Tulsa Airports Improvement Trust

Compliance Report
Year Ended June 30, 2025

Contents

Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*	1-2
Report on compliance for each major federal program, report on internal control over compliance and report on schedule of expenditures of federal awards required by the Uniform Guidance	3-5
Schedule of expenditures of federal awards	6
Notes to schedule of expenditures of federal awards	7
Summary schedule of prior audit findings	8
Schedule of findings and questioned costs	9-10

RSM

RSM US LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
Tulsa Airport Improvement Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Tulsa Airports Improvement Trust (the Trust), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Kansas City, Missouri
December 4, 2025

Report on Compliance for Each Major Federal Program,
Report on Internal Control Over Compliance and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

Independent Auditor's Report

Board of Trustees
Tulsa Airport Improvement Trust

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Tulsa Airports Improvement Trust's (the Trust) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Trust's major federal programs for the year ended June 30, 2025. The Trust's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Trust complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Trust's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Trust's federal programs.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Trust's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Trust's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Trust's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Trust's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the Trust as of and for the year ended June 30, 2025, and have issued our report thereon dated December 4, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
December 4, 2025

Tulsa Airports Improvement Trust

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation—Federal Aviation				
Administration (Direct):				
Airport Improvement Programs, Infrastructure Investment and				
Jobs Act Programs, and COVID-19 Airports Programs:				
Update Airport Master Plan or Study	20.106	N/A	$ -	$ 10,081
Install Fencing	20.106	N/A	-	266,836
Shift/Reconfigure Taxiways (Phase 2 of Construction)	20.106	N/A	-	230,681
Rehabilitate Service Road (Construction—Phase 1)	20.106	N/A	-	190,812
Rehabilitate Service Road (Phase 2 of Construction)	20.106	N/A	-	1,236,865
Design Lighting, RWY 8/26 Lighting, TWY Lighting, and Visual Guidance	20.106	N/A	-	284,300
Reconstruct Terminal Entrances	20.106	N/A	-	2,571,351
Acquire Aircraft Rescue & Fire Fighting Vehicle (One 1500-Gallon Vehicle)	20.106	N/A	-	28,295
Rehabilitate Access Road	20.106	N/A	-	120,480
Reconstruct Sponsor Owned Airport Traffic Control Tower (Phase I of Construction)	20.106	N/A	-	9,266,255
Reconstruct Sponsor Owned Airport Traffic Control Tower (Phase II of Construction)	20.106	N/A	-	2,421,771
Rehabilitate Taxiway M (Design), Realign Taxiway K (Design)	20.106	N/A	-	162,457
VALE Infrastructure (Passenger Boarding Bridge Pre-conditioned Air Units)	20.106	N/A	-	597,508
Expand Terminal Building (Customs and Border Control)	20.106	N/A	-	3,855,054
Expand Terminal Building (Customs and Border Control)	20.106	N/A	-	8,729,977
Total U.S. Department of Transportation—				
Federal Aviation Administration				29,972,723
U.S. Department of Treasury				
Passed through City of Tulsa:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds--ATCT Grant:	21.027	2159FR0299	-	5,186,074
Passed through Tulsa County:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds--ATCT Grant:	21.027	PJI505 ARP58-CMF 20212403	-	7,000,000
Total U.S. Department of Treasury			-	12,186,074
Total expenditures of federal awards			$ -	$ 42,158,797

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Tulsa Airports Improvement Trust (Trust) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Trust, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Trust.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are reported following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Trust has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Tulsa Airports Improvement Trust
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Identifying Number: 2024-001

Finding: In August 2024, an employee of the Trust was contacted by an external party impersonating a legitimate vendor asking for a vendor change. The employee made vendor payment modifications without following internal policy requiring verification and this resulted in payment to a fraudulent bank account.

Corrective Actions Taken: Immediately upon discovery of the fraudulent payment all payments to vendors were halted until the Trust verified all vendor changes that had occurred in the six months prior to the discovery date. It was determined that no other potential risks were outstanding within three business days of the incident. The Trust contacted the bank, and a police report was filed.

The IT department, along with the Cybersecurity and Infrastructure Security Agency, ran network infusion scans that determined the associated IP addresses did not traverse the Airport's network.

The Trust developed and implemented an IT control within the ERP system that requires system approval on vendor accounts when any changes are made before payments are enabled to be processed for the vendor.

The Trust updated written procedures that emphasized the importance and necessity of performing verification procedures on any vendor change request which the Finance team acknowledged in writing.

Tulsa Airports Improvement Trust

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified? ___ Yes x None reported

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ Yes x No
- Significant deficiency(ies) identified? ___ Yes x None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200 516(a)? ___ Yes x No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ___ Yes x No

(Continued)

II. Financial Statement Findings

A. Internal Control

No matters to report

B. Compliance Findings

No matters to report

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters to report

B. Instances of Noncompliance

No matters to report