

OFFICIAL STATEMENT DATED SEPTEMBER 13, 2013

NEW ISSUE - BOOK-ENTRY-ONLY SYSTEM

Ratings: Moody's: "A2"
Standard & Poor's: "A+"
(See "CREDIT RATINGS")

Interest on the Bonds will be subject to federal income taxation. In the opinion of The Public Finance Law Group, PLLC, Oklahoma City, Oklahoma, and Williams, Box Forshee & Bullard, P.C., Oklahoma City, Oklahoma, acting as co-bond counsel ("Co-Bond Counsel"), interest on the Bonds is exempt from Oklahoma income taxation. See "TAX MATTERS" herein.

OKLAHOMA CITY AIRPORT TRUST
\$39,615,000
JUNIOR LIEN TAXABLE BONDS, THIRTY FIRST SERIES

Dated: Date of Delivery

Due: July 1, as shown on inside cover page.

The Junior Lien Taxable Bonds, Thirty First Series (the "Bonds") will be issued as fully registered bonds in \$5,000 denominations or in integral multiples thereof. Interest on the Bonds is payable semi-annually January 1 and July 1 of each year commencing January 1, 2014. The Bonds will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to its Book-Entry Only System. So long as DTC or its nominee remains the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by BOKF, NA dba Bank of Oklahoma (the "Trustee Bank"), to DTC and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. The Bonds are subject to redemption as described herein.

The proceeds received from the sale of the Bonds will be used to fund, in part, the design and construction of a consolidated rental car facility (the "ConRAC Facility") to be located on the Will Rogers World Airport (the "Airport") property in close proximity to the Passenger Terminal, fund the purchase of shuttle buses to transport rental car customers between the Passenger Terminal and the ConRAC Facility, and pay the costs of issuance of the Bonds. See "The Project" herein for a more complete description of the project being financed. The Bonds will be issued on a parity with the previous series of Junior Lien Bonds issued by the Trustees of the Oklahoma City Airport Trust (the "Trust") and are secured by a pledge of the Revenues of the trust estate (the "Trust Estate") created by the 1956 Bond Indenture (the "Original Bond Indenture"), subject to the debt service requirements of any Senior Lien Bonds of the Trust, including related Trustee Bank fees and certain restricted revenues which are not available to pay the Bonds. No Senior Lien Bonds are currently outstanding. See the definition of Trust Estate in "TRUST ESTATE" herein.

The Bonds and the interest thereon are not obligations of the State of Oklahoma, or the City of Oklahoma City, Oklahoma, or personal obligations of the Trustees of the Trust, but are limited revenue obligations of the Trust payable solely from the revenues the Trust pledged to the payment thereof. THE TRUST HAS NO TAXING POWER.

MATURITY SCHEDULE
See Schedule on inside cover page

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality of the Bonds by The Public Finance Law Group PLLC, Oklahoma City, Oklahoma and Williams, Box, Forshee & Bullard, P.C., Oklahoma City, Oklahoma, as Co-Bond Counsel. Certain legal matters will be passed upon for the Trust by its Assistant Municipal Counselor/Trust Attorney, Oklahoma City, Oklahoma. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about September 25, 2013.

Citigroup

Wells, Nelson & Associates, LLC



OKLAHOMA CITY AIRPORT TRUST
\$39,615,000
JUNIOR LIEN TAXABLE BONDS, THIRTY FIRST SERIES

Maturities, Amounts, Interest Rates and Yields

| Maturity (July 1) | Principal Amount | Interest Rate | Price | CUSIP (1) | Maturity (July 1) | Principal Amount | Interest Rate | Price | CUSIP (1) |
|----------------------|---------------------|------------------|--------|-----------|----------------------|---------------------|------------------|--------|-----------|
| 2015 | \$665,000 | 0.985% | 100.00 | 6785352X2 | 2020 | \$740,000 | 3.563% | 100.00 | 6785353C7 |
| 2016 | 670,000 | 1.667% | 100.00 | 6785352Y0 | 2021 | 765,000 | 3.892% | 100.00 | 6785353D5 |
| 2017 | 685,000 | 2.341% | 100.00 | 6785352Z7 | 2022 | 795,000 | 4.092% | 100.00 | 6785353E3 |
| 2018 | 700,000 | 2.741% | 100.00 | 6785353A1 | 2023 | 830,000 | 4.242% | 100.00 | 6785353F0 |
| 2019 | 720,000 | 3.263% | 100.00 | 6785353B9 | | | | | |

\$4,870,000 5.992% Term Bond Maturing July 1, 2028 – Price 100.00, CUSIP No. 6785353J2

\$6,565,000 6.360% Term Bond Maturing July 1, 2033 – Price 100.00, CUSIP No. 6785353H6

\$21,610,000 6.860% Term Bond Maturing July 1, 2043 – Price 100.00, CUSIP No. 6785353G8

-
- (1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. None of the Trust, the Financial Advisor, or the Underwriters take any responsibility for the accuracy of such numbers.

[The remainder of this page is intentionally left blank.]

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, any such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Trust and other sources which are believed to be reliable. No representation or warranty is made, however, by the Financial Advisor as to the accuracy or completeness of such information. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee of the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

All references made herein to the Bonds are qualified in their entirety by reference to the Supplemental Bond Indenture and the Original Bond Indenture, both as defined by this Official Statement (collectively the “Bond Indenture”). All references made herein to the Bond Indenture and other documents relating to the issuance of or the security for the Bonds are qualified in their entirety by reference to such complete documents, executed counterparts of which will be on file in the offices of the Trust in Oklahoma City, Oklahoma, and the principal corporate trust offices of the Trustee Bank.

This Official Statement contains statements that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[The remainder of this page is intentionally left blank.]

Table of Contents

| | <u>Page</u> |
|--|-------------|
| SELECTED DATA FROM THE OFFICIAL STATEMENT..... | viii |
| INTRODUCTION..... | 1 |
| THE BONDS | 1 |
| Description of the Bonds | 1 |
| REDEMPTION PROVISIONS..... | 2 |
| Optional Redemption | 2 |
| Mandatory Sinking Fund Redemption..... | 2 |
| Selection of Bonds to be Redeemed | 3 |
| Extraordinary Optional Redemption | 3 |
| Notice and Effect of Redemption..... | 3 |
| Effect of Call for Redemption | 4 |
| REGISTRATION, TRANSFER, AND EXCHANGE OF BONDS | 4 |
| SECURITY FOR THE BONDS..... | 4 |
| TRUST ESTATE | 4 |
| REVENUES | 4 |
| FLOW OF FUNDS..... | 4 |
| ADDITIONAL BONDS..... | 5 |
| OTHER OBLIGATIONS..... | 5 |
| OTHER OBLIGORS..... | 5 |
| BOOK-ENTRY ONLY SYSTEM..... | 5 |
| THE PROJECT..... | 7 |
| 2013 Project..... | 7 |
| SOURCES AND USES OF FUNDS | 8 |
| Sources and Uses of Funds | 8 |
| OUTSTANDING INDEBTEDNESS OF THE OKLAHOMA CITY AIRPORT TRUST | 8 |
| Senior Lien Bonds | 8 |
| Junior Lien Bonds..... | 8 |
| Separate Lease Revenue Bonds..... | 8 |
| OKLAHOMA CITY AIRPORT TRUST OUTSTANDING REVENUE BONDS – TABLE 1 | 9 |
| DEBT SERVICE REQUIREMENTS | 10 |
| OKLAHOMA CITY AIRPORT TRUST SUMMARY STATEMENT OF JUNIOR LIEN DEBT SERVICE REQUIREMENTS – TABLE 2..... | 10 |
| THE OKLAHOMA CITY AIRPORT TRUST | 11 |
| Background..... | 11 |
| The Beneficiary | 11 |

| | |
|---|----|
| CITY OF OKLAHOMA CITY MAYOR AND CITY COUNCIL MEMBERS..... | 12 |
| TRUSTEES | 12 |
| Larry McAtee, Chairman, Trustee-Council Member | 12 |
| Kirk Humphreys, Vice Chairman, Independent-Trustee | 12 |
| Mick Cornett, Trustee-Mayor | 12 |
| James D. Couch, P.E., Trustee-City Manager..... | 12 |
| Dr. Terry Salmon, Independent-Trustee..... | 12 |
| AIRPORTS ADMINISTRATION | 13 |
| Mark Kranenburg, A.A.E., Director of Airports..... | 13 |
| Scott Keith, Assistant Director of Airports | 13 |
| Kim Sotomayor, Business Manager | 13 |
| Jami Blocker, Assistant Municipal Counselor/Trust Attorney..... | 13 |
| Trust Staff..... | 13 |
| AIRPORTS SERVICE AREA | 13 |
| THE OKLAHOMA CITY AIRPORTS..... | 13 |
| Will Rogers World Airport | 14 |
| Wiley Post Airport..... | 14 |
| Clarence E. Page Airport | 14 |
| Capital Plan..... | 15 |
| AIRLINE ACTIVITY | 16 |
| Scheduled Airlines | 16 |
| Airlines Serving the Airport..... | 16 |
| Airline Market Shares of Enplaned Passengers | 17 |
| Trends in Enplaned Passengers | 18 |
| AIRPORTS FINANCES | 19 |
| Historical Revenues, Expenses, and Coverage | 19 |
| OKLAHOMA CITY DEPARTMENT OF AIRPORTS SCHEDULE OF BOND DEBT SERVICE | |
| COVERAGE – HISTORICAL – TABLE 3 | 20 |
| Financial Operations Summary and Highlights..... | 21 |
| An analysis of changes in revenues and expenses for the year ended June 30, 2012 | 21 |
| An analysis of changes in revenues and expenses for the year ended June 30 , 2011 | 22 |
| AIRPORT LEASE AGREEMENTS WITH AIRLINES | 22 |
| PASSENGER FACILITY CHARGE..... | 23 |
| Historical PFC Collections | 23 |
| REPORT OF THE AIRPORT CONSULTANT..... | 24 |
| Compliance with Covenants to Maintain Airport Rates and Charges | 25 |
| RISKS OF BONDHOLDERS | 26 |
| Airline Reports | 26 |
| Global Events and Uncertainties of the Airline Industry..... | 26 |
| General Financial Condition of Certain Airlines Serving the Airports | 27 |
| Effect of Bankruptcy on Airline Agreements | 27 |
| Recent FAA Reauthorization and Federal Grant Funding | 28 |
| Aviation Safety and Security Concerns | 28 |
| Cost of Aviation Fuel..... | 28 |
| Passenger Facilities Charges | 29 |
| Forward Looking Statements..... | 29 |

| | |
|--|------------|
| Limited Enforcement Rights and Security for the Bonds..... | 29 |
| Secondary Market | 29 |
| Bond Ratings | 29 |
| Risk of Loss from Nonpresentment Upon Redemption | 29 |
| Book-Entry..... | 30 |
| TAX MATTERS..... | 30 |
| Interest Subject to Federal Income Taxation..... | 30 |
| Premium..... | 31 |
| Original Issue Discount | 31 |
| Market Discount..... | 31 |
| Sales or Other Dispositions..... | 32 |
| Backup Withholding..... | 32 |
| Medicare Tax..... | 32 |
| Foreign Investors..... | 32 |
| Tax Exempt Investors..... | 33 |
| ERISA Considerations..... | 33 |
| Oklahoma Income Taxation | 33 |
| No Other Opinions..... | 33 |
| LEGAL MATTERS..... | 33 |
| NO LITIGATION | 34 |
| FINANCIAL ADVISOR..... | 34 |
| UNDERWRITING | 34 |
| INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS..... | 35 |
| CERTIFICATES WITH RESPECT TO OFFICIAL STATEMENT | 35 |
| CREDIT RATINGS..... | 35 |
| CONTINUING DISCLOSURE AGREEMENT..... | 35 |
| MISCELLANEOUS..... | 36 |
| APPENDICES | |
| REPORT OF THE AIRPORT CONSULTANT | APPENDIX A |
| COMPREHENSIVE ANNUAL FINANCIAL REPORT | APPENDIX B |
| INFORMATION CONCERNING THE CITY OF OKLAHOMA CITY | APPENDIX C |
| SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THIRTY FIRST SUPPLEMENTAL JUNIOR LIEN BOND INDENTURE..... | APPENDIX D |
| SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT WITH THE CITY | APPENDIX E |
| FORM OF CO-BOND COUNSEL OPINION..... | APPENDIX F |
| CONTINUING DISCLOSURE AGREEMENT | APPENDIX G |

[The remainder of this page is intentionally left blank.]

THE OKLAHOMA CITY AIRPORT TRUST

TRUSTEES

Larry McAtee, Chairman, Trustee-Council Member
Kirk Humphreys, Vice Chairman, Independent-Trustee
Mick Cornett, Trustee-Mayor
James D. Couch, Trustee-City Manager
Terry Salmon, Independent-Trustee

Surrogate Trustees

David Greenwell, Surrogate Trustee-Mayor
Dennis Clowers, Surrogate Trustee-City Manager

STAFF

| | |
|-----------------|--|
| Mark Kranenburg | General Manager/Director of Airports |
| Scott Keith | Assistant Director of Airports |
| Jami Blocker | Assistant Municipal Counselor/Trust Attorney |
| Kim Sotomayor | Business Manager |

CO-BOND COUNSEL

The Public Finance Law Group PLLC
5657 North Classen, Suite 100
Oklahoma City, Oklahoma 73118

Williams, Box, Forshee & Bullard, P.C.
522 Colcord Drive
Oklahoma City, Oklahoma 73102

FINANCIAL ADVISOR

Public Financial Management, Inc.
221 West 6th Street, Suite 1900
Austin, Texas 78701

AIRPORT CONSULTANT

LeighFisher
555 Airport Blvd., Suite 300
Burlingame, CA 94010

**TRUST BENEFICIARY-CITY OF OKLAHOMA CITY
MAYOR AND COUNCIL**

| | | | |
|---------------|--------|--------------------------|--------|
| | | Mick Cornett, Mayor | |
| James Greiner | Ward 1 | David Greenwell | Ward 5 |
| Dr. Ed Shadid | Ward 2 | Margaret S. "Meg" Salyer | Ward 6 |
| Larry McAtee | Ward 3 | John A. Pettis, Jr. | Ward 7 |
| Pete White | Ward 4 | Patrick J. Ryan | Ward 8 |

[The remainder of this page is intentionally left blank.]

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data set forth below is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach the selected data pages from this Official Statement or to otherwise use it without the entire Official Statement.

The Oklahoma City Airport Trust..... The Trust was created and operates as a public trust/entity under the authority of Title 60, Oklahoma Statutes, Sections 176-180.3, inclusive, as amended, pursuant to the provisions of a Trust Indenture dated as of the 1st day of April, 1956, as amended, for the use and benefit of the City of Oklahoma City (the “City”). The purpose of the Trust is to provide financing for the construction and acquisition of facilities used or to be used as an Aeronautical Center by the Federal Aviation Administration (the “FAA”) and to plan, develop and operate airports and air navigation facilities for the benefit of the City. See “THE OKLAHOMA CITY AIRPORT TRUST” herein.

The Oklahoma City Airports..... The significant elements of the Trust Airport properties include Will Rogers World Airport, which was utilized by approximately 3.69 million passengers in the fiscal year ended June 30, 2013 and is classified by the FAA as a small hub, multi-purpose airport and includes the FAA Mike Monroney Aeronautical Center which is the FAA’s operations and training headquarters; Wiley Post Airport, a reliever airport, which is used primarily for private aircraft and light to medium business jet aircraft; and Clarence E. Page Airport, a general aviation airport (the “Airports”). See “THE OKLAHOMA CITY AIRPORTS” herein.

Purpose The proceeds received from the sale of the Bonds will be used to fund, in part, the design and construction of a consolidated rental car facility (the “ConRAC Facility”) to be located on the Will Rogers World Airport (the “Airport”) property in close proximity to the Passenger Terminal, fund the purchase of shuttle buses to transport rental car customers between the Passenger Terminal and the ConRAC Facility, and to pay the costs of issuance of the Bonds. See “THE PROJECT” and “SOURCES AND USES OF FUNDS” herein.

The Bonds..... The Bonds are issued in the maturities and with the interest rates as set forth on the inside cover page hereof.

Payment of Interest..... Interest on the Bonds accrues from the date of delivery and is payable on January 1, 2014, and each July 1 and January 1, thereafter until stated maturity or prior redemption.

Optional Redemption Bonds maturing on and after July 1, 2024 shall be subject to redemption on and after July 1, 2023 in whole at any time or in part on any interest payment date upon 30 days notice at par plus accrued interest.

Mandatory Redemption Term Bonds shall be subject to mandatory redemption at par and by lot, in the amounts and on the dates of the consecutive maturities shown in the maturity schedule shown herein. See “REDEMPTION PROVISIONS - Mandatory Sinking Fund Redemption”.

Paying Agent/Registrar The initial Paying Agent/Registrar is BOKF, NA dba Bank of Oklahoma

Debt Service Coverage..... The Junior Lien Supplemental Bond Indentures to the Original Bond

Indenture require that for the issuance of additional Junior Lien Bonds the estimated revenues of the additional facilities when added to the actual Revenues of the Trust Estate for the preceding twelve months, after Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the bonds to be issued and those presently outstanding. See “AIRPORTS FINANCES” herein.

Security for the Bonds..... The City has leased all of its airport properties owned by the City to the Trustees of the Oklahoma City Airport Trust (the “Trust”), and the Bonds, along with other series of Junior Lien Bonds outstanding, including any such bonds that may be hereafter issued payable pari passu with the outstanding Junior Lien Bonds, will be secured by a pledge of the Revenues of the trust estate (the “Trust Estate”) created by the 1956 Bond Indenture (the “Original Bond Indenture”) subject to the debt service requirements of the Senior Lien Bonds, including any such bonds that may be hereafter issued payable pari passu with the outstanding Senior Lien Bonds, related Trustee Bank fees and certain restricted revenues which are not available to pay the Bonds. See “SECURITY FOR THE BONDS” and “OUTSTANDING INDEBTEDNESS OF THE OKLAHOMA CITY AIRPORT TRUST” herein.

Financing of the Trust..... The bonds that have been issued by the Trustees are of three types, Senior Lien Bonds, Junior Lien Bonds and Separate Lease Revenue Bonds (issued pursuant to separate bond indentures). Twenty series of Senior Lien Bonds have been previously sold and none of these series are outstanding. The last Senior Lien Bond matured on October 1, 2012. Thirty series of Junior Lien Bonds have been issued by the Trustees and four series are still outstanding in an amount equal to \$73,125,000 as of June 30, 2013. There have been four Separate Lease Revenue Bond issues to date and two series are still outstanding in an amount equal to \$21,230,000 as of June 30, 2013. The funds pledged as security for the Senior Lien Bonds and Junior Lien Bonds are **not** available as security for the Separate Lease Revenue Bonds, and the funds pledged as security for the Separate Lease Revenue Bonds are **not** available as security for the Senior Lien Bonds or the Junior Lien Bonds. See “OUTSTANDING INDEBTEDNESS OF THE OKLAHOMA CITY AIRPORT TRUST” herein.

Book-Entry-Only System..... The Trust intends to utilize the Book-Entry-Only System of DTC relating to the method and timing of payment and the method of transfer relating to the Bonds.

Tax Status of the Bonds In the opinion of Co-Bond Counsel, interest on the Bonds will be subject to federal income taxation and interest on the Bonds is exempt from Oklahoma income taxation. See “TAX MATTERS” herein.

Ratings The Bonds have ratings of “A2” by Moody’s and “A+” by S&P. See “CREDIT RATINGS” herein.

Payment Record..... The Trust has never defaulted on the payment of its revenue indebtedness.

Expected Delivery..... It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about September 25, 2013.

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

OKLAHOMA CITY AIRPORT TRUST
\$39,615,000
JUNIOR LIEN TAXABLE BONDS, THIRTY FIRST SERIES

INTRODUCTION

This Official Statement, including the cover page and exhibits hereto, is furnished to provide information with respect to the offering by the Trustees of the Oklahoma City Airport Trust (the "Trust") of Oklahoma City Airport Trust Junior Lien Taxable Bonds, Thirty First Series (the "Bonds").

The Bonds are to be issued pursuant to a Thirty First Supplemental Junior Lien Bond Indenture, dated as of September 1, 2013 (the "Supplemental Bond Indenture"), and pursuant to a Bond Indenture, dated as of April 1, 1956 (the "Original Bond Indenture"), under which BOKF, NA dba Bank of Oklahoma, Oklahoma City, Oklahoma, serves as successor trustee (the "Trustee Bank"). The Original Bond Indenture and the Supplemental Bond Indenture are together hereinafter referred to as the "Bond Indenture." See "Summary of Certain Provisions of the Bond Indenture" and "Summary of Certain Provisions of the Thirty First Supplemental Junior Lien Bond Indenture" in APPENDIX D hereto.

The bonds that have been previously issued by the Trust are of three types, twenty series of Senior Lien Bonds, thirty series of Junior Lien Bonds, and four series of Separate Lease Revenue Bonds. **No Senior Lien Bonds are outstanding.** The last outstanding Senior Lien Bond matured on October 1, 2012. Four series of Junior Lien Bonds are still outstanding in an amount equal to \$73,125,000 as of June 30, 2013. Two series of Separate Lease Revenue Bonds are still outstanding in an amount equal to \$21,230,000 as of June 30, 2013. The outstanding Junior Lien Bonds and the Bonds will be equally and ratably secured as more fully described herein under the section entitled "SECURITY FOR THE BONDS."

The proceeds received from the sale of the Bonds will be used to fund, in part, the design and construction of a consolidated rental car facility (the "ConRAC Facility") to be located on the Will Rogers World Airport (the "Airport") property in close proximity to the Passenger Terminal, fund the purchase of shuttle buses to transport rental car customers between the Passenger Terminal and the ConRAC Facility, and pay the costs of issuance of the Bonds. See "THE PROJECT" and "SOURCES AND USES OF FUNDS" herein.

The Bonds and the interest thereon are limited revenue obligations of the Trust payable on a parity with other series of Junior Lien Bonds outstanding, including any such bonds that may be hereafter issued payable pari passu with the outstanding Junior Lien Bonds, from the Revenues of the Trust Estate, subject to the debt service requirements of any outstanding Senior Lien Bonds, including such bonds that may be hereafter issued payable pari passu with the outstanding Senior Lien Bonds, related Trustee Bank fees and certain restricted revenues which are not available to pay the Bonds. **The Trust has no taxing power.**

THE BONDS

Description of the Bonds

The Bonds are dated the date of delivery thereof and are issuable as fully registered bonds in \$5,000 denominations, or with respect to principal maturing on the same date, in any integral multiple thereof. The Bonds will be issued in the principal amounts and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds is payable January 1 and July 1 of each year commencing January 1, 2014. The Record Date is the 15th day of the month preceding each interest payment date for the Bonds.

The Bonds are initially issuable in book-entry form. Initially, Cede & Co., the nominee of The Depository Trust Company, will be the registered owner and references herein to the Bondholders or registered owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds. The principal of, premium, if any, and interest on the Bonds will be payable by the Trustee Bank to Cede & Co., which will make distribution of the amounts so paid to the Beneficial Owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

REDEMPTION PROVISIONS

Optional Redemption

The Bonds maturing on and after July 1, 2024, shall be subject to redemption at the option of the Trust, from any source on or after July 1, 2023, in whole or in part at the redemption price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the date of redemption.

Mandatory Sinking Fund Redemption

The Bonds maturing on July 1, 2028, July 1, 2033 and July 1, 2043, are “Term Bonds” and are subject to mandatory Sinking Fund Payments and redemption by lot, in such manner as shall be designated by the Trustee, in principal increments of \$5,000, at a price of par plus accrued interest without premium, on each July 1 in the years and amounts as follows:

| <u>Term Bonds Due: July 1, 2028</u> | | <u>Term Bonds Due: July 1, 2033</u> | |
|-------------------------------------|------------------------|-------------------------------------|------------------------|
| <u>July 1</u> | <u>Payment Amounts</u> | <u>July 1</u> | <u>Payment Amounts</u> |
| 2024 | \$ 865,000 | 2029 | \$1,155,000 |
| 2025 | 915,000 | 2030 | 1,230,000 |
| 2026 | 970,000 | 2031 | 1,310,000 |
| 2027 | 1,030,000 | 2032 | 1,390,000 |
| 2028* | <u>1,090,000</u> | 2033* | <u>1,480,000</u> |
| | \$4,870,000 | | \$6,565,000 |

| <u>Term Bonds Due: July 1, 2043</u> | |
|-------------------------------------|------------------------|
| <u>July 1</u> | <u>Payment Amounts</u> |
| 2034 | \$ 1,575,000 |
| 2035 | 1,680,000 |
| 2036 | 1,800,000 |
| 2037 | 1,920,000 |
| 2038 | 2,055,000 |
| 2039 | 2,195,000 |
| 2040 | 2,345,000 |
| 2041 | 2,505,000 |
| 2042 | 2,675,000 |
| 2043* | <u>2,860,000</u> |
| | \$21,610,000 |

*Stated Maturity.

If Term Bonds are purchased by the Issuer prior to the due date of any Mandatory Sinking Fund Payment, such Term Bonds so purchased may, at the option of the Issuer, be applied as a credit against any subsequent Mandatory Sinking Fund Payment with respect to such Term Bonds of the series and maturity otherwise to be redeemed, such credit to be equal to the principal amount of such purchased Term Bonds, provided that the Issuer shall have delivered to the Trustee not less than sixty (60) days prior to such redemption date written notice stating its election to apply such Term Bonds as such a credit. In such case, the Trustee shall reduce the amount of the Mandatory Sinking Fund Payment to be made on the Mandatory Sinking Fund Payment Date specified in such Issuer notice by the principal amount of such Term Bonds of the series and maturity so purchased. Any credit given to Mandatory Sinking Fund Payments shall not affect any other Mandatory Sinking Fund Payments, which shall remain payable as otherwise provided in the Indenture, unless and until another credit is given in accordance with the provisions of the Indenture.

[The remainder of this page is intentionally left blank.]

Selection of Bonds to be Redeemed

If the Bonds are registered in book-entry form, and so long as DTC or a successor securities depository is the sole registered owner of such Bonds and if fewer than all of such Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all Bonds remaining outstanding will be in authorized denominations.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Paying Agent/Registrar will direct DTC to make a pass-through distribution of principal to the owners of the Bonds. A form of Pro Rata Pass-Through Distribution of Principal Notice will be provided to the Paying Agent/Registrar that includes a table of factors reflecting the relevant scheduled redemption payments, based on the current schedule of mandatory sinking fund payments, which is subject to change upon certain optional redemptions, and DTC's currently applicable procedures, which are subject to change.

For purposes of calculating pro rata pass-through distributions of principal, "pro rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective owners of the Bonds on a payment date and (b) the denominator of which is equal to the total original par amount of the Bonds.

It is the Trust's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Trust nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Bonds on such basis.

If the Bonds are not registered in book-entry form and if fewer than all of such Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate to be redeemed will be selected on a pro rata basis, provided that any such redemption must be performed such that all Bonds remaining outstanding will be in authorized denominations.

Extraordinary Optional Redemption

The Bonds are subject to redemption at the option of the Trust, in whole on any date and in part on any interest payment date, if such redemption is made from: (a) insurance proceeds, if any; (b) expropriation awards; or (c) payments received from the Trust pursuant to an Event of Default as defined in the Bond Indenture. In the event that such redemption is made, such redemption shall be made at the principal amount so redeemed and the interest accrued thereon to the redemption date, but without premium.

The Bonds are also subject to redemption, at the option of the Trust, in whole at any time, at the principal amount thereof and accrued interest to the date fixed for redemption, if, as a result of any change in the Constitution of the United State of America or the State of Oklahoma or legislative or administrative action, whether State or federal, or by final judgment in a court of competent jurisdiction after the consent thereof by the Trust in good faith, wherein the Bond Indenture becomes void, unenforceable, or impossible of performance in accordance with the intent and purpose of the parties as expressed therein.

Notice and Effect of Redemption

Notice of the call for any redemption identifying the Bonds or portion thereof to be redeemed shall be given by the Trustee Bank, in the name of the Trust, not less than thirty (30) days prior to the date fixed for redemption by notice sent by registered mail to the holder or holders of the Bond or Bonds to be redeemed, directed to the addresses shown on the Trustee Bank's registration books. Failure to give such notice by mail as aforesaid, or any defect therein, shall not affect the validity of any proceedings for the redemption of any bond not affected by such failure or defect. Any notice of redemption shall state the date of redemption, the place or places at which such Bonds shall be presented for

payment, the series, maturities, and numbers of the Bonds or portions of Bonds to be redeemed and in the case of the redemption of a portion of any Bond the principal amount thereof.

Effect of Call for Redemption

Upon the deposit with the Trustee Bank of funds or Government Securities maturing on or before the date fixed for redemption in an amount sufficient to provide for payment of the Bonds called for redemption and accrued interest thereon to the redemption date, and notice having been given as provided in the Indenture, the Bonds or the portions of the principal amount of the Bonds thus called for redemption shall cease to bear interest on the specified redemption date, and shall not be deemed outstanding under the Bond Indenture.

REGISTRATION, TRANSFER, AND EXCHANGE OF BONDS

The Bonds will be issued only in fully registered form. Any Bond may be transferred only upon the surrender thereof at the principal corporate trust office of the Trustee Bank duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee Bank. The Trust or the Trustee Bank may charge the Bondholders requesting any exchange or transfer a fee covering any tax, fee, or other governmental charge in connection thereof. Neither the Trust nor the Trustee Bank shall be required to make any such exchange or transfer of Bonds on or after the Record Date preceding a Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, during the 15 days immediately preceding the selection of the Bonds for such redemption or after such Bonds or any portion thereof has been selected for redemption.

SECURITY FOR THE BONDS

The City of Oklahoma City (the "City") has leased all of the airport properties owned by the City to the Trust, and the Bonds will be secured by a pledge of the Revenues of the Trust Estate, subject to the debt service requirements of the Senior Lien Bonds, including related Trustee Bank fees and any Senior Lien Bonds that may be hereafter issued payable *pari passu* with the outstanding Senior Lien Bonds and subject to certain restricted revenues which are not available to pay the Bonds. This issue of Bonds ranks *pari passu* with the other series of Junior Lien Bonds, including any such bonds that may be hereafter issued payable *pari passu* with the outstanding Junior Lien Bonds. **No Senior Lien Bonds are outstanding.** The last outstanding Senior Lien Bond matured on October 1, 2012.

TRUST ESTATE

The Original Bond Indenture defines the Trust Estate to mean collectively all property, real, personal or mixed including all improvements, buildings, hangars, warehouses, administration buildings, runways, terminal buildings, utilities now or hereafter owned, leased to or operated by the Trustees for the purpose of air navigation facilities and airports of the City.

REVENUES

Revenues include all proceeds, charges, incomes, rents, receipts, profits and benefits of whatever kind derived from the operation of the Trust Estate, or lawfully accruing to the Trust Estate. Revenues also include customer facility charge fees imposed on rental customers renting cars at the Airport to fund the Airport's rental car program.

FLOW OF FUNDS

A special fund of the Trust called the "Project Fund" is created and held by the Trustee Bank into which all Revenues of the Trust Estate are deposited daily.

A special fund of the Trust called the "Bond Fund" is created to receive, from the first revenues deposited each month in the Project Fund, a monthly amount as is necessary to meet annual principal, interest and reserve requirements of the Senior Lien Bonds and such additional amounts as shall be necessary to restore to all accounts in the Bond Fund such sums as will remedy any deficiency therein.

The Trustee Bank shall next transfer to the Bond Fund a monthly amount as is necessary to meet annual principal and interest requirements of the then outstanding Junior Lien Bonds.

After making all required payments into the Bond Fund, the next withdrawals from the Project Fund shall be for payment of the Trustee Bank fees and Trust expenses.

Pursuant to the Lease Agreement, the balance of the Project Fund shall then be paid to the City as rental for the Airports and may be used by the City for any lawful purpose. However, 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.

See "APPENDIX D – Summary of Certain Provisions of the Bond Indenture" for a more detailed discussion of the flow of funds.

ADDITIONAL BONDS

The Junior Lien Supplemental Bond Indentures require that for the issuance of additional Junior Lien Bonds the estimated revenues of the additional facilities when added to the actual Revenues of the Trust Estate for the preceding twelve months, after Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the bonds to be issued and those presently outstanding. See "AIRPORTS FINANCES" herein.

OTHER OBLIGATIONS

Under the Trust Indenture, the Trust can incur Separate Lease Revenue Bonds that are payable solely from the trust estate created by a separate bond indenture for each project. Pursuant to these bond indentures, the Trust pledges and assigns lease payments under a lease agreement with the tenants to a trustee bank to secure the payment of the principal and interest on the Separate Lease Revenue Bonds. The funds pledged as security for the Senior Lien Bonds and Junior Lien Bonds are **not** available as security for the Separate Lease Revenue Bonds.

OTHER OBLIGORS

The Bonds and the interest thereon are not obligations of the State of Oklahoma, or the City of Oklahoma City, Oklahoma, or personal obligations of the Trustees of the Trust, but are limited revenue obligations of the Trust payable on a parity with other previous series of outstanding Junior Lien Bonds solely from the pledged revenues. **The Trust has no taxing power.**

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") and DTC's book entry only system has been obtained from DTC, and the Trust and the Underwriters take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities

transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trust as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trust or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent or the Trust, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trust or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Trust or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Trust may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The Trust, Co-Bond Counsel, the Trustee and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the Bonds: (i) payments of principal of or interest on the Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the Trust, Co-Bond Counsel, the Trustee or the Underwriters will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Master Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

In reading this Official Statement, it should be understood that while the Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the Trust or the Trustee will be given only to DTC.

THE PROJECT

2013 Project

The ConRAC Facility is planned to be constructed on a 35 acre site west of South Meridian Avenue, on the primary entrance roadway to the Airport. The ConRAC Facility will include:

- An approximately 19,000 square foot customer service building providing rental car counters, offices, public seating, and other customer service facilities.
- Three looped roadways, including (1) an inner loop for shuttle bus pickup and dropoff to and from the terminal, (2) a middle loop for customer access to ready-return areas, and (3) an outer loop for rental car companies operational needs.
- Ready return, quick-turn around, fueling, car wash, and maintenance facilities.

The project also includes the acquisition of eight compressed natural gas powered shuttle buses to serve the ConRAC Facility. Construction of the ConRAC Facility is anticipated by the Trust to begin in fall 2013 and be completed in early 2015. The estimated cost of the project, contingencies, and purchase of the shuttle busses is \$39 million.

The construction and all or a portion of the design of the ConRAC Facility and the purchase of the shuttle buses will be funded with proceeds of the Bonds.

[The remainder of this page is intentionally left blank.]

SOURCES AND USES OF FUNDS

The proceeds received from the sale of the Bonds will be applied approximately as follows:

Sources and Uses of Funds

| | |
|----------------------------|------------------------|
| Sources of Funds | |
| Par Amount of the Bonds | <u>\$39,615,000.00</u> |
| Total Sources of Funds | <u>\$39,615,000.00</u> |
| Uses of Funds | |
| Deposit to Project Fund | \$39,000,000.00 |
| Underwriters' Discount (1) | 192,541.57 |
| Cost of Issuance (1) | <u>422,458.43</u> |
| Total Uses of Funds | <u>\$39,615,000.00</u> |

(1) Payment is contingent upon the issuance of the Bonds.

OUTSTANDING INDEBTEDNESS OF THE OKLAHOMA CITY AIRPORT TRUST

The bonds that have been previously issued by the Trust are of three types: twenty series of Senior Lien Bonds, thirty series of Junior Lien Bonds, and four Separate Lease Revenue Bond issues issued under separate indentures. A summary of revenue bonds payable as of June 30, 2013 is included in Table 1 "OKLAHOMA CITY AIRPORT TRUST OUTSTANDING REVENUE BONDS".

Senior Lien Bonds

The Trust has sold and delivered \$210,005,000 principal amount of Senior Lien Bonds since November, 1956, in twenty series to finance the construction and renovation of facilities for the Mike Monroney Aeronautical Center. **No Senior Lien Bonds remain outstanding.** The last outstanding Senior Lien bond matured on October 1, 2012.

Junior Lien Bonds

The Trust has sold and delivered \$357,144,000 principal amount of Junior Lien Bonds in thirty series. As of June 30, 2013, \$73,125,000 principal amount of Junior Lien Bonds remained outstanding.

Debt service for the Junior Lien Bonds is provided by the lease rentals of the facilities constructed from the proceeds of such bonds, and they are further secured by Revenues of the Trust Estate, subject to annual debt service requirements on any Senior Lien Bonds and related Trustee Bank fees. There is no reserve account securing the Junior Lien Bonds.

Separate Lease Revenue Bonds

In addition to the Senior Lien Bonds and Junior Lien Bonds, the Trust has sold four Separate Lease Revenue Bond issues. The Trust has sold and delivered \$92,630,000 principal amount of Separate Lease Revenue Bonds. As of June 30, 2013, \$21,230,000 principal amount of Separate Lease Revenue Bonds remained outstanding.

These Separate Lease Revenue Bonds are payable solely from the trust estate created by a separate bond indenture for each project. Pursuant to these bond indentures, the Trust pledges and assigns lease payments under a lease agreement with the tenants to a trustee bank to secure the payment of the principal and interest on the Separate Lease Revenue Bonds. The funds pledged as security for the Senior Lien Bonds and Junior Lien Bonds are **not** available as security for the Separate Lease Revenue Bonds.

TABLE 1
OKLAHOMA CITY AIRPORT TRUST
OUTSTANDING REVENUE BONDS

| | <u>Date of Issue</u> | <u>Final Maturity Date</u> | <u>Original Amount Issued</u> | <u>Amount Outstanding (June 30, 2013)</u> |
|--|----------------------|--------------------------------|-----------------------------------|---|
| Junior Lien Series | | | | |
| Twenty-third Series | 12-01-93 | 07-01-14 | 1,535,000 | 235,000 |
| Twenty-ninth Series A | 02-20-07 | 07-01-26 | 21,420,000 | 17,845,000 |
| Twenty-ninth Series B | 02-20-07 | 07-01-21 | 31,760,000 | 31,760,000 |
| Thirtieth Series | 03-03-11 | 07-01-17 | 28,675,000 | <u>23,285,000</u> |
| Total Junior Lien Bonds | | | | 73,125,000 |
| Separate Lease Revenue Bonds | | | | |
| Federal Bureau of Prisons, Series 1992 | 11-01-92 | 11-01-14 | 76,775,000 | 20,325,000 |
| Federal Bureau of Prisons, Series 1995 | 06-01-95 | 11-01-14 | 4,670,000 | <u>905,000</u> |
| Total Separate Lease Revenue Bonds | | | | 21,230,000 |

Source: Oklahoma City Department of Airports CAFR – Notes to Financial Statements.

[The remainder of this page is intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table summarizes the debt service for the outstanding Junior Lien Bonds after the issuance of the Thirty First Series.

TABLE 2
OKLAHOMA CITY AIRPORT TRUST
SUMMARY STATEMENT OF JUNIOR LIEN DEBT SERVICE REQUIREMENTS

| Fiscal Year Ending June 30 | Outstanding Junior Lien Bonds | Thirty First Series Bonds | | Total Junior Lien Bond Debt Service |
|-------------------------------|----------------------------------|---------------------------|------------------------|--|
| | | Principal | Interest | |
| 2014 | \$ 9,730,572.50 | \$ | \$ 637,894.93 | \$ 10,368,467.43 |
| 2015 | 9,579,673.75 | | 2,392,106.00 | 11,971,779.75 |
| 2016 | 9,431,101.25 | 665,000.00 | 2,388,830.88 | 12,484,932.13 |
| 2017 | 9,428,354.38 | 670,000.00 | 2,379,971.31 | 12,478,325.69 |
| 2018 | 8,755,676.26 | 685,000.00 | 2,366,368.93 | 11,807,045.19 |
| 2019 | 9,094,976.26 | 700,000.00 | 2,348,757.50 | 12,143,733.76 |
| 2020 | 9,097,763.76 | 720,000.00 | 2,327,417.20 | 12,145,180.96 |
| 2021 | 9,096,438.76 | 740,000.00 | 2,302,487.30 | 12,138,926.06 |
| 2022 | 9,086,113.76 | 765,000.00 | 2,274,417.30 | 12,125,531.06 |
| 2023 | 1,670,073.13 | 795,000.00 | 2,243,264.70 | 4,708,337.83 |
| 2024 | 1,671,704.38 | 830,000.00 | 2,209,394.70 | 4,711,099.08 |
| 2025 | 1,670,860.63 | 865,000.00 | 2,165,875.00 | 4,701,735.63 |
| 2026 | 1,671,850.00 | 915,000.00 | 2,112,546.20 | 4,699,396.20 |
| 2027 | 1,674,440.00 | 970,000.00 | 2,056,071.60 | 4,700,511.60 |
| 2028 | | 1,030,000.00 | 1,996,151.60 | 3,026,151.60 |
| 2029 | | 1,090,000.00 | 1,932,636.40 | 3,022,636.40 |
| 2030 | | 1,155,000.00 | 1,863,251.00 | 3,018,251.00 |
| 2031 | | 1,230,000.00 | 1,787,408.00 | 3,017,408.00 |
| 2032 | | 1,310,000.00 | 1,706,636.00 | 3,016,636.00 |
| 2033 | | 1,390,000.00 | 1,620,776.00 | 3,010,776.00 |
| 2034 | | 1,480,000.00 | 1,529,510.00 | 3,009,510.00 |
| 2035 | | 1,575,000.00 | 1,428,423.50 | 3,003,423.50 |
| 2036 | | 1,680,000.00 | 1,316,777.00 | 2,996,777.00 |
| 2037 | | 1,800,000.00 | 1,197,413.00 | 2,997,413.00 |
| 2038 | | 1,920,000.00 | 1,069,817.00 | 2,989,817.00 |
| 2039 | | 2,055,000.00 | 933,474.50 | 2,988,474.50 |
| 2040 | | 2,195,000.00 | 787,699.50 | 2,982,699.50 |
| 2041 | | 2,345,000.00 | 631,977.50 | 2,976,977.50 |
| 2042 | | 2,505,000.00 | 465,622.50 | 2,970,622.50 |
| 2043 | | 2,675,000.00 | 287,948.50 | 2,962,948.50 |
| 2044 | | 2,860,000.00 | 98,098.00 | 2,958,098.00 |
| TOTAL | \$91,659,598.82 | \$39,615,000.00 | \$50,859,023.55 | \$182,133,622.37 |

[The remainder of this page is intentionally left blank.]

THE OKLAHOMA CITY AIRPORT TRUST

Background

The Oklahoma City Airport Trust is an expressed public trust established under the authority of Title 60, Oklahoma Statutes, Sections 176-180.3, inclusive, as amended, and by a Trust Indenture dated as of April 1, 1956 (the “Trust Indenture”), by and between Oklahoma Industries, Inc., as Trustor, and William Gill, Jr., former City Manager of Oklahoma City, and Philip J. Rhoads, former Vice President of the First National Bank and Trust Company of Oklahoma City, as the Trustees, constituting an agency of the State of Oklahoma. The Beneficiary of the Trust is the City, and the City Council of the City accepted beneficial interest on April 24, 1956, by Ordinance No. 7765.

The original Trust Indenture has been amended. The 1989 Amendment to the Trust Indenture provided in pertinent part for the addition of a third Trustee. The 2009 Amendment to the Trust Indenture increased the number of Trustees from three to five Trustees and established the Director of Airports as the General Manager of the Trust. Two of the five member board shall be the persons occupying the offices of Mayor and City Manager of the City or their successors in office and each may also appoint surrogate Trustees to serve in their absence. The City Council member is appointed by the Mayor and confirmed by the City Council and serves for four years or so long as (s)he is in office, whichever comes first. The two resident citizen trustees (Independent-Trustees) are appointed by the Mayor and confirmed by City Council and serve for a term of four years from the date of appointment.

The Trust and the Trust Indenture, the Original Bond Indenture and the Lease Agreement with the City have been approved by the Supreme Court of the State of Oklahoma. The purpose of the Trust is to provide financing for the construction of facilities now used and to be used as a permanent Aeronautical Center by the FAA and to plan, develop and operate airports and air navigation facilities for the use and benefit of the City. The Trust Indenture grants the Trustees authority to acquire and pay for, with cash, bonds or other evidences of indebtedness, property and assets to become a part of the trust estate; to manage and finance the trust estate; to operate the Trust properties either directly or by contract through their agents, and to do all other acts in their judgment necessary or desirable for the proper and advantageous management, investment and distribution of the trust estate and income therefrom.

The Trustees have entered into a lease agreement with the City (the “Lease Agreement”), more fully described in APPENDIX E - “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT WITH THE CITY” section of this Official Statement, whereby the City has leased to the Trustees all properties of the City, now owned or hereafter acquired, used or useful for airport or airplane purposes, which properties are more fully described in the section of this Official Statement entitled “THE OKLAHOMA CITY AIRPORTS,” whereby the Trustees are enabled to pledge as the security for their bonds all of the Revenues to be derived from the municipal airports now owned or hereafter acquired for as long as any of the bonds are outstanding, including all of the lease rental payments for any Senior Lien Bonds to be received from the United States of America, and whereby the City has agreed to provide, if necessary, from its general funds, all costs of operation and maintenance of all the airports and facilities therein, subject to fiscal limitations imposed by the Constitution and laws of the State of Oklahoma and the Charter and ordinances of the City.

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. Upon issuance of these bonds, the term of the lease will become 30 years from the date of issuance.

The Beneficiary

The City is the Beneficiary of the Trust, and all properties held by the Trust shall become the property of the Beneficiary upon termination of the Trust. The governing body of the City is the City Council, which consists of a Mayor elected at large and eight council members elected from wards. The Mayor and Council members are listed below. Under Oklahoma law, creation of an indebtedness by the Trust requires approval by a two-thirds (2/3) vote of the governing body of the Beneficiary, and the waiving of competitive bidding for the sale of Bonds requires approval by three-fourths (3/4) vote of the governing body. A brief description of the City is included as APPENDIX C to this Official Statement.

CITY OF OKLAHOMA CITY

MAYOR AND CITY COUNCIL MEMBERS

| | | | |
|---------------|--------|--------------------------|--------|
| | | Mick Cornett, Mayor | |
| James Greiner | Ward 1 | David Greenwell | Ward 5 |
| Dr. Ed Shadid | Ward 2 | Margaret S. “Meg” Salyer | Ward 6 |
| Larry McAtee | Ward 3 | John A. Pettis, Jr. | Ward 7 |
| Pete White | Ward 4 | Patrick J. Ryan | Ward 8 |

TRUSTEES

The Trust is currently administered by the following five trustees:

Larry McAtee, Chairman, Trustee-Council Member, was appointed to the Trust on March 25, 2009 and was elected Chairman on April 28, 2010. Mr. McAtee shall serve a four year term expiring March 24, 2017, or so long as he is in office, whichever comes first. Mr. McAtee is currently the President of the consulting firm, Ironsharpeners, Inc. From 1981 to December of 2006 he worked for Kimray, Inc. in various management positions including Treasurer. Prior to 1981, he held various sales and management positions as well as serving as Associate Professor of Management at Oklahoma City University. Mr. McAtee has a master’s degree in management from New York University Graduate School of Business Administration, and a B.A. in Public & International Affairs from Princeton University.

Kirk Humphreys, Vice Chairman, Independent-Trustee, was appointed to the Trust on September 26, 2006 and was elected Vice Chairman on April 28, 2010. Mr. Humphreys was recently reappointed to a four year term expiring on April 18, 2017. At the end of Mr. Humphreys’ initial term of six years, any successor, including himself, shall serve four year terms. Mr. Humphreys is currently President of Humphreys Real Estate Investments LLC. He served as Mayor of Oklahoma City from 1998 until 2003. He is currently a board member of the Greater Oklahoma City Chamber of Commerce, City Care, Inc., Oklahoma State Fair, and Integris Health. Mr. Humphreys received a Bachelor of Business Administration (Finance) degree from the University of Oklahoma.

Mick Cornett, Trustee-Mayor, joined the Trust on March 25, 2009 as provided by the amendment to the Trust Indenture on that date. Mr. Cornett became Mayor on March 2, 2004 and was re-elected on March 7, 2006 and again on March 2, 2010. Mr. Cornett is an Executive Vice President at Ackerman McQueen, an advertising and public relations agency. Mr. Cornett has held various positions in local television for 20 years and has served the University of Oklahoma as a journalism professor. Mr. Cornett has a journalism degree from the University of Oklahoma. Council member David Greenwell has been appointed to serve as Surrogate Trustee-Mayor.

James D. Couch, P.E., Trustee-City Manager, joined the Oklahoma City Airport Trust upon his appointment as City Manager in November 2000. Mr. Couch has served the City since 1987 in the positions of Water & Wastewater Utilities Director and Assistant City Manager/MAPS Program Manager. His previous experience includes positions as a consulting engineer, as the Public Works Director of the City of Casper, Wyoming and as an Assistant City Manager of the City of Edmond, Oklahoma. Mr. Couch received a Bachelor of Science in Civil Engineering from the South Dakota School of Mines and Technology and is a registered professional engineer in the states of Oklahoma and Colorado. Assistant City Manager Dennis Clowers serves as the Surrogate Trustee-City Manager.

Dr. Terry Salmon, Independent Trustee, was appointed Trustee on April 28, 2010. and shall serve an initial six-year term expiring in April 2016. He can continue to serve a four-year term after the initial term ends. Dr. Salmon is president of IS Technologies d/b/a Computer System Designers. Mr. Salmon has more than 20 years invested in the field of information technology. He has authored publications related to his profession. Mr. Salmon is a member of various organizations promoting information technology and aviation professions such as the Oklahoma Center for the Advancement of Science and Technology, Tinker Leadership Council, Air Traffic Control Association, and Armed Forces Communications and Electronics Association. Mr. Salmon has a B.S. degree from Cameron University and M.S. and Doctor of Education degrees from Oklahoma State University.

AIRPORTS ADMINISTRATION

Mark Kranenburg, A.A.E., Director of Airports, has served in his present position since November 2005. He began his civilian career in aviation as an Airport Operations Officer at Will Rogers World Airport in 1993. Later he served as the General Aviation Manager managing the operations and maintenance of Wiley Post and Clarence E. Page Airports from 1994 through 2002. His preparation for senior level airport management included positions as Assistant Director for the San Bernardino County Department of Airports and Airport Director for Riverside Airport in California. Mr. Kranenburg is a graduate of Phillips University in Enid, Oklahoma with a degree in Aviation Management. He is a Certified Member of the American Association of Airport Executives and the Oklahoma Airport Operators Association. Mr. Kranenburg also served as an air traffic controller both in the United States Air Force and the Federal Aviation Administration.

Scott Keith, Assistant Director of Airports, has served in his present position since March 2008. He previously served for six years as the General Aviation Manager at Wiley Post and Clarence E. Page Airports. Before coming to Oklahoma City, Scott served for three years as the Airport Manager at Osage Beach, Missouri, and has also served in various positions at Max Westheimer Airport in Norman, Oklahoma. Scott holds a Bachelors Degree in Aviation Management and a Masters Degree in Aviation and Space Administration from Oklahoma State University. He is a private rated pilot and has completed commercial ground school.

Kim Sotomayor, Business Manager, accepted the position of Business Manager in September 2010. Prior to joining the Oklahoma City Airports, she worked for the Tucson Airport Authority as a Financial Analyst and held various other positions from 1999 to 2010. In addition, she was Chairman of the Supervisory Committee of the Tucson Old Pueblo Credit Union overseeing the internal audit function from 1999 to 2010. Ms. Sotomayor graduated from the Southwestern Oklahoma State University with a Bachelor of Science degree. She obtained a Masters in Business Administration and Master of Science in Accountancy from University of Phoenix in 2007 and 2010, respectively. She is a member of the Government Finance Officers Association.

Jami Blocker, Assistant Municipal Counselor/Trust Attorney, has served as Assistant Municipal Counselor for the City since 1994 and accepted the position of Trust Attorney in 2009. Ms. Blocker has both a Bachelor's Degree of Business Administration with an emphasis in Finance and a Juris Doctorate degree from the University of Oklahoma. Ms. Blocker is licensed to practice law in the state of Oklahoma, the Federal Western District, 10th Circuit Court of Appeals, and the United States Supreme Court.

Trust Staff

All airport employees are employees of the City and are accordingly included on the City's payroll funded in the Airport Enterprise Fund.

AIRPORTS SERVICE AREA

The Will Rogers World Airport primary service area includes eight Oklahoma counties and represents a population of over 1.35 million. The nearest alternative for commercial service is in Tulsa, Oklahoma which is located approximately 124 miles to the northeast, a two and one-half hour drive from Oklahoma City. Other alternatives for commercial air service are located in: Wichita, Kansas, approximately 173 miles to the north and a three hour drive; and, Dallas/Fort Worth area, approximately 193 miles to the south and a three hour drive.

Currently, Will Rogers World Airport has 75 daily passenger airline departures. The most traveled destination is the Houston area followed, in order of passenger demand: Denver, Las Vegas, Los Angeles Basin, Washington/Baltimore, Chicago, Dallas and New York/Newark. Nonstop service is available to twenty-three major airports across the country.

THE OKLAHOMA CITY AIRPORTS

The properties owned by the City and leased to the Trust under the Lease Agreement comprise several significant elements as described in this section of the Official Statement.

Will Rogers World Airport

Oklahoma City's commercial airport, Will Rogers World Airport, is classified by the FAA as a small hub, multi-purpose airport with runways and facilities capable of handling all presently operating aircraft. It has operated continuously since 1931 and covers approximately 8,100 acres, which ranks it among the five largest airports in the United States in terms of area. Will Rogers World Airport is located in an area zoned for industrial use and is protected by appropriate zoning in the surrounding areas. It is served by several expressways and interstate highways, including Interstate Highways 35, 40, 44 and 240, which serve the City.

The terminal facility was opened November 22, 1966 with an expansion completed in 1986, and a terminal renovation and expansion project completed in 2007. The terminal building now comprises approximately 410,000 square feet with seventeen airline gate positions. The newly completed expansion project enhanced access to the terminal building and enlarged gate holding and baggage claim areas. Terminal plans provide for a future concourse which would add an additional 50,000 square feet and nine aircraft boarding gates when needed.

In fiscal year 2013, approximately 3.69 million passengers utilized the airlines serving Will Rogers World Airport. Major airlines which provide service at Will Rogers World Airport include: American Airlines, Delta Airlines, Frontier Airlines, Southwest Airlines, and United Airlines.

Airfield facilities include three major Portland cement concrete and asphalt concrete runways, each 150 feet in width. Two parallel runways are 9,800 feet in length, and one crosswind runway is 7,800 feet in length. The runway system also includes modern lighting and navigational aids. There are currently two fixed-based operators located at Will Rogers World Airport. AAR Aircraft Services Oklahoma, leases seven large hangars, offers sales, service, repair and storage for general aviation and aircraft maintenance and modification services for airlines. Atlantic Aviation operates out of a 26,000 square foot hangar, and serves corporate and business aviation. Other facilities located at Will Rogers World Airport include: the Oklahoma Air National Guard, AIRINC ASE, the Southwest Airlines Reservation Center, the U.S. Customs National Aviation Center, U.S. Marshals Service Center and Hangars, the Customs and Border Protection Hangar, and the U.S. Federal Bureau of Prisons Transfer Center.

Another significant property component of the Will Rogers World Airport is the Mike Monroney Aeronautical Center. The Federal Aviation Administration ("FAA"), an agency of U.S. Department of Transportation (DOT) which oversees flight operations and safety of private, corporate, and airline aviation in the United States, first moved to Oklahoma City in 1946. Following the establishment of the Federal Aviation Agency by an Act of Congress in 1958, the Federal Aviation Agency Center was created in Oklahoma City. The name of the Center was changed through an Act of Congress in 1978 to honor former Congressman and Senator A.S. Mike Monroney who was the father of the Federal Aviation Act of 1958. The Mike Monroney Aeronautical Center, located in the west portion of Will Rogers World Airport, is a central installation for the FAA. The Aeronautical Center consists of 25 major buildings and many more minor supporting buildings. It is the Department of Transportation's largest facility outside of the Washington DC area.

Wiley Post Airport

Wiley Post Airport is classified by the FAA as a general aviation reliever airport. It is used primarily as the home field for private and corporate aircraft. The airport occupies 1,100 acres and is equipped with three paved runways from 5,000 to 7,200 feet long. The longest runway is 150 feet wide, the major crosswind runway is 100 feet wide, and the other runway is 75 feet wide. It is the principal general aviation airport in the Oklahoma City metropolitan area with approximately 80,000 operations a year. Wiley Post Airport's fixed base operators have extensive hangar facilities and maintenance capabilities for corporate jet maintenance and repair.

Clarence E. Page Airport

Clarence E. Page Airport is located west of the urban area within the City limits near Yukon, Oklahoma, and is a general aviation airport classified as a reliever airport by the FAA. It can handle aircraft up to and including business jets. The airport occupies approximately 1,000 acres and has one fixed base operator and two paved runways, 3,500 and 6,000 feet long, and fuel facilities for aviation gasoline and jet fuel. Legacy Aviation Services, Inc. occupies two large hangars on the airport and is providing modification and maintenance services for corporate aircraft. The Trust also leases sites to owners of general aviation aircraft for construction of personal T-Hangars.

Capital Plan

- The Trust maintains an ongoing process of evaluating and updating the capital requirements for the Airport System which includes the annual development of a rolling five-year capital improvement program that is updated annually and amended as necessary.
- The Trust has developed a 5-year Capital Improvement Program to provide \$336.9 million of capital improvements in the Airport System from Fiscal Year (FY) 2014 through FY 2018, excluding financing costs, capitalized interest, and reserve funding, if any, associated with the proposed Thirty-First Series Bonds. The ConRAC Facility represents expenditures of \$39 million (or 12% of the total Capital Improvement Program).
- These projects are expected to be funded through a combination of Trust funds, grants-in-aid from both the Federal Aviation Administration (FAA) and Transportation Security Agency (TSA), future PFC applications, and proceeds from the Bonds and Future Bonds. The elements of the Capital Improvement Program are described below.

Consolidated Rental Car Facility

- The ConRAC Facility is planned to be constructed on a 35 acre site west of South Meridian Avenue, the primary entrance roadway to the Airport. The ConRAC Facility will include:
- An approximately 19,000 square foot customer service building providing rental car counters, offices, public seating, and other customer service facilities.
- Three looped roadways, including (1) an inner loop for shuttle bus pickup and dropoff to and from the terminal, (2) a middle loop for customer access to ready-return areas, and (3) an outer loop for rental car companies operational needs.
- Ready return, quick-turn around, fueling, car wash, and maintenance facilities.
- The project also includes the acquisition of eight compressed natural gas powered shuttle buses to serve the ConRAC Facility. Construction of the ConRAC Facility is anticipated by the Trust to begin in fall 2013 and be completed in early 2015.

Other Projects

In addition to the ConRAC Facility, the Trust plans to undertake future capital improvements as they are required or economically justified. Major future improvements include:

- *Terminal Expansion.* Due to the increased activity over the past three years, the Airport is planning for a Terminal Expansion to include additional gates to accommodate anticipated growth. Development will be triggered by future demand for gates at the Airport.
- *Checked Baggage Inspection System.* The Trust is in the process of installing a new baggage screening system, coordinated with the TSA. The new system includes security equipment and support infrastructure, explosive detection system machines, a conveyor system, an on-screen resolution room, and explosive trace detection resolution area. The new system is anticipated by the Trust to be completed in FY 2016.
- *Taxiway M.* A new taxiway to connect current parallel runways on the west side of the airfield will be planned and designed.
- *Realignment of Portland Avenue.* The project, which is currently underway, is a joint effort between the City of Oklahoma City and the Trust to realign and widen Portland Avenue to support the planned east side aviation and commercial development at the Airport.
- *Mike Monroney Aeronautical Center.* The CIP includes an allowance for annual infrastructure improvements to the Mike Monroney Aeronautical Center, including roof replacements, heating and air systems, electrical distribution systems, pavement improvements, water distribution systems, and other building improvements. These projects are funded through the maintenance fees paid to the Trust and retained in a separate escrow account.

Currently, the Trust has not developed a capital program for the Airport System after FY 2018. Capital improvements beyond FY 2018 have not been identified beyond those routinely necessary to ensure that the Airport System continues to be a safe, secure, and efficient aviation facility (e.g., equipment replacement and major facility maintenance as needed).

AIRLINE ACTIVITY

Scheduled Airlines

AIRLINES SERVING THE AIRPORT

Oklahoma City-Will Rogers World Airport
(Fiscal Year 2013)

| <u>Mainline airlines</u> | <u>Regional affiliates</u> |
|---------------------------|----------------------------|
| American | American Eagle (AA) |
| Delta | Chautauqua (AA) |
| United | Colgan Air (UA) |
| | Comair (DL) |
| <u>Low-cost carriers</u> | Compass (DL) |
| Frontier | ExpressJet (AA, DL, UA) |
| Southwest | GoJet (UA) |
| | Mesa (UA) |
| <u>All-cargo airlines</u> | Pinnacle (DL) |
| ABX Air, Inc. | Republic (UA) |
| Ameriflight | Shuttle America (UA) |
| FedEx | SkyWest (DL, UA) |
| Martinaire | Trans States (UA) |
| Mountain Air Cargo | |
| UPS | |

Note: AA=American Airlines, DL=Delta Air Lines, UA=United Airlines.

Source: Oklahoma City Department of Airports.

AIRLINE MARKET SHARES OF ENPLANED PASSENGERS

Oklahoma City-Will Rogers World Airport
(Fiscal Years ended June)

| <u>Published Airline (a)</u> | <u>2002</u> | <u>2007</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|------------------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|
| Southwest | 441,103 | 527,050 | 559,696 | 631,813 | 658,425 | 680,578 |
| United (b) | 291,767 | 410,953 | 397,477 | 382,544 | 383,094 | 394,879 |
| American | 421,425 | 380,095 | 356,956 | 360,301 | 383,170 | 381,609 |
| Delta (c) | 367,640 | 319,531 | 281,277 | 297,170 | 319,057 | 305,564 |
| Frontier | - | 54,191 | 95,325 | 73,385 | 76,438 | 79,739 |
| US Airways | - | 52,266 | - | - | - | - |
| Champion Air | 38,004 | 43,881 | - | - | - | - |
| Other | <u>14,799</u> | <u>11,152</u> | <u>3,329</u> | <u>3,166</u> | <u>4,129</u> | <u>2,686</u> |
| Total | 1,574,738 | 1,799,119 | 1,694,060 | 1,748,379 | 1,824,313 | 1,845,055 |
| | <u>Share of total</u> | | | | | |
| Southwest | 28.0% | 29.3% | 33.0% | 36.1% | 36.1% | 36.9% |
| United (b) | 18.5 | 22.8 | 23.5 | 21.9 | 21.0 | 21.4 |
| American | 26.8 | 21.1 | 21.1 | 20.6 | 21.0 | 20.7 |
| Delta (c) | 23.3 | 17.8 | 16.6 | 17.0 | 17.5 | 16.6 |
| Frontier | - | 3.0 | 5.6 | 4.2 | 4.2 | 4.3 |
| US Airways | - | 2.9 | - | - | - | - |
| Champion Air | 2.4 | 2.4 | - | - | - | - |
| Other | <u>0.9</u> | <u>0.6</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.1</u> |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

(a) Includes regional code-sharing affiliates, if any.

(b) Continental is included with United for all years shown, although its merger with United occurred in May 2010.

(c) Northwest is included with Delta for all years shown, although its merger with Delta occurred in October 2008.

Source: Oklahoma City Department of Airports.

Southwest Airlines serves the largest number of passengers at Will Rogers World Airport followed by American Airlines and United Airlines. Southwest Airlines had 658,425 enplaned passengers in fiscal year 2012. American Airlines, with code-sharing partner American Eagle Airlines and Chautauqua Airlines, had 383,170 enplaned passengers. United Airlines, with code-sharing partners Colgan Air, ExpressJet, GoJet, Mesa, Republic, Shuttle America, Sky West, and Trans States had 383,094 enplaned passengers.

[The remainder of this page is intentionally left blank.]

TRENDS IN ENPLANED PASSENGERS

Oklahoma City-Will Rogers World Airport
(Fiscal Years ended June)

| Fiscal Year | Domestic O&D | | | Int'l O&D enplaned on domestic flights (a) | Connecting pas sengers | Charter, nonrevenue and other | Total enplaned pas sengers |
|----------------|-----------------------------|---------|-----------|---|---------------------------|-------------------------------------|----------------------------------|
| | Resident | Visitor | Total | | | | |
| 2002 | 759,493 | 644,667 | 1,404,160 | 70,660 | 62,235 | 37,683 | 1,574,738 |
| 2003 | 753,424 | 652,246 | 1,405,670 | 69,910 | 70,415 | 58,363 | 1,604,358 |
| 2004 | 776,412 | 665,348 | 1,441,760 | 77,700 | 70,120 | 76,535 | 1,666,115 |
| 2005 | 816,014 | 697,916 | 1,513,930 | 87,900 | 70,750 | 64,142 | 1,736,722 |
| 2006 | 867,324 | 737,996 | 1,605,320 | 95,660 | 70,865 | 37,509 | 1,809,354 |
| 2007 | 848,552 | 726,408 | 1,574,960 | 99,140 | 67,015 | 58,084 | 1,799,199 |
| 2008 | 903,436 | 780,074 | 1,683,510 | 104,340 | 63,680 | 62,217 | 1,913,747 |
| 2009 | 836,043 | 698,597 | 1,534,640 | 105,640 | 56,060 | 34,534 | 1,730,874 |
| 2010 | 825,020 | 670,400 | 1,495,420 | 109,790 | 69,835 | 19,015 | 1,694,060 |
| 2011 | 828,191 | 701,419 | 1,529,610 | 118,490 | 71,235 | 29,044 | 1,748,379 |
| 2012 | 869,016 | 708,484 | 1,577,500 | 120,360 | 88,445 | 38,008 | 1,824,313 |
| 2013 (b) | 876,455 | 717,100 | 1,593,555 | 122,000 | 91,000 | 38,500 | 1,845,055 |
| | Share of total | | | | | | |
| 2002 | 48.2% | 40.9% | 89.2% | 4.5% | 4.0% | 2.4% | 100.0% |
| 2007 | 47.2 | 40.4 | 87.5 | 5.5 | 3.7 | 3.2 | 100.0 |
| 2012 | 47.6 | 38.8 | 86.5 | 6.6 | 4.8 | 2.1 | 100.0 |
| 2013 (b) | 47.5 | 38.9 | 86.4 | 6.6 | 4.9 | 2.1 | 100.0 |
| | Compound annual growth rate | | | | | | |
| 2002-2006 | 3.4% | 3.4% | 3.4% | 7.9% | 3.3% | -0.1% | 3.5% |
| 2006-2010 | -1.2 | -2.4 | -1.8 | 3.5 | -0.4 | -15.6 | -1.6 |
| 2010-2012 | 2.6 | 2.8 | 2.7 | 4.7 | 12.5 | 41.4 | 3.8 |
| 2012-2013 (b) | 0.9 | 1.2 | 1.0 | 1.4 | 2.9 | 1.3 | 1.1 |

a) Represents passengers who boarded domestic flights to another U.S. gateway city where they connected with flights to their international destinations.

b) The segment breakdown for FY 2013 represents estimates by LeighFisher.

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Oklahoma City Department of Airports.

Enplaned passengers totaled 1,824,313 for fiscal year ended June 30, 2012, which is a 4.34% increase over the previous fiscal year. Fiscal Year 2013 enplaned passengers totaled 1,845,055 which is a 1.14% increase over the previous fiscal year.

See APPENDIX A, "REPORT OF THE AIRPORT CONSULTANT", for more detailed information and data concerning passenger traffic, aircraft operations, landing weights, landing fees, and other airport related data.

AIRPORTS FINANCES

Historical Revenues, Expenses, and Coverage

The Revenues of the Trust Estate are pledged first to the debt service requirements of any Senior Lien Bonds, including related Trustee Bank Fees, and second to the payment of principal and interest of the Junior Lien Bonds. Lease Revenue Bonds are paid from the rental income associated with the specific lease for the project. Remaining revenues are available to fund in priority: Trust expenses, including contractual obligations and lease maintenance commitments; the Airport Enterprise Fund, which includes funds budgeted to meet annual operation and maintenance costs of the Airports; and, discretionary reserves to fund construction and contingencies. Any remaining funds are available for preservation and maintenance of the Trust Estate.

Table 3 provides a schedule of revenues, expenses, and debt service coverage for Fiscal Years ended 2012 and 2011. Operating revenue available for Junior Lien debt service for the year ending June 30, 2012 was \$26.6 million.

[The remainder of this page is intentionally left blank.]

TABLE 3
OKLAHOMA CITY DEPARTMENT OF AIRPORTS
SCHEDULE OF BOND DEBT SERVICE COVERAGE - HISTORICAL
FISCAL YEARS ENDED JUNE 30

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Gross Revenues | \$75,900,300 | \$74,744,654 | \$71,650,537 | \$69,779,017 | \$73,207,484 |
| 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> | <u>(21,779,800)</u> |
| Gross Revenue as Provided in the Original Bond Indenture | 50,510,878 | 51,490,213 | 47,171,589 | 46,169,556 | 51,427,684 |
| Expenses per Original Bond Indenture | 24,546,088 | 23,289,591 | 22,814,010 | 22,774,383 | 21,085,002 |
| Adjustments per Original Bond Indenture (2) | <u>(83,154)</u> | <u>(199,409)</u> | <u>(84,654)</u> | <u>(56,404)</u> | <u>(87,907)</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> | <u>20,997,095</u> |
| Net Revenues 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> | <u>30,981,109</u> |
| Senior Lien Debt Service Requirements | \$4,970,480 | \$5,468,770 | \$6,345,286 | \$6,358,423 | \$6,371,648 |
| Bank Fees | <u>2,000</u> | <u>2,000</u> | <u>2,165</u> | <u>2,642</u> | <u>3,088</u> |
| Net Senior Lien Debt Service Requirements | 4,972,480 | 5,470,770 | 6,347,451 | 6,361,065 | 6,374,736 |
| Available for Junior Lien Requirements | \$21,075,464 | \$22,929,261 | 18,094,782 | 17,090,512 | 24,606,373 |
| Passenger Facility Charge (PFC) Revenue Available for Junior Lien Debt Service Requirements | <u>5,562,547</u> | <u>5,879,865</u> | <u>4,315,968</u> | <u>5,414,299</u> | <u>5,360,713</u> |
| Total Available for Junior Lien Debt Service Requirements | 26,638,011 | 28,809,126 | 22,410,750 | 22,504,811 | 29,967,086 |
| Junior Lien Series Debt Service Requirements Net of PFC Backed Revenue Bond Debt | 4,541,507 | 5,581,918 | 7,537,333 | 7,806,070 | 8,792,153 |
| PFC Backed Revenue Bond Debt | 5,562,547 | 5,879,865 | 4,315,968 | 5,414,299 | 5,360,713 |
| Bank Fees | <u>11,993</u> | <u>12,386</u> | <u>14,862</u> | <u>16,469</u> | <u>18,947</u> |
| 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> | <u>\$14,171,813</u> |
| Senior Lien Debt Service Coverage | | | | | |
| Gross | 10.16 | 9.41 | 7.43 | 7.26 | 8.07 |
| Net | 5.24 | 5.19 | 3.85 | 3.69 | 4.86 |
| Junior Lien Debt Service Coverage (3) | | | | | |
| Gross | 5.05 | 4.52 | 3.80 | 3.42 | 3.56 |
| Net | 2.63 | 2.51 | 1.89 | 1.70 | 2.11 |

(1) Revenues of the OCAT pledged to the payment of debt under the original bond indenture and supplemental bond indentures exclude certain interest earnings and certain OCAT revenues pledged to the trust estates created pursuant to the separate lease revenue bond indentures.

(2) Expenses exclude trustee bank fees and expenses related to the trust estates created pursuant to the separate lease revenue bond indentures.

(3) The original Bond Indenture provides that gross revenues of the Trust Estate less the Junior Lien debt service requirements must at least be 1.5 times the Junior Lien debt service requirements to issue additional Junior Lien Bonds.

Source: Oklahoma City Department of Airports.

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

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 Haggard.
- 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.

AIRPORT LEASE AGREEMENTS WITH AIRLINES

The Trust has entered into separate, but substantially similar, leases with the commercial airlines operating at the Airport. The current Airline Operating and lease Agreement (“Agreement”) was effective January 1, 2008, and had an initial term of three years with two, one-year extension options which were both exercised. The Agreements were then further extended through June 30, 2013. The Trust and airlines are in the process of further extending the Agreement through December 31, 2013 while continuing to negotiate a new use and lease agreement but in no event is the Agreement to extend beyond June 30, 2014. See APPENDIX A – “REPORT OF THE AIRPORT CONSULTANT, AIRLINE OPERATING AND LEASE AGREEMENT”.

Terminal Rental Rates and landing Fees are calculated using a compensatory methodology.

Landing fees are currently \$2.8485 per thousand pounds for signatory airlines. The rate for non-signatory airlines is \$3.4182 per thousand pounds. This is a \$0.0001 increase over the landing fee rate for 2012. The landing fee remaining flat year over year is due to a 2% increase in operations on the airfield, and a 3.86% increase in landed weights. Over the past three years, landing fees have remained flat.

For calendar year 2012, the average cost per enplaned passenger to use Will Rogers World Airport was \$5.47.

PASSENGER FACILITY CHARGE

To date the City has received approval from the Federal Aviation Administration to impose and use \$136,283,571 in Passenger Facility Charges (“PFC”) for capital projects. The PFC is collected by the air carriers using the Airport and remitted to the City pursuant to Section 1113(e) of the Federal Aviation Act, as amended, and the regulations promulgated thereunder (collectively, the “PFC Laws”). As of June 30, 2013, the airport has collected \$82,464,592 in PFC revenues.

The PFC Laws empower the FAA to authorize a public agency that controls an airport to impose a PFC of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 (the current maximum level) for each enplaned passenger at such airport, subject to certain exceptions described below. A PFC of \$4.50 is collected by the air carriers. Proceeds of an authorized PFC may be used only to pay “allowable costs” of specific airport projects approved by the FAA, including debt service and other financing costs on bonds issued to finance such specific projects. The authority to collect a PFC expires once collections reach a maximum amount prescribed by the FAA. Such maximum collection amount may be unilaterally increased by up to 15% by the airport agency charging the PFC or otherwise increased upon approval of the FAA.

Historical PFC Collections

| | |
|--------|-----------|
| FY2008 | 5,295,450 |
| FY2009 | 4,388,065 |
| FY2010 | 5,037,457 |
| FY2011 | 7,041,552 |
| FY2012 | 7,135,127 |

Under the PFC Laws, all air carriers serving an airport for which the FAA has authorized the collection of a PFC must collect such PFC at the time they sell an airline ticket to a passenger to be enplaned at that airport. Passenger enplanements subject to the charge include passengers originating their travel itineraries on departing flights out of the collecting airport or connecting passengers at the collecting airport whose itineraries originated in other cities, provided the airport is among the first two airports collecting a PFC on such connecting passenger’s itinerary. An authorized PFC may only be collected for “revenue passengers” enplaned at a collecting airport, including passengers using scheduled and nonscheduled airline service. “Revenue passengers” do not include passengers who do not pay for the air transportation which resulted in their enplanement, including passengers using frequent flyer awards.

Under the PFC Laws, all air carriers serving an airport for which the FAA has authorized the collection of a PFC must collect such PFC at the time they sell an airline ticket to a passenger to be enplaned at that airport. Passenger enplanements subject to the charge include passengers originating their travel itineraries on departing flights out of the collecting airport or connecting passengers at the collecting airport whose itineraries originated in other cities, provided the airport is among the first two airports collecting a PFC on such connecting passenger’s itinerary. An authorized PFC may only be collected for “revenue passengers” enplaned at a collecting airport, including passengers using scheduled and nonscheduled airline service. “Revenue passengers” do not include passengers who do not pay for the air transportation which resulted in their enplanement, including passengers using frequent flyer awards.

Air carriers collecting a PFC on behalf of an airport agency must remit the proceeds of the PFC to the airport agency on a monthly basis, not later than the last day of the month following the month in which such proceeds were collected or the first business day thereafter. Prior to such remittance, however, collecting air carriers are entitled to retain any interest accrued on the investment of the proceeds of the PFCs they collect, as well as \$.11 (\$.08 prior to May 1, 2004) of each PFC collected as compensation for administering the collection process.

The FAA may terminate an airport agency’s ability to impose, collect and apply the proceeds of a PFC if the FAA finds that the airport agency has violated the PFC Laws, including a violation of the agency’s obligation under the PFC Laws to expend proceeds of its authorized PFC only on FAA-approved projects. An airport agency’s ability to impose, collect and apply the proceeds of a previously authorized PFC may also be terminated by the FAA if the airport agency is found to have violated the Airport Noise and Capacity Act of 1990 or its implementing regulations (collectively, the “Noise Law”). Both the PFC Laws and the Noise Law contain a variety of procedural safeguards, including an informal resolution procedure and requirements for public hearings, which would apply before an airport agency’s PFC program

could be terminated. Termination proceedings would include a period of time (at least 120 days) to allow the airport agency to correct any violation identified by the FAA or otherwise settle any alleged violation. The airport agency would also subject certain other of its funds, including federal airport improvement grants, to termination by violating the PFC Laws or the Noise Law.

The Will Rogers World Airport PFC program is administered by the City's Department of Airports in accordance with the PFC Laws. The FAA has approved three PFC applications, including amendments, to impose and use \$136,283,571 for construction of eligible projects. The City is currently collecting PFC revenues under the third application whereby the revenues will be used to make debt service payments associated with the revenue bonds issued to fund construction of eligible portions of the Terminal area capital project which was completed in 2007. The charge expiration date for the third PFC application is estimated to be December 1, 2020.

REPORT OF THE AIRPORT CONSULTANT

In connection with the issuance of the Bonds, the Trust retained Leigh Fisher (the "Airport Consultant") to prepare the Report of the Airport Consultant, dated August 30, 2013, attached hereto as APPENDIX A (the "Report"), which describes the economic basis for air traffic at the Airport, historical trends in airline traffic, and key factors that may affect future airline traffic. The Report also presents air traffic and financial projections for Fiscal Years 2014 through 2018 and sets forth certain assumptions upon which the forecasts are based. These assumptions were provided by, or reviewed and adopted by the Trust at the time the Report was issued. The Report has been included in this Official Statement in reliance upon the reputation of the Airport Consultant as an expert in preparing forecasts and projections with respect to airports.

On the basis of the analysis set forth in the Report, the Airport Consultant is of the opinion that for FY 2010 through FY 2012, Revenues of the Trust available for debt service for the preceding twelve months were equal to not less than 1.50 times the average annual debt service on the then outstanding Junior Lien Bonds after Senior Lien Bond payments. The Trust is forecast to maintaining a schedule of rentals to provide annual income sufficient to pay the obligations of the Trust.

The documentation demonstrating that the estimated revenues of the additional facilities, when added to actual Revenues of the Trust for the preceding twelve months, less Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the additional and outstanding bonds will be submitted to the Trustees upon issuance. The Trust is forecast to generate Revenues of the Trust annually not less than 1.50 times the estimated average annual debt service on the proposed Thirty-First Series Bonds and outstanding Bonds.

[The remainder of this page is intentionally left blank.]

COMPLIANCE WITH COVENANTS TO MAINTAIN AIRPORT RATES AND CHARGES

Oklahoma City, Will Rogers World Airport
(For Fiscal Years ending June 30)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in Appendix A. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Budget (a) | | Forecast | | | |
|---|-----------------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Revenues | \$ 64,018,290 | \$ 70,436,925 | \$ 68,076,000 | \$ 65,591,000 | \$ 67,010,000 | \$ 68,289,000 |
| Less: Separate Lease Payments | (9,040,711) | (9,040,711) | (4,520,000) | - | - | - |
| Less: Restricted Interest Income | (499,000) | (499,000) | (499,000) | (1,000) | (1,000) | (1,000) |
| Less: Fair market value on investments | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) |
| Gross revenues | [A] \$ 54,477,579 | \$ 60,896,214 | \$ 63,056,000 | \$ 65,589,000 | \$ 67,008,000 | \$ 68,287,000 |
| Operation and Maintenance Expenses | \$ 49,072,285 | \$ 49,042,174 | \$ 50,913,000 | \$ 52,481,000 | \$ 53,592,000 | \$ 54,739,000 |
| Less: Depreciation | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) |
| Less: Adjustments | (120,000) | (120,000) | (120,000) | (120,000) | (120,000) | (120,000) |
| | [B] \$ 27,722,285 | \$ 27,692,174 | \$ 29,563,000 | \$ 31,131,000 | \$ 32,242,000 | \$ 33,389,000 |
| Net revenues | [C=A-B] \$ 26,755,294 | \$ 33,204,040 | \$ 33,493,000 | \$ 34,458,000 | \$ 34,766,000 | \$ 34,898,000 |
| Senior Lien Coverage | | | | | | |
| Senior Lien Debt Service | \$ 4,961,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Bank fees | 2,000 | - | - | - | - | - |
| | [D] \$ 4,963,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Gross Senior Lien Coverage | [A/D] 10.98 | - | - | - | - | - |
| Net Senior Lien Coverage | [B/D] 5.39 | - | - | - | - | - |
| Junior Lien Coverage | | | | | | |
| Gross revenues | \$ 54,477,579 | \$ 60,896,214 | \$ 63,056,000 | \$ 65,589,000 | \$ 67,008,000 | \$ 68,287,000 |
| Less: Senior Lien Debt Service | (4,963,000) | - | - | - | - | - |
| Plus: PFC Revenues Available for Debt Service | 5,885,000 | 5,891,000 | 5,898,000 | 5,903,000 | 5,907,000 | 5,396,000 |
| | [E] \$ 55,399,579 | \$ 66,787,214 | \$ 68,954,000 | \$ 71,492,000 | \$ 72,915,000 | \$ 73,683,000 |
| Net revenues | \$ 26,755,294 | \$ 33,204,040 | \$ 33,493,000 | \$ 34,458,000 | \$ 34,766,000 | \$ 34,898,000 |
| Less: Senior Lien Debt Service | (4,963,000) | - | - | - | - | - |
| Plus: PFC Revenues Available for Debt Service | 5,885,000 | 5,891,000 | 5,898,000 | 5,903,000 | 5,907,000 | 5,396,000 |
| | [F] \$ 27,677,294 | \$ 39,095,040 | \$ 39,391,000 | \$ 40,361,000 | \$ 40,673,000 | \$ 40,294,000 |
| Junior Lien Debt Service | \$ 10,555,000 | \$ 10,437,000 | \$ 11,915,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 |
| Bank fees | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | [G] \$ 10,575,000 | \$ 10,457,000 | \$ 11,935,000 | \$ 12,405,000 | \$ 12,406,000 | \$ 11,725,000 |
| Gross Junior Lien Coverage | [E/G] 5.24 | 6.39 | 5.78 | 5.76 | 5.88 | 6.28 |
| Net Junior Lien Coverage | [F/G] 2.62 | 3.74 | 3.30 | 3.25 | 3.28 | 3.44 |

(a) Budget for years noted provided by Oklahoma City Airports Trust.

[The remainder of this page is intentionally left blank.]

[The remainder of this page is intentionally left blank.]

RISKS OF BONDHOLDERS

The Junior Lien Bonds are payable from the operation of the Oklahoma City Airports. The factors described herein are not intended to be definitive or exhaustive but rather are some factors an investor should consider, among other things, in deciding whether to purchase any of the Bonds.

Airline Reports

Certain of the airlines serving the Airport (or their respective parent corporations) are subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance therewith file reports and other information with the Securities and Exchange Commission ("SEC"). Only companies with securities listed on a national securities exchange, with securities traded over the counter which are registered under the Exchange Act, or which are required to file with the SEC pursuant to the information-reporting requirements will have information on file. Certain information, including financial information, as of particular dates, concerning each such airline is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected in the Public Reference Section at the SEC Headquarters, 100 F Street, N.E., Washington, DC 20549, and copies of such reports and statements can be obtained from the Public Reference Section at prescribed rates. The SEC also maintains a website that contains reports, proxy and information statements and other written information regarding companies that file electronically with the SEC. The address of the website is <http://www.sec.gov>. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the United States Department of Transportation. Such reports can be inspected at the following location: DOT Dockets Office, Research and Innovative Technology Administration, Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, D.C. 20590 and copies of such reports can be obtained from the United States Department of Transportation at prescribed rates. Foreign flag airlines are not required to file financial reports or operating statistics with the United States Department of Transportation. **THE TRUST HAS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF INFORMATION AVAILABLE FROM THE ABOVE-MENTIONED SOURCES.**

Global Events and Uncertainties of the Airline Industry

Since the economic deregulation of the airline industry in 1978, the industry has undergone significant changes including a number of airline mergers, acquisitions, bankruptcies and dissolutions. In addition, the financial results of the airline industry have been subject to substantial volatility since deregulation. Recent events have had a significant, negative impact on airline industry profitability. Numerous airlines have filed for bankruptcy protection and overall, the airline industry has continued to struggle with higher costs for fuel and depressed passenger revenue. The airlines have responded to the changing nature of the industry by instituting initiatives including but not limited to, furloughing employees, reducing flights, negotiating significant wage reductions, deferring aircraft deliveries, baggage and other service charges, streamlining operations, and improving productivity. Additionally, in response to competitive pressures, the U.S. airline industry continues to consolidate. The Trust cannot predict what impact, if any, such consolidations will have on airline traffic at the Airport.

The Trust's ability to derive Revenues depends upon numerous factors, many of which are not subject to the control of the Trust. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airline Agreements. The continued presence of the airlines serving the Airport, and the levels at which that service will be provided, are a function of a variety of factors. Future airline traffic of the Airport will be affected by, among other things, the growth in the population and the economy of the primary air trade area served by the Airport and by national and international economic conditions, federal and state regulatory actions, airline service and routes, air fare levels, aviation fuel prices, the capacity of facilities at the Airport, operation and capacity of the air traffic control system, national and international disasters and hostilities, mergers, technological changes, environmental risks and regulations, noise abatement concerns and regulation, federal and state bankruptcy and insolvency laws, acts of terrorism and world health concerns and epidemics. It is reasonable to assume that any significant financial or operational difficulties incurred by any of the Signatory Airlines may, whether directly or indirectly, have an adverse impact on Revenues or Airport operations, the effect of which may be material. The Trust may anticipate but can never predict the occurrence of any particular event or trend that could adversely impact airline activity and/or Revenues. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport.

During the past few years, several airlines filed for bankruptcy protection. Notwithstanding the enactment of federal aid for the airline industry, it is possible that additional passenger or all-cargo air carriers, including one or more of the Signatory Airlines, will file for protection under federal bankruptcy laws. This Official Statement does not contain financial information about any airline or construction contractor or about any other entity other than the Airport and Trust. As a result, in making an investment decision with respect to the Bonds, a potential purchaser can have no assurance, based upon the information contained herein, that any entity will be capable of meeting its responsibilities or will perform as expected. For further information regarding the financial condition and effect on operations of the airlines, potential investors should refer to the statements and reports filed periodically by the airlines with the SEC. See “THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Airline Reports “ herein for information on how to obtain such reports and “THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – General Financial Condition of Certain Airlines Serving the Airport” and “THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Effect of Bankruptcy on Airline Agreements” herein for additional information relating to current and future Signatory Airline bankruptcies.

General Financial Condition of Certain Airlines Serving the Airport

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The Trust derives a substantial portion of its operating revenues from landing and facility rental fees. The financial strength and stability of the airlines using the Airport, together with numerous other factors, influence the level of aviation activity at the Airport and Revenues of the Trust. Over the past decade, substantially all airlines have been downgraded by the rating agencies, several have restructured through Chapter 11 bankruptcy, some are currently restructuring in Chapter 11 and some have ceased service altogether, and many airlines have implemented service reductions and employee layoffs in response to a reduction in passenger demand.

Certain of the airlines (or their respective parent corporations) are subject to the information reporting requirements of the Exchange Act and in accordance therewith file reports and other information with the SEC. See “THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – Airline Reports “ herein for information on how to obtain such reports.

The Trust cannot predict the duration nor extent of reductions and disruptions in air travel or the extent of any adverse impact on Revenues, collection of Passenger Facilities Charges, passenger enplanements, operations or the financial condition of the Airport. All airlines have remitted all material post-bankruptcy payments due to the Trust under the Airline Agreements, and, as of the date of this Official Statement and except as described above, all airlines are current on their payment obligations to the Trust. The Trust is not able to accurately predict how long any airline under bankruptcy protection will continue operating at the Airport or whether any of these airlines will liquidate or substantially restructure their operations. Additional bankruptcies, liquidations or major restructurings of other airlines could occur. Further, the Trust cannot predict nor can it give any assurance that the airlines serving the Airport will continue to pay or to make timely payment of their obligations under the Airline Agreements.

Effect of Bankruptcy on Airline Agreements

When a Signatory Airline seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the Trust (1) within 60 days or later, if ordered by the court, with respect to its Airline Agreement or other leases of real property, or (2) prior to the confirmation of a plan or reorganization with respect to any other agreement. In the event of assumption, the airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the applicable Airline Agreement or other agreements. Rejection of an Airline Agreement or other agreement or executory contract would give rise to an unsecured claim of the Trust for damages, the amount of which in the case of an Airline Agreement or other agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (a) one year of rent, or (b) 15 percent of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an Airline Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Agreement by a Signatory Airline in bankruptcy would be passed on to the remaining Signatory Airlines under their Airline Agreements in the form of a rate increase. There is no assurance that the remaining Signatory Airlines would be financially able to absorb the additional costs resulting from the bankruptcy of any other Signatory Airline.

Additionally, during the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Trust on account of goods and services provided prior to the bankruptcy. Thus, the Trust's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees. Although there can be no guarantee as to what an airline entity in bankruptcy will or will not do, given the origin and destination nature of the traffic at the Airport, it is expected that any adverse such interruption would be of a relatively short duration. See "THE AIRLINE INDUSTRY AND OTHER INVESTMENT CONSIDERATIONS – General Financial Condition of Certain Airlines Serving the Airport" herein.

Recent FAA Reauthorization and Federal Grant Funding

On February 6, 2012, Congress passed a four-year reauthorization bill for the Federal Aviation Administration ("FAA") - The FAA Modernization and Reform Act of 2012, which was signed into law on February 14, 2012 by the President. This is the first long-term FAA authorization since the last one expired in 2007. Since that time, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in the summer of 2011. The final FAA reauthorization keeps the federal cap on Passenger Facilities Charges at \$4.50 and authorizes \$3.35 billion per year for the Airport Improvement Program ("AIP") through Fiscal Year 2015, which is \$150 million per year less than the funding level for the past five years. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system).

Aviation Safety and Security Concerns

As a result of the September 11, 2001 terrorist attacks, the Federal Aviation and Transportation Security Act ("ATSA") was enacted on November 19, 2001. This legislation made airport security the responsibility of the newly created Transportation Security Administration (the "TSA"). The TSA was subsequently made an administrative agency within the new United States Department of Homeland Security in the Homeland Security Act of 2002 ("HSA"). Provisions of the HSA and subsequent directives issued by the TSA called for, among other things, stronger cockpit doors on commercial aircraft, an increased presence of armed federal marshals on commercial flights, establishment of 100 percent checked bag screening, and replacement of all passenger and baggage screeners with federal employees, who must undergo criminal history background checks and be U.S. citizens. ATSA also mandated additional security measures, including screening of all individuals, goods, property, vehicles and equipment before entry into a secured area of the airport, security awareness programs, and screening all checked baggage for explosives with explosives detection systems.

The Airport is currently in compliance with all federally mandated security requirements and has been able to meet these requirements without significant financial or operational impact. However, accommodation or compliance with any future unfunded security measures may result in an increase in capital and operating expenses. Increases in these expenses may have the effect of increased to the costs of airlines using the Airport.

Cost of Aviation Fuel

Airline earnings are significantly affected by the price of aviation fuel. According to the Airlines for America ("A4A"), fuel is the largest cost component of airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but there have been significant price increases for fuel. Any unhedged increase in the fuel prices causes an increase in airline operating costs. According to A4A, a one-dollar per barrel increase in the price of crude oil equates to approximately \$445 million in annual additional expense for U.S. airlines. Fuel prices continue to be susceptible to, among other factors, political unrest, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by rapid growth of economies such as China and India, fuel inventory maintained by certain industries, strategic reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather.

In recent years, oil prices reached a record high of approximately \$145 barrel in July 2008, and while they have declined from this elevated level, they have fluctuated significantly since then. Significant fluctuations and prolonged increases in the cost of aviation fuel have adversely affected air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel and to increase airfares and institute fuel, checked baggage, and other extra surcharges, all of which may decrease demand for air travel.

Passenger Facilities Charges

The Trust's authority to impose and use Passenger Facilities Charges is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC Authority. If the Trust fails to comply with these requirements, the FAA may take action to terminate or to reduce the Trust's authority to impose or to use Passenger Facilities Charges. Some of the events that could cause the Trust to violate these provisions are not within the Trust's control. In addition, failure to comply with the provisions of the Noise Act may lead to termination of the Trust's authority to impose Passenger Facilities Charges. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations or any PFC Authority will not be amended in a manner that would adversely affect the Trust's ability to collect and use Passenger Facilities Charges.

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions "THE CAPITAL IMPROVEMENT PROGRAM" contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the cost of certain projects. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Limited Enforcement Rights and Security for the Bonds

Enforcement of remedies under the Bond Indenture may be limited or restricted by federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity applicable to the availability of specific performance, and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Secondary Market

There is no guarantee that a secondary trading market will develop for the Bonds. Consequently, prospective bond purchasers should be prepared to hold their Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriters intend but are not obligated to make a market in the Bonds.

Bond Ratings

There is no assurance that the ratings assigned to the Bonds will not be lowered or withdrawn at any time, the effect of which could adversely affect market price for and marketability of the Bonds. See the information contained herein under the caption "CREDIT RATINGS."

Bond rating organizations have come under scrutiny by legislators, regulators and investors. Future changes in bond rating criteria or procedures, that result in different ratings of the Bonds, could have a material adverse effect on the value and marketability of the Bonds.

Risk of Loss from Nonpresentment Upon Redemption

The rights of the registered owners of the Bonds to receive interest will terminate on the date, if any, on which any such Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Bond Indenture.

Book-Entry

Persons who purchase Bonds through broker-dealers become creditors of the broker-dealer with respect to the Bonds. Records of the investors' holdings are maintained only by the broker-dealer and the investor. In the event of the insolvency of the broker-dealer, the investor would be required to look to the broker-dealer's estate, and to any insurance maintained by the broker-dealer, to make good the investor's loss. The Trust and the Trustee Bank are not responsible for failures to act by, or insolvencies of, the Securities Depository or any broker-dealer.

The foregoing is intended only as a non-exclusive summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

TAX MATTERS

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Bonds under the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Bonds (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Bond and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed below under "Foreign Investors," this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary does not discuss the tax laws of any state other than Oklahoma or any local or foreign governments. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Co Bond Counsel have not expressed any opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Interest Subject to Federal Income Taxation

Interest on the Bonds (including original issue discount, as discussed below) is not excludable from gross income for federal income tax purposes under Code Section 103. Interest on the Bonds will be fully subject to federal income taxation. Thus, owners of the Bonds generally must include interest (including original issue discount) on the Bonds in gross income for federal income tax purposes.

In general, interest paid on the Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Premium

An investor that acquires a Bond for a cost greater than its remaining stated redemption price at maturity and holds the Bond as a capital asset will be considered to have purchased the Bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term, using constant yield principles, based on the purchaser's yield to maturity. Investors who purchase Bonds with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situations and as to the treatment of bond premium for state tax purposes.

Original Issue Discount

If Bonds are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. The legislative history of the original issue discount provisions indicates that the calculation and accrual of original issue discount should be based on the prepayment assumptions used by the parties in pricing the transaction.

Owners of Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owing such Bonds.

Market Discount

An investor that acquires a Bond for a price less than the adjusted issue price of such Bond (or an investor who purchases a Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (i) in the case of a Bond originally issued at a discount, the amount by which the issue price of such Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (ii) in the case of a Bond not originally issued at a discount, the amount by which the stated redemption price of such Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon a sale or other disposition of such Bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such Bond, or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such Bondholder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Bond with original issue discount, in proportion to the accrual of original issue discount.

A Bondholder of a Bond who acquired a Bond at a market discount also may be required to defer, until the maturity date of such Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the Bondholder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Bond in excess of the aggregate amount of interest (including original issue discount) includable in such Bondholder's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on

which the Bondholder held the Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Bondholder elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such Bondholder in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions

If a Bond is sold, redeemed prior to maturity or otherwise disposed of in a taxable transaction, gain or loss will be recognized in an amount equal to the difference between the amount realized on the sale or other disposition, and the adjusted basis of the transferor in the Bond. The adjusted basis of a Bond generally will be equal to the acquisition cost of such Bond, increased by any original issue discount or market discount included in the gross income of the transferor with respect to the Bond and reduced by any amortized bond premium under Section 171 of the Code and by the payments on the Bond (other than payments of qualified stated interest), if any, that have previously been received by the transferor. Except as provided in Section 582(c) of the Code, relating to certain financial institutions, or as discussed in the following paragraph, any such gain or loss generally will be a capital gain or loss taxable at the applicable rate determined by the Code if the Bond to which it is attributable is held as a “capital asset.”

Gain on the sale or other disposition of a Bond that was acquired at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period that the Bond was held by the transferor (after reduction by any market discount includable in income by such transferor in accordance with the rules described above under “Market Discount”).

Backup Withholding

Payments of principal and interest (including original issue discount) on the Bonds, as well as payments of proceeds from the sale of Bonds may be subject to backup withholding at the applicable rate determined by statute with respect to interest or original issue discount on the Bonds if recipients of such payments fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from backup withholding. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the federal income tax of such recipient.

Medicare Tax

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Foreign Investors

An owner of a Bond that is not a “United States person” (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United

States is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Bonds owned by foreign investors. In those instances in which payments of interest on the Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Bond.

Tax Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any tax exempt owner of a Bond incurs acquisition indebtedness with respect to such Bond, interest paid or accrued with respect to such Bond may be excluded by such tax exempt owner from the calculation of unrelated business taxable income. Each potential tax exempt owner of a Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Bond, could be viewed as violating those prohibitions. For example, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons and Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the Trust or any underwriter of the Bonds, might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if Bonds are acquired by such plans or arrangements. In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Bonds.

Oklahoma Income Taxation

In the opinion of Co-Bond Counsel, interest on the Bonds is exempt from Oklahoma income taxation.

No Other Opinions

Except as stated above, Co-Bond Counsel will not express an opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt or accrual of interest on or acquisition or disposition of the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of The Public Finance Law Group PLLC, and Williams Box, Forshee & Bullard, P.C., Co-Bond Counsel, Oklahoma City, Oklahoma. See APPENDIX F for the form of the Co-Bond Counsel opinion. Certain legal matters will be passed upon for the Trust by its Trust Counsel, Oklahoma City, Oklahoma. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP. The legal fees of all legal counsel are contingent upon the sale and delivery of the Bonds. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the

attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO LITIGATION

There is no pending or, to the knowledge of the Trust, threatened legal proceeding or proceedings against the Trust, which if prosecuted to an adverse conclusion would be considered material, or would constitute a material change of financial circumstances, nor is there any litigation pending or threatened against the Trust which would restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization nor existence of the Trust nor the title of the current members of the Trust is being questioned. There is no litigation pending against the Trust that would prevent the Trust from entering into the Thirty First Supplemental Junior Lien Bond Indenture or to secure the Bonds in the manner provided in the Thirty First Supplemental Junior Lien Bond Indenture.

FINANCIAL ADVISOR

Public Financial Management, Inc. (“PFM”) is employed as Financial Advisor to the Trust in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. PFM, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

UNDERWRITING

The Bonds are being purchased for re-offering by the Underwriters listed on the cover page hereof, for whom Citigroup Global Markets Inc. is acting as Representative. The Underwriters have agreed to purchase the Bonds at a price of \$39,422,458.43 (representing the par amount of the Bonds of \$39,615,000.00 less Underwriters’ Discount of \$192,541.57). The Bond Purchase Agreement provides that the Underwriters will not be obligated to purchase any of the Bonds unless all of the Bonds are available for purchase, and requires the Trust to indemnify the Underwriters against losses, claims, damages and liabilities arising out of any incorrect or incomplete statements or information contained in this Official Statement pertaining to the Trust and other matters only to the extent such indemnification is permissible by the laws of the State of Oklahoma. The initial public offering prices set forth on the inside cover hereof may be changed by the Underwriters.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail brokerage distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Citigroup Global Markets Inc. may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

One of the Underwriters of the Bonds is BOSC, Inc., A subsidiary of BOK Financial Corporation (“BOSC”). BOSC and BOKF, NA dba Bank of Oklahoma (“BOKF N.A.,” which serves as Trustee Bank for the Bonds) are both wholly-owned subsidiaries of BOK Financial Corporation (“BOKF”), a bank holding company organized under the laws of the State of Oklahoma. Thus, BOSC and BOKF N.A. are affiliated, but BOSC is not a bank. Affiliates of BOSC may provide banking services or engage in other transactions with the Trust and the City of Oklahoma City. BOKF and BOKF N.A. are not responsible for the obligations of BOSC.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Trust for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and

financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Trust.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The basic financial statements of the Oklahoma City Department of Airports as of June 30, 2012, and for the year then ended, have been audited by BKD, LLP, independent certified public accountants, as stated in their report appearing in APPENDIX B herein. The Trust did not request BKD, LLP, to perform any updating procedures subsequent to the date of its audit report on the June 30, 2012, financial statements.

CERTIFICATES WITH RESPECT TO OFFICIAL STATEMENT

At the time of original delivery of and payment for the Bonds, the Trust will deliver a certificate addressed to the Purchasers to the effect that the financial and other data concerning the Trust contained herein is correct and that (i) the Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Bonds there has been no material change in the affairs (financial or other), financial condition, or results of operations of the Trust and Oklahoma City Airports except as set forth in or contemplated by the Official Statement.

CREDIT RATINGS

Moody's Investors Service, Inc. ("Moody's"), and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), have assigned ratings of "A2" with a stable outlook and "A+" with a positive outlook, respectively, to the Bonds. Such ratings reflect only the views of such organizations at the time such ratings are given, and the Trust and the Underwriters make no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained only from such rating agencies. The Trust furnished such ratings agencies with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing such rating, circumstances so warrant. The Underwriters and the Trust have not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of such a rating could have an adverse effect on the market price and marketability of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

CONTINUING DISCLOSURE AGREEMENT

The Trust will enter into a Continuing Disclosure Agreement dated as of September 1, 2013, with the City and the Trustee Bank (the "Continuing Disclosure Agreement") to provide certain periodic information and notices of material events in accordance with and to provide notice to the Municipal Securities Rulemaking Board ("MSRB") of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule") for the benefit of the holders and beneficial owners of the Bonds. The Underwriters' obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriters or their agents of a certified copy of the Continuing Disclosure Agreement. The proposed form of the Continuing Disclosure Agreement is attached hereto as Appendix G.

The Accounting Department of the City of Oklahoma City is responsible for making the annual filings of financial information and operating data and the filing of notices of material events for all bond issues of the City and of the City's public trusts, including the Trust, that are subject to the provisions of the Rule. There are numerous continuing

disclosure agreements relating to such bond issues, some of which specify slightly different dates by which the annual filings are required to be made. All annual filings relating to such bond issues required to be made for the fiscal years ended June 30, 2008-2012 were made no later than the following December 31, including the most recent filing on December 21, 2012, of the annual filings for the fiscal year ended June 30, 2012. The City represents that it has not failed to comply during the past five years in any material respect with any previous continuing disclosure agreement under the Rule.

MISCELLANEOUS

The references to and excerpts from the Lease Agreement with the City, the Original Bond Indenture and the Thirty First Supplemental Junior Lien Bond Indenture and other agreements described herein are merely summaries of certain provisions thereof and do not purport to be the complete provisions of those documents. A copy of such documents is available from the Trust. Any statements contained in this Official Statement, including the exhibits hereto, involving matters of opinion, estimates or projections, whether or not expressly so stated, are intended as such and not as representations that such estimates or assumptions are correct or will be realized. So far as any statements are made in this Official Statement and exhibits attached hereto involving matters of opinion, whether or not expressly so stated, they are intended as such and not as representations of fact. Neither this Official Statement nor any statement that may have been made orally or in writing, is to be construed as a contract with the purchasers or holders of any of the Bonds.

All information contained in this Official Statement and exhibits is subject to change and/or correction without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof.

Reference is made to exhibits hereto which are an integral part of this Official Statement and must be read together with the rest of this Official Statement.

The execution and delivery of this Official Statement have been duly approved by the Trust.

OKLAHOMA CITY AIRPORT TRUST

By: /s/ Larry McAtee
Chairman

ATTEST:

/s/ Frances Kersey
Secretary

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

OKLAHOMA CITY AIRPORT TRUST
JUNIOR LIEN TAXABLE BONDS
THIRTY FIRST SERIES

Prepared for

Oklahoma City Department of Airports
Oklahoma City, Oklahoma

Prepared by

LeighFisher
Burlingame, California

August 30, 2013

[THIS PAGE INTENTIONALLY LEFT BLANK]

August 30, 2013

Mr. Mark Kranenburg
Airport Director
Will Rogers World Airport
7100 Terminal Drive
Oklahoma City, OK 73159

Re: Report of the Airport Consultant, Oklahoma City Airport Trust,
Junior Lien Taxable Bonds, Thirty-First Series

Dear Mr. Kranenburg:

We are pleased to submit this Report of the Airport Consultant on certain aspects of the issuance of Oklahoma City Airport Trust (the Trust) Junior Lien Taxable Bonds, Thirty-First Series (the Thirty-First Series Bonds) in the aggregate principal amount of approximately \$39.5 million. The Thirty-First Series Bonds are not a general obligation of the City of Oklahoma City (the City), and no tax revenues of the City are pledged to pay the principal of, interest on, or any premium on these Bonds. Furthermore, Debt Service payments on the Thirty-First Series Bonds are not guaranteed by the State of Oklahoma.

The Thirty-First Series Bonds are being issued to finance the Consolidated Rental Car Project (ConRAC) at Will Rogers World Airport (the Airport), as described below. The purpose of the Report of the Airport Consultant (the Report) is to present the results of our assessment of the Trust's ability to meet rate covenant requirements for the Thirty-First Series Bonds. This letter and the accompanying attachments and exhibits constitute our Report.

CONRAC PROJECT

The Trust is issuing the Thirty-First Series Bonds to fund the ConRAC Project at the Airport. The ConRAC is planned to be constructed on a 35 acre site west of South Meridian Avenue, the primary entrance roadway to the Airport. The ConRAC Project involves the construction of:

- An approximately 19,000 square foot customer service building providing rental car counters, offices, public seating, and other customer service facilities.
- Three looped roadways, including (1) an inner loop for shuttle bus pickup and dropoff to and from the terminal, (2) a middle loop for customer access to ready-return areas, and (3) an outer loop for rental car companies operational needs.

Mr. Mark Krannenburg
August 30, 2013

- Ready return, quick-turn around, fueling, car wash, and maintenance facilities.

The project also includes the acquisition of compressed natural gas powered shuttle busses to serve the ConRAC Facility. Construction of the ConRAC Facility is anticipated by the Trust to begin in fall 2013 and be completed in early 2015.

BOND INDENTURE

The Thirty-First Series Bonds are to be issued as additional bonds in accordance with the Bond Indenture, dated as of April 1, 1956, as supplemented and amended. The Thirty-First Series Bonds are to be issued as Junior Lien Bonds under a supplemental bond indenture. The Indenture specifies requirements for the financial operations of the Airport System, including the Application of Revenues, Conditions for Issuing Additional Junior Lien Bonds, and Covenants of the Trustees described as follows:

Application of Revenues. All Revenues of the Trust are first deposited into the Project Fund on a daily basis. Deposits are made each month to the Bond Fund as necessary to meet annual principal and interest payments on the Senior Lien Bonds, followed by monthly transfers to meet principal and interest requirements of the Junior Lien Bonds. After satisfying the required payments into the Bond Fund, withdrawals are made from the Project Fund for payment of Trust expenses. After the required transfers and payments above, an annual amount is budgeted to be transferred monthly to the City's Airport Enterprise Fund as payment for administrative and operational expenses of the Trust in support of the Airport System which is paid by the City. Excess funds remaining in the Project Fund are available for preservation and maintenance of the Trust estate.

Conditions for Issuing Additional Junior Lien Bonds. Certain conditions must be met for the Trust to issue Additional Junior Lien Bonds on a parity basis with outstanding Junior Lien Bonds:

- Facilities to be constructed with proceeds will be a part of the Trust estate and their revenues will be pledged as additional security;
- The Trust is in full compliance with all covenants and undertakings in connection with all its bonds then outstanding or authorized to be issued, and payable from revenues of the Trust Estate;
- Estimated revenues of the additional facilities, when added to actual Revenues of the Trust for the preceding twelve months, less Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the additional and outstanding bonds; and

Mr. Mark Krannenburg
August 30, 2013

- Revenues of the Trust available for debt service for the preceding twelve months were equal to not less than 1.50 times the average annual debt service on the then outstanding Junior Lien Bonds after Senior Lien Bond payments.

Covenants of the Trustees. The Trustees are subject to certain covenants relating to the Bond Indenture and supplemental bond indentures. Particular covenants include:

- Proceeding to complete construction with all expedition practicable,
- Providing for the proper insurance of facilities in the Trust estate,
- Keeping proper books and records and completing annual audits,
- Maintaining a schedule of rentals to provide annual income sufficient to pay the obligations of the Trust, and
- Maintaining the Trust estate in first class condition and in good repair.

SCOPE OF STUDY

In conducting our study, we analyzed:

- Future airline traffic demand at the Airport, giving considerations to the demographic and economic characteristics of the region served, historical trends in airline traffic, airline service provided and scheduled to be provided by airlines, and key factors that may affect future airline traffic.
- Estimated sources and uses of funds for the ConRAC Project and associated annual Debt Service for principal and interest on the Thirty-First Series Bonds.
- Historical relationships among Revenues, Operation and Maintenance Expenses, airline traffic at the Airport, and other factors that may affect future Revenues and Operation and Maintenance Expenses.
- The Trust's audited financial results for FY 2010, FY 2011, and FY 2012, and the annual budgets for FY 2013 and FY 2014, and other operational considerations.
- The Trust's policies and contractual agreements relating to the use and occupancy of the Airport; the calculation and adjustment of airline rentals, fees, and charges pursuant to the Airline Agreement; the operation of public automobile parking, rental car, and other concession and consumer service privileges; and the leasing of buildings and grounds.

We identified for Airport management the key factors upon which the future financial results of the Airport may depend and the formulation of assumptions about those factors. Estimates of project costs, project financing, and annual debt service require-

Mr. Mark Krannenburg
August 30, 2013

ments were provided by those sources listed. On the basis of these assumptions, we assembled the financial projections presented in the exhibits accompanying this report.

FINANCIAL FORECASTS

As shown in the table below, the Trust is in compliance with the Covenants and Conditions for Issuing Additional Bonds as set forth in the Bond Indenture. Revenues of the Trust available for debt service are projected to equal or exceed 150% of the Junior Lien Bond payments after Senior Lien Bond payments, as required by the Bond Indenture, in each Fiscal Year of the forecast period (through FY 2018).

| Fiscal Year | Revenues of the Trust available for debt service ^(a) [A] | Junior Lien Bond payments ^(b) [B] | Coverage ratio [C=A/B] |
|----------------|--|--|---------------------------|
| 2010 (c) | \$45,140,106 | \$11,868,163 | 3.80 |
| 2011 (c) | 51,899,308 | 11,524,357 | 4.50 |
| 2012 (c) | 51,099,944 | 10,116,047 | 5.05 |
| 2013 | 55,399,579 | 10,575,000 | 5.24 |
| 2014 | 66,787,214 | 10,457,000 | 6.39 |
| 2015 | 68,954,000 | 11,935,000 | 5.78 |
| 2016 | 71,492,000 | 12,405,000 | 5.76 |
| 2017 | 72,915,000 | 12,406,000 | 5.88 |
| 2018 | 73,683,000 | 11,725,000 | 6.28 |

(a) Gross revenues of the Trust less Senior Lien Bond payments plus PFC Revenues available for debt service.
 (b) Junior Lien Bond debt service plus bank fees.
 (c) Actual results derived from the Trust's audited financial statements.

Assumptions Underlying the Financial Forecasts. The financial forecasts accompanying this report are based on information and assumptions that were provided by, or reviewed with and agreed to by, the Airport. Accordingly, the forecasts reflect the Trust's expected course of action during the forecast period and, in Trust's judgment, present fairly the expected financial results of the Airport. The key factors and assumptions that are significant to the forecasts are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Forecasts." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts. However, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances

Mr. Mark Krannenburg
August 30, 2013

may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of the report.

* * * * *

We appreciate the opportunity to serve as the Trust's Airport Consultant on this financing.

Respectfully submitted,



LEIGHFISHER

[THIS PAGE INTENTIONALLY LEFT BLANK]

Attachment

**BCKGROUND, ASSUMPTIONS, AND RATIONALE FOR THE FINANCIAL
FORECASTS**

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

OKLAHOMA CITY AIRPORT TRUST
JUNIOR LIEN TAXABLE BONDS
THIRTY FIRST SERIES

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTENTS

| | Page |
|--|------|
| AIRPORT FACILITIES..... | 14 |
| Will Rogers World Airport..... | 14 |
| Reliever Airports..... | 15 |
| AIRPORT SERVICE REGION..... | 15 |
| Population..... | 17 |
| Income..... | 18 |
| Employment..... | 18 |
| Unemployment Rate..... | 20 |
| Employment by Sector..... | 21 |
| Major Employers..... | 22 |
| Industry Clusters..... | 23 |
| Tourism and Local Activities..... | 24 |
| ECONOMIC OUTLOOK..... | 25 |
| AIRPORT OVERVIEW AND COMPARATIVE RANKINGS..... | 25 |
| AIRLINE SERVICE..... | 28 |
| Nearby Commercial Service Airports..... | 32 |
| Wright Amendment..... | 34 |
| Service by Aircraft Type..... | 35 |
| PASSENGER TRAFFIC..... | 36 |
| Passenger Trends by Segment..... | 37 |
| Domestic O&D Markets..... | 39 |
| International Passengers..... | 41 |
| AIRLINE FARES..... | 41 |
| AIR CARGO ACTIVITY..... | 48 |
| AIRCRAFT LANDED WEIGHT..... | 50 |
| KEY FACTORS AFFECTING FUTURE AIRLINE TRAVEL..... | 51 |
| Economic and Political Conditions..... | 51 |
| Financial Health of the Airline Industry..... | 51 |
| Airline Service and Routes..... | 52 |
| Airline Competition and Airfares..... | 53 |
| Airline Consolidation and Alliances..... | 53 |
| Availability and Price of Aviation Fuel..... | 54 |
| Aviation Safety and Security Concerns..... | 54 |
| Capacity of the National Air Traffic Control System..... | 55 |
| Capacity of the Airport..... | 55 |

CONTENTS *(continued)*

| | Page |
|--|------|
| TRAFFIC FORECASTS..... | 55 |
| Underlying Assumptions | 56 |
| Capacity Outlook | 57 |
| Enplaned Passenger Forecast | 59 |
| Aircraft Landed Weight | 61 |
| BOND INDENTURE | 63 |
| Application of Revenues..... | 63 |
| Conditions for Issuing Additional Junior Lien Bonds..... | 64 |
| Covenants of the Trustees..... | 64 |
| AIRLINE OPERATING AND LEASE AGREEMENT | 64 |
| Cost Centers..... | 65 |
| Calculation of Terminal Rental Rates and Landing Fees | 65 |
| CAPITAL IMPROVEMENT PROGRAM | 66 |
| Consolidated Rental Car Facility | 66 |
| Other Projects | 68 |
| FUNDING SOURCES..... | 68 |
| Trust Funds..... | 69 |
| Federal Grants-in-aid..... | 69 |
| Passenger Facility Charges | 69 |
| Additional Junior Lien Bonds | 70 |
| DEBT SERVICE REQUIREMENTS | 70 |
| Outstanding Bonds | 71 |
| Proposed Thirty-First Series Bonds..... | 71 |
| OPERATION AND MAINTENANCE EXPENSES | 72 |
| REVENUES..... | 73 |
| Airline Revenues..... | 74 |
| Nonairline Airfield Revenues | 76 |
| Fuel Systems Revenues | 76 |
| Nonairline Terminal Revenues | 76 |
| Air Cargo Revenues..... | 77 |
| Landside Revenues..... | 77 |
| General Aviation Revenues..... | 78 |
| Rental Car Revenues..... | 78 |
| General and Administration Revenues | 80 |
| Mike Monroney Aeronautical Center and Other Development..... | 80 |
| Wiley Post Airport and Clarence E. Page Airport | 80 |

CONTENTS *(continued)*

| | Page |
|--|------|
| APPLICATION OF REVENUES..... | 80 |
| COMPLIANCE WITH COVENANTS AND CONDITIONS FOR ISSUING ADDITIONAL JUNIOR LIEN BONDS | 81 |

TABLES

| | | |
|----|--|----|
| 1 | POPULATION DISTRIBUTION IN THE OKLAHOMA CITY CSA..... | 15 |
| 2 | MAJOR PRIVATE-SECTOR EMPLOYERS IN THE OKLAHOMA CITY MSA | 22 |
| 3 | YEAR-OVER-YEAR CHANGES IN SCHEDULED DEPARTING SEATS | 26 |
| 4 | AIRLINES SERVING THE AIRPORT | 28 |
| 5 | SCHEDULED DEPARTING SEATS, BY FLIGHT DESTINATION..... | 31 |
| 6 | SCHEDULED PASSENGER AIRLINE FLIGHTS | 32 |
| 7 | SCHEDULED DEPARTING SEATS..... | 33 |
| 8 | AIRLINE MARKET SHARES OF ENPLANED PASSENGERS | 36 |
| 9 | TRENDS IN ENPLANED PASSENGERS..... | 38 |
| 10 | O&D PASSENGERS AND SERVICE IN TOP DOMESTIC O&D MARKETS | 40 |
| 11 | PASSENGERS IN THE TOP 12 DOMESTIC O&D MARKETS..... | 45 |
| 12 | AIRFARES AND DAILY NONSTOP DEPARTURES FOR TOP 20 OKLAHOMA CITY MARKETS..... | 47 |
| 13 | AIRLINE MARKET SHARES OF AIR CARGO TONNAGE..... | 49 |
| 14 | TRENDS IN HISTORICAL AND FORECAST ENPLANED PASSENGERS..... | 60 |
| 15 | FORECAST AIRLINE LANDINGS AND LANDED WEIGHT..... | 62 |
| 16 | OUTSTANDING BONDS | 71 |
| 17 | DEBT SERVICE FOR THE PROPOSED THIRTY-FIRST SERIES BONDS..... | 72 |
| 18 | FY 2012 REVENUES | 74 |
| 19 | PARKING FACILITIES AND RATES..... | 77 |

FIGURES

| | Page |
|---|------|
| 1 AIRPORT SERVICE REGION | 16 |
| 2 COMPARATIVE INDEX OF POPULATION TRENDS | 17 |
| 3 PER CAPITA PERSONAL INCOME | 18 |
| 4 COMPARATIVE INDEX OF TOTAL NON-AGRICULTURAL EMPLOYMENT | 19 |
| 5 CIVILIAN UNEMPLOYMENT RATE | 20 |
| 6 COMPARATIVE DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT | 21 |
| 7 REVENUE ENPLANED PASSENGERS | 27 |
| 8 SCHEDULED DEPARTING SEATS, BY AIRLINE CATEGORY | 29 |
| 9 AIRPORTS SERVED BY DAILY SCHEDULED ROUNDTRIP NONSTOP PASSENGER FLIGHTS | 30 |
| 10 AVERAGE DAILY SCHEDULED DEPARTING SEATS, BY AIRCRAFT TYPE | 35 |
| 11 AIRLINE MARKET SHARES OF ENPLANED PASSENGERS | 37 |
| 12 COMPARATIVE INDEX OF DOMESTIC O&D PASSENGERS | 39 |
| 13 TRENDS IN DOMESTIC O&D PASSENGERS AND AIRLINE FARES | 42 |
| 14 AVERAGE DOMESTIC ONE-WAY FARES | 43 |
| 15 AVERAGE DOMESTIC FARE YIELD VS. AVERAGE DOMESTIC PASSENGER TRIP LENGTH | 44 |
| 16 AIR CARGO TONNAGE, BY AIRLINE TYPE | 45 |
| 17 PASSENGER AIRLINE SHARES OF LANDED WEIGHT, BY AIRLINE TYPE | 46 |
| 18 AVERAGE LOAD FACTORS AND ROLLING 12-MONTH TOTALS FOR SEATS AND PASSENGERS | 57 |
| 19 DEPARTING SEATS, ENPLANED PASSENGERS, AND LOAD FACTOR | 59 |
| 20 FORECAST ENPLANED PASSENGERS | 61 |
| 21 CONSOLIDATED RENTAL CAR FACILITY | 67 |

EXHIBITS

| | Page |
|---|------|
| A CAPITAL IMPROVEMENT PROGRAM FOR FY 2014 THOROUGH FY 2018..... | 82 |
| B ESTIMATED THIRTY-FIRST SERIES BONDS FINANCING | 83 |
| C DEBT SERVICE REQUIREMENTS | 84 |
| D OPERATION AND MAINTENANCE EXPENSES | 86 |
| E-1 REVENUES..... | 88 |
| E-2 CALCULATION OF AIRLINE RATES AND CHARGES | 91 |
| F-1 APPLICATION OF CUSTOMER FACILITY CHARGE REVENUES | 92 |
| F-2 APPLICATION OF PASSENGER FACILITY CHARGE REVENUES ... | 93 |
| G COMPLIANCE WITH COVENANTS TO MAINTAIN AIRPORT RATES AND CHARGES..... | 95 |

AVIATION ACTIVITY ANALYSIS

This section presents a summary of Airport facilities, discusses the region served by Will Rogers World Airport (OKC or the Airport), presents the demographic and economic basis for air travel demand at the Airport, examines historical airline service and traffic at the Airport, discusses the key factors that will affect future airline traffic, and then summarizes the airline traffic forecasts for the Airport through Fiscal Year (FY) 2018 (for Fiscal Years ending June 30).

AIRPORT FACILITIES

The Trust operates three airports, Will Rogers World Airport, Wiley Post Airport, and Clarence E. Page Airport (collectively, the Airport System).

Will Rogers World Airport

The Airport has been in service since 1931, is located approximately 10 miles southwest of downtown Oklahoma City, and is the principal airport serving the Oklahoma City region. Highway access to the Airport is provided by several expressways and interstate highways, including Interstates 35, 40, 44, and 240.

The Airport occupies approximately 8,100 acres and has three runways. Two parallel north south runways, Runway 17L-35R and Runway 17R-35L, are both 9,800 feet long and 150 feet wide. A crosswind runway, Runway 13-31 is 7,800 feet long and 150 feet wide. The airfield also includes a taxiway system, modern lighting, and navigational aids.

The Airport's airline passenger terminal encompasses approximately 410,000 square feet and was most recently expanded and renovated in 2006. There are 17 gates, all of which are equipped with loading bridges. The first level of the terminal provides baggage claim facilities and rental car counters. The second level of the terminal provides passenger ticketing, baggage check-in facilities, and two passenger screening checkpoints.

Public parking facilities consist of parking garages and surface lots with a total of approximately 7,259 parking spaces, including 2,733 spaces in the parking garage, 4,241 spaces in the long-term lot, and 285 short-term spaces.

The Airport has a number of significant facilities on its property. The largest is the FAA's Mike Monroney Aeronautical Center. Located on the west portion of the Airport, the campus encompasses 25 major buildings and is the Department of Transportation's largest facility outside of the Washington DC area. The Airport's second largest tenant, AAR Aircraft Services – Oklahoma, leases seven hangars and operates a significant maintenance, repair and overhaul business. The facility also contains one of two fixed-base operations on the Airport. Atlantic Aviation is the other fixed-base operator located on the east side of the Airport. Other key

businesses include: AIRINC AES, the Oklahoma Air National Guard, the Southwest Airlines Reservation Center, U.S. Customs National Aviation Center, the U.S. Marshals Service Center Hangar, the Customs and Border Protection Hangar, and the U.S. Federal Bureau of Prisons Transfer Center. Nearly 13,000 people are employed by Airport businesses.

Reliever Airports

The Trust operates two general aviation airports. Wiley Post Airport is situated on 1,100 acres in the northwest section of the City and serves as the primary general aviation reliever airport for OKC. Approximately 450 general aviation aircraft are based at the airport. The airport is served by an FAA Air Traffic Control Tower. There are three runways at Wiley Post Airport with lengths between 5,000 and 7,200 feet. Clarence E. Page Airport occupies approximately 1,000 acres west of the city center and serves the general aviation community. Clarence E. Page Airport has nearly 100 based aircraft and has two runways (3,500 and 6,000 feet long.)

AIRPORT SERVICE REGION

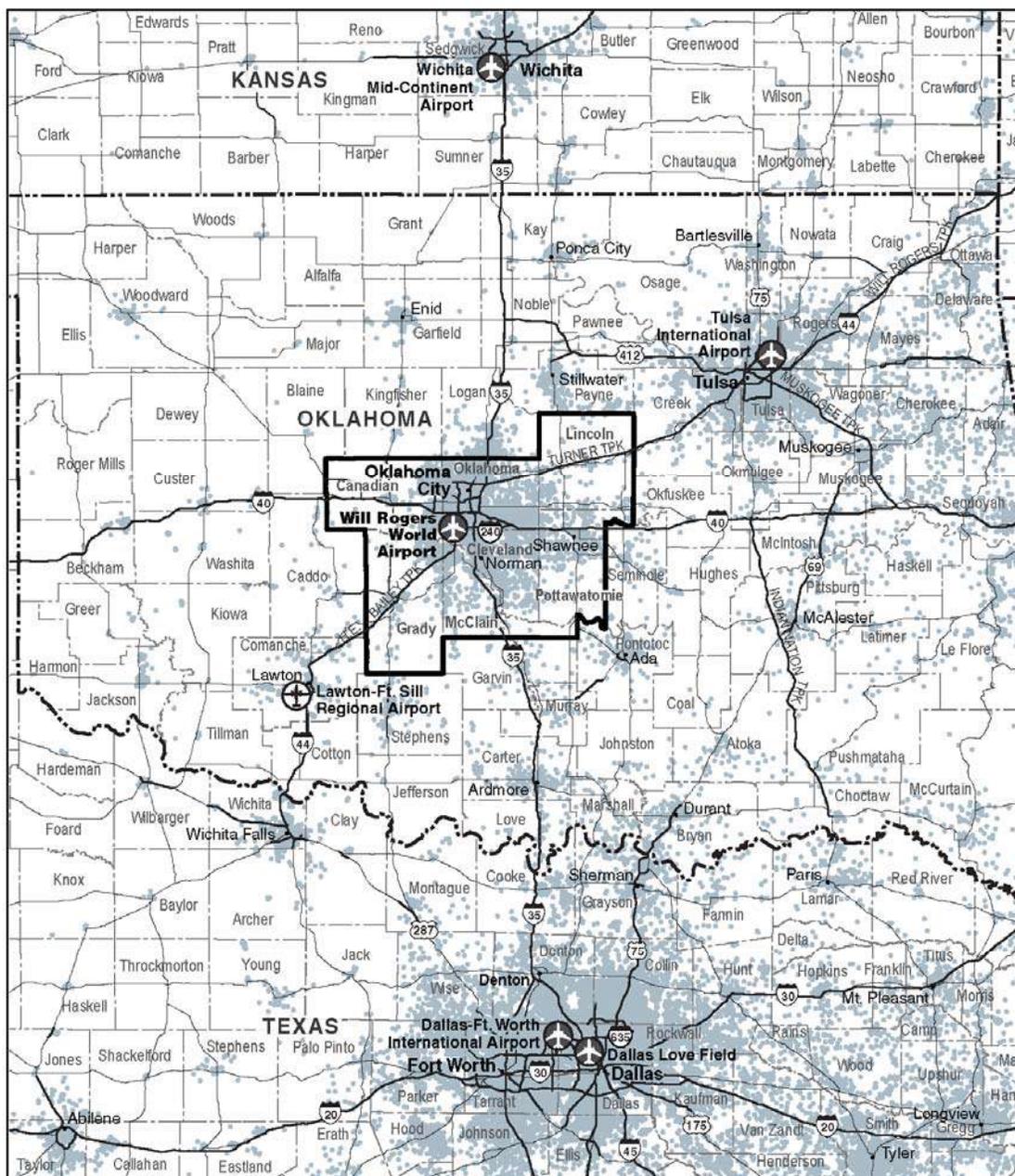
As shown on Figure 1, the primary geographical area served by the Airport consists of Canadian, Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma, and Pottawatomie counties in Oklahoma (the Oklahoma City-Shawnee Consolidated Statistical Area or the CSA). According to the U.S. Department of Commerce, Bureau of the Census, the population of the CSA was 1,348,333 in 2011, accounting for 36% of Oklahoma’s total population of 3.8 million. Oklahoma County includes Oklahoma City and accounts for 54% of the population of the CSA, as shown in Table 1 and as reflected by the population densities depicted on Figure 1. Oklahoma City is the largest city in Oklahoma and the state capital.

Table 1
POPULATION DISTRIBUTION IN THE OKLAHOMA CITY CSA
 2011

| <u>County</u> | <u>Population</u> | <u>Percent of total</u> |
|---------------|-------------------|-------------------------|
| Oklahoma | 732,371 | 54.3% |
| Cleveland | 261,281 | 19.4 |
| Canadian | 119,492 | 8.9 |
| Pottawatomie | 70,280 | 5.2 |
| Grady | 53,020 | 3.9 |
| Logan | 42,499 | 3.2 |
| McClain | 35,235 | 2.6 |
| Lincoln | <u>34,155</u> | <u>2.5</u> |
| Total | 1,348,333 | 100.0% |

Source: U.S. Department of Commerce, Bureau of the Census website, accessed January 2013, www.census.gov.

Figure 1
AIRPORT SERVICE REGION



LEGEND

- Airport service region
- State boundary
- County boundary
- Population density: 1 dot represents 100 people
- Passenger air carrier service
- Commuter service

Source: U.S. Census data, 2010.



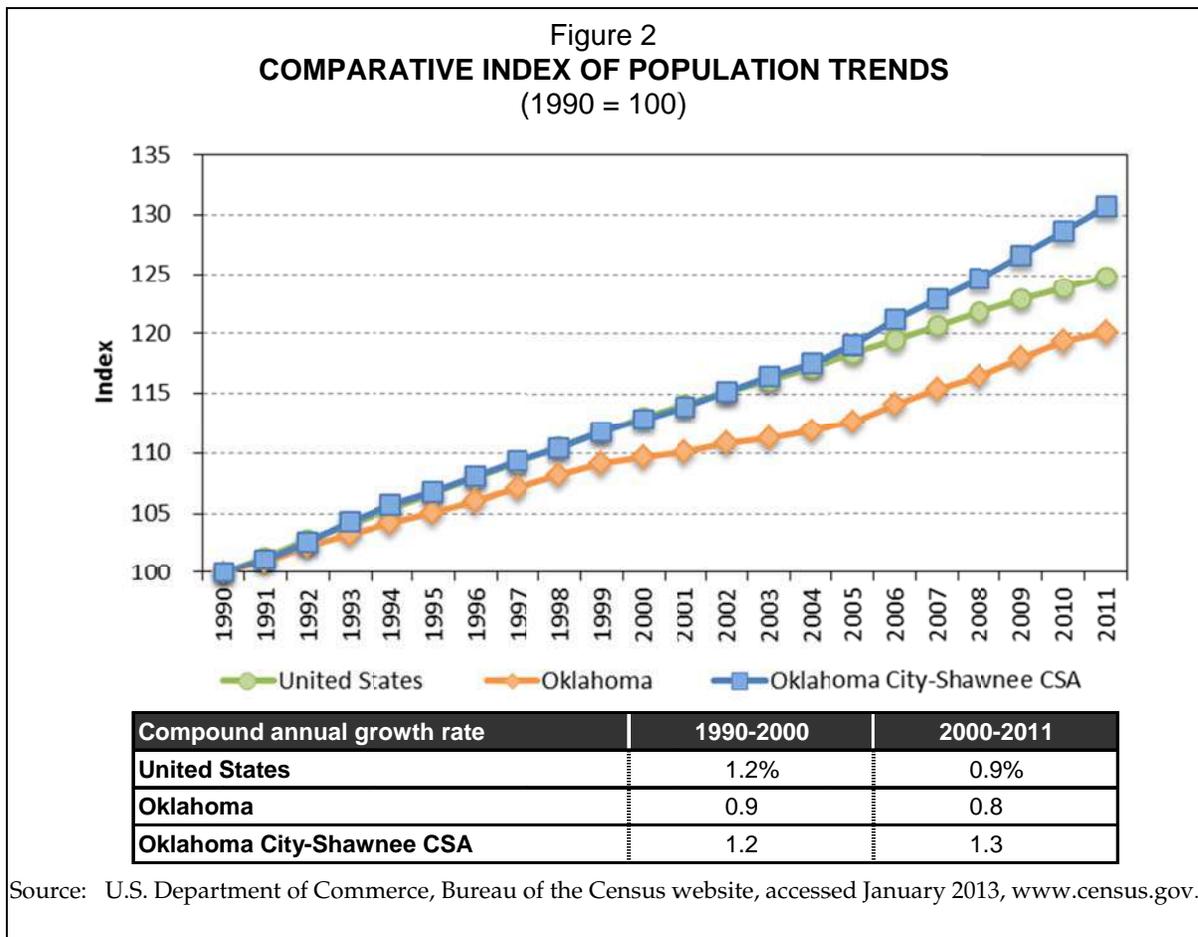
| Road miles from Oklahoma City to: | |
|-----------------------------------|-----|
| Albuquerque | 547 |
| Dallas-Ft. Worth | 193 |
| Denver | 673 |
| Houston | 438 |
| Kansas City | 364 |
| Little Rock | 345 |
| St. Louis | 511 |
| Tulsa | 124 |
| Wichita, Kansas | 173 |

DEMOGRAPHIC AND ECONOMIC PROFILE

Local demographic and economic trends generally reflect the long-term growth of the CSA economy, and a growing economy generally correlates with increasing volumes of airline passenger traffic. The demographic variables with the strongest influence on airline origin and destination (O&D) passenger demand are the CSA population, per capita income, and employment. Tourism and business activity also influence airline travel demand.

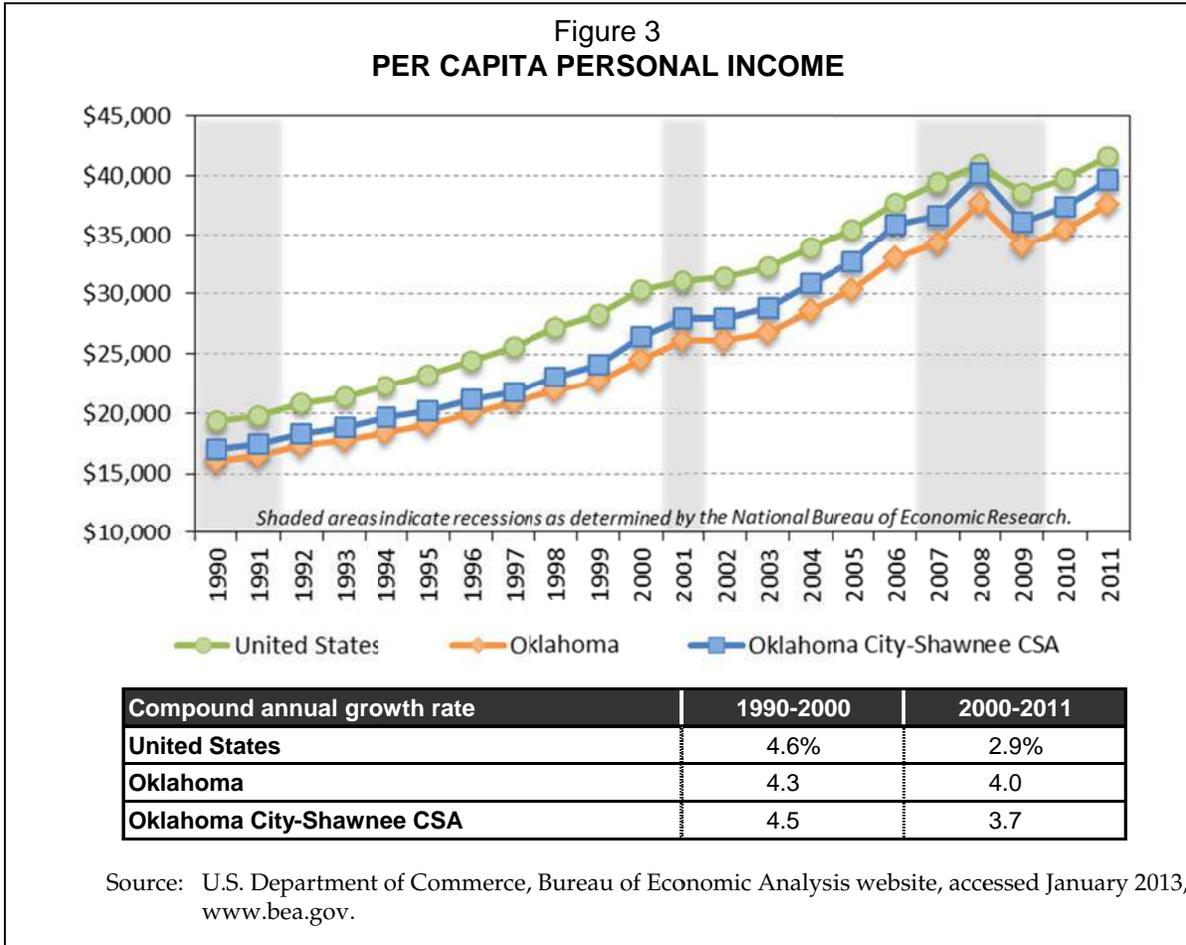
Population

Population growth is a key factor influencing the demand for airline travel. Figure 2 shows that, between 1990 and 2011, the CSA population increased at a greater rate than that of Oklahoma as a whole. Until approximately 2005, population growth in the CSA mirrored national growth. However, since then, CSA population growth has increasingly outpaced the national average, due in part to increased migration to the CSA spurred by its relatively strong economy as well as business relocations and expansions, according to the Oklahoma Department of Commerce.



Income

Figure 3 shows that the CSA's per capita personal income in 2011 (\$39,700) was higher than the state average (\$37,700), but lower than the national average (\$41,600). Per capita income growth in the CSA generally mirrored the pattern of nationwide growth between 1990 and 2000, albeit at somewhat lower levels, but then outpaced national growth between 2000 and 2011.



Employment

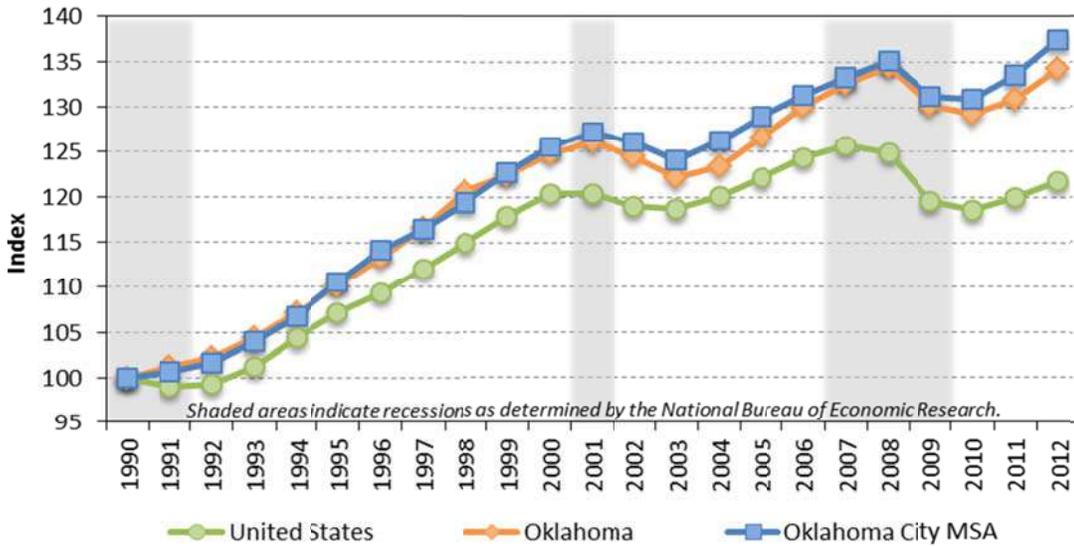
The Oklahoma City Metropolitan Statistical Area (the MSA) comprises 7 of the 8 counties of the CSA—all except Pottawatomie County. Employment data for the MSA was used as a proxy for CSA employment, given limitations of data availability.

Figure 4 shows that, since 1990, employment growth in the MSA has generally mirrored statewide employment growth. Employment in the MSA declined less than the national average during the recent recession (supported by a sizable and relatively stable public sector) and recovered more quickly afterward (driven partly by the strength of the local oil and gas sector). By 2012, employment in the MSA had

recovered to and exceeded its 2007 pre-recessionary level, while national employment had only recovered to its 2005 level.

Additionally, between December 2011 and December 2012, the MSA experienced the second-highest growth in employment among the 51 metropolitan statistical areas in the United States with populations greater than 1 million (trailing only Austin-Round Rock-San Marcos, TX).

Figure 4
COMPARATIVE INDEX OF TOTAL NON-AGRICULTURAL EMPLOYMENT
 (1990 = 100)



| Compound annual growth rate | 1990-2000 | 2000-2007 | 2007-2012 |
|-----------------------------|-----------|-----------|-----------|
| United States | 1.9% | 0.6% | (0.6%) |
| Oklahoma | 2.2 | 0.9 | 0.3 |
| Oklahoma City MSA | 2.3 | 0.9 | 0.6 |

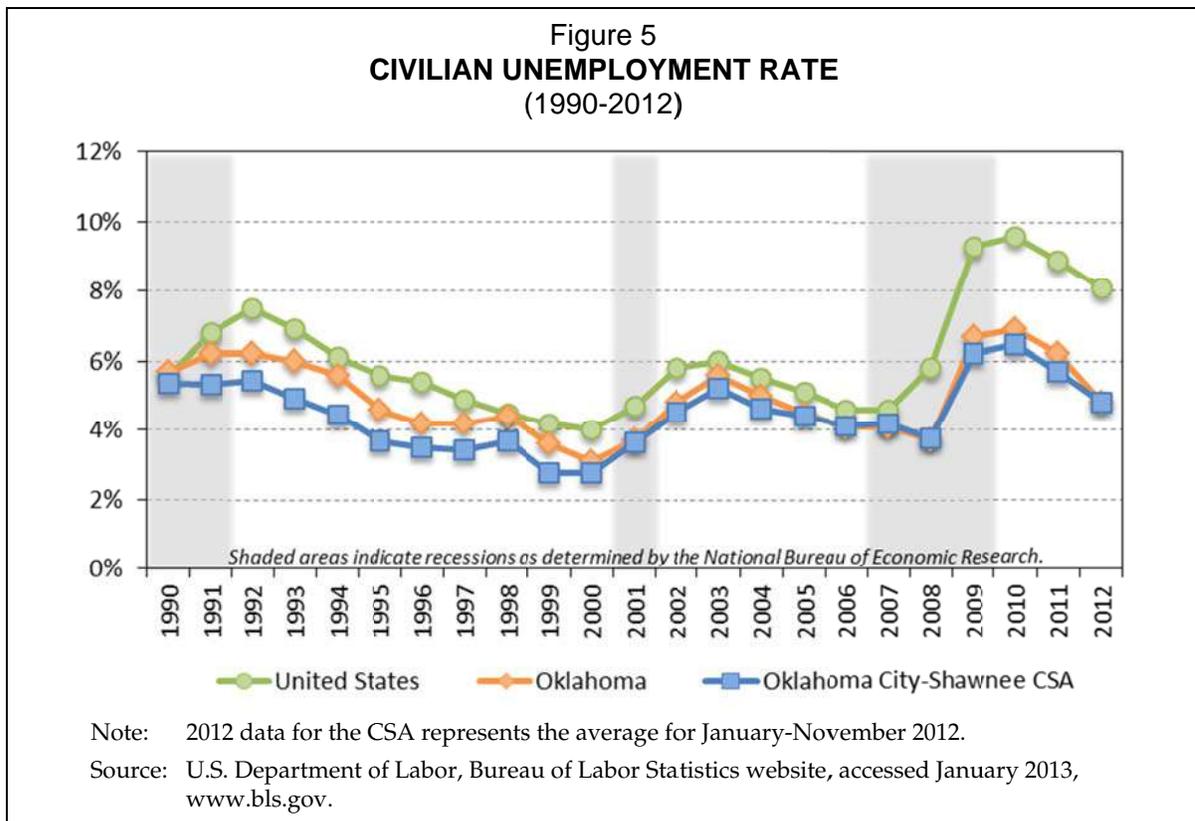
Note: Excludes Pottawatomie County, which is part of the CSA, but not part of the MSA.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, accessed January 2013, www.bls.gov.

Unemployment Rate

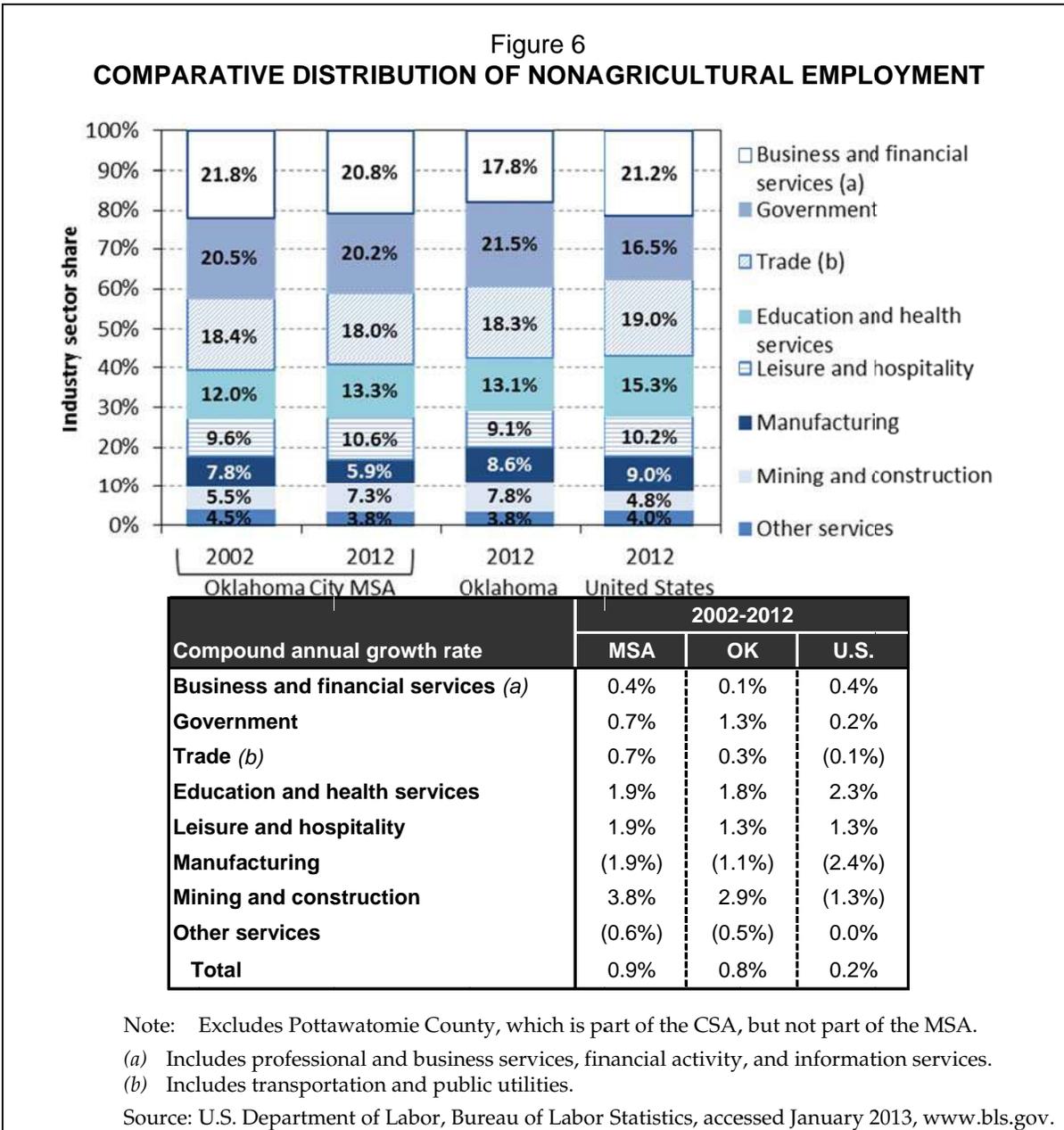
Low unemployment rates serve as an indicator of an area's economic health. Figure 5 shows that the MSA unemployment rate has been lower than that of the United States, and lower than or on par with that of Oklahoma, in every year since 1990. During the most recent economic recession, unemployment rates increased substantially. The Bureau of Labor Statistics estimates that unemployment in the MSA peaked at 6.5% in 2010, well below the national peak of 9.7%.

In 2012, unemployment rates in the MSA and Oklahoma were 4.8%, still substantially below the 8.1% national average. Among the 51 metropolitan statistical areas in the United States with populations greater than 1 million, the MSA had the lowest unemployment rate (4.1%) in April 2013.



Employment by Sector

Figure 6 shows the major nonagricultural employment sectors. The MSA has higher percentages of jobs in government and in mining and construction than the United States overall, and lower percentages in manufacturing, in education and health services, and in trade. Among all sectors of the MSA economy, mining and construction experienced the greatest increase in employment between 2002 and 2012. Approximately half of the employment in that sector of the MSA economy is directly attributable to oil and gas production and support thereof.



Major Employers

Table 2 shows the top private employers in the MSA, ranked by number of employees. Eight of the 20 companies listed are ranked in the Fortune 500 list of largest U.S. companies, based upon worldwide revenues.

| Company | Employment | Type of business |
|---|------------|---------------------------|
| INTEGRIS Health | 6,025 | Health Care |
| Chesapeake Energy Corp (a),(b) | 4,000 | Oil & Gas |
| Hobby Lobby Stores Inc (b) | 4,000 | Wholesale & Retail |
| Mercy Health Center (b) | 3,450 | Health Care |
| OGE Energy Corp. (b) | 3,450 | Utility |
| AT&T (a) | 3,000 | Telecommunications |
| SSM Health Care of Oklahoma, Inc. (b) | 2,900 | Health Care |
| Devon Energy Corp (a),(b) | 2,600 | Oil & Gas |
| LSB Industries, Inc (b) | 1,875 | Manufacturing |
| Dell (a) | 1,850 | Sales & Business Services |
| Hertz Corporation (a) | 1,650 | Rental Services |
| Farmers Insurance Group | 1,600 | Customer Service |
| UPS (a) | 1,550 | Transportation |
| Great Plains Coca-Cola Bottling Company | 1,500 | Beverage Distribution |
| Cox Communications (b) | 1,400 | Telecommunications |
| Deaconess Hospital (b) | 1,300 | Health Care |
| The Boeing Company (a) | 1,250 | Aerospace |
| Johnson Controls (a) | 1,200 | Manufacturing |
| Midfirst Bank (b) | 1,150 | Finance |
| American Fidelity (b) | 1,000 | Finance/Insurance |

Note: Excludes Pottawatomie County, which is part of the CSA, but not part of the MSA.
 (a) Ranked in 2012 Fortune 500 list of largest U.S. companies (based upon 2011 revenues).
 (b) Company with headquarters in the MSA.
 Source: Greater Oklahoma City Chamber of Commerce.

Additionally, 11 of the companies listed in Table 2 maintain corporate headquarters in the MSA. Corporate headquarters are important generators of airline travel demand due to trips to and from field offices and customer locations, as well as visits from vendors. Two of the above listed companies, Chesapeake Energy and Devon Energy, are Fortune 500 companies headquartered in the MSA and are among the nation's largest producers of natural gas and oil.

In January 2013, Boeing stated that its planned headcount in the MSA for the end of 2013 was 2,000—a sizable increase from the number of Boeing employees shown above in Table 2. The company has expanded by 1,200 jobs since 2010, relocating jobs from Long Beach, California and Wichita, Kansas, plus hiring new employees.

The MSA is also home to a substantial public sector, with the State of Oklahoma, Tinker Air Force Base, the Federal Aviation Administration's Mike Monroney Aeronautical Center, and the University of Oklahoma, together employing more than 88,000 people. The University of Oklahoma, in Norman, is the state's flagship public university, with a private endowment of more than \$1.8 billion and undergraduate enrollment of more than 21,000.

Industry Clusters

The economy of the CSA is driven, in part, by companies that export goods and services nationally and globally, catalyzing new investment and job creation which, in turn, help to spur air travel demand. Specialized companies often coalesce geographically into "industry clusters," drawing competitive advantage from their proximity to customers, suppliers, competitors, and a skilled workforce, and to a shared base of sophisticated knowledge about a given industry.

According to Greater Oklahoma City Chamber's Economic Development Division, there are four key industry clusters in the CSA:

- **Aviation and Aerospace.** Approximately 38,000 people are employed by more than 300 public- and private-sector aviation and aerospace organizations in the CSA. Largest among them is Tinker Air Force Base, site of the largest group of civilian Air Force personnel in the nation. The Federal Aviation Administration's Mike Monroney Aeronautical Center, also located in the CSA, is one of the Department of Transportation's largest facilities outside of the Washington, DC area.
- **Biotechnology.** Biotechnology is a fast growing sector in the area. The CSA is home to over 26,000 workers in health care, research, education and technology. Two significant anchors to the sector are the Oklahoma Medical Research Foundation, known particularly for research into the genetic underpinnings of Alzheimer's disease, and the University of Oklahoma Health Sciences Center, which comprises seven medical schools. Combined they employ more than 15,000 people and receive more than \$53 million annually in National Institutes of Health grant funding.
- **Energy.** Oklahoma is among the nation's largest producers of crude oil and natural gas, according to the U.S. Energy Information Administration, accounting for roughly 3% of the nation's petroleum refining capacity and 7% of the nation's natural gas production. Cushing, Oklahoma, 70 miles northeast of Oklahoma City, is where prices are settled for the New York Mercantile Exchange's benchmark West Texas Intermediate crude oil futures. In addition, the CSA has invested in a substantial infrastructure designed to harness wind and solar energy. In 2011, Oklahoma provided 7% of the nation's wind-generated electricity.

- **Logistics.** The geographic location of the CSA in the central continental United States, along with ample access to the nation's Interstate and rail networks, makes the area a favorable spot for cargo staging, consolidation, and transport.

Tourism and Local Activities

Founded during the Oklahoma Land Rush of 1889, Oklahoma City and its surrounding region offer numerous popular attractions and local activities. Befitting its geographic position near the juncture of the Great Plains and the Southwest, Oklahoma City contains numerous reflections of the "Old West." One of the area's most popular attractions is the National Cowboy & Western Heritage Museum which contains historical and cultural artifacts, a sizable collection of Western art, and the Rodeo Hall of Fame. Oklahoma City also boasts the Oklahoma National Stockyards, one of the largest live cattle markets in the world, and hosts the annual Red Earth Native American Cultural Festival, one of the nation's largest Native American cultural gatherings.

According to the Oklahoma City Convention and Visitors Bureau, Oklahoma City is the Horse Show Capital of the World. The area typically hosts more than a dozen national and global-tier championship horse shows each year, with an estimated combined economic impact of more than \$125 million. Many events are held at State Fair Park, a 435-acre facility located west of downtown Oklahoma City featuring extensive equine and livestock facilities, exercise areas, and conference and meeting space.

Conventions and tradeshow are hosted at the Cox Convention Center in downtown Oklahoma City, immediately adjacent to the historic Bricktown entertainment district, an area of restored warehouses now featuring restaurants, music venues, and other attractions. The Cox Convention Center offers 100,000 square feet of exhibit space, a 25,000-square-foot ballroom, more than 20 meeting rooms, and a 15,000-seat arena. A new convention center is planned to open in 2018, more than doubling the available exhibit, meeting, and ballroom space. The center will replace the Cox Convention Center and provide an opportunity for the CSA to host larger conventions and ultimately attract more air travelers to the Airport.

With respect to sporting activities, the area is home to the Oklahoma City Thunder (a major league team of the National Basketball Association), as well as the Oklahoma City RedHawks, affiliate of the Houston Astros major league baseball team, and the Oklahoma City Barons, the top affiliate of the Edmonton Oilers major league hockey team. At the college level, the University of Oklahoma Sooners are members of the Big 12 Conference, compete in a variety of sports, and host numerous playoffs and championships. Additionally, Oklahoma City is the official U.S. Olympic training site for rowing and hosts national and international rowing competitions. All of these events attract airline travelers to Oklahoma City.

ECONOMIC OUTLOOK

The U.S. economy has grown at a modest pace since the 2008-2009 economic recession. The Congressional Budget Office (CBO) envisages muted economic growth in 2013—a real GDP increase of 1.4%—relative to the 1.9% growth experienced in 2012, largely as a result of fiscal tightening by the federal government that is scheduled to occur under current law. The CBO acknowledges a high degree of near-term economic uncertainty stemming from unresolved federal policy decisions related to automatic spending reductions scheduled to occur in March and limits on federal debt scheduled to take effect in May. Economic growth is projected to strengthen in the years 2014 through 2018.

Sustained strong economic growth, nationally and regionally, will depend on, among other factors, recovery in the national housing market, the effectiveness of monetary stimulus, the health of the financial and credit markets, the strength of the U.S. dollar versus other currencies, energy prices, the ability of the federal government to reduce historically high fiscal deficits, inflation remaining within the range targeted by the Federal Reserve, and the economic health of U.S. trading partners.

The Greater Oklahoma City Chamber's Economic Development Division, in its *2013 Greater Oklahoma City Economic Forecast* publication, states that Oklahoma continues to have among the fastest-growing economies in the nation, second only to North Dakota in terms of employment growth in 2012. The CSA has been a key driver of the state's growth, benefitting from the growth and expansion of oil- and gas-related companies located there. Employment growth for the CSA is projected by the Economic Development Division to be 2.5% in 2013 and 2.4% in 2014, somewhat in excess of expectations nationwide.

A favorable longer-term outlook for the CSA economy is based on its competitive advantages: a growing population, relatively low-cost labor, moderate personal and business taxes, and several promising evolving industries, including aviation and aerospace, biotechnology, energy, and logistics.

AIRPORT OVERVIEW AND COMPARATIVE RANKINGS

The Airport primarily serves O&D passengers (i.e., passengers either originating at or destined for the Airport). More than 1.8 million passengers were enplaned at the Airport in FY 2012, of which an estimated 95% were O&D passengers.

The Airport is classified as a small hub by the Federal Aviation Administration (FAA).^{*} As shown in Table 3, the Airport is the largest of the nation's small hubs as ranked by published departing seats for the 12 months ended June 30, 2013 and is, in fact, larger than the three smallest medium hub airports. Advance published airline schedules indicate a 3.5% year-over-year increase in departing seats at OKC for the

^{*} The FAA defines a small hub as an airport accounting for at least 0.05%, but less than 0.25%, of total annual passengers enplaned at U.S. airports.

12 months ended June 30, 2013, in contrast to the capacity reductions exhibited at most of the similarly-sized airports shown in Table 3.

Among the three airports offering commercial service in the state of Oklahoma, OKC is the largest; it accounted for 55% of published departing seats statewide for the 12 months ended June 30, 2013. Second-ranking Tulsa International Airport accounted for 43%, while Lawton–Fort Sill Regional Airport accounted for the remaining 2%.

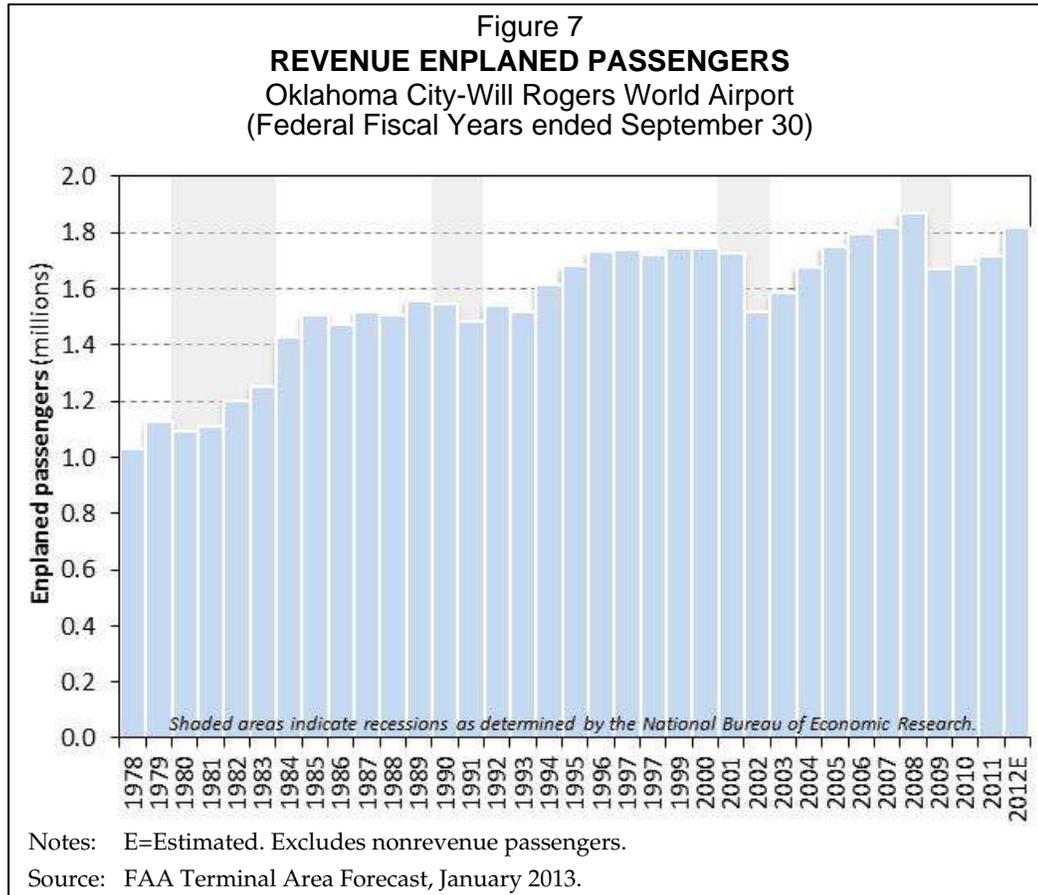
Table 3
YEAR-OVER-YEAR CHANGES IN SCHEDULED DEPARTING SEATS
 Selected U.S. Airports, ranked by Hub Size
 (12 months ended June 30; seats in thousands)

| FY 2013 | | 12 Months ended June 30 | | | |
|-----------|------------|--|------------------|------------------|--------------|
| ranking | Code | Airport | 2012 | 2013 | % Chg. |
| | | All U.S. Airports | 947,356.1 | 944,590.5 | -0.3% |
| | | All Large-Hub Airports | 655,089.5 | 658,217.5 | 0.5% |
| | | All Medium-Hub Airports | 172,924.4 | 169,245.8 | -2.1% |
| 57 | BDL | Hartford-Bradley, CT | 3,518.3 | 3,318.5 | -5.7 |
| 58 | BUF | Buffalo, NY | 3,276.0 | 3,270.6 | -0.2 |
| 59 | ANC | Anchorage, AK | 3,140.2 | 3,024.7 | -3.7 |
| 60 | BUR | Burbank, CA | 3,259.0 | 3,016.9 | -7.4 |
| 61 | ONT | Ontario, CA | 2,986.5 | 2,763.7 | -7.5 |
| 62 | OMA | Omaha, NE | 2,598.7 | 2,475.0 | -4.8 |
| 63 | RNO | Reno, NV | 2,536.6 | 2,301.1 | -9.3 |
| 64 | PVD | Providence, RI | 2,448.9 | 2,255.2 | -7.9 |
| | | All Small-Hub Airports | 81,790.4 | 80,154.2 | -2.0% |
| 65 | OKC | Oklahoma City, OK | 2,451.6 | 2,537.1 | 3.5% |
| 66 | SDF | Louisville, KY | 2,229.9 | 2,316.2 | 3.9 |
| 67 | ORF | Norfolk, VA | 2,308.8 | 2,301.3 | -0.3 |
| 68 | ELP | El Paso, TX | 2,355.5 | 2,213.2 | -6.0 |
| 69 | GUM | Guam, Pacific Trust | 1,849.5 | 2,200.2 | 19.0 |
| 70 | TUS | Tucson, AZ | 2,273.9 | 2,109.8 | -7.2 |
| 71 | RIC | Richmond, VA | 2,147.8 | 2,044.5 | -4.8 |
| 72 | BHM | Birmingham, AL | 2,182.0 | 2,036.0 | -6.7 |
| 73 | TUL | Tulsa, OK | 2,022.1 | 1,967.9 | -2.7 |
| | | All other commercial service airports | 37,551.8 | 36,972.9 | -1.5% |

Note: Hub size categorization based on the FAA's calendar year 2011 rankings.

Source: OAG Aviation Worldwide Ltd. online database, accessed January 2013.

Figure 7 presents a chart of the numbers of passengers enplaned at the Airport from airline deregulation in 1978 through 2012. Despite interim fluctuations, such as the declines experienced following the events of 9/11 and during the 2008-2009 economic recession, the number of passengers enplaned at the Airport increased 1.7% per year, on average, over the 34-year period. By comparison, the number of enplaned passengers in the nation, overall, increased 2.7% per year, on average.



AIRLINE SERVICE

The Airport is a true “spoke” in the route networks of the airlines serving it; all available nonstop air service is offered to those airlines’ hub airports and focus cities. Table 4 lists the passenger and all-cargo airlines that provided service at the Airport during FY 2013.

| Table 4 AIRLINES SERVING THE AIRPORT Oklahoma City-Will Rogers World Airport (Fiscal Year 2013) | |
|---|----------------------------|
| <u>Mainline airlines</u> | <u>Regional affiliates</u> |
| American | American Eagle (AA) |
| Delta | Chautauqua (AA) |
| United | Colgan Air (UA) |
| | Comair (DL) |
| <u>Low-cost carriers</u> | Compass (DL) |
| Frontier | ExpressJet (AA, DL, UA) |
| Southwest | GoJet (UA) |
| | Mesa (UA) |
| <u>All-cargo airlines</u> | Pinnacle (DL) |
| ABX Air, Inc. | Republic (UA) |
| Ameriflight | Shuttle America (UA) |
| FedEx | SkyWest (DL, UA) |
| Martinaire | Trans States (UA) |
| Mountain Air Cargo | |
| UPS | |
| <p>Note: AA=American Airlines, DL=Delta Air Lines, UA=United Airlines.</p> <p>Source: Oklahoma City Department of Airports.</p> | |

Figure 8 shows that the number of scheduled departing seats declined 12% at the Airport between FY 2001 and FY 2013. The spike in FY 2008 was largely a result of Expressjet’s short-lived experiment with independently branded service, and the recession years represented a low point in capacity at the Airport. The number of scheduled departing seats increased at the Airport in FY 2011 and FY 2012, and another increase is projected in FY 2013.

These broad trends derive from a more fundamental shift in service by airline type offered at the Airport. Between FY 2001 and FY 2013, the number of departing seats offered by mainline legacy airlines declined by nearly two-thirds, while departing seats offered by the regional affiliate carriers of those airlines more than doubled. The number of departing seats offered by the low-cost carriers (LCCs), by contrast, showed little change over the 13-year period.

Over the same period, the airlines serving the Airport increased the overall percentage of seats they filled with enplaned passengers, from 60.4% in FY 2001 to 74.4% in FY 2012.

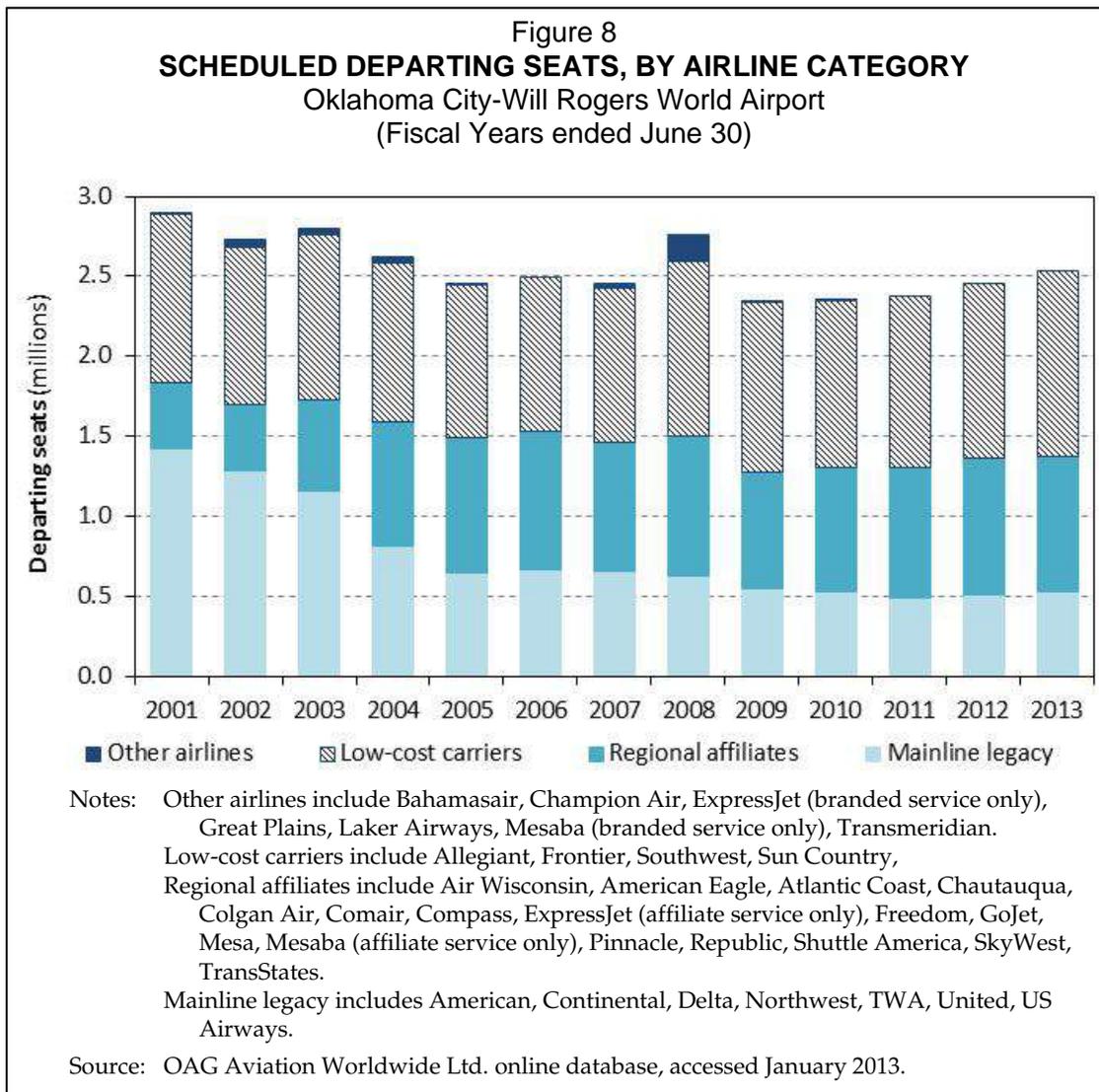
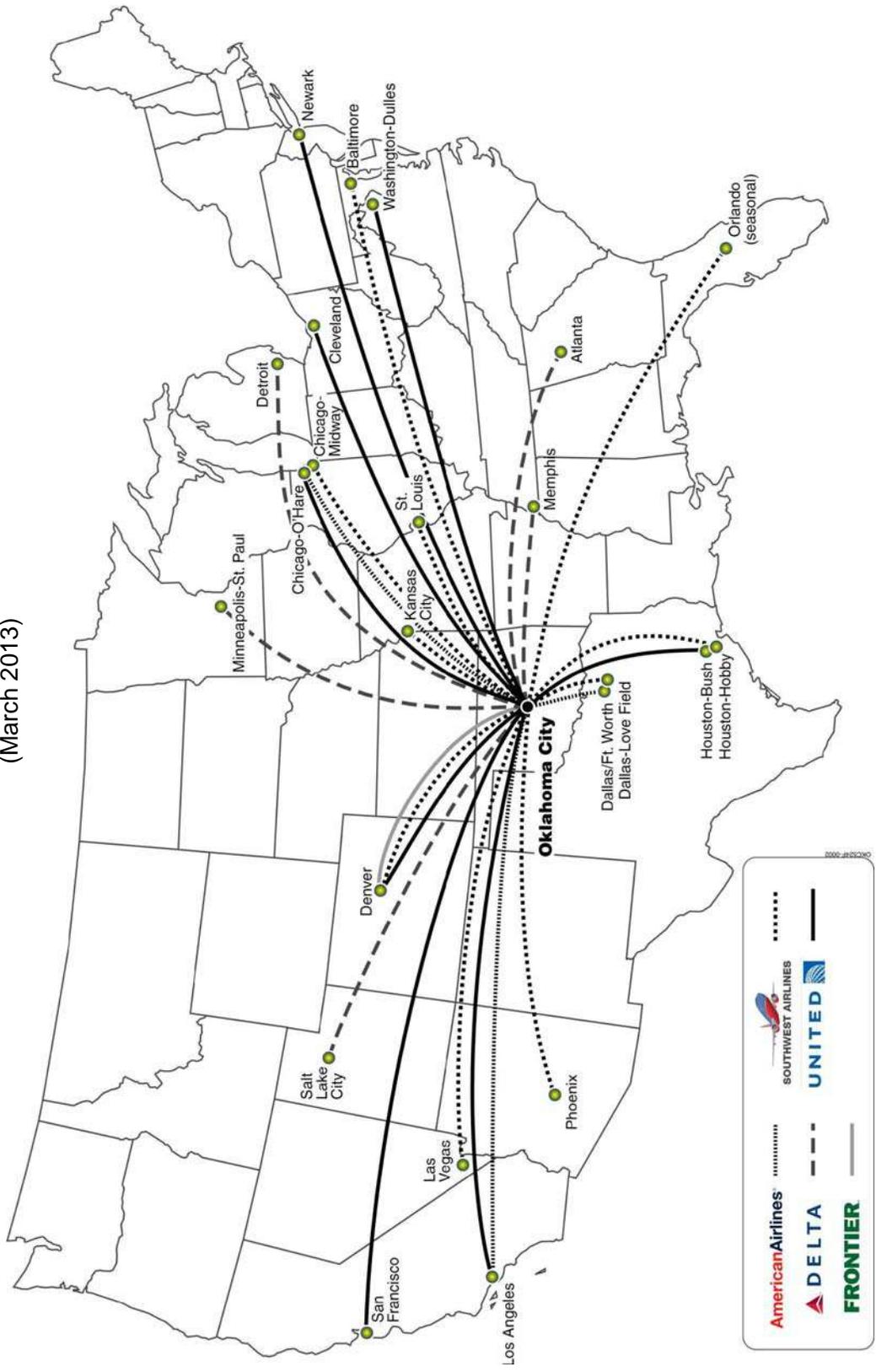


Figure 9 shows the airports served nonstop by scheduled passenger flights at the Airport in March 2013. As mentioned previously, all are hub airports or focus cities of the airlines serving the Airport.

Figure 9
AIRPORTS SERVED BY DAILY SCHEDULED ROUNDTRIP NONSTOP PASSENGER FLIGHTS
 Oklahoma City-Will Rogers World Airport
 (March 2013)



Source: OAG Aviation Worldwide Ltd. online database, accessed February 2013.

Table 5 shows changes in numbers of departing seats to the major destinations served from the Airport since FY 2003. The top five destinations served as measured by departing seats—Dallas, Denver, Houston, Chicago, and Atlanta—have accounted for between 65% and 70% of total departing seats at the Airport in each of the past 5 years.

Table 5
SCHEDULED DEPARTING SEATS, BY FLIGHT DESTINATION
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June 30; seats in thousands)

| Destination | Distance from OKC (miles) | 2003 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2013 as % of total |
|-------------------------|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| OKC Total | | 2,795 | 2,760 | 2,351 | 2,344 | 2,372 | 2,452 | 2,537 | 100.0% |
| Dallas | 185 | 643 | 606 | 594 | 582 | 583 | 584 | 575 | 22.7 |
| <i>Dallas/Ft. Worth</i> | | 357 | 380 | 364 | 355 | 354 | 356 | 348 | 13.7 |
| <i>Love Field</i> | | 287 | 226 | 230 | 227 | 228 | 228 | 227 | 8.9 |
| Denver | 493 | 232 | 355 | 370 | 392 | 379 | 358 | 365 | 14.4 |
| Houston | 408 | 336 | 381 | 367 | 366 | 331 | 327 | 359 | 14.1 |
| <i>Bush</i> | | 168 | 196 | 184 | 181 | 155 | 151 | 183 | 7.2 |
| <i>Hobby</i> | | 168 | 185 | 183 | 185 | 176 | 176 | 176 | 6.9 |
| Chicago | 692 | 168 | 184 | 132 | 168 | 189 | 199 | 256 | 10.1 |
| <i>O'Hare</i> | | 168 | 184 | 132 | 168 | 189 | 195 | 185 | 7.3 |
| <i>Midway</i> | | - | - | - | - | - | 4 | 71 | 2.8 |
| Atlanta | 759 | 162 | 127 | 125 | 131 | 151 | 176 | 186 | 7.3 |
| Las Vegas | 983 | 10 | 92 | 53 | 52 | 92 | 100 | 102 | 4.0 |
| Phoenix | 831 | 153 | 196 | 130 | 102 | 99 | 100 | 100 | 3.9 |
| Kansas City | 312 | 260 | 175 | 128 | 101 | 99 | 100 | 96 | 3.8 |
| St. Louis | 466 | 339 | 129 | 124 | 111 | 91 | 94 | 93 | 3.7 |
| Los Angeles | 1,182 | - | 38 | 23 | 28 | 41 | 73 | 81 | 3.2 |
| Salt Lake City | 862 | 119 | 44 | 30 | 41 | 68 | 66 | 60 | 2.4 |
| Detroit | 899 | 2 | 38 | 38 | 41 | 53 | 56 | 53 | 2.1 |
| Minneapolis/St. Paul | 695 | 50 | 38 | 36 | 49 | 46 | 52 | 51 | 2.0 |
| Baltimore | 1,177 | 2 | 46 | 50 | 51 | 51 | 51 | 51 | 2.0 |
| Memphis | 432 | 131 | 62 | 59 | 58 | 58 | 57 | 32 | 1.3 |
| Washington-Dulles | 1,134 | - | 25 | 24 | 24 | 24 | 24 | 23 | 0.9 |
| San Francisco | 1,379 | - | - | - | - | - | 20 | 23 | 0.9 |
| Newark | 1,322 | 20 | 18 | 18 | 17 | 17 | 17 | 17 | 0.7 |
| Orlando | 1,066 | 3 | 1 | - | 6 | - | - | 8 | 0.3 |
| Cleveland | 947 | - | 22 | 6 | - | - | - | 6 | 0.2 |
| All other | | 166 | 181 | 45 | 24 | - | 0 | - | - |

Note: Columns may not add to totals shown because of rounding.

Source: OAG Aviation Worldwide Ltd. online database, accessed January 2013.

Nearby Commercial Service Airports

Table 6 shows the scale and composition of scheduled passenger service at the four other major airports within an approximately 200-mile drive of the Airport, namely, Tulsa International Airport, Wichita Mid-Continent Airport, Dallas/Fort Worth International Airport, and Dallas Love Field Airport. Other nearby commercial service airports (such as those in Lawton, Oklahoma; Joplin, Missouri; and Wichita Falls and Salina, Kansas) offer limited passenger service; each airport offered fewer than 5 scheduled flights per day, on average, in March 2013.

Table 6
SCHEDULED PASSENGER AIRLINE FLIGHTS
 Oklahoma City-Will Rogers World Airport
 and Other Airports Within 3 Hours Drive Time
 (March 2013)

| Airport | Drive distance (in miles) from Oklahoma City | Average daily scheduled flight departures | | | |
|------------------|--|---|------------------------|----------------------|-----------|
| | | Mainline carriers | Regional affiliates | Low-cost carriers | Total (a) |
| Will Rogers | -- | 9 | 40 | 24 | 72 |
| Tulsa | 124 | 10 | 29 | 15 | 54 |
| Wichita | 173 | 6 | 20 | 4 | 30 |
| Dallas/Ft. Worth | 193 | 519 | 340 | 34 | 903 |
| Dallas-Love | 203 | - | 11 | 119 | 132 |

(a) Dallas/Ft. Worth total includes 10 daily departures by foreign-flag airlines, namely, Aeromexico, Air Canada, British Airways, Emirates, Korean Air, Lacsas, Lufthansa, Qantas, and Taca International. Dallas-Love total includes 3 daily departures on an unaffiliated regional airline, Wings of Alaska, which operates 8-seat aircraft.

Sources: Google Maps; OAG Aviation Worldwide Ltd. online database, accessed February 2013.

Table 7 offers a more detailed breakdown of service by airline at the five airports. Given the substantially greater volume and breadth of service offered at the Dallas airports relative to OKC, it stands to reason that their passenger base could include some residents of the CSA (termed passenger “leakage”), despite the time and expense of ground access to those airports (an approximately 3-hour drive from the CSA). Conversely, OKC is likely a recipient of leakage from the Tulsa and Wichita areas, given the more limited airline service at those airports. In the absence of detailed passenger surveys, however, estimates of passenger leakage are difficult to quantify.

Table 7
SCHEDULED DEPARTING SEATS
Oklahoma City-Will Rogers World Airport
and Other Airports within 3 Hours Drive Time
(March 2013)

| | Average daily scheduled departing seats | | | | |
|--------------------------------------|--|------------------------|------------------------------|------------------------------------|----------------------|
| | Will Rogers World (Oklahoma City) | Tulsa International | Wichita Mid- Continent | Dallas /Ft. Worth International | Dallas Love Field |
| Network airlines | | | | | |
| Mainline carriers | | | | | |
| Alaska | - | - | - | 323 | - |
| American (a) | 957 | 1,256 | 537 | 71,371 | - |
| Delta | 149 | 148 | - | 2,406 | - |
| United | 101 | 152 | 269 | 1,468 | - |
| US Airways (a) | - | - | - | 2,775 | - |
| Sub-total | 1,207 | 1,556 | 807 | 78,342 | - |
| Regional affiliates | | | | | |
| American Eagle | 368 | 171 | 125 | 13,984 | - |
| Delta Connection | 843 | 547 | 478 | 1,789 | 226 |
| United Express | 1,205 | 858 | 527 | 1,458 | 334 |
| US Airways Express | - | - | - | 15 | - |
| Sub-total | 2,416 | 1,575 | 1,130 | 17,245 | 560 |
| Low-cost carriers | | | | | |
| Allegiant Air | - | - | 161 | - | - |
| Frontier | 215 | - | - | 558 | - |
| jetBlue | - | - | - | 426 | - |
| Southwest | 3,105 | 2,122 | 332 | - | 16,038 |
| Spirit | - | - | - | 3,365 | - |
| Sun Country | - | - | - | 149 | - |
| Virgin America | - | - | - | 738 | - |
| Sub-total | 3,320 | 2,122 | 493 | 5,236 | 16,038 |
| Unaffiliated regional carrier | | | | | |
| Wings of Alaska | - | - | - | - | 20 |
| Foreign-flag airlines | | | | | |
| | - | - | - | 1,832 | - |
| Airport total | 6,943 | 5,253 | 2,429 | 102,655 | 16,618 |
| | Percent of total | | | | |
| Network airlines | | | | | |
| Mainline carriers | 17.4% | 29.6% | 33.2% | 76.3% | 0.0% |
| Regional affiliates | 34.8 | 30.0 | 46.5 | 16.8 | 3.4 |
| Low-cost carriers | 47.8 | 40.4 | 20.3 | 5.1 | 96.5 |
| Foreign-flag airlines (b) | 0.0 | 0.0 | 0.0 | 1.8 | 0.0 |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

(a) On February 14, 2013, American and US Airways announced plans to merge.

Sources: Google Maps; OAG Aviation Worldwide Ltd. online database, accessed February 2013

Wright Amendment

Oklahoma is one of nine states that can be served with nonstop scheduled passenger service from Dallas Love Field under the terms of the Wright Amendment. Enacted in 1979, the Wright Amendment prohibited airlines from operating scheduled service with aircraft larger than 56 seats from Dallas Love Field to destinations other than those within Texas or to states bordering Texas. Southwest Airlines was then, and still is, the primary airline serving Dallas Love Field. Since enactment, the Wright Amendment has been revised several times adding additional states and changing some rules of operation. The most recent change occurred in October 2006.

Since 2007, approximately one-third of passengers flying between Dallas Love Field and the Airport have been through passengers. The number of through passengers at the Airport increased after the Wright Amendment reform, allowing passengers to book a single itinerary to or from Dallas Love Field to destinations beyond the nine states designated in the Amendment.

The Airport has ultimately benefitted from this law becoming one of Southwest Airlines' key connecting cities within the Wright Amendment's nine designated states and becoming the Airport's largest carrier.

The Wright Amendment restrictions are scheduled to expire in October 2014. At that time, airlines will be able to operate nonstop scheduled passenger service using aircraft of any size from Dallas Love Field to any destination in the United States. This means that airlines like Southwest will no longer be forced to route passengers through cities located in one of the nine states previously designated by the Amendment.

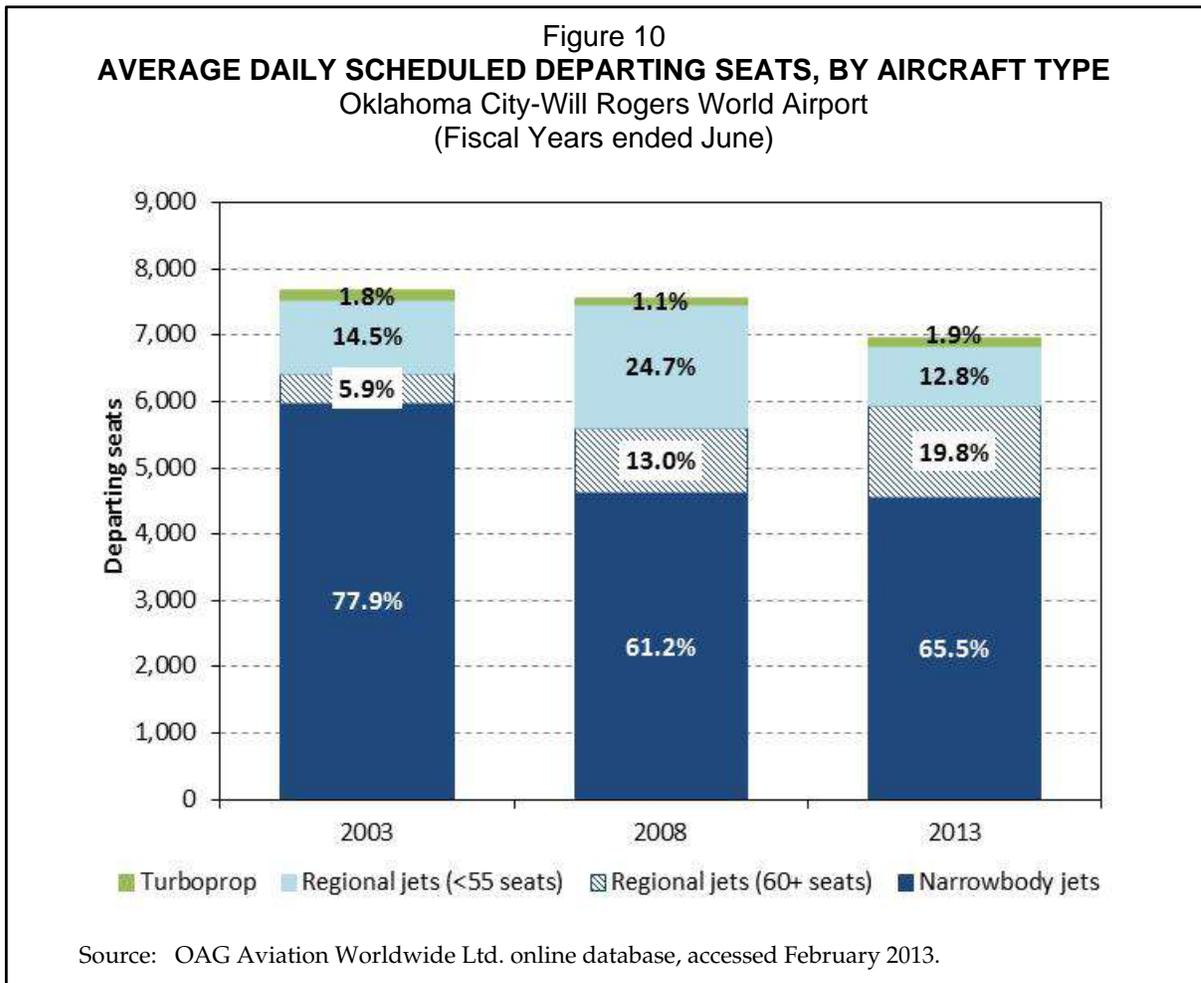
After the expiration of the amendment, new nonstop routes will likely be initiated from Dallas Love Field. This could result in reduced Southwest service at OKC. However, the Airport has long been a proven market for the airline, and removal of the Wright Amendment restrictions could lead to increased service between OKC and Love Field, as passengers traveling to and from OKC use the enhanced connecting opportunities provided by Southwest. In any case, if Southwest reduces service at OKC, passengers would continue to have ready access to other airlines at the Airport.

In summary, it is too early to determine whether the October 2014 expiration of the Wright Amendment will have any material impact on future enplaned passenger levels at the Airport.

Service by Aircraft Type

Figure 10 illustrates shifts in airline service by aircraft type that have occurred at the Airport over the past 10 years. Between 2003 and 2008, capacity on narrowbody aircraft declined substantially, while regional jet capacity increased markedly. Smaller jet aircraft allowed airlines to deploy capacity on routes with demand insufficient to fill larger aircraft and to offer more frequent service on routes.

Between 2008 and 2013, smaller (<55 seat) regional jet activity declined while larger (60-100 seat) regional jet activity increased. Significant increases in fuel prices rendered the smaller jets less profitable. These two shifts mirrored nationwide trends over the 2008-2013 timeframe.



PASSENGER TRAFFIC

Table 8 shows that four airlines (Southwest, American, United, and Delta), including their regional affiliates, have accounted for more than 95% of all enplaned passengers at the Airport since FY 2010. Southwest accounted for 36.1% of total enplaned passengers at the Airport in FY 2012, followed by American and United, tied for second place with 21.0% of enplaned passengers each. Delta accounted for 17.5% of enplaned passengers in FY 2012.

Enplaned passengers increased by an average of 3.7% per year from FY 2010 to FY 2012. The number of enplaned passengers at the Airport increased at a lesser rate (1.1%) in FY 2013 over FY 2012, partly due to a 3-day disruption of service at the Airport during which airlines cancelled flights following the severe tornado strike on May 31; airline shares of those passengers experienced no material shifts.

Table 8
AIRLINE MARKET SHARES OF ENPLANED PASSENGERS
Oklahoma City-Will Rogers World Airport
(Fiscal Years ended June)

| Published Airline (a) | 2002 | 2007 | 2010 | 2011 | 2012 | 2013 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Southwest | 441,103 | 527,050 | 559,696 | 631,813 | 658,425 | 680,578 |
| United (b) | 291,767 | 410,953 | 397,477 | 382,544 | 383,094 | 394,879 |
| American | 421,425 | 380,095 | 356,956 | 360,301 | 383,170 | 381,609 |
| Delta (c) | 367,640 | 319,531 | 281,277 | 297,170 | 319,057 | 305,564 |
| Frontier | - | 54,191 | 95,325 | 73,385 | 76,438 | 79,739 |
| US Airways | - | 52,266 | - | - | - | - |
| Champion Air | 38,004 | 43,881 | - | - | - | - |
| Other | <u>14,799</u> | <u>11,152</u> | <u>3,329</u> | <u>3,166</u> | <u>4,129</u> | <u>2,686</u> |
| Total | 1,574,738 | 1,799,119 | 1,694,060 | 1,748,379 | 1,824,313 | 1,845,055 |
| | Share of total | | | | | |
| Southwest | 28.0% | 29.3% | 33.0% | 36.1% | 36.1% | 36.9% |
| United (b) | 18.5 | 22.8 | 23.5 | 21.9 | 21.0 | 21.4 |
| American | 26.8 | 21.1 | 21.1 | 20.6 | 21.0 | 20.7 |
| Delta (c) | 23.3 | 17.8 | 16.6 | 17.0 | 17.5 | 16.6 |
| Frontier | - | 3.0 | 5.6 | 4.2 | 4.2 | 4.3 |
| US Airways | - | 2.9 | - | - | - | - |
| Champion Air | 2.4 | 2.4 | - | - | - | - |
| Other | <u>0.9</u> | <u>0.6</u> | <u>0.2</u> | <u>0.2</u> | <u>0.2</u> | <u>0.1</u> |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

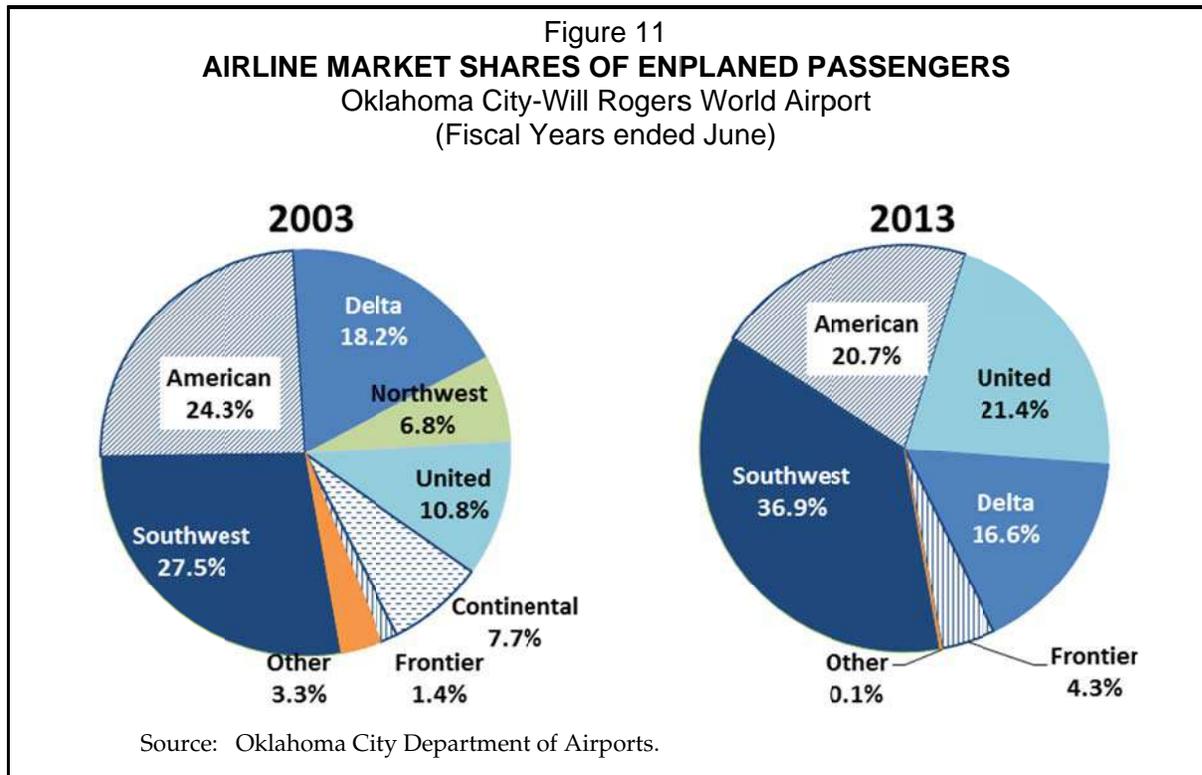
(a) Includes regional code-sharing affiliates, if any.

(b) Continental is included with United for all years shown, although its merger with United occurred in May 2010.

(c) Northwest is included with Delta for all years shown, although its merger with Delta occurred in October 2008.

Source: Oklahoma City Department of Airports.

Figure 11 compares airline market shares of enplaned passengers at the Airport in FY 2003 and FY 2013 and illustrates the effects of airline industry consolidation during the intervening years. Continental and Northwest, standalone airlines which served the Airport in FY 2003, no longer existed as separate entities 10 years later, having merged with United and Delta, respectively. Over the 10-year period, American and the merged Delta gave up passenger share at the Airport to Southwest, the merged United, and Frontier.



Passenger Trends by Segment

Table 9 shows that more than 86% of enplaned passengers at the Airport were domestic O&D passengers (passengers traveling between the Airport and other domestic airports) in FY 2012. Of those passengers, approximately 55% were area residents, while the remaining 45% were visitors. Just 5% of enplaned passengers connected from one flight to another flight at the Airport. The remaining 9% of passengers consisted of O&D passengers traveling to or from international destinations via other domestic gateway airports, passengers on charter (i.e., nonscheduled) flights, nonrevenue passengers (such as airline employees), and other smaller segments of passengers.

Given the preponderance of domestic O&D passengers at the Airport, the rest of this section of the Report focuses largely upon those passengers.

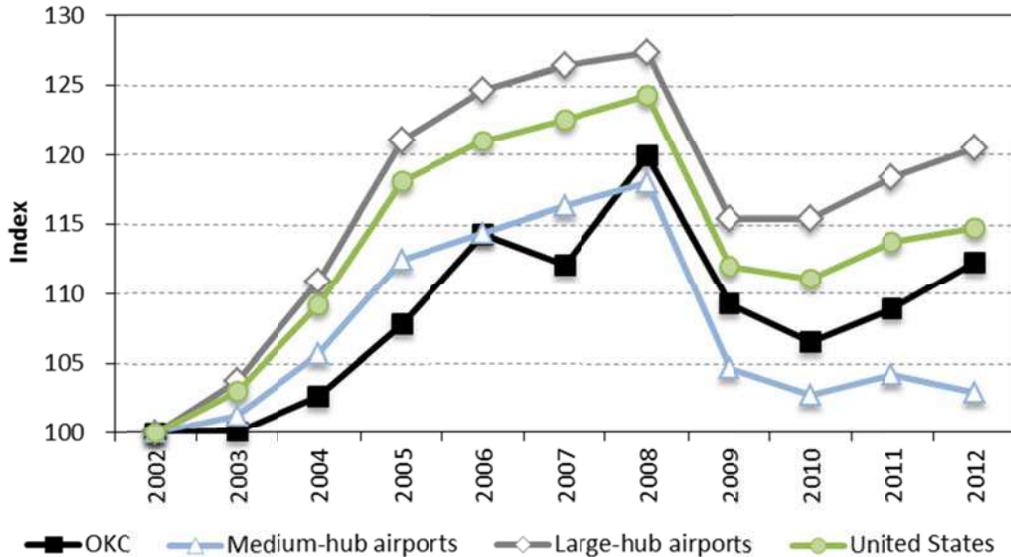
Table 9
TRENDS IN ENPLANED PASSENGERS
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June)

| Fiscal Year | Domestic O&D | | | Int'l O&D enplaned on domestic flights (a) | Connecting passengers | Charter, nonrevenue and other | Total enplaned passengers |
|-----------------------------|--------------|---------|-----------|---|--------------------------|-------------------------------------|---------------------------------|
| | Resident | Visitor | Total | | | | |
| 2002 | 759,493 | 644,667 | 1,404,160 | 70,660 | 62,235 | 37,683 | 1,574,738 |
| 2003 | 753,424 | 652,246 | 1,405,670 | 69,910 | 70,415 | 58,363 | 1,604,358 |
| 2004 | 776,412 | 665,348 | 1,441,760 | 77,700 | 70,120 | 76,535 | 1,666,115 |
| 2005 | 816,014 | 697,916 | 1,513,930 | 87,900 | 70,750 | 64,142 | 1,736,722 |
| 2006 | 867,324 | 737,996 | 1,605,320 | 95,660 | 70,865 | 37,509 | 1,809,354 |
| 2007 | 848,552 | 726,408 | 1,574,960 | 99,140 | 67,015 | 58,084 | 1,799,199 |
| 2008 | 903,436 | 780,074 | 1,683,510 | 104,340 | 63,680 | 62,217 | 1,913,747 |
| 2009 | 836,043 | 698,597 | 1,534,640 | 105,640 | 56,060 | 34,534 | 1,730,874 |
| 2010 | 825,020 | 670,400 | 1,495,420 | 109,790 | 69,835 | 19,015 | 1,694,060 |
| 2011 | 828,191 | 701,419 | 1,529,610 | 118,490 | 71,235 | 29,044 | 1,748,379 |
| 2012 | 869,016 | 708,484 | 1,577,500 | 120,360 | 88,445 | 38,008 | 1,824,313 |
| 2013 (b) | 876,455 | 717,100 | 1,593,555 | 122,000 | 91,000 | 38,500 | 1,845,055 |
| Share of total | | | | | | | |
| 2002 | 48.2% | 40.9% | 89.2% | 4.5% | 4.0% | 2.4% | 100.0% |
| 2007 | 47.2 | 40.4 | 87.5 | 5.5 | 3.7 | 3.2 | 100.0 |
| 2012 | 47.6 | 38.8 | 86.5 | 6.6 | 4.8 | 2.1 | 100.0 |
| 2013 (b) | 47.5 | 38.9 | 86.4 | 6.6 | 4.9 | 2.1 | 100.0 |
| Compound annual growth rate | | | | | | | |
| 2002-2006 | 3.4% | 3.4% | 3.4% | 7.9% | 3.3% | -0.1% | 3.5% |
| 2006-2010 | -1.2 | -2.4 | -1.8 | 3.5 | -0.4 | -15.6 | -1.6 |
| 2010-2012 | 2.6 | 2.8 | 2.7 | 4.7 | 12.5 | 41.4 | 3.8 |
| 2012-2013 (b) | 0.9 | 1.2 | 1.0 | 1.4 | 2.9 | 1.3 | 1.1 |

(a) Represents passengers who boarded domestic flights to another U.S. gateway city where they connected with flights to their international destinations.
 (b) The segment breakdown for FY 2013 represents estimates by LeighFisher.
 Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Oklahoma City Department of Airports.

Figure 12 shows trends in domestic O&D passengers since FY 2002 at the Airport, compared to trends for large- and medium-hub airports, considered as groups, and the national trend. The Airport has experienced nearly the same net change as the nation over the 10-year period—in excess of growth at the medium-hub airports, but less than the growth experienced at the nation’s large-hub airports.

Figure 12
COMPARATIVE INDEX OF DOMESTIC O&D PASSENGERS
 Oklahoma City-Will Rogers World Airport and All U.S. Airports
 (for the 12 months ended June 30; index 2002=100)



| Compound annual growth rate | 2002-2012 |
|-----------------------------|-----------|
| OKC | 1.2% |
| Medium-hub airports | 0.3 |
| Large-hub airports | 1.9 |
| United States | 1.4 |

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Domestic O&D Markets

Table 10 ranks the Airport’s top domestic O&D passenger markets. The Airport’s top 20 markets together accounted for nearly 65% of total domestic O&D passengers in FY 2012.

Each of the Airport’s top 13 domestic O&D markets was served nonstop in March 2013. Two of the markets (Denver and Chicago) were served by three airlines, while an additional four markets were served by two airlines. Airline competition on a route tends to exert downward pressure on airfares charged.

A comparison of Table 10 with Table 5 shows that many passengers that enplane at OKC are destined for points beyond the airports to which their flights operate. For example, 22.7% of seats departing the Airport in March 2013 were on flights to the two Dallas airports (see Table 5); however, only 3.8% of O&D passengers at the Airport in FY 2012 were bound for the Dallas/Fort Worth area (see Table 10). Most passengers traveling from OKC to the Dallas airports make connections with flights to other destinations.

Table 10
O&D PASSENGERS AND SERVICE IN TOP DOMESTIC O&D MARKETS
Oklahoma City-Will Rogers World Airport

| Rank | City market | March 2013 | | | Fiscal Year 2012 | |
|----------------------|-----------------------|---------------------------------|---------------------------------|---|--------------------------------|----------------------|
| | | Distance from OKC (statute mi.) | Airlines providing nonstop svc. | Avg. scheduled daily nonstop departures | Avg. daily outbound O&D psgrs. | Market as % of total |
| 1 | Houston (a) | 407 | UA,WN | 12.3 | 356 | 8.3% |
| 2 | Denver | 495 | F9,UA,WN | 9.1 | 294 | 6.8 |
| 3 | Las Vegas | 986 | WN | 2.0 | 222 | 5.1 |
| 4 | Los Angeles (b) | 1,168 | AA,UA | 2.7 | 215 | 5.0 |
| 5 | Washington DC (c) | 1,158 | UA,WN | 2.0 | 208 | 4.8 |
| 6 | Dallas/Fort Worth (d) | 178 | AA,WN | 11.4 | 162 | 3.8 |
| 7 | Chicago (e) | 692 | AA,UA,WN | 9.5 | 150 | 3.5 |
| 8 | New York (f) | 1,337 | UA | 0.8 | 148 | 3.4 |
| 9 | Phoenix | 833 | WN | 2.0 | 144 | 3.3 |
| 10 | Orlando | 1,069 | WN | 1.0 | 116 | 2.7 |
| 11 | San Francisco (g) | 1,373 | UA | 1.0 | 106 | 2.5 |
| 12 | Atlanta | 761 | DL | 5.0 | 104 | 2.4 |
| 13 | St. Louis | 462 | WN | 1.8 | 85 | 2.0 |
| 14 | Seattle | 1,519 | - | - | 85 | 2.0 |
| 15 | San Diego | 1,137 | - | - | 77 | 1.8 |
| 16 | San Antonio | 407 | - | - | 72 | 1.7 |
| 17 | Kansas City | 313 | WN | 1.8 | 61 | 1.4 |
| 18 | Salt Lake City | 866 | DL | 2.8 | 56 | 1.3 |
| 19 | Tampa | 1,023 | - | - | 56 | 1.3 |
| 20 | Austin | 358 | - | - | 54 | 1.2 |
| 21 | Sacramento | 1,342 | - | - | 52 | 1.2 |
| 22 | Minneapolis-St. Paul | 694 | DL | 2.8 | 50 | 1.2 |
| 23 | Portland | 1,484 | - | - | 47 | 1.1 |
| 24 | Philadelphia | 1,261 | - | - | 46 | 1.1 |
| 25 | New Orleans | 567 | - | - | 45 | 1.0 |
| 26 | Fort Lauderdale | 1,218 | - | - | 44 | 1.0 |
| 27 | Boston | 1,505 | - | - | 42 | 1.0 |
| 28 | Detroit | 900 | DL | 1.8 | 42 | 1.0 |
| Total—top 28 markets | | | | 69.7 | 3,137 | 72.8% |
| All other markets | | | | 2.5 | 1,173 | 27.2 |
| Total—all markets | | | | 72.2 | 4,310 | 100.0% |

Notes: Fiscal Year ended June 30.
Table includes cities with 1% or more of outbound domestic O&D passengers from OKC.
Figures may not add to totals shown because of rounding.
AA=American, DL=Delta, F9=Frontier, UA=United, WN=Southwest.

- (a) Market includes Bush and Hobby airports.
- (b) Market includes Los Angeles, Santa Ana, Ontario, Long Beach, and Burbank airports.
- (c) Market includes Dulles, Reagan, and Baltimore airports.
- (d) Market includes Dallas/Ft. Worth Airport and Love Field.
- (e) Market includes O'Hare and Midway airports.
- (f) Market includes LaGuardia, Newark, and Kennedy airports.
- (g) Market includes San Francisco, San Jose, and Oakland airports.

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; OAG Aviation Worldwide Ltd. online database, accessed January 2013.

International Passengers

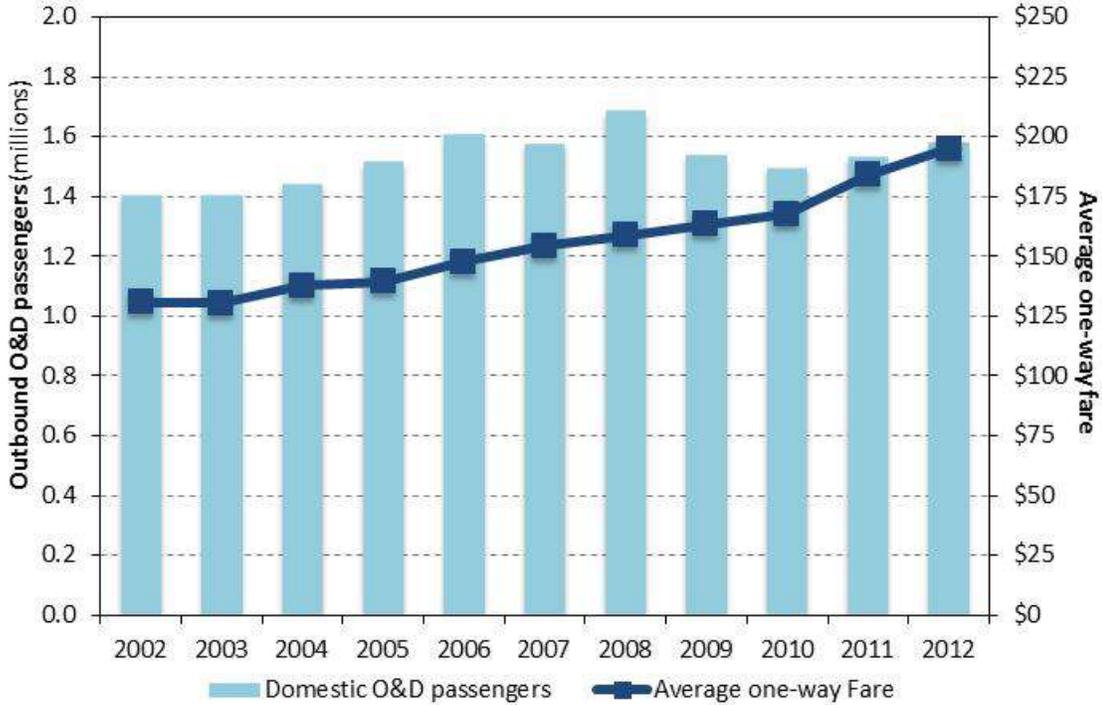
Passengers have long used domestic scheduled flights at OKC to begin and end their international journeys. With only very minor exceptions, there has been no international scheduled service offered at the Airport over the past 10 years. Passengers bound for international destinations who use domestic scheduled flights to connect at other U.S. gateway airports are international passengers, but are categorized at the Airport as domestic enplanements. These travelers amounted to approximately 120,000 enplanements at the Airport in FY 2012, or roughly 7% of the Airport's passenger base, according to Department of Transportation statistics. To the extent that CSA residents and visitors access international service offered at the Dallas area airports via automobile, this 120,000 enplanement figure could understate international travel demand from the CSA.

AIRLINE FARES

Figure 13 shows domestic O&D passenger volumes and average level of domestic airfares reportedly paid at the Airport in each year from FY 2002 to FY 2012.* The average nominal domestic one-way airfare paid at the Airport increased approximately \$64 (49%) over the period. Despite the increase in average fares and the widespread adoption of ancillary charges by airlines, the number of domestic O&D passengers increased 12% over the 10-year period, indicating stability in air travel demand to and from the CSA.

*The fares that airlines report to the U.S. DOT are exclusive of many ancillary charges (fees for checked baggage and preferred aircraft seating, for example) and, given the rapid rise in such fees beginning in 2008, have increasingly understated the consumer's real cost of airline travel.

Figure 13
TRENDS IN DOMESTIC O&D PASSENGERS AND AIRLINE FARES
 Oklahoma City-Will Rogers World Airport and All U.S. Airports
 (Fiscal Years ended June)



Note: Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by the airlines.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Figure 14 compares the trend in average domestic airfares reportedly paid at the Airport to the nationwide trend. While average airfares nationwide increased over the 10-year period (up 28%), they did so to a lesser degree than at the Airport (up 49%). Partly as a result of stronger capacity discipline by the airlines, average airfares have increased substantially both at the Airport and nationally over the past 2 years.

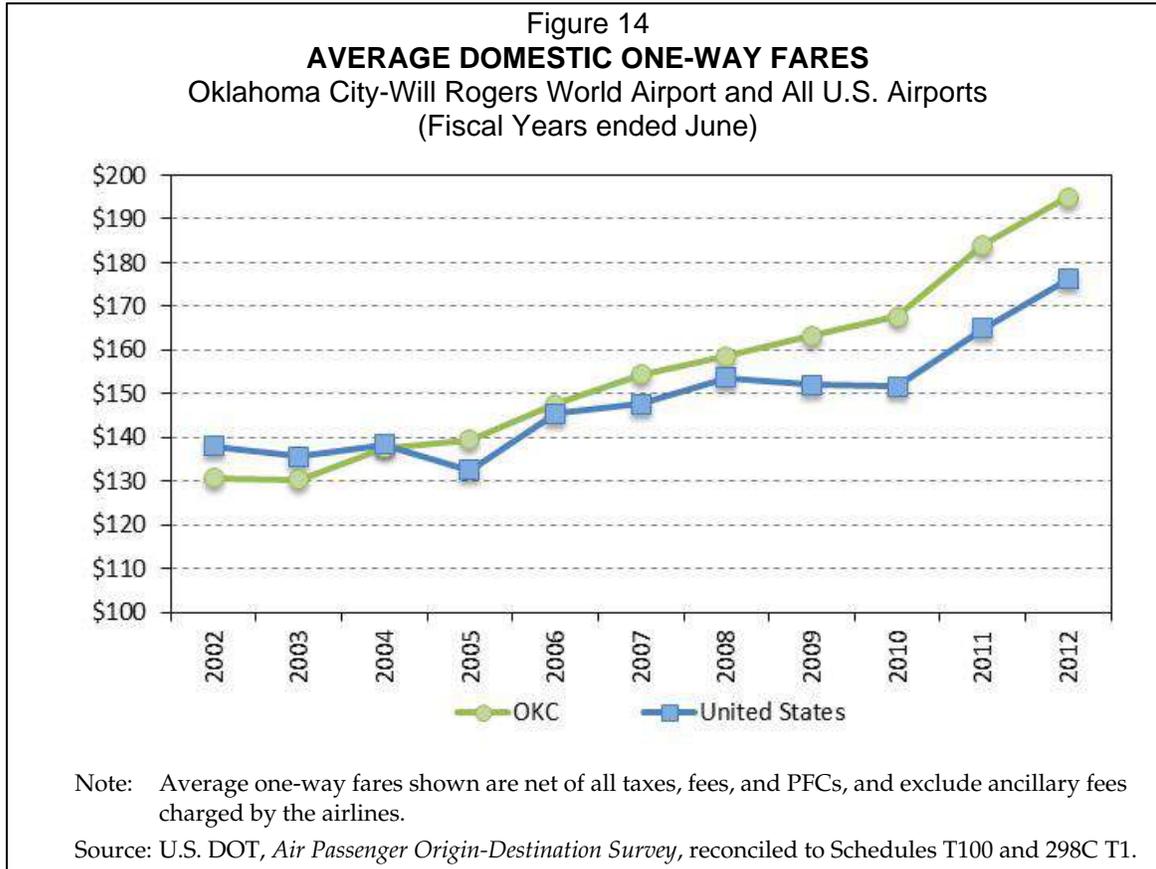
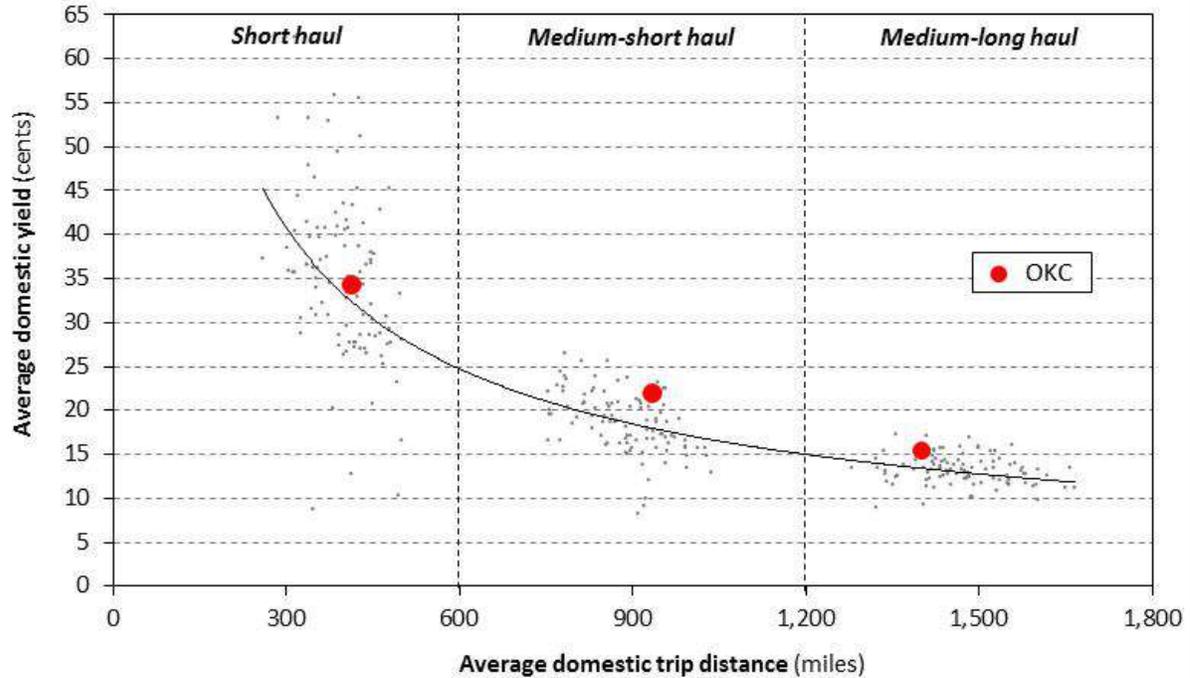


Figure 15 shows that OKC is a relatively “higher-yield” airport among the top 100 U.S. airports, particularly for those trips between 600 and 1,200 miles which make up half of all domestic O&D itineraries at the Airport. The relationship between yield (airfares paid on average, stated in terms of cents per mile flown) and trip distance is non-linear and descending. As trip distances increase, average yields tend to decline at a decelerating rate. Airports above the trendline depicted in Figure 15 can be regarded as “higher-yield” airports, many of them with sizeable numbers of first- and business-class travelers. Airports below the line, by contrast, are “lower-yield” airports and often cater to substantial volumes of leisure travelers. While higher yields can have a dampening effect on air travel demand, they also contribute to airline profitability, making higher-yield airports attractive for airlines to serve.

Figure 15
**AVERAGE DOMESTIC FARE YIELD VS.
 AVERAGE DOMESTIC PASSENGER TRIP LENGTH**
 for the Top 100 Airports
 (12 months ended June 30, 2012)



Note: Few passengers at OKC undertake domestic O&D itineraries exceeding 1,800 miles, given the Airport's geographic location. Thus, such data was omitted from the chart above.
 Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; U.S. DOT, Schedule T100.

Table 11 compares passenger trends in the Airport's top 12 domestic O&D markets with average airfare trends in those same markets between FY 2002 and FY 2012. The only market with a net decline in average airfares paid over the period, Denver, was the market with the most substantial growth in the number of O&D passengers. The number of travelers in the Oklahoma City-Denver market more than tripled over the 10-year period, stimulated by declining fares driven by airline competition.

By contrast, the only market in which there was a material decrease in O&D passengers between FY 2002 and FY 2012, the greater Dallas/Fort Worth market, experienced a 68% increase in average fares paid over the same period—greater than the 49% airfare increase for all markets on average. While the greater Dallas/Fort Worth market is served by two airports, the decrease in O&D passengers occurred entirely on the OKC-Love Field route.

Table 11
PASSENGERS IN THE TOP 12 DOMESTIC O&D MARKETS
Oklahoma City-Will Rogers World Airport
(Fiscal Years ended June)

| Average daily domestic outbound O&D passengers on scheduled flights | | | | | | | | | |
|---|-------------------------------|--------------|--------------|--------------|----------------------|-------------|-------------|---------------------------------|---------|
| Rank | City market <i>Airport</i> | 2002 | 2007 | 2012 | Market as % of total | | | Average annual percent increase | |
| | | | | | 2002 | 2007 | 2012 | 2002-07 | 2007-12 |
| 1 | Houston | 258 | 327 | 356 | 6.7% | 7.6% | 8.3% | 4.8% | 1.7% |
| | <i>Hobby</i> | 147 | 173 | 222 | 3.8 | 4.0 | 5.2 | 3.3 | 5.2 |
| | <i>Bush</i> | 112 | 155 | 134 | 2.9 | 3.6 | 3.1 | 6.7 | (2.9) |
| 2 | Denver | 84 | 165 | 294 | 2.2 | 3.8 | 6.8 | 14.5 | 12.3 |
| 3 | Las Vegas | 120 | 162 | 222 | 3.1 | 3.8 | 5.1 | 6.3 | 6.4 |
| 4 | Los Angeles (a) | 200 | 230 | 215 | 5.2 | 5.3 | 5.0 | 2.8 | (1.3) |
| 5 | Washington DC (b) | 190 | 193 | 208 | 4.9 | 4.5 | 4.8 | 0.4 | 1.5 |
| 6 | Dallas/Fort Worth | 207 | 186 | 162 | 5.4 | 4.3 | 3.8 | (2.2) | (2.6) |
| | <i>Love Field</i> | 145 | 119 | 95 | 3.8 | 2.8 | 2.2 | (3.9) | (4.4) |
| | <i>Dallas/Fort Worth</i> | 62 | 66 | 67 | 1.6 | 1.5 | 1.6 | 1.3 | 0.3 |
| 7 | Chicago (c) | 135 | 137 | 150 | 3.5 | 3.2 | 3.5 | 0.3 | 1.9 |
| 8 | New York (d) | 91 | 127 | 148 | 2.4 | 2.9 | 3.4 | 6.9 | 3.1 |
| 9 | Phoenix | 114 | 160 | 144 | 3.0 | 3.7 | 3.3 | 7.0 | (2.0) |
| 10 | Orlando | 90 | 106 | 116 | 2.3 | 2.4 | 2.7 | 3.3 | 1.9 |
| 11 | San Francisco (e) | 93 | 106 | 106 | 2.4 | 2.5 | 2.5 | 2.6 | 0.0 |
| 12 | Atlanta | <u>105</u> | <u>101</u> | <u>104</u> | <u>2.7</u> | <u>2.3</u> | <u>2.4</u> | (0.9) | 0.6 |
| | Total—top 12 markets | 1,686 | 1,999 | 2,226 | 44.0% | 46.3% | 51.6% | 3.5% | 2.2% |
| | All other markets | <u>2,150</u> | <u>2,316</u> | <u>2,084</u> | <u>56.0</u> | <u>53.7</u> | <u>48.4</u> | 1.5 | (2.1) |
| | Total—all markets | 3,837 | 4,315 | 4,310 | 100.0% | 100.0% | 100.0% | 2.4% | (0.0%) |

| Average one-way fare (g) | | | | | | | | | |
|--------------------------|-------------------------------|--------|--------|--------|---------------------------------|---------|--|--|--|
| Rank | City market <i>Airline</i> | 2002 | 2007 | 2012 | Average annual percent increase | | | | |
| | | | | | 2002-07 | 2007-12 | | | |
| 1 | Houston | \$ 98 | \$ 114 | \$ 171 | 3.0% | 8.5% | | | |
| | <i>Hobby</i> | 93 | 105 | 142 | 2.5 | 6.3 | | | |
| | <i>Bush</i> | 105 | 124 | 219 | 3.3 | 12.1 | | | |
| 2 | Denver | 182 | 131 | 103 | (6.3) | (4.7) | | | |
| 3 | Las Vegas | 114 | 135 | 158 | 3.3 | 3.2 | | | |
| 4 | Los Angeles (a) | 131 | 159 | 210 | 3.9 | 5.8 | | | |
| 5 | Washington DC (b) | 142 | 164 | 218 | 2.9 | 5.9 | | | |
| 6 | Dallas/Fort Worth | 65 | 84 | 109 | 5.1 | 5.5 | | | |
| | <i>Love Field</i> | 63 | 77 | 104 | 4.0 | 6.0 | | | |
| | <i>Dallas/Fort Worth</i> | 69 | 95 | 117 | 6.6 | 4.3 | | | |
| 7 | Chicago (c) | 129 | 152 | 194 | 3.3 | 5.0 | | | |
| 8 | New York (d) | 200 | 181 | 223 | (2.0) | 4.3 | | | |
| 9 | Phoenix | 123 | 133 | 163 | 1.7 | 4.1 | | | |
| 10 | Orlando | 115 | 149 | 185 | 5.3 | 4.3 | | | |
| 11 | San Francisco (e) | 149 | 160 | 209 | 1.4 | 5.5 | | | |
| 12 | Atlanta | 174 | 227 | 257 | 5.4 | 2.6 | | | |
| | Total—top 12 markets | \$ 126 | \$ 143 | \$ 175 | 2.4% | 4.2% | | | |
| | All other markets | 134 | 165 | 216 | 4.2 | 5.6 | | | |
| | Total—all markets | \$ 131 | \$ 154 | \$ 195 | 3.4% | 4.8% | | | |

Note: Figure may not add to totals shown because of rounding.

(a) Market includes Los Angeles, Santa Ana, Ontario, Long Beach, and Burbank airports.

(b) Market includes Dulles, Reagan, and Baltimore airports.

(c) Market includes O'Hare and Midway airports.

(d) Market includes LaGuardia, Newark, and Kennedy airports.

(e) Market includes San Francisco, San Jose, and Oakland airports.

(f) Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by the airlines.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 12 compares average fares and air service in the Airport's top 20 domestic O&D markets with fares and service to those same markets from each of the Dallas area airports. While Dallas/Fort Worth International Airport has significantly more departures than OKC, its airfares are somewhat higher, on average, particularly in the largest markets. Travelers at Dallas Love Field Airport pay lower airfares, on average, than passengers using OKC, but air service options at Love Field are more limited. Service and fares at the Dallas airports relative to those at OKC, coupled with the time and expense of ground transportation between the CSA and Dallas, are the key factors that inform travelers' decision-making as it relates to airport choice, i.e., whether to travel via OKC or the Dallas airports.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Table 12
**AIRFARES AND DAILY NONSTOP DEPARTURES
FOR TOP 20 OKLAHOMA CITY MARKETS**
Oklahoma City-Will Rogers World Airport, Dallas/Ft. Worth International Airport,
and Dallas-Love Field
(for the 12 months ended June 30, 2012 and March 2013)

| Rank | City market <i>Airport</i> | Average one-way fare (a) (12 months ended June 2012) | | | Number of daily nonstop departures (March 2013) | | |
|------|-------------------------------|---|-------|-------|---|-----|-----|
| | | OKC | DFW | DAL | OKC | DFW | DAL |
| 1 | Houston | \$171 | \$136 | \$128 | 12 | 26 | 29 |
| | <i>Hobby</i> | 142 | 131 | 126 | 4 | 9 | 23 |
| | <i>Bush</i> | 219 | 137 | 149 | 9 | 17 | 6 |
| 2 | Denver | 103 | 146 | 143 | 9 | 20 | - |
| 3 | Las Vegas | 158 | 147 | 131 | 2 | 15 | - |
| 4 | Los Angeles (b) | 210 | 179 | 145 | 3 | 35 | - |
| 5 | Washington DC (c) | 218 | 244 | 179 | 2 | 22 | - |
| 6 | Dallas/Fort Worth (d) | 109 | - | - | 11 | - | - |
| 7 | Chicago (e) | 194 | 175 | 154 | 10 | 23 | - |
| 8 | New York (f) | 223 | 294 | 146 | 1 | 33 | - |
| 9 | Phoenix | 163 | 179 | 162 | 2 | 15 | - |
| 10 | Orlando | 185 | 166 | 137 | 1 | 11 | - |
| 11 | San Francisco (g) | 209 | 182 | 160 | 1 | 22 | - |
| 12 | Atlanta | 257 | 185 | 159 | 5 | 24 | 5 |
| 13 | St. Louis | 142 | 150 | 145 | 2 | 8 | 8 |
| 14 | Seattle | 200 | 206 | 149 | - | 9 | - |
| 15 | San Diego | 180 | 211 | 149 | - | 10 | - |
| 16 | San Antonio | 165 | 127 | 116 | - | 15 | 12 |
| 17 | Kansas City | 118 | 138 | 130 | 2 | 7 | 9 |
| 18 | Salt Lake City | 198 | 213 | 152 | 3 | 10 | - |
| 19 | Tampa | 187 | 187 | 157 | - | 8 | - |
| 20 | Austin | 151 | 127 | 129 | - | 14 | 11 |
| | Total—top 20 markets | \$174 | \$192 | \$137 | 65 | 324 | 73 |
| | All other markets | 233 | 208 | 130 | 7 | 501 | 60 |
| | Total—all markets | \$195 | \$199 | \$134 | 72 | 825 | 132 |

Note: Figures may not add to totals shown because of rounding.

(a) Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by the airlines.

(b) Market includes Los Angeles, Santa Ana, Ontario, Long Beach, and Burbank airports.

(c) Market includes Dulles, Reagan, and Baltimore airports.

(d) Market includes Dallas/Ft. Worth Airport and Love Field.

(e) Market includes O'Hare and Midway airports.

(f) Market includes LaGuardia, Newark, and Kennedy airports.

(g) Market includes San Francisco, San Jose, and Oakland airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

AIR CARGO ACTIVITY

Figure 16 shows that air cargo tonnage experienced no net increase at the Airport between FY 2004 and FY 2013. A flat trend in air cargo tonnage such as this has not been uncommon among U.S. airports in recent years; shipper (consumer) cost sensitivity has shifted some cargo formerly transported by air to less costly surface modes of transport. During the 10-year period, the share of air cargo handled by passenger airlines declined at the Airport—from 15% in FY 2004 to 3% in FY 2013—due, in part, to the reduction in cargo-carrying capacity of aircraft operated at the Airport.

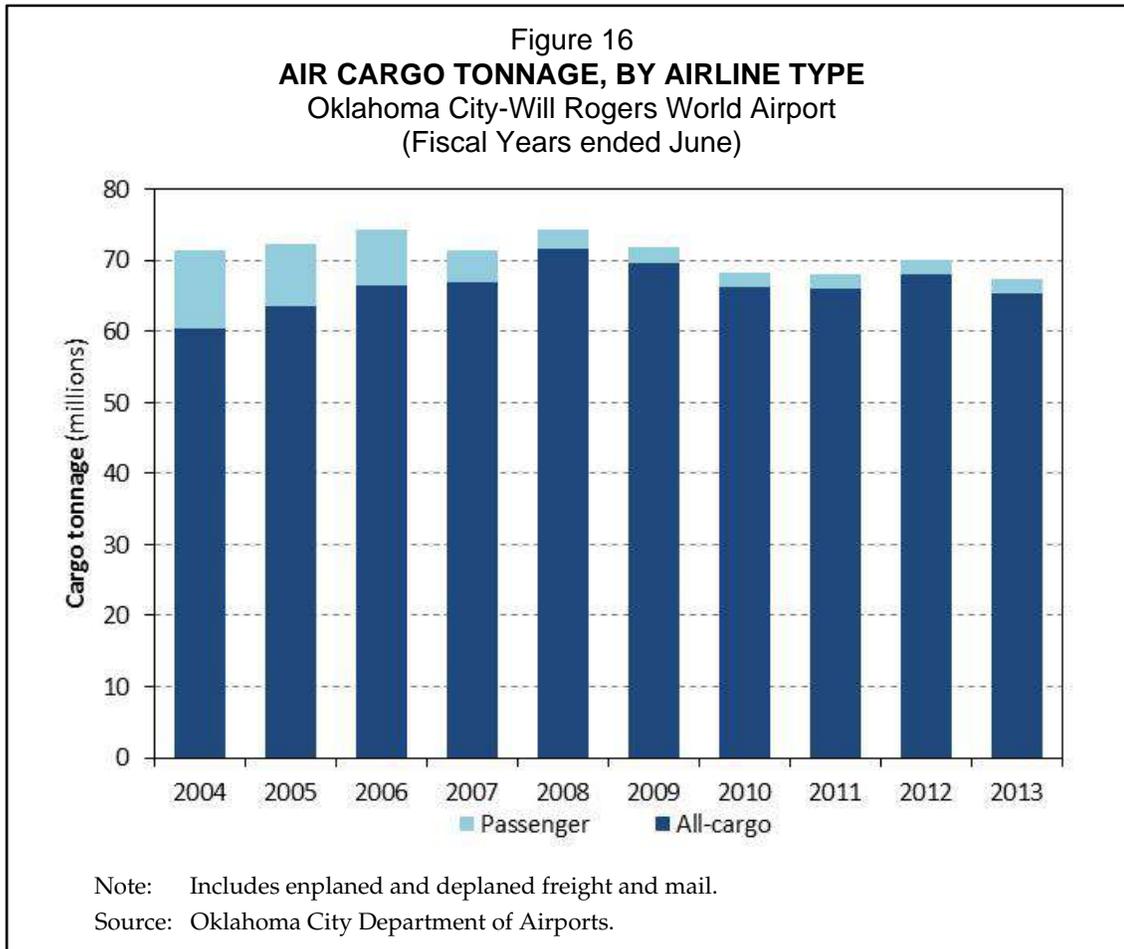


Table 13 shows that FedEx was the leading cargo carrier at the Airport in FY 2013, accounting for 72% of all cargo tonnage carried—up from 59% in FY 2004. UPS was the second-ranked cargo carrier at the Airport, accounting for 23% of cargo tonnage in FY 2013.

Table 13
AIRLINE MARKET SHARES OF AIR CARGO TONNAGE
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June)

| Published Airline (a) | 2004 | 2007 | 2010 | 2011 | 2012 | 2013 |
|-----------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|
| FedEx | 42,247 | 44,205 | 51,717 | 51,100 | 51,559 | 48,614 |
| UPS | 9,614 | 13,766 | 13,610 | 13,847 | 15,428 | 15,562 |
| Southwest | 3,985 | 2,149 | 1,415 | 1,692 | 1,779 | 1,876 |
| Martinaire | 0 | 772 | 169 | 544 | 867 | 1,074 |
| United (b) | 1,874 | 578 | 471 | 258 | 60 | 80 |
| Ameriflight | 0 | 174 | 785 | 419 | 184 | 67 |
| Frontier | 237 | 230 | 27 | 7 | 68 | 60 |
| ABX Air | 8,622 | 7,770 | 0 | 0 | 0 | 20 |
| Mountain Air | 0 | 0 | 0 | 6 | 4 | 4 |
| American | 1,397 | 999 | 45 | 12 | 5 | 2 |
| Other | <u>3,362</u> | <u>667</u> | <u>23</u> | <u>36</u> | <u>18</u> | <u>1</u> |
| Total | 71,338 | 71,310 | 68,262 | 67,920 | 69,972 | 67,361 |
| | <hr/> Share of total <hr/> | | | | | |
| FedEx | 59.2% | 62.0% | 75.8% | 75.2% | 73.7% | 72.2% |
| UPS | 13.5 | 19.3 | 19.9 | 20.4 | 22.0 | 23.1 |
| Southwest | 5.6 | 3.0 | 2.1 | 2.5 | 2.5 | 2.8 |
| Martinaire | - | 1.1 | 0.2 | 0.8 | 1.2 | 1.6 |
| United (b) | 2.6 | 0.8 | 0.7 | 0.4 | 0.1 | 0.1 |
| Ameriflight | - | 0.2 | 1.1 | 0.6 | 0.3 | 0.1 |
| Frontier | 0.3 | 0.3 | 0.0 | 0.0 | 0.1 | 0.1 |
| ABX Air | 12.1 | 10.9 | - | - | - | 0.0 |
| Mountain Air | - | - | - | 0.0 | 0.0 | 0.0 |
| American | 2.0 | 1.4 | 0.1 | 0.0 | 0.0 | 0.0 |
| Other | <u>4.7</u> | <u>0.9</u> | <u>0.0</u> | <u>0.1</u> | <u>0.0</u> | <u>0.0</u> |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Note: Includes enplaned and deplaned freight and mail.

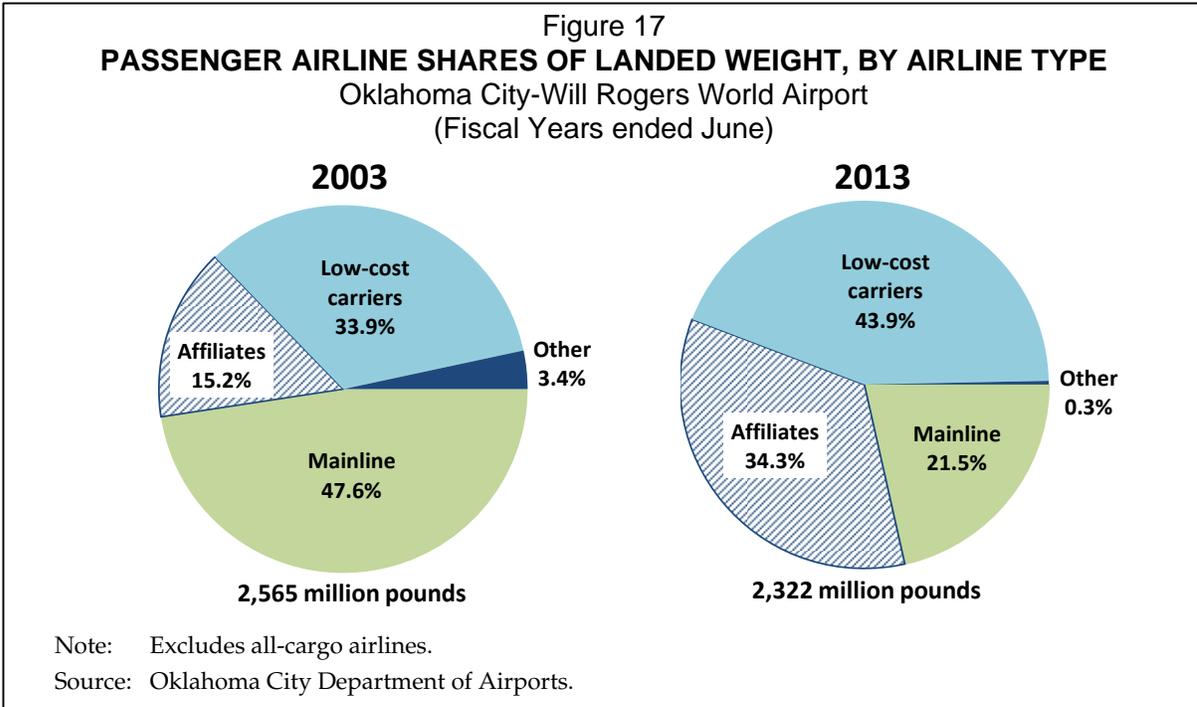
(a) Includes regional codesharing affiliates, if any.

(b) Continental is included with United for all years shown, although its merger with United occurred in May 2010.

Source: Oklahoma City Department of Airports.

AIRCRAFT LANDED WEIGHT

Figure 17 shows the shifts in passenger airline shares of landed weight between FY 2003 and FY 2013, consistent with the shifts in capacity by airline category depicted in Figure 8. Over the 10-year period, mainline landed weight share declined substantially (from 47.6% to 21.5% of passenger airline landed weight), while regional affiliate landed weight increased in share (from 15.2% to 34.3%). The share of landed weight accounted for by low-cost carriers also increased (from 33.9% to 43.9%) over the period.



In FY 2013, all-cargo airlines accounted for 215 million pounds of landed weight, substantially less than the nearly 2.3 billion pounds of passenger airline landed weight shown in Figure 17.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAVEL

In addition to the economy and demographics of the Airport service region, discussed earlier, key factors that will affect future airline traffic at the Airport include:

- Economic and political conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Recession in the U.S. economy in 2001 and stagnant economic conditions in 2002 contributed to reduced passenger numbers during those years. The 2008-2009 recession and associated high unemployment reduced discretionary income and contributed to reduced airline travel demand in those years. In 2013, fiscal austerity measures related to implementation of the Budget Control Act of 2011 (commonly referred to as sequestration) added a degree of near-term uncertainty to airline travel demand.

With the globalization of business and the increased importance of international trade and tourism, the state of the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at major U.S. airports. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth.

Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to continue providing service.

Between 1995 and 2000, the airline industry was profitable, but as a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry again experienced huge financial losses. In 2001 through 2005, the major U.S. passenger airlines collectively recorded net losses of approximately \$40 billion.

To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. Between 2002 and 2005, US Airways, United Airlines, Delta Air Lines, Northwest Airlines, Hawaiian Airlines, ATA Airlines, Aloha Airlines, and Independence Air filed for bankruptcy protection.

In 2006 and 2007, the U.S. passenger airline industry as a whole was profitable, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. The industry responded by grounding older, less fuel-efficient aircraft, adopting fuel-saving operating practices, hedging fuel requirements, reducing scheduled seat capacity, eliminating unprofitable routes, laying off employees, reducing employee compensation, reducing other non-fuel expenses, increasing airfares, and imposing ancillary fees and charges. The U.S. passenger airlines collectively reduced domestic capacity (as measured by available seat-miles) approximately 4% in 2008 and an additional 8% in 2009.

In 2010 and 2011, the U.S. airline industry regained profitability in the face of sustained high fuel prices by controlling capacity and nonfuel expenses, increasing airfares, recording high load factors, and increasing ancillary revenues. In 2010, according to Airlines for America (formerly the Air Transport Association of America), the U.S. passenger airlines collectively increased domestic seat-mile capacity by 1.8% and recorded a net profit of \$3.7 billion. In 2011, U.S. passenger airlines collectively increased domestic seat-mile capacity by 1.2% and recorded a net profit of \$1.9 billion. Comprehensive data on U.S. airline industry profitability for 2012 are not yet available.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to allow increased airfares, and stable fuel prices. Any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide.

Airline Service and Routes

The Airport serves as a gateway to the Oklahoma City CSA. The number of origin and destination passengers depends on the propensity of its residents to travel by air and the intrinsic attractiveness of the Airport service region as a business and leisure destination. Although passenger demand at an airport depends primarily on the population and economy of the region served, airline service and the numbers of passengers enplaned also depend on the route networks of the airlines serving that airport. Most legacy airlines have emphasized the development of hub-and-spoke route networks as a means of increasing their service frequencies, passenger numbers, and profitability. The Airport serves almost exclusively O&D passengers and is not dependent on connecting passengers.

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which the automobile and other travel modes are potential alternatives, and for price-sensitive “discretionary” travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Overcapacity in the industry, the proliferation of services by low-cost airlines, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S. airlines decreased from 16.1 cents to 13.8 cents per passenger-mile. In 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased to 14.7 cents per passenger-mile. In 2009, yields again decreased, but in 2010 and 2011, as airline travel demand increased and seat capacity was restricted, yields increased to 15.5 cents per passenger-mile. Beginning in 2006, ancillary charges were introduced by most airlines for services such as checked baggage, in-flight meals, and preferred seating, thereby increasing the effective price of airline travel more than these yield figures indicate.

Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. In April 2001, American completed an acquisition of failing Trans World Airlines. In September 2005, US Airways and America West Airlines merged. In October 2008, Delta and Northwest merged. In October 2009, Republic Airways Holdings completed purchases of Frontier and Midwest airlines. In October 2010, United and Continental completed a merger, and they have since integrated most of their operations. In May 2011, Southwest completed its acquisition of AirTran, which now operates as a subsidiary of Southwest. In February 2013, American and US Airways announced a merger to create the world’s largest airline as measured by seat-mile capacity. Prospective airline management has stated its intention to maintain all hubs in the combined system. Any further airline consolidation could change airline service patterns, particularly at the connecting hub airports of the merging airlines.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers; all of the large U.S. network airlines are members of such alliances with foreign-flag airlines. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of

passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Beginning in 2003, fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Fuel prices fell sharply in the second half of 2008 as demand declined worldwide, but they have since increased as global demand has grown and the U.S. dollar has weakened. In 2011 and 2012, political instability and conflicts in North Africa and the Middle East contributed to further volatility in fuel prices.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. However, there is widespread agreement that fuel prices are likely to remain high relative to historical levels and to increase over the long term as global energy demand increases in the face of finite and increasingly expensive oil supplies.

Aviation fuel prices will continue to affect airfares, passenger numbers, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions influence passenger travel behavior and affect airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures can lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies.

Public health and safety concerns have also affected airline travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. In April 2010, airspace and airports in much of Europe were closed for several days because of the threat to flight safety related to the ash cloud from the eruption of a volcano in Iceland. In March 2011, airline travel to and from Japan decreased following a destructive earthquake and tsunami.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health and safety concerns, and international hostilities. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. After 2001, and again in 2008 and 2009, air traffic delays decreased as a result of reduced numbers of aircraft operations, but, as air travel increases in the future, flight delays and restrictions may be expected. FAA staffing budget reductions stemming from implementation of the Budget Control Act of 2011 hold the potential to result in increased flight delays, as well.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at the Airport will depend on the capacity at the Airport itself. The forecast is conditioned on the assumption that, during the forecast period, neither available airfield or terminal capacity, nor demand management initiatives, will constrain traffic growth at the Airport.

TRAFFIC FORECASTS

The forecast of enplaned passengers at the Airport through FY 2018 was developed taking into account travel demand to and from the CSA, trends in historical passengers, and other key factors likely to affect future passenger levels, all as discussed in earlier sections.

In developing the passenger forecast for this Report, it was assumed that, over the long term, airline traffic at the Airport will increase as a function of growth in the economy of the CSA and continued airline competition. It was assumed that airline service at the Airport will not be constrained by the availability of aviation fuel, the capacity of the air traffic control system or the Airport, charges for the use of aviation facilities, or government policies or actions that restrict growth.

Underlying Assumptions

In developing the forecast, the following key assumptions were made:

- O&D passenger levels at the Airport will increase as a function of: (1) increases in population, employment, and income in the CSA, (2) growth in visitor (business and leisure) demand for the CSA, and (3) the general economic health of the CSA and the nation, more broadly.
- The U.S. economy will experience slow growth during the remainder of 2013 and faster growth thereafter, in line with CBO economic projections described earlier.
- The economy of the CSA will grow at a rate similar to that of the U.S. economy as a whole.
- The airlines currently serving the Airport will be financially viable and, together with those airlines that may introduce service in the future, will provide the seat capacity required to accommodate additional demand at the Airport.
- Any airline consolidation that may occur during the forecast period, including the recently announced merger of American and US Airways, will not have a material impact on the level of passenger activity at the Airport.
- The Airport will not lose share of passengers to surrounding airports (e.g., Tulsa, Wichita, the Dallas airports) over the forecast period.
- Any changes in airline service patterns following the 2014 expiration of the Wright Amendment will not have a material impact on future enplaned passenger volumes at the Airport
- No airline will establish a hub at the Airport during the forecast period, and connecting passengers will continue to represent a small share of the Airport's total passenger traffic.
- Competition among airlines serving the major markets at the Airport will ensure the continued availability of competitive airfares.
- Passenger load factors on flights at the Airport will increase somewhat over the forecast period.

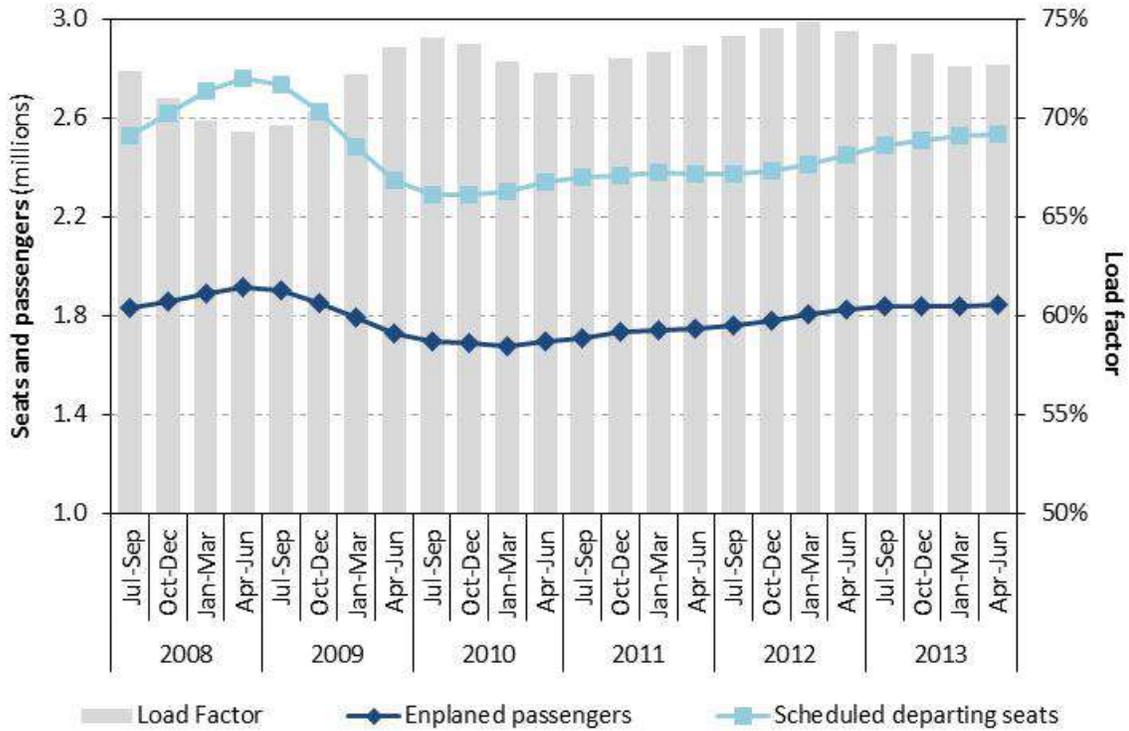
- A generally stable international political environment and enhanced passenger and baggage screening procedures will maintain airline traveler confidence in aviation security without imposing unreasonable inconvenience.
- There will be no material disruption of airline service or passenger travel behavior as a result of extreme weather events, international hostilities or terrorist acts or threats, or global safety or health concerns.

Capacity Outlook

An important consideration in the development of the near-term passenger forecast is advance flight schedules published by the airlines. While advance schedules are subject to change, particularly beyond 6 months, and rising or falling load factors (the percentage of airline seats occupied by passengers) can lead to divergent seat vs. passenger trends, flight schedules published by OAG Aviation Worldwide Ltd. offer an indication of the likely near-term trajectory of airline activity.

Figure 18 shows that, since FY 2008, changes in the number of departing seats offered at the Airport have generally correlated with changes in the number of enplaned passengers. Differences between the two metrics are accounted for by changes in passenger load factors, depicted by vertical bars in Figure 19. Advance published flight schedules indicate a 3.3% increase in departing seats at the Airport in the latter half of FY 2013, relative to the same period of the previous year.

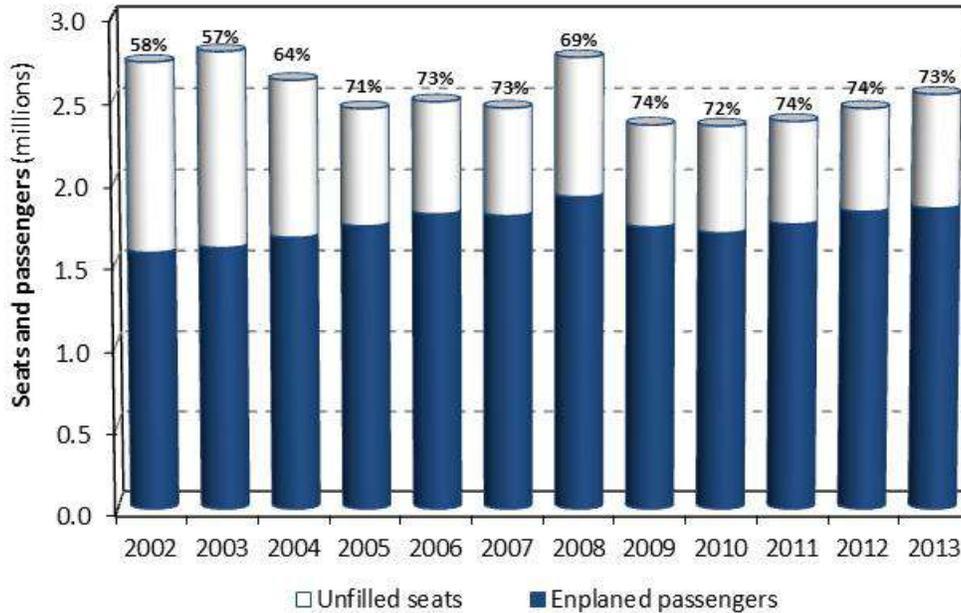
Figure 18
**AVERAGE LOAD FACTORS AND
 ROLLING 12-MONTH TOTALS FOR SEATS AND PASSENGERS**
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June)



Sources: Oklahoma City Department of Airports; OAG Aviation Worldwide Ltd. online database, accessed January 2013.

Figure 19 illustrates the effect of rising load factors at the Airport, i.e., increases in the numbers of passengers against a backdrop of airline seat reductions. Over the past 11 years, the average enplaned passenger load factor at the Airport increased, from 58% in FY 2002 to 73% in FY 2013.

Figure 19
DEPARTING SEATS, ENPLANED PASSENGERS, AND LOAD FACTOR
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June)



Note: Percentage shown at top of bars represents total enplaned load factor.

Sources: Oklahoma City Department of Airports; OAG Aviation Worldwide Ltd. online database, accessed January 2013.

Enplaned Passenger Forecast

Given that the May 2013 tornado served to depress passenger traffic in FY 2013, and the assumption that a similar disruption in traffic will not occur in FY 2014, it is anticipated that year-over-year growth in enplaned passengers will show a higher rate of increase in FY 2014. The number of enplaned passengers at the Airport is forecast to be about 1.88 million in FY 2014, up 2.0% from the number in FY 2013.

Given the assumptions listed earlier, the number of enplaned passengers at the Airport is forecast to increase 1.5% per year in FY 2015 and FY 2016, and 1.6% per year in FY 2017 and FY 2018. The enplaned passenger forecast for the Airport is displayed in tabular form in Table 14 and graphically on Figure 20. The number of enplaned passengers is forecast to reach 2.0 million in FY 2018.

In the years FY 2014 through FY 2018, the number of enplaned passengers at the Airport is forecast to increase an average of 1.6% per year—roughly the same as the average rate of growth forecast by the Federal Aviation Administration (FAA) for the Airport over the same period in its January 2013 *Terminal Area Forecast (TAF)* and less than the 2.7% average annual growth forecast for the nation by FAA.

Table 14

TRENDS IN HISTORICAL AND FORECAST ENPLANED PASSENGERS

Oklahoma City-Will Rogers World Airport

(Fiscal Years ended June)

The forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events, which cannot be assured. Therefore, the actual results may vary from the forecast and the variance could be material.

| Fiscal Year | Domestic O&D | Int'l O&D enplaned on domestic flights (a) | Connecting passengers | Charter, nonrevenue and other | Total enplaned passengers |
|-------------|--------------|--|-----------------------|-------------------------------|---------------------------|
| 2010 | 1,495,420 | 109,790 | 69,835 | 19,015 | 1,694,060 |
| 2011 | 1,529,610 | 118,490 | 71,235 | 29,044 | 1,748,379 |
| 2012A | 1,577,500 | 120,360 | 88,445 | 38,008 | 1,824,313 |
| 2013 (b) | 1,593,555 | 122,000 | 91,000 | 38,500 | 1,845,055 |
| 2014F | 1,624,200 | 124,000 | 94,300 | 39,200 | 1,881,700 |
| 2015 | 1,648,400 | 125,900 | 95,700 | 39,800 | 1,909,800 |
| 2016 | 1,672,900 | 127,800 | 97,100 | 40,400 | 1,938,200 |
| 2017 | 1,699,200 | 129,700 | 98,600 | 41,000 | 1,968,500 |
| 2018 | 1,726,700 | 131,600 | 100,100 | 41,600 | 2,000,000 |

| | Share of total | | | | |
|------|----------------|------|------|------|--------|
| 2012 | 86.5% | 6.6% | 4.8% | 2.1% | 100.0% |
| 2013 | 86.4 | 6.6 | 4.9 | 2.1 | 100.0 |
| 2018 | 86.3 | 6.6 | 5.0 | 2.1 | 100.0 |

| | Compound annual growth rate | | | | |
|-----------|-----------------------------|------|------|-------|------|
| 2010-2011 | 2.3% | 7.9% | 2.0% | 52.7% | 3.2% |
| 2011-2012 | 3.1 | 1.6 | 24.2 | 30.9 | 4.3 |
| 2012-2013 | 1.0 | 1.4 | 2.9 | 1.3 | 1.1 |
| 2013-2014 | 1.9 | 1.6 | 3.6 | 1.8 | 2.0 |
| 2014-2015 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| 2015-2016 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| 2016-2017 | 1.6 | 1.5 | 1.5 | 1.5 | 1.6 |
| 2017-2018 | 1.6 | 1.5 | 1.5 | 1.5 | 1.6 |
| 2012-2018 | 1.5% | 1.5% | 2.1% | 1.5% | 1.5% |
| 2013-2018 | 1.6 | 1.5 | 1.9 | 1.6 | 1.6 |

Notes: A=Actual, F=Forecast.

(a) Represents passengers who boarded domestic flights to other U.S. gateway city airports, where they connected with flights to their international destinations.

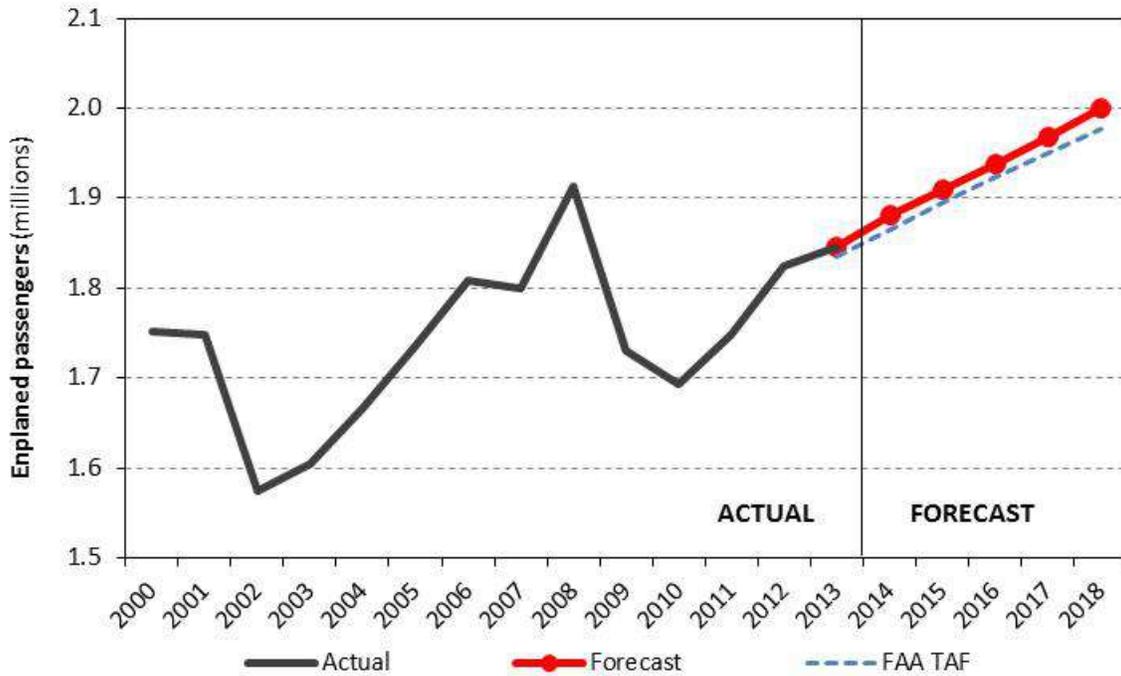
(b) The segment breakdown for FY 2013 represents estimates by LeighFisher.

Sources: Actual: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Oklahoma City Department of Airports.

Forecast: LeighFisher.

Figure 20
FORECAST ENPLANED PASSENGERS
 Oklahoma City-Will Rogers World Airport
 (Fiscal Years ended June)

The forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events, which cannot be assured. Therefore, the actual results may vary from the forecast and the variance could be material.



Note: FAA TAF excludes nonrevenue passengers and, for comparison purposes, has been interpolated from the Federal Fiscal Year (12 months ended September) into the Airport's Fiscal Year (12 months ended June).

Sources: Actual: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Oklahoma City Department of Airports.
 Estimated and Forecast: LeighFisher; FAA Terminal Area Forecast (TAF), January 2013.

Aircraft Landed Weight

Table 15 shows that nearly 2.5 billion pounds of landed weight was reported by the airlines operating at OKC in FY 2013, up 1.7% from FY 2012.

Passenger airline landed weight is forecast to increase 1.1% in FY 2014, coincident with airline increases in departing seats and flights. Passenger airline landed weight is forecast to increase 1.2% per year, on average, between FY 2013 and FY 2018, slightly less than the 1.6% average annual increase in enplaned passengers forecast over the same period due to an assumed increase in passenger load factors. All-cargo airline landed weight is forecast to exhibit no growth through FY 2018.

Table 15

FORECAST AIRLINE LANDINGS AND LANDED WEIGHT
Oklahoma City-Will Rogers World Airport
(Fiscal Years ended June)

The forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events, which cannot be assured. Therefore, the actual results may vary from the forecast and the variance could be material.

| Year | Enplaned passengers | Load factor (a) | Departing seats | Average seats per flight | Landings | | Average landed weight per flights (pounds) | | Total landed weight (millions of pounds) | | | | | |
|-----------|---------------------|-----------------|-----------------|--------------------------|------------|-----------|--|-----------------------------|--|---------|------------|-----------|-------|--|
| | | | | | Passengers | All-cargo | Total | Passengers | All-cargo | Total | Passengers | All-cargo | Total | |
| 2010 | 1,694 | 71.9% | 2,358 | 92 | 25,653 | 1,277 | 26,930 | 85,624 | 165,972 | 249,595 | 2,145 | 212 | 2,357 | |
| 2011 | 1,748 | 73.6% | 2,376 | 93 | 25,589 | 1,311 | 26,900 | 85,665 | 163,130 | 248,795 | 2,192 | 214 | 2,406 | |
| 2012 | 1,824 | 73.9% | 2,467 | 94 | 26,148 | 1,329 | 27,477 | 87,100 | 166,700 | 253,800 | 2,283 | 216 | 2,498 | |
| 2013A | 1,845 | 72.9% | 2,532 | 97 | 26,177 | 1,276 | 27,453 | 88,701 | 168,066 | 256,768 | 2,322 | 214 | 2,536 | |
| 2014F | 1,882 | 73.8% | 2,549 | 97 | 26,300 | 1,300 | 27,600 | 89,250 | 165,000 | 254,250 | 2,347 | 215 | 2,562 | |
| 2015 | 1,910 | 74.1% | 2,577 | 98 | 26,400 | 1,300 | 27,700 | 89,750 | 165,000 | 254,750 | 2,369 | 215 | 2,584 | |
| 2016 | 1,938 | 74.4% | 2,606 | 98 | 26,600 | 1,300 | 27,900 | 90,150 | 165,000 | 255,150 | 2,398 | 215 | 2,613 | |
| 2017 | 1,969 | 74.6% | 2,639 | 98 | 26,800 | 1,300 | 28,100 | 90,600 | 165,000 | 255,600 | 2,428 | 215 | 2,643 | |
| 2018 | 2,000 | 74.8% | 2,673 | 99 | 27,000 | 1,300 | 28,300 | 91,100 | 165,000 | 256,100 | 2,460 | 215 | 2,674 | |
| | | | | | | | | Compound annual growth rate | | | | | | |
| 2010-2011 | 3.2% | | 0.8% | | -0.2% | 2.7% | -0.1% | 2.4% | -1.7% | -0.3% | 2.2% | 0.9% | 2.1% | |
| 2011-2012 | 4.3 | | 3.9 | | 2.2 | 1.4 | 2.1 | 1.7 | 2.2 | 2.0 | 4.1 | 0.8 | 3.8 | |
| 2012-2013 | 1.1 | | 2.6 | | 0.1 | -4.0 | -0.1 | 1.8 | 0.8 | 1.2 | 1.7 | -0.5 | 1.5 | |
| 2013-2014 | 2.0 | | 0.7 | | 0.5 | 1.9 | 0.5 | 0.6 | -1.8 | -1.0 | 1.1 | 0.0 | 1.0 | |
| 2014-2015 | 1.5 | | 1.1 | | 0.4 | - | 0.4 | 0.6 | - | 0.2 | 0.9 | - | 0.9 | |
| 2015-2016 | 1.5 | | 1.2 | | 0.8 | - | 0.7 | 0.4 | - | 0.2 | 1.2 | - | 1.1 | |
| 2016-2017 | 1.6 | | 1.3 | | 0.8 | - | 0.7 | 0.5 | - | 0.2 | 1.3 | - | 1.2 | |
| 2017-2018 | 1.6 | | 1.3 | | 0.7 | - | 0.7 | 0.6 | - | 0.2 | 1.3 | - | 1.2 | |
| 2013-2018 | 1.6% | | 1.1% | 0.5% | 0.6% | 0.4% | 0.6% | 0.5% | -0.4% | -0.1% | 1.2% | 0.0% | 1.1% | |

Notes: A=Actual, F=Forecast.

(a) Load factor calculation based on enplaned passengers and excludes "through" passengers.

Sources: Actual: Oklahoma City Department of Airports.

Forecast: LeighFisher.

FINANCIAL FRAMEWORK

The Oklahoma City Airports Trust (the Trust) is a public trust established in 1956 pursuant to Title 60 of the Oklahoma Statutes section 176 et seq., as amended. The beneficiary of the Trust is the City of Oklahoma City (the City). The purpose of the Trust is to plan, provide financing, develop, and operate airports and air navigation facilities for the use and benefit of the City.

The Trust has entered into a lease agreement with the City whereby all City properties which are used or useful for airport or airplane purposes are leased to the Trust. The Trust will lease or otherwise manage the related property and improvements financed by the Trust. The term of the lease currently extends through June 30, 2026, or until no indebtedness authorized by the Bond Indenture and Supplemental Bond Indentures are outstanding, whichever is later.

For financial reporting purposes, the financial transactions of the Trust, which is a blended component unit major enterprise fund of the City, and the Airports Fund, which is a non-major enterprise fund of the City, are functionally combined and reported together as the Oklahoma City Department of Airports (“Department”). The Department complies with accounting principles generally accepted in the United States of America (“US GAAP”). As such, the Department’s budgets and financial statements are prepared on an accrual basis of accounting.

BOND INDENTURE

The Oklahoma City Airport Trust, Junior Lien Taxable Bonds, Thirty-First Series (Thirty-First Series Bonds) are to be issued as additional bonds in accordance with the Bond Indenture, dated as of April 1, 1956, as supplemented and amended. The Thirty-First Series Bonds are to be issued as Junior Lien Bonds under a supplemental bond indenture. Except as otherwise defined herein, the capitalized terms in this report are used as defined in the Bond Indenture.

The Indenture specifies requirements for the financial operations of the Airport System, including the Application of Revenues, Conditions for Issuing Additional Junior Lien Bonds, and Covenants of the Trustees as described in the following sections. Under the provisions of the Bond Indenture, the Thirty-First Series Bonds are to be issued with a parity pledge of and lien on Revenues with the outstanding Junior Lien Bonds.

Application of Revenues

All Revenues of the Trust are first deposited into the Project Fund on a daily basis. Deposits are made each month to the Bond Fund as necessary to meet annual principal and interest payments on the Senior Lien Bonds, followed by monthly transfers to meet principal and interest requirements of the Junior Lien Bonds. After

satisfying the required payments into the Bond Fund, withdrawals are made from the Project Fund for payment of Trust expenses. After the required transfers and payments above, an annual amount is budgeted to be transferred monthly to the City's Airport Enterprise Fund as payment for administrative and operational expenses of the Trust in support of the Airport System which is paid by the City. Excess funds remaining in the Project Fund are available for preservation and maintenance of the Trust estate.

Conditions for Issuing Additional Junior Lien Bonds

Certain conditions must be met for the Trust to issue Additional Junior Lien Bonds on a parity basis with outstanding Junior Lien Bonds:

- Facilities to be constructed with proceeds will be a part of the Trust estate and their revenues will be pledged as additional security;
- The Trust is in full compliance with all covenants and undertakings in the connection with all its bonds then outstanding or authorized to be issued, and payable from revenues of the Trust Estate;
- Estimated revenues of the additional facilities, when added to actual Revenues of the Trust for the preceding twelve months, less Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the additional and outstanding bonds; and
- Revenues of the Trust available for debt service for the preceding twelve months were equal to not less than 1.50 times the average annual debt service on the then outstanding Junior Lien Bonds after Senior Lien Bond payments.

Covenants of the Trustees

The Trustees are subject to certain covenants relating to the Bond Indenture and supplemental bond indentures. Particular covenants include:

- Proceeding to complete construction with all expedition practicable,
- Providing for the proper insurance of facilities in the Trust estate,
- Keeping proper books and records and completing annual audits,
- Maintaining a schedule of rentals to provide annual income sufficient to pay the obligations of the Trust, and
- Maintaining the Trust estate in first class condition and in good repair.

AIRLINE OPERATING AND LEASE AGREEMENT

The Trust has entered into separate, but substantially similar, leases with the commercial airlines operating at the Airport. The current Airline Operating and Lease Agreement ("Agreement") was effective January 1, 2008, and had an initial term of three years with two, one-year extension options which were both exercised. The agreements were then further extended through June 30, 2013. The Trust and airlines are in the process of further extending the Agreement to no later than June

30, 2014 while continuing to negotiate a new use and lease agreement. Under this last extension, the Trust and airlines have reached an understanding for the methodology of calculating rates and charges effective July 1, 2013 and all parties intend to use this methodology through the proposed 5-year term of the new Agreement.

The Agreement does not give the airlines any approval rights over capital improvement projects at the Airport.

Cost Centers

For purposes of determining airline rates, fees, and charges for use of the Airport System, the Trust has established various cost centers to properly assign and allocate revenues and expenses:

- *Will Rogers World Airport*
 - Airfield, including runway, taxiways, aprons, and airfield grounds
 - Fuel Systems
 - Terminal Building
 - Air Cargo
 - Landside, including roadways and parking garages and lots
 - General Aviation
 - ConRAC Facility
 - Rental Car Service Facilities
 - General and Administration
- *Wiley Post Airport*
- *Clarence E. Page Airport*
- *Other Development*, including industrial parks and other development
- *Mike Monroney Aeronautical Center*

These cost centers also include numerous sub-cost centers for specific areas and buildings. For the purposes of this report, the additional sub-cost centers are not shown.

A majority of the General and Administration expenses are allocated to other cost centers using a methodology developed by the Trust. Certain expenses and revenues not tied to a physical location are included in a cost center called “Not Cost Center Related.”

Calculation of Terminal Rental Rates and Landing Fees

Terminal Rental Rates and Landing Fees are calculated using a compensatory methodology. The costs are assigned and allocated to various space types within the Terminal Building and are divided over the square footage of that space to determine the appropriate rates. The costs of the Terminal Building are spread over

all usable space. The Trust bears the financial risk of vacant and un-leased space within the Terminal Building.

Landing fee rates which recover costs incurred in the Airfield Area are calculated utilizing a compensatory methodology. The Trust recovers costs related to the airfield from commercial airlines in proportion to their share of airfield usage, including both commercial airlines and general aviation users. During the 5-year term of the new agreement, the usage calculation will transition from being based on a blend of operations and landed weight to solely being based on landed weight. The landing fee rate in both calendar years 2012 and 2011 was \$2.85 per one thousand pounds of landed weight.

CAPITAL IMPROVEMENT PROGRAM

The Trust maintains an ongoing process of evaluating and updating the capital requirements for the Airport System which includes the annual development of a rolling five-year capital improvement program that is updated fully annually and amended, as necessary.

As reflected in Exhibit A, the Trust has developed a 5-year Capital Improvement Program to provide \$336.9 million of capital improvements in the Airport System from Fiscal Year* (FY) 2014 through FY 2018, excluding financing costs, capitalized interest, and reserve funding, if any, associated with the proposed Thirty-First Series Bonds. The Consolidated Rental Car Facility, described in detail in the following sections, represents expenditures of \$39.0 million (or 12% of the total Capital Improvement Program).

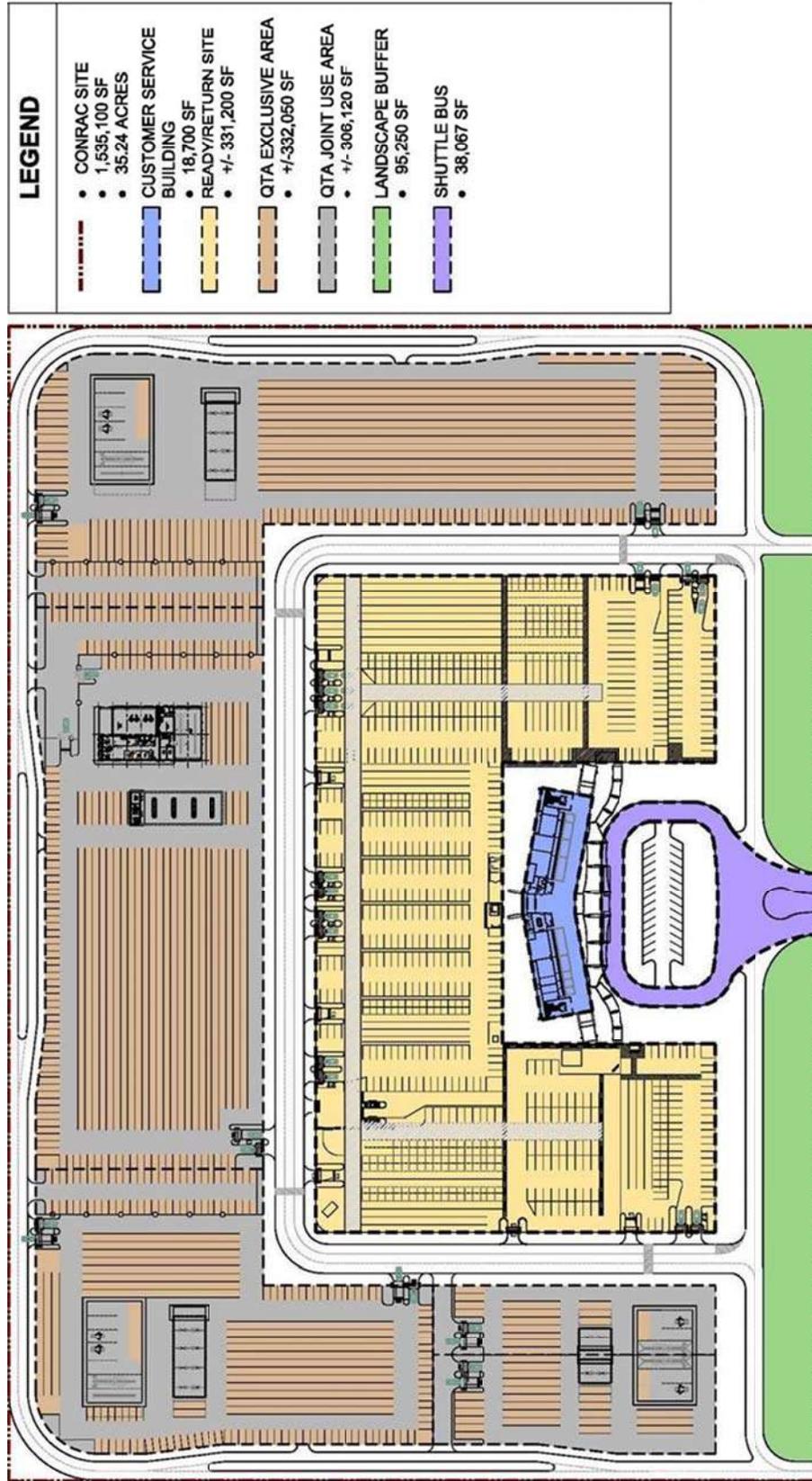
These projects are expected to be funded through a combination of Trust funds, grants-in-aid from both the Federal Aviation Administration (FAA) and Transportation Security Agency (TSA), and proceeds from the proposed Thirty-First Series Bonds and Future Bonds. The elements of the Capital Improvement Program are described below.

Consolidated Rental Car Facility

The Consolidated Rental Car Facility (ConRAC Facility) is planned to be constructed on a 35 acre site west of South Meridian Avenue, the primary entrance roadway to the Airport. The ConRAC Facility is shown on Figure 21 and will include:

- An approximately 19,000 square foot customer service building providing rental car counters, offices, public seating, and other customer service facilities.
- Three looped roadways, including (1) an inner loop for shuttle bus pickup and dropoff to and from the terminal, (2) a middle loop for customer access to ready-return areas, and (3) an outer loop for rental car companies operational needs.

Figure 21
CONSOLIDATED RENTAL CAR FACILITY
 Oklahoma City-Will Rogers World Airport



- Ready return, quick-turn around, fueling, car wash, and maintenance facilities.

The project also includes the acquisition of consolidated natural gas powered shuttle busses to serve the ConRAC Facility. Construction of the ConRAC Facility is anticipated by the Trust to begin in fall 2013 and be completed in early 2015.

Other Projects

In addition to the ConRAC Facility, the Trust plans to undertake future capital improvements as they are required or economically justified. Major future improvements include:

- *Terminal Expansion.* Due to the increased activity over the past three years, the Airport is planning for a Terminal Expansion to include additional gates to accommodate anticipated growth. Development will be triggered by future demand for gates at the Airport.
- *Checked Baggage Inspection System.* The Trust is in the process of installing a new baggage screening system, coordinated with the TSA. The new system includes security equipment and support infrastructure, explosive detection system machines, a conveyor system, an on-screen resolution room, and explosive trace detection resolution area. The new system is anticipated by the Trust to be completed in FY 2016.
- *Taxiway M.* A new taxiway to connect current parallel runways on the west side of the airfield will be planned and designed.
- *Realignment of Portland Avenue.* The project, which is currently underway, is a joint effort between the City of Oklahoma City and the Trust to realign and widen Portland Avenue to support the planned east side aviation and commercial development at the Airport.
- *Mike Monroney Aeronautical Center.* The CIP includes an allowance for annual infrastructure improvements to the Mike Monroney Aeronautical Center, including roof replacements, heating and air systems, electrical distribution systems, pavement improvements, water distribution systems, and other building improvements. These projects are funded through the maintenance fees paid to the Trust and retained in a separate escrow account.

Currently, the Trust has not developed a capital program for the Airport System after FY 2018. Capital improvements beyond FY 2018 have not been identified beyond those routinely necessary to ensure that the Airport System continues to be a safe, secure, and efficient aviation facility (e.g., equipment replacement and major facility maintenance as needed).

FUNDING SOURCES

The sources of funds for the planned projects in the Capital Improvement Program are shown in Exhibit A. A brief description of the various funding sources is provided below.

Trust Funds

The federal government maintains a significant presence at the Airport, including the FAA's Mike Monroney Aeronautical Center and the U.S. Marshal Service. The Trust receives maintenance fees from the federal government in relation to those buildings and those fees are held in separate escrow accounts to fund capital improvements for those buildings.

The Trust also retains net revenues from the operation of the Airport System, including revenue from oil and gas royalties related to the production of those natural resources on Airport property. These funds are available to the Trust to be used for any lawful Airport System purpose.

Federal Grants-in-aid

The Trust is eligible to receive grants-in-aid under the FAA's Airport Improvement Program (AIP) and from the Transportation Security Administration (TSA) for up to 90% of the costs of eligible projects. Certain of these AIP grants are received as "entitlement" grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and landed weight of all-cargo aircraft at the Airport. Other "discretionary" grants are awarded on the basis of the FAA's determination of the priorities for projects at the Airport and at other airports. The level of FAA AIP funding shown in Exhibit A reflects a combination of (a) funds already received from the FAA and (b) future entitlement and/or discretionary funds during the Forecast Period.

The Trust has coordinated with the TSA regarding the checked baggage inspection system project and has received a memorandum of understanding to provide 90% funding from the TSA for eligible components of that project.

Passenger Facility Charges

The Trust has received approval from the FAA to impose and use over \$136 million in Passenger Facility Charges (PFC) for eligible projects. Approval was first received to collect PFCs beginning on June 1, 1997 at a level of \$3.00 per eligible enplaned passenger. Collections continued at this level until approval was received to raise the level to \$4.50 per eligible enplaned passenger effective April 1, 2010. With approvals currently in place, the estimated collection expiration date is December 1, 2020. Revenues from PFCs currently exceed \$7 million per year.

As shown on Exhibit A, the FAA approved a new application to pay a portion of the costs of the checked baggage inspection system project in 2011. PFCs are also used to pay a portion of debt service on the Thirtieth Series of Junior Lien Bonds.

Additional Junior Lien Bonds

The Trust intends to use the net proceeds of Additional Junior Lien Bonds—the proposed Thirty-First Series Bonds and Future Bonds—to partially fund planned projects in the Capital Improvement Program. To the extent that the Trust does not receive the AIP, PFC, or Trust funding shown in Exhibit A, the Trust intends to either (a) defer projects or reduce scope as appropriate, or (b) issue additional bonds and/or use available Trust funds not already committed to fund the Capital Improvement Program.

Exhibit B presents a summary of the estimated sources and uses of funds for the proposed Thirty-First Series Bonds, as provided by Public Financial Management, Inc., the Trust’s Financial Advisor. The proposed Thirty-First Series Bonds are assumed to be issued as fixed-rate Bonds with the proceeds used to pay the majority of the ConRAC Facility project costs as shown on Exhibit A.

The estimated sources of funds for the proposed Thirty-First Series Bonds are proceeds from the sale of the proposed Thirty-First Series Bonds and interest earnings on balances in the project account. These funds would be used to pay project costs and pay the costs of issuance for the proposed Thirty-First Series Bonds.

The planned Terminal Expansion is planned to be financed through the issuance of additional future Junior Lien Bonds. The City plans to use available PFC Revenues to pay a portion of the debt service on these additional future Junior Lien Bonds. The Trust has not committed to the timeframe of construction or the issuance of any additional Bonds to finance these improvements. The Trust intends to initiate additional projects in response to identified demand and only to the extent that a competitive cost structure is maintained at the Airport. Because the Trust is still developing the details of its future capital improvements, associated Debt Service, Operation and Maintenance Expenses, and Revenues associated with those improvements are not reflected in this Report.

DEBT SERVICE REQUIREMENTS

Exhibit C presents the annual Debt Service Requirements for the Trust on the Senior Lien Bonds, outstanding Junior Lien Bonds, and Separate Lease Revenue Bonds, and proposed Thirty-First Series Bonds.

Debt service on the proposed Thirty-First Series Bonds was estimated by Public Financial Management, Inc., the Trust’s Financial Advisors for this issuance, as of July 22, 2013 based on the assumption that the proposed Thirty-First Series Bonds are to be amortized over a 30 year period at an all-in true interest cost of 6.25%

Outstanding Bonds

The Trust has issued twenty series of Senior Lien Bonds pursuant to the Bond Indenture. These bonds were issued to finance the construction and renovation of facilities for the Mike Monroney Aeronautical Center and were secured by the lease payments relating to the facilities. All Senior Lien Bonds were retired in FY 2013.

The Trust has also previously issued thirty series of Junior Lien Bonds pursuant to the Bond Indenture and supplemental bond indentures. The Junior Lien Bonds are secured by a pledge of the gross revenues of the Trust estate, after satisfying debt service requirements of the Senior Lien Bonds.

Four series of Separate Lease Revenue Bonds have been issued by the Trust, pursuant to two separate bond indentures. These bonds are secured by the revenues from the related separate leases for the Registry Building and the Federal Bureau of Prisons. The Separate Lease Revenue Bonds associated with the Registry Building were retired in FY 2013. The Trust pays the debt service for these bonds from lease payments and has no obligation beyond the payments received under the leases. Table 16 provides a summary of the outstanding Junior Lien Bonds and Separate Lease Revenue Bonds.

| | Purpose | Original Amount Issued | Amount outstanding as of June 30, 2013 |
|--|-----------|------------------------------|--|
| Junior Lien Bonds | | | |
| Twenty-third | New money | \$ 1,535,000 | \$ 235,000 |
| Twenty-ninth A | New money | 21,420,000 | 17,845,000 |
| Twenty-ninth B | Refunding | 31,760,000 | 31,760,000 |
| Thirtieth | Refunding | 28,675,000 | <u>23,285,000</u> |
| Total Junior Lien Bonds | | | \$73,125,000 |
| Separate Lease Revenue Bonds | | | |
| Federal Bureau of Prisons, Series 1992 | New money | \$76,775,000 | \$20,325,000 |
| Federal Bureau of Prisons, Series 1995 | New money | 4,670,000 | <u>905,000</u> |
| Total Separate Lease Revenue Bonds | | | \$21,230,000 |

Proposed Thirty-First Series Bonds

The proceeds of the proposed Thirty-First Series Bonds are to be used to fund the costs of the ConRAC project. The assumptions regarding the proposed Thirty-First Series Bonds are provided in Table 17.

Table 17
DEBT SERVICE FOR THE PROPOSED THIRTY-FIRST SERIES BONDS

| | Thirty-First Series (Taxable) |
|-------------------------------------|----------------------------------|
| Principal amount | \$39,520,000 |
| Project Costs | \$39,000,000 |
| Bonds to be dated <i>(a)</i> | September 1, 2013 |
| Estimated all-in true interest cost | 6.25% |
| First principal payment date | July 1, 2015 |
| Final maturity | July 1, 2043 |

(a) Interest begins to accrue as of the date indicated.

Source: Public Financial Management, Inc., July 22, 2013.

Debt Service on the Trust's Outstanding and proposed Bonds was assumed to be allocated among cost centers, as defined in the Agreements, in relation to the purpose of the projects funded with the net proceeds of the Bonds.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents historical and projected Operation and Maintenance Expenses for the Airport System. Operation and Maintenance Expenses include direct and indirect expenses and are allocated to the Airport Cost Centers. Direct expenses are the expenses charged directly to one of the Airport Cost Centers –Will Rogers World Airport (Airfield, Fuel Systems, Terminal Building, Air Cargo, Landside, Rental Car Service Facilities, General Aviation, ConRAC Facility, and General and Administration), Wiley Post Airport, Clarence E. Page Airport, Other Development, and Mike Monroney Aeronautical Center. Indirect expenses are charged to the General and Administration Cost Center which includes expenses for salaries and wages, administration, general maintenance, utilities, police and fire reimbursement, insurance, and custodial expenses. These indirect expenses are allocated to the direct Airport Cost Centers according to procedures established by the Trust.

Operation and Maintenance Expenses are shown on Exhibit D for FY 2010 through FY 2018. Data for FY 2010 through FY 2012 were obtained from the Trust's internal financial records and reconciled with its audited financial statements. FY 2013 and FY 2014 Operation and Maintenance Expenses are estimated based on the Trust's budgets for both years. Operation and Maintenance Expenses for FY 2015 through FY 2018 are projected using the current budget estimates as a base and taking into account Trust management expectations, facility development plans, expected

increases in unit costs and inflation, and other assumptions. The following assumptions were most notable:

- Airfield, terminal and other facilities will be developed in accordance with the plan documented in the earlier section "Capital Improvement Program." Additional Operation and Maintenance Expenses are expected to be incurred by the Trust for the ConRAC Facility, operating the shuttle busses, and maintenance of the Checked Baggage Inspection System. According to the Trust, incremental Operating Expenses associated with the planned Capital Improvement Program during the forecast period beyond the ConRAC Facility and Checked Baggage Inspection System are not expected to be significant.
- The unit costs of salaries, wages, materials, services, utilities and supplies will increase in proportion to the projected growth in enplanements, landed weight and the five-year average historical inflation rate of 1.7%.
- In addition to inflation-related increases, the costs of operating, maintaining, and administering the Airport System will increase as a function of the forecast increases in enplaned passengers, aircraft operations, and landed weight presented in Table 15 in the earlier section "Forecast Airline Traffic."

Based on these and other assumptions, Operation and Maintenance Expenses of the Airport System are projected to increase from \$45.8 million in FY 2012 to \$54.7 million in FY 2018, a compound annual growth rate of 3.0%.

REVENUES

Exhibit E-1 presents Revenues for FY 2010 through FY 2018. Data for FY 2010 through FY 2012 were obtained from Trust records. Actual FY 2012 principal sources of Revenues are summarized in Table 18. As shown, the Trust has a very diverse revenue stream.

Individual components of Revenues are forecast on the basis of actual financial results for FY 2010 through FY 2012, budgets for FY 2013 and FY 2014, allowances for inflation as appropriate, and the provisions of leases and agreements between the Trust and the various tenants and users of the Airport. Revenues from sources related to numbers of passengers, such as concession revenues, are forecast to increase as a function of projected passenger traffic. The assumptions underlying the increases in individual components of Revenues are described in the following sections.

Table 18
FY 2012 REVENUES
 Oklahoma City Airports Trust

| | <u>FY 2012 Revenues</u> | <u>Percent of total</u> |
|---|-------------------------|-------------------------|
| <i>Will Rogers World Airport</i> | | |
| <i>Airline Revenues</i> | \$ 10,657,261 | 17.4% |
| <i>Nonairline Revenues</i> | | |
| Airfield | \$ 992,594 | 1.6 |
| Fuel Systems | 1,551,537 | 2.5 |
| Terminal Building | 7,609,337 | 12.4 |
| Air Cargo | 194,649 | 0.3 |
| Landside | 9,992,259 | 16.3 |
| General Aviation | 1,485,125 | 2.4 |
| Rental Car Revenues | 133,931 | 0.2 |
| General and Administration | <u>170,636</u> | <u>0.3</u> |
| Subtotal nonairline revenue | <u>\$ 22,130,068</u> | <u>36.2%</u> |
| Subtotal Will Rogers World Airport | \$ 32,787,329 | 53.6% |
| Wiley Post Airport | 1,283,969 | 2.1 |
| Clarence E. Page Airport | 164,834 | 0.3 |
| Mike Monroney Aeronautical Center | 12,993,736 | 21.2 |
| Other Development | 13,421,565 | 21.9 |
| Not Cost Center Related | <u>532,798</u> | <u>0.9</u> |
| | \$ 61,184,231 | 100.0% |

Airline Revenues

As stated earlier, the existing Agreements with the signatory airlines expired on June 30, 2013, and the City is in the process of further extending the Agreement through no later than June 30, 2014. As part of the negotiation of the new Agreement, the Trust and the airlines have agreed upon a methodology for calculating airline rates, fees, and charges. For purposes of this report, it was assumed that the agreed-upon methodology for calculating airline rentals, fees, and charges would continue through FY 2018.

The following Airport System costs are included in the calculation of airline rentals, fees, and charges:

- Allocable Operation and Maintenance Expenses
- Debt Service, net of contributions from PFC revenues

- Depreciation of capital projects not funded through Federal grants-in-aid or PFC revenues
- Bad debt expenses following a determination by the Trust that the amounts due are uncollectible
- Fines, assessments, judgments, or settlements

The aggregate payments of the passenger airlines under the new Agreements per enplaned passenger are shown in Exhibit E-1. The following sections summarize the forecasts of Signatory Airline revenues under the terms of the new Agreements.

Terminal Rents. Exhibit E-2 presents the calculation of forecast Signatory Airline Terminal Rents. The new Agreements allow the Trust to collect Terminal Rents on a compensatory basis to recover the Terminal Cost Center's share of Operation and Maintenance Expenses, Debt Service, and depreciation.

An average rental rate for the terminal is calculated by dividing the Terminal Requirement by total Usable Space. Rental rates for the different categories of space such as ticket counters, baggage claim area, and airline operations space are calculated based on different assigned weighted values of the average rental rate. The airlines are charged according to the square feet of space they rent for each of the different space categories.

Joint Use Fees. The new Agreements call for a portion of the Terminal Requirement to be collected through Joint Use Fees. This rent is calculated by allocating a portion of the Terminal Requirement to the Baggage Claim Area, Baggage Makeup Area, and Security Checkpoint as described in the calculation of Terminal Rents. This amount is then collected from the Signatory Passenger Airlines based on a formula that allocates 20% of the cost on an equal basis to each of the Signatory Passenger Airlines and then allocates the remaining 80% based on a pro rata share of the sum total of each Signatory Passenger Airline's and their Affiliate Airline's enplaned passengers to the total of all Signatory Passenger Airline's and their Affiliate Airline's enplaned passengers.

Loading Bridge Fees. The Signatory Airline shall pay as rent to the Trust any Operation and Maintenance Expenses, including passed-through utilities or Debt Service as Loading Bridge Fees.

Airline Landing Fees. Exhibit E-2 presents the calculation of forecast Signatory Airline and nonsignatory airline landing fees. Signatory Airline landing fees are calculated by deriving the total annual Airfield Area Requirement for the Airport which includes the Airfield's share of Operation and Maintenance Expenses, Debt Service, and depreciation. The Airfield Area Requirement was allocated 20% based on operations and 80% based on landed weight in FY 2013. In FY 2014, FY 2015, and FY 2016, respectively, the Airfield Area Requirement will be allocated 15%, 10%, 5% based on operations and 85%, 90%, and 95% based on landed weight.

In FY 2018, the Airfield Area Requirement will be allocated 100% based on landed weight. The allocations assume a weight of 15,000 pounds per operation for general aviation operations and maximum certified landed weight for commercial operations.

Nonairline Airfield Revenues

Nonairline Airfield Revenues include ground space rentals, agricultural and hay leases, and security fees.

Fuel Systems Revenues

Fuel systems revenues include fuel flowage fees paid by non-Signatory Airlines, fuel permit fees paid by the Signatory Airlines, and utilities reimbursements.

Nonairline Terminal Revenues

Concession Fees. The Trust receives concession fees from the operators of both the food and beverage and news and retail providers at the Airport. In March 2003, the Trust executed a concession agreement with Delaware North Companies to lease and develop the food and beverage concession at the Airport. This agreement expires on April 10, 2020. Delaware North Companies operates the food and beverage outlets at the Airport, which include 9 food and beverage outlets. In FY 2012, gross sales for food and beverage concessions totaled \$6,376,283 million, or \$3.50 per enplaned passenger. Food and beverage revenues are projected to fluctuate as a function of projected changes in enplaned passengers and price inflation.

Eight news, gift, and retail outlets are operated throughout the terminal facilities. In FY 2012, gross revenues for newsstand and retail concessions totaled \$6,177,158 million, or \$3.39 per enplaned passenger. Paradies-Kambers, LLC (Paradies) operates the retail programs at the Airport under a 10-year agreement that expires May 31, 2021. There is no option to extend the contract beyond the date of expiration.

Under the terms of the agreement, Paradies pays the Trust varying percentages of gross revenues for each category of sales against a minimum annual guaranteed amount of \$1,258,000. The percentages are as follows:

| | |
|----------------------------------|-----|
| Books, magazines and newspapers: | 10% |
| Gifts, retail, food, sundries: | 12 |
| Souvenirs: | 15 |

Newsstand and retail revenues are projected to fluctuate as a function of projected changes in enplaned passengers and price inflation.

Other Terminal Revenues. Other Terminal Revenues include advertising fees and reimbursements from TSA for security functions.

Air Cargo Revenues

Air Cargo Revenues include building and ground rentals for the air cargo facilities at the Airport.

Landside Revenues

The Airport's public parking facilities are operated under a management agreement with AMPCO System Parking, which expires March 31, 2014. The number of spaces and parking rates for each facility are presented in Table 19. Parking rates at the Airport were last increased December 2009.

| Parking facilities | Number of spaces | Parking rates |
|------------------------|---------------------|-------------------------------|
| 5-Story Covered Garage | 2733 | \$7 per day |
| Lot #3 | 522 | \$6 per day |
| Lot #2 | 2433 | \$5 per day |
| Lot #1 | 1286 | \$4 per day |
| Short-term | 285 | \$24 per day, first hour free |

The parking revenues shown in Exhibit E are gross revenues. Fees paid to AMPCO System Parking appear in Operation and Maintenance Expenses and totaled \$1.9 million in FY 2012. The revenues are projected to fluctuate as a function of projected changes in enplaned passengers and price inflation. The Trust reviews parking fees on an annual basis. Trust staff stated that there are no current plans to raise parking fees. Gross parking revenues were \$9.8 million in FY 2012, equivalent to approximately \$5.40 per originating passenger.

Parking revenues were projected assuming the following:

1. Parking demand will change from FY 2012 levels in proportion to projected increases in originating passengers.
2. All parking facilities will continue to be operated under management agreements with financial terms substantially the same as the current agreements.

Other Landside Revenues include public transportation fees and antennae space rentals.

General Aviation Revenues

General Aviation Revenues include hangar, building, and ground rentals and apron maintenance, insurance and utilities reimbursements. Hangar rentals declined in FY 2012 with the retirement of debt associated with the U.S. Marshalls Service hangar.

Rental Car Revenues

There were five rental car companies serving the Airport through an on-Airport rental car concession lease, including Advantage Rent-a-car, Avis Budget Group (operating as Avis and Budget), Enterprise (operating as Enterprise, Alamo and National), and Hertz Global Holdings (operating as Hertz, Dollar, and Thrifty.)

The companies operate at the Airport under the terms of concession agreements, which have been finalized and are in the process of being executed. The concession agreements will be effective upon execution and expire 10 years after the date of beneficial occupancy of the ConRAC Facility. The percentage share of the total rental car gross revenues at the Airport for FY 2013 was:

| <u>Rental car company</u> | <u>Share of gross revenues</u> |
|-------------------------------|------------------------------------|
| Hertz | 25.19% |
| Avis | 19.54 |
| National/Alamo | 18.45 |
| Enterprise | 13.92 |
| Budget | 14.53 |
| Dollar | 3.98 |
| Thrifty | <u>4.39</u> |
| Total | 100.00% |

Concessions Fee. Under the leases with the Trust, the rental car companies pay the greater of a minimum annual guarantee, which varies for each company, or 10% of their annual gross revenues. The minimum annual guarantee adjusts annually per the terms agreed upon when the contracts were bid. Percentage fees from the rental car companies are projected to increase in proportion to the forecast increase in destination passengers (passengers arriving at the Airport) and inflation.

Facility O&M Fee. The rental car companies pay the Trust annual Facility O&M Fees to cover all costs associated with the operation, management, maintenance, utility service, landscaping, and janitorial of certain areas of the ConRAC Facility. Facility O&M Fees are forecast to increase with rental car transactions and inflation.

Ground Rentals. The rental car companies pay the Trust ground rentals associated with the appraised value of the site of the ConRAC Facility. Ground rental payments are established for the term of the concession agreement.

Customer Facility Charges. Pursuant to a Joint Resolution adopted by the Trust and the City, the collection of a Customer Facility Charge (“CFC”) began on July 1, 2012. The CFC is charged at a rate of \$4.50 per rental car transaction day. Per the Joint Resolution, CFC revenues may be used for any legal use to sustain, maintain or expand the rental car program at the Airport. Such uses include, but are not limited to the payment of debt service and as security for bonds issued to fund development of the Consolidated Rental Car Facility. CFC funds remaining after payment of debt service may be utilized, at the discretion of the Trust, to fund related operation and maintenance expenses of the rental car program. The Trust and the City may adjust the rate from time to time by amending the Joint Resolution.

Per the concession agreements with the rental car companies, CFC funds are to be used to:

1. Pay the debt service associated with the proposed Thirty-First Series Bonds, then
2. Deposits to the Capital Reserve Fund (up to \$200,000 annually for the initial 5-years from the date of beneficial occupancy of the ConRAC Facility and then up to \$800,000 annually for the remainder of the term of the concession agreement), then
3. After the initial 5-years from the date of beneficial occupancy of the ConRAC Facility, reimburse the Trust for planning and design costs of the ConRAC Facility which were initially paid from Trust funds, then
4. Pay shuttle bus operation and maintenance costs.
5. Reimburse any Contingent Fee payments made by the rental car companies.

The forecast application of CFC revenues is shown on Exhibit F-1. CFC revenues are forecast to increase with increases in originating passengers at the Airport.

Shuttle Bus O&M Fee. In the event CFC funds are insufficient in any given year to pay shuttle bus operation and maintenance costs, the rental car companies will pay additional Shuttle Bus O&M Fees to cover those costs.

Contingent Fee. In the event CFC funds are insufficient in any given year to pay debt service on the proposed Thirty-First Series Bonds, the rental car companies will pay additional Contingent Fees to cover those costs. Contingent Fees may only be imposed for a duration of six months. In the event a Contingent Fee is imposed,

Airport staff and rental car companies intend to request an increase in the CFC level, subject to approval by the Trust and the City. If the CFC level is then raised, Contingent Fees may then again be imposed in a future year, if needed.

Rental Car Service Facilities. The rental car companies pay the Trust ground and building rentals for service facilities located on-Airport. These facilities are assumed to be vacated with the opening of the ConRAC Facility.

General and Administration Revenues

General and Administration Revenues include utilities reimbursements and other non-operating revenues.

Mike Monroney Aeronautical Center and Other Development

The Trust receives ground and building rentals and maintenance and insurance reimbursements from the FAA for the Mike Monroney Aeronautical Center and other on-Airport development. Revenues from these facilities are forecast to adjust under the terms of the various lease agreements governing those facilities.

Wiley Post Airport and Clarence E. Page Airport

The Trust receives fuel flowage fees, agricultural and hay lease payments, ground and building rentals, and maintenance and insurance reimbursements from operations at Wiley Post Airport and Clarence E. Page Airport. These revenues are forecast to increase with inflation and operations at these airports.

APPLICATION OF PASSENGER FACILITY CHARGE REVENUES

Exhibit F-2 presents the forecast application of PFC revenues. The Trust has pledged PFC revenues to pay a portion of the debt service on the Thirty Series Bonds. As shown, forecast PFC collections exceed PFC revenues applied to pay debt service on outstanding Bonds in each Fiscal Year.

An average of 91% of enplaned passengers at the Airport paid a PFC between FY 2010 and FY 2012. The calculation of the percentage of enplaned passengers paying a PFC is based on total enplaned passengers at the Airport, even though certain classes of carriers are exempt from collecting a PFC from their passengers at the Airport. In preparing the forecasts, it was assumed that the City will continue to impose a \$4.50 PFC at the Airport and that 88% of total enplaned passengers using the Airport will pay a PFC. The forecasts of PFC revenues to the Trust are based on the projected numbers of passengers and are presented in Exhibit F-2.

COMPLIANCE WITH COVENANTS AND CONDITIONS FOR ISSUING ADDITIONAL JUNIOR LIEN BONDS

As shown in Exhibit G, the Trust is in compliance with the Covenants and Conditions as set forth in of the Bond Indenture.

For FY 2010 through FY 2012, Revenues of the Trust available for debt service for the preceding twelve months were equal to not less than 1.50 times the average annual debt service on the then outstanding Junior Lien Bonds after Senior Lien Bond payments. The Trust is forecast to maintaining a schedule of rentals to provide annual income sufficient to pay the obligations of the Trust.

The documentation demonstrating that the estimated revenues of the additional facilities, when added to actual Revenues of the Trust for the preceding twelve months, less Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the additional and outstanding bonds will be submitted to the Trustees upon issuance. Exhibit G shows that the Trust is forecast to generate Revenues of the Trust annually not less than 1.50 times the estimated average annual debt service on the proposed Thirty-First Series Bonds and outstanding Bonds.

Exhibit A

CAPITAL IMPROVEMENT PROGRAM FOR FY 2014 THROUGH FY 2018

Oklahoma City, Will Rogers World Airport

| Estimated Project | Sources of funding | | | | | | |
|---|-----------------------|-----------------------|----------------------|----------------------|---------------------|----------------------------|----------------------|
| | Cost | Trust Funds | FAA Grants | TSA Grants | PFC Pay-as-you-go | Proposed Series 2013 Bonds | Future Bonds |
| Consolidated Car Rental Facility | \$ 39,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 39,000,000 | \$ - |
| Terminal | | | | | | | |
| Phase III Terminal Expansion | \$ 89,500,000 | \$ 2,685,000 | \$ 24,165,000 | \$ - | \$ - | \$ - | \$ 62,650,000 |
| Checked Baggage Inspection System | 26,800,000 | - | - | 21,752,400 | 5,047,600 | - | - |
| Terminal Generator | 7,500,000 | 7,500,000 | - | - | - | - | - |
| Airport Signage Upgrade and Replacement | 5,000,000 | 5,000,000 | - | - | - | - | - |
| Property Management System | 3,000,000 | 3,000,000 | - | - | - | - | - |
| Fiber to all Perimeter Gates | 2,000,000 | 2,000,000 | - | - | - | - | - |
| Replace CCTV Network Equipment | 2,000,000 | 2,000,000 | - | - | - | - | - |
| Other | 7,285,000 | 7,285,000 | - | - | - | - | - |
| Total | \$ 143,085,000 | \$ 29,470,000 | \$ 24,165,000 | \$ 21,752,400 | \$ 5,047,600 | \$ - | \$ 62,650,000 |
| Airfield | | | | | | | |
| Taxiway M with Connectors | \$ 10,750,000 | \$ 1,075,000 | \$ 9,675,000 | \$ - | \$ - | \$ - | \$ - |
| Relocate and Extend TW B | 6,000,000 | 600,000 | 5,400,000 | - | - | - | - |
| Reconstruct Center RW 17L/35R | 4,000,000 | 400,000 | 3,600,000 | - | - | - | - |
| Repair Asphalt ends of TXWY H | 4,000,000 | 400,000 | 3,600,000 | - | - | - | - |
| Extend Threshold RW 17L 200' and Adjacent Taxiways | 4,000,000 | 400,000 | 3,600,000 | - | - | - | - |
| Repair Taxiway C and G Asphalt portions with Concrete | 3,500,000 | 350,000 | 3,150,000 | - | - | - | - |
| Triturator | 2,200,000 | 2,200,000 | - | - | - | - | - |
| West Side Drainage Improvements | 2,100,000 | 2,100,000 | - | - | - | - | - |
| WRWA Maintenance Facility -- Multi Bay Facility | 2,000,000 | 2,000,000 | - | - | - | - | - |
| Other | 5,542,000 | 2,241,700 | 3,300,300 | - | - | - | - |
| Total | \$ 44,092,000 | \$ 11,766,700 | \$ 32,325,300 | \$ - | \$ - | \$ - | \$ - |
| Other Areas | | | | | | | |
| Re-Alignment of Portland Ave | \$ 9,416,000 | \$ 9,416,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Roof Replacement SORB Building | 2,400,000 | 2,400,000 | - | - | - | - | - |
| Water/Sewer Infrastructure for East Side Development | 2,700,000 | 2,700,000 | - | - | - | - | - |
| Other | 3,070,000 | 3,070,000 | - | - | - | - | - |
| Total | \$ 17,586,000 | \$ 17,586,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mike Monroney Aeronautical Center | \$ 61,414,560 | \$ 61,414,560 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Wiley Post Airport | 18,427,600 | 5,685,910 | 12,741,690 | - | - | - | - |
| Air Cargo | 4,500,000 | 4,500,000 | - | - | - | - | - |
| Clarence E Page Airport | 4,435,500 | 443,595 | 3,991,905 | - | - | - | - |
| Landside | 4,320,000 | 4,122,000 | 198,000 | - | - | - | - |
| Total | \$ 336,860,660 | \$ 134,988,765 | \$ 73,421,895 | \$ 21,752,400 | \$ 5,047,600 | \$ 39,000,000 | \$ 62,650,000 |

Exhibit B

ESTIMATED THIRTY-FIRST SERIES BONDS FINANCING

Oklahoma City, Will Rogers World Airport

[TO BE PROVIDED CLOSER TO ISSUANCE]

| | Junior Lien Taxable Bonds, Thirty-First Series | |
|-----------------------------|---|---------------|
| | <hr/> | |
| SOURCES OF FUNDS | | |
| Par amount | \$ | 39,520,000 |
| Interest earnings | | <u>74,108</u> |
| | \$ | 39,594,108 |
| | | |
| USES OF FUNDS | | |
| Estimated project costs (a) | \$ | 39,000,000 |
| Cost of issuance | | 396,508 |
| Underwriter's Discount | | 197,600 |
| Additional Proceeds | | <u>-</u> |
| | \$ | 39,594,108 |

(a) See Exhibit A

Source: PFM, Inc., the City's financial advisors for the Junior Lien Thirty-First Series, August 13, 2013.

Exhibit C

DEBT SERVICE REQUIREMENTS
 Oklahoma City, Will Rogers World Airport
 For Fiscal Years ending June 30

| | Historical (a) | | | Forecast | | | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| DEBT SERVICE REQUIREMENTS | | | | | | | | | |
| By Series | | | | | | | | | |
| <i>Separate Lease</i> | | | | | | | | | |
| 1991 Registry Building | \$ 1,037,450 | \$ 1,036,298 | \$ 1,033,656 | \$ 1,029,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1992 Registry Building | 120,113 | 122,275 | 118,819 | 120,000 | - | - | - | - | - |
| 1992 FBOP | 8,374,235 | 8,352,095 | 8,174,015 | 8,149,000 | 8,121,000 | 14,560,000 | - | - | - |
| 1995 FBOP 1995 | 478,560 | 482,888 | 484,320 | 488,000 | 493,000 | 490,000 | - | - | - |
| Separate Lease Total | \$ 10,010,358 | \$ 9,993,555 | \$ 9,810,810 | \$ 9,786,000 | \$ 8,614,000 | \$ 15,050,000 | \$ - | \$ - | \$ - |
| <i>Senior Lien</i> | | | | | | | | | |
| 19th Series | \$ 4,764,244 | \$ 3,892,025 | \$ 3,400,181 | \$ 3,391,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 20th Series | 1,581,042 | 1,576,745 | 1,571,299 | 1,570,000 | - | - | - | - | - |
| Senior Lien total | \$ 6,345,286 | \$ 5,468,770 | \$ 4,971,480 | \$ 4,961,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>Junior Lien</i> | | | | | | | | | |
| 22nd Series B | \$ 255,691 | \$ 259,323 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 23rd Series | 121,030 | 121,081 | 120,865 | 120,000 | 124,000 | 123,000 | - | - | - |
| 24th Series | 532,300 | 584,613 | - | - | - | - | - | - | - |
| 25th Series | 452,760 | - | - | - | - | - | - | - | - |
| 26th Series | 741,744 | 740,327 | 741,718 | 736,000 | - | - | - | - | - |
| 27th Series B | 6,492,681 | 6,494,531 | 4,821,178 | - | - | - | - | - | - |
| 29th Series A | 1,669,095 | 1,673,908 | 1,672,582 | 1,670,000 | 1,670,000 | 1,673,000 | 1,674,000 | 1,673,000 | 1,675,000 |
| 29th Series B | 1,588,000 | 1,588,000 | 1,588,000 | 1,588,000 | 1,588,000 | 1,588,000 | 1,588,000 | 1,588,000 | 6,312,000 |
| 30th Series | - | - | 1,159,711 | 6,441,000 | 6,348,000 | 6,195,000 | 6,169,000 | 6,167,000 | 769,000 |
| Proposed 31st Series (b) | - | - | - | - | 707,000 | 2,336,000 | 2,954,000 | 2,958,000 | 2,949,000 |
| Junior Lien Total | \$ 11,853,301 | \$ 11,461,783 | \$ 10,104,054 | \$ 10,555,000 | \$ 10,437,000 | \$ 11,915,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 |
| Total | \$ 28,208,946 | \$ 26,924,108 | \$ 24,886,344 | \$ 25,302,000 | \$ 19,051,000 | \$ 26,965,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 |

DEBT SERVICE REQUIREMENTS

Oklahoma City, Will Rogers World Airport

For Fiscal Years ending June 30

| | Historical (a) | | | Forecast | | | | | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| By Cost Center | | | | | | | | | |
| Separate Lease | | | | | | | | | |
| Mike Monroney Aeronautical Center | \$ 1,157,563 | \$ 1,158,573 | \$ 1,152,475 | \$ 1,149,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Development | 8,852,795 | 8,834,983 | 8,658,335 | 8,637,000 | 8,614,000 | 15,050,000 | - | - | - |
| Separate Lease Total | \$ 10,010,358 | \$ 9,993,555 | \$ 9,810,810 | \$ 9,786,000 | \$ 8,614,000 | \$ 15,050,000 | \$ - | \$ - | \$ - |
| Senior Lien | | | | | | | | | |
| Mike Monroney Aeronautical Center | \$ 6,345,286 | \$ 5,468,770 | \$ 4,971,480 | \$ 4,961,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Junior Lien | | | | | | | | | |
| Airfield | \$ 41,129 | \$ 41,129 | \$ 41,129 | \$ 41,000 | \$ 41,000 | \$ 41,000 | \$ 41,000 | \$ 41,000 | \$ 163,000 |
| Air Cargo | 8,566 | 8,687 | - | - | - | - | - | - | - |
| General Aviation | 1,274,044 | 1,324,940 | 741,718 | 736,000 | - | - | - | - | - |
| Rental Car | - | - | - | - | 707,000 | 2,336,000 | 2,954,000 | 2,958,000 | 2,949,000 |
| Landside | 67,145 | 68,098 | - | - | - | - | - | - | - |
| Terminal Building | 9,888,628 | 9,897,847 | 9,200,342 | 9,658,000 | 9,565,000 | 9,415,000 | 9,390,000 | 9,387,000 | 8,593,000 |
| Other Development | 573,790 | 121,081 | 120,865 | 120,000 | 124,000 | 123,000 | - | - | - |
| Junior Lien Total | \$ 11,853,301 | \$ 11,461,783 | \$ 10,104,054 | \$ 10,555,000 | \$ 10,437,000 | \$ 11,915,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 |
| Total | \$ 28,208,945 | \$ 26,924,108 | \$ 24,886,344 | \$ 25,302,000 | \$ 19,051,000 | \$ 26,965,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 |

(a) Oklahoma City Department of Airports financial statements and records for years noted

(b) Source: Public Financial Management (PFM). July 22, 2013.

Exhibit D

OPERATION AND MAINTENANCE EXPENSES

Oklahoma City, Will Rogers World Airport

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Historical (a) | | | Budget (b) | | Forecast | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| By Line Item | | | | | | | | | |
| Will Rogers World Airport | | | | | | | | | |
| Personnel Services | \$ 6,083,523 | \$ 6,472,841 | \$ 6,794,799 | \$ 7,282,713 | \$ 7,278,244 | \$ 7,387,000 | \$ 7,498,000 | \$ 7,648,000 | \$ 7,801,000 |
| O&M Expenses | 7,277,613 | 8,297,271 | 9,640,896 | 10,333,180 | 10,326,840 | 11,615,000 | 12,565,000 | 12,874,000 | 13,206,000 |
| Depreciation Expense | 13,940,778 | 14,472,689 | 13,933,242 | 14,933,746 | 14,924,583 | 15,150,000 | 15,407,000 | 15,717,000 | 16,033,000 |
| Asset Disposal | - | 28,342 | 3,133 | 3,358 | 3,356 | 3,000 | 3,000 | 4,000 | 4,000 |
| All Non-Will Rogers World Airport Cost Centers (c) | <u>16,026,100</u> | <u>15,590,226</u> | <u>15,412,559</u> | <u>16,519,288</u> | <u>16,509,152</u> | <u>16,758,000</u> | <u>17,008,000</u> | <u>17,349,000</u> | <u>17,695,000</u> |
| Total Operating Expenses | \$ <u>43,328,014</u> | \$ <u>44,861,369</u> | \$ <u>45,784,628</u> | \$ <u>49,072,285</u> | \$ <u>49,042,174</u> | \$ <u>50,913,000</u> | \$ <u>52,481,000</u> | \$ <u>53,592,000</u> | \$ <u>54,739,000</u> |
| By Cost Center | | | | | | | | | |
| Will Rogers World Airport | | | | | | | | | |
| Airfield | \$ 12,018,890 | \$ 12,867,636 | \$ 12,527,018 | \$ 13,426,546 | \$ 13,418,307 | \$ 13,620,000 | \$ 13,824,000 | \$ 14,100,000 | \$ 14,382,000 |
| Air Cargo | 900,158 | 478,520 | 493,011 | 528,413 | 528,089 | 536,000 | 544,000 | 555,000 | 566,000 |
| Fuel Systems | 849,756 | 1,193,030 | 1,053,192 | 1,128,818 | 1,128,126 | 1,145,000 | 1,162,000 | 1,185,000 | 1,209,000 |
| General & Administration | (2,707,664) | 1,993,574 | 2,669,248 | 2,860,919 | 2,859,163 | 2,840,000 | 1,407,000 | 1,354,000 | 1,296,000 |
| General Aviation | 632,284 | 693,529 | 677,969 | 726,652 | 726,206 | 737,000 | 748,000 | 763,000 | 778,000 |
| Rental Car | 57,757 | 90,023 | 88,822 | 95,200 | 95,141 | 1,226,000 | 1,936,000 | 2,027,000 | 2,137,000 |
| Landside | 6,439,672 | 6,642,943 | 6,870,276 | 7,363,610 | 7,359,092 | 7,469,000 | 7,582,000 | 7,733,000 | 7,888,000 |
| Terminal Building | 6,523,609 | 6,627,309 | 6,942,750 | 7,441,288 | 7,436,722 | 7,615,000 | 9,320,000 | 9,594,000 | 9,878,000 |
| Year End Reconciliation | <u>2,587,452</u> | <u>(1,315,423)</u> | <u>(950,217)</u> | <u>(1,018,449)</u> | <u>(1,017,824)</u> | <u>(1,033,000)</u> | <u>(1,049,000)</u> | <u>(1,070,000)</u> | <u>(1,091,000)</u> |
| Will Rogers World Airport Total | \$ <u>27,301,914</u> | \$ <u>29,271,143</u> | \$ <u>30,372,069</u> | \$ <u>32,552,997</u> | \$ <u>32,533,022</u> | \$ <u>34,155,000</u> | \$ <u>35,474,000</u> | \$ <u>36,241,000</u> | \$ <u>37,043,000</u> |
| Wiley Post Airport | \$ 2,099,921 | \$ 2,281,879 | \$ 2,189,588 | \$ 2,346,816 | \$ 2,345,376 | \$ 2,381,000 | \$ 2,416,000 | \$ 2,465,000 | \$ 2,514,000 |
| Clarence E Page Airport | 314,109 | 404,506 | 368,517 | 394,979 | 394,737 | 401,000 | 407,000 | 415,000 | 423,000 |
| Mike Monroney Aeronautical Center | 7,071,980 | 6,909,068 | 7,232,925 | 7,752,299 | 7,747,543 | 7,864,000 | 7,982,000 | 8,141,000 | 8,304,000 |
| Other Development | <u>6,540,089</u> | <u>5,994,772</u> | <u>5,621,529</u> | <u>6,025,194</u> | <u>6,021,497</u> | <u>6,112,000</u> | <u>6,203,000</u> | <u>6,328,000</u> | <u>6,454,000</u> |
| Total Operating Expenses | \$ <u>43,328,014</u> | \$ <u>44,861,369</u> | \$ <u>45,784,628</u> | \$ <u>49,072,285</u> | \$ <u>49,042,174</u> | \$ <u>50,913,000</u> | \$ <u>52,481,000</u> | \$ <u>53,592,000</u> | \$ <u>54,739,000</u> |

(a) Oklahoma City Department of Airports financial statements and records for years noted

(b) Estimates and budget for years noted provided by City of Oklahoma City

(c) Includes Wiley Post Airport, Clarence E Page Airport, Mike Monroney Aeronautical Center, and Other Development

[THIS PAGE INTENTIONALLY LEFT BLANK]

Exhibit E-1

REVENUES

Oklahoma City, Will Rogers World Airport
For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| Will Rogers World Airport | Historical (a) | | | Budget (b) | | Forecast | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Passenger Airline Revenue | | | | | | | | | |
| Landing Fees | \$ 5,885,713 | \$ 6,317,473 | \$ 6,244,742 | \$ 6,073,769 | \$ 6,653,498 | \$ 6,960,000 | \$ 7,279,000 | \$ 7,665,000 | \$ 7,912,000 |
| Terminal Rental | 2,427,239 | 2,215,677 | 2,353,052 | 2,392,341 | 3,113,163 | 2,893,000 | 3,505,000 | 3,594,000 | 3,686,000 |
| Bag claim Area | 909,833 | 1,015,831 | 1,062,211 | 1,033,129 | 1,136,837 | 1,439,000 | 1,743,000 | 1,788,000 | 1,834,000 |
| Other | 1,148,444 | 930,486 | 997,256 | 969,952 | 1,067,318 | 1,081,000 | 1,094,000 | 1,109,000 | 1,124,000 |
| Total | \$ 10,371,229 | \$ 10,479,467 | \$ 10,657,261 | \$ 10,469,191 | \$ 11,970,816 | \$ 12,373,000 | \$ 13,621,000 | \$ 14,156,000 | \$ 14,556,000 |
| Enplaned passengers | 1,694,060 | 1,748,379 | 1,824,313 | 1,845,055 | 1,881,700 | 1,910,000 | 1,938,000 | 1,969,000 | 2,000,000 |
| Passenger airline payments per enplaned passenger | \$ 6.12 | \$ 5.99 | \$ 5.84 | \$ 5.67 | \$ 6.36 | \$ 6.48 | \$ 7.03 | \$ 7.19 | \$ 7.28 |
| Airfield | | | | | | | | | |
| Landing Fees - Freighters | 509,536 | 578,747 | 615,646 | 598,790 | 609,502 | 632,000 | 653,000 | 679,000 | 692,000 |
| Other | 327,816 | 324,416 | 376,948 | 366,628 | 403,431 | 409,000 | 416,000 | 422,000 | 429,000 |
| Total | \$ 837,352 | \$ 903,163 | \$ 992,594 | \$ 965,418 | \$ 1,012,933 | \$ 1,041,000 | \$ 1,069,000 | \$ 1,101,000 | \$ 1,121,000 |
| Fuel Systems | | | | | | | | | |
| Non-Scheduled Aviation Fuel | \$ 1,001,130 | \$ 1,085,834 | \$ 1,188,118 | \$ 1,155,589 | \$ 1,271,590 | \$ 1,272,000 | \$ 1,272,000 | \$ 1,272,000 | \$ 1,272,000 |
| Other | 17,465 | 329,136 | 363,418 | 353,468 | 388,950 | 395,000 | 401,000 | 407,000 | 413,000 |
| Total | \$ 1,018,595 | \$ 1,414,970 | \$ 1,551,536 | \$ 1,509,057 | \$ 1,660,541 | \$ 1,667,000 | \$ 1,673,000 | \$ 1,679,000 | \$ 1,685,000 |
| Terminal Building | | | | | | | | | |
| Car Rental | \$ 3,914,401 | \$ 4,565,970 | \$ 4,979,821 | \$ 4,843,480 | \$ 5,329,681 | \$ 5,120,000 | \$ 5,197,000 | \$ 5,274,000 | \$ 5,354,000 |
| Concession Fees | 1,852,376 | 1,937,187 | 1,793,225 | 1,744,129 | 1,919,209 | 1,977,000 | 2,036,000 | 2,109,000 | 2,186,000 |
| Other | 683,945 | 803,991 | 836,291 | 712,731 | 784,277 | 784,000 | 784,000 | 784,000 | 784,000 |
| Total | \$ 6,450,721 | \$ 7,307,148 | \$ 7,609,337 | \$ 7,300,340 | \$ 8,033,167 | \$ 7,881,000 | \$ 8,017,000 | \$ 8,167,000 | \$ 8,324,000 |
| Air Cargo | | | | | | | | | |
| Cargo Building Rental | \$ 183,189 | \$ 204,575 | \$ 194,649 | \$ 189,320 | \$ 208,324 | \$ 208,000 | \$ 208,000 | \$ 208,000 | \$ 208,000 |
| Total | \$ 183,189 | \$ 204,575 | \$ 194,649 | \$ 189,320 | \$ 208,324 | \$ 208,000 | \$ 208,000 | \$ 208,000 | \$ 208,000 |
| Landside | | | | | | | | | |
| Parking | \$ 7,624,268 | \$ 9,259,742 | \$ 9,804,277 | \$ 9,535,849 | \$ 10,493,083 | \$ 10,648,000 | \$ 10,805,000 | \$ 10,973,000 | \$ 11,147,000 |
| Other | 114,632 | 143,316 | 187,982 | 182,835 | 201,188 | 204,000 | 206,000 | 209,000 | 211,000 |
| Total | \$ 7,738,900 | \$ 9,403,058 | \$ 9,992,259 | \$ 9,718,684 | \$ 10,694,271 | \$ 10,852,000 | \$ 11,011,000 | \$ 11,182,000 | \$ 11,358,000 |

REVENUES

Oklahoma City, Will Rogers World Airport
For Fiscal Years ending June 30

| | Historical (a) | | | Budget (b) | | Forecast | | | |
|-----------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| General Aviation | | | | | | | | | |
| Hangar Rental | \$ 1,778,899 | \$ 1,886,393 | \$ 936,242 | \$ 910,609 | \$ 1,002,018 | \$ 1,002,000 | \$ 1,002,000 | \$ 1,002,000 | \$ 1,002,000 |
| Other | 500,760 | 528,018 | 548,883 | 533,855 | 587,445 | 595,000 | 603,000 | 613,000 | 623,000 |
| Total | \$ 2,279,660 | \$ 2,414,411 | \$ 1,485,125 | \$ 1,444,465 | \$ 1,589,464 | \$ 1,597,000 | \$ 1,605,000 | \$ 1,615,000 | \$ 1,625,000 |
| Rental Car | | | | | | | | | |
| Ground Space Rental | \$ 51,379 | \$ 54,546 | \$ 54,993 | \$ 53,488 | \$ 58,857 | \$ 709,000 | \$ 709,000 | \$ 723,000 | \$ 723,000 |
| Customer Facility Charge | - | - | - | 4,506,156 | 4,549,500 | 4,586,000 | 4,622,000 | 4,658,000 | 4,694,000 |
| Facility O&M Fees | - | - | - | - | - | 150,000 | 152,000 | 155,000 | 158,000 |
| Other | 72,920 | 78,703 | 78,938 | 76,777 | 84,484 | 500,000 | 515,000 | 530,000 | 546,000 |
| Total | \$ 124,299 | \$ 133,250 | \$ 133,931 | \$ 4,636,421 | \$ 4,692,841 | \$ 5,945,000 | \$ 5,998,000 | \$ 6,066,000 | \$ 6,121,000 |
| General and Administration | | | | | | | | | |
| Utility Reimbursements | \$ 62,532 | \$ 70,507 | \$ 74,339 | \$ 72,303 | \$ 79,561 | \$ 81,000 | \$ 82,000 | \$ 84,000 | \$ 86,000 |
| Other | 116,576 | 453,416 | 96,298 | 93,661 | 103,063 | 103,000 | 103,000 | 103,000 | 103,000 |
| Total | \$ 179,108 | \$ 523,924 | \$ 170,636 | \$ 165,964 | \$ 182,624 | \$ 184,000 | \$ 185,000 | \$ 187,000 | \$ 189,000 |
| Will Rogers World Airport Total | \$ 29,183,053 | \$ 32,783,966 | \$ 32,787,328 | \$ 36,398,859 | \$ 40,044,982 | \$ 41,748,000 | \$ 43,387,000 | \$ 44,361,000 | \$ 45,187,000 |
| Wiley Post Airport | 1,239,467 | 1,258,715 | 1,283,969 | 1,248,816 | 1,374,175 | 1,395,000 | 1,416,000 | 1,444,000 | 1,473,000 |
| Clarence E Page Airport | 149,446 | 158,393 | 164,834 | 160,321 | 176,414 | 179,000 | 182,000 | 186,000 | 190,000 |
| Mike Monroney Aeronautical Center | 12,708,792 | 12,696,630 | 12,993,736 | 12,637,985 | 13,906,619 | 14,115,000 | 14,327,000 | 14,614,000 | 14,906,000 |
| Other Development | 13,523,169 | 14,490,822 | 13,421,565 | 13,054,100 | 14,364,505 | 10,060,000 | 5,691,000 | 5,805,000 | 5,921,000 |
| Not Cost Center Related | 768,360 | 500,331 | 532,798 | 518,211 | 570,230 | 579,000 | 588,000 | 600,000 | 612,000 |
| Total | \$ 57,572,287 | \$ 61,888,858 | \$ 61,184,230 | \$ 64,018,290 | \$ 70,436,925 | \$ 68,076,000 | \$ 65,591,000 | \$ 67,010,000 | \$ 68,289,000 |

(a) Oklahoma City Department of Airports financial statements and records for years noted.

(b) Estimates and budget for years noted provided by City of Oklahoma City.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Exhibit E-2

CALCULATION OF AIRLINE RATES AND CHARGES

Oklahoma City, Will Rogers World Airport

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Forecast | | | | |
|---|-----------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| AIRFIELD LANDING FEES | | | | | |
| Operation and Maintenance Expenses | \$ 13,418,000 | \$ 13,620,000 | \$ 13,824,000 | \$ 14,100,000 | \$ 14,382,000 |
| Less depreciation for PFC and AIP funded assets | (4,620,000) | (4,620,000) | (4,620,000) | (4,620,000) | (4,620,000) |
| Total Requirement | \$ 8,798,000 | \$ 9,000,000 | \$ 9,204,000 | \$ 9,480,000 | \$ 9,762,000 |
| Landed Weight | | | | | |
| Passenger Airlines | 2,347,000 | 2,369,000 | 2,398,000 | 2,428,000 | 2,460,000 |
| Cargo Airlines | 215,000 | 215,000 | 215,000 | 215,000 | 215,000 |
| GA | 360,000 | 360,000 | 360,000 | 360,000 | 360,000 |
| Total | 2,922,000 | 2,944,000 | 2,973,000 | 3,003,000 | 3,035,000 |
| Operations | | | | | |
| Passenger and Cargo Airlines | 55,200 | 55,400 | 55,800 | 56,200 | 56,600 |
| GA | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Total | 103,200 | 103,400 | 103,800 | 104,200 | 104,600 |
| Landed Weight weighting | 85% | 90% | 95% | 100% | 100% |
| Operations weighting | 15% | 10% | 5% | 0% | 0% |
| Passenger and Cargo Airline Cost | \$ 7,263,000 | \$ 7,592,000 | \$ 7,932,000 | \$ 8,344,000 | \$ 8,604,000 |
| Passenger and Cargo Airline Landed Weight | 2,562,000 | 2,584,000 | 2,613,000 | 2,643,000 | 2,675,000 |
| Passenger and Cargo Airline Landing Fee Rate | \$ 2.83 | \$ 2.94 | \$ 3.04 | \$ 3.16 | \$ 3.22 |
| TERMINAL RENTALS | | | | | |
| Operation and Maintenance Expenses | \$ 7,437,000 | \$ 7,615,000 | \$ 9,320,000 | \$ 9,594,000 | \$ 9,878,000 |
| Less depreciation for PFC and AIP funded assets | (170,000) | (170,000) | (170,000) | (170,000) | (170,000) |
| Less security reimbursements | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| Debt Service (a) | 691,000 | 690,000 | 692,000 | 693,000 | 690,000 |
| Amortization | 236,000 | 210,000 | 182,000 | 153,000 | 125,000 |
| | \$ 7,794,000 | \$ 7,945,000 | \$ 9,624,000 | \$ 9,870,000 | \$ 10,123,000 |
| Terminal building square footage | 323,091 | 323,091 | 323,091 | 323,091 | 323,091 |
| Average terminal building rental rate | \$ 24.12 | \$ 24.59 | \$ 29.79 | \$ 30.55 | \$ 31.33 |
| Weighted square footage | 214,408 | 214,408 | 214,408 | 214,408 | 214,408 |
| Passenger airline terminal rentals | \$ 4,250,000 | \$ 4,332,000 | \$ 5,248,000 | \$ 5,382,000 | \$ 5,520,000 |

Note: Airline agreement currently being renegotiated. Rates and charges calculated per understanding with airlines.

(a) Only a portion of the debt service allocable to the Terminal is included in airline rates and charges

Exhibit F-1

APPLICATION OF CUSTOMER FACILITY CHARGE REVENUES

Oklahoma City, Will Rogers World Airport

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Historical (a) | | Forecast | | | |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| SOURCES OF CFC REVENUES | | | | | | |
| Transaction Days | 1,001,368 | 1,011,000 | 1,019,000 | 1,027,000 | 1,035,000 | 1,043,000 |
| CFC | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 |
| CFC Beginning Balance | \$ - | \$ 4,506,000 | \$ 8,349,000 | \$ 9,738,000 | \$ 9,851,000 | \$ 9,922,000 |
| CFC Revenues | <u>4,506,156</u> | <u>4,549,500</u> | <u>4,585,500</u> | <u>4,621,500</u> | <u>4,657,500</u> | <u>4,693,500</u> |
| Net CFC Balance | \$ 4,506,156 | \$ 9,055,500 | \$ 12,934,500 | \$ 14,359,500 | \$ 14,508,500 | \$ 14,615,500 |
| USES OF CFC REVENUES | | | | | | |
| Proposed 31st Series Bonds debt service | \$ - | \$ 707,000 | \$ 2,336,000 | \$ 2,954,000 | \$ 2,958,000 | \$ 2,949,000 |
| Capital Reserve Fund deposit | - | - | 200,000 | 200,000 | 200,000 | 200,000 |
| Shuttle Bus O&M | - | - | <u>661,000</u> | <u>1,355,000</u> | <u>1,429,000</u> | <u>1,522,000</u> |
| Subtotal uses of CFC revenues | \$ - | \$ 707,000 | \$ 3,197,000 | \$ 4,509,000 | \$ 4,587,000 | \$ 4,671,000 |
| Ending balance | <u>\$ 4,506,156</u> | <u>\$ 8,348,500</u> | <u>\$ 9,737,500</u> | <u>\$ 9,850,500</u> | <u>\$ 9,921,500</u> | <u>\$ 9,944,500</u> |

(a) Oklahoma City Department of Airports financial statements and records for years noted

Exhibit F-2

APPLICATION PASSENGER FACILITY CHARGE REVENUES

Oklahoma City, Will Rogers World Airport
For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Historical (a) | | Forecast | | | | |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| SOURCES OF PFC REVENUES | | | | | | | |
| Enplaned passengers | 1,824,313 | 1,845,055 | 1,882,000 | 1,910,000 | 1,938,000 | 1,969,000 | 2,000,000 |
| Passenger Facility Charge | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 | \$ 4.50 |
| Less airline collection fee | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| Net Passenger Facility Charge | \$ 4.39 | \$ 4.39 | \$ 4.39 | \$ 4.39 | \$ 4.39 | \$ 4.39 | \$ 4.39 |
| Percent of passengers paying a PFC | 89% | 88% | 88% | 88% | 88% | 88% | 88% |
| PFC Beginning Balance | \$ 6,780,464 | \$ 8,353,044 | \$ 6,754,000 | \$ 5,116,000 | \$ 3,579,000 | \$ 2,145,000 | \$ 3,831,000 |
| PFC Revenues | 7,135,127 | 7,289,812 | 7,257,000 | 7,365,000 | 7,473,000 | 7,593,000 | 7,712,000 |
| Net PFC Balance | \$ 13,915,591 | \$ 15,642,856 | \$ 14,011,000 | \$ 12,481,000 | \$ 11,052,000 | \$ 9,738,000 | \$ 11,543,000 |
| USES OF PFC REVENUES | | | | | | | |
| PFC Revenues Available for Debt Service | \$ 5,562,547 | \$ 5,885,000 | \$ 5,891,000 | \$ 5,898,000 | \$ 5,903,000 | \$ 5,907,000 | \$ 5,396,000 |
| Approved PFC Pay-as-you-go | - | 3,004,000 | 3,004,000 | 3,004,000 | 3,004,000 | - | - |
| Ending balance | <u>\$ 8,353,044</u> | <u>\$ 6,753,856</u> | <u>\$ 5,116,000</u> | <u>\$ 3,579,000</u> | <u>\$ 2,145,000</u> | <u>\$ 3,831,000</u> | <u>\$ 6,147,000</u> |

(a) Oklahoma City Department of Airports financial statements and records for years noted.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Exhibit G

COMPLIANCE WITH COVENANTS TO MAINTAIN AIRPORT RATES AND CHARGES

Oklahoma City, Will Rogers World Airport

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

| | Historical(a) | | | Budget (b) | | Forecast | | | | |
|---|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Revenues | \$ 57,572,287 | \$ 61,888,858 | \$ 61,184,230 | \$ 64,018,290 | \$ 70,436,925 | \$ 68,076,000 | \$ 65,591,000 | \$ 67,010,000 | \$ 68,289,000 | |
| Less: Separate Lease Payments | (9,885,857) | (9,885,857) | (10,173,659) | (9,040,711) | (9,040,711) | (4,520,000) | - | - | - | |
| Less: Restricted Interest Income | (505,302) | (499,940) | (499,398) | (499,000) | (499,000) | (499,000) | (1,000) | (1,000) | (1,000) | |
| Less: Fair market value on investments | (9,539) | (12,848) | (297) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | |
| Gross revenues | [A] \$ 47,171,589 | \$ 51,490,213 | \$ 50,510,877 | \$ 54,477,579 | \$ 60,896,214 | \$ 63,056,000 | \$ 65,589,000 | \$ 67,008,000 | \$ 68,287,000 | |
| Operation and Maintenance Expenses | \$ 43,328,014 | \$ 44,861,369 | \$ 45,784,628 | \$ 49,072,285 | \$ 49,042,174 | \$ 50,913,000 | \$ 52,481,000 | \$ 53,592,000 | \$ 54,739,000 | |
| Less: Depreciation | (20,514,004) | (21,571,778) | (21,238,540) | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) | (21,230,000) | |
| Less: Adjustments | (84,654) | (199,409) | (83,154) | (120,000) | (120,000) | (120,000) | (120,000) | (120,000) | (120,000) | |
| | [B] \$ 22,729,356 | \$ 23,090,182 | \$ 24,462,934 | \$ 27,722,285 | \$ 27,692,174 | \$ 29,563,000 | \$ 31,131,000 | \$ 32,242,000 | \$ 33,389,000 | |
| Net revenues | [C=A-B] \$ 24,442,233 | \$ 28,400,031 | \$ 26,047,942 | \$ 26,755,294 | \$ 33,204,040 | \$ 33,493,000 | \$ 34,458,000 | \$ 34,766,000 | \$ 34,898,000 | |
| Senior Lien Coverage | | | | | | | | | | |
| Senior Lien Debt Service | \$ 6,345,286 | \$ 5,468,770 | \$ 4,971,480 | \$ 4,961,000 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Bank fees | 2,165 | 2,000 | 2,000 | 2,000 | - | - | - | - | - | |
| | [D] \$ 6,347,451 | \$ 5,470,770 | \$ 4,973,480 | \$ 4,963,000 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Gross Senior Lien Coverage | [A/D] | 7.43 | 9.41 | 10.16 | 10.98 | - | - | - | - | |
| Net Senior Lien Coverage | [B/D] | 3.85 | 5.19 | 5.24 | 5.39 | - | - | - | - | |
| Junior Lien Coverage | | | | | | | | | | |
| Gross revenues | \$ 47,171,589 | \$ 51,490,213 | \$ 50,510,877 | \$ 54,477,579 | \$ 60,896,214 | \$ 63,056,000 | \$ 65,589,000 | \$ 67,008,000 | \$ 68,287,000 | |
| Less: Senior Lien Debt Service | (6,347,451) | (5,470,770) | (4,973,480) | (4,963,000) | - | - | - | - | - | |
| Plus: PFC Revenues Available for Debt Service | 4,315,968 | 5,879,865 | 5,562,547 | 5,885,000 | 5,891,000 | 5,898,000 | 5,903,000 | 5,907,000 | 5,396,000 | |
| | [E] \$ 45,140,106 | \$ 51,899,308 | \$ 51,099,944 | \$ 55,399,579 | \$ 66,787,214 | \$ 68,954,000 | \$ 71,492,000 | \$ 72,915,000 | \$ 73,683,000 | |
| Net revenues | \$ 24,442,233 | \$ 28,400,031 | \$ 26,047,942 | \$ 26,755,294 | \$ 33,204,040 | \$ 33,493,000 | \$ 34,458,000 | \$ 34,766,000 | \$ 34,898,000 | |
| Less: Senior Lien Debt Service | (6,347,451) | (5,470,770) | (4,973,480) | (4,963,000) | - | - | - | - | - | |
| Plus: PFC Revenues Available for Debt Service | 4,315,968 | 5,879,865 | 5,562,547 | 5,885,000 | 5,891,000 | 5,898,000 | 5,903,000 | 5,907,000 | 5,396,000 | |
| | [F] \$ 22,410,750 | \$ 28,809,126 | \$ 26,637,009 | \$ 27,677,294 | \$ 39,095,040 | \$ 39,391,000 | \$ 40,361,000 | \$ 40,673,000 | \$ 40,294,000 | |
| Junior Lien Debt Service | \$ 11,853,301 | \$ 11,461,783 | \$ 10,104,054 | \$ 10,555,000 | \$ 10,437,000 | \$ 11,915,000 | \$ 12,385,000 | \$ 12,386,000 | \$ 11,705,000 | |
| Bank fees | 14,862 | 62,574 | 11,993 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | |
| | [G] \$ 11,868,163 | \$ 11,524,357 | \$ 10,116,047 | \$ 10,575,000 | \$ 10,457,000 | \$ 11,935,000 | \$ 12,405,000 | \$ 12,406,000 | \$ 11,725,000 | |
| Gross Junior Lien Coverage | [E/G] | 3.80 | 4.50 | 5.05 | 5.24 | 6.39 | 5.78 | 5.76 | 5.88 | 6.28 |
| Net Junior Lien Coverage | [F/G] | 1.89 | 2.50 | 2.63 | 2.62 | 3.74 | 3.30 | 3.25 | 3.28 | 3.44 |

(a) Oklahoma City Department of Airports financial statements and records for years noted

(b) Estimates and budget for years noted provided by City of Oklahoma City

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE OKLAHOMA CITY DEPARTMENT OF AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2012**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

The background of the cover features a photograph of an airplane's tail and a control tower at an airport. The image is overlaid with a grid of small white dots. The image is divided into three vertical color bands: red on the left, blue in the center, and green on the right.

COMPREHENSIVE ANNUAL

**FINANCIAL
REPORT**

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

TABLE OF CONTENTS

| INTRODUCTORY SECTION | PAGE |
|---|------|
| Letter of Transmittal | 1 |
| Organization Chart | 6 |
| Principal Officials | 7 |
| Certificate of Achievement | 8 |
| FINANCIAL SECTION | |
| Independent Accountants' Report on Financial Statements and Supplementary Information | 9 |
| Management's Discussion and Analysis | 11 |
| Basic Financial Statements: | |
| Department-wide Financial Statements: | |
| Statement of Net Assets - June 30, 2012 with summarized comparative information for June 30, 2011 | 18 |
| Statement of Revenues, Expenses, and Change in Net Assets - Year Ended June 30, 2012 with summarized comparative information for 2011 | 21 |
| Statement of Cash Flows - Year Ended June 30, 2012 with summarized comparative information for 2011 | 22 |
| Notes to Financial Statements | 24 |
| Required Supplementary Information | 45 |
| Budget Versus Actual Schedule | |
| Airports Fund Schedule of Revenues, Expenditures, Encumbrances, and Change in Fund Balance - Year Ended June 30, 2012 | 48 |
| STATISTICAL SECTION | |
| Net Assets and Changes in Net Assets | 52 |
| Changes in Cash and Cash Equivalents | 54 |
| Revenue Sources | 56 |
| Principal Revenue Sources | 58 |
| Schedule of Bond Debt Service Coverage | 60 |
| Debt Ratios | 62 |
| Summary Schedule of Debt Service Requirements | 64 |
| Primary Origin and Destination Passenger Markets | 65 |
| Will Rogers World Airport and Wiley Post Airport Summarized Statistics | 66 |
| Will Rogers World Airport Aircraft Landings by Passenger Airline | 68 |
| Will Rogers World Airport Passenger Traffic by Airline | 70 |
| Will Rogers World Airport Landed Weights by Passenger Airline | 72 |
| Will Rogers World Airport Average Monthly Activity by Passenger Airline | 74 |
| Top Employers and Major Tenants | 75 |
| Department Employees | 76 |
| Will Rogers World Airport Capital Asset Information | 77 |



INTRODUCTORY SECTION

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

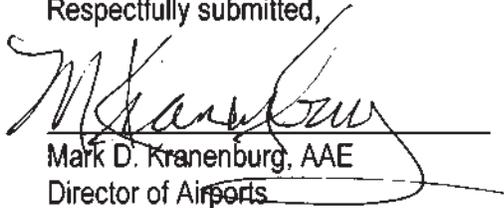
Transmittal Letter

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

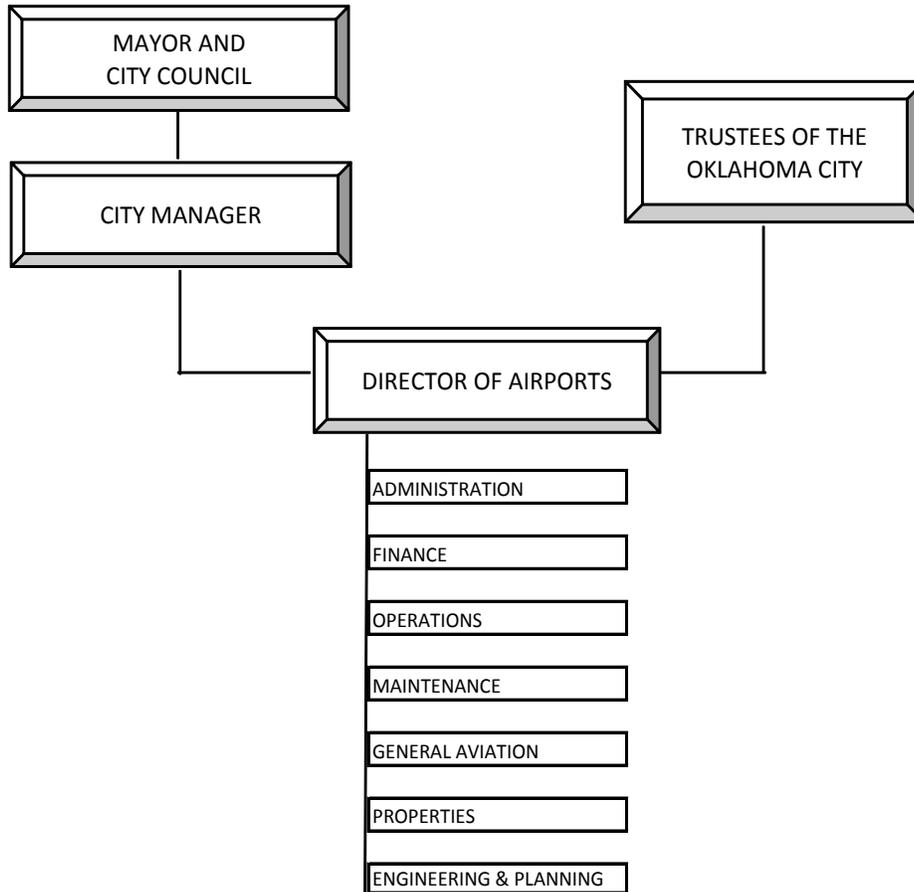

Kim Sotomayor, MSA
Business Manager

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. Enos

Executive Director



FINANCIAL SECTION

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 |
| Assets: | | | | | | | |
| 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 |
| Liabilities: | | | | | | | |
| 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) |
| Net assets: | | | | | | | |
| 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 |
| Operating revenues: | | | | | | | |
| 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> |
| Nonoperating revenues: | | | | | | | |
| 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> |
| Operating expenses | | | | | | | |
| 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> |
| Nonoperating expenses: | | | | | | | |
| 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:

| | Moody's | S&P | Fitch | Insured |
|--|---------------------|---------------------|---------------------|--------------------------|
| | <u>(Underlying)</u> | <u>(Unenhanced)</u> | <u>(Unenhanced)</u> | <u>(Moody's\S&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 |
| Total current assets | 111,688,585 | 2,520,676 | 114,209,261 | 115,140,790 |
| 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 |
| Total noncurrent assets | 419,638,987 | 18,774,127 | 438,413,114 | 434,050,430 |
| Total assets | \$ 531,327,572 | \$ 21,294,803 | \$ 552,622,375 | \$ 549,191,220 |

(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 |
| Total current liabilities | 27,384,011 | 920,716 | 28,304,727 | 25,867,251 |
| 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 |
| Total noncurrent liabilities | 97,106,620 | 2,319,975 | 99,426,595 | 119,010,072 |
| Total liabilities | 124,490,631 | 3,240,691 | 127,731,322 | 144,877,323 |
| NET ASSETS | | | | |
| 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 |
| Total net assets | \$ 406,836,941 | \$ 18,054,112 | \$ 424,891,053 | \$ 404,313,897 |

See accompanying notes to financial statements

(This page intentionally left blank)

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> |
|--|--|--------------------------|---------------------|---------------------|
| | OKLAHOMA CITY AIRPORT TRUST | AIRPORTS FUND | TOTAL | TOTAL |
| 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)

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

| | 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

June 30, 2012

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

June 30, 2012

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.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2012

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

June 30, 2012

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

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2012

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

June 30, 2012

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:

| Type of Investment | Fair Value/ | | Rating (1) | Weighted Average Days to Maturity |
|---------------------------------|-----------------------|----------------------|-------------------|--|
| | Carrying Value | Cost | | |
| 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 |
| Total Investments | \$121,374,968 | \$120,948,811 | | |

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

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

| Type of Investment | Fair Value/ | | Rating (1) | Weighted Average Days to Maturity |
|---------------------------------|-----------------------|----------------------|-------------------|--|
| | Carrying Value | Cost | | |
| 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 |
| Total Investments | \$122,277,284 | \$121,882,405 | | |

(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:

| Type of City Pooled Investments | Fair Value/ | | Rating (1) | Weighted Average Months to Maturity |
|--|-----------------------|----------------------|-------------------|--|
| | Carrying Value | Cost | | |
| 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 |
| Total pooled investments | \$544,083,000 | \$546,039,000 | | |

(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:

| Type of City Pooled Investments | Fair Value/ | | Rating (1) | Weighted Average Months to Maturity |
|--|-----------------------|----------------------|-------------------|--|
| | Carrying Value | Cost | | |
| 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 |
| Total pooled investments | \$407,426,000 | \$408,979,000 | | |

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

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2012

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:

| | Balance | | | | Balance | | |
|---|-----------------------|------------------------|-----------------------|----|-----------------------|--|--|
| Depreciable capital assets | July 1, 2011 | Increases | Decreases | | June 30, 2012 | | |
| 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> | | |
| Nondepreciable capital assets | | | | | | | |
| 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:

| | Balance | | | | Balance | | |
|---|-----------------------|-----------------------|--------------------|----|-----------------------|--|--|
| Depreciable capital assets | July 1, 2010 | Increases | Decreases | | June 30, 2011 | | |
| 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> | | |
| Nondepreciable capital assets | | | | | | | |
| 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

June 30, 2012

5. LIABILITIES

Compensated Absences

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

| | Balance | | | Balance | Due |
|----------------------|---------------------|------------------|------------------|----------------------|-----------------|
| | July 1, 2011 | Increases | Decreases | June 30, 2012 | Within |
| | | | | | One Year |
| 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.

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Notes to Financial Statements

June 30, 2012

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 |
|-----------------------------------|-------------------------|-------------|----------------------|--------------------------|---------------------------|
| Senior Lien Bonds: | | | | | |
| 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> |
| Junior Lien Bonds: | | | | | |
| 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> |
| Separate Lease Bonds: | | | | | |
| 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 |
|------------------------------|------------------------------|------------------|---------------|---------------------------|
| Senior Lien Bonds: | | | | |
| 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 |
| Junior Lien Bonds: | | | | |
| 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 |
| Separate Lease Bonds: | | | | |
| 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:

| | OPEB Trust | Airports Fund Share |
|--|----------------------------|--------------------------------|
| 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).

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|--------------------------|-------------------------|-------------------------------|---|----------------------------|
| 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.

(This page intentionally left blank)

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Required Supplementary Information

June 30, 2012

OKLAHOMA CITY EMPLOYEE RETIREMENT SYSTEM

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) entry age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---------------------------------|----------------------------------|--|----------------------------|---------------------|------------------------|--|
| 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

| Fiscal Year | Annual Required Contribution | Percentage Contributed |
|--------------------|-------------------------------------|-------------------------------|
| 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

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|--|--|------------------------------------|-------------------------|----------------------------|--|
| 7/1/2011 | \$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

| Fiscal Year | Employer Contributions | Annual Required Contributions | Percentage Contributed |
|------------------------|-----------------------------------|--|-----------------------------------|
| 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



BUDGET VERSUS ACTUAL **SCHEDULE**

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

(This page intentionally left blank)

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 |
|--|---------------------|------------------|---------------------|
| REVENUES | | | |
| 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> |
| EXPENDITURES AND ENCUMBRANCES | | | |
| 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) |
| OTHER FINANCING SOURCES | | | |
| 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) |
| | | <u>-</u> | <u>(24,741)</u> |
| | | <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> | |

(This page intentionally left blank)



STATISTICAL SECTION (UNAUDITED)

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

FINANCIAL TRENDS—

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

REVENUE CAPACITY—

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

DEBT CAPACITY—

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

DEMOGRAPHIC AND ECONOMIC INFORMATION—

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

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.

(This page intentionally left blank)

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 |
| Total operating revenues | <u>57,263,289</u> | <u>57,271,471</u> | <u>53,497,989</u> | <u>51,711,472</u> |
| 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 | - |
| Total nonoperating revenues | <u>11,131,851</u> | <u>11,669,132</u> | <u>9,245,210</u> | <u>9,202,038</u> |
| Total Revenues | <u>68,395,140</u> | <u>68,940,603</u> | <u>62,743,199</u> | <u>60,913,510</u> |
| 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 |
| Total operating expenses | <u>45,785,394</u> | <u>44,861,369</u> | <u>43,328,014</u> | <u>42,362,655</u> |
| 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 |
| Total nonoperating expenses | <u>6,665,462</u> | <u>8,542,387</u> | <u>9,493,456</u> | <u>10,637,684</u> |
| Total Expenses | <u>52,450,856</u> | <u>53,403,756</u> | <u>52,821,470</u> | <u>53,000,339</u> |
| 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 |
| Increase in Net Assets | <u>\$ 20,577,156</u> | <u>\$ 21,340,898</u> | <u>\$ 18,829,067</u> | <u>\$ 16,828,468</u> |
| Net Assets at Year-End | | | | |
| 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 |
| Total Net Assets | <u>\$ 424,891,053</u> | <u>\$ 404,313,897</u> | <u>\$ 382,972,999</u> | <u>\$ 364,143,932</u> |

| | 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> |
| <p>(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.</p> | | | | |
| (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% |
| <p>(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.</p> | | | | |
| (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 |
| <p>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.</p> | | | | |
| <p>(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.</p> | | | | |
| (6) PFC revenue per enplaned passenger | \$3.95 | \$4.04 | \$3.05 | \$2.59 |
| <p>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.</p> | | | | |
| (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 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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 |
|--|----------------|----------------|----------------|
| Junior Lien (JL) Bonds - Passenger Use Facilities: | | | |
| 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 |
| Junior Lien Bonds - Other Facilities: | | | |
| 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% |
| Senior Lien Bonds - Mike Monroney Aeronautical Center | | | |
| Percentage of Total Outstanding Debt | 4.2% | 7.1% | 9.2% |
| Percentage rentals to outstanding debt (3) | 100.0% | 100.0% | 100.0% |
| Total Junior and Senior Lien Bonds | \$ 84,975,000 | \$ 96,000,000 | \$ 111,340,000 |
| Total Debt per Enplaned Passenger | \$46.58 | \$54.91 | \$65.72 |
| Separate Lease Bonds | | | |
| Percentage of Total Outstanding Debt | 25.2% | 26.9% | 27.2% |
| Percentage rentals to outstanding debt (4) | 100.0% | 100.0% | 100.0% |
| Total Outstanding Debt | \$ 113,570,000 | \$ 131,310,000 | \$ 152,935,000 |

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

| Fiscal Year End | Senior Lien Requirements | Junior Lien Requirements | Total Senior and Junior Lien Requirements | Separate Lease Revenue Bonds Requirements |
|----------------------------|-------------------------------------|-------------------------------------|--|--|
| 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

| Will Rogers World Airport | 2012 | Percent | 2011 | Percent | 2010 |
|--|-------------------|-----------------|-------------------|-----------------|-------------------|
| Aircraft Operations (1) | | | | | |
| 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%) |
| Passenger Traffic | | | | | |
| 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%) |
| Freight and Mail (in pounds) | | | | | |
| 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%) |
| Landed Weights (in thousand pounds) | | | | | |
| 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%) |
| Wiley Post Airport | | | | | |
| Aircraft Operations (1) | | | | | |
| 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

| Passenger Airline Landings | 2012 | Percent | 2011 | Percent | 2010 |
|---|---------------|-----------------|---------------|-----------------|---------------|
| 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 |
| Total passenger airline landings | 26,148 | 100.00 % | 25,589 | 100.00 % | 25,653 |
| 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

| Enplaned Passengers | 2012 | Percent | 2011 | Percent | 2010 |
|----------------------------------|------------------|-----------------|------------------|-----------------|------------------|
| 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 |
| Total enplaned passengers | 1,824,313 | 100.00 % | 1,748,379 | 100.00 % | 1,694,060 |
| Deplaned Passengers (1) | 1,827,530 | | 1,754,495 | | 1,699,994 |
| Total Passengers | 3,651,843 | | 3,502,874 | | 3,394,054 |
| 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% |

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| - | - | - | 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

| Airline | Average Number of Passengers Deplaning Monthly | Average Landed Weight Monthly In Thousand Lbs. | Average Number of Daily Flights Into Oklahoma City |
|-----------------|---|---|---|
| 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 | - |
| Totals | <u>155,617</u> | <u>194,384</u> | <u>71</u> |

| Airline | Average Number of Passengers Boarding Monthly | Average Freight Poundage Shipped Monthly Out of Oklahoma City | Number of Months In Service During Fiscal Year |
|-----------------|--|--|---|
| 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 |
| Totals | <u>155,357</u> | <u>34,280</u> | |

Source: Department of Airports Activity Reports

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

Top Employers in the Primary Air Trade Area
Current Year and Nine Years Ago

| 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 | - | - | - |
| Totals | 185,870 | | 32.26 % | 166,210 | | 31.23 % |

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*

| Division | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| 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> |

| Division | 2007 | 2006 | 2005 | 2004 | 2003 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| 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*

| | | | |
|------------------------------|---|-------------------------------|-------------------------|
| Location: | 8 miles southwest of downtown Oklahoma City, the capital of the State of Oklahoma | | |
| Area: | 7,956 acres | | |
| Elevation: | 1,295 ft. | | |
| Airport Code: | KOKC | | |
| Runways: | 17L/35R | North/South | 9,800 x 150 ft. ILS/VOR |
| | 17R/35L | North/South | 9,800 x 150 ft. ILS/VOR |
| | 13/31 | Northwest/Southeast | 7,800 x 150 ft. VOR |
| Terminal: | Airlines | | 191,065 sq. ft |
| | Tenants | | 35,720 sq. ft |
| | Public/common | | 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 |
| Apron: | Commercial Airlines | | 3,302,580 sq. ft |
| | FBO | | 1,456,203 sq. ft |
| Parking: | Garage | | 2,733 |
| | Short-term | | 285 |
| | Long-term | | 4,241 |
| | Rental Cars | | 378 |
| | Employees | | 432 |
| | | Total Parking Spaces | <u>8,069</u> |
| Cargo: | Air Cargo Building | | 55,295 sq. ft |
| | Air Cargo Annex | | 16,220 sq. ft |
| | U.S. Post Office | | 36,467 sq. ft |
| International: | N/A | | |
| Tower: | TRACON 24/7 - 365 | | |
| Fixed Base Operators: | AAR Aircraft Services Atlantic Aviation | | |

Source: Department of Airports Planning and Development Division.

APPENDIX C

INFORMATION CONCERNING THE CITY OF OKLAHOMA CITY

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

**DEMOGRAPHIC AND ECONOMIC INFORMATION
CONCERNING THE CITY OF OKLAHOMA CITY**

AREA AND POPULATION

Historically, the City has pursued a policy of annexation, and is one of the largest cities in land area in the United States with a total area of approximately 621 square miles. The City had a 2012 estimated population of 598,350. With a six county Metropolitan Statistical Area (MSA) of approximately 1.23 million, Oklahoma City ranks 30th in the nation based on 2012 Census estimates.

**Table A-1
City, MSA, and State
Population Estimates**

| | <u>Oklahoma City</u> | <u>Oklahoma City MSA</u> | <u>State of Oklahoma</u> |
|------|----------------------|--------------------------|--------------------------|
| 1960 | 324,253 | 584,721 | 2,328,284 |
| 1970 | 368,856 | 717,825 | 2,559,463 |
| 1980 | 403,891 | 860,969 | 3,025,487 |
| 1990 | 445,500 | 960,538 | 3,148,825 |
| 2000 | 507,579 | 1,085,282 | 3,453,250 |
| 2001 | 513,666 | 1,092,342 | 3,460,097 |
| 2002 | 521,464 | 1,106,200 | 3,486,200 |
| 2003 | 527,416 | 1,117,260 | 3,511,532 |
| 2004 | 531,758 | 1,140,300 | 3,499,937 |
| 2005 | 538,095 | 1,144,400 | 3,516,552 |
| 2006 | 546,407 | 1,169,600 | 3,535,926 |
| 2007 | 554,668 | 1,188,000 | 3,577,536 |
| 2008 | 562,004 | 1,200,000 | 3,617,316 |
| 2009 | 571,910 | 1,215,441 | 3,642,361 |
| 2010 | 582,352 | 1,246,630 | 3,751,351 |
| 2011 | 589,655 | 1,264,850 | 3,779,200 |
| 2012 | 598,350 | 1,279,212 | 3,802,027 |

Source: U.S. Bureau of Census, Oklahoma Employment Security Commission, Research Department, the City of Oklahoma City, and Oklahoma Department of Commerce.

TRANSPORTATION

The City is served by Interstate Highways 35, 40, 44, 235, and 240. Freight railroad transport is provided by three major railway lines; it is the headquarters for several motor freight lines, and bus service is provided by the major passenger carriers.

Will Rogers World Airport is a major airport classed by the Federal Aviation Administration (FAA) as a small hub, multi-purpose airport with runways and facilities capable of handling all present operating aircraft. Will Rogers handled approximately 3.65 million passengers in Fiscal Year 2012 with five major airlines providing service to every part of the United States. The City also operates two general aviation airports, Wiley Post and Clarence E. Page.

DOWNTOWN REVITALIZATION

In December 1993, the voters of Oklahoma City approved a one cent, five year temporary sales tax to fund a visionary and comprehensive package of nine public facility upgrades and new construction. The projects were selected to stimulate the revitalization of downtown, promote tourism and improve the quality of life in Oklahoma City. Construction is complete on all of the projects which include the AT&T Bricktown Ballpark, the Bricktown Canal, the Cox Business Services Convention Center expansion, Civic Center Music Hall, the Chesapeake Energy Arena, improvements at the Fairgrounds, a new Downtown Library/Learning Center and river dams.

These projects have created new private investment in downtown Oklahoma City evidenced by the construction of a new Marriott Renaissance Hotel Downtown, a Marriott Courtyard Hotel and the redevelopment of the Colcord Hotel.

In addition, the Sheraton Hotel, which was the only downtown hotel in times past, has received an extensive renovation. Two additional hotels came online during 2007. The 225 room Skirvin Hilton Hotel and the 150 room Residence Inn bring the total number of rooms in downtown to more than 1,400. In addition, a Hampton Inn has been constructed just beyond the centerfield fence of the AT&T Bricktown Ballpark. With Bass Pro Shops as the anchor tenant in the Bricktown area, entertainment venues such as the Harkins Theater, Toby Keith's I Love this Bar and Grill and other restaurants and retail attractions are now a part of Bricktown.

"Project 180" is a four-year, \$176.4 million redesign of downtown streets, sidewalks, parks and plazas to improve appearance and make the central core more pedestrian friendly. Plans call of the addition of landscaping, public art, marked bike lanes, decorative street lighting, on-street parking spaces and a few electric car recharging stations, including a restoration of the Myriad Botanical Gardens. Construction is scheduled to be completed by January 2014. The improvements are being paid for through Tax Increment Financing from Increment District #8 resulting from construction of the Devon Tower (\$121.5 million), General Obligation Bonds passed in the 2007 bond election (\$39.5 million), funds provided by the Oklahoma City Water Utilities Trust (\$11.7 million), and grants, donations and other sources (\$3.7 million).

A recent report commissioned by the Greater Oklahoma City Chamber of Commerce estimated that the Metropolitan Area Projects (MAPS) program stimulated approximately \$2 billion in private and public investment in Bricktown and Downtown. New residential and mixed use developments are now completed or underway including the construction of 300 for rent apartments at Legacy at Arts Quarter, several hundred for sale residential units north of Bricktown, and the renovation and conversion to residential of office buildings in the core of downtown.

METROPOLITAN AREA PUBLIC SCHOOLS (MAPS) FOR KIDS

MAPS for Kids is an innovative partnership between the City of Oklahoma City and surrounding school districts. Based on the successful MAPS program, MAPS for Kids seeks to restore discipline to the classroom, improve student performance, rebuild and renovate school buildings, and make sure that citizens get the most from their school tax dollars. A trust appointed by the City Council and the Oklahoma City Public Schools Board will oversee the proceeds of a dedicated sales tax and bond issue approved by Oklahoma City residents on November 13, 2001. The dedicated sales tax was collected for 7 years.

An estimated \$512 million in sales tax was collected for capital improvements in 24 school districts that overlap Oklahoma City limits. Oklahoma City schools will also receive an additional \$180 million from the approved school district bond issue.

Through a pro-active partnership with other governmental agencies, the private sector and concerned citizens, Oklahoma City has positioned itself to make tangible improvements in education and to improve the public perception of the school system. Ultimately, these long-range efforts are intended to increase the attractiveness of the inner-city core as a desirable place for families to live and raise their children.

SPORTS FACILITIES SALES TAX

Voters approved the Sports Facilities Sales Tax in March 2008 funding improvements needed at the Chesapeake Energy Arena and construction of a new NBA practice facility to allow the City to serve a new NBA franchise. This one penny dedicated Sales Tax took effect January 1, 2009, and expired in March of 2010. The City Council established the Oklahoma City Sports Facilities Oversight Board to monitor, review and make recommendations to the Council concerning the Sports Facilities projects.

The City and the OKC Thunder agreed to the Sports Facilities projects for construction of a new NBA practice facility, improvements at the Oklahoma City Arena, and the relocation of the I-40/Robinson Avenue off-ramp. Improvements at the Oklahoma City Arena include: a new grand entrance and multistory atrium, first class restaurants and clubs on every level, upgraded concessions areas, new finishes on the floors and walls in the main concourse, rooftop gardens with skyline views on the second and third levels, 12,000 square-foot family activity center, team offices, new locker rooms, and a new training facility.

METROPOLITAN AREA PROJECTS 3 (MAPS3)

At an election held on December 8, 2009, voters approved the MAPS3 Sales Tax. This tax will fund eight projects and is estimated to raise \$777 million. A citizen oversight board will be appointed to review financing and make recommendations to the City Council. The approved projects include: the purchase of a new, approximately 70 acre park, a rail-based transit package, a new downtown convention center, more than 70 miles of sidewalks throughout the City, more than 50 miles of new trails, improvements to the Oklahoma River and construction of a new whitewater course, four health and wellness aquatic centers for seniors, and improvements to the Oklahoma State Fairgrounds. This one cent dedicated Sales Tax took effect on April 1, 2010, one day after the expiration of the Sports Facilities Tax, and will last for seven years and nine months. City Council approved a sidewalk master plan (PDF) report on October 28, 2012, that prioritizes where MAPS 3 sidewalks should be located based on criteria set by the project's citizen subcommittee.

CULTURAL, EDUCATIONAL, AND HEALTH FACILITIES

The City is a regional cultural and art center. The Oklahoma Art Center, Ballet Oklahoma, the Stage Center, and the Arts Council of Oklahoma City host renowned artists each year and provide opportunities for local musicians and artists. The Oklahoma City Philharmonic Orchestra performs in Oklahoma City and tours other communities each season.

The City has 143 public parks that provide playgrounds, community recreation centers, gymnasiums, tennis, golf, and nature gardens. Other attractions include the Zoo with more than 2,000 animals, the National Cowboy and Western Heritage Museum, the Omniplex which features scientific museums, the National Softball Hall of Fame, the Oklahoma Firefighters Museum, and the 45th Infantry Division Museum.

There are several major institutions of higher learning in the metropolitan area including Oklahoma City University, the University of Oklahoma at Norman, the University of Oklahoma School of Medicine, the University of Central Oklahoma in Edmond, Oklahoma Baptist University in Shawnee, Southern Nazarene University, Oklahoma Christian University of Science and Arts, Oklahoma City Community College, and Rose State College. There are also many business and technical schools in the area.

The City is a regional center for health care. The Oklahoma Health Sciences Center is located in a 200-acre complex near downtown which includes: the University of Oklahoma School of Medicine, Oklahoma Memorial Hospital, University Medical Research Foundation, Columbia Presbyterian Hospital, Oklahoma Children's Memorial Hospital, the Veterans Administration Hospital, the State Department of Health, and the State Department of Human Services. Other hospitals located in the City include: Baptist Medical Center of Oklahoma, Mercy Health Center, St. Anthony Hospital, Southwest Medical Center, Deaconess Hospital, and Hillcrest Health Center.

EMPLOYMENT

The relative stability of the economy is derived from the diversity of its economic base. Declines in energy production from the boom of the early 1980's have been offset by increases in the service sector, mirroring national economic trends. Oklahoma City is the home of Chesapeake Energy and Devon Energy Corporation's headquarters as well as many other energy related companies. Manufacturing of communications equipment, computers, electronics, oil and gas well supplies and equipment accounts for much of the area's industrial activity. The City is a major market for the State's livestock industry with major processing plants for both livestock and agricultural products. In addition, Oklahoma City is a regional center for health care services, including two federal medical institutions. There are approximately 67,430 employees involved in providing health care services in the metropolitan area. Other major private sector employers in the area include Hertz, AT&T and Dell. There are in excess of 90 private employers in the metropolitan area who each employ over 250 persons involved in manufacturing, retail, and services. Along with the private sector employment, the City has several major governmental employers. The Federal, State, County, and City governments are all major employers. As the capital city of Oklahoma, the City is the home to numerous state agencies and over 42,375 state employees. Tinker Air Force Base and the Oklahoma City Air Logistics Center, located in the southeast part of the City, have approximately 27,000 total civilian and military employees. The Federal Aviation Administration's Mike Monroney Aeronautical Center is located in the City at Will Rogers World Airport which is in the southwest part of the City. This Center has approximately 7,500 employees.

Table A-2
Oklahoma City MSA
Annual Average Non-Agricultural Employment

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Natural Resources & Mining | 18,650 | 16,970 | 14,270 | 13,540 | 16,030 |
| Construction | 24,080 | 25,730 | 25,190 | 25,780 | 27,650 |
| Manufacturing | 34,580 | 32,460 | 31,010 | 32,520 | 36,990 |
| Trade, Transportation & Utilities | 105,810 | 99,960 | 97,200 | 97,510 | 100,710 |
| Information | 9,530 | 9,990 | 10,480 | 11,730 | 12,580 |
| Financial Activities | 33,600 | 32,420 | 32,750 | 33,240 | 34,180 |
| Professional & Business Services | 78,920 | 73,050 | 70,580 | 69,390 | 74,850 |
| Education & Health Services | 77,750 | 78,300 | 76,560 | 76,280 | 75,580 |
| Leisure & Hospitality | 62,010 | 59,430 | 57,590 | 57,560 | 57,070 |
| Other Services | 22,560 | 22,690 | 22,690 | 23,320 | 23,850 |
| Government | <u>118,580</u> | <u>118,650</u> | <u>120,170</u> | <u>118,910</u> | <u>116,590</u> |
| Total Non-agricultural | <u>586,070</u> | <u>569,650</u> | <u>558,490</u> | <u>559,780</u> | <u>576,080</u> |

Source: OCU Steven C. Agee Economic Research and Policy Institute.

Table A-3
Oklahoma City MSA
Major Employers - Private and Public
Oklahoma City Metropolitan Area
Estimated Number of Employees (1)

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <u>Employer (2)</u> | | | | | |
| FAA Aeronautical Center | 7,500 | 7,000 | 7,000 | 5,600 | 5,600 |
| INTEGRIS Baptist Medical Center (3) | 6,025 | 9,200 | 9,200 | 9,200 | 7,000 |
| Oklahoma University Health Science Center | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 |
| Chesapeake Energy Corporation | 4,000 | 3,000 | 3,000 | 3,000 | 2,800 |
| Hobby Lobby Stores Inc. | 4,000 | 2,500 | 2,500 | 2,500 | - |
| Oklahoma Gas & Electric | 3,450 | 3,450 | 3,450 | 3,400 | 3,123 |
| Mercy Health System of OK | 3,450 | - | - | - | - |
| AT&T | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| SSM Health Care of Oklahoma, Inc. | 2,900 | 2,750 | 2,750 | 2,600 | 1,500 |
| Devon Energy Corporation | 2,600 | 2,600 | 2,600 | 2,600 | 1,700 |
| <u>Government (2)</u> | | | | | |
| Federal | 28,038 | 26,300 | 26,300 | 25,858 | 27,100 |
| State | 42,315 | 41,000 | 41,000 | 41,875 | 41,388 |
| Local | 47,692 | 49,200 | 49,200 | 49,316 | 50,695 |
| Tinker Air Force Base | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |

(1) Information on employers is revised annually to provide the ten largest employers for the current year regardless of employment in prior years reported. Therefore, prior years may have no employment reported for some employers. This is not an indication of their prior year employment status. Information was provided by the Greater OKC Chamber and the Center for Applied Economic Research - Oklahoma State University (government employers).

(2) Information includes civilian and non-civilian combined.

(3) Includes INTEGRIS Baptist Medical Center and INTEGRIS Southwest Medical Center of Oklahoma.

UNEMPLOYMENT

The Oklahoma City MSA has consistently maintained a lower unemployment rate over the past ten years than the State of Oklahoma and the United States.

Table A-4
Oklahoma City MSA
Average Annual Unemployment
As a Percent of Labor Force

| <u>Year</u> | <u>Oklahoma City MSA</u> | <u>State of Oklahoma</u> | <u>United States</u> |
|-------------|--------------------------|--------------------------|----------------------|
| 2003 | 4.7 | 4.8 | 6.0 |
| 2004 | 4.5 | 4.6 | 5.5 |
| 2005 | 4.4 | 4.5 | 5.1 |
| 2006 | 4.1 | 4.0 | 4.6 |
| 2007 | 4.6 | 4.2 | 4.6 |
| 2008 | 4.0 | 4.2 | 5.8 |
| 2009 | 5.9 | 7.1 | 10.2 |
| 2010 | 6.2 | 6.9 | 9.4 |
| 2011 | 5.6 | 6.0 | 8.3 |
| 2012 | 4.9 (1) | 5.7 (1) | 7.9 (1) |

(1) As of Fall 2012.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

BUILDING ACTIVITY AND PROPERTY

Residential building activity and commercial building activity are summarized for the past ten years.

Table A-5
City of Oklahoma City
Building Activity

| <u>Year</u> | <u>Commercial</u> | | <u>Residential</u> | |
|-------------|-----------------------------|------------------|-----------------------------|------------------|
| | <u>Construction Permits</u> | <u>Costs (1)</u> | <u>Construction Permits</u> | <u>Costs (1)</u> |
| 2003 | 1,698 | \$ 351,988 | 6,303 | \$ 514,553 |
| 2004 | 1,906 | 1,215,649 | 7,014 | 613,353 |
| 2005 | 1,817 | 1,050,568 | 7,242 | 692,535 |
| 2006 | 1,850 | 532,307 | 7,301 | 839,103 |
| 2007 | 1,854 | 3,471,090 | 5,559 | 1,047,628 |
| 2008 | 1,798 | 1,972,096 | 4,562 | 1,496,917 |
| 2009 | 1,694 | 2,193,309 | 4,067 | 1,312,066 |
| 2010 | 1,477 | 957,370 | 2,594 | 444,209 |
| 2011 | 1,704 | 862,599 | 4,678 | 526,286 |
| 2012 | 1,688 | 683,541 | 6,984 | 587,053 |

(1) Dollars in thousands.

Source: The source of this information is the Oklahoma City Public Works Department annual building permits reports.

INCOME AND RETAIL SALES

The trends of per capita income and median household effective buying income (EBI) for Oklahoma County and retail sales for the Oklahoma City MSA are presented in the tables below.

Table A-6
Median Effective Buying Income and Per Capita Income

| <u>Year</u> | Oklahoma County Household <u>Median EBI</u> (1) | MSA Per Capita <u>Income</u> (2) |
|-------------|--|-------------------------------------|
| 2003 | \$32,362 | \$29,172 |
| 2004 | 33,687 | 31,322 |
| 2005 | 34,769 | 33,120 |
| 2006 | 34,315 | 36,357 |
| 2007 | 34,607 | 37,125 |
| 2008 | 35,121 | 40,677 |
| 2009 | 36,420 | 36,487 |
| 2010 | 37,692 | 37,761 |
| 2011 | 35,366 | 40,002 |
| 2012 | 35,166 | 40,822 |

(1) Sales and Marketing Management, "Survey of Buyer Power" and U.S. Bureau of Economic Analysis.

(2) OCU Steven C. Agee Economic Research and Policy Institute.

Table A-7
Oklahoma City MSA
Per Capita Retail Sales and Retail Trade

| <u>Year</u> | Per Capita <u>Retail Sales</u> | Retail Trade <u>(in \$000)</u> |
|-------------|-----------------------------------|-----------------------------------|
| 2003 | \$ 8,341 | \$ 9,008,687 |
| 2004 | 13,392 | 15,270,349 |
| 2005 | 14,452 | 16,631,381 |
| 2006 | 14,855 | 17,257,901 |
| 2007 | 15,697 | 18,450,867 |
| 2008 | 16,008 | 19,209,756 |
| 2009 | 14,822 | 18,015,339 |
| 2010 | 14,432 | 17,730,157 |
| 2011 | 15,192 | 19,192,689 |
| 2012 | 14,979 | 19,189,859 |

Source: Sales and Marketing Management, "Survey of Buying Power."

[The remainder of this page is intentionally left blank.]

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THIRTY FIRST SUPPLEMENTAL JUNIOR LIEN BOND INDENTURE

General

The Bonds will be issued subject to the provisions of the Original Bond Indenture, dated as of the 1st day of April 1956, by and between the Trustees of the Oklahoma City Airport Trust and the Trustee Bank, the terms of which will be incorporated in the Thirty First Supplemental Junior Lien Bond Indenture which provides for the Junior Lien Taxable Bonds, Thirty First, and for the payment and security thereof. The term "Bonds" as used in this summary include the Junior Lien Taxable Bonds, Thirty First Series, and other additional parity bonds issued in compliance with the requirements of the Bond Indenture.

The following is a brief outline of certain provisions contained in the Bond Indenture and is not represented to be a complete summary thereof. Reference is made to the Bond Indenture for complete information with respect to all the terms of the Bonds, the application of revenues therefor, and the security provisions pertaining thereto, a copy of which may be obtained from the Trust.

Flow of Funds

The Flow of Funds established for all bonds of the Oklahoma City Airport Trust is as follows:

- A. *The Project Fund.* A special fund of the Trust called the "Project Fund" is created and held by the Trustee Bank into which all revenues and income of the Trust Estate are deposited daily. This income includes, but is not limited to, lease payments by the Federal Government for the Mike Monroney Aeronautical Center, lease payments for other facilities constructed with the proceeds of previous Junior Lien Bonds, and the gross operating revenues of the Oklahoma City Airports both presently owned, acquired or to be constructed.
- B. *The Bond Fund.* A special fund of the Trust called the "Bond Fund" is created to receive from the first revenues deposited each month in the Project Fund bank transfers in a monthly amount as is necessary to meet annual principal, interest and reserve requirements of the Senior Lien Bonds, including Trustee Bank fees, and such additional amounts as shall be necessary to restore to all accounts in the Bond Fund such sums as will remedy any deficiency therein.

There is created in the Bond Fund a special account designated the "Reserve Account," equal to seven percent (7%) of the principal amount of the Senior Lien Bonds issued and which is funded from the proceeds of the bonds. Monies in the Reserve Account shall be used solely for payment of principal of and interest on the Senior Lien Bonds as to which there would be a default if the monies were not so used. The Trustees shall make up any deficiency in the Reserve Account from the first monies available thereafter. The Reserve Account shall be used to retire the last remaining outstanding Senior Lien Bonds.

The Trustee Bank shall next transfer to the Bond Fund such amounts as is necessary to meet all requirements of the then outstanding Junior Lien Bonds.

- C. After making all required payments into the Bond Fund, the next withdrawals from the Project Fund shall be for payment of the Trustee Bank fees and Trust expenses.
- D. Pursuant to the Lease Agreement with the City, the balance of the Project Fund shall then be paid to the City as rental for the Oklahoma City Airports and may be used by the City for any lawful purpose. However, in 1988 the Mayor and City Council determined that the administration and operations of the Airports should be budgeted in a separate fund identified as the Airport Enterprise Fund (the "Cash Fund"). Only annually budgeted amounts are now transferred from the Project Fund of the Trust to the Cash Fund. Any excess funds remaining in the Project Fund of the Trust are available for preservation and maintenance of the Trust Estate.

Security of Funds

All revenues received by the Trustee Bank under the provisions of the Bond Indenture shall be trust funds, and all such monies shall be continuously secured for the benefit of the Trust by an equivalent amount of United States Government Bonds. Monies of the Trust not needed for working funds shall be invested in general obligations of the United States Government and the interest thereon shall be used as provided in the Bond Indenture.

Insurance

The Trustees will carry or cause the City to carry during the term of all lease agreements, fire, tornado, windstorm and other hazard insurance on the buildings comprising the Trust Estate and all improvements, repairs and additions thereto to the full insurable value. This coverage will be carried with responsible insurers for the use and benefit of the Trust Estate, and to repair or replace any destroyed or damaged property. The Trustees will further carry use and occupancy insurance on the properties constituting the Trust Estate in an amount sufficient to meet all annual debt service requirements on all of the bonds at that time outstanding. The Trustees agree to name the Trustees and the Trustee Bank as joint beneficiaries on all insurance policies and to pay the Trustee Bank all monies received or collected as proceeds of insurance policies as provided in the several Bond Indentures.

Additional Bonds

Additional Junior Lien Bonds may be issued on a parity with the outstanding Junior Lien Bonds subject to the following conditions:

- A. The facilities to be constructed from the proceeds will be a part of the Trust Estate and their revenues are pledged as additional security;
- B. The Trust is in full compliance with all covenants and undertakings in connection with all of its bonds then outstanding or authorized to be issued, and payable from revenues of the Trust Estate;
- C. The estimated revenues of the additional facilities when added to the actual Revenues of the Trust Estate for the preceding twelve months, after Senior Lien Bond payments, will equal not less than 1.50 times the estimated average annual debt service on the bonds to be issued and those presently outstanding. These estimates may include leases of shorter term than the proposed bonds; and
- D. The Revenues of the Trust Estate available for debt service for the preceding twelve months were equal to not less than 1.50 times the average annual debt service on the then outstanding Junior Lien Bonds after Senior Lien Bond payments.

Additional Senior Lien Bonds on a parity with the outstanding Senior Lien Bonds and superior in lien to the outstanding Junior Lien Bonds may be issued subject to the following conditions:

- A. The Trustees are not in default of any covenant of the Bond Indenture;
- B. The proceeds of such additional obligations are to be expended for the purpose of constructing additional facilities or improvements to the Trust Estate to be leased to an agency of the Federal Government, or to the State of Oklahoma or to the City of Oklahoma City;
- C. Such rentals to be paid for such additional facilities for the term of such lease and for the term of all renewals authorized thereunder shall equal at least the sum of the following amounts as estimated and certified to the Trustees and the Trustee Bank by the Independent Engineer (such Independent Engineer is defined in the Bond Indenture as a "nationally known and recognized engineer, firm of engineers or engineering corporation" selected by the Trustees with special reference to knowledge and experience in the construction and operation of airports and who is not an official or regular employee of the Trustees, the City or the Trustee Bank, and is not devoting any substantial portion of time and efforts to the affairs of the Trust and to be approved by the Trustee Bank) to-wit:

- 1) Annual amounts required to be paid or accrued for the retirement of the principal and interest on the additional bonds to be issued as such amounts become due and payable;
 - 2) The amounts necessary for creation and maintenance of a reserve of at least seven percent (7%) of the total principal amount of such additional bonds; and
 - 3) The annual amount required to be paid or accrued for the payment of the cost of structural maintenance and insurance with respect to such additional facilities or improvements; and the Independent Engineer shall also certify that estimated amount of monies to be received from other sources is sufficient to meet estimated amounts required for proper maintenance (other than structural maintenance), operation renewal and replacement of such additional facilities.
- D. All leases of any such additional facilities (except those leases covering additional facilities for use by the Civil Aeronautics Administration, now the Federal Aviation Administration, added to the facilities defined in Section 2 of Article IV of the Bond Indenture) shall be for a term running at least to the date of the last maturity of any such additional bonds payable from the rentals of such additional facilities.

Particular Covenants of The Trustees

The particular covenants concerning the Trustees include the following:

- A. They will proceed to complete construction with all expedition practicable;
- B. They will carry or cause the City to carry at its own expense during the term of the Lease fire, tornado, windstorm, destruction as a result of war or insurrection, and other hazard insurance, on the Aeronautical Center and other buildings comprising the Trust Estate, and all improvements, repairs and additions thereto to the full insurable value thereof, with responsible insurers for the use and benefit of the Trust Estate, and to repair or replace any destroyed or damaged property included in the Trust Estate; to carry use and occupancy insurance on the properties constituting the Trust Estate at least in an amount sufficient to pay the principal of and interest on all the Bonds at the time outstanding, including payments into required reserve funds; and rent insurance, payable over a period of at least one year, covering loss of rental income in the event delay in completion of the facilities after the date the Government agreed to pay rent for leased premises is caused by fire and extended coverage risks; and the Trustees agree to name the Trustees and the Trustee Bank as joint beneficiaries in all such insurance policies and to pay the Trustee Bank under the Bond Indenture all monies received or collected as the proceeds of insurance policies for use and occupancy and rent insurance, and to pay to the Trustee Bank all monies received from insurance;
- C. They will keep proper books and records with respect to the Trust Estate, will provide the Trustee Bank, the City and the principal underwriters of the Bonds with regular quarterly financial statements and will obtain regular and complete annual audits of the finances of the Trust certified by reputable certified public accountants or certified municipal accountants, such financial statements to be made available to the Trustee Bank, the Trustees, the City, the original underwriters of the Bonds and any bondholder who so requests;
- D. They will at all times maintain a schedule of rentals as to the Trust Estate as will provide an annual income sufficient at all times to pay the obligations of the Trustees and the Trust; and
- E. They will maintain, or cause the City to maintain, in first class condition and keep in good repair all property constituting the Trust Estate.

Remedies of Bondholders

Article IX of the Original Bond Indenture sets forth the "Events of Default" and the rights, obligations and duties of the bondholders, the Trustees and the Trustee Bank with respect to such a happening. In brief, if an Event of Default should occur, the Trustee Bank shall be entitled at its option and election but shall, upon written demand of the holders of at least 50 percent of the Bonds outstanding, appoint or cause to be appointed temporary trustees to take charge of the Trust Estate for the purpose of operating the same and collecting the income therefrom, and shall foreclose the

mortgage in the Bond Indenture. In event of such foreclosure, no receiver shall be appointed over property the fee simple title of which is in the City, but the permanent Trustees, if appointed, shall operate and manage the airports.

**SUMMARY OF CERTAIN PROVISIONS OF THE
THIRTY FIRST SUPPLEMENTAL JUNIOR LIEN BOND INDENTURE**

The Junior Lien Taxable Bonds, Thirty First Series will be issued under the terms of the Thirty First Supplemental Junior Lien Bond Indenture, which in substance will have provisions identical with the provisions of the previous junior lien supplemental bond indentures, except for the provisions that will be different due to dates; interest rates, call provisions and other provisions that pertain only to the terms of the Junior Lien Taxable Bonds, Thirty First Series. The maturity, redemption provisions and other particulars of the Bonds are set out elsewhere in this Official Statement. The Trust and the Trustee Bank agree that nothing contained in the Thirty First Supplemental Junior Lien Bond Indenture shall prevent the restructuring of the Board of Trustees of said Trust on or after October 1, 2008, under the Trust Indenture dated as of April 1, 1956, which created the Trust.

Bond Proceeds

The proceeds received from the sale of the Bonds will be used to fund, in part, the design and construction of a consolidated rental car facility (the "ConRAC Facility") to be located in close proximity to Will Rogers World Airport (the "Airport"), fund the purchase of shuttle buses to transport rental car customers between the Airport and the ConRAC Facility, fund a debt service reserve fund, and to pay the costs of issuance of the Bonds.

[The remainder of this page is intentionally left blank.]

APPENDIX E

**SUMMARY OF CERTAIN PROVISIONS
OF THE LEASE AGREEMENT WITH THE CITY**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

THE LEASE AGREEMENT WITH THE CITY

The Lease Agreement dated as of April 25, 1956, as amended (the "Lease Agreement"), by and between the City and the Trustees, describes the properties of the City leased to the Trustees, how they are to be held and administered, and sets forth the covenants, agreements, provisions and conditions under which the rights and privileges of the Trust may be exercised by the Trustees for the use and benefit of the City. The following is a brief outline of certain provisions contained in the Lease, to which reference is made for complete information with respect to all the terms thereof, a copy of which may be obtained from the Trust.

Leased Properties

The properties leased to the Trustees include all of the real and personal property now owned or hereafter acquired by the City and used or useful for airport or airplane purposes, more fully described in the section of this Official Statement entitled "The Oklahoma City Airports," an assignment of unexpired leases and contracts pertaining thereto, all revenues and income of every nature derived from the leased facilities including, but not limited to, gross profit from sale of gasoline and gross profit from food, drink and all other concessions and proceeds of any lease rentals for same.

Term of Lease

The Lease Agreement is set to expire July 1, 2026, or such date as all indebtedness authorized under the Original Bond Indenture has been paid or provision made therefor.

Rent

Under the provisions of the "Lease Agreement," the Trustees agree that all of the Surplus Revenues of the Trust derived from the operation of the Trust estate shall be paid to the City as rental to be used by the City for any lawful purpose. In practice, however, the Department of Airports began operating as an enterprise fund of the City as of July 1, 1988. At the present time, all revenues are maintained in the Trust. These revenues are expended first by remitting to the Trustee Bank, having trust powers under the Bond Indenture, and as paying agent, whatever sums may be necessary from time to time, to meet principal, interest and reserve requirements on outstanding Senior Lien Bonds and Junior Lien Bonds, including Trustee Bank fees and expenses, then by paying the compensation of the Trustee Bank and Trust expenses. Revenues are then expended to the City to pay the cost of services provided to the Airports by the City. Remaining revenues are to be used by the Trust for any lawful purpose and can be carried forward from year to year until expended.

Trustees' Covenants

The Trustees agree and covenant, among other things, the following:

- A. To operate all of the leased property in good and efficient manner;
- B. To secure prior approval of the City of the terms of any contract or lease agreement of any of the airport facilities; and the amount of any uniform rate, fee or charge to be imposed by the Trustees;
- C. To report annually to the City as to their operation of the Trust Estate, which report shall be comprehensive in form and context and include a recommended budget covering the operation of the Trust Estate for the next succeeding year;
- D. To employ an independent consulting engineer who will annually inspect the properties of the Trust Estate and make a report thereon to the Trustees, the Bank and the City covering observations and recommendations as to the proper and efficient operation of the Trust Estate; and
- E. To fix, charge, and collect rates, fees and rentals for use of the facilities of the Trust Estate which shall be at all times sufficient in amount to assure enough annual revenue to meet interest and reserve requirements and to create a sinking fund to meet principal requirements of the bonds, to meet the expenses of the Trustees and of the Trustee Bank, and all operation, maintenance, renewal and replacement expenses of the Trust Estate.

City's Covenants

The City agrees and covenants, among other things, the following:

- A. To do any and all things and cooperate with the Trustees so that they can efficiently operate the leased properties and meet all obligations payable from the revenues thereof;
- B. To carry at its own expense, during the term of the Lease Agreement, fire, tornado, windstorm, destruction as a result of war or insurrection, or other hazard insurance on the buildings constructed by the Trustees and included in the Trust Estate, and all improvements, repairs and additions thereto to the full insurable value thereof, with responsible insurers for the use and benefit of the Trust Estate, and to repair or replace any such destroyed or damaged property included in the Trust Estate; to carry use and occupancy insurance on the properties constituting the Trust Estate at least in an amount sufficient to pay the principal of and interest on all of the Bonds at the time outstanding, including payments into reserve funds for such purposes in the amounts required by the Bond Indenture; to name the Trustees and the Trustee Bank as joint beneficiaries in all such insurance policies;
- C. That the City's Treasurer, Clerk and Municipal Counselor shall act respectively as Treasurer, Secretary and Attorney for the Trustees at no cost to the Trust;
- D. That the City will not acquire or permit to be acquired or operated any competing facilities, unless such facilities are made a part of the Trust Estate and the revenues thereof disposed of in the same manner for which provisions are made for disposition of other revenues of the Trust Estate; and
- E. That the City will, during the term of the Lease Agreement, pay all expenses incident to operation and maintenance of all airports, including all buildings and facilities thereof; and it will maintain, extend and improve said airports and appurtenant facilities and it will appoint such employees and agents for such purpose and fix and pay their compensation; that the City will hold the Trustees harmless from any liability therefor, and the City further agrees that any manager of the airports and facilities thereof shall be appointed by the City with the approval of the Trustees.

[The remainder of this page is intentionally left blank.]

APPENDIX F

**FORM OF CO-BOND COUNSEL OPINION
REGARDING THE VALIDITY OF THE BONDS**

(THIS PAGE IS INTENTIONALLY LEFT BLANK)



T 405-235-3413 • F 405-235-2807
5657 N. CLASSEN BOULEVARD, SUITE 100 • OKLAHOMA CITY, OK 73118

WILLIAMS, BOX, FORSHEE & BULLARD, P.C.

ATTORNEYS AND COUNSELLORS

JOHN MICHAEL WILLIAMS
DENNIS R. BOX
RICHARD D. FORSHEE
KEITH R. GIBSON
PAUL LEFEBVRE
MICHAEL D. O'NEAL
DAVID M. BOX
S. SHANE PATE II

**522 COLCORD DRIVE
OKLAHOMA CITY, OKLAHOMA 73102-2202**

**TELEPHONE
(405) 232-0080**

**TELECOPIER
(405) 236-5814**

Of Counsel
WILLIAM J. BULLARD

We have acted as bond counsel in connection with the issuance by the Oklahoma City Airport Trust (the "Trust") of \$39,615,000 Oklahoma City Airport Trust Junior Lien Bonds, Thirty First Series, dated September 25, 2013 (the "Bonds"). Said Bonds are issuable as fully registered bonds in the denomination of \$5,000 each and, with respect to principal maturing on the same date, integral multiples thereof. Said Bonds shall mature, shall bear interest and shall be redeemable, all as provided on the face thereof and in the hereinafter referenced Thirty First Supplemental Junior Lien Bond Indenture. Interest on said Bonds shall be payable semiannually on January 1 and July 1 of each year, except the first such payment shall be January 1, 2014.

Said Bonds recite that they are issued under and secured by a Bond Indenture dated as of April 1, 1956, and fifty-four indentures supplemental thereto, including the Thirty First Supplemental Junior Lien Bond Indenture dated as of the 1st of September, 2013, all executed by the Trustees of the Oklahoma City Airport Trust (herein called the "Trustees"). We have examined the statutes of the State of Oklahoma, the Charter of The City of Oklahoma City, and certified copies of proceedings of the Trustees and of the City Council of The City of Oklahoma City (the "City"), and other documents and proceedings pertaining to the authorization and execution of said Bonds, including among others the Bond Indenture and indentures supplemental thereto (hereinafter referred to as the "Bond Indenture"), and the various leases between the City and the Trustees and between the Trustees and the United States of America and other tenants. We have also examined such other certified proceedings and papers as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

As to questions of fact material to our opinion, we have relied upon the representations of the Trust contained in the Bond Indenture and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Trust is duly created and validly existing under the laws of the State of Oklahoma with the corporate power to enter into the Bond Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Bond Indenture has been approved and executed by the Trustees and constitutes a valid and binding obligation of the Trust enforceable upon the Trust.

3. Pursuant to the Act, the Bond Indenture creates a valid junior lien on the funds pledged by the Bond Indenture for the security of the Bonds, subject to a prior lien in favor of certain bonds presently outstanding or to be issued from time to time in the future pursuant to the Bond Indenture, including Oklahoma City Airport Trustees Bonds, dated April 1, 1956, and Oklahoma City Airport Trustees Bonds, Second Series through Twentieth Series, inclusive, and, are issued pari passu with the outstanding Oklahoma City Airport Trust Junior Lien Bonds, First Series through Thirtieth Series. Additional prior lien bonds and pari passu bonds may be issued under the Bond Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Trust and are valid and binding obligations of the Trust, payable solely from the sources provided therefor in the Bond Indenture.

5. It is also our opinion that the obligation of The City of Oklahoma City to pay all expenses incident to the operation and maintenance of all airports leased to the Trust is valid and binding in accordance with the terms of a Lease Agreement between said City and the Trust.

6. In our opinion under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is included in gross income for Federal income tax purposes, but is exempt from income taxation by the State of Oklahoma.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Bond Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

For the purpose of this opinion, our services as Bond Counsel have not extended beyond the examinations and expressions of the conclusions referred to above. The opinions expressed herein are based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending litigation.

Respectfully submitted,

THE PUBLIC FINANCE LAW GROUP PLLC

WILLIAMS, BOX, FORSHEE & BULLARD, P.C.

APPENDIX G
CONTINUING DISCLOSURE AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of September 1, 2013 (this “Disclosure Agreement”), is executed and delivered by the Oklahoma City Airport Trust (the “Issuer”), a public trust established for the use and benefit of The City of Oklahoma City (the “City”), and by the City in connection with the issuance of the Issuer’s Junior Lien Taxable Bonds, Thirty-First Series (the “Series 2013 Bonds”). The Series 2013 Bonds are being issued pursuant to a Bond Indenture dated as of April 1, 1956, as previously amended and supplemented, and as supplemented by a Thirty-First Supplemental Junior Lien Bond Indenture dated as of September 1, 2013 (collectively with any future supplements thereto, the “Bond Indenture”), under which BOKF, NA dba Bank of Oklahoma, serves as successor trustee (the “Trustee” and “Paying Agent”). This Disclosure Agreement has been accepted by the Trustee.

The Issuer and the City hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2013 Bonds and in order to assist each Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Commission”). The Issuer represents that it will be the only “obligated person” (as defined in the Rule) with respect to the Series 2013 Bonds at the time the Series 2013 Bonds are delivered to each Participating Underwriter and that no other person presently is expected to become an obligated person with respect to the Series 2013 Bonds at any time after the issuance of the Series 2013 Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report of the Issuer provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2013 Bonds (including persons holding Series 2013 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2013 Bonds for federal income tax purposes.

“*Dissemination Agent*” shall mean any entity designated by the Issuer to act as the Dissemination Agent hereunder. The City, acting through its Accounting Department, has agreed to act as the initial Dissemination Agent.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access System. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the EMMA system for municipal securities disclosure effective on July 1, 2009.

“*Material Event*” shall mean any of the events listed in Exhibit B to this Disclosure Agreement.

“*Material Event Notice*” means notice of a Material Event in Prescribed Form.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“*Official Statement*” means the “final official statement,” as defined in the paragraph (f)(3) of the Rule, relating to the Series 2013 Bonds.

“*Participating Underwriter*” shall mean any of the original underwriters of the Series 2013 Bonds required to comply with the Rule in connection with offering of the Series 2013 Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 promulgated by the Commission under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretations thereof.

“*State*” shall mean the State of Oklahoma.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 10 business days after such information becomes available, and not later than 190 days after the end of the Issuer’s fiscal year (presently July 1 through June 30), commencing with the report for the 2013 Fiscal Year, provide to the MSRB in Prescribed Form (with a copy to the Trustee) the Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date but within 10 business days after they become available. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under Section 5.

(b) If the Issuer fails to provide an Annual Report to the MSRB by the date required in subsection (a), the Issuer shall send a notice of such failure to the MSRB and to the Trustee by a date not in excess of 10 business days after the occurrence of such failure.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) Annual audited financial statements of the Issuer and an annual update of all material financial and operating data of the Issuer, to the same extent as provided in those portions identified in Exhibit A hereto of the Official Statement and as required by applicable state law. The descriptions in the Official Statement of financial and operating data of the Issuer are of general categories of financial and operating data deemed to be material as of the date of the Official Statement. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any annual financial and operating data containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(b) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles (“GAAP”) as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; *provided*, however, that the Issuer may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB and to the Trustee, and shall include a reference to the specific federal or State law or regulation describing such accounting basis. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within 10 business days of when they become available.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Disclosure of Material Events. The Issuer hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, a Material Event Notice to the MSRB in Prescribed Form with a copy to the Trustee. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2013 Bonds or defeasance of any Series 2013 Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2013 Bonds pursuant to the Indenture. The Issuer is required to deliver such Material Event Notice in the same manner as provided by Section 3(a) of this Disclosure Agreement.

Section 6. Duty To Update EMMA/MSRB. The Issuer shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2013 Bonds. If such termination occurs prior to the final maturity of the Series 2013 Bonds, the Issuer shall give notice of such termination in the same manner as for a Material Event Notice under Section 5.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2013 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2013 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2013 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2013 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Material Event Notice under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or Material Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or Material Event Notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Material Event Notice.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Series 2013 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, each Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2013 Bonds, and shall create no rights in any other person or entity.

Section 14. Recordkeeping. The Issuer shall maintain records of all filings of Annual Reports and Material Event Notices, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 15. Past Compliance. The Issuer and the City represent that, except as described in the Official Statement, they have complied during the past five years with the requirements of each continuing disclosure undertaking entered into by them pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures Omitted – Exhibit A on Next Page]

EXHIBIT A

**DESCRIPTION OF PORTIONS OF
OFFICIAL STATEMENT REQUIRING ANNUAL UPDATE**

1. Cover and inside cover—Bonds of each maturity originally issued and still outstanding.
2. The following information regarding the Issuer updated for the fiscal year then ended in substantially the same scope and form contained in the Official Statement in the tables labeled:
 - “Table 1 – Oklahoma City Airport Trust Outstanding Revenue Bonds”
 - “Table 2 – Oklahoma City Airport Trust Summary Statement of Junior Lien Debt Service Requirements”
 - “Table 3 – Oklahoma City Department of Airports Schedule of Bond Debt Service Coverage - Historical”
3. Appendix B—Comprehensive Annual Financial Report.

EXHIBIT B

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENT NOTICES ARE REQUIRED

1. Principal and interest payment delinquencies.
2. Nonpayment-related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls, if material.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Tender offers.
13. Bankruptcy, insolvency, receivership or similar event of the Issuer[†].
14. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

[†]This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.