SPOKANE AIRPORT BOARD

PASSENGER FACILITY CHARGES REPORT

Year Ended December 31, 2025

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Year Ended December 31, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE (PFC) PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED

Board of Directors
Spokane Airport Board
Spokane, Washington

Report on Compliance of Passenger Facility Charges

Opinion on Passenger Facility Charge Program

We have audited the Spokane Airport Board's (the "Airport") compliance with the compliance requirements described in the *Passenger Facility Charge 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 program for the year ended December 31, 2025.

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2025.

Basis for Opinion on 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 Airport 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 passenger facility charge program. Our audit does not provide a legal determination of the Airport's compliance with the Guide 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 contract or grant agreements applicable to the Airport's passenger facility charge program.

(Continued)

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 Airport'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 Airport's compliance with the requirements of the passenger facility charge program 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 Airport'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 Airport'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 Airport'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 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.

(Continued)

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 *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the Airport as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements. We issued our report thereon dated July 13, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying supplemental schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of passenger facility charges collected and expended is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
July 13, 2026

SPOKANE AIRPORT BOARD
SCHEDULE OF PASSENGER FACILITY CHARGES
Year Ended December 31, 2025

Program	Application Approved Number	Amount Authorized	Collection Level	Beginning Cumulative Collections	Current PFC Revenues	Current Interest Earned	Period Ending Cumulative Collections	Remaining Collection Authority	Period Beginning Cumulative Expenditures	Current Expenditures	Period Ending Cumulative Expenditures	Collections vs. Expenditures
Quarter ended March 31, 2025												
Passenger facility charges	15-10-C-00-GEG	$ 21,290,327	4.50	$ 21,290,327	$ -	$ -	$ 21,290,327	$ -	$ 20,860,497	$ -	$ 20,860,497	$ 429,830
	17-11-C-00-GEG	31,823,107	4.50	31,823,107	-	-	31,823,107	-	31,474,570	-	31,474,570	348,537
	22-12-C-00-GEG	81,560,000	4.50	16,872,427	2,462,094	61,625	19,396,146	62,163,854	6,049,475	-	6,049,475	13,346,671
	24-13-C-00-GEG	11,483,000	4.50	-				11,483,000	6,602,566	1,139,379	7,741,945	(7,741,945)
	24-14-C-00-GEG	4,435,000	4.50	-	-	-	-	4,435,000	2,211,221	-	2,211,221	(2,211,221)
				69,985,861	2,462,094	61,625	72,509,580	78,081,854	67,198,329	1,139,379	68,337,708	4,171,872
Quarter ended June 30, 2025												
Passenger facility charges	15-10-C-00-GEG	$ 21,290,327	4.50	21,290,327	-	-	21,290,327	-	20,860,497	51,453	20,911,950	378,377
	17-11-C-00-GEG	31,823,107	4.50	31,823,107	-	-	31,823,107	-	31,474,570	-	31,474,570	348,537
	22-12-C-00-GEG	81,560,000	4.50	19,396,146	2,144,901	52,668	21,593,715	59,966,285	6,049,475	-	6,049,475	15,544,240
	24-13-C-00-GEG	11,483,000	4.50	-			-	11,483,000	7,741,945	186,380		-
	24-14-C-00-GEG	4,435,000	4.50	-	-	-	-	4,435,000	2,211,221	-	2,211,221	(2,211,221)
				72,509,580	2,144,901	52,668	74,707,149	75,884,285	68,337,708	237,833	60,647,216	14,059,933
Quarter ended September 30, 2025												
Passenger facility charges	15-10-C-00-GEG	$ 21,290,327	4.50	21,290,327	-	-	21,290,327	-	20,911,950	-	20,911,950	378,377
	17-11-C-00-GEG	31,823,107	4.50	31,823,107	-	-	31,823,107	-	31,474,570	-	31,474,570	348,537
	22-12-C-00-GEG	81,560,000	4.50	21,593,715	2,112,092	65,316	23,771,123	57,788,877	6,049,475	-	6,049,475	17,721,648
	24-13-C-00-GEG	11,483,000	4.50	-			-	11,483,000	-	74,552		-
	24-14-C-00-GEG	4,435,000	4.50	-	-	-	-	4,435,000	2,211,221	-	2,211,221	(2,211,221)
				74,707,149	2,112,092	65,316	76,884,557	73,706,877	60,647,216	74,552	60,647,216	16,237,341
Quarter ended December 31, 2025												
Passenger facility charges	15-10-C-00-GEG	$ 21,290,327	4.50	21,290,327	-	-	21,290,327	-	20,911,950	-	20,911,950	378,377
	17-11-C-00-GEG	31,823,107	4.50	31,823,107	-	-	31,823,107	-	31,474,570	-	31,474,570	348,537
	22-12-C-00-GEG	81,560,000	4.50	23,771,123	1,348,837	92,045	25,212,005	56,347,995	6,049,475	-	6,049,475	19,162,530
	24-13-C-00-GEG	11,483,000	4.50	-	-	-	-	11,483,000	-	668,240	668,240	(668,240)
	24-14-C-00-GEG	4,435,000	4.50	-	-	-	-	4,435,000	2,211,221	2,105,394	4,316,615	(4,316,615)
				76,884,557	1,348,837	92,045	78,325,439	72,265,995	60,647,216	2,773,634	63,420,850	14,904,589
Year ended December 31, 2025												
Passenger facility charges	15-10-C-00-GEG	$ 21,290,327	4.50	21,290,327	-	-	21,290,327	-	20,860,497	51,453	20,911,950	378,377
	17-11-C-00-GEG	31,823,107	4.50	31,823,107	-	-	31,823,107	-	31,474,570	-	31,474,570	348,537
	22-12-C-00-GEG	81,560,000	4.50	16,872,427	8,067,924	271,654	25,212,005	56,347,995	6,049,475	-	6,049,475	19,162,530
	24-13-C-00-GEG	11,483,000	4.50	-	-	-	-	11,483,000	6,602,566	2,068,551	8,671,117	(8,671,117)
	24-14-C-00-GEG	4,435,000	4.50	-	-	-	-	4,435,000	2,211,221	2,105,394	4,316,615	(4,316,615)
Cumulative year ended December 31, 2025		$ 150,591,434		$ 69,985,861	$ 8,067,924	$ 271,654	$ 78,325,439	$ 72,265,995	$ 67,198,329	$ 4,225,398	$ 71,423,727	$ 6,901,712

See notes to schedule of passenger facility charges.

NOTE 1 - GENERAL

The accompanying schedule of passenger facility charge (PFC) program receipts and expenditures reports the activity of the Spokane Airport Board (the Airport) related to its passenger facility charges.

The following is the basis of presentation:

PFC revenues – These amounts represent the receipt of PFC charges from airlines for the year ended December 31, 2025. Amounts are reported on an accrual basis.

Interest earned – These amounts represent the interest income earned on deposit balances of PFC receipts for the year ended December 31, 2025. Amounts are reported on an accrual basis.

Expenditures – Expenditures represent the amount of capital and other approved costs expended for approved projects for the year ended December 31, 2025. Amounts are reported on an accrual basis.

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_______ Yes	__X__ No
Significant deficiency(ies) identified?	_______ Yes	__X__ None reported
Noncompliance material to financial statements noted?	_______ Yes	__X__ No

Passenger Facility Charge Audit Guide for Public Agencies

Internal control over major federal programs:		
Material weakness(es) identified?	_______ Yes	__X__ No
Significant deficiencies identified not considered to be material weaknesses?	_______ Yes	__X__ None reported
Type of auditor's report issued on compliance with the Passenger Facility Charge Audit Guide for Public Agencies:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies?	_______ Yes	__X__ No