

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020**

Prepared by:

Bill and Hillary Clinton National Airport Finance Department

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INTRODUCTORY SECTION



BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

INTRODUCTORY SECTION CONTENTS:

State Airport Locations and LIT Service Area

Little Rock Municipal Airport Commission

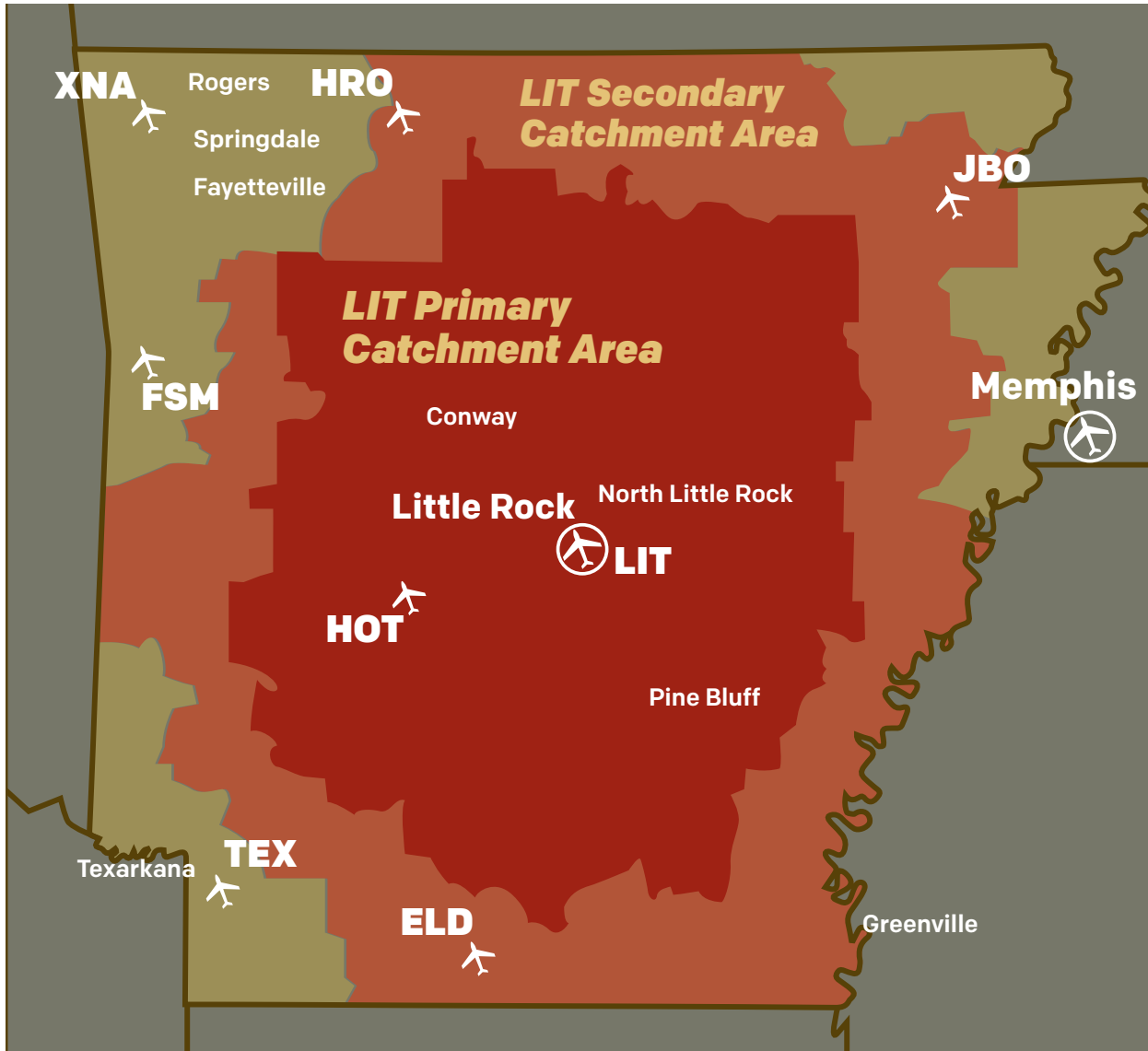
Organizational Structure

Airport Executive Leadership

Letter of Transmittal to the Airport Commission

Certificate of Achievement for Excellence in Financial Reporting

STATE AIRPORT LOCATIONS AND LIT SERVICE AREA



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LITTLE ROCK MUNICIPAL AIRPORT COMMISSION



JILL FLOYD
Chair



MARK CAMP
Vice Chair / Treasurer



STACY HURST
Secretary



JOHN RUTLEDGE
Commissioner



BILL WALKER
Commissioner

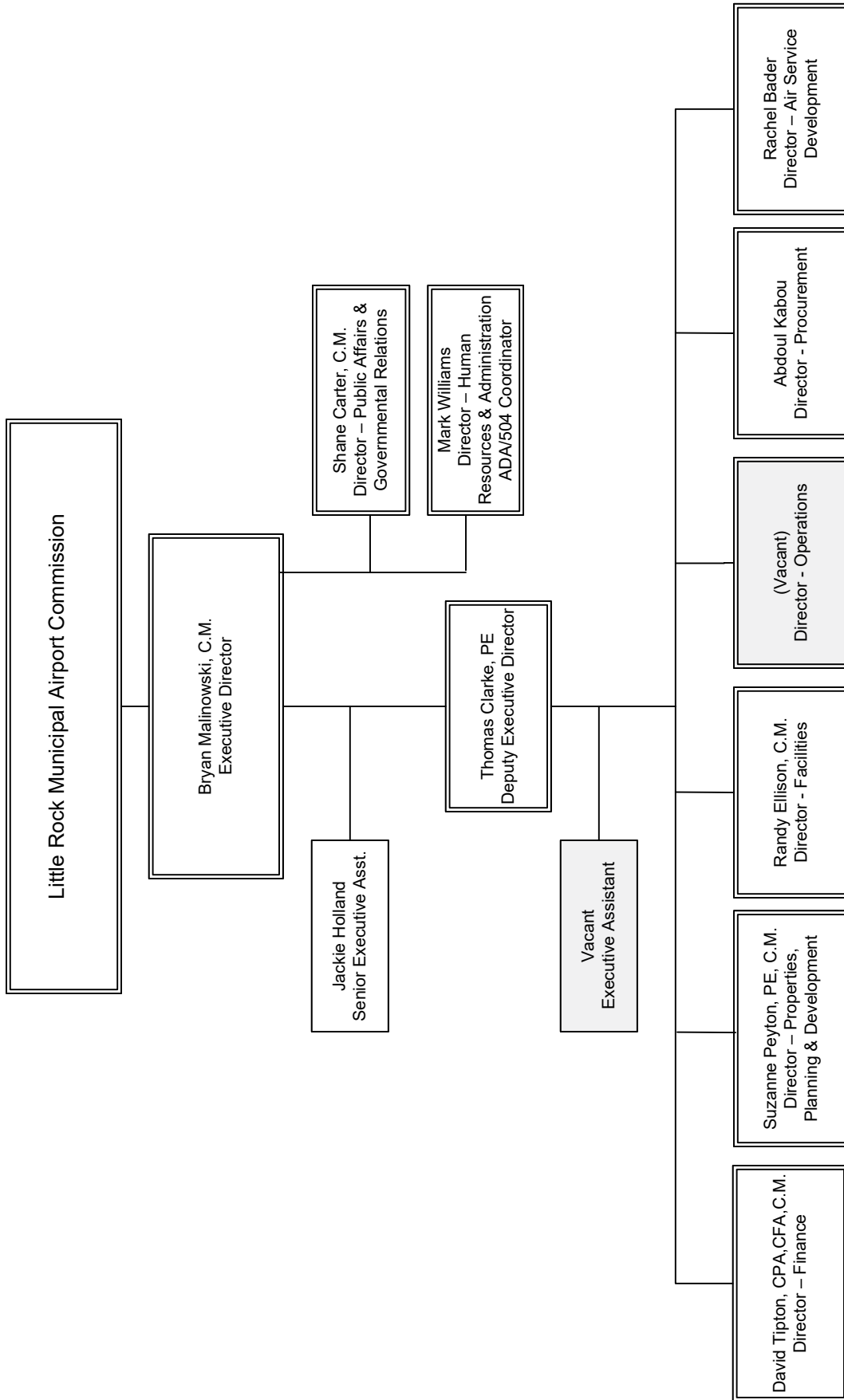


TIFFANY MAYS O'GUINN
Commissioner



PATRICK SCHUECK
Commissioner

Bill & Hillary Clinton National Airport Administration



AIRPORT EXECUTIVE LEADERSHIP



BRYAN MALINOWSKI, C.M.
Executive Director



THOMAS CLARKE, P.E.
Deputy Executive Director



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



RANDY ELLISON, C.M.
Director – Facilities



SUZANNE PEYTON, PE, C.M.
Director – Properties, Planning &
Development



ABDOUL KABAOU
Director – Procurement



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



MARK WILLIAMS
Director – Human Resources
and Administration



RACHEL BADER
Director – Air Service
Development

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June 21, 2022

Little Rock Municipal Airport Commission
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, 2021 and 2020. 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 is accurate in all material respects and is 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 27 through 44 of this report.

Profile of the Government

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

As a business-type activity, the operation of the Airport depends on revenues received from airlines and other tenants serving the Airport. The airlines operate by permit under rates established by resolution and based on an airfield residual and terminal compensatory rate-setting methodology. The Federal Aviation Administration (FAA) regulates how airports set airline rates and charges and determine aeronautical revenues. The terminal rate to the airlines is based on cost and space used by the airlines. LIT's rate structure arrangement allows the Airport to retain revenues received from other Airport tenants and concessions and effectively manage capital assets in a way that (1) promotes a self-sustaining financial structure, and (2) provides a solid foundation for growing and improving the Airport infrastructure.

Airport Facilities

The Bill and Hillary Clinton National Airport is the largest commercial airport in the state. LIT's primary air service area comprises four counties in the Little Rock area and attracts passengers from 62 counties statewide as well as passengers from neighboring states. It occupies over 2,200 acres of land, has two parallel commercial

service runways and a third runway used primarily for general aviation operations. The Airport site, known originally as Adams Field first opened in 1917 as the Little Rock Intermediate Air Depot, operated by the U.S. Army Signal Corps. Commercial airline services started in 1930, and the present terminal was originally constructed in 1972. The FAA classifies the Airport as a small air traffic hub. During fiscal year 2021, the Airport accommodated nearly 1.7 million commercial passengers.

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

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

Economic Condition and Outlook

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.

See the Outlook for the Future section later in this letter for discussion on the impact of COVID-19.

Population

Central Arkansas, also known as the Little Rock Metro (Metro) and designated by the United States Office of Management and Budget as the Little Rock-North Little Rock-Conway Metropolitan Statistical Area (MSA), is the most populous metro area in the state of Arkansas and the 66th-largest metropolitan statistical area in the United States. As presented in the tables on Page 92, the population for the Metro was 746,564 in 2021, according to the U.S. Department of Commerce, Bureau of Economic Analysis, and was concentrated primarily in Pulaski and Faulkner Counties. This represents a 0.56% increase compared to 742,384 in 2020.

The Little Rock Metro per capita personal income at January 1, 2021 (\$49,837) was higher than the state average (\$47,235) but lower than the national average (\$59,510). Compared to the 2020 per capita personal income (\$46,560), Little Rock Metro per capita income for 2021 was 7.0% higher. As presented in the tables on Page 93 of this report, the pattern of per capita income growth in the Metro has generally mirrored the pattern of growth within the state, albeit at a slightly lower level, over the past decade.

Unemployment Rate

The impacts of COVID-19 were reflected in the national, state and metro unemployment rates. The trend of decreasing rates was reversed in 2020. For the Metro, the unemployment rate at January 1, 2021, was 4.20% compared to the 6.40% rate from the prior year. The Metro unemployment rate is lower than the state rate (4.00%) and the national rate (5.30%). The Arkansas Realtors Association reports that the median sale price of existing homes in Pulaski County was \$243,174 as of August 31, 2021, which represents a 12.6% increase from August 31, 2020.

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

Tourism and Local Activities

Visitors are attracted to the Metro by the State Capitol, the Clinton Presidential Center, and other historical attractions, as well as the natural amenities, recreational activities, sporting events and cultural attractions in the area. According to the Little Rock Convention & Visitors Bureau 2021 Annual Report, tourism declined significantly in 2020 due to COVID-19 but rebounded somewhat during 2021.

Business Growth

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

Air Service

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

The Aviation Industry

Revenue generated at the Airport depends, in large part, upon the financial health of the aviation industry. In recent years, the economic condition of the commercial service industry has undergone significant changes, including mergers, acquisitions, and bankruptcies. Further, the industry remains sensitive to a variety of other

factors, including (a) the cost and availability of fuel, aircraft, and insurance, (b) currency values, (c) competitive considerations, including airline ticket pricing, (d) traffic and capacity constraints, (e) governmental regulations, including security, taxes, and environmental requirements, (f) labor actions such as strikes and other union activities, and (g) disruptions due to airline incidents, criminal incidents, and acts of war or terrorism.

Airport Passenger Traffic

Passenger traffic at the Airport is affected by Little Rock Metro's economic profile. For example, the amount and type of commerce in the region may affect the level of business travel to and from Little Rock; or the amount of per capita personal income in the Little Rock Metro area may affect the level of discretionary travel from the Airport. The global COVID-19 pandemic severely impacted passenger traffic at the Airport in 2020. Over 977 thousand total passengers (enplaning and deplaning) chose the Airport during fiscal year 2020, reflecting a 56.4% decrease from the prior year. In 2021, total number increased to nearly 1.7 million passengers, a 73.4% increase over 2020.

In addition, consolidation in the airline industry has allowed air carriers to reduce excess capacity in order to achieve higher load factors (passengers per aircraft), charge higher fares, and realize sustained profitability. Over recent years, the consolidations have limited competition among air carriers. At the end of 2021, only three major legacy carriers remain: American, United, and Delta. Together with Southwest, these four airlines dominate the U.S. market. Other smaller carriers, such as Alaska, Allegiant, Frontier and Virgin America have begun to terminate operations in the small-hub airports, such as LIT, to compete for more profitable large-hub markets.

The Wright Amendment, which originally governed Southwest Airlines traffic at Dallas Love Field and restricted non-stop flights from the Airport to destinations only in Texas and neighboring states, expired on October 13, 2014. As a result, Southwest Airlines reduced the frequency of flights from LIT and other small-hub airports in November 2014. The impact of this was felt through 2015 with passenger traffic continuing to decline. 2016 represented the first year with an increase in enplaned passengers since 2012. Passenger traffic continued to increase through 2019 but dropped off significantly in 2020 due to COVID-19. 2021 saw a return of leisure travellers at LIT but business travel did not return at pre-COVID-19 levels. Compared to 2019, 2021 total passengers declined 24.6%.

Major Initiatives and Development

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

Construction in Progress

Each year, Airport staff prepares a five-year Capital Improvement Plan (CIP). The CIP is reevaluated and modified as necessary to accommodate traffic activity, security needs, and other needs that could result in additions to or subtractions from the CIP, or changes in the timing of individual projects. Significant capital improvements undertaken during fiscal year 2021 included:

Taxiway Charlie Reconstruction Program

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

Construction on phase 1 of Taxiway Charlie began in October 2020 and is scheduled to be completed in August 2022. This phase will replace the acute angle Taxiway Bravo connection to Runway 4L/22R with new Taxiway Charlie down to Taxiway Delta. Additionally, Phase 1 will remove the acute angle runway exits onto Delta and Golf and the direct access from the FBO ramp to the runway at Taxiway Papa. Additional scope of work (Additive Alternative No. 2) was added to the original Phase 1 in July 2021. Additive Alternative No. 2 is for the construction of a new connector taxiway from Runway 4L-22R to Taxiway Charlie, Taxiway C3, and the demolition of the existing Taxiway Bravo from the runway to Taxiway Papa, along with associated airfield lighting, grading, drainage, and signage improvements.

Construction on phase 2 of Taxiway Charlie will begin in the fall of 2022. Phase 2 will extend Taxiway Charlie north of Bravo, eliminate the five-way taxiway intersection and the direct ramp to runway access from Taxiway Mike.

Federal and State Grants

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

For fiscal year 2021, the Airport drew \$2.6 million in FAA entitlement grants and \$9.4 million in FAA discretionary grants. A majority of these funds were drawn for Phase 1 of the Taxiway Charlie reconstruction project. Additionally during 2021, the Airport drew \$11.9 million in COVID-19 relief grant funds.

The Arkansas Department of Aeronautics receives revenues derived from the sales tax paid on aircraft, aviation fuel, aviation-related products, parts and repairs or service, and as required by state law, distributes monies in the form of grants to the 91 public-owned/public use airports that are eligible for funding on a reimbursable, matching basis. During fiscal year 2021, the Airport received \$385 thousand in grants from the State of Arkansas.

Passenger Facility Charges

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

In April 2020, the Airport received approval from the FAA for PFC Application 10 in the amount of \$24.8 million increasing the Airport's authority to impose a PFC fee to \$136.3 million. The FAA estimates the charge expiration date for approved PFC applications to be March 2025.

During fiscal year 2021, the Airport collected \$3.3 million in PFC receipts, bringing the total PFC receipts and interest received since May 1, 1995, under the approved applications to \$117.4 million.

Other Significant Activities

Art in the Airport

In 2020, the Airport established an informal committee to advise the Commission and Airport Leadership on matters regarding an "Art in the Airport" program. Calls for artists were issued regarding a Terrazzo Floor Artwork project and a Wall-Mounted Artwork or Installation project, both to be located within the Pre-Security Lobby. Both projects were completed in 2021 and other art projects will follow.

Outlook for the Future

The recent economic recession and slow recovery along with the recent challenges in the aviation industry due to COVID-19 have impacted the Airport, resulting in reductions of daily flights being offered by the airlines serving our region. During fiscal year 2021 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 vetted with the Finance Committee before being reviewed with the full Commission on a monthly basis.

Independent Audit

FORVIS, LLP, a firm of independent certified public accountants, has issued unmodified opinions on the Airport's financial statements for the years ended December 31, 2021 and 2020. The independent auditor's report on the fiscal year 2021 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, 2020 (see page 20). This was the seventh year the Airport received this prestigious award.

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

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

Acknowledgments

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

Respectfully submitted,



Bryan Malinowski
Executive Director



David Tipton
Director of Finance/CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bill and Hillary Clinton National Airport
Arkansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

FINANCIAL SECTION



BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

FINANCIAL SECTION CONTENTS:

Independent Auditor's Report

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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 (the Airport), a component unit of the City of Little Rock, Arkansas, as of and for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, and the changes in financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion 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 schedule of passenger facility charge collections and expenditures required by the *Passenger Facility Charge Audit Guide for Public Agencies* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

FORVIS, LLP

Little Rock, Arkansas
June 21, 2022

Management's Discussion and Analysis (Unaudited) December 31, 2021 and 2020

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, 2021.

The MD&A has been prepared by Airport management and is offered as an analytical overview of the annual financial activity of the Airport and how it relates to the core mission of the Commission. In order to obtain a full understanding of the Airport's financial performance, the MD&A should be read and considered in conjunction with the basic financial statements, which begin on page 44 of this report.

Basic Financial Statements

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

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

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

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

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

Passenger and Other Traffic Activity Highlights

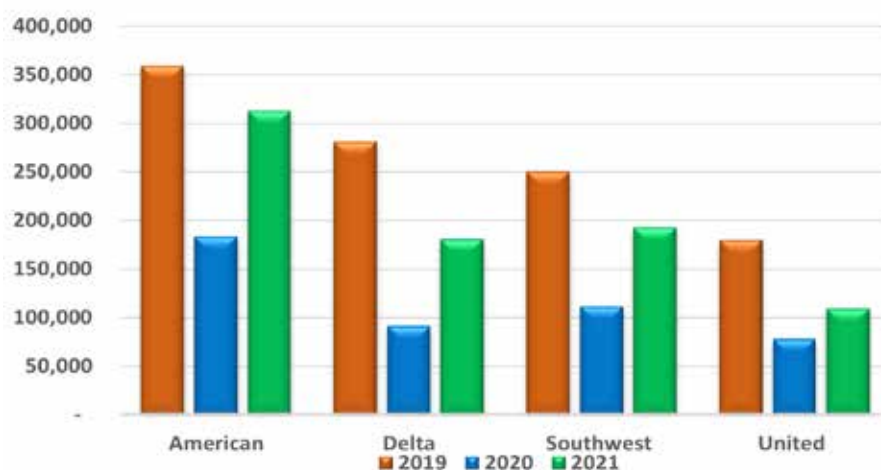
The following table highlights changes in LIT's key operating statistics for the last three fiscal years:

Key Operating Information	2021	2020	2019
Total Passengers (in 000s)	1,695	978	2,242
Enplanements (in 000s)	850	491	1,125
Cost per Enplaned Passenger	\$ 13.04	\$ 21.08	\$ 10.76
Aircraft Operations	82,230	63,648	85,969
Landed Weights (in 1000s)	1,201,719	932,247	1,483,668
Air mail (lbs.)	1,650	4,962	394
Air Freight (lbs.)	20,613,154	20,181,667	21,694,031
Ground Rental (Acres)	232.0	232.0	232.0
Facility Leases (SF)	938,187	926,316	840,401

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

Enplaned Passengers

The following chart presents the top four airlines at LIT by number of passenger enplanements for fiscal year 2021 and the comparative enplanements for fiscal years 2020 and 2019.



Source: Monthly Airline Activity Reports

Fiscal Year 2021

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 2021, passenger traffic at LIT increased with a reported 850,422 passenger enplanements compared to 490,544 for fiscal year 2020. The increase of 359,878, passengers, or 73.4% was attributed to the recovery from the COVID-19 pandemic. Of the 850,422 passengers that departed from the Airport, Southwest, American and Delta accounted for 94% of the market share.

Fiscal Year 2020

Departing passengers (enplanements) play a prominent role in the Airport's financial operations. During FY 2020, passenger enplanements decreased by about 634,128, or 56.4%, compared to fiscal year 2019. This decrease was attributed to the COVID-19 pandemic.

Air Service

The chart presents scheduled daily flights departing from LIT at December 31, 2021, and the comparative flights for fiscal years 2020 and 2019.

Destination	2021	2020	2019
Atlanta, GA (ATL)	6.0	5.0	7.0
Charlotte, NC (CLT)	3.0	3.0	3.0
Chicago, IL (ORD)	4.0	2.0	8.0
Dallas, TX (DAL)	2.0	2.0	3.0
Dallas, TX (DFW)	7.0	5.0	7.0
Denver, CO (DEN)	4.4	3.4	7.0
Destin, FL (DSI)	-	-	0.3
Detroit, MI (DTW)	-	-	1.0
Houston, TX (IAH)	3.0	3.0	5.0
Las Vegas, NV (LAS)	0.7	0.1	1.0
Los Angeles, CA (LAX)	-	-	0.1
Miami, FL (MIA)	0.1	-	-
Orlando, FL (MCO)	0.3	-	-
Orlando, FL (SFB)	0.3	0.4	0.3
Phoenix, AZ (PHX)	1.0	0.2	1.0
St. Louis, MO (STL)	1.0	1.0	2.0
St. Petersburg-Clearwater, FL (PIE)	0.3	-	-
Washington, DC (DCA)	1.0	-	2.0
Total Daily Flights	34.1	25.1	47.7

Fiscal Year 2021

During 2021, air service increased significantly when compared to 2020 activity due to the recovery from the COVID-19 pandemic. There was a 9 flight increase in average daily flights. New service to MIA, SFB and PIE contributed to the increase in daily flights, as did increases in service to ATL, ORD, DFW, DEN and PHX in 2021.

Fiscal Year 2020

During 2020, air service decreased significantly when compared to 2019 activity due to the COVID-19 pandemic. There was a 23-flight decrease in average daily flights. The most significant reductions in daily flights were to ORD with other sizable reductions to ATL, DFW, IAH and DEN.

Overview of LIT's Financial Statements

Financial Highlights, Fiscal Year 2021

- LIT's assets exceeded liabilities at December 31, 2021, by \$429.0 million.
- Operating revenue totaled \$31.5 million.
- Operating expenses (excluding depreciation) totaled \$22.7 million.
- Net operating revenue was \$8.9 million.
- Net nonoperating revenue was \$16.0 million.
- COVID relief grant revenue totaled \$11.9 million.
- Federal, state and local capital grants totaled \$12.3 million.
- Net position increased by \$18.6 million.

Financial Highlights, Fiscal Year 2020

- LIT's assets exceeded liabilities at December 31, 2020, by \$410.4 million.
- Operating revenue totaled \$24.2 million.
- Operating expenses (excluding depreciation) totaled \$21.6 million.
- Net operating revenue was \$2.7 million.
- Net nonoperating revenue was \$14.7 million.
- COVID relief grant revenue totaled \$11.1 million.
- Federal, state and local capital grants totaled \$10.2 million.
- Net position increased by \$8.3 million.

Financial Section

Net Position

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

Net Position					
	2021	2020	2019	FY21 vs. FY20 % Change	FY20 vs. FY19 % Change
Assets					
Cash	\$ 41,199,072	\$ 63,073,862	\$ 63,392,029	-34.7%	-0.5%
Restricted cash	12,540,627	9,733,784	11,791,094	28.8%	-17.4%
Accounts receivable, less allowance	1,332,261	783,052	1,252,291	70.1%	-37.5%
Other current assets	6,027,865	4,220,957	2,604,111	42.8%	62.1%
Investments	39,970,003	-	-	100.0%	0.0%
Capital assets, net	332,620,983	337,431,409	327,952,164	-1.4%	2.9%
Other noncurrent assets	464,702	243,172	535,323	91.1%	-54.6%
Total assets	<u>\$ 434,155,513</u>	<u>\$ 415,486,236</u>	<u>\$ 407,527,012</u>	4.5%	2.0%
Liabilities					
Current liabilities	\$ 5,145,584	\$ 5,125,299	\$ 5,493,797	0.4%	-6.7%
Total liabilities	<u>5,145,584</u>	<u>5,125,299</u>	<u>5,493,797</u>	0.4%	-6.7%
Net Position					
Net investment in capital assets	330,795,684	335,085,195	325,913,438	-1.3%	2.8%
Restricted	13,005,329	9,976,956	12,326,417	30.4%	-19.1%
Unrestricted	85,208,916	65,298,786	63,793,360	30.5%	2.4%
Total net position	<u>429,009,929</u>	<u>410,360,937</u>	<u>402,033,215</u>	4.5%	2.1%
Total liabilities and net position	<u>\$ 434,155,513</u>	<u>\$ 415,486,236</u>	<u>\$ 407,527,012</u>	4.5%	2.0%

Net Position, FY 2021

Total net position may serve as a useful indicator of the Airport's financial position. At the close of fiscal years 2021 and 2020, LIT's assets exceeded liabilities by \$429.0 million and \$410.4 million, respectively, representing a 4.5% increase, or \$18.6 million.

The largest portion of LIT's net position (\$330.8 million, or 77.1%) reflects its investment in capital assets less accumulated depreciation. These assets decreased \$4.3 million (1.3%) when compared to the balance at the end of 2020 (\$335.1 million). The decrease was due to additions to capital assets being less than the depreciation expense in the current year. Capital asset additions are generally financed through grants from federal agencies, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs) and existing resources.

An additional portion of LIT's net position (\$13.0 million, or 3.0%) represents resources that are subject to various restrictions on how they are used. The Airport has two sources of restricted funds: PFC fund and Noise Land Fund. The balance in the PFC fund increased \$2.1 million during 2021 due to collections exceeding expenditures. During 2021, a portion of these funds were transferred to the unrestricted Operating fund to

reimburse the Airport for historic costs that were incurred in prior years. The Noise Land Fund was established in 2021 and has a balance of \$655,500.

Unrestricted net position increased by \$19.9 million, or 30.5%, from \$65.3 million at December 31, 2020, to \$85.2 million at December 31, 2021. As presented, current assets consist mainly of cash and accounts receivable that are immediately available to meet any of the Airport's ongoing obligations.

Net Position, FY 2020

At the close of fiscal year 2020 and 2019, LIT's assets exceeded liabilities by \$410.4 million and \$402.0 million, respectively, representing a 2.1% increase, or \$8.3 million.

The largest portion of LIT's net position (\$335.1 million, or 81.7%) reflects its investment in capital assets less accumulated depreciation. These assets increased \$9.2 million (2.8%) when compared to the balance at the end of 2019 (\$325.9 million). The increase was due to additions to capital assets exceeding depreciation expense. Capital asset additions are generally financed through grants from federal agencies, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs) and existing resources.

An additional portion of LIT's net position (\$10.0 million, or 2.4%) represents resources that are subject to various restrictions on how they are used. Currently, the only restricted fund at the Airport is the PFC fund. The balance in the PFC fund decreased \$2.3 million during 2020 due to expenditures exceeding collections. These funds were transferred to the unrestricted Operating fund to reimburse the Airport for historic costs that were incurred in prior years.

Unrestricted net position increased by \$1.5 million, or 2.4%, from \$63.8 million at December 31, 2019, to \$65.3 million at December 31, 2020. As presented, current assets consist mainly of cash and accounts receivable that are immediately available to meet any of the Airport's ongoing obligations.

Change in Net Position Summary

A condensed summary of LIT's changes in net position for fiscal years ended 2021, 2020 and 2019 is presented below:

Changes in Net Position					
	2021	2020	2019	FY21 vs. FY20 % Change	FY20 vs. FY19 % Change
Operating revenue	\$ 31,529,193	\$ 24,249,482	\$ 36,722,552	30.0%	-34.0%
Less: operating expenses	22,673,797	21,552,134	23,028,833	5.2%	-6.4%
Operating income before depreciation	8,855,396	2,697,348	13,693,719	228.3%	-80.3%
Less: depreciation	20,376,862	19,215,867	18,891,557	6.0%	1.7%
Operating loss	(11,521,466)	(16,518,519)	(5,197,838)	-30.3%	217.8%
Other nonoperating revenue, net	15,987,372	14,665,134	6,677,738	9.0%	119.6%
Change in net position before capital contributions and grants	4,465,906	(1,853,385)	1,479,900	-341.0%	-225.2%
Capital contributions and grants	14,183,086	10,181,107	7,023,543	39.3%	45.0%
Change in net position	18,648,992	8,327,722	8,503,443	123.9%	-2.1%
Net position, beginning of year	410,360,937	402,033,215	393,529,772	2.1%	2.2%
Net position, end of year	\$ 429,009,929	\$ 410,360,937	\$ 402,033,215	4.5%	2.1%

Net Position Changes, FY 2021

Operating revenue for 2021 of \$31.5 million increased \$7.3 million, or 30%, from the 2020 balance of \$24.2 million. Operating expenses increased by \$1.1 million to \$22.7 million. That is a 5.2% increase from the \$21.6 million total for 2020. With the increase in capital assets during 2021 referred to previously, depreciation for 2021 was \$20.4 million, or \$1.2 million more than the \$19.2 million in depreciation recorded in 2020. The 2021 loss of operations was \$11.5 million, which was \$5.0 million, or 30.3% less than the \$16.5 million loss from operations for 2020.

Other nonoperating revenue net was \$16.0 million in 2021 compared to \$14.7 million in 2020, an increase of \$1.3 million, or 9.0%. This increase is primarily a result of the COVID-19 relief funding. Capital contributions and grants for 2021 were \$14.2 million. This represents an increase of \$4.0 million, or 39.3%, from the \$10.2 million reported in 2020. This increase is primarily due to an increase in Airport Improvement Program discretionary grants. Net Position at the end of 2021 was \$429.0 million. This was up \$18.6 million, or 4.5%, from the \$410.4 million balance at the end of 2020.

Net Position Changes, FY 2020

Operating revenue for 2020 of \$24.2 million decreased \$12.5 million, or 34.0%, from the 2019 balance of \$36.7 million. Operating expenses decreased by \$1.5 million to \$21.6 million. That is a 6.4% decrease from the \$23.0 million total for 2019. With the increase in capital assets during 2020 referred to previously, depreciation for 2020 was \$19.2 million, or \$324.3 thousand more than the \$18.9 million in depreciation recorded in 2019. The 2020 loss from operations was \$16.5 million, which was \$11.3 million, or 217.8% more than the \$5.2 million loss from operations for 2019.

Other nonoperating revenue net was \$14.7 million in 2020 compared to \$6.7 million in 2019, an increase of \$8.0 million, or 119.6%. Capital contributions and grants for 2020 were \$10.2 million. This represents an increase of \$3.2 million, or 45.0%, from the \$7.0 million reported in 2019. Net Position at the end of 2020 was \$410.4 million. This was up \$8.3 million, or 2.1%, from the \$402.0 million balance at the end of 2019.

Operating Revenue

LIT derives its operating revenue from several major airport business activities. The following table presents a summary of these business activities during fiscal years 2021, 2020 and 2019:

Summary of Operating Revenue					
	2021	2020	2019	FY 2021 Incr (Decr)	FY 2020 Incr (Decr)
Operating Revenues					
Airline revenues					
Airport landing and related fees	\$ 4,872,194	\$ 3,936,904	\$ 6,175,693	\$ 935,290	\$ (2,238,789)
Terminal building rental and related fees	5,986,211	6,219,928	6,314,216	(233,717)	(94,288)
Facility use fees	232,110	185,503	199,350	46,607	(13,847)
Total airline revenues	11,090,515	10,342,335	12,689,259	748,180	(2,346,924)
Nonairline revenues					
Parking fees	7,605,045	4,050,761	10,187,088	3,554,284	(6,136,327)
Concession fees	908,557	626,996	1,251,934	281,561	(624,938)
Car rental operations	6,192,821	4,133,565	7,108,582	2,059,256	(2,975,017)
Facility and ground rentals	4,839,289	4,272,455	4,202,249	566,834	70,206
Other	892,966	823,370	1,283,440	69,596	(460,070)
Total nonairline revenues	20,438,678	13,907,147	24,033,293	6,531,531	(10,126,146)
Total operating revenues	\$ 31,529,193	\$ 24,249,482	\$ 36,722,552	\$ 7,279,711	\$(12,473,070)

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

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

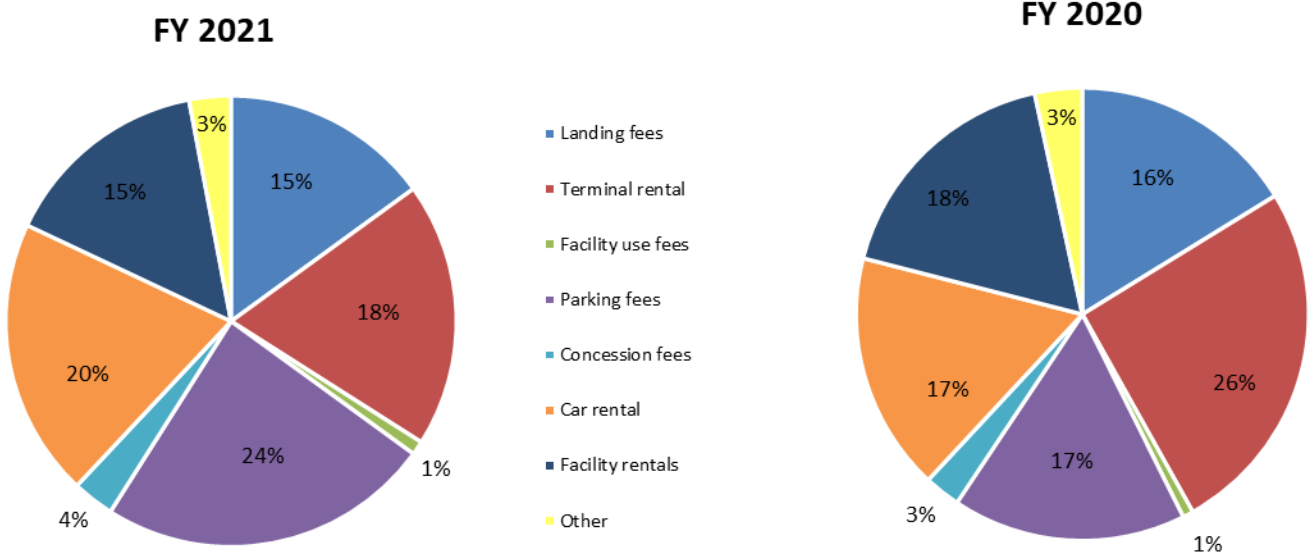
Landing fees are charged to passenger and cargo for commercial aircraft landings, as well as from the fixed-base operators for general aviation flights at the Airport.

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

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

Operating Revenue, Fiscal Year 2021

The following charts illustrate the proportion of sources of operating revenue for fiscal years ended December 31, 2021 and 2020:



For fiscal year ended December 31, 2021, total operating revenue was \$31.5 million, a \$7.3 million, or 30.0%, increase from the prior fiscal year. The increase in airline revenue was \$0.7 million while nonairline revenue had a net increase of \$6.5 million.

Airport landing fees totaled \$4.9 million in fiscal year 2021 compared to \$3.9 million reported in fiscal year 2020. Landing fee rates were \$4.26 per 1,000 pounds in 2020 and in 2021 as well. The Airport chose to leave the landing fee rates unchanged in 2021 due to COVID-19. Landed weights increased 36.4% from 2020 to 2021.

Airline rents posted a decrease of \$233.7 thousand, or 3.8%. Similar to landing fee rates, the Airport left the rental rate of \$44.00 per square foot unchanged from 2020 to 2021. The decrease in airline rents was related to a slight decrease in the space rented to the airlines as well as an increase in incentives offered to airlines for new air service. Airline use fees increased \$46.6 thousand, or 25.1%, from 2020 to 2021.

During fiscal year 2021, nonairline revenues increased \$6.5 million, or 47.0%, when compared to 2020. A majority of this increase came from the parking fees, rental car operations, and concession fee revenue.

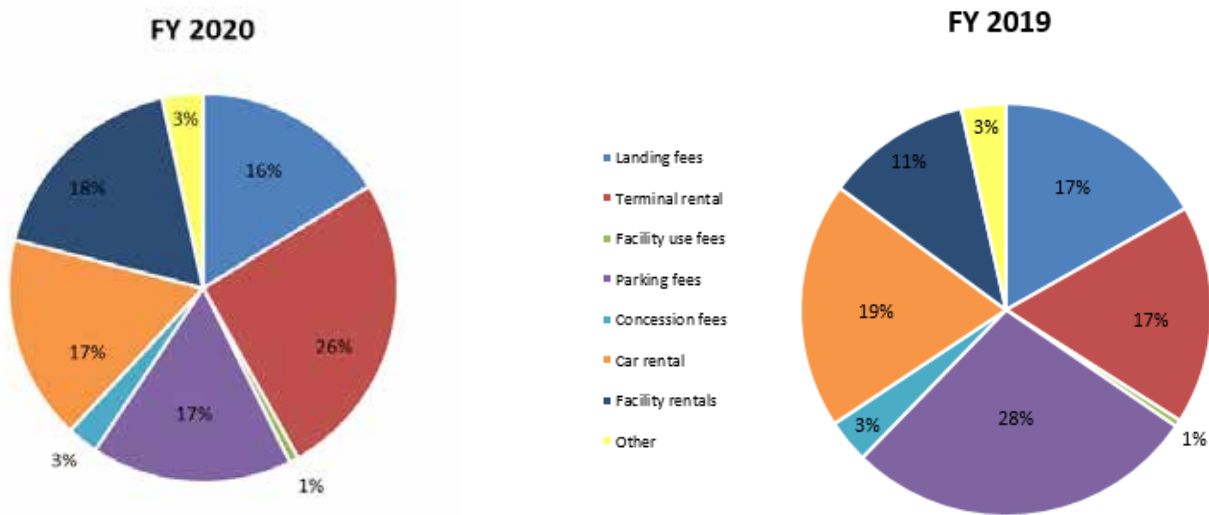
Revenue from Public Parking increased from \$4.1 million in 2020 to \$7.6 million in 2021. This \$3.6 million, or 87.7%, increase reflects the increase in enplaned passengers during 2021. Rental car operations increased from \$4.1 million in 2020 to \$6.2 million in 2021. This \$2.1 million, or 49.8%, increase reflects the increase in enplaned passengers during 2021 along with an increase in the rates the rental car companies charged their customers. Concessions collected in the terminal for fiscal year 2021 reflected a 44.9% increase, or \$281.6 thousand increase, in revenues compared to fiscal year 2020. A majority of this increase is related to recovery from the COVID-19 pandemic.

Nonairline rents increased 13.3% during 2021 from \$4.3 million to \$4.8 million. This \$566.8 thousand increase was primarily related to a full year with Kiewit Massman as a tenant at the Airport Business Park in 2021 and the addition of SCA Pharma as a tenant in the Kellett Road facility. This was offset by FEMA ending the temporary lease at the Kellett Road facility in 2020.

Other operating revenues for 2021 were \$893.0 thousand compared to \$823.4 thousand in 2020, an increase of \$69.6 thousand, or 8.5%. Increased revenue from General Aviation activity in 2021 accounted for a majority of this increase in other operating revenues.

Operating Revenue, Fiscal Year 2020

The following charts illustrate the proportion of sources of operating revenue for fiscal years ended December 31, 2020 and 2019:



For fiscal year ended December 31, 2020, total operating revenue was \$24.2 million, a \$12.5 million, or 34.0%, decrease from the prior fiscal year. The decrease in airline revenue was \$2.3 million. Nonairline revenue had a net decrease of \$10.1 million.

Airport landing fees totaled \$3.9 million in fiscal year 2020 compared to \$6.2 million reported in fiscal year 2019. Landing fee rates were increased from \$4.21 per 1,000 pounds to \$4.26 per 1,000 pounds during 2020. Landed weight decreased 42.9% from 2019 to 2020, as passenger traffic declined due to COVID-19.

Airline rents posted a decrease of \$94.3 thousand, or 1.5%. The increase in rental rate from \$42.50 per square foot to \$44.00 per square foot helped to offset a slight reduction in space rented to airlines. Airline use fees decreased \$13.8 thousand, or 6.9%, from 2019 to 2020.

During fiscal year 2020, nonairline revenues decreased \$10.1 million, or 42.1%, when compared to 2019. A majority of this decrease came from parking fees and revenue from concessions.

Revenues from Public Parking decreased from \$10.2 million in 2019 to \$4.1 million in 2020. This \$6.1 million, or 60.2%, decrease reflects the decrease in enplaned passengers during 2020. Concessions collected in the terminal for fiscal year 2020 reflected a 49.9% reduction, or \$624.9 thousand decrease, in revenues compared

to fiscal year 2019. A majority of this decrease is related to a decline in food and beverage revenues in the terminal during the COVID-19 pandemic.

Rental car revenues totaling \$4.1 million in fiscal year 2020 were down \$3.0 million from the \$7.1 million collected in fiscal year 2019. This 41.9% decrease is primarily related to a decrease in enplaned passengers during 2020.

Nonairline rentals increased 1.7% during 2020, from \$4.2 million to \$4.3 million. This \$70.2 thousand increase was primarily related to the addition of Kiewit Massman as a tenant at the Airport Business Park and an increase in space rented to LYNX. This was offset by FEMA ending the temporary lease at the Kellett Road Facility in 2020.

Other operating revenues for 2020 were \$823.4 thousand compared to \$1.3 million in 2019, a decrease of \$460.1 thousand, or 35.8%. Decreased revenue from General Aviation activity and Transportation Network Companies (TNC), such as Uber and Lyft, accounted for a majority of the decrease in other operating revenues.

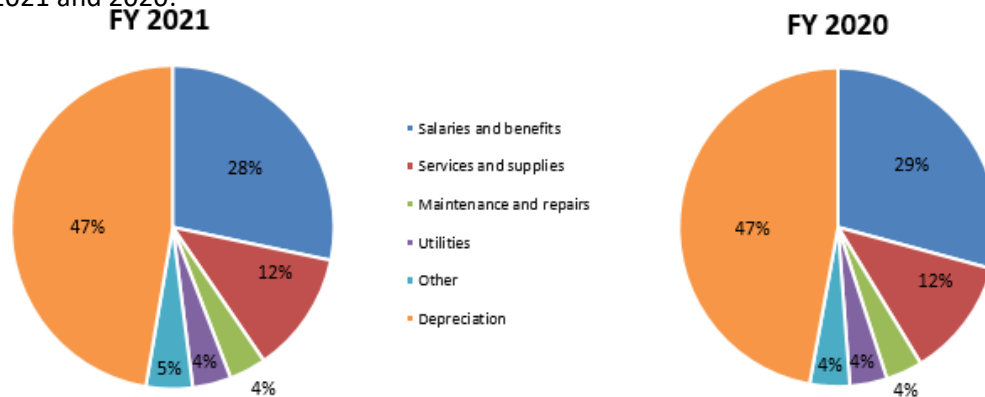
Operating Expenses

The following table presents a summary of LIT operating expenses for the fiscal years ended December 31, 2021, 2020 and 2019. Included in other operating expenses are expenses for advertising and public relations, training and travel, insurance, lease and other miscellaneous items.

	2021	2020	2019	FY 2021 Incr (Decr)	FY 2020 Incr (Decr)
Salaries and benefits	\$ 12,174,604	\$ 11,905,923	\$ 11,916,715	\$ 268,681	\$ (10,792)
Services and supplies	5,238,322	4,932,875	5,293,439	305,447	(360,564)
Maintenance and repairs	1,590,648	1,515,624	1,618,482	75,024	(102,858)
Utilities	1,663,341	1,544,561	1,961,284	118,780	(416,723)
Other	2,006,882	1,653,151	2,238,913	353,731	(585,762)
Operating expenses before depreciation	22,673,797	21,552,134	23,028,833	1,121,663	(1,476,699)
Depreciation	20,376,862	19,215,867	18,891,557	1,160,995	324,310
Total operating expenses	<u>\$ 43,050,659</u>	<u>\$ 40,768,001</u>	<u>\$ 41,920,390</u>	<u>\$ 2,282,658</u>	<u>\$ (1,152,389)</u>

Operating Expenses, Fiscal Year 2021

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2021 and 2020:



For the fiscal year ended December 31, 2021, operating expenses were \$43.1 million. Compared to the 2020 operating expenses of \$40.8 million, this represents an increase of \$2.3 million, or 5.2%.

Salaries and benefits increased \$268.7 thousand from \$11.9 million in 2020 to \$12.2 million in 2021. This 2.3% increase is related to annual salary increases.

Services and supplies expenses were \$5.2 million in 2021 compared to \$4.9 million during 2020. This is an increase of \$305.4 thousand, or 6.2%, from 2020. The Airport experienced an increase in expenses for contracted security guards, janitorial supplies and fuel for airfield vehicles during 2021.

The Airport saw an increase in maintenance and repairs expenses during 2021. The 2021 expense was \$1.6 million compared to \$1.5 million in 2020. This was an increase of \$75.0 thousand, or 5.0%. During 2021, the Airport experienced an increase in expenses to repair and maintain terminal equipment in 2021.

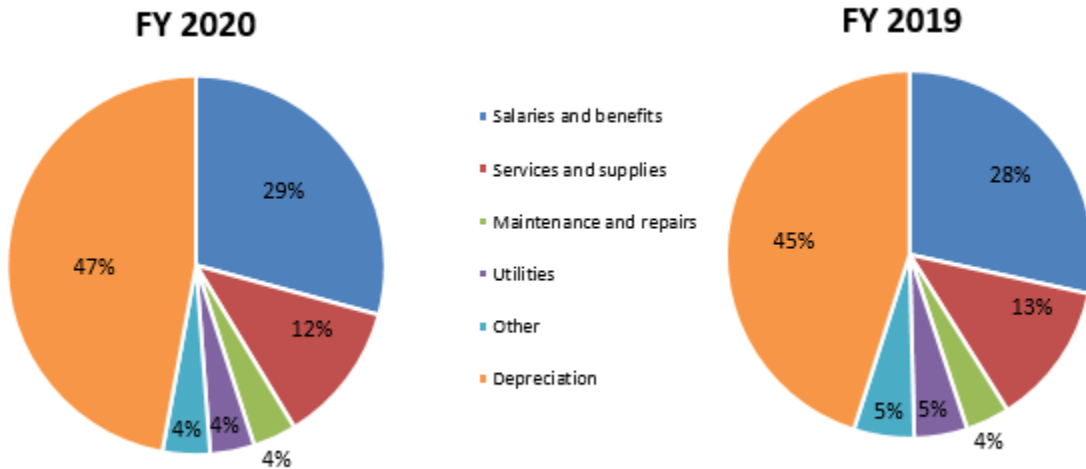
Utilities increased 7.7% from \$1.5 million in 2020 to \$1.7 million in 2021. Most of this increase of \$118.8 thousand was related to an increase in the expense for natural gas.

Other operating expenses were up 21.4% in 2021. The Airport had other operating expenses of \$2.0 million in 2021 compared to \$1.7 million in 2020. An increase in premiums for commercial insurance contracts and computer software support contracts was experienced in 2021. Additionally, with the return of passengers in 2021, the Airport experienced a significant increase in credit card fees related to the increase in parking revenue.

Depreciation charges for 2020 of \$19.2 million increased to \$20.4 million in fiscal year 2021. This increase was primarily the result of the increase in assets capitalized in recent years.

Operating Expenses, Fiscal Year 2020

The following charts illustrate the proportion of categories of operating expenses for fiscal years ended December 31, 2020 and 2019:



For the fiscal year ended December 31, 2020, operating expenses were \$40.8 million. Compared to the 2019 operating expenses of \$41.9 million, this represents a decrease of \$1.2 million, or 2.7%.

Salaries and benefits decreased \$11 thousand from \$11.9 million in 2020 to \$11.9 million in 2019. This 0.1% decrease is related to a hiring freeze in response to the COVID-19 pandemic.

Services and supplies expenses were \$4.9 million in 2020 compared to \$5.3 million during 2019. This is a decrease of \$360.6 thousand, or 6.8%, from the previous year. The Airport experienced a decrease in expenses for professional services and a slight decrease in police and firefighting expenses during 2020.

The Airport saw a decrease in maintenance and repairs expenses during 2020. The 2020 expenses were \$1.5 million compared to \$1.6 million in 2019. This was a decrease of \$102.9 thousand, or 6.4%. During 2020, the Airport had a decrease in expenses to repair buildings and airport systems that offset an increase in expenses for other facility contracts.

Utilities decreased 21.2% from \$2.0 million in 2019 to \$1.5 million in 2020. Most of this decrease of \$416.7 thousand was related to a decrease in the expense for electricity.

Other operating expense were down 26.2% in 2020. The Airport had other operating expenses of \$1.7 million in 2020 compared to \$2.2 million 2019. An increase in premiums for commercial insurance was offset by a decrease in airport conference and marketing media. Additionally, a significant decline in credit card fees related to Airport parking was realized in 2020 with the decline in passengers.

Depreciation charges for 2019 of \$18.9 million increased to \$19.2 million in fiscal year 2020. This increase was primarily the result of the increase in assets capitalized in recent years.

Nonoperating Transactions

Nonoperating transactions are activities that do not result from providing services as well as producing and delivering goods in connection with LIT’s ongoing operations. The following table presents a summary of these activities during fiscal years 2021, 2020 and 2019:

Summary of Nonoperating Transactions

	2021	2020	2019	FY 2021 Incr (Decr)	FY 2020 Incr (Decr)
Nonoperating revenue					
Passenger facility charges	\$ 3,468,152	\$ 1,967,260	\$ 4,388,874	\$ 1,500,892	\$ (2,421,614)
Federal operating grants	288,136	356,654	306,447	(68,518)	50,207
Investment Income	288,345	760,084	1,542,101	(471,739)	(782,017)
Gain (loss) on disposal of assets	(315,009)	(233,098)	-	(81,911)	(233,098)
Other nonoperating revenue	324,766	712,226	440,316	(387,460)	271,910
COVID relief grant revenue	11,932,982	11,102,008	-	830,974	11,102,008
Total nonoperating revenues	<u>\$ 15,987,372</u>	<u>\$ 14,665,134</u>	<u>\$ 6,677,738</u>	<u>\$ 1,322,238</u>	<u>\$ 7,987,396</u>
Federal, state, and local grants	\$ 12,333,996	\$ 10,181,107	\$ 7,023,543	\$ 2,152,889	\$ 3,157,564
Contributions from lessees	1,849,090	-	-	1,849,090	-
Total capital contributions and grants	<u>\$ 14,183,086</u>	<u>\$ 10,181,107</u>	<u>\$ 7,023,543</u>	<u>\$ 4,001,979</u>	<u>\$ 3,157,564</u>

Nonoperating Transactions, Fiscal Year 2021

PFC income for fiscal 2021 totaled \$3.5 million, a 76.3% increase from the \$2.0 million collected in fiscal year 2020. The increase in PFCs from 2020 represents an increase in collections aligned with the increase in passenger traffic.

Federal operating grants include reimbursement of costs associated with (1) law enforcement officers (LEO), (2) the Airport's canine program and (3) utilities associated with TSA-leased space. Federal operating grants received during 2021 were \$288 thousand compared to \$357 thousand in 2020, a decrease of \$68.5 thousand, or 19.2%.

During fiscal year 2021, investment income decreased from \$760.1 thousand in 2020 to \$288.3 thousand in 2021. Cash balances in Airport accounts decreased approximately \$19.1 million during 2021. In October 2021, the Airport transferred approximately \$40 million into an investment account and invested the funds according to the Commission approved Investment Policy. Additionally, the interest rate earned on these cash accounts decreased during 2021. These two factors in 2021 account for the \$471.7 thousand decrease, or 62.1%, in investment income.

Federal, state and local grants increased \$2.2 million, from \$10.2 million in 2020 to \$12.3 in 2021 due to increased construction activity. Additionally, the Airport received \$11.9 million in CARES Act revenue in response to the COVID-19 pandemic. While federal discretionary grants increased, federal entitlement and state grants both decreased in 2021. Contributions from lessees reflect tenant leaseholds that have expired and facilities have reverted to the Airport.

Nonoperating Transactions, Fiscal Year 2020

PFC income for fiscal year 2020 totaled \$2.0 million, a 55.2% decrease from the \$4.4 million collected in fiscal year 2019. The decrease in PFCs from 2019 represents a decrease in collections aligned with the 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 2020 were \$356.7 thousand compared to \$306.4 thousand in 2019, an increase of \$50.2 thousand, or 16.4%.

During fiscal year 2020, investment income decreased from \$1.5 million in 2019 to \$760.1 thousand in 2020. Cash balances in Airport accounts decreased approximately \$2.4 million during 2020. Additionally, the interest rate earned on these accounts decreased during 2020. These two factors in 2020 account for the \$782.0 thousand decrease, or 50.7%, in investment income.

Federal, state and local grants increased \$3.2 million from \$7.0 million in 2019 to \$10.2 in 2020 due to increased construction activity. Additionally, the Airport received \$11.1 million in CARES Act revenue in response to the COVID-19 pandemic. Federal entitlement grants and state grants both increased in 2020.

Capital Assets

Summary of Capital Assets

Net of Accumulated Depreciation

(in thousands)

	2021	2020	2019	FY 2021 Incr (Decr)	FY 2020 Incr (Decr)
Land	\$ 68,394	\$ 68,263	\$ 68,234	\$ 131	\$ 29
Construction work in progress	14,737	11,291	12,489	3,446	(1,198)
Capital assets not depreciated	83,131	79,554	80,723	3,577	(1,169)
Buildings and improvements	320,019	312,281	303,557	7,738	8,724
Equipment	28,896	28,130	27,406	765	724
Infrastructure	177,003	177,104	157,206	(101)	19,898
Capital assets depreciated	525,918	517,515	488,169	8,403	29,346
Less: accumulated depreciation	(276,428)	(259,638)	(240,940)	(16,790)	(18,698)
Net Capital Assets	\$ 332,621	\$ 337,431	\$ 327,952	\$ (4,810)	\$ 9,479

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, 2021 and 2020, was \$332.6 million and \$337.4 million, respectively. This investment, which accounts for 76.6% and 81.2% of LIT's total assets as of December 31, 2021 and 2020, respectively, includes land, buildings, improvements, equipment and vehicles and construction in progress.

Capital Assets, Fiscal Year 2021

The following assets were capitalized during fiscal year 2021:

- **Pre-Security Lobby Renovations - \$5.7 million**
- **NAVAIDS Improvements - \$1.7 million**
- **Dassault Falcon Jet Manufacturing Building - \$1.4 million**
- **Airport Master Plan - \$840K**
- **Electronic Airport Layout Plan - \$687K**
- **Enterprise Resource Planning Software Upgrades - \$563K**
- **Dassault Falcon Jet Prep Bay - \$497K**
- **Art Wall at Exit Lane - \$208K**

Capital Assets, Fiscal Year 2020

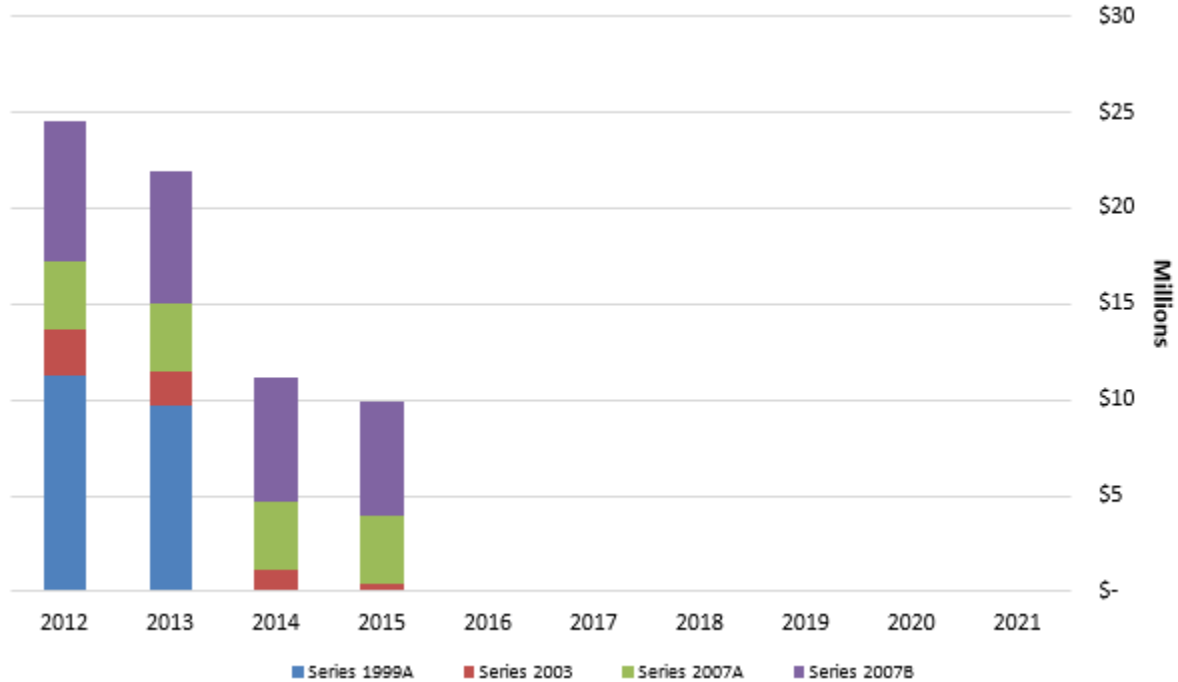
The following assets were capitalized during fiscal year 2020:

- **Terminal Ramp Expansion - \$7 million**
- **Taxiway Papa Reconstruction - \$5.5 million**
- **Terminal Apron Rehabilitation - \$5.2 million**
- **Passenger Boarding Bridges (Gates 6, 9 and 12) - \$3.4 million**
- **Dassault Falcon Jet Taxilane, Gate and Fence - \$1.8 million**
- **Overhead and Ground Signage - \$1.1 million**
- **Crisp Drive Beautification - \$988K**
- **Airport Business Park Improvements (HVAC, Fire Alarm, other) - \$822K**
- **Refurbish Terminal Escalators - \$645K**
- **New Elevator in the Terminal - \$503K**
- **Parking Office Renovations - \$412K**
- **Airfield Drainage Improvements - \$360K**
- **Terminal Video Wall Display - \$356K**
- **Parking Lot Improvements (Airport Drive and Employee Lot) - \$243K**
- **HVAC - East and West Electrical Vaults - \$237K**
- **Riverbend Restaurant Furnishings - \$140K**

Long-Term Debt

On December 31, 2015, the Airport transferred funds to our bond trustee to pay off the balance of the Series 2007 Airport Revenue Bonds. These funds were used to retire the 2007 Bonds at the first call date, November 2016. These were the final outstanding bonds issued by the Airport, thereby making LIT debt-free with the retirement of this debt.

A 10-year history of indebtedness balances is presented in the table below:



Request for Information

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

David Tipton, CPA
Director of Finance/CFO

BASIC FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 41,199,072	\$ 63,073,862
Trade accounts receivable, net	1,332,261	783,052
Grants receivable	5,164,774	3,432,277
Interest receivable	55,953	-
Prepaid expenses	807,138	788,680
Total current assets	48,559,198	68,077,871
Noncurrent Assets		
Cash - restricted	12,540,627	9,733,784
Passenger facilities charges (PFC) receivable - restricted	464,702	243,172
Investments	39,970,003	-
Nondepreciable capital assets	83,131,350	79,554,211
Depreciable capital assets, net	249,489,633	257,877,198
Total noncurrent assets	385,596,315	347,408,365
Total assets	\$ 434,155,513	\$ 415,486,236

See Notes to Financial Statements

STATEMENTS OF NET POSITION (Continued)
December 31, 2021 and 2020

	2021	2020
Liabilities		
Current Liabilities		
Payable from unrestricted assets		
Accounts payable - trade	\$ 1,216,797	\$ 885,924
Accrued wages and benefits	1,678,438	1,542,061
Due to other governmental units	25,517	2,560
Security deposits and unearned revenue	397,973	348,540
Total current liabilities payable from unrestricted assets	3,318,725	2,779,085
Payable from restricted assets		
Accounts payable - construction	1,826,859	2,346,214
Total current liabilities	5,145,584	5,125,299
Total liabilities	5,145,584	5,125,299
Net Position		
Net investment in capital assets	330,795,684	335,085,195
Restricted		
PFC eligible capital projects	12,349,829	9,976,956
FAA restriction	655,500	-
Unrestricted	85,208,916	65,298,786
Total net position	429,009,929	410,360,937
Total liabilities and net position	\$ 434,155,513	\$ 415,486,236

See Notes to Financial Statements

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Airline Revenues		
Airport landing and related fees	\$ 4,872,194	\$ 3,936,904
Terminal building rentals and related fees	5,986,211	6,219,928
Facility use fees	232,110	185,503
Total airline revenues	11,090,515	10,342,335
Nonairline Revenues		
Parking fees	7,605,045	4,050,761
Concession fees	908,557	626,996
Car rental operations	6,192,821	4,133,565
Facility and ground rentals	4,839,289	4,272,455
Ground transportation	99,803	91,001
Services sold	286,039	293,450
General aviation activity	458,914	384,671
Other	48,210	54,248
Total nonairline revenues	20,438,678	13,907,147
Total operating revenues	31,529,193	24,249,482
Operating Expenses		
Salaries, wages and employee benefits	12,174,604	11,905,923
Professional and contractual services	4,257,444	4,199,410
Buildings and grounds maintenance	730,937	762,641
Equipment repair and maintenance	859,711	752,983
Marketing and public affairs	178,203	89,728
Utilities	1,663,341	1,544,561
Materials and supplies	980,878	733,465
Insurance	560,616	508,683
Other expense	1,268,063	1,054,740
Total operating expenses	22,673,797	21,552,134
Income from Operations Before Depreciation	8,855,396	2,697,348
Depreciation	20,376,862	19,215,867
Operating Loss	(11,521,466)	(16,518,519)

See Notes to Financial Statements

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
Years Ended December 31, 2021 and 2020

	2021	2020
Nonoperating Revenues (Expenses)		
Passenger facility charges	\$ 3,468,152	\$ 1,967,260
Federal operating grants	288,136	356,654
Investment income	288,345	760,084
Loss on disposal of assets	(315,009)	(233,098)
Aviation fuel taxes	307,114	175,601
Other nonoperating income	17,652	536,625
COVID relief grant revenue	11,932,982	11,102,008
Total nonoperating revenues (expenses)	15,987,372	14,665,134
Change in Net Position Before Capital Contributions and Grants	4,465,906	(1,853,385)
Capital Contributions and Grants		
Federal, state and local grants	12,333,996	10,181,107
Contributions from lessees	1,849,090	-
Total capital contributions and grants	14,183,086	10,181,107
Change in Net Position	18,648,992	8,327,722
Net Position, Beginning of Year	410,360,937	402,033,215
Net Position, End of Year	\$ 429,009,929	\$ 410,360,937

See Notes to Financial Statements

Financial Section

STATEMENTS OF CASH FLOWS Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts from providing services	\$ 30,979,984	\$ 24,718,721
Payments to vendors for goods and services	(10,114,388)	(10,239,913)
Payments of salaries, wages and benefits	(12,038,227)	(11,832,787)
Net cash provided by operating activities	8,827,369	2,646,021
Cash Flows from Noncapital Financing Activities		
Operating grants received	288,136	356,654
Aviation fuel taxes	307,114	175,601
COVID relief grants received	12,876,990	9,980,887
Net cash provided by noncapital financing activities	13,472,240	10,513,142
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(14,625,553)	(28,620,722)
Proceeds from sale of capital assets	73,843	-
Receipts from federal and state grants	9,675,143	9,529,962
Receipts from passenger facility charges	3,246,622	2,259,411
Contributions from lessees for construction	-	536,625
Net cash used in capital and related financing activities	(1,629,945)	(16,294,724)
Cash Flows from Investing Activities		
Purchase of investments	(40,290,979)	-
Sale of investments	17,879	-
Interest received	535,489	760,084
Net cash provided by (used in) investing activities	(39,737,611)	760,084
Net Change in Cash	(19,067,947)	(2,375,477)
Cash, Beginning of Year	72,807,646	75,183,123
Cash, End of Year	\$ 53,739,699	\$ 72,807,646
Cash as Presented in the Statements of Net Position:		
Cash - current assets	\$ 41,199,072	\$ 63,073,862
Cash - noncurrent restricted	12,540,627	9,733,784
Total cash, end of year	\$ 53,739,699	\$ 72,807,646

See Notes to Financial Statements

Financial Section

	2021	2020
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$ (11,521,466)	\$ (16,518,519)
Item not requiring cash		
Depreciation expense	20,376,862	19,215,867
Change in assets and liabilities:		
Accounts receivable	(549,209)	469,239
Prepaid expenses	(18,458)	155,420
Accounts payable	403,263	(749,122)
Accrued expenses and other current liabilities	136,377	73,136
Net cash provided by operating activities	\$ 8,827,369	\$ 2,646,021
 Supplemental Cash Flows Information: Noncash Transactions from Capital and Related Financing Activities		
Changes in payables for acquisition and construction of capital assets and improvements	\$ (519,355)	\$ (307,488)
Capital contribution from lessee	\$ 1,849,090	\$ -
Loss on disposal of capital assets	\$ (315,009)	\$ (233,098)

See Notes to Financial Statements

Financial Section

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

December 31, 2021 and 2020

	2021	2020
Assets		
Investments, at fair value		
Cash management funds	\$ 1,136,596	\$ 448,225
Balanced asset allocation funds	17,525,148	14,063,812
Mutual funds - corporate bonds	106,552	143,597
Mutual funds - equity	2,336,283	2,509,031
Total investments, at fair value	21,104,579	17,164,665
Contributions receivable	386,234	369,350
Loans receivable	68,643	64,677
Total assets	\$ 21,559,456	\$ 17,598,692
Net Position Restricted for:		
Pensions	\$ 17,299,872	\$ 14,161,583
Postemployment benefits other than pensions	4,259,584	3,437,109
Total net position	\$ 21,559,456	\$ 17,598,692

See Notes to Financial Statements

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

Years Ended December 31, 2021 and 2020

	2021	2020
Additions		
Employer contributions	\$ 1,051,825	\$ 1,044,181
Employee contributions	887,691	1,067,633
Interest earned on loans	3,583	4,481
Investment income		
Gain on investments	2,286,962	2,104,084
Less investment expense	(114,458)	(49,271)
	2,172,504	2,054,813
Net investment income		
	2,172,504	2,054,813
Total additions	4,115,603	4,171,108
Deductions		
Benefit payments	154,839	774,979
	154,839	774,979
Total deductions	154,839	774,979
Increase in Net Position	3,960,764	3,396,129
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, Beginning of Year	17,598,692	14,202,563
Net Position Restricted for Pensions and Postemployment Benefits Other than Pensions, End of Year	\$ 21,559,456	\$ 17,598,692

See Notes to Financial Statements

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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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

We considered the impact of the COVID-19 pandemic on the assumptions and estimates used and determined there were no material adverse impacts on the financial statements for the years ended December 31, 2021 and 2020.

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.

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 \$3,468,152 and \$1,967,260 for the years ended December 31, 2021 and 2020, respectively.

Customer Facility Charges (Rental Cars)

The Airport imposes a per contract day fee payable by customers, accounted for, and remitted by rental car agencies as established by Resolution. Actual customer facility charge (CFC) revenues received by the Airport in accordance with the requirements of the resolution are used to pay for any legal use including, but not limited to, rental car facility expenses, operating and maintenance costs, facility rent, debt service, operating and maintenance expense reserve, and future costs associated with the rental car facility's capital reserve fund. The \$3.50 CFC became effective December 2009. CFC revenue totaled \$1,853,975 and \$1,350,247 for the years ended December 31, 2021 and 2020, respectively, and is included in operating revenues.

Inventories

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

Rental Income

All leases wherein the Airport is the lessor are accounted for as operating leases. Rental income is generally recognized as it becomes receivable over the respective lease terms. The Airport may, from time to time, have leases that provide for waived rent during the initial period of the lease and/or rental escalations throughout the lease term. In accordance with GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, the related rental income for leases for which the rental income stream is not systematic, if significant, is reported using the straight-line method rather than using the terms of the lease agreements.

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

Capital assets are defined by the Airport as assets with an initial individual cost of more than \$5,000. Capital assets purchased by the Airport are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

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

Compensated Absences

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

Non-exempt 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.

Federal and State Grants

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

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

CARES Act Grants is the *Coronavirus Aid, Relief and Economic Security Act* approved by the United States Congress and signed into law by the President on March 27, 2020. It was a legislative action to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Airport was awarded \$25 million in CARES Act grant funds. The Airport recognized approximately \$10.1 million and \$11.1 million in CARES Act grant revenue for the years ended December 31, 2021 and 2020, respectively.

The Airport Coronavirus Relief Grant Program (ACRPG) is provided in accordance with the *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSA). The purpose of this grant is to prevent, prepare for, and respond to coronavirus, and it must only be used for purposes directly related to the Airport. The Airport was awarded \$4.8 million in CRRSA funds. The Airport recognized \$1.7 million in CRRSA grant revenue during 2021.

The Airport Rescue Grant is provided in accordance with the *American Rescue Plan Act* (ARPA). The purpose of this grant is to prevent, prepare for, and respond to coronavirus, and it must be used only for purposes directly related to the Airport. The Airport was awarded \$10.6 million in ARPA funds and has recognized approximately \$140,000 as revenue as of December 31, 2021.

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, 2021 and 2020, 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 and amortization 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.

Future Accounting Standard

In 2022, the Airport is planning to implement GASB Statement No. 87, *Leases*. This statement provides a new framework for accounting for leases under the principle that leases are financings and lessees should recognize an intangible asset and a corresponding liability while the lessor will recognize a lease receivable and related deferred inflows of resources. The Airport has not yet determined the impact of this standard on their financial statements, however, it could have a material future impact.

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, 2021 and 2020, 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

Cash and investments included in the statements of net position are classified as follows:

	2021	2020
Carrying value		
Deposits	\$ 53,739,699	\$ 72,807,646
Investments	39,970,003	-
	\$ 93,709,702	\$ 72,807,646
 Included in statements of net position		
Current assets- cash	\$ 41,199,072	\$ 63,073,862
Noncurrent assets- restricted cash	12,540,627	9,733,784
Noncurrent assets - investments	39,970,003	-
	\$ 93,709,702	\$ 72,807,646

Restricted Cash

Cash is restricted as follows:

	2021	2020
Noise Land Disposal Fund	\$ 655,500	\$ -
Passenger Facility Charge Fund	11,885,127	9,733,784
	\$ 12,540,627	\$ 9,733,784

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.

There were no investments as of December 31, 2020. At December 31, 2021, the Airport had the following investments and maturities:

Type	December 31, 2021				
	Fair Value	Maturities in years			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury notes	\$ 39,970,003	\$ -	\$ 39,970,003	\$ -	\$ -

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, 2021, 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, 2021, were subject to custodial credit risk.

Fair Market 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

At December 31, 2021, the Airport had \$39,970,003 of 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, 2021 and 2020, consist of:

	2021	2020
Federal Aviation Administration	\$ 5,133,036	\$ 3,135,960
U.S. Department of Homeland Security	31,738	46,317
State Grant	-	250,000
	\$ 5,164,774	\$ 3,432,277

Note 4: Capital Assets

A summary of changes in capital assets for the years ended December 31, 2021 and 2020, is as follows:

	2021				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 68,262,902	\$ 130,973	\$ -	\$ -	\$ 68,393,875
Construction in progress	11,291,309	13,760,885	34,818	(10,279,901)	14,737,475
Total capital assets, not being depreciated	79,554,211	13,891,858	34,818	(10,279,901)	83,131,350
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	299,264,974	1,894,313	222,617	6,047,490	306,984,160
Airport pavement	177,104,107	-	3,423,482	3,322,820	177,003,445
Other improvements	13,015,979	-	-	18,708	13,034,687
	<u>489,385,060</u>	<u>1,894,313</u>	<u>3,646,099</u>	<u>9,389,018</u>	<u>497,022,292</u>
Equipment, furniture and fixtures:					
Furniture, fixtures	2,739,427	-	-	247,358	2,986,785
Equipment	15,003,158	86,984	28,652	-	15,061,490
Rolling stock	2,652,137	-	-	-	2,652,137
Fire trucks	2,372,312	50,381	299,437	-	2,123,256
IT systems	5,363,067	65,312	-	643,525	6,071,904
	<u>28,130,101</u>	<u>202,677</u>	<u>328,089</u>	<u>890,883</u>	<u>28,895,572</u>
Total capital assets, being depreciated	517,515,161	2,096,990	3,974,188	10,279,901	525,917,864
Less accumulated depreciation					
Buildings and improvements	243,984,967	18,249,427	3,258,505	-	258,975,889
Equipment, furniture and fixtures	15,652,996	2,127,435	328,089	-	17,452,342
Total accumulated depreciation	259,637,963	20,376,862	3,586,594	-	276,428,231
Total capital assets, being depreciated, net	257,877,198	(18,279,872)	387,594	10,279,901	249,489,633
Capital assets, net	\$ 337,431,409	\$ (4,388,014)	\$ 422,412	\$ -	\$ 332,620,983

Financial Section

	2020				
	Beginning Balance	Additions	Disposals	Transfers/ Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 68,233,947	\$ 28,955	\$ -	\$ -	\$ 68,262,902
Construction in progress	12,488,565	28,290,288	67,048	(29,420,496)	11,291,309
Total capital assets, not being depreciated	80,722,512	28,319,243	67,048	(29,420,496)	79,554,211
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings, improvements	293,042,116	-	568,706	6,791,564	299,264,974
Airport pavement	157,206,176	-	-	19,897,931	177,104,107
Other improvements	10,514,562	109,143	-	2,392,274	13,015,979
	460,762,854	109,143	568,706	29,081,769	489,385,060
Equipment, furniture and fixtures:					
Furniture, fixtures	2,575,856	-	-	163,571	2,739,427
Equipment	15,082,175	102,783	181,800	-	15,003,158
Rolling stock	2,652,137	-	-	-	2,652,137
Fire trucks	2,171,155	201,157	-	-	2,372,312
IT systems	4,924,979	262,932	-	175,156	5,363,067
	27,406,302	566,872	181,800	338,727	28,130,101
Total capital assets, being depreciated	488,169,156	676,015	750,506	29,420,496	517,515,161
Less accumulated depreciation					
Buildings and improvements	227,146,550	17,174,025	335,608	-	243,984,967
Equipment, furniture and fixtures	13,792,954	2,041,842	181,800	-	15,652,996
Total accumulated depreciation	240,939,504	19,215,867	517,408	-	259,637,963
Total capital assets, being depreciated, net	247,229,652	(18,539,852)	233,098	29,420,496	257,877,198
Capital assets, net	\$ 327,952,164	\$ 9,779,391	\$ 300,146	\$ -	\$ 337,431,409

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 \$25,000. 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 \$1,051,825 and \$1,044,181 for the years ended December 31, 2021 and 2020, respectively.

Note 7: Rental Income from Operating Leases

The Airport leases space in the Airport terminal along with other land and buildings on a fixed fee, as well as a contingent rental basis. Many of the leases provide for a periodic review and adjustment of the rental amounts. Substantially all capital assets are held by the Airport for the purpose of rental or related use.

Minimum future rentals on noncancelable operating leases to be received in each of the next five years and thereafter as of December 31, 2021, are as follows:

2022	\$	5,548,741
2023		5,556,769
2024		5,456,473
2025		5,351,048
2026		4,548,069
Thereafter		50,240,009
	\$	76,701,109

Note 8: Commitments

Capital Improvements

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

At December 31, 2021, the Airport had the following commitments:

	Project Authorization	Expended Through December 31, 2021	Remaining Commitment
Airfield	\$ 26,949,779	\$ 13,865,607	\$ 13,084,172
Terminal	1,575,796	785,260	790,536
Parking and Roadways	107,454	86,608	20,846
Total	\$ 28,633,029	\$ 14,737,475	\$ 13,895,554

Note 9: 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 each of the years ended December 31, 2021 and 2020, the Airport reimbursed the City of Little Rock, Arkansas, for approximately \$2.9 million and \$3.2 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.

Note 10: 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, 2021 and 2020:

	Fiduciary Net Position					
	2021			2020		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
Assets						
Investments – at fair value	\$ 16,955,252	\$ 4,149,327	\$ 21,104,579	\$ 13,833,223	\$ 3,331,442	\$ 17,164,665
Contributions receivable	344,620	41,614	386,234	328,360	40,990	369,350
Loans receivable	-	68,643	68,643	-	64,677	64,677
Total assets	\$ 17,299,872	\$ 4,259,584	\$ 21,559,456	\$ 14,161,583	\$ 3,437,109	\$ 17,598,692
Net Position Restricted for Pensions and Postemployment Benefits Other Than Pensions	\$ 17,299,872	\$ 4,259,584	\$ 21,559,456	\$ 14,161,583	\$ 3,437,109	\$ 17,598,692

Financial Section

Changes in Fiduciary Net Position

	2021			2020		
	401(a) Plan	457(b) Plan	Total	401(a) Plan	457(b) Plan	Total
Additions						
Employer contributions	\$ 1,039,825	\$ 12,000	\$ 1,051,825	\$ 1,044,181	\$ -	\$ 1,044,181
Employee contributions	476,275	411,416	887,691	669,394	398,239	1,067,633
Interest earned on loans	-	3,583	3,583	-	4,481	4,481
Investment income						
Gain on investments	1,835,077	451,885	2,286,962	1,687,124	416,960	2,104,084
Less investment expense	(90,341)	(24,117)	(114,458)	(36,622)	(12,649)	(49,271)
Net investment income	1,744,736	427,768	2,172,504	1,650,502	404,311	2,054,813
Total Additions	3,260,836	854,767	4,115,603	3,364,077	807,031	4,171,108
Deductions						
Benefit payments	122,547	32,292	154,839	707,831	67,148	774,979
Total Deductions	122,547	32,292	154,839	707,831	67,148	774,979
Net Increase in Fiduciary Net Position	3,138,289	822,475	3,960,764	2,656,246	739,883	3,396,129
Net Position - Beginning of the Year	14,161,583	3,437,109	17,598,692	11,505,337	2,697,226	14,202,563
Net Position - End of the Year	\$ 17,299,872	\$ 4,259,584	\$ 21,559,456	\$ 14,161,583	\$ 3,437,109	\$ 17,598,692

Note 11: Fiduciary Funds

Investment Risk

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

Disclosures About Fair Value of Assets and Liabilities

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

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

Financial Section

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021 and 2020:

	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, 2021				
Investments				
Cash Management Funds	\$ 1,136,596	\$ -	\$ 1,136,596	\$ -
Balanced Asset Allocation Fund	17,525,148	-	17,525,148	-
Mutual Funds - Corporate Bonds	106,552	-	106,552	-
Mutual Funds - Equity	2,336,283	-	2,336,283	-
	<u>\$ 21,104,579</u>	<u>\$ -</u>	<u>\$ 21,104,579</u>	<u>\$ -</u>

	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, 2020				
Investments				
Cash Management Funds	\$ 448,225	\$ -	\$ 448,225	\$ -
Balanced Asset Allocation Fund	14,063,812	-	14,063,812	-
Mutual Funds - Corporate Bonds	143,597	-	143,597	-
Mutual Funds - Equity	2,509,031	-	2,509,031	-
	<u>\$ 17,164,665</u>	<u>\$ -</u>	<u>\$ 17,164,665</u>	<u>\$ -</u>

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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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, 2021

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

Financial Trends and Revenue Capacity

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

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Operating Revenues and Ratios	76
Operating Expenses and Ratios	78
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Principal Revenue Customers	81

Debt Capacity

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

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Operating Information

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

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Demographic and Economic Data

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Statistical Section

Net Position by Component

Fiscal Years Ended December 31

	2021	2020	2019	2018	2017
Net Position					
Net investment in capital assets	\$ 330,795,684	\$ 335,085,195	\$ 325,913,438	\$ 329,340,024	\$ 336,033,751
Restricted for:					
Debt service	-	-	-	-	-
PFC eligible capital projects	12,349,829	9,976,856	12,326,417	10,012,038	11,864,719
FAA restriction	655,500	-	-	-	-
Unrestricted	85,208,916	65,298,786	63,793,360	54,177,710	39,215,670
Total net position	\$ 429,009,929	\$ 410,360,837	\$ 402,033,215	\$ 393,529,772	\$ 387,114,140
	2016	2015	2014	2013	2012
Net Position					
Net investment in capital assets	\$ 330,353,169	\$ 322,340,670	\$ 312,867,506	\$ 311,522,353	\$ 260,583,852
Restricted for:					
Debt service	-	-	2,442,039	3,201,793	5,025,266
PFC eligible capital projects	10,193,369	12,740,299	17,737,136	16,789,709	19,131,475
FAA restriction	-	-	-	-	-
Unrestricted	37,411,930	26,430,938	21,647,207	13,509,787	27,841,237
Total net position	\$ 377,958,468	\$ 361,511,907	\$ 354,693,888	\$ 345,023,642	\$ 312,581,830

Source: Airport audited financial statements

Statistical Section

Changes in Net Position

Fiscal Years Ended December 31

	2021	2020	2019	2018	2017
Operating Revenues					
Airline revenues	\$ 11,090,515	\$ 10,342,335	\$ 12,689,259	\$ 11,844,972	\$ 11,436,125
Nonairline revenues	20,438,678	13,907,147	24,033,293	22,590,754	22,345,662
Total operating revenues	31,529,193	24,249,482	36,722,552	34,435,726	33,781,787
Operating Expenses					
Salaries, wages and employee benefits	12,174,604	11,905,923	11,916,715	11,402,192	10,712,645
Services and supplies	5,238,322	4,932,875	5,293,176	5,052,464	5,002,540
Maintenance and repairs	1,590,648	1,515,624	1,618,745	1,574,401	1,425,422
Utilities	1,663,341	1,544,561	1,961,284	1,767,077	1,809,264
Other	2,006,882	1,653,151	2,238,913	2,338,255	2,210,929
Total operating expenses	22,673,797	21,552,134	23,028,833	22,134,389	21,160,800
Operating income before depreciation	8,855,396	2,697,348	13,693,719	12,301,337	12,620,987
Depreciation	20,376,862	19,215,867	18,891,557	18,047,361	19,207,701
Operating income (loss)	(11,521,466)	(16,518,519)	(5,197,838)	(5,746,024)	(6,586,714)
Nonoperating Revenues (Expenses)					
Passenger facility charges	3,468,152	1,967,260	4,388,874	4,197,153	3,929,925
Federal operating grants	288,136	356,654	306,447	309,090	324,014
Investment income	288,345	760,084	1,542,101	1,061,875	547,455
Gain (loss) on disposal of assets	(315,009)	(233,098)	-	(2,234,041)	(110,286)
Paying agent and trustee fees	-	(16,446)	(8,748)	(8,092)	(64,415)
Other nonoperating revenue (expense)	324,766	712,226	440,316	457,231	438,768
COVID relief grant revenue	11,932,982	11,102,008	-	-	-
	15,987,372	14,648,688	6,668,990	3,783,216	5,065,461
Change in Net Position Before Capital Contributions and Grants	4,465,906	(1,869,831)	1,471,152	(1,962,808)	(1,521,253)
Federal, state and local grants	12,333,996	10,181,107	7,023,543	8,370,348	10,145,662
Contributions from lessees	1,849,090	-	-	-	466,848
Change in Net Position	18,648,992	8,311,276	8,494,695	6,407,540	9,091,257
Net Position, Beginning of Year	410,360,937	402,033,215	393,529,772	387,114,140	377,958,468
Net Position, End of Year	<u>\$ 429,009,929</u>	<u>\$ 410,344,491</u>	<u>\$ 402,024,467</u>	<u>\$ 393,521,680</u>	<u>\$ 387,049,725</u>

Source: Airport audited financial statements

Statistical Section

Changes in Net Position (continued)

Fiscal Years Ended December 31

	2016	2015	2014	2013	2012
Operating Revenues					
Airline revenues	\$ 11,015,958	\$ 10,196,487	\$ 9,868,930	\$ 9,514,753	\$ 8,071,457
Nonairline revenues	21,857,051	21,041,282	20,864,474	21,114,137	20,949,826
Total operating revenues	32,873,009	31,237,769	30,733,404	30,628,890	29,021,283
Operating Expenses					
Salaries, wages and employee benefits	10,102,574	11,193,730	10,130,005	9,632,395	8,696,469
Services and supplies	5,080,196	5,027,857	5,125,363	5,434,107	5,123,392
Maintenance and repairs	1,295,490	1,265,116	1,111,564	1,071,833	675,612
Utilities	1,628,694	1,867,845	1,974,685	1,784,159	1,685,278
Other	2,007,947	2,025,745	1,759,892	1,922,201	1,533,490
Total operating expenses	20,114,901	21,380,293	20,101,509	19,844,695	17,714,241
Operating income before depreciation	12,758,108	9,857,476	10,631,895	10,784,195	11,307,042
Depreciation	14,486,130	14,459,027	13,929,312	12,014,349	11,219,709
Operating income (loss)	(1,728,022)	(4,601,551)	(3,297,417)	(1,230,154)	87,333
Nonoperating Revenues (Expenses)					
Passenger facility charges	3,839,384	3,866,346	4,060,772	4,307,994	4,716,821
Federal operating grants	298,595	314,604	358,928	264,963	326,200
Investment income	305,752	270,189	201,345	191,195	150,997
Interest expense	-	(660,768)	(395,560)	(377,462)	(1,213,058)
Gain (loss) on disposal of assets	(2,652)	22,723	11,186	(91,543)	96,268
Paying agent and trustee fees	-	(16,446)	(8,748)	(8,092)	(64,415)
Other nonoperating revenue (expense)	484,741	1,073,170	60,085	2,765,321	(652,590)
COVID relief grant revenue	11,932,982	11,102,008	-	-	-
	16,858,802	15,971,826	4,288,008	7,052,376	3,360,223
Change in Net Position Before Capital Contributions and Grants	15,130,780	11,370,275	990,591	5,822,222	3,447,556
Federal, state and local grants	13,248,763	4,379,192	6,777,321	5,963,917	13,467,228
Contributions from lessees	-	2,170,560	1,902,334	13,117,864	2,918,239
Change in Net Position	28,379,543	17,920,027	9,670,246	24,904,003	19,833,023
Net Position, Beginning of Year	361,511,907	354,693,888	345,023,642	320,119,639	292,748,807
Net Position, End of Year	<u>\$ 389,891,450</u>	<u>\$ 372,613,915</u>	<u>\$ 354,693,888</u>	<u>\$ 345,023,642</u>	<u>\$ 312,581,830</u>

Source: Airport audited financial statements

Note: In 2013, the Airport restated beginning net position for GASB 65 and prior period adjustments totaling \$7,537,809.

Statistical Section

Operating Revenues and Ratios

Fiscal Years Ended December 31

	2021	2020	2019	2018	2017
Airline Revenues					
Airport landing and related fees	\$ 4,872,194	\$ 3,936,904	\$ 6,175,693	\$ 5,607,937	\$ 5,439,811
Terminal building revenues ¹	5,986,211	6,219,928	6,314,216	6,041,660	5,821,189
Facility use fees	232,110	185,503	199,350	195,375	175,125
Total airline revenues	11,090,515	10,342,335	12,689,259	11,844,972	11,436,125
Parking and roadway operations					
Parking fees	7,605,045	4,050,761	10,187,088	9,692,084	9,333,545
Ground transportation	99,803	91,001	216,312	187,586	156,026
	7,704,848	4,141,762	10,403,400	9,879,670	9,489,571
Concession revenues					
Rental car percentage fees	3,500,844	1,935,043	3,715,516	3,598,503	3,585,326
Terminal concession revenues	908,557	626,996	1,251,934	1,284,632	1,247,072
	4,409,401	2,562,039	4,967,450	4,883,135	4,832,398
Building rentals					
Terminal	332,689	241,507	341,714	279,241	266,518
Rental car	838,002	848,275	867,770	807,200	760,858
Other buildings	2,327,270	2,012,200	1,873,264	1,440,524	1,595,770
	3,497,961	3,101,982	3,082,748	2,526,965	2,623,146
Land leases	2,179,330	2,018,748	1,987,271	1,964,327	2,018,024
Other revenues					
Rental car CFC ²	1,853,975	1,350,247	2,525,296	2,417,258	2,454,053
Services sold	286,039	293,450	464,260	417,967	423,487
General aviation activity	458,914	384,671	537,619	442,706	457,810
Other	48,210	54,248	65,249	58,726	47,173
	2,647,138	2,082,616	3,592,424	3,336,657	3,382,523
Total nonairline revenues	20,438,678	13,907,147	24,033,293	22,590,754	22,345,662
Total operating revenues	\$ 31,529,193	\$ 24,249,482	\$ 36,722,552	\$ 34,435,726	\$ 33,781,787
Enplaned passengers	850,422	490,544	1,124,672	1,069,349	1,017,004
Total Operating Revenue per Enplaned Passenger					
Passenger	\$ 37.07	\$ 49.43	\$ 32.65	\$ 32.20	\$ 33.22
Airline Revenue per Enplaned Passenger³	\$ 13.04	\$ 21.08	\$ 10.76	\$ 10.59	\$ 10.69

Source: Airport audited financial statements

Notes:

(1) Effective Dec 2009, Airline revenues changed from a residual to a compensatory rate setting methodology set by Resolution.

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

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

Statistical Section

Operating Revenues and Ratios (continued)

Fiscal Years Ended December 31

	2016	2015	2014	2013	2012
Airline Revenues					
Airport landing and related fees	\$ 5,301,723	\$ 4,992,768	\$ 5,132,689	\$ 5,041,447	\$ 5,244,308
Terminal building revenues ¹	5,546,535	5,028,594	4,592,916	4,327,956	2,602,749
Facility use fees	167,700	175,125	143,325	145,350	224,400
Total airline revenues	<u>11,015,958</u>	<u>10,196,487</u>	<u>9,868,930</u>	<u>9,514,753</u>	<u>8,071,457</u>
Parking and roadway operations					
Parking fees	9,251,248	9,121,334	9,434,927	9,461,106	9,203,938
Ground transportation	130,406	104,137	102,849	94,244	103,745
	<u>9,381,654</u>	<u>9,225,471</u>	<u>9,537,776</u>	<u>9,555,350</u>	<u>9,307,683</u>
Concession revenues					
Rental car percentage fees	3,492,763	3,443,710	3,546,003	3,445,881	3,631,297
Terminal concession revenues	1,255,789	1,182,673	1,248,579	1,168,894	1,345,929
	<u>4,748,552</u>	<u>4,626,383</u>	<u>4,794,582</u>	<u>4,614,775</u>	<u>4,977,226</u>
Building rentals					
Terminal	273,393	253,332	251,286	245,133	240,234
Rental car	650,355	485,363	345,976	232,378	120,633
Other buildings	1,421,106	1,379,083	1,275,791	1,326,108	1,326,457
	<u>2,344,854</u>	<u>2,117,778</u>	<u>1,873,053</u>	<u>1,803,619</u>	<u>1,687,324</u>
Land leases	1,977,060	1,826,476	1,541,500	1,766,950	1,769,942
Other revenues					
Rental car CFC ²	2,479,004	2,469,780	2,419,357	2,489,028	2,562,711
Services sold	413,870	375,275	336,260	330,424	323,652
General aviation activity	453,521	285,027	166,748	151,562	154,916
Other	58,536	115,092	110,091	272,062	166,372
	<u>3,404,931</u>	<u>3,245,174</u>	<u>3,032,456</u>	<u>3,243,076</u>	<u>3,207,651</u>
Total nonairline revenues	<u>21,857,051</u>	<u>21,041,282</u>	<u>20,779,367</u>	<u>20,983,770</u>	<u>20,949,826</u>
Total operating revenues	<u>\$ 32,873,009</u>	<u>\$ 31,237,769</u>	<u>\$ 30,648,297</u>	<u>\$ 30,498,523</u>	<u>\$ 29,021,283</u>
Enplaned passengers	996,897	992,712	1,038,307	1,085,323	1,147,886
Total Operating Revenue per Enplaned Passenger					
Passenger	\$ 32.98	\$ 31.47	\$ 29.52	\$ 28.10	\$ 25.28
Airline Revenue per Enplaned Passenger³	\$ 10.49	\$ 9.72	\$ 9.03	\$ 8.34	\$ 6.63

Source: Airport audited financial statements

Notes:

(1) Effective Dec 2009, Airline revenues changed from a residual to a compensatory rate setting methodology set by Resolution.

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

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

Statistical Section

Operating Expenses and Ratios

Fiscal Years Ended December 31

	2021	2020	2019	2018	2017
Operating Expenses by Type					
Salaries, wages and employee benefits	\$ 12,174,604	\$ 11,905,923	\$ 11,916,715	\$ 11,402,192	\$ 10,712,645
Professional and contractual services	4,257,444	4,199,410	4,418,158	4,203,242	4,206,153
Buildings and grounds maintenance	730,937	762,641	820,777	764,308	611,867
Equipment repair and maintenance	859,711	752,983	797,968	810,093	813,555
Marketing and public affairs	178,203	89,728	278,905	323,770	238,970
Utilities	1,663,341	1,544,561	1,961,284	1,767,077	1,809,264
Materials and supplies	980,878	733,465	875,018	849,222	796,387
Insurance	560,616	508,683	456,095	414,173	383,148
Other	1,268,063	1,054,740	1,503,913	1,600,312	1,588,811
Total Operating Expenses by Type	\$ 22,673,797	\$ 21,552,134	\$ 23,028,833	\$ 22,134,389	\$ 21,160,800
Operating Expenses by Cost Center					
Administration	\$ 5,616,795	\$ 5,410,884	\$ 5,609,489	\$ 5,746,555	\$ 5,472,418
Airfield	6,500,809	6,190,231	6,413,105	6,155,830	5,874,759
Terminal	7,728,543	7,202,551	7,879,435	7,532,522	7,329,339
Parking	1,542,393	1,366,772	1,764,878	1,642,797	1,511,713
Shuttle	327,941	331,292	308,418	242,695	279,625
Rental car	112,801	78,030	98,132	102,213	98,788
Commercial/industrial	844,515	972,414	955,376	711,777	594,158
Total Operating Expenses by Cost Center	\$ 22,673,797	\$ 21,552,174	\$ 23,028,833	\$ 22,134,389	\$ 21,160,800
Enplaned passengers	850,422	490,544	1,124,672	1,069,349	1,017,004
Total Operating Expense per Enplaned Passenger	\$ 26.66	\$ 43.94	\$ 20.48	\$ 20.70	\$ 20.81

Source: Airport audited financial statements

Operating Expenses and Ratios (continued)

Fiscal Years Ended December 31

	2016	2015	2014	2013	2012
Operating Expenses by Type					
Salaries, wages and employee benefits	\$ 10,102,574	\$ 11,193,730	\$ 10,130,005	\$ 9,632,395	\$ 8,696,469
Professional and contractual services	4,149,740	4,188,836	4,265,209	4,493,246	4,289,498
Buildings and grounds maintenance	540,426	523,859	359,459	303,231	284,283
Equipment repair and maintenance	755,062	741,257	752,105	768,602	385,180
Marketing and public affairs	263,555	246,543	112,667	324,732	205,583
Utilities	1,628,694	1,867,845	1,974,685	1,784,159	1,685,278
Materials and supplies	930,456	839,021	860,154	940,861	833,903
Insurance	378,775	378,709	371,617	364,230	363,203
Other	1,365,617	1,400,493	1,275,608	1,233,239	970,854
Total Operating Expenses by Type	\$ 20,114,899	\$ 21,380,293	\$ 20,101,509	\$ 19,844,695	\$ 17,714,251
Operating Expenses by Cost Center					
Administration	\$ 5,199,659	\$ 5,312,377	\$ 4,880,682	\$ 5,118,962	\$ 4,231,225
Airfield	5,581,946	6,175,519	5,533,395	5,552,164	5,175,507
Terminal	6,964,024	7,405,937	7,126,578	6,968,891	6,379,287
Parking	1,436,366	1,432,751	1,415,008	1,498,203	1,479,152
Shuttle	265,688	251,376	292,283	229,145	212,817
Rental car	93,864	103,771	99,842	7,499	4,170
Commercial/industrial	573,352	698,562	753,721	469,831	232,093
Total Operating Expenses by Cost Center	\$ 20,114,899	\$ 21,380,293	\$ 20,101,509	\$ 19,844,695	\$ 17,714,251
Enplaned passengers	996,897	992,712	1,038,307	1,085,323	1,147,886
Total Operating Expense per Enplaned Passenger	\$ 20.18	\$ 21.54	\$ 19.36	\$ 18.28	\$ 15.43

Source: Airport audited financial statements

Statistical Section

Airport Rates, Charges and Fees

Fiscal Years Ended December 31

Airline Rates and Charges

	2021	2020	2019	2018	2017
Landing fee rate (per 1,000 lbs)	\$ 4.26	\$ 4.26	\$ 4.21	\$ 4.17	\$ 4.12
Terminal building rental rate (per sq. ft.)	44.00	44.00	42.50	41.07	38.90
Gate fee (per turn)	94.00	94.00	89.45	88.64	81.45
Jet bridge fee (per turn) old/new	72.00/40	72.00/40	68.50/40.00	68.50/40.00	68.50/40.00
Aircraft ramp fee	1,590.00	1,590.00	1,500.00	1,500.00	1,500.00
Remain overnight (RON) fee	80.00	80.00	75.00	75.00	75.00

	2016	2015	2014	2013	2012
Landing fee rate (per 1,000 lbs)	\$ 4.05	\$ 3.90	\$ 3.65	\$ 3.39	\$ 3.39
Terminal building rental rate (per sq. ft.)	38.20	34.18	31.25	30.34	24.74
Gate fee (per turn)	81.45	77.90	79.15	75.00	75.00
Jet bridge fee (per turn)	68.50/40.00	68.50	68.50	25.00	25.00
Aircraft ramp fee	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Remain overnight (RON) fee	75.00	75.00	75.00	50.00	50.00

Source: Airport Management Records

Parking Fees (Daily Maximum)

	2021	2020	2019	2018	2017
Parking deck	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
Short-term lots (east and west)	13.00	13.00	13.00	13.00	13.00
Long-term lot (south)	10.00	10.00	10.00	10.00	10.00
Economy lot	8.00	8.00	8.00	8.00	8.00

	2016	2015	2014	2013	2012
Parking deck	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
Short-term lots (east and west)	13.00	13.00	13.00	13.00	13.00
Long-term lot (south)	10.00	10.00	10.00	10.00	10.00
Economy lot	8.00	8.00	8.00	8.00	8.00

Source: Airport Management Records

Principal Revenue Customers
Fiscal Years Ended December 31

Customer	2021	2020	2019	2018	2017	2016	2015	2014	2013	2021 % of Total Operating Revenue
American Airlines	\$ 4,454,582	\$ 3,513,231	\$ 4,389,626	\$ 3,763,816	\$ 4,043,780	\$ 3,100,856	\$ 1,917,452	\$ 2,220,477	\$ 1,743,461	14.1%
EAN Holdings	2,944,819	2,020,889	2,968,858	2,865,338	2,919,606	2,684,664	2,588,678	2,323,779	2,053,107	9.3%
Delta Air Lines	2,399,090	2,045,252	3,100,524	3,078,256	2,959,808	2,978,335	2,615,258	2,295,570	2,010,143	7.6%
Avis Budget Group	1,897,829	1,000,178	1,936,642	1,928,014	1,888,945	1,941,844	1,935,365	1,946,751	1,750,480	6.0%
Southwest Airlines	1,827,914	2,257,880	2,693,484	2,730,294	2,690,844	2,610,712	2,499,549	2,770,732	2,652,278	5.8%
United Air Lines	1,603,423	1,533,519	2,056,512	2,019,404	1,751,882	1,810,882	1,670,826	1,484,287	1,180,416	5.1%
TAC Air	1,481,425	1,397,939	1,476,410	1,370,861	1,352,583	1,257,119	1,138,587	-	-	4.7%
Dassault Falcon Jet	1,451,684	1,853,638	1,427,468	1,339,770	1,309,958	1,385,652	1,503,297	1,317,710	817,894	4.6%
Carco Carriage (Hertz)	1,269,940	874,987	1,476,410	1,306,766	1,281,825	1,208,413	1,160,010	1,245,049	1,036,287	4.0%
United Parcel Service	744,299	752,811	-	-	-	-	-	-	-	2.4%
HMS Host Inc.	-	-	798,352	905,978	1,161,466	1,147,012	1,112,955	1,142,464	993,305	0.0%
Central Flying Service	-	-	-	-	-	-	-	724,910	599,539	0.0%
	\$ 20,075,005	\$ 17,250,324	\$ 22,324,286	\$ 21,308,497	\$ 21,360,697	\$ 20,125,489	\$ 18,141,977	\$ 17,471,729	\$ 14,836,910	63.7%

Information prior to 2013 is not available.

Source: Airport Management Records

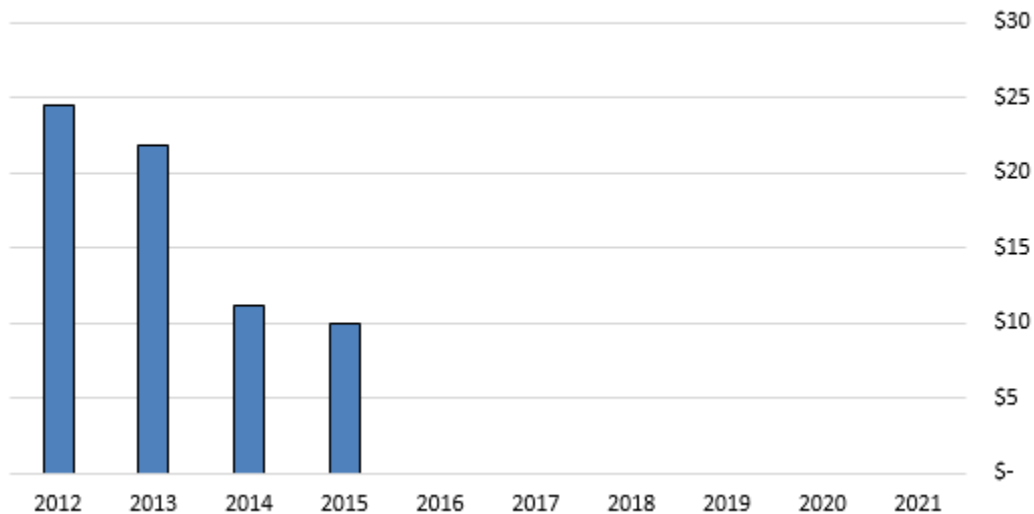
Outstanding Debt by Type and Debt Ratios

Fiscal Years Ended December 31
(in thousands)

	2021	2020	2019	2018	2017
Outstanding Debt per Series					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003	-	-	-	-	-
Series 2007A	-	-	-	-	-
Series 2007B	-	-	-	-	-
Unamortized (discount)/premium	-	-	-	-	-
Total Outstanding Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Total enplaned passengers	850	491	1,125	1,069	1,017
Outstanding Debt/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service/Enplaned Passenger	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Airport audited financial statements

Outstanding Debt (in millions)



Outstanding Debt by Type and Debt Ratios (continued)

Fiscal Years Ended December 31
(in thousands)

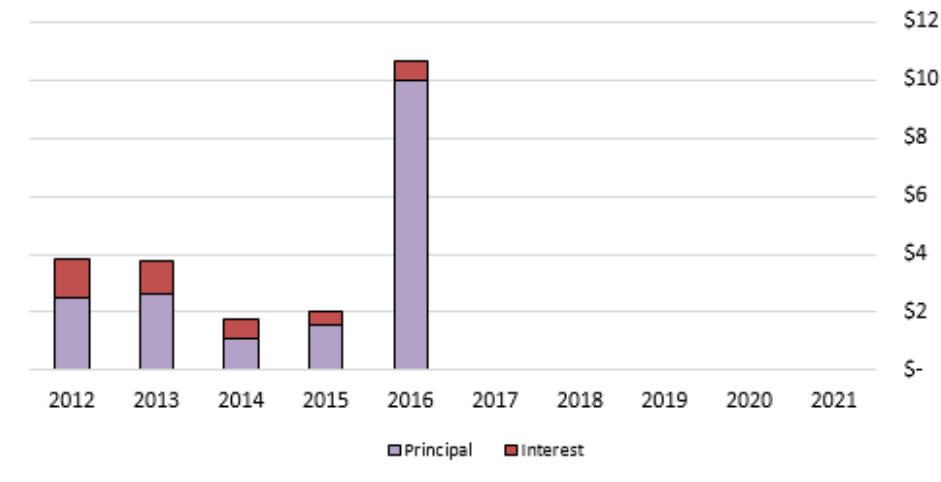
	2016	2015 ²	2014	2013 ¹	2012
Outstanding Debt per Series					
Series 1999A	\$ -	\$ -	\$ -	\$ -	\$ 9,670
Series 2003	-	-	385	1,105	1,795
Series 2007A	-	-	3,600	3,600	3,600
Series 2007B	-	-	5,975	6,415	6,835
Unamortized (discount)/premium	-	-	64	112	(17)
Total Outstanding Debt	\$ -	\$ -	\$ 10,024	\$ 11,232	\$ 21,883
Annual Debt Service					
Principal	\$ -	\$ 10,024	\$ 1,565	\$ 1,110	\$ 2,615
Interest	-	661	452	673	1,179
Total debt service	\$ -	\$ 10,685	\$ 2,017	\$ 1,783	\$ 3,794
Total enplaned passengers	997	993	1,038	1,085	1,148
Outstanding Debt/Enplaned Passenger	\$ -	\$ -	\$ 9.66	\$ 10.35	\$ 19.06
Debt Service/Enplaned Passenger	\$ -	\$ 10.76	\$ 1.94	\$ 1.64	\$ 3.30
Outstanding Debt/Personal Income (Metro)	\$ -	\$ -	\$ 251.32	\$ 276.53	\$ 566.89
Outstanding Debt/Per Capita (Metro)	\$ -	\$ -	\$ 13.84	\$ 15.65	\$ 32.15

Source: Airport audited financial statements

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

(2) Series 2007 Bonds were defeased December 2015 upon first call.

Annual Debt Service (in millions)



Revenue Bonds Debt Service Coverage

Fiscal Years Ended December 31

	2021	2020	2019	2018	2017
Net Revenues					
Operating revenues	\$ 31,529,193	\$ 24,249,482	\$ 36,722,552	\$ 34,435,726	\$ 33,781,787
Less: operating expenses	(22,673,797)	(21,552,134)	(23,028,833)	(22,134,389)	(21,160,800)
Plus: interest income	288,345	760,084	1,542,101	1,061,875	547,455
Net Revenues	<u>\$ 9,143,741</u>	<u>\$ 3,457,432</u>	<u>\$ 15,235,820</u>	<u>\$ 13,363,212</u>	<u>\$ 13,168,442</u>
Annual Debt Service					
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total annual debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Coverage					
Revenue bond debt service coverage	-	-	-	-	-
Debt service coverage requirement	-	-	-	-	1.25
	2016	2015²	2014	2013¹	2012
Net Revenues					
Operating revenues	\$ 32,873,009	\$ 31,237,770	\$ 30,648,296	\$ 30,628,890	\$ 29,021,283
Less: operating expenses	(20,114,901)	(21,380,293)	(20,101,509)	(19,844,695)	(17,714,241)
Plus: interest income	305,752	270,189	201,345	191,195	150,997
Net Revenues	<u>\$ 13,063,860</u>	<u>\$ 10,127,666</u>	<u>\$ 10,748,132</u>	<u>\$ 10,975,390</u>	<u>\$ 11,458,039</u>
Annual Debt Service					
Principal	\$ -	\$ 10,023,739	\$ 1,565,000	\$ 1,110,000	\$ 2,615,000
Interest	-	660,768	452,118	673,174	1,179,060
Total annual debt service	<u>\$ -</u>	<u>\$ 10,684,507</u>	<u>\$ 2,017,118</u>	<u>\$ 1,783,174</u>	<u>\$ 3,794,060</u>
Debt Service Coverage					
Revenue bond debt service coverage	-	N/A	5.33	6.15	3.02
Debt service coverage requirement	1.25	1.25	1.25	1.25	1.25

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

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

Passenger Airline Daily Flights
Fiscal Years Ended December 31

Airline	Gate	Destination	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
Allegiant Air	Gates 6 or 12	Orlando, FL (SFB)	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-	
		Los Angeles, CA (LAX)	-	-	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-
		Destin, FL (VPS)	-	-	0.3	-	-	-	-	-	-	-	-
American Airlines	Gates 1, 3 & 5	St. Petersburg, FL (PIE)	0.3	-	-	-	-	-	-	-	-	-	
		Dallas, TX (DFW)	7.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	
		Chicago, IL (ORD)	2.0	1.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
		Charlotte, NC (CLT)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-	-	-
		New York (LGA)	-	-	-	-	-	-	-	-	1.0	-	-
		Washington, D.C. (DCA)	1.0	-	2.0	2.0	-	-	-	-	-	-	-
United Airlines	Gates 7, 8 & 12	Phoenix, AZ (PHX)	0.1	0.1	-	-	-	-	-	-	-	-	
		Miami, FL (MIA)	3.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	1.0	
		Denver, CO (DEN)	2.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	
		Chicago, IL (ORD)	3.0	3.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
		Houston, TX (IAH)	5.0	5.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	
		Atlanta, GA (ATL)	-	-	-	-	-	-	-	-	-	-	-
Delta Air Lines	Gates 2 & 4	Memphis, TN (MEM)	-	-	-	-	-	-	-	-	-	-	
		Detroit, MI (DTW)	0.4	0.4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
		Denver, CO (DEN)	0.3	0.4	4.0	4.0	-	-	-	-	-	0.4	
		Orlando, FL (MCO)	0.4	-	0.1	0.1	-	-	-	-	-	-	
Frontier Airlines	Gate 6	Las Vegas, NV (LAS)	-	-	-	-	-	-	-	-	-	-	
		New Orleans, LA (MSY)	-	-	-	-	-	-	2.0	2.0	-	-	
Southwest Airlines	Gates 10, 11 & 12	Destin, FL (VPS)	-	-	-	-	-	-	-	-	-	-	
		Dallas, TX (DAL)	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0	
		Chicago, IL (MDW)	-	-	-	-	-	-	1.0	1.0	1.0	1.0	
		Phoenix, AZ (PHX)	1.0	0.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
		Houston, TX (HOU)	-	-	-	-	-	-	-	-	-	-	
		Baltimore, MD (BWI)	-	-	-	-	-	-	-	-	-	-	
		Las Vegas, NV (LAS)	0.3	0.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
		Saint Louis, MO (STL)	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
		Denver, CO (DEN)	1.0	1.0	-	-	-	-	-	-	-	-	
		Atlanta, GA (ATL)	1.0	-	-	-	-	-	-	-	-	-	
US Airways	Gates 5 & 8	Charlotte, NC (CLT)	-	-	-	-	-	-	-	-	-	-	
		Washington, DC (DCA)	-	-	-	-	-	-	-	-	3.0	3.0	
Via Airlines	Gate 6	Austin, TX (AUS)	-	-	-	-	-	-	-	-	-	-	
		Destin, FL (DSI)	-	-	0.3	-	-	-	-	-	-	-	
Vision Airlines	Gate	Destin, FL (DSI)	-	-	-	-	-	-	-	-	-	-	
Total Daily Departures			34.1	25.1	47.7	47.8	41.4	44.5	43.4	41.3	44.7	43.8	

Source: Airport flight data from Passur (2013-2014); U.S. Department of Transportation, Bureau of Transportation Statistics (2009-2012)

Airport Operations
Fiscal Years Ended December 31

Destination	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Air Carrier	21,107	16,292	24,981	23,284	21,620	20,208	20,341	20,146	19,183	20,942
Air Taxi	11,762	9,143	13,867	12,912	12,633	15,148	14,272	16,905	21,606	25,030
General Aviation	33,375	28,211	34,460	37,022	38,657	46,517	49,770	43,913	43,304	46,027
Military	15,986	10,002	12,661	23,396	21,199	19,342	14,656	9,470	12,571	17,662
	<u>82,230</u>	<u>63,648</u>	<u>85,969</u>	<u>96,614</u>	<u>94,109</u>	<u>101,215</u>	<u>99,039</u>	<u>90,434</u>	<u>96,664</u>	<u>109,661</u>

Source: FFA Air Traffic Reports

Statistical Section

Airline Landed Weight Trend

Fiscal Years Ended December 31

(lbs. in thousands)

	2021	2020	2019	2018	2017
Passenger Airlines					
Allegiant	25,190	19,231	22,408	17,791	17,510
American	394,259	257,703	452,431	381,594	353,792
Continental	-	-	-	-	-
Delta	219,396	151,882	322,612	324,892	312,024
Frontier	35,520	16,866	27,613	22,852	-
GLO Airlines	-	-	-	-	9,918
Southwest	244,494	206,144	304,724	309,990	310,625
United	127,686	115,440	211,759	198,129	170,796
US Airways	-	-	-	-	-
Via	-	-	1,319	6,950	-
Vision	-	-	-	-	-
Charter	2,634	2,048	4,325	3,486	3,510
	<u>1,049,179</u>	<u>769,314</u>	<u>1,347,191</u>	<u>1,265,684</u>	<u>1,178,175</u>
Cargo Airlines					
UPS	152,540	162,933	136,477	122,243	135,585
	<u>152,540</u>	<u>162,933</u>	<u>136,477</u>	<u>122,243</u>	<u>135,585</u>
Total Landed Weights	<u>1,201,719</u>	<u>932,247</u>	<u>1,483,668</u>	<u>1,387,927</u>	<u>1,313,760</u>
	2016	2015	2014	2013	2012
Passenger Airlines					
Allegiant	13,980	15,375	12,512	8,669	-
American	341,037	276,207	310,988	278,309	268,929
Continental	-	-	-	-	38,550
Delta	318,579	298,884	289,556	302,377	291,676
Frontier	-	-	23,047	29,461	46,436
GLO Airlines	19,401	1,610	-	-	-
Southwest	308,462	322,356	410,011	469,900	522,458
United	172,914	168,735	160,126	168,493	151,541
US Airways	-	54,521	82,903	95,171	104,672
Via	-	-	-	-	-
Vision	-	-	242	600	242
Charter	3,585	2,262	1,160	774	-
	<u>1,177,958</u>	<u>1,139,950</u>	<u>1,290,545</u>	<u>1,353,754</u>	<u>1,424,504</u>
Cargo Airlines					
UPS	137,282	135,529	134,957	135,167	134,333
	<u>137,282</u>	<u>135,529</u>	<u>134,957</u>	<u>135,167</u>	<u>134,333</u>
Total Landed Weights	<u>1,315,240</u>	<u>1,275,479</u>	<u>1,425,502</u>	<u>1,488,921</u>	<u>1,558,837</u>

Source: Monthly Airline Activity Reports

Statistical Section

Enplaned Passenger Data

Fiscal Years Ended December 31

Destination	2021	2020	2019	2018	2017
Allegiant Air	21,340	12,023	22,432	18,079	18,101
American Airlines	31,057	-	33,306	2,839	36
American Eagle	211,010	117,655	233,868	228,736	211,686
Express Jet - American	-	-	-	2,718	2,411
Skywest - American	4,882	1,966	6,784	-	-
Mesa	1,952	-	6,718	1,104	9,710
Pacific Southwest (PSA)	55,689	63,616	78,894	66,351	65,434
Republic	8,353	-	-	-	-
Continental Express	-	-	-	-	-
Colgan Air	-	-	-	-	-
Delta Airline	155,777	75,147	264,791	262,757	250,381
Atlantic Southwest	-	-	-	-	-
Chautauqua	-	-	-	-	-
ComAir	-	-	-	-	-
Compass	-	-	-	-	-
GO Jet	-	-	-	-	1,016
Express Jet - Delta	-	-	-	714	15,405
Endeavor/Pinnacle	25,086	16,227	4,091	1,954	3,880
Shuttle America	-	-	-	-	-
Skywest - Delta	-	233	12,327	13,834	1,067
Republic - Delta	-	-	-	179	133
Frontier	32,018	13,717	28,492	23,283	-
GLO Airlines	-	-	-	-	4,335
Southwest Airlines	193,048	111,510	250,503	269,335	274,424
Air Wisconsin - United	2,321	3,715	20,655	19,680	-
CommutAir - United	52,788	2,742	-	-	-
Express Jet - United	-	17,906	51,864	53,862	77,929
GoJet - United	11,456	8,078	-	-	-
Mesa-United	12,327	7,364	28,956	37,048	16,724
Republic - United	7,203	4,576	9,913	13,738	-
Skywest - United	22,981	30,344	50,964	30,697	41,304
Trans States - United	-	3,127	17,881	18,838	21,758
US Airways	-	-	-	-	-
Mesa - US Airways	-	-	-	-	-
Air Wisconsin	-	-	-	-	-
Pacific Southwest (PSA)	-	-	-	-	-
Republic	-	-	-	-	-
Via	-	-	581	2,288	-
Charters	1,134	598	1,652	1,315	1,270
Total Enplanements	850,422	490,544	1,124,672	1,069,349	1,017,004

Source: Monthly Airline Activity Reports

Statistical Section

Enplaned Passenger Data (continued)

Fiscal Years Ended December 31

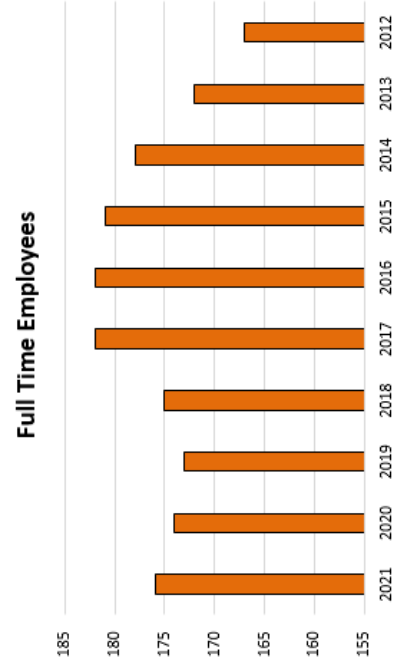
Destination	2016	2015	2014	2013	2012
Allegiant Air	13,917	15,405	12,719	7,965	229
American Airlines	2,621	1,914	114,238	112,751	118,973
American Eagle	204,662	135,124	128,729	120,474	111,450
Express Jet - American	-	-	-	-	-
Skywest - American	-	-	-	-	-
Mesa	10,711	84,598	1,890	-	-
Pacific Southwest (PSA)	63,556	16,388	-	-	-
Republic	-	64	1,418	-	-
Continental Express	-	-	-	-	7,063
Colgan Air	-	-	-	-	26,599
Delta Airline	252,874	248,331	221,887	195,023	113,712
Atlantic Southwest	-	-	-	20,612	72,000
Chautauqua	-	-	-	50	39
ComAir	-	-	-	-	2,128
Compass	-	-	260	-	-
GO Jet	-	-	-	-	367
Express Jet - Delta	15,116	16,787	17,544	25,823	36,227
Endeavor/Pinnacle	2,108	749	2,130	836	24,741
Shuttle America	181	258	35	130	-
Skywest - Delta	1,501	138	-	8	-
Republic - Delta	-	-	-	-	-
Frontier	-	-	20,363	26,139	39,339
GLO Airlines	7,586	338	-	-	-
Southwest Airlines	262,202	265,453	293,489	335,854	369,290
Air Wisconsin - United	-	-	-	-	-
CommutAir - United	-	-	-	-	-
Express Jet - United	94,946	108,149	119,030	134,380	135,772
GoJet - United	-	-	-	-	-
Mesa-United	9,712	-	-	-	-
Republic - United	64	47	-	-	-
Skywest - United	41,156	47,946	33,666	28,191	10,371
Trans States - United	12,529	2,956	-	-	-
US Airways	-	-	-	76,490	-
Mesa	-	-	41,787	-	27,254
Air Wisconsin	-	-	1,091	-	7
Pacific Southwest (PSA)	-	47,462	23,841	-	31,180
Republic	-	-	3,531	-	21,144
Via	-	-	-	-	-
Charters	1,455	605	731	597	-
Total Enplanements	996,897	992,712	1,038,379	1,085,323	1,147,885

Source: Monthly Airline Activity Reports

Employee Trend
Fiscal Years Ended December 31

Department	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
101 Executive Office	2	2	2	2	2	2	2	2	2	2
102 Administration	3	3	3	3	3	3	3	3	3	3
103 Human Resources	4	4	4	4	5	5	5	4	4	4
104 Customer Service	8	8	8	8	9	9	7	5	4	4
105 Finance	8	8	7	9	10	10	10	10	10	9
106 Procurement	6	5	5	5	5	5	5	5	5	5
107 Properties	2	1	1	1	2	2	2	2	1	1
108 Planning & Development	4	4	5	6	6	6	5	4	6	5
109 Government & Public Relations	1	1	1	1	1	1	1	2	2	2
110 Air Service Development	1	1	1	1	1	1	1	1	1	1
201 Airside Operations	19	19	19	18	18	18	17	16	17	16
202 Landside Operations	28	28	28	28	31	31	34	36	27	26
301 Airfield Maintenance	17	17	17	17	18	18	18	18	18	18
302 Terminal Maintenance	59	56	56	56	56	56	56	53	56	55
303 Information Systems	8	11	10	10	9	9	9	9	9	9
304 Commercial Facilities	2	2	2	2	2	2	2	2	2	2
305 Fleet Maintenance	4	4	4	4	4	4	4	4	4	3
Total	176	174	173	175	182	182	181	178	172	165

Source: Approved Positions, Kronos Payroll System



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

	2021	2020	2019	2018	2017
Land	\$ 68,394	\$ 68,263	\$ 68,234	\$ 67,669	\$ 67,558
Construction work in progress	14,737	11,291	12,489	5,089	13,106
Capital assets not depreciated	83,131	79,554	80,723	72,758	80,664
Buildings and improvements	320,019	312,281	303,556	300,477	290,865
Equipment	28,896	28,130	27,406	26,181	23,641
Infrastructure	177,003	177,104	157,206	153,864	149,138
Capital assets depreciated	525,918	517,515	488,168	480,522	463,644
Less: accumulated depreciation	(276,428)	(259,638)	(240,939)	(222,083)	(206,317)
Net Capital Assets	\$ 332,621	\$ 337,431	\$ 327,952	\$ 331,197	\$ 337,991

	2016	2015	2014	2013	2012
Land	\$ 67,409	\$ 66,183	\$ 63,988	\$ 61,795	\$ 63,363
Construction work in progress	20,388	9,237	9,290	15,137	85,833
Capital assets not depreciated	87,797	75,420	73,278	76,932	149,196
Buildings and improvements	292,967	364,978	359,419	343,829	271,360
Equipment	19,550	20,593	19,850	19,337	12,792
Infrastructure	127,509	38,174	33,330	32,980	3,687
Capital assets depreciated	440,026	423,745	412,599	396,146	287,839
Less: accumulated depreciation	(194,031)	(175,081)	(160,818)	(147,202)	(135,542)
Net Capital Assets	\$ 333,792	\$ 324,084	\$ 325,059	\$ 325,876	\$ 301,493

	2021	2020
Number of commercial runways	2	2
Number of commercial gates	12	12
Covered parking spaces (public)	851	851
Airport land area (approximately)	2,200	2,200 acres

Source: Airport financial records

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

Ten-Year History (at January 1)

Year	U.S.	State	Metro
2021	332,402,978	3,025,891	746,564
2020	332,084,796	3,011,524	742,384
2019	329,131,338	3,017,804	741,104
2018	328,226,532	3,013,825	738,344
2017	326,965,105	3,004,279	734,622
2016	323,127,513	2,988,248	731,612
2015	321,418,820	2,978,204	729,135
2014	318,857,056	2,959,373	724,335
2013	316,497,531	2,949,828	717,703
2012	314,112,078	2,938,506	710,759

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
2021	392,980	126,919	18,449	10,327	73,921	123,968	746,564
2020	391,911	126,007	18,265	10,455	73,309	122,437	742,384
2019	392,680	124,806	18,188	10,352	73,657	121,421	741,104
2018	393,956	123,654	18,165	10,348	72,898	119,323	738,344
2017	393,250	122,227	18,082	10,132	72,228	118,703	734,622
2016	392,664	121,552	18,102	10,189	71,645	117,460	731,612
2015	392,702	120,768	18,144	10,245	71,557	115,719	729,135
2014	391,536	119,390	18,046	10,344	70,834	114,185	724,335
2013	389,058	118,529	18,035	10,326	70,087	111,668	717,703
2012	386,862	116,293	17,957	10,386	69,410	109,851	710,759

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
2021	\$ 59,510	\$ 47,235	\$ 49,837
2020	56,490	44,629	46,560
2019	54,446	43,233	45,512
2018	51,640	41,046	42,582
2017	49,246	39,722	41,062
2016	48,112	38,252	40,925
2015	46,049	37,782	39,880
2014	44,438	36,529	40,619
2013	44,266	36,291	38,602
2012	42,453	33,961	36,896

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
2021	\$ 55,563	\$ 45,692	\$ 43,537	\$ 41,943	\$ 38,404	\$ 41,674	\$ 49,837
2020	51,927	42,688	40,749	38,949	36,248	39,087	46,560
2019	51,185	41,397	38,764	37,598	34,877	38,201	45,512
2018	48,838	40,232	37,686	35,918	33,750	36,975	42,582
2017	47,834	38,282	36,742	35,159	32,773	35,588	41,062
2016	45,862	37,360	35,413	34,235	31,935	34,323	40,925
2015	46,349	35,076	34,897	33,350	31,679	33,876	39,880
2014	45,080	35,196	34,506	32,344	30,813	32,870	40,619
2013	46,593	34,956	33,908	32,391	30,576	32,722	38,602
2012	43,719	33,849	32,739	31,419	29,763	31,756	36,896

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
2021	5.3%	4.0%	4.2%
2020	8.1%	6.1%	6.4%
2019	3.7%	3.5%	3.2%
2018	3.9%	3.7%	3.3%
2017	4.9%	3.9%	3.5%
2016	5.3%	5.1%	4.7%
2015	6.2%	6.1%	5.5%
2014	7.4%	7.5%	6.8%
2013	8.1%	7.5%	6.7%
2012	8.9%	8.0%	7.0%

Source: State of Arkansas: Department of Workforce Services

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

Ten-Year History (at January 1)

Year	U.S.	State	Metro
2021	5.3%	4.0%	4.2%
2020	8.1%	6.1%	6.4%
2019	3.7%	3.5%	3.2%
2018	3.9%	3.7%	3.3%
2017	4.9%	3.9%	3.5%
2016	5.3%	5.1%	4.7%
2015	6.2%	6.1%	5.5%
2014	7.4%	7.5%	6.8%
2013	8.1%	7.5%	6.7%
2012	8.9%	8.0%	7.0%

Source: State of Arkansas: Department of Workforce Services

Little Rock
Principal Employers

Employer	2021		2012	
	Rank	Employees	Rank	Employees
State of Arkansas	1	35,200	1	32,200
Local Government	2	26,500	2	28,800
Federal Government	3	10,200	3	9,200
University of Arkansas for Medical Sciences	4	9,700	4	8,500
Baptist Health	5	7,340	5	7,000
Little Rock Air Force Base	6	4,500	6	4,500
Arkansas Children's Hospital	7	4,370	*	-
Central Arkansas Veterans Health Care	8	4,000	9	3,500
Little Rock School District	9	3,970	8	3,511
CHI St. Vincent	10	3,000	*	-
Acxiom			7	4,388
Entergy Arkansas			10	2,738
		108,780		104,337

Source: Little Rock Chamber of Commerce

* - Data not available for 2012

Little Rock
Demographic and Economic Statistics

Calendar Year	Population ¹	Personal Income ²	Per Capita Personal Income	Unemployment Percentage Rate
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	31,883	3.5%
2015	193,524	5,632,516,020	29,105	4.8%
2014	193,524	5,686,122,168	29,382	5.9%
2013	193,524	5,448,087,648	28,152	6.7%
2012	193,524	5,350,164,504	27,646	6.8%

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

Source: 2021 Population and Per Capita Personal Income,
<https://www.census.gov/quickfacts/fact/table/LittleRockCityArkansas/PST045221>

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

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



COMPLIANCE SECTION



BILL AND HILLARY
CLINTON
NATIONAL AIRPORT

COMPLIANCE SECTION CONTENTS:

Independent Auditor's Single Audit Reports

Independent Auditor's Passenger Facility Charge Compliance Report

Compliance Section

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation – Federal Aviation Administration/ Airport Improvement Program	20.106	03-05-0035-84	\$ 62,869
	20.106	03-05-0035-89	10,996
	20.106	03-05-0035-93	305
	20.106	03-05-0035-94	2,609
	20.106	03-05-0035-95	1,750,329
	20.106	03-05-0035-97	2,828,602
	20.106	03-05-0035-98	6,519,999
	20.106	03-05-0035-99	<u>772,684</u>
			11,948,393
U.S. Department of Transportation – Federal Aviation Administration/ COVID-19 Airport Improvement Program	20.106	03-05-0035-96	10,054,380
	20.106	03-05-0035-100	1,617,390
	20.106	03-05-0035-101	121,038
	20.106	03-05-0035-103	<u>140,174</u>
			11,932,982
		Total Airport Improvement Program	<u>\$ 23,881,375</u>

Notes to Schedule:

1. 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, 2021. 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, results of its operations, changes in net position or cash flows of the Airport.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Airport has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
3. The Airport provided no federal awards to subrecipients, nor were any awards received as a subrecipient.



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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, the financial statements of business-type activities and the fiduciary activities of Little Rock Municipal Airport Commission, d/b/a Bill and Hillary Clinton National Airport (the Airport), a component unit of the City of Little Rock, Arkansas, for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2022.

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.

Compliance Section

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,LLP

Little Rock, Arkansas
June 21, 2022



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

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Little Rock Municipal Airport Commission's, d/b/a Bill and Hillary Clinton National Airport (the Airport) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended December 31, 2021. The Airport's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Airport's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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,LLP

Little Rock, Arkansas
June 21, 2022

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2021**

7. The Airport's major program was:

Cluster/Program	CFDA Number
Airport Improvement Program (Including COVID Funding)	20.106

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2021

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No matters are reportable.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 2021

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2021

Reference Number	Finding
	No matters are reportable.

SCHEDULE OF PASSENGER FACILITY COLLECTIONS AND EXPENDITURES
Year Ended December 31, 2021

Collections	Date Approved	Amount Approved for Use	Cumulative Total December 31, 2020	Quarter Ended				Year Ended December 31, 2021	Cumulative Total December 31, 2021
				March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021		
Passenger facility charge collections received		\$ 450,143	\$ 106,462,075	\$ 837,001	\$ 1,001,423	\$ 958,055	\$ 3,246,622	\$ 109,708,697	
Interest earned		19,485	7,578,560	21,029	22,044	17,988	80,546	7,659,106	
Total passenger facility charge collections		\$ 469,628	\$ 114,040,635	\$ 858,030	\$ 1,023,467	\$ 976,043	\$ 3,327,168	\$ 117,367,803	
Expenditures									
Applications closed prior to 2021	Various	\$ 41,534,775	\$ 41,534,775	-	-	-	-	\$ 41,534,775	
Application 07-06	2/27/2007	37,599,511	36,423,686	-	-	1,175,825	1,175,825	37,599,511	
Application 10-07	1/5/2010	9,595,910	5,991,744	-	-	-	-	5,991,744	
Application 15-08	5/11/2015	4,601,120	4,587,097	-	-	-	-	4,587,097	
Application 16-09	5/26/2016	18,142,435	15,769,515	-	-	-	-	15,769,515	
Application 20-10	4/14/2020	24,815,150	-	-	-	-	-	-	
Total passenger facility charge revenue expended		\$ -	\$ 104,306,817	\$ -	\$ -	\$ 1,175,825	\$ 1,175,825	\$ 105,482,642	

Note to Schedule:

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

PFC expenditures may consist of direct project costs, administrative costs, debt service and bond financing costs, as applicable to active applications. The accompanying schedule of PFC collections and expenditures includes eligible expenditures that have been applied against PFCs collected as of December 31, 2021.



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

Independent Auditor's Report

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

Report on Compliance for Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Little Rock Municipal Airport Commission's, d/b/a Bill and Hillary Clinton National Airport (the Airport) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide) issued by the Federal Aviation Administration that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2021.

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, 2021.

Basis for Opinion on the Passenger Facility Charge Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts 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,LLP

Little Rock, Arkansas
June 21, 2022

**PASSENGER FACILITY CHARGE AUDIT SUMMARY
Year Ended December 31, 2021**

Summary of Auditor's Results

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - PFC
Year Ended December 31, 2021**

Findings Required to be Reported by the Guide

Reference Number	Finding	Questioned Costs
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No matters are reportable.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - PFC
Year Ended December 31, 2021**

Reference Number	Summary of Finding	Status
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No matters are reportable.