ANNUAL COMPREHENSIVE FINANCIAL REPORT

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAINT PAUL, MN

YEAR ENDED
DECEMBER 31, 2023 AND 2022.

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

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METROPOLITAN AIRPORTS COMMISSION

Minneapolis–Saint Paul International Airport

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OFFICE OF EXECUTIVE DIRECTOR

May 20, 2024

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

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, 2023 and 2022.

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 compliancewith applicable laws, policies, and procedures.

For the year ended December 31, 2023, 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 <u>not</u> 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). Asthe "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".

Rick King was reappointed to chair the Metropolitan Airports Commission by Governor Tim Walz in April 2023, having been initially named chair by Governor Walz in July 2019. He was first appointed to the Board in 2011 by Gov. Mark Dayton, who reappointed him in 2015. King is also past chair of both the MAC's Management and Operations Committee and the Planning, Development and Environment Committee.

King is a former executive from Thomson Reuters after more than 20 years serving as CIO, CTO and Managing Director. Previously, he held executive-level positions at Ceridian Employer Services, Jostens Learning, and WICAT Systems Inc. King began his career as a teacher and coach in Vermont. King has served on the board of directors of Huntington Bancshares since 2021 when it acquired TCF

Financial Corporation, where he served on its board from 2014. He is also a member of the board of directors of Q5id. King was also named by Governor Tim Walz to chair the Technology Advisory Council, a spinoff of the Governor's Blue Ribbon Council on IT in February 2019, which he also chaired. Under former Governor Tim Pawlenty, he chaired Minnesota's Ultra High-Speed Broadband Task Force between 2008 – 2009. King received many awards for his leadership in technology, including the CIO of the Year Leadership ORBIE from TwinCities CIO and a special Lifetime Achievement Tekne award from the Minnesota Technology Association, both in 2020. King earned bachelor's and master's degrees from the University of Vermont and a CERT Certificate in Cybersecurity Oversight from the Software Engineering Institute, Carnegie Mellon University.

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 appointed 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 reliever airports.

From 2016 through 2023, Mr. Ryks oversaw $2.1 billion in Commission airport improvement projects, including a multi-year expansion and modernization of facilities at Terminal 1, the addition of a new parking ramp which provides 5,000 more vehicle stalls at Terminal 1, new intermodal transportation and auto rental facilities, Terminal 1 Roadway reconstruction, expansion of Arts at MSP program as well as major infrastructure improvements at the Crystal and Lake Elmo reliever airports.

Coupled with a revamped, award-winning concessions program and an intense focus on the customer experience, the improvements contributed to Airports Council International naming MSP the Best Airport in North America in its size category for seven out of eight consecutive years. The annual awards are based on traveler surveys. MSP set passenger records every year of Ryks' tenure at the MAC until the COVID-19 pandemic struck in 2020, driving down air travel demand across the globe.

Before arriving in Minneapolis, Ryks was executive director and CEO of the Gerald R. Ford International Airport in Grand Rapids, Mich. While there, Ryks oversaw major airport improvements, a re-branding campaign, and a governance transition from county control to 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 number one 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, Mr. 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 the 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) US Policy Council. He is a past member of ACI-NA's Board of Directors and is past chair of the ACI-NA Large Hub Airports Committee. In addition, Ryks is a former board member 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 GL-AAAE.

On the community front, Ryks is a board member of Meet Minneapolis as well as of the Minneapolis Area Chamber of Commerce. He is also on the Executive Committee of the Center for Transportation Studies at the University of Minnesota.

Airports Council International – North America (ACI-NA) presented Ryks with the Excellence in Visionary Leadership Award in 2023 for his career contributions in managing airports; it is 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; and receiving a 2012 Minnesota Council of Airports Distinguished Service Award, a 2009 Minnesota Council of Airport's Award of Excellence for Outstanding Promotion of Aviation, a 2008 Patriot Award from the National Guard and Reserve, and a 2006 TSA Partnership Award.

Jurisdiction and Facilities:

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 20th largest among U.S. airports based on the number of operations (takeoffs or landings) and 18th 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 transactionson 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 trustunder the provisions of GASB Statement No. 74 and are reported in its fiduciary fund statements.

As is the case at 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 are 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 2022, MSP was the 19th busiest airport in North America in terms of passenger volume, 21st in terms of takeoffs and landings and 29th in cargo traffic.

In 2023, approximately 33,800,000 passengers passed through MSP: a 11.36% Increase in total passengers over 2022 levels. The top five carriers serving MSP in 2023 by enplaned passengers are shown in the accompanying table. Enplaned revenue passengers (including those connecting) at MSP in 2023 totaled 16,887,115. (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	10,107,248	59.85%
2	Sun Country	1,914,103	11.33%
3	Skywest*	1,242,412	7.36%
4	Southwest	824,052	4.88%
5	United	699,729	4.14%
		14,787,544	87.56%

* Skywest is a codeshare with Delta

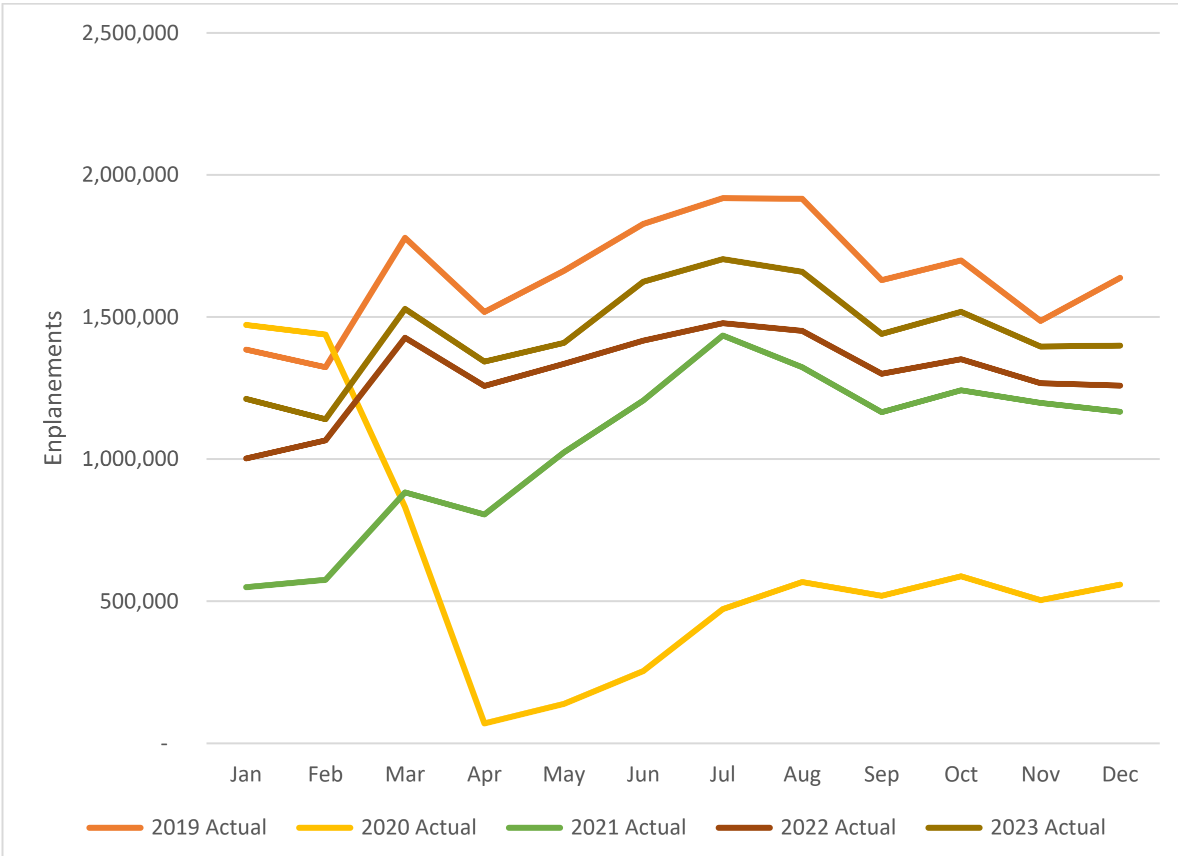
FACTORS AFFECTING THE MAC'S FINANCIAL CONDITION:

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.

In 2020, the worldwide outbreak of novel coronavirus SARA-CoV-2 ("COVID-19") had caused, and continues to cause, disruptions to domestic and international air travel, including both passenger and cargo operations. The Commission continues to closely monitor the effects of the pandemic and is prepared to adapt as necessary.

During the 2020 calendar year, enplanements at the Airport decreased by 62.52% as compared to the 2019 calendar year because of the impact of the COVID-19 pandemic. Enplanements continue to increase in calendar year 2022 as demand for air travel has continued to rebound since the onset of the pandemic. For 2023, enplanements at the Airport increased 11.3% compared to 2022.



<u>Demand for Origination and Destination Traffic (O&D) at MSP</u>:

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

- <u>Size:</u> 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.

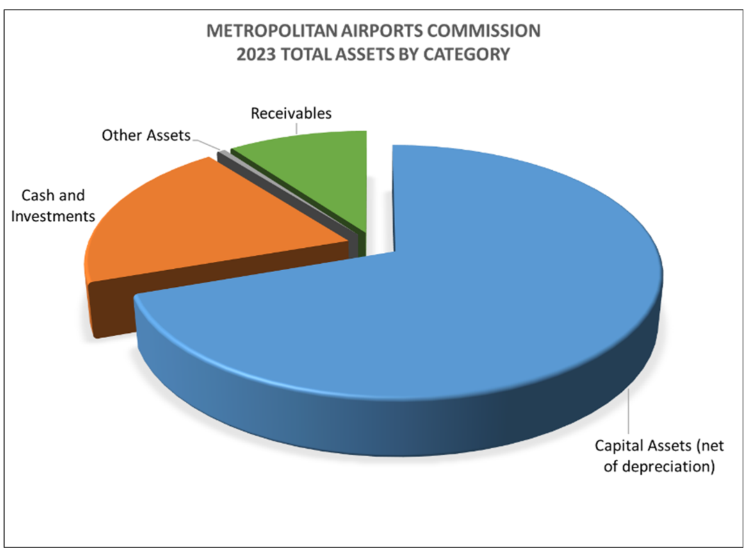
- <u>Economic Strength and Diversity:</u>
  - ✓ Minnesota is headquarters to 15 Fortune 500 companies, which places it sixthamong the 50 States in terms of numbers of Fortune 500 firms headquartered within the State on a per-capita basis.
  - ✓ Minnesota is headquarters to 8 of the 225 largest private companies including the largest privately held company in the United States: the Cargill Corporation.

- High per capita income:
  - ✓ The Bureau of Economic Analysis reports that the Twin Cities average per capita income is approximately 4% higher than the national average.

- Stronger than National Average Growth in Population and Employment:
  - ✓ The Metropolitan Council, a regional planning organization for the eleven-county area including the Twin Cities, projects average annual population growth of .9% through 2050 versus the Census Bureau's projected national population growth rate of 0.7%.
  - ✓ The Metropolitan Council foresees a 1.3% annual average growth rate for Twin Cities area employment growth through 2050 versus the Bureau of Labor Statistics' projected growth in national employment of .6%.

Demand for Connecting Traffic:

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 an annual average of 370 daily departing flights from MSP, at least 231 of whichmust be aircraft with greater than 70 seats 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 $3,240,000,000 (net of depreciation), represent more than two-thirds of the Commission's total assets. Constructing, maintaining, and improving our capital assets is critical to meeting the demand of our customers.

During 2023, the Commission expended $239,000,000 on its on-going Capital Improvement Program (CIP). Approximately $42,000,000 was associated with various airfield and runway projects. Approximately $166,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include Conveyance systems, roof and building improvements and construction work on the fire station and safety and security center. Approximately $17,000,000 was mainly spent for parking structure rehabilitation, roadway and pavement improvements and heating and cooling systems, $20,000,000 on a new fire station and safety and security center, $51,000,000 on operational improvements related to the baggage claim and ticket lobby, $43,000,000 on building and system improvements, and $8,000,000 for an expansion of a portion of Concourse G. Approximately $9000,000 was spent on the Commission's reliever airport system. The remaining $27,000,000 was spent primarily for terminal 2 projects, noise mitigation and technology upgrades. Average monthly capital spending in 2022 was approximately $19,884,000.

The 2024-25 CIP includes approximately $635,664 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 2024-25 CIP.

Projects 2024 - 2025	2024 planned construction	2025 planned construction
Terminal-1 Rehabilitation & Repair	$55,935,000	$73,350,000
Terminal-1 Baggage Claim/Ticket Lobby	25,000,000	-
Terminal-1 Expansion/Remodeling	37,630,000	63,710,000
Terminal-1 Concourse G Infill - Pod 2-3	285,000,000	-
Terminal-1 Tenant Projects	88,300,000	73,324,000
Energy Management Center	22,500,000	30,200,000
Terminal Roads	4,620,000	1,120,000
Parking Facilities	7,920,000	14,350,000
Airfield and Runway Rehabilitation Program	35,900,000	125,300,000
Terminal-2 Rehabilitation & Repair	33,700,000	6,910,000
Terminal-2 North/South Gate Expansion	240,000,000	160,000,000
Safety and Security Center	165,000,000	-
Storage Facilities	51,700,000	-
Noise Mitigation Program	1,000,000	500,000
Police & Fire	3,150,000	20,600,000
Reliever Airports Program	32,400,000	28,900,000
Other	46,045,000	37,400,000
Total	$1,135,800,000	$635,664,000

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 theCommission 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 7 to the financial statements). The MAC exceeded the July 2008 requirement. As of December 31, 2023, projected debt coverage on Senior Debt obligations is approximately 10.5 times scheduled payments.

At year-end 2023, the MAC had long-term debt (including the currently payable portion) of approximately $1,650,000,000 supporting approximately $3,250,000,000 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 2023, the MAC had cash and investments totaling more than $920,000,000 and has continued to maintain strong debt service coverage ratios (currently at 10.5). 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 2023 was not available for comparison due to impacts of the COVID-19 pandemic on 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 Comprehensive Annual Financial Report for the year ended December 31, 2022. The Commission has received this prestigious GFOA award for 38 consecutive years.

In order to be awarded a Certificate, which is valid for one year, a governmental unit must publishan 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 Comprehensive Annual 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 38th consecutive year the GFOA Award for Distinguished Budget Presentation for its Annual Operating Budget for 2023. 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

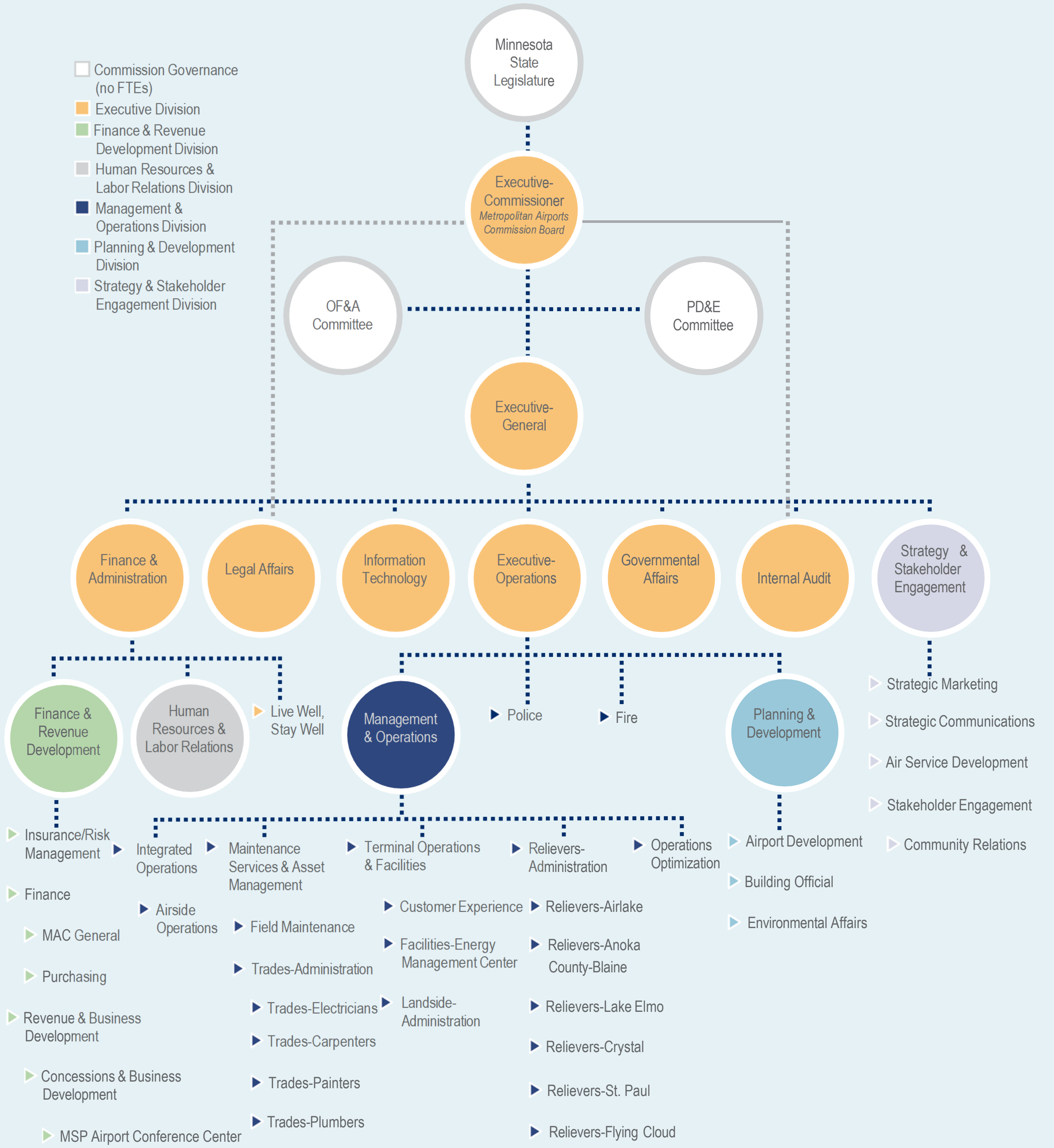
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

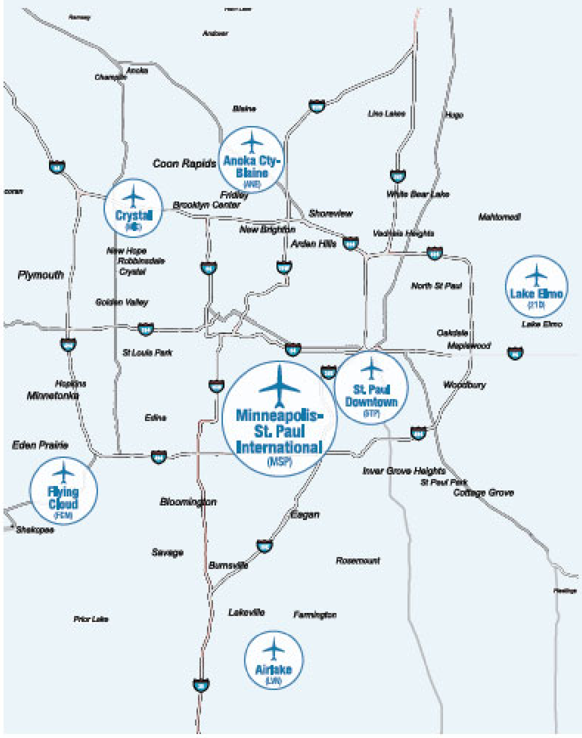
Executive Director/CEO

ORGANIZATIONAL CHART



Commission Members

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 Saint 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

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Independent Auditor's Report

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

Report on the Audit 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, 2023 and 2022 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, 2023 and 2022 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 (Government Auditing Standards). 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 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 20, 2024 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 20, 2024

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, 2023, with selected two-year comparative data for the years ended December 31, 2023, and 2022. 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 2023 and 2022.

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 $60,837,997 and $54,693,644 and enplaned passengers were 16,887,115 and 15,168,844 for fiscal years 2023 and 2022, respectively, resulting in total Shared Concession Revenue of $20,076,539 and $18,048,903. The Selected Concession Revenue thresholds are subject to change annually. The Selected Concession Revenue in 2022 was increased by $10,550,162 for grant reimbursements for concession relief provided by American Rescue Plan Act ("ARPA") grant.

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, 2023 and 2022, the aggregate rentals earned by the Commission pursuant to the airline lease agreements were approximately $143,942,000 and $98,341,000, 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, 2023 and 2022, the aggregate annual rentals under these leases were approximately $51,651,000 and $42,897,000, 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, the 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, 2023 and 2022, the aggregate payments paid to the Commission related to these tenant improvement receivables was approximately $887,000 and $3,884,000, 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, 2023 and 2022, the aggregate fees earned by the Commission under the existing concession agreements were approximately $48,918,000 and $31,470,000, respectively. Such fees are computed on the basis of different 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 ended December 31, 2023 and 2022, the aggregate fees earned by the Commission under the existing rental car agreements and parking lot and garage facilities were approximately $168,636,000 and $145,375,000, respectively. Of this amount, parking revenue was approximately $119,633,000 for 2023 and $100,638,000 for 2022. Auto rental revenue for both on and off airport auto rentals for December 31, 2023 and 2022 was approximately $43,989,000 and $40,192,000, 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 amounts. For the years ended December 31, 2023 and 2022, revenues from these agreements were approximately $11,960,000 and $11,048,000, 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 employee 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, 2023 and 2022, the Commission earned $15,892,000 and $13,216,000, respectively.

Utilities

The Commission has entered into certain leases with tenants the provide utilities to the leased spaces throughout the terminal. For the years ended December 31, 2023 and 2022, the revenues from these utility charges were approximately $6,786,000 and $5,309,000, 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, 2023 and 2022, the revenues from these agreements were approximately $11,288,000 and $24,404,000, 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, 2023 and 2022, the top ten operating revenue sources for the MAC were as follows:

Source		2023 Revenue	
1. Public Parking	$	119,632,859	
2. Landing Fees		94,198,349	
3. General Building		59,790,473	
4. Auto Rental (off- and on-airport)		24,646,402	*
5. Other Building Rent		38,954,890	
6. Food & Beverage		29,590,367	
7. Ground Rent		16,743,475	
8. Ground Transportation Fees		13,736,305	
9. News and Retail Stores		10,342,388	
10. Ramp Fees		6,834,954	

* Excludes customer facility charges

Source		2022 Revenue	
1. Public Parking	$	100,637,902	
2. Landing Fees		74,016,746	
3. General Building		44,564,612	
4. Auto Rental (off- and on-airport)		23,158,952	
5. Other Building Rent		33,622,971	*
6. Food & Beverage		17,046,487	
7. Ground Rent		13,173,822	
8. Ground Transportation Fees		11,133,145	
9. News and Retail Stores		7,181,964	
10. Ramp Fees		6,654,847	

* Excludes customer facility charges

The top ten revenue providers for 2023 and 2022 for the MAC were as follows:

Top Ten Operating Revenue Providers

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

Top Ten Operating Revenue Providers

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

ECONOMIC CONDITIONS

The COVID-19 pandemic and the related restrictions have had an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and rental car companies serving the Airport since early 2020. Currently, the reduction in demand and capacity has improved year over year and is expected to continue to improve in the near term. Retail, food, and other service concessionaires located in terminal facilities at the Airport have reported improvements in sales due to the increased passenger levels in 2022. In addition, the parking, ground transportation companies and rental car activity has continue to improve and recover which has improved the revenues of the Commission.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

During 2023, the MAC's total revenues and capital contributions increased by 32.3% to $716,106,000 from $541,116,000 in 2022. Changes in major categories follow (dollars in thousands):

	2023	% of Total	2022	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 164,074	22.9%	$ 125,612	23.2%	$ 38,462	30.6%
Concessions	204,288	28.5%	164,572	30.4%	39,716	24.1%
Rentals/fees	45,565	6.4%	40,284	7.4%	5,281	13.1%
Utilities and other revenues	25,972	3.6%	22,536	4.2%	3,436	15.2%
Total operating revenues	439,899		353,004		86,895	
Nonoperating revenues						
Investment income	54,218	7.6%	23,550	4.4%	30,668	130.2%
Solar panel financing rebate	389	0.1%	1,227	0.2%	(838)	-68.3%
Gain (loss) on disposal of assets	(9,127)	-1.3%	196	0.0%	(9,323)	-4756.6%
Grants used for operating expenses	(40)	0.0%	132	0.0%	(172)	-130.3%
Customer facility charges	19,343	2.7%	17,033	3.1%	2,310	13.6%
Other nonoperating revenue	1,704	0.2%	-	0.0%	1,704	100.0%
Passenger facility charges	66,821	9.3%	60,985	11.3%	5,836	9.6%
Total nonoperating revenues	133,308		103,123		30,185	
Capital contributions and grants	142,899	20.0%	84,989	15.7%	57,910	68.1%
Total revenues and capital contributions	$ 716,106	100.0%	$ 541,116	100.0%	$ 174,990	32.3%

Airline rates and charges increased by 30.6% or $38,462,000. 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 continued recovery in airline activity from the pandemic.

Concessions increased by 24.1% or $39,716,000. The increase is in each of the categories within Concessions. Food and Beverage, news, retail, and passenger services increased approximately $17.4 million due to the increase in passenger traffic, and reduced concession relief approved by the Commission due to the pandemic. Parking increased by approximately $19 million due to the increase in passenger traffic parking at the airport. Ground Transportation increased by approximately $2.7 million due to the increase in passengers using transportation services to the airport.

Rental fees increased by $5,281,000 or 13.1%. This is primarily due to several 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 15.2% or $3,436,000 primarily due to the increase in commercial activity and maintenance, cleaning, and distribution fees from the increase of passenger activity during the year.

Investment income increased $30,668,000 or 130.2% due to additional interest earned on new construction funds from recent bond issue, higher interest rates and from the recognition of lease interest income from additional leases subject to GASB Statement No. 87, *Leases* ("GASB 87"). There was no significant gain or loss on sale of assets in 2023 and 2022.

Customer facility charges increased $2,310,000 or 13.6% due to the continued recovery of 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 2022, the MAC's total revenues and capital contributions increased by 17.2% to $541,116,000 from $461,712,000 in 2021. Changes in major categories follow (dollars in thousands):

	2022	% of Total	2021	% of Total	Dollar Change	Percent Change
Operating revenues						
Airline rates and charges	$ 125,612	23.2%	$ 117,728	25.5%	$ 7,884	6.7%
Concessions	164,572	30.4%	121,408	26.3%	43,164	35.6%
Rentals/fees	40,284	7.4%	36,519	7.9%	3,765	10.3%
Utilities and other revenues	22,536	4.2%	18,486	4.0%	4,050	21.9%
Total operating revenues	353,004		294,141		58,863	
Nonoperating revenues						
Investment income	23,550	4.4%	3,026	0.7%	20,524	678.3%
Solar panel financing rebate	1,227	0.2%	862	0.2%	365	42.3%
Gain (loss) on disposal of assets	196	0.0%	98	0.0%	98	100.0%
Grants used for operating expenses	132	0.0%	10,241	2.2%	(10,109)	-98.7%
Customer facility charges	17,033	3.1%	13,029	2.8%	4,004	30.7%
Passenger facility charges	60,985	11.3%	51,096	11.1%	9,889	19.4%
Total nonoperating revenues	103,123		78,352		24,771	
Capital contributions and grants	84,989	15.7%	89,219	19.3%	(4,230)	-4.7%
Total revenues and capital contributions	$ 541,116	100.0%	$ 461,712	100.0%	$ 79,404	17.2%

Airline rates and charges increased by 6.7% or $7,884,000. 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 35.6% or $43,164,000. The increase is in each of the categories within Concessions. Food and Beverage, news, retail and passenger services increased approximately $3.6 million due to the increase in passenger traffic and reduced concession relief approved by the Commission due to the pandemic. Parking increased by approximately $37.0 million due to the increase in passenger traffic parking at the airport. Ground Transportation increased by approximately $11.0 million due to the increase in passengers using transportation services to the airport.

Rental fees increased by $3,765,000 or 10.3%. This is primarily due to several 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 21.9% or $4,050,000 primarily due to the decrease in commercial activity and maintenance, cleaning and distribution fees from the temporary closure of concessions during the year.

Investment income increased $20,524,000 or 678.3% due to additional interest earned on new construction funds from recent bond issue and from the recognition of lease interest income resulting from the implementation of GASB Statement No. 87, *Leases* ("GASB 87"). There was no significant gain or loss on sale of assets in2022 and 2021.

Capital contributions and grants represent grants received from both federal and state governments for various construction projects at both MSP and the reliever airports. Grants used for operating expenses are for grants received from the federal government as part of COVID-19 relief Acts for reimbursement of eligible operating expenses. The decrease in 2022 is primarily due to less federal grant reimbursements for COVID-19 relief being requested from each of the aforementioned grant programs.

Expenses

In 2023, the MAC's total expenses increased by 9.2% to $483,873 from $442,958,000 in 2022. Changes in major categories are summarized below (dollars in thousands):

	2023	% of Total	2022	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 108,211	22.2%	$ 90,775	20.5%	$ 17,436	19.2%
Administrative	1,454	0.3%	2,274	0.5%	(820)	-36.1%
Professional services	8,992	1.8%	6,918	1.6%	2,074	30.0%
Utilities	24,713	5.1%	25,590	5.8%	(877)	-3.4%
Operating services	33,992	7.0%	29,191	6.6%	4,801	16.4%
Maintenance	58,147	11.9%	46,999	10.6%	11,148	23.7%
Depreciation and amortization	186,890	38.4%	185,124	41.8%	1,766	1.0%
Other	5,808	1.2%	5,956	1.3%	(148)	-2.5%
Total operating expenses	428,207		392,827		35,380	
Nonoperating expenses						
Interest expense	58,560	12.0%	50,131	11.3%	8,429	16.8%
Total nonoperating expenses	58,560		50,131		8,429	
Total expenses	$ 486,767	100.0%	$ 442,958	100.0%	$ 43,809	9.9%

Personnel increased by 19.2% or $17,436,000. The majority of the increase is related to adjustments related to the actuarial valuation of the multi-employer pension plans and other postemployment benefit plan that the Commission participates in. Additionally, the Commission increased headcount in response to additional snow removal operation needs and continued to fill positions that were open from 2020 that was used to reduce costs in response to the pandemic, along with some additional new positions.

Utilities decreased $877,000 or 3.4% primarily due to lower usage of electricity and natural gas due to mild weather conditions.

Operating services increased $4,801,000 or 16.4% due to increased advertising and service agreement costs and other expenses.

Maintenance increased by 23.7% or $11,148,000 primarily due record snowfall in the spring of 2023 and the implementation of a field maintenance augmentation plan for airfield snow clearing which added resources during the year.

Depreciation increased $1,766,000 or 1.0%. The increase is attributable to new projects placed into service during 2022-2023.

Interest expense increased $8,429,000 or 16.8% due to an interest rate increase on the short-term borrowing program flexible rate.

In 2022, the MAC's total expenses increased by 11.1% to $442,958,000 from $398,629,000 in 2021. Changes in major categories are summarized below (dollars in thousands):

	2022	% of Total	2021	% of Total	Dollar Change	Percent Change
Operating expenses						
Personnel	$ 90,775	20.5%	$ 75,182	18.9%	$ 15,593	20.7%
Administrative	2,274	0.5%	1,054	0.3%	1,220	115.7%
Professional services	6,918	1.6%	5,679	1.4%	1,239	21.8%
Utilities	25,590	5.8%	19,092	4.8%	6,498	34.0%
Operating services	29,191	6.6%	25,895	6.5%	3,296	12.7%
Maintenance	46,999	10.6%	41,862	10.5%	5,137	12.3%
Depreciation and amortization	185,124	41.8%	178,513	44.8%	6,611	3.7%
Other	5,956	1.3%	3,665	0.9%	2,291	62.5%
Total operating expenses	392,827		350,942		41,885	
Nonoperating expenses						
Interest expense	50,131	11.3%	47,687	12.0%	2,444	5.1%
Total nonoperating expenses	50,131		47,687		2,444	
Total expenses	$ 442,958	100.0%	$ 398,629	100.0%	$ 44,329	11.1%

Personnel increased by 20.7% or $15,593,000. The majority of the increase is related to adjustments related to the actuarial valuation of the multi-employer pension plans and other postemployment benefit plan that the Commission participates in. Additionally, the Commission continued to fill many positions that were open from 2020 that was used to reduce costs in response to the pandemic.

Utilities increased $6,498,000 or 34.0% primarily due to higher usage of electricity and natural gas due to certain facilities reopening after being closed and increasing cost of energy resources.

Operating services increased $3,296,000 or 12.7% due to parking facilities reopening, increased advertising and service agreement costs and other expenses.

Maintenance increased by 12.3% or $5,137,000 due to restoring most of the contract services for automated people movers, moving walkways, and other expenses that were reduced in 2021 to lower costs in response to the pandemic.

Depreciation increased $6,611,000 or 3.7%. The increase is attributable to new projects placed into service during 2021-2022.

Interest expense increased $2,444,000 or 5.1% due to an interest rate increase on the short-term borrowing program flexible rate.

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, 2023, 2022, and 2021 (dollars in thousands):

	2023	2022	2021
Operating revenues	$ 439,899	$ 353,004	$ 294,141
Operating expenses	(428,207)	(392,827)	(350,942)
Operating income	11,692	(39,823)	(56,801)
Nonoperating revenues	133,308	103,123	78,352
Nonoperating expenses	(58,560)	(50,131)	(47,687)
Nonoperating income	74,748	52,992	30,665
Increase (decrease) in net position before capital contributions and grants	86,440	13,169	(26,136)
Capital contributions and grants	142,899	84,989	89,219
Increase in net position	229,339	98,158	63,083
Net position, beginning of year	2,147,872	2,049,714	1,986,631
Net position, end of year	$ 2,377,211	$ 2,147,872	$ 2,049,714

The Commission shows an increase in the total change in its net position in 2023. This is due to the continued recovery of the airline and travel industries from the COVID-19 pandemic and the related increases in operating revenues in most categories in 2023.

The Commission shows an increase in the total change in its net position in 2022. This is due to the continued recovery of the airline and travel industries from the COVID-19 pandemic and the related increases in operating revenues in most categories in 2022.

Despite the continued impact to revenues from the decline in passengers due to the pandemic, we believe we are still 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, 2023, 2022, and 2021 follows (dollars in thousands):

	December 31,		
	2023	2022	2021
Assets			
Current assets - unrestricted	$ 523,171	$ 404,003	$ 325,916
Noncurrent assets:			
Restricted assets	602,780	606,072	342,147
Other noncurrent assets	298,065	275,164	13,004
Capital assets - net	3,243,608	3,181,134	3,140,362
Total assets	4,667,624	4,466,373	3,821,429
Deferred Outflows of Resources	60,804	79,751	63,192
Total assets and deferred outflows of resources	4,728,428	4,546,124	3,884,621
Liabilities			
Current liabilities - unrestricted	$ 115,822	$ 95,454	$ 74,643
Noncurrent liabilities:			
Payable from restricted assets	119,075	126,168	116,446
Bonds and notes payable	1,573,002	1,688,976	1,394,779
Other noncurrent liabilities	163,030	164,121	159,247
Total liabilities	1,970,929	2,074,719	1,745,115
Deferred Inflows of Resources	380,287	323,533	89,792
Total liabilities and deferred inflows of resources	2,351,216	2,398,252	1,834,907
Net Position			
Net investment in capital assets	1,864,680	1,784,765	1,748,232
Restricted	208,312	150,120	114,770
Unrestricted	304,220	212,987	186,712
Total net position	2,377,212	2,147,872	2,049,714
Total liabilities, deferred inflows of resources and net position	$ 4,728,428	$ 4,546,124	$ 3,884,621

The increase in total assets and deferred outflows of resources is primarily due to the increase in restricted investment balances from additional cash available from operations and grant funds during 2022 in addition to an increase in noncurrent assets related to lease receivables recorded from the implementation of GASB 87. Overall, the majority of the increase in liabilities primarily due to a new bond issue during 2022 and an increase in deferred inflows of resources from the implementation of GASB 87.

FIDUCIARY ACTIVITIES

The statement of fiduciary net position reported $77,680 and $75,507 (in thousands) as assets and net position restricted for OPEB as of December 31, 2023 and 2022, respectively, and the statements of changes in fiduciary net position reported total additions of $5,523 and $(2,225) (in thousands), comprised principally of interest earnings offset by the change in fair value in 2023 and of Commission contributions offset by the change in fair value of investments in 2023. Total deductions–benefits-payments of $3,350 and $2,705 (in thousands) for the years ended December 31, 2023 and 2022, respectively.

CASH AND INVESTMENT MANAGEMENT

The following summary shows the major sources and uses of cash during the years ended December 31, 2023 and 2022 (dollars in thousands):

	December 31, 2023	December 31, 2022	December 31, 2021
Cash provided by operating activities	$ 429,806	$ 348,582	$ 297,389
Cash used in operating activities	(227,919)	(200,318)	(204,071)
Net cash provided by operating activities	201,887	148,264	93,318
Net cash provided by noncapital financing activities	-	-	26,028
Net cash provided by (used in) capital and related financing activities	(207,111)	162,552	(190,122)
Net cash provided by (used in) investing activities	24,667	(305,848)	72,994
Net increase in cash and cash equivalents	19,443	4,968	2,218
Cash and cash equivalents, beginning of year	27,062	22,094	19,876
Cash and cash equivalents, end of year	$ 46,505	$ 27,062	$ 22,094

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 2023, the MAC's average portfolio balance was $855,416,000 and total investment earnings were $7,633,000 for an average yield on investments during the year of 3.35%. This compares to an average portfolio balance of $661,547,000; investment earnings of $4,622,000 and average yield of 0.70% in fiscal year 2022.

The Commission currently has a policy of keeping a six-month working capital reserve in its operating fund. At the end of 2023, the Commission has in its operating fund approximately $185 million over and above its 2023 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 2023, the Commission expended $239,000,000 on its on-going Capital Improvement Program (CIP). Approximately $42,000,000 was associated with various airfield and runway projects. Approximately $166,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include Conveyance systems, roof and building improvements and construction work on the fire station and safety and security center. Approximately $17,000,000 was mainly spent for parking structure rehabilitation , roadway and pavement improvements and heating and cooling systems, $20,000,000 on a new fire station and safety and security center, $51,000,000 on operational improvements related to the baggage claim and ticket lobby, $43,000,000 on building and system improvements, and $8,000,000 for an expansion of a portion of Concourse G. Approximately $9000,000 was spent on the Commission's reliever airport system. The remaining $27,000,000 was spent primarily for noise mitigation and technology upgrades. Average monthly capital spending in 2022 was approximately $19,884,000.

During 2022, the Commission expended $209,000,000 on its on-going Capital Improvement Program (CIP). Approximately $33,000,000 was associated with various airfield and runway projects. Approximately $120,000,000 was related to Terminal 1 projects. Projects at Terminal 1 include Tram systems retrofit, security improvements and construction work on the fire station. Approximately $16,000,000 was mainly spent for parking structure rehabilitation, badging office relocation, and heating and cooling systems, $15,000,000 on a new fire station, $58,000,000 on operational improvements related to the baggage claim and ticket lobby, and $12,000,000 for an expansion of a portion of Concourse G. Approximately $10,000,000 was spent on the Commission's reliever airport system. The remaining $9,000,000 was spent primarily for noise mitigation and other building improvements. Average monthly capital spending in 2022 was approximately $17,417,000.

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, 2023, 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
2023	9,333,150	2028	9,465,900
2024	9,333,400	2029	9,467,625
2025	9,337,650	2030	9,462,475
2026	9,334,900		
2027	9,334,650		

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, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 46,504,508	$ 27,063,620
Investments (Note 4)	279,256,348	262,988,369
Receivables:		
Customer receivables	20,891,159	16,567,498
Leases receivable (Note 7)	46,134,215	40,877,345
Current portion of tenant improvement receivables	621,658	587,681
Due from other governments	127,030,718	54,008,913
Prepaid expenses and other assets	2,732,357	1,909,477
Total current assets	523,170,963	404,002,903
Noncurrent assets:		
Restricted assets:		
Restricted investments (Notes 4 and 5)	594,860,989	598,139,085
Passenger facility charge receivable	7,918,597	7,932,926
Leases receivable (Note 7)	267,366,236	251,509,428
Capital assets - Net (Note 6)	3,243,607,658	3,181,134,047
Derivative instruments - Forward delivery agreement (Note 12)	1,745,173	1,813,954
Tenant improvement receivables - Net of current portion	2,752,255	3,373,913
Net OPEB asset (Note 11)	26,201,766	18,466,808
Total noncurrent assets	4,144,452,674	4,062,370,161
Total assets	4,667,623,637	4,466,373,064
Deferred Outflows of Resources		
Bond refunding loss being amortized (Note 8)	9,130,877	10,730,882
Deferred pension costs (Note 10)	53,402,290	57,522,760
Deferred OPEB costs (Note 11)	6,694,135	11,772,234
Total deferred outflows of resources	69,227,302	80,025,876
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	97,916,518	79,784,262
Employee compensation, payroll taxes, and other	14,364,484	12,319,834
Unearned revenue	814,219	1,827,564
OPEB contribution payable	1,477,577	166,503
Current portion of lease liability (Note 8)	1,249,024	1,355,855
Total current liabilities	115,821,822	95,454,018
Noncurrent liabilities:		
Payable from restricted assets:		
Interest payable from restricted assets	34,069,024	35,476,540
Principal payable from restricted assets (Note 8)	75,581,812	82,682,290
Construction and other	9,423,791	8,009,254
Revolving line of credit payable (Note 9)	87,753,550	43,193,050
Net pension liability (Note 10)	75,276,187	120,928,225
Bonds and notes payable - Net of current portion (Note 8)	1,573,001,892	1,688,975,670
Total noncurrent liabilities	1,855,106,256	1,979,265,029
Total liabilities	1,970,928,078	2,074,719,047

See notes to financial statements.

December 31, 2023 and 2022

	2023	2022
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives (Note 12)	$ 1,745,173	$ 1,813,954
Bond refunding gain being amortized (Note 8)	14,594,259	3,744,904
Deferred pension cost reductions (Note 10)	51,841,203	5,549,784
Deferred OPEB cost reductions (Note 11)	21,109,870	27,551,793
Deferred inflow related to leases	299,419,761	285,146,785
Total deferred inflows of resources	388,710,266	323,807,220
Net Position		
Net investment in capital assets	1,864,679,899	1,784,764,900
Restricted:		
Debt service	127,064,227	127,370,929
Construction	67,286,424	20,535,984
Police/911 emergency communications	2,176,124	2,213,127
Net OPEB asset	26,201,766	18,466,808
Unrestricted	289,804,155	194,520,925
Total net position	**$ 2,377,212,595**	**$ 2,147,872,673**

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenue		
Airline rates and charges	$ 164,073,957	$ 125,612,370
Concessions and parking	204,288,209	164,572,407
Rentals/fees	45,565,450	40,283,607
Utilities and other revenue	25,972,328	22,535,507
Total operating revenue	439,899,944	353,003,891
Operating Expenses		
Personnel	108,211,047	90,774,873
Administrative	1,454,406	2,274,566
Professional services	8,991,851	6,918,541
Utilities	24,712,639	25,589,627
Operating services	33,992,111	29,190,736
Maintenance	58,147,482	46,998,966
Other	5,808,091	5,955,701
Depreciation and amortization	186,889,682	185,123,553
Total operating expenses	428,207,309	392,826,563
Operating Income (Loss)	11,692,635	(39,822,672)
Nonoperating Revenue (Expense)		
Investment income - Net	54,218,229	23,550,177
(Loss) gain on sale of assets	(9,126,554)	196,244
Passenger facility charges	66,821,040	60,985,382
Federal interest rate subsidies	389,120	1,226,961
Grants used for operating expenses	(40,411)	131,730
Customer facility charges	19,342,637	17,033,418
Other nonoperating revenue	1,703,571	-
Interest and fiscal charges	(58,559,699)	(50,131,319)
Total nonoperating revenue	74,747,933	52,992,593
Income - Before capital contributions	86,440,568	13,169,921
Capital Contributions - Capital grants	142,899,354	84,988,782
Change in Net Position	229,339,922	98,158,703
Net Position - Beginning of year	2,147,872,673	2,049,713,970
Net Position - End of year	**$ 2,377,212,595**	**$ 2,147,872,673**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Receipts from customers and users	$ 429,804,587	$ 348,582,462
Payments to suppliers	(116,159,030)	(97,218,150)
Payments to employees and benefit providers	(111,760,362)	(103,100,144)
Net cash and cash equivalents provided by operating activities	201,885,195	148,264,168
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	176,371,629	455,009,188
Receipt of capital grants	69,837,138	102,751,776
Receipt of passenger facility charges	66,835,369	61,108,539
Receipt of solar panel financing rebate	389,120	1,226,961
Proceeds from sale of capital assets	3,963,070	196,244
Receipt of customer facility charges	19,342,637	17,033,418
Payments for airport improvements and facilities	(262,182,293)	(224,907,700)
Principal and interest paid on capital debt	(342,884,389)	(195,606,261)
Net proceeds from (payments on) revolving line of credit	44,560,500	(69,955,512)
Interest received on leases	16,655,750	15,695,435
Net cash and cash equivalents (used in) provided by capital and related financing activities	(207,111,469)	162,552,088
Cash Flows from Investing Activities		
Interest received on investments	35,953,474	6,461,581
Purchases of investment securities	(209,427,611)	(429,540,857)
Proceeds from sale and maturities of investment securities	196,437,728	117,231,560
Receipt of other nonoperating investment activities	1,703,571	-
Net cash and cash equivalents provided by (used in) investing activities	24,667,162	(305,847,716)
Net Increase in Cash and Cash Equivalents	19,440,888	4,968,540
Cash and Cash Equivalents - Beginning of year	27,063,620	22,095,080
Cash and Cash Equivalents - End of year	**$ 46,504,508**	**$ 27,063,620**
Classification of Cash and Cash Equivalents - Cash and cash equivalents	**$ 46,504,508**	**$ 27,063,620**

See notes to financial statements.

Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities		
Operating income (loss)	$ 11,692,635	$ (39,822,672)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation and amortization	186,889,682	185,123,553
Changes in assets and liabilities:		
Receivables	(1,461,029)	(2,577,793)
Lease receivable and related deferrals	(6,840,702)	(5,182,410)
Prepaid expenses and other assets	(844,118)	(496,437)
Employee compensation and payroll taxes	(5,813,350)	(19,379,118)
Accounts payable and accrued liabilities	15,879,395	21,090,891
Net pension and net OPEB liability and related deferred inflows and outflows	3,396,027	8,708,611
Unearned revenue	(1,013,345)	799,543
Total adjustments	190,192,560	188,086,840
Net cash and cash equivalents provided by operating activities	**$ 201,885,195**	**$ 148,264,168**

Statement of Fiduciary Net Position

December 31, 2023 and 2022

	Other Postemployment Benefits Trust Fund	
	2023	2022
Assets		
Cash and cash equivalents	$ 363,160	$ 2,004,030
Investments:		
U.S. government securities	65,433,167	62,776,114
Bonds	10,011,925	10,235,539
Receivables:		
Accrued interest receivable	394,520	324,846
Contributions receivable	1,477,577	166,503
Total assets	77,680,349	75,507,032
Liabilities	-	-
Net Position - Restricted for postemployment benefits other than pensions	**$ 77,680,349**	**$ 75,507,032**

See notes to financial statements.

Statement of Changes in Fiduciary Net Position

Years Ended December 31, 2023 and 2022

	Other Postemployment Benefits Trust Fund	
	2023	2022
Additions		
Investment income (loss):		
Interest and dividends	$ 4,639,057	$ 3,047,444
Change in fair value of investments (realized and unrealized)	(1,001,950)	(9,877,219)
Net investment income (loss)	3,637,107	(6,829,775)
Contributions	1,885,766	4,604,496
Total additions	5,522,873	(2,225,279)
Deductions - Benefit payments	3,349,556	2,704,551
Net Increase (Decrease) in Fiduciary Net Position	2,173,317	(4,929,830)
Net Position - Beginning of year	75,507,032	80,436,862
Net Position - End of year	**$ 77,680,349**	**$ 75,507,032**

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 years
Movable equipment	3-15 years

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 $2,804,000 and $8,009,000 for the years ended December 31, 2023 and 2022, respectively. The unamortized costs, included in airport improvements and buildings at December 31, 2023 and 2022, were approximately $18,423,000 and $21,227,000, respectively. The amortization expense is included as a component of depreciation 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. Liabilities for these absences are recognized when incurred and are reported in the employee compensation, payroll taxes, and other line item in the statement of net position.

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) are 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 $2,100,000,000 and has, as of December 31, 2023, collected approximately $1,800,000,000.

PFCs, which are recognized when the underlying exchange transaction occurs, are included in nonoperating revenue and amounted to approximately $265,899,402 and $60,985,000 for the years ended December 31, 2023 and 2022, 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 $35,479,000 and $17,033,000 in auto rental CFCs for the years ended December 31, 2023 and 2022, 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 June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2024.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The standard defines a concentration (a lack of diversity related to an aspect of significant inflow of resources or outflow of resources) and a constraint (a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority), both of which may limit a government's ability to acquire resources or control spending. GASB 102 requires a government to disclose information about a concentration or constraint if certain criteria are met. The provisions of this statement are effective for the Commission's financial statements for the year ending December 31, 2025.

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 the rent of 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 are 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, 2023 and 2022, 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, 2023 and 2022, 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:

Primary Government	2023 Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
Government-sponsored enterprises	$ 462,555,285	$ 103,931,259	$ -	$ -	$ 566,486,544
Municipal bonds	9,277,748	12,545,399	-	-	21,823,147
Total	$ 471,833,033	$ 116,476,658	$ -	$ -	$ 588,309,691

Primary Government	2022 Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 207,515,099	$ -	$ -	$ -	$ 207,515,099
Government-sponsored enterprises	227,347,516	77,120,303	-	-	304,467,819
Municipal bonds	26,332,470	7,149,814	-	-	33,482,284
Total	$ 461,195,085	$ 84,270,117	$ -	$ -	$ 545,465,202

OPEB	2023 Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 1,024,903	$ 10,936,735	$ 18,051,717	$ 686,706	$ 30,700,061
Government-sponsored enterprises	3,088,844	7,395,352	3,936,604	19,363,816	33,784,616
Municipal bonds	1,538,595	8,707,067	714,755	-	10,960,417
Total	$ 5,652,342	$ 27,039,154	$ 22,703,076	$ 20,050,522	$ 75,445,094

OPEB	2022 Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
U.S. Treasury security notes	$ 2,413,276	$ 11,980,083	$ 11,814,393	$ 209,968	$ 26,417,720
Government-sponsored enterprises	4,033,804	9,177,111	2,077,456	20,190,851	35,479,222
Municipal bonds	1,608,220	7,577,868	1,928,623	-	11,114,711
Total	$ 8,055,300	$ 28,735,062	$ 15,820,472	$ 20,400,819	$ 73,011,653

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, 2023 and 2022, the credit quality ratings of debt securities (other than the U.S. government) are as shown in the tables below:

	2023		2022	
Investment	Carrying Value	Rating S&P/Moody's	Carrying Value	Rating S&P/Moody's
Primary Government				
U.S. Treasury security notes	$ -		$ 207,515,099	N/A / AAA
Government-sponsored enterprises:				
Federal Farm Credit Bank	45,794,021	AA+ / AAA	29,713,657	AA+ / AAA
Federal Home Loan Bank	174,952,241	AA+ / AAA	159,044,937	AA+ / AAA
Federal Home Loan Bank	4,946,450	AA+ / AA2	-	
Federal Home Loan Bank	1,210,817	AA+ / N/A	1,973,080	AA+ / N/A
Federal Home Loan Bank	-		3,496,010	N/A / AAA
Federal Home Loan Bank Trust	265,899,402	AA+ / AAA	85,063,758	AA+ / AAA
Federal Home Loan Mortgage Corporation	41,974,873	AA+ / AAA	-	
Federal Home Loan Mortgage Corporation	-		20,979,559	N/A / AAA
Federal National Mortgage Association	26,714,040	AA+ / AAA	4,196,818	AA+ / AAA
Federal National Mortgage Association	4,994,700	N/A / N/A	-	
Municipal bonds	2,901,996	AAA / AA1	3,728,384	AAA / AA1
Municipal bonds	-		796,152	AAA / AA2
Municipal bonds	963,100	AA+ / AAA	-	
Municipal bonds	2,270,941	AA+ / AA1	2,181,134	AA+ / AA1
Municipal bonds	371,786	AA+ / AA2	2,481,458	AA+ / AA2
Municipal bonds	2,483,250	AA / AA2	7,928,164	AA / AA2
Municipal bonds	546,517	AA / N/A	1,173,365	AA / N/A
Municipal bonds	-		568,636	AA- / AA3
Municipal bonds	901,107	AA- / N/A	1,564,845	AA- / N/A
Municipal bonds	3,279,804	A+ / N/A	3,241,425	A+ / N/A
Municipal bonds	-		5,015,700	SP-1+ / N/A
Municipal bonds	930,190	N/A / AAA	1,985,347	N/A / AAA
Municipal bonds	3,573,135	N/A / AA1	998,980	N/A / AA1
Municipal bonds	2,234,462	N/A / AA2	498,930	N/A / AA2
Municipal bonds	-		1,319,764	N/A / AA3
Municipal bonds	362,809	N/A / A1	-	
Municipal bonds	1,004,050	N/A / MIG1	-	
Money market	272,713,183	N/A / N/A	287,842,499	N/A / N/A
Accrued income	2,373,103		815,874	
Total	$ 863,395,977		$ 834,123,575	

Note 4 - Deposits and Investments (Continued)

	2023		2022	
Investment	Carrying Value	Rating S&P/Moody's	Carrying Value	Rating S&P/Moody's
OPEB				
U.S. Treasury security notes	$ 30,700,061	N/A / AAA	$ 25,132,721	N/A / AAA
U.S. Treasury security notes	-		1,284,998	N/A / N/A
Government-sponsored enterprises:				
Federal Farm Credit Bank	2,509,321	AA+ / AAA	2,606,601	AA+ / AAA
Federal Home Loan Bank	7,568,234	AA+ / AAA	5,967,838	AA+ / AAA
Federal Home Loan Mortgage Corporation	-	N/A / N/A	868,700	AA+ / AAA
Federal Home Loan Mortgage Corporation	387,380	AAA / N/A	478,702	AAA / N/A
Federal Home Loan Mortgage Corporation	884,740	N/A / AAA	859,682	N/A / AAA
Federal Home Loan Mortgage Corporation	3,356,106	N/A / N/A	3,854,301	N/A / N/A
Federal National Mortgage Association	1,711,404	AA+ / AAA	3,545,825	AA+ / AAA
Federal National Mortgage Association	15,046,105	N/A / N/A	14,675,887	N/A / N/A
Small Business Administration	488,615	N/A / N/A	566,707	N/A / N/A
Government National Mortgage Association	1,832,711	N/A / N/A	2,054,979	N/A / N/A
Municipal bonds	1,115,844	AAA / AAA	1,326,053	AAA / AAA
Municipal bonds	832,704	AAA / AA1	371,721	AAA / AA1
Municipal bonds	1,278,236	AAA / N/A	1,093,577	AAA / N/A
Municipal bonds	1,669,000	AA+ / AAA	1,614,950	AA+ / AAA
Municipal bonds	1,022,642	AA+ / AA1	1,222,848	AA+ / AA1
Municipal bonds	1,714,500	AA+ / AA2	2,143,679	AA+ / AA2
Municipal bonds	241,610	AA+ / N/A	231,080	AA+ / N/A
Municipal bonds	235,220	AA / AA1	376,105	AA / AA1
Municipal bonds	838,695	AA / AA2	451,113	AA / AA2
Municipal bonds	-	N/A / N/A	219,005	AA / AA3
Municipal bonds	-	N/A / N/A	117,317	AA / N/A
Municipal bonds	140,508	AA- / AA2	136,087	AA- / AA2
Municipal bonds	318,722	AA- / AA3	1,190,670	AA- / AA3
Municipal bonds	147,317	AA- / N/A	145,034	AA- / N/A
Municipal bonds	64,637	A+ / AA3	89,669	A+ / AA3
Municipal bonds	271,129	N/A / AA1	262,081	N/A / AA1
Municipal bonds	870,410	N/A / AA2	114,723	N/A / AA2
Municipal bonds	154,795	N/R / AA1	-	N/A / N/A
Municipal bonds	44,448	N/R / N/A	-	N/A / N/A
Money market	363,160	N/A / N/R	2,004,030	N/A / N/A
Accrued income	394,520		324,847	
Total	$ 76,202,774		$ 75,331,530	

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, 2023 and 2022, government-sponsored enterprises are the only investment type subject to concentration of credit risk.

Note 4 - Deposits and Investments (Continued)

In the primary government, investments in U.S. government-sponsored enterprises totaled $566,486,544 and $304,467,819 at December 31, 2023 and 2022, respectively. Of this total, $181,109,507 and $164,514,027, or 32 and 54 percent, respectively, is invested in the Federal Home Loan Bank and $265,899,402 and $85,063,758, or 47 and 28 percent, respectively, is invested in Federal Home Loan Bank Trust.

In the OPEB Plan, investments in U.S. government-sponsored enterprises totaled $33,784,616 and $35,479,000 at December 31, 2023 and 2022, respectively. Of this total, $16,757,509 and $18,221,712, or 22 and 51 percent, respectively, is invested in the Federal National Mortgage Association and $4,628,226 and $6,026,707, or 6 and 17 percent, respectively, is invested in the Federal Home Loan Mortgage Corporation.

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, 2023 and 2022:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2023			
	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, 2023
Assets				
Investments:				
U.S. Treasury securities	$ 30,700,061	$ -	$ -	$ 30,700,061
U.S. government-sponsored enterprise securities	-	600,271,160	-	600,271,160
Municipal securities	-	32,783,564	-	32,783,564
Total investments	30,700,061	633,054,724	-	663,754,785
Derivatives - Forward sales commitments	-	-	1,745,173	1,745,173
Total assets	$ 30,700,061	$ 633,054,724	$ 1,745,173	$ 665,499,958

Note 4 - Deposits and Investments (Continued)

	Assets at Carrying Value on a Recurring Basis at December 31, 2022			
	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, 2022
Assets				
Investments:				
U.S. Treasury securities	$ 233,932,819	$ -	$ -	$ 233,932,819
U.S. government-sponsored enterprise securities	-	339,947,041	-	339,947,041
Municipal securities	-	44,596,995	-	44,596,995
Total investments	233,932,819	384,544,036	-	618,476,855
Derivatives - Forward sales commitments	-	-	1,813,954	1,813,954
Total assets	$ 233,932,819	$ 384,544,036	$ 1,813,954	$ 620,290,809

At December 31, 2023 and 2022, the Commission reported $273,076,343 and $289,846,529, respectively, valued 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, 2023 and 2022 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, 2023 and 2022 were determined primarily based on Level 3 inputs. The Commission values its position using mathematical approximations of market values derived from proprietary models of a third-party on a mid-market 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, 2023 and 2022 is as follows:

	2023	2022
Coverage account	$ 21,155,785	$ 20,135,401
Passenger facility charges fund	59,367,827	12,603,058
Revenue bond interest and principal funds	108,199,350	127,754,513
Revenue bond reserve funds	111,780,747	112,107,240
Revenue bond construction funds	261,765,029	308,753,754
Revolving loan construction funds	32,592,251	16,785,119
Total	$ 594,860,989	$ 598,139,085

Note 6 - Capital Assets

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

	Balance January 1, 2023	Transfers	Additions	Disposals	Balance December 31, 2023
Capital assets not being depreciated:					
Land	$ 350,954,558	$ -	$ -	$ (13,089,624)	$ 337,864,934
Construction in progress	215,504,796	(213,046,180)	257,486,647	-	259,945,263
Subtotal	566,459,354	(213,046,180)	257,486,647	(13,089,624)	597,810,197
Capital assets being depreciated:					
Buildings and improvements	5,574,553,754	212,662,523	30,466	-	5,787,246,743
Machinery and equipment	215,300,564	383,657	4,520,215	(555,991)	219,648,445
Right-to-use asset	3,718,656	-	415,589	-	4,134,245
Subtotal	5,793,572,974	213,046,180	4,966,270	(555,991)	6,011,029,433
Accumulated depreciation:					
Buildings and improvements	3,012,565,792	-	173,499,996	-	3,186,065,788
Machinery and equipment	165,001,440	-	11,808,462	(555,991)	176,253,911
Right-to-use asset	1,331,049	-	1,581,224	-	2,912,273
Subtotal	3,178,898,281	-	186,889,682	(555,991)	3,365,231,972
Net capital assets being depreciated	2,614,674,693	213,046,180	(181,923,412)	-	2,645,797,461
Net capital assets	$ 3,181,134,047	$ -	$ 75,563,235	$ (13,089,624)	$ 3,243,607,658

	Balance January 1, 2022	Transfers	Additions	Disposals	Balance December 31, 2022
Capital assets not being depreciated:					
Land	$ 350,954,558	$ -	$ -	$ -	$ 350,954,558
Construction in progress	267,889,535	(273,445,156)	221,060,417	-	215,504,796
Subtotal	618,844,093	(273,445,156)	221,060,417	-	566,459,354
Capital assets being depreciated:					
Airport improvements and buildings	5,303,451,681	271,102,073	-	-	5,574,553,754
Movable equipment	215,419,381	2,343,083	1,116,074	(3,577,974)	215,300,564
Right-to-use asset	3,718,656	-	-	-	3,718,656
Subtotal	5,522,589,718	273,445,156	1,116,074	(3,577,974)	5,793,572,974
Accumulated depreciation:					
Buildings and improvements	2,841,579,350	-	170,986,442	-	3,012,565,792
Machinery and equipment	155,773,352	-	12,806,062	(3,577,974)	165,001,440
Right-to-use asset	-	-	1,331,049	-	1,331,049
Subtotal	2,997,352,702	-	185,123,553	(3,577,974)	3,178,898,281
Net capital assets being depreciated	2,525,237,016	273,445,156	(184,007,479)	-	2,614,674,693
Net capital assets	$ 3,144,081,109	$ -	$ 37,052,938	$ -	$ 3,181,134,047

Note 6 - Capital Assets (Continued)

Construction Commitments

The Commission has several active construction projects at year end. At December 31, 2023 and 2022, the Commission's commitments with contractors totaled approximately $137,849,000 and $127,445,000, 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, 2023 are as follows:

Year Ending	Principal	Interest	Total
2024	$ 1,249,024	$ 11,690	$ 1,260,714

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(s) 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, 2023 and 2022, 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, 2023 and 2022, the Commission recognized the following related to its lessor agreements:

	2023	2022
Lease revenue	$ 49,803,119	$ 47,493,698
Interest income related to its leases	16,655,750	15,695,435
Revenue from variable payments not previously included in the measurement of the lease receivable	23,137,518	17,505,565

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.

Note 7 - Leases (Continued)

Future principal and interest payment requirements related to the Commission's lease receivable at December 31, 2023 and 2022 are as follows:

Years Ending	Principal	Interest	Total
2024	$ 46,134,215	$ 14,572,717	$ 60,706,932
2025	47,235,674	12,235,947	59,471,621
2026	45,451,096	9,888,394	55,339,490
2027	43,818,082	7,683,306	51,501,388
2028	39,224,373	5,594,148	44,818,521
2029-2033	74,853,971	9,285,946	84,139,917
2034-2038	4,046,747	3,350,606	7,397,353
2039-2043	1,955,278	2,765,249	4,720,527
2044-2048	1,270,046	2,376,416	3,646,462
2049-2053	753,402	2,188,664	2,942,066
2054-2058	996,220	2,016,642	3,012,862
2059-2063	1,248,528	1,791,281	3,039,809
2064-2068	739,856	1,569,061	2,308,917
2069-2073	694,930	1,395,596	2,090,526
2074-2078	891,844	1,198,682	2,090,526
2079-2083	1,144,556	945,970	2,090,526
2084-2088	1,468,875	621,651	2,090,526
2089-2093	1,572,758	206,890	1,779,648
Total	$ 313,500,451	$ 79,687,166	$ 393,187,617

Regulated Leases (Lessor)

The Commission is party to certain regulated leases, as defined by GASB Statement No. 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, 2023 and 2022, the Commission recognized the following from regulated leases:

	2023	2022
Lease revenue	$ 104,694,850	$ 79,054,732

Note 7 - Leases (Continued)

Future expected minimum payments related to the Commission's regulated leases at December 31, 2023 are as follows:

Years Ending	Amount
2024	$ 90,503,947
2025	88,296,452
2026	88,417,071
2027	87,769,497
2028	87,181,354
2029-2034	196,807,414
Total	$ 638,975,735

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, 2023 and 2022 can be summarized as follows:

	2023						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2014A** Original amount - $217,790,000 10/08/2014	3.5% - 5.0%	$3,270 - $209,900	$ 192,135,000	$ -	$ (192,135,000)	$ -	$ -
Series 2014B** Original amount - $46,590,000 10/08/2014	5.0%	$3,850 - $38,840	18,365,000	-	(18,365,000)	-	-
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $319,540	330,690,000	-	-	330,690,000	-
Series 2016B** Original amount - $152,190,000 10/04/2016	3.0% - 5.0%	$1,370 - $137,570	67,345,000	-	(30,095,000)	37,250,000	37,250,000
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$11,390 - $195,860	191,755,000	-	(4,310,000)	187,445,000	4,525,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$500 - $22,910	20,525,000	-	(670,000)	19,855,000	705,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2,893% - 4.246%	$9,365 - $13,870	136,300,000	-	(9,365,000)	126,935,000	9,640,000
Series 2019A** Original amount - $96,615,000 08/28/2019	5.0%	$765 - $8,595	92,825,000	-	(1,620,000)	91,205,000	925,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$3,100 - $18,075	137,570,000	-	(6,840,000)	130,730,000	3,310,000

Note 8 - Long-term Debt (Continued)

	2023						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$3,360 - $4,985	$ 23,770,000	$ -	$ (4,105,000)	$ 19,665,000	$ 4,310,000
Series 2022A** Original amount - $145,900,000 08/23/2022	4.125% - 5%	$4,490 - $51,145	145,900,000	-	(6,390,000)	139,510,000	4,960,000
Series 2022B** Original amount - $226,785,000 08/23/2022	5.0%	$103,680 - $31,670	226,785,000	-	(1,625,000)	225,160,000	5,205,000
Series 2023A** Original amount - $154,490,000 10/4/2023	5.0%	$9,705 - $20,175	-	154,490,000	-	154,490,000	-
Series 2023B** Original amount - $8,290,000 10/4/2023	5.0%	$3,265 - $5,025	-	8,290,000	-	8,290,000	-
Direct borrowings - Notes payable:			39,086,154	16,728,706	(9,076,629)	46,738,231	4,751,812
Leases			2,392,937	-	(1,143,913)	1,249,024	1,249,024
Unamortized premium - Net			147,569,724	13,547,461	(30,496,712)	130,620,473	-
Total long-term bonds, leases, and notes payable			$1,773,013,815	$ 193,056,167	$ (316,237,254)	$1,649,832,728	$ 76,830,836

	2022						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable:							
Other debt:							
Series 2011A** Original amount - $52,015,000 10/04/2011	3.5% - 5.0%	$4,145 - $6,330	$ 5,555,000	$ -	$ (5,555,000)	$ -	$ -
Series 2014A** Original amount - $217,790,000 10/08/2014	5.0%	$1,330 - $22,030	200,905,000	-	(8,770,000)	192,135,000	9,215,000
Series 2014B** Original amount - $46,590,000 10/08/2014	5.0%	$3,850 - $5,210	22,870,000	-	(4,505,000)	18,365,000	4,730,000
Series 2016A* Original amount - $330,690,000 10/04/2016	3.0% - 5.0%	$1,150 - $52,515	330,690,000	-	-	330,690,000	-
Series 2016B** Original amount - $152,190,000 10/04/2016	3.0% - 5.0%	$1,370 - $32,175	91,640,000	-	(24,295,000)	67,345,000	30,095,000
Series 2016C* Original amount - $207,250,000 12/10/2016	4.0% - 5.0%	$3,650 - $8,530	195,860,000	-	(4,105,000)	191,755,000	4,310,000
Series 2016D (AMT)** Original amount - $23,410,000 12/10/2016	5.0%	$500 - $1,330	21,165,000	-	(640,000)	20,525,000	670,000
Series 2016E (Taxable)** Original amount - $171,690,000 12/10/2016	2.392% - 4.246%	$8,595 - $13,870	145,435,000	-	(9,135,000)	136,300,000	9,365,000

Note 8 - Long-term Debt (Continued)

	2022						
	Interest Rate Ranges	Principal Maturity Ranges (000s)	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Series 2019A** Original amount - $96,615,000 08/28/2019	5.0%	$765 - $8,595	$ 93,590,000	$ -	$ (765,000)	$ 92,825,000	$ 1,620,000
Series 2019B** Original amount - $164,320,000 08/28/2019	5.0%	$3,100 - $18,075	146,245,000	-	(8,675,000)	137,570,000	6,840,000
Series 2019C** Original amount - $31,035,000 08/28/2019	5.0%	$3,360 - $4,985	27,675,000	-	(3,905,000)	23,770,000	4,105,000
Series 2022A** Original amount - $145,900,000 9/7/2022	4.125% - 5.000%	$4,490 - $6,540	-	145,900,000	-	145,900,000	6,390,000
Series 2022B** Original amount - $226,785,000 9/7/2022	4.0% - 5.0%	$1,625 - $12,325	-	226,785,000	-	226,785,000	1,625,000
Direct borrowings - Notes payable:			40,381,642	-	(1,295,488)	39,086,154	3,717,290
Leases			3,718,654	-	(1,325,717)	2,392,937	1,355,855
Unamortized premium - Net			146,918,652	22,392,283	(21,741,211)	147,569,724	-
Total long-term bonds and notes payable			$1,472,648,948	$ 395,077,283	$ (94,712,416)	$1,773,013,815	$ 84,038,145

*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.

The Commission's Series 2014A, 2014B, 2016A, 2016B, 2016C, 2016E, 2019A, 2019B, 2019C, 2022A, 2022B, 2023A, and 2023B 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 September 2021, the Commission entered into a revolving line of credit agreement with CN Financing, Inc. (CNF) 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.

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 Terminal 1 and 2. The principal amount of these agreements qualify 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, 2023 and 2022, there was $24,327,155 and $27,126,497, respectively, in outstanding notes payable.

Note 8 - Long-term Debt (Continued)

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 September 2033 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, 2023 and 2022, there was $22,411,076 and $11,959,657, 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 year ended December 31, 2023, the net pledged revenue was approximately $239,335,000 compared to the net debt service (principal and interest) of approximately $103,135,000.

Debt Service Requirements to Maturity

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

	Direct Borrowings		Other Debt		
Years Ending December 31	Principal	Interest	Principal	Interest	Total
2024	$ 4,751,812	$ 718,067	$ 70,830,000	$ 67,531,418	$ 143,831,297
2025	4,428,528	619,817	89,785,000	65,857,432	160,690,777
2026	4,212,005	530,693	92,750,000	61,522,528	159,015,226
2027	3,849,124	444,761	98,590,000	56,948,488	159,832,373
2028	3,562,695	365,861	101,550,000	52,091,030	157,569,586
2029-2033	16,266,257	962,684	444,130,000	186,628,870	647,987,811
Thereafter	9,667,810	92,000	573,590,000	242,250,941	825,600,751
Total	$ 46,738,231	$ 3,733,883	$ 1,471,225,000	$ 732,830,707	$ 2,254,527,821

Note 8 - Long-term Debt (Continued)

Advance Bond Refunding

During the year, the Commission issued $162,780,000 in general obligation (revenue) bonds with an average interest rate of 5 percent. The proceeds of these bonds were used to advance refund $196,555,000 of outstanding Series 2014A and 2014B bonds with an average interest rate of 3.67 percent. The Commission deposited $198,781,305 in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds until the call date. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 12 years by approximately $40,293,865, which represents an economic gain of approximately $15,366,457.

Note 9 - Revolving Line of Credit

Under a revolving line of credit agreement with a bank, the Commission has available borrowings of approximately $150,000,000. 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, 2023 and 2022 for tax-exempt AMT and non-AMT borrowings benchmarked to the Securities Industry Financial Markets Association (SIFMA) was 4.19 and 4.17 percent and 3.98 and 3.96 percent, respectively. The effective interest rate as of December 31, 2023 and 2022 for taxable borrowings benchmarked to the Secured Overnight Financing Rate (SOFR) was 5.93 and 4.80 percent, respectively. The line of credit is collateralized by a subordinate pledge of the Commission's net revenue. There was $87,753,550 and $43,193,050 outstanding on the revolving line of credit at December 31, 2023 and 2022, respectively.

	Balance January 1, 2023	Advances	Repayments	Balance December 31, 2023
Revolving line of credit	$ 43,193,050	$ 46,400,000	$ (1,839,500)	$ 87,753,550

	Balance January 1, 2022	Advances	Repayments	Balance December 31, 2022
Revolving line of credit	$ 113,148,562	$ 30,000,000	$ (99,955,512)	$ 43,193,050

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).

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.

Note 10 - Pension Plans (Continued)

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 only be modified 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 equal 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 is 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.

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 equal at least 90.

Note 10 - Pension Plans (Continued)

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 only be awarded 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, 2023 and 2022, respectively. The Commission's contractually required contribution rate for the years ended December 31, 2023 and 2022 was 7.50 percent of annual payroll. Contributions to the GERF plan from the Commission were approximately $5,601,000 and $5,093,000 for the years ended December 31, 2023 and 2022, respectively.

This amount includes an employer supplemental contribution of approximately $1,243,000 and $1,210,000 for the years ended December 31, 2023 and 2022, respectively, 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, 2023 and 2022. The Commission's contractually required contribution rate for the years ended December 31, 2023 and 2022 was 17.70 percent of annual payroll. Contributions to the plan from the Commission were approximately $3,322,000 and $2,753,000 for the years ended December 31, 2023 and 2022, respectively.

Additionally, the State of Minnesota is required to contribute an aggregate amount for all employers of $9,000,000 to PEPFF 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.

Note 10 - Pension Plans (Continued)

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, 2023 and 2022 as its measurement date for the net pension liability for the years ended December 31, 2023 and 2022.

At December 31, 2023 and 2022, the Commission reported a liability of $52,032,517 and $67,447,000 for GERF and $23,243,670 and $53,481,225 for PEPFF, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as June 30, 2023, 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, 2023 and 2022 relative to all other contributing employers. At June 30, 2023 and 2022, the Commission's proportion was 0.9305 and 0.8516 percent, respectively, for GERF and 1.3460 and 1.2290 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, 2023 and 2022, the Commission recognized pension expense of $13,810,860 and $12,032,559, respectively, from all plans.

At December 31, 2023 and 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023 General Employees Retirement Fund		2023 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	$ 1,708,761	$ 358,437	$ 6,409,060	$ -
Changes in assumptions	8,423,333	14,261,671	26,972,373	32,680,880
Net difference between projected and actual earnings on pension plan investments	-	1,945,834	-	1,115,794
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	3,575,345	533,653	1,637,170	944,934
Employer contributions to the plan subsequent to the measurement date	2,982,067	-	1,694,181	-
Total	$ 16,689,506	$ 17,099,595	$ 36,712,784	$ 34,741,608

Note 10 - Pension Plans (Continued)

	2022 General Employees Retirement Fund		2022 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	$ 563,367	$ 720,496	$ 3,266,547	$ -
Changes in assumptions	15,264,479	274,326	31,481,929	321,506
Net difference between projected and actual earnings on pension plan investments	1,169,911	-	716,851	-
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	-	2,897,136	627,787	1,336,320
Employer contributions to the plan subsequent to the measurement date	3,041,098	-	1,390,791	-
Total	$ 20,038,855	$ 3,891,958	$ 37,483,905	$ 1,657,826

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
2024	$ 1,988,636	$ 1,088,947
2025	(6,658,656)	150,326
2026	2,406,624	5,797,026
2027	(1,128,760)	(1,283,348)
2028	-	(5,475,956)
Total	$ (3,392,156)	$ 276,995

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:

	2023	
	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)	7.0%	7.0%
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)

	2022	
	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)	6.5%	6.5%
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, 2023 and 2022 actuarial valuations 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 PEPFF's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive employees through the year 2061. Therefore, the discount rate was determined by blending the long-term expected rate of return on pension plan investments (7.00 percent) with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.86 percent).

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	7.0%	7.0%
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	7.0%	7.0

Note 10 - Pension Plans (Continued)

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2023 and June 30, 2022 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:

General Employees Retirement Fund

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

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 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:

	2023		
	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the General Employees Retirement Fund - Current discount rate (7.0%)	$ 92,049,703	$ 52,032,517	$ 19,116,862
Net pension liability of the Public Employees Police and Fire Fund - Current discount rate (7.0%)	46,118,213	23,243,670	4,437,735

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 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:

	2022		
	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the General Employees Retirement Fund - Current discount rate (6.5%)	$ 106,536,071	$ 67,447,000	$ 35,387,931
Net pension liability of the Public Employees Police and Fire Fund - Current discount rate (5.4%)	80,936,975	53,481,225	31,284,896

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.

Note 10 - Pension Plans (Continued)

Assumption Changes

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

GERF

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

PEPFF

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.

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 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 date 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, 2022	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	273	269
Active plan members electing medical coverage	598	592
Active plan members waiving medical coverage	33	33
Total plan members	904	894

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 the 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, 2023 and 2022, the Commission made payments for postemployment health benefit premiums of $1,885,766 and $4,604,496, respectively. The 2023 and 2022 benefit payments include $3,349,556 and $2,704,551, respectively, paid from the Commission's other assets. Retirees contributed approximately $392,429 and $361,870 for fiscal years 2023 and 2022, respectively. Included in the OPEB trust's contributions is a receivable from the Commission of $1,477,577 and $166,503 as of December 31, 2023 and 2022, 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, 2023 and 2022 net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2023 and 2022 measurement dates. The December 31, 2023 and 2022 measurement date total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 and December 31, 2021, 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, 2023	$ 57,040,224	$ 75,507,032	$ (18,466,808)
Changes for the year:			
Service cost	647,108	-	647,108
Interest	1,960,439	-	1,960,439
Differences between expected and actual experience	(356,423)	-	(356,423)
Changes in assumptions	(4,463,209)	-	(4,463,209)
Contributions - Employer	-	1,885,766	(1,885,766)
Net investment income	-	3,637,107	(3,637,107)
Benefit payments - Including refunds	(3,349,556)	(3,349,556)	-
Net changes	(5,561,641)	2,173,317	(7,734,958)
Balance at December 31, 2023	$ 51,478,583	$ 77,680,349	$ (26,201,766)

The plan's fiduciary net position represents 150.9 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:

Changes in Net OPEB Asset	Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at January 1, 2022	$ 78,751,149	$ 80,436,862	$ (1,685,713)
Changes for the year:			
Service cost	715,900	-	715,900
Interest	2,343,443	-	2,343,443
Differences between expected and actual experience	(20,241,454)	-	(20,241,454)
Changes in assumptions	(1,824,263)	-	(1,824,263)
Contributions - Employer	-	4,604,496	(4,604,496)
Net investment loss	-	(6,829,775)	6,829,775
Benefit payments - Including refunds	(2,704,551)	(2,704,551)	-
Net changes	(21,710,925)	(4,929,830)	(16,781,095)
Balance at December 31, 2022	$ 57,040,224	$ 75,507,032	$ (18,466,808)

The plan's fiduciary net position represents 132.4 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, 2023 and 2022, the Commission recognized OPEB recovery of $(7,213,015) and $(6,940,359), respectively.

At December 31, 2023 and 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 65,468	$ 16,828,845	$ 307,943	$ 25,992,887
Changes in assumptions	555,240	4,281,025	2,334,592	1,558,906
Net difference between projected and actual earnings on OPEB plan investments	6,073,427	-	9,129,699	-
Total	$ 6,694,135	$ 21,109,870	$ 11,772,234	$ 27,551,793

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

Years Ending December 31	Amount
2024	$ (7,966,504)
2025	(5,758,701)
2026	(491,443)
2027	(199,087)
Total	$ (14,415,735)

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The investment rate of return was assumed to be 4.75 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:

	2023	2022
Inflation	2.50%	2.50%
Salary increases	3.25%	3.25%
Investment rate of return	4.75%	3.50%
Health care cost trend rate	7.6% in fiscal year 2023 decreasing annually to 3.9% in fiscal year 2075 and later	6.8% in fiscal year 2022 decreasing annually to 3.9% in fiscal year 2075 and later

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75 and 3.50 percent for the years ended December 31, 2023 and 2022, respectively. 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, 2023 and 2022 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:

	2023	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	99.01 %	2.30 %
Cash or cash equivalents	0.99	0.77

	2022	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	96.91 %	1.05 %
Cash or cash equivalents	3.09	(0.45)

Note 11 - Other Postemployment Benefit Plan (Continued)

Rate of Return

For the years ended December 31, 2023 and 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 4.82 and (8.49) 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 4.75 and 3.50 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:

	2023		
	1 Percentage Point Decrease (3.75%)	Current Discount Rate (4.75%)	1 Percentage Point Increase (5.75%)
Net OPEB asset	$ (20,874,808)	$ (26,201,766)	$ (30,756,684)

	2022		
	1 Percentage Point Decrease (2.50%)	Current Discount Rate (3.50%)	1 Percentage Point Increase (4.50%)
Net OPEB asset	$ (11,815,058)	$ (18,466,808)	$ (24,063,076)

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 7.6 percent decreasing to 3.9 percent and 6.8 percent decreasing to 3.9 percent at December 31, 2023 and 2022, respectively, as well as what the Commission's net OPEB asset 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:

	2023		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB asset	$ (31,330,629)	$ (26,201,766)	$ (20,225,207)

	2022		
	1 Percentage Point Decrease	Current Health Care Cost Trend Rates	1 Percentage Point Increase
Net OPEB asset	$ (24,734,595)	$ (18,466,808)	$ (11,052,119)

Assumption Changes

During the year ended December 31, 2023, 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. In addition, health care trend rates increased from 6.8 percent to 7.6 percent.

During the year ended December 31, 2022, 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.

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, 2023	Fair Value at December 31, 2022
Series 2014 Debt Service Reserve Funds	1/1/2035	$ 21,181,822	4.6775	$ 1,745,173	$ 1,813,954

The interest rate swaps and 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.

Interest Rate Risk

The Commission is exposed to interest rate risk on its interest rate swaps. 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 17 and 21 percent of operating revenue and 57 and 62 percent of total revenue from major airlines for the years ended December 31, 2023 and 2022, respectively. Approximately 60 and 56 percent of total 2023 and 2022 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:

	2023	2022	2021
Estimated liability - Beginning of year	$ 1,961,329	$ 1,971,067	$ 1,668,305
Estimated claims incurred, including changes in estimates	13,051,273	10,812,079	10,217,474
Claim payments	(12,892,484)	(10,821,817)	(9,914,712)
Estimated liability - End of year	$ 2,120,118	$ 1,961,329	$ 1,971,067

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.

Note 15 - Contingent Liabilities (Continued)

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 $102,000,000 as of December 31, 2023 and 2022. 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 $38,425,000 and $37,655,000 as of December 31, 2023 and 2022, respectively.

In January 2017, the Second Amendment to the Consent Decree was adopted. 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. Recognizing that the DNL contours could change in the future, MAC 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, 2030.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability	0.93050 %	0.85160 %	0.85550 %	0.88370 %	0.99410 %	0.89750 %	0.88190 %	1.00830 %	1.04170 %	0.67770 %
Commission's proportionate share of the net pension liability	$ 52,032,517	$ 67,477,000	$ 36,533,683	$ 52,981,854	$ 54,961,562	$ 49,789,620	$ 56,299,914	$ 81,868,959	$ 53,986,300	$ 31,834,951
Commission's covered payroll	$ 63,653,054	$ 57,520,293	$ 51,067,631	$ 46,915,500	$ 45,885,000	$ 43,016,000	$ 40,181,000	$ 38,139,000	$ 36,611,000	$ 35,523,500
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	81.74 %	112.95 %	66.06 %	113.13 %	116.95 %	111.20 %	136.45 %	209.37 %	145.22 %	88.32 %
Plan fiduciary net position as a percentage of total pension liability	83.10 %	76.67 %	87.00 %	79.06 %	80.23 %	79.53 %	75.90 %	68.91 %	78.19 %	78.75 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability	1.34600 %	1.22900 %	1.23910 %	1.28270 %	1.37040 %	1.03590 %	1.22000 %	1.24300 %	1.27100 %	1.23100 %
Commission's proportionate share of the net pension liability	$ 23,243,670	$ 53,481,225	$ 9,564,537	$ 16,907,357	$ 14,589,292	$ 11,041,627	$ 16,471,452	$ 49,883,753	$ 14,441,534	$ 13,295,305
Commission's covered payroll	$ 17,160,045	$ 14,843,991	$ 14,306,092	$ 14,597,500	$ 14,355,500	$ 13,384,500	$ 12,497,000	$ 12,012,000	$ 11,514,000	$ 11,010,500
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	135.45 %	343.89 %	67.66 %	116.80 %	99.12 %	78.91 %	128.91 %	408.31 %	122.31 %	118.49 %
Plan fiduciary net position as a percentage of total pension liability	86.47 %	70.53 %	93.66 %	87.19 %	89.26 %	88.84 %	85.43 %	63.88 %	86.61 %	87.07 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 5,092,656	$ 5,092,656	$ 4,228,182	$ 4,702,000	$ 4,228,000	$ 5,096,000	$ 4,198,000	$ 4,085,000	$ 4,747,000	$ 4,556,000
Contributions in relation to the statutorily required contribution	5,601,441	5,092,656	4,631,034	4,702,000	4,228,000	5,096,000	4,198,000	4,085,000	4,747,000	4,556,000
Contribution Excess	**$ 508,785**	**$ -**	**$ 402,852**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 67,566,785	$ 59,739,323	$ 55,301,262	$ 46,834,000	$ 46,997,000	$ 44,773,000	$ 41,259,000	$ 39,103,000	$ 37,175,000	$ 36,047,000
Contributions as a Percentage of Covered Payroll	8.29 %	8.52 %	8.37 %	10.04 %	9.00 %	11.38 %	10.17 %	10.45 %	12.77 %	12.64 %

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 3,321,988	$ 2,752,668	$ 2,586,994	$ 2,557,000	$ 2,493,000	$ 2,307,000	$ 2,040,000	$ 2,055,000	$ 1,920,000	$ 1,763,000
Contributions in relation to the statutorily required contribution	3,321,988	2,752,668	2,586,994	2,557,000	2,493,000	2,307,000	2,040,000	2,055,000	1,920,000	1,763,000
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Commission's Covered Payroll	$ 18,768,291	$ 15,551,799	$ 14,136,183	$ 14,476,000	$ 14,719,000	$ 13,992,000	$ 12,777,000	$ 12,217,000	$ 11,807,000	$ 11,221,000
Contributions as a Percentage of Covered Payroll	17.70 %	17.70 %	18.30 %	17.66 %	16.94 %	16.49 %	15.97 %	16.82 %	- %	- %

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

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

Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 647,108	$ 715,900	$ 924,031	$ 863,754	$ 926,495	$ 1,025,505
Interest	1,960,439	2,343,443	3,104,777	3,418,149	3,623,691	3,243,547
Differences between expected and actual experience	(356,423)	(20,241,454)	(18,897,378)	1,035,365	(4,090,803)	-
Changes in assumptions	(4,463,209)	(1,824,263)	293,246	7,312,606	(2,363,947)	(7,893,005)
Benefit payments - Including refunds	(3,349,556)	(2,704,551)	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Net Change in Total OPEB Liability	(5,561,641)	(21,710,925)	(17,137,502)	9,967,488	(5,584,653)	(7,298,131)
Total OPEB Liability - Beginning of year	57,040,224	78,751,149	95,888,651	85,921,163	91,505,816	98,803,947
Total OPEB Liability - End of year	**$ 51,478,583**	**$ 57,040,224**	**$ 78,751,149**	**$ 95,888,651**	**$ 85,921,163**	**$ 91,505,816**
Plan Fiduciary Net Position						
Contributions - Employer	$ 1,885,766	$ 4,604,496	$ 5,486,767	$ 6,082,255	$ 5,484,744	$ 69,847,458
Net investment income (loss)	3,637,107	(6,829,775)	(1,065,628)	3,642,614	3,557,625	(21,266)
Benefit payments - Including refunds	(3,349,556)	(2,704,551)	(2,562,178)	(2,662,386)	(3,680,089)	(3,674,178)
Other	-	-	1,124	1,124	-	-
Net Change in Plan Fiduciary Net Position	2,173,317	(4,929,830)	1,860,085	7,063,607	5,362,280	66,152,014
Plan Fiduciary Net Position - Beginning of year	75,507,032	80,436,862	78,577,901	71,514,294	66,152,014	-
Plan Fiduciary Net Position - End of year	**$ 77,680,349**	**$ 75,507,032**	**$ 80,437,986**	**$ 78,577,901**	**$ 71,514,294**	**$ 66,152,014**
Net OPEB (Asset) Liability - Ending	**$ (26,201,766)**	**$ (18,466,808)**	**$ (1,686,837)**	**$ 17,310,750**	**$ 14,406,869**	**$ 25,353,802**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	150.90 %	132.38 %	102.14 %	81.95 %	83.23 %	72.29 %
Covered-employee Payroll	$ 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	(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 Six Fiscal Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 513,048	$ 737,377	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	1,885,766	4,604,496	5,484,744	5,484,744	5,484,744	69,847,458
Contribution Excess	**$ 1,372,718**	**$ 3,867,119**	**$ 5,484,744**	**$ 5,484,744**	**$ 5,484,744**	**$ 69,847,458**
Covered-employee Payroll	$ 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	2.54 %	7.52 %	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 are calculated as of December 31, 2022 and rolled forward to the measurement date of December 31, 2023 using standard actuarial roll-forward techniques per GASB 74/75.

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: The Commission has chosen to amortize the plan's unfunded actuarial accrued liability (UAAL) as a level percent of payroll over a closed period ending in 2041. As of the December 31, 2023 measurement date, 18 years remain.
Inflation	2.50 percent
Health care cost trend rates	7.6 percent for FY 2023, 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	4.75 percent
Mortality	General Employees: From the July 1, 2023 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, 2023 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 Six Fiscal Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	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.

See notes to required supplementary information.

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	26 years
Asset valuation method	5-year smoothed market
Inflation	GERF: 2.25 percent
	PEPFF: 2.25 percent
Salary increase	GERF: 3.00 percent to 10.25 percent including inflation
	PEPFF: 3.00 percent to 11.75 percent including inflation
Investment rate of return	7.5 percent - Net of pension plan investment expenses, including inflation
Retirement age	GERF: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2014 - 2019.
	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. Male rates are multiplied by a factor of 1.02, and female rates are multiplied by a factor of 0.90.
	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	The GERF plan is assumed to pay a 1.25 percent postretirement benefit increase for all future years.
	The PEPFF 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 Employee's Retirement Fund

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, 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 percent 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, 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 percent of future non-Medicare-eligible retirees electing each medical plan changed to reflect recent plan experience. The changes for the assumed percent 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 percent 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 percent of future retirees assumed to elect spouse coverage at retirement changed from 50 percent to 60 percent to reflect recent plan experience.

The percent of future retirees over age 65 electing each medical plan changed to reflect recent plan experience. The changes for the assumed percent 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 percent 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 76 – 79)

Revenue Capacity

These schedules contain information to help the reader assess the Commission's most significant revenue sources (schedules on pages 80 – 87)

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 88 – 91)

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 92 – 97)

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 98 – 107)

Historical Operating Statements

Last Ten Fiscal Years
December 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Airline rates and charges	$ 111,005	$ 107,805	$ 112,653	$ 113,056	$ 123,631	$ 131,397	$ 94,259	$ 117,727	$ 125,612	$ 164,074
Concessions	136,445	146,893	160,691	172,476	177,375	191,113	76,636	121,407	164,572	204,288
Rentals/fees	34,117	36,086	48,473	49,970	52,241	54,042	41,471	36,520	40,284	45,565
Utilities and other revenues	16,768	16,637	17,115	18,442	20,011	24,309	15,710	18,485	22,536	25,972
Total Operating Revenues	298,335	307,421	338,932	353,944	373,258	400,861	228,076	294,139	353,004	439,900
Operating Expenses										
Personnel	72,358	81,728	94,425	87,993	86,151	90,845	79,146	75,182	90,775	108,211
Administrative	1,610	1,521	1,723	1,993	2,058	1,753	1,057	1,054	2,275	1,454
Professional services	4,972	5,574	6,217	6,151	6,210	7,123	5,160	5,679	6,919	8,992
Utilities	20,873	18,304	18,816	19,619	19,930	18,847	17,382	19,092	25,590	24,713
Operating services	19,583	21,230	23,389	26,073	28,280	30,950	26,256	25,894	29,191	33,992
Maintenance	31,377	32,089	36,319	36,293	42,576	46,988	39,707	41,862	46,999	58,147
Depreciation and amortization	131,069	134,419	139,226	142,970	147,299	150,549	160,889	178,513	185,124	186,889
Other	3,323	3,454	4,411	5,611	4,531	4,354	4,051	3,665	5,956	5,808
Total Operating Expenses	285,165	298,319	324,526	326,703	337,035	351,409	333,648	350,941	392,826	428,207
Operating Income (Loss)	13,170	9,102	14,406	27,241	36,223	49,452	(105,572)	(56,802)	(39,823)	11,693
Nonoperating Revenues (Expenses)										
Investment income	8,746	9,241	12,634	12,306	19,104	25,463	13,507	3,026	23,550	54,218
Federal interest rate subsidies	-	599	914	978	940	919	896	862	1,227	389
Passenger facility charges	67,106	70,471	72,273	73,390	73,734	77,430	28,669	51,096	60,985	66,821
Grants used for operating expenses	-	-	-	-	-	-	-	10,241	132	(40)
Customer facility charges	-	-	-	-	-	-	-	13,029	17,033	19,343
Gain (loss) on disposal of assets	(16,387)	60	2,029	(6,513)	(3,841)	99	62	98	196	(9,127)
Other Non operating revenue	-	-	-	-	-	-	-	-	-	1,704
Interest expense	(67,734)	(57,614)	(62,238)	(48,949)	(42,810)	(53,270)	(49,329)	(47,686)	(50,131)	(58,560)
Flood expense net of insurance recovery	-	-	-	-	(365)	(181)	(81)	-	-	-
Total Nonoperating Revenues (Expenses)	(8,269)	22,757	25,612	31,212	46,762	50,460	(6,276)	30,666	52,993	74,748
Income (Loss) Before Capital Contributions and Grants	4,901	31,859	40,018	58,453	82,985	99,912	(111,848)	(26,136)	13,170	86,441
Capital Contributions and Grants	20,498	14,686	4,003	1,427	8,042	9,550	112,244	89,219	84,989	142,899
Change in Net Position	25,399	46,545	44,021	59,880	91,027	109,462	396	63,083	98,159	229,340
Net Position, Beginning of Year, As Restated	1,693,949	1,719,348	1,716,774	1,760,795	1,820,675	1,876,773	1,986,235	1,986,631	2,049,714	2,147,873
Changes in Accounting Principle/Prior Period Adjustments [1, 2]	-	(49,119)	-	-	(34,929)	-	-	-	-	-
Net Position - Beginning of Year, As Restated	1,693,949	1,670,229	1,716,774	1,760,795	1,785,746	1,876,773	1,986,235	1,986,631	2,049,714	2,147,873
Net Position, End of Year	**$ 1,719,348**	**$ 1,716,774**	**$ 1,760,795**	**$ 1,820,675**	**$ 1,876,773**	**$ 1,986,235**	**$ 1,986,631**	**$ 2,049,714**	**$ 2,147,873**	**$ 2,377,213**

Notes:

[1] For the years ended December 31, 2013 - 2014, the amounts shown do not reflect the adoption of GASB Statement No. 68

[2] For the years ended December 31, 2013 - 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,					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airline Rates & Charges										
Landing fees	$ 57,049	$ 57,408	$ 60,099	$ 62,083	$ 69,000	$ 75,149	$ 45,025	$ 69,258	$ 73,089	$ 93,148
Ramp fees	7,213	7,132	7,408	7,137	8,070	7,304	6,221	5,923	6,655	6,835
Terminal 1 building rents	41,739	41,427	45,170	43,286	45,755	45,937	32,597	38,681	42,134	56,684
Other Terminal 1 charges	3,862	4,872	4,684	5,248	5,822	5,580	4,529	7,085	7,898	7,992
Concessions rebate	(10,294)	(13,777)	(15,827)	(17,195)	(18,683)	(18,576)	(6,606)	(14,756)	(18,049)	(20,077)
Terminal 2 Building Rentals	11,165	10,480	10,813	12,300	13,399	13,890	10,933	11,328	13,661	18,045
Apron Fees - Non-Signatory	271	264	307	197	268	296	121	209	225	1,446
Total Airline Rates & Charges	111,005	107,806	112,654	113,056	123,631	129,580	92,820	117,728	125,612	164,073
Concessions										
Auto parking	80,659	87,579	91,235	95,231	93,887	103,082	38,528	63,624	100,638	119,634
Rental car	17,939	18,708	19,876	19,410	20,824	20,845	8,671	16,213	21,883	23,312
Food and beverage	16,128	16,836	21,044	23,137	24,241	25,499	9,974	15,953	17,046	29,590
Merchandise	8,245	8,191	8,701	10,170	11,056	11,037	3,623	6,807	7,182	10,342
Employee parking	2,917	3,328	3,653	4,101	4,352	5,047	3,823	3,757	4,545	5,014
Other	10,557	12,251	16,182	20,426	23,015	27,419	13,343	15,054	21,733	16,396
Total Concessions Revenue	136,445	146,893	160,691	172,475	177,375	192,929	77,962	121,408	173,027	204,288
Other Revenues										
Utilities	3,265	3,039	2,105	2,233	2,400	2,406	1,383	2,943	2,131	2,796
Other building and land rent	31,885	34,079	46,480	49,063	50,695	52,360	37,793	26,286	29,236	52,948
Other	8,648	8,666	9,243	9,235	10,771	14,588	9,566	15,543	11,956	22,960
Total Other Revenues	43,798	45,784	57,828	60,531	63,866	69,354	48,742	44,772	43,323	78,704
Total MSP Revenue	291,248	300,483	331,173	346,062	364,872	391,863	219,524	283,908	341,962	447,065
Total Reliever Airports	7,087	6,938	7,759	7,882	8,386	8,997	8,552	10,234	11,048	11,960
Total Operating Revenues	298,335	307,421	338,932	353,944	373,258	400,860	228,076	294,142	353,010	459,025
Investment income										
Capital lease interest	3,792	4,167	3,913	3,741	2,828	2,900	2,839	2,105	2,643	18,419
Other [2]	4,144	4,438	5,413	4,559	8,774	14,411	8,568	854	828	389
Total Investment Income	7,936	8,605	9,326	8,300	11,602	17,311	11,407	2,959	3,471	18,808
Lease principal payments	8,292	6,075	4,576	4,654	24,532	2,745	3,168	5,567	2,079	588
Total Revenues [1]	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 302,668	$ 358,560	$ 478,421

[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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airline Rates & Charges										
Landing fees	19.1%	18.7%	17.7%	17.5%	18.5%	18.7%	19.7%	23.5%	20.7%	20.3%
Ramp fees	2.4%	2.3%	2.2%	2.0%	2.2%	1.8%	2.7%	2.0%	1.9%	1.5%
Terminal 1 building rents	14.0%	13.5%	13.3%	12.2%	12.3%	11.5%	14.3%	13.2%	11.9%	12.3%
Other Terminal 1 charges	1.3%	1.6%	1.4%	1.5%	1.6%	1.4%	2.0%	2.4%	2.2%	1.7%
Concessions rebate	-3.5%	-4.5%	-4.7%	-4.9%	-5.0%	-4.6%	-2.9%	-5.0%	-5.1%	-4.4%
Terminal 2 Building Rentals	3.7%	3.4%	3.2%	3.5%	3.6%	3.5%	4.8%	3.9%	3.9%	3.9%
Apron Fees - Non-Signatory	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%
Total Airline Rates & Charges	37.2%	35.1%	33.2%	31.9%	33.1%	32.3%	40.7%	40.0%	35.6%	35.7%
Concessions										
Auto parking	27.0%	28.5%	26.9%	26.9%	25.2%	25.7%	16.9%	21.6%	28.5%	26.1%
Rental car	6.0%	6.1%	5.9%	5.5%	5.6%	5.2%	3.8%	5.5%	6.2%	5.1%
Food and beverage	5.4%	5.5%	6.2%	6.5%	6.5%	6.4%	4.4%	5.4%	4.8%	6.4%
Merchandise	2.8%	2.7%	2.6%	2.9%	3.0%	2.8%	1.6%	2.3%	2.0%	2.3%
Employee parking	1.0%	1.1%	1.1%	1.2%	1.2%	1.3%	1.7%	1.3%	1.3%	1.1%
Other	3.5%	4.0%	4.8%	5.8%	6.2%	6.8%	5.9%	5.1%	6.2%	3.6%
Total Concessions Revenue	45.7%	47.8%	47.4%	48.7%	47.5%	48.1%	34.2%	41.3%	49.0%	44.5%
Other Revenues										
Utilities	1.1%	1.0%	0.6%	0.6%	0.6%	0.6%	0.6%	1.0%	0.6%	0.6%
Other building and land rent	10.7%	11.1%	13.7%	13.9%	13.6%	13.1%	16.6%	8.9%	8.3%	11.5%
Other	2.9%	2.8%	2.7%	2.6%	2.9%	3.6%	4.2%	5.3%	3.4%	5.0%
Total Other Revenues	14.7%	14.9%	17.1%	17.1%	17.1%	17.3%	21.4%	15.2%	12.3%	17.1%
Total MSP Revenue	97.6%	97.7%	97.7%	97.8%	97.8%	97.8%	96.3%	96.5%	96.9%	97.4%
Total Reliever Airports	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	3.7%	3.5%	3.1%	2.6%
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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business Type Activities										
Net investment in capital assets	$ 1,152,189	$ 1,163,545	$ 1,265,771	$ 1,338,558	$ 1,447,104	$ 1,476,160	$ 1,713,428	$ 1,748,232	$ 1,784,765	$ 1,864,680
Restricted	287,279	299,192	341,266	278,281	302,793	387,696	143,130	114,770	150,120	208,313
Unrestricted	279,880	254,037	153,758	203,836	126,876	122,379	130,073	186,712	212,988	304,220
Total Business Type Activities	$ 1,719,348	$ 1,716,774	$ 1,760,795	$ 1,820,675	$ 1,876,773	$ 1,986,235	$ 1,986,631	$ 2,049,714	$ 2,147,873	$ 2,377,213

Source: Audited financial statements for the last 10 years

Delta Airlines Revenue Summary

Last Ten Fiscal Years
December 31

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Delta Revenue as a Percentage of Total Adjusted MAC Operating Revenues										
Total MAC Operating Revenues	$ 298,335	$ 307,421	$ 338,932	$ 353,944	$ 373,258	$ 400,860	$ 228,076	$ 294,142	$ 353,004	$ 439,853
Lease Principal/Interest Payments	12,084	10,227	8,488	8,394	27,360	5,059	5,617	5,606	3,766	799
Interest Income-MAC Funds [1]	3,461	3,838	4,915	6,282	12,362	18,150	8,687	618	4,244	32,331
Total Adjusted MAC Operating Revenues	313,880	321,486	352,335	368,620	412,980	424,069	242,380	300,366	361,014	472,983
Delta Portion of Operating Revenues	78,301	74,078	78,793	74,856	81,856	86,475	62,445	79,276	79,621	107,973
Delta Portion of Lease Payments	7,687	5,780	3,789	3,635	22,234	-	-	40	60	60
Total Delta Revenue	85,988	79,858	82,582	78,491	104,090	86,475	62,445	79,316	79,681	108,033
Delta % of Total Adjusted MAC Operating Revenues	27.40%	24.84%	23.44%	21.29%	25.20%	20.39%	25.76%	26.41%	22.07%	22.84%
Delta Revenue as a Percentage of Total Airline Rates & Charges										
Total Airline Rates & Charges Revenue	111,005	107,805	112,653	113,056	123,631	132,496	97,796	117,728	125,612	164,074
Air Carrier Lease Payments	10,077	8,227	6,519	6,425	25,391	3,090	3,648	3,755	2,995	799
Total Air Carrier Revenue	121,082	116,032	119,172	119,481	149,022	135,586	101,444	121,483	128,607	164,873
Total Delta Revenue	85,988	79,858	82,582	78,491	104,090	86,475	62,445	79,316	79,681	108,033
Delta % of Total Air Carrier Revenue	71.02%	68.82%	69.30%	65.69%	69.85%	63.78%	61.56%	65.29%	61.96%	65.52%

[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, 2023 (In Thousands)

	2023		2014	
Company	Rank	Revenue	Rank	Revenue
Delta Airlines	1	107,973	1	78,301
Enterprise Rent A Car [1]	2	19,288	3	12,627
Sun Country Airlines	3	18,161	5	8,559
Avis	4	15,146	6	8,227
Hertz	5	12,126	4	9,240
Southwest Airlines	6	8,237	8	5,395
HMS Host	7	7,648	2	14,990
United Airlines	8	7,430	9	4,857
American Airlines	9	6,679	10	3,037
Delaware North	10	3,353	-	-
Minnesota Retail Partners	-	-	7	7,293

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

Source: Annual Comprehensive Financial Report 2014 and 2023

Air Carrier Market Share - Total Enplaned Passengers

Last Ten Fiscal Years
December 31

2023 Ranking	Air Carrier	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023 % of Total
1	Delta	8,594,887	9,139,346	9,321,182	9,787,444	9,885,227	10,470,238	3,444,435	6,282,561	8,531,099	10,107,248	59.85%
2	Sun Country	815,386	1,029,007	1,111,020	1,213,114	1,180,832	1,446,895	750,583	1,215,564	1,637,247	1,914,103	11.33%
3	Skywest [3]	867,993	1,247,022	1,653,123	1,853,025	2,395,179	2,386,604	878,472	1,695,711	1,839,022	1,242,412	7.36%
4	Southwest	841,201	940,592	1,053,554	1,028,051	970,711	905,779	327,232	571,927	668,354	824,052	4.88%
5	United	167,638	425,390	489,262	499,943	455,512	459,746	145,169	303,569	548,401	699,729	4.14%
6	American [10]	341,957	586,682	1,063,249	1,027,450	865,571	870,582	349,390	519,926	528,652	581,772	3.45%
7	Endeavor Air [3]	2,011,953	1,608,015	1,243,837	920,896	730,261	818,608	610,112	871,043	448,558	512,392	3.03%
8	Spirit Airlines	495,316	517,770	606,511	621,926	579,370	580,940	224,498	240,056	210,920	223,790	1.33%
9	Alaska Airlines	92,491	96,084	117,617	111,963	109,104	138,540	47,732	89,287	123,392	134,106	0.79%
10	Frontier	228,771	227,378	163,525	174,796	246,034	251,653	86,796	84,931	90,237	130,761	0.77%
11	Republic [5]	37,913	6,925	184,872	233,073	295,947	302,204	111,566	109,067	98,354	82,372	0.49%
12	Sky Regional-Air Canada	-	-	-	31,948	58,227	59,416	8,452	6,471	51,577	68,724	0.41%
13	Allegiant	-	-	-		-	-	-	10,310	65,064	60,223	0.36%
14	JetBlue	-	-	-	-	77,195	112,483	18,417	31,085	85,334	53,594	0.32%
15	KLM Royal Dutch	-	-	-	25,020	37,159	47,058	6,678	7,263	40,372	42,138	0.25%
16	Mesa [4,5]	42,011	66,311	105,124	103,591	111,332	87,597	42,855	51,513	43,841	39,402	0.23%
17	Icelandair	20,323	28,926	39,500	50,398	45,826	41,339	1,047	8,710	28,047	36,299	0.21%
18	Envoy [6]	144,150	55,935	4,790	4,353	-	-	31,884	51,369	39,479	30,192	0.18%
19	WestJet										29,822	0.18%
20	PSA - American	-	-	-	-	-	-	-	11,606	43,378	29,788	0.18%
21	Air Wisconsin	-	-	-	-	-	-	-	-	-	23,575	0.14%
22	Denver Air	-	-	-		-	-	-	5,773	9,282	9,845	0.06%
23	Condor	-	-	-		-	-	-	-	9,033	9,574	0.06%
24	Other	65,816	86,095	89,444	69,220	47,913	64,039	4,944	2,957	4,144	1,154	0.01%
25	Air France	-	-	-	30,571	26,538	34,725	-	10,425	23,751	-	0.00%
	Horizon Air	-	-	-	6,109	39,776	4,231	5,547	16,112	1,306	-	0.00%
	ExpressJet [8]	323,786	362,785	235,633	143,540	34,924	19,633	5,093	-			0.00%
	Aer Lingus	-	-	-	-	-	22,133	4,594	-			0.00%
	Go Jet [3,4]	97,992	10,750	50,644	152,931	189,770	56,926	1,383	-			0.00%
	Compass [3]	838,901	514,171	514,828	293,020	-	-	-	-			0.00%
	Shuttle America [4]	201,233	137,799	74,587	8,881	-	-	-	-			0.00%
	United Express	101,926	178,132	38,450	-	-	-	-	-			0.00%
	US Airways [10]	561,351	465,291	-	-	-	-	-	-			0.00%
	Air Tran Airways [9]	107,077	-	-	-	-	-	-	-			0.00%
	Comair [3]	-	-	-	-	-	-	-	-			0.00%
	Continental [7]	-	-	-	-	-	-	-	-			0.00%
	Mesaba Aviation [3]	-	-	-	-	-	-	-	-			0.00%
		17,000,072	17,730,406	18,160,752	18,391,263	18,382,408	19,181,369	7,106,879	12,197,236	15,168,844	16,887,067	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. Comair ceased operations in September 2012.
[4] Codeshare with United.
[5] Codeshare with US Airways/American.
[6] Codeshare with American/formerly American Eagle.
[7] Continental and United began operating under a single carrier code in 2012.
[8] Atlantic Southeast Arlines and ExpressJet Airlines began operating under a single carrier code in 2011.
[9] AirTran Airways merged with Southwest Airlines in 2012 with full integration in 2014. [10] US Airways and American began operating under a single carrier code in 2015.

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
2014	9,290,977	54.7%	7,709,095	45.3%	17,000,072	3.87%
2015	9,791,389	55.2%	7,939,017	44.8%	17,730,406	4.30%
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%
Average Annual Compound Growth						
2014 - 2023	2.15%		-3.51%		-0.07%	

[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

2023 Ranking	Air Carrier	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023% of Total [1]
1	Federal Express	87,898.2	85,248.4	99,699.1	101,868.2	101,899.4	91,685.2	97,416.4	99,648.6	90,881.7	77,916.3	34.7%
2	UPS	61,142.2	58,699.1	58,062.6	63,859.9	69,805.2	76,612.4	77,786.3	84,212.9	76,554.3	60,630.5	27.0%
3	Delta	53,483.7	55,634.0	45,697.3	60,281.5	60,950.3	48,087.2	20,244.4	24,636.0	40,347.7	37,952.8	16.9%
4	Amazon	-	-	-	-	7,501.3	14,254.8	13,381.1	32,772.4	34,635.9	32,194.2	14.3%
5	DHL	6,201.1	6,775.5	6,900.0	7,651.0	7,757.1	6,970.3	7,957.8	8,456.1	8,600.7	9,520.6	4.2%
6	KLM Royal Dutch	-	-	-	1,958.7	3,126.5	3,337.2	409.2	1,122.3	3,211.7	2,290.4	1.0%
7	Southwest	1,842.3	2,055.9	2,760.7	1,771.8	1,703.5	1,902.3	1,559.5	1,795.6	1,264.2	1,324.8	0.6%
8	Mountain Air Cargo	1,084.5	930.3	1,103.2	1,095.3	1,052.3	800.0	1,244.9	936.9	886.3	873.0	0.4%
9	United	1,783.3	2,813.3	2,530.3	1,857.6	997.0	883.0	400.8	690.0	685.6	559.2	0.2%
10	IFL Group	-	-	517.5	291.4	123.2	176.7	318.4	308.2	358.6	351.3	0.2%
11	American [3]	201.0	282.0	1,203.7	1,086.5	878.0	753.4	1,039.8	821.3	597.3	276.7	0.1%
12	Alaska Airlines	219.5	130.9	162.3	394.1	166.7	210.9	179.6	151.6	178.9	212.3	0.1%
13	Other	318.9	494.6	507.2	545.4	676.1	75.0	139.6	3.8	55.6	191.0	0.1%
14	Condor	-	-	-	153.2	399.2	86.3	-	-	303.2	131.1	0.1%
15	Sun Country	2,944.1	4,971.8	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%
16	Icelandair	-	159.3	298.2	516.2	191.7	159.4	1.3	13.4	31.3	10.1	0.0%
17	Air France	336.9	339.1	400.7	1,062.6	1,311.0	697.1	-	920.3	1,075.2		0.0%
	Aer Lingus	-	-	-	-	-	11.6	5.2	-	-		0.0%
	Encore Air	-	-	-	-	-	598.4	-	-	-		0.0%
	CSA Air	-	231.8	389.2	167.3	18.0	4.8	-	-	-		0.0%
	Suburban Air Freight	452.2	513.8	542.3	389.7	-	-	-	-	-		0.0%
	US Airways [3]	981.7	454.8	-	-	-	-	-	-	-		0.0%
	Airborne	-	-	-	-	-	-	-	-	-		0.0%
	Frontier	-	-	-	-	-	-	-	-	-		0.0%
	Continental [2]	-	-	-	-	-	-	-	-	-		0.0%
												0.0%
		218,889.6	219,734.6	228,114.7	252,890.6	263,752.8	252,080.2	224,109.2	258,764.2	261,463.2	224,465.2	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.

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Enplaned Cargo Trends

Last Ten Fiscal Years
December 31

(Freight and main in thousands of tons)

Air Carrier	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average Annual Compound Growth
Passenger	28.4	30.7	25.2	31.7	30.7	25.3	11.8	13.3	20.7	14.0	-6.8%
All Cargo	86.4	82.7	83.5	87.3	89.3	91.0	91.9	102.4	95.3	84.7	-0.2%
Total	114.8	113.4	108.7	119.0	120.0	116.3	103.7	115.7	116.0	98.7	-1.5%

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
2014	28,377	24.7%	86,414	75.3%	114,791
2015	30,691	27.1%	82,678	72.9%	113,369
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

Average Annual Compound Growth

2014 - 2023	-6.80%	-0.20%	-1.49%

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
2014	107,500	93.6%	7,291	6.4%	114,791
2015	104,517	92.2%	8,852	7.8%	113,369
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

Average Annual Compound Growth

	Freight Tons		Mail Tons		Total Cargo
2014 - 2023	-1.38%		-3.40%		-1.49%

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Revenue Bond Debt Service Coverage - Rate Covenant for Senior Debt

Last Ten Fiscal Years
December 31, 2023 (In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues per Master Trust Indenture	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240	$ 375,611	$ 478,422
Expenses										
Operating expenses	285,165	292,589	308,033	320,022	340,215	351,623	345,004	367,203	399,869	428,207
Less: Depreciation expense	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)	(185,124)	(186,890)
Total operating expenses, excluding depreciation expense	154,096	158,170	168,807	177,052	192,916	201,074	184,115	188,690	214,745	241,317
Amount from non-revenue source	-	-	-	-	-	-	-	7,815	525	621
Net Revenues	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726
Annual debt service - Senior Airport Revenue Bonds	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)
Annual debt service - General Obligation Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Principal and interest on other indebtedness 1	(48,383)	(45,216)	(46,546)	(48,952)	(66,522)	(62,143)	(26,941)	(38,037)	(66,734)	(29,080)
Must not be less than zero	61,671	70,631	88,572	101,433	118,714	107,444	21,824	85,802	78,264	197,393
Requirement Section										
Net revenues	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726
Transfer - Coverage Fund 2	12,603	12,021	12,227	9,865	7,810	12,564	2,443	2,131	4,098	2,813
Total available	173,070	175,952	196,254	199,711	224,286	232,406	60,979	134,496	165,489	240,539
Senior Debt Service times 125% 3	(63,016)	(60,105)	(61,136)	(49,326)	(39,050)	(62,819)	(12,214)	(10,657)	(20,491)	(14,067)
Must not be less than zero	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839	144,998	226,472
Pro Forma Coverage on Senior Lien Debt										
Net revenues	160,467	163,931	184,027	189,846	216,476	219,842	58,536	132,365	161,391	237,726
Transfer - Coverage Fund 2	12,603	12,021	12,227	9,865	7,810	12,564	2,443	2,131	4,098	2,813
Total available	173,070	175,952	196,254	199,711	224,286	232,406	60,979	134,496	165,489	240,539
Annual debt service - Senior Airport Revenue Bonds	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)
Annual debt service - General Obligation Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Total Debt Service - Senior Lien Debt	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)
Coverage with Transfer	343%	366%	401%	506%	718%	462%	624%	1577%	1010%	2138%
Coverage without Transfer	318%	341%	376%	481%	693%	437%	599%	1552%	985%	2113%

[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, 2023 (In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues per Master Trust Indenture	$ 314,563	$ 322,101	$ 352,834	$ 366,898	$ 409,392	$ 420,916	$ 242,651	$ 313,240	$ 375,611	$ 478,422
Expenses										
Operating expenses	285,165	292,589	308,033	320,022	340,215	351,623	345,004	367,203	399,869	428,207
Less: Depreciation expense	(131,069)	(134,419)	(139,226)	(142,970)	(147,299)	(150,549)	(160,889)	(178,513)	(185,124)	(186,890)
Total operating expenses, excluding depreciation expense	154,096	158,170	168,807	177,052	192,916	201,074	184,115	188,690	214,745	241,317
Annual debt service - Senior Airport Revenue Bonds	(50,413)	(48,084)	(48,909)	(39,461)	(31,240)	(50,255)	(9,771)	(8,526)	(16,393)	(11,253)
Annual debt service - General Obligation Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Subordinate revenues	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839	144,997	226,473
Principal and interest on Subordinate Bonds	(48,383)	(45,216)	(46,546)	(52,413)	(58,326)	(62,143)	(26,941)	(38,037)	(66,734)	(29,080)
Must not be less than zero	$ 61,671	$ 70,631	$ 88,572	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802	$ 78,263	$ 197,393
Requirement Section										
Subordinate revenues	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839	144,997	226,473
Transfers [1]	4,781	4,522	4,655	5,241	5,833	6,214	2,694	3,804	6,673	2,908
Total available	114,835	120,369	139,773	155,626	191,069	175,801	51,459	127,643	151,670	229,381
Outstanding Subordinate Debt Service Times 110% [2]	(52,229)	(55,659)	(49,343)	(57,654)	(64,159)	(68,357)	(29,635)	(41,841)	(73,408)	(31,988)
Must not be less than zero	$ 62,606	$ 64,710	$ 90,430	$ 97,972	$ 126,910	$ 107,444	$ 21,824	$ 85,802	$ 78,262	$ 197,393
Pro Forma Coverage on Subordinate Lien Debt										
Subordinate revenues	110,054	115,847	135,118	150,385	185,236	169,587	48,765	123,839	144,997	226,473
Principal and interest in Subordinate Bonds [2]	47,480	50,599	44,857	52,413	58,326	62,143	26,941	38,037	66,734	29,080
Coverage without Transfer	232%	229%	301%	287%	318%	273%	181%	326%	217%	779%
Pro Forma Coverage on Senior and Subordinate Lien Debt										
Net Revenues	$ 160,467	$ 163,931	$ 184,027	$ 189,846	$ 216,476	$ 219,842	$ 58,536	$ 132,365	$ 161,391	$ 237,726
Total Debt Service - Senior and Subordinate Debt	97,893	98,682	93,766	91,590	89,566	112,398	36,712	46,563	83,127	40,333
Coverage without Transfer	164%	166%	196%	207%	242%	196%	159%	284%	194%	589%

[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, 2023 (In Thousands)

Tax Year	Operating Expenses [2]	Operating Revenues	Operating Ratio[1]
2014	154,097	298,335	52%
2015	158,170	307,422	51%
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%

[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, 2023 (In Thousands)

Tax Year	General Airport Revenue Bonds Outstanding	General Obligation Revenue Bonds Outstanding	Notes Payable Outstanding	Other Debt	Subtotal [1]	Enplaned Passengers	Debt per Enplaned Passenger
2014	1,347,870,000	2,840,000	35,050,000	15,460,000	1,401,220,000	17,000,072	82.42
2015	1,304,180,000	-	48,397,000	42,460,000	1,395,037,000	17,730,406	78.68
2016	1,499,640,000	-	40,648,000	47,804,000	1,588,092,000	18,160,752	87.45
2017	1,458,170,000	-	38,020,000	46,952,731	1,543,142,731	18,385,154	83.93
2018	1,402,780,000	-	71,030,500	46,941,224	1,520,751,724	18,382,408	82.73
2019	1,453,700,000	-	47,293,500	44,873,495	1,545,866,995	19,181,369	80.59
2020	1,407,875,000	-	44,092,389	43,936,500	1,495,903,889	7,110,192	210.39
2021	1,281,630,000	-	113,149,000	40,383,000	1,435,162,000	12,197,236	117.66
2022	1,583,965,000	-	43,193,000	39,086,100	1,666,244,200	15,168,844	109.85
2023	1,471,225,000		87,753,550	46,738,231	1,517,963,231	16,887,115	89.89

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

Source: Minneapolis/St. Paul Metropolitan Airports Commission

Population

Last Ten Fiscal Years
December 31, 2023 (In Thousands)

Tax Year	Minnesota	MSA [1]	% of Total
2014	5,457	3,428	63%
2015	5,490	3,462	63%
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%

[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

Civilian Unemployment Rate

Last Ten Fiscal Years
December 31

Tax Year	United States	Minnesota	MSA [1]
2014	5.6%	3.7%	3.3%
2015	5.0%	3.7%	3.1%
2016	4.5%	4.1%	3.6%
2017	4.1%	3.3%	2.9%
2018	3.7%	2.9%	2.8%
2019	3.6%	3.2%	3.0%
2020	6.7%	4.7%	4.8%
2021	3.9%	3.1%	2.2%
2022	3.7%	2.2%	2.1%
2023	3.7%	2.7%	2.4%

[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, 2023 (In Hundred-Thousands)

Tax Year	Minnesota	MSA [1]	% of Total
2014	272,292	189,180	69%
2015	284,740	198,937	70%
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	412,364	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.

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]
2014	49,938	54,156
2015	51,929	56,495
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	71,866	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.

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	2023 Employees	Rank	% of Total Employment	2014 Employees	Rank	% of Total Employment
Mayo Clinic	49,200	1	1.64%	40,638	2	1.42%
State of Minnesota	38,000	2	1.26%	52,490	1	1.83%
Fairview Health Services	37,689	3	1.25%	21,000	9	0.73%
Target Corporation	35,000	4	1.16%	31,035	4	1.08%
United States Federal Government	34,427	5	1.14%	31,236	3	1.09%
Allina Health	29,220	6	0.97%	27,150	5	0.95%
University of Minnesota	27,064	7	0.90%	25,680	6	0.90%
HealthPartners, Inc.	25,447	8	0.85%	22,340	7	0.78%
Wal-Mart Stores, Inc.	24,000	9	0.80%	21,877	8	0.76%
UnitedHealth Group Inc.	19,000	10	0.63%	-	-	0.00%
Wells Fargo & Co.	16,000	11	0.53%	20,000	10	0.70%
MN State Colleges/Universities	15,047	12	0.50%	17,579	11	0.61%
US Bank	13,000	13	0.43%	-	-	0.00%
3M Co.	12,635	14	0.42%	15,894	12	0.55%
CentraCare Health	11,887	15	0.40%	-	-	0.00%
Total	387,616			326,919		
Total Nonfarm Employment	3,008,700			2,866,863		

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

Employment Share by Industry

For Year Ended December 31

	2023		2014	
	Minnesota	MSA [1]	Minnesota	MSA [1]
Education and Health Services	17.66%	18.34%	17.70%	16.16%
Trade, Transportation and Utilities	18.86%	17.93%	18.40%	17.89%
Public Administration	13.76%	13.11%	14.80%	12.88%
Professional and Business Services	12.40%	11.53%	12.60%	16.49%
Manufacturing	10.49%	10.29%	11.20%	10.08%
Financial Activities	8.99%	7.32%	6.30%	7.44%
Leisure and Hospitality	6.03%	8.60%	9.10%	9.17%
Construction	3.54%	3.44%	3.70%	3.45%
Other Services	4.58%	3.91%	4.00%	4.16%
Information	1.47%	1.40%	1.90%	1.97%
Natural Resources and Mining	2.22%	4.13%	0.30%	0.30%
	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)
2014	34,073,543	412,586	198,573
2015	35,494,425	404,612	199,340
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

[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.

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
2014	189,489	185,664	12,199	387,352	93.88%	24,155	1,079	412,586
2015	205,635	162,779	12,789	381,203	94.23%	22,077	1,252	404,532
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

[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, 2023 (In Thousands)

Tax Year	Passenger Carriers	Cargo Carriers	Total Landed Weight
2014	20,224,580	965,912	21,190,492
2015	20,577,785	984,305	21,562,090
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 [1]	19,481,397	1,107,828	20,589,225

[1] In 2023, Delta's activity represented approximately 68.16% of the total landed weight at the Airport.

Source: Metropolitan Airports Commission

Employee Counts[1]

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total	600	604	618	644	651	659	699	631	641	732

[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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Cost [1]	$ 115,708	$ 114,253	$ 114,811	$ 115,214	$ 124,370	$ 132,855	$ 97,796	$ 117,728	$ 125,612	$ 164,074
Enplaned passengers	17,000	17,730	18,161	18,385	18,382	19,181	7,107	12,197	15,169	16,887
Airline Cost per Enplaned Passenger	6.81	6.44	6.32	6.27	6.77	6.93	13.76	9.65	8.28	9.72

[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
2014	2.68	642.90	66.20	66.20	73.67	66.20
2015	2.64	624.14	64.56	64.56	72.54	64.56
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

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
2014	64,539	73,634	41,117	68,157	25,727	33,178	24,155
2015	56,676	87,493	39,641	89,708	32,842	42,341	22,077
2016	54,548	84,038	36,967	80,845	27,275	38,618	22,455
2017	40,489	90,835	34,223	74,943	28,337	36,670	22,226
2018	40,116	88,762	38,109	75,465	31,693	32,986	20,229
2019	40,934	104,405	41,541	71,740	31,208	29,835	18,654
2020	30,188	124,382	39,509	70,852	29,799	31,314	10,548
2021	39,196	131,593	37,845	74,657	32,645	36,259	15,387
2022	41,592	122,281	42,592	65,688	32,189	38,268	17,635
2023	38,167	136,622	45,541	69,908	41,593	38,678	17,772

Air Carriers Serving MSP[A]

As of December 31, 2023

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]
JetBlue *
Mesa [* 1]
PSA [* 5]
Republic Airlines [* 1, 5]
SkyWest [* 1, 2]
Southwest *
Spirit *
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 *
Condor *
Icelandair *
Jazz Aviation [* 4]
KLM *
WestJet*

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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 enplanted 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.

Insurance Coverage

As of December 31, 2023

Insurer	Expirations	Coverage	Policy Limits (Thousands of Dollars)
Chubb/Lloyd's of London/Global Aerospace	1/1/2025	General aviation liability including personal injury.	$ 750,000.00
Blue Cross Blue Shield	1/1/2025	Health insurance; self-insured with stop loss	
Self-Insured[1]	Continuous	Statutory workers' compensation	
	1/1/2025	Workers' Compensation Reinsurance Association	$ 500.00
Zurich	6/1/2024	Comprehensive Crime Employee/Police Policies	$ 5,000.00
Minnesota Risk Management Fund	7/1/2024	Auto Liability (licensed vehicles), physical damage (all vehicles) hired automobiles, valet parking, inland marine and garage keepers.	$ 1,500.00
Chubb	6/1/2024	Cyber Liability with enhanced notification endorsement 1M individuals	$1,000 Individuals

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

Airport Information

As of December 31, 2023

	Square Feet			
	Terminal 1	Terminal 2	Quick Ride Ramp	Total
Terminal Buildings				
Airline	665,325	181,145		846,470
Concession	244,998	26,289		271,287
Garage	153,770	-		153,770
Non-Airline	191,706	20,733		212,439
Unoccupied	4,714	4,442		9,156
Circulation	1,004,077	132,595		1,136,672
Restrooms	58,319	14,138		72,457
MAC/Mechanical	481,894	118,286		600,180
International Arrivals	115,203	40,035		155,238
Trans Security Agency	73,542	40,323		113,865
	2,993,548	577,986		3,571,534
Parking Facilities	17,015	9,189	1,302	27,506

Airport Information (cont'd)

As of December 31, 2023

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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