Oklahoma Transportation Authority
Management's Discussion and Analysis
Year Ended December 31, 2001

This section of the OTA's annual financial report presents our discussion and analysis of the OTA's financial performance during the fiscal year that ended December 31, 2001. Please read it in conjunction with the transmittal letter in the introductory section of this report and the OTA's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The 2001 net toll revenues reached approximately $164.1 million and were 24.7% higher than 2000 net toll revenues, due primarily to a Systemwide toll rate increase January 1, 2001. Toll transactions for 2001 surpassed 98.5 million, a 13.6% increase over 2000.
- Total operating expenses were approximately $45.9 million in 2001. The 12.2% increase in total operating expenses over 2000 is largely due to the addition of three new extensions to the Turnpike System. Operating expenses for 2001 were held to a significant 8.0% below the annual operating budget.
- Total net assets at December 31, 2001 equaled approximately $232.9 million, a 21.4% increase over total net assets as December 31, 2000.
- Total capital assets (net of depreciation) were approximately $1,213.1 million at December 31, 2001, an increase of 15.9% over December 31, 2000. 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 2001 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 and 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 2001 is an indicator of its strong financial health.

FINANCIAL ANALYSIS OF THE OTA

Net Assets

The OTA's total net assets at December 31, 2001 reached approximately $232.9 million, a 21.4% increase over December 31, 2000. (See Table A-1.) Total assets increased 1.0% to $1,609.3 million, and total liabilities decreased 1.8% to $1,376.4 million.

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

	2001	2000	Percentage Change 2001-2000
Current assets	$ 154.8	$ 141.5	9.4%
Restricted assets	230.1	393.2	(41.5%)
Capital assets	1,213.1	1,046.6	15.9%
Revenue bond issuance costs	11.3	11.9	(5.0%)
Total assets	**1,609.3**	**1,593.2**	**1.0%**
Current liabilities	5.4	8.8	(38.6%)
Liabilities payable from restricted assets	83.7	85.1	(1.6%)
Long-term debt	1,287.3	1,307.4	(1.5%)
Total liabilities	**1,376.4**	**1,401.3**	**(1.8%)**
Net assets:			
Invested in capital assets, net of related debt	(45.7)	(104.2)	(56.1%)
Restricted for debt service	79.2	103.8	(23.7%)
Restricted for reserve maintenance	21.3	19.9	7.0%
Restricted for construction	26.0	38.0	(31.6%)
Restricted for other purposes	2.8	1.6	75.0%
Unrestricted	149.3	132.8	12.4%
Total net assets	**$ 232.9**	**$ 191.9**	**21.4%**

Construction of five new, urban turnpikes which were financed by the 1998 revenue bonds has continued. Three of the new turnpike extensions were completed during 2001. As the construction progresses, a shift occurs from restricted assets (investments) to capital assets (construction work in progress and property and equipment as extensions are completed). Rehabilitation projects included in the 2001 portion of the OTA's Five Year Capital Plan also contribute to the shift from restricted assets to capital assets through funding from the Reserve Maintenance Fund.

The 23.7% 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 has been primarily funded from the proceeds of these bonds and held in an account reserved for this purpose. In mid-2002, this interest reserve will be exhausted, and all interest expense relating to the 1998 revenue bonds will be funded from operating revenues.

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 from any bonds that are 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) for the construction and acquisition of capital assets. When there are significant unspent related bond proceeds, as there were at December 31, 2000, 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. At December 31, 2001, there were no more remaining unspent bond proceeds to consider in this calculation nor the amount restricted for construction.

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. At December 31, 2000, this amount was appropriately net of outstanding amounts payable from bond proceeds. Purchases of capital assets began to be made from the cumulative interest income earned on bond proceeds in the fourth quarter of 2001. Consequently, this reserve has begun 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. As anticipated, this deficit has decreased and will continue to decrease as a portion of the interest expense paid during the period of construction continues to be capitalized and as purchases of capital assets are made from the cumulative interest income earned on bond proceeds. This deficit will further decrease as purchases of capital assets are made from operating revenues and as principal payments are made on the outstanding revenue bonds.

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, 2001 was approximately $41.0 million or 3.3% higher than at December 31, 2000. (See Table A-2.) The OTA's total operating revenues increased by 24.5% to approximately $165.3 million, and total operating expenses increased 22.1% to approximately $93.4 million.

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

	2001	2000	Percentage Change 2001-2000
Operating Revenues:			
Toll revenue	$ 164.1	$ 131.6	24.7%
Concession revenue	1.2	1.2	-
Total operating revenues	**165.3**	**132.8**	**24.5%**
Operating Expenses:			
Operating expenses	45.9	40.9	12.2%
Depreciation and amortization	47.5	35.6	33.4%
Total operating expenses	**93.4**	**76.5**	**22.1%**
Operating income	71.9	56.3	27.7%
Net non-operating expenses	(30.9)	(16.6)	86.1%
Change in net assets	**41.0**	**39.7**	**3.3%**
Total net assets, beginning of the year	191.9	152.2	26.1%
Total net assets, end of the year	**$ 232.9**	**$ 191.9**	**21.4%**

The 24.5% increase in 2001 total operating revenues over 2000 is due in part to the systemwide toll rate increase implemented January 1, 2001. The growing number of miles now open on the new turnpike extensions contributed to the impressive revenue growth rates of 93.9% on the John Kilpatrick Turnpike and 66.3% on the Creek Turnpike above 2000 levels. In addition, the events of September 11, 2001 left many Americans apprehensive about air travel and more people choosing to travel by motor vehicle. The nationwide decline in gasoline prices also influenced this trend.

Three of the five new turnpike extensions were opened to traffic during 2001. The operation and maintenance of these additional miles played a major role in the 12.2% increase in 2001 operating expenses over 2000 operating expenses. All divisions continued to closely monitor operating expenses under the direction of the Authority's Acting Director and Chief Financial Officer. (See Table A-3 for a detail by operating function.) The 33.4% increase in depreciation and amortization expense essentially results from the addition to capital assets of the new extensions and the finalization of projects identified in the Five Year Capital Plan for system maintenance and rehabilitation.

Net non-operating expenses increased 86.1% to approximately $30.9 million in 2001 as compared to 2000. Three components created the $14.3 million increase in non-operating expenses. With overnight maturity rates approximating 1.5% and long term treasury notes with rates around 4.75%, investment income plummeted throughout 2001, decreasing approximately $8.3 million or 29.7% during 2001. This downward trend was further compounded by the terrible shock to America's investment environment caused by the events of September 11, 2001. While these events encouraged toll revenue growth, investment income was adversely impacted, as was the fair value of investments. Unrealized gains declined 27.6% compared to the prior year. Additionally, non-operating expenses increased as interest expense increased approximately $3.7 million over the prior year. The period of construction was completed for the three new extensions which came online in 2001. Therefore, interest expense related to these extensions could no longer be capitalized throughout 2001 and was expensed.

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

	2001	2000	Percentage Change 2001-2000
Toll Operations	$ 11,412	$ 10,687	6.8%
Turnpike Maintenance	13,516	10,627	27.2%
Engineering	2,780	2,243	23.9%
Highway Patrol	8,348	7,674	8.8%
PIKEPASS Operations	4,113	3,911	5.2%
General Administration	1,489	1,395	6.7%
Information Technology	2,216	2,027	9.3%
Controller	722	657	9.9%
Finance and Revenue	888	995	(10.8%)
Executive	375	644	(41.8%)
Authority	9	5	80.0%
Total operating expenses	**$ 45,868**	**$ 40,865**	**12.2%**

All divisions' operating expenses were affected by a legislatively mandated pay increase of $2,000 per employee, implemented on October 1, 2000. A general market salary adjustment for maintenance employees went into effect in January 2001, and a second market salary adjustment for equipment operators went into effect in July 2001.

As anticipated in the 2001 Annual Budget, the additional miles of turnpike added to the System during 2001 resulted in increased maintenance service cost and additional manpower and toll collection equipment maintenance expenditures. Consequently, the Turnpike Maintenance and Toll Operations Division's operating expenses increased 27.2% and 6.8%, respectively, when compared to 2000. Another factor contributing to the increased turnpike maintenance costs in 2001 was the severe winter weather of 2000 extending into early 2001. Large quantities of ice and snow control supplies were required to keep the roads safe for travel and to replenish depleted stockpiles, including provisioning the new salt storage building on the Turner Turnpike. Maintenance crews worked overtime because of the storms. Manpower shortages were supplemented with temporary personnel services. The deterioration caused by the severe winter weather also led to unanticipated shoulder repairs on 14 miles of the Muskogee Turnpike and eight miles of the Indian Nation Turnpike.

Operating expenses for the Engineering Division increased 23.9% in 2001 as compared to 2000. This increase is due primarily to landscaping design costs incurred for the new turnpike extensions after completion of roadway construction and to engineering design work done in anticipation of the reconstruction of the Stroud Interchange on the Turner Turnpike.

The Oklahoma Highway Patrol Division's (OHP) operating expenses increased 8.8% in 2001 over 2000. Seventeen new OHP troopers were assigned to the Turnpike System in 2001. Eight new troopers were added to patrol the sections of the Creek and Kilpatrick Turnpikes that were recently opened, six new troopers replaced personnel that had been reassigned to special projects and three new troopers were added to enhance the size and weights enforcement across the Turnpike System.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2001, the OTA had invested approximately $1,917.9 million in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the OTA's net capital assets at December 31, 2001 totaled approximately $1,213.1 million. (See Table A-4.) This amount represents a net increase (including additions and disposals, net of depreciation) of approximately $166.5 million or 15.9% over December 31, 2000.

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

	2001	2000	Percentage Change 2001-2000
Roads and bridges	$ 464.4	$ 237.1	95.9%
Construction work in progress	299.6	417.1	(28.2%)
Improvements	177.0	151.1	17.1%
Land	160.2	156.6	2.3%
Buildings	19.1	10.5	81.9%
Equipment	22.9	19.3	18.7%
Capitalized interest	69.9	54.9	27.3%
Total net capital assets	**$ 1,213.1**	**$ 1,046.6**	**15.9%**

The opening of the Creek West, John Kilpatrick and H.E. Bailey Norman Spur Turnpike Extensions led to the shift between the capital asset accounts. Construction work in progress decreased 28.2% in 2001 when compared to 2000. Construction costs for the newly opened extensions were reclassified from construction work in progress into roads and bridges and other appropriate capital asset classes, creating the 95.9% increase to roads and bridges.

Finalized rehabilitation and improvements projects identified in the 2001 portion of the Five Year Capital Plan were reclassified from construction work in progress into improvements and other appropriate capital asset classes. These rehabilitation projects, combined with signing and road striping projects, increased improvements 17.1% in 2001 over 2000.

Toll plazas and maintenance buildings constructed on the newly opened turnpike extensions accounted for nearly all of the 81.9% increase in buildings. The toll collection equipment installed on the newly opened extensions is the largest component of the 18.7% increase in equipment in 2001 when compared to 2000. Other toll collection related components include upgrading the ACM machines on the existing system and the planned purchase of new Type II *PIKEPASS* tags to accommodate the growing customer base. Additionally, the budgeted purchase of 27 highway patrol vehicles for routine replacement based on mileage and 12 vehicles for new troopers assigned to the new extensions contributed to the increase in equipment.

The 2002 portion of the OTA's Five Year Capital Plan calls for spending nearly $47.0 million for capital projects. Approximately 77.7% of this funding is allocated to road and bridge rehabilitation projects such as pavement rehabilitation on the Cimarron Turnpike and the construction of toll plazas and salt barns on the Turner Turnpike. The remaining 22.3% is allocated to other capital projects such as additional purchases of the new *PIKEPASS* transponders for new patrons as well as refurbishment efforts.

Additionally, the new, urban turnpike extensions currently under construction are expected to be opened to traffic in 2002. The OTA has no plans to issue additional debt to finance these projects. Instead, the continuing construction of the new, urban turnpike extensions and the 2002 portion of the Five Year Capital Plan will be funded by a combination of resources on hand, 2002 toll revenues, and the cumulative investment earnings from the 1998 revenue bond proceeds.

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, 2001, the OTA had approximately $1,287.3 million in revenue bonds outstanding, a 1.1% decrease from December 31, 2000. The payable to ODOT decreased 16.3% to approximately $40.1 million primarily due to OTA satisfying the terms of its right-of-way use and cooperative construction agreement with ODOT for use of ODOT land along the John Kilpatrick Turnpike Extension and for the construction of the State Highway 59 bridge.

Of the $1,287.3 million in revenue bonds outstanding, approximately $1,075.0 million is insured and rated Aaa by Moody's and AAA by Standard and Poor's (S&P) with a positive rating outlook. The remaining debt is rated A1 by Moody's and A+ by S&P.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Federal Reserve has issued eleven interest-rate-reductions since January 2001 to bolster the U.S. economy, but the September 11 terrorist attacks pushed the already slowing U.S. economy into a decline and ended the longest economic expansion in U.S. history. According to the "2002 State of Oklahoma Outlook - January Update", published by the College of Business Administration of Oklahoma State University, nonagricultural employment in Oklahoma grew slightly over 1.0% for the period of November 2000 to November 2001, while U.S. employment declined almost 0.7% for the same period. Oklahoma's employment growth was the sixth highest nationwide during this period. Neighboring states also experienced employment growth during this period except for Arkansas and Missouri. Manufacturing employment in Oklahoma declined 4.0%, while the national decline in manufacturing employment during this period was 6.6%. The unemployment rate in Oklahoma increased from 2.9% to 4.0% but remains below the national unemployment rate that grew from 4.0% to 5.6%. Residential building permits increased significantly during the first ten months of 2001 above the first ten months of 2000, fueled by low mortgage rates. The rate of permit growth greatly exceeds that of the nation and the west south central region consisting of Arkansas, Louisiana, Oklahoma and Texas.

The first six months of the State of Oklahoma's fiscal year ending June 30, 2002 indicates Oklahoma's overall financial condition remains healthy despite the revenue shortfall declared on December 19, 2001. Oklahoma's greatest weakness has been in the gross production tax on natural gas. Oklahoma's State Board of Equalization made a finding that invokes a trigger mechanism increasing the maximum individual income tax rate from 6.75% to 7.0% and revoking the expansion of a sales tax credit. Oklahoma's general obligation debt load remains modest, and its "Rainy Day Fund" provides room to address unforeseen emergencies.

The OTA's 2002 Annual Budget adopted by the Authority on November 15, 2001 includes approximately $49.9 million for the operating and maintenance budget, $22.7 million for the Reserve Maintenance Fund budget and $24.3 million for the General Fund budget. The operating and maintenance budget consists of $43.7 million for the existing system and $6.2 million for the new extensions and new programs. The amounts budgeted within the Reserve Maintenance and General Fund budgets finance the maintenance, rehabilitation and improvements included in the 2002 portion of the OTA's Five Year Capital Plan. The 2002 Annual Budget also includes a construction budget for the new turnpike extensions still under construction.

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.

KPMG

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210 Park Avenue
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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 27 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 30 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, 2001 and 2000

Assets:	**2001**	**2000**
Current assets:		
Cash and cash equivalents (note 3)	$ 27,321,533	$ 11,559,455
Investments (note 3)	120,764,988	119,475,503
Accounts receivable (note 11)	3,756,349	6,469,988
Accrued interest receivable	1,462,698	1,604,157
Prepaid expenses	130,429	113,487
Materials inventory	1,298,519	2,330,854
Total current assets	154,734,516	141,553,444
Restricted assets (notes 3, 7 and 10):		
Cash and cash equivalents (note 3)	67,580,351	60,326,054
Investments (note 3)	161,535,804	331,751,283
Accrued interest receivable	935,662	1,135,249
Total restricted assets	230,051,817	393,212,586
Capital assets (note 4):		
Land	160,248,029	156,621,995
Construction work in progress	299,578,148	417,107,063
Property and equipment	1,458,028,234	1,134,898,942
Less accumulated depreciation and amortization	(704,708,102)	(662,049,941)
Net capital assets	1,213,146,309	1,046,578,059
Revenue bond issuance costs (net of accumulated amortization of $4,067,541 and $3,546,731 in 2001 and 2000, respectively)	11,340,915	11,861,725
Total assets	1,609,273,557	1,593,205,814
Liabilities:		
Current liabilities:		
Accounts payable (note 11)	5,432,505	8,757,745
Liabilities payable from restricted assets:		
Accounts payable (note 11)	11,887,072	15,246,120
Accrued interest payable	35,494,030	35,909,908
Deferred revenue	12,494,563	11,357,584
Arbitrage rebate payable to U.S. Treasury	8,155,572	7,770,436
Current portion of revenue bonds payable (note 7)	15,620,000	14,790,000
Total liabilities payable from restricted assets	83,651,237	85,074,048
Long-term debt:		
Revenue bonds, net of unamortized discount of $17,061,263 and $17,900,497 in 2001 and 2000, respectively, and of unamortized net deferred debit on refundings of $7,407,421 and $9,516,923 in 2001 and 2000, respectively (note 7)	1,247,193,304	1,259,492,485
Payable to Department of Transportation (note 10)	40,129,728	47,960,927
Total long-term debt	1,287,323,032	1,307,453,412
Total liabilities	1,376,406,774	1,401,285,205
Net assets:		
Invested in capital assets, net of related debt	(45,746,916)	(104,239,299)
Restricted for debt service	79,226,651	103,831,042
Restricted for reserve maintenance	21,284,827	19,915,630
Restricted for construction	25,951,219	38,047,548
Restricted for other purposes	2,848,991	1,569,989
Unrestricted	149,302,011	132,795,699
Commitments and contingencies (note 12)	-	-
Total net assets	$ 232,866,783	$ 191,920,609

See accompanying notes to financial statements

Oklahoma Transportation Authority
Statements of Revenues, Expenses and Changes in Net Assets
Years Ended December 31, 2001 and 2000

	2001	2000
Operating revenues:		
Tolls	$ 164,111,303	$ 131,568,373
Concessions	1,224,089	1,210,650
Total operating revenues	165,335,392	132,779,023
Operating expenses:		
Toll Operations	11,411,893	10,686,961
Turnpike Maintenance	13,515,738	10,627,204
Engineering	2,779,602	2,242,345
Highway Patrol	8,348,423	7,674,364
PIKEPASS Operations	4,112,647	3,911,305
General Administration	1,489,210	1,394,731
Information Technology	2,215,837	2,027,040
Controller	722,142	657,323
Finance and Revenue	888,561	994,617
Executive	374,888	644,241
Authority	9,148	4,976
Total operating expenses before depreciation and amortization	45,868,089	40,865,107
Operating income before depreciation and amortization	119,467,303	91,913,916
Depreciation and amortization (note 4)	(47,561,397)	(35,585,269)
Operating income	71,905,906	56,328,647
Non-operating revenues (expenses):		
Interest earned on investments	19,656,918	27,957,776
Net increase in fair value of investments	5,967,563	8,244,749
Interest expense on revenue bonds outstanding	(57,612,987)	(53,948,003)
Other	1,028,774	1,153,192
Net non-operating expenses	(30,959,732)	(16,592,286)
Change in net assets	40,946,174	39,736,361
Total net assets, beginning of the year	191,920,609	152,184,248
Total net assets, end of the year	$ 232,866,783	$ 191,920,609

See accompanying notes to financial statements

Oklahoma Transportation Authority
Statements of Cash Flows
Years Ended December 31, 2001 and 2000

	2001	2000
Cash flows from operating activities:		
Receipts from patrons	$ 165,673,607	$ 132,932,067
Receipts from concessionaires	1,340,372	1,189,129
Receipts from other sources	576,695	507,803
Payments to suppliers	(24,274,889)	(25,021,932)
Payments to employees	(19,882,934)	(18,157,183)
Net cash flows provided by operating activities	123,432,851	91,449,884
Cash flows from noncapital financing activities:		
Proceeds from motor fuel tax apportionment transfers	31,595,788	33,646,896
Payments to the Department of Transportation (ODOT)	(31,595,788)	(33,646,896)
Payments to ODOT on cooperative construction agreement	(9,267,151)	-
Interest earned and recorded as payable to the Department of Transportation	1,435,952	1,737,558
Net cash flows (used in) provided by noncapital financing activities	(7,831,199)	1,737,558
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(218,363,888)	(281,339,073)
Principal payment to retire revenue bonds	(14,790,000)	(14,015,000)
Interest paid on revenue bonds outstanding	(54,708,046)	(51,034,504)
Net cash flows used in capital and related financing activities	(287,861,934)	(346,388,577)
Cash flows from investing activities:		
Purchase of investments	(199,837,497)	(96,779,453)
Proceeds from sales and maturities of investments	374,731,054	325,856,866
Interest received	19,997,964	27,794,956
Increase in arbitrage funds payable to U.S. Treasury	385,136	2,361,376
Net cash flows provided by investing activities	195,276,657	259,233,745
Net increase in cash and cash equivalents	23,016,375	6,032,610
Cash and cash equivalents, January 1 (including $60,326,054 and $53,550,013 for 2001 and 2000, respectively, reported in restricted assets)	71,885,509	65,852,899
Cash and cash equivalents, December 31 (including $67,580,351 and $60,326,054 for 2001 and 2000, respectively, reported in restricted assets)	$ 94,901,884	$ 71,885,509

See accompanying notes to financial statements

(Continued)

Oklahoma Transportation Authority
Statements of Cash Flows
Years Ended December 31, 2001 and 2000

	2001	2000
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	$ 71,905,906	$ 56,328,647
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	47,561,397	35,585,269
Other non-operating revenue (expense)	1,028,774	1,153,192
Changes in assets and liabilities:		
(Increase) in accounts receivable	(56,572)	(441)
(Increase) decrease in prepaid expense	(16,942)	1,773
Decrease (increase) in materials inventory	1,032,335	(921,055)
Increase (decrease) in accounts payable	840,974	(1,473,560)
Increase in deferred revenue	1,136,979	776,059
Total adjustments	51,526,945	35,121,237
Net cash flows provided by operating activities	$ 123,432,851	$ 91,449,884
Noncash investing, capital, and financing items:		
Unrealized gain/loss on investments	$ 5,967,563	$ 8,244,749
(Disposal) of land in lieu of construction commitment	-	(3,283,297)
Decrease (increase) in entitlements related to acquisition and construction of capital assets	2,770,211	(2,216,876)
(Decrease) in contractual obligations related to acquisition and construction of capital assets	(7,525,262)	(7,221,627)

See accompanying notes to financial statements

Oklahoma Transportation Authority
Notes to Financial Statements
December 31, 2001 and 2000

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Oklahoma Transportation Authority
Notes to Financial Statements
December 31, 2001 and 2000

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

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 an Acting Director and Chief Financial Officer who manages 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 non-operating 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.

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 38, "Certain Financial Statement Note Disclosures" (Statement 38) in 2001, effective January 1, 2000. Statement 38 establishes and modifies certain financial statement note disclosure requirements to make the financial statements more useful in the context of the Statement 34 reporting model. Statement 38 had an impact on the presentation of the notes to the financial statements, but no impact on net assets.

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 are only made in compliance with the Trust Agreement. 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 (see 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 exceeding $500 to $20,000 depending on asset category. 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 2001 and 2000 on the Series 1998A and 1998B Second Senior Revenue Bonds were approximately $34,960,000 for both years. Approximately $16,700,000 and $21,170,000 was capitalized for 2001 and 2000, respectively. The amount of interest income earned on the proceeds of the Series 1998A and 1998B Second Senior Revenue Bonds in 2001 and 2000 was approximately $6,030,000 and $13,790,000, respectively. Construction of three new turnpike extensions was completed during 2001. Consequently, interest expense related to these extensions was no longer capitalized upon completion of construction. 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 approximately $839,000 at December 31, 2001 and 2000 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 both December 31, 2001 and 2000 of approximately $521,000.

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, 2001 and 2000 are approximately $8,156,000 and $7,770,000, 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 2000 financial statements have been reclassified to conform to the 2001 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 Acting Director and Chief Financial Officer is 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 2001.

Note 3. Deposits and Investments

Deposits. At December 31, 2001 and 2000, the carrying amounts of the Authority's cash deposits were ($3,135,514) and $3,988,148, respectively. The bank balances were $1,059,087 and $350,815, respectively. At December 31, 2001 and 2000, the carrying amount and bank balances of the Authority's cash equivalents were $98,037,398 and $67,897,361, 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 2001 and 2000.

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

(1) 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.

(2) GIC with AIG Matched Funding Corporation, a subsidiary of American International Group (AIG) – This GIC bears a yield equal to the rate of 3.651%. 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 January 1, 2003.

The Authority's investments are categorized to give an indication of the level of custodial credit risk assumed by the Authority at December 31, 2001 and 2000. 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 GIC's and open-end mutual funds are not classified in categories of credit risk, because they are direct contractual investments and are not securities.

	Category			Fair
December 31, 2001	**1**	**2**	**3**	**Value**
Unrestricted:				
U.S. Government securities	$ 120,764,988	-	-	$ 120,764,988
Restricted:				
U.S. Government securities	76,815,078	-	-	76,815,078
Guaranteed investment contracts held by Trustee	-	-	-	83,755,412
Mutual funds	-	-	-	965,314
Total investments	$ 197,580,066	-	-	$ 282,300,792

	Category			Fair
December 31, 2000	**1**	**2**	**3**	**Value**
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	$ 224,024,647	-	-	$ 451,226,786

Note 4. Capital Assets

The following schedules summarize the capital assets of the Authority as of December 31, 2001 and 2000:

2001	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 156,621,995	$ 3,664,790	$ (38,756)	$ 160,248,029
Construction work in progress	417,107,063	200,500,858	(318,029,773)	299,578,148
Total capital assets, not being depreciated	573,729,058	204,165,648	(318,068,529)	459,826,177
Capital assets, being depreciated:				
Roads and bridges	607,960,570	247,232,078	-	855,192,648
Improvements	339,549,983	43,949,834	(1,757,988)	381,741,829
Buildings	31,306,129	9,775,471	(178,250)	40,903,350
Equipment	66,578,506	10,352,612	(2,940,357)	73,990,761
Capitalized interest	89,503,754	16,695,892	-	106,199,646
Total capital assets, being depreciated	1,134,898,942	328,005,887	(4,876,595)	1,458,028,234
Less accumulated depreciation for:				
Roads and bridges	(370,905,672)	(19,929,459)	-	(390,835,131)
Improvements	(188,463,979)	(17,893,903)	1,676,649	(204,681,233)
Buildings	(20,808,995)	(1,189,832)	156,512	(21,842,315)
Equipment	(47,281,050)	(6,320,708)	2,549,265	(51,052,493)
Capitalized interest	(34,590,245)	(1,706,685)	-	(36,296,930)
Total accumulated depreciation	(662,049,941)	(47,040,587)	4,382,426	(704,708,102)
Total capital assets, being depreciated, net	472,849,001	280,965,300	(494,169)	753,320,132
Total capital assets, net	$ 1,046,578,059	$ 485,130,948	$ (318,562,698)	$ 1,213,146,309

2000	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	359,150,549	217,889,855	(3,311,346)	573,729,058
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	1,083,668,066	54,461,343	(3,230,467)	1,134,898,942
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	(629,793,370)	(35,064,459)	2,807,888	(662,049,941)
Total capital assets, being depreciated, net	453,874,696	19,396,884	(422,579)	472,849,001
Total capital assets, net	$ 813,025,245	$ 237,286,739	$ (3,733,925)	$ 1,046,578,059

At December 31, 2001 and 2000, depreciation and amortization expense related to capital assets was $47,040,587 and $35,064,459, 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 $516,000,000. 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 2001, 2000 and 1999.

Note 6. Operating Leases

The Authority has entered into various non-cancelable 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 non-cancelable contracts with a 20-year term. Total future minimum rental payments to be received as of December 31, 2001, are approximately:

Year	Minimum Lease Payments
2002	$ 198,480
2003	191,400
2004	191,400
2005	183,400
2006	179,400
Thereafter	885,900
Total	$1,829,980

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 Series 1989 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. Bank of Oklahoma, N.A. 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, 2001 and 2000, the defeased bonds outstanding were $48,505,000 and $59,835,000, 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 Series 1989 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% Series 1991 First Senior Revenue Bonds and $28,000,000 of Series 1991 Second Senior Revenue Bonds, $13,000,000 of which were at rates ranging from 4.5% to 6.3% and $15,000,000 of 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 (1) refunding approximately 94% of the Authority's Oklahoma Turnpike System Series 1989 Revenue Bonds, (2) funding capital costs of certain turnpike projects, and (3) 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 Statements of Net Assets. Approximately 94% of the Series 1989 Revene Bonds were defeased through an escrow deposit with a trustee. Bank One Trust Company serves as the Escrow Trustee on the Series 1989 Revenue Bonds. Defeased 1989 bonds outstanding at December 31, 2001 and 2000, 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 Series 1992 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 (1) 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, (2) pay costs of issuance, and (3) 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 1992 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 $2,762,735 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 2001 and 2000 is $372,083 and $351,844, respectively.

In May 1998, the Authority issued $350,000,000 of Series 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%.

In July 1998, the Authority issued $337,010,000 of Series 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, 2001 and 2000.

2001	Date of Issuance	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Series 1989	02/01/1989	$ 30,510,000	$ -	$ (305,000)	$ 30,205,000	$ 325,000
Series 1992A-E	05/01/1992	541,080,000	-	(12,775,000)	528,305,000	13,500,000
Series 1992F-G	10/01/1992	43,099,905	372,083	(1,710,000)	41,761,988	1,795,000
Series 1998A	05/01/1998	350,000,000	-	-	350,000,000	-
Series 1998B	07/01/1998	337,010,000	-	-	337,010,000	-
Total		$ 1,301,699,905	$ 372,083	$ (14,790,000)	$ 1,287,281,988	$ 15,620,000

2000	Date of Issuance	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Series 1989	02/01/1989	$ 30,795,000	$ -	$ (285,000)	$ 30,510,000	$ 305,000
Series 1992A-E	05/01/1992	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	05/01/1998	350,000,000	-	-	350,000,000	-
Series 1998B	07/01/1998	337,010,000	-	-	337,010,000	-
Total		$ 1,315,363,061	$ 351,844	$ (14,015,000)	$ 1,301,699,905	$ 14,790,000

Additions to long-term debt in 2001 and 2000 represent the current accretion on the capital appreciation bonds.

The revenue bond debt service requirements below are prepared as of December 31, 2001:

Year Ended January 1	Total Revenue Bonds	
	Principal	Interest
2002	$ 15,620,000	$ 70,988,053
2003	20,040,000	70,092,252
2004	23,830,349	69,187,899
2005	24,943,419	68,054,694
2006	25,787,990	66,734,135
2007-2011	205,440,230	303,568,558
2012-2016	272,170,000	236,827,377
2017-2021	361,970,000	149,823,753
2022-2026	243,495,000	57,536,401
2027-2028	93,985,000	7,287,162
	$ 1,287,281,988	$ 1,100,100,284

The Interest and Sinking and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 2001 and 2000 were:

	2001	2000
First Senior Bond Reserve Account	$ 33,950,182	$ 33,966,639
Subordinate Bond Reserve Account	15,273,146	15,273,146
Second Senior Bond Reserve Account	4,699,454	4,649,995

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 $135,226,000 and $109,142,000 for 2001 and 2000, respectively (1) together with the motor fuel excise taxes apportioned to the Authority of approximately $31,596,000 and $33,647,000 for 2001 and 2000, 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 that the Authority is aware of and monitors for compliance throughout the year. The Authority has complied with all bond covenants throughout 2001 and 2000.

As of December 31, 2001 and 2000, the Statements of Net Assets reflect a net deferred debit of approximately $7,407,000 and $9,517,000, 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 reflect 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 of Oklahoma 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 of the 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, 2001. 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	State Employees First $25,000	State Employees Above $25,000 To Cap	The Authority To Salary Cap	The Authority Salary Cap
1999	3.0%	3.5%	12.5%	No Cap
2000	3.0%	3.5%	10.0%	No Cap
2001	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, 2001, 2000 and 1999 were approximately $1,374,000, $1,274,000 and $1,512,000, 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 Series 1989 Revenue 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 2001 and 2000, the Authority received, and subsequently remitted to ODOT $31,595,788 and $33,646,896, respectively, of motor fuel excise taxes.

The amounts frozen at July 1, 1992 (fair value of $ 32,708,892 and $30,490,637 at December 31, 2001 and 2000, respectively) are invested in interest-bearing obligations and with the interest received thereon ($1,595,402 and $1,726,640 during the years ended December 31, 2001 and 2000, respectively) are used to eliminate deficiencies, if any, in available monies to meet revenue bond interest and principal requirements. No deficiencies existed in 2001 or 2000.

Prior to the issuance of the Series 1989 Revenue 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, 2001 and 2000 is $40,129,728 and $47,960,927, respectively, and the annual activity is shown below:

	Beginning Balance	Additions	Retired	Ending Balance
2001	$ 47,960,927	$ 1,435,952	$ (9,267,151)	$ 40,129,728
2000	46,223,369	1,737,558	-	47,960,927

Additions to the liability represent the interest earned on amounts invested, net of gains and losses on the sale of investments. No amounts are due within one year. Retired debt represents the Authority's completion of its obligation relating to a cooperative construction agreement between the Authority and ODOT.

Note 11. Disaggregation of Receivable and Payable Balances

Receivables are primarily comprised of current intergovernmental receivables, representing 72% and 88% at December 31, 2001 and 2000, respectively. Remaining current receivables are comprised of 10% and 3% customer receivables and 18% and 9% other receivables at December 31, 2001 and 2000, respectively.

Payable balances are comprised of 87% and 78% current payables to contractors and vendors and 13% and 22% current intergovernmental payables at December 31, 2001 and 2000, respectively.

Note 12. Commitments and Contingent Liabilities

At December 31, 2001 and 2000, the Authority had commitments outstanding relating to equipment orders and supplies of approximately $11,509,000 and $1,332,000, respectively. At December 31, 2001 and 2000, the Authority had commitments outstanding relating to construction and maintenance contracts of approximately $37,000,000 and $124,200,000, respectively.

In 1993, the Authority adopted a resolution providing that certain funds on deposit in the General Fund shall be set aside, to the extent that funds are available as determined by the Authority by April 30 of each year. These funds shall be used for the purpose of rehabilitating, reconstructing, replacing, renovating, improving or enhancing the Oklahoma Turnpike System. As of December 31, 2001, the cumulative balance set aside by the Authority is $16,390.

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, 2001

Expense Description	Actual Expenses	Budgeted Expenses	Variance (Over)/Under
Authority:			
Contractual services	$ 9,148	$ 20,000	$ 10,852
Capital outlay and contingencies	-	513	513
Total	9,148	20,513	11,365
Controller:			
Personnel services	586,713	597,203	10,490
Contractual services	130,838	128,267	(2,571)
Commodities	2,839	3,700	861
Capital outlay and contingencies	-	18,697	18,697
Total	720,390	747,867	27,477
Turnpike Maintenance:			
Personnel services	6,380,696	6,241,330	(139,366)
Contractual services	3,192,414	3,450,560	258,146
Commodities	2,622,895	2,203,450	(419,445)
Capital outlay and contingencies	44,834	305,008	260,174
Total	12,240,839	12,200,348	(40,491)
Toll Operations:			
Personnel services	7,980,025	9,077,125	1,097,100
Contractual services	2,788,688	3,154,239	365,551
Commodities	253,613	193,599	(60,014)
Capital outlay and contingencies	350,811	364,947	14,136
Total	11,373,137	12,789,910	1,416,773
PIKEPASS Operations:			
Personnel services	1,315,804	1,483,485	167,681
Contractual services	2,010,450	1,850,215	(160,235)
Commodities	36,114	44,850	8,736
Capital outlay and contingencies	577	88,680	88,103
Total	3,362,945	3,467,230	104,285
Highway Patrol:			
Contractual services	7,507,480	8,444,680	937,200
Commodities	354,334	501,322	146,988
Capital outlay and contingencies	1,012,149	1,537,014	524,865
Total	8,873,963	10,483,016	1,609,053
Executive:			
Personnel services	250,512	183,282	(67,230)
Contractual services	130,669	189,100	58,431
Commodities	2,442	3,700	1,258
Capital outlay and contingencies	745	9,643	8,898
Total	384,368	385,725	1,357

(Continued)

Schedule of Actual Operating Expense Compared to Budget
(Prepared on a Non-GAAP Budgetary Basis)
Year Ended December 31, 2001

Expense Description	Actual Expenses	Budgeted Expenses	Variance (Over)/Under
Finance and Revenue:			
Personnel services	$ 436,045	$ 502,097	$ 66,052
Contractual services	346,326	404,065	57,739
Commodities	3,582	5,700	2,118
Capital outlay and contingencies	-	23,381	23,381
Total	785,953	935,243	149,290
Information Technology:			
Personnel services	925,595	983,699	58,104
Contractual services	803,835	814,271	10,436
Commodities	60,613	39,500	(21,113)
Capital outlay and contingencies	128,586	184,448	55,862
Total	1,918,629	2,021,918	103,289
General Administration:			
Personnel services	661,732	636,905	(24,827)
Contractual services	725,399	859,475	134,076
Commodities	84,889	109,225	24,336
Capital outlay and contingencies	47,703	86,605	38,902
Total	1,519,723	1,692,210	172,487
Engineering:			
Personnel services	495,032	520,048	25,016
Contractual services	54,089	92,700	38,611
Commodities	14,648	25,700	11,052
Capital outlay and contingencies	43,730	62,524	18,794
Total	607,499	700,972	93,473
Total expenses	**$ 41,796,594**	**$ 45,444,952**	**$ 3,648,358**

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

	2001	2000
GAAP basis	$ 45,868,089	$ 40,865,107
Increase (decrease) due to:		
Current expenses reclassified as capital assets	1,629,135	1,968,614
Non-Revenue Fund operating expenses	(5,311,361)	(4,460,240)
Other GAAP adjustments	(389,269)	109,309
Budgetary basis	**$ 41,796,594**	**$ 38,482,790**

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2001

	Applicable Interest Rate	Purchase Date	Maturity Date	Original Cost	Fair Value
Unrestricted:					
General Fund:					
American Performance Treasury Fund	- %	12/31/01	Demand	$ 3,761,503	$ 3,761,503
Commercial Paper	1.400	12/31/01	Demand	12,946,548	12,946,548
AMBAC Indemnity Corporation Policy #3452BE	-	06/07/94	Demand	1	1
Bond Investors Guaranty Municipal Bond Insurance Policy #N-2255	-	06/07/94	Demand	1	1
U. S. Treasury Notes	6.250	Various	02/28/02	7,286,015	7,052,500
U. S. Treasury Notes	6.000	Various	07/31/02	2,008,906	2,050,000
U. S. Treasury Notes	5.875	11/09/99	09/30/02	2,001,875	2,060,000
U. S. Treasury Notes	5.750	Various	10/31/02	12,339,218	12,378,780
U. S. Treasury Notes	5.625	Various	12/31/02	2,994,335	3,105,945
U. S. Treasury Notes	5.500	07/15/99	01/31/03	995,468	1,035,940
U. S. Treasury Notes	6.250	10/08/99	02/15/03	2,521,484	2,611,725
U. S. Treasury Notes	5.500	Various	03/31/03	7,483,125	7,795,312
U. S. Treasury Notes	5.750	10/08/99	04/30/03	2,184,875	2,297,625
U. S. Treasury Notes	5.500	Various	05/31/03	5,537,304	5,733,750
U. S. Treasury Notes	5.250	12/10/98	08/15/03	10,030,937	10,403,150
U. S. Treasury Notes	4.250	08/10/01	11/15/03	3,783,984	3,840,243
U. S. Treasury Notes	5.250	06/13/01	05/15/04	5,099,218	5,214,075
U. S. Treasury Notes	6.000	Various	08/15/04	13,479,687	14,331,128
U. S. Treasury Notes	5.875	11/15/00	11/15/04	2,036,093	2,118,130
U. S. Treasury Notes	6.500	Various	05/15/05	8,275,390	8,917,755
U. S. Treasury Notes	5.875	06/13/01	11/15/05	4,497,890	4,782,668
U. S. Treasury Notes	5.750	Various	11/15/05	10,433,593	10,568,750
U. S. Treasury Notes	4.625	Various	05/15/06	10,096,328	10,143,750
U. S. Treasury Notes	6.250	08/31/00	02/15/07	4,066,250	4,323,760
				133,860,028	137,473,039
Revenue Fund:					
American Performance Treasury Fund	-	12/31/01	Demand	677,358	677,358
Commercial Paper	1.400	12/31/01	Demand	11,474,683	11,474,683
				12,152,041	12,152,041
General Fund - Depreciation Reserve:					
American Performance Treasury Fund	-	12/31/01	Demand	16,390	16,390
Total unrestricted cash equivalents & investments				$ 146,028,459	$ 149,641,470

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2001

	Applicable Interest Rate	Purchase Date	Maturity Date	Original Cost	Fair Value
Restricted:					
Reserve Maintenance Fund:					
American Performance Treasury Fund	- %	12/31/01	Demand	$ 100,939	$ 100,939
Commercial Paper	1.400	12/31/01	Demand	2,130,761	2,130,761
U. S. Treasury Notes	6.250	11/19/99	01/31/02	1,513,828	1,506,098
U. S. Treasury Notes	6.625	02/09/00	03/31/02	998,281	1,012,190
U. S. Treasury Notes	6.000	Various	07/31/02	3,758,046	3,843,750
U. S. Treasury Notes	6.375	Various	08/15/02	1,745,351	1,800,313
U. S. Treasury Notes	6.250	08/31/00	08/31/02	500,625	514,533
U. S. Treasury Notes	6.250	Various	02/15/03	1,990,625	2,089,380
U. S. Treasury Notes	4.000	08/10/01	04/30/03	1,710,093	1,737,723
U. S. Treasury Notes	3.875	Various	07/31/03	3,793,535	3,821,493
U. S. Treasury Notes	5.750	01/10/01	08/15/03	1,278,320	1,309,768
U. S. Treasury Notes	4.250	06/13/01	11/15/03	1,496,484	1,536,097
U. S. Treasury Notes	4.750	06/13/01	02/15/04	1,511,953	1,549,222
				22,528,841	22,952,267
1989 Series Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/31/01	Demand	2,806,811	2,806,811
Guaranteed Investment Contract (AIGMFC)	8.510	Various	01/01/22	45,498,173	45,498,173
				48,304,984	48,304,984
Series 1992A-E Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/31/01	Demand	29,810,288	29,810,288
FGIC Municipal Bond Insurance	-	07/22/98	Demand	2	2
U. S. Treasury Notes	5.625	Various	12/31/02	1,582,690	1,646,151
				31,392,980	31,456,441
Series 1992F-G Bond Service and Reserve Accounts:					
American Performance Treasury Fund	-	12/31/01	Demand	2,828,120	2,828,120
FGIC Municipal Bond Insurance Policy #9201056	-	11/16/92	Demand	2	2
				2,828,122	2,828,122

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2001

	Applicable Interest Rate	Purchase Date	Maturity Date	Original Cost	Fair Value
1998 A&B Capitalized Interest:					
American Performance Treasury Fund	- %	12/31/01	Demand	$ 17,277,019	$ 17,277,019
U. S. Treasury Notes	5.750	08/31/00	11/30/02	322,258	336,071
U. S. Treasury Strip	-	07/29/98	05/15/02	6,956,071	8,501,532
				24,555,348	26,114,622
Revenue Reserve Accounts:					
American Performance Treasury Fund	-	12/31/01	Demand	4,537,545	4,537,545
U. S. Treasury Notes	6.250	08/14/00	02/15/03	625,293	652,931
				5,162,838	5,190,476
Arbitrage Rebate Funds:					
American Performance Treasury Fund	-	12/31/01	Demand	1,809,953	1,809,953
U. S. Treasury Notes	5.375	Various	06/30/03	3,487,900	3,646,563
U. S. Treasury Notes	5.875	Various	02/15/04	269,695	284,935
U. S. Treasury Strip	-	12/13/99	05/15/03	3,012,937	3,481,078
				8,580,485	9,222,529
1989 Construction Funds:					
American Performance Treasury Fund	-	12/31/01	Demand	261,165	261,165
1992 Construction Account:					
American Performance Treasury Fund	-	12/31/01	Demand	76,700	76,700
1998 A&B Construction Accounts:					
American Performance Treasury Fund	-	12/31/01	Demand	345,050	345,050
Guaranteed Investment Contract (AIGMFC)	3.651	08/17/01	01/01/03	38,257,239	38,257,239
				38,602,289	38,602,289

(Continued)

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments
as of December 31, 2001

	Applicable Interest Rate	Purchase Date	Maturity Date	Original Cost	Fair Value
Turnpike Trust Fund:					
American Performance Treasury Fund	- %	12/31/01	Demand	$ 3,973,329	$ 3,973,329
U. S. Treasury Notes	5.625	Various	12/31/02	1,000,273	1,035,315
U. S. Treasury Notes	5.500	07/15/99	01/31/03	497,734	517,970
U. S. Treasury Notes	6.250	Various	02/15/03	3,093,078	3,238,539
U. S. Treasury Notes	5.500	Various	05/31/03	1,996,563	2,085,000
U. S. Treasury Notes	3.875	Various	07/31/03	7,063,906	7,133,455
U. S. Treasury Notes	5.250	Various	08/15/03	2,465,719	2,600,788
U. S. Treasury Notes	5.250	02/15/01	05/15/04	1,006,406	1,042,815
U. S. Treasury Notes	6.000	Various	08/15/04	3,541,301	3,768,556
U. S. Treasury Notes	5.750	06/13/01	11/15/05	5,177,344	5,284,375
U. S. Treasury Notes	4.625	12/10/01	05/15/06	2,015,000	2,028,750
				31,830,653	32,708,892
Prepaid PIKEPASS Fund:					
American Performance Treasury Fund	-	12/31/01	Demand	3,203,236	3,203,236
Vanguard Index Trust/500 Port #40	-	Various	Demand	1,143,000	965,314
U. S. Treasury Notes	6.000	Various	07/31/02	2,708,977	2,741,874
U. S. Treasury Notes	6.250	Various	02/15/03	1,004,031	1,044,690
U. S. Treasury Notes	3.875	09/10/01	07/31/03	503,516	509,533
U. S. Treasury Notes	4.250	Various	11/15/03	1,013,734	1,024,065
U. S. Treasury Notes	5.250	06/13/01	05/15/04	305,953	312,845
U. S. Treasury Notes	6.000	Various	08/15/04	1,054,922	1,114,643
U. S. Treasury Notes	6.500	06/09/00	05/15/05	502,344	540,470
U. S. Treasury Notes	4.625	12/10/01	05/15/06	1,511,250	1,521,563
				12,950,963	12,978,233
Total restricted cash equivalents and investments				227,075,368	230,696,720
Cash balance (unrestricted & restricted)				-	(3,135,514)
Total Cash, Cash Equivalents and Investments				$ 373,103,827	$ 377,202,676

Oklahoma Transportation Authority
Schedule of Cash, Cash Equivalents and Investments by Account
as of December 31, 2001

	Total cash, cash equivalents and investments
Unrestricted:	
Revenue Fund	$ 12,274,982
General Fund	135,795,149
General Fund Depreciation Reserve	16,390
Total unrestricted	148,086,521
Restricted:	
Reserve Maintenance Fund	21,740,103
1989 Senior Bond Interest Account	849,952
1989 Senior Bond Reserve Account	31,750,182
1989 Senior Bond Principal Account	226,486
1989 Subordinate Bond Interest Account	186,655
1989 Subordinate Bond Reserve Account	15,191,085
1989 Subordinate Bond Principal Account	100,624
Revenue Bond Reserve Accounts	5,190,476
1992 Series A Interest Account	9,849,142
1992 Series B Interest Account	551,847
1992 Series C Interest Account	5,035,822
1992 Series D Interest Account	421,509
1992 Series E Interest Account	218,940
1992 Series F Interest Account	471,821
1992 Series G Interest Account	549,596
Series 1992 B Reserve Account	1,708,978
Series 1992 C-E Reserve Accounts	82,061
Series 1992 A-E Principal Accounts	13,588,142
Series 1992 F and G Principal Accounts	1,806,705
1998 Series A and B Second Senior Interest Accounts	8,575,960
1998 Series A and B Capitalized Interest Accounts	17,959,036
Turnpike Trust Fund	32,708,892
Arbitrage Rebate Fund	9,222,529
1989 Bond Construction Accounts	261,165
1992 Bond Construction Accounts	76,700
1998 Bond Construction Accounts	36,656,749
Prepaid PIKEPASS Fund	14,134,998
Total restricted	229,116,155
Total cash, cash equivalents and investments	$ 377,202,676

Oklahoma Transportation Authority
Schedule of Insurance in Force
as of December 31, 2001

Coverage	Policy Term	Policy	Coverage		Deductible	Annual or Last Premium
Fire & extended coverage for buildings and contents, bridges, and computers	07-01-01/02	State of Oklahoma Certificate #978	$35,158,625 $480,554,333	Buildings & contents Bridges (100%)	$10,000 $200,000	$126,799
Auto liability	10-01-01/02	State of Oklahoma Certificate #978	$175,000 $25,000 $1,000,000	Bodily injury Property damage Per occurrence	$250 (all claims)	$58,560
Comprehensive general liability, and personal injury liability	07-01-01/02	State of Oklahoma Certificate #978	$175,000 $25,000 $1,000,000	Bodily injury Property damage Per occurrence	$500 (all claims)	$37,823
Director's & Officer's insurance	07-15-01/ 04-15-02	State of Oklahoma Certificate #978	$35,000,000 $5,000,000	Aggregate Per occurrence	$150,000	$5,537
Special machinery	12-07-01/02	Hartford Ins. Group Policy #38 MS GR4686	$400,000 $195,000	Bridge machine Paint striping machine	$50,000 $50,000	$3,118
Aircraft hull & liability	10-01-01/02	State of Oklahoma	$208,500 $1,000,000 $175,000	Property damage Liability Passenger	$100 /NIM $500 /IM	$3,043
Workers compensation	01-01-02/03	CompSource Oklahoma #00338640	$100,000	Employee injuries	$0	$328,738
Health benefits	01-01-02/03	State of Oklahoma #0001	Various	Life, hospital surgical, major medical, and dental	Various	$1,964,399
Surety bond	02-16-01/02	Granite RE, Inc. #GR0118	$25,000	Fred J. Hall	n/a	$100
Surety bond	03-30-01/02	The Hartford #606761409	$25,000	Robert M. Kane	n/a	$100
Surety bond	07-01-01/02	American States #EX 946513	$25,000	Albert C. Kelly, Jr.	n/a	$163
Surety bond	05-07-01/02	Fidelity & Deposit Co. of Maryland #8203352	$100,000	Steve LaForge	n/a	$375
Surety bond	07-01-01/02	Travelers Casualty #40S1033847541BCM	$25,000	James Caudle	n/a	$100
Surety bond	01-01-02/03	Travelers Casualty #40S103384757	$25,000	Dewey F. Bartlett, Jr.	n/a	$100

(Continued)

Oklahoma Transportation Authority
Schedule of Insurance in Force
as of December 31, 2001

Coverage	Policy Term	Policy	Coverage	Deductible	Annual or Last Premium
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	Municpal 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, 2001

Coverage	Policy Term	Policy	Coverage	Deductible	Annual or Last Premium
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	
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	$ 25,370,000	$ 26,058,720	$ 51,428,720	$ 4,835,000	$ 5,052,456	$ 9,887,456	$ 61,316,176

(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
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	10,310,211	20,300,008	30,610,219	1,735,138	2,140,802	3,875,940
2005	10,853,800	19,746,720	30,600,520	1,684,619	2,175,937	3,860,556
2006	12,142,990	19,323,009	31,465,999	575,000	1,937,856	2,512,856
2007	12,752,025	18,715,383	31,467,408	610,000	1,902,780	2,512,780
2008	13,423,205	18,051,828	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	$ 361,637,231	$275,560,868	$ 637,198,099	$ 38,774,757	$ 32,219,507	$ 70,994,264

(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
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	16,910,349	32,367,503	49,277,852
2005	5,155,000	9,639,658	14,794,658	17,693,419	31,562,315	49,255,734
2006	5,470,000	9,330,359	14,800,359	18,187,990	30,591,224	48,779,214
2007	5,800,000	8,996,688	14,796,688	19,162,025	29,614,851	48,776,876
2008	6,155,000	8,637,089	14,792,089	20,228,205	28,553,877	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	$ 169,655,000	$ 136,686,199	$ 306,341,199	$ 570,066,988	$ 444,466,574	$ 1,014,533,562

(Continued)

Oklahoma Transportation Authority
Schedule of Annual Debt Service Requirements

Year Ended Jan. 1	1998 Series Second Senior Bonds Principal	Interest	Total
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	$ 624,522,534	$ 1,311,532,534

(Continued)

Oklahoma Transportation Authority
Schedule of Annual Debt Service Requirements

Year Ended Jan. 1	Total All Bonds			
	Principal	Interest	Total	Outstanding Principal
2002	$ 15,620,000	$ 70,988,053	$ 86,608,053	$ 1,271,661,988
2003	20,040,000	70,092,252	90,132,252	1,251,621,988
2004	23,830,349	69,187,899	93,018,248	1,227,791,639
2005	24,943,419	68,054,694	92,998,113	1,202,848,220
2006	25,787,990	66,734,135	92,522,125	1,177,060,230
2007	36,452,025	65,346,043	101,798,068	1,140,608,205
2008	38,433,205	63,365,562	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	48,165,000
2028	48,165,000	2,469,150	50,634,150	-
Totals	$ 1,287,281,988	$ 1,100,100,284	$ 2,387,382,272	

KPMG

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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