

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023

LITTLE ROCK MUNICIPAL AIRPORT COMMISSION

A COMPONENT UNIT OF THE CITY OF LITTLE ROCK, ARKANSAS



CLINTON
NATIONAL AIRPORT





BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

**FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2024 AND 2023**

Prepared by:

Bill and Hillary Clinton National Airport Finance Department

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INTRODUCTORY SECTION



BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

INTRODUCTORY SECTION CONTENTS:

State Airport Locations and LIT Service Area

Little Rock Municipal Airport Commission

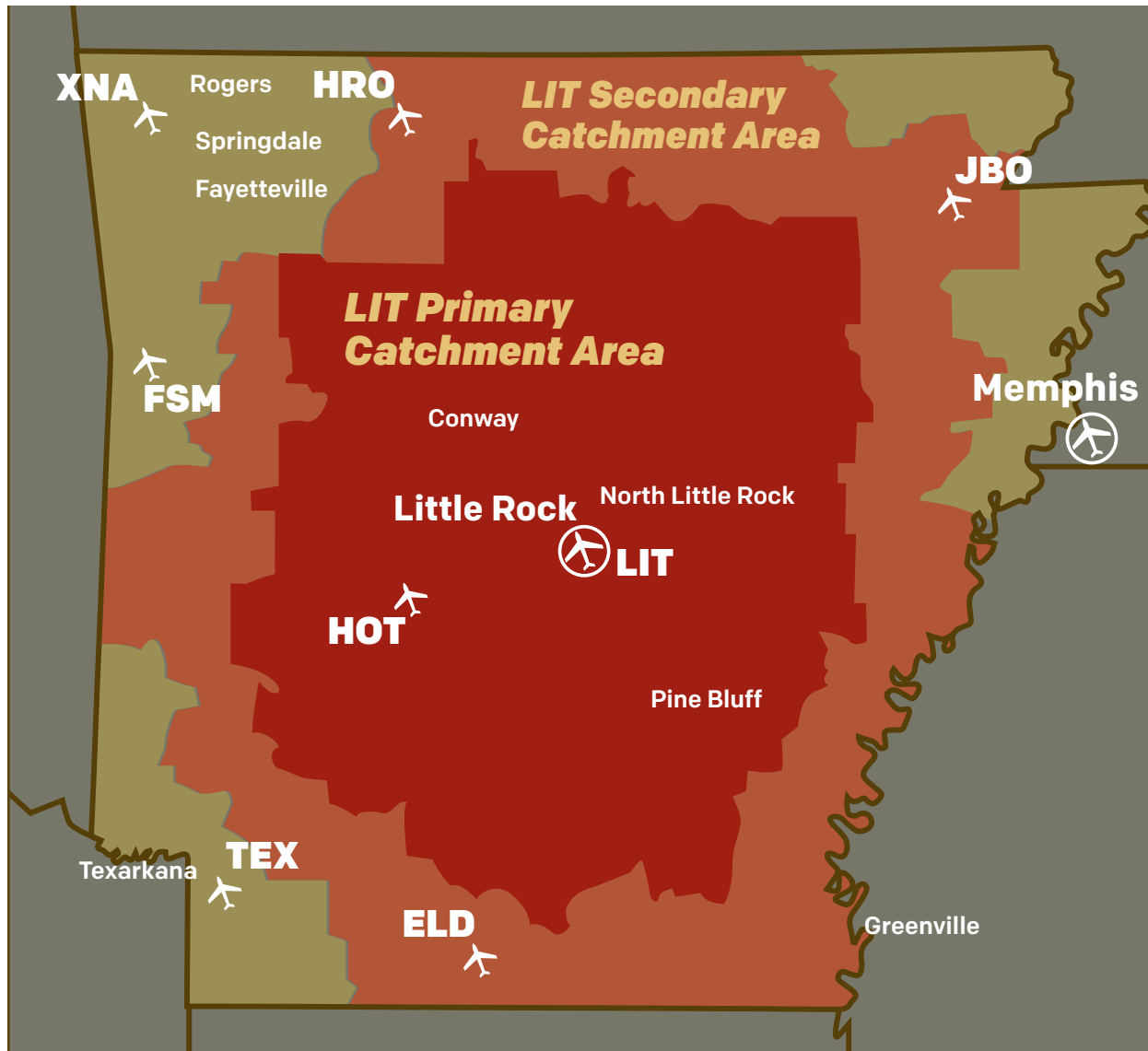
Organizational Structure

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



PATRICK SCHUECK
Chair



TIFFANY MAYS O'GUINN
Vice Chair / Treasurer



HAROLD BETTON, M.D.
Secretary



JOHN RUTLEDGE
Commissioner



JILL FLOYD
Commissioner

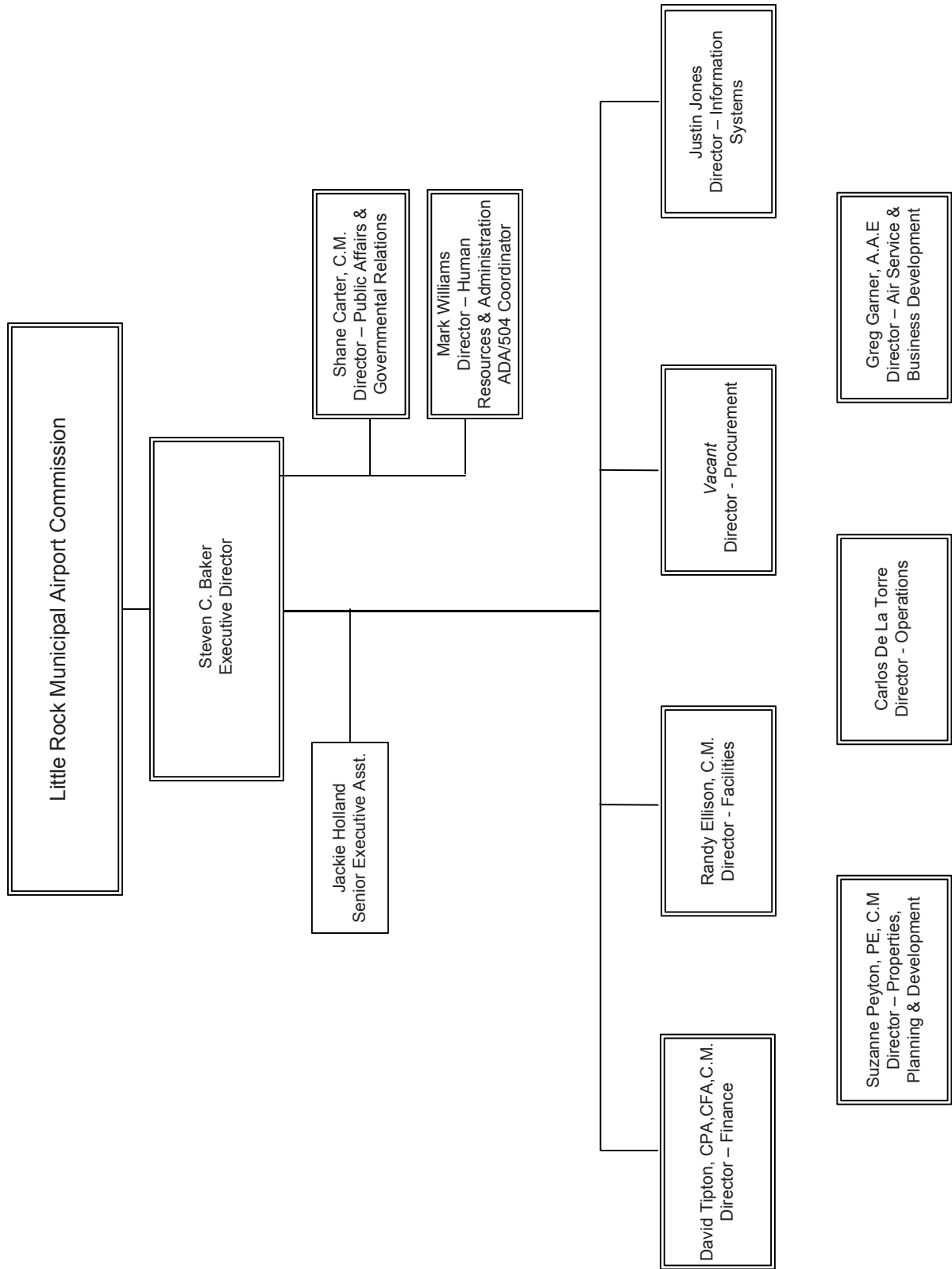


BOB EDWARDS
Commissioner



VACANT
Commissioner

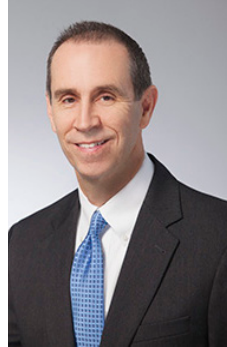
Bill & Hillary Clinton National Airport
Administration



AIRPORT EXECUTIVE LEADERSHIP



STEVEN C BAKER
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



Steven C. Baker
Executive Director

May 16, 2025

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, 2024 and 2023. 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 41 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 2024, 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. A total of 3,576 parking spaces are available in hourly, daily and economy lots, including one parking deck.

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 80th-largest metropolitan statistical area in the United States. As presented in the tables on page 90, the population for the Metro was 764,045 in 2024, according to the U.S. Department of Commerce, Bureau of Economic Analysis, and was concentrated primarily in Pulaski and Faulkner counties. This represents a 0.85% increase compared to 757,615 in 2023.

The Little Rock Metro per capita personal income at January 1, 2024 (\$59,463) was higher than the state average (\$57,635) but lower than the national average (\$69,810). Compared to the 2023 per capita personal income (\$55,848), Little Rock Metro per capita income for 2024 was 6.5% higher. As presented in the tables on Page 91 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, 2024 was 3.20% compared to the 3.00% rate from the prior year. The Metro unemployment rate is lower than the state rate (3.50%) and the national rate (4.00%).

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.

Company	Number of Employees
Baptist Health	5,360
Arkansas Children's Hospital	4,000
Central Arkansas Veterans Healthcare System	2,800
Entergy Arkansas	2,740
AT&T	2,600
CHI St. Vincent Health System	2,600
Verizon Wireless	2,500
Dillard's Inc.	2,400
Union Pacific Railroad	2,000
Arkansas Blue Cross Blue Shield	1,800

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 2024 Annual Report, visitor expenditures in Little Rock were \$1.5 billion in 2023, generating \$96.5 million in direct state and local taxes.

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 2024, the total number increased to over 2.3 million passengers, a 10.7% increase over 2023.

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 2024, only three major legacy carriers remain: American, United, and Delta. Together with Southwest, these four airlines dominate the U.S. market.

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 2024, and the Airport finished the year with 1,174,148 enplaned passengers, up 4.8% from 2023.

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 2024 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. 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. The relocation of Taxiway Charlie to a standard separation from the runway rather than reconstruction in place will free up over 25 acres for aviation related development in an area of high demand by a major airport tenant, and provide lease revenues to help the airport stay financially stable. This will greatly enhance the long-term economic sustainability of the Airport.

Phase 1 of Taxiway Charlie was completed in August 2022 and phase 2 was completed in June 2024.

Phase 3 of the reconstruction began 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 was completed in 2024. In 2024, 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.

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.

Construction is scheduled to be completed in the fall of 2025.

Concourse Exit Lane Security Improvements

This project replaces the existing Exit Lane Breach Control System at the TSA checkpoint. The current technology is outdated and has frequent false alarms. The replacement is a modular, self contained exit lane device that will be configured to contain two independent or interconnected exit lanes. The sensor-controlled

corridor utilizes microwave, infrared and video sensors to monitor, detect, notify and isolate unauthorized access from the landside area.



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 2024, the Airport drew \$4.7 million in FAA entitlement grants and \$6.2 million in FAA discretionary grants. A majority of these funds were drawn for the Taxiway Charlie Reconstruction and Curbside Canopy Improvements projects.

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 2024, the Airport did not receive any 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 February 2026. The Airport is preparing PFC Application Number 11 to submit to the FAA for approval in 2025.

During fiscal year 2024, 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 \$131 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

During fiscal year 2024 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, 2024 and 2023. The independent auditor's report on the fiscal years 2024 and 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, 2023 (see page 20). This was the tenth 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,



Steven C. Baker
Executive 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, 2023

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



Forvis Mazars, LLP
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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, 2024 and 2023 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 financial position of the business-type activities and the fiduciary activities of the Airport as of December 31, 2024 and 2023, and the changes in financial position and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Airport, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were 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 opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2025 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
May 16, 2025

Management's Discussion and Analysis (Unaudited)

December 31, 2024

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, 2024.

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 42 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 Net 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

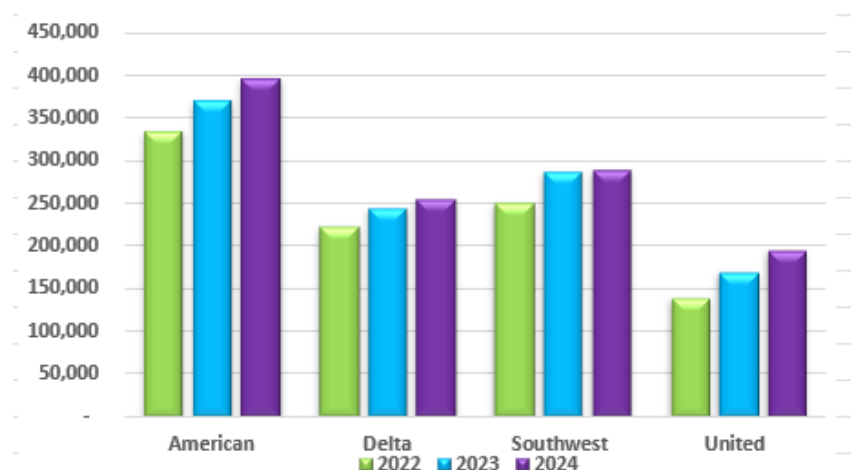
The following table highlights changes in LIT's key operating statistics for the last three fiscal years:

Key Operating Information	2024	2023	2022
Total Passengers (in 000s)	2,346	2,237	2,021
Enplanements (in 000s)	1,174	1,120	1,010
Cost per Enplaned Passenger	\$ 12.14	\$ 11.71	\$ 11.45
Aircraft Operations	93,047	82,271	82,697
Landed Weights (in 1000s)	1,513,353	1,440,414	1,318,142
Air Freight (lbs.)	17,124,217	17,512,807	20,663,164
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 2024 and the comparative enplanements for fiscal years 2023 and 2022.



Source: Monthly Airline Activity Reports

Fiscal Year 2024

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 2024, passenger traffic at LIT increased, with a reported 1,174,148 passenger enplanements compared to 1,120,270 for fiscal year 2023. That was an increase of 53,878 passengers, or 4.8%. Of the 1,174,148 passengers who departed from the Airport, American, Southwest, Delta, and United accounted for 97% of the market share.

Fiscal Year 2023

Departing passengers (enplanements) play a prominent role in the Airport's financial operations. During fiscal year 2023, passenger enplanements increased by about 109,844, or 10.9%, compared to fiscal year 2022. The effects of the COVID-19 pandemic began to subside in 2021 and passenger traffic increased significantly that year and continued increasing in 2022 and 2023.

Air Service

The chart presents scheduled daily flights departing from LIT at December 31, 2024 and the comparative flights for fiscal years 2023 and 2022 .

Destination	2024	2023	2022
Atlanta, GA (ATL)	6.0	7.0	6.0
Charlotte, NC (CLT)	4.0	3.0	3.0
Chicago, IL (ORD)	5.0	6.0	5.0
Dallas, TX (DAL)	3.0	3.0	3.0
Dallas, TX (DFW)	10.0	7.0	7.0
Denver, CO (DEN)	4.3	4.4	3.4
Houston, TX (IAH)	6.0	3.0	4.0
Las Vegas, NV (LAS)	1.0	1.0	0.6
Miami, FL (MIA)	0.1	0.1	0.1
New York, NY (LGA)	2.0	2.0	1.0
Orlando, FL (SFB)	0.3	0.3	0.3
St. Louis, MO (STL)	2.0	2.0	2.0
Washington, DC (DCA)	1.0	1.0	1.0
Total Daily Flights	44.7	39.8	36.4

Fiscal Year 2024

During 2024, despite continued delays in the delivery of new aircraft and jet engines, air service remained largely unchanged at the Airport. Total available seats in the market have increased. Southwest ended its direct service to ATL in August 2024 with the market remaining well served with Delta's six daily flights. The most significant increases in daily flights were to DFW and IAH while there were slight decreases to service to ATL and ORD.

Fiscal Year 2023

During 2023, air service increased when compared to 2022. 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

Overview of LIT's Financial Statements

Financial Highlights, Fiscal Year 2024

- LIT's assets exceeded liabilities and deferred inflows of resources at December 31, 2024 by \$483.3 million.
- Operating revenue totaled \$42.3 million.
- Operating expenses (excluding depreciation) totaled \$27.6 million.
- Net operating revenue (before depreciation) was \$14.7 million.
- Net nonoperating revenue was \$3.7 million.
- Federal, state, and local capital grants totaled \$10.9 million.
- Net position increased by \$10.0 million.

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 (before depreciation) 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 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

	2024	2023	2022	FY24 vs. FY23 % Change	FY23 vs. FY22 % Change
Assets					
Cash	\$ 33,817,717	\$ 26,859,162	\$ 35,554,380	25.9%	-24.5%
Restricted cash	6,694,488	11,463,011	10,474,060	-41.6%	9.4%
Trade accounts receivable, net	2,222,487	1,478,706	1,243,130	50.3%	19.0%
Other current assets	6,684,084	7,799,940	6,494,664	-14.3%	20.1%
Investments and certificates of deposit	107,142,376	96,951,083	62,807,415	10.5%	54.4%
Capital assets, net	336,237,190	333,649,333	330,701,911	0.8%	0.9%
Lease receivable-long term	52,740,358	46,360,862	48,408,418	13.8%	-4.2%
Other noncurrent assets	3,365,844	3,380,160	3,448,957	-0.4%	-2.0%
Total assets	<u>\$ 548,904,544</u>	<u>\$ 527,942,257</u>	<u>\$ 499,132,935</u>	<u>4.0%</u>	<u>5.8%</u>
Liabilities and Deferred Inflows of Resources					
Current liabilities	\$ 12,938,422	\$ 7,500,072	\$ 4,736,502	72.5%	58.3%
Deferred inflows-leases	52,689,897	47,148,622	49,752,674	11.8%	-5.2%
Total liabilities and deferred inflows of resources	<u>65,628,319</u>	<u>54,648,694</u>	<u>54,489,176</u>	<u>20.1%</u>	<u>0.3%</u>
Net Position					
Net investment in capital assets	327,717,457	330,437,070	329,265,199	-0.8%	0.4%
Restricted	7,293,788	11,970,113	10,947,871	-39.1%	9.3%
Unrestricted	148,264,980	130,886,380	104,430,689	13.3%	25.3%
Total net position	483,276,225	473,293,563	444,643,759	2.1%	6.4%
Total liabilities and deferred inflows of resources	<u>\$ 548,904,544</u>	<u>\$ 527,942,257</u>	<u>\$ 499,132,935</u>	<u>4.0%</u>	<u>5.8%</u>

Net Position, Fiscal Year 2024

Total net position may serve as a useful indicator of the Airport's financial position. At the close of fiscal years 2024 and 2023, LIT's assets exceeded liabilities and deferred inflows of resources by \$483.3 million and \$473.3 million, respectively, representing a 2.1% increase, or \$10.0 million.

The largest portion of LIT's net position (\$327.7 million, or 67.8%) reflects its net investment in capital assets less accumulated depreciation and construction accounts payable. These net assets decreased \$2.7 million, (0.8%), when compared to the balance at the end of 2023 (\$330.4 million). This decrease was primarily due to a new agreement with Dassault Falcon Jet in 2024. Properties previously recorded as Airport assets reverted back to Dassault, resulting in a reduction in capital assets. 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 (\$7.3 million, or 1.5%) 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 decreased \$4.8 million during 2024. Collections in 2024 exceeded 2023 collections, but a large 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 \$17.4 million, or 13.3%, from \$130.9 million at December 31, 2023 to \$148.3 million at December 31, 2024. An increase in cash and certificates of deposits, along with an increase in long term lease receivables accounts for a majority of this increase in 2024.

Net Position, Fiscal Year 2023

At the close of fiscal year 2023, LIT's assets exceeded liabilities by \$473.3 million, representing a 6.4% increase, or \$28.6 million, from the balance at the end of 2022.

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 were slightly larger 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 (\$12 million, or 2.5%) 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 increased \$1.0 million during 2023 due to collections exceeding expenditures. 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.

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 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 2024, 2023, and 2022 is presented below:

Changes in Net Position

	2024	2023	2022	FY24 vs. FY23 % Change	FY23 vs. FY22 % Change
Operating revenue	\$ 42,337,426	\$ 40,179,772	\$ 36,137,959	5.4%	11.2%
Less: operating expenses	27,596,775	25,922,068	24,151,863	6.5%	7.3%
Operating income before depreciation	14,740,651	14,257,704	11,986,096	3.4%	19.0%
Less: depreciation	21,125,184	21,181,883	20,958,716	-0.3%	1.1%
Operating loss	(6,384,533)	(6,924,179)	(8,972,620)	-7.8%	-22.8%
Other nonoperating revenue, net	3,665,535	18,474,678	11,563,334	-80.2%	59.8%
Change in net position before capital contributions and grants	(2,718,998)	11,550,499	2,590,714	-123.5%	345.8%
Capital contributions and grants	12,701,660	17,099,305	13,043,116	-25.7%	31.1%
Change in net position	9,982,662	28,649,804	15,633,830	-65.2%	83.3%
Net position, beginning of year	473,293,563	444,643,759	429,009,929	6.4%	3.6%
Net position, end of year	\$ 483,276,225	\$ 473,293,563	\$ 444,643,759	2.1%	6.4%

Net Position Changes, Fiscal Year 2024

Operating revenue for 2024 of \$42.3 million increased \$2.2 million, or 5.4%, from the 2023 balance of \$40.2 million. Operating expenses increased by \$1.7 million to \$27.6 million. That is a 6.5% increase from the \$25.9 million total for 2023. With the increase in capital assets during 2024 referred to previously, depreciation for 2024 was \$21.1 million, or \$0.1 million less than the \$21.2 million in depreciation recorded in 2023. The 2024 loss from operations was \$6.4 million, which was \$0.5 million, or 7.8% less than the \$6.9 million loss from operations for 2023. Increases in airline and non-airline revenues in 2024 exceeded the increase in operating expenses. This accounts for most of the reduction in operating loss during 2024.

Other nonoperating revenue net was \$3.7 million in 2024 compared to \$18.5 million in 2023, a decrease of \$14.8 million, or 80.2%. This decrease reflects the unreversion of facilities from one of the Airports tenants, Dassault Falcon Jet, in the amount of \$10 million. Capital contributions and grants for 2024 were \$12.7 million. This represents a decrease of \$4.4 million, or 25.7%, from the \$17.1 million reported in 2023. This decrease is primarily due to a reduction in the value of tenant properties reverting to the Airport in 2024 compared to 2023. Net position at the end of 2024 was \$483.3 million. This was up \$10.0 million, or 2.1%, from the \$473.3 million balance at the end of 2023.

Net Position Changes, Fiscal Year 2023

Operating revenue for 2023 of \$40.2 million increased \$4.0 million, or 11.2%, 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 %. Capital contributions and grants for 2023 were \$17.1 million. This represents an increase of \$4.1 million, or 31 %, from the \$13.0 million reported in 2022. This increase is primarily due to an increase in FAA 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.

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 2024, 2023 and 2022:

Summary of Operating Revenues					
	2024	2023	2022	FY 2024 Incr (Decr)	FY 2023 Incr (Decr)
Operating Revenues					
Airline revenues					
Airport landing and related fees	\$ 7,321,929	\$ 6,587,154	\$ 5,638,486	\$ 734,775	\$ 948,668
Terminal building rental and related fees	7,287,102	6,899,513	6,359,666	387,589	539,847
Facility use fees	263,840	266,800	247,920	(2,960)	18,880
Total airline revenues	14,872,871	13,753,467	12,246,072	1,119,404	1,507,395
Nonairline revenues					
Parking fees	12,257,791	11,622,119	10,191,390	635,672	1,430,729
Concession fees	1,389,610	593,690	1,110,980	795,920	(517,290)
Car rental operations	8,462,778	8,186,200	7,243,232	276,578	942,968
Facility and ground rentals	4,145,149	4,932,758	4,360,487	(787,609)	572,271
Other	1,209,227	1,091,538	985,798	117,689	105,740
Total nonairline revenues	27,464,555	26,426,305	23,891,887	1,038,250	2,534,418
Total operating revenues	\$ 42,337,426	\$ 40,179,772	\$ 36,137,959	\$ 2,157,654	\$ 4,041,813

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.

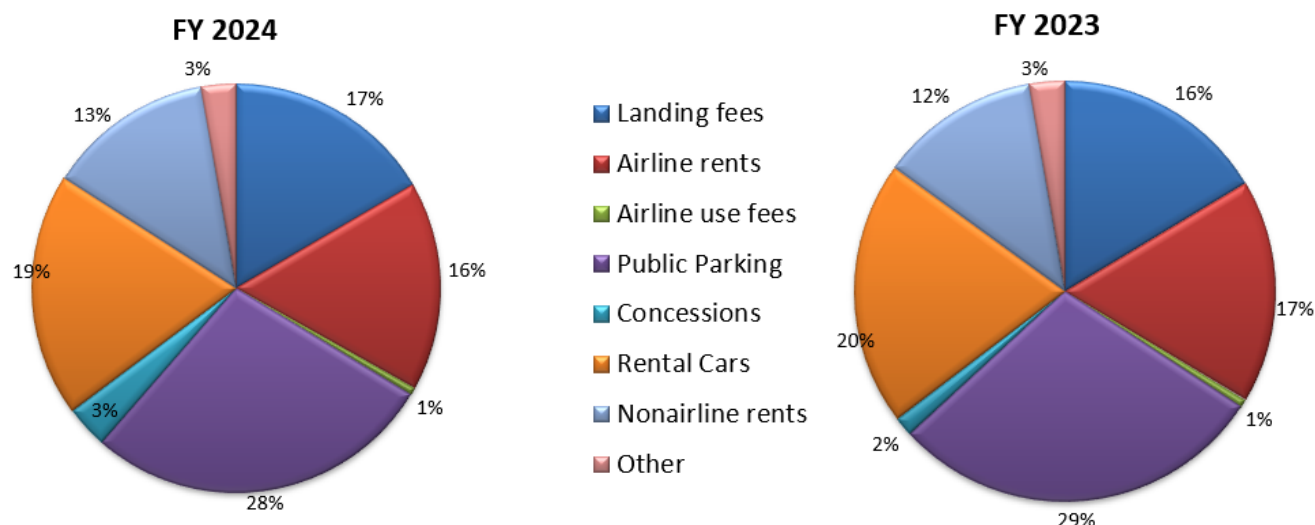
Landing fees are charged to passenger and cargo for commercial aircraft landings, as well as from the fixed-base operators for general aviation flights at the Airport.

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 2024

The following charts illustrate the proportion of sources of operating revenues for fiscal years ended December 31, 2024 and 2023:



For fiscal year ended December 31, 2024, total operating revenues were \$42.3 million, a \$2.2 million, or 5.4%, increase from the prior fiscal year. The increase in airline revenue was \$1.1 million, while nonairline revenue had a net increase of \$1.0 million.

Airport landing fees totaled \$7.3 million in fiscal year 2024 compared to \$6.6 million reported in fiscal year 2023. Landing fee rates were \$4.60 per 1,000 pounds in 2023 and \$4.82 in 2024. Landed weights increased 6.2% from 2023 to 2024.

Airline rents posted an increase of \$388 thousand, or 5.6%. The Airport increased the rental rate of \$48.10 per square foot in 2023 to \$50.34 per square foot in 2024. 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 decreased \$3 thousand, or 1.1%, from 2023 to 2024.

During fiscal year 2024, nonairline revenues increased \$1.0 million, or 3.9%, when compared to 2023. A majority of this increase came from parking fees and rental car operations.

Revenue from Public Parking increased from \$11.6 million in 2023 to \$12.3 million in 2024. This \$636 thousand, or 5.5%, increase reflects the increase in enplaned passengers during 2024. Rental car operations increased from \$8.2 million in 2023 to \$8.5 million in 2024. This \$277 thousand, or 3.4%, increase reflects the increase in

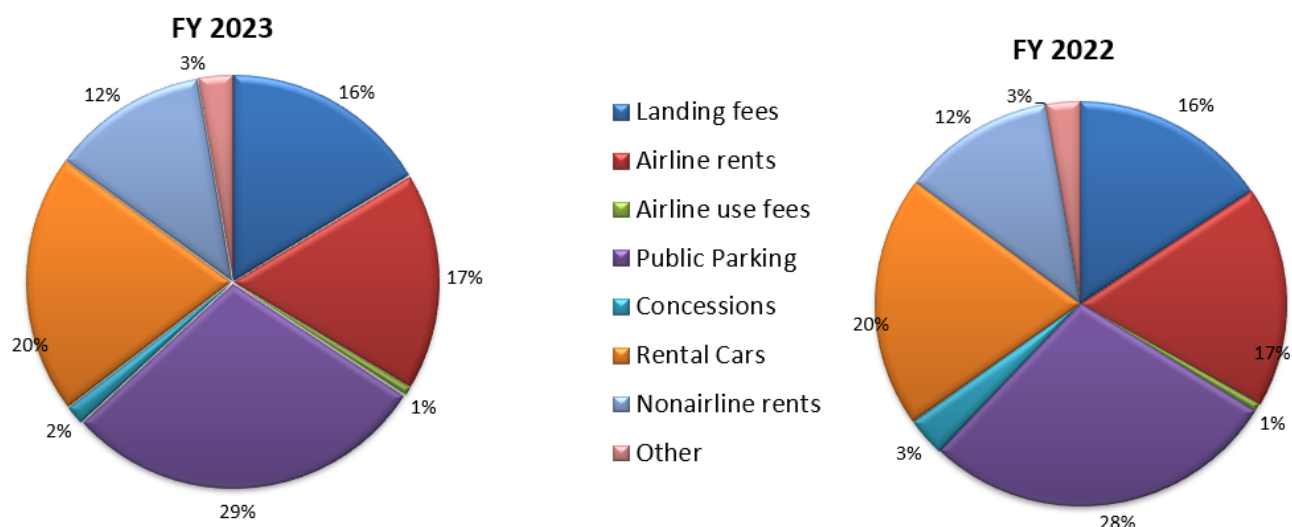
enplaned passengers during 2024 along with an increase in the rates the rental car companies charged their customers. Concessions collected in the terminal for fiscal year 2024 reflected a 134% increase, or \$796 thousand increase, in revenues compared to fiscal year 2023. During 2023, the Airport issued CRRSA and ARPA relief to concessionaires. This COVID-19-related relief accounted for the reduced concessions revenue in 2023.

Nonairline rents decreased 16.0% during 2024 from \$4.9 million in 2023 to \$4.1 million in 2024. This \$788 thousand decrease was primarily related to an adjustment to Dassault Falcon Jet rent.

Other operating revenues for 2024 were \$1.2 million compared to \$1.1 million in 2023, an increase of \$118 thousand, or 10.8%. Increased revenue from General Aviation activity in 2024 accounted for a majority of this increase in other operating revenues.

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. 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 increased from \$4.26 per 1,000 pounds in 2022 to \$4.60 during 2023. Landed weight increased 12.3% from 2022 to 2023, as passenger traffic returned following the COVID-19 pandemic.

Airline rents posted an increase of \$540 thousand, or 8.5% in 2023. The rental rate increased to \$48.10 per square foot in 2023. 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.

Revenues from Public Parking increased from \$10.2 million in 2022 to \$11.6 million in 2023. This \$1.4 million, or 14%, increase reflects the increase in enplaned passengers during 2023. Concessions collected in the terminal for fiscal year 2023 reflected a 47%, or \$517 thousand, decrease in revenues compared to fiscal year

2022. The Airport received COVID-19 concessions grants that were used to reduce the amounts billed to our concessionaires.

Rental car revenues totaling \$8.2 million in fiscal year 2023 were up \$1 million from the \$7.2 million collected in fiscal year 2022. This 13% increase is primarily related to an increase in enplaned passengers during 2023, along with an increase in the rates the rental car companies charged their customers.

Nonairline rentals increased 13.1% during 2023 from \$4.4 million to \$4.9 million. A majority of this \$572 thousand increase was related to CIP increase to agreements and an adjustment to Dassault Falcon Jet.

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 accounted for a majority of the increase in other operating revenues.

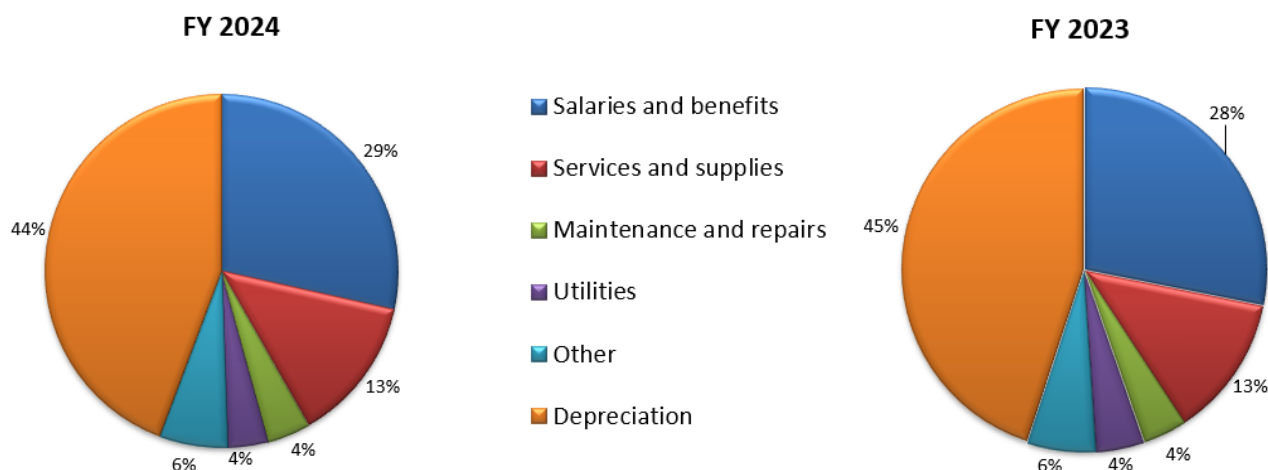
Operating Expenses

The following table presents a summary of LIT operating expenses for the fiscal years ended December 31, 2024, 2023 and 2022. Included in other operating expenses are expenses for advertising and public relations, training and travel, insurance, lease and other miscellaneous items.

	Summary of Operating Expenses				
	2024	2023	2022	FY 2024 Incr (Decr)	FY 2023 Incr (Decr)
Salaries and benefits	\$ 14,043,205	\$ 13,251,035	\$ 12,414,262	\$ 792,170	\$ 836,773
Services and supplies	6,741,397	5,978,018	5,434,654	763,379	543,364
Maintenance and repairs	1,980,914	1,827,424	1,728,502	153,490	98,922
Utilities	1,761,301	1,994,145	2,070,379	(232,844)	(76,234)
Other	3,069,958	2,871,446	2,504,066	198,512	367,380
Operating expenses before depreciation	27,596,775	25,922,068	24,151,863	1,674,707	1,770,205
Depreciation	21,125,184	21,181,883	20,958,716	(56,699)	223,167
Total operating expenses	\$ 48,721,959	\$ 47,103,951	\$ 45,110,579	\$ 1,618,008	\$ 1,993,372

Operating Expenses, Fiscal Year 2024

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2024 and 2023:



For the fiscal year ended December 31, 2024, operating expenses were \$48.7 million. Compared to the 2023 operating expenses of \$47.1 million, this represents an increase of \$1.6 million, or 3.4%.

Salaries and benefits increased \$792.2 thousand from \$13.3 million in 2023 to \$14.0 million in 2024. This 6.0% increase is related to annual salary increases and an increase in staff headcount.

Services and supplies expenses were \$6.7 million in 2024 compared to \$6.0 million during 2023. This is an increase of \$763.4 thousand, or 12.8%, from 2023. The Airport experienced an increase in expenses for professional services and janitorial supplies accounting for most of this increase during 2024.

The Airport saw an increase in maintenance and repairs expenses during 2024. The 2024 expense was \$2.0 million compared to \$1.8 million in 2023. This was an increase of \$153.5 thousand, or 8.4%. During 2024, the Airport experienced an increase in expenses to repair and maintain terminal equipment as well as airfield pavement.

Utilities decreased 11.7% from \$2.0 million in 2023 to \$1.8 million in 2024. Most of this decrease of \$233 thousand was related to an decrease in expenses for natural gas and electricity.

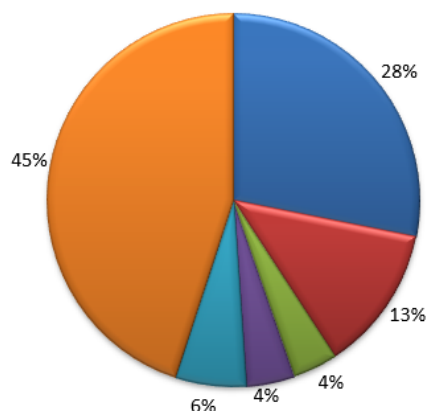
Other operating expenses were up 6.9% in 2024. The Airport had other operating expenses of \$3.1 million in 2024 compared to \$2.9 million in 2023. An increase in premiums for commercial insurance contracts and computer software support contracts was experienced in 2024. Additionally, with the continued return of passengers in 2024, the Airport experienced an increase in credit card fees related to the increase in parking revenue.

Depreciation charges for 2023 of \$21.2 million decreased to \$21.1 million in fiscal year 2024.

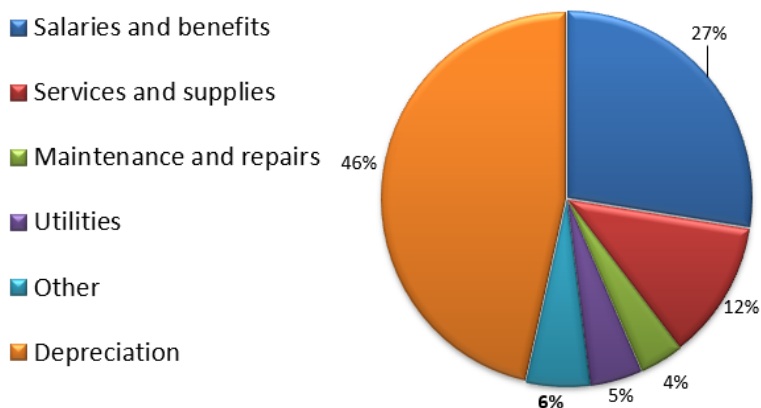
Operating Expenses, Fiscal Year 2023

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

FY 2023



FY 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 4.4%. Salaries and benefits increased \$837 thousand from \$12.4 million in 2022 to \$13.3 million in 2023, a 6.7% increase. 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 thousand, or 10.0%, from the previous year. While the Airport experienced a decrease in expenses for janitorial supplies during 2023, these were offset by an increase in expenses for contracted security guards and fuel for vehicles.

The Airport saw an increase in maintenance and repairs expenses during 2023. The 2023 expenses were \$1.8 million compared to \$1.7 million in 2022. This was an increase of \$99 thousand, or 5.7%. During 2023, the Airport had an increase in expenses to repair and maintain terminal equipment.

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 decreases in the expense for water and natural gas.

Other operating expense were up 15% in 2023. The Airport had other operating expenses of \$2.9 million in 2023 compared to \$2.5 million in 2022. Increases in premiums for commercial insurance, marketing media, and credit card fees related to Airport parking accounted for most of this increase in 2023.

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.

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 2024, 2023, and 2022:

Summary of Nonoperating Transactions

	2024	2023	2022	FY 2024 Incr (Decr)	FY 2023 Incr (Decr)
Nonoperating revenue					
Passenger facility charges	\$ 4,544,724	\$ 4,398,014	\$ 3,994,434	\$ 146,710	\$ 403,580
Federal operating grants	120,372	294,027	292,449	(173,655)	1,578
Investment income	6,245,935	4,556,364	(2,025,988)	1,689,571	6,582,352
Lease interest income	2,377,836	1,384,829	1,373,709	993,007	11,120
Gain (loss) on disposal of assets	(10,104,266)	(1,541,829)	(1,216,117)	(8,562,437)	(325,712)
Other nonoperating revenue	480,934	505,982	527,926	(25,048)	(21,944)
COVID relief grant revenue	-	8,877,291	8,616,921	(8,877,291)	260,370
Total nonoperating revenues	\$ 3,665,535	\$ 18,474,678	\$ 11,563,334	\$ (14,809,143)	\$ 6,911,344
Federal, state, and local grants	\$ 10,918,959	\$ 11,518,229	\$ 9,480,376	\$ (599,270)	\$ 2,037,853
Contributions from lessees	1,782,701	5,581,076	3,562,740	(3,798,375)	2,018,336
Total capital contributions and grants	\$ 12,701,660	\$ 17,099,305	\$ 13,043,116	\$ (4,397,645)	\$ 4,056,189

Nonoperating Transactions, Fiscal Year 2024

PFC income for fiscal year 2024 totaled \$4.5 million, a 3.3% increase from the \$4.4 million collected in fiscal year 2023. 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 2024 were \$120 thousand compared to \$294 thousand in 2023, a decrease of \$174 thousand, or 59%. Grants for TSA operations were substantially reduced in 2024.

During fiscal year 2024, investment income increased from \$4.6 million in 2023 to \$6.2 million in 2024. Cash, certificates of deposit, and investments balances in Airport accounts increased approximately \$12.4 million during 2024. Additionally, the fair value of treasuries held by the Airport increased during 2024. The Airport recognized these market gains as unrealized gains in investments. These market gains along with interest income on investments account for the \$1.7 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 2024 was \$2.4 million, compared to \$1.4 million in 2023. The increase is primarily due to an amended lease agreement with Dassault Falcon Jet.

The Airport entered into a new agreement with its largest tenant, Dassault Falcon Jet, in 2024. Properties previously recorded as Airport assets reverted back to Dassault, resulting in a reduction in capital assets. This reversion of assets back to Dassault accounted for most of the \$10 million loss on disposal of assets.

Federal, state, and local grants decreased \$599 thousand from \$11.5 million in 2023 to \$10.9 in 2024 due to a slight decrease in construction activity and the availability of additional federal funding opportunities.

Additionally, the Airport received \$8.9 million in COVID-19 relief grants in 2023. This exhausted the relief so there was no COVID-19 grant revenue in 2024. Contributions from lessees reflect tenant leaseholds that have expired and facilities have reverted to the Airport. These contributions in 2024 were \$1.8 million.

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 during 2023 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 2023 were \$294 thousand compared to \$292 thousand in 2022, an increase of \$2 thousand.

During fiscal year 2023, investment income increased from 2.0 million loss in 2022 to a gain of \$4.6 million in 2023. Cash and investments balances in Airport accounts increased approximately \$26 million during 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.

Federal, state, and local grants increased \$2.0 million, from \$9.5 million in 2022 to \$11.5 million 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.

Capital Assets

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

	2024	2023	2022	FY 2024 Incr (Decr)	FY 2023 Incr (Decr)
Land	\$ 68,559	\$ 68,476	\$ 68,419	\$ 82	\$ 57
Construction work in progress	23,867	24,865	6,704	(998)	18,161
Capital assets not depreciated	92,426	93,342	75,123	(916)	18,219
Buildings and improvements	309,752	329,812	324,160	(20,060)	5,652
Equipment	35,057	31,685	30,699	3,372	986
Infrastructure	217,940	193,432	194,396	24,508	(964)
Capital assets depreciated	562,750	554,929	549,255	7,821	5,674
Less: accumulated depreciation	(318,938)	(314,621)	(293,676)	(4,317)	(20,945)
Net capital assets	\$ 336,237	\$ 333,649	\$ 330,702	\$ 2,588	\$ 2,947

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, 2024 and 2023, was \$336.2 million and \$333.6 million, respectively. This investment, which accounts for 61.3% and 63.2% of LIT's total assets as of December 31, 2024 and 2023, respectively, includes land, buildings, improvements, equipment and vehicles, and construction in progress.

Capital Assets, Fiscal Year 2024

The following were among the assets capitalized during fiscal year 2024:

- ***Taxiway Charlie - Phase 2 - \$23.8 million***
- ***Terminal Roof Rehabilitation and Access Improvements - \$1.7 million***
- ***East Airfield Drainage Improvements - \$1.2 million***
- ***Bag Makeup Carousels Refurbishment - \$470K***
- ***ARFF Vehicles and Station Modification - \$3.3 million***

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***

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 Road, Little Rock Arkansas, 72202 or by sending an email to finance@clintonairport.com or by calling (501) 537-7329.

A handwritten signature in blue ink, reading "David Tipton".

David Tipton, CPA
Director of Finance/CFO

BASIC FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash	\$ 33,817,717	\$ 26,859,162
Certificates of deposit	48,963,816	30,995,905
Trade accounts receivable, net	2,222,487	1,478,706
Grants receivable	3,773,076	4,814,653
Interest receivable	182,350	141,660
Lease receivable	1,643,422	1,914,243
Prepaid expenses	1,085,236	929,384
Total current assets	91,688,104	67,133,713
Noncurrent Assets		
Cash - restricted	6,694,488	11,463,011
Passenger facilities charges (PFC) receivable - restricted	599,300	507,102
Investments	58,178,560	65,955,178
Notes receivable	2,766,544	2,873,058
Lease receivable	52,740,358	46,360,862
Nondepreciable capital assets	92,425,709	93,341,571
Depreciable capital assets, net	243,811,481	240,307,762
Total noncurrent assets	457,216,440	460,808,544
Total assets	\$ 548,904,544	\$ 527,942,257

See Notes to Financial Statements

STATEMENTS OF NET POSITION (Continued)
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Liabilities		
Current Liabilities		
Payable from unrestricted assets		
Accounts payable - trade	\$ 2,015,298	\$ 1,872,153
Accrued wages and benefits	1,961,865	1,814,938
Due to other governmental units	41,985	42,445
Security deposits and unearned revenue	399,541	558,284
Total current liabilities payable from unrestricted assets	<u>4,418,689</u>	<u>4,287,820</u>
Payable from restricted assets		
Accounts payable - construction	<u>8,519,733</u>	<u>3,212,252</u>
Total current liabilities	<u>12,938,422</u>	<u>7,500,072</u>
Deferred Inflows of Resources		
Deferred inflows - leases	<u>52,689,897</u>	<u>47,148,622</u>
Total deferred inflows of resources	<u>52,689,897</u>	<u>47,148,622</u>
Total liabilities and deferred inflows of resources	<u>65,628,319</u>	<u>54,648,694</u>
Net Position		
Net investment in capital assets	327,717,457	330,437,070
Restricted		
PFC eligible capital projects	6,638,288	11,314,613
FAA restriction	655,500	655,500
Unrestricted	<u>148,264,980</u>	<u>130,886,380</u>
Total net position	<u>483,276,225</u>	<u>473,293,563</u>
Total liabilities, deferred inflows of resources and net position	<u><u>548,904,544</u></u>	<u><u>527,942,257</u></u>

See Notes to Financial Statements

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Airline Revenues		
Airport landing and related fees	\$ 7,321,929	\$ 6,587,154
Terminal building rentals and related fees	7,287,102	6,899,513
Facility use fees	263,840	266,800
Total airline revenues	14,872,871	13,753,467
Nonairline Revenues		
Parking fees	12,257,791	11,622,119
Concession fees	1,389,610	593,690
Car rental operations	8,462,778	8,186,200
Facility and ground rentals	4,145,149	4,932,758
Ground transportation	273,600	232,639
Services sold	315,463	289,019
General aviation activity	506,041	520,072
Other	114,123	49,808
Total nonairline revenues	27,464,555	26,426,305
Total operating revenues	42,337,426	40,179,772
Operating Expenses		
Salaries, wages and employee benefits	14,043,205	13,251,035
Professional and contractual services	5,609,951	5,047,471
Buildings and grounds maintenance	855,836	911,176
Equipment repair and maintenance	1,125,078	916,248
Marketing and public affairs	163,783	197,516
Utilities	1,761,301	1,994,145
Materials and supplies	1,131,446	930,547
Insurance	712,369	650,111
Other expense	2,193,806	2,023,819
Total operating expenses	27,596,775	25,922,068
Income from Operations Before Depreciation	14,740,651	14,257,704
Depreciation	21,125,184	21,181,883
Operating Loss	(6,384,533)	(6,924,179)

See Notes to Financial Statements

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (Continued)
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Nonoperating Revenues (Expenses)		
Passenger facility charges	\$ 4,544,724	\$ 4,398,014
Federal operating grants	120,372	294,027
Investment gain	6,245,935	4,556,364
Lease Interest Income	2,377,836	1,384,829
Loss on disposal of assets	(10,104,266)	(1,541,829)
Aviation fuel taxes	432,137	486,993
Other nonoperating income	48,797	18,989
COVID relief grant revenue	-	8,877,291
	<u>3,665,535</u>	<u>18,474,678</u>
Total nonoperating revenues (expenses)		
	<u>3,665,535</u>	<u>18,474,678</u>
Change in Net Position Before Capital Contributions and Grants	(2,718,998)	11,550,499
Capital Contributions and Grants		
Federal, state and local grants	10,918,959	11,518,229
Contributions from lessees	1,782,701	5,581,076
	<u>12,701,660</u>	<u>17,099,305</u>
Total capital contributions and grants		
	<u>12,701,660</u>	<u>17,099,305</u>
Change in Net Position	9,982,662	28,649,804
Net Position, Beginning of Year	<u>473,293,563</u>	<u>444,643,759</u>
Net Position, End of Year	<u>\$ 483,276,225</u>	<u>\$ 473,293,563</u>

See Notes to Financial Statements

Financial Section

STATEMENTS OF CASH FLOWS Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Receipts from providing services	\$ 41,026,246	\$ 39,391,881
Payments to vendors for goods and services	(13,725,480)	(11,849,647)
Payments of salaries, wages and benefits	(13,896,279)	(13,191,054)
Net cash provided by operating activities	<u>13,404,487</u>	<u>14,351,180</u>
Cash Flows from Noncapital Financing Activities		
Operating grants received	120,372	294,027
Aviation fuel taxes	432,137	486,993
COVID relief grants received	-	9,588,784
Net cash provided by noncapital financing activities	<u>552,509</u>	<u>10,369,804</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(26,832,391)	(18,314,516)
Proceeds from sale of capital assets	105,265	-
Receipts from federal and state grants	12,009,333	9,708,636
Receipts from passenger facility charges	4,452,526	4,364,722
Principal payments on notes receivable	106,514	102,089
Interest payments on lease receivable	2,377,836	1,384,829
Net cash used in capital and related financing activities	<u>(7,780,917)</u>	<u>(2,754,240)</u>
Cash Flows from Investing Activities		
Purchase of investments and certificates of deposit	(24,532,108)	(36,000,000)
Sale of investments	15,751,000	5,415,000
Interest received	4,795,060	911,989
Net cash used in investing activities	<u>(3,986,048)</u>	<u>(29,673,011)</u>
Net Change in Cash	2,190,031	(7,706,267)
Cash, Beginning of Year	<u>38,322,173</u>	<u>46,028,440</u>
Cash, End of Year	<u>\$ 40,512,204</u>	<u>\$ 38,322,173</u>
Cash as Presented in the Statements of Net Position:		
Cash - current assets	\$ 33,817,717	\$ 26,859,162
Cash - noncurrent restricted	<u>6,694,488</u>	<u>11,463,011</u>
Total cash, end of year	<u>\$ 40,512,205</u>	<u>\$ 38,322,173</u>

See Notes to Financial Statements

Financial Section

	2024	2023
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (6,384,533)	\$ (6,924,179)
Item not requiring cash		
Depreciation expense	21,125,184	21,181,883
Change in assets and liabilities:		
Accounts receivable	(743,781)	(235,576)
Lease receivable	(6,108,675)	2,051,737
Prepaid expenses	(155,852)	(106,661)
Accounts payable	(16,058)	928,047
Accrued expenses and other current liabilities	146,927	59,981
Deferred inflows - leases	5,541,275	(2,604,052)
Net cash provided by operating activities	<u>\$ 13,404,487</u>	<u>\$ 14,351,180</u>
Supplemental Cash Flows Information: Noncash Transactions from Capital and Related Financing Activities		
Changes in payables for acquisition and construction of capital assets and improvements	\$ 5,307,481	\$ 1,775,542
Capital contribution from lessee	\$ 1,782,701	\$ 5,581,076
Loss on disposal of capital assets	\$ (10,104,266)	\$ (1,541,829)

See Notes to Financial Statements

Financial Section

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

December 31, 2024 and 2023

	2024	2023
Assets		
Investments, at fair value		
Cash management funds	\$ 261,447	\$ 115,253
Balanced asset allocation funds	20,794,461	19,193,470
Mutual funds - corporate bonds	293,520	101,865
Mutual funds - equity	2,912,644	2,345,342
Total investments, at fair value	24,262,072	21,755,930
Contributions receivable	353,769	331,413
Loans receivable	146,130	93,883
Total assets	<u>\$ 24,761,971</u>	<u>\$ 22,181,226</u>
Net Position Restricted for:		
Pensions	\$ 19,937,993	\$ 18,201,439
Postemployment benefits other than pensions	4,823,978	3,979,787
Total net position	<u>\$ 24,761,971</u>	<u>\$ 22,181,226</u>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Employer contributions	\$ 1,240,310	\$ 1,194,091
Employee contributions	991,717	945,048
Interest earned on loans	8,965	5,531
Investment income		
Gain on investments	2,779,935	3,206,894
Less investment expense	<u>(159,590)</u>	<u>(155,688)</u>
Net investment income	<u>2,620,345</u>	<u>3,051,206</u>
Total additions	<u>4,861,337</u>	<u>5,195,876</u>
Deductions		
Benefit payments	<u>2,280,592</u>	<u>1,838,572</u>
Total deductions	<u>2,280,592</u>	<u>1,838,572</u>
Increase in Net Position	2,580,745	3,357,304
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, Beginning of Year	<u>22,181,226</u>	<u>18,823,922</u>
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, End of Year	<u><u>\$ 24,761,971</u></u>	<u><u>\$ 22,181,226</u></u>

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 \$4.5 million and \$4.4 for the years ended December 31, 2024 and 2023, 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 \$2.5 million and \$2.4 million for the years ended December 31, 2024 and 2023, 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

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 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 GASB Statement No. 101, *Compensated Absences*, accumulated paid time off (PTO) is accrued based on assumptions concerning the probability that employees are more likely than not 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. The Airport has adopted a policy that leave earned in a prior period is used before the leave earned in the current period.

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.

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 in CRRSA grant revenue for the year ended December 31, 2023 and did not recognize any revenue for the year ended December 31, 2024.

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 in ARPA grant revenue for the year ended December 31, 2023 and did not recognize any revenue for the year ended December 31, 2024.

All COVID relief grant funds (CARES, ACRPG, ARPA) have been received by the Airport and the grants have been closed out with the FAA, as of December 31, 2024.

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, 2024 and 2023 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 2024

GASB Statement No. 101, *Compensated Absences*. In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model.

Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

The Airport adopted this standard on January 1, 2024, and applied it retrospectively to the earliest period presented. There was no effect on beginning net position as of January 1, 2023.

Future Adoption of Accounting Standards

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.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for the Airport in fiscal year 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

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 2024 and 2023, 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:

	2024	2023
Carrying value		
Deposits, including certificates of deposit	\$ 89,476,021	\$ 69,318,078
Investments	58,178,560	65,955,178
	<u>\$ 147,654,581</u>	<u>\$ 135,273,256</u>
Included in statements of net position		
Current assets - cash	\$ 33,817,717	\$ 26,859,162
Certificates of deposit	48,963,816	30,995,905
Noncurrent assets - restricted cash	6,694,488	11,463,011
Noncurrent assets - investments	58,178,560	65,955,178
	<u>\$ 147,654,581</u>	<u>\$ 135,273,256</u>

Restricted Cash

Cash is restricted as follows:

	2024	2023
Noise Land Disposal Fund	\$ 655,500	\$ 655,500
Passenger Facility Charge Fund	6,038,988	10,807,511
	<u>\$ 6,694,488</u>	<u>\$ 11,463,011</u>

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 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, 2024 and 2023, the Airport had the following investments and maturities:

December 31, 2024					
Type	Fair Value	Maturities in years			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury notes	\$ 58,178,560	\$ 14,779,845	\$ 43,398,715	\$ -	\$ -

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

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, 2024 and 2023, 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, 2024 and 2023, 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 \$58,178,560 and \$65,955,178 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023 consist of:

	<u>2024</u>	<u>2023</u>
Federal Aviation Administration	\$ 3,770,832	\$ 4,781,311
U.S. Department of Homeland Security	<u>2,244</u>	<u>33,342</u>
	<u>\$ 3,773,076</u>	<u>\$ 4,814,653</u>

Note 4: Capital Assets

A summary of changes in capital assets for the years ended December 31, 2024 and 2023 is as follows:

	2024				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 68,476,486	\$ -	\$ -	\$ 82,316	\$ 68,558,802
Construction in progress	24,865,085	31,074,197	-	(32,072,375)	23,866,907
Total capital assets, not being depreciated	93,341,571	31,074,197	-	(31,990,059)	92,425,709
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	316,195,748	1,846,451	24,081,205	2,069,617	296,030,611
Airport pavement	193,432,066	47,840	563,950	25,024,429	217,940,385
Other improvements	13,615,965	-	-	105,416	13,721,381
	523,243,779	1,894,291	24,645,155	27,199,462	527,692,377
Equipment, furniture, and fixtures:					
Furniture, fixtures	3,043,243	370,735	-	-	3,413,978
Equipment	16,713,249	471,604	194,038	1,666,344	18,657,159
Rolling stock	2,728,970	-	-	-	2,728,970
Fire trucks	2,182,056	-	2,120,058	2,948,782	3,010,780
IT systems	7,017,536	111,744	58,197	175,471	7,246,554
	31,685,054	954,083	2,372,293	4,790,597	35,057,441
Total capital assets, being depreciated	554,928,833	2,848,374	27,017,448	31,990,059	562,749,818
Less accumulated depreciation					
Buildings and improvements:					
Buildings, improvements	194,294,914	8,312,586	14,027,012	-	188,580,489
Airport pavement	93,272,537	9,743,321	432,361	-	102,583,497
Other improvements	5,569,817	882,176	-	-	6,451,993
	293,137,268	18,938,083	14,459,373	-	297,615,978
Equipment, furniture, and fixtures:					
Furniture, fixtures	1,659,676	144,036	-	-	1,803,712
Equipment	10,356,839	912,468	237,209	-	11,032,099
Rolling stock	2,424,932	127,788	-	-	2,552,720
Fire trucks	2,148,287	151,394	2,111,337	-	188,344
IT systems	4,894,069	851,415	-	-	5,745,484
	21,483,803	2,187,101	2,348,545	-	21,322,358
Total accumulated depreciation	314,621,071	21,125,184	16,807,918	-	318,938,337
Total capital assets, being depreciated, net	240,307,762	(18,276,810)	10,209,530	31,990,059	243,811,481
Capital assets, net	\$ 333,649,333	\$ 12,797,387	\$ 10,209,530	\$ -	\$ 336,237,190

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	2023				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
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
Total capital assets, not being depreciated	75,122,441	19,271,829	-	(1,052,699)	93,341,571
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
	518,555,799	5,644,801	1,700,474	743,653	523,243,779
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
	30,699,226	799,977	123,195	309,046	31,685,054
Total capital assets, being depreciated	549,255,025	6,444,778	1,823,669	1,052,699	554,928,833
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
	274,123,166	19,127,276	113,174	-	293,137,268
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
	19,552,392	2,054,606	123,195	-	21,483,803
Total accumulated depreciation	293,675,558	21,181,882	236,369	-	314,621,071
Total capital assets, being depreciated, net	255,579,467	(14,737,104)	1,587,300	1,052,699	240,307,762
Capital assets, net	\$ 330,701,908	\$ 4,534,725	\$ 1,587,300	\$ -	\$ 333,649,333

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 \$1.75 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 \$1,240,310 and \$1,181,292 for the years ended December 31, 2024 and 2023, 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 2074. 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 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, 2024, and 2023 was \$2,937,383 and \$3,418,804 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, 2024:

Years Ending December 31,	Principal	Interest	Total
2025	\$ 1,643,422	\$ 2,381,102	\$ 4,024,524
2026	1,500,473	2,336,532	3,837,005
2027	1,545,079	2,291,826	3,836,905
2028	1,591,179	2,245,622	3,836,801
2029	695,248	2,208,193	2,903,441
2030-2034	3,449,683	10,621,238	14,070,921
2035-2039	3,582,457	9,959,808	13,542,265
2040-2044	3,934,717	9,205,493	13,140,210
2045-2049	4,778,682	8,309,536	13,088,218
2050-2054	4,566,852	7,249,291	11,816,143
2055-2059	4,808,208	6,158,053	10,966,261
Thereafter	22,287,780	8,627,099	30,914,879
Total	\$ 54,383,780	\$ 71,593,793	\$ 125,977,573

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, 2024 and 2023 was \$2,175,281 and \$2,064,717 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, 2024:

Years Ending December 31,	Total Future Minimum Payments
2025	\$ 2,783,910
2026	2,179,005
2027	1,976,562
2028	1,967,081
2029	2,006,423
Thereafter	20,217,131
Total	\$ 31,130,112

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 2024 and 2023, the Commission recognized \$120,046 and \$124,470, 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.

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At December 31, 2024, the Airport had the following commitments:

	Project Authorization	Expended Through December 31, 2024	Remaining Commitment
Airfield	\$ 64,510,781	\$ 12,445,989	\$ 52,064,792
Terminal	53,647,662	10,378,932	43,268,730
Parking and Roadways	6,440,355	3,499,711	2,940,644
Commercial Properties	1,294,472	261,975	1,032,497
Total	<u>\$ 125,893,271</u>	<u>\$ 26,586,607</u>	<u>\$ 99,306,663</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, 2024 and 2023, the Airport reimbursed the City of Little Rock, Arkansas, for approximately \$3.5 million and \$3.6 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, 2024, the Airport had bank deposits of \$89,476,021 and an investment account balance of \$58,178,560.

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, 2024 and 2023:

Fiduciary Net Position

	2024			2023		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
Assets						
Investments – at fair value	\$ 19,628,994	\$ 4,633,078	\$ 24,262,072	\$ 17,911,808	\$ 3,844,122	\$ 21,755,930
Contributions receivable	308,999	44,770	353,769	289,631	41,782	331,413
Loans receivable	-	146,130	146,130	-	93,883	93,883
Total assets	<u>\$ 19,937,993</u>	<u>\$ 4,823,978</u>	<u>\$ 24,761,971</u>	<u>\$ 18,201,439</u>	<u>\$ 3,979,787</u>	<u>\$ 22,181,226</u>
Net Position Restricted for Pensions and Postemployment Benefits Other Than Pensions						
	<u>\$ 19,937,993</u>	<u>\$ 4,823,978</u>	<u>\$ 24,761,971</u>	<u>\$ 18,201,439</u>	<u>\$ 3,979,787</u>	<u>\$ 22,181,226</u>

Financial Section

Changes in Fiduciary Net Position

	2024			2023		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
Additions						
Employer contributions	\$ 1,240,310	\$ -	\$ 1,240,310	\$ 1,181,292	\$ 12,800	\$ 1,194,092
Employee contributions	554,103	437,614	991,717	517,716	427,331	945,047
Interest earned on loans	-	8,965	8,965	-	5,531	5,531
Investment income						
Gain on investments	2,269,346	510,589	2,779,935	2,627,554	579,340	3,206,894
Less investment expense	(127,854)	(31,736)	(159,590)	(126,279)	(29,409)	(155,688)
Net investment income	<u>2,141,492</u>	<u>478,853</u>	<u>2,620,345</u>	<u>2,501,275</u>	<u>549,931</u>	<u>3,051,206</u>
Total Additions	<u>3,935,905</u>	<u>925,432</u>	<u>4,861,337</u>	<u>4,200,283</u>	<u>995,593</u>	<u>5,195,876</u>
Deductions						
Benefit payments	<u>2,199,351</u>	<u>81,241</u>	<u>2,280,592</u>	<u>1,301,298</u>	<u>537,274</u>	<u>1,838,572</u>
Total Deductions	<u>2,199,351</u>	<u>81,241</u>	<u>2,280,592</u>	<u>1,301,298</u>	<u>537,274</u>	<u>1,838,572</u>
Net Increase in Fiduciary Net Position	1,736,554	844,191	2,580,745	2,898,985	458,319	3,357,304
Net Position - Beginning of the Year	<u>18,201,439</u>	<u>3,979,787</u>	<u>22,181,226</u>	<u>15,302,454</u>	<u>3,521,468</u>	<u>18,823,922</u>
Net Position - End of the Year	<u>\$ 19,937,993</u>	<u>\$ 4,823,978</u>	<u>\$ 24,761,971</u>	<u>\$ 18,201,439</u>	<u>\$ 3,979,787</u>	<u>\$ 22,181,226</u>

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

Financial Section

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, 2024 and 2023:

		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Total Fair Value					
December 31, 2024					
Investments					
Cash Management Funds	\$ 261,447	\$ -	\$ 261,447	\$ -	
Balanced Asset Allocation Fund	20,794,461	-	20,794,461	-	
Mutual Funds - Corporate Bonds	293,520	-	293,520	-	
Mutual Funds - Equity	2,912,644	-	2,912,644	-	
	<u>\$ 24,262,072</u>	<u>\$ -</u>	<u>\$ 24,262,072</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)
December 31, 2023				
Investments				
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>

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, 2024 and 2023.

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, 2024

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 Expenses and Ratios	77
Airport Rates, Charges, and Fees	79
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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

	2024	2023	2022	2021	2020
Net Position					
Net investment in capital assets	\$ 327,717,457	\$ 330,437,070	\$ 329,265,199	\$ 330,795,684	\$ 335,085,195
Restricted for:					
PFC-eligible capital projects	6,638,288	11,314,613	10,292,371	12,349,829	9,976,856
FAA restriction	655,500	655,500	655,500	655,500	-
Unrestricted	148,264,980	130,886,380	104,430,689	85,208,916	65,298,786
Total net position	<u>\$ 483,276,225</u>	<u>\$ 473,293,563</u>	<u>\$ 444,643,759</u>	<u>\$ 429,009,929</u>	<u>\$ 410,360,837</u>
	2019	2018	2017	2016	2015
Net Position					
Net investment in capital assets	\$ 325,913,438	\$ 329,340,024	\$ 336,033,751	\$ 330,353,169	\$ 322,340,670
Restricted for:					
PFC-eligible capital projects	12,326,417	10,012,038	11,864,719	10,193,369	12,740,299
FAA restriction	-	-	-	-	-
Unrestricted	63,793,360	54,177,710	39,215,670	37,411,930	26,430,938
Total net position	<u>\$ 402,033,215</u>	<u>\$ 393,529,772</u>	<u>\$ 387,114,140</u>	<u>\$ 377,958,468</u>	<u>\$ 361,511,907</u>

Source: Airport audited financial statements

Statistical Section

Changes in Net Position

Fiscal Years Ended December 31

	2024	2023	2022	2021	2020
Operating Revenues					
Airline revenues	\$ 14,872,871	\$ 13,753,467	\$ 12,246,072	\$ 11,090,515	\$ 10,342,335
Nonairline revenues	27,464,555	26,426,305	23,891,887	20,438,678	13,907,147
Total operating revenues	42,337,426	40,179,772	36,137,959	31,529,193	24,249,482
Operating Expenses					
Salaries, wages, and employee benefits	14,043,205	13,251,035	12,414,262	12,174,604	11,905,923
Services and supplies	6,741,397	5,978,018	5,434,654	5,238,322	4,932,875
Maintenance and repairs	1,980,914	1,827,424	1,728,502	1,590,648	1,515,624
Utilities	1,761,301	1,994,145	2,070,379	1,663,341	1,544,561
Other	3,069,958	2,871,446	2,504,066	2,006,882	1,653,151
Total operating expenses	27,596,775	25,922,068	24,151,863	22,673,797	21,552,134
Operating income before depreciation	14,740,651	14,257,704	11,986,096	8,855,396	2,697,348
Depreciation	21,125,184	21,181,883	20,958,716	20,376,862	19,215,867
Operating income (loss)	(6,384,533)	(6,924,179)	(8,972,620)	(11,521,466)	(16,518,519)
Nonoperating Revenues (Expenses)					
Passenger facility charges	4,544,724	4,398,014	3,994,434	3,468,152	1,967,260
Federal operating grants	120,372	294,027	292,449	288,136	356,654
Investment income (loss)	6,245,935	4,556,364	(2,025,988)	288,345	760,084
Lease interest income	2,377,836	1,384,829	1,373,709	-	-
Gain (loss) on disposal of assets	(10,104,266)	(1,541,829)	(1,216,117)	(315,009)	(233,098)
Paying agent and trustee fees	-	-	-	-	(16,446)
Other nonoperating revenue (expense)	480,934	505,982	527,926	324,766	712,226
COVID relief grant revenue	-	8,877,291	8,616,921	11,932,982	11,102,008
	3,665,535	18,474,678	11,563,334	15,987,372	14,648,688
Change in Net Position Before Capital Contributions and Grants	(2,718,998)	11,550,499	2,590,714	4,465,906	(1,869,831)
Federal, state, and local grants	10,918,959	11,518,229	9,480,376	12,333,996	10,181,107
Capital contributions from lessees	1,782,701	5,581,076	3,562,740	1,849,090	-
Change in Net Position	9,982,662	28,649,804	15,633,830	18,648,992	8,311,276
Net Position, Beginning of Year	473,293,563	444,643,759	429,009,929	410,360,937	402,033,215
Net Position, End of Year	<u>\$ 483,276,225</u>	<u>\$ 473,293,563</u>	<u>\$ 444,643,759</u>	<u>\$ 429,009,929</u>	<u>\$ 410,344,491</u>

Source: Airport audited financial statements

Changes in Net Position (continued)

Fiscal Years Ended December 31

	2019	2018	2017	2016	2015
Operating Revenues					
Airline revenues	\$ 12,689,259	\$ 11,844,972	\$ 11,436,125	\$ 11,015,958	\$ 10,196,487
Nonairline revenues	24,033,293	22,590,754	22,345,662	21,857,051	21,041,282
Total operating revenues	36,722,552	34,435,726	33,781,787	32,873,009	31,237,769
Operating Expenses					
Salaries, wages, and employee benefits	11,916,715	11,402,192	10,712,645	10,102,574	11,193,730
Services and supplies	5,293,176	5,052,464	5,002,540	5,080,196	5,027,857
Maintenance and repairs	1,618,745	1,574,401	1,425,422	1,295,490	1,265,116
Utilities	1,961,284	1,767,077	1,809,264	1,628,694	1,867,845
Other	2,238,913	2,338,255	2,210,929	2,007,947	2,025,745
Total operating expenses	23,028,833	22,134,389	21,160,800	20,114,901	21,380,293
Operating income before depreciation	13,693,719	12,301,337	12,620,987	12,758,108	9,857,476
Depreciation	18,891,557	18,047,361	19,207,701	14,486,130	14,459,027
Operating income (loss)	(5,197,838)	(5,746,024)	(6,586,714)	(1,728,022)	(4,601,551)
Nonoperating Revenues (Expenses)					
Passenger facility charges	4,388,874	4,197,153	3,929,925	3,839,384	3,866,346
Federal operating grants	306,447	309,090	324,014	298,595	314,604
Investment income (loss)	1,542,101	1,061,875	547,455	305,752	270,189
Interest expense	-	-	-	-	(660,768)
Gain (loss) on disposal of assets	-	(2,234,041)	(110,286)	(2,652)	22,723
Paying agent and trustee fees	(8,748)	(8,092)	(64,415)	-	(16,446)
Other nonoperating revenue (expense)	440,316	457,231	438,768	484,741	1,073,170
COVID relief grant revenue	-	-	-	11,932,982	11,102,008
	6,668,990	3,783,216	5,065,461	16,858,802	15,971,826
Change in Net Position Before Capital Contributions and Grants	1,471,152	(1,962,808)	(1,521,253)	15,130,780	11,370,275
Federal, state, and local grants	7,023,543	8,370,348	10,145,662	13,248,763	4,379,192
Capital contributions from lessees	-	-	466,848	-	2,170,560
Change in Net Position	8,494,695	6,407,540	9,091,257	28,379,543	17,920,027
Net Position, Beginning of Year	393,529,772	387,114,140	377,958,468	361,511,907	354,693,888
Net Position, End of Year	<u>\$ 402,024,467</u>	<u>\$ 393,521,680</u>	<u>\$ 387,049,725</u>	<u>\$ 389,891,450</u>	<u>\$ 372,613,915</u>

Source: Airport audited financial statements

Statistical Section

Operating Revenues and Ratios

Fiscal Years Ended December 31

	2024	2023	2022	2021	2020
Airline Revenues					
Airport landing and related fees	\$ 7,321,929	\$ 6,587,154	\$ 5,638,486	\$ 4,872,194	\$ 3,936,904
Terminal building revenues	7,287,102	6,899,513	6,359,666	5,986,211	6,219,928
Facility use fees	263,840	266,800	247,920	232,110	185,503
Total airline revenues	14,872,871	13,753,467	12,246,072	11,090,515	10,342,335
 Parking and roadway operations					
Parking fees	12,257,791	11,622,119	10,191,390	7,605,045	4,050,761
Ground transportation	273,600	232,639	125,491	99,803	91,001
	12,531,391	11,854,758	10,316,881	7,704,848	4,141,762
 Concession revenues					
Rental car percentage fees	5,064,730	4,921,282	4,376,888	3,500,844	1,935,043
Terminal concession revenues	1,389,610	593,690	1,110,980	908,557	626,996
	6,454,340	5,514,972	5,487,868	4,409,401	2,562,039
 Building rentals					
Terminal	381,046	373,002	348,560	332,689	241,507
Rental car	922,778	869,406	824,580	838,002	848,275
Other buildings	1,837,054	2,694,893	2,269,399	2,327,270	2,012,200
	3,140,878	3,937,301	3,442,539	3,497,961	3,101,982
 Land leases	1,927,048	1,864,863	1,742,528	2,179,330	2,018,748
 Other revenues					
Rental car CFC ¹	2,475,270	2,395,512	2,041,764	1,853,975	1,350,247
Services sold	315,463	289,019	294,921	286,039	293,450
General aviation activity	506,041	520,072	511,728	458,914	384,671
Other	114,123	49,808	53,658	48,210	54,248
	3,410,897	3,254,411	2,902,071	2,647,138	2,082,616
Total nonairline revenues	27,464,555	26,426,305	23,891,887	20,438,678	13,907,147
 Total operating revenues	\$ 42,337,426	\$ 40,179,772	\$ 36,137,959	\$ 31,529,193	\$ 24,249,482
 Enplaned passengers	1,174,148	1,120,270	1,010,426	850,422	490,544
 Total Operating Revenue per Enplaned Passenger					
Passenger	\$ 36.06	\$ 35.87	\$ 35.77	\$ 37.07	\$ 49.43
Airline Revenue per Enplaned Passenger ²	\$ 12.14	\$ 11.71	\$ 11.45	\$ 13.04	\$ 21.08

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

	2019	2018	2017	2016	2015
Airline Revenues					
Airport landing and related fees	\$ 6,175,693	\$ 5,607,937	\$ 5,439,811	\$ 5,301,723	\$ 4,992,768
Terminal building revenues	6,314,216	6,041,660	5,821,189	5,546,535	5,028,594
Facility use fees	199,350	195,375	175,125	167,700	175,125
Total airline revenues	<u>12,689,259</u>	<u>11,844,972</u>	<u>11,436,125</u>	<u>11,015,958</u>	<u>10,196,487</u>
 Parking and roadway operations					
Parking fees	10,187,088	9,692,084	9,333,545	9,251,248	9,121,334
Ground transportation	216,312	187,586	156,026	130,406	104,137
	<u>10,403,400</u>	<u>9,879,670</u>	<u>9,489,571</u>	<u>9,381,654</u>	<u>9,225,471</u>
 Concession revenues					
Rental car percentage fees	3,715,516	3,598,503	3,585,326	3,492,763	3,443,710
Terminal concession revenues	1,251,934	1,284,632	1,247,072	1,255,789	1,182,673
	<u>4,967,450</u>	<u>4,883,135</u>	<u>4,832,398</u>	<u>4,748,552</u>	<u>4,626,383</u>
 Building rentals					
Terminal	341,714	279,241	266,518	273,393	253,332
Rental car	867,770	807,200	760,858	650,355	485,363
Other buildings	1,873,264	1,440,524	1,595,770	1,421,106	1,379,083
	<u>3,082,748</u>	<u>2,526,965</u>	<u>2,623,146</u>	<u>2,344,854</u>	<u>2,117,778</u>
 Land leases	1,987,271	1,964,327	2,018,024	1,977,060	1,826,476
 Other revenues					
Rental car CFC ¹	2,525,296	2,417,258	2,454,053	2,479,004	2,469,780
Services sold	464,260	417,967	423,487	413,870	375,275
General aviation activity	537,619	442,706	457,810	453,521	285,027
Other	65,249	58,726	47,173	58,536	115,092
	<u>3,592,424</u>	<u>3,336,657</u>	<u>3,382,523</u>	<u>3,404,931</u>	<u>3,245,174</u>
Total nonairline revenues	<u>24,033,293</u>	<u>22,590,754</u>	<u>22,345,662</u>	<u>21,857,051</u>	<u>21,041,282</u>
 Total operating revenues	<u>\$ 36,722,552</u>	<u>\$ 34,435,726</u>	<u>\$ 33,781,787</u>	<u>\$ 32,873,009</u>	<u>\$ 31,237,769</u>
 Enplaned passengers	1,124,672	1,069,349	1,017,004	996,897	992,712
 Total Operating Revenue per Enplaned Passenger					
Passenger	\$ 32.65	\$ 32.20	\$ 33.22	\$ 32.98	\$ 31.47
Airline Revenue per Enplaned Passenger ²	\$ 10.76	\$ 10.59	\$ 10.69	\$ 10.49	\$ 9.72

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

	2024	2023	2022	2021	2020
Operating Expenses by Type					
Salaries, wages, and employee benefits	\$ 14,043,205	\$ 13,251,035	\$ 12,414,262	\$ 12,174,604	\$ 11,905,923
Professional and contractual services	5,609,951	5,047,471	4,456,573	4,257,444	4,199,410
Buildings and grounds maintenance	855,836	911,176	757,354	730,937	762,641
Equipment repair and maintenance	1,125,078	916,248	971,148	859,711	752,983
Marketing and public affairs	163,783	197,516	165,382	178,203	89,728
Utilities	1,761,301	1,994,145	2,070,379	1,663,341	1,544,561
Materials and supplies	1,131,446	930,547	978,081	980,878	733,465
Insurance	712,369	650,111	617,481	560,616	508,683
Other	2,193,806	2,023,819	1,721,203	1,268,063	1,054,740
Total Operating Expenses by Type	\$ 27,596,775	\$ 25,922,068	\$ 24,151,863	\$ 22,673,797	\$ 21,552,134
Operating Expenses by Cost Center					
Administration	\$ 6,290,241	\$ 6,219,467	\$ 5,764,532	\$ 5,616,765	\$ 5,410,884
Airfield	8,096,294	7,451,172	6,956,820	6,500,809	6,190,231
Terminal	9,718,475	8,969,204	8,338,486	7,728,543	7,202,551
Parking	2,065,234	1,915,344	1,813,637	1,542,393	1,366,772
Shuttle	420,582	376,984	333,030	327,941	331,292
Rental car	126,903	92,172	85,075	112,801	78,030
Commercial/industrial	879,046	897,725	860,284	844,515	972,414
Total Operating Expenses by Cost Center	\$ 27,596,775	\$ 25,922,068	\$ 24,151,864	\$ 22,673,767	\$ 21,552,174
Enplaned passengers	1,174,148	1,120,270	1,010,426	850,422	490,544
Total Operating Expense per Enplaned Passenger	\$ 23.50	\$ 23.14	\$ 23.90	\$ 26.66	\$ 43.94

Source: Airport audited financial statements

Statistical Section

Operating Expenses and Ratios (continued)

Fiscal Years Ended December 31

	2019	2018	2017	2016	2015
Operating Expenses by Type					
Salaries, wages, and employee benefits	\$ 11,916,715	\$ 11,402,192	\$ 10,712,645	\$ 10,102,574	\$ 11,193,730
Professional and contractual services	4,418,158	4,203,242	4,206,153	4,149,740	4,188,836
Buildings and grounds maintenance	820,777	764,308	611,867	540,426	523,859
Equipment repair and maintenance	797,968	810,093	813,555	755,062	741,257
Marketing and public affairs	278,905	323,770	238,970	263,555	246,543
Utilities	1,961,284	1,767,077	1,809,264	1,628,694	1,867,845
Materials and supplies	875,018	849,222	796,387	930,456	839,021
Insurance	456,095	414,173	383,148	378,775	378,709
Other	1,503,913	1,600,312	1,588,811	1,365,617	1,400,493
Total Operating Expenses by Type	<u>\$ 23,028,833</u>	<u>\$ 22,134,389</u>	<u>\$ 21,160,800</u>	<u>\$ 20,114,899</u>	<u>\$ 21,380,293</u>
Operating Expenses by Cost Center					
Administration	\$ 5,609,489	\$ 5,746,555	\$ 5,472,418	\$ 5,199,659	\$ 5,312,377
Airfield	6,413,105	6,155,830	5,874,759	5,581,946	6,175,519
Terminal	7,879,435	7,532,522	7,329,339	6,964,024	7,405,937
Parking	1,764,878	1,642,797	1,511,713	1,436,366	1,432,751
Shuttle	308,418	242,695	279,625	265,688	251,376
Rental car	98,132	102,213	98,788	93,864	103,771
Commercial/industrial	955,376	711,777	594,158	573,352	698,562
Total Operating Expenses by Cost Center	<u>\$ 23,028,833</u>	<u>\$ 22,134,389</u>	<u>\$ 21,160,800</u>	<u>\$ 20,114,899</u>	<u>\$ 21,380,293</u>
Enplaned passengers	1,124,672	1,069,349	1,017,004	996,897	992,712
Total Operating Expense per Enplaned Passenger	\$ 20.48	\$ 20.70	\$ 20.81	\$ 20.18	\$ 21.54

Source: Airport audited financial statements

Statistical Section

Airport Rates, Charges and Fees

Fiscal Years Ended December 31

Airline Rates and Charges

	2024	2023	2022	2021	2020
Landing fee rate (per 1,000 lbs)	\$ 4.82	\$ 4.60	\$ 4.26	\$ 4.26	\$ 4.26
Terminal building rental rate (per sq. ft.)	50.43	48.10	44.00	44.00	44.00
Gate fee (per turn)	94.00	94.00	94.00	94.00	94.00
Jet bridge fee (per turn) old/new	72.00/42.50	72.00/40	72.00/40	72.00/40	72.00/40
Aircraft ramp fee	1,590.00	1,590.00	1,590.00	1,590.00	1,590.00
Remain overnight (RON) fee	80.00	80.00	80.00	80.00	80.00
	2019	2018	2017	2016	2015
Landing fee rate (per 1,000 lbs)	\$ 4.21	\$ 4.17	\$ 4.12	\$ 4.05	\$ 3.90
Terminal building rental rate (per sq. ft.)	42.50	41.07	38.90	38.20	34.18
Gate fee (per turn)	89.45	88.64	81.45	81.45	77.90
Jet bridge fee (per turn)	68.50/40.00	68.50/40.00	68.50/40.00	68.50/40.00	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)

	2024	2023	2022	2021	2020
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
	2019	2018	2017	2016	2015
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	2024												2024 % of Total Operating Revenue
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015			
American Airlines	\$ 5,363,041	\$ 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			12.7%
EEAN Holdings	3,756,015	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			8.9%
Southwest Airlines	3,414,793	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			8.1%
Avis Budget Group	2,839,158	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			6.7%
Delta Air Lines	3,157,788	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			7.5%
Dassault Falcon Jet	2,161,599	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			5.1%
United Air Lines	2,476,195	2,088,714	1,720,833	1,603,423	1,533,519	2,056,512	2,019,404	1,751,882	1,810,882	1,670,826			5.8%
Carco Carriage (Hertz)	1,885,241	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			4.5%
Signature Flight Support	1,686,061	1,617,430	1,552,131	1,481,425	1,397,939	1,469,641	1,370,861	1,352,583	1,257,119	1,138,587			4.0%
United Parcel Service	906,943	727,181	763,395	744,299	752,811	-	-	-	-	-			2.1%
HMS Host Inc.	-	-	-	-	-	798,352	905,978	1,161,466	1,147,012	1,112,955			0.0%
	\$ 27,646,834	\$ 25,632,747	\$ 22,322,677	\$ 20,075,005	\$ 17,250,324	\$ 22,317,517	\$ 21,308,497	\$ 21,360,697	\$ 20,125,489	\$ 18,141,977			65.3%

Source: Airport Management Records

Outstanding Debt by Type and Debt Ratios

Fiscal Years Ended December 31

(in thousands)

	2024	2023	2022	2021	2020
Outstanding Debt per Series					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003	-	-	-	-	-
Series 2007A	-	-	-	-	-
Series 2007B	-	-	-	-	-
Unamortized (discount)/premium	-	-	-	-	-
Total Outstanding Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total enplaned passengers	 1,174	 1,120	 1,010	 850	 491
 Outstanding Debt/Enplaned Passenger	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
Debt Service/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Airport audited financial statements

Statistical Section

Outstanding Debt by Type and Debt Ratios (continued)

Fiscal Years Ended December 31

(in thousands)

	2019	2018	2017	2016	2015
Outstanding Debt per Series					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003	-	-	-	-	-
Series 2007A	-	-	-	-	-
Series 2007B	-	-	-	-	-
Unamortized (discount)/premium	-	-	-	-	-
Total Outstanding Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ 10,024
Interest	-	-	-	-	661
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,685</u>
 Total enplaned passengers	 1,125	 1,069	 1,017	 997	 993
Outstanding Debt/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ 10.76
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Airport audited financial statements

Revenue Bonds Debt Service Coverage

Fiscal Years Ended December 31

	2024	2023	2022	2021	2020
Net Revenues					
Operating revenues	\$ 42,337,426	\$ 40,179,772	\$ 36,137,959	\$ 31,529,193	\$ 24,249,482
Less: operating expenses	(27,596,775)	(25,922,068)	(24,151,863)	(22,673,797)	(21,552,134)
Plus: interest income (loss)	6,245,935	4,556,364	(2,025,988)	288,345	760,084
Net Revenues	<u>\$ 20,986,586</u>	<u>\$ 18,814,068</u>	<u>\$ 9,960,108</u>	<u>\$ 9,143,741</u>	<u>\$ 3,457,432</u>
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total annual debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Coverage					
Revenue bond debt service coverage	-	-	-	-	-
Debt service coverage requirement	-	-	-	-	-
	2019	2018	2017	2016	2015 ¹
Net Revenues					
Operating revenues	\$ 36,722,552	\$ 34,435,726	\$ 33,781,787	\$ 32,873,009	\$ 31,237,770
Less: operating expenses	(23,028,833)	(22,134,389)	(21,160,800)	(20,114,901)	(21,380,293)
Plus: interest income (loss)	1,542,101	1,061,875	547,455	305,752	270,189
Net Revenues	<u>\$ 15,235,820</u>	<u>\$ 13,363,212</u>	<u>\$ 13,168,442</u>	<u>\$ 13,063,860</u>	<u>\$ 10,127,666</u>
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ 10,023,739
Interest	-	-	-	-	660,768
Total annual debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,684,507</u>
Debt Service Coverage					
Revenue bond debt service coverage	-	-	-	-	0.95
Debt service coverage requirement	-	-	-	-	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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Allegiant Air	Gates 6 or 12	Orlando, FL (SFB)	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3
		Los Angeles, CA (LAX)	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
		Destin, FL (VPS)	-	-	-	-	-	0.3	-	-	-	-
		St. Petersburg, FL (PIE)	-	-	-	0.3	-	-	-	-	-	-
American Airlines	Gates 1, 3 & 5	Dallas, TX (DFW)	10.0	7.0	7.0	7.0	5.0	7.0	7.0	7.0	7.0	7.0
		Chicago, IL (ORD)	2.0	3.0	2.0	2.0	1.0	5.0	5.0	5.0	5.0	5.0
	Gate 8	Charlotte, NC (CLT)	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	Gate 6	New York (LGA)	1.0	1.0	1.0	-	-	-	-	-	-	-
	Gate 9	Washington, D.C. (DCA)	1.0	1.0	1.0	1.0	-	2.0	2.0	-	-	-
		Phoenix, AZ (PHX)	-	-	-	-	0.1	-	-	-	-	-
United Airlines	Gates 7, 8 & 12	Miami, FL (MIA)	0.1	0.1	0.1	0.1	-	-	-	-	-	-
		Denver, CO (DEN)	3.0	3.0	2.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0
		Chicago, IL (ORD)	3.0	3.0	3.0	2.0	1.0	3.0	3.0	3.0	3.0	3.0
		Houston, TX (IAH)	6.0	3.0	4.0	3.0	3.0	5.0	5.0	5.0	5.0	5.0
		Atlanta, GA (ATL)	6.0	6.0	5.0	5.0	5.0	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
		New York (LGA)	1.0	1.0	-	-	-	-	-	-	-	-
		Denver, CO (DEN)	0.3	0.4	0.4	0.4	0.4	4.0	4.0	-	-	-
Frontier Airlines	Gate 6	Orlando, FL (MCO)	-	-	-	0.3	-	-	0.1	-	-	-
		Las Vegas, NV (LAS)	-	-	0.3	0.4	-	-	-	-	-	-
GLO Airlines	Gate 6	New Orleans, LA (MSY)	-	-	-	-	-	-	-	-	2.0	2.0
		Destin, FL (VPS)	-	-	-	-	-	-	-	-	0.1	-
Southwest Airlines	Gates 10, 11 & 12	Dallas, TX (DAL)	3.0	3.0	3.0	2.0	2.0	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
		Baltimore, MD (BWI)	-	-	-	-	-	-	-	-	-	1.0
		Las Vegas, NV (LAS)	1.0	1.0	0.3	0.3	0.1	1.0	1.0	1.0	1.0	1.0
		Saint Louis, MO (STL)	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0	-
Via Airlines	Gate 6	Denver, CO (DEN)	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
		Atlanta, GA (ATL)	-	1.0	1.0	1.0	-	-	-	-	-	-
		Austin, TX (AUS)	-	-	-	-	-	-	0.3	-	-	-
		Total Daily Departures	44.7	39.8	36.4	34.1	25.1	47.7	47.8	41.4	44.5	43.4

Source: Airport flight data from Passur (2015-2024)

Aircraft Operations

Fiscal Years Ended December 31

Destination	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Air Carrier	27,379	24,652	20,909	21,107	16,292	24,981	23,284	21,620	20,208	20,341
Air Taxi	14,560	12,448	13,437	11,762	9,143	13,867	12,912	12,633	15,148	14,272
General Aviation	44,518	35,812	33,532	33,375	28,211	34,460	37,022	38,657	46,517	49,770
Military	6,590	9,359	14,819	15,986	10,002	12,661	23,396	21,199	19,342	14,656
	93,047	82,271	82,697	82,230	63,648	85,969	96,614	94,109	101,215	99,039

Source: FFA Air Traffic Reports

Statistical Section

Airline Landed Weight Trend

Fiscal Years Ended December 31

(lbs. in thousands)

	2024	2023	2022	2021	2020
Passenger Airlines					
Allegiant	16,922	19,064	26,781	25,190	19,231
American	481,958	444,068	392,509	394,259	257,703
Delta	286,064	265,082	247,130	219,396	151,882
Frontier	18,408	29,195	39,554	35,520	16,866
GLO Airlines	-	-	-	-	-
Southwest	348,229	354,376	301,983	244,494	206,144
United	228,369	187,729	147,624	127,686	115,440
US Airways	-	-	-	-	-
Via	-	-	-	-	-
Vision	-	-	-	-	-
Charter	4,242	3,950	5,121	2,634	2,048
	<u>1,384,192</u>	<u>1,303,464</u>	<u>1,160,702</u>	<u>1,049,179</u>	<u>769,314</u>
Cargo Airlines					
UPS	129,160	136,950	157,442	152,540	162,933
	<u>129,160</u>	<u>136,950</u>	<u>157,442</u>	<u>152,540</u>	<u>162,933</u>
Total Landed Weights	<u>1,513,352</u>	<u>1,440,414</u>	<u>1,318,144</u>	<u>1,201,719</u>	<u>932,247</u>
	2019	2018	2017	2016	2015
Passenger Airlines					
Allegiant	22,408	17,791	17,510	13,980	15,375
American	452,431	381,594	353,792	341,037	276,207
Delta	322,612	324,892	312,024	318,579	298,884
Frontier	27,613	22,852	-	-	-
GLO Airlines	-	-	9,918	19,401	1,610
Southwest	304,724	309,990	310,625	308,462	322,356
United	211,759	198,129	170,796	172,914	168,735
US Airways	-	-	-	-	54,521
Via	1,319	6,950	-	-	-
Vision	-	-	-	-	-
Charter	4,325	3,486	3,510	3,585	2,262
	<u>1,347,191</u>	<u>1,265,684</u>	<u>1,178,175</u>	<u>1,177,958</u>	<u>1,139,950</u>
Cargo Airlines					
UPS	136,477	122,243	135,585	137,282	135,529
	<u>136,477</u>	<u>122,243</u>	<u>135,585</u>	<u>137,282</u>	<u>135,529</u>
Total Landed Weights	<u>1,483,668</u>	<u>1,387,927</u>	<u>1,313,760</u>	<u>1,315,240</u>	<u>1,275,479</u>

Source: Monthly Airline Activity Reports

Statistical Section

Enplaned Passenger Data

Fiscal Years Ended December 31

Destination	2024	2023	2022	2021	2020
Allegiant Air	17,842	19,848	25,016	21,340	12,023
American Airlines	84,146	83,174	79,523	31,057	-
American Eagle	230,005	207,791	174,003	211,010	117,655
Air Wisconsin - American	9,351	8,993	-	-	-
Express Jet - American	-	-	-	-	-
Skywest - American	5,758	12,896	26,512	4,882	1,966
Mesa - American	-	3,866	6,892	1,952	-
Pacific Southwest (PSA)	48,399	30,469	44,488	55,689	63,616
Republic - American	19,962	23,750	3,218	8,353	-
Delta Airlines	232,872	230,880	223,368	155,777	75,147
GO Jet	-	-	-	-	-
Express Jet - Delta	-	-	-	-	-
Endeavor/Pinnacle	16,560	11,963	-	25,086	16,227
Shuttle America	-	-	-	-	-
Skywest - Delta	-	-	-	-	233
Republic - Delta	5,503	1,919	-	-	-
Frontier	16,359	25,981	33,062	32,018	13,717
GLO Airlines	-	-	-	-	-
Southwest Airlines	290,332	287,364	252,239	193,048	111,510
Air Wisconsin - United	-	3,047	13,505	2,321	3,715
CommutAir - United	39,539	44,821	59,678	52,788	2,742
Express Jet - United	-	-	-	-	17,906
GoJet - United	17,078	10,082	1,552	11,456	8,078
Mesa-United	35,563	26,441	16,167	12,327	7,364
Republic - United	-	78	-	7,203	4,576
Skywest - United	103,377	85,404	49,102	22,981	30,344
Trans States - United	-	-	-	-	3,127
Pacific Southwest (PSA)	-	-	-	-	-
Via	-	-	-	-	-
Charters	1,502	1,503	2,101	1,134	598
Total Enplanements	1,174,148	1,120,270	1,010,426	850,422	490,544

Source: Monthly Airline Activity Reports

Statistical Section

Enplaned Passenger Data (continued)

Fiscal Years Ended December 31

Destination	2019	2018	2017	2016	2015
Allegiant Air	22,432	18,079	18,101	13,917	15,405
American Airlines	33,306	2,839	36	2,621	1,914
American Eagle	233,868	228,736	211,686	204,662	135,124
Air Wisconsin - American	-	-	-	-	-
Express Jet - American	-	2,718	2,411	-	-
Skywest - American	6,784	-	-	-	-
Mesa - American	6,718	1,104	9,710	10,711	84,598
Pacific Southwest (PSA)	78,894	66,351	65,434	63,556	16,388
Republic - American	-	-	-	-	64
Delta Airlines	264,791	262,757	250,381	252,874	248,331
GO Jet	-	-	1,016	-	-
Express Jet - Delta	-	714	15,405	15,116	16,787
Endeavor/Pinnacle	4,091	1,954	3,880	2,108	749
Shuttle America	-	-	-	181	258
Skywest - Delta	12,327	13,834	1,067	1,501	138
Republic - Delta	-	179	133	-	-
Frontier	28,492	23,283	-	-	-
GLO Airlines	-	-	4,335	7,586	338
Southwest Airlines	250,503	269,335	274,424	262,202	265,453
Air Wisconsin - United	20,655	19,680	-	-	-
CommutAir - United	-	-	-	-	-
Express Jet - United	51,864	53,862	77,929	94,946	108,149
GoJet - United	-	-	-	-	-
Mesa-United	28,956	37,048	16,724	9,712	-
Republic - United	9,913	13,738	-	64	47
Skywest - United	50,964	30,697	41,304	41,156	47,946
Trans States - United	17,881	18,838	21,758	12,529	2,956
Pacific Southwest (PSA)	-	-	-	-	47,462
Via	581	2,288	-	-	-
Charters	1,652	1,315	1,270	1,455	605
Total Enplanements	1,124,672	1,069,349	1,017,004	996,897	992,712

Source: Monthly Airline Activity Reports

Employee Trend

Fiscal Years Ended December 31

	Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	3	4	4	4	4	4	4	5	5	5
104	Customer Service	8	8	8	8	8	8	8	9	9	7
105	Finance	8	8	8	8	8	7	9	10	10	10
106	Procurement	6	6	6	6	5	5	5	5	5	5
107	Properties	-	2	2	2	1	1	1	2	2	2
108	Planning & Development	4	4	4	4	4	5	6	6	6	5
109	Government & Public Relations	1	1	1	1	1	1	1	1	1	1
110	Air Service Development	3	1	1	1	1	1	1	1	1	1
201	Airside Operations	19	19	19	19	19	19	18	18	18	17
202	Landside Operations	29	28	28	28	28	28	28	31	31	34
301	Airfield Maintenance	17	17	17	17	17	17	17	18	18	18
302	Terminal Maintenance	56	59	59	59	56	56	56	56	56	56
303	Information Systems	11	8	8	8	11	10	10	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	176	174	173	175	182	182	181

Source: Approved Positions, UKG Ready Payroll System

Statistical Section

Schedule of Capital Assets

Fiscal Years Ended December 31
(in thousands)

	2024	2023	2022	2021	2020
Land	\$ 68,559	\$ 68,476	\$ 68,419	\$ 68,394	\$ 68,263
Construction in progress	23,867	24,865	6,704	14,737	11,291
Capital assets not depreciated	92,426	93,342	75,123	83,131	79,554
Buildings and improvements	309,752	329,812	324,160	320,019	312,281
Equipment	35,057	31,685	30,699	28,896	28,130
Infrastructure	217,940	193,432	194,396	177,003	177,104
Capital assets depreciated	562,750	554,929	549,255	525,918	517,515
Less: accumulated depreciation	(318,938)	(314,621)	(293,676)	(276,428)	(259,638)
Net Capital Assets	\$ 336,237	\$ 333,649	\$ 330,702	\$ 332,621	\$ 337,431

	2019	2018	2017	2016	2015
Land	\$ 68,234	\$ 67,669	\$ 67,558	\$ 67,409	\$ 66,183
Construction work in progress	12,489	5,089	13,106	20,388	9,237
Capital assets not depreciated	80,723	72,758	80,664	87,797	75,420
Buildings and improvements	303,556	300,477	290,865	292,967	364,978
Equipment	27,406	26,181	23,641	19,550	20,593
Infrastructure	157,206	153,864	149,138	127,509	38,174
Capital assets depreciated	488,168	480,522	463,644	440,026	423,745
Less: accumulated depreciation	(240,939)	(222,083)	(206,317)	(194,031)	(175,081)
Net Capital Assets	\$ 327,952	\$ 331,197	\$ 337,991	\$ 333,792	\$ 324,084

	2024	2023
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
2024	341,140,964	3,088,354	764,045
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

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
2024	400,009	129,951	18,383	10,184	75,944	129,574	764,045
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

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
2024	\$ 69,810	\$ 57,635	\$ 59,463
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

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
2024	\$ 65,851	\$ 54,851	\$ 51,952	\$ 51,017	\$ 47,868	\$ 50,128	\$ 59,463
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

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
2024	4.0%	3.5%	3.2%
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%

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
2024	3.5%	2.8%	2.9%	3.0%	3.8%	2.9%	3.2%
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%

Source: State of Arkansas: Department of Workforce Services

Little Rock
Principal Employers

Employer	2024		2015	
	Rank	Employees	Rank	Employees
State of Arkansas	1	34,900	1	34,900
Local Government	2	27,200	2	27,200
Federal Government	3	9,900	3	9,900
University of Arkansas for Medical Sciences	4	9,100	4	9,100
Baptist Health	5	5,360	5	5,360
Little Rock Air Force Base	6	4,500	6	4,500
Arkansas Children's Hospital	7	4,000	7	4,000
Little Rock School District	8	3,500	8	3,500
Central Arkansas Veterans Health Care	9	2,800	9	2,800
Entergy Arkansas	10	2,740	10	2,740
		<u>104,000</u>		<u>104,000</u>

Source: Little Rock Chamber of Commerce

Little Rock Demographic and Economic Statistics

Calendar Year	Population ¹	Personal Income ²	Per Capita Personal Income	Unemployment Percentage Rate
2024	202,591	\$ 8,760,440,022	\$ 43,242	3.2%
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%

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

Source: 2024 Population and Per Capita Personal Income,
<https://www.census.gov/quickfacts/fact/table/LittleRockCityArkansas/PST045224>

(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, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation –	20.106	03-05-0035-98	\$ (25,562)
Federal Aviation Administration/	20.106	03-05-0035-104	3,319,547
Airport Improvement Program	20.106	03-05-0035-105	82,197
	20.106	03-05-0035-107	2,052,586
	20.106	03-05-0035-108	118,519
	20.106	03-05-0035-109	4,504,552
	20.106	03-05-0035-114	736,654
	20.106	03-05-0035-115	130,068
	Total expenditures of federal awards		\$ 10,918,561

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, 2024. 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, 2024 and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated May 16, 2025.

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
May 16, 2025

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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), a component unit of the City of Little Rock, Arkansas, 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, 2024. 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, 2024.

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 ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the 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
May 16, 2025

Compliance Section

Little Rock Municipal Airport Commission d/b/a Bill and Hillary Clinton National Airport Schedule of Findings and Questioned Costs Year Ended December 31, 2024

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:
- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over the major federal awards program:
- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
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

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

Compliance Section

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

(Continued)

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

Compliance Section

**Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2024**

Reference Number	Summary of Finding	Status
No matters are reportable.		

SCHEDULE OF PASSENGER FACILITY COLLECTIONS AND EXPENDITURES
Year Ended December 31, 2024

Collections	Date Approved	Amount Approved for Use	Cumulative Total		Quarter Ended				Year Ended December 31, 2024	Cumulative Total	
			December 31, 2023	December 31, 2024	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024		December 31, 2024	December 31, 2024
Passenger facility charge collections received			\$ 118,058,915	\$ 996,557	\$ 1,182,202	\$ 1,217,976	\$ 1,055,790	\$ 4,452,525	\$ 122,511,440		
Interest earned			7,957,253	102,889	168,149	171,296	66,970	509,304	8,466,557		
Total passenger facility charge collections			\$ 126,016,168	\$ 1,099,446	\$ 1,350,351	\$ 1,389,272	\$ 1,122,760	\$ 4,961,829	\$ 130,977,997		
Expenditures											
Applications closed prior to 2024	Various	\$ 79,134,277	\$ 79,134,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,134,277		
Application 10-07	1/5/2010	9,595,910	9,544,248	-	-	-	-	-	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	-	-	9,730,353	-	9,730,353	15,903,862		
Total passenger facility charge revenue expended			\$ 115,208,646	\$ -	\$ -	\$ 9,730,353	\$ -	\$ 9,730,353	\$ 124,938,999		

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, 2024.

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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), a component unit of the City of Little Rock, Arkansas, 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, 2024.

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, 2024.

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 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 grant 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
May 16, 2025

**Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Passenger Facility Charge Audit Summary
Year Ended December 31, 2024**

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> X </u> N/A | <u> </u> No |

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, 2024**

Findings Required to be Reported by the Guide

Reference Number	Finding	Questioned Costs
	No matters are reportable.	

Compliance Section

**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, 2024**

Reference Number	Summary of Finding	Status
	No matters are reportable.	