Spokane Airport Board

2025

Annual

REPORT

Annual Financial Statements

For the years ended

December 31, 2025 & 2024

Prepared By

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Spokane, Washington

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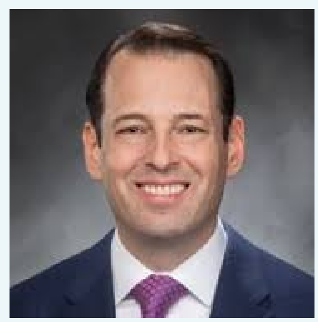
SPOKANE AIRPORT BOARD

Ezra Eckhardt
Chair

Al French
Vice Chair

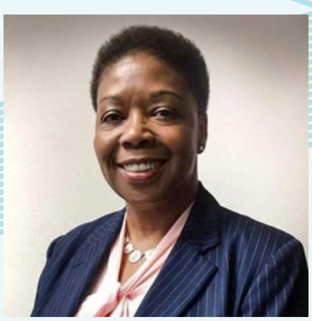
Brooke Baker Spink
Secretary



Andy Billig

Max Kuney

Nancy Vorhees



Betsy Wilkerson

FINANCIAL SECTION

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spokane Airport Board
Spokane, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Spokane Airport Board (the "Airport"), a joint venture of the City of Spokane, Washington, and Spokane County, Washington, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Airport'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 of the Airport as of December 31, 2025, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Audit of the Financial Statements section of our report. We are required to be independent of the Airport, 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 opinion.

Other Matter

The financial statements of the Airport for the year ended December 31, 2024, were audited by other auditors whose report thereon dated September 17, 2025, expressed an unmodified opinion on the respective financial statements of the business-type activities.

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.

(Continued)

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 Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit 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 an audit 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.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Airport'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 Airport'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Other Information

Management is responsible for the other information included in the annual 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 opinion on the basic financial statements does 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2026 on our consideration of the Airport'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 Airport'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 Airport's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
July 13, 2026

The following is a discussion and analysis of the activity and financial performance of Spokane International Airport (SIA), the Airport Business Park (ABP), and Felts Field, collectively operated by Spokane Airport Board and referred to throughout this document as the Airport. It serves as an introduction to, and provides understanding of, the basic financial statements for the year ended December 31, 2025, with selected comparative information from the years ended December 31, 2024, and 2023.

SIA, ABP, and Felts Field are jointly owned by the City and County of Spokane (the City and County) and operated by the Spokane Airport Board through the Airport Joint Operation Agreement. Spokane International Airport serves as the region's commercial service airport and provides domestic scheduled passenger and cargo air service connectivity for the market area that stretches as far as Lewiston, ID to the south and British Columbia and Alberta, Canada to the north. The market area also reaches the foothills of the Cascades to the west and into western Montana to the east. The Airport Business Park is home to several regionally significant facilities such as the Waste-to-Energy plant; Geiger Corrections Facility; Waste Management Recycling Center; U.S. Postal Service Regional Processing and Distribution Center and Amazon Air as well as a number of tenants that include regional banks, small businesses, and other government agencies. Felts Field (SFF) serves as a Federal Aviation Administration (FAA) designated general aviation reliever airport for Spokane International Airport and is the highest-capability general aviation airport in the region, with instrument approaches and a federal contract air traffic control tower.

The three operating areas receive no local tax revenues and are self-supporting with resources obtained from landing fees, lease revenues, user fees, parking revenues, federal and state grants, and Passenger and Customer Facility Charges (PFC and CFC, respectively). Expenses are controlled and monitored in accordance with management objectives and budget requirements. The facilities have consistently met all financial obligations.

Airport Activities and Highlights

Passenger, Operations and Cargo Highlights:

According to the latest available data from the Federal Aviation Administration, SIA ranks as the 73rd busiest US airport for passengers and 51st busiest in terms of cargo. The principal services provided by the Airport relate to passenger origin and destination traffic. The Airport is defined by the FAA as a small air traffic hub, which means an airport handling between 0.05% and 0.249% of the enplaned passengers by U.S. air carriers nationwide.

Passenger, Cargo (including amounts by passenger air carriers), and Operations statistics are as follows:

Summary of Operations	2025	2024	2023
Total Passengers	4,350,330	4,264,875	4,131,266
Cargo (tonnage)	60,153	67,296	77,171
SIA - Operations	68,152	67,944	67,223
Felts Field - Operations	71,057	65,109	70,218

Total passenger traffic in 2025 increased 2.0% compared to 2024 levels as the Airport saw record passenger activity in 2025, the third record year in a row. The number of operations (takeoffs and landings) in 2025 increased 0.3% over 2024 as airlines added capacity in response to increased passenger traffic demand. Felts Field experienced an increase of 9.1% in operations compared to 2024 levels. Infrastructure improvements made at Felts Field over the past few years continue to attract pilots and aircraft to the field.

Mail and cargo traffic tonnage decreased in 2025 and 2024. The decrease in both years is related to schedule adjustments by the traditional cargo carriers.

Financial Statements

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). GASB standards are recognized as authoritative by state and local governments, state Boards of Accountancy, and the American Institute of CPA's (AICPA). The GASB develops and issues accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to taxpayers, public officials, investors, and others who use financial reports.

The Airport is structured as a single enterprise fund with revenues recognized when they are earned, not when received. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and depreciated, except land and construction in progress, over their useful lives. Please refer to Note 1 to the financial statements for a summary of significant accounting policies.

The Basic Financial Statements and Required Supplementary Information consist of Management's Discussion and Analysis (MD&A), the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, and related notes to the financial statements.

This MD&A has been prepared by management and should be read in conjunction with the financial statements and the notes which follow this section. The notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

The Statement of Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of each yearend. Changes in Net Position over time are an indicator of the Airport's general financial condition.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing the change in net position during the year, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will result in cash flows in future periods.

The Statement of Cash Flows compares the operating results of 2025 to 2024 with the associated inflows and outflows of cash. A reconciliation is provided within the statement to assist in understanding the effects on cash related to different activities.

Below is a Summary of the Statement of Net Position:

Summary Statement of Net Position	2025	2024	2023
Current Assets	$127,524,319	$117,234,650	$100,583,079
Noncurrent Assets			
Other Noncurrent Assets	128,295,546	168,695,961	64,767,680
Capital Assets	479,691,721	420,338,690	361,657,241
Total Assets	735,511,586	706,269,300	527,008,000
Deferred Outflow of Resources	5,456,814	5,327,792	4,406,712
Current Liabilities	32,685,760	23,522,260	28,610,933
Noncurrent Liabilities			
Other Noncurrent Liabilities	9,433,143	6,750,555	7,429,756
Bonds and Other Long-Term Debt	138,034,495	139,110,370	-
Total Liabilities	180,153,398	169,383,185	36,040,689
Deferred Inflow of Resources	48,593,716	54,619,656	47,040,914
Net Position			
Net Investment in Capital Assets	383,420,096	358,542,625	355,990,005
Restricted	73,071,032	61,669,220	52,614,643
Unrestricted	55,730,156	67,382,408	39,728,461
Total Net Position	$512,221,284	$487,594,253	$448,333,109

Assets:

Current Assets increased in both 2025 and 2024. The increase in 2025 is mainly due to an increase in government receivables and 2024 increase related to an increase in unrestricted and restricted cash and short-term investment balances.

Other Noncurrent Assets decreased in 2025 following an increase in 2024. The main reason for the decrease in 2025 was drawing down of revenue bond proceeds to fund critical infrastructure improvements. This followed an increase in 2024 due to the proceeds from the sale of revenue bonds.

Capital Assets increased in both 2025 and 2024. Both increases were due to an increase in capitalized assets as the Airport finalized and capitalized several large capital projects, including a terminal expansion project as well as landside and airfield projects.

Total Assets, combining the changes in the components above, increased in both 2025 and 2024. The increase in both years was mainly due to the increase in capital assets.

Deferred Outflows increased slightly in 2025 after an increase in 2024. The changes in each year relate entirely to variances from actuarial assumptions in the Washington State pension accounting. Note 1, Significant Accounting Policies, and Note 8, Pension and Benefit Plans, discuss this topic in greater depth.

Liabilities:

Current liabilities increased in 2025 following a decrease in 2024. The 2025 increase was due primarily to an increase in vouchers payable and accrued interest payable. The increase in accrued interest payable reflected a full year of outstanding bonds in 2025 compared to two months in 2024. The decrease in 2024 is due to a reduction in accounts payable and pay off of short-term debt.

Other noncurrent liabilities increased in 2025 following a decrease in 2024. The 2025 increase primarily relates to an increase in environmental liability, please see financial statement Note 12 for additional detail. The 2024 decrease relates mainly to a decrease in accrued postretirement benefits and net pension liabilities.

Bonds and other long-term debt decreased slightly in 2025 compared to the previous year. This is related to the amortization of the bond premium. The increase in 2024 was solely due to issuing long-term debt as the Airport did not have any outstanding long-term debt prior to 2024. See financial statement Note 6 for more details about long-term debt.

Total liabilities increased in 2025 that followed a significant increase in 2024. The increase in 2025 relates to the components outlined above while the increase in 2024 relates to the issuance of revenue bonds.

Deferred Inflows decreased in 2025 following an increase in 2024. The changes in both years relate to variances from actuarial assumptions in the Washington State pension accounting and GASB 87 leases. Note 1, Significant Accounting Policies, Note 7, Leases, and Note 8, Pension and Benefit Plans, discuss these topics in greater depth.

Net Position:

The Airport's assets and deferred outflows exceed its liabilities and deferred inflows at the end of 2025 by $512.2 million, an increase of $24.6 million over the previous year. 2024 showed a $39.3 million increase over 2023.

The largest portion of the Airport's net position, $383.4 million in 2025, $358.5 million in 2024 and $356.0 million in 2023, represents the net investment in capital assets (e.g., land, buildings, machinery, and equipment net of related debt). The increase in 2025 was primarily related to an increase in capital assets due to the continued investment into Airport facilities. The small increase in 2024 relates to the Airport issuing long-term debt, which the Airport did not have prior to 2024. The long-term debt is somewhat offset by an increase in net capital assets given the recent investments made by the Airport.

An additional portion of the total net position, $73.1 million in 2025, $61.7 million in 2024 and $52.6 million in 2023, represents resources that are subject to restrictions from government grantors, bond resolutions, other third-party agencies or State and Federal regulators on how those resources may be used. The increase in 2025 over 2024 relates to an increase in the Airport's Passenger Facility Charge (PFC) restricted funds and receivables from government agencies. The increase from 2023 to 2024 related to the debt service reserve and capitalized interest from the long-term debt issuance in 2024. The increase in 2023 was related to higher balances for CFCs and grant receivables. The amount of restricted net position does not affect the availability of other resources for future use.

The portion of the total unrestricted net position decreased in 2025 following an increase in 2024. The main driver for the decrease in 2025 was an increase in net investments in capital assets due to the ongoing investment into the Airport infrastructure. The main reason for the increase in 2024 is an increase in unrestricted cash and lease receivable.

The table below summarizes the effect of revenues and expenses on Net Position for the three years ended December 31, 2025, 2024, and 2023.

Summary of Net Position	2025	2024	2023
Operating Revenue	$ 62,232,427	$ 57,804,943	$ 52,789,524
Operating Expense	44,390,510	36,510,186	32,230,240
Operating income before depreciation	17,841,917	21,294,757	20,559,284
Depreciation and amortization expense	39,393,342	34,393,571	28,602,529
Operating income (loss)	(21,551,425)	(13,098,814)	(8,043,245)
Nonoperating Income (Expense)	14,253,180	15,986,569	21,327,413
Increase (decrease) in Net Position before Capital	(7,298,245)	2,887,755	13,284,168
Capital Contributions and Grants	31,925,276	36,373,387	65,808,247
Increase (decrease) in Net Position	24,627,031	39,261,143	79,092,415
Net Position, beginning of year	487,594,253	448,333,109	369,240,694
Net Position, end of year	$ 512,221,284	$ 487,594,253	$ 448,333,109

Total operating revenues in 2025 were $62.2 million, an increase of $4.4 million over 2024. 2024 operating revenue was $57.8 million, an increase of $5.0 million over 2023. Total revenue increased in both years due to continued record passenger activity at the Airport, which drives revenue in several different areas.

Total operating expenses prior to depreciation were $44.4 million, an increase of $7.9 million over the prior years. In 2024, operating expenses were $36.5 million, an increase of $4.3 million compared to 2023. Operating expenses increased in several different cost centers in 2025 due to increased staffing, environmental related expenses and a full year of operating expenses for the West phase of the Concourse C expansion project. The increase in 2024 is due to increases in several different cost centers because of an uptick in operating activity at the airport and the opening of the West phase of the Concourse C expansion project.

Depreciation charges were $39.4 million for 2025, an increase of $5.0 million over 2024. In 2024, depreciation increased $5.8 million over 2023. The increase in both 2025 and 2024 was due to several large capital projects being capitalized.

Non-operating income over expenses decreased in 2025 and 2024. Both years' decrease was due mainly to an increase in interest expense related to the issuance of debt in 2024.

Capital contributions and capital grants revenue totaled $31.9 million in 2025 after a total of $36.4 million in 2024, a decrease of $4.4 million over the prior year In 2024, capital contributions and capital grants revenue decreased by $29.4 million from 2023. These fluctuations in revenue are representative of the nature and timing of federal grant funding. The amount of grant revenue can vary greatly from year to year depending on the projects being planned, funded and constructed.

Revenues:

Below is a summary of revenue for the three fiscal years ended December 31, 2025, 2024, and 2023:

Summary of Revenues	2025	2024	2023
Operating Revenues:			
Airfield	$ 9,311,731	$ 8,560,202	$ 8,292,007
Passenger terminal	13,799,023	12,729,222	11,866,015
Rental car	7,417,872	7,013,653	7,043,717
Leased buildings	3,040,081	3,033,452	2,817,467
Leased areas	3,445,144	3,436,308	3,140,571
Parking and ground transportation	24,893,411	22,722,178	19,426,601
Other	325,165	309,928	203,146
Total Operating Revenue	62,232,427	57,804,943	52,789,524
Nonoperating Income:			
Interest income	7,545,111	4,484,252	3,444,106
Gain on disposal of assets	6,359	2,214,928	1,105,619
Gain on investments	-	-	1,559,667
Customer facility charges	4,763,042	4,411,472	3,942,126
Passenger facility charges	8,328,501	8,088,109	7,871,653
Other grant revenue	499,112	766	3,818,624
Total Nonoperating Income	21,142,125	19,199,527	21,741,795
Federal AIP and other grants	31,925,276	36,373,387	65,808,247
Total	$115,299,828	$113,377,857	$140,339,566

Airfield revenue increased in both 2025 and 2024 over prior years. The increase in both years relates to an increase in landed weight at SIA, the result of a strong demand for travel and larger aircraft landing at SIA.

Passenger terminal revenue increased in both 2025 and 2024 because of increased passenger activity that resulted in an increase in terminal revenue and the leasing of additional terminal space.

Leased building revenue increased slightly in 2025 following an increase in 2024 over the prior year. The increases in both 2025 and 2024 related to contractual rent increases for various tenants.

Leased area revenue increased in both 2025 and 2024. The increase in both years was due mainly to an increase in on premise hotel activity and rental car lease areas.

Parking revenue, which includes Ground Transportation fees, increased in 2025 and 2024, which was the result of the increased passenger activity experienced at the Airport, therefore, driving demand for parking.

Nonoperating income increased in 2025 following a decrease in 2024. The increase in 2025 was driven by an increase in interest income while the decrease in 2024 was mainly due to a decrease in other grant revenue.

Expenses:

Below is a summary of expenses for the three fiscal years ended December 31, 2025, 2024, and 2023.

Summary of Expenses	2025	2024	2023
Operating Expenses:			
Airfield	$20,213,177	$13,619,691	$12,209,089
Passenger terminal	9,108,681	8,702,084	6,712,930
Leased buildings	817,044	1,233,628	1,477,935
Parking and ground transportation	5,616,705	4,745,754	4,755,541
Administration and operations	8,634,903	8,209,029	7,074,745
Total Operating Expense	44,390,510	36,510,186	32,230,240
Depreciation and amortization expense	39,393,342	34,393,571	28,602,529
Nonoperating Expense			
Interest expense	6,389,833	3,143,214	406,156
Loss on investments	-	68,978	-
Other grant expense	499,112	766	8,226
Total Nonoperating Expense	6,888,945	3,212,958	414,382
Total	$90,672,797	$74,116,715	$61,247,151

Airfield expenses increased in 2025 and 2024. The increase in both years related to an increase in staffing levels and environmental expenses.

Passenger Terminal expenses increased in both 2025 and 2024. The increases in both years are attributed to an increase in utilities, general maintenance, and contract services in the terminal driven by terminal expansion of Concourse C.

Leased Buildings expenses decreased in both 2025 and 2024. The decrease in 2025 relates mainly to a decrease in environmental expenses while the 2024 decrease was related to a decrease in ground maintenance expenses.

Parking and Ground Transportation expenses increased in 2025 compared to prior year while 2024 was nearly identical to 2023. The increase in 2025 related primarily to contract labor to support various operations on the airside of the airport.

Administration and operations expenses increased in 2025 following an increase in 2024. The increase in 2025 was mainly due to administrative staffing levels, which drove an increase in wages and employee benefits. The increase in 2024 was mostly the result of an increase in marketing and legal expenses.

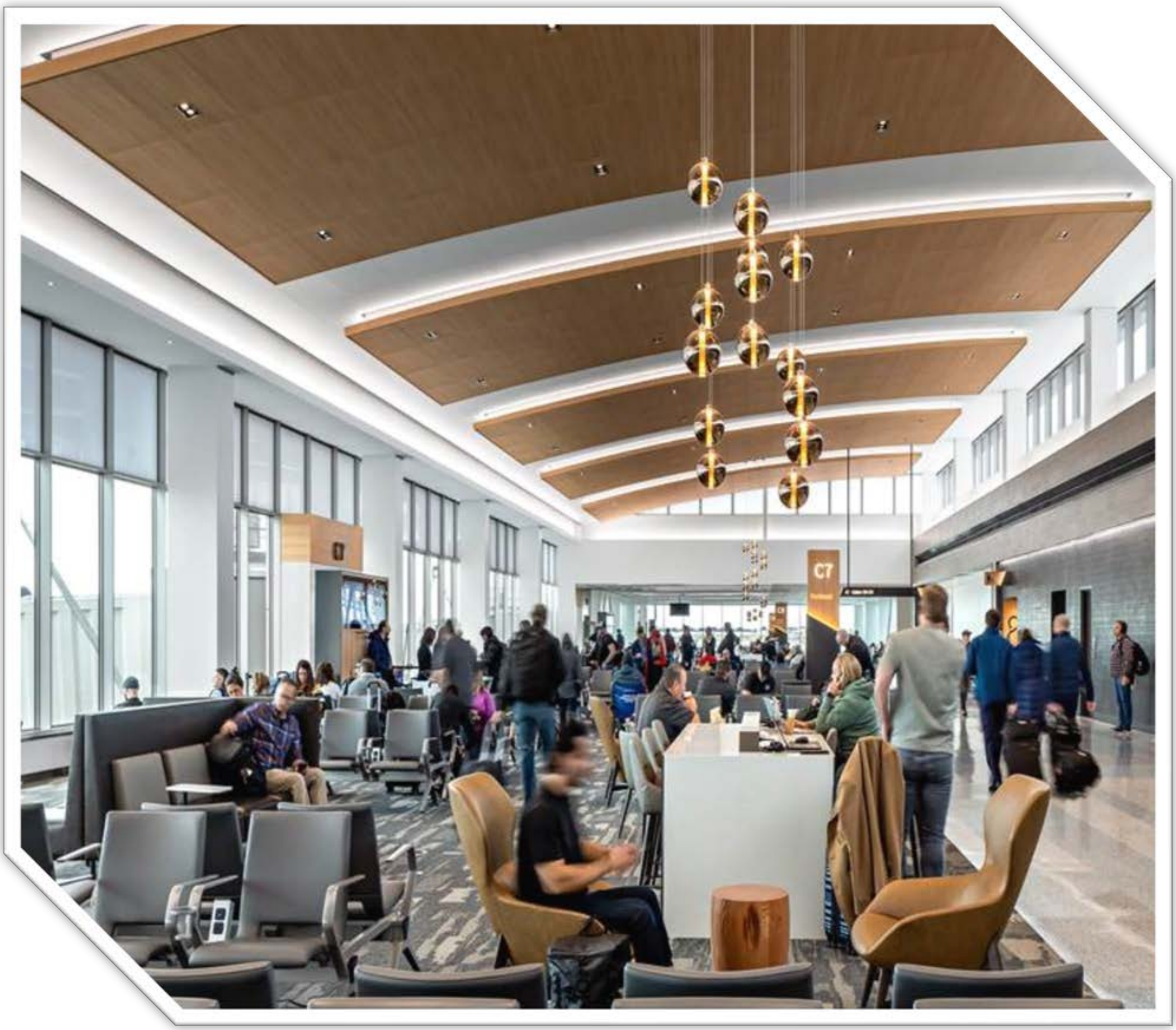
Nonoperating expenses in 2025 increased compared to 2024 and 2023 as the Airport incurred interest expense as a result of issuing bonds in 2024.

Other financial considerations

The basic financial structure of the Airport facilities has been very consistent over the past 35 years, with the residual based Airline Operating Agreement (AOA) that has been in effect since 1984 and modified periodically. The AOA and airline leases were extended through negotiations with air carriers with minor changes until December 31, 2028.

The Airport is in a strong financial position given its net position, a manageable level of long-term debt, and low debt burden per enplaned passenger. The Airport operates with sound financial decision-making, a low-cost structure, and a disciplined approach to financing capital needs.

This financial report is designed to provide citizens, customers, bondholders, and tenants with a general overview of the Airport and to demonstrate the Airport's accountability for the funds they receive and expend. For additional information about this report or information about the Airport, please contact Rob Schultz, Chief Financial Officer, 9000 W. Airport Drive, Suite 204, Spokane, WA 99224.



SPOKANE AIRPORT BOARD
STATEMENT OF NET POSITION

ASSETS	December 31, 2025	December 31, 2024
CURRENT ASSETS		
Unrestricted Current Assets		
Cash	$ 140,781	$ 131,693
Unrestricted cash and short-term investments	76,542,602	79,278,123
Accounts receivable, less allowance for doubtful accounts at 2025 $447,847; 2024 $447,847	3,145,021	2,821,882
Prepaid expenses and other assets	1,559,862	1,500,666
Inventory	418,680	632,844
Short term lease receivable	9,061,300	7,888,722
Total Unrestricted Current Assets	90,868,246	92,253,930
Restricted Current Assets		
Current portion, restricted cash and short-term investments	10,206,106	8,942,828
Receivable from government agencies	26,449,967	16,037,892
Total Restricted Current Assets	36,656,073	24,980,720
Total Current Assets	127,524,319	117,234,650
NONCURRENT ASSETS		
Unrestricted Noncurrent Assets		
Long term lease receivable	39,225,032	45,945,381
Land	20,941,915	20,650,962
Construction in process	68,616,118	45,091,767
Right of use assets, net of accumulated amortization	740,387	302,856
Depreciable capital assets, net of accumulated depreciation	389,393,301	354,293,106
Total Unrestricted Noncurrent Assets	518,916,753	466,284,072
Restricted Noncurrent Assets		
Restricted cash and investments, less current portion	85,413,091	119,500,654
Net Pension Asset	3,657,422	3,249,926
Total Restricted Noncurrent Assets	89,070,513	122,750,580
Total Noncurrent Assets	607,987,266	589,034,652
TOTAL ASSETS	735,511,585	706,269,302
DEFERRED OUTFLOWS OF RESOURCES	5,456,814	5,327,792
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 740,968,399	$ 711,597,094

See Accompanying notes

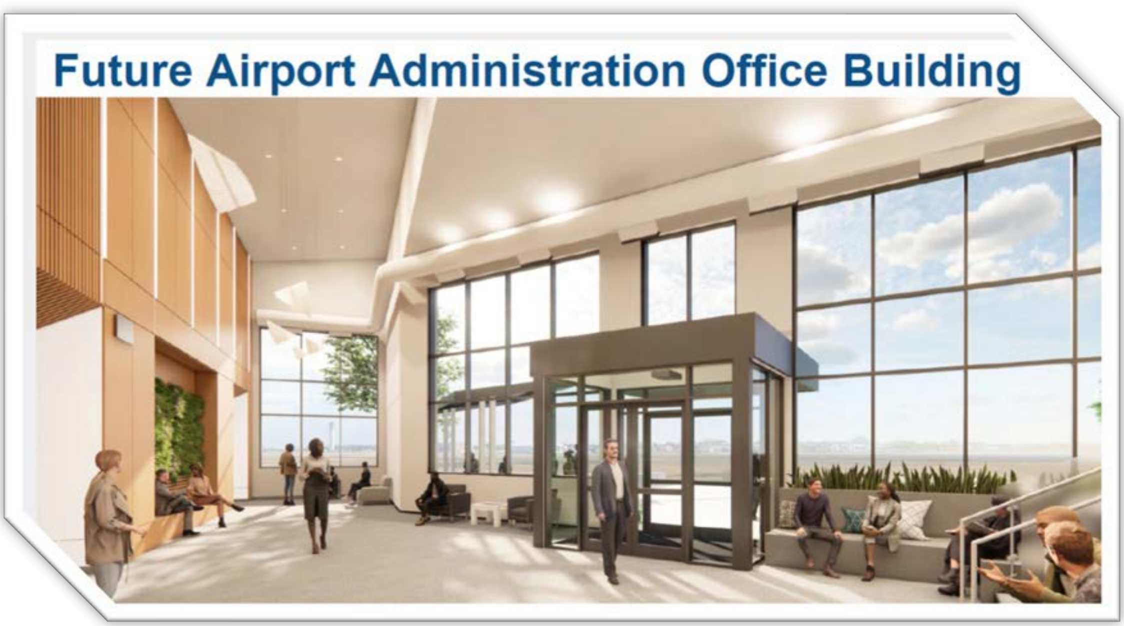
SPOKANE AIRPORT BOARD
STATEMENT OF NET POSITION

LIABILITIES	December 31, 2025	December 31, 2024
CURRENT LIABILITIES		
Liabilities Payable from Unrestricted Assets		
Construction warrants and retainage payable	$ 371,424	$ 382,494
Vouchers payable and other accrued expenses	17,120,404	12,713,790
Accrued payroll	1,095,210	1,007,620
Other liabilities	256,112	69,016
Compensated absences - current portion	548,539	78,969
Total Unrestricted Current Liabilities	19,391,689	14,251,889
Liabilities Payable from Restricted Assets		
Construction warrants and retainage payable	9,156,558	8,206,794
Accrued interest payable	3,362,513	1,063,577
Short-term debt due within one year	775,000	-
Total Restricted Current Liabilities	13,294,071	9,270,371
Total Current Liabilities	32,685,760	23,522,260
NONCURRENT LIABILITIES		
Deposits	307,825	307,825
Compensated absences	743,424	970,151
Accrued environmental liabilities	5,120,135	2,194,805
Accrued postretirement and termination benefits	2,513,837	2,587,323
Net pension liabilities	414,335	600,980
Other long-term liabilities	333,588	89,471
Bonds payable, due in more than one year	138,034,495	139,110,370
Total Noncurrent Liabilities	147,467,639	145,860,925
TOTAL LIABILITIES	180,153,399	169,383,185
DEFERRED INFLOWS OF RESOURCES	48,593,716	54,619,656
NET POSITION		
Net Investment in capital assets	383,420,096	358,542,625
Restricted for:		
Passenger facility charge	7,033,470	2,919,289
Customer facility charge	23,845,354	26,466,753
Restricted for debt service	11,405,570	12,305,041
Cash restricted for retainages and deposits	679,249	690,319
Receivable from government agencies	26,449,967	16,037,892
Net Pension Asset	3,657,422	3,249,926
Total Restricted Net Assets	73,071,032	61,669,220
Unrestricted	55,730,156	67,382,408
TOTAL NET POSITION	512,221,284	487,594,253
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 740,968,399	$ 711,597,094

See Accompanying notes

SPOKANE AIRPORT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended December 31, 2025	Years Ended December 31, 2024
Operating revenues:		
Airfield	$ 9,311,731	$ 8,560,202
Passenger terminal	13,799,023	12,729,222
Rental car	7,417,872	7,013,653
Leased buildings	3,040,081	3,033,452
Leased areas	3,445,144	3,436,308
Parking and ground transportation	24,893,411	22,722,178
Other	325,165	309,928
Total Operating Revenue	62,232,427	57,804,943
Operating expenses:		
Airfield:		
General	13,833,067	8,370,287
Fire department	2,674,513	2,382,714
Police department	3,705,597	2,866,690
Passenger terminal	9,108,681	8,702,084
Leased buildings	817,044	1,233,628
Parking and ground transportation	5,616,705	4,745,754
Administration and operations	8,634,903	8,209,029
Total Operating Expense	44,390,510	36,510,186
Operating income before depreciation	17,841,917	21,294,757
Depreciation and amortization	39,393,342	34,393,571
Operating income (loss)	(21,551,425)	(13,098,814)



See Accompanying notes

SPOKANE AIRPORT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended December 31, 2025	Years Ended December 31, 2024
Nonoperating revenues (expenses):		
Interest income	$ 7,545,111	$ 4,484,252
Interest expense, including amortization of bond premiums	(6,389,833)	(3,143,214)
Gain (loss) on disposition of assets	6,359	2,214,928
Gain (loss) on investments	-	(68,978)
Grant revenue	499,112	766
Grant expense	(499,112)	(766)
Customer facility charges	4,763,042	4,411,472
Passenger facility charges	8,328,501	8,088,109
Total Nonoperating revenue (expenses)	14,253,180	15,986,569
Increase (decrease) in net position before capital grants and related items	(7,298,245)	2,887,756
Capital contributions		
Federal AIP and other grants	31,925,276	36,373,387
Total Grants	31,925,276	36,373,387
Increase (decrease) in Net Position	24,627,031	39,261,144
Net Position, beginning of year	487,594,253	448,333,109
Net Position, end of year	$ 512,221,284	$ 487,594,253

See Accompanying notes

SPOKANE AIRPORT BOARD
STATEMENT OF CASH FLOWS

	Years Ended December 31, 2025	Years Ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from airfield operations	$ 8,988,592	$ 9,086,636
Cash received from passenger terminal	20,971,581	19,311,277
Cash received from building leases	3,040,081	3,033,452
Cash received from area leases	3,445,144	3,436,308
Cash received from parking	24,893,411	22,722,178
Cash received (paid) from administration and operations	(1,635,672)	(15,274,419)
Other operating cash received	756,379	378,944
Cash paid for airfield operations	(11,295,719)	(9,328,372)
Cash paid to airfield employees	(6,142,774)	(5,009,289)
Cash paid for passenger terminal	(5,965,661)	(6,058,109)
Cash paid to passenger terminal employees	(3,335,526)	(2,798,463)
Cash paid for leased building operations	(817,044)	(1,233,628)
Cash paid for parking operations	(4,881,094)	(4,056,316)
Cash paid to parking operations employees	(787,665)	(738,906)
Cash paid to administration and operations employees	(2,741,512)	(2,390,287)
Net cash provided (used) by operating activities	24,492,521	11,081,007
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants received	499,112	766
Operating grant expenses	(499,112)	(766)
Net cash provided by noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Federal and state grant proceeds	21,513,201	43,604,584
Acquisition and construction of capital assets	(97,592,696)	(86,380,882)
Principal payments on short-term debt	-	(18,778,022)
Net proceeds from issuance of bonds and short term debt	-	154,110,370
Bond amortization	(300,875)	
Proceeds from sale of capital assets	(208,625)	2,310,334
Interest paid on debt	(4,090,896)	(2,084,959)
Customer facility charges collected	4,763,042	4,411,472
Passenger facility charges collected	8,328,501	8,088,109
Net cash provided (used) by capital and related financing activities	(67,588,348)	105,281,005
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	7,545,111	4,415,274
Net cash provided by investing activities	7,545,111	4,415,274
NET CHANGE IN CASH	(35,550,716)	120,777,286
Cash, beginning of year	207,853,298	87,076,012
Cash, end of year	$ 172,302,581	$ 207,853,298

See Accompanying notes

SPOKANE AIRPORT BOARD
STATEMENT OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
OPERATING INCOME (LOSS)	$ (21,551,425)	$ (13,098,813)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization expense	39,393,342	34,393,571
Changes in assets and liabilities:		
Accounts receivable	(323,139)	791,435
Lease receivable	(245,313)	(431,597)
Prepaid expenses and other assets	(59,197)	(173,222)
Inventory	214,164	(72,172)
Vouchers payable and other accrued expenses	4,406,614	(9,321,402)
SBITA	431,214	69,016
Accrued payroll	87,591	136,472
Compensated absences	242,844	(46,933)
Increase (decrease) in net pension asset and liability and related deferred outflows and inflows of resources	(956,017)	(682,220)
Other	2,851,843	(483,125)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 24,492,521	$ 11,081,011
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
NONCASH CAPITAL ACTIVITIES		
Acquisition of construction and capital assets, recorded but not paid at year end	$ 9,527,982	$ 8,589,288
TOTAL NONCASH ITEMS	$ 9,527,982	$ 8,589,288
RECONCILIATION OF CASH		
Cash	$ 140,781	$ 131,693
Unrestricted short-term cash investments	76,542,602	79,278,123
Restricted cash and short-term investments, current and noncurrent	95,619,197	128,443,482
CASH AS PRESENTED IN STATEMENTS OF CASH FLOWS	$ 172,302,580	$ 207,853,298

See Accompanying notes

Note 1 – Significant Accounting Policies

The following is a summary of significant policies followed by Spokane Airport Board (the Airport).

Organization:

The accompanying financial statements include the operations of the Spokane International Airport (SIA), the Airport Business Park (ABP), and Felts Field Airport (FF). Spokane International Airport serves the predominant air travel needs of eastern Washington and northern Idaho. There are no other entities for which the Airport is financially accountable. The Airport is a municipal airport operating under RCW 14.08 and is jointly owned by the City of Spokane and Spokane County under a joint operating agreement. This agreement was last modified in 2018.

The agreement provides for the joint operation of the Airport through a separate seven-member Board. The Board consists of one elected County official, one elected City official, two members appointed by the County, two members appointed by the city, and one member appointed jointly. The annual budget for the Airport is approved by both the City of Spokane and Spokane County. In addition, both the City of Spokane and Spokane County must approve any debt obligations that extend beyond one year. In the event the Airport is unable to make debt payments when due, the City of Spokane and Spokane County are responsible for paying any deficit through a 50/50 split. The agreement also provides that either party may terminate the agreement with certain advance notice. If an agreement cannot be reached as to which entity will succeed in operating the Airports, the terminating municipality is responsible for making a payment to the other entity to compensate them for their share of the difference between the assets and liabilities.

Separate financial statements of Spokane County and the City of Spokane can be obtained from the Auditor's Office, Spokane County, 1116 West Broadway Avenue, County Courthouse 2nd Floor, Spokane, WA 99260; and Financial Division, City of Spokane, 808 West Spokane Falls Blvd., Spokane, WA 99201.

Measurement focus and basis of accounting:

The Airport's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended. The Airport utilizes one proprietary fund for accounting and financial reporting. Although the Airport accounts for the revenue and expenses of Spokane International Airport, the Airport Business Park, and Felts Field Airport separately, these are accounted for as departments, not as separate funds. GASB 34 also requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included in the Statement of Net Position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

In proprietary fund financial statements, operating revenues are those that flow directly from the operations of that activity, (i.e., charges to customers or users who purchase or use the goods or services of that activity). Revenues from airlines, concessions, rental cars, and parking are reported as operating revenues. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items related to nonexchange transactions such as interest expense and revenue as they relate to financing and/or investing-related transactions, customer facility charges and passenger facility charges. Nonexchange transactions are transactions where the Airport receives cash and other financial and capital resources without directly giving equal value in return. The Airport's primary source of nonexchange revenue relates to grants. Grant revenue is recognized at the time eligible program expenditures are incurred and/or the Airport has complied with the grant requirements.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Estimates and assumptions are used to record lease receivable, environmental reserves, litigated and

Note 1 – Significant Accounting Policies (Continued)

Non-litigated contingencies, allowance for doubtful accounts, pension liabilities/assets, and other post-employment benefits. Actual results could differ from those estimates.

Management evaluates the estimated useful life of assets capitalized and placed into service for purposes of determining provisions for depreciation. Estimated remaining lives are reviewed by management on an ongoing basis.

Management has estimated the amount accrued for environmental liabilities. There is the potential for additional environmental sites to be determined in future periods. As the nature of these liabilities is difficult to estimate, the amount of this estimate is subject to significant adjustments.

Annually the Airport has an actuarial analysis performed to determine other post-employment benefits and retirement health insurance obligations. The amount of this estimate is subject to significant adjustment.

Management estimates the amount of the accounts receivable balance expected to be uncollectible. There is a potential for additional amounts to be determined to be uncollectible. The amount of this estimate is subject to adjustment.

Deferred Outflows/Inflows of Resources:

The statements of net position will sometimes report a separate section for deferred outflows of resources and/or deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period, and therefore, not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and therefore, not recognized as an inflow of resources (revenue) until then.

Pension liability variances can occur due to actuarial assumptions that differ between the actual plan experience and the original actuarial assumed rates. Differences can result from, among others, earnings on investments, changes in assumptions, and other experiences, gains or losses. A variance represents a gain or a loss, shown as deferred inflows of resources or deferred outflows of resources, respectively, in the accompanying statements of net position. These deferred outflows/inflows are amortized in accordance with the provisions of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. Additional items are determined annually based on each subsequent year’s variances from actuarial assumptions.

Under GASB 87, a lessor is required to recognize, for each lease, a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the term of the lease. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. Interest revenue is recognized on the lease receivable and inflow of resources (revenue) is recognized from the deferred inflows of resources in a systematic and rational manner over the term of the lease. Lessors do not derecognize the asset underlying the lease.

Airline rates and charges:

Under the terms of the signatory airline lease and operating agreements, the Airport sets airline rates and charges using a residual methodology. Under this agreement, the rates for the landing fee and terminal rents are set to recover a certain proportion of the operating costs for the airfield and terminal.

Concentration of operating revenue:

The operation of the Airport is dependent upon the utilization of their facilities by air carriers and major airlines. Airlines have signed operating agreements (Note 7) with the Airport for terminal rentals and landing fees and for the maintenance of net revenues. Revenues from airlines amounted to approximately 33% and 30% of operating revenue for the years ended December 31, 2025, and 2024, respectively. Rental car revenue was 17% of operating revenue for the year ended December 31, 2025, and 22% for the year ended 2024. Parking revenue for the years ended December 31, 2025, was 44% and 39% for the year ending December 31,2024.

Budgeting requirements:

The Airport budgeting process is a financial planning tool used to establish the estimated revenues and expenditures for SIA, Felts Field, and ABP. The budget is developed after reviewing revenue forecasts, the

Note 1 – Significant Accounting Policies (Continued)

impact of funding increases on landing fees, rental rates, and other rates and charges, prior year actual, current program levels, new operating requirements, and the overall economic climate of the region and airline industry.

Income taxes:

The Airport is exempt from income taxes under the current provisions of the Internal Revenue Code.

Passenger facility charges:

The Airport has received approval from the Federal Aviation Administration (FAA) to impose a passenger facility charge (PFC) for each passenger who utilizes SIA of up to $4.50 fee through April 1, 2036. The charge is collected by all carriers and remitted to the Airport, less a $0.11 per passenger handling fee. The proceeds from the PFC are restricted to use by the Airport for certain FAA approved capital improvement projects. Cumulative PFC revenue in the amount of $270,234,006 has been approved for collection and $270,234,006 has been approved for use, of which $196,864,770 has been received through December 31, 2025. As of December 31, 2025, Spokane International Airport had total cumulative expenditures of $189,831,300 per the 4th quarter report. PFC revenues, including interest earnings, are restricted for capital projects approved by the FAA.

Customer Facility Charges:

The Airport collects a customer facility charge (CFC) of $3.75 per day from rental car transactions. CFC revenue is used to fund rental car facilities capital improvement projects. CFC revenues received from the rental car companies are recorded as nonoperating income in the statements of revenues, expenses, and changes in Net Position.

Federal grants-in-aid:

The Airport receives federal grants-in-aid funds on a reimbursement basis, mostly related to construction of the Airport's facilities and other capital activities along with operating grants to perform enhancements in the Airport's safety, security, and capacity.

Cash and cash equivalents:

For the purposes of the statements of cash flows, the Airport considers all highly liquid investments (including unrestricted and restricted short-term investments) to be cash equivalents. See Note 2 for a discussion of the nature of restricted short-term investments.

Short-term investments:

The Airport invests the majority of its funds with Spokane County's investment pool for Spokane County government agencies. It is the policy of Spokane County to invest public funds in accordance with governing statutes and in a manner which will provide the best investment return. Investments are made by designated personnel in accordance with the Spokane County Treasurer's Investment Policy. County policy dictates that all investment instruments other than certificates of deposit and County notes be transacted on the delivery-versus-payment basis. Investments are recorded at fair value. Information regarding the types of investments that the County can purchase can be found in RCW 36.29.020.

Investments are recorded at net asset value in accordance with GAAP. Accordingly, the change in net asset value of investments is recognized as an increase or decrease to investments and gain (loss) on investments.

Accounts receivable and allowance for doubtful accounts:

Accounts receivable are recorded for invoices issued to customers in accordance with the Airport's contractual arrangements. The allowance for doubtful accounts is based on specific identification of troubled accounts and by using historical experience applied to an aging of accounts. Accounts Receivables are written off against the allowance when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Note 1 – Significant Accounting Policies (Continued)

Inventory:

Inventories consist of de-icing materials and fuel and are valued using the First In, First Out (FIFO) method.

Capital assets:

Capital assets with an acquisition cost in excess of $7,500 at the acquisition date and having an expected useful life of one or more years are capitalized and depreciated. Repair and maintenance costs are expensed as incurred. Replacements and major improvements of capital assets are capitalized at cost. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts and any resulting gain or loss is reflected in the Statements of Revenues, Expenses, and Changes in Net Position. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Land is not considered a depreciable asset. The Statements of Revenues, Expenses, and Changes in Net Position include depreciation of all depreciable property, facility, and equipment and total gains or losses upon the disposal thereof.

The United States federal government has an interest in any asset purchased or constructed with Airport Improvement Program dollars. Upon disposal of these assets, the Federal Aviation Administration must be notified, and the current fair value of their interest is either returned or invested into another approved project or asset.

The Airport's estimated useful lives of depreciable property, facility and equipment as of December 31, 2025 and 2024, were the following:

Land improvements	5-15 years
Buildings	15-40 years
Building Improvements and additions	5 years - or remaining life
Roads and Parking Lots	5-20 years
Aprons, Taxi and Runways - Asphalt	5-15 years
Aprons, Taxi and Runways - Concrete	10-20 years
Equipment	2-10 years
Utilities	15-40 years
Vehicles and Equipment	2-10 years

Bonds Payable:

Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Pensions:

For purposes of measuring the net pension liability/assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms.

Compensated absences:

Accumulated vacation and sick leave are accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future. Employees of the Airport are

granted vacation and sick leave depending on their length of employment, or through the terms of employment agreement and collective bargaining agreements. Compensated absences are accrued when earned, considered more likely than not to be used are reported as a liability.

Note 1 – Significant Accounting Policies (Continued)

Non-Union employees

Administrative employees may accrue up to 240 hours of vacation time and up to 1,040 hours of sick leave. Unused sick leave is paid out to an employee or the employee's estate only when separation is due to death or retirement. Sick leave payout is equal to 50% of not more than 1,040 hours.

Maintenance employees

Maintenance employees may accrue up to 240 hours of vacation leave in the next yearly period. Any vacation in excess of 240 hours on December 1 each year is forfeited with no compensation to the employee. Part time maintenance employees accrue leave at the rate of 1 hour for every 40 hours worked.

Full-time employees in pay status for 80% or more of a pay period shall accrue no less than 4 hours per pay period. Employees may carry over paid sick leave from calendar year to calendar year; provided, however, employees may not carry over more than 1,040 hours of sick leave. Unused sick leave is paid out to an employee or the employee's estate only when separation is due to death or retirement. Sick leave payout is equal to 50% of the amount accumulated, up to a maximum of 1,040 hours.

Firefighters

Firefighters may accrue up to 300 hours of vacation. Any leave in excess of that amount as of December 31 of each year is forfeited. Unused sick leave is paid at separation to the employee or employee's estate, only when separation is due to death of LEOFF II retirement of the employee. In these circumstances, all unused sick leave will be paid out in an amount equal to seventy-five percent (75%) of the amount accumulated up to the maximum accrual of 1,400 hours of unused leave. Employees may carry over paid sick leave from calendar year to calendar year; however, employees may not carryover more than 1,400 hours.

Police Officers

Police Officers may accrue up to 240 hours of vacation for 8-hour shift employees and 300 hours for 12-hour shift employees, or one (1) hour for every forty (40) hours worked, whichever is greater. Employees are eligible to begin using accrued sick leave beginning on the 90th calendar day after the start of employment. Sick leave may accrue to a maximum of 1,040 hours. Upon separation from employment, unused sick leave will be forfeited unless separation is due to death or retirement. If the separation is due to death or retirement the employee or employee's estate will be paid up to a maximum of 780 hours.

Part Time Employees

Beginning January 1, 2018, RCW 49.46 requires that all part time employees accrue one hour of sick leave for every forty hours worked.

Net Position:

Net position has been classified on the statements of net position into the following components:

Net Investment in capital assets: Capital assets are shown net of accumulated depreciation and amortization, deferred inflows/outflows of resources, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets net of unspent bond proceeds.

Restricted component: Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets that have third-party restrictions placed on them.

Unrestricted component: Is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Policy regarding use of restricted vs. unrestricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Airport will utilize restricted resources first, then unrestricted resources as needed.

Note 1 – Significant Accounting Policies (Continued)

Accounting Standards Issued but Not Yet Adopted:

GASB Statement No. 103 (GASB 103) – Financial Reporting Model Improvements. The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing accountability. This Statement also addresses certain application issues related to the MD & A, unusual or infrequent items, presentation of proprietary fund statement of operating and nonoperating revenue and expense, major component units, and budgetary comparison information. The Airport is currently evaluating the effect this Statement will have on the financial position or results of operations.

GASB Statement No. 104 (GASB 104) – Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Disclosures should include the ending balance of capital assets held for sale, with separate disclosures for historical cost and accumulated depreciation by major class of assets, and the carrying amount of the debt for which the capital assets held for sale are pledged as collateral for each major class of assets. The Statement also requires that capital assets held for sale be evaluated each reporting period. The requirements of the Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Airport is currently evaluating the effect this Statement will have on the financial position or results of operations.

GASB Statement No. 105 (GASB 105) – Subsequent Events. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date of the financial statements are available to be issued. The statement describes the date of the financial statements are available to be issued as the date at which (1) the financial statements are complete in form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. The statement also requires the date through which subsequent events have been evaluated to be disclosed. The statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

New Accounting Standards Adopted:

GASB Statement No. 102 (GASB 102) – Certain Risk Disclosures was issued December 2023. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The Airport implemented this standard and the Airport does not have any concentration or constraint that meets the disclosure requirement.

Note 2 – Cash, Cash Equivalents and Investments

Deposits:

All deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by the State of Washington's Public Deposit Protection Commission (PDPC). The PDPC, a statutory authority under RCW 39.58, constitutes a multiple financial institution collateral pool that makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and secures collateral for deposits that exceed the amount insured by the FDIC. Also, public depositories collectively assure that no loss of funds will be suffered by any public treasurer or custodian of public funds. In the event of a bank default, the Public Deposit Protection Commission establishes the amount of public fund loss and assesses each participating bank for its proportionate share.

Primarily due to the weakening financial conditions of a number of banks in Washington and in an effort to further protect public deposits from loss, the Public Deposit Protection Commission, on February 18, 2009, passed Resolution 2009-1. The resolution required banks to fully collateralize all uninsured public deposits by June 30, 2009, if they wish to continue as a public depository.

In 2010, the PDPC adopted Resolution 2010-1 requiring all public depositories to take measured and orderly steps to shift their public depositors' funds from accounts insured through the FDIC Transaction Account Guarantee (TAG) Program to other insured or collateralized accounts.

The majority of the Airport's cash and investments are invested in the Spokane County Treasurer's Office administered investment pool for Spokane County government agencies. The Spokane County Investment Pool (SCIP) is not SEC registered and there is no credit rating of the SCIP. Investments in the pool are in the custody of the Spokane County Treasurer under the policy guidance of the Spokane County Finance Committee. There are no withdrawal or redemption restrictions placed on the Airport. Investments in the Pool principally consist of investments in the Washington State Local Government Investment Pool, US government agency securities, commercial bank certificates of deposit, and Spokane County Bonds. The Airport, as a joint venture of the City of Spokane and Spokane County, is limited by City and County state statutes as to the types of investments it may invest in. For a more detailed list of the types of investments allowed under Washington State law contact the Spokane County Treasurer's Office at www.spokanecounty.org or see RCW 36.29.020.

Investments:

The Airport invests its funds in the Spokane County Investment Pool (SCIP or Pool). The Pool uses the Net Asset Value (NAV) to measure the Pool's underlying securities, relative to the cumulative fund balance. All investments of the SCIP are limited by RCW, principally RCW 36.29.020. The Pool is authorized to invest in U.S. Treasury and agency securities, repurchase and for collateral otherwise authorized for investment, municipal bonds of the state of Washington and General Obligations of other states with one of the three highest ratings of a national rating agency at the time of investment, certificates of deposit with qualified depositories within the statutory limits as promulgated by the Public Deposit Protection Commission at the time of the investment, foreign and domestic bankers acceptances and the Washington State Local Government Pool and Bank Deposits.

All securities purchased by the SCIP belong jointly to the Participants who share realized gains, income, and any realized losses on a pro-rata basis. The Investment Pool is not an investment in a money market or bank account, which typically has a lower-average maturity (under 60 days) and lower yield. The Investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation, Spokane County, or any other government agency. The interest earnings of the Pool depend on amortized earnings and interest accruals at prevailing investment rates.

The use of amortized cost valuation means that the Pool's stable $1.00 price value may vary from its market value per share measured at NAV. In the unlikely event that the Spokane County Treasurer were to determine that the extent of the deviation between the Pool's amortized cost per share and market value NAV per share may result in material dilution or other unfair results to the participants, the County Treasurer may cause the Pool to take such action as it deems appropriate to eliminate or reduce dilutions that cause unfair results to participants.

Note 2 – Cash, Cash Equivalents and Investments (Continued)

The State of Washington Local Government Investment Pool is the only government-sponsored pool approved for investment of funds. On December 31, 2025, and 2024, the Airport had the following cash and investments. Cash and investments are classified on the statements of net position as follows:

	2025	2024
Cash	$ 140,781	$ 131,693
Unrestricted short-term investments	76,542,602	79,278,123
Restricted short-term investments, current portion	10,206,106	8,942,828
Restricted short-term investments, noncurrent	85,413,091	119,500,654
TOTAL	$ 172,302,580	$ 207,853,298

As of December 31, 2025 and 2024, Spokane Airports has the following cash and investments:

	2025	2024
Petty Cash	$ 3,065	$ 3,065
Cash in bank	137,716	128,629
Funds invested in the Spokane County Investment Pool	172,161,799	207,721,605
TOTAL	$ 172,302,580	$ 207,853,298

Credit risk:

Credit risk is the risk the issuer or other counterparty to an investment will not fulfill its obligations. The Spokane County Investment Pool investments are governed by state laws and Spokane County's investment policy; however, not all amounts in the County pool are rated. The Airport is unable to identify the credit risk on specific amounts held by the County on the Airport's behalf. Additional information on the Spokane County Investment Pool is contained in the Spokane County Annual Comprehensive Financial Report. A copy of the report can be obtained by contacting the Spokane County Auditor's Office, 1116 W. Broadway, 2nd Floor, Spokane, Washington, 99260. The Airport does not have a formal policy addressing credit risk.

Interest rate risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates.

The Airport has no formal policy addressing interest rate risk. The majority of the Airport's funds are invested in the Spokane County Investment Pool. The average length of maturity of the investments of the Pool was 1.95 and 1.55 years on December 31, 2025, and 2024, respectively.

Additional information on the Spokane County Investment Pool interest rate risk is contained in the Spokane County Annual Comprehensive Financial Report.

Custodial risk:

Custodial risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Airport does not have a formal policy addressing custodial risk. Currently, amounts invested in the Pool are not held in the Airport's name. Additional information on custodial risk can be obtained by contacting the Spokane County Treasurer's Office.

Note 2 – Cash, Cash Equivalents and Investments (Continued)

Concentration risk:

Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The Spokane County Investment Pool policy mitigates concentration of credit risk by limiting the percentage of the portfolio invested with any one issuer.

Presented below are investments in any one issuer that represent 5% or more of the total County investment pool.

	2025	2024
LGIP (State)	15%	25%
Federal Home Loan Bank (FHLB)	6%	7%
United State Treasury Notes	68%	43%
Federal Farm System	10%	10%

The following is a table, by percentage of investment security types, of the Spokane County Investment Pool as of December 31, 2025, and 2024:

	2025	2024
Washington State Local Government Investment Pool	15%	25%
Federal agency securities	16%	20%
Miscellaneous investments	0%	0%
Supranationals	0%	9%
Corporate paper	1%	3%
Treasury Securities	68%	43%
	100%	100%

Cash balances:

The carrying value of the Airport's deposits with financial institutions as of December 31, 2025, and 2024, were $137,716 and $128,629, and the bank balances were $137,716 and $128,629, respectively. The bank balance is categorized as follows:

	2025	2024
Amount insured by FDIC	$ 250,000	$ 250,000
Total Bank Balance	$ 137,716	$ 128,629

Note 2 – Cash, Cash Equivalents and Investments (Continued)

Restricted cash and investments:

Restricted cash and investments (including current and noncurrent portions) on December 31 were as follows:

	2025	2024
Funds restricted for the retirement of the CERB Loans		
Collected passenger facility charges, restricted for approved projects	$ 7,033,470	$ 2,919,289
Collected customer facility charges, restricted for approved projects	23,845,354	26,466,753
Bond proceeds, restricted for approved projects	52,655,552	86,062,080
Debt service reserve	9,270,074	8,945,490
Capitalized interest	2,135,497	3,359,551
Refurbishment, fuel deposits, retainage	679,250	690,319
Total Restricted Cash and Short-Term Investments	$ 95,619,197	$ 128,443,482

Note 3 – Receivable from Government Agencies

The Airport has received grants for airport construction and infrastructure improvements from the Federal Airport Improvement Program (AIP) and other state and federal grants. Cash collected for construction projects were $22,012,313 in 2025 and $43,605,349 in 2024. Amounts are recorded on the Statement of Revenues, Expenses, and Changes in Net Position as non-operating revenue, and capital contributions. The following is a summary of the activity in government receivables for the years ended December 31:

	2025	2024
Government receivable, beginning of year	$ 16,037,892	$ 23,269,088
Funds expended	32,424,388	36,374,153
	48,462,280	59,643,241
Less cash received	(22,012,313)	(43,605,349)
Government receivable, end of year	$ 26,449,967	$ 16,037,892

Note 4 - Inventory

At the end of 2025 and 2024, the Airport had a remaining supply of fuel and de-icing material, which was recorded as inventory using the FIFO accounting method. Inventory on December 31, 2025, and 2024, was $418,680 and $632,844, respectively.

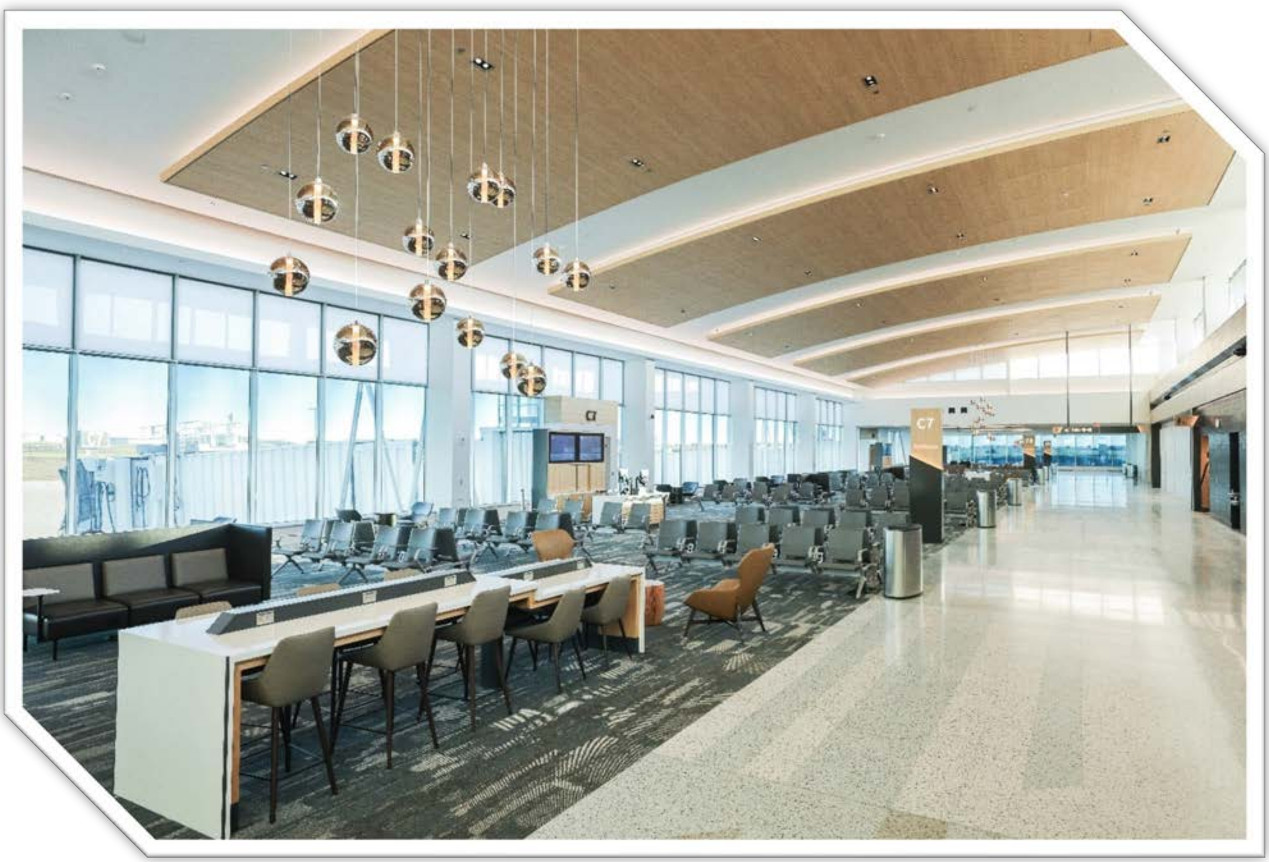
Note 5 - Change in Capital Assets

A summary of changes in capital assets for the years ended December 31, 2025, and 2024, is as follows:

	Beginning Balance January 1, 2025	Additions	Deletions	Transfers	Ending Balance December 31, 2025
Nondepreciable Assets					
Land	$ 20,650,962	$ -	$ -	$ 290,953	$ 20,941,915
Construction in process	45,091,767	95,745,188	-	(72,220,837)	68,616,118
Total Nondepreciable Assets	65,742,729	95,745,188	-	(71,929,883)	89,558,034
Depreciable Assets					
Land improvements	359,691,950	-	(172,778)	31,690,614	391,209,786
Buildings	273,744,936	10,637	(112,512)	32,322,547	305,965,608
Equipment	124,627,372	2,321,448	(595,771)	5,767,537	132,120,587
Water and sewer facilities	9,812,096	-	-	2,149,185	11,961,281
Total Depreciable Assets	767,876,354	2,332,086	(881,060)	71,929,883	841,257,263
Less accumulated depreciation for:					
Land improvements	202,876,211	20,223,071	(172,778)	-	222,926,504
Buildings	136,063,099	10,200,469	(96,529)	-	146,167,039
Equipment	72,063,028	8,242,724	(577,501)	-	79,728,251
Water and sewer facilities	2,580,910	461,257	-	-	3,042,167
Total Accumulated Depreciation	413,583,248	39,127,520	(846,807)	-	451,863,961
Total Depreciable Capital Assets - net	354,293,106	(36,795,435)	(34,253)	71,929,883	389,393,301
Total Capital Assets - net	$ 420,035,835	$ 58,949,753	$ (34,253)	$ -	$ 478,951,335

Note 5 – Change in Capital Assets (Continued)

	Beginning Balance January 1, 2024	Additions	Deletions	Transfers	Ending Balance December 31, 2024
Nondepreciable Assets					
Land	$ 20,650,071	$ 278,860	$ (277,969)	$ -	$ 20,650,962
Construction in process	111,456,952	91,230,724	-	(157,595,909)	45,091,767
Total Nondepreciable Assets	132,107,023	91,509,584	(277,969)	(157,595,909)	65,742,729
Depreciable Assets					
Land improvements	316,386,721	78,974	(564,420)	43,790,675	359,691,950
Buildings	207,347,180	-	(6,569,822)	72,967,578	273,744,936
Equipment	85,765,115	1,774,276	(1,322,941)	38,410,922	124,627,372
Water and sewer facilities	7,798,043	-	(133,821)	2,147,874	9,812,096
Total Depreciable Assets	617,297,059	1,853,250	(8,591,004)	157,317,049	767,876,354
Less accumulated depreciation for:					
Land improvements	185,765,343	17,675,288	(564,420)	-	202,876,211
Buildings	133,575,009	9,057,912	(6,569,822)	-	136,063,099
Equipment	66,272,327	7,113,642	(1,322,941)	-	72,063,028
Water and sewer facilities	2,315,178	399,553	(133,821)	-	2,580,910
Total Accumulated Depreciation	387,927,857	34,246,395	(8,591,004)	-	413,583,248
Total Depreciable Capital Assets - net	229,369,202	(32,393,145)	-	157,317,049	354,293,106
Total Capital Assets - net	$ 361,476,225	$ 59,116,439	$ (277,969)	$ (278,860)	$ 420,035,835



Note 6 Long Term Liabilities

Long-Term Debt:

Spokane County issued Series 2024 Airport Revenue Bonds on behalf of the Airport in October 2024. The 2024 Bonds are issued pursuant to a joint resolution adopted by the Spokane Airport Board (the "Airport Board") on July 26, 2024, the City Council of the City of Spokane, Washington (the "City") on July 22, 2024, and the Board of County Commissioners ()the "County) on July 23, 2024 (the "2024 Joint Resolution"), Resolution No. 10-24 adopted by the Airport Board on September 3, 2024 (the "2024 Airport Board Series Resolution"), Resolution No. 24-0547, adopted by the County on September 10, 2024 (the "Master Resolution"), and Supplemental Resolution No. 24-0548, adopted by the County on September 10, 2024 (the "2024 Supplemental Resolution"). The 2024 Bonds are being issued in accordance with the provisions of chapter 14.08 and chapter 39.46 of the Revised Code of Washington ("RCW"), as amended (including without limitation RCW 39.46.150).

The proceeds of the 2024 Bonds will be applied by the Airport to finance and/or reimburse the Airport (including repaying a loan from the County for interim financing) for the following: (a) designing, acquiring, constructing, installing, and equipping the concourse C terminal renovation and expansion project, an administration building, parking facilities, and fuel storage facilities, (b) funding Capitalized Interest on the 2024 Bonds, (c) funding a Reserve Requirement for the 2024 Bonds, and (d) paying costs of issuance for the 2024 Bonds.

The Master Resolution established debt service reserve accounts in a separate Airport revenue bond fund to accumulate the requested debt service reserve. The Airport has covenanted and agreed to establish and collect charges for use of the Airport to ensure all operation and maintenance expenses and annual debt service are due and payable in each fiscal year. The Airport is required to deposit, maintain and fund a common debt service reserve fund. In addition, the Airport agrees to maintain and operate the Airport and related facilities in good working order at all times. The 2024 Bonds further stipulates that defined net revenues, together with any coverage amount, in each fiscal year will be equal to at least 125 percent of defined annual debt service. The Airport has complied with all previously mentioned covenants in the fiscal year ending December 31, 2025.

Optional Redemption of the 2024A Bonds. The 2024A Bonds maturing on or before January 1, 2034 are not subject to optional redemption prior to maturity. The 2024A Bonds maturing on or after January 1, 2035 are subject to redemption at the option of the County, in whole or in part (and if in part, as selected by the County) on any date on or after January 1, 2034, at a price equal to 100 percent of the principal amount to be redeemed, without premium, plus accrued interest, if any, to the date fixed for redemption.

Optional Redemption of the 2024B Bonds. The 2024B Bonds maturing on or before January 1, 2034 are not subject to optional redemption prior to maturity. The 2024B Bonds maturing on or after January 1, 2035 are subject to redemption at the option of the County, in whole or in part (and if in part, as selected by the County) on any date on or after January 1, 2034, at a price equal to 100 percent of the principal amount to be redeemed, without premium, plus accrued interest, if any, to the date fixed for redemption.

Pledged Revenue: The 2024 Bonds are guaranteed only by Airport revenue, the bonds are not in any manner or to any extent a general obligation of the County or City. The proceeds of the revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, Airport purposes only.

Note 6 – Long-Term Liabilities (Continued)

The following is a summary of long-term debt as of December 31:

	2025		
	Due Within One Year	Due After One Year	Total
Series 2024 Bonds, due in six-month installments of increasing amounts through January 1, 2054, interest rates of 5.0% to 5.25%. Proceeds from the issuance funded a terminal expansion, administration building, fuel facility and parking facility expansions.			
Original principal amount $130,385,000	$ 775,000	$ 129,610,000	$ 130,385,000
Add unamortized bond premium.	300,875	8,123,620	8,424,495
Total Long-Term Debt	$ 1,075,875	$ 137,733,620	$ 138,809,495

A summary of changes in debt is as follows:

	Balance at December 31, 2024	Increase	Decrease	Balance at December 31, 2025
2024A Bonds payable	$ 34,900,000	$ -	$ -	$ 34,900,000
2024B Bonds payable	95,485,000	-	-	95,485,000
Unamortized premium	8,725,370	-	(300,875)	8,424,495
Total Long-term debt	$ 139,110,370	$ -	$ (300,875)	$ 138,809,495

	Balance at December 31, 2023	Increase	Decrease	Balance at December 31, 2024
2024A Bonds payable	$ -	$ 34,900,000	$ -	$ 34,900,000
2024B Bonds payable	-	95,485,000	-	95,485,000
2023 County promisory note	3,814,982	-	(3,814,982)	-
2024 County promisory note	-	15,000,000	(15,000,000)	-
Unamortized premium	-	8,773,345	(47,975)	8,725,370
Total Long-term debt	$ 3,814,982	$ 154,158,345	$ (18,862,957)	$ 139,110,370

Note 6 – Long-Term Liabilities (Continued)

The following is a summary of future scheduled debt payment requirements (without regard to unamortized discounts/premium):

	Principal	Interest	Total
2026	$ 775,000	$ 6,705,650	$ 7,480,650
2027	1,960,000	6,637,275	8,597,275
2028	2,305,000	6,530,650	8,835,650
2029	2,420,000	6,412,525	8,832,525
2030	2,545,000	6,288,400	8,833,400
2031-2035	14,750,000	29,351,125	44,101,125
2036-2040	18,855,000	25,140,875	43,995,875
2041-2045	24,230,000	19,602,563	43,832,563
2046-2050	31,195,000	12,455,163	43,650,163
2051-2054	31,350,000	3,397,800	34,747,800
Total	$ 130,385,000	$ 122,522,026	$ 252,907,026

Subscription Assets

The Airport has entered into various contracts that meet the GASB 96 definition of Subscription-Based Information Technology Arrangements (SBITA). A SBITA under GASB 96 is an arrangement that conveys the right to use another entity's IT software, alone or in combination with tangible capital assets for a specified period. The standard is based on the foundational principle that SBITAs are financing of the right-to-use underlying asset. Prior years financial statements were not restated because the cumulative effect was immaterial to the financial statements as a whole. There were no significant variable SBITAs, termination penalties, or residual value guarantee payments.

A summary of the changes in balances of the subscriptions is as follows:

	Beginning Balance January 1, 2025	Additions	Deletions	Ending Balance December 31, 2025
Subscription Assets	$ 622,297	$ 708,743	$ (254,627)	$ 1,076,413
Total Right to use Assets	622,297	708,743	(254,627)	1,076,413
Less accumulated amortization for:				
Subscription Assets*	319,441	271,212	(254,627)	336,026
Total Accumulated Amortization	319,441	271,212	(254,627)	336,026
Total Right to use assets - net	$ 302,856	$ 437,531	$ -	$ 740,387

Note 6 – Long-Term Liabilities (Continued)

	Beginning Balance January 1, 2024	Additions	Deletions	Ending Balance December 31, 2024
Subscription Assets	$ 535,843	$ 254,404	$ (167,950)	$ 622,297
Total Right to use Assets	535,843	254,404	(167,950)	622,297
Less accumulated amortization for:				
Subscription Assets	354,827	147,177	(182,563)	319,441
Total Accumulated Amortization	354,827	147,177	(182,563)	319,441
Total Right to use assets - net	$ 181,016	$ 107,227	$ 14,613	$ 302,856

Future subscription payments were discounted based on the interest rate implicit in the SBITA or a comparable incremental borrowing rate determined by the Airport. A summary of the principal and interest amounts for the remaining subscriptions are as follows:

	Principal	Interest	Total
2026	$ 256,112	$ 19,706	$ 275,818
2027	150,882	11,273	162,155
2028	107,368	5,380	112,748
2029	75,339	1,325	76,664
Total	$ 589,701	$ 37,684	$ 627,385

Other long-term liability activity for the years ended December 31 (excluding current portion) is as follows:

	Balance at December 31, 2024	Increase	Decrease	Balance at December 31, 2025
Deposits - Fuel	$ 307,825	$ -	$ -	$ 307,825
Subscription liabilities	89,471	244,117	-	333,588
Accrued environmental liabilities	2,194,805	2,925,330	-	5,120,135
Accrued postretirement benefits	2,587,323	-	(73,486)	2,513,837
Pension liability	600,980	-	(186,645)	414,335
Compensated absences	970,151	-	(226,727)	743,424
	$ 6,750,555	$ 3,169,447	$ (486,858)	$ 9,433,144

	Balance at December 31, 2023	Increase	Decrease	Balance at December 31, 2024
Deposits - Fuel	$ 572,826	$ -	$ (265,001)	$ 307,825
Subscription liabilities	52,511	36,960	-	89,471
Accrued environmental liabilities	2,194,805	-	-	2,194,805
Accrued postretirement benefits	2,805,450	-	(218,127)	2,587,323
Pension liability	792,656	-	(191,676)	600,980
Compensated absences	1,011,508	6,303	(47,660)	970,151
	$ 7,429,756	$ 43,263	$ (722,464)	$ 6,750,555

Note 6 – Long-Term Liabilities (Continued)

Current Portion of Long-Term Liabilities

	Balance at December 31, 2024	Increase	Decrease	Balance at December 31, 2025
Compensated absences	$ 78,969	$ 469,570	$ -	$ 548,539
Subscription liabilities	69,015	187,097	-	256,112
	$ 147,984	$ 656,667	$ -	$ 804,651

	Balance at December 31, 2023	Increase	Decrease	Balance at December 31, 2024
2023 Spokane County loan	$ 3,814,982	$ -	$ (3,814,982)	$ -
2024 Spokane County loan	-	15,000,000	(15,000,000)	-
Compensated absences	84,545	-	(5,576)	78,969
Subscription liabilities	53,449	243,212	(227,646)	69,015
	$ 3,952,976	$ 15,243,212	$ (19,048,204)	$ 147,984

Note 7 – Leases

The Airport, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases and short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. As lessor, the asset underlying the lease is not unrecognized. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

The Airport leases certain assets to various third parties. The assets leased include building facilities, land, office space, terminal space for concessions, rental car facilities, and others. Payments for a majority of the leases are received monthly, and the revenue varies based on the nature of the lease. A majority of the leases are a fixed monthly fee 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 each month. For these sales-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 20 years. The majority of the leases carry a term of greater than five years.

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

The maximum possible lease term(s) is non-cancelable 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 years ended December 31, 2025, and 2024, all leases with associated receivables are based on fixed payments and do not have variable payment components included in the receivable.

The Airport's leases have been categorized as follows:

- Leases subject to GASB No. 87 – Non-Regulated Leases
- Leases not subject to GASB No. 87 – Regulated Leases and Short-Term Leases

Leases Subject to GASB 87

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

	2025	2024
Interest income related to leases	$ 1,275,441	$ 1,272,863

Real Estate - Buildings and Land

The Airport leases buildings and land located outside of the terminal for terms that range from 3 to 50 years. The terms of the real estate leases include a fixed revenue component based on square footage. The Airport received fixed real estate revenue of $4,419,152 and $4,664,711 for the fiscal years ended December 31, 2025 and 2024, respectively. The terms of these lease agreements do not include a variable revenue component.

Note 7 – Leases (Continued)

Concessions

The Airport has various concession leases for terms that range from 5 to 15 years. The terms of the concession lease agreements include a fixed revenue component or MAG. The terms of the concession lease agreements include a variable revenue component based on a percentage of gross sales. The variable revenue received was not included in the measurement of the lease receivable. The following table shows revenues received under concession leases for the years ended December 31, 2025, and 2024.

	2025	2024
Concession revenue	$ 10,123,427	$ 9,976,819
Minimum Annual Guarantee (MAG)	(5,995,095)	(7,256,138)
Excess over MAG	$ 4,128,332	$ 2,720,681

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

	2025	2024
Lease revenue subject to GASB 87	$ 9,454,044	$ 9,502,747
Interest income related to leases	1,275,441	1,272,863
Total lease revenue subject to GASB 87	$ 10,729,485	$ 10,775,610

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

Years Ending	Principal	Interest	Total
2026	$ 9,061,300	$ 1,518,214	$ 10,579,514
2027	7,685,343	1,241,995	8,927,338
2028	2,363,941	1,102,794	3,466,735
2029	1,917,944	1,024,902	2,942,846
2030	1,866,201	955,642	2,821,843
2031-2035	8,903,464	3,694,590	12,598,054
2036-2040	3,240,721	2,452,103	5,692,824
2040-2044	3,022,147	2,005,336	5,027,483
2045-2050	2,698,852	1,560,040	4,258,892
2051-2055	2,280,628	1,126,861	3,407,489
2056-2060	1,724,628	801,849	2,526,477
2061-2065	1,767,472	469,714	2,237,186
2066-2070	1,343,731	130,249	1,473,980
2071-2075	409,960	11,973	421,933
	$ 48,286,332	$ 18,096,262	$ 66,382,594

Note 7 – Leases (Continued)

Leases not Subject to GASB 87

Excluded - Regulated Leases

The Airport is party to certain regulated leases, as defined by GASB Statement No. 87. Regulated leases are classified as leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U.S. Department of Transportation and the Federal Aviation Administration. The leased assets include aircraft facilities, cargo facilities and ramps, building facilities, and land that the lessees use for fixed-base operations (FBO) and hangars. These leases are regulated by the U.S. Department of Transportation and the Federal Aviation Administration. Certain of these assets are subject to preferential use by counterparties to these agreements.

The Airport has seventeen terminal gates of which the following airlines lease 16 gates on a preferential use basis:

Airline	2025	2024
Alaska	6	6
American	2	2
Delta	4	4
Southwest	2	2
United	2	2

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

	2025	2024
Regulated lease revenue	$ 2,233,175	$ 2,510,271

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

Year	Amount
2026	$ 2,065,503
2027	1,640,860
2028	1,549,188
2029	1,349,954
2030	1,248,696
2031-2035	6,407,216
2036-2040	5,684,929
2041-2045	5,482,173
2046-2050	5,120,824
2051-2055	3,057,524
Therafter	2,947,901

Note 7 – Leases (Continued)

Excluded - Short-Term Leases

In accordance with GASB Statement No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are classified as leases containing a lease term of twelve (12) months or less. The term of the lease includes all options to extend, regardless of their probability of being exercised. For short term lease payments, the Airport recognizes these as inflows of resources based on the Agreement.

Lease arrangements with the Airport as the Lessee

The Airport has several long-term Subscription leases where the Airport is the lessee. See Note 6 – Long-Term Liabilities for detailed information.

Note 8 – Pension and Benefit Plans

Pensions:

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the years 2025 and 2024:

Aggregate Pension Amounts – All Plans		
	2025	2024
Net pension liabilities	(414,335)	(600,980)
Net pension assets	3,657,422	3,249,926
Deferred outflows of resources	3,961,671	3,696,714
Deferred inflows of resources	(823,210)	(900,764)
Pension expense/(benefit)	(174,665)	(38,915)

State Sponsored Pension Plans:

Substantially all Spokane Airport Board's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

Plan Description:

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for accounting purposes: Plan 1, 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined

Note 8 – Pension and Benefit Plans (Continued)

benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

Pension Benefits:

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions:

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer and employee contribution rates are developed by the Office of the State Actuary (OSA), adopted by the Pension Funding Council and is subject to change by the legislature. The PERS **Plan 2/3** employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2025 and 2024 were as follows:

PERS Plan 1	2025	2025		2024	2024
Actual Contribution Rates	**Employer**	**Employee**		**Employer**	**Employee**
Jan - Jun 2025			Jan - Jun 2024		
PERS Plan 1	6.36%	6.00%	PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.55%		PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Total	**9.11%**	**6.00%**	**Total**	**9.53%**	**6.00%**
Jul - Aug 2025			Jul - Aug 2024		
PERS Plan 1	5.38%	6.00%	PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Total	**5.58%**	**6.00%**	**Total**	**9.03%**	**6.00%**
Sep - Dec 2025			Sep - Dec 2024		
PERS Plan 1	5.38%	6.00%	PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Total	**5.58%**	**6.00%**	**Total**	**9.11%**	**6.00%**

The Spokane Airport Board's actual contributions to the plan were $101,574 and $193,988 for the years ended December 31, 2025 and 2024, respectively.

Pension Benefits:

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early

Note 8 – Pension and Benefit Plans (Continued)

retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions:

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2025 and 2024 are as follows:

PERS Plan 2/3	2025	2025		2024	2024
Actual Contribution Rates	Employer 2/3	Employer 2/3		Employer 2/3	Employee 2/3
Jan - June 2025			Jan - June 2024		
PERS Plan 2/3	6.36%	6.36%	PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.55%		PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies	Employee PERS Plan 3		Varies
Total	**9.11%**	**6.36%**	**Total**	**9.53%**	**6.36%**
Jul - Aug 2025			Jul - Aug 2024		
PERS Plan 2/3	5.38%	5.38%	PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies	Employee PERS Plan 3		Varies
Total	**5.58%**	**5.38%**	**Total**	**9.03%**	**6.36%**
Sep - Dec 2025			Sep - Dec 2024		
PERS Plan 2/3	5.38%	**5.38%**	PERS Plan 1	6.36%	6.36%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies			Varies
Total	**5.58%**	**5.38%**	**Total**	**9.11%**	**6.36%**

The Spokane Airport Board's actual contributions to the plan were $485,971 and $450,371 for the years ended December 31, 2025, and 2024, respectively.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF):

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians. LEOFF is a

Note 8 – Pension and Benefit Plans (Continued)

cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions:

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2025 and 2024 are as follows:

PERS Plan 2/3	2025	2025		2024	2024
Actual Contribution Rates	Employer 2/3	Employer 2/3		Employer 2/3	Employee 2/3
Jan - June 2025			Jan - June 2024		
PERS Plan 2/3	6.36%	6.36%	PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	2.55%		PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies	Employee PERS Plan 3		Varies
Total	**9.11%**	**6.36%**	**Total**	**9.53%**	**6.36%**
Jul - Aug 2025			Jul - Aug 2024		
PERS Plan 2/3	5.38%	5.38%	PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.47%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies	Employee PERS Plan 3		Varies
Total	**5.58%**	**5.38%**	**Total**	**9.03%**	**6.36%**
Sep - Dec 2025			Sep - Dec 2024		
PERS Plan 2/3	5.38%	**5.38%**	PERS Plan 1	6.36%	6.36%
PERS Plan 1 UAAL	-		PERS Plan 1 UAAL	2.55%	
Administrative Fee	0.20%		Administrative Fee	0.20%	
Employee PERS Plan 3		Varies			Varies
Total	**5.58%**	**5.38%**	**Total**	**9.11%**	**6.36%**

The Spokane Airport Board's actual contributions to the plan were $485,971 and $450,371 for the years ended December 31, 2025, and 2024, respectively.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF):

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians. LEOFF is a

Note 8 – Pension and Benefit Plans (Continued)

cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

The Spokane Airport Board's actual contributions to the plan were $139,505 and $116,526 for the years ended December 31, 2025, and 2024, respectively.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ended June 30, 2025, the state contributed $106,578,576 to LEOFF Plan 2. SIA's portion of the state contribution is $78,447.

Actuarial Assumptions:

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2024. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2025. Plan liabilities were rolled forward from June 30, 2024, to June 30, 2025, reflecting each plan's normal cost (using the entry-age normal cost method), assumed interest, and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.0%

Mortality rates were developed using the Society of Actuaries' Pub H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rate for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Assumptions changed based on the 2025-27 Collective Bargaining Agreements (CBA) with the Washington State Patrol Trooper Association for the 2025-2027 Biennium, the assumed general salary growth was increased to 17% in Fiscal Year (FY) 2026 for WSPRS. OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administration.

Discount Rate:

The discount rate used to measure the total pension liability for all DRS plans was 7.0 percent. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0 percent was used to determine the total liability.

Long-Term Expected Rate of Return:

The long-term expected rate of return on the DRS pension plan investments of 7.0 percent was determined using a building-block-method. In selecting this assumption OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State

Note 8 – Pension and Benefit Plans (Continued)

Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class:

The table below summarizes best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025. The inflation component used to create the table is 2.5 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.1%
Tangible Assets	8%	4.5%
Real Estate	18%	4.8%
Global Equity	30%	5.6%
Private Equity	25%	8.6%
	100%	

Sensitivity of NPL:

The table below presents the Spokane Airport Board's proportionate share of the net pension liability(NPL) (asset) calculated using the discount rate of 7.0 percent, as well as what the Spokane Airport Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

Plan	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	$ 699,149	$ 414,335	$ 164,546
PERS 2/3	2,800,346	(1,725,675)	(5,442,801)
LEOFF 1	(951,227)	(1,063,139)	(1,160,732)
LEOFF 2	653,270	(868,608)	(2,113,459)

Pension Plan Fiduciary Net Position:

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Note 8 – Pension and Benefit Plans (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2025 and 2024, the Spokane Airport Board reported total pension liability and pension assets as follows:

Plan	2025 (Liability) or Asset	2024 (Liability) or Asset
PERS 1	$ (414,335)	$ (600,980)
PERS 2/3	1,725,675	1,427,647
LEOFF 1	1,063,139	935,554
LEOFF 2	868,608	886,726

The amount of the assets reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the Airport. The amount recognized by the Airport as its proportionate share of the net pension liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the Airport were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	$ 1,063,139	$ 868,608
State's proportionate share of the net pension asset associated with the employer	7,191,405	557,496
TOTAL	$ 8,254,184	$ 1,462,104

At June 30, the Spokane Airport Board's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/2025	Proportionate Share 06/30/24	Change in Proportion
PERS 1	0.035143%	0.033823%	0.001320%
PERS 2/3	0.045220%	0.043307%	0.001913%
LEOFF 1	0.033553%	0.032897%	0.000656%
LEOFF 2	0.044831%	0.047349%	(0.002518%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Non-employer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2025. Historical data was obtained from a 2011 study by the Office of the Sate Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

Note 8 – Pension and Benefit Plans (Continued)

In fiscal year 2025, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense (Benefit):

For the years ended December 31, 2025 and 2024, the Spokane Airport Board recognized pension expense (benefit) as follows:

Plan	2025 Pension Expense (Benefit)	2024 Pension Expense (Benefit)
PERS 1	$ (3,077)	$ (29,833)
PERS 2/3	(107,343)	(61,880)
LEOFF 1	(142,692)	(2,817)
LEOFF 2	78,447	133,446
TOTAL	$ (174,665)	$ 38,916

Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources related to pensions resulting from the Airport's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/collective net pension liability in the year ended December 31, 2025, and 2024, respectively. On December 31, 2025, and 2024, the Spokane Airport Board reported deferred outflows of resources and deferred inflows of resources related to pensions from sources as shown in the table below.

PERS 1	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(28,484)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	
TOTAL	$ -	$ (28,484)

PERS 1	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(48,089)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	101,599	-
TOTAL	$ 101,599	$ (48,089)

Note 8 – Pension and Benefit Plans (Continued)

PERS 2/3	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,261,711	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(388,609)
Changes of assumptions	666,908	(47,653)
Changes in proportion and differences between contributions and proportionate share of contributions	77,851	(146,973)
Contributions subsequent to the measurement date	232,639	-
TOTAL	$ 2,239,109	$ (583,235)

PERS 2/3	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 811,218	$ (3,305)
Net difference between projected and actual investment earnings on pension plan investments	-	(409,123)
Changes of assumptions	788,349	(90,455)
Changes in proportion and differences between contributions and proportionate share of contributions	108,678	(77,584)
Contributions subsequent to the measurement date	232,806	-
TOTAL	$ 1,941,051	$ (580,467)

LEOFF 1	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(20,255)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	$ -	$ (20,255)

Note 8 - Pension and Benefit Plans (Continued)

LEOFF 1	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(35,361)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	$ -	$ (35,361)

LEOFF 2	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 756,152	$ (3,932)
Net difference between projected and actual investment earnings on pension plan investments	-	(123,690)
Changes of assumptions	307,904	(52,812)
Changes in proportion and differences between contributions and proportionate share of contributions	583,417	(10,802)
Contributions subsequent to the measurement date	75,090	-
TOTAL	$ 1,722,563	$ (191,236)

LEOFF 2	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 652,614	$ (6,748)
Net difference between projected and actual investment earnings on pension plan investments	-	(145,889)
Changes of assumptions	365,031	(74,534)
Changes in proportion and differences between contributions and proportionate share of contributions	575,651	(9,674)
Contributions subsequent to the measurement date	60,767	-
TOTAL	$ 1,654,063	$ (236,845)

Deferred outflows of resources related to pensions resulting from the Spokane Airport Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an addition to the net pension asset in the year ending December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Note 8 – Pension and Benefit Plans (Continued)

Year ended December 31:	PERS 1	
2026	$	27,180
2027	$	(19,800)
2028	$	(20,562)
2029	$	(15,302)
Thereafter	$	-

Year ended December 31:	LEOFF 1	
2026	$	20,210
2027	$	(14,223)
2028	$	(15,034)
2029	$	(11,207)
Thereafter	$	-

Year ended December 31:	PERS 2/3	
2026	$	584,973
2027	$	219,626
2028	$	232,675
2029	$	81,316
2030	$	215,272
Thereafter	$	89,373

Year ended December 31:	LEOFF 2	
2026	$	272,880
2027	$	147,332
2028	$	152,118
2029	$	169,900
2030	$	216,021
Thereafter	$	497,985

Postretirement Health Care Plan

Benefits Other than Pensions:

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2025:

Aggregate OPEB Amounts – All Plans				
	2025		2024	
Total OPEB liabilities	$	2,513,837	$	2,587,323
Deferred outflows of resources	$	1,495,142	$	1,631,077
Deferred inflows of resources	$	(1,345,196)	$	(1,500,498)
OPEB expense	$	126,895	$	125,268

The most recent actuarial evaluation was performed in March 2026, for the year ended December 31, 2025.

Plan description:

The Airport sponsors and administers a single employer defined benefit postretirement health care plan (Spokane Airport Firefighters OPEB Plan) for firefighters retiring under the Washington LEOFF 1 retirement plan. The plan is directed and defined by the State of Washington Revised Code (RCW 41.26.150). Under the Airport's bargaining unit agreement with its firefighters, the Airport is required to provide full coverage medical and dental insurance to the retired firefighters. The Airport pays 100% of the premiums, employee deductibles, and co-insurance payments from the time of retirement until death. An employee is eligible for retirement with five years of service at the age of 50.

At December 31, 2025, the following employees were covered by the benefit terms:

Type of employee	Amount
Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	10

Note 8 – Pension and Benefit Plans (Continued)

The Plan is closed to all new entrants. The accrued benefit liability is determined using the entry age normal cost method.

Funding policy:

The Airport has not established a trust fund to supplement the cost of OPEB obligation. The Airport pays benefits on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. The required contribution is based on projected pay-as-you-go financing requirements. Plan members receiving benefits do not make contributions to the Plan.

Funding status:

As of December 31, 2025 and 2024, using the entry age normal cost method, the actuarial accrued liability for LEOFF Plan 1 Members' Medical Services Plan benefits was $2,513,837 and $2,587,323, respectively, all of which was unfunded.

Assumptions and Other Inputs:

The following actuarial methods and assumptions were made:

Assumption/Input	Value
Valuation Date	12/31/2025
Measurement Date	12/31/2025
Actuarial Cost Method	Entry Age Normal
Funding Model	Service Cost + Shortfall Amortization
Amortization Method	Level Dollar
Remaining Amortization Period	11
Asset Valuation Method	Market Value
Medical Trend Rate	5.40% increase with rates gradually decreasing from 5.20% in 2028 to 4.70% in 2037
Salary increase rate	0.00%
Discount rate	4.28% at 12-31-2024 4.43% at 12-31-2025
Investment Rate of Return	0.00%
Long-Term Rate of Return	0.00%
20-Year AA Municipal Bond Index Rate	4.43%
Retirement Age	55
Mortality Table	RP-2014 Mortality with 2025 Improvement Rate
Turnover Table	Not applicable
Salary changes	Not applicable

Note 8 – Pension and Benefit Plans (Continued)

The following presents the total OPEB liability of the Airport calculated using the current healthcare cost trend rate of 5.40 percent decreasing to 4.70 percent as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.4 percent) or 1-percentage point higher (6.4 percent) that the current rate.

	1% Decrease 4.4% decreasing to 3.7%	Current Healthcare Cost Trend Rate 5.4% decreasing to 4.7%	1% Increase 6.4% decreasing to 5.7%
Total OPEB Liability	$2,361,167	$2,513,837	$2,681,930

The following presents the total OPEB liability of the Airport calculated using the discount rate of 4.43 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.43 percent) or 1-percentage point higher (5.43 percent) that the current rate.

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB Liability	$2,684,678	$2,513,837	$2,361,686

Changes in total OPEB liability:

Spokane Airport Firefighter OPEB Plan	
Total OPEB Liability at 01/01/2025	$ 2,587,323
Service cost	-
Interest	106,035.00
Changes of benefit terms	-
*Differences between expected and actual experience	64,592.00
*Changes of assumptions	(24,365.00)
Benefit payments	(219,748.00)
Other changes	-
Total OPEB Liability at 12/31/2025	$ 2,513,837

The following table summarizes changes that may have affected the OPEB liability:

Note 8 – Pension and Benefit Plans (Continued)

Changes	Value
Assumptions/inputs	N/A
Benefits	N/A

The benefit payments in the measurement period attributable to the purchase of insurance contracts for the year ended December 31, 2025, totaled $219,748, and $207,644 for the year ended December 31, 2024. The insurance provided full coverage to the retired firefighters. Under the insurance contract, payment of benefits has been transferred from the Airport to Kaiser Permanente and MetLIfe.

The amount of OPEB expense recognized by the Airport for the reporting period ending December 31, 2025 was $126,895, and $125,268 for the year ended December 31, 2024.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,012,850	$ 512,337
Changes of assumptions	482,292	832,859
Payments subsequent to the measurement date	-	-
TOTAL	$ 1,495,142	$ 1,345,196

Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended December 31:	Spokane Airport Firefighters OPEB Plan
2026	$ 20,860
2027	$ 20,860
2028	$ 20,860
2029	$ 20,860
2030	$ 20,868
Thereafter	$ 45,639

Note 9 – Deferred Outflows and Inflows

The Airport had the following Deferred Outflows and Inflows at December 31, 2025 and 2024

	2025	2024
Deferred Outflows		
Pension Outflows	$ 3,961,672	$ 3,696,713
OPEB Outflows	1,495,142	1,631,077
Total Deferred Outflows	$ 5,456,814	$ 5,327,790
Deferred Inflows		
Pensions	$ 823,210	$ 900,762
OPEB	1,345,196	1,500,498
Leases	46,425,310	52,218,396
Total Deferred Inflows	$ 48,593,716	$ 54,619,656

Note 10 - Deferred Compensation

The Airport offers their employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457(b). The Plan, available to substantially all of the Airports' employees, permits them to defer a portion of their salary until termination, retirement, death, or unforeseeable emergency. Contributions to the Plan were $361,546 and $290,012 for the years ended December 31, 2025 and 2024, respectively.

Effective December 31, 1997, Section 457(b) of the Internal Revenue Code was amended by Section 1448 of the Small Business Job Protection Act of 1996, which provides that governmental deferred compensation plans must hold all assets and income of the Plan in trust for the exclusive benefit of members and their beneficiaries.

The fair value of the deferred compensation plan assets and the total amount of deferred compensation, including income earned, were approximately $5,977,213 and $5,224,286 on December 31, 2025 and 2024, respectively. In accordance with the legislation described above, the assets and associated liability of the deferred compensation plan assets are not included in the Airport's statement of net position.

The Airport has no liability for losses under the Plan.

Effective November 1, 2022, the Airport Board adopted a 457(f) deferred compensation plan for qualified executive employees. The plan adopted by the Airport Board is a nonqualified deferred compensation plan, or more commonly referred to as a "top hat plan" under Section 201(2) of the Employee Retirement Income Security Act (ERISA) of 1974, as amended. The Airport may make contributions from time to time per the plan's vesting schedule; however, the Airport is under no obligation to make a contribution(s) to an employee if the employee leaves the organization prior to a vesting period.

Note 11 – Related-Party Leases

The Airport has noncancelable operating land lease agreements with the City of Spokane (City), a related party. The Airport recognized income of $271,027 in 2025 and $270,749 in 2024 as a result of the land leases. The Airport purchases various utilities and permits from the City. In 2025 and 2024 those amounts totaled $684,567 and $615,568, respectively.

The Airport has lease agreements with various entities within Spokane County (County), a related party. During 2025 and 2024, the Airport recognized income of $459,962 and $444,623, respectively, under the

Note 11 – Related Party Leases (Continued)

lease agreements. The Airport purchases various services from the County. In 2025 and 2024, those amounts totaled $12,847 and $12,426, respectively.

The Airport has a land and building lease with West Plains Airport Area PDA, a related party. The Airport recognized income of $66,572 in 2025 and $68,383 in 2024 as a result of the land leases.

Income and future minimum rental payments under the lease agreements are included in amounts in Note 7.

Note 12 – Environmental Liability

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* requires accrual of pollution remediation obligation amounts when (a) one of the following specific obligating events is met and (b) the amount can be reasonably estimated. Obligating events include: (1) imminent endangerment to the public; (2) permit violation; (3) the governmental entity is named as party responsible for sharing costs; (4) the governmental entity is named in a lawsuit to compel participation in pollution remediation; or (5) the governmental entity has commenced or legally obligated itself to commence pollution remediation. Costs incurred for pollution remediation obligations are recorded as environmental expenses unless the expenditure meets specific criteria that allow them to be capitalized.

Capitalization criteria include preparation of property in anticipation of a sale; preparation of property for use if the property was acquired with known or suspected pollution that was expected to be remediated; performance of pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment; or acquisition of property, plant, and equipment that have a future alternative use not associated with pollution remediation efforts.

The Airport has been identified by a state or federal agency as a potentially liable party (PLP) on a regulatory database or has implemented pollution investigation and/or remediation at a site. Areas on Airport property for which the Airport has been identified as a PLP include a former burn put that was used and existed prior to ownership by the Airport Board and/or groundwater and soil contamination associated with the use of aqueous film forming foam.

The Airport has multiple test wells and has retained engineering firms to monitor surface water and groundwater quality to determine the environmental impact of current aircraft and runway deicing practices. Based on these studies and discussions with the Department of Ecology, in April 2010, an application for a State Waste Discharge Permit for Discharge of Industrial Wastewater to Groundwater was submitted on July 11, 2011, and a temporary permit was granted on November 7, 2011.

In July 2015, the Airport submitted an application to the Department of Ecology to apply recovered aircraft deicing fluid (ADF). Ecology has acknowledged receipt of the application and during a review period SIA began monitoring the effect of land application of ADF. On February 19, 2019, the Airport submitted an updated permit and application that reflected changes to the collection, treatment and discharge of the ADF-containing storm water. Department of Ecology accepted the application as complete on February 26, 2019. On June 20, 2020, the Department of Ecology issued Permit ST0045499 authorizing the Airport to continue to discharge residual ADF-containing storm water to the storm water infiltration area.

In March 2024, the Washington State Department of Ecology issued an enforcement order (the "Order") requiring the Airport Board to complete a remedial investigation, feasibility study and conduct groundwater testing to determine potential contamination of per- and polyfluoroalkyl substances (PFAS) on Airport property. Until fall of 2023, the Airport was mandated by the Federal Aviation Administration to use fire suppression aqueous film-forming foam (AFFF), which historically contained various forms of PFAS. Prior occupants of Airport property may have also used PFAS-containing substances. In fall of 2017, it was publicly reported that Fairchild Air Force Base, which is located immediately adjacent to the northwest area of Airport property, had contributed to elevated levels of PFAS in the immediate area. The Airport is investigating to identify any contamination and its possible sources in accordance with the Order. On February 10, 2026, the Department of Ecology notified the Airport that it was requiring emergency interim actions based on its belief that contamination originating from Airport property has migrated downgradient and impacted off-property groundwater water at levels exceeding safe drinking water standards. The costs

Note 12 – Environmental Liability (Continued)

of the investigation in 2025 were $1,456,988.56 for ongoing investigation. Potential remediation cannot be reasonably determined at this time.

The Airport has estimated an environmental liability in the amount of $5,120,135 as of December 31, 2025, and $2,194,805 as of December 31, 2024. The increase in the liability amount relates to the continued investigation actions by the Airport and emergency interim actions. The cost estimate used to establish the liability was developed by using the expected cash flow technique. The liability is an estimate and is subject to changes resulting from price increases, changes in technology, or changes in applicable laws and regulations. As of December 31, 2025, it was not known how much of these costs will be recovered from other parties, if any.

Note 13 – Contingencies and Commitments

Litigation:

The Airport is a party to various assertions and legal actions arising in connection with the operation of the Airport, including personal injury claims, employment-related claims, and construction claims. In this regard, there are incidents that might result in the assertion of additional claims.

Based on consultation with counsel and an evaluation of such matters, management is of the opinion that such matters are either adequately covered by insurance or valid defenses exist, and the settlement of such matters will not have a material adverse effect on the financial position of the Airport. Accordingly, the financial statements of the Airport do not include any recorded liability related to these claims.

Commitments:

During the fiscal years 2025 and 2024, the Airport entered into various construction and service-related contracts totaling $134,075,890 and $97,675,094. Commitments remaining on contracts totaled $121,982,698 as of December 31, 2025 and $119,464,608 as of December 31, 2024.

Note 14 - Grants

Grants the Airport receives are subject to audit and final acceptance by the granting agency. The current and prior year costs of such grants are subject to adjustment upon audit.

Note 15 – Net Position

Net investment in capital assets, net of debt, consisted of the following at December 31:

	2025	2024
Long-term assets		
Land	$ 20,941,915	$ 20,650,962
Construction in process	68,616,118	45,091,767
Intangible assets, net	740,387	302,856
Depreciable capital assets, net	389,393,301	354,293,106
Total capital assets	$ 479,691,721	$ 420,338,690
Add		
Unspent bond proceeds	$ 52,655,552	$ 86,062,080
Total unspent bond proceeds	$ 52,655,552	$ 86,062,080
Less related liabilities		
Construction retainage payable	$ 732,379	$ 743,449
Construction warrants payable	8,795,603	7,845,839
Subscription liability	589,701	158,487
Unamortized bond premium	8,424,495	8,725,370
Outstanding principal of bonds due in one year	775,000	-
Outstanding principal of bond-related debt	129,610,000	130,385,000
Total liabilities	148,927,177	147,858,145
NET INVESTMENT IN CAPITAL ASSETS	$ 383,420,096	$ 358,542,625

Restricted net position consisted of the following:

	2025	2024
Passenger Facility Charge, investments, restricted for approved projects	$ 7,033,470	$ 2,919,289
Customer facility charges	23,845,354	26,466,753
Investments restricted for repayment of debt	11,405,570	12,305,041
Cash restricted for retainages, deposits, and grants	679,249	690,319
Receivable from Government Agency	26,449,967	16,037,892
Net Pension Asset	3,657,422	3,249,926
RESTRICTED NET POSITION	$ 73,071,032	$ 61,669,220

Note 16 – Risk Management

The Airport can be exposed to a variety of risks or losses related to torts (i.e., injuries to employees, passengers, damage to property, destruction, theft of assets, or natural disasters). The Airport has purchased commercial insurance for coverage of these risks. There have been no significant changes in coverage. There were no settlements in excess of insurance coverage in 2025 and in 2024.

Note 17 - Subsequent Events

Contracts:

During the first five months of 2026, the Airport Board approved the following contracts:

Construction contracts	$	43,535,354
Service Contracts		5,671,805
Good Purchases		1,324,611
Total Contracts	$	50,531,770

Economic Events:

The Airport Board was awarded two Bipartisan Infrastructure Law (BIL) grants totaling $12,437,209 for the construction of the Central Hall TREX project.

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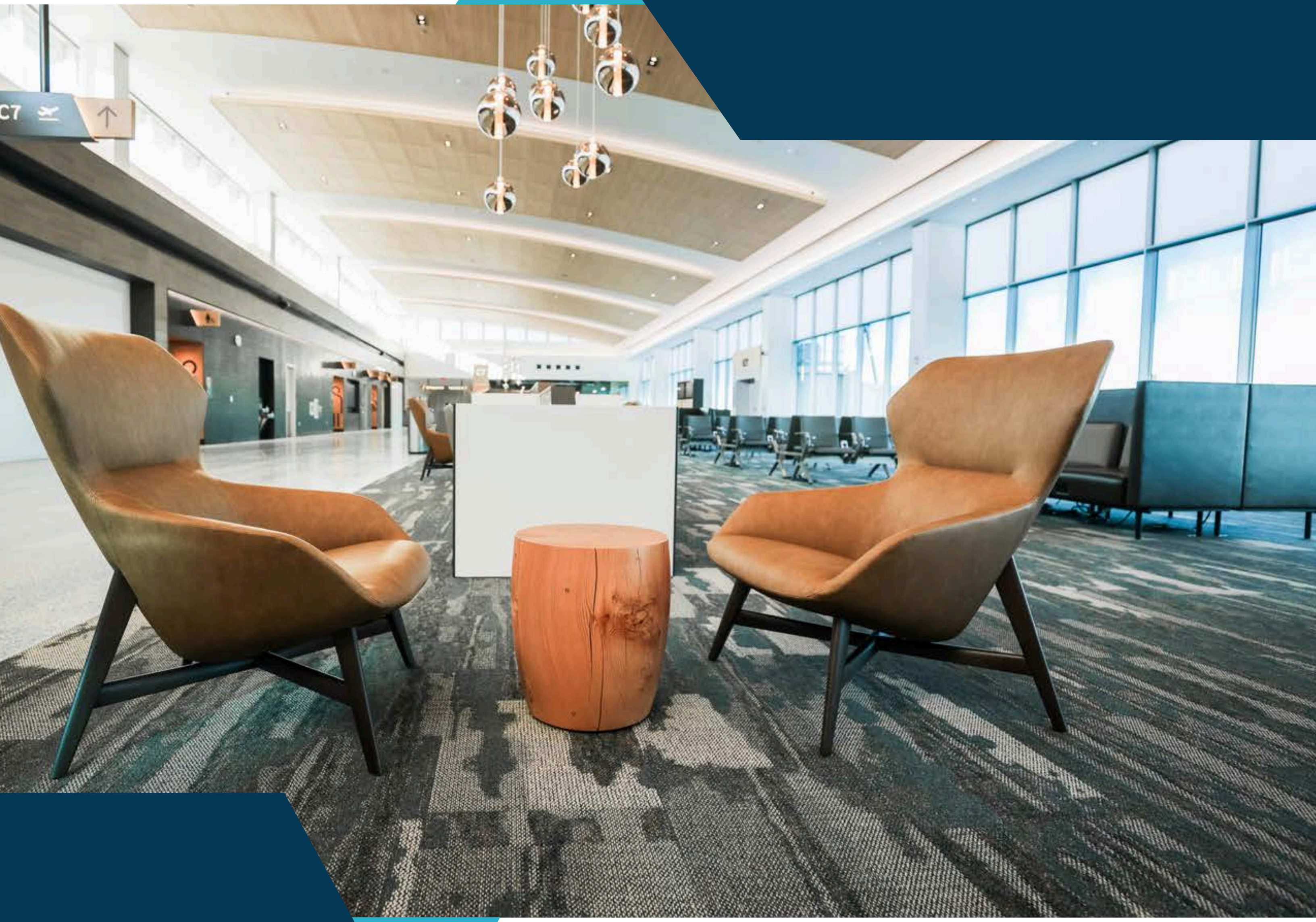

REQUIRED SUPPLIMENTARY INFORMATION

SPOKANE AIRPORT BOARD
REQUIRED SUPPLEMENTARY INFORMATION

State Sponsored Pension Plans

Schedule of Proportionate Share of the Net Pension Liability
As of June 30

PERS 1	2025	2024	2023
Employer's proportion of the net pension liability (asset)	0.035143%	0.033823%	0.034724%
Employer's proportionate share of the net pension liability	$ 414,335	$ 600,980	$ 792,656
Employer's covered payroll	$ 8,308,683	$ 7,081,308	$ 6,278,997
Employer's proportionate share of the net pension liability as a percentage of covered payroll	4.99%	8.49%	12.62%
Plan fiduciary net position as a percentage of the total pension liability	89.07%	84.05%	80.16%

PERS 2/3	2025	2024	2023
Employer's proportion of the net pension liability (asset)	0.045220%	0.043307%	0.044864%
Employer's proportionate share of the net pension liability (asset)	$ (1,725,675)	$ (1,427,647)	$ (1,838,833)
Employer's covered payroll	$ 8,308,683	$ 7,081,308	$ 6,278,997
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-20.77%	-20.16%	-29.29%
Plan fiduciary net position as a percentage of the total pension liability	105.53%	105.17%	107.02%

LEOFF 1	2025	2024	2023
Employer's proportion of the net pension liability (asset)	0.033553%	0.032897%	0.032382%
Employer's proportionate share of the net pension liability (asset)	$ (1,063,139)	$ (935,554)	$ (961,106)
State's proportionate share of the net pension liability (asset) associated with the employer	$ (7,191,045)	$ (6,328,065)	$ (6,500,894)
TOTAL	$ (8,254,184)	$ (7,263,619)	$ (7,462,000)
Employer's covered payroll	-	-	-
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	178.02%	168.48%	175.99%

LEOFF 2	2025	2024	2023
Employer's proportion of the net pension liability (asset)	0.448310%	0.047349%	0.057631%
Employer's proportionate share of the net pension liability (asset)	$ (868,608)	$ (886,726)	$ (1,382,336)
State's proportionate share of the net pension liability (asset) associated with the employer	(557,496)	(575,438)	(882,746)
TOTAL	$ (1,426,104)	$ (1,462,164)	$ (2,265,082)
Employer's covered payroll	$ 2,724,707	$ 2,275,896	$ 2,545,944
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-52.34%	-64.25%	-88.97%
Plan fiduciary net position as a percentage of the total pension liability	108.79%	109.27%	113.17%

State Sponsored Pension Plans (Continued)

2022	2021	2020	2019	2018	2017	2016
0.033920%	0.037762%	0.043163%	0.043428%	0.041895%	0.042622%	0.040130%
$ 944,457	$ 461,162	$ 1,523,887	$ 1,669,961	$ 1,871,045	$ 2,022,447	$ 2,155,170
$ 5,509,382	$ 5,714,844	$ 6,551,262	$ 6,144,088	$ 5,584,050	$ 5,960,060	$ 4,868,988
17.14%	8.07%	23.26%	27.18%	33.51%	33.93%	44.26%
76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%

2022	2021	2020	2019	2018	2017	2016
0.044139%	0.048575%	0.055949%	0.056091%	0.053522%	0.054863%	0.051356%
$ (1,637,019)	$ (4,838,852)	$ 715,556	$ 544,834	$ 913,841	$ 1,906,227	$ 2,585,734
$ 5,509,382	$ 5,714,844	$ 6,551,262	$ 6,144,088	$ 5,584,050	$ 5,960,060	$ 4,868,988
-29.71%	-84.67%	10.92%	8.87%	16.37%	31.98%	53.11%
106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%

2022	2021	2020	2019	2018	2017	2016
0.032940%	0.032872%	0.033059%	0.032810%	0.032389%	0.032609%	0.034301%
$ (944,921)	$ (1,126,050)	$ (624,322)	$ (648,526)	$ (588,023)	$ (494,750)	$ (353,398)
$ (6,391,423)	$ (7,616,579)	$ (4,222,900)	$ (4,386,614)	$ (3,977,373)	$ (3,346,479)	$ (2,390,378)
$ (7,336,344)	$ (8,742,629)	$ (4,847,222)	$ (5,035,140)	$ (4,565,396)	$ (3,841,229)	$ (2,743,776)
-	-	-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
169.62%	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%

2022	2021	2020	2019	2018	2017	2016
0.066779%	0.066227%	0.069828%	0.070087%	0.071336%	0.074294%	0.073676%
$ (1,814,852)	$ (3,846,738)	$ (1,424,389)	$ (1,623,701)	$ (1,448,276)	$ (1,030,960)	$ (428,522)
(1,175,621)	(2,481,566)	(910,784)	(1,063,306)	(937,732)	(668,764)	(279,365)
$ (2,990,473)	$ (6,328,304)	$ (2,335,173)	$ (2,687,007)	$ (2,386,008)	$ (1,699,724)	$ (707,887)
$ 2,690,312	$ 2,549,438	$ 2,659,260	$ 2,471,461	$ 2,372,143	$ 2,476,968	$ 2,278,302
-111.16%	-248.22%	-87.81%	-108.72%	-100.58%	-68.62%	-31.07%
116.09%	142.00%	115.83%	119.43%	118.50%	113.36%	106.04%

State Sponsored Pension Plans (Continued)

Schedule of Employer Contributions
As of December 31

PERS 1	2025	2024	2023
Statutorily or contractually required contributions	$ 101,574	$ 193,988	$ 218,563
Contributions in relation to the statutorily or contractually required contributions	101,574	193,988	218,563
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	8,308,683	7,081,308	6,463,699
Contributions as a percentage of covered payroll		2.74%	3.38%

PERS 2/3	2025	2024	2023
Statutorily or contractually required contributions	$ 485,971	$ 450,371	$ 411,092
Contributions in relation to the statutorily or contractually required contributions	485,971	450,371	411,092
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employer payroll	8,308,683	7,081,308	6,463,699
Contributions as a percentage of covered payroll	5.85%	6.36%	6.36%

LEOFF 1	2025	2024	2023
Statutorily or contractually required contributions	$ -	$ -	$ -
Contributions in relation to the statutorily or contractually required contributions	-	-	-
Contribution deficiency (excess)		$ -	$ -
Covered employer payroll	-	-	-
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

LEOFF 2	2025	2024	2023
Statutorily or contractually required contributions	$ 139,505	$ 116,526	$ 123,131
Contributions in relation to the statutorily or contractually required contributions	139,505	116,526	123,131
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employer payroll	2,724,707	2,275,896	2,404,896
Contributions as a percentage of covered payroll	5.12%	5.12%	5.12%

State Sponsored Pension Plans (Continued)

2022	2021	2020	2019	2018	2017	2016
$ 221,848	$ 230,504	$ 303,072	$ 318,572	$ 290,805	$ 271,541	$ 245,770
221,848	230,504	303,072	318,572	290,805	271,541	245,770
$ -	$ -	$ -	$ -	$ -	$ -	$ -
5,903,224	5,382,802	6,319,335	6,144,088	5,741,232	5,538,859	5,193,812
3.76%	4.28%	4.80%	5.19%	5.07%	4.90%	4.73%

2022	2021	2020	2019	2018	2017	2016
$ 375,445	$ 383,769	$ 500,492	$ 497,916	$ 430,625	$ 380,628	$ 321,470
375,445	383,769	500,492	497,916	430,625	380,628	321,470
$ -	$ -	$ -	$ -	$ -	$ -	$ -
5,903,224	5,382,802	6,319,335	6,144,088	5,741,232	5,538,859	5,193,812
6.36%	7.13%	7.92%	8.10%	7.50%	6.87%	6.19%

2022	2021	2020	2019	2018	2017	2016
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2022	2021	2020	2019	2018	2017	2016
$ 136,821	$ 130,522	$ 135,958	$ 134,741	$ 125,868	$ 120,068	$ 112,905
136,821	130,522	135,958	134,741	125,868	120,068	112,905
$ -	$ -	$ -	$ -	$ -	$ -	$ -
2,672,284	2,542,072	2,639,947	2,471,461	2,397,478	2,330,224	2,235,741
5.12%	5.13%	5.15%	5.45%	5.25%	5.15%	5.05%

Other Postemployment Health Care Benefits

Schedule of Changes in Total OPEB Liability and Related Ratios
For the year ended December 31, 2025
Last 10 Fiscal Years*

	2025	2024	2023
Total OPEB liability - Beginning	$ 2,587,323	$ 2,805,450	$ 2,576,533
Service cost	-	-	-
Interest	106,035	108,065	107,034
Changes in benefit terms	-	-	-
Differences between expected and actual experience	64,592	233,709	74,069
Changes of assumptions	(24,365)	(352,257)	234,112
Benefit payments	(219,748)	(207,644)	(186,298)
Other changes	-	-	-
Total OPEB liability - ending	$ 2,513,837	$ 2,587,323	$ 2,805,450
Net OPEB Liability	$ 2,513,837	$ 2,587,323	$ 2,805,450
Plan Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%
Covered-employee payroll	$ -	$ -	$ -
Total OPEB liability as a % of covered payroll	N/A	N/A	N/A

Notes to Schedule:
* Until a full 10-year trend is compiled, only information for those years available is presented.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Other Postemployment Health Care Benefits

2022	2021	2020	2019	2018	2017	2016
$ 3,469,274	$ 3,461,120	$ 3,031,126	$ 2,446,912	$ 3,062,684	$ 3,202,985	$ 2,961,892
-	-	-	-	-	-	-
76,002	67,364	81,111	91,028	98,577	117,440	86,200
-	-	-	113,328	-	-	-
(310,561)	207,648	326,458	356,852	(430,493)	(261,003)	613,175
(475,406)	(80,986)	185,718	163,432	(132,858)	145,743	(281,172)
(182,776)	(185,872)	(163,293)	(140,426)	(150,998)	(142,481)	(177,110)
-	-	-	-	-	-	-
$ 2,576,533	$ 3,469,274	$ 3,461,120	$ 3,031,126	$ 2,446,912	$ 3,062,684	$ 3,202,985
$ 2,576,533	$ 3,469,274	$ 3,461,120	$ 3,031,126	$ 2,446,912	$ 3,062,684	$ 3,202,985
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Other Postemployment Health Care Benefits

The following actuarial methods and assumptions were made:

Assumption/Input	Value
Valuation Date	12/31/2025
Measurement Date	12/31/2025
Actuarial Cost Method	Entry Age Normal
Funding Model	Service Cost + Shortfall Amortization
Amortization Method	Level Dollar
Remaining Amortization Period	11
Asset Valuation Method	Market Value
Medical Trend Rate	5.40% increase with rates gradually decreasing from 5.20% in 2028 to 4.70% in 2037
Salary increase rate	0.00%
Discount rate	4.28% at 12-31-2024 4.43% at 12-31-2025
Investment Rate of Return	0.00%
Long-Term Rate of Return	0.00%
20-Year AA Municipal Bond Index Rate	4.43%
Retirement Age	55
Mortality Table	RP-2014 Mortality with 2025 Improvement Rate
Turnover Table	Not applicable
Salary changes	Not applicable

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

STATISTICAL INFORMATION

Schedule of Net Position

Last Ten Fiscal Years

Continued

	2025	2024	2023	2022	2021
ASSETS					
Current Assets	$ 127,524,319	$ 117,234,650	$ 100,583,079	$ 92,721,707	$ 75,177,753
Noncurrent Assets					
Other Noncurrent Assets	128,295,546	168,695,961	64,767,680	64,231,447	47,472,004
Capital Assets	479,691,720	420,338,691	361,657,241	286,782,092	275,084,807
Total Assets	735,511,585	706,269,301	527,008,000	443,735,246	397,734,564
DEFERRED OUTFLOW OF RESOURCES	5,456,814	5,327,792	4,406,712	4,249,947	2,557,852
LIABILITIES					
Current Liabilities	$ 32,685,760	$ 23,522,260	$ 28,610,933	$ 20,587,240	$ 16,296,570
Non Current Liabilities					
Other Noncurrent Liabilities	9,433,144	6,750,556	7,429,756	6,804,732	7,309,077
Long-term debt, due in more than one year	138,034,495	139,110,370	-	-	-
Total Liabilities	180,153,399	169,383,185	36,040,689	27,391,972	23,605,647
DEFERRED INFLOW OF RESOURCES	48,593,716	54,619,656	47,040,914	51,352,527	33,010,506
NET POSITION					
Net Investment in capital assets	383,420,096	358,542,625	355,990,005	283,815,825	271,695,351
Restricted	73,071,032	61,669,220	52,614,643	45,977,070	46,596,906
Unrestricted	55,730,156	67,382,408	39,728,461	39,447,799	25,384,006
Total Net Position	$ 512,221,284	$ 487,594,253	$ 448,333,109	$ 369,240,694	$ 343,676,263

Source: Spokane Airport Finance Dept.

Concluded

	2020	2019	2018	2017	2016
ASSETS					
Current Assets	$ 42,401,421	$ 28,999,016	$ 34,845,581	$ 37,820,736	$ 35,261,154
Noncurrent Assets					
Other Noncurrent Assets	21,196,847	23,450,460	25,411,934	23,909,284	19,997,073
Capital Assets	274,092,315	290,535,182	280,870,985	260,826,383	263,714,060
Total Assets	337,690,583	342,984,658	341,128,500	322,556,403	318,972,287
DEFERRED OUTFLOW OF RESOURCES	2,651,492	2,172,449	1,450,134	1,545,621	1,231,285
LIABILITIES					
Current Liabilities	$ 6,775,747	$ 7,739,176	$ 9,121,165	$ 7,161,243	$ 6,782,112
Non Current Liabilities					
Other Noncurrent Liabilities	9,012,997	8,967,695	9,119,757	10,765,825	12,437,263
Long-term debt, due in more than one year	3,674,748	4,131,747	4,587,318	5,042,888	8,865,617
Total Liabilities	19,463,492	20,838,618	22,828,240	22,969,956	28,084,992
DEFERRED INFLOW OF RESOURCES	1,760,362	2,814,581	2,657,409	1,525,357	195,476
NET POSITION					
Net Investment in capital assets	267,254,414	283,841,949	274,257,397	253,826,984	251,466,243
Restricted	23,931,569	26,575,055	30,786,649	25,778,347	22,407,737
Unrestricted	27,932,238	11,086,904	12,048,939	20,001,380	18,049,124
Total Net Position	$ 319,118,221	$ 321,503,908	$ 317,092,985	$ 299,606,711	$ 291,923,104

Source: Spokane Airport Finance Dept.

SPOKANE AIRPORT BOARD
STATISTICAL INFORMATION

Schedule Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years					*Continued*
	2025	2024	2023	2022	2021
Operating revenues:					
Airfield	$ 9,311,731	$ 8,560,202	$ 8,292,007	$ 7,310,868	$ 6,708,251
Passenger terminal	13,799,023	12,729,222	11,866,015	11,221,195	10,222,040
Rental Car	7,417,872	7,013,653	7,043,717	6,772,203	6,123,659
Leased buildings	3,040,081	3,033,452	2,817,467	2,674,246	2,612,522
Leased areas	3,445,144	3,436,308	3,140,571	2,596,445	2,272,373
Parking and ground transportation	24,893,411	22,722,178	19,426,601	18,002,014	11,973,477
Other	325,165	309,928	203,146	636,605	221,414
Total Operating Revenue	62,232,427	57,804,943	52,789,524	49,213,576	40,133,736
Operating expenses:					
Airfield	20,213,177	13,619,691	12,209,089	11,507,516	8,626,312
Passenger terminal	9,108,681	8,702,084	6,712,930	6,110,750	5,002,913
Leased buildings	817,044	1,233,628	1,477,935	1,971,285	987,437
Parking and ground transportation	5,616,705	4,745,754	4,755,541	4,745,827	3,485,947
Administration and operations	8,634,903	8,209,029	7,074,745	7,088,766	5,223,546
Total Operating Expense	44,390,510	36,510,186	32,230,240	31,424,144	23,326,155
Operating income before depreciation	17,841,917	21,294,757	20,559,284	17,789,432	16,807,581
Depreciation	39,393,342	34,393,571	28,602,529	30,959,065	29,517,093
Operating income (loss)	(21,551,425)	(13,098,813)	(8,043,245)	(13,169,633)	(12,709,512)
Nonoperating revenues (expenses):					
Interest income	7,545,111	4,484,252	3,444,106	1,858,128	1,758,723
Interest expense, including amortization of bond premiums	(6,389,833)	(3,143,214)	(406,156)	-	(2,753)
Gain (loss) on disposition of assets	6,359	2,214,928	1,105,619	1,780,121	6,306,133
Gain (loss) on investments	-	(68,978)	1,559,667	(2,848,374)	(897,115)
Gain (loss) on redemption of bonds	-	-	-	-	-
CARES grant revenue	-	-	3,810,398	4,176,765	5,895,634
Grant revenue	499,112	766	8,226	398,486	483,416
Grant expense	(499,112)	(766)	(8,226)	(398,486)	(483,416)
Transaction fee	4,763,042	4,411,472	3,942,126	3,581,911	2,942,792
Passenger facility charges	8,328,501	8,088,109	7,871,653	7,601,519	6,542,294
Total Nonoperating revenue (expenses)	14,253,180	15,986,569	21,327,413	16,150,070	22,545,708
Increase (Decrease) in net assets before capital grants and related items	(7,298,245)	2,887,756	13,284,168	2,980,437	9,836,196
Capital contributions					
Federal AIP and other grants	31,925,276	36,373,387	65,808,247	22,583,994	14,721,846
Increase In Net Position	24,627,031	39,261,144	79,092,415	25,564,431	24,558,042
Net Position, beginning of year	487,594,253	448,333,109	369,240,694	343,676,263	319,118,221
Cumulative effect of adoption of GASB 75	-	-	-	-	-
Net position, beginning of year, as restated	487,594,253	448,333,109	369,240,694	343,676,263	319,118,221
Net position, end of year	$ 512,221,284	$ 487,594,253	$ 448,333,109	$ 369,240,694	$ 343,676,263

Source: Spokane Airport Finance Dept.

Schedule Revenues, Expenses and Changes in Net Position

Concluded

	2020	2019	2018	2017	2016
Operating revenues:					
Airfield	$ 5,616,836	$ 7,674,440	$ 6,812,050	$ 5,970,732	$ 5,352,771
Passenger terminal	10,064,784	10,881,504	9,659,069	8,845,713	7,969,693
Rental Car	2,741,041	5,202,341	5,216,273	4,638,926	4,194,303
Leased buildings	2,698,715	2,772,354	2,806,514	2,713,526	2,937,847
Leased areas	2,594,465	2,529,341	2,269,752	2,128,812	2,036,034
Parking and ground transportation	7,265,642	15,353,376	13,257,078	11,777,170	10,239,333
Other	112,652	127,274	182,132	173,473	366,006
Total Operating Revenue	31,094,135	44,540,630	40,202,868	36,248,352	33,095,987
Operating expenses:					
Airfield	10,884,364	10,969,272	9,672,674	11,004,706	9,986,991
Passenger terminal	4,846,611	6,447,706	5,291,815	5,017,850	5,026,242
Leased buildings	1,078,315	1,578,930	1,200,117	1,517,032	1,116,535
Parking and ground transportation	4,414,791	5,443,265	4,629,703	4,384,068	3,634,293
Administration and operations	6,006,738	6,341,425	5,660,522	5,346,960	4,704,379
Total Operating Expense	27,230,819	30,780,598	26,454,831	27,270,616	24,468,440
Operating income before depreciation	3,863,316	13,760,032	13,748,037	8,977,736	8,627,547
Depreciation	29,276,987	26,108,329	23,672,355	22,843,205	22,266,977
Operating income (loss)	(25,413,671)	(12,348,297)	(9,924,318)	(13,865,469)	(13,639,430)
Nonoperating revenues (expenses):					
Interest income	1,225,481	1,133,427	1,051,727	820,159	739,299
Interest expense, including amortization of bond premiums	(37,079)	(13,338)	(14,826)	(182,682)	(300,324)
Gain (loss) on disposition of assets	1,207,875	(10,144)	73,138	(168,032)	(28,769)
Gain (loss) on investments	224,097	525,840	220,026	(178,761)	(180,518)
Gain (loss) on redemption of bonds	-	-	-	(1,685)	-
CARES grant revenue	9,671,110	-	-	-	-
Grant revenue	151,535	148,744	345,541	445,953	303,208
Grant expense	(151,536)	(148,744)	(345,541)	(445,953)	(303,208)
Transaction fee	2,117,572	3,647,130	3,577,916	3,330,079	3,191,471
Passenger facility charges	3,618,624	8,064,737	7,635,677	6,866,466	6,223,821
Total Nonoperating revenue (expenses)	18,027,679	13,347,652	12,543,658	10,485,544	9,644,980
Increase (Decrease) in net assets before capital grants and related items	(7,385,992)	999,355	2,619,340	(3,379,925)	(3,994,450)
Capital contributions					
Federal AIP and other grants	5,000,305	3,411,568	14,866,934	10,262,938	5,658,429
Increase In Net Position	(2,385,687)	4,410,923	17,486,274	6,883,013	1,663,979
Net Position, beginning of year	321,503,908	317,092,985	299,606,711	291,923,104	290,259,125
Cumulative effect of adoption of GASB 75	-	-	-	800,594	-
Net position, beginning of year, as restated	321,503,908	317,092,985	299,606,711	292,723,698	290,259,125
Net position, end of year	$ 319,118,221	$ 321,503,908	$ 317,092,985	$ 299,606,711	$ 291,923,104

Source: Spokane Airport Finance Dept.

Schedule of Rates and Charges

Last ten Fiscal Years

Continued

	2025	2024	2023	2022	2021
Landing Fees (per 1,000 lbs.) - Signatory	$ 2.47	$ 2.35	$ 2.24	$ 2.16	$ 2.10
Annual Terminal Rental Rate (per sqft per annum)					
Class I Space	71.08	66.11	63.02	60.70	59.19
Class II Space	53.31	49.58	47.27	45.53	44.39
Lease of Loading Bridge (per month)	2,419.63	2,326.57	2,237.08	2,151.04	1,970.83
Aircraft Parking at Gate (signatory carrier, per month)	500.00	500.00	500.00	500.00	500.00
Non-Leased Loading Bridge (per turn)	419.00	362.00	311.00	291.00	281.00
Non-Leased Baggage System (per turn)	138.00	128.00	122.00	113.00	115.00
Non-Leased Ticketing Counter (per use)	46.00	42.00	40.00	31.00	38.00
Non-Leased Aircraft Parking (per use, remote spot)	125.00	125.00	125.00	100.00	100.00

Source: Spokane Airport Finance Dept.

Concluded

	2020	2019	2018	2017	2016
Landing Fees (per 1,000 lbs.) - Signatory	$ 2.24	$ 2.36	$ 2.10	$ 2.07	$ 1.98
Annual Terminal Rental Rate (per sqft per annum)					
Class I Space	64.73	61.44	53.71	50.82	48.84
Class II Space	48.55	46.08	40.28	38.11	36.63
Lease of Loading Bridge (per month)	1,916.67	1,857.67	1,803.50	1,750.00	1,800.00
Aircraft Parking at Gate (signatory carrier, per month)	500.00	450.00	450.00	450.00	450.00
Non-Leased Loading Bridge (per turn)	300.00	400.00	360.00	340.00	325.00
Non-Leased Baggage System (per turn)	108.00	108.00	130.00	135.00	n/a
Non-Leased Ticketing Counter (per use)	30.00	26.00	n/a	n/a	n/a
Non-Leased Aircraft Parking (per use, remote spot)	100.00	100.00	100.00	100.00	100.00

Source: Spokane Airport Finance Dept.

SPOKANE AIRPORT BOARD
STATISTICAL INFORMATION

Schedule of Employees by Department

Last Ten Fiscal Years *Coninued*

Department	2025	2024	2023	2022	2021
Administration	19	17	17	15	16
IT	5	4	5	2	2
Planning & Development	7	4	4	4	4
Fire	13	11	12	11	9
Operations	11	10	10	10	8
Police	12	8	10	11	12
Dispatch	12	12	8	7	7
Terminal Maintenance	18	15	15	15	14
Airfield Maintenance *	33	32	27	24	22
Parking **	20	17	17	16	22
Fuel Facility	5	2	3	2	4
Felts Field	2	2	2	2	2
Airport Business Park	2	2	2	2	1
Totals	159	136	132	121	123

* - includes overhires
** - includes part time employees

Source: Spokane Airport Finance Dept.

Concluded

Department	2020	2019	2018	2017	2016
Administration	15	18	14	14	14
IT	2	3	3	2	3
Planning & Development	4	4	3	3	3
Fire	11	13	13	13	13
Operations	7	8	9	7	8
Police	11	13	12	13	13
Dispatch	8	9	6	8	7
Terminal Maintenance	14	13	14	13	13
Airfield Maintenance *	25	30	30	25	27
Parking **	35	54	52	46	46
Fuel Facility	4	5	5	4	4
Felts Field	2	2	1	1	2
Airport Business Park	1	1	2	1	2
Totals	139	173	164	150	155

* - includes overhires
** - includes part time employees
Source: Spokane Airport Finance Dept.

SPOKANE AIRPORT BOARD
STATISTICAL INFORMATION

Schedule of Passenger Activity by Carrier

Last Ten Fiscal Years — *Continued*

	2025	% Market Share	2024	% Market Share	2023	% Market Share	2022	% Market Share	2021	% Market Share
Enplanements										
Alaska	698,438	32.1%	668,980	31.4%	655,368	31.7%	642,956	32.7%	544,422	33.1%
Allegiant	38,164	1.8%	38,820	1.8%	42,015	2.0%	40,966	2.1%	18,131	1.1%
American	181,278	8.3%	194,167	9.1%	140,979	6.8%	108,685	5.5%	148,861	9.1%
Delta	568,081	26.1%	575,876	27.0%	561,431	27.1%	520,027	26.5%	385,203	23.4%
Frontier	14,324	0.7%	-	0.0%	-	0.0%	13,017	0.7%	19,094	1.2%
Southwest	474,782	21.8%	481,310	22.6%	482,245	23.3%	469,375	23.9%	383,706	23.3%
Sun Country	4,835	0.2%	4,575	0.2%	4,064	0.2%	5,736	0.3%	-	0.0%
United	196,298	9.0%	169,749	8.0%	181,835	8.8%	161,117	8.2%	142,358	8.7%
Other	-	0.0%	-	0.0%	194	0.0%	3,456	0.2%	1,713	0.1%
Total Enplanements	**2,176,200**	**100.0%**	**2,133,477**	**100.0%**	**2,068,131**	**100.0%**	**1,965,335**	**100.0%**	**1,643,488**	**100.0%**
Deplanements										
Alaska	699,588	32.2%	670,411	31.5%	648,328	31.4%	638,095	32.6%	543,864	33.2%
Allegiant	38,310	1.8%	38,029	1.8%	41,959	2.0%	41,469	2.1%	17,312	1.1%
American	182,295	8.4%	194,602	9.1%	141,386	6.9%	109,031	5.6%	149,479	9.1%
Delta	561,325	25.8%	562,667	26.4%	555,852	26.9%	513,009	26.2%	380,410	23.2%
Frontier	14,078	0.6%	-	0.0%	-	0.0%	13,372	0.7%	21,107	1.3%
Southwest	471,963	21.7%	484,982	22.8%	485,972	23.6%	469,591	24.0%	380,500	23.2%
Sun Country	5,133	0.2%	4,852	0.2%	4,162	0.2%	6,317	0.3%	-	0.0%
United	201,438	9.3%	175,855	8.3%	185,286	9.0%	161,351	8.3%	142,380	8.7%
Other	-	0.0%	-	0.0%	190	0.0%	3,402	0.2%	1,522	0.1%
Total Deplanements	**2,174,130**	**100.0%**	**2,131,398**	**100.0%**	**2,063,135**	**100.0%**	**1,955,637**	**100.0%**	**1,636,574**	**100.0%**
Total Passengers	**4,350,330**		**4,264,875**		**4,131,266**		**3,920,972**		**3,280,062**	

Source: Spokane Airport Finance Dept.

Concluded

	2020	% Market Share	2019	% Market Share	2018	% Market Share	2017	% Market Share	2016	% Market
Enplanements										
Alaska	334,025	34.7%	705,684	34.9%	664,611	33.2%	650,266	36.5%	674,643	41.9%
Allegiant	-	0.0%	215	0.0%	122	0.0%	1,552	0.1%	1,383	0.1%
American	89,490	9.3%	122,737	6.1%	141,296	7.1%	102,320	5.7%	59,316	3.7%
Delta	202,193	21.0%	501,018	24.8%	445,455	22.3%	415,638	23.3%	386,343	24.0%
Frontier	15,255	1.6%	34,798	1.7%	25,022	1.3%	-	0.0%	-	0.0%
Southwest	235,190	24.4%	464,280	22.9%	463,025	23.2%	422,663	23.7%	381,078	23.6%
Sun Country	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	85,115	8.8%	191,452	9.5%	256,175	12.8%	188,173	10.6%	106,785	6.6%
Other	824	0.1%	3,123	0.2%	3,243	0.2%	1,841	0.1%	2,495	0.2%
Total Enplanements	**962,092**	**100.0%**	**2,023,307**	**100.0%**	**1,998,949**	**100.0%**	**1,782,453**	**100.0%**	**1,612,043**	**100.0%**
Deplanements										
Alaska	338,606	35.1%	710,714	35.3%	668,479	33.4%	640,463	36.2%	676,407	41.7%
Allegiant	-	0.0%	220	0.0%	310	0.0%	1,171	0.1%	1,267	0.1%
American	85,701	8.9%	123,146	6.1%	139,015	7.0%	101,726	5.8%	59,307	3.7%
Delta	202,618	21.0%	483,157	24.0%	442,961	22.2%	415,809	23.5%	394,415	24.3%
Frontier	17,233	1.8%	37,065	1.8%	26,631	1.3%	-	0.0%	-	0.0%
Southwest	233,788	24.3%	463,727	23.0%	460,857	23.1%	421,005	23.8%	380,931	23.5%
Sun Country	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	85,365	8.9%	192,353	9.6%	257,876	12.9%	186,739	10.6%	106,776	6.6%
Other	756	0.1%	3,231	0.2%	3,194	0.2%	1,546	0.1%	2,949	0.2%
Total Deplanements	**964,067**	**100.0%**	**2,013,613**	**100.0%**	**1,999,323**	**100.0%**	**1,768,459**	**100.0%**	**1,622,052**	**100.0%**
Total Passengers	**1,926,159**		**4,036,920**		**3,998,272**		**3,550,912**		**3,234,095**	

Source: Spokane Airport Finance Dept.

SPOKANE AIRPORT BOARD
STATISTICAL INFORMATION

Schedule of Cargo Handled and Operations by Carrier

Last Ten Fiscal Years *Continued*

	2025	2024	2023	2022	2021
Cargo Handled at GEG (in tons)					
Air Transport International	-	635	12,369	3,913	2,365
Airpac Airlines	124	201	205	221	248
Alaska	713	701	618	411	377
Ameriflight	1,482	1,830	1,969	2,012	2,095
Delta	20	6	21	18	364
Empire Airlines	1,443	1,405	1,623	1,921	2,951
Federal Express	16,553	28,609	36,698	38,846	45,276
Southwest	256	268	275	272	269
Sun Country	8,543	8,244	1,393	5,145	1,025
United	-	2	15	17	7
United Parcel Service	31,018	25,396	21,982	25,879	24,778
Other	-	-	4	3	-
Total Cargo Handled	**60,153**	**67,296**	**77,171**	**78,658**	**79,756**
Operations					
Spokane International Airport	68,152	67,944	67,223	66,720	65,936
Felts Field	71,057	65,109	70,218	69,796	71,732

Source: Spokane Airport Finance Dept.

Concluded

	2020	2019	2018	2017	2016
Cargo Handled at GEG (in tons)					
Air Transport International	-	-	-	-	-
Airpac Airlines	251	76	-	-	-
Alaska	606	1,217	1,631	1,920	952
Ameriflight	1,782	939	664	700	583
Delta	477	551	562	672	452
Empire Airlines	3,002	2,887	3,618	3,401	3,245
Federal Express	43,009	40,173	41,462	40,585	39,824
Southwest	232	238	250	226	217
Sun Country	-	-	-	-	-
United	10	29	14	26	22
United Parcel Service	24,254	22,640	22,360	24,569	22,230
Other	-	1	1	-	-
Total Cargo Handled	**73,623**	**68,751**	**70,561**	**72,099**	**67,525**
Operations					
Spokane International Airport	58,725	69,097	68,256	63,801	62,439
Felts Field	56,894	60,671	59,236	60,084	54,313

Source: Spokane Airport Finance Dept.

Schedule of Debt Service Coverage

Last Ten Fiscal Years

Continued

	2025	2024	2023	2022	2021
Operating revenues:					
Airfield	$ 9,311,731	$ 8,560,202	$ 8,292,007	$ 7,310,868	$ 6,708,251
Passenger terminal	13,799,023	12,729,222	11,866,015	11,221,195	10,222,040
Rental Car	7,417,872	7,013,653	7,043,717	6,772,203	6,123,659
Leased buildings	3,040,081	3,033,452	2,817,467	2,674,246	2,612,522
Leased areas	3,445,144	3,436,308	3,140,571	2,596,445	2,272,373
Parking and ground transportation	24,893,411	22,722,178	19,426,601	18,002,014	11,973,477
Other	325,165	309,928	203,146	636,605	221,414
Total Operating Revenue	62,232,427	57,804,943	52,789,524	49,213,576	40,133,736
Operating expenses:					
Airfield	20,213,177	13,619,691	12,209,089	11,507,516	8,626,312
Passenger terminal	9,108,681	8,702,084	6,712,930	6,110,750	5,002,913
Leased buildings	817,044	1,233,628	1,477,935	1,971,285	987,437
Parking and ground transportation	5,616,705	4,745,754	4,755,541	4,745,827	3,485,947
Administration and operations	8,634,903	8,209,029	7,074,745	7,088,766	5,223,546
Total Operating Expense	44,390,510	36,510,186	32,230,240	31,424,144	23,326,155
Operating income before depreciation	17,841,917	21,294,757	20,559,284	17,789,432	16,807,581
Non-Operating Revenue (Expense)	14,253,179	15,986,569	21,327,413	16,150,070	22,545,708
Revenue Available for Debt Service	32,095,096	37,281,327	41,886,697	33,939,502	39,353,289
Annual Debt Service	4,371,266	-	-	-	-
Coverage	7.34	n/a	n/a	n/a	n/a
Required Coverage	1.25	1.25	1.30	1.30	1.30

Source: Spokane Airport Finance Dept.

Concluded

	2020	2019	2018	2017	2016
Operating revenues:					
Airfield	$ 5,616,836	$ 7,674,440	$ 6,812,050	$ 5,970,732	$ 5,352,771
Passenger terminal	10,064,784	10,881,504	9,659,069	8,845,713	7,969,693
Rental Car	2,741,041	5,202,341	5,216,273	4,638,926	4,194,303
Leased buildings	2,698,715	2,772,354	2,806,514	2,713,526	2,937,847
Leased areas	2,594,465	2,529,341	2,269,752	2,128,812	2,036,034
Parking and ground transportation	7,265,642	15,353,376	13,257,078	11,777,170	10,239,333
Other	112,652	127,274	182,132	173,473	366,006
Total Operating Revenue	31,094,135	44,540,630	40,202,868	36,248,352	33,095,987
Operating expenses:					
Airfield	10,884,364	10,969,272	9,672,674	11,004,706	9,986,991
General	-	-	-	-	-
Fire department	-	-	-	-	-
Police department	-	-	-	-	-
Passenger terminal	4,846,611	6,447,706	5,291,815	5,017,850	5,026,242
Leased buildings	1,078,315	1,578,930	1,200,117	1,517,032	1,116,535
Parking and ground transportation	4,414,791	5,443,265	4,629,703	4,384,068	3,634,293
Administration and operations	6,006,738	6,341,425	5,660,522	5,346,960	4,704,379
Total Operating Expense	27,230,819	30,780,598	26,454,831	27,270,616	24,468,440
Operating income before depreciation	3,863,316	13,760,032	13,748,037	8,977,736	8,627,547
Non-Operating Revenue (Expense)	18,027,679	13,347,652	12,543,658	10,485,544	9,644,980
Revenue Available for Debt Service	21,890,995	27,107,684	26,291,695	19,463,280	18,272,527
Annual Debt Service	468,368	468,908	469,926	2,777,642	2,895,284
Coverage	46.74	57.81	55.95	7.01	6.31
Required Coverage	1.30	1.30	1.30	1.30	1.30

Source: Spokane Airport Finance Dept.

Schedule of Ratio of Outstanding Debt

Last Ten Fiscal Years *Continued*

	2025	2024	2023	2022	2021
Outstanding Principal Debt					
Revenue Bonds [1]	$ 130,385,000	$ 130,385,000	$ -	$ -	$ -
Junior Lien Revenue Loan	-	-	-	-	-
Capital Leases	-	-	-	-	-
Total Outstanding Principal Debt	$ 130,385,000	$ 130,385,000	$ -	$ -	$ -
Enplaned passengers	2,176,200	2,133,477	2,068,131	1,965,335	1,643,488
Outstanding debt per enplaned passenger	$ 59.91	$ 61.11	$ -	$ -	$ -
Operating Revenues	$ 62,232,427	$ 57,804,943	$ 52,789,524	$ 49,213,576	$ 40,133,736
Ratio of outstanding debt to operating revenue	$ 2.10	$ 2.26	$ -	$ -	$ -
Debt Service Ratios					
Debt Principal	$ -	$ -	$ -	$ -	$ -
Debt interest	4,371,266	-	-	-	-
Total Debt Service	$ 4,371,266	$ -	$ -	$ -	$ -
Enplaned passengers	2,176,200	2,133,477	2,068,131	1,965,335	1,643,488
Debt Service per enplaned passenger	$ 2.01	$ -	$ -	$ -	$ -
Total operating expenses	$ 44,390,510	$ 36,510,186	$ 32,230,240	$ 31,424,144	$ 23,326,155
Ratio of outstanding debt to total expense	$ 2.94	$ 3.57	$ -	$ -	$ -

Source: Spokane Airport Finance Dept.

1. Outstanding revenue bond is principal only, it does not include bond premium.

Concluded

	2020	2019	2018	2017	2016
Outstanding Principal Debt					
Revenue Bonds [1]	$ -	$ -	$ -	$ -	$ 5,593,415
Junior Lien Revenue Loan	3,674,748	4,131,747	4,587,317	5,497,988	5,952,622
Capital Leases	-	-		-	-
PFC Revenue Bonds				-	-
Total Outstanding Principal Debt	$ 3,674,748	$ 4,131,747	$ 4,587,317	$ 5,497,988	$ 11,546,037
Enplaned passengers	962,092	2,023,307	1,998,949	1,782,453	1,612,043
Outstanding debt per enplaned passenger	$ 3.82	$ 2.04	$ 2.29	$ 3.08	$ 7.16
Operating Revenues	$ 31,094,135	$ 44,540,630	$ 40,202,868	$ 36,248,352	$ 33,095,987
Ratio of outstanding debt to operating revenue	$ 0.12	$ 0.09	$ 0.11	$ 0.15	$ 0.35
Debt Service Ratios					
Debt Principal	$ 456,524	$ 455,570	$ 455,100	$ 2,594,960	$ 2,594,960
Debt interest	11,844	13,338	14,826	182,682	300,324
Total Debt Service	$ 468,368	$ 468,908	$ 469,926	$ 2,777,642	$ 2,895,284
Enplaned passengers	962,092	2,023,307	1,998,949	1,782,453	1,612,043
Debt Service per enplaned passenger	$ 0.49	$ 0.23	$ 0.24	$ 1.56	$ 1.80
Total operating expenses	$ 27,230,819	$ 30,780,598	$ 26,454,831	$ 27,270,616	$ 24,468,440
Ratio of outstanding debt to total expense	$ 0.13	$ 0.13	$ 0.17	$ 0.20	$ 0.47

Source: Spokane Airport Finance Dept.

1. Outstanding revenue bond is principal only, it does not include bond premium.

INTERNAL CONTROL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Spokane Airport Board
Spokane, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Spokane Airport Board (the "Airport") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated July 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
July 13, 2026

SPOKANE
AIRPORT BOARD

9000 West Airport Drive

Spokane, WA 99224