

COMPREHENSIVE ANNUAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2020



**OKLAHOMA CITY
DEPARTMENT OF AIRPORTS**

OKLAHOMA CITY DEPARTMENT OF AIRPORTS

A DEPARTMENT OF THE CITY OF OKLAHOMA CITY, OKLAHOMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

**PREPARED BY THE DEPARTMENT OF AIRPORTS
FINANCE DIVISION
OKLAHOMA CITY, OKLAHOMA**

OKLAHOMA CITY DEPARTMENT OF AIRPORTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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400 BC

*Kites are thought to be the first
example of man-made flight.*



INTRODUCTORY SECTION

**Containing the
Following Subsections:**

Letter of Transmittal
Organization Chart
Principal Officials
Certificate of Achievement



The City of
OKLAHOMA CITY
DEPARTMENT OF AIRPORTS

November 20, 2020

Honorable Mayor and City Council
Trustees of the Oklahoma City Airport Trust

We are pleased to present the Oklahoma City Department of Airports' (Department) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This report was prepared by the Department's Finance Division, using accounting principles generally accepted in the United States of America (US GAAP). The accuracy, completeness and fairness of the presented information are the responsibility of the Department. We believe that the information presented is accurate in all material respects and that all necessary disclosures are included to enable the reader to gain an understanding of the Department's financial activity.

Management's Discussion and Analysis (MD&A) in the Financial Section of this report contains a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The Reporting Entity

The Department combines and reports on the financial transactions of the Oklahoma City Airport Trust (Trust), a discrete component unit of The City of Oklahoma City (City) and the Airports Fund, a non-major enterprise fund of the City. References to the Department include the Trust and the Airports Fund unless specifically designated otherwise.

The Trust is a public trust established in 1956 pursuant to Title 60 of the Oklahoma Statutes, Section 176 et seq. to provide a means of financing and administering the construction of the City's airports and air navigation facilities. The Trust is a legal entity separate and distinct from the City; however, the City is the sole beneficiary of the Trust. Despite the legal distinction and due to the integral relationship, the Trust's financial position is reported as a discretely presented component unit of the City through the Department of Airports.

The documents establishing and describing the legal and operational relationship between the City and the Trust provide that all City owned airport-related assets (as of the date of inception, as well as property acquired thereafter) would be leased to the Trust and that the Trust will lease or otherwise manage the related property and improvements financed by the Trust.

All user fees and revenues generated from the Trust estate are deposited to the Trust and are used to repay the revenue bonds or other debt instruments issued by the Trust. The Trust does not have the power to levy taxes and the City has no obligation for debt issued by the Trust.

Cash transfers are made monthly from the Trust to the Airports Fund for certain maintenance and operating expenses and salaries of all Department employees paid by the City to support the operations of the airport system. Assets contributed to the Department from the City are recorded along with their applicable annual depreciation in the Airports Fund for internal accounting purposes.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Transmittal Letter

June 30, 2020

Fund structure has been designed to comply with legal requirements of the Oklahoma Statutes and the legal requirements of various bond indentures. All revenues generated by these assets will accrue to the Trust to such date all indebtedness authorized by the Bond Indenture and Supplemental Bond Indentures have been paid or provision for payment thereof have been made, whichever event shall happen later. Currently, this date is July 1, 2047. The Trustees must secure prior approval from the Mayor and City Council on the terms of any contract or lease agreement of any of the facilities of the airports, and the amount of any uniform rate, fee or charge to be imposed. The Trustees may authorize the issuance of revenue bonds only with the consent of the Mayor and City Council.

The persons occupying the office of the Mayor and City Manager, as well as a City Council member and two independent trustees who are citizens and residents of the City appointed by the Mayor and confirmed by the Council, serve as trustees of the Trust. The Director of Airports is designated by the City Manager and serves as General Manager of the Trust.

The City's airport system is comprised of Will Rogers World Airport (a small hub commercial airport), Wiley Post Airport and Clarence E. Page Airport (general aviation airports).

Economic Conditions and Outlook

The airport system primarily serves central and western Oklahoma and serves as an exciting aviation gateway to Oklahoma City which enhances and compliments the City's redevelopment projects. Local population and the economy of the service area have a direct impact on passenger and cargo activity and aircraft operations because of the origin-destination needs of the users.

The coronavirus pandemic has cast a large shadow over the economic outlook for Oklahoma City and the country as a whole. The economic contraction in the US was unprecedented as local, state and federal leaders worked through impacts of the contraction caused by the measures designed to suppress the transmission of coronavirus. The collapse in oil prices that occurred as a result of the dramatic reduction in global oil demand as a result of the pandemic has had a significant impact on the oil and gas industry worldwide and Oklahoma was no exception. From June of 2019 to June 2020, Oklahoma experienced a 90% reduction in active drilling rigs dropping from 100 active rigs to just 10. Going back just a year more to June 2018, Oklahoma had 140 drilling rigs working in the state. The contraction in the oil and gas industry has been dramatic and the effects will continue to ripple through the economy as firms in every facet of the oil and gas industry continue to cut back on staff and expenses.

Going forward, Oklahoma City has a number of factors in its favor when the threat of coronavirus is lifted. The cost of living and the cost of doing business are consistently rated among the best in the country. In addition, low commuting times, convenient airline travel, and excellent entertainment and sports opportunities make Oklahoma City a great place for businesses and residents.

Oklahoma City is being recognized more and more as a great place to work, live and visit. As evidence, the Oklahoma City metropolitan area became the 25th largest metro area in the United States this year. Zillow ranked Oklahoma City No. 1 out of 42 large metro areas nationwide for tech companies and start-ups to expand. The study focused on these five factors: housing affordability, market "hotness," demographics & labor, tech availability and livability. Oklahoma City was named to Travel+Leisure's Top 50 Destinations worldwide in 2020 and was one of only seven destinations in the United States.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Transmittal Letter

June 30, 2020

Oklahoma City's commercial airport, Will Rogers World Airport, saw a significant decrease to enplaned passengers of 26.02% in fiscal year 2020 compared to fiscal year 2019. The decrease is attributable to COVID-19 global pandemic. The Trust received \$21,942,000 in Coronavirus Aid, Relief and Economic Securities (CARES) Act. The Trust is currently utilizing these funds for debt service, payroll, and other contractual services.

Capital Planning

The Department participates in the capital planning process along with other City departments. The City adopts policies and procedures for the coordination of public improvements of all City-related entities through a Capital Improvement Plan (CIP). The goal of the CIP is to improve service to the community by adopting a CIP, which will not jeopardize financial condition and will fund capital improvements at a realistic and achievable level. The CIP consists of a general five-year plan, which is updated annually.

Each year, the Department hosts a joint planning conference for tenants of the City's three airports and Federal Aviation Administration (FAA) officials. Input during the conference helps the Department identify projects, assess possible funding sources, and determine time frames for planning the implementation of the projects based on critical needs and funding sources.

Capital projects at the City's three airports are all funded through the Trust. As part of the annual budget cycle, construction projects are listed along with their estimated project life begin and end years, estimated costs for the budget year, and an estimated total project cost. The Trust's 2021 capital budget is \$54,600,000.

The capital plan for Will Rogers World Airport includes the following projects: (1) Terminal expansion for \$21,800,000, (2) station two for \$4,900,000, (3) upper deck structural repair for \$4,500,000, (4) Terminal access road rehabilitation for \$4,900,000, and (5) various other improvements for \$6,600,000.

The capital plan for the general aviation airports Wiley Post Airport and C. E. Page Airport includes various projects for \$2,500,00.

The capital plan for the Mike Monroney Aeronautical Center located at Will Rogers World Airport includes various projects for \$9,400,000.

Sources of funds to purchase, construct, and improve these capital assets will come from federal grants, revenue bond proceeds, oil and gas revenues, and operating revenues.

Internal Control Structure and Budgetary Controls

The internal control structure of the Department is designed to provide reasonable assurance that the assets of the Department are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with US GAAP. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management.

The Department prepares annual budgets for the Trust and the Airports Fund. Certain maintenance and operating expenses and salaries for all Department employees are budgeted in the Airports Fund. This appropriated budget is prepared on the cash and expenditures/encumbrances basis and is subject to budget requirements under the City Charter and Oklahoma Municipal Budget Act. Remaining

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Transmittal Letter

June 30, 2020

airport-related expenses are budgeted in the Trust. The Oklahoma Statutes require public trusts to prepare annual budgets and submit them to the beneficiary of the Trust.

Financial Policies

The Trust’s financial policies are shaped by state law and bond indentures and are established by the Trustees. The Airports Fund financial policies are shaped by state law and established by City Council. Financial policies include budgeting and financial planning, capital planning, revenue, investment, debt management, procurement, and accounting and auditing. Annual operating and capital budgets for the Airports Fund and the Trust are reflective of the established policies. The Department has been evaluating revenue policies and undertaken a project to establish a leasing policy that will require market-based lease rates to include a cost recovery component for airport funded infrastructure improvements.

Independent Audit

The financial records of the Department are audited each year by an independent certified public accountant. The accounting firm of Allen, Gibbs & Houlik, L.C. was selected to perform the fiscal year 2020 audit. The report of independent certified public accountants is included in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Oklahoma City Department of Airports for its CAFR for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Department has received a Certificate of Achievement for the last twenty-seven fiscal years ended 1992 – 2019. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The quality of the financial information in this CAFR is a result of the dedicated service that the Department’s Finance Division staff provides to the Department throughout the year. We extend our appreciation to the Division for the commitment they have made toward financial integrity of the Oklahoma City airports. We also extend our thanks to all members of the airport staff for their dedication in supporting our City’s aviation system.

Respectfully submitted,



Mark D. Kranenburg, AAE
Director of Airports



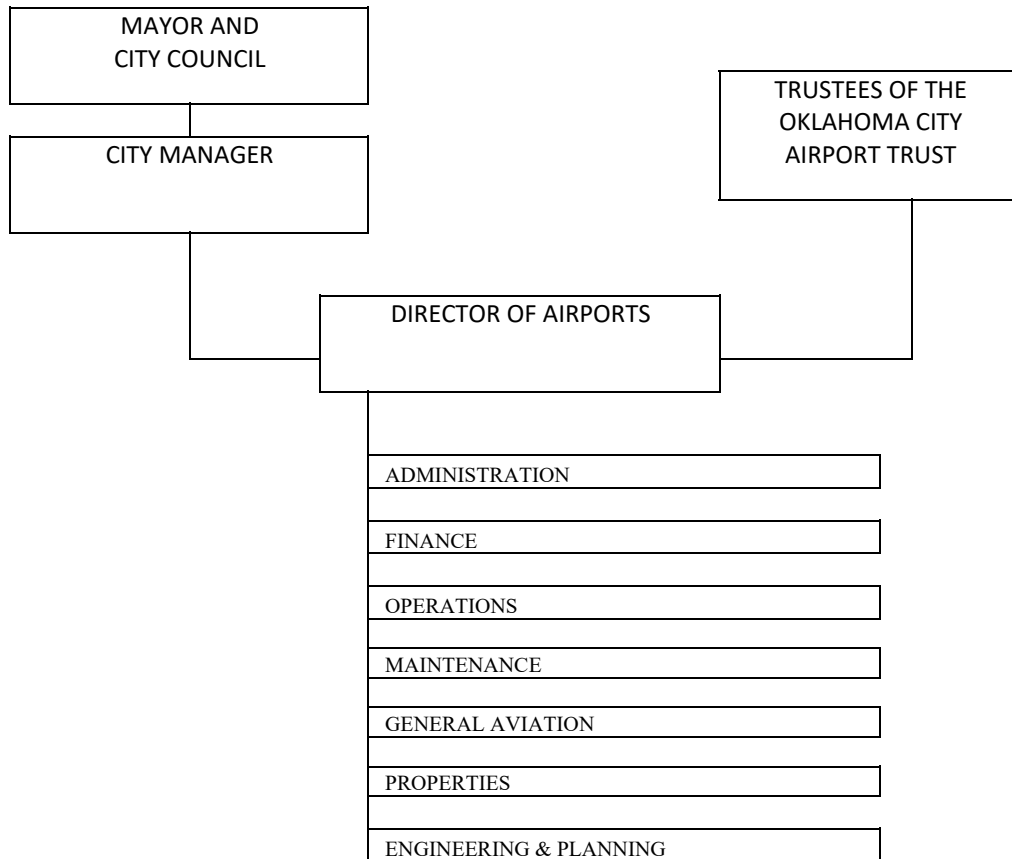
Tara Summerlin
Business Manager

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Organization Chart

June 30, 2020

ORGANIZATION CHART



OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Principal Officials

June 30, 2020

Mayor and City Council

David Holt, Mayor
James Greiner, Ward 1
James Cooper, Ward 2
Larry McAtee, Ward 3
Todd Stone, Ward 4
David Greenwell, Ward 5
JoBeth Hamon, Ward 6
Nikki Nice, Ward 7
Mark K. Stonecipher, Ward 8

Trustees of the Oklahoma City Airport Trust

Larry McAtee, Chairman, Trustee-Council Member
Kirk Humphreys, Vice Chairman, Independent Trustee
David Holt, Trustee-Mayor
David Greenwell, Surrogate Trustee-Mayor
Craig Freeman, Trustee-City Manager
Aubrey McDermid, Surrogate Trustee-City Manager
Terry Salmon, Independent-Trustee

City Manager's Office

Craig Freeman, City Manager
Aubrey McDermid, Assistant City Manager

Department of Airports

Mark D. Kranenburg, Director
Scott L. Keith, Assistant Director
Tara Summerlin, Business Manager
Jim B. Thrash, Operations Manager
Kristy Slater, General Aviation Manager
John Storms, Civil Engineer IV
Tiffany Lawson, Properties Manager
Don Kortemeier, Maintenance Manager
Robert Scarberry, Systems Analyst III
Josh Ryan, Acting Marketing & Public Information Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Oklahoma City Department of Airports

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

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*XV century
Leonardo da Vinci designed plans
for several flying machines after
studying the flight of birds.
He never built any of his designs.*



FINANCIAL SECTION

**Containing the
Following Subsections:**

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma City Department of Airports
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Oklahoma City Department of Airports (Department), which includes a discretely presented component unit and a non-major enterprise fund of the City of Oklahoma City, Oklahoma (City), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Department as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2, the financial statements of the Department are intended to present the financial position, the changes in financial position, cash flows of only that portion of the discretely presented component unit (the Oklahoma City Airport Trust), and the non-major enterprise fund (the Airports Fund) of the City of Oklahoma City, Oklahoma that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the City of Oklahoma City, Oklahoma as of June 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 2, the financial statements disclose the recent and on-going impacts of COVID-19 on the Department's operations and implementation of financial and operational measures. Our opinions are not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2019, from which such summarized information was derived.

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying budget versus actual schedule, introductory, and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budget versus actual schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget versus actual schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2020
Wichita, KS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Department of Airports (Department) annual financial report, the Department's management provides narrative discussion and analysis of the financial activities of the Department for the fiscal years ended June 30, 2020 and 2019. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Management's Discussion and Analysis (MD&A) introduces the Department's basic financial statements. The basic financial statements of the Department comprise two components: (1) department-wide financial statements of the Oklahoma City Department of Airports; and (2) notes to the financial statements. The Oklahoma City Airport Trust (Trust) and Airports Fund are both reported as major funds in the Department's Comprehensive Annual Financial Report (CAFR). However, the Trust is a discretely presented component unit of the City of Oklahoma City (City) within the City's CAFR. The Airports Fund is reported as a non-major fund within the City's CAFR.

The City's airport system is comprised of Will Rogers World Airport (WRWA), Wiley Post Airport (WPA), and Clarence E. Page Airport (CEPA).

Department-wide Financial Statements

The Statement of Net Position presents information that includes all the Department's assets, liabilities, and deferred outflows and inflows of resources with the difference reported as "net position". Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department as a whole is improving or deteriorating.

The Statement of Revenues, Expenses, and Change in Net Position reports how the Department's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The Statement of Cash Flows reports the inflows and outflows of the Department's cash.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities and objectives. The Department uses funds to ensure and demonstrate compliance with laws, regulations, and legal restrictions.

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

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
June 30, 2020

Financial Position Summary and Highlights

The following table provides a summary of the Department's net position for the following years:

	2020	2019	2018	\$ Change		% Change	
				2020	2019	2020	2019
Assets:							
Current and other assets	\$ 268,088,513	\$ 285,700,921	\$ 172,825,453	\$ (17,612,408)	\$ 112,875,468	(6.2)%	65.3%
Capital assets	502,145,272	474,140,165	469,040,989	28,005,107	5,099,176	5.9	1.1
Total assets	<u>770,233,785</u>	<u>759,841,086</u>	<u>641,866,442</u>	<u>10,392,699</u>	<u>117,974,644</u>	1.4	18.4
Deferred Outflows of Resources	<u>10,812,944</u>	<u>2,088,033</u>	<u>1,815,127</u>	<u>8,724,911</u>	<u>272,906</u>	417.9	15.0
Liabilities:							
Current liabilities	24,977,525	22,646,810	14,870,202	2,330,715	7,776,608	10.3	52.3
Noncurrent liabilities	166,924,920	170,605,261	81,594,510	(3,680,341)	89,010,751	(2.2)	109.1
Total liabilities	<u>191,902,445</u>	<u>193,252,071</u>	<u>96,464,712</u>	<u>(1,349,626)</u>	<u>96,787,359</u>	(0.7)	100.3
Deferred Inflows of Resources	<u>5,569,262</u>	<u>4,806,079</u>	<u>2,030,634</u>	<u>763,183</u>	<u>2,775,445</u>	15.9	136.7
Net Position:							
Net investment in capital assets	399,664,752	395,098,444	392,540,380	4,566,308	2,558,064	1.2	0.7
Restricted	88,170,842	82,575,859	69,826,955	5,594,983	12,748,904	6.8	18.3
Unrestricted	95,739,427	86,196,666	82,818,888	9,542,761	3,377,778	11.1	4.1
Total net position	<u>\$ 583,575,021</u>	<u>\$ 563,870,969</u>	<u>\$ 545,186,223</u>	<u>\$ 19,704,052</u>	<u>\$ 18,684,746</u>	3.5	3.4

Department of Airports overall financial position has improved in FY 2020.

An analysis of changes in assets, liabilities and deferred outflows and inflows of resources for the year ended June 30, 2020 is as follows in approximate amounts:

- The net decrease in current and other assets less current liabilities of approximately \$15,282,000 is primarily the result of the following: (1) decrease of \$30,562,000 due to funding construction payments and capitalized interest payments until Terminal Expansion project is complete, (2) increase of \$795,000 related to current bonds payable, (3) increase of \$3,622,000 related to escrow amounts for improvements to tenant facilities as required by tenant leases, (4) increase of \$9,220,000 related to assets restricted for debt service payments, (5) increase of \$729,000 in PFC assets set aside for future debt service payments, (6) increase of \$236,000 in CFC assets for the operations and maintenance of the Conrac facility and buses as required by tenant leases, (7) a decrease of \$2,268,000 related to operations.
- The increase in capital assets of approximately \$28,005,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$57,349,000, (2) depreciation of \$28,729,000.
- The decrease in noncurrent liabilities of approximately \$3,680,000 is the result of the following: (1) net decrease of \$3,925,000 due to the redemption of revenue bonds, (2) decrease of \$78,000 related to compensated absences, and (3) increase of \$323,000 related to OPEB obligations.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Management's Discussion and Analysis

June 30, 2020

An analysis of changes in assets, liabilities and deferred outflows and inflows of resources for the year ended June 30, 2019 is as follows in approximate amounts:

- The net increase in current and other assets less current liabilities of approximately \$105,099,000 is primarily the result of the following: (1) increase of \$99,694,000 due to increase related to investments and cash as a result of the holding of Junior Lien 33 proceeds in the Construction Fund to fund construction payments and capitalized interest payments until Terminal Expansion project is complete, (2) increase of \$2,460,000 related to current bonds payable, (3) decrease of \$6,519,000 related to escrow amounts for improvements to tenant facilities as required by tenant leases, (4) increase of \$3,137,000 related to assets restricted for debt service payments, (5) increase of \$4,479,000 in PFC assets set aside for future debt service payments, (6) increase of \$1,248,000 in CFC assets for the operations and maintenance of the Conrac facility and buses as required by tenant leases, (7) an increase of \$11,247,000 related to operations.
- The decrease in net capital assets of approximately \$2,558,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$28,834,000, (2) depreciation of \$27,388,000, (3) disposition of assets with net book value of \$160,000.
- The increase in noncurrent liabilities of approximately \$89,011,000 is the result of the following: (1) net increase of \$91,420,000 due to the issuance of Junior Lien 33 bonds, (2) increase of \$170,000 related to compensated absences, and (3) decrease of \$2,579,000 related to OPEB obligations.

An analysis of components of net position for the years ended June 30, 2020 and 2019 is as follows:

- Approximately sixty-eight percent of the Department's net position represents its investment in capital assets, net of related debt. The Department uses its capital assets to provide facilities for the servicing of aircraft, or for the comfort and accommodations of air travelers, or for use by aviation authorities or agencies of other government entities. Although the Department's investment in its capital assets is reported net of related debt, the resources required to pay the debt are provided primarily from operations. The increase is primarily attributable to completing airfield, building, and infrastructure improvement projects at both Will Rogers World Airport and Wiley Post, and on-going construction improvement projects funded by capital grants at all three airports.
- Restricted net position represents resources that are subject to external restrictions as to how they can be used as required by bond indentures, contractual agreements with tenants, or by federal and state regulations. For the year ended 2020 restricted net position for debt service increased approximately \$1,966,000 from the prior year and restricted net position for maintenance and capital asset's increased approximately \$3,618,000 from the prior year.
- Unrestricted net position may be used to meet any of the Department's ongoing operations. Although these funds are not externally restricted, it is the intent of the Trustees and the Department's management to utilize available funds for capital projects at the City's three airports and continuing operations.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
June 30, 2020

Financial Operations Summary and Highlights

The following table provides a summary of the Department's changes in revenues, expenses, contributions, and donated assets for the following years:

				\$ Change		% Change	
	2020	2019	2018	2020	2019	2020	2019
Operating revenues							
Parking	\$ 12,911,923	\$ 14,540,397	\$ 13,244,922	\$ (1,628,474)	\$ 1,295,475	(11.2)%	9.8%
Landing fees	6,641,666	6,609,353	8,624,918	32,313	(2,015,565)	0.5	(23.4)
Customer facility charges	4,454,522	5,627,407	5,507,073	(1,172,885)	120,334	(20.8)	2.2
Rental Income	14,179,367	14,508,340	14,349,197	(328,973)	159,143	(2.3)	1.1
Other, net	20,754,942	21,650,892	21,114,783	(895,950)	536,109	(4.1)	2.5
	<u>58,942,420</u>	<u>62,936,389</u>	<u>62,840,893</u>	<u>(3,993,969)</u>	<u>95,496</u>	<u>(6.3)</u>	<u>0.2</u>
Nonoperating revenues							
Investment income	3,689,926	4,717,387	1,279,868	(1,027,461)	3,437,519	(21.8)	268.6
Oil and gas royalties	759,482	2,123,125	1,264,062	(1,363,643)	859,063	(64.2)	68.0
Refunds & Reimbursements	-	-	86,201	-	(86,201)	-	100.0
Passenger facility charges	6,081,512	8,486,348	7,944,255	(2,404,836)	542,093	(28.3)	6.8
Grants income	263,518	262,800	262,799	718	1	0.3	-
Other Nonoperating revenues	148,530	106,044	12,178	42,486	93,866	40.1	770.8
Total nonoperating revenues	<u>10,942,968</u>	<u>15,695,704</u>	<u>10,849,363</u>	<u>(4,752,736)</u>	<u>4,846,341</u>	<u>(30.3)</u>	<u>44.7</u>
Total revenues	<u>69,885,388</u>	<u>78,632,093</u>	<u>73,690,256</u>	<u>(8,746,705)</u>	<u>4,941,837</u>	<u>(11.1)</u>	<u>6.7</u>
Operating expenses							
Personal services	12,448,170	11,423,324	11,028,574	1,024,846	394,750	9.0	3.6
Maintenance, operations, and contractual services	21,077,074	20,614,678	20,220,895	462,396	393,783	2.2	1.9
Material and supplies	1,960,374	1,924,581	1,766,475	35,793	158,106	1.9	9.0
Depreciation	28,729,451	26,753,263	27,385,627	1,976,188	(632,364)	7.4	(2.3)
Total operating expenses	<u>64,215,069</u>	<u>60,715,846</u>	<u>60,401,571</u>	<u>3,499,223</u>	<u>314,275</u>	<u>5.8</u>	<u>0.5</u>
Nonoperating expenses							
Interest	5,038,844	4,892,800	2,483,500	146,044	2,409,300	3.0	97.0
Amortization	(924,541)	(823,929)	(6,068)	(100,612)	(817,861)	12.2	13,478.3
Bond issuance	386,074	825,151	228,309	(439,077)	596,842	(53.2)	100.0
Bond insurance	-	-	3,722	-	(3,722)	-	(100.0)
Loss on disposition of assets	(109,981)	160,046	775,453	(270,027)	(615,407)	(168.7)	(79.4)
Total nonoperating expenses	<u>4,390,396</u>	<u>5,054,068</u>	<u>3,484,916</u>	<u>(663,672)</u>	<u>1,569,152</u>	<u>(13.1)</u>	<u>45.0</u>
Total expenses	<u>68,605,465</u>	<u>65,769,914</u>	<u>63,886,487</u>	<u>2,835,551</u>	<u>1,883,427</u>	<u>4.3</u>	<u>2.9</u>
Income before capital grants, contributions, donated assets, and transfers	1,279,923	12,862,179	9,803,769	(11,582,256)	3,058,410	(90.0)	31.2
Capital contributions, grants	18,424,129	5,822,567	6,888,914	12,601,562	(1,066,347)	216.4	(15.5)
Change in net position	<u>19,704,052</u>	<u>18,684,746</u>	<u>16,692,683</u>	<u>1,019,306</u>	<u>1,992,063</u>	<u>5.5</u>	<u>11.9</u>
Total net position, beginning of year previously reported	563,870,969	545,186,223	538,819,021	18,684,746	6,367,202	3.4	1.2
Change in accounting principle	-	-	(10,325,481)	-	10,325,481	-	100.0
Total net position, beginning of year restated	563,870,969	545,186,223	528,493,540	18,684,746	16,692,683	3.4	3.2
Total net position, ending	<u>\$ 583,575,021</u>	<u>\$ 563,870,969</u>	<u>\$ 545,186,223</u>	<u>\$ 19,704,052</u>	<u>\$ 18,684,746</u>	<u>3.5</u>	<u>3.4</u>

Financial Operations Summary and Highlights

An analysis of changes in revenues and expenses for the year ended June 30, 2020 is as follows:

- Parking revenues decreased due to a decline in passenger activity related to COVID-19.
- Landing fees increased due to an increase in rates.
- Rental income decreased due to a decline in passenger activity related to COVID-19.
- Other income decreased due to a decline in passenger activity related to COVID-19.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Management's Discussion and Analysis

June 30, 2020

- Investment income decreased during the fiscal year primarily due to the decrease in fair market value of investments.
- Oil and gas royalties decreased due to the fluctuation in activity for oil and natural gas produced on airport properties.
- Passenger facility charges and customer facility charges decreased due to decline in passenger activity related to COVID-19.
- Personal service expense increased due to an increase in salaries and benefits.
- Maintenance, operations, and contractual services increased due to an increase in janitorial, parking management, ARFF services, and other maintenance contracts.
- Depreciation expense increased due to completed construction on various capital projects which were placed in service during the current fiscal year or a full year of depreciation was recognized in the current fiscal year.
- Interest expense increased due to the increase of the outstanding bond debt.
- Capital contribution, grants increased due to CARES Act grants.

An analysis of changes in revenues and expenses for the year ended June 30, 2019 is as follows:

- Parking revenues increased due to an increase in parking rates and parking transactions.
- Landing fees decreased due to a decrease in rates and operations.
- Rental income increased due to new leases and escalations.
- Other income increased due to increased public transportation transactions and due to the increase in water well activity and rates.
- Investment income increased during the fiscal year primarily due to the increase in fair market value of investments.
- Oil and gas royalties decreased due to the fluctuation in activity for oil and natural gas produced on airport properties.
- Passenger facility charges increased due to increased passenger activity.
- Personal service expense increased due to an increase in salaries and benefits.
- Maintenance, operations, and contractual services increased due to an increase in janitorial, parking management, ARFF services, and other maintenance contracts.
- Depreciation expense decreased due to completed construction on various capital projects which were placed in service during the current fiscal year or a full year of depreciation was recognized in the current fiscal year.
- Interest expense increased due to the increase of the outstanding bond debt.

Capital Acquisitions and Construction Activities

During 2020, the Department incurred approximately \$57,349,000 for capital activities, compared to \$32,012,000 during the prior year. During the year approximately \$6,068,000 in multi-year construction projects were completed and transferred to depreciable assets. Completed projects in approximate amounts were:

Location	Project Description	Amount
WRWA:	Garage Wayfinding and Signage	\$ 2,085,000
	Snow Removal Equipment	1,002,000
	Lot #1 Rehabilitation	878,000
	West Concourse Exterior Stairs	344,000
WPA:	Airfield Improvements Phase IV - Sequence 2	554,000
	Airfield Improvements Phase IV - Sequence 1	368,000

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
June 30, 2020

CEPA:	Automated Weather Observing System III Replacement	97,000
MMAC:	Thomas P. Stafford Boiler Replacement	740,000
		<u>\$ 6,068,000</u>

Acquisitions are generally funded from revenue bond proceeds, oil and gas revenues, federal and state grants, and from operations. Additional information on the Department's capital assets can be found in Note 4, Capital Assets, and Note 10, Commitments and Contingencies, of the notes to the financial statements.

Long-Term Debt

Junior Lien 32B and Junior Lien 33, Revenue Bonds are backed by a combination of passenger facility charge revenues and lease revenues. Junior Lien 31 and 34 Revenue Bonds are backed by a combination of customer facility charge revenues and lease revenues. The last principal payment is scheduled for July 1, 2047.

Changes in gross revenue bonds payable for the fiscal years ended June 30, 2020 and 2019 are as follows:

	2020	2019	\$ Change	% Change
Balance, beginning of year	\$ 161,015,000	\$ 74,265,000	\$ 86,750,000	116.8%
Issue	39,175,000	93,550,000	(54,375,000)	(58.1)%
Retired	<u>(42,305,000)</u>	<u>(6,800,000)</u>	<u>(35,505,000)</u>	522.1%
Balance, end of year	<u>\$ 157,885,000</u>	<u>\$ 161,015,000</u>	<u>\$ (3,130,000)</u>	1.9%

Ratings on the Trust's revenue bonds are as follows:

	Moody's	S&P
All Junior Lien Series	A1	A+
(31st, 32nd, 33rd and 34th)		

Additional information regarding the revenue bonds can be found in Note 5, Liabilities, of the notes to the financial statements. Information regarding debt service coverage is presented in the Statistical Section of this report.

Economic Factors

The population of the Air Trade area is projected to decrease at a compound annual growth rate of 54.2% since the COVID-19 global pandemic. The Oklahoma unemployment rate at the end of fiscal year 2020 was 6.4%, while the national unemployment rate was 11.1%.

Oklahoma City's commercial airport, Will Rogers World Airport, saw a significant decrease to enplaned passengers of 26.02% in fiscal year 2020 compared to fiscal year 2019. The decrease is attributable to COVID-19 global pandemic.

Contacting the Department's Financial Management

This financial report is designed to provide a general overview of the Department's finances, comply with finance-related laws and regulations, and demonstrate the Department's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Airport's Finance Division at 7100 Terminal Drive, Unit 937, Oklahoma City, Oklahoma 73159-0937.

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OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Statement of Net Position
June 30, 2020 with summarized comparative information for June 30, 2019

	2020			2019
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
ASSETS				
Current Assets:				
Pooled cash	\$ -	\$ 17,125	\$ 17,125	\$ 14,279
Non-pooled cash	117,534	-	117,534	567,241
Investments	201,267,598	1,209,958	202,477,556	227,347,650
Accounts receivable, net	2,058,434	-	2,058,434	708,463
Passenger facility charges receivable	293,122	-	293,122	1,220,861
Customer facility charges receivable	219,781	-	219,781	591,990
Interest receivable	651	4,800	5,451	83,393
Royalties receivable	59,462	-	59,462	81,380
Inventory	-	802,896	802,896	864,682
Due from City funds	-	31,252	31,252	-
Due from component units	26,173	-	26,173	-
Due from other governments	13,506,877	-	13,506,877	1,687,071
Prepays	12,685	-	12,685	15,275
Total current assets	<u>217,562,317</u>	<u>2,066,031</u>	<u>219,628,348</u>	<u>233,182,285</u>
Noncurrent assets:				
Net pension asset	-	493,051	493,051	1,466,538
Investments	32,552,085	-	32,552,085	30,595,475
Intergovernmental advance	15,031,273	383,756	15,415,029	20,456,623
Advance (to)/from other City funds	(12,345,845)	12,345,845	-	-
Capital assets:				
Land	14,465,751	16,114,538	30,580,289	30,580,289
Art	450,420	-	450,420	450,420
Construction in progress	85,086,890	-	85,086,890	35,064,546
Other capital assets, net of accumulated depreciation	384,401,294	1,626,379	386,027,673	408,044,910
Total noncurrent assets	<u>519,641,868</u>	<u>30,963,569</u>	<u>550,605,437</u>	<u>526,658,801</u>
Total assets	<u>737,204,185</u>	<u>33,029,600</u>	<u>770,233,785</u>	<u>759,841,086</u>
DEFERRED OUTFLOWS OF RESOURCES				
Accounts receivable, net of allowance of doubtful accounts of \$26,853 and \$10,986	8,270,550	-	8,270,550	67,203
Deferred outflow pensions	-	1,652,145	1,652,145	1,567,141
Deferred outflow OPEB	-	890,249	890,249	453,689
Total deferred outflows	<u>\$ 8,270,550</u>	<u>\$ 2,542,394</u>	<u>\$ 10,812,944</u>	<u>\$ 2,088,033</u>

(continued)

See accompanying notes to financial statements.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Statement of Net Position

June 30, 2020 with summarized comparative information for June 30, 2019

	2020			2019
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
LIABILITIES				
Current liabilities:				
Retainage and accounts payable	\$ 9,517,213	\$ 4,321	\$ 9,521,534	\$ 7,253,536
Wages and benefits payable	-	636,886	636,886	526,935
Due to City funds	-	8,067	8,067	37,531
Compensated absences	-	585,335	585,335	598,977
Unearned revenue	508,219	-	508,219	563,467
Bond interest payable	3,662,485	-	3,662,485	4,406,364
Bonds payable	10,055,000	-	10,055,000	9,260,000
Total current liabilities	<u>23,742,917</u>	<u>1,234,609</u>	<u>24,977,526</u>	<u>22,646,810</u>
Noncurrent liabilities:				
Compensated absences	-	1,120,506	1,120,506	1,198,968
Net OPEB obligation	-	10,844,125	10,844,125	10,521,004
Bonds payable:				
Bonds payable	147,830,000	-	147,830,000	151,755,000
Unamortized bond discount/premium, net	7,130,289	-	7,130,289	7,130,289
Bonds payable, net of unamortized discount/premium	<u>154,960,289</u>	<u>-</u>	<u>154,960,289</u>	<u>158,885,289</u>
Total non-current liabilities	<u>154,960,289</u>	<u>11,964,631</u>	<u>166,924,920</u>	<u>170,605,261</u>
Total liabilities	<u>178,703,206</u>	<u>13,199,240</u>	<u>191,902,446</u>	<u>193,252,071</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amount from refunding, net of accumulated amortization \$21,774 and \$11,708				
	937,427	-	937,427	17,150
Deferred pension inflows	-	853,866	853,866	1,161,961
Deferred OPEB inflows	-	3,777,969	3,777,969	3,626,968
Total deferred inflows	<u>\$ 937,427</u>	<u>\$ 4,631,835</u>	<u>\$ 5,569,262</u>	<u>\$ 4,806,079</u>
NET POSITION				
Net Investment in capital assets	\$ 381,923,835	\$ 17,740,917	\$ 399,664,752	\$ 395,098,444
Restricted for construction	1,331,030	-	1,331,030	1,320,036
Restricted for debt service	32,167,897	-	32,167,897	30,201,947
Restricted for maintenance	54,671,915	-	54,671,915	51,053,876
Unrestricted	95,739,427	-	95,739,427	86,196,666
Total net position	<u>\$ 565,834,104</u>	<u>\$ 17,740,917</u>	<u>\$ 583,575,021</u>	<u>\$ 563,870,969</u>

See accompanying notes to financial statements.

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OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Statement of Revenues, Expenses, and Change in Net Position
For the Year Ended June 30, 2020 with summarized comparative information for June 30, 2019

	2020			2019
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Operating revenues:				
Parking	\$ 12,911,923	\$ -	\$ 12,911,923	\$ 14,540,397
Landing fees	6,641,666	-	6,641,666	6,609,353
Rental income	14,179,367	-	14,179,367	14,508,340
Customer facility charges	4,454,522	-	4,454,522	5,627,407
Proprietary payments (to) from component unit	(19,296,831)	19,296,831	-	-
Other, net	20,754,942	-	20,754,942	21,650,892
Total operating revenues	<u>39,645,589</u>	<u>19,296,831</u>	<u>58,942,420</u>	<u>62,936,389</u>
Operating expenses:				
Personal services	-	12,448,170	12,448,170	11,423,324
Maintenance, operations, and contractual services	15,322,162	5,754,912	21,077,074	20,614,678
Materials and supplies	1,347,028	613,346	1,960,374	1,924,581
Depreciation	28,301,252	428,199	28,729,451	26,753,263
Total operating expenses	<u>44,970,442</u>	<u>19,244,627</u>	<u>64,215,069</u>	<u>60,715,846</u>
Operating Income (Loss)	<u>(5,324,853)</u>	<u>52,204</u>	<u>(5,272,649)</u>	<u>2,220,543</u>
Nonoperating revenues (expenses):				
Investment income				
Interest	308,376	58,393	366,769	854,196
Increase in fair value of investments	3,323,157	-	3,323,157	3,863,191
Oil and gas royalties	759,482	-	759,482	2,123,125
Passenger facility charges	6,081,512	-	6,081,512	8,486,348
Operating grants	263,518	-	263,518	262,800
Other nonoperating revenue	144,568	3,962	148,530	106,044
Interest expense	(5,038,844)	-	(5,038,844)	(4,892,800)
Amortization	924,541	-	924,541	823,929
Bond issue costs	(386,074)	-	(386,074)	(825,151)
Gain (loss) on disposition of assets	56,355	53,626	109,981	(160,046)
Net nonoperating revenues (expenses)	<u>6,436,591</u>	<u>115,981</u>	<u>6,552,572</u>	<u>10,641,636</u>
Income (loss) before capital grants, contributions and transfers between City funds	1,111,738	168,185	1,279,923	12,862,179
Capital grants and contributions	<u>18,424,129</u>	<u>-</u>	<u>18,424,129</u>	<u>5,822,567</u>
Change in Net Position	19,535,867	168,185	19,704,052	18,684,746
Total net position, beginning of year	546,298,237	17,572,732	563,870,969	545,186,223
Total net position, end of year	<u>\$ 565,834,104</u>	<u>\$ 17,740,917</u>	<u>\$ 583,575,021</u>	<u>\$ 563,870,969</u>

See accompanying notes to financial statements.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Statement of Cash Flow

For the Year Ended June 30, 2020 with summarized comparative information for June 30, 2019

	2020			2019
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Cash flows from operating activities:				
Cash received from charges	\$ 53,085,053	\$ -	\$ 53,085,053	\$ 58,196,450
Cash received from customer facility charges	4,826,577	-	4,826,577	5,563,845
Cash received from oil and gas royalties	781,400	-	781,400	2,409,830
Cash payments to suppliers for goods and services	(17,374,857)	(6,383,088)	(23,757,945)	(22,103,256)
Cash payments to employees	-	(11,812,372)	(11,812,372)	(11,387,704)
Proprietary payments (to) from component unit	(18,669,996)	18,669,996	-	-
Net cash provided (used) by operating activities	<u>22,648,177</u>	<u>474,536</u>	<u>23,122,713</u>	<u>32,679,165</u>
Cash flow from noncapital financing activities:				
Operating grants received	241,920	-	241,920	284,400
Transfers received from (paid to) other City funds	(26,173)	-	(26,173)	252,798
Airport CARES act grant received	12,153,791	-	12,153,791	-
Net cash provided (used) by noncapital financing activities	<u>12,369,538</u>	<u>-</u>	<u>12,369,538</u>	<u>537,198</u>
Cash flow from capital and related financing activities:				
Intergovernmental advance (payment)	-	-	-	(17,309,600)
Advance payable - Gulfstream	(266,442)	-	(266,442)	(46,718)
Acquisition and construction of capital assets	(46,331,008)	(538,794)	(46,869,802)	(26,975,442)
Capital grants received	(5,527,868)	-	(5,527,868)	6,013,153
Interest paid on bonds	(13,650,820)	-	(13,650,820)	4,977,099
Principal paid on bonds	(42,305,000)	-	(42,305,000)	(6,800,000)
Bond proceeds	39,279,739	-	39,279,739	93,550,000
Bond issuance costs	(386,074)	-	(386,074)	(825,151)
Proceeds from sale of capital assets	96,186	-	96,186	27,276
Passenger facility charges	7,009,619	-	7,009,619	8,468,088
Net cash provided (used) by capital and related financing activities	<u>(62,081,668)</u>	<u>(538,794)</u>	<u>(62,620,462)</u>	<u>61,078,705</u>
Cash flows from investing activities:				
Interest on investments	1,916,933	58,731	1,975,664	802,605
Proceeds from sale of investments	414,632,772	-	414,632,772	246,246,708
Purchase of investments	(389,935,459)	-	(389,935,459)	(340,574,794)
Change in pooled investments	-	8,373	8,373	(750,767)
Net cash provided (used) by investing activities	<u>26,614,246</u>	<u>67,104</u>	<u>26,681,350</u>	<u>(94,276,248)</u>
Net increase (decrease) in cash	(449,707)	2,846	(446,861)	18,820
Cash, beginning	<u>567,241</u>	<u>14,279</u>	<u>581,520</u>	<u>562,700</u>
Cash, ending	<u>\$ 117,534</u>	<u>\$ 17,125</u>	<u>\$ 134,659</u>	<u>\$ 581,520</u>

See accompanying notes to financial statements.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Statement of Cash Flow

For the Year Ended June 30, 2020 with summarized comparative information for June 30, 2019

	2020			2019
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (Loss)	\$ (5,324,852)	\$ 52,203	\$ (5,272,649)	\$ 2,220,543
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	28,301,252	428,199	28,729,451	26,753,263
Non-operating revenues (expenses):				
Oil and gas royalties	759,482	-	759,482	2,123,124
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(978,130)	-	(978,130)	991,147
(Increase) decrease in royalties receivable	21,918	-	21,918	286,706
(Increase) decrease in due from City funds	-	4,647	4,647	36,206
(Increase) decrease in inventory	-	61,786	61,786	93,086
(Increase) decrease in prepaid assets	2,590	-	2,590	2,591
(Increase) decrease in advance (to) from other funds	626,834	(658,087)	(31,253)	(10,758)
Increase (decrease) in accounts payable	(705,669)	(50,011)	(755,680)	374,016
Increase (decrease) in wages and benefits payable	-	109,952	109,952	67,822
Increase (decrease) in compensated absences	-	(92,104)	(92,104)	198,901
Increase (decrease) in net pension asset	-	580,389	580,389	2,348,281
Increase (decrease) in OPEB liability	-	37,562	37,562	(2,579,385)
Increase (decrease) in pollution remediation	-	-	-	(56,546)
Increase (decrease) in deferred revenue	(55,248)	-	(55,248)	(169,831)
Total adjustments	27,973,029	422,333	28,395,362	30,458,623
Net cash provided (used) by operating activities	\$ 22,648,177	\$ 474,536	\$ 23,122,713	\$ 32,679,166
Noncash investing, capital and financing activities:				
Net increase (decrease) in fair value of investments	\$ 3,323,157	\$ -	\$ 3,323,157	\$ 3,863,191

See accompanying notes to financial statements.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

1. ORGANIZATION

The financial transactions of the Oklahoma City Airport Trust (Trust), a discrete component unit of The City of Oklahoma City (City), and the Airports Fund, a non-major enterprise fund of the City, have been functionally combined and reported as the Oklahoma City Department of Airports (Department).

The Trust is a public trust established in 1956 pursuant to Title 60 of the Oklahoma Statutes section 176 et seq. to provide a means of financing and administering the construction of airports and air navigation facilities of the City. In the same year, the City, beneficiary of the Trust, signed a lease agreement with the Trust, which provides that all airport-related assets owned by the City or acquired thereafter would be leased to the Trust and that the Trust will lease or otherwise manage the related property and improvements financed by the Trust.

The term of the lease is currently July 1, 2047, or until all indebtedness authorized by the Bond Indenture and Supplemental Bond Indentures have been paid or provisions of the payment thereof have been made, whichever event shall happen later. Under the provisions of the lease, surplus revenues of the Trust derived from the operation of the Trust Estate are to be paid to the City as rent and are to be used by the City for any lawful purpose. In 1988, a joint resolution of the City Council and the Trustees of the Trust established the Airports Fund in order for the Department to meet maintenance, operation and salary expenses. Grant Assurance 25 along with Section 47107 of Title 49, United States Code established proper use of airport revenue is vital to an airport's ability to be self-sustaining. In accordance with federal law, revenues generated by a federally obligated airport must be expended for capital and operating costs of the airport. The establishment of the Airports Fund in 1988 ensures the prevention of revenue diversion, and cash transfers are made monthly from the Trust to the Airports Fund for certain maintenance and operating expenses and all salary expenses of the Department. Any excess funds remaining in the Trust are available for preservation and maintenance of the Trust Estate.

One hundred and thirty full-time City employees serve the Department. Employee's salaries and benefits, as well as certain maintenance, contractual items, and supplies are paid through the Airports Fund. Assets contributed to the Department from the City are recorded along with their applicable annual depreciation in the Airports Fund for internal accounting.

In May of 2020, the Governmental Accounting Standards Board (GASB) issued statement number 95, Postponement of the Effective Dates of Certain Authoritative Guidance, effective immediately to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Certain Statements that first became effective after June 15, 2018 and later have been postponed by one year up to 18 months depending upon the pronouncement. The Trust has elected to postpone implementation of GASB statement number 84 Fiduciary Activities and GASB statement number 90 Majority Equity Interests to fiscal year 2021.

The City's airport system consists of Will Rogers World Airport, Wiley Post Airport, and Clarence E. Page Airport. The Director of Airports administers the day-to-day operations of the airport system with the support of the Department employees. The Director reports to the Trustees and the City Manager.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Per the requirements of GASB Statement No. 61, *The Financial Reporting Entity – Omnibus*, an amendment of GASB Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the Trust and the City have determined that the Trust meets the criteria of a discretely presented component unit of the City of Oklahoma City, Oklahoma.

While the City appoints a majority of the board members of the Trust it is not substantially the same as the City. The Trust does not have a financial benefit or burden relationship with the Primary Government nor does management of the Primary Government have operational responsibility for the Trust. In addition, the Airport Trust does not provide goods or services to the Primary Government but rather, the Airport Trust services are provided to the citizenry at large.

Measurement Focus, Basis for Accounting, and Financial Statement Presentation

The Trust and the Airports Fund are both major funds of the reporting entity and are combined and reported as the Department.

The measurement focus is on the flow of economic resources and the accrual basis of accounting whereby, revenues are recognized when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Operating income includes revenues and expenses related to the primary continuing operations of the Department. Principal operating revenues include charges to customers for services and rentals of Department-owned facilities. Principal operating expenses are the costs of providing services, or facilities, and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the Department’s policy to use restricted resources first, and then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and liabilities in the financial statements. See information describing restricted assets later in this section.

Budgetary Controls

An annual budget is prepared for the Airports Fund and submitted to and adopted by the City Council in June of each year for the succeeding fiscal year according to the City Charter and the Oklahoma Municipal Budget Act. The Airports Fund appropriated budget is prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted by source in the year receipt is expected. Expenditures and encumbrances are budgeted in the year applicable purchase orders are expected to be issued. The legal level of control for expenditures is at the character level (personal services, maintenance and operations, commodities, capital outlay, and debt service). Management can transfer within individual levels without City Council approval. Transfers between characters are subject to City Council approval. Revisions to the budget were made throughout the year. City Council may amend the appropriated budget. Unencumbered appropriations lapse at fiscal year-end.

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The Trust budget is submitted to and adopted by the Trustees of the Trust and filed with the City in June of each year for the succeeding fiscal year according to budget provisions for public trusts of the Oklahoma Statutes. The Trust is not required to demonstrate statutory compliance with its annual operating budget.

Deposits and Investments

The City Council updated and adopted a formal deposit and investment policies in August 2017. These policies apply to all City funds not contained in public trusts; therefore, these deposit and investment policies apply to the Airports Fund. The Trust has a separately adopted investment policy.

The deposits of the Airports Fund are pooled with other City deposits and are under the custody of the City Treasurer. The Department's portion of the pool is displayed on the statement of net position as "Pooled cash".

The deposits of the Trust are made directly to the trustee bank. The deposits and investments of the Trust are held separately from those under the custody of the City Treasurer. These are reflected as "Non-pooled cash" and "Investments", some of which are restricted assets.

Investments are reported at fair value based on quoted market prices. Cash deposits are reported at carrying amount that reasonably estimates fair value.

Additional deposit and investment information is presented in Note 3.

Receivables

Receivables include amounts due from tenants for the use of airport facilities under rental and concession agreements, royalties, and passenger facility charges. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are determined to be uncollectible based on the facts and circumstances of each receivable. Allowances for uncollectible accounts are netted against accounts receivable and revenues.

Receivables are as follows:

Miscellaneous accounts receivable	\$	128,251
Billed accounts receivable		1,474,110
Unbilled accounts receivable		435,682
Credit card receivables		26,482
Allowance for uncollectible accounts receivable		(6,091)
	\$	<u>2,058,434</u>

Inventory

Inventory is recorded at cost or on a first-in, first-out basis.

Intergovernmental Advance

The Trust has one active reimbursable agreement with the Federal Aviation Administration (FAA) to fund a capital project with Senior Lien Maintenance funds for improvements to a Trust owned building. The agreement is for the portions of the project that the Trust is responsible for according to the lease with the FAA. Any funds that are not used will be refunded to the Trust.

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Restricted Assets

Assets acquired from revenue bond proceeds are restricted for capital projects. Passenger Facility Charges (PFC) collections are either restricted for capital projects on a pay-as-you-go basis or restricted for debt service on PFC backed revenue bonds. Other assets are restricted contractually for operations. Assets restricted for acquisition or construction of noncurrent assets and assets restricted for liquidation of noncurrent debt are reported as noncurrent assets in the financial statements.

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets from airport lessees are recorded at acquisition value at the date donated. The Department generally capitalizes assets with a cost of \$50,000 or more as purchases and construction outlays occur. The exception to this rule will be assets funded by grants of \$5,000 or greater. Depreciation is computed on a straight-line method over the estimated useful lives as follows:

Buildings	10-50 years
Improvements	10-50 years
Furniture, fixtures, and equipment	5-20 years

Maintenance and repairs are charged to operations, while renewals and betterments are capitalized. When property and equipment is disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded as a nonoperating item in the Statement of Revenues, Expenses and Change in Net Position.

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

Additional capital asset and depreciation information is presented in Note 4.

Interest Capitalization

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time to get them ready for their intended purpose. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. Total interest cost net of amortization of discount and premium incurred was \$5,479,853 and \$5,039,375 for the years ended June 30, 2020 and 2019, respectively. Of these amounts, \$3,062,697 and \$496,025 was included as part of the cost of capital assets under construction for the years ended June 30, 2020 and 2019, respectively.

Bond Discounts and/or Premiums

The related bond discounts or premiums from issuing bonds are being amortized over the term of the respective bonds using a method which approximates the effective interest method.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets and liabilities, the statement of net position may report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as

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an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

Risk Management

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

The Department pays premiums to the City and has no other cost or liabilities related to risk management activities. Costs and liabilities for commercial insurances, stop-loss insurance, and claims paid are recorded in the City Risk Management Fund and OCMFA Services Fund. Retiree health insurance claim costs and liabilities are reported in OCPEBT. See Note 6.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the Trust's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. The Trust saw a significant decrease to enplaned passengers of 26.02% in fiscal year 2020 compared to fiscal year 2019. The Trust received \$21,942,000 in Coronavirus Aid, Relief and Economic Securities (CARES) Act. The Trust is currently utilizing these funds for debt service, payroll and other contractual services. The Trust has seen a contraction in the oil and gas industry continue to cut back on staff and expenses. Lastly, continued disruption in the financial markets may have an impact on the investment portfolio. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on future operations.

Passenger Facility Charges (PFC) Revenue

Passenger Facility Charges have been levied at the rate of \$3 (July 1, 1997 through March 31, 2010) and \$4.50 (since April 1, 2010) per enplaned passenger, under FAA approved applications to impose and use \$262,452,615 for construction and debt payments of FAA approved improvements. Under the approved applications, collections extend until October 31, 2035. Total cumulative PFC revenues remitted to the Department through the years ended June 30, 2020 and 2019 were \$134,263,933 and \$127,254,314, respectively. PFC revenues earned by the Department for the years ended June 30, 2020 and 2019 were \$6,081,512 and \$8,486,348, respectively. PFC revenues are recognized as earned and are included in non-operating revenues.

Customer Facility Charges (CFC) Revenue

Pursuant to a Joint Resolution adopted by the Trust and the City, the collection of a Customer Facility Charge began July 1, 2012. The CFC is charged at a rate of \$4.50 per rental car transaction day, and is to be collected by on-airport rental car companies renting an automobile to an airport customer from either a location on airport premises or from a location off-airport but with an airport customer. CFC revenues may be used for any legal use to sustain, maintain, or expand the rental car program. CFC revenues earned by the Department for the year ended June 30, 2020 and 2019 were \$4,454,522 and \$5,627,407 respectively. CFC revenues are recognized as earned. While CFC revenues are included in

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operating revenues, these revenues pay for both operating and non-operating expenses. Those operating expenses consist of shuttle bus and facility maintenance and operations.

Rental Income

Property is leased to commercial airlines, car rental companies, concessionaires, several fixed base operators who service the airline industry, the FAA, and other Federal and state agencies. All leases are non-cancelable operating leases. Property leased, or held for lease, to others was approximately \$552,438,629 and \$550,611,051 as of June 30, 2020 and 2019, respectively. Accumulated depreciation on this leased property was approximately \$330,764,056 and \$326,0391,118 as of June 30, 2020 and 2019, respectively.

Minimum rentals on non-cancelable operating leases are as follows:

Year	Amount
2021	\$ 20,984,492
2022	25,647,072
2023	24,586,528
2024	10,154,707
2025	5,331,606
2026-2030	10,308,570
2031-2035	3,767,003
2036-2040	2,851,847
2041-2045	2,463,803
2046-2050	2,262,251
2051-2055	1,851,771
2056-2060	1,107,330
Total	<u>\$ 111,316,980</u>

Several of the leases include rental amounts that are determined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at June 30, 2020.

Several leases require the lessee to remit a percentage of its revenue as the rental charge. Under leases of this type, minimum annual guaranteed income is included in the future minimum rental amounts above. Rental income for 2020 and 2019 received through these leases was approximately \$7,581,000 and \$8,846,000, respectively. Although the actual income to be received in future periods cannot be known due to the nature of these leases, management does anticipate a significant decrease in these rental amounts due to new concession agreements, amendments, and memorandums of understandings that are expected to be executed as a result of COVID-19.

Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination. The estimated liability for vested vacation and sick leave benefits are charged to expense and the corresponding liability.

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Use of Estimates

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

Prior Year Information

The financial statements include certain prior year summarized comparative totals. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2019, from which the summarized totals were derived.

Defined Benefit Pension Plan

The Trust's full-time employees are eligible to participate in the City's Employee Retirement System (OCERS). For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the OCERS and additions to/deductions from the OCERS's fiduciary net position have been determined on the same basis as they are reported by the OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Plans

Effective July 1, 2017 the Airport implemented Governmental Accounting Standards Board (GASB) statement number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans. This statement replaces GASB statements 45 as amended and 57. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures for other post employment benefits (OPEB). It also includes note disclosure and required supplementary information requirements for OPEB plans.

3. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City policy requires deposits to be 110% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. Pooled deposits funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service, as determined by a rating of C minus or above by independent rating agencies. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions by resolution. Investing is performed in accordance with the formally adopted investment policies of the City that comply with State statutes and the City Charter. These policies apply to the Airport's Cash Fund.

The Trust deposits as required by the Bond Indenture and Supplemental Bond Indentures are to be maintained by the trustee banks specified in the indentures. Trust deposits are continuously secured for the benefit of the Trust in the manner prescribed by Federal Law for the securing of trust funds. Deposits of the Trust and the City are insured or collateralized with securities held by the City, its agent,

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or by the pledging financial institution’s trust department or agent in the name of the City or Trust as applicable.

Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Trust adopted a policy for investing Trust monies related to the Bond Indenture, with the exception of the Construction Account of the Trust, in general obligations of the United States with maturities not to exceed a term of five years or the intended date of use of said monies. Construction Account monies are required by the Bond Indenture to be invested in general obligations of the Federal government with terms not exceeding six months.

Investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset; the hierarchy requires an entity to maximize the use of observable inputs when measuring fair value. The following describes three levels of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

U.S. Treasury money market funds and U.S. Treasury strips are valued using quoted market prices, and therefore are classified as Level 1.

Restricted Deposits and Investments	2020	2019
Bond principal and interest accounts	\$ 3,817,143	\$ 3,555,286

As of June 30, 2020, the Trust had the following investments:

Type of Investment	Fair Value/Carrying Amount	Cost	Ratings (1)	Weighted Average Days to Maturity	Hierarchy
U.S. Treasury Money Market Fund	\$ 78,212,710	\$ 78,212,710	N/A	17	Level 1
U.S. Treasury Strips	155,606,973	155,208,106	N/A	124	Level 1
Total Investments	\$ 233,819,683	\$ 233,420,816			

(1) Ratings are provided where applicable to indicate associated Credit Risk

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As of June 30, 2019, the Trust had the following investments:

Type of Investment	Fair Value/Carrying Amount	Cost	Ratings (1)	Weighted Average Days to Maturity	Hierarchy
U.S. Treasury Money Market Fund	\$ 68,020,147	\$ 68,020,147	N/A	22	Level 1
U.S. Treasury Strips	188,704,647	187,085,034	N/A	296	Level 1
Total Investments	\$ 256,724,794	\$ 255,105,181			

(1) Ratings are provided where applicable to indicate associated Credit Risk

The Airports Fund pooled investments as of June 30, 2020 were \$1,209,958. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2020:

Type of City Pooled Investments	Fair Value/Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity	Hierarchy
Money Market funds	\$ 156,961,000	\$ 156,961,000	AAA/Aaa	1.33	Level 1
U.S. Treasury Notes	262,146,000	258,250,000	AAA/Aaa	18.67	Level 2
Fannie Mae	120,441,000	118,963,000	AA/Aaa	31.27	Level 2
Federal obligations	570,588,000	558,252,000	AA/Aaa	21.39	Level 2
Commercial paper	19,968,000	19,966,000	A1/P1	5.57	Level 2
Total Investments	\$ 1,130,104,000	\$ 1,112,392,000			

(1) Ratings are provided where applicable to indicate Credit Risk

The Airports Fund pooled investments as of June 30, 2019 were \$1,218,331. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2019:

Type of City Pooled Investments	Fair Value/Carrying Amount	Cost	Ratings (1)	Weighted Average Months to Maturity	Hierarchy
Money Market funds	\$ 66,854,000	\$ 66,854,000	AAA/Aaa	1.10	Level 1
U.S. Treasury Notes	133,638,000	132,358,000	AAA/Aaa	15.83	Level 2
Fannie Mae	130,936,000	130,402,000	AA/Aaa	11.53	Level 2
Federal obligations	575,344,000	569,858,000	AA/Aaa	25.42	Level 2
Commercial paper	61,740,000	61,181,000	A1/P1	1.97	Level 2
Total Investments	\$ 968,512,000	\$ 960,653,000			

(1) Ratings are provided where applicable to indicate associated Credit Risk

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Interest rate risk is the risk that changes in interest will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Trust investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period. Investments are made in anticipation of cash flow requirements. Interest rate risk and concentration of credit risk are not addressed by bond indentures or investment policies.

Custodial credit risk is the risk that, in the event of the failure of the counter party, the Trust will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are insured or registered, with securities held by the entity or its agent in the entity's name.

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4. CAPITAL ASSETS

As of June 30, 2020 capital assets consist of the following:

	Balance			Balance
Depreciable capital assets	July 1, 2019	Increases	Decreases	June 30, 2020
Buildings	\$ 564,175,057	\$ 2,429,174	\$ -	\$ 566,604,231
Improvements	372,221,918	2,540,155	-	374,762,073
Furniture, fixtures, and equipment	47,188,725	2,357,710	(1,097,331)	48,449,104
Total depreciable capital assets	<u>983,585,700</u>	<u>7,327,039</u>	<u>(1,097,331)</u>	<u>989,815,408</u>
Less accumulated depreciation				
Buildings	310,166,787	14,351,847	-	324,518,634
Improvements	241,521,607	10,798,239	-	252,319,846
Furniture, fixtures, and equipment	23,852,396	3,579,365	(482,506)	26,949,255
Total accumulated depreciation	<u>575,540,790</u>	<u>28,729,451</u>	<u>(482,506)</u>	<u>603,787,735</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 408,044,910</u>	<u>\$ (21,402,412)</u>	<u>\$ (614,825)</u>	<u>\$ 386,027,673</u>
Nondepreciable capital assets				
Land	\$ 30,580,289	\$ -	\$ -	\$ 30,580,289
Art	450,420	-	-	450,420
Construction in progress	35,064,546	56,090,545	(6,068,200)	85,086,891

As of June 30, 2019 capital assets consist of the following:

	Balance			Balance
Depreciable capital assets	July 1, 2018	Increases	Decreases	June 30, 2019
Buildings	\$ 549,188,160	\$ 16,513,951	\$ (1,527,054)	\$ 564,175,057
Improvements	365,455,616	6,852,148	(85,846)	372,221,918
Furniture, fixtures, and equipment	47,095,090	1,659,238	(1,565,603)	47,188,725
Total depreciable capital assets	<u>961,738,866</u>	<u>25,025,337</u>	<u>(3,178,503)</u>	<u>983,585,700</u>
Less accumulated depreciation				
Buildings	298,764,343	12,774,432	(1,371,988)	310,166,787
Improvements	231,130,147	10,477,306	(85,846)	241,521,607
Furniture, fixtures, and equipment	21,911,493	3,501,525	(1,560,622)	23,852,396
Total accumulated depreciation	<u>551,805,983</u>	<u>26,753,263</u>	<u>(3,018,456)</u>	<u>575,540,790</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 409,932,883</u>	<u>\$ (1,727,926)</u>	<u>\$ (160,047)</u>	<u>\$ 408,044,910</u>
Nondepreciable capital assets				
Land	\$ 30,580,289	\$ -	\$ -	\$ 30,580,289
Art	450,420	-	-	450,420
Construction in progress	28,077,397	30,324,563	(23,337,414)	35,064,546

5. LIABILITIES

Compensated Absences

Changes in compensated absences for the fiscal year are as follows:

	Balance			Balance	Due within
	July 1, 2019	Increases	Decreases	June 30, 2020	one year
Compensated absences	\$ 1,797,945	\$ 814,693	\$ (906,797)	\$ 1,705,841	\$ 585,335

Revenue Bonds Payable

The Trust has at various times issued bonds for the purpose of financing the construction of certain facilities and improvements for the airports and air navigation facilities of the City. The bonds that have been issued by the Trustees are of three types, Senior Lien Bonds and Junior Lien Bonds issued pursuant to the Bond Indenture and Separate Lease Revenue Bonds issued pursuant to separate indentures.

Twenty series of Senior Lien Bonds have been issued pursuant to the Bond Indenture and supplemental indentures thereto. The Senior Lien Bonds are secured by a mortgage lien on all facilities constructed with the bond proceeds and the Trust's leasehold interest in and to the City's airports, together with all buildings and improvements, including all lease rentals and other Trust revenues derived there from, and all property pledged as security under supplemental bond indentures to the Bond Indenture. As of June 30, 2020, no Senior Lien bonds are outstanding.

Thirty-Four series of Junior Lien Bonds have been issued pursuant to supplemental bond indentures to the Bond Indenture, and are secured by a pledge of the gross revenues of the Airports, subject to the debt service requirements of any outstanding Senior Lien Bonds. As a result, the Series 31 bonds were partially refunded which achieved a cashflow savings of approximately, \$12.213 million and an economic gain of approximately \$8.526 million. The bond proceeds were used to construct various facilities at the Airports. Five Junior Lien series are still outstanding as of June 30, 2020. The Bond Indenture and its supplements require the use of a project account, bond (sinking) account, and various construction accounts. These accounts are held by a Trustee bank and managed pursuant to terms of the Bond Indenture. The Bond Indenture provides that gross revenues from operations will be deposited into the project account and transfers will be made to the other accounts for current requirements on a monthly basis.

The bonds are generally subject to prior redemption in part or in whole at the option of the Trustees. However, certain minimum redemptions are to be made as set forth in the various bond indentures in the event there are any available funds. Certain bonds are subject to a redemption premium of up to 5% of par value, as described in the various bond indentures, if redeemed prior to scheduled dates.

Proceeds from tax-exempt bonds issued after September 1, 1986 are subject to the 1986 Tax Reform Act. The Trust complies with Internal Revenue Service regulations in order to maintain tax-exempt status on the bonds. The Trust has no arbitrage rebate liability at June 30, 2020.

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A summary of changes in bonds payable as of June 30, 2020 is as follows:

Description	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020	Due within one year
Junior Lien Bonds:					
Thirty-first Series	\$ 36,895,000	\$ -	\$ 33,765,000	\$ 3,130,000	\$ 740,000
Thirty-second Series A Private Placement	11,215,000	-	1,430,000	9,785,000	1,460,000
Thirty-second Series B Private Placement	19,355,000	-	7,110,000	12,245,000	7,245,000
Thirty-three Series	93,550,000	-	-	93,550,000	-
Thirty-fourth Series	-	39,175,000	-	39,175,000	610,000
Total	<u>\$ 161,015,000</u>	<u>\$ 39,175,000</u>	<u>\$ 42,305,000</u>	<u>\$ 157,885,000</u>	<u>\$ 10,055,000</u>
Less current maturities				(10,055,000)	
Long-term portion				147,830,000	
Less unamortized discount				-	
Add unamortized premium				7,130,289	
Total				<u>\$ 154,960,289</u>	

Additional information on revenue bond issues is as follows:

Description	Original Amount Issued	Interest Rate	Issue Date	Final Maturity Date
Junior Lien Bonds:				
Thirty-first Series	39,615,000	.985 - 6.86	9/25/2013	7/1/2043
Thirty-second Series A	12,165,000	1.88	11/15/2017	7/1/2026
Thirty-second Series B	24,505,000	1.88	11/15/2017	7/1/2021
Thirty-three Series	93,550,000	5.00	11/14/2018	7/1/2047
Thirty-fourth Series	39,175,000	1.876 -3.43	1/22/2020	7/1/2043

Additional information on revenue bond issues is as follows:

Fiscal Year	Principal	Interest	Total
2021	10,055,000	8,387,065	18,442,065
2022	7,805,000	8,272,075	16,077,075
2023	4,470,000	8,111,802	12,581,802
2024	4,635,000	6,853,528	11,488,528
2025-2029	22,650,000	26,380,228	49,030,228
2030-2034	22,540,000	22,136,414	44,676,414
2035-2039	27,815,000	16,763,757	44,578,757
2040-2044	34,605,000	9,847,441	44,452,441
2045-2048	23,310,000	2,403,500	25,713,500
	<u>\$ 157,885,000</u>	<u>\$ 109,155,810</u>	<u>\$ 267,040,810</u>

6. RELATED PARTY TRANSACTIONS

The Department reimburses the City for the cost of providing the Department with security, insurance, water and other services. Amounts charged by other City departments are expensed during the period incurred. Amounts charged by other City departments for fiscal years ended June 30, 2020 and 2019, were \$6,232,443 and \$5,748,722, respectively.

7. RETIREMENT PLAN

All full-time employees of the Department participate in the City's Employees Retirement System (OCERS), a single-employer defined benefit public employee retirement system. The Department's covered payroll was \$7,418,796 and \$7,154,769 for the years ended June 30, 2020 and 2019, respectively. The total payroll for all Department employees was \$8,383,353 and \$8,426,509 for the years ended June 30, 2020 and 2019, respectively.

Eligibility, Contribution Methods, Benefit Provisions

Year established and governing authority	1958; City Council Ordinance
Determination of contribution requirements	Actuarially determined
Employer contributions	5.23% of covered payroll (5.28% in 2019)
Plan members contributions	6.00% of covered payroll
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Post-retirement benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS board
Eligibility for distribution	30 years credited service regardless of age, or age 60 with 20 years (Pre 3/67 hires), or 25 years of credited service regardless of age, or age 65 with 5 years (Post 3/67 hires), or age 55 with 5 years on a reduced basis, or 5 years of service with benefits.

Benefit Provisions

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

Post-Retirement Adjustments

Post-retirement benefits for retirees are not subject to any changes in the Consumer Price Index.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

Plan Membership

Active employees	2,457
Retirees and beneficiaries currently receiving benefits	1,595
Terminated plan members entitled to but not yet receiving benefits	140
	<hr/>
	4,192
	<hr/>

Actuarial Methods and Assumptions

Valuation date	12/31/2018
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period	25 years, closed (26 years in 2019)
Actuarial asset valuation method	4-year smoothed market
Actuarial assumptions	
Investment rate of return	7.1%
Projected salary increases	3.25%
Post-retirement increases (max)	2%
Inflation	2.25%
Source of mortality assumptions	RP-2000 male (unadjusted) and Female (unadjusted) Healthy Life Mortality Table, adjusted for mortality improvements to 2010
Experience study	Actuarial assumptions were based upon results of an experience study covering the period January 1, 2008 through December 31, 2012

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

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

The OCERS issues a separate stand-alone report which can be obtained from the City's Accounting Services Division at 100 N. Walker, Oklahoma City, Oklahoma 73102.

Reserves

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

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

Concentrations

The plan held no individual investments (other than U.S. Government and U.S. Government guaranteed obligations) whose market value exceeds 5% or more of net position available for benefits. There are no long-term contracts for contributions.

Net Pension Asset (Liability)

The departmental share of net pension asset is allocated using the departments share of employer contributions for the payroll ending June 30, 2020. The department portion for 2020 was 5.10%.

	Total	Airports Fund Share
Total pension (liability)	\$ (745,828,629)	\$ (38,037,260)
Fiduciary net position	755,496,293	38,530,311
Net pension asset	<u>\$ 9,667,664</u>	<u>\$ 493,051</u>
Plan fiduciary net position as a percentage of total pension liability	101.30%	101.30%

Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses was 11.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation.

	Long-Term Expected Real Rate of Return	Target Allocation
Core bonds	2.62%	5.00%
Core plus	2.89%	7.50%
Global bonds	2.43%	7.50%
Absolute return	4.25%	5.00%
U.S. large cap equity	7.20%	20.00%
U.S. small cap equity	8.41%	10.00%
International developed equity	8.14%	10.00%
Emerging market equity	9.39%	5.00%
Long / short equity	5.64%	10.00%
Private equity	10.40%	5.00%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Notes to Financial Statements
June 30, 2020

Core real estate	6.79%	6.00%
Opportunistic real estate	9.79%	4.00%
Commodities	0.00%	5.00%
		100.00%

Discount rate

A single discount rate of 7.1% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.1%. The projections of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contributions rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

	Rate	OCERS Total Pension Liability	Airports Fund Share Total Pension Liability	OCERS Net Pension (Asset) Liability	Airports Fund Share
1% decrease	6.10	% \$ 835,782,272	\$ 42,624,896	\$ 80,285,979	\$ 4,094,585
Current single discount rate	7.10	745,828,629	38,037,260	(9,667,664)	(493,051)
1% increase	8.10	669,964,474	34,168,188	(85,531,819)	(4,362,123)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2020 and 2019, the Department recognized pension expenses of \$1,025,707 and \$248,539, respectively. At June 30, 2020, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 199,717	\$ 853,866
Net difference between projected and actual earnings on pension plan investments	356,567	-
Change in assumption	700,296	-
Trust's contributions made subsequent to the measurement date of the net pension asset/liability	395,565	-
Total	\$ 1,652,145	\$ 853,866

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

At June 30, 2020, the Department reported \$395,565 as deferred outflows of resources related to pensions resulting from department contributions subsequent to the measurement date and prior to year-end that will be recognized as a reduction of the net pension liability as of June 30, 2021. Other amounts reported as deferred inflows of resources at June 30, 2019, related to pensions will be recognized in pension expense as follows:

2021	\$	301,343
2022		(219,995)
2023		70,673
2024		183,653
2025		54,907
Thereafter		12,133
	\$	<u>402,714</u>

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents certain ten-year trend information for as many years for which information measured in conformity with the requirements of GASB 68 is available.

Related-Party Transactions

As of June 30, 2020, the OCERS' investments include purchased judgments against the City in the amount of \$3,013,704. The judgments earn interest at rates of 6.75%. State statute permits OCERS to purchase judgments rendered against the City throughout the year. In November of each year, the City (through the property tax levy process) pays the OCERS for the principal amount and earned interest for each purchased judgment.

8. DEFINED CONTRIBUTION SINGLE EMPLOYER PENSION PLANS

The Department participates in two of the City's defined contribution plans administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). Plan provisions and contribution requirements are established or amended by City Council resolution. Participants of the first plan are comprised of eligible employees hired before September 1, 2001. The Department and participants are required to contribute 8.35% and 6% of annual covered payroll, respectively. Participants of the second plan are comprised of eligible employees hired after September 1, 2001. The Department and participants are required to contribute 7% and 6% of annual covered payroll, respectively. For the fiscal year ended June 30, 2020 actual contributions by the Department and plan participants were \$23,050 and \$22,790, respectively.

Participants of the first plan vest at service inception and are entitled to 100% of vested contributions. Participants of the second plan vest after 5 years of service. The plans are money purchase plans qualified under section 401 of the Internal Revenue Code.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City provides post-employment healthcare benefits for retired employees and their dependents through the City of Oklahoma City Post-Retirement Medical Plan (the City OPEB Plan), a single-employer defined benefit healthcare plan. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The City OPEB Plan covers all current retirees who elected post-retirement medical coverage through the City of Oklahoma City and future retired general employees.

The City OPEB Plan issues a separate report that can be obtained from the City’s Human Resource Department at 420 W. Main, Suite 110, Oklahoma City, OK 73102.

Funding Policies, Contribution Methods and Benefit Provisions

Year established and governing authority	2008; City Council Ordinance
Determination of contribution requirements	City Policy
Contribution rates:	
Employer	50% of premium (52% in 2019)
Plan members	50% of premium (48% in 2019)
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 60 with 15 years of service or at any age with 25 years of service. If hired before 1/1/2017 and employee attains the age of 55 with a minimum of 5 years service on or before 12/31/2016 will be grandfathered in. General employees hired after 1/1/2017 are not eligible for cost sharing.

Funding Policy

Beginning January 1, 2019, the employer contribution rate changed from 52% of premium to 50% of premium for retirees under 65. The retirees were responsible for paying the remaining balance of the premium.

Benefit Provided

The City provides medical benefits either through a fully insured health plan or through a self-insured Group Indemnity Plan. Benefits include general inpatient and outpatient medical services and prescription drug coverage. Additional benefits for dental, life and vision are available with no subsidy

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

from the City. Coverage for dependents can continue upon the death of the retiree. Spouses and eligible dependents of employees who die in active service while eligible for benefits can receive coverage.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Department's net OPEB liability of \$10,844,125 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date. The Department's proportion of the collective OPEBT net OPEB liability is based on the ratio of the Department's total employees relative to the total employees for the City as a whole.

For the year ended June 30, 2020, the Department recognized OPEB expense of \$485,055. At June 30, 2019, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources Airport Fund Share	Deferred Inflows of Resources Airport Fund Share
Net difference between projected and actual OPEB plan experience	\$ 82,269	\$ 2,313,999
Net difference between projected and actual earnings on OPEB plan investments	-	26,756
Employer contributions	371,352	-
Changes in assumptions	436,628	1,437,214
Total	\$ 890,249	\$ 3,777,969

The \$371,352 reported as deferred outflows of resources related to OPEB resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources Airport Fund Share
2021	(691,145)
2022	(691,145)
2023	(681,467)
2024	(673,772)
2025	(152,538)
Thereafter	(369,005)
	<u>\$ (3,259,072)</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

Membership

As of the last actuarial date, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,136
Active members	<u>3,531</u>
Total	<u><u>5,667</u></u>

Annual Required Contributions - Actuarial Assumptions

Provisions for:

Disability benefits	Yes
Death benefits	Yes
Valuation date	6/30/2019
Actuarial cost method	Entry age normal
Amortization method/period	Level percentage of payroll/30 years, closed
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	7.50%
Inflation	3.00%
Projected salary increases	3.25% (3.75% in 2019)
Health care trend rate	8.0% (6.0% for Medicare age)
Ultimate health care trend rate	4.50%
Mortality table	RP 2000 combined mortality table fully generational using scale AA

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.05% and 4.25% in 2019. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the net position is exhausted are discounted at the 20-year municipal bond rate. Therefore, the long-term expected rate of return on OPEB investments (7.50%) was applied to years 2020 through 2027 of projected benefit payments and the 20-year municipal bond rate based on a range of indices from 2.79%-3.51% was applied to projected benefit payments after 2027 to determine the total OPEB liability. The discount rate decreased from 4.25% on June 30, 2018 to 4.05% on June 30, 2019.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Notes to Financial Statements
June 30, 2020

	Long-Term Expected Real Rate of Return	Target Allocation
Domestic equity	7.50%	60.00%
Domestic bonds	2.50%	30.00%
International equity	8.50%	10.00%
International bonds	3.50%	0.00%
Real estate	4.50%	0.00%
		<u>100.00%</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05% than the current discount rate).

	Rate	Total Net OPEB liability	Airport Fund Share Net OPEB liability
1% decrease	3.05 %	\$ 514,259,677	\$ 13,113,622
Current single discount rate	4.05 %	\$ 425,259,792	\$ 10,844,125
1% increase	5.05 %	\$ 354,934,052	\$ 9,050,818

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.0% decreasing to 7.0%) or 1-percentage-point higher (8.0% increasing to 9.0%) than the current healthcare cost trend rates:

	Rate	Total Net OPEB liability	Airport Fund Share Net OPEB liability
1% decrease	7.0 %	\$ 347,645,701	\$ 8,864,965
Current single discount rate	8.0 %	\$ 425,259,792	\$ 10,844,125
1% increase	9.0 %	\$ 525,905,751	\$ 13,410,597

Actuarial Changes

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

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2020

In the June 30, 2019, actuarial valuation, the initial health care trend rate was decreased from 8.5% to 8.0% for pre-65 retirees and set at 6.0% for post 65 retirees.

The required supplementary information schedule of changes in the net OPEB Liability (Asset) and related ratios and the schedule of the Trust's proportionate share net pension Liability (Asset), immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. OCPEBT issues a separate stand-alone report which may be obtained from Finance Department, Accounting Services Division, 100 N. Walker, Suite 300, Oklahoma City, OK 73102.

10. COMMITMENTS AND CONTINGENCIES

Engineering and construction contracts relating to construction or major repairs in progress aggregated approximately \$51,337,075 and \$85,436,371 as of June 30, 2020 and 2019, respectively. These contracts will be paid in future periods as work is performed. Payment will be made with proceeds remaining from past bond issues, oil and gas royalties, operating revenues, and Federal grants to be received.

Federal grant expenses are subject to audit by the FAA, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise, as the result of these audits, is not believed to be material by management. Outstanding Federal and State grant awards for improvements on approved projects were \$17,877,841 and \$1,687,071, as of June 30, 2020 and 2019, respectively. The Federal grant funds are not available to the Department until expenses are incurred and therefore, are not recorded as receivables.

The Trust is subject to various legal proceedings that arise in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such legal proceedings are not likely to have a material adverse impact on the financial net position, results of operations, and cash flow of the Trust.

11. SUBSEQUENT EVENTS

Oklahoma City Airport Trust underwent a routine credit review with S&P Global Ratings. S&P Global Ratings lowered its long-term rating to 'A' from 'A+' on Oklahoma City Airports Trust's revenue bonds. The downgrading is primarily due to lack of passenger traffic, and that the recovery may last a couple of years due to COVID-19 global pandemic. The Department has an overall strong profile and S&P even references one of the Departments key strength's is that the Department has, "a consistently robust liquidity position."

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Required Supplementary Information
June 30, 2020

OKLAHOMA CITY EMPLOYEE RETIREMENT SYSTEM*

**Schedule of Proportionate Share Net
Pension Liability (Asset)(1)(2)**

	2020	2019	2018	2017	2016	2015
Proportionate Share	5.10%	5.25%	5.26%	5.26%	4.86%	4.92%
Proportionate share of the net pension liability (asset)	\$ (493,051)	\$ (1,466,538)	\$ (1,315,975)	\$ 61,707	\$ (2,277,303)	\$ (3,201,495)
Covered payroll	\$ 6,895,203	\$ 6,839,365	\$ 6,667,362	\$ 6,323,860	\$ 6,824,569	\$ 6,600,335
Net pension liability (asset) as a percentage of covered - payroll	(7.15)%	(21.44)%	(19.74)%	0.97%	(33.37)%	(44.27)%
Plan fiduciary net position as a percentage of total pension liability	101.30%	103.92%	103.69%	99.82%	107.52%	110.29%

(1) Amounts presented above represent the Authority's proportionate share presented in Note 7 RETIREMENT PLAN

(2) This schedule is presented to illustrate the requirements to show information for 10 years. However, results for measurement years before June 30, 2014, are not available. This information will be developed prospectively beginning in 2014 until eventually 10 years of information is available.

**Schedule of Employer Contributions
(1)(2)**

	2020 (4)	2019	2018	2017	2016	2015
Contractually required contribution (3)	\$ 395,565	\$ 360,619	\$ 361,118	\$ 320,261	\$ 389,814	\$ 400,012
Contributions in relation to the contractually required contribution	395,565	358,433	370,477	361,439	389,825	398,864
Contribution deficiency (excess)	\$ -	\$ 2,186	\$ (9,359)	\$ (41,178)	\$ (11.00)	\$ 1,148
Department's covered payroll	\$ 7,192,091	\$ 6,895,203	\$ 6,839,365	\$ 6,008,667	\$ 6,629,496	\$ 6,211,368
Contributions as a percentage of covered payroll	5.50%	5.20%	5.42%	6.02%	5.89%	6.42%

(1) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.

(2) This schedule is presented to illustrate the requirement to show information for 10 years. However, Authority share for fiscal years before June 30, 2014, is not available. This information will be developed prospectively until eventually 10 years of information is available. Total plan information is provided below.

(3) Contributions are deferred in the fiscal year reported and recognized in the financial statements in the subsequent year.

(4) The contractually required contribution for 2020 is estimated and may change upon receipt of actuarial report.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Required Supplementary Information
June 30, 2020

OKLAHOMA CITY OTHER POST EMPLOYMENT BENEFITS*

Schedule of Proportionate Share Net Pension Liability (Asset)(1)(2)	2020	2019	2018
Proportionate Share	2.55%	2.50%	2.51%
Proportionate share of the net OPEB liability (asset)	\$ 10,844,125	\$ 10,521,004	\$ (13,100,389)
Covered payroll	\$ 5,900,566	\$ 5,244,780	\$ 5,642,681
Net OPEB liability (asset) as a percentage of covered - payroll	1.84%	2.01%	2.18%
Plan fiduciary net position as a percentage of total OPEB liability (asset)	13.01%	12.00%	8.50%

(1) Amounts presented above represent the Authority's proportionate share presented in Note 9 OTHER POST-EMPLOYMENT BENEFITS (OPEB).

(2) This schedule is presented to illustrate the requirements to show information for 10 years. However, results for measurement years before June 30, 2018, are not available. This informatin will be developed prospectively beginning in 2018 until eventually 10 years of information is available.

Schedule of changes in the Net OPEB Liability (Asset) and related ratios (1)(2)	2020 (4)	2019	2018	2017
Contractually required contribution (3)	\$ 371,352	\$ 552,808	\$ 629,098	\$ 855,477
Contributions in relation to the contractually required contribution	371,352	371,352	364,071	397,011
Contribution deficiency (excess)	\$ -	\$ 181,456	\$ 265,027	\$ 458,466
Departments covered payroll	\$ 5,713,108	\$ 5,900,566	\$ 5,244,780	\$ 5,642,681
Contributions as a percentage of covered payroll	6.50%	6.29%	6.94%	7.04%

(1) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated.

(2) This schedule is presented to illustrate the requirement to show information for 10 years. However, Authority share for fiscal years before June 30, 2014, is not available. This information will be developed prospectively until eventually 10 years of information is available. Total plan information is provided below.

(3) Contributions are deferred in he fiscal year reported and recognized in the financial statements in the subsequent year.

(4) The contractually required contibution for 2020 is estimated and may change upon receipt of the actuarial report.

*Late 18th century
The popularity of hot air balloons
provided the first detailed
understanding of the relationship
between altitude and the atmosphere.*



BUDGET VERSUS ACTUAL SCHEDULE

This schedule presents a budget versus actual comparison for the airports fund for which an annual appropriated budget is adopted.

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OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Airports Fund

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2020

	Original Budget	Revisions	Revised Budget
REVENUES			
Interest income	\$ 19,077	\$ -	\$ 19,077
Other Income	50,374	-	50,374
Total revenues before prior year fund balance	<u>69,451</u>	<u>-</u>	<u>69,451</u>
Prior year fund balance:			
Reappropriated for prior year encumbrances	-	-	-
Total revenues and prior year fund balance	<u>69,451</u>	<u>-</u>	<u>69,451</u>
EXPENDITURES AND ENCUMBRANCES			
Personal services	12,221,872	-	12,221,872
Contractual services	6,587,314	-	6,587,314
Supplies	701,932	-	701,932
Capital outlay	500,000	-	500,000
Total expenditures and encumbrances	<u>20,011,118</u>	<u>-</u>	<u>20,011,118</u>
Deficiency of revenues over expenditures and encumbrances	(19,941,667)	-	(19,941,667)
OTHER FINANCING SOURCES			
Transfers from other funds			
Net other financing sources (uses)	<u>19,941,667</u>	-	<u>19,941,667</u>
	19,941,667	-	19,941,667
Excess of revenues and other sources over expenditures and encumbrances	-	<u>\$ -</u>	-
Fund balance, beginning (Non-GAAP budgetary basis)	1,378,222		1,378,222
Less prior year fund balance (1)	-		-
Fund balance, ending (Non-GAAP budgetary basis)	<u>\$ 1,378,222</u>		<u>\$ 1,378,222</u>

ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

- Current year encumbrances included in expenditures
- Accounts receivable
- Reserve for inventories
- Net pension asset (liability)
- Advance to OCMFA Non-Current
- Deferred pension outflows
- Deferred OPEB outflows
- Revenue accruals
- Capital assets, net of depreciation
- Accounts Payable
- Compensated absences
- Other post employment benefits
- Deferred pension inflows
- Deferred OPEB inflows
- Change in Advance to/from other funds

Airports Cash Fund balance, ending (GAAP basis) (2)

Airports Capital Assets Fund balance, ending (GAAP basis) (2)

Airports Fund balance, ending (GAAP basis)

(1) Budgeted carryover reflects a portion of fund balance carried over from prior years. It is not a revenue of the current period, but is presented as revenue only for budgetary purposes.

(2) The Airports Cash Fund and the Airports Capital Assets Fund are combined and reported as the Airports fund in this report.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Airports Fund

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2020

Expenditures	Encumbrances	Total Actual	Variance Favorable (Unfavorable)
		\$ 33,424	\$ 14,347
		<u>153,647</u>	<u>103,273</u>
		187,071	117,620
		-	-
		<u>187,071</u>	<u>117,620</u>
\$ 11,474,830	\$ -	11,474,830	747,042
6,168,293	4,738	6,173,031	414,283
551,560	194,306	745,866	(43,934)
<u>596,382</u>	<u>-</u>	<u>596,382</u>	<u>(96,382)</u>
<u>\$ 18,791,065</u>	<u>199,044</u>	<u>18,990,109</u>	<u>1,021,009</u>
		(18,803,038)	1,138,629
		<u>18,573,810</u>	<u>(1,367,857)</u>
		18,573,810	(1,367,857)
		(229,228)	(229,228)
		1,378,222	-
		-	-
		<u>1,148,994</u>	<u>\$ (229,228)</u>
		199,043	
		-	
		802,896	
		493,051	
		383,755	
		1,652,144	
		890,249	
		36,181	
		1,552,733	
		-	
		(1,705,841)	
		(10,844,125)	
		(853,866)	
		(3,777,969)	
		<u>11,575,488</u>	
		1,552,733	
		<u>16,188,184</u>	
		<u>\$ 17,740,917</u>	

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1903

The Wright brothers made the first sustained, controlled, powered heavier-than-air manned flight at Kill Devil Hills, North Carolina.

STATISTICAL SECTION

This part of the department's CAFR presents detailed information as a context for understanding what the information in the financial statement, note disclosures and required supplementary information says about the airports overall financial health. The contents of the section relate to:

FINANCIAL TRENDS — These schedules contain trend information to help the reader understand how the Department's financial performance and well-being have changed over time.

REVENUE CAPACITY — These schedules contain information to help the reader assess the factors affecting the Department's ability to generate its rental rates and charges.

DEBT CAPACITY — These schedules present information to help the reader assess the affordability of the Department's current level of outstanding debt and the Department's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION — These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place and to help make comparisons over time and with other governments.

RATING INFORMATION — These schedules contain information about the Department's operations and resources to help the reader understand how the Department's financial information relates to the services the Department provides and the activities it performs.



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OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Net Position and Changes in Net Position

Last ten fiscal years

	2020	2019	2018	2017
Operating revenues:				
Landing fees	\$ 6,641,666	\$ 6,609,354	\$ 8,624,918	\$ 8,108,973
Other aircraft fees	2,902,271	3,283,367	3,052,125	2,868,227
Building rents	5,861,201	5,441,041	5,934,527	5,833,572
Parking revenues	12,911,923	14,540,397	13,244,922	11,758,033
Concession fees	1,903,289	2,494,162	2,358,895	2,218,839
Car rental commissions	5,317,659	5,960,313	5,704,600	5,395,187
Customer facility charges	4,454,522	5,627,407	5,507,073	5,272,543
Land rents	3,086,818	3,010,808	2,710,071	2,473,656
Maintenance, utility and insurance fees	14,709,340	14,755,484	14,742,209	14,306,131
Other	1,153,731	1,214,056	961,553	988,676
Total operating revenues	<u>58,942,420</u>	<u>62,936,389</u>	<u>62,840,893</u>	<u>59,223,837</u>
Nonoperating revenues:				
Investment Income	3,689,926	4,717,387	1,279,868	(162,786)
Oil and gas royalties	759,482	2,123,125	1,264,062	1,105,677
Passenger facility charges	6,081,512	8,486,348	7,944,255	7,166,215
Operating grants income	263,518	262,800	262,799	339,320
Other nonoperating revenues	148,530	106,044	98,379	5,326
Total nonoperating revenues	<u>10,942,968</u>	<u>15,695,704</u>	<u>10,849,363</u>	<u>8,453,752</u>
Total Revenues	<u>69,885,388</u>	<u>78,632,093</u>	<u>73,690,256</u>	<u>67,677,589</u>
Operating expenses:				
Personal services	12,448,170	11,423,324	11,028,574	10,936,183
Maintenance, operations, and contractual services	21,077,074	20,614,678	20,220,895	18,971,452
Materials and supplies	1,960,374	1,924,581	1,766,475	1,514,057
Depreciation	28,729,451	26,753,263	27,385,627	26,038,900
Total operating expenses	<u>64,215,069</u>	<u>60,715,846</u>	<u>60,401,571</u>	<u>57,460,592</u>
Nonoperating expenses:				
Interest expense	5,038,844	4,892,800	2,483,500	2,567,385
Amortization	(924,541)	(823,929)	(6,068)	(56,627)
Bond Insurance	-	-	3,722	16,135
Other expenses	276,093	985,197	1,003,762	603,102
Total nonoperating expenses	<u>4,390,396</u>	<u>5,054,068</u>	<u>3,484,916</u>	<u>3,129,995</u>
Total Expenses	<u>68,605,465</u>	<u>65,769,914</u>	<u>63,886,487</u>	<u>60,590,587</u>
Capital contributions, grants	18,424,129	5,822,567	6,888,914	7,583,038
Capital asset contribution	-	-	-	-
Donated Assets	-	-	-	(10,474,784)
Transfers between City funds	-	-	-	-
Increase in Net Position	<u>\$ 19,704,052</u>	<u>\$ 18,684,746</u>	<u>\$ 16,692,683</u>	<u>\$ 4,195,256</u>
Net Position at Year-End				
Net investment in capital assets	391,445,538	395,098,444	392,540,380	389,774,402
Restricted for construction	1,331,030	1,320,036	633,381	477,259
Restricted for debt service	40,387,111	30,201,947	27,064,856	25,089,920
Restricted for maintenance	54,671,915	51,053,876	42,128,718	35,417,641
Unrestricted	95,739,427	86,196,666	82,818,888	88,059,799
Total Net Position (1)	<u>\$ 583,575,021</u>	<u>\$ 563,870,969</u>	<u>\$ 545,186,223</u>	<u>\$ 538,819,021</u>

(1) GASB 63 was implemented in fiscal year 2013 along with GASB 65. These GASB statements changed the classification and calculations of net position. Years 2011 through 2009 have not been restated for the impacts of these GASB statements. In 2015, the Department implemented GASB 68. Years 2014 through 2009 have not been restated for the impacts of this GASB statement.

	2016	2015	2014	2013	2012	2011
\$	7,790,758	\$ 7,210,738	\$ 7,152,728	\$ 7,024,001	\$ 6,835,170	\$ 6,924,831
	2,784,646	2,478,747	2,439,028	2,394,241	2,365,761	2,118,706
	5,989,716	8,181,439	14,768,054	15,361,205	17,678,091	22,470,025
	10,739,480	11,040,207	10,962,305	10,023,542	9,804,277	9,259,742
	2,205,039	2,138,070	2,086,491	2,035,324	1,792,818	1,937,188
	5,376,852	5,664,322	5,594,192	5,137,368	4,979,821	4,565,970
	4,906,530	4,891,573	4,818,253	4,506,156	-	-
	2,021,079	1,809,234	1,703,293	1,898,020	1,604,330	1,491,459
	13,945,149	13,861,611	13,853,789	13,578,706	11,213,097	6,943,578
	1,063,715	1,071,109	1,019,416	994,265	989,924	1,559,972
	<u>56,822,964</u>	<u>58,347,050</u>	<u>64,397,549</u>	<u>62,952,828</u>	<u>57,263,289</u>	<u>57,271,471</u>
	823,150	441,967	647,767	617,954	647,961	818,289
	936,090	2,019,412	2,958,796	2,509,712	2,820,798	2,968,830
	7,098,192	7,338,801	7,199,252	7,364,701	7,210,909	7,055,522
	195,840	262,800	328,320	224,918	403,054	440,268
	289,536	1,150,139	1,122,982	9,690	49,129	386,223
	<u>9,342,808</u>	<u>11,213,119</u>	<u>12,257,117</u>	<u>10,726,975</u>	<u>11,131,851</u>	<u>11,669,132</u>
	<u>66,165,772</u>	<u>69,560,169</u>	<u>76,654,666</u>	<u>73,679,803</u>	<u>68,395,140</u>	<u>68,940,603</u>
	10,269,437	9,619,805	9,801,524	9,181,703	8,417,255	8,002,625
	17,286,421	16,075,940	15,959,524	14,368,584	14,800,764	13,888,354
	1,506,824	1,568,587	1,717,949	1,376,306	1,328,835	1,398,612
	23,299,388	21,926,967	21,684,600	20,478,414	21,238,540	21,571,778
	<u>52,362,070</u>	<u>49,191,299</u>	<u>49,163,597</u>	<u>45,405,007</u>	<u>45,785,394</u>	<u>44,861,369</u>
	2,210,053	3,752,718	5,523,683	5,121,660	6,690,475	8,389,506
	(123,335)	(164,871)	(193,214)	(206,727)	(165,560)	152,881
	16,491	16,862	17,193	17,503	17,822	-
	121,232	36,211	591,802	1,893,395	-	-
	<u>2,224,441</u>	<u>3,640,920</u>	<u>5,939,464</u>	<u>6,825,831</u>	<u>6,542,737</u>	<u>8,542,387</u>
	<u>54,586,511</u>	<u>52,832,219</u>	<u>55,103,061</u>	<u>52,230,838</u>	<u>52,328,131</u>	<u>53,403,756</u>
	15,120,699	11,173,450	5,050,411	9,409,881	7,505,159	5,804,051
	-	750,000	-	-	-	-
	(3,240,414)	-	-	-	(2,872,287)	-
	-	-	(4,221)	-	-	-
\$	<u>23,459,546</u>	<u>\$ 28,651,400</u>	<u>\$ 26,597,795</u>	<u>\$ 30,858,846</u>	<u>\$ 20,699,881</u>	<u>\$ 21,340,898</u>
	382,440,123	354,975,104	325,767,028	318,022,197	296,325,773	282,438,969
	21,657	216,881	505,230	864,478	861,658	1,571,566
	20,782,026	26,196,690	30,472,168	26,493,184	26,104,542	25,473,781
	38,002,926	36,695,692	28,910,630	22,939,168	19,840,192	17,421,223
	93,377,033	93,079,852	96,243,894	86,982,128	81,310,144	77,408,358
\$	<u>534,623,765</u>	<u>\$ 511,164,219</u>	<u>\$ 481,898,950</u>	<u>\$ 455,301,155</u>	<u>\$ 424,442,309</u>	<u>\$ 404,313,897</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Changes in Cash and Cash Equivalents

Last ten fiscal years

	2020	2019	2018	2017
Cash flows from operating activities:				
Cash received from charges	\$ 53,085,053	\$ 58,196,450	\$ 57,082,373	\$ 53,138,264
Cash received from customer facility charges	4,826,577	5,563,845	5,475,884	5,227,172
Cash received from oil and gas royalties	781,400	2,409,830	998,931	1,094,911
Cash payments to suppliers for goods and services	(23,757,945)	(22,103,256)	(22,645,698)	(20,526,460)
Cash payments to employees	(11,812,372)	(11,387,704)	(10,798,828)	(10,515,564)
Net cash provided by operating activities	<u>23,122,713</u>	<u>32,679,165</u>	<u>30,112,662</u>	<u>28,418,323</u>
Cash flows from noncapital financing activities:				
Operating grants received	241,920	284,400	327,599	209,000
Other non-operating revenue	-	-	-	(53,928)
Transfers recieved from (paid to) other funds	(26,173)	252,798	(112,669)	-
Airports CARE Act Grant Received	12,153,791	-	-	-
Liquidated Damages	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>12,369,538</u>	<u>537,198</u>	<u>214,930</u>	<u>155,072</u>
Cash flows from capital and related financing activities:				
Intergovernmental advance	-	(17,309,600)	(4,380,521)	884,779
Advance Payable - Gulfstream	(266,442)	(46,718)	373,237	(171,312)
Acquisition and construction of capital assets	(46,869,802)	(26,975,442)	(19,534,168)	(37,079,371)
Capital grants received	(5,527,868)	6,013,153	6,860,932	9,797,014
Interest paid on bonds	(13,650,820)	4,977,099	(4,371,587)	(4,734,572)
Principal paid on bonds	(41,695,000)	(6,800,000)	(46,900,000)	(7,745,000)
Proceeds from sale of capital assets	96,186	27,276	25,213	96,073
Deferred revenue	-	-	-	-
Bond redemption	-	-	-	-
Proceeds from bond refunding/issues	38,669,738	93,550,000	36,670,000	-
Transfer to sinking fund	-	-	-	-
Bond issuance costs	(386,074)	(825,151)	(228,309)	-
Transfer to escrow agent	-	-	-	-
Passenger facility charges	7,009,619	8,468,088	7,840,436	6,824,699
Net cash provided (used) by capital and related financing activities	<u>(62,620,463)</u>	<u>61,078,705</u>	<u>(23,644,767)</u>	<u>(32,127,690)</u>
Cash flows from investing activities:				
Interest on investments	1,975,664	802,605	197,812	33,352
Proceeds from sale of investments	414,632,772	246,246,708	118,388,700	45,655,189
Purchase of investments	(389,935,459)	(340,574,794)	(125,669,676)	(43,316,604)
Change in pooled investments	8,373	(750,767)	765,390	681,690
Net cash provided (used) by investing activities	<u>26,681,350</u>	<u>(94,276,248)</u>	<u>(6,317,774)</u>	<u>3,053,627</u>
Net increase (decrease) in cash and cash equivalents	(446,862)	18,820	365,051	(500,668)
Cash, beginning of year (1)	<u>581,520</u>	<u>562,700</u>	<u>197,649</u>	<u>698,317</u>
Cash, end of year (1)	<u>\$ 134,658</u>	<u>\$ 581,520</u>	<u>\$ 562,700</u>	<u>\$ 197,649</u>

(1) GASB 63 was implemented in fiscal year 2013 along with GASB 65. These GASB statements changed the classification and calculations of net position. Years 2011 through 2009 have not been restated for the impacts of these GASB statements.

2016	2015	2014	2013	2012 (Restated)	2011
\$ 51,979,687	\$ 55,534,503	\$ 59,648,742	\$ 60,039,905	\$ 55,525,812	\$ 57,229,152
4,921,661	4,895,541	4,882,262	3,971,335	-	-
1,001,563	2,098,994	2,927,804	2,514,571	2,950,211	2,893,522
(17,056,091)	(14,452,169)	(14,398,231)	(16,805,729)	(16,326,012)	(15,490,738)
(10,227,959)	(9,685,595)	(9,394,574)	(8,803,749)	(8,250,041)	(7,785,452)
<u>30,618,861</u>	<u>38,391,274</u>	<u>43,666,003</u>	<u>40,916,333</u>	<u>33,899,970</u>	<u>36,846,484</u>
392,400	87,840	329,040	268,442	670,184	181,695
1,095,396	2,380,427	14,868	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	390,000
<u>1,487,796</u>	<u>2,468,267</u>	<u>343,908</u>	<u>268,442</u>	<u>670,184</u>	<u>571,695</u>
(1,328,664)	2,017,574	2,374,349	1,648,009	(7,712,012)	598,594
104,856	(95,967)	(106,986)	(22,103)	(325,478)	394,721
(50,868,606)	(51,581,529)	(28,192,785)	(25,398,156)	(18,192,283)	(11,937,224)
15,066,599	10,367,527	3,246,308	9,523,886	7,337,406	6,884,162
(5,064,999)	(6,072,010)	(6,291,138)	(6,087,095)	(7,146,344)	(9,562,443)
(7,410,000)	(20,950,000)	(13,370,000)	(19,215,000)	(17,740,000)	(17,655,000)
141,468	62,721	53,825	10,890	34,735	32,225
-	-	-	-	-	2,861,803
-	-	-	-	-	(2,980,000)
-	-	39,615,000	-	-	29,843,387
-	-	-	-	-	437,206
-	-	(563,431)	-	-	(312,151)
-	-	-	-	-	(29,958,335)
<u>7,095,218</u>	<u>7,466,794</u>	<u>7,093,852</u>	<u>6,587,178</u>	<u>7,134,987</u>	<u>7,040,874</u>
<u>(42,264,128)</u>	<u>(58,784,890)</u>	<u>3,858,994</u>	<u>(32,952,391)</u>	<u>(36,608,989)</u>	<u>(24,312,181)</u>
24,163	263,463	502,444	532,883	578,692	633,317
70,894,582	144,294,472	40,571,000	56,227,000	25,308,000	50,308,000
(61,371,616)	(127,131,940)	(88,298,335)	(65,237,880)	(24,261,607)	(63,889,267)
<u>398,880</u>	<u>(581,934)</u>	<u>(449,634)</u>	<u>223,160</u>	<u>435,196</u>	<u>410,463</u>
<u>9,946,009</u>	<u>16,844,061</u>	<u>(47,674,525)</u>	<u>(8,254,837)</u>	<u>2,060,281</u>	<u>(12,537,487)</u>
(211,462)	(1,081,288)	194,380	(22,453)	21,446	568,511
<u>(124,454)</u>	<u>956,834</u>	<u>762,454</u>	<u>784,907</u>	<u>763,461</u>	<u>194,950</u>
<u>\$ (335,916)</u>	<u>\$ (124,454)</u>	<u>\$ 956,834</u>	<u>\$ 762,454</u>	<u>\$ 784,907</u>	<u>\$ 763,461</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Revenue Sources

Last ten fiscal years

	2020	2019	2018	2017
Passenger airline revenue:				
Landing fees	\$ 5,913,318	\$ 6,035,582	\$ 7,823,524	\$ 7,387,706
Terminal rental	2,786,864	2,320,802	2,539,849	2,424,401
Bag claim area	1,076,321	1,121,154	1,166,500	1,081,596
Ground rental (3)	7,000	5,250	5,250	4,500
Airport gate fee	134,783	153,833	35,296	29,574
Passenger boarding bridges	142,126	361,519	301,904	276,176
Utilities	85,269	93,932	109,449	92,779
Security	1,255,942	1,450,144	1,400,710	1,231,031
Total passenger airline revenue	<u>11,401,623</u>	<u>11,542,216</u>	<u>13,382,482</u>	<u>12,527,763</u>
Other aeronautical revenue:				
Landing fees-freighters	728,346	573,771	801,394	721,268
Apron maintenance	188,915	187,201	185,239	183,320
Nonscheduled aviation fuel	1,646,329	1,833,223	1,608,812	1,637,196
Cargo building rental	-	-	-	-
Hangar rental	819,007	748,609	1,080,358	1,210,545
Ground rental	1,683,907	1,610,781	1,530,760	1,383,369
Maintenance fees	401,033	394,883	392,105	385,658
Insurance fees	62,755	70,716	70,717	69,830
Other aeronautical revenue	94,844	94,303	94,067	93,835
Security Reimbursement from Federal Gov't (4)	263,520	262,800	241,200	339,320
Total other aeronautical revenue	<u>5,888,656</u>	<u>5,776,287</u>	<u>6,004,652</u>	<u>6,024,341</u>
Total aeronautic revenue	17,290,279	17,318,503	19,387,134	18,552,104
Nonaeronautical revenue:				
Building rentals-separate lease facilities	-	-	-	-
Building rentals-Senior Lien facilities	-	-	-	-
Building rentals-other facilities	647,868	640,315	620,434	621,973
Concessions	1,903,289	2,494,162	2,397,815	2,218,839
Parking	12,911,923	14,540,397	13,244,922	11,758,032
Rental car commissions	5,317,659	5,960,313	5,704,600	5,395,186
Maintenance, utility, and insurance fees	14,142,653	13,984,948	14,062,186	13,650,351
Other nonaeronautical revenue	6,992,267	8,260,551	7,665,003	7,366,671
Total nonaeronautical revenue	<u>41,915,659</u>	<u>45,880,686</u>	<u>43,694,960</u>	<u>41,011,052</u>
Non-operating revenue:				
Investment income	3,689,925	4,717,387	1,279,870	(162,786)
Revenues from natural resources	759,482	2,123,125	1,264,062	1,105,677
Passenger facility charges	6,081,512	8,486,348	7,944,255	7,166,215
Other non-operating revenue	258,511	106,044	104,288	34,740
Airport Cares Act Grant	12,153,791	-	-	-
Total non-operating revenue	<u>22,943,221</u>	<u>15,432,904</u>	<u>10,592,475</u>	<u>8,143,846</u>
Total revenue (1)	\$ 82,149,159	\$ 78,632,093	\$ 73,674,569	\$ 67,707,002
Capital contributions, grants (2)	6,270,338	5,822,564	5,117,378	7,583,038
Capital asset contribution	-	-	-	-
Transfers between City funds	-	-	-	-
Total revenues, contributions, and transfers (5)	<u>\$ 88,419,497</u>	<u>\$ 84,454,657</u>	<u>\$ 78,791,947</u>	<u>\$ 75,290,040</u>

(1) Revenues in this schedule are reported according to FAA guidelines for Form 5100-127, Operating and Financial Summary. The classifications of revenues on this report may not agree with like classifications elsewhere in the CAFR.

(2) In 2011 FAA requires capital grants to be moved from Non-operating to Operating other aeronautical Revenue on Form 5100-127.

(3) In 2011 FAA requires Ground Rental to be reported separately under Passenger airline revenue on the Form 5100-127.

(4) Due to changes in 5100 in FY 2011 this was moved from Non-Operating Revenue to Operating Other Aeronautical Revenue.

(5) GASB 63 was implemented in fiscal year 2013 along with GASB 65. These GASB statements changed the classification and calculations of net position. Years 2012 through 2009 have not been restated for the impacts of these GASB statements as the FAA 127 report will not be re-filed.

	2016	2015	2014	2013	2012	2011
\$	7,113,080	\$ 6,591,816	\$ 6,533,798	\$ 6,430,507	\$ 6,244,742	\$ 6,317,473
	2,313,596	2,246,914	2,084,837	2,408,154	2,353,052	2,215,677
	1,041,140	1,036,013	1,060,052	1,060,086	1,062,211	1,015,831
	5,250	6,750	4,463	2,250	4,875	3,500
	42,772	28,598	13,447	30,338	29,990	52,858
	300,965	262,909	226,408	208,464	188,640	198,117
	93,516	83,189	82,923	136,983	149,575	146,321
	1,122,926	828,482	786,292	722,651	624,176	529,690
	<u>12,033,245</u>	<u>11,084,671</u>	<u>10,792,220</u>	<u>10,999,433</u>	<u>10,657,261</u>	<u>10,479,467</u>
	677,678	618,922	618,930	593,495	590,428	607,357
	-	-	-	-	-	-
	179,688	178,312	176,963	175,077	174,384	202,400
	1,661,720	1,650,263	1,652,731	1,671,590	1,741,585	1,589,017
	121,743	145,580	184,029	200,748	194,649	204,575
	1,195,694	1,181,331	1,167,996	1,134,904	1,233,081	2,195,059
	1,356,843	1,351,660	1,286,112	1,236,539	1,210,034	1,054,838
	375,007	391,251	386,588	367,947	340,699	358,323
	65,993	62,223	56,326	56,872	50,078	44,704
	81,507	45,614	45,395	45,287	44,746	44,204
	195,840	262,800	328,320	224,918	403,054	440,268
	<u>5,911,713</u>	<u>5,887,956</u>	<u>5,903,390</u>	<u>5,707,377</u>	<u>5,982,738</u>	<u>6,740,745</u>
	17,944,958	16,972,627	16,695,610	16,706,810	16,639,999	17,220,212
	-	2,260,177	9,040,711	9,341,509	10,243,902	10,243,902
	-	-	-	-	1,386,931	4,181,971
	640,472	671,113	649,885	645,974	647,418	1,837,826
	2,205,038	2,138,070	2,086,492	2,035,324	1,793,225	1,937,187
	10,739,480	11,040,207	10,962,305	10,023,542	9,804,277	9,259,742
	5,376,852	5,664,322	5,594,192	5,137,368	4,979,821	4,565,970
	13,388,859	12,296,116	13,283,439	12,909,201	10,565,958	6,933,846
	6,723,144	6,567,218	6,413,235	6,378,018	1,604,812	1,531,083
	<u>39,073,845</u>	<u>40,637,223</u>	<u>48,030,259</u>	<u>46,470,936</u>	<u>41,026,344</u>	<u>40,491,527</u>
	823,150	441,967	647,767	617,955	647,962	818,288
	936,090	2,019,412	2,958,796	2,509,712	2,820,798	2,968,830
	7,098,192	7,338,801	7,199,252	7,364,701	7,210,909	7,055,522
	289,537	1,150,139	1,122,982	9,690	52,262	386,224
	-	-	-	-	-	-
	<u>9,146,969</u>	<u>10,950,319</u>	<u>11,928,797</u>	<u>10,502,058</u>	<u>10,731,931</u>	<u>11,228,864</u>
\$	66,165,772	\$ 68,560,169	\$ 76,654,666	\$ 73,679,804	\$ 68,398,274	\$ 68,940,603
	15,120,699	11,173,450	5,050,411	9,409,881	7,505,159	5,804,051
	-	750,000	-	-	-	-
	-	-	(4,221)	-	-	-
\$	<u>81,286,471</u>	<u>80,483,619</u>	<u>81,700,856</u>	<u>83,089,685</u>	<u>75,903,433</u>	<u>74,744,654</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Principal Revenue Sources

Last ten fiscal years

	2020	2019	2018	2017
Principal revenue sources:				
Building rentals-separate lease facilities (1)	\$ -	\$ -	\$ -	\$ -
Passenger airline revenue (2)	11,401,623	11,542,216	13,382,482	12,527,763
Building rentals-senior lien facilities (3)	-	-	-	-
Parking (4)	12,911,923	14,540,397	13,244,922	11,758,033
Maintenance fees (5)	14,193,818	14,175,310	14,127,098	13,737,815
Passenger facility charges (PFC) (6)	6,081,512	8,486,348	7,944,255	7,166,215
Customer facility charges (CFC)(8)	4,454,522	5,627,407	5,507,073	5,272,543
Investment income (7)	3,631,533	4,717,387	1,279,870	(162,786)
Airport Cares Act Grant (9)	12,153,791	-	-	-
Total principal revenue sources	<u>\$ 64,828,722</u>	<u>\$ 59,089,065</u>	<u>\$ 55,485,700</u>	<u>\$ 50,299,583</u>
Total revenues	82,149,159	78,632,091	73,674,569	67,707,002
Percentage of principal revenues to total revenues:				
Building rentals-separate lease facilities (1)	0.0%	0.0%	0.0%	0.0%
Passenger airline revenue (2)	13.9%	14.7%	18.2%	18.5%
Building rentals-senior lien facilities (3)	0.0%	0.0%	0.0%	0.0%
Parking (4)	15.7%	18.5%	18.0%	17.4%
Maintenance fees (5)	17.3%	18.0%	19.2%	20.3%
Passenger facility charges (PFC) (6)	7.4%	10.8%	10.8%	10.6%
Customer facility charges (CFC)(8)	5.4%	7.2%	7.5%	7.8%
Investment income (7)	4.4%	6.0%	1.7%	(0.2)%
Airport Cares Act Grant (9)	14.8%	-	-	-
Total principal revenue percentages	<u>78.9%</u>	<u>75.2%</u>	<u>75.4%</u>	<u>74.4%</u>

(1) The lease on the Separate Lease Federal Bureau of Prisons (FBOP) facility requires the Federal government to provide rentals in equal semi-annual installments at the rate of 1% above the average interest cost of the bonds sufficient to fully amortize debt service on the Separate Lease FBOP bonds.

(2) Enplaned passengers	1,630,659	2,204,113	2,072,135	1,880,480
Airline revenue per enplaned passenger	\$ 6.99	\$ 5.24	\$ 6.46	\$ 6.66
Percentage of airline revenues - airfield charges	51.9%	52.3%	58.5%	59.0%
Percentage of airline revenues - terminal charges	48.1%	47.7%	41.5%	41.0%

(3) The lease on the Senior Lien facilities requires the Federal government to provide rentals in equal monthly installments sufficient to fully amortize debt service of the Senior Lien bonds.

(4) Public parking revenues	12,799,083	14,416,768	13,139,018	11,665,008
Number of revenue transactions	525,756	710,201	723,316	710,708
Public parking revenue per transaction	\$ 24.34	\$ 20.30	\$ 18.16	\$ 16.41

Public parking revenue = parking revenues net of rental car ready space revenue and employee parking lot revenue. Certain public parking rates were changed effective May 14, 2019. Short- term parking garage rates did not change and are set at no charges for the first hour and \$1.00 per hour thereafter with no maximum charges. Daily rates were increased as follows for the long-term parking lots: Remote Shuttle Lot - \$6.00; North Parking Lot - \$7.00; Covered Parking Lot \$9.00; Long-Term Garage - \$12.00; and Premium Parking - \$18.00. Premium Parking can be reserved online for \$5.00 per reservation.

(5) Leases with tenants provide for maintenance fees based upon a specified rate per square foot or percentage of the appraised value of the facility.

(6) PFC revenue per enplaned passenger	\$ 3.73	\$ 3.85	\$ 3.83	\$ 3.81
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PFC's per enplaned passenger were levied at \$3 per passenger since July 1, 1997 and increased to \$4.50 effective April 1, 2010. These revenues are restricted to pay a portion of the Junior Lien 29B and Junior Lien 30 debt service.

(7) Average cash and investments	\$ 246,844,536	\$ 209,044,214	\$ 155,592,742	\$ 153,482,338
Average interest rate on cash and investments	1.47%	2.26%	0.82%	0.02%

(8) Customer facility charge is levied at \$4.50 per transaction day since July 1, 2012.

(9) Coronavirus Air, Relief, and Economic Security (CARES) Act.

2016	2015	2014	2013	2012	2011
\$ -	\$ 2,260,177	\$ 9,040,711	\$ 9,341,509	\$ 10,243,902	\$ 10,243,902
12,033,245	11,084,669	10,792,217	10,999,433	10,657,261	10,784,570
-	-	-	-	1,386,931	4,181,971
10,739,480	11,040,207	10,962,305	10,023,542	9,804,277	9,259,742
13,389,931	13,323,627	13,337,304	13,005,826	11,213,097	6,401,134
7,098,192	7,338,801	7,199,252	7,364,701	7,210,909	7,055,522
4,906,530	4,891,573	4,818,253	4,506,156	-	-
823,150	441,967	647,767	617,955	647,960	818,288
-	-	-	-	-	-
<u>\$ 48,990,528</u>	<u>\$ 50,381,021</u>	<u>\$ 56,797,809</u>	<u>\$ 55,859,122</u>	<u>\$ 51,164,337</u>	<u>\$ 48,745,129</u>
66,165,772	69,560,169	76,654,666	73,679,804	68,398,274	68,940,603
0.0%	3.2%	11.8%	12.7%	15.0%	14.9%
18.2%	15.9%	14.1%	14.9%	15.6%	15.6%
0.0%	0.0%	0.0%	0.0%	2.0%	6.1%
16.2%	15.9%	14.3%	13.6%	14.3%	13.4%
20.2%	19.2%	17.4%	17.7%	16.4%	9.3%
10.7%	10.6%	9.4%	10.0%	10.5%	10.2%
7.4%	7.0%	6.3%	6.1%	0.0%	0.0%
1.2%	0.6%	0.8%	0.8%	0.9%	1.2%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>73.9%</u>	<u>72.4%</u>	<u>74.1%</u>	<u>75.8%</u>	<u>74.7%</u>	<u>70.7%</u>
1,867,336	1,886,219	1,847,283	1,845,055	1,824,313	1,748,379
\$ 6.44	\$ 5.88	\$ 5.84	\$ 5.96	\$ 5.84	\$ 6.17
59.1%	59.5%	60.5%	58.6%	58.6%	57.3%
40.8%	40.5%	39.5%	41.4%	41.4%	40.4%
10,350,363	10,499,579	10,430,550	9,516,987	9,271,862	8,726,192
733,585	751,344	769,889	725,592	760,305	741,082
\$ 14.11	\$ 13.97	\$ 13.55	\$ 13.12	\$ 12.19	\$ 11.77
\$ 3.80	\$ 3.89	\$ 3.90	\$ 3.99	\$ 3.95	\$ 4.04
\$ 160,010,805	\$ 173,378,821	\$ 157,820,823	\$ 128,730,490	\$ 125,007,241	\$ 119,111,651
0.50%	0.40%	0.40%	0.50%	0.50%	0.70%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Schedule of Bond Debt Service Coverage

Last ten fiscal years

	2020	2019	2018	2017
Gross Revenues	\$ 88,419,497	\$ 84,454,657	\$ 79,803,753	\$ 74,657,524
Adjustments per Original Bond Indenture (1)	<u>(12,563,968)</u>	<u>(14,525,088)</u>	<u>(14,902,497)</u>	<u>(14,763,341)</u>
Gross revenue as provided in the Original Bond Indenture	<u>75,855,529</u>	<u>69,929,569</u>	<u>64,901,256</u>	<u>59,894,183</u>
Expenses per Original Bond Indenture	35,595,598	33,545,552	32,240,489	30,818,588
Adjustments per Original Bond Indenture (2)	<u>(18,891)</u>	<u>(16,515)</u>	<u>(9,080)</u>	<u>(10,727)</u>
Expenses net of adjustments as provided in the Original Bond Indenture	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>35,576,707</u>	<u>33,529,037</u>	<u>32,231,409</u>	<u>30,807,861</u>
Net revenues	<u>40,278,822</u>	<u>36,400,532</u>	<u>32,669,847</u>	<u>29,086,322</u>
Total available for debt service coverage	<u>\$ 40,278,822</u>	<u>\$ 36,400,532</u>	<u>\$ 32,669,847</u>	<u>\$ 29,086,322</u>
Senior Lien debt service requirements	\$ -	\$ -	\$ -	\$ -
Bank fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Senior Lien debt service requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available for Junior Lien requirements	40,278,822	36,400,532	32,669,847	29,086,322
Passenger Facility Charge (PFC) revenue available for Junior Lien debt service requirements	<u>5,535,177</u>	<u>4,156,617</u>	<u>4,832,413</u>	<u>5,795,203</u>
Total available for Junior Lien debt requirements	<u>\$ 45,813,999</u>	<u>\$ 40,557,149</u>	<u>\$ 37,502,260</u>	<u>\$ 34,881,525</u>
Junior Lien requirements	\$ 11,834,854	\$ 5,624,197	\$ 6,133,365	\$ 6,683,123
PFC backed revenue bond debt	5,535,177	4,156,617	4,832,413	5,795,203
Bank fees	<u>18,891</u>	<u>16,515</u>	<u>9,080</u>	<u>10,727</u>
Net Junior Lien debt service requirements	<u>\$ 17,388,922</u>	<u>\$ 9,797,329</u>	<u>\$ 10,974,858</u>	<u>\$ 12,489,053</u>
Senior Lien debt service coverage				
Gross	NA	NA	NA	NA
Net	NA	NA	NA	NA
Junior Lien debt service coverage				
Gross	4.68	7.56	6.35	5.26
Net	2.63	4.14	3.42	2.79
Junior Lien gross debt coverage requirement (3)	1.50	1.50	1.50	1.50
Junior Lien gross debt coverage margin	3.18	6.06	4.85	3.76

- (1) Revenues of the Trust pledged to the payment of debt under the Original Bond Indenture and supplemental bond indentures exclude certain interest earnings and certain Trust revenues pledged to the trust estates created pursuant to the Separate Lease Revenue Bond Indentures.
- (2) Expenses exclude trustee bank fees and expenses related to the trust estates created pursuant to the Separate Lease Revenue Bond Indentures.
- (3) The Original Bond Indenture provides that gross revenues of the trust estate less the Senior Lien debt service requirements must be at least 1.5 times the Junior Lien debt service requirements to issue additional Junior Lien bonds.

2016	2015	2014	2013	2012	2011
\$ 81,165,239 (22,220,482)	\$ 81,466,672 (23,664,003)	\$ 81,780,690 (20,715,356)	\$ 83,089,685 (26,185,418)	\$ 75,900,300 (25,389,422)	\$ 74,744,654 (23,254,441)
58,944,757	57,802,669	61,065,334	56,904,267	50,510,878	51,490,213
28,941,450 (11,261)	27,215,564 (22,868)	27,572,972 (12,542)	26,819,986 (86,732)	24,546,088 (83,154)	23,289,591 (199,409)
28,930,189	27,192,696	27,560,430	26,733,254	24,462,934	23,090,182
30,014,568	30,609,973	33,504,904	30,171,013	26,047,944	28,400,031
<u>\$ 30,014,568</u>	<u>\$ 30,609,973</u>	<u>\$ 33,504,904</u>	<u>\$ 30,171,013</u>	<u>\$ 26,047,944</u>	<u>\$ 28,400,031</u>
\$ - -	\$ - -	\$ - -	\$ 4,960,480 250	\$ 4,970,480 2,000	\$ 5,468,770 2,000
-	-	-	4,960,730	4,972,480	5,470,770
30,014,568	30,609,973	33,504,904	25,210,283	21,075,464	22,929,261
5,796,510	5,816,351	5,812,360	5,809,885	5,562,547	5,879,865
<u>\$ 35,811,078</u>	<u>\$ 36,426,324</u>	<u>\$ 39,317,264</u>	<u>\$ 31,020,168</u>	<u>\$ 26,638,011</u>	<u>\$ 28,809,126</u>
\$ 6,698,422 5,796,510 11,261	\$ 6,833,888 5,816,351 11,958	\$ 3,918,213 5,812,360 12,542	\$ 4,745,818 5,809,885 9,747	\$ 4,541,507 5,562,547 11,993	\$ 5,581,918 5,879,865 12,386
<u>\$ 12,506,193</u>	<u>\$ 12,662,197</u>	<u>\$ 9,743,115</u>	<u>\$ 10,565,450</u>	<u>\$ 10,116,047</u>	<u>\$ 11,474,169</u>
NA	NA	NA	11.47	10.16	9.41
NA	NA	NA	6.08	5.24	5.19
5.18	5.020	6.86	5.47	5.05	4.52
2.87	2.880	4.04	2.94	2.63	2.51
1.50	1.500	1.50	1.50	1.50	1.50
3.68	3.52	5.36	3.97	3.55	3.02

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Debt Ratios

Last ten fiscal years

	2020	2019	2018	2017
Junior Lien (JL) Bonds - Passenger Use Facilities:				
27B Terminal Renovation/Expansion	\$ -	\$ -	\$ -	\$ -
29A 5 Story Parking Garage	-	-	-	13,705,000
29B Terminal Renovation/Expansion	-	-	-	31,760,000
30 Terminal Renovation/Expansion	-	-	-	750,000
31 Consolidated Rental Car Facility	3,130,000	36,895,000	37,595,000	38,280,000
32A 5 Story Parking Garage	9,785,000	11,215,000	12,165,000	-
32B Terminal Renovation/Expansion	12,245,000	19,355,000	24,505,000	-
33 Terminal Expansion	93,550,000	93,550,000	-	-
34 Consolidated Rental Car Facility	39,175,000	-	-	-
Total JL Bonds - Passenger Use Facilities	<u>\$ 157,885,000</u>	<u>\$ 161,015,000</u>	<u>\$ 74,265,000</u>	<u>\$ 84,495,000</u>
Percentage of Total Outstanding Debt	100.0%	100.0%	100.0%	100.0%
Enplaned Passengers	1,630,659	2,204,113	2,072,135	1,880,480
Debt per Enplaned Passenger (1)	\$ 96.82	\$ 73.05	\$ 35.84	\$ 44.93
Junior Lien Bonds - Other Facilities:				
23 5300 Portland Building	\$ -	\$ -	\$ -	\$ -
26 US Marshals Service	-	-	-	-
Total JL Bonds - Other Facilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of Total Outstanding Debt	0.0%	0.0%	0.0%	0.0%
Percentage rentals to outstanding debt (2)	0.0%	0.0%	0.0%	0.0%
Senior Lien Bonds - Mike Monroney Aeronautical Center				
Percentage of Total Outstanding Debt	0.0%	0.0%	0.0%	0.0%
Percentage rentals to outstanding debt (3)	0.0%	0.0%	0.0%	0.0%
Total Junior and Senior Lien Bonds	<u>\$ 157,885,000</u>	<u>\$ 161,015,000</u>	<u>\$ 74,265,000</u>	<u>\$ 84,495,000</u>
Total Debt per Enplaned Passenger	\$ 96.82	\$ 73.05	\$ 35.84	\$ 44.93
Separate Lease Bonds				
Percentage of Total Outstanding Debt	0.0%	0.0%	0.0%	0.0%
Percentage rentals to outstanding debt (4)	0.0%	0.0%	0.0%	0.0%
Total	<u>\$ 157,885,000</u>	<u>\$ 161,015,000</u>	<u>\$ 74,265,000</u>	<u>\$ 84,495,000</u>
Less current maturities	-	-	(6,800,000)	(7,420,000)
Long-term portion	\$ 157,885,000	\$ 161,015,000	\$ 67,465,000	\$ 77,075,000
Less unamortized discount	-	-	-	(75,278)
Add unamortized premium	7,130,289	7,130,289	-	468,480
Total outstanding debt	<u>\$ 165,015,289</u>	<u>\$ 168,145,289</u>	<u>\$ 67,465,000</u>	<u>\$ 77,468,202</u>

Generally, rates and charges to users/lessees are established to provide rentals sufficient to pay the indebtedness on the bonds specific to the user/lessee of the facility. However, the Original Bond Indenture provides that gross revenues of the Trust Estate are pledged first to the debt service requirements of the Senior Lien bonds and second to the Junior Lien bonds.

- (1) Passengers indirectly fund debt related to the passenger use facilities such as public parking areas and the terminal through parking fees, airline ticket purchases, passenger facility charges, retail and food purchases, and car rentals.
- (2) One outstanding Junior Lien bond issue has leases effective whereby rentals are insufficient to pay the specific bonded indebtedness on the facility, the 5300 Portland Building.
- (3) The lease with the Federal government, Federal Aviation Administration, provides for lease rentals sufficient to fully pay the principal and interest on the bonds when due.
- (4) The leases with the Federal government under the Separate Lease Bond Indentures provide for lease rentals sufficient to fully pay the principal and interest on the bonds when due.

	2016	2015	2014	2013	2012	2011
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 4,695,000
	-	-	-	-	-	-
	14,800,000	15,855,000	16,870,000	17,845,000	18,785,000	19,695,000
	31,760,000	31,760,000	31,760,000	31,760,000	31,760,000	31,760,000
	6,730,000	12,420,000	17,885,000	23,285,000	28,565,000	28,675,000
	38,950,000	39,615,000	39,615,000	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>92,240,000</u>	<u>99,650,000</u>	<u>106,130,000</u>	<u>72,890,000</u>	<u>79,110,000</u>	<u>84,825,000</u>
	100.0%	100.0%	88.0%	77.3%	69.7%	64.6%
	1,867,336	1,886,219	1,847,283	1,845,055	1,824,313	1,748,379
\$	49.40	\$ 52.83	\$ 57.45	\$ 39.51	\$ 43.36	\$ 48.52
\$	-	\$ -	\$ 120,000	\$ 235,000	\$ 340,000	\$ 440,000
	-	-	-	-	715,000	1,395,000
\$	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>235,000</u>	<u>1,055,000</u>	<u>1,835,000</u>
	0.0%	0.0%	0.1%	0.2%	0.9%	1.4%
	0.0%	0.0%	0.0%	0.0%	67.8%	77.5%
\$	-	\$ -	\$ -	\$ -	\$ 4,810,000	\$ 9,340,000
	0.0%	0.0%	0.0%	0.0%	4.2%	7.1%
	0.0%	0.0%	0.0%	0.0%	100.0%	100%
\$	<u>92,240,000</u>	<u>99,650,000</u>	<u>106,250,000</u>	<u>73,125,000</u>	<u>84,975,000</u>	<u>96,000,000</u>
\$	49.40	\$ 52.83	\$ 57.52	\$ 39.63	\$ 46.58	\$ 54.91
\$	-	\$ -	\$ 14,350,000	\$ 21,230,000	\$ 28,595,000	\$ 35,310,000
	0.0%	0.0%	11.9%	22.5%	25.2%	26.9%
	0.0%	0.0%	100.0%	100.0%	100.00%	100.00%
\$	<u>92,240,000</u>	<u>99,650,000</u>	<u>120,600,000</u>	<u>94,355,000</u>	<u>113,570,000</u>	<u>131,310,000</u>
	(7,745,000)	(7,410,000)	(20,950,000)	(13,370,000)	(19,215,000)	(17,740,000)
\$	<u>84,495,000</u>	<u>92,240,000</u>	<u>99,650,000</u>	<u>80,985,000</u>	<u>94,355,000</u>	<u>113,570,000</u>
	(89,968)	(105,737)	(144,906)	(218,806)	(316,000)	(436,000)
	679,335	947,791	1,271,625	1,648,858	2,078,786	2,535,353
\$	<u>85,084,367</u>	<u>93,082,054</u>	<u>100,776,719</u>	<u>82,415,052</u>	<u>96,117,786</u>	<u>115,669,353</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Summary Schedule of Debt Service Requirements

Fiscal Year	Junior Lien
End	Requirements
2020	\$ 17,370,031
2021	18,442,065
2022	16,077,075
2023	12,581,802
2024	11,488,528
2025	10,387,161
2026	10,384,110
2027	10,373,400
2028	8,943,129
2029	8,942,427
2030	8,937,932
2031	8,939,824
2032	8,937,195
2033	8,929,708
2034	8,931,755
2035	8,923,200
2036	8,914,176
2037	8,921,289
2038	8,909,331
2039	8,910,761
2040	8,904,910
2041	8,896,361
2042	8,888,966
2043	8,881,998
2044	8,880,207
2045	6,430,500
2046	6,428,625
2047	6,427,625
2048	6,426,750
	<u>\$ 284,410,841</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Primary Origin and Destination Passenger Markets

Last two fiscal years

2020					2019				
Rank	Market	Trip Length (1)	Airport Note Below	Total O & D Passengers	Rank	Market	Trip Length (1)	Airport Note Below	Total O & D Passengers
1	Denver	SH	-	199,585	1	Houston	SH	(2)	257,228
2	Houston	SH	(2)	186,858	2	Denver	SH	-	248,224
3	Los Angeles Basin	LH	(3)	153,505	3	Los Angeles Basin	LH	(3)	212,422
4	Washington/Baltimore	LH	(4)	150,829	4	Washington/Baltimore	LH	(4)	192,925
5	Las Vegas	MH	-	126,142	5	Las Vegas	MH	-	169,098
6	Orlando	LH	(11)	112,063	6	Chicago	MH	(7)	149,355
7	Chicago	MH	(7)	105,623	7	Orlando	LH	(11)	140,119
8	Phoenix	MH	-	96,647	8	New York	LH	(5)	123,877
9	Atlanta	MH	-	92,556	9	Atlanta	MH	-	119,754
10	New York	LH	(5)	87,020	10	Phoenix	MH	-	113,407
11	Seattle	LH	-	75,588	11	Seattle	LH	-	94,263
12	Bay Area	LH	(9)	62,137	12	Dallas/Fort Worth	SH	(6)	91,176
13	South Florida	LH	(8)	59,960	13	Bay Area	LH	(9)	87,233
14	Dallas/Fort Worth	SH	(6)	53,724	14	South Florida	LH	(8)	80,645
15	San Diego	LH	-	43,248	15	San Diego	LH	-	68,519
16	Nashville	MH	-	43,160	16	Metro Boston	LH	(10)	62,209
17	Metro Boston	LH	(10)	41,578	17	San Antonio	SH	-	53,927
18	Salt Lake City	MH	-	40,897	18	Salt Lake City	MH	-	50,945
19	Tampa	LH	-	38,584	19	Nashville	MH	-	50,801
20	St. Louis	SH	-	34,812	20	St. Louis	SH	-	48,741

- (1) SH = Short Haul = 0 to 500 miles. MH = Medium Haul = 501 to 1,000 miles. LH = Long Haul = over 1,000 miles
- (2) Includes Hobby and Intercontinental
- (3) Includes Los Angeles, Orange County, Long Beach, Ontario and Burbank
- (4) Includes Baltimore, Dulles, and Reagan-National
- (5) Includes JFK, LaGuardia, and Newark
- (6) Includes DFW and Dallas Love
- (7) Includes Midway and O'Hare
- (8) Includes Fort Lauderdale, Miami, and West Palm Beach
- (9) Includes Oakland, San Francisco, and San Jose
- (10) Includes Boston, Manchester, and Providence
- (11) Includes Orlando International, Sanford

Source: U.S. DOT, O&D data via Diio online portal

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Will Rogers World Airport and Wiley Post Airport Summarized Statistics
Last ten fiscal years

Will Rogers World Airport	2020	Percent	2019	Percent	2018	2017
Aircraft Operations (1)						
Commercial	46,196	45.09%	54,322	48.46%	51,162	50,598
Itinerant military	23,117	22.56%	19,692	17.57%	21,998	23,924
Local military	9,687	9.45%	12,027	10.73%	12,722	15,594
Itinerant civil	22,762	22.22%	24,852	22.17%	26,037	26,337
Local civil	694	0.68%	1,214	1.08%	1,519	2,253
Total operations	102,456	100%	112,107	100%	113,438	118,706
Change from previous year						
All operations	(8.61)%		(1.17)%		(4.44)%	(0.22)%
Commercial operations	(14.96)%		6.18%		1.11%	(1.40)%
Passenger Traffic						
Enplanements	1,630,659		2,204,113		2,072,135	1,880,480
Deplanements	1,643,871		2,201,818		2,069,407	1,881,054
Total passengers	3,274,530		4,405,931		4,141,542	3,761,534
Change from previous year	(25.68)%		6.38%		10.10%	0.55%
Freight and Mail (in pounds)						
Freight and mail - enplaned	22,770,234		21,691,959		24,096,660	22,152,601
Freight and mail - deplaned	41,448,636		41,842,121		40,396,419	38,358,264
Total freight and mail	64,218,870		63,534,080		64,493,079	60,510,865
Change from previous year	1.08%		(1.49)%		6.58%	(1.99)%
Landed Weights (in thousand pounds)						
Passenger airlines landed weights	2,134,251		2,568,450		2,427,600	2,298,581
Change from previous year	(16.91)%		5.80%		5.61%	2.84%
Wiley Post Airport						
Aircraft Operations (1)						
Itinerant military	1,839	2.91%	1,341	2.18%	1,025	814
Local military	1,694	2.68%	618	1.00%	368	122
Itinerant civil	46,217	73.09%	47,414	76.98%	49,141	49,307
Local civil	13,480	21.32%	12,221	19.84%	14,550	12,602
Total operations	63,230	100%	61,594	100%	65,084	62,845
Change from previous year	2.66%		(5.36)%		3.56%	(10.33)%

(1) Operations include aircraft landings and take-offs.

Source: Department of Airports Activity Reports

2016	2015	2014	2013	2012	2011
51,318	51,964	54,236	56,226	55,944	54,662
23,347	19,575	20,423	17,114	21,244	20,266
16,433	17,248	19,574	13,921	23,988	25,705
25,754	25,420	25,514	24,779	25,108	24,319
2,116	1,625	1,586	1,241	1,342	1,396
118,968	115,832	121,333	113,281	127,626	126,348
(2.71)%	(4.53)%	7.11%	(11.24)%	1.01%	2.78%
(1.24)%	(4.19)%	(3.54)%	0.50%	2.35%	(0.42)%
1,867,336	1,886,219	1,847,283	1,845,055	1,824,313	1,748,379
1,873,498	1,883,844	1,852,599	1,847,689	1,827,530	1,754,495
3,740,834	3,770,063	3,699,882	3,692,744	3,651,843	3,502,874
(0.78)%	1.90%	0.19%	1.12%	4.25%	3.21%
25,541,493	27,607,848	29,206,429	28,566,115	29,857,754	29,289,537
36,195,845	35,537,324	34,084,425	38,794,580	40,113,944	38,630,696
61,737,338	63,145,172	63,290,854	67,360,695	69,971,698	67,920,233
(2.23)%	(0.23)%	(6.04)%	(3.73)%	3.02%	(0.50)%
2,235,065	2,251,616	2,241,550	2,321,934	2,282,732	2,192,078
(0.74)%	0.45%	(3.46)%	1.72%	4.14%	2.19%
1,731	1,862	2,435	3,666	3,979	3,342
660	946	1,342	910	1,467	1,303
52,426	50,548	49,295	58,145	57,861	57,537
15,271	15,464	15,727	19,344	17,567	15,975
70,088	68,820	68,799	82,065	80,874	78,157
1.84%	0.03%	(16.17)%	1.47%	3.48%	12.42%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Will Rogers World Airport Aircraft Landings by Airline

Last ten fiscal years

Passenger Airline Landings	2020	Percent	2019	Percent	2018	2017
Signatory Airlines						
Alaska	317	1.46%	362	1.40%	364	365
American	6,585	30.24%	7,209	27.92%	5,997	5,874
Continental	-	0.00%	-	0.00%	-	-
Delta	3,334	15.31%	4,119	15.95%	4,039	3,974
Frontier	168	0.77%	353	1.37%	385	-
Southwest	5,629	25.85%	6,554	25.39%	6,454	6,581
United	5,438	24.98%	6,644	25.73%	6,484	6,568
Non-Signatory Airlines						
Allegiant	244	1.12%	422	1.63%	268	227
Via	-	0.00%	89	0.34%	49	-
Others	58	0.27%	65	0.25%	80	57
Total passenger airline landings	21,773	100.00%	25,817	100.00%	24,120	23,646
Change from previous year	(15.66)%		7.04%		2.00%	(1.13)%

Source: Department of Airports Activity Reports

Will Rogers World Airport Passenger Traffic by Airline

Last ten fiscal years

Enplaned Passengers	2020	Percent	2019	Percent	2018	2017
Signatory Airlines						
Alaska	25,436	1.56%	25,082	1.14%	24,462	25,012
American	439,517	26.95%	558,257	25.33%	488,719	412,997
Continental	-	0.00%	-	0.00%	-	-
Delta	254,331	15.60%	350,959	15.92%	331,452	328,466
Frontier	25,659	1.57%	50,935	2.31%	58,521	-
Southwest	556,014	34.10%	749,561	34.01%	712,472	680,532
United	295,297	18.11%	409,109	18.56%	414,161	400,231
Non-Signatory Airlines						
Allegiant Air	31,930	1.96%	55,859	2.53%	37,532	30,274
Via	-	0.00%	1,011	0.05%	709	-
Others	2,475	0.15%	3,340	0.15%	4,107	2,968
Total Enplaned Passengers	1,630,659	100.00%	2,204,113	100.00%	2,072,135	1,880,480
Deplaned Passengers (1)	1,643,871		2,201,818		2,069,407	1,881,054
Total Passengers	3,274,530		4,405,931		4,141,542	3,761,534
Change from Previous Year	(25.68)%		6.38%		10.10%	0.55%

(1) Oklahoma City is an Origin and Destination Airport. Therefore, deplaning passengers and market percentage by airline are comparable to enplaning passengers and market percentage of airline.

Source: Department of Airports Activity Reports

2016	2015	2014	2013	2012	2011
366	-	-	-	-	-
6,098	6,080	5,245	4,884	4,776	4,240
-	-	-	-	499	3,269
4,117	3,963	4,164	4,959	5,601	5,569
-	386	655	746	812	1,056
6,547	6,738	7,114	7,660	7,211	7,075
6,595	6,976	7,833	7,871	7,170	4,323
153	59	71	-	-	-
-	-	-	-	-	-
41	54	51	57	79	57
23,917	24,256	25,133	26,177	26,148	25,589
(1.40)%	(3.49)%	(3.99)%	0.11%	2.18%	3.04%

2016	2015	2014	2013	2012	2011
24,067	-	-	-	-	-
430,823	450,375	392,849	381,609	383,170	360,301
-	-	-	-	61,951	149,485
329,864	314,289	299,749	305,564	319,057	297,170
-	48,567	82,295	79,739	76,438	73,385
673,310	683,441	676,351	680,578	658,425	631,813
385,971	378,113	382,913	394,879	321,143	233,059
21,022	7,645	9,195	-	-	-
-	-	-	-	-	-
2,279	3,789	3,931	2,686	4,129	3,166
1,867,336	1,886,219	1,847,283	1,845,055	1,824,313	1,748,379
1,873,498	1,883,844	1,852,599	1,847,689	1,827,530	1,754,495
3,740,834	3,770,063	3,699,882	3,692,744	3,651,843	3,502,874
(0.78)%	1.90%	0.19%	1.12%	4.25%	4.28%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Will Rogers World Airport Aircraft Landed Weights by Airline
Last ten fiscal years

Landed Weights (1)	2020	Percent	2019	Percent	2018	2017
Signatory Airlines						
Alaska	35,832	1.68%	27,134	1.06%	27,284	27,412
American	584,733	27.40%	678,367	26.41%	567,906	500,928
Continental	-	0.00%	-	0.00%	-	-
Delta	333,246	15.61%	421,761	16.42%	406,741	407,689
Frontier	24,284	1.14%	50,176	1.95%	54,561	-
Southwest Airlines	737,184	34.54%	857,459	33.38%	834,025	827,878
United	377,210	17.67%	462,633	18.01%	487,285	494,866
Non-Signatory Airlines						
Allegiant	33,804	1.58%	58,054	2.26%	37,549	31,736
Via Airlines	-	0.00%	3,924	0.15%	2,161	-
Others	7,956	0.37%	8,942	0.35%	10,088	8,072
Total landed weights	2,134,249	100.00%	2,568,450	100.00%	2,427,600	2,298,581
Change from previous year	(16.91)%		5.80%		5.61%	2.84%

(1) In thousand pounds.

(2) Effective rates for the various years are:

<u>Signatory</u> <u>Rates/1000 lbs.</u>	<u>Start Date</u>	<u>End Date</u>
\$ 2.5652	1/1/2010	12/31/2010
\$ 2.8505	1/1/2011	12/31/2011
\$ 2.8484	1/1/2012	12/31/2012
\$ 2.8485	1/1/2013	10/31/2014
\$ 2.9100	11/1/2014	6/30/2015
\$ 3.0900	7/1/2015	6/30/2016
\$ 3.0900	7/1/2016	6/30/2017
\$ 3.1800	7/1/2017	6/30/2018
\$ 2.7900	7/1/2018	6/30/2019
\$ 2.7500	7/1/2019	6/30/2020

Source: Department of Airports Activity Reports

2016	2015	2014	2013	2012	2011
27,371	-	-	-	-	-
511,120	530,682	469,235	458,519	457,500	410,685
-	-	-	-	22,769	169,507
400,922	371,920	365,270	364,473	393,493	367,646
-	51,975	85,648	83,057	86,731	86,210
800,162	826,748	856,802	936,146	871,776	851,700
468,175	455,775	448,591	472,360	439,905	298,891
21,427	8,271	9,977	-	-	-
-	-	-	-	-	-
5,888	6,245	6,027	7,379	10,558	7,439
2,235,065	2,251,616	2,241,550	2,321,934	2,282,732	2,192,078
(0.74)%	0.45%	(3.46)%	1.72%	4.14%	4.15%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Will Rogers World Airport Average Monthly Activity by Passenger Airline
Fiscal year ended June 30, 2020

	Average Number of Passengers Deplaning Monthly	Average Landed Weight Monthly In Thousand Lbs.	Average Number of Daily Flights Into Oklahoma City
Signatory Airlines			
Alaska	2,135	2,986	1
American	36,931	48,728	18
Delta	21,501	27,771	9
Frontier	2,106	2,024	-
Southwest Airlines	46,511	61,432	15
United	24,951	31,434	15
Non-Signatory Airlines			
Allegiant Air	2,884	3,073	1
Others	211	796	-
Totals	<u>137,230</u>	<u>178,244</u>	<u>59</u>

	Average Number of Passengers Boarding Monthly	Average Freight Poundage Shipped Monthly Out of Oklahoma City	Number of Months In Service During Fiscal Year
Signatory Airlines			
Alaska	2,120	100	12
American	36,626	1,011	12
Delta	21,194	-	12
Frontier	2,138	-	12
Southwest Airlines	46,335	35,873	12
United	24,608	3,051	12
Non-Signatory Airlines			
Allegiant Air	2,903	-	11
Others	206	-	10
Totals	<u>136,130</u>	<u>40,035</u>	

Source: Department of Airports Activity Reports

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Top Employers and Major Tenants**

**Top Employers in the Primary Air Trade Area
Current Year and Nine Years Ago (1)**

Employers in Air Trade Area:	2020			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Local Governments (2)	55,442	1	8.53%	49,200	1	8.74%
State Government (2)	45,550	2	7.01	41,000	2	7.28
Federal Government (2)	29,500	3	4.54	26,300	4	4.67
Tinker Air Force Base (2)	24,000	4	3.69	27,000	3	4.80
INTEGRIS Health	9,000	5	1.39	9,200	5	1.63
OU Health Sciences Center	7,500	6	1.15	4,200	7	0.75
FAA Aeronautical Center	7,000	7	1.08	7,000	6	1.24
Mercy Hospital	5,500	8	0.85			
Hobby Lobby Stores Inc.	5,100	9	0.78	2,500	14	0.44
Amazon	5,000	10	0.77			
OGE Energy Corp.	3,400	11	0.52	3,450	8	0.61
OU Medical Center	3,300	12	0.51	2,600	13	0.46
The Boeing Company	3,200	13	0.49			
SSM Health Care of Oklahoma Inc.	3,000	14	0.46	2,750	11	0.49
AT&T	2,700	15	0.42	3,000	9	0.53
Devon Energy Corp.	2,500	16	0.38	2,600	12	0.46
Paycom	2,500	17	0.38			
Sonic Corp.	2,460	18	0.38			
Dell	2,300	19	0.35	1,500	19	0.27
Oklahoma City Community College	2,100	20	0.32			
Midfirst Bank	2,000	21	0.31	1,150	24	0.20
LSB Industries, Inc,				1,875	15	0.33
UPS	1,800	22	0.28	1,550	18	0.28
Hertz Corporation	1,700	23	0.26	1,650	16	0.29
BancFirst	1,700	24	0.26			
Chesapeake Energy Corp	1,600	25	0.25	3,000	10	0.53
Enable Midstream	1,600	26	0.25			
Cox Communications	1,400	27	0.22	1,400	21	0.25
American Fidelity	1,400	28	0.22	1,000	26	0.18
Great Pains Coke-Cola Bottling Company	1,300	29	0.20	1,500	20	0.27
Farmers Insurance Group	1,100	30	0.17	1,600	17	0.28
Bank of Oklahoma	1,100	31	0.17			
Continental Resources	1,080	32	0.17			
Dolese Brothers Company	1,060	33	0.16			
INTEGRIS-Deaconess Hospital	1,000	34	0.15	1,200	22	0.21
Johnson Controls				1,200	23	
Rose State College				1,100	25	0.20
Oklahoma Publishing Co.				1,000	27	0.18
Totals	240,892		37.07%	201,525		35.58%

(1) Information was provided by the Greater OKC Chamber and the Bureau of Labor Statistics.

(2) Local, State, and Federal, as well as Tinker Air Force Base include both civilian and non-civilian employees

(3) INTEGRIS Health includes INTEGRIS Medical Center and INTEGRIS Baptist Medical Center.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Top Employers and Major Tenants**

Major Tenants

Major Tenants at Airports:

AAR Oklahoma, Inc.
Alaska Airlines
American Airlines
ARINC
Atlantic Aviation
Avis Budget Car Rental, LLC dba Avis Rent A Car and Budget Rent A Car
Board of Education of Metro Area Vocational Technical School District
Delta Airlines
EAN Holdings, LLC
F.C. Oklahoma
Paradies-Kambers, LLC.
Southwest Airlines
TAG OKC, Inc.
Trajen
The Hertz Corporation
U.S. Department of Justice - Federal Bureau of Prisons
U.S. Department of Justice - U.S. Marshals Service
U.S. Department of Transportation - Federal Aviation Administration
U.S. Department of Treasury - U.S. Customs Service
United Airlines
Valair Aviation

Source: Department of Airports Revenue Reports

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**Department Employees*****Last ten fiscal years***

Division	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration	15	15	15	15	15	11	11	10	7	7
Finance	10	7	7	6	6	7	7	7	6	6
Operations	11	11	10	10	10	10	10	10	9	10
Maintenance	64	62	59	59	59	59	59	58	56	57
General Aviation	10	10	9	9	9	9	9	9	9	9
Business and Properties	6	6	7	6	6	9	9	9	9	6
Planning and Development	14	14	13	15	15	13	13	12	12	10
Total Employees	<u>130</u>	<u>125</u>	<u>120</u>	<u>120</u>	<u>120</u>	<u>118</u>	<u>118</u>	<u>115</u>	<u>108</u>	<u>105</u>

Source: Department of Airports Budget Reports

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Will Rogers World Airport Capital Asset Information
June 30, 2020

Location:	8 miles southwest of downtown Oklahoma City, the capital of the State of Oklahoma		
Area:	7,956 acres		
Elevation:	1,295 ft.		
Airport Code:	KOKC		
Runways:	17L/35R	North/South	9,800 x 150 ft. ILS/VOR
	17R/35L	North/South	9,800 x 150 ft. ILS/VOR
	13/31	Northwest/Southeast	7,800 x 150 ft. VOR
Terminal:	Airlines		191,065 sq. ft
	Tenants		35,720 sq. ft
	Public/Common		114,430 sq. ft
	Mechanical		49,688 sq. ft
	Administration		19,925 sq. ft
		Total Terminal Square Footage	410,828 sq. ft
	Number of passenger gates		17
	Number of loading bridges		17
	Number of concessionaires in terminal		2
	Number of rental car agencies in terminal		8
Apron:	Commercial Airlines		3,302,580 sq. ft
	FBO		1,456,203 sq. ft
Parking:	Garage		2,789
	Short-term		285
	Long-term		4,241
	Employees		432
		Total Parking Spaces	7,747
Cargo:	U.S. Post Office		36,467 sq. ft
International:	N/A		
Tower:	TRACON 24/7 - 365		
Fixed Base Operators:	AAR Aircraft Services Atlantic Aviation		

Source: Department of Airports

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Oklahoma City Department of Airports
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Oklahoma City Department of Airports (Department), which includes a discretely presented component unit and a non-major enterprise fund of the City of Oklahoma City, Oklahoma (City), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the Department's basic financial statements and have issued our report thereon dated November 20, 2020. The audit report included an emphasis of matter paragraph to emphasize that the financial statements present only the Oklahoma City Department of Airports and not the City of Oklahoma City, Oklahoma and an emphasis of matter paragraph to emphasize the recent and on-going impacts of COVID-19.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance

with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2020
Wichita, KS