



Annual Comprehensive Financial Report

For the fiscal years ended
June 30, 2026 and 2025

BNA Nashville
International
Airport®

A component unit of the
Metropolitan Government of
Nashville and Davidson County
Nashville, Tennessee

Metropolitan Nashville Airport Authority

A Component Unit of The Metropolitan Government of Nashville and Davidson County

Nashville, Tennessee

Annual Comprehensive Financial Report

For the Years Ended June 30, 2026 and 2025

Prepared by:

The Finance Department

Metropolitan Nashville Airport Authority
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**Metropolitan Nashville Airport Authority
Introductory Section**

This section contains the following subsections:

Letter of Transmittal

Board of Commissioners, Executive Staff, and Senior Staff

Organization Chart

Certificate of Achievement for Excellence in Financial Reporting

Metropolitan Nashville Airport Authority
Letter of Transmittal



October 19, 2026

To the Board of Commissioners of the Metropolitan Nashville Airport Authority and Nashville citizens,

The Annual Comprehensive Financial Report ("ACFR") of the Metropolitan Nashville Airport Authority ("the Authority" or "MNA") as of and for the fiscal years ended June 30, 2026 and 2025, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with accounting principles generally accepted in the United States of America ("GAAP"). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the ACFR. The report of the independent auditors on the financial statements is included on pages 24-26 of the ACFR.

The ACFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board ("GASB").

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable records from which the financial statements are prepared. These accounting controls ensure that accounting data is reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

The Authority's financial statements for the years ended June 30, 2026 and 2025 have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's independent certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditors' examination has disclosed no conditions that cause them to believe that the financial statements are not fairly presented in all material respects.

Another audit was performed by Plante & Moran, PLLC, as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditors' reports related to the schedule of Passenger Facility Charges are immediately following the ACFR in the Compliance Section.

This ACFR was prepared to meet the needs of a broad spectrum of financial statements readers and is divided into the following sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader with an introduction to the ACFR and the Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview

Metropolitan Nashville Airport Authority Letter of Transmittal

of the local economic conditions, its long-term financial planning and certain other pertinent information. It is complementary to financial and analytical data offered in the Management's Discussion and Analysis ("MD&A") and the Statistical Section of the ACFR discussed below. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Financial Section – The independent auditor's report, MD&A, financial statements, notes to the financial statements, required supplementary information, and other supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. The MD&A immediately follows the independent auditor's report and complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Annual Disclosure Report – The annual disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the Federal Aviation Administration ("FAA") applicable to the Passenger Facility Charge ("PFC") Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a metropolitan airport authority created on February 9, 1970, pursuant to state statute and is an independent political subdivision of the State of Tennessee. The major purposes of the Authority are the operation, financing, and development of Nashville International Airport® ("BNA®") and John C. Tune Airport® ("JWN®"), a general aviation reliever airport.

The Authority also owns MNAA Properties Corporation ("MPC"), a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Authority has all the powers of a governmental entity necessary to accomplish its purpose, such as acquiring land and constructing airport facilities; issuing revenue bonds and other tax-exempt indebtedness; maintaining its own police and aircraft rescue and firefighting ("ARFF"); setting rates and charges for airlines; and setting rates for all activities on airport properties. Although the Authority has an independent governing body, based upon the criteria set forth by the Governmental Accounting Standards Board, it has been determined the Authority is a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee as of June 30, 2026.

As of June 30, 2026 the Authority's Board of Commissioners consists of seven members who serve without compensation, all of whom are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. By state law, the commissioners represent different professional and management disciplines, including engineering, aviation, law, commerce, finance, and industry. The Board appoints the Authority's President and CEO, who is the chief executive and administrative officer responsible for day-to-day operations and planning for both airports and MPC. The President and CEO leads a full-time staff of professional and technical personnel, with a headcount of 452 positions for fiscal year 2026. Authority staff are actively engaged with many trade and community organizations, often receiving awards, and serving in leadership positions.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer funded. The Capital Improvement Program is funded by bonds issued by the Authority, federal and state grants, passenger facility charges ("PFCs"), and other discretionary funds.

Airline Use and Lease Agreement

Leases: Revenues received from the airlines are derived from rentals, fees and charges imposed upon airlines operating at BNA under the MNAA Signatory Airline Use and Lease Agreement (the "Airline Agreement"). The following airlines are parties to such agreements at June 30, 2026: Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Federal Express, JetBlue Airways, Southwest Airlines, and United Airlines (collectively, the "Signatory Airlines"). Spirit Airlines was under this agreement until they ceased operation May 2, 2026. During fiscal year 2024, the Authority entered into a Signatory Airline Use and Lease Agreement with an eight-year term from July 1, 2023 to June 30, 2031. The Agreement contains a two-year option to extend through mutual agreement between the Authority and the signatory airlines no less than two years before expiration.

Rates and Charges: The Authority created five airline cost centers for the purpose of accounting for and allocating costs and revenues at the airport to establish rates and charges for use of the airfield, the terminal, the terminal ramp area, baggage handling system and passenger boarding bridges. In addition to the five airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers (parking and ground transportation, other buildings and areas, and the reliever airport) and one indirect cost center (general administration and overhead). A percentage of the Authority's indirect cost center is allocated to the direct airline cost centers, calculated by all airline and other cost centers. As described below, rate-setting at the airport is "hybrid". Landing fees are calculated using a residual methodology, the terminal rental rates are calculated using a commercial compensatory methodology, and other rates are calculated using a compensatory methodology. In the airfield cost center, the airlines have the primary responsibility, risk, and benefit from non-airline revenues. In the four other airline cost centers, the Authority and airlines share the responsibility, risk, and benefits.

Majority-in-Interest Approvals Relating to Authority's Capital Projects: Signatory Airlines have Majority-in-Interest ("MII") review rights for capital projects in the airfield cost center exceeding \$2.0 million. The form of MII is negative (e.g., the Authority may proceed unless it receives disapproval from the majority). Rolling debt service coverage is incorporated into the rate calculations for all airline cost centers.

The Airline Industry

The US airline industry is currently defined by a "premium arms race" focused on high-margin luxury upgrades, unbundled fare classes, and 24-hour fleet utilization. Driven by pressure from activist investor Elliott Investment Management, Southwest Airlines is undergoing a historic overhaul, abandoning its decades-old open-seating policy in favor of assigned seating and extra-legroom sections. To maximize revenue and compete with legacy carriers, Southwest is also launching dedicated airport lounges (including in Nashville), expanding international partnerships, and introducing overnight red-eye flights.

Airport Activity

Nashville International Airport completed another record-breaking year in fiscal year 2026 with 13.3 million enplanements, a 7.7% increase from the previous year's 12.4 million enplanements. Nashville International Airport averages 703 daily airline arrivals and departures to 115 nonstop destinations.

Metropolitan Nashville Airport Authority
Letter of Transmittal

	2026	2025	2024
Enplanements	13,336,463	12,385,378	11,826,204
% (decrease) increase	7.7	4.7	8.3
Aircraft landed weight (all-000)	15,763,217	14,394,601	13,823,559
% (decrease) increase	9.5	4.1	7.0
Aircraft operations (all)	298,092	279,677	274,335
% (decrease) increase	6.6	1.9	4.4
Load factors	77.4%	78.5%	78.4%
% (decrease) increase	(1.1)	0.1	(1.1)

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year, the Authority prepares operating and capital budgets which are reviewed by various committees of the Board of Commissioners and legally adopted by the full Board of Commissioners.

The budget contains an estimate of current operational and capital expenses, including for the operation and development of airports under the jurisdiction of the Authority and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of Authority revenue from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations and capital needs of the Authority. BNA, JWN, and MPC operating budgets are the Authority's annual financial plan for operating and maintaining the airport and other properties. The operating expense and revenue budgets must be sufficient to cover the operating and maintenance expenses of the airports and the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the airports and MPC with a five-year horizon. The Authority's basis of budgeting is in accordance with GAAP, which is the same as the Authority's accounting basis.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control with an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved with encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms outlined in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Finance reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly board packet.

THE AUTHORITY'S ECONOMIC CONDITION

Population and Air Trade Area

BNA resides in a region which the United States Office of Management and Budget (OMB) defines as the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area (MSA) and is composed of 14 counties of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties. The Nashville-Davidson-Murfreesboro-Franklin MSA is the 34th most populated MSA in the United States with approximately 2.2 million people and serves as the airport "air service area".

Metropolitan Nashville Airport Authority Letter of Transmittal

BNA is the primary commercial air service facility serving the Nashville metropolitan area and is the largest airport in the state of Tennessee and the only large hub in the region. BNA serves as the primary commercial service airport for the air service area. This area is generally isolated from competing airport facilities and, hence, BNA has limited competition for air service. Huntsville International Airport (HSV) is the closest airport; about 125 (driving) miles from the Airport. The next closest airport is Chattanooga Metropolitan Airport (CHA) which is about 145 (driving) miles away. Louisville International Airport (SDF) and Knoxville McGee Tyson Airport (TYS) are about 175 (driving) miles from BNA. Paducah Barkley Regional Airport (PAH) is a non-hub airport about 150 (driving) miles from the Airport with only Essential Air Service. Memphis International Airport (MEM) is a medium hub airport about 220 (driving) miles from the airport. Other commercial service airports in the region are small facilities and the more comparable small hub airports are over 175 miles away. Other medium and large hub airports are over 250 miles from BNA, with Hartfield-Jackson Atlanta International Airport (ATL) the nearest at approximately 255 (driving) miles.

In calendar year 2025, BNA ranked 25th nationwide in enplaned passengers with 12,549,304 enplanements, making BNA a large hub airport as classified by the Federal Aviation Administration.

Economy

According to the Bureau of Labor Statistics and the Nashville Area Chamber of Commerce the Nashville metropolitan area continues to exhibit economic resilience, anchored by a strong local labor market featuring a preliminary 3.0% unemployment rate and 1.2 million nonfarm jobs as of August 2026. Annual job growth is up 0.7%, driven largely by robust gains in the leisure and hospitality sector (+4.9%) and the education and health services sector (+2.4%). The city remains highly attractive for headquarter operations and corporate relocations due to Tennessee's favorable business regulations and the absence of a state personal income tax. However, this rapid corporate growth and population influx have created significant affordability headwinds, causing a surge in housing costs and a corresponding 2.7% contracting drop in the mining, logging, and construction sectors.

NASHVILLE HIGHLIGHTS

Nashville often receives honors and rankings within the travel industry. Nashville's culturally diverse and friendly environment makes it a popular place for conventioners and tourists alike, as well as a great place to work, live and raise a family. A sample of Nashville's recent accolades follows:

Nashville's Recent Rankings & Recognition

- Travel + Leisure (July 2026):
Nashville ranked #12 among the Best Cities in the U.S. in the 2026 World's Best Awards
- AFAR (July 2026):
Nashville landed #9 among the Best Road Trips in the U.S. to Take Right Now
- U.S. News & World Report (June 2026):
Included Nashville among the 17 Best Places to Go for the Fourth of July
- Sports Business Journal (May 2026):
Nashville ranked #15 among the 50 Best Sports Business Cities for 2026
- AFAR (March 2026):
Featured Nashville as one of the 10 Best Places You Should Visit This June
- AFAR (March 2026):
Nashville ranked #3 on the list of 15 Places to See Cherry Blossoms Across the United States
- Southern Living (March 2026):
Nashville ranked #4 on the list of The South's Best Cities 2026

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- Travel and Tour World (February 2026):
Named Nashville as one of the Top 50 Nightlife Destinations in the World 2026
- TripAdvisor (January 2026):
Listed in the top 10 list of the Best Food Destinations in the U.S.
- Condé Nast (January 2026):
Featured Nashville as one of the 21 Best Places to Visit in June
- TripAdvisor (January 2026):
Ranked #4 among the Best of the Best Destinations in the U.S.
- Daily Mail (January 2026):
Listed as one of the 20 Bucket List Holiday Destinations for 2026
- LoveExploring (December 2025):
Nashville made it on the Ultimate USA Bucket List
- Wanderlust (December 2025):
Featured Nashville on the USA Good to Go 2026 list
- Travel & Tour World (December 2025):
Nashville's New Year's Eve 2025 is named the Ultimate Party Destination for Music Lovers and Foodies
- Go Banking Rates (December 2025):
Nashville ranked #8 out of 20 Budget-Friendly Places to Spend Your Holiday Vacation
- U.S. News & World Report (December 2025):
Ranked in the top 10 out of 20 Best U.S. Cities to Visit in 2026
- AFAR (November 2025):
Featured Nashville as one of the 8 Cities with the Best Holiday Celebrations in the U.S.
- Condé Nast Traveler (November 2025):
Ranked #4 among the 25 Best Cities to Spend Christmas in the U.S.
- Lonely Planet (November 2025):
Named Nashville as one of the Best Places in the US to Celebrate New Year's Eve
- Travel + Leisure (September 2025):
Nashville tied for the #1 spot as one of the Best Places to Live in the U.S.
- J.D. Power (September 2025):
BNA ranked #3 on the list of the Best Large Airports for Customer Satisfaction in North America
- YouGov (July 2025):
Nashville topped the list as Americans' Favorite City
- Travel + Leisure (July 2025):
Ranked Nashville #13 among the 15 Best Cities in the U.S.
- National Geographic (July 2025)
Featured in Here's why you should visit Nashville in 2025

Nashville Facts are courtesy of the Nashville Convention and Visitors Bureau.

FISCAL YEAR 2026 AWARDS AND RECOGNITION AT BNA

Throughout fiscal year 2026, BNA celebrated numerous achievements, events, and celebrations:

- **New Single-Record:** On Sunday, Oct. 5, 2025, BNA welcomed **116,047 total passengers**.
- **Record-breaking Fall Break:** **2,550,000 million passengers** traveled through BNA in October 2025, a 10% increase over 2024, supported by 13,804 commercial flights.
- **New Milestone in Air Service:** BNA celebrated **115 nonstop destinations** in June 2026, the most in its history.
- **Proudly Hosted the 22nd Annual Airport Experience® Conference:** The **conference** drew a record number of attendees from across the country and opened in true Music City fashion with an exclusive opening night concert by multi-platinum entertainer Dierks Bentley.
- **New Airline Partner:** Welcomed a new airline partner as Porter Airlines launched nonstop service from BNA to Billy Bishop Toronto City Airport (YTZ) on May 11, 2026, further expanding international connectivity.
- As BNA reaches new heights in passenger demand, air service and national visibility, MNAA's long-term investments are just as impactful. Through **New Horizon**, BNA's \$3 billion construction and renovation program, the airport is delivering major infrastructure upgrades to support **40 million annual passengers** in the future, through initiatives including:
 - The **grand opening of the Concourse D extension, the first project completed under New Horizon**, unveiling:
 - Five new gates adding even more space and options to travelers
 - Five new locations to eat and drink
 - Three new retailers to buy gifts with that signature Nashville flair
 - Four unique, original pieces of artwork
 - A moving walkway
 - An outdoor terrace with views of ramp activities and downtown
 - The U.S. Green Building Council awarded the Concourse D extension **LEED Silver** status in recognition of its sustainable design, energy efficient systems and thoughtful, environmentally responsible construction.
 - **The closure of Concourse A:** Now under complete demolition and reconstruction, the new concourse—opening July 2028—will feature **16 gates**, significantly expanded facilities, new concessions, improved amenities and upgraded passenger spaces including an outdoor terrace and mezzanine level airline lounges.
 - American Airlines has announced they will open a brand-new, expanded Admirals Club® lounge when the new Concourse A opens in 2028.
 - **Central Ramp Expansion:** Surpassed **1 million cubic yards of fill** embanked toward the project's **1.1 million cubic yard total**—equivalent to moving roughly **300 dump truck loads each day**, with one unloaded **every four minutes**. This progress underscores the scale and momentum of the work, which will ultimately create additional capacity for aircraft movement, overnight parking and deicing.

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- **New Rental Car Facility & Parking Garage:** Began construction on the six-story, **3.5-million-square-foot facility** that will accommodate **4,700 rental vehicles** and include a new **3,000-space parking garage**.
- **Central Core Enhancement:** Launched a \$40 million, 18-month renovation to expand the entrance areas and increase elevator and escalator capacity to improve vertical circulation and passenger flow.
- MNAA also shared a look ahead at what comes after New Horizon—**Over the Horizon**, which includes early plans for **Terminal II**, a transformative phase designed to support decades of future growth at BNA. Discover more [here](#).
- Following major advancements at BNA, MNAA also celebrated a standout year for **John C. Tune Airport**, which continues to strengthen its role as one of Tennessee's busiest general aviation airports.
- In FY26, JWN supported **18,547 jet operations** and uplifted **3.8 million gallons of fuel**—record breaking year over year **increases of 7.5% and 11.5%**, respectively.

Additional accomplishments include:

- **Record Fall Break Activity:** Fall Break 2025 brought **1,954 business jet operations**, and fuel delivery in October 2025 climbed to **389,942 gallons** – a **9.3% increase** over the previous record that was set in October 2024.
- **MNPD Aviation Unit Hangar:** The Metropolitan Nashville Police Department (MNPD) opened its state-of-the-art hangar at JWN, enhancing safety, operational capacity and regional partnership.

This year, MNAA marked several celebrations, launches, accolades and community initiatives, including:

- Celebrated the one-year anniversaries of our partnerships with **Aer Lingus** and **Icelandair**, marking a successful first year of nonstop service to Dublin and Reykjavík and expanding BNA's international reach.
- Launched **GoodMaps**, an indoor navigation app designed to support individuals who are blind or have low vision, providing accessible wayfinding throughout the terminal and enhancing independence for all travelers.
- Held a check presentation ceremony for the beneficiaries of our 2025 BNA® 5K on the Runway:
 - Second Harvest Food Bank
 - Musicians On Call
 - Nashville State Community College
- Hosted our **29th Annual BNA® Aviation Golf Classic** and check presentations benefiting:
 - Japan America Society of Tennessee - Cherry Blossom Festival
 - The 100 Black Men of Middle Tennessee, Inc.
 - Susan G. Komen® Foundation
 - Parkinson's Foundation Tennessee and Kentucky Chapter
- Hosted our annual **Business Taking Off Conference** achieving record attendance and vendor participation while showcasing new opportunities tied to BNA's ongoing growth.

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- Celebrated **40 years of partnership** with Southwest Airlines®, commemorating a long-standing collaboration that has helped fuel BNA's growth and strengthen Nashville's air service network.

MNAA was presented with the following awards and recognitions:

- **CEO Accolades** – President and CEO Doug Kreulen received two distinct honors this year, earning the prestigious Apollo Award at **PRSA Nashville's 39th Parthenon Awards** and being named among the Nashville Business Journal's 2025 C-Suite Award recipients.
- **Best In-House Team** – MNAA's Communications Team took home "Best In-House Team" in the Government Category at the **PRSA Nashville Chapter's 39th Parthenon Awards**, while also receiving recognition for numerous other outstanding campaigns that elevated the airport's brand and community engagement.
- **J.D. Power Airport Satisfaction Ranking** – BNA was ranked **#7** among large airports in North America in the **2025 J.D. Power** rankings for overall customer satisfaction—an incredible milestone that reflects our dedication to providing a world-class experience for every traveler.
- Airport Experience® Awards:
 - **Airport with the Best Overall Concessions Program** – BNA was recognized for offering a diverse mix of food, retail and service options that meet the needs of today's travelers.
 - **Airport with the Best Program Design** – BNA was recognized for its visually striking and thoughtfully designed concessions environment, which blends aesthetics, flow and functionality. The airport's design approach creates a sense of place that is uniquely Nashville while ensuring an efficient and enjoyable traveler journey.
- **Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting:** MNAA earned its 25th consecutive year of recognition for excellence in financial reporting for the FY 2025 Annual Comprehensive Financial Report.
- **USA TODAY 10Best Readers' Choice Awards:**
 - #1 – Best Airport for Shopping (three consecutive years)
 - #1 – Best Airport Bar (The Titans Press Box)
 - #2 – Best Large Airport
 - #2 – Best Airport Grab-And-Go Food (400 Degrees Hot Chicken)
 - #3 – Best Airport for Art

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the airports. Under the terms of the Airline Agreement, certain fees and charges paid by airlines are used along with other non-airline income from BNA to service the debt issued to finance the construction program.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) to expand, modernize, and maintain BNA, JWN, and MPC. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each airport. The master plans establish the framework for the CIP that is necessary for the development of the Authority.

Between FY 2012 and FY 2017, annual enplaned passengers at the airport increased by approximately 39%; from approximately 4.9 million to 6.8 million. In response to this growth, the Authority began developing a capital program in 2017 to enhance the capacity of airport facilities and meet the growing demand for airport gates, known as the *BNA Vision* program. During fiscal year 2024, the Authority completed the *BNA Vision* capital program, which was an extensive, multi-phased capital improvement program. *BNA Vision* was a major renovation and expansion project intended to enable BNA to meet future needs.

Specific elements of *BNA Vision 1.0* and *2.0*, totaling approximately \$1.5 billion, include the following:

Terminal Garage 2

A six-story structure to the south of the terminal with approximately 2,200 spaces. Terminal garage 2 opened in December 2018.

Terminal Lobby Renovation and International Arrival Facility (IAF)

The project provides travelers with an expanded and visually pleasing central terminal, a marketplace with exciting dining and shopping options, and a state-of-the-art international arrivals facility which replaced the interim international arrivals facility. The terminal lobby opened January 24, 2023, and the marketplace and IAF opened September 27, 2023.

Concourse D, Terminal Wings, Ticketing and Baggage Claim Expansion

The project revived and expanded BNA's Concourse D and enlarged the existing ticketing lobby and baggage claim. The north and south terminal wing expansion, expanded baggage claim, and Concourse D are now open.

Terminal Garage 1

The project includes a six-level parking garage near the terminal, a new administrative office building and pedestrian plaza. The garage, administrative offices, and pedestrian plaza are now open.

Donelson Pike Relocation and Terminal Access Roadway Improvements – Phase 1

With mounting traffic and airport utilization, the Donelson Pike Relocation and Terminal Access Roadway Improvements projects are vital to improving access and circulation around BNA. Construction for this project is multi-phased and ongoing.

Satellite Concourse

The project produced an eight-gate, free-standing satellite concourse near the main terminal and provide more gates to meet the increasing air travel demand in Middle Tennessee. The satellite concourse opened in October 2023.

Metropolitan Nashville Airport Authority Letter of Transmittal

Runway 2L/20R Extension – EA/Preliminary Design and Property Acquisition

The project will allow BNA to accommodate larger aircraft. This is imperative as BNA seeks to expand to more international markets in Asia and Europe.

Concourse A Site Preparation, Fill, and Ramp Paving

The project will prepare an area adjacent to the existing Concourse A to allow for future expansion.

As air traffic continued to increase dramatically during the planning and implementation of the *BNA Vision* program, the Authority began undertaking a new capital initiative, *New Horizon*, which includes additional expansion projects to accommodate future demand beyond what was contemplated when *BNA Vision* program was developed. The total estimated cost of *New Horizon* is approximately \$2.86 billion, and is divided into *New Horizon I*, which comprises airside projects and a total estimated cost of approximately \$1.52 billion, and *New Horizon II*, which comprises landside projects and has an estimated cost of approximately \$1.34 billion. including the following:

New Horizon I:

Concourse D Extension

The project, which opened July 8, 2025, expanded the existing Concourse D (reconstructed under the *BNA Vision* program) from 6 gates to 11 gates, added 8 new concessions locations, a 165-foot-long moving walkway, and a record node at the end of the concourse with an outdoor terrace.

Concourse A Project

The project, expected to open July 2028, provides for the complete demolition of existing Concourse A and the reconstruction of a new 374,000 square foot Concourse A with 16 aircraft gates, new concessions space, a mezzanine level, and outdoor terraces. The Concourse A project also includes 24 additional ticket counters.

Baggage Handling System Improvements

This project, which provides improvements to the existing baggage handling system, is split into phases with full completion by 2029. The improvements are designed to increase the speed of security inspections, sorting, and delivery of baggage to and from aircraft gates and expand the system's size to handle 40 million annual passengers.

Central Ramp Expansion

The project, expected to be completed in 2027 and is required prior to the opening of the new Concourse A, fills approximately 1.1 million cubic yards of airfield to provide 7 remain-overnight aircraft parking and de-icing positions.

New Horizon II:

Terminal Area Roadway Improvements, Phases 2 and 3

These projects are a continuation of roadway improvements being undertaken as part of the *BNA Vision* program to relocate Donelson Pike and improve traffic flow. Elements of this project include the relocation of commercial vehicle pick-up and drop-off locations, lane expansions, and the removal of traffic signals to allow traffic to flow more freely on airport roadways. These roadway improvements include the infrastructure needed to support 40 million annual passengers and are expected to be completed by June 2029. The Authority is remaining in close contact with the Tennessee Department of Transportation as preparations are made to switch drivers to the new Donelson Pike interchange and is providing incentives to the contractor if the project is completed a year ahead of schedule, which could allow the Authority to complete the terminal roadway improvements ahead of schedule.

The Garage and Rental Car Complex

The project includes the construction of a new Consolidated Rental Car Facility ("CONRAC") and new parking garage (Garage D) on the location of the existing Terminal Lot A surface parking lot. The new CONRAC is expected to provide approximately 4,700 ready/return rental car spaces and related quick turn-around facilities, and Garage D is expected to provide approximately 3,000 public parking spaces. This project also includes the construction of a rental car customer service center, which will relocate the rental car counters from the main terminal building, and a dedicated walkway between the CONRAC and the main terminal building. Upon completion of the project (expected June 2030), car rental operations will be relocated from the existing CONRAC to the new CONRAC. The Garage and Rental Car complex is being constructed in such a way that, as future demand dictates, the CONRAC may be expanded into all or portions of Garage D, and those parking spaces may be used for car rental operations.

Northeast Surface Lot

The project includes the construction of a new surface parking lot containing approximately 5,000 parking spaces. The new surface lot is anticipated to be used for airport employee parking, as the existing 2,095-space lot is nearly at capacity and cannot be expanded in its current location. The new surface lot will also be used for valet parking overflow.

The Authority is continuing to assess and manage its capital needs to determine the necessary modifications to the CIP to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the airport, and other factors.

Airport Improvement Program

The Authority participates in the Airport Improvement Program (AIP), the federal government's airport grant program. The AIP provides funding for airport development, airport planning and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Authority also receives grants from the State of Tennessee.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorizes domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued regulations for the use and report of PFCs. PFCs may be used for projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport, or furnish opportunities for enhanced competition between or among air carriers.

The FAA has approved twenty-three PFC applications and amendments submitted by the Authority. The Authority is currently authorized to impose and use a PFC of \$4.50 per enplaned passenger up to \$1.6 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of June 30, 2026, the Authority has received approximately \$642 million of PFC revenue, and interest earnings of approximately \$54 million. The Authority has expended approximately \$460 million on approved projects. The current PFC expiration date is estimated at March 1, 2045.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a "Certificate of Achievement" for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2025. This was the twenty-fifth consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must

Metropolitan Nashville Airport Authority
Letter of Transmittal

publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and will submit this 2026 ACFR to the GFOA for consideration.

Acknowledgements

The preparation of this report would not be possible without the cooperation of the Authority's Board of Commissioners and executive and senior management and their desire to maintain the Authority as a model of excellence in the management of Nashville International Airport, John C. Tune Airport, and MNAA Properties Corporation, to meet the air service needs of the surrounding communities.

Respectfully submitted,



Margaret Basrai, CPA, CGMA, C.M.
Executive Vice President and Chief Financial Officer

Metropolitan Nashville Airport Authority

Board of Commissioners and Executive Staff

BOARD OF COMMISSIONERS*

Chair

Nancy B. Sullivan, P.E.**

Dr. Glenda B. Glover

Secretary

Andrew W. Byrd

Glenn E. Farner, Jr.

Steve L. Swartz

Commissioners

Joycelyn A. Stevenson, Esq.**

Marcus W. Shute, Jr.

**For the Board of Commissioners subsequent to June 30, 2026 please see Footnote 20.*

***Management Committee members - responsible for Audit*

EXECUTIVE STAFF

Douglas E. Kreulen

President & Chief Executive Officer

Eric L. Johnson

Executive Vice President & Chief Revenue Officer

Margaret M. Basrai

Executive Vice President & Chief Financial Officer

Robert L. Ramsey

Executive Vice President & Chief Development Officer

John A. Cooper

Executive Vice President & Chief Administrative Officer

Joshua A. Powell

Senior Vice President & Chief Strategy Officer

Adam R. Floyd

Executive Vice President & Chief Operating Officer

SENIOR STAFF

Adam P. Bouchard

Senior Vice President, Deputy COO

Zachary D. Blair

Assistant Vice President, Associate General Counsel

Kristen M. Deuben

Senior Vice President, Deputy CFO

Jennifer H. Coulter

Assistant Vice President, Landing Operations & Environmental

Kristy R. Bork

Vice President, Finance

Michael K. Glazer

Assistant Vice President, Terminal Operations & Facilities

Traci C. Holton

Vice President, New Horizon

KC Hampton

Assistant Vice President, Information Technology

Lisa A. Leyva

Vice President, Concessions

Roman B. Kesselman

Assistant Vice President, Real Estate

Carrie R. Logan

Vice President, Authority Counsel

Beth A. Kreppein

Assistant Vice President, Department of Public Safety

Syed M. Mehdi

Vice President, Airport Planning

Theodore G. Morrissey

Assistant Vice President, Associate General Counsel

Stacey H. Nickens

Vice President, Corporate Communications & Marketing

Christopher D. Saunders

Assistant Vice President, Airline Affairs & Air Service Development

Puneet S. VEDI

Vice President, Airport Capital Development

Adam C. Wolf

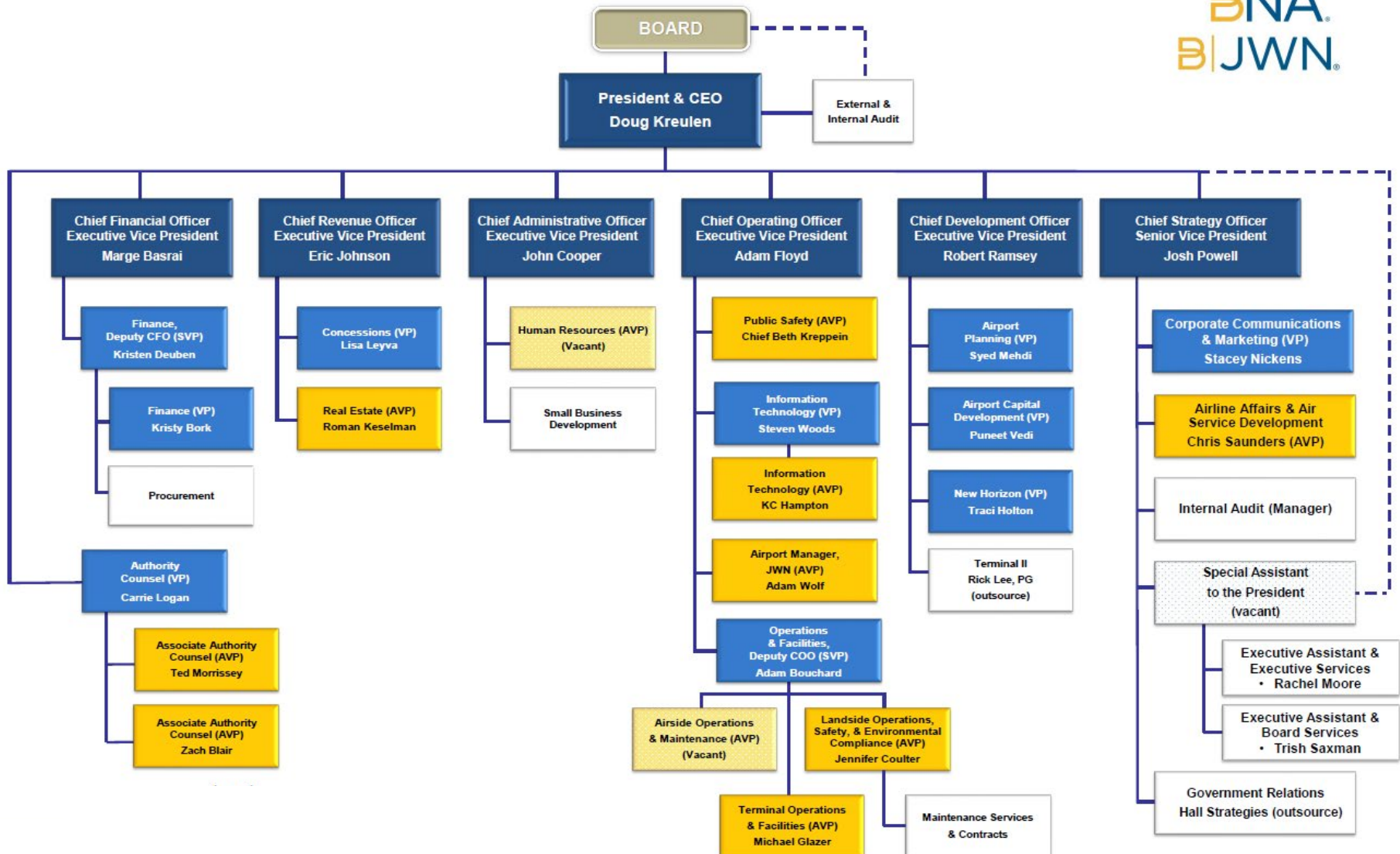
Assistant Vice President, Airport Manager, JWN

Steven C. Woods

Vice President, Information Technology

Effective Date: June 30, 2026

**Metropolitan Nashville Airport Authority
Organizational Chart as of June 30, 2026**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Metropolitan Nashville Airport Authority
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

A handwritten signature in black ink, reading "Christopher P. Morill". The signature is written in a cursive, flowing style.

Executive Director/CEO

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This section contains the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of and for the years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining funds of the Authority as of June 30, 2026 and 2025 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

To the Board of Commissioners
Metropolitan Nashville Airport Authority

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, as identified in the table of contents and the schedule of collections and expenditures of passenger facility charges required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide"), is presented for the purpose of additional analysis 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 audits 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 and the schedule of collections and expenditures of passenger facility charges are 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 Comprehensive Financial Report. The other information comprises the introductory section, statistical section schedules, and annual disclosure report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 19, 2026

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

The following discussion and analysis provide an overview of the financial performance and activities of the Metropolitan Nashville Airport Authority (the "Authority") as of and for the years ended June 30, 2026 and 2025. The purpose of management's discussion and analysis ("MD&A") is to help readers better understand what the financial statements and footnotes say about the Authority's overall financial health, as well as the changes from the prior year. The MD&A has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

Overview of the Financial Statements

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as promulgated by the Governmental Accounting Standards Board (GASB) and include the operations of Nashville International Airport ("BNA"), John C. Tune Airport ("JWN") and MNAA Properties Corporation ("MPC"). The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Position, which presents the assets, liabilities, deferred inflows and outflows of resources and net position of the Authority as of the end of the fiscal period; (b) Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expenses recognized during the fiscal period; and (c) Statement of Cash Flows, which provides information on all cash inflows and outflows for the Authority by major category during the fiscal period.

The Authority's financial statements use the economic resources measurement focus and accrual basis of accounting, meaning that they comprehensively report all types of financial statement elements:

- Assets – resources the Authority controls, including short-term assets such as cash, and long-term assets such as capital assets.
- Liabilities – amounts owed by the Authority, including short-term liabilities such as accounts payable, and long-term liabilities such as airport revenue bonds.
- Deferred outflows of resources and deferred inflows of resources – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- Revenues and expenses – inflows and outflows of economic resources related to the current year.

The Authority includes Fiduciary Funds Financial Statements to account for resources for which it acts as a trustee or custodian, including other postemployment benefit and pension trust funds, and unadjudicated custodial funds. The resources in those funds do not belong to the Authority and cannot be used for airport operations and are therefore not included in the Authority's financial statements.

This Annual Comprehensive Financial Report also includes the Notes to the Financial Statements, which delve deeper into the Authority's finances as reported in the financial statements. The Authority uses these notes to 1) present information in greater detail than is possible within the financial statements, 2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and 3) report certain information that does not meet the requirements for inclusion in the financial statements.

Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)

FINANCIAL SUMMARY

Statement of Net Position

The condensed summary of the Authority's financial position as of June 30, 2026, 2025, and 2024 is as follows:

	2026 (000s)	2025 (000s)	2024 (000s)
ASSETS			
Current unrestricted assets	\$ 1,102,088	\$ 996,464	\$ 848,404
Restricted assets	1,065,091	284,878	438,369
Capital assets, net	2,542,320	2,150,171	1,997,633
Other assets	157,680	158,334	153,366
Total assets	4,867,179	3,589,847	3,437,772
DEFERRED OUTFLOWS	-	1,096	1,452
LIABILITIES			
Current liabilities	\$ 163,757	\$ 109,340	\$ 83,488
Noncurrent liabilities	3,153,690	2,038,825	2,014,093
Total liabilities	3,317,447	2,148,165	2,097,581
DEFERRED INFLOWS	146,186	135,611	140,967
NET POSITION			
Net investment in capital assets	(48,753)	150,510	261,220
Restricted	791,244	576,917	494,457
Unrestricted	661,055	579,740	444,999
Total net position	<u>\$ 1,403,546</u>	<u>\$ 1,307,167</u>	<u>\$ 1,200,676</u>

The statement of net position shows that revenues exceeded expenses in fiscal years 2025 and 2026, resulting in an increase in net position from \$1.2 billion in 2024 to \$1.3 billion in 2025, and to \$1.4 billion in 2026. This represents an increase in net position of \$106.5 million, or 8.9% for 2025, and an increase in net position of \$96.4 million, or 7.4%, for 2026. The largest factors driving the changes are as follows:

1. Growth in various operating revenues in 2025 and 2026 due to achieving record-breaking passenger enplanements at Nashville International Airport each year.
2. An increase in overall operating expenses in 2025 and 2026, which is necessary to meet the increasing passenger demand, as well as the continued increase in terminal square footage.
3. Noncapital subsidies received by the Authority for its general operations in fiscal years 2025 and 2026.
4. Changes in nonoperating revenues and expenses in 2025 and 2026.

Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position

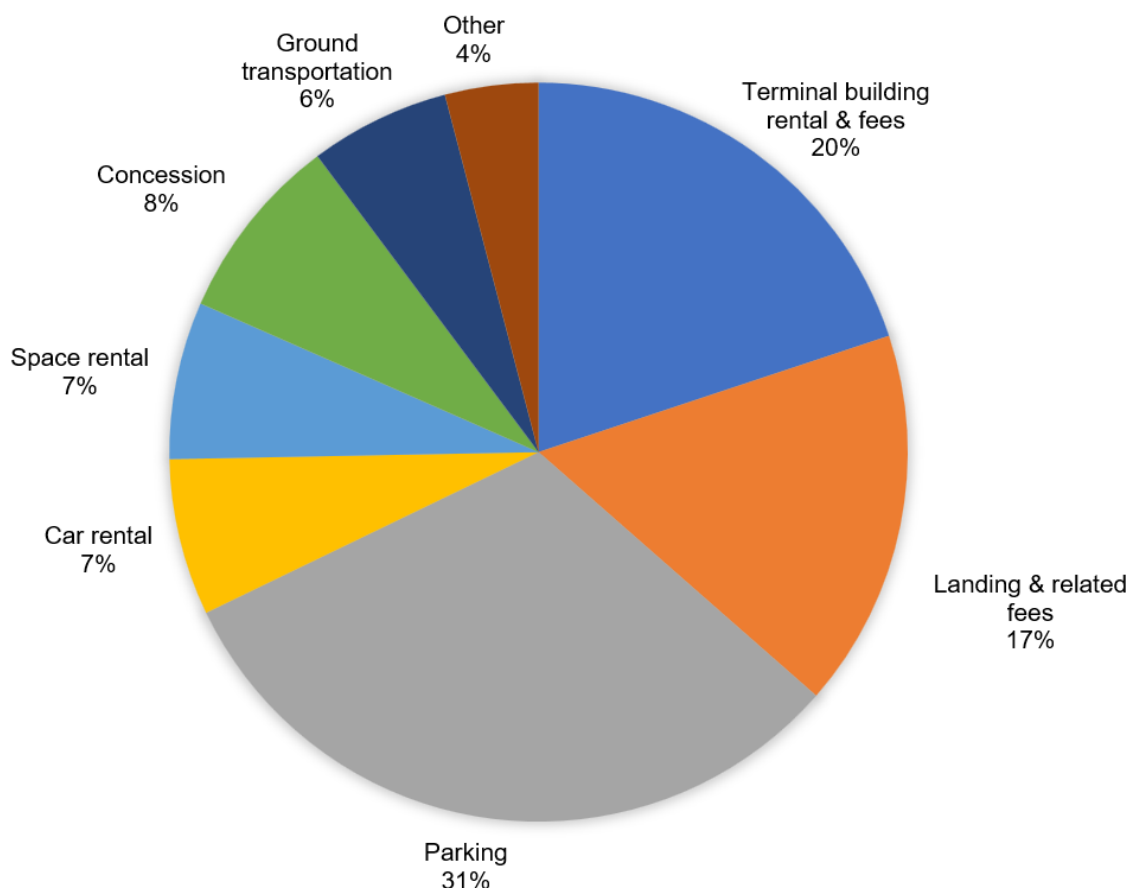
	2026 (000s)	2025 (000s)	2024 (000s)
Operating revenues:			
Terminal building rental and fees	\$ 75,293	\$ 66,387	\$ 47,726
Landing and related fees	62,625	51,726	54,194
Parking	118,705	107,991	107,039
Car rental	25,954	26,356	25,502
Space rental	26,067	24,745	17,395
Concession	30,990	20,849	24,012
Ground transportation	23,204	18,177	16,912
Other	15,456	10,229	9,833
Operating revenues	378,294	326,460	302,613
Operating expenses:			
Salaries, wages and fringe benefits	60,766	51,756	49,830
Professional and other contractual services	35,005	41,786	29,166
Shuttle bus services	17,268	17,206	13,255
Janitorial services	16,096	15,792	15,826
Parking management	15,953	15,137	13,136
Utilities	12,274	11,249	8,779
Materials and supplies	9,503	8,679	9,432
Repairs and maintenance services	9,292	8,100	8,635
Insurance	5,171	5,199	5,319
Other	8,124	5,706	5,662
Depreciation	153,699	141,890	117,554
Operating expenses	343,151	322,500	276,594
Operating income	35,143	3,960	26,019
Noncapital subsidies			
Noncapital subsidies from federal and state governments	1,041	13,437	-
Customer facility charges	37,003	25,802	-
Operating income and noncapital subsidies	73,187	43,199	26,019
Nonoperating revenues (expenses):			
Investment income	53,640	62,149	62,088
Passenger facility charges	50,377	46,775	44,734
Customer facility charges	-	-	17,284
Federal and state grants	-	-	34,830
Insurance and other reimbursements	-	5,699	669
(Loss) gain on disposal of property and equipment	3,004	(4,585)	3,696
Interest expense	(103,711)	(81,114)	(79,527)
Debt issuance costs	(4,251)	(101)	(8)
Capital contributions	24,133	34,470	-
	23,192	63,293	83,766
Income before capital contributions	96,379	106,492	109,785
Capital contributions	-	-	33,823
Increase in net position	96,379	106,492	143,608
Fund net position - beginning of year	1,307,167	1,200,675	1,057,067
Fund net position - end of year	<u>\$ 1,403,546</u>	<u>\$ 1,307,167</u>	<u>\$ 1,200,675</u>

The Authority has made certain reclassifications to the 2025 and 2024 financial statements to conform with the presentation of the 2026 financial statements.

In accordance with GASB Statement No. 103, *Financial Reporting Model Improvements* ("GASB 103"), fiscal year 2026 and 2025 noncapital subsidies from federal and state governments and from customer facility charges are presented above nonoperating revenues and expenses; capital contributions are presented with nonoperating revenues.

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

Operating Revenues by Source



Growth in Operating Revenues

Nashville International Airport continued to grow in fiscal year 2026. The Airport recognized 13.3 million enplanements in fiscal year 2026, a 7.7% increase from fiscal year 2025. In fiscal year 2025, the Airport recognized 12.4 million enplanements, a 4.7% increase from fiscal year 2024. BNA also celebrated 115 nonstop destinations in June 2026, the most in its history. These milestones, along with the major infrastructure investments noted in this MD&A, led to growth in the Authority's operating revenues year-over-year.

Operating revenues increased in fiscal year 2026 from 2025 by \$51.8 million, and by \$23.8 million in fiscal year 2025 from 2024. Operating revenues include terminal building rental and fees, landing fees, parking, car rental, space rental, concession revenue, ground transportation revenue, and other revenue, and are offset by the airline in-terminal concession credits.

Terminal building rental and fees include main terminal rent, baggage claim fees, per use fees, and jet bridge rent. Terminal building and rental fees increased between 2025 and 2026 by \$8.9 million, driven by an increase in main terminal rent (Signatory and Non-Signatory) (\$3.9 million), an increase in baggage claim fees (\$1.4 million), and an increase in per use fees (Signatory and Non-Signatory) (\$2.0 million). Main terminal rent increased due to opening the new D Concourse extension on July 1, 2025, adding five new gates to the terminal. The terminal rental rates were raised from \$186.82 per square foot in 2025 to \$213.93 per square foot in 2026. Baggage claim fees increased due to increases in the per-bag fee from \$3.67 in 2025 to \$3.96 in 2026. Per use fees increased due to increased passenger volume at the airport, resulting in more controlled gate turns and more departing seats than the prior year. Terminal building

Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)

rental and fees increased between 2024 and 2025 by \$18.7 million, largely driven by an increase in main terminal rent (\$12.3 million) and an increase in baggage claim fees (\$5.1 million). Main terminal rent increased due to realizing a full year of rental income for both the international arrivals facility and satellite concourse (both of which opened in the fall of 2023). The terminal rental rates were raised from \$173.17 per square foot in 2024 to \$186.82 per square foot in 2025. Baggage claim fees increased as rentable baggage claim space increased by approximately 6,000 square feet during 2025, combined with a rate increase in the per-bag fee from \$2.18 in 2024 to \$3.67 in 2025. For more detailed Airline Use and Lease Agreement information, see Note 9 in the Notes to the Financial Statements.

Landing and related fees include landing fees based on landed weights for commercial and cargo airlines (Signatory and Non-Signatory), ramp fees, and overnight parking charges. In 2026, landing and related fees increased by \$10.9 million, primarily due to an increase in Signatory and Non-Signatory landing fees of \$10.1 million. Landing fees were increased in 2026 to cover rising airfield operating expenses, airfield construction, and airfield debt service. There was also an increase in landed weights from the airlines of 9.5% over 2025. In 2025, landing and related fees decreased by \$2.5 million. While overall Signatory Airline landed weights realized an increase of 4%, the landing fee was reduced from \$3.50 to \$3.38 (per 1,000 pounds of gross landed weight) from 2024 to 2025, leading to a reduction in Signatory Airline landing fees of \$3.3 million. The landing fee was reduced due to the cancellation of certain airfield projects, which the Signatory Airlines had previously been obligated to fund. This decrease was offset by an increase in ramp rent of approximately \$600 thousand, resulting from an increase in rentable ramp square footage of about 200,000 square feet combined with an increase in the ramp rental rate from \$3.56 per square foot in 2024 to \$3.99 per square foot in 2025. For more detailed Airline Use and Lease Agreement information, see Note 9 in the Notes to the Financial Statements.

Parking revenue increased by \$10.7 million between 2025 and 2026 due to increased passengers, length of stay, and increased parking rates. For example, at the beginning of fiscal year 2026, the cost to park in a terminal garage for a full day was \$30 per day; at the end of fiscal year 2026, it was \$33 per day. The parking garages and surface lots were often bursting with activity throughout 2026. An increase of \$1.0 million in parking revenue was realized between 2024 and 2025 due to increased enplanements. Daily parking rates were not increased during 2025.

Space rental increased minimally from 2025 to 2026 by \$1.3 million due to both increases in rental rates and more space leased than in the prior year. Additional rented space in fiscal year 2026 included Embraer parking, airline mezzanine terminal space, and Atlantic Aviation at JWN. Space rental revenue increased from 2024 to 2025 by \$7.4 million. Other land and building rental rates related to the rental car service sites increased by \$1.3 million due to a fair market evaluation. Additionally, the overall reduction of space rental revenue pertaining to certain lease accounting requirements was \$1.8 million in 2025, versus \$5.8 million in 2024. At John C. Tune Airport, hangar rent increased by \$1.0 million, primarily due to the addition of one new tenant. In the Multi-Purpose Building, space rental revenue increased by \$600 thousand due to increased demand for space by one airline, combined with higher rental rates. For more detailed lease accounting information, see Note 16 in the Notes to the Financial Statements.

Concessions revenue consists of the food/beverage, retail, and advertising concessions. Concessions revenue increased by \$10.1 million from 2025 to 2026, primarily due to an increase in food and retail concessions of \$9.7 million. In the prior year, the Authority recognized an \$8 million COVID-19 relief grant credit, which was remitted back to food and retail concessionaires, and offset food and retail revenue by that amount. No such credits existed in 2026. Additionally, in 2026, there was an increase in passengers who purchased more items at a higher average sale per transaction as compared to 2025. Between 2024 and 2025, concessions revenue realized a net decrease of \$3.2 million. Food and retail concessions decreased by \$5.1 million. While sales per enplanement increased in 2025, this was offset by the \$8 million COVID-19 relief grant credit. The decrease in food and retail concessions was offset by an increase in advertising revenues (\$1.7 million), resulting from increased advertising rates and an increase in sellable space.

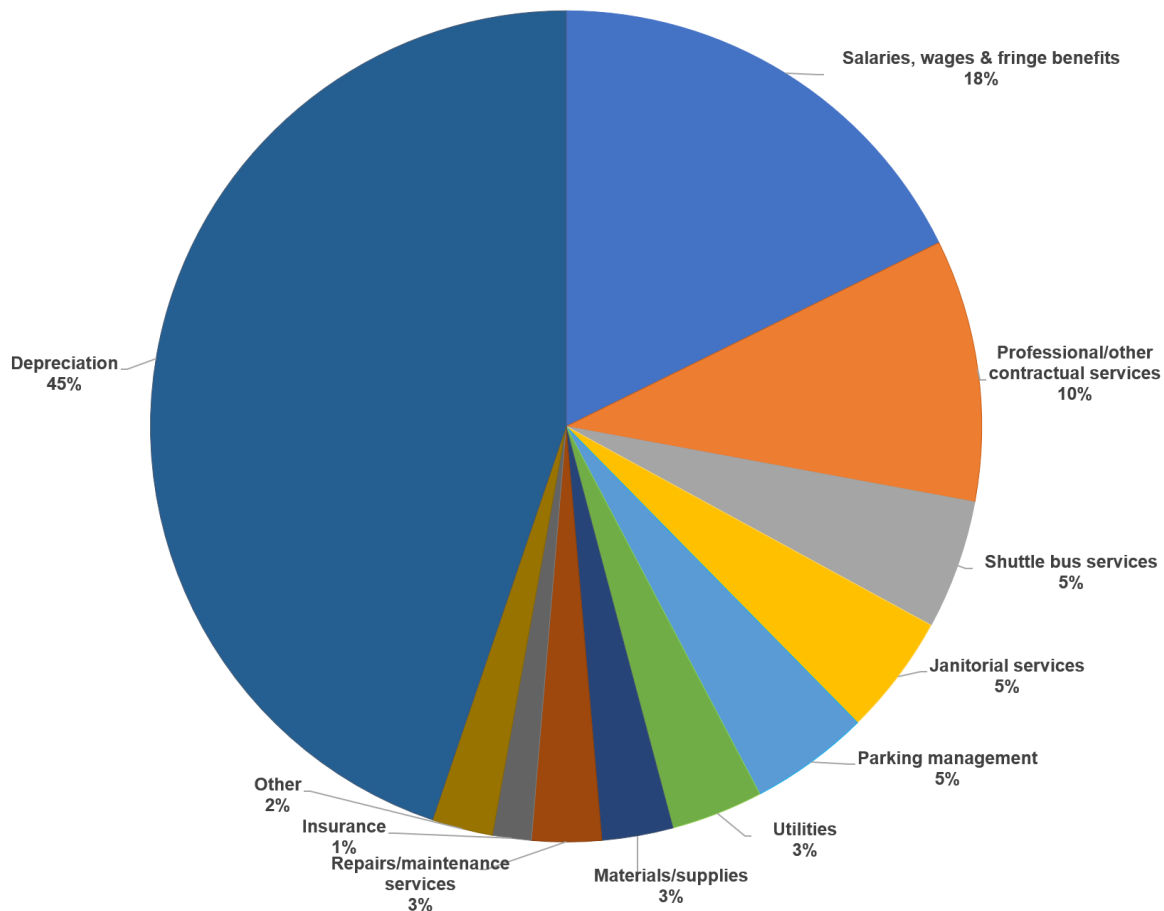
**Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)**

Ground transportation revenue includes Transportation Network Company ("TNC") (Uber/Lyft) revenue, taxicab revenue, and shuttle revenue. Ground transportation revenue increased by \$5.0 million from 2025 to 2026, and by \$1.3 million from 2024 to 2025. The revenue increased in 2026 in part due to an increase in the standard fee per TNC pickup and dropoff by \$1 on July 1, 2025. Additionally, the revenue increased in both 2026 and 2025 due to increased passenger volume.

Other revenue includes rebates, fuel flowage fees, parking decals, reimbursable services, and any additional revenue not included in the categories listed above. Other revenue increased by \$5.2 million in 2026, primarily due to an increase in parking decals revenue (\$3.9 million). This was due to increased demand for onsite parking by airline and concession personnel. Other revenue increased nominally in fiscal year 2025 over 2024 (\$400 thousand).

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

Operating Expenses by Category



Growth in Operating Expenses

With the growth of the Airport over the past two fiscal years in both passengers and square footage, the Authority incurred additional operating expenses to 1) attract and retain quality employees, 2) make arriving at the Airport easy for customers and employees, 3) attract new direct flights, 4) prepare the Airport for future growth, and 5) continue operating clean and safe properties.

Total operating expenses increased by \$20.7 million between 2025 and 2026. The increase, net of depreciation expense, totaled \$8.8 million. Salaries increased by \$9.0 million, primarily due to the reduction in expenses for pension and OPEB requirements being \$6.0 million less in 2026 than in 2025. Additionally, the Authority completed a compensation study in 2025, which increased employee wages to market value. The results of the study were implemented in July 2025, along with the cost-of-living adjustment to all employees. Utilities increased by \$1.0 million, due to increasing rates as well as the additional space added by the Concourse D extension, which opened on July 8, 2025. Repairs and maintenance services increased by \$1.2 million, primarily due to increased needs for signage as well as escalator/elevator, terminal, and roadway maintenance, resulting from Airport growth. Other expenses increased by \$2.4 million, largely due to an increase in airport promotions (\$1.8 million). These promotions relate to incentives offered to Aer Lingus and Icelandair, both of which began service in the 4th quarter of fiscal year 2025. Additionally, the Authority recorded a large “bad debt expense” in other

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

expenses, stemming from Spirit Airlines ceasing operations in May 2026. The increases in several operating expense categories were offset by a decrease in professional and other contractual services by \$6.8 million. In the prior year, the Authority recorded \$5.3 million in contractual services for building demolitions that could not be capitalized. This type of demolition was not done during 2026. Additionally, the Authority incurred \$900k less in legal fees in 2026 versus 2025, due to needing fewer outside legal services.

Total operating expenses increased by \$45.9 million between 2024 and 2025. The increase, net of depreciation expense, totaled \$21.6 million. Salaries increased by \$1.9 million as the Authority granted employees a cost-of-living adjustment and added a total of 44 employees from June 30, 2024 to June 30, 2025, which was offset by the reduction in expenses for pension and OPEB requirements being \$6.3 million more in 2025 than in 2024. Professional and other contractual services increased by \$12.6 million due to certain building demolitions (necessary to prepare for airport growth), studies relating to future airport needs, and parking lot and ramp re-striping. Shuttle bus services increased by \$4.0 million due to moving passengers from the main terminal to the satellite concourse for 12 months in 2025, as compared to 8 months in 2024 (the satellite concourse opened in late October, 2023). Additionally, the Authority increased drop-offs to the remote employee parking lot to improve customer service. Parking management expenses (including parking lot operations and parking-related credit card fees) increased by \$2.0 million, resulting from an overall increase in parkers which drove higher parking-related credit card fees, and wage increases granted to the parking lot operator's employees. Utilities increased by \$2.5 million, due to increasing rates in addition to incurring a full year of expenses for the international arrivals facility and satellite concourse, both of which opened in the fall of 2023.

Noncapital Subsidies Received

Noncapital subsidies include noncapital subsidies from federal and state governments and customer facility charges ("CFCs"). Prior to fiscal year 2026 and GASB 103, these items were reported as nonoperating revenues. CFCs increased by \$8.5 million from 2024 to 2025, and by \$11.2 million from 2025 to 2026. In November 2024, the Authority increased CFCs from \$4.50 per transaction day to \$10.00 per transaction day. The increase went into effect on February 1, 2025; therefore, the Authority collected at the higher rate for five months in fiscal year 2025, and for the full year in fiscal year 2026. The rate increase was necessary to fund a new and larger Consolidated Rental Car Facility ("CONRAC"), currently in the early stages of development. Noncapital subsidies from federal and state governments decreased by \$21.4 million from 2024 to 2025, and by \$12.4 million from 2025 to 2026. These subsidies primarily consisted of COVID-19 relief grants, which the Authority began receiving in fiscal year 2021. The last draw on these grants was received in fiscal year 2025, leaving only minimal noncapital subsidies in 2026. From fiscal year 2021 to 2025, approximately \$120 million in relief grants were collected to operate the Airport.

Changes in Nonoperating Revenues and Expenses

Nonoperating revenues include investment income, passenger facility charges, insurance reimbursements, gain/loss on disposal/acquisition of property and equipment, and capital contributions. Prior to fiscal year 2026 and GASB 103, capital contributions were presented on a separate line below net nonoperating revenues. Nonoperating revenues decreased by \$13.4 million from fiscal year 2025 to fiscal year 2026. Investment income decreased by \$8.5 million during fiscal year 2026. Interest rates were higher at June 30, 2026 as compared to the asset purchase dates earlier in the fiscal year, leading to a cost-to-market adjustment at year-end which reduced the market value of the Authority's investments. Passenger facility charges increased by \$3.6 million, resulting from the increase in passengers in 2026. Insurance and other reimbursements were \$0 in 2026, whereas in 2025 they were \$5.7 million, mostly due to the Authority receiving a large settlement from a party involved in a 2019 incident wherein the Colonial Pipeline was damaged.

The Authority recorded a total net gain on disposal/acquisition of \$3.7 million in 2024, a net loss of \$4.6 million in 2025, and a net gain of \$3.0 million in 2026. Gains and losses on disposal/acquisition will vary

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

from year-to-year, depending on which assets are scrapped or sold. In both 2024 and 2026, the gains on disposal/acquisition were primarily due to leased hangar assets reverting to the Authority from their lessees after the leases expired. In 2025, the loss on disposal was mostly the result of the loss recorded on the Concourse A disposal.

Capital contributions increased minimally between 2024 and 2025 and decreased by \$10.3 million from 2025 to 2026. The Authority applies for state and federal capital assistance throughout each fiscal year depending on which projects are currently eligible. Therefore, the mix of grants received from year-to-year can vary greatly. In 2025, the Authority received nearly \$24 million from the State of Tennessee for the Concourse D extension project. The related grants were exhausted by the end of 2025. In 2026, the Authority continued to receive capital contributions from the federal government, but no new State grants were received.

Nonoperating revenues decreased by \$1.1 million from fiscal year 2024 to 2025. Investment income remained steady during fiscal year 2025, changing minimally. The Authority maintained similar balances in cash, cash equivalents, and investments from 2024 to 2025 and continued to benefit from the strong market climate. Passenger facility charges increased by \$2.0 million, resulting from more passengers traveling in 2025. Insurance and other reimbursements increased by \$5.0 million due to the 2019 incident noted in a previous paragraph.

Nonoperating expenses include interest expense and debt issuance costs. Nonoperating expenses increased by \$26.7 million from fiscal year 2025 to fiscal year 2026, due to the increase in interest expense (\$22.6 million) and debt issuance costs (\$4.1 million). These increases resulted from the 2026 debt issuance, which added \$1.3 billion in new debt, and refunded \$166.0 million in old debt. The new debt issuance is discussed in more detail in the "significant capital asset and long-term financing activity" section of this MD&A. Nonoperating expenses increased by \$1.7 million from fiscal year 2024 to fiscal year 2025. Interest expense increased by \$1.6 million, a result of an increase in net BNA Credit Facility draws of \$42 million. Debt issuance costs were minimal in both 2024 and 2025.

Significant capital asset and long-term financing activity

With year-over-year increases in enplanements, the Authority recognizes the need for continuous capital investment. Overall, the carrying value of capital assets (original cost less accumulated depreciation) increased by 18% from 2025 to 2026, and by 8% from 2024 to 2025. At June 30, 2024, the Authority had \$212.9 million in construction in progress. During 2025, the Authority added \$296.9 million in additions to construction in progress, and transferred \$237.7 million to capital assets. The largest additions to construction in progress included terminal area roadway improvements ("TARI") (\$97.4 million), Concourse A site preparation and construction (\$97.8 million), baggage handling system improvements (\$19.2 million), and central ramp expansion (\$14.0 million). The largest transfers from construction in progress to capital assets included Concourse D extension (\$190.7 million), and Taxiway Bravo/Kilo intersection reconstruction (\$17.5 million).

At June 30, 2025, the Authority had \$272.1 million in construction in progress. During 2026, the Authority added \$542.6 million in additions to construction in progress, and transferred \$192.0 million to capital assets. The largest additions to construction in progress included central ramp expansion (\$139.1 million), Concourse A reconstruction (\$102.2 million), baggage handling system improvements (\$66.9 million), TARI (\$42.0 million), CONRAC (\$39.8 million), northeast surface employee parking lot (\$27.4 million), Concourse D extension (\$33.1 million), runway safety area improvements (\$20.0 million), and ADG5/TDG6 improvements (\$12.3 million). The largest transfers from construction in progress to capital assets included TARI (\$91.5 million), Concourse D extension – additional items (\$33.1 million), terminal ramp reconstruction (\$15.2 million), JWN hangar development (\$12.2 million), and B and C Concourse upgrades (\$10.1 million). Many of the completed and ongoing capital projects are part of the ongoing *New Horizon I and II* capital programs. More information regarding capital assets is included in Note 4 in the Notes to the Financial Statements.

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

At July 1, 2024, total airport bonds payable and other debt totaled \$1.97 billion, and increased by \$25.4 million, ending with a balance of \$1.99 billion at June 30, 2025. The Authority drew \$56.3 million on the Credit Facility Loan Agreement and paid \$14.3 million off on the Agreement. In 2025, the Credit Facility Loan Agreement was serving as interim funding for capital projects between new bond issuances; projects funded included TARI, Concourse A reconstruction, central ramp expansion, and more. The Authority also made principal payments totaling \$9.2 million on existing bonds (CONRAC Series 2018 and Series 2003B) and notes payable (Geothermal Loan) during fiscal year 2025.

At July 1, 2025, total airport bonds payable and other debt totaled \$1.99 billion, and increased by \$1.1 billion during the year, ending with a balance of \$3.1 billion at June 30, 2026. In February 2026, the Authority issued Series 2026A bonds in the principal amount of \$459,790,000; Series 2026B bonds in the principal amount of \$661,815,000; Series 2026C bonds in the principal amount of \$65,950,000; and Series 2026D bonds in the principal amount of \$79,885,000. The total principal for these bonds, which are collectively referred to as the "Series 2026A,B,C&D" bonds totals \$1.3 billion. The Series 2026A,B,C&D bonds were issued to provide funds to pay and/or reimburse the Authority for a portion of the costs of the Authority's capital program. Projects funded with these bonds include Concourse A reconstruction, TARI, Concourse D extension, central ramp expansion, baggage handling system expansion, northeast surface parking lot, taxiway reconstruction, runway and taxiway safety area improvements, terminal ramp reconstruction, concourse upgrades, wildlife fencing, and terminal offices. The Series 2026A,B,C&D bonds were obligated to refund and defease all outstanding Series 2015A&B senior bonds. At the time of their defeasance, the principal balances for the Series 2015A&B bonds totaled \$166.0 million. New borrowings on the Credit Facility Loan Agreement totaled \$177.9 million, and \$236.0 million was paid off with cash received from the Series 2026 A&B bonds. The Series 2026A,B,C&D bonds were also required to fund capitalized interest on the Series 2026A and Series 2026B senior bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The Authority made principal payments totaling \$20.5 million on existing debt during 2026. More information regarding long-term debt is included in Note 5 in the Notes to the Financial Statements.

At July 1, 2024, the total lease liability related to subscription-based information technology arrangements totaled \$1.5 million. The Authority added two new long-term software agreements ("SBITAs") during fiscal year 2025, adding \$2.2 million in principal to the liability, and recognized amortization of \$1.7 on the existing agreements, ending fiscal year 2025 with a lease liability of \$2.0 million. During fiscal year 2025, the Authority added no new long-term software agreements, and recognized amortization of \$886 thousand on the existing agreements, ending fiscal year 2026 with a lease liability of \$1.2 million. More information regarding SBITAs is included in Note 17 in the Notes to the Financial Statements.

Currently known facts, decisions, or conditions

As noted in the Letter of Transmittal, the Authority is continuing to maintain an ongoing Capital Improvement Plan (CIP) to expand, modernize and maintain BNA, JWN and MPC. See detail discussion of elements completed in BNA Vision 1.0 and 2.0 and well as New Horizon 1.0 and 2.0 in the Letter of Transmittal. The Authority is currently updating it's Master Plan documents, to help continue to plan for growth in enplanements and airline demands, including larger aircraft and additional overseas flight options. During fiscal year 2026, the Authority shared a look ahead at what comes after New Horizon – Over the Horizon, which includes early plans for Terminal II, a transformative phase designed to support decades of future growth at BNA.

FISCAL YEAR 2027 BUDGET

During fiscal year 2026, the Authority saw its largest airline, Southwest, focus on transfer passengers in the Nashville market. As such, Finance started to see a weakening of revenue growth specifically in landside revenue streams (parking, ground transportation, and car rentals). Even though there was growth in O&D (origin and destination) passengers, it was less than the growth compared to transfer passengers. This resulted in slight changes to the revenue assumptions used in the development of the

**Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)**

fiscal year 2027 budget. The fiscal year 2027 budget was developed assuming the largest growth in passengers would continue to be from Southwest's focus on more transfer passengers. The fiscal year 2027 budget only contained minimal increases to budgeted non-airline revenue and operating expenses while adding additional debt service requirements for debt issued in fiscal year 2026. With assistance from all Authority departments to reduce excess estimates in the budget, Finance was able to keep the fiscal year 2027 operating expense (net of depreciation expense) growth to only \$5.7 million, or 2.9%. Additionally, in September 2026, the Board of Commissioners approved management's recommendation to amend BNA's fiscal year 2027 CIP budget to reprioritize airfield projects to better align future needs to expand capacity based on the Authority's expected demand from the airlines to utilize larger aircraft and more aircraft activity. The Authority's CIP is subject to frequent review and modification based on expected funding priorities of the Airport System.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025
ASSETS		
Current assets:		
Unrestricted assets:		
Cash, cash equivalents, and investments	\$ 1,045,274,521	\$ 944,361,907
Accounts receivable (net of allowance for doubtful accounts of \$891,835 in 2026 and \$520,480 in 2025)	34,760,037	17,151,263
Lease receivable	12,965,848	12,877,861
Due from governmental agencies	8,418,861	21,666,442
Prepaid expenses and other	668,992	406,869
Total current unrestricted assets	<u>1,102,088,259</u>	<u>996,464,342</u>
Noncurrent assets:		
Restricted assets:		
Cash and investments	1,061,928,869	284,805,746
Accounts receivable	3,162,393	72,382
Total restricted assets	<u>1,065,091,262</u>	<u>284,878,128</u>
Capital assets:		
Capital assets not being depreciated		
Land and nondepreciable assets	117,575,837	89,673,919
Lease assets:		
Land	2,574,884	21,710,352
Construction in progress	622,649,249	272,054,227
Capital assets being depreciated		
Infrastructure	975,971,725	857,239,366
Buildings and building improvements	1,222,105,715	817,006,332
Equipment, furniture, and fixtures	811,672,393	789,699,643
Right-to-use subscription assets	5,333,709	5,333,709
Lease assets:		
Buildings	59,732,200	428,817,856
Total capital assets	3,817,615,712	3,281,535,404
Less accumulated depreciation	<u>(1,275,295,640)</u>	<u>(1,131,364,853)</u>
Total capital assets, net	2,542,320,072	2,150,170,551
Other assets		
Accounts receivable, net	1,692,000	1,869,833
Lease receivable	113,289,525	125,877,894
Net pension asset	14,558,347	7,801,045
Net OPEB asset	28,140,163	22,784,735
Total noncurrent assets	<u>3,765,091,369</u>	<u>2,593,382,186</u>
Total assets	<u>\$ 4,867,179,628</u>	<u>\$ 3,589,846,528</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	\$ -	\$ 1,096,155
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 1,096,155</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$ 147,111,386	\$ 93,925,144
Accrued payroll and related items	9,841,008	10,303,182
Advanced billings and payments received in advance	5,960,289	3,554,694
Subscription liability	392,412	886,010
Current maturities of notes payable	320,780	314,904
Accrued interest payable	131,603	355,572
	<u>163,757,478</u>	<u>109,339,506</u>
Total current liabilities		
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued interest payable	64,487,880	42,615,060
Current maturities of airport revenue bonds	26,452,550	20,188,000
Unearned revenue from seized funds	31,556	950,882
Notes payable, less current maturities	1,344,092	1,664,871
Subscription liability	768,181	1,160,593
Airport revenue bonds, less current maturities	3,060,606,106	1,972,245,643
	<u>3,153,690,365</u>	<u>2,038,825,049</u>
Total noncurrent liabilities		
Total liabilities	<u>\$ 3,317,447,843</u>	<u>\$ 2,148,164,555</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	\$ 117,128,009	\$ 131,034,074
Deferred inflows from pension	8,296,195	2,710,618
Deferred inflows from OPEB	4,682,605	1,866,487
Deferred amount on refunding	16,079,113	-
	<u>146,185,922</u>	<u>\$ 135,611,179</u>
Total deferred inflows of resources		
NET POSITION		
Net investment in capital assets	\$ (48,752,802)	\$ 150,510,163
Restricted for:		
Capital projects	92,600,660	84,713,965
Debt service	580,848,095	391,781,129
Operations	75,096,029	69,835,083
Pension	14,558,347	7,801,045
OPEB	28,140,163	22,784,735
Unrestricted net position	661,055,371	579,740,829
Total net position	<u>\$ 1,403,545,863</u>	<u>\$ 1,307,166,949</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Operating revenues:		
Airline revenues		
Terminal building rental and fees	\$ 75,292,747	\$ 66,386,710
Landing and related fees	62,624,809	51,726,343
Non-airline revenues		
Parking	118,704,781	107,991,196
Car rental	25,954,465	26,355,596
Space rental	26,066,630	24,745,370
Concession	30,990,371	20,848,570
Ground transportation	23,203,847	18,176,625
Other	15,456,263	10,228,820
Operating revenues	<u>378,293,913</u>	<u>326,459,230</u>
Operating expenses:		
Salaries, wages and fringe benefits	60,766,232	51,756,371
Professional and other contractual services	35,005,039	41,786,237
Shuttle bus services	17,268,283	17,206,032
Janitorial services	16,095,639	15,791,577
Parking management	15,953,438	15,137,226
Utilities	12,274,319	11,249,251
Materials and supplies	9,503,251	8,679,362
Repairs and maintenance services	9,292,288	8,100,182
Insurance	5,170,443	5,198,729
Other	8,123,449	5,705,551
Depreciation	153,698,882	141,889,461
Operating expenses	<u>343,151,263</u>	<u>322,499,979</u>
Operating income	<u>35,142,650</u>	<u>3,959,251</u>
Noncapital subsidies		
Federal and state grants	1,041,127	13,437,528
Customer facility charges	37,003,520	25,801,636
Noncapital subsidies	<u>38,044,647</u>	<u>39,239,164</u>
Operating income and noncapital subsidies	<u>73,187,297</u>	<u>43,198,415</u>
Other nonoperating revenues (expenses):		
Investment income	53,639,848	62,149,267
Passenger facility charges	50,377,639	46,775,211
Insurance reimbursements	-	5,698,900
Gain (loss) on disposal of property and equipment	3,003,655	(4,585,294)
Interest expense	(103,711,379)	(81,113,571)
Debt issuance costs	(4,251,089)	(101,338)
Capital contributions	24,132,943	34,469,692
Other nonoperating revenues (expenses)	<u>23,191,617</u>	<u>63,292,867</u>
Increase in net position	96,378,914	106,491,282
Fund net position - beginning of year	<u>1,307,166,949</u>	<u>1,200,675,667</u>
Fund net position - end of year	<u>\$ 1,403,545,863</u>	<u>\$ 1,307,166,949</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Cash received from customers	\$ 361,777,625	\$ 330,660,609
Cash paid to employees	(64,939,441)	(61,037,456)
Cash paid to suppliers	(143,533,190)	(114,568,438)
Cash received for lease deposits	60,666	29,191
Cash reimbursed for lease deposits	(76,938)	(267,791)
Net cash provided by operating activities	<u>153,288,722</u>	<u>154,816,115</u>
Cash flows from noncapital financing activities:		
Noncapital subsidies from federal/state governments	1,041,127	16,353,546
Receipt of customer facility charges	37,233,750	23,873,702
Insurance recoveries and other reimbursements	-	5,698,900
Interest paid on long-term debt	(501,336)	(549,156)
Net cash provided by noncapital financing activities	<u>37,773,541</u>	<u>45,376,992</u>
Cash flows from capital and related financing activities:		
Receipt of passenger facility charges	49,647,418	47,193,090
Purchases and construction of property and equipment	(478,912,626)	(279,283,814)
Interest paid on long-term debt	(72,309,292)	(87,019,031)
Payments on long-term debt	(256,493,250)	(23,491,658)
Proceeds from issuance of long-term debt	1,366,360,620	56,349,563
Proceeds from bond refunding	160,755,000	-
Payment for debt issuance cost	(4,251,089)	(101,338)
Interest received from leases	3,876,848	3,737,904
Contributions from governmental agencies	37,380,524	34,456,924
Receipts from sale of capital assets	79,588	153,650
Net cash provided by (used in) capital and related financing activities	<u>806,133,741</u>	<u>(248,004,710)</u>
Cash flows from investing activities:		
Purchase of investments	(2,780,860,660)	(1,150,853,241)
Proceeds from the sale and maturities of investments	1,960,504,342	1,148,939,721
Realized gains on investments	46,338,915	56,840,475
Net cash (used in) provided by investing activities	<u>(774,017,403)</u>	<u>54,926,955</u>
Net increase in cash and cash equivalents	<u>223,178,601</u>	<u>7,115,352</u>
Cash and cash equivalents:		
Beginning of year	497,975,693	490,860,341
End of year	<u>\$ 721,154,294</u>	<u>\$ 497,975,693</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 35,142,650	\$ 3,959,251
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for depreciation	153,698,882	141,889,461
Changes in operating assets and liabilities:		
Accounts receivable	(7,292,818)	10,816,781
Lease receivable and related deferred inflows of resources	(10,709,739)	(7,426,704)
Prepaid expenses	(262,123)	1,224,147
Accounts payable	(14,584,918)	13,061,562
Accrued payroll and related items	(462,174)	1,271,446
Advanced billings and payments received in advance	1,486,269	811,302
Lease deposits	(16,272)	(238,600)
Net pension liability/asset and related deferred inflows/outflows of resources	(1,171,725)	(6,231,709)
Net OPEB liability/asset and related deferred inflows/outflows of resources	<u>(2,539,310)</u>	<u>(4,320,822)</u>
Net cash provided by operating activities	<u>\$ 153,288,722</u>	<u>\$ 154,816,115</u>
Cash and investments - end of year consist of:		
Cash and cash equivalents	\$ 721,154,294	\$ 497,975,693
Investments	<u>1,386,049,096</u>	<u>731,191,960</u>
	<u>\$ 2,107,203,390</u>	<u>\$ 1,229,167,653</u>
Unrestricted cash and investments	\$ 1,045,274,521	\$ 944,361,907
Restricted cash and investments	<u>1,061,928,869</u>	<u>284,805,746</u>
	<u>\$ 2,107,203,390</u>	<u>\$ 1,229,167,653</u>
Noncash financing activities:		
Capital accounts payable and retainage payable	\$ 135,039,422	\$ 67,124,262
Subscription asset additions	-	1,556,308
Deferred bond refundings	13,346	355,510
Bond premium amortization	<u>8,558,911</u>	<u>7,470,337</u>
Net noncash financing activities	<u>\$ 143,611,679</u>	<u>\$ 76,506,417</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
	<u>Other Post- Employment and Pension Trust Funds</u>	<u>Other Post- Employment and Pension Trust Funds</u>
ASSETS		
Cash and cash equivalents	\$ 3,634,565	\$ 3,997,350
Investments, at fair value		
Pooled, common, and collective funds	59,826,009	69,144,863
Mutual funds	80,909,584	61,624,788
Total assets	<u>144,370,158</u>	<u>134,767,001</u>
NET POSITION		
Restricted for:		
OPEB	50,936,832	46,307,089
Pension	93,433,326	88,459,912
Total net position	<u>\$ 144,370,158</u>	<u>\$ 134,767,001</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
	<u>Unadjudicated Funds - Custodial Fund</u>	<u>Unadjudicated Funds - Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 31,560	\$ 951,740
Total assets	<u>31,560</u>	<u>951,740</u>
NET POSITION		
Restricted for:		
Unadjudicated funds	31,560	951,740
Total net position	<u>\$ 31,560</u>	<u>\$ 951,740</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
	<u>Other Post- Employment and Pension Trust Funds</u>	<u>Other Post- Employment and Pension Trust Funds</u>
Additions:		
Employer contributions	\$ -	\$ 820,638
Employee contributions	475,816	289,619
Investment income		
Net appreciation in fair value	15,494,055	11,921,537
Interest and dividends	670,470	658,352
Investment expenses	(177,534)	(170,548)
Investment income, net	<u>15,986,991</u>	<u>12,409,341</u>
Total additions	<u>16,462,807</u>	<u>13,519,598</u>
Deductions:		
Benefits paid to participants	6,765,403	6,652,722
Administrative expenses	<u>94,247</u>	<u>88,249</u>
Total deductions	<u>6,859,650</u>	<u>6,740,971</u>
Change in net position	<u>9,603,157</u>	<u>6,778,627</u>
Fiduciary net position - beginning of year	<u>134,767,001</u>	<u>127,988,374</u>
Fiduciary net position - end of year	<u><u>\$ 144,370,158</u></u>	<u><u>\$ 134,767,001</u></u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
	<u>Unadjudicated Funds - Custodial Fund</u>	<u>Unadjudicated Funds - Custodial Fund</u>
Additions:		
Collection of unadjudicated funds	\$ 40,368	\$ 19,443
Interest and dividends	10	97
Total additions	<u>40,378</u>	<u>19,540</u>
Deductions:		
Payout of unadjudicated funds	960,558	54,645
Total deductions	<u>960,558</u>	<u>54,645</u>
Change in net position	<u>(920,180)</u>	<u>(35,105)</u>
Fiduciary net position - beginning of year	<u>951,740</u>	<u>986,845</u>
Fiduciary net position - end of year	<u><u>\$ 31,560</u></u>	<u><u>\$ 951,740</u></u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

1. Metropolitan Nashville Airport Authority

The creation of the Metropolitan Nashville Airport Authority (the “Authority”) was authorized by Public Chapter 174 of the Public Acts of the 86th General Assembly of the State of Tennessee, 1969 Session. The Metropolitan Council of the Metropolitan Government of Nashville and Davidson County, Tennessee (“Metropolitan Government”) created the Authority to operate as a separate enterprise. The Authority owns and operates Nashville International Airport and John C. Tune Airport, a general aviation reliever airport. Based upon the criteria set forth by the Governmental Accounting Standards Board (“GASB”), it has been determined that the Authority is a component unit of the Metropolitan Government.

The Authority’s Board of Commissioners consists of seven members who serve without compensation and are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. There are provisions whereby commissioners may be removed by vote of the Metropolitan Government Council. Board members appointed before August 2021 serve a four-year term and can be reappointed. Board members appointed after August 2021 serve a seven-year term and can be reappointed. The terms are staggered to provide for continuity of Authority development and management. The Board of Commissioners appoints a President charged with the responsibility for day-to-day operations. For more information, see Note 20.

The Authority formed the MNAA Properties Corporation (“MPC”), a Tennessee non-profit corporation, for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding area. The Commissioners of the Authority constitute the Board of Directors of MPC. During fiscal year 2008, MPC Holdings, LLC, a limited liability company in which MPC is the sole member, purchased two separate multi-tenant buildings, and commenced operation. Both facilities are on Nashville International Airport property. In July 2012, MPC Holdings, LLC purchased a small commercial building adjoining Nashville International Airport.

In fiscal year 2010, the Board of Commissioners approved the formation of a Tennessee nonprofit limited liability company, MPC CONRAC, LLC. This entity was created in connection with the special facilities financing for the Authority’s consolidated rental car facility. MPC CONRAC, LLC is a single-member LLC, wholly owned by MPC. The formation of MPC CONRAC, LLC created an appropriate entity to execute various agreements and secure financing and services for the consolidated rental car (“CONRAC”) facility, which was completed in fiscal year 2012, and is located at Nashville International Airport.

MPC, including its subsidiaries MPC Holdings, LLC and MPC CONRAC, LLC, is considered to be a blended component unit for financial reporting purposes based on the following: (i) the Authority’s Board of Commissioners constitutes the Board of Directors of MPC; (ii) management of the Authority has operational responsibility for MPC; (iii) the Authority is financially accountable for MPC, including MPC’s fiscal dependence on the Authority and MPC’s potential to provide specific financial benefits or burden to the Authority; and (iv) MPC was created for the benefit of the Authority. The Authority does not issue separate financial statements for the blended component unit (see Note 19).

The accompanying financial statements also include the accounts of the Arts at the Airport Foundation, a nonprofit organization that facilitates the display and performance of artists within the Nashville International Airport terminal. The Arts at the Airport Foundation qualifies as a blended component unit of the Authority due to it being fiscally dependent on the Authority and due to the Authority’s appointment of the voting majority of its governing board. The financial operations of the Arts at the Airport Foundation are generally immaterial to the Authority’s financial statements and therefore not shown separately in the financial statements.

1. Metropolitan Nashville Airport Authority (continued)

Fiduciary Activities

As defined by the GASB, the Authority reports the operations of the pension and other post-employment benefits ("OPEB"), as blended component units in the Fiduciary Fund Financial Statements. The pension and OPEB trust funds provide retirement and health benefits for qualified Authority retired employees. The pension and OPEB trust funds are legally separate entities, and the resources of the trust funds cannot be used to finance the Authority's operations. The assets of the trust funds are held and administered in trust arrangements which are governed by a Retirement Committee (see Notes 12 and 13). The Authority is committed to making contributions to the trusts and therefore assumes a financial burden for the trust funds and thus has financial accountability. As a result, the activity of the fiduciary funds is presented as a blended component unit. The assets in each trust are held only for the Authority retirees' benefit.

The Authority also reports unadjudicated funds as a blended component unit in the Fiduciary Fund Financial Statements. The unadjudicated funds are comprised of cash that was seized from individuals suspected of crimes. These funds are deposited into a separate bank account in the Authority's name. The funds are held by the Authority until the court issues a verdict. When a judgment is rendered, the funds are distributed to the individuals or the Authority accordingly. Any cash remaining cannot be distributed to the Authority.

2. Summary of Significant Accounting Policies

Measurement focus, basis of accounting, and basis of presentation

The financial statements of the Authority are presented using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred. The financial statements include the operations of Nashville International Airport, John C. Tune Airport, and MPC, including MPC CONRAC, LLC, as discussed in Note 1. The Authority's pension and other post-employment benefits trust funds are reported as component units in the Fiduciary Fund Financial Statements.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives of capital assets, the allowance for doubtful accounts, valuation of net pension and OPEB liabilities or assets and the related deferred inflows and/or outflows, valuation of certain leases receivable and related deferred inflows, and certain self-insured liabilities. Actual results could differ from those estimates.

Budgets

The Authority prepares an annual operating budget and capital improvement budget and submits it for approval to the Board of Commissioners. A five-year capital improvement program, including modifications and reasons therefore, is also submitted each year.

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

Employer contributions to the pension and OPEB trust funds are recognized when the employer has made formal commitments to provide the contribution. The contributions for each year are based on an actuarial

2. Summary of Significant Accounting Policies (continued)

valuation performed as of the year prior to the year for which the contribution relates. The contribution amount for any given year incorporates (1) the current and projected funded status of the funds; (2) recent investment performance, and the advice of the investment consultant; and (3) anticipated changes to the Plans' demographics to the extent reflected in the actuarial assumptions used by the actuary in its most recent actuarial valuation or projections.

Operating and nonoperating revenues and expenses

The Authority is considered a proprietary fund and distinguishes operating revenues and expenses from noncapital subsidies and other nonoperating revenue and expenses. Nonoperating revenue and expenses include finance related revenue and expenses, gains and losses from disposals of capital assets, investment income and expenses, insurance reimbursements, and subsidies received and provided. A subsidy represents amounts received from or provided to another party or fund of the Authority. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the Authority and keeps the fees charged at the same amount or lower than if the subsidy was not received. Amounts provided by the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the Authority fund charging higher fees in the future. All revenues and expenses which do not meet the definitions of nonoperating revenue and expenses are reported as operating revenue and expenses.

Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expenses and financing costs are reported as nonoperating expenses.

Revenues are reported net of discounts and allowances. Bad debts are expensed using the allowance method. Bad debt expense was \$486,527 and \$371,585 for the years ended June 30, 2026 and 2025, respectively. The allowance for doubtful accounts was \$891,835 and \$520,480 at June 30, 2026 and 2025, respectively.

The Authority's operating revenues are presented in the following components:

Terminal building rental and fees

Terminal building rental and fees consists of the revenues earned from the airlines operating at Nashville International Airport primarily for terminal space, baggage claim, jet bridge, and other rentals. The Airline Agreements have a "hybrid" airline rate-setting methodology with the landing fees being calculated on a residual basis, the terminal rental rates being compensatory, and terminal ramp area rates being compensatory. For more information regarding airline rates and charges, see Note 9.

Airport landing and related fees

Airport landing and related fees consists of the revenues earned from the airlines operating at Nashville International Airport, including landing fees, ramp rent, cargo fees, and other fees.

Parking

Parking revenue is generated primarily from the operation of Authority-owned parking facilities at Nashville International Airport. This revenue is presented net of discounts.

2. Summary of Significant Accounting Policies (continued)

Car rental

Car rental revenue is driven by monthly fees paid by the car rental companies for using airport facilities to rent cars to the public. Payments to the Authority are based on negotiated agreements with the car rental companies to remit amounts typically based either on a minimum guarantee or on a percentage of gross receipts. Car rental revenue excludes customer facility charges, which are included in nonoperating revenue (see Note 7).

Space rental

Space rental revenue includes car rental company space rental, fixed base operator space rental, hangar rental, and certain other income received from leases of Authority-owned property.

Concession

Concession revenue is generated through concessionaires and tenants who pay monthly fees for using airport facilities to offer their goods and services to the public. Payments to the Authority are based on negotiated agreements with concessionaires to remit amounts typically based either on a minimum guarantee or on a percentage of gross receipts.

Ground transportation

Ground transportation revenues are generated by taxicab and rideshare fees, which are assessed on a “per-trip” basis.

Other

Other revenue consists primarily of fixed-based operator fuel sales, rebates, and late fees assessed to customers.

Grants and contributions

The Authority receives federal and state grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. In proprietary funds, amounts that are unrestricted or that are restricted to a specific operating purpose are reported as noncapital subsidies revenue and amounts restricted to capital acquisitions are reported as other nonoperating revenue.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments with original maturities of three months or less. Certain cash and cash equivalents are reported as noncurrent, as these amounts are restricted to the withdrawal or use.

Investments

Investments are accounted for in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which requires that certain investments be recorded at fair value (e.g., quoted market prices).

Certain investments are recorded in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which requires certain investments to be recorded at amortized cost.

2. Summary of Significant Accounting Policies (continued)

Amounts due from governmental agencies

The Authority has grants for aid in construction and equipment from the Federal Airport Improvement Program ("AIP") of the Federal Aviation Administration ("FAA"), the U.S. Department of Homeland Security ("DHS"), and the Tennessee Department of Transportation ("TDOT"). Amounts due from governmental agencies under the terms of grant agreements are accrued as the related reimbursable costs are incurred, which is the point when the criteria for revenue recognition has been satisfied for these arrangements under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Restricted assets and payables from restricted assets

Restricted assets consist of cash and cash equivalents, investments, and other resources which are restricted legally or by enabling legislation. The Authority's restricted assets are to be used for purposes specified in the respective bond indentures or other authoritative or legal documents as is the case with the collection of CFCs for the consolidated rental car facility or for purposes specified by the PFC program, as administered by the FAA.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed. A summary of the restricted assets at June 30, 2026 and 2025 is as follows:

	<u>2026</u>	<u>2025</u>
Debt Service:		
Cash and investments	\$ 404,938,210	\$ 215,943,398
Accounts receivable	412,243	36,339
Total	<u>405,350,453</u>	<u>215,979,737</u>
Construction:		
Cash and investments	648,035,373	60,010,381
Accounts receivable	2,750,150	36,043
Total	<u>650,785,523</u>	<u>60,046,424</u>
Operations:		
Cash and investments	8,955,286	8,851,967
Total	<u>8,955,286</u>	<u>8,851,967</u>
Total restricted assets	<u><u>\$1,065,091,262</u></u>	<u><u>\$ 284,878,128</u></u>

Capital assets

Capital assets are stated at cost, except for contributions of property received from governmental agencies, which are recorded at acquisition value at the time of contribution. The Authority's policy is to capitalize assets with a useful life greater than one year, and with a cost of \$25,000 or more at Nashville International Airport and \$10,000 at John C. Tune Airport and MPC.

2. Summary of Significant Accounting Policies (continued)

Asset lives used in the calculation of depreciation are generally as follows:

Infrastructure	10 to 30 years
Buildings and building improvements	10 to 40 years
Equipment, furniture and fixtures	3 to 15 years
Information technology software	1 to 5 years

Routine maintenance and repairs are expensed as incurred. Provision for depreciation of property and equipment is made on a basis considered adequate to depreciate the cost of depreciable assets over their estimated useful lives and is computed using the straight-line method.

Postemployment benefits

Postemployment pension benefits are accounted for under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27* ("GASB No. 68"), which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred inflows/outflows of resources, note disclosures, and required supplementary information. See additional information regarding the Authority's pension benefits in Note 12.

Postemployment benefits other than pension benefits are accounted for under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB No. 75"), which establishes standards for the measurement, recognition, and display of postemployment benefits expense and related liabilities, assets, deferred inflows/outflows of resources, note disclosures, and required supplementary information. See additional information regarding the Authority's OPEB in Note 13.

Compensated absences

A leave liability is recognized due to the leave attributable to services already rendered, leave which accumulates, and leave which is more likely than not to be used for paid time off or otherwise paid in cash or settled through noncash means. The compensated absences liability is reported with accrued payroll and related items in the accompanying statements of net position.

Self-insurance

The Authority is self-insured, up to certain limits, for employee group health insurance claims. The Authority has purchased reinsurance to limit its exposure. The cost of claims reported and an estimate of claims incurred but not reported are charged to operating expenses. Liabilities for unpaid claims are accrued based on management's estimate using historical experience and current trends and are included in accrued payroll and related items on the statements of net position. The appropriateness of the self-insurance accrued liabilities is continually reviewed and updated by Authority management.

Deferred outflows/Inflows of resources

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

2. Summary of Significant Accounting Policies (continued)

The Authority has several items that qualify for reporting as deferred outflows/inflows of resources. These items may include gains or losses on bond refundings; GASB No. 87, *Leases* ("GASB No. 87"), deferred inflow of resources related to leasing activities; GASB No. 68 deferred inflows and outflows from earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses related to the Authority's pension plan, and GASB No. 75 deferred inflows and outflows earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses relating to the Authority's OPEB plan.

A deferred gain or loss on refunding results from the difference between the net carrying amount of the original debt and the reacquisition price, shown as a deferred outflow or inflow of resources in the accompanying statements of net position. This amount is deferred and amortized over the term of the new bonds or old bonds, whichever is shorter, using the effective interest method or the straight-line method, when not materially different.

GASB No. 87 establishes a deferred inflow, representing the present value of long-term lease payments expected to be received during a lease payment term, net of any prepayments received from lessees and lease incentives paid to lessees.

GASB No. 68 and GASB No. 75 variances can occur due to actuarial assumptions that differ between the actual plan experience and the original actuarial assumed rates. Differences can result from earnings on investments, changes in assumptions, changes in benefit terms, other experience gains or losses, and other factors. A variance represents a gain or a loss, shown as deferred inflows of resources or deferred outflows of resources, respectively, in the accompanying statements of net position. These deferred outflows/inflows are amortized in accordance with the provisions of GASB No. 68 and GASB No. 75. Additional items are determined annually based on each subsequent year's variances from actuarial assumptions.

Advanced billings and payments received in advance

Advanced billings and payments received in advance represent incremental amounts due to airlines under the signatory airline agreements (Note 9). Incremental amounts due from airlines are reflected in accounts receivable. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses for the year. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses for the year. Amounts payable to or from airlines are typically settled in one to three months after period-end and are therefore recorded as a current asset or liability.

Long-term leases

Regulated leases

The Authority leases certain assets to various third parties as regulated leases. These leases are for assets related directly and substantially to the movement of passengers, baggage, mail, and cargo at the airport. Regulated lease revenue is recorded as it is earned over the life of the regulated leases.

2. Summary of Significant Accounting Policies (continued)

Non-regulated leases

The Authority leases certain assets to various third parties as non-regulated leases. As a lessor, the Authority is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is equal to the lease receivable, less prepayments received from lessees, or lease incentives paid to lessees. As lease payments are received, the Authority recognizes interest revenue and a reduction to the lease receivable. The Authority also recognizes lease revenue calculated as the amortization of the deferred inflow of resources over the lease term. Additional information regarding lease accounting is provided in Note 16.

Components of net position

The Authority's net position classifications are defined as follows:

Net investment in capital assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds (net of deferred amount on refunding), mortgages, notes, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position

This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

Unrestricted net position

This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Taxes

The Authority is exempt from payment of federal and state income, property, and certain other taxes.

Fair value measurements

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

- Level 1** - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
- Level 2** - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

2. Summary of Significant Accounting Policies (continued)

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Authority's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Change in presentation

During the fiscal year 2026, the Authority adopted GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The implementation of these standards established new accounting and financial reporting requirements or modified existing requirements related to management's discussion and analysis, the classification/presentation of unusual or infrequent items, the presentation of proprietary fund operating and nonoperating activities (including subsidies), major component unit presentation, and the budgetary comparison schedules reported as required supplementary information.

The implementation of these standards did not result in a change to the Authority's total net position or fund balances; however, noncapital subsidies from federal and state governments and capital contributions have been reclassified to conform to the new presentation requirements.

The Authority has made certain reclassifications to the 2025 financial statements to conform with the presentation of the 2026 financial statements.

Change in estimate

During fiscal year 2025, the Authority changed its estimated useful life for A Concourse (which includes the Interim International Arrivals Facility) and its related fixed assets from approximately ten years to zero years. At the time the assets were placed into service, it was unknown when or if they would be demolished and reconstructed. As part of the Authority's New Horizon program, the concourse was demolished in early fiscal year 2026. The Authority disposed of these assets, resulting in a reduction to fixed assets of \$7.9 million, and a reduction in accumulated depreciation of \$3.7 million.

Upcoming accounting pronouncements

In December 2025, the Government Accounting Standards Board issued Statement No. 105, Subsequent Events, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and non-recognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2027.

3. Cash and Cash Equivalents and Investments

The Authority's deposit and investment policy is governed by the laws of the State of Tennessee and bond trust indentures and supplementary resolutions, which govern the investment of bond proceeds. Permissible investments generally include direct obligations of, or obligations guaranteed by, the U.S. Government, obligations issued or guaranteed by specific agencies of the U.S. Government, secured certificates of deposit, secured repurchase agreements, and specifically rated obligations of state governments, commercial paper, and money market funds.

3. Cash and Cash Equivalents and Investments (continued)

Cash and cash equivalents

The Authority's unrestricted and restricted cash and cash equivalent book balances totaled \$721,154,294 and \$497,975,693 on June 30, 2026 and 2025, respectively.

Cash deposits, maintained at four financial institutions, are carried at cost plus interest, which approximates fair value. Cash deposits totaled \$90,460,281 and \$46,044,921 at June 30, 2026 and 2025, respectively. Cash deposits are required by State statute to be secured and collateralized by such institutions.

The amount of collateral required to secure public deposits for Collateral Pool participants ranges between 90% and 115% of the average daily balance of public deposits held, depending on the participant's status and compliance with certain benchmarks established by the Collateral Pool. Collateral securities pledged by the participating banks are pledged to the State Treasurer on behalf of the Collateral Pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency.

Under this additional assessment agreement, public fund accounts covered by the pool are considered insured for purposes of credit risk disclosure in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Cash equivalents are held at another financial institution and consist of money market and other short-term investments with original maturities of three months or less. Investment risk for such cash equivalent funds is governed by the Authority's investment policy.

Investments

Interest rate risk

The Authority's investment policy states that the investment portfolio may be allocated among U.S. Treasury Obligations (0 - 100%), Government National Mortgage Association Securities (0 – 40%), U.S. Government Guaranteed AID and GTC (0 – 10%), Federal Agency Instruments (0 - 75%, 40% per agency cap for FMNA, FHLMC, FHLB, FFCB and 10% cap for all other Government Sponsored Enterprises), Non-Negotiable Collateralized Bank Deposits or Savings Accounts (0 – 50%), Commercial Paper (0 - 35%, 10% cap per issuer), Repurchase Agreements (0 - 20%), Money Market Mutual Funds (0 - 50%, 25% per fund), Tennessee Local Government Investment Pool (0 - 50%), and Cash Equivalents (0 - 100%). In addition, the maximum maturity of investments is 270 days for commercial paper, one year for repurchase agreements, two years for certificates of deposit, time deposits and bankers' acceptances, no time restriction on money market mutual funds or Tennessee Local Government Investment Pool, and 4 years for all other permitted investments. No more than 50% of the portfolio can have a maturity date greater than two years. To control the volatility of the portfolio and limit exposure to interest rate risk, the Authority's Chief Financial Officer ("CFO") determines a duration target for the portfolio, which typically does not exceed 3 years.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2026, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. treasury bonds and agencies	\$ 1,075,984,388	1.68 years
Commercial paper	368,801,740	.2 years
Certificate of deposit	1,134,788	10 months
Investments subject to risk	<u>1,445,920,916</u>	
Deposits/investments not subject to risk:		
Investment pool	286,044,560	
Deposits	90,417,898	
Money market funds	284,820,016	
Deposits/investments not subject to risk	<u>661,282,474</u>	
Total Primary Government	<u><u>\$ 2,107,203,390</u></u>	
Fiduciary and Custodial Funds:		
Investments subject to risk:		
Pooled, common and collective funds	\$ 2,578,277	5.88 years
Mutual funds	1,403,328	5.88 years
Investments subject to risk	<u>3,981,605</u>	
Deposits/investments not subject to risk:		
Deposits	42,382	
Money market funds	3,623,743	
Pooled, common and collective funds	57,247,732	
Mutual funds	79,506,256	
Deposits/investments not subject to risk	<u>140,420,113</u>	
Total Fiduciary and Custodial Funds	<u><u>\$ 144,401,718</u></u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2025, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. treasury bonds and agencies	\$ 609,546,520	1.82 years
Commercial paper	90,214,605	.65 years
Certificate of deposit	1,090,414	10 months
Investments subject to risk	<u>700,851,539</u>	
Deposits/investments not subject to risk:		
Investment pool	239,883,641	
Deposits	45,079,971	
Money market funds	243,352,502	
Deposits/investments not subject to risk	<u>528,316,114</u>	
Total Primary Government	<u>\$ 1,229,167,653</u>	
Fiduciary and Custodial Funds:		
Investments subject to risk:		
Pooled, common and collective funds	\$ 2,603,805	6.29 years
Mutual funds	1,356,751	6.29 years
Investments subject to risk	<u>3,960,556</u>	
Deposits/investments not subject to risk:		
Deposits	964,950	
Money market funds	3,984,140	
Pooled, common and collective funds	66,541,058	
Mutual funds	60,268,037	
Deposits/investments not subject to risk	<u>131,758,185</u>	
Total Fiduciary and Custodial Funds	<u>\$ 135,718,741</u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

3. Cash and Cash Equivalents and Investments (continued)

Credit risk

The investment policy specifies acceptable credit ratings by instrument type; however, the investment policy requires all investments must be ranked in the highest fund quality or rating for its individual investment category.

On June 30, 2026, the credit quality ratings of investments (other than U.S. treasury bonds and agencies) are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial paper	\$ 368,801,740	A, Aa, A	S&P, Moody's, Fitch
Federal agency bond/note	5,310,668	AA, Aa, NR	S&P, Moody's, Fitch
Federal agency commercial mortgage-backed securities	47,461,746	AA, Aa, AA	S&P, Moody's, Fitch
Total Primary Government investments	<u>\$ 421,574,154</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 10,951,957	AA	S&P, Moody's, Fitch
Pooled, common and collective funds	10,963,489	A	S&P, Moody's, Fitch
Pooled, common and collective funds	10,945,445	BBB	S&P, Moody's, Fitch
Mutual funds	10,987,339	BBB	S&P, Moody's, Fitch
Unrated investments	100,553,488		
Total Fiduciary Fund investments	<u>\$ 144,401,718</u>		

On June 30, 2025, the credit quality ratings of investments (other than U.S. treasury bonds and agencies) are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial paper	\$ 90,214,605	A, Aa, A	S&P, Moody's, Fitch
Federal agency bond/note	4,429,936	AA, Aa, NR	S&P, Moody's, Fitch
Federal agency commercial mortgage-backed securities	48,217,318	AA, Aa, AA	S&P, Moody's, Fitch
Total Primary Government investments	<u>\$ 142,861,859</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 10,335,835	A	S&P, Moody's, Fitch
Pooled, common and collective funds	7,559,941	A	S&P, Moody's, Fitch
Pooled, common and collective funds	5,384,280	BBB	S&P, Moody's, Fitch
Mutual funds	15,770,291	BBB	S&P, Moody's, Fitch
Unrated investments	96,668,394		
Total Fiduciary Fund investments	<u>\$ 135,718,741</u>		

Custodial credit risk

All investment securities purchased by the Authority are held in third-party safekeeping at a financial institution, acting solely as agent of the Authority and qualified to act in this capacity. To limit custodial credit risk, all trades of marketable securities are executed based on delivery versus payment and avoid the physical delivery of securities (bearer form) to ensure that securities are deposited with a custodian prior to the release of Authority funds. The Authority's investments on June 30, 2026 and 2025 are collateralized by securities held by the Authority's agent in the Authority's name.

3. Cash and Cash Equivalents and Investments (continued)

Financial Instruments Reported at Fair Value

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

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

The Authority has the following recurring fair value measurements as of June 30, 2026:

- U.S treasury bonds and agency issues of \$1,075,984,388 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$80,909,584 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of \$368,801,740 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$59,826,009 are valued on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.
- Money market funds totaling \$3,623,743 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

The Authority has the following recurring fair value measurements as of June 30, 2025:

- U.S treasury bonds and agency issues of \$609,546,520 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$61,624,788 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of \$90,214,605 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$69,144,863 are valued on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.
- Money market funds totaling \$3,984,140 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

Totals of \$286,044,560 and \$239,883,641 are invested in the Tennessee Local Government Investment Pool on June 30, 2026 and 2025, respectively. Totals of \$284,820,016 and \$243,352,502 are invested at Goldman Sachs on June 30, 2026 and 2025, respectively. These amounts are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and are not included in the fair value disclosures above.

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

3. Cash and Cash Equivalents and Investments (continued)

At June 30, 2026, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective investment trust funds	\$ 59,826,009	\$ -	Daily	Daily
Total	<u>\$ 59,826,009</u>	<u>\$ -</u>		

At June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective investment trust funds	\$ 69,144,863	\$ -	Daily	Daily
Total	<u>\$ 69,144,863</u>	<u>\$ -</u>		

The collective investment trust fund class includes 9 funds that invest in a broad range of investment vehicles:

- One fund invests in common stocks of companies located in developed countries outside the U.S.
- One fund invests in a diversified portfolio consisting primarily of high-quality bonds and other fixed income securities, including U.S. government obligations, mortgage- and asset-backed securities, corporate bonds, government-related securities, municipal bonds and collateralized mortgage obligations.
- One fund seeks total return consisting of current income and capital appreciation. The Fund invests in a diversified portfolio of investment-grade, fixed-income securities, including mortgage-backed securities, corporate debt securities, and U.S. government obligations.
- One fund seeks long-term growth of capital by blending three individually managed small-cap portfolios.
- One fund invests in investment-grade debt securities, including U.S. Government obligations, corporate bonds, and mortgage- and asset-backed securities.
- One fund seeks to approximate the total return of the S&P MidCap 400 Index.
- One fund seeks to approximate the total return of the markets for international equity securities traded outside of the United States as measured by the Morgan Stanley Capital International Europe, Australasia and Far East Index.
- One fund is invested in one or more underlying collective investment funds which seek to approximate the total return of the S&P 500 Index.
- One fund seeks long-term capital growth by investing primarily in stocks of medium-sized U.S. companies.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

4. Capital Assets

Capital assets and related accumulated depreciation activity for year end June 30, 2026, and 2025 were as follows:

	Balance July 1, 2025	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2026
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 108,809,386	\$ -	\$ -	\$ 8,766,450	\$ 117,575,836
Lease assets:					
Land	2,574,885	-	-	-	2,574,885
Construction in progress	272,054,227	542,642,862	-	(192,047,840)	622,649,249
Total capital assets not being depreciated	383,438,498	542,642,862	-	(183,281,390)	742,799,970
Capital assets being depreciated:					
Infrastructure	857,239,366	-	-	118,732,359	975,971,725
Buildings and building improvements	1,187,449,578	3,160,000	(8,766,666)	40,262,803	1,222,105,715
Equipment, furniture, and fixtures	789,699,643	281,474	(1,237,362)	22,928,638	811,672,393
Right-to-use subscription assets	5,333,709	-	-	-	5,333,709
Lease assets:					
Buildings	58,374,610	-	-	1,357,590	59,732,200
Total capital assets being depreciated	2,898,096,906	3,441,474	(10,004,028)	183,281,390	3,074,815,742
Less accumulated depreciation:					
Infrastructure	(500,680,703)	(30,602,462)	-	-	(531,283,165)
Buildings and building improvements	(324,439,953)	(42,178,045)	8,547,215	-	(358,070,783)
Equipment, furniture and fixtures	(289,339,214)	(77,976,472)	1,220,880	-	(366,094,806)
Right-to-use subscription assets	(2,806,355)	(1,054,649)	-	-	(3,861,004)
Lease assets:					
Buildings	(14,098,628)	(1,887,254)	-	-	(15,985,882)
Total accumulated depreciation	(1,131,364,853)	(153,698,882)	9,768,095	-	(1,275,295,640)
Net capital assets being depreciated	1,766,732,053	(150,257,408)	(235,933)	183,281,390	1,799,520,102
Net capital assets	\$ 2,150,170,551	\$ 392,385,454	\$ (235,933)	\$ -	\$ 2,542,320,072

	Balance July 1, 2024	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2025
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 110,690,284	\$ -	\$ -	\$ (1,880,898)	\$ 108,809,386
Lease assets:					
Land	2,574,885	-	-	-	2,574,885
Construction in progress	212,924,038	296,854,196	-	(237,724,007)	272,054,227
Total capital assets not being depreciated	326,189,207	296,854,196	-	(239,604,905)	383,438,498
Capital assets being depreciated:					
Infrastructure	815,353,882	-	-	41,885,484	857,239,366
Buildings and building improvements	1,086,673,001	-	(10,366,352)	111,142,929	1,187,449,578
Equipment, furniture, and fixtures	721,348,402	313,908	(1,990,132)	70,027,465	789,699,643
Right-to-use subscription assets	3,777,401	1,556,308	-	-	5,333,709
Lease assets:					
Buildings	41,825,583	-	-	16,549,027	58,374,610
Total capital assets being depreciated	2,668,978,269	1,870,216	(12,356,484)	239,604,905	2,898,096,906
Less accumulated depreciation:					
Infrastructure	(475,988,022)	(24,692,681)	-	-	(500,680,703)
Buildings and building improvements	(290,305,779)	(40,250,712)	6,116,538	-	(324,439,953)
Equipment, furniture and fixtures	(216,527,575)	(74,312,641)	1,501,002	-	(289,339,214)
Right-to-use subscription assets	(2,027,493)	(778,862)	-	-	(2,806,355)
Lease assets:					
Buildings	(12,685,370)	(1,413,258)	-	-	(14,098,628)
Total accumulated depreciation	(997,534,239)	(141,448,154)	7,617,540	-	(1,131,364,853)
Net capital assets being depreciated	1,671,444,030	(139,577,938)	(4,738,944)	239,604,905	1,766,732,053
Net capital assets	\$ 1,997,633,237	\$ 157,276,258	\$ (4,738,944)	\$ -	\$ 2,150,170,551

*Transfers and adjustments include reclassifications amongst fixed asset classes.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

4. Capital Assets (continued)

The amount of construction in progress at June 30, 2026 is attributable to the following:

Central Ramp Expansion	\$ 153,127,833
A Concourse Site Preparation and Construction	149,804,236
Baggage Handling System	86,172,294
Terminal Area Roadway Improvements (TARI) Phase 3.1	48,667,533
Consolidated Rental Car Facility	40,114,463
A Concourse Site Preparation and Expansion	49,537,042
Employee and Valet Parking Lot	27,439,038
Taxiway Lima East and Alpha North Improvements	21,082,732
ADG5/TDG6	12,718,634
Other projects	33,985,444
Total construction in progress	<u>\$ 622,649,249</u>

During fiscal year 2026, \$192,047,840 in construction in progress was substantially completed and transferred to capital assets as follows:

Terminal Area Roadway Improvements (TARI) Phases 1 and 2	91,535,092
Concourse D Extension	33,142,690
Terminal Ramp Reconstruction	15,219,673
Tune Hangar Development	12,168,504
B and C Concourse Upgrades	10,092,609
Other projects	29,889,272
Total transferred to capital assets	<u>\$ 192,047,840</u>

The amount of construction in progress at June 30, 2025 is attributable to the following:

Terminal Area Roadway Improvements (TARI) Phases 1 - 3.1	\$ 97,373,111
A Concourse Site Preparation and Construction	97,837,423
Baggage Handling System Improvements	19,235,404
Central Ramp Expansion	14,009,692
Other projects	43,598,597
Total construction in progress	<u>\$ 272,054,227</u>

During fiscal year 2025, \$237,724,007 in construction in progress was substantially completed and transferred to capital assets as follows:

Concourse D Extension	\$ 190,662,456
Reconstruct Bravo/Kilo Intersection	17,485,474
Other projects	29,576,077
Total transferred to capital assets	<u>\$ 237,724,007</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

4. Capital Assets (continued)

Uncompleted construction contracts

Estimated costs of completion of construction in progress at June 30, 2026 total \$1,000,525,261 and relate to various projects. The estimated costs to complete construction progress are anticipated to be funded as follows:

Reimbursed by government agencies and grant contracts	\$ 14,353,236
Funded by the Authority	<u>986,172,025</u>
	<u><u>\$ 1,000,525,261</u></u>

5. Long-term Debt

The following is a detail of long-term debt at June 30:

	<u>2026</u>	<u>2025</u>
Special facility revenue bonds - direct borrowing:		
Senior lien, CONRAC Series 2018, 3.40%, due 7/1/2028	\$ 11,137,562	\$ 14,605,562
Total special facility revenue bonds - direct borrowing	11,137,562	14,605,562
Airport revenue bonds - other:		
Senior lien, Series 2003B, 5.49% to 5.94%, due 7/1/2033	8,440,000	9,245,000
Senior lien, Series 2015A, 4.00% to 5.00%, due 7/1/2045	-	78,485,000
Senior lien, Series 2015B, 4.00% to 5.00%, due 7/1/2045	-	92,535,000
Subordinate lien, Series 2019A, 4.00% to 5.00%, due 7/1/2054	251,470,000	254,435,000
Subordinate lien, Series 2019B, 4.00% to 5.00%, due 7/1/2054	657,230,000	665,150,000
Senior lien, Series 2022A, 5.00% to 5.25%, due 7/1/2052	94,525,000	94,525,000
Senior lien, Series 2022B, 5.00% to 5.50%, due 7/1/2052	501,560,000	501,560,000
Senior lien, Series 2026A, 5.00% to 5.25%, due 7/1/2056	459,790,000	-
Senior lien, Series 2026B, 5.00% to 5.50%, due 7/1/2056	661,815,000	-
Senior lien, Series 2026C, 5.00%, due 7/1/2045	65,950,000	-
Senior lien, Series 2026D, 5.00%, due 7/1/2045	79,885,000	-
Total airport revenue bonds - other	<u>2,780,665,000</u>	<u>1,695,935,000</u>
Notes payable - direct borrowing:		
Geothermal Loan	<u>1,664,871</u>	<u>1,979,775</u>
Total notes payable - direct borrowing	1,664,871	1,979,775
Other debt:		
BNA Credit Facility	<u>14,055,036</u>	<u>72,166,903</u>
Total other debt	14,055,036	72,166,903
Total airport bonds payable and other debt	2,807,522,469	1,784,687,240
Add:		
Unamortized bond premiums	<u>281,201,059</u>	<u>209,726,178</u>
Total airport bonds payable and other debt, net	3,088,723,528	1,994,413,418
Less current portion	<u>26,773,328</u>	<u>20,502,904</u>
Total airport bonds payable and other debt, noncurrent	<u><u>\$ 3,061,950,200</u></u>	<u><u>\$ 1,973,910,514</u></u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

5. Long-term Debt (continued)

The annual requirements to pay principal and interest on the Authority's debt outstanding at June 30, 2026 are summarized as follows:

	Principal				
	Direct Placement Special Facility Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Other Debt	Total
2027	\$ 3,587,550	\$ 22,865,000	\$ 320,780	\$ -	\$ 26,773,330
2028	3,711,220	29,270,000	326,763	14,055,036	47,363,019
2029	3,838,792	30,725,000	332,861	-	34,896,653
2030	-	51,355,000	339,071	-	51,694,071
2031	-	53,845,000	345,396	-	54,190,396
2032-2036	-	311,645,000	-	-	311,645,000
2037-2041	-	373,500,000	-	-	373,500,000
2042-2046	-	424,630,000	-	-	424,630,000
2047-2051	-	413,620,000	-	-	413,620,000
2052-2056	-	740,665,000	-	-	740,665,000
2057	-	328,545,000	-	-	328,545,000
Total	<u>\$ 11,137,562</u>	<u>\$ 2,780,665,000</u>	<u>\$ 1,664,871</u>	<u>\$ 14,055,036</u>	<u>\$ 2,807,522,469</u>

	Interest			
	Direct Placement Special Facility Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Total
2027	\$ 321,593	\$ 133,942,039	\$ 41,825	\$ 134,305,457
2028	195,773	138,552,846	32,824	138,781,443
2029	65,984	137,037,205	23,655	137,126,844
2030	-	134,982,923	14,315	134,997,238
2031	-	132,343,100	4,801	132,347,901
2032-2036	-	619,126,424	-	619,126,424
2037-2041	-	529,550,937	-	529,550,937
2042-2046	-	432,741,663	-	432,741,663
2047-2051	-	322,064,200	-	322,064,200
2052-2056	-	157,839,287	-	157,839,287
2057	-	8,644,575	-	8,644,575
Total	<u>\$ 583,350</u>	<u>\$ 2,746,825,199</u>	<u>\$ 117,420</u>	<u>\$ 2,747,525,969</u>

5. Long-term Debt (continued)

The Revenue Bonds contain default provisions as defined in the agreements. In each case of default, unless cured by the Authority within 30 days after written notice, the trustee may declare all outstanding bonds and accrued interest immediately due and payable. Upon the event of default, the trustee may demand the Authority net revenues and all funds and accounts established under the General Resolution be transferred to and administered by the trustee. The trustee may exercise any of the following remedies to the extent they are legally available:

- (i) the trustee may protect and enforce its rights and the rights of the holders of the bonds by suit or suits of equity.
- (ii) the trustee may obtain the appointment of receiver, where the receiver may enter upon and take possession of the airport and fix rates and charges and collect all airport revenues. The receiver will collect and dispose of airport revenues in accordance with the terms and conditions of the General Resolution or as the court directs.

Net revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. Net revenues consist of operating revenues reduced by operating expenses, not including depreciation.

All Authority bonds were issued under the Airport Improvement Revenue Bond Resolution adopted by the Board of Commissioners of the Authority on August 15, 1991, (as amended and supplemented, the "General Resolution") and a twenty-second Supplemental Resolution adopted by the Board on October 15, 2015. In 2019, the Board approved the 2019 Master Subordinate Resolution and the First Supplemental Resolution. Bonds issued under the First Supplemental Resolution payable from net revenues are subordinate to bonds issued under the General Resolution. The Authority anticipates using PFC funds for approximately \$4.4 million and \$8.4 million of the Series 2026C and Series 2026D bonds, respectively; approximately \$52 million of the Series 2022A bonds; and approximately \$495 million of the Series 2019B and Series 2022B bonds (Note 6). Although the CONRAC Series 2018 Bonds were issued under the General Resolution, the CFCs are not in and of themselves a part of airport revenues or net revenues as defined in the General Resolution. Therefore, airport revenues derived by the Authority from the operation of the Airport are not pledged for payment of and do not constitute security for the CONRAC Series 2018 Bonds. All other bonds are secured by a pledge of and lien on net revenues derived by the Authority from the operation of the airports.

Net revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. For the years ended June 30, 2026 and 2025, net revenues were \$188,841,532 and \$145,848,712, respectively, compared to the net debt service (principal and interest) for senior and subordinate revenue bonds of \$101,054,138 and \$90,455,316, respectively. In addition, a portion of the Airport Revenue Bonds has been approved by the FAA to be funded by Passenger Facility Charges. For the years ended June 30, 2026 and 2025, the PFC revenues were \$50,377,639 and \$46,775,211, respectively, compared to the net debt service (principal and interest) of \$34,714,788 and \$32,529,362, for each year.

Net CONRAC revenues have been pledged toward the repayment of the CONRAC Series 2018 Refunding Revenue Bonds. For the years ended June 30, 2026 and 2025, the CONRAC revenues were \$37,003,520 and \$25,801,636, respectively, compared to the net debt service (principal and interest) of \$3,911,220 and \$3,913,257, respectively.

5. Long-term Debt (continued)

Direct Placement Debt:

Special facility revenue bond (MPC CONRAC LLC Project) Refunding Series 2018 bonds

During May 2018, the Authority issued CONRAC Refunding Series 2018 bonds in the principal amount of \$27,358,295. The bonds, together with \$23,334,428 available customer facility charge ("CFC") revenues were placed in an irrevocable trust to advance refund the Series 2010 Bonds maturing in the years 2021 through 2029 and pay the costs of issuance of the bond. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Authority's financial statements. At June 30, 2026, \$23,065,000 of defeased bonds remain outstanding. The difference between the reacquisition price and the net carrying amount of the refunded debt was \$3,614,352. This difference is reported as a deferred outflow of resources and is being amortized through fiscal year 2029. The refunding resulted in an economic gain of approximately \$6,400,000.

The CONRAC Refunding Series 2018 bonds are payable from and secured by a pledge of certain rental payments derived from CFCs under leases with rental car agencies (Note 7). The remaining CONRAC Refunding Series 2018 bonds contain serial bonds at an interest rate of 3.4%, maturing in progressive annual amounts ranging from \$3,468,000 on July 1, 2025, to \$3,838,790 on July 1, 2028.

Geothermal loan

In July 2015, the Authority entered into an equipment lease purchase agreement in the amount of \$4,300,000 with a financial institution providing for the equipment to be installed in the geothermal project. The annual interest rate is 2.78%. Principal payments are due annually beginning July 2017; interest payments are due semi-annually beginning January 2016. The final principal and interest payment are due in July 2030. The principal balance outstanding was \$1,664,871 and \$1,979,775 on June 30, 2026 and 2025, respectively.

Other Debt:

Airport improvement revenue bonds, Series 2003B

During November 2003, the Authority issued Series 2003B taxable bonds in the principal amount of \$19,585,000. These bonds were issued to provide funding for a portion of the projected unfunded liability of the Metropolitan Nashville Airport Authority Retirement Plan for Employees (See Note 12).

The remaining Series 2003B bonds contain serial bonds at interest rates ranging from 5.49% to 5.94%, with annual sinking fund requirements in progressive annual amounts ranging from \$855,000 on July 1, 2026, to \$1,280,000 on July 1, 2033. The annual amounts accumulated in the sinking fund will be used to pay bond holders on July 1, 2033. The 2003B bonds are subject to an extraordinary optional redemption, in whole at any time, at a redemption price equal to the principal amount plus accrued interest to the date of redemption only in the event of the destruction or damage to all or substantially all of the Nashville International Airport or the condemnation of the airport facility.

Airport improvement revenue bonds, Series 2015A&B

In December 2015, the Authority issued Series 2015A bonds in the principal amount of \$91,855,000 and Series 2015B bonds in the principal amount of \$108,145,000, collectively the "Series 2015A&B bonds". The Series 2015A&B bonds were issued to finance certain capital improvement at Nashville International Airport and John C. Tune Airport, fund capitalized interest on the Series 2015A&B bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of \$13,825,131 and \$13,078,625 for 2015A and 2015B, respectively, and were being amortized through 2045.

5. Long-term Debt (continued)

In January 2026, the Authority issued Series 2026C and Series 2026D bonds. These bonds were issued to refund and defease the Series 2015A&B bonds, therefore there are no future maturities or interest payable on the Series 2015A&B bonds.

Subordinate airport improvement revenue bonds, Series 2019A&B

During December 2019, the Authority issued, under the First Supplemental Resolution, Series 2019A bonds in the principal amount of \$254,435,000 and Series 2019B in the principal amount of \$665,150,000, collectively the "Series 2019A&B bonds". The Series 2019A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2019A&B Bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of \$56,925,475 and \$134,372,678 for 2019A and 2019B, respectively. This amount is being amortized through 2054.

Interest for the Series 2019A&B bonds is payable on January 1 and July 1, commencing July 1, 2020.

The Series 2019A bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$3,120,000 on July 1, 2026, to \$6,530,000 on July 1, 2039. \$37,870,000 of term bonds at 5% are due on July 1, 2044, \$25,000,000 and \$39,200,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and \$25,000,000 and \$60,120,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054. The Series 2019B bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from \$8,315,000 on July 1, 2026, to \$17,260,000 on July 1, 2039. \$100,175,000 of term bonds at 5% are due on July 1, 2044, \$50,000,000 and \$116,170,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and \$62,500,000 and \$157,550,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054.

The Series 2019A&B bonds maturing on and after July 1, 2031, are subject to redemption prior to maturity, at the option of the Authority, on or after July 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount plus interest to the date of redemption.

Airport improvement revenue bonds, Series 2022A&B

During November 2022, the Authority issued Series 2022A bonds in the principal amount of \$94,525,000 and Series 2022B bonds in the principal amount of \$501,560,000, collectively the "Series 2022A&B bonds". The Series 2022A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2022A&B bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of \$7,122,713 and \$26,460,002 for 2022A and 2022B, respectively. This amount is being amortized through 2052.

Interest for the Series 2022A&B bonds is payable on each January 1 and July 1, commencing July 1, 2023.

The Series 2022A bonds contain serial bonds at interest rates ranging from 5% to 5.25%, maturing in amounts ranging from \$1,720,000 on July 1, 2026, to \$3,755,000 on July 1, 2042. \$21,905,000 of term bonds at 5.25% are due on July 1, 2047, and \$28,140,000 of term bonds at 5% are due on July 1, 2052.

The Series 2022B bonds contain serial bonds at interest rates ranging from 5% to 5.5%, maturing in amounts ranging from \$8,855,000 on July 1, 2026, to \$20,055,000 on July 1, 2042. \$117,515,000 of term bonds at 5.25% are due on July 1, 2047, \$127,285,000 of term bonds at 5.5% are due on July 1, 2052, and \$25,000,000 of term bonds at 5% are due on July 1, 2052.

5. Long-term Debt (continued)

The Series 2022A&B bonds maturing on and after July 1, 2033, are subject to redemption prior to maturity, at the option of the Authority, at a redemption price equal to the principal amount plus interest to the date of redemption. The first optional call date is July 1, 2032.

Airport improvement revenue bonds, Series 2026A,B,C&D

During February 2026, the Authority issued Series 2026A bonds in the principal amount of \$459,790,000, Series 2026B bonds in the principal amount of \$661,815,000, Series 2026C bonds in the principal amount of \$65,950,000, and Series 2026D bonds in the principal amount of \$79,885,000, collectively the "Series 2026A,B,C&D" bonds. The Series 2026A,B,C&D bonds were issued to provide funds to pay and/or reimburse the Authority for a portion of the costs of the Authority's capital program, pay a portion of the amounts outstanding under the BNA credit facility loan agreement, refund and defease all of the outstanding Series 2015A&B senior bonds, fund capitalized interest on the Series 2026A and Series 2026B senior bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance.

The difference between the reacquisition price and the net carrying amount of the refunded Series 2015A&B debt was \$17,188,612. This difference is reported as a deferred inflow of resources and is being amortized through fiscal year 2045. The refunding resulted in a net present value savings of \$14.3 million.

The 2026A and 2026B bonds were issued at a premium of \$37,335,419 and \$44,461,722, respectively, and are being amortized through 2056. The 2026C and 2026D bonds were issued at a premium of \$8,161,734 and \$7,263,529, respectively, and are being amortized through 2045.

Interest for the Series 2026A,B,C&D bonds is payable on each January 1 and July 1, commencing July 1, 2026.

The Series 2026A bonds contain serial bonds at a 5% interest rate, maturing in amounts ranging from \$7,860,000 on July 1, 2029, to \$18,040,000 on July 1, 2046. Term bonds of \$104,650,000 at 5% are due on July 1, 2051. Term bonds of \$83,785,000 at 5% and \$50,000,000 at 5.25% are due on July 1, 2056.

The Series 2026B bonds contain serial bonds at a 5% interest rate, maturing in amounts ranging from \$11,255,000 on July 1, 2029, to \$25,790,000 on July 1, 2046. Term bonds of \$150,420,000 at 5.25% are due on July 1, 2051. Term bonds of \$94,760,000 at 5.25% and \$100,000,000 at 5.5% are due on July 1, 2056.

The Series 2026C bonds contain serial bonds at a 5% interest rate, maturing in amounts ranging from \$2,240,000 on July 1, 2027, to \$5,175,000 on July 1, 2045.

The Series 2026D bonds contain serial bonds at a 5% interest rate, maturing in amounts ranging from \$3,020,000 on July 1, 2027, to \$5,915,000 on July 1, 2045.

The Series 2026A,B,C&D bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity, at the option of the Authority, at a redemption price equal to the principal amount plus interest to the date of redemption. The first optional call date is January 1, 2036.

BNA credit facility loan agreement

On January 7, 2019, the Authority entered into a new Credit Facility Loan Agreement ("BNA Credit Facility"). The lender made available to the Authority a non-revolving line of credit in the maximum principal amount of \$300,000,000, the proceeds of which were to be used to finance a portion of the cost of the Authority's capital improvement program, including land acquisition and the acquisition, construction, rehabilitation,

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5. Long-term Debt (continued)

replacement, repair, renovation, improvement and reconstruction of terminal, airfield, parking, hangar, roadway, hotel, multi-modal transit facilities and the acquisition of airport equipment and other facilities and improvements as necessary and appropriate for the operation of such airport facilities at the Nashville International Airport or John C. Tune Airport. The Credit Facility was amended in December 2019 to increase the maximum principal amount to \$400,000,000. Principal and interest on this line of credit are payable from the net revenues, subject and subordinate, and secured by a lien and pledge on the net revenues junior and inferior, to the lien and pledge on the net revenues created under the General Resolution including the Master Subordinate Resolution for the payment and security of the bonds but on a parity with the Parity Other Obligations. In October 2024, the note was amended and carries a maximum principal amount of \$100 million on June 30, 2026 (with the capacity to go up to \$400 million). The note matures in October 2027. The taxable portion of the Credit Facility bears a variable interest rate equal to daily SOFR plus 85 basis points. The nontaxable portion of the Credit Facility bears a variable interest rate equal to 80% of daily SOFR plus 57 basis points. The rates on June 30, 2026 were 4.47% for the taxable Credit Facility, and 3.46% for the nontaxable Credit Facility. Interest expense for this Credit Facility totaled \$4,201,341 and \$1,923,802 during fiscal years 2026 and 2025, respectively. Accrued interest on this line of credit was \$108,461 and \$328,053 on June 30, 2026 and 2025, respectively.

The Credit Facility contains default provisions as defined in the agreements. In the event of default, the obligations shall bear interest at the default rate – PRIME plus 3%. In the event of default, the lender may make one of more of the following actions at any time and from time to time (the actions may be taken at the same time or at different times):

- (i) The lender may terminate the available commitment and declare the outstanding amount due under the obligations immediately due and payable.
- (ii) The lender may sell or otherwise transfer all or a portion of the notes.
- (iii) At the expense of the Authority, the lender may cure any default, event of default, or event of nonperformance, bringing all delinquent balances current and adding the delinquent balances to the total outstanding owed by the Authority.
- (iv) The lender may exercise, or cause to be exercised, any and all remedies as it may have under the agreement as otherwise available at law and at equity.

Long-term debt activity for the years ended June 30, 2026 and 2025 were as follows:

	Balance July 1, 2025	New Borrowings	Principal Repayment	Refundings	Amortization	Balance June 30, 2026	Due within one year
Direct placement - special facility revenue bonds	\$ 14,605,562	\$ -	\$ (3,468,000)	\$ -	\$ -	\$ 11,137,562	\$ 3,587,550
Other - airport revenue bonds	1,695,935,000	1,267,440,000	(16,720,000)	(165,990,000)	-	2,780,665,000	22,865,000
Direct Placement - notes payable	1,979,775	-	(314,904)	-	-	1,664,871	320,780
Other debt	72,166,903	177,878,479	(235,990,346)	-	-	14,055,036	-
Add:							
Unamortized bond premiums	209,726,178	81,797,141	-	(1,763,349)	(8,558,911)	281,201,059	-
Total long-term debt	<u>\$ 1,994,413,418</u>	<u>\$ 1,527,115,620</u>	<u>\$ (256,493,250)</u>	<u>\$ (167,753,349)</u>	<u>\$ (8,558,911)</u>	<u>\$ 3,088,723,528</u>	<u>\$ 26,773,330</u>
	Balance July 1, 2024	New Borrowings	Principal Repayment	Refundings	Amortization	Balance June 30, 2025	Due within one year
Direct placement - special facility revenue bonds	\$ 17,956,357	\$ -	\$ (3,350,795)	\$ -	\$ -	\$ 14,605,562	\$ 3,468,000
Other - airport revenue bonds	1,701,505,000	-	(5,570,000)	-	-	1,695,935,000	16,720,000
Direct Placement - notes payable	2,288,911	-	(309,136)	-	-	1,979,775	314,904
Other debt	30,079,067	56,349,563	(14,261,727)	-	-	72,166,903	-
Add:							
Unamortized bond premiums	217,196,514	-	-	-	(7,470,336)	209,726,178	-
Total long-term debt	<u>\$ 1,969,025,849</u>	<u>\$ 56,349,563</u>	<u>\$ (23,491,658)</u>	<u>\$ -</u>	<u>\$ (7,470,336)</u>	<u>\$ 1,994,413,418</u>	<u>\$ 20,502,904</u>

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6. Passenger Facility Charges

On January 1, 1993, the airlines began collecting a Passenger Facility Charge (“PFC”) on qualifying enplaning passengers at Nashville International Airport on behalf of the Authority. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA. Federal guidance on the PFC program has been updated occasionally since 1993, and the current maximum fee that can be authorized through federal regulation is \$4.50 per enplaning passenger. PFCs are recorded as non-operating revenue. PFC revenue during fiscal years 2026 and 2025 totaled \$50,377,639 and \$46,775,211, respectively.

Effective September 2010, the Authority could collect a \$3.00 PFC per enplaning passenger. In May 2015, the Authority began collecting a \$4.50 PFC per enplaning passenger. The Authority anticipates remaining at this \$4.50 collection level. The following project summary has been approved by the FAA as of June 30, 2026:

Airfield development	\$ 218,905,270
Terminal development	1,311,492,678
Roadway improvements	108,357,322
Land acquisition	21,260,411
	<u>\$ 1,660,015,681</u>

As of June 30, 2026, cumulative expenditures to date on approved PFC projects totaled \$460,448,274.

7. Customer Facility Charges

On January 1, 2008, the Authority began requiring the car rental companies at Nashville International Airport to charge a customer facility charge (“CFC”) to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the Consolidated Rental Car (“CONRAC”) Facility, and other costs, fees, and expenses that may be paid from CFC proceeds. Prior to February 2025, the CFC rate was \$4.50 per transaction day. The CFC rate is now \$10.00 per transaction day. The fee is collected by on-airport car rental companies from each customer and subsequently remitted to the Authority. The Authority has pledged the CFC proceeds as collateral security for the payment of the CONRAC Series 2010 and 2018 bonds issued in February 2010 and May 2018, respectively. Additionally, in accordance with the terms of the CONRAC Series 2010 and 2018 bond agreements, CFCs must be used to establish bond principal, interest, and reserve funds, as well as various other funds for the operation and maintenance of the CONRAC facility (See Note 5). The Authority can use CFCs collected and exceeding the various refunded funds for any lawful purpose. CFC revenue during fiscal years 2026 and 2025 totaled \$37,003,520 and \$25,801,636, respectively. In accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*, CFC revenue is recorded with noncapital subsidies, above other nonoperating revenues. A noncapital subsidy is a nonexchange resource received or provided for general operations that keeps current or future fees and charges lower than they would be otherwise, without being restricted to capital asset acquisition.

The Authority is leasing the facility to MPC CONRAC LLC under a lease agreement and is leasing back the facility from MPC CONRAC LLC under a sublease agreement. In turn, the Authority will lease the CONRAC facility to on-airport rental car companies under the consolidated rental car lease agreements. Under these lease agreements, on-airport rental car companies have agreed to collect the CFC on all vehicle rental transactions as specifically set forth in the CFC enabling resolution and the related lease agreements.

7. Customer Facility Charges (continued)

Net position relating to CFCs totaled \$63,890,160 and \$33,401,233 on June 30, 2026 and 2025, respectively, and is included in net investment in capital assets and restricted net position in the statements of net position.

8. Special Facility Revenue Bonds

Special facility revenue bonds, series 2005

During April 2005, the Authority issued \$9,500,000 of Special Facility Revenue Bonds, Series 2005, on behalf of Embraer Aircraft Maintenance Services, Inc. The bonds were issued to finance the development and construction of an aircraft maintenance facility at Nashville International Airport.

The outstanding Special Facility Revenue Bonds, Series 2005, are special obligations of the Authority, and the debt service thereon shall be payable solely from revenues provided by Embraer Aircraft Maintenance Services, Inc., pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. These bonds mature in April 2030. The principal balance outstanding as of June 30, 2026 and 2025 was \$9,500,000. These bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations. Therefore, they represent conduit debt and have not been recorded in the Authority's financial statements.

Special facility revenue bonds, series 2006/refunding series 2010

During July 2006, the Authority approved an amendment to the ground lease with Aero Nashville, LLC, whereby the Authority agreed to issue \$6,515,000 of Special Facility Revenue Bonds, Series 2006, on behalf of Aero Nashville, LLC. Aero Nashville is an affiliate of Aeroterm US, Inc., the firm selected by Federal Express Corporation to be the developer of a 69,000-square-foot cargo and support facility on approximately 15 acres of land at Nashville International Airport in 2005.

During November 2010, the Authority issued \$6,200,000 in Special Facility Revenue Bonds, Refunding Series 2010, the proceeds of which were used to currently refund the outstanding Series 2006 bonds. The Refunding Series 2010 bonds are term bonds with mandatory sinking fund requirements annually through June 2026.

The Special Facility Revenue Bonds, Series 2006, and outstanding Refunding Series 2010 bonds are special obligations of the Authority and the debt service thereon shall be payable solely from revenues provided by Aero Nashville, LLC pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. The principal balance outstanding as of June 30, 2026 and 2025 was \$0 and \$595,000, respectively. Since these bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations; they represent conduit debt and have not been recorded in the Authority's financial statements.

The following is a detail of the principal balances of special facility revenue bonds at June 30:

	<u>2026</u>	<u>2025</u>
Special facility revenue bonds:		
Series 2005	\$ 9,500,000	\$ 9,500,000
Series 2006/refunding series 2010	-	595,000
Total special facility revenue bonds	<u>\$ 9,500,000</u>	<u>\$ 10,095,000</u>

9. Airline Use and Lease Agreement

During fiscal year 2024, the Authority entered into a new Signatory Airline Use and Lease Agreement with an eight-year term from July 1, 2023 to June 30, 2031 (the "Airline Agreement") with Alaska Airlines, Allegiant Airlines, American Airlines, Delta Air Lines, Federal Express, Frontier Airlines, JetBlue, Southwest Airlines, Spirit Airlines, and United Airlines. The Airline Agreement contains a two-year option to extend through mutual agreement between the Authority and the signatory airlines no less than two years before expiration.

As per the Airline Agreement, passenger carriers must pay at least 1% of the total rates, charges, and fees paid by all signatory airlines. Cargo carriers must pay at least 1% of annual landing fees paid by all signatory airlines.

The Authority created five airline cost centers for the purpose of accounting for and allocating costs and revenues at the airport to establish rates and charges for use of the airfield, terminal, passenger loading bridges, baggage handling system, and terminal ramp area. In addition to the five airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers (parking and ground transportation, other buildings and areas, and the reliever airport) and one indirect cost center (general administration and overhead). The Authority's indirect cost center is allocated to the direct airline cost centers. As described below, rate-setting at the airport is "hybrid". Landing fees are calculated using a residual methodology, the terminal rental rates are calculated using a commercial compensatory methodology, and other rates are calculated using a compensatory methodology. In the airfield cost center, the airlines have the primary responsibility, risk, and benefit from non-airline revenues. In the other cost centers, the Authority and airlines share the responsibility, risk, and benefits.

Landing fees under the Airline Agreements are calculated on a residual basis. Signatory Airlines have Majority-in-Interest ("MII") review rights for capital projects in the airfield cost center exceeding \$2.0 million.

The form of MII is negative (e.g., the Authority may proceed unless it receives disapproval from the majority). Rolling debt service coverage is incorporated into the rate calculations for all airline cost centers.

Terminal rents are based on the terminal rental rate per square foot calculated on a commercial compensatory basis in accordance with the business deal agreed to in principle by the Authority and the signatory airlines. The Airline Agreement contains a 50% airline rented space minimum if debt service coverage requirements are not met. The Authority's internal debt management policy requires a debt service coverage ratio of 1.5x for senior lien debt service, and 1.25x for combined debt service. The Authority's bond documents require a debt service coverage ratio of 1.25x for senior lien debt service, and 1.10x for subordinate lien debt service. If debt service coverage requirements are not met, then the Authority may increase the airlines' share of the terminal requirement by the lesser of the amount necessary to meet the coverage requirements, or the amount necessary to make the airlines' share of the terminal requirement equal to 50%. The terminal requirement includes operating expenses, debt service, rolling debt service coverage, amortization of capital costs, operations and maintenance reserve fund, and renewal and replacement fund. Signatory airlines occupying the satellite concourse receive a 2.5% discount on the main terminal rate.

Terminal ramp area, passenger loading bridge, and baggage equipment rates are calculated using a compensatory methodology and include rolling debt service coverage equal to 25% of incremental senior lien debt service and 10% of incremental subordinate lien debt service, as well as the amortization of Authority cash expenditures on terminal ramp area cost center capital projects.

The Authority has committed to spending \$75 million in Authority cash over the term of the agreement to fund capital projects currently identified for airline cost centers (other than the airfield cost center). Amounts will be amortized in the airline base over the useful life of the asset(s).

9. Airline Use and Lease Agreement (continued)

Revenue sharing credits for signatory airlines is an agreed-upon calculation in which the total amount of revenue to be shared is determined on the weighting of three factors: net remaining revenues, in-terminal concessions, and a fixed share per enplanement.

The Airline Agreements provide signatory airline support for John C. Tune Airport, including certain reliever airport support costs in the landing fees.

The Authority also owns MPC, a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Airline Agreements do not provide any signatory airline support for MPC. MPC financial obligations are not included within the Master Resolution, and any MPC shortfalls or deficits must be paid from other available Authority funds.

10. Risk Management and Insurance Arrangements

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; illnesses or injuries to employees; and natural disasters.

Self-insured employee medical benefit claims are accrued as incurred. The liability for reported claims and claims incurred but not reported, an estimate of which is based on historical experience and management projections, is reported with accrued payroll and related items in the financial statements. This liability does not include non-incremental claims adjustment expenses.

The following summarizes the changes in the estimated claims liability on June 30:

	2026	2025
Balance - beginning of year	\$ 414,899	\$ 365,703
Provision for incurred claims	7,126,999	5,595,766
Claim payments	<u>(6,675,239)</u>	<u>(5,546,570)</u>
Balance - end of year	<u>\$ 866,659</u>	<u>\$ 414,899</u>

The Authority carries commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Environmental remediation

On October 9, 2012, the Authority entered into a Consent Order with the Tennessee Department of Environment and Conservation in response to a routine inspection which identified that a local area stream had been contaminated by untreated de-icing chemicals. In the Consent Order, the Authority was assessed a penalty of \$22,500, and it was determined that Natural Resource Damages in the amount of \$218,520 exist. In lieu of payment, the Authority proposed to upgrade its de-icing fluid collection and treatment system. Multiple projects, worth over \$8,000,000, were undertaken. The upgrades diverted uncontaminated storm water away from the treatment system so that only storm water containing deicer fluid is collected for treatment. This allows for additional fluid storage and improves the treatment system process by systematically feeding the fluids to the biological treatment lagoon. The Authority continues to perform monitoring and reporting to the Tennessee Department of Environment and Conservation in compliance with NPDES Permit TN0064041.

10. Risk Management and Insurance Arrangements (continued)

The Authority is a defendant in various legal proceedings incidental to its operations. In the opinion of management and the Authority's legal counsel, while the ultimate outcome of these matters, including an estimate of potential loss, cannot presently be determined, any losses sustained would not be material to the Authority's financial position or operations. Additionally, losses sustained would be recoverable through the Authority's leases with certain airlines discussed in Note 9.

11. Compensated Absences

Compensated absences are another component of the Authority's employee benefits program. Based on years of service, employees earn annual leave and may accumulate earned hours to certain limits for future use. In 2026 and 2025, employees sold back \$459,499 and \$759,074 of their annual leave balances to the Authority in exchange for cash. Additional payments of \$344,485 and \$407,499 were made to employees who left employment with the Authority during the years ended June 30, 2026 and 2025, respectively. The change in accrued compensated absences balance is charged to salaries and wages expense.

The following summarizes the changes in the compensated absences liability at June 30:

	2026	2025
Balance - beginning of year	\$ 3,206,372	\$ 3,595,561
Provision for compensated absences	3,270,212	4,494,409
Annual leave used	(2,451,492)	(3,717,025)
Annual leave buy-back and other	(803,984)	(1,166,573)
Balance - end of year	<u>\$ 3,221,108</u>	<u>\$ 3,206,372</u>

The compensated absences liability is included in accrued payroll and related items on the statements of net position. Historically, the ending balances in compensated absences have been used by employees or paid out in the following fiscal year, therefore the Authority has determined that the balance is due within one year.

12. Retirement Benefit Plan

General information about the pension plan

Plan description

Effective September 1, 1989, the Metropolitan Nashville Airport Authority (the "Authority") adopted a single-employer public employee retirement system ("PERS") for its employees, whereby the net position restricted for benefits relative to the Authority's employees were transferred from the retirement system of the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") to the Metropolitan Nashville Airport Authority Retirement Plan for Employees (the "Plan"). Those net assets transferred from the Metropolitan Government's retirement system to the Plan included accumulated employee contributions and allocated investment income. The Plan is a defined benefit pension plan.

The Plan is administered by the Authority's management and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2026, the Committee consists of 7 voting members, 6 of whom are active Authority management, one of whom is an active

Authority employee and a member of the Plan. The Authority's Vice President of Finance is a non-voting member on the committee.

12. Retirement Benefit Plan (continued)

Benefits provided

Eligible employees become 100% vested in their accrued pension benefit after 5 years of credited service and may elect to retire at any time after age 65 (or after age 55 for safety and security employees with completion of 10 years of service).

The employees retiring at or after age 65 (55 for safety and security employees) are entitled to a retirement benefit, payable monthly for life, equal to one-twelfth of the product of 2% of average earnings multiplied by years of credited service. Average earnings are the average of annual earnings for the five full consecutive calendar years in which earnings were the highest or for such lesser number of full calendar years of service as have been completed. Credited service is the total number of years and completed one-half months of service from the date of hire to date of termination, adjusted for some certain periods of unpaid absence. Certain supplemental benefits have been provided for in the Plan as incentives for certain prior officers of the Authority.

Early retirement under the Plan is retirement from service prior to the participant's normal retirement date and on or after the date as of which the participant has attained both the age of 55 years and completed 5 years of vesting service. A participant classified as a safety and security employee is eligible for early retirement on or after the date on which such employee has attained both the age of 50 years and completed 5 years of vesting service. Participants electing early retirement, as defined above, receive reduced benefits immediately or may defer and receive full benefits at normal retirement age. There are also certain benefit provisions upon death or disability.

Changes to the Plan, including benefits provided thereunder, can be made only by formal resolutions of the Authority's Board of Commissioners. Additionally, cost-of-living adjustments are made only as approved by the Board of Commissioners. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Authority. Benefit provisions are established and may be amended by the Authority.

Employees covered by benefit terms

On June 30, 2026, the following employees were covered by the benefit terms:

Retired	206
Deferred vested	42
Active vested	<u>26</u>
Total covered employees	<u>274</u>

Effective June 27, 2003, the Plan was closed to new participants; therefore, employees hired after June 27, 2003 are not eligible to participate in the Plan.

Contributions

The Plan is non-contributory for employees; accordingly, no contributions shall be required or permitted to be made by Plan participants. The Authority's Board of Commissioners has approved a funding plan which establishes the expected employer contributions to the Plan through fiscal year 2026. In determining the funding plan, the Authority considers the actuarially determined contribution, as recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by Plan participants, with an additional amount to finance the net pension asset. The actuarially determined contribution is calculated using a funding valuation that uses the asset smoothing method. The asset smoothing method used is a 3-year weighted average of asset gains and losses, subject to a 20% corridor.

Metropolitan Nashville Airport Authority
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Years Ended June 30, 2026 and 2025

12. Retirement Benefit Plan (continued)

Pension net position

The Authority does not issue separate financial statements for the pension plan. The investments of the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The investment policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective May 2025.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of Plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1), net asset value per share (or its equivalent), and various market and industry inputs (level 2). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. The Plan's investment assets are held in trust by the Plan's trustee, Principal.

Additional information regarding pension net position is included in Note 14.

The Plan's investments which represented 5% or more of net position as of June 30, 2026 and 2025 are as follows:

Description of Investment		2026	2025
Principal	Metropolitan West Total Return Bond Fund Class I	\$ 10,987,339	\$ 10,366,430
Principal	Dodge and Cox Intermediate Bond	10,963,489	10,340,647
Principal	Allspring Core Bond	10,951,957	10,335,835
Principal	Federated Total Return Bond	10,945,445	10,336,761
Principal	Blackrock S&P 500 Index	9,875,784	9,363,933
Principal	Fidelity Large Cap Growth Index	7,666,243	-
Principal	Fidelity Large Cap Value Index	7,438,301	-
Principal	Blackrock S&P Midcap Index	-	6,180,269
	Other funds representing less than 5%	24,604,768	31,536,037
	Total investment and net position	<u>\$ 93,433,326</u>	<u>\$ 88,459,912</u>

Net pension asset

The Authority's net pension asset was measured as of June 30, 2026, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

12. Retirement Benefit Plan (continued)

Actuarial assumptions

The total pension asset in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%, compounded annually
Salary increases	4.0% per annum, compounded annually
Investment rate of return	6.0% per annum, compounded annually, net of pension plan investment expense and inflation
Mortality	115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021

The annual money-weighted rate of return on pension assets was 12.1% in fiscal year 2026.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity - Small Cap	4.00%	7.20%
Domestic Equity - Large Cap	26.50%	5.60%
Domestic Equity - Mid Cap	7.00%	6.50%
International Equity	12.50%	5.60%
Fixed Income	47.00%	3.20%
Cash	3.00%	1.60%

Discount rate

The discount rate used to measure total pension asset is 6.0%, compounded annually. The Authority's Board of Commissioners has approved the funding policy, as described in the contributions section above.

The Authority intends to make contributions under the funding plan, as required to keep the Plan solvent, and to meet the minimum funding requirements of the State of Tennessee. Having a formal funding policy and statutory contributions in the future supports the position that the Plan's fiduciary net position will remain positive in the future. Accordingly, the long-term rate of return-on-investment assets has been used as the discount rate for all future periods.

Metropolitan Nashville Airport Authority
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12. Retirement Benefit Plan (continued)

Changes in the Net Pension Asset

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2025	\$ 80,658,867	\$ 88,459,912	\$ (7,801,045)
Changes for the year:			
Service cost	330,705	-	330,705
Interest	4,697,385	-	4,697,385
Difference between expected and actual returns	(1,412,329)		(1,412,329)
Net investment income	-	10,373,063	(10,373,063)
Benefits paid	(5,399,649)	(5,399,649)	-
Net changes	(1,783,888)	4,973,414	(6,757,302)
Balance as June 30, 2026	\$ 78,874,979	\$ 93,433,326	\$ (14,558,347)

The pension fiduciary net position is equal to 118% of the total pension liability at June 30, 2026.

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2024	\$ 85,742,831	\$ 84,812,855	\$ 929,976
Changes for the year:			
Service cost	446,209	-	446,209
Interest	4,597,132	-	4,597,132
Difference between expected and actual experience	(681,103)	-	(681,103)
Changes of assumptions	(4,236,556)	-	(4,236,556)
Contributions - Employer	-	820,638	(820,638)
Net investment income	-	8,036,065	(8,036,065)
Benefits paid	(5,209,646)	(5,209,646)	-
Net changes	(5,083,964)	3,647,057	(8,731,021)
Balance as June 30, 2025	\$ 80,658,867	\$ 88,459,912	\$ (7,801,045)

12. Retirement Benefit Plan (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Sensitivity of the net pension asset to changes in the discount rate

The following represents the net pension asset at June 30, 2026, calculated using the stated discount rate, as well as what the net pension asset would be if it were calculated using a discount rate which is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
Net pension asset	\$ (6,827,406)	\$(14,558,347)	\$(21,170,013)

Pension plan fiduciary net position

For the years ending June 30, 2026 and 2025, the Authority recognized pension expenses of \$(1,171,725) and \$(5,411,071), respectively. On June 30, 2026 and 2025, the Authority reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	June 30, 2026	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	-	8,296,195
Total	<u>\$ -</u>	<u>\$ 8,296,195</u>

	June 30, 2025	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	-	2,710,618
Total	<u>\$ -</u>	<u>\$ 2,710,618</u>

12. Retirement Benefit Plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2026, will be recognized in pension expense as follows:

Year ended June 30,	
2027	\$ (3,000,162)
2028	\$ (2,506,636)
2029	\$ (1,743,903)
2030	\$ (1,045,494)

13. Other Postemployment Benefits (OPEB)

General information about the OPEB plan

Plan description

On April 22, 2009, the Board of Commissioners approved MNAA Resolution 2009-07 establishing an investment trust for the purpose of funding OPEB as provided in Tennessee Code Annotated, Title 8, Chapter 50, Part 12. The Tennessee State Funding Board approved the formation of the trust on June 17, 2009. There is no obligation to fund the trust; however, management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is administered by the Authority's management and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2026, the Committee consists of 7 voting members; 6 are active Authority management, and one is an active Authority employee member of the Plan. The Authority's Vice President of Finance is a non-voting member on the committee.

The Authority voluntarily provides postemployment healthcare benefits to certain eligible employees who retire under either the Authority's PERS or the Metropolitan Government's PERS.

Benefits provided/Contributions

As part of the OPEB actuarial evaluation on July 1, 2013, which was effective for the Authority's 2014 fiscal year, certain changes to the OPEB Trust were considered, including the following: The Authority adopted an Employer Group Waiver Plan (EGWP) for post-65 retiree pharmacy benefits effective January 1, 2014. Additionally, the Authority adopted certain post-65 stop loss coverage.

Effective January 1, 2017, the Authority offered a Medicare Supplement Plan. Retirees and spouses (post 65) had the option to enroll in the Medicare Supplement Core or Core Plus plans through AmWINS Group Benefits if they desired to continue coverage through the Authority. If retirees do not enroll in Authority supplemental plans, they have the option to enroll in the individual Market Medicare Plans.

The Authority makes a monthly contribution of \$250 for each participant (retiree and spouse) in a Health Reimbursement Account (HRA). These contributions are to be used toward the monthly premiums of those who have elected Authority plans or an individual market plan.

The account reimburses the participant for individual medical, dental, or vision premiums along with out-of-pocket health care expenses such as co-pays, deductibles, coinsurance, etc.

13. Other Postemployment Benefits (OPEB) (continued)

For retirees under 65, the Authority pays approximately 75% of the medical, dental, vision, and prescription coverage cost, with retirees paying the remaining 25%. Currently, 119 Pre-65 are receiving OPEB benefits. The monthly contribution requirements for participants in the Authority's medical plan range from \$83.62 (single "HDHP" wellness rate premium) to \$585.90 (family "PPO" non-wellness rate premium). The Authority elected not to provide postemployment benefits to any new entrants on January 1, 2009. Therefore, any employee hired on or after this date is not eligible for any postemployment benefits through the Authority.

Under the Metropolitan Government's PERS, the Authority pays 75% of the cost of medical and dental coverage, while the retirees pay the remaining 25%. As of June 30, 2026, there were 6 retirees receiving benefits under the PERS. During the years ending June 30, 2026 and 2025, payments of \$50,291 and \$51,705, respectively were made to the Metropolitan Government for postemployment benefits under this PERS.

Employees covered by benefit terms

On June 30, 2026 the following employees were covered by the benefit terms:

Actives (with medical coverage)	50
Retirees (with medical coverage)	133
Covered spouses of retirees	73
Surviving spouses of retirees (with medical coverage)	9
Retirees (receiving stipend only)	52
Deferred vested employees	45
Total covered employees	<u>362</u>

OPEB net position

The Authority does not issue separate financial statements for postemployment benefits. The OPEB's net position consists solely of the Plan's investments at fair value as there are no significant related liabilities or deferred inflows or outflows.

The investments in the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The investment policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective May 2025.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of Plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan's investment assets are held in trust by the Plan's trustee, Principal.

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13. Other Postemployment Benefits (OPEB) (continued)

The Plan's investments which represented 5% or more of net position as of June 30, 2026 and 2025 are as follows:

Description of Investment		2026	2025
Principal	Federated Total Return Fund Class I	\$ 5,973,980	\$ 5,384,280
Principal	Metropolitan West Total Return Bond Fund Class I	5,970,010	5,403,861
Principal	Allspring Core Bond Fund	5,965,585	5,386,206
Principal	Dodge & Cox Income Fund	5,956,543	5,386,959
Principal	Vanguard 500 Index Fund	5,384,066	4,899,935
Principal	Fidelity Large Cap Growth Index Fund	4,179,436	-
Principal	Fidelity Large Cap Value Index Fund	4,055,148	-
Principal	Northern Mid Cap Index Fund	-	3,253,676
	Other funds representing less than 5%	13,452,064	16,592,172
	Total investment and net position	<u>\$ 50,936,832</u>	<u>\$ 46,307,089</u>

Net OPEB asset

The Authority's net OPEB asset was measured as of June 30, 2026, and the total OPEB asset was determined by an actuarial valuation as of that date.

Actuarial assumptions

Actuarial valuations of an ongoing postemployment benefits plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive postemployment benefits (the Plan as understood by the employer and retirees) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and retirees to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

13. Other Postemployment Benefits (OPEB) (continued)

The total OPEB asset in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method	Entry age normal, level of percentage of pay
Discount rate	6%
Expected long-term rate of return on plan assets	6%
Healthcare cost trend rate	8% graded down using the Getzen model
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 to 100% retirement at age 65
Mortality	115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021

The medical trend changed from 8.0% graded to 5.75% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075. The annual money-weighted rate of return on OPEB assets was 12.2% in fiscal year 2026.

Effective January 1, 2017, Medicare-eligible retirees, retiree spouses, and disabled participants will receive \$3,000 per year to purchase health coverage on an exchange.

Claims were adjusted for aging based on the Yamamoto aging table for non-Medicare participants, normalized at age 65.

The long-term expected rate of return on Plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity - Small Cap	4.00%	7.20%
Domestic Equity - Large Cap	26.50%	5.60%
Domestic Equity - Mid Cap	7.00%	6.50%
International Equity	12.50%	5.60%
Fixed Income	47.00%	3.20%
Cash	3.00%	1.60%

Due to the Plan's asset allocation, the long-term rate of return of 6.0% was selected. Plan assets, together with projected future contributions based on historic experience, are expected to cover benefits payments for the duration of the Plan.

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13. Other Postemployment Benefits (OPEB) (continued)

Changes in the net OPEB asset

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2025	\$23,522,354	\$46,307,089	\$ (22,784,735)
Change for the year:			
Service cost	235,843	-	235,843
Interest	1,372,097	-	1,372,097
Difference between expected and actual experience	(1,455,337)	-	(1,455,337)
Changes of assumptions	11,650	-	11,650
Net investment income	-	5,613,928	(5,613,928)
Contributions - employee	475,816	475,816	-
Benefits paid	(1,365,754)	(1,365,754)	-
Administrative expenses	-	(94,247)	94,247
	<u>(725,685)</u>	<u>4,629,743</u>	<u>(5,355,428)</u>
Balance at June 30, 2026	<u>\$22,796,669</u>	<u>\$50,936,832</u>	<u>\$ (28,140,163)</u>

The OPEB fiduciary net position is equal to 223% of the total OPEB asset at June 30, 2026.

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2024	\$25,499,681	\$43,175,519	\$ (17,675,838)
Change for the year:			
Service cost	274,520	-	274,520
Interest	1,477,245	-	1,477,245
Difference between expected and actual experience	(4,053,849)	-	(4,053,849)
Changes of assumptions	1,478,214	-	1,478,214
Net investment income	-	4,373,276	(4,373,276)
Contributions - employee	289,619	289,619	-
Benefits paid	(1,443,076)	(1,443,076)	-
Administrative expenses	-	(88,249)	88,249
	<u>(1,977,327)</u>	<u>3,131,570</u>	<u>(5,108,897)</u>
Balance at June 30, 2025	<u>\$23,522,354</u>	<u>\$46,307,089</u>	<u>\$ (22,784,735)</u>

13. Other Postemployment Benefits (OPEB) (continued)

The Authority made contributions of \$475,816 and \$289,619 to the OPEB Trust during fiscal years 2026 and 2025, respectively. These contributions were considered in the June 30, 2026 and 2025 actuarial valuations.

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rate

The following represents the net OPEB asset calculated using the stated health care cost trend assumption, as well as what the OPEB asset would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

Net OPEB asset	1% Decrease	Current	1% Increase
June 30, 2026	\$ (29,893,212)	\$ (28,140,163)	\$ (26,122,702)

Sensitivity of the net OPEB asset to changes in the discount rate

The following represents the net OPEB asset calculated using the stated discount rate, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

Net OPEB asset	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
June 30, 2026	\$ (26,210,724)	\$ (28,140,163)	\$ (29,819,893)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the years ending June 30, 2026 and 2025, the Authority recognized OPEB expense of (\$2,539,311) and (\$4,320,822), respectively. On June 30, 2026 and 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	-	4,682,605
Total	\$ -	\$ 4,682,605

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13. Other Postemployment Benefits (OPEB) (continued)

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	-	1,866,487
Total	\$ -	\$ 1,866,487

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2026 will be recognized in OPEB expense as follows:

Year Ended June 30,	
2027	\$ (1,756,369)
2028	\$ (1,416,509)
2029	\$ (936,809)
2030	\$ (572,918)

14. Pension and Other Postemployment Benefits Trust Funds

The following are condensed financial statements for the pension and OPEB plans:

	June 30, 2026		
	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	\$ 1,304,435	\$ 2,330,130	\$ 3,634,565
Investments, at fair value:			
Pooled, common and collective funds	-	59,826,009	59,826,009
Mutual funds	49,632,397	31,277,187	80,909,584
Net position	\$ 50,936,832	\$ 93,433,326	\$ 144,370,158
Schedule of Changes in Net Position			
Employer contributions	\$ -	\$ -	\$ -
Employee contributions	475,816	-	475,816
Net appreciation in fair value	5,613,928	9,880,127	15,494,055
Interest and dividends	-	670,470	670,470
Investment expenses	-	(177,534)	(177,534)
Benefits paid to participants	(1,365,754)	(5,399,649)	(6,765,403)
Administrative expenses	(94,247)	-	(94,247)
Net change in net position	\$ 4,629,743	\$ 4,973,414	\$ 9,603,157

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Notes to the Financial Statements
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14. Pension and Other Postemployment Benefits Trust Funds (continued)

	June 30, 2025		
	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	\$ 1,338,174	\$ 2,659,176	\$ 3,997,350
Investments, at fair value:			
Pooled, common and collective funds	-	69,144,863	69,144,863
Mutual funds	44,968,915	16,655,873	61,624,788
Net position	\$ 46,307,089	\$ 88,459,912	\$ 134,767,001
Schedule of Changes in Net Position			
Employer contributions	\$ -	\$ 820,638	\$ 820,638
Employee contributions	289,619	-	289,619
Net appreciation in fair value	4,373,277	7,548,260	11,921,537
Interest and dividends	-	658,352	658,352
Investment expenses	-	(170,548)	(170,548)
Benefits paid to participants	(1,443,076)	(5,209,646)	(6,652,722)
Administrative expenses	(88,249)	-	(88,249)
Net change in net position	\$ 3,131,571	\$ 3,647,056	\$ 6,778,627

15. Defined Contribution Plans

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered by a third party, Voya Retirement Services. The plan, available to all Authority employees, permits the deferral of a portion of 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 assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, and accordingly, the related assets of the plan are not reflected on the Authority's statement of net position. Beginning January 1, 2001, the Authority's matching contributions have been made to a deferred compensation plan created in accordance with Internal Revenue Code Section 401(a). Employer contributions vest without any waiting period. Amounts contributed by the Authority to the deferred compensation plan were \$1,885,311 and \$1,713,680 in 2026 and 2025, respectively. Employees contributed through payroll deductions to the plan \$2,572,157 and \$2,190,380 in 2026 and 2025, respectively.

During May 2013, the Board of Commissioners approved an additional 401(a) defined contribution retirement plan, which is administered by a third party, Voya Retirement Services. Under this additional plan, the Authority contributed 10% of an employee's base compensation on an annual basis. This 401 (a) plan is available only to employees hired after June 27, 2003, who do not participate in the Authority's defined benefit pension plan described in Note 12. All contributions by the Authority are discretionary, and vest after one year of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred retirement compensation plan were \$3,495,270 and \$3,138,233 in 2026 and 2025, respectively.

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16. Lease Accounting

Lessor

The Authority's financial statements include the adoption of GASB Statement No. 87, *Leases* ("GASB No. 87"). The primary objective of GASB No. 87 is to enhance the relevance and consistency of information about governmental leasing activities. GASB No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Authority leases certain assets to various third parties. The assets leased include space, ground and lands leased in the airfield and grounds, terminal building, John C. Tune Airport, Multi-Purpose Building and International Plaza Building. These payments are generally fixed monthly payments with certain variable payments not included in the measurement of the lease receivable. These payments are based on a percentage of lessee's revenue above the Minimum Annual Guarantee.

During the years ended June 30, 2026 and 2025, the Authority recognized the following related to its lessor agreements:

	2026	2025
Lease revenue	\$ 14,363,322	\$ 14,285,499
Interest Income related to its leases	\$ 3,496,417	\$ 3,730,331
Revenue from variable payments not previously included in the measurement of the lease receivables	\$ 8,606,117	\$ 10,801,003

Summary of Lease Activities as of June 30:

	2026	2025
Buildings		
Number of leases	60	61
Term	1 to 876 months	1 to 888 months
Lease receivable	\$ 80,659,135	\$ 90,202,964
Lease revenue	\$ 10,751,188	\$ 10,810,716
Termination options	1 to 3 months	1 to 3 months
Land		
Number of leases	12	13
Term	10 to 542 months	10 to 554 months
Lease receivable	\$ 45,596,238	\$ 48,552,791
Lease revenue	\$ 3,612,136	\$ 3,474,783

Included in the Authority's lease receivables at June 30, 2026 and 2025 are \$126,255,373 and \$138,755,755, respectively, related to leases whose revenue is pledged to secure certain outstanding debt obligations of the Authority. The leases contain lessee options to terminate the leases or abate payments under certain circumstances. These include passenger volumes dropping to an unsustainable level, failure to perform by lessor, or the assumption of the US Government or authorized agency to control or restrict the use of the lessee's assigned area. Certain leases allow the lessee to cancel for any reason with 1 to 3 months' advance written notice.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

16. Lease Accounting (continued)

Future principal and interest payment requirements related to the Authority's lease receivable at June 30, 2026 are as follows:

Fiscal Year	Principal and Interest Expected to Maturity		
	Principal Payments	Interest Payments	Total Payments
2027	\$ 12,965,848	\$ 3,198,378	\$ 16,164,226
2028	11,889,312	2,901,011	14,790,323
2029	10,727,885	2,627,873	13,355,758
2030	10,177,444	2,371,248	12,548,692
2031	9,759,834	2,124,995	11,884,829
2032 - 2036	25,260,248	7,952,900	33,213,148
2037 - 2041	8,909,256	6,124,626	15,033,882
2042 - 2046	6,355,454	5,137,645	11,493,099
2047 - 2051	4,279,521	4,466,570	8,746,091
2052 - 2056	4,537,779	3,837,458	8,375,237
2057 - 2061	3,758,688	3,250,330	7,009,018
2062 - 2066	4,845,299	2,633,021	7,478,320
2067 - 2071	4,311,593	1,883,171	6,194,764
2072 - 2076	956,968	1,543,032	2,500,000
2077 - 2081	1,159,579	1,340,421	2,500,000
2082 - 2086	1,405,087	1,094,913	2,500,000
2087 - 2091	1,702,575	797,426	2,500,001
2092 - 2096	2,063,047	436,953	2,500,000
2097 - 2099	1,189,956	60,044	1,250,000
Total principal and interest expected to maturity	\$ 126,255,373	\$ 53,782,015	\$ 180,037,388

Regulated Leases

The Authority leases certain assets to various third parties as regulated leases, as defined by GASB Statement No. 87. The leased assets include jet bridges, ticket counters, ticket offices, passenger hold-rooms, concourse operations space, baggage service areas, hangars, grounds and land, and are regulated under the FAA Rates and Charges Policy and Grant Assurance 22. Certain assets are subject to preferential or exclusive use by the counterparties to these agreements, as follows:

- Jet bridges – 42 of 53 total jet bridges are designated preferential use.
- Passenger hold-rooms – 72% of available space is designated preferential use
- Baggage service – 66% of available space is designated preferential use
- Ticket counter space – 72% of available space is designated preferential use
- Ticket office space – 77% of available space is designated preferential use
- Concourse operations space – 87% of available space is designated preferential use

16. Lease Accounting (continued)

During the year ended June 30, 2026, the Authority recognized the following from regulated leases:

- Regulated lease revenue: \$46,175,695
- Revenue from variable payments not included in the schedule of expected future minimum payments: \$28,132,452

Future expected minimum payments related to the Authority's regulated leases at June 30, 2026 are as follows:

<u>Fiscal Year</u>	<u>Future Minimum Expected Receipts</u>
2027	\$ 7,517,541
2028	\$ 7,547,255
2029	\$ 7,619,493
2030	\$ 7,703,877
2031	\$ 7,668,221
2032 - 2036	\$ 31,465,200
2037 - 2041	\$ 24,816,691
2042 - 2046	\$ 26,036,110
2047 - 2051	\$ 29,631,496
2052 - 2056	\$ 32,146,137
2057 - 2061	\$ 9,894,361
2062 - 2066	\$ 1,575,878
2067 - 2070	\$ 1,228,457

The Authority has entered into certain regulated leases whereby the related lease revenue is pledged to secure certain outstanding debt obligations of the Authority. These leases contain lessee options to terminate the lease or abate payments under certain circumstances such as: for convenience with 90-180 days' notice, failure of Authority to repair or reconstruct property necessary for aircraft operations, failure of Authority to keep airfield open at all practical times in accordance with its FAA Operating Permit, failure to disclose and conflict or potential conflict of interest, default by Authority, assumption of the United States Government, or any authorized agency, to control airport operations in such a manner that substantially restricts the lessee's use of its assigned area, and any other breach of terms not remedied within 30 days of notice.

17. Subscription-based Information Technology Arrangements

GASB 96 – Included Subscription-based Information Technology Arrangements

The Authority's financial statements include the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement provides one methodology for accounting and financial reporting for subscription-based information technology arrangements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

17. Subscription-based Information Technology Arrangements (continued)

The Authority has entered SBITAs with various third parties. These arrangements provide access to airline Common use systems, public warning platforms, and various other software programs. The leased assets include access to a third party's proprietary software. A subscription asset and related accumulated amortization are included in capital assets on the Statement of Net Position. SBITAs that include maintenance or support services in addition to access to a third party's proprietary software are reported below. A summary at June 30, 2026 is as follows:

Subscription asset	\$ 5,333,709
Accumulated amortization	\$ 3,861,005
Term	4 to 42 months

The following summarizes the changes in the subscription lease liability at June 30:

	2026	2025
Balance - beginning of year	\$ 2,046,603	\$ 1,566,158
Additional subscriptions	-	2,197,614
Principal payments	(886,010)	(1,717,169)
Balance - end of year	<u>\$ 1,160,593</u>	<u>\$ 2,046,603</u>

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2026 are as follows:

Principal and Interest Requirements to Maturity			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
Current principal and interest requirements to maturity:			
2027	\$ 392,412	\$ 27,341	\$ 419,753
Noncurrent principal and interest requirements to maturity:			
2028	417,241	18,369	435,610
2029	350,940	8,812	359,752
Total noncurrent principal and interest requirements to maturity	768,181	27,181	795,362
Total principal and interest requirements to maturity	<u>\$ 1,160,593</u>	<u>\$ 54,522</u>	<u>\$ 1,215,115</u>

GASB 96 – Excluded SBITAs

In accordance with GASB Statement No. 96, the Authority does not recognize a lease liability or right-to-use asset for SBITAs that are considered short-term, or a maintenance or support arrangement.

18. Public-Private and Public-Public Partnerships

During the year ended June 30, 2021, the Authority entered a public-public/public-private partnership arrangement with Nashville Airport Hotel Partners, LLC (the “operator”), under which the operator designed, built, and will operate the onsite hotel for seventy-five years. The onsite hotel was placed into service during fiscal year 2024. The operator will be entitled to all fees during the period of the arrangement. At the end of the arrangement, the hotel will be transferred to the Authority. At June 30, 2026 and 2025, the Authority recognized a receivable of \$12,194,530 and \$12,224,773, respectively, for installment payments of \$500,000 per annum, discounted at a rate of 3.847%. Additionally, the Authority reports a deferred inflow of resources in the amount of \$11,897,554 at June 30, 2026, and \$12,074,415 at June 30, 2025, pursuant to the public-public/public-private partnership arrangement.

Additionally, the operator also constructed a parking garage, placed into service during fiscal year 2023, for the use of onsite hotel guests. The Authority paid the operator a developer fee of \$3,090,000 and reimbursed the operator for the construction of the garage. The carrying value of the parking garage was \$77,304,779 at June 30, 2026 and \$80,832,254 at June 30, 2025. The operator is solely responsible for setting parking rates for the parking facilities within the hotel premises; provided, however, that in no event may the operator charge less for use of its parking facilities than the Authority is then charging for use of the balance of the garage facility.

The operator shall remit a percentage of annual gross revenues derived from the business conducted on the hotel premises, including the parking garage, to the Authority as follows:

<u>Annual Gross Revenues</u>	<u>Percent Payable to the Authority</u>
\$0 - \$22,500,000	0%
\$22,500,001 - \$40,000,000	5%
\$40,000,001 - \$80,000,000	6%
\$80,000,001 or more	10%

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

19. Condensed Financial Information by Entity

	June 30, 2026			
	Airports		Blended Component Unit	
	Nashville International Airport	John C. Tune Airport ⁽¹⁾	MNAA Properties Corporation	Total
Condensed statement of net position:				
Assets:				
Current assets	\$ 1,098,071,137	\$ 5,699,131	\$ 24,659,782	\$ 1,128,430,050
Restricted assets	1,065,091,262	-	-	1,065,091,262
Capital assets, net	2,438,047,629	100,203,451	4,068,992	2,542,320,072
Other assets	152,165,058	23,192	5,491,785	157,680,035
Total assets	4,753,375,086	105,925,774	34,220,559	4,893,521,419
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 4,753,375,086	\$ 105,925,774	\$ 34,220,559	\$ 4,893,521,419
Liabilities:				
Current liabilities	\$ 161,739,858	\$ 27,584,743	\$ 774,668	\$ 190,099,269
Noncurrent liabilities	3,153,690,365	-	-	3,153,690,365
Total liabilities	3,315,430,223	27,584,743	774,668	3,343,789,634
Deferred inflows of resources	138,241,497	28,683	7,915,742	146,185,922
Net position:				
Net investment in capital assets	(152,180,834)	99,787,462	3,640,570	(48,752,802)
Restricted for:				
Capital projects	92,600,660	-	-	92,600,660
Debt service	580,848,095	-	-	580,848,095
Operations	75,096,029	-	-	75,096,029
Pension	14,558,347	-	-	14,558,347
OPEB	28,140,163	-	-	28,140,163
Unrestricted net position	660,640,906	(21,475,114)	21,889,579	661,055,371
Total net position	1,299,703,366	78,312,348	25,530,149	1,403,545,863
Total liabilities, deferred inflows of resources, and net position	\$ 4,753,375,086	\$ 105,925,774	\$ 34,220,559	\$ 4,893,521,419
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	\$ 369,593,397	\$ 4,635,241	\$ 4,065,275	\$ 378,293,913
Operating expenses	331,491,873	8,734,284	2,925,106	343,151,263
Operating income (loss)	38,101,524	(4,099,043)	1,140,169	35,142,650
Noncapital subsidies	38,024,647	20,000	-	38,044,647
Nonoperating revenues	21,816,241	373,692	1,001,684	23,191,617
Increase in net position	97,942,412	(3,705,351)	2,141,853	96,378,914
Net position, beginning of year	1,201,760,954	82,017,699	23,388,296	1,307,166,949
Net position, end of year	\$ 1,299,703,366	\$ 78,312,348	\$ 25,530,149	\$ 1,403,545,863
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 149,119,198	\$ 2,433,337	\$ 1,736,187	\$ 153,288,722
Cash flows from noncapital financing activities	37,753,541	20,000	-	37,773,541
Cash flows from capital and related financing activities	814,732,825	(8,335,095)	(263,989)	806,133,741
Cash flows from investing activities	(770,843,155)	(1,631,171)	(1,543,077)	(774,017,403)
Intercompany	(7,463,203)	7,422,829	40,374	-
Increase (decrease) in cash and cash equivalents	223,299,206	(90,100)	(30,505)	223,178,601
Cash and cash equivalents beginning of year	497,776,233	100,921	98,539	497,975,693
Cash and cash equivalents, end of year	\$ 721,075,439	\$ 10,821	\$ 68,034	\$ 721,154,294

(1) Current assets at John C. Tune airport are negative due to \$26,341,791 in repayments owed to Nashville International Airport reflected in this line at June 30, 2026.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2026 and 2025

19. Condensed Financial Information by Entity (continued)

	June 30, 2025			
	Airports		Blended Component Unit	
	Nashville International Airport	John C. Tune Airport ⁽¹⁾	MNAA Properties Corporation	Total
Condensed statement of net position:				
Assets:				
Current assets	\$ 987,982,647	\$ 5,401,303	\$ 22,529,804	\$ 1,015,913,754
Restricted assets	284,878,128	-	-	284,878,128
Capital assets, net	2,047,716,711	98,650,085	3,803,755	2,150,170,551
Other assets	149,806,409	30,482	8,496,616	158,333,507
Total assets	3,470,383,895	104,081,870	34,830,175	3,609,295,940
Deferred outflows of resources	1,096,155	-	-	1,096,155
Total assets and deferred outflows of resources	<u>\$ 3,471,480,050</u>	<u>\$ 104,081,870</u>	<u>\$ 34,830,175</u>	<u>\$ 3,610,392,095</u>
Liabilities:				
Current liabilities	\$ 106,345,830	\$ 22,028,540	\$ 414,548	\$ 128,788,918
Noncurrent liabilities	2,038,825,049	-	-	2,038,825,049
Total liabilities	2,145,170,879	22,028,540	414,548	2,167,613,967
Deferred inflows of resources	124,548,217	35,631	11,027,331	135,611,179
Net position:				
Net investment in capital assets	49,979,483	96,726,925	3,803,755	150,510,163
Restricted for:				
Capital projects	84,713,965	-	-	84,713,965
Debt service	391,781,129	-	-	391,781,129
Operations	69,835,083	-	-	69,835,083
Pension	7,801,045	-	-	7,801,045
OPEB	22,784,735	-	-	22,784,735
Unrestricted net position	574,865,514	(14,709,226)	19,584,541	579,740,829
Total net position	1,201,760,954	82,017,699	23,388,296	1,307,166,949
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,471,480,050</u>	<u>\$ 104,081,870</u>	<u>\$ 34,830,175</u>	<u>\$ 3,610,392,095</u>
Condensed statement of revenues				
expenses, changes in net position:				
Operating revenues	\$ 317,615,474	\$ 4,082,397	\$ 4,761,359	\$ 326,459,230
Operating expenses	311,480,617	8,294,662	2,724,700	322,499,979
Operating income (loss)	629,096,091	12,377,059	7,486,059	3,959,251
Noncapital subsidies	39,239,164	-	-	39,239,164
Nonoperating revenues	100,148,120	1,327,712	1,056,199	68,062,339
Increase in net position	106,282,977	(2,884,553)	3,092,858	106,491,282
Net position, beginning of year	1,095,477,977	84,902,252	20,295,438	1,200,675,667
Net position, end of year	<u>\$ 1,201,760,954</u>	<u>\$ 82,017,699</u>	<u>\$ 23,388,296</u>	<u>\$ 1,307,166,949</u>
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 150,072,057	\$ 2,084,554	\$ 2,659,504	\$ 154,816,115
Cash flows from noncapital financing activities	45,338,592	38,400	-	45,376,992
Cash flows from capital and related financing activities	(242,264,250)	(5,786,210)	45,750	(248,004,710)
Cash flows from investing activities	52,137,810	5,635,286	(2,846,141)	54,926,955
Intercompany	1,851,103	(1,967,319)	116,216	-
Increase (decrease) in cash and cash equivalents	7,135,312	4,711	(24,671)	7,115,352
Cash and cash equivalents beginning of year	490,640,921	96,210	123,210	490,860,341
Cash and cash equivalents, end of year	<u>\$ 497,776,233</u>	<u>\$ 100,921</u>	<u>\$ 98,539</u>	<u>\$ 497,975,693</u>

(1) Current assets at John C. Tune airport are negative due to \$19,449,412 in repayments owed to Nashville International Airport reflected in this line at June 30, 2025.

20. Subsequent Event

New board appointments

After June 30, 2026, MNAA's seven-member board of commissioners, which had been appointed by the Nashville mayor, was vacated and reconstituted to consist of nine members, the majority of whom are now appointed by officials with the State of Tennessee. Accordingly, since June 30, 2026, the newly appointed board has met and assumed responsibility for governance. The vacating and reconstitution of the board was pursuant to a new state law. The new law is the subject of two lawsuits in which the Metropolitan Government of Nashville and Davidson County is challenging the validity of the law, seeking to enjoin its implementation and reinstate the prior mayoral-appointed board. Those lawsuits remain pending before the Federal District Court in Nashville and D.C. Circuit Court of Appeals. At the time of this publication, there were three vacant commissioner seats. The board members appointed as of July 1, 2026 are as follows:

Chair

James W. "Jimmy" Granbery

Commissioners

Dennis D. Cavin

Vice Chair

Stuart C. McWhorter

John R. Cheadle, Jr.

Secretary

Robert J. "Bobby" Joslin, Jr.

Anthony D. "Tony" Giarratana

This section contains the following subsections:

Schedule of Changes in Net Pension Liability

Schedule of Pension Contributions

Schedule of Investment Returns for Pension

Schedule of Changes in Net OPEB Liability

Schedule of OPEB Contributions

Schedule of Investment Returns for OPEB

Metropolitan Nashville Airport Authority
Schedule of Changes in Net Pension Liability
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	\$ 330,705	\$ 446,209	\$ 485,028	\$ 503,601	\$ 528,437	\$ 654,045	\$ 823,410	\$ 685,843	\$ 667,297	\$ 741,608
Interest	4,697,385	4,597,132	4,610,366	4,512,614	4,371,171	4,590,189	4,622,700	4,604,838	4,218,823	4,482,097
Differences between expected and actual experience	(1,412,329)	(681,103)	1,738,581	1,546,464	2,075,869	(307,806)	(1,902,545)	2,027,120	745,177	(1,259,978)
Changes of assumptions	-	(4,236,556)	-	-	137,652	2,223,479	(219,979)	7,451,464	2,942,473	(616,820)
Benefit payments	(5,399,649)	(5,209,646)	(4,915,987)	(4,785,372)	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)
Net change in total pension liability	(1,783,888)	(5,083,964)	1,917,988	1,777,307	2,571,694	2,972,691	(541,846)	11,261,593	5,514,498	507,609
Total pension liability - beginning	80,658,867	85,742,831	83,824,843	82,047,536	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297
Total pension liability - ending (a)	78,874,979	80,658,867	85,742,831	83,824,843	82,047,536	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906
Plan fiduciary net position:										
Contributions - employer	-	820,638	2,000,000	1,410,000	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905
Net investment income (loss)	10,373,063	8,036,065	8,112,377	6,577,593	(11,820,464)	16,647,552	4,297,823	4,148,512	4,968,584	6,771,977
Benefit payments	(5,399,649)	(5,209,646)	(4,915,987)	(4,785,372)	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)
Net change in plan fiduciary net position	4,973,414	3,647,057	5,196,390	3,202,221	(16,111,899)	12,877,657	3,882,391	9,540,840	3,909,312	9,093,584
Plan fiduciary net position - beginning	88,459,912	84,812,855	79,616,465	76,414,244	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359
Plan fiduciary net position - ending (b)	93,433,326	88,459,912	84,812,855	79,616,465	76,414,244	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943
Authority's net pension liability (asset) - ending (a) - (b)	<u>\$ (14,558,347)</u>	<u>\$ (7,801,045)</u>	<u>\$ 929,976</u>	<u>\$ 4,208,378</u>	<u>\$ 5,633,292</u>	<u>\$ (13,050,301)</u>	<u>\$ (3,145,335)</u>	<u>\$ 1,278,902</u>	<u>\$ (441,851)</u>	<u>\$ (2,047,037)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	118.5%	109.7%	98.9%	95.0%	93.1%	116.4%	104.1%	98.3%	100.7%	103.4%
Covered payroll	\$ 2,687,853	\$ 3,482,825	\$ 4,153,041	\$ 4,062,321	\$ 4,342,597	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 8,493,682	\$ 8,497,486
Net pension liability (asset) as a percentage of covered payroll	(541.6%)	(224.0%)	22.4%	103.6%	129.7%	(249.1%)	(48.1%)	18.8%	(5.2%)	(24.1%)

Metropolitan Nashville Airport Authority
Schedule of Pension Contributions
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ -	\$ 820,638	\$ 532,077	\$ 409,587	\$ 166,598	\$ 417,321	\$ 945,088	\$ 790,495	\$ 717,344	\$ 1,101,679
Contributions in relation to the actuarially determined contribution	-	820,638	2,000,000	1,410,000	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905
Contribution (excess) deficiency	\$ -	\$ -	\$ (1,467,923)	\$ (1,000,413)	\$ (83,402)	\$ -	\$ (2,504,912)	\$ (8,109,505)	\$ (1,282,656)	\$ (4,059,226)
Covered payroll	\$ 2,687,853	\$ 3,482,825	\$ 4,153,041	\$ 4,062,321	\$ 4,342,597	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 7,440,484	\$ 8,493,682
Contributions as a percentage covered payroll	0.0%	23.6%	48.2%	34.7%	5.8%	8.0%	52.8%	130.7%	26.9%	60.8%

Notes to Schedule of Changes in the Net Pension Liability (Asset) and Schedule of Pension Contributions

Actuarially determined contribution rates for each year presented in the Schedule of Pension Contributions are based on an actuarial valuation performed as of the first day of each year for which the contributions relate. Methods and assumptions used to determine the contribution rate for the June 30, 2026 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net Pension Liability (Asset), assumption changes relate to the most recent update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal
Asset valuation method	Fair value for Statement No. 67 and Statement No. 68
	Fair value is based on quoted market prices
Amortization method	Level Dollar
Amortization period	For Statement No. 68 as of June 30, 2026: Investment gains or losses are amortized over 5 years Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 1 year Plan amendments are recognized immediately Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Inflation	2%, per annum, compounded annually
Salary increases	4%, per annum, compounded annually
Investment rate of return	6%, per annum, compounded annually
Discount rate	6%, per annum, compounded annually
Asset smoothing method	3-year weighted average of asset gains and losses, subject to a 20% corridor
Retirement age	Varying rates beginning with 5% at age 50 and 100% retirement at age 65 Normal retirement age of 55 with 10 years of service, but no later than 65, for public safety employees
Mortality	June 30, 2026: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021 June 30, 2025: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021 June 30, 2024: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2021: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020 June 30, 2020: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2019 June 30, 2019: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2018 June 30, 2018: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2017 June 30, 2017: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2016

Metropolitan Nashville Airport Authority
Schedule of Investment Returns for Pension
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	12.10%	9.99%	10.69%	8.86%	-12.88%	21.63%	6.05%	6.20%	8.40%	13.04%

Metropolitan Nashville Airport Authority
Schedule of Changes in Net OPEB Liability
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:										
Service cost	\$ 235,843	\$ 274,520	\$ 359,608	\$ 339,253	\$ 505,252	\$ 729,685	\$ 838,087	\$ 1,110,421	\$ 1,287,152	\$ 1,259,595
Interest	1,372,097	1,477,245	1,595,450	1,897,780	1,604,056	1,522,814	1,669,885	1,445,441	1,478,732	1,346,638
Differences between expected and actual experience	(1,455,337)	(4,053,849)	(3,070,498)	(6,447,643)	4,284,326	(1,243,929)	(2,752,567)	(2,713,939)	(2,340,217)	809,991
Changes of assumptions	11,650	1,478,214	383,903	124,995	(237,239)	(2,867,444)	387,506	(1,225,616)	-	1,205,435
Benefit payments	(889,938)	(1,153,457)	(973,583)	(1,094,989)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Net change in total OPEB liability	(725,685)	(1,977,327)	(1,705,120)	(5,180,604)	4,517,674	(4,834,795)	(939,373)	(2,464,912)	(921,207)	3,429,676
Total OPEB liability - beginning	23,522,354	25,499,681	27,204,801	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018	33,598,342
Total OPEB liability - ending (a)	22,796,669	23,522,354	25,499,681	27,204,801	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018
Plan fiduciary net position:										
Contributions - employer	-	-	-	151,000	-	3,202,541	5,532,284	3,081,219	10,195,977	\$ 7,983,073
Contributions - employee	475,816	289,619	283,087	535,502	-	-	-	-	-	-
Net investment income (loss)	5,613,928	4,373,276	4,736,847	3,867,729	(5,932,472)	9,514,314	1,380,131	1,595,233	1,204,489	1,016,930
Benefit payments	(1,365,754)	(1,443,076)	(1,256,672)	(1,630,491)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Administrative expenses	(94,247)	(88,249)	(78,939)	(75,057)	(85,711)	(66,595)	(59,148)	(52,660)	(31,165)	(18,854)
Net change in plan fiduciary net position	4,629,743	3,131,570	3,684,323	2,848,683	(7,656,904)	9,674,339	5,770,983	3,542,573	10,022,427	7,789,166
Plan fiduciary net position - beginning	46,307,089	43,175,519	39,491,196	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095	7,499,929
Plan fiduciary net position - ending (b)	50,936,832	46,307,089	43,175,519	39,491,196	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095
Authority's net OPEB (asset) liability - ending (a) - (b)	\$ (28,140,163)	\$ (22,784,735)	\$ (17,675,838)	\$ (12,286,395)	\$ (4,257,108)	\$ (16,431,686)	\$ (1,922,552)	\$ 4,787,804	\$ 10,795,289	\$ 21,738,923
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	223.4%	196.9%	169.3%	145.2%	113.1%	159.0%	105.9%	85.8%	70.1%	41.3%
Covered-employee payroll	\$ 5,493,296	\$ 5,609,691	\$ 6,439,286	\$ 6,677,516	\$ 7,062,037	\$ 7,881,945	\$ 10,303,336	\$ 9,777,169	\$ 11,523,443	\$ 16,792,985
Net OPEB liability (asset) as a percentage of covered-employee payroll	-512.3%	-406.2%	-274.5%	-184.0%	-60.3%	-208.5%	-18.7%	49.0%	93.7%	129.5%

Metropolitan Nashville Airport Authority
Schedule of OPEB Contributions
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 151,696	\$ -	\$ 605,418	\$ 1,200,138	\$ 1,911,323	\$ 3,167,615	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	151,000	-	3,202,542	5,532,284	3,081,219	10,195,977	7,983,073
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ -</u>	<u>\$ (2,597,124)</u>	<u>\$ (4,332,146)</u>	<u>\$ (1,169,896)</u>	<u>\$ (7,028,362)</u>	<u>\$ (7,983,073)</u>
Covered-employee payroll	\$ 5,493,296	\$ 5,609,691	\$ 6,439,286	\$ 6,677,516	\$ 7,062,037	\$ 7,881,945	\$ 10,303,336	\$ 9,777,169	\$ 10,678,528	\$ 11,523,443
Contributions as a percentage of covered-employee payroll	0.0%	0.0%	0.0%	2.3%	0.0%	40.6%	53.7%	31.5%	95.5%	69.3%

Notes to Schedule of Changes in the Net OPEB Liability (Asset) and Schedule of OPEB Contributions

Actuarially determined contribution rates for each year presented in the Schedule of OPEB Contributions are based on an actuarial valuation performed as of the first day of each year for which the contributions relate. Methods and assumptions used to determine the contribution rate for the June 30, 2026 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net OPEB Liability (Asset), assumption changes relate to the most recent update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal method
Discount rate	6% per annum
Healthcare cost trend rate	<p>The following health care trends were used for the year presented:</p> <p>June 30, 2026: 8.0% graded to 5.75% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.</p> <p>June 30, 2025: 7.5% graded to 6.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.</p> <p>June 30, 2024: 7.00% graded down using the Getzen 2024 model</p> <p>June 30, 2023: 6.25% graded down using the Getzen 2023 model</p> <p>June 30, 2022: 6.00% graded down using the Getzen 2022 model</p> <p>June 30, 2021: 6.25% graded down using the Getzen 2021 model</p> <p>June 30, 2020: 7.25% graded down using the Getzen 2020 model</p> <p>June 30, 2019: 7.25% graded down using the Getzen 2019 model</p> <p>June 30, 2018: 7.50% graded down using the Getzen model</p> <p>June 30, 2017: 7.75% graded down using the Getzen model</p>
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 and 100% retirement at age 65
Mortality	<p>June 30, 2026: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021</p> <p>June 30, 2025: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021</p> <p>June 30, 2024: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021</p> <p>June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021</p> <p>June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021</p> <p>June 30, 2021: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020</p> <p>June 30, 2020: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2019</p> <p>June 30, 2019: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2018</p> <p>June 30, 2018: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2017</p> <p>June 30, 2017: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2016</p>

Metropolitan Nashville Airport Authority
Schedule of Investment Returns for OPEB
Year Ended June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	12.18%	10.23%	12.18%	10.70%	-13.64%	27.54%	4.79%	6.31%	7.53%	13.02%

This section contains the following subsections:

Combining Schedule of Net Position Information by Entity

**Combining Schedule of Revenues, Expenses, and Changes
in Net Position Information by Entity**

**Combining Schedule of Fiduciary Net Position Information
by Entity**

**Combining Schedule of Changes in Fiduciary Net Position
Information by Entity**

**Schedule of Airport Revenue Bonds, Principal, and Interest
Requirements by Fiscal Year**

Schedule of Changes in Long-term Debt by Individual Issue

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2026

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
ASSETS				
Current assets:				
Unrestricted assets:				
Cash, cash equivalents, and investments	\$ 1,018,431,734	\$ 5,530,106	\$ 21,312,681	\$ 1,045,274,521
Accounts receivable, net	34,594,460	19,281	146,296	34,760,037
Lease receivables	9,720,649	7,289	3,237,910	12,965,848
Due from governmental agencies	8,276,406	142,455	-	8,418,861
Due from (to) other funds	26,378,896	(26,341,791)	(37,105)	-
Prepaid expenses and other	668,992	-	-	668,992
Total current unrestricted assets	1,098,071,137	(20,642,660)	24,659,782	1,102,088,259
Noncurrent assets:				
Restricted assets:				
Cash and investments	1,061,928,869	-	-	1,061,928,869
Accounts receivable	3,162,393	-	-	3,162,393
Capital assets:				
Capital assets not being depreciated				
Land and nondepreciable assets	114,336,866	3,212,505	26,466	117,575,837
Lease assets:				
Land	2,398,734	1,799	174,351	2,574,884
Construction in progress	618,944,525	2,778,175	926,549	622,649,249
Capital assets being depreciated				
Infrastructure	894,991,619	80,980,106	-	975,971,725
Buildings and building improvements	1,162,509,777	57,259,104	2,336,834	1,222,105,715
Equipment, furnitures, and fixtures	805,643,783	4,185,920	1,842,690	811,672,393
Subscription assets	5,333,709	-	-	5,333,709
Lease assets:				
Buildings	48,145,177	81,969	11,505,054	59,732,200
Total capital assets	3,652,304,190	148,499,578	16,811,944	3,817,615,712
Less accumulated depreciation	(1,214,256,561)	(48,296,127)	(12,742,952)	(1,275,295,640)
Net capital assets	2,438,047,629	100,203,451	4,068,992	2,542,320,072
Other assets:				
Accounts receivable, net	1,692,000	-	-	1,692,000
Lease receivables	107,774,548	23,192	5,491,785	113,289,525
Net pension asset	14,558,347	-	-	14,558,347
Net OPEB asset	28,140,163	-	-	28,140,163
Total noncurrent assets	3,655,303,949	100,226,643	9,560,777	3,765,091,369
Total assets	\$ 4,753,375,086	\$ 79,583,983	\$ 34,220,559	\$ 4,867,179,628

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2026

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
LIABILITIES				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	\$ 145,515,384	\$ 884,170	\$ 711,832	\$ 147,111,386
Accrued payroll and related items	9,661,618	179,390	-	9,841,008
Advanced billings and payments received in advance	5,718,061	179,392	62,836	5,960,289
Subscription lease liability	392,412	-	-	392,412
Current maturities of notes payable	320,780	-	-	320,780
Accrued interest payable	131,603	-	-	131,603
Total current liabilities	<u>161,739,858</u>	<u>1,242,952</u>	<u>774,668</u>	<u>163,757,478</u>
Noncurrent liabilities:				
Payable from restricted assets:				
Accrued interest payable	64,487,880	-	-	64,487,880
Current maturities of airport revenue bonds	26,452,550	-	-	26,452,550
Deferred revenue from seized funds	31,556	-	-	31,556
Notes payable, less current maturities	1,344,092	-	-	1,344,092
Subscription lease liability	768,181	-	-	768,181
Airport revenue bonds, less current maturities	3,060,606,106	-	-	3,060,606,106
Total noncurrent liabilities	<u>3,153,690,365</u>	<u>-</u>	<u>-</u>	<u>3,153,690,365</u>
Total liabilities	<u>\$ 3,315,430,223</u>	<u>\$ 1,242,952</u>	<u>\$ 774,668</u>	<u>\$ 3,317,447,843</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow s from leases	\$ 109,183,584	\$ 28,683	\$ 7,915,742	\$ 117,128,009
Deferred inflow s from pension	8,296,195	-	-	8,296,195
Deferred inflow s from OPEB	4,682,605	-	-	4,682,605
Deferred amount on refunding	16,079,113	-	-	16,079,113
Total deferred inflow s of resources	<u>\$ 138,241,497</u>	<u>\$ 28,683</u>	<u>\$ 7,915,742</u>	<u>\$ 146,185,922</u>
NET POSITION				
Net investment in capital assets	\$ (152,180,834)	\$ 99,787,462	\$ 3,640,570	\$ (48,752,802)
Restricted for:				
Capital projects	92,600,660	-	-	92,600,660
Debt service	580,848,095	-	-	580,848,095
Operations	75,096,029	-	-	75,096,029
Net pension asset	14,558,347	-	-	14,558,347
Net OPEB asset	28,140,163	-	-	28,140,163
Unrestricted net position	<u>660,640,906</u>	<u>(21,475,114)</u>	<u>21,889,579</u>	<u>661,055,371</u>
Total net position	<u>\$ 1,299,703,366</u>	<u>\$ 78,312,348</u>	<u>\$ 25,530,149</u>	<u>\$ 1,403,545,863</u>

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position Information by
Entity
For the Year Ended June 30, 2026

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
Operating revenues:				
Airline revenues				
Terminal building rental and fees	\$ 75,292,747	\$ -	\$ -	\$ 75,292,747
Landing and related fees	62,624,809	-	-	62,624,809
Non-airline revenues				
Parking	118,704,781	-	-	118,704,781
Car rental	25,954,465	-	-	25,954,465
Space rental	17,824,302	4,324,080	3,918,248	26,066,630
Concession	30,990,371	-	-	30,990,371
Ground transportation	23,203,847	-	-	23,203,847
Other	14,998,075	311,161	147,027	15,456,263
Total operating revenue	<u>369,593,397</u>	<u>4,635,241</u>	<u>4,065,275</u>	<u>378,293,913</u>
Operating expenses:				
Salaries, wages and fringe benefits	59,803,328	962,904	-	60,766,232
Professional and other contractual services	34,729,213	151,333	124,493	35,005,039
Shuttle bus services	17,268,283	-	-	17,268,283
Janitorial services	15,703,937	26,900	364,802	16,095,639
Parking management	15,953,438	-	-	15,953,438
Utilities	11,303,463	149,063	821,793	12,274,319
Materials and supplies	9,324,988	134,819	43,444	9,503,251
Repairs and maintenance services	8,754,222	84,924	453,142	9,292,288
Insurance	5,025,736	67,547	77,160	5,170,443
Other	6,951,413	791,276	380,760	8,123,449
Depreciation	146,673,852	6,365,518	659,512	153,698,882
Total operating expenses	<u>331,491,873</u>	<u>8,734,284</u>	<u>2,925,106</u>	<u>343,151,263</u>
Operating income (loss)	<u>38,101,524</u>	<u>(4,099,043)</u>	<u>1,140,169</u>	<u>35,142,650</u>
Noncapital subsidies				
Federal and state grants	1,021,127	20,000	-	1,041,127
Customer facility charges	37,003,520	-	-	37,003,520
Operating income and noncapital subsidies	<u>76,126,171</u>	<u>(4,079,043)</u>	<u>1,140,169</u>	<u>73,187,297</u>
Nonoperating revenues (expenses):				
Investment income	52,452,480	185,684	1,001,684	53,639,848
Passenger facility charges	50,377,639	-	-	50,377,639
Gain on disposal of assets	3,003,655	-	-	3,003,655
Interest expense	(103,118,233)	(593,146)	-	(103,711,379)
Debt issuance costs	(4,251,089)	-	-	(4,251,089)
Capital contributions	23,882,239	250,704	-	24,132,943
Transfers	(530,450)	530,450	-	-
	<u>21,816,241</u>	<u>373,692</u>	<u>1,001,684</u>	<u>23,191,617</u>
Increase (decrease) in net position	97,942,412	(3,705,351)	2,141,853	96,378,914
Fund net position - beginning of year	<u>1,201,760,954</u>	<u>82,017,699</u>	<u>23,388,296</u>	<u>1,307,166,949</u>
Fund net position - end of year	<u>\$ 1,299,703,366</u>	<u>\$ 78,312,348</u>	<u>\$ 25,530,149</u>	<u>\$ 1,403,545,863</u>

⁽¹⁾ The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Fiduciary Net Position Information by Entity
June 30, 2026

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,304,435	\$ 2,330,130	\$ 3,634,565
Investments, at fair value:			
Pooled, common and collective funds	-	59,826,009	59,826,009
Mutual funds	49,632,397	31,277,187	80,909,584
Total assets	<u>50,936,832</u>	<u>93,433,326</u>	<u>144,370,158</u>
NET POSITION			
Restricted for:			
OPEB	50,936,832	-	50,936,832
Pension	-	93,433,326	93,433,326
Total net position	<u>\$ 50,936,832</u>	<u>\$ 93,433,326</u>	<u>\$ 144,370,158</u>

Metropolitan Nashville Airport Authority
Combining Schedule of Changes in Fiduciary Net Position Information by Entity
For the Year Ended June 30, 2026

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Additions:			
Employer contributions	\$ -	\$ -	\$ -
Employee contributions	475,816	-	475,816
Investment income			
Net appreciation in fair value	5,613,928	9,880,127	15,494,055
Interest and dividends	-	670,470	670,470
Investment expenses	-	(177,534)	(177,534)
Investment income, net	5,613,928	10,373,063	15,986,991
Total additions	6,089,744	10,373,063	16,462,807
Deductions:			
Benefits paid to participants	1,365,754	5,399,649	6,765,403
Administrative expenses	94,247	-	94,247
Total deductions	1,460,001	5,399,649	6,859,650
Change in net position	4,629,743	4,973,414	9,603,157
Fiduciary net position - beginning of year	46,307,089	88,459,912	134,767,001
Fiduciary net position - end of year	\$ 50,936,832	\$ 93,433,326	\$ 144,370,158

Metropolitan Nashville Airport Authority
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year

Year Ending June 30,	Series 2003B Revenue Bonds		CONRAC Refunding Revenue Bonds		Subordinate Series 2019A Revenue Bonds ⁽¹⁾		Subordinate Series 2019B Revenue Bonds ⁽¹⁾		Series 2022A Revenue Bonds ⁽¹⁾	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2027	855,000	475,943	3,587,550	321,593	3,120,000	11,995,625	8,315,000	31,528,625	1,720,000	4,738,012
2028	905,000	423,671	3,711,220	195,773	3,270,000	11,835,750	8,735,000	31,102,375	1,810,000	4,649,762
2029	960,000	368,280	3,838,792	65,984	3,430,000	11,661,250	9,170,000	30,654,750	1,900,000	4,557,013
2030	1,015,000	309,623	-	-	3,600,000	11,492,500	9,625,000	30,184,875	1,990,000	4,459,764
2031	1,075,000	247,550	-	-	3,790,000	11,307,750	10,110,000	29,691,500	2,090,000	4,357,761
2032	1,140,000	181,764	-	-	3,970,000	11,113,750	10,610,000	29,173,500	2,195,000	4,250,638
2033	1,210,000	111,969	-	-	4,175,000	10,910,125	11,145,000	28,629,625	2,305,000	4,138,138
2034	1,280,000	38,016	-	-	4,380,000	10,696,250	11,700,000	28,058,500	2,425,000	4,019,888
2035	-	-	-	-	5,000,000	10,461,750	13,240,000	27,435,000	2,545,000	3,895,638
2036	-	-	-	-	5,245,000	12,205,625	13,905,000	26,756,675	2,670,000	3,765,260
2037	-	-	-	-	5,640,000	10,933,500	14,920,000	26,036,050	2,805,000	3,628,388
2038	-	-	-	-	5,920,000	9,644,500	15,655,000	25,271,375	2,945,000	3,484,638
2039	-	-	-	-	6,210,000	9,341,250	16,445,000	24,468,875	3,090,000	3,333,763
2040	-	-	-	-	6,530,000	9,186,000	17,260,000	23,626,550	3,245,000	3,175,388
2041	-	-	-	-	-	9,186,000	-	23,195,350	3,410,000	3,009,013
2042	-	-	-	-	-	9,186,000	-	23,195,350	3,580,000	2,834,268
2043	-	-	-	-	-	9,186,000	-	23,195,350	3,755,000	2,650,888
2044	-	-	-	-	-	9,186,000	-	23,195,350	-	2,557,013
2045	-	-	-	-	37,870,000	8,076,000	100,175,000	20,690,675	-	2,557,013
2046	-	-	-	-	-	6,966,000	-	18,186,000	-	2,557,013
2047	-	-	-	-	-	6,966,000	-	18,186,000	-	2,557,013
2048	-	-	-	-	-	6,966,000	-	18,186,000	21,905,000	1,982,003
2049	-	-	-	-	-	6,966,000	-	18,186,000	-	1,407,000
2050	-	-	-	-	64,200,000	5,486,000	166,170,000	14,281,750	-	1,407,000
2051	-	-	-	-	-	4,006,000	-	10,377,500	-	1,407,000
2052	-	-	-	-	-	4,006,000	-	10,377,500	-	1,407,000
2053	-	-	-	-	-	4,006,000	-	10,377,500	28,140,000	703,500
2054	-	-	-	-	-	4,006,000	-	10,377,500	-	-
2055	-	-	-	-	85,120,000	2,003,000	220,050,000	5,188,750	-	-
2056	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-
	8,440,000	2,156,816	11,137,562	583,350	251,470,000	248,982,625	657,230,000	639,814,850	94,525,000	83,489,775
Bond Premium	-	-	-	-	46,353,599	-	109,417,751	-	6,291,732	-
	\$ 8,440,000	\$ 2,156,816	\$ 11,137,562	\$ 583,350	\$ 297,823,599	\$ 248,982,625	\$ 766,647,751	\$ 639,814,850	\$ 100,816,732	\$ 83,489,775

⁽¹⁾ There are several term bonds in the 2019, 2022, and 2026 Bonds, and on this schedule, only the full amount of the term bonds are shown. In each series, there are annual mandatory sinking fund redemptions, therefore there are no bullet maturities. See the 2019, 2022, and 2026 Official Statements for annual principal payments for all term bonds.

Metropolitan Nashville Airport Authority

Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year

Series 2022B Revenue Bonds ⁽¹⁾		Series 2026A Revenue Bonds ⁽¹⁾		Series 2026B Revenue Bonds ⁽¹⁾		Series 2026C Revenue Bonds ⁽¹⁾		Series 2026D Revenue Bonds ⁽¹⁾		Total Debt Service		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
8,855,000	26,516,462	-	20,995,671	-	31,068,361	-	2,995,229	-	3,628,110	26,452,550	134,263,632	160,716,182
9,290,000	26,062,840	-	23,114,500	-	34,203,700	2,240,000	3,241,500	3,020,000	3,918,750	32,981,220	138,748,621	171,729,841
9,755,000	25,586,712	-	23,114,500	-	34,203,700	2,350,000	3,126,750	3,160,000	3,764,250	34,563,792	137,103,189	171,666,981
10,240,000	25,086,835	7,860,000	22,918,000	11,255,000	33,922,325	2,465,000	3,006,375	3,305,000	3,602,625	51,355,000	134,982,922	186,337,922
10,755,000	24,561,963	8,260,000	22,515,000	11,820,000	33,345,450	2,490,000	2,882,500	3,455,000	3,433,625	53,845,000	132,343,099	186,188,099
11,295,000	24,010,713	8,670,000	22,091,750	12,410,000	32,739,700	2,615,000	2,754,875	3,620,000	3,256,750	56,525,000	129,573,440	186,098,440
11,855,000	23,417,144	9,110,000	21,647,250	13,030,000	32,103,700	2,745,000	2,620,875	3,785,000	3,071,625	59,360,000	126,650,451	186,010,451
12,475,000	22,778,481	9,570,000	21,180,250	13,685,000	31,435,825	2,880,000	2,480,250	3,675,000	2,885,125	62,070,000	123,572,585	185,642,585
13,140,000	22,106,086	10,035,000	20,690,125	14,360,000	30,734,700	3,025,000	2,332,625	3,855,000	2,696,875	65,200,000	120,352,799	185,552,799
13,820,000	21,398,388	10,540,000	20,175,750	15,080,000	29,998,700	3,180,000	2,177,500	4,050,000	2,499,250	68,490,000	118,977,148	187,467,148
14,545,000	20,635,625	11,080,000	19,635,250	15,840,000	29,225,700	3,335,000	2,014,625	4,310,000	2,302,750	71,975,000	114,411,888	186,386,888
15,350,000	19,813,513	11,620,000	19,067,750	16,635,000	28,413,825	3,505,000	1,843,625	4,005,000	2,107,375	75,635,000	109,646,601	185,281,601
16,200,000	18,945,884	12,210,000	18,472,000	17,460,000	27,561,450	3,675,000	1,664,125	4,205,000	1,902,125	79,495,000	105,689,472	185,184,472
17,090,000	18,030,414	12,820,000	17,846,250	18,330,000	26,666,700	3,865,000	1,475,625	4,415,000	1,686,625	83,555,000	101,693,552	185,248,552
18,030,000	17,064,613	13,460,000	17,189,250	19,250,000	25,727,200	4,055,000	1,277,625	4,635,000	1,460,375	82,840,000	98,109,426	160,949,426
19,010,000	16,046,013	14,130,000	16,499,500	20,220,000	24,740,450	4,260,000	1,069,750	4,865,000	1,222,875	66,065,000	94,794,206	160,859,206
20,055,000	14,971,725	14,840,000	15,775,250	21,220,000	23,704,450	4,465,000	851,625	5,110,000	973,500	69,445,000	91,308,788	160,753,788
-	14,420,208	15,575,000	15,014,875	22,285,000	22,616,825	4,695,000	622,625	5,365,000	711,625	47,920,000	88,324,521	136,244,521
-	14,420,208	16,355,000	14,216,625	23,400,000	21,474,700	4,930,000	382,000	5,635,000	436,625	188,365,000	82,253,846	270,618,846
-	14,420,213	17,180,000	13,378,250	24,565,000	20,275,575	5,175,000	129,375	5,915,000	147,875	52,835,000	76,060,301	128,895,301
-	14,420,213	18,040,000	12,497,750	25,790,000	19,016,700	-	-	-	-	43,830,000	73,643,676	117,473,676
117,515,000	11,335,444	-	12,046,750	-	18,371,950	-	-	-	-	139,420,000	68,888,147	208,308,147
-	8,250,675	-	12,046,750	-	18,371,950	-	-	-	-	-	65,228,375	65,228,375
-	8,250,675	-	12,046,750	-	18,371,950	-	-	-	-	230,370,000	59,844,125	290,214,125
-	8,250,675	-	12,046,750	-	18,371,950	-	-	-	-	-	54,459,875	54,459,875
-	8,250,675	104,650,000	9,430,500	150,420,000	14,423,425	-	-	-	-	255,070,000	47,895,100	302,965,100
152,285,000	4,125,338	-	6,814,250	-	10,474,900	-	-	-	-	180,425,000	36,501,488	216,926,488
-	-	-	6,814,250	-	10,474,900	-	-	-	-	-	31,672,650	31,672,650
-	-	-	6,814,250	-	10,474,900	-	-	-	-	305,170,000	24,480,900	329,650,900
-	-	-	6,814,250	-	10,474,900	-	-	-	-	-	17,289,150	17,289,150
-	-	133,785,000	3,407,125	194,760,000	5,237,450	-	-	-	-	328,545,000	8,644,575	337,189,575
501,560,000	473,177,735	459,790,000	486,317,171	661,815,000	728,228,011	65,950,000	38,949,479	79,885,000	45,708,735	2,791,802,562	2,747,408,548	5,539,211,111
23,373,002	-	36,816,872	-	43,844,199	-	7,991,698	-	7,112,206	-	281,201,059	-	281,201,059
\$ 524,933,002	\$ 473,177,735	\$ 496,606,872	\$ 486,317,171	\$ 705,659,199	\$ 728,228,011	\$ 73,941,698	\$ 38,949,479	\$ 86,997,206	\$ 45,708,735	\$ 3,073,003,621	\$ 2,747,408,548	\$ 5,820,412,169

Metropolitan Nashville Airport Authority
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2026

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2025	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2026
Nashville International Airport									
NOTES PAYABLE									
Payable through general fund									
Geothermal Loan	4,300,000	2.78%	07/01/2015	06/30/2031	\$ 1,979,775	\$ -	\$ (314,904)	\$ -	\$ 1,664,871
Total notes payable through general fund					\$ 1,979,775	\$ -	\$ (314,904)	\$ -	\$ 1,664,871
BONDS PAYABLE									
Payable through general fund									
General Airport Revenue Bond, Series 2003B	\$ 19,585,000	5.49% to 5.94%	11/01/2003	07/01/2033	\$ 9,245,000	\$ -	\$ (805,000)	\$ -	\$ 8,440,000
General Airport Revenue Bond, Series 2015A	91,855,000	4.00% to 5.00%	12/01/2015	07/01/2045	78,485,000	-	(2,255,000)	(76,230,000)	-
General Airport Revenue Bond, Series 2015B	108,145,000	4.00% to 5.00%	12/01/2015	07/01/2045	92,535,000	-	(2,775,000)	(89,760,000)	-
Subordinate, General Airport Revenue Bond, Series 2019A	254,435,000	4.00% to 5.00%	12/17/2019	07/01/2054	254,435,000	-	(2,965,000)	-	251,470,000
Subordinate, General Airport Revenue Bond, Series 2019B	665,150,000	4.00% to 5.00%	12/17/2019	07/01/2054	665,150,000	-	(7,920,000)	-	657,230,000
General Airport Revenue Bond, Series 2022A	94,525,000	5.00% to 5.25%	11/16/2022	07/01/2052	94,525,000	-	-	-	94,525,000
General Airport Revenue Bond, Series 2022B	501,560,000	5.00% to 5.50%	11/16/2022	07/01/2052	501,560,000	-	-	-	501,560,000
General Airport Revenue Bond, Series 2026A	459,790,000	5.00% to 5.25%	01/14/2026	07/01/2026	-	459,790,000	-	-	459,790,000
General Airport Revenue Bond, Series 2026B	661,815,000	5.00% to 5.50%	01/14/2026	07/01/2026	-	661,815,000	-	-	661,815,000
General Airport Revenue Bond, Series 2026C	65,950,000	5.00%	01/14/2026	07/01/2045	-	65,950,000	-	-	65,950,000
General Airport Revenue Bond, Series 2026D	79,885,000	5.00%	01/14/2026	07/01/2045	-	79,885,000	-	-	79,885,000
Total bonds payable through general fund					\$ 1,695,935,000	\$ 1,267,440,000	\$ (16,720,000)	\$ (165,990,000)	\$ 2,780,665,000
Payable through customer facility charges									
CONRAC, Series 2018	\$ 27,358,295	3.40%	05/01/2018	07/01/2028	\$ 14,605,562	-	(3,468,000)	-	\$ 11,137,562
Total bonds payable through customer facility charges					\$ 14,605,562	\$ -	\$ (3,468,000)	\$ -	\$ 11,137,562
OTHER DEBT									
Payable through general fund									
BNA Credit Facility	Maximum	Taxable 5.14%	10/30/2024	10/29/2027	\$ 72,166,903	\$ 177,878,479	\$ (235,990,346)	\$ -	\$ 14,055,036
	\$ 100,000,000	Nontaxable 4.00%							
Total other long-term debt payable through general fund					\$ 72,166,903	\$ 177,878,479	\$ (235,990,346)	\$ -	\$ 14,055,036

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

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time (schedules on pages 114, 117, and 118)

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant revenue sources (schedules on pages 115, 116, 120, and 121)

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and its ability to issue additional debt in the future (schedules on pages 117 and 119)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place (schedules on pages 122, 123, and 124)

Operating Information

These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services it provides and the activities it performs (schedule on page 123)

Metropolitan Nashville Airport Authority

Statistical Information

Metropolitan Nashville Airport Authority Change in Net Position As of June 30 for Each of the Years Presented

	2026	2025	2024	2023	2022	2021	2020	2019	(as restated) 2018	(as restated) 2017
Operating Revenues:										
Terminal building rental and fees	\$ 75,292,747	\$ 66,386,710	\$ 47,725,771	\$ 34,898,168	\$ 31,951,063	\$ 22,445,648	\$ 21,989,398	\$ 25,350,272	\$ 21,079,135	\$ 12,869,977
Landing and related fees	62,624,809	51,726,343	54,194,103	32,321,272	26,498,354	26,818,385	26,955,903	34,630,205	30,881,319	22,667,799
Parking	118,704,781	107,991,196	111,147,005	99,244,129	78,086,608	28,175,988	42,434,887	53,875,967	51,045,975	44,669,588
Car rental	25,954,465	26,355,596	25,502,274	24,495,923	20,451,716	12,656,024	14,144,301	16,182,534	15,187,320	13,598,371
Space rental	26,066,630	24,745,370	17,395,073	22,967,443	20,142,386	15,469,797	14,918,277	14,611,554	15,046,018	13,112,838
Concession	30,990,371	20,848,570	24,011,968	18,063,697	16,785,708	9,411,265	10,689,143	14,345,274	13,359,183	11,923,944
Ground transportation	23,203,847	18,176,625	16,911,757	14,960,927	10,987,529	3,919,824	6,202,648	6,417,493	4,903,335	3,700,823
Other	15,456,263	10,228,820	5,725,716	7,650,805	5,325,500	9,722,628	6,584,081	4,619,295	2,977,332	5,552,881
Total Operating Revenues	378,293,913	326,459,230	302,613,667	254,602,364	210,228,864	128,619,559	143,918,638	170,032,594	154,479,617	128,096,221
Operating Expenses:										
Salaries, wages and fringe benefits	60,766,232	51,756,371	49,830,121	39,212,410	37,663,363	25,133,488	36,981,912	38,420,196	32,859,001	33,323,344
Professional and other contractual services	35,005,039	41,786,237	29,165,587	26,009,193	22,550,510	16,490,438	20,838,494	17,078,162	14,707,566	9,614,880
Shuttle bus services	17,268,283	17,206,032	13,254,850	7,434,123	6,412,141	3,078,359	5,442,025	5,969,979	5,932,410	5,171,654
Janitorial services	16,095,639	15,791,577	15,826,096	11,856,848	8,782,457	7,100,572	4,793,999	4,121,382	3,635,974	2,758,704
Parking management	15,953,438	15,137,226	13,135,892	12,359,364	9,311,704	4,756,226	5,795,149	10,041,662	8,400,891	7,319,870
Utilities	12,274,319	11,249,251	8,779,086	8,640,221	7,002,019	5,598,234	5,868,042	6,019,730	5,353,051	5,764,258
Materials and supplies	9,503,251	8,679,362	9,431,679	6,631,337	4,857,791	3,674,391	4,544,743	4,291,755	4,072,984	3,720,487
Repairs and maintenance services	9,292,288	8,100,182	8,635,281	4,561,149	4,582,890	3,579,268	5,329,375	4,219,755	4,112,991	3,668,313
Insurance	5,170,443	5,198,729	5,318,692	3,481,751	2,148,338	1,913,299	1,441,580	1,336,036	1,301,012	1,225,112
Other	8,123,449	5,705,551	5,662,165	5,679,442	9,654,412	3,210,854	5,400,424	8,215,274	4,886,364	4,997,955
Total Operating Expenses	189,452,381	180,610,518	159,039,449	125,865,838	112,965,625	74,535,129	96,435,743	99,713,931	85,262,244	77,564,577
Provision for Depreciation	153,698,882	141,889,461	117,553,933	85,872,221	79,273,711	53,383,630	49,768,473	44,497,442	39,914,221	38,979,958
Noncapital Subsidies										
Federal and state grants	1,041,127	13,437,528	-	-	-	-	-	-	-	-
Customer facility charges	37,003,520	25,801,636	-	-	-	-	-	-	-	-
Total Noncapital Subsidies	38,044,647	39,239,164	-	-	-	-	-	-	-	-
Nonoperating Revenues:										
Investment income (loss)	53,639,848	62,149,267	62,087,598	31,040,249	(4,756,436)	1,647,674	23,723,090	7,703,826	2,149,362	730,198
Passenger facility charges	50,377,639	46,775,211	44,734,128	41,531,943	35,678,032	20,253,069	26,384,555	31,416,941	28,300,013	25,982,494
Customer facility charges	-	-	17,283,641	15,494,211	12,939,489	8,365,388	11,827,674	15,094,273	14,290,386	13,561,430
Other nonoperating revenues	3,003,655	1,113,606	39,194,429	39,271,115	28,345,443	36,580,521	12,032,061	-	130,025	86,599
Capital contributions	24,132,943	34,469,692	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	131,154,085	144,507,776	163,299,796	127,337,518	72,206,528	66,846,652	73,967,380	54,215,040	44,869,786	40,360,721
Nonoperating Expenses:										
Debt-related expenses	107,962,468	81,214,909	79,534,325	70,545,732	50,168,719	49,322,732	37,994,910	13,267,265	10,262,472	10,299,910
Other nonoperating expenses	-	-	-	-	(67,615)	2,160,638	112,570	16,170,808	548,726	(461,510)
Total Nonoperating Expenses	107,962,468	81,214,909	79,534,325	70,545,732	50,101,104	51,483,370	38,107,480	29,438,073	10,811,198	9,838,400
Capital Contributions	-	-	33,822,954	58,983,376	29,762,836	31,356,438	21,287,199	18,178,942	15,010,688	14,552,791
Increase in Net Position	96,378,914	106,491,282	143,608,710	158,639,467	69,857,788	47,420,520	54,861,521	68,777,130	78,372,428	56,626,798
Total Net Position - End of Year	\$ 1,403,545,863	\$ 1,307,166,949	\$ 1,200,675,667	\$ 1,057,066,957	\$ 898,427,490	\$ 828,569,702	\$ 781,149,182	\$ 726,287,661	\$ 657,510,531	\$ 579,138,103

Fiscal 2016 ending net position was restated in fiscal 2018 for the effects of the retrospective application of GASB Statement No. 75.

In accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*, fiscal year 2026 and 2025 noncapital subsidies from federal and state governments and from customer facility charges are presented above nonoperating revenues and expenses. Fiscal year 2026 and 2025 capital contributions are presented with nonoperating revenues.

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport Cost per Enplaned Passenger (CPEP)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Signatory Airlines:										
Space and ramp fees	\$ 76,642	\$ 68,195	\$ 49,473	\$ 35,209	\$ 33,821	\$ 25,162	\$ 25,268	\$ 34,170	\$ 28,288	\$ 12,245
Landing fees	51,297	42,155	45,492	24,535	20,575	22,333	20,744	21,094	19,804	18,427
Total signatory revenue	127,939	110,350	94,965	59,744	54,396	47,495	46,012	55,264	48,092	30,672
Signatory enplaned (000s)	12,932	12,045	11,536	10,649	9,106	5,119	6,703	8,306	7,349	6,571
Cost per Signatory Enplaned	\$ 9.89	\$ 9.16	\$ 8.23	\$ 5.61	\$ 5.97	\$ 9.28	\$ 6.86	\$ 6.65	\$ 6.54	\$ 4.67
Non-signatory Airlines:										
Space and ramp fees	\$ 4,612	\$ 3,457	\$ 2,961	\$ 3,278	\$ 1,314	\$ 606	\$ 866	\$ 1,674	\$ 1,108	\$ 1,747
Landing fees	3,249	2,273	2,105	1,801	859	351	1,450	2,399	1,203	979
Total non-signatory revenue	7,861	5,730	5,066	5,079	2,173	957	2,316	4,073	2,311	2,726
Non-signatory enplaned (000s)	405	340	289	271	112	33	156	290	117	219
Cost per Non-signatory Enplaned	\$ 19.41	\$ 16.85	\$ 17.53	\$ 18.74	\$ 19.40	\$ 29.00	\$ 14.85	\$ 14.04	\$ 19.75	\$ 12.45
Summary Analysis:										
Total signatory & non-signatory revenue	\$ 135,800	\$ 116,080	\$ 100,031	\$ 64,823	\$ 56,569	\$ 48,452	\$ 48,328	\$ 59,337	\$ 50,403	\$ 33,398
Blended Cost per Enplaned	\$ 10.18	\$ 9.37	\$ 8.46	\$ 5.94	\$ 6.14	\$ 9.40	\$ 7.05	\$ 6.90	\$ 6.75	\$ 4.92
Operating revenues (BNA only)	\$ 369,593	\$ 317,615	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093
Total enplaned (includes charters)	13,337	12,385	11,825	10,920	9,218	5,152	6,859	8,596	7,466	6,790
Operating Revenues per Enplaned	\$ 27.71	\$ 25.65	\$ 25.03	\$ 22.69	\$ 22.28	\$ 24.17	\$ 20.34	\$ 19.30	\$ 20.16	\$ 18.28

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Metropolitan Nashville Airport Authority Operating Revenues Analysis - Activity Detail

Signatory & non-signatory rate history effective June 30 of each fiscal year.

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Signatory Rates:										
Landing fee	\$ 3.46	\$ 3.11	\$ 3.50	\$ 2.06	\$ 2.04	\$ 2.23	\$ 2.52	\$ 3.09	\$ 3.21	\$ 2.99
Ramp fees	\$ 3.97	\$ 3.21	\$ 3.56	\$ 2.63	\$ 1.69	\$ 1.82	\$ 2.07	\$ 2.23	\$ 2.34	\$ 1.71
Main terminal	\$ 185.87	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00
North concourse	\$ 185.87	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00
South concourse	\$ 185.87	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00
Satellite concourse	\$ 181.22	\$ 172.50	\$ 169.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The Authority entered into a new Signatory Airline Use and Lease Agreement effective July 1, 2023.
The satellite concourse opened for use during fiscal year 2024.

Non-signatory Rates:										
Landing fee	\$ 4.32	\$ 3.89	\$ 4.37	\$ 3.54	\$ 3.57	\$ 3.69	\$ 3.84	\$ 4.29	\$ 4.23	\$ 3.74
Per use fee (see note below)	\$ 7.49	\$ 6.84	\$ 6.53	\$ 5.00	\$ 5.00	\$ 5.44	\$ 3.38	\$ 4.30	\$ 3.55	\$ 3.51
Ramp	\$ 3.97	\$ 3.21	\$ 3.56	\$ 3.29	\$ 2.11	\$ 2.28	\$ 2.59	\$ 2.79	\$ 2.93	\$ 2.14
Main terminal	\$ 185.87	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50
North concourse	\$ 185.87	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50
South concourse	\$ 185.87	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50

Per the airline agreement effective July 1, 2023, the non-signatory airlines may be charged on a per use fee per departing seat. The per use fee covers the use of the ticket counter, baggage make up, baggage claim and gate usage.

Public Parking Analysis:

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Parking lot revenue (000s)	\$ 118,705	\$ 107,991	\$ 111,147	\$ 99,244	\$ 78,087	\$ 28,176	\$ 42,435	\$ 53,876	\$ 51,046	\$ 44,670
Spaces available	15,525	15,507	16,335	15,432	13,943	13,968	13,377	11,169	11,172	12,203
Revenue per Space	\$ 7,646	\$ 6,964	\$ 6,804	\$ 6,431	\$ 5,600	\$ 2,017	\$ 3,172	\$ 4,824	\$ 4,569	\$ 3,661
Garages	6,488	6,479	6,526	6,278	4,789	4,814	4,192	2,201	2,318	2,369
Terminal Lot A	1,226	1,285	1,285	1,125	1,125	1,125	1,125	1,034	830	1,810
Economy Lot B	1,886	1,478	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124
Economy Lot C	3,245	3,585	3,495	3,625	3,625	3,625	3,625	3,499	3,625	3,625
BNA Express	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Valet	1,450	1,450	1,675	1,050	1,050	1,050	1,081	1,081	1,045	1,045
Public Parking Spaces	15,525	15,507	16,335	15,432	13,943	13,968	13,377	11,169	11,172	12,203

Economy Lot B was closed for a portion of fiscal years 2020 and 2021.

Economy Lot C was closed for a portion of fiscal years 2020 and 2021.

BNA Express was closed in the last quarter of fiscal year 2020 and remains closed to incoming traffic. It is now used for Valet/Overflow parking as needed.

The onsite hotel parking garage contains 150 parking spaces, which are not included in the Revenue per Space analysis.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Schedule of Net Capital Assets At June 30 for Each Year Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Land and nondepreciable assets	\$ 120,150,721	\$ 111,384,271	\$ 113,265,170	\$ 111,226,323	\$ 108,112,921	\$ 107,554,524	\$ 105,115,818	\$ 97,169,587	\$ 97,169,587	\$ 96,968,771	\$ 96,968,770
Construction in progress	622,649,249	272,054,227	212,924,038	358,877,117	448,196,055	301,079,238	139,067,964	233,273,255	153,579,003	72,814,778	42,890,290
Total capital assets not being depreciated	742,799,970	383,438,498	326,189,208	470,103,440	556,308,976	408,633,762	244,183,782	330,442,842	250,748,590	169,783,549	139,859,060
Infrastructure	975,971,725	857,239,366	815,353,882	728,661,124	693,670,381	618,570,710	613,663,559	588,779,486	576,918,742	561,704,513	541,464,084
Buildings and building improvements	1,281,837,915	1,245,824,188	1,128,498,583	952,350,604	764,568,968	718,298,100	841,349,251	422,874,974	315,970,461	298,911,276	264,629,088
Equipment, furniture and fixtures	811,672,393	789,699,643	721,348,402	567,644,400	392,443,748	393,243,815	194,396,606	183,211,887	182,051,284	165,348,939	129,795,510
Subscription leases	5,333,709	5,333,709	3,777,401	2,244,691	698,216	-	-	-	-	-	-
Total capital assets being depreciated	3,074,815,742	2,898,096,906	2,668,978,268	2,250,900,819	1,851,381,313	1,730,112,625	1,649,409,416	1,194,866,347	1,074,940,487	1,025,964,728	935,888,682
Less accumulated depreciation	(1,275,295,640)	(1,131,364,853)	(997,534,239)	(880,733,537)	(795,262,079)	(717,693,502)	(668,885,544)	(627,078,709)	(615,032,739)	(578,686,474)	(539,922,435)
Net Capital Assets	\$ 2,542,320,072	\$ 2,150,170,551	\$ 1,997,633,237	\$ 1,840,270,722	\$ 1,612,428,210	\$ 1,421,052,885	\$ 1,224,707,654	\$ 898,230,480	\$ 710,656,338	\$ 617,061,803	\$ 535,825,307

Outstanding Debt per Enplaned Passenger At June 30 for Each Year Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Airport revenue bonds	\$ 3,073,003,621	\$ 1,920,266,740	\$ 1,936,657,871	\$ 1,952,688,981	\$ 1,338,144,669	\$ 1,352,358,966	\$ 1,366,874,878	\$ 278,039,806	\$ 294,397,211	\$ 327,591,995
Notes payable	1,664,871	1,979,775	2,288,911	2,592,385	3,045,472	3,705,504	4,350,663	4,972,846	5,568,362	6,169,210
BNA credit facility	14,055,036	72,166,903	30,079,067	14,255,921	96,963,150	21,008,321	9,126,017	153,928,645	10,973,285	6,129,239
Subscription liability	1,160,593	2,046,603	1,556,158	1,074,154	508,601	-	-	-	-	-
Total Outstanding Debt	\$ 3,089,884,121	\$ 1,996,460,021	\$ 1,970,582,007	\$ 1,970,611,441	\$ 1,438,661,892	\$ 1,377,072,791	\$ 1,380,351,558	\$ 436,941,297	\$ 310,938,858	\$ 339,890,444
Enplanements	13,336,463	12,385,378	11,826,204	10,919,899	9,217,710	5,151,658	6,858,395	8,596,307	7,466,332	6,790,099
Net Outstanding Debt per Enplanement	\$ 231.69	\$ 161.19	\$ 166.63	\$ 180.46	\$ 156.08	\$ 267.31	\$ 201.26	\$ 50.83	\$ 41.65	\$ 50.06

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Net Position Analysis (000s) At June 30 for Each Year Presented

	2026	2025	2024	2023	2022	2021	2020	2019	2018	(as restated) 2017
Net Position:										
Net investment in capital assets	\$ (48,753)	\$ 150,510	\$ 261,220	\$ 278,592	\$ 363,710	\$ 376,713	\$ 397,961	\$ 507,479	\$ 502,945	\$ 441,690
Restricted	791,244	576,916	494,457	469,822	342,088	315,174	307,948	154,036	80,172	80,759
Unrestricted net position (deficit)	661,055	579,741	444,999	308,653	192,629	136,683	75,240	64,772	74,394	56,689
Total	\$ 1,403,546	\$ 1,307,167	\$ 1,200,676	\$ 1,057,067	\$ 898,427	\$ 828,570	\$ 781,149	\$ 726,287	\$ 657,511	\$ 579,138

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport (Senior Debt) Revenue Coverage (000s)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Revenue	\$ 369,593	\$ 317,615	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093
Less Operating Expenses (excludes depreciation)	(184,818)	(176,578)	(155,817)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)
Add Investment Income (Loss)	52,452	60,673	60,673	30,413	(4,934)	1,635	23,640	7,677	2,148	728
COVERAGE CASH FLOW	\$ 237,227	\$ 201,710	\$ 200,814	\$ 159,129	\$ 92,317	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822
INTEREST	\$ 40,859	\$ 27,370	\$ 8,517	\$ 5,481	\$ 3,941	\$ 3,859	\$ 7,876	\$ 11,920	\$ 6,787	\$ 3,420
PRINCIPAL	10,040	4,616	3,517	2,406	2,204	1,900	3,886	6,072	7,325	3,915
TOTAL NET DEBT SERVICE	\$ 50,899	\$ 31,986	\$ 12,034	\$ 7,887	\$ 6,145	\$ 5,759	\$ 11,762	\$ 17,992	\$ 14,112	\$ 7,335
DEBT SERVICE COVERAGE*	466.1%	630.6%	1668.7%	2017.6%	1502.3%	1009.7%	632.1%	421.6%	492.9%	679.2%

Nashville International Airport (Senior/Subordinate Debt) Revenue Coverage (000s)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Revenue	\$ 369,593	\$ 317,615	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093
Less Operating Expenses (excludes depreciation)	(184,818)	(176,578)	(155,817)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)
Add Investment Income (Loss)	52,452	60,673	60,673	30,413	(4,934)	1,635	23,640	7,677	2,148	728
COVERAGE CASH FLOW	\$ 237,227	\$ 201,710	\$ 200,814	\$ 159,129	\$ 92,317	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822
INTEREST	\$ 64,168	\$ 47,932	\$ 15,700	\$ 17,676	\$ 16,064	\$ 9,449	\$ 9,734	\$ 11,920	\$ 6,787	\$ 3,420
PRINCIPAL	16,963	9,662	3,517	2,406	2,204	1,900	4,026	6,072	7,325	3,915
TOTAL NET DEBT SERVICE	\$ 81,131	\$ 57,594	\$ 19,217	\$ 20,082	\$ 18,268	\$ 11,349	\$ 13,760	\$ 17,992	\$ 14,112	\$ 7,335
DEBT SERVICE COVERAGE*	292.4%	350.2%	1045.0%	792.4%	505.3%	512.4%	540.3%	421.6%	492.9%	679.2%

CFC - 2010 & 2018 CONRAC Revenue Coverage (000s)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Customer Facility Charges	\$ 37,004	\$ 25,802	\$ 17,284	\$ 15,494	\$ 12,939	\$ 8,365	\$ 11,828	\$ 15,094	\$ 14,290	\$ 13,561
Less Operating Expenses (excludes depreciation)	(2,036)	(2,290)	(1,883)	(1,727)	(3,045)	(1,715)	(1,607)	(1,681)	(1,537)	(1,585)
Add Investment Income	3,833	3,576	3,441	1,488	70	152	289	261	45	34
COVERAGE CASH FLOW	\$ 38,801	\$ 27,088	\$ 18,842	\$ 15,255	\$ 9,964	\$ 6,802	\$ 10,510	\$ 13,674	\$ 12,798	\$ 12,010
INTEREST	\$ 384	\$ 503	\$ 562	\$ 674	\$ 784	\$ 1,029	\$ 1,186	\$ 944	\$ 3,282	\$ 3,571
PRINCIPAL	3,588	3,468	3,351	3,243	3,134	3,000	2,840	2,695	20,802	2,480
TOTAL NET DEBT SERVICE	\$ 3,972	\$ 3,971	\$ 3,913	\$ 3,917	\$ 3,918	\$ 4,029	\$ 4,026	\$ 3,639	\$ 24,084	\$ 6,051
DEBT SERVICE COVERAGE	976.9%	682.1%	481.5%	389.5%	254.3%	168.8%	261.1%	375.8%	53.1%	198.5%

* Coverage calculations presented in this schedule differ from those reported by the Senior Bond Resolution and the Subordinate Bond Resolution as shown in the Annual Disclosure Report.

Net debt service is total debt service less PFC- and CRRSA/ARPA-funded debt service, and Capitalized Interest.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport Passenger Enplanements Market Share

	% of Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Signatory Airlines:											
Alaska Airlines	1.3%	175,377	188,748	156,015	113,995	102,762	64,928	87,807	115,960	87,309	58,533
Allegiant Air	2.2%	298,590	337,838	464,553	407,726	252,591	136,565	115,305	-	-	-
American Airlines	12.9%	1,717,473	1,678,711	1,677,822	1,569,654	1,471,530	725,481	1,070,173	1,348,801	1,235,501	1,176,043
Delta Air Lines Inc.	11.4%	1,523,060	1,499,794	1,409,111	1,336,379	1,105,082	503,867	971,443	1,278,183	1,138,922	988,137
Frontier Airlines	0.9%	125,206	112,303	123,100	163,960	118,912	73,885	126,000	177,341	146,184	9,979
JetBlue	1.2%	164,309	154,510	163,373	228,078	149,302	44,914	99,316	138,189	130,541	138,985
Southwest Airlines	57.2%	7,630,858	6,646,369	6,103,524	5,575,049	4,945,583	3,091,692	3,571,632	4,517,284	4,009,180	3,655,441
Spirit Airlines	2.3%	300,390	488,094	529,431	417,971	268,835	171,669	122,176	-	-	-
United Airlines	7.5%	996,253	938,919	909,899	835,968	691,107	306,115	539,013	730,243	600,988	543,704
Subtotal	97.0%	12,931,516	12,045,286	11,536,828	10,648,780	9,105,704	5,119,116	6,702,865	8,306,001	7,348,625	6,570,822
Non-signatory Airlines:											
Aer Lingus	0.2%	26,601	6,694	-	-	-	-	-	-	-	-
Air Canada	0.5%	64,262	72,143	27,715	50,396	5,854	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.3%	37,142	15,770	4,765	7,807	16,356	-	24,745	292	174	1,034
Air Georgian dba Air Canada	0.0%	-	-	-	-	-	-	8,549	45,204	44,229	42,739
Allegiant Air	0.0%	-	-	-	-	-	-	-	80,170	6,136	-
British Airways	0.6%	85,942	76,406	65,979	55,208	11,577	-	32,684	43,289	8,671	-
Contour Airlines	0.1%	7,357	11,947	22,889	26,363	20,091	9,741	12,303	14,290	10,432	8,038
Frontier Airlines	0.0%	-	-	-	-	-	-	-	-	-	130,449
Icelandair	0.1%	18,877	5,998	-	-	-	-	-	-	-	-
Sun Country	0.3%	42,864	44,742	45,661	36,877	25,007	16,868	-	-	-	-
WestJet Airlines	0.4%	50,445	71,674	54,747	35,979	16,487	-	8,848	23,559	11,591	2,252
WestJet /Encore	0.0%	-	-	-	-	-	-	19,673	22,339	22,210	20,479
All Others (includes Charters)	0.5%	71,457	34,718	67,620	58,489	16,634	5,933	48,728	61,163	14,264	14,286
Subtotal	3.0%	404,947	340,092	289,376	271,119	112,006	32,542	155,530	290,306	117,707	219,277
Total	100.0%	13,336,463	12,385,378	11,826,204	10,919,899	9,217,710	5,151,658	6,858,395	8,596,307	7,466,332	6,790,099

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville International Airport Passenger Airline Landed Weights (000's)

	% of Total	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Signatory Airline:											
Alaska Airlines	1.2%	183,726	196,514	164,433	110,669	100,654	93,408	104,358	129,001	99,354	55,390
Allegiant Air	2.1%	326,318	359,736	525,477	496,404	317,469	248,448	145,579	-	-	-
American Airlines	13.1%	2,018,720	1,931,802	1,908,020	1,779,567	1,693,950	945,038	1,356,238	1,549,447	1,415,662	1,352,169
Delta Air Lines Inc.	11.5%	1,769,029	1,695,158	1,525,552	1,461,428	1,260,848	871,462	1,147,250	1,427,507	1,287,034	1,148,263
Frontier Airlines	0.9%	136,864	118,907	135,636	172,070	118,797	82,863	130,207	166,271	140,496	8,784
JetBlue	1.2%	184,690	166,899	194,172	294,044	183,497	71,669	126,152	156,958	147,967	152,321
Southwest Airlines	56.3%	8,702,415	7,493,148	6,955,019	6,168,540	5,456,214	4,463,892	4,564,368	4,947,577	4,391,669	4,065,313
Spirit Airlines	2.3%	351,863	538,245	557,023	434,883	288,542	201,041	167,604	-	-	-
United Airlines	7.5%	1,154,811	1,077,060	1,045,775	992,581	813,331	442,277	707,738	859,945	683,646	614,443
Subtotal	95.9%	14,828,436	13,577,469	13,011,107	11,910,186	10,233,302	7,420,098	8,449,494	9,236,706	8,165,828	7,396,683
Non-signatory Airlines:											
Aer Lingus	0.2%	34,397	8,032	-	-	-	-	-	-	-	-
Air Canada	0.5%	79,885	51,391	5,635	29,226	9,204	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.3%	45,138	18,405	31,451	38,491	20,752	-	32,799	1,840	2,752	2,987
Air Georgian dba Air Canada	0.0%	-	-	-	-	-	-	8,997	48,594	47,422	47,610
British Airways	1.1%	171,105	153,590	132,510	128,525	25,200	-	85,225	101,865	15,960	-
Contour Airlines	0.1%	20,286	32,314	69,978	74,160	52,296	31,201	-	-	-	-
Frontier Airlines	0.0%	-	-	-	-	-	-	-	-	-	126,550
Icelandair	0.2%	22,422	7,346	-	-	-	-	-	-	-	-
Sun Country	0.6%	87,743	67,518	64,859	107,159	51,273	34,377	-	-	-	-
SkyWest	0.0%	6,580	7,379	5,311	-	-	-	-	-	-	-
WestJet/Encore	0.4%	61,191	78,882	54,478	34,373	19,363	405	-	-	-	-
All Others (includes charters)	0.6%	99,072	87,133	141,460	91,827	49,861	29,048	175,116	262,979	102,944	94,068
Subtotal	4.1%	627,819	511,990	505,682	503,761	227,949	95,031	302,137	415,278	169,078	271,215
Total Passenger Carrier Weight (000s)	100.0%	15,456,255	14,089,459	13,516,789	12,413,947	10,461,251	7,515,129	8,751,631	9,651,984	8,334,906	7,667,898
Cargo & misc. carrier weight (000s)		306,962	305,142	306,770	504,127	582,109	354,109	276,583	300,413	305,994	285,758
Total Weight All Aircraft (000s)		15,763,217	14,394,601	13,823,559	12,918,074	11,043,360	7,869,238	9,028,214	9,952,397	8,640,900	7,953,656
% Passenger Carrier Weight		98%	98%	98%	96%	95%	96%	97%	97%	96%	96%

Differences between total gross landed weight summarized here and carrier-specific activity are attributable to adjustments made during the year. Charter activity continues at BNA. However, much of the supporting services are reported by airlines with their scheduled operating activity.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Major Tenants at Nashville International Airport and John C. Tune Airport

Signatory Carriers:

Alaska Airlines
Allegiant Air
American Airlines
Delta Air Lines
Frontier Airlines
JetBlue
Southwest Airlines
United Airlines

Signatory Cargo Carriers:

Federal Express

Non-signatory Carriers:

Air Canada / Jazz Aviation
Air Canada Rouge
Avelo Airlines
Breeze Airways
British Airways
Commutair
Contour Airlines
Endeavor Air
Envoy
GoJet Airlines
Mesa Airlines
Republic Airways
SkyWest Airlines
Sun Country
Swift Air
VivaAerobus
WestJet
WestJet Encore

Non-signatory Cargo Carriers:

Air Transport Int'l.
Airborne Express
Amazon Prime
Atlas Air
DHL
Kalitta Air
Mountain Air Cargo
National Air Cargo

Fixed-base Operators:

Atlantic Aviation
Signature Flight Support

Private Hangar Rentals:

Hangar Lane LLC
Nashville Hangar
Owl Hill Holdings
SATA, Inc.
Sky Harbour
Skywest
The Martin Companies

Ground Handlers:

Airport Terminal Services (ATS)
Delta Global Services (DGS)
dnata
Dynair/Swissport
Fenix Logistix
Menzies Aviation
PrimeFlight Aviation
Trego Dugan
United Ground Express (GSE)

Other Airport Tenants:

121 @ BNA
Above and Beyond
Aircraft Services International
Airline Maint. Svcs
Embraer Aircraft Maintenance
Federal Aviation Administration
Metro Government of Nashville and Davidson County
Miller Transfer
Simino Electric
State of Tennessee
Swissport
TN Aeronautics Commission
TN Dept of Transportation
Transportation Security Administration
US Customs Border Patrol
US DEA
US Govt Weather Service

Other Terminal Tenants:

A&M Group
Air Ventures
ASG Nashville
Dalmation Creative Agency
Delaware North Companies Travel Hospitality Services
DNC BNA Partners
Fifth Third Bank
Fraport Tennessee
Heartland Hospitality
Hissho International dba Hissho Sushi
Host TRA Nashville FB III
Hudson-Nash-F&B JV dba Hudson Nonstop
InMotion BNA-C
In-Ter-Space Services dba Clear Channel Airports
Lily Palmer Floral Design
Minute Suites BNA
MRG Nashville
Music City Benchmark Concessions
Music City Retailers (Hudson)
Nash Nails MRG
Nashville Gourmet Brands BNA Group dba Green Beans Coffee
Newslink of Nashville LLC
NewZoom
Ole Red Nashville Airport dba Ole Red
Ole Red Nashville Airport dba The Opry Shop
Pyramids of Nashville, dba Pyramids Cafe
Ready Credit Corporation
Smarte Carte
Smokey Mountain Provisions (Hudson)
Stellar DCA SLA Nashville
Tennessee F&B
Time for a Shine
Transfare II LLC
Travelers Post USA LLC
Tricopian dba Fuel Rod
TRNA Nashville

Vehicle Parking:

ABM Parking
LAZ Parking

Rental Car:

Avis
Budget
Dollar
Enterprise
Hertz
Payless
Sixt
Thrifty
Vanguard (Alamo/National)

Ground Transportation:

Hotel Shuttles
Taxicab Companies
Limousine Companies
TNCs (Uber, Lyft)

Tenants at John C. Tune Airport:

Aero Management Group LLC
Contour Flight Support dba/Corporate Flight Management
Deez-Nuts LLC
HCA Healthcare
Helistar
JetRight Properties LLC
Lawrence Hangar LLC
Metropolitan Nashville Police Department
Mid America Jet
Plane Hangar
SF Aviation

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Staffing - Full-time Equivalents

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	168.0	182.0	164.0	114.0	107.0	91.0	109.0	100.0	89.5	87.5	89.5
Engineering & Maintenance	124.0	150.0	136.0	114.0	105.0	107.0	113.0	98.5	72.0	75.0	72.0
Operations, Safety, Security	160.0	142.0	130.0	114.0	107.0	108.0	110.0	112.5	134.0	126.5	125.5
Total Authority Full-time Equivalents	452.0	474.0	430.0	342.0	319.0	306.0	332.0	311.0	295.5	289.0	287.0

Nashville Metropolitan Statistical Area Average Unemployment Rate

<u>Year</u>	<u>Nashville MSA*</u>	<u>Tennessee</u>	<u>United States</u>
2026	3.2%	3.5%	4.2%
2025	3.7%	3.5%	4.1%
2024	3.0%	3.0%	4.1%
2023	3.0%	3.2%	3.6%
2022	3.4%	3.3%	3.6%
2021	4.6%	4.9%	5.9%
2020	10.2%	9.6%	11.1%
2019	2.6%	3.4%	3.7%
2018	2.7%	3.5%	3.9%
2017	3.3%	4.2%	4.5%

Source: U.S Bureau of Labor Statistics (<http://data.bls.gov>)

Nashville-Davidson-Murfreesboro Metropolitan Statistical Area Population

<u>Year</u>	<u>Nashville MSA*</u>	<u>Tennessee</u>	<u>United States</u>
1970	699,144	3,923,687	203,211,926
1980	850,505	4,591,120	226,545,805
1990	985,026	4,877,185	248,709,873
2000	1,231,311	5,689,283	281,421,906
2010	1,589,934	6,346,105	308,745,538
2020	2,118,223	6,910,840	331,449,281

* The Nashville MSA consists of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties.

Metropolitan Nashville Airport Authority

Statistical Information

Nashville Area Top 25 Employers* (Ranked by Number of Local Employees)

2026	Staff	Employer	Headquarters	2025	Staff
1	43,000	Vanderbilt Medical Group	Nashville	1	31,995
2	27,651	State of Tennessee	Nashville	2	28,185
3	27,000	HCA Healthcare Inc.	Nashville	3	27,700
4	14,275	U.S. Government	Washington, DC	4	14,678
5	13,200	Amazon	Seattle, WA	5	13,200
6	11,250	Metropolitan Nashville Public Schools	Nashville	6	11,250
7	11,106	Metropolitan Government of Nashville and Davidson County	Nashville	7	11,072
8	10,128	Ascension Saint Thomas	Saint Louis, MO	8	10,069
9	9,289	Vanderbilt University	Nashville	9	9,289
10	8,400	Nissan Americas	Franklin	13	7,250
11	8,100	The Kroger Co.	Cincinnati, OH	10	8,100
12	7,936	Rutherford County Government and Board of Education	Murfreesboro	12	7,441
13	7,863	Williamson County Schools	Franklin	11	7,553
14	5,964	Sumner County Government and Public Schools	Gallatin	14	5,801
15	5,800	Clarksville - Montgomery County School System	Clarksville	15	5,800
16	4,979	Community Health Systems Inc.	Franklin	17	4,979
17	4,076	Western Express Inc.	Nashville	16	5,148
18	3,500	Fresh Hospitality	Nashville	19	3,500
19	3,246	Lifepoint Health	Brentwood	25	2,705
20	3,197	Cracker Barrel Old Country Store Inc.	Lebanon, TN	21	3,197
21	3,154	United Healthcare	Minnetonka, MN	18	3,540
22	3,115	Dollar General Corp.	Goodlettsville	22	3,115
23	3,000	National Healthcare Corp.	Murfreesboro	23	3,000
24	2,881	YMCA of Middle Tennessee Inc.	Nashville	24	2,755
25	2,769	City of Murfreesboro	Murfreesboro	32	2,388

*Ranked by number of Middle Tennessee employees as of July 3, 2026 publication.
Source: Nashville Business Journal

Middle Tennessee Largest 25 Public Companies**

2025	2024	Employer	Headquarters
1	1	HCA Healthcare Inc.	Nashville
2	2	Dollar General Corp.	Goodlettsville
3	3	Tractor Supply Co.	Brentwood
4	4	LKQ Corp.	Antioch
5	5	Community Health Systems Inc.	Franklin
6	6	Delek US Holdings Inc.	Brentwood
7	7	Ardent Health Inc.	Brentwood
8	6	Alliance Bernstein Holding	Nashville
9	9	Cracker Barrel Old Country Store Inc.	Lebanon
10	13	Kaiser Aluminum Corp.	Franklin
11	10	Acadia Healthcare	Franklin
12	12	Surgery Partners Inc.	Brentwood
13	11	Brookdale Senior Living Inc.	Brentwood
14	14	Louisiana-Pacific Corp.	Nashville
15	15	Ryman Hospitality Properties Inc.	Nashville
16	16	Genesco Inc.	Nashville
17	17	CoreCivic Inc.	Brentwood
18	19	Atmus Filtration Technologies Inc.	Nashville
19	20	National HealthCare Corp.	Murfreesboro
20	21	Healthcare Realty Trust Inc.	Nashville
21	22	Delek Logistics Partners	Brentwood
22	N/A	Holley Inc.	Nashville
23	23	FB Financial Corp.	Nashville
24	25	Shoals Technologies Group Inc.	Portland, TN
25	26	National Health Investors Inc.	Murfreesboro

**Ranked by 2025 revenue as of July 24, 2026 publication
Source: Nashville Business Journal

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

This section contains the following subsection:

Annual Disclosure Report

INTRODUCTION

This Continuing Disclosure Section (this "Report") has been prepared, and is being filed, by the Metropolitan Nashville Airport Authority (the "Authority") in connection with its annual continuing disclosure obligations for the Fiscal Year ended June 30, 2026, as an "obligated person" (as defined in Rule 15c2-12 of the Securities Exchange Commission (the "Rule") promulgated under the Securities and Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings relating to: (a) the Outstanding Senior Bonds (as defined herein) and (b) the Outstanding Subordinate Bonds (as defined herein). This Report reflects certain annual financial information and operating data of the Authority reported as of June 30, 2026, except where expressly indicated otherwise. Unless otherwise defined herein, capitalized terms used in this Report shall have the meanings set forth in: (a) Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the "Board") on August 15, 1991, as amended and supplemented from time to time (the "Senior Bond Resolution") (b) Resolution No. 2019-15 adopted by the Board on October 16, 2019 as amended and supplemented from time to time (the "Subordinate Bond Resolution") and (c) the final Official Statements relating to the Outstanding Senior Bonds and the Outstanding Subordinate Bonds, which are available on the Electronic Municipal Market Access ("EMMA®") website operated by the Municipal Securities Rulemaking Board, which can be accessed at <http://emma.msrb.org>, and using the Base CUSIP Number of 592190, as applicable. The Authority will file its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2026 (the "2026 ACFR," which includes this Report) as the "2026 Annual Filing" on EMMA®, which can be accessed at <http://emma.msrb.org>.

Miscellaneous; Forward-Looking Statements

The 2026 ACFR is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of the Authority's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy the Authority's debt in any jurisdiction. The matters discussed in the 2026 Annual Filing and all other documents issued by the Authority are for informational purposes only, and holders of the Authority's debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to the Authority's debt or in making an investment decision with respect to the Authority's existing debt or securities or any other debt or securities which may be offered by the Authority. Neither the 2026 ACFR nor anything in it shall form the basis of any contract or commitment. By the filing of the 2026 ACFR, the Authority makes no recommendations and is not giving any investment advice as to any of the Authority's debt or securities. In no event shall the Authority be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained herein and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of the Authority's debt or securities. The information contained in the 2026 ACFR, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained herein holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice.

Certain of the information in the 2026 ACFR has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed herein.

The 2026 ACFR may contain "forward-looking" statements that involve risks, uncertainties, and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward looking statements. Accordingly, the Authority cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of the Authority's expected operational or financial performance. All opinions, estimates, projections, forecasts, and valuations are preliminary, indicative and are subject to change without notice.

Metropolitan Nashville Airport Authority
Annual Disclosure Report

The information in the 2026 ACFR is current as of the dates set forth herein, as applicable, and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented herein and in the 2026 ACFR. The Authority has not undertaken any obligation to update any information in the 2026 Annual Filing. Any financial data and other information provided in the 2026 ACFR are not warranted as to completeness or accuracy and are subject to change without notice.

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SENIOR BONDS

Outstanding Senior Bonds

The following is the annual financial information and operating data required under the Authority's continuing disclosure undertakings with respect to the following Senior Bonds outstanding under the Senior Bond Resolution as of the date of this Report (the "Outstanding Senior Bonds"):

- (a) \$19,585,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2003B (Taxable) (the "Series 2003B Bonds");
- (b) \$94,525,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "Series 2022A Bonds"); and
- (c) \$501,560,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022B (AMT) ((the "Series 2022B Bonds"), and together with the Series 2022A Bonds, the "Series 2022 Bonds").
- (d) \$459,790,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2026A (Non-AMT) (the "Series 2026A Bonds"); and
- (e) \$661,815,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2026B (AMT) (the "Series 2026B Bonds"); and
- (f) \$65,950,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2026C (Non-AMT) (the "Series 2026C Bonds"); and
- (g) \$79,885,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2026D (AMT) ((the "Series 2026D Bonds"), and together with the Series 2026A, B, and C Bonds, the "Series 2026 Bonds").

Enplaned Passenger Market Share

In connection with the Authority's continuing disclosure undertaking relating to the Series 2003B Bonds (the "2003B Bonds Undertaking"), the Series 2022 Bonds (the "2022 Bonds Undertaking"), and the Series 2026 Bonds (the "2026 Bonds Undertaking"), the following table presents enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

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Metropolitan Nashville Airport Authority
Annual Disclosure Report

Nashville International Airport
Enplaned Passenger Market Share⁽¹⁾
Fiscal Years 2022 – 2026

	2022	% of Total	2023 ⁽⁴⁾	% of Total	2024	% of Total	2025	% of Total	2026	% of Total
Signatory Airlines:										
Alaska Airlines	102,762	1.1%	113,995	1.0%	156,015	1.3%	188,748	1.5%	175,377	1.3%
Allegiant Air	252,591	2.7%	407,726	3.7%	464,553	3.9%	337,838	2.7%	298,590	2.2%
American Airlines ⁽²⁾	1,471,530	16.0%	1,569,654	14.4%	1,677,822	14.2%	1,678,711	13.6%	1,717,473	12.9%
Delta Air Lines Inc.	1,105,082	12.0%	1,336,379	12.2%	1,409,111	11.9%	1,499,794	12.1%	1,523,060	11.4%
Frontier Airlines	118,912	1.3%	163,960	1.5%	123,100	1.0%	112,303	0.9%	125,206	0.9%
JetBlue	149,302	1.6%	228,078	2.1%	163,373	1.4%	154,510	1.2%	164,309	1.2%
Southwest Airlines	4,945,583	53.7%	5,575,049	51.1%	6,103,524	51.6%	6,646,369	53.7%	7,630,858	57.2%
Spirit Airlines	268,835	2.9%	417,971	3.8%	529,431	4.5%	488,094	3.9%	300,390	2.3%
United Airlines ⁽³⁾	691,107	7.5%	835,968	7.7%	909,899	7.7%	938,919	7.6%	996,253	7.5%
Subtotal	9,105,704	98.8%	10,648,780	97.5%	11,536,828	97.5%	12,045,286	97.2%	12,931,516	97.0%
Non-Signatory Airlines:										
Aer Lingus	-	0.0%	-	0.0%	-	0.0%	6,694	0.1%	26,601	0.2%
Air Canada	5,854	0.1%	50,396	0.5%	27,715	0.2%	72,143	0.6%	64,262	0.5%
Air Canada d/b/a Jazz Air	16,356	0.2%	7,807	0.1%	4,765	0.0%	15,770	0.1%	37,142	0.3%
British Airways	11,577	0.1%	55,208	0.5%	65,979	0.6%	76,406	0.6%	85,942	0.6%
Contour Airlines	20,091	0.2%	26,363	0.2%	22,889	0.2%	11,947	0.1%	7,357	0.1%
Icelandair	-	0.0%	-	0.0%	-	0.0%	5,998	0.0%	18,877	0.1%
Sun Country	25,007	0.3%	36,877	0.3%	45,661	0.4%	44,742	0.4%	42,864	0.3%
WestJet Airlines	16,487	0.2%	35,979	0.3%	54,747	0.5%	71,674	0.6%	50,445	0.4%
All Others (includes Charters)	16,634	0.2%	58,489	0.5%	67,620	0.6%	34,718	0.3%	71,457	0.5%
Subtotal	112,006	1.3%	271,119	2.4%	289,376	2.5%	340,092	2.8%	404,947	3.0%
Total	9,217,710	100%	10,919,899	100%	11,826,204	100%	12,385,378	100%	13,336,463	100%

⁽¹⁾ Numbers may not add up due to rounding.

⁽²⁾ American Affiliates.

⁽³⁾ United Affiliates.

⁽⁴⁾ FY23 enplanements were amended in FY24 due to an error found after the enplanements were published.

Source: The Metropolitan Nashville Airport Authority (2026 ACFR, 2025 ACFR, 2024 ACFR, 2023 ACFR, and 2022 ACFR).

Note: In the table entitled "Enplaned Passenger Market Share," the categorical descriptions of: (a) "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds.

Landed Weight

In connection with the 2003B Bonds Undertaking, the 2022 Bonds Undertaking, and the 2026 Bonds Undertaking, the following table presents landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight, and the percentage of passenger landed weight for the past five Fiscal Years with the associated market share for each Fiscal Year.

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Metropolitan Nashville Airport Authority
Annual Disclosure Report

Nashville International Airport
Passenger, Cargo, and Miscellaneous Landed Weight Market Share (in 000s)⁽¹⁾
Fiscal Years 2022 – 2026

	2022	% of Total	2023	% of Total	2024	% of Total	2025	% of Total	2026	% of Total
Signatory Airlines:										
Alaska Airlines	100,654	1.0%	110,669	0.9%	164,433	1.2%	196,514	1.4%	183,726	1.2%
Allegiant Airlines	317,469	3.0%	496,404	4.0%	525,477	3.9%	359,736	2.6%	326,318	2.1%
American Airlines ⁽²⁾	1,693,950	16.2%	1,779,567	14.3%	1,908,020	14.1%	1,931,802	13.7%	2,018,720	13.1%
Delta Air Lines Inc.	1,260,848	12.1%	1,461,428	11.8%	1,525,552	11.3%	1,695,158	12.0%	1,769,029	11.5%
Frontier Airlines	118,797	1.1%	172,070	1.4%	135,636	1.0%	118,907	0.8%	136,864	0.9%
JetBlue	183,497	1.8%	294,044	2.4%	194,172	1.4%	166,899	1.2%	184,690	1.2%
Southwest Airlines	5,456,214	52.2%	6,168,540	49.7%	6,955,019	51.5%	7,493,148	53.2%	8,702,415	56.3%
Spirit Airlines	288,542	2.8%	434,883	3.5%	557,023	4.1%	538,245	3.8%	351,863	2.3%
United Airlines ⁽³⁾	813,331	7.8%	992,581	8.0%	1,045,775	7.7%	1,077,060	7.6%	1,154,811	7.5%
Subtotal	10,233,302	98.0%	11,910,186	96.0%	13,011,107	96.2%	13,577,469	96.3%	14,828,436	95.9%
Non-Signatory Airlines:										
Aer Lingus	-	-	-	-	-	-	8,032	0.1%	34,397	0.2%
Air Canada	9,204	0.1%	29,226	0.2%	5,635	0.0%	54,116	0.4%	79,885	0.5%
Air Canada d/b/a Jazz Air	20,752	0.2%	38,491	0.3%	31,451	0.2%	51,391	0.4%	45,138	0.3%
Avelo Airlines	4,096	0.0%	26,752	0.2%	25,034	0.2%	37,744	0.3%	83,645	0.5%
British Airways	25,200	0.2%	128,525	1.0%	132,510	1.0%	153,590	1.1%	171,105	1.1%
Contour Airlines	52,296	0.5%	74,160	0.6%	69,978	0.5%	32,314	0.2%	20,286	0.1%
Icelandair	-	-	-	-	-	-	7,346	0.1%	22,422	0.2%
Sun Country	51,273	0.5%	107,159	0.9%	64,859	0.5%	67,518	0.5%	87,743	0.6%
SkyWest	-	-	-	-	5,311	0.0%	7,379	0.1%	6,580	0.0%
WestJet Airlines	19,363	0.2%	34,373	0.3%	54,478	0.4%	78,882	0.6%	61,191	0.4%
All Others (includes Charters)	45,765	0.4%	65,075	0.5%	116,426	0.9%	13,678	0.1%	15,427	0.1%
Subtotal	227,949	2.1%	503,761	4.0%	505,682	3.7%	511,990	3.8%	627,819	3.9%
Total Passenger Carrier Weight (000s)	10,461,251	100%	12,413,947	100%	13,516,789	100%	14,089,459	100%	15,456,255	100%
Cargo & Misc. Carrier Weight (000s)	582,109		504,127		306,770		305,142		306,962	
Total Weight All Aircrafts (000s)	11,043,360		12,918,074		13,823,559		14,394,601		15,763,217	
% Passenger Carrier Weight	95%		96%		98%		98%		98%	

⁽¹⁾ Numbers may not add up due to rounding.

⁽²⁾ American Affiliates.

⁽³⁾ United Affiliates.

Source: The Metropolitan Nashville Airport Authority (2026 ACFR, 2025 ACFR, 2024 ACFR, 2023 ACFR, and 2022 ACFR).

Note: The table entitled "Passenger, Cargo, and Miscellaneous Landed Weight" was entitled "Airline Landed Weights" in the final official statement relating to the Series 2003B Bonds. In addition, the categorical descriptions of "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds.

Metropolitan Nashville Airport Authority
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Aircraft Activity

Average Daily Scheduled Arrivals and Departures. In connection with the 2003B Bonds Undertaking, the following table presents average daily scheduled arrivals and departures at the Airport by Signatory Airlines and Non-Signatory Airlines based on a typical business day during June of each of the past five Fiscal Years with the associated market share for each Fiscal Year.

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Metropolitan Nashville Airport Authority
Annual Disclosure Report

Nashville International Airport
Average Daily Scheduled Arrivals and Departures⁽¹⁾⁽²⁾
Fiscal Years 2022 to 2026 (June data)

Signatory Airlines	2022		2023		2024		2025		2026	
	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total
Alaska Airlines	4	0.8%	5	0.9%	8	1.3%	8	1.2%	8	1.1%
Allegiant	17	3.3%	22	3.9%	20	3.2%	21	3.1%	17	2.4%
American Airlines ⁽³⁾	84	16.1%	94	16.6%	102	16.3%	99	14.8%	102	14.5%
Delta Air Lines	60	11.5%	65	11.5%	79	12.7%	89	13.3%	89	12.7%
Frontier Airlines	4	0.8%	5	0.9%	5	0.8%	5	0.7%	5	0.7%
JetBlue Airways	13	2.5%	11	1.9%	8	1.3%	10	1.5%	10	1.4%
Southwest Airlines	242	46.3%	265	46.7%	302	48.4%	336	50.1%	384	54.6%
Spirit Airlines ⁽⁸⁾	15	2.9%	19	3.4%	26	4.2%	25	3.7%	-	-
United Airlines ⁽⁴⁾	52	9.9%	50	8.8%	48	7.7%	50	7.5%	54	7.7%
Subtotal	491	94.1%	536	94.6%	598	95.9%	643	95.9%	669	95.2%
Non-Signatory Airlines	2022		2023		2024		2025		2026	
	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total
Aer Lingus	-	-	-	-	-	-	1	0.1%	1	0.1%
Air Canada ⁽⁵⁾	5	1.0%	3	0.5%	3	0.5%	7	1.0%	7	1.0%
British Airways	2	0.4%	2	0.4%	2	0.3%	2	0.3%	2	0.3%
Cape Air	7	1.3%	7	1.2%	-	-	-	-	-	-
Contour Airlines	8	1.5%	9	1.6%	9	1.4%	2	0.3%	6	0.9%
Icelandair	-	-	-	-	-	-	1	0.1%	1	0.1%
WestJet Airlines ⁽⁶⁾	3	0.6%	3	0.5%	4	0.6%	6	0.9%	3	0.4%
All Others ⁽⁷⁾	7	1.3%	7	1.2%	8	1.3%	8	1.2%	14	2.0%
Subtotal	32	6.1%	31	5.4%	26	4.1%	27	3.9%	34	4.8%
TOTAL	523	100%	567	100%	624	100%	670	100%	703	100%

(1) Certain airlines, including Air Wisconsin, Mesa Airlines, Republic, and Various/Trans State Airlines are affiliates of various airlines and their flights are included with the flights for the main carrier.

(2) Numbers may not add up due to rounding.

(3) Includes flights for American Airlines affiliates, including American Eagle.

(4) Includes flights for United Airlines, including Continental Express (doing business as ExpressJet and United/Skywest).

(5) Includes flights for Air Canada affiliates, including Air Georgian (doing business as Air Canada) and Air Canada (doing business as Jazz Air).

(6) Includes flights for Westjet affiliates, including Westjet/Encore.

(7) Includes charters.

(8) Spirit Airline ceased all operations on May 2, 2026.

Source: The Metropolitan Nashville Airport Authority.

Note: In the table entitled "Average Daily Scheduled Arrivals and Departures," the categorical descriptions of "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Major Airlines" and "Regional Airlines," respectively, in the final official statement relating to the Series 2003B Bonds.

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Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2003B Bonds Undertaking, the 2022 Bond Undertaking, and the 2026 Bond Undertaking, the following table presents the Authority's schedule of revenues, expenditures, and change in net position for Fiscal Years 2022 through 2026 and reflects financial information for the Airport, the John C. Tune Airport (the "Reliever Airport"), and the MNAA Properties Corporation ("MPC"). MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues. As such, the following table should be read together with the Authority's financial statements, which presents the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC. See the 2026 Audited Financial Statements.

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Metropolitan Nashville Airport Authority
Annual Disclosure Report

Schedule of Revenues, Expenses and Change in Net Position⁽¹⁾⁽²⁾
Fiscal Years 2022 – 2026
(Unaudited)

	2022	2023	2024	2025	2026
Operating Revenues:					
Terminal building rental and fees	\$ 31,951,063	\$ 34,898,168	\$ 47,725,771	\$ 66,386,710	\$ 75,292,747
Landing and related fees	26,498,354	32,321,272	54,194,103	51,726,343	62,624,809
Parking	78,086,608	99,244,129	111,147,005	107,991,196	118,704,781
Car rental	20,451,716	24,495,923	25,502,274	26,355,596	25,954,465
Space rental	20,142,386	22,967,443	17,395,073	24,745,370	26,066,630
Concession	16,785,708	18,063,697	24,011,968	20,848,570	30,990,371
Ground transportation	10,987,529	14,960,927	16,911,757	18,176,625	23,203,847
Other	5,325,500	7,650,805	5,725,716	10,228,820	15,456,263
Total Operating Revenues	210,228,864	254,602,364	302,613,667	326,459,230	378,293,913
Operating Expenses:					
Salaries, wages and fringe benefits	37,663,363	39,212,410	49,830,121	51,756,371	60,766,232
Professional and other contractual services	22,550,510	26,009,193	29,165,587	41,786,237	35,005,039
Shuttle bus services	6,412,141	7,434,123	13,254,850	17,206,032	17,268,283
Janitorial services	8,782,457	11,856,848	15,826,096	15,791,577	16,095,639
Parking management	9,311,704	12,359,364	13,135,892	15,137,226	15,953,438
Utilities	7,002,019	8,640,221	8,779,086	11,249,251	12,274,319
Materials and supplies	4,857,791	6,631,337	9,431,679	8,679,362	9,503,251
Repairs and maintenance services	4,582,890	4,561,149	8,635,281	8,100,182	9,292,288
Insurance	2,148,338	3,481,751	5,318,692	5,198,729	5,170,443
Other	9,654,412	5,679,442	5,662,165	5,705,551	8,123,449
Total Operating Expenses	112,965,625	125,865,838	159,039,449	180,610,518	189,452,381
Provision for Depreciation	79,273,711	85,872,221	117,553,933	141,889,461	153,698,882
Nonoperating Revenues:					
Investment income (loss)	(4,756,436)	31,040,249	62,087,598	62,149,267	53,639,848
Passenger facility charges	35,678,032	41,531,943	44,734,128	46,775,211	50,377,639
Customer facility charges	12,939,489	15,494,211	17,283,641	25,801,636	37,003,520
Other nonoperating revenues (expenses)	28,345,443	39,271,115	39,194,429	14,551,134	4,044,782
Capital Contributions	29,762,836	58,983,376	33,822,954	34,469,692	24,132,943
Total Nonoperating Revenues	101,969,364	186,320,894	197,122,750	183,746,940	169,198,732
Nonoperating Expenses:					
Debt-related expenses	50,168,719	70,545,732	79,534,325	81,214,909	107,962,468
Other nonoperating expenses	(67,615)	-	-	-	-
Total Nonoperating Expenses	50,101,104	70,545,732	79,534,325	81,214,909	107,962,468
Increase in Net Position	69,857,788	158,639,467	143,608,710	106,491,282	96,378,914
Total Net Position – End of Year	\$ 898,427,490	\$ 1,057,066,957	\$ 1,200,675,667	\$ 1,307,166,949	\$ 1,403,545,863

(1) This table presents the Authority's revenues, expenses and change in net position in accordance with the presentation in the 2026 ACFR. Expenses and Change in Net Position presented in the Statistical Information sections (unaudited) of the Authority's Annual Comprehensive Financial Reports (the "Statistical Information Sections"). Specifically, certain other operating expenses, other nonoperating revenues, other nonoperating expenses, and capital contributions are presented differently, but there is no difference between the total net position in each Fiscal Year presented in this table and the Statistical Information Sections.

(2) This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2022 through 2026 and reflects financial information for the Airport, the Reliever Airport, and the MPC. **MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues.** As such, the following table should be read together with the Authority's financial statements, which present the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC.

Source: The Metropolitan Nashville Airport Authority (2026 ACFR, 2025 ACFR, 2024 ACFR, 2023 ACFR, and 2022 ACFR).

Note: The presentation of the table entitled "Schedule of Revenues, Expenses and Change in Net Position" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards.

Metropolitan Nashville Airport Authority

Annual Disclosure Report

Historical Debt Service Coverage

In connection with the 2003B Bonds Undertaking and the 2022 Bonds Undertaking, the following table presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for past five Fiscal Years.

Senior and Subordinate Debt Service Coverage⁽¹⁾⁽²⁾ Fiscal Years 2022 – 2026 (Unaudited)

	2022	2023	2024	2025	2026
Airport Revenues (Operating Revenues) ⁽³⁾	\$ 206,527,526	\$ 249,805,070	\$ 307,595,670	\$ 332,172,808	\$ 375,547,386
Add: Investment Income ⁽³⁾	2,358,569	12,061,178	26,428,966	31,871,605	37,056,468
Revenues Available for Debt Service	208,886,095	261,866,248	334,024,636	364,044,413	412,603,854
Less: Operating Expenses ⁽⁴⁾	(97,494,908)	(124,803,545)	(153,874,683)	(173,693,395)	(179,726,470)
Less: Relief Funds Applied to Operating Expenses ⁽⁴⁾	2,026,935	3,280,617	-	-	-
Net Revenues	\$113,418,122	\$140,343,320	\$180,149,953	\$190,351,018	\$232,877,384
Senior Debt Service					
Interest	\$ 9,619,735	\$ 11,564,563	\$ 23,455,438	\$ 34,603,513	\$ 49,170,852
Principal	5,080,000	5,320,000	5,570,000	5,835,000	11,430,000
Less: PFC Revenues Applied to Debt Service ⁽⁵⁾	(688,478)	(688,531)	(3,294,767)	(7,515,701)	(9,701,751)
Less: Relief Funds Applied to Debt Service ⁽⁴⁾	(7,865,937)	(8,308,528)	(16,301,878)	(938,871)	-
Total Senior Debt Service	\$ 6,145,320	\$ 7,887,504	\$ 9,428,793	\$ 31,983,941	\$ 50,899,101
Senior Debt Service Coverage	18.46x	17.79x	19.11x	5.95x	4.58x
Subordinate Debt Service					
Interest	\$ 27,295,973	\$ 27,870,419	\$ 41,569,800	\$ 44,354,250	\$ 43,810,125
Principal	-	-	-	10,885,000	11,435,000
Less: PFC Revenues Applied to Debt Service ⁽⁵⁾	-	-	(18,210,132)	(25,013,664)	(25,013,039)
Less: Relief Funds Applied to Debt Service ⁽⁴⁾	(15,172,652)	(15,675,036)	(16,067,164)	(4,615,932)	-
Total Subordinate Debt Service	\$ 12,123,321	\$ 12,195,383	\$ 7,292,504	\$ 25,609,654	\$ 30,232,086
Subordinate Debt Service Coverage	9.36x	11.51x	24.70x	7.43x	7.70x
Senior and Subordinate Debt Service Coverage	6.21x	6.99x	10.77x	3.31x	2.87x

- ⁽¹⁾ This table presents the debt service coverage for the Authority's outstanding Senior Bonds and Subordinate Bonds in accordance with the Senior Bond Resolution and the Subordinate Bond Resolution, respectively, and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Does not include amounts paid to Bank of America, N.A. pursuant to the Note Purchase Agreement.
- ⁽²⁾ The numbers for Fiscal Years 2022 through 2024 have been recalculated as compared to the Authority's prior publication of those numbers. The modification of the numbers was necessary to match how the rate covenant is required to be calculated under the Senior Bond Resolution and the Subordinate Bond Resolution.
- ⁽³⁾ Includes annual operating revenues and investment income derived from the Airport and Reliever Airport.
- ⁽⁴⁾ Includes annual operating expenses related to the Airport and the Reliever Airport. Relief funds include Coronavirus Aid, Relief, and Economic Security ("CARES"), Coronavirus Response and Relief Supplemental Appropriations ("CRRSA"), and American Rescue Plan Act ("ARPA") funds.
- ⁽⁵⁾ Includes amounts transferred from PFC Revenues to pay debt service on the Series 2015 Senior Bonds, the Series 2022 Senior Bonds, and the Series 2026 Senior Bonds.

Source: The Metropolitan Nashville Airport Authority.

Metropolitan Nashville Airport Authority Annual Disclosure Report

Airlines Serving the Airport

In connection with the 2022 Bonds Undertaking and the 2026 Bonds Undertaking, the following table presents the Airlines serving the Airport as of June 30, 2026:

Passenger Airlines			Cargo Carriers	
Signatory	Regional Affiliates ⁽¹⁾	Non-signatory ⁽⁷⁾	Signatory	Non-signatory
Alaska Airlines	Air Wisconsin ⁽³⁾	Aer Lingus	Federal Express	Air Transport Int'l
Allegiant Air	Commair ⁽³⁾	Air Canada / Jazz Aviation ⁽⁴⁾		Airborne Express
American Airlines	Endeavor Air ⁽²⁾	Air Canada Rouge ⁽⁴⁾		Amazon Prime
Delta Air Lines	Envoy ⁽⁴⁾	Air Georgian		Atlas Air
Frontier Airlines	Mesa Airlines ⁽³⁾	Avelo Airlines		Everts Air Alaska
JetBlue	Republic Airways ⁽⁵⁾	Breeze Airways		DHL
Southwest Airlines	SkyWest Airlines ⁽⁵⁾	British Airways ⁽⁴⁾		Kalitta Air
United Airlines		Contour Airlines		Mountain Air Cargo
		Icelandair		
		Porter Airlines		
		Sun Country		
		VivaAerobus ⁽⁴⁾		
		WestJet		
		WestJet Encore		

(1) Subject to the provisions of the Signatory Airline Agreements, certain Signatory Airlines have designated one or more regional airlines as an Affiliate (as defined in the Signatory Airline Agreements). As such, the Landing Fees, Terminal Rents (both as defined in the Signatory Airline Agreements) and other charges due on account of each Affiliate's use of Airport facilities or services are calculated as if the Affiliate were a Signatory Airline.

(2) Doing business as Delta Air Lines.

(3) Doing business as United Airlines.

(4) Foreign flag carrier.

(5) Doing business as American Airlines, Delta Air Lines and United Airlines.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2022 Bonds Undertaking and the 2026 Bonds Undertaking, the following table presents enplaned passengers, O&D enplaned passengers, year-over-year growth of enplaned passengers and O&D enplaned passengers, and percent of O&D enplaned passengers for the past ten Fiscal Years.

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Metropolitan Nashville Airport Authority
Annual Disclosure Report

Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2017 – 2026⁽²⁾

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth	O&D Enplaned Passengers⁽¹⁾	Year-Over-Year Growth	Percent of O&D Enplaned Passengers
2017	6,790,099	10.6%	5,617,042	11.4%	82.7%
2018	7,466,332	10.0%	6,154,523	9.6%	82.4%
2019	8,596,307	15.1%	6,953,983	13.0%	80.9%
2020 ⁽²⁾	6,858,395	-20.2%	5,914,305	-15.0%	86.2%
2021 ⁽²⁾	5,151,658	-24.9%	4,086,178	-30.9%	79.3%
2022	9,217,710	78.9%	7,812,956	91.2%	84.8%
2023	10,919,899	18.5%	9,257,487	18.5%	84.8%
2024	11,826,204	8.3%	9,864,265	6.6%	83.4%
2025	12,385,378	4.7%	9,978,656	1.2%	80.6%
2026	13,336,463	7.7%	10,063,197	0.8%	75.5%

⁽¹⁾ The Authority also receives O&D passenger data directly from the airlines that operate at the Airport, and that data may differ from the U.S. DOT data presented in this table.

⁽²⁾ As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on enplaned passengers and O&D enplaned passengers at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

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Subordinate Bonds

The following is the annual financial information and operation data required under the Authority's continuing disclosure undertaking with respect to the \$254,435,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT) and \$665,150,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019B (AMT) (the "2019 Subordinate Bonds Undertaking"). The Subordinate Series 2019 Bonds are the only Subordinate Bonds outstanding under the Subordinate Bond Resolution as of the date of this Report (the "Outstanding Subordinate Bonds").

Airlines Serving the Airport

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Airlines Serving the Airport" herein for the table presenting the Airlines serving the Airport as of June 30, 2026.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Traffic - Enplaned Passengers and O&D Enplaned Passengers" herein for the table presenting enplaned passengers, O&D enplaned passengers, year-over-year growth of enplaned passengers and O&D enplaned passengers, and percent of O&D enplaned passengers for the past ten Fiscal Years.

Enplaned Passenger Market Share

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Market Share" herein for the table presenting enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

Landed Weight

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Landed Weight" herein for the table presenting the landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight for the past five Fiscal Years with the associated market share for each Fiscal Year.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Schedule of Revenues, Expenses and Changes in Net Position" herein for the table presenting the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2022 through 2026.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Historical Debt Service Coverage" herein for a table presenting Senior Bonds and Subordinate Bonds debt service coverage for Fiscal Years 2022 through 2026.

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This section contains the following subsections:

Passenger Facility Charges

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

Independent Auditor's Report

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 19, 2026.

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 opinions 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 Authority'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*.

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 19, 2026

Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control Over Compliance Required by the *Passenger Facility Charge Audit Guide for Public Agencies* and 14 CFR 158.63

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Metropolitan Nashville Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide") that could have a direct and material effect on the Authority's passenger facility charge program for the year ended June 30, 2026. The Authority's passenger facility charge program is identified in the schedule of collections and expenditures of passenger facility charges.

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 passenger facility charge program for the year ended June 30, 2026.

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; and the audit requirements in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63. 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 passenger facility charge 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 passenger facility charge 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 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 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 a passenger facility charge 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 passenger facility charge 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 passenger facility charge 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.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

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.

Plante & Moreau, PLLC

October 19, 2026

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2026

	Amended Amount Approved	Cumulative Total June 30, 2025	Quarter Ended				Total FY 2026	Life-to-date Cumulative
			September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026		
COLLECTIONS:								
PFC Revenue Received	\$ 1,551,658,359	\$ 592,566,941	\$ 12,873,581	\$ 8,312,490	\$ 10,713,808	\$ 17,762,940	\$ 49,662,819	\$ 642,229,760
Interest Earned/Fees Incurred	N/A	45,104,930	2,205,669	2,396,904	2,106,629	2,233,572	8,942,774	54,047,704
Total Collections	\$ 1,551,658,359	\$ 637,671,871	\$ 15,079,250	\$ 10,709,394	\$ 12,820,437	\$ 19,996,512	\$ 58,605,593	\$ 696,277,464
EXPENDITURES (REFUNDS):								
APPLICATION 1:								
Taxiway C Extension	\$ 6,118,900	\$ 6,118,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,118,900
Land Acquisition for ASR (P, F, I - 2003 PFC)	6,806,412	6,806,412	-	-	-	-	-	6,806,412
Land Acquisition (P, F, I - 2003 PFC)	13,986,000	13,986,000	-	-	-	-	-	13,986,000
Runway 2C/20C Relocation	41,343,955	41,343,955	-	-	-	-	-	41,343,955
Runway 13/31 Extension	7,541,800	7,541,800	-	-	-	-	-	7,541,800
Runway 2C/20C Extension	8,840,000	8,840,000	-	-	-	-	-	8,840,000
Total	84,637,067	84,637,067	-	-	-	-	-	84,637,067
APPLICATION 2:								
Concourse Connector (P, F, I - 2003 PFC)	4,814,500	4,814,500	-	-	-	-	-	4,814,500
International Arrivals Building (P, F, I - 2003 PFC)	6,898,801	6,898,801	-	-	-	-	-	6,898,801
Total	11,713,301	11,713,301	-	-	-	-	-	11,713,301
APPLICATION 3 - MUFIDS								
Total	1,439,174	1,439,174	-	-	-	-	-	1,439,174
	1,439,174	1,439,174	-	-	-	-	-	1,439,174
APPLICATION 4 - Curbside Expansion								
Total	17,641,859	17,641,859	-	-	-	-	-	17,641,859
	17,641,859	17,641,859	-	-	-	-	-	17,641,859
APPLICATION 5:								
ARFF Facility Expansion	55,000	55,000	-	-	-	-	-	55,000
Moving Sidewalk, Concourse A	1,101,204	1,101,204	-	-	-	-	-	1,101,204
Outbound Baggage Conveyor System	1,495,482	1,495,482	-	-	-	-	-	1,495,482
Total	2,651,686	2,651,686	-	-	-	-	-	2,651,686
APPLICATION 6:								
Airfield Lighting Control Panel	443,438	443,438	-	-	-	-	-	443,438
Airport Operations Center Relocation	2,158,667	2,158,667	-	-	-	-	-	2,158,667
Runway Deicer Truck	228,300	228,300	-	-	-	-	-	228,300
SMGCS (2)	1,329,594	1,329,594	-	-	-	-	-	1,329,594
Total	4,159,999	4,159,999	-	-	-	-	-	4,159,999
APPLICATION 7 - Air Cargo Ramp								
Total	2,094,000	2,094,000	-	-	-	-	-	2,094,000
	2,094,000	2,094,000	-	-	-	-	-	2,094,000
APPLICATION 8:								
Air Cargo Ramp Expansion	846,000	846,000	-	-	-	-	-	846,000
Airfield Pavement Rehabilitation	1,249,012	1,249,012	-	-	-	-	-	1,249,012
Airport Master Plan	169,635	169,635	-	-	-	-	-	169,635
BIDS (3)	353,758	353,758	-	-	-	-	-	353,758
Terminal Access Roadway - Design	451,037	451,037	-	-	-	-	-	451,037
Radio Communication System	980,951	980,951	-	-	-	-	-	980,951
Terminal Apron Reconstruction	172,223	172,223	-	-	-	-	-	172,223
Update Noise Exposure Maps	106,272	106,272	-	-	-	-	-	106,272
Total	4,328,888	4,328,888	-	-	-	-	-	4,328,888

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2026

APPLICATION 9:

ARFF Vehicle	493,143	493,143	-	-	-	-	-	493,143
Airfield Hold Bar Modifications	420,391	420,391	-	-	-	-	-	420,391
Airfield Pavement Rehabilitation	1,763,421	1,763,421	-	-	-	-	-	1,763,421
Westside Infrastructure and Utility Development	677,004	677,004	-	-	-	-	-	677,004
Elevator on A Concourse	207,040	207,040	-	-	-	-	-	207,040
Live Scan Fingerprint Equipment	49,374	49,374	-	-	-	-	-	49,374
Total	3,610,373	3,610,373	-	-	-	-	-	3,610,373

APPLICATION 10:

1500 Gallon ARFF Vehicle	72,486	72,486	-	-	-	-	-	72,486
Airfield Pavement Rehabilitation - East	535,748	535,748	-	-	-	-	-	535,748
Airport Vehicle Driving Simulator	73,571	73,571	-	-	-	-	-	73,571
Land Acquisition RW Ext. Approach	468,000	468,000	-	-	-	-	-	468,000
Public Address System	789,116	789,116	-	-	-	-	-	789,116
Security Enhancements	378,750	378,750	-	-	-	-	-	378,750
Widen Three Taxiway Fillets	274,012	274,012	-	-	-	-	-	274,012
Total	2,591,683	2,591,683	-	-	-	-	-	2,591,683

APPLICATION 11:

Aircraft Rescue and Firefighting Equipment	345,529	345,529	-	-	-	-	-	345,529
Pavement Sweeper	99,643	99,643	-	-	-	-	-	99,643
Snow Removal Equipment	418,887	418,887	-	-	-	-	-	418,887
Runway 13/31 W of 2L/20R	220,765	220,765	-	-	-	-	-	220,765
Airfield Construction	18,935	18,935	-	-	-	-	-	18,935
Taxiway Kilo West and Lima Rehab	352,061	352,061	-	-	-	-	-	352,061
Taxiway Lima between T4 & T6	230,400	230,400	-	-	-	-	-	230,400
Reconstruction Taxiway Tango 6 at Terminal Ramp	188,894	188,894	-	-	-	-	-	188,894
Reconstruction Taxiway Tango 6 at Juliet	428,576	428,576	-	-	-	-	-	428,576
Reconstruction Taxiway Tango 6 at Terminal Ramp	844,829	844,829	-	-	-	-	-	844,829
Reconstruction Taxiway Tango 2	164,855	164,855	-	-	-	-	-	164,855
Rehabilitate Taxiway Alpha North	217,278	217,278	-	-	-	-	-	217,278
Shoulder Replacement Runway 2L-20R	593,673	593,673	-	-	-	-	-	593,673
Upgrade Trench Drain at De-Icing Area	14,673	14,673	-	-	-	-	-	14,673
Runway 2R20L & Taxiway H Add'l Work	798,122	798,122	-	-	-	-	-	798,122
Airfield Pavement Rehab (Ph. 1-5), Runway 2R/20L J & C Repair	2,160,724	2,160,724	-	-	-	-	-	2,160,724
Airfield Resigning	515,467	515,467	-	-	-	-	-	515,467
Engineering Study to Develop Land North of 13/31	36,000	36,000	-	-	-	-	-	36,000
Noise Mitigation (Principal)	24,065,949	24,065,949	-	-	-	-	-	24,065,949
Noise Mitigation (F&I)	30,381,472	22,435,287	-	-	-	-	-	22,435,287
Relocate Electrical Vault on Westside	501,004	501,004	-	-	-	-	-	501,004
Runway 2C/20C Extension Part B	4,646,757	4,646,757	-	-	-	-	-	4,646,757
Runway 2C/20C Extension Part B (F&I)	6,694,961	6,694,960	-	-	-	-	-	6,694,960
Storm Water Treatment Facility Engineering Study/Upgrade	100,055	100,055	-	-	-	-	-	100,055
Two Elevators in Terminal Building	691,166	691,166	-	-	-	-	-	691,166
Widen Taxiway Fillets at Taxiways L2, K2, T3, LIMA KILO	356,096	356,096	-	-	-	-	-	356,096
Total	75,086,771	67,140,585	-	-	-	-	-	67,140,585

Metropolitan Nashville Airport Authority
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APPLICATION 12:

Runway 13-31 Reconstruction	5,355,535	5,355,535	-	-	-	-	-	5,355,535
MUFIDS	2,672,278	2,672,278	-	-	-	-	-	2,672,278
Design of 2L-20R and 2R-20L Runway Safety Areas	146,767	146,767	-	-	-	-	-	146,767
ARFF Building Expansion	186,384	186,384	-	-	-	-	-	186,384
Ticketing Level Canopy Extension	501,250	501,250	-	-	-	-	-	501,250
Retaining Wall on Taxiways Juliet and Lima	65,421	65,421	-	-	-	-	-	65,421
Hangar Lane Access Improvements	151,583	151,583	-	-	-	-	-	151,583
General Aviation Master Plan	27,058	27,058	-	-	-	-	-	27,058
Loading Bridges (4)	309,527	309,527	-	-	-	-	-	309,527
Replace Oshkosh Snow Broom	40,620	40,620	-	-	-	-	-	40,620
Master Drainage Plan/Deicing Runoff Plan	277,567	277,567	-	-	-	-	-	277,567
Lighting Upgrade on Airfield 2L & 13/31	122,635	122,635	-	-	-	-	-	122,635
Surface Sweeper	154,844	154,844	-	-	-	-	-	154,844
Exhibit A Property Map	20,011	20,011	-	-	-	-	-	20,011
Airport Rotating Beacon	8,892	8,892	-	-	-	-	-	8,892
Lightning Protection for Apron Lights	5,158	5,158	-	-	-	-	-	5,158
Total	10,045,530	10,045,530	-	-	-	-	-	10,045,530

APPLICATION 13:

Security Checkpoint - Design & Construction	3,300,000	3,300,000	-	-	-	-	-	3,300,000
Terminal Renovation - Not to Exceed Eligible Portion of Phase I	10,000,000	10,000,000	-	-	-	-	-	10,000,000
Reconstruct Taxiway Bravo South Design	22,853	22,853	-	-	-	-	-	22,853
Reconstruct Taxiway Alpha South Design	76,000	76,000	-	-	-	-	-	76,000
Outbound Baggage Conveyor System Design & Construction	417,838	417,838	-	-	-	-	-	417,838
Access Control System Replacement	729,755	729,755	-	-	-	-	-	729,755
Construct 2L-20R Runway Safety Area	407,240	407,240	-	-	-	-	-	407,240
Pavement Management and Modification of Standards Identification Study	51,390	51,390	-	-	-	-	-	51,390
Runway Weather Information System (RWIS)	6,915	6,915	-	-	-	-	-	6,915
Construct 2R-20L Runway Safety Area	472,899	472,899	-	-	-	-	-	472,899
Aircraft Flight Track Monitoring System	120,376	120,376	-	-	-	-	-	120,376
Total	15,605,266	15,605,266	-	-	-	-	-	15,605,266

APPLICATION 14:

In-Line EDS	6,340,079	6,340,079	-	-	-	-	-	6,340,079
In-Line EDS Financing	174,919	174,919	-	-	-	-	-	174,919
Reconstruct Taxiway Bravo South Construction	244,994	244,994	-	-	-	-	-	244,994
Rehabilitate FIS Facility	476,141	476,141	-	-	-	-	-	476,141
Reconstruct Taxiway Alpha South Construction	223,718	223,718	-	-	-	-	-	223,718
Terminal Renovations Phase II 2009A Bond	31,483,696	31,483,696	-	-	-	-	-	31,483,696
Terminal Renovations Phase II 2009A Bond Financing	10,640,404	10,640,404	-	-	-	-	-	10,640,404
Westside Spill Gates	15,931	15,931	-	-	-	-	-	15,931
TARI Phase I - Road & Bridge Work	11,815,394	11,815,394	-	-	-	-	-	11,815,394
Total	61,415,276	61,415,276	-	-	-	-	-	61,415,276

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
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APPLICATION 15:

Reconstruct Runway 2L-20R	4,010,198	4,010,198	-	-	-	-	-	4,010,198
Reconstruct Runway 2L-20R Financing	2,752	2,752	-	-	-	-	-	2,752
Sprinkler System in Utility Tunnels	106,299	106,299	-	-	-	-	-	106,299
Terminal Roof Replacement	173,447	173,447	-	-	-	-	-	173,447
Total	4,292,696	4,292,696	-	-	-	-	-	4,292,696

APPLICATION 16:

Upgrade Security Camera System	187,500	187,500	-	-	-	-	-	187,500
Airport Master Plan Update	1,472,042	1,472,042	-	-	-	-	-	1,472,042
Upgrade Stormwater Treatment Plant	120,000	120,000	-	-	-	-	-	120,000
Reconstruct Taxiways T4 & Sierra	3,226,155	3,226,155	-	-	-	-	-	3,226,155
Total	5,005,697	5,005,697	-	-	-	-	-	5,005,697

APPLICATION 17:

Reconstruct Taxiway Kilo	2,569,517	2,569,517	-	-	-	-	-	2,569,517
LED Taxiway Lighting Upgrade 2L	-	-	-	-	-	-	-	-
PCI Airfield Inspection	48,483	48,483	-	-	-	-	-	48,483
Total	2,618,000	2,618,000	-	-	-	-	-	2,618,000

APPLICATION 18:

Outbound Baggage and Check-in Counter Replacement	346,626	346,626	-	-	-	-	-	346,626
Reconstruct Taxiways B & T3	1,175,207	1,175,207	-	-	-	-	-	1,175,207
Total	1,521,833	1,521,833	-	-	-	-	-	1,521,833

APPLICATION 19:

Improve Stormwater Collection & Treatment System	945,499	945,499	-	-	-	-	-	945,499
Reconstruct Runway 13-31 West	3,479,416	3,479,416	-	-	-	-	-	3,479,416
Total	4,424,915	4,424,915	-	-	-	-	-	4,424,915

APPLICATION 20:

Reconstruct Taxiway Lima and Juliet East	1,882,125	1,882,125	-	-	-	-	-	1,882,125
Reconstruct Taxiway T3	1,407,796	1,407,796	-	-	-	-	-	1,407,796
Total	3,289,921	3,289,921	-	-	-	-	-	3,289,921

APPLICATION 21:

Reconstruct Taxiway Sierra-PayGo	2,225,000	2,225,000	-	-	-	-	-	2,225,000
Reconstruct Taxiway Sierra-Bond	4,375,000	-	-	-	-	-	-	-
Reconstruct Taxiway Sierra-Financing	3,500,000	1,866,353	57,621	57,621	76,310	30,456	222,008	2,088,361
AOA Fence Line Perimeter Road	1,270,000	826,861	-	-	-	-	-	826,861
Terminal Generator Replacement	925,000	831,835	-	-	-	-	-	831,835
Switchgear Replacment, Ph IV	2,835,000	1,297,785	-	-	-	-	-	1,297,785
Terminal Remote Group Check-in	500,000	10,680	-	-	-	-	-	10,680
AHU & IAB HVAC Replacement	737,000	691,224	-	-	-	-	-	691,224
Concourse Curtain Wall Replacement	900,000	44,837	-	-	-	-	-	44,837
Total	17,267,000	7,794,575	57,621	57,621	76,310	30,456	222,008	8,016,583

APPLICATION 22:

Reconstruct Taxiway Bravo/Taxiway Lima Intersection-Pay Go	4,900,000	3,763,074	-	-	-	-	-	3,763,074
Rehabilitate Taxiway Lima (2L to L2) including the Lima/Alpha Intersection-Pay Go	6,850,000	5,331,763	-	-	-	-	-	5,331,763
Replace Stormwater Pipe-Pay Go	1,000,000	1,000,000	-	-	-	-	-	1,000,000
Rehabilitate Taxiway Lima (T-4 to 2L)-Pay Go	5,730,663	1,159,634	-	-	-	-	-	1,159,634
Reconstruct Taxiway Alpha South-Pay Go	13,100,000	10,964,362	-	-	-	-	-	10,964,362
Passenger Terminal Improvements, Phase 2-Jet Bridges-Pay Go	23,980,000	23,825,389	-	-	-	-	-	23,825,389

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2026

Passenger Terminal Improvements, Phase 2-Jet Bridges-Bond	8,420,000	-	-	-	-	-	-	-
Passenger Terminal Improvements, Phase 2-Jet Bridges-Financing	7,465,838	5,208,224	246,555	246,555	358,182	168,708	1,020,000	6,228,224
Passenger Terminal Improvements, Phase 2-Two additional elevators in terminal-Pay Go	1,000,000	865,044	-	-	-	-	-	865,044
Passenger Terminal Improvements, Phase 2-Concourse FIDS & PA/Visual Paging-Pay Go	4,760,000	3,992,295	-	-	-	-	-	3,992,295
Total	77,206,501	56,109,785	246,555	246,555	358,182	168,708	1,020,000	57,129,785
APPLICATION 23:								
Terminal Expansion and Rehabilitation Bond Capital	494,830,515	-	-	-	-	-	-	-
Terminal Expansion and Rehabilitation Financing and Interest	644,180,408	49,075,093	7,509,411	7,509,411	7,509,411	7,509,412	30,037,645	79,112,738
Total	1,139,010,923	49,075,093	7,509,411	7,509,411	7,509,411	7,509,412	30,037,645	79,112,738
APPLICATION 24:								
Terminal Access Road Improvement Bond Capital	51,818,494	-	-	-	-	-	-	-
Terminal Access Road Improvement Financing and Interest	56,538,828	2,526,284	858,783	858,783	858,783	858,786	3,435,135	5,961,419
Total	108,357,322	2,526,284	858,783	858,783	858,783	858,786	3,435,135	5,961,419
Total Expenditures, net	\$ 1,660,015,681	425,733,486	8,672,370	8,672,370	8,802,686	8,567,362	34,714,788	\$ 460,448,274

Metropolitan Nashville Airport Authority
Notes to Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2026

The Schedules of Collections and Expenditures of Passenger Facility Charges presents the activity of the Passenger Facility Charge (PFC) program of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee. The information in the schedules is presented under the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration ("FAA"), and the requirements in 14 CFR 158.63.

PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA.

2. Basis of Accounting

The accompanying Schedules of Collections and Expenditures of Passenger Facility Charges are presented using the cash basis of accounting.

3. Contingency

The Authority's PFC program is subject to review by the FAA. If any expenditures are disallowed as a result of such review, the Authority would be required to reimburse the PFC program. In the opinion of management, all PFC expenditures have been made in compliance with the rules and regulations of the PFC program.

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FRONT/BACK COVER PHOTOS: Larry McCormack

ABOVE: Aer Lingus arrives at BNA® for its inaugural nonstop flight bridging Music City and the Emerald Isle

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