

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 AND 2022

**LITTLE ROCK MUNICIPAL AIRPORT COMMISSION**

A COMPONENT UNIT OF THE CITY OF LITTLE ROCK, ARKANSAS



**CLINTON**  
NATIONAL AIRPORT





BILL AND HILLARY  
**CLINTON**  
NATIONAL AIRPORT

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BILL AND HILLARY CLINTON NATIONAL AIRPORT  
A COMPONENT UNIT OF THE CITY OF LITTLE ROCK, ARKANSAS

**FOR THE FISCAL YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

*Prepared by:*

Bill and Hillary Clinton National Airport Finance Department

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# INTRODUCTORY SECTION



BILL AND HILLARY  
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NATIONAL AIRPORT

## **INTRODUCTORY SECTION CONTENTS:**

State Airport Locations and LIT Service Area

Little Rock Municipal Airport Commission

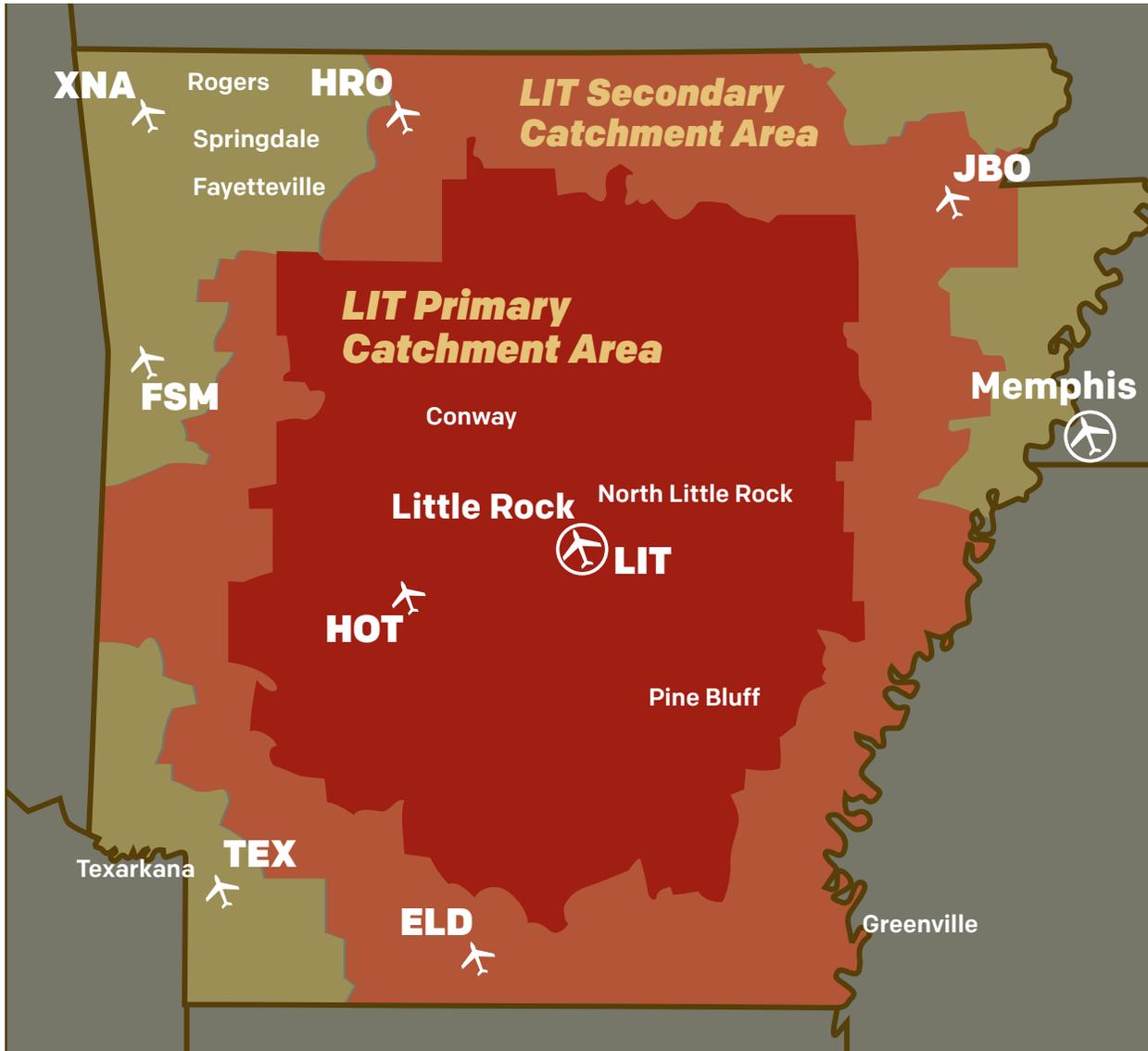
Organizational Structure

Airport Executive Leadership

Letter of Transmittal to the Airport Commission

Certificate of Achievement for Excellence in Financial Reporting

# STATE AIRPORT LOCATIONS AND LIT SERVICE AREA



# LITTLE ROCK MUNICIPAL AIRPORT COMMISSION



**BILL WALKER**  
Chair



**PATRICK SCHUECK**  
Vice Chair / Treasurer



**TIFFANY MAYS O'GUINN**  
Secretary



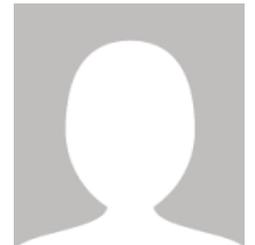
**JOHN RUTLEDGE**  
Commissioner



**JILL FLOYD**  
Commissioner

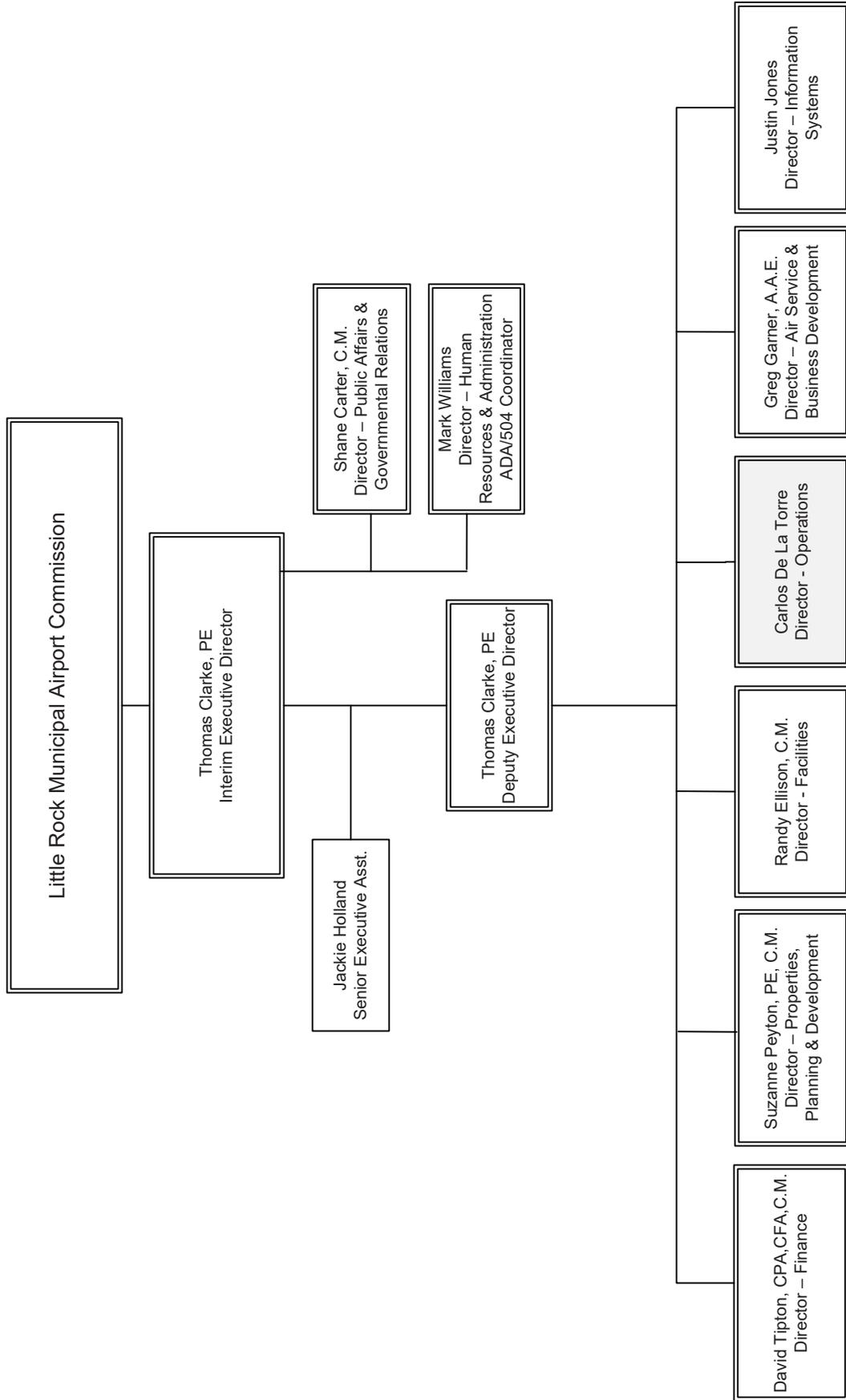


**HAROLD BETTON**  
Commissioner



**VACANT**  
Commissioner

Bill & Hillary Clinton National Airport Administration



## AIRPORT EXECUTIVE LEADERSHIP



**THOMAS CLARKE, P.E.**  
Interim Executive Director/  
Deputy Executive Director



**DAVID TIPTON, C.P.A., C.M.**  
Director – Finance / CFO



**SHANE CARTER, C.M.**  
Director – Public Affairs and  
Governmental Relations



**MARK WILLIAMS**  
Director – Human Resources  
and Administration



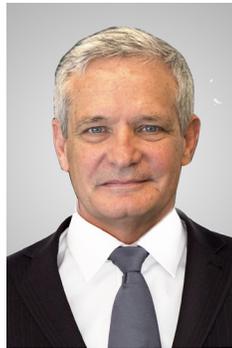
**RANDY ELLISON, C.M.**  
Director – Facilities



**SUZANNE PEYTON, P.E., C.M.**  
Director – Properties, Planning &  
Development



**CARLOS DE LA TORRE**  
Director – Operations



**GREG GARNER, A.A.E.**  
Director – Air Service &  
Business Development



**JUSTIN JONES**  
Director – Information Systems



Thomas W. Clarke, P.E., C.M.  
Interim Executive Director

June 21, 2024

Little Rock Municipal Airport Commission and the Public  
Little Rock, Arkansas

We are pleased to submit the Annual Comprehensive Financial Report for the Bill and Hillary Clinton National Airport (Airport or LIT) for the fiscal years ended December 31, 2023 and 2022. The Annual Comprehensive Financial Report, which was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), contains financial statements and statistical data that fully disclose all material financial operations of the Airport. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Airport management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the Airport. All disclosures necessary to enable the reader to gain an understanding of the Airport's financial activities have been included.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The Airport's MD&A can be found on Pages 26 through 42 of this report.

### Profile of the Government

The Airport operates as a self-sustaining component unit of the City of Little Rock, Arkansas. The Little Rock Municipal Airport Commission (Commission) was created by referendum in 1951. The Commission consists of seven members who are appointed by the City of Little Rock Board of Directors in accordance with state law. They are empowered to do all things necessary to manage, operate, improve, extend, and maintain the Airport, related properties and facilities, and to adopt such rules and regulations as deemed necessary. On May 3, 2013, the Commission officially changed the name of the Airport from the Little Rock National Airport to the Bill and Hillary Clinton National Airport.

As a business-type activity, the operation of the Airport depends on revenues received from airlines and other tenants serving the Airport. The airlines operate by permit under rates established by resolution and based on an airfield residual and terminal compensatory rate-setting methodology. The Federal Aviation Administration (FAA) regulates how airports set airline rates and charges and determine aeronautical revenues. The terminal rate to the airlines is based on cost and space used by the airlines. LIT's rate structure arrangement allows the Airport to retain revenues received from other Airport tenants and concessions and effectively manage capital

assets in a way that (1) promotes a self-sustaining financial structure and (2) provides a solid foundation for growing and improving the Airport infrastructure.

### Airport Facilities

The Bill and Hillary Clinton National Airport is the largest commercial airport in the state. LIT's primary air service area comprises four counties in the Little Rock area and attracts passengers from 62 counties statewide as well as passengers from neighboring states. It occupies over 2,200 acres of land, has two parallel commercial service runways and a third runway used primarily for general aviation operations. The Airport site, known originally as Adams Field, first opened in 1917 as the Little Rock Intermediate Air Depot, operated by the U.S. Army Signal Corps. Commercial airline services started in 1930, and the present terminal was originally constructed in 1972. The FAA classifies the Airport as a small air traffic hub. During fiscal year 2023, the Airport accommodated over 2 million commercial passengers.

Commercial service airlines currently operate from 12 gates and a recently expanded ticket lobby. The Airport offers a variety of automobile parking options at various price points. Covered parking is available for hourly or daily customers in a three-story parking garage containing 851 parking spaces, which is conveniently attached via an enclosed, air-conditioned pedestrian bridge to the terminal. Surface parking is available for daily and hourly customers using the terminal. Economy parking is also available with complimentary shuttle bus service to the terminal.

Rental cars are available from each of the major national rental car companies operating in the consolidated rental car area located on the first floor of the parking garage. General aviation customers are provided aircraft tie-down, hangar storage, fueling and associated services by Signature Aviation and Atlantic Aviation, both full-service, fixed-base operators located on the west side of the airfield.

### Economic Condition

Economic activity in the Little Rock region is directly linked to the production of goods and services in the rest of the United States. Airline travel and the movement of air cargo through LIT is directly related to the economic performance of the U.S., Arkansas, and the Little Rock metropolitan area economies.

### Population

Central Arkansas, also known as the Little Rock Metro (Metro) and designated by the United States Office of Management and Budget as the Little Rock-North Little Rock-Conway Metropolitan Statistical Area (MSA), is the most populous metro area in the state of Arkansas and the 66th-largest metropolitan statistical area in the United States. As presented in the tables on Page 90, the population for the Metro was 757,615 in 2023, according to the U.S. Department of Commerce, Bureau of Economic Analysis, and was concentrated primarily in Pulaski and Faulkner counties. This represents a 0.89% increase compared to 750,936 in 2022.

The Little Rock Metro per capita personal income at January 1, 2023 (\$55,848) was higher than the state average (\$52,618) but lower than the national average (\$65,470). Compared to the 2022 per capita personal income (\$53,158), Little Rock Metro per capita income for 2023 was 5.1% higher. As presented in the tables on Page 89 of this report, the pattern of per capita income growth in the Metro has generally mirrored the pattern of growth within the state, albeit at a slightly lower level, over the past decade.

### Unemployment Rate

For the Metro, the unemployment rate at January 1, 2023 was 3.00% compared to the 3.20% rate from the prior year. The Metro unemployment rate is lower than the state rate (3.30%) and the national rate (3.60%).

Based on Multiple Listing Service data, the median sales price for a home in Pulaski County was \$252,931 in December 2023. This is down 3.1% from the previous year.

**Major Employers**

The following table lists the top 10 private sector employers in Pulaski County. Included are five providers of medical services—Baptist Health, Arkansas Children’s Hospital, Central Arkansas Veterans Healthcare System, CHI St. Vincent Health System, and Arkansas Blue Cross Blue Shield. Many of the companies listed are involved in national and international operations which rely on airline travel.

<b>Company</b>	<b>Number of Employees</b>
Baptist Health	7,340
Arkansas Children's Hospital	4,370
Central Arkansas Veterans Healthcare System	4,000
CHI St. Vincent Health System	3,000
AT&T	2,615
Arkansas Blue Cross Blue Shield	2,610
Entergy Arkansas	2,580
Verizon Wireless	2,500
Dillard's Inc.	2,000
Union Pacific Railroad	2,000

**Tourism and Local Activities**

Visitors are attracted to the Metro by the State Capitol, the Clinton Presidential Center, and other historical attractions, as well as the natural amenities, recreational activities, sporting events, and cultural attractions in the area. According to the Little Rock Convention & Visitors Bureau 2023 Annual Report, visitor expenditures in Pulaski County were \$1.9 billion in 2022, a 16% increase over the 2022 expenditures.

**Business Growth**

Bill and Hillary Clinton National Airport is a large driver of economic activity for the state of Arkansas. According to the Arkansas Economic Development Commission, Arkansas systems and military airports support more than 42,400 jobs, directly and indirectly; generate \$1.5 billion in payroll; and produce \$3.5 billion in economic activity. Dassault Falcon Jet, an Airport tenant, is a major contributor to the economic growth of the Metro.

**Air Service**

An integral component of a region’s economic growth is the availability of accessible, affordable, and convenient air transportation service. The Airport, as the chief point of entry for many of Little Rock’s business, government, and leisure travelers, as well as some air cargo shipments, is well suited to meet these demands for economic activity. The Airport, centrally located in the state, is approximately three hours from the furthest border and is the true gateway for economic development.

### The Aviation Industry

Revenue generated at the Airport depends, in large part, upon the financial health of the aviation industry. In recent years, the economic condition of the commercial service industry has undergone significant changes, including mergers, acquisitions, and bankruptcies. Further, the industry remains sensitive to a variety of other factors, including (a) the cost and availability of fuel, aircraft, and insurance, (b) currency values, (c) competitive considerations, including airline ticket pricing, (d) traffic and capacity constraints, (e) governmental regulations, including security, taxes, and environmental requirements, (f) labor actions such as strikes and other union activities, and (g) disruptions due to airline incidents, criminal incidents, and acts of war or terrorism.

### Airport Passenger Traffic

Passenger traffic at the Airport is affected by Little Rock Metro's economic profile. For example, the amount and type of commerce in the region may affect the level of business travel to and from Little Rock; or the amount of per capita personal income in the Little Rock Metro area may affect the level of discretionary travel from the Airport. The global COVID-19 pandemic severely impacted passenger traffic at the Airport in 2020, but travelers began returning to the Airport in 2021. In 2023, the total number increased to over 2.2 million passengers, a 10.7% increase over 2022.

In addition, consolidation in the airline industry has allowed air carriers to reduce excess capacity in order to achieve higher load factors (passengers per aircraft), charge higher fares, and realize sustained profitability. Over recent years, the consolidations have limited competition among air carriers. At the end of 2023, only three major legacy carriers remain: American, United, and Delta. Together with Southwest, these four airlines dominate the U.S. market. Other smaller carriers, such as Alaska, Allegiant, Frontier, and Virgin America have begun to terminate operations in the small-hub airports, such as LIT, to compete for more profitable large-hub markets.

Beginning in 2015, passenger traffic increased when compared to the previous year. Passenger traffic continued to increase through 2019 but dropped off significantly in 2020 due to COVID-19. 2021 saw a return of leisure travelers at LIT, but business travel did not return at pre-COVID-19 levels. Passengers continued to return in 2023, and the Airport finished the year with 1,120,270 enplaned passengers, up 10.9% from 2022. Compared to 2019, 2023 enplaned passengers declined 0.4%.

### Major Initiatives and Development

The Commission's overall mission is to operate and develop first class, customer friendly, safe and secure airport facilities that serve as a gateway to the world from the Little Rock region. In order to fulfill this mission, LIT is committed to ensure ongoing and enhanced safety, security, and efficiency in the design and operation of the Airport; modernizing aeronautical facilities to improve passenger access; and investing to modernize airfields to meet federal regulatory requirements that will safely and efficiently accommodate the aircraft of today and the foreseeable future.

### Construction in Progress

Each year, Airport staff prepares a five-year Capital Improvement Plan (CIP). The CIP is reevaluated and modified annually to accommodate traffic activity, security needs, and other needs that could result in additions to or subtractions from the CIP, or changes in the timing of individual projects. Significant capital improvements undertaken during fiscal year 2023 included:

### *Taxiway Charlie Reconstruction Program*

The Taxiway Charlie Reconstruction Program is a multi-year, multi-phased construction program of airfield improvements consisting primarily of the relocation and extension of Taxiway Charlie. The new location of Taxiway Charlie will standardize the distances between Runway 4L/22R and the adjoining full-length taxiway in accordance with AC 150-5300-13A. The PCC pavement material will provide adequate load-bearing capability for large aircraft that may be accessing the west GA ramp and need to utilize Runway 22R. Changes to the layout of Taxiway Mike will allow for aircraft to exit or cross Runway 4L at perpendicular intersections, removing the acute-angle taxiway to the west side of Runway 4L/22R.

Construction on phase 1 of Taxiway Charlie began in October 2020 and was completed in August 2022. This phase replaced the acute angle Taxiway Bravo connection to Runway 4L/22R with new Taxiway Charlie down to Taxiway Delta. Additionally, Phase 1 removed the acute angle runway exits onto Delta and Golf and installed a new perpendicular connector Taxiway F4.

Construction on phase 2 of Taxiway Charlie began in the fall of 2022 and is on schedule to be completed in June 2024. Phase 2 will extend Taxiway Charlie northeast of Taxiway Bravo, eliminate the five-way taxiway intersection, and remove the acute angle runway exit onto Taxiway M, and remove the direct access from the FBO ramp to the runway at Taxiway Papa. Perpendicular connector Taxiways C2 and F3 will also be constructed.

Phase 3 of the reconstruction will begin in July 2024. Phase 3 will remove the direct ramp to the runway access from Taxiway Mike and the acute angle runway exit onto Taxiway Juliet. Standard taxiway shoulders will be constructed on the remaining existing Taxiway Charlie and Taxiway C1 and a new perpendicular connector Taxiway F2 will also be constructed. Taxiway Lima will be removed and reconstructed as Taxiway A6 in line with the future Taxiway Charlie that will extend to Runway 18-36.

The final phase of the Taxiway Charlie Reconstruction project will begin in 2026.

### *Central Utility Plant – Green Terminal Power Infrastructure Project*

The new Central Utility Plant (CUP) at LIT replaces end-of-life electrical and mechanical infrastructure currently housed in the terminal. The project is a green-energy, environmental sustainability project that makes significant changes in the types and amounts of energy use and significantly reduces the amount of greenhouse gas emissions from airport activities.

Construction of a 7,000 square foot Central Utility Plant (CUP) replaces 52-year-old infrastructure and allows future expansion to support passenger growth and ramp safety, market competition, ADA compliance, emission reduction, and increases energy efficiency and electrical capacity. The project promotes resiliency and safety and supports good paying jobs. Replacement of this aging infrastructure is critically important to improve the resiliency of airport operations.

The project will be completed in multiple phases. Pre-design for the project, to develop design standards, create cost estimates and phasing strategy, and investigate sustainability strategies, is currently underway. In 2023, the utilities were relocated to prepare the site for construction of the plant and the replacement of switchboards 1&2 in locations outside the area of the terminal where the existing mechanical room is located

and where the future terminal commons is planned. In 2024, the construction of the mechanical rooms and the installation of the switchboard equipment will be completed. Additionally, construction of the electrical generator yard will begin in 2024.

### *Terminal Curbside Canopy & Site Improvements*

The terminal curbside canopy & site improvements project includes improvements to the existing departures curbside area adjacent to the terminal. The anticipated improvements include a canopy structure along the curbside to facilitate passenger drop-off. The curbside canopy will be constructed along the drop off curb from a location parallel to the east side of the terminal building to the first entrance vestibule of the ticketing lobby. The canopy will be a steel structure set on foundation piers and will extend over 1.5 lanes of the entrance drive. Signage, lighting, public address and vehicle access control devices will be included in the construction of the canopy.

Conceptual design was completed in 2023, and construction is scheduled to begin in July 2024.

### Federal and State Grants

The FAA typically provides up to 90% reimbursement of eligible project costs through the Airport Improvement Program (AIP) for small hub airports. These grants are awarded as entitlement grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airport. Other discretionary grants are awarded on the basis of the FAA's determination of the priorities for projects at the Airport and at other airports nationwide.

For fiscal year 2023, the Airport drew \$6.2 million in FAA entitlement grants and \$5.1 million in FAA discretionary grants. A majority of these funds were drawn for Phases 1 and 2 of the Taxiway Charlie reconstruction project. Additionally, during 2023, the Airport drew \$8.9 million in COVID-19 relief grant funds.

The Arkansas Department of Aeronautics receives revenues derived from the sales tax paid on aircraft, aviation fuel, aviation-related products, parts and repairs or service, and as required by state law, distributes monies in the form of grants to the 91 public-owned/public use airports that are eligible for funding on a reimbursable, matching basis. During fiscal year 2023, the Airport received \$250 thousand in grants from the State of Arkansas.

### Passenger Facility Charges

Passenger Facility Charges (PFCs) are authorized by the FAA, imposed on enplaned passengers by airport operators, and are collected by airlines for the purpose of funding for airport projects that increase capacity, increase safety, enhance airline competition, or mitigate noise impacts.

In April 2020, the Airport received approval from the FAA for PFC Application 10 in the amount of \$24.8 million, increasing the Airport's authority to impose a PFC fee to \$136.3 million. The FAA estimates the charge expiration date for approved PFC applications to be July 2026. The Airport is preparing PFC Application Number 11 to submit to the FAA for approval in 2024.

During fiscal year 2023, the Airport collected \$4.5 million in PFC receipts, bringing the total PFC receipts and interest received since May 1, 1995 under the approved applications to \$126 million.

### Other Significant Activities

#### *Aircraft Rescue and Fire Fighting (ARFF) Vehicles*

**New ARFF Vehicles:** The airport has acquired three new custom Aircraft Rescue and Fire Fighting (ARFF) vehicles. The Oshkosh Strikers provide innovative fire suppression technology and advanced safety systems for reliable and effective emergency response. With the implementation of the trucks, Clinton National Airport became the first airport in Arkansas and the FAA's Southwest Region to transition away from Aqueous Film Forming Foam (AFFF), which contains Per- and Polyfluoroalkyl Substances (PFAS) chemicals, to MILSPEC Fluorine-Free Foam (F3), to reduce potential health and environmental impacts in accordance with federal guidance.



### Outlook for the Future

The recent economic recession and slow recovery along with the recent challenges in the aviation industry due to COVID-19 have impacted the Airport, resulting in reductions of daily flights being offered by the airlines serving our region. During fiscal year 2023 and future years, the Airport is dedicated to continuing development and expansion of airline service to existing and new locations.

A key goal will be to maintain the Commission's commitment to providing superior service to our customers while continuing to be a major economic engine and good neighbor to the surrounding community.

### Internal Control Framework

The Airport's internal control framework is designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; (2) execution of transactions in accordance with management's authorization; (3) reliability of financial records used in preparing financial statements and maintaining accountability for assets; (4) effectiveness and efficiency of operations; and (5) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived from it, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above structure. We believe that LIT's internal control framework adequately safeguards assets and provides assurance of proper recording of financial transactions.

### Budgetary Control

The annual operating budget is proposed by Airport management and adopted by the Commission in a public meeting before the beginning of each fiscal year. The level of budgetary control (the level at which expenditures may not exceed appropriations) is by commitment item. The commitment items are salaries and benefits, professional and contracted services, materials and supplies, utilities, marketing and public relations, other operating expenses, and capital purchases. The Airport has well-established policies and procedures in place that include multiple layers of review and approval for all expenditures. Budget to actual costs are typically vetted with the Finance Committee before being reviewed with the full Commission on a monthly basis.

### Independent Audit

Forvis Mazars, LLP, a firm of independent certified public accountants, has issued unmodified opinions on the Airport's financial statements for the years ended December 31, 2023 and 2022. The independent auditor's report on the fiscal year 2023 financial statements is included in the financial section of this report.

### Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airport for its Annual Comprehensive Financial Report for the year ended December 31, 2022 (see page 20). This was the ninth year the Airport received this prestigious award.

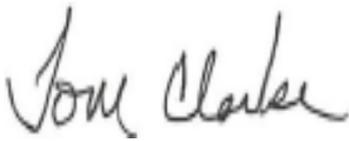
In order to be awarded a Certificate, a governmental unit must publish an easily readable and efficiently organized report, the contents of which conform to the program's standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

Publication of this Annual Comprehensive Financial Report is a reflection of the excellence and professionalism of LIT's entire staff. The dedicated service and efforts of the Finance Department made the preparation of this report possible. The assistance and contribution of other members of staff should also be acknowledged and is much appreciated.

Respectfully submitted,



Thomas W. Clarke  
Deputy Executive Director - Acting Director



David Tipton  
Director of Finance/CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Bill and Hillary Clinton National Airport  
Arkansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION



BILL AND HILLARY  
**CLINTON**  
NATIONAL AIRPORT

**FINANCIAL SECTION CONTENTS:**

Independent Auditor's Report

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements

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## Independent Auditor's Report

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Little Rock, Arkansas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and the fiduciary activities of the Little Rock Municipal Airport Commission, d/b/a Bill and Hillary Clinton National Airport (Airport), a component unit of the City of Little Rock, Arkansas, as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Airport as of December 31, 2023 and 2022 and the respective changes in financial position and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport

### **Supplementary Information**

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

### **Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or 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 June 21, 2024 on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Little Rock, Arkansas  
June 21, 2024

## Management's Discussion and Analysis (Unaudited) December 31, 2023

The Bill and Hillary Clinton National Airport (Airport or LIT) is an independent, fiscally self-sufficient component unit of the City of Little Rock, Arkansas (City). The Little Rock Municipal Airport Commission (Commission), appointed by the City Board of Directors, is responsible for the operations and reporting as prescribed by state legislation. As presented in the following pages, the Management's Discussion and Analysis (MD&A) is provided as an introduction to the basic financial statements of the Airport for the year ended December 31, 2023.

The MD&A has been prepared by Airport management and is offered as an analytical overview of the annual financial activity of the Airport and how it relates to the core mission of the Commission. In order to obtain a full understanding of the Airport's financial performance, the MD&A should be read and considered in conjunction with the basic financial statements, which begin on page 43 of this report.

### Basic Financial Statements

The Airport's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The Airport is structured as a single enterprise fund with revenues recognized when earned, not when received. Additionally, the Airport has fiduciary activities as discussed below. Expenses are recognized when incurred, not when paid. Capital assets are capitalized and depreciated over their useful lives. Please refer to the notes to the basic financial statements for a summary of the Airport's significant accounting policies.

The Airport's basic financial statements are designed to provide readers with a broad overview of its financial position and activities and include:

- The *Statements of Financial Position* present the net position of the Airport at the end of the fiscal year. Net position is the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of the Airport's financial position.
- The *Statements of Revenues, Expenses and Changes in Net Position* present information showing the change in the Airport's net position during the fiscal year. All changes in net position are reported when the underlying events occur, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded and reported in these statements for some items that will result in cash flows in future periods.
- The *Statements of Cash Flows* relate to the inflows and outflows of cash for each fiscal year. A reconciliation is provided at the bottom of the Statements of Cash Flows to assist in understanding the difference between cash flows from operating activities and operating income.
- The *Statements of Fiduciary Net Position* present the net position of certain employee benefit plans of the Airport at the end of the fiscal year. Fiduciary net position is the difference between total assets and total liabilities. Over time, increases or decreases in fiduciary net position may serve as a useful indicator of the Airport's fiduciary financial position. Since the resources of these funds are not available to support the Airport's programs, they are presented separately and not reflected in the Airport's Statements of Financial Position.

- The *Statements of Changes in Fiduciary Net Position* present information showing the change in the Airport’s fiduciary net position during the fiscal year. All changes in net position are reported when the underlying events occur, regardless of the timing of related cash flows. Thus, additions and deletions are recorded and reported in this statement for some items that will result in cash flows in future periods.

The *Notes to the Financial Statements* that follow the basic financial statements provide additional information for a more comprehensive assessment of the Airport’s financial condition.

### Passenger and Other Traffic Activity Highlights

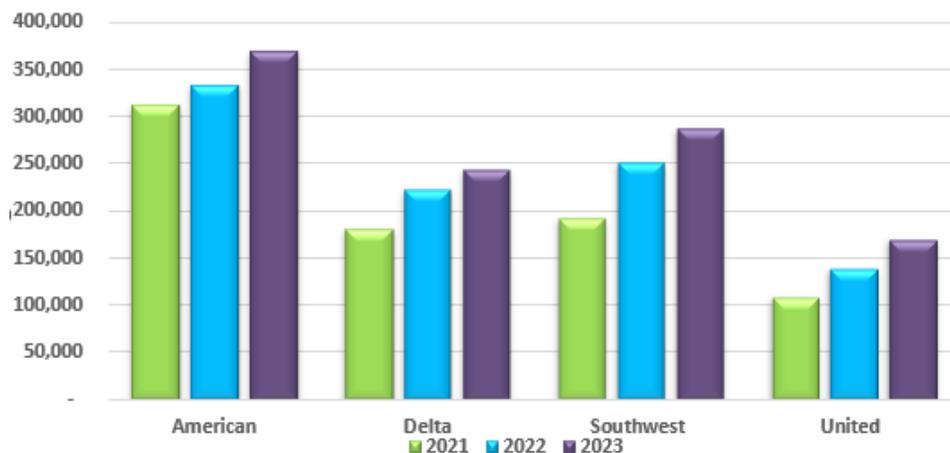
The following table highlights changes in LIT’s key operating statistics for the last three fiscal years:

Key Operating Information	2023	2022	2021
Total Passengers (in 000s)	2,237	2,021	1,695
Enplanements (in 000s)	1,120	1,010	850
Cost per Enplaned Passenger	\$ 11.71	\$ 11.45	\$ 12.20
Aircraft Operations	82,271	82,697	82,230
Landed Weights (in 1000s)	1,440,414	1,318,142	1,201,719
Air mail (lbs.)	-	-	1,650
Air Freight (lbs.)	17,512,807	20,663,164	20,614,804
Ground Rental (Acres)	232.0	232.0	232.0
Facility Leases (SF)	938,187	938,187	938,187

Source: Bureau of Transportation Statistics, T-100 Domestic Market and LIT management records

### Enplaned Passengers

The following chart presents the top four airlines at LIT by number of passenger enplanements for fiscal year 2023 and the comparative enplanements for fiscal years 2022 and 2021 .



Source: Monthly Airline Activity Reports

### Fiscal Year 2023

The FAA classifies the airport hub size based on the contribution of the Airport to the national air system. This is measured in terms of passenger enplanements. During fiscal year 2023, passenger traffic at LIT increased, with a reported 1,120,270 passenger enplanements compared to 1,010,426 for fiscal year 2022. The increase of 109,844, passengers, or 10.9%, was attributed to the continued recovery from the COVID-19 pandemic. Of the 1,120,270 passengers who departed from the Airport, American, Southwest, Delta, and United accounted for 96% of the market share.

### Fiscal Year 2022

Departing passengers (enplanements) play a prominent role in the Airport's financial operations. During fiscal year 2022, passenger enplanements increased by about 160,004, or 18.8%, compared to fiscal year 2021. The effects of the COVID-19 pandemic began to subside in 2021 and passenger traffic increased significantly that year.

### Air Service

The chart presents scheduled daily flights departing from LIT at December 31, 2023 and the comparative flights for fiscal years 2022 and 2021 .

Destination	2023	2022	2021
Atlanta, GA (ATL)	7.0	6.0	6.0
Charlotte, NC (CLT)	3.0	3.0	3.0
Chicago, IL (ORD)	6.0	5.0	4.0
Dallas, TX (DAL)	3.0	3.0	2.0
Dallas, TX (DFW)	7.0	7.0	7.0
Denver, CO (DEN)	4.4	3.4	4.4
Houston, TX (IAH)	3.0	4.0	3.0
Las Vegas, NV (LAS)	1.0	0.6	0.7
Miami, FL (MIA)	0.1	0.1	0.1
New York, NY (LGA)	2.0	1.0	-
Orlando, FL (MCO)	-	-	0.3
Orlando, FL (SFB)	0.3	0.3	0.3
Phoenix, AZ (PHX)	-	-	1.0
St. Louis, MO (STL)	2.0	2.0	1.0
St. Petersburg-Clearwater, FL (PIE)	-	-	0.3
Washington, DC (DCA)	1.0	1.0	1.0
<b>Total Daily Flights</b>	<b>39.8</b>	<b>36.4</b>	<b>34.1</b>

### Fiscal Year 2023

During 2023, air service increased slightly when compared to 2022 activity. There was a three flight increase in average daily flights. Additional service to LGA, ATL, ORD, and DEN contributed to the increase in daily flights. These were offset by the reduction in daily service to IAH.

### Fiscal Year 2022

During 2022, air service increased when compared to 2021 activity due to the COVID-19 pandemic. There was a two-flight increase in average daily flights. The most significant increases in daily flights were to ORD and DFW with other increases to ATL, DEN and DCA.

### Overview of LIT's Financial Statements

#### Financial Highlights, Fiscal Year 2023

- LIT's assets exceeded liabilities and deferred inflows of resources at December 31, 2023 by \$473.3 million.
- Operating revenue totaled \$40.2 million.
- Operating expenses (excluding depreciation) totaled \$25.9 million.
- Net operating revenue was \$14.3 million.
- Net nonoperating revenue was \$18.5 million.
- COVID relief grant revenue totaled \$8.9 million.
- Federal, state, and local capital grants totaled \$11.5 million.
- Net position increased by \$28.6 million.

#### Financial Highlights, Fiscal Year 2022

- LIT's assets exceeded liabilities and deferred inflows of resources at December 31, 2022 by \$444.6 million.
- Operating revenue totaled \$36.1 million.
- Operating expenses (excluding depreciation) totaled \$24.2 million.
- Net operating revenue was \$12.0 million.
- Net nonoperating revenue was \$11.6 million.
- COVID relief grant revenue totaled \$8.6 million.
- Federal, state, and local capital grants totaled \$9.5 million.
- Net position increased by \$15.6 million.

## Financial Section

### Net Position

Total net position serves over time as a useful indicator of the Airport's financial position. As shown in the table below, and in the basic financial statements, the net position of the Airport is represented as follows:

#### Net Position

	2023	2022	2021 *	FY23 vs. FY22 % Change	FY22 vs. FY21 % Change
<b>Assets</b>					
Cash	\$ 26,859,162	\$ 35,554,380	\$ 41,199,072	-24.5%	-13.7%
Restricted cash	11,463,011	10,474,060	12,540,627	9.4%	-16.5%
Accounts receivable, less allowance	1,478,706	1,243,130	1,332,261	19.0%	-6.7%
Other current assets	7,799,940	6,494,664	6,027,865	20.1%	7.7%
Investments and certificates of deposit	96,951,083	62,807,415	39,970,003	54.4%	57.1%
Capital assets, net	333,649,333	330,701,911	332,620,983	0.9%	-0.6%
Lease receivable-long term	46,360,862	48,408,418	-	-4.2%	-
Other noncurrent assets	3,380,160	3,448,957	464,702	-2.0%	642.2%
<b>Total assets</b>	<b>\$ 527,942,257</b>	<b>\$ 499,132,935</b>	<b>\$ 434,155,513</b>	<b>5.8%</b>	<b>15.0%</b>
<b>Liabilities and Deferred Inflows of Resources</b>					
Current liabilities	\$ 7,500,072	\$ 4,736,502	\$ 5,145,584	58.3%	-8.0%
Deferred inflows-leases	47,148,622	49,752,674	-	-5.2%	-
<b>Total liabilities and deferred inflows of resources</b>	<b>54,648,694</b>	<b>54,489,176</b>	<b>5,145,584</b>	<b>0.3%</b>	<b>959.0%</b>
<b>Net Position</b>					
Net investment in capital assets	330,437,070	329,265,199	330,795,684	0.4%	-0.5%
Restricted	11,970,113	10,947,871	13,005,329	9.3%	-15.8%
Unrestricted	130,886,380	104,430,689	85,208,916	25.3%	22.6%
<b>Total net position</b>	<b>473,293,563</b>	<b>444,643,759</b>	<b>429,009,929</b>	<b>6.4%</b>	<b>3.6%</b>
<b>Total liabilities and net position</b>	<b>\$ 527,942,257</b>	<b>\$ 499,132,935</b>	<b>\$ 434,155,513</b>	<b>5.8%</b>	<b>15.0%</b>

\* Note: Fiscal year 2021 amounts have not been restated for adoption of GASB 87.

### Net Position, Fiscal Year 2023

Total net position may serve as a useful indicator of the Airport's financial position. At the close of fiscal years 2023 and 2022, LIT's assets exceeded liabilities and deferred inflows of resources by \$473.3 million and \$444.6 million, respectively, representing a 6.4% increase, or \$28.6 million.

The largest portion of LIT's net position (\$330.4 million, or 69.8%) reflects its investment in capital assets less accumulated depreciation. These assets increased \$1.2 million (0.4%) when compared to the balance at the end of 2022 (\$329.3 million). The increase was due to additions to capital assets being slightly more than the depreciation expense in the current year. Capital asset additions are generally financed through grants from federal agencies, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and existing resources.

An additional portion of LIT's net position (\$12.0 million, or 2.5%) represents resources that are subject to various restrictions on how they are used. The Airport has two sources of restricted funds: PFC fund and Noise Land Fund. The balance in the PFC fund increased \$989 thousand during 2023. Collections in 2023 exceeded 2022 collections, and a portion of these funds were transferred to the unrestricted Operating fund to reimburse the Airport for historic costs that were incurred in prior years. Additionally, restricted funds also includes the Noise Land Fund, which was established in 2021 and has a balance of \$655,500.

Unrestricted net position increased by \$26.5 million, or 25.3%, from \$104.4 million at December 31, 2022 to \$130.9 million at December 31, 2023. As presented, current assets consist mainly of cash, certificates of deposit, and accounts receivable that are immediately available to meet any of the Airport's ongoing obligations.

### Net Position, Fiscal Year 2022

At the close of fiscal year 2022, LIT's assets exceeded liabilities by \$444.6 million, representing a 3.6% increase, or \$15.6 million, from the balance at the end of 2021.

The largest portion of LIT's net position (\$329.3 million, or 74.1%) reflects its investment in capital assets less accumulated depreciation. These assets decreased \$1.5 million (0.5%) when compared to the balance at the end of 2021 (\$330.8 million). The decrease was due to additions to capital assets were less than the depreciation expense for the year. Capital asset additions are generally financed through grants from federal agencies, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and existing resources.

An additional portion of LIT's net position (\$10.3 million, or 2.3%) represents resources that are subject to various restrictions on how they are used. Currently, the only restricted fund at the Airport is the PFC fund. The balance in the PFC fund decreased \$2.1 million during 2022 due to expenditures exceeding collections. These funds were transferred to the unrestricted Operating fund to reimburse the Airport for historic costs that were incurred in prior years.

In 2022, the Airport implemented Governmental Accounting Standards Board (GASB) Statement No. 87-*Leases*. This resulted in the recognition of a lease receivable long term (\$48.4 million) and deferred inflows leases (\$49.8 million).

Unrestricted net position increased by \$19.2 million, or 22.6%, from \$85.2 million at December 31, 2021 to \$104.4 million at December 31, 2022. As presented, current assets consist mainly of cash and accounts receivable that are immediately available to meet any of the Airport's ongoing obligations.

## Financial Section

### Change in Net Position Summary

A condensed summary of LIT's changes in net position for fiscal years ended 2023, 2022, and 2021 is presented below:

#### Changes in Net Position

	2023	2022	2021 *	FY23 vs. FY22 % Change	FY22 vs. FY21 % Change
Operating revenue	\$ 40,179,772	\$ 36,137,959	\$ 31,529,193	11.2%	14.6%
Less: operating expenses	25,922,068	24,151,863	22,673,797	7.3%	6.5%
Operating income before depreciation	14,257,704	11,986,096	8,855,396	19.0%	35.4%
Less: depreciation	21,181,883	20,958,716	20,376,862	1.1%	2.9%
Operating loss	(6,924,179)	(8,972,620)	(11,521,466)	-22.8%	-22.1%
Other nonoperating revenue, net	18,474,678	11,563,334	15,987,372	59.8%	-27.7%
Change in net position before capital contributions and grants	11,550,499	2,590,714	4,465,906	345.8%	-42.0%
Capital contributions and grants	17,099,305	13,043,116	14,183,086	31.1%	-8.0%
Change in net position	28,649,804	15,633,830	18,648,992	83.3%	-16.2%
Net position, beginning of year	444,643,759	429,009,929	410,360,937	3.6%	4.5%
Net position, end of year	\$ 473,293,563	\$ 444,643,759	\$ 429,009,929	6.4%	3.6%

\* Note: Fiscal year 2021 amounts have not been restated for adoption of GASB 87.

### Net Position Changes, Fiscal Year 2023

Operating revenue for 2023 of \$40.2 million increased \$4.0 million, or 11%, from the 2022 balance of \$36.1 million. Operating expenses increased by \$1.8 million to \$25.9 million. That is a 7.3% increase from the \$24.2 million total for 2022. With the increase in capital assets during 2023 referred to previously, depreciation for 2023 was \$21.2 million, or \$0.2 million more than the \$21.0 million in depreciation recorded in 2022. The 2023 loss from operations was \$6.9 million, which was \$2.0 million, or 22.8% less than the \$9.0 million loss from operations for 2022.

Other nonoperating revenue net was \$18.5 million in 2023 compared to \$11.6 million in 2022, an increase of \$6.9 million, or 59.8%. This increase is primarily a result of unrealized gains on investments. Capital contributions and grants for 2023 were \$17.1 million. This represents an increase of \$4.1 million, or 31.1%, from the \$13.0 million reported in 2022. This increase is primarily due to an increase in Airport Improvement Program grants. Net position at the end of 2023 was \$473.3 million. This was up \$28.6 million, or 6.4%, from the \$444.6 million balance at the end of 2022.

### Net Position Changes, Fiscal Year 2022

Operating revenue for 2022 of \$36.1 million increased \$4.6 million, or 14.6%, from the 2021 balance of \$31.5 million. Operating expenses increased by \$1.5 million to \$24.2 million. That is a 6.5% increase from the \$22.7 million total for 2021. With the increase in capital assets during 2022 referred to previously, depreciation for 2022 was \$21.0 million, or \$0.6 million more than the \$20.4 million in depreciation recorded in 2021. The 2022 loss from operations was \$9.0 million, which was \$2.5 million, or 22.1% less than the \$11.5 million loss from operations for 2021.

## Financial Section

Other nonoperating revenue net was \$11.6 million in 2022 compared to \$16.0 million in 2021, a decrease of \$4.4 million, or 27.7 %. Capital contributions and grants for 2022 were \$13.0 million. This represents a decrease of \$1.1 million, or 8 %, from the \$14.2 million reported in 2021. Net position at the end of 2022 was \$444.6 million. This was up \$18.6 million, or 3.6%, from the \$ 429.0 million balance at the end of 2021.

### Operating Revenues

LIT derives its operating revenues from several major airport business activities. The following table presents a summary of these business activities during fiscal years 2023, 2022 and 2021:

<b>Summary of Operating Revenues</b>					
	<b>2023</b>	<b>2022</b>	<b>2021 *</b>	<b>FY 2023 Incr (Decr)</b>	<b>FY 2022 Incr (Decr)</b>
<b>Operating Revenues</b>					
Airline revenues					
Airport landing and related fees	\$ 6,587,154	\$ 5,638,486	\$ 4,872,194	\$ 948,668	\$ 766,292
Terminal building rental and related fees	6,899,513	6,359,666	5,986,211	539,847	373,455
Facility use fees	266,800	247,920	232,110	18,880	15,810
Total airline revenues	13,753,467	12,246,072	11,090,515	1,507,395	1,155,557
Nonairline revenues					
Parking fees	11,622,119	10,191,390	7,605,045	1,430,729	2,586,345
Concession fees	593,690	1,110,980	908,557	(517,290)	202,423
Car rental operations	8,186,200	7,243,232	6,192,821	942,968	1,050,411
Facility and ground rentals	4,932,758	4,360,487	4,839,289	572,271	(478,802)
Other	1,091,538	985,798	892,966	105,740	92,832
Total nonairline revenues	26,426,305	23,891,887	20,438,678	2,534,418	3,453,209
Total operating revenues	<u>\$ 40,179,772</u>	<u>\$ 36,137,959</u>	<u>\$ 31,529,193</u>	<u>\$ 4,041,813</u>	<u>\$ 4,608,766</u>

\* Note: Fiscal year 2021 amounts have not been restated for adoption of GASB 87.

Airline revenues are a major category of operating revenues and includes rents, fees, and charges collected from the airlines that utilize the Airport facilities. LIT establishes rate setting methodologies according to best industry standards as described below.

Landing fees are calculated on a cost recovery methodology for the airfield area, which includes all runways, taxiways, associated navigational and operational aids, and other airside properties. Landing fee rates are set using budgeted expenses and estimates of landed weight. To maintain a competitive landing fee rate, LIT has historically applied a discretionary credit.

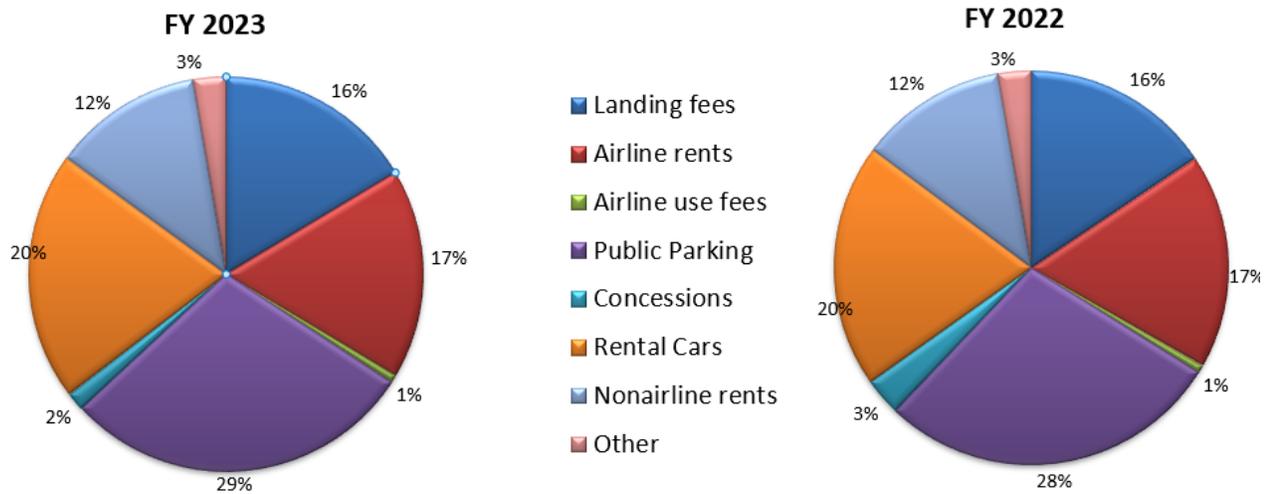
Landing fees are charged to passenger and cargo for commercial aircraft landings, as well as from the fixed-base operators for general aviation flights at the Airport.

Airline rents are established on a cost recovery methodology that includes both operating costs and capital purchases for the terminal area. The compensatory rate structure allows the Airport to transfer a pro-rata share of the terminal costs to the airlines based on usable space.

Airline use fees include charges imposed for the use of Airport-operated (common use) facilities including hold rooms, gates, and jet bridges. Additionally, this category includes ramp and remain overnight aircraft parking fees.

Operating Revenues, Fiscal Year 2023

The following charts illustrate the proportion of sources of operating revenues for fiscal years ended December 31, 2023 and 2022:



For fiscal year ended December 31, 2023, total operating revenues were \$40.2 million, a \$4.0 million, or 11.2%, increase from the prior fiscal year. The increase in airline revenue was \$1.5 million, while nonairline revenue had a net increase of \$2.5 million.

Airport landing fees totaled \$6.6 million in fiscal year 2023 compared to \$5.6 million reported in fiscal year 2022. Landing fee rates were \$4.26 per 1,000 pounds in 2022 and \$4.60 in 2023. Landed weights increased 12.3% from 2022 to 2023.

Airline rents posted an increase of \$540 thousand, or 8.5%. The Airport increased the rental rate of \$44.00 per square foot in 2022 to \$48.10 per square foot in 2023. The increase in airline rents was related to a slight increase in per turn gate use charges as well as a substantial decrease in incentives offered to airlines for new air service. Airline use fees increased \$19 thousand, or 7.6%, from 2022 to 2023 .

During fiscal year 2023, nonairline revenues increased \$2.5 million, or 10.6%, when compared to 2022. A majority of this increase came from parking fees and rental car operations.

Revenue from Public Parking increased from \$10.2 million in 2022 to \$11.6 million in 2023. This \$1.4 million, or 14.0%, increase reflects the increase in enplaned passengers during 2023. Rental car operations increased from \$7.2 million in 2022 to \$8.2 million in 2023. This \$0.9 million, or 13.0%, increase reflects the increase in enplaned passengers during 2023 along with an increase in the rates the rental car companies charged their customers. Concessions collected in the terminal for fiscal year 2023 reflected a 46.6% decrease, or \$517 thousand decrease, in revenues compared to fiscal year 2022. While concessions activities increased during

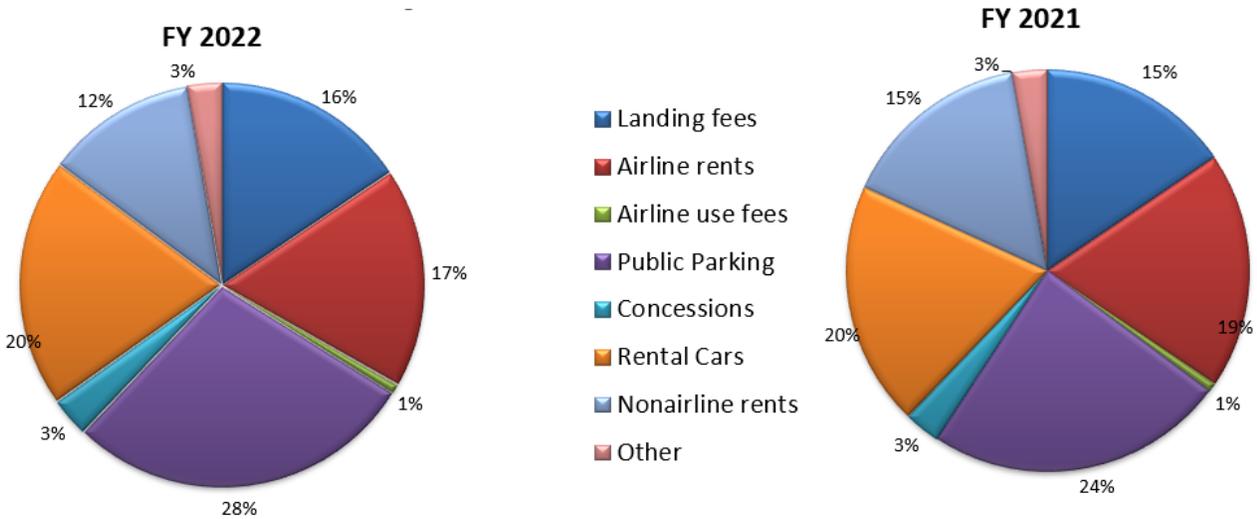
2023, the Airport issued CRRSA and ARPA relief to concessionaires. This COVID-19-related relief accounted for the decrease in concessions revenue in 2023.

Nonairline rents increased 13.1% during 2023 from \$4.4 million to \$4.9 million. This \$572.3 thousand increase was primarily related to CPI increases to agreements and an adjustment to Dassault Falcon Jet rent.

Other operating revenues for 2023 were \$1.1 million compared to \$986 thousand in 2022, an increase of \$106 thousand, or 10.7%. Increased revenue from General Aviation activity in 2023 accounted for a majority of this increase in other operating revenues.

**Operating Revenues, Fiscal Year 2022**

The following charts illustrate the proportion of sources of operating revenues for fiscal years ended December 31, 2022 and 2021:



For fiscal year ended December 31, 2022, total operating revenues were \$36.1 million, a \$4.6 million, or 14.6%, increase from the prior fiscal year. The increase in airline revenue was \$1.2 million. Nonairline revenue had a net increase of \$3.5 million.

Airport landing fees totaled \$5.6 million in fiscal year 2022 compared to \$4.9 million reported in fiscal year 2021. Landing fee rates remained \$4.26 per 1,000 pounds during 2022. Landed weight increased 10.6% from 2021 to 2022, as passenger traffic returned following the COVID-19 pandemic.

Airline rents posted an increase of \$373 thousand, or 6.2% in 2022. The rental rate remained \$44.00 per square foot in 2022. Airline use fees increased \$16 thousand, or 6.8%, from 2021 to 2022.

During fiscal year 2022, nonairline revenues increased \$3.5 million, or 16.9%, when compared to 2021. A majority of this increase came from parking fees and rental car operations.

Revenues from Public Parking increased from \$7.6 million in 2021 to \$10.2 million in 2022. This \$2.6 million, or 34%, increase reflects the increase in enplaned passengers during 2022. Concessions collected in the terminal for fiscal year 2022 reflected a 22%, or \$202 thousand, increase in revenues compared to fiscal year 2021. A majority of this increase is related to a growth in food and beverage revenues in the terminal following the COVID-19 pandemic.

## Financial Section

Rental car revenues totaling \$7.2 million in fiscal year 2022 were up \$1 million from the \$6.2 million collected in fiscal year 2021. This 17% increase is primarily related to an increase in enplaned passengers during 2022.

Nonairline rentals decreased 9.9% during 2022 from \$4.8 million to \$4.4 million. A majority of this \$479 thousand decrease was related to the implementation of GASB 87 in 2022 that decreased land rent for certain leases.

Other operating revenues for 2022 were \$986 thousand compared to \$893 thousand in 2021, an increase of \$93 thousand, or 10.4%. Increased revenue from General Aviation activity accounted for a majority of the increase in other operating revenues.

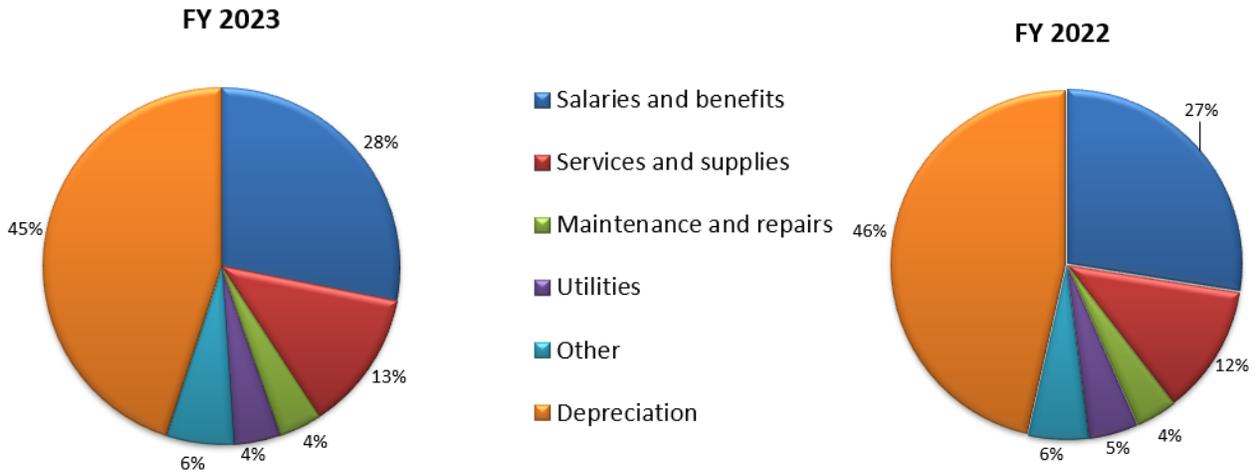
### Operating Expenses

The following table presents a summary of LIT operating expenses for the fiscal years ended December 31, 2023, 2022 and 2021. Included in other operating expenses are expenses for advertising and public relations, training and travel, insurance, lease and other miscellaneous items.

	<b>Summary of Operating Expenses</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>FY 2023 Incr (Decr)</b>	<b>FY 2022 Incr (Decr)</b>
Salaries and benefits	\$ 13,251,035	\$ 12,414,262	\$ 12,174,604	\$ 836,773	\$ 239,658
Services and supplies	5,978,018	5,434,654	5,238,322	543,364	196,332
Maintenance and repairs	1,827,424	1,728,502	1,590,648	98,922	137,854
Utilities	1,994,145	2,070,379	1,663,341	(76,234)	407,038
Other	2,871,446	2,504,066	2,006,882	367,380	497,184
Operating expenses before depreciation	25,922,068	24,151,863	22,673,797	1,770,205	1,478,066
Depreciation	21,181,883	20,958,716	20,376,862	223,167	581,854
<b>Total operating expenses</b>	<b>\$ 47,103,951</b>	<b>\$ 45,110,579</b>	<b>\$ 43,050,659</b>	<b>\$ 1,993,372</b>	<b>\$ 2,059,920</b>

**Operating Expenses, Fiscal Year 2023**

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2023 and 2022:



For the fiscal year ended December 31, 2023, operating expenses were \$47.1 million. Compared to the 2022 operating expenses of \$45.1 million, this represents an increase of \$2.0 million, or 7.3%.

Salaries and benefits increased \$836.8 thousand from \$12.4 million in 2022 to \$13.3 million in 2023. This 6.7% increase is related to annual salary increases and an increase in staff. The effects of COVID-19 on hiring and staffing began to diminish in 2023, and the Airport was able to resume filling positions that had been vacant.

Services and supplies expenses were \$6.0 million in 2023 compared to \$5.4 million during 2022. This is an increase of \$543.4 thousand, or 10.0%, from 2022. While the Airport experienced a decrease in expenses for janitorial supplies during 2023, these were offset by increases in expenses for contracted security guards and fuel for vehicles.

The Airport saw an increase in maintenance and repairs expenses during 2023. The 2023 expense was \$1.8 million compared to \$1.7 million in 2022. This was an increase of \$98.9 thousand, or 5.7%. During 2023, the Airport experienced an increase in expenses to repair and maintain terminal equipment as well as airfield pavement.

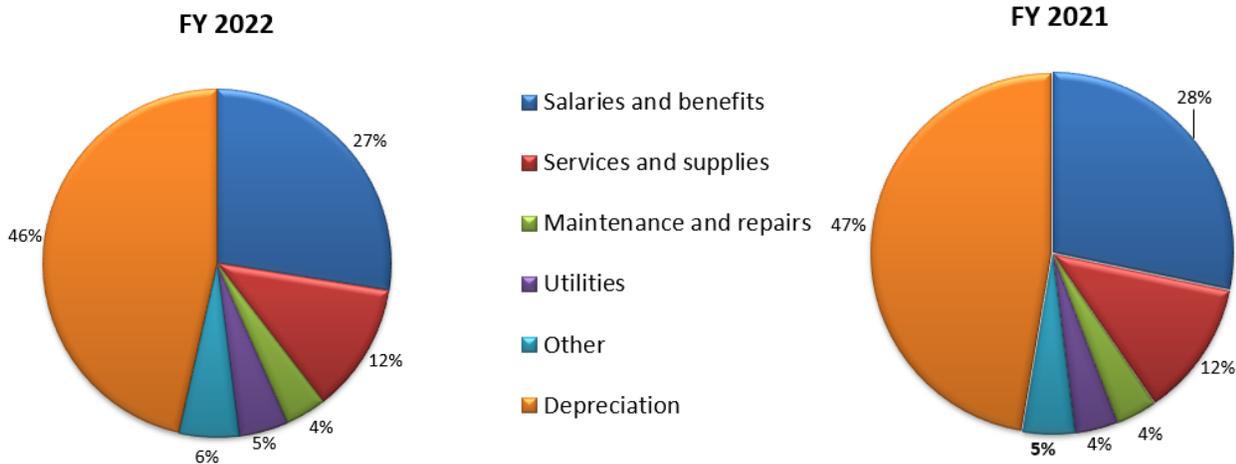
Utilities decreased 3.7% from \$2.1 million in 2022 to \$2.0 million in 2023. Most of this decrease of \$76 thousand was related to an decrease in expenses for natural gas as well for water.

Other operating expenses were up 14.7% in 2023. The Airport had other operating expenses of \$2.9 million in 2023 compared to \$2.5 million in 2022. An increase in premiums for commercial insurance contracts and computer software support contracts was experienced in 2023. Additionally, with the continued return of passengers in 2023, the Airport experienced an increase in credit card fees related to the increase in parking revenue.

Depreciation charges for 2022 of \$21.0 million increased to \$21.2 million in fiscal year 2023. This increase was primarily the result of the increase in assets capitalized in recent years.

## Operating Expenses, Fiscal Year 2022

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2022 and 2021:



For the fiscal year ended December 31, 2022, operating expenses were \$45.1 million. Compared to the 2021 operating expenses of \$43.1 million, this represents an increase of \$2.1 million, or 4.8%. Salaries and benefits increased \$240 thousand from \$12.2 million in 2021 to \$12.4 million in 2022. This 2.0% increase is related to a return to hiring as the effects of the COVID-19 pandemic subsided.

Services and supplies expenses were \$5.4 million in 2022 compared to \$5.2 million during 2021. This is an increase of \$196 thousand, or 3.7%, from the previous year. The Airport experienced an increase in expenses for contracted security guards and janitorial supplies during 2022.

The Airport saw an increase in maintenance and repairs expenses during 2022. The 2022 expenses were \$1.7 million compared to \$1.6 million in 2021. This was an increase of \$138 thousand, or 8.7%. During 2022, the Airport had an increase in expenses to repair and maintain terminal equipment.

Utilities increased 24.5 % from \$1.7 million in 2021 to \$2.1 million in 2022. Most of this increase of \$407 thousand was related to an increase in the expense for electric and natural gas, as well as for diesel for generators.

Other operating expense were up 25% in 2022. The Airport had other operating expenses of \$2.5 million in 2022 compared to \$2.0 million in 2021. Increases in premiums for commercial insurance, marketing media, and credit card fees related to Airport parking accounted for most of this increase in 2022.

Depreciation charges for 2021 of \$20.4 million increased to \$21.0 million in fiscal year 2022. This increase was primarily the result of the increase in assets capitalized in recent years.

## Nonoperating Transactions

Nonoperating transactions are activities that do not result from providing services as well as producing and delivering goods in connection with LIT's ongoing operations. The following table presents a summary of these activities during fiscal years 2023, 2022, and 2021:

### Summary of Nonoperating Transactions

	2023	2022	2021 *	FY 2023 Incr (Decr)	FY 2022 Incr (Decr)
Nonoperating revenue					
Passenger facility charges	\$ 4,398,014	\$ 3,994,434	\$ 3,468,152	\$ 403,580	\$ 526,282
Federal operating grants	294,027	292,449	288,136	1,578	4,313
Investment income	4,556,364	(2,025,988)	288,345	6,582,352	(2,314,333)
Lease interest income	1,384,829	1,373,709	-	11,120	1,373,709
Gain (loss) on disposal of assets	(1,541,829)	(1,216,117)	(315,009)	(325,712)	(901,108)
Other nonoperating revenue	505,982	527,926	324,766	(21,944)	203,160
COVID relief grant revenue	8,877,291	8,616,921	11,932,982	260,370	(3,316,061)
Total nonoperating revenues	<u>\$ 18,474,678</u>	<u>\$ 11,563,334</u>	<u>\$ 15,987,372</u>	<u>\$ 6,911,344</u>	<u>\$ (4,424,038)</u>
Federal, state, and local grants	\$ 11,518,229	\$ 9,480,376	\$ 12,333,996	\$ 2,037,853	\$ (2,853,620)
Contributions from lessees	5,581,076	3,562,740	1,849,090	2,018,336	1,713,650
Total capital contributions and grants	<u>\$ 17,099,305</u>	<u>\$ 13,043,116</u>	<u>\$ 14,183,086</u>	<u>\$ 4,056,189</u>	<u>\$ (1,139,970)</u>

\* Note: Fiscal year 2021 amounts have not been restated for adoption of GASB 87.

### Nonoperating Transactions, Fiscal Year 2023

PFC income for fiscal year 2023 totaled \$4.4 million, a 10.1% increase from the \$4.0 million collected in fiscal year 2022. The increase in PFCs represents an increase in collections aligned with the increase in passenger traffic.

Federal operating grants include reimbursement of costs associated with (1) law enforcement officers (LEO), (2) the Airport's canine program, and (3) utilities associated with TSA-leased space. Federal operating grants received during 2023 were \$294 thousand compared to \$292 thousand in 2022, an increase of \$1.6 thousand, or 0.5%.

During fiscal year 2023, investment income increased from \$2.0 million loss in 2022 to a gain of \$4.6 million in 2023. Cash, certificates of deposit, and investments balances in Airport accounts increased approximately \$26.4 million during 2023. Additionally, the market value of treasuries held by the Airport increased during 2023. The Airport recognized these market gains as unrealized gains in investments. These market gains along with interest income on investments account for the \$6.6 million increase in investment income.

With the implementation of GASB 87 in 2022, the Airport began recognizing lease interest income from certain long-term leases. This income in 2023 was \$1.4 million.

## Financial Section

Federal, state, and local grants increased \$2.0 million from \$9.5 million in 2022 to \$11.5 in 2023 due to increased construction activity and the availability of additional federal funding opportunities. Additionally, the Airport received \$8.9 million in COVID-19 relief grants in 2023 and \$8.6 million in 2022. Contributions from lessees reflect tenant leaseholds that have expired and facilities have reverted to the Airport. These contributions increased in 2023 to \$5.6 million.

### Nonoperating Transactions, Fiscal Year 2022

PFC income for fiscal year 2022 totaled \$4.0 million, a 15.2% increase from the \$3.5 million collected in fiscal year 2021. The increase in PFCs during 2022 is aligned with the increase in passenger traffic.

Federal operating grants include reimbursement of costs associated with (1) law enforcement officers (LEO), (2) the Airport's canine program, and (3) utilities associated with TSA-leased space. Federal operating grants received during 2022 were \$292 thousand compared to \$288 thousand in 2021, an increase of \$4 thousand.

During fiscal year 2022, investment income decreased from \$288 thousand in 2021 to a loss of \$2 million. Cash and investments balances in Airport accounts increased approximately \$24 million during 2022. Rising interest rates in 2022 resulted in a decrease in the market value of investments by \$2 million.

Federal, state and, local grants decreased \$2.9 million, from \$12.3 million in 2021 to \$9.5 in 2022 due to decreased construction activity. The Airport also received \$8.6 million in COVID-19 relief revenue in 2022.

## Capital Assets

### Summary of Capital Assets Net of Accumulated Depreciation (in thousands)

	2023	2022	2021	FY 2023 Incr (Decr)	FY 2022 Incr (Decr)
Land	\$ 68,476	\$ 68,419	\$ 68,394	\$ 58	\$ 25
Construction work in progress	24,865	6,704	14,737	18,161	(8,033)
Capital assets not depreciated	<u>93,342</u>	<u>75,122</u>	<u>83,131</u>	<u>18,219</u>	<u>(8,009)</u>
Buildings and improvements	329,812	324,160	320,019	5,652	4,141
Equipment	31,685	30,699	28,896	986	1,803
Infrastructure	193,432	194,396	177,003	(964)	17,393
Capital assets depreciated	<u>554,929</u>	<u>549,255</u>	<u>525,918</u>	<u>5,674</u>	<u>23,337</u>
Less: accumulated depreciation	<u>(314,621)</u>	<u>(293,676)</u>	<u>(276,428)</u>	<u>(20,946)</u>	<u>(17,248)</u>
Net capital assets	<u>\$ 333,649</u>	<u>\$ 330,702</u>	<u>\$ 332,621</u>	<u>\$ 2,947</u>	<u>\$ (1,919)</u>

As presented in Note 4 of the financial statements, and summarized above, LIT's investment in capital assets, net of accumulated depreciation, as of December 31, 2023 and 2022, was \$333.6 million and \$330.7 million, respectively. This investment, which accounts for 63.2% and 66.3% of LIT's total assets as of December 31,

2023 and 2022, respectively, includes land, buildings, improvements, equipment and vehicles, and construction in progress.

### Capital Assets, Fiscal Year 2023

The following were among the assets capitalized during fiscal year 2023:

- ***Taxiway Charlie - Phase 1 - \$798K***
- ***PLC Generator Upgrade - \$254K***
- ***Dassault Falcon Jet Hangar 8 - \$2 million***
- ***Dassault Falcon Jet Cabinet Shop - \$3.5 million***

### Capital Assets, Fiscal Year 2022

The following were among the assets capitalized during fiscal year 2022:

- ***Taxiway Charlie - Phase 1 - \$22.1 million***
- ***East Little Rock Community Garden - \$573K***
- ***PBX Telephone System - \$878K***
- ***PBX Telephone System - \$878K***
- ***Dassault Falcon Jet Hangars 6 & 7 - \$2.3 million***
- ***Dassault Falcon Jet CCA Offices - \$1.3 million***

### Request for Information

This financial report is designed to provide detail information on the Airport's operations to the Little Rock Municipal Airport Commission, management, investors, creditors, customers and all others with an interest in the Airport's financial affairs and to demonstrate the Commission's accountability for the assets it controls and the funds it receives and expends. Questions concerning any of the information provided in this report or any request for additional information should be made in writing and addressed to the Finance Department, One Airport Drive, Little Rock Arkansas, 72202 or by sending an email to [finance@clintonairport.com](mailto:finance@clintonairport.com) or by calling (501) 537-7329.



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David Tipton, CPA  
Director of Finance/CFO

# **BASIC FINANCIAL STATEMENTS**

**STATEMENTS OF NET POSITION**  
**December 31, 2023 and 2022**

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 26,859,162	\$ 35,554,380
Certificates of deposit	30,995,905	-
Trade accounts receivable, net	1,478,706	1,243,130
Grants receivable	4,814,653	3,697,564
Interest receivable	141,660	55,953
Lease receivable	1,914,243	1,918,424
Prepaid expenses	929,384	822,723
Total current assets	67,133,713	43,292,174
<b>Noncurrent Assets</b>		
Cash - restricted	11,463,011	10,474,060
Passenger facilities charges (PFC) receivable - restricted	507,102	473,810
Investments	65,955,178	62,807,415
Notes receivable	2,873,058	2,975,147
Lease receivable	46,360,862	48,408,418
Nondepreciable capital assets	93,341,571	75,122,441
Depreciable capital assets, net	240,307,762	255,579,470
Total noncurrent assets	460,808,544	455,840,761
Total assets	\$ 527,942,257	\$ 499,132,935

*See Notes to Financial Statements*

**STATEMENTS OF NET POSITION (Continued)**  
**December 31, 2023 and 2022**

	2023	2022
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Payable from unrestricted assets		
Accounts payable - trade	\$ 1,872,153	\$ 959,642
Accrued wages and benefits	1,814,938	1,754,957
Due to other governmental units	42,445	56,009
Security deposits and unearned revenue	558,284	529,184
Total current liabilities payable from unrestricted assets	4,287,820	3,299,792
Payable from restricted assets		
Accounts payable - construction	3,212,252	1,436,710
Total current liabilities	7,500,072	4,736,502
<b>Deferred Inflows of Resources</b>		
Deferred inflows - leases	47,148,622	49,752,674
Total deferred inflows of resources	47,148,622	49,752,674
Total liabilities and deferred inflows of resources	54,648,694	54,489,176
<b>Net Position</b>		
Net investment in capital assets	330,437,070	329,265,199
Restricted		
PFC eligible capital projects	11,314,613	10,292,371
FAA restriction	655,500	655,500
Unrestricted	130,886,380	104,430,689
Total net position	473,293,563	444,643,759
Total liabilities and net position	\$ 527,942,257	\$ 499,132,935

*See Notes to Financial Statements*

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended December 31, 2023 and 2022**

	2023	2022
<b>Operating Revenues</b>		
<b>Airline Revenues</b>		
Airport landing and related fees	\$ 6,587,154	\$ 5,638,486
Terminal building rentals and related fees	6,899,513	6,359,666
Facility use fees	266,800	247,920
Total airline revenues	13,753,467	12,246,072
<b>Nonairline Revenues</b>		
Parking fees	11,622,119	10,191,390
Concession fees	593,690	1,110,980
Car rental operations	8,186,200	7,243,232
Facility and ground rentals	4,932,758	4,360,487
Ground transportation	232,639	125,491
Services sold	289,019	294,921
General aviation activity	520,072	511,728
Other	49,808	53,658
Total nonairline revenues	26,426,305	23,891,887
Total operating revenues	40,179,772	36,137,959
<b>Operating Expenses</b>		
Salaries, wages and employee benefits	13,251,035	12,414,262
Professional and contractual services	5,047,471	4,456,573
Buildings and grounds maintenance	911,176	757,354
Equipment repair and maintenance	916,248	971,148
Marketing and public affairs	197,516	165,382
Utilities	1,994,145	2,070,379
Materials and supplies	930,547	978,081
Insurance	650,111	617,481
Other expense	2,023,819	1,721,203
Total operating expenses	25,922,068	24,151,863
<b>Income from Operations Before Depreciation</b>	14,257,704	11,986,096
Depreciation	21,181,883	20,958,716
<b>Operating Loss</b>	(6,924,179)	(8,972,620)

See Notes to Financial Statements

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (Continued)**  
**Years Ended December 31, 2023 and 2022**

	2023	2022
<b>Nonoperating Revenues (Expenses)</b>		
Passenger facility charges	\$ 4,398,014	\$ 3,994,434
Federal operating grants	294,027	292,449
Investment gain (loss)	4,556,364	(2,025,988)
Lease Interest Income	1,384,829	1,373,709
Loss on disposal of assets	(1,541,829)	(1,216,117)
Aviation fuel taxes	486,993	499,674
Other nonoperating income	18,989	28,252
COVID relief grant revenue	8,877,291	8,616,921
Total nonoperating revenues (expenses)	18,474,678	11,563,334
<b>Change in Net Position Before Capital Contributions and Grants</b>	11,550,499	2,590,714
<b>Capital Contributions and Grants</b>		
Federal, state and local grants	11,518,229	9,480,376
Contributions from lessees	5,581,076	3,562,740
Total capital contributions and grants	17,099,305	13,043,116
<b>Change in Net Position</b>	28,649,804	15,633,830
<b>Net Position, Beginning of Year</b>	444,643,759	429,009,929
<b>Net Position, End of Year</b>	\$ 473,293,563	\$ 444,643,759

*See Notes to Financial Statements*

## Financial Section

### STATEMENTS OF CASH FLOWS Years Ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Receipts from providing services	\$ 39,391,881	\$ 35,652,922
Payments to vendors for goods and services	(11,849,647)	(11,848,638)
Payments of salaries, wages and benefits	(13,191,054)	(12,337,743)
Net cash provided by operating activities	14,351,180	11,466,541
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating grants received	294,027	292,449
Aviation fuel taxes	486,993	499,674
COVID relief grants received	9,588,784	7,800,853
Net cash provided by noncapital financing activities	10,369,804	8,592,976
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(18,314,516)	(17,054,918)
Receipts from federal and state grants	9,708,636	11,763,654
Receipts from passenger facility charges	4,364,722	3,985,326
Principal payments on notes receivable	102,089	24,853
Financing notes receivable for tenant	-	(3,000,000)
Interest payments on lease receivable	1,384,829	1,373,709
Net cash used in capital and related financing activities	(2,754,240)	(2,907,376)
<b>Cash Flows from Investing Activities</b>		
Purchase of investments and certificates of deposit	(36,000,000)	(25,500,000)
Sale of investments	5,415,000	-
Interest received	911,989	636,600
Net cash used in investing activities	(29,673,011)	(24,863,400)
<b>Net Change in Cash</b>	(7,706,267)	(7,711,259)
<b>Cash, Beginning of Year</b>	46,028,440	53,739,699
<b>Cash, End of Year</b>	\$ 38,322,173	\$ 46,028,440
<b>Cash as Presented in the Statements of Net Position:</b>		
Cash - current assets	\$ 26,859,162	\$ 35,554,380
Cash - noncurrent restricted	11,463,011	10,474,060
Total cash, end of year	\$ 38,322,173	\$ 46,028,440

See Notes to Financial Statements

## Financial Section

	2023	2022
<b>Reconciliation of Operating Loss to Net Cash Provided by</b>		
<b>Operating Activities</b>		
Operating loss	\$ (6,924,179)	\$ (8,972,620)
Item not requiring cash		
Depreciation expense	21,181,883	20,958,716
Change in assets and liabilities:		
Accounts receivable	(235,576)	89,131
Lease receivable	2,051,737	1,543,251
Prepaid expenses	(106,661)	(15,585)
Accounts payable	928,047	(95,452)
Accrued expenses and other current liabilities	59,981	76,519
Deferred inflows - leases	(2,604,052)	(2,117,419)
Net cash provided by operating activities	\$ 14,351,180	\$ 11,466,541
 <b>Supplemental Cash Flows Information: Noncash Transactions from</b>		
<b>Capital and Related Financing Activities</b>		
Changes in payables for acquisition and construction of capital assets and improvements	\$ 1,775,542	\$ (390,149)
Capital contribution from lessee	\$ 5,581,076	\$ 3,562,740
Loss on disposal of capital assets	\$ (1,541,829)	\$ (1,216,117)

*See Notes to Financial Statements*

## Financial Section

### STATEMENTS OF FIDUCIARY NET POSITION - PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
Investments, at fair value		
Cash management funds	\$ 115,253	\$ 1,102,313
Balanced asset allocation funds	19,193,470	15,081,310
Mutual funds - corporate bonds	101,865	103,289
Mutual funds - equity	2,345,342	2,097,203
Total investments, at fair value	21,755,930	18,384,115
Contributions receivable	331,413	361,297
Loans receivable	93,883	78,510
Total assets	\$ 22,181,226	\$ 18,823,922
<b>Net Position Restricted for:</b>		
Pensions	\$ 18,201,439	\$ 15,302,454
Postemployment benefits other than pensions	3,979,787	3,521,468
Total net position	\$ 22,181,226	\$ 18,823,922

*See Notes to Financial Statements*

## Financial Section

### STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Years Ended December 31, 2023 and 2022

	2023	2022
<b>Additions</b>		
Employer contributions	\$ 1,194,091	\$ 1,047,177
Employee contributions	945,048	1,157,697
Interest earned on loans	5,531	3,030
Investment income		
Gain (Loss) on investments	3,206,894	-
Loss on investments	-	(3,341,618)
Less investment expense	(155,688)	(148,912)
	3,051,206	(3,490,530)
Net investment income (loss)		
Total additions (reductions)	5,195,876	(1,282,626)
<b>Deductions</b>		
Benefit payments	1,838,572	1,452,908
Total deductions	1,838,572	1,452,908
<b>Increase (Decrease) in Net Position</b>	3,357,304	(2,735,534)
<b>Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, Beginning of Year</b>	18,823,922	21,559,456
<b>Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, End of Year</b>	\$ 22,181,226	\$ 18,823,922

*See Notes to Financial Statements*

## Note 1: Nature of Organization and Summary of Significant Accounting Policies

The Bill and Hillary Clinton National Airport (the Airport) is under the management and control of the Little Rock Municipal Airport Commission (the Commission). It consists of seven members who are appointed by the City of Little Rock (City) Board of Directors in accordance with state law (A.C.A. § 14-359-105). The Commission has the general power to, among other things: (a) acquire, develop, and operate all property, plant, and equipment as it may deem necessary or convenient for the promotion and accommodation of air commerce; (b) borrow money to finance the development of the Airport; and (c) fix, regulate, and collect rates and charges for the use of the Airport. The Executive Director serves at the pleasure of the Commission as the chief executive responsible for the operation of the Airport. The Executive Director hires a management team to assist him in that responsibility. Any indebtedness is payable solely from the revenues of the Airport and the Airport has no ability to levy taxes. Under federal guidelines, all revenues generated by the Airport must be used for airport purposes.

### *Financial Reporting Entity*

The Airport is considered to be a component unit of the City. The City has based this determination on the fact that the City is financially accountable for the Commission. Financial accountability is evidenced by the following:

- a. The Commissioners are appointed by the mayor and confirmed by three-fourths vote of the elected and qualified members of the city council (Airport Commission Act, A.C.A. § 14-359-105 et seq.).
- b. Any Commissioner appointed by the mayor and confirmed by three-fourths vote of the elected and qualified members of the city council may be removed upon a three-fourths vote of the elected and qualified members of the city council (Airport Commission Act, A.C.A. § 14-359-106 et seq.).

The Airport has no component units as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended.

### *Basis of Accounting and Financial Reporting*

The financial statements consist of a single-purpose business-type activity and fiduciary fund statements which are reported on the accrual basis of accounting using the economic resources measurement focus.

The Airport prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Receivables*

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on collection history, aviation industry trends, and current information regarding the creditworthiness of the tenants and others doing business with the Airport.

### *Lease Receivable*

Lease receivable consists of amounts due from customers utilizing airport services and lease income is stated at the amounts billed to customers plus any accrued and unpaid late fees.

### *Passenger Facility Charges*

The Federal Aviation Administration's Passenger Facility Charge (PFC) Program allows the Airport to impose and use PFC fees up to \$4.50 for every enplaned passenger. The Airport requests collection authority from the Federal Aviation Administration (FAA) by submitting eligible capital projects that will enhance safety, security, or capacity; reduce noise; or increase air carrier competition. PFCs, which are recognized as earned, are included in nonoperating revenues and amounted to \$4,398,014 and \$3,994,434 for the years ended December 31, 2023 and 2022, respectively.

### *Customer Facility Charges (Rental Cars)*

The Airport imposes a per contract day fee payable by customers, accounted for, and remitted by rental car agencies as established by Resolution. Actual customer facility charge (CFC) revenues received by the Airport in accordance with the requirements of the resolution are used to pay for any legal use including, but not limited to, rental car facility expenses, operating and maintenance costs, facility rent, debt service, operating and maintenance expense reserve, and future costs associated with the rental car facility's capital reserve fund. The \$3.50 CFC became effective December 2009. CFC revenue totaled \$2,395,512 and \$2,041,764 for the years ended December 31, 2023 and 2022, respectively, and is included in operating revenues.

### *Inventories*

Purchases of materials and supplies are charged to expenses as incurred, as such amounts are immaterial.

### *Investments and Investment Income (Loss)*

Investments in U.S. Treasury, agency, and instrumentality obligations with a remaining maturity of one year or less at time of acquisition and in nonnegotiable certificates of deposit are carried at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income (loss) includes interest income and the net change for the year in the fair value of investments carried at fair value.

### *Capital Assets and Depreciation*

Capital assets are defined by the Airport as assets with an initial individual cost of more than \$5,000. Capital assets purchased by the Airport are stated at historical cost. Depreciation is computed using the straight-line

method over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

Buildings and leasehold improvements	10–40 years
Machinery and equipment	3–15 years
Improvements other than buildings	5–20 years
Equipment, furniture and fixtures and other	3–10 years
Ramps, runways, taxiways, and improvements	10–50 years

### *Compensated Absences*

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated paid time off (PTO) is accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Nonexempt employees earn PTO at the rate of 4.62% of hours worked per pay period for the first 12 months, 6.16% for years one through four, 10.00% for years five through nine, and 13.85% for 10 years and beyond. Exempt employees earn PTO at the rate of 15 days for the first 12 months, 24 days for years one through four, 30 days for years five through nine, and 36 days for 10 years and beyond. Upon accumulation of 160 hours (20 days), at least 80 hours (10 days) of PTO must be taken each calendar year or it will be forfeited. The maximum PTO carryover from year to year is 360 hours (45 days). Employees will be paid for those hours (days) in excess of 360 (45 days), up to a maximum of 26 days, at the beginning of the following year.

### *Deferred Inflows of Resources*

The Airport reports an acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

### *Federal and State Grants*

Outlays for airport capital improvements and certain airport operating expenses, primarily those relating to airport security, are subject to reimbursement from federal grant programs. Funds are also received for airport development from the State of Arkansas Department of Aeronautics. Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

From time to time, the Airport disposes of land or other assets which were originally purchased with federal assistance. In accordance with the Airport Improvement Program (AIP), the Airport must reinvest the federal government’s proportionate share of the proceeds realized from the sale or exchange of such assets in approved AIP projects or return such amounts to the federal government.

CARES Act Grants is the *Coronavirus Aid, Relief and Economic Security Act* approved by the United States Congress and signed into law by the President on March 27, 2020. It was a legislative action to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans, and loan guarantees for passenger and cargo airlines. The Airport was awarded \$25 million in CARES Act grant funds. The Airport recognized approximately \$4 million in CARES Act

grant revenue for the year ended December 31, 2022 and did not recognize any revenue for the year ended December 31, 2023

The Airport Coronavirus Relief Grant Program (ACRPG) is provided in accordance with the *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSA). The purpose of this grant is to prevent, prepare for, and respond to coronavirus, and it must only be used for purposes directly related to the Airport. The Airport was awarded \$4.8 million in CRRSA funds. The Airport recognized \$102 thousand and \$2.9 million in CRRSA grant revenue for the years ended December 31, 2023 and 2022, respectively.

The Airport Rescue Grant is provided in accordance with the *American Rescue Plan Act* (ARPA). The purpose of this grant is to prevent, prepare for, and respond to coronavirus, and it must be used only for purposes directly related to the Airport. The Airport was awarded \$10.6 million in ARPA funds. The Airport recognized \$8.8 million and \$1.7 million in CRRSA grant revenue for the years ended December 31, 2023 and 2022, respectively.

### *Net Position*

*Net investment in capital assets* – reflects the Airport’s investment in capital assets (e.g., land, buildings, machinery and equipment), less any related accounts payable used to acquire those assets that is still outstanding. The Airport uses these capital assets to provide facilities to its tenants, users, and customers. Consequently, these assets are not available for future spending. Although the Airport’s investment in its capital assets are to be reported net of any related accounts payable, it is noted that the resources required to repay the accounts payable are funded from operations, since the capital assets themselves cannot be used to liquidate liabilities.

*Restricted* – An additional portion of the Airport’s net position represents resources that are subject to external restrictions imposed by outside parties. The restricted net position at December 31, 2023 and 2022 includes funds earned for the PFC Program but not yet expended on PFC eligible projects as of year-end and funds restricted by the FAA for the noise land disposal fund account.

*Unrestricted* – The remaining unrestricted net position consists mainly of cash, investments, and accounts receivable that are immediately available to meet any of the Airport’s ongoing obligations.

### *Revenue and Expense Recognition*

Revenues from airlines, concessionaires, lessees, and parking are reported as operating revenues. Operating expenses include the cost of administering the airport system, including depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions and grants.

Voluntary nonexchange transactions, such as grants and contributions, are generally recognized as revenues in the period when all eligibility requirements have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

When both restricted and unrestricted net position are available for use, it is the Airport’s policy to use restricted resources first and then unrestricted resources as they are needed.

### *Accounting Pronouncements Adopted in 2023*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Adoption of GASB 94 had no impact on the Airport's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This statement provides a new framework for accounting for SBITAs under the principle that SBITAs are a right-to-use subscription asset and a corresponding subscription liability. An exception to the general model is provided for short-term SBITAs that cannot last more than 12 months. Adoption of GASB 96 had no impact on the Airport's financial statements.

### *Future Adoption of Accounting Standards*

GASB Statement No. 99, *Omnibus 2022*, is effective for the Airport at various dates based on topic. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections* -an amendment of GASB Statement No. 62, is effective for the Airport in the fiscal year 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant consistent and comparable information.

GASB Statement No. 101, *Compensated Absences*, is effective for the Airport in the fiscal year 2024. The objective of the statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB Statement No. 102 - *Certain Risk Disclosures*: The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103 - *Financial Reporting Model Improvements*: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The Airport has not yet determined the impact of implementing the above new pronouncements.

## Note 2: Cash and Investments

### Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Airport's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts.

At December 31 2023 and 2022, none of the Airport's bank balances were exposed to custodial credit risk. The Airport's deposit policy for custodial risk requires compliance with the provisions of state law.

### Summary of Carrying Values

The carrying value of deposits and investments shown below are included in the statements of net position as follows:

	2023	2022
Carrying value		
Deposits, including certificates of deposit	\$ 69,318,078	\$ 46,028,440
Investments	65,955,178	62,807,415
	\$ 135,273,256	\$ 108,835,855
 Included in statements of net position		
Current assets - cash	\$ 26,859,162	\$ 35,554,380
Certificates of deposit	30,995,905	-
Noncurrent assets - restricted cash	11,463,011	10,474,060
Noncurrent assets - investments	65,955,178	62,807,415
	\$ 135,273,256	\$ 108,835,855

### Restricted Cash

Cash is restricted as follows:

	2023	2022
Noise Land Disposal Fund	\$ 655,500	\$ 655,500
Passenger Facility Charge Fund	10,807,511	9,818,560
	\$ 11,463,011	\$ 10,474,060

The Noise Land Disposal Fund has been established in accordance with FAA guidance, and these funds are only to be expended on FAA-approved items.

The Passenger Facility Charge Fund has been established in accordance with Title 14, Part 158 of Federal Regulations. The Airport's Passenger Facility Charge Fund provides for the segregation of PFC receipts, as

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required by the FAA. Such revenues are to be expended only for FAA-approved capital projects or to repay debt issued for eligible capital projects, under a Record of Decision granted by the FAA.

### *Investments*

Arkansas statute (AR § Code 19-1-501) authorizes the Airport to invest in eligible investment securities such as: (1) direct or guaranteed obligations of the United States that are backed by the full faith and credit of the U.S. Government; (2) A direct obligation of an agency, instrumentality, or government-sponsored enterprise created by act of the United States Congress and authorized to issue securities or evidences of indebtedness are guaranteed for repayment by the U.S. Government; and (3) a bond or other debt of the state, a school district, a county government, a municipal government or an authority of a governmental entity that: (A) is issued for an essential governmental purpose or is guaranteed by a state agency; and (B) has a debt rating from a nationally recognized credit rating agency of "A" or better at the time of purchase.

At December 31, 2023 and 2022, the Airport had the following investments and maturities:

December 31, 2023					
Maturities in years					
Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury notes	\$ 65,955,178	\$ 38,235,060	\$ 27,720,118	\$ -	\$ -

December 31, 2022					
Maturities in years					
Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury notes	\$ 62,807,415	\$ 25,943,115	\$ 36,864,300	\$ -	\$ -

### *Interest Rate Risk*

Arkansas statute (AR Code § 19-1-504) limits the eligible investment securities to having a maturity of no longer than five (5) years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity.

### *Credit Risk*

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Airport manages its credit risk by investing exclusively in government-issued treasuries and agencies. All the Airport's investments at December 31, 2023 and 2022 are insured or registered and held in the Airport's name.

### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investment or collateral securities that are in the possession

of an outside party. None of the investments owned by the Airport at December 31, 2023 and 2022, were subject to custodial credit risk.

*Fair Value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The Airport had \$65,955,178 and \$62,807,415 for the years ended December 31, 2023 and 2022, respectively invested in U.S. Treasury notes valued using quoted market prices (Level 1 inputs).

**Note 3: Grants Receivable**

Grants receivable from government agencies represent reimbursements due from the federal government for allowable costs incurred on federal award programs. Grants receivable at December 31, 2023 and 2022 consist of:

	<b>2023</b>	<b>2022</b>
Federal Aviation Administration	\$ 4,781,311	\$ 3,655,822
U.S. Department of Homeland Security	33,342	41,742
	<b>\$ 4,814,653</b>	<b>\$ 3,697,564</b>

**Note 4: Capital Assets**

A summary of changes in capital assets for the years ended December 31, 2023 and 2022 is as follows:

	<b>2023</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers/ Reclassifications</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 68,418,608	\$ 57,878	\$ -	\$ -	\$ 68,476,486
Construction in progress	6,703,833	19,213,951	-	(1,052,699)	24,865,085
<b>Total capital assets, not being depreciated</b>	<b>75,122,441</b>	<b>19,271,829</b>	<b>-</b>	<b>(1,052,699)</b>	<b>93,341,571</b>
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	310,551,472	5,634,801	-	9,475	316,195,748
Airport pavement	194,396,176	10,000	1,700,474	726,364	193,432,066
Other improvements	13,608,151	-	-	7,814	13,615,965
	<u>518,555,799</u>	<u>5,644,801</u>	<u>1,700,474</u>	<u>743,653</u>	<u>523,243,779</u>
Equipment, furniture, and fixtures:					
Furniture, fixtures	3,006,338	36,905	-	-	3,043,243
Equipment	16,097,346	420,170	-	195,733	16,713,249
Rolling stock	2,784,372	67,793	123,195	-	2,728,970
Fire trucks	2,182,056	-	-	-	2,182,056
IT systems	6,629,114	275,109	-	113,313	7,017,536
	<u>30,699,226</u>	<u>799,977</u>	<u>123,195</u>	<u>309,046</u>	<u>31,685,054</u>
<b>Total capital assets, being depreciated</b>	<b>549,255,025</b>	<b>6,444,778</b>	<b>1,823,669</b>	<b>1,052,699</b>	<b>554,928,833</b>
Less accumulated depreciation					
Buildings and improvements:					
Buildings, improvements	185,313,971	8,980,943	-	-	194,294,914
Airport pavement	84,103,610	9,282,101	113,174	-	93,272,537
Other improvements	4,705,585	864,232	-	-	5,569,817
	<u>274,123,166</u>	<u>19,127,276</u>	<u>113,174</u>	<u>-</u>	<u>293,137,268</u>
Equipment, furniture, and fixtures:					
Furniture, fixtures	1,472,886	186,790	-	-	1,659,676
Equipment	9,511,092	845,747	-	-	10,356,839
Rolling stock	2,376,317	171,810	123,195	-	2,424,932
Fire trucks	2,132,704	15,583	-	-	2,148,287
IT systems	4,059,393	834,676	-	-	4,894,069
	<u>19,552,392</u>	<u>2,054,606</u>	<u>123,195</u>	<u>-</u>	<u>21,483,803</u>
<b>Total accumulated depreciation</b>	<b>293,675,558</b>	<b>21,181,882</b>	<b>236,369</b>	<b>-</b>	<b>314,621,071</b>
<b>Total capital assets, being depreciated, net</b>	<b>255,579,467</b>	<b>(14,737,104)</b>	<b>1,587,300</b>	<b>1,052,699</b>	<b>240,307,762</b>
<b>Capital assets, net</b>	<b>\$ 330,701,908</b>	<b>\$ 4,534,725</b>	<b>\$ 1,587,300</b>	<b>\$ -</b>	<b>\$ 333,649,333</b>

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	2022				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 68,393,875	\$ 24,733	\$ -	\$ -	\$ 68,418,608
Construction in progress	14,737,475	16,139,894	-	(24,173,536)	6,703,833
Total capital assets, not being depreciated	<u>83,131,350</u>	<u>16,164,627</u>	<u>-</u>	<u>(24,173,536)</u>	<u>75,122,441</u>
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	306,984,160	3,579,853	-	(12,541)	310,551,472
Airport pavement	177,003,445	44,241	4,920,364	22,268,854	194,396,176
Other improvements	13,034,687	-	-	573,464	13,608,151
	<u>497,022,292</u>	<u>3,624,094</u>	<u>4,920,364</u>	<u>22,829,777</u>	<u>518,555,799</u>
Equipment, furniture, and fixtures:					
Furniture, fixtures	2,986,785	15,914	-	3,639	3,006,338
Equipment	15,061,490	174,093	5,108	866,871	16,097,346
Rolling stock	2,652,137	184,419	-	(52,184)	2,784,372
Fire trucks	2,123,256	-	-	58,800	2,182,056
IT systems	6,071,904	94,861	-	462,349	6,629,114
	<u>28,895,572</u>	<u>469,287</u>	<u>5,108</u>	<u>1,339,475</u>	<u>30,699,226</u>
Total capital assets, being depreciated	<u>525,917,864</u>	<u>4,093,381</u>	<u>4,925,472</u>	<u>24,169,252</u>	<u>549,255,025</u>
Less accumulated depreciation					
Buildings and improvements:					
Buildings, improvements	176,671,254	8,642,717	-	-	185,313,971
Airport pavement	78,434,574	9,371,033	3,701,997	-	84,103,610
Other improvements	3,870,061	835,524	-	-	4,705,585
	<u>258,975,889</u>	<u>18,849,274</u>	<u>3,701,997</u>	<u>-</u>	<u>274,123,166</u>
Equipment, furniture, and fixtures:					
Furniture, fixtures	1,261,626	211,260	-	-	1,472,886
Equipment	8,660,175	856,025	5,108	-	9,511,092
Rolling stock	2,202,001	174,316	-	-	2,376,317
Fire trucks	2,110,256	22,448	-	-	2,132,704
IT systems	3,218,284	845,393	-	(4,284)	4,059,393
	<u>17,452,342</u>	<u>2,109,442</u>	<u>5,108</u>	<u>(4,284)</u>	<u>19,552,392</u>
Total accumulated depreciation	<u>276,428,231</u>	<u>20,958,716</u>	<u>3,707,105</u>	<u>(4,284)</u>	<u>293,675,558</u>
Total accumulated depreciation	<u>276,428,231</u>	<u>20,958,716</u>	<u>3,707,105</u>	<u>(4,284)</u>	<u>293,675,558</u>
Total capital assets, being depreciated, net	<u>249,489,633</u>	<u>(16,865,335)</u>	<u>1,218,367</u>	<u>24,173,536</u>	<u>255,579,467</u>
Capital assets, net	<u>\$ 332,620,983</u>	<u>\$ (700,708)</u>	<u>\$ 1,218,367</u>	<u>\$ -</u>	<u>\$ 330,701,908</u>

### Note 5: Risk Management

Risk management is the responsibility of the Airport. The Airport is exposed to various risks of loss related to the theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport purchases commercial insurance coverage for claims arising from these risks of loss. The Airport's commercial insurance policies carry deductibles ranging from \$1,000 to \$50,000. Wind and hail damage deductibles are \$1 million. Settled claims have not exceeded this commercial coverage in any of the past three years.

### Note 6: Benefit Plans

The Airport has established a 401(a) defined contribution plan to cover all eligible employees. The plan is administered by the Retirement Committee of the Airport, and the Airport has the right to amend the plan and contribution requirements. As a condition of employment, each eligible employee must agree to contribute to the plan. The defined contribution plan requires the employer and the employee to contribute 10.00% and 5.00%, respectively, of the employee compensation to the plan. All contributions made by the employee are 100% vested and nonforfeitable at all times. The contributions made by the employer become 100% vested and nonforfeitable after five years of service or when the employee reaches 55 years of age, whichever comes first. In the event of a forfeiture of the account of a participant, the amount forfeited is first used to restore the account of a participant who is rehired, as provided for in the plan documents. If at the end of the plan year the forfeiture account is at least \$15,000, the balance of the forfeitures are allocated per capita among all vested participants who are employed on the last day of the plan year.

The Airport also has a 457(b) deferred compensation plan that was amended in 2013 to require the Airport to match the employee's contribution up to 3%. However, the matching contribution made by the Airport is contributed into the 401(a) defined contribution plan. The deferred compensation plan is available to substantially all employees of the Airport. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency. An employee is fully vested at all times in this plan, and the benefits are nonforfeitable at all times. The plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and are not the property of the Airport and are not subject to the claims of the Airport's general creditors.

The Airport's contributions to the 401(a) defined contribution plan were \$1,181,292 and \$1,034,677 for the years ended December 31, 2023 and 2022, respectively.

### Note 7: Lease Receivable

#### *Lease Receivable*

The Airport, as lessor, leases a portion of its property to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2024 through 2073. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to

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the lessee. A number of leases have a maximum possible term of 12 months (or less), including options to extend, regardless of their probability of being extended. Those payments are recognized as inflows of resources based on the payment provisions of the lease contracts and are therefore excluded from the schedule in this section.

Revenue recognized under lease contracts during the years ended December 31, 2023, and 2022 was \$3,418,804 and \$2,256,228 respectively, which includes both lease revenue and interest.

The following is a schedule by year of minimum payments to be received under the Airport's leases that are included in the measurement of lease receivable as of December 31, 2023:

Years Ending December 31,	Principal	Interest	Total
2024	\$ 1,914,243	\$ 1,331,906	\$ 3,246,149
2025	1,972,795	1,281,049	3,253,844
2026	1,839,285	1,231,013	3,070,298
2027	1,888,792	1,181,506	3,070,298
2028	1,939,698	1,130,600	3,070,298
2029-2033	5,296,692	5,120,063	10,416,755
2034-2038	5,300,287	4,366,596	9,666,883
2039-2043	5,801,501	3,578,427	9,379,928
2044-2048	6,543,963	2,712,984	9,256,947
2049-2053	6,667,627	1,741,930	8,409,557
2054-2058	6,278,743	859,731	7,138,474
Thereafter	2,831,479	84,035	2,915,514
Total	<u>\$ 48,275,105</u>	<u>\$ 24,619,840</u>	<u>\$ 72,894,945</u>

### *Regulated Leases*

The Airport leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB 87 and, therefore are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2040.

Revenue recognized for fixed payments under regulated lease contracts during the years ended December 31, 2023 and 2022 was \$2,064,717 and \$2,002,165 respectively.

The following is a schedule by year of expected future minimum payments to be received under the Airport's regulated leases as of December 31, 2023:

Years Ending December 31,	Total Future
2024	\$ 2,486,922
2025	2,324,401
2026	2,051,447
2027	1,836,514
2028	1,747,531
Thereafter	19,345,152
Total	<u>\$ 29,791,967</u>

### Note 8: Notes Receivable from Tenant

In July 2020, the Commission entered into an agreement with SCA Pharmaceutical, LLC, to lease the building and land at 1901 Kellett Road. Included in the capital investment SCA was to make was the construction of an approximately 20,000 sq. ft. building estimated at \$3,000,000. The total construction cost, not to exceed \$3,000,000, was financed by the Commission at 4.25% and to be repaid monthly by SCA.

Construction was completed in 2022, and the Commission funded the \$3,000,000 in construction expenses at that time. In an amendment to the lease, SCA committed to make monthly payments of \$18,880 for a term of 234 months. SCA began making monthly payments on October 1, 2022.

For the years ended 2023 and 2022, the Commission recognized \$124,470 and \$31,787, respectively, in interest income from this lease. The lease component of the agreement has been included in lease receivable and deferred inflows of resources related to leases in accordance with GASB 87.

### Note 9: Commitments

#### Capital Improvements

The Airport is committed to various capital improvements, which will result in future obligations that are significant in amount. The future obligations for the contracts will be paid from available funds or will qualify for PFC reimbursement, FAA grants, Transportation Security Administration grants, or Arkansas Department of Aeronautics grants.

At December 31, 2023, the Airport had the following commitments:

	Project Authorization	Expended Through December 31, 2023	Remaining Commitment
Airfield	\$ 50,759,762	\$ 40,334,645	\$ 10,425,117
Terminal	8,054,562	4,833,648	3,220,915
Parking and Roadways	572,913	353,984	218,929
Commercial Properties	550,044	242,862	307,182
Total	<u>\$ 59,937,281</u>	<u>\$ 45,765,139</u>	<u>\$ 14,172,142</u>

### Note 10: Related-Party Transactions

The Airport operates as a component unit of the City of Little Rock, Arkansas. Accordingly, there are certain related-party transactions that exist between the two entities. For the years ended December 31, 2023 and 2022, the Airport reimbursed the City of Little Rock, Arkansas, for approximately \$3.6 million and \$3.4 million respectively, in expenses incurred on behalf of the Airport. Payments included contracted police and fire services and reimbursement for utility costs associated with on-airport lighting.

The Airport utilizes banking and investment services with a bank where one of the Commissioners serves as an executive. At December 31, 2023, the Airport had bank deposits of \$69,318,078 and an investment account balance of \$65,955,178.

## Note 11: Pension and Other Employee Benefit Plan Financial Statements

The following tables include financial information for the pension and other employee benefit trust funds (fiduciary funds) as of and for the years ended December 31, 2023 and 2022:

### Fiduciary Net Position

	2023			2022		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
<b>Assets</b>						
Investments – at fair value	\$ 17,911,808	\$ 3,844,122	\$ 21,755,930	\$ 14,979,050	\$ 3,405,065	\$ 18,384,115
Contributions receivable	289,631	41,782	331,413	323,404	37,893	361,297
Loans receivable	-	93,883	93,883	-	78,510	78,510
<b>Total assets</b>	<b>\$ 18,201,439</b>	<b>\$ 3,979,787</b>	<b>\$ 22,181,226</b>	<b>\$ 15,302,454</b>	<b>\$ 3,521,468</b>	<b>\$ 18,823,922</b>
<b>Net Position Restricted for Pensions and Postemployment Benefits Other Than Pensions</b>	<b>\$ 18,233,788</b>	<b>\$ 3,979,787</b>	<b>\$ 22,213,575</b>	<b>\$ 15,302,454</b>	<b>\$ 3,521,468</b>	<b>\$ 18,823,922</b>

### Changes in Fiduciary Net Position

	2023			2022		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
<b>Additions</b>						
Employer contributions	\$ 1,181,292	\$ 12,800	\$ 1,194,092	\$ 1,034,677	\$ 12,500	\$ 1,047,177
Employee contributions	517,716	427,331	945,047	709,978	447,719	1,157,697
Interest earned on loans	-	5,531	5,531	-	3,030	3,030
Investment income (loss)						
Gain (loss) on investments	2,627,554	579,340	3,206,894	(2,698,514)	(643,104)	(3,341,618)
Less investment expense	(126,279)	(29,409)	(155,688)	(117,968)	(30,944)	(148,912)
Net investment income (loss)	2,501,275	549,931	3,051,206	(2,816,482)	(674,048)	(3,490,530)
<b>Total Additions</b>	<b>4,200,283</b>	<b>995,593</b>	<b>5,195,876</b>	<b>(1,071,827)</b>	<b>(210,799)</b>	<b>(1,282,626)</b>
<b>Deductions</b>						
Benefit payments	1,301,298	537,274	1,838,572	925,591	527,317	1,452,908
<b>Total Deductions</b>	<b>1,301,298</b>	<b>537,274</b>	<b>1,838,572</b>	<b>925,591</b>	<b>527,317</b>	<b>1,452,908</b>
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>2,898,985</b>	<b>458,319</b>	<b>3,357,304</b>	<b>(1,997,418)</b>	<b>(738,116)</b>	<b>(2,735,534)</b>
<b>Net Position - Beginning of the Year</b>	<b>15,302,454</b>	<b>3,521,468</b>	<b>18,823,922</b>	<b>17,299,872</b>	<b>4,259,584</b>	<b>21,559,456</b>
<b>Net Position - End of the Year</b>	<b>\$ 18,201,439</b>	<b>\$ 3,979,787</b>	<b>\$ 22,181,226</b>	<b>\$ 15,302,454</b>	<b>\$ 3,521,468</b>	<b>\$ 18,823,922</b>

## Note 12: Fiduciary Funds

### Investment Risk

Due to the nature of the plans, the interest rate risk, credit risk, custodial risk, and concentration of credit risk will vary for the participants depending on the investment options chosen by the participant.

### Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	Fair Value Measurements Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2023</b>				
<b>Investments</b>				
Cash Management Funds	\$ 115,253	\$ -	\$ 115,253	\$ -
Balanced Asset Allocation Fund	19,193,470	-	19,193,470	-
Mutual Funds - Corporate Bonds	101,865	-	101,865	-
Mutual Funds - Equity	2,345,342	-	2,345,342	-
	<u>\$ 21,755,930</u>	<u>\$ -</u>	<u>\$ 21,755,930</u>	<u>\$ -</u>

	Fair Value Measurements Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2022</b>				
<b>Investments</b>				
Cash Management Funds	\$ 1,102,313	\$ -	\$ 1,102,313	\$ -
Balanced Asset Allocation Fund	15,081,310	-	15,081,310	-
Mutual Funds - Corporate Bonds	103,289	-	103,289	-
Mutual Funds - Equity	2,097,203	-	2,097,203	-
	<u>\$ 18,384,115</u>	<u>\$ -</u>	<u>\$ 18,384,115</u>	<u>\$ -</u>

### *Investments*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Airport had no Level 3 fiduciary fund investments at December 31, 2023 and 2022.

### **Note 13: Subsequent Events**

In January 2024, the Airport (lessor) entered into an amended and restated lease agreement with Dassault Falcon Jet Corp. (lessee) that is effective January 1, 2024. The initial term of the lease agreement is for 40 years following the commencement date of January 1, 2024. The initial rent for the property is approximately \$2.1 million per year. The lease requires that the lessee invest at least \$100 million in capital improvements by December 31, 2034. Upon expiration or termination of the lease, all improvements made on the property shall become the sole property of the Airport.

# STATISTICAL SECTION



BILL AND HILLARY  
**CLINTON**  
NATIONAL AIRPORT

## **STATISTICAL SECTION**

The Statistical Section's objective is to provide users of the Airport's financial statements with additional historical perspective, context, and detail to assist in using the information presented in the financial statements, notes to the financial statements, and supplemental information to assess the financial condition of the Airport.

**STATISTICAL SECTION (Unaudited)**  
**FISCAL YEAR ENDED DECEMBER 31, 2023**

The Statistical Section provides information with up to ten years of comparable data.

**Financial Trends and Revenue Capacity**

The financial trend schedules depict the financial position of LIT over the years. The information provided allows for an understanding of how revenues and expenses have changed over the years. The revenue capacity schedules present the significant sources of LIT’s operating revenues.

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Operating Revenues and Ratios	75
Operating Expenses and Ratios	77
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Principal Revenue Customers	80

**Debt Capacity**

The schedules present LIT’s outstanding debt over the years, related debt service ratios, and LIT’s ability to repay the outstanding debt and ability to issue additional debt in the future.

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Revenue Bonds Debt Service Coverage	83

**Operating Information**

The schedules provide information on the distribution of LIT’s carriers, passenger traffic, airport personnel, and capital assets.

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**Demographic and Economic Data**

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## Statistical Section

### Net Position by Component

Fiscal Years Ended December 31

	2023	2022	2021	2020	2019
<b>Net Position</b>					
Net investment in capital assets	\$ 330,437,070	\$ 329,265,199	\$ 330,795,684	\$ 335,085,195	\$ 325,913,438
Restricted for:					
Debt service	-	-	-	-	-
PFC-eligible capital projects	11,314,613	10,292,371	12,349,829	9,976,856	12,326,417
FAA restriction	655,500	655,500	655,500	-	-
Unrestricted	<u>130,886,380</u>	<u>104,430,689</u>	<u>85,208,916</u>	<u>65,298,786</u>	<u>63,793,360</u>
<b>Total net position</b>	<u><u>\$ 473,293,563</u></u>	<u><u>\$ 444,643,759</u></u>	<u><u>\$ 429,009,929</u></u>	<u><u>\$ 410,360,837</u></u>	<u><u>\$ 402,033,215</u></u>
	2018	2017	2016	2015	2014
<b>Net Position</b>					
Net investment in capital assets	\$ 329,340,024	\$ 336,033,751	\$ 330,353,169	\$ 322,340,670	\$ 312,867,506
Restricted for:					
Debt service	-	-	-	-	2,442,039
PFC-eligible capital projects	10,012,038	11,864,719	10,193,369	12,740,299	17,737,136
FAA restriction	-	-	-	-	-
Unrestricted	<u>54,177,710</u>	<u>39,215,670</u>	<u>37,411,930</u>	<u>26,430,938</u>	<u>21,647,207</u>
<b>Total net position</b>	<u><u>\$ 393,529,772</u></u>	<u><u>\$ 387,114,140</u></u>	<u><u>\$ 377,958,468</u></u>	<u><u>\$ 361,511,907</u></u>	<u><u>\$ 354,693,888</u></u>

Source: Airport audited financial statements

## Statistical Section

### Changes in Net Position

Fiscal Years Ended December 31

	2023	2022	2021	2020	2019
<b>Operating Revenues</b>					
Airline revenues	\$ 13,753,467	\$ 12,246,072	\$ 11,090,515	\$ 10,342,335	\$ 12,689,259
Nonairline revenues	26,426,305	23,891,887	20,438,678	13,907,147	24,033,293
Total operating revenues	40,179,772	36,137,959	31,529,193	24,249,482	36,722,552
<b>Operating Expenses</b>					
Salaries, wages, and employee benefits	13,251,035	12,414,262	12,174,604	11,905,923	11,916,715
Services and supplies	5,978,018	5,434,654	5,238,322	4,932,875	5,293,176
Maintenance and repairs	1,827,424	1,728,502	1,590,648	1,515,624	1,618,745
Utilities	1,994,145	2,070,379	1,663,341	1,544,561	1,961,284
Other	2,871,446	2,504,066	2,006,882	1,653,151	2,238,913
Total operating expenses	25,922,068	24,151,863	22,673,797	21,552,134	23,028,833
Operating income before depreciation	14,257,704	11,986,096	8,855,396	2,697,348	13,693,719
Depreciation	21,181,883	20,958,716	20,376,862	19,215,867	18,891,557
Operating income (loss)	(6,924,179)	(8,972,620)	(11,521,466)	(16,518,519)	(5,197,838)
<b>Nonoperating Revenues (Expenses)</b>					
Passenger facility charges	4,398,014	3,994,434	3,468,152	1,967,260	4,388,874
Federal operating grants	294,027	292,449	288,136	356,654	306,447
Investment income (loss)	4,556,364	(2,025,988)	288,345	760,084	1,542,101
Lease interest income	1,384,829	1,373,709	-	-	-
Gain (loss) on disposal of assets	(1,541,829)	(1,216,117)	(315,009)	(233,098)	-
Paying agent and trustee fees	-	-	-	(16,446)	(8,748)
Other nonoperating revenue (expense)	505,982	527,926	324,766	712,226	440,316
COVID relief grant revenue	8,877,291	8,616,921	11,932,982	11,102,008	-
	18,474,678	11,563,334	15,987,372	14,648,688	6,668,990
<b>Change in Net Position Before Capital Contributions and Grants</b>	11,550,499	2,590,714	4,465,906	(1,869,831)	1,471,152
Federal, state, and local grants	11,518,229	9,480,376	12,333,996	10,181,107	7,023,543
Capital contributions from lessees	5,581,076	3,562,740	1,849,090	-	-
<b>Change in Net Position</b>	28,649,804	15,633,830	18,648,992	8,311,276	8,494,695
<b>Net Position, Beginning of Year</b>	444,643,759	429,009,929	410,360,937	402,033,215	393,529,772
<b>Net Position, End of Year</b>	<u>\$ 473,293,563</u>	<u>\$ 444,643,759</u>	<u>\$ 429,009,929</u>	<u>\$ 410,344,491</u>	<u>\$ 402,024,467</u>

Source: Airport audited financial statements

Changes in Net Position (continued)

Fiscal Years Ended December 31

	2018	2017	2016	2015	2014
<b>Operating Revenues</b>					
Airline revenues	\$ 11,844,972	\$ 11,436,125	\$ 11,015,958	\$ 10,196,487	\$ 9,868,930
Nonairline revenues	22,590,754	22,345,662	21,857,051	21,041,282	20,864,474
Total operating revenues	34,435,726	33,781,787	32,873,009	31,237,769	30,733,404
<b>Operating Expenses</b>					
Salaries, wages, and employee benefits	11,402,192	10,712,645	10,102,574	11,193,730	10,130,005
Services and supplies	5,052,464	5,002,540	5,080,196	5,027,857	5,125,363
Maintenance and repairs	1,574,401	1,425,422	1,295,490	1,265,116	1,111,564
Utilities	1,767,077	1,809,264	1,628,694	1,867,845	1,974,685
Other	2,338,255	2,210,929	2,007,947	2,025,745	1,759,892
Total operating expenses	22,134,389	21,160,800	20,114,901	21,380,293	20,101,509
Operating income before depreciation	12,301,337	12,620,987	12,758,108	9,857,476	10,631,895
Depreciation	18,047,361	19,207,701	14,486,130	14,459,027	13,929,312
Operating income (loss)	(5,746,024)	(6,586,714)	(1,728,022)	(4,601,551)	(3,297,417)
<b>Nonoperating Revenues (Expenses)</b>					
Passenger facility charges	4,197,153	3,929,925	3,839,384	3,866,346	4,060,772
Federal operating grants	309,090	324,014	298,595	314,604	358,928
Investment income (loss)	1,061,875	547,455	305,752	270,189	201,345
Interest expense	-	-	-	(660,768)	(395,560)
Gain (loss) on disposal of assets	(2,234,041)	(110,286)	(2,652)	22,723	11,186
Paying agent and trustee fees	(8,092)	(64,415)	-	(16,446)	(8,748)
Other nonoperating revenue (expense)	457,231	438,768	484,741	1,073,170	60,085
COVID relief grant revenue	-	-	11,932,982	11,102,008	-
	3,783,216	5,065,461	16,858,802	15,971,826	4,288,008
<b>Change in Net Position Before Capital Contributions and Grants</b>	(1,962,808)	(1,521,253)	15,130,780	11,370,275	990,591
Federal, state, and local grants	8,370,348	10,145,662	13,248,763	4,379,192	6,777,321
Capital contributions from lessees	-	466,848	-	2,170,560	1,902,334
<b>Change in Net Position</b>	6,407,540	9,091,257	28,379,543	17,920,027	9,670,246
<b>Net Position, Beginning of Year</b>	387,114,140	377,958,468	361,511,907	354,693,888	345,023,642
<b>Net Position, End of Year</b>	\$ 393,521,680	\$ 387,049,725	\$ 389,891,450	\$ 372,613,915	\$ 354,693,888

Source: Airport audited financial statements

## Statistical Section

### Operating Revenues and Ratios

Fiscal Years Ended December 31

	2023	2022	2021	2020	2019
<b>Airline Revenues</b>					
Airport landing and related fees	\$ 6,587,154	\$ 5,638,486	\$ 4,872,194	\$ 3,936,904	\$ 6,175,693
Terminal building revenues	6,899,513	6,359,666	5,986,211	6,219,928	6,314,216
Facility use fees	266,800	247,920	232,110	185,503	199,350
<b>Total airline revenues</b>	<u>13,753,467</u>	<u>12,246,072</u>	<u>11,090,515</u>	<u>10,342,335</u>	<u>12,689,259</u>
<b>Parking and roadway operations</b>					
Parking fees	11,622,119	10,191,390	7,605,045	4,050,761	10,187,088
Ground transportation	232,639	125,491	99,803	91,001	216,312
	<u>11,854,758</u>	<u>10,316,881</u>	<u>7,704,848</u>	<u>4,141,762</u>	<u>10,403,400</u>
<b>Concession revenues</b>					
Rental car percentage fees	4,921,282	4,376,888	3,500,844	1,935,043	3,715,516
Terminal concession revenues	593,690	1,110,980	908,557	626,996	1,251,934
	<u>5,514,972</u>	<u>5,487,868</u>	<u>4,409,401</u>	<u>2,562,039</u>	<u>4,967,450</u>
<b>Building rentals</b>					
Terminal	373,002	348,560	332,689	241,507	341,714
Rental car	869,406	824,580	838,002	848,275	867,770
Other buildings	2,694,893	2,269,399	2,327,270	2,012,200	1,873,264
	<u>3,937,301</u>	<u>3,442,539</u>	<u>3,497,961</u>	<u>3,101,982</u>	<u>3,082,748</u>
<b>Land leases</b>	1,864,863	1,742,528	2,179,330	2,018,748	1,987,271
<b>Other revenues</b>					
Rental car CFC <sup>1</sup>	2,395,512	2,041,764	1,853,975	1,350,247	2,525,296
Services sold	289,019	294,921	286,039	293,450	464,260
General aviation activity	520,072	511,728	458,914	384,671	537,619
Other	49,808	53,658	48,210	54,248	65,249
	<u>3,254,411</u>	<u>2,902,071</u>	<u>2,647,138</u>	<u>2,082,616</u>	<u>3,592,424</u>
<b>Total nonairline revenues</b>	<u>26,426,305</u>	<u>23,891,887</u>	<u>20,438,678</u>	<u>13,907,147</u>	<u>24,033,293</u>
<b>Total operating revenues</b>	<u>\$ 40,179,772</u>	<u>\$ 36,137,959</u>	<u>\$ 31,529,193</u>	<u>\$ 24,249,482</u>	<u>\$ 36,722,552</u>
Enplaned passengers	1,120,270	1,010,426	850,422	490,544	1,124,672
<b>Total Operating Revenue per Enplaned Passenger</b>					
<b>Passenger</b>	\$ 35.87	\$ 35.77	\$ 37.07	\$ 49.43	\$ 32.65
<b>Airline Revenue per Enplaned Passenger <sup>2</sup></b>	\$ 11.71	\$ 11.45	\$ 13.04	\$ 21.08	\$ 10.76

Source: Airport audited financial statements

Notes:

(1) Beginning Dec 2010, a \$3.50 per transaction day Customer Facility Charge was imposed on rental car agencies.

(2) Airline revenues adjusted to exclude cargo landing fees.

## Statistical Section

### Operating Revenues and Ratios (continued)

Fiscal Years Ended December 31

	2018	2017	2016	2015	2014
<b>Airline Revenues</b>					
Airport landing and related fees	\$ 5,607,937	\$ 5,439,811	\$ 5,301,723	\$ 4,992,768	\$ 5,132,689
Terminal building revenues	6,041,660	5,821,189	5,546,535	5,028,594	4,592,916
Facility use fees	195,375	175,125	167,700	175,125	143,325
<b>Total airline revenues</b>	<u>11,844,972</u>	<u>11,436,125</u>	<u>11,015,958</u>	<u>10,196,487</u>	<u>9,868,930</u>
Parking and roadway operations					
Parking fees	9,692,084	9,333,545	9,251,248	9,121,334	9,434,927
Ground transportation	187,586	156,026	130,406	104,137	102,849
	<u>9,879,670</u>	<u>9,489,571</u>	<u>9,381,654</u>	<u>9,225,471</u>	<u>9,537,776</u>
Concession revenues					
Rental car percentage fees	3,598,503	3,585,326	3,492,763	3,443,710	3,546,003
Terminal concession revenues	1,284,632	1,247,072	1,255,789	1,182,673	1,248,579
	<u>4,883,135</u>	<u>4,832,398</u>	<u>4,748,552</u>	<u>4,626,383</u>	<u>4,794,582</u>
Building rentals					
Terminal	279,241	266,518	273,393	253,332	251,286
Rental car	807,200	760,858	650,355	485,363	345,976
Other buildings	1,440,524	1,595,770	1,421,106	1,379,083	1,275,791
	<u>2,526,965</u>	<u>2,623,146</u>	<u>2,344,854</u>	<u>2,117,778</u>	<u>1,873,053</u>
Land leases					
	1,964,327	2,018,024	1,977,060	1,826,476	1,541,500
Other revenues					
Rental car CFC <sup>1</sup>	2,417,258	2,454,053	2,479,004	2,469,780	2,419,357
Services sold	417,967	423,487	413,870	375,275	336,260
General aviation activity	442,706	457,810	453,521	285,027	166,748
Other	58,726	47,173	58,536	115,092	110,091
	<u>3,336,657</u>	<u>3,382,523</u>	<u>3,404,931</u>	<u>3,245,174</u>	<u>3,032,456</u>
<b>Total nonairline revenues</b>	<u>22,590,754</u>	<u>22,345,662</u>	<u>21,857,051</u>	<u>21,041,282</u>	<u>20,779,367</u>
<b>Total operating revenues</b>	<u>\$ 34,435,726</u>	<u>\$ 33,781,787</u>	<u>\$ 32,873,009</u>	<u>\$ 31,237,769</u>	<u>\$ 30,648,297</u>
Enplaned passengers					
	1,069,349	1,017,004	996,897	992,712	1,038,307
<b>Total Operating Revenue per Enplaned</b>					
<b>Passenger</b>	\$ 32.20	\$ 33.22	\$ 32.98	\$ 31.47	\$ 29.52
<b>Airline Revenue per Enplaned Passenger <sup>2</sup></b>	\$ 10.59	\$ 10.69	\$ 10.49	\$ 9.72	\$ 9.03

Source: Airport audited financial statements

Notes:

(1) Beginning Dec 2010, a \$3.50 per transaction day Customer Facility Charge is imposed on rental car agencies.

(2) Airline revenues adjusted to exclude cargo landing fees.

## Statistical Section

### Operating Expenses and Ratios

Fiscal Years Ended December 31

	2023	2022	2021	2020	2019
<b>Operating Expenses by Type</b>					
Salaries, wages, and employee benefits	\$ 13,251,035	\$ 12,414,262	\$ 12,174,604	\$ 11,905,923	\$ 11,916,715
Professional and contractual services	5,047,471	4,456,573	4,257,444	4,199,410	4,418,158
Buildings and grounds maintenance	911,176	757,354	730,937	762,641	820,777
Equipment repair and maintenance	916,248	971,148	859,711	752,983	797,968
Marketing and public affairs	197,516	165,382	178,203	89,728	278,905
Utilities	1,994,145	2,070,379	1,663,341	1,544,561	1,961,284
Materials and supplies	930,547	978,081	980,878	733,465	875,018
Insurance	650,111	617,481	560,616	508,683	456,095
Other	2,023,819	1,721,203	1,268,063	1,054,740	1,503,913
<b>Total Operating Expenses by Type</b>	<b>\$ 25,922,068</b>	<b>\$ 24,151,863</b>	<b>\$ 22,673,797</b>	<b>\$ 21,552,134</b>	<b>\$ 23,028,833</b>
<b>Operating Expenses by Cost Center</b>					
Administration	\$ 6,219,467	\$ 5,764,532	\$ 5,616,765	\$ 5,410,884	\$ 5,609,489
Airfield	7,451,172	6,956,820	6,500,809	6,190,231	6,413,105
Terminal	8,969,204	8,338,486	7,728,543	7,202,551	7,879,435
Parking	1,915,344	1,813,637	1,542,393	1,366,772	1,764,878
Shuttle	376,984	333,030	327,941	331,292	308,418
Rental car	92,172	85,075	112,801	78,030	98,132
Commercial/industrial	897,725	860,284	844,515	972,414	955,376
<b>Total Operating Expenses by Cost Center</b>	<b>\$ 25,922,068</b>	<b>\$ 24,151,863</b>	<b>\$ 22,673,767</b>	<b>\$ 21,552,174</b>	<b>\$ 23,028,833</b>
Enplaned passengers	1,120,270	1,010,426	850,422	490,544	1,124,672
<b>Total Operating Expense per Enplaned Passenger</b>	<b>\$ 23.14</b>	<b>\$ 23.90</b>	<b>\$ 26.66</b>	<b>\$ 43.94</b>	<b>\$ 20.48</b>

Source: Airport audited financial statements

Operating Expenses and Ratios (continued)

Fiscal Years Ended December 31

	2018	2017	2016	2015	2014
<b>Operating Expenses by Type</b>					
Salaries, wages, and employee benefits	\$ 11,402,192	\$ 10,712,645	\$ 10,102,574	\$ 11,193,730	\$ 10,130,005
Professional and contractual services	4,203,242	4,206,153	4,149,740	4,188,836	4,265,209
Buildings and grounds maintenance	764,308	611,867	540,426	523,859	359,459
Equipment repair and maintenance	810,093	813,555	755,062	741,257	752,105
Marketing and public affairs	323,770	238,970	263,555	246,543	112,667
Utilities	1,767,077	1,809,264	1,628,694	1,867,845	1,974,685
Materials and supplies	849,222	796,387	930,456	839,021	860,154
Insurance	414,173	383,148	378,775	378,709	371,617
Other	1,600,312	1,588,811	1,365,617	1,400,493	1,275,608
<b>Total Operating Expenses by Type</b>	<b>\$ 22,134,389</b>	<b>\$ 21,160,800</b>	<b>\$ 20,114,899</b>	<b>\$ 21,380,293</b>	<b>\$ 20,101,509</b>
<b>Operating Expenses by Cost Center</b>					
Administration	\$ 5,746,555	\$ 5,472,418	\$ 5,199,659	\$ 5,312,377	\$ 4,880,682
Airfield	6,155,830	5,874,759	5,581,946	6,175,519	5,533,395
Terminal	7,532,522	7,329,339	6,964,024	7,405,937	7,126,578
Parking	1,642,797	1,511,713	1,436,366	1,432,751	1,415,008
Shuttle	242,695	279,625	265,688	251,376	292,283
Rental car	102,213	98,788	93,864	103,771	99,842
Commercial/industrial	711,777	594,158	573,352	698,562	753,721
<b>Total Operating Expenses by Cost Center</b>	<b>\$ 22,134,389</b>	<b>\$ 21,160,800</b>	<b>\$ 20,114,899</b>	<b>\$ 21,380,293</b>	<b>\$ 20,101,509</b>
Enplaned passengers	1,069,349	1,017,004	996,897	992,712	1,038,307
<b>Total Operating Expense per Enplaned Passenger</b>	<b>\$ 20.70</b>	<b>\$ 20.81</b>	<b>\$ 20.18</b>	<b>\$ 21.54</b>	<b>\$ 19.36</b>

Source: Airport audited financial statements

## Statistical Section

### Airport Rates, Charges and Fees

Fiscal Years Ended December 31

#### Airline Rates and Charges

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Landing fee rate (per 1,000 lbs)	\$ 4.60	\$ 4.26	\$ 4.26	\$ 4.26	\$ 4.21
Terminal building rental rate (per sq. ft.)	48.10	44.00	44.00	44.00	42.50
Gate fee (per turn)	94.00	94.00	94.00	94.00	89.45
Jet bridge fee (per turn) old/new	72.00/40	72.00/40	72.00/40	72.00/40	68.50/40.00
Aircraft ramp fee	1,590.00	1,590.00	1,590.00	1,590.00	1,500.00
Remain overnight (RON) fee	80.00	80.00	80.00	80.00	75.00
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Landing fee rate (per 1,000 lbs)	\$ 4.17	\$ 4.12	\$ 4.05	\$ 3.90	\$ 3.65
Terminal building rental rate (per sq. ft.)	41.07	38.90	38.20	34.18	31.25
Gate fee (per turn)	88.64	81.45	81.45	77.90	79.15
Jet bridge fee (per turn)	68.50/40.00	68.50/40.00	68.50/40.00	68.50	68.50
Aircraft ramp fee	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Remain overnight (RON) fee	75.00	75.00	75.00	75.00	75.00

Source: Airport Management Records

#### Parking Fees (Daily Maximum)

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Parking deck	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
Short-term lots (east and west)	13.00	13.00	13.00	13.00	13.00
Long-term lot (south)	10.00	10.00	10.00	10.00	10.00
Economy lot	8.00	8.00	8.00	8.00	8.00
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Parking deck	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
Short-term lots (east and west)	13.00	13.00	13.00	13.00	13.00
Long-term lot (south)	10.00	10.00	10.00	10.00	10.00
Economy lot	8.00	8.00	8.00	8.00	8.00

Source: Airport Management Records

**Principal Revenue Customers**  
Fiscal Years Ended December 31

Customer	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2023 % of Total Operating Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
American Airlines	4,703,027	4,166,430	4,454,582	3,513,231	4,389,626	3,763,816	4,043,780	3,100,856	1,917,452	2,220,477	11.7%
EAH Holdings	3,358,093	2,991,087	2,944,819	2,020,889	2,968,858	2,865,338	2,919,606	2,684,664	2,588,678	2,323,779	8.4%
Southwest Airlines	3,297,870	2,782,717	1,827,914	2,257,880	2,693,484	2,730,294	2,690,844	2,610,712	2,499,549	2,770,732	8.2%
Avis Budget Group	3,102,524	2,620,047	1,897,829	1,000,178	1,936,642	1,928,014	1,888,945	1,941,844	1,935,365	1,946,751	7.7%
Delta Air Lines	2,932,606	2,631,004	2,399,090	2,045,252	3,100,524	3,078,256	2,959,808	2,978,335	2,615,258	2,295,570	7.3%
Dassault Falcon Jet	2,082,084	1,525,864	1,451,684	1,853,638	1,427,468	1,339,770	1,309,958	1,385,652	1,503,297	1,317,710	5.2%
United Air Lines	2,068,714	1,720,833	1,603,423	1,533,519	2,056,512	2,019,404	1,751,882	1,810,882	1,670,826	1,484,287	5.1%
Carco Carriage (Hertz)	1,743,218	1,569,169	1,269,940	874,987	1,476,410	1,306,766	1,281,825	1,208,413	1,160,010	1,245,049	4.3%
Signature Flight Support	1,617,430	1,552,131	1,481,425	1,397,939	1,476,410	1,370,861	1,352,583	1,257,119	1,138,587	-	4.0%
HMS Parcel Service	727,181	763,395	744,299	752,811	-	-	-	-	-	-	1.8%
HMS Host Inc.	-	-	-	-	798,352	905,978	1,161,466	1,147,012	1,112,955	1,142,464	0.0%
Central Flying Service	-	-	-	-	-	-	-	-	-	724,910	0.0%
	<u>\$ 25,632,747</u>	<u>\$ 22,322,677</u>	<u>\$ 20,075,005</u>	<u>\$ 17,250,324</u>	<u>\$ 22,324,286</u>	<u>\$ 21,308,497</u>	<u>\$ 21,360,697</u>	<u>\$ 20,125,489</u>	<u>\$ 18,141,977</u>	<u>\$ 17,471,729</u>	<u>63.8%</u>

Source: Airport Management Records

Outstanding Debt by Type and Debt Ratios

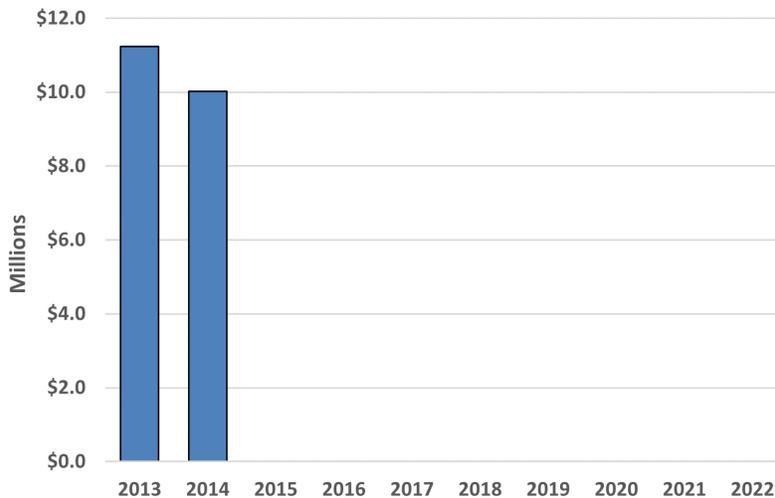
Fiscal Years Ended December 31

(in thousands)

	2023	2022	2021	2020	2019
<b>Outstanding Debt per Series</b>					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003	-	-	-	-	-
Series 2007A	-	-	-	-	-
Series 2007B	-	-	-	-	-
Unamortized (discount)/premium	-	-	-	-	-
<b>Total Outstanding Debt</b>	<u>\$ -</u>				
<b>Annual Debt Service</b>					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
<b>Total debt service</b>	<u>\$ -</u>				
Total enplaned passengers	1,120	1,010	850	491	1,125
Outstanding Debt/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Airport audited financial statements

Outstanding Debt



Outstanding Debt by Type and Debt Ratios (continued)

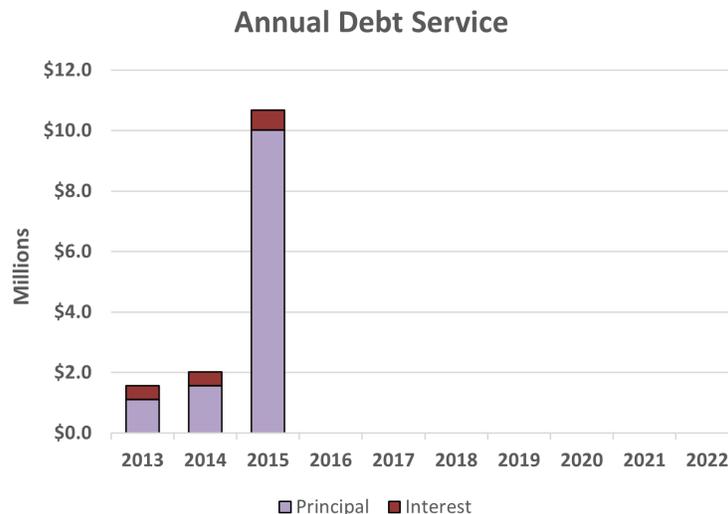
Fiscal Years Ended December 31

(in thousands)

	2018	2017	2016	2015 <sup>1</sup>	2014
<b>Outstanding Debt per Series</b>					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003	-	-	-	-	385
Series 2007A	-	-	-	-	3,600
Series 2007B	-	-	-	-	5,975
Unamortized (discount)/premium	-	-	-	-	64
<b>Total Outstanding Debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,024</b>
<b>Annual Debt Service</b>					
Principal	\$ -	\$ -	\$ -	\$ 10,024	\$ 1,565
Interest	-	-	-	661	452
<b>Total debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,685</b>	<b>\$ 2,017</b>
Total enplaned passengers	1,069	1,017	997	993	1,038
Outstanding Debt/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ 9.66
Debt Service/Enplaned Passenger	\$ -	\$ -	\$ -	\$ 10.76	\$ 1.94
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ -	\$ -	\$ 251.32
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ -	\$ -	\$ 13.84

Source: Airport audited financial statements

(1) FY 2013 excludes redemption of Series 1999A, \$9,670,000



**Revenue Bonds Debt Service Coverage**

Fiscal Years Ended December 31

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Net Revenues</b>					
Operating revenues	\$ 40,179,772	\$ 36,137,959	\$ 31,529,193	\$ 24,249,482	\$ 36,722,552
Less: operating expenses	(25,922,068)	(24,151,863)	(22,673,797)	(21,552,134)	(23,028,833)
Plus: interest income (loss)	4,556,364	(2,025,988)	288,345	760,084	1,542,101
<b>Net Revenues</b>	<b>\$ 18,814,068</b>	<b>\$ 9,960,108</b>	<b>\$ 9,143,741</b>	<b>\$ 3,457,432</b>	<b>\$ 15,235,820</b>
<b>Annual Debt Service</b>					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
<b>Total annual debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Coverage</b>					
Revenue bond debt service coverage	-	-	-	-	-
Debt service coverage requirement	-	-	-	-	-
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015<sup>1</sup></b>	<b>2014</b>
<b>Net Revenues</b>					
Operating revenues	\$ 34,435,726	\$ 33,781,787	\$ 32,873,009	\$ 31,237,770	\$ 30,648,296
Less: operating expenses	(22,134,389)	(21,160,800)	(20,114,901)	(21,380,293)	(20,101,509)
Plus: interest income (loss)	1,061,875	547,455	305,752	270,189	201,345
<b>Net Revenues</b>	<b>\$ 13,363,212</b>	<b>\$ 13,168,442</b>	<b>\$ 13,063,860</b>	<b>\$ 10,127,666</b>	<b>\$ 10,748,132</b>
<b>Annual Debt Service</b>					
Principal	\$ -	\$ -	\$ -	\$ 10,023,739	\$ 1,565,000
Interest	-	-	-	660,768	452,118
<b>Total annual debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,684,507</b>	<b>\$ 2,017,118</b>
<b>Debt Service Coverage</b>					
Revenue bond debt service coverage	-	-	-	0.95	5.33
Debt service coverage requirement	-	-	1.25	1.25	1.25

(1) In FY 2015, the Airport deposited \$8,785,480 in an irrevocable trust with an escrow agent to provide funds sufficient to defease all its remaining outstanding bonds.

Passenger Airline Daily Flights  
Fiscal Years Ended December 31

Airline	Gate	Destination	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Allegiant Air	Gates 6 or 12	Orlando, FL (SFB)	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	
		Los Angeles, CA (LAX)	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	
		Destin, FL (VPS)	-	-	-	-	0.3	-	-	-	-	-	-
American Airlines	Gates 1, 3 & 5	St. Petersburg, FL (PIE)	-	-	0.3	-	-	-	-	-	-	-	
		Dallas, TX (DFW)	7.0	7.0	7.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	
		Chicago, IL (ORD)	3.0	2.0	2.0	1.0	5.0	5.0	5.0	5.0	5.0	5.0	
		Charlotte, NC (CLT)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
		New York (LGA)	1.0	1.0	-	-	-	-	-	-	-	-	1.0
		Washington, D.C. (DCA)	1.0	1.0	1.0	-	2.0	-	-	-	-	-	-
United Airlines	Gates 7, 8 & 12	Phoenix, AZ (PHX)	0.1	-	-	0.1	-	-	-	-	-	-	
		Miami, FL (MIA)	0.1	0.1	0.1	-	-	-	-	-	-	-	
		Denver, CO (DEN)	3.0	2.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	
		Chicago, IL (ORD)	3.0	3.0	2.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	
		Houston, TX (IAH)	3.0	4.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0	
		Atlanta, GA (ATL)	6.0	5.0	5.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	
Delta Air Lines	Gates 2 & 4	Detroit, MI (DTW)	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	
		New York (LGA)	1.0	-	-	-	-	-	-	-	-	-	
Frontier Airlines	Gate 6	Denver, CO (DEN)	0.4	0.4	0.4	0.4	4.0	4.0	-	-	-	-	
		Orlando, FL (MCO)	-	-	0.3	-	-	0.1	-	-	-	-	
GLO Airlines	Gate 6	Las Vegas, NV (LAS)	-	0.3	0.4	-	-	-	-	-	-	-	
		New Orleans, LA (MSY)	-	-	-	-	-	-	-	2.0	2.0	-	
Southwest Airlines	Gates 10, 11 & 12	Destin, FL (VPS)	-	-	-	-	-	-	-	-	0.1	-	
		Dallas, TX (DAL)	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	
		Chicago, IL (MDW)	-	-	-	-	-	-	-	-	1.0	1.0	
		Phoenix, AZ (PHX)	-	-	1.0	0.1	1.0	1.0	1.0	1.0	1.0	1.0	
		Baltimore, MD (BWI)	-	-	-	-	-	-	-	-	-	1.0	
		Las Vegas, NV (LAS)	1.0	0.3	0.3	0.1	1.0	1.0	1.0	1.0	1.0	1.0	
US Airways Via Airlines	Gates 5 & 8 Gate 6	Saint Louis, MO (STL)	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0	-	-	
		Denver, CO (DEN)	1.0	1.0	1.0	1.0	-	-	-	-	-	-	
		Atlanta, GA (ATL)	1.0	1.0	1.0	-	-	-	-	-	-	-	
		Charlotte, NC (CLT)	-	-	-	-	-	-	-	-	-	-	
		Austin, TX (AUS)	-	-	-	-	-	-	-	-	-	-	
		Total Daily Departures		39.8	36.4	34.1	25.1	47.7	47.8	41.4	44.5	43.4	41.3

Source: Airport flight data from Passur (2014-2023)

**Airport Operations**  
Fiscal Years Ended December 31

Destination	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Air Carrier	24,652	20,909	21,107	16,292	24,981	23,284	21,620	20,208	20,341	20,146
Air Taxi	12,448	13,437	11,762	9,143	13,867	12,912	12,633	15,148	14,272	16,905
General Aviation	35,812	33,532	33,375	28,211	34,460	37,022	38,657	46,517	49,770	43,913
Military	9,359	14,819	15,986	10,002	12,661	23,396	21,199	19,342	14,656	9,470
	<u>82,271</u>	<u>82,697</u>	<u>82,230</u>	<u>63,648</u>	<u>85,969</u>	<u>96,614</u>	<u>94,109</u>	<u>101,215</u>	<u>99,039</u>	<u>90,434</u>

Source: FFA Air Traffic Reports

## Statistical Section

### Airline Landed Weight Trend

Fiscal Years Ended December 31

(lbs. in thousands)

	2023	2022	2021	2020	2019
<b>Passenger Airlines</b>					
Allegiant	19,064	26,781	25,190	19,231	22,408
American	444,068	392,509	394,259	257,703	452,431
Delta	265,082	247,130	219,396	151,882	322,612
Frontier	29,195	39,554	35,520	16,866	27,613
GLO Airlines	-	-	-	-	-
Southwest	354,376	301,983	244,494	206,144	304,724
United	187,729	147,624	127,686	115,440	211,759
US Airways	-	-	-	-	-
Via	-	-	-	-	1,319
Vision	-	-	-	-	-
Charter	3,950	5,121	2,634	2,048	4,325
	<u>1,303,464</u>	<u>1,160,702</u>	<u>1,049,179</u>	<u>769,314</u>	<u>1,347,191</u>
<b>Cargo Airlines</b>					
UPS	136,950	157,442	152,540	162,933	136,477
	<u>136,950</u>	<u>157,442</u>	<u>152,540</u>	<u>162,933</u>	<u>136,477</u>
<b>Total Landed Weights</b>	<u>1,440,414</u>	<u>1,318,144</u>	<u>1,201,719</u>	<u>932,247</u>	<u>1,483,668</u>
	2018	2017	2016	2015	2014
<b>Passenger Airlines</b>					
Allegiant	17,791	17,510	13,980	15,375	12,512
American	381,594	353,792	341,037	276,207	310,988
Delta	324,892	312,024	318,579	298,884	289,556
Frontier	22,852	-	-	-	23,047
GLO Airlines	-	9,918	19,401	1,610	-
Southwest	309,990	310,625	308,462	322,356	410,011
United	198,129	170,796	172,914	168,735	160,126
US Airways	-	-	-	54,521	82,903
Via	6,950	-	-	-	-
Vision	-	-	-	-	242
Charter	3,486	3,510	3,585	2,262	1,160
	<u>1,265,684</u>	<u>1,178,175</u>	<u>1,177,958</u>	<u>1,139,950</u>	<u>1,290,545</u>
<b>Cargo Airlines</b>					
UPS	122,243	135,585	137,282	135,529	134,957
	<u>122,243</u>	<u>135,585</u>	<u>137,282</u>	<u>135,529</u>	<u>134,957</u>
<b>Total Landed Weights</b>	<u>1,387,927</u>	<u>1,313,760</u>	<u>1,315,240</u>	<u>1,275,479</u>	<u>1,425,502</u>

Source: Monthly Airline Activity Reports

## Statistical Section

### Enplaned Passenger Data

Fiscal Years Ended December 31

Destination	2023	2022	2021	2020	2019
Allegiant Air	19,848	25,016	21,340	12,023	22,432
American Airlines	83,174	79,523	31,057	-	33,306
American Eagle	207,791	174,003	211,010	117,655	233,868
Air Wisconsin - American	8,993	-	-	-	-
Express Jet - American	-	-	-	-	-
Skywest - American	12,896	26,512	4,882	1,966	6,784
Mesa - American	3,866	6,892	1,952	-	6,718
Pacific Southwest (PSA)	30,469	44,488	55,689	63,616	78,894
Republic - American	23,750	3,218	8,353	-	-
Delta Airlines	230,880	223,368	155,777	75,147	264,791
Compass	-	-	-	-	-
GO Jet	-	-	-	-	-
Express Jet - Delta	-	-	-	-	-
Endeavor/Pinnacle	11,963	-	25,086	16,227	4,091
Shuttle America	-	-	-	-	-
Skywest - Delta	-	-	-	233	12,327
Republic - Delta	1,919	-	-	-	-
Frontier	25,981	33,062	32,018	13,717	28,492
GLO Airlines	-	-	-	-	-
Southwest Airlines	287,364	252,239	193,048	111,510	250,503
Air Wisconsin - United	3,047	13,505	2,321	3,715	20,655
CommutAir - United	44,821	59,678	52,788	2,742	-
Express Jet - United	-	-	-	17,906	51,864
GoJet - United	10,082	1,552	11,456	8,078	-
Mesa-United	26,441	16,167	12,327	7,364	28,956
Republic - United	78	-	7,203	4,576	9,913
Skywest - United	85,404	49,102	22,981	30,344	50,964
Trans States - United	-	-	-	3,127	17,881
Mesa - US Airways	-	-	-	-	-
Air Wisconsin	-	-	-	-	-
Pacific Southwest (PSA)	-	-	-	-	-
Republic	-	-	-	-	-
Via	-	-	-	-	581
Charters	1,503	2,101	1,134	598	1,652
<b>Total Enplanements</b>	<u>1,120,270</u>	<u>1,010,426</u>	<u>850,422</u>	<u>490,544</u>	<u>1,124,672</u>

Source: Monthly Airline Activity Reports

**Enplaned Passenger Data (continued)**

Fiscal Years Ended December 31

Destination	2018	2017	2016	2015	2014
Allegiant Air	18,079	18,101	13,917	15,405	12,719
American Airlines	2,839	36	2,621	1,914	114,238
American Eagle	228,736	211,686	204,662	135,124	128,729
Air Wisconsin - American	-	-	-	-	-
Express Jet - American	2,718	2,411	-	-	-
Skywest - American	-	-	-	-	-
Mesa - American	1,104	9,710	10,711	84,598	1,890
Pacific Southwest (PSA)	66,351	65,434	63,556	16,388	-
Republic - American	-	-	-	64	1,418
Delta Airlines	262,757	250,381	252,874	248,331	221,887
Compass	-	-	-	-	260
GO Jet	-	1,016	-	-	-
Express Jet - Delta	714	15,405	15,116	16,787	17,544
Endeavor/Pinnacle	1,954	3,880	2,108	749	2,130
Shuttle America	-	-	181	258	35
Skywest - Delta	13,834	1,067	1,501	138	-
Republic - Delta	179	133	-	-	-
Frontier	23,283	-	-	-	20,363
GLO Airlines	-	4,335	7,586	338	-
Southwest Airlines	269,335	274,424	262,202	265,453	293,489
Air Wisconsin - United	19,680	-	-	-	-
CommutAir - United	-	-	-	-	-
Express Jet - United	53,862	77,929	94,946	108,149	119,030
GoJet - United	-	-	-	-	-
Mesa-United	37,048	16,724	9,712	-	-
Republic - United	13,738	-	64	47	-
Skywest - United	30,697	41,304	41,156	47,946	33,666
Trans States - United	18,838	21,758	12,529	2,956	-
Mesa	-	-	-	-	41,787
Air Wisconsin	-	-	-	-	1,091
Pacific Southwest (PSA)	-	-	-	47,462	23,841
Republic	-	-	-	-	3,531
Via	2,288	-	-	-	-
Charters	1,315	1,270	1,455	605	731
<b>Total Enplanements</b>	<u>1,069,349</u>	<u>1,017,004</u>	<u>996,897</u>	<u>992,712</u>	<u>1,038,379</u>

Source: Monthly Airline Activity Reports

**Employee Trend**  
Fiscal Years Ended December 31

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
101 Executive Office	2	2	2	2	2	2	2	2	2	2
102 Administration	3	3	3	3	3	3	3	3	3	3
103 Human Resources	4	4	4	4	4	4	5	5	5	4
104 Customer Service	8	8	8	8	8	8	9	9	7	7
105 Finance	8	8	8	8	7	9	10	10	10	10
106 Procurement	6	6	6	5	5	5	5	5	5	5
107 Properties	2	2	2	1	1	1	2	2	2	2
108 Planning & Development	4	4	4	4	5	6	6	6	5	4
109 Government & Public Relations	1	1	1	1	1	1	1	1	1	2
110 Air Service Development	1	1	1	1	1	1	1	1	1	1
201 Airside Operations	19	19	19	19	19	18	18	18	17	16
202 Landside Operations	28	28	28	28	28	28	31	31	34	36
301 Airfield Maintenance	17	17	17	17	17	17	18	18	18	18
302 Terminal Maintenance	59	59	59	56	56	56	56	56	56	53
303 Information Systems	8	8	8	11	10	10	9	9	9	9
304 Commercial Facilities	2	2	2	2	2	2	2	2	2	2
305 Fleet Maintenance	4	4	4	4	4	4	4	4	4	4
Total	176	176	176	174	173	175	182	182	181	178

Source: Approved Positions, Kronos Payroll System

## Statistical Section

### Schedule of Capital Assets

Fiscal Years Ended December 31  
(in thousands)

	2023	2022	2021	2020	2019
Land	\$ 68,476	\$ 68,419	\$ 68,394	\$ 68,263	\$ 68,234
Construction in progress	24,865	6,704	14,737	11,291	12,489
Capital assets not depreciated	93,342	75,122	83,131	79,554	80,723
Buildings and improvements	329,812	324,160	320,019	312,281	303,556
Equipment	31,685	30,699	28,896	28,130	27,406
Infrastructure	193,432	194,396	177,003	177,104	157,206
Capital assets depreciated	554,929	549,255	525,918	517,515	488,168
Less: accumulated depreciation	(314,621)	(293,676)	(276,428)	(259,638)	(240,939)
<b>Net Capital Assets</b>	<b>\$ 333,649</b>	<b>\$ 330,702</b>	<b>\$ 332,621</b>	<b>\$ 337,431</b>	<b>\$ 327,952</b>

	2018	2017	2016	2015	2014
Land	\$ 67,669	\$ 67,558	\$ 67,409	\$ 66,183	\$ 63,988
Construction work in progress	5,089	13,106	20,388	9,237	9,290
Capital assets not depreciated	72,758	80,664	87,797	75,420	73,278
Buildings and improvements	300,477	290,865	292,967	364,978	359,419
Equipment	26,181	23,641	19,550	20,593	19,850
Infrastructure	153,864	149,138	127,509	38,174	33,330
Capital assets depreciated	480,522	463,644	440,026	423,745	412,599
Less: accumulated depreciation	(222,083)	(206,317)	(194,031)	(175,081)	(160,818)
<b>Net Capital Assets</b>	<b>\$ 331,197</b>	<b>\$ 337,991</b>	<b>\$ 333,792</b>	<b>\$ 324,084</b>	<b>\$ 325,059</b>

	2023	2022
Number of commercial runways	2	2
Number of commercial gates	12	12
Covered parking spaces (public)	851	851
Airport land area (approximately)	2,200	2,200 acres

Source: Airport financial records

**Little Rock Metro Population  
(Comparative Analysis)**

Ten-Year History (at January 1)

Year	U.S.	State	Metro
2023	335,888,625	3,067,732	757,615
2022	334,229,745	3,045,637	750,936
2021	332,402,978	3,025,891	746,564
2020	332,084,796	3,011,524	742,384
2019	329,131,338	3,017,804	741,104
2018	328,226,532	3,013,825	738,344
2017	326,965,105	3,004,279	734,622
2016	323,127,513	2,988,248	731,612
2015	321,418,820	2,978,204	729,135
2014	318,857,056	2,959,373	724,335

Source: U.S. Department of Commerce, Bureau of Economic Analysis

**Little Rock Metro Population  
(Six-County Service Area)**

Ten-Year History (at January 1)

Year	Pulaski	Faulkner	Grant	Perry	Lonoke	Saline	Metro
2023	399,145	127,665	18,160	10,063	75,225	127,357	757,615
2022	397,821	125,106	18,090	9,964	74,722	125,233	750,936
2021	392,980	126,919	18,449	10,327	73,921	123,968	746,564
2020	391,911	126,007	18,265	10,455	73,309	122,437	742,384
2019	392,680	124,806	18,188	10,352	73,657	121,421	741,104
2018	393,956	123,654	18,165	10,348	72,898	119,323	738,344
2017	393,250	122,227	18,082	10,132	72,228	118,703	734,622
2016	392,664	121,552	18,102	10,189	71,645	117,460	731,612
2015	392,702	120,768	18,144	10,245	71,557	115,719	729,135
2014	391,536	119,390	18,046	10,344	70,834	114,185	724,335

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Little Rock Metro Personal Income Per Capita  
(Comparative Analysis)

Ten-Year History (at January 1)

Year	U.S.	State	Metro
2023	\$ 65,470	\$ 52,618	\$ 55,848
2022	64,153	50,625	53,158
2021	59,510	47,235	46,560
2020	56,490	44,629	45,512
2019	54,446	43,233	42,582
2018	51,640	41,046	41,062
2017	49,246	39,722	40,925
2016	48,112	38,252	39,880
2015	46,049	37,782	40,619
2014	44,438	36,529	38,602

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Little Rock Metro Personal Income Per Capita  
(Six-County Service Area)

Ten-Year History (at January 1)

Year	Pulaski	Saline	Lonoke	Faulkner	Perry	Grant	Metro
2023	\$ 61,575	\$ 52,328	\$ 48,433	\$ 48,161	\$ 44,265	\$ 45,847	\$ 55,848
2022	58,583	49,031	46,388	45,841	43,793	46,161	53,158
2021	55,563	45,692	43,537	41,943	38,404	41,674	46,560
2020	51,927	42,688	40,749	38,949	36,248	39,087	45,512
2019	51,185	41,397	38,764	37,598	34,877	38,201	42,582
2018	48,838	40,232	37,686	35,918	33,750	36,975	41,062
2017	47,834	38,282	36,742	35,159	32,773	35,588	40,925
2016	45,862	37,360	35,413	34,235	31,935	34,323	39,880
2015	46,349	35,076	34,897	33,350	31,679	33,876	40,619
2014	45,080	35,196	34,506	32,344	30,813	32,870	38,602

Source: U.S. Department of Commerce, Bureau of Economic Analysis

**Little Rock Metro Unemployment Rate  
(Comparative Analysis)**

Ten-Year History (at January 1)

Year	U.S.	State	Metro
2023	3.6%	3.3%	3.0%
2022	3.6%	3.3%	3.2%
2021	5.3%	4.0%	4.2%
2020	8.1%	6.1%	6.4%
2019	3.7%	3.5%	3.2%
2018	3.9%	3.7%	3.3%
2017	4.9%	3.9%	3.5%
2016	5.3%	5.1%	4.7%
2015	6.2%	6.1%	5.5%
2014	7.4%	7.5%	6.8%

Source: State of Arkansas: Department of Workforce Services

**Little Rock Metro Unemployment Rate  
(Six-County Service Area)**

Ten-Year History (at January 1)

Year	Pulaski	Saline	Lonoke	Faulkner	Perry	Grant	Metro
2023	3.2%	2.7%	2.7%	2.9%	3.6%	2.9%	3.0%
2022	3.5%	2.8%	2.8%	2.9%	3.6%	3.1%	3.2%
2021	4.9%	3.1%	3.3%	3.5%	4.1%	3.2%	4.2%
2020	7.4%	5.1%	5.5%	5.4%	5.5%	5.2%	6.4%
2019	3.4%	2.8%	3.2%	3.0%	4.1%	3.2%	3.2%
2018	3.4%	3.0%	3.3%	3.3%	4.2%	3.2%	3.3%
2017	3.6%	3.2%	3.4%	3.8%	4.8%	3.6%	3.5%
2016	4.7%	4.2%	4.3%	4.8%	6.3%	4.7%	4.7%
2015	5.6%	4.9%	5.2%	5.7%	7.7%	5.6%	5.5%
2014	6.9%	6.2%	6.4%	7.0%	8.9%	6.8%	6.8%

Source: State of Arkansas: Department of Workforce Services

Little Rock  
Principal Employers

Employer	2023		2014	
	Rank	Employees	Rank	Employees
State of Arkansas	1	34,900	1	32,200
Local Government	2	27,200	2	28,800
Federal Government	3	9,900	3	9,200
University of Arkansas for Medical Sciences	4	9,100	4	8,500
Baptist Health	5	5,360	5	7,000
Little Rock Air Force Base	6	4,500	6	4,500
Arkansas Children's Hospital	7	4,000	*	-
Little Rock School District	8	3,500	8	3,500
Central Arkansas Veterans Health Care	9	2,800	9	3,500
Entergy Arkansas	10	2,740	10	2,740
Acxiom			7	4,380
		104,000		104,320

Source: Little Rock Chamber of Commerce

\* - Data not available for 2014

Little Rock  
Demographic and Economic Statistics

Calendar Year	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income	Unemployment Percentage Rate
2023	202,591	\$ 8,633,618,056	\$ 42,616	3.0%
2022	202,591	7,929,614,331	39,141	3.2%
2021	202,591	7,533,954,108	37,188	4.0%
2020	193,524	6,960,284,184	35,966	6.1%
2019	193,524	4,960,987,740	25,635	3.5%
2018	193,524	6,331,911,756	32,719	3.0%
2017	193,524	5,936,929,272	30,678	3.0%
2016	193,524	5,170,125,692	26,716	3.5%
2015	193,524	5,632,516,020	29,105	4.8%
2014	193,524	5,686,122,168	29,382	5.9%

(1) Population of Little Rock, AR using 2010 Census and 2020 Census

Source: 2023 Population and Per Capita Personal Income,  
<https://www.census.gov/quickfacts/fact/table/LittleRockCityArkansas/PST045223>

(2) Personal Income is a calculation of per capita income multiplied by the population.

Source: Metroplan - Council of Local Governments, DiscoverArkansas.net and Greater Little Rock Chamber of Commerce



# COMPLIANCE SECTION



BILL AND HILLARY  
**CLINTON**  
NATIONAL AIRPORT

**COMPLIANCE SECTION CONTENTS:**

Independent Auditor's Single Audit Reports

Independent Auditor's Passenger Facility Charge Compliance Report

## Compliance Section

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation – Federal Aviation Administration/ Airport Improvement Program	20.106	03-05-0035-89	\$ (578)
	20.106	03-05-0035-98	103,883
	20.106	03-05-0035-99	182,811
	20.106	03-05-0035-104	6,863,255
	20.106	03-05-0035-105	533,699
	20.106	03-05-0035-106	3,122,289
	20.106	03-05-0035-107	<u>462,870</u>
			11,268,229
U.S. Department of Transportation – Federal Aviation Administration/ COVID-19 Airport Improvement Program	20.106	03-05-0035-101	102,442
	20.106	03-05-0035-102	8,035,612
	20.106	03-05-0035-103	<u>739,237</u>
			8,877,291
		Total Airport Improvement Program	<u>\$ 20,145,520</u>

#### Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Bill and Hillary Clinton National Airport (Airport) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Airport, it is not intended to and does not present the financial position, changes in net position or cash flows of the Airport.

#### Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### Note 3: Indirect Cost Rate

The Airport has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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## **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**

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Little Rock, Arkansas

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 fiduciary activities of the Little Rock Municipal Airport Commission, d/b/a Bill and Hillary Clinton National Airport (Airport), a component unit of the City of Little Rock, Arkansas, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated June 21, 2024.

### ***Report on Internal Control over Financial Reporting***

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

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

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

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

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

**Forvis Mazars, LLP**

Little Rock, Arkansas  
June 21, 2024

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## **Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance**

### **Independent Auditor’s Report**

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Little Rock, Arkansas

### **Report on Compliance for the Major Federal Program**

#### **Opinion on the Major Federal Program**

We have audited Little Rock Municipal Airport Commission’s d/b/a Bill and Hillary Clinton National Airport (Airport) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport’s major federal program for the year ended December 31, 2023. The Airport’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

#### **Basis for Opinion on the Major Federal Program**

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

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

### Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

### Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

## Compliance Section

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport

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

**Forvis Mazars, LLP**

Little Rock, Arkansas  
June 21, 2024

**Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023**

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**Section I – Summary of Auditor’s Results  
Financial Statements**

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified       Qualified       Adverse       Disclaimer

2. Internal control over financial reporting:

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

3. Noncompliance material to the financial statements noted?       Yes       No

**Federal Awards**

4. Internal control over the major federal awards program:

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

5. Type of auditor’s report issued on compliance for the major federal program:

- Unmodified       Qualified       Adverse       Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?       Yes       No

7. Identification of the major federal program:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program (Including COVID Funding)

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

9. Auditee qualified as a low-risk auditee?       Yes       No

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2023

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**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2023**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.

**SCHEDULE OF PASSENGER FACILITY COLLECTIONS AND EXPENDITURES  
Year Ended December 31, 2023**

	Date Approved	Amount Approved for Use	Cumulative Total December 31, 2022	Quarter Ended				Cumulative Total December 31, 2023	
				March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023		
<b>Collections</b>									
Passenger facility charge collections received		\$ 113,694,192	\$ 113,694,192	\$ 935,548	\$ 1,107,577	\$ 1,193,237	\$ 1,128,361	\$ 4,364,723	\$ 118,058,915
Interest earned		7,780,521	7,780,521	43,669	38,495	44,449	50,119	176,732	7,957,253
<b>Total passenger facility charge collections</b>		<b>\$ 121,474,713</b>	<b>\$ 121,474,713</b>	<b>\$ 979,217</b>	<b>\$ 1,146,072</b>	<b>\$ 1,237,686</b>	<b>\$ 1,178,480</b>	<b>\$ 4,541,455</b>	<b>\$ 126,016,168</b>
<b>Expenditures</b>									
Applications closed prior to 2023	Various	\$ 79,134,277	\$ 79,134,277	-	-	-	-	-	\$ 79,134,277
Application 10-07	1/5/2010	9,595,910	5,991,744	3,626,404	-	-	(73,900)	3,552,504	9,544,248
Application 15-08	5/11/2015	4,601,120	4,587,097	-	-	-	-	-	4,587,097
Application 16-09	5/26/2016	18,142,435	15,769,515	-	-	-	-	-	15,769,515
Application 20-10	4/14/2020	24,815,150	6,173,509	-	-	-	-	-	6,173,509
<b>Total passenger facility charge revenue expended</b>		<b>\$ 111,656,142</b>	<b>\$ 111,656,142</b>	<b>\$ 3,626,404</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (73,900)</b>	<b>\$ 3,552,504</b>	<b>\$ 115,208,646</b>

**Note to Schedule:**

This schedule includes the Passenger Facility Charge (PFC) Program activity of the Bill and Hillary Clinton National Airport and is presented on the modified cash basis of accounting. Under the modified cash basis of accounting, PFC revenues are recognized when received rather than when earned and eligible expenditures are recognized when the related goods or services are provided or incurred. The information in this schedule is presented in accordance with the requirements of the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

PFC expenditures may consist of direct project costs, administrative costs, debt service and bond financing costs, as applicable to active applications. The accompanying schedule of PFC collections and expenditures includes eligible expenditures that have been applied against PFCs collected as of December 31, 2023.

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## **Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance**

### **Independent Auditor's Report**

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Little Rock, Arkansas

### **Report on Compliance for Passenger Facility Charge Program**

#### **Opinion on the Passenger Facility Charge Program**

We have audited Little Rock Municipal Airport Commission's, d/b/a Bill and Hillary Clinton National Airport (Airport), compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide) issued by the Federal Aviation Administration that could have a direct and material effect on the Airport's passenger facility charge program for the year ended December 31, 2023.

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2023.

#### **Basis for Opinion on the Passenger Facility Charge Program**

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

We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance of the passenger facility charge program. Our audit does not provide a legal determination of the Airport'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 agreements applicable to the Airport'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 Airport's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Airport's compliance with the requirements of its passenger facility charge program as a whole.

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

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

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

### Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the 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 the 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 the 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.

## Compliance Section

Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport

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.

*Forvis Mazars, LLP*

Little Rock, Arkansas  
June 21, 2024

**Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Passenger Facility Charge Audit Summary  
Year Ended December 31, 2023**

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**Summary of Auditor's Results**

- |     |   |                       |                    |
|-----|---|-----------------------|--------------------|
| 1.  | Type of report issued on PFC financial statements.  | <u> X </u> Unmodified | <u> </u> Qualified |
| 2.  | Type of report on PFC compliance.   | <u> X </u> Unmodified | <u> </u> Qualified |
| 3.  | Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.          | <u> X </u> Yes        | <u> </u> No        |
| 4.  | PFC revenue and interest is accurately reported on FAA Form 5100-127.   | <u> X </u> Yes        | <u> </u> No        |
| 5.  | The Public Agency maintains a separate financial accounting record for each application.  | <u> X </u> Yes        | <u> </u> No        |
| 6.  | Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the projects.                | <u> X </u> Yes        | <u> </u> No        |
| 7.  | Monthly carrier receipts were reconciled with quarterly carrier reports.  | <u> X </u> Yes        | <u> </u> No        |
| 8.  | PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <u> X </u> Yes        | <u> </u> No        |
| 9.  | Serving carriers were notified of PFC program actions/changes approved by the FAA.  | <u> X </u> Yes        | <u> </u> No        |
| 10. | Quarterly reports were transmitted (or available via website) to remitting carriers.  | <u> X </u> Yes        | <u> </u> No        |
| 11. | The Public Agency is in compliance with Assurance 5, 6, 7, and 8 of the Guide.  | <u> X </u> Yes        | <u> </u> No        |
| 12. | Program design and implementation is carried out in accordance with Assurance 9 of the Guide.   | <u> X </u> Yes        | <u> </u> No        |
| 13. | Project administration is carried out in accordance with Assurance 10 of the Guide.   | <u> X </u> Yes        | <u> </u> No        |
| 14. | For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.       | <u> </u> Yes          | <u> </u> No        |
|     |   | <u> X </u> N/A        |                    |

## Compliance Section

**Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Schedule of Findings and Questioned Costs – PFC  
Year Ended December 31, 2023**

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*Findings Required to be Reported by the Guide*

<b>Reference Number</b>	<b>Finding</b>	<b>Questioned Costs</b>
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No matters are reportable.

**Little Rock Municipal Airport Commission  
d/b/a Bill and Hillary Clinton National Airport  
Summary Schedule of Prior Audit Findings – PFC  
Year Ended December 31, 2023**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.