

Tulsa Airports Improvement Trust

(A Component Unit of the City of Tulsa, Oklahoma)

FINANCIAL REPORT

June 30, 2025

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
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Independent Auditor's Report

RSM US LLP

Board of Trustees
Tulsa Airports Improvement Trust

Opinion

We have audited the financial statements of the Tulsa Airports Improvement Trust (TAIT), a component unit of the City of Tulsa, Oklahoma, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise TAIT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of TAIT, as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of TAIT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TAIT's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TAIT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TAIT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise TAIT's basic financial statements. The detailed schedule of operating revenue information 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 audits 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 GAAS. In our opinion, the detailed schedule of operating revenue information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises those schedules listed in the table of contents as other information, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Kansas City, Missouri
December 4, 2025

Tulsa Airports Improvement Trust

(A Component Unit of the City of Tulsa, Oklahoma)

Management's Discussion and Analysis

June 30, 2025 and 2024

As management of the Tulsa Airports Improvement Trust (“TAIT”), we offer readers of TAIT’s financial statements this narrative overview and analysis of the financial activities of TAIT for the fiscal years ended June 30, 2025 and 2024.

Following Management’s Discussion and Analysis are the financial statements of TAIT together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. We encourage readers to consider the information presented here in conjunction with TAIT’s financial statements.

	2025	2024	2023
Enplaned Passengers	1,598,033	1,602,681	1,530,643
Airfreight (Tons)	45,512	55,424	57,520
Airline/Aircraft Movements (TUL)	97,995	109,369	96,508
Airline/Aircraft Movements (RVS)	286,386	235,887	239,480
Landed weights	2,392,003,450	2,327,526,545	2,226,004,318

Airport Activities Highlights

2025:

Tulsa Airports Improvement Trust operates Tulsa International Airport (TUL) and Tulsa Riverside Airport (RVS). As of June 30, 2025, there are five airlines serving Tulsa International Airport, along with several charter carriers, and two signatory mainline freight carriers, one non-signatory mainline freight carrier and several non-mainline freight carriers.

Tulsa’s passenger activity decreased in FY25 to 1,598,033, a decrease from 1,602,681 in FY24. For FY25, Southwest enplaned the largest share of passengers at Tulsa International Airport with 35% of enplanements, followed by American Airlines (mainline and affiliates) with 33%. The market share of mainline carriers decreased to 67% in FY25 from 68% in FY24, while the market share of regional affiliates increased to 33% in FY25 from 32% in FY24.

Year-over-year seat capacity at TUL grew 4.6% from 2024 to 2025. United Airlines led this growth with an 11% increase, driven by added frequencies to Houston (IAH) and Chicago (ORD) and the use of larger gauge aircraft. Southwest capacity rose 7%, supported by new daily nonstop service to Nashville (BNA) launched in April 2025 and extended seasonal service to Orlando (MCO). Delta Air Lines’ full-year operation of its daily nonstop to New York–LaGuardia (LGA) pushed its overall capacity up 5%. American Airlines capacity was largely flat, down 1% for the year. While American added a second daily nonstop to New York–LaGuardia (LGA) and increased Chicago (ORD) service from two to three daily flights, these gains were offset by reduced Dallas–Fort Worth (DFW) capacity due to smaller regional jets being used during mainline gate construction. We expect DFW capacity to return to prior levels once construction is complete. Frontier Airlines returned to TUL in October with twice-weekly service to Denver (DEN). To close out 2025, Alaska Airlines announced new year-round service to Seattle (SEA)

Tulsa Airports Improvement Trust (A Component Unit of the City of Tulsa, Oklahoma) Management's Discussion and Analysis June 30, 2025 and 2024

and San Diego (SAN), while Sun Country Airlines announced twice-weekly service to Cancun (CUN) and Minneapolis (MSP) beginning summer 2026.

2024:

Tulsa Airports Improvement Trust operates Tulsa International Airport (TUL) and Tulsa Riverside Airport (RVS). As of June 30, 2024, there are five airlines serving Tulsa International Airport, along with several charter carriers, and two signatory mainline freight carriers, one non-signatory mainline freight carrier and several non-mainline freight carriers.

Tulsa's passenger activity increased in FY24 to 1,602,681, an increase from 1,530,643 in FY23. For FY24, Southwest enplaned the largest share of passengers at Tulsa International Airport with 37% of enplanements, followed by American Airlines (mainline and affiliates) with 31%. The market share of mainline carriers decreased to 68% in FY24 from 69% in FY23, while the market share of regional affiliates increased to 32% in FY24 from 31% in FY23.

Year-over-year seat capacity at TUL increased 4.6% for FY24. Delta Air Lines and United Airlines led the growth in seat capacity with an increase of 9.5%, with Delta adding a fifth daily flight to Atlanta (ATL), and United building back Chicago (ORD) service to 4x/daily frequency. Allegiant Air increased 8.1% with the addition of winter service to Tampa St-Petersburg, FL (PIE). American Airlines increased 5.5% with the first full year of New York-LaGuardia service (LGA), daily summer service to Miami (MIA), and adding a second frequency to Phoenix (PHX). Southwest Airlines increased 1.2% by adding another frequency to Las Vegas (LAS) 2x most of the year.

Tulsa's airline capacity has fully returned and exceeded pre-pandemic levels, and passenger enplanement activity continued to exceed 2019 levels.

Financial Position Summary as of June 30, 2025 (in thousands of dollars)

- The assets and deferred outflows of resources of TAIT exceeded liabilities and deferred inflows of resources at the close of the most recent year by \$429,798.
- Net position increased \$72,296 from \$357,502 at June 30, 2024, to \$429,798 at June 30, 2025.
- Total liabilities decreased \$7,744 from \$178,284 at June 30, 2024 to \$170,540 at June 30, 2025.
- Cash and cash equivalents increased \$12,632 from \$80,068 at June 30, 2024 to \$92,700 at June 30, 2025.

Financial Position Summary as of June 30, 2024 (in thousands of dollars)

- The assets and deferred outflows of resources of TAIT exceeded liabilities and deferred inflows of resources at the close of the most recent year by \$357,502.
- Net position increased \$32,107 from \$325,395 at June 30, 2023, to \$357,502 at June 30, 2024.
- Total liabilities increased \$15,947 from \$162,337 at June 30, 2023 to \$178,284 at June 30, 2024.
- Cash and cash equivalents increased \$26,843 from \$53,225 at June 30, 2023 to \$80,068 at June 30, 2024.

Tulsa Airports Improvement Trust

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Management's Discussion and Analysis

June 30, 2025 and 2024

Overview of the Financial Statements

The Trust is reported by the City of Tulsa, Oklahoma (the City) as a discretely presented component unit in the City's Annual Comprehensive Financial Report. The primary function of TAIT is to operate and maintain the City's two airports and finance capital improvements.

This discussion and analysis is intended to serve as an introduction to TAIT's financial statements. The basic financial statements include: 1) Statements of Net Position, 2) Statements of Revenues, Expenses, and Changes in Net Position, 3) Statements of Cash Flows, and 4) Notes to the Financial Statements.

Financial Statements

The Trust's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board ("GASB"). The Trust is structured as a single-purpose business-type activity with revenues recognized when earned and expenses recognized when incurred. The Statement of Net Position includes all of TAIT's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of TAIT is improving or deteriorating. All of TAIT's current year revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Cash Flows provides information about cash receipts, cash payments, and changes in cash resulting from operating, investing, and capital financing activities.

Summary of Net Position

(in thousands of dollars)

	2025	2024	2023
Assets			
Current and other assets	\$ 171,371	\$ 153,743	\$ 111,565
Capital assets, net	453,480	401,702	395,306
Total assets	624,851	555,445	506,871
Deferred outflows of resources	7,063	8,113	10,016
Liabilities			
Current and other liabilities	43,655	39,611	13,376
Noncurrent liabilities	126,885	138,673	148,961
Total liabilities	170,540	178,284	162,337
Deferred inflows of resources	31,576	27,772	29,155
Net position			
Net investment in capital assets	332,631	279,596	267,526
Restricted	69,442	55,644	26,475
Unrestricted	27,725	22,262	31,394
Total net position	\$ 429,798	\$ 357,502	\$ 325,395

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Management's Discussion and Analysis
June 30, 2025 and 2024

The largest portion of TAIT's net position as of June 30, 2025, and 2024, represent investment in capital assets less related debt outstanding to acquire those capital assets. The Trust uses the capital assets to provide safe, secure, and user-friendly services to its passengers and visitors at its airports. Although TAIT's investment in capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations and specifically identified nonoperating revenues.

Summary of Changes in Net Position

(in thousands of dollars)

	2025	2024	2023
Operating revenues	\$ 51,326	\$ 45,498	\$ 44,796
Nonoperating revenues, including capital grants	73,581	39,179	22,960
Total revenues	124,907	84,677	67,756
Operating expenses	47,889	47,547	44,857
Nonoperating expenses	4,722	5,023	5,326
Total expenses	52,611	52,570	50,183
Increase in net position	\$ 72,296	\$ 32,107	\$ 17,573

- FY25 operating revenues, which consist primarily of rents and service fees, increased 12.8% due to increased terminal rates and increased parking revenues. In FY24 operating revenues increased 1.6% which reflected the recovery in activity levels.
- Non-operating revenues increased 87.8% in FY25 from FY24 due to an increase in the amount of capital grants. In FY24, nonoperating revenues increased 70.6% due to an increase in the amount of investment income and capital grants.
- Operating expenses increased by 0.7% for FY25 driven by the increase depreciation expense offset by a similar decrease in personnel compensation. Operating expenses increased by 6.0% for FY24 driven by the increase in personnel compensation and benefits.
- Non-operating expenses decreased for FY25 by 5.9% from FY24 primarily due to decreases in interest expense. Non-operating expenses decreased in FY24 by 5.6% primarily due to decreases in bond issuance costs and interest expense.

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Summary of Cash Flow Activities

The following shows a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are defined as cash and highly liquid investments with an original maturity of three months or less.

(in thousands of dollars)

	2025	2024	2023
Cash flows			
Provided by operating activities	\$ 22,622	\$ 16,212	\$ 18,594
Provided by non-capital and related financing activities	-	8,107	5,720
Provided by (used in) capital and related financing activities	(13,826)	(802)	(16,976)
Provided by (used in) investing activities	3,836	3,326	1,907
Net increase (decrease) in cash and cash equivalents	12,632	26,843	9,245
Cash and cash equivalents			
Beginning of year	80,068	53,225	43,980
End of year	\$ 92,700	\$ 80,068	\$ 53,225

Capital Assets (in thousands of dollars)

The Trust's investment in capital assets amounted to \$453,480 (net of accumulated depreciation). The Trust paid \$70,553 and \$29,919 related to the acquisition and construction of capital assets for the years ended June 30, 2025, and 2024, respectively.

(in thousands of dollars)

	2025	2024	2023
Land and improvements	\$ 416,530	\$ 407,736	\$ 399,201
Easements	70,596	70,596	70,596
Right to use - subscription assets	668	531	165
Buildings	302,778	296,234	295,494
Art	686	686	461
Equipment	40,592	38,198	33,927
	831,850	813,981	799,844
Less: Accumulated depreciation	451,924	432,690	414,282
Construction-in-progress	73,554	20,411	9,744
Capital assets, net	\$ 453,480	\$ 401,702	\$ 395,306

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Management's Discussion and Analysis

June 30, 2025 and 2024

Long-Term Debt (in thousands of dollars)

At June 30, 2025, TAIT had total outstanding general revenue bonds of \$124,373. The bonds are collateralized by and payable from the revenues of TAIT. The bonds mature per a set schedule with the last maturity occurring on June 1, 2048.

	(in thousands of dollars)		
	2025	2024	2023
Revenue bonds	<u>\$ 124,373</u>	<u>\$ 133,063</u>	<u>\$ 141,633</u>

The Trust's long-term debt decreased by \$8,690 in FY25 and decreased by \$8,570 in FY24 due to scheduled payments of principal.

Signatory Airline Rates and Charges

TAIT entered into a new Signatory Airline Use and Lease Agreement for a term beginning July 1, 2019, and continued until June 30, 2024. TAIT and the Signatory Airlines subsequently agreed to a three-year amendment which was effective July 1, 2024. Pursuant to each Use and Lease Agreement, each Signatory Airline, upon the consent of the Airport, has the option to extend the term of its Agreement for one additional three-year term, or to June 30, 2030, unless terminated or cancelled. During the initial Term, rates, fees and charges did not change. During the amended period rates are calculated based on budget. The definitions of "Day of Cash" and "Unrestricted Cash and Unrestricted Investments" are deleted from the agreement. The definition of Airline Net Revenue Sharing was revised to be equal to the lesser of in-terminal food and beverage and retail or ten percent (10%) of those amounts equal to the audited revenues minus the audited expenses less amounts determined to be excludable in the agreement and following any and all transfers and assignments required by the Bond Documents. The Airline Net Revenue Sharing will be distributed among Signatory Airlines as follows: seventy five percent (75%) by the Signatory Airlines' proportion of enplaned passengers and twenty five percent (25%) by the Signatory Airlines' proportion of landed weight at the Airport.

Signatory Airline Terminal rental rates ranged from \$31.29 to \$125.18 for FY25, and FY24 ranged from \$24.22 to \$96.88 per square foot. Signatory landing fees were \$3.72 per 1000 lbs for FY25 and \$3.62 per 1000 lbs in FY24.

Economic Factors

The City of Tulsa, located in northeastern Oklahoma, is the second largest city in the State. Tulsa is the central city of the Tulsa Metropolitan Statistical Area (the "Tulsa MSA"). The City is approximately 193 square miles in size whereas the Tulsa MSA covers approximately 5,161 square miles. The Tulsa MSA is comprised of seven counties: Okmulgee, Creek, Osage, Pawnee, Rogers, Tulsa and Wagoner counties. In 2024, the aggregate population of the Tulsa MSA was estimated to be 1,059,803 or 25.9% percent of the population of the state of Oklahoma.

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Management's Discussion and Analysis
June 30, 2025 and 2024**

Tulsa's economy is running with serious momentum, fueled by strong population growth, new companies choosing the region, and a surge in tourism. Tulsa Regional Tourism's latest economic impact study found that the city welcomed 10 million visitors in 2023, a record for the area. Those visitors spent approximately \$1.4 billion, contributing an average of \$3.9 million every day to Tulsa's economy and supporting businesses from restaurants and hotels to entertainment venues. Tourism now supports one in every 16 jobs in the city, underscoring its importance as a major economic engine for the region.

At the same time, Tulsa's MSA population has grown 10% over the past decade, now topping 1 million residents, outpacing the national average and positioning the region to continue attracting businesses and talent.

Tulsa's job growth is accelerating across multiple sectors. According to the City of Tulsa's financial report, wage and salary employment rose 3.2% during the last fiscal reporting period, adding 14,500 new jobs in 2024.

Contacting TAIT's Financial Management

Questions about this report or requests for additional financial information can be directed to the Director, Finance and Asset Management, 7777 Airport Drive, Room A211, Tulsa, OK 74115.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statements of Net Position
June 30, 2025 and 2024

(in thousands of dollars)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 22,191	\$ 17,998
Cash and cash equivalents - restricted	6,611	3,054
Investments - restricted	1,020	1,013
Receivables		
Trade, less allowance for doubtful accounts of \$122	2,452	2,140
Intergovernmental receivable	12,793	11,754
Customer facility charges receivable	302	319
Lease receivables	1,162	798
Inventories	1,757	1,734
Prepays	7,916	8,460
Other current assets	328	303
Total current assets	<u>56,532</u>	<u>47,573</u>
Noncurrent assets		
Cash and cash equivalents - restricted	63,898	59,016
Investments - unrestricted	2,571	2,418
Investments - restricted	17,538	16,573
Passenger facility charges receivable - restricted	514	939
Capital assets not being depreciated	218,022	164,878
Capital assets, net of accumulated depreciation	235,458	236,824
Advance to primary government	1	1
Lease receivables - noncurrent	30,317	27,223
Total noncurrent assets	<u>568,319</u>	<u>507,872</u>
Total assets	<u>624,851</u>	<u>555,445</u>
Deferred Outflows of Resources		
Deferred charges on refunding	6,549	7,088
Pension related amounts	514	1,025
Total deferred outflows of resources	<u>\$ 7,063</u>	<u>\$ 8,113</u>

The accompanying notes are an integral part of these financial statements.

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Statements of Net Position, continued
June 30, 2025 and 2024

(in thousands of dollars)

	2025	2024
Liabilities		
Current liabilities		
Accounts payable	\$ 3,497	\$ 2,076
Current portion of compensated absences	342	270
Unearned revenue	18,078	23,395
Current portion of SBITA liability	187	146
Current portion of bonds payable	8,675	8,422
Liabilities payable from restricted assets:		
Accounts payable	12,443	4,827
Customer deposits	67	95
Accrued interest payable	366	380
Total current liabilities	<u>43,655</u>	<u>39,611</u>
Noncurrent liabilities		
Compensated absences	651	762
Net pension liability	10,592	13,126
SBITA liability	44	144
Bonds payable, including premium	115,598	124,641
Total noncurrent liabilities	<u>126,885</u>	<u>138,673</u>
Total liabilities	<u>170,540</u>	<u>178,284</u>
Deferred Inflows of Resources		
Lease related amounts	29,403	26,430
Pension related amounts	2,173	1,342
Total deferred inflows of resources	<u>31,576</u>	<u>27,772</u>
Net position		
Net investment in capital assets	<u>332,631</u>	279,596
Restricted for:		
Restricted by bond indenture for operations	8,532	8,438
Debt service	4,599	805
Capital projects	56,031	46,133
Other purposes	280	268
Total restricted net position	<u>69,442</u>	55,644
Unrestricted	27,725	22,262
Total net position	<u>\$ 429,798</u>	<u>\$ 357,502</u>

The accompanying notes are an integral part of these financial statements.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2025 and 2024

(in thousands of dollars)

	2025	2024
Operating revenue		
Aeronautical operating revenues		
Landing fees - signatory and non-signatory	\$ 8,935	\$ 8,459
Passenger airline terminal revenue - signatory and non-signatory	9,698	6,913
Other aeronautical revenue	4,637	4,430
Total aeronautical revenue	23,270	19,802
Non-aeronautical operating revenue		
Terminal revenues	4,056	2,730
Rental car revenues	6,486	6,100
Parking revenues	14,158	13,668
Other non-aeronautical operating revenue	1,900	1,844
Total non-aeronautical operating revenue	26,600	24,342
Revenue from Tulsa Riverside Airport	1,456	1,354
Total operating revenues	51,326	45,498
Operating expenses		
Personnel compensation and benefits	13,167	14,068
Service contracts	7,966	7,489
Materials, equipment & supplies	2,375	2,037
Utilities and communications	2,138	2,385
Insurance, claims	1,043	1,050
Other	1,745	1,584
Total operating expenses, excluding depreciation	28,434	28,613
Net operating income before depreciation	22,892	16,885
Depreciation	19,455	18,934
Net operating gain (loss)	3,437	(2,049)
Nonoperating revenues (expenses)		
Investment income and change in fair value of investments	5,256	3,992
Lease interest income	720	702
Interest expense	(4,551)	(4,834)
Amortization of bond discount/premium and deferred charges on refunding	(171)	(189)
Passenger facility charges	6,054	6,194
Customer facility charges	3,435	3,349
Federal grants noncapital	-	8,086
Other, net	40	60
Net nonoperating revenues	10,783	17,360
Capital contributions and grants		
Federal grants	42,158	14,499
State grants	7,991	1,797
Capital contributions	7,927	500
Total capital contributions and grants	58,076	16,796
Increase in net position	72,296	32,107
Net position, beginning of year	357,502	325,395
Net position, end of year	\$ 429,798	\$ 357,502

The accompanying notes are an integral part of these financial statements.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

(in thousands of dollars)

	2025	2024
Cash flows from operating activities		
Cash received from customers, including cash deposits	\$ 50,547	\$ 45,244
Cash payments to suppliers for goods and services	(13,527)	(14,758)
Cash payments to employees for services	(14,398)	(14,274)
Net cash provided by operating activities	<u>22,622</u>	<u>16,212</u>
Cash flows from non-capital and related financing activities		
Proceeds from non-capital grants, donations and reimbursements	-	8,107
Net cash provided by non-capital and related financing activities	<u>-</u>	<u>8,107</u>
Cash flows from capital and related financing activities		
Construction and purchase of capital assets	(70,553)	(29,919)
Interest paid on long-term debt	(4,564)	(4,859)
Passenger facility charges received	6,479	5,803
Customer facility charges received	3,452	3,327
Principal paid on long-term debt	(8,422)	(8,072)
Proceeds from sale of capital assets	24	53
Interest received on leases	720	702
Proceeds from state grants	7,991	1,171
Proceeds from federal capital grants	51,047	30,992
Net cash (used in) capital and related financing activities	<u>(13,826)</u>	<u>(802)</u>
Cash flows from investing activities		
Purchase of investments	(10,998)	(10,863)
Proceeds from sale or maturity of investments	10,704	10,756
Interest received on investments	4,130	3,433
Net cash provided by investing activities	<u>3,836</u>	<u>3,326</u>
Net increase in cash and cash equivalents	12,632	26,843
Cash and cash equivalents		
Beginning of year	<u>80,068</u>	<u>53,225</u>
End of year	<u>\$ 92,700</u>	<u>\$ 80,068</u>

(continued)

The accompanying notes are an integral part of these financial statements.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statements of Cash Flows, continued
Years Ended June 30, 2025 and 2024

(in thousands of dollars)

	<u>2025</u>	<u>2024</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Current unrestricted cash and cash equivalents	\$ 22,191	\$ 17,998
Current restricted cash and cash equivalents	6,611	3,054
Noncurrent restricted cash and cash equivalents	<u>63,898</u>	<u>59,016</u>
Total cash and cash equivalents	<u>\$ 92,700</u>	<u>\$ 80,068</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ 3,437	\$ (2,049)
Adjustments to reconcile operating activities to net cash provided by operating activities:		
Depreciation	19,455	18,934
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable, trade	(293)	216
Decrease (increase) in lease related amounts	(543)	(293)
Decrease (increase) in inventories	(23)	(316)
Decrease (increase) in prepaids	543	(622)
Decrease (increase) in other current and noncurrent assets	(107)	-
(Decrease) increase in unearned revenue	-	25
(Decrease) increase in accounts payable and accrued liabilities	1,456	592
Change in pension-related amounts	(1,303)	(275)
Net cash provided by operating activities	<u>\$ 22,622</u>	<u>\$ 16,212</u>
Noncash investing activities:		
Increase in fair value of investments	<u>\$ 1,315</u>	<u>\$ 411</u>
Noncash capital and financing activities:		
Capital asset acquisitions included in accounts payable	<u>\$ (12,443)</u>	<u>\$ (4,827)</u>
Federal capital grant revenue included in receivables	<u>\$ 10,448</u>	<u>\$ 6,205</u>
State capital grant revenue included in receivables	<u>\$ 2,345</u>	<u>\$ 381</u>
Passenger facility charge revenue included in receivables	<u>\$ 514</u>	<u>\$ 939</u>
Customer facility charge revenue included in receivables	<u>\$ 302</u>	<u>\$ 319</u>

The accompanying notes are an integral part of these financial statements.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars)
June 30, 2025 and 2024

1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS - The Tulsa Airports Improvement Trust (the “Trust” or “TAIT” or the “Airports”) was organized in 1967 as a public trust with the City of Tulsa (the “City”) as its sole beneficiary. The Trust’s purpose is to operate, maintain, construct, improve and/or lease airport facilities serving the City and to incur indebtedness as may be necessary to provide such facilities. Any indebtedness is payable solely from revenues of TAIT, as it has no authority to levy taxes. All revenues generated by the Airports must be used for airport purposes.

Effective January 1, 2014, the City of Tulsa and the Tulsa Airports Improvement Trust entered into an Amended and Restated Lease Agreement for the land encompassing Tulsa International Airport and Tulsa Riverside Airport. The lease agreement shall end on December 31, 2033, or on such later date on which all Bonds of the Trustees issued in connection with the Airports have been paid or provision for the payment thereof has been made. The Trust shall have the option to extend the terms for up to four periods of ten years each.

The accompanying financial statements include the accounts and activity of TAIT and the Tulsa Airport Authority (TAA). All amounts in the notes to the financial statements, unless otherwise indicated, are expressed in thousands of dollars.

BASIS OF ACCOUNTING AND PRESENTATION - The financial statements of TAIT are prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to business-type activities of governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting.

The financial statements of TAIT have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Investment income and voluntary nonexchange transactions are included in nonoperating revenues and expenses, as well as debt related expenses.

REPORTING ENTITY –TAA members are appointed by the Mayor and approved by City Council. Appointed members of TAA become TAIT Trustees pursuant to the TAIT Trust Indenture. The Trust is a component unit of the City and is included in the City’s annual comprehensive financial report as a discretely presented component unit.

CASH AND CASH EQUIVALENTS – The Trust considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

INVESTMENTS - Investments consist of obligations of the U.S. Treasury and various federal agencies and instrumentalities, certificates of deposit and money market funds. These investments are held by bond trustees and invested in accordance with the requirements and terms of various bond indentures. Investments in the U.S. Treasury and federal agencies are recorded at fair value. Investments in money market funds are recorded at amortized cost. The Trust experienced an increase in the fair value of investments of approximately \$1,315 and \$411 for the years ended June 30, 2025 and 2024, respectively.

FAIR VALUE MEASUREMENTS – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The Trust categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the Authority's own assumptions as there is little, if any, related activity.

Hierarchy – The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs – If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

INVENTORIES – Inventories consist principally of consumable supplies and replacement parts for fixtures and equipment. Inventories are stated at the lower of cost (first-in, first-out) or market.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

RESTRICTED ASSETS – Certain cash, cash equivalents and investments of TAIT are restricted under the terms of its bond indentures. Other assets are restricted by TAIT’s collection of passenger facility charges.

CAPITAL ASSETS – Capital assets are carried at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 20 to 50 years for buildings, 5 to 20 years for roads, ramps, and runways, 3 to 20 years for equipment, and 1 to 20 years for leasehold improvements. When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in nonoperating revenues and expenses. Costs of maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Interest incurred during construction periods is expensed.

LEASES

Lessor: TAIT is a lessor for noncancellable leases. TAIT recognizes a lease receivable and deferred inflow of resources on the statement of net position. At the commencement of a lease, TAIT initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how TAIT determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- TAIT uses its estimated incremental borrowing rate as the discount rate for the leases or a rate based on the economic characteristics of the transaction.
- The lease term includes the noncancellable period of the lease. Lease receipts include in the measurement of the lease receivable are composed of the fixed payments from the lessee.

TAIT monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

Lessee: TAIT is a lessee for noncancelable subscription IT arrangements (similar to a lease) for the right-to-use information technology hardware and software (subscription IT arrangements). At the commencement of a subscription, TAIT initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of the subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into depreciation expense on a straight-line basis over the useful life of the asset.

BOND DISCOUNTS/PREMIUMS – Discounts/premiums on revenue bonds are being accreted/amortized over the life of the bonds to which they relate, using a method which approximates the effective interest method.

DEFERRED CHARGES ON REFUNDING – Deferred charges on refunding represents the difference in the reacquisition price and the net carrying amount of the old debt. These charges are presented as a deferred outflow of resources, amortized using a method which approximates the effective interest method, and recognized as a component of amortization expense over the term of the old or new debt, whichever is shorter.

COMPENSATED ABSENCES – TAIT has recognized a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. TAIT has adopted a LIFO flows assumption which aligns with how compensated absences are likely to be paid/settled.

The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Under the terms of TAIT's personnel policy, PTO is granted to all regular and part-time employees. The annual amount of PTO accrued varies from 18 to 33 days depending upon years of service. The maximum amount of PTO time that may be accumulated is 480 hours. Accumulated PTO vests and TAIT is obligated to make payment even if the employee terminates.

For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any particular reporting period (parental leave, military leave, and jury duty), a liability is not recognized until the leave commences. For holiday leave, a liability is recognized when the leave is taken.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

The liability for leave that has been used, but not yet paid, has been recognized in accrued salaries. The liability for leave that has not been used is recognized in compensated absences.

DEFERRED OUTFLOW/INFLOW OF RESOURCES – Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be reported as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The Trust records deferred outflows of resources and deferred inflows of resources related to its participation in the Municipal Employees' Retirement Plan (MERP). The Trust also records deferred inflows of resources related to lease receivables.

UNEARNED REVENUE – Unearned revenue represents payments and/or revenue received but not recognized since it has not yet been earned. Unearned revenue primarily consists of rental payments received in advance, as well as a federal grant received in advance during the current fiscal year.

PENSIONS – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MERP and additions to/deductions from MERP's fiduciary net position have been determined on the same basis as they are reported by MERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FEDERAL AND STATE GRANTS – Contributions resulting from federal and state grants are generally restricted for the acquisition or construction of property and equipment. Funding provided from government grants is considered earned when all eligibility requirements have been satisfied, primarily as a result of the approved capital outlays or expenditures being incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed to be material. Federal grants receivable represents the earned portions, based on the related expenditures, of various grants that have not been remitted by the grantor. The unexpended portions of such grants are properly not reflected in the financial statements and as of June 30, 2025 totaled \$19,070.

NET POSITION – Net Position of TAIT represents the difference between assets, liabilities, and deferred inflows/outflows of resources. The net position of TAIT is comprised of these categories:

NET INVESTMENT IN CAPITAL ASSETS Reflects TAIT's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Net investment in capital assets, excludes unspent bond proceeds of \$9,649 and \$9,093 as of June 30, 2025 and 2024, respectively. The Trust uses

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

these capital assets to provide services to the public; consequently, these assets are not available for future spending.

RESTRICTED NET POSITION Represents resources that are subject to enabling legislation adopted by TAIT or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

UNRESTRICTED NET POSITION Represents remaining assets and deferred outflows of resources less remaining liabilities and deferred inflows of resources that do not meet the definition of net investment in capital assets or restricted.

The Trust first applies restricted resources when an expense or outlay is incurred for purposes for which both restricted and unrestricted resources are available.

OPERATING RESERVE – The Trust has an operating reserve, which was established in the Amended and Restated Bond Indenture (“Indenture”). The Indenture requires the reserve to be established and maintained at approximately one-fourth of the estimated and budgeted operating expenses (excluding depreciation and certain other costs as defined in the Indenture) of TAIT. The reserve can be used to pay operating expenses or to pay interest, principal and premium on bonds.

FEDERAL INCOME TAXES – The Trust, as a political subdivision of the State of Oklahoma with the City of Tulsa as beneficiary, is excluded from taxation under Section 115(1) of the Internal Revenue Code.

REVENUES AND EXPENSES – Operating revenues consist principally of landing and operating fees charged to airlines using the airport facilities, fuel sales fees, parking fees, and concession fees and rentals. Long-term use and lease agreements govern the rates charged to the major airlines using the airport. Under the terms of these agreements, the airlines have agreed to pay amounts which, when combined with other revenues, will be sufficient to pay operating and maintenance costs of the airports and the annual debt service on TAIT's outstanding revenue bonds for which the Trust's revenues are pledged as collateral.

Operating expenses consist of all costs incurred to administer the airport system, including depreciation of capital assets. All revenues and expenses not meeting these descriptions are considered nonoperating revenues and expenses or capital grants, contributions, and charges.

PASSENGER FACILITY CHARGE – In 1990, the United States Congress enacted the Aviation Safety and Capacity Expansion Act (“ASCEA”) of 1990, which allows public agencies controlling commercial service airports to charge eligible enplaning passengers at the airport a \$1, \$2, or \$3 passenger facility charge, or PFC. In 2000, the U.S. Congress passed the Aviation Investment and Reform Act for the 21st Century (“AIR-21”), which allowed airports to levy a

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**, continued

PFC of \$4.00 or \$4.50 per eligible enplaned passenger.

The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

Effective August 1, 1992, TAIT began the assessment of a \$3.00 PFC, which increased to \$4.50 in November 2010. The charge is collected by all carriers and remitted to TAIT, less a minor handling fee. The proceeds from the PFC are restricted for use by TAIT for certain FAA-approved capital improvement projects and debt payments. PFC revenues are reflected as nonoperating revenues when collected by the Airlines. As of June 30, 2025, TAIT has submitted a total of ten applications. Under the five approved open applications, TAIT is authorized to collect \$127,967 of PFC revenue until June 1, 2032.

CUSTOMER FACILITY CHARGE – Effective July 1, 2004, TAIT began the assessment of a Customer Facility Charge ("CFC"). Effective August 1, 2010, this rate was set at \$4.00. The charge is collected by all rental car concessionaires and remitted to TAIT. The proceeds from the CFC are designated for use by TAIT for certain rental car capital improvement projects, industry operating costs, and debt service requirements. CFC revenues are reflected in nonoperating revenues and are recognized as earned (when the rental transaction occurs). Effective July 1, 2025, the rate will increase to \$6.00.

CAPITAL CONTRIBUTIONS – Capital contributions include cash payments made by other governments for facility improvements and are recognized as revenue when eligibility requirements have been satisfied, as a result of expenditures incurred. Capital contributions also include donated assets, which are recorded at their acquisition value.

USE OF ESTIMATES – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

2. CASH AND INVESTMENTS

INVESTMENTS – In accordance with the bond indentures and state statutes, authorized investments consist of obligations of the U.S. Treasury, agencies and instrumentalities, certain municipal bonds, and money market accounts.

The Trust's investments as of June 30, 2025 are as follows:

(in thousands of dollars)

Type	Carrying Value	June 30, 2025 Maturities in Years			Fair Value Measurement
		Less than 1	1-5	6-10	
Investments reported at fair value:					
US Treasury Bill	\$ 1,020	\$ 1,020	\$ -	\$ -	Level 2
Federal Home Loan Bank	8,685	-	8,685	-	Level 2
Federal Farm Credit Banks	11,424	-	11,424	-	Level 2
	<u>\$ 21,129</u>	<u>\$ 1,020</u>	<u>\$ 20,109</u>	<u>\$ -</u>	

The Trust's investments as of June 30, 2024 are as follows:

(in thousands of dollars)

Type	Carrying Value	June 30, 2024 Maturities in Years			Fair Value Measurement
		Less than 1	1-5	6-10	
Investments reported at fair value:					
US Treasury Bill	\$ 1,013	\$ 1,013	\$ -	\$ -	Level 2
Federal Home Loan Bank	8,168	-	8,168	-	Level 2
Federal Farm Credit Banks	10,827	-	10,827	-	Level 2
	<u>\$ 20,008</u>	<u>\$ 1,013</u>	<u>\$ 18,995</u>	<u>\$ -</u>	

INTEREST RATE RISK – The Trust does not have a formal policy limiting its exposure to fair value losses arising from rising interest rates. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. See charts above for maturity dates of investments held.

CREDIT RISK – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfil its obligations.

Investments – At June 30, 2025 and 2024, TAIT's investments in U. S. agencies obligations not directly guaranteed by the U. S. government were rated AA+ and AAA by Standard & Poor's and Moody's, respectively. TAIT's U.S. Treasury Bills are not subject to credit risk disclosures.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

2. **CASH AND INVESTMENTS**, continued

CUSTODIAL CREDIT RISK – For deposits, custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, TAIT will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Deposits and investments – The Trust’s deposit policy for custodial credit risk requires compliance with provisions of state law and that demand deposits be collateralized at least 110% of the amount that is not federally insured. At June 30, 2025 and 2024 there were no deposits or money market accounts exposed to custodial credit risk. All of the underlying securities for TAIT’s investments in U.S. agency obligations at June 30, 2025 and 2024 are registered in TAIT’s name.

CONCENTRATION OF CREDIT RISK – The Trust places no limit on the amount that may be invested in any one issuer.

Investments – At June 30, 2025 and 2024, TAIT’s investment in Federal Home Loan Bank (“FHLB”) constituted 41% of its total investments. At June 30, 2025 and 2024, TAIT’s investment in Federal Farm Credit Banks constituted 54% of its total investments. Money market accounts and US Treasury Bills are not subject to concentration of credit risk disclosure.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

3. CAPITAL ASSETS

The changes in capital assets during 2025 are summarized as follows:

2025 <i>(in thousands of dollars)</i>	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 73,186	\$ -	\$ -	\$ -	\$ 73,186
Easements	70,596	-	-	-	70,596
Artwork	686	-	-	-	686
Construction-in-progress	20,411	69,517	-	(16,374)	73,554
Total capital assets not being depreciated	164,879	69,517	-	(16,374)	218,022
Capital assets being depreciated					
Land improvements	334,550	-	-	8,794	343,344
Buildings	296,234	23	-	6,521	302,778
Right to use - subscription assets	531	137	-	-	668
Equipment	38,198	1,556	(221)	1,059	40,592
Total capital assets being depreciated	669,513	1,716	(221)	16,374	687,382
Accumulated depreciation					
Land improvements	230,877	9,111	-	-	239,988
Buildings	181,834	7,538	-	-	189,372
Right to use - subscription assets	133	199	-	-	332
Equipment	19,846	2,607	(221)	-	22,232
Total accumulated depreciation	432,690	19,455	(221)	-	451,924
Total capital assets being depreciated, net	236,823	(17,739)	-	16,374	235,458
Capital assets, net	\$ 401,702	\$ 51,778	\$ -	\$ -	\$ 453,480

The changes in capital assets during 2024 are summarized as follows:

2024 <i>(in thousands of dollars)</i>	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 72,573	\$ 613	\$ -	\$ -	\$ 73,186
Easements	70,596	-	-	-	70,596
Artwork	461	225	-	-	686
Construction-in-progress	9,744	21,087	-	(10,420)	20,411
Total capital assets not being depreciated	153,374	21,925	-	(10,420)	164,879
Capital assets being depreciated					
Land improvements	326,628	-	-	7,922	334,550
Buildings	295,494	91	-	649	296,234
Right to use - subscription assets	165	366	-	-	531
Equipment	33,927	2,962	(540)	1,849	38,198
Total capital assets being depreciated	656,214	3,419	(540)	10,420	669,513
Accumulated depreciation					
Land improvements	222,366	8,511	-	-	230,877
Buildings	173,757	8,077	-	-	181,834
Right to use - subscription assets	17	116	-	-	133
Equipment	18,142	2,230	(526)	-	19,846
Total accumulated depreciation	414,282	18,934	(526)	-	432,690
Total capital assets being depreciated, net	241,932	(15,515)	(14)	10,420	236,823
Capital assets, net	\$ 395,306	\$ 6,410	\$ (14)	\$ -	\$ 401,702

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

4. REVENUE BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The changes in revenue bonds payable and other long-term liabilities during 2025 are summarized as follows:

2025

(in thousands of dollars)

Series and Maturity Dates	Issue (Authorized) Amount	Interest Rate	Beginning Balance	Increase	Decrease	Ending Balance	Portion Due Within One Year
Revenue bonds							
Series 2015C, 2045	895	2% - 4.25%	\$ 715	\$ -	\$ (20)	\$ 695	\$ 25
Series 2016A, 2027	1,500	3.82%	301	-	(108)	193	120
Series 2017A, 2037	54,180	1.888% - 3.977%	48,995	-	(2,720)	46,275	2,840
Series 2018A, 2048	19,825	4% - 5.25%	18,610	-	(440)	18,170	455
Series 2020A, 2028	15,965	5.00%	7,770	-	(2,195)	5,575	2,260
Series 2021A, 2026	1,975	4.00%	790	-	(465)	325	325
Series 2021B, 2045	55,980	0.496 - 3.099%	53,545	-	(2,475)	51,070	2,650
Total revenue bonds payable			130,726	-	(8,423)	122,303	8,675
Unamortized premium (discount)			2,337	-	(367)	1,970	-
Total revenue bonds payable, net			133,063	-	(8,790)	124,273	8,675
Other long-term liabilities							
Compensated absences			1,032	-	(39)	993	342
Subscription based lease liability			290	13	(72)	231	187
Net pension liability			13,126	-	(2,534)	10,592	-
Total other long-term liabilities			14,448	13	(2,645)	11,816	529
Total long-term liabilities			\$ 147,511	\$ 13	\$ (11,435)	\$ 136,089	\$ 9,204

With the implementation of GASB Statement No. 101, Compensated Absences, as of July 1, 2024, the increase or decrease for compensated absences has been presented on the net basis.

The changes in revenue bonds payable and other long-term liabilities during 2024 are summarized as follows:

2024

(in thousands of dollars)

Series and Maturity Dates	Issue (Authorized) Amount	Interest Rate	Beginning Balance	Increase	Decrease	Ending Balance	Portion Due Within One Year
Revenue bonds							
Series 2013B, 2024	3,275	1.389% - 5.087%	\$ 980	\$ -	\$ (980)	\$ -	\$ -
Series 2015A, 2024	44,045	2% - 5%	550	-	(550)	-	-
Series 2015C, 2045	895	2% - 4.25%	735	-	(20)	715	20
Series 2016A, 2027	1,500	3.82%	413	-	(112)	301	107
Series 2017A, 2037	54,180	1.888% - 3.977%	50,760	-	(1,765)	48,995	2,720
Series 2018A, 2048	19,825	4% - 5.25%	19,035	-	(425)	18,610	440
Series 2020A, 2028	15,965	5.00%	9,905	-	(2,135)	7,770	2,195
Series 2021A, 2026	1,975	4.00%	1,235	-	(445)	790	465
Series 2021B, 2045	55,980	0.496 - 3.099%	55,185	-	(1,640)	53,545	2,475
Total revenue bonds payable			138,798	-	(8,072)	130,726	8,422
Unamortized premium (discount)			2,835	-	(498)	2,337	-
Total revenue bonds payable, net			141,633	-	(8,570)	133,063	8,422
Other long-term liabilities							
Compensated absences			973	630	(571)	1,032	270
Subscription based lease liability			87	366	(163)	290	146
Net pension liability			14,556	-	(1,430)	13,126	-
Total other long-term liabilities			15,616	996	(2,164)	14,448	416
Total long-term liabilities			\$ 157,249	\$ 996	\$ (10,734)	\$ 147,511	\$ 8,838

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

4. REVENUE BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES, continued

Pursuant to the Amended and Restated Bond Indenture dated November 1, 2009 and various supplemental bond indentures (the "Indentures"), TAIT has issued revenue bonds for the purpose of constructing improvements to the airport facilities and refunding prior issues of revenue bonds. The bonds issued are collateralized by and payable from the revenues of TAIT. The Indentures provide, among other things, for the establishment of certain restricted accounts for the receipt and expenditure of the bond proceeds and for the pledged revenues to be administered by a trustee bank. The TAIT revenue bonds are subject to acceleration if TAIT defaults.

For the purposes of complying with the Rate Covenant, the Indenture requires that Airport Trustees impose, adjust, enforce and collect such rates, rentals, fees and charges to ensure that Dedicated Revenues for such period plus Gross Revenues will equal at least (i) an amount equal to 1.25 times Debt Service due during the Fiscal Year; (ii) an amount equal to estimated and budgeted Operating Expenses during the Fiscal Year; and (iii) an amount equal to the aggregate of deficiencies in any fund or accounts (or so much as is required to be repaid during such Fiscal year) held under the Indenture.

REVENUES PLEDGED - The Trust has pledged future gross revenues derived from the operation of the airports to repay all of its revenue bonds issued. Proceeds from the bonds provided financing for various capital projects and debt refundings. The bonds are payable solely from gross revenues and are payable through 2048. Annual principal and interest payments on the bonds required 15% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$163,450. Principal and interest paid for the year was \$12,986. Net revenues available for debt services (after reducing by operating expenses) in fiscal year 2025 and 2024 were \$96,259 and \$54,396, respectively.

FUTURE MATURITIES

Future maturities of revenue bonds are as follows:

(in thousands of dollars)

Fiscal Year	Principal	Interest	Total
2026	\$ 8,675	\$ 4,294	\$ 12,969
2027	8,644	4,010	12,654
2028	7,405	3,718	11,123
2029	6,605	3,475	10,080
2030	6,805	3,267	10,072
2031-2035	36,325	12,828	49,153
2036-2040	27,525	6,518	34,043
2041-2045	16,685	2,648	19,333
2046-2048	3,634	389	4,023
	<u>\$ 122,303</u>	<u>\$ 41,147</u>	<u>\$ 163,450</u>

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

4. **REVENUE BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES, continued**

The net book value of the assets under subscription-based agreements was \$331 and \$398 at June 30, 2025 and 2024, respectively. During the fiscal years ended June 30, 2025 and 2024, TAIT recorded \$199 and \$116, respectively, in amortization expense and \$6 and \$2, respectively, in interest expense for the right-to-use subscription assets.

Future maturities of subscription-based lease liabilities are as follows:

(in thousands of dollars)

Fiscal Year	Principal	Interest	Total
2026	\$ 187	\$ 1	\$ 188
2027	44	1	45
	<u>\$ 231</u>	<u>\$ 2</u>	<u>\$ 233</u>

5. **PENSION AND RETIREMENT BENEFITS**

Plan description: Employees of TAIT are provided with pensions through the Municipal Employee Retirement Plan (MERP)—a cost-sharing multiple-employer defined benefit pension plan administered by the City of Tulsa (City). MERP provides retirement, disability and death benefits which are established by City ordinance to plan members and beneficiaries. MERP's financial statements and required supplementary information are included in the City of Tulsa's Annual Comprehensive Financial Report (ACFR). The report may be obtained by writing to the City of Tulsa Controller, 175 E. 2nd Street, Tulsa, Oklahoma 74103.

Benefits provided: MERP provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee's highest 30 months of pensionable wages during the last five-years of service and a multiplier based on the years of service. Employees entering the plan prior to July 1, 2018, are eligible for full retirement at age 65 and at least 5 years of service or when the years of service plus the employee's age equals or exceeds 80. Reduced benefits are available after age 55 and 5 years of service (Early retirement). Benefits for Early retirement are reduced 2.5% per year prior to age 65. Employees entering the plan on or after July 1, 2018, are eligible for full retirement at age 65, with at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 90. Reduced benefits are available after age 60 and 5 years of service (Early Retirement). Benefits for Early Retirement are reduced 6.0% per year prior to age 65. Five years of service is required for nonservice-related disability eligibility.

Disability benefits are determined in the same manner as normal retirement. Death benefits for vested participants are, at the spouse's election, a refund of contribution plus interest or a life annuity of 50% of the member's accrued benefit determined based on final average earnings and service as of the date of death.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

5. **PENSION AND RETIREMENT BENEFITS, continued**

Contributions: Contributions are set per City of Tulsa ordinance. Employees have been required to contribute 8.0% of their pensionable wages since September 24, 2022. The Trust was required to contribute 17.0% of pensionable wages since September 24, 2022. The Trust is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceed the 17.0% of payroll. Actual contributions to the pension plan from TAIT were \$1,500 and \$1,451 for the years ended June 30, 2025 and 2024, respectively.

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

At June 30, 2025, TAIT reported a liability of \$10,592 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. Standard update procedures were used to roll forward the total pension liability to June 30, 2025. The liability for June 30, 2024 was \$13,126. The Trust's proportion of the net pension liability was based on TAIT's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2025 and 2024, TAIT's proportion was 4.8970% and 5.1096%, respectively.

For the years ended June 30, 2025 and 2024, TAIT recognized pension expense of \$304 and \$1,185, respectively. At June 30, 2025 and 2024, TAIT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2025:		
Differences between expected and actual plan experience	\$ 484	\$ -
Changes of assumptions	-	(22)
Net difference between projected and actual earnings on pension plan investments	-	(1,349)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	30	(802)
Total	<u>\$ 514</u>	<u>\$ (2,173)</u>

Tulsa Airports Improvement Trust
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Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

5. **PENSION AND RETIREMENT BENEFITS, continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
2024:		
Differences between expected and actual plan experience	\$ 847	\$ -
Changes of assumptions	-	(138)
Net difference between projected and actual earnings on pension plan investments	-	(436)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	178	(768)
Total	<u>\$ 1,025</u>	<u>\$ (1,342)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2025, will be recognized in pension expense as follows:

Years ended June 30:

2026	\$ 143
2027	(798)
2028	(650)
2029	(354)
Thereafter	-
	<u>\$ (1,659)</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, except as otherwise noted.

Inflation	2.50%
Salary increases	3.50-9.50%, including inflation (2.5%)
Investment rate of return	6.75%, compounded annually, net of investment expense and including inflation (2.5%)

Mortality rates were based on the Pub-2010 General Employee Mortality Table, projected with the ultimate rates of Scale MP-2021, from the 2010 base year.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

5. **PENSION AND RETIREMENT BENEFITS, continued**

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020. There were no significant changes in actuarial assumptions compared to the January 1, 2024 valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20.00%	2.75%
Domestic equity	37.50%	6.00%
International equity	24.00%	4.50%
Real estate	12.00%	5.25%
Commodities/Timber	5.50%	4.50%
Cash	1.00%	0.50%
	<u>100.00%</u>	

Discount rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the participating employers will be made as specified in MERP's funding policy. Beginning January 1, 2021, to September 24, 2022, the employer contribution rate was 16.50% of payroll and 17.00% thereafter. Based on those assumptions, MERP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

5. **PENSION AND RETIREMENT BENEFITS, continued**

Sensitivity of TAIT's proportionate share of the net pension liability to changes in the discount rate: The following presents TAIT's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what TAIT's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
2025:			
Trust's proportionate share of the net pension liability	\$ 15,989	\$ 10,592	\$ 6,092
2024:			
Trust's proportionate share of the net pension liability	\$ 18,577	\$ 13,126	\$ 8,576

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the City of Tulsa's ACFR, which can be located at www.cityoftulsa.org.

6. **LEASES**

Tulsa Airports Improvement Trust (TAIT), as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not unrecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

For the purpose of GASB Statement No. 87 implementation, TAIT leases have been categorized as follows:

- In-Scope Leases
- Excluded - Short-term Leases
- Excluded - Regulated Leases

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

6. **LEASES, continued**

In-Scope Leases

In accordance with GASB Statement No. 87, TAIT recognizes a lease receivable and a deferred inflow of resources for leases classified as In-Scope. For these leases, TAIT is reporting lessor lease receivable of \$31.5M, lease expense of \$239K and interest revenue of \$725K related to lease payments received for the fiscal year ending June 30, 2025. TAIT is reporting lessor lease receivable of \$28.0M, lease expense of \$214K and interest revenue of \$710K related to lease payments received for the fiscal year ending June 30, 2024.

The GASB No. 87 In-scope Leases are summarized as follows:

Real Estate

TAIT leases land classified as unregulated for terms that extend up to 60 years. The terms of the real estate leases include a fixed revenue component based on acreage. TAIT received fixed real estate revenue of \$1.7M and \$1.5M for the fiscal years ending June 30, 2025 and 2024, respectively. The terms of the real estate lease agreements do not include a variable revenue component.

Concessions

TAIT has various concession leases for terms that range from 5 to 64 years. The terms of the concession lease agreements include a fixed revenue component or Minimum Annual Guarantee (MAG). For certain concession agreements, a temporary waiver of MAG exists in the event of reduced passenger activity. Therefore, TAIT determined this waiver excluded the MAG portion of these leases from the in-scope GASB87 calculations. However, provisions not subject to this waiver were included in the in-scope calculations.

TAIT recognized for the fiscal year ending June 30, 2025 the following revenue amounts from all provisions for these in-scope Concessionaire leases:

- Rental Cars: \$5.3M
- Food and Beverage: \$1.136M
- Retail: \$1.2M
- Hotel: \$375k

TAIT recognized for the fiscal year ending June 30, 2024 the following revenue amounts from all provisions for these in-scope Concessionaire leases:

- Rental Cars: \$5.3M
- Food and Beverage: \$1.028M
- Retail: \$1.2M
- Hotel: \$312k

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

6. **LEASES, continued**

Minimum future lease receipts for the next five fiscal years and then each five-year increment is:

Future payments to be received as of June 30, 2025:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,162	\$ 772	\$ 1,934
2027	1,024	744	1,768
2028	938	720	1,658
2029	968	697	1,665
2030	867	673	1,540
2031 - 2035	3,160	3,125	6,285
2036 - 2040	3,982	2,669	6,651
2041 - 2045	5,460	2,072	7,532
2046 - 2050	3,176	1,462	4,638
2051 - 2055	1,602	1,211	2,813
2056 - 2060	1,304	1,029	2,333
2031 - 2065	1,344	860	2,204
2066 - 2070	1,524	686	2,210
2071 - 2075	1,909	472	2,381
2076 - 2080	2,358	205	2,563
2081 - 2085	701	4	705
Report Total	\$ 31,479	\$ 17,401	\$ 48,880

Excluded - Short-Term Leases

In accordance with GASB No. 87, TAIT does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are classified as leases containing a lease term of twelve (12) months or less. The term of the lease includes all options to extend, regardless of their probability of being exercised. For short term lease payments, TAIT recognizes these as inflows of resources based on the Agreement. For leases which provide payment in advance TAIT recognizes a liability at the time of payment.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

6. **LEASES, continued**

Excluded - Regulated Leases

In accordance with GASB Statement No. 87, TAIT does not recognize a lease receivable and deferred inflow of resources for regulated leases. Regulated leases are classified as leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U. S. Department of Transportation and the Federal Aviation Administration. All leases that have been determined to be regulated leases include but are not limited to Signatory Passenger and Cargo Airlines under a long-term Use and Lease Agreement, Fixed Base Operators (FBO), as well as Private and Commercial Land Leases with explicit Aeronautical purposes. TAIT has Use and Lease Agreements with Signatory Airlines which provide preferential use of nine Passenger Boarding Bridges owned by TAIT.

TAIT recognized for the fiscal year ending June 30, 2025 the following fixed revenue amounts for these regulated leases by type:

- Signatory Passenger and Cargo Airlines: \$9.0M
- Real Estate - TUL: \$3.0M
- Real Estate - RVS: \$1.2M

TAIT recognized for the fiscal year ending June 30, 2024 the following fixed revenue amounts for these regulated leases by type:

- Signatory Passenger and Cargo Airlines: \$6.3M
- Real Estate - TUL: \$3.0M
- Real Estate - RVS: \$1.1M

TAIT recognized for the fiscal year ending June 30, 2025 the following variable revenue amounts for these regulated leases by type:

- Signatory Passenger and Cargo Airlines: \$8.4M
- Real Estate - TUL: \$649k
- Real Estate - RVS: \$210k

TAIT recognized for the fiscal year ending June 30, 2024 the following variable revenue amounts for these regulated leases by type:

- Signatory Passenger and Cargo Airlines: \$7.9M
- Real Estate - TUL: \$649k
- Real Estate - RVS: \$169k

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

6. **LEASES, continued**

Minimum future lease receipts for the next five fiscal years and then each five-year increment is:

Fiscal Year	Signatory Airline	Real Estate - TUL	Real Estate - RVS	Total
2026	\$ 9,357	\$ 2,790	\$ 960	\$ 13,107
2027	9,327	2,695	896	12,918
2028	-	2,527	885	3,412
2029	-	2,412	844	3,256
2030	-	1,717	800	2,517
2031 - 2035	-	7,035	3,548	10,583
2036 - 2040	-	5,200	2,941	8,141
2041 - 2045	-	3,748	2,170	5,918
2046 - 2050	-	2,075	466	2,541
2051 - 2055	-	1,293	-	1,293
2056 - 2059	-	352	-	352
Total	\$ 18,684	\$ 31,844	\$ 13,510	\$ 64,038

7. **RISK MANAGEMENT**

The Trust maintains commercial insurance coverage for property and equipment, bodily injury, automotive (personal liability and property damage off-airport), workers compensation on all employees and liability insurance coverage for its board members and directors. The Trust's current health and welfare insurance policies cover a 12-month period ending December 31, 2025.

There were no significant reductions in TAIT's insurance coverage during the year and there were no settlement amounts in excess of the insurance coverage in the current year or in the three prior years.

8. **COMMITMENTS AND CONTINGENCIES**

As of June 30, 2025, TAIT had open commitments for construction projects of approximately \$75,084, which will be primarily funded by the FAA, revenue, and discretionary funds.

There are other various suits and claims pending against TAIT which have arisen in the course of operations. Management believes any losses resulting from any such actions will not have a material adverse impact on the financial position or results of operations of TAIT.

Accordingly, management cannot presently estimate the overall operational and financial impact to the Trust, but such an impact could have a material adverse effect on the financial condition of the Trust.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

9. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, TAIT conducted the following transactions with related parties.

(In thousands of dollars)

	<u>2025</u>	<u>2024</u>
Payments to City of Tulsa - General Fund for support services	<u>\$ 41</u>	<u>\$ 44</u>
Advance to City of Tulsa	<u>\$ 1</u>	<u>\$ 1</u>

10. MAJOR CUSTOMERS

The Trust has four customers that provide in excess of 10% of the enplaned passengers. Southwest Airlines enplaned the largest share of passengers in fiscal year 2025 and 2024 at 35% and 37%, respectively. American Airlines, Delta Airlines and United Airlines also exceeded 10% in fiscal year 2025 at 33%, 12% and 17%, respectively and for 2024 at 31%, 11% and 17%, respectively.

11. ADOPTED AND PENDING GASB PRONOUNCEMENTS

The GASB has issued two statements which were implemented by the Trust in the current year. The statements adopted in the current year are as follows:

GASB Statement No. 101, *Compensated Absences*, this Statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This standard is a retroactive implementation for the earliest year presented in the financial statements. Management has applied the new methodology, and concluded there was no material impact to the July 1, 2023 and July 1, 2024 amounts previously presented, therefore has not restated these amounts. Additional disclosures around the requirements of the new standard have been included in Note 1.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to be occurring within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to the financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Management has evaluated the requirements of the Statement and determined that no concentrations or constraints exist that meet the criteria for disclosure.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Notes to Basic Financial Statements (in thousands of dollars), continued
June 30, 2025 and 2024

11. **ADOPTED AND PENDING GASB PRONOUNCEMENTS**, continued

The GASB has issued several new accounting pronouncements which will be effective to the Trust in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective and the Trust's consideration of the impact of the material pronouncements effecting the Trust are described below:

GASB Statement No. 103 – *Financial Reporting Model Improvements*, Issued in April 2024, this Statement will be effective for the Trust beginning with its fiscal year ending June 30, 2026. This Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain applicable issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will improve financial reporting by provided issuers of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The statement will be effective for the Trust with its year ending June 30, 2026.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Required Supplementary Information (in thousands of dollars)
Municipal Employees' Retirement Plan
June 30, 2025

Schedule of Proportionate Share of the Net Pension Liability - Last Ten Years

Year	Trust's Proportion of Net Pension Liability	Trust's Proportionate Share of Net Pension Liability	Trust's Covered Payroll	Trust's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2025	4.8970%	\$ 10,592	\$ 8,823	120.05%	76.19%
2024	5.1096%	13,126	8,535	153.79%	70.81%
2023	5.1918%	14,556	8,021	181.47%	67.16%
2022	5.7216%	15,379	7,739	198.72%	66.62%
2021	5.4394%	9,837	7,050	139.53%	76.92%
2020	5.9750%	15,174	7,774	195.19%	65.22%
2019	5.8549%	13,749	7,265	189.25%	66.91%
2018	5.8319%	11,449	6,929	165.23%	70.61%
2017	5.5364%	10,938	6,696	163.35%	69.39%
2016	5.9357%	12,840	6,848	187.50%	65.62%

Schedule of Employer Contributions - Last Ten Years

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Trust's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,500	\$ 1,500	\$ -	\$ 8,823	17.00%
2024	1,451	1,451	-	8,535	17.00%
2023	1,354	1,354	-	8,021	16.88%
2022	1,277	1,277	-	7,739	16.5%
2021	1,128	1,128	-	7,050	16.0%
2020	1,371	1,205	166	7,774	15.5%
2019	1,126	1,126	-	7,265	15.5%
2018	1,074	1,074	-	6,929	15.5%
2017	770	770	-	6,696	11.5%
2016	785	785	-	6,848	11.5%

Changes of assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from changes in the mortality table and discount rate from 7.75% to 7.5%. In 2019, the inflation rate decreased from 3.00% to 2.50%, salary increases changed from 4.00% – 11.75% to 3.5% – 11.25%, and investment rate of return (and discount rate) decreased from 7.50% to 7.00%.

In 2021, salary increases changed from 3.5%–11.25% to 3.5%–9.50%, investment rate of return (and discount rate) decreased from 7.00% to 6.75%, and the mortality table changed to the Pub-2010 General Employee.

In 2022, amounts reported as changes of assumptions resulted from use of an updated mortality projection scale and updated contingent survivor table.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Supplementary Information
Detailed Schedules of Operating Revenue
Years Ended June 30, 2025 and 2024

(in thousands of dollars)

	2025	2024
Aeronautical operating revenues		
Landing fees - signatory and non-signatory		
Passenger airline landing fees	\$ 7,669	\$ 7,129
Cargo airline landing fees	1,223	1,287
Military joint use fees	43	43
Total landing fees	<u>8,935</u>	<u>8,459</u>
Passenger airline terminal revenue - signatory and non-signatory		
Airline terminal rentals	5,579	4,198
Baggage system rentals	3,865	2,461
Other terminal area airline fees	254	254
Total terminal area passenger airline fees	<u>9,698</u>	<u>6,913</u>
Total landing fees and terminal area passenger airline revenues	<u>18,633</u>	<u>15,372</u>
Other Aeronautical Revenue		
FBO revenue	752	906
Hangar, cargo space and ground rents	2,949	2,455
Fuel flowage fees	649	649
Security reimbursements	-	99
Other aeronautical revenue	287	321
Total other aeronautical revenue	<u>4,637</u>	<u>4,430</u>
Total Aeronautical Revenue	<u>23,270</u>	<u>19,802</u>
Non-Aeronautical Operating Revenue		
Terminal Revenues		
Food and beverage	1,136	573
Retail	1,192	641
Other terminal concessions and revenue (excludes rental car counter space)	1,728	1,516
Total non-aeronautical Terminal Revenue	<u>4,056</u>	<u>2,730</u>
Other Non-Aeronautical Operating Revenue		
Rental car revenues	6,486	6,100
Parking revenues	14,158	13,668
Hotel revenues	334	271
Ground rents and facilities leases (excludes aeronautical & car rental)	614	764
Other non-aeronautical revenue	952	809
Total Other Non-Aeronautical Operating Revenues	<u>22,544</u>	<u>21,612</u>
Total Non-Aeronautical Operating Revenue	<u>26,600</u>	<u>24,342</u>
Revenue from Tulsa Riverside Airport	<u>1,456</u>	<u>1,354</u>
Total operating revenues	<u>\$ 51,326</u>	<u>\$ 45,498</u>

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Insurance in Force (Unaudited)
Year Ended June 30, 2025

Policy Coverage	Issuer	Limit of Liability	Self Insurance	Expiration Date	Premium
Auto	Granite State Insurance Company	\$1 million - each accident, cash value or cost of repair	None	6/30/2026	\$ 120,298
Workers Compensation	Milford Casualty Insurance Company	Statutory limits	None	6/30/2026	\$ 91,921
Directors and Officers	Navigators Insurance Company	\$3 million	None	6/30/2026	\$ 44,382
General Liability	Chubb (Ace Property and Casualty Insurance Company)	\$100 million	None	6/30/2026	\$ 96,609
Property	AIG	Total insured value \$427,496,640; Limits \$500 million	None	6/30/2026	\$ 625,101
RVS Group Policy (Liability)	Chubb (Ace Property and Casualty Insurance Company)	\$1 million	None	6/30/2026	\$ 29,243
Unmanned Aircraft	Ace American	\$10 million	None	6/30/2026	\$ 4,696
Builder's Risk (FIS)	Starr	cost of materials	None	Life of project	\$ 129,936
Builder's Risk (ATCT)	Zurich	cost of materials	None	Life of project	\$ 183,826

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Net Revenues Available for Debt Service and Debt Coverage
(Unaudited)
Year Ended June 30, 2025

**Gross revenues as defined by the Bond
Indenture as supplemented**

Operating revenue	\$ 51,569,127
Interest available for debt service (1)	2,668,825
Airport Improvement Fund balance (2)	55,423,992
Airport Improvement Fund transfers (2)	8,444,163
PFC funds available for debt service (3)	5,474,269
CFC revenues	3,434,848
Other nonoperating	42,317
Total gross revenues	<u>127,057,541</u>

**Gross expenses as defined by the Bond
Indenture as supplemented**

Combined operating expenses, excluding non-cash pension expense	29,582,303
Capitalized expenditures classified as operating expenses in accordance with the Bond Indenture as supplemented	<u>1,216,261</u>
Total operating expenses	<u>30,798,564</u>
Net revenues available for debt service	<u><u>\$ 96,258,977</u></u>

Debt service (4) \$ 12,965,277

Debt coverage 7.42

- (1) Interest available for debt service includes interest earned on invested funds, net of construction fund interest earnings and certain other nonoperating revenues and expenses, as defined by the Bond Indenture.
- (2) The Bond Indenture provides that transfers from the Airport Improvement Fund to other funds are considered as Gross Revenues for the next ensuing fiscal year as well as the opening balance in the fund.
- (3) PFC are Dedicated Revenues, which the Trustee have dedicated to pay an amount up to 1.25 times principal and or interest on the Bonds.
- (4) The Bond Indenture defines debt service as the aggregate amount required to be deposited during the year in the Bond fund to provide for the payment of interest (to the extent not capitalized) and principal on the Bonds.

The above schedule may have differences from the audited financial statements due to rounding.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Funds on Deposit and Invested (Unaudited)
Year Ended June 30, 2025

TULSA AIRPORTS IMPROVEMENT TRUST
SCHEDULE OF FUNDS ON DEPOSIT AND INVESTED
06/30/25

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Revenue Funds						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	\$4,003,482	\$4,003,482	\$4,003,482
Revenue Fund Deposit Account	On Demand	0.00%	0.00%	96,479	96,479	96,479
Parking Receipts Demand Deposit Account	On Demand	0.00%	0.00%	8,735	8,735	8,735
Total Revenue Funds					4,108,696	4,108,696
Coverage Account						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	667,941	667,941	667,941
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	1.14%	2,800,000	2,800,000	2,570,680
Total Coverage Account					3,467,941	3,238,621
Customer Facility Charge Account						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	5,010,174	5,010,174	5,010,174
Total Customer Facility Charge Accounts					5,010,174	5,010,174
Passenger Facility Charge Revenue Fund						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	5,438,177	5,438,177	5,438,177
PFC Demand Deposit Account	On Demand	0.00%	0.00%	542,271	542,271	542,271
Total Passenger Facility Charge Revenue Fund					5,980,447	5,980,447
Operating Reserve Fund						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	2,706,359	2,706,359	2,706,359
FFCB @ 0.640% DUE 01/05/2027	01/05/2027	0.64%	0.67%	2,000,000	2,000,000	1,903,160
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.84%	3,100,000	3,100,000	2,921,998
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	1.14%	1,090,000	1,090,000	1,000,729
Total Operating Reserve Fund					8,896,359	8,532,246
Airport Improvement Fund						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	39,273,742	39,273,742	39,273,742
FHLB @ 1.050% DUE 08/18/2028	8/18/2028	1.05%	1.14%	2,445,000	2,445,000	2,244,755
Total Airport Improvement Fund					41,718,742	41,518,496
Bond Reserve Funds						
GS FIN SQ GOVT-ADM #0466 - Tax Exempt	On Demand	Variable	3.98%	17,677	17,677	17,677
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.84%	2,000,000	2,000,000	1,885,160
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	1.14%	1,735,000	1,735,000	1,592,904
GS FIN SQ GOVT-ADM #0466 - Taxable	On Demand	Variable	3.98%	43,355	43,355	43,355
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.84%	5,000,000	5,000,000	4,712,900
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	1.14%	1,390,000	1,390,000	1,276,159
Total Bond Reserve Funds					10,186,032	9,528,154

(Continued)

Continued - Schedule of Funds on Deposit and Invested

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Funds on Deposit and Invested (Unaudited)
Year Ended June 30, 2025

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Bond Principal and Interest Accounts						
GS FIN SQ GOVT-ADM #0466 2015C Int	On Demand	Variable	3.98%	\$2,419	\$2,419	\$2,419
GS FIN SQ GOVT-ADM #0466 2015C Prin	On Demand	Variable	3.98%	2,083	2,083	2,083
GS FIN SQ GOVT-ADM #0466 2016A Prin	On Demand	Variable	3.98%	9,876	9,876	9,876
GS FIN SQ GOVT-ADM #0466 2016A Int	On Demand	Variable	3.98%	658	658	658
GS FIN SQ GOVT-ADM #0466 2017 Prin	On Demand	Variable	3.98%	56,990	56,990	56,990
US TREASURY BILL 05/14/2026 2017 Prin	5/14/2026	0.00%	3.89%	235,000	227,337	227,064
GS FIN SQ GOVT-ADM #0466 2017 Int	On Demand	Variable	3.98%	20,621	20,621	20,621
US TREASURY BILL 11/28/2025 2017 Int	11/28/2025	0.00%	4.10%	145,000	142,597	142,507
GS FIN SQ GOVT-ADM #0466 2018 Prin	On Demand	Variable	3.98%	11,402	11,402	11,402
US TREASURY BILL 05/14/2026 2018A Prin	5/14/2026	0.00%	3.89%	35,000	33,859	33,818
GS FIN SQ GOVT-ADM #0466 2018A Int	On Demand	Variable	3.98%	12,021	12,021	12,021
US TREASURY BILL 11/28/2025 2018A Int	11/28/2025	0.00%	4.10%	70,000	68,840	68,797
GS FIN SQ GOVT-ADM #0466 2020A Interest	On Demand	Variable	3.98%	8,739	8,739	8,739
US TREASURY BILL 11/28/2025 2020A Int	11/28/2025	0.00%	4.10%	30,000	29,503	29,484
GS FIN SQ GOVT-ADM #0466 2020A Principal	On Demand	Variable	3.98%	47,830	47,830	47,830
US TREASURY BILL 05/14/2026 2020A Prin	5/14/2026	0.00%	3.89%	185,000	178,968	178,753
GS FIN SQ GOVT-ADM #0466 2021A Interest	On Demand	Variable	3.98%	1,083	1,083	1,083
GS FIN SQ GOVT-ADM #0466 2021A Prin	On Demand	Variable	3.98%	10,243	10,243	10,243
US TREASURY BILL 05/14/2026 2021A Prin	5/14/2026	0.00%	3.89%	25,000	24,185	24,156
GS FIN SQ GOVT-ADM #0466 2021B Interest	On Demand	Variable	3.98%	1,216,856	1,216,856	1,216,856
US TREASURY BILL 11/28/2025 2021B Int	11/28/2025	0.00%	4.10%	105,000	103,260	103,195
GS FIN SQ GOVT-ADM #0466 2021B Prin	On Demand	Variable	3.98%	2,437,174	2,437,174	2,437,174
US TREASURY BILL 05/14/2026 2021B Prin	5/14/2026	0.00%	3.89%	220,000	212,826	212,571
					<u>4,859,371</u>	<u>4,858,340</u>
Construction Funds						
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	120,933	120,933	120,933
Total Construction Funds					<u>120,933</u>	<u>120,933</u>
Capital Projects Clearing Fund						
Grant Receipts Demand Deposit Account	On Demand	0.00%	0.00%	1,001	1,001	1,001
GS FIN SQ GOVT-ADM #0466	On Demand	Variable	3.98%	1,682,537	1,682,537	1,682,537
Total Capital Projects Clearing Fund					<u>1,683,538</u>	<u>1,683,538</u>
Other Funds						
ICS Deposit Account	On Demand	4.00%	4.00%	9,806,315	9,806,315	9,806,315
GS FIN SQ GOVT-ADM #0466 SPEC PGRM	On Demand	Variable	3.98%	500,000	500,000	500,000
GS FIN SQ GOVT-ADM #0466 STATE GRANT	On Demand	Variable	3.98%	279,729	279,729	279,729
General Operating Deposit Account	On Demand	0.00%	0.00%	125,389	125,389	125,389
Special Programs Demand Deposit Account	On Demand	0.00%	0.00%	218,078	218,078	218,078
Payroll Demand Deposit Account	On Demand	0.00%	0.00%	13,217	13,217	13,217
Arvest Bank Demand Deposit Account	On Demand	0.00%	0.00%	121,985	121,985	121,985
FAA MOA	On Demand	0.00%	0.00%	18,182,270	18,182,270	18,182,270
Petty Cash	On Demand	0.00%	0.00%	2,500	2,500	2,500
Total Other Funds					<u>29,249,483</u>	<u>29,249,483</u>
Total Funds on Deposit and Invested					<u>\$115,281,716</u>	<u>\$113,829,129</u>

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Other Information (Unaudited)
Year Ended June 30, 2025

Five Year Construction In Progress – The Airport’s total estimated cost for the years ending 2025 through 2029 (in thousands):

Estimated 5-Year Cost Of Airports Improvements (FY2025-FY2029) ⁽¹⁾
(Dollars in Thousands)

	<u>Estimated Total Cost⁽¹⁾</u>	<u>Estimated⁽²⁾ Federal Assistance</u>	<u>Estimated⁽³⁾ Local/ Other Assistance</u>	<u>Payable by Airport</u>
Terminal Building Improvements	\$ 38,440	\$ 17,378	\$ -	\$ 21,062
Airfield Improvements	54,823	41,403	-	13,420
Parking and Roadway Improvements (Landslide)	87,075	-	79,100	7,975
Tulsa Riverside Airport. CIP	14,321	9,169	-	5,153
Total Estimated Cost of Improvements	\$ 194,659	\$ 67,950	\$ 79,100	\$ 47,610

The approved Airport Trustees’ Fiscal Year 2026-2030 Capital Improvement Plan (CIP) identifies projects and potential non-operating funding sources to complete improvements to airside and landside facilities at Tulsa International Airport and Tulsa Riverside Airport. The CIP is updated annually and covers a 5-year planning horizon. Anticipated funding sources for improvements include eligible Federal financial assistance (AIP Grants), Passenger Facility Charges and local funding or a combination thereof when applicable.

- (1) Estimated costs provided by Airport Staff.
- (2) Amounts not funded from federal grants must be funded from available Airport Trustees’ funds and other sources, including Passenger Facility Charges and proceeds of Bonds. Figures for Tulsa Riverside Airport. also include estimated State Assistance.
- (3) Local and other assistance is reference to state, city, country and other grant funds that the airport staff is in the process of or has secured for specific capital projects outside of FAA entitlement or FAA discretionary funds or FAA AIG.

Tulsa International Airport (TUL) has several large projects listed in the Fiscal Year 2026-2030 Capital Improvement Plan. TUL is designing and constructing RWY 8/26 Rehabilitation. TUL also will design and construct a CONRAC for the Rent-A-Cars. TUL will also be performing an airfield pavement management study, pavement rehabilitation work and upgrades to the airfield guidance signs. TUL will be rehabilitating the cargo building area pavement on the landside location of the facilities. TUL is also in the process of installing security fencing improvements. Tulsa Riverside Airport (RVS) will undergo several runway projects in their Capital Improvement Plan for Fiscal Years 2026-2030. RVS will implement drainage improvements as well as rehabilitate and widen Runway 13/31. RVS will also construct an Infrastructure and Airport Equipment / Office Building.

The Airports staff anticipates that other capital improvements may also occur in the future. There is no assurance that any such future capital improvements will occur or that the improvements referred to above represent all potential future capital improvements.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Other Information (Unaudited)
Year Ended June 30, 2025

Monthly Enplaned Passengers – The following table is a summary presentation of the monthly enplaned passengers for the past five calendar years:

	2021	2022	2023	2024	2025
January	45,885	79,725	102,021	104,278	104,528
February	44,761	78,296	99,310	105,252	94,988
March	77,299	112,010	130,628	123,272	126,425
April	82,058	113,528	119,913	133,068	121,829
May	108,597	136,740	145,812	158,018	154,156
June	122,932	140,555	149,862	159,173	156,912
July	130,295	143,676	147,928	155,157	157,292
August	105,127	125,694	128,812	135,312	134,514
September	103,317	130,222	132,888	134,540	135,369
October	114,911	143,437	149,876	149,604	153,332
November	111,436	125,876	133,431	128,765	N/A (1)
December	109,400	114,192	126,685	135,817	N/A (1)
Annual	1,156,018	1,443,951	1,567,166	1,622,256	1,339,345

⁽¹⁾ Not available

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Other Information (Unaudited)
Last Five Fiscal Years

Average Daily Scheduled Flights:

Airline	2021		2022		2023		2024		2025	
	Daily Arrivals & Departures	% of Total	Daily Arrivals & Departures	% of Total	Daily Arrivals & Departures	% of Total	Daily Arrivals & Departures	% of Total	Daily Arrivals & Departures	% of Total
Allegiant Air	2	3.03%	3	3.41%	2	2.11%	3	2.97%	2	1.85%
American	21	31.82%	30	34.09%	30	31.58%	34	33.66%	37	34.26%
Delta	10	15.15%	11	12.50%	11	11.58%	12	11.88%	14	12.96%
Southwest	17	25.76%	20	22.73%	30	31.58%	30	29.70%	31	28.70%
United	15	22.73%	22	25.00%	22	23.16%	22	21.78%	24	22.22%
Other	1	1.52%	2	2.27%	-	0.00%	-	0.00%	-	0.00%
	<u>66</u>	100.00%	<u>88</u>	100.00%	<u>95</u>	100.00%	<u>101</u>	100.00%	<u>108</u>	100.00%

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Other Information (Unaudited)
Last Five Fiscal Years

Airline Enplaned Passengers:

Airline	2021		2022		2023		2024		2025	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Allegiant Air	40,073	4.85%	59,294	4.44%	61,636	4.03%	64,830	4.05%	53,389	3.34%
American	182,527	22.09%	275,450	20.63%	290,426	18.97%	269,123	16.79%	276,585	17.31%
American Eagle/Envoy/Republic	37,645	4.56%	52,038	3.90%	104,237	6.81%	137,682	8.59%	136,045	8.51%
American/Mesa/Envoy	39,171	4.74%	53,425	4.00%	12,474	0.81%	-	N/A	-	N/A
American/US Airways	19,487	2.36%	25,982	1.95%	31,634	2.07%	38,092	2.38%	55,009	3.44%
American/SkyWest	16,900	2.05%	44,030	3.30%	40,586	2.65%	55,341	3.45%	55,789	3.49%
Breeze	-	0.00%	11,116	0.83%	5,688	0.37%	3,580	0.22%	-	N/A
Delta	43,071	5.21%	111,376	8.34%	126,488	8.26%	116,371	7.26%	134,785	8.43%
Delta/Pinnacle/Endeavor	20,330	2.46%	7,874	0.59%	-	N/A	20,987	1.31%	17,128	1.07%
Delta Connection/SkyWest	25,571	3.10%	43,037	3.22%	42,013	2.74%	40,641	2.54%	36,742	2.30%
Frontier	13,321	1.61%	10,329	0.77%	-	N/A	-	N/A	-	N/A
Southwest	266,510	32.26%	426,133	31.91%	568,171	37.12%	589,883	36.81%	565,488	35.39%
Sun Country/MN Airlines	-	N/A	-	N/A	1,663	0.11%	524	0.03%	426	0.03%
United	7,873	0.95%	55,844	4.18%	76,059	4.97%	61,102	3.81%	51,696	3.23%
United/Air Wisconsin	618	0.07%	1,386	0.10%	4,388	0.29%	-	N/A	-	N/A
United Express/Express Jet	21,471	2.60%	41,407	3.10%	43,587	2.85%	19,975	1.25%	20,550	1.29%
United Express/GoJet	15,426	1.87%	10,138	0.76%	-	N/A	2,658	0.17%	17,148	1.07%
United Express/Mesa	26,371	3.19%	13,173	0.99%	22,722	1.48%	78,361	4.89%	51,124	3.20%
United Express/Republic	3,883	0.47%	65	0.00%	40	0.00%	341	0.02%	560	0.04%
United Express/SkyWest	44,558	5.39%	92,491	6.93%	98,145	6.41%	102,682	6.41%	125,470	7.85%
Other	1,364	0.17%	752	0.06%	686	0.04%	508	0.03%	99	0.01%
	<u>826,170</u>	100.00%	<u>1,335,340</u>	100.00%	<u>1,530,643</u>	100.00%	<u>1,602,681</u>	100.00%	<u>1,598,033</u>	100.00%

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Other Information (Unaudited)
Last Five Fiscal Years

Airline – Air Cargo Landed Weight (in pounds):

Airline and Air Cargo Landed Weight (in Pounds):

Airline / Air Cargo Carrier	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total
Allegiant Air, LLC	55,169,341	3.43%	66,007,280	3.32%	59,258,915	2.66%	64,883,955	2.79%	53,262,486	2.23%
American	254,559,020	15.82%	317,779,088	15.98%	327,931,762	14.73%	319,458,556	13.73%	363,982,424	15.22%
American / Compass	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
American Eagle / Envoy / Republic	46,159,740	2.87%	68,163,200	3.43%	134,277,630	6.03%	179,257,120	7.70%	174,207,750	7.28%
American / Envoy / Mesa	45,386,800	2.82%	35,552,100	1.79%	15,189,200	0.68%	-	N/A	-	N/A
American / SkyWest	26,982,000	1.68%	87,239,250	4.39%	50,875,000	2.29%	72,640,900	3.12%	68,399,250	2.86%
American / US Airways	25,067,200	1.56%	32,169,200	1.62%	38,336,200	1.72%	43,860,600	1.88%	69,347,300	2.90%
Breeze	-	N/A	20,802,308	1.05%	15,722,917	0.71%	7,373,398	0.32%	439,568	0.02%
Delta	77,971,520	4.85%	134,039,726	6.74%	144,376,696	6.49%	140,279,386	6.03%	166,708,250	6.97%
Delta (Pinnacle) (Endeavor)	31,992,600	1.99%	8,711,600	0.44%	-	N/A	22,262,700	0.96%	22,889,300	0.96%
Delta Connection (SkyWest)	48,404,367	3.01%	54,905,984	2.76%	53,968,832	2.42%	53,048,188	2.28%	52,536,900	2.20%
Frontier	15,272,508	0.95%	11,619,752	0.58%	142,198	0.01%	-	N/A	-	N/A
Southwest	402,924,800	25.04%	482,338,800	24.26%	733,732,000	32.96%	758,745,900	32.60%	762,189,400	31.86%
Sun Country / Mn Airlines	1,901,900	0.12%	438,900	0.02%	3,803,800	0.17%	4,096,400	0.18%	3,511,200	0.15%
United	12,925,200	0.80%	70,936,000	3.57%	90,988,300	4.09%	75,151,100	3.23%	68,037,300	2.84%
United / Air Wisconsin	799,000	0.05%	1,551,000	0.08%	5,452,000	0.24%	47,000	0.00%	47,000	0.00%
United Express / Express Jet	23,395,508	1.45%	44,135,643	2.22%	44,885,656	2.02%	20,017,768	0.86%	20,943,700	0.88%
United Express / GoJet	24,827,000	1.54%	14,457,000	0.73%	-	N/A	4,453,000	0.19%	24,217,000	1.01%
United Express / Mesa	39,247,600	2.44%	16,777,600	0.84%	27,091,100	1.22%	96,532,200	4.15%	66,502,100	2.78%
United Express / Republic	6,461,700	0.40%	72,310	0.00%	72,300	0.00%	444,200	0.02%	968,500	0.04%
United Express / SkyWest	58,391,600	3.63%	103,765,300	5.22%	110,494,300	4.96%	119,691,800	5.14%	155,373,200	6.50%
Other Non-Sig Passenger Carriers	1,820,064	0.11%	-	N/A	210,000	0.01%	940,000	0.04%	1,410,000	0.06%
Ameriflight	672,200	0.04%	440,276	0.02%	491,294	0.02%	-	N/A	-	N/A
Federal Express	192,923,700	11.99%	225,646,200	11.35%	207,001,600	9.30%	210,125,900	9.03%	174,335,700	7.29%
Federal Express /Empire	12,595,996	0.78%	-	N/A	-	N/A	-	N/A	-	N/A
Federal Express / Mountain Air Cargo	36,160	0.00%	-	N/A	-	N/A	-	N/A	-	N/A
Martinaire	3,493,500	0.22%	2,584,000	0.13%	2,592,500	0.12%	2,550,000	0.11%	2,482,000	0.10%
Surburban Air	4,202,100	0.26%	4,202,100	0.21%	4,137,700	0.19%	2,688,700	0.12%	821,100	0.03%
UPS	144,163,440	8.96%	139,179,000	7.00%	109,996,160	4.94%	86,478,000	3.72%	95,861,280	4.01%
Other Cargo Carriers	51,116,241	3.18%	44,936,104	2.26%	44,976,258	2.02%	42,499,774	1.83%	43,530,742	1.82%
Totals	1,608,862,805	100.00%	1,988,449,721	100.00%	2,226,004,318	100.00%	2,327,526,545	100.00%	2,392,003,450	100.00%