Tulsa Airports Improvement Trust

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

FINANCIAL REPORT

June 30, 2015

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Index
June 30, 2015

RSM

RSM US LLP

Independent Auditor's Report

Board of Trustees
Tulsa Airports Improvement Trust
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Tulsa Airports Improvement Trust (Trust), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As explained in Note 6, the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27,* which restated beginning net position to record the net pension liability and deferred inflows of resources. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 8 and pension information on page 34 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of operating revenue information, listed in the table of contents as supplementary information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statement 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The accompanying other statistical information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Kansas City, Missouri
January 19, 2016

As management of the Tulsa Airports Improvement Trust (the "Trust"), we offer readers of the Trust's financial statements this narrative overview and analysis of the financial activities of the Trust for the fiscal years ended June 30, 2015.

Following Management's Discussion and Analysis are the financial statements of the Trust 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 the Trust's financial statements.

	2015	2014
Enplaned Passengers	1,373,832	1,345,211
Airfreight Boarded (Tons)	60,089	57,794
Airline/Aircraft Movements (TUL)	101,441	96,117
Aircraft Movements - R.L. Jones Airport	181,223	123,569
Landed weights	2,045,380,662	2,081,182,077

Airport Activities Highlights

The City's airports include Tulsa International Airport and R.L. Jones, Jr. Airport. As of June 30, 2015, there are four major airlines and their affiliates serving Tulsa International airport, along with several charter carriers, and five air freight carriers.

Airport activity remains steady for the third consecutive year. Passenger enplanements increased by 2 percent during fiscal year 2015 to 1,373,832 after increasing by 2 percent during fiscal year 2014 to 1,345,211. Airlines began adding seats to the Tulsa market in April 2013. Two new carriers entered the market when Allegiant began service to Orlando Sanford in October 2013 and US Airways/American added twice daily service to Charlotte in July 2014. Allegiant expanded their service from Tulsa with seasonal summer service to St. Petersburg and Los Angeles and year round service to Las Vegas in the second quarter of 2015.

As the industry continues to evolve with airline consolidations and pressure from new pilot training regulations, overall capacity has decreased 3.4 percent from 151,651 available seats on 1,567 flights in December 2014 to 146,467 seats on 1,465 flights available in December 2015.

Financial Position Summary as of June 30, 2015 (in thousands of dollars)

- The assets and deferred outflows of resources of the Trust exceeded liabilities and deferred inflows of resources at the close of the most recent year by $272,669.
- Net position decreased $6,182 from $278,851 at June 30, 2014 to $272,669 at June 30, 2015.
- Total liabilities increased $17,270 from $180,966 at June 30, 2014 to $198,236 at June 30, 2015.
- Cash and cash equivalents increased $4,189 from $51,718 at June 30, 2014, to $55,907 at June 30, 2015.

Overview of the Financial Statements

The Trust is reported by the City as a discretely presented component unit in the City's Comprehensive Annual Financial Report. The primary function of the Trust 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 the Trust'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 the Trust'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 the Trust is improving or deteriorating. All of the Trust'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.

During the fiscal year ending June 30, 2015, the Trust implemented GASB Statement Nos. 68 and 71, which restated beginning net position for the recognition of the Trust's proportionate share of the pension liability. The financial information presented for the fiscal year ending June 30, 2014 has not been restated for this implementation.

Summary of Net Position

(in thousands of dollars)	**2015 (as restated)**	2014 (not restated)
Assets		
Current and other assets	$ 81,812	$ 79,194
Capital assets, net	384,600	384,278
Total assets	466,412	463,472
Deferred outflows of resources	8,566	6,716
Liabilities		
Current and other liabilities	7,995	10,035
Long-term debt outstanding	190,241	170,931
Total liabilities	198,236	180,966
Deferred inflows of resources	4,073	-
Net position		
Net investment in capital assets	254,247	258,359
Restricted	8,473	9,009
Unrestricted	9,949	21,854
Total net position	$ 272,669	$ 289,222

The largest portion (93%) and (89%) of the Trust's net position as of June 30, 2015 and 2014, respectively, 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 the Trust'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)	**2015 (as restated)**	2014 (not restated)
Operating revenues	$ 30,823	$ 33,452
Nonoperating revenues, including capital grants	14,150	29,802
Total revenues	44,973	63,254
Operating expenses	38,340	35,587
Nonoperating expenses	12,815	11,309
Total expenses	51,155	46,896
Special item	-	1,042
Increase (decrease) in net position	$ (6,182)	$ 17,400

- For the year ended June 30, 2015 operating revenues, which consist primarily of rents and services fees, decreased 7.9% due to the recognition of additional rental income owed by a cargo tenant in 2014. For the year ended June 30, 2014 operating revenues increased 6.7% due to scheduled increases in terminal rental rates.

- Nonoperating revenues decreased 52.2% in 2015 due to the recognition of extinguishment of debt in the prior year. The decrease of 10.2% in 2014 was due to changes in the level of federal grants awarded, reflecting the concluding phases of the runway reconstruction project.

- Operating expenses, excluding depreciation, decreased $1,775 for the year ended June 30, 2015 due to a decrease in service contracts which includes a significant reduction in the use of temporary staffing and the anticipated reduction in fees for indirect services. Operating expenses increased 3.2% for the year ended June 30, 2014 due to one-time costs related to a change in employment status of airport employees from City of Tulsa employment under contract with the airport to direct employment with the Trust.

- Nonoperating expenses increased 13.3% for the year ended June 30, 2015 primarily due to the recognition of bond issuance costs related to the 2015 general airport revenue bonds and the BOKF Litigation settlement, and increased 14.3% for the year ended June 30, 2014 due to the recognition of bond issuance costs related to the 2013 bonds.

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 any cash held in the City's internal pool and highly liquid investments with an original maturity of three months or less.

(in thousands of dollars)	**2015**	2014
Cash flows		
Provided by operating activities	$ 11,002	$ 10,855
Provided by non-capital and related financing activities	(855)	10
Provided by (used in) capital and related financing activities	(6,477)	11,097
Provided by investing activities	69	829
Net increase in cash and cash equivalents	3,739	22,791
Cash and cash equivalents		
Beginning of year	51,718	28,927
End of year	$ 55,457	$ 51,718

Capital Assets (in thousands of dollars)

The Trust's investment in capital assets amounted to $384,600 (net of accumulated depreciation). The Trust paid $22,010 and $36,721 related to the acquisition and construction of capital assets for the years ended June 30, 2015 and 2014, respectively.

(in thousands of dollars)	**2015**	2014
Land and improvements	$ 318,925	$ 340,646
Easements	70,838	70,872
Buildings	208,671	215,548
Art	291	10
Equipment	19,103	31,357
	617,828	658,433
Less: Accumulated depreciation	(302,743)	(334,175)
Construction-in-progress	69,515	60,020
Capital assets, net	$ 384,600	$ 384,278

Long-Term Debt (in thousands of dollars)

At June 30, 2015, the Trust had outstanding long-term portion of general revenue bonds of $173,789. The bonds are collateralized by and payable from the revenues of the Trust. The bonds mature per a set schedule with the last maturity occurring on June 1, 2045.

	(in thousands of dollars)	
	2015	2014
Revenue bonds	173,789	161,421
	$ 173,789	$ 161,421

The Trust's debt increased by $12,368 in fiscal year 2015 due to the issuance of Series 2015 A, B, C and D.

Signatory Airline Rates and Charges

Under the Use and Lease Agreements between the airlines and the Trust, the airlines have agreed to pay rates, fees and charges determined prior to the beginning of each fiscal year in an amount sufficient (a) to pay 125% of the debt service on bonds secured by the bond indenture; (b) to pay operating expense for the next succeeding fiscal year; (c) to provide for any deficiencies in the funds or accounts held under the bond indenture other than the general account for the then current fiscal year; and (d) to provide for the estimated deposit to the Airport Special Reserve Fund. Each Use and Lease Agreement is for a five year term. The current Agreement expires June 30, 2018.

Signatory Airline Terminal rental rates for fiscal years 2015, 2014, and 2013 ranged from $21.22 to $84.87 per square foot. Signatory landing fees were $2.87, $2.79 and $2.92 per 1000 lbs for 2015, 2014, and 2013, respectively. Beginning in fiscal year 2009 terminal rents are calculated according to a modified commercial compensatory methodology.

Economic Factors

Tulsa is the second largest city in Oklahoma with an MSA population of approximately 969,225. Tulsa's economy is largely comprised of the following industries: aerospace, aerospace manufacturing and aviation; healthcare; energy; machinery and electrical equipment manufacturing; and, transportation, distribution and logistics. Tulsa's aviation industry contributes to the global aerospace industry with over 100 companies employing more than 30,000 individuals. Tulsa is home to American Airline's largest maintenance facility, NORDAM, a notable manufacturer of aviation equipment, Spartan College of Aeronautics and Technology, and the University of Tulsa. These companies and educational institutions are key factors in attracting and retaining young professionals and skilled workers to ensure continued economic growth.

Tulsa's economy was adversely impacted in 2015 by the decline in oil prices as reported in 2014 fourth quarter and the first quarter of 2015. However, even with this decline, Tulsa's cost of doing business remains 15% lower than the national average. This is attributed to Tulsa's low rent, energy costs and taxes which make Tulsa an economically desirable location for industries to relocate and expand. The employment and gross product growth that Tulsa experienced in 2014 was attributed to the strength in the manufacturing and energy sectors that carried forward from 2011. Tulsa's 2015 gross product of goods and services is projected to be consistent with the 2014 level of $50.9 billion. Tulsa experienced a 1.6% employment growth in 2014 and should only see an approximate .8% growth by the end of 2015. This contraction of growth is the result of layoffs and reduced levels of employment in the energy sector and related industries. The energy sector, while a vital economic driver in Tulsa, makes up less than 4% of all employment. Even with the decrease in oil prices, stable job growth continues to exist in Tulsa.

Contacting the Trust's Financial Management

Questions about this report or requests for additional financial information can be directed to the Deputy Airports Director, Finance and Administration, 7777 E. Apache St., Room A217, Tulsa, OK 74115.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statement of Net Position
June 30, 2015

(in thousands of dollars)

Assets		
Current assets		
Cash and cash equivalents	$	16,988
Cash and cash equivalents - restricted		2,891
Investments - restricted		450
Receivables		
Trade, less allowance for doubtful accounts of $20		1,920
Intergovernmental receivable		150
Customer facility charges receivable		295
Inventory		1,388
Other current assets		231
Total current assets		24,313
Noncurrent assets		
Cash and cash equivalents - restricted		35,578
Investments		2,333
Investments - restricted		18,357
Passenger facility charges receivable - restricted		687
Accrued interest receivable - restricted		3
Capital assets not being depreciated		212,520
Capital assets, net of accumulated depreciation		172,080
Advance to primary government		127
Other		414
Total noncurrent assets		442,099
Total assets	$	466,412
Deferred Outflows of Resources		
Deferred charges on refunding	$	6,944
Pension related amounts		1,622
Total deferred outflows of resources	$	8,566

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

(in thousands of dollars)

Liabilities		
Current liabilities		
Accounts payable	$	1,854
Accounts payable - restricted		2,703
Customer deposits - restricted		40
Current portion of compensated absences		125
Other accrued expenses		129
Unearned revenue		455
Current portion of bonds		9,425
Accrued interest payable - restricted		833
Total current liabilities		15,564
Noncurrent liabilities		
Compensated absences		864
Other accrued expenses		731
Net pension liability		7,288
Bonds payable, net		173,789
Total noncurrent liabilities		182,672
Total liabilities		198,236
Deferred inflows of resources, pension related amounts		4,073
Net position		
Net investment in capital assets		254,247
Restricted for		
Restricted by bond indenture for operations		6,041
Debt service		799
Capital projects		1,474
Other purposes		159
Total restricted net position		8,473
Unrestricted		9,949
Total net position	$	272,669

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

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015

(in thousands of dollars)

Operating revenue		
Aeronautical operating revenues		
Landing fees - signatory and non-signatory	$	5,096
Passenger airline terminal revenue - signatory and non-signatory		5,786
Other Aeronautical Revenue		3,460
Total Aeronautical Revenue		14,342
Non-Areonautical Operating Revenue		
Terminal Revenues		1,861
Rental car revenues		4,732
Parking revenues		8,110
Other Non-Areonautical Operating Revenue		733
Total Non-Aeronautical Operating Revenue		15,436
Revenue from R. L. Jones, Jr. Airport		1,045
Total operating revenues		30,823
Operating expenses		
Personnel compensation and benefits		8,848
Service contracts		7,201
Materials, equipment & supplies		1,193
Utilities & communications		1,729
Insurance, claims		270
Other		907
Total Operating Expenses, Excluding Depreciation		20,148
Net Operating Income (Loss) Before Depreciation		10,675
Depreciation		18,192
Net Operating (Loss)		(7,517)
Nonoperating revenues (expenses)		
Investment income and change in fair value of investments		405
Interest expense		(9,950)
Amortization of bond discount/premium and deferred charges on refunding		(533)
Bond issuance costs		(1,477)
Passenger facility charges		5,386
Customer facility charges		3,341
Other, net		(820)
Net nonoperating revenues (expenses)		(3,648)
Capital contributions and grants		
Federal grants		4,732
State grants		15
Other contributions		236
Total capital contributions and grants		4,983
(Decrease) in net position		(6,182)
Net position, beginning of year, as restated		278,851
Net position, end of year	$	272,669

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

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statement of Cash Flows
Year Ended June 30, 2015

(in thousands of dollars)

Cash flows from operating activities	
Cash received from customers, including cash deposits	$ 30,388
Cash payments to suppliers for goods and services	(9,767)
Cash payments to employees for services	(9,619)
Net cash provided by operating activities	11,002
Cash flows from non-capital and related financing activities	
Payments for litigation settlement	(860)
Proceeds from non-capital grants, donations and reimbursements	5
Net cash provided by non-capital and related financing activities	(855)
Cash flows from capital and related financing activities	
Construction and purchase of capital assets	(22,010)
Interest paid on revenue bonds	(10,699)
Passenger facility charges received	5,376
Customer facility charges received	3,335
Premium received, on debt issuance	7,178
Refunding payments	(58,863)
Proceeds from sale of revenue bonds	78,493
Principal paid on revenue bonds	(14,525)
Bond issue costs	(1,477)
Proceeds from sale of capital assets	98
Proceeds from state capital grants	15
Proceeds from federal capital grants	6,366
Other contributions	236
Net cash (used in) capital and related financing activities	(6,477)
Cash flows from investing activities	
Purchase of investments	(2,483)
Proceeds from sale of investments	2,355
Interest received on investments	197
Net cash provided by investing activities	69
Net increase in cash and cash equivalents	3,739
Cash and cash equivalents	
Beginning of year	51,718
End of year	$ 55,457

(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)
Statement of Cash Flows, continued
Year Ended June 30, 2015

(in thousands of dollars)

Reconciliation of Cash and Cash Equivalents to the Statements of Net Position

Current unrestricted cash and cash equivalents	$	16,988
Current restricted cash and cash equivalents		2,891
Noncurrent restricted cash and cash equivalents		35,578
Total cash and cash equivalents	$	55,457

Reconciliation of operating loss to net cash provided by operating activities

Operating loss	$	(7,517)
Adjustments to reconcile operating activities to net cash		
Depreciation		18,192
Increase in accounts receivable, trade		(537)
Decrease in inventory		39
Decrease in other current assets		337
Increase in unearned revenue		102
Increase in accounts payable and accrued liabilities		1,279
Change in pension-related amounts		(893)
Net cash provided by operating activities	$	11,002

Noncash capital and investing activities:

Capital asset acquisitions included in accounts payable	$	2,703
(Appreciation) depreciation of fair value of investments	$	(205)

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

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

NATURE OF BUSINESS - The Tulsa Airports Improvement Trust (the "Trust") 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 the Trust, as it has no authority to levy taxes. Under federal guidelines, 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 R.L. Jones Jr. Airport. The lease agreement shall end on December 31, 2023, 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 new lease and its associated Services Agreement has facilitated business changes that enable the Airports to function more efficiently as a real-time, fast paced, business-oriented, regional transportation center, and enhance the ability to structure and streamline administrative tasks to effectuate cost savings. The Airport continues to focus on streamlining its business functions.

The accompanying financial statements include the accounts and activity of the Trust and the 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 the Trust are prepared in accordance with generally accepted accounting principles ("GAAP") as applied to enterprise activities of governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The financial statements of the Trust have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities 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 expense include exchange transactions. Investment income and voluntary nonexchange transactions are included in nonoperating revenues and expenses.

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

REPORTING ENTITY- The Trust and TAA trustees are appointed by the Mayor and approved by City Council. The Trust is a component unit of the City and is included in the City's comprehensive annual 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.

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 (with the exception of the certificates of deposit) and invested in accordance with the requirements and terms of various bond indentures. Investments are recorded at fair value, based on quoted market prices. The Trust experienced an increase in the fair value of investments of approximately $184 for the year ended June 30, 2015.

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.

RESTRICTED ASSETS – Certain cash, cash equivalents and investments of the Trust are restricted under the terms of its bond indentures. Other assets are restricted by the Trust'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 capitalized and included in the cost of capital assets. Interest capitalized during fiscal year 2015 was $95.

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 life of the old or new debt, whichever is shorter.

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

COMPENSATED ABSENCES - Vacation leave is granted to all regular and part-time employees. The annual amount of vacation time accrued varies from 14 to 26 days depending upon years of service. The maximum amount of vacation time that may be accumulated is twice the amount which may be earned in one calendar year. Accumulated vacation leave vests and the Trust is obligated to make payment even if the employee terminates. Full-time employees accrue 1 day (8 hours) of sick leave for each full calendar month of service and may accrue a maximum of 150 working days (1,200 hours) of sick leave. Employees may convert accrued sick leave in excess of 120 days (960 hours) to vacation leave, provided the total accrued vacation leave does not exceed the maximum allowed under the Vacation Policy. Upon retirement (age 55 or older) or death, employees with at least 120 days (960 hours) of accrued sick leave will receive payment for accrued sick leave at a rate of 1 day of pay for every 2 days of sick leave up to a maximum of 75 days (600 hours) of pay, at the employee’s rate of pay at the time of separation. The liability for compensated absences attributable to the Trust is charged to operating expenses.

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.

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 the Municipal Employees’ Retirement Plan (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 as the related approved capital outlays or expenses are 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 represent 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, 2015, totaled $8,308 for the Trust.

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

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

NET INVESTMENT IN CAPITAL ASSETS - reflects the Trust'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 $48,621 as of June 30, 2015. The Trust uses 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 the Trust 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 annual expenses of the Trust. 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.

REVENUE 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 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 the Trust'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 PFC of $4.00 or $4.50 per eligible enplaned passenger.

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

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, the Trust 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 the Trust, less a minor handling fee. The proceeds from the PFC are restricted for use by the Trust 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, 2015, the Trust has submitted a total of nine applications. Under the approved open applications the Trust is authorized to collect $171,334 of PFC revenue until April 1, 2033.

CUSTOMER FACILITY CHARGE - Effective July 1, 2004, the Trust 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 the Trust. The proceeds from the CFC are designated for use by the Trust 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.

CAPITAL CONTRIBUTIONS – Capital contributions include cash payments made by other governments for facility improvements, recognized as revenue as expenditures are incurred. Capital contributions also include donated assets, which are recorded at the estimated fair 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.

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.

2. **CASH AND INVESTMENTS,** continued

The Trust's investments as of June 30, 2015 are as follows:

(in thousands of dollars)		June 30, 2015 Maturities in Years			
Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
U.S. agency and instrumentality obligations	$ 20,690	$ -	$ -	$ 20,690	$ -
Certificates of deposit	450	450	-	-	-
Money market accounts	55,394	55,394	-	-	-
	$ 76,534	$ 55,844	$ -	$ 20,690	$ -

INTEREST RATE RISK – The Trust does not have a formal policy limiting its exposure to fair value losses arising from rising interest rates.

Investments – Bond requirements limit the type of restricted investments that can be acquired and unrestricted investments are in U.S. Treasury and money market accounts. Although not subject to interest rate risk disclosures because they are not debt securities, the money market accounts are presented above as an investment with a maturity of less than one year because they are redeemable in full immediately.

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, 2015, the Trust'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.

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, the Trust 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, 2015 there were no deposits uninsured or with insufficient collateral pledged to meet the requirement. All of the underlying securities for the Trust's investments in U.S. agency obligations at June 30, 2015 are registered.

2. **CASH AND INVESTMENTS,** continued

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

Investments – At June 30, 2015, the Trust's investment in Federal Home Loan Bank ("FHLB") constituted 27% of its total investments. Money market accounts are not subject to concentration of credit risk disclosure.

RECONCILIATION TO STATEMENT OF NET POSITION - A reconciliation of deposits and investments to the carrying amounts on the statement of net position at June 30, 2015 is as follows:

(in thousands of dollars)

Cash and deposits	$ 63
Investments	76,534
	$ 76,597
Current cash and cash equivalents	$ 16,988
Current restricted cash and cash equivalents	2,891
Current restricted investments	450
Noncurrent restricted cash and cash equivalents	35,578
Noncurrent restricted investments	18,357
Noncurrent investments	2,333
	$ 76,597

3. CAPITAL ASSETS

The changes in capital assets during 2015 are summarized as follows:

(in thousands of dollars)	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital assets not being depreciated					
Land	$ 69,861	$ -	$ (57)	$ 2,072	$ 71,876
Easements	70,872	-	-	(34)	70,838
Artwork	10	235	-	46	291
Construction-in-progress	60,020	17,933	(8,438)	-	69,515
Total capital assets not being depreciated	200,763	18,168	(8,495)	2,084	212,520
Capital assets being depreciated					
Land improvements	270,785	1,719	(43,159)	17,704	247,049
Buildings	215,548	6,699	(3,517)	(10,059)	208,671
Equipment	31,357	423	(2,948)	(9,729)	19,103
Total capital assets being depreciated	517,690	8,841	(49,624)	(2,084)	474,823
Accumulated depreciation					
Land improvements	189,858	7,702	(43,159)	22,209	176,610
Buildings	124,566	9,335	(3,517)	(15,858)	114,526
Equipment	19,751	1,155	(2,948)	(6,351)	11,607
Total accumulated depreciation	334,175	18,192	(49,624)	-	302,743
Total capital assets being depreciated, net	183,515	(9,351)	-	(2,084)	172,080
Capital assets, net	$ 384,278	$ 8,817	$ (8,495)	$ -	$ 384,600

4. REVENUE BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The changes in revenue bonds payable and other long-term liabilities during 2015 are summarized as follows:

(in thousands of dollars)

Series and Maturity Dates	Issue (Authorized) Amount	Interest Rate	Beginning Balance, as Restated	Increase	Decrease	Ending Balance	Portion Due Within One Year
Revenue bonds							
Series 2004A, 2018	17,800	3.25 - 5.00%	$ 6,720	$ -	$ (6,720)	$ -	$ -
Series 2004B, 2017	2,200	4.95%	600	-	(200)	400	200
Series 2009A, 2024	42,705	3.0 - 5.375%	30,545	-	(30,545)	-	-
Series 2009B, 2031	25,865	3.0 - 5.75%	21,645	-	(21,645)	-	-
Series 2009C, 2023	4,020	3.00 - 6.00%	3,785	-	(3,785)	-	-
Series 2009D, 2031	56,615	2.726 - 7.759%	50,060	-	(1,040)	49,020	840
Series 2010A, 2021	5,770	4.57 - 5.00%	4,420	-	(560)	3,860	580
Series 2010B, 2021	8,215	6.00 - 6.50%	5,730	-	(690)	5,040	725
Series 2010C, 2025	13,520	4.00 - 5.25%	9,190	-	(1,485)	7,705	1,515
Series 2012A, 2016	14,625	1.92%	1,717	2,488	(4,205)	-	-
Series 2013A, 2043	33,665	5.00 - 5.625%	33,665	-	-	33,665	-
Series 2013B, 2024	3,275	1.389 - 5.087%	3,275	-	(230)	3,045	235
Series 2015A, 2045	44,045	2.00 - 5.00%	-	44,045	(290)	43,755	1,650
Series 2015B, 2018	6,670	2.00 - 4.00%	-	6,670	(1,645)	5,025	1,665
Series 2015C, 2045	895	2.00 - 4.25%	-	895	-	895	20
Series 2015D, 2028	24,395	2.00 - 5.00%	-	24,395	(435)	23,960	1,995
Total revenue bonds payable			171,352	78,493	(73,475)	176,370	9,425
Unamortized discount (premium)			421	(7,178)	(87)	(6,844)	-
Total revenue bonds payable, net			170,931	85,671	(73,388)	183,214	9,425
Other long-term liabilities							
Vested compensated absences			909	687	(607)	989	125
Net pension liability			6,069	1,219	-	7,288	-
Total other long-term liabilities			6,978	1,906	(607)	8,277	125
Total long-term liabilities			$ 177,909	$ 87,577	$ (73,995)	$ 191,491	$ 9,550

Pursuant to an original bond indenture dated December 1, 1984 and various supplemental bond indentures (the "Indentures"), the Trust 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 the Trust. 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.

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

The Indentures require the Trust to charge fees for the use and services of the airport to make the Trust self-sufficient and self-sustaining. Amounts charged and collected by the Trust for use and services of the airport are required to yield gross revenues in an amount at least equal to the sum of 1.25 times debt service, operating expenses, any deficiencies in the bond funds or accounts and an amount required to be transferred into a reserve fund. Transfers from certain reserve accounts can be considered revenue for purposes of the gross revenue test.

REVENUES PLEDGED - The Trust has pledged future net 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 2045. Annual principal and interest payments on the bonds required 35% of gross revenues. The total principal and interest remaining to be paid on the bonds is $299,084. Principal and interest paid for the year was $23,777. Net revenues available for debt services in FY 2015 were $30,858.

ECONOMIC GAIN/LOSS ON REFUNDING – General Revenue Bonds, Refunding Series – On February 19, 2015, the Trust issued the Series 2015A Revenue Bonds in the amount of $44,045. The proceeds of this issue were used to finance a portion of the costs of acquisition, design, and/or renovation and reconstruction of the existing parking garage at Tulsa International Airport, to currently refund the Airport Trustees' Tulsa International Airport General Revenue Bonds, Refunding Series 2009B and 2009C and the reimbursement of prior authorized expenditures. A portion of the 2015A bonds are also being issued to pay costs of issuance of the 2015A bonds. This transaction will reduce debt service payments by approximately $7,512 over the next 16 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $2,468. This refunding resulted in a deferred charge of $2,593, which will be amortized over the life of the new bonds.

On February 19, 2015, the Trust issued the Series 2015B Revenue Bonds in the amount of $6,670. The proceeds of this issue were used to currently refund the Airport Trustees' Tulsa International Airport General Revenue Bonds, Series 2004A. A portion of the 2015B bonds are also being issued to pay the costs of issuance of the 2015B bonds. This transaction will reduce debt service payments by approximately $195 over the next 3 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $182. This refunding resulted in a deferred charge of $25, which will be amortized over the life of the new bonds.

On February 19, 2015, the Trust issued the Series 2015C Revenue Bonds in the amount of $895. The proceeds of this issue were used to finance a portion of the acquisition, design, and/or renovation and reconstruction of the existing parking garage at Tulsa International Airport, and the reimbursement of prior authorized expenditures. A portion of the 2015C bonds are also being issued to pay the costs of issuance of the 2015C bonds.

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

On February 19, 2015, the Trust issued the Series 2015D Revenue Bonds in the amount of $24,395. The proceeds of this issue were used to currently refund the Airport Trustees' Tulsa International Airport General Revenue Bonds, Series 2009A. A portion of the 2015D bonds are also being used to pay costs of issuance of the 2015D bonds. This transaction will reduce debt service payments by approximately $2,507 over the next 13 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $1,911. This refunding resulted in a deferred charge of $466 which will be amortized over the life of the new bonds.

DEFEASED DEBT - Series 1997B and Series 2000A Revenue Bonds – The Trust has placed the proceeds of refunding bonds and cash received from a tenant of the Trust, recorded in the current year as nonoperating revenue – extinguishment of debt, in irrevocable escrow accounts held and managed by bank trustees, and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow accounts and the defeased bonds are not included in the Trust's financial statements. The defeased 1997B Revenue bonds and 2000A Revenue bonds are considered extinguished and had outstanding balances of $6,935 and $4,285, respectively, at June 30, 2015.

FUTURE MATURITIES

Future maturities of revenue bonds are as follows:

(in thousands of dollars)

Fiscal Year	Principal	Interest	Total
2016	$ 9,425	$ 9,991	$ 19,416
2017	7,820	9,649	17,469
2018	7,580	9,306	16,886
2019	7,905	8,969	16,874
2020	8,295	8,575	16,870
2021-2025	43,620	36,247	79,867
2026-2030	45,320	22,263	67,583
2031-2034	18,365	9,854	28,219
2035-2039	14,360	6,009	20,369
2040-2045	13,680	1,851	15,531
	$ 176,370	$ 122,714	$ 299,084

Notes to Basic Financial Statements (in thousands of dollars), continued

5. CONDUIT DEBT OBLIGATIONS

To pay the costs of certain modifications, rehabilitations, and reconstruction to a special facility located adjacent to Tulsa International Airport, the Trust has issued a series of Special Facility Revenue Bonds. At June 30, 2015, Special Facility Revenue Bonds outstanding aggregated $10,120. The obligations are payable solely from and collateralized by a pledge of rentals to be received from a lease agreement between the airport and Biz Jet International. The bonds do not constitute a debt or pledge of the faith and credit of the Trust, the City, or the State and, accordingly, they have not been reported in the accompanying financial statements.

6. PENSION AND RETIREMENT BENEFITS

The Trust adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result, the effect on the fiscal year 2014 financial statements is as follows:

Net position at June 30, 2014, as previously reported	$	289,222
Removal of net pension obligation		261
Net pension liability at June 30, 2014		(6,069)
Deferred inflows of resources at June 30, 2014		(4,563)
Net position at June 30, 2014, as restated	$	278,851

The impact on prior year change in net position has not been determined.

P**lan description:** Employees of the Trust 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 Comprehensive Annual Financial Report (CAFR). 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 salary during the last five-years of service and a multiplier based on the years of service. Employees 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. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as normal retirement with additional service credited during the period of disability. 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.

Notes to Basic Financial Statements (in thousands of dollars), continued

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

Contributions: Contributions are set per City of Tulsa ordinance. Employees are required to contribute 6.5 percent of their annual pay for the year ended June 30, 2015. The Trust is required to contribute 11.5 percent of payroll for the year ended June 30, 2015. The Trust is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceeds the 11.5 percent of payroll. Actual contributions to the pension plan from the Trust were $748 for the year ended June 30, 2015.

There were no non-employer contributing entities at MERP.

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

At June 30, 2015, the Trust reported a liability of $7,288 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to June 30, 2015. The Trust's proportion of the net pension liability was based on the Trust's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2015, the Trust's proportion was 5.8186 percent, which was an increase of 0.3866 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the Trust recognized pension expense of $(145). At June 30, 2015, the Trust 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
Differences between expected and actual plan experience	$ -	$ (450)
Changes of assumptions *	-	(2,500)
Net difference between projected and actual earnings on pension plan investments	1,026	(1,123)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	596	-
Total	$1,622	$(4,073)

* In fiscal year 2014, the actuarial assumption for the discount rate increased from 6.56% to 7.75%.

Notes to Basic Financial Statements (in thousands of dollars), continued

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

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

Year ended June 30:	
2016	$(910)
2017	(910)
2018	(910)
2019	279
	$(2,451)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 percent
Salary increases	4.25 to 13.70 percent, including inflation.
Investment rate of return	7.75 percent compounded annually, net of investment expense and including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Tables, set forward 2 years for males and one year for females.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the four-year period ending December 31, 2009.

Notes to Basic Financial Statements (in thousands of dollars), continued

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

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 geometric 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	34%	1.75%
Domestic equity	31	7.04
International equity	21	7.10
Real estate	7	5.15
Commodities	3	0.50
Timber	4	4.65
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. 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 Trust will be made at specified in the MERP funding policy. Based on those assumptions, the pension plan’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 projected benefit payments to determine the total pension liability.

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

Sensitivity of the Trust's proportionate share of the net pension liability to changes in the discount rate: The following presents the Trust's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Trust's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Trust's proportionate share of the net pension liability	$ 10,705	$ 7,288	$ 4,375

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

7. RENTAL INCOME FROM OPERATING LEASES

The Trust leases space in the Tulsa International Airport terminal along with other land and buildings on a fixed fee as well as contingent rental basis. Many of the leases provide for a periodic review and predetermination of the rental amounts. Substantially all depreciable capital assets are held by the Trust for the purpose of rental or related use.

Minimum future rentals under non-cancellable operating leases as of June 30, 2015, are as follows:

(In thousands of dollars)

2016	$	13,200
2017		8,068
2018		5,963
2019		3,974
2020		3,678
2021 -2025		12,655
2026 -2030		7,758
2031 -2035		4,850
2036 -2040		2,183
2041 -2045		562
2046 -2050		316
2051 -2055		316
2056 -2060		316
2061 -2065		116
	$	63,955

Under the Use and Lease Agreements between the airlines and the Trust, the airlines have agreed to pay rates, fees and charges determined prior to the beginning of each fiscal year in an amount sufficient (a) to pay 125% of the debt service on bonds secured by the bond indenture; (b) to pay operating expense for the next succeeding fiscal year; (c) to provide for any deficiencies in the funds or accounts held under the bond indenture other than the general account for the then current fiscal year; and (d) to provide for the estimated deposit to the Airport Special Reserve Fund. Each Use and Lease Agreement is for a five year term. The current Agreement expires June 30, 2018.

8. RISK MANAGEMENT

For the year ending June 30, 2015 the Trust maintained commercial insurance coverage for property and equipment, bodily injury, automotive (personal liability and property damage off-airport) and workers compensation. The Trust maintains commercial insurance coverage for current health and welfare insurance policies that cover an 18-month renewal with rates guaranteed until December, 2016. The 18-month renewal was negotiated to get the Trust's health and welfare benefit plans on a calendar year renewal cycle. There have been no significant reductions in 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.

9. COMMITMENTS AND CONTINGENCIES

As of June 30, 2015, the Trust had open commitments for construction projects of approximately $34,643.

There are other various suits and claims pending against the Trust which have arisen in the course of operating the Trust. 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 the Trust.

The Tulsa Industrial Authority and BOKF, NA d/b/a Bank of Oklahoma (BOK) originally filed suit against the Tulsa Airports Improvement Trust (TAIT) in Oklahoma state court in 2004 based on TAIT's alleged breach of the Support (Contingent Purchase and Sale) Agreement entered between the parties in December 2000. The Support Agreement was a form of credit enhancement for a $30,000 loan from BOK to a start-up airline known as Great Plains Airlines ("Great Plains").

According to the terms of the Support Agreement, if Great Plains defaulted on the loan, TAIT would be obligated to purchase a parcel of land mortgaged to BOK for the amount outstanding on the loan, without regard to the parcel's fair market value. Great Plains ultimately defaulted, but TAIT declined to purchase the land. TAIT defended the case principally on the grounds that the Support Agreement violated federal law. The original case was settled in 2008 after BOK joined the City of Tulsa as a defendant and the City agreed to pay $7,100 to resolve the matter. In 2011, the Oklahoma Supreme Court overturned the settlement, City of Tulsa v. Bank of Oklahoma, NA, 280 P.3d 316 (Okla. 2011).

In March 2013, BOK re-filed the litigation in the District Court of Tulsa County, Oklahoma, seeking more than $15 million in principal, interest and fees from TAIT. On June 30, 2015, the litigation was in the discovery stage and was set for trial in October, 2015.

On August 31, 2015, the parties participated in mediation and agreed to settle the case. The Settlement Agreement, dated September 11, 2015, required TAIT to pay BOK the sum of $1,560 consisting of: (a) a cash payment portion in the amount of $860 payable in sixty equal monthly payments, without interest, beginning October 15, 2015; and (b) TAIT's purchase of approximately 15.33 acres of Air Force Plant 3 land, located at near the intersection of Tulsa's main and crosswind runways, for fair market value of $700.

The $860 litigation settlement expense and liability were recorded by TAIT in the June 30, 2015 financial statements. The Air Force Plant 3 land purchase portion of the settlement was finalized on October 15, 2015 with receipt of a Quit Claim Deed for the property. The land acquisition will be recorded in the Trust financial statements for the year ending June 30, 2016.

After closing on October 15, 2015, the Plaintiffs dismissed the case with prejudice.

10. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2015, the Trust conducted the following transactions with related parties.

(In thousands of dollars)

Payments to City of Tulsa - General Fund for support services	$ 51
Payments to City of Tulsa - General Fund for fire services	$ 1,990

11. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the Trust with its year ending June 30, 2015. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

This Statement defines fair value as 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. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

12. MAJOR CUSTOMERS

The Trust has two customers that provide in excess of 10% of the operating revenues. Revenues from these two customers were $4,467 and $4,992, respectively. Amounts due from these customers as of June 30, 2015 were $415 and $333, respectively.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Required Supplementary Information (in thousands of dollars)
June 30, 2015

Schedule of Proportionate Share for the Current Year

Year	Authority's Proportion of Net Pension Liability	Authority's Proportionate Share of Net Pension Liability	Authority's Covered-Employee Payroll	Authority's Proporationate Share of Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2015	5.8186%	$ 7,288	$ 6,316	115.39%	77.13%

* The amounts presented for each fiscal year were determined as of June 30.

** Prior year information is not available.

Schedule of Employer Contributions - Last Ten Years

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Authority's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	$ 748	$ 748	$ -	$ 6,316	11.8%
2014	665	659	-	N/A	N/A
2013	672	840	-	N/A	N/A
2012	720	700	-	N/A	N/A
2011	572	358	-	N/A	N/A
2010	517	370	-	N/A	N/A
2009	380	380	-	N/A	N/A
2008	366	366	-	N/A	N/A
2007	N/A	341	-	N/A	N/A
2006	N/A	334	-	N/A	N/A

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Supplementary Information
Detailed Schedule of Operating Revenue
Year Ended June 30, 2015

(in thousands of dollars)

Aeronautical operating revenues	
Landing fees - signatory and non-signatory	
Passenger airline landing fees	$ 4,208
Cargo airline landing fees	844
Military joint use fees	44
Total landing fees	5,096
Passenger airline terminal revenue - signatory and non-signatory	
Airline terminal rentals	3,541
Baggage system rentals	2,111
Other terminal area airline fees	134
Total terminal area passenger airline fees	5,786
Total landing fees and terminal area passenger airline revenues	10,882
Other Aeronautical Revenue	
FBO revenue	857
Hangar, cargo space and ground rents	1,672
Fuel flowage fees	759
Security reimbursements	118
Other aeronautical revenue	54
Total other aeronautical revenue	3,460
Total Aeronautical Revenue	14,342
Non-Areonautical Operating Revenue	
Terminal Revenues	
Food and beverage	680
Retail	533
Other terminal concessions and revenue (excludes rental car counter space)	648
Total non-aeronautical Terminal Revenue	1,861
Other Non-Areonautical Operating Revenue	
Rental car revenues	4,732
Parking revenues	8,110
Hotel revenues	257
Ground rents and facilities leases (excludes aeronautical & car rental)	356
Other non-aeronautical revenue	120
Total Other Non-Aeronautical Operating Revenues	13,575
Total Non-Aeronautical Operating Revenue	15,436
Revenue from R. L. Jones, Jr. Airport	1,045
Total operating revenues	30,823

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Insurance in Force (Unaudited)
Year Ended June 30, 2015

Policy Coverage	Issuer	Limit of Liability	Self Insurar	Expiration Date	Premium
Primary coverage on bodily injury, single limit bodily injury and property damage liability.	Phoenix Aviation Managers, Inc	Up to $75,000,000 for any one accident, or occurrence with $25,000 deductible each loss, and $100,000 annual aggregate deductible.	None	11/20/2015	$ 78,000
Property damage (including boilers and machinery and scheduled automotive equipment) fire and extended coverage.	Public Entity Property Insurance Program	Real and personal property damage not to exceed $358,238,900 with $100,000 deductible.	None	7/1/2016	$ 167,412
Automotive personal liability and property damage off-airport.	Mid-Continent Casualty Co.	Excess of $250,000 up to $1,000,000 bodily injury and property damage, combined single limit, each occurrence and in the aggregate.	None	7/1/2016	$ 31,512
Workers compensation insurance	Starr Indemnity and Liability Co.	Deductible of $250,000 per occurrence	None	10/01/2015	$ 204,942
Directors and Officers Liability	Navigators Specialty Insurance Co.	$1,000,000 all loss, $100,000 non-monetary, $500,000 add excess	None	6/22/2016	$ 25,730

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

Schedule of Net Revenues Available for Debt Service and Debt Coverage:

Gross revenues as defined by the Bond Indenture as supplemented	
Operating revenue	$ 30,823,955
Nonoperating revenues (1)	209,816
Airport Improvement Fund balance (2)	4,682,382
Airport Improvement Fund transfers (2)	867,000
Nonoperating funds available for debt service (4)	4,205,349
PFC funds available for debt service (3)	7,203,449
CFC revenues	3,341,124
Other nonoperating	40,059
Total gross revenues	51,373,134
Gross expenses as defined by the Bond Indenture as supplemented	
Combined operating expenses	20,148,000
Capitalized expenditures classified as operating expenses in accordance with the Bond Indenture as supplemental	367,197
Total operating expenses	20,515,197
Net revenues available for debt service	$ 30,857,937
Debt service (5)	$ 21,957,902
Debt coverage	1.40

(1) Nonoperating revenues including 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.

(3) PFC are Dedicated Revenues, which the Trustee have dedicated to pay an amount equal to 1.25 times principal and or interest on the Bonds. Therefore the PFC backed related debt service amount is multiplied by 1.25 for the amount to be included in the coverage calculation.

(4) Nonoperating sources of funds specifically identified for debt service related to requiring a financial system and other operating equipment.

(5) 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.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

Schedule of Funds on Deposit and Invested:

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Revenue Funds						
Cash	On Demand	0.00%	0.00%	239,226	$ 239,226	$ 239,226
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	1,478,063	1,478,063	1,478,063
Revenue Receipts Demand Deposit Account	On Demand			62,631	47,878	47,878
Parking Receipts Demand Deposit Account	On Demand			85,968	1,883	1,883
Total Revenue Funds					1,767,050	1,767,050
Coverage Account						
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	3,135,910	3,135,910	3,135,910
Total Coverage Account					3,135,910	3,135,910
Commerce Bank						
Commerce Bank - Time Deposit 6220641780	11/10/2015	0.35%	0.35%	150,000	150,000	150,000
Commerce Bank - Time Deposit 6220632653	10/16/2015	0.35%	0.35%	300,000	300,000	300,000
Total Commerce Bank					450,000	450,000
Customer Facility Charge Account						
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	7,008,292	7,008,292	7,008,292
FHLB (313382-WA-7)	11/15/2021			2,355,000	2,355,000	2,333,169
Total Customer Facility Charge Accounts					9,363,292	9,341,461
Passenger Facility Charge Revenue Fund						
Cash	On Demand			255,976	255,976	255,976
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	326,594	326,594	326,594
PFC Demand Deposit Account	On Demand			176,271	6,227	6,227
Total Passenger Facility Charge Revenue Fund					588,798	588,798
General Operating Fund						
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	2,226,035	2,226,035	2,226,035
Total General Operating Fund					2,226,035	2,226,035
Operating Reserve Fund						
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	455,544	455,544	455,544
FHLB (FEDE22)	09/26/2022	1.20%	1.30%	1,000,000	1,000,000	965,140
FHLB (FEDE22)	10/25/2022	1.25%	1.30%	830,000	830,000	816,745
FHLB (313381-HS-7)	12/28/2022	1.10%	1.00%	1,000,000	1,000,000	971,260
FHLB (313382-WA-7)	11/15/2021	1.00%	1.20%	2,400,000	2,400,000	2,377,752
FNMA ARMS #4593	05/01/2024	4.80%	4.60%	2,756	2,455	2,411
FNMA ARMS #20086	07/01/2024	4.90%	4.60%	2,609	2,394	2,511
Total Operating Reserve Fund					5,690,393	5,591,362
Airport Improvement Fund						
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	198,719	198,719	198,719
Total Airport Improvement Fund					$ 198,719	$ 198,719

(Continued)

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Bond Principal and Interest Accounts						
BOK Short-Term Cash Fund -2004B Bonds	On Demand	0.01%	0.01%	$ 18,317	$ 18,317	$ 18,317
BOK Short-Term Cash Fund -2009D Bonds	On Demand	0.01%	0.01%	379,843	379,843	379,843
BOK Short-Term Cash Fund -2010A Bonds	On Demand	0.01%	0.01%	62,631	62,631	62,631
BOK Short-Term Cash Fund -2010B Bonds	On Demand	0.01%	0.01%	85,968	85,968	85,968
BOK Short-Term Cash Fund -2010C Bonds	On Demand	0.01%	0.01%	154,609	154,609	154,609
BOK Short-Term Cash Fund -2013A Bonds (PFC)	On Demand	0.01%	0.01%	151,584	151,584	151,584
BOK Short-Term Cash Fund -2013B Bonds	On Demand	0.01%	0.01%	30,196	30,196	30,196
BOK Short-Term Cash Fund -2015A Bonds	On Demand	0.01%	0.01%	315,403	315,403	315,403
BOK Short-Term Cash Fund -2015B Bonds	On Demand	0.01%	0.01%	158,508	158,508	158,508
BOK Short-Term Cash Fund -2015C Bonds	On Demand	0.01%	0.01%	5,613	5,613	5,613
BOK Short-Term Cash Fund -2015D Bonds	On Demand	0.01%	0.01%	265,329	265,329	265,329
Total Bond Principal and Interest Accounts					1,628,001	1,628,001
Construction Interest Account						
BOK Short-Term Cash Fund 2013A Bonds	On Demand	0.01%	0.01%	768,501	768,501	768,501
Total Construction Interest					768,501	768,501
Construction Funds						
BOK Short-Term Cash Fund 2009A Bonds	On Demand	0.01%	0.01%	16	16	16
BOK Short-Term Cash Fund 2013A Bonds	On Demand	0.01%	0.01%	7,534,774	7,534,774	7,534,774
BOK Short-Term Cash Fund 2015A Bonds	On Demand	0.01%	0.01%	26,229,829	26,229,829	26,229,829
BOK Short-Term Cash Fund 2015C Bonds	On Demand	0.01%	0.01%	866,324	866,324	866,324
Total Construction Funds					34,630,943	34,630,943
Bond Reserve Funds						
FHLB (313381-HS-7)	11/15/2021	0.01%	0.01%	4,000,000	4,000,000	3,962,920
FHLB (31382-WA-7)	11/15/2021	0.01%	0.01%	9,345,000	9,345,000	9,258,372
Total Bond Reserve Funds					13,345,000	13,221,292
Capital Projects Clearing Fund						
Grant Receipts Demand Deposit Account	On Demand	0.00%	0.00%	-	991	991
BOK Short-Term Cash Fund I	On Demand	0.01%	0.01%	2,284,287	2,284,287	2,284,287
Total Capital Projects Clearing Fund					2,285,278	2,285,278
Other Funds						
BOK Short-Term Cash Fund I (Special Programs)	On Demand	0.01%	0.01%	597,457	597,457	597,457
BOK Short-Term Cash Fund I (State Grant Escrow Fund)	On Demand	0.01%	0.01%	159,025	159,025	159,025
BOK Short-Term Cash Fund I (Dept of Justice)	On Demand	0.01%	0.01%	19	19	19
Payroll Demand Deposit Account	On Demand			154,609	4,045	4,045
DDA ARVEST	On Demand			1,235	1,235	1,235
Petty Cash	On Demand			2,000	2,000	2,000
Total Other Funds					763,781	763,781
Total Funds on Deposit and Invested					$ 76,841,701	$ 76,597,131

Five Year Construction In Progress – The Airport's total estimated cost for the years ending 2016 through 2020 (in thousands):

	Total	Federal	State	Local
Airfield	$ 56,240	$ 50,130	$ -	$ 6,110
Terminal	14,000	-	-	14,000
Landside	3,100	-	-	3,100
RVS	12,720	11,187	494	1,039
Total Estimated Cost	$ 86,060	$ 61,317	$ 494	$ 24,249

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

	2010	2011	2012	2013	2014	2015
January	91,651	96,050	92,817	89,453	91,831	92,882
February	90,551	79,389	92,250	87,788	89,129	87,205
March	113,874	115,220	109,688	104,728	113,445	109,223
April	110,876	102,375	105,413	107,204	110,202	111,916
May	127,395	123,957	125,879	128,047	128,276	131,583
June	133,625	132,671	126,708	126,798	130,251	129,831
July	135,447	129,703	123,024	120,444	135,046	134,521
August	115,643	112,395	111,939	110,023	113,087	111,419
September	112,275	112,904	105,550	107,658	112,832	111,424
October	125,060	122,919	116,870	121,302	126,823	N/A (1)
November	110,524	113,251	109,080	110,513	108,158	N/A (1)
December	113,134	111,858	106,173	111,964	115,246	N/A (1)
Annual	1,380,055	1,352,692	1,325,391	1,325,922	1,374,326	1,020,004

(1) Not available

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

Average Daily Scheduled Flights:

	2010		2011		2012		2013		2014		2015	
Airline	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	Daily Arrivals & Departures	% of Total
Allegiant Air	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	3	2.65%
American	24	19.05%	26	20.63%	26	19.55%	26	20.00%	26	20.63%	32	28.32%
Continental	19	15.08%	18	14.29%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Delta	29	23.02%	26	20.63%	28	21.05%	24	18.46%	22	17.46%	17	15.04%
Northwest Airlink / Pinnacle	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Southwest	34	26.98%	32	25.40%	34	25.56%	36	28.57%	34	26.98%	25	22.12%
United	20	15.87%	24	19.05%	45	33.83%	44	34.92%	44	34.92%	36	31.86%
	126	100.00%	126	100.00%	133	100.00%	130	100.00%	126	100.00%	113	100.00%

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

Airline Enplaned Passengers:

Airline	2010 Number	2010 % of Total	2011 Number	2011 % of Total	2012 Number	2012 % of Total	2013 Number	2013 % of Total	2014 Number	2014 % of Total	2015 Number	2015 % of Total
Allegiant Air	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	24,461	1.78%
American	307,032	22.01%	293,079	21.52%	298,551	22.02%	298,318	22.66%	302,713	22.50%	293,645	21.37%
American Connection / Transtates	-	N/A	-	N/A	-	N/A	-	N/A	57,765	4.29%	-	N/A
American Connection / Chautauqua	3,916	0.28%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
American Eagle	48,810	3.50%	54,342	3.99%	59,029	4.35%	56,584	4.30%	-	N/A	66,678	4.85%
Charters	2,077	0.15%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Continental	25,519	1.83%	21,902	1.61%	23,491	1.73%	15,950	1.21%	-	N/A	-	N/A
Continental Express	111,811	8.02%	77,545	5.69%	91,567	6.75%	86,459	6.57%	-	N/A	-	N/A
Continental Express/Chautauqua	8,004	0.57%	11,120	0.82%	-	N/A	-	N/A	-	N/A	-	N/A
Continental Express/Colgan	-	N/A	24,945	1.83%	31,698	2.34%	62	0.00%	-	0.00%	-	N/A
Delta	-	N/A	14,642	1.08%	18,049	1.33%	39,833	3.03%	54,002	4.01%	76,875	5.60%
Delta Connection / ASA	74,909	5.37%	87,012	6.39%	85,876	6.33%	79,085	6.01%	85,536	6.36%	65,026	4.73%
Delta Connection / Comair	7,661	0.55%	963	0.07%	2,010	0.15%	449	0.03%	-	N/A	-	N/A
Delta Connection/Compass	-	N/A	5,406	0.40%	6,700	0.49%	5,289	0.40%	31	0.00%	-	N/A
Delta Connection/Mesaba	-	N/A	3,513	0.26%	837	0.06%	-	N/A	-	N/A	-	N/A
Delta Connection / SkyWest	32,376	2.32%	31,941	2.35%	25,348	1.87%	32,019	2.43%	26,435	1.97%	30,247	2.20%
Delta Connection / ACA/ ExpressJet	1,223	0.09%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
ExpressJets	1,978	0.14%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Frontier	23,074	1.65%	-	N/A	-	N/A	-	N/A	138	0.01%	-	N/A
Mesa dba Envoy	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	9,475	0.69%
Northwest Airlink / Pinnacle	93,860	6.73%	64,968	4.77%	60,197	4.44%	36,710	2.79%	18,494	1.37%	16,043	1.17%
Republic Airways	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	651	0.05%
Southwest	471,514	33.81%	492,804	36.19%	488,844	36.06%	482,179	36.62%	509,152	37.85%	482,598	35.13%
Sun Country/MN Airlines	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	1,479	0.11%
United	69,395	4.98%	52,499	3.86%	29,870	2.20%	16,600	1.26%	16,923	1.26%	1,852	0.13%
United / Other	-	N/A	-	N/A	21,783	1.61%	6,397	0.49%	22,968	1.71%	-	N/A
United Express / Express Jet	2,542	0.18%	44,539	3.27%	74,345	5.48%	97,141	7.38%	187,785	13.96%	141,588	10.31%
United Express / GoJet	-	N/A	9,556	0.70%	-	N/A	-	N/A	-	N/A	34,903	2.54%
United Express / Mesa	3,086	0.22%	-	N/A	-	N/A	-	N/A	-	N/A	11,881	0.86%
United Express / SkyWest	72,822	5.22%	56,086	4.12%	33,930	2.50%	60,668	4.61%	44,539	3.31%	47,799	3.48%
United Express / Trans State	33,050	2.37%	12,794	0.94%	417	0.03%	-	N/A	5,482	0.41%	29,799	2.17%
U.S. Airways	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	37,900	2.76%
Other	-	N/A	2,089	0.15%	3,243	0.24%	2,911	0.22%	13,248	0.98%	932	0.07%
	1,394,659	100.00%	1,361,745	100.00%	1,355,785	100.00%	1,316,654	100.00%	1,345,211	100.00%	1,373,832	100.00%

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Statistical Information (Unaudited)
Year Ended June 30, 2015

Airline – Air Cargo Landed Weight (in pounds):

	2010		2011		2012		2013		2014		2015	
Airline / Air Cargo Carrier	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Allegiant Air, LLC	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	22,441,974	1.10%
American	436,737,500	19.97%	415,182,500	18.81%	421,316,500	19.42%	416,185,500	19.76%	411,061,400	19.75%	409,217,700	20.01%
American Connection / Chautuagua	4,459,023	0.20%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
American Connection / Transtates	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
American Eagle	54,803,502	2.51%	61,233,173	2.77%	65,766,654	3.03%	64,931,370	3.08%	64,507,090	3.10%	77,955,746	3.81%
Continental	36,482,600	1.67%	38,638,500	1.75%	40,095,600	1.85%	27,049,100	1.28%	-	N/A	-	N/A
Continental Express/ Chautauqua	9,063,500	0.41%	12,027,500	0.54%	-	N/A	-	N/A	-	N/A	-	N/A
Continental Express / Colgan	-	N/A	36,022,000	1.63%	44,144,000	2.03%	124,000	0.01%	-	N/A	-	N/A
Continental Express/ ExpressJet	116,278,000	5.32%	85,206,064	3.86%	70,597,560	3.25%	41,841,510	1.99%	-	N/A	-	N/A
Delta	-	N/A	24,340,100	1.10%	28,276,300	1.30%	59,476,900	2.82%	73,986,000	3.55%	102,449,000	5.01%
Delta Connection / ASA	88,215,500	4.03%	112,977,000	5.12%	66,243,600	3.05%	107,091,200	5.08%	-	N/A	-	N/A
Delta Connection / Chautauqua	-	N/A	-	N/A	48,501	0.00%	-	N/A	-	N/A	-	N/A
Delta Connection / Comair	11,606,509	0.53%	1,175,000	0.05%	3,105,100	0.14%	705,000	0.03%	-	N/A	-	N/A
Delta Connection / Compass	-	N/A	9,519,539	0.43%	11,072,980	0.51%	8,804,188	0.42%	75,177	0.00%	-	N/A
Delta Connection / Express Jet	-	N/A	-	N/A	52,021,100	2.40%	-	N/A	113,907,700	5.47	84,555,500	4.13%
Delta Connection / Mesaba	4,250,000	0.19%	5,945,400	0.27%	1,156,100	0.05%	-	N/A	-	N/A	-	N/A
Delta Connection / Pinnacle	107,738,516	4.93%	84,190,800	3.81%	71,266,000	3.29%	46,438,800	2.20%	22,292,400	1.07%	20,602,100	1.01%
Delta Connection / SkyWest	38,512,300	1.76%	43,976,200	1.99%	33,443,700	1.54%	42,321,500	2.01%	34,772,000	1.67%	37,035,800	1.81%
ExpressJets	-	N/A	-	N/A	-	N/A	-	N/A	268,964	0.01	-	N/A
Frontier	29,873,204	1.37%	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Mesa dba Envoy	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	11,244,000	0.55%
Northwest Airlink / Pinnacle	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Southwest	697,318,500	31.89%	699,250,000	31.68%	692,202,000	31.91%	683,022,000	32.42%	714,524,000	34.33%	595,304,000	29.10%
United	106,037,315	4.85%	79,560,896	3.61%	42,417,356	1.96%	28,435,800	1.35%	25,567,800	1.23%	2,194,500	0.11%
United Express / Express Jet	4,554,941	0.21%	49,770,720	2.26%	111,775,234	5.15%	163,610,314	7.77%	206,221,236	9.91%	157,643,985	7.71%
United Express / GoJet	-	N/A	14,057,294	0.64%	32,093,000	1.48%	11,926,000	0.57%	31,557,000	1.52%	42,813,000	2.09%
United Express / Mesa	-	N/A	-	N/A	134,000	0.01%	-	N/A	-	N/A	16,604,100	0.81%
United Express / SkyWest	92,263,000	4.22%	72,392,000	3.28%	47,720,000	2.20%	81,521,000	3.87%	56,043,000	2.69%	58,277,700	2.85%
United Express / Transtates	36,762,336	1.68%	14,381,562	0.65%	468,039	0.02%	-	N/A	6,041,958	0.29	32,697,322	1.60%
U.S. Airways	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	48,599,950	2.38%
U.S. Airways Charter	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	97,000	0.00%
Other Passenger	6,084,084	0.28%	8,099,715	0.37%	14,191,380	0.65%	8,068,946	0.38%	16,760,830	0.81%	6,800,245	0.33%
Air Transport	-	N/A	4,694,000	0.21%	-	N/A	-	N/A		N/A	-	N/A
Airborne	-	N/A	-	N/A	-	N/A	-	N/A		N/A	-	N/A
Ameriflight	-	N/A	11,659,944	0.53%	8,113,600	0.37%	8,384,946	0.40%	7,846,894	0.38%	7,787,700	0.38%
FedEx	228,157,000	10.43%	229,759,390	10.41%	204,045,444	9.41%	191,285,860	9.08%	184,018,256	8.78%	203,559,400	9.95%
FedEx-Empire	-	N/A	-	N/A	7,461,986	0.34%	11,075,309	0.53%	11,357,717	0.55%	10,731,504	0.52%
FedEx-Mountain Air Cargo	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	576,616	0.03%
Martinaire	4,513,500	0.21%	4,760,007	0.22%	4,420,000	0.20%	4,394,500	0.21%	4,386,000	0.21%	4,105,500	0.20%
UPS	67,848,400	3.10%	86,230,876	3.91%	89,557,280	4.13%	87,186,360	4.14%	86,183,600	4.14%	89,450,560	4.37%
Other Cargo	5,199,878	0.24%	1,890,306	0.09%	6,210,406	0.29%	12,710,804	0.60%	9,803,055	0.47%	2,635,760	0.13%
	2,186,759,108	100.00%	2,206,940,486	100.00%	2,169,363,420	100.00%	2,106,590,907	100.00%	2,081,182,077	100.00%	2,045,380,662	100.00%

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