

Missoula County Airport Authority Regular Board Meeting

DATE: Tuesday, January 27, 2026
TIME: 1:30 p.m.
PLACE: Johnson Bell Board Room – Airport Terminal

- Chair to call the meeting to order
 - Advise the Public the meeting is being recorded
 - Roll Call
 - Seating of Alternate Commissioner if needed
 - Approval of the Agenda
- Elections of 2026 Board Officers
- Public Comment
- Review and approve the minutes of the Regular Board meeting dated December 23, 2025 **Pg 3**
- Review and approve the minutes of the Finance Committee meeting dated January 21, 2026 **Pg 8**
- Approval of Claims for Payment – Will Parnell **Pg 10**
- Financial Report – Will Parnell **Pg 14**
- Director's Report – Brian Ellestad **Pg 25**
- Legal Report – Juniper Davis
- Committee Updates
 - Business Development Committee: No Activity
 - Contract and Lease Committee: No Activity
 - Executive Committee: January 27, 2026
 - Facility and Operations Committee: No Activity
 - Finance Committee: January 21, 2026
 - General Aviation Committee: No Activity
 - Legislative Committee: No Activity
 - Marketing Committee: No Activity

Unfinished Business

- Minuteman Aviation Update

New Business/Action Items

- Audited Financial Statements – Will Parnell **Pg 36**
- American Airlines Amendment to Airport Handling Services – Brian Ellestad **Pg 125**

Information/Discussion Item(s)

- Next Board Meeting February 24, 2026, at 1:30 pm

PLEASE NOTE: This meeting will be in a hybrid format.

Members of the public can call in and connect digitally to the meeting using the information below and will have the opportunity to comment prior to any vote of the Board as well as on any item not before the Board at the beginning of the meeting.

Members of the public can submit comments by email to: idavis@flymissoula.com.

Documents will be available on the airport's website, www.flymissoula.com, by 9 a.m. on the meeting date. Members of the public can view the meeting and documents by joining the meeting from their computer, tablet or smartphone at:

[Microsoft Teams meeting](#)

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 266 456 298 882

Passcode: JtfCxe

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 332-249-0710,,857565796#](#) United States, New York City

Phone Conference ID: 857 565 796#

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
December 23, 2025
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD: Chair Deb Poteet
Vice Chair Pat Boyle
Secretary/Treasurer Adriane Beck
Commissioner Winton Kemmis
Commissioner Matt Doucette
Commissioner Andrew Hagemeier
Alternate Commissioner Shane Stack

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Director of Maintenance Nate Cole
Field Maintenance Supervisor Jake Sol
HR Manager Nikki Munro
Federal Compliance Manager Jesse Johnson
IT Manager Dylan O'Leary
Staff Accountant Brianna Brewer

OTHERS: Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison & Maierle
Sarah Michaelson, Morrison & Maierle
Cole Jensen, Martel Construction
Richard Huffman (via Teams)

Chair Deb Poteet called the meeting to order and advised everyone that the meeting was being recorded.

Director of Finance and Administration Will Parnell performed a roll call of Board members, staff members, and members of the public.

AGENDA

Chair Deb Poteet noted that one Alternate Commissioner needed to be seated.

Motion: Vice Chair Pat Boyle moved to seat Alternate Commissioner Shane Stack as regular Commissioner for the duration of the meeting.

Second: Commissioner Winton Kemmis

Vote: Motion passed unanimously

Chair Deb Poteet asked if there were any changes to the agenda. There were none.

Motion: Commissioner Winton Kemmis moved to approve the agenda.

Second: Vice Chair Pat Boyle

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

Chair Deb Poteet asked if there was any public comment on items not on the Board's agenda. There was no public comment.

MINUTES

Chair Deb Poteet asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated November 25, 2025. There were none.

Motion: Commissioner Andrew Hagemeier moved to approve the minutes of the Regular Board Meeting dated November 25, 2025.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell presented the Claims for Payment for November 2025. The Airport incurred approximately \$1.0 million in project expenses, of which approximately \$820,000, or 83 percent, was submitted or will be submitted to the FAA for reimbursement, with the remainder funded by reserves and debt.

Chair Deb Poteet asked if there were any Board questions or public comments regarding the Claims for Payment. There were no questions or comments.

Motion: Vice Chair Pat Boyle moved to approve the Claims for Payment

Second: Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell presented the Financial Report for the month of November 2025, which provides details on accounts receivable, budget performance, long-term debt, and construction-in-progress related to the East

Concourse project. Will reported that the fiscal year 2025 audit remains in progress and is anticipated to be finalized for Board review in January 2026. Will informed the Board that the Finance Committee will meet on January 21, 2026, at 2 pm to review the audited financial statements. He also noted that an emergency procurement may be required for replacement of a roof-mounted building heater at an airport-owned facility.

Chair Deb Poteet asked if there were any Board questions or public comments regarding the Financial Report. Staff confirmed that the heater repair was not due to storm damage but rather to the equipment's age.

Motion: Vice Chair Pat Boyle moved to approve the Financial Report

Second: Alternate Commissioner Shane Stack

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that November passenger traffic increased by nearly four percent year-over-year, outperforming national trends. He provided air service updates including the planned return of United Airlines seasonal service to Los Angeles for summer 2026 and recent adjustments to San Francisco service. Brian congratulated staff on another clean TSA audit and noted upcoming checkpoint equipment upgrades. Finally, Brian informed that Board that the Commissioners were making final appointments for Board members, which should be in effect starting January 1, 2026, and Brian thanked Minuteman for their Santa fly-over event.

Deputy Director Tim Damrow provided project updates including terminal punch list work, completion of Level 1 renovations, holiday parking capacity, and continued closeout of the East Concourse construction project.

COMMITTEE UPDATES

Chair Deb Poteet notified the Board that there was an Executive Committee meeting on December 23, 2025, to discuss the Board agenda and packet.

NEW BUSINESS

Contact for Waste Disposal and Recycling Services with Grizzly Disposal and Recycling

Director of Maintenance Nate Cole reminded the Board that the award for the Waste Disposal and Recycling Services RFP was awarded to Grizzly Disposal and Recycling at the November Board meeting. Staff recommended approval of the contract as presented.

Chair Deb Poteet asked if there were any additional Board questions or public comments regarding the task orders. There were no questions or comments.

Motion: Commissioner Winton Kemmis moved to award the Waste Disposal and Recycling Services contract to Grizzly Disposal & Recycling for waste disposal and recycling services at the airport.

Second: Alternate Commissioner Shane Stack

Vote: Motion Passed Unanimously

Resolution No. 2025-05 – Revising Rules, Regulations & Fees for Commercial Ground Transportation

Deputy Director Tim Damrow presented Resolution No. 2025-05, which formalizes rules, regulations, and fee structures for commercial ground transportation operators. The resolution consolidates prior actions into a single policy manual and improves transparency and operational clarity. One item Tim highlighted is the installation of a gate arm for the commercial traffic lane.

Chair Deb Poteet asked if there were any additional Board questions or public comments regarding the Resolution. There were no questions or comments.

Motion: Commissioner Winton Kemmis move to adopt Resolution No. 2025-05, implementing updated Commercial Ground Transportation Rules and Regulations.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Martel Change Order #1 for Air Traffic Control Tower Modernization Project

Deputy Director Tim Damrow reminded the Board that it had previously approved a contract with Martel Construction to update and modernize the Air Traffic Control Tower, using funds from an FAA grant Tim then presented Change Order #1 to utilize the remaining FAA grant funds resulting from project cost savings to add HVAC improvements to the tower.

Chair Deb Poteet asked if there were any additional Board questions or public comments regarding the Change Order. There were no questions or comments.

Motion: Commissioner Matt Doucette moved to approve Change Order No. 1 with Martel Construction and increase the contract value of the ATCT Modernization project in the amount of \$3,356.07.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

Chair Deb Poteet noted that the next Board meeting will be held on January 27, 2026, at 1:30 p.m. Deb thanked the Board and Staff for the hard work accomplished over the prior year and showed her appreciation for the opportunity to be the Board Chair. Brian thanked Winton Kemmis and David Bell for their service on the Board as they step away.

Meeting Adjourned.

DRAFT

MISSOULA COUNTY AIRPORT AUTHORITY
Finance Committee Meeting
January 21, 2026
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD: Vice Chair Pat Boyle
Commissioner Matt Doucette (via Teams)
Commissioner Andrew Hagemeier (via Teams)
Commissioner Jack Meyer
Alternate Commissioner Richard Huffman
Alternate Commissioner Chay Hughes

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Legal Counsel Juniper Davis
HR Manager Nikki Munro

Commissioner Jack Meyer called the meeting to order and advised everyone that the meeting was being recorded.

Legal Counsel Juniper Davis performed a roll call of Board members, staff members, and members of the public.

FISCAL YEAR 2025 AUDITED FINANCIAL STATEMENTS

Director of Finance and Administration Will Parnell presented a detailed overview of the Fiscal Year 2025 audited financial statements. Will explained the purpose and requirements of the single audit, including financial statement and compliance components triggered by the expenditure of federal funds. He reported that the independent auditor issued unmodified opinions on the financial statements, federal compliance, internal controls, and the Passenger Facility Charge (PFC) program, with no deficiencies or findings noted.

Will addressed questions provided in advance regarding notable balance sheet and revenue changes, including fluctuations in lease receivables driven by the termination and renewal of rental car agreements subject to GASB 87, increases in accounts receivable largely attributable to growth in parking and rental car revenues, and the treatment of deferred revenue related to prepaid advertising agreements. Will also reviewed changes in marketing expenses primarily associated with airline service support and Small Community Air Service Development Grant activities, and discussed the Airport's deferred compensation plan.

Will further presented a financial analysis using enplanements as the Airport's primary revenue driver. He reviewed trends in operating revenue, operating expenses, and net operating margin on a per-enplanement basis and compared those metrics to national benchmarks for similarly situated airports. Discussion highlighted the significant contribution of non-aeronautical revenues, particularly parking and rental cars, as well as the impact of the transition to a parking management agreement, parking rate adjustments, and expanded parking capacity.

Staff also reviewed draft rates and charges materials, emphasizing that they remain preliminary and are intended to improve transparency and alignment during the annual budget process. Will noted the goal of integrating rates and charges review with budget development and future publication on the Airport's website.

SOLAR PROJECT DISCUSSION

Director of Finance and Administration Will Parnell presented the results of a preliminary financial and feasibility analysis for a potential solar photovoltaic installation on portions of the East Concourse roof. Will explained that the analysis evaluated estimated project costs, energy production, and long-term financial impacts under multiple financing scenarios, including a public-private partnership model and direct funding from Airport reserves. Staff reported that, under current assumptions, neither option produced positive net present value, though the study provided valuable information regarding roof suitability, future planning considerations, and potential sensitivity to changes in utility rates, incentives, or grant opportunities. Committee discussion focused on policy considerations, comparative experiences of local government entities, and whether future changes in market conditions or funding opportunities could alter the project's viability.

LABOR UNION UPDATE

Director of Finance and Administration Will Parnell provided a high-level update on ongoing labor negotiations involving Airport bargaining units. Discussion focused on methodology for evaluating compensation proposals, including the use of regional and national comparables adjusted for cost of living, fiscal impacts of proposed changes, and the importance of balancing market competitiveness with long-term financial sustainability.

With no further business, the Finance Committee meeting was adjourned.

Missoula County Airport Authority
 Check Register by Account Name
 12/01/2025 - 12/31/2025

Account Name	Total
Accounting Expense	\$ 14,500.00
Airfield Lighting R&M	277.17
Airport solar project	4,790.00
Airport Tenant Appreciation	885.25
Annual IT Support Subscriptions	5,550.80
ATCT R&M	1,946.00
BHS Parts and MX	1,032.22
Building General R&M	1,605.65
Computer Equipment Expense	1,959.55
Construction in Progress	43,367.98
Contracted Maintenance	4,180.56
Custodial Services	44,650.00
Custodial Supplies	7,549.01
Disposal Expense	2,561.70
EAP Fees	809.25
Electricity/Gas Expense	48,878.56
Employee Screening	4,800.00
Employee Training Expense	90.00
Flight Ice	480.00
GASB 96 Long-term Subscription	2,223.67
Jet Bridge R&M	2,289.09
Landside Maintenance	57,527.98
Marketing – 2024 SCASD	3,430.61
Office Supplies	438.11
On-demand IT Support	720.00
Petroleum Products Expense	9,305.55
Phone Charges	2,415.00
Plumbing Expense	135.90
Pre-Paid Expenses	8,392.00
Recurring IT Support Subscripti	2,924.24
Rent Car R&M	3,033.76
Rental Car Fuel	21,543.61
Safety Supplies/Equipment	3,873.44
Sewer Expense	3,619.82
Snow & Ice Removal	51,888.24
Staff Engagement	5,893.20
Tools/Equipment	1,826.98
TPA – EE benefits and Payroll	1,155.00
Travel Expense	1,254.25
TW-ALPHA	4,800.00
TW-HOTEL	3,200.00
Uniform Expense	4,992.69
USFS Hangar R&M	1,130.52
Vehicle R&M	7,169.38
Water Expense	4,423.41
Grand Total	\$ 399,520.15

Missoula County Airport Authority
 Check Register by Vendor Name
 12/01/2025 - 12/31/2025

Vendor Name	Total
AirSide Solutions, Inc	\$ 277.17
Amadeus	2,223.67
Applied Concepts, Inc	3,400.00
APPLIED INDUSTRIAL TECH	76.65
ASCENT AVIATION	9,677.94
BAKERTILLY	12,000.00
Black Knight Security and Investigations	4,800.00
BLACKFOOT COMMUNICATIONS	905.99
BROWN'S SEPTIC	1,300.00
CENTURYLINK	584.61
CHRISTENSEN, CODY	90.00
CHS MOUNTAIN WEST CO-OP	30,819.22
City of Missoula	8,043.23
Corporate Traditions, INC.	860.00
CREATIVE P & G, INC	1,946.00
ENERGISYSTEMS	44,641.67
FABER, COE & GREGG INC.	4,315.86
FENCE CRAFTERS	57,450.00
FIRST CALL	3,226.24
GREAT FLOORS COMMERCIAL SALES	982.00
GreatAmerica Financial Services	418.00
GRIZZLY DISPOSAL	279.98
HILLYARD INC	7,549.01
HOTSY	231.12
IMAGE CONCEPTS	3,650.35
INTOXIMETERS	531.00
IRONHORSE	281.00
ITW GSE Inc	2,289.09 *New Vendor - preventative maintenance kit for jet bridge
KONE	3,742.17
LIFE-ASSIST INC	473.44
M-B COMPANIES, INC.	896.00
MIDLAND IMPLEMENT	1,793.40
MISSOULA ELECTRIC CO-OP	1,097.58
MISSOULA OFFICE CITY	45.99
MISSOULA TEXTILE, INC	588.91
MONTANA DEPARTMENT OF ADMIN	2,500.00
Montana Pest Solutions	980.00
MOTOROLA SOLUTIONS INC	1,176.00
MOUNTAIN SUPPLY	59.25
Munro, Nikki	1,388.33
MURDOCHS	1,675.15
NAPA	460.04
NORCO INDUSTRIAL	65.08
NORTHWESTERN ENERGY	43,855.20
Northwestern Services, LLC	3,925.78

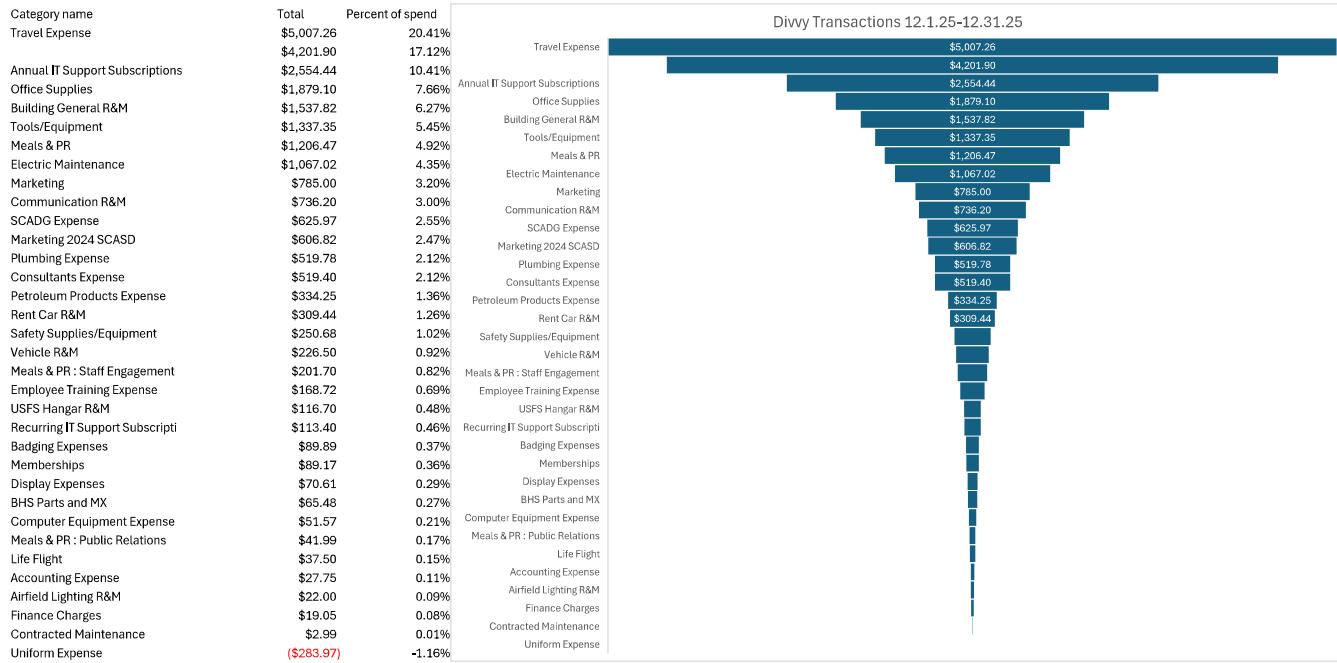
Missoula County Airport Authority
Check Register by Vendor Name
12/01/2025 - 12/31/2025

OAG AVIATION WORLDWIDE LLC	5,550.80
OFFICE SOLUTIONS & SERVICES	258.04
Onsite Energy, Inc.	4,790.00
PELICAN CHEMICALS	33,060.00
POMP'S TIRE-MISSOULA	1,707.99
RDO EQUIPMENT CO.	2,151.23
REPUBLIC SERVICES	2,281.72
RISING FAST v	42,950.00
ROBSON HANDLING TECHNOLOGY	1,032.22
ROOD & ASSOCIATES	8,000.00
SAPPHIRE RESOURCE CONNECTIONS	809.25
SHERWIN WILLIAMS	51.65
The Ranch Club	5,033.20
THERMAL SUPPLY	228.95
UKG	3,114.55
VAISALA	8,392.00
VERIZON	924.40
VW ICE INC	480.00
WAYNE DALTON	572.00
WE DUST	7,356.90
WESTERN STATES EQUIP	1,503.13
Z WATER SOLUTIONS LLC	1,700.00

Grand Total	\$ 399,520.15
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New Vendors

*ITW GSE Inc.



***Employee Training Expense Breakdown**

2025 AHA CPR Training Instructor Course

Uncategorized amount of \$4,201.90 is for two charges that were disputed due to being fraudulent

Negative balance under Uniform Expense is due to a refund

Missoula County Airport Authority (MCAA)

Financial Report Narrative

The board packet includes the comparative balance sheet, profit and loss comparison, profit and loss budget performance, operating revenues and operating expenses as a % of gross and as compared to prior period, cash flow statement, and the long-term debt roll forward.

Balance Sheet

As of December 31, accounts receivable consisted of the following:

Trade	\$ 1,153,499
Advertising	8,362
Ground Handling	232,822
Grants	1,728,610
Advance Contract Refund	<u>48,421</u>
	<u><u>\$ 3,171,715</u></u>

A summary of construction in progress for the east concourse is as follows:

	Balance July 1, 2025	Additions	Balance December 31, 2025
Construction in progress, east concourse:			
Phase 2	50,527,612	2,158,640	52,686,252
Phase 3	<u>5,734,921</u>	<u>3,162,674</u>	<u>8,897,595</u>
Total construction in progress east concourse	<u>56,262,533</u>	<u>5,321,314</u>	<u>61,583,847</u>
Less related debt, series 2022			<u>(29,999,780)</u>
Net investment in capital asset			<u>\$ 31,584,067</u>

Revenue and Expenses as a % of the Annual Budget

Revenues and expenses are currently 56% and 51% of the annual operating budget, respectively.

Cash Flow

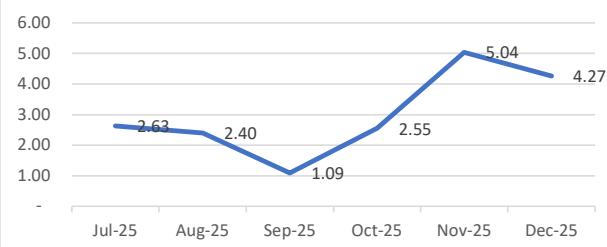
MCAA had positive cash flows from operating, noncapital financing, and investing activities. Capital and related financing activities resulted in negative cash flows.

Long-term Debt

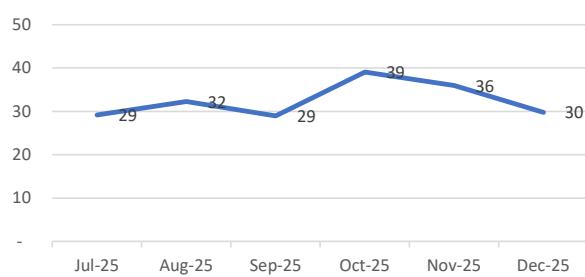
No activity reported during the month of December 2025.

Financial Ratios Fiscal Year 2026

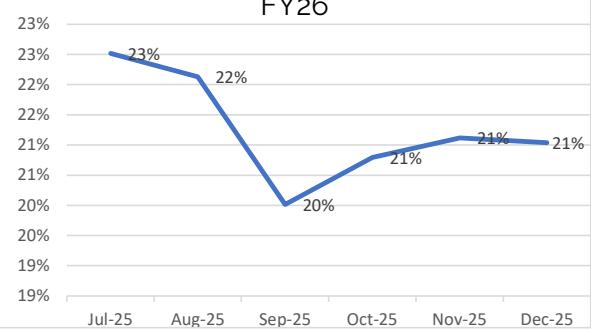
Quick Ratio FY26



Average Duration of A/R FY26



Debt to Asset Ratio FY26



Quick Ratio Ability to pay current obligations using liquid assets.

Average Duration of A/R Average duration of accounts receivable (A/R) or the number of days it takes to collect them.

Debt to Asset Ratio Proportion (or the percentage of) assets that are financed by interest bearing liabilities.

Missoula County Airport Authority
Balance Sheet Prev Year Comparison
As of December 31, 2025

	Dec 31, 25	Dec 31, 24
ASSETS		
Current Assets		
Checking/Savings		
10100 - Petty Cash	300.00	300.00
10500 - General Checking Acct	1,575,037.47	3,670,389.68
10511 - Project Checking Acct	994,781.12	5,000.00
10550 - USFS Account	160,576.63	160,432.23
10560 - Debt Service Account	332.08	331.84
10580 - CFC Account	322,193.45	321,903.67
10590 - STIP Terminal Reserve	26,920.58	25,770.12
10600 - STIP	977,541.88	935,765.88
10604 - Money Market Accounts	9,371,099.89	2,801,509.28
10700 - Payroll Checking	54,500.08	37,663.84
1071 - Bill.com Money In Clearing	4,207.08	9,141.41
10710 - Flex - FIB	6,013.26	11,095.90
1072 - Bill.com Money Out Clearing	7,904.50	-5,175.30
10750 - PFC Cash at US BANK	2,722,736.12	1,815,549.52
Total Checking/Savings	16,224,144.14	9,789,678.07
Accounts Receivable		
Accounts Receivable	3,171,714.88	2,912,121.21
Other Current Assets		
10900 - AvSec Fingerprinting Account	1,767.25	1,497.75
11300 - Projects Rec'ble	12,742.92	0.00
11500 - Pre-Paid Expenses	124,434.40	113,968.00
11600 - Prepaid Insurance	199,137.67	141,561.33
11810 - ST Lease Recble GASB 87	213,875.48	1,590,049.01
11820 - Interest Recble GASB 87	3,071.44	9,696.62
26200 - Faber Loan	100,000.00	100,000.00
Total Other Current Assets	655,029.16	1,956,772.71
Total Current Assets	20,050,888.18	14,658,571.99
Fixed Assets		
Land		
13000 - Land	11,617,234.48	11,617,234.48
13100 - Land Improvements	18,040,105.37	16,368,644.98
13200 - Buildings- Terminal	69,087,568.09	69,087,568.09
13300 - Buildings- Ops & Fire	6,661,600.73	6,184,039.07
13450 - Buildings - Other	11,664,162.96	11,643,143.81
13500 - Runways/Taxiways/Apron	80,361,231.98	80,361,231.98
13600 - Lighting/ Security System	4,002,233.31	4,002,233.31
13700 - Sewage System	298,102.06	298,102.06
13900 - ATCT	6,539,372.76	6,513,529.80
14000 - Equipment	4,461,240.84	3,705,111.70
14100 - Furniture & Fixtures	1,591,801.03	1,591,801.03
14300 - Vehicles	10,484,815.28	7,733,764.08
14400 - Studies	1,925,406.96	1,925,406.96
14500 - Allowance for Depreciation	-115,558,304.01	-107,000,088.02
19400 - Construction in Progress	82,411,610.70	49,452,067.66
Total Fixed Assets	193,588,182.54	163,483,790.99
Other Assets		
11830 - LT Lease Recble GASB 87	1,001,493.05	737,143.17
19610 - Deferred Pension Outflows	779,116.27	978,352.15
19800 - LT Loan - Faber	110,388.66	524,784.90
19901 - GASB 96 Subscription Asset(s)	299,661.15	367,183.34
Total Other Assets	2,190,659.13	2,607,463.56
TOTAL ASSETS	215,829,729.85	180,749,826.54

Missoula County Airport Authority
Balance Sheet Prev Year Comparison
As of December 31, 2025

	Dec 31, 25	Dec 31, 24
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20500 - Accounts Payable	219,720.93	328,342.21
20505 - Accounts Payable- Projects	1,652,144.30	3,794,452.60
Total Accounts Payable	<u>1,871,865.23</u>	<u>4,122,794.81</u>
Credit Cards	5,316.02	8,990.18
Other Current Liabilities		
20800 - Current Portion of L/T Debt	565,472.93	548,541.91
20805 - GASB 96 Short-term Subscription	80,567.12	70,730.08
20810 - GASB 96 Accrued Interest Liab.	1,981.11	6,226.79
20900 - Fed W/h Payable	166.06	341.30
21130 - Misc Deductions Payable	-184.32	-184.32
21300 - Valic Payable	20,619.25	-100.00
21400 - Workers' Comp Payable	0.01	0.00
21600 - Accrued Vacation/Sick Payable	780,362.72	709,202.72
21930 - FSB Notes Interest Payable	438,012.79	284,046.10
22140 - Advertising Deferred Revenue	27,680.02	15,000.00
24000 - Payroll Liabilities	7,616.41	81,626.01
Total Other Current Liabilities	<u>1,922,294.10</u>	<u>1,715,430.59</u>
Total Current Liabilities	<u>3,799,475.35</u>	<u>5,847,215.58</u>
Long Term Liabilities		
20502 - 2022 Note	29,999,779.74	14,598,279.74
25030 - 2019 Note A	13,316,800.00	13,316,800.00
25035 - 2019 Note B	2,088,444.97	2,645,264.97
25600 - Current Portion L/T Debt 2019B	-565,472.93	-548,541.91
25805 - A/P Retainage Long-Term	1,021,317.41	1,520,971.05
25809 - GASB 96 Long-term Subscription	109,660.47	160,132.47
26010 - Pension Liability sum	4,174,981.00	4,406,660.00
26110 - Deferred Pension Inflows	279,184.00	199,506.00
26300 - Dererred Lease Inflow GASB 87	1,137,376.30	2,125,301.62
Total Long Term Liabilities	<u>51,562,070.96</u>	<u>38,424,373.94</u>
Total Liabilities	<u>55,361,546.31</u>	<u>44,271,589.52</u>
Equity	<u>160,468,183.54</u>	<u>136,478,237.02</u>
TOTAL LIABILITIES & EQUITY	<u>215,829,729.85</u>	<u>180,749,826.54</u>

Missoula County Airport Authority
Profit & Loss YTD Comparison
December 2025

	Dec 25	Dec 24
Ordinary Income/Expense		
Income		
30100 - Signatory Landing Fees	65,287.56	50,832.85
30200 - Non Sig Landing Fees	9,233.27	15,343.11
30210 - Cargo Landing Fees	4,499.57	6,971.53
30300 - Non-Based Landing Fees	12,241.72	9,695.24
30400 - Signatory Rent	62,803.14	41,875.63
30420 - Non-Sig Use Fees	12,041.90	21,722.25
30430 - Signatory Use Fee	72,609.60	63,582.80
30500 - Equipment/Space/Services	150.00	400.00
30507 - Advertising Income	21,536.33	21,158.00
30509 - Ground Handling	148,606.45	82,717.20
30600 - FBO Rentals	24,981.80	22,291.17
30800 - Fuel Flowage Fees	2,749.90	2,558.65
30900 - Fuel Farm Leases		
30901 - Self Fueling	361.94	0.00
30900 - Fuel Farm Leases - Other	464.19	379.67
Total 30900 - Fuel Farm Leases	826.13	379.67
31000 - Coffee Concession	780.73	925.78
31100 - Restaurant	16,025.85	15,835.50
31110 - Liquor Concessions	11,227.01	11,418.40
31300 - Rental Car %	75,345.01	74,774.97
31400 - Rent Car Rent	43,473.27	15,179.80
31600 - Rent Car Fuel	22,466.68	17,772.30
31900 - USFS Hangar Rent	28,333.33	20,826.51
32100 - Gift Shop Faber	21,311.47	21,266.98
32300 - Terminal Rent		
32301 - Airport Suite	833.33	0.00
Total 32300 - Terminal Rent	833.33	0.00
32400 - Parking Lot	461,619.00	432,186.00
32800 - Ag Land Leases	2,247.50	2,996.67
32900 - Non-Aeronautical Ground Rent	33,904.24	29,202.44
32910 - Aeronautical Ground Rent	8,635.90	13,497.82
33000 - Vending	2,112.81	2,349.50
33800 - Off Airport Rent Cars	1,180.53	664.46
34000 - Utilities Reimbursement	5,958.71	4,465.38
34200 - Miscellaneous Income	2,073.24	69,892.24
34300 - Ground Transport	6,678.39	6,083.21
42700 - Drain Pumping Fee	0.00	260.00
81403 - TSA Checkpoint OTA	1,231.66	1,231.66
85000 - Petro Fund Reimbursement	0.00	2,808.91
85100 - Badging Fees Collected	65.00	85.00
Total Income	1,183,071.03	1,083,251.63
Gross Profit	1,183,071.03	1,083,251.63

Missoula County Airport Authority
Profit & Loss YTD Comparison
December 2025

	Dec 25	Dec 24
Expense		
32401 - Parking Management Fee	7,666.67	8,583.33
32402 - Parking Hourly Wages	30,378.24	29,074.50
32403 - Parking Credit Card Processing	13,352.76	12,411.21
32404 - Parking Adjustments	-375.00	1,699.21
40100 - Wages	369,831.51	368,340.47
40330 - Overtime Wages	8,078.57	3,989.10
40600 - Fringe Benefits Expense	134,869.71	130,228.84
40800 - Legal Services	747.75	952.56
41200 - Insurance Expense	24,989.81	23,593.55
41300 - Accounting Expense	3,605.51	14,964.33
41400 - Phone Charges	3,297.04	3,428.12
41800 - Communication R&M	736.20	1,176.00
42000 - Office Supplies	2,244.27	3,955.99
42100 - Computer Equipment Expense	51.57	1,974.00
42200 - Electricity/Gas Expense	61,840.34	57,088.72
42400 - Water Expense	4,444.38	4,495.30
42500 - Sewer Expense	3,619.82	3,315.71
42600 - Disposal Expense	279.98	2,941.12
42800 - Disposal-Industrial	0.00	19.20
43000 - Petroleum Products Expense	13,108.09	7,005.02
43400 - Vehicle R&M	10,088.80	3,504.87
43800 - Tools/Equipment	3,916.02	1,338.53
44100 - Custodial Services	44,650.00	40,445.00
44200 - Contracted Maintenance	6,427.78	14,334.32
44302 - Jet Bridge R&M	2,289.09	64.93
44400 - Electric Maintenance	1,067.02	2,340.41
44600 - Plumbing Expense	659.58	1,276.28
45000 - Building General R&M	3,205.88	788.12
45104 - Rent Car R&M	4,822.70	3,121.40
45105 - ATCT R&M	66.20	272.36
45106 - USFS Hanger R&M	4,901.43	150.61
45107 - BHS Parts and MX	1,097.70	0.00
45203 - Airfield Maintenance	546.78	1,344.11
45400 - Landside Maintenance	58,090.87	836.20
45600 - Airfield Lighting R&M	22.00	18.28
45703 - Fog Abatement	0.00	772.67
45800 - Snow & Ice Removal	53,835.12	18,194.08
46000 - Custodial Supplies	6,757.25	7,565.49
46400 - Uniform Expense	1,776.06	2,213.54
46600 - Employee Training Expense	188.72	1,080.97
46800 - Travel Expense	5,393.14	2,354.34
47000 - Memberships	1,847.82	2,872.95
47200 - Safety Supplies/Equipment	284.64	2,488.11
47400 - Meals & PR		
47401 - Public Relations		
47411 - Airport Tenant Appreciation	480.25	0.00
47401 - Public Relations - Other	541.99	0.00
Total 47401 - Public Relations	1,022.24	0.00
47402 - Staff Engagement	5,439.90	0.00
47400 - Meals & PR - Other	1,206.47	11,488.27
Total 47400 - Meals & PR	7,668.61	11,488.27
47501 - Marketing		
47502 - Marketing - 2024 SCASD	16,785.38	0.00
47501 - Marketing - Other	14,793.33	11,519.09
Total 47501 - Marketing	31,578.71	11,519.09
47600 - Consultants Expense	8.40	3,675.26
47605 - Landing Fee Commission Expense	2,446.34	1,939.05
47707 - Display Expenses	70.61	0.00
49200 - Petro Cleanup (MT Petro Board)	0.00	2,808.91
49202 - Badging Expenses	995.97	0.00
49203 - Badging / Compliance Contracts	0.00	575.00
49204 - Employee Screening	4,800.00	4,800.00
49205 - Annual IT Support Subscriptions	2,554.44	2,370.30
49206 - On-demand IT Support	3,172.50	1,666.67
49207 - Recurring IT Support Subscripti	3,353.64	2,816.97
49208 - Rental Car Fuel	22,390.64	15,884.37
49209 - ISS CCURE/accesscontrol/camera	736.32	0.00
49300 - Parking		
49303 - Parking - R&M	0.00	582.00
Total 49300 - Parking	0.00	582.00
49600 - Flight Ice	290.00	0.00
80600 - Miscellaneous Expense	0.00	3.98
80611 - BANK Charges	-58.35	-131.28
80625 - TPA - EE benefits and Payroll	5,115.01	1,127.50
80650 - Finance Charges	336.00	163.55
80810 - Bad Debt - non based	1,375.00	0.00
80900 - SCADG Expense	625.97	0.00
89615 - SCASD IN-KIND CONTRIBUTIONS	0.00	0.00
Total Expense	982,143.43	847,903.69
Net Ordinary Income	200,927.60	235,347.94
Other Income/Expense		
Other Income		
31500 - CFCs	66,825.00	52,172.00
70200 - Interest Income-Unrestricted	21,805.66	8,796.61
70400 - Project Restricted Interest	46.98	38.63
80520 - Gain on disposal of asset	0.00	10,000.00
89010 - Federal Programs		
89000 - Airport Improvement Grants	586,007.58	65,926.14
89500 - PFC Contributions	153,812.28	155,188.25
Total 89010 - Federal Programs	739,819.86	221,114.39
Total Other Income	828,497.50	292,121.63
Other Expense		
80140 - Note 2019A Interest Expense	44,530.40	44,530.41
80145 - Note 2019 B Interest Expense	5,463.78	6,781.86
80150 - Note 2022 Interest Expense	97,544.49	44,686.50
80300 - Depreciation	828,390.76	674,220.06
Total Other Expense	975,929.43	770,218.83
Net Other Income	-147,431.93	-478,097.20
Net Income	53,495.67	-242,749.26

**Missoula County Airport Authority
Profit & Loss Budget Performance
December 2025**

	Dec 25	Budget	Jul - Dec 25	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
30100 · Signatory Landing Fees	65,288	58,823	500,229	438,135	845,217 59.18%
30200 · Non Sig Landing Fees	9,233	7,651	56,469	70,086	105,953 53.30%
30210 · Cargo Landing Fees	4,500	8,525	25,247	43,951	82,950 30.44%
30300 · Non-Based Landing Fees	12,242	8,241	245,194	136,311	184,797 132.68%
30400 · Signatory Rent	62,803	53,480	365,376	320,882	658,350 55.50%
30420 · Non-Sig Use Fees	12,042	11,579	76,163	103,196	153,211 49.71%
30430 · Signatory Use Fee	72,610	74,502	561,347	538,794	1,005,044 55.85%
30500 · Equipment/Space/Services	150		1,300		
30507 · Advertising Income	21,536	19,923	132,407	106,205	225,000 58.85%
30509 · Ground Handling	148,606	101,174	640,764	600,663	1,212,371 52.85%
30600 · FBO Rentals	24,982	22,917	146,326	137,500	275,000 53.21%
30800 · Fuel Flowage Fees	2,750	3,043	61,363	62,276	105,000 58.44%
30900 · Fuel Farm Leases	826	375	4,737	2,250	4,500 105.27%
31000 · Coffee Concession	781	933	5,989	6,399	12,000 49.91%
31100 · Restaurant	16,026	13,856	134,447	98,156	198,000 67.99%
31110 · Liquor Concessions	11,227	11,134	83,548	85,480	158,000 52.88%
31300 · Rental Car %	75,345	72,815	1,524,108	1,688,803	2,400,000 63.50%
31400 · Rent Car Rent	43,473	38,750	258,936	232,500	465,000 55.69%
31600 · Rent Car Fuel	22,467	17,994	270,852	259,634	440,000 61.56%
31900 · USFS Hangar Rent	28,333	28,335	162,493	169,989	340,000 47.79%
32100 · Gift Shop Faber	21,311	20,576	191,921	189,321	334,000 57.46%
32300 · Terminal Rent	833		5,000		
32400 · Parking Lot	461,619	438,377	2,543,217	2,542,812	5,095,945 49.91%
32800 · Ag Land Leases	2,248	3,289	13,485	19,733	37,000 36.45%
32900 · Non-Aeronautical Ground Rent	33,904	27,749	174,399	173,996	345,000 50.55%
32910 · Aeronautical Ground Rent	8,636	14,001	62,340	66,911	125,000 49.87%
33000 · Vending	2,113	2,029	21,453	16,690	30,000 71.51%
33800 · Off Airport Rent Cars	1,181	990	72,208	52,830	80,000 90.26%
34000 · Utilities Reimbursement	5,959	2,869	34,379	12,021	35,000 98.23%
34200 · Miscellaneous Income	2,073	13,079	12,495	26,124	30,000 41.65%
34300 · Ground Transport	6,678	5,717	118,530	102,970	155,000 76.47%
34500 · Glycol Disposal	0	0	0	0	0
42700 · Drain Pumping Fee	0	0	0	0	0
81403 · TSA Checkpoint OTA	1,232	1,250	7,390	7,500	15,000 49.27%
85100 · Badging Fees Collected	65	43	10,692	5,638	10,000 106.92%
Total Income	1,183,072	1,084,019	8,524,804	8,317,756	15,162,338 56.22%
Gross Profit	1,183,072	1,084,019	8,524,804	8,317,756	15,162,338 56.22%

**Missoula County Airport Authority
Profit & Loss Budget Performance
December 2025**

	Dec 25	Budget	Jul - Dec 25	YTD Budget	Annual Budget
Expense					
32401 - Parking Management Fee	7,667	46,000			
32402 - Parking Hourly Wages	30,378	182,692			
32403 - Parking Credit Card Processing	13,353	73,486			
32404 - Parking Adjustments	(375)	(2,250)			
40100 - Wages	369,832	399,318	2,275,293	2,352,586	4,776,247 47.64%
40330 - Overtime Wages	8,079	2,964	42,511	32,981	70,000 60.73%
40600 - Fringe Benefits Expense	134,870	148,347	832,179	906,934	1,829,032 45.50%
40800 - Legal Services	748	615	9,535	12,242	30,000 31.78%
41200 - Insurance Expense	24,990	29,572	196,366	147,570	325,000 60.42%
41300 - Accounting Expense	3,606	18,227	83,858	96,266	105,000 79.86%
41400 - Phone Charges	3,297	4,456	26,660	26,824	53,640 49.70%
41800 - Communication R&M	736	1,079	3,316	15,609	21,400 15.50%
42000 - Office Supplies	2,244	2,618	14,454	21,228	35,750 40.43%
42100 - Computer Equipment Expense	52	100	15,887	40,118	47,400 33.52%
42200 - Electricity/Gas Expense	61,840	76,769	272,185	353,056	765,000 35.58%
42400 - Water Expense	4,444	5,391	38,100	44,439	85,000 44.82%
42500 - Sewer Expense	3,620	5,254	23,719	25,747	51,800 45.79%
42600 - Disposal Expense	280	3,612	15,952	21,453	40,000 39.88%
42800 - Disposal-Industrial	0	91	1,774	1,107	6,475 27.40%
43000 - Petroleum Products Expense	13,108	8,163	38,327	35,715	105,036 36.49%
43400 - Vehicle R&M	10,089	3,882	36,728	40,471	103,511 35.48%
43600 - Equipment Rental	0	0	493	215	2,000 24.65%
43800 - Tools/Equipment	3,916	2,540	52,686	56,766	78,867 66.89%
44000 - Landscaping Expense	0	0	0	5,221	10,000 0.00%
44100 - Custodial Services	44,650	46,831	276,495	281,972	580,000 47.67%
44200 - Contracted Maintenance	6,428	8,583	122,704	90,492	157,625 77.85%
44302 - Jet Bridge R&M	2,289	68	7,894	1,035	15,000 52.63%
44400 - Electric Maintenance	1,067	3,146	1,687	10,188	12,000 14.06%
44600 - Plumbing Expense	660	1,602	1,692	5,995	12,000 14.10%
44800 - Mechanical/Supplies	0	0	6,487	2,052	15,000 43.25%
45000 - Building General R&M	3,206	536	20,358	4,574	25,000 81.43%
45104 - Rent Car R&M	4,823	637	23,823	11,489	15,000 158.82%
45105 - ATCT R&M	66	210	11,943	1,024	5,000 238.86%
45106 - USFS Hangar R&M	4,901	237	7,784	593	5,000 155.68%
45107 - BHS Parts and MX	1,098	0	34,791	13,812	75,000 46.39%
45108 - QTA Spare Parts	0	0	32,472	32,000	32,000 101.48%
45203 - Airfield Maintenance	547	1,690	4,461	7,820	55,000 8.11%
45400 - Landside Maintenance	58,091	1,165	61,196	6,071	21,500 284.63%
45600 - Airfield Lighting R&M	22	37	1,378	2,215	15,900 8.67%
45703 - Fog Abatement	0	3,240	507	3,240	3,240 15.65%
45800 - Snow & Ice Removal	53,835	23,713	107,033	77,897	280,515 38.16%
46000 - Custodial Supplies	6,757	7,285	45,614	42,137	80,000 57.02%
46400 - Uniform Expense	1,776	2,354	16,573	50,171	66,113 25.07%
46600 - Employee Training Expense	169	2,201	10,993	44,456	132,097 8.32%
46800 - Travel Expense	5,393	3,773	26,906	64,358	140,911 19.09%
47000 - Memberships	1,848	2,362	30,936	40,539	57,600 53.71%
47200 - Safety Supplies/Equipment	285	2,724	11,085	17,074	32,525 34.08%
47303 - Wildlife Mitigation	0	0	310	8,000	8,000 3.88%
47400 - Meals & PR	7,669	9,010	21,166	30,204	56,500 37.46%
47501 - Marketing	31,579	10,187	123,684	84,591	185,000 66.86%
47600 - Consultants Expense	8	355	1,094	4,376	7,750 14.12%
47605 - Landing Fee Commission Expense	2,448	2,280	37,909	24,320	38,000 99.76%
47707 - Display Expenses	71	208	173	1,250	2,500 6.92%
47717 - VIC Expenses	0	125	0	750	1,500 0.00%
49100 - Fingerprint/STA Charges	0	0	(275)		
49202 - Badging Expenses	996	500	8,394	3,000	6,000 139.90%
49203 - Badging / Compliance Contracts	0	1,792	7,245	10,750	21,500 33.70%
49204 - Employee Screening	4,800	6,430	29,440	13,396	50,000 58.88%
49205 - Annual IT Support Subscriptions	2,554	2,488	57,234	19,942	53,410 107.16%
49206 - On-demand IT Support	3,173	2,681	10,123	36,922	51,000 19.85%
49207 - Recurring IT Support Subscripti	3,354	3,107	15,864	18,293	38,112 41.62%
49208 - Rental Car Fuel	22,391	14,517	277,181	240,923	415,000 66.79%
49209 - ISS CCURE/accesscontrol/camera	736	4,590	119,640	27,540	55,080 217.21%
49300 - Parking	0	0	11	1,942	7,500 0.15%
49600 - Flight Ice	290	540	2,080	3,240	6,000 34.67%
80600 - Miscellaneous Expense	0	0	3	600	600 0.50%
80611 - BANK Charges	(58)	0	3,159	0	0
80625 - TPA - EE benefits and Payroll	5,115	3,464	16,334	18,602	30,000 54.45%
80650 - Finance Charges	336		1,813		
80810 - Bad Debt - non based	1,375		2,232		
80900 - SCADG Expense	626		626		
89610 - Misc. - ATCT	0		7,349		
89615 - SCASD IN-KIND CONTRIBUTIONS	0	0	0		
Total Expense	982,148	887,666	5,887,552	5,596,393	11,408,636 51.61%
Net Ordinary Income	200,924	196,353	2,637,252	2,721,363	3,753,702 70.26%
Net Income	200,924	196,353	2,637,252	2,721,363	3,753,702

MISSOULA COUNTY AIRPORT AUTHORITY
OPERATING REVENUES & OPERATING EXPENSES
For the Period Ended December 31, 2025 and 2024

	July - Dec 25	July - Dec 24	\$ DIFF.	% DIFF.	July - Dec 25 % of Gross	July - Dec 24 % of Gross	Change
Passenger Airline Aeronautical Revenue:							
Passenger airline landing fees (signatory & non-signatory), net air incentives	\$ 556,698	\$ 519,161	\$ 37,537	7%	7%	6%	0%
Terminal arrival fees, rents, net air incentives	1,002,886	904,672	98,213	11%	12%	11%	1%
Total	1,559,583	1,423,833	135,750	10%	18%	17%	1%
Non-Passenger Aeronautical Revenue:							
Landing Fees from Cargo	25,247	35,941	(10,694)	-30%	0%	0%	0%
Landing Fees GA, Military & USFS	245,194	160,358	84,835	53%	3%	2%	1%
FBO revenue; contract or sponsor-operated	151,063	136,025	15,038	11%	2%	2%	0%
Cargo and hangar rentals (USFS hanger & aeronautical ground rent)	224,833	189,448	35,386	19%	3%	2%	0%
Fuel sales and fuel flowage fees	61,363	52,367	8,996	17%	1%	1%	0%
Security Reimbursements from Fed govt.	7,390	7,390	-	0%	0%	0%	0%
Other non-passenger operating revenue (ground handling)	640,764	491,087	149,677	30%	8%	6%	1%
Total	1,355,853	1,072,616	283,237	26%	16%	13%	3%
Non-Aeronautical Revenue:							
Land and non-terminal facility leases and revenues (ag lease & non-aeronautical ground rent)	189,184	203,091	(13,907)	-7%	2%	2%	0%
Terminal-food and beverage	223,984	206,184	17,799	9%	3%	3%	0%
Terminal-retail stores & duty free	191,921	195,675	(3,753)	-2%	2%	2%	0%
Terminal-services and other (advertising, vending, other)	153,860	132,998	20,862	16%	2%	2%	0%
Rental cars-excludes customer facility charges	2,126,104	2,117,222	8,882	0%	25%	26%	-1%
Parking	2,543,217	2,513,537	29,680	1%	30%	31%	-1%
Other (flight crew parking, badging, utilities reimbursement, other)	62,567	177,721	(115,154)	-65%	1%	2%	-1%
Ground transportation	118,530	109,567	8,963	8%	1%	1%	0%
Total	5,609,368	5,655,995	(46,628)	-1%	66%	69%	-4%
Total Operating Revenue	\$ 8,524,804	\$ 8,152,444	\$ 372,359	5%	100%	100%	
Operating Expenses							
Personnel compensation and benefits	\$ 3,149,983	\$ 2,990,296	\$ 159,688	5%	53.50%	57.09%	-4%
Communications and utilities	498,030	355,486	142,544	40%	8.46%	6.79%	2%
Supplies and materials	861,097	723,683	137,413	19%	14.63%	13.82%	1%
Contractual services	1,182,075	1,050,649	131,426	13%	20.08%	20.06%	0%
Insurance, claims and settlements	196,366	117,738	78,629	67%	3.34%	2.25%	1%
Total Operating Expenses	\$ 5,887,552	\$ 5,237,852	\$ 649,700	12%	100%	100%	
Net Operating Income	\$ 2,637,252	\$ 2,914,592	\$ (277,340)				

MISSOULA COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOW
For the Month Ended December 31, 2025

	<u>31-Dec</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,046,162
Cash paid to suppliers	272,672
Cash paid to employees and employee benefits	<u>(627,107)</u>
Net cash flows from operating activities	<u>691,727</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital assets	(734,451)
Federal contributions	642,683
Subsequent collections of capital contributions	<u>8,311</u>
Net cash flows from capital and related financing activities	<u>(83,457)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Customer facility charges	66,825
Passenger facility charges	<u>153,812</u>
Net cash flows from noncapital financing activities	<u>220,637</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment revenue	<u>21,853</u>
Net cash flows from investing activities	<u>21,853</u>
Net change in cash and investments	850,760
Cash and investments, beginning of December, 2025	<u>15,373,384</u>
Cash and investments, end of December, 2025	<u>\$ 16,224,144</u>
 <u>31-Dec</u>	
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Income from operations	\$ 200,928
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Change in receivables and other assets	(130,776)
Change in prepaid expenses	85,130
Change in unearned revenue, advance payment, and deferred inflows	<u>(8,356)</u>
Change in accounts payable and accrued expenses	<u>544,801</u>
Total adjustments	<u>490,799</u>
Net cash flows from operating activities	<u>\$ 691,727</u>

**MISSOULA COUNTY AIRPORT AUTHORITY
LONG-TERM DEBT**
For the Month Ended December 31, 2025

FY 2026	Balance June 30, 2025	Proceeds from Borrowing		Payments	Balance December 31, 2025
Note payable to First Security Bank of Missoula - series 2019A	\$ 13,316,800	\$ -	\$ -	\$ -	\$ 13,316,800
Note payable to First Security Bank of Missoula - series 2019B	2,368,955			(280,510)	2,088,445
****Note payable to First Security Bank of Missoula - series 2022	<u>29,999,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,999,780</u>
	<u>\$ 45,685,535</u>	<u>\$ -</u>	<u>\$ (280,510)</u>	<u>\$ -</u>	<u>\$ 45,405,025</u>
 <u>Note payable activity for the month ended December 31, 2025:</u>	 <u>Amount</u>				
Proceeds from Borrowing	\$ -				
Payments	\$ -				
 <u>Current estimated debt service payment; payable January 1, 2026</u>	 <u>Principal</u>	 <u>Interest</u>	 <u>Total</u>		
*Note payable to First Security Bank of Missoula - series 2019A	\$ -	\$ 133,591	\$ 133,591		
**Note payable to First Security Bank of Missoula - series 2019B	140,692	17,144	157,836		
***Note payable to First Security Bank of Missoula - series 2022	<u>-</u>	<u>292,634</u>	<u>292,634</u>		
	<u>\$ 140,692</u>	<u>\$ 443,369</u>	<u>\$ 584,061</u>		

**Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.98%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2029. All unpaid principal and accrued interest is due and payable on July 1, 2044.*

***Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.04%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2022. All unpaid principal and accrued interest is due and payable on April 1, 2029.*

****Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.87%. Interest is due and payable on the 1st day of each calendar quarter, commencing April 1, 2023, and principal is due and payable on the 1st day of each calendar quarter, commencing July 1, 2032. All unpaid principal of accrued interest is due and payable on April 1, 2047.*



Director's Report

January 23, 2026

Director's Statement: December enplanements ended with an increase of 2.8% as compared to December of last year. Nationally, enplanements were up 0.8%. Happy to report that we had a record year once again, 1,044,780 revenue passengers traveled through our terminal this calendar year, 2.3% increase year over year.

First quarter is looking strong, American, Alaska & United all showing seat growth that continues into spring. With the Zoo town music festival moving into June the weekend prior to the Missoula Marathon we should finish off this fiscal year pretty strong. As you might have heard, Allegiant has proposed moving forward with the acquisition of Sun Country Airlines, attached is some analysis provided by Carrie Kelly from Ailevon Pacific.

Juniper, Shaun and I continue to work with Missoula City Planning Department as new zoning laws are being considered. Both Juniper and I have attended either in person or online several zoning committee meetings as we continue to voice our comments and were available for questions.

Board Agenda:

- Audited Financial Statements
- Rates and Charges
- American Airline Ground Handling Amendment
- Minute Man Aviation Manager Development Update

Explanations are included in your board packet.

Misc: First level bathroom and additional airline office space is finally complete! Just some final punch list items to complete. Gate B4 is now also fully operational and available if needed, so we have 7 jet bridges that can service 8 overnight aircrafts with one additional ground boarding gate that will allow 9 overnight aircraft on our ramp. We are expecting all 7 jet bridges to have overnight aircraft on them this upcoming summer.

Our second AIT (advanced imaging technology-or also known as full body scanner) is now operational at our checkpoint. This will bring much needed capacity for this upcoming summer season.

Staff have been working with our union represented groups as our current 4-year agreements will be coming to an end this fiscal period. We will be focused on getting updated agreements for all parties as we move into FY 2027. We have tentative agreements now in place for two of the three groups. As we finalize those agreements we will bring them to you for your approval.

Tim, Will and I continue to meet biweekly with NWAAAE Chapter representatives as we start planning our hosted event next September as we work to lock down agenda and facilities, more to come!

Missoula County Commissioners wrapped up and selected two new Airport Board members, once again great candidates for them to choose from. We are happy to welcome Richard Huffman and Chey Hughes who will be filling our Alternate Board positions as both Jack Meyer and Shane Stack move into full voting members.

As with past years, Christmas holiday is always our busiest parking period of the year. Once again Christmas day was our peak parking day with over 1556 overnight vehicles across all lots. Our long term parking lot was at 98% occupancy so having our expanded economy lot was greatly needed with close to 400 cars at 64% capacity. With the added spots the overall safety in the lots is vastly improved, less “create your own” parking spots, blocked crosswalks, increased visibility, etc. We had about 300 spots to spare over all lots, that inventory feels like the right number as we move forward into the next couple of years. Also to consider is that we did not have any snow piles which typically take away inventory during the winter. Minuteman Aviation continues to move forward with their hangar replacement project and will be in attendance to give an update on their project as their Minuteman East hanger comes off lease at the end of FY 2027 as we expect to need additional parking space in 2028.

Yesterday the House of Representatives approved two separate measures that would fund DOT/FAA, DHS/TSA/CBP, and other federal departments and agencies beyond January 30 for the remainder of fiscal year 2026, which runs through September. The FY26 DOT/FAA spending measure, which was paired with funding for the Departments of Defense, Labor, and Health and Human Services, was passed on a 341 to 88 vote. The FY26 DHS/TSA/CBP spending bill remains very controversial and only narrowly passed on a 220 to 207 vote. The Senate is expected to consider the funding bills, and two other pending appropriations measures likely as a single package next week, just prior to the January 30 date on which funding for a wide swath of the government is currently scheduled to expire. If the Senate manages to pass these final funding bills as expected, it will close the book on a very long, tumultuous, and disruptive FY26 appropriations process and take the prospect of another government shutdown off the table – at least until the fall.

Looking forward to a great year as we move forward!

Allegiant and Sun Country Combination

January 2026

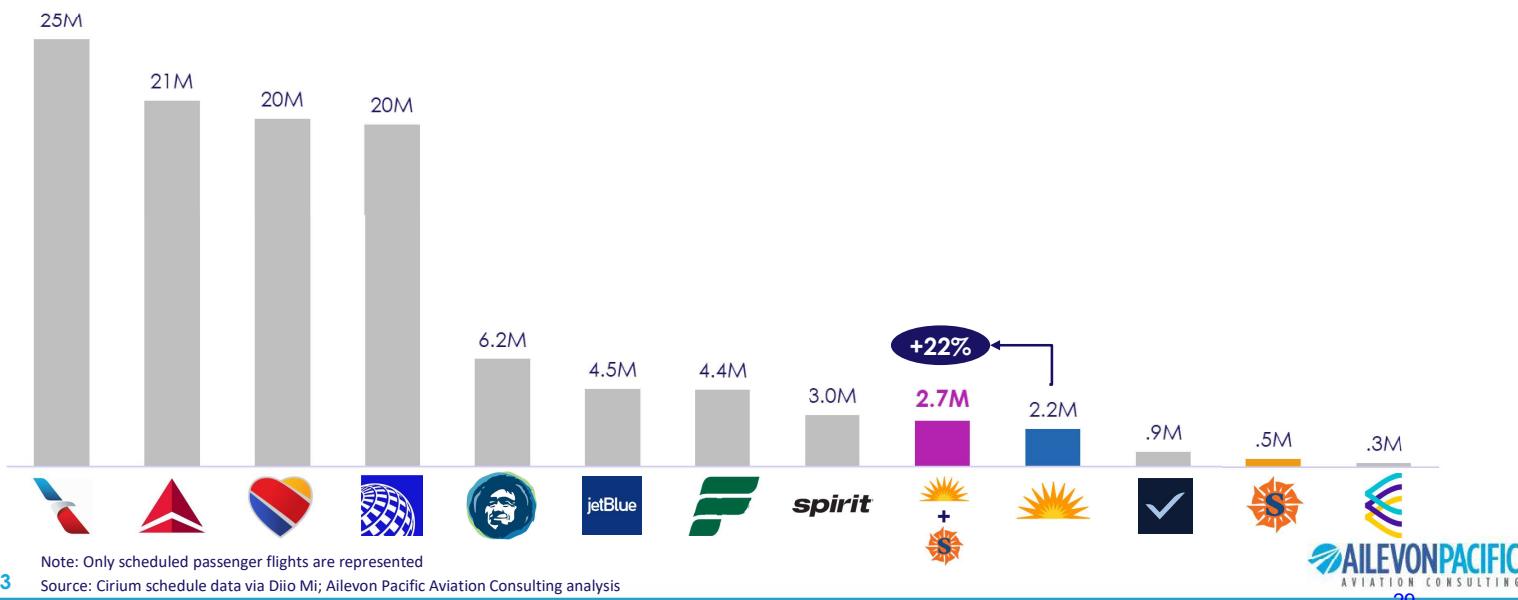
allegiant® + sun country airlines.



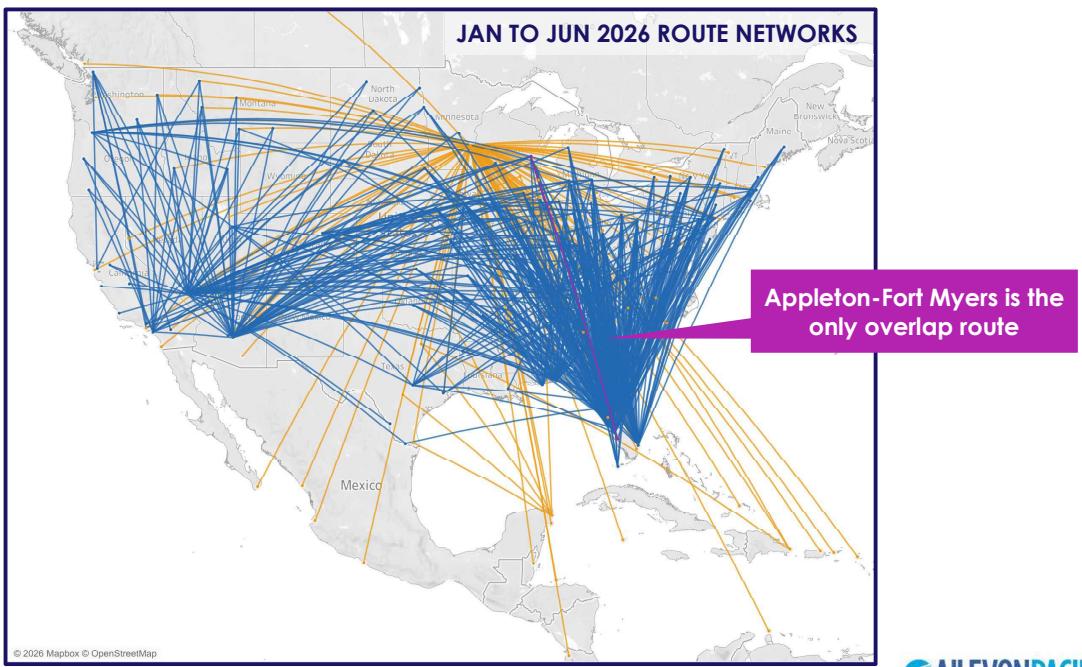
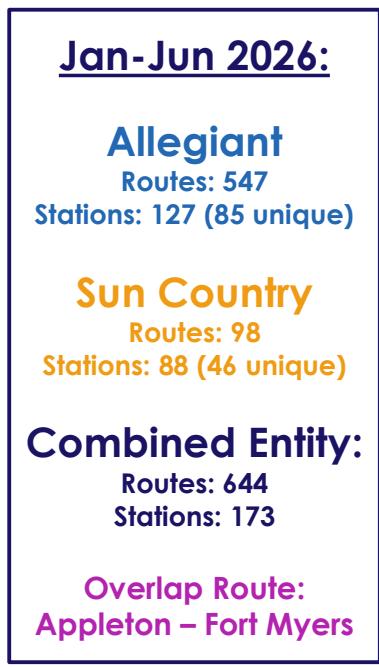
Allegiant monthly capacity will grow ~20% with the addition of Sun Country; combined they are 2.49% of industry seats

USA AIRLINE SEAT CAPACITY

March 2026 seats (domestic & international)



The combination of Allegiant and Sun Country will create growth as there is only 1 single overlap route to consolidate

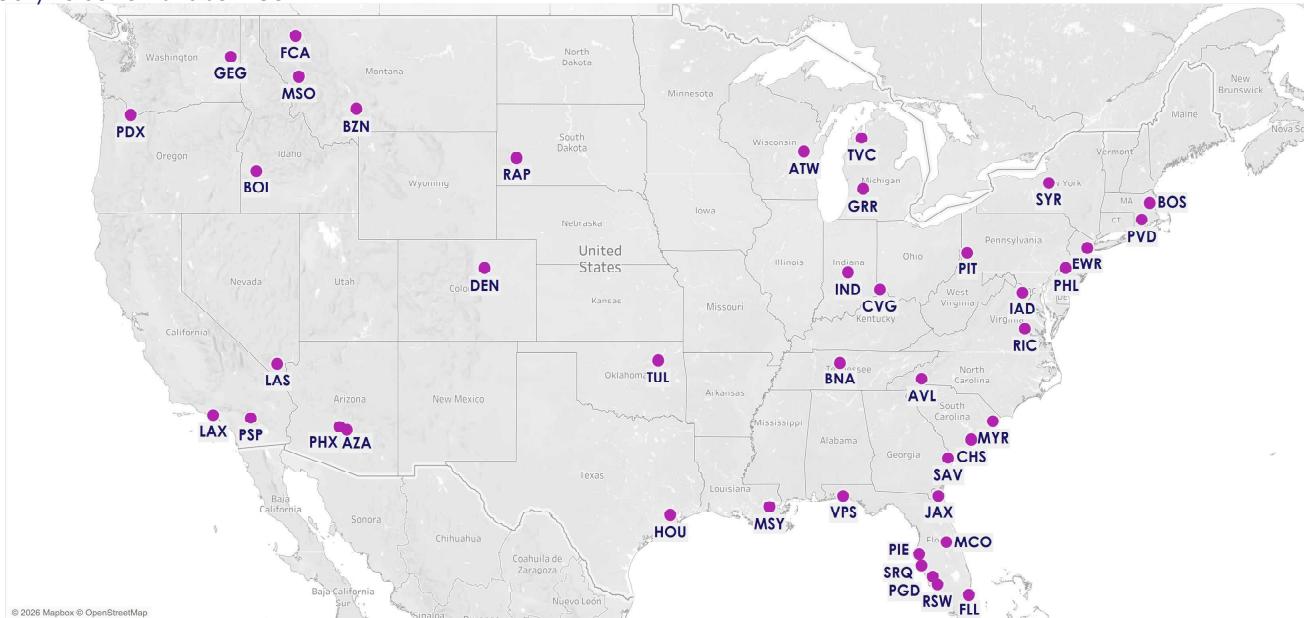


Note: Only scheduled passenger flights are represented
Source: Cirium schedule data via Dlio Mi; Ailevon Pacific Aviation Consulting analysis

Of 173 stations, 42 have service from both Sun Country and Allegiant

STATIONS WITH BOTH ALLEGIANT AND SUN COUNTRY FLIGHTS

January to June 2026 service



© 2026 Mapbox © OpenStreetMap

Note: Only scheduled passenger flights are represented

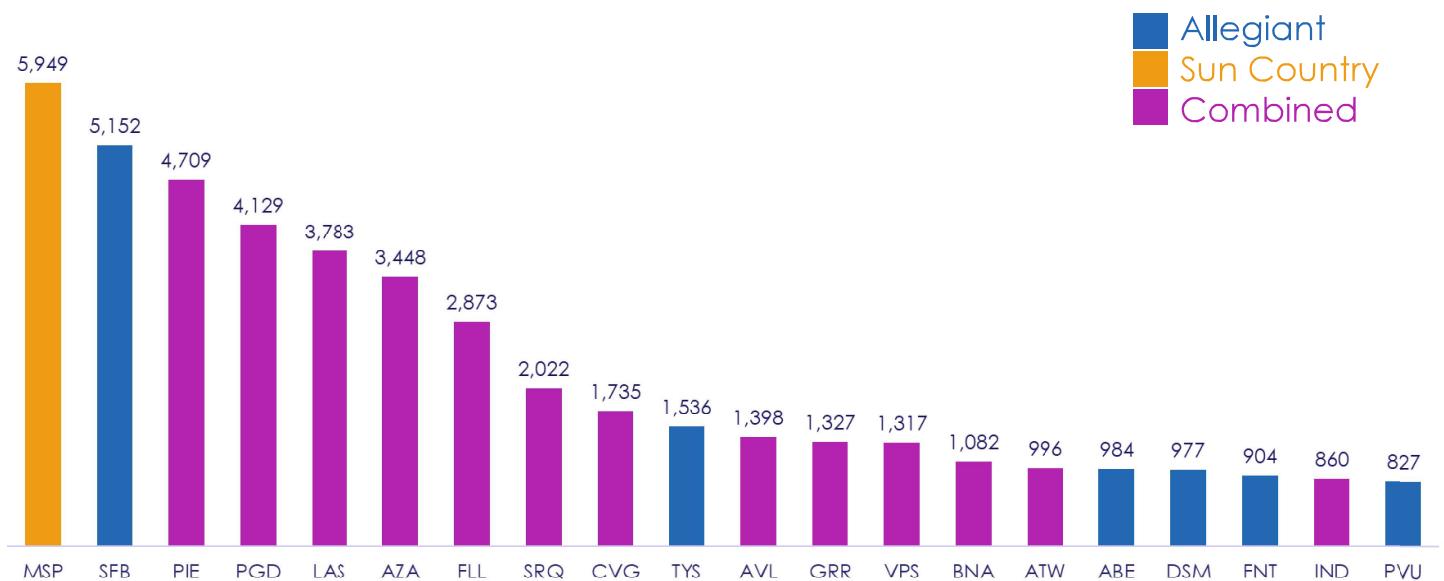
Source: Cirium schedule data via Doo Mi; Ailevon Pacific Aviation Consulting analysis

5

Minneapolis-St. Paul will be the largest station of the combined entity; 13/42 combined stations are in the Top 20

TOP 20 LARGEST STATIONS OF THE COMBINED ENTITY

January to June 2026 operations (departures & arrivals)



Note: Only scheduled passenger flights are represented

Source: Cirium schedule data via Diio Mi; Ailevon Pacific Aviation Consulting analysis

Sun Country adds a unique aircraft type to the Allegiant fleet – more options & also more operational complexity



A319: 156 seats



A320: 180 seats



B737-800: 186 seats



B737MAX8: 190 seats

Source: Cirium schedule data via DiioMi; Ailevon Pacific Aviation Consulting analysis

Thoughts

- Limited overlap allows this merger to be positioned as a growth story
- As the airlines have stated, this merger will result in synergies from a combined frequent flier/credit card program
- Sun Country's international expertise (and already opened stations) gives Allegiant easy international growth options
- This merger will not be as simple as one airline absorbing another – Sun Country's experience in international markets, along with its charter and cargo expertise, will present a learning curve for Allegiant
- Adding another fleet type will allow the combined airline flexibility in deploying the right aircraft for the right mission, but it also brings more operational complexity

Source: Cirium schedule data via Diio Mi; Ailevon Pacific Aviation Consulting analysis

8



Thank You

**Missoula County Airport Authority
Agenda Action Sheet**

Meeting Date: January 27, 2026

TITLE: Approval of Fiscal year 2025 Financial Statements

AGENDA CATEGORY: (Please highlight)
UNFINISHED BUSINESS **NEW BUSINESS** COMMITTEE REPORTS
INFORMATION/DISCUSSION ITEM

TIME REQUIRED: 5 minutes

BACKGROUND INFORMATION: The annual audit report is required by the State of Montana, by the Authority's federal programs, and by the Authority's lenders. The auditors express an opinion as to whether the Authority's financial statements for the periods ending June 30, 2025, and 2024 fairly present the financial position of the Authority. The auditors also provide opinions as to whether the Authority complied with requirements of the Airport Improvement Program (AIP) and the Passenger Facility Charge (PFC) program for the period ending June 30, 2025.

BUDGET INFORMATION: Contracted fees for 2025 audit services are as follows:

Financial statement audit	\$55,125
Single audit (includes one major program)	\$8,820
Passenger facility charge audit	\$5,500
Assistance in drafting the financial statements	\$5,500

The Authority will also be billed for travel expenses, not to exceed \$7,875.

SUPPLEMENTAL AGENDA INFORMATION: The draft audit report is attached. Ashley Osten, Audit Partner at Bakertilly, will be presenting the audit report.

COMMITTEE REVIEW: Finance Committee: January 21, 2026

RECOMMENDED MOTION: Move to approve the annual audit report for fiscal year 2025.

PREPARED BY: William Parnell, Director of Finance and Administration.



Missoula County Airport Authority

2025 Audit Results

**Discussion with the Board of
Commissioners**

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Agenda

1. Your Service Team
2. Auditor Opinions and Reports
3. Required Communications
4. Accounting Update



Your Service Team



Ashley Osten
*Engagement
Reviewer and
Principal*

Ashley.Osten@bakertilly.com
(208) 301-1687



Matt Parsons
*Concurring
Reviewer and
Principal*

Matt.Parsons@bakertilly.com
(949) 221-4093



Taylor Hillmick
Manager

Taylor.Hillmick@bakertilly.com
(541) 225-6036

Auditor Opinions and Reports

Auditor Opinions and Reports

Report of Independent Auditors	<ul style="list-style-type: none">• Unmodified opinion• Financial statements are presented fairly in accordance with US GAAP
GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	<ul style="list-style-type: none">• No control findings• No compliance findings
Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Program and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)	<ul style="list-style-type: none">• No control findings• No compliance findings

Auditor Opinions and Reports

Report on Compliance with Requirements that could have a Direct and Material Effect on the Passenger Facility Charge Program and Report on Internal Control Over Compliance in Accordance with the *Passenger Facility Charge Program Audit Guide for Public Agencies*

- No control findings
- No compliance findings

Required Communications

COMMUNICATION WITH THE BOARD OF COMMISSIONERS

Our Responsibility Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and Government Auditing Standards issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

COMMUNICATION WITH THE BOARD OF COMMISSIONERS

Required Communications

Planned Scope and Timing	Significant Accounting Policies and Unusual Transactions	Management Judgments and Accounting Estimates
<p>The planned scope and timing of the audit was communicated to the Authority's Board of Commissioners during the audit entrance meeting on July 29, 2025.</p>	<p>The significant accounting policies used by the Authority are described in the footnotes to the financial statements. During the year, the Authority adopted GASB 102, <i>Certain Risk Disclosures</i>. There was no impact to the Authority's financial statements as a result of the adoption of this standard.</p>	<p>We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements. We deemed all significant management estimates to be reasonable.</p>

COMMUNICATION WITH THE BOARD OF COMMISSIONERS

Required Communications

Financial Statement Disclosures	Difficulties Encountered in Performing the Audit	Corrected and Uncorrected Audit Adjustments
<p>The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.</p> <p>Note 1 – Summary of Significant Accounting Policies Note 5 – Long-Term Debt Note 6 – Lease of Airport Facilities Note 8 – Public Employees' Retirement System (PERS) Note 12 – Commitments and Contingencies</p>	<p>No significant difficulties were encountered during our audit.</p>	<p>There were no corrected or uncorrected audit adjustments identified during our audit procedures.</p>

COMMUNICATION WITH THE BOARD OF COMMISSIONERS

Required Communications

Consideration of Significant Risks, Exposures, and Uncertainties

The Authority is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.

Disagreements with Management

We are pleased to report that there were no disagreements with management.

Management's Consultation with Other Accountants

We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.

COMMUNICATION WITH THE BOARD OF COMMISSIONERS

Required Communications

Other Material Written Communications	Material Uncertainties Related to Events and Conditions	Fraud and Noncompliance with Laws and Regulations
---------------------------------------	---	---

Other than the engagement letter, signed audit contract, and the management representation letter, there have been no other significant communications.

No such matters came to our attention.

We have not become aware of any instances of fraud or noncompliance with laws and regulations.

Deficiencies in Internal Control

Material Weaknesses

- None noted

Significant Deficiencies and Non-Compliance

- None identified

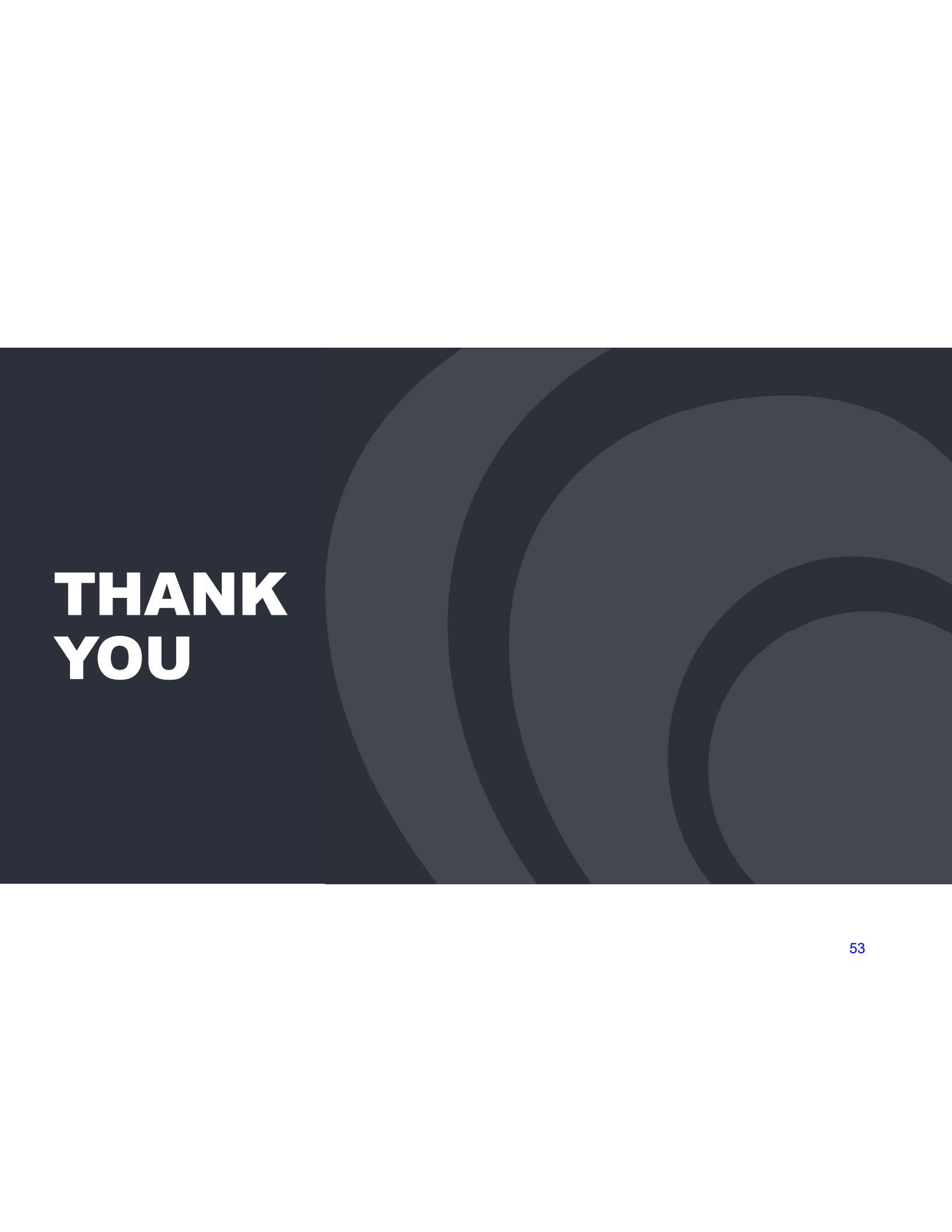
Accounting Update

New Standards

- GASB No. 103, *Financial Reporting Model Improvements* – effective for the Authority's 2026 fiscal year.
- GASB No. 104, *Disclosure of Certain Capital Assets* – effective for the Authority's 2026 fiscal year.
- GASB No. 105, *Subsequent Events* – effective for the Authority's 2027 fiscal year.

Acknowledgements

- Regular communications were held between Baker Tilly, Authority management, and staff throughout the audit.
- All personnel were responsive and fulfilled all requests in a timely manner.
- Tone at the top and attitude of management was one of openness in response to audit requests and discussion points.

The background of the slide features a series of overlapping, dark gray circles of varying sizes, creating a sense of depth and motion. The circles are centered on the right side of the slide.

**THANK
YOU**

DRAFT
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upon for any purpose



Reports of Independent Auditors
and Financial Statements
with Supplementary Information

Missoula County Airport Authority

June 30, 2025 and 2024

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Missoula County Airport Authority
Missoula, Montana
Organization – Board of Commissioners and Administration

Board of Commissioners

Deb Poteet Chair
Patrick Boyle Vice Chair
Adriane Beck Secretary/Treasurer
David Bell Commissioner
Matt Doucette Commissioner
Andrew Hagemeier Commissioner
Winton Kemmis Commissioner
Shane Stack Alternate
Jack Meyer Alternate

Administration

Brian Ellestad Airport Director
Tim Damrow Deputy Director
William Parnell Director, Administration and Finance
Juniper Davis Legal Counsel
Justin Shaffer Chief of Public Safety
Nate Cole Director of Maintenance
Nikki Munro HR Manager
Dan Neuman Business Development Manager
Andrew Bailey Ground Handling Manager
Dylan O'Leary IT Administrator

Report of Independent Auditors

The Board of Commissioners
Missoula County Airport Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Missoula County Airport Authority (the Authority), which comprises the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the 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 financial position of the Authority as of June 30, 2025 and 2024, and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 opinion. 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 Authority'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 Authority'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 management's discussion and analysis, schedule of proportionate share of the PERS net pension liability, schedule of PERS contributions, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of Passenger Facility Charges (PFC) collected and expended as required by the Federal Aviation Administration, *Passenger Facility Charge Audit Guide for Public Agencies*, operating revenues, operating expenses, revenue bond coverage, and federally funded airport projects are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Organization – Board of Commissioners and Administration, the airport operations information, insurance in force, and graphs, 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 **December 17, 2024**, on our consideration of Missoula County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Missoula County Airport Authority'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 Missoula County Airport Authority's internal control over financial reporting and compliance.

Portland, Oregon

December 17, 2024

Management's Discussion and Analysis



MISSOULA COUNTY AIRPORT AUTHORITY MISSOULA, MONTANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

To Whom It May Concern:

We are pleased to present Missoula County Airport Authority's (the Authority) audited financial statements for the fiscal years ended June 30, 2025 and 2024. Independent Certified Public Accountants have issued an unmodified opinion on these financial statements. The discussion and analysis that follows provides an overview of the Missoula County Airport Authority's financial activities for the fiscal year ended June 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Revenues and expenses are recorded when they are earned or incurred regardless of when cash is received or paid.

These two statements report on the Authority's net position and changes in net position. Net position is the difference between assets and deferred outflows, and liabilities and deferred inflows, which is one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating.

MISSOULA COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2025 and 2024

FINANCIAL HIGHLIGHTS

As shown on the **Statements of Net Position**:

	2025	2024	2025 to 2024		As Restated		2024 to 2023	
			Changes	%	2023	Changes		%
Current Assets	\$ 17,752,003	\$ 14,029,935	\$ 3,722,068	27%	\$ 13,656,829	\$ 373,106	3%	
Restricted Assets	6,926,089	1,503,252	5,422,837	361%	2,885,936	(1,382,684)	-48%	
Capital Assets, Net	175,097,887	153,278,083	21,819,804	14%	130,579,198	22,698,885	17%	
Other Assets	1,502,614	1,855,687	(353,073)	-19%	3,596,022	(1,740,335)	-48%	
Deferred Outflows	779,116	978,352	(199,236)	-20%	738,296	240,056	33%	
Total Assets and Deferred Outflows	202,057,709	171,645,309	30,412,400	18%	151,446,281	20,189,028	13%	
Current Liabilities	10,019,405	6,469,722	3,549,683	55%	4,260,811	2,208,911	52%	
Long-term Liabilities	49,729,550	32,662,673	17,066,877	52%	25,665,957	6,996,716	27%	
Deferred Inflows	1,416,560	2,324,808	(908,248)	-39%	4,704,817	(2,380,009)	-51%	
Total Liabilities and Deferred Inflows	61,165,515	41,457,203	19,708,312	48%	34,631,585	6,825,618	20%	
Net Investment In Capital Assets	128,615,465	125,046,068	3,569,397	3%	108,908,534	16,137,534	15%	
Restricted	2,422,582	1,503,252	919,330	61%	2,885,936	(1,382,684)	-48%	
Unrestricted	9,854,147	3,638,786	6,215,361	171%	5,020,226	(1,381,440)	-28%	
Total Net Position	140,892,194	130,188,106	10,704,088	8%	110,336,619	13,373,410	12%	
Total Liabilities, Deferred Inflows & Net Position	\$ 202,057,709	\$ 171,645,309	\$ 30,412,400	18%	\$ 144,529,402	\$ 27,115,907	19%	

Total assets and deferred outflows of \$202,057,709 includes:

- Current assets and restricted assets consisting of \$13,299,607 in cash and investments, \$6,926,089 in restricted cash, \$2,013,298 in accounts receivable and \$2,439,098 in other current assets which includes grants receivable, lease interest receivable, short-term lease receivable, prepaid expenses, and the current portion of the note receivable.
- Net capital assets of \$175,097,887.
- Other assets equal to \$1,502,614 which includes the long-term portion of a note receivable, long-term lease receivable, other long-term assets, and subscription-based information technology arrangements (SBITA) as explained in the notes to the financial statements.
- Deferred outflows of resources of \$779,116, are related to pension and OPEB adjustments as explained in the notes to the financial statements.
- Overall assets and deferred outflows increased by 18%.

MISSOULA COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2025 and 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Total liabilities and net position include:

- Current liabilities including accounts payable of \$6,313,297, accrued interest of \$435,090, liabilities related to payroll and leave balances of \$1,055,381, current portion of long-term debt of \$565,473, current SBITA liabilities of \$82,548, and current portion of contract retainage.
- Long-term liabilities include accrued liabilities of \$311,505, notes payable of \$45,120,062, as well as the Authority's share of the unfunded pension liability in the Public Employees Retirement System of \$4,056,716, SBITA liability of \$123,002, and OPEB liability of \$118,265.
- Deferred inflows of resources include pension adjustments of \$90,210, OPEB adjustments of \$188,974, and leases of \$1,137,376 as discussed in the notes to the financial statements.
- The net position of \$140,892,194 includes \$128,615,465 invested in capital assets net of related debt, \$2,422,852 in restricted net position and \$9,854,147 in unrestricted net position.

As shown on the **Statements of Revenues, Expenses, and Changes in Net Position**:

	2025	2024	2025 to 2024		As Restated	2024 to 2023	
			Changes	%		Changes	%
Operating Revenues	\$ 15,731,229	\$ 12,459,348	\$ 3,271,881	26%	\$ 11,749,606	\$ 709,742	6%
Operating Expenses	(11,335,063)	(9,862,647)	(1,472,416)	15%	(8,597,802)	(1,264,845)	15%
Depreciation	(8,102,523)	(7,962,603)	(139,920)	2%	(8,041,045)	78,442	-1%
Other Expense	(1,058,901)	(719,233)	(339,668)	47%	(493,121)	(226,112)	46%
Capital Contributions	<u>15,469,346</u>	<u>19,458,545</u>	<u>(3,989,199)</u>	-21%	<u>11,860,439</u>	<u>7,598,106</u>	64%
Change in Net Position	<u>\$ 10,704,088</u>	<u>\$ 13,373,410</u>	<u>\$ (2,669,322)</u>	-20%	<u>\$ 6,478,077</u>	<u>\$ 6,895,333</u>	106%

Overall net position decreased by \$2,669,322 resulting from:

- A net loss from operations of \$3,706,357, which is the net of operating income \$4,396,166, less depreciation of \$8,102,523.
- Capital contributions of \$15,469,346 include \$13,332,701 in federal grants, \$2,079,416 in passenger facility charge (PFC) collections, and \$57,229 in state grants.
- Other revenue (expense) includes interest expense of \$1,347,510, interest revenue of \$272,246, amortization of \$101,843, insurance recovery of \$100,206, and gain on disposal of asset of \$18,000.

MISSOULA COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2025 and 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

Revenue from operations before depreciation include:

- Operating revenues of \$15,731,229 increased by 26% from the previous fiscal year, driven primarily by increases in parking, car rental, concessions, and terminal-related activity. Sources of operating revenue continue to be diversified over air carrier landing and use fees, terminal rent, car rentals including customer facility charges, parking fees, land leases, ground services, concessions, and fuel flowage fees.
- Operating expenses of \$11,335,063 (before depreciation) increased by \$1,472,416 or 15% from the previous fiscal year, reflecting higher personnel costs, contracted services, and activity-driven operating requirements.
- Details of operating revenues and expenses can be found in the Supplementary Information section of this report.
- Details of federally funded projects can be found in the Supplementary Information section of this report.
- The Authority received no local property tax revenues.

CAPITAL ASSETS

- At the end of fiscal year 2025 the Authority has \$286,199,806 of capital assets, comprised of \$71,286,361 in non-depreciable assets, and \$214,913,445 in depreciable assets. Capital assets at fiscal year end include land, airfield and other land improvements, buildings, equipment, vehicles, furniture/fixtures, studies, and construction in progress. Additional information can be found in the Notes to the Financial Statements.
- The annual depreciation expense was \$8,102,523.
- The amount of new capital asset investment during the year was \$26,735,095.
- Capital asset additions, deletions and depreciation resulted in a net increase to property and equipment of \$21,819,804.
- At year end, the amount invested in capital assets, net of related debt, totaled \$128,615,465.
- At year end, \$45,685,535 of debt existed related to capital assets.

The year end construction in progress balance consisted of expenditures incurred for aviation improvements and planning, parking expansion, pavement rehabilitation, and the terminal replacement project.

DEBT

- The Authority secured financing from a local lender, to partially fund the terminal replacement project. Further information regarding the terms and structure of the debt can be found in the notes to the financial statements.
- At fiscal year end the Authority had \$45,685,535 in debt related to the terminal replacement project.
- The Authority maintained full compliance with all debt covenants, including a debt service coverage ratio of 3.25, exceeding the required 1.25 minimum.

MISSOULA COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2025 and 2024

OTHER ECONOMIC INFORMATION

- Commercial passenger traffic grew during fiscal year 2025, with enplanements increasing from 475,040 to 528,295, reflecting continued demand for both leisure and regional business travel. Deplanements and aircraft operations followed similar patterns, contributing to increased terminal, rental car, parking, and concession revenues. Although passenger activity remains subject to variability in airline scheduling, fuel costs, and broader economic conditions, overall activity levels demonstrate sustained interest in air travel to and from Missoula, MT.
- In July 2022, the Authority began work on the East Concourse phase of the terminal project. The new concourse will include 4 additional boarding gates, a permanent baggage claim area, and space for rental car operations. The project is budgeted at approximately \$42 million and expected to be completed in early 2026.

This financial report is designed to provide interested parties with a general overview of Missoula Montana Airport Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Finance Manager, at Missoula Montana Airport Authority, 5225 Hwy 10 West, Missoula, MT 59808.

Financial Statements

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Missoula County Airport Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and investments	\$ 13,299,607	\$ 8,531,451
Accounts receivable	2,013,298	1,721,660
Grants receivable	1,936,246	1,965,568
Current portion of note receivable	100,000	100,000
Lease interest receivable	3,071	9,697
Short-term lease receivable	213,875	1,590,049
Prepaid expenses and other assets	185,906	111,510
	<hr/>	<hr/>
Total current assets	17,752,003	14,029,935
	<hr/>	<hr/>
RESTRICTED ASSETS		
Money market accounts - east concourse construction	4,503,507	-
Cash - passenger facility charges	2,422,582	1,503,252
	<hr/>	<hr/>
Total restricted assets	6,926,089	1,503,252
	<hr/>	<hr/>
CAPITAL ASSETS, NET	<hr/>	<hr/>
	175,097,887	153,278,083
	<hr/>	<hr/>
OTHER LONG-TERM ASSETS		
Note receivable, net of current portion	160,259	700,518
Lease receivable, net of current portion	1,001,493	737,144
SBITA, net	292,441	367,183
Other long-term assets	48,421	50,842
	<hr/>	<hr/>
Total other assets	1,502,614	1,855,687
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB adjustments	131,907	155,403
Pension contributions and adjustments	647,209	822,949
	<hr/>	<hr/>
Total deferred outflows of resources	779,116	978,352
	<hr/>	<hr/>
Total assets and deferred outflows of resources	<hr/>	<hr/>
	\$ 202,057,709	\$ 171,645,309

See accompanying notes.

Missoula County Airport Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,023,405	\$ 5,417,334
Current portion of compensated absences	468,858	426,889
Deferred revenue	22,480	-
Current portion of SBITA liability	82,548	76,957
Current portion of contract retainage	1,856,641	-
Current portion of long-term debt	565,473	548,542
Total current liabilities	<u>10,019,405</u>	<u>6,469,722</u>
LONG TERM LIABILITIES		
Compensated absences, net of current portion	311,505	282,314
SBITA liability, net of current portion	123,002	183,948
Long-term debt, net of current portion	45,120,062	26,557,036
Contract retainage	-	1,232,715
OPEB liability	118,265	255,663
Pension liability	4,056,716	4,150,997
Total long-term liabilities	<u>49,729,550</u>	<u>32,662,673</u>
Total liabilities	<u>59,748,955</u>	<u>39,132,395</u>
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	90,210	148,056
OPEB adjustments	188,974	51,450
Leases	1,137,376	2,125,302
Total deferred inflows of resources	<u>1,416,560</u>	<u>2,324,808</u>
NET POSITION		
Net investment in capital assets	128,615,465	125,046,068
Restricted	2,422,582	1,503,252
Unrestricted	9,854,147	3,638,786
Total net position	<u>\$ 140,892,194</u>	<u>\$ 130,188,106</u>

See accompanying notes.

Missoula County Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Landing field	\$ 1,316,579	\$ 1,177,873
Terminal	13,369,872	10,258,449
Fixed base/government	267,494	262,290
Industrial park	777,284	760,736
Total operating revenues	15,731,229	12,459,348
DIRECT OPERATING EXPENSES		
	(11,335,063)	(9,862,647)
REVENUE FROM OPERATIONS BEFORE DEPRECIATION	4,396,166	2,596,701
DEPRECIATION	(8,102,523)	(7,962,603)
LOSS FROM OPERATIONS	(3,706,357)	(5,365,902)
NONOPERATING REVENUE (EXPENSE)		
Interest revenue	272,246	232,497
Interest expense	(1,347,510)	(894,789)
Other expense	(1,637)	(56,941)
Gain on disposal of capital asset	18,000	-
Total nonoperating expense	(1,058,901)	(719,233)
LOSS BEFORE CONTRIBUTIONS	(4,765,258)	(6,085,135)
CONTRIBUTIONS		
Federal government	13,332,701	17,472,210
State grants	708	-
Pension revenue – State aid	56,521	107,755
Passenger facility charges	2,079,416	1,878,580
Total contributions	15,469,346	19,458,545
CHANGE IN NET POSITION	10,704,088	13,373,410
NET POSITION, beginning of year	130,188,106	116,814,696
NET POSITION, end of year	\$ 140,892,194	\$ 130,188,106

See accompanying notes.

Missoula County Airport Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 15,597,185	\$ 12,022,372
Cash paid to suppliers	(2,608,114)	(3,659,133)
Cash paid to employees and employee benefits	<u>(6,303,455)</u>	<u>(5,720,363)</u>
Net cash flows from operating activities	<u>6,685,616</u>	<u>2,642,876</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital assets	(29,922,326)	(30,661,488)
Proceeds on sale of capital asset	18,000	-
Change in construction-related payables	(372,408)	2,283,293
Interest paid on long-term debt	(1,132,659)	(854,366)
Proceeds on long-term debt	19,128,500	8,296,000
Principal payments on long-term debt	(548,543)	(2,532,196)
Federal contributions	13,362,023	17,020,488
State grants	708	-
Capital contributions	542,680	102,162
Passenger facility charges	<u>2,079,416</u>	<u>1,878,580</u>
Net cash flows from capital and related financing activities	<u>3,155,391</u>	<u>(4,467,527)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Pension revenue – State aid	56,521	107,755
Insurance and funds recovery	<u>100,206</u>	<u>23,491</u>
Net cash flows from noncapital financing activities	<u>156,727</u>	<u>131,246</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>193,259</u>	<u>80,501</u>
Net cash flows from investing activities	<u>193,259</u>	<u>80,501</u>
Net change in cash and investments	10,190,993	(1,612,904)
Cash and investments, beginning of year	<u>10,034,703</u>	<u>11,647,607</u>
Cash and investments, end of year	<u>\$ 20,225,696</u>	<u>\$ 10,034,703</u>

See accompanying notes.

Missoula County Airport Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH AND CASH INVESTMENTS ARE PRESENTED IN THE ACCOMPANYING STATEMENTS OF NET POSITION UNDER THE FOLLOWING CAPTIONS		
Cash and investments	\$ 13,299,607	\$ 8,531,451
Money market accounts - east concourse construction	4,503,507	-
Restricted Cash - passenger facility charges	<u>2,422,582</u>	<u>1,503,252</u>
	<u><u>\$ 20,225,696</u></u>	<u><u>\$ 10,034,703</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	\$ (3,706,357)	\$ (5,365,902)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	8,102,523	7,962,603
Pension and OPEB adjustments	42,868	229,718
Change in receivables	(291,638)	99,031
Change in prepaid expenses and other assets	(74,396)	(22,365)
Lease and SBITA adjustments	118,995	117,443
Change in unearned revenue and deferred inflows	22,480	(729,998)
Change in accounts payable and accrued liabilities	<u>2,471,141</u>	<u>352,346</u>
Total adjustments	<u><u>10,391,973</u></u>	<u><u>8,008,778</u></u>
Net cash flows from operating activities	<u><u>\$ 6,685,616</u></u>	<u><u>\$ 2,642,876</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES		
Change in pension and OPEB liability, net	<u><u>\$ 42,868</u></u>	<u><u>\$ 229,718</u></u>

See accompanying notes.

Missoula County Airport Authority

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Reporting entity – The Missoula County Airport Authority (the Authority) was established on December 29, 1980, through adoption of Resolution Number 80-183 by Missoula County, creating a municipal airport authority conferred with all the powers authorized by Title 67, Chapter 11, Montana Code Annotated. On March 23, 2005, the Missoula County Commissioners adopted Resolution Number 2005-033 to expand the Authority governing Board of Commissioners from five to seven members, two of whom are in the employ of Missoula County. The Commissioners of the Authority serve five-year staggered terms and are appointed by the Missoula County Commissioners.

The County Commissioners appoint the Authority's governing board, but cannot impose their will on the Authority, nor does the County derive any benefit or burden from the Authority. Therefore, the Authority is not considered to be a component unit of the County. Under criteria established by the Governmental Accounting Standards Board (GASB), there are no organizations that are considered to be component units of the Authority.

Nature of operations – The Authority provides airfield, terminal and related facilities to air carriers, charter service operators and other transportation-related concessionaires under various use and lease agreements. These users are granted short-term credit on monthly billings for use fees, rentals and other services. The airport is also open to the public for general aviation use.

Basis of presentation and measurement focus – The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units, and follow proprietary fund reporting. GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority's financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. The Authority's financial statements are presented using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they occur while expenses are recognized in the period incurred, regardless of the timing of related cash flows.

Operating revenues are those revenues that are generated from the primary operations of the Authority. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the Authority. All other expenses are considered non-operating expenses.

New accounting pronouncement – The Authority has adopted the provisions of the following GASB pronouncement for fiscal year 2025:

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The adoption of this standard did not have an impact on the Authority's financial statements.

Missoula County Airport Authority

Notes to Financial Statements

The Authority adopted the provisions of the following GASB pronouncements for fiscal year 2024:

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, effective for the Authority's fiscal year beginning July 1, 2023. The statement defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error correction. The adoption of this statement did not have a material effect on the Authority's financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for the Authority's fiscal year beginning July 1, 2024. The statement updates the recognition and measurement guidance for compensated absences to better meet the information needs for financial statement users. The Authority early-adopted this standard during the year ended June 30, 2024. The adoption of the standard did not have a material impact on the Authority's financial statements.

Classification of net position

Net Investment in capital assets – This is the Authority's investment in capital and leased assets, net of accumulated depreciation and amortization, related notes payable, unexpended note proceeds, SBITA liabilities, as well as deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets and related debt.

Restricted net position – These are resources that are expendable only for specified purposes. As of June 30, 2025 and 2024, the Authority's restricted net position is primarily designated for debt service payments in accordance with requirements under the Passenger Facility Charge (PFC) program.

Unrestricted net position – These are resources over which the governing board has discretionary control.

Cash – For purposes of the statement of cash flows, the Authority considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents, including Montana Short-term Investment Pool (STIP) amounts and restricted cash.

Investments – Investments consist of debt service reserve amounts on deposit with the revenue notes trustee. Under the terms of the related notes payable, debt service reserve investments are restricted to qualified investments, which generally consist of U.S. government obligations, obligations of U.S. agencies guaranteed by the full faith and credit of the United States, STIP investments, repurchase agreements, and institution deposits that are secured by appropriate securities or insurance. Investments are reported at fair value.

Grants receivable – The Authority records grants on a reimbursement basis, mostly related to construction of the Authority's facilities. No allowance was necessary due to the collectability of the balance at June 30, 2025 and 2024.

Note receivable – In fiscal year 2022, the Authority incurred \$1,000,000 in capital improvement costs that will be repaid by a food and beverage concessioner over a ten-year term note. The note is non-interest bearing and requires monthly principal payments beginning July 1, 2022, in the amount of \$8,333 per month, or \$100,000 annually. Management has determined imputed interest to be immaterial. During fiscal year 2025, the concessionaire made advanced principal payments totaling \$440,517 on the note.

Missoula County Airport Authority

Notes to Financial Statements

Capital assets – Capital assets are recorded at cost, including freight and delivery costs incidental to placing the assets into service. Repairs and maintenance are expensed when incurred and betterments costing more than \$15,000 are capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as follows:

Airfield improvements	5-15 years
Building and related improvements	5-30 years
Other land improvements	5-15 years
Equipment	5-15 years
Furniture and fixtures	3-5 years
Vehicles	5-10 years
Studies	5-10 years

Costs relating to the construction or expansion of Authority property and equipment are recorded as construction in-progress until the project is completed and placed into service.

Leases – Lease receivables and deferred inflows of resources are reported on the statements of net position. At the commencement of a lease, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Subscription-based information technology arrangements (SBITAs) – SBITA intangible right-to-use assets and liabilities are reported under other long-term assets, and current and long term liabilities, respectively, on the statements of net position. At the commencement of the agreement, SBITA liabilities are measured at the present value of payments expected to be made during the contract term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the contract commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

The interest rate charged by the SBITA vendor is used as the discount rate. When the interest rate charged by the vendor is not provided, the Authority's estimated incremental borrowing rate is used. The SBITA term includes the noncancelable period of the agreement. SBITA payments included in the measurement of the liability are composed of fixed payments and purchase option price, if applicable, that is reasonably certain to be exercised.

Impairment of long-lived assets – The Authority evaluates its capital and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Federal capital contributions – The Authority receives capital contributions from the U.S. Department of Transportation for airport construction, development and planning and are recorded as contributions as expenditures are incurred.

Missoula County Airport Authority

Notes to Financial Statements

Passenger facility charges – The Authority is authorized under Federal Aviation Administration (FAA) regulations to charge a passenger facility charge of four dollars and fifty cents (\$4.50) per enplaned passenger to fund designated capital projects. The passenger facility charges (PFCs) are collected by air carriers and remitted to the Authority on a monthly basis, net of an administrative fee retained by the carriers. PFCs are accounted for in a manner similar to federal capital contributions. PFC cash and related interest earnings are maintained in a separate bank account until disbursed for a qualified project.

Compensated absences – Employees of the Authority are compensated for vacation and sick leave absences. Unused vacation benefits are fully accrued and may be accumulated up to a total not to exceed two times the maximum number of days earned annually as of the end of the first pay period of the next calendar year. Sick leave that has been earned and is expected to be used is recorded within the Authority's compensated absences liability. Additionally, 25 percent of accumulated unused sick leave is accrued per Montana Code Annotated (MCA). There is no maximum accrual for sick leave hours; however, the Authority only records the amount anticipated to be used.

Airline revenues – The Authority has executed airline use agreements with three carriers, while other carriers remain subject to rates and charges established by resolution. The resolution and use agreements specify a combination of compensatory and residual rate-making methods for various cost centers. The effects of differences between estimated and actual amounts in the residual cost center are reconciled and resolved once the annual audit has been substantially completed. The reconciliation revealed no amount due to the airlines at June 30, 2025 and 2024.

The current airline use agreements are effective from July 1, 2022, through June 30, 2027, and include an optional three-year renewal period. Effective June 1, 2025, the Authority executed an additional airline use agreement with one carrier under the same terms and conditions.

Marketing – Marketing costs represent expenditures related to air service development. These costs are charged to operations in the year incurred and totaled \$209,198 and \$203,698, in 2025 and 2024, respectively.

Use of estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Missoula County Airport Authority

Notes to Financial Statements

Note 2 – Cash and Investments

Cash and investments at June 30 were as follows:

	2025	2024
Petty cash	\$ 300	\$ 300
Cash in checking, general	2,283,780	4,643,575
Project checking account	5,000	5,000
Undeposited funds	-	2,940
U.S. Forest Service account	160,504	160,360
Payroll checking account	121,990	128,747
PFC cash account	2,422,582	1,503,252
CFC account	322,047	321,758
Short-term investment pool (STIP)	982,762	937,638
Money market accounts	9,414,184	2,322,855
East concourse construction	4,503,507	-
Flex - benefits	8,708	6,903
Direct deposit account	-	1,043
Contingency account (Debt service account)	<u>332</u>	<u>332</u>
	<u><u>\$ 20,225,696</u></u>	<u><u>\$ 10,034,703</u></u>

Cash and investments are presented in the statements of net position as follows at June 30:

	2025	2024
Cash and investments	\$ 13,299,607	\$ 8,531,451
Restricted assets		
Cash - passenger facility charges	2,422,582	1,503,252
Money market accounts - east concourse construction	<u>4,503,507</u>	<u>-</u>
Total cash and investments	<u><u>\$ 20,225,696</u></u>	<u><u>\$ 10,034,703</u></u>

The Authority reports certain investments at fair value in the statements of net position and recognizes the corresponding change in the fair value of investments in the year in which the change occurred in the statements of revenues, expenses, and changes in net position.

Fair value measurements – The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these assets are valued using quoted prices in active markets); Level 2 inputs are significant other observable inputs (these assets are valued using matrix pricing); and Level 3 inputs are significant unobservable inputs (these assets are valued using consensus pricing). All of the Authority's assets are valued using Level 1 inputs.

Missoula County Airport Authority

Notes to Financial Statements

Deposits

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the Authority's deposits may not be returned, or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires that all deposits are insured by an agency of the United States Government and deposits in excess of insurance require pledged securities in compliance with Section 7-6-207 of the MCA. Third-party safekeeping of collateral is mandatory and pledged securities are valued at market rather than face value. All deposits were insured or collateralized at June 30, 2025 and 2024.

Custodial credit risk for deposits is not formally addressed by bond indentures or pension trust policy. Indentures require that the trustee bank specified in the indenture maintain restricted deposits.

Investment Policies

Credit Risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by the Authority's Commissioners complying with State Statutes and any applicable Attorney General, County Attorney, and Airport Authority-retained counsel's opinions. Authority funds may be invested in obligations of the U.S. Treasury and U.S. Government Agencies, interest-bearing certificates of deposit and repurchase agreements. Statutes require that securities underlying repurchase agreements must have a market value of at least 100% of the cost of the repurchase agreement.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy requires the Authority's investment portfolio to be diversified in instruments, institutions, and maturity dates to preclude losses due to defaults or market price changes. The Authority may diversify by investing with local financial institutions, STIP, or by purchasing qualified U.S. government securities to the extent it is consistent with the policy objectives on safety of capital and return on investment.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Authority's investments in a single issuer. The Authority's investment policy requires that investments be diversified in instruments, institutions, and maturity dates.

External Investment Pool

STIP is managed by a State agency, the Montana Board of Investments, and invests in short-term, highly liquid investments. Amounts invested may be redeemed at any date at the carrying value on that date. The STIP unit value is fixed at \$1 for both purchases and redemption. A purchased unit earns income on the purchase date and ceases to earn income on the day before the unit is sold. Income is distributed on the first calendar day of each month and is generally reinvested in additional units.

STIP is not registered with the Securities and Exchange Commission (SEC), but it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940 (similar to a money market fund). The net asset value of the pooled investments is determined annually and is based on year-end market prices.

Missoula County Airport Authority

Notes to Financial Statements

Credit risk reflects the security quality rating, by investment security type. If a security type is not rated, the quality type is indicated by NR (not rated). Although the individual investment types in STIP have been rated, STIP, as an external investment pool, has not been rated by the Nationally Recognized Statistical Rating Organizations (NRSRO). The NRSRO consists of Standard and Poor (S&P), Moody's, Duff and Phelps, Fitch, IBCA, and Thompson's Bank Watch. The S&P rating service provides the short-term credit ratings. If an S&P rating is not available, a Moody's rating has been used. An AI+ rating is the highest short-term rating by the S&P rating service.

Audited financial statements for STIP may be obtained from: the State of Montana's Board of Investments, P.O. Box 200126, Helena, MT 59620-0126.

Note 3 – Accounts Receivable

Accounts receivable include amounts due from air carriers, car rentals, and parking facilities. These receivables are due within one year. It is the Authority's policy to charge off receivables when management determines the receivable will not be collected. Based upon management's analysis, an allowance for uncollectible accounts is not considered necessary.

At June 30, accounts receivable consisted of the following:

	<u>2025</u>	<u>2024</u>
Trade	\$ 1,723,590	\$ 1,475,037
Advertising	6,370	33,243
Ground handling	<u>283,338</u>	<u>213,380</u>
	<u><u>\$ 2,013,298</u></u>	<u><u>\$ 1,721,660</u></u>

Missoula County Airport Authority

Notes to Financial Statements

Note 4 – Capital Assets

A summary of capital assets at June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets not being depreciated					
Land	\$ 11,617,234	\$ -	\$ -	\$ -	\$ 11,617,234
Construction in progress	35,254,533	27,630,176	(14,175)	(3,201,407)	59,669,127
Total capital assets not being depreciated	46,871,767	27,630,176	(14,175)	(3,201,407)	71,286,361
Capital assets being depreciated					
Land improvements	20,577,484	-	-	1,671,460	22,248,944
Buildings	86,914,752	-	-	477,561	87,392,313
Runways, taxiways, apron	80,352,367	8,865	-	-	80,361,232
Air traffic control tower	6,513,530	-	-	-	6,513,530
Studies	1,925,407	-	-	-	1,925,407
Machinery and equipment	3,854,182	37,218	(57,575)	630,336	4,464,161
Vehicles	7,801,370	2,260,243	(2,369)	422,050	10,481,294
Furniture and fixtures	1,526,564	-	-	-	1,526,564
Total capital assets being depreciated	209,465,656	2,306,326	(59,944)	3,201,407	214,913,445
Less accumulated depreciation	<u>(103,059,340)</u>	<u>(8,102,523)</u>	<u>59,944</u>	<u>-</u>	<u>(111,101,919)</u>
Capital assets, net	\$ 153,278,083	\$ 21,833,979	\$ (14,175)	\$ -	\$ 175,097,887

Missoula County Airport Authority

Notes to Financial Statements

A summary of capital assets at June 30, 2024, follows:

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Capital assets not being depreciated					
Land	\$ 11,617,234	\$ -	\$ -	\$ -	\$ 11,617,234
Construction in progress	14,749,945	30,525,863	-	(10,021,275)	35,254,533
Total capital assets not being depreciated	26,367,179	30,525,863	-	(10,021,275)	46,871,767
Capital assets being depreciated					
Land improvements	20,577,484	-	-	-	20,577,484
Buildings	86,569,968	25,012	-	319,772	86,914,752
Runways, taxiways, apron	70,927,696	-	-	9,424,671	80,352,367
Air traffic control tower	6,513,530	-	-	-	6,513,530
Studies	1,925,407	-	-	-	1,925,407
Machinery and equipment	3,511,933	65,417	-	276,832	3,854,182
Vehicles	7,821,686	45,196	(65,512)	-	7,801,370
Furniture and fixtures	1,526,564	-	-	-	1,526,564
Total capital assets being depreciated	199,374,268	135,625	(65,512)	10,021,275	209,465,656
Less accumulated depreciation	(95,162,249)	(7,962,603)	65,512	-	(103,059,340)
Capital assets, net	<u>\$ 130,579,198</u>	<u>\$ 22,698,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,278,083</u>

Note 5 – Long-Term Debt

Long-term debt from direct borrowings at June 30 consisted of the following:

	2025	2024
Airport revenue note - series 2019A	\$ 13,316,800	\$ 13,316,800
Airport revenue note - series 2019B	2,368,955	2,917,498
Airport revenue note - series 2022	<u>29,999,780</u>	<u>10,871,280</u>
Current portion of long-term debt	<u>45,685,535</u>	<u>27,105,578</u>
	<u>(565,473)</u>	<u>(548,542)</u>
	<u><u>\$ 45,120,062</u></u>	<u><u>\$ 26,557,036</u></u>

The Authority's outstanding notes from direct borrowings of \$45,685,535 and \$27,105,578 at June 30, 2025 and 2024, respectively, are secured by net revenues, passenger facility charges and customer facility charges. The outstanding notes from direct borrowings require certain covenants, among other things, that net operating revenues equal at least 125 percent of the debt service requirement (the rate covenant), minimum levels of insurance coverage, and compliance with PFC regulations. The notes are subject to redemption and prepayment in whole or in part at the option of the Authority.

Missoula County Airport Authority

Notes to Financial Statements

Airport Revenue Note Series 2019A was issued in August 2019 as a draw down obligation for \$27,500,000 with the principal amounts advanced as requested by the Authority. Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.98%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2029. All unpaid principal and accrued interest is due and payable on July 1, 2044.

Airport Revenue Note Series 2019B was issued in August 2019 as a draw down obligation for \$7,500,000 with the principal amounts advanced as requested by the Authority. Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.04%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2022. All unpaid principal and accrued interest is due and payable on April 1, 2029.

Airport Revenue Note Series 2022 was issued in April 2022 as a draw down obligation for \$30,000,000 with the principal amounts advanced as requested by the Authority. During the year ended June 30, 2025, the Authority drew down the remaining amount available with the balance being held as restricted cash until expended. Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.87%. Interest is due and payable on the 1st day of each calendar quarter, commencing April 1, 2023, and principal is due and payable on the 1st day of each calendar quarter, commencing July 1, 2032. All unpaid principal of accrued interest is due and payable on April 1, 2047.

The holder of the Series 2022 Note will provide the Authority a debt maturity schedule based upon the principal amount drawn down by the Authority at the time of project completion. At June 30, 2025, the project is still under construction, and as a result, no amortization schedule is available.

As of June 30, 2025, the future payments of the Series 2019 were as follows:

	Principal	Interest	Total Payments
Note Payable to First Security Bank - Series 2019B and 2019A			
2026	\$ 565,473	\$ 595,879	\$ 1,161,352
2027	582,927	578,426	1,161,353
2028	600,854	561,950	1,162,804
2029	619,701	541,888	1,161,589
2030	648,875	520,451	1,169,326
2031-2035	3,657,994	2,188,634	5,846,628
2036-2040	4,458,843	1,387,785	5,846,628
2041-2045	<u>4,551,088</u>	<u>418,545</u>	<u>4,969,633</u>
	<u>\$ 15,685,755</u>	<u>\$ 6,793,558</u>	<u>\$ 22,479,313</u>

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Notes to Financial Statements

Changes in long-term debt were as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due in One Year
Notes Payable					
First Security Bank - series 2019A	\$ 13,316,800	\$ -	\$ -	\$ 13,316,800	\$ -
First Security Bank - series 2019B	2,917,498	- -	(548,543)	2,368,955	565,473
First Security Bank - series 2022	10,871,280	19,128,500	- -	29,999,780	- -
	<u>27,105,578</u>	<u>19,128,500</u>	<u>(548,543)</u>	<u>45,685,535</u>	<u>565,473</u>
Other Liabilities					
Compensated absences*	709,203	71,160	- -	780,363	468,858
	<u>\$ 27,814,781</u>	<u>\$ 19,199,660</u>	<u>\$ (548,543)</u>	<u>\$ 46,465,898</u>	<u>\$ 1,034,331</u>

*The change in the compensated absences liability is presented as a net change.

Note 6 – Lease of Airport Facilities

The Authority receives a significant amount of revenue from rents. These include rent for use of the jetway by the airlines; rental of terminal space to airlines, travel agencies, and other tenants; rental of buildings, land, and hangars to individuals and companies engaged in general aviation; and rental of office buildings to federal government agencies (Transportation Security Administration and U.S. Forest Service). Certain lease agreements, by their terms, require annual determination of the rental charge based on predetermined formulas.

The Authority also has several leases that require the lessee to remit a percentage of its revenue as the rental charge or a minimum annual guaranteed amount (MAG). Amounts in excess of the minimum annual guarantee are considered variable payments and not included in the measurement of the lease receivable.

A schedule of terms and conditions for leases that require the lessee to remit a percentage of its revenue as rental charge as of June 30, 2025, follows:

Description	Terms	Conditions
On-airport car rentals	07/01/2020 - 06/30/2025	MAG or % of gross receipts as defined in the lease agreement, whichever is greater
In terminal food and beverage service	07/01/2022 - 06/30/2033	% of gross receipts as defined in the lease agreement

Certain leases are considered regulated leases because the FAA and Department of Transportation (DOT) grant assurances require the Authority to assure that all aeronautical users are entitled to airport access on fair and reasonable terms without unjust discrimination. Aeronautical use of an airport is any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to, the operation of an aircraft. Regulated leases are not included in the measurement of the lease receivable and are recognized as revenue based on the payment provisions of the lease contract.

Missoula County Airport Authority

Notes to Financial Statements

The following schedule presents a breakdown of lease-related revenue for the years ended June 30:

Lease-related revenue*	2025	2024
Lease revenue		
Building	<u>\$ 1,495,189</u>	<u>\$ 1,491,117</u>
Total Lease Revenue	1,495,189	1,491,117
Interest Revenue	78,987	151,996
Variable and other revenue	<u>3,265,910</u>	<u>2,871,190</u>
Total	<u>\$ 4,840,086</u>	<u>\$ 4,514,303</u>

* Lease-related revenue is included in the accompanying statements of revenues, expenses, and changes in net position with terminal operating revenue.

The following is a schedule by year of expected future payments included in the measurement of the lease receivable for the year ended June 30:

	Principal	Interest	Total Receipts
2026	\$ 213,875	\$ 55,912	\$ 269,787
2027	224,819	44,968	269,787
2028	236,319	33,468	269,787
2029	154,570	22,992	177,562
2030	133,905	16,249	150,154
2031-2035	201,522	39,246	240,768
2036-2037	<u>50,358</u>	<u>2,231</u>	<u>52,589</u>
	<u>\$ 1,215,368</u>	<u>\$ 215,066</u>	<u>\$ 1,430,434</u>

Estimated future minimum lease payments for regulated leases are as follows for the year ending June 30:

2026	\$ 1,096,676
2027	1,072,427
2028	378,202
2029	346,347
2030	346,347
2031-2035	1,616,038
2036-2040	1,477,549
2041-2045	659,461
2046-2050	374,815
2051-2055	153,927
2056-2060	<u>78,028</u>
	<u>\$ 7,599,817</u>

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Notes to Financial Statements

Note 7 – Subscription-Based Information Technology Arrangements (SBITAs)

The Authority has entered into three subscription-based contracts to utilize vendor-provided information technology software, with contract terms ranging between 3 to 5 years. At June 30, 2025 and 2024, the Authority recorded \$552,165 and \$502,491 for intangible subscription assets with an associated \$259,724 and \$135,308 of accumulated amortization, respectively.

Minimum future payments for SBITAs for the five succeeding fiscal years and thereafter are as follows for the year ending:

	Principal	Interest
2026	\$ 82,548	\$ 7,987
2027	110,917	4,873
2028	<u>12,085</u>	<u>1,746</u>
Total	<u>\$ 205,550</u>	<u>\$ 14,606</u>

Note 8 – Public Employees' Retirement System (PERS)

Summary of significant accounting policies – Montana Public Employee Retirement Administration (MPERA) prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the net pension liability; deferred outflows of resources and deferred inflows of resources related to pensions; pension expense; the fiduciary net position; and additions to or deductions from fiduciary net position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the GASB.

Plan description – The PERS-Defined Benefit Retirement Plan (DBRP), administered by the MPERA, is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, MCA. This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System and school districts. Benefits are established by state law and can only be amended by State Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Missoula County Airport Authority Notes to Financial Statements

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Summary of benefits

Eligibility for benefit

Service retirement:

Hired prior to July 1, 2011:

Age 60, 5 years of membership service; Age 65, regardless of membership service; Any age, 30 years of membership service.

Hired on or after July 1, 2011:

Age 65, 5 years of membership services; Age 70, regardless of membership service.

Early retirement:

Hired prior to July 1, 2011:

Age 50, 5 years of membership service; or Any age, 25 years of membership service.

Hired on or after July 1, 2011:

Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service)

1. Retired before January 1, 2016, and accumulate less than 2 years additional service credit or retire on or after January 1, 2016, and accumulate less than 5 years additional service credit:
 - ◆ A refund or member's contributions plus return interest (currently 2.02% effective July 1, 2018);
 - ◆ No service credit for second employment;
 - ◆ Start the same benefit amount the month following termination; and
 - ◆ Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
2. Retired before January 1, 2016, and accumulate at least 2 years of additional service credit:
 - ◆ A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - ◆ GABA starts on the recalculation benefit in January after receiving the new benefit for 12 months.
3. Retired on or after January 1, 2016, and accumulate 5 or more years of service credit:
 - ◆ The same retirement as prior to the return to service;

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- ◆ A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- ◆ GABA starts on both benefits in the January after receiving the original w benefit for 12 months.

Highest Average Compensation (HAC)

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

Monthly benefit formula

1. Members hired prior to July 1, 2011:
 - ◆ Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - ◆ 25 years of membership service or more: 2% of HAC per year of service credit.
2. Members hired on or after July 1, 2011:
 - ◆ Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - ◆ 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - ◆ 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013
 - a) 1.5% for each year PERS is funded at or above 90%
 - b) 1.5% reduced by 0.1% for each 2% PERS is funded below 90%; and

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c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions – The state legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special funding – The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employees who received special funding are all participating employees.

Not special funding – Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

Overview of contributions – Member and employer contribution rates are shown in the table below.

Fiscal Year	Member		State & Universities			Local Government		School Districts	
	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State	Employer	State
2025	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%		
2024	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%		
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%		
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%		
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%		
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%		
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%		
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%		
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%		
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%		
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%		
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%		
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%		
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%		
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%		
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%		

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

Employer contributions to the system:

- a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. For fiscal years beginning after June 30, 2024, the additional contribution amount stays at 2.27%. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contribution rates.

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- b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

Non-Employer Contributions

Special Funding

- i. The State contributes 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
- iii. The State contributed a Statutory Appropriation from the General Fund of \$35,329,705.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – GASB 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's total pension liability (TPL). The basis for the TPL as of June 30, 2025, was determined by taking the results of the June 30, 2024, actuarial valuation and applying standard roll-forward procedures. The roll-forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll-forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2025 and 2024, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid.

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The Authority recorded a liability of \$4,056,716 and the employer's proportionate share was 0.165867 percent.

	Net Pension Liability as of June 30, 2025	Net Pension Liability as of June 30, 2024	Percent of Collective NPL as of June 30, 2025	Percent of Collective NPL as of June 30, 2024	Change in Percent of Collective NPL
Authority proportionate share	\$ 4,056,716	\$ 4,150,997	0.165867%	0.170098%	-0.004231%
State of Montana proportionate share associated with the Authority	1,056,535	1,148,595	0.043199%	0.047067%	-0.003868%
Total	\$ 5,113,251	\$ 5,299,592	0.209066%	0.217165%	-0.008099%

Changes in actuarial assumptions and methods – There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms – There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share – There were no changes to the Plan between the measurement date of the collective NPL and the Authority's reporting date that are expected to have a significant effect on the Authority's proportionate share of the collective NPL.

Pension expense – At June 30, 2025, the Authority recognized \$367,066 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$56,621 for the support provided by the State of Montana for its proportionate share of the pension expense associated with the Authority.

	Pension expense as of June 30, 2025	Pension expense as of June 30, 2024
Authority's proportionate share	\$ 367,066	\$ 493,974
State of Montana proportionate share associated with the employer	56,621	107,755
Total	\$ 423,687	\$ 601,729

Missoula County Airport Authority

Notes to Financial Statements

Recognition of deferred inflows and outflows – At June 30, 2025, the Authority reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. actual experience	\$ 205,004	\$ -
Change in assumptions	-	-
Projected vs. actual investment earnings	-	90,210
Changes in proportion share and differences between employer contributions and proportionate share of contributions	100,864	-
Employer contributions subsequent to measurement date	<u>341,341</u>	<u>-</u>
 Total	 <u>\$ 647,209</u>	 <u>\$ 90,210</u>

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date in the amount of \$341,341 will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the Authority's pension expense as follows:

Year ended June 30	Recognition of deferred outflows and deferred inflows in future years as an increase or (decrease) to Pension Expense
2026	\$ 85,136
2027	232,791
2028	(63,418)
2029	(38,851)

Actuarial assumptions – The TPL in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions:

- Investment Return (net of admin expense) 7.30%
- General Wage Growth* 3.50%
- *includes Inflation at 2.75%
- Merit Increases 0% to 4.80%
- Postretirement Benefit Increases:

Missoula County Airport Authority

Notes to Financial Statements

1. Guaranteed Annual Benefit Adjustment (GABA) each January
 - o After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.
 - 3% for members hired prior to July 1, 2007
 - 1.5% for members hired between July 1, 2007 and June 30, 2013
 - Members hired on or after July 1, 2013:
 - a) 1.5% for each year PERS is funded at or above 90%;
 - b) The 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%;
 - c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality

- o Mortality assumptions among contributing members, service retired members and beneficiaries were based on the PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females Projected generationally using MP-2021.
- o Mortality assumptions among disabled members are based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.

The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed the contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2128. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Missoula County Airport Authority

Notes to Financial Statements

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2024, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	
		Arithmetic Basis	
Cash	3.00%	-0.33%	
Domestic Equity	30.00%	5.90%	
International Equity	17.00%	7.14%	
Private Investments	15.00%	9.13%	
Real Assets	5.00%	4.03%	
Real Estate	9.00%	5.41%	
Core Fixed Income	15.00%	1.14%	
Non-Core Fixed Income	6.00%	3.02%	
Total	100.00%		

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate –
The following presents the Authority's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.30)%	Current Discount Rate	1.0% Increase (8.30)%
Missoula County Airport Authority's net pension liability	\$ 5,913,812	\$ 4,056,716	\$ 2,499,450

PERS disclosure for the defined contribution plan – The Authority contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

Missoula County Airport Authority

Notes to Financial Statements

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2024, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 351 employers that have participants in the PERS-DCRP totaled \$1,345,278.

Pension plan fiduciary net position – The standalone financial statements of the Montana Public Employees Retirement Board (PERB) Annual Comprehensive Financial Report (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406)444-3154 or the MPERA website at <http://mpera.mt.gov/about/annualreports1/annualreports>.

Note 9 – Other Retirement and Medical Benefit Plans

Other retirement plan – In 2025 and 2024, the Authority contributed 4% of compensation for regular full-time employees as a non-elective contribution to the Authority's 414(h) retirement plan (the Plan). The Authority's profit sharing contribution for 2025 and 2024 was 8% of compensation for all eligible employees. The Authority reserves the right to amend the retirement plan, including the percentage of contributions.

The Authority's contributions to the profit sharing plan for years ended June 30, 2025 and 2024, were \$317,962 and \$281,146, respectively. Employee contributions to the Authority's 414(h) retirement plan for years ended June 30, 2025 and 2024, were \$158,462 and \$140,577, respectively.

Deferred compensation plan – The Authority sponsors a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Plan is available to all Authority employees, and permits employees to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The retirement plan assets are held in an irrevocable trust, which will protect the plan assets from any potential future claims by creditors.

Medical benefit plan – The Authority participates in the Missoula County Medical Benefit Plan. During 2025 and 2024, the Authority paid \$642,100 and \$593,785, respectively, to the Plan.

Missoula County Airport Authority

Notes to Financial Statements

Note 10 – Other Post-Employment Benefits

The Authority participates in the Missoula County Employee Benefits Plan, a self-insured agent multiple-employer plan. To qualify for retiree medical benefits, the employee must have attained the age of 60 plus five years of service, or attained age 65, or completed 30 years of service. An employee may qualify for early retirement by meeting one of the following criteria: attained the age of 50 plus five years of service or completed 25 years of service.

These benefits are established and may be amended by Missoula County. The plan issues stand-alone financial statements which can be obtained from Missoula County Risk & Benefits, 200 West Broadway, Missoula, MT 59802.

Retirees pay into the plan what the Authority and active employees would pay on a monthly basis. Subsequent to retirement, the retiree's relationship is with the benefit plan and the Authority is not required to make any additional contributions for the retired employee.

The OPEB provision is accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The amounts related to OPEB are not material to the Authority; therefore, the additional disclosures related to OPEB have not been included within the notes to the financial statements.

Note 11 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; and medical insurance costs of employees. Settled claims did not exceed the commercial coverage for the years ended June 30, 2025, 2024 or 2023. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No liability accrual was required at June 30, 2025 and 2024.

The Authority provides workers' compensation coverage for all employees through the Missoula County Workers' Compensation Group Insurance Authority (formerly the Missoula County Workers' Compensation Plan). The Authority's contribution rates were \$.009 to \$.0625 per \$100 of covered salary, depending on employee classification. The Authority's contributions for the years ended June 30, 2025 and 2024 were \$99,466 and \$104,948, respectively.

As discussed in Note 10, employee medical and life insurance is provided through the Authority's participation in the Missoula County self-insured medical plan.

Note 12 – Commitments and Contingencies

In July 2022, the Authority began work on the East Concourse phase of the terminal project. The new concourse will include 4 additional boarding gates, a permanent baggage claim area, and space for rental car operations. The project is budgeted at approximately \$59 million and expected to be complete in 2025. Approximately \$6.4 million is remaining at June 30, 2025.

Required Supplementary Information

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Missoula County Airport Authority
Schedule of Proportionate Share of the PERS Net Pension Liability
*** For the Last Ten Fiscal Years**
June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date as of June 30,										
Employer's proportion of the net pension liability as a percentage	0.1659%	0.1701%	0.1486%	0.1467%	0.1572%	0.1538%	0.1355%	0.1709%	0.1536%	0.1509%
Employer's net pension liability as an amount	\$ 4,056,716	\$ 4,150,997	\$ 3,533,992	\$ 2,659,825	\$ 4,147,738	\$ 3,215,165	\$ 2,827,317	\$ 3,327,526	\$ 2,616,735	\$ 2,110,016
State of Montana's net pension liability	1,056,535	1,148,595	1,057,576	784,526	1,306,207	1,046,472	948,439	46,963	31,973	25,918
Total	\$ 5,113,251	\$ 5,299,592	\$ 4,591,568	\$ 3,444,351	\$ 5,453,945	\$ 4,261,637	\$ 3,775,756	\$ 3,374,489	\$ 2,648,708	\$ 2,135,934
Employer's covered payroll **	\$ 3,241,546	\$ 3,162,448	\$ 2,611,817	\$ 2,591,116	\$ 2,637,849	\$ 2,537,886	\$ 2,227,772	\$ 2,119,084	\$ 1,840,137	\$ 1,761,557
Employer's proportionate share of the net pension liability as a percentage of covered payroll	125.15%	131.26%	135.31%	102.65%	157.24%	126.69%	126.91%	157.03%	142.20%	119.78%
Plan fiduciary net position as a percentage of the total pension liability	74.77%	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%

*The amounts presented for each fiscal year were determined as of June 30, the measurement date.

** All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

See accompanying notes to required supplementary information.

Missoula County Airport Authority

Schedule of PERS Contributions

*** For the Last Ten Fiscal Years**

June 30, 2025

Schedule of Contributions for the Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 341,341	\$ 296,120	\$ 286,034	\$ 232,285	\$ 229,622	\$ 231,111	\$ 218,276	\$ 188,692	\$ 177,398	\$ 153,809
Plan choice rate required contributions	-	-	-	-	-	-	-	-	-	8,830
Contributions in relation to the contractually required contributions	\$ 341,341	\$ 296,120	\$ 286,034	\$ 232,285	\$ 229,622	\$ 231,111	\$ 218,276	\$ 188,692	\$ 177,398	\$ 162,639
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll **	\$ 3,763,393	\$ 3,241,546	\$ 3,162,448	\$ 2,611,817	\$ 2,591,116	\$ 2,637,849	\$ 2,537,886	\$ 2,227,772	\$ 2,119,084	\$ 1,840,137
Contributions as a percent of covered-employee payroll	9.07%	8.97%	8.89%	8.86%	8.76%	8.60%	8.47%	8.37%	8.84%	8.89%

*The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.

** All employer adjustments made in the current fiscal year but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.

See accompanying notes to required supplementary information.

Missoula County Airport Authority
Notes to Required Supplementary Information
June 30, 2025

Changes of benefit terms – The following changes to the plan provisions were made as identified:

2017:

Working retiree limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts – Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts – Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) members – PERS members hired after July 1, 2011, have a normal retirement age of 65. PERS DC members hired after July 1, 2011, who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011, who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Missoula County Airport Authority
Notes to Required Supplementary Information
June 30, 2025

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions – The following Actuarial Assumptions were adopted from the June 30, 2023, actuarial valuation:

General Wage Growth*	3.50%
Investment Rate of Return*	7.30%
*Includes inflation at	2.75%
Merit salary increases	0% to 4.80%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Mortality (healthy members)	PUB-2010 General amount weighted healthy retiree mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.
Mortality (disabled members)	PUB-2010 General amount weighted disabled retiree mortality table, projected to 2021, set forward one year for both males and females.

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses.

Supplementary Information

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Missoula County Airport Authority
Operating Revenues
Years Ended June 30, 2025 and 2024

	2025	2024	Increase (Decrease)
LANDING FIELD			
Landing fees			
Airlines	\$ 942,871	\$ 847,788	\$ 95,083
Freight carriers	59,511	68,572	(9,061)
Non-based Landing Fees	225,903	152,766	73,137
Fuel flowage	88,294	108,747	(20,453)
Total landing field	<u>1,316,579</u>	<u>1,177,873</u>	<u>138,706</u>
TERMINAL			
Airline rentals	515,494	487,280	28,214
Advertising revenue	226,068	251,107	(25,039)
Customer facility charges	1,298,832	1,035,314	263,518
On-airport car rentals	2,628,492	2,323,720	304,772
Off-airport car rentals	53,671	37,549	16,122
Parking lot	5,026,223	3,345,983	1,680,240
Rental car fuel	450,512	118,924	331,588
Glycol disposal	38,042	18,164	19,878
Ground services	991,203	800,854	190,349
Ground transportation	164,932	169,057	(4,125)
Restaurant	226,279	169,021	57,258
Coffee concession	11,907	11,321	586
Liquor concession	162,030	143,425	18,605
Travel agency	879	5,272	(4,393)
Gift shops	345,209	308,933	36,276
Non-sig use fees	287,414	285,202	2,212
Telephones and vending	34,746	29,214	5,532
Utilities reimbursement	54,479	28,571	25,908
Security reimbursement	14,780	108,649	(93,869)
Signatory use fee	857,747	715,479	142,268
Lease adjustment	(209,510)	(208,463)	(1,047)
Other	190,443	73,873	116,570
Total terminal	<u>13,369,872</u>	<u>10,258,449</u>	<u>3,111,423</u>
FIXED BASE/GOVERNMENT			
Fixed base operator's rental	267,494	262,290	5,204
Total fixed base/government	<u>267,494</u>	<u>262,290</u>	<u>5,204</u>
INDUSTRIAL PARK			
Building and ground rental	739,015	720,347	18,668
Agricultural ground rental	33,713	35,960	(2,247)
Fuel farm rental	4,556	4,429	127
Total industrial park	<u>777,284</u>	<u>760,736</u>	<u>16,548</u>
TOTAL OPERATING REVENUES	<u><u>\$ 15,731,229</u></u>	<u><u>\$ 12,459,348</u></u>	<u><u>\$ 3,271,881</u></u>

Missoula County Airport Authority
Operating Expenses
Years Ended June 30, 2025 and 2024

	2025	2024	Increase (Decrease)
Accounting and auditing services	\$ 100,251	\$ 92,964	\$ 7,287
Aviation worker screening	39,072	-	39,072
Badging related expenses	20,854	8,758	12,096
Consulting services	292,041	238,927	53,114
Display/visitor information center	6,858	14,690	(7,832)
Information technology	86,705	-	86,705
Insurance	259,299	228,860	30,439
Legal services	31,531	22,906	8,625
Maintenance, repairs, and equipment rentals	1,552,432	1,753,139	(200,707)
Membership and organization dues	40,483	35,503	4,980
Office supplies and equipment	186,874	178,442	8,432
Other	20,942	10,838	10,104
Parking management, labor, and other	605,661	-	605,661
Petroleum products and tires	90,755	90,090	665
Rental car fuel	442,145	114,533	327,612
Safety supply and equipment	38,706	36,665	2,041
Salaries and related payroll expenses	6,422,189	5,963,088	459,101
Telephone	41,126	44,013	(2,887)
Landing fee commission	38,717	30,553	8,164
Training	83,031	80,860	2,171
Travel, meals, and public relations	142,507	161,618	(19,111)
Uniforms and laundry	59,045	43,788	15,257
Utilities	733,839	712,412	21,427
	<hr/> <u>\$ 11,335,063</u>	<hr/> <u>\$ 9,862,647</u>	<hr/> <u>\$ 1,472,416</u>

Missoula County Airport Authority
Revenue Note Coverage
Year Ended June 30, 2025

GROSS REVENUES

Passenger facility charges and customer facility charges,
limited to 125% of fiscal year debt service requirement

\$ 2,101,503
14,432,397
272,246

Operating

Plus interest - unrestricted

16,806,146

OPERATING EXPENSES

11,335,063

NET REVENUE AVAILABLE FOR DEBT SERVICE

\$ 5,471,083

FISCAL YEAR DEBT SERVICE REQUIREMENT

\$ 1,681,202

COVERAGE RATIO

3.25

MINIMUM DEBT SERVICE COVERAGE

REQUIRED BY RATE COVENANT

1.25

Missoula County Airport Authority
Federally Funded Airport Projects
Year Ended June 30, 2025

AIP Funded Projects			
Project #	Projects	Percent Complete	Grant Award
80	Master Plan	98%	\$ 990,000
85	Terminal Phase II	90%	3,809,741
86	Terminal Phase II	90%	2,340,936
87	Terminal Phase II & III	90%	6,000,000
88	Terminal Phase II & III	90%	3,429,372
89	Terminal Phase II & III	90%	2,797,820
90	Runway 12-30 Rehabilitation	100%	768,600
92	Runway 12-30 Rehabilitation	4%	17,564,558
93	Terminal Phase II & III	17%	3,448,201

Passenger Facility Funded Projects			
Application #	Projects	Percent Complete	Grant Award
18-09-C-00-MSO	Approved July 9, 2018 Federally eligible terminal projects costs and related debt service Collection authority for approximately 30 years	34%	\$ 36,265,589

Missoula County Airport Authority
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Program Description	AL No.	Contract No.	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation <i>Direct:</i>				
Administered by the Federal Aviation Administration				
Airport Improvement Program	20.106	3-30-0056-080-2022	\$ 133,207	\$ -
Airport Improvement Program	20.106	3-30-0056-085-2023	374,368	-
Airport Improvement Program	20.106	3-30-0056-086-2023	1,053,775	-
Airport Improvement Program	20.106	3-30-0056-087-2024	4,078,909	-
Airport Improvement Program	20.106	3-30-0056-088-2024	3,086,435	-
Airport Improvement Program	20.106	3-30-0056-089-2024	2,518,038	-
Airport Improvement Program	20.106	3-30-0056-090-2024	768,600	-
Airport Improvement Program	20.106	3-30-0056-092-2025	747,810	-
Airport Improvement Program	20.106	3-30-0056-093-2025	571,616	-
Total U.S. Department of Transportation			13,332,758	-
Department of Homeland Security (DHS) <i>Passed through the Montana Department of Disaster and Emergency Services:</i>				
Administered by the Federal Emergency Management Agency (FEMA)				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4813-DR-MT	5,307	-
Total Department of Homeland Security (DHS)			5,307	-
Total Federal Expenditures			\$ 13,338,065	\$ -

See notes to schedule of expenditure of federal awards.

Missoula County Airport Authority
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1 – Basis of Presentation

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

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement. Reported federal expenditures include capital asset purchases which are capitalized and not reported as expenses in the accompanying financial statements.

Note 3 – Airport Improvement Projects

The Authority receives federal contributions totaling 90-95% of actual expenditures incurred on qualified airport improvement projects, and the Authority provides the remaining match.

Note 4 – Indirect Cost Rate

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

Missoula County Airport Authority
Schedule of Passenger Facility Charges (PFC) Collected and Expended
Year Ended June 30, 2025

Application Number: 18-09-C-00-MSO

Quarter Ended	PFC Revenue Collected	Interest Earned	Expenditures on PFC Projects
September 2024	\$ 210,017	\$ 33	\$ 289,587
December 2024	682,856	38	291,042
March 2025	425,120	44	291,092
June 2025	<u>761,423</u>	<u>50</u>	<u>288,530</u>
Total	<u>\$ 2,079,416</u>	<u>\$ 165</u>	<u>\$ 1,160,251</u>
Total PFC collections authorized			\$ 59,763,524
Cumulative PFC collections			<u>36,004,195</u>
Remaining PFC collections authorized			<u>\$ 23,759,329</u>

See notes to the schedule of passenger facility charges (PFC) collected and expended.

Missoula County Airport Authority
Note to the Schedule of Passenger Facility Charges Collected and Expended
Year Ended June 30, 2025

Note 1 – Basis of Accounting

This Schedule of Passenger Facility Charges (PFC) Collected and Expended (the Schedule) is reported on a cash basis. Therefore, only those revenues received and expenses paid for the quarter are reported. PFC revenues not received or expenses incurred prior to the end of each quarter are not accrued and are reported as revenues and expenses of the subsequent reporting period.

Other Information

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Missoula County Airport Authority
Airport Operations Information
Years Ended June 30, 2025 and 2024

REVENUE PASSENGERS HANDLED

	2025	2024
Airlines		
Revenue passengers enplaned	528,295	475,040
Revenue passengers deplaned	525,194	472,136
	<hr/>	<hr/>
Total	1,053,489	947,176
	<hr/>	<hr/>

TOWER AIRCRAFT OPERATIONS

Total Traffic	<hr/>	<hr/>
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45,746 44,465

Missoula County Airport Authority
Insurance in Force
Year Ended June 30, 2025

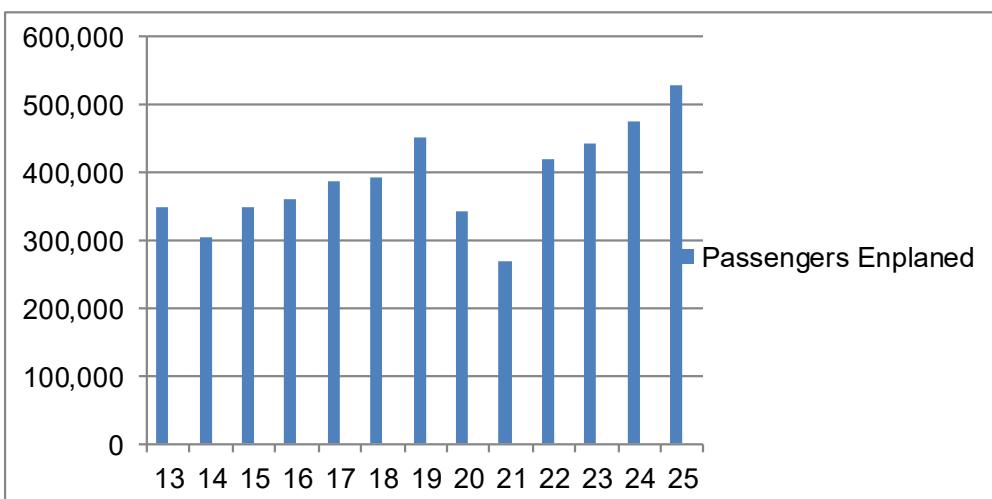
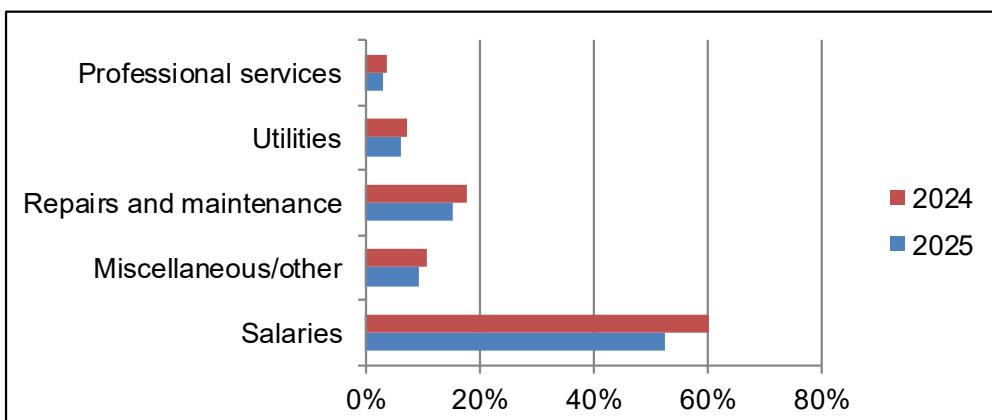
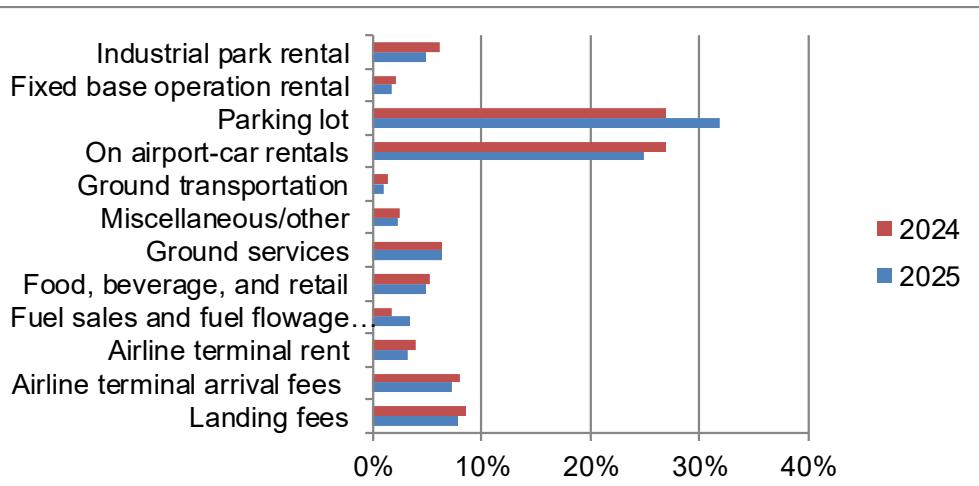
Insurer	Risk Covered	Coverage
PayneWest Insurance		
Liability	Products/completed operations aggregate limit	\$ 50,000,000
	Personal/advertising injury aggregate limit	50,000,000
	Fire damage limit any one fire	1,000,000
	Medical expense limit any one person	5,000
	Hangarkeepers liability each aircraft	50,000,000
	Hangarkeepers liability each occurrence	50,000,000
	Employee benefits liability	1,000,000
	On-airport premises auto liability	50,000,000
	Excess auto liability	25,000,000
	Malpractice aggregate limit	50,000,000
	Non-owned aircraft liability	50,000,000
	Excess employers liability (excess of \$1m underlying)	25,000,000
	Passenger baggage liability aggregate limit	250,000
	Passenger baggage liability each occurrence	2,500
	Limited terrorism	5,000,000
Commercial Auto		
	Combined single limit liability	1,000,000
	Uninsured/underinsured motorist	1,000,000
	Hired/non-owned liability	1,000,000
	Medical payments	5,000
	Comprehensive deductible	1,000
	Collision deductible	1,000
Commercial Property		
	Blanket building limit	75,879,494
	Terminal buildings limit	55,000,000
	Blanket contents limit	900,322
	Terminal contents	733,394
	Blanket business income limit	1,500,000
	Fencing, gates, and outdoor lighting	257,000
	Scheduled mobile equipment	6,287,701
	Flood coverage	1,000,000
	Earthquake coverage	5,000,000
	Crime coverage	125,000
Non-Profit Organization Policy		
	Directors and officers liability aggregate limit	2,000,000
	Employment practices liability aggregate limit	2,000,000
	Fiduciary liability	1,000,000

The policy year for the contracts was July 1, 2025 through July 1, 2026.

Missoula County Airport Authority

Graphs

Years Ended June 30, 2025 and 2024



Single Audit Section

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Report of Independent 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*

The Board of Commissioners
Missoula County Airport Authority

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 Missoula County Airport Authority (the Authority) which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Missoula County Airport Authority's basic financial statements, and have issued our report thereon dated **December 17, 2024**.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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.

Portland, Oregon

December 17, 2024

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Commissioners
Missoula County Airport Authority

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Missoula County Airport Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Portland, Oregon

December 17, 2024

**MISSOULA COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Federal Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program</i>
20.106	Airport Improvement Program	<i>Unmodified</i>

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Questioned Costs

None noted

Other Compliance Reports

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Report of Independent Auditors on Compliance with Requirements that Could Have a Direct and Material Effect on the Passenger Facility Charge Program and Report on Internal Control Over Compliance in Accordance with the *Passenger Facility Charge Program Audit Guide for Public Agencies*

The Board of Commissioners
Missoula County Airport Authority

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Missoula County Airport Authority's (the Authority) compliance with the types of compliance requirements described in the *Passenger Facility Charge Program Audit Guide for Public Agencies* issued by the Federal Aviation Administration (Guide) that could have a direct and material effect on its Passenger Facility Charge (PFC) program for the year ended June 30, 2025.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its PFC program for the year ended June 30, 2025.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Portland, Oregon

December 17, 2024

Missoula County Airport Authority

Agenda Action Sheet

Meeting Date: January 27, 2026

1. TITLE: American Airline Ground Handling Amendment

Review, discussion, and possible approval of the American Airline Ground Handling Amendment and matters related thereto. **ACTION ITEM**

2. AGENDA CATEGORY: (Please highlight)

UNFINISHED BUSINESS **NEW BUSINESS** COMMITTEE REPORTS
INFORMATION/DISCUSSION ITEM

3. TIME REQUIRED: 5 Minutes

4. BACKGROUND INFORMATION: The Missoula Montana Airport is one of a handful of airports across the country that provides ground handling to airlines. Currently, MSO provides service to Allegiant, American and Sun Country. The Airport has been providing ground handling services to American since June of 2018, with the last rate increase in 2022. We are proposing to raise our rates for a regional aircraft from \$495/turn to \$580/turn and mainline aircraft from \$695 to \$773/turn. In order to formalize these rates, we need to amend the existing agreement. In addition, we will amend the contract to extend the effective term until June 30, 2027.

5. BUDGET INFORMATION: N/A

6. SUPPLEMENTAL AGENDA INFORMATION: Proposed amendment attached.

7. RECOMMENDED MOTION: Move to approve the American Airline Ground Handling Agreement Amendment #3 as presented.

8. PREPARED BY: Brian Ellestad, Airport Director

9. COMMITTEE REVIEW: N/A



Amendment to Airport Handling Services at MSO MSO_AH_MissoulaAirport_Amend3_2025OCT01

This Amendment to MSO_AirportHandling_MissoulaAirportAuthority_ExhibitA_2018Jun07 (this "Amendment") is made effective as of the 30th day of September, 2025 (the "Effective Date"), by and between American Airlines, Inc. C-American"), and Missoula Airport Authority ("Supplier" and, together with American, the "Parties" and, each individually, a "Party").

WITNESSETH

WHEREAS, the Parties entered into that certain GTA #1173, dated June 7, 2018 (the "Agreement").

WHEREAS, in accordance with the Agreement the Parties desire to amend certain provisions of the Agreement on the terms and conditions set forth herein; and

WHEREAS, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 2a. The Pricing Schedule of the Agreement is amended and replaced with the following:

Aircraft Type	Tum Rate
LRJTum Rate	\$580.00
SNBTum Rate	\$773.00

** Above pricing is fixed through the Exhibit Term

2. Exhibit Term, Section 3 Exhibit Term of the Agreement is amended and extended through June 30th, 2027.
3. Further Assurances. The undersigned covenant and agree to execute such other and further documents and instruments as are or may become necessary or convenient to effectuate and carry out the objectives of this Amendment.
4. Amendment. This Amendment shall not in any manner be supplemented, amended or modified except by a written instrument executed on behalf of the Parties by their respective duly authorized representatives.
5. Effect of Amendment. Except as amended by this Amendment, all terms, conditions and covenants of the Agreement are valid, shall remain in full force and effect, and are hereby ratified and confirmed. Any inconsistencies between this Amendment and the Agreement shall be governed by this Amendment.
6. Counterparts. This Amendment may be executed in multiple counterparts, including electronically transmitted counterparts, each of which shall be considered an original, and all of which shall be deemed one and the same instrument.
7. Entire Agreement. The Agreement, as amended by this Amendment, contains the entire agreement of the Parties, with respect to the matters covered and no other prior promises, negotiations or discussions, oral or written, made by any Party or its employees, officers or agents shall be valid and binding.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment by their duly authorized representatives as of the Effective Date.

MISSOULA AIRPORT AUTHORITY.

AMERICAN AIRLINES, INC.

Name: _____

Name: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Missoula Montana Airport
Operations and Route Performance

December-25

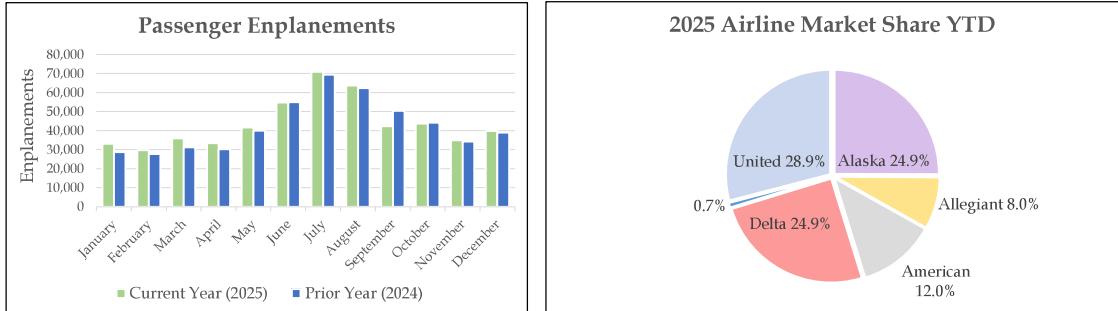
Summary

- December seats were up 5.4% Y/Y
- December '25 enplanements were a record high

Air Service Highlights

- Frontier Airlines has ceased operations at MSO
- United continues to lead Delta for MSO market share
- Please reach out with any comments or changes to improve our report going forward!

2025 Missoula Airport Operations and Route Performance



Tower Operations

Ops Type	January	February	March	April	May	June	July	August	September	October	November	December	Total	Y/Y
Air Carrier	657	588	699	696	746	1084	1219	1205	783	866	679	738	9,962	4%
Air Taxi	367	357	404	459	518	584	633	567	469	480	402	409	5,649	-13%
GA	797	674	1175	1629	2033	2135	2852	3209	1875	1389	985	731	19,484	11%
Military	17	68	44	71	12	49	19	28	2	35	9	15	369	-49%
Civil	574	739	887	1029	908	765	897	645	698	1356	734	614	9,846	-13%
Total	2025	2,412	2,426	3,209	3,884	4,217	4,617	5,620	5,654	4,128	2,809	2,507	45,310	-1%
	2024	2,453	2,733	3,703	3,559	3,723	4,612	5,275	5,468	4,170	4,514	2,948	2,606	45,764

Explained Passengers

Airlines	January	February	March	April	May	June	July	August	September	October	November	December	Total	Y/Y	
Alaska	8,761	7,894	9,112	8,891	11,092	12,051	13,973	13,611	10,676	11,727	10,813	11,820	130,421	20%	
Allegiant	2,857	2,676	4,422	2,961	3,241	4,249	5,283	4,114	1,834	3,057	2,996	4,082	41,772	-3%	
American	2,523	1,851	2,122	1,993	3,931	9,761	14,675	11,133	6,816	3,149	1,902	2,990	62,846	1%	
Delta	9,033	8,450	9,990	9,996	11,276	12,691	15,352	14,116	10,245	10,421	9,009	9,715	130,294	-3%	
Frontier	0	0	0	0	66	1,008	1,026	764	0	426	244	82	3,616		
Sun Country	0	0	0	0	0	218	1,091	899	0	0	0	0	2,208		
United	9,531	8,907	10,276	9,540	12,036	14,821	19,397	19,040	12,477	14,360	9,840	10,912	151,137	3%	
Charters	274	0	153	0	64	0	0	0	0	132	531	143	266	-43%	
Total	2025	32,979	29,778	36,075	33,381	41,706	54,799	70,797	63,677	42,180	43,671	34,947	39,867	523,857	2%
	2024	28,761	27,709	31,282	30,213	40,021	54,943	69,259	62,300	50,472	44,174	34,292	39,080	512,506	
LF	2025	79.1%	81.0%	84.1%	78.8%	79.3%	74.1%	83.5%	81.7%	82.8%	82.7%	75.3%	78.1%	80.1%	
	2024	89.8%	87.0%	84.4%	80.7%	75.1%	71.7%	82.6%	84.2%	87.7%	83.4%	80.3%	86.6%	82.1%	

Deplaned Passengers

Airlines	January	February	March	April	May	June	July	August	September	October	November	December	Total	Y/Y	
Alaska	8,446	8,079	9,478	9,402	11,420	12,924	13,798	13,233	10,424	11,383	10,371	11,943	130,921	19%	
Allegiant	2,822	2,477	4,287	3,304	3,515	5,054	5,323	3,935	1,856	2,823	3,188	3,867	42,451	-2%	
American	2,276	1,809	2,075	1,770	4,266	10,821	14,417	10,211	6,430	2,533	1,623	2,648	60,879	2%	
Delta	8,286	8,171	9,773	9,759	11,460	13,570	14,524	12,947	9,238	9,771	9,114	9,642	126,255	-3%	
Frontier	0	0	0	0	111	1,017	1,119	663	0	474	260	76	3,720		
Sun Country	0	0	0	0	0	281	1,099	747	0	0	0	0	2,127		
United	9,397	9,075	10,013	10,120	12,984	16,157	19,527	17,889	12,163	14,092	10,287	11,439	153,143	4%	
Charters	0	0	153	0	64	0	0	0	132	531	280	267	1,427	-49%	
Total	2025	31,227	29,611	35,779	34,355	43,820	59,824	69,807	59,645	40,243	41,607	35,123	39,882	520,923	2%
	2024	27,054	27,004	31,551	30,446	42,725	59,492	67,464	60,606	47,291	42,235	33,992	38,990	508,850	

Total Pax	2025	64,206	59,389	71,854	67,736	85,526	114,623	140,604	123,322	82,423	85,278	70,070	79,749	1,044,780	2%
	2024	55,815	54,713	62,833	60,659	82,746	114,435	136,723	122,906	97,763	86,409	68,284	78,070	1,021,356	

Legend:
LF - Load Factor
T12M - Previous 12 Months
Y/Y - Year Over Year
Pax - Passengers