

Tulsa Airports Improvement Trust

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

FINANCIAL REPORT

June 30, 2021 and 2020

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
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RSM US LLP

Independent Auditor's Report

Board of Trustees
Tulsa Airports Improvement Trust

Report on the Financial Statements

We have audited the accompanying 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise TAIT'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 audits. We conducted our audits 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 TAIT, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed schedules 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 schedule 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 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
December 2, 2021

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Management's Discussion and Analysis
June 30, 2021 and 2020

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, 2021 and 2020.

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.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Enplaned Passengers	826,170	1,093,119	1,509,453
Airfreight (Tons)	60,312	62,546	69,789
Airline/Aircraft Movements (TUL)	76,465	79,625	93,428
Airline/Aircraft Movements (RVS)	169,508	182,532	186,282
Landed weights	1,608,862,805	1,909,743,954	2,303,599,863

Airport Activities Highlights

Tulsa Airports Improvement Trust operates Tulsa International Airport (TUL or TIA) and R.L. Jones, Jr. Airport (RVS). As of June 30, 2021 there are seven 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 FY21 to 826,170, down from the 1,093,119 in FY20. For FY21, American Airlines (mainline and regional affiliates) enplaned the largest share of passengers at Tulsa International Airport with 35.8% of enplanements, followed by Southwest with 32.3%. The market share of mainline carriers decreased to 60.5% in FY21 from 64.8% in FY20, while the market share of regional affiliates increased to 39.5% in FY21 from 35.2% in FY20.

Year-over-year seat capacity at TIA decreased 22.7% for FY21 due to the COVID-19 pandemic; however, the general trend continues to see capacity returning toward pre-pandemic levels. United Airlines had the largest decrease in capacity, with a 40.9% decrease in seats for Fiscal Year 2021. Delta decreased capacity by 23.7%, while American and Southwest removed 20.8% and 20.6% of their capacity, respectively. Ultra-low-cost carrier Frontier Airlines increased their TIA capacity by 55.9%, as they increased their frequency on nonstop service to Denver (DEN). Allegiant Airlines capacity was up 7.8%, as they launched nonstop service to Nashville and increased capacity to Destin/Ft. Walton Beach. Breeze Airways began service to Tulsa in June 2021, with nonstop service to Tampa, Florida. Breeze expanded their portfolio from Tulsa by adding service to New Orleans and San Antonio in July 2021. Tulsa was the fifth city to be added to Breeze's route network across the United States. American Airlines launched new seasonal nonstop service to Phoenix beginning in November 2020, and it was quickly increased to daily, year-round service.

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In addition, American announced they will begin nonstop service to Washington D.C., Miami, and Austin in November 2021. Allegiant announced nonstop service to Austin and Phoenix in November 2021 and Sarasota in December 2021. This will result in TIA having 25 nonstop destinations, the most in TIA history.

Financial Position Summary as of June 30, 2021 (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 \$300,026.
- Net position increased \$10,373 from \$289,653 at June 30, 2020 to \$300,026 at June 30, 2021.
- Total liabilities decreased \$12,958 from \$187,768 at June 30, 2020 to \$174,810 at June 30, 2021.
- Cash and cash equivalents increased \$13,292 from \$29,477 at June 30, 2020 to \$42,769 at June 30, 2021.

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.

Tulsa Airports Improvement Trust
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Management's Discussion and Analysis
June 30, 2021 and 2020

Summary of Net Position

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current and other assets	\$ 73,345	\$ 62,188	\$ 68,112
Capital assets, net	397,996	406,275	400,047
Total assets	471,341	468,463	468,159
Deferred outflows of resources	8,447	9,263	11,589
Liabilities			
Current and other liabilities	14,272	13,340	15,545
Long-term debt outstanding	160,538	174,428	183,676
Total liabilities	174,810	187,768	199,221
Deferred inflows of resources	4,952	305	670
Net position			
Net investment in capital assets	260,282	268,830	260,554
Restricted	13,762	10,185	11,545
Unrestricted	25,982	10,638	7,758
Total net position	\$ 300,026	\$ 289,653	\$ 279,857

The largest portion of TAIT's net position as of June 30, 2021 and 2020, 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.

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Summary of Changes in Net Position

(in thousands of dollars)

	2021	2020	2019
Operating revenues	\$ 30,259	\$ 34,605	\$ 34,520
Nonoperating revenues, including capital grants	25,118	25,406	20,965
Total revenues	55,377	60,011	55,485
Operating expenses	37,203	41,619	42,364
Nonoperating expenses	7,801	8,596	8,979
Total expenses	45,004	50,215	51,343
Increase in net position	\$ 10,373	\$ 9,796	\$ 4,142

- FY21 operating revenues, which consist primarily of rents and service fees, decreased 12.6% due to reduced activity level as a result of the continued effects of COVID-19. In FY20 operating revenues increased 0.2%. TAIT did not begin to feel the effects of the COVID-19 pandemic until the latter part of FY20. TAIT was fortunate to have recognized a 4.7% increase in actual to budgeted revenues.
- Non-operating revenues decreased 1.1% in FY21 due to a decrease in the level of Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenue receipts. In FY20, nonoperating revenues increased 21% due to an increase in federal grant receipts which included CARES Act funds totaling \$4.3M and increase in fair value of investments.
- Operating expenses decreased by 10.6% for FY21 due to continued efforts by TAIT management to reduce expenses in response to the pandemic. Operating expenses decreased by \$4,416 for FY21 due to decreases in personnel compensation, service contracts, materials, equipment, supplies and other expenses. In FY20 operating expenses decreased \$745 due to TAIT management's quick and early response to the increased financial pressure caused by the pandemic.
- Non-operating expenses decreased for FY21 by 9.2% from FY20 primarily due to a reduction in interest expense, amortization of bond discount/premium, and bond issuance costs. FY20 non-operating expenses decreased by 4.3% due to a reduction in interest expense, amortization of bond discount/premium and bond issuance costs.

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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.

<i>(in thousands of dollars)</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows			
Provided by operating activities	\$ 11,257	\$ 9,794	\$ 13,233
Provided by non-capital and related financing activities	18,219	1,338	43
Provided by (used in) capital and related financing activities	(17,820)	(18,678)	2,828
Provided by (used in) investing activities	<u>1,636</u>	<u>7,231</u>	<u>(6,017)</u>
Net increase (decrease) in cash and cash equivalents	13,292	(315)	10,087
Cash and cash equivalents			
Beginning of year	<u>29,477</u>	<u>29,792</u>	<u>19,705</u>
End of year	<u>\$ 42,769</u>	<u>\$ 29,477</u>	<u>\$ 29,792</u>

Capital Assets (in thousands of dollars)

The Trust's investment in capital assets amounted to \$397,996 (net of accumulated depreciation). The Trust paid \$8,454 and \$24,486 related to the acquisition and construction of capital assets for the years ended June 30, 2021 and 2020, respectively.

<i>(in thousands of dollars)</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 386,700	\$ 386,527	\$ 370,141
Easements	70,838	70,838	70,838
Buildings	284,231	275,914	274,538
Art	261	261	275
Equipment	<u>26,947</u>	<u>26,492</u>	<u>25,539</u>
	768,977	760,032	741,331
Less: Accumulated depreciation	379,301	361,597	344,832
Construction-in-progress	<u>8,320</u>	<u>7,840</u>	<u>3,548</u>
Capital assets, net	<u>\$ 397,996</u>	<u>\$ 406,275</u>	<u>\$ 400,047</u>

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Long-Term Debt (in thousands of dollars)

At June 30, 2021, TAIT had outstanding long-term portion of general revenue bonds of \$149,788. 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)		
	2021	2020	2019
Revenue bonds	<u>\$ 149,788</u>	<u>\$ 158,389</u>	<u>\$ 168,886</u>

The Trust's long-term debt decreased by \$8,601 in FY21 and decreased by \$10,497 in FY20. Fiscal Year 2020 decreased with the issuance of the Airport Trustees General Airport Revenue Refunding Bonds Series 2020A of \$15.9 million.

Signatory Airline Rates and Charges

Effective July 1, 2018 to allow completion of negotiations of a new five year Airline-Airport Use and Lease Agreements and Cargo Carrier Use and Lease Agreements in the ordinary course, the Airport Trustees and the Signatory Airlines and Signatory Cargo Airlines approved a one year amendment that extends the current Airline-Airport Use and Lease Agreements and Cargo Carrier Use and Lease Agreements to June 30, 2019. In connection with the one year extension, the rate making process was eliminated through the agreement to extend current rates and charges and placing a cap on certain signatory airline revenues paid to the Airport Trustees at the amount received over past years, or approximately \$11.5 million annually.

TAIT entered into a new Signatory Airline Use and Lease Agreement for a term beginning July 1, 2019 and continuing until June 30, 2024, unless otherwise terminated in accordance with its terms. During the initial Term only, rates, fees and charges do not change. 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 two additional three year terms, or to June 30, 2030. The revenue sharing component of the Airport-Airline Use and Lease Agreement is based upon Airport liquidity thresholds ("Days of Cash", as defined under the Agreement). The first threshold is met when the Airport reaches 365 Days of Cash. When the Airport reaches this threshold, the revenue share to the Signatory Airlines will be 10% of net revenues. As the Days of Cash thresholds go up (400 days, 487 days, 609 days, 730 days) the net revenue share scales up in increments of 25%, 30%, and 40%, respectively. The maximum threshold is 730 Days of Cash and the net revenue share would be 50%. Provided the threshold for liquidity is met in any given fiscal year, the revenue share is allocated to each signatory based upon their market share at the Airport.

Signatory Airline Terminal rental rates for FY21, FY20, and FY19 ranged from \$24.22 to \$96.88 per square foot. Signatory landing fees were \$3.62 per 1000 lbs for FY21, FY20, and FY19.

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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 2019, the aggregate population of the Tulsa MSA was estimated to be 991,561 or 25% percent of the population of the state of Oklahoma.

Tulsa's major industries are aerospace (including aerospace manufacturing and aviation), health care, energy, machinery and electrical equipment manufacturing, transportation, distribution and logistics. Several clusters, or groups of companies within industries that buy or sell to each other in the manufacture of goods for export from the area, have disproportionately large concentrations of employment relative to the U.S. concentrations and are positioned to grow within the Tulsa MSA.

In the five-year period ending 2019, nearly all sectors in the Tulsa economy showed positive average annual growth. The highest growth occurred in the (i) construction and (ii) leisure and hospitality sectors with 3.7% and 3.4% annual average growth, respectively. Tulsa's target sectors of mining, manufacturing, transportation, business and professional service, and health services experienced growth in during such period.

COVID-19

TAIT cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic (such as the recent Delta Variant); (ii) the implementation, scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether all airlines will cease operations at the Airport or shut down in response to such restrictions or warnings, (iii) what effect any of the COVID-19 pandemic-related restrictions or warnings may have on air travel, including to and from the Airport, the retail and services provided by Airport concessionaires, Airport costs or TAIT revenues; (iv) whether and to what extent the COVID-19 pandemic may disrupt the local, state, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost of both construction and borrowed money, sources of funds, schedule or implementation of TAIT's CIP (as hereinafter defined), or other TAIT operations, or the airline and travel industry, generally; or (v) whether or to what extent TAIT may provide deferrals, forbearances, adjustments or other changes to TAIT's arrangements with the Airlines and its other tenants and concessionaires. Prospective investors should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, may increase at least over the near term, recovery may be prolonged and, therefore, will have an adverse impact on TAIT revenues and operations. Future outbreaks, pandemics or events outside of TAIT's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in TAIT revenues.

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TAIT estimates it will receive approximately \$13.9 million from the third round of funding under American Rescue Plan Act 2021 (ARPA). Such funds will be used primarily to reimburse general operating expenses and provide some concessionaire relief in 2022.

Contacting TAIT's Financial Management

Questions about this report or requests for additional financial information can be directed to the Chief Financial Officer, 7777 E. Apache St., Room A217, Tulsa, OK 74115.

Tulsa Airports Improvement Trust
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Statements of Net Position
June 30, 2021 and 2020

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 30,717	\$ 18,208
Cash and cash equivalents - restricted	1,136	719
Investments - restricted	690	1,345
Investments	-	203
Receivables		
Trade, less allowance for doubtful accounts of \$72 and \$205, respectively	1,726	2,218
Intergovernmental receivable	3,987	4,535
Customer facility charges receivable	229	127
Inventories	1,665	1,392
Other current assets	324	396
Total current assets	<u>40,474</u>	<u>29,143</u>
Noncurrent assets		
Cash and cash equivalents - restricted	10,916	10,550
Investments	3,734	-
Investments - restricted	17,411	22,175
Passenger facility charges receivable - restricted	809	192
Capital assets not being depreciated	151,992	151,512
Capital assets, net of accumulated depreciation	246,004	254,763
Advance to primary government	1	128
Total noncurrent assets	<u>430,867</u>	<u>439,320</u>
Total assets	<u>471,341</u>	<u>468,463</u>
Deferred Outflows of Resources		
Deferred charges on refunding	6,428	7,004
Pension related amounts	2,019	2,259
Total deferred outflows of resources	<u>\$ 8,447</u>	<u>\$ 9,263</u>

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

Tulsa Airports Improvement Trust
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Statements of Net Position, continued
June 30, 2021 and 2020

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 1,800	\$ 1,588
Current portion of compensated absences	114	191
Other accrued expenses	-	29
Unearned revenue	804	676
Current portion of bonds payable	8,134	8,690
Liabilities payable from restricted assets:		
Accounts payable	2,790	1,514
Customer deposits	49	34
Accrued interest payable	581	618
Total current liabilities	<u>14,272</u>	<u>13,340</u>
Noncurrent liabilities		
Compensated absences	913	865
Net pension liability	9,837	15,174
Bonds payable, including premium	149,788	158,389
Total noncurrent liabilities	<u>160,538</u>	<u>174,428</u>
Total liabilities	<u>174,810</u>	<u>187,768</u>
Deferred inflows of resources, pension related amounts	<u>4,952</u>	<u>305</u>
Net position		
Net investment in capital assets	<u>260,282</u>	<u>268,830</u>
Restricted for:		
Restricted by bond indenture for operations	6,553	6,224
Debt service	708	796
Capital projects	6,318	2,982
Other purposes	183	183
Total restricted net position	<u>13,762</u>	<u>10,185</u>
Unrestricted	25,982	10,638
Total net position	<u>\$ 300,026</u>	<u>\$ 289,653</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, 2021 and 2020

<i>(in thousands of dollars)</i>	<u>2021</u>	<u>2020</u>
Operating revenue		
Aeronautical operating revenues		
Landing fees - signatory and non-signatory	\$ 5,945	\$ 7,004
Passenger airline terminal revenue - signatory and non-signatory	6,785	6,320
Other aeronautical revenue	4,335	4,535
Total aeronautical revenue	<u>17,065</u>	<u>17,859</u>
Non-aeronautical operating revenue		
Terminal revenues	1,655	2,593
Rental car revenues	3,976	4,437
Parking revenues	5,234	7,342
Other non-aeronautical operating revenue	1,152	1,242
Total non-aeronautical operating revenue	<u>12,017</u>	<u>15,614</u>
Revenue from R. L. Jones, Jr. Airport	1,177	1,132
Total operating revenues	<u>30,259</u>	<u>34,605</u>
Operating expenses		
Personnel compensation and benefits	10,354	13,230
Service contracts	5,248	6,413
Materials, equipment & supplies	927	1,564
Utilities and communications	1,502	1,614
Insurance, claims	613	494
Other	607	1,079
Total operating expenses, excluding depreciation	<u>19,251</u>	<u>24,394</u>
Net operating income before depreciation	11,008	10,211
Depreciation	17,952	17,225
Net operating (loss)	<u>(6,944)</u>	<u>(7,014)</u>
Nonoperating revenues (expenses)		
Investment income (loss) and change in fair value of investments	(259)	1,004
Interest expense	(7,378)	(7,873)
Amortization of bond discount/premium and deferred charges on refunding	(109)	(301)
Debt issuance costs	(48)	(422)
Passenger facility charges	3,447	4,201
Customer facility charges	2,037	2,652
Federal grants noncapital	17,018	4,290
Other, net	(7)	15
Net nonoperating revenues (expenses)	<u>14,701</u>	<u>3,566</u>
Capital contributions and grants		
Federal grants	2,616	12,849
State grants	-	395
Total capital contributions and grants	<u>2,616</u>	<u>13,244</u>
Increase in net position	10,373	9,796
Net position, beginning of year	289,653	279,857
Net position, end of year	<u>\$ 300,026</u>	<u>\$ 289,653</u>

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

Tulsa Airports Improvement Trust
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Statements of Cash Flows
Years Ended June 30, 2021 and 2020

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from customers, including cash deposits	\$ 30,878	\$ 34,674
Cash payments to suppliers for goods and services	(8,784)	(12,798)
Cash payments to employees for services	(10,837)	(12,082)
Net cash provided by operating activities	<u>11,257</u>	<u>9,794</u>
Cash flows from non-capital and related financing activities		
Proceeds from non-capital grants, donations and reimbursements	<u>18,219</u>	<u>1,338</u>
Net cash provided by non-capital and related financing activities	<u>18,219</u>	<u>1,338</u>
Cash flows from capital and related financing activities		
Construction and purchase of capital assets	(8,454)	(24,486)
Interest paid on long-term debt	(7,415)	(7,684)
Passenger facility charges received	2,830	4,872
Customer facility charges received	1,935	2,840
Proceeds from issuance of long-term debt	-	15,965
Premium received, on debt issuance	-	2,302
Principal paid on long-term debt	(8,690)	(8,441)
Payments to escrow agent for debt refunding	-	(18,426)
Debt issuance costs	(48)	(422)
Proceeds from sale of capital assets	40	67
Other, net	20	59
Proceeds from state grants	12	395
Proceeds from federal capital grants	<u>1,950</u>	<u>14,281</u>
Net cash (used in) capital and related financing activities	<u>(17,820)</u>	<u>(18,678)</u>
Cash flows from investing activities		
Purchase of investments	(30,551)	(49,404)
Proceeds from sale or maturity of investments	31,930	55,609
Interest received on investments	257	1,026
Net cash provided by investing activities	<u>1,636</u>	<u>7,231</u>
Net increase (decrease) in cash and cash equivalents	<u>13,292</u>	<u>(315)</u>
Cash and cash equivalents		
Beginning of year	<u>29,477</u>	<u>29,792</u>
End of year	<u>\$ 42,769</u>	<u>\$ 29,477</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, 2021 and 2020

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Current unrestricted cash and cash equivalents	\$ 30,717	\$ 18,208
Current restricted cash and cash equivalents	1,136	719
Noncurrent restricted cash and cash equivalents	<u>10,916</u>	<u>10,550</u>
Total cash and cash equivalents	<u>\$ 42,769</u>	<u>\$ 29,477</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (6,944)	\$ (7,014)
Adjustments to reconcile operating activities to net cash provided by operating activities:		
Depreciation	17,952	17,225
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable, trade	618	(78)
Decrease (increase) in inventories	(273)	125
Decrease in other current and noncurrent assets	60	(7)
(Decrease) increase in unearned revenue	128	147
Increase in accounts payable and accrued liabilities	168	(1,810)
Change in pension-related amounts	(452)	1,206
Net cash provided by operating activities	<u>\$ 11,257</u>	<u>\$ 9,794</u>
Noncash investing activities:		
Appreciation of fair value of investments	<u>\$ (350)</u>	<u>\$ 92</u>
Noncash capital and financing activities:		
Capital asset acquisitions included in accounts payable	<u>\$ 1,276</u>	<u>\$ (923)</u>
Federal capital grant revenue included in receivables	<u>\$ 2,237</u>	<u>\$ 1,570</u>
Passenger facility charge revenue included in receivables	<u>\$ 809</u>	<u>\$ 192</u>
Customer facility charge revenue included in receivables	<u>\$ 229</u>	<u>\$ 127</u>
Noncash noncapital and financing activities:		
Federal noncapital grant revenue included in receivables	<u>\$ 1,750</u>	<u>\$ 2,952</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, 2021 and 2020

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 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 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 – 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 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, 2021 and 2020

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 (with the exception of the certificates of deposit) 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 certificates of deposit and money market funds are recorded at amortized cost. The Trust experienced a decrease in the fair value of investments of approximately \$508 for the year ended June 30, 2021 and an increase in the fair value of investments of approximately \$17 for the year ended June 30, 2020.

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, 2021 and 2020

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.

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 - 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 TAIT 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 TAIT is charged to operating expenses during the period earned by the employee and a corresponding liability is established.

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, 2021 and 2020

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

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).

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 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, 2021 and 2020, totaled \$13,082 and \$11,511, respectively.

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:

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, 2021 and 2020

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

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 \$16,569 and \$24,143 as of June 30, 2021 and 2020, respectively. 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 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.

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, 2021 and 2020

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

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.

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, 2021, TAIT has submitted a total of ten applications. Under the six approved open applications, TAIT is authorized to collect \$157,977 of PFC revenue until August 1, 2034.

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).

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.

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.

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, 2021 and 2020

2. **CASH AND INVESTMENTS, continued**

The Trust's investments as of June 30, 2021 are as follows:

(in thousands of dollars)

Type	Carrying Value	June 30, 2021 Maturities in Years			Fair Value Measurement
		Less than 1	1-5	6-10	
Investments reported at fair value:					
US Treasury Bill	\$ 690	\$ 690	\$ -	\$ -	Level 2
Federal National Mortgage Association	1	-	1	-	Level 2
Federal Home Loan Bank	9,295	-	-	9,295	Level 2
Federal Farm Credit Banks	11,849	-	-	11,849	Level 2
	<u>\$ 21,835</u>	<u>\$ 690</u>	<u>\$ 1</u>	<u>\$ 21,144</u>	

The Trust's investments as of June 30, 2020 are as follows:

(in thousands of dollars)

Type	Carrying Value	June 30, 2020 Maturities in Years			Fair Value Measurement
		Less than 1	1-5	6-10	
Investments reported at fair value:					
US Treasury Bill	\$ 1,335	\$ 1,335	\$ -	\$ -	Level 2
Federal National Mortgage Association	1	-	1	-	Level 2
Federal Farm Credit Banks	16,199	-	-	16,199	Level 2
	<u>17,535</u>	<u>\$ 1,335</u>	<u>\$ 1</u>	<u>\$ 16,199</u>	
Investments reported at amortized cost:					
Certificates of deposit	203				
	<u>\$ 17,738</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.

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, 2021 and 2020

2. **CASH AND INVESTMENTS**, continued

Investments – At June 30, 2021 and 2020, 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.

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, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020, TAIT’s investment in Federal Home Loan Bank (“FHLB”) constituted 43% and 0%, respectively, of its total investments. At June 30, 2021 and 2020, TAIT’s investment in Federal Farm Credit Banks constituted 54% and 91%, respectively, of its total investments. Money market accounts and certificates of deposit 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, 2021 and 2020

3. **CAPITAL ASSETS**

The changes in capital assets during 2021 and 2020 are summarized as follows:

2021: <i>(in thousands of dollars)</i>	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 72,573	\$ -	\$ -	\$ -	\$ 72,573
Easements	70,838	-	-	-	70,838
Artwork	261	-	-	-	261
Construction-in-progress	7,840	8,801	-	(8,321)	8,320
Total capital assets not being depreciated	<u>151,512</u>	<u>8,801</u>	<u>-</u>	<u>(8,321)</u>	<u>151,992</u>
Capital assets being depreciated					
Land improvements	313,954	127	-	46	314,127
Buildings	275,914	42	-	8,275	284,231
Equipment	26,492	760	(305)	-	26,947
Total capital assets being depreciated	<u>616,360</u>	<u>929</u>	<u>(305)</u>	<u>8,321</u>	<u>625,305</u>
Accumulated depreciation					
Land improvements	197,381	8,637	-	-	206,018
Buildings	150,697	7,505	-	-	158,202
Equipment	13,519	1,810	(248)	-	15,081
Total accumulated depreciation	<u>361,597</u>	<u>17,952</u>	<u>(248)</u>	<u>-</u>	<u>379,301</u>
Total capital assets being depreciated, net	<u>254,763</u>	<u>(17,023)</u>	<u>(57)</u>	<u>8,321</u>	<u>246,004</u>
Capital assets, net	<u>\$ 406,275</u>	<u>\$ (8,222)</u>	<u>\$ (57)</u>	<u>\$ -</u>	<u>\$ 397,996</u>
2020: <i>(in thousands of dollars)</i>					
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 72,573	\$ -	\$ -	\$ -	\$ 72,573
Easements	70,838	-	-	-	70,838
Artwork	276	-	(15)	-	261
Construction-in-progress	3,548	22,050	-	(17,758)	7,840
Total capital assets not being depreciated	<u>147,235</u>	<u>22,050</u>	<u>(15)</u>	<u>(17,758)</u>	<u>151,512</u>
Capital assets being depreciated					
Land improvements	297,568	25	(16)	16,377	313,954
Buildings	274,539	-	-	1,375	275,914
Equipment	25,539	1,488	(541)	6	26,492
Total capital assets being depreciated	<u>597,646</u>	<u>1,513</u>	<u>(557)</u>	<u>17,758</u>	<u>616,360</u>
Accumulated depreciation					
Land improvements	189,271	8,126	(16)	-	197,381
Buildings	143,300	7,397	-	-	150,697
Equipment	12,263	1,702	(446)	-	13,519
Total accumulated depreciation	<u>344,834</u>	<u>17,225</u>	<u>(462)</u>	<u>-</u>	<u>361,597</u>
Total capital assets being depreciated, net	<u>252,812</u>	<u>(15,712)</u>	<u>(95)</u>	<u>17,758</u>	<u>254,763</u>
Capital assets, net	<u>\$ 400,047</u>	<u>\$ 6,338</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ 406,275</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, 2021 and 2020

4. REVENUE BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The changes in revenue bonds payable and other long-term liabilities during 2021 are summarized as follows:

(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 2010A, 2021	\$ 5,770	4.57% - 5.00%	\$ 715	\$ -	\$ (715)	\$ -	\$ -
Series 2010B, 2021	8,215	6.00% - 6.50%	970	-	(970)	-	-
Series 2010C, 2026	13,520	4.00% - 5.25%	2,945	-	(610)	2,335	440
Series 2013A, 2043	33,665	5.00% - 5.25%	31,080	-	(730)	30,350	765
Series 2013B, 2024	3,275	1.39% - 5.09%	1,815	-	(265)	1,550	280
Series 2015A, 2045	44,045	2.00% - 5.00%	31,920	-	(3,155)	28,765	2,990
Series 2015C, 2045	895	2.00% - 4.25%	795	-	(20)	775	20
Series 2016A, 2027	1,500	3.82%	734	-	(100)	634	104
Series 2017A, 2037	54,180	1.89% - 3.98%	53,320	-	(160)	53,160	1,130
Series 2018A, 2048	19,825	4.00% - 5.25%	19,825	-	-	19,825	385
Series 2020A, 2028	15,965	5.00%	15,965	-	(1,965)	14,000	2,020
Total revenue bonds payable			160,084	-	(8,690)	151,394	8,134
Unamortized discount (premium)			(6,995)	-	467	(6,528)	-
Total revenue bonds payable, net			167,079	-	(9,157)	157,922	8,134
Other long-term liabilities							
Compensated absences			1,056	583	(612)	1,027	114
Net pension liability			15,174	-	(5,337)	9,837	-
Total other long-term liabilities			16,230	583	(5,949)	10,864	114
Total long-term liabilities			\$ 183,309	\$ 583	\$ (15,106)	\$ 168,786	\$ 8,248

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, 2021 and 2020

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

The changes in revenue bonds payable and other long-term liabilities during 2020 are summarized as follows:

2020:

(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 2010A, 2021	\$ 5,770	4.57% - 5.00%	\$ 1,395	\$ -	\$ (680)	\$ 715	\$ 715
Series 2010B, 2021	8,215	6.00% - 6.50%	1,885	-	(915)	970	970
Series 2010C, 2026	13,520	4.00% - 5.25%	3,525	-	(580)	2,945	610
Series 2013A, 2043	33,665	5.00% - 5.25%	31,775	-	(695)	31,080	730
Series 2013B, 2024	3,275	1.39% - 5.09%	2,070	-	(255)	1,815	265
Series 2015A, 2045	44,045	2.00% - 5.00%	35,130	-	(3,210)	31,920	3,155
Series 2015C, 2045	895	2.00% - 4.25%	815	-	(20)	795	20
Series 2015D, 2028	24,395	2.00% - 5.00%	19,985	-	(19,985)	-	-
Series 2016A, 2027	1,500	3.82%	830	-	(96)	734	100
Series 2017A, 2037	54,180	1.89% - 3.98%	53,370	-	(50)	53,320	160
Series 2018A, 2048	19,825	4.00% - 5.25%	19,825	-	-	19,825	-
Series 2020A, 2028	15,965	5.00%	-	15,965	-	15,965	1,965
Total revenue bonds payable			170,605	15,965	(26,486)	160,084	8,690
Unamortized discount (premium)			(6,722)	(2,302)	2,029	(6,995)	-
Total revenue bonds payable, net			177,327	18,267	(28,515)	167,079	8,690
Other long-term liabilities							
Compensated absences			1,116	798	(858)	1,056	191
Net pension liability			13,749	1,425	-	15,174	-
Total other long-term liabilities			14,865	2,223	(858)	16,230	191
Total long-term liabilities			\$ 192,192	\$ 20,490	\$ (29,373)	\$ 183,309	\$ 8,881

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, 2021 and 2020

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 33% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$232,065. Principal and interest paid for the year was \$16,105. Net revenues available for debt services (after reducing by operating expenses) in fiscal years 2021 and 2020 were \$28,557 and \$31,716, respectively.

ECONOMIC GAIN/LOSS ON REFUNDING – General Revenue Bonds, Refunding Series
– On March 4, 2020, the Trust issued the Series 2020A Revenue Bonds in the amount of \$15,965. The proceeds of this issue were used to advance refund the Airport Trustees General Airport Revenue Bonds, Taxable Refunding Series 2015D, and to pay the costs of issuance of the 2020A Bonds. This transaction will reduce debt service payments by approximately \$2,763 over the next 8 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 \$2,123. This refunding resulted in a deferred gain of (\$1,254), which will be amortized over the life of the new bonds.

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, 2021 and 2020

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

FUTURE MATURITIES

Future maturities of revenue bonds are as follows:

(in thousands of dollars)

Fiscal Year	Principal	Interest	Total
2022	\$ 8,134	\$ 6,976	\$ 15,110
2023	8,218	6,599	14,817
2024	7,292	6,216	13,508
2025	7,686	5,890	13,576
2026	7,996	5,556	13,552
2027-2031	33,943	22,959	56,902
2032-2036	36,135	15,621	51,756
2037-2041	23,960	8,036	31,996
2042-2046	15,545	2,621	18,166
2047-2048	2,485	197	2,682
	<u>\$ 151,394</u>	<u>\$ 80,671</u>	<u>\$ 232,065</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, 2021 and 2020

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

Contributions: Contributions are set per City of Tulsa ordinance. Employees were required to contribute 6.5% of their pensionable wages for the year ended June 30, 2020, and from July 1, 2020 to December 31, 2020, and then 7.5% thereafter. The Trust was required to contribute 15.5% of pensionable wages for the year ended June 30, 2020, and from July 1, 2020 to December 31, 2020, and then 16.5% thereafter. The Trust is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceed the 16.5% of payroll. Actual contributions to the pension plan from TAIT were \$1,128 and \$1,207 for the years ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021, TAIT reported a liability of \$9,837 for its proportionate share of the net pension liability. The liability for June 30, 2020 was \$15,174. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to June 30, 2021. 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, 2021 and 2020, TAIT's proportion was 5.4394% and 5.9750%, respectively.

For the years ended June 30, 2021 and 2020, TAIT recognized pension expense of \$686 and \$2,420, respectively. At June 30, 2021 and 2020, 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
2021:		
Differences between expected and actual plan experience	\$ 4	\$ (129)
Changes of assumptions	1,859	-
Net difference between projected and actual earnings on pension plan investments	-	(3,922)
Changes in proportion and differences between Trust contributions and proportionate share of contributions	156	(901)
Total	\$ 2,019	\$ (4,952)

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, 2021 and 2020

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
2020:		
Differences between expected and actual plan experience	\$ 26	\$ (263)
Changes of assumptions	851	-
Net difference between projected and actual earnings on pension plan investments	1,022	-
Changes in proportion and differences between Trust contributions and proportionate share of contributions	360	(42)
Total	<u>\$ 2,259</u>	<u>\$ (305)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2021, will be recognized in pension expense as follows:

Years ended June 30:	
2022	\$ (335)
2023	(560)
2024	(845)
2025	(1,193)
	<u>\$ (2,933)</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2021, 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 (3.50%-11.25%, including inflation in 2020)
Investment rate of return	6.75% (7.00% in 2020) compounded annually, net of investment expense and including inflation

2021—Mortality rates were based on the Pub-2010 General Employee Mortality Table, projected with the ultimate rates of Scale MP-2020, fiscal year 2010.

2020—Mortality rates were based on the RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Generational mortality improvements with Scale MP-2015 are from the table's base year of 2014.

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, 2021 and 2020

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

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

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%	(0.36)%
Domestic equity	36	5.92
International equity	24	6.75
Real estate	12	4.57
Commodities	3	0.25
Timber	4	2.70
Cash	1	(1.01)
	100%	

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, and all future years, it is assumed that the employer contribution rate will be 16.50% of payroll. 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, 2021 and 2020

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%)
2021:			
Trust's proportionate share of the net pension liability	\$ 15,068	\$ 9,837	\$ 5,486
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
2020:			
Trust's proportionate share of the net pension liability	\$ 20,382	\$ 15,174	\$ 10,831

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.

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, 2021 and 2020

6. 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 TAIT for the purpose of rental or related use.

Minimum future rentals under non-cancellable operating leases as of June 30, 2021, are as follows (presented on a calendar year basis):

(In thousands of dollars)

2022	\$	14,905
2023		14,273
2024		14,015
2025		10,682
2026		10,867
2027 -2031		48,653
2032 -2036		10,231
2037 -2041		8,029
2042 -2046		4,848
2047 -2051		2,039
2052 -2056		2,039
2057 -2061		1,425
2062 -2066		43
2067 -2071		43
2072 -2076		43
2077 -2081		43
		<u>43</u>
	\$	<u>142,178</u>

Under the Use and Lease Agreements between the airlines and TAIT, 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.

TAIT entered into a new Signatory Airline Use and Lease Agreement for a term beginning July 1, 2019 and continuing until June 30, 2024, unless otherwise terminated in accordance with its terms. During the initial Term only, rates, fees and charges do not change. Pursuant to each Use and Lease Agreement, each Signatory Airline, upon the consent of TAIT, has the option to extend the term of its Agreement for two additional three year terms, or to June 30, 2021. The revenue sharing component of the Airport-Airline Use and Lease Agreement is based upon TAIT liquidity thresholds (“Days of Cash”, as defined under the Agreement). The first threshold is met when the TAIT reaches 365 Days of Cash. When the TAIT reaches this threshold, the revenue share to the Signatory Airlines will be 10% of net revenues. As the Days of Cash thresholds go up (400 days, 487 days, 609 days, 730 days) the net revenue share scales up in increments of 25%, 30%, and 40%, respectively. The maximum threshold is 730 Days of cash and the net revenue share would be 50%. Provided the threshold for liquidity is met in any given fiscal year, the revenue share is allocated to each signatory based upon their market share at TAIT.

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, 2021 and 2020

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, 2021. 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, 2021, TAIT had open commitments for construction projects of approximately \$24,167, 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 operating TAIT. 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.

TAIT cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic (such as the recent Delta Variant); (ii) the implementation, scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether all airlines will cease operations at the Airport or shut down in response to such restrictions or warnings, (iii) what effect any the COVID-19 pandemic-related restrictions or warnings may have on air travel, including to and from the Airport, the retail and services provided by Airport concessionaires, Airport costs or TAIT revenues; (iv) whether and to what extent the COVID-19 pandemic may disrupt the local, state, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost of both construction and borrowed money, sources of funds, schedule or implementation of TAIT's CIP (as hereinafter defined), or other TAIT operations, or the airline and travel industry, generally; or (v) whether or to what extent TAIT may provide deferrals, forbearances, adjustments or other changes to TAIT's arrangements with the Airlines and its other tenants and concessionaires. Prospective investors should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, may increase at least over the near term, recovery may be prolonged and, therefore, will have an adverse impact on TAIT revenues and operations. Future outbreaks, pandemics or events outside of TAIT's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in TAIT revenues.

TAIT estimates it will receive approximately \$13,973 from the third round of funding under American Rescue Plan Act 2021 (ARPA). Such funds will be used primarily to reimburse general operating expenses and provide some concessionaire relief in 2022.

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, 2021 and 2020

8. **COMMITMENTS AND CONTINGENCIES, continued**

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.

9. **RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2021 and 2020, TAIT conducted the following transactions with related parties.

<i>(In thousands of dollars)</i>	<u>2021</u>	<u>2020</u>
Payments to City of Tulsa - General Fund for support services	\$ 52	\$ 52
Payments to City of Tulsa - General Fund for fire services	\$ 1,225	\$ 1,935
Advance to City of Tulsa	\$ 1	\$ 128

10. **FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for TAIT beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the Trust must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. TAIT's management has not yet determined the effect this statement will have on the financial statements, but the effect could be material.

11. **MAJOR CUSTOMERS**

The Trust has four customers that provide in excess of 10% of the enplaned passengers. American Airlines enplaned the largest share of passengers in fiscal year 2021 at 36% and 31%, for fiscal year 2020. Southwest Airlines, Delta Airlines and United Airlines also exceeded 10% in fiscal year 2021 at 32%, 11% and 15%, respectively and for 2020 at 32%, 14% and 18%, respectively.

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, 2021 and 2020

12. SUBSEQUENT EVENTS

On August 12, 2021 the Trustees of the Tulsa Airports Improvement Trust approved up to \$60,590 of General Airport Revenue Refunding Bonds, Subject to Alternative Minimum Tax (AMT) Series 2021A and Federally Taxable Series 2021B. The Trust closed on these bonds on October 5, 2021. The Series 2021A is a refunding and refinancing of the 2010C Bonds and the Series 2021B is a refunding and refinancing of the 2013A and 2015C Bonds for interest rate savings. The date of maturity will remain unchanged.

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, 2021

Schedule of Proportionate Share of the Net Pension Liability

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
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%
2015	5.8186%	7,288	6,316	115.39%	77.13%

* Information prior to 2015 is not available.

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
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%
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

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.

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Supplementary Information
Detailed Schedules of Operating Revenue
Years Ended June 30, 2021 and 2020

(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Aeronautical operating revenues		
Landing fees - signatory and non-signatory		
Passenger airline landing fees	\$ 4,372	\$ 5,376
Cargo airline landing fees	1,530	1,585
Military joint use fees	43	43
Total landing fees	<u>5,945</u>	<u>7,004</u>
Passenger airline terminal revenue - signatory and non-signatory		
Airline terminal rentals	3,887	3,899
Baggage system rentals	2,700	2,223
Other terminal area airline fees	198	198
Total terminal area passenger airline fees	<u>6,785</u>	<u>6,320</u>
Total landing fees and terminal area passenger airline revenues	<u>12,730</u>	<u>13,324</u>
Other Aeronautical Revenue		
FBO revenue	737	792
Hangar, cargo space and ground rents	2,237	2,102
Fuel flowage fees	641	696
Security reimbursements	118	115
Other aeronautical revenue	602	830
Total other aeronautical revenue	<u>4,335</u>	<u>4,535</u>
Total Aeronautical Revenue	<u>17,065</u>	<u>17,859</u>
Non-Aeronautical Operating Revenue		
Terminal Revenues		
Food and beverage	310	691
Retail	409	784
Other terminal concessions and revenue (excludes rental car counter space)	936	1,118
Total non-aeronautical Terminal Revenue	<u>1,655</u>	<u>2,593</u>
Other Non-Aeronautical Operating Revenue		
Rental car revenues	3,976	4,437
Parking revenues	5,234	7,342
Hotel revenues	160	190
Ground rents and facilities leases (excludes aeronautical & car rental)	558	526
Other non-aeronautical revenue	434	526
Total Other Non-Aeronautical Operating Revenues	<u>10,362</u>	<u>13,021</u>
Total Non-Aeronautical Operating Revenue	<u>12,017</u>	<u>15,614</u>
Revenue from R. L. Jones, Jr. Airport	1,177	1,132
Total operating revenues	<u>\$ 30,259</u>	<u>\$ 34,605</u>

Tulsa Airports Improvement Trust
(A Component Unit of the City of Tulsa, Oklahoma)
Schedule of Insurance in Force (Unaudited)
Year Ended June 30, 2021

Policy Coverage	Issuer	Limit of Liability	Self Insurance	Expiration Date	Premium
Primary coverage on bodily injury, single limit bodily injury and property damage liability.	ACE Property and Casualty Insurance Company	Personal injury and advertising injury aggregate \$50,000,000.	None	11/20/2021	\$ 72,500
Property damage (including boilers and machinery and scheduled automotive equipment) fire and extended coverage.	AIG Specialty Insurance Company	Real and personal property damage not to exceed \$421,368,089 with \$100,000 deductible.	None	7/01/2022	\$ 525,257
Automotive personal liability and property damage off-airport.	Granite State Insurance Company	\$1,000,000 bodily injury and property damage, combined single limit, each occurrence and in the aggregate. No deductible.	None	7/18/2022	\$ 73,943
Workers compensation insurance	Old Republic Insurance Company	Bodily injury by accident, \$1,000,000 each accident; disease \$1,000,000 each employee. No deductible.	None	10/01/2022	\$ 94,379
Directors and Officers Liability	Navigators Specialty Insurance Co.	\$1,000,000 all loss, \$100,000 non-monetary, \$500,000 add excess, \$25,000 retainage.	None	6/22/2022	\$ 30,740

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, 2021

Gross revenues as defined by the Bond Indenture as supplemented	
Operating revenue	\$ 30,261,169
Interest available for debt service (1)	220,479
Airport Improvement Fund balance (2)	11,037,094
Airport Improvement Fund transfers (2)	500,000
PFC funds available for debt service (3)	5,160,359
CFC revenues	2,037,296
Other nonoperating	3,424
Total gross revenues	<u>49,219,821</u>
Gross expenses as defined by the Bond Indenture as supplemented	
Combined operating expenses, excluding non-cash pension expense	19,732,086
Capitalized expenditures classified as operating expenses in accordance with the Bond Indenture as supplemented	928,745
Total operating expenses	<u>20,660,831</u>
Net revenues available for debt service	<u><u>\$ 28,558,990</u></u>
Debt service (4)	<u>\$ 15,496,365</u>
Debt coverage	1.84

- (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, 2021

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Revenue Funds						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	5,050,904	\$ 5,050,904	\$ 5,050,904
Revenue Receipts Demand Deposit Account	On Demand	0.00%	0.00%	1,336	1,336	1,336
Parking Receipts Demand Deposit Account	On Demand	0.00%	0.00%	316	316	316
Total Revenue Funds					<u>5,052,556</u>	<u>5,052,556</u>
Coverage Account						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	57,696	57,696	57,696
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	0.01%	3,800,000	3,800,000	3,733,918
Total Coverage Account					<u>3,857,696</u>	<u>3,791,614</u>
Customer Facility Charge Account						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	435,359	435,359	435,359
Total Customer Facility Charge Accounts					<u>435,359</u>	<u>435,359</u>
Passenger Facility Charge Revenue Fund						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	343,268	343,268	343,268
PFC Demand Deposit Account	On Demand	0.00%	0.00%	1,014	1,014	1,014
Total Passenger Facility Charge Revenue Fund					<u>344,282</u>	<u>344,282</u>
Operating Reserve Fund						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	487,210	487,210	487,210
FFCB @ 0.640% DUE 01/05/2027	01/05/2027	0.64%	0.01%	2,000,000	2,000,000	1,958,300
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.01%	3,100,000	3,100,000	3,035,675
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	0.01%	1,090,000	1,090,000	1,071,045
FNMA POOL #20086	07/01/2024	5.00%	0.05%	150	150	151
FNMA POOL #4593	05/01/2024	4.70%	0.05%	516	516	489
Total Operating Reserve Fund					<u>6,677,876</u>	<u>6,552,870</u>
Airport Improvement Fund						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	5,164,975	5,164,975	5,164,975
Total Airport Improvement Fund					<u>5,164,975</u>	<u>5,164,975</u>
Bond Reserve Funds						
BLACKROCK LIQ FEDFD-CSH RES #00U3 - Tax Exempt	On Demand	0.00%	0.03%	12,404	12,404	12,404
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.01%	2,000,000	2,000,000	1,958,500
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	0.01%	2,265,000	2,265,000	2,225,612
BLACKROCK LIQ FEDFD-CSH RES #00U3 - Taxable	On Demand	0.00%	0.03%	19,825	19,825	19,825
FFCB @ 0.790% DUE 06/21/2027	06/21/2027	0.79%	0.01%	5,000,000	5,000,000	4,896,250
FHLB @ 1.050% DUE 08/18/2028	08/18/2028	1.05%	0.01%	2,305,000	2,305,000	2,264,916
Total Bond Reserve Funds					<u>11,602,228</u>	<u>11,377,506</u>

(Continued)

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, 2021

Continued - Schedule of Funds on Deposit and Invested

DESCRIPTION	DUE DATE	INTEREST RATE	YIELD AT MARKET	PAR VALUE	INVESTMENT COST	MARKET VALUE
Bond Principal and Interest Accounts						
BLACKROCK LIQ FEDFD-CSH RES #00U3 2010C	On Demand	0.00%	0.03%	10,524	\$ 10,524	\$ 10,524
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	36,000	35,988	35,979
BLACKROCK LIQ FEDFD-CSH RES #00U3 2013A Int	On Demand	0.00%	0.03%	137,772	137,772	137,772
BLACKROCK LIQ FEDFD-CSH RES #00U3 2013A Prin	On Demand	0.00%	0.03%	783	783	783
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	63,000	62,980	62,963
BLACKROCK LIQ FEDFD-CSH RES #00U3 2013B Int	On Demand	0.00%	0.03%	6,441	6,441	6,441
BLACKROCK LIQ FEDFD-CSH RES #00U3 2013B Prin	On Demand	0.00%	0.03%	1,585	1,585	1,585
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	43,000	42,986	42,975
BLACKROCK LIQ FEDFD-CSH RES #00U3 2015A Int	On Demand	0.00%	0.03%	119,854	119,854	119,854
BLACKROCK LIQ FEDFD-CSH RES #00U3 2015A Prin	On Demand	0.00%	0.03%	1,246	1,246	1,246
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	248,000	247,921	247,856
BLACKROCK LIQ FEDFD-CSH RES #00U3 2015C Int	On Demand	0.00%	0.03%	2,601	2,601	2,601
BLACKROCK LIQ FEDFD-CSH RES #00U3 2015C Prin	On Demand	0.00%	0.03%	1,667	1,667	1,667
BLACKROCK LIQ FEDFD-CSH RES #00U3 2016A Int	On Demand	0.00%	0.03%	2,016	2,016	2,016
BLACKROCK LIQ FEDFD-CSH RES #00U3 2016A Prin	On Demand	0.00%	0.03%	8,517	8,517	8,517
BLACKROCK LIQ FEDFD-CSH RES #00U3 2017 Prin	On Demand	0.00%	0.03%	197	197	197
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	94,000	93,970	93,945
BLACKROCK LIQ FEDFD-CSH RES #00U3 2017 Int	On Demand	0.00%	0.03%	165,071	165,071	165,071
BLACKROCK LIQ FEDFD-CSH RES #00U3 2018 Prin	On Demand	0.00%	0.03%	337	337	337
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	35,000	34,989	34,980
BLACKROCK LIQ FEDFD-CSH RES #00U3 2018 Int	On Demand	0.00%	0.03%	82,081	82,081	82,081
BLACKROCK LIQ FEDFD-CSH RES #00U3 2020A Interest	On Demand	0.00%	0.03%	58,333	58,333	58,333
BLACKROCK LIQ FEDFD-CSH RES #00U3 2020A Principal	On Demand	0.00%	0.03%	250	250	250
US TREASURY BILL 05/19/2022	05/19/2022	0.00%	0.04%	171,000	170,945	170,901
					1,289,054	1,288,875
Construction Funds						
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	5,191,239	5,191,239	5,191,239
Total Construction Funds					5,191,239	5,191,239
Capital Projects Clearing Fund						
Grant Receipts Demand Deposit Account	On Demand	0.00%	0.00%	1,000	1,000	1,000
BLACKROCK LIQ FEDFD-CSH RES #00U3	On Demand	0.00%	0.03%	946,281	946,281	946,281
Total Capital Projects Clearing Fund					947,281	947,281
Other Funds						
ICS Deposit Account	On Demand	0.05%	0.05%	8,469,889	8,469,889	8,469,889
BLACKROCK LIQ FEDFD-CSH RES #00U3 SPEC PGRM	On Demand	0.00%	0.03%	14,888,375	14,888,375	14,888,375
BLACKROCK LIQ FEDFD-CSH RES #00U3 STATE GRANT	On Demand	0.00%	0.03%	183,048	183,048	183,048
General Operating Deposit Account	On Demand	0.00%	0.00%	410,110	410,110	410,110
Special Programs Demand Deposit Account	On Demand	0.00%	0.00%	96,996	96,996	96,996
Payroll Demand Deposit Account	On Demand	0.00%	0.00%	284,002	284,002	284,002
Arvest Bank Demand Deposit Account	On Demand	0.00%	0.00%	114,433	114,433	114,433
Petty Cash	On Demand	0.00%	0.00%	2,500	2,500	2,500
Total Other Funds					24,449,353	24,449,353
Total Funds on Deposit and Invested					\$ 65,011,899	\$ 64,595,909

Tulsa Airports Improvement Trust
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Five Year Construction In Progress – The Airport’s total estimated cost for the years ending 2022 through 2026 (in thousands):

	<u>Total</u>	<u>Federal</u>	<u>Local</u>
Airfield	162,428	\$ 73,323	\$ 89,105
Terminal	5,290	800	4,490
Landslide	9,322	3,942	5,380
R.L. Jones, Jr.	8,236	3,941	4,295
Total Estimated Cost	<u>\$ 185,276</u>	<u>\$ 82,006</u>	<u>\$ 103,270</u>

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
January	94,979	99,274	104,504	104,444	45,885
February	91,635	94,170	100,646	99,746	44,761
March	116,942	112,353	120,220	53,652	77,299
April	109,419	119,958	119,016	5,137	82,058
May	130,587	138,128	142,857	17,784	108,597
June	133,482	145,456	142,978	38,293	122,932
July	129,121	143,302	143,738	58,136	130,295
August	116,857	127,719	126,539	54,038	105,127
September	107,552	120,448	122,033	54,386	103,317
October	129,805	136,698	135,003	61,684	N/A (1)
November	120,605	129,418	119,197	58,878	N/A (1)
December	117,630	121,647	127,553	57,516	N/A (1)
Annual	<u>1,398,614</u>	<u>1,488,571</u>	<u>1,504,284</u>	<u>663,694</u>	<u>820,271</u>

(1) Not available

Tulsa Airports Improvement Trust
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Average Daily Scheduled Flights:

Airline	2017		2018		2019		2020		2021	
	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	3	3.00%	2	2.11%	2	1.98%	2	2.33%	2	3.03%
American	24	24.20%	24	25.26%	28	27.72%	26	27.73%	21	31.82%
Delta	17	17.20%	15	15.79%	15	14.85%	12	13.95%	10	15.15%
Southwest	27	27.30%	26	27.37%	25	24.75%	22	25.58%	17	25.76%
United	28	28.30%	27	28.42%	30	29.70%	24	27.91%	15	22.73%
Other	-	0.00%	1	1.05%	1	0.99%	-	0.00%	1	1.52%
	<u>99</u>	<u>100.00%</u>	<u>95</u>	<u>100.00%</u>	<u>101</u>	<u>100.00%</u>	<u>86</u>	<u>100.00%</u>	<u>66</u>	<u>100.00%</u>

Tulsa Airports Improvement Trust
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Other Information (Unaudited)
Year Ended June 30, 2021

Airline Enplaned Passengers:

Airline	2017		2018		2019		2020		2021	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Allegiant Air	56,979	4.13%	56,095	3.92%	54,152	3.59%	42,761	3.91%	40,073	4.85%
American	336,958	24.41%	333,806	23.33%	318,662	21.11%	237,009	21.68%	182,527	22.09%
American / Compass	-	0.00%	-	0.00%	5,790	0.38%	15,778	1.44%	-	N/A
American Eagle / Envoy	19,456	1.41%	9,167	0.64%	21,129	1.40%	11,748	1.07%	37,645	4.56%
American/ Express Jet	8,190	0.59%	-	0.00%	-	0.00%	-	N/A	-	N/A
American /Mesa /Envoy	12,582	0.91%	28,937	2.02%	48,848	3.24%	62,710	5.74%	39,171	4.74%
American / PSA / US Airways	-	0.00%	-	0.00%	-	0.00%	-	N/A	-	N/A
American / US Airways	45,931	3.33%	32,367	2.26%	23,480	1.56%	14,681	1.34%	19,487	2.36%
American/ SkyWest	2,467	0.18%	8,284	0.58%	535	0.04%	439	0.04%	16,900	2.05%
Delta	100,063	7.25%	112,414	7.86%	101,820	6.75%	77,515	7.09%	43,071	5.21%
Delta Connection / ASA/ Express Jet	47,812	3.46%	32,250	2.25%	5,879	0.39%	-	N/A	-	N/A
Delta Connection / Compass	3,578	0.26%	-	0.00%	64	0.00%	72	0.01%	-	N/A
Delta / GoJet	-	0.00%	-	0.00%	505	0.03%	-	N/A	-	N/A
Delta /Pinnacle/Endeavor	5,629	0.41%	2,240	0.16%	43,110	2.86%	28,647	2.62%	20,330	2.46%
Delta Connection / SkyWest	35,693	2.59%	58,295	4.07%	62,697	4.15%	41,642	3.81%	25,571	3.10%
Frontier	-	0.00%	19,545	1.37%	43,876	2.91%	10,872	0.99%	13,321	1.61%
Miami Air	272	0.02%	348	0.02%	-	0.00%	168	0.02%	-	N/A
Southwest	454,881	32.96%	486,535	34.00%	497,107	32.93%	354,720	32.45%	266,510	32.26%
Sun Country / MN Airlines	1,992	0.14%	1,418	0.10%	1,504	0.10%	1,014	0.09%	-	N/A
United	48,970	3.55%	33,421	2.34%	66,273	4.39%	39,385	3.60%	7,873	0.95%
United / Air Wisconsin	-	0.00%	3,885	0.27%	12,609	0.84%	5,094	0.47%	618	0.07%
United Express / Express Jet	94,854	6.87%	61,202	4.28%	70,527	4.67%	40,423	3.70%	21,471	2.60%
United Express / GoJet	21,313	1.54%	19,884	1.39%	15,482	1.03%	12,684	1.16%	15,426	1.87%
United Express / Mesa	17,128	1.24%	38,963	2.72%	41,403	2.74%	23,533	2.15%	26,371	3.19%
United Express/ Republic	20,498	1.49%	30,218	2.11%	9,375	0.62%	7,991	0.73%	3,883	0.47%
United Express / SkyWest	33,912	2.46%	57,828	4.04%	43,319	2.87%	46,842	4.29%	44,558	5.39%
United Express / Trans State	10,402	0.75%	2,731	0.19%	18,915	1.25%	17,076	1.56%	-	N/A
Via Air	-	0.00%	520	0.04%	1,836	0.12%	-	N/A	-	N/A
Other	739	0.05%	556	0.04%	556	0.04%	315	0.03%	1,364	0.17%
	<u>1,380,299</u>	100.00%	<u>1,430,909</u>	100.00%	<u>1,509,453</u>	100.00%	<u>1,093,119</u>	100.00%	<u>826,170</u>	100.00%

Tulsa Airports Improvement Trust
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Airline – Air Cargo Landed Weight (in pounds):

Airline / Air Cargo Carrier	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021	
	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total	Pounds	% of Total
Allegiant Air, LLC	59,111,065	2.93%	56,879,128	2.62%	54,937,404	2.39%	48,578,590	2.54%	55,169,341	3.43%
American	398,264,600	19.76%	399,341,523	18.42%	417,147,318	18.11%	330,462,916	17.30%	254,559,020	15.82%
American / Compass	-	N/A	-	N/A	6,745,500	0.29%	20,836,100	1.09%	-	N/A
American Eagle / Envoy	20,491,343	1.02%	38,342,870	1.77%	66,526,710	2.89%	87,761,650	4.60%	46,159,740	2.87%
American / Express Jet	9,626,554	0.48%	-	N/A	67,000	0.00%	-	N/A	-	N/A
American / Envoy / Mesa	14,077,000	0.70%	11,808,000	0.54%	25,528,800	1.11%	17,001,100	0.89%	45,386,800	2.82%
American / SkyWest	4,002,000	0.20%	11,319,000	0.52%	1,340,000	0.06%	670,000	0.04%	26,982,000	1.68%
American / US Airways	51,906,800	2.58%	41,906,500	1.93%	28,702,900	1.25%	18,808,800	0.98%	25,067,200	1.56%
Compass	-	N/A	74,950	0.00%	-	N/A	-	N/A	-	N/A
Delta	125,777,300	6.24%	136,666,800	6.30%	118,601,320	5.15%	103,931,919	5.44%	77,971,520	4.85%
Delta / Compass	5,144,223	0.25%	-	N/A	-	N/A	-	N/A	-	N/A
Delta Connection (ASA) (Express Jet)	62,842,800	3.12%	38,355,200	1.77%	6,566,000	0.29%	-	N/A	-	N/A
Delta Connection (Compass)	-	N/A	-	N/A	75,177	0.00%	89,000	0.00%	-	N/A
Delta (Pinnacle) (Endeavor)	8,082,700	0.40%	3,023,000	0.14%	50,951,400	2.21%	35,348,400	1.85%	31,992,600	1.99%
Delta / Republic	-	N/A	74,957	0.00%	670,000	0.03%	-	N/A	-	N/A
Delta Connection (SkyWest)	45,298,500	2.25%	76,463,324	3.53%	80,631,893	3.50%	58,792,879	3.08%	48,404,367	3.01%
Frontier	-	N/A	23,294,029	1.07%	48,781,434	2.12%	9,982,301	0.52%	15,272,508	0.95%
Southwest	581,014,000	28.83%	606,890,000	28.00%	600,816,000	26.08%	496,144,000	25.98%	402,924,800	25.04%
Sun Country / Mn Airlines	6,002,700	0.30%	4,139,500	0.19%	5,413,100	0.23%	5,086,300	0.27%	1,901,900	0.12%
United	76,639,000	3.80%	48,948,100	2.26%	94,326,500	4.10%	57,018,600	2.99%	12,925,200	0.80%
United / Air Wisconsin	-	N/A	3,995,000	0.19%	14,382,000	0.62%	6,110,000	0.32%	799,000	0.05%
United Express / Express Jet	98,844,210	4.90%	63,630,842	2.94%	73,297,994	3.18%	49,613,330	2.60%	23,395,508	1.45%
United Express / GoJet	25,929,000	1.29%	25,594,000	1.18%	18,023,000	0.78%	23,992,000	1.26%	24,827,000	1.54%
United Express / Mesa	22,395,100	1.11%	49,583,800	2.29%	57,448,300	2.49%	37,256,600	1.95%	39,247,600	2.44%
United Express / Republic	28,518,630	1.41%	40,584,250	1.87%	13,613,040	0.59%	12,055,680	0.63%	6,461,700	0.40%
United Express / SkyWest	37,798,100	1.87%	63,418,000	2.93%	49,633,500	2.16%	54,760,500	2.87%	58,391,600	3.63%
United Express / Transtates	11,683,150	0.58%	2,866,500	0.13%	19,773,270	0.86%	18,071,300	0.95%	-	N/A
US Airways Charter	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Other Non-Sig Passenger Carriers	5,176,698	0.26%	4,313,762	0.20%	10,690,661	0.46%	2,181,850	0.11%	1,820,064	0.11%
Air Transport	-	N/A	86,413,000	3.99%	93,060,000	4.04%	40,675,000	2.13%	-	N/A
Ameriflight	9,021,420	0.45%	1,250,000	0.06%	11,300	0.00%	1,645,200	0.09%	672,200	0.04%
Federal Express	187,344,900	9.30%	193,309,300	8.92%	197,361,700	8.57%	184,344,900	9.65%	192,923,700	11.99%
Federal Express /Empire	11,719,267	0.58%	17,409,840	0.80%	16,179,996	0.70%	15,360,765	0.80%	12,595,996	0.78%
Federal Express / Mountain Air Cargo	-	N/A	166,456	0.01%	94,136	0.00%	47,068	0.00%	36,160	0.00%
Martinaire	4,292,500	0.21%	4,309,500	0.20%	4,080,000	0.18%	4,284,000	0.22%	3,493,500	0.22%
Surburban Air	-	N/A	3,381,000	0.16%	4,073,300	0.18%	4,121,600	0.22%	4,202,100	0.26%
UPS	99,767,200	4.95%	103,816,960	4.79%	111,087,280	4.82%	126,080,800	6.60%	144,163,440	8.96%
Other Cargo Carriers	4,628,798	0.23%	6,174,992	0.28%	12,961,930	0.56%	38,630,806	2.02%	51,116,241	3.18%
Totals	2,015,399,558	100.00%	2,167,744,083	100.00%	2,303,599,863	100.02%	1,909,743,954	100.00%	1,608,862,805	100.00%