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TO: Jeff Mulder

FROM: Finance Division

DATE: February 13, 2024

SUBJECT: Oklahoma City, Oklahoma, Department of Airports unaudited Financial Statements for the six months ended December 31, 2023, and 2022

The statements presented on the following pages are Financial Position Summary & Highlights, Financial Operations Summary & Highlights, Statement of Net Position, Statement of Revenue, Expenses, and Change in Net Position, and Statement of Cashflow for the six months ended December 31, 2023, and 2022.

Operating revenues for the six months ended December 31, 2023, were \$38,308,920. This compares to operating revenues for the six months ended December 31, 2022, of \$32,973,263 for an increase of \$5,335,657.

Operating expenditures for the six months ended December 31, 2023, were \$39,211,072. This compares to operating expenditures for the six months ended December 31, 2022, of \$35,242,792, for an increase of \$3,968,280.

Net position increased since July 1, 2023, by \$10,375,137.

The statements are prepared using the modified cash/budgetary basis of accounting which includes cash transactions and short-term receivables and payables.

The statements and schedules are prepared for internal use only and are unaudited. The statements and schedules are prepared by the City of Oklahoma City, Department of Airports, Finance Division. The undersigned are prepared to answer any questions which you may have pertaining to the statements and schedules.

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OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Unaudited

Financial Position Summary & Highlights

December 31, 2023 with Summarized Comparative Information for December 31, 2022

	2024	2023	<u>\$ Change</u> <u>2024</u>	<u>% Change</u> <u>2024</u>
Assets:				
Current and other assets	\$ 381,129,303	\$ 335,819,976	\$ 45,309,327	13.5%
Capital assets	<u>590,567,178</u>	<u>547,105,526</u>	<u>43,461,652</u>	7.9%
Total assets	<u>971,696,481</u>	<u>882,925,502</u>	<u>88,770,979</u>	10.1%
Deferred Outflows of Resources	<u>13,710,487</u>	<u>12,307,007</u>	<u>1,403,480</u>	11.4%
Liabilities:				
Current liabilities	10,448,256	11,613,153	(1,164,897)	(10.0)%
Noncurrent liabilities	<u>143,986,301</u>	<u>149,701,415</u>	<u>(5,715,114)</u>	(3.8)%
Total liabilities	<u>154,434,557</u>	<u>161,314,568</u>	<u>(6,880,011)</u>	(4.3)%
Deferred Inflows of Resources	<u>128,030,077</u>	<u>91,645,880</u>	<u>36,384,197</u>	39.7%
Net Position:				
Net investment in capital assets	286,669,046	338,028,078	(51,359,032)	(15.2)%
Restricted	99,491,021	92,904,729	6,586,292	7.1%
Unrestricted	<u>278,102,683</u>	<u>205,548,834</u>	<u>72,553,849</u>	35.3%
Total net position	<u>\$ 664,262,750</u>	<u>\$ 636,481,641</u>	<u>\$ 27,781,109</u>	4.4%

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Unaudited

Financial Operations Summary & Highlights

December 31, 2023 with Summarized Comparative Information for December 31, 2022

	2024	2023	\$ Change 2024	% Change 2024
Operating revenues				
Parking	\$ 10,380,276	\$ 8,642,342	\$ 1,737,934	20.1%
Landing fees	4,576,676	3,155,191	1,421,485	45.1%
Customer facility charges	2,861,388	2,421,871	439,517	18.1%
Rental income	9,292,936	8,758,875	534,061	6.1%
Other, net	11,197,644	9,994,984	1,202,660	12.0%
	<u>38,308,920</u>	<u>32,973,263</u>	<u>5,335,657</u>	<u>16.2%</u>
Nonoperating revenues				
Investment income	6,181,808	2,675,920	3,505,888	131.0%
Oil and gas royalties	1,555,290	3,742,533	(2,187,243)	(58.4)%
Passenger facility charges	3,621,680	3,620,152	1,528	-%
Grants income	88,560	88,560	-	-%
Federal Stimulus Grants	-	5,516,045	(5,516,045)	(100.0)%
Other Nonoperating revenues	66,646	-	66,646	-%
Total nonoperating revenues	<u>11,513,984</u>	<u>15,643,210</u>	<u>(4,129,226)</u>	<u>(26.4)%</u>
Total revenues	<u>49,822,904</u>	<u>48,616,473</u>	<u>1,206,431</u>	<u>2.5%</u>
Operating expenses				
Personal services	7,166,527	6,492,633	673,894	10.4%
Maintenance, operations, and contractual services	13,478,817	11,706,785	1,772,032	15.1%
Material and supplies	1,476,442	1,314,912	161,530	12.3%
Depreciation	17,089,286	15,728,462	1,360,824	8.7%
Total operating expenses	<u>39,211,072</u>	<u>35,242,792</u>	<u>3,968,280</u>	<u>11.3%</u>
Nonoperating expenses				
Interest	(3,012,668)	(1,783,015)	(1,229,653)	69.0%
Amortization	227,708	230,779	(3,071)	(1.3)%
Payment to OCWUT	(1,533,468)	-	(1,533,468)	-%
Total nonoperating expenses	<u>(2,784,960)</u>	<u>(1,552,236)</u>	<u>(1,232,724)</u>	<u>79.4%</u>
Total expenses	<u>36,426,112</u>	<u>33,690,556</u>	<u>2,735,556</u>	<u>8.1%</u>
Income before capital grants, contributions, donated assets, and transfers	6,396,367	11,821,445	(5,425,078)	(45.9)%
Transfers between Department funds	-	-	-	-
Capital contributions, grants	3,978,770	1,886,789	2,091,981	110.9%
Change in net position	<u>10,375,137</u>	<u>13,708,234</u>	<u>(3,333,097)</u>	<u>(24.3)%</u>
Total net position, beginning	653,887,613	622,773,407	31,114,206	5.0%
Total net position, ending	<u>\$ 664,262,750</u>	<u>\$ 636,481,641</u>	<u>\$ 27,781,109</u>	<u>4.4%</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Unaudited

Statement of Net Position

December 31, 2023 with summarized comparative information for December 31, 2022

	2nd Quarter 2024			2nd Quarter 2023
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS CASH FUND	TOTAL	TOTAL
ASSETS				
Current Assets:				
Non-pooled cash	\$ 20,556	\$ -	\$ 20,556	\$ 67,506
Investments	208,647,498	3,184,202	211,831,700	203,541,443
Accounts receivable, net	1,815,623	-	1,815,623	1,220,393
Short term lease receivable	13,608,655	-	13,608,655	13,890,454
Passenger facility charges receivable	782,626	-	782,626	375,427
Customer facility charges receivable	538,119	-	538,119	281,615
Interest receivable	264,815	13,322	278,137	130,299
Inventory	-	972,703	972,703	828,090
Due from other governments	1,269,637	-	1,269,637	1,945,421
Prepays	3,620	-	3,620	6,210
Total current assets	<u>226,951,149</u>	<u>4,170,227</u>	<u>231,121,376</u>	<u>222,286,858</u>
Noncurrent assets:				
Long term lease receivable	112,425,433	-	112,425,433	69,855,407
Net pension asset	-	-	-	5,229,294
Investments	35,648,241	-	35,648,241	30,718,964
Intergovernmental advance	1,561,733	-	1,561,733	5,229,861
Advance (to)/from other City funds	(8,637,486)	9,010,006	372,520	2,499,592
Land	14,465,751	16,114,538	30,580,289	30,580,289
Art	624,697	-	624,697	624,697
Construction in progress	77,844,695	-	77,844,695	64,296,691
Other capital assets, net of accumulated depreciation	441,657,853	39,859,644	481,517,497	451,603,849
Total noncurrent assets	<u>675,590,917</u>	<u>64,984,188</u>	<u>740,575,105</u>	<u>660,638,644</u>
Total assets	<u>902,542,066</u>	<u>69,154,415</u>	<u>971,696,481</u>	<u>882,925,502</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount from refunding	6,858,052	-	6,858,052	7,217,008
Deferred outflow pensions	-	4,820,889	4,820,889	2,758,108
Deferred outflow OPEB	-	2,031,546	2,031,546	2,331,891
Total deferred outflows	<u>\$ 6,858,052</u>	<u>\$ 6,852,435</u>	<u>\$ 13,710,487</u>	<u>\$ 12,307,007</u>

(continued)

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Unaudited

Statement of Net Position

December 31, 2023 with summarized comparative information for December 31, 2022

	2nd Quarter 2024			2nd Quarter 2023
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS CASH FUND	TOTAL	TOTAL
LIABILITIES				
Current liabilities:				
Retainage and accounts payable	\$ 1,231,465	\$ -	\$ 1,231,465	\$ 1,766,812
Wages and benefits payable	-	320,019	320,019	254,877
Due to City funds	-	66,810	66,810	76,374
Compensated absences	-	591,530	591,530	543,571
Unearned revenue	602,610	-	602,610	1,416,055
Pollution remediation obligation	8,653	-	8,653	-
Bond interest payable	2,837,169	-	2,837,169	2,920,464
Bonds payable	4,790,000	-	4,790,000	4,635,000
Total current liabilities	9,469,897	978,359	10,448,256	11,613,153
Noncurrent liabilities:				
Compensated absences	-	1,131,285	1,131,285	985,554
OPEB Obligation	-	8,319,162	8,319,162	11,695,326
Net Pension Liability	-	2,707,193	2,707,193	-
Bonds payable	126,130,000	-	126,130,000	130,920,000
Unamortized bond discount/premium, net	5,698,661	-	5,698,661	6,100,535
Bonds payable, net of unamortized discount/premium	131,828,661	-	131,828,661	137,020,535
Total non-current liabilities	131,828,661	12,157,640	143,986,301	149,701,415
Total liabilities	141,298,558	13,135,999	154,434,557	161,314,568
DEFERRED INFLOWS OF RESOURCES				
Deferred amount from refunding	700,165	-	700,165	764,734
Deferred inflows leases	120,176,930	-	120,176,930	79,796,015
Deferred pension inflows	-	683,914	683,914	6,221,596
Deferred OPEB inflows	-	6,469,068	6,469,068	4,863,535
Total deferred inflows	\$ 120,877,095	\$ 7,152,982	\$ 128,030,077	\$ 91,645,880
NET POSITION				
Invested in capital assets, net of related debt	\$ 269,882,918	\$ 16,786,128	\$ 286,669,046	\$ 338,028,078
Restricted for capital assets	2,969,202	-	2,969,202	1,708,709
Restricted for debt service	39,859,763	-	39,859,763	35,120,932
Restricted for maintenance	56,662,056	-	56,662,056	56,075,088
Unrestricted	278,102,683	-	278,102,683	205,548,834
Total net position	\$ 647,476,622	\$ 16,786,128	\$ 664,262,750	\$ 636,481,641

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Unaudited
Statement of Revenue, Expenses, and Change in Net Position
For the Quarter Ended December 31, 2023 with summarized comparative information for December 31, 2022

	2nd Quarter 2024			2nd Quarter 2023
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS CASH FUND	TOTAL	TOTAL
Operating revenues:				
Parking	\$ 10,380,276	\$ -	\$ 10,380,276	\$ 8,642,342
Landing fees	4,576,676	-	4,576,676	3,155,191
Rental income	9,292,936	-	9,292,936	8,758,875
Customer facility charges	2,861,388	-	2,861,388	2,421,871
Proprietary Payments from Component Units	(12,205,500)	12,205,500	-	-
Other	11,197,644	-	11,197,644	9,994,984
Total operating revenues	26,103,420	12,205,500	38,308,920	32,973,263
Operating expenses:				
Personal services	-	7,166,527	7,166,527	6,492,633
Maintenance, operations, and contractual services	8,447,552	5,031,265	13,478,817	11,706,785
Materials and supplies	1,065,041	411,401	1,476,442	1,314,912
Depreciation	16,940,267	149,019	17,089,286	15,728,462
Total operating expenses	26,452,860	12,758,212	39,211,072	35,242,792
Operating income (loss)	(349,440)	(552,712)	(902,152)	(2,269,529)
Nonoperating revenues (expenses):				
Investment income:				
Interest	1,442,764	51,107	1,493,871	607,303
Increase (decrease) in fair value of investments	4,687,937	-	4,687,937	2,068,617
Oil and gas royalties	1,555,290	-	1,555,290	3,742,533
Passenger facility charges	3,621,680	-	3,621,680	3,620,152
Operating grants	88,560	-	88,560	88,560
Federal Stimulus Grants	-	-	-	5,516,045
Other nonoperating revenue	62,572	4,074	66,646	-
Interest expense	(3,012,668)	-	(3,012,668)	(1,783,015)
Amortization	227,708	-	227,708	230,779
Payment to OCVUT	(1,533,468)	-	(1,533,468)	-
Gain (loss) on disposition of assets	10,764	92,199	102,963	-
Net nonoperating revenues (expenses)	7,151,139	147,380	7,298,519	14,090,974
Income (loss) before contributions and transfers	6,801,699	(405,332)	6,396,367	11,821,445
Capital grants and contributions	3,978,770	-	3,978,770	1,886,789
Change in net position	10,780,469	(405,332)	10,375,137	13,708,234
Total net position, beginning of year	636,758,726	17,128,887	653,887,613	622,773,407
Total net position, end of year	\$ 647,539,195	\$ 16,723,555	\$ 664,262,750	\$ 636,481,641

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS
Unaudited
Statement of Cash Flow
For the 2nd Quarter Ended December 31, 2023

	2024		
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL
Cash flows from operating activities:			
Cash received from charges	38,793,357	\$ -	\$ 38,793,357
Cash received from customer facility charges	281,614	-	281,614
Cash received from oil and gas royalties	2,206,880	-	2,206,880
Cash payments to suppliers for goods and services	(10,507,593)	(5,216,438)	(15,724,031)
Cash payments to employees	-	(6,770,831)	(6,770,831)
Proprietary payments (to) from component unit	(12,971,789)	12,971,789	-
Net cash provided (used) by operating activities	<u>17,802,469</u>	<u>984,520</u>	<u>18,786,989</u>
Cash flow from noncapital financing activities:			
Operating grants received	88,560	-	88,560
Transfers received from (paid to) other City funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>88,560</u>	<u>-</u>	<u>88,560</u>
Cash flow from capital and related financing activities:			
Advance payable - Gulfstream	(54,397)	-	(54,397)
Acquisition and construction of capital assets	(19,033,926)	96,706	(18,937,220)
Capital grants received	4,568,758	-	4,568,758
Interest paid on bonds	(2,888,412)	-	(2,888,412)
Principal paid on bonds	(4,635,000)	-	(4,635,000)
Proceeds from sale of capital assets	10,763	-	10,763
Payments to component units	(1,533,467)	-	(1,533,467)
Passenger facility charges	3,214,481	-	3,214,481
Net cash provided (used) by capital and related financing activities	<u>(20,351,200)</u>	<u>96,706</u>	<u>(20,254,494)</u>
Cash flows from investing activities:			
Interest on investments	1,442,764	47,193	1,489,957
Proceeds from sale of investments	196,351,750	-	196,351,750
Purchase of investments	(196,063,848)	-	(196,063,848)
Change in pooled investments	55,508	(1,140,266)	(1,084,758)
Net cash provided (used) by investing activities	<u>1,786,174</u>	<u>(1,093,073)</u>	<u>693,101</u>
Net increase (decrease) in cash	(673,997)	(11,847)	(685,844)
Cash, beginning	<u>694,553</u>	<u>11,847</u>	<u>706,400</u>
Cash, ending	<u>\$ 20,556</u>	<u>\$ -</u>	<u>\$ 20,556</u>

OKLAHOMA CITY, OKLAHOMA, DEPARTMENT OF AIRPORTS

Unaudited

Statement of Cash Flow

For the 2nd Quarter Ended December 31, 2023

	2024		
	OKLAHOMA CITY AIRPORT TRUST	AIRPORTS FUND	TOTAL
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (Loss)	\$ (349,440)	\$ (552,712)	\$ (902,152)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	16,940,266	149,018	17,089,284
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,355,357	-	1,355,357
(Increase) decrease in royalties receivable	1,555,289	-	1,555,289
(Increase) decrease in due from City funds	-	-	-
(Increase) decrease in receivable from component units	(1,280,769)	1,280,769	-
(Increase) decrease in prepaid assets	1,295	-	1,295
(Increase) decrease in intergovernmental receivable	22,320	-	22,320
Increase (decrease) in accounts payable	(1,938,426)	(279,556)	(2,217,982)
Increase (decrease) in payable to City of Oklahoma City (Discrete CU only)	1,533,467	-	1,533,467
Increase (decrease) in wages and benefits payable	-	32,346	32,346
Increase (decrease) in due to other funds	-	(8,695)	(8,695)
Increase (decrease) in compensated absences	-	31,603	31,603
Increase (decrease) in OPEB liability	-	331,747	331,747
Increase (decrease) in pollution remediation	8,653	-	8,653
Increase (decrease) in unearned revenue	(13,492)	-	(13,492)
Increase (decrease) in deferred inflows	(32,051)	-	(32,051)
Total adjustments	18,151,909	1,537,232	19,689,141
Net cash provided (used) by operating activities	\$ 17,802,469	\$ 984,520	\$ 18,786,989
Noncash investing, capital and financing activities:			
Net increase (decrease) in fair value of investments	\$ 4,687,937	\$ -	\$ 4,687,937