

**COMPREHENSIVE ANNUAL**

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**FINANCIAL  
REPORT**

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**FOR THE YEAR ENDED JUNE 30, 2012**  
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, 2012**

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

# OKLAHOMA CITY DEPARTMENT OF AIRPORTS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTRODUCTORY SECTION

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CONTAINING THE FOLLOWING SUBSECTIONS:

LETTER OF TRANSMITTAL

ORGANIZATION CHART

PRINCIPAL OFFICERS

CERTIFICATE OF ACHIEVEMENT



# The City of **OKLAHOMA CITY**

December 6, 2012

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, 2012. 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 component unit major enterprise fund 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 airports and air navigation facilities of the City. 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.

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

### **Transmittal Letter**

*June 30, 2012*

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.

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, 2026. 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.

Oklahoma's economy showed signs of recovery in 2012 with one of the lowest unemployment rates in the nation and the fourth-fastest growth for jobs. Unemployment in Oklahoma was at 4.7%, well below the national rate of 8.2% at the end of fiscal 2012. The 2012 Greater Oklahoma City Economic Forecast reported over the past three years, Oklahoma City has become accustomed to consistently having the lowest monthly unemployment rate of any large metro in the nation. The total number of jobs resulting from business expansions grew by over 80% for the second consecutive year. Increases in capital investment are expected to continue as firms choose to invest more in equipment and efficiencies. The metro population is expected to grow by 1.4%, and personal incomes are expected to grow by 3.4% in 2012. According to the Business Journals, the American economy is strongest in the heartland ranking Oklahoma number one in economic strength, an overall score based on the growth of Oklahoma's private sector, unemployment, earnings per worker, earnings growth, and house appreciation. While optimism exists for Oklahoma, discussion of Federal budget cuts continues to be a potential risk.

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

## **Transmittal Letter**

*June 30, 2012*

### **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 fully every two years and amended, as necessary, in other years.

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 timeframes 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 2013 capital budget is \$40,403,000.

The capital plan for Will Rogers World Airport includes the following projects: (1) the design and development for construction of a consolidated rental car facility at \$3,300,000, (2) replacement of the outbound baggage system with a checked baggage inspection system at \$1,583,000, (3) the realignment and reconstruction of Taxiway H at \$4,250,000, (4) phase II installation of a closed circuit television camera system at \$1,200,000, (5) renovation of the existing 2 and 5 story parking garages at \$1,500,000, (6) re-alignment of Portland Avenue at \$1,425,000, (7) the purchase of various equipment for \$2,387,500, (8) various airfield improvement projects for \$4,077,500, and, (9) various other improvements for \$2,807,900.

The capital plan for the general aviation airports includes the following projects at Wiley Post Airport: (1) roof replacement at hangar 3C for \$350,000, (2) roof replacement at hangar 6 for \$200,000, (3) the replacement of H2O tanks for high fire pressure for \$200,000, and (4) a maintenance facility study for \$100,000. C. E. Page Airport has one project for airfield improvements at \$1,639,600.

The capital plan for the Mike Monroney Aeronautical Center located at Will Rogers World Airport includes various heat and air systems improvements for \$11,600,000, building improvement projects for \$1,300,000, roof replacements for \$860,000, and various other infrastructure improvements for \$1,622,500.

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

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

## **Transmittal Letter**

*June 30, 2012*

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 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 2012 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, 2011. 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 fiscal years ended 1992 – 2011. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.



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

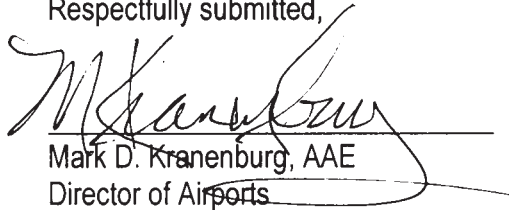
**Transmittal Letter**

*June 30, 2012*

**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

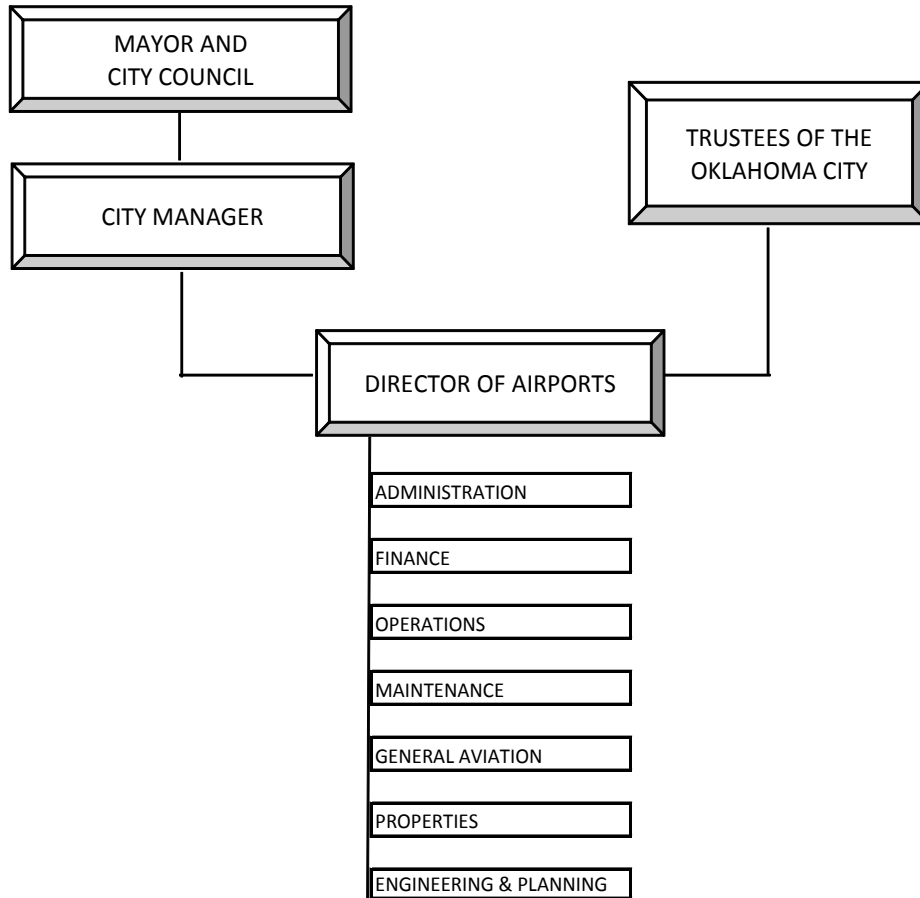
  
Kim Sotomayor, MSA  
Business Manager

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

**Organization Chart**

*June 30, 2012*

**ORGANIZATION CHART**



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

## **Principal Officials**

*June 30, 2012*

### **Mayor and City Council**

Mick Cornett, Mayor  
Gary Marrs, Ward 1  
Ed Shadid, Ward 2  
Larry McAtee, Ward 3  
Pete White, Ward 4  
David Greenwell, Ward 5  
Margaret S. "Meg" Salyer, Ward 6  
Ronald "Skip" Kelly, Ward 7  
Patrick J. Ryan, 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  
    Gary Marrs, 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  
Tim Whitman, General Aviation Manager  
Randon Rieger, Acting Facilities Planner  
Pamela Newell, Properties Manager  
Don Kortemeier, Maintenance Manager  
Karen Carney, Marketing & Public Information

# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

President

*Jeffrey R. Emswiler*

Executive Director





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# FINANCIAL SECTION

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CONTAINING THE FOLLOWING SUBSECTIONS:

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BASIC FINANCIAL STATEMENTS**

**REQUIRED SUPPLEMENTARY INFORMATION**

## Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the business-type activities and the major funds of the Oklahoma City Department of Airports (the Department), a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2012, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Department's 2011 financial statements and in our report dated December 2, 2011, prior to the restatement discussed in *Note 11*, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

As discussed in *Note 2*, the financial statements of the Department are intended to present the financial position, the changes in financial 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 financial position of the City as of June 30, 2012, the changes in its financial position or its cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of business-type activities and the major funds of the Department as of June 30, 2012 and the respective changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 11*, the previously issued 2011 financial statements have been restated. Our previously issued report on those financial statements dated December 2, 2011, is no longer to be relied upon because the previously issued 2011 financial statements were materially restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, 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* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on 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.

The accompanying information in the statistical section as listed on the table of contents has not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

**BKD, LLP**

December 6, 2012

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Management's Discussion and Analysis**  
*June 30, 2012*

**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, 2012 and 2011. The Department's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Management's Discussion and Analysis (MD&A) introduces the Department's basic financial statements. The basic financial statements of the Department comprise two components: (1) department-wide financial statements of the Oklahoma City Department of Airports; and (2) notes to the financial statements. The Oklahoma City Airport Trust (Trust) and Airports Fund are both reported as major funds in the Department's Comprehensive Annual Financial Report (CAFR). However, the Trust is a component unit of the City of Oklahoma City (City), and reported as a major fund 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 Assets presents information that includes all the Department's assets and liabilities, with the difference reported as "net assets". Over time, increases or decreases in net assets 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 Assets reports how the Department's net assets 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, 2012*

**Financial Position Summary and Highlights**

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

	2012	2011	2010	\$ Change		% Change	
				2012	2011	2012	2011
<b>Assets:</b>							
Current and other assets	\$142,566,160	\$135,256,795	\$124,530,459	\$7,309,365	\$10,726,336	5.4 %	8.6
Capital assets	410,056,215	413,934,425	421,964,020	(3,878,210)	(8,029,595)	(0.9)	(1.9)
Total assets	<u>552,622,375</u>	<u>549,191,220</u>	<u>546,494,479</u>	<u>3,431,155</u>	<u>2,696,741</u>	0.6	0.5
<b>Liabilities:</b>							
Current liabilities	28,304,727	25,867,251	26,584,100	2,437,476	(716,849)	9.4	(2.7)
Noncurrent liabilities	99,426,595	119,010,072	136,937,380	(19,583,477)	(17,927,308)	(16.5)	(13.1)
Total liabilities	<u>127,731,322</u>	<u>144,877,323</u>	<u>163,521,480</u>	<u>(17,146,001)</u>	<u>(18,644,157)</u>	(11.8)	(11.4)
<b>Net assets:</b>							
Invested in capital assets, net of related debt	296,325,773	282,438,969	271,640,181	13,886,804	10,798,788	4.9	4.0
Restricted	46,806,392	44,466,570	44,239,895	2,339,822	226,675	5.3	0.5
Unrestricted	81,758,888	77,408,358	67,092,923	4,350,530	10,315,435	5.6	15.4
Total net assets	<u>\$424,891,053</u>	<u>\$404,313,897</u>	<u>\$382,972,999</u>	<u>\$20,577,156</u>	<u>\$21,340,898</u>	5.1	5.6

An analysis of changes in assets and liabilities for the year ended June 30, 2012 is as follows in approximate amounts:

- The net increase in current and other assets less current liabilities of approximately \$4,872,000 is primarily the result of the following: (1) increase of \$1,475,000 related to current bonds payable, (2) increase of \$2,419,000 related to escrow amounts for improvements to tenant facilities as required by tenant leases, (3) decrease of \$1,090,000 related to assets restricted for debt service payments, (4) increase of \$1,648,000 in PFC assets set aside for future debt service payments, (5) decrease of \$638,000 related to assets restricted for capital projects, and (6) an increase of \$4,008,000 related to operations.
- The decrease in capital assets of approximately \$3,878,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$20,241,000, (2) depreciation of \$21,238,000, and (3) disposition of assets with a net book value of \$2,881,000.
- The decrease in noncurrent liabilities of approximately \$19,583,000 is the result of the following: (1) decrease of \$19,381,000 due to redemption of revenue bonds, (2) decrease of \$24,000 related to compensated absences, and (3) increase of \$251,000 related to OPEB obligations. Other items contributing to the change in long-term liabilities relate to amortization of bond discounts, premiums and deferred amounts from refunding bonds.

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

### **Management's Discussion and Analysis**

*June 30, 2012*

An analysis of changes in assets and liabilities for the year ended June 30, 2011 is as follows:

- The net increase in current and other assets less current liabilities of approximately \$11,443,000 is primarily the result of the following: (1) decrease of \$1,779,000 related to continuing construction of revenue bond funded projects, (2) decrease of \$85,000 related to the addition of current bonds payable (3) decrease of \$60,000 related to escrowed amounts for improvements to tenant facilities as required by tenant leases, (4) decrease of \$313,000 related to assets restricted for debt service payments, (5) increase of \$1,176,000 in PFC assets set aside for future debt service payments, (6) decrease of \$3,438,000 related to assets restricted for capital projects, and (7) an increase of \$15,942,000 related to operations.
- The decrease in capital assets of approximately \$8,030,000 is primarily the result of the following: (1) capital asset acquisitions during the year of \$13,576,000, (2) depreciation of \$21,572,000, and (3) disposition of assets with a net book value of \$34,000.
- The decrease in noncurrent liabilities of approximately \$17,927,000 is the result of the following: (1) decrease of \$20,642,000 due to refunding/redemption of revenue bonds, (2) decrease of \$78,000 related to compensated absences, (3) increase of \$360,000 related to OPEB obligations, and (4) increase of \$2,433,000 in deferred revenue. Other items contributing to the change in long-term liabilities relate to amortization of bond discounts, premiums and deferred amounts from refunding bonds.

An analysis of components of net assets for the years ended June 30, 2012 and 2011 is as follows:

- Approximately seventy percent of the Department's net assets represent its investment in capital assets, net of related debt. The Department uses its capital assets to provide facilities for the servicing of aircraft, or for the comfort and accommodations of air travelers, or for use by aviation authorities or agencies of other government entities. Although the Department's investment in its capital assets is reported net of related debt, the resources required to pay the debt are provided primarily from operations. The increase is primarily attributable to completing airfield, building, and infrastructure improvement projects at both Will Rogers World Airport and Wiley Post, and on-going construction improvement projects funded by capital grants at all three airports.
- Restricted net assets represent 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 2012 restricted net assets for debt service increased approximately \$631,000 from the prior year and restricted net assets for maintenance and capital assets increased approximately \$1,709,000 from the prior year.
- Unrestricted net assets 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, 2012*

**Financial Operations Summary and Highlights**

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

	2012	2011	2010	\$ Change		% Change	
				2012	2011	2012	2011
<b>Operating revenues:</b>							
Parking	\$9,804,277	\$9,259,742	\$7,624,268	\$544,535	\$1,635,474	5.9 %	21.5 %
Landing fees	6,835,170	6,924,831	6,477,192	(89,661)	447,639	(1.3)	6.9
Rental income	27,796,645	32,053,658	31,501,522	(4,257,013)	552,136	(13.3)	1.8
Other, net	12,827,197	9,033,240	7,895,007	3,793,957	1,138,233	42.0	14.4
Total operating revenues	<u>57,263,289</u>	<u>57,271,471</u>	<u>53,497,989</u>	<u>(8,182)</u>	<u>3,773,482</u>	<u>(0.0)</u>	<u>7.1</u>
<b>Nonoperating revenues:</b>							
Investment income	647,961	818,289	1,018,916	(170,328)	(200,627)	(20.8)	(19.7)
Oil and gas royalties	2,820,798	2,968,830	2,567,709	(148,032)	401,121	(5.0)	15.6
Liquidated Damages	-	390,000	-	(390,000)	390,000	(100.0)	0.0
Passenger facility charges	7,210,909	7,055,522	5,170,911	155,387	1,884,611	2.2	36.4
Grants income	403,054	440,268	448,185	(37,214)	(7,917)	(8.5)	(1.8)
Gain on disposition of assets	49,129	-	39,489	49,129	(39,489)	100.0	0.0
Total nonoperating revenues	<u>11,131,851</u>	<u>11,672,909</u>	<u>9,245,210</u>	<u>(541,058)</u>	<u>2,427,699</u>	<u>(4.6)</u>	<u>26.3</u>
Total revenues	<u>68,395,140</u>	<u>68,944,380</u>	<u>62,743,199</u>	<u>(549,240)</u>	<u>6,201,181</u>	<u>(0.8)</u>	<u>9.9</u>
<b>Operating expenses</b>							
Personal services	8,417,255	8,002,625	7,736,677	414,630	265,948	5.2	3.4
Maintenance, operations and contractual services	14,800,764	13,888,354	13,721,815	912,410	166,539	6.6	1.2
Materials and supplies	1,328,835	1,398,612	1,355,518	(69,777)	43,094	(5.0)	3.2
Depreciation	21,238,540	21,571,778	20,514,004	(333,238)	1,057,774	(1.5)	5.2
Total operating expenses	<u>45,785,394</u>	<u>44,861,369</u>	<u>43,328,014</u>	<u>924,025</u>	<u>1,533,355</u>	<u>2.1</u>	<u>3.5</u>
<b>Nonoperating expenses:</b>							
Interest	6,524,914	8,389,506	9,362,559	(1,864,592)	(973,053)	(22.2)	(10.4)
Amortization	140,548	152,881	130,897	(12,333)	21,984	(8.1)	16.8
Loss on disposition of assets	-	3,777	-	(3,777)	3,777	(100.0)	0.0
Total nonoperating expenses	<u>6,665,462</u>	<u>8,546,164</u>	<u>9,493,456</u>	<u>(1,880,702)</u>	<u>(947,292)</u>	<u>(22.0)</u>	<u>(10.0)</u>
Total expenses	<u>52,450,856</u>	<u>53,407,533</u>	<u>52,821,470</u>	<u>(956,677)</u>	<u>586,063</u>	<u>(1.8)</u>	<u>1.1</u>
Income before capital contributions and transfers	15,944,284	15,536,847	9,921,729	407,437	5,615,118	2.6	56.6
Capital contributions, grants Donated Assets	<u>7,505,159</u> <u>(2,872,287)</u>	<u>5,804,051</u> <u>-</u>	<u>8,907,338</u> <u>-</u>	<u>1,701,108</u> <u>(2,872,287)</u>	<u>(3,103,287)</u> <u>-</u>	<u>29.3</u> <u>100.0</u>	<u>(34.8)</u> <u>0.0</u>
Change in net assets	20,577,156	21,340,898	18,829,067	(763,742)	2,511,831	(3.6)	13.3
Beginning net assets	<u>\$404,313,897</u>	<u>\$382,972,999</u>	<u>\$364,143,932</u>	<u>21,340,898</u>	<u>18,829,067</u>	<u>5.6</u>	<u>5.2</u>
Ending net assets	<u>\$424,891,053</u>	<u>\$404,313,897</u>	<u>\$382,972,999</u>	<u>\$20,577,156</u>	<u>\$21,340,898</u>	<u>5.1</u>	<u>5.6</u>

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

### **Management's Discussion and Analysis**

*June 30, 2012*

An analysis of changes in revenues and expenses for the year ended June 30, 2012 is as follows:

- Parking revenues increased due to increased passenger activity.
- Landing fees decreased due to the annual adjustment as provided for in the airline agreements.
- 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 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.
- Passenger facility charges increased due to the increased passenger activity.
- Depreciation expense decreased due to a combination of completed construction on various capital projects which were placed in service during the fiscal year, and the donation of an Instrument Landing System located at Wiley Post Airport to the Federal Aviation Administration.
- Interest expense decreased due to the continued decrease in interest expense on remaining bonds outstanding.
- Capital contributions increased as the Department received grant reimbursements from the Federal Aviation Administration for eligible construction project expenditures.

An analysis of changes in revenues and expenses for the year ended June 30, 2011 is as follows:

- Parking revenues increased due to increased passenger activity and full year of increased parking rates.
- Landing fees increased due to the annual adjustment as provided for in the airline agreements, as well as additional service to destination cities.
- Rental income increased primarily due to rentals increase on several leased facilities.
- Other income increased primarily due to increased maintenance fees on the facilities at the Mike Monroney Aeronautical Center (MMAC), and the early lease termination agreement with Hagggar.
- Investment income decreased during the fiscal year primarily due to the declining interest rates.
- Oil and gas royalties increased due to increased sales prices for oil and natural gas produced on airport properties.
- Liquidated Damages increased due to a final settlement relating to the construction of the 5 story parking garage.
- Passenger facility charges increased due to the increased passenger activity and a full year of collections at \$4.50 per passenger.
- Depreciation expense increased due to the completion of construction on various capital projects which were placed in service during the fiscal year.
- Interest expense decreased due to the refunding of Junior Lien 22B and Junior Lien 27B Series Revenue Bonds, the redemption of Junior Lien 24 Series Revenue Bonds, and continued decrease in interest expense on remaining bonds outstanding.
- Capital contributions decreased due to the timing of reimbursements related to the start of construction projects funded by capital grants, and the delay of payments due to the temporary shutdown of the Federal Aviation Administration.



# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Management's Discussion and Analysis

June 30, 2012

### Capital Acquisitions and Construction Activities

During 2012, the Department incurred approximately \$20,241,000 for capital activities, compared to \$13,576,000 during the prior year. This included \$4,607 for buildings, \$523,000 for equipment, \$77,000 for buses, and the balance for construction projects. During the year approximately \$4,923,000 in multi-year construction projects were completed and transferred to depreciable assets. Completed projects in approximate amounts were:

Location	Project Description	Amount
WRWA:	Wireless Connections 3rd Floor Offices	\$ 17,516
	Network Distribution Layer	32,412
	Overflow Parking Lot Improvements	40,057
	Employee Parking Lot Gate Equipment	12,404
	New Parking Lots - Amelia and AAR	348,746
WPA:	Replace Waterline to Café	34,400
	Instrument Landing System on Runway 35R	2,872,287
MMAC:	Line Maintenance Building Rer-Roof	96,083
	Medium Voltage Electrical Feeders	751,516
	Skylight Replacement Thomas P. Stafford	366,120
	Building #30 Roof and Envelope Repairs	199,779
	Emergency Cable Replacement	151,959
		<u>\$ 4,923,279</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. All other revenue bonds of the Trust will be paid from tenant lease payments to the Trust. The last principal payment is scheduled for July 1, 2026.

Changes in gross revenue bonds payable for the fiscal years ended June 30, 2012 and 2011 are as follows:

	2012	2011	\$ Change	% Change
Balance, beginning of year	\$ 131,310,000	\$ 152,935,000	\$ (21,625,000)	(14.1)
Issued	-	28,675,000	(28,675,000)	(100.0)
Retired	(17,740,000)	(50,300,000)	32,560,000	(64.7)
Balance, end of year	<u>\$ 113,570,000</u>	<u>\$ 131,310,000</u>	<u>\$ (17,740,000)</u>	(13.5)

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Management's Discussion and Analysis**  
*June 30, 2012*

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

	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>Insured</b>
	<u>(Underlying)</u>	<u>(Unenhanced)</u>	<u>(Unenhanced)</u>	<u>(Moody's\S&amp;P)</u>
Senior Lien 19th Series	Aa1	AA		
Senior Lien 20th Series	Aa1	AA		Aaa\AAA
All Junior Lien Series (23rd, 26th, 29th, and 30th)	A2	A+		Aaa\AAA
Registry Building (1991, 1992 issues)	Aa1	AA	AA	
Federal Bureau of Prisons (1992, 1995 issues)		A-		

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**

Oklahoma showed signs of recovery with encouraging growth in oil and natural gas production, the aerospace industry, and manufacturing. Boeing relocated nearly 900 positions to Oklahoma City, Devon Energy is near completion of its 50-story headquarters, and Continental Resources has moved its headquarters to Oklahoma City. This success is often attributed to a business-friendly, low-cost environment. Economists indicate Oklahoma City's active and prosperous business climate is driving more people to the Oklahoma City market, which will increase the total labor force. It is anticipated that Oklahoma City will continue to remain in the top five large metros with the lowest unemployment.

Oklahoma City's commercial airport, Will Rogers World Airport, has seen positive growth in 2012 with an increase in passenger traffic of 4% over 2011 and 3% over 2010. The increases are attributable to positive economic growth in the greater metro area, along with the addition of new non-stop air service. Increased passenger activity is a direct correlation to increased rental car revenues, as well as food and retail revenues. The increase in activity to the airport supports indicators the economists have about the continued recovery for Oklahoma City and the State of Oklahoma.

**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.

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

**Statement of Net Assets**

*June 30, 2012 with summarized comparative information for June 30, 2011*

ASSETS	2012			2011
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Current assets:				
Pooled cash	\$ -	\$ 62,342	\$ 62,342	\$ 75,740
Non-pooled cash	1,756,798	-	1,756,798	1,721,954
Investments	101,486,910	1,504,232	102,991,142	105,236,106
Accounts receivable, net	5,329,964	-	5,329,964	3,981,670
Interest receivable	94,255	7,180	101,435	113,614
Royalties receivable	211,109	-	211,109	340,522
Passenger facility charges receivable	886,082	-	886,082	810,161
Inventory	-	946,037	946,037	838,180
Due from City funds	-	885	885	-
Due from other governments	1,923,467	-	1,923,467	2,022,843
<b>Total current assets</b>	<b>111,688,585</b>	<b>2,520,676</b>	<b>114,209,261</b>	<b>115,140,790</b>
Noncurrent assets:				
Investments	19,888,058	-	19,888,058	19,082,341
Intergovernmental advance	7,880,926	-	7,880,926	305,201
Advance (to)/from other funds	(720,016)	720,016	-	-
Deferred debt expense, net of accumulated amortization of \$1,229,354 and \$1,972,551	587,915	-	587,915	728,463
Capital assets:				
Land	14,465,751	16,114,538	30,580,289	30,580,289
Construction in progress	22,504,269	-	22,504,269	7,791,695
Other capital assets, net of accumulated depreciation	355,032,084	1,939,573	356,971,657	375,562,441
<b>Total noncurrent assets</b>	<b>419,638,987</b>	<b>18,774,127</b>	<b>438,413,114</b>	<b>434,050,430</b>
<b>Total assets</b>	<b>\$ 531,327,572</b>	<b>\$ 21,294,803</b>	<b>\$ 552,622,375</b>	<b>\$ 549,191,220</b>

(continued)

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

**Statement of Net Assets**

*June 30, 2012 with summarized comparative information for June 30, 2011*

LIABILITIES	2012			2011
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Current liabilities:				
Retainage and accounts payable	\$ 5,035,812	\$ 251,435	\$ 5,287,247	\$ 4,050,240
Wages and benefits payable	-	250,627	250,627	304,016
Due to depositors	-	-	-	2,920
Due to City funds	-	-	-	102,402
Compensated absences	-	418,654	418,654	423,322
Deferred revenue	616,326	-	616,326	562,238
Pollution remediation obligation	85,083	-	85,083	65,837
Bond interest payable	2,431,790	-	2,431,790	2,616,276
Bonds payable	19,215,000	-	19,215,000	17,740,000
<b>Total current liabilities</b>	<b>27,384,011</b>	<b>920,716</b>	<b>28,304,727</b>	<b>25,867,251</b>
Noncurrent liabilities:				
Compensated absences	-	681,592	681,592	705,848
OPEB obligation	-	1,638,383	1,638,383	2,432,533
Deferred revenue	2,003,262	-	2,003,262	1,387,772
Bonds payable	94,355,000	-	94,355,000	113,570,000
Unamortized bond discount/premium, net	1,762,786	-	1,762,786	2,099,353
Deferred amount on refunding	(1,014,428)	-	(1,014,428)	(1,185,434)
Bonds payable, net of unamortized discount/premium and deferred amount on refunding	95,103,358	-	95,103,358	114,483,919
<b>Total noncurrent liabilities</b>	<b>97,106,620</b>	<b>2,319,975</b>	<b>99,426,595</b>	<b>119,010,072</b>
<b>Total liabilities</b>	<b>124,490,631</b>	<b>3,240,691</b>	<b>127,731,322</b>	<b>144,877,323</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	278,271,661	18,054,112	296,325,773	282,438,969
Restricted for capital assets	861,658	-	861,658	1,571,566
Restricted for debt service	26,104,542	-	26,104,542	25,473,781
Restricted for maintenance	19,840,192	-	19,840,192	17,421,223
Unrestricted	81,758,888	-	81,758,888	77,408,358
<b>Total net assets</b>	<b>\$ 406,836,941</b>	<b>\$ 18,054,112</b>	<b>\$ 424,891,053</b>	<b>\$ 404,313,897</b>

See accompanying notes to financial statements



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

**Statement of Revenues, Expenses, and Change in Net Assets**

*For the Year Ended June 30, 2012 with summarized comparative information for June 30, 2011*

	2012			2011
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL
Operating revenues:				
Parking	\$ 9,804,277	\$ -	\$ 9,804,277	\$ 9,259,742
Landing fees	6,835,170	-	6,835,170	6,924,831
Rental income	27,796,645	-	27,796,645	32,053,658
Other, net	12,827,197	-	12,827,197	9,033,240
	<u>57,263,289</u>	<u>-</u>	<u>57,263,289</u>	<u>57,271,471</u>
Total operating revenues				
Operating expenses:				
Personal services	8,417,255	-	8,417,255	8,002,625
Maintenance, operations, and contractual services	14,800,764	-	14,800,764	13,888,354
Materials and supplies	1,328,835	-	1,328,835	1,398,612
Depreciation	20,714,613	523,927	21,238,540	21,571,778
	<u>45,261,467</u>	<u>523,927</u>	<u>45,785,394</u>	<u>44,861,369</u>
Total operating expenses				
Operating income (loss)	<u>12,001,822</u>	<u>(523,927)</u>	<u>11,477,895</u>	<u>12,410,102</u>
Nonoperating revenues (expenses):				
Investment income:				
Interest	566,514	-	566,514	615,626
Increase in fair value of investments	81,447	-	81,447	202,663
Oil and gas royalties	2,820,798	-	2,820,798	2,968,830
Liquidated damages	-	-	-	390,000
Passenger facility charges	7,210,909	-	7,210,909	7,055,522
Operating grants	403,054	-	403,054	440,268
Interest expense	(6,524,914)	-	(6,524,914)	(8,389,506)
Amortization expense	(140,548)	-	(140,548)	(152,881)
Gain (loss) on disposition of assets	49,129	-	49,129	(3,777)
	<u>4,466,389</u>	<u>-</u>	<u>4,466,389</u>	<u>3,126,745</u>
Net nonoperating revenues (expenses)				
Income (loss) before contributions and transfers	16,468,211	(523,927)	15,944,284	15,536,847
Capital grants and contributions	7,505,159	-	7,505,159	5,804,051
Donated Assets	(2,872,287)	-	(2,872,287)	-
Transfers between Department funds	(448,937)	448,937	-	-
	<u>20,652,146</u>	<u>(74,990)</u>	<u>20,577,156</u>	<u>21,340,898</u>
Change in net assets				
Total net assets, beginning of year previously reported	386,463,764	17,850,133	404,313,897	382,972,999
Prior period adjustment	(278,969)	278,969	-	-
Total net assets, beginning of year restated	<u>386,184,795</u>	<u>18,129,102</u>	<u>404,313,897</u>	<u>382,972,999</u>
Total net assets, end of year	<u>\$ 406,836,941</u>	<u>\$ 18,054,112</u>	<u>\$ 424,891,053</u>	<u>\$ 404,313,897</u>

See accompanying notes to financial statements

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

**Statement of Cash Flows**

*For the Year Ended June 30, 2012 with summarized comparative information for June 30, 2011*

	<u>2012</u>			<u>2011</u>
	<b>OKLAHOMA CITY AIRPORT TRUST</b>	<b>AIRPORTS FUND</b>	<b>TOTAL</b>	<b>TOTAL</b>
Cash flows from operating activities:				
Cash received from charges	\$ 55,525,812	\$ -	\$ 55,525,812	\$ 57,229,152
Cash received from oil and gas royalties	2,950,211	-	2,950,211	2,893,522
Cash payments to suppliers for goods and services	(16,361,719)	-	(16,361,719)	(15,490,738)
Cash payments to employees and professional contractors for services	(8,250,041)	-	(8,250,041)	(7,785,452)
Net cash provided by operating activities	<u>33,864,263</u>	<u>-</u>	<u>33,864,263</u>	<u>36,846,484</u>
Cash flows from noncapital financing activities:				
Operating grants received	670,184	-	670,184	181,695
Advance (to)/from other funds	441,046	(441,046)	-	-
Liquidated damages	-	-	-	390,000
Other Non-Operating Income	35,707	-	35,707	-
Transfers between Department funds	(448,936)	448,936	-	-
Net cash provided by noncapital financing activities	<u>698,001</u>	<u>7,890</u>	<u>705,891</u>	<u>571,695</u>
Cash flows from capital and related financing activities:				
Intergovernmental advance (payment)	(7,712,012)	-	(7,712,012)	598,594
Advance payable - Gulfstream	(325,478)	-	(325,478)	394,721
Acquisition and construction of capital assets	(17,735,799)	(456,484)	(18,192,283)	(11,937,224)
Capital grants received	7,337,406	-	7,337,406	6,884,162
Interest paid on bonds	(7,146,344)	-	(7,146,344)	(9,562,443)
Principal paid on bonds	(17,740,000)	-	(17,740,000)	(17,655,000)
Deferred revenue	-	-	-	2,861,803
Bond redemption	-	-	-	(2,980,000)
Proceeds from bond refunding	-	-	-	29,843,387
Transfer to sinking fund	-	-	-	437,206
Bond issuance costs	-	-	-	(312,151)
Transfer to escrow agent	-	-	-	(29,958,335)
Proceeds from sale of capital assets	34,735	-	34,735	32,225
Passenger facility charges	7,134,987	-	7,134,987	7,040,874
Net cash used by capital and related financing activities	<u>(36,152,505)</u>	<u>(456,484)</u>	<u>(36,608,989)</u>	<u>(24,312,181)</u>
Cash flows from investing activities:				
Interest on investments	578,692	-	578,692	633,317
Proceeds from sale of investments	25,308,000	-	25,308,000	50,308,000
Purchase of investments	(24,261,607)	-	(24,261,607)	(63,889,267)
Change in pooled investments	-	435,196	435,196	410,463
Net cash provided (used) by investing activities	<u>1,625,085</u>	<u>435,196</u>	<u>2,060,281</u>	<u>(12,537,487)</u>
Net increase (decrease) in cash	34,844	(13,398)	21,446	568,511
Cash, beginning of year	<u>1,721,954</u>	<u>75,740</u>	<u>1,797,694</u>	<u>1,229,183</u>
Cash, end of year	<u>\$ 1,756,798</u>	<u>\$ 62,342</u>	<u>\$ 1,819,140</u>	<u>\$ 1,797,694</u>

(continued)

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

**Statement of Cash Flows**

*For the Year Ended June 30, 2012 with summarized comparative information for June 30, 2011*

	2012			2011	
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL	TOTAL	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 12,001,822	\$ (523,927)	\$ 11,477,895	\$	12,410,102
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	20,714,613	523,927	21,238,540		21,571,778
Nonoperating revenues (expenses):					
Oil and gas royalties	2,820,798	-	2,820,798		2,968,830
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,361,932)	-	(1,361,932)		8,520
(Increase) decrease in royalties receivable	129,413	-	129,413		(75,308)
(Increase) decrease in due from City funds	(885)	-	(885)		-
(Increase) decrease in inventory	(107,858)	-	(107,858)		(86,218)
Increase (decrease) in accounts payable	(142,974)	-	(142,974)		458,341
Increase (decrease) in wages and benefits payable	(54,473)	-	(54,473)		(80,239)
Increase (decrease) in compensated absences	(28,924)	-	(28,924)		(62,130)
Increase (decrease) in OPEB liability	250,611	-	250,611		359,542
Increase (decrease) in pollution remediation	19,246	-	19,246		(570,721)
Increase (decrease) in deferred revenue	(375,182)	-	(375,182)		(56,067)
Increase (decrease) in due to depositors	(12)	-	(12)		55
Total adjustments	21,862,441	523,927	22,386,368		24,436,383
Net cash provided (used) by operating activities	\$ 33,864,263	\$ -	\$ 33,864,263	\$	36,846,485
Noncash investing, capital and financing activities:					
Net increase (decrease) in fair value of investments	\$ 81,447	\$ -	\$ 81,447	\$	202,663
Donated Assets	\$ 2,872,287	\$ -	\$ 2,872,287	\$	-

See accompanying notes to financial statements

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

## **Notes to Financial Statements**

*June 30, 2012*

### **1. ORGANIZATION**

The financial transactions of the Oklahoma City Airport Trust (Trust), a blended component unit major enterprise fund 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, 2026, 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 and 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 eight 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 blended component unit major enterprise fund of the City. This conclusion is based on the following:



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

### **Notes to Financial Statements**

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Appointment of Voting Majority: The Trust is administered by five Trustees: the Mayor, City Manager, a City Council member, and two citizens and residents of the City of Oklahoma City. The citizen Trustees and the City Council member are appointed by the Mayor and confirmed by Council.

Imposition of Will: By lease agreement with the City, the Trustees of the Trust (a) secure approval from Council for the terms of any contract or lease agreement of any of the Airports' facilities, (b) secure approval from Council for setting any uniform rate, fee or charge to be imposed by the Trustees, (c) submit an annual budget to the City, and (d) acquire consent of Council for the issuance of additional debt.

Based on the City's appointment of the voting majority of the Trust's governing body and its imposition of will on the Trust, the Trust is a blended component unit of the City and the City is financially accountable for the Department.

#### Measurement Focus, Basis for Accounting, and Financial Statement Presentation

The Department complies with accounting principles generally accepted in the United States of America (US GAAP). Because the Department accounts for its activities in proprietary funds, the Department has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements and Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those FASB pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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 Standard

Effective July 1, 2011, the Trust implemented Governmental Accounting Standards Board (GASB) statement number 62, Codification of Accounting and Financial Reporting Guidance Contained in FASB

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

### **Notes to Financial Statements**

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and Accounting standards Board (APB) opinions issued on or before November 30, 1989. This statement places all Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements issued on or before November 30, 1989, within the authoritative GASB literature. Prior to implementation, the Trust applied all relevant reporting guidance contained in FASB pronouncements and APB opinions issued on or before November 30, 1989, unless they conflicted with GASB pronouncements, therefore implementation had no financial or reporting impact to the Trust's financial statements.

#### Budgetary Controls

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

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 balance sheet 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.

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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.

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.

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 Assets.

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.

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

### **Notes to Financial Statements**

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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. Interest revenue used to offset interest cost was \$0 and \$0 for the years ended June 30, 2012 and 2011, respectively. Total interest expense net amortization of discount and premium incurred was \$6,796,296 and \$8,657,642, for the years ended June 30, 2012 and 2011, respectively. Of these amounts, \$271,382 and \$268,136 was included as part of the cost of capital assets under construction for the years ended June 30, 2012 and 2011, respectively.

#### Deferred Debt Expense and Bond Discount

The costs of issuing revenue bonds, the related bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt have been capitalized and are being amortized over the term of the respective bonds using a method which approximates the effective interest method.

#### Risk Management

The City's Finance Department Risk Management Division and Personnel Department administer employee life, health, property and liability, workers' compensation, unemployment, and disability insurance programs of the City on a cost-reimbursement basis. Any significant losses incurred by the Department are covered by commercial insurance for all programs except one employee health care alternative and workers' compensation, for which the City retains all risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The Department reimburses the City for airport related premiums paid to commercial carriers, claims liabilities plus an estimate for claims incurred but not reported based on historical experience, and a portion of the Risk Management Division's administrative costs. See Note 6.

#### Passenger Facility Charges (PFC) Revenue

Passenger Facility Charges have been levied at the rate of \$3 per enplaned passenger since July 1, 1997, under FAA approved applications to impose and use \$138,184,661 for construction and debt payments of FAA approved improvements. Effective April 1, 2010 the FAA approved an increase in the collection rate to \$4.50 per enplaned passenger. Under the approved applications, collections extend until March 1, 2021. Total cumulative PFC revenues remitted to the Department for the years ended June 30, 2012 and 2011 were \$74,991,330 and \$67,856,343, respectively. PFC 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

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## Notes to Financial Statements

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non-cancelable operating leases. Property leased, or held for lease, to others was approximately \$505,018,000 and \$502,979,000 as of June 30, 2012 and 2011, respectively. Accumulated depreciation on this leased property was approximately \$264,581,000 and \$252,543,000 as of June 30, 2012 and 2011, respectively.

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

Year	Amount
2013	\$ 20,782,226
2014	14,281,600
2015	7,395,961
2016	4,754,644
2017	4,484,423
2018 - 2022	18,631,678
2023 - 2027	7,041,199
2028 - 2032	1,535,347
2033 - 2037	414,899
Total	\$ <u><u>79,321,977</u></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, 2012.

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 2012 and 2011 received through these leases was approximately \$7,220,000 and \$6,888,000, 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

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Notes to Financial Statements

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the Department's financial statements for the year ended June 30, 2011, from which the summarized totals were derived.

### 3. DEPOSITS AND INVESTMENTS

#### Deposits

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

The Trust deposits as required by the Bond Indenture and Supplemental Bond Indentures are to be maintained by the trustee banks specified in the indentures. Trust deposits are continuously secured for the benefit of the Trust in the manner prescribed by Federal Law for the securing of trust funds.

Deposits of the Trust and the City are insured or collateralized with securities held by the City, its agent, 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.

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

**Notes to Financial Statements**

*June 30, 2012*

As of June 30, 2012, the Trust had the following investments:

<b>Type of Investment</b>	<b>Fair Value/</b>		<b>Rating (1)</b>	<b>Weighted Average Days to Maturity</b>
	<b>Carrying Value</b>	<b>Cost</b>		
U.S. Treasury Bills	\$14,458,254	\$14,450,912	N/A	294
U.S. Treasury Money Market Fund	52,352,475	52,352,474	AAA/Aaa	31
U.S Treasury Strips	35,706,858	35,317,378	N/A	706
U.S Treasury Notes	11,183,381	11,154,047	N/A	550
Guaranteed Investment Contracts	7,674,000	7,674,000	A-	854
<b>Total Investments</b>	<b>\$121,374,968</b>	<b>\$120,948,811</b>		

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

As of June 30, 2011, the Trust had the following investments:

<b>Type of Investment</b>	<b>Fair Value/</b>		<b>Rating (1)</b>	<b>Weighted Average Days to Maturity</b>
	<b>Carrying Value</b>	<b>Cost</b>		
U.S. Treasury Bills	\$20,273,980	\$20,232,427	N/A	75
U.S. Treasury Money Market Fund	57,501,847	57,501,847	AAA/Aaa	39
U.S Treasury Strips	25,638,041	25,320,084	N/A	429
U.S Treasury Notes	11,189,416	11,154,047	N/A	459
Guaranteed Investment Contracts	7,674,000	7,674,000	AAA/Aaa	1,221
<b>Total Investments</b>	<b>\$122,277,284</b>	<b>\$121,882,405</b>		

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

The Airports Fund pooled investments as of June 30, 2012 were \$1,504,232. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2012:

<b>Type of City Pooled Investments</b>	<b>Fair Value/</b>		<b>Rating (1)</b>	<b>Weighted Average Months to Maturity</b>
	<b>Carrying Value</b>	<b>Cost</b>		
Money Market funds	\$3,375,000	\$3,375,000	AAA/Aaa	1.80
U.S. Treasury notes	166,601,000	167,513,000	N/A	18.89
Fannie Mae	153,511,000	153,434,000	AA+/Aaa	16.85
Federal obligations	195,634,000	196,755,000	AA/Aaa	18.27
Commerical Paper	24,962,000	24,962,000	A+/Aa3	2.71
<b>Total pooled investments</b>	<b>\$544,083,000</b>	<b>\$546,039,000</b>		

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

The Airports Fund pooled investments as of June 30, 2011 were \$2,041,163. The Airports Fund participates in the City's investment pool which had the following investments as of June 30, 2011:

<b>Type of City Pooled Investments</b>	<b>Fair Value/</b>		<b>Rating (1)</b>	<b>Weighted Average Months to Maturity</b>
	<b>Carrying Value</b>	<b>Cost</b>		
Money Market funds	\$5,537,000	\$5,537,000	AAA/Aaa	1.43
U.S. Treasury notes	71,186,000	71,214,000	N/A	18.89
Fannie Mae	147,495,000	148,761,000	AAA/Aaa	19.80
Federal obligations	183,208,000	183,467,000	AAA/Aaa	23.56
<b>Total pooled investments</b>	<b>\$407,426,000</b>	<b>\$408,979,000</b>		

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



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**Notes to Financial Statements**

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

Custodial credit risk is the risk that, in the event of the failure of the 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, 2012 capital assets consist of the following:

	<b>Balance</b>				<b>Balance</b>		
<b>Depreciable capital assets</b>	<b>July 1, 2011</b>	<b>Increases</b>	<b>Decreases</b>		<b>June 30, 2012</b>		
Buildings	\$ 499,698,997	\$ 1,622,583	\$ (2,872,287)	\$	\$ 501,321,580		
Improvements	283,202,989	3,221,033	(225,240)		283,551,735		
Furniture, fixtures and equipment	19,050,923	684,868	(225,240)		19,510,551		
Total depreciable capital assets	<u>801,952,909</u>	<u>5,528,484</u>	<u>(3,097,527)</u>		<u>804,383,866</u>		
Less accumulated depreciation							
Buildings	236,597,475	10,894,793			247,492,268		
Improvements	177,104,820	8,928,014	-		186,032,834		
Furniture, fixtures and equipment	12,688,173	1,415,733	(216,799)		13,887,107		
Total accumulated depreciation	<u>426,390,468</u>	<u>21,238,540</u>	<u>(216,799)</u>		<u>447,412,209</u>		
Depreciable capital assets, net of accumulated depreciation	<u>\$ 375,562,441</u>	<u>\$ (15,710,056)</u>	<u>\$ (2,880,728)</u>	\$	<u>\$ 356,971,657</u>		
<b>Nondepreciable capital assets</b>							
Land	\$ 30,580,289	\$ -	\$ -	\$	\$ 30,580,289		
Construction in progress	7,791,695	19,635,853	(4,923,279)		22,504,269		

As of June 30, 2011 capital assets consist of the following:

	<b>Balance</b>				<b>Balance</b>		
<b>Depreciable capital assets</b>	<b>July 1, 2010</b>	<b>Increases</b>	<b>Decreases</b>		<b>June 30, 2011</b>		
Buildings	\$ 493,319,413	\$ 6,557,437	\$ (177,853)	\$	\$ 499,698,997		
Improvements	273,022,610	10,180,379	-		283,202,989		
Furniture, fixtures and equipment	19,818,943	797,686	(1,565,706)		19,050,923		
Total depreciable capital assets	<u>786,160,966</u>	<u>17,535,502</u>	<u>(1,743,559)</u>		<u>801,952,909</u>		
Less accumulated depreciation							
Buildings	226,014,688	10,760,640	(177,853)		236,597,475		
Improvements	167,688,288	9,416,532	-		177,104,820		
Furniture, fixtures and equipment	12,825,513	1,394,606	(1,531,946)		12,688,173		
Total accumulated depreciation	<u>406,528,489</u>	<u>21,571,778</u>	<u>(1,709,799)</u>		<u>426,390,468</u>		
Depreciable capital assets, net of accumulated depreciation	<u>\$ 379,632,477</u>	<u>\$ (4,036,276)</u>	<u>\$ (33,760)</u>	\$	<u>\$ 375,562,441</u>		
<b>Nondepreciable capital assets</b>							
Land	\$ 30,580,289	\$ -	\$ -	\$	\$ 30,580,289		
Construction in progress	11,751,254	12,577,585	(16,537,144)		7,791,695		

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

**Notes to Financial Statements**

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**5. LIABILITIES**

Compensated Absences

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

	<b>Balance</b>			<b>Balance</b>	<b>Due</b>
	<b>July 1, 2011</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2012</b>	<b>Within</b>
					<b>One Year</b>
Compensated absences	\$ 1,129,170	\$ 585,436	\$ 614,360	\$ 1,100,246	\$ 418,654

Pollution Remediation

Upon construction of a new aviation fuel facility at Will Rogers World Airport, the existing underground fuel storage tanks were vacated. The vacated facility includes thirteen 30,000 gallon underground storage tanks and four other tanks of various sizes. In May, 2009, the Oklahoma Corporation Commission (OCC) was notified of the closure of the facility. On April 16, 2010, the OCC notified the Trust that based upon the preponderance of non-impacted native soils the OCC declined the need to activate any kind of release case. The OCC did not require the replacement of backfill when the tanks were removed from the location. However, the Trust removed the tanks, piping, and backfill and filled with fresh soil. On December 2, 2011, the OCC notified the Trust that based on soil sampling results; there is no contamination of concern at the site at this time. The subject tanks and piping are hereby considered permanently closed in accordance with OCC regulations. Currently the Trust has no specific development planned for this site.

The Gulfstream Maintenance Facility located at Wiley Post Airport has environmental deficiencies that may have been caused by certain aviation manufacturing activities. During Gulfstream's occupation of the premises, the Trust acquired legal title to the property in a sale-leaseback arrangement and therefore has never operated the site. The Trust has negotiated an allocation agreement with Gulfstream in which the Trust will assume an allocable share of the clean-up effort. The Trust has recorded a liability of approximately \$85,000 as of June 30, 2012, for the allocable share of the site assessment and characterization based upon an environmental engineer's cost estimate. The Trust cannot reasonably estimate a cost for remediation at the site until the site assessment and characterization has been completed. The Trust will bear only the costs of remediation for its allocable share.

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. Two of these series are still outstanding. 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.

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Thirty 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 the Senior Lien Bonds. The bond proceeds were used to construct various facilities at the Airports. Five Junior Lien series are still outstanding.

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 Trustees issued separate lease revenue bonds on October 1, 1991, and November 1, 1992, pursuant to a separate bond indenture (1991 Indenture) for the purpose of constructing the Registry Building. The lease payments deposited to the accounts created under the 1991 Indenture secure the debt payments on the Registry Building bonds only and the Trust has no obligation for the debt beyond the payments received under this lease.

On November 1, 1992, and June 1, 1995, the Trustees issued separate lease revenue bonds pursuant to a separate bond indenture (1992 Indenture) for the purpose of constructing the Federal Transfer Center for the Federal Bureau of Prisons (FBOP). Lease payments deposited to the accounts created under this 1992 Indenture secure the debt payments on this facility only and the Trust has no obligation for the debt beyond the payments received under this lease.

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, 2012.

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, 2012.

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Notes to Financial Statements**  
*June 30, 2012*

A summary of changes in bonds payable as of June 30, 2012 is as follows:

Description	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012	Due Within One Year
<b>Senior Lien Bonds:</b>					
Nineteenth Series	\$ 6,355,000	\$ -	\$ 3,075,000	\$ 3,280,000	\$ 3,280,000
Twentieth Series	2,985,000	-	1,455,000	1,530,000	1,530,000
Senior Lien Bonds Total	<u>9,340,000</u>	<u>-</u>	<u>4,530,000</u>	<u>4,810,000</u>	<u>4,810,000</u>
<b>Junior Lien Bonds:</b>					
Twenty-third Series	440,000	-	100,000	340,000	105,000
Twenty-sixth Series	1,395,000	-	680,000	715,000	715,000
Twenty-seventh Series B	4,695,000	-	4,695,000	-	-
Twenty-ninth Series A	19,695,000	-	910,000	18,785,000	940,000
Twenty-ninth Series B	31,760,000	-	-	31,760,000	-
Thirtieth Series	28,675,000	-	110,000	28,565,000	5,280,000
Junior Lien Bonds Total	<u>86,660,000</u>	<u>-</u>	<u>6,495,000</u>	<u>80,165,000</u>	<u>7,040,000</u>
<b>Separate Lease Bonds:</b>					
1991 Registry Building	1,890,000	-	905,000	985,000	985,000
1992 Registry Building	220,000	-	105,000	115,000	115,000
1992 Federal Bureau of Prisons	31,540,000	-	5,345,000	26,195,000	5,870,000
1995 Federal Bureau of Prisons	1,660,000	-	360,000	1,300,000	395,000
Separate Lease Bonds Total	<u>35,310,000</u>	<u>-</u>	<u>6,715,000</u>	<u>28,595,000</u>	<u>7,365,000</u>
Total	\$ <u>131,310,000</u>	\$ <u>-</u>	\$ <u>17,740,000</u>	<u>113,570,000</u>	\$ <u>19,215,000</u>
Less current maturities				<u>(19,215,000)</u>	
Long-term portion				94,355,000	
Less unamortized discount				(316,000)	
Add unamortized premium				2,078,786	
Less deferred amount on refunding				<u>(1,014,428)</u>	
Total				\$ <u>95,103,358</u>	

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

**Notes to Financial Statements**

*June 30, 2012*

Additional information of revenue bond issues is as follows:

Description	Original Amount Issued	Interest Rate	Issue Date	Final Maturity Date
<b>Senior Lien Bonds:</b>				
Nineteenth Series	\$ 43,175,000	5.75 - 6.75 %	12/01/97	07/01/12
Twentieth Series	12,780,000	1.60 - 5.20	12/01/02	10/01/12
<b>Junior Lien Bonds:</b>				
Twenty-third Series	1,535,000	3.50 - 5.35	12/01/93	07/01/14
Twenty-sixth Series	6,665,000	5.06 - 5.85	12/01/98	07/01/12
Twenty-seventh Series B	61,215,000	5.00 - 5.75	12/01/00	07/01/17
Twenty-ninth Series A	21,420,000	3.50 - 4.20	02/20/07	07/01/26
Twenty-ninth Series B	31,760,000	5.00	02/20/07	07/01/21
Thirtieth Series	28,675,000	3.00 5.00	03/03/11	07/01/17
<b>Separate Lease Bonds:</b>				
1991 Registry Bldg	10,000,000	6.50 - 8.95	10/01/91	10/01/12
1992 Registry Bldg	1,185,000	8.25	11/01/92	10/01/12
1992 FBOP	76,775,000	6.50 - 9.80	11/01/92	11/01/14
1995 FBOP	4,670,000	6.55 - 7.50	06/01/95	11/01/14

Principal and interest requirements for revenue bonds are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 19,215,000	\$ 6,087,095	\$ 25,302,095
2014	13,370,000	4,974,368	18,344,368
2015	20,950,000	3,679,534	24,629,534
2016	6,745,000	2,686,101	9,431,101
2017	7,075,000	2,353,354	9,428,354
2018-2022	38,670,000	6,460,969	45,130,969
2023-2027	7,545,000	813,928	8,358,928
	<u>\$ 113,570,000</u>	<u>\$ 27,055,349</u>	<u>\$ 140,625,349</u>

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

**Notes to Financial Statements**

*June 30, 2012*

**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, 2012 and 2011, were \$4,456,118 and \$4,237,650, 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 \$5,182,195 and \$4,915,413 for the years ended June 30, 2012 and 2011, respectively. The total payroll for all Department employees was \$5,839,416 and \$5,516,057 for the years ended June 30, 2012 and 2011, respectively.

Eligibility, Contribution Methods, Benefit Provisions

Year established and governing authority	1958; City Council ordinance
Determination of contribution requirements	Actuarially determined
Employer contributions (1)	8.56% of covered payroll
Plan member contributions	6.00% of covered payroll
Eligible to participate	Full-time Department employees
Funding of administrative costs	Investment earnings
Period required to vest	5 years
Eligibility for distribution	30 years credited service regardless of age, or Age 60 with 10 years (Pre 3/67 hires), or 25 years 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 compounded annually; Increases must be approved by the OCERS Board
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

(1) Beginning July 1, 2011, the employer contribution rate changed from 6.77% to 8.56%.

Plan Membership

Non-vested active members.....	737
Fully vested active members.....	1,661
Retirees and beneficiaries currently receiving benefits .....	1,299
Terminated plan members entitled to but not yet receiving benefits.....	75
Total .....	<u>3,772</u>

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

**Notes to Financial Statements**

*June 30, 2012*

Actuarial Methods and Assumptions

Actuarial methods and assumptions used to determine the annual required contribution (ARC) are as follows:

Valuation date	12/31/11
Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll
Amortization period (1)	30 years, closed
Actuarial asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% - 8.3%
Cost of living benefit increases (maximum)	4%
Inflation	4.5%
Other	1994 group annuity table set forward 1 year for women and 3 years for men

(1) For December 31, 2011 OCERS actuarial valuation, the amortization period changed from 25 years to 30 years, closed.

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.

Annual Pension Cost, Net Pension Obligation (NPO), and Trend Information

Fiscal Year	City's		NPO	Airports Fund		Airports Fund Annual Pension Cost as a percentage of City's
	Annual Pension Cost	Percentage Contributed		Annual Pension Cost	Percentage Contributed	
2012	\$ 9,165,000	100 %	\$ -	\$ 447,624	100 %	4.88 %
2011	7,133,000	100	-	334,478	100	4.69
2010	5,586,000	100	-	250,664	100	4.49

Funding Status

The required schedule of funding progress as of the last actuarial date was as follows:

Actuarial Accrued Liability (AAL)	\$ 593,922,000
Actuarial Value of Plan Assets (AVA)	514,499,000
Unfunded Actuarial Accrued Liability (UAAL)	79,423,000
Funded Ratio (AVA/AAL)	87%
Covered Payroll (Active Plan Members)	109,293,000
UAAL as a Percentage of Covered Payroll	72.7%



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

### **Notes to Financial Statements**

*June 30, 2012*

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.

#### Plan Assets

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 five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

#### Related-Party Transactions

As of June 30, 2012, the OCERS' investments include purchased judgments against the City in the amount of \$2,299,000. 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, 2012 actual contributions by the Department and plan participants were \$14,463 and \$11,110, respectively.

These two plans include 109 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.

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

**Notes to Financial Statements**

*June 30, 2012*

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
Contributions Rates:	
Employer	64% of premium
Plan members	36% 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.

Funding Policies

Effective January 1, 2012, the employer contribution changed from 66% to 64% of the premium. The retirees and their dependents premium percentage increased from 34% to 36%.

Benefits 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	2,162
Active members	<u>3,291</u>
Total	<u><u>5,453</u></u>

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

**Notes to Financial Statements**

*June 30, 2012*

Actuarial Methods and Assumptions

Provisions for:	
Disability benefits	Yes
Death benefits	Yes
Valuation date	7/1/2011
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	4.9%
Blended Discount Rate Method	The discount rate is based on expected long-term return on investments that are used to finance benefit programs
Projected salary increase	3.0%
Health care trend rate	4.5% (5.0% 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.

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.

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOO) as June 30, 2012, was calculated as follows:

	<b>OPEB Trust</b>	<b>Airports Fund Share</b>
Annual Required Contribution	\$36,182,000	\$718,000
Interest on Net OPEB Obligation	3,803,000	75,000
Adjustment to Annual Required Contribution	(3,491,000)	(75,000)
Annual OPEB Cost	<u>36,494,000</u>	<u>718,000</u>
Contributions Made	(20,065,000)	(467,000)
Increase in Net OPEB Obligation	<u>16,429,000</u>	<u>251,000</u>
Net OPEB Obligation, Beginning of year	77,446,000	1,388,000
Net OPEB Obligation, End of year	<u><u>\$93,875,000</u></u>	<u><u>\$1,639,000</u></u>

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Notes to Financial Statements

June 30, 2012

### Trend Information

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

<b>Fiscal 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>
2012	\$36,494,000	\$20,065,000	55.0%	\$93,875,000
2011	\$39,789,000	\$18,747,000	47.1%	\$77,447,000
2010	\$35,775,000	\$19,425,000	54.3%	\$56,405,000

### 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.

### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$483,932,000
Actuarial Value of Plan Assets (AVA)	15,018,000
Unfunded Actuarial Accrued Liability (UAAL)	\$468,914,000
Funded Ratio (AVA/AAL)	3%
Covered Payroll (Active Plan Members)	\$180,552,000
UAAL as a Percentage of Covered Payroll	259.7%

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 \$21,829,000 and \$9,786,000 as of June 30, 2012 and 2011, 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 \$26,279,436 and \$25,829,601, as of June 30, 2012 and 2011,

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

**Notes to Financial Statements**

*June 30, 2012*

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 position, results of operations, and cash flow of the Trust.

**11. PRIOR PERIOD ADJUSTMENT**

Beginning net assets for the Trust and the Airports Fund have been restated for the effect of a prior period adjustment which reclassified \$278,969 from the Trust to the Airports Fund. The Airports Fund pays for the personnel services and certain operating and maintenance costs related to the Trust operations. The Trust reimburses the Airports Fund for those costs. In prior years, a liability had not been recognized for the costs paid by the Airports Fund that have not yet been reimbursed by the Trust. In addition, the Airports Fund failed to recognize an advance on behalf of the Trust. The effect of the prior period adjustment reduced the previously reported Trust changes in net assets by \$762,494 and increased previously reported Airport Fund changes in net assets by \$762,494 and increased previously reported Airport Fund changes in net assets by \$762,494. The adjustment had no effect on the Department's total net assets or changes in net assets.

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**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Required Supplementary Information**  
*June 30, 2012*

**OKLAHOMA CITY EMPLOYEE RETIREMENT SYSTEM**

Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) entry age</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
12/31/2011	\$514,499,000	\$593,922,000	\$79,423,000	87 %	\$109,293,000	73 %
12/31/2010	524,731,000	566,834,000	42,103,000	93	102,915,000	41
12/31/2009	529,137,000	556,427,000	27,290,000	95	110,408,000	25
12/31/2008	528,664,000	519,234,000	(9,430,000)	102	105,566,000	(9)
12/31/2007	529,876,000	488,827,000	(41,049,000)	108	99,574,000	(41)
12/31/2006	476,913,000	457,547,000	(19,366,000)	104	95,504,000	(20)

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2012	\$9,615,000	100 %
2011	7,133,000	100
2010	5,586,000	100
2009	5,464,000	100
2008	7,212,000	100
2007	8,479,000	100

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

**Required Supplementary Information**

*June 30, 2012*

**OKLAHOMA CITY OTHER POST EMPLOYMENT BENEFITS (1)**

Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2011	\$15,018,000	\$483,932,000	\$468,914,000	3 %	\$180,552,000	260%
7/1/2010	11,566,000	517,682,000	506,116,000	2	\$175,293,000	289%
7/1/2009	8,252,345	479,805,848	471,553,503	2	176,563,546	267%
7/1/2008	5,000,000	635,125,217	630,125,217	1	171,420,918	368%
7/1/2007	-	369,201,530	369,201,530	0	198,700,000	186%

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions</b>	<b>Percentage Contributed</b>
2012	\$20,065,000	\$36,182,000	55%
2011	18,747,000	39,560,000	47%
2010	19,424,748	35,614,202	55%
2009	18,688,224	47,826,483	39%
2008	18,054,039	29,151,630	62%

(1) The City's other post-employment benefit trust plan was created June 17, 2008. Historical data does not exist for years before 2008



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# BUDGET VERSUS ACTUAL **SCHEDULE**

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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, 2012*

	Original Budget	Revisions	Revised Budget
<b>REVENUES</b>			
Interest income	\$ 71,500	\$ -	\$ 71,500
Other Income	-	-	-
Total revenues before prior year fund balance	<u>71,500</u>	<u>-</u>	<u>71,500</u>
Prior year fund balance:			
Reappropriated for prior year encumbrances	-	24,741	24,741
Total revenues and prior year fund balance	<u>71,500</u>	<u>24,741</u>	<u>96,241</u>
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Personal services	7,855,617	-	7,855,617
Contractual services	6,613,304	14,000	6,627,304
Supplies	742,932	(97,000)	645,932
Capital outlay	500,000	83,000	583,000
Expenditures and encumbrances related to prior year budget (2)	-	-	-
Total expenditures and encumbrances	<u>15,711,853</u>	<u>-</u>	<u>15,711,853</u>
Deficiency of revenues over expenditures and encumbrances	(15,640,353)	24,741	(15,615,612)
<b>OTHER FINANCING SOURCES</b>			
Transfers to other funds	-	-	-
Transfers from other funds	15,640,353	-	15,640,353
Net other financing sources (uses)	<u>15,640,353</u>	<u>-</u>	<u>15,640,353</u>
Excess of revenues and other sources over expenditures and encumbrances	-	<u>\$ 24,741</u>	24,741
Fund balance, beginning (Non-GAAP budgetary basis)	1,352,417		1,352,417
Less prior year fund balance (1)	-		(24,741)
Fund balance, ending (Non-GAAP budgetary basis)	<u>\$ 1,352,417</u>		<u>\$ 1,352,417</u>

**ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

- Current year encumbrances included in expenditures
- Reserve for inventories
- Revenue accruals
- Capital assets, net of depreciation
- Compensated absences
- Other post employment benefits
- Change in Advance to/from other funds

**Airports Cash Fund balance, ending (GAAP basis) (3)**

**Airports Capital Assets Fund balance, ending (GAAP basis) (3)**

**Airports Fund balance, ending (GAAP basis)**

- (1) Budgeted carryover reflects a portion of fund balance carried over from prior years. It is not a revenue of the current period, but is presented as revenue only for budgetary purposes. Beginning budgetary fund balance is then reduced by the budgeted carryover to reflect budgetary ending fund balance.
- (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)
		\$ 22,569	\$ (48,931)
		<u>34,210</u>	<u>34,210</u>
		56,779	(14,721)
		-	(24,741)
		<u>56,779</u>	<u>(39,462)</u>
\$ 7,728,410	\$ -	7,728,410	141,207
6,194,292	18,936	6,213,228	303,076
610,746	-	610,746	215,953
448,936	61,048	509,984	(9,984)
<u>(33,736)</u>	<u>-</u>	<u>(33,736)</u>	<u>33,736</u>
\$ <u>14,948,648</u>	\$ <u>79,984</u>	<u>15,028,632</u>	<u>683,988</u>
		(14,971,853)	644,526
		4,840	4,840
		<u>14,607,232</u>	<u>(1,033,121)</u>
		14,612,072	(1,028,281)
		(359,781)	(383,755)
		1,352,417	-
		-	24,741
		<u>992,636</u>	<u>\$ (359,014)</u>
		79,983	
		946,037	
		(42)	
		1,651,043	
		(1,100,246)	
		(1,638,383)	
		<u>720,016</u>	
		1,651,044	
		16,403,068	
		<u>\$ 18,054,112</u>	



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# STATISTICAL SECTION (UNAUDITED)

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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.

**OPERATING 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 Assets and Changes in Net Assets

*Last ten fiscal years*

	2012	2011	2010	2009
Operating revenues:				
Landing fees	\$ 6,835,170	\$ 6,924,831	\$ 6,477,192	\$ 5,599,435
Other aircraft fees	2,365,761	2,118,706	1,941,066	2,206,013
Building rents	17,678,091	22,470,025	22,938,179	23,773,947
Parking revenues	9,804,277	9,259,742	7,624,268	6,483,384
Concession fees	1,792,818	1,937,188	1,852,376	1,781,462
Car rental commissions	4,979,821	4,565,970	3,914,401	3,837,845
Land rents	1,604,330	1,491,459	1,323,939	1,313,797
Maintenance, utility and insurance fees	11,213,097	6,943,578	6,557,797	5,761,819
Other	989,924	1,559,972	868,771	953,770
<b>Total operating revenues</b>	<b>57,263,289</b>	<b>57,271,471</b>	<b>53,497,989</b>	<b>51,711,472</b>
Nonoperating revenues:				
Investment Income	647,961	818,289	1,018,916	1,930,101
Oil and gas royalties	2,820,798	2,968,830	2,567,709	2,341,859
Passenger facility charges	7,210,909	7,055,522	5,170,911	4,489,113
Operating grants income	403,054	440,268	448,185	440,965
Other nonoperating revenues	49,129	386,223	39,489	-
<b>Total nonoperating revenues</b>	<b>11,131,851</b>	<b>11,669,132</b>	<b>9,245,210</b>	<b>9,202,038</b>
<b>Total Revenues</b>	<b>68,395,140</b>	<b>68,940,603</b>	<b>62,743,199</b>	<b>60,913,510</b>
Operating expenses:				
Personal services	8,417,255	8,002,625	7,736,677	7,593,852
Maintenance, operations, and contractual services	14,800,764	13,888,354	13,721,815	13,925,529
Materials and supplies	1,328,835	1,398,612	1,355,518	1,255,003
Depreciation	21,238,540	21,571,778	20,514,004	19,588,271
<b>Total operating expenses</b>	<b>45,785,394</b>	<b>44,861,369</b>	<b>43,328,014</b>	<b>42,362,655</b>
Nonoperating expenses:				
Interest expense	6,524,914	8,389,506	9,362,559	10,438,253
Amortization	140,548	152,881	130,897	149,641
Payments to City funds	-	-	-	-
Other expenses	-	-	-	49,790
<b>Total nonoperating expenses</b>	<b>6,665,462</b>	<b>8,542,387</b>	<b>9,493,456</b>	<b>10,637,684</b>
<b>Total Expenses</b>	<b>52,450,856</b>	<b>53,403,756</b>	<b>52,821,470</b>	<b>53,000,339</b>
Capital contributions, grants	7,505,159	5,804,051	8,907,338	8,515,369
Capital contributions, other	-	-	-	-
Donated Assets	(2,872,287)	-	-	-
Transfers from City funds	-	-	-	399,928
<b>Increase in Net Assets</b>	<b>\$ 20,577,156</b>	<b>\$ 21,340,898</b>	<b>\$ 18,829,067</b>	<b>\$ 16,828,468</b>
<b>Net Assets at Year-End</b>				
Invested in capital assets, net of related debt	296,325,773	282,438,969	271,640,181	254,446,734
Restricted for capital assets	861,658	1,571,566	2,131,661	584,728
Restricted for debt service	26,104,542	25,473,781	24,626,588	24,276,528
Restricted for maintenance	19,840,192	17,421,223	17,481,646	19,347,857
Unrestricted	81,758,888	77,408,358	67,092,923	65,488,085
<b>Total Net Assets</b>	<b>\$ 424,891,053</b>	<b>\$ 404,313,897</b>	<b>\$ 382,972,999</b>	<b>\$ 364,143,932</b>

	2008	2007	2006	2005	2004	2003
\$	6,383,195	\$ 5,897,784	\$ 5,847,250	\$ 4,884,888	\$ 4,412,357	\$ 4,257,115
	2,722,124	2,354,284	2,164,130	2,092,902	1,671,016	1,480,124
	24,735,971	24,919,930	24,216,719	26,229,689	26,372,040	26,096,922
	6,965,859	6,461,347	6,177,511	5,702,567	5,311,712	5,202,983
	1,805,081	1,546,083	1,230,150	997,634	913,583	667,264
	3,763,254	3,373,730	3,213,692	3,021,007	2,911,547	3,033,242
	1,220,212	1,197,440	1,147,516	1,153,717	1,079,452	1,048,965
	5,598,690	5,623,058	4,852,648	3,955,068	3,840,865	3,776,111
	1,272,205	1,115,501	1,011,490	810,670	631,886	1,687,416
	<u>54,466,591</u>	<u>52,489,157</u>	<u>49,861,106</u>	<u>48,848,142</u>	<u>47,144,458</u>	<u>47,250,142</u>
	4,478,824	5,145,526	4,017,827	2,756,925	1,409,586	3,631,934
	3,493,361	2,617,649	2,909,454	2,302,883	2,067,112	2,276,120
	5,133,202	4,912,518	4,867,999	4,629,911	4,445,641	4,315,374
	334,194	-	-	-	-	310,197
	-	-	-	17,150	-	13,711
	<u>13,439,581</u>	<u>12,675,693</u>	<u>11,795,280</u>	<u>9,706,869</u>	<u>7,922,339</u>	<u>10,547,336</u>
	<u>67,906,172</u>	<u>65,164,850</u>	<u>61,656,386</u>	<u>58,555,011</u>	<u>55,066,797</u>	<u>57,797,478</u>
	6,332,528	6,096,608	5,672,069	5,295,050	5,154,289	5,004,080
	13,391,437	13,144,287	12,755,681	11,453,417	11,145,761	11,918,518
	1,361,037	1,183,468	1,006,828	768,362	790,137	730,782
	20,251,446	18,863,700	16,938,503	15,385,675	15,185,918	17,433,350
	<u>41,336,448</u>	<u>39,288,063</u>	<u>36,373,081</u>	<u>32,902,504</u>	<u>32,276,105</u>	<u>35,086,730</u>
	12,342,311	12,827,853	13,728,584	14,171,846	11,620,299	14,494,144
	171,600	208,773	267,479	298,335	326,632	248,553
	-	-	503,982	477,259	-	534,654
	69,296	53,546	-	36,708	12,859	-
	<u>12,583,207</u>	<u>13,090,172</u>	<u>14,500,045</u>	<u>14,984,148</u>	<u>11,959,790</u>	<u>15,277,351</u>
	<u>53,919,655</u>	<u>52,378,235</u>	<u>50,873,126</u>	<u>47,886,652</u>	<u>44,235,895</u>	<u>50,364,081</u>
	5,282,612	4,737,308	9,503,209	11,915,433	5,517,821	5,625,360
	-	-	-	-	-	100,000
	-	-	-	-	-	-
\$	<u>19,269,129</u>	<u>17,523,923</u>	<u>20,286,469</u>	<u>16,348,723</u>	<u>13,158,757</u>	<u>13,158,757</u>
	236,903,699	228,854,505	219,177,904	191,845,421	168,555,751	147,150,262
	1,438,995	1,431,995	1,417,162	1,078,176	2,231,485	5,522,948
	24,656,966	24,983,267	24,762,413	28,583,408	26,667,581	25,106,286
	19,964,075	16,914,353	13,534,860	16,801,004	17,451,087	16,123,648
	64,351,729	55,862,215	51,630,073	51,904,359	52,722,672	57,376,709
\$	<u>347,315,464</u>	<u>328,046,335</u>	<u>310,522,412</u>	<u>290,212,368</u>	<u>267,628,576</u>	<u>251,279,853</u>

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Changes in Cash and Cash Equivalents

*Last ten fiscal years*

	2012	2011	2010	2009
Cash flows from operating activities:				
Cash received from charges	\$ 55,525,812	\$ 57,229,152	\$ 53,270,391	\$ 52,133,024
Cash received from oil and gas royalties	2,950,211	2,893,522	2,487,445	2,620,596
Cash payments to suppliers for goods and services	(16,361,719)	(15,490,738)	(14,843,942)	(14,758,225)
Cash payments to employees and professional contractors for services	(8,250,041)	(7,785,452)	(7,208,653)	(7,122,127)
Net cash provided by operating activities	33,864,263	36,846,484	33,705,241	32,873,268
Cash flows from noncapital financing activities:				
Operating grants received	670,184	181,695	448,185	440,965
Other non-operating revenue	35,707	-	-	-
Liquidated Damages	-	390,000	-	-
Payments from City funds	-	-	-	399,928
Net cash provided (used) by noncapital financing activities	705,891	571,695	448,185	840,893
Cash flows from capital and related financing activities:				
Intergovernmental advance	(7,712,012)	598,594	(413,885)	(2,773,442)
Advance Payable - Gulfstream	(325,478)	394,721	-	-
Acquisition and construction of capital assets	(18,192,283)	(11,937,224)	(22,142,436)	(26,949,346)
Capital grants received	7,337,406	6,884,162	5,956,333	10,316,195
Capital contributions	-	-	1,034,233	-
Interest paid on bonds	(7,146,344)	(9,562,443)	(10,438,945)	(11,653,499)
Principal paid on bonds	(17,740,000)	(17,655,000)	(17,770,000)	(17,960,000)
Proceeds from sale of capital assets	34,735	32,225	18,773	37,300
Deferred revenue	-	2,861,803	-	-
Bond redemption	-	(2,980,000)	-	-
Proceeds from bond refunding	-	29,843,387	-	-
Transfer to sinking fund	-	437,206	-	-
Bond issuance costs	-	(312,151)	-	-
Transfer to escrow agent	-	(29,958,335)	-	-
Passenger facility charges	7,134,987	7,040,874	5,036,184	4,369,831
Net cash used by capital and related financing activities	(36,608,989)	(24,312,181)	(38,719,743)	(44,612,961)
Cash flows from investing activities:				
Interest on investments	578,692	633,317	727,822	1,156,471
Proceeds from sale of investments	25,308,000	50,308,000	72,776,134	102,764,606
Purchase of investments	(24,261,607)	(63,889,267)	(68,237,451)	(93,272,929)
Change in pooled investments	435,196	410,463	198,156	(554,175)
Net cash provided (used) by investing activities	2,060,281	(12,537,487)	5,464,661	10,093,973
Net increase (decrease) in cash and cash equivalents	21,446	568,511	898,344	(804,827)
Cash, beginning of year (1)	1,797,694	1,229,183	330,839	1,135,666
Cash, end of year (1) (2)	\$ 1,819,140	\$ 1,797,694	\$ 1,229,183	\$ 330,839

(1) GASB Statement 40 was implemented July 1, 2003. Cash and Cash Equivalents prior to fiscal year 2004 have been restated in conformance with GASB 40.

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

	2008	2007	2006	2005	2004	2003
\$	54,806,188	\$ 52,093,772	\$ 49,738,215	\$ 48,655,048	\$ 47,482,151	\$ 47,655,990
	3,289,450	2,648,383	2,837,474	2,252,558	2,174,419	2,200,859
	(15,115,075)	(13,908,383)	(13,744,335)	(12,220,258)	(12,036,108)	(13,445,578)
	(6,097,545)	(6,019,233)	(5,628,566)	(5,346,945)	(5,034,119)	(4,972,194)
	<u>36,883,018</u>	<u>34,814,539</u>	<u>33,202,788</u>	<u>33,340,403</u>	<u>32,586,343</u>	<u>31,439,077</u>
	259,793	-	-	-	-	310,197
	-	-	-	-	(233,220)	-
	-	-	-	-	-	-
	-	-	(503,982)	(477,259)	-	(534,654)
	<u>259,793</u>	<u>-</u>	<u>(503,982)</u>	<u>(477,259)</u>	<u>(233,220)</u>	<u>(224,457)</u>
	(1,490,751)	-	-	-	-	-
	-	-	-	-	-	-
	(17,306,389)	(17,660,820)	(35,942,010)	(30,469,046)	(24,844,233)	(47,313,061)
	2,696,592	8,766,325	6,541,793	11,084,606	5,262,515	5,631,014
	-	-	-	-	-	100,000
	(12,525,028)	(13,374,520)	(14,570,965)	(15,699,080)	(16,748,792)	(18,345,258)
	(18,045,000)	(16,820,000)	(19,200,000)	(17,360,000)	(16,185,000)	(14,730,000)
	18,700	-	23,575	17,150	2,500	14,316
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	55,194,967	-	-	-	27,101,124
	-	(646,616)	-	-	(603)	(385,408)
	(538)	-	-	-	-	-
	-	(36,748,792)	-	-	-	(27,430,150)
	5,180,881	4,986,107	4,816,174	4,558,857	4,447,999	4,475,998
	<u>(41,471,533)</u>	<u>(16,303,349)</u>	<u>(58,331,433)</u>	<u>(47,867,513)</u>	<u>(48,065,614)</u>	<u>(70,881,425)</u>
	2,895,503	5,057,568	3,857,886	2,426,869	2,571,750	2,857,385
	141,700,565	251,568,471	271,216,085	132,814,880	40,533,091	41,997,433
	(139,663,981)	(275,191,280)	(249,082,422)	(120,469,332)	(27,612,222)	(4,561,415)
	(9,542)	(2,020,884)	-	-	-	-
	<u>4,922,545</u>	<u>(20,586,125)</u>	<u>25,991,549</u>	<u>14,772,417</u>	<u>15,492,619</u>	<u>40,293,403</u>
	593,823	(2,074,935)	358,922	(231,952)	(219,872)	626,598
	<u>541,843</u>	<u>2,616,778</u>	<u>2,257,856</u>	<u>2,489,808</u>	<u>2,709,680</u>	<u>2,083,082</u>
\$	<u>1,135,666</u>	<u>\$ 541,843</u>	<u>\$ 2,616,778</u>	<u>\$ 2,257,856</u>	<u>\$ 2,489,808</u>	<u>\$ 2,709,680</u>



# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Revenue Sources

*Last ten fiscal years*

	2012	2011	2010	2009
Passenger airline revenue:				
Landing fees	\$ 6,244,742	\$ 6,317,473	\$ 5,885,713	\$ 4,993,203
Terminal rental	2,353,052	2,215,677	2,427,239	2,169,804
Bag claim area	1,062,211	1,015,831	909,833	887,174
Ground Rental (3)	4,875	3,500	-	-
Airport gate fee	29,990	52,858	50,109	41,189
Passenger boarding bridges	188,640	198,117	203,344	186,692
Scheduled airline aviation fuel (4)	-	-	293,669	334,010
Utilities	149,575	146,321	132,883	167,276
Security	624,176	529,690	468,439	698,380
Total passenger airline revenue	<u>10,657,261</u>	<u>10,479,467</u>	<u>10,371,229</u>	<u>9,477,728</u>
Other aeronautical revenue:				
Landing fees-freighters	590,428	607,357	591,479	606,233
Apron rental	-	-	-	25,002
Apron maintenance	174,384	202,400	223,090	224,058
Nonscheduled aviation fuel	1,741,585	1,589,017	1,178,958	1,148,621
Utilities	-	-	-	-
Cargo building rental	194,649	204,575	183,189	165,097
Hangar rental	1,233,081	2,195,059	2,094,294	2,110,489
Ground rental	1,210,034	1,054,838	936,255	911,574
Maintenance fees	340,699	358,323	335,491	335,312
Insurance fees	50,078	44,704	41,814	41,255
Other aeronautical revenue	44,746	44,204	45,017	45,288
Security Reimburse from Federal Gov't (2)	403,054	440,268	-	-
Total other aeronautical revenue	<u>5,982,738</u>	<u>6,740,745</u>	<u>5,629,587</u>	<u>5,612,929</u>
Total aeronautical revenue	16,639,999	17,220,212	16,000,816	15,090,657
Nonaeronautical revenue:				
Building rentals-Separate Lease facilities	10,243,902	10,243,902	10,243,902	10,243,902
Building rentals-Senior Lien facilities	1,386,931	4,181,971	5,750,397	6,543,246
Building rentals-other facilities	647,418	1,837,826	816,155	1,192,099
Concessions	1,793,225	1,937,187	1,852,376	1,781,462
Parking	9,804,277	9,259,742	7,624,268	6,483,384
Rental car commissions	4,979,821	4,565,970	3,914,401	3,837,845
Maintenance, utility, insurance fees	10,565,958	6,933,846	5,898,767	5,102,702
Other nonaeronautical revenue	1,604,812	1,531,083	1,396,907	1,422,410
Total nonaeronautical revenue	<u>41,026,344</u>	<u>40,491,527</u>	<u>37,497,173</u>	<u>36,607,050</u>
Nonoperating revenue:				
Investment income	647,962	818,288	1,018,916	1,930,101
Revenues from natural resources	2,820,798	2,968,830	2,567,709	2,341,859
Passenger facility charges	7,210,909	7,055,522	5,170,911	4,489,113
Other nonoperating revenue	52,262	386,224	487,674	492,030
Total nonoperating revenue	<u>10,731,931</u>	<u>11,228,864</u>	<u>9,245,210</u>	<u>9,253,103</u>
Total revenue (1)	\$ 68,398,274	\$ 68,940,603	\$ 62,743,199	\$ 60,950,810
Capital contributions, grants (2)	7,505,159	5,804,051	8,907,338	8,515,369
Transfers from City funds	-	-	-	399,928
Total revenues and contributions	<u>\$ 75,903,433</u>	<u>\$ 74,744,654</u>	<u>\$ 71,650,537</u>	<u>\$ 69,866,107</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 Nonoperating 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.

	2008	2007	2006	2005	2004	2003
\$	5,805,095	\$ 5,390,835	\$ 5,377,443	\$ 4,482,991	\$ 4,049,688	\$ 3,911,680
	2,681,449	2,251,135	1,654,027	1,352,555	1,503,415	1,010,708
	850,278	692,345	693,994	669,728	643,002	631,783
	114,060	18,263	-	15,578	53,130	-
	133,492	95,081	62,234	28,095	12,727	-
	377,519	346,318	246,656	236,797	250,674	282,823
	136,428	156,019	231,627	56,131	27,527	-
	883,290	679,031	685,470	685,523	329,468	268,553
	<u>10,981,611</u>	<u>9,629,027</u>	<u>8,951,451</u>	<u>7,527,398</u>	<u>6,869,631</u>	<u>6,105,547</u>
	578,100	506,949	469,807	401,897	362,669	345,435
	100,008	100,008	100,008	100,008	100,008	122,488
	218,575	206,411	204,920	207,029	205,554	196,748
	1,361,306	1,228,927	1,131,995	1,070,574	990,866	806,260
	-	-	44,725	45,208	52,795	41,194
	220,879	210,345	204,994	208,921	186,248	196,483
	2,157,271	2,286,737	2,265,059	2,305,189	2,236,082	2,196,371
	877,800	794,146	801,033	815,741	739,607	693,429
	343,859	349,074	341,816	339,623	294,010	301,460
	46,919	66,077	63,762	53,303	43,774	38,380
	45,288	45,288	40,101	40,572	35,853	8,744
	<u>5,950,005</u>	<u>5,793,962</u>	<u>5,668,220</u>	<u>5,588,065</u>	<u>5,247,466</u>	<u>4,946,992</u>
	16,931,616	15,422,989	14,619,671	13,115,463	12,117,097	11,052,539
	10,243,902	10,243,902	10,243,902	10,243,902	10,243,902	10,243,902
	6,543,246	6,543,246	6,543,246	8,867,886	8,950,191	9,205,959
	1,424,509	2,198,914	2,514,794	2,503,367	2,513,448	2,611,716
	2,053,674	1,801,348	1,473,332	1,213,633	1,095,037	1,010,562
	6,621,341	6,149,921	6,177,512	5,702,567	5,311,713	5,202,983
	4,279,621	3,872,044	3,213,692	3,021,007	2,911,547	3,033,242
	4,755,315	4,745,650	3,880,548	3,129,281	3,142,894	3,154,131
	1,608,867	1,511,143	1,077,370	911,717	742,344	1,629,954
	<u>37,530,475</u>	<u>37,066,168</u>	<u>35,124,396</u>	<u>35,593,360</u>	<u>34,911,076</u>	<u>36,092,449</u>
	4,478,824	5,145,526	4,017,827	2,756,925	1,409,586	3,631,934
	3,493,361	2,617,649	3,026,493	2,442,202	2,183,397	2,381,274
	5,133,202	4,912,518	4,867,999	4,629,911	4,445,641	4,315,374
	338,694	-	23,575	17,150	-	13,711
	<u>13,444,081</u>	<u>12,675,693</u>	<u>11,935,894</u>	<u>9,846,188</u>	<u>8,038,624</u>	<u>10,342,293</u>
\$	67,906,172	\$ 65,164,850	\$ 61,679,961	\$ 58,555,011	\$ 55,066,797	\$ 57,487,281
	5,282,612	4,737,308	9,503,209	11,915,433	5,517,821	5,935,557
	-	-	-	-	-	-
\$	<u>73,188,784</u>	<u>69,902,158</u>	<u>71,183,170</u>	<u>70,470,444</u>	<u>60,584,618</u>	<u>63,422,838</u>

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Principal Revenue Sources

*Last ten fiscal years*

	2012	2011	2010	2009
Principal revenues sources:				
Building rentals-separate lease facilities (1)	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902
Passenger airline revenue (2)	10,657,261	10,784,570	10,371,229	9,477,728
Building rentals-senior lien facilities (3)	1,386,931	4,181,971	5,750,397	6,543,246
Parking (4)	9,804,277	9,259,742	7,624,268	6,483,384
Maintenance fees (5)	11,213,097	6,401,134	6,032,131	5,175,285
Passenger facility charges (PFC) (6)	7,210,909	7,055,522	5,170,911	4,489,113
Interest income (7)	647,960	818,288	1,018,916	1,930,101
Total principal revenue sources	<u>\$ 51,164,337</u>	<u>\$ 48,745,129</u>	<u>\$ 46,211,754</u>	<u>\$ 44,342,759</u>
Total revenues	\$ 68,398,274	\$ 68,940,603	\$ 62,743,199	\$ 60,950,810
Percentage of principal revenues to total revenues:				
Building rentals-separate lease facilities (1)	15.0%	14.9%	16.3%	16.8%
Passenger airline revenue (2)	15.6%	15.6%	16.5%	15.5%
Building rentals-senior lien facilities (3)	2.0%	6.1%	9.2%	10.7%
Parking (4)	14.3%	13.4%	12.2%	10.6%
Maintenance fees (5)	16.4%	9.3%	9.6%	8.5%
Passenger facility charges (PFC) (6)	10.5%	10.2%	8.2%	7.4%
Interest income (7)	0.9%	1.2%	1.6%	3.2%
Total principal revenue percentages	<u>74.7%</u>	<u>70.7%</u>	<u>73.6%</u>	<u>72.7%</u>
(1) The lease on the Separate Lease Registry Building facility requires the Federal government to provide rentals in equal monthly installments sufficient to fully amortize debt service on the Separate Lease Registry bonds. 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	1,824,313	1,748,379	1,694,060	1,730,874
Airline revenue per enplaned passenger	\$5.84	\$6.17	\$6.12	\$5.48
Percentage of airline revenues - airfield charges	58.6%	57.3%	59.6%	56.2%
Percentage of airline revenues - terminal charges	41.4%	40.4%	40.4%	43.8%
(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	9,271,862	8,726,192	7,250,785	\$6,155,956
Number of revenue transactions	760,305	741,082	707,362	751,666
Public parking revenue per transaction	\$12.19	\$11.77	\$10.25	\$8.19
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 Parking 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	\$3.95	\$4.04	\$3.05	\$2.59
PFCs 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 27B and Junior Lien 29B debt service.				
(7) Average cash and investments	\$125,007,241	\$119,111,651	\$113,870,816	\$120,085,363
Average interest rate on cash and investments	0.5%	0.7%	0.9%	1.6%

	2008	2007	2006	2005	2004	2003
\$	10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902	\$ 10,243,902
	10,981,611	9,629,027	8,951,451	7,527,398	6,869,631	6,105,547
	6,543,246	6,543,246	6,543,246	8,867,886	8,950,191	9,205,959
	6,965,859	6,461,347	6,177,511	5,702,567	5,311,713	5,202,983
	5,023,248	4,922,160	4,142,423	3,388,664	3,361,931	3,394,733
	5,133,202	4,912,518	4,867,999	4,629,911	4,445,641	4,315,374
	4,478,824	5,145,526	4,017,827	2,756,925	1,409,586	3,631,934
\$	<u>49,369,892</u>	<u>47,857,726</u>	<u>44,944,359</u>	<u>43,117,253</u>	<u>40,592,595</u>	<u>42,100,432</u>
\$	67,906,172	\$ 65,164,850	\$ 61,679,961	\$ 58,555,011	\$ 55,066,797	\$ 57,487,281
	15.1%	15.7%	16.6%	17.5%	18.6%	17.8%
	16.2%	14.8%	14.5%	12.9%	12.5%	10.6%
	9.6%	10.0%	10.6%	15.1%	16.3%	16.0%
	10.3%	9.9%	10.0%	9.7%	9.6%	9.1%
	7.4%	7.6%	6.7%	5.8%	6.1%	5.9%
	7.6%	7.5%	7.9%	7.9%	8.1%	7.5%
	6.6%	7.9%	6.5%	4.7%	2.6%	6.3%
	<u>72.8%</u>	<u>73.4%</u>	<u>72.8%</u>	<u>73.6%</u>	<u>73.8%</u>	<u>73.2%</u>
	1,913,747	1,799,199	1,809,354	1,736,722	1,666,115	1,604,358
	\$5.74	\$5.35	\$4.95	\$4.33	\$4.12	\$3.81
	56.3%	59.6%	62.8%	62.7%	62.6%	68.7%
	43.7%	40.4%	37.2%	37.3%	37.4%	31.3%
	\$6,621,342	\$6,152,487	\$5,868,099	\$5,396,109	\$5,011,291	\$4,908,731
	847,652	868,402	894,998	896,533	891,077	781,426
	\$7.81	\$7.08	\$6.56	\$6.02	\$5.62	\$6.28
	\$2.68	\$2.73	\$2.69	\$2.67	\$2.67	\$2.69
	\$124,395,231	\$112,293,079	\$111,124,453	\$87,421,473	\$100,662,241	\$166,533,163
	3.6%	4.6%	3.6%	3.2%	1.4%	2.2%

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Schedule of Bond Debt Service Coverage

*Last ten fiscal years*

	2012	2011	2010	2009
Gross revenues	\$ 75,900,300	\$ 74,744,654	\$ 71,650,537	\$ 69,779,017
Adjustments per Original Bond Indenture (1)	<u>(25,389,422)</u>	<u>(23,254,441)</u>	<u>(24,478,948)</u>	<u>(23,609,461)</u>
Gross revenues as provided in the Original Bond Indenture	<u>50,510,878</u>	<u>51,490,213</u>	<u>47,171,589</u>	<u>46,169,556</u>
Expenses per Original Bond Indenture	24,546,088	23,289,591	22,814,010	22,774,383
Adjustments per Original Bond Indenture (2)	<u>(83,154)</u>	<u>(199,409)</u>	<u>(84,654)</u>	<u>(56,404)</u>
Expenses net of adjustments as provided in the Original Bond Indenture	<u>24,462,934</u>	<u>23,090,182</u>	<u>22,729,356</u>	<u>22,717,979</u>
Net revenues	26,047,944	28,400,031	24,442,233	23,451,577
Transfers from escrow	-	-	-	-
Total available for debt service coverage	<u>\$ 26,047,944</u>	<u>\$ 28,400,031</u>	<u>\$ 24,442,233</u>	<u>\$ 23,451,577</u>
Senior Lien debt service requirements	\$ 4,970,480	\$ 5,468,770	\$ 6,345,286	\$ 6,358,423
Bank fees	<u>2,000</u>	<u>2,000</u>	<u>2,165</u>	<u>2,642</u>
Net Senior Lien debt service requirements	<u>4,972,480</u>	<u>5,470,770</u>	<u>6,347,451</u>	<u>6,361,065</u>
Available for Junior Lien requirements	21,075,464	22,929,261	18,094,782	17,090,512
Passenger Facility Charge (PFC) revenue available for Junior Lien debt service requirements	5,562,547	5,879,865	4,315,968	5,414,299
Total available for Junior Lien debt requirements	<u>\$ 26,638,011</u>	<u>\$ 28,809,126</u>	<u>\$ 22,410,750</u>	<u>\$ 22,504,811</u>
Junior Lien requirements	\$ 4,541,507	\$ 5,581,918	\$ 7,537,333	\$ 7,806,070
PFC backed revenue bond debt	5,562,547	5,879,865	4,315,968	5,414,299
Bank fees	11,993	12,386	14,862	16,469
Capitalized interest available (3)	-	-	-	-
Net Junior Lien debt service requirements	<u>\$ 10,116,047</u>	<u>\$ 11,474,169</u>	<u>\$ 11,868,163</u>	<u>\$ 13,236,838</u>
Senior Lien debt service coverage				
Gross	10.16	9.41	7.43	7.26
Net	5.24	5.19	3.85	3.69
Junior Lien debt service coverage				
Gross	5.05	4.52	3.80	3.42
Net	2.63	2.51	1.89	1.70
Junior Lien gross debt coverage requirement (4)	1.50	1.50	1.50	1.50
Junior Lien gross debt coverage margin	3.55	3.02	2.30	1.92

- (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.

	2008	2007	2006	2005	2004	2003
\$	73,207,484	\$ 69,902,158	\$ 71,183,171	\$ 70,470,444	\$ 60,587,116	\$ 63,522,837
	<u>(21,779,800)</u>	<u>(21,040,781)</u>	<u>(25,543,207)</u>	<u>(27,479,165)</u>	<u>(20,718,861)</u>	<u>(21,951,647)</u>
	<u>51,427,684</u>	<u>48,861,377</u>	<u>45,639,964</u>	<u>42,991,279</u>	<u>39,868,255</u>	<u>41,571,190</u>
	21,085,002	20,424,364	19,434,578	17,516,829	17,090,187	17,653,380
	<u>(87,907)</u>	<u>(66,314)</u>	<u>(51,274)</u>	<u>(54,755)</u>	<u>(67,853)</u>	<u>(85,037)</u>
	<u>20,997,095</u>	<u>20,358,050</u>	<u>19,383,304</u>	<u>17,462,074</u>	<u>17,022,334</u>	<u>17,568,343</u>
	30,430,589	28,503,327	26,256,660	25,529,205	22,845,921	24,002,847
	<u>550,520</u>	<u>550,520</u>	<u>550,520</u>	<u>550,520</u>	<u>550,520</u>	<u>550,520</u>
\$	<u>30,981,109</u>	<u>29,053,847</u>	<u>26,807,180</u>	<u>26,079,725</u>	<u>23,396,441</u>	<u>24,553,367</u>
\$	6,371,648	\$ 6,385,232	\$ 8,303,903	\$ 8,728,158	\$ 8,735,220	\$ 8,981,126
	<u>3,088</u>	<u>3,539</u>	<u>4,940</u>	<u>5,691</u>	<u>6,166</u>	<u>6,632</u>
	<u>6,374,736</u>	<u>6,388,771</u>	<u>8,308,843</u>	<u>8,733,849</u>	<u>8,741,386</u>	<u>8,987,758</u>
	24,606,373	22,665,076	18,498,337	17,345,876	14,655,055	15,565,609
	<u>5,360,713</u>	<u>5,306,513</u>	<u>5,204,950</u>	<u>5,102,588</u>	<u>5,000,712</u>	<u>4,904,963</u>
\$	<u>29,967,086</u>	<u>27,971,589</u>	<u>23,703,287</u>	<u>22,448,464</u>	<u>19,655,767</u>	<u>20,470,572</u>
\$	8,792,153	\$ 8,436,288	\$ 10,186,661	\$ 9,132,888	\$ 9,087,668	\$ 9,327,662
	5,360,713	5,306,513	5,204,950	5,102,588	5,000,712	4,904,963
	18,947	19,027	18,764	19,173	19,615	20,457
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,675,775)</u>	<u>(1,675,775)</u>	<u>(1,675,775)</u>
\$	<u>14,171,813</u>	<u>13,761,828</u>	<u>15,410,375</u>	<u>12,578,874</u>	<u>12,432,220</u>	<u>12,577,307</u>
	8.07	7.65	5.49	4.92	4.56	4.63
	4.86	4.55	3.23	2.99	2.68	2.73
	3.56	3.47	2.76	3.13	2.91	2.98
	2.11	2.03	1.54	1.78	1.58	1.63
	1.50	1.50	1.50	1.50	1.50	1.50
	2.06	1.97	1.26	1.63	1.41	1.48

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Debt Ratios

### Last ten fiscal years

	2012	2011	2010
<b>Junior Lien (JL) Bonds - Passenger Use Facilities:</b>			
17 Air Cargo, Parking Garage, Tunnel, Surface Lot	\$ -	\$ -	\$ -
18 Terminal Renovation	-	-	-
22B Terminal, Air Cargo, Parking Garage	-	-	845,000
27A Terminal Renovation/Expansion	-	-	-
27B Terminal Renovation/Expansion	-	4,695,000	38,185,000
28 Parking Garage, Tunnel, Surface Lot	-	-	-
29A 5 Story Parking Garage	18,785,000	19,695,000	20,575,000
29B Terminal Renovation/Expansion	31,760,000	31,760,000	31,760,000
30 Terminal Renovation/Expansion	28,565,000	28,675,000	
Total JL Bonds - Passenger Use Facilities	\$ 79,110,000	\$ 84,825,000	\$ 91,365,000
Percentage of Total Outstanding Debt	69.7%	64.6%	59.7%
Enplaned Passengers	1,824,313	1,748,379	1,694,060
Debt per Enplaned Passenger (1)	\$43.36	\$48.52	\$53.93
<b>Junior Lien Bonds - Other Facilities:</b>			
21 Gulfstream Complex	-	-	-
22A Metro-Tech Aviation Career Center	-	-	-
23 5300 Portland Building	340,000	440,000	535,000
24 AAR Hangar 3A	-	-	3,325,000
25 US Customs Service	-	-	-
26 US Marshals Service	715,000	1,395,000	2,035,000
Total JL Bonds - Other Facilities	\$ 1,055,000	\$ 1,835,000	\$ 5,895,000
Percentage of Total Outstanding Debt	0.9%	1.4%	3.9%
Percentage rentals to outstanding debt (2)	92.8%	92.8%	92.8%
<b>Senior Lien Bonds - Mike Monroney Aeronautical Center</b>			
	\$ 4,810,000	\$ 9,340,000	\$ 14,080,000
Percentage of Total Outstanding Debt	4.2%	7.1%	9.2%
Percentage rentals to outstanding debt (3)	100.0%	100.0%	100.0%
<b>Total Junior and Senior Lien Bonds</b>	<b>\$ 84,975,000</b>	<b>\$ 96,000,000</b>	<b>\$ 111,340,000</b>
<b>Total Debt per Enplaned Passenger</b>	<b>\$46.58</b>	<b>\$54.91</b>	<b>\$65.72</b>
<b>Separate Lease Bonds</b>			
	\$ 28,595,000	\$ 35,310,000	\$ 41,595,000
Percentage of Total Outstanding Debt	25.2%	26.9%	27.2%
Percentage rentals to outstanding debt (4)	100.0%	100.0%	100.0%
<b>Total Outstanding Debt</b>	<b>\$ 113,570,000</b>	<b>\$ 131,310,000</b>	<b>\$ 152,935,000</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.



	2009	2008	2007	2006	2005	2004	2003
\$	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,050,000	1,270,000	1,480,000	1,680,000	1,870,000	2,050,000	2,205,000
	-	-	-	35,520,000	35,520,000	35,520,000	35,520,000
	42,395,000	46,380,000	50,045,000	53,405,000	56,490,000	58,245,000	59,815,000
	-	1,675,000	3,265,000	4,785,000	7,940,000	10,965,000	13,850,000
	21,420,000	21,420,000	21,420,000	-	-	-	-
	31,760,000	31,760,000	31,760,000	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>96,625,000</u>	<u>102,505,000</u>	<u>107,970,000</u>	<u>95,390,000</u>	<u>101,820,000</u>	<u>106,780,000</u>	<u>111,390,000</u>
	56.6%	54.3%	52.2%	45.0%	45.2%	44.0%	43.1%
	1,730,874	1,913,747	1,799,119	1,809,354	1,736,722	1,666,115	1,604,358
	\$55.82	\$53.56	\$60.01	\$52.72	\$58.63	\$64.09	\$69.43
\$	-	440,000	1,590,000	2,665,000	3,675,000	4,675,000	5,560,000
	-	-	590,000	1,150,000	1,690,000	2,200,000	2,690,000
	625,000	710,000	795,000	875,000	950,000	1,020,000	1,085,000
	3,650,000	3,960,000	4,255,000	4,535,000	4,805,000	5,060,000	5,305,000
	440,000	855,000	1,250,000	1,620,000	1,970,000	2,305,000	2,620,000
	2,640,000	3,210,000	3,750,000	4,260,000	4,745,000	5,205,000	5,640,000
\$	<u>7,355,000</u>	<u>9,175,000</u>	<u>12,230,000</u>	<u>15,105,000</u>	<u>17,835,000</u>	<u>20,465,000</u>	<u>22,900,000</u>
	4.3%	4.9%	5.9%	7.1%	7.9%	8.4%	8.9%
	94.1%	91.4%	88.2%	87.0%	86.3%	86.0%	85.8%
\$	19,385,000	24,385,000	29,105,000	39,590,000	39,590,000	45,675,000	51,440,000
	11.4%	12.9%	14.1%	18.7%	17.6%	18.8%	19.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$	<u>123,365,000</u>	<u>136,065,000</u>	<u>149,305,000</u>	<u>150,085,000</u>	<u>159,245,000</u>	<u>172,920,000</u>	<u>185,730,000</u>
	\$71.27	\$71.10	\$82.99	\$82.95	\$91.69	\$103.79	\$115.77
\$	47,340,000	52,600,000	57,405,000	61,805,000	65,825,000	69,510,000	72,885,000
	27.7%	27.9%	27.8%	29.2%	29.2%	28.7%	28.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
\$	<u>170,705,000</u>	<u>188,665,000</u>	<u>206,710,000</u>	<u>211,890,000</u>	<u>225,070,000</u>	<u>242,430,000</u>	<u>258,615,000</u>

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

<b>Fiscal Year End</b>	<b>Senior Lien Requirements</b>	<b>Junior Lien Requirements</b>	<b>Total Senior and Junior Lien Requirements</b>	<b>Separate Lease Revenue Bonds Requirements</b>
2013	4,960,480	10,555,703	15,516,183	9,785,913
2014	-	9,730,572	9,730,572	8,613,795
2015	-	9,579,674	9,579,674	15,049,860
2016	-	9,431,101	9,431,101	-
2017	-	9,428,354	9,428,354	-
2018	-	8,755,676	8,755,676	-
2019	-	9,094,976	9,094,976	-
2020	-	9,097,764	9,097,764	-
2021	-	9,096,439	9,096,439	-
2022	-	9,086,114	9,086,114	-
2023	-	1,670,073	1,670,073	-
2024	-	1,671,704	1,671,704	-
2025	-	1,670,861	1,670,861	-
2026	-	1,671,850	1,671,850	-
2027	-	1,674,440	1,674,440	-
	<u>\$ 4,960,480</u>	<u>\$ 102,215,301</u>	<u>\$ 107,175,781</u>	<u>\$ 33,449,568</u>

# OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

## Primary Origin and Destination Passenger Markets

*Last two fiscal years*

2012				2011			
Rank	Market	Trip Length (1)	Total O&D Passengers	Rank	Market	Trip Length (1)	Total O&D Passengers
1	Denver	SH	216,610	1	Houston (2)	SH	223,570
2	Las Vegas	MH	163,670	2	Denver	SH	165,230
3	Houston Hobby	SH	161,310	3	Los Angeles Basin (3)	LH	164,700
4	Phoenix	MH	105,930	4	Las Vegas	MH	162,690
5	Houston Bush	SH	97,070	5	Washington/Baltimore (4)	LH	149,990
6	Los Angeles	LH	90,060	6	New York/Newark (5)	LH	110,900
7	Baltimore/Washington	LH	87,000	7	Dallas/Ft. Worth (6)	SH	109,370
8	Orlando	LH	84,740	8	Chicago (7)	MH	103,040
9	Chicago O'Hare	MH	82,810	9	Phoenix	MH	93,760
10	Atlanta	MH	75,680	10	Orlando	LH	87,960
11	Love Field	SH	68,910	11	Atlanta	MH	69,140
12	Seattle/Tacoma	LH	62,120	12	Seattle	LH	64,290
13	St. Louis	SH	61,130	13	St. Louis	SH	60,300
14	New York La Guardia	LH	56,740	14	South Florida (8)	LH	59,420
15	San Diego	LH	55,650	15	San Francisco Bay Area (9)	LH	59,090
16	Dallas/Ft. Worth	SH	50,930	16	San Diego	LH	57,190
17	San Francisco	LH	50,310	17	San Antonio	SH	53,570
18	San Antonio	SH	50,190	18	Kansas City	SH	51,110
19	Newark	LH	48,010	19	Boston (10)	LH	46,280
20	Kansas City	SH	44,110	20	Tampa	LH	46,270

(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 Burbank, Long Beach, Los Angeles, Ontario, and Orange County

(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

Source: U.S. DOT, Origin-Destination Passenger Survey, via Data Base Products as of March 31, 2012

**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>2012</b>	<b>Percent</b>	<b>2011</b>	<b>Percent</b>	<b>2010</b>
<b>Aircraft Operations (1)</b>					
Commercial	55,944	43.83 %	54,662	43.26 %	54,890
Itinerant military	21,244	16.65	20,266	16.04	22,257
Local military	23,988	18.80	25,705	20.34	20,838
Itinerant civil	25,108	19.67	24,319	19.25	23,503
Local civil	1,342	1.05	1,396	1.10	1,443
Total operations	<u>127,626</u>	<u>100.00 %</u>	<u>126,348</u>	<u>100.00 %</u>	<u>122,931</u>
Change from previous year					
All operations	1.01%		2.78%		(11.47%)
Commercial operations	2.35%		(.42%)		(2.80%)
<b>Passenger Traffic</b>					
Enplanements	1,824,313		1,748,379		1,694,060
Deplanements	1,827,530		1,754,495		1,699,994
Total passengers	<u>3,651,843</u>		<u>3,502,874</u>		<u>3,394,054</u>
Change from previous year	4.25%		3.21%		(2.32%)
<b>Freight and Mail (in pounds)</b>					
Freight and mail - enplaned	29,857,754		29,289,537		31,390,686
Freight and mail - deplaned	40,113,944		38,630,696		36,871,022
Total freight and mail	<u>69,971,698</u>		<u>67,920,233</u>		<u>68,261,708</u>
Change from previous year	3.02%		(.50%)		(5.10%)
<b>Landed Weights (in thousand pounds)</b>					
Passenger airlines landed weights	<u>2,282,732</u>		<u>2,192,078</u>		<u>2,145,195</u>
Change from previous year	4.14%		2.19%		(1.16%)
<b>Wiley Post Airport</b>					
<b>Aircraft Operations (1)</b>					
Itinerant military	3,979	4.92	3,342	4.28	2,272
Local military	1,467	1.81	1,303	1.67	1,254
Itinerant civil	57,861	71.54	57,537	73.62	53,411
Local civil	17,567	21.72	15,975	20.43	12,584
Total operations	<u>80,874</u>	<u>100.00 %</u>	<u>78,157</u>	<u>100.00 %</u>	<u>69,521</u>
Change from previous year	3.48%		12.42%		(3.22%)

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

Source: Department of Airports Activity Reports

2009	2008	2007	2006	2005	2004	2003
56,470	68,362	61,100	61,414	60,624	63,482	64,000
26,654	18,063	13,197	11,377	11,819	33,899	46,261
27,472	18,020	15,523	10,068	7,181	8,976	9,007
27,053	25,462	23,036	24,597	26,565	29,344	39,916
1,208	1,130	1,174	862	1,795	2,853	3,958
<u>138,857</u>	<u>131,037</u>	<u>114,030</u>	<u>108,318</u>	<u>107,984</u>	<u>138,554</u>	<u>163,142</u>
5.97%	14.91%	5.27%	.31%	(22.06%)	(15.07%)	(8.29%)
(17.40%)	11.89%	(.51%)	1.30%	(4.50%)	(.81%)	11.95%
1,730,874	1,913,747	1,799,119	1,809,354	1,736,722	1,666,115	1,604,358
1,743,756	1,925,401	1,816,446	1,816,962	1,734,794	1,660,319	1,613,898
<u>3,474,630</u>	<u>3,839,148</u>	<u>3,615,565</u>	<u>3,626,316</u>	<u>3,471,516</u>	<u>3,326,434</u>	<u>3,218,256</u>
(9.49%)	6.18%	(.30%)	4.46%	4.36%	3.36%	2.26%
33,657,285	33,263,203	30,960,941	34,110,742	31,851,313	31,431,994	32,835,982
38,270,912	41,066,048	40,349,262	40,169,184	40,504,525	39,905,514	37,907,936
<u>71,928,197</u>	<u>74,329,251</u>	<u>71,310,203</u>	<u>74,279,926</u>	<u>72,355,838</u>	<u>71,337,508</u>	<u>70,743,918</u>
(3.23%)	4.23%	(4.00%)	2.66%	1.43%	0.84%	(21.31%)
2,170,470	2,521,879	2,279,261	2,320,190	2,284,303	2,440,195	2,564,602
(13.93%)	10.64%	(1.76%)	1.57%	(6.39%)	(4.85%)	4.18%
1,591	1,824	1,935	758	230	356	332
596	767	348	918	1,072	1,014	832
55,882	57,171	56,447	60,095	57,409	53,427	57,181
13,764	18,126	15,583	21,946	25,610	13,344	9,988
<u>71,833</u>	<u>77,888</u>	<u>74,313</u>	<u>83,717</u>	<u>84,321</u>	<u>68,141</u>	<u>68,333</u>
(7.77%)	4.81%	(11.23%)	(.72%)	23.74%	(.28%)	(21.69%)

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

<b>Passenger Airline Landings</b>	<b>2012</b>	<b>Percent</b>	<b>2011</b>	<b>Percent</b>	<b>2010</b>
Air Wisconsin	-	- %	-	- %	-
Allegiant Air	-	-	-	-	-
America West/US Airways	-	-	-	-	-
American	2,596	9.93	2,593	10.13	2,609
American Eagle	2,163	8.27	1,528	5.97	1,299
Atlantic Southeast	-	-	2,000	7.82	1,642
Champion	-	-	-	-	-
Chautauqua	17	0.07	272	1.06	854
Colgan Air	864	3.30	351	1.37	-
ComAir	29	0.11	624	2.44	350
Compass Airlines	227	0.87	96	0.38	14
Continental	499	1.91	2,376	9.29	3,004
Delta	640	2.45	242	0.95	21
ExpressJet	3,654	13.97	1,030	4.03	131
Freedom Airlines	-	-	-	-	139
Frontier	812	3.11	1,056	4.13	1,478
GoJet	572	2.19	847	3.31	771
Mesa	426	1.63	9	0.04	570
Mesaba Airlines	2	0.01	217	0.85	542
Northwest	-	-	-	-	819
Pinnacle Airlines	1,604	6.13	1,245	4.87	885
Republic	-	-	-	-	-
Sky West	3,572	13.66	3,205	12.52	2,775
Shuttle America	13	0.05	-	-	-
Southwest	7,211	27.58	7,075	27.65	6,555
Trans States	702	2.68	186	0.73	267
TWA, LLC	-	-	-	-	-
United	466	1.78	580	2.27	861
United Express/Atlantic Coast	-	-	-	-	-
Others	79	0.30	57	0.19	67
<b>Total passenger airline landings</b>	<b>26,148</b>	<b>100.00 %</b>	<b>25,589</b>	<b>100.00 %</b>	<b>25,653</b>
Change from previous year	2.18%		(.25%)		(1.11%)

Source: Department of Airports Activity Reports

2009	2008	2007	2006	2005	2004	2003
-	-	-	544	1,348	144	56
94	35	-	187	168	-	-
115	797	836	969	172	-	-
2,622	2,584	2,624	2,330	1,857	2,308	3,309
1,246	1,717	1,726	2,481	3,297	3,275	2,897
1,838	1,500	1,377	1,947	1,381	534	1,613
-	252	304	246	253	273	263
769	876	194	-	454	1,215	69
-	-	-	-	-	-	-
374	870	973	1,212	1,687	1,517	1,339
-	-	-	-	-	-	-
2,956	2,963	3,241	3,283	2,823	2,489	2,274
201	793	453	657	971	1,697	2,118
260	2,654	580	-	-	-	-
59	-	-	-	-	-	-
1,127	1,150	934	1,068	981	831	444
553	864	-	-	-	-	-
452	312	627	-	-	-	-
-	-	-	-	-	-	-
2,579	2,440	2,559	2,606	2,612	2,585	2,199
-	-	-	-	-	-	-
-	-	160	-	-	-	-
2,018	2,009	2,423	486	1,077	1,360	1,337
6,920	7,343	6,542	6,420	6,425	7,090	7,368
852	1,330	1,414	1,732	1,095	356	-
-	-	-	-	-	-	-
844	1,193	1,184	1,525	1,402	1,324	1,461
-	-	-	-	-	1,489	1,433
62	88	45	480	139	932	1,312
<u>25,941</u>	<u>31,770</u>	<u>28,196</u>	<u>28,173</u>	<u>28,142</u>	<u>29,419</u>	<u>29,492</u>
(18.35%)	12.68%	.08%	.11%	(4.34%)	(.25%)	7.83%



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

<b>Enplaned Passengers</b>	<b>2012</b>	<b>Percent</b>	<b>2011</b>	<b>Percent</b>	<b>2010</b>
Air Wisconsin	-	- %	-	- %	-
Allegiant Air	-	-	-	-	-
America West/US Airways	-	-	-	-	-
American	294,359	16.14	295,028	16.87	287,766
American Eagle	88,156	4.83	62,790	3.59	52,515
Atlantic Southeast	-	-	108,562	6.21	90,925
Champion	-	-	-	-	-
Chautauqua	655	0.04	9,066	0.52	28,767
Colgan Air	47,929	2.63	18,705	1.07	-
Comair	934	0.05	30,270	1.73	20,288
Compass	12,692	0.70	5,457	0.31	748
Continental	22,781	1.25	106,963	6.12	147,446
Delta	73,620	4.04	24,467	1.40	816
Express Jet	167,863	9.20	42,685	2.44	5,786
Freedom	-	-	-	-	5,478
Frontier	76,438	4.19	73,385	4.20	95,325
GoJet	27,386	1.50	42,526	2.43	41,021
Mesa	21,025	1.15	457	0.03	27,658
Mesaba	113	0.01	10,735	0.61	29,342
Northwest	-	-	-	-	34,795
Pinnacle	78,922	4.33	58,114	3.32	40,594
Republic	-	-	-	-	-
Skywest	172,196	9.44	162,416	9.29	132,477
Shuttle America	801	0.04	-	-	-
Southwest	658,425	36.09	631,813	36.14	559,696
Trans State	27,998	1.53	7,494	0.43	10,816
United	47,891	2.63	54,280	3.10	78,433
United Express/Atlantic Coast	-	-	-	-	-
Others	4,129	0.23	3,166	0.19	3,368
<b>Total enplaned passengers</b>	<b>1,824,313</b>	<b>100.00 %</b>	<b>1,748,379</b>	<b>100.00 %</b>	<b>1,694,060</b>
<b>Deplaned Passengers (1)</b>	<b>1,827,530</b>		<b>1,754,495</b>		<b>1,699,994</b>
<b>Total Passengers</b>	<b>3,651,843</b>		<b>3,502,874</b>		<b>3,394,054</b>
Change from previous year	4.25%		3.21%		(2.32%)

(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 by airline.

Source: Department of Airports Activity Reports

2009	2008	2007	2006	2005	2004	2003
-	-	-	24,566	57,022	6,386	2,617
11,462	4,985	-	20,040	17,340	-	-
7,169	52,067	52,266	58,474	8,340	-	-
296,583	278,771	271,921	238,701	189,409	211,041	268,307
52,434	76,320	80,640	111,058	145,950	139,679	121,562
88,462	73,069	72,303	108,897	64,817	16,888	34,237
-	37,180	43,881	39,031	39,543	41,139	39,204
28,857	36,096	8,358	-	17,197	41,666	2,956
-	-	-	-	-	-	-
16,305	35,878	43,468	50,630	69,351	59,996	49,233
-	-	-	-	-	-	-
151,808	151,965	167,798	165,651	143,763	132,287	123,457
20,041	50,638	43,777	61,293	83,881	133,669	159,107
10,482	73,205	8,626	-	-	-	-
8,994	-	-	-	-	-	-
91,347	68,864	45,338	50,380	46,961	36,829	22,567
28,509	40,981	-	-	-	-	-
23,547	15,253	26,531	-	-	-	-
-	-	-	-	-	-	-
111,064	107,572	118,244	123,989	138,735	126,399	109,219
-	-	-	-	-	-	-
-	-	8,853	-	-	-	-
102,934	93,898	117,169	23,298	46,879	52,240	46,176
-	-	-	-	-	-	-
559,129	559,988	527,050	511,986	489,227	462,601	441,888
32,981	49,822	55,179	65,386	44,568	14,982	-
85,745	103,240	105,191	136,227	126,026	116,203	117,656
-	-	-	-	-	55,714	52,496
3,021	3,955	2,526	19,747	7,713	18,396	13,676
<u>1,730,874</u>	<u>1,913,747</u>	<u>1,799,119</u>	<u>1,809,354</u>	<u>1,736,722</u>	<u>1,666,115</u>	<u>1,604,358</u>
<u>1,743,756</u>	<u>1,925,401</u>	<u>1,816,446</u>	<u>1,816,962</u>	<u>1,734,794</u>	<u>1,660,319</u>	<u>1,613,898</u>
<u>3,474,630</u>	<u>3,839,148</u>	<u>3,615,565</u>	<u>3,626,316</u>	<u>3,471,516</u>	<u>3,326,434</u>	<u>3,218,256</u>
(9.49%)	6.18%	(.30%)	4.46%	4.36%	3.36%	2.26%

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

Landed Weights (1)	2012	Percent	2011	Percent	2010
Air Wisconsin	-	- %	-	- %	-
Allegiant Air	-	-	-	-	-
America West/US Airways	-	-	-	-	-
American	329,821	14.45	329,716	15.04	333,235
American Eagle	126,976	5.56	76,063	3.47	56,937
Atlantic Southeast	-	-	134,298	6.13	102,678
Champion	-	-	-	-	-
Chautauqua	703	0.03	11,408	0.52	35,768
Colgan Air	53,568	2.35	21,762	0.99	-
Comair	1,363	0.06	33,949	1.55	22,586
Compass	17,007	0.74	7,196	0.33	985
Continental	22,769	1.00	115,990	5.29	163,690
Delta	89,780	3.93	33,564	1.53	3,407
ExpressJet	191,564	8.39	44,877	2.05	5,625
Freedom	-	-	-	-	5,914
Frontier	86,731	3.80	86,210	3.93	111,710
GoJet	38,324	1.68	56,749	2.59	51,657
Mesa	28,542	1.25	603	0.03	34,210
Mesaba	122	0.01	15,735	0.72	40,676
Northwest	-	-	-	-	40,491
Pinnacle	93,737	4.11	68,210	3.11	49,346
Republic	-	-	-	-	-
Skywest	223,186	9.78	207,804	9.48	159,985
Shuttle America	940	0.04	-	-	-
Southwest	871,776	38.19	851,700	38.85	791,046
Trans State	29,869	1.31	7,914	0.36	11,361
United	65,396	2.86	80,891	3.69	115,190
United Express/Atlantic Coast	-	-	-	-	-
Others	10,558	0.46	7,439	0.34	8,698
<b>Total landed weights</b>	<b>2,282,732</b>	<b>100.00 %</b>	<b>2,192,078</b>	<b>100.00 %</b>	<b>2,145,195</b>

Change from previous year                      4.14%    2.19%    (1.16%)

(1) In thousand pounds.

(2) Effective rates for the various years are:

Signatory Rates/1000 lbs.	Start Date	End Date
\$1.5407	01/01/03	12/31/03
\$1.6353	01/01/04	12/31/04
\$1.8150	01/01/05	12/31/05
\$2.2346	01/01/06	12/31/06
\$2.3128	01/01/07	12/31/07
\$2.4356	01/01/08	12/31/08
\$2.2422	01/01/09	12/31/09
\$2.5652	01/01/10	12/31/10
\$2.8505	01/01/11	12/31/11
\$2.8484	01/01/12	12/31/12

Source: Department of Airports Activity Reports

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
-	-	-	29,031	67,896	6,768	2,632
13,113	4,883	-	26,075	23,029	-	-
8,135	56,168	46,150	64,888	9,515	-	-
334,423	328,933	336,554	295,856	234,625	296,146	409,584
58,582	93,894	93,256	124,613	171,747	169,738	147,514
95,745	82,740	82,579	125,989	82,687	25,138	40,006
-	40,336	48,658	39,386	40,495	43,712	42,102
33,250	38,873	8,806	-	18,916	50,439	3,108
-	41,090	49,351	57,744	84,169	80,519	65,793
17,618	-	-	-	-	-	-
-	-	-	-	-	-	-
163,737	171,983	186,183	185,948	168,258	155,473	171,307
24,307	62,722	57,561	82,066	104,013	223,815	284,142
11,459	113,882	27,642	-	-	-	-
2,519	-	-	-	-	-	-
104,247	95,657	68,926	71,680	61,991	53,062	45,387
37,051	57,888	-	-	-	-	-
28,564	20,244	29,569	21,998	-	-	-
-	-	-	-	-	-	-
138,522	126,403	135,268	167,673	198,789	192,500	185,592
-	-	-	-	-	-	-
-	-	11,570	-	-	-	-
117,542	118,399	137,077	26,562	53,099	63,920	62,839
-	-	-	-	-	-	-
827,292	860,882	758,618	747,538	738,719	796,759	823,229
36,252	56,590	60,164	73,695	46,591	15,147	-
109,778	137,972	133,845	175,807	167,021	151,251	169,699
-	-	-	-	-	69,983	67,351
8,334	12,340	7,484	3,641	12,743	45,825	44,317
<u>2,170,470</u>	<u>2,521,879</u>	<u>2,279,261</u>	<u>2,320,190</u>	<u>2,284,303</u>	<u>2,440,195</u>	<u>2,564,602</u>
(13.93%)	10.64%	(1.76%)	1.57%	(6.39%)	(4.85%)	4.18%

**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Will Rogers World Airport Average Monthly Activity by Passenger Airline**  
*Fiscal year ended June 30, 2012*

<b>Airline</b>	<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>
American	24,634	27,485	7
American Eagle	7,664	10,581	6
Chautauqua	695	703	-
Colgan Air	3,991	4,464	2
Comair	249	341	-
Compass	1,657	1,890	1
Continental	2,117	2,277	1
Delta	5,571	7,482	2
Express Jet	14,329	15,964	10
Frontier	6,414	7,228	2
GoJet	2,603	3,484	2
Mesa	2,855	4,077	1
Mesaba	52	61	-
Pinnacle	6,711	7,811	4
Skywest	14,568	18,599	10
Shuttle America	365	470	-
Southwest	54,611	72,648	20
Trans State	2,398	2,489	2
United	3,804	5,450	1
Others	329	880	-
<b>Totals</b>	<b>155,617</b>	<b>194,384</b>	<b>71</b>

<b>Airline</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>
American	24,530	50	12
American Eagle	7,346	-	12
Chautauqua	655	-	1
Colgan Air	3,994	95	12
Comair	234	-	4
Compass	1,410	-	9
Continental	2,278	272	10
Delta	6,135	-	12
Express Jet	13,989	-	12
Frontier	6,370	433	12
GoJet	2,490	-	11
Mesa	3,004	-	7
Mesaba	57	-	2
Pinnacle	6,577	-	12
Skywest	14,350	-	12
Shuttle America	401	-	2
Southwest	54,869	32,718	12
Trans State	2,333	-	12
United	3,991	712	12
Others	344	-	12
<b>Totals</b>	<b>155,357</b>	<b>34,280</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:	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Local Governments (1)	47,692	1	8.28 %	40,300	1	7.57 %
State Government (1)	42,315	2	7.34	38,000	2	7.14
Federal Government (1)	28,038	3	4.87	26,000	3	4.88
Tinker Air Force Base (1)	27,000	4	4.69	24,000	4	4.51
FAA Aeronautical Center	11,650	5	2.02	14,100	5	2.65
OU - Norman Campus	7,500	6	1.30	4,400	7	0.83
Integrus Health (2)	6,025	7	1.05	5,850	6	1.10
OU Health Science Center	4,200	8	0.73	3,200	11	0.60
Chesapeake Energy Corp	4,000	9	0.69	-	-	-
Hobby Lobby Store	4,000	10	0.69	-	-	-
SBC	-	-	-	3,560	8	0.67
General Motors Corporation	-	-	-	3,400	9	0.64
Express Personnel	-	-	-	3,400	10	0.64
OG&E Energy	3,450	11	0.60	-	-	-
<b>Totals</b>	<b>185,870</b>		<b>32.26 %</b>	<b>166,210</b>		<b>31.23 %</b>

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
- Continental Airlines
- 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>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Administration	7	7	7	7	7
Finance	6	6	6	6	5
Operations	9	10	10	10	9
Maintenance	56	57	57	57	55
General Aviation	9	9	9	9	9
Business and Properties	9	6	6	6	6
Planning and Development	12	10	10	10	10
Total Employees	<u>108</u>	<u>105</u>	<u>105</u>	<u>105</u>	<u>101</u>

<b>Division</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Administration	4	4	4	5	5
Finance	5	5	5	5	5
Operations	9	9	9	9	9
Maintenance	56	55	55	53	53
General Aviation	8	8	8	8	8
Business and Properties	5	5	5	4	4
Planning and Development	11	11	11	8	8
Total Employees	<u>98</u>	<u>97</u>	<u>97</u>	<u>92</u>	<u>92</u>

Source: Department of Airports Budget Reports



**OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS**  
**Will Rogers World Airport Capital Asset Information**  
*June 30, 2012*

<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</u> sq. ft
	Number of passenger gates		17
	Number of loading bridges		17
	Number of concessionaires in terminal		2
	Number of rental car agencies in terminal		8
<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.

# **Oklahoma City Department of Airports**

Schedule of Passenger Facility Charges Revenues and Expenditures

Year Ended June 30, 2012

(With Independent Accountants' Report Thereon)





**Oklahoma City Department of Airports**  
Year Ended June 30, 2012

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## **Independent Accountants' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance and on the Schedule of Passenger Facility Charges Revenues and Expenditures**

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

### **Compliance**

We have audited the compliance of the Oklahoma City Department of Airports (the Department), a component unit of the City of Oklahoma City, Oklahoma (the City), with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2012. Compliance with the requirements of laws, regulations and contracts applicable to its passenger facility charge program is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Department's compliance with those requirements.

In our opinion, the Department complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2012.

### **Internal Control over Compliance**

The management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations and contracts applicable to the passenger facility program. In planning and performing our audit, we considered the Department's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of the passenger facility program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Passenger Facility Charges Revenues and Expenditures**

We have audited the basic financial statements of the business type activities and the major funds of the Department as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012, which expressed unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of passenger facility charges revenues and expenditures is presented for the purpose of additional analysis as specified in the Guide 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

This report is intended solely for the information and use of the Board of Trustees, management, the City, the Federal Aviation Administration and others within the Department and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

December 6, 2012

**Oklahoma City Department of Airports**  
**Schedule of Passenger Facility Charges Revenues and Expenditures**  
**Year Ended June 30, 2012**

	<u>Total to Date</u> <u>06/30/11</u>	<u>Quarter 1</u> <u>09/30/11</u>	<u>Quarter 2</u> <u>12/31/11</u>	<u>Quarter 3</u> <u>03/31/12</u>	<u>Quarter 4</u> <u>06/30/12</u>	<u>Year</u> <u>Total</u>	<u>Total to Date</u> <u>06/30/12</u>
<b>Revenues</b>							
Passenger facility charge revenue	\$ 67,856,343	\$ 1,691,568	\$ 1,952,671	\$ 1,839,553	\$ 1,651,195	\$ 7,134,987	\$ 74,991,330
Interest earned	1,421,846	96	41	3	-	140	1,421,986
Total receipts	<u>69,278,189</u>	<u>1,691,664</u>	<u>1,952,712</u>	<u>1,839,556</u>	<u>1,651,195</u>	<u>7,135,127</u>	<u>76,413,316</u>
<b>Expenditures</b>							
Application 97-01 (Closed)	9,259,698	-	-	-	-	-	9,259,698
Application 99-02 (Closed)	6,747,457	-	-	-	-	-	6,747,457
Application 00-03							
03-001 acquire/install 17 passenger loading bridges	-	-	-	-	-	-	-
03-002 construct terminal buildings bag make-up	-	-	-	-	-	-	-
03-003 remove/expand terminal buildings	<u>46,490,570</u>	<u>4,501,820</u>	<u>-</u>	<u>1,060,727</u>	<u>-</u>	<u>5,562,547</u>	<u>52,053,117</u>
Total Application -03	<u>46,490,570</u>	<u>4,501,820</u>	<u>-</u>	<u>1,060,727</u>	<u>-</u>	<u>5,562,547</u>	<u>52,053,117</u>
Total expenditures	<u>62,497,725</u>	<u>4,501,820</u>	<u>-</u>	<u>1,060,727</u>	<u>-</u>	<u>5,562,547</u>	<u>68,060,272</u>
<b>Net Increase (Decrease) in Cash</b>	6,780,464	(2,810,156)	1,952,712	778,829	1,651,195	1,572,580	8,353,044
<b>Cash Balance, Beginning</b>	<u>-</u>	<u>6,780,464</u>	<u>3,970,308</u>	<u>5,923,020</u>	<u>6,701,849</u>	<u>6,780,464</u>	<u>-</u>
<b>Cash Balance, Ending</b>	<u>\$ 6,780,464</u>	<u>\$ 3,970,308</u>	<u>\$ 5,923,020</u>	<u>\$ 6,701,849</u>	<u>\$ 8,353,044</u>	<u>\$ 8,353,044</u>	<u>\$ 8,353,044</u>



**Oklahoma City Department of Airports**  
**Schedule of Passenger Facility Charges Audit Summary**  
**Year Ended June 30, 2012**

***Summary of Auditor's Results***

- |  |   |                                    |   |
|--|---|------------------------------------|---|
| 1. Type of report issued on PFC financial statements.  | <input checked="" type="checkbox"/> Unqualified | <input type="checkbox"/> Qualified |   |
| 2. Type of report on PFC compliance.   | <input checked="" type="checkbox"/> Unqualified | <input type="checkbox"/> Qualified |   |
| 3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports, and reported unliquidated revenue matches actual amounts.         | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127.   | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 5. The Public Agency maintains a separate financial accounting record for each application.  | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 6. Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the project.                 | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports.  | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA.  | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 10. Quarterly Reports were transmitted (or available via website) to remitting carriers.   | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8.  | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 12. Project design and implementation is carried out in accordance with Assurance 9.   | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 13. Program administration is carried out in accordance with Assurance 10.   | <input checked="" type="checkbox"/> Yes         | <input type="checkbox"/> No        |   |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.      | <input type="checkbox"/> Yes                    | <input type="checkbox"/> No        | <input checked="" type="checkbox"/> N/A |

**Oklahoma City Department of Airports**  
**Schedule of Passenger Facility Charges Revenues and Expenditures**  
**Findings and Questioned Costs**  
**Year Ended June 30, 2012**

**Findings Required to be Reported by the Federal Aviation Administration**

No matters are reportable.