ANNUAL COMPREHENSIVE FINANCIAL REPORT

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAINT PAUL, MN

YEARS ENDED
DECEMBER 31, 2025 AND 2024.

PREPARED BY

The Finance Department

TIM SIMON
Chief Financial Officer

NICK HINCHLEY
Director of Finance

KAY STAFFORD
Manager, Accounting and Finance

PURPOSE:

To provide exceptional airport experiences so Minnesota thrives

Contents

Contents (Continued)

Introductory Section

METROPOLITAN AIRPORTS COMMISSION

Minneapolis–Saint Paul International Airport

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OFFICE OF EXECUTIVE DIRECTOR

May 18, 2026

To the Commissioners
of the Metropolitan Airports Commission and
to its Stakeholders and
to the Patrons of the Airport:

We are pleased to present the Annual Comprehensive Financial Report of the Metropolitan Airports Commission, Minneapolis-St. Paul, Minnesota, for the fiscal year ended December 31, 2025 and 2024.

Management's Responsibility:
We, the management of the Metropolitan Airports Commission (Commission or MAC), are responsible for the accuracy of the reported data, for its completeness, and for the fairness of its presentation. To the best of our knowledge and belief, the data in the enclosed report are accurate in all material respects. We believe the report presents fairly the financial position, results of operations, and changes in net position and cash flows of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to help the reader understand the Commission's financial activities are included in the report.

To provide a reasonable basis to make the representations (above), we have established a comprehensive system of internal controls to ensure:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with all applicable laws, regulations, contracts, and grants

Because the cost of internal controls should not exceed their benefits, internal controls can provide only reasonable—not absolute—assurance that the MAC is achieving its objectives.

Independent Audit:
In accordance with Minnesota State Law, the Minnesota Office of the Legislative Auditor may conduct a financial audit of the MAC or allow this service to be contracted. In addition, the Legislative Auditor periodically conducts a separate audit to examine the Commission's compliance with applicable laws, policies, and procedures.

For the year ended December 31, 2025, the annual financial statements of the MAC have been audited by Plante & Moran, PLLC (Plante Moran), a firm of independent Certified Public Accountants. Plante Moran's opinion on the financial statements are presented in this report.

Also, as part of the annual audit, Plante Moran performs procedures in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Finally, the auditors perform procedures in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies* and the requirements in 14 CFR 158.63 to audit the MAC's compliance with the FAA regulations in relation to passenger facility charge (PFC) revenues and expenses. The resulting reports are intended for the use of the MAC and the FAA and have not been included in this report.

THE COMMISSION:

Purpose:
The Minnesota State Legislature created the MAC in 1943 as an independent public corporation. Its legislative Statute (Minnesota Laws, 1943, Chapter 500) charges the Commission to:

- Promote the public welfare and national security;
- Serve the public interest, convenience and necessity;
- Promote air navigation and transportation, (international, national and local);
- Increase air commerce and promote the efficient, safe and economical handling of such commerce; and,
- Develop the full potentialities of the metropolitan area as an aviation center.

With the growth of air commerce since 1943, the MAC has also assumed responsibilities to:

- Minimize the environmental impact from air navigation and transportation;
- Promote the overall goals of the state's environmental policies; and
- Minimize the public's exposure to noise and safety hazards around airports.

Powers:
As a *corporation,* the MAC has all the normal business rights and powers necessary to fulfill its mission to acquire, build and operate a system of airports. For example, the Commission can:

- Acquire and hold title to real estate;
- Enter into contracts and hire employees;
- Sue and be sued.

As a *public* corporation, the MAC has powers beyond those of a normal business. For example, the Commission can:

- Issue tax-exempt debt;
- Adopt ordinances, enforce them through its police powers, and acquire property through eminent domain;
- Levy taxes on real property in the Metropolitan Area for general obligation debt service or to meet operations and maintenance costs of airport facilities.

Notably, the Commission has not levied a local tax since 1969. Currently, the MAC has no need or intention to levy taxes. Rather, the Commission operates as an entirely self-funded organization similar to a private business.

Governance:
The MAC's governing board (Commission) consists of fifteen Commissioners who are appointed for fixed terms of office. The mayors of St. Paul and Minneapolis have permanent seats on the Commission but can appoint delegates to fill the positions. The Governor appoints the Chairperson and twelve Commissioners: eight from designated districts within the Metropolitan Area and four Commissioners to represent the Greater Minnesota Area (i.e., outside the Metropolitan Area). As the "board of directors" of the public corporation, the Commissioners represent the interests of the "owners" of the Commission, which is to say the Commissioners represent "the public's interest".

James Lawrence was appointed by Gov. Tim Walz as Chair of the MAC Board of Commissioners in January 2026. He had previously been appointed to the MAC in February 2021 by Walz to represent District C.

Mr. Lawrence is Chairman of Lake Harriet Capital LLC, a private investment firm. Previously, Mr. Lawrence served as Chairman of Rothschild North America and earlier as Chief Executive Officer of Rothschild North America and as Co-Head of global investment banking at Rothschild from 2010 to 2015.

Prior to Rothschild, Mr. Lawrence was Chief Financial Officer of the Anglo Dutch company, Unilever, and he served as Executive Director on the boards of Unilever NV and Unilever PLC. He joined Unilever in 2007 after serving as the Vice Chairman and Chief Financial officer of General Mills for nine years. Also, he had responsibility for General Mills' international business. Prior to General Mills, Mr. Lawrence was Executive Vice President and Chief Financial Officer of Northwest Airlines from 1996 to 1998, and before that Mr. Lawrence served as CEO of Pepsi-Cola Asia, Middle East, Africa from 1992 to 1996.

In 1983, he cofounded The LEK Partnership in London, today employing 3,000 professionals. Before that, he was Partner of Bain and Company, having opened their London and Munich offices. His first job after business school was working for The Boston Consulting Group.

Mr. Lawrence is currently a Non-Executive Director of AerCap, world's largest owner and lessor of airplanes, jet engines and helicopters, and until 2018, IAG (International Consolidated Airlines Group). Since 1990, Mr. Lawrence has served on 18 public company boards, several private company boards and numerous non-profit boards.

Mr. Lawrence earned a Bachelor of Arts in Economics from Yale University and an M.B.A. with distinction from Harvard Business School.

The board appoints the Executive Director/CEO who serves at the pleasure of the Commission and is the "chief executive" of the MAC. The Executive Director/CEO is accountable for meeting all the Commission's expectations for organizational performance.

Brian D. Ryks, A.A.E., was named executive director and CEO of the Metropolitan Airports Commission in May 2016. He is responsible for the administration and management of one of the nation's largest airport systems, including Minneapolis-St. Paul International Airport (MSP) and six general aviation airports.

MSP is the 17th busiest airport in the United States, and the MAC's system of airports supported more than 730,000 aircraft operations in 2025. From 2016 through 2025, Ryks has overseen more than $3.6 billion in MAC airport improvement projects, including a multiyear expansion and modernization of MSP's Terminal 1, a new 5,000-space parking and ground transportation facility, and new runways at Crystal and Lake Elmo airports to enhance safety and support the growth in general aviation flight activity.

Coupled with a revamped, award-winning concessions program and an intense focus on customer experience, MSP has earned some of the industry's highest honors. MSP was named the best mega airport for customer and traveler satisfaction in three out of four years — 2022, 2024 and 2025 — in the annual J.D. Power North America Airport Satisfaction Study. In 2024, MSP was named the No. 1 U.S. airport by Travel + Leisure. MSP was also recognized by aviation analytics firm Cirium in 2023 for on-time performance.

Before arriving in Minneapolis, Ryks was executive director and CEO of the Gerald R. Ford International Airport in Grand Rapids, Michigan. While there, Ryks oversaw major airport improvements, a rebranding campaign, and a governance transition from county control to an airport authority. Ryks also led an innovative funding campaign to raise $20 million in private capital in support of a $45 million terminal expansion.

During Ryks' tenure, the Gerald R. Ford International Airport set all-time records for passengers in 2014 and 2015 and was rated as the No. 1 airport in North America in its size category by Airports Council International in 2015.

Prior to his time in Michigan, Ryks was the executive director of the Duluth Airport Authority, overseeing Duluth International and Sky Harbor airports in Minnesota. During his 10 years in Duluth, Ryks oversaw the completion of $135 million in airport improvements, culminating with a $77 million project to develop a new terminal.

Before arriving in Duluth, Ryks was employed for five years as the airport manager at the St. Cloud Regional Airport and for two years as the airport manager in Aberdeen, South Dakota. He also spent six years in Denver, where he was the manager of noise abatement at Stapleton and Denver international airports.

He began his career as a noise technician at the Metropolitan Airports Commission in 1986.

Ryks holds a Bachelor of Arts degree from St. Cloud State University, is a licensed pilot with an instrument rating, and is an Accredited Airport Executive with the American Association of Airport Executives (AAAE). Ryks is also a member of the Airports Council International-North America (ACI-NA) World Governing Board, a past member of the ACI-NA U.S. Policy Council, a past member of ACI-NA's Board of Directors, and a past chair of the ACI-NA Large Hub Airports Committee. In addition, Ryks is a former board member of AAAE and its Policy Review Committee. He holds a professional affiliation with the Great Lakes Chapter of AAAE (GL-AAAE) and is past president of the GL-AAAE.

On the community front, Ryks is a board member of Bloomington Minnesota Travel and Tourism and the Minneapolis Area Chamber of Commerce. He is also on the Executive Committee of the Center for Transportation Studies at the University of Minnesota. Ryks is also a former Board and Executive Committee member of Meet Minneapolis.

Ryks was presented with the 2025 AAAE Distinguished Service Award recognizing his leadership, accomplishments and service in aviation over the course of his 40-year career. He was named to the Minneapolis-St. Paul Business Journal's Most Admired CEO list in 2024 for his professional and civic leadership. In 2023, ACI-NA presented Ryks with the Excellence in Visionary Leadership Award for his career contributions in managing airports; it's the highest honor given by the trade association to an active airport CEO/director. Other awards and honors for Ryks include being named the 2015 Newsmaker of the Year in Economic Development by the Grand Rapids Business Journal, a 2012 Minnesota Council of Airports Distinguished Service Award, a 2009 Minnesota Council of Airports Award of Excellence for Outstanding Promotion of Aviation, a Patriot Award from the National Guard and Reserve in 2008, and a TSA Partnership Award in 2006.

The Commission's geographic jurisdiction extends throughout the Minneapolis-St. Paul Metropolitan Area radiating 35 miles from Minneapolis' and St. Paul's city halls. It encompasses Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.

The Commission owns and operates seven airports in the Metropolitan Area. Minneapolis-St. Paul International Airport (MSP) serves as the primary air carrier facility. MSP is one of the highest activity airports in the United States: it is the 17th largest among U.S. airports based on the number of operations (takeoffs or landings) and 16th largest based on passenger volume. The following reliever airports complement MSP to serve general aviation needs:

St. Paul Downtown Airport	Airlake Airport	Anoka County/Blaine Airport
Crystal Airport	Flying Cloud Airport	Lake Elmo Airport

- Airlake, Anoka County/Blaine, Crystal, Flying Cloud, and Lake Elmo are classified as minor use airports.
- Control towers are operational at St. Paul, Crystal, Anoka County/Blaine and Flying Cloud Airports.
- The St. Paul Downtown Airport serves as the primary corporate reliever and is classified as an intermediate airport.

The Commission provides a variety of services at each of its airports. At MSP, the Commission is responsible for providing buildings and facilities for air carrier activity as well as police, fire protection, maintenance, administrative and planning services, and other related services and facilities that are deemed to be necessary.

SIGNIFICANT ACCOUNTING AND BUDGETING POLICIES:

The Commission is a stand-alone unit of government and operates as a self-supporting business. Therefore, the net position reported in the Commission's financial statements measure "total economic resources" (as opposed to the "current financial resources" focus employed by general-purpose governments). Consistent with its measurement focus, the MAC accounts for transactions on the full accrual basis in which revenues and expenses are recognized when they are incurred regardless of the timing of related cash receipts or disbursements. The Commission's business-type activities are organized and accounted for within one "enterprise fund", which includes "accounts" for operations, debt service and capital investment. The Commission's fiduciary activities are comprised solely of its OPEB arrangement (OPEB Plan) administered through a trust under the provisions of GASB Statement No. 74 and are reported in its fiduciary fund statements.

As is the case with most governments and businesses, the budget is a critically important management tool for the MAC. The process of identifying and funding priorities begins in April of each year and concludes in December with formal adoption of the budget by the Commissioners. Managers review their budgets continuously and adjust for changing business conditions. The board of Commissioners reviews budget variance reports monthly throughout the year.

Because it is a public entity and has the authority to levy taxes (even though it does not exercise this authority), the MAC is required by State Statute (Ch. 275) to publicly adopt its budget. However, the MAC's budget is not legally appropriated. Because the budget is not legally appropriated, budgetary data is not included in the MAC's basic financial statements.

ACTIVITY HIGHLIGHTS

MSP is classified by the FAA to be one of the large hub airports in the United States. According to Airports Council International (ACI) statistics, in calendar year 2024, MSP was the 17th busiest airport in the United States in terms of passenger volume, 20th in terms of takeoffs and landings and 29th in cargo traffic.

In 2025, approximately 36,072,000 passengers passed through MSP: a 3.2% decrease in total passengers below 2024 levels. The top five carriers serving MSP in 2025 by enplaned passengers are shown in the accompanying table. Enplaned revenue passengers (including those connecting) at MSP in 2025 totaled 17,464,841. (Totals may differ from the passenger statistics reported by the air carriers to the Department of Transportation).

	Carrier	Total Enplaned Revenue Passengers	% of Total Enplaned Revenue Passengers
1	Delta	10,149,059	58.11%
2	Sun Country	1,954,055	11.19%
3	Skywest*	1,423,736	8.15%
4	Endeavor Air	952,229	5.45%
5	Southwest	751,232	4.30%
		15,230,311	87.21%

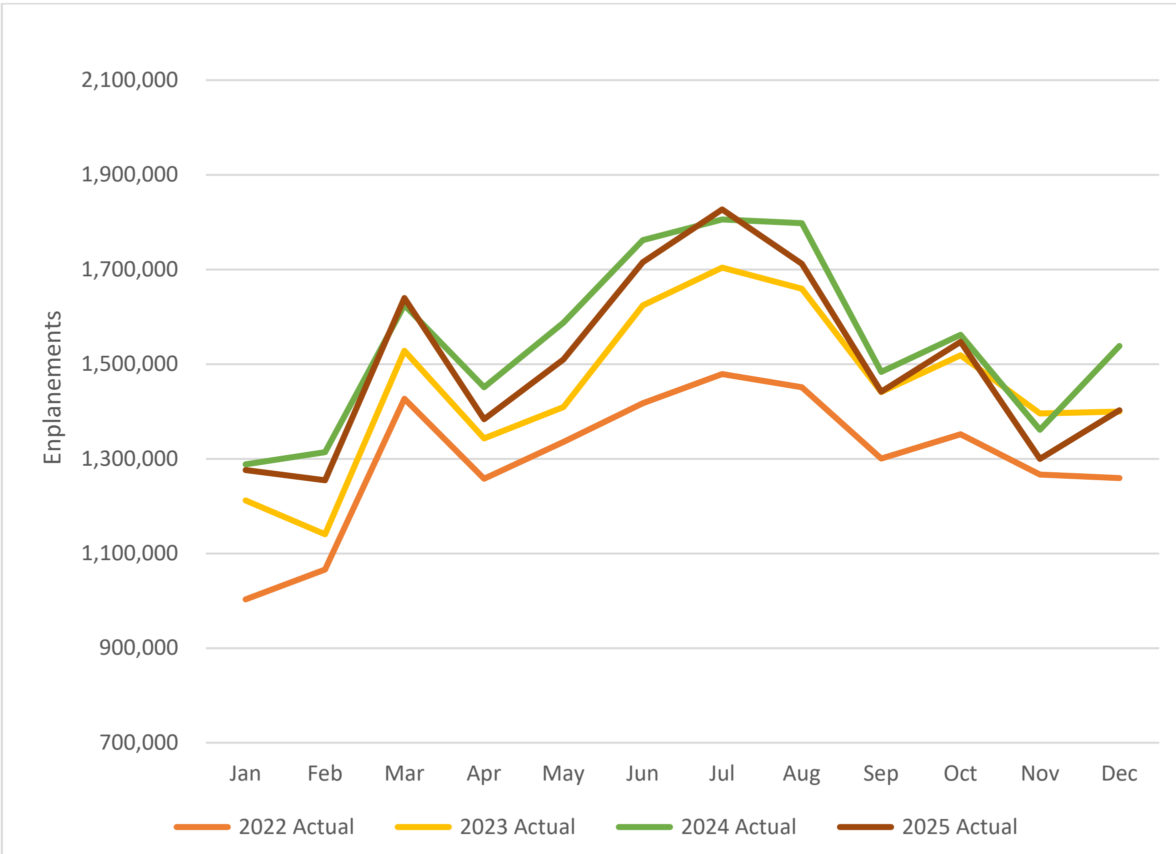
* Skywest is a codeshare with Delta

FACTORS AFFECTING THE MAC's FINANCIAL CONDITION:

Demand for Air Transportation

The air transportation industry and, specifically, the air travel segment of the industry, are highly sensitive to the general level of economic output. Demand for air travel is highly elastic primarily due to its vulnerability to substitutes like bus, train, automobile travel or, the choice not to travel at all.

Since the decline in enplanements of 2020, enplanements continued to increase post pandemic. In calendar year 2023 demand for air travel increased 11.3% over 2022. For 2024, enplanements at the Airport increased 6.9% compared to 2023. In 2025, demand dropped slightly and enplanements decreased 3.1% compared to 2024; however, this was still a 3.6% increase over 2023 enplanements.



Demand for Origination and Destination Traffic (O&D) at MSP:

A number of regional economic factors create strong demand for travel air traffic to and from the Twin Cities metropolitan area.

- Size: Minnesota is the 22nd most populous State in the U.S. The Twin Cities metropolitan area is the 16th most populous metropolitan area in the nation.

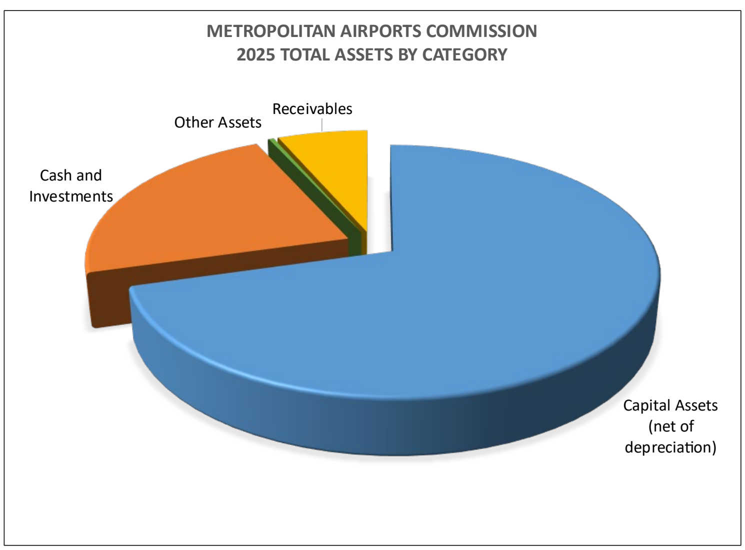
- Economic Strength and Diversity:
  - ✓ Minnesota is headquarters to 17 Fortune 500 companies, which places it tenth among the 50 States in terms of numbers of Fortune 500 firms headquartered within the State on a per-capita basis.
  - ✓ Minnesota is headquarters to 5 of the 250 largest private companies including the largest privately held company in the United States: the Cargill Corporation.

- <u>High per capita income:</u>
  - ✓ The Bureau of Economic Analysis reports that the Twin Cities average per capita income is approximately 3% higher than the national average.

- <u>Stronger than National Average Growth in Population and Employment:</u>
  - ✓ The Metropolitan Council, a regional planning organization for the seven-county area including the Twin Cities, projects average annual population growth of 0.7% through 2050 versus the Census Bureau's projected national population growth rate of 0.54%.
  - ✓ The Metropolitan Council foresees a 1.1% annual average growth rate for Twin Cities area employment growth through 2050 versus the Bureau of Labor Statistics' projected growth in national employment of 3.1% through 2034.

<u>Demand for Connecting Traffic:</u>

Traffic at MSP is split 68/32 between O&D and connecting traffic. The strong demand for O&D traffic from MSP can be leveraged by tenant airlines to fill their planes by scheduling connecting flights through the airport. Historically, MSP was the "home-town" hub for the former Northwest Airlines, which had its headquarters in Eagan, Minnesota. After the merger of Northwest and Delta, the headquarters of the combined company was located in Atlanta. Although no longer the home-town company, Delta has made significant commitments to MSP. For example, Delta elected to extend its airline lease agreement with the MAC through December 31, 2030. In addition, Delta made a significant commitment to MSP in signing a "hub covenant". In its hub covenant, Delta agreed to maintain that MSP Airport is Delta's second largest hub airport based on scheduled Departing Seats or Departing Seats at MSP Airport no less than 95% of the scheduled Departing Seats of Delta's second largest hub and that a minimum of 30% of enplaned passengers must be connecting.



Supplying the Demand:

Airports are "landlords"—they build, own, maintain, and rent facilities and related services. Because an airport's main job is to provide runways, terminals, etc., it is a capital-intensive business. The MAC's statement of net position is dominated by capital assets which, at approximately $3,840,000,000 (net of depreciation), represents about 70% of the Commission's total assets. Constructing, maintaining, and improving our capital assets is critical to meeting the demand of our customers.

During 2025, the Commission expended $568,000,000 on its on-going Capital Improvement Program (CIP). Approximately $56,000,000 was associated with various airfield and runway projects. Approximately $270,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include approximately $22,000,000 for Baggage Claim-Ticket Lobby improvements, $141,000,000 on G-Infill projects, concourse and gate hold modernization projects, and $107,000,000 on building system and technology improvements and roof repairs. Approximately $201,000,000 was spent on Terminal 2 and other MAC buildings, including Terminal 2 expansion projects, parking structures, landside roadways, storage facilities and construction work on the safety and security center. Approximately $92,000,000 was spent on Terminal 2 improvements and expansion, $8,000,000 for parking structure rehabilitation and roadway improvements, $39,000,000 on the safety and security center, $48,000,000 on storage facilities and $14,000,000 on operational improvements. Approximately $22,000,000 was spent on the Commission's reliever airport system. The remaining $19,000,000 was spent primarily on technology upgrades and noise mitigation. Average monthly capital spending in 2025 was approximately $47,335,000.

Projects 2026 - 2027	2026 planned construction	2027 planned construction
Terminal-1 Rehabilitation & Repair	$92,550,000	$78,000,000
Terminal-1 Expansion/Remodeling	85,569,000	26,860,000
Terminal-1 Tenant Projects	5,320,000	295,000
Energy Management Center	43,700,000	171,800,000
Terminal Roads	10,220,000	1,120,000
Parking Facilities	39,550,000	151,000,000
Airfield and Runway Rehabilitation Program	41,700,000	76,700,000
Terminal-2 Rehabilitation & Repair	36,350,000	31,950,000
Noise Mitigation Program	500,000	22,500,000
Police & Fire	19,200,000	5,640,000
Reliever Airports Program	28,500,000	32,575,000
Other	98,050,000	122,205,000
Total	$501,209,000	$720,645,000

The 2026 and 2027 CIP includes approximately $1,221,854,000 of planned projects, as set forth in the accompanying table. CIPs are revised from time to time and additional projects could be added to the 2026-27 CIP.

Financing the Supply

Capital grants, PFC's and long-term debt are the principal sources of funding of the Capital Improvement Program. Like a home mortgage, long-term debt bridges the difference between the time when cash is needed (up front) to pay for large capital outlays and the time the Commission collects its revenues. The MAC repays its debts over time through annual revenues. The Commission's principal revenues include use charges to the airlines, concession fees from vendors in the terminal buildings, facility rentals, and the sale of utilities.

Under its Master Indenture, the MAC has promised to maintain a debt service coverage ratio of 1.25 times the following year's scheduled payments. In July 2008, the Board of Commissioners directed that the MAC increase its debt service coverage above the contractual obligation to 1.4 times annual debt service for its Senior General Obligation Revenue Bonds (GORBs) and Senior General Airport Revenue Bonds (GARBs)—(see Note 8 to the financial statements). The MAC exceeded the July 2008 requirement. As of December 31, 2025, projected debt coverage on Senior Debt obligations is approximately 4.8 times scheduled payments.

At year-end 2025, the MAC had long-term debt (including the currently payable portion) of approximately $2,180,000,000, supporting approximately $3,840,000,000 of capital assets as discussed above (also see notes 7 and 8 to the financial statements). Despite its debt load, the MAC is highly liquid. Also at year-end 2025, the MAC had cash and investments totaling more than $1,226,000,000 and has continued to maintain strong debt service coverage ratios (currently at 4.81). The MAC's conservative financial practices have been rewarded with AA- debt rating on its senior debt (the second highest rating given to any airport debt) by Fitch Ratings and Standards and Poor's rating agencies. High bond ratings reduce borrowing costs to the MAC and, therefore, help moderate the cost per enplaned passenger incurred by the airlines operating at MSP. In addition, high bond ratings ensure access to capital markets. Access to capital ensures that customers can depend on finding the high-quality runways, terminals, and other capital assets at the MAC's airports in good repair.

Because of the Commission's conservative financial practices, the cost to airlines of enplaning passengers at MSP has historically been significantly lower than the national average. Because of inconsistencies in methods of calculating the cost per enplanement, it is difficult to have fully comparable statistics. Comparative data for the cost to airlines of enplaning passengers for 2025 was not available for comparison due the timing and availability of such information. Having a low cost per enplaned passenger makes MSP a profitable venue for client airlines.

The MAC board, management and employees are guided by our Strategic Plan to provide the highest quality facilities at the lowest life-cycle cost for the benefit of our customers. The MAC and its airports are well positioned to meet the demands of airlines and air-travelers for safe, efficient, and reliable facilities for years to come.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

Management is required by GAAP to provide a narrative introductory overview and analysis in the form of a "Management's Discussion and Analysis" (MD&A) to accompany the financial statements. The MD&A follows the independent auditor's report. The MD&A has greater scope, more detail, and is a more substantive discussion of issues mentioned in this transmittal. Users of the financial statements should read the MD&A in conjunction with this letter.

AWARDS:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the MAC for its Annual Comprehensive Financial Report for the year ended December 31, 2024. The Commission has received this prestigious GFOA award for 40 consecutive years.

In order to be awarded a Certificate, which is valid for one year, a governmental unit must publish an easily readable and efficiently organized report, the contents of which conform to the program's standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Commission also received for the 41st consecutive year the GFOA Award for Distinguished Budget Presentation for its Annual Operating Budget for 2025. In order to qualify for the Distinguished Budget Presentation, the Commission's budget document was judged to be proficient in several categories, including policy documentation, financial planning and organization.

ACKNOWLEDGEMENTS:

We wish to convey our sincere appreciation to the many MAC employees from all of its departments who participate in the Commission's fiscal management on a daily basis and have contributed to the financial results reported in the following financial statements.

In addition, we would like to express our appreciation for the leadership and support of the Board of Commissioners and for their sincere interest in operating the MAC in a sound financial manner.

Respectfully,

Brian D. Ryks
Executive Director/CEO

Timothy Simon
Chief Financial Officer

Nicholas Hinchley
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Minneapolis-St. Paul
Metropolitan Airports Commission
Minnesota

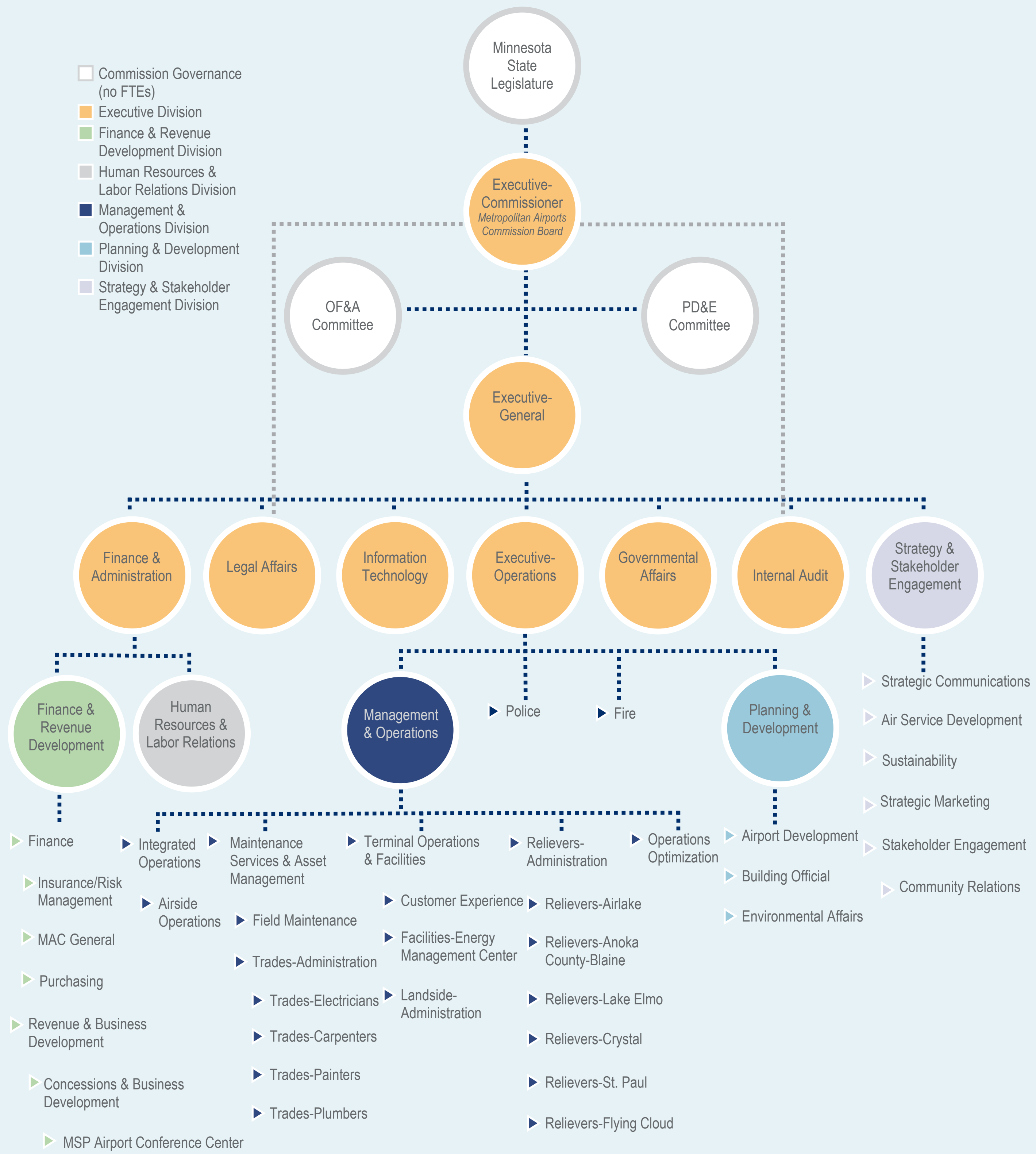
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



BOARD MEMBERS

The Chair and fourteen Commissioners govern the Metropolitan Airports Commission (MAC). The Governor of the State of Minnesota appoints the Chair and 12 Commissioners. Of these 12 Commissioners, eight are from designated districts within the metropolitan area and four are from outside of the metropolitan area. The Mayors of St. Paul and Minneapolis also have seats on the Commission, with the option to appoint a surrogate to serve in their place. While the Commissioners' terms are four years, the Chair serves at the pleasure of the Governor.

James Lawrence
Commission Chair

Carl Crimmins
District A

Kyle O'Neill
District B

Richard Forschler
District C

Andrea Mokros
District D

Pamela Deal
District E

Rodney Skoog
District F

Richard Ginsberg
District G

Yodit Bizen
District H

Corey Day
City of Minneapolis

Awaiting Appointment
City of Saint Paul

Patti Gartland
Outstate (St. Cloud)

Awaiting Appointment
Outstate Minnesota

Dixie Hoard
Outstate (Thief River Falls)

Barrett Ziemer
Outstate (Hibbing)

Airport Locations

COMMISSION JURISDICTION 35-MILE RADIUS

The area over which the Commission exercises its jurisdiction is the Minneapolis-St. Paul metropolitan area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and extends approximately 35 miles out in all directions from the Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports within the metropolitan area. Scheduled air carriers are served by the Minneapolis-St. Paul International Airport (MSP). Six Reliever Airports serve business and general aviation:

- Airlake Airport
- Anoka County-Blaine Airport
- Crystal Airport
- Flying Cloud Airport
- Lake Elmo Airport
- St. Paul Downtown Airport

Financial Section

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Clinton Township, MI 48038
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Independent Auditor's Report

To the Members of the Commission
Minneapolis/St. Paul Metropolitan Airports Commission

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission (the "Commission") as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Minneapolis/St. Paul Metropolitan Airports Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Minneapolis/St. Paul Metropolitan Airports Commission as of December 31, 2025 and 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audits of the Financial Statements

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

To the Members of the Commission
Minneapolis/St. Paul Metropolitan Airports Commission

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

To the Members of the Commission
Minneapolis/St. Paul Metropolitan Airports Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2026 on our consideration of the Minneapolis/St. Paul Metropolitan Airports Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Minneapolis/St. Paul Metropolitan Airports Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Minneapolis/St. Paul Metropolitan Airports Commission's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 18, 2026

The following management's discussion and analysis of the financial performance and activity of the Minneapolis/St. Paul Metropolitan Airports Commission ("the Commission" or "MAC") is to provide an introduction and understanding of the basic financial statements of the Commission for the year ended December 31, 2025, with selected two-year comparative data for the years ended December 31, 2025 and 2024. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

USING THE FINANCIAL STATEMENTS

The MAC's financial report includes three financial statements for its business-type activities: the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows and two statements for its fiduciary activities: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB).

FINANCIAL HIGHLIGHTS

General

The Commission has entered into, and receives payment under, agreements with various air carriers and other parties, including the airline lease agreements relating to landing fees and the leasing of space in terminal buildings, other building leases regarding the leasing of cargo and miscellaneous hangar facilities, concession agreements relating to sale of goods and services at the airport and specific project leases relating to the construction of buildings and facilities for specific tenants. Below is a brief description of each agreement along with the revenue generated in 2025 and 2024.

Airline Lease Agreements

The airline lease agreements relate to the use of the airport for air carrier operations, the leasing of space within the terminal buildings of the airport, ramp fees for parking aircraft at Terminal 1 and the establishment of landing fees. Except for rental amounts based primarily upon the square feet rented, the terms, conditions and provisions of each airline lease agreement are substantially the same.

In the airline lease agreements, the Commission has leased to each particular air carrier a certain specified square footage portion of the terminal area in the airport. Annual rents are computed on the basis of various charges per square foot for various types of space within the existing terminal area and, in certain cases, the costs of certain improvements of the existing terminal area. The airline lease agreements also provide that each air carrier is required to pay a basic landing fee. The landing fee is calculated by dividing the cost of operations, maintenance, and debt service at the airfield by total landed weight of aircraft utilizing the airport. The airline lease agreements also require each air carrier leasing gate space at Terminal 1 to pay an aircraft parking ramp fee that is computed on a lineal foot basis. The ramp fee includes the cost of operations, maintenance and debt service to the ramp area surrounding the terminal building gates.

The airline lease agreement also provides that food and beverage, merchandise and auto-rental annual gross concession revenues to the Commission ("Selected Concession Revenues") will be shared with the Passenger Signatory Airlines (allocated among the Passenger Signatory Airlines based upon their proportionate share of enplanements at the Airport for the applicable fiscal year) under the following schedule (the "Shared Concession Revenues"):

Enplaned Passenger Growth	Revenue Sharing Percentage
1 % or Less	33%
More than 1%	33% and One-Half of the Enplaned Passenger Growth Percentage

Selected Concession Revenues were $62,979,437 and $63,850,387 and enplaned passengers were 17,464,841 and 18,064,839 for fiscal years 2025 and 2024, respectively, resulting in total Shared Concession Revenue of $20,783,214 and $21,070,628. The Selected Concession Revenue thresholds are subject to change annually.

The total amount of Shared Concession Revenues will be structured as a credit against the rates and charges in the current year, payable to the Passenger Signatory Airlines in the subsequent fiscal year. Notwithstanding the above schedule, the amount of Shared Selected Concession Revenues will be reduced to the extent necessary so that Net Revenues, after subtracting the Shared Concession Revenues, will not be less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission. In the event that the Shared Concession Revenues are reduced in any year, such reduction will be deferred until the next fiscal year and will be credited against the rates and charges payable by the Passenger Signatory Airlines in the next fiscal year to the extent that Net Revenues, after subtracting the applicable Shared Concession Revenues, are not less than 1.25 times the total annual debt service on Senior Bonds, Subordinate Obligations, and other debt obligations of the Commission.

For the years ended December 31, 2025 and 2024, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately $190,408,000 and $171,306,000, respectively. The annual rentals due under each lease may be adjusted each year to reflect actual costs of the airport.

Other Building and Miscellaneous Leases

The other building and miscellaneous leases relate to rentals and other fees associated with the Terminal 2, miscellaneous hangar facilities, and office rentals for non-airline tenants in Terminal 1. For the years ended December 31, 2025 and 2024, the aggregate annual rentals under these leases were approximately $59,045,000 and $55,777,000, respectively.

Specific Project Leases

The Commission has constructed various buildings and facilities for specific tenants. If bonds were issued by the Commission to finance the construction of a facility, the lessee is required to pay annual lease payments equal to the debt service requirements on the bonds issued to construct the facility, due in the following year. The lease remains in effect until the total debt service on the bonds has been paid. If, on the other hand, construction of a facility is financed from funds the Commission has on hand, the lessee is required to make lease payments equal to the debt service requirements which would have been required if bond funds were used.

For the years ended December 31, 2025 and 2024, the aggregate payments paid to the Commission related to these tenant improvement receivables were approximately $1,957,000 and $999,000, respectively.

Concession Agreements

The Commission has entered into concession agreements with various firms to operate concessions inside the terminal building at the airport including, among others, food and beverage services, newsstands, advertising, vending, insurance, and personal service shops. For the years ended December 31, 2025 and 2024, the aggregate fees earned by the Commission under the existing concession agreements were approximately $52,619,000 and $52,450,000, respectively. Such fees are computed on the basis of varying percentages of gross sales for the various types of concessions, with the larger concessions guaranteeing a minimum payment each year.

Concession agreements for rental car agencies require such concessionaires to pay fees based on a percentage of their gross revenues and special charges such as parking fees, customer facility charge, and a per-square-foot land rental. The Commission also has a management contract with a firm for the operation of the airport parking lot and garage facilities. For the years ending December 31, 2025 and 2024, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot and garage facilities were approximately $185,458,000 and $176,496,000, respectively. Of this amount, parking revenue was approximately $134,740,000 for 2025 and $125,225,000 for 2024. Auto rental revenue for both on and off airport auto rentals for December 31, 2025 and 2024 was approximately $45,478,000 and $46,104,000, respectively.

Reliever Airports

The Commission has entered into various other leases and agreements with tenants at its reliever airport system. These reliever airport tenant leases include fuel flowage fees, hangar rentals, storage lots, commercial fees, and other miscellaneous revenues. For the years ended December 31, 2025 and 2024, revenues from these agreements were approximately $12,977,000 and $12,631,000, respectively.

Miscellaneous Off-Airport Concession Leases and Ground Transportation Fees

The Commission has entered into certain leases with off-airport concessionaires that provide off-airport advertising and auto services. Additionally, the Commission charges fees for contract parking permits and licenses to operate shuttles, vans, buses, and taxis at the airport. Such fees are set by Commission ordinances. In 2016, the Commission allowed Transportation Network Companies (TNC) to operate at the airport. For the years ended December 31, 2025 and 2024, the Commission earned $19,143,000 and $17,734,000 respectively for these leases and fees.

Utilities

The Commission has entered into certain leases with tenants to provide utilities to the leased spaces throughout the terminal. For the years ended December 31, 2025 and 2024, the revenues from these utility charges were approximately $7,743,000 and $7,092,000, respectively.

Miscellaneous Revenues

In addition to the above agreements, the Commission enters into various other leases and agreements. These include ground space rentals, office rentals for commuter airlines and concessionaires, commuter and general aviation fees, and other miscellaneous amounts. For the years ended December 31, 2025 and 2024, the revenues from these agreements were approximately $11,546,000 and $11,596,000, respectively.

Operating Revenues

Operating revenues for the MAC are derived entirely from user fees that are established for various services and facilities that are provided at Commission airports. While the Commission has the power to levy taxes to support its operations, it has adopted policies to provide adequate revenues for the system to operate since 1969 without general tax support. Revenue sources have been grouped into the following categories in the Statements of Revenues, Expenses and Changes in Net Position:

- Airline Rates & Charges: Revenue from landing and ramp fees and terminal building rates.
- Concessions: Revenue from food and beverage sales, merchandise sales, auto parking, etc.
- Other revenues:
    - Rentals/fees: Fees for building rentals.
    - Utilities and other revenues: Charges for tenants use of ground power, water and sewer, and other services provided by the MAC.

For the fiscal years ended December 31, 2025 and 2024, the top ten operating revenue sources for the MAC were as follows:

Source		2025 Revenue	
1. Public Parking	$	134,740,161	
2. Landing Fees		123,859,647	
3. General Building		71,906,785	
4. Other Building Rent		48,179,707	
5. Auto Rental (off- and on-airport)		24,910,051	*
6. Food & Beverage		31,077,426	
7. Ground Rent		17,164,193	
8. Ground Transportation Fees		16,886,829	
9. News and Retail Stores		10,832,684	
10. Passenger Services		10,296,648	

* Excludes customer facility charges

Source		2024 Revenue	
1. Public Parking	$	125,224,944	
2. Landing Fees		107,868,515	
3. General Building		71,738,978	
4. Auto Rental (off- and on-airport)		25,442,047	*
5. Other Building Rent		42,751,260	
6. Food & Beverage		31,479,059	
7. Ground Rent		17,228,054	
8. Ground Transportation Fees		15,541,352	
9. News and Retail Stores		10,774,916	
10. Passenger Services		9,665,992	

* Excludes customer facility charges

The top ten revenue providers for 2025 and 2024 for the MAC were as follows:

Top Ten Operating Revenue Providers

1. Delta Air Lines
2. Enterprise
3. Avis
4. Hertz
5. Host
6. Sun Country
7. United
8. American
9. Southwest
10. Delaware North

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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

During 2025, the MAC's total revenues and capital contributions increased by 8.7% to $771,807,000 from $710,171,000 in 2024. Changes in major categories follow (dollars in thousands):

	2025	% of Total	2024	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 214,580	27.8%	$ 192,893	27.2%	$ 21,687	11.2%
Concessions	226,101	29.3%	215,793	30.4%	10,308	4.8%
Rentals/fees	48,970	6.3%	47,595	6.7%	1,375	2.9%
Utilities and other revenues	28,844	3.7%	28,320	4.0%	524	1.9%
Total operating revenues	518,496		484,601		33,895	
Nonoperating revenues						
Investment income	67,612	8.8%	72,675	10.2%	(5,063)	-7.0%
Solar panel financing rebate	708	0.1%	755	0.1%	(47)	-6.2%
Gain (loss) on disposal of assets	464	0.1%	247	0.0%	217	87.9%
Grants used for operating expenses	(245)	0.0%	150	0.0%	(395)	-263.3%
Customer facility charges	20,568	2.7%	20,662	2.9%	(94)	-0.5%
Other nonoperating revenue (expense)	(59)	0.0%	(124)	0.0%	65	100.0%
Passenger facility charges	68,330	8.9%	71,324	10.0%	(2,994)	-4.2%
Total nonoperating revenues	157,378		165,689		(8,311)	
Capital contributions and grants	95,933	12.4%	59,881	8.4%	36,052	60.2%
Total revenues and capital contributions	$ 771,807	100.0%	$ 710,171	100.0%	$ 61,636	8.7%

Airline rates and charges increased by 11.2% or $21,687,000. The revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers and the rates charged to cover these expenses. The increase is mostly impacted by increased costs for snow removal on runways and the airfield but also by increased gate use at Terminal 2 and increased rentable square footage in the Terminal 1 Building.

Concessions increased by 4.8% or $10,308,000 due to increased revenues in parking and ground transportation in 2025. There were increases in some of the categories within Concessions; Retail, and Passenger services increased approximately $755,000. Parking and Ground Transportation revenue increased by approximately $9.5 million and $1.2 million, respectively.

Rentals/fees increased by 2.9% or $1,375,000. This is primarily due to new leases at the terminal and other buildings and commercial and storage lot leases at the reliever airports.

Utilities and other revenues increased by 1.9% or $524,000 primarily due to increased utility costs being billed to tenants and concessionaires, general aviation fuel flowage at reliever airports and the maintenance, cleaning, and distribution fees paid by concessionaires.

Investment income decreased by 7.0% or $5,063,000 due to paying construction contractors for CIP Projects from bond funds and lower interest rates on investment. There was no significant gain or loss on sale of assets in 2025 and 2024.

Customer facility charges decreased 0.5% or $94,000 due to decreased passenger traffic at the airport.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports.

During 2024, the MAC's total revenues and capital contributions decreased by 0.8% to $710,171,000 from $716,106,000 in 2023. Changes in major categories follow (dollars in thousands):

	2024	% of Total	2023	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 192,893	27.2%	$ 164,074	22.9%	$ 28,819	17.6%
Concessions	215,793	30.4%	204,288	28.5%	11,505	5.6%
Rentals/fees	47,595	6.7%	45,565	6.4%	2,030	4.5%
Utilities and other revenues	28,320	4.0%	25,972	3.6%	2,348	9.0%
Total operating revenues	484,601		439,899		44,702	
Nonoperating revenues						
Investment income	72,675	10.2%	54,218	7.6%	18,457	34.0%
Solar panel financing rebate	755	0.1%	389	0.1%	366	94.1%
Gain (loss) on disposal of assets	247	0.0%	(9,127)	-1.3%	9,374	-102.7%
Grants used for operating expenses	150	0.0%	(40)		190	100.0%
Customer facility charges	20,662	2.9%	19,343	2.7%	1,319	6.8%
Other nonoperating revenue (expense)	(124)	0.0%	1,704	0.2%	(1,828)	100.0%
Passenger facility charges	71,324	10.0%	66,821	9.3%	4,503	6.7%
Total nonoperating revenues	165,689		133,308		32,381	
Capital contributions and grants	59,881	8.4%	142,899	20.0%	(83,018)	-58.1%
Total revenues and capital contributions	$ 710,171	100.0%	$ 716,106	100.0%	$ (5,935)	-0.8%

Airline rates and charges increased by 17.6% or $28,819,000. A majority of the revenue derived from the airline rates and charges category is based on the amount of expenses incurred in certain cost centers. The increase is related to airline relief actions approved by the Commission in response to the pandemic which reduced landing fees and terminal rents for airlines.

Concessions increased by 5.6% or $11,505,000 due to a 6.9% increase in passengers in 2024. The increase is in each of the categories within Concessions; Food and Beverage, News, Retail, and Passenger services increased approximately $3.4 million. Parking and Auto Rental revenue increased by approximately $5.6 million and $2.1 million. Ground Transportation increased by approximately $1.7 million.

Rentals/fees increased by $2,030,000 or 4.5%. This is primarily due to new commercial and storage lot leases at the reliever airports and increased rental rates on certain buildings around the MSP campus.

Utilities and other revenues increased by 9.0% or $2,348,000 primarily due to the increase in business by commercial license holders and maintenance, cleaning, and distribution fees paid by concessionaires.

Investment income increased $18,457,000 or 34.0% due to additional interest earned on new construction funds from recent bond issues and higher interest rates on investment. There was no significant gain or loss on sale of assets in 2024 and 2023.

Customer facility charges increased $1,319,000 or 6.8% due to increased passenger traffic at the airport.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports.

Expenses

In 2025, the MAC's total expenses increased by 11.9% to $591,397,000 from $528,557,000 in 2024. Changes in major categories are summarized below (dollars in thousands):

	2025	% of Total	2024	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 134,274	22.7%	$ 114,205	21.6%	$ 20,069	17.6%
Administrative	2,098	0.4%	1,901	0.4%	197	10.4%
Professional services	11,360	1.9%	11,494	2.2%	(134)	-1.2%
Utilities	23,994	4.1%	22,971	4.3%	1,023	4.5%
Operating services	41,351	7.0%	37,166	7.0%	4,185	11.3%
Maintenance	77,724	13.1%	67,310	12.7%	10,414	15.5%
Depreciation and amortization	211,395	35.7%	196,057	37.1%	15,338	7.8%
Other	6,656	1.1%	6,599	1.2%	57	0.9%
Total operating expenses	508,852		457,703		51,149	
Nonoperating expenses						
Interest expense	82,545	14.0%	70,854	13.4%	11,691	16.5%
Total nonoperating expenses	82,545		70,854		11,691	
Total expenses	$ 591,397	100.0%	$ 528,557	100.0%	$ 62,840	11.9%

Personnel increased by 17.6% or $20,069,000. Much of the increase is related to the 5% organizational employee performance incentive program award, a 3.5% cost of living adjustment for non-represented employees and contract increases for represented employees. Additionally, there were additions to headcount, and increased benefit costs. Additional increases were attributable to GASB 101 related to Compensated Absences.

Professional services decreased by 1.2% or $134,000 largely due to increased staff.

Utilities increased by 4.5% or $1,023,000 primarily due to higher usage of electricity and natural gas due to weather conditions and higher energy costs.

Operating services increased by 11.3% or $4,185,000 due to increased advertising, service agreement costs, security services and other expenses.

Maintenance increased by 15.5% or $10,414,000 primarily due to field maintenance costs for airfield snow clearing, runway treatment materials, equipment maintenance and increased terminal cleaning contract costs.

Depreciation increased by 7.8% or $15,338,000. The increase is attributable to new projects placed into service during 2025-2024, along with additional equipment purchases.

Interest expense increased by 16.5% or $11,691,000 due to the 2024 Bond issuance and new equipment leases.

In 2024, the MAC's total expenses increased by 8.6% to $528,557,000 from $486,767,000 in 2023. Changes in major categories are summarized below (dollars in thousands):

	2024	% of Total	2023	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 114,205	21.6%	$ 108,211	22.2%	$ 5,994	5.5%
Administrative	1,901	0.4%	1,454	0.3%	447	30.7%
Professional services	11,494	2.2%	8,992	1.8%	2,502	27.8%
Utilities	22,971	4.3%	24,713	5.1%	(1,742)	-7.0%
Operating services	37,166	7.0%	33,992	7.0%	3,174	9.3%
Maintenance	67,310	12.7%	58,147	11.9%	9,163	15.8%
Depreciation and amortization	196,057	37.1%	186,890	38.4%	9,167	4.9%
Other	6,599	1.2%	5,808	1.2%	791	13.6%
Total operating expenses	457,703		428,207		29,496	
Nonoperating expenses						
Interest expense	70,854	13.4%	58,560	12.0%	12,294	21.0%
Total nonoperating expenses	70,854		58,560		12,294	
Total expenses	$ 528,557	100.0%	$ 486,767	100.0%	$ 41,790	8.6%

Personnel increased by 5.5% or $5,994,000. Much of the increase is related to a 3.5% cost of living adjustment for non-represented employees and contract increases for represented employees. Additionally, there were adjustments related to the actuarial valuation of the multi-employer pension plans and other postemployment benefit plans that the Commission participates in. Additional increases were due to the implementation of accounting standard GASB101 relating to Compensated Absences along with increases due to the continued effort to fill open and new positions.

Professional services increased 27.8% or $2,502,000 largely due to the increased construction activity and other staff supplementation.

Utilities decreased $1,742,000 or 7.0% primarily due to lower usage of electricity and natural gas due to mild weather conditions and continued sustainability efforts to reduce energy usage.

Operating services increased $3,174,000 or 9.3% due to increased advertising and service agreement costs and other expenses.

Maintenance increased by 15.8% or $9,163,000 primarily due to the implementation of a field maintenance augmentation plan for airfield snow clearing, runway treatment materials and increased terminal cleaning contract costs.

Depreciation increased $9,167,000 or 4.9%. The increase is attributable to new projects placed into service during 2024-2023, along with additional equipment.

Interest expense increased $12,294,000 or 21.0% due to an interest rate increase on the short-term borrowing program flexible rate and new equipment leases.

Net Revenues

In order to promote and encourage the efficient use of facilities at all of the MAC's airports, as well as minimize the environmental impact of MSP on the surrounding community, the MAC has implemented a policy of subsidizing its reliever airports to encourage the use of these facilities rather than MSP. In order to maintain this subsidy, the MAC sets its rates and charges to assure that total system revenues will be sufficient to pay total system expenses.

Net revenues generated by the Commission are designated for construction and debt service payments. These net revenues provide the Commission with a portion of the money to meet the funding requirements of its capital improvement program. This reduces the need to issue bonds and, therefore, allows the Commission to avoid the interest expense of additional debt.

Following is a summary of the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2025, 2024, and 2023 (dollars in thousands):

	2025	2024	2023
Operating revenues	$ 518,496	$ 484,601	$ 439,899
Operating expenses	(508,852)	(457,703)	(428,207)
Operating income (loss)	9,643	26,898	11,692
Nonoperating revenues	157,378	165,689	133,308
Nonoperating expenses	(82,545)	(70,854)	(58,560)
Nonoperating income (loss)	74,833	94,835	74,748
Increase in net position before capital contributions and grants	84,476	121,733	86,440
Capital contributions and grants	95,933	59,881	142,899
Increase (Decrease) in net position	180,409	181,614	229,339
Net position, beginning of year (as restated)	2,555,841	2,374,227	2,147,873
Net position, end of year	$ 2,736,250	$ 2,555,841	$ 2,377,212

The Commission shows an increase in the total change in its net position in 2025. This is primarily related to the increase in operating revenues in most categories in 2025 and an increase in capital contributions and grants.

The Commission shows an increase in the total change in its net position in 2024. This is primarily related to the increase in operating revenues in most categories in 2024 and an increase in investment income, offset by a decrease in capital contributions and grants.

We believe we are well positioned to increase the long-term financial stability and air service competitiveness of MSP. In addition, our 10-year history of airline rates and charges is very competitive and, as one of the few airports with an AA- rating from Fitch Investor Services, we feel we are positioned well for growth in the future.

STATEMENTS OF NET POSITION

The Statements of Net Position present the net position of the MAC at the end of the fiscal year. Net position is equal to total assets plus deferred outflows of resources, less total liabilities, less deferred inflows of resources and is an indicator of the current financial health of the MAC. Summarized statements of net position information at December 31, 2025, 2024, and 2023 follows (dollars in thousands):

	December 31, 2025	December 31, 2024	December 31, 2023
Assets			
Current assets - unrestricted	$ 573,591	$ 544,193	$ 523,171
Noncurrent assets:			
Restricted assets	816,315	1,195,295	602,780
Other noncurrent assets	226,069	253,782	298,065
Capital assets - net	3,840,000	3,477,132	3,243,608
Total assets	5,455,975	5,470,402	4,667,624
Deferred Outflows of Resources	52,997	63,410	69,227
Total assets and deferred outflows of resources	5,508,972	5,533,812	4,736,851
Liabilities			
Current liabilities - unrestricted	$ 177,861	$ 161,853	$ 118,807
Noncurrent liabilities:			
Payable from restricted assets	160,178	150,696	119,075
Bonds and notes payable	2,076,989	2,187,741	1,573,002
Other noncurrent liabilities	80,852	138,558	163,030
Total liabilities	2,495,880	2,638,848	1,973,914
Deferred Inflows of Resources	276,842	339,123	388,710
Total liabilities and deferred inflows of resources	2,772,722	2,977,971	2,362,624
Net Position			
Net investment in capital assets	2,199,483	1,950,673	1,864,680
Restricted	185,704	305,300	222,728
Unrestricted	351,063	299,868	286,819
Total net position	2,736,250	2,555,841	2,374,227
Total liabilities, deferred inflows of resources and net position	$ 5,508,972	$ 5,533,812	$ 4,736,851

The decrease in total assets and deferred outflows of resources is primarily due to the decrease in restricted investment balances from usage of cash available for construction and a reduction of deferred outflow of resources related to the actuarial valuation of the multi-employer pension plans that the Commission participates in. Overall, the majority of the decrease in liabilities are primarily due to 2016 bond series payments expiring during 2024 and paying down the line of credit on the short-term borrowing program. The Increased net position is due to increased investment in capital assets and the increase in operating income.

FIDUCIARY ACTIVITIES

The statement of fiduciary net position reported $75,649, $75,356 and $77,680 (in thousands) as assets and net position restricted for OPEB as of December 31, 2025, 2024 and 2023, respectively, and the statements of changes in fiduciary net position reported total additions of $5,498, $1,376 and $5,523 (in thousands), comprised principally of interest earnings offset by the change in fair value and of Commission contributions offset by the change in fair value of investments. Total deductions–benefits-payments of $5,204, $3,701 and $3,350 (in thousands) for the years ended December 31, 2025, 2024 and 2023, respectively.

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash during the years ended December 31, 2025, 2024 and 2023 (dollars in thousands):

	December 31, 2025	December 31, 2024	December 31, 2023
Cash provided by operating activities	$ 487,698	$ 465,627	$ 429,806
Cash used in operating activities	(294,729)	(232,117)	(227,919)
Net cash provided by operating activities	192,969	233,510	201,887
Net cash provided by (used in) capital and related financing activities	(605,751)	377,371	(207,111)
Net cash provided by (used in) investing activities	425,908	(597,696)	24,667
Net increase (decrease) in cash and cash equivalents	13,126	13,185	19,443
Cash and cash equivalents, beginning of year	59,690	46,505	27,062
Cash and cash equivalents, end of year	$ 72,816	$ 59,690	$ 46,505

Cash temporarily idle during the year is invested according to legal requirements established by the Legislature of the State of Minnesota. In accordance with state law, investments are generally restricted to various United States government securities, mutual funds, state and local obligations, commercial paper and repurchase agreements. With the exclusion of postemployment medical investments which must have an average portfolio life of no greater than 12 years maximum, all other securities must mature within four years from the date of purchase. During 2025, the MAC's average portfolio balance was $1,282,382,000 and total investment earnings were $59,118,000 for an average yield on investments during the year of 4.61%. This compares to an average portfolio balance of $1,233,890,000; investment earnings of $56,265,000 and average yield of 4.56% in fiscal year 2024.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2025, the Commission has in its operating fund approximately $80.4 million over and above its 2025 six-month working capital requirement. The Commission is currently considering how to apply or use some or all of these excess-operating funds.

CAPITAL CONSTRUCTION

During 2025, the Commission expended $568,000,000 on its on-going Capital Improvement Program (CIP). Approximately $56,000,000 was directed toward various airfield and runway projects. About $270,000,000 supported Terminal 1 projects, including $22,000,000 for Baggage Claim-Ticket Lobby improvements and $141,000,000 for G-Infill projects concourse and gate hold modernization, and $107,000,000 in building system replacements, repairs, and technology upgrades. Approximately $201,000,000 was spent on Terminal 2 and other MAC buildings, including $92,000,000 for Terminal 2 improvements and expansion, $39,000,000 for the safety and security center, $48,000,000 on storage facilities, $8,000,000 on parking facilities and $14,000,000 on operational improvements. Approximately $22,000,000 was spent on the Commission's reliever airport system. The remaining $19,000,000 was spent primarily on technology upgrades and noise mitigation. The average monthly capital spending in 2025 was approximately $47,335,000.

During 2024, the Commission expended $391,000,000 on its on-going Capital Improvement Program (CIP). Approximately $60,000,000 was associated with various airfield and runway projects. Approximately $186,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include approximately $50,000,000 for Baggage Claim-Ticket Lobby improvements, $135,000,000 on G-Infill projects, concourse and gate hold modernization projects, building system and technology improvements and roof repairs. Approximately $122,000,000 was spent on Terminal 2 and other MAC buildings, including Terminal 2 expansion projects, parking structures, landside roadways, storage facilities and construction work on the fire station and safety and security center. Approximately $32,000,000 was spent on Terminal 2 improvements and expansion, $17,000,000 for parking structure rehabilitation and roadway improvements, $20,000,000 on a new fire station and safety and security center, $17,000,000 on storage facilities and $36,000,000 on operational improvements. Approximately $11,000,000 was spent on the Commission's reliever airport system. The remaining $11,000,000 was spent primarily on technology upgrades and noise mitigation. The average monthly capital spending in 2024 was approximately $32,584,000.

Further information can be found in Note 6.

CAPITAL FINANCING AND DEBT MANAGEMENT

The MAC has issued three forms of indebtedness: notes payable, general airport revenue bonds and general obligation revenue bonds. General obligation revenue bonds are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven county Metropolitan Area. General airport revenue bonds are not backed by the MAC's taxing authority but rather are payable from certain pledged revenues.

Statutory authority for issuing general obligation revenue bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 2025, which permits the issuance by the MAC of up to $55,000,000 of general obligation revenue bonds. Currently, the MAC has no general obligation revenue bonds outstanding.

The MAC is financing its construction program through a combination of the MAC's revenues, entitlement and discretionary grants received from the FAA, state grants, PFCs and revenue bonds. Long-term debt is the principal source of funding of the capital improvement program. The MAC, through its Master Indenture, has covenanted to maintain a debt service coverage ratio of 1.25. Debt service coverage is calculated based on a formula included in the Master Indenture and the airport use agreement.

The Commission has irrevocably committed a portion of PFCs it receives to the payment and funding of debt service on Senior Bonds and/or Subordinate Obligations issued to finance projects authorized to be financed with PFCs (collectively, the "PFC Eligible Bonds") through December 31, 2030.

Pursuant to the PFC Resolution, the Commission has irrevocably committed the following amounts of PFCs in the following Fiscal Years:

Fiscal Year	Irrevocably Committed PFCs	Fiscal Year	Irrevocably Committed PFCs
2025	9,337,650	2029	9,467,625
2026	9,334,900	2030	9,462,475
2027	9,334,650		
2028	9,465,900		

If the Commission does not use the full amount of the irrevocably committed PFCs to pay debt service on PFC Eligible Bonds in a Fiscal Year (i.e., there is more irrevocably committed PFCs than there is debt service due on PFC Eligible Bonds in such Fiscal Year), any unused portion of the irrevocable commitment for such Fiscal Year is not required to be carried over for use in future Fiscal Years.

In addition to the PFCs irrevocably committed pursuant to the PFC Resolution, the Commission can, at its sole discretion, use excess PFCs to pay additional debt service on PFC Eligible Bonds. The Commission currently expects to utilize all of the irrevocably committed PFCs and a portion of the remaining PFCs to pay the debt service on the PFC Eligible Bonds.

For further information on capital financing activity see Notes 7 and 8.

CONTACTING THE MAC'S FINANCIAL MANAGEMENT

This financial report is designed to provide the MAC's Commissioners, management, investors, creditors, and customers with a general view of the MAC's finances and to demonstrate the MAC's accountability for the funds it receives and expends. For further information about this report, or if you need additional financial information, please contact Director of Finance, 6040 28th Avenue South, Minneapolis, MN 55450 or access the Commission's website – https://metroairports.org/doing-business/investor-relations.

Statement of Net Position

December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 72,816,304	$ 59,689,771
Investments (Note 4)	345,625,093	341,372,297
Receivables:		
Customer receivables	35,005,425	27,527,834
Leases receivable (Note 7)	47,875,429	47,141,079
OPEB contribution receivable	1,489,166	-
Current portion of tenant improvement receivables	3,147,700	1,994,699
Due from other governments	65,096,033	63,891,089
Prepaid expenses and other assets	2,535,776	2,576,465
Total current assets	573,590,926	544,193,234
Noncurrent assets:		
Restricted assets:		
Restricted investments (Notes 4 and 5)	807,993,724	1,186,537,659
Passenger facility charge receivable	8,321,452	8,756,598
Leases receivable (Note 7)	189,413,857	229,092,205
Capital assets - Net (Note 6)	3,839,999,836	3,477,132,231
Derivative instruments - Forward delivery agreement (Note 12)	1,253,023	630,376
Tenant improvement receivables - Net of current portion	28,835,926	10,187,743
Net OPEB asset (Note 11)	6,566,416	13,871,657
Total noncurrent assets	4,882,384,234	4,926,208,469
Total assets	5,455,975,160	5,470,401,703
Deferred Outflows of Resources		
Bond refunding loss being amortized (Note 8)	6,606,701	8,161,601
Deferred pension costs (Note 10)	33,001,767	41,687,443
Deferred OPEB costs (Note 11)	13,388,551	13,561,119
Total deferred outflows of resources	52,997,019	63,410,163

See notes to financial statements.

December 31, 2025 and 2024

		2025		2024
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	139,120,557	$	135,496,882
Employee compensation, payroll taxes, and other		33,777,634		20,823,933
Unearned revenue		3,447,339		2,235,073
OPEB contribution payable		-		1,794,400
Current portion of lease liability (Note 8)		1,515,479		1,502,669
Total current liabilities		177,861,009		161,852,957
Noncurrent liabilities:				
Payable from restricted assets:				
Interest payable from restricted assets		49,081,454		47,934,104
Principal payable from restricted assets (Note 8)		101,160,941		95,598,086
Construction and other		9,935,790		7,164,146
Revolving line of credit payable (Note 9)		33,914,050		85,914,050
Net pension liability (Note 10)		46,937,748		52,644,025
Bonds and notes payable - Net of current portion (Note 8)		2,076,989,329		2,187,740,710
Total noncurrent liabilities		2,318,019,312		2,476,995,121
Total liabilities		2,495,880,321		2,638,848,078
Deferred Inflows of Resources				
Accumulated increase in fair value of hedging derivatives (Note 12)		1,253,023		630,376
Bond refunding gain being amortized (Note 8)		10,337,365		12,724,263
Deferred pension cost reductions (Note 10)		48,441,452		58,159,970
Deferred OPEB cost reductions (Note 11)		2,141,117		10,312,578
Deferred inflow related to leases		214,668,842		257,295,625
Total deferred inflows of resources		276,841,799		339,122,812
Net Position				
Net investment in capital assets		2,199,482,949		1,950,672,705
Restricted:				
Debt service		162,734,064		194,867,117
Construction		14,322,848		94,235,165
Police/911 emergency communications		2,080,560		2,325,781
Net OPEB asset		6,566,416		13,871,657
Unrestricted		351,063,222		299,868,551
Total net position	**$**	**2,736,250,059**	**$**	**2,555,840,976**

Minneapolis/St. Paul Metropolitan Airports Commission

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenue		
Airline rates and charges	$ 214,580,347	$ 192,893,081
Concessions and parking	226,100,889	215,793,171
Rentals/Fees	48,970,192	47,594,916
Utilities and other revenue	28,844,115	28,320,498
Total operating revenue	518,495,543	484,601,666
Operating Expenses		
Personnel	134,274,391	114,262,955
Administrative	2,098,464	1,843,589
Professional services	11,359,597	11,494,067
Utilities	23,993,627	22,971,076
Operating services	41,351,317	37,166,032
Maintenance	77,723,706	67,309,828
Other	6,656,189	6,599,131
Depreciation and amortization	211,394,808	196,056,951
Total operating expenses	508,852,099	457,703,629
Operating Income	9,643,444	26,898,037
Nonoperating Revenue (Expense)		
Investment income - Net	67,613,032	72,674,695
Gain on sale of assets	463,514	246,531
Passenger facility charges	68,329,785	71,323,875
Federal interest rate subsidies	707,670	755,485
Grants used for operating expenses	(245,226)	149,656
Customer facility charges	20,567,654	20,662,290
Other nonoperating expense	(58,744)	(123,620)
Interest and fiscal charges	(82,544,971)	(70,853,713)
Total nonoperating revenue	74,832,714	94,835,199
Income - Before capital contributions	84,476,158	121,733,236
Capital Contributions - Capital grants	95,932,925	59,880,772
Change in Net Position	180,409,083	181,614,008
Net Position - Beginning of year, as adjusted	2,555,840,976	2,374,226,968
Net Position - End of year	**$ 2,736,250,059**	**$ 2,555,840,976**

Statement of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from customers and users	$ 487,697,798	$ 465,627,006
Payments to suppliers	(157,904,417)	(108,425,951)
Payments to employees and benefit providers	(136,823,563)	(123,691,019)
Net cash and cash equivalents provided by operating activities	192,969,818	233,510,036
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	-	721,391,120
Receipt of capital grants	94,482,755	123,170,057
Receipt of passenger facility charges	68,764,931	70,485,874
Receipt of solar panel financing rebate	707,670	755,485
Proceeds from sale of capital assets	556,276	273,642
Receipt of customer facility charges	20,567,654	20,662,290
Payments for airport improvements and facilities	(573,086,200)	(427,296,994)
Principal and interest paid on capital debt	(179,979,570)	(145,311,868)
Net payments on revolving line of credit	(52,000,000)	(1,839,500)
Interest received on leases	14,235,472	15,081,362
Net cash and cash equivalents (used in) provided by capital and related financing activities	(605,751,012)	377,371,468
Cash Flows from Investing Activities		
Interest received on investments	51,675,332	56,219,998
Purchases of investment securities	(580,019,999)	(922,726,578)
Proceeds from sale and maturities of investment securities	954,311,138	268,933,959
Purchases of other nonoperating investment activities	(58,744)	(123,620)
Net cash and cash equivalents provided by (used in) investing activities	425,907,727	(597,696,241)
Net Increase in Cash and Cash Equivalents	13,126,533	13,185,263
Cash and Cash Equivalents - Beginning of year	59,689,771	46,504,508
Cash and Cash Equivalents - End of year	**$ 72,816,304**	**$ 59,689,771**
Classification of Cash and Cash Equivalents - Cash and cash equivalents	**$ 72,816,304**	**$ 59,689,771**

See notes to financial statements.

Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	$ 9,643,444	$ 26,898,037
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	211,394,808	196,056,951
Changes in assets and liabilities:		
Receivables	(31,587,976)	(19,688,092)
Prepaid expenses and other assets	40,689	155,892
Employee compensation and payroll taxes	12,823,361	13,898,580
Accounts payable and accrued liabilities	4,181,238	37,030,638
Net pension and net OPEB liability and related deferred inflows and outflows	(14,738,012)	(22,262,824)
Unearned revenue	1,212,266	1,420,854
Total adjustments	183,326,374	206,611,999
Net cash and cash equivalents provided by operating activities	**$ 192,969,818**	**$ 233,510,036**
Significant Noncash Transactions		
Capital assets acquired through accounts payable	$ 1,686,422	$ -
Leases initiated during the year	-	5,820,310
Equipment note payable initiated during the year	6,435,306	-

See notes to financial statements.

Statement of Fiduciary Net Position

December 31, 2025 and 2024

	Other Postemployment Benefits Trust Fund	
	2025	2024
Assets		
Cash and cash equivalents	$ 969,961	$ 180,928
Investments:		
U.S. government securities	70,292,356	65,876,453
Bonds	5,553,199	7,172,414
Receivables:		
Accrued interest receivable	322,866	331,963
OPEB contribution receivable	-	1,794,400
Total assets	77,138,382	75,356,158
Liabilities - Benefits payable	1,489,166	-
Net Position - Restricted for postemployment benefits other than pensions	**$ 75,649,216**	**$ 75,356,158**

See notes to financial statements.

Statement of Changes in Fiduciary Net Position

Years Ended December 31, 2025 and 2024

	Other Postemployment Benefits Trust Fund	
	2025	2024
Additions		
Investment income (loss):		
Interest and dividends	$ 2,586,147	$ 2,417,582
Change in fair value of investments (realized and unrealized)	2,911,477	(658,596)
Net investment income	5,497,624	1,758,986
Contributions (employer reimbursement)	-	(382,675)
Total additions	5,497,624	1,376,311
Deductions - Benefit payments	5,204,566	3,700,502
Net Increase (Decrease) in Fiduciary Net Position	293,058	(2,324,191)
Net Position - Beginning of year	75,356,158	77,680,349
Net Position - End of year	**$ 75,649,216**	**$ 75,356,158**

See notes to financial statements.

Note 1 - Nature of Business

The Minneapolis/St. Paul Metropolitan Airports Commission (the "Commission") was created by an act of the Minnesota State Legislature in 1943 as a public corporation. Its purpose is to promote air navigation and transportation (international, national, and local) in and through the state of Minnesota; promote the efficient, safe, and economical handling of air commerce; assure the inclusion of the state in national and international programs of air transportation; and, to those ends, develop the full potential of the metropolitan area as an aviation center. It has the responsibility to assure residents of the metropolitan area the minimum environmental impact from air navigation and transportation, promote the overall goals of the State's environmental policies, and minimize the public's exposure to noise and safety hazards around airports.

The area over which the Commission exercises its jurisdiction is the Minneapolis/St. Paul metropolitan area, which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties. The Commission controls and operates seven airports within the metropolitan area, including the Minneapolis/St. Paul International Airport, which services scheduled air carriers, and six reliever airports serving general aviation.

The Commission is governed independently by a 15-member board of commissioners. The governor of the State of Minnesota appoints 13 commissioners. The mayors of Minneapolis and St. Paul also have seats on the Commission, with the option to appoint a surrogate to serve on their behalf. Certain large capital improvement projects having metropolitan significance must be reviewed by the Metropolitan Council, which is a public agency established by law with powers of regulation over the development of the metropolitan area.

In applying current Governmental Accounting Standards Board (GASB) guidance, the State of Minnesota and the Commission have agreed that the Commission is not financially accountable to any other organization and is considered a stand-alone governmental unit.

The Commission's other postemployment benefit plan is a fiduciary component unit of the Commission because it is a separate legal entity, the Commission appoints the trustees of the plan, and the Commission has assumed the obligation to make contributions to the plan. The fiduciary component unit's financial statements are included in the Commission's financial statements as a fiduciary fund.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Commission follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Commission:

Report Presentation

This report includes the fund-based statements of the Commission. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type and fiduciary activities.

Fund Accounting

<u>Proprietary Funds</u>

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Commission). The Commission reports all business-type activities in a single enterprise fund.

Note 2 - Significant Accounting Policies (Continued)

Operating revenue and expenses are those directly related to the purpose and primary mission of the Commission. As a result, all other activity not meeting this definition is reported as nonoperating revenue and expenses.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. The Commission's fiduciary activities are composed solely of its OPEB arrangement (the "OPEB Plan") administered through a trust under the provisions of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and are reported in its fiduciary fund statements.

Basis of Accounting

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Exchange revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and overnight investments.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments may be reported at cost, which approximates fair value.

Tenant Improvement Receivables

Tenant improvement receivables relate to reimbursable costs incurred by the Commission for capital improvements to assets under lease to certain airline users.

Prepaid Expenses and Other Assets

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses in the financial statements when applicable. Other assets include inventories, primarily fuel, which are valued at cost on a first-in, first-out basis.

Inventories are recorded as expenses when consumed rather than when purchased.

Restricted Assets

Restricted assets consist of investments and receivables whose use is restricted through external restrictions imposed by external third parties for construction, debt service principal and interest, and bond reserves.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are defined by the Commission as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Certain capital assets, classified as land and airport improvements and buildings, were contributed by the cities of Minneapolis and St. Paul. Fee title to the land and improvements remains with the two cities. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 2 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Airport improvements and buildings	10-40
Movable equipment	3-15

Leases

The Commission is a lessee for noncancelable leases of equipment. The Commission recognizes a lease liability and an intangible right-to-use lease asset on the statement of net position. The Commission recognizes lease assets and liabilities with an initial value of $0 or more.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The Commission is a lessor for various lease agreements. Certain facilities are charged to user airlines under lease agreements, which provide for compensatory rental rates designed to recover agreed-upon portions of costs incurred, including debt service, in the terminal building, ramp, and runway areas. Other facilities, to the extent they are leased, are leased under conventional agreements, primarily percentage leases.

At the commencement of a lease, the Commission measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as operating revenue over the life of the lease term.

Note 2 - Significant Accounting Policies (Continued)

Key estimates and judgments include how the Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Commission uses its estimated incremental borrowing rate at lease inception as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

The Commission has incurred, and continues to incur, significant costs in relation to its continuing Part 150 Sound Insulation Program. The Sound Insulation Program pays for a home within the airport's impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Commission. Because the Commission receives an avigation release from each affected homeowner in return for providing sound insulation improvements, the associated costs are being recorded as an intangible asset and amortized to expense over a 10-year period, which approximates the estimated useful lives of such improvements.

Amortization expense for capitalized Part 150 Sound Insulation expense was approximately $2,618,000 and $2,707,000 for the years ended December 31, 2025 and 2024, respectively. The unamortized costs, included in airport improvements and buildings at December 31, 2025 and 2024, were approximately $13,098,000 and $15,716,000, respectively. The amortization expense is included as a component of depreciation and amortization expense on the statement of revenue, expenses, and changes in net position.

Derivative Instrument - Forward Delivery Agreement

The Commission's forward delivery agreement has been determined to be an effective hedge for accounting purposes. Accordingly, the fair value of the forward delivery agreement and changes therein are recognized as a deferred inflow of resources on the statement of net position.

Long-term Obligations

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred.

Note 2 - Significant Accounting Policies (Continued)

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the General Employees Retirement Fund and the Public Employees Police and Fire Fund (cost-sharing, multiple-employer defined benefit plans administered by the Public Employees Retirement Association of Minnesota in which the Commission participates) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs

The Commission offers retiree health care benefits to retirees, as described in Note 11. The Commission records a net OPEB asset for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan’s fiduciary net position. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then.

The Commission reports deferred outflows related to pension and OPEB costs and deferred losses on refundings of debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Commission reports deferred inflows related to pension and OPEB cost reductions, deferred gains on refundings of debt, deferred gains related to derivative instruments, and deferrals related to leases.

Compensated Absences (Vacation and Sick Leave)

It is the Commission's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Unearned Revenue

The Commission's unearned revenue represents advance payments of interest received from certain airlines on reimbursable costs incurred by the Commission for capital improvements to assets under lease, which will be recognized as investment income over the term of the agreement, as well as the unearned portion of annual taxi permits.

Note 2 - Significant Accounting Policies (Continued)

Net Position

Net position of the Commission is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources as they are needed.

Grants and Contributions

The Commission receives federal and state grants. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses. The Commission records government grants in aid of construction as capital contributions.

Passenger Facility Charges

In June 1992, the Commission began collecting passenger facility charges (PFCs). PFCs are fees imposed on enplaned passengers by airport authorities for the purpose of generating revenue for airport projects that increase capacity, increase safety, or mitigate noise impacts. The Commission has received permission from the Federal Aviation Administration (FAA) to impose and use a $4.50 PFC, the current maximum rate allowed.

The Commission has approved collection authority of approximately $2,300,000,000 and has, as of December 31, 2025, collected approximately $2,000,000,000.

PFCs, which are recognized when the underlying exchange transaction occurs, are included in nonoperating revenue and amounted to approximately $68,330,000 and $71,324,000 for the years ended December 31, 2025 and 2024, respectively.

Customer Facility Charges

With respect to on-airport rental car companies, the Commission is assessing a customer facility charge (CFC) per transaction day to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage located adjacent to Terminal 1, as well as to recover certain maintenance costs relating to the auto rental facilities. During 2016, the Commission increased the fee to $5.90 per rental car transaction per day from $3.25 due to the construction of a new auto rental/public garage adjacent to Terminal 1. The Commission received approximately $44,093,344 and $20,660,000 in auto rental CFCs for the years ended December 31, 2025 and 2024, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2026.

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which provides updated guidance on the identification, recognition, and disclosure of events occurring after the financial statement date but before the financial statements are available to be issued. This statement clarifies the definition of the subsequent events evaluation period, distinguishes between recognized and nonrecognized subsequent events, and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the Commission’s financial statements for the year ending December 31, 2027.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

As required by Minnesota Statutes, the Commission adopts an annual operating and capital expenditures budget for purposes of determining required taxes, if any, to be levied by counties in its jurisdiction. Budgets are established on a departmental basis using the accrual method of accounting.

The process to amend the budget is set forth in the commission bylaws, Article III, Section 8(a), and presented below:

Establishment of the annual budget setting out anticipated expenditures by category and/or upward or downward revision of that budget in the course of the corporation’s fiscal year shall constitute prior approval of each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among categories or to appropriate additional funds for each category. The executive director/CEO is directed to provide for the daily operation and management of the Commission within the expenditure guidelines of the annual budget. Commission approval of a contract shall constitute prior approval of disbursements made pursuant to terms of the contract within the constraints of the budget for all contract payments, except final construction contract payments, which shall require commission approval.

The executive director/CEO shall have the responsibility of securing adequate quantities of office, janitorial, maintenance, and repair materials and supplies and renting sufficient equipment necessary for the smooth, continuous operation of the Commission’s system of airports and all facilities associated with the system of airports. The executive director/CEO’s authority to secure these items shall be subject to the Commission’s purchasing procedures and be subject to the category budget constraints of the annual budget.

Note 3 - Stewardship, Compliance, and Accountability (Continued)

During the fiscal year, the Commission shall be provided periodic updates of expenditures by category. At any time during the fiscal year, the executive director/CEO may recommend to the full Commission that all or any unencumbered appropriation balances of individual categories be transferred to those categories that require additional budgeted funds. In addition, the executive director/CEO may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption. After the fiscal year has concluded, a final accounting of expenditures by category shall be presented to the Commission for approval of the final expenditure amounts by category.

The Commission is not required to demonstrate statutory compliance with its annual operating budget. Accordingly, budgetary data is not included in the basic financial statements. All budgets are prepared in accordance with airport lease and use agreements. Unexpended appropriations lapse at year end.

Note 4 - Deposits and Investments

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk is to follow Minnesota Statutes that require all commission deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds (140 percent for mortgage notes pledged). Authorized collateral includes allowable investments, as discussed below; certain first mortgage notes; and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than that furnishing the collateral. The Commission's interest-bearing deposit accounts are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2025 and 2024, cash deposits were entirely insured or collateralized by securities held in the Commission's name by a financial institution (the Commission's agent) other than that furnishing the collateral.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a policy for custodial credit risk. At December 31, 2025 and 2024, the Commission did not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission's investment policy minimizes interest rate risk by prohibiting investing in securities maturing more than four years from the date of purchase unless the security is for postemployment health care funding, which may have an average portfolio life of no more than 12 years. The Commission also maintains sufficient liquidity to enable the Commission to meet anticipated cash requirements. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Note 4 - Deposits and Investments (Continued)

At year end, the Commission had the following investments and maturities:

	2025				
Primary Government	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 38,644,750	$ 8,829,370	$ -	$ -	$ 47,474,120
Government-sponsored enterprises	152,671,128	22,465,970	-	-	175,137,098
Municipal bonds	57,150,188	99,382,936	-	-	156,533,124
Total	$ 248,466,066	$ 130,678,276	$ -	$ -	$ 379,144,342

	2024				
Primary Government	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 806,628,253	$ 9,990,400	$ -	$ -	$ 816,618,653
Government-sponsored enterprises	306,161,738	161,519,768	-	-	467,681,506
Municipal bonds	32,933,161	37,301,792	-	-	70,234,953
Total	$ 1,145,723,152	$ 208,811,960	$ -	$ -	$ 1,354,535,112

	2025				
Fiduciary Funds	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 1,296,071	$ 11,967,975	$ 11,625,035	$ -	$ 24,889,081
Government-sponsored enterprises	2,380,625	8,207,922	4,375,527	30,439,201	45,403,275
Municipal bonds	1,407,224	4,047,625	98,350	-	5,553,199
Total	$ 5,083,920	$ 24,223,522	$ 16,098,912	$ 30,439,201	$ 75,845,555

	2024				
Fiduciary Funds	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 530,178	$ 9,847,925	$ 11,138,059	$ 266,948	$ 21,783,110
Government-sponsored enterprises	2,116,822	7,643,271	4,398,423	29,934,827	44,093,343
Municipal bonds	222,208	6,613,569	336,637	-	7,172,414
Total	$ 2,869,208	$ 24,104,765	$ 15,873,119	$ 30,201,775	$ 73,048,867

Note 4 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Commission's investment policy minimizes credit risk through adherence to Minnesota Statute 118A, which limits the types of investment instruments that may be purchased by the Commission. This statute generally provides that public funds may only be invested in United States' securities, any security that is a general obligation of a state or local government rated "A" or better by a nationally recognized rating agency, any security that is a revenue obligation of a state or local government rated "AA" or better, a general obligation of the Minnesota Housing Finance Agency that is rated "A" or better, commercial paper issued by United States' corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, and time deposits fully insured by the FDIC. As of December 31, 2025 and 2024, the credit quality ratings of debt securities (other than the U.S. government) are as shown in the tables below:

	2025		2024	
Investment	Carrying Value	Rating S&P/Moody's	Carrying Value	Rating S&P/Moody's
Primary Government				
Government-sponsored enterprises:				
Federal Farm Credit Bank	$ 62,125,237	AA+/AAA	$ 88,856,030	AA+/AAA
Federal Farm Credit Bank	1,965,780	AA+/AA1	-	
Federal Farm Credit Bank	5,984,850	AA+/AA	-	
Federal Home Loan Bank	41,324,705	AA+/AAA	123,186,768	AA+/AAA
Federal Home Loan Bank	1,976,720	AA+/AA	-	
Federal Home Loan Bank	-		20,967,928	AA+/N/A
Federal Agriculture Management Corp	3,697,671	AA+/AAA	527,346	
Federal Home Loan Bank Trust	-		137,188,573	AA+/AAA
Federal Home Loan Mortgage Corporation	4,436,640	AA+/AA	13,775,880	AA+/AAA
Federal Home Loan Mortgage Corporation	23,262,455	AA+/AAA	33,441,632	AA+/N/A
Federal National Mortgage Association	30,363,040	AA+/AAA	49,737,349	AA+/AAA
Municipal bonds	26,473,443	AAA/AA1	2,794,666	AAA/AA1
Municipal bonds	2,295,254	AAA/AA2	774,675	AAA/AA2
Municipal bonds	14,530,394	AAA/AAA	8,739,224	AAA/AAA
Municipal bonds	4,741,907	AAA/N/A	6,172,290	AAA/N/A
Municipal bonds	-		1,683,003	A+/A2
Municipal bonds	981,233	AA+/AAA	3,527,458	AA+/AAA
Municipal bonds	17,954,389	AA+/AA1	6,517,773	AA+/AA1
Municipal bonds	2,940,389	AA+/AA2	582,624	AA+/AA2
Municipal bonds	571,395	AA+/AA	951,511	AA+/AA3
Municipal bonds	9,471,642	AA+/N/A	2,672,048	AA+/N/A
Municipal bonds	1,036,082	AA/AA3	764,920	AA/AA3
Municipal bonds	10,201,045	AA/AA2	8,422,476	AA/AA2
Municipal bonds	1,004,568	AA/AA1	-	
Municipal bonds	910,725	AA/AAA	-	
Municipal bonds	470,845	AA/AA	-	
Municipal bonds	4,898,940	AA/N/A	1,581,934	AA/N/A
Municipal bonds	3,143,951	AA-/A1	-	
Municipal bonds	7,945,548	AA-/AA2	1,037,452	AA-/AA2
Municipal bonds	3,777,482	AA-/AA3	2,148,878	AA-/AA3
Municipal bonds	6,467,871	AA-/N/A	2,840,809	AA-/N/A
Municipal bonds	13,659,242	A+/N/A	-	
Municipal bonds	2,520,625	A/N/A	-	
Municipal bonds	4,457,437	N/A/AA1	6,310,648	N/A/AA1
Municipal bonds	3,479,917	N/A/AA2	2,925,816	N/A/AA2
Municipal bonds	3,666,727	N/A/AAA	9,002,500	N/A/AAA
Municipal bonds	769,328	N/A/A1	-	
Municipal bonds	6,286,666	NR/AAA	-	N/A/MIG1
Municipal bonds	1,876,079	N/A/N/A	784,248	N/A/N/A
Money market	772,650,033	NR/NR	171,550,980	N/A/N/A
Accrued income	1,824,362		1,823,862	
Total	$ 1,106,144,617		$ 711,291,301	

Note 4 - Deposits and Investments (Continued)

Investment	2025 Carrying Value	2025 Rating S&P/Moody's	2024 Carrying Value	2024 Rating S&P/Moody's
Fiduciary Funds				
Government-sponsored enterprises:				
Federal Farm Credit Bank	$ 1,737,660	AA+/AA1	$ 2,092,097	AA+/AAA
Federal Home Loan Bank	3,858,247	AA+/AA1	5,343,776	AA+/AAA
Federal Home Loan Mortgage Corporation	384,291	AAA/N/A	-	
Federal Home Loan Mortgage Corporation	-		914,852	N/A/AAA
Federal Home Loan Mortgage Corporation	15,073,465	N/A/N/A	12,512,151	N/A/N/A
Federal Home Loan Mortgage Corporation	952,565	N/A/AA1	-	
Federal National Mortgage Association	21,691,710	N/A/N/A	21,260,284	N/A/N/A
Small Business Administration	44,873	N/A/N/A	119,837	N/A/N/A
Government National Mortgage Association	1,660,464	N/A/N/A	1,850,346	N/A/N/A
Municipal bonds	980,530	AAA/AAA	953,092	AAA/AAA
Municipal bonds	846,353	AAA/N/A	1,302,040	AAA/N/A
Municipal bonds	33,650	AA+/AA1	799,336	AA+/AA1
Municipal bonds	996,389	AA+/AA2	979,120	AA+/AA2
Municipal bonds	259,210	AA+/N/A	246,304	AA+/N/A
Municipal bonds	608,772	AA/AA1	843,101	AA/AA1
Municipal bonds	107,034	AA/AA2	231,679	AA/AA2
Municipal bonds	144,658	AA-/AA2	140,738	AA-/AA2
Municipal bonds	242,128	AA-/AA3	327,513	AA-/AA3
Municipal bonds	-		44,949	A+/AA2
Municipal bonds	289,537	N/A/AA1	279,654	N/A/AA1
Municipal bonds	885,144	N/A/AA2	867,160	N/A/AA2
Municipal bonds	159,795	N/R/AA1	157,728	N/R/AA1
Money market	969,961	N/R/N/R	180,928	N/A/N/R
Accrued income	322,866		331,963	
Total	$ 52,249,302		$ 51,778,648	

Concentration of Credit Risk

The Commission places no limit on the amount that may be invested in any one issuer. The Commission cannot hold more than 30 percent of its portfolio in commercial paper, 25 percent in any state or local government obligation, or 4 percent in any one corporation. The U.S. government-sponsored enterprise securities held by the Commission are not explicitly guaranteed by the U.S. government and are subject to concentration of credit risk. At December 31, 2025 and 2024, government-sponsored enterprises are the only investment type subject to concentration of credit risk.

In the primary government, investments in U.S. government-sponsored enterprises totaled $175,137,098 and $467,681,506 at December 31, 2025 and 2024, respectively. Of this total, $43,301,425 and $144,154,696, or 25 and 31 percent, respectively, is invested in the Federal Home Loan Bank. A total of $70,075,867 and $88,856,030, or 40 and 19 percent, respectively, is invested in the Federal Farm Credit Bank, and $0 and $137,188,573, or 0 and 29 percent, respectively, is invested in Federal Home Loan Bank Trust.

In the OPEB Plan, investments in U.S. government-sponsored enterprises totaled $45,403,275 and $44,093,344 at December 31, 2025 and 2024, respectively. Of this total, $21,691,710 and $21,260,284, or 48 and 48 percent, respectively, is invested in the Federal National Mortgage Association and $16,410,321 and $13,427,003, or 36 and 30 percent, respectively, is invested in the Federal Home Loan Mortgage Corporation.

Note 4 - Deposits and Investments (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the Commission's investment policy prohibit investments in foreign currency. Therefore, the Commission is not exposed to foreign currency risk.

Fair Value Measurements

The Commission and its fiduciary component unit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Commission has the following recurring fair value measurements as of December 31, 2025 and 2024:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
Assets				
Investments:				
U.S. Treasury securities	$ 72,363,201	$ -	$ -	$ 72,363,201
U.S. government-sponsored enterprise securities	-	220,540,373	-	220,540,373
Municipal securities	-	162,086,324	-	162,086,324
Total investments	72,363,201	382,626,697	-	454,989,898
Derivatives - Forward sales commitments	-	-	1,253,023	1,253,023
Total assets	$ 72,363,201	$ 382,626,697	$ 1,253,023	$ 456,242,921

Note 4 - Deposits and Investments (Continued)

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
Assets				
Investments:				
U.S. Treasury securities	$ 838,401,762	$ -	$ -	$ 838,401,762
U.S. government-sponsored enterprise securities	-	511,771,849	-	511,771,849
Municipal securities	-	77,407,367	-	77,407,367
Total investments	838,401,762	589,179,216	-	1,427,580,978
Derivative Instruments	-	-	630,376	630,376
Total assets	$ 838,401,762	$ 589,179,216	$ 630,376	$ 1,428,211,354

At December 31, 2025 and 2024, the Commission reported $772,650,033 and $171,550,980, respectively, valued at amortized cost. There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair values of U.S. government-sponsored enterprise and municipal securities at December 31, 2025 and 2024 were determined primarily based on Level 2 inputs. The Commission estimates the fair value of these investments using a matrix pricing model using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of forward sales commitments at December 31, 2025 and 2024 were determined primarily based on Level 3 inputs. The Commission values its position using mathematical approximations of fair values derived from proprietary models of a third party on a midmarket basis.

Note 5 - Restricted Assets

In accordance with the terms of applicable ordinances and federal and state laws, the Commission is required to restrict assets for various purposes. A summary of the restricted assets at December 31, 2025 and 2024 is as follows:

	2025	2024
Coverage account	$ 23,267,655	$ 22,207,766
Passenger facility charges fund	14,322,848	94,235,165
Revenue bond interest and principal funds	183,056,245	202,978,264
Revenue bond reserve funds	165,048,528	158,690,236
Revenue bond construction funds	421,681,023	697,332,646
Revolving loan construction funds	8,938,877	19,850,180
Total	$ 816,315,176	$ 1,195,294,257

Note 6 - Capital Assets

Capital asset activity of the Commission's business-type activities was as follows:

	Balance January 1, 2025	Transfers	Additions	Disposals	Balance December 31, 2025
Capital assets not being depreciated:					
Land	$ 337,864,934	$ -	$ -	$ -	$ 337,864,934
Construction in progress	400,608,139	(362,334,027)	552,259,028	-	590,533,140
Subtotal	738,473,073	(362,334,027)	552,259,028	-	928,398,074
Capital assets being depreciated:					
Buildings and improvements	6,050,879,255	357,668,212	-	-	6,408,547,467
Machinery and equipment	235,144,214	4,665,815	22,096,141	(11,935,006)	249,971,164
Right-to-use asset	10,026,569	-	-	-	10,026,569
Subtotal	6,296,050,038	362,334,027	22,096,141	(11,935,006)	6,668,545,200
Accumulated depreciation:					
Buildings and improvements	3,369,035,888	-	196,950,467	-	3,565,986,355
Machinery and equipment	184,131,789	-	12,866,071	(11,842,250)	185,155,610
Right-to-use asset	4,223,203	-	1,578,270	-	5,801,473
Subtotal	3,557,390,880	-	211,394,808	(11,842,250)	3,756,943,438
Net capital assets being depreciated	2,738,659,158	362,334,027	(189,298,667)	(92,756)	2,911,601,762
Net capital assets	$ 3,477,132,231	$ -	$ 362,960,361	$ (92,756)	$ 3,839,999,836

	Balance January 1, 2024	Transfers	Additions	Disposals	Balance December 31, 2024
Capital assets not being depreciated:					
Land	$ 337,864,934	$ -	$ -	$ -	$ 337,864,934
Construction in progress	259,945,263	(267,042,903)	407,705,779	-	400,608,139
Subtotal	597,810,197	(267,042,903)	407,705,779	-	738,473,073
Capital assets being depreciated:					
Buildings and improvements	5,787,246,743	263,632,512	-	-	6,050,879,255
Machinery and equipment	219,648,445	3,410,391	16,010,530	(3,925,152)	235,144,214
Right-to-use asset	4,134,245	-	5,892,324	-	10,026,569
Subtotal	6,011,029,433	267,042,903	21,902,854	(3,925,152)	6,296,050,038
Accumulated depreciation:					
Buildings and improvements	3,186,065,788	-	182,970,100	-	3,369,035,888
Machinery and equipment	176,253,911	-	11,775,919	(3,898,041)	184,131,789
Right-to-use asset	2,912,273	-	1,310,930	-	4,223,203
Subtotal	3,365,231,972	-	196,056,949	(3,898,041)	3,557,390,880
Net capital assets being depreciated	2,645,797,461	267,042,903	(174,154,095)	(27,111)	2,738,659,158
Net capital assets	$ 3,243,607,658	$ -	$ 233,551,684	$ (27,111)	$ 3,477,132,231

Note 6 - Capital Assets (Continued)

Construction Commitments

The Commission has several active construction projects at year end. At December 31, 2025 and 2024, the Commission's commitments with contractors totaled approximately $493,778,000 and $644,736,000, respectively.

Note 7 - Leases

The Commission leases certain assets from various third parties. The assets leased include snow- and earth-moving equipment. Payments are generally fixed quarterly with no variable payments.

Lease asset activity of the Commission is included in Note 6.

Future principal and interest payment requirements related to the Commission's lease liability at December 31, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	$ 1,515,479	$ 139,611	$ 1,655,090
2027	1,577,221	77,869	1,655,090
2028	1,224,941	16,372	1,241,313

The Commission leases certain assets to various third parties. The assets leased include building facilities, land, office space, terminal space for concessions, rental car facilities, advertising, and others. A majority of the leases include payments that are generally fixed monthly and often contain annual or periodic escalation clauses. For some leases for which the business conducts sales, the monthly fee is a percentage of gross revenue and varies for each month. For these sale-based leases, there are often minimum annual guarantees (MAGs) contained in the lease that provide a certain amount of revenue regardless of the operation's success. Lease terms vary from month to month to over 70 years. The majority of leases carry a term of less than 10 years.

The Commission has adopted the following policies to assist in determining lease treatment according to the requirements of GASB Statement No. 87 (GASB 87):

- The maximum possible lease term is noncancelable by both lessee and lessor and is more than 12 months.
- The term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal. The term of the lease will exclude possible termination periods that are not deemed to be reasonably certain, given all available information, regarding the likelihood of exercise.
- For the fiscal years ended December 31, 2025 and 2024, all leases with associated receivables are based on fixed payments and do not have variable payment components included in the receivable.

During the years ended December 31, 2025 and 2024, the Commission recognized the following related to its lessor agreements:

	2025	2024
Lease revenue	$ 50,570,675	$ 50,549,698
Interest income related to its leases	14,235,472	15,077,355
Revenue from variable payments not previously included in the measurement of the lease receivable	26,255,511	25,909,353

Note 7 - Leases (Continued)

The Commission has issued General Airport Revenue Bonds whose repayments are secured by the overall net revenue derived from airport operations. Although none of the Commission's leases are directly pledged as security for these bond repayments, lease revenue is a component of net revenue and net pledged revenue. See Note 8 for more information regarding outstanding bonds.

Future principal and interest payment requirements related to the Commission's lease receivable at December 31, 2025 and 2024 are as follows:

Years Ending	Principal	Interest	Total
2026	$ 47,875,429	$ 10,614,659	$ 58,490,088
2027	45,972,776	8,297,831	54,270,607
2028	41,765,746	6,108,124	47,873,870
2029	40,360,856	4,058,445	44,419,301
2030	22,899,372	2,309,711	25,209,083
2031-2035	23,122,698	5,038,386	28,161,084
2036-2040	2,008,301	3,093,117	5,101,418
2041-2045	1,687,544	2,627,948	4,315,492
2046-2050	840,401	2,334,090	3,174,491
2051-2055	774,996	2,205,808	2,980,804
2056-2060	1,007,573	2,047,471	3,055,044
2061-2065	1,294,063	1,842,011	3,136,074
2066-2070	1,446,183	1,592,462	3,038,645
2071-2075	1,328,705	1,341,265	2,669,970
2076-2080	985,435	1,105,091	2,090,526
2081-2085	1,264,667	825,859	2,090,526
2086-2090	1,623,021	467,505	2,090,526
2091-2093	1,031,520	68,820	1,100,340
Total	$ 237,289,286	$ 55,978,603	$ 293,267,889

Regulated Leases (Lessor)

The Commission is party to certain regulated leases, as defined by GASB 87. The leased assets include terminal space; aircraft maintenance facilities; cargo facilities; and ramp, land, and hangars that the lessees use for fixed-based operations (FBO), building facilities, and hangars.

In accordance with GASB 87, the Commission does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g., the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users. Certain assets at Terminal 1, such as 101 of the 104 total jet bridges; gate hold rooms; ticket counter space; baggage service; aircraft parking positions on apron; concourse operations space; and office, storage, and club space, are subject to preferential or exclusive use by the counterparties to these agreements.

During the years ended December 31, 2025 and 2024, the Commission recognized the following from regulated leases:

	2025	2024
Lease revenue	$ 132,896,763	$ 112,303,432

Note 7 - Leases (Continued)

Future expected minimum payments related to the Commission's regulated leases at December 31, 2025 are as follows:

Years Ending	Amount
2026	$ 116,346,974
2027	114,303,226
2028	113,636,547
2029	94,514,841
2030	94,200,737
2031-2035	68,091,786
2036	5,720,284
Total	$ 606,814,395

The Commission has entered into certain regulated leases whose repayments are secured by the overall net revenue derived from airport operations. Although none of the Commission's leases are directly pledged as security for these bond repayments, lease revenue is a component of net revenue and net pledged revenue. See Note 8 for more information regarding outstanding bonds.

Note 8 - Long-term Debt

Long-term debt activity for the years ended December 31, 2025 and 2024 can be summarized as follows:

	2025						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $319,540	$ 330,690,000	$ -	$ (41,260,000)	$ 289,430,000	$ 43,310,000
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$4,750 - $195,860	182,920,000	-	(4,750,000)	178,170,000	4,990,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$500 - $22,910	19,150,000	-	(740,000)	18,410,000	780,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2,893% - 4.246%	$9,365 - $13,870	117,295,000	-	(9,935,000)	107,360,000	10,265,000
Series 2019A** Original amount - $96,615,000 08/28/2019	5.0%	$765 - $8,595	90,280,000	-	(935,000)	89,345,000	980,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$3,100 - $18,075	127,420,000	-	(3,100,000)	124,320,000	3,245,000
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$3,360 - $4,985	15,355,000	-	(4,520,000)	10,835,000	4,745,000
Series 2022A** Original amount - $145,900,000 08/23/2022	4.125% - 5%	$4,490 - $51,145	134,550,000	-	(5,210,000)	129,340,000	5,040,000
Series 2022B** Original amount - $226,785,000 08/23/2022	4.00% - 5.250%	$5,470 - $103,680	219,955,000	-	(5,470,000)	214,485,000	5,740,000
Series 2023A** Original amount - $154,490,000 10/4/2023	5.0%	$8,840 - $154,490	154,490,000	-	(8,840,000)	145,650,000	10,390,000
Series 2023B** Original amount - $8,290,000 10/4/2023	5.0%	$3,265 - $8,290	8,290,000	-	(5,025,000)	3,265,000	3,265,000

Note 8 - Long-term Debt (Continued)

	2025						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Series 2024A** Original amount - $206,020,000 8/7/2024	4.00% - 5.0%	$84,780 - $121,240	$ 206,020,000	$ -	$ -	$ 206,020,000	$ -
Series 2024B** Original amount - $465,125,000 8/7/2024	5.0% - 5.25%	$1,810 - 243,245	465,125,000	-	-	465,125,000	1,810,000
Direct borrowings - Notes payable			54,539,992	6,435,306	(1,481,881)	59,493,417	6,600,941
Leases			5,820,310	-	(1,502,669)	4,317,641	1,515,479
Unamortized premium - Net			152,941,163	-	(18,841,472)	134,099,691	-
Total long-term bonds, leases, and notes payable			$ 2,284,841,465	$ 6,435,306	$ (111,611,022)	$ 2,179,665,749	$ 102,676,420

	2024						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $319,540	$ 330,690,000	$ -	$ -	$ 330,690,000	$ 41,260,000
Series 2016B** Original amount - $152,190,000 10/04/2016	3.0% - 5.0%	$1,370 - $137,570	37,250,000	-	(37,250,000)	-	-
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$11,390 - $195,860	187,445,000	-	(4,525,000)	182,920,000	4,750,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$500 - $22,190	19,855,000	-	(705,000)	19,150,000	740,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2,893% - 4.246%	$9,365 - $13,870	126,935,000	-	(9,640,000)	117,295,000	9,935,000
Series 2019A** Original amount - $96,615,000 08/28/2019	5.0%	$765 - $8,595	91,205,000	-	(925,000)	90,280,000	935,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$3,100 - $18,075	130,730,000	-	(3,310,000)	127,420,000	3,100,000
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$3,360 - $4,985	19,665,000	-	(4,310,000)	15,355,000	4,520,000
Series 2022A** Original amount - $145,900,000 9/7/2022	4.125% - 5%	$4,490 - $51,145	139,510,000	-	(4,960,000)	134,550,000	5,210,000

Note 8 - Long-term Debt (Continued)

	2024						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Series 2022B** Original amount - $226,785,000 9/7/2022	4.00% - 5.250%	$10,310 - $103,680	$ 225,160,000	$ -	$ (5,205,000)	$ 219,955,000	$ 5,470,000
Series 2023A** Original amount - $154,490,000 10/4/2023	5.0%	$154,490	154,490,000	-	-	154,490,000	8,840,000
Series 2023B** Original amount - $8,290,000 10/4/2023	5.0%	$8,290	8,290,000	-	-	8,290,000	5,025,000
Series 2024A** Original amount - $206,020,000 8/7/2024	4.00% - 5.0%	$84,780 - $121,240	-	206,020,000	-	206,020,000	-
Series 2024B** Original amount - $465,125,000 8/7/2024	5.0% - 5.25%	$23,910 - 243,245	-	465,125,000	-	465,125,000	-
Direct borrowings - Notes payable			46,738,231	9,180,565	(1,378,804)	54,539,992	5,813,086
Leases			1,249,024	5,820,310	(1,249,024)	5,820,310	1,502,669
Unamortized premium - Net			130,620,473	39,944,102	(17,623,412)	152,941,163	-
Total long-term bonds, leases, and notes payable			$ 1,649,832,728	$ 726,089,977	$ (91,081,240)	$ 2,284,841,465	$ 97,100,755

*Senior General Airport Revenue Bonds
**Subordinate General Airport Revenue Bonds

General Airport Revenue Bonds

The Commission's General Airport Revenue Bonds are not general obligations but are limited obligations of the Commission payable solely from and secured by a pledge of net revenue. Neither the full faith and credit nor the taxing power of the Commission; the City of Minneapolis, Minnesota; the City of St. Paul, Minnesota; the State; or any political subdivision or public agency of the State, other than the Commission, to the extent of net revenue, is pledged to the payment of the General Airport Revenue Bonds. The proceeds of these issues have been used to finance a portion of the Commission's long-term capital improvement program, which details the expansion of the airport system.

In August 2024, the Commission issued the Series 2024A and Series 2024B bonds (collectively, the "2024 bonds") in the amounts of $206,020,000 and $465,125,000, respectively. The proceeds of the 2024 bonds will be used to (1) finance certain capital improvements at Minneapolis-St. Paul International Airport, (2) fund capitalized interest on a portion of the 2024 bonds, and (3) pay the costs of issuance of the 2024 bonds.

The Commission's Series 2016A, 2016B, 2016C, 2016E, 2019A, 2019B, 2019C, 2022A, 2022B, 2023A, 2023B, 2024A, and 2024B bonds are each subject to the provisions of the Commission's Master Senior and Subordinate Indentures, respectively. None of the Master Indentures provide events of default with finance-related consequences, termination events with finance-related consequences, or subject acceleration provisions.

In August 2024, the Commission entered into a revolving line of credit agreement with Wells Fargo Bank, National Association, to fund certain capital improvement program projects. The revolving line of credit agreement does not provide significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration provisions.

Note 8 - Long-term Debt (Continued)

Other Long-term Liabilities

The Commission has entered into taxable equipment lease/purchase agreements to finance the solar panels on top of parking ramps at Terminals 1 and 2. The principal amount of these agreements qualifies as a new clean renewable energy bond (NCREB) or a qualified energy conservation bond (QECB), both of which are eligible for a direct interest rate subsidy from the federal government. The effective net interest rates range from 0.75 percent to 1.09 percent, with scheduled payments through 2035 and 2036. At December 31, 2025 and 2024, there was $21,374,319 and $22,948,351, respectively, in outstanding notes payable.

The Commission enters into tax-exempt lease/purchase agreements each year to finance the acquisition of equipment, primarily heavy equipment and vehicles. Scheduled payments under these lease/purchase agreements extend through 2036 with various maturity dates. The interest rates ranged from 0.91 percent to 4.57 percent, and assets under such agreements are depreciated over the lease term. At December 31, 2025 and 2024, there was $38,119,099 and $31,591,641, respectively, in outstanding equipment leases.

Pledged Revenue

Net revenue and net pledged revenue (as defined in the Master Senior and Subordinate Indentures, respectively) of the Commission have been pledged toward the repayment of the Commission's Senior and Subordinate General Airport Revenue Bonds and Obligations. Net revenue consists of the revenue for such period, less, for such period, all amounts that are required to be used to pay the maintenance and operation expenses of the airport system. Net pledged revenue consists of revenue for such period, less, for such period, all amounts that are required to be used to pay the maintenance and operation expenses of the airport system, less all amounts required to pay debt service and reserve requirements on and relating to the Commission's Senior General Airport Revenue Bonds. Revenue includes, but is not limited to, except to the extent specifically excluded therefrom: rates, tolls, fees, rentals, charges, and other payments made to or owed to the Commission for the use or availability of the airport system; amounts received or owed from the sale or provision of supplies, materials, goods, and services provided by or made available by the Commission; the principal portion of payments received pursuant to certain self-liquidating lease agreements; and such other amounts that may be designated as revenue pursuant to a certificate of the Commission or a supplemental senior indenture. PFCs and capitalized interest, among other things, are specifically excluded from revenue unless otherwise designated as revenue pursuant to a certificate of the Commission or in a supplemental senior indenture. The Commission has not designated pursuant to a certificate or a supplemental senior indenture PFCs or capitalized interest, or any additional amounts, as revenue.

For the years ended December 31, 2025 and 2024, the net pledged revenue was approximately $209,761,000 compared to the net debt service (principal and interest) of approximately $137,391,000.

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Direct Borrowings Principal	Direct Borrowings Interest	Other Debt Principal	Other Debt Interest	Total
2026	$ 6,600,941	$ 1,382,466	$ 94,560,000	$ 94,678,516	$ 197,221,923
2027	6,258,927	1,276,007	103,345,000	89,940,351	200,820,285
2028	6,065,807	1,104,350	113,625,000	84,662,143	205,457,300
2029	6,018,988	944,882	120,400,000	78,949,053	206,312,923
2030	5,917,056	787,864	126,280,000	72,916,010	205,900,930
2031-2035	27,634,423	1,604,049	393,530,000	294,859,855	717,628,327
Thereafter	997,276	8,160	1,030,015,000	482,202,887	1,513,223,323
Total	$ 59,493,418	$ 7,107,778	$ 1,981,755,000	$ 1,198,208,815	$ 3,246,565,011

Note 9 - Revolving Line of Credit

Under a revolving line of credit agreement with a bank, the Commission has available borrowings of approximately $200,000,000. Interest is payable monthly and varies of the applicable benchmark interest rate and an applicable spread based on the Commission's long-term credit ratings and, if applicable, a margin rate factor. The effective interest rate as of December 31, 2025 and 2024 for tax-exempt AMT and non-AMT borrowings benchmarked to the Securities Industry Financial Markets Association (SIFMA) was 3.33 and 3.84 percent and 3.33 and 3.84 percent, respectively. The effective interest rate as of December 31, 2025 and 2024 for taxable borrowings benchmarked to the Secured Overnight Financing Rate (SOFR) was 4.18 and 4.81 percent, respectively. The line of credit is collateralized by a subordinate pledge of the Commission's net revenue. There was $33,914,050 and $85,914,050 outstanding on the revolving line of credit at December 31, 2025 and 2024, respectively.

	Balance January 1, 2025	Advances	Repayments	Balance December 31, 2025
Revolving line of credit	$ 85,914,050	$ -	$ (52,000,000)	$ 33,914,050

	Balance January 1, 2024	Advances	Repayments	Balance December 31, 2024
Revolving line of credit	$ 87,753,550	$ -	$ (1,839,500)	$ 85,914,050

Note 10 - Pension Plans

Plan Description

The Minneapolis/St. Paul Metropolitan Airports Commission provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the General Employees Retirement Fund (GERF) and Public Employees Police and Fire Fund (PEPFF), cost-sharing, multiple-employer plans administered by the Public Employees Retirement Association of Minnesota (PERA).

Note 10 - Pension Plans (Continued)

GERF

All full-time and certain part-time employees of the Commission are covered by the GERF Coordinated Plan. GERF plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new GERF members must participate in the Coordinated Plan.

PEPFF

Originally established for police officers and firefighters not covered by a local relief association, PEPFF now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

PERA issues a publicly available financial report that can be obtained at www.mnpera.org.

Benefits Provided

PERA provides retirement, disability, and death benefits to members and survivors. Benefits are established by state statute and can be modified only by the state Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

GERF

GERF benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. A reduced retirement annuity is also available to eligible members seeking early retirement. Two methods are used to compute benefits for GERF Coordinated Plan members. The retiring member receives the higher of a step rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equals 90, and normal retirement age is 65. For members hired on or after July 1, 1989, only Method 2 is used, and normal retirement age is the age for unreduced Social Security benefits capped at 66.

Disability benefits are available for vested members and are based upon years of service and average monthly salary over a GERF Coordinated Plan member's highest-paid 60 consecutive months of public service (high-five salary) or all months of service if less than 60.

A lifetime survivor benefit is available to the surviving spouse of a GERF Coordinated Plan member and is based upon a formula using the member's total years of service, high-five salary age at death, and age of the spouse.

Note 10 - Pension Plans (Continued)

PEPFF

Benefits for PEPFF members hired prior to July 1, 2010 vest after three years of credited service. Benefits for PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50 percent after 5 years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equals at least 90.

PEPFF members qualify for disability with one or more years of service if disabled outside the line of duty. If disabled in the line of duty, there is no minimum service requirement. There is a minimum benefit of 60 percent of salary if a PEPFF member is disabled while engaged in hazardous activities related to the occupation. Disability under any circumstances results in a minimum benefit of 45 percent of salary. A duty disability benefit will be awarded only if the disabling event occurred while the member was engaged in hazardous activities inherent to the occupation.

A lifetime survivor benefit is available to the surviving spouse of a PEPFF member and is based on either 50 percent (60 percent if death occurs in the line of duty after June 30, 2007) of the average of the full-time monthly base salary rate in effect during the last six months of allowable service or a formula using the member’s total years of service, high-five salary age at death, and age of the spouse. Automatic lifetime survivor benefits are also available to the spouse of a PEPFF member who suffers total and permanent disability.

Contributions

Minnesota Statutes set the rates for employer and employee contributions. These statutes are established and amended by the state Legislature. The Commission makes annual contributions to the pension plans equal to the amount required by state statutes.

GERF

GERF Coordinated Plan members were required to contribute 6.50 percent of their pay for the years ended December 31, 2025 and 2024. The Commission's contractually required contribution rate for the years ended December 31, 2025 and 2024 was 7.50 percent of annual payroll. Contributions to the GERF plan from the Commission were approximately $6,671,000 and $6,051,000 for the years ended December 31, 2025 and 2024, respectively.

This amount includes an employer supplemental contribution of approximately $1,200,000 for the years ended December 31, 2025 and 2024 relating to the former Minneapolis Employees Retirement Fund (MERF), which was fully merged into GERF in January 2015.

As a result of legislation passed in the 2015 legislative session, the State of Minnesota was required to contribute $6,000,000 to GERF during the measurement periods ended June 30, 2016 and June 30, 2017; $16,000,000 for the period ended June 30, 2018; and $6,000,000 each measurement period thereafter until 2031.

PEPFF

PEPFF members were required to contribute 11.80 percent of their pay for the years ended December 31, 2025 and 2024. The Commission's contractually required contribution rate for the years ended December 31, 2025 and 2024 was 17.70 percent of annual payroll. Contributions to the plan from the Commission were approximately $3,858,000 and $3,733,000 for the years ended December 31, 2025 and 2024, respectively.

Note 10 - Pension Plans (Continued)

Additionally, the State of Minnesota is required to contribute to PEPFF an aggregate amount for all employers of $9,000,000 each year, beginning in fiscal year 2014. State aid will continue until the plan is 90 percent funded or the State Patrol Plan, administered by the Minnesota State Retirement System, is 90 percent funded, whichever occurs later. Such nonemployer contributions to PEPFF by the State of Minnesota do not meet the special funding criteria set forth in GASB 68.

Net Pension Liability

The Commission chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date. The Commission has chosen June 30, 2025 and 2024 as its measurement date for the net pension liability for the years ended December 31, 2025 and 2024.

At December 31, 2025 and 2024, the Commission reported a liability of $30,590,693 and $33,671,628, respectively, for GERF and $16,347,055 and $18,972,397, respectively, for PEPFF for its proportionate share of the net pension liability. The net pension liability was measured as June 30, 2025, and the total pension liability used to calculate the net pension liability by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's actuarially required contribution for the years ended June 30, 2025 and 2024 relative to all other contributing employers. At June 30, 2025 and 2024, the Commission's proportion was 0.9231 and 0.9108 percent, respectively, for GERF and 1.3952 and 1.4421 percent, respectively, for PEPFF.

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

For the years ended December 31, 2025 and 2024, the Commission recognized pension expense of $3,915,454 and $7,144,575, respectively, from all plans.

At December 31, 2025 and 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025 General Employees Retirement Fund		2025 Public Employees Police and Fire Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,914,624	$ -	$ 7,552,859	$ -
Changes in assumptions	737,058	(7,038,813)	12,396,310	(20,482,178)
Net difference between projected and actual earnings on pension plan investments	-	(12,172,329)	-	(7,295,919)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,727,071	(617,346)	1,953,551	(834,867)
Employer contributions to the plan subsequent to the measurement date	3,649,409	-	2,070,885	-
Total	$ 9,028,162	$ (19,828,488)	$ 23,973,605	$ (28,612,964)

Note 10 - Pension Plans (Continued)

	2024 General Employees Retirement Fund		2024 Public Employees Police and Fire Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 3,166,014	$ -	$ 7,393,690	$ -
Changes in assumptions	164,390	12,744,150	20,855,564	27,937,343
Net difference between projected and actual earnings on pension plan investments	-	9,777,966	-	6,168,900
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	2,383,563	978,066	2,514,674	553,545
Employer contributions to the plan subsequent to the measurement date	3,248,910	-	1,960,638	-
Total	$ 8,962,877	$ 23,500,182	$ 32,724,566	$ 34,659,788

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

	Amount	
Years Ending December 31	General Employees Retirement Fund	Public Employees Police and Fire Fund
2026	$ (2,372,043)	$ 4,114,149
2027	(5,888,800)	(3,229,393)
2028	(4,014,466)	(7,576,021)
2029	(2,174,426)	(312,456)
2030	-	293,477
Total	$ (14,449,735)	$ (6,710,244)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	2025	
	General Employees Retirement Fund	Public Employees Police and Fire Fund
Inflation	2.25%	2.25%
Salary increases (including inflation)	3.00%	3.00%
Investment rate of return (net of investment expenses)	7.00%	7.00%
Mortality rates	Pub-2010 Mortality Table with MP-2021 projection scale	Pub-2010 Mortality Table with MP-2021 projection scale

Note 10 - Pension Plans (Continued)

	2024	
	General Employees Retirement Fund	Public Employees Police and Fire Fund
Inflation	2.25%	2.25%
Salary increases (including inflation)	3.00%	3.00%
Investment rate of return (net of investment expenses)	7.00%	7.00%
Mortality rates	Pub-2010 Mortality Table with MP-2021 projection scale	Pub-2010 Mortality Table with MP-2021 projection scale

The actuarial assumptions used in the June 30, 2025 actuarial valuation were based on the results of an actuarial experience study for the period 2018-2022 that was issued on February 29, 2023.

The actuarial assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period 2015-2019 that was issued on July 14, 2020.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

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.

	General Employees Retirement Fund	Public Employees Police and Fire Fund
Assumed investment rate of return	7.00%	7.00%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	No
Discount rate used to measure total pension liability	7.00%	7.00%

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2025 and 2024 measurement dates for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

<u>General Employees Retirement Fund</u>

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30
Fixed income	25.00	0.75
Private markets	25.00	5.90

Note 10 - Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission, calculated using the discount rate, as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2025		
	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability (asset) of the General Employees Retirement Fund - Current discount rate (7.0%)	$ 74,299,996	$ 30,590,693	$ (4,867,386)
Net pension liability (asset) of the Public Employees Police and Fire Fund - Current discount rate (7.0%)	42,832,752	16,347,055	(5,401,880)

The following presents the net pension liability of the Commission, calculated using the discount rate, as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024		
	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the General Employees Retirement Fund - Current discount rate (7%)	$ 73,544,258	$ 33,671,628	$ 872,756
Net pension liability (asset) of the Public Employees Police and Fire Fund - Current discount rate (7%)	44,835,480	18,972,397	(2,266,606)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The following changes in assumptions were made in the June 30, 2025 valuation:

<u>GERF</u>

The combined service annuity loading factors were changed from 15 percent to 19 percent for vested terminated members and from 3 percent to 44 percent for nonvested terminated members.

The postretirement benefit increase assumption changed from 1.25 percent to 1.50 percent.

<u>PEPFF</u>

Assumed rates of salary increases were reduced slightly.

Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (normal) retirements and an overall increase in reduced (early) retirements.

Assumed rates of withdrawal were modified; the new rates result in an increase in predicted terminations for both males and females.

Note 10 - Pension Plans (Continued)

Assumed rates of disabled retirement were significantly increased, especially for ages over 30.

Continued use of Pub-2010 Public Safety mortality tables, with rates adjusted to better fit observed experience.

Lowered percent married assumption for female retirees from 70 percent to 65 percent.

Minor changes to form of payment assumptions for retirees.

Minor changes to assumptions related to missing participant data.

These changes were noted to have no impact on the audit response.

Note 11 - Other Postemployment Benefit Plan

Plan Description

The Commission provides other postemployment benefits (OPEB) for all employees who meet certain eligibility requirements. The benefits are provided through the Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the Commission.

The financial statements of the OPEB Plan are included in these financial statements as an other employee benefit trust fund (a fiduciary fund).

The OPEB trust is administered by a board of trustees appointed by the Commission. Benefit provisions are contained in the plan document and were established and can be amended by action of the Commission.

Benefits Provided

The OPEB Plan provides medical benefits to eligible retirees and their dependents. Benefits are provided under a single employer, self-insured plan. The benefits provided to retirees and their dependents is determined by the employees' hire dates with the Commission. All nonunion employees who retire at age 55 or later, have three years of service, or who are receiving benefits from the Public Employees Retirement Association of Minnesota and who do not participate in any other health benefits program providing coverage similar to that herein described are eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the Commission’s health benefits program. Union employees require 10 years of service to be eligible for benefits.

The OPEB Plan does not include any terms for automatic or ad hoc postemployment benefit changes, including COLAs or the sharing of benefit-related costs with inactive employees.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2024	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	270	271
Active plan members electing medical coverage	693	663
Active plan members waiving medical coverage	51	41
Total plan members	1,014	975

Note 11 - Other Postemployment Benefit Plan (Continued)

Contributions

Retiree health care costs are paid by the Commission on a pay-as-you-go basis. The Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment. For employees hired prior to January 1, 1991, the Commission makes contributions (as specified in union agreements or the Commission's personnel policy) toward required premiums at the same percentages applicable to active employees and their eligible dependent(s) until becoming eligible for Medicare Part A or B, or both. The Commission pays 100 percent of the premium for the retired employee, a spouse over age 65, and any legal dependents provided that the retired employee is receiving benefits from PERA and is enrolled in Medicare Part A and B as his/her primary health insurance. As of January 1, 1991, all employees hired by the Commission are only able to participate in the Commission's medical plan up to age 65. During 2004, the Commission approved that nonorganized employees hired after October 1, 2004 will be able to participate in the Commission's medical plan provided that the retirees pay 100 percent of the total premium cost plus a 2 percent administrative fee. During 2006 and 2007, the Commission was successful in getting language in all eligible labor agreements that provides that organized employees hired after the date of the signed contract will be able to participate in the Commission's health plan provided that the retirees pay 100 percent of the total premium cost plus a 2 percent administrative fee.

For the fiscal years ended December 31, 2025 and 2024, the Commission made a payment (received reimbursement) for postemployment health benefit premiums of $0 and $(382,675), respectively. The 2025 and 2024 benefit payments include $5,204,566 and $3,700,502, respectively, paid from the Commission's other assets. Retirees contributed approximately $402,980 and $354,545 for fiscal years 2025 and 2024, respectively. Included in the OPEB trust's contributions is a (payable to) receivable from the Commission of $(1,489,166) and $1,794,400 as of December 31, 2025 and 2024, respectively.

Net OPEB Asset

The Commission has chosen to use the December 31 measurement date as its measurement date for the net OPEB asset. The December 31, 2025 and 2024 net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2025 and 2024 measurement dates. The December 31, 2025 and 2024 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2024 and 2023, respectively.

Changes in the net OPEB asset during the measurement year were as follows:

	Increase (Decrease)		
Changes in Net OPEB Asset	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at January 1, 2025	$ 61,484,501	$ 75,356,158	$ (13,871,657)
Changes for the year:			
Service cost	583,526	-	583,526
Interest	2,824,623	-	2,824,623
Differences between expected and actual experience	7,495,650	-	7,495,650
Changes in assumptions	1,899,066	-	1,899,066
Net investment income	-	5,497,624	(5,497,624)
Benefit payments - Including refunds	(5,204,566)	(5,204,566)	-
Net changes	7,598,299	293,058	7,305,241
Balance at December 31, 2025	$ 69,082,800	$ 75,649,216	$ (6,566,416)

The plan's fiduciary net position represents 109.5 percent of the total OPEB liability.

Note 11 - Other Postemployment Benefit Plan (Continued)

Changes in the net OPEB asset during the prior measurement year were as follows:

	Increase (Decrease)		
Changes in Net OPEB Asset	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at January 1, 2024	$ 51,478,583	$ 77,680,349	$ (26,201,766)
Changes for the year:			
Service cost	489,782	-	489,782
Interest	2,380,610	-	2,380,610
Differences between expected and actual experience	6,152,365	-	6,152,365
Changes in assumptions	4,683,662	-	4,683,662
Contributions - Employer	-	(382,675)	382,675
Net investment income	-	1,758,985	(1,758,985)
Benefit payments - Including refunds	(3,700,501)	(3,700,501)	-
Net changes	10,005,918	(2,324,191)	12,330,109
Balance at December 31, 2024	$ 61,484,501	$ 75,356,158	$ (13,871,657)

The plan's fiduciary net position represents 122.6 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2025 and 2024, the Commission recognized OPEB recovery of $(693,652) and $(5,716,840), respectively.

At December 31, 2025 and 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8,576,436	$ 1,002,216	$ 4,629,502	$ 7,602,614
Changes in assumptions	3,750,823	1,138,901	3,550,391	2,709,964
Net difference between projected and actual earnings on OPEB plan investments	1,061,292	-	5,381,226	-
Total	$ 13,388,551	$ 2,141,117	$ 13,561,119	$ 10,312,578

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (recovery) expense as follows:

Years Ending December 31	Amount
2026	$ 4,729,025
2027	5,021,384
2028	1,883,838
2029	(386,809)
Total	$ 11,247,438

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The investment rate of return was assumed to be 5.00 percent, net of OPEB plan investment expense, including inflation.

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

	2025	2024
Inflation	2.50%	2.50%
Salary increases	3.25%	3.25%
Investment rate of return	5.00%	4.75%
Health care cost trend rate	9.0% in fiscal year 2025 decreasing annually to 3.9% in fiscal year 2075 and later	8.6% in fiscal year 2024 decreasing annually to 3.9% in fiscal year 2075 and later

Discount Rate

The discount rate used to measure the total OPEB liability was 5.00 and 4.75 percent for the years ended December 31, 2025 and 2024. 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 Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB 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 OPEB 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2025 and 2024 measurement date for each major asset class included in the OPEB Plan's target asset allocation, as disclosed in the investment footnote, is summarized in the following table:

	2025	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	98.32 %	2.70 %
Cash or cash equivalents	1.68	1.19

	2024	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	99.30 %	2.30 %
Cash or cash equivalents	0.70	0.77

Note 11 - Other Postemployment Benefit Plan (Continued)

Rate of Return

For the years ended December 31, 2025 and 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.33 and 2.26 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Commission, calculated using the discount rate of 5.00 and 4.75 percent, as well as what the Commission's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2025		
	1 Percentage Point Decrease (4.00%)	Current Discount Rate (5.00%)	1 Percentage Point Increase (6.00%)
Net OPEB asset	$ (6,694)	$ (6,566,416)	$ (12,245,909)

	2024		
	1 Percentage Point Decrease (3.75%)	Current Discount Rate (4.75%)	1 Percentage Point Increase (5.75%)
Net OPEB asset	$ (7,613,907)	$ (13,871,657)	$ (19,238,640)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB asset of the Commission, calculated using the health care cost trend rates of 9.0 percent decreasing to 3.9 percent and 8.6 percent decreasing to 3.9 percent at December 31, 2025 and 2024, respectively, as well as what the Commission's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2025		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB (asset) liability	$ (13,020,938)	$ (6,566,416)	$ 871,460

	2024		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB liability (asset)	$ 19,860,549	$ (13,871,657)	$ (6,923,117)

Note 11 - Other Postemployment Benefit Plan (Continued)

Assumption Changes

During the year ended December 31, 2025, the discount rate was changed from 4.75 percent to 5.00 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections. Health care trend rates increased from 8.6 percent to 9.0 percent. Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2023 PERA General Employees Plan valuation to the rates used in the 2024 experience study. The percent of future non-Medicare-eligible retirees electing each medical plan changed to reflect recent plan experience. The percent of future non-Medicare-eligible retirees electing each medical plan changed from 65 percent to 60 percent for the Blue Plan and 0 percent to 5 percent for the HV HSA Plan. The High Val Blue Plan did not change from 0 percent, and the HSA Plan did not change from 35 percent.

During the year ended December 31, 2024, health care trend rates increased from 7.6 percent to 8.6 percent. Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2023 PERA General Employees Plan valuation to the rates used in the 2023 experience study. The percent of future non-Medicare-eligible retirees electing each medical plan changed from 80 percent to 65 percent for the Blue Plan and 20 percent to 35 percent for the HSA Plan. The High Val Blue Plan and High Val HSA Plan changed from N/A to 0 percent.

Note 12 - Derivatives

The Commission is a party to debt service reserve forward delivery agreements (the "Forward Delivery Agreements"). The Forward Delivery Agreements require the counterparty financial institutions to deposit securities in certain of the Commission’s debt service reserve trust accounts and provide the Commission with a guaranteed rate of return for these accounts. The securities that are deposited into these accounts are timed to meet scheduled debt service reserve funding requirements.

Eligible securities under the Forward Delivery Agreements are generally limited to (a) noncallable obligations of the United States of America, including obligations issued or held in bookentry form on the books of the Department of the Treasury, and (b) bonds, notes, debentures, obligations, or other evidence of indebtedness issued or guaranteed by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation.

The Forward Delivery Agreements allow the Commission to earn a guaranteed fixed rate of return over the life of the investments. These agreements are utilized by the Commission to earn a rate of return in excess of a rate that would otherwise be feasible by investing in securities with a shorter term.

As of the statement of net position date, the derivative instrument agreements can be summarized as follows:

	Maturity/Expiration Date	Scheduled Amount	Guaranteed Rate	Fair Value at December 31, 2025	Fair Value at December 31, 2024
Series 2014 Debt Service Reserve Funds	1/1/2035	$ 21,181,822	4.6775	$ 1,253,023	$ 630,376

The forward contracts are subject to the following risks:

Credit Risk

The Commission is exposed to credit risk on hedging derivative instruments that are in asset positions. Under the terms of the derivative instrument agreements, the Commission is either holding cash or an approved security within certain debt service reserve funds. None of the principal amount of an investment under the derivative instrument agreements is at risk to the credit of the counterparty. Should the counterparty default, the Commission’s maximum exposure is the positive termination value, if any, related to these agreements.

Note 12 - Derivatives (Continued)

Interest Rate Risk

The Commission is exposed to interest rate risk on its forward delivery agreements. The fair values of the derivative instruments are expected to fluctuate over the life of the agreements in response to changes in interest rates. The Commission does not have a formally adopted policy related for interest rate risk on the derivative instruments.

Termination Risk

The Commission or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. In addition, the Commission is exposed to termination risk if the derivative instrument has a negative fair value at the time of termination, as the Commission would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination.

Note 13 - Major Customer

Delta Airlines, Inc. (Delta) is in the business of transporting air passengers, mail, and property. Delta operates both domestic and international air route systems. Minneapolis/St. Paul International Airport (MSP) is one of Delta's major hubs. Airport revenue from Delta accounts for approximately 25 percent of operating revenue and 67 percent of total revenue from major airlines for the years ended December 31, 2025 and 2024. Approximately 58 and 57 percent of total 2025 and 2024 enplanements, respectively, are attributable to Delta's operation. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities. Therefore, it is reasonable to assume that any financial or operational difficulties incurred by Delta, the predominant airline servicing MSP, could have a material adverse effect on the Commission.

Note 14 - Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Commission has purchased commercial insurance for property loss and tort claims, which carries a deductible of $50,000. The Commission is self-insured for workers' compensation and health/dental claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Casualty loss involving damage to or destruction of physical property in the course of construction is covered under the Commission's property insurance policy. This policy does not apply to the Commission's contractors. This policy contains a deductible of $250,000 per occurrence applicable to all covered causes of loss, including flood and earth movement.

The Commission requires entities providing professional services to the Commission to obtain an owner's protective professional indemnity policy. Contracted professional service firms participating in this project are required to provide evidence of at least $1,000,000 of coverage and name the Commission as an additional insured on the general liability policy, leaving the Commission minimally exposed.

The Commission estimates the liability for claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. Changes in estimated claims liabilities for the past two fiscal years were as follows:

	2025	2024
Estimated liability - Beginning of year	$ 2,093,017	$ 2,120,118
Estimated claims incurred, including changes in estimates	17,766,467	14,327,150
Claim payments	(17,230,208)	(14,354,251)
Estimated liability - End of year	$ 2,629,276	$ 2,093,017

Note 15 - Contingent Liabilities

Noise Abatement

On October 19, 2007, the Minnesota State District Court, Fourth Judicial District (the "District Court") approved a consent decree negotiated by the City of Minneapolis, Minnesota; the Minneapolis Public Housing Authority in and for the City of Minneapolis; the City of Eagan, Minnesota; and the City of Richfield, Minnesota (collectively, the “Noise Plaintiffs”) and the Commission to settle noise abatement lawsuits (the "Consent Decree").

Under the Consent Decree, the Commission must provide noise mitigation to homes and apartments in the 60 to 64 Day-Night Average Sound Level (DNL) contours. Noise mitigation activities vary based on noise contours, with homes in the most noise-impacted contours eligible for more extensive mitigation than those in less impacted areas. Multifamily dwellings (those with more than three living units) receive less extensive mitigation than single-family homes. The total cost to the Commission under this program was $104,000,000 and $103,000,000 as of December 31, 2025 and 2024, respectively. All the original program terms under the Consent Decree were completed by the Commission in 2014.

The Consent Decree was amended in 2013 by establishing criteria to provide noise mitigation to homes and apartments through December 31, 2024. It is expected that some additional homes will become eligible for noise mitigation based upon changes in the DNL contours. Also, some homes will move into a higher DNL contour. A home will become eligible for consent decree noise mitigation if it is located or changes DNL contour levels for three consecutive years. The noise mitigation provided to the home or apartment will be consistent with the terms and levels of the original consent decree. The total cost to the Commission under the amended program was approximately $40,105,000 and $39,455,000 as of December 31, 2025 and 2024, respectively.

In January 2017, a second amendment to the Consent Decree was adopted (the "Second Amendment"). The Second Amendment did not have a financial impact on the parties. It adopted the FAA's new measurement model and clarified the definition of "opt-out." On April 18, 2022, the District Court approved a third amendment to the Consent Decree (the "Third Amendment"). Recognizing that the DNL contours could change in the future, the Commission and the Noise Plaintiffs extended the relief provided in the 2013 the amendment (the "First Amendment") to future affected homes. The Third Amendment's eligibility is for homes that meet the criteria from January 1, 2022 until December 31, 2032.

The costs related to the noise abatement settlements will be funded from internally generated funds of the Commission.

The Commission is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Commission believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Required Supplementary Information

Required Supplementary Information
Schedule of the Commission's Proportionate Share of the Net Pension Liability
General Employees Retirement Fund (GERF)

Last Ten Plan Years

Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability	0.92310 %	0.91080 %	0.93050 %	0.85160 %	0.85550 %	0.88370 %	0.99410 %	0.89750 %	0.88190 %	1.00830 %
Commission's proportionate share of the net pension liability	$ 30,590,693	$ 33,671,628	$ 52,032,517	$ 67,477,000	$ 36,533,683	$ 52,981,854	$ 54,961,562	$ 49,789,620	$ 56,299,914	$ 81,868,959
Commission's covered payroll	$ 79,252,400	$ 71,028,054	$ 63,653,054	$ 57,520,293	$ 51,067,631	$ 46,915,500	$ 45,885,000	$ 43,016,000	$ 40,181,000	$ 38,139,000
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	38.60 %	47.41 %	81.74 %	112.95 %	66.06 %	113.13 %	116.95 %	111.20 %	136.45 %	209.37 %
Plan fiduciary net position as a percentage of total pension liability	90.80 %	89.10 %	83.10 %	76.67 %	87.00 %	79.06 %	80.23 %	79.53 %	75.90 %	68.91 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of the Commission's Proportionate Share of the Net Pension Liability
Public Employees Police and Fire Fund (PEPFF)

Last Ten Plan Years

Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability	1.39520 %	1.44210 %	1.34600 %	1.22900 %	1.23910 %	1.28270 %	1.37040 %	1.03590 %	1.22000 %	1.24300 %
Commission's proportionate share of the net pension liability	$ 16,347,055	$ 18,972,397	$ 23,243,670	$ 53,481,225	$ 9,564,537	$ 16,907,357	$ 14,589,292	$ 11,041,627	$ 16,471,452	$ 49,883,753
Commission's covered payroll	$ 21,444,493	$ 19,929,209	$ 17,160,045	$ 14,843,991	$ 14,306,092	$ 14,597,500	$ 14,355,500	$ 13,384,500	$ 12,497,000	$ 12,012,000
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	76.23 %	95.20 %	135.45 %	343.89 %	67.66 %	116.80 %	99.12 %	78.91 %	128.91 %	408.31 %
Plan fiduciary net position as a percentage of total pension liability	91.80 %	90.17 %	86.47 %	70.53 %	93.66 %	87.19 %	89.26 %	88.84 %	85.43 %	63.88 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
General Employees Retirement Fund (GERF)

Last Ten Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 6,670,606	$ 6,051,406	$ 5,092,656	$ 5,092,656	$ 4,228,182	$ 4,702,000	$ 4,228,000	$ 5,096,000	$ 4,198,000	$ 4,085,000
Contributions in relation to the statutorily required contribution	6,670,606	6,051,406	5,601,441	5,092,656	4,631,034	4,702,000	4,228,000	5,096,000	4,198,000	4,085,000
Contribution Excess	**$ -**	**$ -**	**$ 508,785**	**$ -**	**$ 402,852**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 84,015,477	$ 74,489,323	$ 67,566,785	$ 59,739,323	$ 55,301,262	$ 46,834,000	$ 46,997,000	$ 44,773,000	$ 41,259,000	$ 39,103,000
Contributions as a Percentage of Covered Payroll	7.94 %	8.12 %	8.29 %	8.52 %	8.37 %	10.04 %	9.00 %	11.38 %	10.17 %	10.45 %

Notes to Schedule

Benefit changes: None

Changes in assumptions:
- The combined service annuity loading factors were changed from 15 percent to 19 percent for vested terminated members and from 3 percent to 44 percent from nonvested terminated members.
- The postretirement benefit increase assumption changed from 1.25 percent to 1.50 percent.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Public Employees Police and Fire Fund (PEPFF)

Last Ten Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 3,858,398	$ 3,732,953	$ 3,321,988	$ 2,752,668	$ 2,586,994	$ 2,557,000	$ 2,493,000	$ 2,307,000	$ 2,040,000	$ 2,055,000
Contributions in relation to the statutorily required contribution	3,858,398	3,732,953	3,321,988	2,752,668	2,586,994	2,557,000	2,493,000	2,307,000	2,040,000	2,055,000
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 21,798,858	$ 21,090,127	$ 18,768,291	$ 15,551,799	$ 14,136,183	$ 14,476,000	$ 14,719,000	$ 13,992,000	$ 12,777,000	$ 12,217,000
Contributions as a Percentage of Covered Payroll	17.70 %	17.70 %	17.70 %	17.70 %	18.30 %	17.66 %	16.94 %	16.49 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes in assumptions:
- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (normal) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates result in an increase in predicted terminations for males and females, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety mortality table with rates adjusted to better fit observed experience
- Lower percent married assumption for female retirees from 70 percent to 65 percent
- Minor changes to form of payment assumptions for retirees
- Minor changes to assumptions made with respect to missing participant data

Required Supplementary Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 583,526	$ 489,782	$ 647,108	$ 715,900	$ 924,031	$ 863,754	$ 926,495	$ 1,025,505
Interest	2,824,623	2,380,610	1,960,439	2,343,443	3,104,777	3,418,149	3,623,691	3,243,547
Differences between expected and actual experience	7,495,650	6,152,365	(356,423)	(20,241,454)	(18,897,378)	1,035,365	(4,090,803)	-
Changes in assumptions	1,899,066	4,683,662	(4,463,209)	(1,824,263)	293,246	7,312,606	(2,363,947)	(7,893,005)
Benefit payments - Including refunds	(5,204,566)	(3,700,501)	(3,349,556)	(2,704,551)	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Net Change in Total OPEB Liability	7,598,299	10,005,918	(5,561,641)	(21,710,925)	(17,137,502)	9,967,488	(5,584,653)	(7,298,131)
Total OPEB Liability - Beginning of year	61,484,501	51,478,583	57,040,224	78,751,149	95,888,651	85,921,163	91,505,816	98,803,947
Total OPEB Liability - End of year	**$ 69,082,800**	**$ 61,484,501**	**$ 51,478,583**	**$ 57,040,224**	**$ 78,751,149**	**$ 95,888,651**	**$ 85,921,163**	**$ 91,505,816**
Plan Fiduciary Net Position								
Contributions - Employer	$ -	$ (382,675)	$ 1,885,766	$ 4,604,496	$ 5,486,767	$ 6,082,255	$ 5,484,744	$ 69,847,458
Net investment income (loss)	5,497,624	1,758,985	3,637,107	(6,829,775)	(1,065,628)	3,642,614	3,557,625	(21,266)
Benefit payments - Including refunds	(5,204,566)	(3,700,501)	(3,349,556)	(2,704,551)	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Other	-	-	-	-	-	1,124	-	-
Net Change in Plan Fiduciary Net Position	293,058	(2,324,191)	2,173,317	(4,929,830)	1,858,961	7,063,607	5,362,280	66,152,014
Plan Fiduciary Net Position - Beginning of year	75,356,158	77,680,349	75,507,032	80,436,862	78,577,901	71,514,294	66,152,014	-
Plan Fiduciary Net Position - End of year	**$ 75,649,216**	**$ 75,356,158**	**$ 77,680,349**	**$ 75,507,032**	**$ 80,436,862**	**$ 78,577,901**	**$ 71,514,294**	**$ 66,152,014**
Net OPEB (Asset) Liability - Ending	**$ (6,566,416)**	**$ (13,871,657)**	**$ (26,201,766)**	**$ (18,466,808)**	**$ (1,685,713)**	**$ 17,310,750**	**$ 14,406,869**	**$ 25,353,802**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	109.51 %	122.56 %	150.90 %	132.38 %	102.14 %	81.95 %	83.23 %	72.29 %
Covered-employee Payroll	$ 95,137,898	$ 87,331,599	$ 74,255,306	$ 61,234,684	$ 61,228,798	$ 62,889,670	$ 59,997,546	$ 57,209,960
Net OPEB (Asset) Liability as a Percentage of Covered-employee Payroll	(6.90)%	(15.88)%	(35.29)%	(30.16)%	(2.75)%	27.53 %	24.01 %	44.32 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions

Last Eight Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ -	$ -	$ 513,048	$ 737,377	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	(382,675)	1,885,766	5,484,744	5,484,744	5,484,744	5,484,744	69,847,458
Contribution (Deficiency) Excess	**$ -**	**$ (382,675)**	**$ 1,372,718**	**$ 4,747,367**	**$ 5,484,744**	**$ 5,484,744**	**$ 5,484,744**	**$ 69,847,458**
Covered-employee Payroll	$ 95,137,898	$ 87,331,599	$ 74,255,306	$ 61,234,684	$ 61,228,798	$ 62,889,670	$ 59,997,546	$ 57,209,960
Contributions as a Percentage of Covered-employee Payroll	- %	(0.44)%	2.54 %	8.96 %	8.96 %	8.72 %	9.14 %	122.09 %

Note: 10 years of information is required to be disclosed and will be added as the information becomes available.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date — Actuarially determined contribution rates for the year ended December 31, 2025 are calculated as of December 31, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method — Liabilities are based on the entry age normal level percent of pay cost method. In this method, the actuarial present value of benefits (PVB) for each individual is allocated as a level percent of pay from entry age (hire age, for most employees) to the last age with any future benefits. The portion of the PVB allocated to the valuation year is called the normal cost (NC). The portion of the PVB allocated to past years is called the actuarial accrued liability (AAL) or the total OPEB liability (TOL).

Amortization method — Investment gains and losses:
Each year's gain or loss is straight-line amortized over 5 years, if applicable.

Effects of assumption changes and experience gains and losses: Each change is straight-line amortized over a period equal to the average of the expected remaining service lives of all members (i.e., active employees and terminated/retired members) that are provided with OPEB through the plan.

Actuarially determined contribution (ADC) calculations: As of the December 31, 2025 measurement date, the Commission has a funding surplus. The surplus has been amortized as a level dollar amount over an open 20-year period.

Inflation — 2.50 percent
Health care cost trend rates — 9.0 percent for FY 2025, gradually decreasing over several decades to an ultimate rate of 3.9 percent in FY 2075 and later years
Salary increase — 3.25 percent
Investment rate of return — 5.00 percent
Mortality — General employees:
From the July 1, 2024 PERA of Minnesota General Employees Retirement Plan actuarial valuation, mortality rates were based on the Pub-2010 General Mortality Tables with projected mortality improvements based on scale MP-2021 and other adjustments.

Police and Fire:From the July 1, 2024 PERA of Minnesota Public Employees Police and Fire Plan actuarial valuation, mortality rates were based on the Pub-2010 Public Safety Mortality Tables with projected mortality improvements based on scale MP-2021 and other adjustments.

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Eight Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	7.33 %	2.26 %	4.82 %	(8.49)%	(1.32)%	5.04 %	5.31 %	(1.56)%

Note: 10 years of information is required to be disclosed and will be added as the information becomes available.

Pension Information

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of each June 30 and apply to the fiscal year beginning on the day after the measurement date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	GERF: 24 years PEPFF: 24 years
Asset valuation method	Five-year smoothed fair value
Inflation	GERF: 2.25 percent PEPFF: 2.25 percent
Salary increase	GERF: 3.00 percent to 11.50 percent including inflation PEPFF: 3.00 percent to 11.75 percent including inflation
Investment rate of return	7.00 percent
Retirement age	GERF: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2024 valuation pursuant to an experience study of the period 2019 - 2023. PEPFF: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2015 - 2019.
Mortality	GERF: Pub-2010 General annuitant generational mortality tables, projected with scale MP-2021 from a base year of 2010. Postretirement male rates are multiplied by a factor of 1.09, preretirement female rates are multiplied by a factor of 0.94. Disabled rates are multiplied by a factor of 1.12 and 1.23 for male and females, respectively. PEPFF: Pub-2010 Public Safety Mortality Tables projected with mortality improvement scale MP-2021, from a base year of 2010. Male retiree rates adjusted by a factor of 0.98.
Other information	GERF: The plan is assumed to pay a 1.25 percent postretirement benefit increase for all future years. PEPFF: The plan is assumed to pay a 1.00 percent postretirement benefit increase for all future years.

Benefit Changes

There were no changes of benefit terms in the years disclosed.

Changes in Assumptions

There were no changes of benefit assumptions in the years disclosed other than those noted below.

General Employees Retirement Fund

The following changes in assumptions were made in the June 30, 2025 valuation:

- The combined service annuity loading factors were changed from 15 percent to 19 percent for vested terminated members and from 3 percent to 44 percent for nonvested terminated members.
- The postretirement benefit increase assumption changed from 1.25 percent to 1.50 percent.

The following changes in assumptions were made in the June 30, 2024 valuation:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members
- Minor increase in assumed withdrawals for males and females
- Lower rates of disability
- Continued use of Pub-2010 General Mortality Table with slight rate adjustments recommended in the most recent experience study
- Minor changes to form of payment assumptions for male and female retirees
- Minor changes to assumptions made with respect to missing participant data

The following changes in assumptions were made in the June 30, 2023 valuation

- The investment return and single discount rates were changed from 6.50 percent to 7.00 percent.

The following changes in assumptions were made in the June 30, 2022 valuation:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

The following changes in assumptions were made in the June 30, 2021 valuation:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Public Employees Police and Fire Fund

The following changes in assumptions were made in the June 30, 2025 valuation:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (normal) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates result in an increase in predicted terminations for both males and females.
- Assumed rates of disabled retirement were significantly increased, especially for ages over 30.

- Continued use of Pub-2010 Public Safety mortality tables, with rates adjusted to better fit observed experience.
- Lowered percent married assumption for female retirees from 70 percent to 65 percent.
- Minor changes to form of payment assumptions for retirees.
- Minor changes to assumptions related to missing participant data.
- These changes were noted to have no impact on the audit response.

The following changes in assumptions were made in the June 30, 2023 valuation:

- The single discount rate for the PEPFF plan was changed from 5.40 percent to 7.00 percent.
- The investment return rate was changed from 6.50 percent to 7.00 percent.

The following changes in assumptions were made in the June 30, 2022 valuation:

- The single discount rate for the PEPFF plan was changed from 6.50 percent to 5.40 percent.
- The mortality improvement scale was changed from MP-2020 to MP-2021.

The following changes in assumptions were made in the June 30, 2021 valuation:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table.
- The mortality improvement scale was changed from MP-2019 to MP-2020.
- Assumed rates of salary increases and rates of retirement were modified as recommended in the July 14, 2020 experience study.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49.
- Assumed percentage married for active female members was changed from 60 percent to 70 percent.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population in the years disclosed.

OPEB Information

Benefit Changes

There were no changes of benefit terms in the years disclosed.

Changes in Assumptions

There were no changes of benefit assumptions in the years disclosed other than those noted below.

The following changes in assumptions were made in the December 31, 2025 valuation:

- The discount rate was changed from 4.75 percent to 5.00 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.
- The long-term investment return assumption was changed from 4.75 percent to 5.00 percent based on updated capital market assumptions.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, disability, and salary increase rates were updated from the rates used in the July 1, 2023 PERA Police and Fire Plan valuation to the rates used in the 2024 experience study.
- The percent of future non-Medicare-eligible retirees electing each medical plan changed to reflect recent plan experience. The following table provides the changes for the assumed percent electing each plan:
    - Blue Plan: 60 percent in 2025 from 65 percent in 2024
    - High Val Blue Plan: 0 percent in 2025 from 0 percent in 2024
    - HSA Plan: 35 percent in 2025 from 35 percent in 2024
    - High Val HSA Plan: 5 percent in 2025 from 0 percent in 2024

The following changes in assumptions were made in the December 31, 2024 valuation:

- Health care trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2023 PERA General Employees Plan valuation to the rates used in the 2023 experience study.
- The percentage of future non-Medicare-eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings. The changes for the assumed percentage electing each plan are as follows:
    - Blue Plan: 65 percent in 2024 from 80 percent in 2023
    - High Val Blue Plan: 0 percent in 2024 from N/A in 2023
    - HSA Plan: 35 percent in 2024 from 20 percent in 2023
    - High Val HSA Plan: 0 percent in 2024 from N/A in 2023

The following changes in assumptions were made in the December 31, 2023 valuation:

- The discount rate was changed from 3.50 percent to 4.75 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.
- The long-term investment return assumption was changed from 3.50 percent to 4.75 percent based on updated capital market assumptions.

- Health care cost trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.

The following changes in assumptions were made in the December 31, 2022 valuation:

- The discount rate was changed from 3.00 percent to 3.50 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.
- The long-term investment return assumption was changed from 3.00 percent to 3.50 percent based on updated capital market assumptions.
- Health care cost trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the rates used in the July 1, 2021 PERA General Employees Plan and July 1, 2021 PERA Police and Fire Plan valuations to the rates used in the July 1, 2022 valuations.
- The percentage of future non-Medicare-eligible retirees electing each medical plan changed to reflect recent plan experience. The changes for the assumed percentage electing the Medical Blue Plan changed from 90 percent on the fiscal 2021 valuation to 80 percent on the fiscal 2022 valuation. The change for the assumed percentage electing the Medical HSA Plan changed from 10 percent on the fiscal 2021 valuation to 20 percent on the fiscal 2022 valuation.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.00 percent to 3.25 percent.

The following changes in assumptions were made in the December 31, 2021 valuation:

- The discount rate was changed from 3.25 percent to 3.00 percent based on updated investment return assumptions, 20-year municipal bond rates, and updated asset sufficiency projections.
- The long-term investment return assumption was changed from 3.25 percent to 3.00 percent based on updated capital market assumptions.
- Health care cost trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan and July 1, 2020 Police and Fire Plan valuations to the rates used in the July 1, 2021 valuations.

The following changes in assumptions were made in the December 31, 2020 valuation:

- The discount rate and long-term expected rate of return on OPEB plan investments was changed from 4.00 percent to 3.25 percent based on updated capital market assumptions.
- Health care cost trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2019 PERA General Employees Plan and July 1, 2019 Police and Fire Plan valuations to the rates used in the July 1, 2020 valuations.

- The percentage of future retirees assumed to elect spouse coverage at retirement changed from 50 percent to 60 percent to reflect recent plan experience.
- The percentage of future retirees over age 65 electing each medical plan changed to reflect recent plan experience. The changes for the assumed percentage electing the Medical Blue Plan changed from 90 percent on the fiscal 2019 valuation to 100 percent on the fiscal 2020 valuation. The change for the assumed percentage electing the Medical HSA Plan changed from 10 percent on the fiscal 2019 valuation to 0 percent on the fiscal 2020 valuation.
- The inflation assumption was changed from 2.50 percent to 2.25 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent based on the July 1, 2020 PERA valuations.

Statistical Section

Statistical Section

This part of the Commission's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the Commission's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time (schedules on pages 78 – 81)

Revenue Capacity

These schedules contain information to help the reader assess the Commission's most significant revenue sources (schedules on pages 82 – 89)

Debt Capacity

These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and its ability to issue additional debt in the future (schedules on pages 90 – 93)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place (schedules on pages 94 – 99)

Operating Information

These schedules contain service data to help the reader understand how the information in the Commission's financial report relates to the services it provides and the activities it performs (schedule on pages 100 – 110)

Historical Operating Statements

Last Ten Fiscal Years
December 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues										
Airline rates and charges	$ 112,653	$ 113,056	$ 123,631	$ 131,397	$ 94,259	$ 117,727	$ 125,612	$ 164,074	$ 192,893	$ 214,580
Concessions	160,691	172,476	177,375	191,113	76,636	121,407	164,572	204,288	215,793	226,101
Rentals/fees	48,473	49,970	52,241	54,042	41,471	36,520	40,284	45,565	47,595	48,970
Utilities and other revenues	17,115	18,442	20,011	24,309	15,710	18,485	22,536	25,972	28,320	28,844
Total Operating Revenues	338,932	353,944	373,258	400,861	228,076	294,139	353,004	439,900	484,601	518,496
Operating Expenses										
Personnel	94,425	87,993	86,151	90,845	79,146	75,182	90,775	108,211	114,205	134,274
Administrative	1,723	1,993	2,058	1,753	1,057	1,054	2,275	1,454	1,901	2,098
Professional services	6,217	6,151	6,210	7,123	5,160	5,679	6,919	8,992	11,494	11,360
Utilities	18,816	19,619	19,930	18,847	17,382	19,092	25,590	24,713	22,971	23,994
Operating services	23,389	26,073	28,280	30,950	26,256	25,894	29,191	33,992	37,166	41,351
Maintenance	36,319	36,293	42,576	46,988	39,707	41,862	46,999	58,147	67,310	77,724
Depreciation and amortization	139,226	142,970	147,299	150,549	160,889	178,513	185,124	186,889	196,057	211,395
Other	4,411	5,611	4,531	4,354	4,051	3,665	5,956	5,808	6,599	6,656
Total Operating Expenses	324,526	326,703	337,035	351,409	333,648	350,941	392,826	428,207	457,703	508,852
Operating Income (Loss)	14,406	27,241	36,223	49,452	(105,572)	(56,802)	(39,823)	11,693	26,898	9,643
Nonoperating Revenues (Expenses)										
Investment income	12,634	12,306	19,104	25,463	13,507	3,026	23,550	54,218	72,675	67,613
Federal interest rate subsidies	914	978	940	919	896	862	1,227	389	755	708
Passenger facility charges	72,273	73,390	73,734	77,430	28,669	51,096	60,985	66,821	71,324	68,330
Grants used for operating expenses	-	-	-	-	-	10,241	132	(40)	150	(245)
Customer facility charges	-	-	-	-	-	13,029	17,033	19,343	20,662	20,568
Gain (loss) on disposal of assets	2,029	(6,513)	(3,841)	99	62	98	196	(9,127)	247	464
Other Non operating revenue	-	-	-	-	-	-	-	1,704	(124)	(59)
Interest expense	(62,238)	(48,949)	(42,810)	(53,270)	(49,329)	(47,686)	(50,131)	(58,560)	(70,854)	(82,545)
Flood expense net of insurance recovery	-	-	(365)	(181)	(81)	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	25,612	31,212	46,762	50,460	(6,276)	30,666	52,993	74,748	94,835	74,833
Income (Loss) Before Capital Contributions and Grants	40,018	58,453	82,985	99,912	(111,848)	(26,136)	13,170	86,441	121,733	84,476
Capital Contributions and Grants	4,003	1,427	8,042	9,550	112,244	89,219	84,989	142,899	59,881	95,933
Change in Net Position	44,021	59,880	91,027	109,462	396	63,083	98,159	229,340	181,614	180,409
Net Position, Beginning of Year, As Restated	1,716,774	1,760,795	1,820,675	1,876,773	1,986,235	1,986,631	2,049,714	2,147,873	2,374,227	2,555,841
Changes in Accounting Principle/Prior Period Adjustments [1]	-	-	(34,929)	-	-	-	-	(2,986)	-	-
Net Position - Beginning of Year, As Restated	1,716,774	1,760,795	1,785,746	1,876,773	1,986,235	1,986,631	2,049,714	2,144,887	2,374,227	2,555,841
Net Position, End of Year	**$ 1,760,795**	**$ 1,820,675**	**$ 1,876,773**	**$ 1,986,235**	**$ 1,986,631**	**$ 2,049,714**	**$ 2,147,873**	**$ 2,374,227**	**$ 2,555,841**	**$ 2,736,250**

Notes:

[1] For the years ended December 31, 2016 - 2017, the amounts shown do not reflect the adoption of GASB Statement No. 75

Source: Audited financial statements for the last 10 years

Historical Revenues Pursuant to the Commissions Master Trust Indenture

Last Ten Fiscal Years
December 31

	As of December 31,				As of December 31,					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Airline Rates & Charges										
Landing fees	$ 60,099	$ 62,083	$ 69,000	$ 75,149	$ 45,025	$ 69,258	$ 73,089	$ 93,148	$ 106,383	$ 122,163
Ramp fees	7,408	7,137	8,070	7,304	6,221	5,923	6,655	6,835	8,165	9,242
Terminal 1 building rents	45,170	43,286	45,755	45,937	32,597	38,681	42,134	56,684	68,391	68,664
Other Terminal 1 charges	4,684	5,248	5,822	5,580	4,529	7,085	7,898	7,992	8,986	10,819
Concessions rebate	(15,827)	(17,195)	(18,683)	(18,576)	(6,606)	(14,756)	(18,049)	(20,077)	(21,071)	(20,783)
Terminal 2 Building Rentals	10,813	12,300	13,399	13,890	10,933	11,328	13,661	18,045	20,812	23,051
Apron Fees - Non-Signatory	307	197	268	296	121	209	225	1,446	1,227	1,424
Total Airline Rates & Charges	112,654	113,056	123,631	129,580	92,820	117,728	125,612	164,073	192,893	214,580
Concessions										
Auto parking	91,235	95,231	93,887	103,082	38,528	63,624	100,638	119,634	125,225	134,740
Rental car	19,876	19,410	20,824	20,845	8,671	16,213	21,883	23,312	24,243	23,820
Food and beverage	21,044	23,137	24,241	25,499	9,974	15,953	17,046	29,590	31,479	31,077
Merchandise	8,701	10,170	11,056	11,037	3,623	6,807	7,182	10,342	10,775	10,833
Employee parking	3,653	4,101	4,352	5,047	3,823	3,757	4,545	5,014	5,166	5,241
Other	16,182	20,426	23,015	27,419	13,343	15,054	21,733	16,396	18,905	20,390
Total Concessions Revenue	160,691	172,475	177,375	192,929	77,962	121,408	173,027	204,288	215,793	226,101
Other Revenues										
Utilities	2,105	2,233	2,400	2,406	1,383	2,943	2,131	2,796	2,649	2,946
Other building and land rent	46,480	49,063	50,695	52,360	37,793	26,286	29,236	52,948	55,627	56,561
Other	9,243	9,235	10,771	14,588	9,566	15,543	11,956	22,960	25,489	25,775
Total Other Revenues	57,828	60,531	63,866	69,354	48,742	44,772	43,323	78,704	83,765	85,282
Total MSP Revenue	331,173	346,062	364,872	391,863	219,524	283,908	341,962	447,065	492,451	525,963
Total Reliever Airports	7,759	7,882	8,386	8,997	8,552	10,234	11,048	11,960	12,630	12,977
Total Operating Revenues	338,932	353,944	373,258	400,860	228,076	294,142	353,010	459,025	505,081	538,940
Investment income										
Capital lease interest	3,913	3,741	2,828	2,900	2,839	2,105	2,643	18,419	24,247	25,153
Other [2]	5,413	4,559	8,774	14,411	8,568	854	828	389	755	708
Total Investment Income	9,326	8,300	11,602	17,311	11,407	2,959	3,471	18,808	25,002	25,861
Lease principal payments	4,576	4,654	24,532	2,745	3,168	5,567	2,079	588	747	1,406
Total Revenues [1]	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 302,668	$ 358,560	$ 478,421	$ 530,830	$ 566,207

[1] Total Revenues do not include any PFC's as defined by the master trust indenture.

[2] Interest income on PFC's, Bond Series Construction Funds and Short-Term Funding Advances are not included as defined by the master trust indenture.

Source: Audited financial statements for the last 10 years

Percentage Distribution of Operating Revenues

Last Ten Fiscal Years
December 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Airline Rates & Charges										
Landing fees	17.7%	17.5%	18.5%	18.7%	19.7%	23.5%	20.7%	20.3%	21.1%	22.7%
Ramp fees	2.2%	2.0%	2.2%	1.8%	2.7%	2.0%	1.9%	1.5%	1.6%	1.7%
Terminal 1 building rents	13.3%	12.2%	12.3%	11.5%	14.3%	13.2%	11.9%	12.3%	13.5%	12.7%
Other Terminal 1 charges	1.4%	1.5%	1.6%	1.4%	2.0%	2.4%	2.2%	1.7%	1.8%	2.0%
Concessions rebate	-4.7%	-4.9%	-5.0%	-4.6%	-2.9%	-5.0%	-5.1%	-4.4%	-4.2%	-3.9%
Terminal 2 Building Rentals	3.2%	3.5%	3.6%	3.5%	4.8%	3.9%	3.9%	3.9%	4.1%	4.3%
Apron Fees - Non-Signatory	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.2%	0.3%
Total Airline Rates & Charges	33.2%	31.9%	33.1%	32.3%	40.7%	40.0%	35.6%	35.7%	38.2%	39.8%
Concessions										
Auto parking	26.9%	26.9%	25.2%	25.7%	16.9%	21.6%	28.5%	26.1%	24.8%	25.0%
Rental car	5.9%	5.5%	5.6%	5.2%	3.8%	5.5%	6.2%	5.1%	4.8%	4.4%
Food and beverage	6.2%	6.5%	6.5%	6.4%	4.4%	5.4%	4.8%	6.4%	6.2%	5.8%
Merchandise	2.6%	2.9%	3.0%	2.8%	1.6%	2.3%	2.0%	2.3%	2.1%	2.0%
Employee parking	1.1%	1.2%	1.2%	1.3%	1.7%	1.3%	1.3%	1.1%	1.0%	1.0%
Other	4.8%	5.8%	6.2%	6.8%	5.9%	5.1%	6.2%	3.6%	3.7%	3.8%
Total Concessions Revenue	47.4%	48.7%	47.5%	48.1%	34.2%	41.3%	49.0%	44.5%	42.7%	42.0%
Other Revenues										
Utilities	0.6%	0.6%	0.6%	0.6%	0.6%	1.0%	0.6%	0.6%	0.5%	0.5%
Other building and land rent	13.7%	13.9%	13.6%	13.1%	16.6%	8.9%	8.3%	11.5%	11.0%	10.5%
Other	2.7%	2.6%	2.9%	3.6%	4.2%	5.3%	3.4%	5.0%	5.0%	4.8%
Total Other Revenues	17.1%	17.1%	17.1%	17.3%	21.4%	15.2%	12.3%	17.1%	16.6%	15.8%
Total MSP Revenue	97.7%	97.8%	97.8%	97.8%	96.3%	96.5%	96.9%	97.4%	97.5%	97.6%
Total Reliever Airports	2.3%	2.2%	2.2%	2.2%	3.7%	3.5%	3.1%	2.6%	2.5%	2.4%
Total Operating Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Business Type Activities Net Position

Last Ten Fiscal Years
December 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business Type Activities										
Net investment in capital assets	$ 1,265,771	$ 1,338,558	$ 1,447,104	$ 1,476,160	$ 1,713,428	$ 1,748,232	$ 1,784,765	$ 1,864,680	$ 1,950,673	$ 2,199,483
Restricted	341,266	278,281	302,793	387,696	143,130	114,770	168,587	222,728	305,300	185,704
Unrestricted	153,758	203,836	126,876	122,379	130,073	186,712	194,521	286,819	299,868	351,063
Total Business Type Activities	$ 1,760,795	$ 1,820,675	$ 1,876,773	$ 1,986,235	$ 1,986,631	$ 2,049,714	$ 2,147,873	$ 2,374,227	$ 2,555,841	$ 2,736,250

Source: Audited financial statements for the last 10 years

Delta Airlines Revenue Summary

Last Ten Fiscal Years
December 31

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Delta Revenue as a Percentage of Total Adjusted MAC Operating Revenues										
Total MAC Operating Revenues	$ 338,932	$ 353,944	$ 373,258	$ 400,860	$ 228,076	$ 294,142	$ 353,004	$ 439,853	$ 484,602	$ 518,496
Lease Principal/Interest Payments	8,488	8,394	27,360	5,059	5,617	5,606	3,766	799	999	1,957
Interest Income-MAC Funds [1]	4,915	6,282	12,362	18,150	8,687	618	4,244	32,331	51,544	46,998
Total Adjusted MAC Operating Revenues	352,335	368,620	412,980	424,069	242,380	300,366	361,014	472,983	537,145	567,451
Delta Portion of Operating Revenues	78,793	74,856	81,856	86,475	62,445	79,276	79,621	107,973	127,371	143,383
Delta Portion of Lease Payments	3,789	3,635	22,234	-	-	40	60	60	259	1,218
Total Delta Revenue	82,582	78,491	104,090	86,475	62,445	79,316	79,681	108,033	127,630	144,601
Delta % of Total Adjusted MAC Operating Revenues	23.44%	21.29%	25.20%	20.39%	25.76%	26.41%	22.07%	22.84%	23.76%	25.48%
Delta Revenue as a Percentage of Total Airline Rates & Charges										
Total Airline Rates & Charges Revenue	112,653	113,056	123,631	132,496	97,796	117,728	125,612	164,074	192,893	214,580
Air Carrier Lease Payments	6,519	6,425	25,391	3,090	3,648	3,755	2,995	799	999	1,957
Total Air Carrier Revenue	119,172	119,481	149,022	135,586	101,444	121,483	128,607	164,873	193,892	216,537
Total Delta Revenue	82,582	78,491	104,090	86,475	62,445	79,316	79,681	108,033	127,630	144,601
Delta % of Total Air Carrier Revenue	69.30%	65.69%	69.85%	63.78%	61.56%	65.29%	61.96%	65.52%	65.83%	66.78%

[1] Does not include interest income earned on PFC's, which are not available to pay debt service on Delta obligations.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Minneapolis/St. Paul Metropolitan Airports Commission

Top Ten Revenue Providers

Current and Nine Years Ago
December 31, 2025 (In Thousands)

	2025		2016	
	Rank	Revenue	Rank	Revenue
Company				
Delta Airlines	1	$143,383	1	$78,793
Enterprise Rent A Car [1]	2	20,610	6	9,432
Avis	3	14,837	5	10,491
Hertz	4	12,744	4	13,868
HMS Host	5	9,480	3	15,524
Sun Country Airlines	6	8,955	2	17,223
United Airlines	7	8,376	9	5,213
American Airlines	8	7,405	7	6,020
Southwest Airlines	9	4,165	8	5,582
Delaware North	10	3,717		-
OTG		-	10	5,157

[1] Enterprise Rent A Car owns National Car Rental and Alamo.

Source: Annual Comprehensive Financial Report 2015 and 2024

Air Carrier Market Share - Total Enplaned Passengers

Last Ten Fiscal Years
December 31

2025 Ranking	Air Carrier	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 % of Total
1	Delta	9,321,182	9,787,444	9,885,227	10,470,238	3,444,435	6,282,561	8,531,099	10,107,248	10,578,100	10,149,059	58.11%
2	Sun Country	1,111,020	1,213,114	1,180,832	1,446,895	750,583	1,215,564	1,637,247	1,914,103	2,112,681	1,954,055	11.19%
3	Skywest [3,4,5]	1,653,123	1,853,025	2,395,179	2,386,604	878,472	1,695,711	1,839,022	1,242,412	1,483,467	1,423,736	8.15%
4	Endeavor Air [3]	1,243,837	920,896	730,261	818,608	610,112	871,043	448,558	512,392	512,057	952,229	5.45%
5	Southwest	1,053,554	1,028,051	970,711	905,779	327,232	571,927	668,354	824,052	859,813	751,232	4.30%
6	United	489,262	499,943	455,512	459,746	145,169	303,569	548,401	699,729	664,287	613,377	3.51%
7	American	1,063,249	1,027,450	865,571	870,582	349,390	519,926	528,652	581,772	626,701	610,274	3.49%
8	Alaska Airlines	117,617	111,963	109,104	138,540	47,732	89,287	123,392	134,106	159,351	172,808	0.99%
9	Frontier	163,525	174,796	246,034	251,653	86,796	84,931	90,237	130,761	263,961	167,118	0.96%
10	Republic [4,5]	184,872	233,073	295,947	302,204	111,566	109,067	98,354	82,372	75,493	97,765	0.56%
11	Spirit Airlines	606,511	621,926	579,370	580,940	224,498	240,056	210,920	223,790	165,469	87,828	0.50%
12	WestJet						-	-	29,822	93,233	87,238	0.50%
13	Sky Regional-Air Canada	-	31,948	58,227	59,416	8,452	6,471	51,577	68,724	70,914	56,450	0.32%
14	Envoy [5]	4,790	4,353	-	-	31,884	51,369	39,479	30,192	55,785	55,391	0.32%
15	Mesa [4,5]	105,124	103,591	111,332	87,597	42,855	51,513	43,841	39,402	62,612	55,091	0.32%
16	PSA - American	-	-	-	-	-	11,606	43,378	29,788	40,717	48,508	0.28%
17	Icelandair	39,500	50,398	45,826	41,339	1,047	8,710	28,047	36,299	37,103	37,582	0.22%
18	Air France	-	30,571	26,538	34,725	-	10,425	23,751	-	28,980	31,987	0.18%
19	Lufthansa	-	-	-	-	-	-	-	-	29,246	28,528	0.16%
20	Aer Lingus	-	-	-	22,133	4,594	-	-	-	17,990	25,880	0.15%
21	Allegiant	-		-	-	-	10,310	65,064	60,223	38,406	25,685	0.15%
22	KLM Royal Dutch	-	25,020	37,159	47,058	6,678	7,263	40,372	42,138	30,987	22,810	0.13%
23	Denver Air	-		-	-	-	5,773	9,282	9,845	11,011	9,774	0.06%
24	Other	89,444	69,220	47,913	64,039	4,944	2,957	4,144	1,154	1,325	436	0.00%
	JetBlue	-	-	77,195	112,483	18,417	31,085	85,334	53,594	29,099	-	0.00%
	Condor	-		-	-	-	-	9,033	9,574	9,961	-	0.00%
	Air Wisconsin	-	-	-	-	-	-	-	23,575	6,090	-	0.00%
	Horizon Air	-	6,109	39,776	4,231	5,547	16,112	1,306	-	-	-	0.00%
	ExpressJet [6]	235,633	143,540	34,924	19,633	5,093	-	-	-	-	-	0.00%
	Go Jet [3,4]	50,644	152,931	189,770	56,926	1,383	-	-	-	-	-	0.00%
	Compass[3]	514,828	293,020	-	-	-	-	-	-	-	-	0.00%
	Shuttle America [4]	74,587	8,881	-	-	-	-	-	-	-	-	0.00%
	United Express	38,450	-	-	-	-	-	-	-	-	-	0.00%
		18,160,752	18,391,263	18,382,408	19,181,369	7,106,879	12,197,236	15,168,844	16,887,067	18,064,839	17,464,841	100.00%

[1] The figures may differ from the passenger statistics reported by the Air Carriers to the Airport.
[2] Percentages may not sum to totals due to rounding.
[3] Codeshare with Northwest/Delta. Its decrease was picked up by Northwest Airlines (NWA) and NWA-affiliated carrier, Endeavor Air (formerly Pinnacle Airlines), which commenced its operations at MSP International Airport in July 2001.
[4] Codeshare with United.
[5] Codeshare with US Airways/American or American/formerly American Eagle.
[6] Atlantic Southeast Airlines and ExpressJet Airlines began operating under a single carrier code in 2011.

Source: Department of Transportation, T-3, T-100 and 298C T-1; Minneapolis/St. Paul Metropolitan Airports Commission

Enplaned Passenger Trends

For Years Ended December 31

	Originating		Connecting			
Tax Year	Enplaned Passengers [1]	% of Total	Enplaned Passengers [1]	% of Total	Total	% Change From Previous Year
2016	10,500,930	57.8%	7,659,822	42.2%	18,160,752	2.43%
2017	11,032,337	60.0%	7,352,817	40.0%	18,385,154	1.24%
2018	11,523,760	62.7%	6,858,648	37.3%	18,382,408	-0.01%
2019	12,109,787	63.1%	7,071,582	36.9%	19,181,369	4.35%
2020	4,610,301	64.9%	2,496,578	35.1%	7,106,879	-62.95%
2021	8,142,616	66.8%	4,054,620	33.2%	12,197,236	71.63%
2022	10,456,318	68.9%	4,712,526	31.1%	15,168,844	24.36%
2023	11,491,646	68.0%	5,395,469	32.0%	16,887,115	11.33%
2024	12,438,056	68.9%	5,626,783	31.1%	18,064,839	6.97%
2025	11,920,205	68.3%	5,544,636	31.7%	17,464,841	-3.32%

Average Annual Compound Growth

2016 - 2025	1.28%		-3.18%		-0.39%	

[1] Includes passengers who connected to domestic flights at MSP but were bound for international destinations via other U.S. gateway airports. Includes domestic-to-domestic, domestic-to-international, and international-to-domestic connections.

The above figures may differ from the passenger statistics reported by the airlines to MSP.

Sources: DOT, Schedules T-100 and T-3, DOT, Air Passenger Origin - Destination Survey, reconciled to Schedules T-100 and 298C T-1; Minneapolis/St. Paul Metropolitan Airports Commission

Air Carrier Market Share - Total Cargo Handled (tons)

Last Ten Fiscal Years
December 31

2025 Ranking	Air Carrier	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025% of Total [1]
1	UPS	58,062.6	63,859.9	69,805.2	76,612.4	77,786.3	84,212.9	76,554.3	60,630.5	58,449.3	71,122.6	34.2%
2	Federal Express	99,699.1	101,868.2	101,899.4	91,685.2	97,416.4	99,648.6	90,881.7	77,916.3	66,457.7	56,281.6	27.1%
3	Delta	45,697.3	60,281.5	60,950.3	48,087.2	20,244.4	24,636.0	40,347.7	37,952.8	31,884.1	35,562.2	17.1%
4	Amazon	-	-	7,501.3	14,254.8	13,381.1	32,772.4	34,635.9	32,194.2	27,221.4	31,667.4	15.2%
5	DHL	6,900.0	7,651.0	7,757.1	6,970.3	7,957.8	8,456.1	8,600.7	9,520.6	10,120.1	7,026.6	3.4%
6	Lufthansa	-	-	-	-	-	-	-	-	1,090.5	1,795.0	0.9%
7	Southwest	2,760.7	1,771.8	1,703.5	1,902.3	1,559.5	1,795.6	1,264.2	1,324.8	1,273.8	1,124.7	0.5%
8	Air France	400.7	1,062.6	1,311.0	697.1	-	920.3	1,075.2	-	715.4	1,007.7	0.5%
9	United	2,530.3	1,857.6	997.0	883.0	400.8	690.0	685.6	559.2	346.0	858.7	0.4%
10	KLM Royal Dutch	-	1,958.7	3,126.5	3,337.2	409.2	1,122.3	3,211.7	2,290.4	1,242.3	763.3	0.4%
11	American [3]	1,203.7	1,086.5	878.0	753.4	1,039.8	821.3	597.3	276.7	234.9	292.0	0.1%
12	Alaska Airlines	162.3	394.1	166.7	210.9	179.6	151.6	178.9	212.3	187.8	236.4	0.1%
13	Other	507.2	545.4	676.1	75.0	139.6	3.8	55.6	191.0	105.9	145.3	0.1%
14	Icelandair	298.2	516.2	191.7	159.4	1.3	13.4	31.3	10.1	5.1	14.8	0.0%
15	Aer Lingus	-	-	-	11.6	5.2	-	-	-	1.8	3.1	0.0%
	Mountain Air Cargo	1,103.2	1,095.3	1,052.3	800.0	1,244.9	936.9	886.3	873.0	825.2	-	0.0%
	Condor	-	153.2	399.2	86.3	-	-	303.2	131.1	280.7	-	0.0%
	IFL Group	517.5	291.4	123.2	176.7	318.4	308.2	358.6	351.3	276.8	-	0.0%
	Sun Country	7,340.4	7,940.2	5,196.3	4,774.2	2,024.9	2,274.9	1,794.9	30.9	-	-	0.0%
	Encore Air	-	-	-	598.4	-	-	-	-	-	-	0.0%
	CSA Air	389.2	167.3	18.0	4.8	-	-	-	-	-	-	0.0%
	Suburban Air Freight	542.3	389.7	-	-	-	-	-	-	-	-	0.0%
	US Airways [3]	-	-	-	-	-	-	-	-	-	-	0.0%
	Airborne	-	-	-	-	-	-	-	-	-	-	0.0%
	Frontier	-	-	-	-	-	-	-	-	-	-	0.0%
	Continental [4]	-	-	-	-	-	-	-	-	-	-	0.0%
		228,114.7	252,890.6	263,752.8	252,080.2	224,109.2	258,764.2	261,463.2	224,465.2	200,718.8	207,901.5	100.0%

[1] Percentages may not sum to totals due to rounding.
[2] Continental and United began operating under a single carrier code in 2013.
[3] US Airways and American began operating under a single carrier code in 2015.

Enplaned Cargo Trends

Last Ten Fiscal Years

December 31

(Freight and main in thousands of tons)

Air Carrier	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Average Annual Compound Growth
Passenger	25.2	31.7	30.7	25.3	11.8	13.3	20.7	14.0	12.3	15.2	-4.9%
All Cargo	83.5	87.3	89.3	91.0	91.9	102.4	95.3	84.7	77.5	77.0	-0.8%
Total	108.7	119.0	120.0	116.3	103.7	115.7	116.0	98.7	89.8	92.3	-1.6%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Minneapolis/St. Paul Metropolitan Airports Commission

Trends in Enplaned Cargo by Type of Carrier

Last Ten Fiscal Years
December 31

	Passenger Carriers		All Cargo Carriers		
Tax Year	Tons	% of Total	Tons	% of Total	Total Cargo
2016	25,165	23.2%	83,460	76.8%	108,625
2017	31,652	26.6%	87,259	73.4%	118,911
2018	30,701	25.6%	89,333	74.4%	120,034
2019	25,339	21.8%	90,968	78.2%	116,307
2020	11,751	11.3%	91,889	88.7%	103,640
2021	13,314	11.5%	102,412	88.5%	115,726
2022	20,703	17.8%	95,283	82.2%	115,986
2023	14,029	14.2%	84,721	85.8%	98,750
2024	12,334	13.7%	77,488	86.3%	89,822
2025	15,208	16.5%	77,047	83.5%	92,255

Average Annual Compound Growth

2016 - 2025	-4.91%	-0.80%	-1.62%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Minneapolis/St. Paul Metropolitan Airports Commission

Trends in Enplaned Cargo by Freight & Mail

Last Ten Fiscal Years
December 31

	Freight Expense		Mail		
	Tons	% of Total	Tons	% of Total	Total Cargo
2016	98,140	90.3%	10,484	9.7%	108,624
2017	103,087	86.7%	15,824	13.3%	118,911
2018	103,521	86.2%	16,513	13.8%	120,034
2019	100,504	86.4%	15,803	13.6%	116,307
2020	91,954	88.7%	11,686	11.3%	103,640
2021	103,699	89.6%	12,028	10.4%	115,727
2022	102,297	88.2%	13,690	11.8%	115,987
2023	93,592	94.8%	5,158	5.2%	98,750
2024	83,609	93.1%	6,213	6.9%	89,822
2025	78,021	84.6%	14,234	15.4%	92,255

Average Annual Compound Growth

	Freight Expense	Mail	Total Cargo
2016 - 2025	-2.27%	3.11%	-1.62%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage - Rate Covenant for Senior Debt

Last Ten Fiscal Years
December 31, 2025 (In Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues per Master Trust Indenture	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240	$ 375,611	$ 478,422	$ 530,830	$ 566,207
Expenses										
Operating expenses	308,033	320,022	340,215	351,623	345,004	367,203	399,869	428,207	457,704	508,852
Less: Depreciation expense	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)	(185,124)	(186,890)	(196,057)	(211,395)
Total operating expenses, excluding depreciation expense	168,807	177,052	192,916	201,074	184,115	188,690	214,745	241,317	261,647	297,457
Amount from non-revenue source	-	-	-	-	-	7,815	525	621	-	-
Net Revenues	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726	269,183	268,750
Annual debt service - Senior Airport Revenue Bonds	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)	(58,978)	(58,988)
Annual debt service - General Obligation Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Principal and interest on other indebtedness [1]	(46,546)	(48,952)	(66,522)	(62,143)	(26,941)	(38,037)	(66,734)	(29,080)	(78,414)	(88,859)
Must not be less than zero	88,572	101,433	118,714	107,444	21,824	85,802	78,264	197,393	131,791	120,902
Requirement Section										
Net revenues	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726	269,183	268,750
Transfer - Coverage Fund [2]	12,227	9,865	7,810	12,564	2,443	2,131	4,098	2,813	14,744	14,747
Total available	196,254	199,711	224,286	232,406	60,979	134,496	165,489	240,539	283,927	283,497
Senior Debt Service times 125% [3]	(61,136)	(49,326)	(39,050)	(62,819)	(12,214)	(10,657)	(20,491)	(14,067)	(73,722)	(73,735)
Must not be less than zero	135,118	150,385	185,236	169,587	48,765	123,839	144,998	226,472	210,205	209,761
Pro Forma Coverage on Senior Lien Debt										
Net revenues	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726	269,183	268,750
Transfer - Coverage Fund [2]	12,227	9,865	7,810	12,564	2,443	2,131	4,098	2,813	14,744	14,747
Total available	196,254	199,711	224,286	232,406	60,979	134,496	165,489	240,539	283,927	283,497
Annual debt service - Senior Airport Revenue Bonds	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)	(58,978)	(58,988)
Annual debt service - General Obligation Revenue Bon	-	-	-	-	-	-	-	-	-	-
Total Debt Service - Senior Lien Debt	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)	(58,978)	(58,988)
Coverage with Transfer	401%	506%	718%	462%	624%	1577%	1010%	2138%	481%	481%
Coverage without Transfer	376%	481%	693%	437%	599%	1552%	985%	2113%	456%	456%

[1] Excludes General Obligation Revenue Bonds and Senior Airport Revenue Bonds.
[2] Transfer is limited to no more than 25% of Aggregate Annual Debt Service on Outstanding Senior Airport Revenue Bonds.
[3] Using Annual Debt Service on Senior Airport Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage - Rate Covenant for Subordinate Lien Debt

Last Ten Fiscal Years
December 31, 2025 (In Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues per Master Trust Indenture	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240	$ 375,611	$ 478,422	$ 530,830	$ 530,830	$ 566,207
Expenses										
Operating expenses	320,022	340,215	351,623	345,004	367,203	399,869	428,207	457,704	457,704	508,852
Less: Depreciation expense	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)	(185,124)	(186,890)	(196,057)	(196,057)	(211,395)
Total operating expenses, excluding depreciation expense	177,052	192,916	201,074	184,115	188,690	214,745	241,317	261,647	261,647	297,457
Annual debt service - Senior Airport Revenue Bonds	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)	(58,978)	(58,978)	(58,988)
Annual debt service - General Obligation Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Subordinate revenues	135,118	150,385	185,236	169,587	48,765	123,839	144,997	210,205	210,205	209,761
Principal and interest on Subordinate Bonds	(46,546)	(52,413)	(58,326)	(62,143)	(26,941)	(38,037)	(66,734)	(29,080)	(78,414)	(88,859)
Must not be less than zero	$ 88,572	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802	$ 78,263	$ 181,125	$ 131,791	$ 120,902
Requirement Section										
Subordinate revenues	135,118	150,385	185,236	169,587	48,765	123,839	144,997	210,205	210,205	209,761
Transfers [1]	4,655	5,241	5,833	6,214	2,694	3,804	6,673	2,908	7,841	8,886
Total available	139,773	155,626	191,069	175,801	51,459	127,643	151,670	213,113	218,046	218,647
Outstanding Subordinate Debt Service Times 110% [2]	(49,343)	(57,654)	(64,159)	(68,357)	(29,635)	(41,841)	(73,408)	(31,988)	(86,255)	(97,745)
Must not be less than zero	$ 90,430	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802	$ 78,262	$ 181,125	$ 131,791	$ 218,647
Pro Forma Coverage on Subordinate Lien Debt										
Subordinate revenues	135,118	150,385	185,236	169,587	48,765	123,839	144,997	210,205	210,205	209,761
Principal and interest in Subordinate Bonds [2]	44,857	52,413	58,326	62,143	26,941	38,037	66,734	29,080	78,414	88,859
Coverage without Transfer	301%	287%	318%	273%	181%	326%	217%	723%	268%	236%
Pro Forma Coverage on Senior and Subordinate Lien Debt										
Net Revenues	$ 189,846	$ 216,476	$ 219,842	$ 58,536	$ 132,365	$ 161,391	$ 237,726	$ 269,183	$ 269,183	$ 268,750
Total Debt Service - Senior and Subordinate Debt	93,766	91,590	89,566	112,398	36,712	46,563	83,127	40,333	137,391	147,848
Coverage without Transfer	202%	236%	245%	52%	361%	347%	286%	667%	196%	182%

[1] Transfer is limited to no more than 10% of Aggregate Annual Debt Service on Outstanding Subordinate Airport Revenue Bonds.

[2] Using Annual Debt Service on Subordinate Revenue Bonds.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Operating Ratio

Last Ten Fiscal Years
December 31, 2025 (In Thousands)

Tax Year	Operating Expenses [2]	Operating Revenues	Operating Ratio[1]
2016	168,923	338,933	50%
2017	177,052	353,944	50%
2018	192,916	373,258	52%
2019	203,825	401,861	51%
2020	183,512	231,613	79%
2021	187,967	307,044	61%
2022	214,303	353,004	58%
2023	241,318	439,900	55%
2024	261,647	484,602	54%
2025	297,457	518,496	57%

[1] Operating ratio is operating expenses, net of depreciation divided by total operating revenues.

[2] Operating expenses exclude depreciation.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Debt per Enplaned Passenger

Last Ten Fiscal Years
December 31, 2025 (In Thousands)

Tax Year	General Airport Revenue Bonds Outstanding	General Obligation Revenue Bonds Outstanding	Notes Payable Outstanding	Lease Liability	Unamortized Premium	Other Debt	Subtotal [1]	Enplaned Passengers	Debt per Enplaned Passenger
2016	1,499,640,000	-	40,648,000	N/A	186,315,518	47,804,000	1,774,407,518	18,160,752	97.71
2017	1,458,170,000	-	38,020,000	N/A	166,272,543	46,952,731	1,709,415,274	18,385,154	92.98
2018	1,402,780,000	-	71,030,500	N/A	146,877,740	46,941,224	1,667,629,464	18,382,408	90.72
2019	1,453,700,000	-	47,293,500	N/A	191,762,612	44,873,495	1,737,629,607	19,181,369	90.59
2020	1,407,875,000	-	44,092,389	N/A	167,501,138	43,936,500	1,663,405,027	7,110,192	233.95
2021	1,281,630,000	-	113,149,000	N/A	146,918,651	40,383,000	1,582,080,651	12,197,236	129.71
2022	1,583,965,000	-	43,193,050	2,392,937	147,569,725	39,086,154	1,816,206,866	15,168,844	119.73
2023	1,471,225,000	-	87,753,550	1,249,024	130,620,473	46,738,231	1,737,586,278	16,887,115	102.89
2024	2,071,540,000	-	85,914,050	5,820,310	152,941,163	54,539,992	2,370,755,515	18,064,839	131.24
2025	1,981,755,000	-	33,914,050	4,317,641	134,099,691	59,493,418	2,213,579,800	17,464,841	126.74

[1] Includes short term borrowing on the revolving line of credit

Population

Last Ten Fiscal Years
December 31, 2025 (In Thousands)

Tax Year	Minnesota	MSA [1]	% of Total
2016	5,520	3,528	64%
2017	5,577	3,594	64%
2018	5,611	3,629	65%
2019	5,655	3,640	64%
2020	5,657	3,692	65%
2021	5,707	3,691	65%
2022	5,717	3,693	65%
2023	5,737	3,712	65%
2024	5,793	3,758	65%
2025	5,830	3,790	65%

[1] MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis Minnesota Department of Unemployment and Economic Development

Minneapolis/St. Paul Metropolitan Airports Commission

Civilian Unemployment Rate

Last Ten Fiscal Years
December 31

Tax Year	United States	Minnesota	MSA [1]
2016	4.7%	3.9%	3.5%
2017	4.1%	3.5%	3.2%
2018	3.9%	3.0%	2.7%
2019	3.4%	3.3%	3.0%
2020	6.7%	6.3%	6.5%
2021	3.9%	3.7%	3.7%
2022	3.7%	2.7%	2.5%
2023	3.6%	2.8%	2.7%
2024	4.0%	3.2%	3.1%
2025	4.3%	3.8%	2.9%

[1] MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis Minnesota Department of Unemployment and Economic Development

Personal Income

Last Ten Fiscal Years
December 31, 2025 (In Hundred-Thousands)

Tax Year	Minnesota	MSA [1]	% of Total
2016	291,362	205,435	71%
2017	303,141	215,087	71%
2018	336,589	227,292	68%
2019	337,922	208,802	62%
2020	350,785	245,833	70%
2021	373,754	265,391	71%
2022	388,828	277,635	71%
2023	416,325	295,677	71%
2024	437,982	N/A	N/A
2025	456,054	N/A	N/A

[1] MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin. Discontinued by the Bureau of Economic Analysis starting in 2024.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Personal Income

Last Ten Fiscal Years
December 31

Tax Year	Minnesota	MSA [1]
2016	52,735	57,751
2017	54,359	59,736
2018	57,515	62,889
2019	58,830	64,255
2020	61,540	67,214
2021	65,486	71,912
2022	68,010	75,164
2023	72,557	79,654
2024	76,731	N/A
2025	79,182	N/A

[1] MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin. Discontinued by the Bureau of Economic Analysis starting in 2024.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Minnesota's Largest 10 Employers Ranked by In-State Employees

For Year Ended December 31

Company	2025 Employees	Rank	% of Total Employment	2016 Employees	Rank	% of Total Employment
Mayo Clinic	51,000	1	1.66%	41,892	1	1.46%
State of Minnesota	37,100	2	1.21%	38,538	2	1.34%
Fairview Health Services	36,865	3	1.20%	22,000	8	0.77%
Target Corporation	35,000	4	1.14%	26,694	4	0.93%
Allina Health System	29,163	5	0.95%	26,000	5	0.91%
University of Minnesota	27,875	6	0.91%	25,960	6	0.90%
HealthPartners Inc.	26,400	7	0.86%	22,500	7	0.78%
Walmart Inc.	24,400	8	0.80%	-	-	0.00%
United States Federal Government	20,800	9	0.68%	33,370	3	1.16%
UnitedHealth Group Inc.	19,000	10	0.62%	-	-	0.00%
Wells Fargo & Co.	-	-	0.00%	20,000	9	0.70%
Minnesota State Colleges/Universities	-	-	0.00%	16,494	10	0.57%
Total	307,603			273,448		
Total Nonfarm Employment	3,068,500			2,872,658		

Sources:
Minnesota Business Journal Book of Lists
Minnesota Department of Employment and Economic Development

Employment Share by Industry

For Year Ended December 31

	2025		2016	
	Minnesota	MSA [1]	Minnesota	MSA [1]
Education and Health Services	20.26%	19.22%	18.50%	16.93%
Trade, Transportation and Utilities	17.59%	17.74%	18.40%	18.05%
Public Administration	14.23%	13.24%	14.90%	12.73%
Professional and Business Services	12.27%	14.41%	12.70%	15.93%
Manufacturing	10.64%	10.19%	10.90%	10.09%
Leisure and Hospitality	8.97%	8.81%	8.70%	9.23%
Financial Activities	6.05%	7.04%	6.20%	7.52%
Construction	4.57%	3.98%	3.50%	3.52%
Other Services	3.85%	3.85%	4.10%	4.07%
Information	1.35%	1.33%	1.80%	1.74%
Natural Resources and Mining	0.22%	0.19%	0.30%	0.19%
	100.00%	100.00%	100.00%	100.00%

[1] MSA is defined as the Metropolitan Statistical Area of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin.

Source: U.S. Bureau of Labor Statistics

Activity Statistics

Last Ten Fiscal Years

Tax Year	Total Revenue Passengers [1]	Aircraft Operations [2]	Mail and Cargo Volume (Metric Tons)
2016	36,346,859	413,279	206,942
2017	36,799,978	416,213	229,440
2018	36,778,496	407,476	239,273
2019	38,353,413	406,124	228,683
2020	14,858,006	245,067	203,697
2021	25,202,120	303,892	234,747
2022	31,241,822	310,235	236,450
2023	33,800,618	323,929	203,643
2024	36,154,637	342,120	200,719
2025	34,990,156	342,673	207,901

[1] Passengers include on-line connecting. (On-line connecting passengers are passengers that change to another flight on the same carrier.)

[2] An aircraft operation represents the total number of takeoffs and landings at the airport.

Source: Metropolitan Airports Commission Operations Report

Historical Aircraft Operations[2]

Last Ten Fiscal Years

Tax Year	Air Carrier Operations	Commuter Operations	Cargo Operations	Total Commercial Operations [1]	Percent Commercial Operations [1]	General Aviation Operations	Military Operations	Total Operations
2016	213,682	161,427	14,400	389,509	94.25%	22,455	1,315	413,279
2017	228,393	149,924	14,911	393,228	94.48%	22,226	759	416,213
2018	221,520	149,108	15,455	386,083	94.76%	20,229	1,126	407,438
2019	230,096	141,976	14,399	386,471	95.19%	18,654	885	406,010
2020	118,795	99,254	15,030	233,079	95.21%	10,548	1,174	244,801
2021	150,969	119,594	16,720	287,283	94.55%	15,387	1,184	303,854
2022	180,739	95,248	15,650	291,637	94.02%	17,635	903	310,175
2023	216,809	74,552	13,988	305,349	94.28%	17,772	749	323,870
2024	230,103	79,817	13,349	323,269	94.50%	17,855	970	342,094
2025	216,893	93,901	12,630	323,424	94.39%	18,269	966	342,659

[1] Commercial Operations equal Air Carrier, Commuter, and Cargo Operations

[2] Aircraft operations represent the total number of takeoffs and landings at the airport.

Source: Metropolitan Airports Commission Operations Report

Trends in Aircraft Landed Weight of Signatory Airlines

December 31, 2025 (In Thousands)

Tax Year	Passenger Carriers	Cargo Carriers	Total Landed Weight
2016	21,178,343	996,424	22,174,767
2017	21,571,010	985,077	22,556,087
2018	21,499,942	1,025,400	22,525,342
2019	22,141,882	1,079,456	23,221,338
2020	12,334,896	1,159,797	13,494,693
2021	16,110,080	1,206,610	17,316,690
2022	17,485,079	1,175,024	18,660,103
2023	19,481,397	1,107,828	20,589,225
2024	20,759,426	1,004,056	21,763,482
2025 [1]	20,597,958	984,315	21,582,273

[1] In 2025, Delta's activity represented approximately 69.93% of the total landed weight at the Airport.

Source: Metropolitan Airports Commission

Employee Counts[1]

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	618	644	651	659	699	631	641	732	753	788

[1] Represents employees who were paid on the last payday of the fiscal year and were contributing to a pension plan.

Airline Cost per Enplaned Passenger

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Cost [1]	$ 114,811	$ 115,214	$ 124,370	$ 132,855	$ 97,796	$ 117,728	$ 125,612	$ 164,074	$ 192,893	$ 214,580
Enplaned passengers	18,161	18,385	18,382	19,181	7,107	12,197	15,169	16,887	18,065	17,465
Airline Cost per Enplaned Passenger	6.32	6.27	6.77	6.93	13.76	9.65	8.28	9.72	10.68	12.29

[1] Cost is defined as airline payments made to the Commission for expenses incurred in the airfield, T1 and T2 Terminals.

Schedule of Airline Rates and Charges

Last Ten Fiscal Years
December 31

	Landing Fee Per 1,000 Lbs.	Ramp Fees Per Linear Foot	Common Use Per Square Foot	Finished Per Square Foot	Finished Janitored Per Square Foot	Unfinished Per Square Foot
2016	2.68	667.80	60.42	60.42	69.00	60.42
2017	2.73	661.92	59.10	59.10	67.25	59.10
2018	3.05	748.39	62.59	62.59	72.10	62.59
2019	3.23	677.43	62.92	62.92	72.81	62.92
2020	5.09	582.32	58.10	58.10	66.82	58.10
2021	4.07	554.46	60.24	60.24	71.38	60.24
2022	3.68	604.93	66.61	66.61	79.08	66.61
2023	4.50	640.99	72.51	72.51	85.32	72.51
2024	4.91	767.13	88.72	88.72	102.70	88.72
2025	5.69	869.79	89.74	89.74	104.24	89.74

Operations at the Reliever Airports and General Aviation Operations at MSP

Last Ten Fiscal Years

	St. Paul Downtown Airport	Flying Cloud Airport	Crystal Airport	Anoka County Blaine Airport	Lake Elmo Airport	Airlake Airport	MSP
2015	54,548	84,038	36,967	80,845	27,275	38,618	22,455
2016	40,489	90,835	34,223	74,943	28,337	36,670	22,226
2017	40,116	88,762	38,109	75,465	31,693	32,986	20,229
2018	40,934	104,405	41,541	71,740	31,208	29,835	18,654
2019	30,188	124,382	39,509	70,852	29,799	31,314	10,548
2020	39,196	131,593	37,845	74,657	32,645	36,259	15,387
2021	41,592	122,281	42,592	65,688	32,189	38,268	17,635
2022	38,167	136,622	45,541	69,908	41,593	38,678	17,772
2024	42,476	132,744	41,310	71,614	41,854	42,611	17,855
2025	40,618	150,645	46,087	65,288	38,997	42,921	18,269

Air Carriers Serving MSP[A]

As of December 31, 2025

U.S. – FLAG CARRIERS

Air Wisconsin *[1]
Alaska Airlines *
Allegiant Air *
American *
Delta *
Denver Air Connection *
Endeavor *[2]
Envoy *[5]
Frontier *
GoJet *[1]
Horizon Air *[6]
Mesa *[1]
PSA *[5]
Republic Airlines *[1, 5]
SkyWest *[1, 2, 5]
Southwest *
Sun Country *
United *

ALL-CARGO SERVICES

ABX Air *[3]
Air Transport International *[3]
Amerijet [3]
Atlas Air Cargo *[3, 7]
Bemidji *[3, 8]
CSA Air [9]
Encore Air Cargo *[3]
FedEx *
IFL [9]
Kalitta *[3]
Mesa *[3]
Mountain Air Cargo [9]
Swift Air [3]
Sun Country *[7]
UPS *

FOREIGN-FLAG CARRIERS

Air Canada *
Air France *
Aer Lingus*
Discover*
Lufthansa*
Icelandair *
Jazz Aviation *[4]
KLM *
WestJet *
WestJet Encore *[10]

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*	Denotes those Air Carriers that are Signatory Airlines to the Airline Lease Agreements.
A	Excludes carriers reporting fewer than 1,000 enplaned passengers.
1	Flies for United Airlines.
2	Flies for Delta Airlines.
3	Flies for DHL.
4	Flies for Air Canada.
5	Flies for American Airlines.
6	Flies for Alaska Airlines.
7	Flies for Amazon.
8	Flies for UPS.
9	Flies for FedEx.
10	Flies for WestJet

Insurance Coverage

As of December 31, 2025

Insurer	Expirations	Coverage	Policy Limits (Thousands of Dollars)
Chubb/Lloyd's of London/Global Aerospace	1/1/2026	General aviation liability including personal injury.	$ 750,000.00
Blue Cross Blue Shield	1/1/2026	Health insurance; self-insured with stop loss	
Self-Insured [1]	Continuous	Statutory workers' compensation	
	1/1/2026	Workers' Compensation Reinsurance Association	$ 500.00
Hanover	6/1/2026	Comprehensive Crime Employee/Police Policies	$ 5,000.00
Minnesota Risk Management Fund	7/1/2026	Auto Liability (licensed vehicles), physical damage (all vehicles) hired automobiles, valet parking, inland marine and garage keepers.	$ 1,500.00

[1] Funded from current operating revenues of the Commission.

	Square Feet			
	Terminal 1	**Terminal 2**	**Quick Ride Ramp**	**Total**
Terminal Buildings				
Airline	679,948	176,408		856,356
Concession	244,998	31,337		276,335
Garage	153,770	-		153,770
Non-Airline	186,127	20,813		206,940
Unoccupied	6,887	4,558		11,445
Circulation	1,003,554	143,770		1,147,324
Restrooms	58,784	14,408		73,192
MAC/Mechanical	479,316	117,937		597,253
International Arrivals	114,643	40,764		155,407
Trans Security Agency	73,194	40,323		113,517
	3,001,221	590,318		3,591,539
Parking Facilities	17,015	8,670	1,310	26,995

Airport Code: MSP

Runways [1]

Minneapolis-St. Paul:		
Runway 4-22	11,000	Ft
Runway 12R-30L	10,000	Ft
Runway 12L-30R	8,200	Ft
Runway 17-35	8,000	Ft
Anoka County/Blaine		
Runway 9-27	5,000	Ft
Runway 18-36	4,900	Ft
Airlake		
Runway 12-30	4,100	Ft
Crystal		
Runway 14-32	3,800	Ft
Runway 6L-24R	2,500	Ft
Runway 6R-24L	1,700	Ft
Flying Cloud		
Runway 10R-28L	5,000	Ft
Runway 10L-28R	3,900	Ft
Runway 18-36	2,700	Ft
Lake Elmo		
Runway 14-32	3,500	Ft
Runway 4-22	2,500	Ft
St. Paul Downtown		
Runway 14-32	6,500	Ft
Runway 13-31	4,000	Ft
Runway 9-27	3,600	Ft

[1] Amounts rounded to the nearest hundred.

MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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