

Oklahoma Transportation Authority Management's Discussion and Analysis Year Ended December 31, 2000

This section of the OTA's annual financial report presents a discussion and analysis of the OTA's financial performance during the fiscal year that ended December 31, 2000. Please read it in conjunction with the transmittal letter at the front of this report and the OTA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The 2000 net toll revenues reached approximately \$131.6 million and were 1.3% higher than 1999 net toll revenues. Toll transactions for 2000 reached 86.7 million, a 2.6% increase over 1999.
- Under the direction of the Authority's Director and Deputy Director, total operating expenses for 2000 were held below the level of the 1999 total operating expenses.
- Total net assets at December 31, 2000 equaled approximately \$191.9 million. Net assets increased approximately \$39.7 million in the year 2000.
- Total capital assets (net of depreciation) were approximately \$1,046.6 million at December 31, 2000, an increase of 28.7% over December 31, 1999. The increase in total capital assets is primarily the result of the construction of the new turnpike extensions and the road rehabilitation projects related to the 2000 portion of the Five Year Capital Plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and other supplementary information.

The financial statements provide both long-term and short-term information about the OTA's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The OTA's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets.

The Statements of Net Assets report the OTA's net assets and how they have changed. Net assets – the difference between the OTA's assets and liabilities – is one way to measure the OTA's financial health or position. The increase in the OTA's net assets during 2000 is an indicator of its positive financial health.

FINANCIAL ANALYSIS OF THE OTA

Net Assets

The OTA's total net assets at December 31, 2000 reached approximately \$191.9 million, a 26.1% increase over December 31, 1999. (See Table A-1.) Total assets increased 1.4% to \$1,593.2 million, and total liabilities decreased 1.3% to \$1,401.3 million.

Table A-1
Oklahoma Transportation Authority's Net Assets
(in millions of dollars)

	<u>1999</u>	<u>2000</u>	Total Percentage Change 1999-2000
Current assets	\$ 122.5	\$ 141.5	15.5%
Restricted assets	623.8	393.2	(37.0%)
Capital assets	813.0	1,046.6	28.7%
Revenue bond issuance costs	12.4	11.9	(4.0%)
Total assets	<u>1,571.7</u>	<u>1,593.2</u>	1.4%
Current liabilities	14.1	8.8	(37.6%)
Liabilities payable from restricted assets	88.2	85.1	(3.5%)
Long-term debt	1,317.2	1,307.4	(0.7%)
Total liabilities	<u>1,419.5</u>	<u>1,401.3</u>	(1.3%)
Net assets:			
Invested in capital assets, net of related debt	(123.8)	(89.5)	(27.7%)
Restricted for debt service	120.3	89.0	(26.0%)
Restricted for reserve maintenance	29.1	19.9	(31.6%)
Restricted for construction	18.1	38.1	110.5%
Restricted for other purposes	-	1.6	100.0%
Unrestricted	108.5	132.8	22.4%
Total net assets	<u>\$ 152.2</u>	<u>\$ 191.9</u>	<u>26.1%</u>

The 1998 Revenue Bonds were issued to finance the construction of five new, urban turnpike extensions. As the construction progresses on the new turnpike extensions, a shift occurs from restricted assets (investments) to capital assets (construction work in progress). Rehabilitation projects included in the 2000 portion of the OTA's Five Year Capital Plan also contribute to the shift from restricted assets to capital assets through funding from the General Fund and the Reserve Maintenance Fund, as well as to the 31.6% decrease in net assets restricted for reserve maintenance.

The 26.0% decrease in net assets restricted for debt service is due to the required payment of interest on the 1998 revenue bonds. Interest during construction on this bond issue is funded from the proceeds of these bonds and is held in an account reserved for this purpose.

Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. This outstanding indebtedness includes both revenue bonds payable and a liability to the Oklahoma Department of Transportation (ODOT) issued for the construction and acquisition of capital assets. (See Note 10 for further discussion of this liability to ODOT.) When there are significant unspent related bond proceeds, as there are at December 31, 2000 and 1999, the portion of the debt attributable to the unspent proceeds should not be included in the calculation of this item. Instead, that portion of the debt should be included in the net assets component restricted for construction as an offset to the related bond proceeds outstanding.

As a result, the amount restricted for construction represents the investment income on bond proceeds that will be used to complete the construction of the new, urban turnpike extensions, net of any outstanding amounts payable from bond proceeds. This reserve will continue to increase as the cumulative investment income on bond proceeds grows. When purchases of capital assets begin to be made from the cumulative interest income earned on bond proceeds, after all bond proceeds have been spent, this reserve will begin to decrease.

The deficit in net assets invested in capital assets, net of related debt is a result of the funding from bond proceeds of interest expense during the period of construction of the new, urban turnpike extensions. This deficit will continue to decrease as a portion of the interest expense paid during the period of construction is capitalized, as purchases of capital assets are made from the cumulative interest income earned on bond proceeds after all bond proceeds have been spent, and as principal payments are made on the outstanding revenue bonds. The purchase of capital assets from operating revenues will also decrease the deficit balance in this reserve.

The balance restricted for other purposes includes amounts restricted for two, distinct purposes. The first restriction is on deposits received from *PIKEPASS* patrons for prepayment of tolls, net of the related deferred revenue. The second restriction is on the assets reserved for future payments to the U.S. Treasury for arbitrage earnings, net of the related liability.

Changes in Net Assets

The increase in net assets at December 31, 2000 was approximately \$39.7 million or 59.4% higher than at December 31, 1999. (See Table A-2.) The OTA's total operating revenues increased by 1.3% to approximately \$132.8 million, and total operating expenses decreased 0.6% to approximately \$76.5 million.

Table A-2
Changes in the Oklahoma Transportation Authority's Net Assets
(in millions of dollars)

	<u>1999</u>	<u>2000</u>	Total Percentage Change 1999-2000
Operating Revenues:			
Toll revenue	\$ 129.8	\$ 131.6	1.4%
Concession revenue	1.3	1.2	(7.7%)
Total operating revenues	<u>131.1</u>	<u>132.8</u>	<u>1.3%</u>
Operating Expenses:			
Operating expenses	40.9	40.9	-
Depreciation and amortization	36.2	35.6	(1.7%)
Total operating expenses	<u>77.1</u>	<u>76.5</u>	<u>(0.6%)</u>
Operating income	54.0	56.3	4.3%
Net non-operating expenses	(29.1)	(16.6)	(43.0%)
Change in net assets	<u>24.9</u>	<u>39.7</u>	<u>59.4%</u>
Total net assets, beginning of the year	127.3	152.2	19.6%
Total net assets, end of the year	<u>\$ 152.2</u>	<u>\$ 191.9</u>	<u>26.1%</u>

Higher fuel costs nationwide during the third quarter of 2000 coupled with severe winter weather throughout Oklahoma in December 2000, and especially during the holiday travel season, slowed total revenue growth to 1.3% for the year. The opening of additional miles of the John Kilpatrick Extension throughout the year and the opening of the Creek West Extension in December 2000 lessened the impact of these factors on annual revenues.

Operating expenses were held to a consistent level through the concerted efforts of all divisions under the direction of OTA's Director and Deputy Director. (See Table A-3 for a detail by operating function.)

Table A-3
Oklahoma Transportation Authority's Operating Expenses
(in thousands of dollars)

	<u>1999</u>	<u>2000</u>	Total Percentage Change 1999-2000
Toll Operations	\$ 14,012	\$ 14,224	1.5%
Turnpike Maintenance	11,675	10,627	(9.0%)
Engineering	2,541	2,242	(11.8%)
Highway Patrol	6,969	7,674	10.1%
General Administration	834	1,081	29.6%
Information Technology	2,257	2,402	6.4%
Controller	618	657	6.3%
Finance and Revenue	1,019	995	(2.4%)
Human Resources	999	958	(4.1%)
Authority	8	5	(37.5%)
Total operating expenses	<u>\$ 40,932</u>	<u>\$ 40,865</u>	<u>0.2%</u>

The Authority's Director issued a freeze on budgeted discretionary spending to minimize the impact of the reduced revenue growth in the third quarter of 2000. Under the direction of the Authority's Director and Deputy Director, all divisions cooperated with this freeze by closely monitoring their operating costs and continued to monitor costs after the freeze was lifted in the fourth quarter.

The Turnpike Maintenance Division's operating expenses decreased approximately \$1.1 million in 2000 as compared to 1999. This decrease is primarily due to the unusually large expenditures in 1999 for the restorative rehabilitation and application of rubberized seal coat on the Muskogee Turnpike, diamond grinding on the H.E. Bailey Turnpike, roadway rehabilitation on the Chickasaw Turnpike, and concession area improvements on the Turner Turnpike.

The Highway Patrol Division's expenses increased approximately \$700,000 in 2000 over 1999. This increase is primarily due to Highway Patrol Academy costs for 17 additional troopers. Eight of these troopers will be assigned to patrol the portions of the new turnpike extensions that opened during December 2000 and January 2001. The other additional troopers will facilitate the system-wide toll enforcement program, as well as the aircraft enforcement and size and weights enforcement programs on the Turner and Will Rogers Turnpikes.

Net non-operating expenses decreased approximately \$12.6 million in 2000 as compared to 1999, primarily due to the fluctuation in the fair value of investments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2000, the OTA had invested approximately \$1,708.6 million in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the OTA's net capital assets at December 31, 2000 totalled approximately \$1,046.6 million. (See Table A-4.) This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$233.6 million or 28.7% over December 31, 1999.

Table A-4
The Oklahoma Transportation Authority's Capital Assets
(net of depreciation, in millions of dollars)

	<u>1999</u>	<u>2000</u>	Total Percentage Change 1999-2000
Roads and bridges	\$ 250.1	\$ 237.1	(5.2%)
Construction work in progress	201.7	417.1	106.8%
Improvements	141.2	151.1	7.0%
Land	157.4	156.6	(0.5%)
Buildings	11.1	10.5	(5.4%)
Equipment	16.6	19.3	16.3%
Capitalized interest	34.9	54.9	57.3%
Total Net Capital Assets	\$ 813.0	\$ 1,046.6	28.7%

The approximate \$215.4 million increase in construction work in progress is generated by the construction of the new extensions and the rehabilitation and improvement projects identified in the 2000 portion of the Five Year Capital Plan.

The 7.0% increase in improvements is the result of the finalization of rehabilitation and improvement projects included in the 2000 portion of the Five Year Capital Plan.

The approximate \$2.7 million increase in equipment is primarily due to the budgeted purchase of 50 highway patrol vehicles for routine replacement based on mileage and for the 17 new troopers who will be assigned to the System in January 2001. Another major contributor to this increase is the purchase of PIKEPASS tags necessary to accommodate the growing customer base for this toll collection method.

The 2001 portion of the OTA's Five Year Capital Plan calls for spending another \$47.6 million for capital projects. This amount is principally dedicated to pavement rehabilitation on the Turner, Will Rogers, Indian Nation and Cherokee Turnpikes and to rehabilitation of various toll plazas on the Will Rogers Turnpike.

Additionally, the new, urban turnpike extensions currently under construction are expected to be opened to traffic throughout 2001 and early 2002. The OTA has no plans to issue additional debt to finance these projects. Instead, the continuing construction of the new, urban turnpike extensions will be funded by the remaining proceeds from the issuance of the 1998 revenue bonds and the investment earnings thereon, and the 2001 portion of the Five Year Capital Plan will be funded by a combination of resources on hand and 2001 toll revenues. More detailed information about the OTA's capital assets is presented in Note 4 to the financial statements.

Debt Administration

Turnpike bond sales must be approved by the Executive and Legislative Bond Oversight Commissions and must comply with rules and regulations of the United States Treasury Department and the United States Securities and Exchange Commission.

Long-term debt includes revenue bonds payable and a payable to ODOT. At December 31, 2000, the OTA had approximately \$1,301.7 million in revenue bonds outstanding, a 1.0% decrease from December 31, 1999. The payable to ODOT at December 31, 2000 was approximately \$48.0 million, a 3.9% increase. More detailed information about the OTA's long-term debt is presented in Notes 7 and 10 to the financial statements.

Of the \$1,301.7 million in revenue bonds outstanding, approximately \$1,081.0 million is insured and rated Aaa by Moody's and AAA by Standard and Poor's (S&P). The remaining debt is rated A1 by Moody's and A+ by S&P. As part of S&P's ongoing secondary market surveillance during 2000, they have reviewed the OTA's latest financial report and various other relevant data. As a result of this review, S&P has affirmed the current rating on the OTA's outstanding revenue bonds and upgraded the rating outlook from stable to positive.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic growth of 2.1% for the year 2000 put Oklahoma right at the national average in terms of growth in total nonagricultural employment. This strong growth seems to be uniform across states in close proximity such as Arkansas, Kansas, New Mexico and Texas. Oklahoma's economy has kept up with that of the nation since the late 1980's.

The first six months of the State of Oklahoma's fiscal year ending June 30, 2001 have proven to be profitable, with general revenue fund collections exceeding estimates by \$104.0 million or 4.9% and exceeding prior year collections by \$148.0 million or 7.2%, despite a dramatic decline in December's motor vehicle tax collections. The severe winter weather in December and the new car tag relief measure approved by the voters were believed to be the cause of the decline in December's motor vehicle tax collections. The Deputy Director of the Office of State Finance has stated that it seems likely that Oklahoma will make a deposit to the rainy day fund at the end of the fiscal year. A projection presented to the Board of Equalization forecasts this year's deposit to be \$248.7 million.

The Authority adopted the 2001 Annual Budget on November 16, 2000. This budget includes a total of \$45.4 million for the operating and maintenance budget, \$20.7 million for the Reserve Maintenance Fund budget, and \$26.8 million for the General Fund budget. The operating and maintenance budget increased 9.05% over the 2000 Annual Budget. Of the 9.05% increase, 7.54% is attributed to the new turnpike extensions. The amounts budgeted within the Reserve Maintenance and General Fund budgets will be used to fund the maintenance, rehabilitation and improvement projects included in the 2001 portion of the OTA's Five Year Capital Plan. The 2001 Annual Budget also includes a construction budget for the new turnpike extensions still under construction.

Projected operating revenues for 2001 included in the 2001 Annual Budget are expected to exceed \$166 million. This 25.7% increase over 2000 operating revenues is expected to be generated as a result of the opening of the new turnpike extensions and from the system-wide toll increase that was effective January 1, 2001. This toll increase is the result of a March 1998 resolution passed by the Authority, authorizing a toll increase sufficient to fund debt service on the 1998 revenue bonds issued to construct the OTA's new, urban turnpike extensions. This resolution stated that the January 1, 2001 toll increase should be limited to the amount necessary to yield a 15% net revenue increase.

CONTACTING THE OTA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the OTA's finances and to demonstrate the OTA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Oklahoma Transportation Authority's Controller Division, P. O. Box 11357, Oklahoma City, OK 73136-0357.



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Oklahoma City, OK 73102-5671

Independent Auditors' Report

Members of the Oklahoma Transportation Authority:

We have audited the statements of net assets of the Oklahoma Transportation Authority (Authority), as of December 31, 2000 and 1999, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. 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. 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 the Authority, as of December 31, 2000 and 1999, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in 2000.

The Management's Discussion and Analysis on pages 23 through 28, 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 supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2001 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Authority, taken as a whole. The supplementary information included on pages 50 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

March 16, 2001



Oklahoma Transportation Authority
Statements of Net Assets
December 31, 2000 and 1999

Assets:	<u>2000</u>	<u>1999</u>
Current assets:		
Cash and cash equivalents (note 3)	\$ 11,543,636	\$ 12,302,886
Investments (note 3)	119,475,503	103,128,160
Accounts receivable	6,469,988	4,252,671
Accrued interest receivable	1,604,157	1,303,769
Prepaid expenses	113,487	115,260
Materials inventory	2,330,854	1,409,799
Total current assets	<u>141,537,625</u>	<u>122,512,545</u>
Restricted assets (notes 3, 7 and 10):		
Cash and cash equivalents (note 3)	60,341,873	53,550,013
Investments (note 3)	331,751,283	568,931,290
Accrued interest receivable	1,135,249	1,272,817
Total restricted assets	<u>393,228,405</u>	<u>623,754,120</u>
Capital assets (note 4):		
Land	156,621,995	157,409,757
Construction work in progress	417,107,063	201,740,792
Property and equipment	1,134,898,942	1,083,668,066
Less accumulated depreciation and amortization	<u>(662,049,941)</u>	<u>(629,793,370)</u>
Net property and equipment	1,046,578,059	813,025,245
Revenue bond issuance costs (net of accumulated amortization of \$3,529,232 and \$3,008,422 in 2000 and 1999, respectively)	11,861,725	12,382,535
Total assets	<u>1,593,205,814</u>	<u>1,571,674,445</u>
Liabilities:		
Current liabilities:		
Accounts payable	8,757,745	14,046,081
Liabilities payable from restricted assets:		
Accounts payable	15,246,120	21,936,268
Accrued interest payable	35,909,908	36,296,990
Deferred revenue	11,357,584	10,581,525
Arbitrage rebate payable to U.S. Treasury	7,770,436	5,409,060
Current portion of revenue bonds payable (note 7)	14,790,000	14,015,000
Total liabilities payable from restricted assets	<u>85,074,048</u>	<u>88,238,843</u>
Long-term debt:		
Revenue bonds, net of unamortized discount of \$17,900,497 and \$18,739,732 in 2000 and 1999, respectively, and of unamortized net deferred debit on refundings of \$9,516,923 and \$11,626,425 in 2000 and 1999, respectively (note 7)	1,259,492,485	1,270,981,904
Payable to Department of Transportation (note 10)	47,960,927	46,223,369
Total long-term debt	<u>1,307,453,412</u>	<u>1,317,205,273</u>
Total liabilities	<u>1,401,285,205</u>	<u>1,419,490,197</u>
Net Assets:		
Invested in capital assets, net of related debt	(89,449,299)	(123,799,923)
Restricted for debt service	89,041,042	120,309,324
Restricted for reserve maintenance	19,931,449	29,146,083
Restricted for construction	38,047,548	18,078,471
Restricted for other purposes	1,569,989	(16,171)
Unrestricted	132,779,880	108,466,464
Commitments and contingencies (note 11)	-	-
Total net assets	<u>\$ 191,920,609</u>	<u>\$ 152,184,248</u>

See accompanying notes to financial statements

Oklahoma Transportation Authority
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Operating revenues:		
Tolls	\$ 131,568,373	\$ 129,834,848
Concessions	1,210,650	1,253,675
	<u>132,779,023</u>	<u>131,088,523</u>
Operating expenses:		
Toll Operations	14,223,574	14,011,450
Turnpike Maintenance	10,627,204	11,674,694
Engineering	2,242,345	2,540,613
Highway Patrol	7,674,364	6,969,375
General Administration	1,081,092	833,710
Information Technology	2,401,732	2,256,459
Controller	657,323	618,447
Finance and Revenue	994,617	1,019,125
Human Resources	957,880	999,442
Authority	4,976	8,426
	<u>40,865,107</u>	<u>40,931,741</u>
Total operating expenses before depreciation and amortization	<u>40,865,107</u>	<u>40,931,741</u>
Operating income before depreciation and amortization	91,913,916	90,156,782
Depreciation and amortization (note 4)	<u>(35,585,269)</u>	<u>(36,148,729)</u>
Operating income	<u>56,328,647</u>	<u>54,008,053</u>
Non-operating revenues (expenses):		
Interest earned on investments	27,957,776	37,529,313
Net increase (decrease) in fair value of investments	8,244,749	(2,306,116)
Interest expense on revenue bonds outstanding	(53,948,003)	(65,406,830)
Other	1,153,192	1,028,771
	<u>(16,592,286)</u>	<u>(29,154,862)</u>
Net non-operating expenses	<u>(16,592,286)</u>	<u>(29,154,862)</u>
Change in net assets	39,736,361	24,853,191
Total net assets, beginning of the year	<u>152,184,248</u>	<u>127,331,057</u>
Total net assets, end of the year	<u>\$ 191,920,609</u>	<u>\$ 152,184,248</u>

See accompanying notes to financial statements

Oklahoma Transportation Authority
Statements of Cash Flows
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Receipts from patrons	\$ 132,932,067	\$ 131,141,824
Receipts from concessionaires	1,189,129	1,294,256
Receipts from other sources	507,803	678,944
Payments to suppliers	(25,021,932)	(20,504,592)
Payments to employees	(18,157,183)	(18,062,473)
	<u>91,449,884</u>	<u>94,547,959</u>
Cash flows from noncapital financing activities:		
Proceeds from motor fuel tax apportionment transfers	33,646,896	33,112,822
Payments to the Department of Transportation	(33,646,896)	(33,112,822)
Interest earned and recorded as payable to the Department of Transportation	<u>1,737,558</u>	<u>1,658,286</u>
	<u>1,737,558</u>	<u>1,658,286</u>
Cash flows from capital and related financing activities:		
Payment of bond issuance costs	-	(27,370)
Acquisition and construction of capital assets	(281,339,073)	(243,604,114)
Principal payment to retire revenue bonds	(14,015,000)	(13,295,000)
Interest paid on revenue bonds outstanding	(51,034,504)	(65,458,597)
	<u>(346,388,577)</u>	<u>(322,385,081)</u>
Cash flows from investing activities:		
Purchase of investments	(96,779,453)	(161,036,640)
Proceeds from sales and maturities of investments	325,856,866	325,761,311
Interest received	27,794,956	53,387,259
Increase in arbitrage funds payable to U.S. Treasury	<u>2,361,376</u>	<u>1,405,302</u>
	<u>259,233,745</u>	<u>219,517,232</u>
Net increase (decrease) in cash and cash equivalents	6,032,610	(6,661,604)
Cash and cash equivalents, January 1 (including \$53,550,013 and \$57,499,452 for 2000 and 1999, respectively, reported in restricted assets)	<u>65,852,899</u>	<u>72,514,503</u>
Cash and cash equivalents, December 31 (including \$60,341,873 and \$53,550,013 for 2000 and 1999, respectively, reported in restricted assets)	<u>\$ 71,885,509</u>	<u>\$ 65,852,899</u>

See accompanying notes to financial statements

(Continued)

Oklahoma Transportation Authority
Statements of Cash Flows
Years Ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 56,328,647	\$ 54,008,053
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	35,585,269	36,148,729
Other non-operating revenue (expense)	1,153,192	1,028,771
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(441)	132,771
Decrease in prepaid expense	1,773	10,803
(Increase) decrease in materials inventory	(921,055)	454,778
(Decrease) increase in accounts payable	(1,473,560)	1,973,064
Increase in deferred revenue	776,059	790,990
	<u>35,121,237</u>	<u>40,539,906</u>
Total adjustments		
Net cash flows provided by operating activities	<u>\$ 91,449,884</u>	<u>\$ 94,547,959</u>
 Noncash investing, capital, and financing items:		
Unrealized gain/loss on investments	\$ 8,244,749	\$ (2,306,116)
(Disposal) receipt of land in lieu of construction commitment	(3,283,297)	1,889,692
Increase in entitlements related to acquisition and construction of capital assets	(2,216,876)	(2,959,075)
(Decrease) increase in contractual obligations related to acquisition and construction of capital assets	(7,221,627)	13,539,333

See accompanying notes to financial statements

Oklahoma Transportation Authority
Notes to Financial Statements
December 31, 2000 and 1999

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Oklahoma Transportation Authority

Notes to Financial Statements

December 31, 2000 and 1999

Note 1. Nature of the Organization and Summary of Significant Accounting Policies

Effective November 1, 1999, the name of the Oklahoma Turnpike Authority was changed to the Oklahoma Transportation Authority. The financial statements of the Oklahoma Transportation Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the Authority's accounting policies are described below:

A. Reporting Entity

The Oklahoma Transportation Authority is an instrumentality of the State of Oklahoma (the State) and a body corporate and politic created by statute in 1947. The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature of the State of Oklahoma and approved by the State Department of Transportation. The Authority receives its revenues from turnpike tolls and a percentage of the turnpike concession sales. The Authority may issue Turnpike Revenue Bonds for the purpose of paying the costs of turnpike projects and Turnpike Revenue Refunding Bonds for the purpose of refunding any bonds of the Authority then outstanding. Turnpike Revenue Bonds are payable solely from the tolls and other revenues of the Authority and do not constitute indebtedness of the State.

The Authority is a component unit of the State, and is combined with other similar funds to comprise the Enterprise Funds of the State. The Authority consists of the Governor (ex-officio) and six members who are appointed by the Governor, by and with the consent of the State Senate. The Governor may remove any member of the Authority, at any time, with or without cause. The members are appointed to represent defined geographical districts and to serve without pay for terms of eight years. The Authority has full control over all operations, but must comply with certain bond indentures and Trust Agreements. The Authority employs a Director and Deputy Director to manage the day-to-day operations.

In evaluating how to define the Authority, for financial reporting purposes, management has determined that there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

B. Basis of Accounting

The operations of the Authority are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the

period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets. The principal revenues of the Authority are toll revenues received from patrons. The Authority also recognizes as operating revenue the rental fees received from concessionaires from operating leases on concession property. Operating expenses for the Authority include the costs of operating the turnpikes, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Trust Agreement and supplements thereto (the Trust Agreement) related to the Series 1989 Bonds require that the Authority adopt generally accepted accounting principles for government entities; but, it also requires that certain funds and accounts be established and maintained. The Authority consolidates these funds and accounts for the purpose of enterprise fund presentation in its external financial statements.

C. Changes in Accounting Principles

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" (Statement 34) in 2000, effective January 1, 1999. Statement 34 establishes financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements and had no impact on net assets. The impact was on the presentation of net assets, the inclusion of management's discussion and analysis, and the preparation of the Statements of Cash Flows on the direct method. Management's decision to adopt Statement 34 was based on the State of Oklahoma's planned adoption for fiscal year 2001.

D. Budget

Operating budgets are adopted on a modified accrual (non-GAAP) basis for Revenue Fund expenses, Reserve Maintenance Fund deposits and General Fund Project expenses. Project-length financial plans are established for all Reserve Maintenance and General Fund projects and for all new construction projects. All non-project related, unexpended budget amounts lapse at calendar year end. Expenses are recognized in the period in which they are paid rather than the period in which they are incurred for budgetary control purposes. Depreciation is not recognized as an expense, but capital outlays are recognized as expenses for budgetary control purposes. These expenses are reclassified for the purpose of preparing financial reports in accordance with GAAP. See additional information regarding legal compliance for budgets in Note 2.

E. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid deposits with an original maturity of three months or less when purchased. These deposits are fully collateralized or covered by federal deposit insurance. The carrying amount of the cash equivalents and investments is fair value. The net change in fair value of investments is recorded on the Statements of Revenues, Expenses and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

F. Materials Inventory

Inventories of turnpike maintenance materials and supplies are valued at the lower of cost or market using the average cost method.

G. Restricted Assets

Certain proceeds of the Turnpike Revenue Bonds are restricted by applicable bond covenants for construction or set aside as reserves to ensure repayment of the bonds. Certain assets advanced to the Authority monthly from motor fuel excise taxes are restricted in accordance with the Trust Agreement for the purpose of paying debt interest and principal if other available sources are not sufficient (see note 10). Also, certain other assets are accumulated and restricted on a monthly basis in accordance with the Trust Agreement for the purpose of paying debt interest and principal payments that are due on a semi-annual and annual basis, respectively, and for the purpose of maintaining the reserve funds at the required levels. Payments from these restricted accounts are strictly governed by the Trust Agreement and adhered to. Limited types of expenses may be funded from these restricted accounts. Those types of expenses which do not meet these standards are funded from unrestricted accounts. The funds and accounts are established as follows:

- The “Senior Bond Interest and Sinking Accounts” are established as sinking funds for the payment of interest and principal of the senior lien revenue bonds.
- The “Subordinate Bond Interest and Sinking Accounts” are established as sinking funds for the payment of interest and principal of the subordinate lien revenue bonds.
- The “Senior Bond Reserve Accounts” are established for the purpose of paying interest and maturing principal in the event that monies held in the “Senior Bond Interest and Sinking Accounts” and “Turnpike Trust Fund,” and monies available in the “General Fund” and “Reserve Maintenance Fund” are insufficient for such purpose.
- The “Subordinate Bond Reserve Account” is established for the purpose of paying interest and maturing principal in the event that monies held in the “Subordinate Bond Interest and Sinking Accounts” and “Turnpike Trust Fund,” and monies available in the “General Fund” and “Reserve Maintenance Fund” are insufficient for such purpose.
- The “Turnpike Trust Fund” is established for the purpose of depositing and segregating the apportionments of motor fuel excise taxes by the Oklahoma Tax Commission derived from the sale of fuels on all Authority turnpikes and can be used only to compensate for any deficiency in the monies otherwise available for the payment of bond interest and principal (Note 10).
- The “Reserve Maintenance Fund” is established for the purpose of applying and holding monies in reserve to pay the cost of resurfacing, extraordinary maintenance or repairs, engineering expenses, insurance premiums or self-insurance reserves and interest and maturing principal if monies in the “Senior Bond Interest and Sinking Accounts” and “Subordinate Bond Interest and Sinking Accounts” are insufficient for such purposes.
- The “Construction Funds” are established for the purpose of holding bond proceeds and other financing sources to be used to pay the costs of turnpike improvements.

The Authority has also set up the following additional funds by policy for the purpose of restricting monies for which the Authority is liable to others.

- The “Arbitrage Rebate and Interest Fund” is established for the purpose of holding and paying arbitrage investment earnings to the U.S. Treasury as a result of investing tax exempt bond proceeds at rates of return exceeding the maximum amount that is permitted under the applicable tax code.

- The “PIKEPASS Prepayment Fund” is established for the purpose of receiving and holding prepayments received from turnpike patrons using the electronic vehicle identification method of paying tolls.

H. Compensated Absences

Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.

I. Capital Assets

All capital assets are stated at cost. Capital assets are defined as assets with initial, individual costs ranging from \$500 to \$20,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

Roads and bridges	30 years
Improvements	5-20 years
Buildings	20-30 years
Equipment	3-7 years
Capitalized interest	30 years

A full month’s depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, depreciation is removed from the respective accounts and the resulting gain or loss, if any, is recorded in operations.

Interest costs incurred on revenue bonds used to finance the construction or acquisition of assets are capitalized. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Eligible interest costs incurred in 2000 and 1999 on the Series 1998A and 1998B Second Senior Revenue Bonds were approximately \$34,960,000 for both years. Approximately \$21,170,000 and \$10,470,000 was capitalized for 2000 and 1999, respectively. The amount of eligible interest income earned on the proceeds of the Series 1998A and 1998B Second Senior Revenue Bonds in 2000 and 1999 was approximately \$13,790,000 and \$24,490,000, respectively. Amortization of capitalized interest is included in depreciation expense.

J. Bond Discounts and Bond Issuance Costs

Bond discounts are presented as a reduction of the face amount of the bonds payable. Bond issuance costs are presented as a deferred asset on the Statements of Net Assets. The discounts and issuance costs are amortized over the life of the bonds on a method that approximates the effective interest method. Amortization expense related to bond discounts was \$839,235 at December 31, 2000 and 1999 and is included as a component of interest expense on revenue bonds outstanding on the Statements of Revenues, Expenses and Changes in Net Assets. Depreciation and amortization expense includes amortization of bond issuance costs at December 31, 2000 and 1999 of \$520,810 and \$522,794, respectively.

K. Arbitrage Rebate Payable

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and

arbitrage rebate liability on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative rebatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's policy is annually to record as a liability the estimated amount owed. The Authority's cumulative arbitrage rebate liabilities for the years ended December 31, 2000 and 1999 are approximately \$7,770,000 and \$5,409,000, respectively. The increase in this obligation has been recorded in operations as a reduction of current year interest income.

L. Income Taxes

The Authority is an instrumentality of the State of Oklahoma. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes.

M. Estimates

The preparation of financial statements in conformity with GAAP 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 and expenses during the reporting period. Actual results could differ from those estimates.

N. Reclassifications

Certain amounts in the 1999 financial statements have been reclassified to conform to the 2000 presentation.

Note 2. Legal Compliance-Budgets

The Authority is required to prepare a preliminary budget of current expenses, monthly deposits to the Reserve Maintenance Fund, and the purposes for which the monies held in the Reserve Maintenance Fund will be expended for the ensuing year on or before October 10 of each year. Copies of the preliminary budget must be filed with the bond trustee and each depository, and mailed to the consulting engineers, traffic engineers and all bondholders who have filed their names and addresses with the Secretary and Treasurer of the Authority. If the Trustee or the owners of 5% in aggregate principal amount of outstanding bonds request the Authority in writing on or before November 1 in such a year, the Authority shall hold a public hearing on or before November 20. The Authority is required by the Trust Agreement to adopt a final budget on or before December 1 of each year. The budget is prepared by division at the object detail level, and includes information regarding the preceding year. Project-length financial plans are established for all new construction projects.

The Authority may not expend any amount or incur any obligations for maintenance, repairs and operations in excess of the total amount of the budgeted expenses in the Revenue Fund unless the funding source is other than revenues received from the turnpike system. The Authority may expend additional monies from the Reserve Maintenance Fund in excess of the budget of monthly deposits. The Director and Deputy Director are authorized to approve all line item and inter-division budget transfers. Budget amendments must be approved by the Authority in a manner similar to the adoption of the annual budget. There were no occurrences of budget noncompliance in 2000.

Note 3. Deposits and Investments

Deposits. At December 31, 2000 and 1999, the carrying amounts of the Authority's cash deposits were \$3,988,148 and (\$2,949,388), respectively. The bank balances were \$350,815 and \$687,620,

respectively. At December 31, 2000 and 1999, the carrying amount and bank balances of the Authority's cash equivalents were \$67,897,361 and \$68,802,287, respectively. All bank balances were covered by federal depository insurance or collateralized with securities held by the Authority's agent in the Authority's name.

Investments. Under the terms of the Trust Agreement, the Authority can invest in (a) government obligations, federally issued or guaranteed bonds, debentures or notes; (b) defeased municipal obligations; (c) repurchase agreements meeting certain conditions defined in the Authority's Trust Agreement; (d) certificates of deposit and time deposits in, or interests in money market portfolios meeting certain conditions defined in the Authority's Trust Agreement; (e) commercial paper; (f) obligations and full faith and credit obligations of state or local government issuers; (g) shares of stock in a corporation that is a regulated investment company and invests all of its assets in government obligations; and/or (h) any unsecured or secured agreement with the Federal National Mortgage Association or any bank, trust company or national banking association or a corporation meeting certain conditions defined in the Authority's Trust Agreement. The Authority has complied with the terms of the Trust Agreement in 2000 and 1999.

The Authority has significant investments in four Guaranteed Investment Contracts (GIC's), the terms of which are summarized as follows:

(1) GIC with Credit Agricole Indosuez Bank – This GIC bears a yield equal to the rate of 6.5% on the bond reserve portion and is collateralized by U.S. Government securities in an amount equal to 105% of the outstanding principal. If the rating of the senior unsecured debt of the Credit Agricole Indosuez Bank falls below A3 by Moody's or A- by S&P, then the GIC can be terminated. Certain Credit Agricole Indosuez Bank debt is rated Aa2 by Moody's and AA by S&P. Withdrawals on the GIC require 2 days written notice and may be made for paying project costs from bond proceeds, paying and redeeming bonds, curing deficiencies in the bond reserve accounts, reducing the bond reserve account requirements, refunding, satisfying an event of default which results in the acceleration or mandatory redemption of all of the bonds, or restricting the bond investment yield should bond counsel deem it necessary. The bond reserve portion matures on November 1, 2001.

(2) GIC with AIG Matched Funding Corporation, a subsidiary of American International Group (AIG) – This GIC bears a yield equal to the rate of 8.51%. If the rating of unsecured obligations or uncollateralized long-term debt obligations of AIG falls below Aa2 by Moody's or AA by S&P, then the GIC can be collateralized by U.S. Government securities in an amount equal to 107% of the outstanding principal. Certain AIG debt is rated Aaa by Moody's and AAA by S&P. Withdrawals on the GIC require 2 days written notice and may be made for paying project costs from bond proceeds, paying and redeeming bonds, curing deficiencies in the bond reserve accounts, reducing the bond reserve account requirements, refunding, satisfying an event of default which results in the acceleration or mandatory redemption of all of the bonds, or restricting the bond investment yield should bond counsel deem it necessary. The GIC matures on January 1, 2022.

(3) GIC with AIG Matched Funding Corporation, a subsidiary of American International Group (AIG) – This GIC bears a yield equal to the rate of 5.776%. If the rating of unsecured obligations or uncollateralized long-term debt obligations of AIG falls below Aa3 by Moody's or AA- by S&P, then the GIC can be collateralized by U.S. Government securities in an amount equal to 105% of the outstanding principal. Certain AIG debt is rated Aaa by Moody's and AAA by S&P. Withdrawals on the GIC require 3 days written notice and may be made for paying project costs from bond proceeds, paying and redeeming bonds, curing deficiencies in the bond reserve accounts, reducing the bond reserve account requirements, refunding, satisfying an event of default which results in the acceleration

or mandatory redemption of all of the bonds, or restricting the bond investment yield should bond counsel deem it necessary. The GIC matures on June 4, 2001.

(4) GIC with Bayerische Landesbank – This GIC bears a yield equal to the rate of 5.705%. If the rating of unsecured obligations or uncollateralized long-term debt obligations of Bayerische Landesbank falls below Aa3 by Moody’s or AA- by S&P, then the GIC can be collateralized by U.S. Government securities in an amount equal to 105% of the outstanding principal. Certain Bayerische Landesbank debt is rated Aaa by Moody’s and AAA by S&P. Withdrawals on the GIC require 5 days written notice and may be made for paying project costs from bond proceeds, paying and redeeming bonds, curing deficiencies in the bond reserve accounts, reducing the bond reserve account requirements, refunding, satisfying an event of default which results in the acceleration or mandatory redemption of all of the bonds, or restricting the bond investment yield should bond counsel deem it necessary. The GIC matures on August 1, 2001.

The Authority’s investments are categorized to give an indication of the level of custodial credit risk assumed by the Authority at December 31, 2000 and 1999. The categories are described as follows: Category 1 – insured or registered, or securities held by the Authority or its agent in the Authority’s name; Category 2 – uninsured and unregistered, with securities held by the counterparty’s trust departments or agent in the Authority’s name; or Category 3 – uninsured and unregistered with securities held by the counterparty or by its trust department or by its agent not in the Authority’s name. The GICs and open-end mutual funds are not classified in categories of credit risk, because they are direct contractual investments and are not securities.

<u>December 31, 2000</u>	Category			Fair Value
	1	2	3	
Unrestricted:				
U.S. Government securities	\$ 119,475,503	-	-	\$ 119,475,503
Restricted:				
U.S. Government securities	104,549,144	-	-	104,549,144
Guaranteed investment contracts held by Trustee	-	-	-	226,422,683
Mutual funds	-	-	-	779,456
Total investments	<u>\$ 224,024,647</u>	<u>-</u>	<u>-</u>	<u>\$ 451,226,786</u>

<u>December 31, 1999</u>	Category			Fair Value
	1	2	3	
Unrestricted:				
U.S. Government securities	\$ 103,128,160	-	-	\$ 103,128,160
Restricted:				
U.S. Government securities	141,124,326	-	-	141,124,326
Guaranteed investment contracts held by Trustee	-	-	-	427,806,964
Total investments	<u>\$ 244,252,486</u>	<u>-</u>	<u>-</u>	<u>\$ 672,059,450</u>

Note 4. Capital Assets

The following schedules summarize the capital assets of the Authority as of December 31, 2000 and 1999:

<u>2000</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 157,409,757	\$ 2,523,584	\$ (3,311,346)	\$ 156,621,995
Construction work in progress	201,740,792	215,366,271	-	417,107,063
Total capital assets, not being depreciated	<u>359,150,549</u>	<u>217,889,855</u>	<u>(3,311,346)</u>	<u>573,729,058</u>
Capital assets, being depreciated:				
Roads and bridges	607,997,571	-	(37,001)	607,960,570
Improvements	316,188,800	25,132,247	(1,771,064)	339,549,983
Buildings	30,928,593	377,536	-	31,306,129
Equipment	60,221,741	7,779,167	(1,422,402)	66,578,506
Capitalized interest	68,331,361	21,172,393	-	89,503,754
Total capital assets, being depreciated	<u>1,083,668,066</u>	<u>54,461,343</u>	<u>(3,230,467)</u>	<u>1,134,898,942</u>
Less accumulated depreciation for:				
Roads and bridges	(357,867,182)	(13,048,940)	10,450	(370,905,672)
Improvements	(175,032,689)	(15,175,438)	1,744,148	(188,463,979)
Buildings	(19,826,283)	(982,712)	-	(20,808,995)
Equipment	(43,675,442)	(4,658,898)	1,053,290	(47,281,050)
Capitalized interest	(33,391,774)	(1,198,471)	-	(34,590,245)
Total accumulated depreciation	<u>(629,793,370)</u>	<u>(35,064,459)</u>	<u>2,807,888</u>	<u>(662,049,941)</u>
Total capital assets, being depreciated, net	<u>453,874,696</u>	<u>19,396,884</u>	<u>(422,579)</u>	<u>472,849,001</u>
Total capital assets, net	<u>\$ 813,025,245</u>	<u>\$ 237,286,739</u>	<u>\$ (3,733,925)</u>	<u>\$ 1,046,578,059</u>
<u>1999</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 101,846,868	\$ 55,627,706	\$ (64,817)	\$ 157,409,757
Construction work in progress	37,127,140	164,613,652	-	201,740,792
Total capital assets, not being depreciated	<u>138,974,008</u>	<u>220,241,358</u>	<u>(64,817)</u>	<u>359,150,549</u>
Capital assets, being depreciated:				
Roads and bridges	607,993,570	4,001	-	607,997,571
Improvements	298,246,808	17,941,992	-	316,188,800
Buildings	28,628,081	2,300,512	-	30,928,593
Equipment	57,406,636	5,663,444	(2,848,339)	60,221,741
Capitalized interest	57,862,799	10,468,562	-	68,331,361
Total capital assets, being depreciated	<u>1,050,137,894</u>	<u>36,378,511</u>	<u>(2,848,339)</u>	<u>1,083,668,066</u>
Less accumulated depreciation for:				
Roads and bridges	(343,508,830)	(14,358,352)	-	(357,867,182)
Improvements	(161,041,496)	(13,991,193)	-	(175,032,689)
Buildings	(18,932,468)	(893,815)	-	(19,826,283)
Equipment	(40,897,415)	(5,145,378)	2,367,351	(43,675,442)
Capitalized interest	(32,154,577)	(1,237,197)	-	(33,391,774)
Total accumulated depreciation	<u>(596,534,786)</u>	<u>(35,625,935)</u>	<u>2,367,351</u>	<u>(629,793,370)</u>
Total capital assets, being depreciated, net	<u>453,603,108</u>	<u>752,576</u>	<u>(480,988)</u>	<u>453,874,696</u>
Total capital assets, net	<u>\$ 592,577,116</u>	<u>\$ 220,993,934</u>	<u>\$ (545,805)</u>	<u>\$ 813,025,245</u>

At December 31, 2000 and 1999, depreciation and amortization expense related to capital assets was \$35,064,459 and \$35,625,935, respectively.

Note 5. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences, tort/liability claims, errors and omissions claims and professional liability claims. As a result of these exposures, the Authority has developed a comprehensive risk management program that participates with the State of Oklahoma's Risk Management Division in a pooled operation for the majority of this coverage.

As a member of the State of Oklahoma Risk Management pool, the Authority assumes the responsibility for maintaining and reporting to the pool all real and personal property for which it requires insurance coverage. The Authority is also responsible for providing relevant financial and operational data to the pool for all potential losses. The pool, on the other hand, serves as the primary insurer to the Authority with additional layers of coverage provided by commercial insurers for coverage in excess of the self retained levels of risk assumed by the pool and the governmental immunity provided by state statutes.

The Authority also carries insurance with private insurers for a few high-risk assets under an "all risks" policy. Additional details of this coverage and the corresponding levels of self retained risk and limits of coverage are noted separately within the financial section of this report as shown on the "Schedule of Insurance in Force."

The self-retention level for property and casualty coverage for non-bridge property is \$10,000 per incident, while the overall limit of coverage for bridges and non-bridge property is approximately \$509,000,000. This was done in order to restructure the property and casualty coverage to provide increased levels of coverage in the event of catastrophic loss and assume more of the risk of predictable operational exposures.

All other categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2000, 1999 and 1998.

Note 6. Operating Leases

The Authority has entered into various noncancelable contracts with concessionaires to provide patron services on the Oklahoma Turnpike System. The contracts are generally for five year terms, with two five-year renewal options. These contracts provide for the Authority to receive concession revenue, including minimum rentals plus contingent rentals based on sales volume. The Authority also leases antenna space under noncancelable contracts with a 20 year term. Total future minimum rental payments to be received as of December 31, 2000, are approximately:

<u>Year</u>	<u>Minimum Lease Payments</u>
2001	\$ 198,480
2002	190,480
2003	179,400
2004	179,400
2005	179,400
Thereafter	<u>1,065,300</u>
Total	<u>\$1,992,460</u>

Note 7. Revenue Bonds

The Authority issues revenue bonds from time to time for the purpose of financing capital improvements and new projects. On February 1, 1989, the Authority issued \$385,400,000 of 1989 Series First Senior Revenue Bonds and \$173,000,000 of Series 1989 Subordinate Revenue Bonds. The purpose of the Series 1989 Revenue bonds was: (1) to finance the cost of constructing the Kilpatrick, Creek, Cherokee and Chickasaw Turnpikes, (2) to finance the cost of making certain improvements to the existing turnpikes, and (3) to advance refund all of the outstanding Authority bonds from the 1966 and 1971 issues. The Series 1989 bonds' interest rates ranged from 6.0% to 7.875%.

The Series 1989 Revenue Bonds defeased all Authority revenue bonds from the 1966 and 1971 issues through the escrow deposit of approximately \$131,300,000 with two trustee banks. Consequently, the liability for the 1966 Series A, 1966 Series B, and the 1971 Series C Revenue Bonds has been removed from the Statements of Net Assets. This advance refunding was undertaken primarily to restructure the Authority's debt in order to enable the debt financing of the new projects in the most economically efficient manner. The Bank of New York serves as the Escrow Trustee on the 1966 Series A and B Bonds. Bank One Trust Company serves as the Escrow Trustee on the 1971 Series C bonds. At December 31, 2000 and 1999, the defeased bonds outstanding were \$59,835,000 and \$70,570,000, respectively.

The Series 1989 Revenue Bonds were issued pursuant to provisions of a Trust Agreement dated February 1, 1989 with Liberty National Bank and Trust Company of Oklahoma City as Trustee. Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 1989. The payment of interest and principal on the 1989 Series Subordinate Revenue Bonds in the amount of \$173,000,000 is guaranteed by an insurance policy issued by the Bond Investors Guaranty Insurance Company.

On October 1, 1991, the Authority issued \$22,000,000 of 6.6% 1991 Series First Senior Revenue Bonds and \$28,000,000 of 1991 Series Second Senior Revenue Bonds, \$13,000,000 which were at rates ranging from 4.5% to 6.3% and \$15,000,000 which were variable rate bonds. The Series 1991 bonds were issued to provide funds sufficient, together with other available funds of the Authority, for the completion of the Portland Interchange on the John Kilpatrick Turnpike and certain other improvements to the Oklahoma Turnpike System.

In May 1992, the Authority issued \$392,265,000 of Series 1992 First Senior Revenue Bonds, \$20,655,000 of Series 1992 Second Senior Revenue Bonds and \$195,400,000 of Series 1992 Subordinated Revenue Bonds, with interest rates ranging from 4.35% to 6.3%, 4.25% to 6.25% and 4.25% to 6.25%, respectively. These Series 1992 A-E Bonds were issued for the purpose of (a) refunding approximately 94% of the Authority's Oklahoma Turnpike System Series 1989 Revenue Bonds, (b) funding capital costs of certain turnpike projects, and (c) paying certain costs of issuance, including underwriters' discount of approximately \$4.7 million, and capitalized interest. The principal amount of the bonds advance refunded and considered defeased was \$526,440,000, and the liability for these bonds was removed from the Statement of Net Assets. Approximately 94% of the Series 1989 bonds were defeased through an escrow deposit with a trustee. Bank One Trust Company serves as the Escrow Trustee on the 1989 bonds. Defeased 1989 bonds outstanding at December 31, 2000 and 1999, were \$29,000,000 in both years.

The Series 1992 A-E Bonds were issued pursuant to provisions of the Trust Agreement dated February 1, 1989, including supplements thereto, with Bank of Oklahoma, N.A. as Trustee. Interest is payable semi-annually on January 1 and July 1 of each year, commencing on January 1, 1993.

On October 1, 1992, the Authority issued \$22,786,862 of Series 1992 First Senior Revenue Bonds and \$28,017,387 of 1992 Series Second Senior Revenue Bonds, both with interest rates ranging from 3.15% to 5.3%. These Series 1992 F and G Bonds were issued to (a) provide funds, combined with other available funds of the Authority, to refund the Authority's Oklahoma Turnpike System Series 1991 First and Second Senior Revenue Bonds, (b) pay costs of issuance, and (c) make a deposit to the Second Senior Bond Reserve Account established under the Trust Agreement. The principal amount of the bonds advance refunded and paid in full in October 1992 was \$49,350,000, and the liability was removed from the Statements of Net Assets.

The Series 1992 F and G Bonds were issued pursuant to provisions of the Trust Agreement dated February 1, 1989, including supplements thereto, with Bank of Oklahoma, N.A. as Trustee. The bonds are dated October 1, 1992 with interest payable on January 1 and July 1 of each year, commencing on January 1, 1993. The Series F and G Bonds maturing on January 1 in each of the years 2004-2008, inclusive, are Capital Appreciation Bonds. They were issued in the initial amounts and accrete at interest rates set forth in the Official Statement dated October 1, 1992 to arrive at the Compound Accreted Value at maturity of \$8,465,000. The accumulated accretion to date of \$2,390,653 is reflected in the balance of long-term debt outstanding on the Authority's Statements of Net Assets as an increase to the principal payable on these bonds in the years 2004-2008. The accretion in 2000 and 1999 is \$351,844 and \$332,676, respectively.

On May 12, 1998, the Authority issued \$350,000,000 of 1998A Second Senior Revenue Bonds. The Series 1998A Bonds were issued to provide funds which, when combined with other available funds of the Authority, will be used for the purpose of (1) funding a portion of the capital costs of improvements to extend the H.E. Bailey Turnpike, the Creek Turnpike, and the John Kilpatrick Turnpike and for right-of-way acquisition for the Muskogee Turnpike; (2) funding the capitalized interest account for the Series 1998A Bonds and; (3) paying the costs of issuance. The interest rates on the Series 1998A Bonds range from 4.125% to 6%.

On July 14, 1998, the Authority issued \$337,010,000 of 1998B Second Senior Revenue Bonds. The Series 1998B Bonds were issued to provide funds which, when combined with other available funds of the Authority, will be used for the purpose of (1) funding a portion of the capital costs of improvements to extend the H.E. Bailey Turnpike, the Creek Turnpike, and the John Kilpatrick Turnpike and for right-of-way acquisition for the Muskogee Turnpike; (2) funding the capitalized interest account for the Series 1998B Bonds and; (3) paying the costs of issuance. The interest rates on the Series 1998B Bonds range from 5% to 5.5%.

The Series 1998A and 1998B Second Senior Revenue Bonds were issued pursuant to provisions of the Trust Agreement dated February 1, 1989, including supplements thereto, with Bank of Oklahoma, N.A. as Trustee.

The following schedules summarize the revenue bonds outstanding as of December 31, 2000 and 1999.

2000	Date of Issuance	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Series 1989	2/01/1989	\$ 30,795,000	\$ -	\$ (285,000)	\$ 30,510,000	\$ 305,000
Series 1992A-E	5/01/1992	553,180,000	-	(12,100,000)	541,080,000	12,775,000
Series 1992F-G	10/01/1992	44,378,061	351,844	(1,630,000)	43,099,905	1,710,000
Series 1998A	5/01/1998	350,000,000	-	-	350,000,000	-
Series 1998B	7/01/1998	337,010,000	-	-	337,010,000	-
Total		<u>\$ 1,315,363,061</u>	<u>\$ 351,844</u>	<u>\$ (14,015,000)</u>	<u>\$ 1,301,699,905</u>	<u>\$ 14,790,000</u>

1999	Date of Issuance	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Series 1989	2/01/1989	\$ 31,060,000	\$ -	\$ (265,000)	\$ 30,795,000	\$ 285,000
Series 1992A-E	5/01/1992	564,655,000	-	(11,475,000)	553,180,000	12,100,000
Series 1992F-G	10/01/1992	45,600,385	332,676	(1,555,000)	44,378,061	1,630,000
Series 1998A	5/01/1998	350,000,000	-	-	350,000,000	-
Series 1998B	7/01/1998	337,010,000	-	-	337,010,000	-
Total		<u>\$ 1,328,325,385</u>	<u>\$ 332,676</u>	<u>\$ (13,295,000)</u>	<u>\$ 1,315,363,061</u>	<u>\$ 14,015,000</u>

Additions to long-term debt in 2000 and 1999 represent the current accretion on the capital appreciation bonds.

The revenue bond amortization requirements below are prepared as of December 31, 2000:

Year Ended January 1	Total Revenue Bonds	
	Principal	Interest
2001	\$ 14,790,000	\$ 71,819,816
2002	15,620,000	70,988,053
2003	20,040,000	70,092,252
2004	23,736,062	69,282,186
2005	24,853,497	68,144,615
2006-2010	185,075,346	314,651,094
2011-2015	257,515,000	251,481,494
2016-2020	342,550,000	169,260,330
2021-2025	279,950,000	72,232,944
2026-2028	137,570,000	14,339,399
	<u>\$ 1,301,699,905</u>	<u>\$ 1,172,292,183</u>

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2000 and 1999 were:

	2000	1999
First Senior Bond Reserve Account	\$ 33,966,639	\$ 33,953,342
Subordinate Bond Reserve Account	15,273,146	15,273,422
Second Senior Bond Reserve Account	4,649,995	4,585,932

The Series 1998A and 1998B Second Senior Revenue Bond Reserve accounts requirements are satisfied by surety bonds from Financial Guaranty Insurance Company in the amount of approximately \$26,000,000 and \$25,000,000, respectively.

As required by section 501(d) of the Trust Agreement, net revenue, as defined below (which is greater than net income in accordance with GAAP), of approximately \$109,142,000 and \$107,395,000 for 2000 and 1999, respectively (1) together with the motor fuel excise taxes apportioned to the Authority of approximately \$33,647,000 and \$33,113,000 for 2000 and 1999, respectively (see note 10), exceeded 120% of the amount of the debt service requirements on all senior indebtedness outstanding for the year, and (2) exceeded the sum of 105% of the debt service requirements on all bonds and parity indebtedness then outstanding and 100% of amounts required to be deposited into the Reserve Maintenance Fund and to make up deficiencies in the various bond reserve accounts. Net revenue is defined by the Trust Agreement as the excess of tolls and other revenues of the Oklahoma Turnpike System deposited to the

credit of the Revenue Fund over the current expenses of the Revenue Fund for the year. Said revenue shall not include payments or transfers from the Reserve Maintenance Fund or General Fund nor any payments received pursuant to the issuance of any subsequent parity indebtedness. Depreciation is not considered in current expenses for purposes of calculating net revenue. The Trust Agreement contains certain other bond covenants which the Authority is aware of and monitors for compliance throughout the year. The Authority has complied with all bond covenants throughout 2000 and 1999.

As of December 31, 2000 and 1999, the Statements of Net Assets reflects a net deferred debit of approximately \$9,517,000 and \$11,626,000, respectively, as a component of debt resulting from accounting losses or gains from the defeasance of debt. The Statements of Revenues, Expenses and Changes in Net Assets reflects the amortization of this deferral as a component of interest expense of approximately \$2,110,000 in both years.

Note 8. Deferred Compensation Plan

The State offers to its own employees, state agency employees and other duly constituted authority or instrumentality employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and Chapter 45 of Title 74, Oklahoma Statutes. The Oklahoma State Employees Deferred Compensation Plan (the Plan), also known as SoonerSave, is a voluntary plan that allows participants to defer a portion of their salary into the Plan. Participation allows a person to shelter the portion of their salary that they defer from current federal and state income tax. Taxes on the interest or investment gains on this money, while in the Plan, are also deferred. The deferred compensation is not available to employees until termination, retirement, death or approved unforeseeable emergency.

Under SoonerSave, the untaxed deferred amounts are invested as directed by the participant among various Plan investment options. Effective January 1, 1998, a Trust and Trust Fund covering the Plan assets was established pursuant to federal legislation enacted in 1996, requiring public employers to establish such trusts for plans meeting the requirements of Section 457 of the Internal Revenue Code. Under terms of the Trust, the corpus or income of the Trust Fund may be used only for the exclusive benefit of the Plan participants and their beneficiaries. Further information may be obtained from the Oklahoma State Employees Deferred Compensation Plan audited financial statements for the year ended June 30, 2000. The Authority believes that it has no liabilities in respect to the State's plan.

Note 9. Employee Retirement Plan

Plan Description

The Authority contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost sharing multiple-employer public employee retirement system administered by the Oklahoma Public Employees Retirement System (the System). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 74 of the Oklahoma Statutes, Sections 901-943, as amended, assigns the authority for management and operation of the Plan to the Board of Trustees of the System. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan. That annual report may be obtained by writing to the system, 6601 N. Broadway Extension, Suite 129, Oklahoma City, Oklahoma 73116 or by calling 1-800-733-9008.

Funding Policy

Plan members and the Authority are required to contribute at a rate set by statute. The contribution

requirements of plan members and the Authority are established and may be amended by the legislature of the State of Oklahoma. The contribution rate for the Authority and plan members is as follows:

Fiscal Year Ended June 30	<u>State Employees</u>		<u>The Authority</u>	
	First \$25,000	Above \$25,000 To Cap	To Salary Cap	Salary Cap
1998	3.0%	3.5%	12.5%	\$ 80,000
1999	3.0%	3.5%	12.5%	No Cap
2000	3.0%	3.5%	10.0%	No Cap
Thereafter	3.0%	3.5%	10.0%	No Cap

The Authority's contributions to the Plan for the years ended December 31, 2000, 1999 and 1998 were approximately \$1,274,000, \$1,512,000 and \$1,366,000, respectively, and equal to their required contributions for each year.

Note 10. Advances From the Motor Fuel Tax Trust Fund

By virtue of the "Enabling Act" of 1971 and amendments thereto, a portion of the motor fuel excise taxes collected on fuels consumed on the turnpikes is made available to the Authority from the Oklahoma Tax Commission. Prior to July 1, 1992, this amount was not to exceed \$3,000,000 during a fiscal year of the State. In 1992, Title 69, §1730 was amended to remove the cap and allow the Authority to receive the full amount collected in accordance with the original formula. This amendment stated the motor fuel taxes due to the Authority would be apportioned to the Authority on the first day of each calendar month. Beginning July 1, 1992, the amount of cash and investments on deposit was frozen as security for the 1989 series bonds. All motor fuel taxes apportioned to the Authority shall be available to fund debt service and reserves to the extent monies are not otherwise available to the Authority for such purpose. If such motor fuel excise taxes apportioned to the Authority are not necessary in such month, the motor fuel excise taxes shall be paid over to the Oklahoma Department of Transportation (ODOT). During 2000 and 1999, the Authority received, and subsequently remitted to ODOT \$33,646,896 and \$33,112,822, respectively, of motor fuel excise taxes.

The amounts frozen at July 1, 1992 (fair value of \$ 30,490,637 and \$28,344,762 at December 31, 2000 and 1999, respectively) are invested in interest-bearing obligations and with the interest received thereon (\$1,726,640 and \$1,673,269 during the years ended December 31, 2000 and 1999, respectively) are used to eliminate deficiencies, if any, in available monies to meet revenue bond interest and principal requirements. No deficiencies existed in 2000 or 1999.

Prior to the issuance of the Series 1989 bonds, the Authority had not received apportionments from the Oklahoma Tax Commission since 1979 because the maximum amount that could be retained by the Authority in accordance with the Enabling Act was deposited with the prior Trustee.

When all Senior and Subordinate Revenue Bonds, together with interest thereon, have been paid, the Authority will be required to pay all amounts that have been received from the Oklahoma Tax Commission and any interest earned on amounts invested to ODOT. The accumulated liability to

ODOT as of December 31, 2000 and 1999 is \$47,960,927 and \$46,223,369, respectively, and the annual activity is shown below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>
2000	\$ 46,223,369	\$ 1,737,558	\$ -	\$ 47,960,927
1999	44,565,083	1,658,286	-	46,223,369

Additions to the liability represent the interest earned on amounts invested. No amounts are due within one year.

Note 11. Commitments and Contingent Liabilities

At December 31, 2000 and 1999, the Authority had commitments outstanding relating to equipment orders and supplies of approximately \$1,332,000 and \$1,628,000, respectively. At December 31, 2000 and 1999, the Authority had commitments outstanding relating to construction and maintenance contracts of approximately \$124,200,000 and \$173,500,000, respectively.

In 1993, the Authority adopted a resolution providing that certain funds on deposit in the General Fund shall be restricted, to the extent that funds are available as determined by the Authority by April 30 of each year. These restricted funds shall be used for the purpose of rehabilitating, reconstructing, replacing, renovating, improving or enhancing the Oklahoma Turnpike System. As of December 31, 2000, the cumulative restricted balance is \$15,819.

The Authority is a defendant in various litigation. Although the outcome of these matters are not presently determinable, in the opinion of the Authority’s management, the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

**Schedule of Actual Operating Expense Compared to Budget
(Prepared on a Non-GAAP Budgetary Basis)
Year Ended December 31, 2000**

<u>Expense Description</u>	<u>Actual Expenses</u>	<u>Budgeted Expenses</u>	<u>Variance (Over)/Under</u>
Authority:			
Contractual services	\$ 4,905	\$ 20,000	\$ 15,095
Commodities	71	-	(71)
Capital outlay and contingencies	<u>-</u>	<u>513</u>	<u>513</u>
Total	<u>4,976</u>	<u>20,513</u>	<u>15,537</u>
Controller:			
Personnel services	545,759	567,213	21,454
Contractual services	98,311	135,582	37,271
Commodities	5,308	2,700	(2,608)
Capital outlay and contingencies	<u>-</u>	<u>18,089</u>	<u>18,089</u>
Total	<u>649,378</u>	<u>723,584</u>	<u>74,206</u>
Turnpike Maintenance:			
Personnel services	5,379,116	5,996,898	617,782
Contractual services	2,775,433	2,250,155	(525,278)
Commodities	2,262,294	2,229,700	(32,594)
Capital outlay and contingencies	<u>65,405</u>	<u>268,635</u>	<u>203,230</u>
Total	<u>10,482,248</u>	<u>10,745,388</u>	<u>263,140</u>
Toll Operations:			
Personnel services	7,479,866	7,973,890	494,024
Contractual services	2,953,039	3,078,355	125,316
Commodities	157,540	263,484	105,944
Capital outlay and contingencies	<u>119,002</u>	<u>379,585</u>	<u>260,583</u>
Total	<u>10,709,447</u>	<u>11,695,314</u>	<u>985,867</u>
PIKEPASS Operations:			
Personnel services	936,102	1,165,119	229,017
Contractual services	1,633,873	1,706,185	72,312
Commodities	65,052	47,300	(17,752)
Capital outlay and contingencies	<u>1,291</u>	<u>74,836</u>	<u>73,545</u>
Total	<u>2,636,318</u>	<u>2,993,440</u>	<u>357,122</u>
Highway Patrol:			
Contractual services	6,780,546	7,114,395	333,849
Commodities	339,176	477,946	138,770
Capital outlay and contingencies	<u>1,582,613</u>	<u>2,073,724</u>	<u>491,111</u>
Total	<u>8,702,335</u>	<u>9,666,065</u>	<u>963,730</u>
General Administration:			
Personnel services	337,640	367,040	29,400
Contractual services	504,543	537,120	32,577
Commodities	37,822	49,450	11,628
Capital outlay and contingencies	<u>32,513</u>	<u>47,016</u>	<u>14,503</u>
Total	<u>912,518</u>	<u>1,000,626</u>	<u>88,108</u>

(Continued)

**Schedule of Actual Operating Expense Compared to Budget
(Prepared on a Non-GAAP Budgetary Basis)
Year Ended December 31, 2000**

<u>Expense Description</u>	<u>Actual Expenses</u>	<u>Budgeted Expenses</u>	<u>Variance (Over)/Under</u>
Finance and Revenue:			
Personnel services	\$ 439,211	\$ 503,693	\$ 64,482
Contractual services	374,489	397,600	23,111
Commodities	9,584	4,300	(5,284)
Capital outlay and contingencies	<u>-</u>	<u>23,221</u>	<u>23,221</u>
Total	<u>823,284</u>	<u>928,814</u>	<u>105,530</u>
Information Technology:			
Personnel services	1,123,225	1,159,357	36,132
Contractual services	698,813	761,967	63,154
Commodities	43,192	46,400	3,208
Capital outlay and contingencies	<u>116,191</u>	<u>170,147</u>	<u>53,956</u>
Total	<u>1,981,421</u>	<u>2,137,871</u>	<u>156,450</u>
Human Resources:			
Personnel services	526,205	527,159	954
Contractual services	367,630	454,011	86,381
Commodities	45,800	63,225	17,425
Capital outlay and contingencies	<u>30,168</u>	<u>48,318</u>	<u>18,150</u>
Total	<u>969,803</u>	<u>1,092,713</u>	<u>122,910</u>
Engineering:			
Personnel services	493,132	477,231	(15,901)
Contractual services	81,107	132,200	51,093
Commodities	15,392	20,950	5,558
Capital outlay and contingencies	<u>21,431</u>	<u>39,241</u>	<u>17,810</u>
Total	<u>611,062</u>	<u>669,622</u>	<u>58,560</u>
Total Expenses	\$ <u>38,482,790</u>	\$ <u>41,673,950</u>	\$ <u>3,191,160</u>

Adjustments necessary to convert expenses from a budgetary (modified accrual) basis to GAAP basis at year end:

	<u>2000</u>	<u>1999</u>
GAAP basis	\$ 40,865,107	\$ 40,931,741
Increase (decrease) due to:		
Current expenses reclassified as capital assets	1,968,614	1,113,865
Non-Revenue Fund operating expenses	(4,460,240)	(4,508,280)
Other GAAP adjustments	<u>109,309</u>	<u>(362,721)</u>
Budgetary basis	\$ <u>38,482,790</u>	\$ <u>37,174,605</u>

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2000

	<u>Applicable Interest Rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>
Unrestricted:					
General Fund:					
American Performance Treasury Fund	-	%	12/29/00	Demand \$ 299,664	\$ 299,664
Commercial Paper	5.750	12/29/00	01/02/01	2,479,954	2,479,954
AMBAC Indemnity Corporation	-	06/07/94	Demand	1	1
Policy #3452BE					
Bond Investors Guaranty Municipal Bond	-	06/07/94	Demand	1	1
Insurance Policy #N-2255					
U. S. Treasury Notes	5.625	Various	02/28/01	4,028,750	4,000,000
U. S. Treasury Notes	6.375	Various	03/31/01	3,521,016	3,504,375
U. S. Treasury Notes	6.250	Various	04/30/01	15,549,201	15,554,109
U. S. Treasury Notes	6.500	10/03/96	05/31/01	1,510,430	1,505,160
U. S. Treasury Notes	5.875	Various	11/30/01	4,059,297	4,012,500
U. S. Treasury Notes	6.125	Various	12/31/01	3,236,906	3,220,000
U. S. Treasury Notes	6.250	10/23/98	02/28/02	7,286,016	7,065,625
U. S. Treasury Notes	6.000	Various	07/31/02	2,008,906	2,021,880
U. S. Treasury Notes	5.875	11/09/99	09/30/02	2,001,875	2,022,500
U. S. Treasury Notes	5.750	Various	10/31/02	12,339,219	12,112,500
U. S. Treasury Notes	5.625	Various	12/31/02	2,994,336	3,027,195
U. S. Treasury Notes	5.500	07/15/99	01/31/03	995,469	1,007,190
U. S. Treasury Notes	6.250	10/08/99	02/15/03	2,521,484	2,553,913
U. S. Treasury Notes	5.500	Various	03/31/03	7,483,124	7,560,937
U. S. Treasury Notes	5.750	10/08/99	04/30/03	2,184,875	2,228,875
U. S. Treasury Notes	5.500	Various	05/31/03	5,537,304	5,546,420
U. S. Treasury Notes	5.250	12/10/98	08/15/03	10,030,938	10,028,150
U. S. Treasury Notes	6.000	Various	08/15/04	13,479,687	13,888,125
U. S. Treasury Notes	5.875	11/15/00	11/15/04	1,002,187	1,026,250
U. S. Treasury Notes	6.500	Various	05/15/05	8,275,391	8,706,349
U. S. Treasury Notes	5.875	07/09/99	11/15/05	4,497,891	4,654,688
U. S. Treasury Notes	6.250	08/31/00	02/15/07	4,066,251	4,228,760
				<u>121,390,173</u>	<u>122,255,121</u>
Revenue Fund:					
American Performance Treasury Fund	-	12/29/00	Demand	611,982	611,982
Commercial Paper	6.350	12/29/00	01/02/01	6,975,955	6,975,955
				<u>7,587,937</u>	<u>7,587,937</u>
Total unrestricted cash equivalents & investments				\$ 128,978,110	\$ 129,843,058

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2000

	<u>Applicable Interest Rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>
Restricted:					
Reserve Maintenance Fund:					
American Performance Treasury Fund	-	12/29/00	Demand	\$ 272,962	\$ 272,962
Commercial Paper	5.750	12/29/00	01/02/01	279,607	279,607
U. S. Treasury Notes	5.625	Various	02/28/01	1,286,328	1,250,000
U. S. Treasury Notes	5.625	Various	05/15/01	3,124,008	3,099,039
U. S. Treasury Notes	5.750	07/01/99	06/30/01	501,250	500,157
U. S. Treasury Notes	5.875	Various	11/30/01	5,142,755	5,015,625
U. S. Treasury Notes	6.250	11/09/99	01/31/02	1,513,828	1,512,660
U. S. Treasury Notes	6.625	02/09/00	03/31/02	998,281	1,014,690
U. S. Treasury Notes	6.000	Various	07/31/02	3,758,047	3,791,025
U. S. Treasury Notes	6.375	Various	08/15/02	1,745,352	1,780,625
U. S. Treasury Notes	6.250	08/31/00	08/31/02	500,625	507,813
U. S. Treasury Notes	6.250	Various	02/15/03	1,990,625	2,043,130
				<u>21,113,668</u>	<u>21,067,333</u>
General Fund - Depreciation Reserve:					
American Performance Treasury Fund	-	12/29/00	Demand	15,819	15,819
1989 Series Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/29/00	Demand	1,989,924	1,989,924
Guaranteed Investment Contract (AIGMFC)	8.510	Various	01/01/22	44,780,473	44,780,473
U. S. Treasury Notes	5.302	Various	05/15/01	1,555,312	1,549,519
				<u>48,325,709</u>	<u>48,319,916</u>
Series 1992A-E Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/29/00	Demand	29,707,066	29,707,066
FGIC Municipal Bond Insurance	-	07/22/98	Demand	2	2
U. S. Treasury Notes	5.625	09/27/99	12/31/02	1,582,690	1,604,413
				<u>31,289,758</u>	<u>31,311,481</u>
Series 1992F-G Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/29/00	Demand	2,819,954	2,819,954
FGIC Municipal Bond Insurance					
Policy #9201056	-	11/16/92	Demand	2	2
				<u>2,819,956</u>	<u>2,819,956</u>

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2000

	<u>Applicable Interest Rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>
1998 A&B Capitalized Interest:					
American Performance Treasury Fund	-	%	12/29/00	\$ 17,593,623	\$ 17,593,623
U. S. Treasury Notes	5.750	08/31/00	11/30/02	589,980	600,950
U. S. Treasury Strip	-	Various	05/15/01	14,935,713	17,130,400
U. S. Treasury Strip	-	07/29/98	11/15/01	7,147,104	8,148,637
U. S. Treasury Strip	-	07/29/98	05/15/02	<u>6,956,070</u>	<u>7,958,845</u>
				<u>47,222,490</u>	<u>51,432,455</u>
Revenue Reserve Accounts:					
American Performance Treasury Fund	-	12/29/00	Demand	526,295	526,295
Guaranteed Investment Contract (Banque Indosuez)	6.500	11/08/91	11/01/01	3,500,000	3,500,000
U. S. Treasury Notes	5.875	07/15/99	11/30/01	528,649	526,641
U. S. Treasury Notes	5.875	08/14/00	02/15/03	<u>625,293</u>	<u>638,478</u>
				<u>5,180,237</u>	<u>5,191,414</u>
Arbitrage Rebate Funds:					
American Performance Treasury Fund	-	12/29/00	Demand	720,632	720,632
U. S. Treasury Notes	5.375	Various	06/30/03	3,487,900	3,520,790
U. S. Treasury Notes	5.875	Various	02/15/04	269,695	275,569
U. S. Treasury Strip	-	12/13/99	05/15/03	<u>3,012,937</u>	<u>3,207,333</u>
				<u>7,491,164</u>	<u>7,724,324</u>
1989 Construction Funds:					
American Performance Treasury Fund	-	12/29/00	Demand	<u>252,064</u>	<u>252,064</u>
1992 Construction Account:					
American Performance Treasury Fund	-	12/29/00	Demand	<u>74,027</u>	<u>74,027</u>
1998 A&B Construction Accounts:					
American Performance Treasury Fund	-	12/29/00	Demand	227,120	227,120
Guaranteed Investment Contract (AIG)	5.776	Various	06/04/01	65,065,646	65,065,646
Guaranteed Investment Contract (Bayerische Landesbank)	5.705	Various	08/01/01	<u>113,076,564</u>	<u>113,076,564</u>
				<u>178,369,330</u>	<u>178,369,330</u>

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2000

	<u>Applicable Interest Rate</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Fair Value</u>	
Turnpike Trust Fund:						
American Performance Treasury Fund	-	%	12/29/00	Demand	\$ 233,713	\$ 233,713
U. S. Treasury Notes	5.375	02/09/99	02/15/01	833,895	824,744	
U. S. Treasury Notes	6.375	Various	03/31/01	8,925,907	8,856,056	
U. S. Treasury Notes	6.250	08/26/97	04/30/01	2,505,859	2,504,688	
U. S. Treasury Notes	5.625	08/19/98	05/15/01	2,018,750	1,999,380	
U. S. Treasury Notes	6.500	10/03/96	05/31/01	755,215	752,580	
U. S. Treasury Notes	5.875	04/13/98	11/30/01	429,711	426,328	
U. S. Treasury Notes	6.125	12/17/97	12/31/01	2,060,094	2,037,656	
U. S. Treasury Notes	5.625	Various	12/31/02	1,000,273	1,009,065	
U. S. Treasury Notes	5.500	07/15/99	01/31/03	497,734	503,595	
U. S. Treasury Notes	6.250	Various	02/15/03	3,093,078	3,166,851	
U. S. Treasury Notes	5.500	Various	05/31/03	1,996,562	2,016,880	
U. S. Treasury Notes	5.250	Various	08/15/03	2,465,719	2,507,038	
U. S. Treasury Notes	6.000	Various	08/15/04	3,541,301	3,652,063	
				<u>30,357,811</u>	<u>30,490,637</u>	
Prepaid PIKEPASS Fund:						
American Performance Treasury Fund	-	12/29/00	Demand	2,817,000	2,817,000	
Vanguard Index Trust/500 Port #40	-	12/29/00	Demand	840,500	779,456	
U. S. Treasury Notes	6.375	Various	03/31/01	1,126,863	1,126,406	
U. S. Treasury Notes	5.875	04/13/98	11/30/01	2,276,922	2,206,875	
U. S. Treasury Notes	6.000	07/31/97	07/31/02	2,708,977	2,704,265	
U. S. Treasury Notes	6.250	08/11/99	02/15/03	952,234	970,487	
U. S. Treasury Notes	6.000	Various	08/15/04	1,054,922	1,080,187	
U. S. Treasury Notes	6.500	06/09/00	05/15/05	502,344	527,657	
				<u>12,279,762</u>	<u>12,212,333</u>	
Total restricted cash equivalents and investments				<u>384,791,795</u>	<u>389,281,089</u>	
Cash balance (unrestricted & restricted)				-	3,988,148	
Total Cash, Cash Equivalents and Investments				<u>\$ 513,769,905</u>	<u>\$ 523,112,295</u>	

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments by Account
as of December 31, 2000

	<u>Total cash, cash equivalents and investments</u>
Unrestricted:	
Revenue Fund	\$ 8,632,880
General Fund	122,386,259
Total unrestricted	<u>131,019,139</u>
Restricted:	
Reserve Maintenance Fund	20,415,695
General Fund Depreciation Reserve	15,819
1989 Senior Bond Interest Account	859,117
1989 Senior Bond Reserve Account	31,766,639
1989 Senior Bond Principal Account	215,332
1989 Subordinate Bond Interest Account	190,393
1989 Subordinate Bond Reserve Account	15,191,085
1989 Subordinate Bond Principal Account	97,350
Revenue Bond Reserve Accounts	5,191,414
1992 Series A Interest Account	10,090,405
1992 Series B Interest Account	565,082
1992 Series C Interest Account	5,154,531
1992 Series D Interest Account	431,747
1992 Series E Interest Account	224,079
1992 Series F Interest Account	486,065
1992 Series G Interest Account	579,893
Series 1992 B Reserve Account	1,658,581
Series 1992 C-E Reserve Accounts	82,061
Series 1992 A-E Principal Accounts	13,104,995
Series 1992 F and G Principal Accounts	1,753,998
1998 Series A and B Second Senior Interest Accounts	10,285
1998 Series A and B Capitalized Interest Accounts	51,422,170
Turnpike Trust Fund	30,490,637
Arbitrage Rebate Fund	8,079,652
1989 Bond Construction Accounts	252,064
1992 Bond Construction Accounts	74,027
1998 Bond Construction Accounts	181,216,132
Prepaid PIKEPASS Fund	12,473,908
Total restricted	<u>392,093,156</u>
Total cash, cash equivalents and investments	<u>\$ 523,112,295</u>

Oklahoma Transportation Authority
Schedule of Insurance in Force
as of December 31, 2000

Coverage	Policy Term	Policy	Coverage	Deductible	Annual or Last Premium	
Fire & extended coverage for buildings and contents, bridges, and computers	07-01-00/01	State of Oklahoma Certificate #978	\$30,962,647 \$477,854,469	Buildings & contents Bridges (100%)	\$10,000 \$200,000	\$105,615
Auto liability	10-01-00/01	State of Oklahoma Certificate #978	\$175,000 \$25,000 \$1,000,000	Bodily injury Property damage Per occurrence	\$250 (all claims)	\$56,880
Comprehensive general liability, and personal injury liability	07-01-00/01	State of Oklahoma Certificate #978	\$175,000 \$25,000 \$1,000,000	Bodily injury Property damage Per occurrence	\$500 (all claims)	\$17,179
Director's & Officer's insurance	07-01-00/01	State of Oklahoma Certificate #978	\$35,000,000 \$5,000,000	Aggregate Per occurrence	\$25,000 (Profs) \$1,000 (Others) \$50,000 (Agency)	\$3,750
Special machinery	12-07-00/01	Hartford Ins. Group Policy # 38 MS GR4686	\$810,000 \$195,000	Bridge machine Paint striping machine	\$50,000 \$50,000	\$4,583
Aircraft hull & liability	10-01-00/01	State of Oklahoma	\$208,500 \$1,000,000 \$175,000	Property damage Liability Passenger	\$100 /NIM \$500 /IM	\$4,057
Workers compensation	01-01-01/02	State of Oklahoma #00338640	\$100,000	Employee injuries	\$500	\$229,005
Health benefits	07-01-00/01	State of Oklahoma #0001	Various	Life, hospital surgical, major medical, and dental	Various	\$1,743,057
Surety bond	07-01-00/01	Granite RE, Inc. #GR0118	\$25,000	Fred J. Hall	n/a	\$100
Surety bond	05-07-00/01	The Hartford #606761409	\$25,000	Robert M. Kane	n/a	\$100
Surety bond	07-01-00/01	United States Fidelity #56-0170-36788-95-2	\$25,000	Albert C. Kelly, Jr.	n/a	\$163
Surety bond	05-07-00/01	Fidelity & Deposit Co. of Maryland #8203352	\$100,000	Steve LaForge	n/a	\$321
Surety bond	09-01-00/01	Travelers Casualty of Maryland #30678200	\$25,000	James Caudle	n/a	\$100
Surety bond	01-01-01/02	Fidelity & Deposit Co. of Maryland #813341703	\$25,000	Dewey F. Bartlett, Jr.	n/a	\$100

(Continued)

Oklahoma Transportation Authority
Schedule of Insurance in Force
as of December 31, 2000

<u>Coverage</u>	<u>Policy Term</u>	<u>Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Annual or Last Premium</u>
Municipal Bond New Issue Insurance Policy Oklahoma Turnpike Authority First Senior Revenue Bonds, Series 1989 Maturing 1/1/2013	Thru Maturity	AMBAC Indemnity Corporation Policy #3452BE	\$40,000,000	n/a	\$475,342
Municipal Bond New Insurance Policy Oklahoma Turnpike Authority Revenue Bonds (Subordinate Lien)-Series 1989 Maturing 1/1/1995-2022	Thru Maturity	Bond Investors Guaranty Insurance Company Policy #N-2255	\$173,000,000	n/a	\$3,668,086
Municipal Bond New Insurance Policy Oklahoma Turnpike Authority First Senior Revenue Bonds Series 1992A Maturing 1/1/2012, 2015, & 2022	Thru Maturity	AMBAC Indemnity Corporation Policy #7044BE	\$166,505,000	n/a	\$1,535,821
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority Second Senior Revenue Bonds Series 1992B Maturing 1/1/2012, 2015, & 2022	Thru Maturity	Municipal Bond Investors Assurance Corporation Policy #11623	\$20,655,000	n/a	\$272,141
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority Revenue Bonds (Subordinate Lien)-Series 1992C Maturing 1/1/1994-2022	Thru Maturity	Municipal Bond Investors Assurance Corporation Policy #11624	\$187,265,000	n/a	\$1,855,841
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority First Senior Revenue Bonds-Series 1992D Term Bonds Maturing 1/1/2012, 2015, & 2022	Thru Maturity	Municipal Bond Investors Assurance Corporation Policy #11625	\$7,135,000	n/a	\$98,697

(Continued)

Oklahoma Transportation Authority
Schedule of Insurance in Force
as of December 31, 2000

<u>Coverage</u>	<u>Policy Term</u>	<u>Policy</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Annual or Last Premium</u>
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority Revenue Bonds (Subordinate Lien)-Series 1992E Maturing 1/1/1994-2022	Thru Maturity	Municipal Bond Investors Assurance Corporation Policy #11626	\$8,135,000	n/a	\$134,439
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority First Senior Revenue Bonds - Series 1992F Maturing 1/1/1994-2017	Thru Maturity	Municipal Bond New Insurance Policy #9201056	\$22,786,862	n/a	\$189,134
Financial Guaranty Insurance Policy Oklahoma Turnpike Authority Revenue Bonds subordiante Lien-Series 1992G Maturing 1/1/94-2022	Thru Maturity	Municipal Bond New Insurance Policy #92010561	\$28,017,388	n/a	\$242,160
Municipal Bond New Issue Insurance Policy OTA Second Senior Revenue Bonds-1998A Maturing 1/1/2003-2020, 2023, 2025, & 2028	Thru Maturity	Financial Guaranty Insurance Company Policy #98010515	\$330,005,000	n/a	\$885,225
Municipal Bond New Issue Insurance Policy OTA Second Senior Revenue Bonds-1998B Maturing 1/1/2004-2028	Thru Maturity	Financial Guaranty Insurance Company Policy #98010687	\$337,010,000	n/a	\$1,167,731
OTA Second Senior Revenue Bonds-1998A Bond Debt Service Reserve Fund Policy on Bonds Maturing 1/1/2028	Thru Maturity	Financial Guaranty Insurance Company Policy #98010516	\$25,642,413	n/a	\$282,067
OTA Second Senior Revenue Bonds-1998A Bond Debt Service Reserve Fund Policy on Bonds Maturing 1/1/2028	Thru Maturity	Financial Guaranty Insurance Company Policy #98010688	\$24,999,338	n/a	\$299,992

Oklahoma Transportation Authority Schedule of Annual Debt Service Requirements

Year Ended Jan. 1	1989 Series First Senior Bonds			1989 Series Subordinate Bonds			Total 1989 Bonds
	Principal	Interest	Total	Principal	Interest	Total	
2001	\$ 210,000	\$ 1,704,406	\$ 1,914,406	\$ 95,000	\$ 377,925	\$ 472,925	\$ 2,387,331
2002	225,000	1,688,761	1,913,761	100,000	370,943	470,943	2,384,704
2003	240,000	1,671,886	1,911,886	110,000	363,543	473,543	2,385,429
2004	255,000	1,653,886	1,908,886	115,000	355,348	470,348	2,379,234
2005	275,000	1,634,506	1,909,506	125,000	346,723	471,723	2,381,229
2006	300,000	1,613,194	1,913,194	135,000	337,192	472,192	2,385,386
2007	320,000	1,589,944	1,909,944	145,000	326,898	471,898	2,381,842
2008	345,000	1,565,144	1,910,144	155,000	315,841	470,841	2,380,985
2009	370,000	1,538,406	1,908,406	170,000	304,023	474,023	2,382,429
2010	405,000	1,509,732	1,914,732	180,000	291,060	471,060	2,385,792
2011	435,000	1,478,888	1,913,888	195,000	277,200	472,200	2,386,088
2012	465,000	1,445,756	1,910,756	210,000	262,185	472,185	2,382,941
2013	500,000	1,410,338	1,910,338	225,000	246,015	471,015	2,381,353
2014	1,855,000	1,372,256	3,227,256	240,000	228,690	468,690	3,695,946
2015	1,980,000	1,251,676	3,231,676	260,000	210,210	470,210	3,701,886
2016	2,110,000	1,122,844	3,232,844	280,000	190,190	470,190	3,703,034
2017	2,250,000	985,463	3,235,463	300,000	168,630	468,630	3,704,093
2018	2,390,000	838,838	3,228,838	325,000	145,530	470,530	3,699,368
2019	2,550,000	682,876	3,232,876	350,000	120,505	470,505	3,703,381
2020	2,720,000	516,376	3,236,376	375,000	93,555	468,555	3,704,931
2021	2,890,000	338,550	3,228,550	405,000	64,680	469,680	3,698,230
2022	2,490,000	149,400	2,639,400	435,000	33,495	468,495	3,107,895
Totals	<u>\$ 25,580,000</u>	<u>\$ 27,763,126</u>	<u>\$ 53,343,126</u>	<u>\$ 4,930,000</u>	<u>\$ 5,430,381</u>	<u>\$ 10,360,381</u>	<u>\$ 63,703,507</u>

(Continued)

Oklahoma Transportation Authority Schedule of Annual Debt Service Requirements

Year Ended Jan. 1	1992 Series First Senior Bonds			1992 Series Second Senior Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 8,765,000	\$ 21,839,069	\$ 30,604,069	\$ 1,610,000	\$ 2,271,600	\$ 3,881,600
2002	9,260,000	21,343,234	30,603,234	1,695,000	2,188,461	3,883,461
2003	9,795,000	20,809,553	30,604,553	1,785,000	2,097,995	3,882,995
2004	10,280,361	20,329,858	30,610,219	1,670,701	2,205,239	3,875,940
2005	10,825,116	19,775,403	30,600,519	1,623,381	2,237,175	3,860,556
2006	12,077,516	19,388,484	31,466,000	575,000	1,937,856	2,512,856
2007	12,689,400	18,778,008	31,467,408	610,000	1,902,780	2,512,780
2008	13,363,430	18,111,603	31,475,033	650,000	1,864,960	2,514,960
2009	14,615,000	16,868,134	31,483,134	690,000	1,825,960	2,515,960
2010	15,495,000	15,994,983	31,489,983	730,000	1,784,560	2,514,560
2011	16,440,000	15,069,246	31,509,246	775,000	1,740,760	2,515,760
2012	17,410,000	14,087,034	31,497,034	820,000	1,694,260	2,514,260
2013	18,440,000	13,046,871	31,486,871	870,000	1,645,060	2,515,060
2014	18,715,000	11,928,593	30,643,593	880,000	1,591,990	2,471,990
2015	19,845,000	10,793,926	30,638,926	935,000	1,538,310	2,473,310
2016	21,065,000	9,590,714	30,655,714	990,000	1,481,276	2,471,276
2017	20,540,000	8,308,807	28,848,807	3,890,000	1,419,400	5,309,400
2018	21,240,000	7,052,738	28,292,738	4,445,000	1,184,376	5,629,376
2019	22,550,000	5,751,787	28,301,787	4,495,000	913,888	5,408,888
2020	23,940,000	4,370,600	28,310,600	4,625,000	641,226	5,266,226
2021	25,470,000	2,904,275	28,374,275	4,470,000	360,588	4,830,588
2022	27,335,000	1,503,425	28,838,425	1,425,000	89,062	1,514,062
Totals	\$ 370,155,823	\$ 297,646,345	\$ 667,802,168	\$ 40,259,081	\$ 34,616,782	\$ 74,875,864

(Continued)

Oklahoma Transportation Authority Schedule of Annual Debt Service Requirements

Year Ended Jan. 1	1992 Series Subordinate Bonds			Total 1992 Series Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 4,110,000	\$ 10,670,453	\$ 14,780,453	\$ 14,485,000	\$ 34,781,122	\$ 49,266,122
2002	4,340,000	10,440,292	14,780,292	15,295,000	33,971,987	49,266,987
2003	4,590,000	10,192,913	14,782,913	16,170,000	33,100,461	49,270,461
2004	4,865,000	9,926,693	14,791,693	16,816,062	32,461,790	49,277,852
2005	5,155,000	9,639,658	14,794,658	17,603,497	31,652,236	49,255,733
2006	5,470,000	9,330,359	14,800,359	18,122,516	30,656,699	48,779,215
2007	5,800,000	8,996,688	14,796,688	19,099,400	29,677,476	48,776,876
2008	6,155,000	8,637,089	14,792,089	20,168,430	28,613,652	48,782,082
2009	6,530,000	8,255,478	14,785,478	21,835,000	26,949,572	48,784,572
2010	6,925,000	7,850,618	14,775,618	23,150,000	25,630,161	48,780,161
2011	7,325,000	7,428,193	14,753,193	24,540,000	24,238,199	48,778,199
2012	7,790,000	6,981,368	14,771,368	26,020,000	22,762,662	48,782,662
2013	8,265,000	6,506,177	14,771,177	27,575,000	21,198,108	48,773,108
2014	8,345,000	6,002,012	14,347,012	27,940,000	19,522,595	47,462,595
2015	8,855,000	5,492,968	14,347,968	29,635,000	17,825,204	47,460,204
2016	9,385,000	4,952,833	14,337,833	31,440,000	16,024,823	47,464,823
2017	9,965,000	4,366,251	14,331,251	34,395,000	14,094,458	48,489,458
2018	10,580,000	3,743,438	14,323,438	36,265,000	11,980,552	48,245,552
2019	11,235,000	3,082,188	14,317,188	38,280,000	9,747,863	48,027,863
2020	11,925,000	2,380,001	14,305,001	40,490,000	7,391,827	47,881,827
2021	12,615,000	1,634,687	14,249,687	42,555,000	4,899,550	47,454,550
2022	13,540,000	846,295	14,386,295	42,300,000	2,438,782	44,738,782
Totals	<u>\$ 173,765,000</u>	<u>\$ 147,356,652</u>	<u>\$ 321,121,652</u>	<u>\$ 584,179,905</u>	<u>\$ 479,619,779</u>	<u>\$ 1,063,799,684</u>

(Continued)

Oklahoma Transportation Authority Schedule of Annual Debt Service Requirements

1998 Series Second Senior Bonds

Year Ended Jan. 1	Principal	Interest	Total
2001	\$ -	\$ 34,956,363	\$ 34,956,363
2002	-	34,956,362	34,956,362
2003	3,520,000	34,956,362	38,476,362
2004	6,550,000	34,811,162	41,361,162
2005	6,850,000	34,511,150	41,361,150
2006	7,165,000	34,192,525	41,357,525
2007	16,825,000	33,814,350	50,639,350
2008	17,705,000	32,930,700	50,635,700
2009	18,725,000	31,912,200	50,637,200
2010	19,755,000	30,882,325	50,637,325
2011	20,795,000	29,845,187	50,640,187
2012	21,885,000	28,753,450	50,638,450
2013	23,035,000	27,604,487	50,639,487
2014	24,240,000	26,395,150	50,635,150
2015	25,485,000	25,153,238	50,638,238
2016	26,790,000	23,847,500	50,637,500
2017	28,130,000	22,508,000	50,638,000
2018	29,535,000	21,101,500	50,636,500
2019	31,010,000	19,624,750	50,634,750
2020	32,565,000	18,074,250	50,639,250
2021	34,190,000	16,446,000	50,636,000
2022	35,900,000	14,736,500	50,636,500
2023	37,695,000	12,941,500	50,636,500
2024	39,580,000	11,056,750	50,636,750
2025	41,510,000	9,127,737	50,637,737
2026	43,585,000	7,052,237	50,637,237
2027	45,820,000	4,818,012	50,638,012
2028	48,165,000	2,469,150	50,634,150
Totals	\$ 687,010,000	\$ 659,478,897	\$ 1,346,488,897

(Continued)

Oklahoma Transportation Authority Schedule of Annual Debt Service Requirements

Total All Bonds

Year Ended Jan. 1	Principal	Interest	Total	Outstanding Principal
2001	\$ 14,790,000	\$ 71,819,816	\$ 86,609,816	\$ 1,286,909,904
2002	15,620,000	70,988,053	86,608,053	1,271,289,904
2003	20,040,000	70,092,252	90,132,252	1,251,249,904
2004	23,736,062	69,282,186	93,018,248	1,227,513,842
2005	24,853,497	68,144,615	92,998,112	1,202,660,345
2006	25,722,516	66,799,610	92,522,126	1,176,937,830
2007	36,389,400	65,408,668	101,798,068	1,140,548,430
2008	38,373,430	63,425,337	101,798,767	1,102,175,000
2009	41,100,000	60,704,201	101,804,201	1,061,075,000
2010	43,490,000	58,313,278	101,803,278	1,017,585,000
2011	45,965,000	55,839,474	101,804,474	971,620,000
2012	48,580,000	53,224,053	101,804,053	923,040,000
2013	51,335,000	50,458,948	101,793,948	871,705,000
2014	54,275,000	47,518,691	101,793,691	817,430,000
2015	57,360,000	44,440,328	101,800,328	760,070,000
2016	60,620,000	41,185,357	101,805,357	699,450,000
2017	65,075,000	37,756,551	102,831,551	634,375,000
2018	68,515,000	34,066,420	102,581,420	565,860,000
2019	72,190,000	30,175,994	102,365,994	493,670,000
2020	76,150,000	26,076,008	102,226,008	417,520,000
2021	80,040,000	21,748,780	101,788,780	337,480,000
2022	81,125,000	17,358,177	98,483,177	256,355,000
2023	37,695,000	12,941,500	50,636,500	218,660,000
2024	39,580,000	11,056,750	50,636,750	179,080,000
2025	41,510,000	9,127,737	50,637,737	137,570,000
2026	43,585,000	7,052,237	50,637,237	93,985,000
2027	45,820,000	4,818,012	50,638,012	48,165,200
2028	48,165,000	2,469,150	50,634,150	-
Totals	\$ 1,301,699,905	\$ 1,172,292,183	\$ 2,473,992,088	



700 Oklahoma Tower
Oklahoma City, OK 73102-5671

**Independent Auditors' Report On Compliance And On Internal Control Over
Financial Reporting Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards**

Members of the Oklahoma Transportation Authority:

We have audited the financial statements of the Oklahoma Transportation Authority (the Authority), as of and for the year ended December 31, 2000, and have issued our report thereon dated March 16, 2001, which includes explanatory paragraphs regarding the adoption of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in 2000. 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.

Compliance

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 and contracts, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Authority members and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 16, 2001



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