

The background of the cover features a sunset sky with a silhouette of an airport control tower on the right. Several vertical, semi-transparent light streaks of varying heights and widths are overlaid on the left and center of the image. The text is contained within a black rectangular box in the upper right quadrant.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

OKLAHOMA CITY DEPARTMENT OF AIRPORTS  
A COMPONENT UNIT OF OKLAHOMA CITY, OKLAHOMA



# **OKLAHOMA CITY DEPARTMENT OF AIRPORTS**

**A COMPONENT UNIT OF OKLAHOMA CITY, OKLAHOMA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

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



# OKLAHOMA CITY DEPARTMENT OF AIRPORTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>	<b>PAGE</b>
Letter of Transmittal	1
Organization Chart	5
Principal Officials	6
Certificate of Achievement	7
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report on Financial Statements and Supplementary Information	9
Management's Discussion and Analysis	12
Basic Financial Statements:	
Department-wide Financial Statements:	
Statement of Net Position - June 30, 2015 with summarized comparative information for June 30, 2014	20
Statement of Revenues, Expenses, and Change in Net Position - Year Ended June 30, 2015 with summarized comparative information for 2014	23
Statement of Cash Flows - Year Ended June 30, 2015 with summarized comparative information for 2014	24
Notes to Financial Statements	26
Required Supplementary Information	49
Budget Versus Actual Schedule	
Airports Fund Schedule of Revenues, Expenditures, Encumbrances, and Change in Fund Balance - Year Ended June 30, 2015	52
<b>STATISTICAL SECTION</b>	
Net Position and Changes in Net Position	56
Changes in Cash and Cash Equivalents	58
Revenue Sources	60
Principal Revenue Sources	62
Schedule of Bond Debt Service Coverage	64
Debt Ratios	66
Summary Schedule of Debt Service Requirements	68
Primary Origin and Destination Passenger Markets	69
Will Rogers World Airport and Wiley Post Airport Summarized Statistics	70
Will Rogers World Airport Aircraft Landings and Traffic by Airline	72
Will Rogers World Airport Landed Weights by Passenger Airline	74
Will Rogers World Airport Average Monthly Activity by Passenger Airline	76
Top Employers and Major Tenants	77
Department Employees	78
Will Rogers World Airport Capital Asset Information	79



# INTRODUCTORY SECTION

CONTAINING THE FOLLOWING SUBSECTIONS:

LETTER OF TRANSMITTAL

ORGANIZATION CHART

PRINCIPAL OFFICERS

CERTIFICATE OF ACHIEVEMENT









**The City of**  
**OKLAHOMA CITY**  
DEPARTMENT OF AIRPORTS

December 4, 2015

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, 2015. 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 Airports 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 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, 2015***

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, 2043. 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) and 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 state of Oklahoma continues to grow at a modest pace.

The per capita personal income growth has grown consistently and is respectably positioned relative to surrounding states. Oklahoma City per capita personal income is estimated to grow 1.6% in 2015, and Oklahoma per capita is estimated to grow 2.7% in 2015.

Unemployment in Oklahoma was at 4.6%, below the national rate of 5.3% at the end of fiscal 2015. The 2015 Greater Oklahoma City Economic Forecast reported 70% of job announcements were in industries outside of the oil and gas sector, which speaks to the growing diversification of the Oklahoma City Economy. However, while there is recognition that the oil and gas industry only accounts for 3% of total employment, oil price declines will have an overall net negative impact on the region and the state. The Oklahoma City MSA population continues to grow faster than average rates. The population growth in the city is among the fastest in the nation averaging nearly 1.6% per year since 2007. Population growth has carried into the recovery and is poised to continue as economic geography favor continued long-term trends in the city's economic development. Oklahoma City's future is bright with many economic opportunities.

### **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.

## **OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

### **Transmittal Letter**

***June 30, 2015***

Each year, the Department hosts a joint planning conference for tenants of the City's three airports and interested Federal Aviation Administration (FAA) officials. Input during the conference helps the Department identify projects, assess possible funding sources, and determine timeframe's 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 2016 capital budget is \$65,205,310.

The capital plan for Will Rogers World Airport includes the following projects: (1) replace asphalt ends of Taxiway H construction at \$6,187,600, (2) the realignment of Portland Avenue at \$6,150,000, (3) the construction of the consolidated rental car facility for \$5,300,000, (4) terminal expansion design for \$3,960,000, (5) repair Taxiway C & G asphalt portions with concrete for \$2,392,500, (6) the purchase of various equipment for \$1,932,000, and (7) various other improvements for \$11,819,700.

The capital plan for the general aviation airports includes the following projects at Wiley Post Airport: (1) WPA airfield improvements phase II for \$4,737,000, and (2) various other improvements for \$2,414,210. C. E. Page Airport has one project for replacing the hangar 4B roof for \$175,000.

The capital plan for the Mike Monroney Aeronautical Center located at Will Rogers World Airport includes various building improvement projects for \$13,241,500, and various other infrastructure improvements for \$6,895,800.

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 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

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Transmittal Letter**

**June 30, 2015**

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 BKD LLP was selected to perform the fiscal year 2015 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**

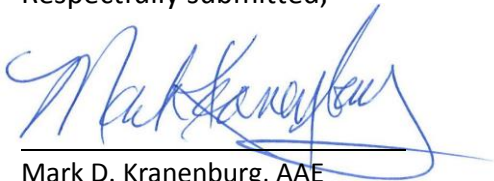
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Oklahoma City Department of Airports for its CAFR for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious 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-three fiscal years ended 1992 – 2014. 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,

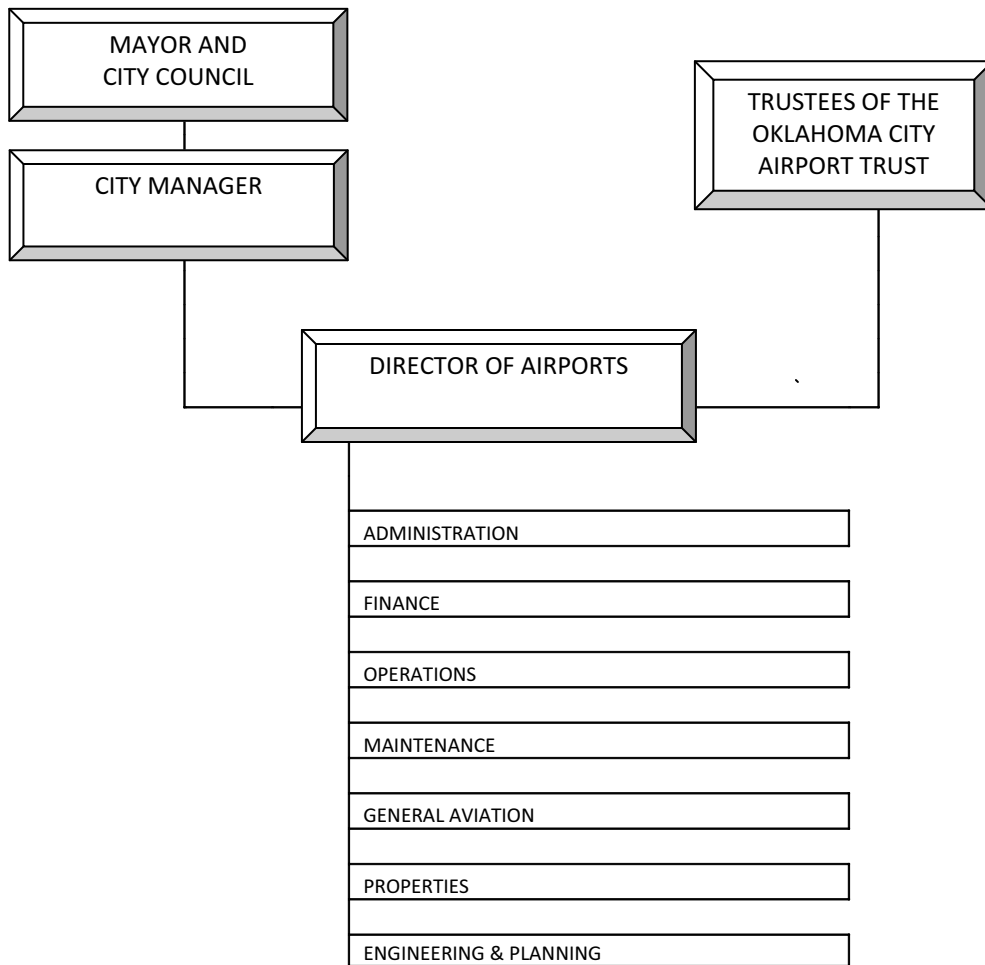


Mark D. Kranenburg, AAE  
Director of Airports



Kim Sotomayor, MSA  
Business Manager

ORGANIZATION CHART



**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Principal Officials**

*June 30, 2015*

**Mayor and City Council**

Mick Cornett, Mayor  
James Greiner, Ward 1  
Ed Shadid, Ward 2  
Larry McAtee, Ward 3  
Pete White, Ward 4  
David Greenwell, Ward 5  
Margaret S. "Meg" Salyer, Ward 6  
John A. Pettis Jr., 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  
Mick Cornett, Trustee-Mayor  
David Greenwell, Surrogate Trustee-Mayor  
James D. Couch, Trustee-City Manager  
Dennis Clowers, Surrogate Trustee-City Manager  
Terry Salmon, Independent-Trustee

**City Manager's Office**

James D. Couch, City Manager  
Dennis Clowers, Assistant City Manager

**Department of Airports**

Mark D. Kranenburg, Director  
Scott L. Keith, Assistant Director  
Kim Sotomayor, Business Manager  
Jim B. Thrash, Operations Manager  
Kristy Slater, General Aviation Manager  
John Storms, Civil Engineer IV  
Pamela Newell, Properties Manager  
Don Kortemeier, Maintenance Manager  
Karen Carney, Marketing & Public Information



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Oklahoma City  
Department of Airports  
Oklahoma**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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# FINANCIAL SECTION

CONTAINING THE FOLLOWING SUBSECTIONS:

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION



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

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

### Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and each major fund of the Oklahoma City Department of Airports (the Department), which includes a discretely presented component unit and a non-major enterprise fund of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our 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 2015 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, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in *Note 2*, the financial statements of the Department are intended to present the net position, the changes in net position and the cash flows of only that portion of the business-type activities and major funds of the City that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the net position of the City as of June 30, 2014, the changes in its net position or its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 2* to the financial statements, in 2015, the Department adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits 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 GASB, 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; however, we noted that 2014 and 2013 balances presented in the management's discussion and analysis do not reflect the adjustments for GASB Statement No. 68.

Board of Trustees  
Oklahoma City Department of Airports

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The accompanying budget versus actual schedule, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

**BKD, LLP**

Oklahoma City, Oklahoma  
December 4, 2015

## **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, 2015 and 2014. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Certain reclassifications have been made to the 2014 and 2013 net position categories to comply with the 2015 presentation. These reclassifications had no impact on the change in net position.

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 discrete 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, 2015**

**Financial Position Summary and Highlights**

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

				\$ Change		% Change	
	2015	2014	2013	2015	2014	2015	2014
<b>Assets:</b>							
Current and other assets	\$ 178,808,245	\$ 198,096,537	\$ 148,522,237	\$ (19,288,292)	\$ 49,574,300	(9.7)%	33.4%
Capital assets	453,374,352	421,104,831	413,807,247	32,269,521	7,297,584	7.7	1.8
Total assets	632,182,597	619,201,368	562,329,484	12,981,229	56,871,884	2.1	10.1
Deferred Outflows of Resources	1,086,198	828,668	974,734	257,530	(146,066)		
<b>Liabilities:</b>							
Current liabilities	22,548,311	33,124,518	21,325,542	(10,576,207)	11,798,976	(31.9)	55.3
Noncurrent liabilities	97,299,161	104,956,201	86,591,210	(7,657,040)	18,364,991	(7.3)	21.2
Total liabilities	119,847,472	138,080,719	107,916,752	(18,233,247)	30,163,967	(13.2)	28.0
Deferred Inflows of Resources	2,257,102	50,367	86,313	2,206,735	(35,946)		
<b>Net Position:</b>							
Net investment in capital assets	354,975,104	325,767,028	315,562,773	29,208,076	10,204,255	9.0	3.2
Restricted	63,109,263	59,888,028	51,206,486	3,221,235	8,681,542	5.4	17.0
Unrestricted	93,079,852	96,243,894	88,531,896	(3,164,042)	7,711,998	(3.3)	8.7
Total net position	\$ 511,164,219	\$ 481,898,950	\$ 455,301,155	\$ 29,265,269	\$ 26,597,795	6.1	5.8

An analysis of changes in assets, liabilities and deferred outflows and inflows of resources for the year ended June 30, 2015 is as follows in approximate amounts:

- The net decrease in current and other assets less current liabilities of approximately \$8,712,000 is primarily the result of the following: (1) increase of \$13,540,000 related to current bonds payable, (2) increase of \$8,136,000 related to escrow amounts for improvements to tenant facilities as required by tenant leases, (3) decrease of \$8,282,000 related to assets restricted for debt service payments, (4) increase of \$1,523,000 in PFC assets set aside for future debt service payments, (5) increase of \$2,461,000 in CFC assets set aside for future debt service payments, (6) a decrease of \$18,178,000 related to assets restricted for capital projects, and (7) an increase of \$800,000 related to operations.
- The increase in capital assets of approximately \$32,270,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$54,284,000 (2) depreciation of \$21,927,000 and (3) disposition of assets with a net book value of \$88,000.
- The decrease in noncurrent liabilities of approximately \$7,657,000 is the result of the following: (1) net decrease of \$7,695,000 due to the redemption of revenue bonds, (2) increase of \$81,000 related to compensated absences, and (3) increase of \$386,000 related to OPEB obligations. Other items contributing to the change in long-term liabilities relate to amortization of bond discounts, premiums, the deferred amounts from refunding bonds, and the change in presentation of deferred amounts from pension.

An analysis of changes in assets, liabilities and deferred outflows and inflows of resources for the year ended June 30, 2014 is as follows in approximate amounts:

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Management's Discussion and Analysis**

**June 30, 2015**

- The net increase in current and other assets less current liabilities of approximately \$37,775,000 is primarily the result of the following: (1) decrease of \$7,580,000 related to current bonds payable, (2) increase of \$5,620,000 related to escrow amounts for improvements to tenant facilities as required by tenant leases, (3) decrease of \$1,504,000 related to assets restricted for debt service payments, (4) increase of \$1,387,000 in PFC assets set aside for future debt service payments, (5) increase of \$4,180,000 in CFC assets set aside for future debt service payments, (6) increase of \$28,333,000 related to assets restricted for capital projects, and (7) an increase of \$7,289,000 related to operations.
- The increase in capital assets of approximately \$7,298,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$29,065,000 (2) depreciation of \$21,685,000, and (3) disposition of assets with a net book value of \$82,000.
- The increase in noncurrent liabilities of approximately \$18,365,000 is the result of the following: (1) increase of \$18,362,000 due to redemption of revenue bonds, (2) increase of \$103,000 related to compensated absences, and (3) increase of \$330,000 related to OPEB obligations. Other items contributing to the change in long-term liabilities relate to amortization of bond discounts, premiums and the change of presentation of deferred amounts from refunding bonds.

An analysis of components of net position for the years ended June 30, 2015 and 2014 is as follows:

- Approximately seventy-one 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 CE Page, 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 2015 restricted net position for debt service decreased approximately \$4,275,000 from the prior year and restricted net position for maintenance and capital assets increased approximately \$7,595,000 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, 2015**

**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	
	2015	2014	2013	2015	2014	2015	2014
<b>Operating revenues</b>							
Parking	\$ 11,040,207	\$ 10,962,305	\$ 10,023,542	\$ 77,902	\$ 938,763	0.7%	9.4%
Landing fees	7,210,739	7,152,728	7,024,001	58,011	128,727	0.8	1.8
Rental Income	15,654,995	22,065,540	26,103,507	(6,410,545)	(4,037,967)	(29.1)	(15.5)
Other, net	19,549,536	19,398,723	15,295,622	150,813	4,103,101	0.8	26.8
	<u>53,455,477</u>	<u>59,579,296</u>	<u>58,446,672</u>	<u>(6,123,819)</u>	<u>1,132,624</u>	<u>(10.3)</u>	<u>1.9</u>
<b>Nonoperating revenues</b>							
Investment income	441,967	647,767	617,954	(205,800)	29,813	(31.8)	4.8
Oil and gas royalties	2,019,412	2,958,796	2,509,712	(939,384)	449,084	(31.7)	17.9
Refunds & Reimbursements	1,140,342	1,105,198	-	35,144	1,105,198	3.2	-
Passenger facility charges	7,338,801	7,199,252	7,364,701	139,549	(165,449)	1.9	(2.2)
Customer facility charges	4,891,573	4,818,253	4,506,156	73,320	312,097	1.5	6.9
Grants income	262,800	328,320	224,918	(65,520)	103,402	(20.0)	46.0
Other Nonoperating revenues	9,797	17,784	9,690	(7,987)	8,094	(44.9)	83.5
Total nonoperating revenues	<u>16,104,692</u>	<u>17,075,370</u>	<u>15,233,131</u>	<u>(970,678)</u>	<u>1,842,239</u>	<u>(5.7)</u>	<u>12.1</u>
Total revenues	<u>69,560,169</u>	<u>76,654,666</u>	<u>73,679,803</u>	<u>(7,094,497)</u>	<u>2,974,863</u>	<u>(9.3)</u>	<u>4.0</u>
<b>Operating expenses</b>							
Personal services	9,619,805	9,801,524	9,181,703	(181,719)	619,821	(1.9)	6.8
Maintenance, operations, and contractual services	16,075,940	15,959,524	14,368,584	116,416	1,590,940	0.7	11.1
Material and supplies	1,568,587	1,717,949	1,376,306	(149,362)	341,643	(8.7)	24.8
Depreciation	21,926,967	21,684,600	20,478,414	242,367	1,206,186	1.1	5.9
Total operating expenses	<u>49,191,299</u>	<u>49,163,597</u>	<u>45,405,007</u>	<u>27,702</u>	<u>3,758,590</u>	<u>0.1</u>	<u>8.3</u>
<b>Nonoperating expenses</b>							
Interest	3,752,718	5,523,683	5,121,660	(1,770,965)	402,023	(32.1)	7.8
Amortization	(164,871)	(193,214)	(206,727)	28,343	13,513	(14.7)	(6.5)
Bond issue costs	-	563,431	-	(563,431)	563,431	(100.0)	-
Bond insurance	16,862	17,193	17,503	(331)	(310)	(1.9)	(1.8)
Loss on disposition of assets	36,211	28,371	1,893,395	7,840	(1,865,024)	27.6	(98.5)
Total nonoperating expenses	<u>3,640,920</u>	<u>5,939,464</u>	<u>6,825,831</u>	<u>(2,298,544)</u>	<u>(886,367)</u>	<u>(38.7)</u>	<u>(13.0)</u>
Total expenses	<u>52,832,219</u>	<u>55,103,061</u>	<u>52,230,838</u>	<u>(2,270,842)</u>	<u>2,872,223</u>	<u>(4.1)</u>	<u>5.5</u>
Income before capital grants, contributions, donated assets, and transfers	16,727,950	21,551,605	21,448,965	(4,823,655)	102,640	(22.4)	0.5
Capital contributions, grants	11,173,450	5,050,411	9,409,881	6,123,039	(4,359,470)	121.2	(46.3)
Capital asset contributions	750,000	-	-	750,000	-	-	-
Transfers between department funds	-	(4,221)	-	4,221	(4,221)	(100.0)	-
Change in net position	<u>28,651,400</u>	<u>26,597,795</u>	<u>30,858,846</u>	<u>2,053,605</u>	<u>(4,261,051)</u>	<u>7.7</u>	<u>(13.8)</u>
Total net position, beginning of year previously reported	481,898,950	455,301,155	424,442,309	26,597,795	30,858,846	5.8	7.3
Change in accounting principle	613,867	-	-	613,867	-	-	-
Total net position, beginning of year restated	<u>482,512,817</u>	<u>455,301,155</u>	<u>424,442,309</u>	<u>27,211,662</u>	<u>30,858,846</u>	<u>6.0</u>	<u>7.3</u>
Total net position, ending	<u>\$ 511,164,217</u>	<u>\$ 481,898,950</u>	<u>\$ 455,301,155</u>	<u>\$ 29,265,267</u>	<u>\$ 26,597,795</u>	<u>6.1</u>	<u>5.8</u>

**Financial Operations Summary and Highlights**

An analysis of changes in revenues and expenses for the year ended June 30, 2015 is as follows:

- Parking revenues increased due to a slight increase in activity.
- Landing fees increased due to a change in rate calculations.
- Rental income decreased due to bonds backed by lease rental payments reaching final maturity.
- Other income increased due to increased insurance fees, new airline rate methodology, and a decrease to airport property damage reimbursements.
- Investment income decreased during the fiscal year primarily due to the declining interest rates.
- Oil and gas royalties decreased due to the fluctuation in activity for oil and natural gas produced on airport properties.
- Refunds and Reimbursements increased due to reimbursement for storm damage repairs on capital projects.
- Customer facility charges increased due to the increased rental car activity.
- Depreciation expense increased due to completed construction on various capital projects which were placed in service during the fiscal year.
- Interest expense decreased due to the retirement of debt.
- Capital contributions increased as the Department received more in grant reimbursements from the Federal Aviation Administration and Department of Homeland Security for eligible construction project expenditures.

An analysis of changes in revenues and expenses for the year ended June 30, 2014 is as follows:

- Parking revenues increased due to increased activity while off-airport parking operation was rebuilt.
- Landing fees increased due to a slight increase in cargo landing weight.
- Rental income decreased due to bonds backed by lease rental payments reaching final maturity.
- Other income increased due to increased maintenance fees on the facilities at the Mike Monroney Aeronautical Center (MMAC).
- Investment income increased during the fiscal year primarily due to the increase in investments offset by declining interest rates.
- Oil and gas royalties increased due to the fluctuation in activity for oil and natural gas produced on airport properties.
- Refunds and Reimbursements increased due to reimbursement for storm damage repairs on capital projects.
- Customer facility charges increased due to the increased rental car activity.
- Depreciation expense increased due to completed construction on various capital projects which were placed in service during the fiscal year.
- Interest expense increased due to the issuance of new debt.
- Capital contributions decreased as the Department received less in grant reimbursements from the Federal Aviation Administration for eligible construction project expenditures.

**Capital Acquisitions and Construction Activities**

During 2015, the Department incurred approximately \$54,284,000 for capital activities, compared to \$28,983,000 during the prior year. This included \$905,000 for buildings, \$21,000 for airport

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Management's Discussion and Analysis**  
**June 30, 2015**

improvements, \$1,503,000 for mobile equipment, \$129,000 for equipment, and the balance for construction projects. During the year approximately \$5,051,000 in multi-year construction projects were completed and transferred to depreciable assets. Completed projects in approximate amounts were:

<b>Location</b>	<b>Project Description</b>	<b>Amount</b>
WRWA:	CCTV Parking Toll Plaza	\$ 47,369
	CCTV City Employee Lot	16,500
	Snow Blowers	1,037,094
	WRWA Land Use Development Study	1,209,805
	Vault Backup Generator	555,797
	Runway Sensors	38,026
	Field Maintenance Waterline	89,090
	Terminal Partial Roof Replacement	446,271
	Garage B Penthouse Roof Replacement	19,646
CEPA:	Rotating Beacon	90,261
WPA:	Hangar 3C Roof	164,693
	Hangar 11 Roof	175,757
	RW 17R 35L Asphalt Portion	13,676
MMAC:	SW 64th Street Repairs	1,077,339
	LSF Roof Repairs	69,604
		<u>\$ 5,050,928</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 30 and Junior Lien 29B Revenue Bonds are backed by a combination of passenger facility charge revenues and lease revenues. Junior Lien 31 Revenue Bonds are backed by a combination of customer facility charge and lease revenues. The last principal payment is scheduled for July 1, 2043.

Changes in gross revenue bonds payable for the fiscal years ended June 30, 2015 and 2014 are as follows:

	<b>2015</b>	<b>2014</b>	<b>\$ Change</b>	<b>% Change</b>
Balance, beginning of year	\$ 120,600,000	\$ 94,355,000	\$ (26,245,000)	(27.8) %
Issue	-	39,615,000	39,615,000	100.0
Retired	(20,950,000)	(13,370,000)	7,580,000	(56.7)
Balance, end of year	<u>\$ 99,650,000</u>	<u>\$ 120,600,000</u>	<u>\$ 20,950,000</u>	17.4

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Management's Discussion and Analysis**  
**June 30, 2015**

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

	<b>Moody's</b>	<b>S&amp;P</b>	<b>Insured</b>
All Junior Lien Series (29th, 30th, and 31st)	A2	A+	Aaa\AAA

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**

While Oklahoma faces oil price uncertainty, the economic geography and diversity in different industry sectors have encouraged growth. A stronger national economy has provided an environment for companies committing to an announcing long term investments. In 2015, the GE Global Research Center will officially open in Oklahoma City, creating 130 high-tech jobs and is expected to impact state and local economies approximately \$13 million. Future plans to expand the aerospace complex at Tinker Air Force Base will add 1,300 jobs. In 2014, Boeing Company relocated 900 positions to Oklahoma City, and in the near future plans to add an additional 1,800 employees. Two major retailers in the Oklahoma City area, Hobby Lobby and Mathis Brothers Furniture continue to expand to keep pace with the growth in the metro area. The Oklahoma City metro area continues to attract residents who value low cost of living and job opportunities. The sectors forecasted to see the greatest employment growth are health services, retail trade, leisure and hospitality, and construction. Per capita personal income growth is projected to grow at an annual rate of 2.7% in 2015 and 4.4% in 2016. The unemployment rate is anticipated to remain largely unchanged in 2015; around 4.6%.

Oklahoma City's commercial airport, Will Rogers World Airport, has seen an average increase of 2% per year in enplaned passengers from fiscal year 2013 to fiscal year 2015. Enplaned passengers increased 2.11% in fiscal year 2015 compared to fiscal year 2014. In calendar year 2014 the largest number of passengers in the history of the airport traveled through Oklahoma City, approximately 3.8 million. The increases are attributable to positive economic growth in the greater metro area, along with the addition of new non-stop air service. The increased passenger activity is a direct correlation to increased rental car revenues, as well as food and retail revenues.

**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, 2015 with summarized comparative information for June 30, 2014*

	2015			2014
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
<b>ASSETS</b>				
Current Assets:				
Pooled cash	\$ -	\$ 62,569	\$ 62,569	\$ 3,278
Non-pooled cash	847,210	-	847,210	1,987,789
Investments	127,307,621	2,313,525	129,621,146	121,480,859
Accounts receivable, net	1,636,264	335	1,636,599	4,031,308
Passenger facility charges receivable	754,291	-	754,291	882,923
Customer facility charges receivable	466,843	-	466,843	470,812
Interest receivable	23	5,629	5,652	88,665
Royalties receivable	157,661	-	157,661	237,242
Inventory	-	1,013,996	1,013,996	955,593
Due from City funds	898,477	25,480	923,957	2,239,457
Due from component units	543,144	-	543,144	1,790,400
Due from other governments	4,162,194	-	4,162,194	3,181,312
Prepays	42,126	-	42,126	45,087
Total current assets	136,815,854	3,421,534	140,237,388	137,394,725
Noncurrent assets:				
Net pension asset	-	3,021,495	3,021,495	-
Investments	34,147,714	-	34,147,714	58,607,079
Intergovernmental advance	1,330,526	-	1,330,526	2,007,120
Advance (to)/from other City funds	302,022	(302,022)	-	-
Prepays	71,122	-	71,122	87,613
Capital assets:				
Land	14,465,751	16,114,538	30,580,289	30,580,289
Art	168,016	-	168,016	168,016
Construction in progress	78,149,789	-	78,149,789	31,474,069
Other capital assets, net of accumulated depreciation	342,346,776	2,129,482	344,476,258	358,882,457
Total noncurrent assets	470,981,716	20,963,493	491,945,209	481,806,643
<b>Total assets</b>	607,797,570	24,385,027	632,182,597	619,201,368
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount from refunding, net of accumulated amortization of \$6,938,821 and \$6,792,562	682,410	-	682,410	828,668
Deferred outflow employer contributions	-	403,788	403,788	-
Total deferred outflows	\$ 682,410	\$ 403,788	\$ 1,086,198	\$ 828,668

(continued)

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Statement of Net Position**  
*June 30, 2015 with summarized comparative information for June 30, 2014*

	2015			2014
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
<b>LIABILITIES</b>				
Current liabilities:				
Retainage and accounts payable	\$ 10,619,674	\$ 168,371	\$ 10,788,045	\$ 7,470,768
Wages and benefits payable	-	305,998	305,998	270,818
Due to City funds	791	4	795	11,228
Compensated absences	-	478,931	478,931	468,581
Unearned revenue	913,252	-	913,252	952,811
Pollution remediation obligation	31,171	-	31,171	15,365
Bond interest payable	2,620,119	-	2,620,119	2,984,947
Bonds payable	7,410,000	-	7,410,000	20,950,000
<b>Total current liabilities</b>	<b>21,595,007</b>	<b>953,304</b>	<b>22,548,311</b>	<b>33,124,518</b>
Noncurrent liabilities:				
Compensated absences	-	1,010,966	1,010,966	929,851
OPEB obligation	-	2,490,690	2,490,690	2,104,910
Unearned revenue	715,451	-	715,451	1,144,721
Bonds payable:				
Bonds payable	92,240,000	-	92,240,000	99,650,000
Unamortized bond discount/premium, net	842,054	-	842,054	1,126,719
Bonds payable, net of unamortized discount/premium	93,082,054	-	93,082,054	100,776,719
<b>Total non-current liabilities</b>	<b>93,797,505</b>	<b>3,501,656</b>	<b>97,299,161</b>	<b>104,956,201</b>
<b>Total liabilities</b>	<b>115,392,512</b>	<b>4,454,960</b>	<b>119,847,472</b>	<b>138,080,719</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amount from refunding, net of accumulated amortization \$182,688 and \$156,233	23,902	-	23,902	50,367
Deferred pension inflows	-	2,233,200	2,233,200	-
<b>Total deferred inflows</b>	<b>\$ 23,902</b>	<b>\$ 2,233,200</b>	<b>\$ 2,257,102</b>	<b>\$ 50,367</b>
<b>NET POSITION</b>				
Net Investment in capital assets	336,874,450	18,100,654	354,975,104	325,767,028
Restricted for construction	216,881	-	216,881	505,230
Restricted for debt service	26,196,690	-	26,196,690	30,472,168
Restricted for maintenance	36,695,692	-	36,695,692	28,910,630
Unrestricted	93,079,852	-	93,079,852	96,243,894
<b>Total net position</b>	<b>\$ 493,063,565</b>	<b>\$ 18,100,654</b>	<b>\$ 511,164,219</b>	<b>\$ 481,898,950</b>

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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, 2015 with summarized comparative information for June 30, 2014**

	2015			2014
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Operating revenues:				
Parking	\$ 11,040,207	\$ -	\$ 11,040,207	\$ 10,962,305
Landing fees	7,210,739	-	7,210,739	7,152,728
Rental income	15,654,995	-	15,654,995	22,065,540
Proprietary payments (to) from component unit	(14,917,764)	14,917,764	-	-
Other, net	19,549,461	75	19,549,536	19,398,723
Total operating revenues	<u>38,537,638</u>	<u>14,917,839</u>	<u>53,455,477</u>	<u>59,579,296</u>
Operating expenses:				
Personal services	-	9,619,805	9,619,805	9,801,524
Maintenance, operations, and contractual services	10,916,790	5,159,150	16,075,940	15,959,524
Materials and supplies	1,137,122	431,465	1,568,587	1,717,949
Depreciation	21,498,186	428,781	21,926,967	21,684,600
Total operating expenses	<u>33,552,098</u>	<u>15,639,201</u>	<u>49,191,299</u>	<u>49,163,597</u>
Operating Income (Loss)	<u>4,985,540</u>	<u>(721,362)</u>	<u>4,264,178</u>	<u>10,415,699</u>
Nonoperating revenues (expenses):				
Investment income				
Interest	166,843	13,607	180,450	502,830
Increase in fair value of investments	261,517	-	261,517	144,937
Oil and gas royalties	2,019,412	-	2,019,412	2,958,796
Refunds and Reimbursements	1,140,342	-	1,140,342	1,105,198
Passenger facility charges	7,338,801	-	7,338,801	7,199,252
Customer facility charges	4,891,573	-	4,891,573	4,818,253
Operating grants	262,800	-	262,800	328,320
Other nonoperating revenue	1,370	8,427	9,797	17,784
Interest expense	(3,752,718)	-	(3,752,718)	(5,523,683)
Amortization	164,871	-	164,871	193,214
Bond issue costs	-	-	-	(563,431)
Bond insurance	(16,862)	-	(16,862)	(17,193)
Gain (loss) on disposition of assets	(65,807)	29,596	(36,211)	(28,371)
Net nonoperating revenues (expenses)	<u>12,412,142</u>	<u>51,630</u>	<u>12,463,772</u>	<u>11,135,906</u>
Income (loss) before capital grants, contributions and transfers between City funds	17,397,682	(669,732)	16,727,950	21,551,605
Capital grants and contributions	11,173,450	-	11,173,450	5,050,411
Capital asset contributions	750,000	-	750,000	-
Transfers between City funds	-	-	-	(4,221)
Change in Net Position	<u>29,321,132</u>	<u>(669,732)</u>	<u>28,651,400</u>	<u>26,597,795</u>
Total net position, beginning of year, previously reported	463,742,433	18,156,517	481,898,950	455,301,155
Change in Accounting Principle	-	613,867	613,867	-
Total net position, beginning of year restated	463,742,433	18,770,384	482,512,817	455,301,155
Total net position, end of year	<u>\$ 493,063,565</u>	<u>\$ 18,100,652</u>	<u>\$ 511,164,217</u>	<u>\$ 481,898,950</u>

See accompanying notes to financial statements.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Statement of Cash Flow**

***For the Year Ended June 30, 2015 with summarized comparative information for June 30, 2014***

	2015			2014
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Cash flows from operating activities:				
Cash received from charges	\$ 55,534,503	\$ -	\$ 55,534,503	\$ 59,648,742
Cash received from oil and gas royalties	2,098,994	-	2,098,994	2,927,804
Cash payments to suppliers for goods and services	(8,673,961)	(5,778,208)	(14,452,169)	(14,398,231)
Cash payments to employees	-	(9,685,595)	(9,685,595)	(9,394,574)
Proprietary payments (to) from component unit	(16,570,018)	16,570,018	-	-
Net cash provided (used) by operating activities	<u>32,389,518</u>	<u>1,106,215</u>	<u>33,495,733</u>	<u>38,783,741</u>
Cash flow from noncapital financing activities:				
Operating grants received	87,840	-	87,840	329,040
Transfers received from (paid to) other City funds	2,380,427	-	2,380,427	14,868
Net cash provided (used) by noncapital financing activities	<u>2,468,267</u>	<u>-</u>	<u>2,468,267</u>	<u>343,908</u>
Cash flow from capital and related financing activities:				
Proceeds from issuance of revenue bonds	-	-	-	39,615,000
Intergovernmental advance (payment)	2,017,574	-	2,017,574	2,374,349
Advance payable - Gulfstream	(95,967)	-	(95,967)	(106,986)
Acquisition and construction of capital assets	(51,053,688)	(527,841)	(51,581,529)	(28,192,785)
Capital grants received	10,367,527	-	10,367,527	3,246,308
Interest paid on bonds	(6,072,010)	-	(6,072,010)	(6,291,138)
Principal paid on bonds	(20,950,000)	-	(20,950,000)	(13,370,000)
Bond issuance costs	-	-	-	(563,431)
Proceeds from sale of capital assets	13,140	49,581	62,721	53,825
Passenger facility charges	7,466,794	-	7,466,794	7,093,852
Customer facility charges	4,895,541	-	4,895,541	4,882,262
Net cash provided (used) by capital and related financing activities	<u>(53,411,089)</u>	<u>(478,260)</u>	<u>(53,889,349)</u>	<u>8,741,256</u>
Cash flows from investing activities:				
Interest on investments	250,193	13,270	263,463	502,444
Proceeds from sale of investments	144,294,472	-	144,294,472	40,571,000
Purchase of investments	(127,131,940)	-	(127,131,940)	(88,298,335)
Change in pooled investments	-	(581,934)	(581,934)	(449,634)
Net cash provided (used) by investing activities	<u>17,412,725</u>	<u>(568,664)</u>	<u>16,844,061</u>	<u>(47,674,525)</u>
Net increase (decrease) in cash	(1,140,579)	59,291	(1,081,288)	194,380
Cash, beginning	<u>1,987,789</u>	<u>3,278</u>	<u>1,991,067</u>	<u>1,796,687</u>
Cash, ending	<u>\$ 847,210</u>	<u>\$ 62,569</u>	<u>\$ 909,779</u>	<u>\$ 1,991,067</u>

See accompanying notes to financial statements.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Statement of Cash Flow**

***For the Year Ended June 30, 2015 with summarized comparative information for June 30, 2014***

	2015			2014
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income	\$ 4,985,540	\$ (721,362)	\$ 4,264,178	\$ 10,415,699
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	21,498,186	428,781	21,926,967	21,684,600
Non-operating revenues (expenses):				
Oil and gas royalties	2,019,412	-	2,019,412	2,958,796
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,395,683	-	2,395,683	202,160
(Increase) decrease in royalties receivable	79,581	(335)	79,246	(30,992)
(Increase) decrease in due from City funds	-	(25,480)	(25,480)	868
(Increase) decrease in inventory	-	(58,402)	(58,402)	12,247
(Increase) decrease in prepaid assets	2,961	-	2,961	2,922
(Increase) decrease in advance (to) from other funds	(1,652,255)	1,648,992	(3,263)	-
Increase (decrease) in accounts payable	3,513,433	(100,188)	3,413,245	3,354,090
Increase (decrease) in wages and benefits payable	-	35,180	35,180	(38,844)
Increase (decrease) in compensated absences	-	91,466	91,466	115,753
Increase (decrease) in net pension asset	-	(1,192,084)	(1,192,084)	-
Increase (decrease) in OPEB liability	-	999,647	999,647	330,040
Increase (decrease) in pollution remediation	15,806	-	15,806	(90,887)
Increase (decrease) in deferred revenue	(468,829)	-	(468,829)	(132,711)
Total adjustments	<u>27,403,978</u>	<u>1,827,577</u>	<u>29,231,555</u>	<u>28,368,042</u>
Net cash provided (used) by operating activities	\$ <u>32,389,518</u>	\$ <u>1,106,215</u>	\$ <u>33,495,733</u>	\$ <u>38,783,741</u>
Noncash investing, capital and financing activities:				
Net increase (decrease) in fair value of investments	\$ 261,517	\$ -	\$ 261,517	\$ 144,937
Noncash capital contribution	750,000	-	750,000	-

See accompanying notes to financial statements.

## **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, 2043, 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 eighteen 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.

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

The Trust is a discrete component unit of the City. This conclusion is based on the following: The Trust has "substantively the same governing body"; however the City does not have the financial accountability. Bond debt of the Trust is not the debt of the City; therefore, the City is not expected to use any resources to pay the total outstanding debt of the Trust.

## **OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

### **Notes to Financial Statements**

***June 30, 2015***

The Trust is a legal entity separate and distinct from the City; however the City is the sole beneficiary of the Trust. However, the Trust does not provide exclusive benefit to the City as services are provided to external parties, i.e. the traveling public.

#### 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.

#### Implementation of New Accounting Standards

Effective July 1, 2014 the Trust implemented Governmental Accounting Standards Board (GASB) statement number 68, Accounting and Financial Reporting for Pensions, as amended by GASB statement number 71, Pension Transition for Contributions Made Subsequent to the Measurement Date and GASB statement number 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, as amended, establishes standards for measuring and recognizing assets and liabilities, deferred outflows of resources, deferred inflows of resources, and expense for employers providing pension plans. It also includes note disclosure and required supplementary information requirements. The provisions of these statements were retroactively applied and accordingly the Department's net position as of July 1, 2014 was increased by \$613,867.

#### 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

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

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.

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 March 2011. 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 in debt securities are reported at fair value based on quoted market prices. Investments in guaranteed investment contracts are reported at cost. 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	\$	240,533
Billed accounts receivable		249,230
Unbilled accounts receivable		1,098,633
Credit card receivables		48,203
Allowance for uncollectible accounts receivable		-
	\$	<u>1,636,599</u>

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

Inventory

Inventory is recorded at the lower of cost or market on a first-in, first-out basis.

Intergovernmental Advance

The Trust entered into a 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.

The Trust entered into a reimbursable agreement with the Federal Aviation Administration (FAA) to fund the flight inspection of the PAPI system at Wiley Post Airport. An aircraft damaged the PAPI system at Wiley Post Airport, and the system was repaired. The FAA has determined that the PAPI must be flight inspected before it can commission the equipment for use.

Due from City Funds

The Trust entered into a participation agreement with the City of Oklahoma City to fund a portion of the relocation, widening and improvements to Portland Avenue. Any funds that are not used will be refunded to the Trust. At the completion of the construction of the roadway the asset will be donated to Public Works, a department in the City of Oklahoma City.

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 fair market value at the date donated. The Department generally capitalizes assets with a cost of \$7,500 or more as purchases and construction outlays occur. 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.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

***June 30, 2015***

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 expense net amortization of discount and premium incurred was \$5,706,812 and \$6,395,277, for the years ended June 30, 2015 and 2014, respectively. Of these amounts, \$1,954,094 and \$871,594 was included as part of the cost of capital assets under construction for the years ended June 30, 2015 and 2014, 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 with 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 and the governmental fund balance 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 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 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.

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 \$136,283,571 for construction and debt payments of FAA approved improvements. Under the



**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

approved applications, collections extend until December 31, 2020. Total cumulative PFC revenues remitted to the Department through the years ended June 30, 2015 and 2014 were \$97,025,875 and \$89,558,443, respectively. PFC revenues earned by the Department for the years ended June 30, 2015 and 2014 were \$7,338,801 and \$7,199,252, 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, 2015 and 2014 were \$4,891,573 and \$4,818,253 respectively. CFC revenues are recognized as earned and are included in non-operating revenues.

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 \$498,894,000 and \$499,893,000 as of June 30, 2015 and 2014, respectively. Accumulated depreciation on this leased property was approximately \$275,974,000 and \$267,479,000 as of June 30, 2015 and 2014, respectively.

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

<b>Year</b>	<b>Amount</b>
2016	\$ 26,896,976
2017	21,761,925
2018	17,958,092
2019	4,720,174
2020	4,459,353
2021-2025	12,464,344
2026-2030	3,925,432
2031-2035	1,571,856
2036-2040	595,952
2041-2045	141,291
2046-2050	154,620
2051-2053	69,757
Total	<u>\$ 94,719,772</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, 2015.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

***June 30, 2015***

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 2015 and 2014 received through these leases was approximately \$8,215,000 and \$8,084,000, respectively. Although the actual income to be received in future periods cannot be known due to the nature of these leases, management does not anticipate a significant decrease in these rental amounts.

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.

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, 2014, from which the summarized totals were derived.

Reclassifications

Certain reclassifications have been made to the 2014 financial statements to conform to the 2015 presentation. The reclassifications had no effect on the change in net position.

Defined Benefit Pension Plan

The Trust's full-time employees are eligible to participate in the City's Employee Retirement System (ERS). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the ERS and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. 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.

**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

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

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, 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 counterparty 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.

Trust requirements for investing monies related to the Separate Lease Indentures provide that investments shall mature not later than the intended date of the use of such monies. Investments under the Separate Lease Indentures are permitted in (1) obligations of the United States including Federal agencies, (2) certain Federal mortgage associations, banks, and cooperatives, (3) certain housing authority bonds and notes secured by contracts with the United States, (4) obligations of states or municipalities backed by the full faith and credit of the state or municipality provided that the rating of the obligations equal or exceed the rating of the Separate Lease Indenture Bonds, (5) repurchase agreements with banks which are members of the Federal Deposit Insurance Corporation and provided certain other criteria are satisfied, (6) certificates of deposit provided certain criteria are satisfied, (7) obligations or investment contracts with national or state banking institutions meeting certain criteria, and (8) money market funds which are 100% backed or collateralized by the foregoing securities.

<b>Restricted Deposits and Investments</b>	<b>2015</b>	<b>2014</b>
Bond principal and interest accounts	\$ 3,219,021	\$ 3,481,764
Bond reserve accounts	-	8,141,000
Junior Lien 31 Construction account	10,864,335	31,570,017
	<u>\$ 14,083,356</u>	<u>\$ 43,192,781</u>

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Notes to Financial Statements**  
**June 30, 2015**

As of June 30, 2015, the Trust had the following investments:

<b>Type of Investment</b>	<b>Fair Value/Carrying Amount</b>		<b>Ratings (1)</b>	<b>Weighted Average Days to Maturity</b>
	<b>Amount</b>	<b>Cost</b>		
U.S. Treasury Money Market Fund	\$ 80,621,294	\$ 80,621,294	N/A	44
U.S. Treasury Strips	80,834,041	80,800,104	N/A	810
<b>Total Investments</b>	<b>\$ 161,455,335</b>	<b>\$ 161,421,398</b>		

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

As of June 30, 2014, the Trust had the following investments:

<b>Type of Investment</b>	<b>Fair Value/Carrying Amount</b>		<b>Ratings (1)</b>	<b>Weighted Average Days to Maturity</b>
	<b>Amount</b>	<b>Cost</b>		
U.S. Treasury Money Market Fund	\$ 89,976,431	\$ 89,976,431	N/A	46
U.S. Treasury Strips	80,705,917	80,569,008	N/A	599
Guaranteed Investment Contracts	7,674,000	7,674,000	A-	124
<b>Total Investments</b>	<b>\$ 178,356,348</b>	<b>\$ 178,219,439</b>		

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

The Airports Fund pooled investments as of June 30, 2015 were \$2,313,525. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2015:

<b>Type of City Pooled Investments</b>	<b>Fair Value/Carrying Amount</b>		<b>Ratings (1)</b>	<b>Weighted Average Months to Maturity</b>
	<b>Amount</b>	<b>Cost</b>		
Money Market funds	\$ 2,708,000	\$ 2,708,000	AAA	2
U.S. Treasury Notes	236,806,000	237,360,000	N/A	24
Fannie Mae	239,519,000	240,507,000	AA/Aaa	17
Federal obligations	310,366,000	311,456,000	AA/Aaa	15
Commercial paper	57,453,000	57,414,000	N/A	3
<b>Total Investments</b>	<b>\$ 846,852,000</b>	<b>\$ 849,445,000</b>		

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

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

The Airports Fund pooled investments as of June 30, 2014 were \$1,731,590. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2014:

Type of City Pooled Investments	Fair		Ratings (1)	Weighted Average Months to Maturity
	Value/Carrying Amount	Cost		
Money Market funds	\$ 194,000	\$ 194,000	AAA	2
U.S. Treasury Notes	386,232,000	390,396,000	N/A	19
Fannie Mae	129,915,000	130,363,000	AA+/Aaa	19
Federal obligations	164,187,000	164,716,000	AA/Aaa	17
Commercial paper	47,975,000	47,950,000	A1/P1	3
Total Investments	<u>\$ 728,503,000</u>	<u>\$ 733,619,000</u>		

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

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 counterparty, 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.

**4. CAPITAL ASSETS**

As of June 30, 2015 capital assets consist of the following:

Depreciable capital assets	Balance			Balance June 30, 2015
	July 1, 2014	Increases	Decreases	
Buildings	\$ 501,985,673	\$ 1,780,564	\$ (567,925)	\$ 503,198,312
Improvements	296,615,404	2,501,575	(481,814)	298,635,165
Furniture, fixtures, and equipment	26,705,367	3,326,395	(2,926,667)	27,105,095
Total depreciable capital assets	<u>825,306,444</u>	<u>7,608,534</u>	<u>(3,976,406)</u>	<u>828,938,572</u>
Less accumulated depreciation				
Buildings	252,561,295	11,799,554	(562,440)	263,798,409
Improvements	198,231,320	7,897,610	(471,331)	205,657,599
Furniture, fixtures, and equipment	15,631,372	2,229,803	(2,854,870)	15,006,305
Total accumulated depreciation	<u>466,423,987</u>	<u>21,926,967</u>	<u>(3,888,641)</u>	<u>484,462,313</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 358,882,457</u>	<u>\$ (14,318,433)</u>	<u>\$ (87,765)</u>	<u>\$ 344,476,259</u>
<b>Nondepreciable capital assets</b>				
Land	\$ 30,580,289	\$ -	\$ -	\$ 30,580,289
Art	168,016	-	-	168,016
Construction in progress	31,474,069	51,726,647	(5,050,927)	78,149,789

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

As of June 30, 2014 capital assets consist of the following:

	<b>Balance</b>			<b>Balance</b>
<b>Depreciable capital assets</b>	<b>July 1, 2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2014</b>
Buildings	\$ 492,762,360	\$ 9,444,765	\$ (221,452)	\$ 501,985,673
Improvements	294,204,613	2,770,301	(359,510)	296,615,404
Furniture, fixtures, and equipment	23,993,978	3,000,253	(288,864)	26,705,367
Total depreciable capital assets	<u>810,960,951</u>	<u>15,215,319</u>	<u>(869,826)</u>	<u>825,306,444</u>
Less accumulated depreciation				
Buildings	241,245,597	11,525,639	(209,941)	252,561,295
Improvements	190,405,792	8,076,601	(251,073)	198,231,320
Furniture, fixtures, and equipment	13,875,627	2,082,360	(326,615)	15,631,372
Total accumulated depreciation	<u>445,527,016</u>	<u>21,684,600</u>	<u>(787,629)</u>	<u>466,423,987</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 365,433,935</u>	<u>\$ (6,469,281)</u>	<u>\$ (82,197)</u>	<u>\$ 358,882,457</u>
<b>Nondepreciable capital assets</b>				
Land	\$ 30,580,289	\$ -	\$ -	\$ 30,580,289
Art	-	168,016		168,016
Construction in progress	17,793,023	27,567,078	(13,886,032)	31,474,069

**5. LIABILITIES**

Compensated Absences

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

	<b>Balance</b>			<b>Balance</b>	<b>Due within</b>
	<b>July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2015</b>	<b>one year</b>
Compensated absences	\$ 1,398,432	\$ 778,415	\$ (686,950)	\$ 1,489,897	\$ 478,931

Pollution Remediation

The former Gulfstream Manufacturing Facility located at Wiley Post Airport has certain environmental conditions that may have been caused by certain aviation manufacturing activities prior to the Trust's ownership. During Gulfstream's occupation of the premises, the Trust acquired legal title to the property in a sale-leaseback arrangement, but never operated the site. Some additionally noted environmental conditions on OCAT's property near the former Gulfstream facility discovered during the site investigation were determined to be from an upgradient off-site source. The Trust voluntarily entered the entire site into the Oklahoma Department of Environmental Quality's Voluntary Cleanup Program through a MACO Agreement. The Trust has an Allocation Agreement with the former tenants/owners where the Trust assumes an allocable share of the site characterization and any necessary and reasonable remediation expenses. For the remainder of the fiscal year, the Trust has recorded a liability of approximately \$31,171 as of June 30, 2015, for its allocable share of the site assessment and characterization based upon estimated costs remaining for completion of site characterization and continued monitoring activities. An evaluation of any necessary remediation alternatives is in process. Since it is early in the evaluation process, there is not a reasonable estimate of the cost for remediation at this time. The Trust will bear only the costs of remediation for its allocable share when the appropriate remediation activities are determined and approved.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

***June 30, 2015***

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, 2015, no Senior Lien bonds are outstanding.

Thirty-One 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. The bond proceeds were used to construct various facilities at the Airports. Three Junior Lien series are still outstanding as of June 30, 2015.

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. Management believes the Trust has complied with all bond covenants at June 30, 2015.

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, 2015.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

A summary of changes in bonds payable as of June 30, 2015 is as follows:

Description	Balance			Balance June 30, 2015	Due within one year
	July 1, 2014	Issued	Retired		
<b>Junior Lien Bonds:</b>					
Twenty-third Series	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -
Twenty-ninth Series A	16,870,000	-	1,015,000	15,855,000	1,055,000
Twenty-ninth Series B	31,760,000	-	-	31,760,000	-
Thirtieth Series	17,885,000	-	5,465,000	12,420,000	5,690,000
Thirty-first Series	39,615,000	-	-	39,615,000	665,000
Junior Lien Bonds Total	<u>106,250,000</u>	<u>-</u>	<u>6,600,000</u>	<u>99,650,000</u>	<u>7,410,000</u>
<b>Separate Lease Bonds:</b>					
1992 Federal Bureau of Prisons	13,880,000	-	13,880,000	-	-
1995 Federal Bureau of Prisons	470,000	-	470,000	-	-
Separate Lease Bonds Total	<u>14,350,000</u>	<u>-</u>	<u>14,350,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 120,600,000</u>	<u>\$ -</u>	<u>\$ 20,950,000</u>	<u>\$ 99,650,000</u>	<u>\$ 7,410,000</u>
Less current maturities				(7,410,000)	
Long-term portion				92,240,000	
Less unamortized discount				(105,737)	
Add unamortized premium				947,791	
Total				<u>\$ 93,082,054</u>	

Additional information on revenue bond issues is as follows:

Description	Original	Interest Rate	Issue Date	Final Maturity
	Amount Issued			Date
<b>Junior Lien Bonds:</b>				
Twenty-ninth Series A	21,420,000	3.50 - 4.20%	2/20/2007	7/1/2026
Twenty-ninth Series B	31,760,000	5.00	2/20/2007	7/1/2021
Thirtieth Series	28,675,000	3.00 - 5.00	3/3/2011	7/1/2017
Thirty-first Series	39,615,000	.985 - 6.86	9/25/2013	7/1/2043



**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Notes to Financial Statements**  
*June 30, 2015*

Additional information on revenue bond issues is as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2,016	7,410,000	5,078,207	12,488,207
2,017	7,745,000	4,738,910	12,483,910
2,018	7,420,000	4,395,063	11,815,063
2,019	8,115,000	4,038,327	12,153,327
2,020	8,505,000	3,651,928	12,156,928
2021-2025	25,065,000	13,408,485	38,473,485
2026-2030	8,370,000	10,253,666	18,623,666
2031-2035	6,985,000	8,298,814	15,283,814
2036-2040	9,650,000	5,636,176	15,286,176
2041-2044	10,385,000	1,839,852	12,224,852
	<u>\$ 99,650,000</u>	<u>\$ 61,339,428</u>	<u>\$ 160,989,428</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, 2015 and 2014, were \$5,698,216 and \$5,216,192, 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 \$6,824,569 and \$6,600,336 for the years ended June 30, 2015 and 2014, respectively. The total payroll for all Department employees was \$6,961,703 and \$6,711,910 for the years ended June 30, 2015 and 2014, respectively.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

Eligibility, Contribution Methods, Benefit Provisions

Year established and governing authority	1958; City Council Ordinance
Determination of contribution requirements	Actuarially determined
Employer contributions	8.0% of covered payroll
Plan members contributions	6.0% of covered payroll
Eligible to participate	Full-time Department employees
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 10 years (Pre 3/67 hires), or 25 years of credited service regardless of age, or age 65 with 5 years (Post 3/67 hires), or age 55 with 5 years on a reduced basis, or 5 years service, with benefits to begin at age 65 (60) with (10 years if Pre 3/67 hire)
Cost of living benefit increases	Cost of living adjustments are compounded annually; increases must be approved by the OCERS Board
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

Post-Retirement Adjustments

OCERS pension benefits may be adjusted annually for changes in the Consumer Price Index. The maximum adjustment is 2% compounded annually. All pension benefit adjustments must be approved by the OCERS Board.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Notes to Financial Statements**  
**June 30, 2015**

Plan Membership

	<u>2014</u>	<u>2013</u>
Non-vested active members	761	762
Fully vested active members	1,726	1,697
Retirees and beneficiaries currently receiving benefits	1,345	1,324
Terminated plan members entitled to but not yet receiving benefits	<u>82</u>	<u>83</u>
Total	<u>3,914</u>	<u>3,866</u>

Actuarial Methods and Assumptions

Valuation date	12/31/2013
Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Actuarial assumptions	
Investment rate of return	7.5%
Projected salary increases	3.75% to 7.25%
Cost of living benefit increases (max)	2%
Inflation	3.8%
Other	RP 2000 mortality table projected to 2010

The Measurement date is June 30, 2014. Updated procedures were used to roll forward the total net pension asset to the measurement date.

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 historical pattern of sharing of benefit costs between OCERS and Plan members to that point. Actuarial calculations reflect a long-term perspective. The actuarial accrued liabilities and the actuarial value of assets, are 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.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Notes to Financial Statements**  
**June 30, 2015**

Annual Pension Cost and Trend Information

<b>Fiscal Year</b>	<b>City's Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Airports Fund Annual Pension Cost</b>	<b>Airports Percentage Contributed</b>	<b>Airports Cost as a Percentage of City's Pension Cost</b>
2014	\$ 8,872,000	100%	\$ 433,186	100%	4.88%
2013	11,320,000	100	535,454	100	4.73
2012	9,165,000	100	447,624	100	4.88

Reserves

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

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, 2014. The department portion for 2014 was 4.92%.

	<b>2014</b>	
	<b>Total</b>	<b>Airports Fund Share</b>
Total pension liability	\$ (597,046,301)	\$ (29,374,727)
Fiduciary net position	658,459,798	32,396,222
Net pension asset (liability)	<u>\$ 61,413,497</u>	<u>\$ 3,021,495</u>
Plan fiduciary net position as a percentage of total pension liability	110.29%	110.29%

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 17.10%. The money-weighted rate of return on pension plan investments for June 30, 2013 was not calculated.

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.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

<u>Long-term Expected Rate of Return</u>		<u>Target Allocation</u>	
Core Bonds	2.84%	Domestic	50.00%
Core Plus	3.11	International	10.00
Global Bonds	2.87	Fixed income	25.00
Absolute Return	4.35	Real estate	15.00
U.S. Large Cap Equity	7.77		
U.S. Small Cap Equity	9.03		
International Developed Equity	8.76		
Emerging Market Equity	10.00		
Long/Short Equity	7.64		
Private Equity	10.65		
Core Real Estate	5.30		
Opportunistic Real Estate	0.09		
Commodities	4.21		

Discount rate

A single discount rate of 7.5% 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 7.5%. 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

	<u>Rate</u>	<u>OCERS</u>	<u>Airports Fund Share</u>	<u>OCERS</u>	<u>Airports Fund Share</u>
1% decrease	6.50%	\$ (671,467,967)	\$ (33,036,224)	\$ 13,009,169	\$ 640,051
Current single discount rate	7.50	(597,046,301)	(29,374,678)	61,412,497	3,021,495
1% increase	8.50	(534,353,265)	(26,290,181)	124,105,533	6,105,992

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

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

For the years ended June 30, 2015 and 2014, the Department recognized pension expenses of \$(160,244) and \$449,563, respectively. At June 30, 2015, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2015</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 188,653
Net difference between projected and actual earnings on pension plan investments	-	2,044,547
Trust's contributions made subsequent to the measurement date of the net pension asset	403,788	-
Total	<u>\$ 403,788</u>	<u>\$ 2,233,200</u>

At June 30, 2015, the Department reported \$403,788 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, 2016. Other amounts reported as deferred inflows of resources at June 30, 2015, related to pensions will be recognized in pension expense as follows:

2015	\$ 543,134
2016	543,134
2017	543,134
2018	543,134
2019	31,980
Thereafter	28,684
	<u>\$ 2,233,200</u>

The required supplementary information schedules of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Related-Party Transactions

As of June 30, 2015, the OCERS' investments include purchased judgments against the City in the amount of \$3,336,000. The judgments earn interest at rates of 5.25%. 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, 2015 actual contributions by the Department and plan participants were \$19,000 and \$11,414, respectively.

These two plans include 102 participants comprised of City Council Appointees and management personnel. 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	58% of premium
Plan members	42% of premium
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Eligibility for distribution	General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or at any age with 25 years of service

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

Funding Policy

Effective January 1, 2015, the employer contribution changed from 60% to 58% of the premium. The retirees and their dependents premium percentage changed from 40% to 42%.

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

Membership

As of the last actuarial date, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2,145
Active members	<u>3,592</u>
Total	<u><u>5,737</u></u>

Annual Required Contributions - Actuarial Assumptions

Provisions for:

Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/14
Actuarial cost method	Projected unit credit with linear proration to decrement
Amortization method/period	Level percentage of payroll 30 years, open
Actuarial asset valuation method	4-year smoothed market
Actuarial Assumptions	
Investment rate of return	4.90%
Inflation	3.00%
Blended discount rate method	The discount rate is based on the expected long-term return on the investments that are used to finance the benefit programs
Projected salary increases	3.00%
Health care trend rate	4.5% (5% for Medicare age)
Mortality table	RP 2000 combined mortality table projected to 2010 using scale AA

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by 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.



**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

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

In the July 1, 2014 actuarial valuation, adjustments have been made to the AAL and normal cost for actual premium increases from 2013 to 2014, which increased the City's liabilities on a net basis as the reduction in pre-Medicare liabilities is more than offset by the increase in Medicare liabilities.

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOO) as June 30, 2015, was calculated as follows:

	<b>OPEB Trust</b>	<b>Airports Fund Share</b>
Annual required contribution	\$ 35,920,000	\$ 905,000
Interest on Net OPEB obligation	5,991,000	151,000
Adjustment of Annual Required	<u>(5,500,000)</u>	<u>(139,000)</u>
Annual OPEB cost	36,411,000	917,000
Contributions made	<u>(18,816,000)</u>	<u>(531,000)</u>
Increase in Net OPEB obligation	17,595,000	386,000
Net OPEB obligation, Beginning of year	<u>122,015,000</u>	<u>2,105,000</u>
Net OPEB obligation, End of year	<u>\$ 139,610,000</u>	<u>\$ 2,491,000</u>

Trend Information

The City had an actuarial valuation performed to determine the projected liabilities as the employer's annual required contribution (ARC).

<b>Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Employer Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 36,411,000	\$ 18,816,000	51.7%	\$ 139,610,000
2014	34,407,000	19,619,000	57.0	122,015,000
2013	33,258,000	19,905,000	59.9	107,227,000

Department Amounts

<b>Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Employer Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 905,000	\$ 531,000	58.67%	\$ 2,491,000
2014	862,000	532,000	61.72	2,105,000
2013	641,000	505,000	78.78	1,775,000

Reserves

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

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Notes to Financial Statements**

**June 30, 2015**

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, was as follows:

Actuarial Value of Plan Assets (AVAIIIIA)	\$	34,028,000
Actuarial Accrued Liability (AAL)		474,681,000
Unfunded Actuarial Accrued Liability (UAAL)		440,653,000
Funded Ratio (AVIIIIA/AAL)		7%
Covered Payroll (Active Plan Members)		213,091,000
UAAL as a Percentage of Covered Payroll		206.79%

The required supplementary information schedules of funding progress, immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. OCPEBT 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 \$31,211,000 and \$43,963,000 as of June 30, 2015 and 2014, 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 \$17,838,732 and \$17,724,922, as of June 30, 2015 and 2014, 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**

Subsequent events have been evaluated through the date of the independent auditors report.

OKLAHOMA CITY EMPLOYEE RETIREMENT SYSTEM

Schedule of Proportionate Shares Net Pension Liability (Asset)

	<b>2014</b>
Proportionate Share	5%
Proportionate share of the net pension liability (asset)	\$ (3,021,495)
municipalities share of the net pension liability (asset) of the State and othe municipalites	-
Total net pension liability (asset)	<u>\$ (3,021,495)</u>
Covered - employee payroll	\$ 6,824,569
Net pension liability (asset) as a percentage of covered - employee payroll	(44.27%)
Plan fiduciary net position as a percentage of total pension liability	110.29%

Schedule of Employer Contributions

FY Ending June 30, 2014	Actuarially Determined Contribution (ADC) (a)	Contributions in Relation to ADC (b)	Contributions Deficiency (Excess)(a-b)	Covered Payroll (c)	Actual Contribution As a Percentage of Covered Payroll (b/c)
	\$ 436,502	\$ 436,502	\$ -	\$ 6,824,569	7 %

Results for 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.

OKLAHOMA CITY OTHER POST EMPLOYMENT BENEFITS (1)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/14	\$ 34,028,000	\$ 474,681,000	\$ 440,653,000	7%	\$ 213,091,000	207%
7/1/13	26,316,000	451,029,000	424,713,000	6	203,860,000	208
7/1/12	19,199,000	433,863,000	414,664,000	4	197,923,000	210

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Required Supplementary Information**  
**June 30, 2015**

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2015	\$ 18,816,000	\$ 35,920,000	52%
2014	19,619,000	33,976,000	58
2013	19,905,000	32,881,000	61

# 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, 2015**

	Original Budget	Revisions	Revised Budget
<b>REVENUES</b>			
Interest income	\$ 11,237	\$ -	\$ 11,237
Other Income	-	-	-
Total revenues before prior year fund balance	<u>11,237</u>	<u>-</u>	<u>11,237</u>
Prior year fund balance:			
Reappropriated for prior year encumbrances	-	30,935	30,935
Total revenues and prior year fund balance	<u>11,237</u>	<u>30,935</u>	<u>42,172</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Personal services	9,549,114	(40,000)	9,509,114
Contractual services	6,117,255	4,000	6,121,255
Supplies	742,932	37,000	779,932
Capital outlay	500,000	54,574	554,574
Expenditures and encumbrances related to prior year budget (2)	-	-	-
Total expenditures and encumbrances	<u>16,909,301</u>	<u>55,574</u>	<u>16,964,875</u>
Deficiency of revenues over expenditures and encumbrances	(16,898,064)	-	(16,898,064)
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds			
Net other financing sources (uses)	<u>16,898,064</u>	-	<u>16,898,064</u>
	16,898,064	-	16,898,064
Excess of revenues and other sources over expenditures and encumbrances	-	<u>\$ -</u>	-
Fund balance, beginning (Non-GAAP budgetary basis)	980,751		980,751
Less prior year fund balance (1)	-		30,935
Fund balance, ending (Non-GAAP budgetary basis)	<u>\$ 980,751</u>		<u>\$ 1,011,686</u>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>			
Current year encumbrances included in expenditures			
Accounts receivable			
Reserve for inventories			
Net pension asset			
Deferred pension outflows			
Revenue accruals			
Capital assets, net of depreciation			
Compensated absences			
Other post employment benefits			
Deferred pension inflows			
Change in Advance to/from other funds			
<b>Airports Cash Fund balance, ending (GAAP basis) (3)</b>			
<b>Airports Capital Assets Fund balance, ending (GAAP basis) (3)</b>			
<b>Airports Fund balance, ending (GAAP basis)</b>			

- (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) Expenditures paid against prior year encumbrances were less than the original encumbrances, which increased available ending fund balance.
- (3) The Airports Cash Fund and the Airports Capital Assets Fund are combined and reported as the Airports fund in this report.



Expenditures	Encumbrances	Total Actual	Variance Favorable (Unfavorable)
		\$ 14,053	\$ 2,816
		57,591	57,591
		<u>71,644</u>	<u>60,407</u>
		-	(30,935)
		<u>71,644</u>	<u>29,472</u>
\$ 9,189,193	\$ -	9,189,193	358,921
5,690,081	2,164	5,692,245	382,109
489,869	6,790	496,659	248,916
527,841	-	527,841	44,352
(30,935)	-	(30,935)	30,935
<u>\$ 15,866,049</u>	<u>8,954</u>	<u>15,875,003</u>	<u>1,065,233</u>
		(15,803,359)	1,094,705
		<u>16,561,748</u>	<u>(336,316)</u>
		16,561,748	(336,316)
		758,389	758,389
		980,751	-
		-	(30,935)
		<u>1,739,140</u>	<u>\$ 727,454</u>
		8,954	
		335	
		1,013,996	
		3,021,495	
		403,788	
		184,736	
		2,009,730	
		(1,489,897)	
		(2,490,690)	
		(2,233,200)	
		<u>(302,023)</u>	
		1,866,364	
		16,234,290	
		<u>\$ 18,100,654</u>	

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# STATISTICAL SECTION (UNAUDITED)

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**

	2015	2014	2013	2012
<b>Operating revenues:</b>				
Landing fees	\$ 7,210,738	\$ 7,152,728	\$ 7,024,001	\$ 6,835,170
Other aircraft fees	2,478,747	2,439,028	2,394,241	2,365,761
Building rents	8,181,439	14,768,054	15,361,205	17,678,091
Parking revenues	11,040,207	10,962,305	10,023,542	9,804,277
Concession fees	2,138,070	2,086,491	2,035,324	1,792,818
Car rental commissions	5,664,322	5,594,192	5,137,368	4,979,821
Land rents	1,809,234	1,703,293	1,898,020	1,604,330
Maintenance, utility and insurance fees	13,861,611	13,853,789	13,578,706	11,213,097
Other	1,071,109	1,019,416	994,265	989,924
<b>Total operating revenues</b>	<b>53,455,477</b>	<b>59,579,296</b>	<b>58,446,672</b>	<b>57,263,289</b>
<b>Nonoperating revenues:</b>				
Investment Income	441,967	647,767	617,954	647,961
Oil and gas royalties	2,019,412	2,958,796	2,509,712	2,820,798
Passenger facility charges	7,338,801	7,199,252	7,364,701	7,210,909
Customer facility charges	4,891,573	4,818,253	4,506,156	-
Operating grants income	262,800	328,320	224,918	403,054
Other nonoperating revenues	1,150,139	1,122,982	9,690	49,129
<b>Total nonoperating revenues</b>	<b>16,104,692</b>	<b>17,075,370</b>	<b>15,233,131</b>	<b>11,131,851</b>
<b>Total Revenues</b>	<b>69,560,169</b>	<b>76,654,666</b>	<b>73,679,803</b>	<b>68,395,140</b>
<b>Operating expenses:</b>				
Personal services	9,619,805	9,801,524	9,181,703	8,417,255
Maintenance, operations, and contractual services	16,075,940	15,959,524	14,368,584	14,800,764
Materials and supplies	1,568,587	1,717,949	1,376,306	1,328,835
Depreciation	21,926,967	21,684,600	20,478,414	21,238,540
<b>Total operating expenses</b>	<b>49,191,299</b>	<b>49,163,597</b>	<b>45,405,007</b>	<b>45,785,394</b>
<b>Nonoperating expenses:</b>				
Interest expense	3,752,718	5,523,683	5,121,660	6,690,475
Amortization	(164,871)	(193,214)	(206,727)	(165,560)
Payments to City funds	-	-	-	-
Bond Insurance	16,862	17,193	17,503	17,822
Other expenses	36,211	591,802	1,893,395	-
<b>Total nonoperating expenses</b>	<b>3,640,920</b>	<b>5,939,464</b>	<b>6,825,831</b>	<b>6,542,737</b>
<b>Total Expenses</b>	<b>52,832,219</b>	<b>55,103,061</b>	<b>52,230,838</b>	<b>52,328,131</b>
Capital contributions, grants	11,173,450	5,050,411	9,409,881	7,505,159
Capital asset contribution	750,000	-	-	-
Donated Assets	-	-	-	(2,872,287)
Transfers between City funds	-	(4,221)	-	-
<b>Increase in Net Position</b>	<b>\$ 28,651,400</b>	<b>\$ 26,597,795</b>	<b>\$ 30,858,846</b>	<b>\$ 20,699,881</b>
<b>Net Position at Year-End</b>				
Net investment in capital assets	354,975,104	325,767,028	315,562,773	296,325,773
Restricted for construction	216,881	505,230	864,478	861,658
Restricted for debt service	26,196,690	30,472,168	26,493,184	26,104,542
Restricted for maintenance	36,695,692	28,910,630	26,493,184	19,840,192
Unrestricted	93,079,852	96,243,894	88,531,896	81,310,144
<b>Total Net Position (1)</b>	<b>\$ 511,164,219</b>	<b>\$ 481,898,950</b>	<b>\$ 457,945,515</b>	<b>\$ 424,442,309</b>

(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 2006 have not been restated for the impacts of these GASB statements. In 2015, the Department implemented GASB 68. Years 2014 through 2006 have not been restated for the impacts of this GASB statement.

	2011	2010	2009	2008	2007	2006
\$	6,924,831	\$ 6,477,192	\$ 5,599,435	\$ 6,383,195	\$ 5,897,784	\$ 5,847,250
	2,118,706	1,941,066	2,206,013	2,722,124	2,354,284	2,164,130
	22,470,025	22,938,179	23,773,947	24,735,971	24,919,930	24,216,719
	9,259,742	7,624,268	6,483,384	6,965,859	6,461,347	6,177,511
	1,937,188	1,852,376	1,781,462	1,805,081	1,546,083	1,230,150
	4,565,970	3,914,401	3,837,845	3,763,254	3,373,730	3,213,692
	1,491,459	1,323,939	1,313,797	1,220,212	1,197,440	1,147,516
	6,943,578	6,557,797	5,761,819	5,598,690	5,623,058	4,852,648
	1,559,972	868,771	953,770	1,272,205	1,115,501	1,011,490
	57,271,471	53,497,989	51,711,472	54,466,591	52,489,157	49,861,106
	818,289	1,018,916	1,930,101	4,478,824	5,145,526	4,017,827
	2,968,830	2,567,709	2,341,859	3,493,361	2,617,649	2,909,454
	7,055,522	5,170,911	4,489,113	5,133,202	4,912,518	4,867,999
	-	-	-	-	-	-
	440,268	448,185	440,965	334,194	-	-
	386,223	39,489	-	-	-	-
	11,669,132	9,245,210	9,202,038	13,439,581	12,675,693	11,795,280
	68,940,603	62,743,199	60,913,510	67,906,172	65,164,850	61,656,386
	8,002,625	7,736,677	7,593,852	6,332,528	6,096,608	5,672,069
	13,888,354	13,721,815	13,925,529	13,391,437	13,144,287	12,755,681
	1,398,612	1,355,518	1,255,003	1,361,037	1,183,468	1,006,828
	21,571,778	20,514,004	19,588,271	20,251,446	18,863,700	16,938,503
	44,861,369	43,328,014	42,362,655	41,336,448	39,288,063	36,373,081
	8,389,506	9,362,559	10,438,253	12,342,311	12,827,853	13,728,584
	152,881	130,897	149,641	171,600	208,773	267,479
	-	-	-	-	-	503,982
	-	-	-	-	-	-
	-	-	49,790	69,296	53,546	-
	8,542,387	9,493,456	10,637,684	12,583,207	13,090,172	14,500,045
	53,403,756	52,821,470	53,000,339	53,919,655	52,378,235	50,873,126
	5,804,051	8,907,338	8,515,369	5,282,612	4,737,308	9,503,209
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	399,928	-	-	-
\$	21,340,898	\$ 18,829,067	\$ 16,828,468	\$ 19,269,129	\$ 17,523,923	\$ 20,286,469
	282,438,969	271,640,181	254,446,734	236,903,699	228,854,505	219,177,904
	1,571,566	2,131,661	584,728	1,438,995	1,431,995	1,417,162
	25,473,781	24,626,588	24,276,528	24,656,966	24,983,267	24,762,413
	17,421,223	17,481,646	19,347,857	19,964,075	16,914,353	13,534,860
	77,408,358	67,092,923	65,488,085	64,351,729	55,862,215	51,630,073
\$	404,313,897	\$ 382,972,999	\$ 364,143,932	\$ 347,315,464	\$ 328,046,335	\$ 310,522,412

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Changes in Cash and Cash Equivalents**

***Last ten fiscal years***

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Cash flows from operating activities:				(Restated)
Cash received from charges	\$ 55,534,503	\$ 59,648,742	\$ 60,039,905	\$ 55,525,812
Cash received from oil and gas royalties	2,098,994	2,927,804	2,514,571	2,950,211
Cash payments to suppliers for goods and services	(14,452,169)	(14,398,231)	(16,805,729)	(16,326,012)
Cash payments to employees	(9,685,595)	(9,394,574)	(8,803,749)	(8,250,041)
Net cash provided by operating activities	<u>33,495,733</u>	<u>38,783,741</u>	<u>36,944,998</u>	<u>33,899,970</u>
Cash flows from noncapital financing activities:				
Operating grants received	87,840	329,040	268,442	670,184
Other non-operating revenue	2,380,427	14,868	-	-
Liquidated Damages	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>2,468,267</u>	<u>343,908</u>	<u>268,442</u>	<u>670,184</u>
Cash flows from capital and related financing activities:				
Intergovernmental advance	2,017,574	2,374,349	1,648,009	(7,712,012)
Advance Payable - Gulfstream	(95,967)	(106,986)	(22,103)	(325,478)
Acquisition and construction of capital assets	(51,581,529)	(28,192,785)	(25,398,156)	(18,192,283)
Capital grants received	10,367,527	3,246,308	9,523,886	7,337,406
Capital contributions	-	-	-	-
Interest paid on bonds	(6,072,010)	(6,291,138)	(6,087,095)	(7,146,344)
Principal paid on bonds	(20,950,000)	(13,370,000)	(19,215,000)	(17,740,000)
Proceeds from sale of capital assets	62,721	53,825	10,890	34,735
Deferred revenue	-	-	-	-
Bond redemption	-	-	-	-
Proceeds from bond refunding/issues	-	39,615,000	-	-
Transfer to sinking fund	-	-	-	-
Bond issuance costs	-	(563,431)	-	-
Transfer to escrow agent	-	-	-	-
Passenger facility charges	7,466,794	7,093,852	6,587,178	7,134,987
Customer facility charges	4,895,541	4,882,262	3,971,335	-
Net cash provided (used) by capital and related financing activities	<u>(53,889,349)</u>	<u>8,741,256</u>	<u>(28,981,056)</u>	<u>(36,608,989)</u>
Cash flows from investing activities:				
Interest on investments	263,463	502,444	532,883	578,692
Proceeds from sale of investments	144,294,472	40,571,000	56,227,000	25,308,000
Purchase of investments	(127,131,940)	(88,298,335)	(65,237,880)	(24,261,607)
Change in pooled investments	(581,934)	(449,634)	223,160	435,196
Net cash provided (used) by investing activities	<u>16,844,061</u>	<u>(47,674,525)</u>	<u>(8,254,837)</u>	<u>2,060,281</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,081,288)</u>	<u>194,380</u>	<u>(22,453)</u>	<u>21,446</u>
Cash, beginning of year (1)(2)	<u>1,991,067</u>	<u>1,796,687</u>	<u>1,819,140</u>	<u>1,797,694</u>
Cash, end of year (1)(2)	<u>\$ 909,779</u>	<u>\$ 1,991,067</u>	<u>\$ 1,796,687</u>	<u>\$ 1,819,140</u>

(1) Pooled cash equivalents are reported as investments beginning in fiscal year 2007.

(2) 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 2006 have not been restated for the impacts of these GASB statements.



	2011	2010	2009	2008	2007	2006
\$	57,229,152	\$ 53,270,391	\$ 52,133,024	\$ 54,806,188	\$ 52,093,772	\$ 49,738,215
	2,893,522	2,487,445	2,620,596	3,289,450	2,648,383	2,837,474
	(15,490,738)	(14,843,942)	(14,758,225)	(15,115,075)	(13,908,383)	(13,744,335)
	(7,785,452)	(7,208,653)	(7,122,127)	(6,097,545)	(6,019,233)	(5,628,566)
	36,846,484	33,705,241	32,873,268	36,883,018	34,814,539	33,202,788
	181,695	448,185	440,965	259,793	-	-
	-	-	-	-	-	-
	390,000	-	399,928	-	-	(503,982)
	571,695	448,185	840,893	259,793	-	(503,982)
	598,594	(413,885)	(2,773,442)	(1,490,751)	-	-
	394,721	-	-	-	-	-
	(11,937,224)	(22,142,436)	(26,949,346)	(17,306,389)	(17,660,820)	(35,942,010)
	6,884,162	5,956,333	10,316,195	2,696,592	8,766,325	6,541,793
	-	1,034,233	-	-	-	-
	(9,562,443)	(10,438,945)	(11,653,499)	(12,525,028)	(13,374,520)	(14,570,965)
	(17,655,000)	(17,770,000)	(17,960,000)	(18,045,000)	(16,820,000)	(19,200,000)
	32,225	18,773	37,300	18,700	-	23,575
	2,861,803	-	-	-	-	-
	(2,980,000)	-	-	-	-	-
	29,843,387	-	-	-	55,194,967	-
	437,206	-	-	-	(646,616)	-
	(312,151)	-	-	(538)	-	-
	(29,958,335)	-	-	-	(36,748,792)	-
	7,040,874	5,036,184	4,369,831	5,180,881	4,986,107	4,816,174
	-	-	-	-	-	-
	(24,312,181)	(38,719,743)	(44,612,961)	(41,471,533)	(16,303,349)	(58,331,433)
	633,317	727,822	1,156,471	2,895,503	5,057,568	3,857,886
	50,308,000	72,776,134	102,764,606	141,700,565	251,568,471	271,216,085
	(63,889,267)	(68,237,451)	(93,272,929)	(139,663,981)	(275,191,280)	(249,082,422)
	410,463	198,156	(554,175)	(9,542)	(2,020,884)	-
	(12,537,487)	5,464,661	10,093,973	4,922,545	(20,586,125)	25,991,549
	568,511	898,344	(804,827)	593,823	(2,074,935)	358,922
	1,229,183	330,839	1,135,666	541,843	2,616,778	2,257,856
\$	1,797,694	\$ 1,229,183	\$ 330,839	\$ 1,135,666	\$ 541,843	\$ 2,616,778

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Revenue Sources**

***Last ten fiscal years***

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Passenger airline revenue:				
Landing fees	\$ 6,591,815	\$ 6,533,798	\$ 6,430,507	\$ 6,244,742
Terminal rental	2,246,913	2,084,837	2,408,154	2,353,052
Bag claim area	1,036,013	1,060,052	1,060,086	1,062,211
Ground rental (3)	6,750	4,463	2,250	4,875
Airport gate fee	28,598	13,447	30,338	29,990
Passenger boarding bridges	262,909	226,408	208,464	188,640
Scheduled airline aviation fuel (4)	-	-	-	-
Utilities	83,189	82,923	136,983	149,575
Security	828,482	786,292	722,651	624,176
Total passenger airline revenue	<u>11,084,669</u>	<u>10,792,220</u>	<u>10,999,433</u>	<u>10,657,261</u>
Other aeronautical revenue:				
Landing fees-freighters	618,922	618,930	593,495	590,428
Apron rental	-	-	-	-
Apron maintenance	178,312	176,963	175,077	174,384
Nonscheduled aviation fuel	1,650,263	1,652,731	1,671,590	1,741,585
Utilities	-	-	-	-
Cargo building rental	145,580	184,029	200,748	194,649
Hangar rental	1,196,331	1,167,996	1,134,904	1,233,081
Ground rental	1,351,660	1,286,112	1,236,539	1,210,034
Maintenance fees	391,251	386,588	367,947	340,699
Insurance fees	62,223	56,326	56,872	50,078
Other aeronautical revenue	45,614	45,395	45,287	44,746
Security Reimbursement from Federal Gov't (5)	262,800	328,320	224,918	403,054
Total other aeronautical revenue	<u>5,902,956</u>	<u>5,903,390</u>	<u>5,707,377</u>	<u>5,982,738</u>
Total aeronautic revenue	<u>16,987,625</u>	<u>16,695,610</u>	<u>16,706,810</u>	<u>16,639,999</u>
Nonaeronautical revenue:				
Building rentals-separate lease facilities	2,260,177	9,040,711	9,341,509	10,243,902
Building rentals-Senior Lien facilities	-	-	-	1,386,931
Building rentals-other facilities	656,111	649,885	645,974	647,418
Concessions	2,138,070	2,086,492	2,035,324	1,793,225
Parking	11,040,207	10,962,305	10,023,542	9,804,277
Rental car commissions	5,664,322	5,594,192	5,137,368	4,979,821
Maintenance, utility, and insurance fees	13,298,669	13,283,439	12,909,201	10,565,958
Other nonaeronautical revenue	1,673,092	1,594,982	1,871,862	1,604,812
Total nonaeronautical revenue	<u>36,730,648</u>	<u>43,212,006</u>	<u>41,964,780</u>	<u>41,026,344</u>
Non-operating revenue:				
Investment income	441,967	647,767	617,955	647,962
Revenues from natural resources	2,019,412	2,958,796	2,509,712	2,820,798
Passenger facility charges	7,338,801	7,199,252	7,364,701	7,210,909
Customer facility charges	4,891,573	4,818,253	4,506,156	-
Other non-operating revenue	1,941,294	1,122,982	9,690	52,262
Total non-operating revenue	<u>16,633,047</u>	<u>16,747,050</u>	<u>15,008,214</u>	<u>10,731,931</u>
Total revenue (1)	<u>\$ 70,351,320</u>	<u>\$ 76,654,666</u>	<u>\$ 73,679,804</u>	<u>\$ 68,398,274</u>
Capital contributions, grants (2)	11,173,450	5,050,411	9,409,881	7,505,159
Capital asset contribution	750,000	-	-	-
Transfers between City funds	-	(4,221)	-	-
Total revenues, contributions, and transfers (6)	<u>\$ 82,274,770</u>	<u>\$ 81,700,856</u>	<u>\$ 83,089,685</u>	<u>\$ 75,903,433</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) In 2011 FAA requires Aviation Fuel to be reported combined under Other aeronautical revenue on the Form 5100-127.
- (5) Due to changes in 5100 in FY 2011 this was moved from Non-Operating Revenue to Operating Other Aeronautical Revenue.
- (6) 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 2006 have not been restated for the impacts of these GASB statements as the FAA 127 report will not be re-filed.

	2011	2010	2009	2008	2007	2006
\$	6,317,473	\$ 5,885,713	\$ 4,993,203	\$ 5,805,095	\$ 5,390,835	\$ 5,377,443
	2,215,677	2,427,239	2,169,804	2,681,449	2,251,135	1,654,027
	1,015,831	909,833	887,174	850,278	692,345	693,994
	3,500	-	-	-	-	-
	52,858	50,109	41,189	114,060	18,263	-
	198,117	203,344	186,692	133,492	95,081	62,234
	-	293,669	334,010	377,519	346,318	246,656
	146,321	132,883	167,276	136,428	156,019	231,627
	529,690	468,439	698,380	883,290	679,031	685,470
	10,479,467	10,371,229	9,477,728	10,981,611	9,629,027	8,951,451
	607,357	591,479	606,233	578,100	506,949	469,807
	-	-	25,002	100,008	100,008	100,008
	202,400	223,090	224,058	218,575	206,411	204,920
	1,589,017	1,178,958	1,148,621	1,361,306	1,228,927	1,131,995
	-	-	-	-	-	44,725
	204,575	183,189	165,097	220,879	210,345	204,994
	2,195,059	2,094,294	2,110,489	2,157,271	2,286,737	2,265,059
	1,054,838	936,255	911,574	877,800	794,146	801,033
	358,323	335,491	335,312	343,859	349,074	341,816
	44,704	41,814	41,255	46,919	66,077	63,762
	44,204	45,017	45,288	45,288	45,288	40,101
	440,268	-	-	-	-	-
	6,740,745	5,629,587	5,612,929	5,950,005	5,793,962	5,668,220
	17,220,212	16,000,816	15,090,657	16,931,616	15,422,989	14,619,671
	10,243,902	10,243,902	10,243,902	10,243,902	10,243,902	10,243,902
	4,181,971	5,750,397	6,543,246	6,543,246	6,543,246	6,543,246
	1,837,826	816,155	1,192,099	1,424,509	2,198,914	2,514,794
	1,937,187	1,852,376	1,781,462	2,053,674	1,801,348	1,473,332
	9,259,742	7,624,268	6,483,384	6,621,341	6,149,921	6,177,512
	4,565,970	3,914,401	3,837,845	4,279,621	3,872,044	3,213,692
	6,933,846	5,898,767	5,102,702	4,755,315	4,745,650	3,880,548
	1,531,083	1,396,907	1,422,410	1,608,867	1,511,143	1,077,370
	40,491,527	37,497,173	36,607,050	37,530,475	37,066,168	35,124,396
	818,288	1,018,916	1,930,101	4,478,824	5,145,526	4,017,827
	2,968,830	2,567,709	2,341,859	3,493,361	2,617,649	3,026,493
	7,055,522	5,170,911	4,489,113	5,133,202	4,912,518	4,867,999
	-	-	-	-	-	-
	386,224	487,674	492,030	338,694	-	23,575
	11,228,864	9,245,210	9,253,103	13,444,081	12,675,693	11,935,894
\$	68,940,603	\$ 62,743,199	\$ 60,950,810	\$ 67,906,172	\$ 65,164,850	\$ 61,679,961
	5,804,051	8,907,338	8,515,369	5,282,612	4,737,308	9,503,209
	-	-	-	-	-	-
	-	-	399,928	-	-	-
\$	74,744,654	\$ 71,650,537	\$ 69,866,107	\$ 73,188,784	\$ 69,902,158	\$ 71,183,170

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Principal Revenue Sources

### Last ten fiscal years

	2015	2014	2013	2012
Principal revenue sources:				
Building rentals-separate lease facilities (1)	\$ 2,260,177	\$ 9,040,711	\$ 9,341,509	\$ 10,243,902
Passenger airline revenue (2)	11,084,669	10,792,217	10,999,433	10,657,261
Building rentals-senior lien facilities (3)	-	-	-	1,386,931
Parking (4)	11,040,207	10,962,305	10,023,542	9,804,277
Maintenance fees (5)	13,323,627	13,337,304	13,005,826	11,213,097
Passenger facility charges (PFC) (6)	7,338,801	7,199,252	7,364,701	7,210,909
Customer facility charges (CFC)(8)	4,891,573	4,818,253	4,506,156	-
Interest income (7)	441,967	647,767	617,955	647,960
Total principal revenue sources	\$ 50,381,021	\$ 56,797,809	\$ 55,859,122	\$ 51,164,337
Total revenues	70,351,320	76,654,666	73,679,804	68,398,274
Percentage of principal revenues to total revenues:				
Building rentals-separate lease facilities (1)	3.2%	11.8%	12.7%	15.0%
Passenger airline revenue (2)	15.8%	14.1%	14.9%	15.6%
Building rentals-senior lien facilities (3)	0.0%	0.0%	0.0%	2.0%
Parking (4)	15.7%	14.3%	13.6%	14.3%
Maintenance fees (5)	18.9%	17.4%	17.7%	16.4%
Passenger facility charges (PFC) (6)	10.4%	9.4%	10.0%	10.5%
Customer facility charges (CFC)(8)	7.0%	6.3%	6.1%	0.0%
Interest income (7)	0.6%	0.8%	0.8%	0.9%
Total principal revenue percentages	71.6%	74.2%	75.8%	74.7%

(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	1,886,219	1,847,283	1,845,055	1,824,313
Airline revenue per enplaned passenger	\$ 5.88	\$ 5.84	\$ 5.96	\$ 5.84
Percentage of airline revenues - airfield charges	59.5%	60.5%	58.6%	58.6%
Percentage of airline revenues - terminal charges	40.5%	39.5%	41.4%	41.4%

(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	10,499,579	10,430,550	9,516,987	9,271,862
Number of revenue transactions	751,344	769,889	725,592	760,305
Public parking revenue per transaction	\$ 13.97	\$ 13.55	\$ 13.12	\$ 12.19

Public parking revenue = parking revenues net of rental car ready space revenue and employee parking lot revenue. Certain public parking rates were changed effective December 1, 2009. 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 - \$4.00; North Parking Lot - \$5.00; Covered Parking Lot \$6.00; and Long-Term Garage - \$7.00. Previously the rates for all long-term lots provided for a maximum of \$5.00 per day up to \$25.00 per seven-day week.

(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	\$ 3.89	\$ 3.90	\$ 3.99	\$ 3.95
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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	\$ 173,378,821	\$ 157,820,823	\$ 128,730,490	\$ 125,007,241
Average interest rate on cash and investments	0.4%	0.4%	0.5%	0.5%

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

	2011	2010	2009	2008	2007	2006
\$	10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902
	10,784,570	10,371,229	9,477,728	10,981,611	9,629,027	8,951,451
	4,181,971	5,750,397	6,543,246	6,543,246	6,543,246	6,543,246
	9,259,742	7,624,268	6,483,384	6,965,859	6,461,347	6,177,511
	6,401,134	6,032,131	5,175,285	5,023,248	4,922,160	4,142,423
	7,055,522	5,170,911	4,489,113	5,133,202	4,912,518	4,867,999
	-	-	-	-	-	-
	818,288	1,018,916	1,930,101	4,478,824	5,145,526	4,017,827
\$	48,745,129	\$ 46,211,754	\$ 44,342,759	\$ 49,369,892	\$ 47,857,726	\$ 44,944,359
	68,940,603	62,743,199	60,950,810	67,906,172	65,164,850	61,679,961
	14.9%	16.3%	16.8%	15.1%	15.7%	16.6%
	15.6%	16.5%	15.5%	16.2%	14.8%	14.5%
	6.1%	9.2%	10.7%	9.6%	10.0%	10.6%
	13.4%	12.2%	10.6%	10.3%	9.9%	10.0%
	9.3%	9.6%	8.5%	7.4%	7.6%	6.7%
	10.2%	8.2%	7.4%	7.6%	7.5%	7.9%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	1.2%	1.6%	3.2%	6.6%	7.9%	6.5%
	70.7%	73.6%	72.7%	72.8%	73.4%	72.8%

1,748,379	1,694,060	1,730,874	1,913,747	1,799,199	1,809,354
\$ 6.17	\$ 6.12	\$ 5.48	\$ 5.74	\$ 5.35	\$ 4.95
57.3%	59.6%	56.2%	56.3%	59.6%	62.8%
40.4%	40.4%	43.8%	43.7%	40.4%	37.2%

8,726,192	7,250,785	6,155,956	6,621,342	6,152,487	5,868,099
741,082	707,362	751,666	847,652	868,402	894,998
\$ 11.77	\$ 10.25	\$ 8.19	\$ 7.81	\$ 7.08	\$ 6.56

\$ 4.04	\$ 3.05	\$ 2.59	\$ 2.68	\$ 2.73	\$ 2.69
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\$ 119,111,651	\$ 113,870,816	\$ 120,085,363	\$ 124,395,231	\$ 112,293,079	\$ 111,124,453
0.7%	0.9%	1.6%	3.6%	4.6%	3.6%

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Schedule of Bond Debt Service Coverage**

**Last ten fiscal years**

	2015	2014	2013	2012
Gross Revenues	\$ 81,466,672	\$ 81,780,690	\$ 83,089,685	\$ 75,900,300
Adjustments per Original Bond Indenture (1)	(23,664,003)	(20,715,356)	(26,185,418)	(25,389,422)
Gross revenue as provided in the Original Bond Indenture	57,802,669	61,065,334	56,904,267	50,510,878
Expenses per Original Bond Indenture	27,215,564	27,572,972	26,819,986	24,546,088
Adjustments per Original Bond Indenture (2)	(22,868)	(12,542)	(86,732)	(83,154)
Expenses net of adjustments as provided in the Original Bond Indenture	27,192,696	27,560,430	26,733,254	24,462,934
Net revenues	30,609,973	33,504,904	30,171,013	26,047,944
Transfers from escrow	-	-	-	-
Total available for debt service coverage	\$ 30,609,973	\$ 33,504,904	\$ 30,171,013	\$ 26,047,944
Senior Lien debt service requirements	\$ -	\$ -	\$ 4,960,480	\$ 4,970,480
Bank fees	-	-	250	2,000
Net Senior Lien debt service requirements	-	-	4,960,730	4,972,480
Available for Junior Lien requirements	30,609,973	33,504,904	25,210,283	21,075,464
Passenger Facility Charge (PFC) revenue available for Junior Lien debt service requirements	5,816,351	5,812,360	5,809,885	5,562,547
Total available for Junior Lien debt requirements	\$ 36,426,324	\$ 39,317,264	\$ 31,020,168	\$ 26,638,011
Junior Lien requirements	\$ 4,959,376	\$ 3,918,213	\$ 4,745,818	\$ 4,541,507
PFC backed revenue bond debt	5,816,351	5,812,360	5,809,885	5,562,547
Bank fees	11,958	12,542	9,747	11,993
Net Junior Lien debt service requirements	\$ 10,787,685	\$ 9,743,115	\$ 10,565,450	\$ 10,116,047
Senior Lien debt service coverage				
Gross	NA	NA	11.47	10.16
Net	NA	NA	6.08	5.24
Junior Lien debt service coverage				
Gross	5.90	6.86	5.47	5.05
Net	3.38	4.04	2.94	2.63
Junior Lien gross debt coverage requirement (4)	1.50	1.50	1.50	1.50
Junior Lien gross debt coverage margin	4.40	5.36	3.97	3.55

- (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) Certain bond indentures require part of the proceeds from the issuance of bonds to be set aside to pay interest on the bonds during the period of construction. The amount of capitalized interest available for debt service will not agree to the amount of interest capitalized as part of the historical cost of the asset as reported in Note 2 to the financial statements.
- (4) 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.

	2011	2010	2009	2008	2007	2006
\$	74,744,654 (23,254,441)	\$ 71,650,537 (24,478,948)	\$ 69,779,017 (23,609,461)	\$ 73,207,484 (21,779,800)	\$ 69,902,158 (21,040,781)	\$ 71,183,171 (25,543,207)
	51,490,213	47,171,589	46,169,556	51,427,684	48,861,377	45,639,964
	23,289,591 (199,409)	22,814,010 (84,654)	22,774,383 (56,404)	21,085,002 (87,907)	20,424,364 (66,314)	19,434,578 (51,274)
	23,090,182	22,729,356	22,717,979	20,997,095	20,358,050	19,383,304
	28,400,031	24,442,233	23,451,577	30,430,589	28,503,327	26,256,660
	-	-	-	550,520	550,520	550,520
\$	28,400,031	\$ 24,442,233	\$ 23,451,577	\$ 30,981,109	\$ 29,053,847	\$ 26,807,180
\$	5,468,770 2,000	\$ 6,345,286 2,165	\$ 6,358,423 2,642	\$ 6,371,648 3,088	\$ 6,385,232 3,539	\$ 8,303,903 4,940
	5,470,770	6,347,451	6,361,065	6,374,736	6,388,771	8,308,843
	22,929,261	18,094,782	17,090,512	24,606,373	22,665,076	18,498,337
	5,879,865	4,315,968	5,414,299	5,360,713	5,306,513	5,204,950
\$	28,809,126	\$ 22,410,750	\$ 22,504,811	\$ 29,967,086	\$ 27,971,589	\$ 23,703,287
\$	5,581,918 5,879,865 12,386	\$ 7,537,333 4,315,968 14,862	\$ 7,806,070 5,414,299 16,469	\$ 8,792,153 5,360,713 18,947	\$ 8,436,288 5,306,513 19,027	\$ 10,186,661 5,204,950 18,764
\$	11,474,169	\$ 11,868,163	\$ 13,236,838	\$ 14,171,813	\$ 13,761,828	\$ 15,410,375
	9.41	7.43	7.26	8.07	7.65	5.43
	5.19	3.85	3.69	4.86	4.55	3.23
	4.52	3.80	3.42	3.56	3.47	2.76
	2.51	1.89	1.70	2.11	2.03	1.54
	1.50	1.50	1.50	1.50	1.50	1.50
	3.02	2.30	1.92	2.06	1.97	1.26

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Debt Ratios

### Last ten fiscal years

	2015	2014	2013	2012
<b>Junior Lien (JL) Bonds - Passenger Use Facilities:</b>				
22B Terminal, Air Cargo, Parking Garage	\$ -	\$ -	\$ -	-
27A Terminal Renovation/Expansion	-	-	-	-
27B Terminal Renovation/Expansion	-	-	-	-
28 Parking Garage, Tunnel, Surface Lot	-	-	-	-
29A 5 Story Parking Garage	15,855,000	16,870,000	17,845,000	18,785,000
29B Terminal Renovation/Expansion	31,760,000	31,760,000	31,760,000	31,760,000
30 Terminal Renovation/Expansion	12,420,000	17,885,000	23,285,000	28,565,000
31 Consolidated Rental Car Facility	39,615,000	39,615,000	-	-
<b>Total JL Bonds - Passenger Use Facilities</b>	<b>\$ 99,650,000</b>	<b>\$ 106,130,000</b>	<b>\$ 72,890,000</b>	<b>\$ 79,110,000</b>
Percentage of Total Outstanding Debt	100%	88.0%	77.3%	69.7%
Enplaned Passengers	1,886,219	1,847,283	1,845,055	1,824,313
Debt per Enplaned Passenger (1)	\$ 52.83	\$ 57.45	\$ 39.51	\$ 43.36
<b>Junior Lien Bonds - Other Facilities:</b>				
21 Gulfstream Complex	\$ -	\$ -	\$ -	-
22A Metro-Tech Aviation Career Center	-	-	-	-
23 5300 Portland Building	-	120,000	235,000	340,000
24 AAR Hangar 3A	-	-	-	-
25 US Customs Service	-	-	-	-
26 US Marshals Service	-	-	-	715,000
<b>Total JL Bonds - Other Facilities</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ 235,000</b>	<b>\$ 1,055,000</b>
Percentage of Total Outstanding Debt	0.0%	0.1%	0.2%	0.9%
Percentage rentals to outstanding debt (2)	0.0%	0.0%	0.0%	67.8%
Senior Lien Bonds - Mike Monroney Aeronautical Center	\$ -	\$ -	\$ -	4,810,000
Percentage of Total Outstanding Debt	0.0%	0.0%	0.0%	4.2%
Percentage rentals to outstanding debt (3)	0.0%	0.0%	0.0%	100.0%
<b>Total Junior and Senior Lien Bonds</b>	<b>\$ 99,650,000</b>	<b>\$ 106,250,000</b>	<b>\$ 73,125,000</b>	<b>\$ 84,975,000</b>
<b>Total Debt per Enplaned Passenger</b>	<b>\$ 52.83</b>	<b>\$ 57.52</b>	<b>\$ 39.63</b>	<b>\$ 46.58</b>
Separate Lease Bonds	\$ -	\$ 14,350,000	\$ 21,230,000	\$ 28,595,000
Percentage of Total Outstanding Debt	0.0%	11.9%	22.5%	25.2%
Percentage rentals to outstanding debt (4)	0.0%	100.0%	100.0%	100.0%
<b>Total Outstanding Debt</b>	<b>\$ 99,650,000</b>	<b>\$ 120,600,000</b>	<b>\$ 94,355,000</b>	<b>\$ 113,570,000</b>

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.



	2011	2010	2009	2008	2007	2006
\$	-	\$ 845,000	\$ 1,050,000	\$ 1,270,000	\$ 1,480,000	\$ 1,680,000
	-	-	-	-	-	35,520,000
	4,695,000	38,185,000	42,395,000	46,380,000	50,045,000	53,405,000
	-	-	-	1,675,000	3,265,000	4,785,000
	19,695,000	20,575,000	21,420,000	21,420,000	21,420,000	-
	31,760,000	31,760,000	31,760,000	31,760,000	31,760,000	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	84,825,000	\$ 91,365,000	\$ 96,625,000	\$ 102,505,000	\$ 107,970,000	\$ 95,390,000
	64.6%	59.7%	56.6%	54.3%	52.2%	45.0%
	1,748,379	1,694,060	1,730,874	1,913,747	1,799,119	1,809,354
	\$ 48.52	\$ 53.93	\$ 55.82	\$ 53.56	\$ 60.01	\$ 52.72
\$	-	\$ -	\$ -	\$ 440,000	\$ 1,590,000	\$ 2,665,000
	-	-	-	-	590,000	1,150,000
	440,000	535,000	625,000	710,000	795,000	875,000
	-	3,325,000	3,650,000	3,960,000	4,255,000	4,535,000
	-	-	440,000	855,000	1,250,000	1,620,000
	1,395,000	2,035,000	2,640,000	3,210,000	3,750,000	4,260,000
\$	1,835,000	\$ 5,895,000	\$ 7,355,000	\$ 9,175,000	\$ 12,230,000	\$ 15,105,000
	1.4%	3.9%	4.3%	4.9%	5.9%	7.1%
	77.5%	100.0%	94.1%	91.4%	88.2%	87.0%
\$	9,340,000	\$ 14,080,000	\$ 19,385,000	\$ 24,385,000	\$ 29,105,000	\$ 39,590,000
	7.1%	9.2%	11.4%	12.9%	14.1%	18.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$	96,000,000	\$ 111,340,000	\$ 123,365,000	\$ 136,065,000	\$ 149,305,000	\$ 150,085,000
	\$ 54.91	\$ 65.72	\$ 71.27	\$ 71.10	\$ 82.99	\$ 82.95
\$	35,310,000	\$ 41,595,000	\$ 47,340,000	\$ 52,600,000	\$ 57,405,000	\$ 61,805,000
	26.9%	-	27.7%	27.9%	27.8%	29.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$	131,310,000	\$ 152,935,000	\$ 170,705,000	\$ 188,665,000	\$ 206,710,000	\$ 211,890,000

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

<b>Fiscal Year</b>	<b>Junior Lien</b>
<b>End</b>	<b>Requirements</b>
2016	\$ 12,488,207
2017	12,483,910
2018	11,815,063
2019	12,153,327
2020	12,156,928
2021	12,152,109
2022	12,140,418
2023	4,724,604
2024	4,728,703
2025	4,727,651
2026	4,726,810
2027	4,729,573
2028	3,057,010
2029	3,055,293
2030	3,054,980
2031	3,056,522
2032	3,058,294
2033	3,054,978
2034	3,056,574
2035	3,057,446
2036	3,054,401
2037	3,059,153
2038	3,055,673
2039	3,058,961
2040	3,057,988
2041	3,057,411
2042	3,056,544
2043	3,054,701
2044	3,056,196
	<u>\$ 160,989,428</u>

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Primary Origin and Destination Passenger Markets**

*Last two fiscal years*

2015				2014			
Rank	Market	Trip Length (1)	Total O & D Passengers	Rank	Market	Trip Length (1)	Total O & D Passengers
1	Houston (2)	SH	273,175	1	Houston (2)	SH	258,871
2	Denver	SH	239,373	2	Denver	SH	230,310
3	Los Angeles Basin (3)	LH	177,679	3	Los Angeles Basin (3)	LH	159,255
4	Washington/Baltimore (4)	LH	157,124	4	Las Vegas	MH	148,909
5	Las Vegas	MH	135,645	5	Washington/Baltimore (4)	LH	145,072
6	Atlanta	MH	127,056	6	Atlanta	MH	133,171
7	Chicago (7)	MH	126,838	7	Chicago (7)	MH	124,097
8	New York (5)	LH	109,730	8	Metro Orlando (11)	LH	114,526
9	Phoenix	MH	97,151	9	New York (5)	LH	106,449
10	Orlando (11)	LH	100,197	10	Phoenix	MH	100,197
11	Metro Dallas/Fort Worth (6)	SH	86,837	11	Metro Dallas/Fort Worth (6)	SH	88,252
12	San Francisco Bay Area (9)	LH	81,967	12	San Francisco Bay Area (9)	LH	79,667
13	Seattle	LH	63,502	13	Seattle	LH	61,598
14	South Florida (8)	LH	56,282	14	San Diego	LH	56,439
15	San Diego	LH	53,182	15	St. Louis	SH	53,319
16	St. Louis	SH	49,299	16	San Antonio	SH	50,772
17	Metro Boston (10)	LH	49,021	17	South Florida (8)	LH	50,352
18	San Antonio	SH	45,946	18	Salt Lake City	MH	47,874
19	Salt Lake City	MH	45,664	19	Metro Boston (10)	LH	46,406
20	Charlotte	MH	44,615	20	Minneapolis-St. Paul	MH	37,544

- (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, Origin-Destination Passenger Survey, via Diio online portal as of June 30, 2015

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

<b>Will Rogers World Airport</b>	<b>2015</b>	<b>Percent</b>	<b>2014</b>	<b>Percent</b>	<b>2013</b>	<b>2012</b>
<b>Aircraft Operations (1)</b>						
Commercial	51,964	44.86%	54,236	44.70%	56,226	55,944
Itinerant military	19,575	16.90%	20,423	16.83%	17,114	21,244
Local military	17,248	14.89%	19,574	16.13%	13,921	23,988
Itinerant civil	25,420	21.95%	25,514	21.03%	24,779	25,108
Local civil	1,625	1.40%	1,586	1.31%	1,241	1,342
Total operations	115,832	100%	121,333	100%	113,281	127,626
Change from previous year						
All operations	(4.53%)		7.11%		11.24%	1.01%
Commercial operations	(4.19%)		(3.54%)		0.50%	2.35%
<b>Passenger Traffic</b>						
Enplanements	1,886,219		1,847,283		1,845,055	1,824,313
Deplanements	1,883,844		1,852,599		1,847,689	1,827,530
Total passengers	3,770,063		3,699,882		3,692,744	3,651,843
Change from previous year	1.90%		.19%		0.50%	4.25%
<b>Freight and Mail (in pounds)</b>						
Freight and mail - enplaned	27,607,848		29,206,429		28,566,115	29,857,754
Freight and mail - deplaned	35,537,324		34,084,425		38,794,580	40,113,944
Total freight and mail	63,145,172		63,290,854		67,360,695	69,971,698
Change from previous year	(.23%)		(6.04%)		3.73%	3.02%
<b>Landed Weights (in thousand pounds)</b>						
Passenger airlines landed weights	2,251,616		2,241,550		2,321,934	2,282,732
Change from previous year	.45%		(3.46%)		1.72%	4.14%
<b>Wiley Post Airport</b>						
<b>Aircraft Operations (1)</b>						
Itinerant military	1,862	2.71%	2,435	3.54%	3,666	3,979
Local military	946	1.37%	1,342	1.95%	910	1,467
Itinerant civil	50,548	73.45%	49,295	71.65%	58,145	57,861
Local civil	15,464	22.47%	15,727	22.86%	19,344	17,567
Total operations	68,820	100%	68,799	100%	82,065	80,874
Change from previous year	0.03%		(16.17%)		1.47%	3.48%

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

Source: Department of Airports Activity Reports

2011	2010	2009	2008	2007	2006
54,662	54,890	56,470	68,362	61,100	61,414
20,266	22,257	26,654	18,063	13,197	11,377
25,705	20,838	27,472	18,020	15,523	10,068
24,319	23,503	27,053	25,462	23,036	24,597
1,396	1,443	1,208	1,130	1,174	862
126,348	122,931	138,857	131,037	114,030	108,318
2.78%	(11.47%)	5.97%	14.91%	5.27%	0.31%
(.42%)	(2.80%)	-	0	(.51%)	1.30%
1,748,379	1,694,060	1,730,874	1,913,747	1,799,119	1,809,354
1,754,495	1,699,994	1,743,756	1,925,401	1,816,446	1,816,962
3,502,874	3,394,054	3,474,630	3,839,148	3,615,565	3,626,316
3.21%	(2.32%)	(9.49%)	6.18%	(.30%)	4.46%
29,289,537	31,390,686	33,657,285	33,263,203	30,960,941	34,110,742
38,630,696	36,871,022	38,270,912	41,066,048	40,349,262	40,169,184
67,920,233	68,261,708	71,928,197	74,329,251	71,310,203	74,279,926
(.50%)	(5.10%)	(3.23%)	4.23%	(4.00%)	2.66%
2,192,078	2,145,195	2,170,470	2,521,879	2,279,261	2,320,190
2.19%	(1.16%)	(13.93%)	10.64%	(1.76%)	1.57%
3,342	2,272	1,591	1,824	1,935	758
1,303	1,254	596	767	348	918
57,537	53,411	55,882	57,171	56,447	60,095
15,975	12,584	13,764	18,126	15,583	21,946
78,157	69,521	71,833	77,888	74,313	83,717
12.42%	(3.22%)	(7.77%)	4.81%	(11.23%)	(.72%)

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Will Rogers World Airport Aircraft Landings by Airline**

***Last ten fiscal years***

<b>Passenger Airline Landings</b>	<b>2015</b>	<b>Percent</b>	<b>2014</b>	<b>Percent</b>	<b>2013</b>	<b>2012</b>
<b>Signatory Airlines</b>						
American	6,080	25.07%	5,245	20.87%	4,884	4,776
Continental	-	0.00%	-	0.00%	-	499
Delta	3,963	16.34%	4,164	16.57%	4,959	5,601
ExpressJet	-	0.00%	-	0.00%	-	-
Frontier	386	1.59%	655	2.61%	746	812
Northwest	-	0.00%	-	0.00%	-	-
Southwest	6,738	27.78%	7,114	28.31%	7,660	7,211
United	6,976	28.76%	7,833	31.17%	7,871	7,170
<b>Non-Signatory Airlines</b>						
Allegiant	59	0.24%	71	0.28%	-	-
America West	-	0.00%	-	0.00%	-	-
Champion Air	-	0.00%	-	0.00%	-	-
Others	54	0.22%	51	0.20%	57	79
<b>Total passenger airline landings</b>	<b>24,256</b>	<b>100.00%</b>	<b>25,133</b>	<b>100.00%</b>	<b>26,177</b>	<b>26,148</b>
Change from previous year	(3.49%)		(3.99%)		.11%	2.18%

Source: Department of Airports Activity Reports

**Will Rogers World Airport Passenger Traffic by Airline**

***Last ten fiscal years***

<b>Enplaned Passengers</b>	<b>2015</b>	<b>Percent</b>	<b>2014</b>	<b>Percent</b>	<b>2013</b>	<b>2012</b>
<b>Signatory Airlines</b>						
American	450,375	23.88%	392,849	21.27%	381,609	383,170
Continental	-	0.00%	-	0.00%	-	61,951
Delta	314,289	16.66%	299,749	16.23%	305,564	319,057
Express Jet	-	0.00%	-	0.00%	-	-
Frontier	48,567	2.57%	82,295	4.45%	79,739	76,438
Northwest	-	0.00%	-	0.00%	-	-
Southwest	683,441	36.23%	676,351	36.61%	680,578	658,425
United	378,113	20.05%	382,913	20.73%	394,879	321,143
<b>Non-Signatory Airlines</b>						
Allegiant Air	7,645	0.41%	9,195	0.50%	-	-
America West/US Airways	-	0.00%	-	0.00%	-	-
Champion	-	0.00%	-	0.00%	-	-
Others	3,789	0.20%	3,931	0.21%	2,686	4,129
<b>Total enplaned passengers</b>	<b>1,886,219</b>	<b>100.00%</b>	<b>1,847,283</b>	<b>100.00%</b>	<b>1,845,055</b>	<b>1,824,313</b>
Deplaned Passengers (1)	1,883,844		1,852,599		1,847,689	1,827,530
<b>Total Passengers</b>	<b>3,770,063</b>		<b>3,699,882</b>		<b>3,692,744</b>	<b>3,651,843</b>
Change from previous year	1.90%		.19%		1.12%	4.25%

(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

2011	2010	2009	2008	2007	2006
4,240	4,483	4,481	4,964	5,017	5,772
3,269	3,283	3,389	3,839	3,435	3,283
5,569	4,863	3,245	3,693	3,740	3,963
-	-	214	2,654	580	-
1,056	1,478	1,127	1,150	1,094	1,068
-	819	2,579	2,440	2,559	2,606
7,075	6,555	6,920	7,343	6,542	6,420
4,323	4,105	3,715	4,515	4,044	3,179
-	-	94	35	-	187
-	-	115	797	836	969
-	-	-	252	304	246
57	67	62	88	45	480
25,589	25,653	25,941	31,770	28,196	28,173
(.25%)	(1.11%)	(18.35%)	12.68%	.08%	.11%

2011	2010	2009	2008	2007	2006
360,301	356,956	371,083	381,566	380,095	388,482
149,485	159,538	169,140	188,437	176,156	165,651
297,170	246,482	166,240	182,225	201,287	227,294
-	-	10,482	73,205	8,626	-
73,385	95,325	91,347	68,864	54,191	50,380
-	34,795	111,064	107,572	118,244	123,989
631,813	559,696	559,129	559,988	527,050	511,986
233,059	237,939	230,737	254,079	234,797	222,940
-	-	11,462	4,985	-	20,040
-	-	7,169	52,067	52,266	58,474
-	-	-	36,804	43,881	39,031
3,166	3,329	3,021	3,955	2,526	1,087
1,748,379	1,694,060	1,730,874	1,913,747	1,799,119	1,809,354
1,754,495	1,699,994	1,743,756	1,925,401	1,816,446	1,816,962
3,502,874	3,394,054	3,474,630	3,839,148	3,615,565	3,626,316
3.21%	(2.32%)	(9.49%)	6.18%	(.30%)	4.46%

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

Landed Weights (1)	2015	Percent	2014	Percent	2013	2012
<b>Signatory Airlines</b>						
American	469,235	20.93%	469,235	19.75%	458,519	457,500
Continental	-	0.00%	-	0.00%	-	22,769
Delta	365,270	16.30%	365,270	15.70%	364,473	393,493
ExpressJet	-	0.00%	-	0.00%	-	-
Frontier	85,648	3.82%	85,648	3.58%	83,057	86,731
Northwest	-	0.00%	-	0.00%	-	-
Southwest Airlines	856,802	38.22%	856,802	40.32%	936,146	871,776
United	448,591	20.01%	448,591	20.34%	472,360	439,905
<b>Non-Signatory Airlines</b>						
Allegiant	9,977	0.45%	9,977	0.00%	-	-
America West	-	0.00%	-	0.00%	-	-
Champion Air	-	0.00%	-	0.00%	-	-
Others	6,027	0.27%	6,027	0.32%	7,379	10,558
<b>Total landed weights</b>	<b>2,241,550</b>	<b>100%</b>	<b>2,241,550</b>	<b>100%</b>	<b>2,321,934</b>	<b>2,282,732</b>
Change from previous year	.45%		(3.46%)		1.72%	4.14%

(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>
\$ 2.2346	1/1/2006	12/31/2006
\$ 2.3128	1/1/2007	12/31/2007
\$ 2.4356	1/1/2008	12/31/2008
\$ 2.2422	1/1/2009	12/31/2009
\$ 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

Source: Department of Airports Activity Reports



<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
410,685	413,889	418,661	451,037	458,190	461,359
169,507	175,741	183,117	210,856	194,989	185,948
367,646	289,102	176,582	211,738	237,466	272,708
-	-	9,431	113,882	27,642	-
86,210	111,710	104,247	95,657	80,496	71,680
-	40,491	138,522	126,403	135,268	167,673
851,700	791,046	827,292	860,882	758,618	747,538
298,891	314,518	283,036	337,697	284,300	279,294
-	-	13,113	4,883	-	26,075
-	-	8,135	56,168	46,150	64,888
-	-	-	40,336	48,658	39,386
7,439	8,698	8,334	12,340	7,484	3,641
<u>2,192,078</u>	<u>2,145,195</u>	<u>2,170,470</u>	<u>2,521,879</u>	<u>2,279,261</u>	<u>2,320,190</u>
2.19%	(1.16%)	(13.93%)	10.64%	(1.76%)	1.57%

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Will Rogers World Airport Average Monthly Activity by Passenger Airline**  
*Last ten fiscal years*

	<b>Average Number of Passengers Deplaning Monthly</b>	<b>Average Landed Weight Monthly In Thousand Lbs.</b>	<b>Average Number of Daily Flights Into Oklahoma City</b>
<b>Signatory Airlines</b>			
American	37,616	44,224	16
Delta	26,063	30,993	11
Frontier	5,302	5,775	1
Southwest Airlines	56,671	68,896	18
United	31,751	37,981	19
<b>Non-Signatory Airlines</b>			
Allegiant Air	1,205	1,379	-
Others	334	568	-
<b>Totals</b>	<b>158,942</b>	<b>189,816</b>	<b>65</b>

	<b>Average Number of Passengers Boarding Monthly</b>	<b>Average Freight Poundage Shipped Monthly Out of Oklahoma City</b>	<b>Number of Months In Service During Fiscal Year</b>
<b>Signatory Airlines</b>			
American	37,531	795	12
Delta	26,191	-	12
Frontier	5,396	-	9
Southwest Airlines	56,953	32,765	12
United	31,509	5,416	12
<b>Non-Signatory Airlines</b>			
Allegiant Air	1,274	-	6
Others	344	-	11
<b>Totals</b>	<b>159,198</b>	<b>38,976</b>	

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**

Employers in Air Trade Area:	2015			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Local Governments (1)	53,500	1	8.57 %	41,000	1	7.25 %
State Government (1)	44,400	2	7.11	38,000	2	6.72
Federal Government (1)	26,990	3	4.32	27,400	3	4.85
Tinker Air Force Base (1)	26,000	4	4.17	26,000	4	4.60
OU - Norman Campus	11,900	5	1.91			
FAA Aeronautical Center	6,500	6	1.04	5,600	6	0.99
Integrus Health (2)	6,000	7	0.96	6,200	5	1.10
Hobby Lobby Stores Inc.	5,100	8	0.82			
OU Health Science Center	5,000	9	0.80	4,200	9	0.74
City of Oklahoma City	4,600	10	0.74	4,500	8	0.80
Oklahoma City Public Schools				4,600	7	0.81
SBC Communication				3,400	10	0.60
Totals	<u>189,990</u>		<u>30.44 %</u>	<u>160,900</u>		<u>28.46 %</u>

Source: Greater OKC Chamber and the Center for Applied Economic Research - Oklahoma State University

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

(2) Integrus Health includes Integrus Medical Center and Integrus Baptist Medical Center.

**Major Tenants at Airports:**

- AAR Oklahoma, Inc.
- American Airlines
- ARINC
- Atlantic Aviation
- Avis Rent-A-Car Systems, Inc.
- Board of Education of Metro Area Vocational Technical School District
- Delta Airlines
- Paradies-Kambers, LLC.
- Trajen
- Southwest Airlines
- 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

Source: Department of Airports Revenue Reports

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**

**Department Employees**

***Last ten fiscal years***

<b>Division</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Administration	11	11	10	7	7	7	7	7	4	4
Finance	7	7	7	6	6	6	6	5	5	5
Operations	10	10	10	9	10	10	10	9	9	9
Maintenance	59	59	58	56	57	57	57	55	56	55
General Aviation	9	9	9	9	9	9	9	9	8	8
Business and Properties	9	9	9	9	6	6	6	6	5	5
Planning and Development	13	13	12	12	10	10	10	10	11	11
Total Employees	<u>118</u>	<u>118</u>	<u>115</u>	<u>108</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>101</u>	<u>98</u>	<u>97</u>

Source: Department of Airports Budget Reports

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Will Rogers World Airport Capital Asset Information**  
**June 30, 2015**

<b>Location:</b>	8 miles southwest of downtown Oklahoma City, the capital of the State of Oklahoma		
<b>Area:</b>	7,956 acres		
<b>Elevation:</b>	1,295 ft.		
<b>Airport Code:</b>	KOKC		
<b>Runways:</b>	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
<b>Terminal:</b>	Airlines		191,065 sq. ft
	Tenants		35,720 sq. ft
	Public/common		113,310 sq. ft
	Mechanical		49,688 sq. ft
	Administration		19,925 sq. ft
		Total Terminal Square Footage	<u>409,708 sq. ft</u>
	Number of passenger gates		17
	Number of loading bridges		17
	Number of concessionaires in terminal		2
	Number of rental car agencies in terminal		8
<b>Apron:</b>	Commercial Airlines		3,302,580 sq. ft
	FBO		1,456,203 sq. ft
<b>Parking:</b>	Garage		2,733
	Short-term		285
	Long-term		4,241
	Rental Cars		378
	Employees		432
		Total Parking Spaces	<u>8,069</u>
<b>Cargo:</b>	Air Cargo Building		55,295 sq. ft
	Air Cargo Annex		16,220 sq. ft
	U.S. Post Office		36,467 sq. ft
<b>International:</b>	N/A		
<b>Tower:</b>	TRACON 24/7 - 365		
<b>Fixed Base Operators:</b>	AAR Aircraft Services		
	Atlantic Aviation		

Source: Department of Airports Planning and Development Division.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Oklahoma City Department of Airports (the Department), which includes a discretely presented component unit and a non-major enterprise fund of the City of Oklahoma City, Oklahoma (the City), which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2015, which contained an *Emphasis of Matter* paragraph regarding departmental reporting and a change in accounting principle.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Department's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Trustees  
Oklahoma City Department of Airports

### ***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*.

We noted certain matters that we reported to the Department's management in a separate letter dated December 4, 2015.

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or 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.

**BKD, LLP**

Oklahoma City, Oklahoma  
December 4, 2015