ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 AND 2024

Prepared by:

Bill and Hillary Clinton National Airport Finance Department

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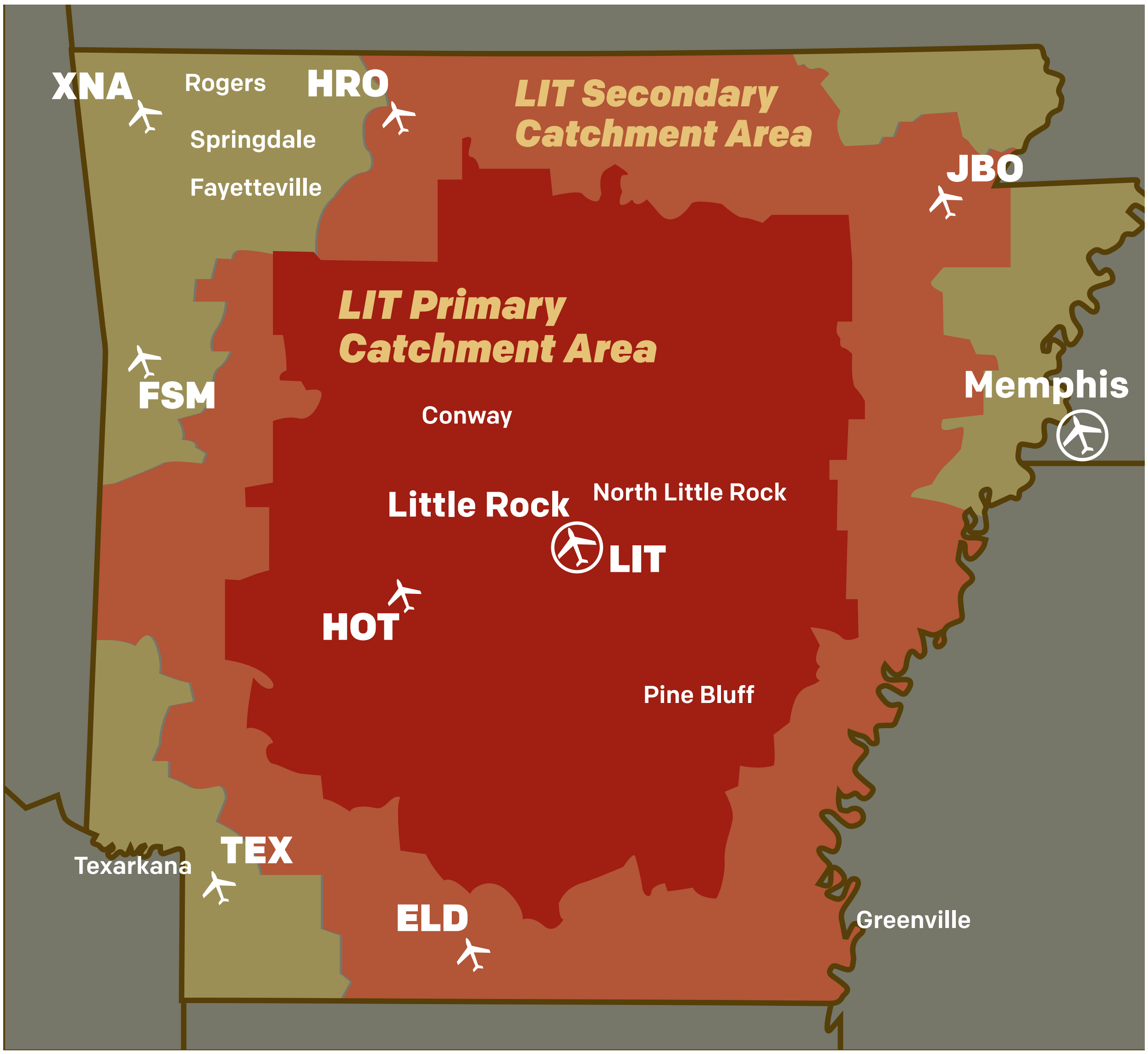

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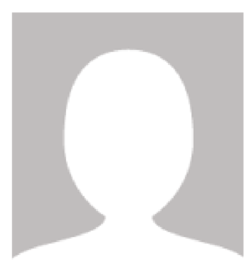

VACANT
Commissioner

Bill and Hillary Clinton National Airport
Organizational Structure

- Little Rock Municipal Airport Commission
  - Suzanne Peyton, PE, C.M.
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    - Jackie Holland
Senior Executive Asst.
    - Greg Garner, A.A.E
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    - Shane Carter, C.M.
Director – External Affairs & Strategic Initiatives
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      - Justin Jones
Director – Information Systems
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      - Randy Ellison, C.M.
Director - Facilities
      - Mark Williams
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      - VACANT
Director - Operations
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SUZANNE PEYTON, P.E., C.M.
Executive Director

DAVID TIPTON, C.P.A. CFA, C.M.
Deputy Executive Director

SHANE CARTER, APR, C.M.
Director – External Affairs & Strategic Initiatives

MARK WILLIAMS
Director – Human Resources & Administration

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

DAVID FINNIE
Director – Infrastructure Development

JENNIFER MILLER, NIGP-CPP, CPPO, CPPB
Director – Procurement

GREG GARNER, A.A.E
Director – Properties & Planning

JUSTIN JONES
Director – Information Systems

Suzanne Peyton, PE, C.M.
Executive Director

David Tipton, CPA
Deputy Executive Director

June 1, 2026

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, 2025 and 2024. 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 serves the largest service area of any 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 2025, 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 with 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 81st-largest metropolitan statistical area in the United States. As presented in the tables on page 90, the population for the Metro was 769,258 in 2025, according to the U.S. Department of Commerce, Bureau of Economic Analysis, and was concentrated primarily in Pulaski and Faulkner counties. This represents a 0.68% increase compared to 764,045 in 2024.

The Little Rock Metro per capita personal income at January 1, 2025 ($61,173) was higher than the state average ($59,320) but lower than the national average ($73,204). Compared to the 2024 per capita personal income ($59,463), Little Rock Metro per capita income for 2025 was 2.9% higher. As presented in the tables on Page 87of 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 on January 1, 2025 was 3.60% compared to the 3.20% rate from the prior year. The Metro unemployment rate is lower than the state rate (4.10%) and the national rate (4.30%).

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 2025 Annual Report, visitor expenditures in Little Rock were $2.19 billion in 2025, generating $91.9 million in direct state taxes and $47.2 million in direct county 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. In 2025, the total number of passengers were just over 2.3 million. This represents a 1.39% decline when compared to 2024.

In addition, consolidation in the airline industry has allowed air carriers to reduce excess capacity 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 2025, only three major legacy carriers remain: American, United, and Delta. Together with Southwest, these four airlines dominate the U.S. market.

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 develops a five-year Capital Improvement Plan (CIP) to guide infrastructure investments and long-term development. The CIP is reviewed and updated annually to reflect changes in passenger traffic, operational demands, security requirements, and other emerging needs. These updates may result in the addition or removal of projects, as well as adjustments to the scope and timing of planned iniatives. Significant capital improvements undertaken during fiscal year 2025 included:

Taxiway Charlie Reconstruction Program

The Taxiway Charlie Reconstruction Program is a multi-year, multi-phased airfield improvement iniative primarily involving the relocation and extension of Taxiway Charlie. The project is designed to standardize separation distances between Runway 4L/22R and the adjacent full-length parallel taxiway in accordance with FAA Advisory Circular 150-5300-13A. Modifications to the Taxiway Mike configuration will enable aircraft to exit or cross Runway 4L at perpendicular intersections, eliminating the existing acute-angle taxiway on the west side of Runway 4L/22R.

Relocating Taxiway Charlie, rather than reconstructing it in place, will make more than 25 acres available for aviation-related development in a high-demand area for a major airport tenant. This development opportunity is expected to generate additional lease revenues and enhance the Airport's long-term financial sustainability.

Phase 1 of the program was completed in August 2022, followed by Phase 2 in June 2024. Phase 3, completed in August 2025, included the removal of the direct ramp-to-runway access from Taxiway Mike and the elimination of the acute-angle runway exit onto Taxiway Juliet. Taxiway Alpha South Realignment (Phase 3B) continued the reconstruction in 2025 and includes the demolition and realignment of the existing Taxiway

Alpha South segment located south of Taxiway Lima. The new configuration will provide a direct connection to the threshold of Runway 36, via Taxiway Connector A7, improving airfield geometry and reducing the potential for runway incursions. Construction began in October 2025 and is scheduled for completion in July 2026.

Phase 4, scheduled to begin in the fall 2026, will complete the overall Taxiway Charlie Reconstruction Program. This phase will include additional modifications to Taxiway Mike and Taxiway Juliet, construction of standard taxiway shoulders on the remaining segments of Taxiway Charlie and Taxiway C1, and the development of a new perpendicular connector, Taxiway F2.

Central Utility Plant – Green Terminal Power Infrastructure Project

The Central Utility Plant (CUP) project at LIT replaces 52-year-old electrical and mechanical systems with a new 7,000-square-foot, energy-efficient facility designed to support future terminal expansion, improve safety, and enhance operational resiliency. As a green infrastructure initiative, the CUP significantly reduces greenhouse gas emissions while increasing electrical capacity and efficiency. The project is being delivered in phases, with pre-design and site preparation completed in 2024, including utility relocations and switchboard replacements to enable future construction and terminal development.

Complementing the CUP, the Geothermal Energy Plant (GEP) and Wellfield Project introduce a high-efficiency geothermal system to replace outdated HVAC equipment. This system will reduce on-site emissions by approximately 85%, eliminate the need for natural gas boilers and chillers, and provide sustainable heating and cooling for the existing 293,083-square-foot terminal and future expansion. Supported by approximately 710 geothermal wells, with drilling underway since fall 2025, the project significantly improves energy reliability, efficiency, and the airport's overall environmental footprint.

Terminal Curbside Canopy 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 is constructed along the drop off curb from a point parallel to the east side of the terminal building to the first entrance vestibule of the ticketing lobby. The canopy consists of a steel structure supported on foundation piers and extends over 1.5 lanes of the entrance drive. Signage, lighting, public address systems, and vehicle access control devices are included as part of the canopy construction. Construction is scheduled for completion in January 2026.

Federal and State Grants

The Airport receives federal funding through the Federal Aviation Administration's Airport Improvement Program (AIP), which provides grants for eligible capital projects that enhance safety, capacity, security, and environmental sustainability. AIP funding includes annual entitlement funds, which are allocated to airports based on statutory formulas such as passenger activity, as well as discretionary funds, which are awarded by the FAA on a competitive basis for high-priority projects. Additionally, in fiscal year 2025, the Airport served as a subrecipient of a $7.7 million Environmental Protection Agency (EPA) grant administered through Metroplan and was awarded a $2.0 million Innovative Finance and Asset Concession (IFAC) grant from the U.S. Department of Transportation's Build America Bureau. These funding sources are essential to advancing the Airport's capital improvement program and sustaining its long-term infrastructure development and operational viability.

For fiscal year 2025, the Airport drew $13.3 million in FAA entitlement grants, $15.9 million in FAA discretionary grants, $3.3M through the EPA grant and $620,000 through the IFAC grant program. Most of these funds were drawn for the Taxiway Charlie Reconstruction, Central Utility Plant,and Curbside Canopy Improvements projects.

The Arkansas Division of Aeronautics (ADA), a division of the Arkansas Department of Commerce, promotes aviation safety, encourages the establishment and planned expansion of airports to enhance economic development, and administers the State Airport Aid Program. The ADA receives its funds via a Special Revenue sales tax on the sale of aircraft, aviation fuel/related products, parts and repairs or services. The 90 public owned/public use airports in Arkansas are eligible for funding under this grant program. During fiscal year 2025, the Airport received $750,000 in grants through the Division of Aeronautics for the Taxiway Charlie Reconstruction Program.

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 September 2025, the Airport received approval from the FAA for PFC Application 11 in the amount of $13.7 million, increasing the Airport's authority to impose a PFC fee to $149.9 million. The FAA estimates the charge expiration date for approved PFC applications to be December 2029.

During fiscal year 2025, the Airport collected $4.9 million in PFC receipts, bringing the total PFC receipts and interest received since May 1, 1995 under the approved applications to $136 million.

Other Significant Activities

Zero Emission Vehicles and Related Charging Infrastructure
The airport acquired two 2024 Endera electric vehicle (EV) shuttle buses and the related electric vehicle service equipment (EVSE). The shuttles provide transportation for passengers between the long-term parking area and the airport terminal complex. The EVSE consists of two Level 2 chargers for the EV shuttle buses and the related electrical infrastructure to provide power to the charging equipment. This project aids LIT in our first efforts to electrify the shuttle bus fleet in our drive to become one of the most sustainable airports in our region. This project was funded under the Supplemental Airport Improvement Program.

Outlook for the Future

During fiscal year 2025 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, 2025 and 2024. The independent auditor's report on the fiscal years 2025 and 2024 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, 2024 (see page 19). This was the eleventh year the Airport received this prestigious award.

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,

Suzanne Peyton
Executive Director

Laura Long
Interim 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, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL
SECTION

BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

FINANCIAL SECTION CONTENTS:

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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, 2025 and 2024, 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, 2025 and 2024, 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 GAAS. 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 June 1, 2026, 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 the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Little Rock, Arkansas
June 1, 2026

Management's Discussion and Analysis (Unaudited)
December 31, 2025

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, 2025.

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. 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 41 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 Net 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

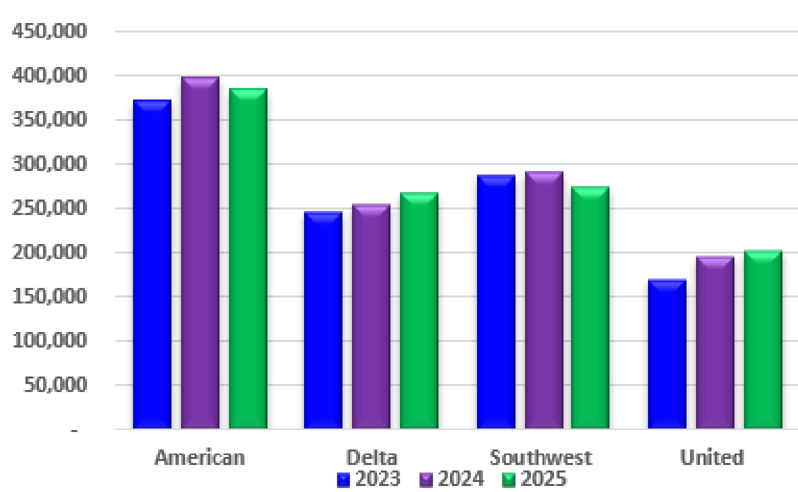
The following table highlights changes in LIT's key operating statistics for the last three fiscal years:

Key Operating Information	**2025**	**2024**	**2023**
Total Passengers (in 000s)	2,314	2,346	2,237
Enplanements (in 000s)	1,160	1,174	1,120
Cost per Enplaned Passenger	$ 13.31	$ 12.14	$ 11.71
Aircraft Operations	89,712	93,047	82,271
Landed Weights (in 1000s)	1,533,062	1,513,353	1,440,414
Air Freight (lbs.)	14,930,181	17,124,217	17,512,807
Ground Rental (Acres)	256.1	232.0	232.0
Facility Leases (SF)	734,403	938,187	938,187

Source: LIT management records

Enplaned Passengers

The following chart presents the top four airlines at LIT by number of passenger enplanements for fiscal year 2025 and the comparative enplanements for fiscal years 2024 and 2023.



Source: Monthly Airline Activity Reports

Fiscal Year 2025

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 2025, passenger traffic at LIT decreased with a reported 1,160,227 passenger enplanements compared to 1,174,148 for fiscal year 2024. That was a decrease of 13,921 passengers, or 1.2%. Of the 1,160,227 passengers who departed from the Airport, American, Southwest, Delta, and United accounted for 97% of the market share.

Fiscal Year 2024

Departing passengers (enplanements) play a prominent role in the Airport's financial operations. During fiscal year 2024, passenger enplanements increased by about 53,878, or 4.8%, compared to fiscal year 2023.

Air Service

The chart presents scheduled daily flights departing from LIT on December 31, 2025 and the comparative flights for fiscal years 2024 and 2023.

Destination	2025	2024	2023
Atlanta, GA (ATL)	7.0	6.0	7.0
Charlotte, NC (CLT)	5.0	4.0	3.0
Chicago, IL (ORD)	6.0	5.0	6.0
Dallas, TX (DAL)	3.0	3.0	3.0
Dallas, TX (DFW)	7.0	10.0	7.0
Denver, CO (DEN)	4.3	4.3	4.4
Houston, TX (IAH)	5.0	6.0	3.0
Las Vegas, NV (LAS)	1.0	1.0	1.0
Miami, FL (MIA)	0.1	0.1	0.1
New York, NY (LGA)	2.0	2.0	2.0
Orlando, FL (SFB)	0.3	0.3	0.3
Phoenix, AZ (PHX)	1.0	-	-
Salt Lake City, UT (SLC	1.0	-	-
St. Louis, MO (STL)	2.0	2.0	2.0
Washington, DC (DCA)	1.0	1.0	1.0
Total Daily Flights	**45.7**	**44.7**	**39.8**

Fiscal Year 2025

During 2025, air service remained largely unchanged at the Airport. Total available seats in the market have increased. American Airlines added a daily flight to Phoenix and Delta added a daily flight to Salt Lake City. The most significant decrease in daily flights was to DFW, while there were slight increases to service to ATL, CLT, and ORD.

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.

Overview of LIT's Financial Statements

Financial Highlights, Fiscal Year 2025

- LIT's assets exceeded liabilities and deferred inflows of resources on December 31, 2025 by $522.7 million.
- Operating revenue totaled $45.4 million.
- Operating expenses (excluding depreciation) totaled $31.5 million.
- Net operating revenue (before depreciation) was $13.9 million.
- Net non-operating revenue was $14.1 million.
- Federal, state, and local capital grants totaled $34.0 million.
- Net position increased by $39.4 million.

Financial Highlights, Fiscal Year 2024

- LIT's assets exceeded liabilities and deferred inflows of resources on 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.

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

	2025	2024	2023	FY25 vs. FY24 % Change	FY24 vs. FY23 % Change
Assets					
Cash	$ 31,309,692	$ 33,817,717	$ 26,859,162	-7.4%	25.9%
Restricted cash	5,288,061	6,694,488	11,463,011	-21.0%	-41.6%
Trade accounts receivable, net	2,007,433	2,222,487	1,478,706	-9.7%	50.3%
Other current assets	12,103,786	6,684,084	7,799,940	81.1%	-14.3%
Investments and certificates of deposit	118,026,177	107,142,376	96,951,083	10.2%	10.5%
Capital assets, net	364,223,380	336,237,190	333,649,333	8.3%	0.8%
Lease receivable-long term	52,091,463	52,740,358	46,360,862	-1.2%	13.8%
Other noncurrent assets	3,227,772	3,365,844	3,380,160	-4.1%	-0.4%
Total assets	$ 588,277,764	$ 548,904,544	$ 527,942,257	7.2%	4.0%
Liabilities and Deferred Inflows of Resources					
Current liabilities	$ 14,153,143	$ 12,938,422	$ 7,500,072	9.4%	72.5%
Deferred inflows-leases	51,410,966	52,689,897	47,148,622	-2.4%	11.8%
Total liabilities and deferred inflows of resources	65,564,109	65,628,319	54,648,694	-0.1%	20.1%
Net Position					
Net investment in capital assets	354,743,050	327,717,457	330,437,070	8.2%	-0.8%
Restricted	5,860,418	7,293,788	11,970,113	-19.7%	-39.1%
Unrestricted	162,110,187	148,264,980	130,886,380	9.3%	13.3%
Total net position	522,713,655	483,276,225	473,293,563	8.2%	2.1%
Total liabilities and deferred inflows of resources	$ 588,277,764	$ 548,904,544	$ 527,942,257	7.2%	4.0%

Net Position, Fiscal Year 2025

Total net position may serve as a useful indicator of the Airport's financial position. At the close of fiscal years 2025 and 2024, LIT's assets exceeded liabilities and deferred inflows of resources by $522.7 million and $483.3 million, respectively, representing a 8.2% increase, or $39.4 million.

The largest portion of LIT's net position ($354.7 million, or 67.9%) reflects its net investment in capital assets less accumulated depreciation and construction accounts payable. These net assets increased $27.0 million, or 8.2%, when compared to the balance at the end of 2024 ($327.7 million). This increase was driven by the increase in capital projects as described in the Introduction Letter. Capital asset additions are generally funded through grants from federal agencies, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and existing resources.

An additional portion of LIT's net position ($5.9 million, or 1.1%) 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 $1.4 million during 2025. Collections in 2025 exceeded 2024 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 $13.8 million, or 9.3%, from $148.3 million at December 31, 2024 to $162.1 million at December 31, 2025. An increase in investments and certificates of deposits accounts for most of this increase in 2025.

Net Position, Fiscal Year 2024

At the close of fiscal year 2024, LIT's assets exceeded liabilities by $483.3 million, representing a 2.1% increase, or $10.0 million, from the balance at the end of 2023.

The largest portion of LIT's net position ($327.7 million, or 67.8%) reflects its investment in capital assets less accumulated depreciation and construction accounts payable. These net assets decreased $2.7 million or 0.8% when compared to the balance at the end of 2023 ($330.4 million). The 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 funded 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 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 $4.7 million during 2024 due to an increase in reimbursements made from the PFC account. 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 on December 31, 2023 to $148.3 million on December 31, 2024. An increase in cash and certificates of deposit, along with an increase in long term lease receivables accounts for the majority of this increase in 2024.

Change in Net Position Summary

A condensed summary of LIT's changes in net position for fiscal years ended 2025, 2024, and 2023 is presented below:

Changes in Net Position

	2025	2024	2023	FY25 vs. FY24 % Change	FY24 vs. FY23 % Change
Operating revenue	$ 45,395,015	$ 42,337,426	$ 40,179,772	7.2%	5.4%
Less: operating expenses	31,494,032	27,596,775	25,922,068	14.1%	6.5%
Operating income before depreciation	13,900,983	14,740,651	14,257,704	-5.7%	3.4%
Less: depreciation	22,535,116	21,125,184	21,181,883	6.7%	-0.3%
Operating loss	(8,634,133)	(6,384,533)	(6,924,179)	35.2%	-7.8%
Other nonoperating revenue, net	14,120,101	3,665,535	18,474,678	285.2%	-80.2%
Change in net position before capital contributions and grants	5,485,968	(2,718,998)	11,550,499	-301.8%	-123.5%
Capital contributions and grants	33,951,462	12,701,660	17,099,305	167.3%	-25.7%
Change in net position	39,437,430	9,982,662	28,649,804	295.1%	-65.2%
Net position, beginning of year	483,276,225	473,293,563	444,643,759	2.1%	6.4%
Net position, end of year	$ 522,713,655	$ 483,276,225	$ 473,293,563	8.2%	2.1%

Net Position Changes, Fiscal Year 2025

Operating revenue for 2025 of $45.4 million increased $3.1 million, or 7.2%, from the 2024 balance of $42.3 million. Operating expenses increased by $3.9 million to $31.5 million. That is a 14.1% increase from the $27.6 million total for 2024. With the increase in capital assets during 2025 referred to previously, depreciation for 2025 was $22.5 million, or $1.4 million more than the $21.1 million in depreciation recorded in 2024. The 2025 loss from operations was $8.6 million, which was $2.2 million, or 35.2% more than the $6.4 million loss from operations for 2024. Increases in airline and non-airline revenues in 2025 did not keep pace with the increase in operating expenses. This accounts for most of the increase in operating loss during 2025.

Other nonoperating revenue net was $14.1 million in 2025 compared to $3.7 million in 2024, an increase of $10.5 million, or 285.2%. This increase reflects the unreversion of facilities from one of the Airports tenants, Dassault Falcon Jet that resulted in a loss on disposal of assets in the amount of $10 million in 2024 that did not repeat in 2025. Capital contributions and grants for 2025 were $34.0 million. This represents an increase of $21.2 million, or 167.3%, from the $12.7 million reported in 2024. This increase is primarily due to a substantial increase in federal and state grants in 2025, which was derived from an increase in capital activity. Net position at the end of 2025 was $522.7 million. This was up $39.4 million, or 8.2%, from the $483.3 million balance at the end of 2024.

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 $57 thousand 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.

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 Airport's 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 26%, from the $17.1 million reported in 2023. This decrease is primarily due to an effect of the Dassault property unreversions. 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.

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 2025, 2024 and 2023:

Summary of Operating Revenues

	2025	2024	2023	FY 2025 Incr (Decr)	FY 2024 Incr (Decr)
Operating Revenues					
Airline revenues					
Airport landing and related fees	$ 7,892,841	$ 7,321,929	$ 6,587,154	$ 570,912	$ 734,775
Terminal building rental and related fees	7,882,203	7,287,102	6,899,513	595,101	387,589
Facility use fees	319,380	263,840	266,800	55,540	(2,960)
Total airline revenues	16,094,424	14,872,871	13,753,467	1,221,553	1,119,404
Nonairline revenues					
Parking fees	13,048,260	12,257,791	11,622,119	790,469	635,672
Concession fees	1,420,972	1,389,610	593,690	31,362	795,920
Car rental operations	8,467,257	8,462,778	8,186,200	4,479	276,578
Facility and ground rentals	5,178,362	4,145,149	4,932,758	1,033,213	(787,609)
Other	1,185,740	1,209,227	1,091,538	(23,487)	117,689
Total nonairline revenues	29,300,591	27,464,555	26,426,305	1,836,036	1,038,250
Total operating revenues	$ 45,395,015	$ 42,337,426	$ 40,179,772	$ 3,057,589	$ 2,157,654

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.

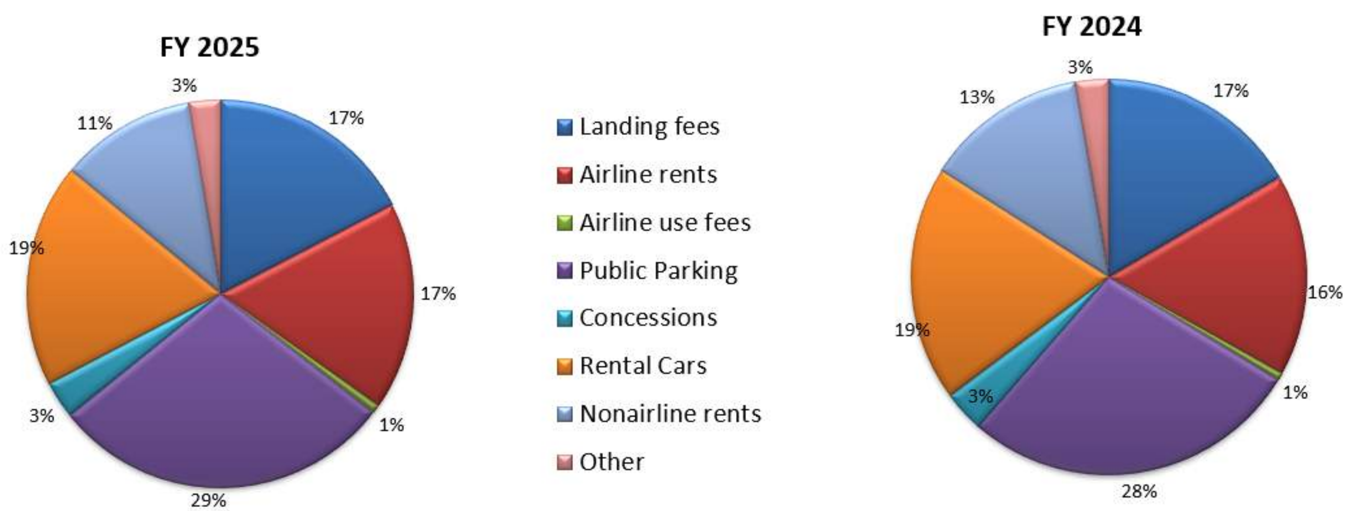
Landing fees are charged to passenger and cargo for commercial aircraft landings, as well as from the fixed-base operators for general aviation flights at the Airport.

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 remaining overnight aircraft parking fees.

Operating Revenues, Fiscal Year 2025

The following charts illustrate the proportion of sources of operating revenues for fiscal years ended December 31, 2025 and 2024:



For fiscal year ended December 31, 2025, total operating revenues were $45.4 million, a $3.1 million, or 7.2%, increase from the prior fiscal year. The increase in airline revenue was $1.2 million, while non-airline revenue had a net increase of $1.8 million.

Airport landing fees totaled $7.9 million in fiscal year 2025 compared to $7.3 million reported in fiscal year 2024. Landing fee rates were $4.82 per 1,000 pounds in 2024 and $5.18 in 2025. Landed weights increased 1.7% from 2024 to 2025.

Airline rents posted an increase of $595 thousand, or 8.2%. The Airport increased the rental rate of $50.43 per square foot in 2024 to $54.30 per square foot in 2025. The increase in airline rents was related to a slight increase in per turn gate use charges as well as a decrease in incentives offered to airlines for new air service. Airline use fees increased $56 thousand, or 21.1%, from 2024 to 2025 .

During fiscal year 2025, nonairline revenues increased $1.8 million, or 6.7%, when compared to 2024. Most of this increase came from parking fees and facility and ground rentals.

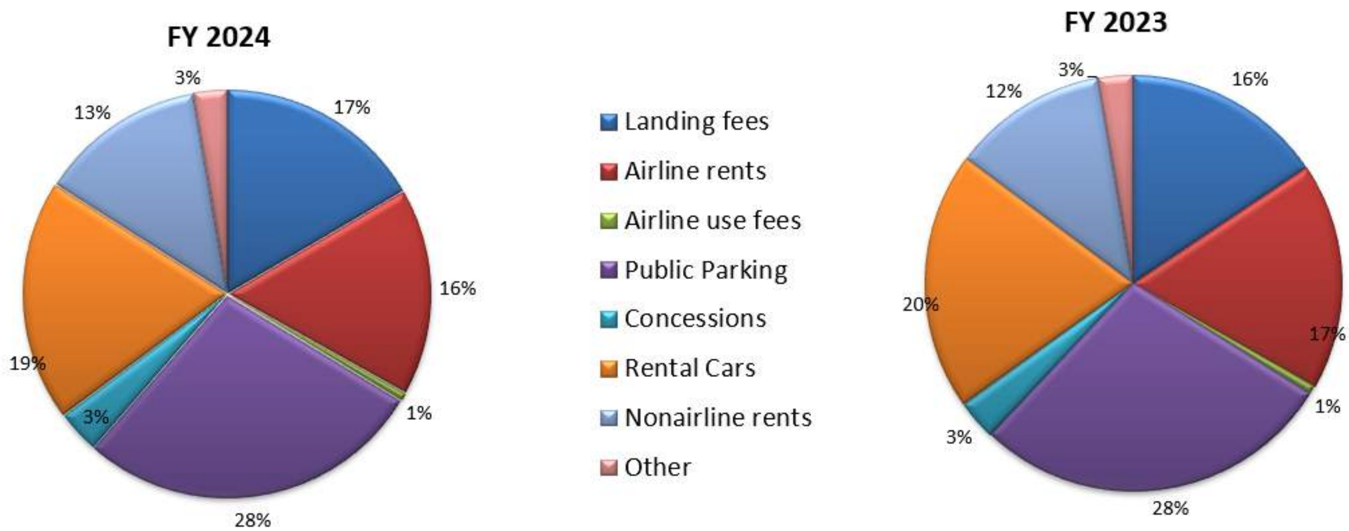
Revenue from Public Parking increased from $12.3 million in 2024 to $13.0 million in 2025. This $790 thousand, or 6.4%, increase reflects an increase in parking rates in 2025. Rental car operations were relatively unchanged in 2025, with an increase of $4 thousand, or 0.1%. Concessions collected in the terminal for fiscal year 2025 reflected a 2% increase, or $31 thousand increase, in revenues compared to fiscal year 2024.

Nonairline rents increased 24.9% during 2025 from $4.1 million in 2024 to $5.2 million in 2025. This $1.0 million increase was related to annual rental adjustments.

Other operating revenues for 2025 were $1.2 million compared to $1.2 million in 2024, a decrease of $23 thousand, or 1.9%.

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. 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 increased from $4.60 per 1,000 pounds in 2023 to $4.82 during 2024. Landed weight increased 6.2% from 2023 to 2024.

Airline rents posted an increase of $388 thousand, or 5.6% in 2024. The rental rate increased to $50.43 per square foot in 2024 from $48.10 per square foot in 2023. 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. Most of this increase came from parking fees and concession fees.

Revenues from Public Parking increased from $11.6 million in 2023 to $12.3 million in 2024. This $0.6 million, or 5%, increase reflects the increase in enplaned passengers during 2024. Concessions collected in the terminal for fiscal year 2024 reflected a 134%, or $796 thousand, increase in revenues compared to fiscal year 2023. The Airport received COVID-19 concessions grants that were used to reduce the amounts billed to our concessionaires in 2023.

Rental car revenues totaled $8.5 million in fiscal year 2024, an incease from $8.2 million collected in fiscal year 2023. This 3% increase is primarily related to an increase in enplaned passengers during 2024, along with an increase in the rates the rental car companies charged their customers.

Nonairline rentals decreased 16.0% during 2024 from $4.9 million to $4.1 million. A majority of this $788 thousand decrease was related to an adjustment to Dassault Falcon Jet.

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 accounted for most 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, 2025, 2024 and 2023. 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

	2025	2024	2023	FY 2025 Incr (Decr)	FY 2024 Incr (Decr)
Salaries and benefits	$ 17,190,793	$ 14,043,205	$ 13,251,035	$ 3,147,588	$ 792,170
Services and supplies	7,027,791	6,741,397	5,978,018	286,394	763,379
Maintenance and repairs	2,212,883	1,980,914	1,827,424	231,969	153,490
Utilities	1,880,780	1,761,301	1,994,145	119,479	(232,844)
Other	3,181,785	3,069,958	2,871,446	111,827	198,512
Operating expenses before depreciation	31,494,032	27,596,775	25,922,068	3,897,257	1,674,707
Depreciation	22,535,116	21,125,184	21,181,883	1,409,932	(56,699)
Total operating expenses	$ 54,029,148	$ 48,721,959	$ 47,103,951	$ 5,307,189	$ 1,618,008

Operating Expenses, Fiscal Year 2025

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2025 and 2024:

For the fiscal year ended December 31, 2025, operating expenses were $54.0 million. Compared to the 2024 operating expenses of $48.7 million, this represents an increase of $5.3 million, or 10.9%.

Salaries and benefits increased $3.1 million from $14.0 million in 2024 to $17.2 million in 2025. This 22.4% increase is primarily attributable to annual salary increases and additional staffing needs.

Services and supplies expenses were $7.0 million in 2025 compared to $6.7 million during 2024. This is an increase of $286.4 thousand, or 4.2%, from 2024. The Airport experienced an increase in expenses for professional services and police and security accounting for most of this increase during 2025.

The Airport saw an increase in maintenance and repairs expenses during 2025. The 2025 expense was $2.2 million compared to $2.0 million in 2024. This was an increase of $232.0 thousand, or 11.7%. During 2025, the Airport experienced an increase in expenses to repair and maintain terminal equipment.

Utilities increased 6.8% from $1.8 million in 2024 to $1.9 million in 2025. Most of this increase of $119 thousand was related to an increase in expenses for natural gas and electricity.

Other operating expenses were up 3.6% in 2025. The Airport had other operating expenses of $3.2 million in 2025 compared to $3.1 million in 2024. The Airport experienced an increase in expenses for furniture, fixtures and equipment in 2025.

Depreciation charges for 2024 of $21.1 million increased to $22.5 million in fiscal year 2025, due to the increase in assets capitalized in recent years.

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 a increase of $1.6 million, or 3.4%. Salaries and benefits increased $792 thousand from $13.3 million in 2023 to $14.0 million in 2024, a 6.0% increase. The increase is primarily attributable to annual salary increases and additional staffing needs.

Services and supplies expenses were $6.7 million in 2024 compared to $6.0 million during 2023. This is an increase of $763 thousand, or 12.8%, from 2023. The Airport experienced an increase in expenses for professional services and janitorial supplies accounting for most of the increase during 2024.

The Airport saw an increase in maintenance and repairs expenses during 2024. The 2024 expenses were $2.0 million compared to $1.8 million in 2023. This was an increase of $153 thousand, or 8.4%. During 2024, the Airport had an increase in expenses to repair and maintain terminal equipment as well as other facility contracts.

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 decreases in the expense for electricity service and natural gas.

Other operating expenses were up 7% in 2024. The Airport had other operating expenses of $3.1 million in 2024 compared to $2.9 million in 2023. Increases in premiums for commercial insurance, computer software support and credit card fees related to Airport parking accounted for most of this increase in 2024.

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

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 2025, 2024, and 2023:

Summary of Nonoperating Transactions

	2025	2024	2023	FY 2025 Incr (Decr)	FY 2024 Incr (Decr)
Nonoperating revenue					
Passenger facility charges	$ 4,486,638	$ 4,544,724	$ 4,398,014	$ (58,086)	$ 146,710
Federal operating grants	23,760	120,372	294,027	(96,612)	(173,655)
Investment income	6,771,587	6,245,935	4,556,364	525,652	1,689,571
Lease interest income	2,402,251	2,377,836	1,384,829	24,415	993,007
Gain (loss) on disposal of assets	8,476	(10,104,266)	(1,541,829)	10,112,742	(8,562,437)
Other nonoperating revenue	427,389	480,934	505,982	(53,545)	(25,048)
COVID relief grant revenue	-	-	8,877,291	-	(8,877,291)
Total nonoperating revenues	$ 14,120,101	$ 3,665,535	$ 18,474,678	$ 10,454,566	$ (14,809,143)
Federal, state, and local grants	$ 33,951,462	$ 10,918,959	$ 11,518,229	$ 23,032,503	$ (599,270)
Contributions from lessees	-	1,782,701	5,581,076	(1,782,701)	(3,798,375)
Total capital contributions and grants	$ 33,951,462	$ 12,701,660	$ 17,099,305	$ 21,249,802	$ (4,397,645)

Nonoperating Transactions, Fiscal Year 2025

Passenger Facility Charge (PFC) revenue for fiscal year 2025 totaled $4.5 million, a 1.3% decrease from fiscal year 2024. This slight decline is attributable to a modest decrease 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 2025 were $24 thousand compared to $120 thousand in 2024, a decrease of $97 thousand, or 80%. Grants for TSA operations were substantially reduced in 2025.

During fiscal year 2025, investment income increased from $6.2 million in 2024 to $6.8 million in 2025. Cash, certificates of deposit, and investments balances in Airport accounts increased approximately $7.0 million during 2025. Additionally, the fair value of treasuries held by the Airport increased during 2025. The Airport recognized these market gains as unrealized gains in investments. These market gains along with interest income on investments account for the $526 thousand increase in investment income.

Federal, state, and local grants increased $23.0 million from $10.9 million in 2024 to $34.0 in 2025 due to a significant increase in construction activity and the availability of additional federal funding opportunities.

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 during 2024 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 2024 were $120 thousand compared to $294 thousand in 2023, a decrease of $174 thousand.

During fiscal year 2024, investment income increased from $4.6 million in 2023 to $6.2 million. Cash, certificates of deposit, and investments balances in Airport accounts increased approximately $12.4 million during 2024. Additionally, the market 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 and $1.4 million in 2023.

The Airport entered into a new agreement with it 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 million in 2024 due to decreased construction activity and the availability of additional federal funding opportunities. Additionally, the Airport didn't receive any COVID-19 relief grants in 2024 and $8.9 million in 2023. Contributions from lessees reflect tenant leaseholds that have expired and facilities have reverted to the Airport. These contributions decreased from $5.6 million in 2023 to $1.8 million in 2024.

Capital Assets

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

	2025	2024	2023	FY 2025 Incr (Decr)	FY 2024 Incr (Decr)
Land	$ 68,832	$ 68,559	$ 68,476	$ 273	$ 83
Construction work in progress	49,581	23,867	24,865	25,714	(998)
Capital assets not depreciated	118,413	92,426	93,341	25,987	(915)
Buildings and improvements	312,139	309,752	329,812	2,387	(20,060)
Equipment	41,976	35,057	31,685	6,919	3,372
Infrastructure	233,076	217,940	193,432	15,136	24,508
Capital assets depreciated	587,191	562,750	554,929	24,441	7,821
Less: accumulated depreciation	(341,381)	(318,938)	(314,621)	(22,442)	(4,317)
Net capital assets	$ 364,223	$ 336,237	$ 333,649	$ 27,986	$ 2,588

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, 2025 and 2024, was $364.2 million and $336.2 million, respectively. This investment, which accounts for 61.9% and 61.3% of LIT's total assets as of December 31, 2025 and 2024, respectively, includes land, buildings, improvements, equipment and vehicles, and construction in progress.

Capital Assets, Fiscal Year 2025

The following were among the assets capitalized during fiscal year 2025:

- ***Taxiway Charlie - Phase 3 - $15.1 million***
- ***Parking Deck Parallel Generators - $2.8 million***
- ***Mechanical System Improvements - $1.9 million***
- ***Electric Vehicle Shuttles and Charging Stations - $917K***
- ***Concourse Exit Lane Security Improvements - $403K***

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***
- ***ARFF Vehicles and Station Modification - $3.3 million***
- ***Bag Makeup Carousels Refurbishment - $470K***

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) 537-1789.

Laura Long

Laura Long, CPA
Interim Director of Finance/CFO

BASIC FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash	$ 31,309,692	$ 33,817,717
Certificates of deposit	51,067,899	48,963,816
Trade accounts receivable, net	2,007,433	2,222,487
Grants receivable	9,006,399	3,773,076
Interest receivable	295,938	182,350
Lease receivable	1,726,935	1,643,422
Prepaid expenses	1,074,514	1,085,236
Total current assets	96,488,810	91,688,104
Noncurrent Assets		
Cash - restricted	5,288,061	6,694,488
Passenger facilities charges (PFC) receivable - restricted	572,357	599,300
Investments	66,958,278	58,178,560
Notes receivable	2,655,415	2,766,544
Lease receivable	52,091,463	52,740,358
Nondepreciable capital assets	118,412,781	92,425,709
Depreciable capital assets, net	245,810,599	243,811,481
Total noncurrent assets	491,788,954	457,216,440
Total assets	$ 588,277,764	$ 548,904,544

See Notes to Financial Statements

STATEMENTS OF NET POSITION (Continued)
December 31, 2025 and 2024

	2025	2024
Liabilities		
Current Liabilities		
Payable from unrestricted assets		
Accounts payable - trade	$ 1,752,715	$ 2,015,298
Accrued wages and benefits	2,369,031	1,961,865
Due to other governmental units	37,294	41,985
Security deposits and unearned revenue	513,773	399,541
Total current liabilities payable from unrestricted assets	4,672,813	4,418,689
Payable from restricted assets		
Accounts payable - construction	9,480,330	8,519,733
Total current liabilities	14,153,143	12,938,422
Deferred Inflows of Resources		
Deferred inflows - leases	51,410,966	52,689,897
Total deferred inflows of resources	51,410,966	52,689,897
Total liabilities and deferred inflows of resources	65,564,109	65,628,319
Net Position		
Net investment in capital assets	354,743,050	327,717,457
Restricted		
PFC eligible capital projects	5,204,918	6,638,288
FAA restriction	655,500	655,500
Unrestricted	162,110,187	148,264,980
Total net position	522,713,655	483,276,225
Total liabilities, deferred inflows of resources and net position	588,277,764	548,904,544

See Notes to Financial Statements

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Airline Revenues		
Airport landing and related fees	$ 7,892,841	$ 7,321,929
Terminal building rentals and related fees	7,882,203	7,287,102
Facility use fees	319,380	263,840
Total airline revenues	16,094,424	14,872,871
Nonairline Revenues		
Parking fees	13,048,260	12,257,791
Concession fees	1,420,972	1,389,610
Car rental operations	8,467,257	8,462,778
Facility and ground rentals	5,178,362	4,145,149
Ground transportation	272,873	273,600
Services sold	288,895	315,463
General aviation activity	499,343	506,041
Other	124,629	114,123
Total nonairline revenues	29,300,591	27,464,555
Total operating revenues	45,395,015	42,337,426
Operating Expenses		
Salaries, wages and employee benefits	17,190,793	14,043,205
Professional and contractual services	5,810,013	5,609,951
Buildings and grounds maintenance	1,190,934	855,836
Equipment repair and maintenance	1,021,949	1,125,078
Marketing and public affairs	228,059	163,783
Utilities	1,880,780	1,761,301
Materials and supplies	1,217,778	1,131,446
Insurance	711,032	712,369
Other expense	2,242,694	2,193,806
Total operating expenses	31,494,032	27,596,775
Income from Operations Before Depreciation	13,900,983	14,740,651
Depreciation	22,535,116	21,125,184
Operating Loss	(8,634,133)	(6,384,533)

See Notes to Financial Statements

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (Continued)
Years Ended December 31, 2025 and 2024

	2025	2024
Nonoperating Revenues (Expenses)		
Passenger facility charges	$ 4,486,638	$ 4,544,724
Federal operating grants	23,760	120,372
Investment gain	6,771,587	6,245,935
Lease Interest Income	2,402,251	2,377,836
Gain (loss) on disposal of assets	8,476	(10,104,266)
Aviation fuel taxes	380,433	432,137
Other nonoperating income	46,956	48,797
Total nonoperating revenues (expenses)	14,120,101	3,665,535
Change in Net Position Before Capital Contributions and Grants	5,485,968	(2,718,998)
Capital Contributions and Grants		
Federal, state and local grants	33,951,462	10,918,959
Contributions from lessees	-	1,782,701
Total capital contributions and grants	33,951,462	12,701,660
Change in Net Position	39,437,430	9,982,662
Net Position, Beginning of Year	483,276,225	473,293,563
Net Position, End of Year	$ 522,713,655	$ 483,276,225

See Notes to Financial Statements

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from providing services	$ 44,896,521	$ 41,026,246
Payments to vendors for goods and services	(14,445,559)	(13,725,480)
Payments of salaries, wages and benefits	(16,783,628)	(13,896,279)
Net cash provided by operating activities	13,667,334	13,404,487
Cash Flows from Noncapital Financing Activities		
Operating grants received	23,760	120,372
Aviation fuel taxes	380,435	432,138
Net cash provided by noncapital financing activities	404,195	552,510
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(49,560,710)	(26,832,391)
Proceeds from sale of capital assets	8,476	105,265
Receipts from federal and state grants	28,765,095	12,009,333
Receipts from passenger facility charges	4,513,581	4,452,526
Principal payments on notes receivable	111,129	106,514
Interest payments on lease receivable	2,402,251	2,377,836
Net cash used in capital and related financing activities	(13,760,178)	(7,780,917)
Cash Flows from Investing Activities		
Purchase of investments and certificates of deposit	(6,000,000)	(24,532,108)
Sale of investments	-	15,751,000
Interest received	1,774,197	4,795,060
Net cash used in investing activities	(4,225,803)	(3,986,048)
Net Change in Cash	(3,914,452)	2,190,032
Cash, Beginning of Year	40,512,205	38,322,173
Cash, End of Year	$ 36,597,753	$ 40,512,205
Cash as Presented in the Statements of Net Position:		
Cash - current assets	$ 31,309,692	$ 33,817,717
Cash - noncurrent restricted	5,288,061	6,694,488
Total cash, end of year	$ 36,597,753	$ 40,512,205

See Notes to Financial Statements

	2025	2024
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	$ (8,634,133)	$ (6,384,533)
Item not requiring cash		
Depreciation expense	22,535,116	21,125,184
Change in assets and liabilities:		
Accounts receivable	215,054	(743,781)
Lease receivable	565,382	(6,108,675)
Prepaid expenses	10,722	(155,852)
Accounts payable	(153,042)	(16,058)
Accrued expenses and other current liabilities	407,166	146,927
Deferred inflows - leases	(1,278,931)	5,541,275
Net cash provided by operating activities	$ 13,667,334	$ 13,404,487
Supplemental Cash Flows Information: Noncash Transactions from Capital and Related Financing Activities		
Changes in payables for acquisition and construction of capital assets and improvements	$ 960,597	$ 5,307,481
Capital contribution from lessee	$ -	$ 1,782,701
Gain (loss) on disposal of capital assets	$ 8,476	$ (10,104,266)

See Notes to Financial Statements

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

December 31, 2025 and 2024

	2025	2024
Assets		
Investments, at fair value		
Cash management funds	$ 646,064	$ 261,447
Balanced asset allocation funds	23,393,719	20,794,461
Mutual funds - corporate bonds	365,568	293,520
Mutual funds - equity	3,027,601	2,912,644
Total investments, at fair value	27,432,952	24,262,072
Contributions receivable	359,689	353,769
Loans receivable	232,843	146,130
Total assets	$ 28,025,484	$ 24,761,971
Net Position Restricted for:		
Pensions	$ 22,941,145	$ 19,937,993
Postemployment benefits other than pensions	5,084,339	4,823,978
Total net position	$ 28,025,484	$ 24,761,971

See Notes to Financial Statements

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

Years Ended December 31, 2025 and 2024

	2025	2024
Additions		
Employer contributions	$ 1,440,894	$ 1,240,310
Employee contributions	1,354,307	991,717
Interest earned on loans	15,446	8,965
Investment income		
Gain on investments	4,045,676	2,779,935
Less investment expense	(151,793)	(159,590)
Net investment income	3,893,883	2,620,345
Total additions	6,704,530	4,861,337
Deductions		
Benefit payments	3,441,017	2,280,592
Total deductions	3,441,017	2,280,592
Increase in Net Position	3,263,513	2,580,745
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, Beginning of Year	24,761,971	22,181,226
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, End of Year	$ 28,025,484	$ 24,761,971

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 for the years ended December 31, 2025 and 2024.

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 for the years ended December 31, 2025 and 2024, 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.The Deferred Inflows of Resources is related to leases.

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 Division 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.

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, 2025 and 2024 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 2025

GASB Statement No. 102 - *Certain Risk Disclosures.* The objective of this Statement is to better meet the information needs of financial statement users by requiring disclosure of certain concentrations and constraints that may expose the government to financial risk. The objective is achieved by establishing requirements to disclose information about risks related to concentrations of resources and constraints imposed on the government. The Statement was effective for reporting periods beginning after June 15, 2024. The Airport adopted the standard in fiscal year 2025. Adoption of GASB 102 had no effect on the Airport in 2025.

Future Adoption of Accounting Standards

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 the Airport in fiscal year 2026.

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.

GASB Statement No. 105, *Subsequent Events*, establishes updated guidance for identifying, evaluating and disclosing events that occur after the financial statement date but before the financial statements are issued. The statement clarifies distinction between recognized and nonrecognized subsequent events, enhances consistency in governmental financial reporting, and requires disclosure of the date through which subsequent events were evaluated. GASB 105 is effective for the Airport in fiscal year 2027.

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 2025 and 2024, 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:

		2025		2024
Carrying value				
Deposits, including certificates of deposit	$	87,665,652	$	89,476,021
Investments		66,958,278		58,178,560
	$	154,623,930	$	147,654,581
Included in statements of net position				
Current assets - cash	$	31,309,692	$	33,817,717
Certificates of deposit		51,067,899		48,963,816
Noncurrent assets - restricted cash		5,288,061		6,694,488
Noncurrent assets - investments		66,958,278		58,178,560
	$	154,623,930	$	147,654,581

Restricted Cash

Cash is restricted as follows:

		2025		2024
Noise Land Disposal Fund	$	655,500	$	655,500
Passenger Facility Charge Fund		4,632,561		6,038,988
	$	5,288,061	$	6,694,488

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, 2025 and 2024, the Airport had the following investments and maturities:

	December 31, 2025				
		Maturities in years			
Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
U.S. Treasury notes	$ 66,958,278	$ 21,067,449	$ 45,890,829	$ -	$ -

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

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, 2025 and 2024, 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, 2025 and 2024, 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 $66,958,278 and $58,178,560 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024 consist of:

	2025	2024
Federal Aviation Administration	$ 9,004,551	$ 3,770,832
U.S. Department of Homeland Security	1,848	2,244
	$ 9,006,399	$ 3,773,076

Note 4: Capital Assets

A summary of changes in capital assets for the years ended December 31, 2025 and 2024 is as follows:

	2025				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	$ 68,558,802	$ -	$ -	$ 272,850	$ 68,831,652
Construction in progress	23,866,907	49,716,736	-	(24,002,514)	49,581,129
Total capital assets, not being depreciated	92,425,709	49,716,736	-	(23,729,664)	118,412,781
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	296,030,611	46,565	-	1,254,896	297,332,072
Airport pavement	217,940,385	36,674	-	15,098,914	233,075,973
Other improvements	13,721,381	43,581	-	1,042,088	14,807,050
	527,692,377	126,820	-	17,395,898	545,215,095
Equipment, furniture, and fixtures:					
Furniture, fixtures	3,413,978	-	-	136,636	3,550,614
Equipment	18,657,159	116,172	92,776	5,342,458	24,023,013
Rolling stock	2,728,970	444,393	-	662,734	3,836,098
Fire trucks	3,010,780	-	-	-	3,010,780
IT systems	7,246,554	117,183	-	191,938	7,555,674
	35,057,441	677,748	92,776	6,333,766	41,976,179
Total capital assets, being depreciated	562,749,818	804,569	92,776	23,729,664	587,191,274
Less accumulated depreciation					
Buildings and improvements:					
Buildings, improvements	188,580,488	8,374,514	-	-	196,955,001
Airport pavement	102,583,497	10,614,234	-	-	113,197,731
Other improvements	6,451,993	906,186	-	-	7,358,179
	297,615,977	19,894,934	-	-	317,510,911
Equipment, furniture, and fixtures:					
Furniture, fixtures	1,803,712	182,559	-	-	1,986,271
Equipment	11,032,099	1,429,483	92,776	-	12,368,806
Rolling stock	2,552,720	101,082	-	-	2,653,802
Fire trucks	188,344	200,541	-	-	388,885
IT systems	5,745,484	726,517	-	-	6,472,001
	21,322,358	2,640,182	92,776	-	23,869,764
Total accumulated depreciation	318,938,336	22,535,116	92,776	-	341,380,675
Total capital assets, being depreciated, net	243,811,482	(21,730,547)	-	23,729,664	245,810,599
Capital assets, net	$ 336,237,191	$ 27,986,189	$ -	$ -	$ 364,223,380

	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	-	188,580,488
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	-	297,615,977
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	2,348,546	-	21,322,358
Total accumulated depreciation	314,621,071	21,125,184	16,807,919	-	318,938,336
Total capital assets, being depreciated, net	240,307,762	(18,276,810)	10,209,529	31,990,059	243,811,482
Capital assets, net	$ 333,649,333	$ 12,797,387	$ 10,209,529	$ -	$ 336,237,191

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 $100,000, except for two locations. Wind and hail deductibles are $4 million and $6 million for the Airport Business Park and Airport terminal building, respectively. 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 $1,440,894 and $1,240,310 for the years ended December 31, 2025 and 2024, 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, with lease terms extending over multiple years. 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 leasee. 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, 2025, and 2024 was $3,042,760 and $2,937,383 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, 2025:

Years Ending December 31,	Principal	Interest	Total
2026	$ 1,726,935	$ 2,373,089	$ 4,100,024
2027	1,776,858	2,319,659	4,096,517
2028	1,831,993	2,264,392	4,096,385
2029	945,448	2,217,546	3,162,994
2030	851,789	2,181,319	3,033,108
2031-2035	3,388,460	10,487,767	13,876,227
2036-2040	3,683,876	9,816,977	13,500,853
2041-2045	4,049,463	9,041,440	13,090,903
2046-2050	4,982,036	8,105,430	13,087,466
2051-2055	4,353,406	7,039,203	11,392,609
2056-2060	5,054,883	5,910,347	10,965,230
Thereafter	21,173,251	7,549,066	28,722,317
Total	$ 53,818,398	$ 69,306,235	$ 123,124,633

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 2025 through 2040.

Revenue recognized for fixed payments under regulated lease contracts during years ended December 31, 2025 and 2024 was $2,657,468 and $2,175,281 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, 2025:

Years Ending December 31,	Total Future Minimum Payments
2026	$ 3,164,311
2027	2,975,573
2028	2,972,132
2029	2,953,599
2030	2,551,095
Thereafter	18,362,199
Total	$ 32,978,909

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 2025 and 2024, the Commission recognized $115,430 and $120,046, 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 Division of Aeronautics grants.

At December 31, 2025, the Airport had the following commitments:

	Project Authorization	Expended Through December 31, 2025	Remaining Commitment
Airfield	$ 12,094,671	$ 2,356,037	$ 9,738,634
Terminal	$ 154,480,365	$ 40,736,880	113,743,485
Parking and Roadways	$ 8,284,977	$ 2,792,738	5,492,239
Commercial Properties	$ 10,541,894	$ 1,005,753	9,536,140
Total	$ 185,401,907	$ 46,891,408	$ 138,510,499

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, 2025 and 2024, the Airport reimbursed the City of Little Rock, Arkansas, for approximately $4.3 million and $3.5 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, 2025, the Airport had bank deposits of $87,665,652 and an investment account balance of $66,958,278.

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, 2025 and 2024:

Fiduciary Net Position

	2025			2024		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
Assets						
Investments – at fair value	$ 22,630,358	$ 4,802,594	$ 27,432,952	$ 19,628,994	$ 4,633,078	$ 24,262,072
Contributions receivable	310,787	48,902	359,689	308,999	44,770	353,769
Loans receivable	-	232,843	232,843	-	146,130	146,130
Total assets	$ 22,941,145	$ 5,084,339	$ 28,025,484	$ 19,937,993	$ 4,823,978	$ 24,761,971
Net Position Restricted for Pensions and Postemployment Benefits Other Than Pensions	$ 22,941,145	$ 5,084,339	$ 28,025,484	$ 19,937,993	$ 4,823,978	$ 24,761,971

Changes in Fiduciary Net Position

	2025			2024		
	401(a) Plan	**457(b) Plan**	**Total**	**401(a) Plan**	**457(b) Plan**	**Total**
Additions						
Employer contributions	$ 1,440,894	$ -	$ 1,440,894	$ 1,240,310	$ -	$ 1,240,310
Employee contributions	742,079	612,228	1,354,307	554,103	437,614	991,717
Interest earned on loans	-	15,446	15,446	-	8,965	8,965
Investment income						
Gain on investments	3,317,893	727,783	4,045,676	2,269,346	510,589	2,779,935
Less investment expense	(122,060)	(29,733)	(151,793)	(127,854)	(31,736)	(159,590)
Net investment income	3,195,833	698,050	3,893,883	2,141,492	478,853	2,620,345
Total Additions	5,378,806	1,325,724	6,704,530	3,935,905	925,432	4,861,337
Deductions						
Benefit payments	2,375,654	1,065,363	3,441,017	2,199,351	81,241	2,280,592
Total Deductions	2,375,654	1,065,363	3,441,017	2,199,351	81,241	2,280,592
Net Increase in Fiduciary Net Position	3,003,152	260,361	3,263,513	1,736,554	844,191	2,580,745
Net Position - Beginning of the Year	19,937,993	4,823,978	24,761,971	18,201,439	3,979,787	22,181,226
Net Position - End of the Year	$ 22,941,145	$ 5,084,339	$ 28,025,484	$ 19,937,993	$ 4,823,978	$ 24,761,971

Note 12: Fiduciary Funds

Investment Risk

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

Disclosures About Fair Value of Assets and Liabilities

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

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024:

		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, 2025				
Investments				
Cash Management Funds	$ 646,064	$ -	$ 646,064	$ -
Balanced Asset Allocation Fund	23,393,719	-	23,393,719	-
Mutual Funds - Corporate Bonds	365,568	-	365,568	-
Mutual Funds - Equity	3,027,601	-	3,027,601	-
	$ 27,432,952	$ -	$ 27,432,952	$ -

		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, 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	-
	$ 24,262,072	$ -	$ 24,262,072	$ -

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, 2025 and 2024.

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, 2025

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.

Operating Information

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

Demographic and Economic Data

The schedules offer demographic and economic indicators to help readers understand the environment within which LIT's financial activities occur.

Net Position by Component

Fiscal Years Ended December 31

	2025	2024	2023	2022	2021
Net Position					
Net investment in capital assets	$ 354,743,050	$ 327,717,457	$ 330,437,070	$ 329,265,199	$ 330,795,684
Restricted for:					
PFC-eligible capital projects	5,204,918	6,638,288	11,314,613	10,292,371	12,349,829
FAA restriction	655,500	655,500	655,500	655,500	655,500
Unrestricted	162,110,187	148,264,980	130,886,380	104,430,689	85,208,916
Total net position	$ 522,713,655	$ 483,276,225	$ 473,293,563	$ 444,643,759	$ 429,009,929

	2020	2019	2018	2017	2016
Net Position					
Net investment in capital assets	$ 335,085,195	$ 325,913,438	$ 329,340,024	$ 336,033,751	$ 330,353,169
Restricted for:					
PFC-eligible capital projects	9,976,856	12,326,417	10,012,038	11,864,719	10,193,369
FAA restriction	-	-	-	-	-
Unrestricted	65,298,786	63,793,360	54,177,710	39,215,670	37,411,930
Total net position	$ 410,360,837	$ 402,033,215	$ 393,529,772	$ 387,114,140	$ 377,958,468

Source: Airport audited financial statements

Changes in Net Position
Fiscal Years Ended December 31

	2025	2024	2023	2022	2021
Operating Revenues					
Airline revenues	$ 16,094,424	$ 14,872,871	$ 13,753,467	$ 12,246,072	$ 11,090,515
Nonairline revenues	29,300,591	27,464,555	26,426,305	23,891,887	20,438,678
Total operating revenues	45,395,015	42,337,426	40,179,772	36,137,959	31,529,193
Operating Expenses					
Salaries, wages, and employee benefits	17,190,793	14,043,205	13,251,035	12,414,262	12,174,604
Services and supplies	7,027,791	6,741,397	5,978,018	5,434,654	5,238,322
Maintenance and repairs	2,212,883	1,980,914	1,827,424	1,728,502	1,590,648
Utilities	1,880,780	1,761,301	1,994,145	2,070,379	1,663,341
Other	3,181,785	3,069,958	2,871,446	2,504,066	2,006,882
Total operating expenses	31,494,032	27,596,775	25,922,068	24,151,863	22,673,797
Operating income before depreciation	13,900,983	14,740,651	14,257,704	11,986,096	8,855,396
Depreciation	22,535,116	21,125,184	21,181,883	20,958,716	20,376,862
Operating loss	(8,634,133)	(6,384,533)	(6,924,179)	(8,972,620)	(11,521,466)
Nonoperating Revenues (Expenses)					
Passenger facility charges	4,486,638	4,544,724	4,398,014	3,994,434	3,468,152
Federal operating grants	23,760	120,372	294,027	292,449	288,136
Investment income (loss)	6,771,587	6,245,935	4,556,364	(2,025,988)	288,345
Lease interest income	2,402,251	2,377,836	1,384,829	1,373,709	-
Gain (loss) on disposal of assets	8,476	(10,104,266)	(1,541,829)	(1,216,117)	(315,009)
Paying agent and trustee fees	-	-	-	-	-
Other nonoperating revenue (expense)	427,389	480,934	505,982	527,926	324,766
COVID relief grant revenue	-	-	8,877,291	8,616,921	11,932,982
	14,120,101	3,665,535	18,474,678	11,563,334	15,987,372
Change in Net Position Before Capital Contributions and Grants	5,485,968	(2,718,998)	11,550,499	2,590,714	4,465,906
Federal, state, and local grants	33,951,462	10,918,959	11,518,229	9,480,376	12,333,996
Capital contributions from lessees	-	1,782,701	5,581,076	3,562,740	1,849,090
Change in Net Position	39,437,430	9,982,662	28,649,804	15,633,830	18,648,992
Net Position, Beginning of Year	483,276,225	473,293,563	444,643,759	429,009,929	410,360,937
Net Position, End of Year	$ 522,713,655	$ 483,276,225	$ 473,293,563	$ 444,643,759	$ 429,009,929

Source: Airport audited financial statements

Changes in Net Position (continued)
Fiscal Years Ended December 31

	2020	2019	2018	2017	2016
Operating Revenues					
Airline revenues	$ 10,342,335	$ 12,689,259	$ 11,844,972	$ 11,436,125	$ 11,015,958
Nonairline revenues	13,907,147	24,033,293	22,590,754	22,345,662	21,857,051
Total operating revenues	24,249,482	36,722,552	34,435,726	33,781,787	32,873,009
Operating Expenses					
Salaries, wages, and employee benefits	11,905,923	11,916,715	11,402,192	10,712,645	10,102,574
Services and supplies	4,932,875	5,293,176	5,052,464	5,002,540	5,080,196
Maintenance and repairs	1,515,624	1,618,745	1,574,401	1,425,422	1,295,490
Utilities	1,544,561	1,961,284	1,767,077	1,809,264	1,628,694
Other	1,653,151	2,238,913	2,338,255	2,210,929	2,007,947
Total operating expenses	21,552,134	23,028,833	22,134,389	21,160,800	20,114,901
Operating income before depreciation	2,697,348	13,693,719	12,301,337	12,620,987	12,758,108
Depreciation	19,215,867	18,891,557	18,047,361	19,207,701	14,486,130
Operating income (loss)	(16,518,519)	(5,197,838)	(5,746,024)	(6,586,714)	(1,728,022)
Nonoperating Revenues (Expenses)					
Passenger facility charges	1,967,260	4,388,874	4,197,153	3,929,925	3,839,384
Federal operating grants	356,654	306,447	309,090	324,014	298,595
Investment income (loss)	760,084	1,542,101	1,061,875	547,455	305,752
Interest expense	-	-	-	-	-
Gain (loss) on disposal of assets	(233,098)	-	(2,234,041)	(110,286)	(2,652)
Paying agent and trustee fees	(16,446)	(8,748)	(8,092)	(64,415)	-
Other nonoperating revenue (expense)	712,226	440,316	457,231	438,768	484,741
COVID relief grant revenue	11,102,008	-	-	-	11,932,982
	14,648,688	6,668,990	3,783,216	5,065,461	16,858,802
Change in Net Position Before Capital Contributions and Grants	(1,869,831)	1,471,152	(1,962,808)	(1,521,253)	15,130,780
Federal, state, and local grants	10,181,107	7,023,543	8,370,348	10,145,662	13,248,763
Capital contributions from lessees	-	-	-	466,848	-
Change in Net Position	8,311,276	8,494,695	6,407,540	9,091,257	28,379,543
Net Position, Beginning of Year	402,033,215	393,529,772	387,114,140	377,958,468	361,511,907
Net Position, End of Year	$ 410,344,491	$ 402,024,467	$ 393,521,680	$ 387,049,725	$ 389,891,450

Source: Airport audited financial statements

Operating Revenues and Ratios
Fiscal Years Ended December 31

	2025	2024	2023	2022	2021
Airline Revenues					
Airport landing and related fees	$ 7,892,841	$ 7,321,929	$ 6,587,154	$ 5,638,486	$ 4,872,194
Terminal building revenues	7,882,203	7,287,102	6,899,513	6,359,666	5,986,211
Facility use fees	319,380	263,840	266,800	247,920	232,110
Total airline revenues	16,094,424	14,872,871	13,753,467	12,246,072	11,090,515
Parking and roadway operations					
Parking fees	13,048,260	12,257,791	11,622,119	10,191,390	7,605,045
Ground transportation	272,873	273,600	232,639	125,491	99,803
	13,321,133	12,531,391	11,854,758	10,316,881	7,704,848
Concession revenues					
Rental car percentage fees	4,971,185	5,064,730	4,921,282	4,376,888	3,500,844
Terminal concession revenues	1,420,972	1,389,610	593,690	1,110,980	908,557
	6,392,157	6,454,340	5,514,972	5,487,868	4,409,401
Building rentals					
Terminal	387,656	381,046	373,002	348,560	332,689
Rental car	972,441	922,778	869,406	824,580	838,002
Other buildings	1,276,426	1,837,054	2,694,893	2,269,399	2,327,270
	2,636,523	3,140,878	3,937,301	3,442,539	3,497,961
Land leases	3,514,282	1,927,048	1,864,863	1,742,528	2,179,330
Other revenues					
Rental car CFC [1]	2,523,630	2,475,270	2,395,512	2,041,764	1,853,975
Services sold	288,895	315,463	289,019	294,921	286,039
General aviation activity	499,343	506,041	520,072	511,728	458,914
Other	124,629	114,123	49,808	53,658	48,210
	3,436,497	3,410,897	3,254,411	2,902,071	2,647,138
Total nonairline revenues	29,300,591	27,464,555	26,426,305	23,891,887	20,438,678
Total operating revenues	$ 45,395,015	$ 42,337,426	$ 40,179,772	$ 36,137,959	$ 31,529,193
Enplaned passengers	1,160,227	1,174,148	1,120,270	1,010,426	850,422
Total Operating Revenue per Enplaned Passenger	$ 39.13	$ 36.06	$ 35.87	$ 35.77	$ 37.07
Airline Revenue per Enplaned Passenger [2]	$ 13.31	$ 12.14	$ 11.71	$ 11.45	$ 13.04

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.

Operating Revenues and Ratios (continued)

Fiscal Years Ended December 31

	2020	2019	2018	2017	2016
Airline Revenues					
Airport landing and related fees	$ 3,936,904	$ 6,175,693	$ 5,607,937	$ 5,439,811	$ 5,301,723
Terminal building revenues	6,219,928	6,314,216	6,041,660	5,821,189	5,546,535
Facility use fees	185,503	199,350	195,375	175,125	167,700
Total airline revenues	10,342,335	12,689,259	11,844,972	11,436,125	11,015,958
Parking and roadway operations					
Parking fees	4,050,761	10,187,088	9,692,084	9,333,545	9,251,248
Ground transportation	91,001	216,312	187,586	156,026	130,406
	4,141,762	10,403,400	9,879,670	9,489,571	9,381,654
Concession revenues					
Rental car percentage fees	1,935,043	3,715,516	3,598,503	3,585,326	3,492,763
Terminal concession revenues	626,996	1,251,934	1,284,632	1,247,072	1,255,789
	2,562,039	4,967,450	4,883,135	4,832,398	4,748,552
Building rentals					
Terminal	241,507	341,714	279,241	266,518	273,393
Rental car	848,275	867,770	807,200	760,858	650,355
Other buildings	2,012,200	1,873,264	1,440,524	1,595,770	1,421,106
	3,101,982	3,082,748	2,526,965	2,623,146	2,344,854
Land leases	2,018,748	1,987,271	1,964,327	2,018,024	1,977,060
Other revenues					
Rental car CFC [1]	1,350,247	2,525,296	2,417,258	2,454,053	2,479,004
Services sold	293,450	464,260	417,967	423,487	413,870
General aviation activity	384,671	537,619	442,706	457,810	453,521
Other	54,248	65,249	58,726	47,173	58,536
	2,082,616	3,592,424	3,336,657	3,382,523	3,404,931
Total nonairline revenues	13,907,147	24,033,293	22,590,754	22,345,662	21,857,051
Total operating revenues	$ 24,249,482	$ 36,722,552	$ 34,435,726	$ 33,781,787	$ 32,873,009
Enplaned passengers	490,544	1,124,672	1,069,349	1,017,004	996,897
Total Operating Revenue per Enplaned Passenger	$ 49.43	$ 32.65	$ 32.20	$ 33.22	$ 32.98
Airline Revenue per Enplaned Passenger [2]	$ 21.08	$ 10.76	$ 10.59	$ 10.69	$ 10.49

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.

Operating Expenses and Ratios
Fiscal Years Ended December 31

	2025	2024	2023	2022	2021
Operating Expenses by Type					
Salaries, wages, and employee benefits	$ 17,190,793	$ 14,043,205	$ 13,251,035	$ 12,414,262	$ 12,174,604
Professional and contractual services	5,810,013	5,609,951	5,047,471	4,456,573	4,257,444
Buildings and grounds maintenance	1,190,934	855,836	911,176	757,354	730,937
Equipment repair and maintenance	1,021,949	1,125,078	916,248	971,148	859,711
Marketing and public affairs	228,059	163,783	197,516	165,382	178,203
Utilities	1,880,780	1,761,301	1,994,145	2,070,379	1,663,341
Materials and supplies	1,217,778	1,131,446	930,547	978,081	980,878
Insurance	711,032	712,369	650,111	617,481	560,616
Other	2,242,694	2,193,806	2,023,819	1,721,203	1,268,063
Total Operating Expenses by Type	$ 31,494,032	$ 27,596,775	$ 25,922,068	$ 24,151,863	$ 22,673,797
Operating Expenses by Cost Center					
Administration	$ 7,579,493	$ 6,290,241	$ 6,219,467	$ 5,764,532	$ 5,616,765
Airfield	7,143,477	8,096,294	7,451,172	6,956,820	6,500,809
Terminal	12,490,670	9,718,475	8,969,204	8,338,486	7,728,543
Parking	2,372,414	2,065,234	1,915,344	1,813,637	1,542,393
Shuttle	407,984	420,582	376,984	333,030	327,941
Rental car	125,563	126,903	92,172	85,075	112,801
Commercial/industrial	1,374,434	879,046	897,725	844,515	844,515
Total Operating Expenses by Cost Center	$ 31,494,035	$ 27,596,775	$ 25,922,068	$ 24,136,095	$ 22,673,767
Enplaned passengers	1,160,227	1,174,148	1,120,270	1,010,426	850,422
Total Operating Expense per Enplaned Passenger	$ 27.14	$ 23.50	$ 23.14	$ 23.89	$ 26.66

Source: Airport audited financial statements

Operating Expenses and Ratios (continued)

Fiscal Years Ended December 31

	2020	2019	2018	2017	2016
Operating Expenses by Type					
Salaries, wages, and employee benefits	$ 11,905,923	$ 11,916,715	$ 11,402,192	$ 10,712,645	$ 10,102,574
Professional and contractual services	4,199,410	4,418,158	4,203,242	4,206,153	4,149,740
Buildings and grounds maintenance	762,641	820,777	764,308	611,867	540,426
Equipment repair and maintenance	752,983	797,968	810,093	813,555	755,062
Marketing and public affairs	89,728	278,905	323,770	238,970	263,555
Utilities	1,544,561	1,961,284	1,767,077	1,809,264	1,628,694
Materials and supplies	733,465	875,018	849,222	796,387	930,456
Insurance	508,683	456,095	414,173	383,148	378,775
Other	1,054,740	1,503,913	1,600,312	1,588,811	1,365,617
Total Operating Expenses by Type	$ 21,552,134	$ 23,028,833	$ 22,134,389	$ 21,160,800	$ 20,114,899
Operating Expenses by Cost Center					
Administration	$ 5,410,884	$ 5,609,489	$ 5,746,555	$ 5,472,418	$ 5,199,659
Airfield	6,190,231	6,413,105	6,155,830	5,874,759	5,581,946
Terminal	7,202,551	7,879,435	7,532,522	7,329,339	6,964,024
Parking	1,366,772	1,764,878	1,642,797	1,511,713	1,436,366
Shuttle	331,292	308,418	242,695	279,625	265,688
Rental car	78,030	98,132	102,213	98,788	93,864
Commercial/industrial	972,414	955,376	711,777	594,158	573,352
Total Operating Expenses by Cost Center	$ 21,552,174	$ 23,028,833	$ 22,134,389	$ 21,160,800	$ 20,114,899
Enplaned passengers	490,544	1,124,672	1,069,349	1,017,004	996,897
Total Operating Expense per Enplaned Passenger	$ 43.94	$ 20.48	$ 20.70	$ 20.81	$ 20.18

Source: Airport audited financial statements

Airport Rates, Charges and Fees
Fiscal Years Ended December 31

Airline Rates and Charges

	2025	2024	2023	2022	2021
Landing fee rate (per 1,000 lbs)	$ 5.18	$ 4.82	$ 4.60	$ 4.26	$ 4.26
Terminal building rental rate (per sq. ft.)	54.30	50.43	48.10	44.00	44.00
Gate fee (per turn)	102.00	94.00	94.00	94.00	94.00
Jet bridge fee (per turn) old/new	80.00/45.00	72.00/42.50	72.00/40.00	72.00/40.00	72.00/40.00
Aircraft ramp fee	1,590.00	1,590.00	1,590.00	1,590.00	1,590.00
Remain overnight (RON) fee	90.00	80.00	80.00	80.00	80.00

	2020	2019	2018	2017	2016
Landing fee rate (per 1,000 lbs)	$ 4.26	$ 4.21	$ 4.17	$ 4.12	$ 4.05
Terminal building rental rate (per sq. ft.)	44.00	42.50	41.07	38.90	38.20
Gate fee (per turn)	94.00	89.45	88.64	81.45	81.45
Jet bridge fee (per turn)	72.00/40.00	68.50/40.00	68.50/40.00	68.50/40.00	68.50/40.00
Aircraft ramp fee	1,590.00	1,500.00	1,500.00	1,500.00	1,500.00
Remain overnight (RON) fee	80.00	75.00	75.00	75.00	75.00

Source: Airport Management Records

Parking Fees (Daily Maximum)

	2025	2024	2023	2022	2021
Terminal garage	$ 15.00	$ 13.00	$ 13.00	$ 13.00	$ 13.00
Hourly lots (east and west)	15.00	13.00	13.00	13.00	13.00
East economy lot	10.00	10.00	10.00	10.00	10.00
West economy lot	10.00	8.00	8.00	8.00	8.00

	2020	2019	2018	2017	2016
Terminal garage	$ 13.00	$ 13.00	$ 13.00	$ 13.00	$ 13.00
Hourly lots (east and west)	13.00	13.00	13.00	13.00	13.00
East economy lot	10.00	10.00	10.00	10.00	10.00
West 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2025 % of Total Operating Revenue
American Airlines	$ 5,860,779	$ 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	12.9%
EAN Holdings	3,780,225	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	8.3%
Delta Air Lines	3,559,804	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	7.8%
Southwest Airlines	3,545,265	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	7.8%
United Air Lines	2,823,389	2,476,195	2,068,714	1,720,833	1,603,423	1,533,519	2,056,512	2,019,404	1,751,882	1,810,882	6.2%
Avis Budget Group	2,716,178	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	6.0%
Dassualt Falcon Jet	2,221,819	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	4.9%
Carco Carriage (Hertz)	1,988,488	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	4.4%
Signature Fight Support	1,882,187	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	4.1%
HMS Host Inc.	974,878	-	-	-	-	-	798,352	905,978	1,161,466	1,147,012	2.1%
United Parcel Service		906,943	727,181	763,395	744,299	752,811					0.0%
	$ 29,353,012	$ 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	64.7%

Source: Airport Management Records

Passenger Airline Daily Flights
Fiscal Years Ended December 31

Airline	Gate	Destination	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Allegiant Air	Gates 6 or 12	Orlando, FL (SFB)	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3
		Los Angeles, CA (LAX)	-	-	-	-	-	-	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)	7.0	10.0	7.0	7.0	7.0	5.0	7.0	7.0	7.0	7.0
		Chicago, IL (ORD)	3.0	2.0	3.0	2.0	2.0	1.0	5.0	5.0	5.0	5.0
	Gate 8	Charlotte, NC (CLT)	5.0	4.0	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	1.0	-	-	-	-	-	-
	Gate 9	Washington, D.C. (DCA)	1.0	1.0	1.0	1.0	1.0	-	2.0	2.0	-	-
		Phoenix, AZ (PHX)	1.0	-	-	-	-	0.1	-	-	-	-
		Miami, FL (MIA)	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
United Airlines	Gates 7, 8 & 12	Denver, CO (DEN)	3.0	3.0	3.0	2.0	3.0	2.0	3.0	3.0	3.0	3.0
		Chicago, IL (ORD)	3.0	3.0	3.0	3.0	2.0	1.0	3.0	3.0	3.0	3.0
		Houston, TX (IAH)	5.0	6.0	3.0	4.0	3.0	3.0	5.0	5.0	5.0	5.0
Delta Air Lines	Gates 2 & 4	Atlanta, GA (ATL)	7.0	6.0	6.0	5.0	5.0	5.0	7.0	7.0	7.0	7.0
		Detroit, MI (DTW)	-	-	-	-	-	-	1.0	1.0	1.0	1.0
		New York (LGA)	1.0	1.0	1.0	-	-	-	-	-	-	-
		Salt Lake City, UT (SLC)	1.0	-	-	-	-	-	-	-	-	-
Frontier Airlines	Gate 6	Denver, CO (DEN)	0.3	0.3	0.4	0.4	0.4	0.4	4.0	4.0	-	-
		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
		Destin, FL (VPS)	-	-	-	-	-	-	-	-	-	0.1
Southwest Airlines	Gates 10, 11 & 12	Dallas, TX (DAL)	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0
		Chicago, IL (MDW)	-	-	-	-	-	-	-	-	-	1.0
		Phoenix, AZ (PHX)	-	-	-	-	1.0	0.1	1.0	1.0	1.0	1.0
		Baltimore, MD (BWI)	-	-	-	-	-	-	-	-	-	-
		Las Vegas, NV (LAS)	1.0	1.0	1.0	0.3	0.3	0.1	1.0	1.0	1.0	1.0
		Saint Louis, MO (STL)	2.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0
		Denver, CO (DEN)	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
		Atlanta, GA (ATL)	-	-	1.0	1.0	1.0	-	-	-	-	-
Via Airlines	Gate 6	Austin, TX (AUS)	-	-	-	-	-	-	-	0.3	-	-
		Total Daily Departures	45.7	44.7	39.8	36.4	34.1	25.1	47.7	47.8	41.4	44.5

Source: Airport flight data from Passur (2016-2025)

Aircraft Operations
Fiscal Years Ended December 31

Destination	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Air Carrier	29,471	27,379	24,652	20,909	21,107	16,292	24,981	23,284	21,620	20,208
Air Taxi	11,384	14,560	12,448	13,437	11,762	9,143	13,867	12,912	12,633	15,148
General Aviation	41,449	44,518	35,812	33,532	33,375	28,211	34,460	37,022	38,657	46,517
Military	7,408	6,590	9,359	14,819	15,986	10,002	12,661	23,396	21,199	19,342
	89,712	93,047	82,271	82,697	82,230	63,648	85,969	96,614	94,109	101,215

Source: FFA Air Traffic Reports

Airline Landed Weight Trend
Fiscal Years Ended December 31
(lbs. in thousands)

	2025	2024	2023	2022	2021
Passenger Airlines					
Allegiant	20,210	16,922	19,064	26,781	25,190
American	471,373	481,958	444,068	392,509	394,259
Delta	312,187	286,064	265,082	247,130	219,396
Frontier	15,282	18,408	29,195	39,554	35,520
GLO Airlines	-	-	-	-	-
Southwest	336,851	348,229	354,376	301,983	244,494
United	246,224	228,369	187,729	147,624	127,686
Via	-	-	-	-	-
Charter	5,852	4,242	3,950	5,121	2,634
	1,407,979	1,384,192	1,303,464	1,160,702	1,049,179
Cargo Airlines					
UPS	125,083	129,160	136,950	157,442	152,540
	125,083	129,160	136,950	157,442	152,540
Total Landed Weights	1,533,062	1,513,352	1,440,414	1,318,144	1,201,719

	2020	2019	2018	2017	2016
Passenger Airlines					
Allegiant	19,231	22,408	17,791	17,510	13,980
American	257,703	452,431	381,594	353,792	341,037
Delta	151,882	322,612	324,892	312,024	318,579
Frontier	16,866	27,613	22,852	-	-
GLO Airlines	-	-	-	9,918	19,401
Southwest	206,144	304,724	309,990	310,625	308,462
United	115,440	211,759	198,129	170,796	172,914
Via	-	1,319	6,950	-	-
Charter	2,048	4,325	3,486	3,510	3,585
	769,314	1,347,191	1,265,684	1,178,175	1,177,958
Cargo Airlines					
UPS	162,933	136,477	122,243	135,585	137,282
	162,933	136,477	122,243	135,585	137,282
Total Landed Weights	932,247	1,483,668	1,387,927	1,313,760	1,315,240

Source: Monthly Airline Activity Reports

Enplaned Passenger Data
Fiscal Years Ended December 31

Destination	2025	2024	2023	2022	2021
Allegiant Air	19,700	17,842	19,848	25,016	21,340
American Airlines	47,337	84,146	83,174	79,523	31,057
American Eagle	224,316	230,005	207,791	174,003	211,010
Air Wisconsin - American	6,501	9,351	8,993	-	-
Express Jet - American	-	-	-	-	-
Skywest - American	12,004	5,758	12,896	26,512	4,882
Mesa - American	-	-	3,866	6,892	1,952
Pacific Southwest (PSA)	62,202	48,399	30,469	44,488	55,689
Piedmont	6,702	-	-	-	-
Republic - American	24,975	19,962	23,750	3,218	8,353
Delta Airlines	244,211	232,872	230,880	223,368	155,777
GO Jet	-	-	-	-	-
Express Jet - Delta	-	-	-	-	-
Endeavor/Pinnacle	17,422	16,560	11,963	-	25,086
Shuttle America	-	-	-	-	-
Skywest - Delta	5,436	-	-	-	-
Republic - Delta	-	5,503	1,919	-	-
Frontier	13,605	16,359	25,981	33,062	32,018
GLO Airlines	-	-	-	-	-
Southwest Airlines	272,395	290,332	287,364	252,239	193,048
Air Wisconsin - United	-	-	3,047	13,505	2,321
CommutAir - United	32,605	39,539	44,821	59,678	52,788
Express Jet - United	-	-	-	-	-
GoJet - United	34,285	17,078	10,082	1,552	11,456
Mesa-United	25,838	35,563	26,441	16,167	12,327
Republic - United	-	-	78	-	7,203
Skywest - United	108,159	103,377	85,404	49,102	22,981
Trans States - United	-	-	-	-	-
Via	-	-	-	-	-
Charters	2,534	1,502	1,503	2,101	1,134
Total Enplanements	1,160,227	1,174,148	1,120,270	1,010,426	850,422

Source: Monthly Airline Activity Reports

Enplaned Passenger Data (continued)
Fiscal Years Ended December 31

Destination	2020	2019	2018	2017	2016
Allegiant Air	12,023	22,432	18,079	18,101	13,917
American Airlines	-	33,306	2,839	36	2,621
American Eagle	117,655	233,868	228,736	211,686	204,662
Air Wisconsin - American	-	-	-	-	-
Express Jet - American	-	-	2,718	2,411	-
Skywest - American	1,966	6,784	-	-	-
Mesa - American	-	6,718	1,104	9,710	10,711
Pacific Southwest (PSA)	63,616	78,894	66,351	65,434	63,556
Piedmont	-	-	-	-	-
Republic - American	-	-	-	-	-
Delta Airlines	75,147	264,791	262,757	250,381	252,874
GO Jet	-	-	-	1,016	-
Express Jet - Delta	-	-	714	15,405	15,116
Endeavor/Pinnacle	16,227	4,091	1,954	3,880	2,108
Shuttle America	-	-	-	-	181
Skywest - Delta	233	12,327	13,834	1,067	1,501
Republic - Delta	-	-	179	133	-
Frontier	13,717	28,492	23,283	-	-
GLO Airlines	-	-	-	4,335	7,586
Southwest Airlines	111,510	250,503	269,335	274,424	262,202
Air Wisconsin - United	3,715	20,655	19,680	-	-
CommutAir - United	2,742	-	-	-	-
Express Jet - United	17,906	51,864	53,862	77,929	94,946
GoJet - United	8,078	-	-	-	-
Mesa-United	7,364	28,956	37,048	16,724	9,712
Republic - United	4,576	9,913	13,738	-	64
Skywest - United	30,344	50,964	30,697	41,304	41,156
Trans States - United	3,127	17,881	18,838	21,758	12,529
Via	-	581	2,288	-	-
Charters	598	1,652	1,315	1,270	1,455
Total Enplanements	490,544	1,124,672	1,069,349	1,017,004	996,897

Source: Monthly Airline Activity Reports

Employee Trend

Fiscal Years Ended December 31

	Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
101	Executive Office	3	2	2	2	2	2	2	2	2	2
102	Administration	8	3	3	3	3	3	3	3	3	3
103	Human Resources	4	3	4	4	4	4	4	4	5	5
104	Customer Service	11	8	8	8	8	8	8	8	9	9
105	Finance	8	8	8	8	8	8	7	9	10	10
106	Procurement	5	6	6	6	6	5	5	5	5	5
107	Properties	-	-	2	2	2	1	1	1	2	2
108	Planning & Development	7	4	4	4	4	4	5	6	6	6
109	Government & Public Relations	2	1	1	1	1	1	1	1	1	1
110	Air Service Development	2	3	1	1	1	1	1	1	1	1
201	Airside Operations	22	19	19	19	19	19	19	18	18	18
202	Landside Operations	26	29	28	28	28	28	28	28	31	31
301	Airfield Maintenance	17	17	17	17	17	17	17	17	18	18
302	Terminal Maintenance	68	56	59	59	59	56	56	56	56	56
303	Information Systems	12	11	8	8	8	11	10	10	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	201	176	176	176	176	174	173	175	182	182

Source: Approved Positions, UKG Ready Payroll System

Schedule of Capital Assets
Fiscal Years Ended December 31
(in thousands)

	2025	2024	2023	2022	2021
Land	$ 68,832	$ 68,559	$ 68,476	$ 68,419	$ 68,394
Construction in progress	49,581	23,867	24,865	6,704	14,737
Capital assets not depreciated	118,413	92,426	93,342	75,123	83,131
Buildings and improvements	312,139	309,752	329,812	324,160	320,019
Equipment	41,976	35,057	31,685	30,699	28,896
Infrastructure	233,076	217,940	193,432	194,396	177,003
Capital assets depreciated	587,191	562,750	554,929	549,255	525,918
Less: accumulated depreciation	(341,381)	(318,938)	(314,621)	(293,676)	(276,428)
Net Capital Assets	$ 364,223	$ 336,237	$ 333,649	$ 330,702	$ 332,621

	2020	2019	2018	2017	2016
Land	$ 68,263	$ 68,234	$ 67,669	$ 67,558	$ 67,409
Construction work in progress	11,291	12,489	5,089	13,106	20,388
Capital assets not depreciated	79,554	80,723	72,758	80,664	87,797
Buildings and improvements	312,281	303,556	300,477	290,865	292,967
Equipment	28,130	27,406	26,181	23,641	19,550
Infrastructure	177,104	157,206	153,864	149,138	127,509
Capital assets depreciated	517,515	488,168	480,522	463,644	440,026
Less: accumulated depreciation	(259,638)	(240,939)	(222,083)	(206,317)	(194,031)
Net Capital Assets	$ 337,431	$ 327,952	$ 331,197	$ 337,991	$ 333,792

	2025	2024	2023	2022	2021
Number of commercial runways	2	2	2	2	2
Number of commercial gates	12	12	12	12	12
Covered parking spaces (public)	851	851	851	851	851
Airport land area (approximate)	2,200	2,200	2,200	2,200	2,200

	2020	2019	2018	2017	2016
Number of commercial runways	2	2	2	2	2
Number of commercial gates	12	12	12	12	12
Covered parking spaces (public)	851	851	851	851	851
Airport land area (approximate)	2,200	2,200	2,200	2,200	2,200

Source: Airport financial records

Little Rock Metro Population
(Comparative Analysis)
Ten-Year History (at January 1)

Year	U.S.	State	Metro
2025	342,276,470	3,114,791	769,258
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

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
2025	401,209	131,611	18,546	10,251	76,389	131,252	769,258
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

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
2025	$ 73,204	$ 59,320	$ 61,173
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

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
2025	$ 67,740	$ 56,086	$ 53,746	$ 52,556	$ 50,849	$ 52,550	$ 61,173
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

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
2025	4.3%	4.1%	3.6%
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%

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
2025	3.9%	3.2%	3.2%	3.4%	4.3%	3.1%	3.6%
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%

Source: State of Arkansas: Department of Workforce Services

Little Rock
Principal Employers

Employer	2025 Rank	2025 Employees	2016 Rank	2016 Employees
State of Arkansas	1	34,900	1	35,200
Local Government	2	27,200	2	26,500
Federal Government	3	9,900	3	10,200
University of Arkansas for Medical Sciences	4	9,100	4	9,100
Baptist Health	5	5,360	5	6,590
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
		104,000		105,130

Source: Little Rock Camber of Commerce

Little Rock
Demographic and Economic Statistics

Calendar Year	Population[1]	Personal Income[2]	Per Capita Personal Income	Unemployment Percentage Rate
2025	202,591	$ 8,855,657,792	$ 43,712	3.6%
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%

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

Source: 2025 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:

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Identifying Number	Provided To Subrecipients	Total Federal Expenditures
U.S. Department of Transportation –	20.106	03-05-0035-107	$ -	$ 4,067,769
Federal Aviation Administration/	20.106	03-05-0035-108	-	471,482
Airport Improvement Program,	20.106	03-05-0035-109	-	7,532,634
Infrastructure Investment and Jobs Act Programs,	20.106	03-05-0035-110	-	4,127,473
and COVID-19 Airports Program	20.106	03-05-0035-111	-	4,849,107
	20.106	03-05-0035-112	-	53,936
	20.106	03-05-0035-113	-	20,975
	20.106	03-05-0035-114	-	2,831,343
	20.106	03-05-0035-115	-	499,649
	20.106	03-05-0035-116	-	2,674,092
	20.106	03-05-0035-117	-	1,699,824
	20.106	03-05-0035-118	-	433,571
			$ -	**$ 29,261,855**
Environmental Protection Agency/Metroplan	66.046	FAIN 02F75801	$ -	$ 3,320,000
Climate Pollution Reduction Grants			**-**	**3,320,000**
U.S. Department of Transportation-	20.945	69A6212550005	**$** -	$ 619,610
Build America Bureau/				
Asset Concessions & Innovative Finance Assistance			**-**	**619,610**
		Total expenditures of federal awards	**$ -**	**$ 33,201,465**

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, 2025. 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, if any, 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 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, 2025, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated June 1, 2026.

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.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Little Rock, Arkansas
June 1, 2026

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Report on Compliance for Each 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Little Rock Municipal Airport Commission d/b/a Bill and Hillary Clinton National Airport's (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 each of the Airport's major federal programs for the year ended December 31, 2025. The Airport's major federal programs are 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 each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each 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.

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 each 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.

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

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

Forvis Mazars, LLP

Little Rock, Arkansas
June 1, 2026

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

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 programs:

   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 programs:

   ☒ 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 programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs
66.046	Climate Pollution Reduction Grants

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

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

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025 **(Continued)**

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	

SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES
Year Ended December 31, 2025

Collections	Date Approved	Amount Approved for Use	Cumulative Total December 31, 2024	Quarter Ended March 31, 2025	Quarter Ended June 30, 2025	Quarter Ended September 30, 2025	Quarter Ended December 31, 2025	Year Ended December 31, 2025	Cumulative Total December 31, 2025
Passenger facility charge collections received			$ 122,511,440	$ 988,740	$ 1,179,852	$ 1,578,512	$ 766,476	$ 4,513,580	$ 127,025,020
Interest earned			8,466,557	71,918	84,963	100,275	95,078	352,234	8,818,791
Total passenger facility charge collections			$ 130,977,997	$ 1,060,658	$ 1,264,815	$ 1,678,787	$ 861,554	$ 4,865,814	$ 135,843,811
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	-	-	-	847,859	847,859	16,617,374
Application 20-10	4/14/2020	24,815,150	15,903,862	-	-	-	5,424,382	5,424,382	21,328,244
Application 25-11	9/17/2025	13,685,366	-	-	-	-	-	-	-
Total passenger facility charge revenue expended			$ 124,938,999	$ -	$ -	$ -	$ 6,272,241	$ 6,272,241	$ 131,211,240

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 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, 2025.

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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 the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Little Rock Municipal Airport Commission d/b/a Bill and Hillary Clinton National Airport's (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, 2025.

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

Basis for Opinion on 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.

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

Forvis Mazars, LLP

Little Rock, Arkansas
June 1, 2026

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Passenger Facility Charge Audit Summary
Year Ended December 31, 2025

Summary of Auditor's Results

1.	Type of report issued on PFC financial statements.	_X_ Unmodified	___Qualified
2.	Type of report on PFC compliance.	_X_ Unmodified	___Qualified
3.	Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported unliquidated revenue matches actual amounts.	___X___ Yes	_______ No
4.	PFC revenue and interest is accurately reported on FAA Form 5100-127.	___X___ Yes	_______ No
5.	The Public Agency maintains a separate financial accounting record for each application.	___X___ Yes	_______ 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.	___X___ Yes	_______ No
7.	Monthly carrier receipts were reconciled with quarterly carrier reports.	___X___ Yes	_______ No
8.	PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	___X___ Yes	_______ No
9.	Serving carriers were notified of PFC program actions/changes approved by the FAA.	___X___ Yes	_______ No
10.	Quarterly reports were transmitted (or available via website) to remitting carriers.	___X___ Yes	_______ No
11.	The Public Agency is in compliance with Assurance 5, 6, 7, and 8 of the Guide.	___X___ Yes	_______ No
12.	Program design and implementation is carried out in accordance with Assurance 9 of the Guide.	___X___ Yes	_______ No
13.	Project administration is carried out in accordance with Assurance 10 of the Guide.	___X___ Yes	_______ 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.	_______ Yes ___X___ N/A	_______ No

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, 2025

Findings Required to be Reported by the Guide

Reference Number	Finding	Questioned Costs
	No matters are reportable.	

Little Rock Municipal Airport Commission
d/b/a Bill and Hillary Clinton National Airport
Summary Schedule of Prior Audit Findings – PFC
Year Ended December 31, 2025

Reference Number	Summary of Finding	Status
	No matters are reportable.	