



Indianapolis
Airport
Authority

20
24

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

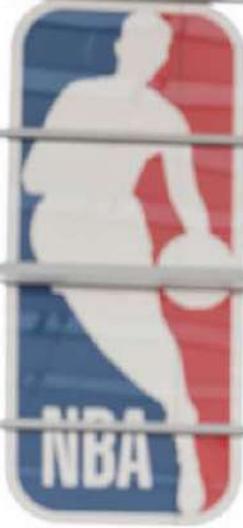
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2024 & 2023
INDIANAPOLIS, INDIANA



A DECADE+ OF
EXCELLENCE

INDIANAPOLIS INTERNATIONAL AIRPORT





ALL STAR 2024





ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2024 & 2023

INDIANAPOLIS AIRPORT AUTHORITY, INDIANAPOLIS, INDIANA

Prepared by the Indianapolis Airport Authority

Photo: @andreas_maher66

CONTENTS

1.0 INTRODUCTORY SECTION

| | |
|--|----|
| Mission Statement | 4 |
| Indianapolis Airport Authority | |
| Facilities Map | 5 |
| Board of Directors | 6 |
| Organizational Structure | 9 |
| Executive Management Team | 9 |
| Letter of Transmittal to the Board | 10 |
| Certificate of Achievement for Excellence in Financial Reporting | 18 |

3.0 STATISTICAL SECTION

| | |
|--|----|
| FINANCIAL TREND DATA | |
| Statements of Net Position | 90 |
| Statements of Revenues, Expenses and Changes in Net Position | 92 |
| Statements of Cash Flows | 94 |
| REVENUE CAPACITY DATA | |
| Operating Revenues | 96 |
| Signatory Airline Rates and Charges | 98 |

2.0 FINANCIAL SECTION

AUDITED FINANCIAL STATEMENTS

| | |
|--|----|
| Independent Auditor's Report | 20 |
| Management's Discussion and Analysis | 23 |
| Statements of Net Position | 41 |
| Statements of Revenues, Expenses and Changes in Net Position | 43 |
| Statements of Cash Flows | 44 |
| Notes to Financial Statements | 46 |

SUPPLEMENTARY INFORMATION

| | |
|--|----|
| Schedules of Net Position Information | 75 |
| Schedules of Revenues, Expenses, and Changes in Net Position Information | 79 |
| Schedules of Operating Revenues | 81 |
| Schedules of Operating Expenses | 82 |
| Schedules of Bond Debt Service Requirements to Maturity | 84 |

DEBT CAPACITY DATA

| | |
|---|-----|
| Outstanding Debt by Type and Revenue Bond Debt Service Ratios | 100 |
| Revenue Bond Debt Service Coverage | 102 |

OPERATING INFORMATION

| | |
|--|-----|
| Airline Landing Weight Statistics | 104 |
| Enplaned Passenger Statistics | 106 |
| Number of Airport Employees by Identifiable Activity | 108 |
| Schedule of Insurance in Force | 110 |

DEMOGRAPHIC AND ECONOMIC DATA

| | |
|---|-----|
| Indianapolis MSA Demographic and Economic Statistics | 111 |
| Principal Employers In Indianapolis - Carmel - Anderson MSA | 112 |
| Capital Asset and Other Airport Information | 113 |

1.0

INTRODUCTORY SECTION



- 4 Mission Statement**
- 5 Indianapolis Airport Authority Facilities Map**
- 6 Board of Directors**
- 9 Organizational Structure**
- 9 Executive Management Team**
- 10 Letter of Transmittal to the Board**
- 18 Certificate of Achievement**



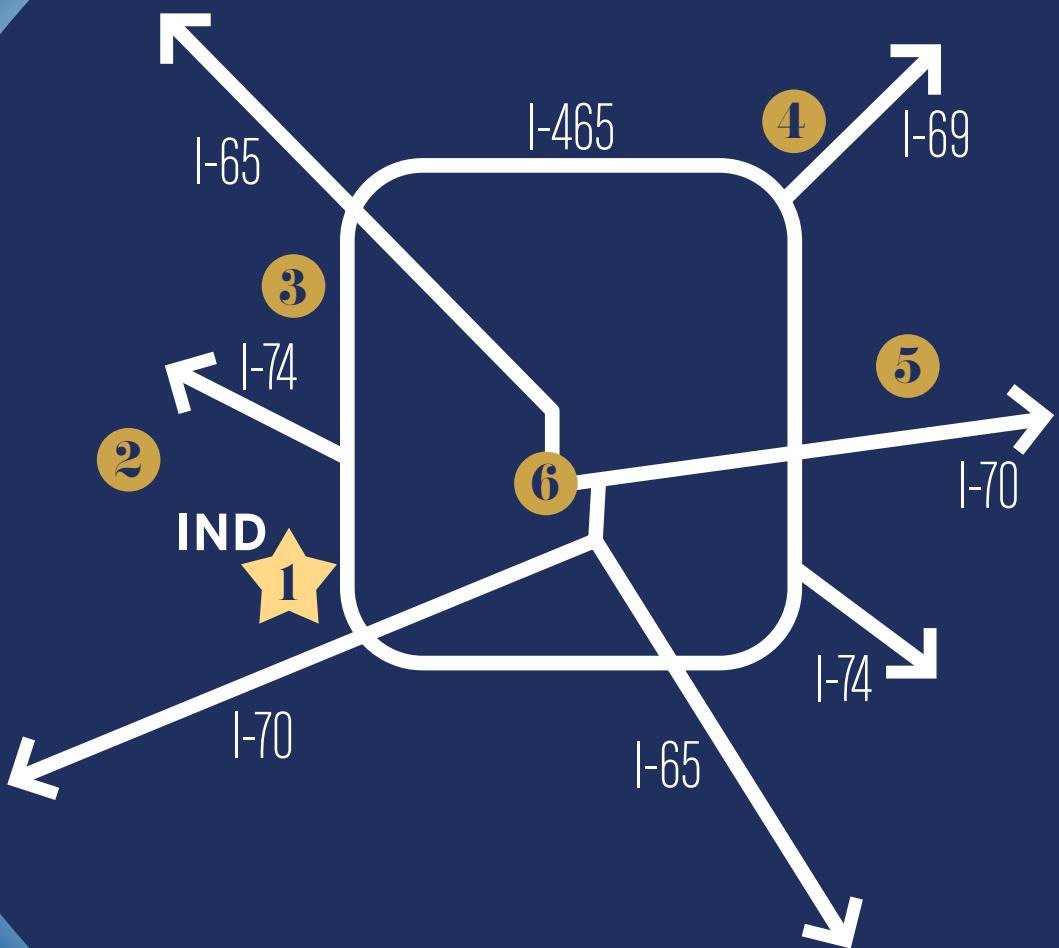
MISSION STATEMENT:

**FOSTERING
WORLD-CLASS
SERVICE
TO ENHANCE
OUR COMMUNITY**



INDIANAPOLIS AIRPORT AUTHORITY FACILITIES MAP

- 1 Indianapolis International Airport
- 2 Hendricks County Airport-Gordon Graham Field
- 3 Eagle Creek Airpark
- 4 Metropolitan Airport
- 5 Indianapolis Regional Airport
- 6 Indianapolis Downtown Heliport



INDIANAPOLIS AIRPORT AUTHORITY BOARD



BARBARA GLASS, PRESIDENT

*Consultant,
Lilly Foundation*
Years of service: 9



KURT SCHLETER, MEMBER

*Owner,
GridLock Traffic Systems*
Years of service: 7



STEVEN DILLINGER, VICE PRESIDENT

*Owner, S.C. Dillinger &
Associates Insurance Agency*
Years of service: 29



TAMIKA CATCHINGS, MEMBER

*Owner,
Tea's Me Cafe*
Years of service: 7



MAMON POWERS III, SECRETARY

*Executive Vice President,
President - Indianapolis office,
Powers & Sons Construction Co.*
Years of service: 8



DUANE GIBBS, MEMBER

*Director of Finance,
US Aggregates*
Years of service: 2



BRETT VOORHIES, MEMBER

President, Indiana AFL-CIO
Years of service: 11



ERIC DOZIER, MEMBER

*Executive VP and Chief People Officer
Eli Lilly and Company*
Years of service: 2



TOBIN MCCLAMROCH, MEMBER

*Managing Partner,
Dentons Bingham Greenebaum LLP*
Years of service: 8



RYAN GOODWIN, MEMBER

*Former Commissioner,
Morgan County
Pilot, Republic Airways*
Years of service: 6



JEFF GAITHER, MEMBER

*Managing Partner,
Bose McKinney & Evans*
Years of service: 7



BRIAN TUOHY, BOARD COUNSEL

Tuohy Bailey & Moore LLP
Years of service: 8



A DECADE+ OF EXCELLENCE

INDIANAPOLIS INTL. AIRPORT



IND BEST AIRPORT IN NORTH AMERICA

ACI World Airport Service Quality Awards

13
YEARS IN A ROW

14 OUT OF 15 YEARS

2024, 2023, 2022, 2021, 2020, 2019, 2018,
2017, 2016, 2015, 2014, 2013, 2012, 2010

**#1 IN
CUSTOMER
SATISFACTION
FOR
MEDIUM
AIRPORTS**

5 OF THE LAST 6 YEARS



J.D. Power North America
Airport Satisfaction Study

**TOP 10 BEST
DOMESTIC AIRPORTS**

9 YEARS IN A ROW



Travel + Leisure
World's Best Awards

**BEST AIRPORTS
IN AMERICA**

11 YEARS IN A ROW



Condé Nast Traveler
Readers' Choice Awards

91%
OF EVERY
DOLLAR SPENT
BY IAA IN 2024 STAYED LOCAL

with a total impact of
\$211+ MILLION

PROVIDING **3,600** JOBS
for the local economy

11,264
WORKERS AT IND
ON AN
AVERAGE DAY*

53,974
AREA JOBS*

\$2.4
BILLION
IN PAYROLL*



*Economic Impact Study completed prior to the COVID-19 pandemic

ORGANIZATIONAL STRUCTURE



EXECUTIVE MANAGEMENT TEAM

MARIO RODRIGUEZ
Executive Director
37 years of experience

MARIA WILEY
Sr. Director of Audit,
Risk Management & Procurement
32 years of experience

KEITH BERLEN
Sr. Director of Operations & Public Safety
35 years of experience

MARSHA WURSTER
Sr. Director of Commercial Enterprise
31 years of experience

ROBERT THOMSON
Sr. Director of Finance & Treasurer
36 years of experience

REID GOLDSMITH
Sr. Director of Information Technology
19 years of experience

MEGAN CARRICO
Sr. Director of Public Affairs
12 years of experience

RACHEL STEVENS
Sr. Director of Human Resources
28 years of experience

JAROD KLAAS
Sr. Director of Planning & Development
30 years of experience

HOLLI HARRINGTON
Sr. Director of Strategic Alliance
34 years of experience

JONATHAN WEINZAPFEL
General Counsel
24 years of experience

LETTER OF TRANSMITTAL



Indianapolis Airport Authority

7800 Col. H. Weir Cook Memorial Dr. Suite 100 • Indianapolis, Indiana 46241

office 317.487.9594 • fax 317.487.5034

June 30, 2025

To the Citizens of Indiana and Members of the Board:

The Annual Report of the Indianapolis Airport Authority (Authority or IAA) for the fiscal year ended December 31, 2024, is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority and its management. To the best of our knowledge and belief, this report, in all material aspects, fairly presents and discloses the Authority's financial position, results of operations, and cash flows as of and for the year ended December 31, 2024, in accordance with the requirements of the generally accepted accounting principles in the United States of America (GAAP).

GAAP requires that management provide a narrative overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This introductory letter should be read in conjunction with the MD&A, which can be found immediately following the Independent Auditor's Report on Financial Statements and Supplementary Information in the financial section of the Annual Report.

This Annual Report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Unless expressly stated otherwise, all financial and non-financial information in this Annual Report relates solely to the Authority. It is our belief that the accompanying 2024 Annual Comprehensive Financial Report meets program standards and will be submitted to the Government Finance Officers Association for review.

INDEPENDENT AUDIT

At the close of each calendar year, an independent firm of certified public accountants audits the Authority's financial statements. In addition, the Indiana State Board of Accounts retains the right to audit the Authority. In connection with the Authority's federal financial assistance, a Single Audit (conducted in accordance with Uniform Guidance) is performed, and reports are issued to the Indiana State Board of Accounts and filed with the Federal Audit Clearinghouse.

INTERNAL CONTROLS

The Authority's management is responsible for establishing and maintaining internal accounting controls that ensure assets are safeguarded, and financial transactions are properly recorded and adequately documented. To ensure that the costs of controls do not exceed the benefits obtained, management must use cost estimates and judgments to attain reasonable assurance as to the adequacy of such controls. The Authority has established internal controls to fulfill these requirements, and these controls are reviewed annually by an external audit firm for applicability, relevance, and effectiveness.

PROFILE OF THE AUTHORITY

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

The Authority is a municipal corporation established on January 1, 1962, to own and operate airports in and around Indianapolis, Indiana. More information is included in the Management's Discussion and Analysis - Authority Powers and Purposes. The Authority administers an airport system comprised of the Indianapolis International Airport (IND), three general aviation reliever airports, one general aviation airport, and one general aviation reliever heliport located in downtown Indianapolis. The Authority is a separate reporting entity and is not a component of the consolidated City of Indianapolis-Marion County (Unigov) or any other government. You may also refer to Note 1 of the financial statements for more information regarding the financial reporting entity determination under the Government Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61.

The Authority's Board consists of eleven voting members. Each member is appointed to a four-year term.

ACCOUNTING / BUDGETARY CONTROL

The Authority consists of a single enterprise fund, and its financial statements are presented on the accrual basis of accounting using the economic resources measurement focus. This Annual Report and the Authority's monthly financial statements use the accrual method preferred for enterprise funds. Annual budgets and monthly budget reports are also prepared using the accrual basis of accounting. The Authority's annual operating budget is prepared by the IAA Finance Department in concert with management and is ultimately adopted by ordinance upon approval of the Authority Board. It is submitted to the Indianapolis/Marion County City-County Council as part of the review process. The State of Indiana Department of Local Government Finance reviews the budget in the same manner. Public hearings are held at each step of the review process, and a notice of said hearings is published in accordance with Indiana law. In addition, a long-term Capital Improvement Plan is prepared annually utilizing estimates of future capital improvements and their financial impact. Budgetary control is maintained at the fund, function, and department levels.

ECONOMIC CONDITIONS AND OUTLOOK

ECONOMIC EVENTS

In 2024, travel surged to record-breaking levels at IND; passenger demand remains influenced by the strength of and confidence in the local and macro economy.

STATE OF THE AIRLINE INDUSTRY

With most COVID-era restrictions ending in 2022, American consumers returned to the skies en masse, leading to record-breaking passenger travel in 2023 within the United States. With increased economic confidence and upticks in leisure travel combined with the recovery of business travel, 2024 once again was a record-breaking year for both domestic and international air travel.

Commercial aviation continues to face challenges, including aircraft manufacturers' delivery delays, rising labor and fuel costs for airlines, and macroeconomic uncertainty. Coupled with these issues is a persistent air traffic control shortage leading to operational instability across the US. However, these challenges were met with record Spring Break, summer, and Fall Break travel in 2024.

STATE OF INDIANAPOLIS AIRPORT AUTHORITY

Passenger and Cargo Volume

The total passenger volume at IND increased by 7.5% to 10.52 million passengers, with passenger airline landed weight increasing by 6.3% from 2023. This is a record level of IND passengers for the airport. IND averaged 134 daily departures in 2024, a 5.5% increase from the previous year. This increase is primarily attributed to increased passenger airline activity due to significant leisure demand and the increasing return to business travel.

Overall cargo volume at IND decreased 7.7% in 2024 to 908,000 tons from the previous year's levels. IND domestic cargo fell 9.5%, and international cargo increased by 3.4% from 2023 levels. These changes occurred due to supply chain constraints and increasing air cargo prices after record-low costs during COVID-19. FedEx continued to represent most of the cargo landed weights in 2024.

MAJOR INITIATIVES & DEVELOPMENT

Airline Use Agreement

The prior five-year Airline Use Agreement (AUA) expired on December 31, 2023. A new three-year agreement became effective January 1, 2024. The new agreement contains a one-year extension provision that requires mutual approval by the Airlines and the Authority, and holdover provisions. Airlines that sign the Airline Agreement are subject to favorable signatory rates, as opposed to the Authority's non-signatory rates.

The rate-making methodology of the AUA allows IAA to fund IAA's five-year Capital Improvement Plan. The Capital Improvement Plan is focused on asset preservation by maintaining airfield infrastructure, the modern terminal, and its related facilities, as well as investments in customer experience and increased environmental sustainability.

Economic Impact

The IAA continued to honor its promise to enhance surrounding IND and reliever-airport communities in 2024 by putting land not needed for aviation purposes back into productive use, returning the property to private ownership, and ultimately returning the land to those communities' property tax rolls. The land use initiative has had a significant positive impact on each respective community.

Over the course of 2024, the Authority sold almost 100 acres of land in Hendricks and Marion counties. The largest transaction occurred in June 2024 when the Authority sold approximately 57 acres at the corner of Ronald Regan and Stafford roads.

The Authority also purchased approximately 105 acres of land abutting Indy Regional Airport as part of the IAA's master planning efforts and strategy.

Lastly, the IAA continued to support the City of Indianapolis's focus on revitalizing the West Washington Street Corridor, from the Hendricks County line to Interstate 1-465. IAA owns multiple parcels along and adjacent to the corridor.

Awards and Acknowledgements

In pursuit of the IAA's mission to enhance the community through engagement and service and continually drive a world-class experience to create public value, IND was recognized by the local community and industry organizations as the top in its class; 2024 continued to be yet another award-winning year for IND.

Continued Excellence in the Industry

IND has been named the best airport in North America thirteen years in a row (2012-2024) in the Airport Service Quality (ASQ) awards given by Airports Council International (ACI). IND is the first airport to receive this recognition for over a straight decade. The ASQ program has become the world's leading airport passenger satisfaction benchmark, with over 300 airports participating. The ASQ Awards recognize and reward airports based on ACI's ASQ passenger satisfaction surveys and their commitment to continuous improvement of the passenger experience.

J.D. Power named IND the best in customer satisfaction among medium-sized airports in North America for the fifth time in six years.

Passengers continue to choose IND as a top airport, giving it high marks for fast check-in time, ease of finding their way through the terminal, and the courtesy and efficiency of airport staff.

IND has been recognized by FAA for safety excellence due to no discrepancies and 100% compliance with part 139 inspection 23 out of the last 25 years.

Best Airport in America, Again

Readers of the popular luxury travel magazine, Condé Nast Traveler, named IND in their top ten list of best airports in America for the eleventh year in a row (2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014). More than 300,000 people took part in the Condé Nast Readers' Choice survey. IND's efficient terminal design allows passengers to breeze through TSA screening and enjoy their time experiencing the airport's local favorites and offerings.

For nine years in a row (2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016), Travel + Leisure named IND in their top ten list of best domestic airports in their World's Best Awards category. Indy was described as an airport that ticked all the boxes with art and culture, cleanliness, safety, and accessibility.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Indianapolis Airport Authority for its Annual Report for the fiscal year ended December 31, 2023. This was the 42nd consecutive year the IAA achieved this prestigious award. A government must publish an easily readable and efficiently organized Annual Report to be awarded a Certificate of Achievement. This 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. Management believes this Annual Comprehensive Financial Report meets the Certificate of Achievement Program requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The timely completion of this report could not be accomplished without the assistance and dedication of many individuals. The IAA acknowledges the assistance of Forvis Mazars, LLP, Certified Public Accountants, and the IAA staff for their assistance in making this financial presentation possible.

Appreciation is also expressed to the Authority Board members for their continued support of accounting and reporting in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,



Robert B. Thomson
Senior Director of Finance & Treasurer

IN 2024:

RECORD-BREAKING
10.52
MILLION PASSENGERS



AVERAGED
134
DAILY
DEPARTURES

5 OUT OF 10
OF THE BUSIEST
TRAVEL DAYS
IN IND HISTORY

MOVED MORE THAN
908
THOUSAND TONS
OF CARGO



Photo: @stevenmsal





IND SUPPORTS
\$7.5 BILLION
IN TOTAL
ECONOMIC
OUTPUT
(IN 2022)



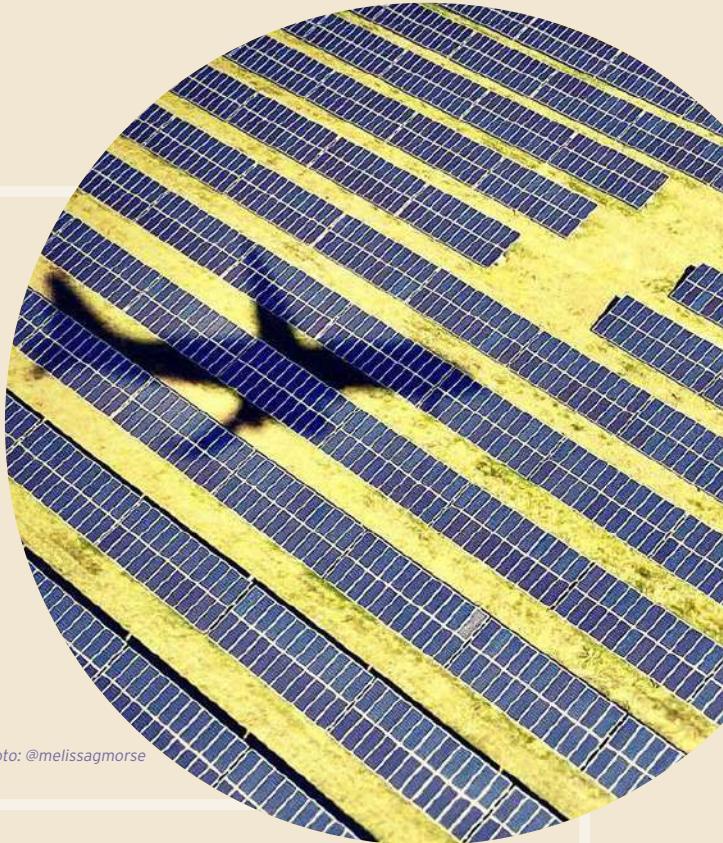
AND CONTRIBUTES
\$4.1 BILLION
TO STATE GDP (IN 2022)



IAA INVESTED MORE THAN
\$236 THOUSAND
IN THE LOCAL CREATIVE ECONOMY
WITH 100% LOCAL ARTISTS

FOCUS ON LONG-TERM SUSTAINABILITY

IND HAS ONE OF THE
LARGEST SOLAR FARMS
ON AIRPORT PROPERTY
IN THE WORLD



AND ONE OF THE
LARGEST ELECTRIC SHUTTLE BUS FLEETS
AT A MIDWEST U.S. AIRPORT



2nd LARGEST
FEDEX HUB IN THE WORLD
CELEBRATING
30+ YEARS AT IND





Government Finance Officers Association

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

Presented to

**Indianapolis Airport Authority
Indiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

The background of the image is a photograph taken from an airplane window. It shows the dark silhouette of the aircraft's wing and tail against a vibrant, orange and yellow sunset sky. Below the plane, a layer of white and grey clouds is visible, with darker, more turbulent clouds further down. The overall atmosphere is serene and suggests a long journey.

2.0

FINANCIAL SECTION

- 20** **Independent Auditor's Report**
- 23** **Management's Discussion and Analysis**
- 41** **Audited Financial Statements**
- 74** **Supplementary Information**

Independent Auditor's Report

To the Members of the Board
Indianapolis Airport Authority
Indianapolis, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Indianapolis Airport Authority (Authority), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31 2024 and 2023, and the changes in financial position and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the 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 opinion. 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2025, on our consideration of Authority'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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Indianapolis, Indiana
April 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024 and 2023

(Unaudited)

The following discussion and analysis of the financial performance and activity of the Indianapolis Airport Authority (Authority) is to provide an introduction and overview that users need to interpret the financial statements of the Authority as of and for the years ended December 31, 2024 and 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Authority Powers and Purposes

In 1962, the City Council of the City of Indianapolis (City), the Mayor of the City and the County Council of Marion County (County) created the Authority pursuant to the Authority Act as a municipal corporation, separate from the City and the County. The Authority Act authorizes the Authority to own and operate public airports. The Authority is empowered to do all things necessary or reasonably incident to carrying out the purposes of the Authority Act, including the power to: (i) acquire, establish, construct, improve, equip, maintain, control, lease and regulate municipal airports, landing fields and other air navigation facilities, either inside or outside the County; (ii) manage and operate airports, landing fields and other air navigation facilities acquired or maintained by the Authority; (iii) adopt a schedule of reasonable charges and collect them from all users of facilities and services within the County; (iv) lease all or any part of an airport, landing field or any buildings or other structures, and fix, charge and collect rentals, tolls, fees and charges to be paid for the use of the whole or a part of the airports, landing fields or other air navigation facilities by aircraft landing there and for the servicing of the aircraft; (v) make rules and regulations, consistent with laws regarding air commerce, for management and control of its airports, landing fields, air navigation facilities and other property under its control; and (vi) incur indebtedness in accordance with the Authority Act.

The operations of the Authority depend heavily on revenues received from airlines serving Indianapolis International Airport. Airlines are given the option to sign an Agreement and Lease of Premises (Airline Agreement), which sets forth rates and charges for use of Authority assets and which utilizes a hybrid residual rate-making methodology. The hybrid residual nature of the Airline Agreement essentially requires the airlines to assume certain financial risks to guarantee the Authority has sufficient revenue to cover all operating and capital borrowing costs. In return, the Authority has less autonomy over capital asset development decisions in that the airlines must approve certain proposed capital improvement projects at the Authority. As of December 31, 2024, eight passenger carriers and two cargo carriers represent the Signatory Airlines.

The prior five-year Signatory Airline Agreement expired on December 31, 2023. A new three-year agreement became effective January 1, 2024. The new agreement contains a one-year extension provision that requires mutual approval by the Airlines and the Authority, and holdover provisions. Airlines that sign the Airline Agreement are subject to favorable Signatory rates, as opposed to the Authority's Non-Signatory rates.

Airport Operations Activity and Financial Highlights

| | 2024 | 2023 | Variance |
|----------------------------------|--------------------------|--------------------------|---------------------|
| Enplaned passengers ¹ | 5,249,959 | 4,886,576 | 7.4% |
| Landed weight (1,000 lb. units) | | | |
| Passenger airlines | 5,937,384 | 5,587,981 | 6.3% |
| Cargo airlines | 4,494,983 | 5,162,024 | -12.9% |
| | <u>10,432,367</u> | <u>10,750,005</u> | <u>-3.0%</u> |
| Aircraft operations | 191,846 | 193,220 | -0.7% |

(1) Includes domestic air carriers, international air carriers and air taxi/commuter flights

Airport Operations Activity

In 2024, the number of enplaned passengers was 7.4% higher than in 2023. 2024 was a record breaking year with airline relationships and community partnerships being significant factors, as well as airlines adding new service and additional nonstop flights through IND in 2024 and Visit Indy and Indiana Sports Corp attracting top events in the city. The first and second quarter numbers were driven, in part, by the NBA All-Star game in February, a busy Spring Break travel season and the Total Solar Eclipse in April. Other significant events in 2024 impacting increased passenger numbers was the U.S. Olympic Swim Trials, the last U.S. tour stop of Taylor Swift's The Eras Tour and the Big Ten football championship game.

The Indianapolis Airport served 48 non-stop destinations in 2024 vs pre-pandemic activity of 50 non-stop destinations. In 2024, the airport launched or announced several new flights including Delta's return to Salt Lake City (SLC), Frontier service to New Orleans (MSY), Philadelphia (PHL), and Dallas (DFW), and Spirit Airlines to Myrtle Beach (MYR). Slated to begin in 2025 are new flights on Southwest to Nashville (BNA) and Chicago Midway (MDW). Delta will begin flying to Austin (AUS) and Allegiant to Portland (PDX) in May 2025. Most notably, Aer Lingus, Ireland's flagship airline, announced nonstop service to Dublin (DUB) beginning May 2025, reestablishing Indiana's connection to Europe.

Passenger airlines accounted for approximately 57% of total landed weight at IND in 2024 and 52% in 2023; cargo airlines accounted for the other 43% during 2024 and 48% in 2023. Passenger airline landed weights increased by 6.3% in 2024 from the prior year; cargo airline landed weight decreased by 12.9% from the prior year. IND saw record amounts of passenger travel in 2024 contributing to an increase in landed weights; additionally, airlines continue to make the strategic shift to larger mainline jets over regional jets. FedEx continued to represent most of the cargo landed weights in 2024. The decrease in FedEx cargo landed weights is primarily the result of weak global economic conditions. Aircraft operations represent landings and takeoffs for air carrier (passenger and cargo), air taxi and commuter, general aviation and military operations. This activity decreased 0.7% over the prior year primarily attributable to a decrease in cargo airline activity.

Financial Highlights

- The Authority experienced an increase in total assets and deferred outflows of resources of \$29.4 million during 2024. This increase can be attributed to a number of changes in the statement of net position including an increase in grants receivable of \$17.3 million, a decrease in restricted cash and cash equivalents of \$98.3 million, a decrease in lease receivables of \$16.5 million related to GASB Statement No. 87, *Leases*, and an increase in net capital assets of \$127.3 million.
- Total current liabilities increased by \$20.3 million in 2024. This is primarily driven by an increase of \$12.8 million in accounts payable, an increase of \$4.9 million in the current portion of debt, and a \$3.5 million increase in accrued interest on debt.
- Total noncurrent liabilities decreased \$59.7 million in 2024. This change is attributable to the normal amortization of bonds payable and other debt.
- Total deferred inflows of resources decreased \$20.2 million primarily driven by a decrease in lease activity.
- The 2024 increase in net position was \$89.1 million compared to an increase of \$114.9 million for 2023. The \$89.1 million increase is a result of the loss from operations of \$14.7 million, net nonoperating revenues of \$33.2 million and capital contributions and grants of \$70.5 million.

Overview of Financial Statements

The Authority only engages in business-type activities. These are activities that are intended to recover all or a significant portion of their costs through user fee charges to external parties for goods or services. The Authority reports its business-type activities in a single enterprise fund, meaning that its activities are operated and reported like a private-sector business.

The Authority's financial report includes comparative Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows. Also included are notes to the financial statements that provide more detailed data. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The net position of the Authority is comprised of these categories:

- *Net investment in capital assets* - reflects the Authority's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.
- *Restricted* - represent resources that are subject to external restrictions on how they may be used.
- *Unrestricted* - represent resources that may be used to meet the Authority's ongoing obligations to the public and creditors.

Statements of Net Position

The Statements of Net Position present the financial position of the Authority at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. The net position of the Authority represents the difference between total assets plus deferred outflows of resources, and total liabilities plus deferred inflows of resources and is an indicator of the current net value of the Authority.

A summarized comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2024, 2023, and 2022 follows:

| | 2024 | 2023 (1) | 2022 (2) |
|---|---------------------|---------------------|---------------------|
| (Table Amounts in Thousands) | | | |
| Current assets - unrestricted | \$ 166,860 | \$ 152,658 | \$ 140,570 |
| Current assets - restricted | 153,227 | 251,424 | 250,653 |
| Noncurrent assets | | | |
| Capital assets, net | 2,326,985 | 2,199,657 | 2,045,716 |
| Other noncurrent assets | 514,370 | 526,984 | 494,265 |
| Total assets | <u>3,161,442</u> | <u>3,130,723</u> | <u>2,931,204</u> |
| Deferred outflows of resources | 3,923 | 5,205 | 14,626 |
| Total assets and deferred outflows of resources | <u>\$ 3,165,365</u> | <u>\$ 3,135,928</u> | <u>\$ 2,945,830</u> |
| Current liabilities - payable from unrestricted | \$ 17,893 | \$ 17,433 | \$ 20,264 |
| Current liabilities - payable from restricted | 133,593 | 113,799 | 85,704 |
| Noncurrent liabilities - payable from restricted | 989,970 | 1,049,634 | 1,016,773 |
| Total liabilities | <u>1,141,456</u> | <u>1,180,866</u> | <u>1,122,741</u> |
| Deferred inflows of resources | 297,715 | 317,945 | 300,409 |
| Net position | | | |
| Net investment in capital assets | 1,360,319 | 1,296,281 | 1,213,669 |
| Restricted | 204,497 | 199,192 | 184,192 |
| Unrestricted | 161,378 | 141,644 | 124,819 |
| Total net position | <u>1,726,194</u> | <u>1,637,117</u> | <u>1,522,680</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 3,165,365</u> | <u>\$ 3,135,928</u> | <u>\$ 2,945,830</u> |

⁽¹⁾ The balances for the year ended December 31, 2023 were restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*. See Note 2 for additional information regarding adoption of this standard.

⁽²⁾ The balances for the year ended December 31, 2022 have not been restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*.

2024 to 2023 Comparative Statements of Net Position

Unrestricted current assets increased \$14.2 million, which is attributable to a decrease in cash and cash equivalents of \$7.0 million, offset by increases in unbilled revenues of \$3.0 million, grants receivable of \$17.3 million, and leases receivable of \$1.4 million.

Restricted current assets decreased \$98.2 million primarily relating to a decrease in cash and cash equivalents. Specifically, construction funds received from the issuance of 2022B and 2023B bonds were used to fund various capital improvement projects, including the reconstruction of Runway 5R-23L and the parking garage expansion.

Total noncurrent assets increased by \$114.7 million. This change reflects an increase in restricted cash and cash equivalents of \$17.2 million, an increase in unrestricted investments of \$4.6 million and a decrease in restricted investments of \$15.9 million. Additionally, there was a decrease in nondepreciable capital assets of \$31.3 million attributable to \$6.3 million of land purchases, less land sales of \$2.8 million and a decrease in construction-in-progress of \$37.0 million. Depreciable capital assets increased \$158.6 million primarily related to the runway 5R-23L reconstruction project and \$16.6 million in lessee financed improvements for the FedEx's renovations of the Eagle Hub facility, offset by the normal decrease in capital assets due to depreciation. This change also includes a \$17.9 million decrease in lease receivables related to GASB Statement No. 87, *Leases*.

Total deferred outflows of resources decreased by \$1.3 million, the result of the normal amortization of deferred losses on the refunding of debt.

Total current liabilities increased by \$20.3 million primarily driven by an increase of \$12.8 million in accounts payable, an increase of \$4.9 million in the current portion of debt, and an increase in accrued interest on debt of \$3.5 million.

Total noncurrent liabilities decreased \$59.7 million in 2024. This change is attributable to the normal amortization of bonds payable and other debt.

Total deferred inflows of resources decreased \$20.2 million primarily due to a decrease in deferred inflow on leases of \$19.6 million related to GASB Statement No. 87, *Leases*.

2023 to 2022 Comparative Statements of Net Position

Unrestricted current assets increased \$12.1 million, which is attributable to a \$16.6 million increase in cash and cash equivalents, offset by a \$2.1 million decrease in grants receivable, \$1.7 million decrease in prepaid insurance and \$1.2 million decrease in accounts receivable.

Restricted current assets increased \$0.8 million primarily relating to an increase in the receivable for reimbursable IMC expenses offset by a decrease in the passenger facility charge receivable.

Total noncurrent assets increased by \$186.7 million. This change reflects an increase in nondepreciable capital assets of \$65.2 million attributable to the addition of \$52.7 million in lessee financed improvements for FedEx's sort facility and capacity expansion of its Indianapolis hub, and an increase in depreciable capital assets of \$89.2 million from fixed asset additions for the runway 5R-23L reconstruction project offset by the normal decrease in capital assets due to depreciation. This change also includes a \$22.4 million increase in lease receivables related to GASB Statement No. 87, *Leases*.

Total deferred outflows of resources decreased by \$9.4 million, the result of the normal amortization of deferred losses on the refunding of debt.

Total current liabilities increased by \$25.3 million primarily driven by an increase of \$16.9 million in accounts payable, an increase of \$9.3 million in the current portion of debt, offset by a decrease in accrued and withheld items of \$3.1 million.

Total noncurrent liabilities increased \$32.9 million. This change is primarily attributable to the \$90.3 million par value bonds issued during 2023 (\$299.4 million total par value bonds issued which funded capital projects and refunded \$209.1 million total par value bonds), offset by a \$9.9 million reduction of derivative instruments caused by the termination of the three swaps associated with the refunded 2010C Bonds and the normal amortization of \$39.9 million bonds payable and other debt.

Total deferred inflows of resources increased \$17.5 million due to an increase in deferred inflow on leases of \$20.2 million related to GASB Statement No. 87, *Leases*, offset by a \$2.6 million reduction in deferred inflows caused by the increase in market interest rates that lowered the value of the forward delivery agreements.

2024 to 2023 Comparative Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position reflect the operating activity of the Authority for the year using the accrual basis of accounting, similar to private sector companies. The change in net position for the years ended December 31, 2024 and 2023 was an increase of \$89.1 million and an increase of \$114.9 million, respectively. The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for 2024 and 2023.

| | 2024 | 2023 (1) | \$ Variance | % Variance |
|---|----------------------------|----------------------------|-------------------------|--------------------|
| (Table Amounts in Thousands) | | | | |
| Operating revenues | | | | |
| Airfield | \$ 47,351 | \$ 33,052 | \$ 14,299 | 43.3% |
| Terminal Complex | 73,204 | 65,899 | 7,305 | 11.1% |
| Parking | 74,538 | 66,633 | 7,905 | 11.9% |
| Rented buildings and other | 15,701 | 15,516 | 185 | 1.2% |
| Indiananapolis Maintenance Center (IMC) | 5,120 | 7,862 | (2,742) | -34.9% |
| Reliever airports | 3,095 | 3,251 | (156) | -4.8% |
| Total operating revenues | <u>219,009</u> | <u>192,213</u> | <u>26,796</u> | <u>13.9%</u> |
| Total nonoperating revenues | | | | |
| Federal operating grants | 217 | 591 | (374) | -63.3% |
| Passenger facility charges | 20,506 | 18,478 | 2,028 | 11.0% |
| Customer facility charges (rental cars) | 10,014 | 9,095 | 919 | 10.1% |
| Investment income | 22,528 | 21,642 | 886 | 4.1% |
| Interest revenue - leases | 8,888 | 7,535 | 1,353 | 18.0% |
| Total nonoperating revenues | <u>62,153</u> | <u>57,341</u> | <u>4,812</u> | <u>8.4%</u> |
| Total revenues | <u>281,162</u> | <u>249,554</u> | <u>31,608</u> | <u>12.7%</u> |
| Total operating expenses | 233,724 | 221,318 | 12,406 | 5.6% |
| Net nonoperating expenses | 28,909 | 35,189 | (6,280) | -17.8% |
| Total expenses | <u>262,633</u> | <u>256,507</u> | <u>6,126</u> | <u>2.4%</u> |
| Income (loss) Before Capital Contributions and Grants | 18,529 | (6,953) | 25,482 | -366.5% |
| Capital Contributions and Grants | <u>70,547</u> | <u>121,898</u> | <u>(51,351)</u> | <u>-42.1%</u> |
| Increase in Net Position | 89,076 | 114,945 | (25,869) | -22.5% |
| Net Position, Beginning of Year, as Previously Reported | 1,637,118 | 1,522,681 | 114,437 | 7.5% |
| Change in accounting principle | - | (508) | 508 | -100.0% |
| Net Position, Beginning of Year, as Restated | <u>1,637,118</u> | <u>1,522,173</u> | <u>114,945</u> | <u>7.6%</u> |
| Net Position, End of Year | <u><u>\$ 1,726,194</u></u> | <u><u>\$ 1,637,118</u></u> | <u><u>\$ 89,076</u></u> | <u><u>5.4%</u></u> |

⁽¹⁾ The balances for the year ended December 31, 2023 were restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*. See Note 2 for additional information regarding adoption of this standard.

Operating revenue in 2024 increased \$26.8 million, or 13.9% from prior year attributable to the following components:

- *Airfield revenue* in 2024 of \$47.4 million increased from prior year by \$14.3 million, or 43.3%. Total landed weights decreased by 3.0% from prior year as passenger carriers increased 6.3% and cargo carriers decreased 12.9%. The lower landed weights offset the increase in revenue driven by an increase in apron space rent and budgeted increases in landing fee rates (2024 signatory landing fee rate of \$4.00 compared to \$2.54 in 2023; 2024 non-Signatory landing fee rate of \$4.48 compared to \$3.81 in 2023).
- *Terminal complex revenues* of \$73.2 million increased \$7.3 million, or 11.1% from prior year. Budgeted airline terminal rental rates increased 1.0% in 2024 to \$109.21 per square foot compared to the prior year rate of \$108.09 per square foot. Concession revenues exceeded prior year by \$1.1 million (9.9%) and

automobile rental commissions exceeded prior year by \$0.5 million (3.6%); both attributable to the increase in passengers of 7.4%. GASB Statement No. 87, *Leases* resulted in \$1.4 million and \$1.3 million in 2024 and 2023, respectively, of lease payments being recognized as nonoperating interest revenue – leases, further reducing Terminal complex revenues.

- *Parking revenues* increased from prior year by \$7.9 million, or 11.9%, resulting in \$74.5 million in 2024 parking revenue; an increase related to the 7.4% increase in passengers. Other contributing factors to the revenue increase was a parking rate increase effective June 1, 2024 (Garage \$23.00/day from \$20.00/day; Valet \$32.00/day from \$27.00/day) and the expansion of the new parking garage area with 500 additional spaces in service July 1, 2024.
- *Rented buildings and other revenue* of \$15.7 million increased \$0.2 million from prior year or 1.2%. This is attributable to various changes in ground lease and building rental agreements. GASB Statement No. 87, *Leases* resulted in \$3.8 million and \$3.1 million in 2024 and 2023, respectively, of lease payments being recognized as nonoperating interest revenue – leases, further reducing rented buildings and other revenues.
- *Revenues from Indianapolis Maintenance Center (IMC)* of \$5.1 million decreased \$2.7 million or 34.9% from prior year. This represents revenues due the Authority for reimbursement of eligible expenditures under the terms of the Settlement Agreement reached between the Authority and the trustee for the special facility revenue bonds the Authority had previously issued on behalf of United Airlines. The decrease from prior year relates to the expiration of the Express Scripts lease at December 31, 2023.
- *Reliever airports revenue* of \$3.1 million decreased \$0.2 million or 4.8%. Revenue is primarily flat with prior year. Current year activity includes lower fuel flowage fees of \$0.1 million, offset by greater farm income of \$0.1 million. GASB Statement No. 87, *Leases* resulted in \$0.5 million and \$0.3 million in 2024 and 2023, respectively, in lease payments being recognized as nonoperating interest revenue – leases, further reducing Reliever airport revenue.

Nonoperating revenues in 2024 of \$62.2 million increased from prior year by \$4.8 million, or 8.4% attributable to the following components:

- *Federal operating grants* of \$0.2 million decreased \$0.4 million attributable to the cease in federal funding of the Transportation Security Administration Other Transaction Agreement for law enforcement checkpoint screening on May 1, 2024.
- *Passenger facility charges (PFC) income* of \$20.5 million increased \$2.0 million, or 11.0%. This increase is due to the increase in passenger numbers and ticket sales as PFC revenues are earned when tickets are sold.
- *Customer facility charges (rental cars) income* of \$10.0 million increased \$0.9 million, or 10.1% due to the increase in passenger numbers and rental transactions.
- *Investment income* of \$22.5 million increased \$0.9 million or 4.1%. Earnings on securities in the Authority's investment portfolio were \$0.2 million more than the prior year. The remainder of the change is attributable to the termination of the Authority's interest rate swaps in 2023. The Authority recorded a \$0.7 million reduction in fair value of hedging derivatives when the interest rate swaps were terminated in 2023, and no change in fair value of hedging derivatives in 2024 since none were held by the Authority.
- *Interest revenue – leases* of \$8.9 million increased \$1.4 million or 18.0% attributable to various changes in agreements during the year related to GASB Statement No. 87, *Leases*.

Operating expenses (before depreciation) for the years ended December 31, 2024 and 2023 totaled \$116.2 million and \$107.7 million, respectively, an increase of \$8.5 million, or 7.9%. The following analysis provides material operating expense changes by both operating expense class and operating expense business area.

- *Operating expenses by natural category (before depreciation):*
 - *Total personal services expense* increased 12.3% or \$5.7 million to \$52.1 million attributable to cost of living adjustments and annual merit increases, increased overtime and higher health insurance expense claims. Additionally, full-time and part-time staffing increased to an average of 482 full-time equivalents (FTEs) vs 464 FTEs in the prior year. The full-time and part-time FTE

vacancy in 2024 decreased slightly to 10.9% vs 11.0% in the prior year as the hiring process has taken longer than planned, specifically for the public safety and administration departments.

- Total *contractual services expense* increased 4.4% or \$1.7 million to \$39.7 million attributable to increased costs that vary in proportion to passenger volumes such as parking related credit card processing fees, valet operating costs, and dockmaster fees. Variance also includes an increase in the environmental remediation accrual adjustment and one-time investments to maintain and preserve the Authority's assets including terminal painting, jetway carpet replacement, pavement repairs, information technology improvements, preservation of art exhibits, and other building repairs.
- Total *utilities expense* of \$11.8 million was primarily flat with prior year. Current year expense reflects higher sewer charges relating to glycol processing and stormwater processing user fees offset by lower electricity and natural gas costs.
- Total *supplies expense* of \$5.9 million increased by \$0.2 million, or 4.4% attributable to higher snow & ice chemical expenses offset by lower fuel costs.
- Total *materials expense* increased by \$0.4 million, or 10.9% to \$4.0 million due to higher computer equipment replacement parts and jet bridge repair parts than in prior year.
- Total *general expense* of \$2.8 million increased \$0.5 million or 20.3% from prior year which primarily relates to an increase in property insurance premiums.
- *Operating expenses by functional category (before depreciation):*
 - *Airfield expenses* (before depreciation) of \$15.2 million increased by \$1.4 million, or 9.8% from the prior year. The variance is attributable to cost of living adjustments and annual merit increases; increased overtime costs; higher health insurance expense claims; increased sewer charges relating to glycol and stormwater processing user fees and higher snow and ice chemical costs, offset by lower environmental related professional fees.
 - *Terminal complex expenses* (before depreciation) of \$29.4 million increased \$1.9 million, or 6.8% from the prior year. The increase includes cost of living adjustments and annual merit increases; increased overtime costs; higher health insurance expense claims; higher dockmaster fees due to increased 2024 activity; and various one-time investments to maintain and preserve the Authority's assets including terminal painting, preservation of art exhibits, and other building repairs.
 - *Parking expenses* (before depreciation) of \$15.5 million increased \$2.2 million, or 16.5% from the prior year. The increase includes cost of living adjustments and annual merit increases; increased overtime costs; higher health insurance expense claims and greater elevator/escalator repair costs. Additionally, costs that vary in proportion to passenger volumes such as parking related credit card processing fees and valet operating costs increased.
 - *Rented buildings and other expenses* (before depreciation) of \$2.3 million decreased \$0.2 million, or 8.0% from prior year. Variance includes an increase in the environmental remediation accrual adjustment offset by lower electricity and natural gas costs and lower contractual services related to various one-time investments to maintain and preserve the Authority's assets done in the prior year including pavement repairs, International Arrivals Building remodel and building demolition costs.
 - *Indianapolis Maintenance Center (IMC) expenses* (before depreciation) of \$6.7 million decreased \$0.8 million, or 11.2% from prior year. This decrease includes lower elevator repairs, grounds maintenance, pavement repairs and utilities.
 - *Reliever airports expenses* (before depreciation) of \$2.6 million decreased \$0.1 million, or 4.2% from prior year. The decrease is primarily attributable to lower fuel costs.
 - *Public safety expenses* (before depreciation) of \$18.7 million increased \$2.1 million, or 12.7% from prior year. The increase includes annual merit payroll increases; increased overtime costs and higher health insurance expense claims offset by the insourcing of non-sworn public safety officers from an outsourced contractual structure. Increase also includes greater repair costs related to the fire alarm system and greater communication equipment replacement costs.

- *Administration costs* (before depreciation) of \$25.9 million increased by \$2.2 million, or 9.2% from prior year. This increase is attributable to cost of living adjustments and annual merit increases and higher health insurance expense claims offset by a decrease in professional fees relating to planning and development and information technology staff augmentation. Current year expenses include an increase in art program maintenance, print/advertising/marketing initiatives, software/hardware maintenance and recruitment marketing and investments in training and employee development.
- *Net Nonoperating expenses* for the years ended December 31, 2024 and 2023 totaled \$28.9 million and \$35.2 million, respectively, a decrease of \$6.3 million, or 17.8% attributable to the following components:
 - *Interest expense* of \$41.4 million increased \$1.5 million over the prior year, or 3.9%; the net effect of various increases and decreases of interest expense over the year including an increase in the arbitrage rebate liability of \$3.0 million, and the amortization of principal outstanding and the corresponding reduction in interest expense.
 - *Gain on disposals of capital assets and other* of \$12.5 million increased by \$7.8 million over the prior year. The current year gain is primarily attributable to various land sales throughout 2024.
- *Capital contributions and grants* of \$70.5 million decreased \$51.4 million compared to prior year. Current year includes \$22.6 million of Lessee Financed Improvements primarily for FedEx's facilities, with the remainder of grant receipts primarily for federally funded capital projects. The prior year amounts included \$18.3 million drawn on IND's ARP Act funded recovery grants and \$59.0 million of Lessee Financed Improvements primarily for FedEx's facilities, with the remainder of grant receipts primarily for federally funded capital projects.

2023 to 2022 Comparative Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position reflect the operating activity of the Authority for the year using the accrual basis of accounting, similar to private sector companies. The change in net position for the years ended December 31, 2023 and 2022 was an increase of \$114.9 million and an increase of \$139.4 million, respectively. The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for 2023 and 2022.

| | 2023 (1) | 2022 (2) | \$ Variance | % Variance |
|---|---------------------|---------------------|--------------------|-------------------|
| (Table Amounts in Thousands) | | | | |
| Total operating revenues | | | | |
| Airfield | \$ 33,052 | \$ 31,543 | \$ 1,509 | 4.8% |
| Terminal Complex | 65,899 | 56,941 | 8,958 | 15.7% |
| Parking | 66,633 | 59,562 | 7,071 | 11.9% |
| Rented buildings and other | 15,516 | 14,301 | 1,215 | 8.5% |
| Indiananapolis Maintenance Center (IMC) | 7,862 | 5,565 | 2,297 | 41.3% |
| Reliever airports | 3,251 | 3,422 | (171) | -5.0% |
| Total operating revenues | <u>192,213</u> | <u>171,334</u> | <u>20,879</u> | <u>12.2%</u> |
| Total nonoperating revenues | | - | | |
| Federal operating grants | 591 | 4,917 | (4,326) | -88.0% |
| Passenger facility charges | 18,478 | 17,740 | 738 | 4.2% |
| Customer facility charges (rental cars) | 9,095 | 8,108 | 987 | 12.2% |
| Investment income | 21,642 | 30,586 | (8,944) | -29.2% |
| Interest revenue - leases | 7,535 | 7,183 | 352 | 4.9% |
| Total nonoperating revenues | <u>57,341</u> | <u>68,534</u> | <u>(11,193)</u> | <u>-16.3%</u> |
| Total revenues | <u>249,554</u> | <u>239,868</u> | <u>9,686</u> | <u>4.0%</u> |
| Total operating expenses | | 221,318 | 209,980 | 11,338 |
| Net nonoperating expenses | | 35,189 | 39,997 | (4,808) |
| Total expenses | | <u>256,507</u> | <u>249,977</u> | <u>6,530</u> |
| Loss Before Capital Contributions and Grants | | (6,953) | (10,109) | 3,156 |
| Capital Contributions and Grants | | <u>121,898</u> | <u>149,476</u> | <u>(27,578)</u> |
| Increase in Net Position | | 114,945 | 139,367 | (24,422) |
| Net Position, Beginning of Year, as Previously Reported | | 1,522,681 | 1,383,314 | 139,367 |
| Change in accounting principle | | (508) | - | (508) |
| Net Position, Beginning of Year, as Restated | | <u>1,522,173</u> | <u>1,383,314</u> | <u>138,859</u> |
| Net Position, End of Year, as Restated | <u>\$ 1,637,118</u> | <u>\$ 1,522,681</u> | <u>\$ 114,437</u> | <u>7.5%</u> |

⁽¹⁾ The balances for the year ended December 31, 2023 were restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*. See Note 2 for additional information regarding adoption of this standard.

⁽²⁾ The balances for the year ended December 31, 2022 have not been restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*.

Operating revenue in 2023 increased \$20.9 million, or 12.2% from prior year attributable to the following components:

- *Airfield revenue* in 2023 of \$33.1 million increased from prior year by \$1.5 million, or 4.8%. Total landed weights decreased by 10.6% from prior year as passenger carriers increased 16.7% and cargo carriers decreased 28.7%. The lower landed weights offset the increase in revenue driven by an increase in apron space rent, ground handling commissions and budgeted increases in landing fee rates (2023 signatory landing fee rate of \$2.54 compared to \$2.23 in 2022; 2023 non-Signatory landing fee rate of \$3.81 compared to \$3.35 in 2022).
- *Terminal complex revenues* of \$65.9 million increased \$9.0 million, or 15.7% from prior year. Budgeted airline terminal rental rates increased 2.5% in 2023 to \$108.09 per square foot compared to the prior year rate of \$105.50 per square foot. Concession revenues exceeded prior year by \$2.2 million (25.0%) and automobile rental commissions exceeded prior year by \$1.5 million (13.0%); both attributable to the increase in passengers of 12.5%. GASB Statement No. 87, *Leases* resulted in \$1.3 million and \$1.2 million in 2023 and 2022, respectively, of lease payments being recognized as nonoperating interest revenue – leases, further reducing Terminal complex revenues.
- *Parking revenues* increased from prior year by \$7.1 million, or 11.9%, resulting in \$66.6 million in 2023 parking revenue; an increase directly related to the 12.5% increase in passengers.
- *Rented buildings and other revenue* of \$15.5 million increased \$1.2 million from prior year or 8.5%. This is attributable to the prior year write-off of GASB Statement No. 13 due to the implementation of GASB Statement No. 87 of \$0.6 million as well as various changes in ground lease and building rental agreements. GASB Statement No. 87, *Leases* resulted in \$3.1 million and \$2.9 million in 2023 and 2022, respectively, of lease payments being recognized as nonoperating interest revenue – leases, further reducing rented buildings and other revenues.
- *Revenues from Indianapolis Maintenance Center (IMC)* of \$7.9 million increased \$2.3 million or 41.3% from prior year. This represents revenues due the Authority for reimbursement of eligible expenditures under the terms of the Settlement Agreement reached between the Authority and the trustee for the special facility revenue bonds the Authority had previously issued on behalf of United Airlines. The increase from prior year relates to additional temporary space rental.
- *Reliever airports revenue* of \$3.3 million decreased \$0.2 million or 5.0%. Revenue variance attributable to lower fuel flowage fees. GASB Statement No. 87, *Leases* resulted in \$0.3 million lease payments being recognized as nonoperating interest revenue – leases in both 2023 and 2022 reducing Reliever airport revenue.

Nonoperating revenues in 2023 of \$57.3 million decreased from prior year by \$11.2 million, or 16.3% attributable to the following components:

- *Federal operating grants* of \$0.6 million decreased \$4.3 million attributable to \$4.2 million operating portion drawn on IND's ARP Act funded recovery grant in 2022.
- *Passenger facility charges (PFC) income* of \$18.5 million increased \$0.7 million, or 4.2%. This increase is due to the increase in passenger numbers and ticket sales as PFC revenues are earned when tickets are sold.
- *Customer facility charges (rental cars) income* of \$9.1 million increased \$1.0 million, or 12.2% due to the increase in passenger numbers and rental transactions.
- *Investment income* of \$21.6 million decreased \$8.9 million or 29.2%. The fair value change of hedging derivatives was \$25.0 million less than the change in 2022 but offset by \$16.1 million higher earnings on securities in the Authority's investment portfolio.
- *Interest revenue – leases* of \$7.5 million increased \$0.4 million or 4.9% attributable to various changes in agreements during the year related to GASB Statement No. 87, *Leases*.

Operating expenses (before depreciation) for the years ended December 31, 2023 and 2022 totaled \$107.6 million and \$98.8 million, respectively, an increase of \$8.9 million, or 9.0%. The following analysis provides material operating expense changes by both operating expense class and operating expense business area.

- *Operating expenses by natural classification (before depreciation):*
 - Total *personal services expense* increased 11.1% or \$4.6 million to \$46.3 million attributable to cost of living adjustments and annual merit increases. Additionally, full-time and part-time staffing increased to an average of 464 full-time equivalents (FTEs) vs 446 FTEs in the prior year. The FTE increase includes the addition of Public Safety Officers that were previously a contracted service. The full-time and part-time FTE vacancy in 2023 increased to 11.0% vs 7.4% in the prior year as the hiring process has taken longer than planned, specifically for the public safety and administration departments.
 - Total *contractual services expense* increased 12.7% or \$4.3 million to \$38.0 million attributable to increased professional fees for environmental services; planning and development staff augmentation due to staffing vacancies; information technology staff augmentation and initiatives; retail customer experience initiatives; recruitment marketing; greater elevator/escalator costs due to full year of new contract with enhanced coverage and one-time investments to maintain and preserve the Authority's assets including pavement repairs, preservation of art exhibits, and other building repairs. Costs that vary in proportion to passenger volumes such as parking related credit card processing fees, valet operating costs, and dockmaster fees also increased.
 - Total *utilities expense* of \$11.7 million increased by \$0.4 million, or 3.7% reflective of an increase in sewer charges relating to glycol processing and stormwater processing user fees.
 - Total *supplies expense* of \$5.7 million decreased by \$0.3 million, or 5.8% attributable to lower fuel costs and lower snow & ice chemical expenses due to mild weather.
 - Total *materials expense* decreased by \$0.3 million, or 7.4% to \$3.6 million due to lower motorized equipment repair parts for buses and airfield equipment and jet bridge repair parts than in prior year.
 - Total *general expense* of \$2.3 million increased \$0.2 million or 9.5% from prior year which relates to an increase in property insurance premiums.
- *Operating expenses by functional category (before depreciation):*
 - *Airfield expenses* (before depreciation) of \$13.8 million increased by \$1.0 million, or 7.8% from the prior year. The variance is attributable to higher environmental professional fees and sewer charges relating to glycol processing fees and stormwater processing user fees, offset by lower snow and ice chemical due to mild weather.
 - *Terminal complex expenses* (before depreciation) of \$27.6 million increased \$3.3 million, or 13.8% from the prior year. The increase includes cost of living adjustments and annual merit increases; greater elevator/escalator costs due to a full year of new contract with enhanced coverage; retail customer experience initiatives; higher dockmaster fees due to increased 2023 activity; greater baggage system repair parts; increased utility costs; increased paper supply usage; increase in property insurance premiums and various one-time investments to maintain and preserve the Authority's assets including dual primary viewing stations for TSA, preservation of art exhibits, civic plaza furniture replacement, terminal painting and various other building repairs.
 - *Parking expenses* (before depreciation) of \$13.3 million increased \$1.5 million, or 12.3% from the prior year. The increase includes cost of living adjustments and annual merit increases and greater elevator/escalator costs due to a full year of new contract with enhanced coverage. Additionally, costs that vary in proportion to passenger volumes such as parking related credit card processing fees and valet operating costs increased.
 - *Rented buildings and other expenses* (before depreciation) of \$2.5 million decreased \$1.1 million, or 29.5% from prior year. This decrease is primarily due to a prior year adjustment of \$1.0 million for environmental remediation related to polyfluoroalkyl substance mitigation costs. This is offset by an increase in contractual services related to various one-time investments to maintain and

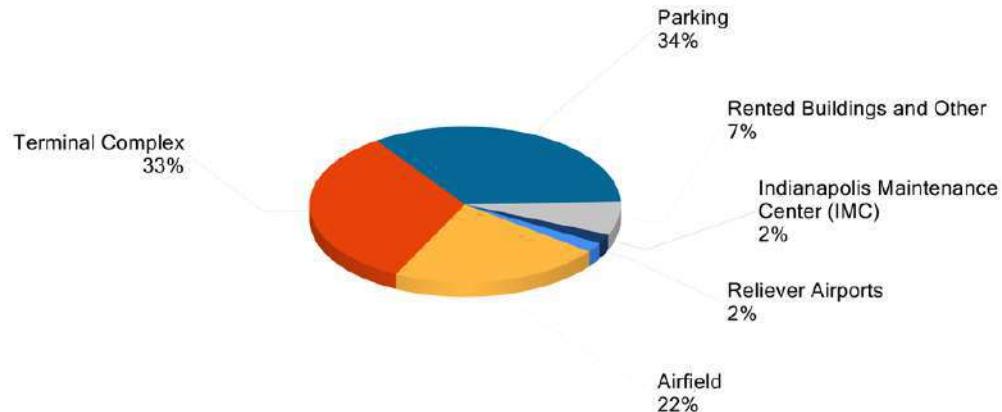
preserve the Authority's assets including pavement repairs, International Arrivals Building remodel and building demolition costs.

- *Indianapolis Maintenance Center (IMC) expenses* (before depreciation) of \$7.5 million was flat with prior year. Current year expenses include greater elevator repairs, grounds maintenance and utilities offset by lower pavement repairs.
- *Reliever airports expenses* (before depreciation) of \$2.7 million decreased \$0.5 million, or 16.4% from prior year. The decrease is primarily attributable to lower fuel costs, pavement repairs and grounds maintenance.
- *Public safety expenses* (before depreciation) of \$16.6 million increased \$2.4 million, or 17.1% from prior year. The increase includes annual merit payroll increases as well as the insourcing of non-sworn public safety officers from an outsourced contractual structure.
- *Administration costs* (before depreciation) of \$23.6 million increased by \$2.2 million, or 10.3% from prior year. This increase is attributable to cost of living adjustments and annual merit increases; an increase in professional fees relating to planning and development for staff augmentation; information technology staff augmentation and initiatives and recruitment marketing and investments in training and employee development.

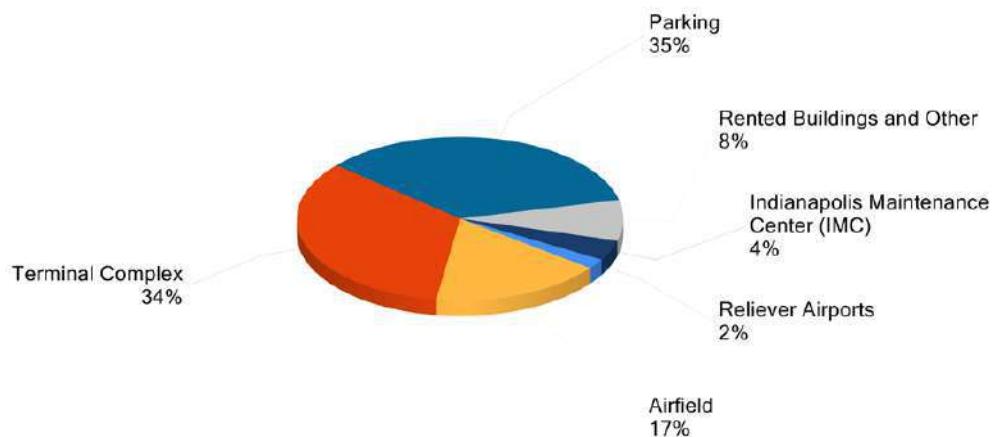
- *Net Nonoperating expenses* for the years ended December 31, 2023 and 2022 totaled \$35.2 million and \$40.0 million, respectively, a decrease of \$4.8 million, or 12.0% attributable to the following components:
 - *Interest expense* of \$39.8 million increased \$7.2 million over the prior year due primarily to the full year effect of the 2022B Revenue Bonds.
 - *Gain on disposals of capital assets and other* of \$4.6 million increased by \$12.0 million over the prior year. The current year gain is primarily attributable to various land sales throughout 2023.
- *Capital contributions and grants* of \$121.9 million decreased \$27.6 million compared to prior year. Current year includes \$18.3 million drawn on IND's ARP Act funded recover grant and \$59.0 million of Lessee Financed Improvements primarily for FedEx's facilities, with the remainder of grant receipts primarily for federally funded capital projects. The prior year amounts included \$20.6 million drawn on IND's Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and ARP Act funded recovery grants and \$45.6 million of Lessee Financed Improvements for FedEx's Indianapolis hub sort facility and capacity expansion project.

The following is a graphic illustration of operating revenues by source for the years ended December 31, 2024 and 2023:

Operating Revenues - 2024

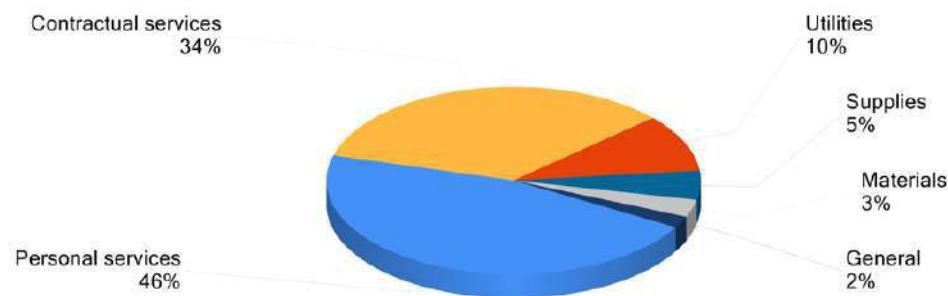


Operating Revenues - 2023

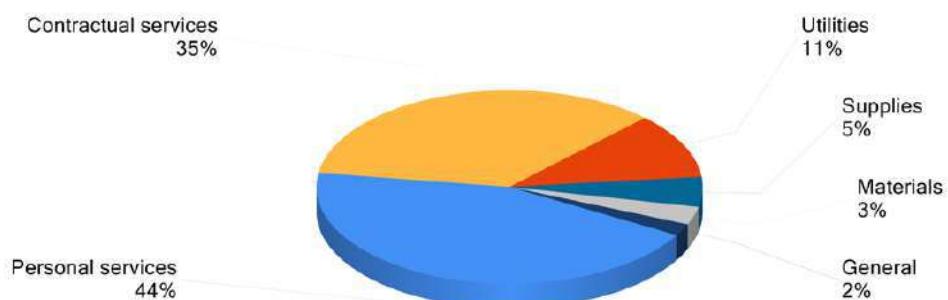


The following is a graphic illustration of the total operating expenses by source for the years ended December 31, 2024 and 2023 (excluding depreciation):

Operating Expenses (Excluding Depreciation) - 2024



Operating Expenses (Excluding Depreciation) - 2023 (1)



⁽¹⁾ The balances for the year ended December 31, 2023 were restated to reflect the adoption of GASB Statement No. 101, *Compensated Absences*. See Note 2 for additional information regarding adoption of this standard.

Capital Asset and Debt Administration

Capital Assets

During 2024, the Authority expended approximately \$213.0 million on capital assets. The capital expenditures related to multiple construction and equipment acquisition projects related to: Reconstruction of runway 5R-23L and taxiway D, the parking garage expansion, airfield maintenance and snow removal equipment facilities, terminal hotel feasibility, and rehabilitation of the economy parking lot. During 2024, completed projects totaling \$249.9 million were closed from construction-in-progress to their respective capital asset accounts. The more significant of these completed projects are as follows:

| | |
|--|-----------------|
| Reconstruct Runway 5R-23L and Taxiway D with LEDs | \$110.4 million |
| Parking Garage Expansion | \$31.5 million |
| Airfield Maintenance and Snow Removal Equipment Facilities | \$9.9 million |
| Terminal Hotel Feasibility | \$5.9 million |
| Rehabilitation of Economy Parking Lot Pavement | \$5.0 million |

Note 5 to the financial statements provides additional information on the Authority's capital asset activity.

Long-Term Debt

Capital acquisitions can be funded using a variety of financing mechanisms, including federal and state grants, passenger facility charges, customer facility charges, public debt issues and airport operating revenues.

The Authority's Master Bond Ordinance enables it to adopt an ordinance or resolution irrevocably designating certain revenues as Dedicated Revenues (which may include, without limitation, PFC & CFC revenues, state and/or federal grants, or other identified revenues) to be used to pay debt service on Authority revenue bonds. Note 8 of the financial statements explains the details of Dedicated Revenue related ordinances adopted in 2023 and 2024.

As of December 31, 2024, the Authority had \$1.0 billion in outstanding senior lien bonds. The Authority, through its Master Bond Ordinance, has a covenant to maintain a debt service coverage ratio of not less than 1.25 for senior lien debt. Debt service coverage is calculated based on a formula included in the Master Ordinance and the Airline Agreements. Historically, the Authority has maintained a coverage ratio higher than its requirement. During 2024 and 2023, respectively, the Authority's debt service coverage was 1.91 and 1.89 for senior lien debt. The 2024 and 2023 senior lien debt service coverage was calculated using \$5.1 million and \$13.2 million, respectively, of grant revenue funded by the ARP Act, pledged by the Authority's Board of Directors as Gross Revenues, that was drawn and received to pay operating expenses and debt service during 2023.

Notes 8, 9 and 10 to the financial statements provide additional information regarding the Authority's debt activities.

Economic Factors

As noted earlier, IND experienced a 7.4% increase in the number of passenger enplanements over last year, resulting in total 2024 enplanements of 5,249,959. This level of enplanements represents the most enplanements in a single year in IND's history.

Seat capacity in 2024 was up 6.1% over 2023 and 11.2% up compared to 2019. Flights in 2023 were 5.4% higher compared to flights offered in 2023 and down 7.9% compared to 2019. Airline Seat Miles were approximately 6.4% more in 2024 compared to 2032 and 9.2% higher compared to 2019.

The industry, overall, is experiencing a shortage of regional pilots which has forced airlines to decrease the number of regional jet operations. Although flights are down, the Authority continues to experience a stronger seat recovery than flight recovery as airlines elect to operate the routes on bigger aircraft.

The Authority was served by 10 airlines in 2024 and maintained year-round service to all U.S. airline hubs providing nonstop or 1 stop connectivity across the U.S., Canada, and the world. In addition, the Airport has point-to-point service to major business and leisure destinations, mainly in the Eastern and Central U.S., and improved coverage on the West Coast.

In addition to increased passenger activity, the IAA continues to benefit from sustained cargo operations, anchored by FedEx. IND remains FedEx's second largest hub worldwide. In 2024, IND airlines carried 907,868 tons of cargo, down 7.7% from 2023. IND domestic cargo was down 9.5% from 2023 while international cargo rose 3.4% in 2024 from 2023 levels. This change primarily as a result of weak global economic conditions. These declines were partially offset by an increase in international export package volume in 2024.

Looking Forward

The Authority's Air Service Task Force Executive Committee continues to review changes to the ten-year Air Service Strategy. The Committee includes representatives from the Indiana Economic Development Corporation ("IEDC"), Visit Indy and the Indy Chamber, amongst other tourism and business groups. The strategy considers myriad factors including passenger demand, costs, airline strategy, industry trends, local and global economies amongst others. The strategy identifies targets including both domestic and international markets as well as prospective domestic and international airlines. It is adjusted as needed in response to the dynamic return of business travel post COVID-19. The strategy also outlines implementation methods with emphasis on data collection and airline engagement.

The Airport team is focused on tools necessary to increase air service connectivity. A relevant air service incentive plan competitively positions the Airport for new, nonstop air service now and into the future. In May 2022 the Airport Board approved a new plan that uses all the incentive mechanisms permitted by the FAA guidelines in a more relevant approach that is tailored to the current dynamic air service environment and better supports the Authority's short- and long-term air service priorities than the existing incentive plan. This new plan was critical in the recruitment of many flights announced in 2024 including Nashville, Dublin, and Portland.

Despite planning efforts, future increases in passenger and cargo traffic at the Authority will be influenced by several key economic factors, which include, but are not limited to, the following:

- Economic and political conditions
- Aviation security concerns
- Financial health of the airline industry
- Capacity of national air traffic control and airport systems
- Global health conditions
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Capacity of the airport
- Airline competition and airfares
- Airline service and routes

As mentioned above, economic conditions have a significant effect on air travel and the transportation industry. The Authority cannot predict how future air travel, enplanements, or other variables relating to airport revenues may be impacted by various market factors.

Future passenger traffic may be impacted by the following:

- Pilot availability
- Average daily departures
- Scheduled seat capacity
- Average nonstop fares
- Travel preferences
- Average fares by market
- Airline communication
- Aircraft orders/retirements
- Business travel policies

Although it is not anticipated, the merger, restructuring or liquidation of one or more of the large network airlines could also affect airline service at many connecting hub airports. Additionally, present business opportunities for the remaining airlines, and evolving travel patterns throughout the U.S. aviation system will continue to play a role in how the industry performs.

Request for Information: This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to Investor Relations, 7800 Col. H. Weir Cook Memorial Drive, Suite 100, Indianapolis, IN 46241-4941 or via email to INDir@indianapolisairport.com.

Indianapolis Airport Authority
Statements of Net Position
December 31, 2024 and 2023

| | 2024 | 2023 (As Restated) |
|---|--------------------------------|--------------------------------|
| Assets and Deferred Outflows of Resources | | |
| Current Assets | | |
| Unrestricted Assets | | |
| Cash and cash equivalents | \$ 78,847,654 | \$ 85,897,549 |
| Accounts receivable, net of allowance of \$153,000 and \$88,000, respectively | 3,283,537 | 3,510,494 |
| Unbilled revenues | 9,354,692 | 6,394,777 |
| Grants receivable | 42,024,360 | 24,712,632 |
| Supplies and materials inventories | 3,764,519 | 3,509,079 |
| Interest receivable | 805,539 | 706,599 |
| Lease receivables | 27,836,343 | 26,467,451 |
| Other | 943,695 | 1,459,125 |
| Total unrestricted assets | <u>166,860,339</u> | <u>152,657,706</u> |
| Restricted Assets | | |
| Cash and cash equivalents - restricted | 146,978,552 | 245,316,570 |
| Cash and cash equivalents - customer deposits | 689,228 | 688,760 |
| Receivable - passenger facility charges | 2,587,904 | 2,066,352 |
| Receivable - governments and other | 657,531 | 901,887 |
| Receivable - reimbursable IMC expenses | 2,313,597 | 2,450,808 |
| Total restricted assets | <u>153,226,812</u> | <u>251,424,377</u> |
| Total current assets | <u>320,087,151</u> | <u>404,082,083</u> |
| Noncurrent Assets | | |
| Cash and cash equivalents, restricted | 141,702,664 | 124,503,274 |
| Investment securities, unrestricted | 32,057,413 | 27,480,526 |
| Investment securities, restricted | 62,758,677 | 78,634,785 |
| Rent receivable | - | 37,444 |
| Derivative instruments - forward delivery purchase agreements | 646,046 | 1,264,491 |
| Lease receivables | 277,204,521 | 295,062,812 |
| Nondepreciable capital assets | 315,840,988 | 347,093,217 |
| Depreciable capital assets, net | 2,011,144,499 | 1,852,563,831 |
| Total noncurrent assets | <u>2,841,354,808</u> | <u>2,726,640,380</u> |
| Total assets | <u>3,161,441,959</u> | <u>3,130,722,463</u> |
| Deferred Outflows of Resources | | |
| Deferred loss on refunding of debt | <u>3,922,877</u> | <u>5,205,165</u> |
| Total deferred outflows of resources | <u>3,922,877</u> | <u>5,205,165</u> |
| Total assets and deferred outflows of resources | <u><u>\$ 3,165,364,836</u></u> | <u><u>\$ 3,135,927,628</u></u> |

See Notes to Financial Statements

Indianapolis Airport Authority
Statements of Net Position (Continued)
December 31, 2024 and 2023

| | 2024 | 2023 (As Restated) |
|--|-------------------------|---------------------------|
| Liabilities, Deferred Inflows of Resources and Net Position | | |
| Current Liabilities | | |
| Payable From Unrestricted Assets | | |
| Accounts payable | \$ 8,142,762 | \$ 6,724,418 |
| Accrued and withheld items (including compensated absences) | 9,532,122 | 10,189,935 |
| Current portion of subscription liability | 217,703 | 518,218 |
| Total payable from unrestricted assets | <u>17,892,587</u> | <u>17,432,571</u> |
| Payable From Restricted Assets | | |
| Accounts payable | 56,512,682 | 45,129,709 |
| Customer deposits payable | 689,228 | 688,760 |
| Current portion of debt | 54,018,785 | 49,126,542 |
| Accrued interest on debt | 22,372,762 | 18,854,162 |
| Total payable from restricted assets | <u>133,593,457</u> | <u>113,799,173</u> |
| Total current liabilities | <u>151,486,044</u> | <u>131,231,744</u> |
| Noncurrent Liabilities | | |
| Arbitrage rebate liability | 4,167,776 | 1,165,130 |
| Long term portion of subscription liability | 453,382 | 74,187 |
| Bonds payable and other debt, payable from restricted assets | 985,348,718 | 1,048,395,127 |
| Total noncurrent liabilities | <u>989,969,876</u> | <u>1,049,634,444</u> |
| Total liabilities | <u>1,141,455,920</u> | <u>1,180,866,188</u> |
| Deferred Inflows of Resources | | |
| Accumulated increase in fair value of hedging derivatives | 646,046 | 1,264,491 |
| Deferred inflow on leases | <u>297,069,082</u> | <u>316,680,302</u> |
| Total deferred inflows of resources | <u>297,715,128</u> | <u>317,944,793</u> |
| Net Position | | |
| Net investment in capital assets | 1,360,318,960 | 1,296,280,797 |
| Restricted for | | |
| Capital projects | 98,758,187 | 95,263,123 |
| Debt service | 103,760,608 | 101,921,898 |
| Other | 1,977,726 | 2,006,996 |
| Total restricted net position | <u>204,496,521</u> | <u>199,192,017</u> |
| Unrestricted | | |
| Total net position | <u>161,378,307</u> | <u>141,643,833</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 3,165,364,836</u> | <u>\$ 3,135,927,628</u> |

See Notes to Financial Statements

Indianapolis Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2024 and 2023

| | 2024 | 2023 (As Restated) |
|--|-------------------------|-------------------------|
| Operating Revenues | | |
| Airfield | \$ 47,350,478 | \$ 33,051,565 |
| Terminal complex | 73,204,367 | 65,898,943 |
| Parking | 74,537,968 | 66,633,184 |
| Rented buildings and other | 15,701,441 | 15,516,027 |
| Indianapolis Maintenance Center (IMC) | 5,120,083 | 7,861,805 |
| Reliever airports | 3,094,800 | 3,251,217 |
| Total operating revenues | <u>219,009,137</u> | <u>192,212,741</u> |
| Operating Expenses | | |
| Personal services | 52,098,207 | 46,388,102 |
| Contractual services | 39,663,875 | 37,978,383 |
| Utilities | 11,752,521 | 11,714,253 |
| Supplies | 5,910,128 | 5,662,723 |
| Materials | 4,010,374 | 3,617,159 |
| General | 2,793,829 | 2,321,553 |
| Total operating expenses | <u>116,228,934</u> | <u>107,682,173</u> |
| Income From Operations Before Depreciation and Amortization | 102,780,203 | 84,530,568 |
| Depreciation and amortization expense | <u>117,494,605</u> | <u>113,636,318</u> |
| Loss From Operations | <u>(14,714,402)</u> | <u>(29,105,750)</u> |
| Nonoperating Revenues (Expenses) | | |
| Federal operating grants | 217,404 | 591,300 |
| Passenger facility charges | 20,505,560 | 18,477,596 |
| Customer facility charges (rental cars) | 10,014,110 | 9,094,934 |
| Investment income, net of investment derivative fair value adjustments of \$0 and \$(694,375), respectively | 22,527,612 | 21,641,715 |
| Interest revenue - leases | 8,888,116 | 7,535,068 |
| Interest expense | (41,366,701) | (39,817,381) |
| Gain on disposal of capital assets | 12,458,139 | 4,628,379 |
| Total nonoperating revenues | <u>33,244,240</u> | <u>22,151,611</u> |
| Increase (Decrease) in Net Position Before Capital Contributions and Grants | <u>18,529,838</u> | <u>(6,954,139)</u> |
| Capital Contributions and Grants | | |
| Federal, state and local grants | 47,945,869 | 62,927,735 |
| Contributions from lessees and other | 22,601,434 | 58,970,711 |
| Total capital contributions and grants | <u>70,547,303</u> | <u>121,898,446</u> |
| Increase in Net Position | <u>89,077,141</u> | <u>114,944,307</u> |
| Net Position, Beginning of Year, as Previously Reported | 1,637,116,647 | 1,522,679,840 |
| Change in Accounting Principle | - | (507,500) |
| Net Position, Beginning of Year, as Restated | <u>1,637,116,647</u> | <u>1,522,172,340</u> |
| Net Position, End of Year | <u>\$ 1,726,193,788</u> | <u>\$ 1,637,116,647</u> |

See Notes to Financial Statements

Indianapolis Airport Authority
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

| | 2024 | 2023 (As Restated) |
|---|------------------------------|------------------------------|
| Cash Flows From Operating Activities | | |
| Cash receipts from customers and users | \$ 214,758,218 | \$ 185,936,654 |
| Cash payments to vendors for goods and services | (56,557,747) | (54,559,988) |
| Cash payments for employees services | (51,428,964) | (45,748,760) |
| Net cash provided by operating activities | <u>106,771,507</u> | <u>85,627,906</u> |
| Cash Flows From Noncapital Financing Activities | | |
| Operating grants received | 217,404 | 591,300 |
| Customer facility charges received | 10,014,110 | 9,094,934 |
| Interest from lease transactions | 8,789,176 | 7,442,753 |
| Insurance recoveries | 265,817 | 235,629 |
| Net cash provided by noncapital financing activities | <u>19,286,507</u> | <u>17,364,616</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Proceeds from issuance of revenue bonds | - | 316,539,858 |
| Principal paid on bonds | (49,126,543) | (248,996,017) |
| Termination payment on interest rate swap | - | (10,615,000) |
| Bond issuance and remarketing costs paid | (711,177) | (1,596,899) |
| Interest paid | (41,868,108) | (41,607,030) |
| Acquisition and construction of capital assets | (222,419,485) | (200,547,354) |
| Proceeds from sale of capital assets | 15,190,884 | 7,335,377 |
| Passenger facility charges received | 19,984,008 | 19,036,592 |
| Capital grants received | 30,634,141 | 65,029,385 |
| Net cash used in capital and related financing activities | <u>(248,316,280)</u> | <u>(95,421,088)</u> |
| Cash Flows From Investing Activities | | |
| Purchase of investment securities | (286,570,426) | (404,863,910) |
| Proceeds from sales and maturities of investment securities | 304,230,071 | 405,186,522 |
| Interest received on investments and cash equivalents | 16,410,566 | 14,070,094 |
| Net cash provided by investing activities | <u>34,070,211</u> | <u>14,392,706</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (88,188,055) | 21,964,140 |
| Cash and Cash Equivalents, Beginning of Year | <u>456,406,153</u> | <u>434,442,013</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 368,218,098</u> | <u>\$ 456,406,153</u> |

See Notes to Financial Statements

Indianapolis Airport Authority
Statements of Cash Flows (Continued)
Years Ended December 31, 2024 and 2023

| | 2024 | 2023 (As Restated) |
|---|------------------------------|-----------------------------|
| Reconciliation of Loss From Operations to Net Cash | | |
| Provided by Operating Activities | | |
| Loss from operations | \$ (14,714,402) | \$ (29,105,750) |
| Item not requiring cash | | |
| Depreciation and amortization | 117,494,605 | 113,636,318 |
| Change in assets and liabilities | | |
| Accounts receivable and unbilled revenues | (1,129,098) | (3,606,572) |
| Lease receivable | 16,489,399 | (22,845,188) |
| Supplies and materials inventories | (255,440) | (210,738) |
| Other assets | 515,430 | 1,506,675 |
| Accounts payable | 7,982,475 | 5,938,494 |
| Accrued and withheld items | (242) | 138,994 |
| Deferred inflows on leases | <u>(19,611,220)</u> | <u>20,175,673</u> |
| Net cash provided by operating activities | <u><u>\$ 106,771,507</u></u> | <u><u>\$ 85,627,906</u></u> |
| Noncash Capital and Related Financing Activities | | |
| Capital assets included in accounts payable at end of year | \$ 40,762,655 | \$ 35,882,550 |
| Capital assets contributed by lessees and other governments | 22,601,434 | 58,970,711 |

See Notes to Financial Statements

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

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

The Indianapolis Airport Authority (Authority) is a municipal corporation established January 1, 1962, under authority granted by Indiana statute (1961 Acts, Chapter 283, I.C. 1979 19-6-2, superseded by I.C. 8-22-3). The Authority was established for the general purpose of acquiring, maintaining, operating and financing airports and landing fields in and bordering on Marion County, Indiana. In connection therewith, the Authority is authorized, among other things, to issue general obligation and revenue bonds and to levy taxes in accordance with the provisions of the statute. The Authority administers an airport system comprised of the Indianapolis International Airport, three general aviation reliever airports, one general aviation airport and one general aviation reliever heliport. The Authority has no stockholders or equity holders and all revenue and other receipts must be disbursed in accordance with such statute.

The Authority's Board consists of eleven members, six of which are appointed by the Mayor of the Consolidated City of Indianapolis-Marion County (a unified form of government commonly referred to as Unigov), one by the majority leader of the City-Council, and one each by the Hendricks, Hamilton, Hancock and Morgan County Boards of Commissioners. Each member is appointed a four-year term.

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 deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

The definition of the reporting entity under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended, is based primarily on the concept of financial accountability. Although the Mayor appoints a voting majority of the Authority's governing body, neither of the other two tests of financial accountability are met. Unigov is unable to impose its will on the Authority. Also, the Authority does not impose a financial burden or provide a financial benefit to Unigov. Careful review of these criteria, therefore, has resulted in the conclusion that the Authority is a separate reporting entity and is not a component unit of Unigov or any other government.

Basis of Accounting and Financial Reporting

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

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

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2024, cash equivalents consisted primarily of money market mutual funds.

Investment Securities

Investment securities are stated at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at cost.

Investment income consists of interest and dividend income.

Unbilled Revenues

The Authority accrues revenue for rentals earned but not yet billed as of year-end.

Inventories

Inventories consist of parts, supplies and materials. Inventories are stated at cost, which is determined using the first-in, first-out (FIFO) method.

Lease Receivables

As prescribed under GASB Statement No. 87, *Leases*, a lessor is required to recognize, for each lease, a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the term of the lease. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. Interest revenue is recognized on the lease receivable and inflow of resources (revenue) is recognized from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

Lessee-Financed Improvements

Certain leases include provisions whereby lessee-financed improvements become the property of the Authority. Prior to the adoption of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the Authority recorded lessee-financed improvements only upon leasehold reversion or lease termination, at which time the improvements were capitalized at fair value and recorded as a capital contribution. Upon implementation of GASB Statement No. 33, the Authority began recognizing lessee-financed improvements at cost or estimated cost upon completion of construction, or upon the asset being placed in service, whichever occurs first. However, lessee-financed improvements placed in service prior to the adoption of GASB Statement No. 33 continue to be recognized only upon leasehold reversion or lease termination.

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,500. Capital assets purchased by the Authority 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:

| | Years |
|--|--------------|
| Buildings, including parking garage | 20 to 50 |
| Sewers | 25 to 50 |
| Runways, taxiways and aprons | 15 to 25 |
| Roads, ramps, parking areas, runway and apron lighting, etc. | 15 to 20 |
| Heavy equipment, furniture and fixtures and fencing | 5 to 20 |
| Vehicles, office equipment and other | 3 to 10 |

Maintenance and repairs are expensed as incurred. Environmental mitigation costs incurred to establish wetlands and habitats are capitalized, while costs related to maintaining wetlands and habitats are generally charged to expense as incurred. Gains and losses on disposition of capital assets are included in nonoperating revenues and expenses.

Donated capital assets are measured at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Original Issue Premiums and Discount

Original issue premiums and discounts on bonds are amortized using the interest method over the lives of the bonds to which they relate.

Employee Health Benefits

The Authority offers health benefit plans which provide employees with a choice of coverage under a Health Savings Account plan, a high deductible Health Savings Account Plan, or a plan provided by a Preferred Provider Organization.

Deferred Outflows and Inflows of Resources

The Authority reports the consumption of net assets that applies to future periods as deferred outflows of resources in a separate section of its statement of net position.

The Authority reports the acquisition of net assets that applies to future periods as deferred inflows of resources in a separate section of its statement of net position.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Compensated Absences

In accordance with the vesting method provided under GASB Statement No. 101, *Compensated Absences*, accumulated vacation and sick time is accrued when earned by the employee and the accrual is based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Net Position

Net position of the Authority is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the Authority, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted.

Classification of Revenues

The Authority has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as grants, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as facility charges and investment income.

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 Indiana. 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 Authority disposes of land or other assets which were originally purchased with federal assistance. In accordance with the Airport Improvement Program (AIP), the Authority 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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Revenue and Expense and Net Position 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, grants and charges.

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

Airline Agreement

The Authority has entered into an Agreement and Lease of Premises (Airline Agreement) with certain passenger, charter and cargo airlines serving the airport (collectively, the Signatory Airlines). The current Airline Agreement became effective January 1, 2024 and extends through December 31, 2026. Other airlines operate under an airport use permit that generally has a term of no more than two years. The Airline Agreement's hybrid residual rate-making features are designed to ensure that the Authority's debt service and related coverage obligations, including the Rate Covenant, will be met. The Airline Agreement authorizes the Authority to implement new fees and charges as necessary. In the event of an airline bankruptcy, the Authority may adjust the rates and charges for all Signatory Airlines in the current rate period to recover the rates and charges due from the bankrupt carrier. However, there can be no assurance that such other airlines will be financially able to absorb the additional costs. Rental rates under these agreements are determined annually.

Passenger Facility Charges

The Authority received approval from the Federal Aviation Administration (FAA) to impose and use a passenger facility charge (PFC) of \$3.00 per eligible enplaned passenger and has imposed the PFC since September 1993. PFC's are restricted for use in the acquisition of real estate and the construction of certain airport improvements and other costs, as approved by the FAA.

During 2001, the Authority received approval from the FAA to increase the collection level from \$3.00 to \$4.50 per enplaned passenger beginning April 2002. In addition, approvals received in March 2001, August 2003, and February 2022 allow the Authority to impose and use \$635,875,106 in PFC's for various capital and debt-related purposes. Included in the use approval is \$275,172,500 for principal payments on debt, \$223,335,000 for interest payments on debt and \$56,330,000 for the construction of the terminal and associated program construction.

PFC's, which are recognized as earned, are included in nonoperating revenues and amounted to \$20,505,560 and \$18,477,596 for 2024 and 2023, respectively.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Customer Facility Charges (Rental Cars)

The Authority collects a customer facility charge (CFC) from all rental car concessionaires that operate facilities on the airport. The CFC, which started in 2006, was \$3.00 per rental car transaction per day, up to 14 days. The Authority increased this charge to \$4.00 per transaction in February 2010 and subsequently increased this charge to \$5.00 per transaction in March 2019. Under the adopting ordinance, CFC's may be pledged or dedicated for the payment of airport bonds or other obligations, as defined by applicable bond documents, or other costs as agreed to by the Authority. CFC revenue totaled \$10,014,110 and \$9,094,934 for 2024 and 2023, respectively.

Income Taxes

As an instrumentality of the state, the income of the Authority is exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law.

Note 2: Adoption of New Standards

Adoption of GASB Statement No. 100, Accounting for Changes and Error Corrections

During 2024, the Authority adopted GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 updates accounting and financial reporting requirements for accounting changes and error corrections to address current diversity in practice.

Adoption of GASB Statement No. 101, Compensated Absences

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

The Authority adopted this standard during 2024 and applied it retrospectively to the earliest period presented. The cumulative effect adjustment to beginning net position at the date of initial application was \$507,500.

| <u>Statement of Net Position</u> | 2023 (as Restated) | As Previously Reported | Effect of Change |
|--|---------------------------|-------------------------------|-------------------------|
| Accrued and withheld items (including compensated absences) | \$ 10,189,935 | \$ 9,643,535 | \$ 546,400 |
| Unrestricted net position | 141,643,833 | 142,190,233 | (546,400) |
| <u>Statement of Revenues, Expenses, and Changes in Net Position</u> | | | |
| Operating expenses - personal services | 46,388,102 | 46,349,202 | 38,900 |
| <u>Statement of Cash Flows</u> | | | |
| Loss from operations | \$ (29,105,750) | \$ (29,066,850) | \$ (38,900) |
| Change in accrued and withheld items | 138,994 | 100,094 | 38,900 |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 3: Cash, Cash Equivalents and Investment Securities

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes. At December 31, 2024 and 2023, the carrying value of deposits was \$124,722,387 and \$200,945,784, respectively.

The Authority's cash deposits are insured up to \$250,000 at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the \$250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (Fund) via the pledged collateral from the institutions securing deposits of public funds. The Fund is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investments

Indiana statutes generally authorize the Authority to invest in United States obligations and issues of federal agencies, Indiana municipal securities, secured repurchase agreements fully collateralized by U.S. Government or U.S. Government agency securities, certificates of deposit, and open-end money market mutual funds.

At December 31, 2024 and 2023, the Authority had the following investment securities and maturities:

| | Rating | Total | December 31, 2024 | | |
|---|---------------|-----------------------|-----------------------------|------------------------|---|
| | | | Less Than 1 Year | 1 - 5 Years | |
| U.S. Treasury Security Bills | AA+/Aa1 | \$ 126,384,062 | \$ 59,319,762 | \$ 67,064,300 | |
| U.S. Government-sponsored enterprise securities | AA+/Aa1 | 2,671,240 | 2,671,240 | | - |
| Indiana municipal securities | AA | 6,374,854 | 3,989,098 | 2,385,756 | |
| Money market mutual funds | AAAm/Aaa-mf | 114,924,189 | 114,924,189 | | - |
| External investment pools | Not Rated | 87,957,456 | 87,957,456 | | - |
| | | <u>\$ 338,311,801</u> | <u>\$ 268,861,745</u> | <u>\$ 69,450,056</u> | |

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

| | Rating | Total | December 31, 2023 | | 1 - 5 Years |
|---|-------------|------------------------------|------------------------------|-----------------------------|-------------|
| | | | Less Than 1 Year | 1 - 5 Years | |
| U.S. Treasury Security Bills | AA+/Aa1 | \$ 106,578,171 | \$ 51,327,676 | \$ 55,250,495 | |
| U.S. Government-sponsored enterprise securities | AA+/Aa1 | 6,671,960 | 4,051,146 | 2,620,814 | |
| | P-1 | 17,748,700 | 17,748,700 | - | |
| Total U.S. Government-sponsored enterprise securities | | <u>24,420,660</u> | <u>21,799,846</u> | <u>2,620,814</u> | |
| Indiana municipal securities | AA/Aa2 | 9,050,077 | 2,912,306 | 6,137,771 | |
| Money market mutual funds | AAAm/Aaa-mf | 159,398,852 | 159,398,852 | - | |
| | P-1 | 21,593,043 | 21,593,043 | - | |
| Total money market mutual funds | | <u>180,991,895</u> | <u>180,991,895</u> | <u>-</u> | |
| External investment pools | Not Rated | <u>40,534,877</u> | <u>40,534,877</u> | <u>-</u> | |
| | | <u><u>\$ 361,575,680</u></u> | <u><u>\$ 297,566,600</u></u> | <u><u>\$ 64,009,080</u></u> | |

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority is limited to investing in municipal securities of Indiana issuers that have not defaulted within the previous 20 years and other securities with a stated maturity of not more than five years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code, Section 5-13-9-5.6. The Authority's investment policy for interest rate risk requires compliance with the provisions of Indiana statutes. The money market mutual funds and external investment pools are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy for credit risk requires compliance with the provisions of Indiana statutes, and Indiana Code Section 5-13-9-2.5 requires that the Authority only invest in money market mutual funds that are rated AAAm by Standard and Poor's or Aaa by Moody's Investors Service. Other securities, including municipal securities, may be rated lower than AAAm/Aaa or may be unrated. The Authority's investment policy restricts investments in unrated or below investment grade Indiana municipal securities to five percent of its total investment portfolio.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2024 and 2023, the Authority's investments were not exposed to custodial credit risk. The Authority's investments in Indiana municipal securities and U.S. agency obligations are held by the pledging financial institution's trust department or agent in the Authority's name. Likewise, investments in repurchase agreements (which are secured by U.S. Government and U.S. Government agency obligations) are not subject to custodial credit risk as the underlying collateral was held in the Authority's name. The existence of the Authority's investment in money market mutual funds and external investment pools is not evidenced by securities that exist in physical or book entry form. The Authority's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

Concentration of Credit Risk - The Authority places the following limits on the amount that may be invested in any one issuer: (1) no more than 50% of total investments with any one governmental agency; and (2) no more than 15% with any one Indiana municipal issuer. Additionally, the Authority places the following limits on concentration of investments: (1) no more than 50% of total investments in money market mutual funds or forward purchase agreements; (2) no more than 25% of Authority funds in certificates of deposit or investment pools; and (3) no more than 5% of total investments with municipal securities that are unrated or that are rated below investment grade.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Authority's investment policy prohibits investments in foreign investments.

Summary of Carrying Values

Cash, cash equivalents and investment securities included in the statement of net position are classified as follows:

| | 2024 | 2023 |
|---------------------------------|------------------------------|------------------------------|
| Cash and cash equivalents | | |
| Current - unrestricted | \$ 78,847,654 | \$ 85,897,549 |
| Current - restricted | 147,667,780 | 246,005,330 |
| Noncurrent - restricted | 141,702,664 | 124,503,274 |
| Total cash and cash equivalents | <u>368,218,098</u> | <u>456,406,153</u> |
| Investment securities | | |
| Noncurrent - unrestricted | 32,057,413 | 27,480,526 |
| Noncurrent - restricted | 62,758,677 | 78,634,785 |
| Total investment securities | <u>94,816,090</u> | <u>106,115,311</u> |
| | <u><u>\$ 463,034,188</u></u> | <u><u>\$ 562,521,464</u></u> |

The carrying value of deposits and investments are as follows:

| | 2024 | 2023 |
|----------------|------------------------------|------------------------------|
| Carrying value | | |
| Deposits | \$ 124,722,387 | \$ 200,945,784 |
| Investments | <u>338,311,801</u> | <u>361,575,680</u> |
| | <u><u>\$ 463,034,188</u></u> | <u><u>\$ 562,521,464</u></u> |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Cash, cash equivalents and investment securities are as follows:

| | 2024 | 2023 |
|---|------------------------------|------------------------------|
| Unrestricted | | |
| Airport System Fund | \$ 92,992,251 | \$ 98,460,655 |
| Customer Facility Charge Fund | 17,902,116 | 14,906,720 |
| Other unrestricted funds | <u>10,700</u> | <u>10,700</u> |
| Total unrestricted cash, cash equivalents and investments | <u>110,905,067</u> | <u>113,378,075</u> |
| Restricted | | |
| Revenue Bond Interest and Principal Fund | 76,915,403 | 68,597,778 |
| Revenue Bond Reserve Fund | 53,348,447 | 57,198,489 |
| Operation and Maintenance Reserve Fund | 20,666,732 | 19,222,492 |
| Renewal and Replacement Fund | 3,915,181 | 3,707,379 |
| Capital Improvement Fund | 77,222,660 | 73,645,987 |
| Passenger Facility Charge Fund | 23,115,399 | 20,715,914 |
| Debt Service Coverage Fund | 21,420,147 | 21,314,406 |
| Construction Fund - 2023B Revenue Bonds | 63,525,813 | 92,068,603 |
| Construction Fund - 2022B Revenue Bonds | 8,751,735 | 84,951,463 |
| Construction Fund - 2019C Revenue Bonds | - | 346,964 |
| Capitalized Interest Fund | 2,558,376 | 6,685,154 |
| Customer deposits | <u>689,228</u> | <u>688,760</u> |
| Total restricted cash, cash equivalents and investments | <u>352,129,121</u> | <u>449,143,389</u> |
| Total cash, cash equivalents and investments | <u><u>\$ 463,034,188</u></u> | <u><u>\$ 562,521,464</u></u> |

The above funds and accounts have been established in accordance with the Authority's General Ordinance No. 5-2014, the Consolidated and Restated Master Bond Ordinance (consolidating and restating all previously adopted Bond Ordinances, as amended), and further amended by various supplemental ordinances (collectively, the Ordinance). The Ordinance provides, among other things, that certain accounting procedures be followed, and certain funds be established to provide bond holders a degree of security against certain contingencies. Brief descriptions of these funds follow.

Deposits into the Airport System Fund are disbursed in accordance with the Authority's annual budget to provide for current operations and maintenance expenses. Such deposits are also used to replenish balances in other funds to their required levels under the Ordinance. Amounts in the Airport System Fund are pledged to secure the Authority Revenue Bonds, but all current operations and maintenance expenses of the Airport System are paid prior to debt service on the Authority Revenue Bonds.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Assets included in the Revenue Bond Interest and Principal Funds and Revenue Bond Reserve Funds are used for the payment of bond principal, interest and redemption premiums, as well as any amounts due under Qualified Derivative Agreements (as defined under the Ordinance) entered into with regard to any of the Authority's Revenue Bonds. The Operation and Maintenance Reserve Fund must be maintained at a balance at least equal to one-sixth of the Authority's current operating budget as a reserve for payment of operation and maintenance expenses. Assets of the Renewal and Replacement Fund are used to pay extraordinary costs of replacing depreciable property and equipment and/or making extraordinary repairs, replacements, or renovations to the airport system. The Capital Improvement Fund can be used for any lawful airport system purpose, including payment for capital improvements and land acquisition. The revenue bond construction funds are designated for and can be drawn upon as eligible costs for specific projects are incurred. Finally, amounts in the Debt Service Coverage Fund are used for the purposes of establishing future coverage on outstanding Revenue Bonds.

Funds not used for these purposes are transferred into a Prepaid Airline Revenue Fund. Balances included in the Airport System Fund and Prepaid Airline Revenue Fund are classified in current unrestricted assets in the accompanying statement of net position.

The Authority has established a Customer Facility Charge Fund, which provides for a segregated account for receipt of CFC revenue. Such revenue is expended for reimbursement of capital and operating expenditures related to rental car operations on airport property, as well as to service debt associated with the financing of such capital projects. Balances in the CFC Fund are classified in current unrestricted assets in the accompanying statement of net position.

The Authority'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 allowable capital projects, or to repay debt (principal and interest) issued for allowable capital projects, under a Record of Decision granted by the FAA.

Investment Income

Investment income for the year ended December 31, 2024 and 2023 consisted of:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Interest and dividends | \$ 22,527,612 | \$ 22,336,090 |
| Changes in valuation of investment derivatives | - <hr/> | (694,375) <hr/> |
| Investment income | <hr/> \$ 22,527,612 | <hr/> \$ 21,641,715 |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 4: Grants Receivable

Grants receivable from government agencies represent reimbursements due from/to the federal government and/or the State of Indiana for allowable costs incurred on federal and state award programs. Grants receivable at December 31, 2024 and 2023 consist of:

| | 2024 | 2023 |
|--------------------------------------|-----------------------------|-----------------------------|
| State of Indiana | \$ 23,398 | \$ 55,295 |
| Federal Aviation Administration | 37,043,609 | 24,188,982 |
| U.S. Department of Commerce | 634,844 | 261,629 |
| U.S. Department of Homeland Security | - | 155,340 |
| Other | <u>4,322,509</u> | <u>51,386</u> |
| | <u><u>\$ 42,024,360</u></u> | <u><u>\$ 24,712,632</u></u> |

The maximum amount of federal and state participation available for 2024 totaled \$236,286,793. At December 31, 2024, a cumulative total of \$140,091,738 has been received on these grant commitments.

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 5: Capital Assets

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

| | 2024 | | | |
|--|--------------------------------|------------------------------|--------------------------------|--------------------------------|
| | Beginning Balance | Transfers and Additions | Transfers and Disposals | Ending Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 232,930,947 | \$ 6,438,705 | \$ (2,807,335) | \$ 236,562,317 |
| Construction in progress | <u>114,162,270</u> | <u>216,900,073</u> | <u>(251,783,672)</u> | <u>79,278,671</u> |
| Total capital assets, not being depreciated | <u>347,093,217</u> | <u>223,338,778</u> | <u>(254,591,007)</u> | <u>315,840,988</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,953,959,443 | 55,638,254 | (6,354,209) | 2,003,243,488 |
| Runways and other airport infrastructure | 1,524,463,954 | 200,024,941 | (6,847,552) | 1,717,641,343 |
| Equipment, furniture and fixtures and other | 294,340,669 | 19,677,835 | (198,935) | 313,819,569 |
| Subscription assets | 1,525,892 | 736,660 | - | 2,262,552 |
| Total capital assets, being depreciated | <u>3,774,289,958</u> | <u>276,077,690</u> | <u>(13,400,696)</u> | <u>4,036,966,952</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (937,769,792) | (57,090,409) | 6,354,209 | (988,505,992) |
| Runways and other airport infrastructure | (756,565,704) | (46,989,231) | 6,845,137 | (796,709,798) |
| Equipment, furniture and fixtures and other | (226,689,498) | (12,849,360) | 198,935 | (239,339,923) |
| Subscription assets | (701,133) | (565,607) | - | (1,266,740) |
| Total accumulated depreciation | <u>(1,921,726,127)</u> | <u>(117,494,607)</u> | <u>13,398,281</u> | <u>(2,025,822,453)</u> |
| Total capital assets, being depreciated, net | <u>1,852,563,831</u> | <u>158,583,083</u> | <u>(2,415)</u> | <u>2,011,144,499</u> |
| Capital assets, net | <u><u>\$ 2,199,657,048</u></u> | <u><u>\$ 381,921,861</u></u> | <u><u>\$ (254,593,422)</u></u> | <u><u>\$ 2,326,985,487</u></u> |
| | 2023 | | | |
| | Beginning Balance | Transfers and Additions | Transfers and Disposals | Ending Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 225,165,436 | \$ 10,567,754 | \$ (2,802,243) | \$ 232,930,947 |
| Construction in progress | <u>56,738,094</u> | <u>224,698,126</u> | <u>(167,273,950)</u> | <u>114,162,270</u> |
| Total capital assets, not being depreciated | <u>281,903,530</u> | <u>235,265,880</u> | <u>(170,076,193)</u> | <u>347,093,217</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,918,099,748 | 35,874,440 | (14,745) | 1,953,959,443 |
| Runways and other airport infrastructure | 1,389,330,103 | 145,699,965 | (10,566,114) | 1,524,463,954 |
| Equipment, furniture and fixtures and other | 275,822,581 | 20,945,141 | (2,427,053) | 294,340,669 |
| Subscription assets | 1,525,892 | - | - | 1,525,892 |
| Total capital assets, being depreciated | <u>3,584,778,324</u> | <u>202,519,546</u> | <u>(13,007,912)</u> | <u>3,774,289,958</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (881,437,057) | (56,332,735) | - | (937,769,792) |
| Runways and other airport infrastructure | (720,410,123) | (46,714,479) | 10,558,898 | (756,565,704) |
| Equipment, furniture and fixtures and other | (218,903,480) | (10,211,985) | 2,425,967 | (226,689,498) |
| Subscription assets | (215,611) | (485,522) | - | (701,133) |
| Total accumulated depreciation | <u>(1,820,966,271)</u> | <u>(113,744,721)</u> | <u>12,984,865</u> | <u>(1,921,726,127)</u> |
| Total capital assets, being depreciated, net | <u>1,763,812,053</u> | <u>88,774,825</u> | <u>(23,047)</u> | <u>1,852,563,831</u> |
| Capital assets, net | <u><u>\$ 2,045,715,583</u></u> | <u><u>\$ 324,040,705</u></u> | <u><u>\$ (170,099,240)</u></u> | <u><u>\$ 2,199,657,048</u></u> |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 6: Leases Receivable

The Authority leases a portion of its property to various third parties who use the space to conduct their operations on the Authority grounds, the terms of which expire 2025 through 2084. Payments for most of the leases increase at period intervals by the Consumer Price Index (Index), with is based upon the Index at lease commencement. In addition, the Authority has some leases with rental car companies and concessionaires that have a portion of their rent based on the higher of a percentage of receipts for the year or a minimum annual guarantee. The Authority bases the payments for these leases on the required minimum annual guarantee. The Authority leases certain equipment and property to third parties that conduct operations at airport owned facilities where lease payments are based on usage. The usage-based payments are not included in the measurement of the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the years ended December 31, 2024 and 2023, was \$37.7 million and \$44.7 million, respectively, which includes both lease revenue and interest. The Authority recognized lease revenue of \$11.9 million and \$9.8 million, for the years ended December 31, 2024 and 2023, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Authority leases that are included in the measurement of the lease receivable as of December 31, 2024:

| | 2024 | | |
|-------------|------------------------------|------------------------------|------------------------------|
| | Principal | Interest | Total |
| 2025 | \$ 27,836,343 | \$ 8,962,402 | \$ 36,798,745 |
| 2026 | 27,464,770 | 8,454,928 | 35,919,698 |
| 2027 | 25,384,849 | 7,866,854 | 33,251,703 |
| 2028 | 22,516,330 | 7,298,115 | 29,814,445 |
| 2029 | 19,662,495 | 6,768,105 | 26,430,600 |
| 2030 - 2034 | 45,659,119 | 29,083,885 | 74,743,004 |
| 2035 - 2039 | 30,644,538 | 22,964,803 | 53,609,341 |
| 2040 - 2044 | 26,084,521 | 16,864,630 | 42,949,151 |
| 2045 - 2049 | 10,366,168 | 13,461,182 | 23,827,350 |
| 2050 - 2054 | 12,370,813 | 11,398,354 | 23,769,167 |
| 2055 - 2059 | 12,665,633 | 9,140,337 | 21,805,970 |
| 2060 - 2064 | 13,536,830 | 6,729,328 | 20,266,158 |
| 2065 - 2069 | 15,380,037 | 4,205,512 | 19,585,549 |
| 2070 - 2074 | 14,497,556 | 1,282,366 | 15,779,922 |
| 2075 - 2079 | 229,505 | 149,515 | 379,020 |
| 2080 - 2084 | <u>741,357</u> | <u>52,769</u> | <u>794,126</u> |
| | <u><u>\$ 305,040,864</u></u> | <u><u>\$ 154,683,085</u></u> | <u><u>\$ 459,723,949</u></u> |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 7: Regulated Leases

The Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB Statement No.87, and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire at December 31, 2026. The Authority leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. Most of these leases allow the lessee the preferential use of the premises, however, aircraft and vehicles may traverse the space and the Authority has the right to grant third party privileges at their discretion. The portion of total rentable space that is preferential as of December 31, 2024 for the terminal is 17.9% and 51.8% for the apron and remote overnight parking areas. The portion of total rentable space that is preferential as of December 31, 2023 for the terminal is 20.3% and 51.8% for the apron and remote overnight parking areas.

The Authority recognized lease revenue of \$40.7 and \$26.6 million, respectively, for the years ended December 31, 2024 and 2023, for variable payments relating to signatory landing fees not previously included in the future minimum payments.

The following is a schedule by year of expected future minimum payments to be received under the Authority's regulated leases as of December 31, 2024:

| | Total Future Payments |
|------|----------------------------------|
| 2025 | \$ 41,687,440 |
| 2026 | 41,626,827 |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

Note 8: Bonds Payable and Other Debt

Bonds and other debt outstanding at December 31, 2024 and 2023 consist of:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Refunding Revenue Bonds, Series 2023A (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2037, in payments from \$390,000 to \$15,005,000. Interest at 3.83%, due semiannually on January 1 and July 1. | \$ 93,495,000 | \$ 93,700,000 |
| Revenue Bonds, Series 2023B-1 (Non-AMT) | | |
| Serial bonds, maturing January 1, 2026 to January 1, 2043, in payments from \$1,165,000 to \$2,665,000. Interest at 5.00%, due semiannually on January 1 and July 1. | 32,730,000 | 32,730,000 |
| Term bonds, maturing January 1, 2048 and January 1, 2053, in payments of \$15,465,000 and \$19,735,000, respectively. Interest at 5% due semiannually on January 1 and July 1. | 35,200,000 | 35,200,000 |
| Unamortized premium | 5,997,044 | 6,338,030 |
| | <hr/> 73,927,044 | <hr/> 74,268,030 |
| Revenue Bonds, Series 2023B-2 (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2043, in payments from \$900,000 to \$16,660,000. Interest at 5.00% to 5.25%, due semiannually on January 1 and July 1. | 133,130,000 | 133,130,000 |
| Term bonds, maturing January 1, 2048 and January 1, 2053, in payments of \$2,030,000 and \$2,625,000, respectively. Interest at 5.25% due semiannually on January 1 and July 1. | 4,655,000 | 4,655,000 |
| Unamortized premium | 9,161,485 | 10,733,684 |
| | <hr/> 146,946,485 | <hr/> 148,518,684 |
| Revenue Bonds, Series 2022A (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2033, in payments from \$625,000 to \$17,475,000. Interest at 2.79%, due semiannually on January 1 and July 1. | 69,205,000 | 69,755,000 |
| Revenue Bonds, Series 2022B-1 (Non-AMT) | | |
| Serial bonds, maturing January 1, 2028 to January 1, 2043, payments from \$1,375,000 to \$4,290,000. Interest at 5.00% and 5.25%, due semiannually on January and July 1. | 43,460,000 | 43,460,000 |
| Term bonds, maturing January 1, 2048 and January 1, 2053, in payments of \$16,850,000 and \$21,640,000, respectively. Interest at 5.25% and 5.00%, respectively, due semiannually on January 1 and July 1. | 38,490,000 | 38,490,000 |
| Unamortized premium | 6,370,839 | 6,730,470 |
| | <hr/> 88,320,839 | <hr/> 88,680,470 |
| Revenue Bonds, Series 2022B-2 (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2043, payments from \$85,000 to \$7,030,000. Interest at 5.00% and 5.25%, due semiannually on January and July 1. | 64,495,000 | 64,495,000 |
| Term bonds, maturing January 1, 2048 and January 1, 2053, in payments of \$1,210,000 and \$1,540,000, respectively. Interest at 5.00%, due semiannually on January 1 and July 1. | 2,750,000 | 2,750,000 |
| Unamortized premium | 3,976,224 | 4,309,580 |
| | <hr/> 71,221,224 | <hr/> 71,554,580 |
| Revenue Bonds, Series 2022B-3 (Taxable) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2032, payments from \$2,710,000 to \$3,745,000. Interest from, 4.90% to 5.18%, due semiannually on January and July 1. | 25,445,000 | 25,445,000 |
| Revenue Bonds, Series 2019A (Non-AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2054, in payments from \$605,000 to \$1,340,000. Interest at 2.8%, due semiannually on January 1 and July 1. | 27,745,000 | 28,330,000 |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

(Continued)

| | 2024 | 2023 |
|--|--|---|
| Revenue Bonds, Series 2019B (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2035, payments from \$320,000 to \$24,450,000. Interest at 5.0%, due semiannually on January and July 1. | \$ 110,045,000 7,819,703 <hr/> 117,864,703 | \$ 128,375,000 11,441,646 <hr/> 139,816,646 |
| Unamortized premium | | |
| Revenue Bonds, Series 2019C-1 (Non-AMT) | | |
| Term bonds, maturing January 1, 2044 and January 1, 2050, in payments from \$18,365,000 to \$33,230,000, respectively. Interest at 5.00% and 4.00%, respectively, due semiannually on January 1 and July 1. | 51,595,000 6,052,827 <hr/> 57,647,827 | 51,595,000 6,347,857 <hr/> 57,942,857 |
| Unamortized premium | | |
| Revenue Bonds, Series 2019C-2 (Non-AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2037, in payments from \$755,000 to \$1,355,000. Interest at 5.00%, due semiannually on January 1 and July 1. | 13,380,000 1,936,736 <hr/> 15,316,736 | 14,100,000 2,226,629 <hr/> 16,326,629 |
| Unamortized premium | | |
| Revenue Bonds, Series 2019D (Non-AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2040, in payments from \$1,000 to \$3,411,300. Interest at 2.62%, due semiannually on January 1 and July 1. | 33,087,443 | 35,653,985 |
| Revenue Bonds, Series 2016A-1 (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2035, in payments from \$2,145,000 to \$18,475,000. Interest at 4.00% to 5.00%, due semiannually on January 1 and July 1. | 45,045,000 5,030,998 <hr/> 50,075,998 | 47,820,000 5,824,752 <hr/> 53,644,752 |
| Unamortized premium | | |
| Revenue Bonds, Series 2016A-2 (Taxable) | | |
| Term bonds, maturing January 1, 2027 and January 1, 2036, in payments from \$280,000 to \$3,135,000, respectively. Interest is fixed at 3.195% and 3.894%, respectively, due semiannually on January 1 and July 1. | 3,415,000 | 3,500,000 |
| Revenue Bonds, Series 2015A (AMT) | | |
| Serial bonds, maturing January 1, 2025 to January 1, 2033, in payments from \$16,215,000 to \$19,875,000. Interest at 4.00% to 5.00%, due semiannually on January 1 and July 1. | 159,680,000 5,974,204 <hr/> 165,654,204 | 171,920,000 7,395,036 <hr/> 179,315,036 |
| Unamortized premium | | |
| Revenue Bonds, Series 2014A (AMT) | | |
| Serial bonds, matured January 1, 2024. Interest was at 5.00%, due semiannually on January 1 and July 1. | - | 11,070,000 |
| Total revenue bonds | 1,039,367,503 | 1,097,521,669 |
| Current portion | (54,018,785) | (49,126,542) |
| Long-term portion | <hr/> \$ 985,348,718 | <hr/> \$ 1,048,395,127 |

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Revenue Bonds

Portions of the Authority's Series 2015A, 2016A-1, 2016A-2, 2019B, 2019C-1, 2019C-2, 2022B-1, 2022B-2, 2022B-3, 2023B-1, and 2023B-2 Revenue Bonds are subject to optional redemption by the Authority at various dates in the future. Portions of the Authority's Series 2019A and 2019D Revenue Bonds, with consent from the Indiana Finance Authority, are subject to optional redemption by the Authority at various dates in the future. The 2022A and 2023A Revenue Bonds are subject to optional redemption by the Authority upon notification to the bondholders.

The Series 2016A-2 Refunding Revenue Bonds, maturing January 1, 2027 (the 2027 Term Bonds), and January 1, 2036 (the 2036 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2025 to 2027 and 2035 to 2036, respectively.

The Authority's 2019C-1 Revenue Bonds, maturing January 1, 2044 (the 2044 Term Bonds), and January 1, 2050 (the 2050 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2040 to 2044 and 2045 to 2050, respectively.

The Authority's 2022A Revenue Bonds maturing January 1, 2033 (the 2033 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2025 to 2033.

The Authority's 2022B-1 Revenue Bonds, maturing January 1, 2048 (the 2048 Term Bonds), and January 1, 2053 (the 2053 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2044 to 2048 and 2049 to 2053, respectively.

The Authority's 2022B-2 Revenue Bonds, maturing January 1, 2048 (the 2048 Term Bonds), and January 1, 2053 (the 2053 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2044 to 2048 and 2049 to 2053, respectively.

The Authority's 2023A Revenue Bonds, maturing January 1, 2037 (the 2037 Term Bonds) are subject to redemption from mandatory sinking fund payments during 2025 to 2037.

The Authority's 2023B-1 Revenue Bonds, maturing January 1, 2048 (the 2048 Term Bonds), and January 1, 2053 (the 2053 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2044 to 2048 and 2049 to 2053, respectively.

The Authority's 2023B-2 Revenue Bonds, maturing January 1, 2048 (the 2048 Term Bonds), and January 1, 2053 (the 2053 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2044 to 2048 and 2049 to 2053, respectively.

2023A Revenue Bonds

In June 2023, the Authority issued the 2023A Refunding Revenue Bonds in the amount of \$93,700,000. The proceeds from the 2023A Revenue Bonds were used to refund the Series 2010C-3, 2010C-4, and 2010C-5 Revenue Bonds and terminate the associated interest rate swaps. The costs of issuance were paid with Authority funds. The net present value loss resulting from this refunding was \$4,242,090, and the aggregate increase in the required debt service between the portion of the refunded 2010C Bonds and the 2023A Bonds was \$6,805,962. There are certain events which could result in a higher interest rate and/or an acceleration of amounts due on the 2023A Revenue Bonds. These events are described in the Continuing Covenant Agreement filed on the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") site at the ILPIBB's issuer homepage or using the following links: <https://emma.msrb.org/P21750245.pdf>

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

2023B Revenue Bonds

In December 2023, the Authority issued the 2023B-1 (\$67,930,000; tax-exempt, Non-AMT) and 2023B-2 (\$137,785,000, tax-exempt, AMT) in an original amount totaling \$205,715,000 with an original issue premium of \$17,124,858. The 2023B Revenue Bonds were issued for the principal purpose of providing funds, together with other funds of the Authority, to refund \$126,035,000 of the outstanding balance of the 2014A Revenue Bonds, a portion of certain capital projects at the Authority, and capitalized interest on all or a portion of the 2023B Authority Bonds. The net present value savings resulting from the refunding of the 2014A Revenue Bonds were \$8,303,488, and the aggregate difference in the required debt service between the 2014A Bonds and their portion of the 2023B Bonds is \$10,240,007. The capital projects funded with the new money portion of the 2023B Revenue Bonds include, but are not limited to, reconstructing runway 5R-23L and Taxiway D with LED lighting, rehabilitation of public parking lots pavement, constructing terminal back-up water connections, and constructing terminal energy resilience. Proceeds from the 2023B Revenue Bonds were also used to fund all or a portion of interest on the 2023B Revenue Bonds through the in-service date on each particular portion of the 2023B project and pay costs of issuance related to the 2023B Revenue Bonds. The proceeds were deposited in project funds and capitalized interest funds to be drawn upon as eligible costs were incurred. As of December 31, 2024, \$41,079,590 and \$22,451,347 remained in the 2023B-1 and 2023B-2 project funds, respectively; and \$1,832,619 and \$580,197 remained in the 2023B-1 and 2023B-2 capitalized interest funds, respectively.

2010C Revenue Bonds

In December 2010, the Authority issued the Indianapolis Airport Authority Airport Revenue Bonds, Series 2010C (2010C Revenue Bonds) in an original amount totaling \$350,000,000. The 2010C Revenue Bonds were issued in five subseries (2010C-1 through 2010C-5) with final maturities ranging from January 1, 2033 through January 1, 2037. The Series 2010C Revenue Bonds were sold to the Indianapolis Local Public Improvement Bond Bank (the “ILPIBB”) and directly purchased by banks (by subseries), subject to Continuing Covenant Agreements, as the ILPIBB Revenue Bonds, Series 2010L, and were secured by a Trust Indenture and Ordinances which established a security interest in net revenues of the airport system. In August 2022, the proceeds from the 2022A Revenue Bonds were used to refund the 2010C-1 and 2010C-2 Revenue Bonds and the associated swaps were terminated. In June 2023, the proceeds from the 2023A Revenue Bonds were used to refund the 2010C-3, 2010C-4, and 2010C-5 Revenue Bonds and the associated swaps were terminated.

Directly Placed Debt

As of December 31, 2024 and 2023, the Authority held directly placed debt as detailed below:

| | 2022A | 2023A |
|------------------------------------|-----------------------|-----------------------|
| Par Outstanding at 12/31/2024 | \$ 69,205,000 | \$ 93,495,000 |
| Par Outstanding at 12/31/2023 | 69,755,000 | 93,700,000 |
| Lien | Senior | Senior |
| Final Maturity | 1/1/2033 | 1/1/2037 |
| End of Bank Term | n/a | n/a |
| Bank | Bank of America, N.A. | Bank of America, N.A. |
| Index / Interest Rate | 2.79% | 3.83% |
| Maximum rate increase upon default | 10% | 10% |

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

The Master Bond Ordinance

The Authority's Revenue Bonds are secured under the Master Bond Ordinance by a pledge of net revenues of the Airport System and on parity with each other, except with respect to their Revenue Bond Reserve Funds.

Pursuant to its Master Bond Ordinance, the Authority has adopted resolutions beginning in 2003 and 2006 irrevocably dedicating revenues from passenger facility charges and customer facility charges (the Dedicated Revenues), respectively, to be used exclusively to pay debt service on the Authority's Revenue Bonds. The irrevocable dedication of passenger facility charges revenue in 2024 and 2023, was \$19.0 million. The customer facility charge revenue dedication was \$6.5 million and \$4.0 for 2024 and 2023, respectively.

In accordance with the Rate Covenant contained in the Master Bond Ordinance, rates and fees charged by the Authority for the use of its facilities must be sufficient to provide annual net revenues when combined with moneys in the coverage fund to equal the larger of: (a) all amounts required to be deposited to the credit of the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; or (b) an amount not less than 125% of the Debt Service Requirement for all Revenue Bonds. For the purpose of complying with the Rate Covenant, the Authority includes within net revenues in any fiscal year amounts transferred from the Prepaid Airline Fund and amounts on deposit in the Debt Service Coverage Fund pursuant to the Master Bond Ordinance and excludes from interest due on Authority Revenue Bonds any interest paid from bond proceeds. The Authority can also exclude debt service to be paid from dedicated revenues from its Rate Covenant calculation.

Debt Service Requirements

Debt service requirements to maturity for all debt of the Authority, excluding any unamortized discount or premium and its capital lease agreements, are as follows at December 31, 2024:

| Years Ending December 31 | Revenue Bonds | | | Total |
|-----------------------------|-----------------------|-----------------------|-------------------------|-------|
| | Principal | Interest | | |
| 2025 | \$ 54,018,785 | \$ 43,525,701 | \$ 97,544,486 | |
| 2026 | 58,887,790 | 40,884,119 | 99,771,909 | |
| 2027 | 62,643,604 | 37,947,671 | 100,591,275 | |
| 2028 | 65,866,272 | 34,837,341 | 100,703,613 | |
| 2029 | 66,051,000 | 31,607,389 | 97,658,389 | |
| 2030 - 2034 | 341,169,975 | 111,721,330 | 452,891,305 | |
| 2035 - 2039 | 139,023,717 | 58,303,601 | 197,327,318 | |
| 2040 - 2044 | 79,596,300 | 36,145,841 | 115,742,141 | |
| 2045 - 2049 | 70,045,000 | 19,598,406 | 89,643,406 | |
| 2050 - 2054 | 49,745,000 | 4,431,300 | 54,176,300 | |
| | <u>\$ 987,047,443</u> | <u>\$ 419,002,699</u> | <u>\$ 1,406,050,142</u> | |

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2024 and 2023

The following is a summary of long-term obligation transactions for the Authority for the years ended December 31, 2024 and 2023:

| | 2024 | | | | |
|------------------------------------|--------------------------------|------------------------------|--------------------------------|--------------------------------|-----------------------------|
| | Beginning Balance | Additions | Deductions | Ending Balance | Current Portion |
| Long-term obligations | | | | | |
| Revenue bonds payable | \$ 1,036,173,985 | \$ - | \$ (49,126,542) | \$ 987,047,443 | \$ 54,018,785 |
| Bond premium | 61,347,684 | - | (9,027,624) | 52,320,060 | - |
| Total revenue bonds payable | 1,097,521,669 | - | (58,154,166) | 1,039,367,503 | 54,018,785 |
| Subscription liabilities | 592,405 | 736,660 | (657,980) | 671,085 | 217,703 |
| Total long-term obligations | <u>\$ 1,098,114,074</u> | <u>\$ 736,660</u> | <u>\$ (58,812,146)</u> | <u>\$ 1,040,038,588</u> | <u>\$ 54,236,488</u> |
| 2023 | | | | | |
| | Beginning Balance | Additions | Deductions | Ending Balance | Current Portion |
| Long-term obligations | | | | | |
| Revenue bonds payable | \$ 985,755,000 | \$ 299,415,000 | \$ (248,996,015) | \$ 1,036,173,985 | \$ 49,126,542 |
| Bond premium | 60,082,056 | 17,124,858 | (15,859,230) | 61,347,684 | - |
| Total revenue bonds payable | 1,045,837,056 | 316,539,858 | (264,855,245) | 1,097,521,669 | 49,126,542 |
| Subscription liabilities | 1,088,841 | - | (496,436) | 592,405 | 518,218 |
| Total long-term obligations | <u>\$ 1,046,925,897</u> | <u>\$ 316,539,858</u> | <u>\$ (265,351,681)</u> | <u>\$ 1,098,114,074</u> | <u>\$ 49,644,760</u> |

Interest Expense

Interest expense is comprised of the following components at December 31, 2024 and 2023:

| | 2024 | 2023 |
|---|--------------------------|--------------------------|
| Interest expense on long-term debt | \$ 45,398,213 | \$ 43,793,784 |
| Amortization of bond premiums/discounts | (9,027,622) | (9,029,166) |
| Amortization of deferred losses on refundings | 1,282,287 | 2,590,703 |
| Bond issuance costs | 711,177 | 1,596,899 |
| Changes in bond arbitrage rebates | <u>3,002,646</u> | <u>865,161</u> |
| Total interest expense | <u>\$ 41,366,701</u> | <u>\$ 39,817,381</u> |

Note 9: Special Facility Revenue Bonds

To provide for the construction of the Indianapolis Maintenance Center (IMC) (formerly leased to United Air Lines, Inc.), the Authority issued special facility revenue bonds (conduit debt obligations). These bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of lease rentals to be received by the Authority. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, the City or the State and are, therefore, not reported in the accompanying financial statements. At December 31, 2024 and 2023, the Special Facility Revenue Bonds, Series 1995 (Indianapolis Maintenance Center), outstanding were \$165,988,327.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Note 10: Derivative Financial Instruments

Forward Delivery Purchase Agreements - Hedging Derivative Instruments

The Authority has entered into three forward delivery purchase agreements (the Forward Delivery Agreements). The Forward Delivery Agreements require the counterparties to deposit securities in the Authority's debt service reserve trust accounts and provides the Authority a guaranteed rate of return. The securities that are deposited into the debt service reserve trust accounts are required to mature prior to scheduled debt service payment dates on the bonds that are secured by the respective debt service reserve funds.

Eligible securities include (a) discount notes issued by a federal agency; and (b) securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America, and issued by any of the following:

- the United States Treasury
- a federal instrumentality
- a federal agency
- a federal government-sponsored enterprise

Objective of the Forward Delivery Agreements -

The Forward Delivery Agreements allow the Authority to earn a guaranteed fixed rate of return over the life of the agreement. These Agreements are utilized by the Authority to earn a rate of return in excess of a rate that would otherwise be feasible by investing in securities with a shorter term.

Terms - The general terms of each agreement are set forth in the table below:

| Debt Service Fund | Date of Agreement | Termination Date | Scheduled Reserve Amount | Guaranteed Rate | Fair Value at December 31, 2024 | Fair Value at December 31, 2023 |
|-------------------|-------------------|-------------------|--------------------------|-----------------|---------------------------------|---------------------------------|
| Series 2023B-2 | December 1, 2004 | December 30, 2033 | \$ 13,147,000 | 4.962% | \$ 106,277 | \$ 256,640 |
| Series 2015A | December 28, 2005 | December 31, 2032 | 15,000,000 | 4.820% | (127,575) | 119,127 |
| Series 2016A | August 1, 2006 | January 1, 2036 | 17,321,400 | 5.311% | 667,344 | 888,724 |
| | | | | | \$ 646,046 | \$ 1,264,491 |

Fair Value - The fair values of the Forward Delivery Agreements are based on the value of the future discounted cash flows expected to be received over the life of the agreement relative to an estimate of discounted cash flows that could be received over the same term based on current market conditions. The fair values of the Forward Delivery Agreements are classified as a noncurrent asset on the statement of net position as of December 31, 2024 and 2023. As the Forward Delivery Agreements are effective hedging instruments, the changes in fair value of the Forward Delivery Agreements of (\$618,445) and (\$2,639,582) and for the years ended December 31, 2024 and 2023, respectively, are shown as an adjustment to the carrying amount of the related deferred inflows of resources on the statement of net position.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Credit Risk - Credit risk is the risk that a counterparty will not fulfill its obligations. Under the terms of the Forward Delivery Agreements, the Authority is either holding cash or an approved security within the debt service reserve funds. None of the principal amount of an investment under the Forward Delivery Agreements is at risk to the credit of the counterparty. Should the counterparty default, the Authority's maximum exposure is the positive termination value, if any, related to these agreements.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Authority's financial instruments or cash flows. The fair value of the Forward Delivery Agreements is expected to fluctuate over the life of the agreements in response to changes in interest rates. The Authority does not have a formally adopted policy related to interest rate risk on the Forward Delivery Agreements.

Termination Risk - The Authority or the counterparties may terminate the Forward Delivery Agreements if the other party fails to perform under the terms of the contract. In addition, the Authority has an unrestricted option to terminate the Forward Delivery Agreements. If the Forward Delivery Agreements have a negative fair value at the time of termination, the Authority would be liable to the counterparty for a payment equivalent to the fair value of the instrument at the time of termination.

Note 11: Net Investment in Capital Assets

The Authority's net investment in capital assets is comprised of the following components at December 31, 2024 and 2023:

| | 2024 | 2023 |
|--|--------------------------------|--------------------------------|
| Capital and subscription assets, net of accumulated depreciation | \$ 2,326,985,487 | \$ 2,199,657,048 |
| Long-term debt | (1,040,038,588) | (1,098,114,074) |
| Other reconciling items | | |
| Restricted accounts payable related to capital assets | (56,176,811) | (44,685,897) |
| Deferred loss on refunding of debt | 3,922,877 | 5,205,165 |
| Unspent bond proceeds - construction and State revolving fund | 72,277,548 | 177,020,066 |
| Revenue bond reserve fund financed by bond proceeds | 53,348,447 | 57,198,489 |
| Net investment in capital assets | <u><u>\$ 1,360,318,960</u></u> | <u><u>\$ 1,296,280,797</u></u> |

The Authority revised its calculation of the net investment in capital assets during 2024. With this change, the 2023 net investment in capital assets was revised by increasing the prior year total by approximately \$603,000 with a corresponding increase to restricted net position.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Note 12: 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

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

| | Fair Value Measurements Using | | | |
|---|-------------------------------|--|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| December 31, 2024 | | | | |
| Investments | | | | |
| U.S. Treasury Security Bills | \$ 126,384,062 | \$ 126,384,062 | \$ - | \$ - |
| U.S. Government-sponsored enterprise securities | | | | |
| Federal Home Loan Mortgage Corporation | 2,671,240 | - | 2,671,240 | - |
| Indiana municipal securities | 6,374,854 | - | 6,374,854 | - |
| External investment pools | 87,957,456 | - | 87,957,456 | - |
| Derivative Financial Instruments | | | | |
| Forward delivery purchase agreements | 646,046 | - | - | 646,046 |
| December 31, 2023 | | | | |
| Investments | | | | |
| U.S. Treasury Security Bills | \$ 106,578,171 | \$ 106,578,171 | \$ - | \$ - |
| U.S. Government-sponsored enterprise securities | | | | |
| Federal Home Loan Mortgage Corporation | 24,420,660 | - | 24,420,660 | - |
| Indiana municipal securities | 9,050,077 | - | 9,050,077 | - |
| External investment pools | 40,534,877 | - | 40,534,877 | - |
| Derivative Financial Instruments | | | | |
| Forward delivery purchase agreements | 1,264,491 | - | - | 1,264,491 |

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2024.

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.

Derivative Financial Instruments

The fair value of the forward delivery agreements are derived from proprietary models and are calculated on a mid-market basis, but do not include bid/offer spread and are therefore classified in Level 3.

Note 13: Indianapolis Maintenance Center

As discussed previously in these footnotes, the Authority, the State of Indiana, the City of Indianapolis and United Air Lines, Inc. (United) financed the construction and equipping of the IMC. As a part of the financing of these facilities, the Authority issued \$220,705,000 in special facility revenue bonds of which \$165,988,327 remains outstanding at December 31, 2024. The Authority had, and continues to have, no obligation to make interest and principal payments on these special facility bonds. Revenues from the IMC are reserved for expense reimbursement to the Authority for operational expenses incurred and interest accrued on unreimbursed operational expenses (On-going Expenses). Once all On-going Expenses have been reimbursed to the Authority, revenue in excess of On-going Expenses are shared between the special facility bondholders and the Authority on a percentage basis bound by the terms of the Settlement Agreement. Previously, the interest and principal payments for the Series 1995 Special Facility Revenue Bonds (United Facility Bonds) were funded by rentals paid by United under its lease agreement with the Authority. On December 9, 2002, United filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. On May 9, 2003, the Bankruptcy Court made effective United's rejection of its lease of the IMC and United abandoned the IMC facilities, whereby all of the IMC assets reverted to the Authority's control.

In February 2004, the Authority and the Trustee of the bondholders entered into a Settlement Agreement which, among other things, provided for up to \$7.5 million in reimbursements for certain costs incurred after May 2003. The Settlement Agreement also provided for reimbursement for up to \$6.5 million of the Tenant Improvement Expenditure Reserve (TIER) fund for use of capital improvements, if certain conditions were met. On February 13, 2014, all the funds accumulated in the bondholder Trustee held TIER fund were disbursed to the bondholders with the exception of \$1 million.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Since 2004, the Authority has entered into various leases for certain portions of the IMC. These leases include hangar space, office areas and the backshops (which were being used primarily for the maintenance, repair and overhaul of commercial aircraft) and certain warehouse and office space for non-aviation related use. In February 2025, the Authority entered into a new lease with the IMC's main tenant, AAR Aircraft Services (AAR), with a new lease expiration of February 28, 2027, a lease extension of two years. This new AAR lease provided for AAR to lease a total of seven hangars (Hangars 2A, 2B, 3B, 5A, 5B, 6A and 6B). The rental structure commencing March 1, 2025 through end of Term, February 28, 2027, requires AAR to make the Authority whole, taking into account operating expenses, amortized capital expenses and other revenue sources associated with the IMC. AAR and Shuttle America make up the leasing of nine of the twelve hangar spaces. As a part of the Settlement Agreement, rentals collected for the IMC are not considered revenue to the Authority but instead are required to be deposited with a Settlement Agreement escrow trustee held on behalf of the United Facility bondholders. The monies held in trust are to be used to pay On-going Expenses of the IMC and must be applied in a manner prescribed by the terms of the Settlement Agreement.

For the years ended December 31, 2024 and 2023, the Authority incurred approximately \$6.0 million and \$7.5 million of costs for the IMC, respectively. The Authority has received reimbursements for these costs under the Settlement Agreement aggregating approximately \$5.5 million and \$6.6 million for 2024 and 2023, respectively. In addition, as of December 31, 2024 and 2023, the Authority has accrued approximately \$2.3 million and \$2.5 million, respectively, in reimbursements from the Trustee for allowable costs incurred.

Note 14: Risk Management

Risk management is the responsibility of the Authority. Operationally, the Authority is exposed to various risks of loss related to the theft of, damage to and destruction of assets, natural disasters as well as certain tort liabilities for which commercial insurance is carried. The commercial insurance policies carry deductibles ranging from \$0 to \$100,000. Insurance policies procured, including commercial general liability and commercial property damage, are inclusive of coverage for certain war casualty and acts of terrorism. Coverage terms, limits, and deductibles have each been benchmarked in comparison with those maintained at other mid-size airports and found to be within the range of our peers. Although coverage limits are significant, no assurance can be given that such coverage will continue to be available at such amounts and/or at a reasonable cost.

The Authority recognized \$265,817 and \$235,629 in insurance recoveries as nonoperating revenue in 2024 and 2023, respectively. There are no material claim settlements to exceed insurance coverage that exist presently, to the best of the Authority's knowledge, which have the potential of doing so for the 2024 calendar year.

The Authority has a self-insured arrangement for health care benefits provided to Authority employees and has established a self-insured liability for employee medical claims. The Authority utilizes a third-party company to provide individual stop loss coverage of \$100,000 on each covered individual's health claims and \$6,793,541 on overall health care program aggregate claims. The estimated self-insurance liability is based on claim trend. There is no significant incremental claim adjustment expense, salvage or subrogation attributable to this liability.

Note 15: Benefit Plan

The Authority provides a 401(a) defined-contribution employee retirement plan for employer contributions and a 457(b) deferred compensation plan for employee contributions. The Authority is the administrator of these plans, which are available to substantially all of its employees. Employer contributions to the 401(a) plan can range from zero up to nine percent of eligible compensation. Contributions to the plan were \$1,722,599 for 2024 and \$1,413,532 for 2023.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Note 16: Commitments and Contingencies

Land Acquisition and Disposal

In 1991, the Authority updated its FAA Part 150 Noise and Land Use Compatibility Study and final recommendations were adopted by the Authority Board in April 1992. The recommendations included expanding the existing Guaranteed Purchase Program (Phase I), which is now an inactive program, to add approximately 750 additional homes. As of December 31, 2024, the Authority has spent approximately \$102.6 million (including relocation costs) under this inactive program (Phase II), substantially all of which was eligible for 80% reimbursement from the FAA. The owners of an estimated 30 homes did not participate in Phase II when it was an active program.

A five-year review and update of the Authority's noise compatibility program (Phase III) began in 1996. Final recommendations were adopted by the Authority Board in February 1998, followed by FAA approval in October 1998. The recommendations included continuation of the Guaranteed Purchase Program with respect to approximately 132 additional homes, of which 127 were acquired by the Authority when the program was active.

The Sound Insulation Program, which is now an inactive program, paid for a home within the impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Authority. At December 31, 2024, 316 homes were sound insulated under this program. Under the Purchase Assurance Program, which is now an inactive program, the Authority purchased the property, sound insulated the home and then resold the property on the open market. At December 31, 2024, 118 homeowners participated in the Purchase Assurance Program. Participation in either the Sound Insulation or Purchase Assurance programs required the homeowner to grant an aviation easement in favor of the Authority.

The Sales Assistance program is the third and only active program at December 31, 2024 and applied to approximately 487 homes, of which 419 requests have been completed. Sales Assistance consists of a benefit payment to homeowners adjacent to the 65DNL noise contour. The benefit payment is equal to 10% of the contract sales price between the homeowner and third-party buyer, in exchange for the inclusion of a Noise Disclosure Statement in the deed of conveyance. The estimated cost of the Phase III programs is approximately \$98.5 million. These programs, excluding Sales Assistance, were eligible for reimbursement from passenger facility charges and FAA noise grants (at 80% reimbursement).

The noise mitigation land use programs described above are voluntary on the part of the homeowner as there is no legal requirement that homeowners participate in any of these programs.

The Authority has also acquired land south of Interstate 70 (I-70). With the exception of one small parcel of land, all parcels have been acquired for the future development of a third parallel runway in this area. As of December 31, 2024, the Authority has expended approximately \$13.7 million for this project.

In November 2014, the Authority Board approved and adopted Resolution No. 12-2014, establishing certain land use policies and guidelines for the implementation of a new land use initiative. The Authority owns approximately 6,400 acres of land in and around the Indianapolis International Airport, with large holdings not only in Wayne and Decatur Townships of Marion County, but also in neighboring Hendricks County.

As part of the land use initiative, land holding not required for aviation purposes have been marketed and sold. The Authority determines how land sale proceeds must be treated, including what amounts, if any, must be returned to the Federal Aviation Administration directly or reinvested in other AIP eligible projects pursuant to federal grant requirements. Amounts due to the Federal Aviation Administration were \$4.7 million and \$3.8 million as of December 31, 2024 and 2023, respectively.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2024 and 2023

Environmental Mitigation and Remediation

The Authority is currently involved in three separate pollution remediation obligations that meet the requirements for accounting treatment under GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. These obligations are related primarily to the removal and/or treatment of petroleum impacted soil and polyfluoroalkyl substance mitigation. The pronouncement dictates that for each obligating event, an estimate of the expected pollution remediation outlays is required to be accrued as a liability and expensed in the current period. Re-measurement of the liability is required when new information indicates increases or decreases in estimated outlays.

The amount of the estimated liability as of December 31, 2024 and 2023 was \$2,327,000 and \$1,645,000, which represents the approximate present value of the amounts the Authority expects to pay for future remediation activities. This estimate was generated using input and guidance from internal management and professional consultants and represents a wide array of remediation activities ranging from one-time events to longer monitoring activities.

The Authority will continue to closely monitor each of these obligations, working toward the point of ultimate resolution, and will make any necessary adjustments to the potential liability as new information becomes available.

Capital Improvements

As of December 31, 2024, the Authority had outstanding commitments for certain airport improvements aggregating \$126,403,331.

Litigation and Claims

The nature of the business of the Authority generates certain litigation against the Authority arising in the ordinary course of business.

As of December 31, 2024, there were twenty-seven claims in litigation for alleged personal injury and/or other claims pending against the Authority. All of these claims were for personal injury and are fully insured. In addition, there were eight worker's compensation claims pending as of December 31, 2024. The Authority was also aware of several incidents for which legal action against the Authority might be threatened or possible in the future.

SUPPLEMENTARY INFORMATION

INDIANAPOLIS INTERNATIONAL AIRPORT



Indianapolis Airport Authority
Schedule of Net Position Information
December 31, 2024

| | Authority | IMC | Total |
|---|-------------------------|-----------------------|-------------------------|
| Assets and Deferred Outflows of Resources | | | |
| Current Assets | | | |
| Unrestricted Assets | | | |
| Cash and cash equivalents | \$ 78,847,654 | \$ - | \$ 78,847,654 |
| Accounts receivable, net of allowance of \$153,000 | 3,283,537 | - | 3,283,537 |
| Unbilled revenues | 9,354,692 | - | 9,354,692 |
| Grants receivable | 42,024,360 | - | 42,024,360 |
| Supplies and materials inventories | 3,764,519 | - | 3,764,519 |
| Interest receivable | 805,539 | - | 805,539 |
| Lease receivables | 27,836,343 | - | 27,836,343 |
| Other | 943,695 | - | 943,695 |
| Total unrestricted current assets | <u>166,860,339</u> | <u>-</u> | <u>166,860,339</u> |
| Restricted Assets | | | |
| Cash and cash equivalents - restricted | 146,978,552 | - | 146,978,552 |
| Cash and cash equivalents - customer deposits | 689,228 | - | 689,228 |
| Receivable - passenger facility charges | 2,587,904 | - | 2,587,904 |
| Receivable - governments and other | 657,531 | - | 657,531 |
| Receivable - reimbursable IMC expenses | - | 2,313,597 | 2,313,597 |
| Total restricted current assets | <u>150,913,215</u> | <u>2,313,597</u> | <u>153,226,812</u> |
| Total current assets | <u>317,773,554</u> | <u>2,313,597</u> | <u>320,087,151</u> |
| Noncurrent Assets | | | |
| Cash and cash equivalents, restricted | 141,702,664 | - | 141,702,664 |
| Investment securities, unrestricted | 32,057,413 | - | 32,057,413 |
| Investment securities, restricted | 62,758,677 | - | 62,758,677 |
| Derivative instruments - forward delivery purchase agreements | 646,046 | - | 646,046 |
| Lease receivables | 277,204,521 | - | 277,204,521 |
| Capital assets, net | 2,165,696,740 | 161,288,747 | 2,326,985,487 |
| Total noncurrent assets | <u>2,680,066,061</u> | <u>161,288,747</u> | <u>2,841,354,808</u> |
| Deferred Outflows of Resources | | | |
| Deferred loss on refunding of debt | 3,922,877 | - | 3,922,877 |
| Total deferred outflows of resources | <u>3,922,877</u> | <u>-</u> | <u>3,922,877</u> |
| Total assets and deferred outflows of resources | <u>\$ 3,001,762,492</u> | <u>\$ 163,602,344</u> | <u>\$ 3,165,364,836</u> |

Indianapolis Airport Authority
Schedule of Net Position Information (Continued)
December 31, 2024

| | Authority | IMC | Total |
|--|--------------------------------|------------------------------|--------------------------------|
| Liabilities, Deferred Inflows of Resources and Net Position | | | |
| Current Liabilities | | | |
| Payable From Unrestricted Assets | | | |
| Accounts payable | \$ 8,142,762 | \$ - | \$ 8,142,762 |
| Accrued and withheld items (including compensated absences) | 9,532,122 | - | 9,532,122 |
| Current portion of subscription liability | 217,703 | - | 217,703 |
| Total current liabilities payable from unrestricted assets | <u>17,892,587</u> | <u>-</u> | <u>17,892,587</u> |
| Payable From Restricted Assets | | | |
| Accounts payable | 56,176,811 | 335,871 | 56,512,682 |
| Customer deposits payable | 689,228 | - | 689,228 |
| Current portion of debt | 54,018,785 | - | 54,018,785 |
| Accrued interest on debt | 22,372,762 | - | 22,372,762 |
| Total current liabilities payable from restricted assets | <u>133,257,586</u> | <u>335,871</u> | <u>133,593,457</u> |
| Total current liabilities | <u>151,150,173</u> | <u>335,871</u> | <u>151,486,044</u> |
| Noncurrent Liabilities | | | |
| Arbitrage rebate liability | 4,167,776 | - | 4,167,776 |
| Long term portion of subscription liability | 453,382 | - | 453,382 |
| Bonds payable and other debt, payable from restricted assets | 985,348,718 | - | 985,348,718 |
| Total noncurrent liabilities | <u>989,969,876</u> | <u>-</u> | <u>989,969,876</u> |
| Deferred Inflows of Resources | | | |
| Accumulated increase in fair value of hedging derivatives | 646,046 | - | 646,046 |
| Deferred inflow on leases | 297,069,082 | - | 297,069,082 |
| Total deferred inflows of resources | <u>297,715,128</u> | <u>-</u> | <u>297,715,128</u> |
| Net Position | | | |
| Net investment in capital assets | 1,199,030,213 | 161,288,747 | 1,360,318,960 |
| Restricted for | | | |
| Capital projects | 98,758,187 | - | 98,758,187 |
| Debt service | 103,760,608 | - | 103,760,608 |
| Other | - | 1,977,726 | 1,977,726 |
| Total restricted net position | <u>202,518,795</u> | <u>1,977,726</u> | <u>204,496,521</u> |
| Unrestricted | | | |
| Total net position | <u>161,378,307</u> | <u>-</u> | <u>161,378,307</u> |
| Total liabilities, deferred inflows of resources and net position | <u><u>\$ 3,001,762,492</u></u> | <u><u>\$ 163,602,344</u></u> | <u><u>\$ 3,165,364,836</u></u> |

Indianapolis Airport Authority
Schedule of Net Position Information
December 31, 2023, as Restated

| | Authority | IMC | Total |
|---|-------------------------|-----------------------|-------------------------|
| Assets and Deferred Outflows of Resources | | | |
| Current Assets | | | |
| Unrestricted Assets | | | |
| Cash and cash equivalents | \$ 85,897,549 | \$ - | \$ 85,897,549 |
| Accounts receivable, net of allowance of \$88,000 | 3,510,494 | - | 3,510,494 |
| Unbilled revenues | 6,394,777 | - | 6,394,777 |
| Grants receivable | 24,712,632 | - | 24,712,632 |
| Supplies and materials inventories | 3,509,079 | - | 3,509,079 |
| Interest receivable | 706,599 | - | 706,599 |
| Lease receivables | 26,467,451 | - | 26,467,451 |
| Other | 1,459,125 | - | 1,459,125 |
| Total unrestricted current assets | <u>152,657,706</u> | <u>-</u> | <u>152,657,706</u> |
| Restricted Assets | | | |
| Cash and cash equivalents - restricted | 245,316,570 | - | 245,316,570 |
| Cash and cash equivalents - customer deposits | 688,760 | - | 688,760 |
| Receivable - passenger facility charges | 2,066,352 | - | 2,066,352 |
| Receivable - governments and other | 901,887 | - | 901,887 |
| Receivable - reimbursable IMC expenses | - | 2,450,808 | 2,450,808 |
| Total restricted current assets | <u>248,973,569</u> | <u>2,450,808</u> | <u>251,424,377</u> |
| Total current assets | <u>401,631,275</u> | <u>2,450,808</u> | <u>404,082,083</u> |
| Noncurrent Assets | | | |
| Cash and cash equivalents, restricted | 124,503,274 | - | 124,503,274 |
| Investment securities, unrestricted | 27,480,526 | - | 27,480,526 |
| Investment securities, restricted | 78,634,785 | - | 78,634,785 |
| Rent receivable | 37,444 | - | 37,444 |
| Derivative instruments - forward delivery purchase agreements | 1,264,491 | - | 1,264,491 |
| Lease receivables | 295,062,812 | - | 295,062,812 |
| Capital assets, net | <u>2,033,878,278</u> | <u>165,778,770</u> | <u>2,199,657,048</u> |
| Total noncurrent assets | <u>2,560,861,610</u> | <u>165,778,770</u> | <u>2,726,640,380</u> |
| Deferred Outflows of Resources | | | |
| Deferred loss on refunding of debt | 5,205,165 | - | 5,205,165 |
| Total deferred outflows of resources | <u>5,205,165</u> | <u>-</u> | <u>5,205,165</u> |
| Total assets and deferred outflows of resources | <u>\$ 2,967,698,050</u> | <u>\$ 168,229,578</u> | <u>\$ 3,135,927,628</u> |

Indianapolis Airport Authority
Schedule of Net Position Information (Continued)
December 31, 2023, as Restated

| | Authority | IMC | Total |
|--|-------------------------|-----------------------|-------------------------|
| Liabilities, Deferred Inflows of Resources and Net Position | | | |
| Current Liabilities | | | |
| Payable From Unrestricted Assets | | | |
| Accounts payable | \$ 6,724,418 | \$ - | \$ 6,724,418 |
| Accrued and withheld items (including compensated absences) | 10,189,935 | - | 10,189,935 |
| Current portion of subscription liability | 518,218 | - | 518,218 |
| Total current liabilities payable from unrestricted assets | <u>17,432,571</u> | <u>-</u> | <u>17,432,571</u> |
| Payable From Restricted Assets | | | |
| Accounts payable | 44,685,897 | 443,812 | 45,129,709 |
| Customer deposits payable | 688,760 | - | 688,760 |
| Current portion of debt | 49,126,542 | - | 49,126,542 |
| Accrued interest on debt | 18,854,162 | - | 18,854,162 |
| Total current liabilities payable from restricted assets | <u>113,355,361</u> | <u>443,812</u> | <u>113,799,173</u> |
| Total current liabilities | <u>130,787,932</u> | <u>443,812</u> | <u>131,231,744</u> |
| Noncurrent Liabilities | | | |
| Arbitrage rebate liability | 1,165,130 | - | 1,165,130 |
| Long term portion of subscription liability | 74,187 | - | 74,187 |
| Bonds payable and other debt, payable from restricted assets | 1,048,395,127 | - | 1,048,395,127 |
| Total noncurrent liabilities | <u>1,049,634,444</u> | <u>-</u> | <u>1,049,634,444</u> |
| Deferred Inflows of Resources | | | |
| Accumulated increase in fair value of hedging derivatives | 1,264,491 | - | 1,264,491 |
| Deferred inflow on leases | 316,680,302 | - | 316,680,302 |
| Total deferred inflows of resources | <u>317,944,793</u> | <u>-</u> | <u>317,944,793</u> |
| Net Position | | | |
| Net investment in capital assets | 1,130,502,027 | 165,778,770 | 1,296,280,797 |
| Restricted for | | | |
| Capital projects | 95,263,123 | - | 95,263,123 |
| Debt service | 101,921,898 | - | 101,921,898 |
| Other | - | 2,006,996 | 2,006,996 |
| Total restricted net position | <u>197,185,021</u> | <u>2,006,996</u> | <u>199,192,017</u> |
| Unrestricted | | | |
| Total net position | <u>141,643,833</u> | <u>-</u> | <u>141,643,833</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 2,967,698,050</u> | <u>\$ 168,229,578</u> | <u>\$ 3,135,927,628</u> |

Indianapolis Airport Authority
Schedule of Revenues, Expenses and Changes in Net Position Information
Year Ended December 31, 2024

| | Authority | IMC | Total |
|--|-------------------------|-----------------------|-------------------------|
| Operating Revenues | | | |
| Airfield | \$ 47,350,478 | \$ - | \$ 47,350,478 |
| Terminal complex | 73,204,367 | - | 73,204,367 |
| Parking | 74,537,968 | - | 74,537,968 |
| Rented buildings and other | 15,701,441 | - | 15,701,441 |
| Indianapolis Maintenance Center (IMC) | - | 5,120,083 | 5,120,083 |
| Reliever airports | 3,094,800 | - | 3,094,800 |
| Total operating revenues | <u>213,889,054</u> | <u>5,120,083</u> | <u>219,009,137</u> |
| Operating Expenses | | | |
| Personal services | 51,327,602 | 770,605 | 52,098,207 |
| Contractual services | 35,913,796 | 3,750,079 | 39,663,875 |
| Utilities | 9,775,619 | 1,976,902 | 11,752,521 |
| Supplies | 5,770,658 | 139,470 | 5,910,128 |
| Materials | 4,120,422 | (110,048) | 4,010,374 |
| General | 2,640,032 | 153,797 | 2,793,829 |
| Total operating expenses before depreciation | <u>109,548,129</u> | <u>6,680,805</u> | <u>116,228,934</u> |
| Income From Operations Before Depreciation and Amortization Expense | | | |
| Depreciation and amortization expense | 104,340,925 | (1,560,722) | 102,780,203 |
| | <u>103,631,578</u> | <u>13,863,027</u> | <u>117,494,605</u> |
| Loss From Operations | | | |
| | <u>709,347</u> | <u>(15,423,749)</u> | <u>(14,714,402)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Federal operating grants | 217,404 | - | 217,404 |
| Passenger facility charges | 20,505,560 | - | 20,505,560 |
| Customer facility charges (rental cars) | 10,014,110 | - | 10,014,110 |
| Investment income | 22,527,612 | - | 22,527,612 |
| Interest revenue - leases | 8,888,116 | - | 8,888,116 |
| Interest expense | (41,366,701) | - | (41,366,701) |
| Gain on disposal of capital assets | 12,458,139 | - | 12,458,139 |
| Total nonoperating revenues (expenses) | <u>33,244,240</u> | <u>-</u> | <u>33,244,240</u> |
| Increase (Decrease) in Net Position Before Capital Contributions and Grants | | | |
| | <u>33,953,587</u> | <u>(15,423,749)</u> | <u>18,529,838</u> |
| Capital Contributions and Grants | | | |
| Federal, state and local grants | 47,945,869 | - | 47,945,869 |
| Contributions from lessees and other | 22,601,434 | - | 22,601,434 |
| Total capital contributions and grants | <u>70,547,303</u> | <u>-</u> | <u>70,547,303</u> |
| Increase (Decrease) in Net Position | | | |
| Transfers | | | |
| | <u>104,500,890</u> | <u>(15,423,749)</u> | <u>89,077,141</u> |
| | <u>(10,904,456)</u> | <u>10,904,456</u> | <u>-</u> |
| Net Position, Beginning of Year | <u>1,469,330,881</u> | <u>167,785,766</u> | <u>1,637,116,647</u> |
| Net Position, End of Year | <u>\$ 1,562,927,315</u> | <u>\$ 163,266,473</u> | <u>\$ 1,726,193,788</u> |

Indianapolis Airport Authority
Schedule of Revenues, Expenses and Changes in Net Position Information
Year Ended December 31, 2023, as Restated

| | Authority | IMC | Total |
|---|-------------------------|-----------------------|-------------------------|
| Operating Revenues | | | |
| Airfield | \$ 33,051,565 | \$ - | \$ 33,051,565 |
| Terminal complex | 65,898,943 | - | 65,898,943 |
| Parking | 66,633,184 | - | 66,633,184 |
| Rented buildings and other | 15,516,027 | - | 15,516,027 |
| Indianapolis Maintenance Center (IMC) | - | 7,861,805 | 7,861,805 |
| Reliever airports | 3,251,217 | - | 3,251,217 |
| Total operating revenues | <u>184,350,936</u> | <u>7,861,805</u> | <u>192,212,741</u> |
| Operating Expenses | | | |
| Personal services | 45,567,538 | 820,564 | 46,388,102 |
| Contractual services | 34,125,734 | 3,852,649 | 37,978,383 |
| Utilities | 9,215,763 | 2,498,490 | 11,714,253 |
| Supplies | 5,407,661 | 255,062 | 5,662,723 |
| Materials | 3,666,392 | (49,233) | 3,617,159 |
| General | 2,179,175 | 142,378 | 2,321,553 |
| Total operating expenses before depreciation | <u>100,162,263</u> | <u>7,519,910</u> | <u>107,682,173</u> |
| Income From Operations Before Depreciation and Amortization Expense | | | |
| Depreciation and amortization expense | <u>84,188,673</u> | <u>341,895</u> | <u>84,530,568</u> |
| | <u>100,369,679</u> | <u>13,266,639</u> | <u>113,636,318</u> |
| Loss From Operations | | | |
| | <u>(16,181,006)</u> | <u>(12,924,744)</u> | <u>(29,105,750)</u> |
| Nonoperating Revenues (Expenses) | | | |
| Federal operating grants | 591,300 | - | 591,300 |
| Passenger facility charges | 18,477,596 | - | 18,477,596 |
| Customer facility charges (rental cars) | 9,094,934 | - | 9,094,934 |
| Investment income, net of investment derivative fair value adjustments of \$(694,375) | 21,641,715 | - | 21,641,715 |
| Interest revenue - leases | 7,535,068 | - | 7,535,068 |
| Interest expense | (39,817,381) | - | (39,817,381) |
| Gain on disposal of capital assets | 4,628,379 | - | 4,628,379 |
| Total nonoperating revenues (expenses) | <u>22,151,611</u> | <u>-</u> | <u>22,151,611</u> |
| Increase (Decrease) in Net Position Before Capital Contributions and Grants | | | |
| | <u>5,970,605</u> | <u>(12,924,744)</u> | <u>(6,954,139)</u> |
| Capital Contributions and Grants | | | |
| Federal, state and local grants | 62,927,735 | - | 62,927,735 |
| Contributions from lessees and other | 58,970,711 | - | 58,970,711 |
| Total capital contributions and grants | <u>121,898,446</u> | <u>-</u> | <u>121,898,446</u> |
| Increase (Decrease) in Net Position | | | |
| | <u>127,869,051</u> | <u>(12,924,744)</u> | <u>114,944,307</u> |
| Transfers | | | |
| | <u>(6,791,125)</u> | <u>6,791,125</u> | <u>-</u> |
| Net Position, Beginning of Year, as Previously Reported | 1,348,760,455 | 173,919,385 | 1,522,679,840 |
| Change in Accounting Principle | <u>(507,500)</u> | <u>-</u> | <u>(507,500)</u> |
| Net Position, Beginning of Year, as Restated | 1,348,252,955 | 173,919,385 | 1,522,172,340 |
| Net Position, End of Year | <u>\$ 1,469,330,881</u> | <u>\$ 167,785,766</u> | <u>\$ 1,637,116,647</u> |

Indianapolis Airport Authority
Schedules of Operating Revenues
Years Ended December 31, 2024 and 2023

| | 2024 | 2023 | Increase (Decrease) |
|--|------------------------------|------------------------------|-----------------------------|
| Airfield | | | |
| Landing fees - scheduled airlines | \$ 23,166,749 | \$ 13,804,326 | \$ 9,362,423 |
| Landing fees - freight and other | 18,397,606 | 13,637,151 | 4,760,455 |
| Apron fees | 2,637,379 | 2,441,299 | 196,080 |
| Commissions - aviation fuel sales | 432,526 | 411,769 | 20,757 |
| Other | 2,716,218 | 2,757,020 | (40,802) |
| | <u>47,350,478</u> | <u>33,051,565</u> | <u>14,298,913</u> |
| Terminal Complex | | | |
| Space rental | | | |
| Airlines | 41,476,098 | 35,819,482 | 5,656,616 |
| Concessionaires | 12,009,302 | 10,931,589 | 1,077,713 |
| Other space rental | 1,862,019 | 1,822,744 | 39,275 |
| Automobile rental commissions | 13,492,588 | 13,023,616 | 468,972 |
| Other commissions, fees, etc. | 5,726,965 | 5,598,981 | 127,984 |
| Financing interest - leases | (1,362,605) | (1,297,469) | (65,136) |
| | <u>73,204,367</u> | <u>65,898,943</u> | <u>7,305,424</u> |
| Parking operations | <u>74,537,968</u> | <u>66,633,184</u> | <u>7,904,784</u> |
| Rented Buildings and Other | | | |
| Space rental - freight buildings | 1,455,228 | 1,403,543 | 51,685 |
| Space rental - hangars | 862,807 | 836,580 | 26,227 |
| Space rental - other buildings | 8,275,821 | 7,270,664 | 1,005,157 |
| Ground leases | 7,690,641 | 7,814,022 | (123,381) |
| Farm income | 153,506 | 154,556 | (1,050) |
| Other | 1,089,286 | 1,181,066 | (91,780) |
| Financing interest - leases | (3,825,848) | (3,144,404) | (681,444) |
| | <u>15,701,441</u> | <u>15,516,027</u> | <u>185,414</u> |
| Indianapolis Maintenance Center | <u>5,120,083</u> | <u>7,861,805</u> | <u>(2,741,722)</u> |
| Reliever Airports | | | |
| Financing interest - leases | 3,573,702 | 3,582,584 | (8,882) |
| | <u>(478,902)</u> | <u>(331,367)</u> | <u>(147,535)</u> |
| | <u>3,094,800</u> | <u>3,251,217</u> | <u>(156,417)</u> |
| | <u><u>\$ 219,009,137</u></u> | <u><u>\$ 192,212,741</u></u> | <u><u>\$ 26,796,396</u></u> |

Indianapolis Airport Authority
Schedule of Operating Expenses
Year Ended December 31, 2024
(With Comparative Totals for 2023 as Restated)

2024

| | Airfield | Terminal Complex | Parking | Rented Building and Other |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Personal Services | | | | |
| Salaries and wages | \$ 3,392,833 | \$ 7,696,662 | \$ 5,056,612 | \$ 269,258 |
| Employee insurance | 732,127 | 1,737,235 | 876,552 | 15,056 |
| Retirement and social security | 359,141 | 806,572 | 467,750 | 33,697 |
| | <u>4,484,101</u> | <u>10,240,469</u> | <u>6,400,914</u> | <u>318,011</u> |
| Contractual Services | | | | |
| Transportation and communication | 212,409 | 106,099 | 64,675 | 24,841 |
| Professional fees | 1,107,888 | 374,381 | 34,942 | 497,837 |
| Printing and advertising | 33 | 17,225 | 11,315 | 13,992 |
| Repairs and maintenance | 824,005 | 3,956,421 | 1,537,391 | 41,806 |
| Facilities maintenance and security | 71,339 | 5,031,473 | 206,199 | 780 |
| Other contractual services | 484,028 | 2,350,319 | 4,491,382 | 1,166,910 |
| Subscription assets | - | - | - | - |
| | <u>2,699,702</u> | <u>11,835,918</u> | <u>6,345,904</u> | <u>1,746,166</u> |
| Utilities | <u>4,681,685</u> | <u>3,725,123</u> | <u>651,875</u> | <u>186,863</u> |
| Supplies | | | | |
| Fuel | 350,011 | - | 205,062 | - |
| Garage and motor | 272,561 | 25,084 | 281,619 | 3,806 |
| Institutional and medical | 68,889 | 1,078,598 | 219,971 | 2,798 |
| Office supplies | 21,572 | 32,531 | 14,656 | 890 |
| Snow and ice chemicals | 572,261 | 51,950 | 220,518 | 3,405 |
| Other | 152,578 | 414,703 | 332,538 | 89 |
| | <u>1,437,872</u> | <u>1,602,866</u> | <u>1,274,364</u> | <u>10,988</u> |
| Materials | | | | |
| Building | 16,609 | 149,455 | 9,381 | 3,566 |
| Pavements and grounds | 306,112 | 2,621 | 1,425 | - |
| Repair parts | 1,079,292 | 1,048,433 | 477,416 | 5,299 |
| Small equipment and tools | 19,310 | 73,837 | 1,760 | - |
| Other | 113,299 | 11,875 | 3,867 | - |
| | <u>1,534,622</u> | <u>1,286,221</u> | <u>493,849</u> | <u>8,865</u> |
| General | | | | |
| Insurance | 344,084 | 723,373 | 326,135 | 42,193 |
| Equipment rental | 19,463 | 3,118 | - | - |
| Other | 2,408 | 2,965 | 695 | 2,587 |
| | <u>365,955</u> | <u>729,456</u> | <u>326,830</u> | <u>44,780</u> |
| Subtotal | <u>15,203,937</u> | <u>29,420,053</u> | <u>15,493,736</u> | <u>2,315,673</u> |
| Depreciation | <u>36,822,068</u> | <u>18,390,914</u> | <u>6,657,460</u> | <u>34,407,493</u> |
| Total | <u><u>\$ 52,026,005</u></u> | <u><u>\$ 47,810,967</u></u> | <u><u>\$ 22,151,196</u></u> | <u><u>\$ 36,723,166</u></u> |
| Year Ended December 31, 2023 | <u>\$ 49,836,714</u> | <u>\$ 47,728,385</u> | <u>\$ 19,471,722</u> | <u>\$ 35,664,726</u> |
| Increase (Decrease) | <u>\$ 2,189,291</u> | <u>\$ 82,582</u> | <u>\$ 2,679,474</u> | <u>\$ 1,058,440</u> |

2024

| Indianapolis Maintenance Center | Reliever Airports | Public Safety | Administration | Total | Year Ended December 31, 2023 | Increase (Decrease) |
|---------------------------------|---------------------|----------------------|----------------------|-----------------------|------------------------------|----------------------|
| \$ 692,595 | \$ 427,483 | \$ 11,116,527 | \$ 11,259,844 | \$ 39,911,814 | \$ 35,620,463 | \$ 4,291,351 |
| 44,411 | 69,439 | 2,178,445 | 1,951,615 | 7,604,880 | 6,751,662 | 853,218 |
| 33,599 | 55,382 | 1,556,647 | 1,268,725 | 4,581,513 | 4,015,977 | 565,536 |
| <u>770,605</u> | <u>552,304</u> | <u>14,851,619</u> | <u>14,480,184</u> | <u>52,098,207</u> | <u>46,388,102</u> | <u>5,710,105</u> |
| 22,252 | 22,433 | 244,481 | 1,954,236 | 2,651,426 | 2,197,056 | 454,370 |
| 140,510 | 320,374 | 140,539 | 4,792,639 | 7,409,110 | 8,586,820 | (1,177,710) |
| 38 | - | 8,634 | 760,441 | 811,678 | 803,383 | 8,295 |
| 445,206 | 183,470 | 375,105 | 2,566,468 | 9,929,872 | 9,550,726 | 379,146 |
| 3,041,505 | 9,114 | 1,999 | 98,287 | 8,460,696 | 7,749,256 | 711,440 |
| 100,568 | 268,464 | 1,352,299 | 858,170 | 11,072,140 | 9,591,485 | 1,480,655 |
| - | - | - | (671,047) | (671,047) | (500,343) | (170,704) |
| <u>3,750,079</u> | <u>803,855</u> | <u>2,123,057</u> | <u>10,359,194</u> | <u>39,663,875</u> | <u>37,978,383</u> | <u>1,685,492</u> |
| 1,976,902 | 321,312 | 208,761 | - | 11,752,521 | 11,714,253 | 38,268 |
| 53,964 | 493,487 | - | - | 1,102,524 | 1,229,280 | (126,756) |
| - | 24,971 | 46,186 | 24,943 | 679,170 | 720,407 | (41,237) |
| 17,340 | 11,342 | 56,346 | 4,856 | 1,460,140 | 1,514,105 | (53,965) |
| 2,455 | 162 | 120,073 | 66,972 | 259,311 | 173,068 | 86,243 |
| 5,009 | 30,752 | 108 | - | 884,003 | 391,016 | 492,987 |
| 60,702 | 12,830 | 348,331 | 203,209 | 1,524,980 | 1,634,847 | (109,867) |
| <u>139,470</u> | <u>573,544</u> | <u>571,044</u> | <u>299,980</u> | <u>5,910,128</u> | <u>5,662,723</u> | <u>247,405</u> |
| (139,840) | 8,375 | 16,502 | 6,873 | 70,921 | 99,446 | (28,525) |
| - | 89,482 | 281 | 539 | 400,460 | 365,301 | 35,159 |
| 6,539 | 103,161 | 445,282 | 91,032 | 3,256,454 | 2,791,406 | 465,048 |
| - | 377 | 28,475 | 71 | 123,830 | 199,204 | (75,374) |
| 23,253 | 986 | 1,581 | 3,848 | 158,709 | 161,802 | (3,093) |
| <u>(110,048)</u> | <u>202,381</u> | <u>492,121</u> | <u>102,363</u> | <u>4,010,374</u> | <u>3,617,159</u> | <u>393,215</u> |
| 151,875 | 125,328 | 308,808 | 74,825 | 2,096,621 | 1,874,550 | 222,071 |
| 1,647 | - | - | 46,888 | 71,116 | 80,695 | (9,579) |
| 275 | - | 112,084 | 505,078 | 626,092 | 366,308 | 259,784 |
| <u>153,797</u> | <u>125,328</u> | <u>420,892</u> | <u>626,791</u> | <u>2,793,829</u> | <u>2,321,553</u> | <u>472,276</u> |
| 6,680,805 | 2,578,724 | 18,667,494 | 25,868,512 | 116,228,934 | 107,682,173 | 8,546,761 |
| 13,863,027 | 3,698,125 | 886,321 | 2,769,197 | 117,494,605 | 113,636,318 | 3,858,287 |
| <u>\$ 20,543,832</u> | <u>\$ 6,276,849</u> | <u>\$ 19,553,815</u> | <u>\$ 28,637,709</u> | <u>\$ 233,723,539</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 20,786,549 | \$ 5,656,465 | \$ 17,351,777 | \$ 24,822,153 | \$ - | \$ <u>221,318,491</u> | \$ - |
| \$ (242,717) | \$ 620,384 | \$ 2,202,038 | \$ 3,815,556 | \$ - | \$ - | \$ <u>12,405,048</u> |

Indianapolis Airport Authority
Schedule of Bond Debt Service Requirements to Maturity
December 31, 2024

| 2023A Revenue Bonds | | 2023B-1 Revenue Bonds | | 2023B-2 Revenue Bonds | | 2022A Revenue Bonds | | 2022B-1 Revenue Bonds | | 2022B-2 Revenue Bonds | |
|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 \$ 390,000 | \$ 3,573,390 | \$ - | \$ 3,396,500 | \$ 7,445,000 | \$ 6,729,938 | \$ 625,000 | \$ 1,922,101 | \$ - | \$ 4,179,413 | \$ 85,000 | \$ 3,458,438 |
| 2026 405,000 | 3,558,166 | 1,165,000 | 3,367,375 | 8,555,000 | 6,329,938 | 645,000 | 1,904,384 | - | 4,179,413 | 405,000 | 3,446,188 |
| 2027 440,000 | 3,541,984 | 1,220,000 | 3,307,750 | 8,990,000 | 5,891,313 | 680,000 | 1,885,901 | - | 4,179,413 | 1,070,000 | 3,409,313 |
| 2028 425,000 | 3,525,419 | 1,280,000 | 3,245,250 | 9,435,000 | 5,430,688 | 675,000 | 1,866,998 | 1,375,000 | 4,145,038 | 1,120,000 | 3,354,563 |
| 2029 440,000 | 3,508,855 | 1,345,000 | 3,179,625 | 13,050,000 | 4,868,563 | 690,000 | 1,847,957 | 1,445,000 | 4,074,538 | 1,180,000 | 3,297,063 |
| 2030 10,335,000 | 3,302,513 | 1,415,000 | 3,110,625 | 13,710,000 | 4,199,563 | 15,505,000 | 1,622,036 | 1,520,000 | 4,000,413 | 1,235,000 | 3,236,688 |
| 2031 10,760,000 | 2,898,544 | 1,485,000 | 3,038,125 | 14,385,000 | 3,497,188 | 16,125,000 | 1,180,798 | 1,595,000 | 3,922,538 | 1,295,000 | 3,173,438 |
| 2032 11,205,000 | 2,477,914 | 1,560,000 | 2,962,000 | 15,105,000 | 2,759,938 | 16,785,000 | 721,703 | 1,675,000 | 3,840,788 | 2,585,000 | 3,076,438 |
| 2033 11,675,000 | 2,039,762 | 1,635,000 | 2,882,125 | 15,865,000 | 1,985,688 | 17,475,000 | 243,776 | 1,755,000 | 3,755,038 | 5,560,000 | 2,872,813 |
| 2034 13,840,000 | 1,551,150 | 1,720,000 | 2,798,250 | 16,660,000 | 1,172,563 | - | - | 2,235,000 | 3,655,288 | 5,450,000 | 2,597,563 |
| 2035 14,405,000 | 1,010,258 | 1,805,000 | 2,710,125 | 900,000 | 733,563 | - | - | 2,885,000 | 3,527,288 | 5,185,000 | 2,331,688 |
| 2036 15,005,000 | 447,057 | 1,895,000 | 2,617,625 | 940,000 | 687,563 | - | - | 3,030,000 | 3,379,413 | 5,445,000 | 2,059,131 |
| 2037 4,170,000 | 79,856 | 1,990,000 | 2,520,500 | 985,000 | 639,438 | - | - | 3,185,000 | 3,224,038 | 5,730,000 | 1,765,788 |
| 2038 - | - | 2,090,000 | 2,418,500 | 1,035,000 | 588,938 | - | - | 3,340,000 | 3,060,913 | 6,035,000 | 1,456,956 |
| 2039 - | - | 2,195,000 | 2,311,375 | 1,095,000 | 534,319 | - | - | 3,505,000 | 2,889,788 | 6,350,000 | 1,131,850 |
| 2040 - | - | 2,305,000 | 2,198,875 | 1,155,000 | 475,256 | - | - | 3,680,000 | 2,705,563 | 6,680,000 | 789,813 |
| 2041 - | - | 2,420,000 | 2,080,750 | 1,210,000 | 413,175 | - | - | 3,870,000 | 2,507,375 | 7,030,000 | 429,925 |
| 2042 - | - | 2,540,000 | 1,956,750 | 1,270,000 | 348,075 | - | - | 4,075,000 | 2,298,819 | 1,120,000 | 215,988 |
| 2043 - | - | 2,665,000 | 1,826,625 | 1,340,000 | 279,563 | - | - | 4,290,000 | 2,079,238 | 935,000 | 162,044 |
| 2044 - | - | 2,800,000 | 1,690,000 | 365,000 | 234,806 | - | - | 3,030,000 | 1,887,088 | 220,000 | 132,000 |
| 2045 - | - | 2,940,000 | 1,546,500 | 385,000 | 215,119 | - | - | 3,195,000 | 1,723,681 | 230,000 | 120,750 |
| 2046 - | - | 3,085,000 | 1,395,875 | 405,000 | 194,381 | - | - | 3,360,000 | 1,551,613 | 240,000 | 109,000 |
| 2047 - | - | 3,240,000 | 1,237,750 | 425,000 | 172,594 | - | - | 3,540,000 | 1,370,488 | 255,000 | 96,625 |
| 2048 - | - | 3,400,000 | 1,071,750 | 450,000 | 149,625 | - | - | 3,725,000 | 1,179,781 | 265,000 | 83,625 |
| 2049 - | - | 3,570,000 | 897,500 | 475,000 | 125,344 | - | - | 3,915,000 | 984,125 | 280,000 | 70,000 |
| 2050 - | - | 3,750,000 | 714,500 | 495,000 | 99,881 | - | - | 4,110,000 | 783,500 | 295,000 | 55,625 |
| 2051 - | - | 3,940,000 | 522,250 | 525,000 | 73,106 | - | - | 4,320,000 | 572,750 | 305,000 | 40,625 |
| 2052 - | - | 4,135,000 | 320,375 | 550,000 | 44,888 | - | - | 4,535,000 | 351,375 | 320,000 | 25,000 |
| 2053 - | - | 4,340,000 | 108,500 | 580,000 | 15,225 | - | - | 4,760,000 | 119,000 | 340,000 | 8,500 |
| 2054 - | - | - | - | - | - | - | - | - | - | - | - |
| \$ 93,495,000 | \$ 31,514,868 | \$ 67,930,000 | \$ 61,433,750 | \$ 137,785,000 | \$ 48,890,239 | \$ 69,205,000 | \$ 13,195,654 | \$ 81,950,000 | \$ 76,127,716 | \$ 67,245,000 | \$ 43,007,438 |

Indianapolis Airport Authority
Schedule of Bond Debt Service Requirements to Maturity (Continued)
December 31, 2024

| 2022B-3 Revenue Bonds | | 2019A Revenue Bonds | | 2019B Revenue Bonds | | 2019C-1 Revenue Bonds | | 2019C-2 Revenue Bonds | | |
|-----------------------|---------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|---------------------|---------|
| Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2025 | 2,795,000 | 1,211,808 | 605,000 | 768,390 | 19,435,000 | 5,016,375 | - | 2,247,450 | 755,000 | 650,125 |
| 2026 | 2,935,000 | 1,071,056 | 620,000 | 751,240 | 20,585,000 | 4,015,875 | - | 2,247,450 | 795,000 | 611,375 |
| 2027 | 3,075,000 | 922,368 | 635,000 | 733,670 | 21,825,000 | 2,955,625 | - | 2,247,450 | 830,000 | 570,750 |
| 2028 | 3,230,000 | 765,205 | 655,000 | 715,610 | 23,090,000 | 1,832,750 | - | 2,247,450 | 870,000 | 528,250 |
| 2029 | 3,390,000 | 599,027 | 675,000 | 696,990 | 24,450,000 | 644,250 | - | 2,247,450 | 915,000 | 483,625 |
| 2030 | 3,565,000 | 423,048 | 690,000 | 677,880 | - | 33,000 | - | 2,247,450 | 965,000 | 436,625 |
| 2031 | 3,745,000 | 236,437 | 710,000 | 658,280 | - | 33,000 | - | 2,247,450 | 1,015,000 | 387,125 |
| 2032 | 2,710,000 | 70,189 | 730,000 | 638,120 | - | 33,000 | - | 2,247,450 | 1,065,000 | 335,125 |
| 2033 | - | - | 750,000 | 617,400 | - | 33,000 | - | 2,247,450 | 1,120,000 | 280,500 |
| 2034 | - | - | 775,000 | 596,050 | 320,000 | 25,000 | - | 2,247,450 | 1,170,000 | 223,250 |
| 2035 | - | - | 795,000 | 574,070 | 340,000 | 8,500 | - | 2,247,450 | 1,230,000 | 163,250 |
| 2036 | - | - | 815,000 | 551,530 | - | - | - | 2,247,450 | 1,295,000 | 100,125 |
| 2037 | - | - | 840,000 | 528,360 | - | - | - | 2,247,450 | 1,355,000 | 33,875 |
| 2038 | - | - | 865,000 | 504,490 | - | - | - | 2,247,450 | - | - |
| 2039 | - | - | 885,000 | 479,990 | - | - | - | 2,247,450 | - | - |
| 2040 | - | - | 910,000 | 454,860 | - | - | 590,000 | 2,232,700 | - | - |
| 2041 | - | - | 935,000 | 429,030 | - | - | 4,125,000 | 2,114,825 | - | - |
| 2042 | - | - | 965,000 | 402,430 | - | - | 4,330,000 | 1,903,450 | - | - |
| 2043 | - | - | 990,000 | 375,060 | - | - | 4,545,000 | 1,681,575 | - | - |
| 2044 | - | - | 1,020,000 | 346,920 | - | - | 4,775,000 | 1,448,575 | - | - |
| 2045 | - | - | 1,045,000 | 318,010 | - | - | 5,010,000 | 1,229,000 | - | - |
| 2046 | - | - | 1,075,000 | 288,330 | - | - | 5,210,000 | 1,024,600 | - | - |
| 2047 | - | - | 1,105,000 | 257,810 | - | - | 5,420,000 | 812,000 | - | - |
| 2048 | - | - | 1,135,000 | 226,450 | - | - | 5,635,000 | 590,900 | - | - |
| 2049 | - | - | 1,170,000 | 194,180 | - | - | 5,860,000 | 361,000 | - | - |
| 2050 | - | - | 1,200,000 | 161,000 | - | - | 6,095,000 | 121,900 | - | - |
| 2051 | - | - | 1,235,000 | 126,910 | - | - | - | - | - | - |
| 2052 | - | - | 1,270,000 | 91,840 | - | - | - | - | - | - |
| 2053 | - | - | 1,305,000 | 55,790 | - | - | - | - | - | - |
| 2054 | - | - | 1,340,000 | 18,760 | - | - | - | - | - | - |
| \$ 25,445,000 | \$ 5,299,138 | \$ 27,745,000 | \$ 13,239,450 | \$ 110,045,000 | \$ 14,630,375 | \$ 51,595,000 | \$ 47,232,275 | \$ 13,380,000 | \$ 4,804,000 | |

Indianapolis Airport Authority
Schedule of Bond Debt Service Requirements to Maturity (Continued)
December 31, 2024

| | 2019D Revenue Bonds | | 2016A-1 Revenue Bonds | | 2016A-2 Revenue Bonds | | 2015A Revenue Bonds | | Total Debt Service |
|------|----------------------|---------------------|-----------------------|----------------------|-----------------------|---------------------|-----------------------|----------------------|-------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2025 | 2,633,785 | 832,388 | 2,910,000 | 1,913,300 | 90,000 | 129,585 | 16,250,000 | 7,496,500 | \$ 97,544,486 |
| 2026 | 2,702,790 | 762,479 | 3,055,000 | 1,764,175 | 95,000 | 126,630 | 16,925,000 | 6,748,375 | 99,771,909 |
| 2027 | 2,773,604 | 690,739 | 3,210,000 | 1,607,550 | 95,000 | 123,595 | 17,800,000 | 5,880,250 | 100,591,275 |
| 2028 | 2,846,272 | 617,118 | 2,145,000 | 1,473,675 | - | 122,077 | 18,720,000 | 4,967,250 | 100,703,613 |
| 2029 | 1,000 | 579,819 | 2,255,000 | 1,363,675 | - | 122,077 | 16,215,000 | 4,093,875 | 97,658,389 |
| 2030 | 1,000 | 579,793 | 2,365,000 | 1,248,175 | - | 122,077 | 17,055,000 | 3,262,125 | 96,863,011 |
| 2031 | 1,000 | 579,767 | 2,485,000 | 1,126,925 | - | 122,077 | 17,955,000 | 2,386,875 | 97,044,567 |
| 2032 | 1,000 | 579,740 | 2,610,000 | 1,012,600 | - | 122,077 | 18,885,000 | 1,465,875 | 97,258,957 |
| 2033 | 1,000 | 579,714 | 2,715,000 | 906,100 | - | 122,077 | 19,875,000 | 496,875 | 97,488,318 |
| 2034 | 2,920,975 | 541,436 | 2,820,000 | 795,400 | - | 122,077 | - | - | 64,236,452 |
| 2035 | 2,997,505 | 463,904 | 18,475,000 | 369,500 | 1,520,000 | 92,483 | - | - | 64,769,584 |
| 2036 | 3,076,039 | 384,341 | - | - | 1,615,000 | 31,441 | - | - | 45,621,715 |
| 2037 | 3,156,632 | 302,693 | - | - | - | - | - | - | 32,753,630 |
| 2038 | 3,239,335 | 218,906 | - | - | - | - | - | - | 27,100,488 |
| 2039 | 3,324,206 | 132,923 | - | - | - | - | - | - | 27,081,901 |
| 2040 | 3,411,300 | 44,688 | - | - | - | - | - | - | 27,633,055 |
| 2041 | - | - | - | - | - | - | - | - | 27,565,080 |
| 2042 | - | - | - | - | - | - | - | - | 21,425,512 |
| 2043 | - | - | - | - | - | - | - | - | 21,169,105 |
| 2044 | - | - | - | - | - | - | - | - | 17,949,389 |
| 2045 | - | - | - | - | - | - | - | - | 17,958,060 |
| 2046 | - | - | - | - | - | - | - | - | 17,938,799 |
| 2047 | - | - | - | - | - | - | - | - | 17,932,267 |
| 2048 | - | - | - | - | - | - | - | - | 17,912,131 |
| 2049 | - | - | - | - | - | - | - | - | 17,902,149 |
| 2050 | - | - | - | - | - | - | - | - | 17,881,406 |
| 2051 | - | - | - | - | - | - | - | - | 11,660,641 |
| 2052 | - | - | - | - | - | - | - | - | 11,643,478 |
| 2053 | - | - | - | - | - | - | - | - | 11,632,015 |
| 2054 | - | - | - | - | - | - | - | - | 1,358,760 |
| | <u>\$ 33,087,443</u> | <u>\$ 7,890,448</u> | <u>\$ 45,045,000</u> | <u>\$ 13,581,075</u> | <u>\$ 3,415,000</u> | <u>\$ 1,358,273</u> | <u>\$ 159,680,000</u> | <u>\$ 36,798,000</u> | <u>\$ 1,406,050,142</u> |



3.0

STATISTICAL INFORMATION

(UNAUDITED) FISCAL YEAR ENDED DECEMBER 31, 2024



THE STATISTICAL SECTION provides information with up to ten years of comparable data, when available, and differs from the audited financial statements as some non-accounting data is presented.

90 FINANCIAL TREND DATA

These schedules depict the financial position of the IAA over the past several years. The trend information provided allows for an understanding of how revenues and expenses have changed over the years as well as how cash has been utilized.

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows

96 REVENUE CAPACITY DATA

These schedules identify the significant sources of IND's Operating Revenues and the airline rates and charges associated with generating these revenues.

- Operating Revenues
- Signatory Airline Rates and Charges

100 DEBT CAPACITY DATA

The data in these schedules reveals the trends in outstanding debt that the airport has carried over the past ten years, related debt service ratios, as well as the airport's ability to repay the outstanding debt.

- Outstanding Debt by Type and Revenue Bond Debt Service Ratios
- Revenue Bond Debt Service Coverage

104 OPERATING INFORMATION

These schedules provide information on the distribution of IND's carriers, passenger traffic, and airport personnel over the past ten years as well as how the airport is insured against material risk.

- Airline Landing Weight Statistics
- Enplaned Passenger Statistics
- Number of Airport Employees by Identifiable Activity
- Schedule of Insurance in Force

111 DEMOGRAPHIC AND ECONOMIC DATA

The data in these schedules illustrates the current demographic and economic status of the Indianapolis Metropolitan Statistical Area (MSA) as well as trends over the past ten years.

The Indianapolis MSA supports the majority of the traffic passing through IND.

- Indianapolis MSA Demographic and Economic Statistics
- Principal Employers In Indianapolis - Carmel - Anderson MSA
- Capital Asset and Other Airport Information



STATEMENTS OF NET POSITION

for the last 10 years ended December 31 (in thousands)

| | 2024 (2) (3) | 2023 (2) (3) | 2022 (1) (2) | 2021 (1) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Assets | | | | |
| Current Assets - Unrestricted | \$ 166,860 | \$ 152,658 | \$ 140,570 | \$ 108,270 |
| Current Assets - Restricted | 153,227 | 251,425 | 250,653 | 66,623 |
| Noncurrent Assets: | | | | |
| Capital Assets, Net | 2,326,985 | 2,199,657 | 2,044,405 | 1,980,863 |
| Other Noncurrent Assets | 514,370 | 526,983 | 495,576 | 214,968 |
| Total Assets | <u>3,161,442</u> | <u>3,130,723</u> | <u>2,931,204</u> | <u>2,370,724</u> |
| Deferred Outflows of Resources | <u>3,923</u> | <u>5,205</u> | <u>14,626</u> | <u>17,214</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 3,165,365</u> | <u>\$ 3,135,928</u> | <u>\$ 2,945,830</u> | <u>\$ 2,387,938</u> |
| Liabilities | | | | |
| Current Liabilities - payable from unrestricted assets | \$ 17,893 | \$ 17,433 | \$ 20,264 | \$ 12,605 |
| Current Liabilities - payable from restricted assets | 133,593 | 113,799 | 85,705 | 61,974 |
| Noncurrent Liabilities - payable from restricted | 989,970 | 1,049,634 | 1,016,772 | 912,066 |
| Total Liabilities | <u>1,141,456</u> | <u>1,180,866</u> | <u>1,122,741</u> | <u>986,645</u> |
| Deferred Inflows of Resources | <u>297,715</u> | <u>317,945</u> | <u>300,409</u> | <u>17,979</u> |
| Net Position | | | | |
| Net Investment in Capital Assets | 1,360,319 | 1,296,281 | 1,213,669 | 1,099,360 |
| Restricted | 204,497 | 199,192 | 184,192 | 185,180 |
| Unrestricted | 161,378 | 141,644 | 124,819 | 98,774 |
| Total Net Position | <u>1,726,194</u> | <u>1,637,117</u> | <u>1,522,680</u> | <u>1,383,314</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 3,165,365</u> | <u>\$ 3,135,928</u> | <u>\$ 2,945,830</u> | <u>\$ 2,387,938</u> |

(1) 2020-22 activity reflects the impact of the COVID-19 Pandemic

(2) Figures reflect the implementation of GASB 87 and GASB 96. Amounts prior to 2022 have not been restated.

(3) Figures reflect the implementation of GASB 101. Amounts prior to 2023 have not been restated.

| 2020 (1) | | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------|--|------|--|------|--|
| \$ 95,514 | \$ 30,929 | \$ 32,580 | \$ 27,006 | \$ 34,760 | \$ 28,660 | | | | | | |
| 71,699 | 73,522 | 48,217 | 50,078 | 43,001 | 53,855 | | | | | | |
| 1,783,116 | 1,754,221 | 1,734,709 | 1,757,719 | 1,821,200 | 1,889,782 | | | | | | |
| 198,994 | 242,162 | 221,850 | 242,192 | 231,965 | 220,663 | | | | | | |
| 2,149,323 | 2,100,834 | 2,037,356 | 2,076,995 | 2,130,926 | 2,192,960 | | | | | | |
| 19,882 | 22,583 | 31,435 | 46,196 | 56,270 | 71,988 | | | | | | |
| \$ 2,169,205 | \$ 2,123,417 | \$ 2,068,791 | \$ 2,123,191 | \$ 2,187,196 | \$ 2,264,948 | | | | | | |
| \$ 13,491 | \$ 13,229 | \$ 14,090 | \$ 12,043 | \$ 10,028 | \$ 11,319 | | | | | | |
| 67,969 | 72,069 | 66,518 | 91,155 | 75,384 | 82,086 | | | | | | |
| 970,288 | 1,004,014 | 943,648 | 946,707 | 1,027,055 | 1,105,607 | | | | | | |
| 1,051,748 | 1,089,312 | 1,024,256 | 1,049,905 | 1,112,467 | 1,199,012 | | | | | | |
| 22,122 | 18,009 | 11,163 | 14,593 | 15,173 | 17,071 | | | | | | |
| 841,311 | 780,340 | 825,210 | 835,366 | 845,490 | 850,120 | | | | | | |
| 171,161 | 162,493 | 140,516 | 160,085 | 143,563 | 121,423 | | | | | | |
| 82,863 | 73,263 | 67,646 | 63,242 | 70,503 | 77,322 | | | | | | |
| 1,095,335 | 1,016,096 | 1,033,372 | 1,058,693 | 1,059,556 | 1,048,865 | | | | | | |
| \$ 2,169,205 | \$ 2,123,417 | \$ 2,068,791 | \$ 2,123,191 | \$ 2,187,196 | \$ 2,264,948 | | | | | | |

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

for the last 10 years ended December 31 (in thousands)

| | 2024 (2) (3) | 2023 (2) (3) | 2022 (1) (2) | 2021 (1) |
|---|---------------------|---------------------|---------------------|---------------------|
| Operating Revenues | | | | |
| Airfield | \$ 47,351 | \$ 33,052 | \$ 31,543 | \$ 31,031 |
| Terminal complex | 73,204 | 65,899 | 56,941 | 57,516 |
| Parking | 74,538 | 66,633 | 59,562 | 42,772 |
| Rented buildings and other | 15,701 | 15,516 | 14,300 | 16,549 |
| Indianapolis Maintenance Center (IMC) | 5,120 | 7,862 | 5,565 | 5,586 |
| Reliever airports | 3,095 | 3,251 | 3,423 | 3,217 |
| Total operating revenues | 219,009 | 192,213 | 171,334 | 156,671 |
| Operating Expenses | | | | |
| Personal services | 52,098 | 46,388 | 41,735 | 34,839 |
| Contractual services | 39,664 | 37,978 | 33,711 | 24,628 |
| Utilities | 11,753 | 11,714 | 11,296 | 10,554 |
| Supplies | 5,910 | 5,663 | 6,009 | 4,701 |
| Materials | 4,010 | 3,617 | 3,906 | 3,175 |
| General | 2,794 | 2,322 | 2,120 | 1,801 |
| Total operating expenses | 116,229 | 107,682 | 98,777 | 79,698 |
| Income From Operations Before Depreciation | 102,780 | 84,531 | 72,557 | 76,973 |
| Depreciation expense | 117,495 | 113,636 | 111,203 | 100,933 |
| Loss From Operations | (14,715) | (29,105) | (38,646) | (23,960) |
| Nonoperating Revenues (Expenses) | | | | |
| State and local appropriations | - | - | - | - |
| Federal operating grants | 217 | 591 | 4,917 | 1,817 |
| Passenger facility charges | 20,506 | 18,478 | 17,740 | 15,009 |
| Customer facility charges (rental cars) | 10,014 | 9,095 | 8,108 | 6,526 |
| Investment income | 22,528 | 21,642 | 30,586 | 15,567 |
| Interest revenue - leases | 8,888 | 7,535 | 7,183 | - |
| Interest expense | (41,367) | (39,817) | (32,658) | (32,770) |
| Gain (Loss) on disposals of capital assets and other | 12,458 | 4,628 | (7,340) | 2,336 |
| | 33,244 | 22,152 | 28,536 | 8,485 |
| Decrease in Net Position Before Capital Contributions and Grants | 18,529 | (6,953) | (10,110) | (15,475) |
| Capital Contributions and Grants | | | | |
| Federal, state and local grants | 47,946 | 62,928 | 96,869 | 48,797 |
| Contributions from lessees and other | 22,601 | 58,970 | 52,607 | 254,657 |
| | 70,547 | 121,898 | 149,476 | 303,454 |
| Increase (Decrease) in Net Position | 89,076 | 114,945 | 139,366 | 287,979 |
| Net Position, Beginning of Year , as previously reported | 1,637,118 | 1,522,680 | 1,383,314 | 1,095,335 |
| Cumulative Effect of Change in Acct. Principle | - | (508) | - | - |
| Net Position, Beginning of Year | 1,637,118 | 1,522,173 | 1,383,314 | 1,095,335 |
| Net Position, End of Year | \$ 1,726,194 | \$ 1,637,118 | \$ 1,522,680 | \$ 1,383,314 |

(1) 2020-22 activity reflects the impact of the COVID-19 Pandemic

(2) Figures reflect the implementation of GASB 87 and GASB 96. Amounts prior to 2022 have not been restated.

(3) Figures reflect the implementation of GASB 101. Amounts prior to 2023 have not been restated.

| | 2020 (1) | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| \$ | 22,118 | \$ 23,678 | \$ 24,288 | \$ 21,746 | \$ 23,749 | \$ 22,546 |
| 44,176 | 51,346 | 54,138 | 53,183 | 57,451 | 50,768 | 50,768 |
| 25,208 | 59,370 | 54,551 | 50,776 | 50,562 | 47,056 | 47,056 |
| 16,218 | 15,505 | 16,523 | 16,567 | 16,382 | 16,016 | 16,016 |
| 6,571 | 8,567 | 8,239 | 8,068 | 7,206 | 8,643 | 8,643 |
| 2,780 | 2,883 | 2,934 | 2,920 | 2,897 | 2,928 | 2,928 |
| 117,071 | 161,349 | 160,672 | 153,260 | 158,247 | 147,957 | |
| 34,127 | 35,427 | 33,910 | 31,056 | 28,244 | 27,446 | |
| 20,570 | 28,496 | 25,620 | 25,086 | 22,018 | 19,034 | |
| 9,727 | 10,864 | 11,449 | 8,722 | 9,243 | 8,874 | |
| 3,436 | 5,192 | 5,181 | 4,104 | 3,343 | 3,311 | |
| 2,897 | 3,529 | 3,053 | 3,196 | 2,792 | 2,509 | |
| 1,806 | 1,678 | 1,797 | 1,369 | 1,579 | 1,205 | |
| 72,563 | 85,186 | 81,010 | 73,533 | 67,219 | 62,379 | |
| 44,508 | 76,163 | 79,663 | 79,727 | 91,028 | 85,578 | |
| 94,640 | 89,679 | 92,196 | 94,075 | 93,818 | 94,113 | |
| (50,132) | (13,516) | (12,533) | (14,348) | (2,790) | (8,535) | |
| - | - | 13,162 | 16,751 | 27,376 | 26,754 | |
| 15,783 | 589 | 599 | 595 | 675 | 804 | |
| 7,918 | 19,321 | 19,014 | 17,753 | 17,238 | 15,916 | |
| 4,347 | 9,410 | 7,422 | 7,218 | 7,285 | 6,702 | |
| (4,910) | (16,815) | 6,115 | 4,679 | 4,214 | 6,663 | |
| - | - | - | - | - | - | |
| (33,787) | (38,006) | (37,950) | (38,138) | (45,883) | (54,589) | |
| 11,803 | (7,108) | (47,255) | (3,700) | (12,659) | (7,879) | |
| 1,154 | (32,609) | (38,893) | 5,158 | (1,754) | (5,629) | |
| (48,978) | (46,125) | (51,426) | (9,190) | (4,544) | (14,164) | |
| 44,816 | 21,719 | 21,752 | 6,206 | 11,891 | 16,441 | |
| 83,401 | 7,130 | 4,355 | 2,120 | 3,344 | 2,400 | |
| 128,217 | 28,849 | 26,107 | 8,326 | 15,235 | 18,841 | |
| 79,239 | (17,276) | (25,320) | (864) | 10,691 | 4,677 | |
| 1,016,096 | 1,033,372 | 1,058,692 | 1,059,556 | 1,048,865 | 1,044,188 | |
| - | - | - | - | - | - | |
| 1,016,096 | 1,033,372 | 1,058,692 | 1,059,556 | 1,048,865 | 1,044,188 | |
| \$ 1,095,335 | \$ 1,016,096 | \$ 1,033,372 | \$ 1,058,692 | \$ 1,059,556 | \$ 1,048,865 | |

STATEMENTS OF CASH FLOWS

for the last 10 years ended December 31 (in thousands)

| | 2024 | 2023 | 2022 (1) | 2021 (1) |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Cash Flows From Operating Activities | | | | |
| Cash receipts from customers and users | \$ 214,758 | \$ 185,937 | \$ 172,686 | \$ 156,394 |
| Cash payments to vendors for goods and services | (56,558) | (54,560) | (57,825) | (44,751) |
| Cash payments for Personal services | (51,429) | (45,749) | (40,250) | (34,313) |
| Net cash provided by operating activities | <u>106,771</u> | <u>85,628</u> | <u>74,611</u> | <u>77,330</u> |
| Cash Flows From Noncapital Financing Activities | | | | |
| Operating grants received | 217 | 591 | 4,917 | 1,816 |
| Customer facility charges received | 10,014 | 9,095 | 8,108 | 6,526 |
| Interest from lease transactions | 8,789 | 7,443 | 6,569 | - |
| Insurance recoveries | 266 | 236 | 3 | 478 |
| Net cash provided by noncapital financing activities | <u>19,286</u> | <u>17,365</u> | <u>19,597</u> | <u>8,820</u> |
| Cash Flows From Capital and Related Financing Activities | | | | |
| Proceeds from issuance of subordinate note | - | - | - | - |
| Proceeds from issuance of revenue bonds | - | 316,540 | 256,172 | - |
| Principal paid on bonds and commercial paper | (49,127) | (248,996) | (106,015) | (34,480) |
| Principal paid on subordinate securities | - | - | - | - |
| Termination payment on interest rate swap | - | (10,615) | (9,372) | - |
| Bond issue costs paid | (711) | (1,597) | (1,359) | (288) |
| Interest paid | (41,868) | (41,607) | (37,297) | (40,344) |
| Acquisition and construction of capital assets | (222,419) | (200,547) | (113,585) | (49,549) |
| Demolition costs related to capital assets | - | - | - | - |
| Proceeds from sale of capital assets | 15,191 | 7,335 | 4,454 | 3,154 |
| Passenger facility charges received | 19,984 | 19,037 | 17,304 | 13,739 |
| Capital grants received | 30,634 | 65,029 | 74,006 | 41,372 |
| Net cash used in capital and related financing activities | <u>(248,316)</u> | <u>(95,421)</u> | <u>84,308</u> | <u>(66,396)</u> |
| Cash Flows from Investing Activities | | | | |
| Purchase of investment securities | (286,570) | (404,864) | (289,922) | (144,244) |
| Proceeds from sales and maturities of investment securities | 304,230 | 405,187 | 253,453 | 126,784 |
| Interest received on investments and cash equivalents | 16,411 | 14,070 | 2,816 | 1,446 |
| Cash received from monetization of investment derivative | - | - | - | - |
| Net cash provided by (used in) investing activities | <u>34,070</u> | <u>14,393</u> | <u>(33,653)</u> | <u>(16,014)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | | | | |
| | (88,188) | 21,964 | 144,863 | 3,740 |
| Cash and Cash Equivalents, Beginning of Year | <u>456,406</u> | <u>434,442</u> | <u>289,579</u> | <u>285,839</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 368,218</u> | <u>\$ 456,406</u> | <u>\$ 434,442</u> | <u>\$ 289,579</u> |

(1) 2020-22 activity reflects the impact of the COVID-19 Pandemic

| | 2020 (1) | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| \$ | 115,308 | \$ 161,214 | \$ 161,457 | \$ 155,794 | \$ 158,753 | \$ 145,901 |
| | (49,360) | (43,894) | (45,412) | (42,184) | (37,686) | (32,397) |
| | (34,909) | (34,939) | (33,836) | (30,519) | (27,796) | (27,276) |
| | <u>31,039</u> | <u>82,381</u> | <u>82,209</u> | <u>83,091</u> | <u>93,271</u> | <u>86,228</u> |
| | | | | | | |
| 21,384 | 616 | 525 | 593 | 647 | 697 | |
| 4,348 | 9,410 | 7,422 | 7,218 | 7,285 | 6,702 | |
| - | - | - | - | - | - | |
| <u>60</u> | <u>1,225</u> | <u>590</u> | <u>225</u> | <u>291</u> | <u>48</u> | |
| | | | | | | |
| <u>25,792</u> | <u>11,251</u> | <u>8,537</u> | <u>8,036</u> | <u>8,223</u> | <u>7,447</u> | |
| | | | | | | |
| - | 59,700 | 45,840 | - | - | - | - |
| - | 327,378 | - | - | 196,895 | 198,965 | |
| (28,705) | (207,235) | (53,895) | (34,845) | (237,700) | (226,630) | |
| - | (105,540) | - | - | - | - | |
| - | (26,532) | - | - | - | - | |
| (184) | (2,347) | (119) | (283) | (1,202) | (1,583) | |
| (39,085) | (38,583) | (40,905) | (40,911) | (44,637) | (51,816) | |
| (62,091) | (115,647) | (99,715) | (34,643) | (40,119) | (32,021) | |
| - | - | (2) | (365) | (8) | (141) | |
| 26,546 | 5,634 | 1,972 | 4,349 | 796 | 2,259 | |
| 8,321 | 19,113 | 19,850 | 17,553 | 17,104 | 15,459 | |
| 44,816 | 21,719 | 18,871 | 10,136 | 12,057 | 20,689 | |
| <u>(50,382)</u> | <u>(62,340)</u> | <u>(108,103)</u> | <u>(79,009)</u> | <u>(96,814)</u> | <u>(74,818)</u> | |
| | | | | | | |
| (287,654) | (308,409) | (236,887) | (334,759) | (294,556) | (61,495) | |
| 391,000 | 308,715 | 255,940 | 321,318 | 287,149 | 28,321 | |
| 2,603 | 3,188 | 3,279 | 2,628 | 3,603 | 7,022 | |
| - | - | - | - | - | - | |
| <u>105,949</u> | <u>3,494</u> | <u>22,332</u> | <u>(10,812)</u> | <u>(3,805)</u> | <u>(26,152)</u> | |
| | | | | | | |
| 112,398 | 34,786 | 4,976 | 1,306 | 875 | (7,294) | |
| | | | | | | |
| 173,441 | 138,655 | 133,679 | 132,373 | 131,499 | 138,793 | |
| | | | | | | |
| \$ 285,839 | \$ 173,441 | \$ 138,655 | \$ 133,679 | \$ 132,373 | \$ 131,499 | |

OPERATING REVENUES

for the last 10 years ended December 31 (in thousands)

| | 2024 (2) | 2023 (2) | 2022 (1) (2) | 2021 (1) |
|--|-------------------|-------------------|-------------------|-------------------|
| Airfield | | | | |
| Landing fees - scheduled airlines | \$ 23,167 | \$ 13,804 | \$ 10,503 | \$ 9,572 |
| Landing fees - freight and other | 18,398 | 13,637 | 16,501 | 16,886 |
| Apron fees | 2,637 | 2,441 | 1,985 | 2,452 |
| Commissions - aviation fuel sales | 433 | 412 | 427 | 378 |
| Other | 2,716 | 2,757 | 2,127 | 1,743 |
| Total Airfield | <u>47,351</u> | <u>33,051</u> | <u>31,543</u> | <u>31,031</u> |
| Terminal Complex | | | | |
| Space rental | | | | |
| Airlines | 41,476 | 35,819 | 35,136 | 36,537 |
| Concessionaires | 12,009 | 10,932 | 8,746 | 6,051 |
| Other space rental | 1,862 | 1,823 | 1,742 | 1,753 |
| Contra revenue - federal grants | - | - | (4,034) | (1,009) |
| Automobile rental commissions | 13,493 | 13,024 | 11,526 | 9,494 |
| Other commissions, fees, etc. | 5,727 | 5,599 | 5,028 | 4,690 |
| Financing interest - leases | (1,363) | (1,297) | (1,203) | - |
| Total Terminal Complex | <u>73,204</u> | <u>65,900</u> | <u>56,941</u> | <u>57,516</u> |
| Parking - parking operations | <u>74,538</u> | <u>66,633</u> | <u>59,562</u> | <u>42,772</u> |
| Rented Buildings and Other | | | | |
| Space rental - freight buildings | 1,455 | 1,404 | 1,380 | 1,303 |
| Space rental - hangars | 863 | 837 | 806 | 781 |
| Space rental - other buildings | 8,276 | 7,271 | 7,085 | 6,937 |
| Ground leases | 7,691 | 7,814 | 7,333 | 6,472 |
| Farm income | 154 | 155 | 140 | 86 |
| International building | - | - | - | - |
| Other | 1,089 | 1,181 | 467 | 970 |
| Financing interest - leases | (3,826) | (3,144) | (2,911) | - |
| Total Rented Buildings and Other | <u>15,701</u> | <u>15,516</u> | <u>14,301</u> | <u>16,549</u> |
| Indianapolis Maintenance Center (IMC) | <u>5,120</u> | <u>7,862</u> | <u>5,565</u> | <u>5,586</u> |
| Reliever Airports | | | | |
| Financing interest - leases | 3,574 | 3,583 | 3,699 | 3,217 |
| | (479) | (331) | (275) | - |
| | <u>3,095</u> | <u>3,251</u> | <u>3,423</u> | <u>3,217</u> |
| Total Operating Revenues | \$ 219,009 | \$ 192,213 | \$ 171,335 | \$ 156,671 |

Signatory Airline Rates and Charges

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Landing Fee (Per 1,000 lbs.) | \$ 4.00 | \$ 2.54 | \$ 2.23 | \$ 2.30 |
| Average Terminal Building Rate (Per Sq. Ft.) | \$ 109.21 | \$ 108.09 | \$ 105.50 | \$ 112.57 |
| Apron Rate (Per Sq. Ft.) | \$ 1.64 | \$ 1.19 | \$ 0.67 | \$ 1.51 |

(1) 2020-22 activity reflects the impact of the COVID-19 Pandemic

(2) Figures reflect the implementation of GASB 87. Amounts prior to 2022 have not been restated.

| | 2020 (1) | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| \$ | 6,777 | \$ 9,074 | \$ 9,812 | \$ 8,562 | \$ 9,615 | \$ 8,645 |
| 11,994 | | 9,258 | 9,999 | 8,912 | 10,601 | 10,375 |
| 1,620 | | 2,805 | 2,002 | 1,892 | 1,894 | 2,011 |
| 228 | | 368 | 324 | 300 | 308 | 310 |
| 1,499 | | 2,173 | 2,151 | 2,080 | 1,331 | 1,206 |
| 22,118 | 23,678 | 24,288 | 21,746 | 23,749 | 22,546 | |
| 29,274 | 25,226 | 27,011 | 27,005 | 31,359 | 26,309 | |
| 3,537 | 8,520 | 8,575 | 8,230 | 8,182 | 7,620 | |
| 1,726 | 1,585 | 1,716 | 1,804 | 2,022 | 1,565 | |
| - | - | - | - | - | - | |
| 5,461 | 10,753 | 11,261 | 10,717 | 10,518 | 10,085 | |
| 4,178 | 5,262 | 5,575 | 5,427 | 5,370 | 5,189 | |
| - | - | - | - | - | - | |
| 44,176 | 51,346 | 54,138 | 53,183 | 57,451 | 50,768 | |
| 25,208 | 59,370 | 54,551 | 50,776 | 50,562 | 47,055 | |
| 1,343 | 1,266 | 1,262 | 1,033 | 985 | 931 | |
| 746 | 708 | 696 | 675 | 622 | 598 | |
| 7,113 | 7,079 | 7,923 | 8,107 | 8,035 | 7,708 | |
| 5,796 | 5,705 | 5,894 | 5,999 | 6,091 | 6,171 | |
| 1 | 25 | 30 | 29 | 150 | 155 | |
| - | - | 1 | 15 | 17 | 18 | |
| 1,219 | 722 | 717 | 709 | 483 | 435 | |
| - | - | - | - | - | - | |
| 16,218 | 15,505 | 16,523 | 16,567 | 16,382 | 16,016 | |
| 6,571 | 8,567 | 8,239 | 8,068 | 7,206 | 8,643 | |
| 2,780 | 2,883 | 2,934 | 2,920 | 2,897 | 2,928 | |
| - | - | - | - | - | - | |
| 2,780 | 2,883 | 2,934 | 2,920 | 2,897 | 2,928 | |
| \$ 117,071 | \$ 161,349 | \$ 160,672 | \$ 153,260 | \$ 158,247 | \$ 147,957 | |

| | | | | | | |
|----|-------|----------|----------|----------|-----------|----------|
| \$ | 2.09 | \$ 1.71 | \$ 1.85 | \$ 1.70 | \$ 1.95 | \$ 1.92 |
| \$ | 90.37 | \$ 77.95 | \$ 92.78 | \$ 98.22 | \$ 114.09 | \$ 95.11 |
| \$ | 0.48 | \$ 1.16 | \$ 0.53 | \$ 0.48 | \$ 0.71 | \$ 0.27 |

SIGNATORY AIRLINE RATES AND CHARGES

for the last 10 years ended December 31

| Year | Signatory Landing Fees (Per 1,000 lbs.) | Average Terminal Building Rates (Per Sq. Ft.) | Apron Rates (Per Sq. Ft.) |
|---------------------|---|--|------------------------------|
| 2024 | \$ 4.00 | \$ 109.21 | \$ 1.64 |
| 2023 | 2.54 | 108.09 | 1.19 |
| 2022 ⁽³⁾ | 2.23 | 105.50 | 0.67 |
| 2021 ⁽³⁾ | 2.30 | 112.57 | 1.51 |
| 2020 ⁽³⁾ | 2.09 | 90.37 | 0.48 |
| 2019 | 1.71 | 77.95 | 1.16 |
| 2018 | 1.85 | 92.78 | 0.53 |
| 2017 | 1.70 | 98.22 | 0.48 |
| 2016 | 1.95 | 114.09 | 0.71 |
| 2015 | 1.92 | 95.11 | 0.27 |

(1) The revenue bases to which the rates are applied and lists of principal payors can be found in other schedules.

(2) The Authority uses a hybrid residual rate-making methodology for its Airline Agreements. This provides for the review and adjustment of Signatory Airline Terminal Complex rental rates, Apron Area rents, and Landing Fees each Fiscal Year to ensure that the Gross Revenues of the Airport System are sufficient to meet the Operation and Maintenance Expenses of the Airport System, the Debt Service Requirements of the Authority's Outstanding Revenue Bonds and Subordinate Securities, and other funding requirements established by the Bond Ordinance.

(3) 2020-22 activity reflects the impact of the COVID-19 Pandemic



OUTSTANDING DEBT BY TYPE AND REVENUE BOND DEBT SERVICE RATIOS

for the last 10 years ended December 31

| | 2024 (3) (4) | 2023 (3) (4) | 2022 (2) (3) | 2021 (2) |
|--|-------------------------|-------------------------|-------------------------|-----------------------|
| Outstanding Debt | | | | |
| Revenue Bonds | \$ 1,039,367,503 | \$ 1,097,521,669 | \$ 1,045,837,056 | \$ 904,728,333 |
| Subscription liabilities | 671,085 | 592,405 | 1,088,841 | - |
| Commercial Paper, Subordinate Securities & Credit Facility Agreements | - | - | - | - |
| Obligations under Capital Lease | - | - | - | - |
| Total Outstanding Debt | \$ 1,040,038,588 | \$ 1,098,114,074 | \$ 1,046,925,897 | \$ 904,728,333 |
| Outstanding Debt Per Capita | | | | |
| | \$ 478.22 | \$ 508.20 | \$ 488.81 | \$ 425.39 |
| Total Enplaned Passengers | 5,249,959 | 4,886,576 | 4,345,413 | 3,582,020 |
| Outstanding Debt / Enplaned Passenger | \$ 198.10 | \$ 224.72 | \$ 240.93 | \$ 252.57 |
| Outstanding Debt as % of Personal Income | Data Not Available | 0.31% | 0.35% | 0.38% |
| Revenue Bond Debt Service | | | | |
| Principal Interest | \$ 38,056,542 | \$ 39,876,015 | \$ 36,260,000 | \$ 34,480,000 |
| | 40,950,176 | 37,579,858 | 36,516,846 | 39,717,639 |
| Total Revenue Bond Debt Service ⁽¹⁾ | \$ 79,006,718 | \$ 77,455,873 | \$ 72,776,846 | \$ 74,197,639 |
| Total Expenses (Less Depreciation) | \$ 145,137,496 | \$ 142,871,175 | \$ 138,774,992 | \$ 110,132,715 |
| Revenue Bond Debt Service ⁽¹⁾ / Total Expenses | 54.44% | 54.21% | 52.44% | 67.37% |
| Revenue Bond Debt Service ⁽¹⁾ / Enplaned Passenger | \$ 15.05 | \$ 15.85 | \$ 16.75 | \$ 20.71 |

(1) These Revenue Bond Debt Service figures are gross debt service requirements on a cash basis, they are not net of Capitalized Interest.

(2) 2020-22 activity reflects the impact of the COVID-19 Pandemic

(3) Figures reflect the implementation of GASB 96. Amounts prior to 2022 have not been restated.

(4) Figures reflect the implementation of GASB 101. Amounts prior to 2023 have not been restated.

| | 2020 (2) | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|------------------|
| \$ | 948,862,708 | \$ 987,885,214 | \$ 874,561,922 | \$ 933,949,408 | \$ 974,523,714 | \$ 1,022,725,052 |
| - | - | - | 45,840,000 | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>12,728,442</u> | <u>28,696,082</u> | <u>54,878,039</u> | |
| \$ 948,862,708 | \$ 987,885,214 | \$ 920,401,922 | \$ 946,677,850 | \$ 1,003,219,796 | \$ 1,077,603,091 | |
| \$ | 453.78 | \$ 476.20 | \$ 448.46 | \$ 466.90 | \$ 499.92 | \$ 542.57 |
| 2,044,464 | | 4,765,409 | 4,697,124 | 4,387,532 | 4,239,828 | 4,008,256 |
| \$ | 464.11 | \$ 207.30 | \$ 195.95 | \$ 215.77 | \$ 236.62 | \$ 268.85 |
| 0.77% | | 0.37% | 0.36% | 0.41% | 0.47% | 0.55% |
| \$ | 28,705,000 | \$ 31,045,000 | \$ 53,895,000 | \$ 34,845,000 | \$ 32,850,000 | \$ 29,245,000 |
| <u>39,037,834</u> | <u>36,770,467</u> | <u>40,174,647</u> | <u>40,565,126</u> | <u>42,970,440</u> | <u>44,258,956</u> | |
| \$ 67,742,834 | \$ 67,815,467 | \$ 94,069,647 | \$ 75,410,126 | \$ 75,820,440 | \$ 73,503,956 | |
| \$ | 94,547,608 | \$ 130,300,534 | \$ 166,214,431 | \$ 115,371,597 | \$ 125,760,383 | \$ 124,848,572 |
| 71.65% | | 52.05% | 56.60% | 65.36% | 60.29% | 58.87% |
| \$ | 33.13 | \$ 14.23 | \$ 20.03 | \$ 17.19 | \$ 17.88 | \$ 18.34 |

REVENUE BOND DEBT SERVICE COVERAGE

for the last 10 years ended December 31 (in thousands)

| | 2024 ⁽⁵⁾⁽⁶⁾ | 2023 ⁽⁵⁾⁽⁶⁾ | 2022 ⁽⁴⁾⁽⁵⁾ | 2021 ⁽⁴⁾ |
|--|------------------------|------------------------|------------------------|---------------------|
| Gross Revenues | | | | |
| Total Operating Revenues | \$ 224,676 | \$ 196,986 | \$ 175,725 | \$ 156,671 |
| Federal Operating Grants | 217 | 591 | 591 | 551 |
| Federal Relief Designated as Gross Revenues ⁽¹⁾ | 5,062 | 13,200 | 24,964 | 24,959 |
| Reduced (Excess) Rental Revenue Recognized Under GASB 13 | - | - | 579 | 59 |
| Federal Payments | <u>(699)</u> | <u>(692)</u> | <u>(664)</u> | <u>(553)</u> |
| Total Gross Revenues | <u>229,257</u> | <u>210,085</u> | <u>201,195</u> | <u>181,688</u> |
| Operating and Maintenance Expenses | | | | |
| Total Operating Expenses | 233,724 | 221,318 | 209,980 | 180,632 |
| Capital Assets Expensed Under Ordinance | 3,965 | 3,532 | 1,917 | 1,984 |
| Environmental Mitigation Costs | - | - | - | - |
| Depreciation | (117,495) | (113,636) | (111,203) | (100,933) |
| Add back Contra Expense - Leases (GASB 96) | 671 | 500 | 439 | - |
| R&C Bond Program Expenses | 500 | - | - | - |
| Less: R&C Bond Program Expenses funded with CFC | <u>(24)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Operating & Maintenance Expenses | <u>121,341</u> | <u>111,715</u> | <u>101,133</u> | <u>81,683</u> |
| Net Revenues Available for Debt Service | <u>107,916</u> | <u>98,371</u> | <u>100,062</u> | <u>100,005</u> |
| Fund Transfers | | | | |
| Transfers from Debt Service Coverage Fund ⁽²⁾ | 21,420 | 21,314 | 17,168 | 17,158 |
| Transfers from Prepaid Airline Revenue Fund ⁽³⁾ | <u>1,797</u> | <u>3,538</u> | <u>5,717</u> | <u>8,600</u> |
| Total Funds Available for Debt Service | <u>\$ 131,134</u> | <u>\$ 123,223</u> | <u>\$ 122,947</u> | <u>\$ 125,763</u> |
| Debt Service Requirements | | | | |
| Debt Service Requirements for Revenue Bonds | \$ 68,542 | \$ 65,237 | \$ 64,476 | \$ 64,250 |
| Debt Service Coverage | | | | |
| Revenue Bond Debt Service Coverage | 1.91 | 1.89 | 1.91 | 1.96 |

(1) Per Resolutions No. 24-2020, No. 10-2021 and No. 08-2022.

(2) Pursuant to the Authority's Master Bond Ordinance, amounts deposited into the Authority's Coverage Fund will be added to Net Revenues for purposes of determining the Authority's Revenue Bond Debt Service Coverage.

(3) Reflects actual transfer versus calculated Prepaid Airline Credit as defined in the Authority's Master Bond Ordinance.

(4) 2020-22 activity reflects the impact of the COVID-19 Pandemic.

(5) Figures reflect the implementation of GASB 96. Amounts prior to 2022 were not restated.

(6) Figures reflect the implementation of GASB 101. Amounts prior to 2023 were not restated.

| | 2020 ⁽⁴⁾ | 2019 | 2018 | 2017 | 2016 | 2015 |
|----|---------------------|------------------|-------------------|------------------|-------------------|-------------------|
| \$ | 117,071 | \$ 161,349 | \$ 160,672 | \$ 153,260 | \$ 158,247 | \$ 147,957 |
| | 586 | 589 | 599 | - | - | - |
| | 38,436 | - | - | - | - | - |
| | 83 | 100 | 99 | 109 | 306 | 306 |
| | (536) | (504) | (505) | (908) | (762) | (536) |
| | <u>155,640</u> | <u>161,534</u> | <u>160,865</u> | <u>152,461</u> | <u>157,791</u> | <u>147,727</u> |
| | 167,204 | 174,865 | 173,206 | 167,609 | 161,038 | 156,493 |
| | 351 | 2,613 | 1,441 | 1,175 | 1,318 | 930 |
| | - | - | 1 | (50) | 96 | 192 |
| | (94,641) | (89,679) | (92,196) | (94,075) | (93,818) | (94,113) |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | <u>72,914</u> | <u>87,799</u> | <u>82,452</u> | <u>74,659</u> | <u>68,634</u> | <u>63,502</u> |
| | <u>82,726</u> | <u>73,735</u> | <u>78,413</u> | <u>77,802</u> | <u>89,157</u> | <u>84,225</u> |
| | 17,171 | 17,188 | 17,212 | 17,179 | 17,380 | 17,171 |
| | - | 5,656 | 5,155 | 2,568 | 17,000 | 7,500 |
| \$ | <u>99,897</u> | <u>\$ 96,579</u> | <u>\$ 100,780</u> | <u>\$ 97,549</u> | <u>\$ 123,537</u> | <u>\$ 108,896</u> |
| \$ | 56,280 | \$ 54,077 | \$ 68,473 | \$ 55,243 | \$ 59,606 | \$ 59,035 |
| | 1.78 | 1.79 | 1.47 | 1.77 | 2.07 | 1.84 |

AIRLINE LANDING WEIGHT STATISTICS

for the last 10 years ended December 31

Listed by current rank

| | 2024 | | 2023 | | 2022 ⁽⁵⁾ | 2021 ⁽⁵⁾ |
|--------------------------------------|----------------------------|---------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Landing Wts. (000 lbs.) | % of Total | Landing Wts. (000 lbs.) | Landing Wts. (000 lbs.) | Landing Wts. (000 lbs.) | Landing Wts. (000 lbs.) |
| Scheduled Air Carrier: | | | | | | |
| American ⁽¹⁾ | 1,555,935 | 14.9% | 1,455,462 | 1,293,499 | 1,003,770 | |
| Southwest ⁽¹⁾ | 1,598,509 | 15.3% | 1,518,830 | 1,158,456 | 1,100,586 | |
| Delta ⁽¹⁾ | 1,110,785 | 10.6% | 1,009,420 | 969,527 | 879,247 | |
| United ⁽¹⁾ | 778,961 | 7.5% | 754,430 | 593,154 | 497,036 | |
| Spirit Airlines ⁽⁴⁾ | 354,862 | 3.4% | 312,212 | 258,456 | 261,106 | |
| Allegiant Air ⁽²⁾ | 221,169 | 2.1% | 232,568 | 247,055 | 270,245 | |
| Frontier Airlines ⁽¹⁾ | 132,645 | 1.3% | 112,398 | 101,593 | 113,532 | |
| Alaska Airlines ⁽³⁾ | 85,437 | 0.8% | 88,048 | 65,104 | 49,576 | |
| Indianapolis Aviation Partners | 34,257 | 0.3% | 42,909 | 48,769 | 59,110 | |
| US Airways ⁽¹⁾ | - | 0.0% | - | - | - | |
| AirTran Airways ⁽¹⁾ | - | 0.0% | - | - | - | |
| Other | 48,672 | 0.5% | 49,607 | 43,966 | 29,673 | |
| Subtotal | 5,921,232 | 56.8% | 5,575,883 | 4,779,578 | 4,263,881 | |
| Net Change from Prior Year | | 6.2% | | 16.7% | 12.1% | 30.3% |
| Freight and Charter: | | | | | | |
| Federal Express | 4,336,541 | 41.6% | 4,953,764 | 7,076,951 | 7,009,102 | |
| Cargolux Airlines International S.A. | 94,679 | 0.9% | 83,914 | 103,926 | 106,234 | |
| Mountain Air Cargo | 22,694 | 0.2% | 28,162 | 43,780 | 42,697 | |
| Eli Lilly International | 16,152 | 0.2% | 12,098 | 9,266 | 7,786 | |
| Other | 41,069 | 0.4% | 96,184 | 16,024 | 11,756 | |
| Subtotal | 4,511,135 | 43.2% | 5,174,121 | 7,249,948 | 7,177,576 | |
| Net Change from Prior Year | | -12.8% | | -28.6% | 1.0% | 26.7% |
| Total Airline Landing Weights | 10,432,367 | 100.0% | 10,750,005 | 12,029,525 | 11,441,458 | |
| Net Change from Prior Year | | -3.0% | | -10.6% | 5.1% | 28.0% |

(1) Airline either merged with another airline, serves another airline, discontinued operations or no longer serves Indianapolis International Airport.

(2) Allegiant Air began operations in February 2015.

(3) Alaska Airlines began operation in May 2017.

(4) Spirit Airlines began operation in March 2019.

(5) 2020-22 activity reflects the impact of the COVID-19 Pandemic.

| 2020 ⁽⁵⁾ | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 715,498 | 1,275,230 | 1,283,779 | 1,201,711 | 1,277,344 | 502,901 |
| 1,031,104 | 1,502,429 | 1,611,201 | 1,660,810 | 1,605,178 | 1,387,432 |
| 672,889 | 1,432,395 | 1,335,814 | 1,176,262 | 1,136,286 | 1,133,755 |
| 353,790 | 641,815 | 683,717 | 671,124 | 669,129 | 667,649 |
| 122,396 | 106,002 | - | - | - | - |
| 210,267 | 272,558 | 267,444 | 184,307 | 179,027 | 125,927 |
| 77,219 | 108,263 | 129,409 | 114,412 | 129,823 | 115,820 |
| 50,756 | 54,993 | 91,435 | 48,895 | - | - |
| 23,661 | 22,712 | 31,974 | 27,697 | 30,910 | 17,141 |
| - | - | - | - | - | 672,034 |
| 15,190 | 48,963 | 55,056 | 53,351 | 47,957 | 42,539 |
| 3,272,770 | 5,465,360 | 5,489,829 | 5,138,569 | 5,075,654 | 4,665,198 |
| -40.1% | -0.4% | 6.8% | 1.2% | 8.8% | 9.3% |
| 5,509,279 | 5,157,946 | 5,138,742 | 4,997,397 | 5,190,106 | 5,186,724 |
| 104,903 | 106,131 | 101,806 | 104,179 | 102,121 | 100,937 |
| 34,801 | 33,799 | 34,442 | 31,826 | 33,232 | 26,564 |
| 9,474 | 10,164 | 11,814 | 11,484 | 12,408 | 11,286 |
| 5,004 | 6,454 | 7,900 | 5,713 | 9,211 | 21,363 |
| 5,663,461 | 5,314,494 | 5,294,704 | 5,150,599 | 5,347,078 | 5,346,874 |
| 6.6% | 0.4% | 2.8% | -3.7% | 0.0% | -0.4% |
| 8,936,231 | 10,779,854 | 10,784,533 | 10,289,168 | 10,422,732 | 10,012,072 |
| -17.1% | 0.0% | 4.8% | -1.3% | 4.1% | 3.9% |

ENPLANED PASSENGER STATISTICS

for the last 10 years ended December 31

Listed by current rank

| | 2024 | | 2023 | | 2022 ⁽⁵⁾ | 2021 ⁽⁵⁾ |
|---------------------------------------|------------------------|---------------|------------------------|------------------------|------------------------|------------------------|
| | Number of Enplanements | % of Total | Number of Enplanements | Number of Enplanements | Number of Enplanements | Number of Enplanements |
| Scheduled Air Carrier: | | | | | | |
| Southwest ⁽¹⁾ | 1,459,432 | 27.8% | 1,320,236 | 1,142,642 | 1,009,090 | |
| American ⁽¹⁾ | 1,342,468 | 25.6% | 1,248,159 | 1,117,442 | 846,323 | |
| Delta ⁽¹⁾ | 958,099 | 18.2% | 875,618 | 833,330 | 661,322 | |
| United ⁽¹⁾ | 648,603 | 12.4% | 649,121 | 539,595 | 399,181 | |
| Spirit Airlines ⁽⁴⁾ | 360,005 | 6.9% | 304,249 | 247,678 | 251,505 | |
| Allegiant Air ⁽²⁾ | 229,774 | 4.4% | 247,484 | 256,549 | 234,950 | |
| Frontier Airlines ⁽¹⁾ | 122,933 | 2.3% | 107,749 | 103,574 | 115,381 | |
| Alaska Airlines ⁽³⁾ | 81,697 | 1.6% | 83,826 | 65,568 | 43,727 | |
| Indianapolis Aviation Partners | 11,025 | 0.2% | 10,728 | 10,505 | 10,569 | |
| US Airways ⁽¹⁾ | - | 0.0% | - | - | - | |
| AirTran Airways ⁽¹⁾ | - | 0.0% | - | - | - | |
| Other | 35,923 | 0.6% | 39,406 | 28,530 | 9,972 | |
| Total Enplanements | 5,249,959 | 100.0% | 4,886,576 | 4,345,413 | 3,582,020 | |
| Net Change from Prior Year | | 7.4% | | 12.5% | 21.3% | 75.2% |
| Airline Costs | | | | | | |
| Air Carrier Landing Fees | \$ 41,564,355 | | \$ 27,441,477 | \$ 27,004,742 | \$ 26,458,272 | |
| Terminal Apron Fees | 2,637,379 | | 2,441,299 | 1,985,466 | 2,451,686 | |
| Airline Terminal Fees | 41,476,098 | | 35,819,482 | 35,135,708 | 36,536,553 | |
| Security Fees | | | | - | - | |
| Freight Landing Fees | (18,397,606) | | (13,637,151) | (16,501,489) | (16,886,026) | |
| Total Costs | \$ 67,280,226 | | \$ 52,065,107 | \$ 47,624,427 | \$ 48,560,485 | |
| Total Costs/Enplaned Passenger | \$ 12.82 | | \$ 10.65 | \$ 10.96 | \$ 13.56 | |
| Net Change from Prior Year | | 20.3% | | -2.8% | -19.2% | -26.4% |

(1) Airline either merged with another airline, serves another airline or no longer serves Indianapolis International Airport.

(2) Allegiant Air began operations in February 2015.

(3) Alaska Airlines began operation in May 2017.

(4) Spirit Airlines began operation in March 2019

(5) 2020-22 activity reflects the impact of the COVID-19 Pandemic

| | 2020 ⁽⁵⁾ | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| 621,110 | 1,367,642 | 1,448,196 | 1,443,262 | 1,382,870 | 1,193,458 | |
| 448,241 | 1,023,504 | 1,026,854 | 970,257 | 965,523 | 473,919 | |
| 369,537 | 1,207,021 | 1,092,085 | 978,384 | 942,983 | 958,781 | |
| 230,536 | 574,462 | 599,596 | 594,727 | 589,221 | 572,837 | |
| 100,356 | 98,869 | - | - | - | - | |
| 168,781 | 271,158 | 265,353 | 188,748 | 183,633 | 120,546 | |
| 66,721 | 123,263 | 138,809 | 122,865 | 134,528 | 119,315 | |
| 27,077 | 54,700 | 78,993 | 42,977 | - | - | |
| 5,128 | 8,888 | 10,549 | 10,934 | 11,406 | 7,014 | |
| | | | - | - | 537,973 | |
| 6,977 | 35,902 | 36,689 | 35,378 | 29,664 | 24,413 | |
| 2,044,464 | 4,765,409 | 4,697,124 | 4,387,532 | 4,239,828 | 4,008,256 | |
| -57.1% | 1.5% | 7.1% | 3.5% | 5.8% | 8.7% | |
| \$ | 18,770,141 | \$ 18,331,892 | \$ 19,810,491 | \$ 17,474,532 | \$ 20,216,506 | \$ 19,018,664 |
| 1,620,144 | 2,804,976 | 2,002,360 | 1,892,080 | 1,894,273 | 2,011,024 | |
| 29,273,668 | 25,225,826 | 27,011,058 | 27,004,991 | 31,358,509 | 26,309,293 | |
| - | - | - | - | - | - | |
| (11,993,612) | (9,258,133) | (9,998,530) | (8,912,244) | (10,601,365) | (10,373,953) | |
| \$ 37,670,341 | \$ 37,104,561 | \$ 38,825,379 | \$ 37,459,359 | \$ 42,867,923 | \$ 36,965,028 | |
| \$ | 18.43 | \$ 7.79 | \$ 8.27 | \$ 8.54 | \$ 10.11 | \$ 9.22 |
| 136.6% | -5.8% | -3.2% | -15.6% | 9.6% | -5.2% | |

NUMBER OF AIRPORT EMPLOYEES BY IDENTIFIABLE ACTIVITY

for the last 10 years ended December 31

Listed by current rank

| Department | 2024 Number of Employees | 2023 % of Total | 2022 (1) (2) | 2021 (2) |
|-------------------------------|--------------------------------|--------------------|--------------|------------|
| Parking | 73 | 15.1% | 70 | 68 |
| Terminal Services | 70 | 14.6% | 67 | 59 |
| Fire | 44 | 9.1% | 43 | 42 |
| Police | 40 | 8.3% | 38 | 38 |
| Building Maintenance | 39 | 8.0% | 39 | 39 |
| Airfield | 37 | 7.6% | 36 | 37 |
| Public Safety Officers | 26 | 5.4% | 26 | 14 |
| Airport Security and Dispatch | 23 | 4.7% | 22 | 23 |
| Engineering | 21 | 4.3% | 19 | 19 |
| Information Technology | 15 | 3.2% | 14 | 15 |
| Personnel | 13 | 2.8% | 11 | 11 |
| Accounting and Finance | 12 | 2.5% | 12 | 12 |
| Operations | 11 | 2.3% | 9 | 10 |
| Guest Services | 9 | 1.9% | 10 | 10 |
| Administration | 7 | 1.4% | 7 | 8 |
| Marketing | 6 | 1.3% | 5 | 5 |
| Reliever Airports | 5 | 1.0% | 5 | 5 |
| Conservation Management | 4 | 0.9% | 4 | 4 |
| Audit Services | 4 | 0.9% | 4 | 3 |
| Procurement | 4 | 0.9% | 4 | 4 |
| Properties | 4 | 0.8% | 4 | 4 |
| Retail | 3 | 0.7% | 2 | 2 |
| Legal | 3 | 0.6% | 3 | 3 |
| Strategic Alliance | 3 | 0.6% | 3 | 3 |
| Executive | 2 | 0.4% | 2 | 2 |
| Risk Management | 2 | 0.4% | 2 | 2 |
| IMC | 1 | 0.3% | 3 | 4 |
| Total Employees | 482 | 100.0% | 464 | 446 |
| | | | | 401 |

Note: These figures include full and part time employees as of each year end.

1) The Public Safety Officer positions were insourced during 2022

2) 2020-22 activity reflects the impact of the COVID-19 Pandemic

| 2020 (2) | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| 67 | 71 | 70 | 69 | 69 | 70 |
| 70 | 66 | 62 | 61 | 61 | 62 |
| 41 | 44 | 43 | 40 | 41 | 41 |
| 45 | 48 | 48 | 47 | 47 | 47 |
| 36 | 37 | 37 | 35 | 33 | 33 |
| 38 | 39 | 39 | 38 | 38 | 38 |
| - | - | - | - | - | - |
| 23 | 24 | 24 | 23 | 22 | 21 |
| 17 | 16 | 13 | 14 | 13 | 12 |
| 15 | 14 | 13 | 12 | 13 | 13 |
| 10 | 10 | 10 | 9 | 9 | 8 |
| 11 | 11 | 11 | 11 | 9 | 10 |
| 9 | 8 | 8 | 8 | 7 | 6 |
| 7 | 6 | 6 | 6 | 6 | 6 |
| 8 | 7 | 6 | 6 | 5 | 3 |
| 4 | 4 | 4 | 3 | 3 | 3 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 5 | 3 | 4 | 4 | 3 | 3 |
| 3 | 4 | 5 | 4 | 4 | 4 |
| 3 | 3 | 4 | 3 | 3 | 3 |
| 4 | 4 | 4 | 4 | 3 | 4 |
| 2 | 2 | 1 | 1 | 1 | 1 |
| 4 | 4 | 3 | 2 | 3 | 2 |
| 2 | 1 | 1 | 1 | 1 | 1 |
| 2 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 4 | 3 | 3 | 3 | 4 |
| 435 | 437 | 426 | 411 | 404 | 402 |

SCHEDULE OF INSURANCE IN FORCE

as of December 31, 2024

| Carrier Name | Policy Number | Policy Term | Abstract of Coverage | Limit of Liability | Premium |
|---|--------------------------|------------------------|---|--|------------------------------|
| AIG (Commerce and Industry Insurance Company) | AP 081151298-03 | 11/30/2024 to 11/30/25 | Airport Liability Each Occurrence Products/Completed Operations Annual Aggregate Personal /Adv Injury Malpractice Annual Aggregate Fire Damage Limit Hangarkeepers Any One Occurrence Hangarkeepers Any One Aircraft Property Damage to Non-Owned Aircraft/Occurrence Employee Benefits Liability (\$2,500 Deductible) Garagekeepers Liability \$250,000 ea Auto Excess Auto Liability/Occurrence xs of \$1,000,000 Primary Excess Employers Liability/Occurrence xs of \$1,000,000 Primary Cargo Liability /Occurrence | \$ 350,000,000 \$ 350,000,000 \$ 50,000,000 \$ 50,000,000 \$ 1,000,000 \$ 350,000,000 \$ 350,000,000 \$ 5,000,000 \$ 1,000,000 \$ 5,000,000 \$ 25,000,000 \$ 25,000,000 \$ 5,000,000 | \$ 239,995 |
| AIG (National Union Fire Insurance Company) | 02-245-70-68 | 11/30/2024 to 11/30/25 | Corporate Counsel/Employed Lawyers Professional | \$2,000,000 | 9,892 |
| Chubb (ACE American Insurance Company) | PHFD42291936 006 | 11/30/2024 to 11/30/25 | Each Occurrence for GL and Employers Responsibility coverages Each Claim for LBL Each Accident for Contingent Auto AD&D Aggregate Limit K&E Extortion Commercial Property | 1,000,000 1,000,000 1,000,000 1,500,000 250,000 50,000 | 2,500 |
| Chubb (ACE American Insurance Company) | G24733932013 | 11/30/2024 to 11/30/25 | Per Storage Tank Incident Claims/Remediation Aggregate Legal Expense Aggregate Total Policy Aggregate | 1,000,000 2,000,000 2,000,000 4,000,000 | 5,559 |
| CNA (Western Surety) | Various Policy Numbers | 1/1/2025 to 12/31/25 | Individual Public Official Bonds (11 Board Members) Individual Public Official Bonds (Treasurer) Notary Bonds (4 Administrative Assistants) E&O (3 Administrative Assistants) E&O (1 Administrative Assistant) Estimator Bond | 100,000 500,000 25,000 30,000 5,000 100,000 | 4,133 1,650 612 350 |
| Coalition | C-4LRC-082593-CYBER-2024 | 11/30/2024 to 11/30/25 | Commercial Cyber Liability Network and Information Security Liability Regulatory Defense and Penalties Multimedia Content Liability PCI Fines and Assessments Breach Response Crisis Management and Public Relations Cyber Extortion Business Interruption and Extra Expenses Digital Asset Restoration Funds Transfer Fraud | 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 250,000 | 56,812 |
| Euclid (Hudson Insurance Company) | EPGA000127-01 | 11/30/2024 to 11/30/25 | Business Auto Liability CSL HNO | 1,000,000 1,000,000 | 170,918 |
| Fidelity & Deposit Co of Maryland | 191007068 | 10/17/2024 to 10/17/25 | Customs Bond Bureau of Customs & Border Protection | 100,000 | 850 |
| Ironshore Indemnity | D07GAC55RH001 | 11/30/2024 to 11/30/25 | Excess Management Liability Each Loss and Aggregate Attachment Point | 5,000,000 5,000,000 | 27,000 |
| Lexington Insurance Company | 3824703500 | 11/30/2024 to 11/30/25 | Police/Law Enforcement Liability Maximum Aggregate Limit Maximum Each Claim Limit | 2,000,000 2,000,000 | 47,336 |
| Liberty (Ohio Casualty) | Various Policy Numbers | 2/8/2025 to 12/31/25 | Individual Public Official Bonds (2 Board Members) | 100,000 | 613 |
| Liberty Mutual Insurance Company | YAC-L9L-474688-014 | 11/30/2024 to 11/30/25 | Property with Equipment Breakdown; Auto Physical Damage and Contractors Equipment Physical Real/Personal Business Interruption Extra Expense Boiler & Machinery Breakdown Flood Flood Moderate Hazard Flood High Hazard Earthquake Shock Per Occurrence/Aggregate | 1,000,000,000 115,000,000 50,000,000 100,000,000 250,000,000 15,000,000 5,000,000 250,000,000 | 1,502,567 |
| Lloyds of London | B0509BOWTN24508057 | 7/1/2024 to 7/1/25 | Deadly Weapon Response Program Each and Every Deadly Weapon Event including Claim Expenses Annual Aggregate | 500,000 500,000 | 14,870 |
| Lloyds of London/Bowring Marsh | B0509BOWTN2450925 | 11/30/2024 to 11/30/25 | Terrorism and Sabotage Coverage Per Occurrence | 500,000,000 | 124,591 |
| Markel (Evanston Insurance Company) | MKLV3PSM002766 | 11/30/2024 to 11/30/25 | Medical Professional Each Claim Aggregate | 500,000 1,500,000 | 28,216 |
| Nexus Specialty | MS307DMLA240 | 11/30/2024 to 11/30/25 | Primary Management Liability - Directors & Officers, Employment Practices, Fiduciary, Crime Directors & Officers Employment Practices Fiduciary Liability Crime | 5,000,000 5,000,000 3,000,000 1,000,000 | 49,734 |
| QBE Insurance | MHH010303 | 7/1/2024 to 7/1/25 | AD&D Accident Medical Workers Compensation Indemnity Benefits Principal Sum Accident Medical Expense Benefits-one accident | 2,500 50,000 | 658 |
| Starr Indemnity & Liability Company | 10000002517 | 11/30/2024 to 11/30/25 | Workers Compensation Statutory | 1,000,000 | 398,053 |

Annual Insurance Premiums; estimated as of December 31, 2024

\$ 2,686,909

INDIANAPOLIS MSA DEMOGRAPHIC AND ECONOMIC STATISTICS

for the last 10 years ended December 31

| Year | Population ⁽¹⁾ | Personal Income (in millions) ⁽¹⁾ | Per Capita Personal Income ⁽¹⁾ | Annual Average Unemployment Rate ⁽²⁾ |
|---------------------|---------------------------|---|---|---|
| 2024 | 2,174,833 | n/a | n/a | 3.8% |
| 2023 | 2,160,779 | 155,625 | 72,774 | 3.0% |
| 2022 ⁽³⁾ | 2,141,779 | 147,181 | 68,719 | 2.8% |
| 2021 ⁽³⁾ | 2,126,804 | 139,954 | 65,805 | 3.5% |
| 2020 ⁽³⁾ | 2,091,019 | 126,362 | 60,431 | 6.6% |
| 2019 | 2,074,537 | 116,920 | 56,360 | 3.0% |
| 2018 | 2,052,368 | 110,997 | 54,179 | 3.2% |
| 2017 | 2,027,584 | 105,838 | 52,221 | 3.3% |
| 2016 | 2,006,760 | 102,175 | 50,950 | 4.1% |
| 2015 | 1,986,119 | 97,915 | 49,306 | 4.5% |

(1) The data represents the Indianapolis-Carmel-Greenwood Metropolitan Statistical Area (MSA).

(2) The data represents the Indianapolis-Carmel-Greenwood Metropolitan Statistical Area (MSA) and is not Seasonally Adjusted.

(3) 2020-22 activity reflects the impact of the COVID-19 Pandemic

n/a = Information is not available.

Note:

As defined by the U.S. Office of Management and Budget, the **Indianapolis-Carmel-Greenwood Metropolitan Statistical Area (MSA)** includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Putnam and Shelby counties in Indiana.

Source:

Indiana Department of Workforce Development (www.hoosierdata.in.gov)

PRINCIPAL EMPLOYERS IN INDIANAPOLIS-CARMEL-ANDERSON MSA

as of December 31, 2024

| Employer Name ⁽¹⁾ | % of Total Employed in MSA 2024 | # of Employees 2024 |
|---|------------------------------------|------------------------|
| Indiana University Health | 2.39% | 26,177 |
| St. Vincent Hospital and Health | 1.59% | 17,398 |
| Community Health Network | 1.48% | 16,280 |
| Indiana University Indianapolis & IU School of Medicine | 1.28% | 14,000 |
| Eli Lilly and Company | 1.08% | 11,872 |
| Walmart | 0.92% | 10,066 |
| Amazon | 0.76% | 8,300 |
| Kroger | 0.73% | 8,014 |
| Federal Express | 0.58% | 6,350 |
| Elevance Health | 0.44% | 4,870 |
| Total Employed by Principal Employers | 11.24% | 123,327 |
| Total Employed in Indianapolis - Carmel - Greenwood MSA | 100.00% | 1,096,770 |

| Employer Name ⁽¹⁾ | % of Total Employed in MSA 2015 | # of Employees 2015 |
|--|------------------------------------|------------------------|
| St. Vincent Hospital and Health | 1.75% | 17,398 |
| Indiana University Health | 1.19% | 11,810 |
| Eli Lilly and Company | 1.06% | 10,565 |
| Community Health Network | 1.05% | 10,402 |
| Walmart | 0.89% | 8,830 |
| Marsh Supermarkets | 0.81% | 8,000 |
| Kroger | 0.68% | 6,700 |
| Federal Express | 0.67% | 6,600 |
| Roche Diagnostics | 0.46% | 4,600 |
| Rolls Royce | 0.43% | 4,300 |
| Total Employed by Principal Employers | 8.99% | 89,205 |
| Total Employed in Indianapolis - Carmel MSA | 100.00% | 992,470 |

(1) Principal employers for the Indianapolis - Carmel - Greenwood MSA (Local, state and federal employers are excluded).

Source:
Indy Chamber (www.indychamber.com)

CAPITAL ASSET AND OTHER AIRPORT INFORMATION

as of December 31, 2024

ABOUT THE AIRPORT:

Indianapolis International Airport (IND) is managed by the Indianapolis Airport Authority (IAA). IAA was established as a municipal corporation by the Indiana General Assembly in 1962 and is responsible for developing, operating, and managing six aviation facilities in the greater metropolitan area.

In 2024, IND served about 10.5 million passengers on 10 major airlines and transported 908,000 tons of cargo. IND is ranked the 9th largest cargo facility in the nation; and 30th in the world. It is an important contributor to central Indiana's growing economy, especially in the life sciences, technology, and logistics sectors.

LOCATION:

Conveniently located sixteen miles southwest of downtown Indianapolis and within easy expressway access to all parts of the metro area.

COL. H. WEIR COOK TERMINAL:

The Col. H. Weir Cook Terminal has approximately 1.2 million square feet with 20 gates in Concourse A and 19 gates in Concourse B. TSA security checkpoints are situated before the entrance to each concourse with dedicated PreCheck queuing and screening for "trusted travelers" on Checkpoint A. Checkpoint A has 8 screening lanes and a Known Crew Member lane and Checkpoint B has 8 lanes. Both checkpoints have a dedicated queue for passengers with disabilities and/or medical conditions. Once past the checkpoints, a walkway is available for passengers to walk freely between the two concourses. For international arrivals, two gates on Concourse A have been configured to lead directly to a dedicated federal inspection area and baggage claim.

INTERNATIONAL FACILITIES:

The Indianapolis Airport Authority (IAA) is Central Indiana's Foreign Trade Zone (FTZ) grantee. The FTZ program is a national economic incentives program designed to stimulate foreign investment,

facilitate global competition and support American businesses and job growth. The FTZ program improves the competitive position of U.S.-based companies by allowing them to defer, reduce or even eliminate Customs duties on imported products. FTZs benefit the community via capital investment, the retention and expansion of jobs and increased local tax-base. Nationally, there are 200 active zone projects (grants of authority) and 374 active FTZ production operations in the United States. The value of shipments to FTZs totaled nearly \$949 billion and directly employed over 550,000 Americans. According to the 85th Annual Report of the Foreign-Trade Zones to Congress, Indiana ranks 16th nationally for merchandise received and 7th for merchandise exported. Indiana directly employs more than 14,000 individuals at their FTZ sites.

RUNWAYS:

IND has two primary parallel runways and one crosswind runway:

- RUNWAY ONE: 5L/23R 11,200' L, 150' W; CAT III ILS (5L), CAT II (23R)
- RUNWAY TWO: 5R/23L 10,000' L, 150' W; CAT III ILS (5R), CAT I ILS (23L)
- RUNWAY THREE: 14/32 7,280' L, 150' W; CAT I ILS

PARKING SPACES:

The airport's total parking capacity is approximately 14,800 vehicles.

- Parking Garage: 6,358 spaces
- Economy Lot: 7,950 spaces
- Park & Walk Lot: 541 spaces

CONCESSIONAIRES:

- Food and Beverage: 22
- Specialty Retail: 12
- News and Gift: 7
- Rental Car Companies: 11



Indianapolis Airport Authority