928
Increases	136,312	-		462,342	80,990	-		679,644
Decreases	-	(302,965)		-	(3,061,567)	(32,857)		(3,397,389)
Balance, June 30, 2012	<u>14,689,509</u>	<u>7,550,175</u>		<u>22,030,696</u>	<u>23,141,280</u>	<u>5,242,523</u>		<u>72,654,183</u>
<b>ACCUMULATED DEPRECIATION</b>								
Balance, June 30, 2011	3,774,074	4,353,883		13,438,045	15,556,204	3,564,747		40,686,953
Increases	311,005	276,250		1,552,317	446,586	416,920		3,003,078
Decreases	-	(85,569)		-	(2,139,673)	(948)		(2,226,190)
Balance, June 30, 2012	<u>4,085,079</u>	<u>4,544,564</u>		<u>14,990,362</u>	<u>13,863,117</u>	<u>3,980,719</u>		<u>41,463,841</u>
<b>Total capital assets, depreciated</b>	<b><u>\$10,604,430</u></b>	<b><u>\$3,005,611</u></b>		<b><u>\$7,040,334</u></b>	<b><u>\$9,278,163</u></b>	<b><u>\$1,261,804</u></b>		<b><u>31,190,342</u></b>
<b>Total department capital assets, net</b>								<b><u>\$38,699,422</u></b>

*Depreciation Expense*

	2013	2012
Transportation	\$2,016,955	\$2,232,178
River Cruises	262,414	244,302
Parking	653,564	526,598
	<b><u>\$2,932,933</u></b>	<b><u>\$3,003,078</u></b>

*Transfer of Capital Assets*

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

**III. LIABILITIES**

**III. A. UNEARNED REVENUE**

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

Should the Authority Trustees or OCRRA Trustees elect to terminate operation of the ORTS system prior to the expiration of the initial term of the agreement (September 30, 2022), the Authority shall reimburse Devon \$133,000 per year for each year of the initial term remaining after termination. The unearned portion of the payment received for the naming rights of \$1,235,250 at June 30, 2013 and \$1,368,250 at June 30, 2012 is reported with unearned revenue.

### **III. B. INTERGOVERNMENTAL PAYABLE - ARBITRAGE COMPLIANCE**

Proceeds from tax-exempt bonds issued after September 1, 1986, are subject to the 1986 Tax Reform Act. The Department invests, records, and reports these proceeds in the manner set forth by the U.S. Treasury and Internal Revenue Service to maintain the tax-exempt status of the bonds. The arbitrage filing requirements for the bond issue is 60 days from July 1, 2013 if a liability exists. At June 30, 2013 and 2012 there was no contingent rebatable arbitrage liability that needed to be recorded.

### **III. C. COMPENSATED ABSENCES**

Compensated absences balances changed from 2012 to 2013 by accruals of \$497,896 and usages of \$502,238 compared to changes in accruals of \$555,554 and usages of \$488,638 from 2011 to 2012.

### **III. D. ESTIMATED CLAIMS PAYABLE**

The Authority reported estimated claims payable of \$60,000 in 2012 related to pollution remediation claims liabilities. The claims liabilities represented estimated and contractually derived obligations for asbestos clean-up at Union Station. Clean-up costs incurred totaled \$92,939 and post monitoring costs were \$8,625. There is no liability reported at June 30, 2013.

### **III. E. REVENUE BONDS**

#### ***Bond Issuance***

On June 20, 2013, the Authority issued \$22,000,000 in Parking Revenue Bonds, Series 2013 with an average interest rate (coupon) of 4.5%. The proceeds of \$22,000,000 from the bonds, less \$250,453 in issuance costs, will be used to finance construction of a new parking garage in downtown Oklahoma City, known as the Arts District Garage.

#### ***Parking Revenue Bonds***

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

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

Concurrent with the issuance of the 2013 Bonds, the Authority and the City entered into an agreement. The City Agreement provides for financial support of the Department's parking system from legally available funds of the City. The City is required to replenish the Authority's bond reserve account if the balance in such account remains below the minimum required amount for a period of five months. The City is further required to replenish the bond reserve account at least two business days prior to an interest payment date for the Series 2013 Bonds from legally available sources. The City Agreement is on a year-to-year basis to be renewed annually until the principal and interest has been paid on the Series 2013 bonds.

Prior to 2013, bonds were collateralized principally by the net revenues of certain parking facilities owned or operated by the Authority and revenues pledged by Oklahoma City Water Utilities Trust (OCWUT) under an agreement of support (OCWUT Agreement). The OCWUT Agreement provided for financial support of the Department's parking system from the monthly net revenues of the water and wastewater systems of the City. OCWUT is required to replenish the Authority's bond reserve account if the balance in such account remains below the minimum required amount for a period of eleven months. OCWUT is further required to maintain or revise its schedule of rates and charges for services at or to a level sufficient to provide adequate net revenues to ensure that such support is available.

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

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$462,043	\$462,043
2015	580,000	868,818	1,448,818
2016	610,000	864,160	1,474,160
2017	615,000	857,776	1,472,776
2018	625,000	848,722	1,473,722
2019-2023	3,330,000	4,019,588	7,349,588
2024-2028	3,900,000	3,414,432	7,314,432
2029-2033	4,825,000	2,454,940	7,279,940
2034-2038	6,105,000	1,137,196	7,242,196
2039	<u>1,410,000</u>	<u>35,031</u>	<u>1,445,031</u>
	<b><u>\$22,000,000</u></b>	<b><u>\$14,962,706</u></b>	<b><u>\$36,962,706</u></b>

***Revenue Bonds Outstanding***

	<u>Amount</u>	<u>Interest</u>	<u>Issue</u>	<u>Principal</u>	<u>2013</u>	<u>2012</u>
<u>Authority Parking System Revenue Bonds</u>	<u>Issued</u>	<u>Rate %</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Principal</u>
					<u>Balance</u>	<u>Balance</u>
Series 2013	\$22,000,000	0.71-4.97	6/20/2013	7/1/2038	\$22,000,000	\$ -



*Bond Defeasance*

**Prior Years Defeasance**

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

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

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

**Loss on Defeasance of Revenue Bonds**

Cost to defease bonds	(\$9,144,150)
Bonds payable at par value as of defeasement date	9,060,000
Unamortized amount of bond premiums and deferred refunding costs	65,652
Bond interest payable as of defeasement date	84,150
Legal and professional fees	<u>(58,250)</u>
	<b><u>\$7,402</u></b>

**Outstanding Defeased Bonds**

	Original Amount <u>Defeased</u>	<u>Outstanding Balance</u>	
		<u>2013</u>	<u>2012</u>
Authority Parking System Revenue Bonds, Series 2003	\$23,635,000	\$21,070,000	\$21,955,000
Authority Parking System Revenue Refunding Bonds, Series 2006	15,955,000	4,035,000	5,420,000

*Bond Coverage*

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

**III. F. SEGMENT INFORMATION AND PLEDGED REVENUES**

The Authority issued revenue bonds to support its parking garages. The financial statements report revenue-supported debt. The Authority recognized \$6,015,144 and \$5,847,988 in parking revenues in 2013 and 2012, respectively.

III. G. CHANGES IN LONG-TERM LIABILITIES

	2013					
	Balance			Balance	Due	Due
	July 1, <u>2012</u>	Issued	Retired	June 30, <u>2013</u>	Within <u>One Year</u>	After <u>One Year</u>
<u>PAYABLE TO OCWUT</u>						
Parking	\$1,091,250	\$ -	\$1,091,250	\$ -	\$ -	\$ -
<u>COMPENSATED ABSENCES</u>						
Transportation	831,146	455,443	461,931	824,658	260,491	564,167
Parking	73,467	42,453	40,307	75,613	25,452	50,161
<u>ESTIMATED CLAIMS PAYABLE</u>						
Transportation	60,000	-	60,000	-	-	-
<u>REVENUE BONDS</u>						
Parking	-	22,000,000	-	22,000,000	-	22,000,000
<u>NET OPEB OBLIGATION</u>						
Transportation	506,179	194,237	127,698	572,718	-	572,718
Parking	<u>65,239</u>	<u>25,643</u>	<u>19,857</u>	<u>71,025</u>	<u>-</u>	<u>71,025</u>
<b>Total Department</b>	<b><u>\$2,627,281</u></b>	<b><u>\$717,776</u></b>	<b><u>\$1,801,043</u></b>	<b><u>\$23,544,014</u></b>	<b><u>\$285,943</u></b>	<b><u>\$23,258,071</u></b>
	2012					
	Balance			Balance	Due	Due
	July 1, <u>2011</u>	Issued	Retired	June 30, <u>2012</u>	Within <u>One Year</u>	After <u>One Year</u>
<u>PAYABLE TO OCWUT</u>						
Parking	\$1,212,500	\$ -	\$121,250	\$1,091,250	\$121,250	\$970,000
<u>COMPENSATED ABSENCES</u>						
Transportation	767,599	520,371	456,824	831,146	263,167	567,979
Parking	70,098	35,183	31,814	73,467	24,070	49,397
<u>ESTIMATED CLAIMS PAYABLE</u>						
Transportation	-	60,000	-	60,000	60,000	-
<u>REVENUE BONDS</u>						
Parking	10,775,000	-	10,775,000	-	-	-
<u>NET OPEB OBLIGATION</u>						
Transportation	412,526	211,776	118,123	506,179	-	506,179
Parking	<u>56,000</u>	<u>28,148</u>	<u>18,909</u>	<u>65,239</u>	<u>-</u>	<u>65,239</u>
<b>Total Department</b>	<b><u>\$13,293,723</u></b>	<b><u>\$855,478</u></b>	<b><u>\$11,521,920</u></b>	<b><u>\$2,627,281</u></b>	<b><u>\$468,487</u></b>	<b><u>\$2,158,794</u></b>

IV. NET POSITION

*Net Investment in Capital Assets*

	2013	2012
Capital assets, net	\$50,170,159	\$38,699,422
Retainages and capital related accounts payable	(5,799,344)	(682,486)
Bonds payable, net	(22,000,000)	-
Bond accounts funded with bond proceeds	21,711,076	-
Bond issuance costs paid with bond proceeds	<u>250,453</u>	<u>-</u>
	<b><u>\$44,332,344</u></b>	<b><u>\$38,016,936</u></b>

*Restricted for Capital Projects*

	<u>2013</u>	<u>2012</u>
Bond construction account	\$21,711,076	\$ -
Bond construction account funded with bond proceeds	<u>(21,711,076)</u>	<u>-</u>
	<u>\$-</u>	<u>\$-</u>

*Restricted for Debt Service*

	<u>2013</u>	<u>2012</u>
Bond reserve	1,481,260	-
Bond issuance cost account	97,900	-
Issue costs payable	<u>(97,900)</u>	<u>-</u>
	<u>\$1,481,260</u>	<u>\$-</u>

*Unrestricted*

	<u>2013</u>	<u>2012</u>
Unrestricted	<u>\$20,569,404</u>	<u>\$17,540,503</u>

**V. REVENUES AND EXPENSES**

**V. A. LEASE REVENUES**

The Parking Division of the Authority leases retail space in certain parking garages to various establishments. Most of these leases are of a short term nature, and several are for one year with up to three one year renewal options. At June 30, 2013, 29,409 square feet of garage retail space was leased and approximately 5,000 square feet of unimproved space was available to lease. In addition, the Transportation Division of the Authority leases out 7,000 square feet of office space. These leases are non-cancelable operating leases. Rental income in 2013 and 2012 was \$87,866 and \$294,183, respectively

**Minimum Rentals on Non-Cancelable Leases**

2014	\$102,967
2015	76,478
2016	66,627
2017	<u>4,700</u>
	<u>\$250,772</u>

**V. B. SPECIAL ITEM**

*Real Estate exchange to OCWUT*

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

*Sale of Broadway Kerr Parking Garage and bond defeasement*

A special item has been reported in 2012 related to the sales of parking garage and resulting defeasance of bonds.

**Gain on Sale of Parking Garage**

Bond reserves	(\$3,433,926)
Receivable from escrow agent	2,908,860
Bonds payable at par value at defeasement date	9,060,000
Bond interest payable at defeasement date	84,150
Bond premiums and deferred refunding costs	65,652
Net book value of Broadway Kerr Parking Garage	(1,304,263)
Net revenues and expenses refunded to the Authority due to the sale of garage	<u>(7,235)</u>
	<b><u>\$7,373,238</u></b>

**VI. INTERFUND TRANSACTIONS**

**VI. A. INTERFUND BALANCES**

*Payable/Due Within the Department*

Receivable/payables within the Department consist of a reimbursement from the Parking Authority to the Transit Authority for payroll costs, a grant receivable in River Authority from the Transportation Authority in 2012, and cost reimbursements between the Enterprise and Authority funds in both 2013 and 2012.

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

(continued)

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Payable/Due Within the Department (continued)*

	2012					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>RECEIVABLE/ DUE FROM</b>						
Authority Transportation Fund	\$ -	\$64,800	\$ -	\$620,151	\$ -	\$684,951
Authority River Cruises Fund	-	-	-	65,989	-	65,989
Authority Parking Fund	<u>18,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,230</u>	<u>142,819</u>
	<b><u>\$18,589</u></b>	<b><u>\$64,800</u></b>	<b><u>\$-</u></b>	<b><u>\$686,140</u></b>	<b><u>\$124,230</u></b>	<b><u>\$893,759</u></b>
<b>PAYABLE/DUE TO</b>						
Enterprise Parking Fund	<b><u>\$750,997</u></b>	<b><u>\$-</u></b>	<b><u>\$142,762</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>	<b><u>\$893,759</u></b>

*Payable/Due Within the City*

Receivable within the City consists of payments from the City General Fund for the City General Fund subsidy, refunds of various prior year public works chargebacks to the City General Fund, a refund of a natural gas chargeback to the Oklahoma City Public Property Authority (OCPPA) General Purpose Fund, and a refund of a fuel chargeback.

Payable within the City consists of chargebacks to the City General Fund, internal service funds, City Stormwater Drainage Fund and OCMFA General Purpose Fund for administration, printing, fleet services (fuel), public works and technology. Also included in payable within the City are lease revenue payments for various parking lots to the City General Fund and the OCPPA General Purpose Fund for event parking in 2013 and 2012.

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

*Payable/Due Within the City*

	2013					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>PAYABLE/DUE TO</b>						
City General Fund	\$36,800	\$1,268	\$74,778	\$406	\$288	\$113,540
City Print Shop Fund	1,600	-	7	-	-	1,607
City Fleet Services Fund	13,074	1,326	-	-	-	14,400
City Stormwater Drainage Fund	-	-	297	-	-	297
OCPPA General Purpose Fund	-	-	4,105	-	-	4,105
OCMFA General Purpose Fund	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277</u>
	<b><u>\$51,751</u></b>	<b><u>\$2,594</u></b>	<b><u>\$79,187</u></b>	<b><u>\$406</u></b>	<b><u>\$288</u></b>	<b><u>\$134,226</u></b>

(continued)

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Payable/Due Within the City (continued)*

	<b>2012</b>					
	Authority			Enterprise		Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Transportation</u>	<u>Parking</u>	
<b>RECEIVABLE/ DUE FROM</b>						
City General Fund	<u>\$855,349</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$855,349</u>
<b>PAYABLE/DUE TO</b>						
City General Fund	\$ -	\$ -	\$14,519	\$1,329	\$ -	\$15,848
City Print Shop Fund	1,689	-	1	-	7	1,697
City Fleet Services Fund	2,658	-	-	-	511	3,169
OCPA General Purpose Fund	<u>-</u>	<u>-</u>	<u>5,037</u>	<u>-</u>	<u>-</u>	<u>5,037</u>
	<u>\$4,347</u>	<u>\$-</u>	<u>\$19,557</u>	<u>\$1,329</u>	<u>\$518</u>	<u>\$25,751</u>

*Payable to Component Unit*

**Payable to OCWUT**

On June 29, 1988, OCWUT loaned the Authority \$2,425,000 (including issuance costs) pursuant to the Agreement. In early fiscal year 2002, OCWUT and the Authority negotiated a repayment agreement. This agreement requires the Authority to repay the loan, without interest, over a period of 20 years beginning in fiscal year 2002. Debt service requirements are \$121,250 annually, which is the current portion of the advance due in 2012. The non-current amount payable to OCWUT at June 30, 2012 was \$970,000. The payable was forgiven in 2013 in exchange for real estate.

**VI. B. INTERFUND PAYMENTS/TRANSFERS**

*Payments/Transfers Within the Department*

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

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

*(continued)*

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

OKLAHOMA CITY  
PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT

*Payments/Transfers Within the Department (continued)*

	2012					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>TO</b>						
<b>AUTHORITY</b>						
Transportation	\$ -	\$ -	\$18,589	\$ -	\$ -	\$18,589
River Cruises	176,216	-	-	-	-	176,216
<b>ENTERPRISE</b>						
Transportation	3,610,754	78,438	-	-	-	3,689,192
Parking	-	-	350,231	-	-	350,231
	<b><u>\$3,786,970</u></b>	<b><u>\$78,438</u></b>	<b><u>\$368,820</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$4,234,228</u></b>

*Payments/Transfers Within the City and Component Units*

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

	2012					
	Authority			Enterprise		Total
	Transportation	River Cruises	Parking	Transportation	Parking	
<b>FROM</b>						
City General Fund	\$11,491,369	\$670,000	\$ -	\$ -	\$241,338	\$12,402,707
City MAPS3						
Sales Tax Fund	22,486	-	-	-	-	22,486
City Capital						
Improvement Fund	14,024	-	-	-	-	14,024
OCRRA	-	50,000	-	-	-	50,000
	<b><u>\$11,527,879</u></b>	<b><u>\$720,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$241,338</u></b>	<b><u>\$12,489,217</u></b>

*Dependency on the City*

During fiscal year 2013 and 2012 revenues from the Authority Transportation and River Cruises Funds were not sufficient to meet operating expenses. As a result, the Authority received funding from the City General Fund to subsidize operations of \$13,504,341 and \$12,161,369 for June 30, 2013 and 2012, respectively.

*Administrative Chargebacks*

City employees external to the Department perform some administrative functions which are reimbursed through administrative chargebacks recorded with operating expenses of the Authority and Enterprise Funds. In fiscal year 2013 and 2012 the Authority Funds paid \$2,464,453 and \$2,201,965 and the Enterprise Funds paid \$5,828 and \$5,767, respectively, for these services. The Authority reimbursed the Enterprise Funds for its share of the costs through payments within the Department.

*OPEB Subsidy*

For the 2013 and 2012 fiscal years, the City General Fund contributed \$112,131 and \$106,779 to OCPEBT on behalf of the Department which will be used to pre-fund medical benefits to be provided in future fiscal years.

*Other*

Other payments/transfers within the City include payments from the OCRRA for a share of marketing costs, payments from the City General Fund to the Parking Authority for a parking lease, a payment from City MAPS3 Sales Tax Fund to the Transportation Authority related to a utility and bridge conflicts study, payments in 2013 and 2012 from the City Capital Improvements Fund and City Street and Alley Fund in 2013 for local shares of grant matches, and a payment from OCEDT for reimbursement for the Myriad Garden trolley shelter.

**VII. DEFINED BENEFIT PENSION PLANS**

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

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

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

The OCERS is the administrator of a single employer defined benefit local government retirement plan for the City of Oklahoma City. Plan amendments and benefit provisions are established and amended by City Council action. Unless otherwise indicated, the information in this note is provided as of the latest actuarial valuation, December 31, 2012. Actuarial valuations are performed annually.



*Funding Policies, Contribution Methods and Benefit Provisions*

Year established and governing authority	1958; City Council Ordinance
Determination of contribution requirements	Actuarially determined
Contribution Rates:	
Employer	9.49% of covered payroll
Plan members	6.0% of covered payroll
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Cost of living benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS Board
Eligibility for distribution	30 years credited service regardless of age, or age 60 with 10 years (Pre 3/67 hires), or 25 years of credited service regardless of age, or age 65 with 5 years (Post 3/67 hires), or age 55 with 5 years on a reduced basis, or 5 years service, with benefits to begin at age 65 (60 with 10 years if Pre 3/67 hire)

**Funding Policy**

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning July 1, 2013, the employer contribution rate changed from 8.56% of covered payroll to 9.49% of covered payroll. The employee contributes 6.0% of covered payroll. Administrative costs are funded with investment earnings.

**Benefit Provisions**

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

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

**Cost of Living Adjustments**

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

*Membership*

	<u>2013</u>	<u>2012</u>
Active employees - nonvested	762	737
Active employees - vested	1,697	1,661
Retirees and beneficiaries currently receiving benefits	1,324	1,299
Terminated plan members entitled to but not yet receiving benefits	83	75
	<u>3,866</u>	<u>3,772</u>

*Annual Required Contributions - Actuarial Assumptions*

Valuation date	12/31/12
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period	29 years, closed
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	7.5%
Cost of living benefit increases (maximum)	2%
Inflation	4.0%
Projected salary increases	4.0% to 7.8%
Mortality table	1994 group annuity table set forward 1 year for women and 3 years for men

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

For the actuarial valuation dated December 31, 2012, the amortization period changed from 30 years, closed to 29 years, closed. The cost of living maximum adjustment changed from 4% to 2%.

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

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

*Annual Pension Cost and Trend Information*

Fiscal <u>Year</u>	Annual Pension <u>Cost</u>	Percentage <u>Contributed</u>	Net Pension <u>Obligation (NPO)</u>
2013	\$11,320,094	100%	\$ -
2012	9,614,625	100	-
2011	7,132,772	100	-

*Reserves*

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

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

Actuarial value of plan assets (AVA)	\$547,686,000
Actuarial accrued liability (AAL)	553,588,000
Unfunded actuarial accrued liability (UAAL)	5,902,000
Funded ratio (AVA/AAL)	99%
Covered payroll (active Plan members)	114,933,000
UAAL as a percentage of covered payroll	5%

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

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

**VII. B. 1. PLAN DESCRIPTION**

COTPA Retirement provides retirement benefits for all Authority employees, primarily bus drivers and related operations employees. Unless otherwise indicated, COTPA Retirement information in this note is provided as of the latest actuarial valuation, July 1, 2013.

Actuarial valuations are performed annually.

*Funding Policies, Contribution Methods and Benefit Provisions*

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

**Funding Policy**

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

**Benefit Provisions**

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

**Membership**

	<u>2013</u>	<u>2012</u>
Non-vested active members	60	97
Fully-vested active members	107	60
Retirees and beneficiaries currently receiving benefits	56	50
Terminated plan members entitled to but not yet receiving benefits	4	4
	<u>227</u>	<u>211</u>

**Annual Required Contributions - Actuarial Assumptions**

Valuation date	7/1/13
Actuarial cost method	Individual entry age normal
Amortization method	Level dollar
Amortization period	30 years, open
Actuarial asset valuation method	5-year smoothed market
<b>Actuarial Assumptions</b>	
Investment rate of return	7%
Inflation	2.5%
Mortality table	1983 group annuity mortality tables, scale 355 withdrawal rates

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

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

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

*Annual Pension Cost and Net Pension Obligation*

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$358,722	\$380,320
Interest on net pension obligation	(26,246)	(18,042)
Adjustment to annual required contribution	<u>28,239</u>	<u>19,412</u>
Annual pension cost	360,715	381,690
Contributions made	<u>(504,166)</u>	<u>(498,883)</u>
Increase (decrease) in net pension obligation	(143,451)	(117,193)
Net pension obligation (asset), beginning of year	<u>(374,943)</u>	<u>(257,750)</u>
Net pension obligation (asset), end of year	<u>(\$518,394)</u>	<u>(\$374,943)</u>

*Trend Information*

Fiscal <u>Year</u>	Annual Pension <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual Pension <u>Cost Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2013	\$360,715	\$504,166	140%	(\$518,394)
2012	381,690	498,883	131	(374,943)
2011	412,901	465,859	113	(257,750)

*Reserves*

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

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

Actuarial Value of Plan Assets (AVA)	\$9,299,823
Actuarial Accrued Liability (AAL)	13,430,721
Unfunded Actuarial Accrued Liability (UAAL)	4,130,898
Funded Ratio (AVA/AAL)	69%
Covered Payroll (Active Plan Members)	9,457,557
UAAL as a Percentage of Covered Payroll	44%

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

**VIII. DEFINED CONTRIBUTION PENSION PLANS**

*City Defined Contribution Plans*

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

Participants of the first plan are comprised of eligible employees hired before September 1, 2001. The City and participants are required to contribute 8.0% and 6.0% of annual covered payroll, respectively. Participants of the first plan vest at service inception and are entitled to 100% of vested contributions.

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

The two plans include 100 and 102 participants for 2013 and 2012, respectively, comprised of City Council appointees and management personnel.

***Authority Defined Contribution Plan***

The Authority participates in a defined contribution plan established July 1, 2001 for eligible administrative employees (not represented by a union). Plan provisions and contribution requirements are established or amended by Authority resolution. It is in addition to COTPA Retirement and provides that the employee may voluntarily contribute to the ICMA plan and the Authority will match employee contributions up to \$1,000 annually. The ICMA plan includes 38 participants at June 30, 2013 and 34 participants at June 30, 2012. For fiscal year 2013 and 2012 actual contributions by plan participants were \$44,003 and \$36,532, respectively. The Authority contributed \$20,565 and \$15,569 for June 30, 2013 and 2012, respectively.

**IX. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**IX. A. CITY OPEB**

**IX. A. 1. PLAN DESCRIPTION**

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

*Funding Policies, Contribution Methods and Benefit Provisions*

Year established and governing authority	2008; City Council Ordinance
Determination of contribution requirements	City Policy
Contribution rates:	
Employer	62% of premium
Plan members	38% of premium
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Police officers are eligible for benefits under the Plan if they retire from the City with 20 years of service. Firefighters retiring before January 1, 2003 are eligible for membership. Participation may only be elected at the time of retirement.

**Funding Policy**

Contribution requirements are actuarially determined and established by City Council ordinance. Beginning January 1, 2013, the employer contribution rate changed from 64% of premium to 62% of premium. The employee contributes the balance of the premium. Administrative costs are funded with investment earnings.

**Benefit Provisions**

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

The City provides medical benefits either through a fully insured health plan or through a self-insured Group Indemnity Plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage. General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service. Coverage for dependents can continue upon the death of the retiree. Spouses of employees who die in active service while eligible for benefits can receive coverage.

**Membership**

	<u>2013</u>	<u>2012</u>
Active members	3,353	3,291
Retirees and beneficiaries currently receiving benefits	2,161	2,162
	<u>5,514</u>	<u>5,453</u>

*Annual Required Contributions - Actuarial Assumptions*

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/12
Actuarial cost method	Projected unit credit with linear proration to decrement
Amortization method	Level percentage of payroll
Amortization period	30 years, open
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	4.91%
Blended discount rate method	The discount rate is based on the expected long-term return on the investments that are used to finance the benefit programs
Inflation	3%
Projected salary increases	3%
Health care trend rate	4.5% (4.5% for Medicare age)
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA

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

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

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

*Annual OPEB Costs and Net OPEB Obligation*

	2013		2012	
	Enterprise Funds	Total	Enterprise Funds	Total
Annual required contribution	\$145,772	\$32,881,008	\$167,443	\$36,181,832
Interest on net OPEB obligation	20,434	4,609,166	17,598	3,802,518
Adjustment to annual				
Required contribution	(18,758)	(4,231,199)	(16,154)	(3,490,699)
Annual OPEB cost	147,448	33,258,975	168,887	36,493,651
Contributions made	(112,132)	(19,904,516)	(106,779)	(20,064,984)
Increase in net OPEB obligation	35,316	13,354,459	62,108	16,428,667
Net OPEB obligation,				
beginning of year	393,832	93,873,033	331,724	77,444,366
end of year	<u>\$429,148</u>	<u>\$107,227,492</u>	<u>\$393,832</u>	<u>\$93,873,033</u>



*Trend Information*

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Employer <u>Contributions</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2013	\$33,258,975	\$19,904,516	59.8%	\$107,227,492
2012	36,493,651	20,064,984	55.0	93,873,033
2011	39,786,634	18,746,938	47.1	77,444,366

*Reserves*

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

**IX. A. 3. FUNDED STATUS AND FUNDING PROGRESS**

Actuarial Value of Plan Assets (AVA)	\$19,198,729
Actuarial Accrued Liability (AAL)	433,863,156
Unfunded Actuarial Accrued Liability (UAAL)	414,664,427
Funded Ratio (AVA/AAL)	4%
Covered Payroll (Active Plan Members)	197,922,710
UAAL as a Percentage of Covered Payroll	210%

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

**IX. B. AUTHORITY OPEB**

**IX. B. 1. PLAN DESCRIPTION**

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

*Funding Policies, Contribution Methods and Benefit Provisions*

Year established and governing authority	2009; Authority Board Resolution
Determination of contribution requirements	Authority Policy
Contribution rates:	
Employer	Subsidy based on years of service
Plan members	Remainder of unsubsidized premium costs
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from COTPA on or after age 62 with 10 years of service or at any age with 25 years of service.

**Funding Policy**

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

**Benefit Provisions**

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

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

**Membership**

	<u>2013</u>	<u>2012</u>
Active members	174	174
Retirees and beneficiaries currently receiving benefits	13	13
	<u>187</u>	<u>187</u>

*Annual Required Contributions - Actuarial Assumptions*

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/12
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Amortization period	30 years, closed
Actuarial asset valuation method	N/A
Actuarial Assumptions	
Investment rate of return	4%
Inflation	2.5%
Projected salary increases	None
Health care trend rate	9%
Mortality table	1983 group annuity mortality table for males

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

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

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

*Annual OPEB Costs and Net OPEB Obligation*

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$76,259	\$73,841
Interest on net OPEB obligation	7,103	5,472
Adjustment to annual required contribution	<u>(10,929)</u>	<u>(8,276)</u>
Annual OPEB cost	72,433	71,037
Contributions made	<u>(35,424)</u>	<u>(30,253)</u>
Increase in net OPEB obligation	37,009	40,784
Net OPEB obligation, beginning of year	<u>177,586</u>	<u>136,802</u>
Net OPEB obligation, end of year	<u>\$214,595</u>	<u>\$177,586</u>

*Trend Information*

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$72,433	\$35,424	48.9%	\$214,595
2012	71,037	30,253	42.6	177,586
2011	69,511	25,591	36.8	136,802

*Reserves*

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

**IX. B. 3. FUNDED STATUS AND FUNDING PROGRESS**

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

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

**X. COMMITMENTS**

*Contract Commitments*

**Parking Facilities**

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

**Oklahoma River Cruises**

On July 10, 2009, the Board of the Authority, by mutual agreement with Hornblower Marine Service (HMS), exercised their right to terminate the contract with HMS that was approved by the Board on September 7, 2007. Also, on July 10, 2009, the Board approved a new contract with HMS, retroactive to January 1, 2009. The new contract more accurately addressed the needs of the Authority and the responsibilities of HMS. The new contract provides for three one-year renewal options. On November 5, 2010, the Board approved a one-year renewal of the contract to December 31, 2011. On October 14, 2011, the Board approved a one-year renewal of the contract to December 31, 2012. Under the contract, HMS received a \$15,000 per month management fee for the months of March through December plus reimbursement of operating costs not paid directly to suppliers by the Authority. HMS did not receive a management fee for the months of January and February, as the vessels were dry docked. On August 3, 2012, the Board approved the final one-year extension of the contract from January 1, 2013 to December 31, 2013 under the same terms and conditions from the original contract.

*Construction Commitments*

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

	<u>2013</u>	<u>2012</u>
	Remaining Commitment	Remaining Commitment
Transportation	\$2,395,978	\$444,149
River Cruises	135,118	-
Parking	17,392,021	212,025
	<u><b>\$19,923,117</b></u>	<u><b>\$656,174</b></u>

## XI. CONTINGENCIES

### *Federal Grants*

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

### *Litigation*

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

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## **Required Supplementary Information**





**I. SCHEDULE OF FUNDING PROGRESS**

*Oklahoma City Employee Retirement System Trust*

Actuarial Valuation	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Date	(a)	(b)	(b-a)			
12/31/12	\$547,686,000	\$553,588,000	\$5,902,000	99%	\$114,933,000	5%
12/31/11	514,499,000	593,922,000	79,423,000	87	109,293,000	73
12/31/10	524,731,000	566,834,000	42,103,000	93	102,915,000	41
12/31/09	529,137,000	556,427,000	27,290,000	95	110,408,000	25
12/31/08	528,664,000	519,234,000	(9,430,000)	102	105,566,000	(9)
12/31/07	529,876,000	488,827,000	(41,049,000)	108	99,574,000	(41)

*COTPA Employee Retirement Trust*

Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Date	(a)	(b)	(b-a)			
7/1/13	\$9,299,823	\$13,430,721	\$4,130,898	69%	\$9,457,557	44%
7/1/12	8,506,737	12,366,913	3,860,176	69	6,930,000	56
7/1/11	7,793,262	11,931,856	4,138,594	65	7,595,000	54
7/1/10	7,088,605	11,687,203	4,598,598	61	7,150,000	64
7/1/09	6,589,076	11,368,905	4,779,829	58	7,464,000	64
7/1/08	6,158,202	10,728,353	4,570,151	57	6,700,000	68

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

*Oklahoma City Employee Retirement System Trust*

Fiscal Year	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$11,320,094	100%
2012	9,614,625	100
2011	7,132,772	100
2010	5,585,595	100
2009	5,464,178	100
2008	7,211,608	100

*COTPA Employee Retirement Trust*

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$504,166	\$358,722	141%
2012	498,883	380,320	131
2011	465,859	413,569	113
2010	471,252	419,181	112
2009	416,086	385,660	108
2008	327,363	240,883	136

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

**I. SCHEDULE OF FUNDING PROGRESS**

*City of Oklahoma City Post-Employment Benefits Trust*

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/12	\$19,198,729	\$433,863,156	\$414,664,427	4%	\$197,922,710	210%
7/1/11	15,017,721	483,931,717	468,913,996	3	180,551,843	260
7/1/10	11,565,753	517,681,810	506,116,057	2	175,293,051	289

*COTPA Other Post-employment Benefits*

Actuarial Valuation <u>Date</u>	Actuarial Value of <u>Assets (a)</u>	Actuarial Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded <u>Ratio (a/b)</u>	Covered <u>Payroll (c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/12	\$ -	\$750,493	\$750,493	0%	\$7,659,048	10%
7/1/11	-	750,493	750,493	0	7,659,048	10
7/1/10	-	629,842	629,842	0	7,464,369	8

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

*City of Oklahoma City Post-Employment Benefits Trust*

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2013	\$19,904,516	\$32,881,008	61%
2012	20,064,984	36,181,832	55
2011	18,746,938	39,559,528	47

*COTPA Other Post-employment Benefits*

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2013	\$35,424	\$76,259	46%
2012	30,253	73,841	41
2011	25,591	71,136	36

**III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

# **Combining and Individual Fund Statements**



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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012	
	Division			Total	Total
	<u>Transportation</u>	<u>River Cruises</u>	<u>Parking</u>	<u>Authority</u>	<u>Authority</u>
<b><u>ASSETS</u></b>					
<b><u>CURRENT ASSETS</u></b>					
Non-pooled cash-----	\$6,823,592	\$751,917	\$5,440,761	\$13,016,270	\$6,481,326
Investments-----	999,646	-	28,234,399	29,234,045	10,019,917
Accounts receivable, net-----	122,819	-	143,012	265,831	3,187,544
Interest receivable-----	-	-	-	-	76
Payable/due from (to) within the Department-----	(961,402)	321,451	(136,450)	(776,401)	(810,370)
Receivable from primary government-----	1,007,593	-	-	1,007,593	855,349
Intergovernmental receivables-----	3,261,962	-	-	3,261,962	1,650,966
Inventories-----	780,860	6,624	-	787,484	861,794
Prepays-----	15,737	-	-	15,737	6,676
Total current assets-----	<u>12,050,807</u>	<u>1,079,992</u>	<u>33,681,722</u>	<u>46,812,521</u>	<u>22,253,278</u>
<b><u>NON-CURRENT ASSETS</u></b>					
Investments-----	-	-	1,481,260	1,481,260	-
Other-----	587,677	-	-	587,677	444,226
Capital assets:					
Land and construction in progress-----	7,495,148	623,762	7,207,445	15,326,355	7,509,080
Other capital assets, net of accumulated depreciation-----	18,937,389	4,491,447	11,404,805	34,833,641	31,173,984
Capital assets, net-----	<u>26,432,537</u>	<u>5,115,209</u>	<u>18,612,250</u>	<u>50,159,996</u>	<u>38,683,064</u>
Total non-current assets-----	<u>27,020,214</u>	<u>5,115,209</u>	<u>20,093,510</u>	<u>52,228,933</u>	<u>39,127,290</u>
<b>Total assets-----</b>	<b><u>39,071,021</u></b>	<b><u>6,195,201</u></b>	<b><u>53,775,232</u></b>	<b><u>99,041,454</u></b>	<b><u>61,380,568</u></b>
<b><u>LIABILITIES</u></b>					
<b><u>CURRENT LIABILITIES</u></b>					
Accounts payable-----	3,357,800	469,408	4,228,547	8,055,755	2,095,365
Wages and benefits payable-----	548,757	-	-	548,757	473,956
Payable to component units-----	-	-	-	-	121,250
Payable to primary government-----	51,751	2,594	79,187	133,532	23,904
Compensated absences-----	171,188	-	-	171,188	184,373
Notes, lease obligations, estimated claims payable-----	-	-	-	-	60,000
Unearned revenue-----	7,252	133,000	19,271	159,523	162,891
Total current liabilities-----	<u>4,136,748</u>	<u>605,002</u>	<u>4,327,005</u>	<u>9,068,755</u>	<u>3,121,739</u>
<b><u>NON-CURRENT LIABILITIES</u></b>					
Compensated absences-----	283,007	-	-	283,007	334,912
Payable to component units-----	-	-	-	-	970,000
Unearned revenue-----	-	1,102,250	-	1,102,250	1,235,250
Bonds payable-----	-	-	22,000,000	22,000,000	-
Net other post-employment benefit obligation-----	214,595	-	-	214,595	177,586
Total non-current liabilities-----	<u>497,602</u>	<u>1,102,250</u>	<u>22,000,000</u>	<u>23,599,852</u>	<u>2,717,748</u>
<b>Total liabilities-----</b>	<b><u>4,634,350</u></b>	<b><u>1,707,252</u></b>	<b><u>26,327,005</u></b>	<b><u>32,668,607</u></b>	<b><u>5,839,487</u></b>
<b><u>NET POSITION</u></b>					
Net Investment in capital assets-----	24,696,287	4,779,778	14,846,118	44,322,183	38,000,578
Restricted for: Debt service-----	-	-	1,481,260	1,481,260	-
Unrestricted-----	9,740,384	(291,829)	11,120,849	20,569,404	17,540,503
<b>Total net position-----</b>	<b><u>\$34,436,671</u></b>	<b><u>\$4,487,949</u></b>	<b><u>\$27,448,227</u></b>	<b><u>\$66,372,847</u></b>	<b><u>\$55,541,081</u></b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

**For the Years Ended June 30,**

	2013			2012	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<b><u>OPERATING REVENUES</u></b>					
<b><u>CHARGES FOR SERVICES</u></b>					
Transportation charges-----	\$2,721,503	\$ -	\$ -	\$2,721,503	\$2,729,519
River cruise charges-----	-	150,458	-	150,458	186,020
Parking-----	-	-	6,015,144	6,015,144	5,847,988
Other charges-----	-	-	-	-	264
Total charges for services-----	<b>2,721,503</b>	<b>150,458</b>	<b>6,015,144</b>	<b>8,887,105</b>	<b>8,763,791</b>
Lease and rental income-----	26,395	-	61,471	87,866	294,183
Other-----	252,570	36	4,185	256,791	192,921
<b>Total operating revenues-----</b>	<b>3,000,468</b>	<b>150,494</b>	<b>6,080,800</b>	<b>9,231,762</b>	<b>9,250,895</b>
<b><u>OPERATING EXPENSES</u></b>					
Personal services-----	12,517,254	-	-	12,517,254	11,873,363
Maintenance, operations, and contractual services-----	3,027,331	1,005,579	2,688,255	6,721,165	7,212,530
Materials and supplies-----	4,164,088	38,200	2,738	4,205,026	3,867,106
Depreciation-----	2,016,955	262,414	647,367	2,926,736	2,996,881
<b>Total operating expenses-----</b>	<b>21,725,628</b>	<b>1,306,193</b>	<b>3,338,360</b>	<b>26,370,181</b>	<b>25,949,880</b>
Payments/transfers within the Department-----	<b>(4,819,232)</b>	<b>835,804</b>	<b>(421,114)</b>	<b>(4,404,542)</b>	<b>(4,039,423)</b>
Operating income (loss)-----	<b>(23,544,392)</b>	<b>(319,895)</b>	<b>2,321,326</b>	<b>(21,542,961)</b>	<b>(20,738,408)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Non-capital contributions-----	-	133,000	-	133,000	133,000
Grants operating-----	15,911,611	-	-	15,911,611	10,226,456
Investment income-----	6,172	85	8,684	14,941	13,246
Interest on bonds-----	-	-	-	-	(290,751)
Bond issue costs-----	-	-	(250,453)	(250,453)	-
Payments from Oklahoma City Riverfront Redevelopment Authority-----	-	50,000	-	50,000	50,000
Payments from Oklahoma City Economic Development Trust-----	45,286	-	-	45,286	-
Payments from City of Oklahoma City-----	12,833,545	670,000	129,086	13,632,631	12,161,369
Payments from the City of MAPS3 Sales Tax Fund-----	208,820	-	-	208,820	22,486
Other revenue (expenses)-----	64,278	-	(38,373)	25,905	58,536
<b>Net non-operating revenues (expenses)-----</b>	<b>29,069,712</b>	<b>853,085</b>	<b>(151,056)</b>	<b>29,771,741</b>	<b>22,374,342</b>
<b>Income before contributions and special item-----</b>	<b>5,525,320</b>	<b>533,190</b>	<b>2,170,270</b>	<b>8,228,780</b>	<b>1,635,934</b>
<b><u>CONTRIBUTIONS</u></b>					
Grants capital-----	1,419,255	-	-	1,419,255	525,342
Capital payments from City of Oklahoma City-----	75,976	-	-	75,976	14,024
<b>Total contributions-----</b>	<b>1,495,231</b>	<b>-</b>	<b>-</b>	<b>1,495,231</b>	<b>539,366</b>
<b><u>SPECIAL ITEM</u></b>					
Special item-----	-	-	1,107,755	1,107,755	7,373,238
<b>Total special item-----</b>	<b>-</b>	<b>-</b>	<b>1,107,755</b>	<b>1,107,755</b>	<b>7,373,238</b>
<b>Changes in net position-----</b>	<b>7,020,551</b>	<b>533,190</b>	<b>3,278,025</b>	<b>10,831,766</b>	<b>9,548,538</b>
Total net position, beginning-----	27,416,120	3,954,759	24,170,202	55,541,081	45,992,543
<b>Total net position, ending-----</b>	<b>\$34,436,671</b>	<b>\$4,487,949</b>	<b>\$27,448,227</b>	<b>\$66,372,847</b>	<b>\$55,541,081</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012	
	Division			Total	Total
	Transportation	River Cruises	Parking	Authority	Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers-----	\$3,265,972	\$150,022	\$6,146,346	\$9,562,340	\$9,129,146
Cash payments to suppliers for goods and services-----	(6,387,435)	(1,242,521)	(2,633,051)	(10,263,007)	(10,995,828)
Cash payments to employees and professional contractors for services-----	(12,679,896)	-	-	(12,679,896)	(11,676,357)
Operating payments from (to) City of Oklahoma City-----	(152,245)	-	-	(152,245)	(1,144,765)
Operating payments within the Department-----	(4,819,234)	835,805	(433,564)	(4,416,993)	(3,917,123)
<b>Net cash provided (used) by operating activities-----</b>	<b>(20,772,838)</b>	<b>(256,694)</b>	<b>3,079,731</b>	<b>(17,949,801)</b>	<b>(18,604,927)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Cash received from operating grants-----	13,841,764	-	-	13,841,764	9,012,158
Transfers received from other funds-----	-	64,800	-	64,800	-
Transfers paid to other funds-----	-	-	-	-	(206,068)
Non-capital financing payments from (to) component units-----	-	50,000	-	50,000	50,000
Non-capital financing payments from (to) City of Oklahoma City-----	13,042,365	670,000	129,086	13,841,451	12,183,855
Other non-capital financing cash receipts-----	248,558	-	(38,373)	210,185	296,994
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>27,132,687</b>	<b>784,800</b>	<b>90,713</b>	<b>28,008,200</b>	<b>21,336,939</b>
<b>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</b>					
Proceeds from issuance of long-term debt-----	-	-	21,749,547	21,749,547	-
Payments for acquisition and construction of capital assets-----	(6,339,787)	(478,309)	(2,675,960)	(9,494,056)	(1,558,076)
Principal paid on long-term debt-----	-	-	-	-	(1,715,000)
Interest paid on long-term debt-----	-	-	-	-	(574,927)
Payments to defease bonds-----	-	-	-	-	(12,111,260)
Capital financing payments from (to) component units-----	45,286	-	-	45,286	(121,250)
Proceeds from sale of assets-----	(14,406)	-	3,132,610	3,118,204	8,678,464
Capital grants and contributions received-----	1,737,939	-	-	1,737,939	891,619
<b>Net cash provided (used) by capital and related financing activities-----</b>	<b>(4,570,968)</b>	<b>(478,309)</b>	<b>22,206,197</b>	<b>17,156,920</b>	<b>(6,510,430)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments-----	(1,999,140)	-	(32,002,771)	(34,001,911)	(18,995,594)
Proceeds from sale of investments-----	2,000,000	-	11,307,282	13,307,282	21,059,546
Investment income received-----	5,411	84	8,759	14,254	26,220
<b>Net cash provided by investing activities-----</b>	<b>6,271</b>	<b>84</b>	<b>(20,686,730)</b>	<b>(20,680,375)</b>	<b>2,090,172</b>
<b>Net increase (decrease) in cash-----</b>	<b>1,795,152</b>	<b>49,881</b>	<b>4,689,911</b>	<b>6,534,944</b>	<b>(1,688,246)</b>
Cash, beginning-----	5,028,440	702,036	750,850	6,481,326	8,169,572
<b>Cash, ending-----</b>	<b>\$6,823,592</b>	<b>\$751,917</b>	<b>\$5,440,761</b>	<b>\$13,016,270</b>	<b>\$6,481,326</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)-----	(\$23,544,392)	(\$319,895)	\$2,321,326	(\$21,542,961)	(\$20,738,408)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Depreciation-----	2,016,955	262,414	647,367	2,926,736	2,996,881
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable-----	(31,277)	-	44,130	12,853	(105,087)
(Increase) decrease in payments/transfers from (to) within the Department-----	-	-	-	-	122,305
(Increase) decrease in due from other funds-----	296,781	(321,451)	-	(24,670)	(12,571)
(Increase) decrease in receivable from City of Oklahoma City-----	(152,245)	-	-	(152,245)	(852,396)
(Increase) decrease in inventories-----	72,833	1,478	-	74,311	(82,613)
(Increase) decrease in prepaid assets-----	(9,061)	-	-	(9,061)	(6,676)
(Increase) decrease in other assets-----	(143,452)	-	-	(143,452)	(117,193)
Increase (decrease) in accounts payable-----	708,099	118,166	17,272	843,537	(36,907)
Increase (decrease) in wages and benefits payable-----	74,803	-	-	74,803	56,391
Increase (decrease) in due to other funds-----	-	-	6,138	6,138	15,947
Increase (decrease) in payable to City of Oklahoma City-----	25,885	2,594	47,181	75,660	(8,479)
Increase (decrease) in compensated absences-----	(65,091)	-	-	(65,091)	57,622
Increase (decrease) in notes, lease and estimated claims payable-----	(60,000)	-	-	(60,000)	60,000
Increase (decrease) in net other post-employment benefit obligation-----	37,009	-	-	37,009	40,784
Increase (decrease) in unearned revenue-----	315	-	(3,683)	(3,368)	5,473
<b>Total adjustments-----</b>	<b>2,771,554</b>	<b>63,201</b>	<b>758,405</b>	<b>3,593,160</b>	<b>2,133,481</b>
<b>Net cash provided (used) by operating activities-----</b>	<b>(20,772,838)</b>	<b>(256,694)</b>	<b>3,079,731</b>	<b>(17,949,801)</b>	<b>(18,604,927)</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
Net increase (decrease) in fair value of investments-----	\$ -	\$ -	\$ -	\$ -	(\$13,317)
Forgiveness of debt-----	-	-	1,091,250	1,091,250	-
Other-----	-	-	(207,245)	(207,245)	-
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$884,005</b>	<b>\$884,005</b>	<b>(\$13,317)</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013		2012	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS</u></b>				
Pooled cash-----	\$4,917	\$1,781	\$6,698	\$1,751
Investments-----	122,947	44,913	167,860	55,118
Interest receivable-----	463	167	630	255
Payable/due from (to) within the Department-----	664,621	111,780	776,401	810,370
Due from other funds-----	-	723	723	-
Inventories-----	-	5,241	5,241	-
<b>Total current assets-----</b>	<b>792,948</b>	<b>164,605</b>	<b>957,553</b>	<b>867,494</b>
<b><u>NON-CURRENT ASSETS</u></b>				
Capital assets:				
Other capital assets, net of accumulated depreciation-----	-	10,163	10,163	16,358
<b>Total assets-----</b>	<b>792,948</b>	<b>174,768</b>	<b>967,716</b>	<b>883,852</b>
<b><u>LIABILITIES</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable-----	2	5,627	5,629	21,410
Wages and benefits payable-----	63,954	12,054	76,008	65,077
Due to other funds-----	406	288	694	1,847
Compensated absences-----	89,303	25,452	114,755	102,864
<b>Total current liabilities-----</b>	<b>153,665</b>	<b>43,421</b>	<b>197,086</b>	<b>191,198</b>
<b><u>NON-CURRENT LIABILITIES</u></b>				
Compensated absences-----	281,160	50,161	331,321	282,464
Net other post-employment benefit obligation-----	358,123	71,025	429,148	393,832
<b>Total non-current liabilities-----</b>	<b>639,283</b>	<b>121,186</b>	<b>760,469</b>	<b>676,296</b>
<b>Total liabilities-----</b>	<b>792,948</b>	<b>164,607</b>	<b>957,555</b>	<b>867,494</b>
<b><u>NET POSITION (DEFICIT)</u></b>				
Net Investment in capital assets-----	-	10,161	10,161	16,358
<b>Total net position (deficit)-----</b>	<b>\$ -</b>	<b>\$10,161</b>	<b>\$10,161</b>	<b>\$16,358</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013		2012	
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<b><u>OPERATING EXPENSES</u></b>				
Personal services-----	\$1,771,317	\$366,540	\$2,137,857	\$2,047,060
Maintenance, operations, and contractual services-----	2,237,149	290,761	2,527,910	2,209,681
Materials and supplies-----	-	2,888	2,888	27,234
Depreciation-----	-	6,197	6,197	6,197
<b>Total operating expenses-----</b>	<b>4,008,466</b>	<b>666,386</b>	<b>4,674,852</b>	<b>4,290,172</b>
<b>Payments/transfers within the Department-----</b>	<b>4,008,098</b>	<b>396,444</b>	<b>4,404,542</b>	<b>4,039,423</b>
<b>Operating loss-----</b>	<b>(368)</b>	<b>(269,942)</b>	<b>(270,310)</b>	<b>(250,749)</b>
<b><u>NON-OPERATING REVENUE</u></b>				
Investment income-----	368	862	1,230	3,214
<b>Net non-operating revenue-----</b>	<b>368</b>	<b>862</b>	<b>1,230</b>	<b>3,214</b>
<b>Income (loss) before contributions and transfers-----</b>	<b>-</b>	<b>(269,080)</b>	<b>(269,080)</b>	<b>(247,535)</b>
<b><u>TRANSFERS</u></b>				
<b>Transfers from other funds-----</b>	<b>-</b>	<b>262,883</b>	<b>262,883</b>	<b>241,338</b>
<b>Changes in net assets-----</b>	<b>-</b>	<b>(6,197)</b>	<b>(6,197)</b>	<b>(6,197)</b>
Total net position (deficit), beginning-----	-	16,358	16,358	22,555
<b>Total net position (deficit), ending-----</b>	<b>\$ -</b>	<b>\$10,161</b>	<b>\$10,161</b>	<b>\$16,358</b>

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

**OKLAHOMA CITY PUBLIC TRANSPORTATION  
AND PARKING DEPARTMENT**

	2013			2012
	Division		Total	Total
	<u>Transportation</u>	<u>Parking</u>	<u>Enterprise</u>	<u>Enterprise</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash payments to suppliers for goods and services-----	(\$2,216,552)	(\$314,903)	(\$2,531,455)	(\$2,244,291)
Cash payments to employees and professional contractors for services-----	(1,669,758)	(361,110)	(2,030,868)	(1,987,285)
Operating payments within the Department-----	4,008,099	408,894	4,416,993	3,917,123
<b>Net cash provided (used) by operating activities-----</b>	<b>121,789</b>	<b>(267,119)</b>	<b>(145,330)</b>	<b>(314,453)</b>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Transfers received from other funds-----	-	262,160	262,160	-
Transfers paid to other funds-----	-	-	-	241,338
<b>Net cash provided (used) by non-capital financing activities-----</b>	<b>-</b>	<b>262,160</b>	<b>262,160</b>	<b>241,338</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Changes in pooled investments-----	(117,440)	4,439	(113,001)	66,321
Investment income received-----	373	745	1,118	4,002
Purchased interest-----	-	-	-	83
<b>Net cash provided (used) by investing activities-----</b>	<b>(117,067)</b>	<b>5,184</b>	<b>(111,883)</b>	<b>70,406</b>
<b>Net increase (decrease) in cash-----</b>	<b>4,722</b>	<b>225</b>	<b>4,947</b>	<b>(2,709)</b>
Cash, beginning-----	195	1,556	1,751	4,460
<b>Cash, ending-----</b>	<b>\$4,917</b>	<b>\$1,781</b>	<b>\$6,698</b>	<b>\$1,751</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)-----	(\$368)	(\$269,942)	(\$270,310)	(\$250,749)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Depreciation-----	-	6,197	6,197	6,197
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable-----	-	12,450	12,450	-
(Increase) decrease in payments/transfers from (to) within the Department-----	-	-	-	(122,305)
(Increase) decrease in receivable from component units-----	21,520	-	21,520	-
(Increase) decrease in inventories-----	-	(5,241)	(5,241)	-
Increase (decrease) in accounts payable-----	-	(15,784)	(15,784)	20,678
Increase (decrease) in wages and benefits payable-----	13,430	(2,500)	10,930	(11,621)
Increase (decrease) in due to other funds-----	(926)	(230)	(1,156)	(28,054)
Increase (decrease) in compensated absences-----	58,603	2,145	60,748	9,293
Increase (decrease) in net other post-employment benefit obligation-----	29,530	5,786	35,316	62,108
Total adjustments-----	122,157	2,823	124,980	(63,704)
<b>Net cash provided (used) by operating activities-----</b>	<b>\$121,789</b>	<b>(\$267,119)</b>	<b>(\$145,330)</b>	<b>(\$314,453)</b>
<b><u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>				
Net increase (decrease) in fair value of investments-----	(\$442)	\$182	(\$260)	\$353
<b>Total non-cash investing, capital, and financing activities-----</b>	<b>(\$442)</b>	<b>\$182</b>	<b>(\$260)</b>	<b>\$353</b>

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**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, the major funds and the aggregate remaining fund information of the Oklahoma City Public Transportation and Parking Department (the Department), including the Central Oklahoma Transportation and Parking Authority, a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated December 6, 2013, which contained an emphasis of matter paragraph regarding departmental reporting.

***Internal Control over Financial Reporting***

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

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

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

### **Compliance**

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Other Matters**

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

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

**BKD, LLP**  
Oklahoma City, Oklahoma  
December 6, 2013



