

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
ACCOUNTANTS' REPORTS AND FINANCIAL STATEMENTS
June 30, 2009 and 2008



TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
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June 30, 2009 and 2008

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Trustees
Tulsa Parking Authority
Tulsa, Oklahoma

We have audited the accompanying basic financial statements of Tulsa Parking Authority (the Authority), a component unit of the City of Tulsa, Oklahoma, as of and for the years ended June 30, 2009 and 2008, as listed in the index. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tulsa Parking Authority as of June 30, 2009 and 2008, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Board of Trustees
Tulsa Parking Authority

Our audits were conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying statistical information as listed in the index is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the audit of the basic financials statements, and, accordingly, we express no opinion on it.

BKD LLP

December 18, 2009

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended June 30, 2009 and 2008

As management of the Tulsa Parking Authority (the "Authority"), a component unit of the City of Tulsa, Oklahoma (the "City"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2009 and 2008. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 7. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Authority exceeded liabilities at the close of the most recent year by \$10,001.
- The Authority's net assets increased from \$6,199 at June 30, 2008, to \$10,001 at June 30, 2009. The increase was related to the improvement of parking facilities funded by sales tax and tax increment financing revenues and an increase in cash provided by operations. The Authority's net assets increased \$3,802 and \$2,244 for the years ended June 30, 2009 and 2008, respectively.
- The Authority's total liabilities decreased by \$1,390 primarily as a result of principal payments on outstanding debt.

Overview of the Financial Statements

The Authority, a legally separate public trust, is reported by the City as a discretely presented component unit in the City's Comprehensive Annual Financial Report. The purpose of the Authority is to provide parking facilities to the general public.

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The financial statements include: 1) statements of net assets, 2) statements of revenues, expenses and changes in net assets, 3) statements of cash flows and 4) notes to the financial statements.

Required Financial Statements

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the financial success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through user fees and other charges, profitability and creditworthiness. The third required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and changes in cash resulting from operations, investing and financing activities. The cash flow statement provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash balance during the period.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
Years Ended June 30, 2009 and 2008

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Net Assets

The Authority's net assets increased 61.3% from \$6,199 at June 30, 2008, to \$10,001 at June 30, 2009. Net assets increased 56.7% from \$3,955 at June 30, 2007, to \$6,199 at June 30, 2008. The following provides a summary of net assets:

SUMMARY OF NET ASSETS

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current and other	\$ 9,374	\$ 8,767	\$ 9,059
Capital assets, net	<u>23,718</u>	<u>21,913</u>	<u>20,763</u>
Total assets	<u>33,092</u>	<u>30,680</u>	<u>29,822</u>
Current and other liabilities	1,918	2,025	2,181
Noncurrent liabilities	<u>21,173</u>	<u>22,456</u>	<u>23,686</u>
Total liabilities	<u>23,091</u>	<u>24,481</u>	<u>25,867</u>
Invested in capital assets, net of related debt	5,898	3,679	1,681
Restricted	1,578	1,585	1,591
Unrestricted	<u>2,525</u>	<u>935</u>	<u>683</u>
Total net assets	<u>\$ 10,001</u>	<u>\$ 6,199</u>	<u>\$ 3,955</u>

In 2009, total assets experienced a net increase of \$2,412 or 7.9%. Current and other assets increased as cash provided by operations increased and payments to suppliers decreased. Capital assets increased related to improvements at the One West Third parking garage. In 2008, total assets increased by \$858 or 2.9%. Capital assets increased related to improvements at the One West Third parking garage. Total liabilities declined \$1,390 in 2009 and \$1,386 in 2008 or 5.7% and 5.4%, respectively, related to principal payments on outstanding debt. Current and other liabilities decreased \$108 in 2009 and \$156 in 2008 due to the decline in repair and maintenance activity.

Noncurrent Liabilities

At June 30, 2009, the Authority had outstanding revenue bond debt of \$22,689 down from \$23,936 at June 30, 2008, or a decrease of 5.2%.

At June 30, 2008, the Authority had outstanding revenue bond debt of \$23,936 down from \$25,137 at June 30, 2007, or a decrease of 4.8%.

As an issuer of bonds, the Authority is subject to numerous covenants contained within the bond indentures. The Authority is in full compliance with all of these covenants.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
Years Ended June 30, 2009 and 2008

SUMMARY OF CHANGES IN NET ASSETS

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating revenues	\$ 5,828	\$ 5,071	\$ 4,881
Nonoperating revenues	2,707	2,092	312
Investment income	<u>197</u>	<u>268</u>	<u>341</u>
Total revenues	<u>8,732</u>	<u>7,431</u>	<u>5,534</u>
Depreciation expense	844	959	997
Other operating expenses	2,820	3,049	3,483
Nonoperating expenses	<u>1,266</u>	<u>1,179</u>	<u>1,166</u>
Total expenses	<u>4,930</u>	<u>5,187</u>	<u>5,646</u>
Change in net assets	3,802	2,244	(112)
Net assets, beginning of year	<u>6,199</u>	<u>3,955</u>	<u>4,067</u>
Net assets, end of year	<u>\$ 10,001</u>	<u>\$ 6,199</u>	<u>\$ 3,955</u>

In 2009, the Authority's total revenues increased \$1,301 or 17.5% and total expenses decreased \$257 or 5.0%. Revenues exceeded expenses resulting in an increase in net assets of \$3,802.

In 2008, the Authority's total revenues increased \$1,897 or 34.3% and total expenses decreased \$459 or 8.1%. Revenues exceeded expenses resulting in an increase in net assets of \$2,244.

In 2009, increased parking revenue had a positive effect on operating revenues, and transfers of sales tax and tax increment financing revenue significantly increased nonoperating revenues.

In 2009, other operating expense declined \$229 or 7.5% due to a decrease in repairs and maintenance.

In 2008, other operating expense declined \$434 or 12.5% due to a decrease in repairs and maintenance.

Capital Assets

The Authority's investment in capital assets as of June 30, 2009, amounts to \$23,718 (net of accumulated depreciation). This investment in capital assets includes land, buildings, construction in progress and equipment.

CAPITAL ASSETS

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Land	\$ 7,230	\$ 7,226	\$ 7,226
Construction in progress	3,327	2,164	-
Buildings	39,583	38,095	38,116
Equipment	<u>469</u>	<u>536</u>	<u>674</u>
	50,609	48,021	46,016
Less accumulated depreciation	<u>(26,891)</u>	<u>(26,108)</u>	<u>(25,253)</u>
Capital assets, net	<u>\$ 23,718</u>	<u>\$ 21,913</u>	<u>\$ 20,763</u>

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
Years Ended June 30, 2009 and 2008

Requests for Information

This financial report is designed to provide interested parties with a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tulsa, Office of the Controller, 175 East Second Street, Tulsa, Oklahoma 74103.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>			<u>2008</u> <u>Total</u>
	<u>General</u> <u>Operating</u> <u>Fund</u>	<u>Parking</u> <u>System</u> <u>Fund</u>	<u>Total</u>	
	(In Thousands)			
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 379	\$ 1,842	\$ 2,221	\$ 1,694
Investments	-	1,027	1,027	2,670
Interest receivable	2	-	2	7
Total unrestricted current assets	<u>381</u>	<u>2,869</u>	<u>3,250</u>	<u>4,371</u>
Restricted assets:				
Cash and cash equivalents	-	1,954	1,954	2,083
Investments	-	-	-	502
Accounts receivable	-	27	27	134
Interest receivable	-	48	48	4
Prepaid expense	-	189	189	236
Other assets	-	828	828	824
Total restricted current assets	<u>-</u>	<u>3,046</u>	<u>3,046</u>	<u>3,783</u>
Noncurrent assets:				
Investments	-	2,510	2,510	-
Capital assets, net	-	23,718	23,718	21,913
Deferred bond issue cost, net	-	568	568	613
Total noncurrent assets	<u>-</u>	<u>26,796</u>	<u>26,796</u>	<u>22,526</u>
Total assets	<u>\$ 381</u>	<u>\$ 32,711</u>	<u>\$ 33,092</u>	<u>\$ 30,680</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF NET ASSETS, continued
June 30, 2009 and 2008

	2009			2008
	General Operating Fund	Parking System Fund	Total	
<u>LIABILITIES</u>	(In Thousands)			
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	\$ 27	\$ -	\$ 27	\$ 5
Payable from restricted assets:				
Accounts payable	-	74	74	230
Deferred revenue	-	-	-	-
Accrued interest payable on revenue bonds	-	487	487	510
Current portion of revenue bonds	-	1,330	1,330	1,280
	<u>-</u>	<u>1,891</u>	<u>1,891</u>	<u>2,020</u>
Total current liabilities	<u>27</u>	<u>1,891</u>	<u>1,918</u>	<u>2,025</u>
Noncurrent liabilities:				
Payable from restricted assets:				
Deposits subject to refund	-	10	10	10
Revenue bonds payable, net of \$301 and \$334, respectively, of unamortized deferred amount on refunding	-	21,359	21,359	22,656
Unamortized discount	-	(196)	(196)	(210)
Total noncurrent liabilities	<u>-</u>	<u>21,173</u>	<u>21,173</u>	<u>22,456</u>
Total liabilities	<u>27</u>	<u>23,064</u>	<u>23,091</u>	<u>24,481</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	-	5,898	5,898	3,679
Restricted for:				
Debt service	-	1,406	1,406	1,422
Capital project	-	172	172	163
Unrestricted	<u>354</u>	<u>2,171</u>	<u>2,525</u>	<u>935</u>
Total net assets	<u>\$ 354</u>	<u>\$ 9,647</u>	<u>\$ 10,001</u>	<u>\$ 6,199</u>

The accompanying notes are an integral part of these financial statements.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2009 and 2008

	2009			2008
	General Operating Fund	Parking System Fund	Total	
	(In Thousands)			
Operating revenues:				
Parking facilities income	\$ -	\$ 5,662	\$ 5,662	\$ 4,893
Rental income	-	160	160	158
Other income	6	-	6	20
Total operating revenues	<u>6</u>	<u>5,822</u>	<u>5,828</u>	<u>5,071</u>
Operating expenses:				
Contracting services	-	2,416	2,416	2,117
General and administrative	163	31	194	346
Repairs and maintenance	2	208	210	586
Depreciation	-	844	844	959
Total operating expenses	<u>165</u>	<u>3,499</u>	<u>3,664</u>	<u>4,008</u>
Operating income (loss)	<u>(159)</u>	<u>2,323</u>	<u>2,164</u>	<u>1,063</u>
Nonoperating revenues (expenses):				
Investment income	15	182	197	268
Interest expense	-	(973)	(973)	(1,021)
Amortization of bond discount	-	(48)	(48)	(50)
Amortization of bond issue costs	-	(45)	(45)	(53)
Payments from component unit	-	426	426	1,006
Payments to primary government	(200)	-	(200)	-
Payments from primary government	-	2,281	2,281	1,086
Loss on disposition of assets	-	-	-	(55)
Total nonoperating revenues (expenses)	<u>(185)</u>	<u>1,823</u>	<u>1,638</u>	<u>1,181</u>
Change in net assets	(344)	4,146	3,802	2,244
Net assets, beginning of year	<u>698</u>	<u>5,501</u>	<u>6,199</u>	<u>3,955</u>
Net assets, end of year	<u>\$ 354</u>	<u>\$ 9,647</u>	<u>\$ 10,001</u>	<u>\$ 6,199</u>

The accompanying notes are an integral part of these financial statements.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	2009			2008 Total
	General Operating Fund	Parking System Fund	Total	
	(In Thousands)			
Cash flows from operating activities:				
Cash received from customers, including cash deposits	\$ 6	\$ 5,929	\$ 5,935	\$ 5,066
Cash payments to suppliers for goods and services	(136)	(2,763)	(2,899)	(3,265)
Cash payments for quasi-external operating transactions	(8)	-	(8)	-
Net cash provided by (used in) operating activities	(138)	3,166	3,028	1,801
Cash flows from noncapital financing activities:				
Payments from component unit	-	426	426	1,006
Payments to primary government	(200)	-	(200)	-
Payment for forward delivery agreement	-	(1,001)	(1,001)	(1,011)
Receipts from forward delivery agreement	-	997	997	987
Net cash provided by (used in) noncapital financing activities	(200)	422	222	982
Cash flows from capital and related financing activities:				
Payments from primary government	-	2,281	2,281	1,086
Principal paid on revenue bonds	-	(1,280)	(1,280)	(1,235)
Interest paid on revenue bonds	-	(997)	(997)	(1,042)
Acquisition and construction of capital assets	-	(2,650)	(2,650)	(2,164)
Net cash used in capital and related financing activities	-	(2,646)	(2,646)	(3,355)
Cash flows from investing activities:				
Investment income received	37	97	134	268
Purchase of investments	-	(5,113)	(5,113)	(3,438)
Sale or maturity of investments	635	4,138	4,773	5,150
Net cash provided by (used in) investing activities	672	(878)	(206)	1,980
Net change in cash and cash equivalents	334	64	398	1,408
Cash and cash equivalents, beginning of year	45	3,732	3,777	2,369
Cash and cash equivalents, end of year	\$ 379	\$ 3,796	\$ 4,175	\$ 3,777
Reconciliation of cash and cash equivalents to the Statements of Net Assets:				
Unrestricted cash and cash equivalents	\$ 379	\$ 1,842	\$ 2,221	\$ 1,694
Restricted cash and cash equivalents	-	1,954	1,954	2,083
Total cash and cash equivalents	\$ 379	\$ 3,796	\$ 4,175	\$ 3,777

(Continued)

The accompanying notes are an integral part of these financial statements.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENTS OF CASH FLOWS, continued
Years Ended June 30, 2009 and 2008

	2009			2008
	General Operating Fund	Parking System Fund	Total	
	(In Thousands)			
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (159)	\$ 2,323	\$ 2,164	\$ 1,063
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	844	844	959
Decrease in accounts receivable	-	107	107	33
Increase (decrease) in accounts payable	21	(155)	(134)	(143)
(Increase) decrease in prepaid expense	-	47	47	(74)
Decrease in deferred revenue	-	-	-	(37)
Net cash provided by (used in) operating activities	<u>\$ (138)</u>	<u>\$ 3,166</u>	<u>\$ 3,028</u>	<u>\$ 1,801</u>

The accompanying notes are an integral part of these financial statements.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tulsa Parking Authority (the “Authority”) are prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board issued after November 30, 1989, are not applied in the preparation of the financial statements of proprietary funds in accordance with an election made by the Authority under GASB Statement No. 20. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units. All amounts are expressed in thousands unless otherwise noted.

ORGANIZATION AND PURPOSE – The Authority was formed by the City of Tulsa, Oklahoma (the “City”) in 1963 to develop and operate parking facilities for the benefit of the residents of the City and for the purpose of providing parking facilities to the general public. Trustees include the Mayor of the City of Tulsa and four additional trustees appointed by the Mayor. The Authority is included in the City’s Comprehensive Annual Financial Report as a component unit.

BASIS OF ACCOUNTING – The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Investment income and voluntary nonexchange transactions are included in nonoperating revenues and expenses. The Authority first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

CASH AND CASH EQUIVALENTS – For purposes of reporting cash flows, the Authority considers all highly liquid debt instruments with an original maturity of three months or less when purchased and any cash held by the City of Tulsa’s internal pool to be cash equivalents.

INVESTMENTS – Investments consist of obligations of the U.S. Treasury and various federal agencies and instrumentalities, investment agreements with financial institutions and money market funds. These investments are held by bond trustees and invested in accordance with the requirements and terms of various bond indentures.

The Authority follows the provisions of GASB Statement No. 31, “Certain Investments and External Investment Pools,” which requires governmental entities to report investments at fair value in the Statements of Net Assets. A net increase of investments has been recognized and reported in the Statements of Revenues, Expenses and Changes in Net Assets as follows:

	<u>2009</u>	<u>2008</u>
Interest	\$ 172	\$ 251
Increase in fair value of investment	25	17
	<u>\$ 197</u>	<u>\$ 268</u>

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

CAPITAL ASSETS – Capital assets purchased or acquired are carried at historical cost; contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The excess of interest cost related to borrowings for financing capital assets over interest earned on the proceeds from such borrowings are capitalized during the construction period. Capital assets which are sold or disposed have their cost and related accumulated depreciation removed from the records. The related gain or loss is recorded in the period of sale or disposal.

DEPRECIATION – Capital assets placed in service are depreciated over the following estimated service lives and have the following capital thresholds (not in thousands):

Buildings	30 years	\$5,000
Equipment	5-15 years	\$5,000

RESTRICTED ASSETS – Restricted assets consist primarily of cash and investments held by a bank trustee for debt service payments and managed pursuant to a bond indenture.

DEFERRED BOND ISSUE COSTS AND DISCOUNTS – Deferred bond issue costs and bond discounts are amortized over the life of the revenue bonds using the effective interest method.

INCOME TAXES – As a political subdivision, the Authority is exempt from federal income taxes under Section 115(l) of the Internal Revenue Code.

USE OF ESTIMATES – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS – Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. These reclassifications had no effect on net earnings.

2. GENERAL OPERATING FUND

The General Operating Fund receives interest earnings on various investments, and funds certain management and administrative services of the Authority.

3. PARKING SYSTEM FUND

In July 1982, the Authority created a Parking System Fund (the “System”). In December 2004, the North and South Garages were added as a result of a transfer of these assets from the Williams Center Fund. The System Master Bond Indenture provides for the financing and refinancing of the Authority’s parking operations through the issuance of bonds. Funds related to the bonds are held in trust and managed by a trustee pursuant to the terms of the Master and Supplemental Bond Indentures.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

3. PARKING SYSTEM FUND, continued

The Authority issued its bonds to finance the Main Street Parking Facility, the Civic Center Parking Facility and the West Parking Garage and to repair the North and South Garages. The Authority owns the Main Street Parking Facility, the West Parking Garage and the North and South Garages. The Authority is leasing the Underground Parking Facility and the land underlying the Civic Center Parking Facility from the City. In August 2008, the Authority terminated the lease with the City for the Surface Lot adjacent to the Civic Center Parking Facility.

The Lease Agreement with respect to the Surface Lot permitted the Authority to release the Surface Lot to the City upon six months notice and a determination by the City that the Surface Lot was necessary for the further development of the Civic Center. The Lease Agreement also permits the Authority to release the Underground Parking Facility to the City upon the substitution of property satisfactory to the Authority which will yield equivalent revenues. The term of each of the Lease Agreements extends so long as there remains outstanding indebtedness secured by a pledge of revenues of the System.

Main Park Plaza, the Civic Center and the West Parking Garage are operated for the Authority by American Parking, Inc. ("American") pursuant to an operating agreement providing for annual terms and annual renewal options whereby American is responsible for managing, operating and controlling the facilities as an independent contractor, subject to the rules and regulations and budgetary control of the Authority. The North and South Garages transferred to the System are operated by Central Parking Systems, Inc. ("Central") with similar operating terms.

The fixed annual fees charged by American and Central for operation of the System parking facilities are established by the Authority in accordance with the Bond Indenture. Pursuant to the operating agreement, American and Central are responsible for submitting an annual budget and, if necessary, any revisions thereto to the Authority, including, among other things, adjustments to the current rate structure of charges for parking in the various System parking facilities, subject in all events to adoption and approval by the Authority.

4. CASH DEPOSITS AND INVESTMENTS

POOLED CASH AND INVESTMENTS – A portion of the cash deposits of the Authority are maintained within the City's pooled cash and investments portfolio. Pooled cash and investments consist primarily of time deposits and other securities guaranteed by the U.S. government or its agencies and are recorded at fair value. At June 30, 2009 and 2008, pooled cash and investments amounted to \$379 and \$45, respectively. The amount pooled with the City at June 30, 2009, is represented by investments which were insured or registered, or securities held by the City or its agent, in the City's name.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

4. CASH DEPOSITS AND INVESTMENTS, continued

NONPOOLED CASH AND INVESTMENTS

For the years ended June 30, 2009 and 2008, the Authority had the following investments and maturities:

Type	Fair Value	June 30, 2009 Maturities in Years	
		Less Than 1	1-5
U.S. agency obligations	\$ 3,537	\$ 1,027	\$ 2,510
Money market mutual funds	3,796	3,796	-
	<u>\$ 7,333</u>	<u>\$ 4,823</u>	<u>\$ 2,510</u>

Type	Fair Value	June 30, 2008 Maturities in Years	
		Less Than 1	1-5
U.S. agency obligations	\$ 3,172	\$ 3,172	\$ -
Money market mutual funds	3,732	3,732	-
	<u>\$ 6,904</u>	<u>\$ 6,904</u>	<u>\$ -</u>

Interest Rate Risk – For investments not restricted by bond requirements, the Authority utilizes the City of Tulsa investment policy as a means of limiting its exposure to fair value losses arising from rising interest rates. Bond requirements limit the type of restricted investments that can be acquired and unrestricted investments are in U.S. Treasury money market mutual funds. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority utilizes the City of Tulsa investment policy to limit its exposure to credit risks. At June 30, 2009 and 2008, the Authority’s investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated AAA by Standard & Poor’s and Moody’s Investors Service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the Authority’s investments in U.S. agency obligations at June 30, 2009 and 2008, are insured or registered, or securities held by the Authority or by its agent, in the Authority’s name.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested in any one issuer. At June 30, 2009, the Authority’s investments in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and money market mutual funds constituted approximately 28%, 21% and 51% of its total investments, respectively.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

4. CASH DEPOSITS AND INVESTMENTS, continued

RECONCILIATION TO STATEMENTS OF NET ASSETS – A reconciliation of pooled cash and investments and nonpooled investments to the carrying amounts on the Statements of Net Assets is as follows:

	<u>2009</u>	<u>2008</u>
Pooled cash and investments	\$ 379	\$ 45
Nonpooled cash and investments	<u>7,333</u>	<u>6,904</u>
	<u>\$ 7,712</u>	<u>\$ 6,949</u>
Current unrestricted cash and cash equivalents	\$ 2,221	\$ 1,694
Current restricted cash and cash equivalents	1,954	2,083
Current unrestricted investments	1,027	2,670
Current restricted investments	-	502
Noncurrent unrestricted investments	<u>2,510</u>	<u>-</u>
	<u>\$ 7,712</u>	<u>\$ 6,949</u>

5. CAPITAL ASSETS

The changes in capital assets during the years ended June 30, 2009 and 2008, are summarized as follows:

2009:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 7,226	\$ 4	\$ -	\$ 7,230
Construction in progress	<u>2,164</u>	<u>2,694</u>	<u>1,531</u>	<u>3,327</u>
Total nondepreciable capital assets	<u>9,390</u>	<u>2,698</u>	<u>1,531</u>	<u>10,557</u>
Depreciable capital assets:				
Buildings	38,095	1,493	5	39,583
Equipment	<u>536</u>	<u>-</u>	<u>67</u>	<u>469</u>
Total depreciable capital assets	<u>38,631</u>	<u>1,493</u>	<u>72</u>	<u>40,052</u>
Less accumulated depreciation:				
Buildings	(25,588)	(845)	(6)	(26,427)
Equipment	<u>(520)</u>	<u>1</u>	<u>(55)</u>	<u>(464)</u>
Total accumulated depreciation	<u>(26,108)</u>	<u>(844)</u>	<u>(61)</u>	<u>(26,891)</u>
Total depreciable capital assets, net	<u>12,523</u>	<u>649</u>	<u>11</u>	<u>13,161</u>
Capital assets, net	<u>\$ 21,913</u>	<u>\$ 3,347</u>	<u>\$ 1,542</u>	<u>\$ 23,718</u>

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

5. CAPITAL ASSETS, continued

2008:	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	\$ 7,226	\$ -	\$ -	\$ 7,226
Construction in progress	-	2,164	-	2,164
Total nondepreciable capital assets	7,226	2,164	-	9,390
Depreciable capital assets:				
Buildings	38,116	-	21	38,095
Equipment	674	-	138	536
Total depreciable capital assets	38,790	-	159	38,631
Less accumulated depreciation:				
Buildings	(24,652)	(957)	(21)	(25,588)
Equipment	(601)	(2)	(83)	(520)
Total accumulated depreciation	(25,253)	(959)	(104)	(26,108)
Total depreciable capital assets, net	13,537	(959)	55	12,523
Capital assets, net	\$ 20,763	\$ 1,205	\$ 55	\$ 21,913

6. PARKING REVENUE BONDS

Bond activity during the years ended June 30, 2009 and 2008, is as follows:

2009:	Issuance Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Refunding, Series 1993, 2008	\$ 4,530	5.6%	\$ 430	\$ -	\$ (430)	\$ -	\$ -
Refunding, Series 2002, 2018	9,030	3.625%-4.75%	8,135	-	(195)	7,940	655
Parking Revenue, Series 2003, 2028	12,315	2.6%-4.7%	11,300	-	(355)	10,945	365
Parking Revenue, Series 2004, 2019	5,250	2.45%-4.25%	4,405	-	(300)	4,105	310
			24,270	-	(1,280)	22,990	1,330
Deferred loss on refunding			(334)	-	33	(301)	-
			\$ 23,936	\$ -	\$ (1,247)	\$ 22,689	\$ 1,330

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

6. PARKING REVENUE BONDS, continued

2008: Bonds, Series and Maturity Dates	Issuance Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Refunding, Series 1993, 2008	\$ 4,530	4.8%-5.6%	\$ 835	\$ -	\$ (405)	\$ 430	\$ 430
Refunding, Series 2002, 2018	9,030	2%-4.75%	8,325	-	(190)	8,135	195
Parking Revenue, Series 2003, 2028	12,315	4.6%-4.7%	11,645	-	(345)	11,300	355
Parking Revenue, Series 2004, 2019	5,250	1.25%-4.25%	4,700	-	(295)	4,405	300
			25,505	-	(1,235)	24,270	1,280
Deferred loss on refunding			(368)	-	34	(334)	-
			<u>\$ 25,137</u>	<u>\$ -</u>	<u>\$ (1,201)</u>	<u>\$ 23,936</u>	<u>\$ 1,280</u>

PARKING REVENUE BONDS, SERIES 2004 – During 2004, the Authority issued its Parking Revenue Bonds Series 2004 in the amount of \$5,250 to fund the cost of the Series 2004 Project which consists of the repair and improvement of two parking facilities: the North Garage, a 908-space parking structure, and the South Garage, a 776-space parking structure.

The Series 2004 Bonds maturing on or after July 1, 2019, are subject to redemption at the option of the Authority on any date on and after July 1, 2018, in whole or in part, at the redemption price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

PARKING REVENUE BONDS, SERIES 2003 – During 2003, the Authority issued its Parking Revenue Bonds Series 2003 in the amount of \$12,315 to fund the cost of construction of a 1,191-space parking garage in downtown Tulsa, Oklahoma.

The Series 2003 Bonds maturing on or after July 1, 2014, are subject to redemption at the option of the Authority on any date on and after July 1, 2013, in whole or in part, at the redemption price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

PARKING REVENUE BONDS, REFUNDING SERIES 2002 – During 2002, the Authority issued its Parking Revenue Bonds, Refunding Series 2002 in the amount of \$9,030 to advance refund its 1985B Bonds.

The 2002 Bonds mature in 2018, and the 2002 Bonds maturing on and after July 1, 2013, are subject to redemption on thirty days' notice at the option of the Authority on any date on or after July 1, 2012, in whole or in part, at the redemption price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

PARKING REVENUE BONDS, REFUNDING SERIES 1993 – The Series 1993 Refunding Bonds were issued in the amount of \$4,530 to refund the Authority's 1985A Parking Revenue Bonds. After July 2004, the Series 1993 Refunding Bonds were subject to redemption at the option of the Authority at reducing premiums ranging from 102% to 100.5% of the principal amount being redeemed. After July 2005, the bonds could be redeemed at the option of the Authority at the bonds' face value. These bonds were retired July 1, 2008.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

6. PARKING REVENUE BONDS, continued

COLLATERAL – The Series 1993, 2002, 2003 and 2004 Bonds are collateralized solely by the monies and assets in the Trust Estate. The Trust Estate is defined as the revenues; any parking subscription agreements or guarantee agreements; any subordinate lien or claim upon nonsystem revenues; the Authority’s interest in the Civic Center Parking Facility, Main Street Parking Facility, the West Parking Garage and the North and South Garages; all of the Authority’s right, title and interest under the Amended Project Site Lease Agreement (dated as of September 1, 1985) between the City and the Authority; and any concession fees or charges and lease rentals derived from any rental space owned or operated by the Authority or operated for the benefit of the Authority.

DEBT SERVICE FORWARD DELIVERY AGREEMENT – In 1995, the Authority entered into a Debt Service Forward Delivery Agreement (the “Agreement”) with Bank One, as trustee for the Authority, and Wachovia Bank, National Association (“Wachovia”). Under the terms of the Agreement, the Authority received a fee of \$275 recorded as deferred revenue in the General Operating Fund to be recognized over the life of the Agreement as interest income. The General Operating Fund recognized no interest income related to this Agreement for the years ended June 30, 2009 and 2008.

In exchange for the fee, the Authority agrees to pay Wachovia the monthly debt service deposits on the Series 1993 and 2002 Bonds. Wachovia will, in turn, pay to the trustee the amounts sufficient for the trustee to make scheduled principal and interest payments. The final principal payment on the Series 1993 bonds was made July 1, 2008. The Authority entered into this Agreement in order to lessen the Authority’s exposure to declining interest rates associated with the Authority’s investment of excess cash balances. Unless terminated earlier, the agreement terminates on the later of the last bond payment date of the Series 2002 Bonds or the date on which the trustee and the Authority have satisfied all of their obligations under the Agreement. The final principal payment on the Series 2002 Bonds is due July 1, 2018. In terms of credit risk, the monthly debt service funds deposited with Wachovia are 100% collateralized by acceptable securities. The collateral could be liquidated by the trustee should Wachovia fail to fulfill the Agreement.

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS – Principal and interest payments in subsequent years are as follows (in thousands):

	Series 2002		Series 2003		Series 2004		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 655	\$ 334	\$ 365	\$ 470	\$ 310	\$ 148	\$ 1,330	\$ 952
2011	680	308	375	457	320	139	1,375	904
2012	705	280	385	445	330	129	1,420	854
2013	735	250	400	431	340	117	1,475	798
2014	765	219	415	416	355	105	1,535	740
2015-2019	4,400	533	2,355	1,807	2,000	303	8,755	2,643
2020-2024	-	-	2,940	1,225	450	10	3,390	1,235
2025-2029	-	-	3,710	452	-	-	3,710	452
2030-2034	-	-	-	-	-	-	-	-
	<u>\$ 7,940</u>	<u>\$ 1,924</u>	<u>\$ 10,945</u>	<u>\$ 5,703</u>	<u>\$ 4,105</u>	<u>\$ 951</u>	<u>\$ 22,990</u>	<u>\$ 8,578</u>

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

7. PARKING FACILITY LEASES

The Authority and the City have entered into three operating leases, which relate to the construction and financing of the Civic Center Parking Project, which is a part of the Parking System. All leases are for a period sufficient to retire the long-term financing of the Project. Lease payments from the Authority to the City are nominal. In August 2008, the Authority agreed to remove the Surface Lot from the operating agreement between the City and the Authority. This lot will be used for expansion of the Tulsa Convention Center. Revenue from the Surface Lot was \$345 in 2008.

The remaining operating leases are:

Site Lease – Includes an area north of the existing Assembly Center building upon which the Project has been constructed.

Underground Lot Lease – Includes the area underneath the Civic Center complex containing approximately 526 spaces. The lease also includes metered parking on the street level of the complex. Revenues derived from both areas are assigned to the Authority.

8. OPERATING AGREEMENTS

In 2005, the Authority entered into an operating agreement with American, wherein American provides the operation and maintenance of the 100 West parking facilities. The agreement generally provides that the Authority will advance funds to American to pay operating costs, including a management fee, on a monthly basis, based upon a monthly operating budget for the year approved by the trustees of the Authority. A settlement is made periodically when the actual expenses incurred by American are known. All revenues received from the parking facilities are deposited with the bond trustee. Under this agreement, the Authority incurred costs of \$418 and \$355 for the years ended June 30, 2009 and 2008, respectively.

The Authority has an operating agreement with American, wherein American provides operation and maintenance of the Civic Center parking facilities. The agreement provides for payment of expenses and the receipt of revenues. Under the agreement, the Authority incurred costs of \$577 and \$510 for the years ended June 30, 2009 and 2008, respectively.

The Authority has an operating agreement with American, wherein American provides operation and maintenance of the Main Street parking facility and retail areas. The agreement provides for payment of expenses and the receipt of revenues. Under the agreement, the Authority incurred costs of \$597 and \$536 for the years ended June 30, 2009 and 2008, respectively.

The Authority has an operating agreement with the Tulsa Performing Arts Center Trust (“TPACT”) wherein the Authority will manage a parking lot owned by TPACT. The Authority in turn has an operating agreement with Central (defined on page 14) to operate the TPACT lot. In exchange for its services, the Authority receives a management fee of \$5 annually.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

8. OPERATING AGREEMENTS, continued

The Authority has an operating agreement with Central, wherein Central provides the operation and maintenance of the South and North parking facilities and TPACT parking lot. The agreement generally provides that the Authority will advance funds to Central to pay operating costs, including a management fee, on a monthly basis, based upon a monthly operating budget for the year approved by the trustees of the Authority. A settlement is made periodically when the actual expenses incurred by Central are known. All revenues received from the parking facilities are deposited with the bond trustee. Under this agreement, the Authority incurred costs of \$824 and \$717 for the years ended June 30, 2009 and 2008, respectively.

9. RISK MANAGEMENT

The Authority participates in the City's insurance programs through payment for services. The City retains all risk of loss. Significant losses are covered by commercial insurance for all major programs except workers' compensation, for which the City retains all risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

10. RELATED-PARTY TRANSACTIONS

During the years ended June 30, 2009 and 2008, the Authority conducted the following transactions with related parties.

	<u>2009</u>	<u>2008</u>
Payments to the City of Tulsa for staff support and accounting services	\$ 200	\$ 179
Payments to Tulsa Public Facilities Authority for OTC building operations	\$ 8	\$ -
Sale of parking permits to various City of Tulsa departments	\$ 70	\$ 210
Payments from Tulsa Performing Arts Center Trust	\$ 5	\$ 5
Payments from tax increment financing district for capital improvements	\$ 426	\$ 1,006
Payments from sales tax fund for capital improvements	\$ 2,281	\$ 1,086

11. SUBSEQUENT EVENT

In September 2009, the Authority approved a construction contract for expansion of the North Garage. The expansion will cost approximately \$5,300 with partial funding by the Authority along with contributions from the City's Sales Tax Fund and Tax Increment Financing. The project will add four levels, a roof and 263 parking spaces on the south side of the garage. It also includes construction of a new pedestrian skybridge connecting the North Garage to the BOK Tower and the demolition of the existing pedestrian skybridge.

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATISTICAL INFORMATION
Year Ended June 30, 2009

PARKING SYSTEM FUND – The system’s parking facilities currently provide 6,328 parking spaces. The facilities and spaces are as follows:

- Main Street Parking Facility (1,130 spaces)
- Civic Center Parking Facility (1,425 spaces)
- Underground Parking Facility (526 spaces)
- Metered Spaces adjacent to the Civic Center (372 spaces)
- South Garage (776 spaces)
- North Garage (908 spaces)
- One Hundred West Garage (1,191 spaces)

DEBT SERVICE COVERAGE – The following table is a summary presentation of historical debt service coverage of the Authority’s bond secured by and payable from the revenues pledged under the Bond Indenture then outstanding during the years ended:

Year	Gross Revenue (1)	Direct Operating Expenses	Available for Debt Service	Principal	Debt Service Interest	Total	Coverage (2)
2009	\$ 6,004	\$ 2,655	\$ 3,349	\$ 1,280	\$ 997	\$ 2,277	1.47
2008	5,280	2,343	2,937	1,235	1,042	2,277	1.29
2007	5,458	2,201	3,257	1,195	1,083	2,278	1.43
2006	5,233	2,921	2,312	1,130	1,124	2,254	1.03
2005	4,912	2,355	2,557	515	1,093	1,608	1.59
2004	3,421	2,121	1,300	495	644	1,139	1.14
2003	2,717	875	1,842	300	527	827	2.23
2002	2,929	1,080	1,849	685	715	1,400	1.32
2001	2,999	1,055	1,944	650	784	1,434	1.36
2000	2,631	887	1,744	615	820	1,435	1.22

- (1) Gross revenues of the System as defined by the terms of the Bond Indenture. Revenues derived outside of the System are excluded.
- (2) The required minimum coverage is 1.00.

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*

Board of Trustees
Tulsa Parking Authority
Tulsa, Oklahoma

We have audited the financial statements of the Tulsa Parking Authority (the Authority) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting that we consider to be significant deficiencies.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 09-01 and 09-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Board of Trustees
Tulsa Parking Authority

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 09-02 to be a material weakness.

Compliance and Other Matters

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

We also noted certain additional matters that we reported to the Authority's management in a separate letter dated December 18, 2009.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

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

BKD LLP

December 18, 2009

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2009

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
09-01	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – The Authority, a discretely presented component unit of the City, has improper cutoff of payables and related expenditures or capital assets. In addition, accruals included amounts not supported by underlying data.</p> <p>Context – Payables were not being reported in the appropriate period.</p> <p>Effect – Potential misstatements in the financial statements could occur and not be prevented or detected in a timely manner.</p> <p>Cause – Monitoring procedures, as established to assist in the internal control over financial reporting process, failed to work as designed.</p> <p>Recommendation – We recommend management perform a secondary review of expenditures after year-end to ensure that items are being reported in the proper period.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree with the recommendation and will evaluate staffing levels necessary to provide adequate internal controls over financial reporting.</p>

TULSA PARKING AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
SCHEDULE OF FINDINGS AND RESPONSES, continued
Year Ended June 30, 2009

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
09-02	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Not all capital assets are maintained in the Barscan system (the City’s system for accounting for all capital assets). Certain items are reconciled outside the system. In addition, capital assets are not reconciled in a timely or accurate manner, lives assigned are not evaluated for accuracy, and details are not reviewed for accuracy and completeness.</p> <p>Context – Capital assets are not being entered into the system in a timely manner; reconciliations are not being completed accurately or in a timely manner; and secondary reviews are not being performed.</p> <p>Effect – Potential misstatements in the financial statements could occur and not be prevented or detected in a timely manner.</p> <p>Cause – Staffing positions continue to remain open or availability of staff is limited to perform the monthly updating and proper reviews of the information.</p> <p>Recommendation – We recommend management evaluate staffing needs and develop secondary review procedures to evaluate the integrity of the information.</p> <p>Views of Responsible Officials and Planned Corrective Actions – We agree with the recommendation and will evaluate staffing levels necessary to provide adequate internal controls over financial reporting.</p>