

Indianapolis Airport Authority

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024

Indianapolis Airport Authority
December 31, 2025 and 2024

Contents

Independent Auditor’s Report.	1
Management’s Discussion and Analysis.	4
Financial Statements	
Statements of Net Position	22
Statements of Revenues, Expenses and Changes in Net Position	24
Statements of Cash Flows	25
Notes to Financial Statements	27
Supplementary Information	
Schedules of Net Position Information	54
Schedules of Revenues, Expenses and Changes in Net Position Information	58
Schedules of Operating Revenues.	60
Schedule of Operating Expenses	61
Schedule of Bond Debt Service Requirements to Maturity	63

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, 2025 and 2024, 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, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 listed in the table of contents 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 May 1, 2026, 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
May 1, 2026**

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2025 and 2024

(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, 2025 and 2024. 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, 2025, eight passenger carriers and two cargo carriers represent the Signatory Airlines.

The current three-year Signatory Airline agreement became effective January 1, 2024. During 2025 the one-year extension provision to extend the existing agreement through December 31, 2027, was mutually agreed upon by the Airlines and the Authority. 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

	2025	2024	Variance
Enplaned passengers ¹	5,300,192	5,249,959	1.0%
Landed weight (1,000 lb. units)			
Passenger airlines	6,284,302	5,937,384	5.8%
Cargo airlines	4,346,450	4,494,983	-3.3%
	<u>10,630,752</u>	<u>10,432,367</u>	<u>1.9%</u>
Aircraft operations	198,391	191,846	3.4%

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

Airport Operations Activity

In 2025, the number of enplaned passengers was 1.0% higher than in 2024. With airlines adding new service and additional nonstop flights, and airline relationships and community partnerships being significant factors, 2025 was another record-breaking year. The increase from 2024 represents growth in both leisure and business travel. The mix of travel in 2025 remained consistent with 63% leisure (or personal) and 37% business compared with the 2024 mix of 63% leisure (or personal) and 37% business, according to Airport Service Quality (ASQ) data. As a point of reference, in 2019, the travel mix was 61% leisure (or personal) and 39% business.

The Indianapolis Airport served 55 nonstop destinations in 2025 vs the pre-pandemic activity of 50 nonstop destinations. In 2025, the airport launched or announced 22 new flights, including 8 new nonstop destinations. Most notably, Aer Lingus, Ireland's flagship carrier, began nonstop service to Dublin (DUB) in May 2025, reestablishing Indiana's connection to Europe. Four of the new nonstop destinations that began operations in 2025 were Nashville (BNA) and Chicago Midway (MDW) on Southwest, Portland (PDX) on Allegiant, and Punta Cana (PUJ) on American. New flights to Cabo (SJD) and San Juan (SJU) on Southwest, and to Burbank (BUR) on Allegiant, are slated to begin in 2026.

Passenger airlines accounted for approximately 59% of total landed weight at IND in 2025 and 57% in 2024; cargo airlines accounted for the other 41% during 2025 and 43% in 2024. Passenger airline landed weights increased by 5.8% in 2025 from the prior year; cargo landed weights decreased by 3.3% from the prior year. IND saw record amounts of passenger travel in 2025, 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 2025. The decrease in FedEx cargo landed weights may be influenced by a decrease in parcel goods at an industry-wide level. Aircraft operations represent landings and takeoffs for air carrier (passenger and cargo), air taxi and commuter, general aviation, and military operations. This activity increased 3.4% over the prior year, primarily attributable to an increase in new flights.

Financial Highlights

- The Authority experienced an increase in total assets and deferred outflows of resources of \$152.9 million during 2025. This increase can be attributed to a number of changes in the statement of net position including an increase in restricted cash and cash equivalents and restricted investments of \$164.5 million primarily related to the receipt of construction funds from bonds issued in May 2025, an increase in net capital assets of \$40.6 million, a decrease in lease receivables of \$17.3 million related to GASB Statement No. 87, *Leases*, and a decrease in grants receivable of \$33.1 million.
- Total current liabilities increased by \$8.7 million in 2025. This is primarily driven by a decrease of \$4.6 million in accounts payable, an increase of \$4.9 million in the current portion of debt, an increase of \$2.9 million in short-term arbitrage rebate liability and a \$5.3 million increase in accrued interest on debt.
- Total noncurrent liabilities increased \$122.6 million in 2025. This change is attributable to the net \$184.9 million par value bonds issued in May 2025 (\$293.6 million total par value bonds issued which funded capital projects and refunded \$108.7 million total par value bonds), offset by a decrease of \$1.6 million in long-term arbitrage rebate liability and the normal amortization of bonds payable and other debt.

- Total deferred inflows of resources decreased \$17.1 million primarily driven by a decrease in lease activity.
- The 2025 increase in net position was \$38.7 million compared to an increase of \$89.1 million for 2024. The \$38.7 million increase is a result of the loss from operations of \$19.5 million, nonoperating revenues of \$19.9 million and capital contributions and grants of \$38.3 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, 2025, 2024, and 2023 follows:

	2025	2024	2023
	(Table Amounts in Thousands)		
Current assets - unrestricted	\$ 111,605	\$ 166,860	\$ 152,658
Current assets - restricted	218,170	153,227	251,424
Noncurrent assets			
Capital assets, net	2,367,643	2,326,985	2,199,657
Other noncurrent assets	<u>620,866</u>	<u>514,370</u>	<u>526,984</u>
Total assets	<u>3,318,284</u>	<u>3,161,442</u>	<u>3,130,723</u>
Deferred outflows of resources	<u>-</u>	<u>3,923</u>	<u>5,205</u>
Total assets and deferred outflows of resources	<u>\$ 3,318,284</u>	<u>\$ 3,165,365</u>	<u>\$ 3,135,928</u>
Current liabilities - payable from unrestricted	\$ 18,088	\$ 17,893	\$ 17,433
Current liabilities - payable from restricted	142,103	133,593	113,799
Noncurrent liabilities - payable from restricted	<u>1,112,577</u>	<u>989,970</u>	<u>1,049,634</u>
Total liabilities	<u>1,272,768</u>	<u>1,141,456</u>	<u>1,180,866</u>
Deferred inflows of resources	<u>280,595</u>	<u>297,715</u>	<u>317,945</u>
Net position			
Net investment in capital assets	1,390,754	1,360,319	1,296,281
Restricted	243,939	204,497	199,192
Unrestricted	<u>130,228</u>	<u>161,378</u>	<u>141,644</u>
Total net position	<u>1,764,921</u>	<u>1,726,194</u>	<u>1,637,117</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,318,284</u>	<u>\$ 3,165,365</u>	<u>\$ 3,135,928</u>

2025 to 2024 Comparative Statements of Net Position

Unrestricted current assets decreased \$55.3 million, which is attributable to a decrease in cash and cash equivalents of \$22.7 million, unbilled revenues of \$1.0 million, grants receivable of \$33.1 million, and offset by increases in leases receivable of \$0.3 million and accounts receivable of \$0.9 million.

Restricted current assets increased \$64.9 million primarily relating to an increase in cash and cash equivalents. Specifically, construction funds received from the issuance of 2025A bonds were used to fund various capital improvement projects, including the construction of the terminal-connected hotel.

Total noncurrent assets increased by \$147.1 million. This change reflects an increase in restricted cash and cash equivalents of \$7.5 million, an increase in unrestricted investments of \$20.9 million, an increase in restricted investments of \$93.9 million, and a \$17.3 million decrease in lease receivables related to GASB Statement No. 87, Leases. Additionally, there was an increase in nondepreciable capital assets of \$67.9 million attributable to \$12.6 million of land purchases, less land sales of \$0.7 million and an increase in construction-in-progress of \$56.0 million. Depreciable capital assets decreased \$28.2 million attributable to additions in the amount of \$96.6 million primarily related to the runway 5R-23L reconstruction, terminal hotel project and lessee financed improvements for FedEx's interior office renovations including a new freight elevator and roof top air handling unit, offset by the normal decrease in capital assets due to depreciation.

Total deferred outflows of resources decreased by \$3.9 million, the result of the normal amortization of deferred losses on the refunding of debt.

Total current liabilities increased by \$8.7 million primarily driven by a decrease of \$4.6 million in accounts payable, an increase of \$4.9 million in the current portion of debt, an increase of \$2.9 million in short-term arbitrage rebate liability and an increase in accrued interest on debt of \$5.3 million.

Total noncurrent liabilities increased \$122.6 million in 2025. This change is attributable to the net \$184.9 million par value bonds issued in May 2025 (\$293.6 million total par value bonds issued which funded capital projects and refunded \$108.7 million total par value bonds), offset by a decrease of \$1.6 million in long-term arbitrage rebate liability and the normal amortization of bonds payable and other debt.

Total deferred inflows of resources decreased \$17.1 million primarily due to a decrease in deferred inflow on leases of \$20.3 million related to GASB Statement No. 87, *Leases*.

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*.

2025 to 2024 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, 2025 and 2024 was an increase of \$38.7 million and an increase of \$89.1 million, respectively. The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for 2025 and 2024.

	2025	2024	\$ Variance	% Variance
	(Table Amounts in Thousands)			
Operating revenues				
Airfield	\$ 53,080	\$ 47,351	\$ 5,729	12.1%
Terminal Complex	79,628	73,204	6,424	8.8%
Parking	77,916	74,538	3,378	4.5%
Rented buildings and other	15,257	15,701	(444)	-2.8%
Indianapolis Maintenance Center (IMC)	8,842	5,120	3,722	72.7%
Reliever airports	3,215	3,095	120	3.9%
Total operating revenues	<u>237,938</u>	<u>219,009</u>	<u>18,929</u>	<u>8.6%</u>
Total nonoperating revenues				
Federal operating grants	100	217	(117)	-53.9%
Passenger facility charges	20,656	20,506	150	0.7%
Customer facility charges (rental cars)	12,469	10,014	2,455	24.5%
Investment income	21,732	22,528	(796)	-3.5%
Interest revenue - leases	9,201	8,888	313	3.5%
Gain on disposal of capital assets	792	12,458	(11,666)	-93.6%
Total nonoperating revenues	<u>64,950</u>	<u>74,611</u>	<u>(9,661)</u>	<u>-12.9%</u>
Total revenues	<u>302,888</u>	<u>293,620</u>	<u>9,268</u>	<u>3.2%</u>
Operating expenses				
Personal services	61,686	52,098	9,588	18.4%
Contractual services	39,676	39,664	12	0.0%
Utilities	12,092	11,753	339	2.9%
Supplies	7,461	5,910	1,551	26.2%
Materials	4,344	4,010	334	8.3%
General	3,423	2,794	629	22.5%
Depreciation and amortization	128,722	117,495	11,227	9.6%
Total operating expenses	<u>257,404</u>	<u>233,724</u>	<u>23,680</u>	<u>10.1%</u>
Nonoperating expenses - interest expense	<u>45,036</u>	<u>41,367</u>	<u>3,669</u>	<u>8.9%</u>
Total expenses	<u>302,440</u>	<u>275,091</u>	<u>27,349</u>	<u>9.9%</u>
Income Before Capital Contributions and Grants	448	18,529	(18,081)	-97.6%
Capital Contributions and Grants	<u>38,279</u>	<u>70,547</u>	<u>(32,269)</u>	<u>-45.7%</u>
Increase in Net Position	38,727	89,076	(50,350)	-56.5%
Net Position, Beginning of Year	<u>1,726,194</u>	<u>1,637,118</u>	<u>89,076</u>	<u>5.4%</u>
Net Position, End of Year	<u>\$ 1,764,921</u>	<u>\$ 1,726,194</u>	<u>\$ 38,726</u>	<u>2.2%</u>

Operating revenue in 2025 increased \$18.9 million, or 8.6% from prior year attributable to the following components:

- *Airfield revenue* in 2025 of \$53.1 million increased from prior year by \$5.7 million, or 12.1%. Total landed weights increased by 1.9% from prior year as passenger carriers increased 5.8% and cargo carriers decreased 3.3%. The increase in revenue also driven by an increase in apron space rent and budgeted

increases in landing fee rates (2025 signatory landing fee rate of \$4.34 compared to \$4.00 in 2024; 2025 non-Signatory landing fee rate of \$5.99 compared to \$4.48 in 2024).

- *Terminal complex revenues* of \$79.6 million increased \$6.4 million, or 8.8% from prior year. Budgeted airline terminal rental rates increased 14.2% in 2025 to \$124.67 per square foot compared to the prior year rate of \$109.21 per square foot. Concession revenues exceeded prior year by \$0.9 million (7.7%) and other commissions, fees, etc. exceeded prior year by \$0.2 million (4.3%); both attributable to the increase in passengers of 1.0% and an increase in sales. GASB Statement No. 87, *Leases* resulted in \$1.4 million in 2025 and 2024 of lease payments being recognized as nonoperating interest revenue – leases, further reducing Terminal complex revenues.
- *Parking revenues* increased from prior year by \$3.4 million, or 4.5%, resulting in \$77.9 million in 2025 parking revenue; an increase partially related to the 1.0% increase in passengers. Other contributing factors to the revenue increase was the full year impact of 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 \$15.3 million decreased \$0.4 million from prior year or 2.8%. This is attributable to various changes in ground lease and building rental agreements. GASB Statement No. 87, *Leases* resulted in \$4.2 million and \$3.8 million in 2025 and 2024, 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 \$8.8 million increased \$3.7 million or 72.7% from prior year. This represents revenues due to 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 various changes in rental agreements.
- *Reliever airports revenue* of \$3.2 million increased \$0.1 million or 3.9%. The revenue increase is primarily attributable to greater farm income. GASB Statement No. 87, *Leases* resulted in \$0.3 million and \$0.5 million in 2025 and 2024, respectively, in lease payments being recognized as nonoperating interest revenue – leases, further reducing Reliever airport revenue.

Nonoperating revenues in 2025 of \$65.0 million decreased from prior year by \$9.7 million, or 12.9% attributable to the following components:

- *Federal operating grants* of \$0.1 million decreased \$0.1 million. The federal funding of the Transportation Security Administration Other Transaction Agreement for law enforcement checkpoint screening ceased on May 1, 2024. Current year activity represents a grant reimbursing 50% of the purchase of trash containers.
- *Passenger facility charges (PFC) income* of \$20.6 million increased \$0.2 million, or 0.7%. 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 \$12.5 million increased \$2.5 million, or 24.5% due to a rate increase effective January 1, 2025 to \$6.00 per transaction vs \$5.00.
- *Investment income* of \$21.7 million decreased \$0.8 million or 3.5%. Earnings on securities in the Authority's investment portfolio decreased \$0.8 million compared to prior year.
- *Interest revenue – leases* of \$9.2 million increased \$0.3 million or 3.5% attributable to various changes in agreements during the year related to GASB Statement No. 87, *Leases*.
- *Gain on disposal of capital assets and other* of \$0.8 million decreased by \$11.7 million over the prior year. The current year gain is primarily attributable to various land sales throughout 2025.

Operating expenses (before depreciation) for the years ended December 31, 2025 and 2024 totaled \$128.7 million and \$116.2 million, respectively, an increase of \$12.5 million, or 10.7%. 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 18.4% or \$9.6 million to \$61.7 million, attributable to cost-of-living adjustments and annual merit increases, public safety contract increases, insourcing of public safety officers, increased overtime, snow related overtime, and higher health insurance expense claims, resulting in a 26.3% increase per full-time employee. A market rate study was done and went into effect in 2025, resulting in an approximate increase of \$1.0 million as well as an increase in maintenance certifications of \$0.1 million. Additionally, full-time and part-time staffing increased to an average of 519 full-time equivalents (FTEs) vs 482 FTEs in the prior year. The full-time and part-time FTE vacancy in 2025 decreased to 7.1% vs 10.9% in the prior year.
- Total *contractual services expense* of \$39.7 million was primarily flat with prior year. Current year's activity includes increased costs that vary in proportion to passenger volumes, such as parking related credit card processing fees, valet operating costs, and dockmaster fees, as well as one-time investments to maintain and preserve the Authority's assets including pavement repairs and various building repairs. This is offset by lower environmental remediation costs than prior year.
- Total *utilities expense* of \$12.1 million increased by \$0.3 million or 2.9%. Current year expense reflects higher electricity, offset by lower sewer charges relating to glycol processing.
- Total *supplies expense* of \$7.5 million increased by \$1.6 million, or 26.2% attributable to higher snow & ice chemical expenses offset by lower fuel costs.
- Total *materials expense* increased by \$0.3 million, or 8.3% to \$4.3 million, primarily due to higher vehicle repair part expenses than in prior year.
- Total *general expense* of \$3.4 million increased \$0.6 million or 22.5% 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 \$16.3 million increased by \$1.1 million, or 7.1% from the prior year. The variance is attributable to cost-of-living adjustments and annual merit increases, increased overtime costs associated with snow season, higher health insurance expense claims, increased snow and ice chemical costs, and vehicle repair parts, offset by lower sewer charges related to glycol processing.
- *Terminal complex expenses* (before depreciation) of \$31.7 million increased \$2.2 million, or 7.6% 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 2025 activity, increases in contracted agreements for elevator/escalator, baggage system and compactor services, higher property insurance premiums and various one-time investments to maintain and preserve the Authority's assets including terminal ARC flash inspections and checkpoint A electrical infrastructure improvements.
- *Parking expenses* (before depreciation) of \$16.5 million increased \$1.0 million, or 6.4% from the prior year. The increase includes cost-of-living adjustments and annual merit increases, higher health insurance expense claims and greater contracted snow removal costs, electricity, snow/ice chemical costs, and property insurance premiums. 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 was primarily flat with prior year. Current year expenses include boiler repairs in Building 112, and increases in electricity, signage, and property insurance premiums, offset by lower environmental remediation costs than prior year.
- *Indianapolis Maintenance Center (IMC) expenses* (before depreciation) of \$7.7 million increased \$1.0 million, or 15.2% from prior year. This increase includes higher roof, plumbing, and pavement repairs, grounds maintenance and utilities.

- *Reliever airports expenses* (before depreciation) of \$2.8 million increased \$0.2 million, or 9.6% from prior year. The increase is primarily attributable to higher pavement repairs and snow/ice chemical costs.
 - *Public safety expenses* (before depreciation) of \$22.2 million increased \$3.5 million, or 18.9% from prior year. The increase is primarily attributable to personal service costs that includes annual merit payroll increases, public safety contract increases, insourcing of public safety officers, increased overtime costs, and higher health insurance expense claims. Additionally, staffing increased to an average of 147 full-time equivalents (FTEs) vs 130 FTEs in the prior year, and the FTE vacancy in 2025 decreased to 9.4% vs 16.4%.
 - *Administration costs* (before depreciation) of \$29.3 million increased by \$3.4 million, or 13.2% from prior year. This increase is attributable to cost-of-living adjustments and annual merit increases and higher health insurance expense claims and an increase in professional fees relating to planning and development staff augmentation.
- *Nonoperating expenses* in 2025 of \$45.0 million increased from prior year by \$3.7 million, or 8.9%, attributable to interest expense. The net effect of various increases and decreases of interest expense over the year including a \$6.0 million increase in interest expense related to revenue bonds issued in May 2025 related to new construction, an increase in bond issue costs of \$1.7 million over the prior year, a decrease in the arbitrage rebate expense of \$1.6 million, and the amortization of principal outstanding and the corresponding \$2.5 million reduction in interest expense.
 - *Capital contributions and grants* of \$38.3 million decreased \$32.3 million compared to prior year. Current year includes \$12.8 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 \$22.6 million of Lessee Financed Improvements primarily for FedEx's facilities, with the remainder of grant receipts primarily for federally funded capital projects. In summary, from 2024 to 2025, total grant revenue decreased \$22.5 million and Lessee Financed Improvements decreased \$9.8 million.

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	\$ Variance	% Variance
	(Table Amounts in Thousands)			
Total 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%
Indianapolis 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%
Gain on disposal of capital assets	12,458	4,628	7,830	169.2%
Total nonoperating revenues	<u>74,611</u>	<u>61,969</u>	<u>12,642</u>	<u>20.4%</u>
Total revenues	<u>293,620</u>	<u>254,182</u>	<u>39,438</u>	<u>15.5%</u>
Operating expenses				
Personal services	52,098	46,388	5,710	12.3%
Contractual services	39,664	37,978	1,686	4.4%
Utilities	11,753	11,714	39	0.3%
Supplies	5,910	5,663	247	4.4%
Materials	4,010	3,617	393	10.9%
General	2,794	2,322	472	20.3%
Depreciation and amortization	117,495	113,636	3,859	3.4%
Total operating expenses	<u>233,724</u>	<u>221,318</u>	<u>12,406</u>	<u>5.6%</u>
Nonoperating expenses - interest expense	<u>41,367</u>	<u>39,817</u>	<u>1,550</u>	<u>3.9%</u>
Total expenses	<u>275,091</u>	<u>261,135</u>	<u>13,956</u>	<u>5.3%</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	<u>1,637,118</u>	<u>1,522,173</u>	<u>114,945</u>	<u>7.6%</u>
Net Position, End of Year, as Restated	<u>\$ 1,726,194</u>	<u>\$ 1,637,118</u>	<u>\$ 89,076</u>	<u>5.4%</u>

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 \$74.6 million increased from prior year by \$12.6 million, or 20.4% 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*.
- *Gain on disposal 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.

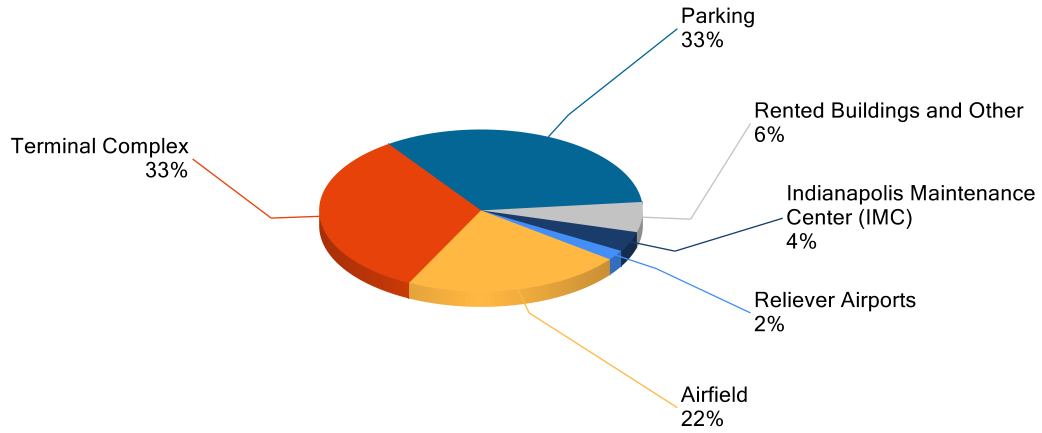
Operating expenses (before depreciation) for the years ended December 31, 2024 and 2023 totaled \$116.2 million and \$107.7 million, respectively, an increase of \$8.5 million, or 7.9%. The following analysis provides material operating expense changes by both operating expense class and operating expense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

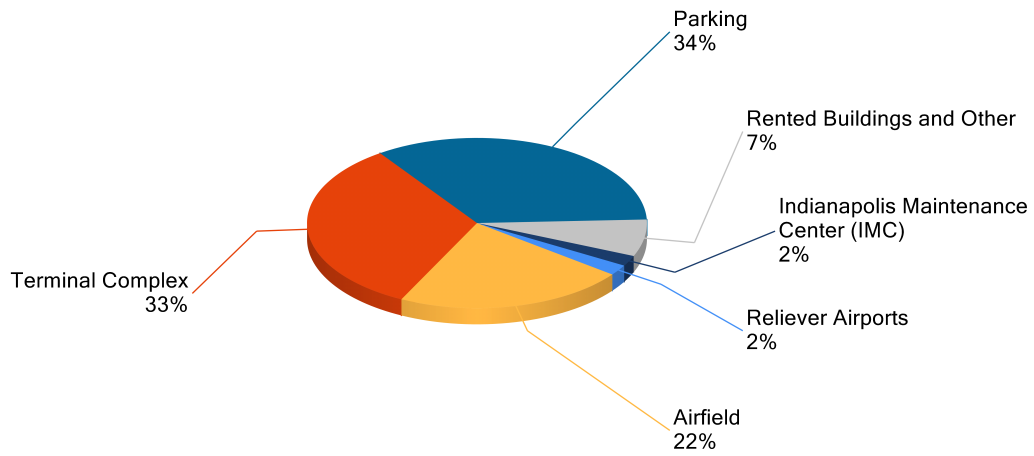
- *Rented buildings and other expenses* (before depreciation) of \$2.3 million decreased \$0.2 million, or 8.0% from prior year. Variance includes an increase in the environmental remediation accrual adjustment offset by lower electricity and natural gas costs and lower contractual services related to 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.
- *Nonoperating expenses* of \$41.4 million increased \$1.5 million over the prior year, or 3.9%, attributable to interest expense. 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.
- *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.

The following is a graphic illustration of operating revenues by source for the years ended December 31, 2025 and 2024:

Operating Revenues - 2025

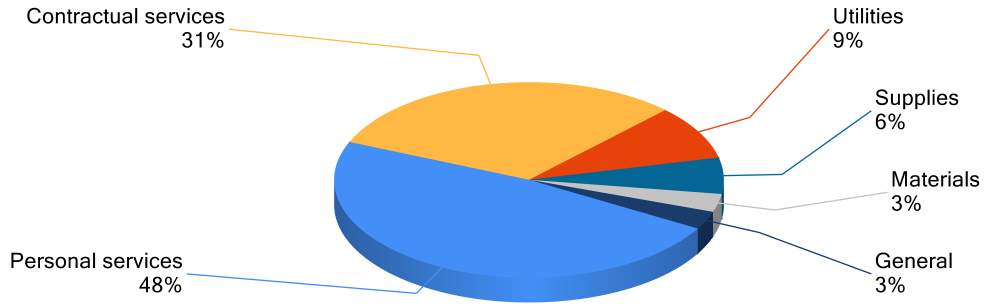


Operating Revenues - 2024

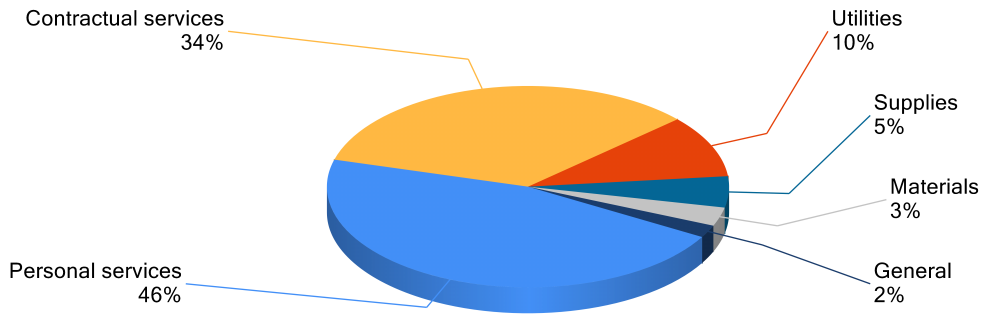


The following is a graphic illustration of the total operating expenses by source for the years ended December 31, 2025 and 2024 (excluding depreciation):

Operating Expenses (Excluding Depreciation) - 2025



Operating Expenses (Excluding Depreciation) - 2024



Capital Asset and Debt Administration

Capital Assets

During 2025, the Authority expended approximately \$146.2 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 terminal hotel, runway 5L-23R rehabilitation, terminal energy resiliency – phase I, and buildings 611 through 615 (QTA facilities) – HVAC, parking lots and water system. During 2025, completed projects totaling \$84.9 million were closed from construction-in-progress to their respective capital asset accounts. The most significant of these completed projects are as follows:

Reconstruct Runway 5R-23L and Taxiway D with LEDs	\$30.5 million
Runway 5L-23R Rehabilitation	\$13.8 million
Buildings 611 Thru 615 (QTA Facilities) - HVAC, Parking Lots, & Water System	\$6.6 million
Rehabilitation of Economy Parking Lot Pavement	\$3.6 million
Central Energy Plant (CEP) - Chiller Upgrades	\$3.1 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 resolutions adopted in 2022 and 2025.

As of December 31, 2025, the Authority had \$1.2 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 2025 and 2024, respectively, the Authority’s debt service coverage was 1.78 and 1.91 for senior lien debt. The 2024 senior lien debt service coverage was calculated using \$5.1 million 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 1.0% increase in the number of passenger enplanements over last year, resulting in total 2025 enplanements of 5,300,192. This level of enplanements represents the most enplanements in a single year in IND's history.

Seat capacity in 2025 was up 4.9% over 2024 and 16.6% up compared to 2019. Flights in 2025 were 7.1% higher compared to flights offered in 2024 and down 1.3% compared to 2019. Airline Seat Miles were approximately 6.2% more in 2025 compared to 2024 and 16% 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 routes on larger aircraft.

The Airport was served by 11 airlines in 2025 and maintained year-round service to all U.S. airline hubs, providing nonstop or 1-stop connectivity to the U.S., Canada, Ireland, 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 2025, IND airlines carried 899,000 tons of cargo, down 1.0% from 2024. IND domestic cargo was up 0.4% from 2024, while international cargo fell 7.9% in 2025 from 2024 levels. This change is likely due to shifting demand for goods and the competitive cargo landscape across the globe.

Looking Forward

The Authority's Air Service Corporate Advisory Committee has reviewed changes to the ten-year Air Service Strategy. The Committee includes representatives from Visit Indy, 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 air service environment. The strategy also outlines implementation methods with emphasis on data collection and airline engagement. The Airport team is focused on the 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 November 2025, the Airport Board approved reactivating the IAA's Transatlantic Incentive Supplement plan, which uses all the incentive mechanisms permitted by FAA guidelines in a more relevant, tailored approach to the current dynamic air service environment and better supports the Authority's short- and long-term air service priorities. This plan will be critical in the recruitment of strategic Transatlantic markets.

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 stability, 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, 2025 and 2024

	2025	2024
Assets and Deferred Outflows of Resources		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 56,167,284	\$ 78,847,654
Accounts receivable, net of allowance of \$121,000 and \$153,000, respectively	4,139,435	3,283,537
Unbilled revenues	8,361,505	9,354,692
Grants receivable	8,944,512	42,024,360
Supplies and materials inventories	3,747,003	3,764,519
Interest receivable	788,676	805,539
Lease receivables	28,163,549	27,836,343
Other	1,293,381	943,695
Total unrestricted assets	111,605,345	166,860,339
Restricted Assets		
Cash and cash equivalents - restricted	210,041,073	146,978,552
Cash and cash equivalents - customer deposits	687,411	689,228
Receivable - passenger facility charges	2,550,180	2,587,904
Receivable - governments and other	1,196,967	657,531
Receivable - reimbursable IMC expenses	3,694,063	2,313,597
Total restricted assets	218,169,694	153,226,812
Total current assets	329,775,039	320,087,151
Noncurrent Assets		
Cash and cash equivalents, restricted	149,200,006	141,702,664
Investment securities, unrestricted	52,979,347	32,057,413
Investment securities, restricted	156,655,720	62,758,677
Derivative instruments - forward delivery purchase agreements	2,123,824	646,046
Lease receivables	259,907,495	277,204,521
Nondepreciable capital assets	383,765,846	315,840,988
Depreciable capital assets, net	1,983,876,785	2,011,144,499
Total noncurrent assets	2,988,509,023	2,841,354,808
Total assets	3,318,284,062	3,161,441,959
Deferred Outflows of Resources		
Deferred loss on refunding of debt	-	3,922,877
Total deferred outflows of resources	-	3,922,877
Total assets and deferred outflows of resources	\$ 3,318,284,062	\$ 3,165,364,836

Indianapolis Airport Authority
Statements of Net Position (Continued)
December 31, 2025 and 2024

	2025	2024
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	\$ 7,718,099	\$ 8,142,762
Accrued and withheld items (including compensated absences)	9,732,815	9,532,122
Current portion of subscription liability	636,782	217,703
Total payable from unrestricted assets	18,087,696	17,892,587
Payable From Restricted Assets		
Accounts payable	51,929,289	56,512,682
Customer deposits payable	687,411	689,228
Current portion of arbitrage rebate liability	2,947,664	-
Current portion of debt	58,887,790	54,018,785
Accrued interest on debt	27,651,213	22,372,762
Total payable from restricted assets	142,103,367	133,593,457
Total current liabilities	160,191,063	151,486,044
Noncurrent Liabilities		
Long term portion of arbitrage rebate liability	2,585,486	4,167,776
Long term portion of subscription liability	1,041,292	453,382
Bonds payable and other debt, payable from restricted assets	1,108,949,880	985,348,718
Total noncurrent liabilities	1,112,576,658	989,969,876
Total liabilities	1,272,767,721	1,141,455,920
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	2,123,824	646,046
Deferred inflow on leases	276,813,759	297,069,082
Deferred gain on refunding of debt	1,658,089	-
Total deferred inflows of resources	280,595,672	297,715,128
Net Position		
Net investment in capital assets	1,390,754,562	1,360,318,960
Restricted for		
Capital projects	110,241,804	98,758,187
Debt service	130,708,879	103,760,608
Other	2,987,910	1,977,726
Total restricted net position	243,938,593	204,496,521
Unrestricted	130,227,514	161,378,307
Total net position	1,764,920,669	1,726,193,788
Total liabilities, deferred inflows of resources and net position	\$ 3,318,284,062	\$ 3,165,364,836

Indianapolis Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Airfield	\$ 53,079,514	\$ 47,350,478
Terminal complex	79,628,054	73,204,367
Parking	77,915,557	74,537,968
Rented buildings and other	15,256,824	15,701,441
Indianapolis Maintenance Center (IMC)	8,841,732	5,120,083
Reliever airports	3,214,861	3,094,800
Total operating revenues	237,936,542	219,009,137
Operating Expenses		
Personal services	61,686,084	52,098,207
Contractual services	39,675,965	39,663,875
Utilities	12,091,625	11,752,521
Supplies	7,460,629	5,910,128
Materials	4,344,262	4,010,374
General	3,423,163	2,793,829
Total operating expenses before depreciation and amortization	128,681,728	116,228,934
Income From Operations Before Depreciation and Amortization	109,254,814	102,780,203
Depreciation and amortization expense	128,721,614	117,494,605
Total operating expenses	257,403,342	233,723,539
Loss From Operations	(19,466,800)	(14,714,402)
Nonoperating Revenues (Expenses)		
Federal operating grants	100,000	217,404
Passenger facility charges	20,655,797	20,505,560
Customer facility charges (rental cars)	12,469,321	10,014,110
Investment income	21,732,146	22,527,612
Interest revenue - leases	9,200,725	8,888,116
Interest expense	(45,035,810)	(41,366,701)
Gain on disposal of capital assets	791,920	12,458,139
Total nonoperating revenues	19,914,099	33,244,240
Increase in Net Position Before Capital Contributions and Grants	447,299	18,529,838
Capital Contributions and Grants		
Federal, state and local grants	25,436,199	47,945,869
Contributions from lessees and other	12,843,383	22,601,434
Total capital contributions and grants	38,279,582	70,547,303
Increase in Net Position	38,726,881	89,077,141
Net Position, Beginning of Year	1,726,193,788	1,637,116,647
Net Position, End of Year	\$ 1,764,920,669	\$ 1,726,193,788

Indianapolis Airport Authority
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Cash receipts from customers and users	\$ 233,750,169	\$ 214,758,218
Cash payments to vendors for goods and services	(67,485,246)	(56,557,747)
Cash payments for employees services	(61,259,007)	(51,428,964)
Net cash provided by operating activities	105,005,916	106,771,507
Cash Flows From Noncapital Financing Activities		
Operating grants received	100,000	217,404
Customer facility charges received	12,469,321	10,014,110
Interest from lease transactions	9,217,588	8,789,176
Insurance recoveries	411,029	265,817
Net cash provided by noncapital financing activities	22,197,938	19,286,507
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds	304,538,590	-
Principal paid on bonds	(162,723,784)	(49,126,543)
Bond issuance and remarketing costs paid	(2,407,406)	(711,177)
Interest paid	(43,701,621)	(41,868,108)
Acquisition and construction of capital assets	(161,770,094)	(222,419,485)
Proceeds from sale of capital assets	1,154,836	15,190,884
Passenger facility charges received	20,693,521	19,984,008
Capital grants received	58,516,047	30,634,141
Net cash provided by (used in) capital and related financing activities	14,300,089	(248,316,280)
Cash Flows From Investing Activities		
Purchase of investment securities	(436,895,427)	(286,570,426)
Proceeds from sales and maturities of investment securities	326,122,435	304,230,071
Interest received on investments and cash equivalents	17,146,725	16,410,566
Net cash provided by (used in) investing activities	(93,626,267)	34,070,211
Net Increase (Decrease) in Cash and Cash Equivalents	47,877,676	(88,188,055)
Cash and Cash Equivalents, Beginning of Year	368,218,098	456,406,153
Cash and Cash Equivalents, End of Year	\$ 416,095,774	\$ 368,218,098

Indianapolis Airport Authority
Statements of Cash Flows (Continued)
Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of Loss From Operations to Net Cash		
Provided by Operating Activities		
Loss from operations	\$ (19,466,800)	\$ (14,714,402)
Item not requiring cash		
Depreciation and amortization	128,721,614	117,494,605
Change in assets and liabilities		
Accounts receivable and unbilled revenues	(900,870)	(1,129,098)
Lease receivable	16,969,820	16,489,399
Supplies and materials inventories	17,516	(255,440)
Other assets	(349,686)	515,430
Accounts payable	499,046	7,982,475
Accrued and withheld items	(229,401)	(242)
Deferred inflows on leases	(20,255,323)	(19,611,220)
	<u>\$ 105,005,916</u>	<u>\$ 106,771,507</u>
Net cash provided by operating activities		
	<u>\$ 105,005,916</u>	<u>\$ 106,771,507</u>
Noncash Capital and Related Financing Activities		
Capital assets included in accounts payable at end of year	\$ 51,233,136	\$ 56,176,811
Capital assets contributed by lessees and other governments	12,843,383	22,601,434

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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 (operations ceased during 2025). 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 for 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, 2025 and 2024

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, 2025, 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. The Authority recognizes lessee-financed improvements at cost or estimated cost upon completion of construction, or upon the asset being placed in service, whichever occurs first.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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:

	<u>Years</u>
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, 2025 and 2024

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, 2025 and 2024

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, 2027. 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 \$20,655,797 and \$20,505,560 for 2025 and 2024, respectively.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, then \$5.00 per transaction in March 2019, and subsequently to \$6.00 per transaction effective January 2025. 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 \$12,469,321 and \$10,014,110 for 2025 and 2024, 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. 102, Certain Risk Disclosures

During 2025, the Authority adopted GASB Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 102 requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The adoption of GASB 102 did not have a significant impact on the Authority's financial statements.

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, 2025 and 2024, the carrying value of deposits was \$28,332,238 and \$124,722,387, 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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

At December 31, 2025 and 2024, the Authority had the following investment securities and maturities:

	Rating	Total	December 31, 2025	
			Less Than 1 Year	1 - 5 Years
U.S. Treasury Security Bills	AA+/Aa1	\$ 249,097,002	\$ 150,282,353	\$ 98,814,649
U.S. Government-sponsored enterprise securities	AA+/Aa1	19,559,283	19,559,283	-
Indiana municipal securities	AA	2,466,106	2,466,106	-
Money market mutual funds	AAAm/Aaa-mf	237,219,103	237,219,103	-
External investment pools	Not Rated	89,057,109	89,057,109	-
		<u>\$ 597,398,603</u>	<u>\$ 498,583,954</u>	<u>\$ 98,814,649</u>

	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>

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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2025 and 2024, 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.

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:

	2025	2024
Cash and cash equivalents		
Current - unrestricted	\$ 56,167,284	\$ 78,847,654
Current - restricted	210,728,484	147,667,780
Noncurrent - restricted	149,200,006	141,702,664
Total cash and cash equivalents	416,095,774	368,218,098
Investment securities		
Noncurrent - unrestricted	52,979,347	32,057,413
Noncurrent - restricted	156,655,720	62,758,677
Total investment securities	209,635,067	94,816,090
	\$ 625,730,841	\$ 463,034,188

The carrying value of deposits and investments are as follows:

	2025	2024
Carrying value		
Deposits	\$ 28,332,238	\$ 124,722,387
Investments	597,398,603	338,311,801
	\$ 625,730,841	\$ 463,034,188

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

Cash, cash equivalents and investment securities are as follows:

	2025	2024
Unrestricted		
Airport System Fund	\$ 97,653,296	\$ 92,992,251
Customer Facility Charge Fund	11,482,635	17,902,116
Other unrestricted funds	10,700	10,700
Total unrestricted cash, cash equivalents and investments	109,146,631	110,905,067
Restricted		
Revenue Bond Interest and Principal Fund	89,374,246	76,915,403
Revenue Bond Reserve Fund	60,477,295	53,348,447
Operation and Maintenance Reserve Fund	22,018,506	20,666,732
Renewal and Replacement Fund	4,167,160	3,915,181
Capital Improvement Fund	87,157,141	77,222,660
Passenger Facility Charge Fund	26,067,633	23,115,399
Debt Service Coverage Fund	21,457,982	21,420,147
Construction Fund - 2025A Revenue Bonds	139,477,266	-
Construction Fund - 2023B Revenue Bonds	41,836,367	63,525,813
Construction Fund - 2022B Revenue Bonds	3,717,972	8,751,735
Capitalized Interest Fund	20,145,231	2,558,376
Customer deposits	687,411	689,228
Total restricted cash, cash equivalents and investments	516,584,210	352,129,121
 Total cash, cash equivalents and investments	 \$ 625,730,841	 \$ 463,034,188

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, 2025 and 2024

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.

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, 2025 and 2024 consist of:

	2025	2024
State of Indiana	\$ 20,199	\$ 23,398
Federal Aviation Administration	4,916,086	37,043,609
U.S. Department of Commerce	1,857,664	634,844
Other	2,150,563	4,322,509
	\$ 8,944,512	\$ 42,024,360

The maximum amount of federal and state participation available for 2025 totaled \$234,924,575. At December 31, 2025, a cumulative total of \$171,455,230 has been received on these grant commitments.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

The west stormwater and deicing basin was placed in service in December 2019. The Authority reevaluated the useful lives of certain assets related to the basin due to recently identified deficiencies in workmanship. The assets remain in service, but the estimated useful lives have been adjusted during 2025 to reflect current expectations. The Authority accelerated depreciation on the affected assets and recorded approximately \$2.9 million of additional depreciation as a result of this change in estimate.

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 2026 through 2085. Payments for most of the leases increase at period intervals by the Consumer Price Index (CPI), which is based upon the CPI 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, 2025 and 2024, was \$40.9 million and \$37.7 million, respectively, which includes both lease revenue and interest. The Authority recognized lease revenue of \$12.9 million and \$11.9 million, for the years ended December 31, 2025 and 2024, 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, 2025:

	2025		
	Principal	Interest	Total
2026	\$ 28,163,549	\$ 8,961,187	\$ 37,124,736
2027	26,264,528	8,329,467	34,593,995
2028	23,118,112	7,716,710	30,834,822
2029	20,071,759	7,156,153	27,227,912
2030	12,309,600	6,709,404	19,019,004
2031 - 2035	44,683,596	29,092,771	73,776,367
2036 - 2040	32,600,974	22,246,455	54,847,429
2041 - 2045	22,980,138	15,944,942	38,925,080
2046 - 2050	10,768,991	13,079,522	23,848,513
2051 - 2055	12,396,742	10,949,864	23,346,606
2056 - 2060	13,148,957	8,670,719	21,819,676
2061 - 2065	13,575,556	6,245,674	19,821,230
2066 - 2070	15,931,848	3,649,445	19,581,293
2071 - 2075	11,220,782	817,226	12,038,008
2076 - 2080	119,364	141,084	260,448
2081 - 2085	716,548	26,787	743,335
	\$ 288,071,044	\$ 149,737,410	\$ 437,808,454

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2027. 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, 2025 and 2024 is 17.9% for the terminal and 51.8% for the apron and remote overnight parking areas.

The Authority recognized lease revenue of \$45.1 and \$40.7 million, respectively, for the years ended December 31, 2025 and 2024, 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, 2025:

	Total Future Payments
2026	\$ 47,434,312
2027	47,500,065

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2025 and 2024

Note 8: Bonds Payable and Other Debt

Bonds and other debt outstanding at December 31, 2025 and 2024 consist of:

	<u>2025</u>	<u>2024</u>
Revenue Bonds, Series 2025A-1 (Non-AMT)		
Serial bonds, maturing January 1, 2031, to January 1, 2045, in payments from \$480,000 to \$3,545,000. Interest at 5.00%, due semiannually on January 1 and July 1.	\$ 31,325,000	\$ -
Term bonds, maturing January 1, 2050, and January 1, 2055, in payments of \$20,660,000 and \$105,670,000, respectively. Interest at 5.25% due semiannually on January 1 and July 1.	126,330,000	-
Unamortized premium	<u>5,385,206</u>	<u>-</u>
	<u>163,040,206</u>	<u>-</u>
Revenue Bonds, Series 2025A-2 (AMT)		
Serial bonds, maturing January 1, 2028, to January 1, 2040, in payments from \$455,000 to \$20,165,000. Interest at 5.00%, due semiannually on January 1 and July 1.	114,940,000	-
Term bonds, maturing January 1, 2045, January 1, 2050, and January 1, 2055, in payments of \$3,210,000, \$3,250,000, and \$4,205,000, respectively. Interest at 5.25%, 5.50%, and 5.00% respectively, due semiannually on January 1 and July 1.	10,665,000	-
Unamortized premium	<u>4,795,247</u>	<u>-</u>
	<u>130,400,247</u>	<u>-</u>
Revenue Bonds, Series 2025A-3 (Taxable)		
Serial bonds, maturing January 1, 2027, to January 1, 2040, in payments from \$335,000 to \$640,000. Interest from 4.53% to 5.81%, due semiannually on January 1 and July 1.	6,530,000	-
Term bond, maturing January 1, 2045, in payment of \$3,835,000.		
Interest at 6.03% due semiannually on January 1 and July 1.	<u>3,835,000</u>	<u>-</u>
	<u>10,365,000</u>	<u>-</u>
Refunding Revenue Bonds, Series 2023A (AMT)		
Term bond, maturing January 1, 2037, in payment of \$93,105,000.		
Interest at 3.83%, due semiannually on January 1 and July 1.	<u>93,105,000</u>	<u>93,495,000</u>
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 5.00% due semiannually on January 1 and July 1.	35,200,000	35,200,000
Unamortized premium	<u>5,656,058</u>	<u>5,997,044</u>
	<u>73,586,058</u>	<u>73,927,044</u>
Revenue Bonds, Series 2023B-2 (AMT)		
Serial bonds, maturing January 1, 2026, 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.	125,685,000	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	<u>7,682,517</u>	<u>9,161,485</u>
	<u>138,022,517</u>	<u>146,946,485</u>
Revenue Bonds, Series 2022A (AMT)		
Term bond, maturing January 1, 2033, in payment of \$68,580,000.		
Interest at 2.79%, due semiannually on January 1 and July 1.	<u>68,580,000</u>	<u>69,205,000</u>
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	<u>6,011,208</u>	<u>6,370,839</u>
	<u>87,961,208</u>	<u>88,320,839</u>

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

(Continued)	2025	2024
Revenue Bonds, Series 2022B-2 (AMT)		
Serial bonds, maturing January 1, 2026, to January 1, 2043, payments from \$405,000 to \$7,030,000. Interest from 5.00% to 5.25%, due semiannually on January and July 1.	\$ 64,410,000	\$ 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	3,643,278	3,976,224
	70,803,278	71,221,224
Revenue Bonds, Series 2022B-3 (Taxable)		
Serial bonds, maturing January 1, 2026, to January 1, 2032, payments from \$2,710,000 to \$3,745,000. Interest from 4.93% to 5.18%, due semiannually on January and July 1.	22,650,000	25,445,000
Revenue Bonds, Series 2019A (Non-AMT)		
Serial bonds, maturing January 1, 2026, to January 1, 2054, in payments from \$620,000 to \$1,340,000. Interest at 2.80%, due semiannually on January 1 and July 1.	27,140,000	27,745,000
Revenue Bonds, Series 2019B (AMT)		
Serial bonds, maturing January 1, 2026, to January 1, 2035, payments from \$320,000 to \$24,450,000. Interest at 5.00%, due semiannually on January and July 1.	90,610,000	110,045,000
Unamortized premium	4,837,430	7,819,703
	95,447,430	117,864,703
Revenue Bonds, Series 2019C-1 (Non-AMT)		
Term bonds, maturing January 1, 2044, and January 1, 2050, in payments of \$18,365,000 and \$33,230,000, respectively. Interest at 5.00% and 4.00%, respectively, due semiannually on January 1 and July 1.	51,595,000	51,595,000
Unamortized premium	5,757,796	6,052,827
	57,352,796	57,647,827
Revenue Bonds, Series 2019C-2 (Non-AMT)		
Serial bonds, maturing January 1, 2026, to January 1, 2037, in payments from \$795,000 to \$1,355,000. Interest at 5.00%, due semiannually on January 1 and July 1.	12,625,000	13,380,000
Unamortized premium	1,663,201	1,936,736
	14,288,201	15,316,736
Revenue Bonds, Series 2019D (Non-AMT)		
Serial bonds, maturing January 1, 2026, 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.	30,453,658	33,087,443
Revenue Bonds, Series 2016A-1 (AMT)		
Serial bonds, maturing January 1, 2026, 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.	42,135,000	45,045,000
Unamortized premium	4,295,396	5,030,998
	46,430,396	50,075,998
Revenue Bonds, Series 2016A-2 (Taxable)		
Term bonds, maturing January 1, 2027, and January 1, 2036, in payments of \$190,000 and \$3,135,000, respectively. Interest is fixed at 3.195% and 3.894%, respectively, due semiannually on January 1 and July 1.	3,325,000	3,415,000
Revenue Bonds, Series 2015A (AMT)		
Serial bonds, maturing January 1, 2026, to January 1, 2027, in payments from \$16,925,000 to \$17,800,000. Interest at 5.00%, due semiannually on January 1 and July 1.	34,725,000	159,680,000
Unamortized premium	161,675	5,974,204
	34,886,675	165,654,204
Total revenue bonds	1,167,837,670	1,039,367,503
Current portion	(58,887,790)	(54,018,785)
Long-term portion	\$ 1,108,949,880	\$ 985,348,718

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2023B-2, 2025A-1, 2025A-2, and 2025A-3 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 2026 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 2026 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 2026 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.

The Authority's 2025A-1 Revenue Bonds, maturing January 1, 2050 (the 2050 Term Bonds), and January 1, 2055 (the 2055 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2046 to 2050 and 2051 to 2055, respectively.

The Authority's 2025A-2 Revenue Bonds, maturing January 1, 2045 (the 2045 Term Bonds), January 1, 2050 (the 2050 Term Bonds), and January 1, 2055 (the 2055 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2041 to 2045, 2046 to 2050, and 2051 to 2055, respectively.

The Authority's 2025A-3 Revenue Bonds, maturing January 1, 2045 (the 2045 Term Bonds), are subject to redemption from mandatory sinking fund payments during 2041 to 2045.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

2025A Revenue Bonds

In May 2025, the Authority issued the 2025A-1 (\$157,655,000; tax-exempt, Non-AMT), 2025A-2 (\$125,605,000, tax-exempt, AMT), and 2025A-3 (\$10,365,000; taxable) Revenue Bonds in an original amount totaling \$293,625,000 with an original issue premium of \$10,913,590. The 2025A Revenue Bonds were issued for the principal purpose of providing funds, together with other funds of the Authority, to refund \$108,705,000 of the outstanding balance of the 2015A Revenue Bonds, a portion of certain capital projects at the Authority, and capitalized interest on all or a portion of the 2025A Authority Bonds. The net present value savings resulting from the refunding of the 2015A Revenue Bonds were \$4,186,356, and the aggregate difference in the required debt service between the 2015A Bonds and their portion of the 2025A Bonds is \$5,106,722. The capital projects funded with the new money portion of the 2025A Revenue Bonds include, but are not limited to, acquiring, constructing, and/or installing a new 253-room, full-service airport hotel, rehabilitation of public parking lots pavement, Central Energy Plant boiler replacement, constructing ready return parking lots, and constructing parking energy resilience. Proceeds from the 2025A Revenue Bonds were also used to fund all or a portion of interest on the 2025A Revenue Bonds through the in-service date on each particular portion of the 2025A project and pay costs of issuance related to the 2025A 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, 2025, \$108,513,122, \$20,805,174, and \$10,158,970 remained in the 2025A-1, 2025A-2, and 2025A-3 project funds, respectively; and \$20,134,285, \$7,036, and \$3,910 remained in the 2025A-1, 2025A-2, and 2025A-3 capitalized interest funds, respectively.

Directly Placed Debt

As of December 31, 2025 and 2024, the Authority held directly placed debt as detailed below:

	<u>2022A</u>	<u>2023A</u>
Par Outstanding at 12/31/2025	\$ 68,580,000	\$ 93,105,000
Par Outstanding at 12/31/2024	69,205,000	93,495,000
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%

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 2025 and 2024, was \$19.0 million. The customer facility charge revenue dedication was \$6.5 million for 2025 and 2024.

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

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2025:

Years Ending December 31	Revenue Bonds		Total
	Principal	Interest	
2026	\$ 58,887,790	\$ 52,205,053	\$ 111,092,843
2027	62,978,604	47,585,397	110,564,001
2028	66,451,272	44,453,601	110,904,873
2029	66,656,000	41,195,183	107,851,183
2030	68,996,000	38,059,706	107,055,706
2031 - 2035	332,791,480	144,168,224	476,959,704
2036 - 2040	123,592,512	96,405,587	219,998,099
2041 - 2045	96,825,000	70,640,532	167,465,532
2046 - 2050	97,095,000	48,460,165	145,555,165
2051 - 2055	143,675,000	25,346,168	169,021,168
	<u>\$ 1,117,948,658</u>	<u>\$ 608,519,616</u>	<u>\$ 1,726,468,274</u>

The following is a summary of long-term obligation transactions for the Authority for the years ended December 31, 2025 and 2024:

	Beginning Balance	2025		Ending Balance	Current Portion
		Additions	Deductions		
Long-term obligations					
Revenue bonds payable	\$ 987,047,443	\$ 293,625,000	\$ (162,723,785)	\$ 1,117,948,658	\$ 58,887,790
Bond premium	52,320,060	10,913,590	(13,344,638)	49,889,012	-
Total revenue bonds payable	<u>1,039,367,503</u>	<u>304,538,590</u>	<u>(176,068,423)</u>	<u>1,167,837,670</u>	<u>58,887,790</u>
Subscription liabilities	671,085	1,616,835	(609,846)	1,678,074	636,782
Total long-term obligations	<u>\$ 1,040,038,588</u>	<u>\$ 306,155,425</u>	<u>\$ (176,678,269)</u>	<u>\$ 1,169,515,744</u>	<u>\$ 59,524,572</u>
	Beginning Balance	2024		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	<u>1,097,521,669</u>	<u>-</u>	<u>(58,154,166)</u>	<u>1,039,367,503</u>	<u>54,018,785</u>
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>

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2025 and 2024

Interest Expense

Interest expense is comprised of the following components at December 31, 2025 and 2024:

	2025	2024
Interest expense on long-term debt	\$ 49,026,703	\$ 45,398,213
Amortization of bond premiums/discounts	(8,242,541)	(9,027,622)
Amortization of deferred losses on refundings	478,869	1,282,287
Bond issuance costs	2,407,406	711,177
Changes in bond arbitrage rebates	1,365,373	3,002,646
Total interest expense	\$ 45,035,810	\$ 41,366,701

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, 2025 and 2024, the Special Facility Revenue Bonds, Series 1995 (Indianapolis Maintenance Center), outstanding were \$165,988,327.

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 agency
- a federal instrumentality
- 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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2025	Fair Value at December 31, 2024
Series 2023B-2	December 1, 2004	December 30, 2033	\$ 13,147,000	4.962%	\$ 523,070	\$ 106,277
Series 2015A	December 28, 2005	December 31, 2032	13,580,000	4.820%	413,839	(127,575)
Series 2016A-1	August 1, 2006	January 1, 2035	14,982,900	5.311%	1,034,255	573,685
Series 2016A -2	August 1, 2006	January 1, 2036	2,338,500	5.311%	152,660	93,659
					<u>\$ 2,123,824</u>	<u>\$ 646,046</u>

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, 2025 and 2024. As the Forward Delivery Agreements are effective hedging instruments, the changes in fair value of the Forward Delivery Agreements of \$1,477,778 and (\$618,445) for the years ended December 31, 2025 and 2024, respectively, are shown as an adjustment to the carrying amount of the related deferred inflows of resources on the statement of net position.

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.

Indianapolis Airport Authority
Notes to Financial Statements
December 31, 2025 and 2024

Note 11: Net Investment in Capital Assets

The Authority's net investment in capital assets is comprised of the following components at December 31, 2025 and 2024:

	2025	2024
Capital and subscription assets, net of accumulated depreciation	\$ 2,367,642,631	\$ 2,326,985,487
Long-term debt	(1,169,515,744)	(1,040,038,588)
Other reconciling items		
Restricted accounts payable related to capital assets	(51,223,136)	(56,176,811)
Deferred (gain) / loss on refunding of debt	(1,658,089)	3,922,877
Unspent bond proceeds - construction funds	185,031,605	72,277,548
Revenue bond reserve fund financed by bond proceeds	60,477,295	53,348,447
Net investment in capital assets	\$ 1,390,754,562	\$ 1,360,318,960

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

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

Recurring Measurements

The following table presents the fair value measurements of assets 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, 2025 and 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025				
Investments				
U.S. Treasury Security Bills	\$ 249,097,002	\$ 249,097,002	\$ -	\$ -
U.S. Government-sponsored enterprise securities				
Federal Home Loan Mortgage Corporation	19,559,283	-	19,559,283	-
Indiana municipal securities	2,466,106	-	2,466,106	-
External investment pools	89,057,109	-	89,057,109	-
Derivative Financial Instruments				
Forward delivery purchase agreements	2,123,824	-	-	2,123,824
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

Following is a description of the valuation methodologies and inputs used for assets 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, 2025.

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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2025. 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.

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, which extended their lease for a period 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. This new AAR lease also provided, from a timing standpoint, an allotted amount of time for AAR to decide if they would commit to taking over the operation and maintenance of the IMC in its entirety or to vacate the facility. AAR and Shuttle America make up the leasing of nine of the twelve hangar spaces while Comlux Completions leases one hangar leaving two vacant hangars as of the end of 2025. 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, 2025 and 2024, the Authority incurred approximately \$7.7 million and \$6.7 million of costs for the IMC, respectively. The Authority has received reimbursements for these costs under the Settlement Agreement aggregating approximately \$7.7 million and \$5.5 million for 2025 and 2024, respectively. In addition, as of December 31, 2025 and 2024, the Authority has accrued approximately \$3.7 million and \$2.3 million, respectively, in reimbursements from the Trustee for allowable costs incurred.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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 \$411,029 and \$265,817 in insurance recoveries as nonoperating revenue in 2025 and 2024, 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 2025 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 \$7,882,780 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 \$1,951,815 for 2025 and \$1,722,599 for 2024.

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, 2025, 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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

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, 2025, 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, 2025, 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, 2025 and applied to approximately 487 homes, of which 423 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, 2025, 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 \$4.5 million and \$4.7 million as of December 31, 2025 and 2024, respectively.

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.

Indianapolis Airport Authority

Notes to Financial Statements

December 31, 2025 and 2024

The amount of the estimated liability as of December 31, 2025 and 2024 was \$2,000,000 and \$2,327,000, respectively, 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, 2025, the Authority had outstanding commitments for certain airport improvements aggregating \$274,340,539.

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, 2025, there were eight 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 seven worker's compensation claims-pending as of December 31, 2025. 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 Airport Authority
Schedule of Net Position Information
December 31, 2025

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Current Assets			
Unrestricted Assets			
Cash and cash equivalents	\$ 56,167,284	\$ -	\$ 56,167,284
Accounts receivable, net of allowance of \$121,000	4,139,435	-	4,139,435
Unbilled revenues	8,361,505	-	8,361,505
Grants receivable	8,944,512	-	8,944,512
Supplies and materials inventories	3,747,003	-	3,747,003
Interest receivable	788,676	-	788,676
Lease receivables	28,163,549	-	28,163,549
Other	1,293,381	-	1,293,381
Total unrestricted current assets	<u>111,605,345</u>	<u>-</u>	<u>111,605,345</u>
Restricted Assets			
Cash and cash equivalents - restricted	210,041,073	-	210,041,073
Cash and cash equivalents - customer deposits	687,411	-	687,411
Receivable - passenger facility charges	2,550,180	-	2,550,180
Receivable - governments and other	1,196,967	-	1,196,967
Receivable - reimbursable IMC expenses	-	3,694,063	3,694,063
Total restricted current assets	<u>214,475,631</u>	<u>3,694,063</u>	<u>218,169,694</u>
Total current assets	<u>326,080,976</u>	<u>3,694,063</u>	<u>329,775,039</u>
Noncurrent Assets			
Cash and cash equivalents, restricted	149,200,006	-	149,200,006
Investment securities, unrestricted	52,979,347	-	52,979,347
Investment securities, restricted	156,655,720	-	156,655,720
Derivative instruments - forward delivery purchase agreements	2,123,824	-	2,123,824
Lease receivables	259,907,495	-	259,907,495
Capital assets, net	2,214,492,907	153,149,724	2,367,642,631
Total noncurrent assets	<u>2,835,359,299</u>	<u>153,149,724</u>	<u>2,988,509,023</u>
Deferred Outflows of Resources			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,161,440,275</u>	<u>\$ 156,843,787</u>	<u>\$ 3,318,284,062</u>

Indianapolis Airport Authority
Schedule of Net Position Information (Continued)
December 31, 2025

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	\$ 7,718,099	\$ -	\$ 7,718,099
Accrued and withheld items (including compensated absences)	9,732,815	-	9,732,815
Current portion of subscription liability	636,782	-	636,782
Total current liabilities payable from unrestricted assets	<u>18,087,696</u>	<u>-</u>	<u>18,087,696</u>
Payable From Restricted Assets			
Accounts payable	51,223,136	706,153	51,929,289
Customer deposits payable	687,411	-	687,411
Current portion of arbitrage rebate liability	2,947,664	-	2,947,664
Current portion of debt	58,887,790	-	58,887,790
Accrued interest on debt	27,651,213	-	27,651,213
Total current liabilities payable from restricted assets	<u>141,397,214</u>	<u>706,153</u>	<u>142,103,367</u>
Total current liabilities	<u>159,484,910</u>	<u>706,153</u>	<u>160,191,063</u>
Noncurrent Liabilities			
Long term portion of arbitrage rebate liability	2,585,486	-	2,585,486
Long term portion of subscription liability	1,041,292	-	1,041,292
Bonds payable and other debt, payable from restricted assets	1,108,949,880	-	1,108,949,880
Total noncurrent liabilities	<u>1,112,576,658</u>	<u>-</u>	<u>1,112,576,658</u>
Deferred Inflows of Resources			
Accumulated increase in fair value of hedging derivatives	2,123,824	-	2,123,824
Deferred inflow on leases	276,813,759	-	276,813,759
Deferred gain on refunding of debt	1,658,089	-	1,658,089
Total deferred inflows of resources	<u>280,595,672</u>	<u>-</u>	<u>280,595,672</u>
Net Position			
Net investment in capital assets	1,237,604,838	153,149,724	1,390,754,562
Restricted for			
Capital projects	110,241,804	-	110,241,804
Debt service	130,708,879	-	130,708,879
Other	-	2,987,910	2,987,910
Total restricted net position	<u>240,950,683</u>	<u>2,987,910</u>	<u>243,938,593</u>
Unrestricted	<u>130,227,514</u>	<u>-</u>	<u>130,227,514</u>
Total net position	<u>1,608,783,035</u>	<u>156,137,634</u>	<u>1,764,920,669</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,161,440,275</u>	<u>\$ 156,843,787</u>	<u>\$ 3,318,284,062</u>

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

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
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

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
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			
Long term portion of 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	<u>161,378,307</u>	<u>-</u>	<u>161,378,307</u>
Total net position	<u>1,562,927,315</u>	<u>163,266,473</u>	<u>1,726,193,788</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,001,762,492</u>	<u>\$ 163,602,344</u>	<u>\$ 3,165,364,836</u>

Indianapolis Airport Authority
Schedule of Revenues, Expenses and Changes in Net Position Information
Year Ended December 31, 2025

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
Operating Revenues			
Airfield	\$ 53,079,514	\$ -	\$ 53,079,514
Terminal complex	79,628,054	-	79,628,054
Parking	77,915,557	-	77,915,557
Rented buildings and other	15,256,824	-	15,256,824
Indianapolis Maintenance Center (IMC)	-	8,841,732	8,841,732
Reliever airports	3,214,861	-	3,214,861
Total operating revenues	<u>229,094,810</u>	<u>8,841,732</u>	<u>237,936,542</u>
Operating Expenses			
Personal services	60,751,955	934,129	61,686,084
Contractual services	35,515,172	4,160,793	39,675,965
Utilities	9,866,289	2,225,336	12,091,625
Supplies	7,251,953	208,676	7,460,629
Materials	4,414,902	(70,640)	4,344,262
General	3,187,544	235,619	3,423,163
Total operating expenses before depreciation and amortization	<u>120,987,815</u>	<u>7,693,913</u>	<u>128,681,728</u>
Income From Operations Before Depreciation and Amortization Expense	108,106,995	1,147,819	109,254,814
Depreciation and amortization expense	<u>114,237,630</u>	<u>14,483,984</u>	<u>128,721,614</u>
Total operating expenses	<u>235,225,445</u>	<u>22,177,897</u>	<u>257,403,342</u>
Loss From Operations	<u>(6,130,635)</u>	<u>(13,336,165)</u>	<u>(19,466,800)</u>
Nonoperating Revenues (Expenses)			
Federal operating grants	100,000	-	100,000
Passenger facility charges	20,655,797	-	20,655,797
Customer facility charges (rental cars)	12,469,321	-	12,469,321
Investment income	21,732,146	-	21,732,146
Interest revenue - leases	9,200,725	-	9,200,725
Interest expense	(45,035,810)	-	(45,035,810)
Gain on disposal of capital assets	791,920	-	791,920
Total nonoperating revenues (expenses)	<u>19,914,099</u>	<u>-</u>	<u>19,914,099</u>
Increase (Decrease) in Net Position Before Capital Contributions and Grants	<u>13,783,464</u>	<u>(13,336,165)</u>	<u>447,299</u>
Capital Contributions and Grants			
Federal, state and local grants	25,436,199	-	25,436,199
Contributions from lessees and other	12,843,383	-	12,843,383
Total capital contributions and grants	<u>38,279,582</u>	<u>-</u>	<u>38,279,582</u>
Increase (Decrease) in Net Position	52,063,046	(13,336,165)	38,726,881
Transfers	(6,207,326)	6,207,326	-
Net Position, Beginning of Year	<u>1,562,927,315</u>	<u>163,266,473</u>	<u>1,726,193,788</u>
Net Position, End of Year	<u>\$ 1,608,783,035</u>	<u>\$ 156,137,634</u>	<u>\$ 1,764,920,669</u>

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

	<u>Authority</u>	<u>IMC</u>	<u>Total</u>
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 and amortization	<u>109,548,129</u>	<u>6,680,805</u>	<u>116,228,934</u>
Income From Operations Before Depreciation and Amortization Expense	104,340,925	(1,560,722)	102,780,203
Depreciation and amortization expense	<u>103,631,578</u>	<u>13,863,027</u>	<u>117,494,605</u>
Total operating expenses	<u>213,179,707</u>	<u>20,543,832</u>	<u>233,723,539</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	104,500,890	(15,423,749)	89,077,141
Transfers	(10,904,456)	10,904,456	-
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
Schedules of Operating Revenues
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Airfield			
Landing fees - scheduled airlines	\$ 26,362,964	\$ 23,166,749	\$ 3,196,215
Landing fees - freight and other	19,605,511	18,397,606	1,207,905
Apron fees	3,487,946	2,637,379	850,567
Commissions - aviation fuel sales	418,047	432,526	(14,479)
Other	3,205,046	2,716,218	488,828
	<u>53,079,514</u>	<u>47,350,478</u>	<u>5,729,036</u>
Terminal Complex			
Space rental			
Airlines	46,634,546	41,476,098	5,158,448
Concessionaires	12,928,524	12,009,302	919,222
Other space rental	2,038,214	1,862,019	176,195
Automobile rental commissions	13,465,852	13,492,588	(26,736)
Other commissions, fees, etc.	5,973,031	5,726,965	246,066
Financing interest - leases	(1,412,113)	(1,362,605)	(49,508)
	<u>79,628,054</u>	<u>73,204,367</u>	<u>6,423,687</u>
Parking operations	<u>77,915,557</u>	<u>74,537,968</u>	<u>3,377,589</u>
Rented Buildings and Other			
Space rental - freight buildings	1,378,928	1,455,228	(76,300)
Space rental - hangars	939,862	862,807	77,055
Space rental - other buildings	8,469,818	8,275,821	193,997
Ground leases	7,647,170	7,690,641	(43,471)
Farm income	150,703	153,506	(2,803)
Other	898,938	1,089,286	(190,348)
Financing interest - leases	(4,228,595)	(3,825,848)	(402,747)
	<u>15,256,824</u>	<u>15,701,441</u>	<u>(444,617)</u>
Indianapolis Maintenance Center	<u>8,841,732</u>	<u>5,120,083</u>	<u>3,721,649</u>
Reliever Airports	3,506,237	3,573,702	(67,465)
Financing interest - leases	(291,376)	(478,902)	187,526
	<u>3,214,861</u>	<u>3,094,800</u>	<u>120,061</u>
	<u>\$ 237,936,542</u>	<u>\$ 219,009,137</u>	<u>\$ 18,927,405</u>

Indianapolis Airport Authority
Schedule of Operating Expenses
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	2025			
	Airfield	Terminal Complex	Parking	Rented Building and Other
Personal Services				
Salaries and wages	\$ 4,074,296	\$ 8,410,577	\$ 5,733,872	\$ 266,254
Employee insurance	1,020,816	2,249,392	1,233,487	31,727
Retirement and social security	422,088	897,267	542,399	36,166
	<u>5,517,200</u>	<u>11,557,236</u>	<u>7,509,758</u>	<u>334,147</u>
Contractual Services				
Transportation and communication	222,428	89,207	66,530	24,530
Professional fees	1,273,294	90,322	8,626	122,123
Printing and advertising	532	69,367	750	52,467
Repairs and maintenance	498,391	4,198,635	1,259,742	680,847
Facilities maintenance and security	56,839	5,801,882	381,238	7,500
Other contractual services	306,811	1,703,154	4,090,825	499,139
Subscription assets	-	-	-	-
	<u>2,358,295</u>	<u>11,952,567</u>	<u>5,807,711</u>	<u>1,386,606</u>
Utilities	<u>4,186,583</u>	<u>3,994,273</u>	<u>796,520</u>	<u>256,161</u>
Supplies				
Fuel	368,884	-	99,262	-
Garage and motor	328,603	44,290	262,761	1,408
Institutional and medical	45,155	1,192,519	162,964	2,944
Office supplies	14,452	26,733	16,658	3,185
Snow and ice chemicals	1,342,087	79,604	496,920	5,350
Other	208,689	365,705	383,798	375
	<u>2,307,870</u>	<u>1,708,851</u>	<u>1,422,363</u>	<u>13,262</u>
Materials				
Building	19,240	106,060	12,582	431
Pavements and grounds	407,069	1,595	3,423	-
Repair parts	960,020	1,070,569	487,701	2,561
Small equipment and tools	65,269	80,867	5,395	-
Other	33,831	149,032	2,261	123,260
	<u>1,485,429</u>	<u>1,408,123</u>	<u>511,362</u>	<u>126,252</u>
General				
Insurance	408,940	1,030,144	433,212	145,570
Equipment rental	11,135	-	-	-
Other	3,677	1,707	1,020	3,463
	<u>423,752</u>	<u>1,031,851</u>	<u>434,232</u>	<u>149,033</u>
Subtotal	<u>16,279,129</u>	<u>31,652,901</u>	<u>16,481,946</u>	<u>2,265,461</u>
Depreciation	<u>42,768,166</u>	<u>19,270,597</u>	<u>8,754,193</u>	<u>35,336,599</u>
Total Operating Expense	<u>\$ 59,047,295</u>	<u>\$ 50,923,498</u>	<u>\$ 25,236,139</u>	<u>\$ 37,602,060</u>
Year Ended December 31, 2024	\$ 52,026,005	\$ 47,810,967	\$ 22,151,196	\$ 36,723,166
Increase (Decrease)	\$ 7,021,290	\$ 3,112,531	\$ 3,084,943	\$ 878,894

2025

Indianapolis Maintenance Center	Reliever Airports	Public Safety	Administration	Total	Year Ended December 31, 2024	Increase (Decrease)
\$ 818,768	\$ 459,481	\$ 13,582,121	\$ 12,798,952	\$ 46,144,321	\$ 39,911,814	\$ 6,232,507
52,919	90,837	3,077,956	2,469,367	10,226,501	7,604,880	2,621,621
62,442	58,592	1,906,626	1,389,682	5,315,262	4,581,513	733,749
934,129	608,910	18,566,703	16,658,001	61,686,084	52,098,207	9,587,877
13,079	24,960	347,656	2,048,747	2,837,137	2,651,426	185,711
5,445	232,049	148,975	4,838,166	6,719,000	7,409,110	(690,110)
38	-	11,910	670,591	805,655	811,678	(6,023)
1,130,387	286,661	605,061	2,561,136	11,220,860	9,929,872	1,290,988
2,862,243	57,339	-	-	9,167,041	8,460,696	706,345
149,601	147,504	691,944	1,993,772	9,582,750	11,072,140	(1,489,390)
-	-	-	(656,478)	(656,478)	(671,047)	14,569
4,160,793	748,513	1,805,546	11,455,934	39,675,965	39,663,875	12,090
2,225,336	374,969	257,783	-	12,091,625	11,752,521	339,104
52,529	484,480	-	-	1,005,155	1,102,524	(97,369)
308	28,836	106,925	35,867	808,998	679,170	129,828
38,642	12,398	52,755	6,002	1,513,379	1,460,140	53,239
3,588	488	109,042	84,527	258,673	259,311	(638)
7,000	250,443	-	-	2,181,404	884,003	1,297,401
106,609	13,249	467,728	146,867	1,693,020	1,524,980	168,040
208,676	789,894	736,450	273,263	7,460,629	5,910,128	1,550,501
(114,896)	7,332	14,676	1,003	46,428	70,921	(24,493)
-	36,691	474	-	449,252	400,460	48,792
296	97,339	416,698	258,843	3,294,027	3,256,454	37,573
-	2,983	16,006	25,215	195,735	123,830	71,905
43,960	1,020	1,036	4,420	358,820	158,709	200,111
(70,640)	145,365	448,890	289,481	4,344,262	4,010,374	333,888
233,708	158,301	312,085	66,626	2,788,586	2,096,621	691,965
1,911	189	809	51,581	65,625	71,116	(5,491)
-	-	64,726	494,359	568,952	626,092	(57,140)
235,619	158,490	377,620	612,566	3,423,163	2,793,829	629,334
7,693,913	2,826,141	22,192,992	29,289,245	128,681,728	116,228,934	12,452,794
14,483,984	3,966,713	1,100,154	3,041,208	128,721,614	117,494,605	11,227,009
<u>\$ 22,177,897</u>	<u>\$ 6,792,854</u>	<u>\$ 23,293,146</u>	<u>\$ 32,330,453</u>	<u>\$ 257,403,342</u>	\$ -	\$ -
\$ 20,543,832	\$ 6,276,849	\$ 19,553,815	\$ 28,637,709	\$ -	<u>\$ 233,723,539</u>	\$ -
\$ 1,634,065	\$ 516,005	\$ 3,739,331	\$ 3,692,744	\$ -	\$ -	<u>\$ 23,679,803</u>

Indianapolis Airport Authority

Schedule of Bond Debt Service Requirements to Maturity

December 31, 2025

	2025A-1 Revenue Bonds		2025A-2 Revenue Bonds		2025A-3 Revenue Bonds		2023A Revenue Bonds		2023B-1 Revenue Bonds		2023B-2 Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ -	\$ 9,109,528	\$ -	\$ 7,005,028	\$ -	\$ 641,628	\$ 405,000	\$ 3,558,166	\$ 1,165,000	\$ 3,367,375	\$ 8,555,000	\$ 6,329,938
2027	-	8,198,575	-	6,304,525	335,000	569,876	440,000	3,541,984	1,220,000	3,307,750	8,990,000	5,891,313
2028	-	8,198,575	18,955,000	5,830,650	350,000	554,285	425,000	3,525,419	1,280,000	3,245,250	9,435,000	5,430,688
2029	-	8,198,575	16,455,000	4,945,400	365,000	537,694	440,000	3,508,855	1,345,000	3,179,625	13,050,000	4,868,563
2030	-	8,198,575	17,310,000	4,101,275	380,000	519,970	10,335,000	3,302,513	1,415,000	3,110,625	13,710,000	4,199,563
2031	480,000	8,186,575	18,220,000	3,213,025	400,000	500,813	10,760,000	2,898,544	1,485,000	3,038,125	14,385,000	3,497,188
2032	955,000	8,150,700	19,165,000	2,278,400	420,000	480,054	11,205,000	2,477,914	1,560,000	2,962,000	15,105,000	2,759,938
2033	830,000	8,106,075	20,165,000	1,295,150	440,000	457,811	11,675,000	2,039,762	1,635,000	2,882,125	15,865,000	1,985,688
2034	825,000	8,064,700	1,055,000	764,650	465,000	433,978	13,840,000	1,551,150	1,720,000	2,798,250	16,660,000	1,172,563
2035	1,140,000	8,015,575	1,110,000	710,525	490,000	408,420	14,405,000	1,010,258	1,805,000	2,710,125	900,000	733,563
2036	1,475,000	7,950,200	455,000	671,400	515,000	380,997	15,005,000	447,057	1,895,000	2,617,625	940,000	687,563
2037	1,865,000	7,866,700	475,000	648,150	545,000	351,516	4,170,000	79,856	1,990,000	2,520,500	985,000	639,438
2038	2,225,000	7,764,450	500,000	623,775	575,000	319,893	-	-	2,090,000	2,418,500	1,035,000	588,938
2039	2,645,000	7,642,700	525,000	598,150	610,000	286,020	-	-	2,195,000	2,311,375	1,095,000	534,319
2040	2,775,000	7,507,200	550,000	571,275	640,000	249,884	-	-	2,305,000	2,198,875	1,155,000	475,256
2041	2,915,000	7,364,950	575,000	542,431	680,000	210,784	-	-	2,420,000	2,080,750	1,210,000	413,175
2042	3,060,000	7,215,575	610,000	511,325	720,000	168,566	-	-	2,540,000	1,956,750	1,270,000	348,075
2043	3,215,000	7,058,700	640,000	478,513	765,000	123,786	-	-	2,665,000	1,826,625	1,340,000	279,563
2044	3,375,000	6,893,950	675,000	443,994	810,000	76,292	-	-	2,800,000	1,690,000	365,000	234,806
2045	3,545,000	6,720,950	710,000	407,637	860,000	25,933	-	-	2,940,000	1,546,500	385,000	215,119
2046	3,720,000	6,534,675	580,000	373,050	-	-	-	-	3,085,000	1,395,875	405,000	194,381
2047	3,915,000	6,334,256	615,000	340,188	-	-	-	-	3,240,000	1,237,750	425,000	172,594
2048	4,120,000	6,123,338	650,000	305,400	-	-	-	-	3,400,000	1,071,750	450,000	149,625
2049	4,340,000	5,901,263	685,000	268,687	-	-	-	-	3,570,000	897,500	475,000	125,344
2050	4,565,000	5,667,506	720,000	230,050	-	-	-	-	3,750,000	714,500	495,000	99,881
2051	4,805,000	5,421,544	760,000	191,250	-	-	-	-	3,940,000	522,250	525,000	73,106
2052	5,060,000	5,162,588	800,000	152,250	-	-	-	-	4,135,000	320,375	550,000	44,888
2053	5,325,000	4,889,981	840,000	111,250	-	-	-	-	4,340,000	108,500	580,000	15,225
2054	5,605,000	4,603,069	880,000	68,250	-	-	-	-	-	-	-	-
2055	84,875,000	2,227,967	925,000	23,125	-	-	-	-	-	-	-	-
	<u>\$ 157,655,000</u>	<u>\$ 209,279,015</u>	<u>\$ 125,605,000</u>	<u>\$ 44,008,778</u>	<u>\$ 10,365,000</u>	<u>\$ 7,298,200</u>	<u>\$ 93,105,000</u>	<u>\$ 27,941,478</u>	<u>\$ 67,930,000</u>	<u>\$ 58,037,250</u>	<u>\$ 130,340,000</u>	<u>\$ 42,160,301</u>

Indianapolis Airport Authority
Schedule of Bond Debt Service Requirements to Maturity (Continued)
December 31, 2025

	2022A Revenue Bonds		2022B-1 Revenue Bonds		2022B-2 Revenue Bonds		2022B-3 Revenue Bonds		2019A Revenue Bonds		2019B Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 645,000	\$ 1,904,384	\$ -	\$ 4,179,413	\$ 405,000	\$ 3,446,188	\$ 2,935,000	\$ 1,071,056	\$ 620,000	\$ 751,240	\$ 20,585,000	\$ 4,015,875
2027	680,000	1,885,901	-	4,179,413	1,070,000	3,409,313	3,075,000	922,368	635,000	733,670	21,825,000	2,955,625
2028	675,000	1,866,998	1,375,000	4,145,038	1,120,000	3,354,563	3,230,000	765,205	655,000	715,610	23,090,000	1,832,750
2029	690,000	1,847,957	1,445,000	4,074,538	1,180,000	3,297,063	3,390,000	599,027	675,000	696,990	24,450,000	644,250
2030	15,505,000	1,622,036	1,520,000	4,000,413	1,235,000	3,236,688	3,565,000	423,048	690,000	677,880	-	33,000
2031	16,125,000	1,180,798	1,595,000	3,922,538	1,295,000	3,173,438	3,745,000	236,437	710,000	658,280	-	33,000
2032	16,785,000	721,703	1,675,000	3,840,788	2,585,000	3,076,438	2,710,000	70,189	730,000	638,120	-	33,000
2033	17,475,000	243,776	1,755,000	3,755,038	5,560,000	2,872,813	-	-	750,000	617,400	-	33,000
2034	-	-	2,235,000	3,655,288	5,450,000	2,597,563	-	-	775,000	596,050	320,000	25,000
2035	-	-	2,885,000	3,527,288	5,185,000	2,331,688	-	-	795,000	574,070	340,000	8,500
2036	-	-	3,030,000	3,379,413	5,445,000	2,059,131	-	-	815,000	551,530	-	-
2037	-	-	3,185,000	3,224,038	5,730,000	1,765,788	-	-	840,000	528,360	-	-
2038	-	-	3,340,000	3,060,913	6,035,000	1,456,956	-	-	865,000	504,490	-	-
2039	-	-	3,505,000	2,889,788	6,350,000	1,131,850	-	-	885,000	479,990	-	-
2040	-	-	3,680,000	2,705,563	6,680,000	789,813	-	-	910,000	454,860	-	-
2041	-	-	3,870,000	2,507,375	7,030,000	429,925	-	-	935,000	429,030	-	-
2042	-	-	4,075,000	2,298,819	1,120,000	215,988	-	-	965,000	402,430	-	-
2043	-	-	4,290,000	2,079,238	935,000	162,044	-	-	990,000	375,060	-	-
2044	-	-	3,030,000	1,887,088	220,000	132,000	-	-	1,020,000	346,920	-	-
2045	-	-	3,195,000	1,723,681	230,000	120,750	-	-	1,045,000	318,010	-	-
2046	-	-	3,360,000	1,551,613	240,000	109,000	-	-	1,075,000	288,330	-	-
2047	-	-	3,540,000	1,370,488	255,000	96,625	-	-	1,105,000	257,810	-	-
2048	-	-	3,725,000	1,179,781	265,000	83,625	-	-	1,135,000	226,450	-	-
2049	-	-	3,915,000	984,125	280,000	70,000	-	-	1,170,000	194,180	-	-
2050	-	-	4,110,000	783,500	295,000	55,625	-	-	1,200,000	161,000	-	-
2051	-	-	4,320,000	572,750	305,000	40,625	-	-	1,235,000	126,910	-	-
2052	-	-	4,535,000	351,375	320,000	25,000	-	-	1,270,000	91,840	-	-
2053	-	-	4,760,000	119,000	340,000	8,500	-	-	1,305,000	55,790	-	-
2054	-	-	-	-	-	-	-	-	1,340,000	18,760	-	-
2055	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 68,580,000</u>	<u>\$ 11,273,553</u>	<u>\$ 81,950,000</u>	<u>\$ 71,948,303</u>	<u>\$ 67,160,000</u>	<u>\$ 39,549,000</u>	<u>\$ 22,650,000</u>	<u>\$ 4,087,330</u>	<u>\$ 27,140,000</u>	<u>\$ 12,471,060</u>	<u>\$ 90,610,000</u>	<u>\$ 9,614,000</u>

Indianapolis Airport Authority
Schedule of Bond Debt Service Requirements to Maturity (Continued)
December 31, 2025

	2019C-1 Revenue Bonds		2019C-2 Revenue Bonds		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	Principal	Interest	Principal	Interest	
2026	\$ -	\$ 2,247,450	\$ 795,000	\$ 611,375	\$ 2,702,790	\$ 762,479	\$ 3,055,000	\$ 1,764,175	\$ 95,000	\$ 126,630	\$ 16,925,000	\$ 1,313,125	\$ 111,092,843
2027	-	2,247,450	830,000	570,750	2,773,604	690,739	3,210,000	1,607,550	95,000	123,595	17,800,000	445,000	110,564,001
2028	-	2,247,450	870,000	528,250	2,846,272	617,118	2,145,000	1,473,675	-	122,077	-	-	110,904,873
2029	-	2,247,450	915,000	483,625	1,000	579,819	2,255,000	1,363,675	-	122,077	-	-	107,851,183
2030	-	2,247,450	965,000	436,625	1,000	579,793	2,365,000	1,248,175	-	122,077	-	-	107,055,706
2031	-	2,247,450	1,015,000	387,125	1,000	579,767	2,485,000	1,126,925	-	122,077	-	-	107,703,105
2032	-	2,247,450	1,065,000	335,125	1,000	579,740	2,610,000	1,012,600	-	122,077	-	-	108,357,236
2033	-	2,247,450	1,120,000	280,500	1,000	579,714	2,715,000	906,100	-	122,077	-	-	108,410,479
2034	-	2,247,450	1,170,000	223,250	2,920,975	541,436	2,820,000	795,400	-	122,077	-	-	75,844,780
2035	-	2,247,450	1,230,000	163,250	2,997,505	463,904	18,475,000	369,500	1,520,000	92,483	-	-	76,644,104
2036	-	2,247,450	1,295,000	100,125	3,076,039	384,341	-	-	1,615,000	31,441	-	-	57,069,312
2037	-	2,247,450	1,355,000	33,875	3,156,632	302,693	-	-	-	-	-	-	44,504,996
2038	-	2,247,450	-	-	3,239,335	218,906	-	-	-	-	-	-	39,108,606
2039	-	2,247,450	-	-	3,324,206	132,923	-	-	-	-	-	-	39,388,771
2040	590,000	2,232,700	-	-	3,411,300	44,688	-	-	-	-	-	-	39,926,414
2041	4,125,000	2,114,825	-	-	-	-	-	-	-	-	-	-	39,853,245
2042	4,330,000	1,903,450	-	-	-	-	-	-	-	-	-	-	33,710,978
2043	4,545,000	1,681,575	-	-	-	-	-	-	-	-	-	-	33,450,104
2044	4,775,000	1,448,575	-	-	-	-	-	-	-	-	-	-	30,223,625
2045	5,010,000	1,229,000	-	-	-	-	-	-	-	-	-	-	30,227,580
2046	5,210,000	1,024,600	-	-	-	-	-	-	-	-	-	-	29,146,524
2047	5,420,000	812,000	-	-	-	-	-	-	-	-	-	-	29,136,711
2048	5,635,000	590,900	-	-	-	-	-	-	-	-	-	-	29,110,869
2049	5,860,000	361,000	-	-	-	-	-	-	-	-	-	-	29,097,099
2050	6,095,000	121,900	-	-	-	-	-	-	-	-	-	-	29,063,962
2051	-	-	-	-	-	-	-	-	-	-	-	-	22,838,435
2052	-	-	-	-	-	-	-	-	-	-	-	-	22,818,316
2053	-	-	-	-	-	-	-	-	-	-	-	-	22,798,246
2054	-	-	-	-	-	-	-	-	-	-	-	-	12,515,079
2055	-	-	-	-	-	-	-	-	-	-	-	-	88,051,092
	<u>\$ 51,595,000</u>	<u>\$ 44,984,825</u>	<u>\$ 12,625,000</u>	<u>\$ 4,153,875</u>	<u>\$ 30,453,658</u>	<u>\$ 7,058,060</u>	<u>\$ 42,135,000</u>	<u>\$ 11,667,775</u>	<u>\$ 3,325,000</u>	<u>\$ 1,228,688</u>	<u>\$ 34,725,000</u>	<u>\$ 1,758,125</u>	<u>\$ 1,726,468,274</u>