OFFICIAL STATEMENT DATED NOVEMBER 30, 2022

NEW ISSUE **RATINGS: Moody's: A1**
Book-Entry-Only **Fitch: A**
See "RATINGS" herein

In the opinion of Ice Miller LLP ("*Bond Counsel*"), under existing laws, regulations, judicial decisions and rulings, interest on the 2022G-1 and 2022G-2 Bond Bank Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "*Code*") for federal income tax purposes, except for interest on any 2022G-2 Bond Bank Bond for any period during which such 2022G-2 Bond Bank Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the 2022G-2 Bond Bank Bonds or a "related person" as defined in Section 147(a) of the Code. Interest on the 2022G-1 Bond Bank Bonds is not a specific preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-2 Bond Bank Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-1 and 2022G-2 Bond Bank Bonds, however, is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Such excludability is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). Interest on the 2022G-3 Bond Bank Bonds is not excludable from gross income for federal tax purposes. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the 2022G Bond Bank Bonds is exempt from income taxation in the State of Indiana, for all purposes. See "TAX MATTERS" and "APPENDIX B—FORM OF BOND COUNSEL OPINION" herein.

$174,640,000
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK BONDS, SERIES 2022G
(Indianapolis Airport Authority Project)

$81,950,000	$67,245,000	$25,445,000
2022G-1	2022G-2	2022G-3
(Non-AMT)	(AMT)	(Taxable)

Indianapolis Airport Authority

Dated: Date of Delivery **Due: As Shown on the Inside Cover**

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G (Indianapolis Airport Authority Project), consisting of the Series 2022G-1 Bonds (Non-AMT) (the "*2022G-1 Bond Bank Bonds*"), the Series 2022G-2 Bonds (AMT) (the "*2022G-2 Bond Bank Bonds*") and the Series 2022G-3 Bonds (Taxable) (the "*2022G-3 Bond Bank Bonds*", and collectively, with the 2022G-1 Bond Bank Bonds and the 2022G-2 Bond Bank Bonds, the "*2022G Bond Bank Bonds*"), will be dated the date of delivery, and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover hereof. The 2022G Bond Bank Bonds are issuable only as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The 2022G Bond Bank Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"), securities depository for the 2022G Bond Bank Bonds. Purchases of beneficial interests in the 2022G Bond Bank Bonds are to be made in book entry-only form. Purchasers will not receive certificates representing their beneficial ownership interests in the 2022G Bond Bank Bonds. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM." Interest on the 2022G Bond Bank Bonds will accrue from the date of their delivery and will be payable on January 1 and July 1 of each year, commencing July 1, 2023. Interest, together with the principal of and premium, if any, on the 2022G Bond Bank Bonds will be paid directly to DTC by The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Bond Bank Trustee*") under the Indenture, as defined and described herein, so long as DTC or its nominee is the registered owner of the 2022G Bond Bank Bonds. See "THE 2022G BOND BANK BONDS."

The 2022G Bond Bank Bonds will be issued by The Indianapolis Local Public Improvement Bond Bank (the "*Bond Bank*") pursuant to a Trust Indenture dated as of December 1, 2022, as it may be supplemented and amended from time to time, by and between the Bond Bank and the Bond Bank Trustee (collectively, the "*Indenture*") for the principal purpose of purchasing the corresponding Indianapolis Airport Authority Revenue Bonds, Series 2022B-1 (Non-AMT) (the "*2022B-1 Authority Bonds*"), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-2 (AMT) (the "*2022B-2 Authority Bonds*") and the Indianapolis Airport Authority Revenue Bonds, Series 2022B-3 (Taxable) (the "*2022B-3 Authority Bonds*", and collectively with the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds, the "*2022B Authority Bonds*"). The 2022B Authority Bonds will be issued for the principal purpose of providing funds, together with certain other funds of the Indianapolis Airport Authority (the "*Authority*" or "*IAA*"), to: (i) finance a portion of certain capital projects at the Indianapolis International Airport (the "*Airport*" or "*IND*") (collectively, the "*2022B Project*"), (ii) fund a deposit to the reserve account for the 2022B-3 Authority Bonds under the Authority Bond Ordinance, (iii) fund all or a portion of interest on the 2022B Authority Bonds through the in-service date on each particular portion of the 2022B Project, (iv) pay certain costs of issuance related to the Series 2022B Authority Bonds and the 2022G Bond Bank Bonds. The 2022B Authority Bonds have been authorized by the Authority Board pursuant to General Ordinance No 3-2022 (the "*2022B Supplemental Ordinance*"), will be purchased by the Bond Bank and will be held by the Bond Bank to secure the 2022G Bond Bank Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS."

THE 2022G BOND BANK BONDS ARE LIMITED OBLIGATIONS OF THE BOND BANK PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS OF THE BOND BANK PLEDGED THEREFOR UNDER THE INDENTURE (AS MORE FULLY DESCRIBED HEREIN). THE 2022G BOND BANK BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE STATE OF INDIANA (THE "*STATE*") OR ANY POLITICAL SUBDIVISION THEREOF, THE CITY OF INDIANAPOLIS, INDIANA (THE "*CITY*"), MARION COUNTY, INDIANA (THE "*COUNTY*"), THE AUTHORITY OR ANY OTHER QUALIFIED ENTITY (AS DEFINED HEREIN) UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OR A PLEDGE OF THE FAITH, CREDIT AND TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, THE CITY, THE COUNTY OR ANY QUALIFIED ENTITY, INCLUDING THE AUTHORITY. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE 2022G BOND BANK BONDS ARE MORE FULLY DESCRIBED HEREIN. THE BOND BANK HAS NO TAXING POWER. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS."

The detailed maturity schedules for the 2022G Bond Bank Bonds are set forth on the inside cover of this Official Statement. This cover page contains information for quick reference only and is <u>not</u> a summary of this issue. Investors must read the <u>entire</u> Official Statement to obtain information essential to making an informed investment decision.

The 2022G Bond Bank Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriters listed below (collectively, the "*Underwriters*") and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by General Counsel to the Bond Bank; by General Counsel of the Authority; by Frost Brown Todd LLP, Indianapolis, Indiana, as disclosure counsel to the Bond Bank and the Authority; and by Krieg DeVault LLP, Indianapolis, Indiana, as counsel to the Underwriters. Frasca & Associates, LLC is the municipal advisor to the Authority and Sycamore Advisors LLC is the municipal advisor to the Bond Bank. It is expected that the 2022G Bond Bank Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about December 8, 2022.

BofA Securities **UBS**

Academy Securities **PNC Capital Markets** **Siebert Williams Shank & Co., LLC**

$174,640,000
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK BONDS, SERIES 2022G
(INDIANAPOLIS AIRPORT AUTHORITY PROJECT)

MATURITY SCHEDULES

$81,950,000
2022G-1 Bond Bank Bonds (Non-AMT)

Maturity (January 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP[1] (45528U)
2028	1,375,000	5.000%	2.860%	3Y5
2029	1,445,000	5.000%	2.930%	3Z2
2030	1,520,000	5.000%	2.980%	4A6
2031	1,595,000	5.000%	3.040%	4B4
2032	1,675,000	5.000%	3.080%	4C2
2033	1,755,000	5.000%	3.150%[c]	4D0
2034	2,235,000	5.000%	3.300%[c]	4E8
2035	2,885,000	5.000%	3.420%[c]	4F5
2036	3,030,000	5.000%	3.610%[c]	4G3
2037	3,185,000	5.000%	3.750%[c]	4H1
2038	3,340,000	5.000%	3.840%[c]	4J7
2039	3,505,000	5.000%	3.890%[c]	4K4
2040	3,680,000	5.250%	3.930%[c]	4L2
2041	3,870,000	5.250%	3.990%[c]	4M0
2042	4,075,000	5.250%	4.010%[c]	4N8
2043	4,290,000	5.250%	4.040%[c]	4P3

$16,850,000 5.250% Term Bonds due January 1, 2048 (CUSIP: 45528U4Q1) – Yield 4.160%
[c] Priced at the stated yield to the first optional call redemption of January 1, 2032.

$21,640,000 5.000% Term Bonds due January 1, 2053 (CUSIP: 45528U4R9) – Yield 4.290%
[c] Priced at the stated yield to the first optional call redemption of January 1, 2032.

$67,245,000
2022G-2 Bond Bank Bonds (AMT)

Maturity (January 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP[1] (45528U)
2025	85,000	5.000%	3.330%	4S7
2026	405,000	5.000%	3.440%	4T5
2027	1,070,000	5.000%	3.520%	4U2
2028	1,120,000	5.000%	3.580%	4V0
2029	1,180,000	5.000%	3.640%	4W8
2030	1,235,000	5.000%	3.690%	4X6
2031	1,295,000	5.000%	3.740%	4Y4
2032	2,585,000	5.000%	3.760%	4Z1
2033	5,560,000	5.000%	3.790%[c]	5A5
2034	5,450,000	5.000%	3.920%[c]	5B3
2035	5,185,000	5.000%	4.060%[c]	5C1
2036	5,445,000	5.250%	4.160%[c]	5D9
2037	5,730,000	5.250%	4.250%[c]	5E7
2038	6,035,000	5.250%	4.330%[c]	5F4
2039	6,350,000	5.250%	4.380%[c]	5G2
2040	6,680,000	5.250%	4.430%[c]	5H0
2041	7,030,000	5.250%	4.490%[c]	5J6
2042	1,120,000	5.250%	4.510%[c]	5K3
2043	935,000	5.250%	4.540%[c]	5L1

$1,210,000 5.000% Term Bonds due January 1, 2048 (CUSIP: 45528U5M9) – Yield 4.750%
[c] Priced at the stated yield to the first optional call redemption of January 1, 2032.

$1,540,000 5.000% Term Bonds due January 1, 2053 (CUSIP: 45528U5N7) – Yield 4.820%
[c] Priced at the stated yield to the first optional call redemption of January 1, 2032.

$25,445,000
2022G-3 Bond Bank Bonds (Taxable)

Maturity (January 1)	Principal Amount ($)	Interest Rate (%)	Yield	CUSIP[1] (45528U)
2025	2,795,000	4.900%	4.900%	5P2
2026	2,935,000	4.925%	4.925%	5Q0
2027	3,075,000	4.970%	4.970%	5R8
2028	3,230,000	5.000%	5.000%	5S6
2029	3,390,000	5.040%	5.040%	5T4
2030	3,565,000	5.080%	5.080%	5U1
2031	3,745,000	5.130%	5.130%	5V9
2032	2,710,000	5.180%	5.180%	5W7

[c] Priced to the par call date of January 1, 2032.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesperson, or other person has been authorized by the Bond Bank, the City, the Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2022G Bond Bank Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Bond Bank, the City, the Authority or the Underwriters. This Official Statement, which includes the cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2022G Bond Bank Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation, or sale.

The information set forth in this Official Statement has been obtained from the Bond Bank, the City, the Authority and from the sources referenced throughout this Official Statement, which the Bond Bank, the City, and the Authority believe to be reliable. No guarantee is made by the Bond Bank, the City and the Authority, however, as to the accuracy of information provided from sources other than the Bond Bank, the City and the Authority. The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any statement nor any sale of the 2022G Bond Bank Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Bond Bank, the City or the Authority, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction and reasonably believe such information to be accurate and complete, but the Underwriters do not guarantee the accuracy or completeness of such information, and it is not to be construed as the promise or guarantee of the Underwriters.

THE COVER PAGE HEREOF CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THE 2022G BOND BANK BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE 2022G BOND BANK BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BOND BANK, THE CITY, THE AUTHORITY, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE 2022G BOND BANK BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. SEE "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

The statements contained in this Official Statement, including the Appendices, and any other information provided by the Bond Bank, the City or the Authority, that are not purely historical, are forward looking statements. The forward looking statements herein are based on various assumptions and estimates, and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements contained in this Official Statement would prove to be accurate.

Readers should not place undue reliance on forward looking statements. All forward looking statements included in this Official Statement are based on information available to the Bond Bank, the City or the Authority on the date hereof, and the Bond Bank, the City and the Authority assume no obligation to update any such forward looking statements.

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OFFICIAL STATEMENT SUMMARY

This Official Statement Summary is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the 2022G Bond Bank Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms not otherwise defined herein shall have the meanings as set forth in the Official Statement.

The Bond Bank The Indianapolis Local Public Improvement Bond Bank.

Issue and Date $174,640,000 The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G (Indianapolis Airport Authority Project), consisting of the Series 2022G-1 Bonds (Non-AMT) (the "*2022G-1 Bond Bank Bonds*"), the Series 2022G-2 Bonds (AMT) (the "*2022G-2 Bond Bank Bonds*") and the Series 2022G-3 Bonds (Taxable) (the "*2022G-3 Bond Bank Bonds*", and collectively, with the 2022G-1 Bond Bank Bonds and the 2022G-2 Bond Bank Bonds, the "*2022G Bond Bank Bonds*"), will be limited obligations of the Bond Bank payable solely out of revenues and funds pledged for the 2022G Bond Bank Bonds pursuant to the Indenture (as hereafter defined). The 2022G Bond Bank Bonds will be dated the date of delivery.

Purpose of Issue The 2022G Bond Bank Bonds will be issued by the Bond Bank pursuant to a Trust Indenture dated as of December 1, 2022, as it may be supplemented and amended from time to time, by and between the Bond Bank and The Bank of New York Mellon Trust Company, N.A. (the "Bond Bank Trustee") (collectively, the "*Indenture*") for the principal purpose of purchasing the corresponding Indianapolis Airport Authority Revenue Bonds, Series 2022B-1 (Non-AMT) (the "*2022B-1 Authority Bonds*"), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-2 (AMT) (the "*2022B-2 Authority Bonds*") and the Indianapolis Airport Authority Revenue Bonds, Series 2022B-3 (Taxable) (the "*2022B-3 Authority Bonds*", and collectively with the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds, the "*2022B Authority Bonds*"). The 2022B Authority Bonds will be issued for the principal purpose of providing funds, together with certain other funds of the Indianapolis Airport Authority (the "*Authority*" or "*IAA*"), to: (i) finance a portion of certain capital projects at the Indianapolis International Airport (the "*Airport*" or "*IND*"), including but not limited to, the expansion of the parking garage, expansion of the terminal aircraft Remain-Over-Night ("*RON*") parking, completion of the airfield maintenance and snow removal equipment facility, improvement of the 5R-23L south runway, and rehabilitation of the public parking lots (collectively, the "*2022B Project*"), (ii) fund a deposit to the reserve account for the 2022B-3 Authority Bonds under the Authority Bond Ordinance, (iii) fund all or a portion of interest on the 2022B Authority Bonds through the in-service date on each particular portion of the 2022B Project, (iv) pay certain costs of issuance related to the Series 2022B Authority Bonds and the 2022G Bond Bank Bonds. The 2022B Authority Bonds have been authorized by the Authority Board pursuant to General Ordinance No 3-2022, will be purchased by the Bond Bank and will be held by the Bond Bank to secure the 2022G Bond Bank Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS."

Report of the Airport Consultant See Appendix C.

Amounts and Maturities See tables on inside cover pages.

Interest Payment Dates	January 1 and July 1 of each year commencing July 1, 2023.
Security for Payment	The 2022G Bond Bank Bonds will be secured by a pledge of, and lien on, the 2022B Authority Bonds and all payments and earnings thereon, as well as all Funds and Accounts established by the Indenture and proceeds thereof. The 2022B Authority Bonds are secured by (i) the assets pledged to secure the Authority Revenue Bonds under the Authority Bond Ordinance (the "*Authority Trust Estate*"), including specifically a pledge of Net Revenues of the Airport System (as defined herein) on parity with all Outstanding Authority Bonds (as defined herein) and any other Additional Authority Bonds which may be issued in the future and (ii) certain Reserve Accounts of the Authority Revenue Bond Reserve Fund pledged to the payment of particular 2022B Authority Bonds as discussed herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS—Pledge of 2022B Authority Bonds and Payments Thereon" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund."
Outstanding Authority Revenue Bonds	As of October 31, 2022, the Authority has $811,115,000 principal amount of Outstanding Authority Bonds that are secured by Net Revenues of the Airport System (as defined herein) on a parity basis. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Outstanding Authority Bonds and 2022B Authority Bonds."
Additional Authority Bonds	The Authority may issue Additional Authority Bonds on a parity with the 2022B Authority Bonds with respect to the lien on Net Revenues of the Airport System subject to certain conditions set forth in the Authority Bond Ordinance. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Outstanding Authority Bonds and 2022B Authority Bonds" and "-Additional Bonds."
Redemption	The 2022G Bond Bank Bonds and the 2022B Authority Bonds are subject to redemption prior to maturity as described under "THE 2022G BOND BANK BONDS – Redemption."
Bondholder Risks	For discussion of risks and investment considerations for the 2022G Bond Bank Bonds and the 2022B Authority Bonds see "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS" and "RISKS AND OTHER INVESTMENT CONSIDERATIONS."
Ratings	Moody's and Fitch have assigned a rating of "A1" and "A", each with a stable outlook, respectively, to the 2022G Bond Bank Bonds. See "RATINGS."
Tax Status of Interest	Under existing laws, regulations, judicial decisions and rulings, interest on the 2022G-1 and 2022G-2 Bond Bank Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "*Code*") for federal income tax purposes, except for interest on any 2022G-2 Bond Bank Bond for any period during which such 2022G-2 Bond Bank Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the 2022G-2 Bond Bank Bonds or a "related person" as defined in Section 147(a) of the Code. Interest on the 2022G-1 Bond Bank Bond is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-2 Bond Bank Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the

2022G-1 and 2022G-2 Bond Bank Bonds; however, is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the 2022G-3 Bond Bank Bond is not excludable from gross income under Section 103 of the Code for federal income tax purposes. Interest on the 2022G Bond Bank Bonds is exempt from income taxation in the State of Indiana, for all purposes. See "TAX MATTERS," "TAX STATUS OF THE 2022G-3 BOND BANK BONDS" and "APPENDIX B—FORM OF BOND COUNSEL OPINION" herein.

Trustee .... The Bank of New York Mellon Trust Company, N.A. has been named by the Bond Bank to act as trustee under the Indenture for the Series 2022G Bond Bank Bonds and also serves as the trustee for the 2022B Authority Bonds under the Authority Bond Ordinance.

Bond Counsel .... Ice Miller LLP, Indianapolis, Indiana, will act as Bond Counsel for the Bond Bank and the Authority.

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

INDIANAPOLIS AIRPORT AUTHORITY

BOND COUNSEL
Ice Miller LLP
Indianapolis, Indiana

DISCLOSURE COUNSEL
Frost Brown Todd LLP
Indianapolis, Indiana

MUNICIPAL ADVISOR TO BOND BANK
Sycamore Advisors LLC
Indianapolis, Indiana

MUNICIPAL ADVISOR TO AUTHORITY
Frasca & Associates, LLC
New York, New York

AIRPORT CONSULTANT
Landrum & Brown, Incorporated
Cincinnati, Ohio

BOND BANK AND AUTHORITY TRUSTEE
The Bank of New York Mellon Trust Company, N.A.
Indianapolis, Indiana

UNDERWRITERS' COUNSEL
Krieg DeVault LLP
Indianapolis, Indiana

$174,640,000
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
BONDS, SERIES 2022G
(Indianapolis Airport Authority Project)

$81,950,000	$67,245,000	$25,445,000
2022G-1	2022G-2	2022G-3
(Non-AMT)	(AMT)	(Taxable)

INTRODUCTION

General

The purpose of this Official Statement, including the cover page, the inside cover page, the official statement summary, other preliminary pages and the appendices, is to provide certain information in connection with the issuance and sale by The Indianapolis Local Public Improvement Bond Bank (the "*Bond Bank*") of its $174,640,000 aggregate principal amount of Bonds, Series 2022G (Indianapolis Airport Authority Project), consisting of (i) its $81,950,000 principal amount of Bonds, Series 2022G-1 (Non-AMT) (the "*2022G-1 Bond Bank Bonds*"), (ii) its $67,245,000 principal amount of Bonds, Series 2022G-2 (AMT) (the "*2022G-2 Bond Bank Bonds*"), and (iii) its $25,445,000 principal amount of Bonds, Series 2022G-3 (Taxable) (the "*2022G-3 Bond Bank Bonds*" and, together with the 2022G-1 Bond Bank Bonds and 2022G-2 Bond Bank Bonds, the "*2022G Bond Bank Bonds*"). The 2022G Bond Bank Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank on September 19, 2022 (the "*Bond Bank Resolution*"), and are issued and secured by the Trust Indenture, dated as of December 1, 2022, as supplemented and amended from time to time (the "*Indenture*"), between the Bond Bank and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Bond Bank Trustee*"), all pursuant to the laws of the State of Indiana (the "*State*"), particularly Indiana Code ("*IC*") 5-1.4, as amended from time to time (the "*Bond Bank Act*"). Additionally, The Bank of New York Mellon Trust Company, N.A. will serve as registrar (the "*Registrar*") and paying agent (the "*Paying Agent*") for the 2022G Bond Bank Bonds, and will also serve as trustee (the "*Authority Trustee*"), registrar and paying agent under the Authority Bond Ordinance (as defined below) with respect to the Indianapolis Airport Authority Revenue Bonds, Series 2022B, which have been authorized by the Authority Board and are designated "Indianapolis Airport Authority Revenue Bonds, Series 2022B-1 (Non-AMT)" (the "*2022B-1 Authority Bonds*"), "Indianapolis Airport Authority Revenue Bonds, Series 2022B-2 (AMT)" (the "*2022B-2 Authority Bonds*"), and "Indianapolis Airport Authority Revenue Bonds, Series 2022B-3 (Taxable)" (the "*2022B-3 Authority Bonds*" and collectively with the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds, the "*2022B Authority Bonds*"). Unless otherwise defined herein, capitalized terms used in this Official Statement are defined in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS."

The Bond Bank and the Bond Bank Act

The Bond Bank is a body corporate and politic, created pursuant to the provisions of the Bond Bank Act, separate from the Consolidated City of Indianapolis, Indiana, as such term is defined in Indiana Code § 36-3-1-4 (the "Consolidated City"), and the Indianapolis Airport Authority (the "*Authority*" or "*IAA*"), established for the public purposes set forth in the Bond Bank Act. Pursuant to the Bond Bank Act, the purpose of the Bond Bank is to purchase, sell and/or exchange securities of "qualified entities," which includes the Authority. The Bond Bank is governed by a board of five directors, each appointed by the Mayor of the City. **The Bond Bank has no taxing power**. See "THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK" herein.

The Bond Bank was created for the purpose of helping eligible qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. The Bond Bank's structure allows for the centralized management and supervision of all debt issued by such governmental entities throughout Marion County.

The offering of the 2022G Bond Bank Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2022G Bond Bank

Bonds. The preceding summary statement and this introductory material are only a brief description of and are qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement, including the appendices and the documents summarized or described herein, and particularly the section entitled "RISKS AND OTHER INVESTMENT CONSIDERATIONS." Detachment or other use of the "OFFICIAL STATEMENT SUMMARY" or this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page, other preliminary pages and appendices, is unauthorized.

Financing Plan

The 2022G Bond Bank Bonds will be issued by the Bond Bank pursuant to the Indenture for the principal purpose of purchasing the corresponding 2022B Authority Bonds. The 2022B Authority Bonds will be issued for the principal purpose of providing funds, together with certain other funds of the Indianapolis Airport Authority (the "*Authority*" or "*IAA*"), to: (i) finance a portion of certain capital projects at the Indianapolis International Airport (the "*Airport*" or "*IND*"), including but not limited to, expansion of the parking garage, expansion of the terminal aircraft RON parking, completion of the airfield maintenance and snow removal equipment facility, improvement of the 5R-23L south runway, and rehabilitation of the public parking lots (collectively, the "*2022B Project*"), (ii) fund a deposit to the reserve account for the 2022B-3 Authority Bonds under the Authority Bond Ordinance, (iii) fund all or a portion of the interest on the 2022B Authority Bonds through the in-service date on each particular portion of the 2022B Project, and (iv) pay certain costs of issuance related to the 2022B Authority Bonds and the 2022G Bond Bank Bonds. The 2022B Authority Bonds have been authorized by the Authority Board pursuant to General Ordinance No 3-2022, and will be purchased by the Bond Bank and held by the Bond Bank to secure the 2022G Bond Bank Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS."

The 2022G Bond Bank Bonds and the corresponding 2022B Authority Bonds are issued solely as fully registered certificates in denominations of $5,000, or any integral multiple thereof. The 2022G Bond Bank Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"), the securities depository for the 2022G Bond Bank Bonds. Purchases of the 2022G Bond Bank Bonds are to be made in book entry-only form. Purchasers will not receive certificates representing their beneficial ownership interest in the 2022G Bond Bank Bonds. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

The 2022G Bond Bank Bonds mature and bear interest calculated based on a 360 day year consisting of twelve 30 day months as set forth on the inside cover page hereof. The payment of principal of and interest on the 2022G Bond Bank Bonds is described under the caption "THE 2022G BOND BANK BONDS—General Description." The 2022G Bond Bank Bonds (and the corresponding 2022B Authority Bonds) are subject to redemption prior to maturity as more fully described herein under the caption "THE 2022G BOND BANK BONDS—Redemption—*Optional Redemption of 2022G Bond Bank Bonds*."

Security and Sources of Payment for the 2022G Bond Bank Bonds

The 2022G Bond Bank Bonds will be issued under and secured by the Indenture. The 2022G Bond Bank Bonds are issued and secured separately from any other obligations issued by the Bond Bank, including other bonds issued by the Bond Bank on behalf of the Authority. The principal of and interest on any and all of the 2022G Bond Bank Bonds and any Additional Bond Bank Bonds (as defined herein) that may be authorized and issued by the Bond Bank on a parity with the 2022G Bond Bank Bonds and are payable from the Trust Estate (as defined in "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of the Indenture"), which is pledged pursuant to the Indenture for the benefit of the owners of the 2022G Bond Bank Bonds without priority. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Additional Bonds."

Neither the faith, credit nor taxing power of the State or any political subdivision thereof, the City, Marion County, Indiana (the "*County*"), the Authority, or any other Qualified Entity (as defined in the Bond Bank Act) are pledged to the payment of the principal of, premium, if any, and interest on any of the 2022G Bond Bank Bonds. The 2022G Bond Bank Bonds are not a debt, liability, loan of the credit, pledge of the faith and credit of the State or of any political subdivision thereof, including the City, the County, or the Authority. **The Bond Bank has no taxing power**.

The Indenture does not require a debt service reserve fund for the 2022G Bond Bank Bonds, nor will one be provided; however, the Authority has created and funded one or more Reserve Accounts under the Authority Bond Ordinance that will secure the 2022B Authority Bonds (and other Authority Revenue Bonds) as discussed herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund" below.

The Authority and the 2022B Authority Bonds

The Authority is a municipal corporation, separate from the City and the County, organized and existing under IC 8-22-3, as amended and in effect on the issue date of the 2022B Authority Bonds (the "*Authority Act*"), with the power to own and operate public airports. The Authority owns and operates the Indianapolis International Airport (the "*Airport*"), as well as the downtown heliport (although it should be noted that the Authority has announced its intention to sell and divest the downtown heliport), Eagle Creek Airpark, Metropolitan Airport, Indianapolis Regional Airport, and Hendricks County Airport-Gordon Graham Field (collectively with the Airport, the "*Airport System*"). See "THE INDIANAPOLIS AIRPORT AUTHORITY" and "THE AIRPORT AND AIRPORT SYSTEM" for information concerning the Authority and its assets and operations.

The 2022B Authority Bonds are being issued under the Authority Act and pursuant to the Authority Master Ordinance (as defined herein), as supplemented by General Ordinance No. 3-2022 (the "*2022B Supplemental Ordinance*") adopted by the Authority on September 16, 2022 (collectively, the "*Authority Bond Ordinance*").

Security and Sources of Payment for the 2022B Authority Bonds

The 2022B Authority Bonds are secured by a pledge of the Authority Trust Estate, including specifically the Net Revenues of the Airport System, on parity with all other series of Authority Revenue Bonds (as defined herein), of which $811,115,000 in principal amount was outstanding as of October 31, 2022. The Outstanding Authority Bonds (as defined herein) are more particularly described in "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Outstanding Authority Bonds and 2022B Authority Bonds." In addition, other Authority Revenue Bonds with a parity pledge on the Net Revenues of the Airport System (*"Additional Authority Bonds"*) may be issued in the future in accordance with the provisions of the Master Bond Ordinance, as described herein. The 2022B Authority Bonds, any Additional Authority Bonds and the Outstanding Authority Bonds are collectively referred to herein as the "*Authority Revenue Bonds*."

Upon issuance of the 2022B Authority Bonds, the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds shall also be secured by the 14/16A-1 Account (as defined herein) on parity with the 2014A Authority Bonds and the 2016A-1 Authority Bonds (each as defined herein) and such account shall hereafter be named 14/16A/22B Tax Exempt Reserve Account. Upon issuance, the 2022B-3 Authority Bonds shall be secured by the 2016A-2 Account (as defined herein) on parity with the 2016A-2 Authority Bonds (as defined herein) and such account shall hereafter be named the 16A/22B Taxable Reserve Account. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund."

The Authority Revenue Bonds are special limited obligations of the Authority payable on a parity basis solely from and secured exclusively by a lien upon the Net Revenues of the Airport System and monies in certain funds established under the Authority Bond Ordinance on a parity basis with all other Outstanding Authority Bonds from time to time (except to the extent that in some cases a specific account of the Revenue Bond Reserve Fund secures only specific Authority Revenue Bonds), and neither the Authority, the Authority Board, nor any of its officers, agents or employees, is under any obligation to pay the Authority Revenue Bonds from any other source. The Authority Revenue Bonds are not a general obligation of the Authority, the Bond Bank, the County, the City or the State, nor a charge, a lien or an encumbrance, legal or equitable, upon property of the Authority or upon income, receipts, or revenues of the Authority, other than those revenues and monies that have been specifically pledged to the payment of the Authority Revenue Bonds. The Authority Revenue Bonds are not payable from funds raised or to be raised by taxation. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS."

Bondholder Risks

The 2022G Bond Bank Bonds may not be suitable for all investors. Prospective purchasers of the 2022G Bond Bank Bonds should read this entire Official Statement including information under the section "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

The Official Statement; Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Introduction is qualified by reference to this entire Official Statement (including the appendices). This Introduction is only a brief description, and a full review should be made of this entire Official Statement (including the appendices), as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Summaries of certain provisions of the Indenture, the Authority Bond Ordinance and the Airline Agreements (as defined herein) are set forth in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS."

Information contained in this Official Statement with respect to the Bond Bank, the City and the Authority and copies of the Indenture, the Authority Bond Ordinance, the Airline Agreements, and the other documents and instruments referred to herein may be obtained from The Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Room 2342, City-County Building, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-4220.

FINANCING PLAN

The Bond Bank Program

The 2022G Bond Bank Bonds will be used to purchase the corresponding 2022B Authority Bonds, which will be held by the Bond Bank as security for the 2022G Bond Bank Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS."

Estimated Sources and Uses of Funds

Upon issuance of the 2022G Bond Bank Bonds and the 2022B Authority Bonds, the proceeds of the 2022B Authority Bonds and funds of the Authority are to be applied to fund all of a portion of the 2022B Project, plus pay all or a portion of interest on the 2022B Authority Bonds through the in-service date on each particular portion of the 2022B Project, fund a Reserve Account for the 2022B-3 Authority Bonds, and pay costs of issuance related to the 2022B Authority Bonds and 2022G Bond Bank Bonds.

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The following sets forth the estimated sources and uses of the proceeds of the 2022B Authority Bonds.

	Series 2022B-1 Authority Bonds	Series 2022B-2 Authority Bonds	Series 2022B-3 Authority Bonds	Total
Sources:				
Par Amount of 2022B Authority Bonds	$81,950,000.00	$67,245,000.00	$25,445,000.00	$174,640,000.00
Plus Original Issue Premium	7,113,077.45	4,664,233.45	-	11,777,310.90
Authority Funds	345,892.88	279,272.73	1,612,112.18	2,237,277.79
Total	$89,408,970.33	$72,188,506.18	$27,057,112.18	$188,654,588.69
Uses:				
Deposit to 2022B Project Fund	$85,300,462.21	$70,972,245.83	$25,393,975.88	$181,666,683.92
Deposit to the 2022B Capitalized Interest Account	3,561,715.11	781,687.53	-	4,343,402.64
Deposit to the 16A2/22B Taxable Reserve	-	-	1,513,291.79	1,513,291.79
Costs of Issuance(1)	546,793.01	434,572.82	149,844.51	1,131,210.34
Total	$89,408,970.33	$72,188,506.18	$27,057,112.18	$188,654,588.69

(1) This amount includes the underwriters' discount and other costs of issuance, such as legal fees, printing, municipal advisor, rating agency fees and related expenses for the Bond Bank and the Authority.

THE 2022G BOND BANK BONDS

General Description

The 2022G Bond Bank Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof (the "*Authorized Denominations*"). The 2022G Bond Bank Bonds will be dated the date of their delivery. The 2022G Bond Bank Bonds are initially registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the 2022G Bond Bank Bonds. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

Interest on the 2022G Bond Bank Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2023 (each an "*Interest Payment Date*"). The 2022G Bond Bank Bonds will bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Each 2022G Bond Bank Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated prior to the close of business on June 15, 2023, in which event it will bear interest from the date of delivery, or (b) authenticated after the fifteenth day of the calendar month immediately preceding an Interest Payment Date (a "*Record Date*"), in which event it will bear interest from such Interest Payment Date; provided, however, that if, at the time of authentication of any 2022G Bond Bank Bond, interest is in default, such 2022G Bond Bank Bond will bear interest from the date to which interest has been paid.

When issued, all 2022G Bond Bank Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests in the 2022G Bond Bank Bonds will be made from DTC in book-entry-only form (without certificates) in Authorized Denominations. So long as DTC or its nominee is the registered owner of the 2022G Bond Bank Bonds, payments of the principal of and interest on the 2022G Bond Bank Bonds will be made directly by the Paying Agent by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "*DTC Participants*") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners of the 2022G Bond Bank Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

If DTC or its nominee is not the registered owner of the 2022G Bond Bank Bonds, principal of and premium, if any, on all of the 2022G Bond Bank Bonds will be payable at maturity upon the surrender thereof at the delivery office of the Paying Agent. Interest on the 2022G Bond Bank Bonds, when due and payable, will be paid by check dated the due date mailed by the Paying Agent one business day before the due date (or, in the case of an owner of 2022G Bond Bank Bonds in an aggregate principal amount of at least $1,000,000, by wire transfer on such due date, upon written direction of such registered owner to the Paying Agent not less than five business days before the Record Date immediately prior to such Interest Payment Date, which direction shall remain in effect until revoked in writing by such owner). Interest payments shall be mailed to the persons in whose names such 2022G Bond Bank Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Registrar on the Record Date, irrespective of any transfer or exchange of such 2022G Bond Bank Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Bond Bank shall default in payment of interest due on such Interest Payment Due.

Except as provided in "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM," in all cases in which the privilege of exchanging or transferring 2022G Bond Bank Bonds is exercised, the Bond Bank will execute and the Registrar will deliver the 2022G Bond Bank Bonds in accordance with the provisions of the Indenture. The 2022G Bond Bank Bonds will be exchanged or transferred at the designated corporate trust office of the Registrar only for 2022G Bond Bank Bonds of the same tenor and maturity. In connection with any transfer or exchange of 2022G Bond Bank Bonds, the Bond Bank, the Registrar and Paying Agent or the Bond Bank Trustee may impose a charge for any applicable tax, fee, or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a 2022G Bond Bank Bond is registered will be deemed and regarded as its absolute owner for all purposes, and payment of principal and interest thereon will be made only to or upon the order of the registered owner or its legal representative, but such registration may be changed as provided above. All such payments shall be valid to satisfy and discharge the liability upon such 2022G Bond Bank Bond to the extent of the sum or sums so paid.

Redemption

Optional Redemption of 2022G Bond Bank Bonds. The 2022G-1 Bond Bank Bonds maturing on or after January 1, 2033 are subject to redemption prior to maturity, in whole or in part, in order of maturity determined by the Bond Bank, upon the direction of the Authority, and by lot within a maturity, commencing January 1, 2032, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium. The 2022G-2 Bond Bank Bonds maturing on or after January 1, 2033 are subject to redemption prior to maturity, in whole or in part, in order of maturity determined by the Bond Bank, upon the direction of the Authority, and by lot within a maturity, commencing January 1, 2032, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, and without premium. The 2022G-3 Bond Bank Bonds are subject to redemption prior to maturity, in whole or in part, in order of maturity determined by the Bond Bank, upon the direction of the Authority, and by lot within a maturity, at the Series G-3 Make-Whole Redemption Price.

"Series G-3 Make-Whole Redemption Price" means the greater of (a) the issue price as shown on the inside front cover pages of this Official Statement relating to the 2022G-3 Bond Bank Bonds to be redeemed; or (b) the sum of the present value of the remaining scheduled payments of principal of and interest on 2022G-3 Bond Bank Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date of on which the 2022G-3 Bond Bank Bonds are to be redeemed, discounted to the date on which the 2022G-3 Bond Bank Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 25 basis points, plus, in each case, accrued and unpaid interest on the 2022G-3 Bond Bank Bonds to be redeemed on the redemption date.

"Treasury Rate" means, with respect to any redemption date for the 2022G-3 Bond Bank Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (as defined below), as calculated by the Designated Investment Banker (as defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for the 2022G-3 Bond Bank Bonds, the United States Treasury security or securities (excluding inflation indexed securities) selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the 2022G-3 Bond Bank Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the 2022G-3 Bond Bank Bonds to be redeemed.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the Authority.

"Reference Treasury Dealer" means each of the firms selected by the Authority from time to time, any or all of which may also be an Underwriter for the 2022G-3 Bond Bank Bonds, that are primary United States government securities dealers in The City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Authority will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the 2022G-3 Bond Bank Bonds, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (express in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on a date selected by the Authority that is no less than three business days and no more than 45 business days preceding such redemption date.

Mandatory Sinking Fund Redemption for the 2022G Term Bonds. The 2022G-1 Bond Bank Bonds maturing on January 1, 2048 (the "*2048 G-1 Term Bond*") are subject to mandatory sinking fund redemption in part, on January 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2048 G-1 Term Bond to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

Year	Amount
2044	$3,030,000
2045	3,195,000
2046	3,360,000
2047	3,540,000
2048*	3,725,000

* Final maturity

The 2022G-1 Bond Bank Bonds maturing on January 1, 2053 (the "*2053 G-1 Term Bond*") are subject to mandatory sinking fund redemption in part, on January 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2053 G-1 Term Bond to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

Year	Amount
2049	$3,915,000
2050	4,110,000
2051	4,320,000
2052	4,535,000
2053*	4,760,000

* Final maturity

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The 2022G-2 Bond Bank Bonds maturing on January 1, 2048 (the "*2048 G-2 Term Bond*") are subject to mandatory sinking fund redemption in part, on January 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2048 G-2 Term Bond to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

Year	Amount
2044	$220,000
2045	230,000
2046	240,000
2047	255,000
2048*	265,000

* Final maturity

The 2022G-2 Bond Bank Bonds maturing on January 1, 2053 (the "*2053 G-2 Term Bond*") are subject to mandatory sinking fund redemption in part, on January 1 in the years and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of such 2053 G-2 Term Bond to be redeemed plus the unpaid interest accrued thereon to the date fixed for redemption, all in the manner provided in the Indenture:

Year	Amount
2049	$280,000
2050	295,000
2051	305,000
2052	320,000
2053*	340,000

* Final maturity

The 2022B Authority Bonds are subject to redemption prior to maturity upon terms identical to the terms of redemption of the corresponding 2022G Bond Bank Bonds.

Selection of Bonds to be Redeemed. If fewer than all of the 2022G Bond Bank Bonds will be called for redemption, the principal amount and maturity of the particular 2022G Bond Bank Bonds to be redeemed shall be selected by the Bond Bank, at the direction of the Authority, provided that the 2022G Bond Bank Bonds shall be redeemed only in integral multiples of $5,000 principal amount. If the 2022G Bond Bank Bonds are held in a book entry only system, the 2022G Bond Bank Bonds within a maturity to be redeemed shall be selected by the Depository Company in such manner as the Depository Company may determine. If the 2022G Bond Bank Bonds are not held in the Book Entry System, the Registrar shall select the particular 2022G Bond Bank Bonds to be redeemed within a maturity by lot in such manner, as the Registrar in its sole discretion may deem fair and appropriate. If any of the 2022G Bond Bank Bonds are simultaneously subject to both optional and mandatory redemption, the Bond Bank Trustee shall first select by lot the 2022G Bond Bank Bonds to be redeemed under the optional redemption provisions.

Notice of Redemption. In the case of redemption of the 2022G Bond Bank Bonds, notice of the call for any such redemption identifying the 2022G Bond Bank Bonds, or portions of 2022G Bond Bank Bonds to be redeemed shall be given by the Bond Bank Trustee by mailing a copy of the redemption notice by first class mail at least 30 days but not more than 45 days prior to the date fixed for redemption to the registered owner of each 2022G Bond Bank Bond to be redeemed at the address shown on the registration books. Failure to give such notice by mailing to any bondholder, or any defect in the notice, shall not affect the validity of any proceeding for the redemption of any other 2022 Bond Bank Bonds. On the date fixed for redemption of any 2022 Bond Bank Bond, funds for the payment thereof shall be on deposit in the Redemption Account (as defined in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of the Indenture") representing monies deposited by the Authority with the Bond Bank Trustee, and the Bond Bank Trustee shall be directed to apply such funds to the payment of each 2022G Bond Bank Bond or portion thereof called for redemption, together with accrued interest thereon to the redemption date and any required premium. Such notice of redemption may be conditional and may be cancelled by the Bond Bank at any time on or prior to the date fixed for redemption. Additionally, after the delivery of notice, in the event such monies are not on deposit in the Redemption Account on the date fixed for redemption, such 2022G Bond Bank Bonds shall not be redeemed and the 2022G Bond Bank Bonds shall remain outstanding as if no notice of redemption had been given. On the date so designated for redemption, notice having been given in the manner and under the conditions provided above, and any conditions precedent to such redemption having been satisfied, any 2022G Bond Bank Bond or portion thereof so called for redemption shall become due and payable at the redemption price provided for in the Indenture.

SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS

The 2022G Bond Bank Bonds Are Limited Obligations

The 2022G Bond Bank Bonds will be limited obligations of the Bond Bank, issued under the Indenture, payable solely from and secured exclusively by the Trust Estate, which consists of the following:

i. the 2022B Authority Bonds, and the earnings thereon and all proceeds thereof, including all amounts paid or required to be paid for principal and interest by the Authority to the Bond Bank on the 2022B Authority Bonds ("*Qualified Obligation Payments*");

ii. the Funds and Accounts established under the Indenture and all moneys and investments therein; and

iii. the income, revenues and profits of the Funds and Accounts, including the Qualified Obligation Payments, and earnings and profits (after consideration of any accrued interest paid and/or amortization of premiums or discount on the investment) of the moneys in the Funds and Accounts.

The 2022G Bond Bank Bonds, together with interest thereon, are limited obligations of the Bond Bank payable solely from the Trust Estate and will be a valid claim of the respective owners thereof only against the Trust Estate. The 2022G Bond Bank Bonds do not constitute a debt, liability or loan of the credit of the State, any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority, under the constitution and laws of the State or a charge against or a pledge of the faith, credit and taxing power of the State, any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority, but will be payable solely from the Trust Estate. The issuance of the 2022G Bond Bank Bonds under the provisions of the Bond Bank Act does not directly, indirectly or contingently obligate the State, any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority, to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the State or any political subdivision thereof, the City, the County, any Qualified Entity, including the Authority, nor any agent, attorney, member, officer, director or employee of the State or any political subdivision thereof, the City, the County, any Qualified Entity, including the Authority, or of the Bond Bank will in any event be liable for the payment of the principal of or interest on the 2022G Bond Bank Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bond Bank. No breach by the Bond Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority, or upon any agents, members, attorneys, employees, officers or directors of the State, any political subdivision, the City, the County, any Qualified Entity, including the Authority, or the Bond Bank or any charge upon the general credit of the State or any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority, or a charge against the taxing power of the State, any political subdivision thereof, the City, the County or any Qualified Entity, including the Authority. **The Bond Bank has no taxing power**.

Pledge of 2022B Authority Bonds and Payments Thereon

To secure the payment of the principal of, premium, if any, and interest on the 2022G Bond Bank Bonds, the Indenture creates the pledge of, and lien on, the 2022B Authority Bonds and all payments and earnings thereon, as well as all Funds and Accounts established by the Indenture and proceeds thereof, for the benefit of the owners of the 2022G Bond Bank Bonds. The principal, premium, if any, and interest payments to be made by the Authority on the 2022B Authority Bonds are identical to the principal of, premium, if any, and interest due on the 2022G Bond

Bank Bonds. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS" and "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Under the Bond Bank Act and IC 5-1-14-4, such pledge will be valid and binding from and after the date of delivery of each series of the 2022G Bond Bank Bonds under the Indenture, and the respective 2022B Authority Bonds and the payments thereon shall be immediately subject to the lien of such pledge without any physical delivery of the payments or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, irrespective of whether such parties have notice thereof.

As purchaser and owner of the 2022B Authority Bonds, the Bond Bank has available to it all remedies available to owners or holders of securities issued by qualified entities provided under the Bond Bank Act. The Bond Bank Act provides that upon the sale and the delivery of any qualified obligation (such as the 2022B Authority Bonds) to the Bond Bank, a Qualified Entity (such as the Authority) will be deemed to have agreed that all statutory defenses to nonpayment are waived if such Qualified Entity fails to pay principal of or interest on such qualified obligation when due. In such instance, the Bond Bank will be considered a holder or owner of securities that are in default. The Bond Bank is obligated under the Indenture to avail itself of all remedies and provisions of law applicable in the circumstances and the failure to exercise any right or remedy within a time or period provided by law may not, according to the Bond Bank Act, be raised as a defense by the defaulting Authority. The Bond Bank will monitor the compliance and consult regularly with the Authority with respect to its requirements under the 2022B Authority Bonds, including the making of payments on the 2022B Authority Bonds to the Bond Bank.

As owner of the 2022B Authority Bonds, the Bond Bank may consent to amendments to the Authority Bond Ordinance and other modifications of the 2022B Authority Bonds without obtaining consent or approval of the holders of the 2022G Bond Bank Bonds or the Bond Bank Trustee. However, the Bond Bank has agreed in the Indenture that: (i) it will not sell, release or dispose of the 2022B Authority Bonds unless the Bond Bank supplies the Bond Bank Trustee with a cash flow certificate to the effect that, following such change, revenues expected to be received by the Bond Bank in each Fiscal Year, together with monies expected to be held in the funds and accounts established under the Indenture, will at least equal the debt service on all outstanding 2022G Bond Bank Bonds in each such Fiscal Year; and (ii) without the consent of any of the holders of the 2022G Bond Bank Bonds, it will only agree to changes to the Authority Bond Ordinance if such changes will not adversely affect any then existing rating from a Rating Agency (as defined in the Indenture) of all Bond Bank Bonds Outstanding under the Indenture.

There is no debt service reserve fund for the 2022G Bond Bank Bonds required under the Indenture, nor will one be provided. However, the Bond Bank holds the 2022B Authority Bonds as security for the 2022G Bond Bank Bonds and the Authority has established one or more Reserve Accounts of the Revenue Bond Reserve Fund under the Authority Master Ordinance and the Authority Supplemental Ordinance to provide additional security for the payments to be made to the Bond Bank on the 2022B Authority Bonds and any other Authority Revenue Bond secured by such Reserve Accounts now or in the future. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund" below.

The Bond Bank has also agreed to consult with the Authority, as necessary from time to time, with regard to the actions needed to be taken by the Authority to preserve the excludability of the interest from the gross income of the holders of the 2022G-1 Bond Bank Bonds and the 2022G-2 Bond Bank Bonds. See "TAX MATTERS."

SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS

Outstanding Authority Bonds and 2022B Authority Bonds

The Authority's General Ordinance No. 5-2014, adopted August 15, 2014 (the "*Authority Master Ordinance*"), and the Authority subsequently adopted the 2022B Supplemental Ordinance in connection with the issuance of the 2022B Authority Bonds (collectively, the "*Authority Bond Ordinance*").

The 2022B Authority Bonds are special obligations of the Authority. The 2022B Authority Bonds are issued under and secured by the Authority Bond Ordinance. The 2022B Authority Bonds are secured by a pledge of Net Revenues of the Airport System on parity with the Outstanding Authority Bonds (as defined herein) and any other Additional Authority Bonds issued by the Authority in the future in accordance with the Authority Act and the

Authority Bond Ordinance, except differences as described below with respect to separate accounts of the Authority's Revenue Bond Reserve Fund. In addition, the 2022B Authority Bonds are secured by one or more Reserve Accounts as described herein. See "SECURITY AND SOURCES OF PAYMENT OF THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund" and "—Pledge of Authority Net Revenues." As of October 31, 2022, the Authority had $811,115,000 of Outstanding Authority Bonds, as set forth below.

Bond Bank Series	Authority Series	Defined Term Herein	Outstanding as of October 31, 2022
Series 2010L	Series 2010C	the "2010C Authority Bonds"	$83,085,000
Series 2014D	Series 2014A	the "2014A Authority Bonds"	144,290,000
Series 2015I	Series 2015A	the "2015A Authority Bonds"	178,690,000
Series 2016A	Series 2016A-1	the "2016A-1 Authority Bonds"	61,310,000
Series 2016A	Series 2016A-2	the "2016A-2 Authority Bonds"	5,760,000
N/A	Series 2019A	the "2019A SRF Authority Bonds"	28,900,000
Series 2019D	Series 2019B	the "2019B Authority Bonds"	134,790,000
Series 2019I-1	Series 2019C-1	the "2019C-1 Authority Bonds"	51,595,000
Series 2019I-2	Series 2019C-2	the "2019C-2 Authority Bonds"	14,785,000
N/A	Series 2019D	the "2019D SRF Authority Bonds"	38,155,000
Series 2022F	Series 2022A	the "2022A Authority Bonds"	69,755,000
			$811,115,000

The 2010C Authority Bonds, the 2014A Authority Bonds, the 2015A Authority Bonds, the 2016A-1 Authority Bonds, the 2016A-2 Authority Bonds, the 2019A SRF Authority Bonds, the 2019B Authority Bonds, the 2019C-1 Authority Bonds, the 2019C-2 Authority Bonds, the 2019D SRF Authority Bonds, and the 2022A Authority Bonds are collectively referred to herein as the "*Outstanding Authority Bonds*". Documentation for the Outstanding Authority Bonds is available to the public on the Electronic Municipal Markets Access System of the Municipal Securities Rulemaking Board ("*EMMA*") found at www.emma.msrb.org.

The 2022B Authority Bonds will be issued in a principal amount equal to the aggregate principal amount of the 2022G Bond Bank Bonds and will be dated their date of delivery. The 2022B Authority Bonds will mature in the same amounts and on the same maturity dates as the 2022G Bond Bank Bonds and will bear interest payable on each January 1 and July 1 beginning July 1, 2023, at the same per annum interest rates as the corresponding 2022G Bond Bank Bonds. Principal of, premium, if any, and interest on the 2022B Authority Bonds will be paid directly to the Bond Bank Trustee (for the account of the Bond Bank). The 2022B Authority Bonds are subject to redemption prior to maturity upon terms identical to the terms of redemption of the corresponding 2022G Bond Bank Bonds. See "THE 2022G BOND BANK BONDS."

The 2022B Authority Bonds and the principal of and the interest on the 2022B Authority Bonds are not a general obligation of the Authority, the Authority Board, the Bond Bank, the County or the City nor a charge, a lien or an encumbrance, legal or equitable, upon property of the Authority, the Authority Board, the Bond Bank, the County or the City, or upon income, receipts or revenues of the Authority, the Authority Board, the Bond Bank, the County or the City other than those revenues of the Authority that have been specifically pledged to the payment of the 2022B Authority Bonds. THE 2022B AUTHORITY BONDS ARE NOT PAYABLE FROM FUNDS RAISED OR TO BE RAISED BY TAXATION.

Pledge of Authority Net Revenues

The 2022B Authority Bonds are special obligations of the Authority, payable on parity with the Outstanding Authority Bonds, and are payable solely from and secured exclusively by a lien upon the Net Revenues of the Airport System ("*Net Revenues*"), except to the extent certain Authority Revenue Bonds are secured by monies in only certain accounts of the Revenue Bond Reserve Fund (as defined in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance") created under the Authority Bond Ordinance. Neither the Authority nor the Authority Board is under any obligation to pay the 2022B Authority Bonds except from such Net Revenues and other funds pledged to secure such bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve

Fund" herein concerning the debt service reserve accounts held for the various 2022B Authority Bonds and the other Outstanding Authority Bonds.

Net Revenues are (i) Gross Revenues (as defined herein) less (ii) Operation and Maintenance Expenses (as defined herein).

"Gross Revenues" consist of all revenues, income, accounts and general intangibles from the Airport System, including but not limited to rents, charges, landing fees, user charges, revenues from concessionaires, ground rents from Special Purpose Facilities (as defined herein) and similar revenues, but excluding revenue from ad valorem taxes or payments in lieu of taxes, payments received on any Investment Swap or Derivative Agreement (each as defined in the Authority Bond Ordinance) (other than a Qualified Derivative Agreement), Federal Payments (as defined below), PFCs and similar charges, grants-in-aid, gifts, investment income, bond or loan proceeds, proceeds from the sale of Airport System capital assets, revenues derived from the reversion of an interest in property following the expiration of a lease, Released Revenues (as defined below) and rental payments made for Special Purpose Facilities to provide for debt service and for an allocable portion of administrative costs for such facilities. "Special Purpose Facilities" are facilities which are leased from the Authority pursuant to which the lessee agrees to pay to the Authority rentals or fees sufficient to pay the principal and interest on bonds issued to pay the cost of construction of the Special Purpose Facility plus such further rentals or fees necessary to maintain all reserves or pay necessary administrative expenses required for Special Purpose Facilities. "Federal Payments" are those funds received by the Airport System from the federal government or any agency thereof as payments for the use of any facilities or services of the Airport System, but excluding grants-in-aid and all mandated payments, including payments from the Transportation Security Administration. Federal Payments do not include PFCs, CFCs or similar charges. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance" and "—Summary of Authority Bond Ordinance—Dedicated Revenues."

Pursuant to the Authority Bond Ordinance the Authority may identify and determine that any revenues (including revenues, fees, income and receipts that would otherwise be considered to be Gross Revenues) are to be designated as Released Revenues by filing the following items with the Authority Trustee:

(a) a written request of an Authorized Airport Representative to release such revenues, accompanied by a certificate of such Authorized Airport Representative certifying the Authority is in compliance with all requirements of the Authority Bond Ordinance;

(b) either: (i) an Accountant's Certificate to the effect that Net Revenues, excluding the revenues proposed to become Released Revenues, for each of the two (2) latest Fiscal Years for which audited financial reports are available were equal to at least 135% of the Debt Service Requirement for each of such Fiscal Years; or (ii) a certificate of an Airport Consultant to the effect that based upon current knowledge of the operation of the Airport, Net Revenues, excluding the revenues proposed to become Released Revenues, for the current Fiscal Year will be equal to at least 135% of the Debt Service Requirement for such Fiscal Year;

(c) proof of notice provided to each Rating Agency of the Authority's intent to release such revenues from the definition of Gross Revenues; and

(d) an opinion of bond counsel to the effect that the exclusion of such revenues from the definition of Gross Revenues and from the pledge, charge and lien of the Authority Bond Ordinance will not adversely affect the tax exempt status of the interest on any Tax-Exempt Bond Outstanding under the Authority Bond Ordinance.

In such event, the Released Revenues shall not be deposited in or shall be released from the Airport System Fund and shall not be pledged as security for the Authority Revenue Bonds. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance," definitions used for these provisions. However, the Authority has never designated, and has no current intention to designate, any Gross Revenues as Released Revenues.

"Operation and Maintenance Expenses" consist of the reasonable and necessary current expenses of the Authority paid or accrued in operating and maintaining the Airport System, including, but not limited to: (i) costs of collecting Gross Revenues and making refunds; (ii) engineering, audit reports, legal and administrative expenses; (iii) salaries, wages, and other compensation; (iv) costs of routine repairs, replacements and renewals; (v) costs of utility services; (vi) general administrative overhead of the Authority; (vii) material and supplies used in the ordinary course of business; (viii) contractual and professional services; (ix) costs of insurance and fidelity bonds; (x) costs of carrying out provisions of the Authority Bond Ordinance; (xi) costs of any single item of $250,000 or less (as specified in the Airline Agreement or such other amount, if any, specified in a future Airline Agreement) or which has a useful life of less than two years; and (xii) all other routine costs and expenses or costs and expenses required by law to be paid by the Authority. However, "Operation and Maintenance Expenses" do not include any allowance for depreciation, any debt service, any payment due on a Derivative Agreement, and do not include any operation and maintenance expenses incurred in connection with Special Purpose Facilities which are reimbursed by the lessee thereof, nor any expenses paid (or the portion paid) by assets, grants or other moneys received by the Authority, but only to the extent such assets, grants or other moneys are not included in Gross Revenues. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

Authority Funds and Accounts

The application of Gross Revenues is governed by the provisions of the Authority Bond Ordinance. The Authority Bond Ordinance creates a special fund designated as the Airport System Fund which is held by the Authority, in which the Authority is required to deposit all Gross Revenues upon receipt by the Authority. Monies held in the Airport System Fund are then applied and deposited into the funds and accounts established pursuant to the Authority Bond Ordinance, as illustrated in the chart below. Gross Revenues in the Airport System Fund are to be applied first to the payment of all current Operation and Maintenance Expenses and then to the Revenue Bond Interest and Principal Fund and Revenue Bond Reserve Fund in the amounts required by the Authority Bond Ordinance. Although certain PFCs, CFCs and other monies of the Authority may be irrevocably designated as Dedicated Revenues pursuant to the Authority Bond Ordinance, such monies will not be pledged to secure Authority Revenue Bonds pursuant to such designations. The Authority may agree to hold such PFCs and other monies of the Authority exclusively to pay a portion of the debt service on Authority Revenue Bonds and related Qualified Derivative Agreement payments, to the extent allowed by law. Revenues remaining after the payment of Operation and Maintenance Expenses, debt service on all Outstanding Authority Bonds, General Obligation Bonds (if any) and Subordinate Securities (if any) (as each is defined herein) and other fund deposit requirements (including the Capital Improvement Fund and Coverage Fund) are transferred to the Prepaid Airline Fund. See Table 1 below for a visual representation of the flow of funds discussed above. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

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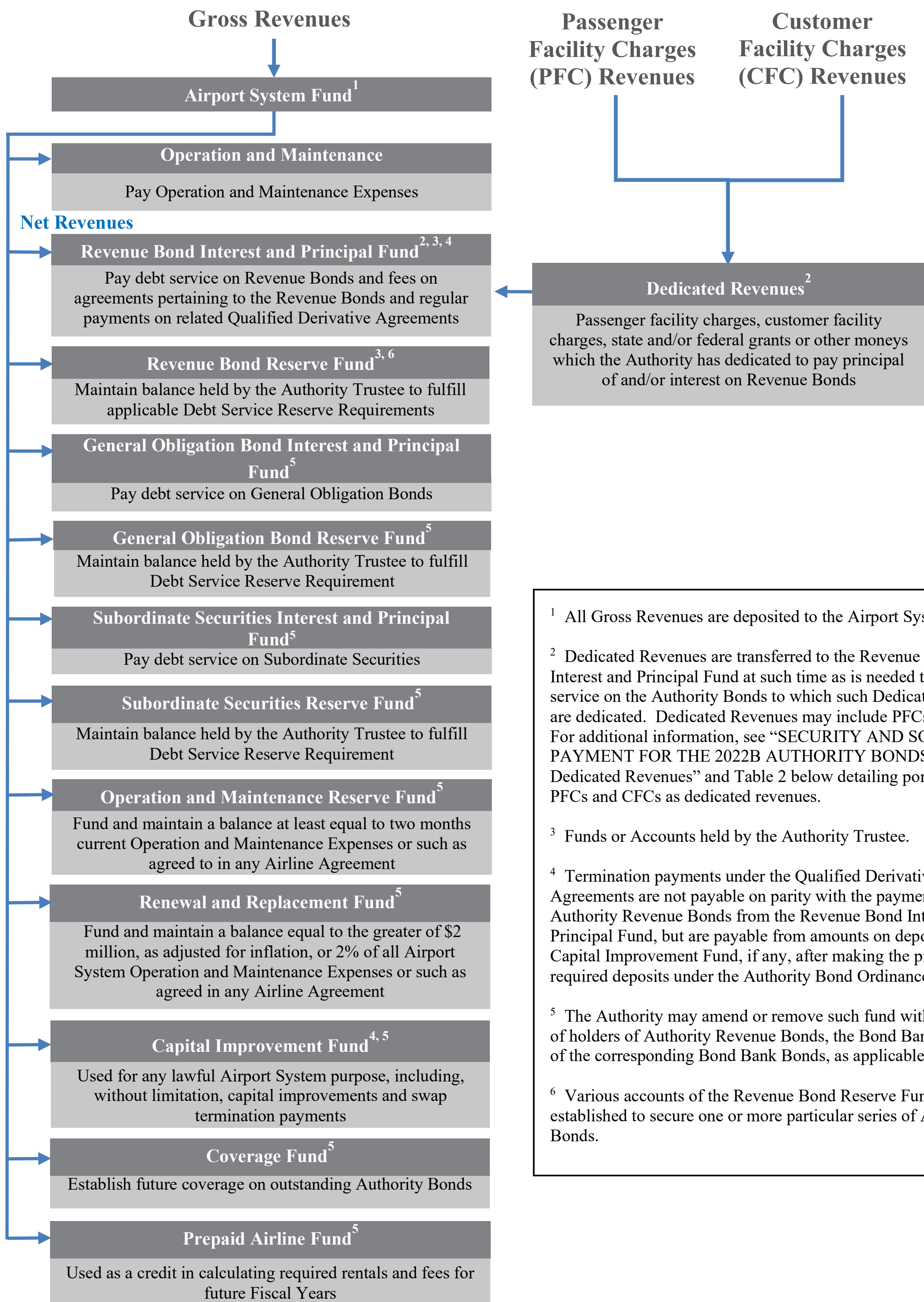
Table 1

The following chart depicts the flow of funds under the Authority Bond Ordinance:



[1] All Gross Revenues are deposited to the Airport System Fund.

[2] Dedicated Revenues are transferred to the Revenue Bond Interest and Principal Fund at such time as is needed to pay debt service on the Authority Bonds to which such Dedicated Revenues are dedicated. Dedicated Revenues may include PFCs and CFCs. For additional information, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Dedicated Revenues" and Table 2 below detailing portions of PFCs and CFCs as dedicated revenues.

[3] Funds or Accounts held by the Authority Trustee.

[4] Termination payments under the Qualified Derivative Agreements are not payable on parity with the payment of the Authority Revenue Bonds from the Revenue Bond Interest and Principal Fund, but are payable from amounts on deposit in the Capital Improvement Fund, if any, after making the previously required deposits under the Authority Bond Ordinance.

[5] The Authority may amend or remove such fund without consent of holders of Authority Revenue Bonds, the Bond Bank, or holders of the corresponding Bond Bank Bonds, as applicable.

[6] Various accounts of the Revenue Bond Reserve Fund have been established to secure one or more particular series of Authority Bonds.

Use and Pledge of Amounts in Funds and Accounts

Amounts in the Airport System Fund are not pledged to secure the Authority Revenue Bonds, and all current Operation and Maintenance Expenses of the Airport System are paid prior to making any deposits to the Revenue Bond Interest and Principal Fund. Further, amounts deposited in the General Obligation Bond Interest and Principal Fund and the General Obligation Bond Reserve Fund, if any, are pledged solely for the purpose of securing General Obligation Bonds, if any. Amounts in the Operation and Maintenance Reserve Fund may be used by the Authority to pay Operation and Maintenance Expenses for which amounts are not otherwise available in the Airport System Fund. Amounts in the Renewal and Replacement Fund may be used to pay for any extraordinary costs of replacing depreciable property and equipment of the Airport System and for making extraordinary repairs, replacements or renovations to the Airport System or to pay Operation and Maintenance Expenses for which insufficient amounts are available in the Airport System Fund. Amounts in the Capital Improvement Fund may be used for any lawful Airport System purpose, including without limitation, payment for capital improvements and swap termination payments, if any. Amounts in the Coverage Fund may be used for any lawful purpose of the Authority as set forth below. Amounts in the Prepaid Airline Fund (as described and defined in the Authority Bond Ordinance) may be used for any Airport System purpose deemed necessary by the Authority. Except for amounts in the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund, no amounts in any other Funds and Accounts are pledged to secure the Authority Revenue Bonds. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

Amendment to Flow of Funds

The Authority Bond Ordinance permits the Authority to modify the flow of funds set forth above (except for the requirement to first pay Operation and Maintenance Expenses and then to fund the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund) at any time without the consent of any other party, including the Bond Bank (as the owner of the 2022B Authority Bonds), the Authority Trustee, the owners of the 2022G Bond Bank Bonds or the Bond Bank Trustee. The effect of any amendment does not obviate the need of the Authority to continue to comply with the Rate Covenant (as defined herein) or any other provisions of the Authority Bond Ordinance.

Revenue Bond Reserve Fund

The Authority is permitted to establish separate accounts within the Revenue Bond Reserve Fund for one or more series of Authority Revenue Bonds at any time, and from time to time, and to set the applicable Debt Service Reserve Requirement for each such account. Each separate reserve fund account would be subject to the lien of only those particular series of Authority Revenue Bonds for which such account was created and pledged. In addition, the Authority may issue Additional Authority Bonds which do not have a lien on any account of the Revenue Bond Reserve Fund. The following is a summary of the applicable reserve accounts currently held under the Authority Bond Ordinance. All of the Authority's Reserve Accounts are fully funded to the amount required.

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Revenue Bond Reserve Fund Account	Associated Authority Bonds[(1)]	Debt Service Reserve Fund Requirement
14/16-1 Account*	2014A Authority Bonds; 2016A-1 Authority Bonds	$31,516,900
15A/19C Account	2015A Authority Bonds; 2019C-1 Authority Bonds; 2019C-2 Authority Bonds	$16,444,729
2016A-2 Account*	2016A-2 Authority Bonds	$2,338,500
2019A Account	2019A SRF Authority Bonds	$1,381,900
2019B Account[(2)]	2019B Authority Bonds	$14,913,000
2019D Account	2019D SRF Authority Bonds	$3,500,677

(1) The Variable Rate Bonds and 2022A Authority Bonds (as each are defined herein) have no reserve.
(2) There is a reserve fund policy with Assured Guaranty Municipal Corp. that satisfies the 2019B Debt Service Reserve Requirement (as defined below). All other Reserve Accounts described above are funded with cash and investments.
* See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Reserve Account for the 2022B Authority Bonds and the Applicable Debt Service Reserve Requirements" below.

Upon issuance of the 2022B Authority Bonds, the 14/16-1 Account of the Revenue Bond Reserve Fund will also secure the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds, on a parity basis with the 2014A Authority Bonds and the 2016A-1 Authority Bonds and such account will hereafter be known as the 14/16A/22B Tax Exempt Reserve Account and the Debt Service Reserve Requirement (as defined herein) for the 14/16A/22B Tax Exempt Reserve Account shall be fully satisfied. In addition, upon issuance of the 2022B Authority Bonds, the 2016A-2 Account of the Revenue Bond Reserve Fund will also secure the 2022B-3 Authority Bonds, on a parity basis with the 2016A-2 Authority Bonds and such account shall hereafter be known as the 16A/22B Taxable Account and the Debt Service Reserve Requirement (as defined herein) for the 16A/22B Taxable Account shall be fully satisfied. The Authority is permitted to satisfy the Debt Service Reserve Requirement for any or all reserve fund accounts, in whole or in part, by the delivery to the Authority Trustee of a surety bond, an insurance policy or a letter of credit. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

In any month, if any account in the Revenue Bond Reserve Fund contains less than the respective Debt Service Reserve Requirement for the applicable Authority Revenue Bonds, then on or before the last business day of such month, after making all required payments and provisions for payment of Operation and Maintenance Expenses and after making all required transfers to the Revenue Bond Interest and Principal Fund, the Authority will transfer to such accounts on a pro rata basis an amount sufficient to reestablish the Debt Service Reserve Requirement for such Authority Revenue Bonds. After each Debt Service Reserve Requirement has been accumulated and for so long thereafter as each account of the Revenue Bond Reserve Fund contains such amount, no transfers will be required to be made to the Revenue Bond Reserve Fund. In the event and to the extent that moneys in the Revenue Bond Reserve Fund exceed the total of the combined Debt Service Reserve Requirements, such excess moneys may be released from the Revenue Bond Reserve Fund. Moneys in a particular account will be used to pay the principal of and interest only on the applicable Authority Revenue Bonds in the event and to the extent that available funds in the Revenue Bond Interest and Principal Fund are insufficient for such purpose, and such moneys may also be used to make the final payments for the retirement or defeasance of such Authority Revenue Bonds then outstanding.

Additionally, if the Authority obtains an opinion of bond counsel that the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder, and any applicable successor to them, do not permit the use of proceeds of a particular series of Authority Revenue Bonds to fund the entire amount needed to meet the Debt Service Reserve Requirement for such Authority Revenue Bonds, then the Authority may, at its option, take up to 24 months to deposit the difference between the Debt Service Reserve Requirement for such Authority Revenue Bonds and the portion of such Debt Service Reserve Requirement that may be funded, in the opinion of bond counsel, by such Authority Revenue Bonds (the "*Unfunded Portion*") into the applicable account, provided that on the first business day of each month of such period the Authority will deposit into the applicable account an amount equal to the monthly pro rata allocation of the Unfunded Portion until the Debt Service Reserve Requirement for such Authority Revenue Bonds is otherwise funded in full.

Reserve Accounts for the 2022B Authority Bonds and the Applicable Debt Service Reserve Requirements

Upon the issuance of the 2022B Authority Bonds, the 14/16A-1 Reserve Account will thereafter secure the 2022B-1 Authority Bonds and 2022B-2 Authority Bonds on parity with the 2014A Authority Bonds and the 2016A-1 Authority Bonds (for such account, collectively, the "*Secured Bonds*") and such account will thereafter be named the "14/16A/22B Tax Exempt Reserve Account." The 14/16A/22B Tax Exempt Reserve Account shall initially equal the Debt Service Reserve Requirement for such Secured Bonds, which will equal the least of the following: (1) the maximum annual principal and interest due on the applicable Secured Bonds in any future calendar year; (2) 125% of the average annual principal and interest payments due on the applicable Secured Bonds in any future calendar year; and (3) 10% of the original principal amount of the applicable Secured Bonds, which amounts shall be calculated by an Authorized Airport representative and communicated to the Authority Trustee (the *"14/16A/22B Debt Service Reserve Requirement*").

Upon the issuance of the 2022B Authority Bonds, the 2016A-2 Reserve Account will thereafter secure the 2022B-3 Authority Bonds on parity with the 2016A-2 Authority Bonds (for such account, collectively, the "Secured Bonds") and such account will thereafter be named the "16A/22B Taxable Reserve Account." The 16A/22B Taxable Reserve Account shall initially equal the Debt Service Reserve Requirement for such Secured Bonds, which will equal the least of the following: (1) the maximum annual principal and interest due on the applicable Secured Bonds in any future calendar year; (2) 125% of the average annual principal and interest payments due on the applicable Secured Bonds in any future calendar year; and (3) 10% of the original principal amount of the applicable Secured Bonds, which amounts shall be calculated by an Authorized Airport representative and communicated to the Authority Trustee (the *"16A/22B Taxable Debt Service Reserve Requirement*").

The Authority Bond Ordinance permits the Authority to issue Additional Authority Bonds in the future secured by the 14/16A/22B Tax Exempt Reserve Account or the 16A/22B Taxable Reserve Account and such account or accounts will then secure the applicable Secured Bonds and such other Authority Revenue Bonds the Authority elects to secure with such Reserve Accounts in the future. For any Reserve Account, each applicable Secured Bond, including any 2022B Authority Bonds, will be secured on a pro rata basis with respect to all bonds secured by the applicable Reserve Account.

Passenger Facility Charges (PFCs)

PFCs. The Authority is authorized by the Federal Aviation Administration ("*FAA*") to collect a passenger facility charge ("*PFC*") of $4.50 per eligible enplaned passenger, of which the airlines retain an administrative fee, netting $4.39 per eligible enplaned passenger to the Authority. The Authority received "use approval" from the FAA for $635.9 million of PFC revenue for eligible project costs or to pay debt service on Authority Revenue Bonds issued to finance and refinance certain capital improvements at the Airport. As of June 30, 2022, the Authority had $231.7 million of PFC use authority from the FAA remaining to pay debt service on Authority Revenue Bonds. From January 1 through August 31, 2022, the Authority collected PFC revenue (excluding interest income) of approximately $11.7 million. As of August 31, 2022, the Authority had an unapplied PFC Fund balance of $16.2 million.

Customer Facility Charges (CFCs)

CFCs. On March 17, 2006, the Authority adopted an ordinance establishing a customer facility charge ("*CFC*") to be collected by rental car companies serving the Airport. Effective May 1, 2006, the rental car companies began to charge and collect a $3.00 CFC per contract day (up to a maximum of 14 contract days) to be remitted to the Authority for use to pay debt service, capital, and operating costs related to the rental car facilities. Effective February 1, 2010, the Authority implemented, and the rental car companies began to charge and collect, a $4.00 CFC per contract day (up to a maximum of 14 contract days). Effective March 1, 2019, the Authority implemented, and the rental car companies began to charge and collect, a $5.00 CFC per contract day (up to a maximum of 14 contract days). Under the Authority's current rate ordinance, the Authority may modify the CFC rate upon 60 days' written notice to the rental car companies. In the event of an adjustment the Authority will provide the rental car companies with documentation and analysis of expenses supporting the adjustment and shall take into consideration comments from the rental car companies. To date, the Authority has used its CFC revenues for payment of debt service on Authority Revenue Bonds and reimbursing rental car related expenditures and expects to use CFC Revenues to pay 2022B Authority Bonds applicable to the parking garage improvements. From January 1 through August 31, 2022, the Authority collected CFC revenue (excluding interest income) of approximately $5.2 million. As of August 31, 2022, the Authority had an unapplied CFC Fund balance of $6.9 million.

Dedicated Revenues

Pursuant to the Authority Bond Ordinance, the Authority may adopt an ordinance or resolution irrevocably designating certain PFCs, CFCs, state and/or federal grants or other moneys not otherwise treated as Gross Revenues, to the extent collected, as Dedicated Revenues (including, without limitation, PFCs and CFCs, as each are defined in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance") herein to be used exclusively to pay debt service on certain Authority Revenue Bonds. Although such Dedicated Revenues will not be pledged to secure the Authority Revenue Bonds, by such designation, the Authority will agree to hold and use such Dedicated Revenues exclusively for the payment of debt service on such Authority Revenue Bonds to the extent allowed by law. In such ordinance or resolution, the Authority will elect to exclude the debt service on certain Authority Revenue Bonds in an amount equal to such Dedicated Revenues for purposes of determining compliance with the Rate Covenant and the requirements for issuance of Additional Authority Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Additional Bonds." In the event that the Authority adopts an ordinance or resolution irrevocably designating certain Dedicated Revenues as described above, the Authority will transfer such Dedicated Revenues into the Revenue Bond Interest and Principal Fund at such time as is necessary to pay debt service when due on such Authority Revenue Bonds.

The Authority adopted a resolution on October 21, 2022, irrevocably designating PFC and CFC revenues in the amounts outlined in Table 2 below as Dedicated Revenues under the Authority Bond Ordinance, to the extent collected, to be used exclusively to pay debt service on certain Outstanding Authority Bonds, including CFCs dedicated to the 2022B Authority Bonds that finance the parking garage expansion. This action by the Authority is taken into account by the Airport Consultant in its Report attached as Appendix C as indicated in Table 2 below:

Table 2

EXPECTED PFC AND CFC COLLECTIONS AND AMOUNTS DEDICATED

$ (000s)

Year	Expected CFC Revenue (excludes interest income)	Dedicated CFCs[(a)]	Expected PFC Revenue (excludes interest income)	Dedicated PFCs[(a)]
2022	$7,627	$-	$16,373	$11,373
2023	8,239	-	17,692	19,000
2024	8,940	6,546	18,355	19,000
2025	9,410	6,545	19,321	18,954
2026	9,598	6,549	19,707	19,346
2027	9,790	6,542	20,101	19,746

[(a)] Dedicated CFCs and PFCs reflect amounts anticipated to be used for debt service in each fiscal year, regardless of the CFC or PFC Revenue actually collected in that year.

Source: Indianapolis Airport Authority

See "CAPITAL IMPROVEMENT PROGRAM." It is the intent of the Authority to use PFC and CFC revenues to pay debt service; however, at this time there has been no action taken by the Authority to provide Dedicated Revenues beyond 2027 for Dedicated Revenues to pay debt service. As described above, any Dedicated Revenues are not pledged to secure the Authority Revenue Bonds and the application of PFCs to pay debt service on Authority Revenue Bonds will be subject to applicable PFC Regulations. Accordingly, the Authority intends to exclude principal of and interest on certain Authority Revenue Bonds equal to such Dedicated Revenues for purposes of demonstrating debt service coverage under the Rate Covenant and the requirements for issuance of Additional Authority Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Rate Covenant" and "—Additional Bonds."

To the extent the Authority collects less PFC or CFC revenue than dedicated, the Authority may need to use existing PFC or CFC balances or other revenues to pay debt service on Authority Revenue Bonds and meet its Rate Covenant. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Rate Covenant" and "—Additional Bonds—*Authority Revenue Bonds*." At the same time, the Authority could choose to use additional PFC or CFC balances to make debt service payments on Authority Revenue Bonds in any given year.

From 2017 through 2021, the Authority collected PFC and CFC revenue (excluding interest income) in the following amounts and designated certain of those revenues as Dedicated Revenues as indicated in Table 3 below:

Table 3

HISTORICAL PFC AND CFC COLLECTIONS AND USE AS DEDICATED REVENUES
$ (000s)

Year	CFC Revenue (excludes interest income)	Dedicated CFCs[a]	PFC Revenue (excludes interest income)	Dedicated PFCs[a]
2017	$ 7,218	$ 6,000	$ 17,753	$ 20,700
2018	7,422	6,000	19,014	17,055
2019	9,410	0	19,321	16,756
2020	4,347	0	7,918	18,000
2021	6,526	0	15,009	10,000

[a] Dedicated CFCs and PFCs reflect amounts used for debt service in each fiscal year, regardless of the CFC or PFC Revenue actually collected in that year.

Source: Indianapolis Airport Authority

Rate Covenant

The Authority Bond Ordinance establishes a covenant of the Authority that the Authority will at all times fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System sufficient to provide Net Revenues for each Fiscal Year equal to the larger of (i) all amounts required to be deposited in such Fiscal Year into the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; or (ii) an amount equal to not less than 125% of the annual principal and interest due for all Authority Revenue Bonds for such Fiscal Year (the "*Rate Covenant*"). For the purpose of complying with the Rate Covenant, the Authority will: (a) include within Net Revenues in any Fiscal Year amounts transferred or credited from the Prepaid Airline Fund pursuant to the Authority Bond Ordinance; (b) exclude from interest due on Authority Revenue Bonds any interest paid from moneys in the Capitalized Interest Account; (c) include in such calculation moneys in the Coverage Fund; and (d) exclude from the calculation, debt service excluded from the Debt Service Requirement by reason of the dedication of Dedicated Revenues for payment of such debt service as described above under the heading "Dedicated Revenues" above.

The following table summarizes historical Net Revenues (including moneys in the Coverage Fund and the Prepaid Airline Fund), gross Debt Service Requirements, Dedicated Revenues and debt service coverage calculated pursuant to the Authority Bond Ordinance over the period 2017 through 2021. This information is compiled from information reported in the Authority's Annual Comprehensive Financial Report ("*ACFR*") for the year ended December 31, 2021.

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Table 4

HISTORICAL REVENUES AND DEBT SERVICE COVERAGE

($(000s) except for coverage)

Fiscal Year	Historical Net Revenues (including amounts in the Prepaid Airline Fund and Coverage Fund)[(1)][A]	Gross Debt Service Requirements[(2)][B]	Dedicated Revenues[(4)][C]	Debt Service Coverage Ratio {A/[B-C]}
2017	97,549	81,943	26,700	1.77x
2018[(3)]	100,780	91,528	23,055	1.47x[(3)]
2019	96,579	70,833	16,756	1.79x
2020	99,897	74,280	18,000	1.78x
2021	125,763	74,250	10,000	1.96x

(1) Includes Federal Relief designated as Gross Revenues as follows – 2020 $38.4 million, 2021 $25.0 million.
(2) Amounts may vary from ACFR due to rounding.
(3) IAA's debt service coverage was lowered in 2018 primarily due to increased principal maturities of the 2013A and 2013B IAA bonds.
(4) See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS."

Source: Indianapolis Airport Authority

The Airline Agreements (as defined herein) provide a mechanism for setting rates and charges for use of the Airport System based on an annual budget approved by the Authority which estimates sufficient amounts for, among other things, Operation and Maintenance Expenses, the Debt Service Requirements (net of Dedicated Revenues) and debt service coverage. The Airline Agreements employ a hybrid rates and charges methodology that features revenue sharing and the ability to ensure the payment of the Authority's debt service and satisfy the Authority's Rate Covenant. The current Airline Agreements have a five-year term ending on December 31, 2023. The Authority intends to initiate discussions with the Airlines in the first quarter of 2023 and anticipates pursuing a cost recovery model that meets the Authority's strategic objectives for the next Airline Agreement, but the ultimate agreement resulting from such negotiations is uncertain at this time.

The rate-setting mechanism in the Airline Agreements is based on an annual budget approved by the Authority, which estimates amounts sufficient to pay Operation and Maintenance Expenses, fund actual debt service owed by the Authority and provide debt service coverage required under the Authority Bond Ordinance. Under the Airline Agreements, the Authority may make adjustments to its rates and charges in the event of a revenue shortfall without waiting until the end of the fiscal year. Although the Airline Agreements would have permitted the Authority to adjust airline rates and changes due to the reduction of revenues experienced in 2020 as a result of the COVID-19 Pandemic (as defined herein), the Authority instead reduced operating and capital expenditures and did not exercise the right to adjust airline rates. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY," "THE AIRPORT AND AIRPORT SYSTEM—Authority Agreements—*Airline Agreements*," "RISKS AND OTHER INVESTMENT CONSIDERATIONS—Risk of Airline Bankruptcies" and "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Current Airline Agreements."

As described above, the Authority may establish rentals, rates, fees and other charges for the use of the Airport System that, in any particular fiscal year, do not provide sufficient Net Revenues on their own, before consideration of moneys on deposit in the Coverage Fund or the Prepaid Airline Fund and without Dedicated Revenues, to satisfy the coverage requirements set forth in the Rate Covenant. In the event that Net Revenues (after including amounts in the Prepaid Airline Fund and excluding Dedicated Revenues from the Debt Service Requirement as described above), together with moneys on deposit in the Coverage Fund, in any Fiscal Year are insufficient to allow the Authority to satisfy the Rate Covenant, the Authority is required under the Authority Bond Ordinance, promptly upon receipt of the annual audit for such Fiscal Year or upon earlier notice of a deficiency by the Treasurer of the Authority, to request an independent airport consultant or airport consulting firm appointed by the Authority to recommend actions to enable the Authority to secure additional funds for remedying such insufficiency, including revising the Authority's rentals, rates, fees and other charges, reducing Operation and Maintenance Expenses or otherwise changing the method of operation of the Airport System in accordance with law. So long as the Authority substantially complies in a timely fashion with the recommendations of such airport consultant, the Authority will not be deemed to have defaulted in the performance of its duties under the Authority Bond Ordinance even if the resulting Net Revenues, together with moneys on deposit in the Coverage Fund, are not sufficient to be in compliance with the Rate Covenant, so long as there is no other default under the Authority Bond Ordinance.

Airport Liquidity

Over the past eight years, the Authority has focused on building its liquidity, leading to the Authority having $350.7 million in available liquidity as of August 31, 2022. The Authority believes it is prudent to have a level of funds on hand that are available to pay operating expenses and debt service in the event of unforeseen and temporary periods of business interruption when Gross Revenues may be diminished. In 2014, the Authority adopted financial policies (Resolution No. 11-2014) seeking to achieve a minimum of 400 days cash on hand, with a target of 500 days, to support operation and maintenance expenses. Using a very conservative calculation that excludes cash otherwise committed, as well as all federal relief funds on hand, as of August 31, 2022, the Authority had over 600 days cash on hand and a minimum of 365 days cash on hand for maximum annual future debt service. Having this level of liquidity allowed the Authority to weather the impact of the COVID-19 Pandemic (as defined herein) and the corresponding impact on the travel industry since 2020, and to remain strategically focused during such time. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY."

Cash, cash equivalent, and undrawn Federal Relief fund balances available for operating expenses as of December 31, 2021, and August 31, 2022, were approximately $249.1 million and $245.1 million, respectively, as shown in Table 5 below. The Authority also has certain balances in the Authority's Revenue Bond Principal and Interest Fund, Revenue Bond Reserve Fund, and PFC funds that may also be available to pay debt service.

Table 5

AIRPORT LIQUIDITY

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Through August 31, 2022
Balances (in $millions)						
Available for O&M Expenses						
Airport System Fund	$ 54.6	$ 58.3	$ 59.9	$ 56.9	$ 62.4	$ 78.7
Operation & Maintenance Reserve Fund	13.3	13.5	14.1	14.1	14.6	14.6
Prepaid Airline Fund	5.2	6.2	0.0	8.6	5.7	-
Capital Improvement Fund*	59.6	49.7	51.7	65.6	83.3	86.8
Renewal & Replacement Fund	2.8	2.7	2.8	2.8	2.9	3.0
Coverage Fund	17.2	17.2	17.2	17.2	17.2	17.2
Customer Facility Charge Fund**	3.4	4.8	13.7	17.6	23.8	6.9
Undrawn Federal Relief Funds	-	-	-	14.1	39.2	37.9 ***
Total Available for O&M Expenses	156.1	152.4	159.4	196.9	249.1	245.1
Restricted for Debt Service						
Passenger Facility Charge Fund	13.0	16.0	18.8	9.4	13.6	16.2
Revenue Bond Principal and Interest Fund	58.2	46.7	45.9	54.0	54.9	33.8
Revenue Bond Reserve Fund	54.1	54.6	55.5	55.7	55.2	55.6
Total Restricted for Debt Service	125.3	117.3	120.2	119.1	123.7	105.6
Total Cash Available for Operations and Debt Service****	$ 281.4	$ 269.7	$ 279.6	$ 316.0	$ 372.8	$ 350.7

* Includes amounts of $21.7 million in 2017, $19.8 million in 2018, $22.0 million in 2019, $49.2 million in 2020, $53.0 million in 2021, and $52.9 million as of August 31, 2022 not committed to capital improvements.
** The Authority's total unreimbursed expenses reimbursable by CFCs exceed the cash balance in each period.
*** September 8, 2022, the Authority drew and deposited to Airport System Fund $19.6 million of federal relief funds.
**** This presentation includes undrawn federal relief funds, which are not presented in the Authority's 2020 and 2021 financial statements as cash and cash equivalent balances, excludes deposits and petty cash, and the Capital Improvement Fund has been reduced by the amount due back to the FAA.
Source: Indianapolis Airport Authority

Additional Bonds

Authority Revenue Bonds. The Authority Bond Ordinance provides that the Authority may issue, for any lawful Airport System purpose, one or more series of additional revenue bonds ("*Additional Authority Bonds*"), payable from and secured by a lien on Net Revenues on parity with the Authority Revenue Bonds, except with respect to the Revenue Bond Reserve Fund, upon satisfaction of the following conditions:

a) No Default. An Authorized Airport Representative must certify that, upon the issuance of such series of Additional Authority Bonds, the Authority will not be in default under any term or provision of any Authority Revenue Bonds then outstanding or any ordinance authorizing the issuance of such Authority Revenue Bonds;

b) *Proper Fund Balances*. An Authorized Airport Representative must certify that, upon the issuance of such series of Additional Authority Bonds, (i) the Revenue Bond Interest and Principal Fund will contain the amounts required to be deposited therein and (ii) the account of the Revenue Bond Reserve Fund, if any, which is held for the benefit of such series of Additional Authority Bonds will contain the amounts required at such time to be on deposit therein;

c) *Historical Coverage on Outstanding Authority Bonds*. An Authorized Airport Representative must certify that, either for the Authority's most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months, Net Revenues, together with monies in the Coverage Fund, were equal to at least 125% of the Debt Service Requirement for all Authority Revenue Bonds for such period (without taking into account the Debt Service Requirement for the proposed Additional Authority Bonds);

d) *Coverage for Additional Authority Bonds*. The Authority must also submit to the Authority Trustee either of the following: (i) a certification by an Authorized Airport Representative of the Authority that, for either the Authority's most recent Fiscal Year or for any consecutive 12 months out of the most recent 18 months, the Net Revenues, together with monies in the Coverage Fund, were equal to at least 125% of the Debt Service Requirement for all Outstanding Authority Bonds, including the proposed Additional Authority Bonds in any future Fiscal Year; or (ii) a report of an airport consultant setting forth projections indicating that, based on the Authority's expectations, the estimated Net Revenues for each of three consecutive Fiscal Years beginning on the earlier of (A) the first Fiscal Year following the estimated date of completion and initial use of any of the revenue producing facilities to be financed with such series of Additional Authority Bonds, based upon a certified, written estimated completion date by the consulting engineer for such facility or facilities, or (B) the first Fiscal Year in which the Authority will have any scheduled payments of interest on or principal of the series of Additional Authority Bonds to be issued, for the payment of which provision has not been made as indicated in the report of such airport consultant from the proceeds of such series of Additional Authority Bonds, investment income thereon or other appropriated sources (other than Net Revenues) are, together with the moneys in the Coverage Fund, at least equal to 125% of the Debt Service Requirement for all Authority Revenue Bonds for such period scheduled to occur during each such respective Fiscal Year after taking into consideration the additional Debt Service Requirement for the series of Additional Authority Bonds to be issued. The Authority has requested that Landrum & Brown, Incorporated provide a report certifying the satisfaction of such requirement. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

For all purposes of (c) and (d) above, (i) any principal or interest on Authority Revenue Bonds which is payable from Dedicated Revenues may be excluded from the Debt Service Requirement for such Authority Revenue Bonds; (ii) any amount transferred or credited from the Prepaid Airline Fund to the Airport System Fund is included in Net Revenues for such Fiscal Year; and (iii) any interest due on Authority Revenue Bonds that is paid from moneys in the Capitalized Interest Account is excluded from the Debt Service Requirement.

e) *Bond Ordinance Requirement*. The supplemental bond ordinance authorizing such series of Additional Authority Bonds must meet the applicable requirements set out in the Authority Bond Ordinance.

See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

Authority Completion Revenue Bonds. The Authority reserves the right in the Authority Bond Ordinance to issue one or more series of Additional Authority Bonds to pay the cost of completing any project for which Authority Revenue Bonds have been previously issued (individually and collectively, "*Completion Revenue Bonds*") without complying with the general requirements for Additional Authority Bonds described under subparagraphs (c) and (d) under "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—*Authority Revenue Bonds*" above. Prior to the issuance of any series of Completion Revenue Bonds, the Authority must provide, in addition to the applicable certificates required by subparagraphs (a) and (b) under "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Additional Bonds—*Authority Revenue Bonds*" above, (a) a certificate from the consulting engineer engaged by the Authority to design the project for which the Completion Revenue Bonds are to be issued stating that such project has not been materially changed in scope since the issuance of the most recent series of Authority Revenue Bonds issued for such purpose (except as permitted in the applicable ordinance authorizing such Authority Revenue Bonds) and setting forth the aggregate cost of such project which, in the opinion of such consulting engineer, has been or will be incurred; and (b) a certificate of an Authorized Airport Representative (i) stating that all amounts allocated to pay the costs of such project from the proceeds of the most recent series of Authority Revenue Bonds issued in connection with such project for which the Completion Revenue Bonds are being issued were used or are still available to be used to pay the costs of such project, (ii) containing a calculation of the amount by which the aggregate cost of such project as furnished in the consulting engineer's certificate exceeds the sum of the costs of such project paid to such date plus the monies available at such date within any construction fund or other like account applicable to such project plus any other monies which the Authorized Airport Representative, in his discretion, has determined are available to pay such costs in any other fund, and (iii) certifying that, in the opinion of the Authorized Airport Representative, the issuance of the Completion Revenue Bonds is necessary to provide funds for the completion of such project.

Subordinate Securities

Under the Authority Bond Ordinance, the Authority may issue or incur, for any lawful Airport System purpose, one or more series of revenue bonds, notes or other obligations secured in whole or in part by a lien on Net Revenues junior and subordinate to the lien on Net Revenues securing payment of the 2022B Authority Bonds and other Outstanding Authority Bonds (*"Subordinate Securities"*). Subordinate Securities may be further secured by any other lawfully available source of payment and need not be issued on parity with one another. The agreements with respect to the issuance of the Subordinate Securities cannot require that a default or an event of default thereunder will create an event of default under the Authority Bond Ordinance. The Authority currently has no Subordinate Securities outstanding under the Authority Bond Ordinance and has no current plans to issue Subordinate Securities, however, the Authority may nevertheless decide to issue Subordinate Securities in the future. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Outstanding Authority Subordinate Bonds and 2022B Authority Bonds."

General Obligation Bonds

The Authority Act permits the Authority Board to authorize the issuance of general obligation bonds of the Authority ("*General Obligation Bonds*") for the purpose of procuring funds to pay the costs of acquiring real property, or constructing, enlarging, improving, remodeling, repairing or equipping buildings, structures, runways or other facilities, for use as or in connection with or for administrative purposes of the Airport System. For the purpose of raising money to pay all General Obligation Bonds and any interest on them, the Authority Board may levy each year a special tax upon all of the property, both real and personal, located within the territorial limits of the County, in a manner and in an amount to meet and pay the principal of the General Obligation Bonds as they severally mature, together with all interest accruing on them. Any taxes collected for the purpose of paying principal and interest on General Obligation Bonds are not Gross Revenues and are not pledged to payment of Authority Revenue Bonds. The Authority Bond Ordinance provides that after funding of the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund, Net Revenues may be deposited into the General Obligation Bond Interest and Principal Fund to pay debt service on General Obligation Bonds.

Although the Authority has no General Obligation Bonds outstanding and has no plans to issue General Obligation Bonds, the Authority may nevertheless decide to issue General Obligation Bonds in the future.

Special Purpose Facilities Bonds

Under the Authority Bond Ordinance, the Authority reserves the right to issue one or more series of bonds to finance and refinance the cost of any Special Purpose Facilities ("*Special Purpose Facilities Bonds*"), including all reserves required therefor, all related costs of issuance and other amounts reasonably relating thereto; provided, that such Special Purpose Facilities Bonds will be payable solely from payments by Special Purpose Facilities lessees and/or other security not provided by the Authority. Each Special Purpose Facilities lease must provide that an Airport System improvement or facility is leased by the Authority to a lessee which agrees to pay (i) all of the debt service requirements for the Special Purpose Facilities Bonds issued to finance the Special Purpose Facility and (ii) all administrative expenses allocable to the Special Purpose Facility. In no event will any Gross Revenues or Net Revenues or any other amounts held in any other fund or account maintained by the Authority as security for the

Authority Revenue Bonds or for the construction, operation, maintenance or repair of the Airport System be pledged to the payment of Special Purpose Facilities Bonds or to the payment of any lessee expenses of operation and maintenance of Special Purpose Facilities. The Authority has issued and, in the future, may issue one or more additional series of Special Purpose Facilities Bonds for one or more airlines or entities which conduct operations at the Airport System. See "THE AIRPORT AND AIRPORT SYSTEM—Facilities—*Maintenance Facilities*" herein.

Events of Defaults and Remedies; No Acceleration

The "Events of Default" under the Authority Bond Ordinance and related remedies are described in "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance," in particular, in the section "—Events of Default and Remedies of Owners of Revenue Bonds." The occurrence of an Event of Default under the Authority Bond Ordinance does not grant any right to accelerate payment of the Authority Revenue Bonds to either the Authority Trustee, the Bond Bank (as owner of the Authority Revenue Bonds), the Bond Bank Trustee or the holders of the Bond Bank Bonds. The Authority Trustee and the Bond Bank are authorized to take certain actions upon the occurrence of an Event of Default under the Authority Bond Ordinance, including initiating proceedings to enforce the obligations of the Authority under the Authority Bond Ordinance including the Rate Covenant. However, because (a) Net Revenues constitute Gross Revenues after payment of all Operation and Maintenance Expenses, and (b) under current law, the Authority is not subject to involuntary bankruptcy proceedings, the Authority may be able to continue indefinitely collecting revenues and applying them to the operation of the Airport System even if an Event of Default under the Authority Bond Ordinance has occurred and no payments are being made on the Authority Revenue Bonds. In the event that no payments or insufficient payments are being made on the Authority Revenue Bonds, there will be insufficient amounts available for payment of the Bond Bank Bonds.

Bond-Related Risks

Limited Liability of the Authority; No Additional Security. The 2022B Authority Bonds are payable solely from Net Revenues of the Airport System as described in the Authority Bond Ordinance and other amounts included in the Trust Estate described therein, including funds on deposit in the applicable Reserve Accounts that secure the applicable sub-series of 2022B Authority Bonds, as described herein. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

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AUTHORITY REVENUE BOND DEBT SERVICE REQUIREMENTS

The following table shows the annual Debt Service Requirements due on all Outstanding Authority Bonds. For a breakdown of the Debt Service Requirements for each series of Outstanding Authority Bonds, see "APPENDIX F—DEBT SERVICE REQUIREMENTS OF OUTSTANDING AUTHORITY BONDS."

Table 6

OUTSTANDING AUTHORITY BONDS
DEBT SERVICE REQUIREMENTS

Year Ended Jan. 1	Debt Service Requirements of Outstanding Authority Bonds [1][2]	2022B Authority Bonds [1][2] Principal or Sinking Fund Installment	2022B Authority Bonds [1][2] Interest[3]	Total Authority Revenue Bond Debt Service Requirements[1][2]
2023	$ 76,442,926			$ 76,442,926
2024	83,023,189	$ -	$ 5,199,527	88,222,717
2025	83,299,398	2,880,000	8,815,093	94,994,491
2026	83,505,645	3,340,000	8,779,056	95,624,701
2027	83,757,505	4,145,000	8,614,257	96,516,762
2028	82,616,217	5,725,000	8,407,930	96,749,147
2029	79,952,201	6,015,000	8,121,680	94,088,880
2030	78,968,523	6,320,000	7,819,574	93,108,097
2031	79,258,797	6,635,000	7,500,722	93,394,519
2032	79,554,589	6,970,000	7,164,103	93,688,692
2033	79,881,261	7,315,000	6,810,725	94,006,986
2034	44,347,507	7,685,000	6,444,975	58,477,482
2035	43,719,945	8,070,000	6,060,725	57,850,670
2036	24,252,300	8,475,000	5,657,225	38,384,525
2037	11,198,642	8,915,000	5,219,863	25,333,504
2038	7,129,726	9,375,000	4,759,788	21,264,513
2039	7,125,506	9,855,000	4,275,950	21,256,456
2040	7,715,726	10,360,000	3,767,325	21,843,051
2041	7,720,070	10,900,000	3,223,425	21,843,495
2042	7,722,640	5,195,000	2,651,175	15,568,815
2043	7,719,120	5,225,000	2,378,438	15,322,558
2044	7,724,150	3,250,000	2,104,125	13,078,275
2045	7,716,840	3,425,000	1,934,050	13,075,890
2046	7,717,180	3,600,000	1,754,813	13,071,993
2047	7,718,680	3,795,000	1,566,413	13,080,093
2048	7,715,940	3,990,000	1,367,813	13,073,753
2049	7,718,760	4,195,000	1,159,000	13,072,760
2050	7,716,600	4,405,000	949,250	13,070,850
2051	1,379,200	4,625,000	729,000	6,733,200
2052	1,379,620	4,855,000	497,750	6,732,370
2053	1,379,060	5,100,000	255,000	6,734,060
2054	1,377,520			1,377,520
Total	$ 1,118,454,982	$ 174,640,000	$ 133,988,765	$ 1,427,083,747

[1] A portion of principal and interest due on the Outstanding Authority Bonds and the 2022B Authority Bonds may be paid with PFCs and CFCs, in addition to those that may be designated as Dedicated Revenues. Totals may not add due to rounding.

[2] The interest on the 2010C Authority Bonds included in the Outstanding Authority Bonds column reflects the sum of (i) the fixed rates payable by the Authority under the qualified derivative agreements, plus (ii) the applicable spreads under the current bank terms, which are 0.33% for Series 2010C-3, C-4, C-5.

[3] Net of capitalized interest.

Source: Indianapolis Airport Authority

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Powers and Purposes

The Bond Bank is a body corporate and politic separate from the City. The address of the Bond Bank is Suite 2342, City-County Building, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank was created by the Bond Bank Act for the purpose of buying and selling securities of certain qualified entities, including the City, the County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the Council and certain authorities or entities that lease land or facilities to other qualified entities. The Bond Bank was created under the Bond Bank Act for the purpose of helping eligible qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. The Authority is a Qualified Entity under the Bond Bank Act. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank has no taxing power. The Bond Bank has general powers which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose. The Bond Bank's structure allows for the centralized management and supervision of all debt issued by such entities. By coordinating all locally-issued debt, including general obligation and revenue bonds, the Bond Bank provides leadership and guidance through the capital markets and the sale of municipal bonds and other debt instruments.

Board of Directors of the Bond Bank

The Bond Bank is governed by a five-member board of directors (the "*Bond Bank Board*") appointed by the Mayor of the City. The directors appoint an executive director who serves as secretary-treasurer of the board. The directors each serve for terms of three years and may be reappointed. A director serves until their replacement is appointed and qualified. No director may be an officer of the City, the County or any other Qualified Entity. The current members of the Bond Bank Board, their positions and their principal occupations are as follows:

Name	Position	Term Expires:	Occupation
Norman Gurwitz	Chairperson	April 30, 2024	Business Consultant
Sarah L. Rubin	Vice Chairperson	April 30, 2024	Deputy Director for P3 Projects, State of Indiana Department of Transportation
Michael Carter	Member	April 30, 2024	Attorney, Cummins, Inc.
Dr. Terri Jett	Member	April 30, 2024	Associate Professor, Butler University
Dr. Ryan Nagy	Member	April 30, 2024	President, Adult Academic Health Center IU Health

Sarah Riordan has served as Executive Director and General Counsel to the Bond Bank since January 2016. Before joining the Bond Bank, Ms. Riordan practiced law in Indianapolis, focusing her practice on civil litigation, white collar criminal defense, and public entity law. Ms. Riordan previously served on the Indianapolis Marion County Board of Zoning Appeals and as a member of the Indiana Election Commission. Ms. Riordan earned a law degree from the Indiana University Maurer School of Law – Bloomington.

Kyle Willis, Associate Director and Chief Compliance Officer, has served as Project Manager and Senior Project Manager of the Bond Bank since November 2005, and is now the Associate Director and Chief Compliance Officer. Mr. Willis worked as a financial analyst for the Indianapolis Airport Authority from August 2004 to October 2005 before joining the Bond Bank. He holds a B.S. in Finance from Marian University.

David Lichtenberger serves as the Deputy General Counsel for the Indianapolis Local Public Improvement Bond Bank. He graduated from Hope College in 2002 with a Bachelor of Arts in History and Political Science. Immediately after graduation, he attended Indiana University Robert H. McKinney School of law and graduated in December 2004. After law school, Mr. Lichtenberger worked in private law firms before he joined the Office of Corporation Counsel for the City of Indianapolis in 2011. While at the Office of Corporation Counsel, he represented various city and county entities in the counseling section.

Isaiah Kuch, Senior Project Manager, joined the Bond Bank in 2010 and serves as a Project Manager. He received his Bachelor's degree in Economics from La Salle University in Philadelphia, Pennsylvania in 2007, shortly after he entered the United States through *The Lost Boys of Sudan Program*. While at La Salle, he also minored in Business Administration. After his undergraduate studies, Mr. Kuch attended Indiana University, School of Public and Environmental Affairs (SPEA) where he received his Master's degree in Public Financial Administration, Economic Development, and Policy Analysis. During his tenure at SPEA, as the Eads Fellow and the City of Indianapolis Urban Fellow, he worked at the Mayor's Office of Enterprise Development.

Karen Strunk, Senior Project Manager, joined the Bond Bank in August 2017 after serving as a summer intern. A native of Indianapolis, Karen graduated from Indiana University – Bloomington with a Bachelor's degree in Public Affairs from the School of Public and Environmental Affairs (SPEA) in 2016, majoring in Public Financial Management and Policy Analysis. Her previous work experiences include working on Congressional and State House Campaigns. She currently serves as Treasurer of the Board of Directors for the Indiana Youth Rugby Foundation.

Other Programs; Outstanding Indebtedness

Under the Bond Bank Act, the Bond Bank is authorized to issue other series of notes or bonds to finance different programs to accomplish its purposes. Under separate Indentures and other instruments authorized under the Bond Bank Act, the Bond Bank has previously issued and had outstanding as of October 31, 2022, an aggregate long-term principal amount of approximately $3,826,271,085.00 in separate program obligations, including many obligations for the Authority. All such obligations are and will be secured separately and independently from the 2022G Bond Bank Bonds and do not and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

Further, as of the date of this Official Statement, the Bond Bank is considering undertaking other financings for qualified entities other than the Authority for purposes authorized by and in accordance with the procedures set forth in the Bond Bank Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the 2022G Bond Bank Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

THE INDIANAPOLIS AIRPORT AUTHORITY

Powers and Purposes

In 1962, the City Council of the City, the Mayor of the City and the County Council of the 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 district; (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 to collect them from all users of facilities and services within the district; (iv) lease all or 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.

Authority Board

The Authority is governed by the Authority Board, which is its executive and legislative body. The Authority Board consists of eleven members: (a) six of whom are appointed by the Mayor of the City, (b) one of whom is appointed by the President of the City-County Council of the City, and (c) four of whom are appointed by each of the following: the Hendricks County Board of Commissioners, the Hamilton County Board of Commissioners, the Hancock County Board of Commissioners and the Morgan County Board of Commissioners, which select one member each. No more than four of the Authority Board members appointed under clauses (a) and (b) may belong to the same political party; each member of the Authority Board appointed under clauses (a) and (b) must reside in the County. The Hendricks County appointee must reside in Guilford Township of Hendricks County, in which a portion of the Airport System is situated.

Each Authority Board member is appointed for a term of four years and serves until a successor is appointed and qualified by the officer or entity that appointed such Authority Board member. Each Authority Board member is also eligible for reappointment and is subject to removal by impeachment. Any vacancy on the Authority Board is filled by appointment by the entity that appointed such Authority Board member, for the remainder of the unexpired term.

The members of the Authority Board are:

Barbara Glass, as President of the Authority, was appointed by the Mayor of Indianapolis in 2016. A lifelong resident of the city, Ms. Glass has had an extensive career in public service, serving in several positions in state and local government including 12 years as vice chairperson of the Indiana Alcohol and Tobacco Commission. She also served on Mayor Bart Peterson's Crime Prevention Task Force and on the Indianapolis Historic Preservation Commission. Ms. Glass is a graduate of the Kelley School of Business at Indiana University. Ms. Glass' term expires December 31, 2023.

Steven Dillinger, as Vice President of the Authority, was reappointed by the Hamilton County Commissioners in 2016. As owner of S.C. Dillinger & Associates Insurance Agency, Mr. Dillinger has provided insurance and financial planning services to his clients for 37 years. A lifelong resident of Hamilton County, Mr. Dillinger has a long record of local government and community service. Mr. Dillinger has served as a Hamilton County Commissioner since 1989, and is a member of the county's solid waste, drainage, and finance boards. Mr. Dillinger is a current member of M&I Bank's Advisory Board of Directors and is a past member of the Noblesville City Council and the Hamilton County Council. Mr. Dillinger's term expires December 31, 2023.

Mamon Powers, III, as Secretary of the Authority, was appointed by the Mayor of Indianapolis in 2016. Mr. Powers grew up in the construction industry working for his family's business, Powers & Sons Construction. Mr. Powers currently serves as Executive Vice President of the company as well as President of the Indianapolis office. Mr. Powers serves on the Board of Directors for the Greater Indianapolis Progress Committee (GIPC), the Indianapolis Chamber of Commerce, the Indiana Chamber of Commerce, the Ivy Tech Foundation, and The United Way of Central Indiana. Mr. Powers holds a B.S. degree in Applied Management and Construction from Trine University and a master's degree in Business Administration from Purdue Krannert School of Management. Mr. Power's term expires December 31, 2024.

Tamika Catchings, as a member of the Authority, was appointed by the Mayor of Indianapolis in 2018. Ms. Catchings is a four-time Olympic Gold medalist and 16-year WNBA player with the Indiana Fever. Besides Ms. Catchings' illustrious basketball career, Ms. Catchings has extensive involvement in the community. Ms. Catchings has won numerous awards for her humanitarian and community engagement work at the national and international level. Ms. Catchings also sits on the USA Basketball's Women's Developmental National Team Committee. Ms. Catchings is a graduate of the University of Tennessee, and is currently serving as Co-Chair for the 2024 NBA All-Star Board of Directors. Ms. Catchings also owns Tea's Me Café on the north side of Indianapolis. Ms. Catchings' term expires June 30, 2026.

Kathy Davis, as a member of the Authority, was appointed by the Mayor of Indianapolis in 2019. Ms. Davis was the 48th lieutenant governor of the State of Indiana, and the first woman to serve in that office. Ms. Davis previously served as controller for the City of Indianapolis, secretary of the Indiana Family and Social Services Administration, and state budget director. Ms. Davis started her career managing manufacturing operations for Cummins Engine Company. Ms. Davis serves on several boards including the Lumina Foundation for Education, the Indianapolis Foundation and the Central Indiana Community Foundation. Ms. Davis currently owns Davis Design Group LLC and is a graduate of the Massachusetts Institute of Technology and Harvard Business School. Ms. Davis' term expires December 31, 2022.

Jeff Gaither, as a member of the Authority, was appointed by the Mayor of Indianapolis in 2018. Mr. Gaither is an attorney representing clients in complex commercial litigation matters where he practices at both the State and Federal Court level. Mr. Gaither is also the managing partner of Bose McKinney & Evans law firm and is a member of the Greater Indianapolis Progress Committee. Mr. Gaither is a graduate of Indiana University and earned a J.D. from the IU Robert H. McKinney School of Law. Mr. Gaither's current term expires December 31, 2025.

Ryan Goodwin, as a member of the Authority was appointed by the Morgan County Board of Commissioners in 2019. Mr. Goodwin spent 13 years in local government in Morgan County, culminating in service as the chairman of the Morgan County Board of Commissioners in 2019 and 2020. Mr. Goodwin earned his bachelor's degree in business administration and economics from Liberty University and a Master of Business Administration (MBA) from Purdue University. Mr. Goodwin previously served on the board of the Greater Mooresville Chamber of Commerce, Morgan County Economic Development Corporation, and as the board secretary and treasurer of the Indiana Association of County Commissioners. In 2018, Junior Achievement of Central Indiana named Mr. Goodwin one of its Top 10 "Best and Brightest" in government service. Mr. Goodwin is an active pilot in the aviation community, holding commercial, instrument, and multi-engine pilot certificates. Mr. Goodwin's term expires December 31, 2022.

Tobin (Toby) McClamroch, as a member of the Authority, was appointed by the Mayor of Indianapolis in 2016. Mr. McClamroch is a senior corporate and government lawyer and serves as managing partner of Dentons' U.S. Region. Over the last 30 years, Mr. McClamroch has been active in a number of business, civic and charitable organizations, including Special Olympics of Indiana, the Indianapolis Chamber of Commerce, and the Arts Council of Indianapolis. Mr. McClamroch is also a member of the Indianapolis, Indiana State, and American Bar Associations. Mr. McClamroch holds a B.A. in Religion from DePauw University and earned a J.D. degree from Maurer School of Law at Indiana University – Bloomington. Mr. McClamroch's term expires December 31, 2024.

Kurt Schleter, as a member of the Authority, was appointed by the Hancock County Board of Commissioners in 2018. Mr. Schleter is a life-long resident of Hancock County and is a business owner and licensed pilot. Mr. Schleter's term expires December 31, 2024.

Brett Voorhies, as a member of the Authority, was appointed by the Indianapolis City Council in 2014. Since 2013, Mr. Voorhies has served as President of the Indiana State AFL-CIO, a labor federation that represents more than 400 local unions and over 300,000 working Hoosiers. Mr. Voorhies began his career on the shop floor at Rexnord Link Belt in Indianapolis as a proud member of the United Steelworkers (USW). While working, he put himself through school at IUPUI and the National Labor College. Mr. Voorhies' leadership on the shop floor led him to several important positions with the USW International Union before being elected President of the Indianapolis Central Labor Council in 2011 and then President of the Indiana State AFL-CIO in 2013. Mr. Voorhies is honored to serve as a board member of the National AFL-CIO Advisory Council and Anthem Labor Advisory Board. Mr. Voorhies also serves as President of the Wayne Township Fire Merit Board. Mr. Voorhies is a lifelong resident of Indianapolis. Mr. Voorhies' term expires December 31, 2023.

Matthew Whetstone, as a member of the Authority, was appointed by the Hendricks County Board of Commissioners in 2019. Mr. Whetstone is the founding member of 1816 Inc. and has substantial expertise in legislative and executive branch lobbying. Mr. Whetstone served as a member of the Indiana House of Representatives from 1996-2007, serving Hendricks and Morgan Counties. Mr. Whetstone also served on the Brownsburg Town Council and the Hendricks County Board of Commissioners. In 2004, Mr. Whetstone was the Chairman of the House Rules Committee and Ranking Member of the House Public Policy Committee. Mr. Whetstone also served as Parliamentarian in the Indiana House of Representatives (2013-2015). Prior to Mr. Whetstone's most recent service in the statehouse, Mr. Whetstone served as an Executive Director of Governmental Affairs at the law firm of Krieg DeVault. Mr. Whetstone's term expires December 31, 2022.

Management of Authority

The Airport and Airport System are managed by professional managers and staff. The Authority's managers include:

Mario Rodriguez was appointed as the Executive Director of the Indianapolis Airport Authority in 2014. Mr. Rodriguez is an award-winning, nationally recognized senior leader. Mr. Rodriguez served on the Biden-Harris Presidential Transition Team. Mr. Rodriguez was appointed by both President Obama's and President Trump's Administration to the United States Department of Transportation's Committee for Aviation Consumer Protection. Mr. Rodriguez has been honored with a United States Congressional Recognition, conferred by Congressman André

Carson, in 2019. He is the recipient of one of the State of Indiana's highest honors, The Sagamore of the Wabash, conferred by Governor Eric Holcomb in 2018. During Mr. Rodriguez's tenure in California, Mr. Rodriguez served as the president of the California Airports Council. Mr. Rodriguez received a California Senate Resolution, conferred by Senator Ricardo Lara; a United States House of Representatives Recognition, conferred by Congressman Alan Lowenthal; a County of Los Angeles Commendation, conferred by Chairman Don Knabe; and a City of Long Beach Recognition, conferred by Mayor Dr. Robert Garcia. Mr. Rodriguez also received recognition, including a New Orleans City Council Proclamation, for his leadership in developing the flood protection system around the New Orleans International Airport before Hurricane Katrina and especially his leadership during the City's evacuation and recovery. Mr. Rodriguez is an active community leader and board member of numerous philanthropic and business organizations such as the Indianapolis and Indiana Chamber of Commerce, 2024 NBA All-Star Game, Visit Indy, The Indiana Sports Corporation, the Economic Club, the Indy 500 Festival Committee, and the new Indiana Destination Development Corp. Foundation. Mr. Rodriguez is the former president of the Indiana Latino Institute (ILI) Board and a founder of the Hispanic Leadership Circle. Mr. Rodriguez is an engineering graduate of the University of Miami (1987), attended the Harvard Kennedy School, and an accomplished author and speaker on issues impacting the transportation industry. For over 30 years, Mr. Rodriguez has held leadership positions from Hong Kong to Indianapolis.

Keith Berlen is the Authority's Senior Director of Airport Operations & Public Safety. Mr. Berlen joined the Authority in 1992. Mr. Berlen is responsible for all day-to-day operations of the Airport, associated with Airport Operations Center, Airport Police Department, Airport Fire Department, facilities and general aviation reliever airports (i.e., Indianapolis Downtown Heliport, Eagle Creek Airpark, Hendricks County Airport-Gordan Graham Fields, Indianapolis Regional Airport, and the Metropolitan Airport). The operations teams are composed of the airport operations managers, building maintenance, airfield maintenance, parking garage maintenance, terminal services, auto and heavy equipment maintenance, reliever operations, safety management, and materials management. The operation's teams ensure that the Airport and the reliever airports meet and exceed all requirements of Federal Aviation Administration's Federal Aviation Regulations Part 139 inspections and INDOT inspections. Mr. Berlen received his undergraduate degree in aviation administration and graduate degree in public administration from Indiana State University. Mr. Berlen oversees five critical departments within the organization including operations, police and fire departments. Mr. Berlen serves on the Aviation Association of Indiana Board of Directors.

Holli Harrington is the Senior Director of Supplier Diversity and Diversity Officer for the Indianapolis Airport Authority. Ms. Harrington joined the IAA in 2013, and in 2018 Ms. Harrington was appointed as IAA's first Diversity Officer and joined the executive team in 2020. In this new expanded role, Holli will partner with leadership to promote equity and equality in IAA operations, processes and systems, working to ensure all passengers, visitors, vendors and employees are met with respect and feel both welcome and included. Ms. Harrington currently serves on the Indiana Civil Rights Commission, the Mid-States Minority Supplier Development Council, the City of Indianapolis Information Technology Agency Board, the Minority Engineering Program of Indianapolis Board, the Indiana STEM Louis Stokes Alliance for Minority Participation and volunteers as a facilitator for the Center for Leadership Development.

Jonathan Weinzapfel is the Authority's General Counsel. Mr. Weinzapfel joined the Authority in January 2022. Prior to joining the IAA, Mr. Weinzapfel served in leadership positions as Interim CEO of Indiana United Way, Chancellor of the Ivy Tech Community College Evansville Campus, Mayor of the City of Evansville, and Indiana State Representative in District 76. Mr. Weinzapfel has also practiced law in Evansville and Indianapolis over the past 21 years, focusing largely on economic development, municipal law, and public policy. Mr. Weinzapfel earned his B.A. in Chemistry from Indiana University in Bloomington, M.A. in Liberal Studies from Georgetown University, and J.D. from Indiana University Robert H. McKinney School of Law.

Jarod Klaas, a Professional Engineer, serves as the Senior Director of Planning and Development for the Indianapolis Airport Authority. Mr. Klaas has more than 20 years of engineering experience in both private and public sectors as well as consulting and has been with the IAA for nine years. Mr. Klaas and his team demonstrate a tireless commitment to customer service, preservation of IAA's physical assets, and compatible economic development. As a member of the Executive Leadership Team, Mr. Klaas leads the Authority's infrastructure rehabilitation and asset life-cycle planning initiatives, and Mr. Klaas is responsible for implementing a $690 million dollar capital budget planning process across the enterprise. Mr. Klaas earned a Bachelor of Science in Civil Engineering from Purdue University and a Master of Business Administration from Indiana Wesleyan University.

Mr. Klaas engages the community and local STEM (Science, Technology, Engineering, and Math) students by mentoring and lecturing to various groups, including MEPI, ACE Academy, and local high schools, and is a MEPI Advisory Board Member.

Marsha A. Stone is the Authority's Senior Director of Commercial Enterprise. Ms. Stone joined the Authority as director of internal audit in 1994 after spending five years in public accounting and achieving her certified public account (CPA) designation. Ms. Stone held various financial roles for U.K.-based airport operator British Airports Authority Indianapolis (BAAI), which held the management contract for IAA from 1995 through 2007. Ms. Stone ultimately held the top financial role for IAA as CFO through 2013, when she transitioned into her current role overseeing all revenue producing / business and air service development activities for IAA. Ms. Stone holds a Bachelor of Science degree from Indiana State University, and currently serves on the board of directors for Visit Hendricks County, One Zone and AA Hoosier Motor Club, along with other civic and corporate boards.

Robert B. Thomson is the Authority's Senior Director of Finance and Treasurer. Mr. Thomson, a certified public accountant (CPA), was appointed as senior director of finance for the Indianapolis Airport Authority in 2013, after previously serving as finance director. Mr. Thomson began his career in Indianapolis with Geo. S. Olive & Co. (now FORVIS, LLP), where he was an audit and tax specialist with focus on manufacturing, dealerships and employee benefits. Subsequently, Mr. Thomson served as controller of Indianapolis Newspapers Inc. with a focus on systems implementation and profit-driven financial management, and later served as chief financial officer for a local family-owned manufacturer. Later, as accounting director for British Airports Authority Indianapolis (BAAI) Mr. Thomson was responsible for operating budgets, reporting and financial systems. In 2016, Mr. Thomson was named CFO of the Year by the Indianapolis Business Journal for his leadership. Mr. Thomson, an Illinois native, holds a degree in accounting from Cedarville University.

THE AIRPORT AND AIRPORT SYSTEM

Overview

The Authority operates Indianapolis International Airport (the "*Airport*"), the Downtown Heliport and four general aviation facilities (the "*General Aviation Airports*"): Eagle Creek Airpark, Metropolitan Airport, Hendricks County Airport–Gordon Graham Field and Indianapolis Regional Airport, although the Authority has begun the process to divest itself of the Downtown Heliport, (collectively, the "*Airport System*"). The General Aviation Airports are located in and around the County. Eagle Creek Airpark, Metropolitan Airport, the Hendricks County Airport–Gordon Graham Field and Indianapolis Regional Airport (formerly known as Mount Comfort Airport) are classified as reliever airports and are part of an airport system plan for the Indianapolis area. The reliever airports are designed to reduce congestion at the Airport and have been developed by the Authority in accordance with the metropolitan airport system plan. Indianapolis Regional Airport has a full instrument landing system and Eagle Creek Airpark has a partial instrument landing system. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

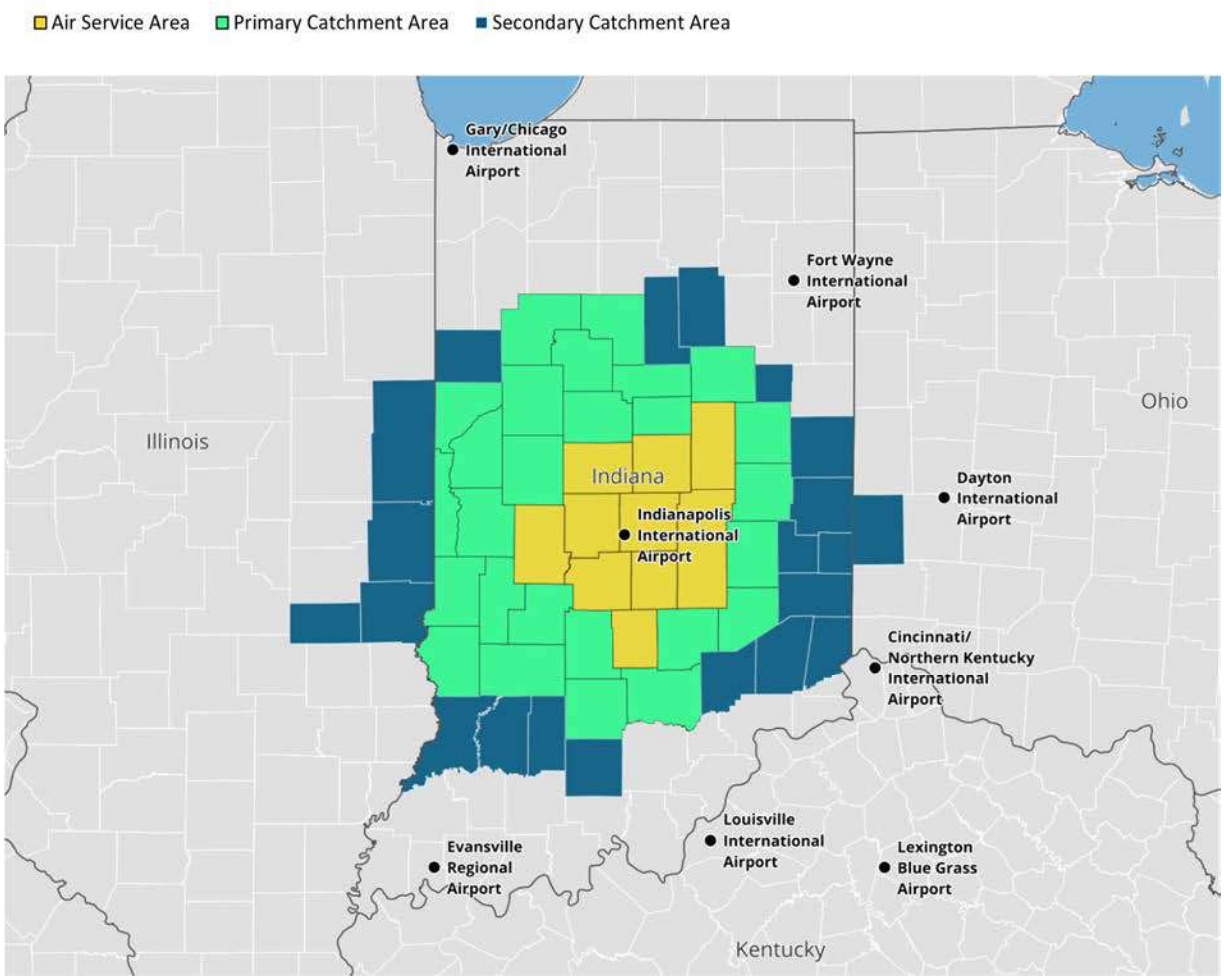
The Airport, the largest part of the Airport System, is the principal commercial service airport serving Indianapolis and central Indiana. According to the Federal Aviation Administration, the Airport was the 47th busiest airport in the United States in 2021, in terms of total passengers, and according to Airports Council International—North America, the 9th busiest overall in the United States in terms of total air cargo tonnage. The Airport is located approximately 13 driving miles from downtown Indianapolis in Marion and Hendricks counties, Indiana, and encompasses approximately 6,500 acres. The Airport proper (the area inside and outside the perimeter fence) is approximately 5,100 acres of the total 6,500 airport property acreage. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

The Airport Service Region

The Airport's primary service region is defined as the primary area from which the Airport draws its customer base (the "*Airport Service Region*" or the "*Catchment Area*"). A map of the Airport Service Region is shown in Table 7 below and in the "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C. The two medium hub airports, in this region are Indianapolis (IND) and Cincinnati (CVG). All other airports identified are either small or non-hub airports. The majority of potential passengers are concentrated in the counties surrounding the Airport and the interconnected highway system in the area allows the Catchment Area to exceed beyond a two-hour drive. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C for more information.

Table 7

AIRPORT PRIMARY SERVICE REGION



Source: Landrum & Brown, Incorporated.

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Facilities

Airfield Facilities. The Airport has three runways. Runway 5R-23L, which opened in June 1990, runs northeast and southwest, and is 10,000 feet long and 150 feet wide. The 2022B Project includes the reconstruction of Runway 5R-23L and associated taxiways. Runway 5L-23R, which opened in January 1996, is on the northwest side of the Airport, is 11,200 feet long and 150 feet wide, and runs parallel to Runway 5R-23L. The parallel runways are equipped with precision instrument landing systems and CAT III operational capability. Runway 14-32 is a crosswind runway, running northwest and southeast and is 7,280 feet long and 150 feet wide.

Terminal Facilities. The Authority opened a new terminal on November 11, 2008, and closed all of the then-existing terminal facilities. The terminal is situated between the two parallel runways. The terminal building is approximately 1.2 million square feet in total size and is a four-story structure consisting of two concourses (A and B) with 39 aircraft gates. Two dedicated international gates are located within Concourse A, with a direct connection to the federal inspection service area. The federal inspection service area is situated so that customers can reclaim their baggage and conveniently walk to ticket counters to connect with another flight. For additional information See Section 3.1.2 of the "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

Public Parking Facilities. The Authority owns and operates substantially all the parking facilities at the Airport, including a garage at the terminal, a surface economy lot, a credit card only walking lot, an employee parking lot, cell phone lot and a rental car overflow surface lot. There are several parking options for Airport visitors to utilize to provide a high-level of customer experience. A valet parking section is available on the third level of the garage for easy access to the terminal and offers an array of special services including car washing, detailing, complimentary bottled water, newspapers and other benefits. Hourly parking is available on the third level of the garage to make short visits to the Airport more convenient with quick access to the terminal. Garage Daily parking offers covered and uncovered roof parking for overnight or extended stays. The Economy Lot parking is a cost-effective option for long term parking just a short shuttle bus ride to and from the terminal. The Park & Walk Lot is a midrange price offering within walking distance of the terminal. This option is credit card only with no shuttle service available. Additionally, the ParkIND program was launched to offer corporate or frequent travelers rewards for utilizing the ParkIND options and currently has over 25,000 members. These programs provide convenient, customer-focused parking options for all Airport visitors.

The Airport's total parking capacity is approximately 14,500 public vehicles (excluding rental car areas). The parking garage currently includes approximately 6,000 spaces, including 1,500 that are reserved for the rental car companies, with the balance dedicated to public parking, including valet service which is operated by a third-party. The two public surface lots include approximately 8,491 spaces, approximately 541 in the shared Park & Walk lot and employee/overflow lot and approximately 7,950 in the economy lot. The 2022B Project includes the expansion of the airport parking garage including the addition of approximately 1,500 spaces, with approximately 900 of those new spaces reserved for the use of the rental car companies. Off-Airport parking competition primarily includes one private operator located about four miles from the Airport's terminal. The 2022B Project also includes the rehabilitation of the public parking lots.

Parking revenue of $59.4 million represented 36.8% of the Authority's total operating revenue in 2019. Parking revenue of $25.2 million represented 21.5% of the Authority's total operating revenue in 2020. For 2021, parking revenue was $42.8 million representing 27.3% of total operating revenue. Year-to-date parking revenue through August 2022 is $39.3 million representing 33.7% of the Authority's total operating revenue. Increased use of transportation network companies ("*TNCs*") could affect parking revenue at the Airport, but the impact is currently minimal. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS—Innovations in Ground Transportation" and "THE AIRPORT AND AIRPORT SYSTEM—Authority Agreements—*Concession Agreements*" herein for a discussion regarding rental cars and TNCs.

Cargo Facilities. Cargo facilities at the Airport total approximately 1.9 million square feet of interior space. As a hub for FedEx, much of the space is related to their operations.

FedEx. FedEx began operations at the Airport in 1988 and has expanded its Indianapolis facility to become the second largest hub worldwide for all of FedEx operations. One of the largest FedEx facilities at the Airport is the FedEx package sorting complex located on the south side of the Airport, which includes a sortation facility, a fuel storage facility and a recently expanded aircraft parking apron now capable of accommodating up to 80 aircraft. In October 2018, FedEx announced a seven-year $1.5 billion expansion to the Indianapolis hub to increase package-handling capacity. The announced expansion envisioned the total leasehold footprint increasing by approximately 131 acres, the addition of 29 new gate positions which would accommodate a total of 92 aircraft, and the addition of multiple support buildings. Since 2018, FedEx completed the construction of the planned crew building, prepared all of the expansion areas for construction, constructed the necessary retaining wall to expand the aircraft apron, constructed 19 of the planned 29 aircraft gate positions, completed the elevated conveyor connector between the existing sortation facility and the newly constructed sort operations building number four (OB4), converted three existing aircraft parking positions to accommodate three Boeing 777 aircraft, rehabbed ten existing gate positions putting them back into service as only eight gates, expanded the storage areas for the increased ground support equipment, completed the construction of multiple other support buildings, and is currently constructing a cold chain storage facility. FedEx has implemented two new package sort operations in addition to the existing night and day sorts as part of a strategy to better service customers buying products from businesses. FedEx has notified the Authority that the expansion timeline will be extended beyond originally expected as package delivery demand has slowed and capital spending is being evaluated and re-justified by the company. The impact of the slowdown is that the portion of the FedEx expansion area leasehold for the remaining ten aircraft gates will be converted to an option area, at a reduced rental rate, by an amendment to the FedEx lease. The slowdown also results in the delay in the construction of a truck loading facility.

The lease with FedEx expires December 31, 2053; however, FedEx has two ten-year options to extend the lease which could extend the term of the Lease to 2073. See "RISKS AND OTHER INVESTMENT CONSIDERATIONS—FedEx Presence at the Airport."

In fiscal years 2019, 2020 and 2021, FedEx accounted for 10.4%, 16.5%, and 15.7%, respectively, of the total revenue at the Airport. No assurance can be given, however, regarding FedEx's future level of cargo activity at the Airport. If, for any reason, FedEx reduces or discontinues its operations at the Airport, such action could result in a reduction in the amount of Airport Revenues. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C for additional information.

Cargo/Warehouse Buildings North. On the northeast side of the Airport, there are two cargo/warehouse buildings (Building #3 and #7) with approximately 69,093 square feet of interior space. These facilities also include approximately 864,000 square feet of aircraft parking apron. The facilities are leased by Worldwide Flight Services (aircraft and cargo handler), Jet Pro Line Maintenance, Hawker Beechcraft and FedEx, which utilizes the building for aircraft parts storage.

Building 53. Located on the north side of the Airport, this facility consists of two buildings totaling approximately 356,043 square feet of space on approximately 107 acres of real estate leased from the Authority and includes more than 46 acres of aircraft parking apron. Currently, the buildings are vacant. The Authority is actively marketing the site.

Cargo/Warehouse Buildings East. On the east side of the Airport, there are two cargo/warehouse buildings with approximately 57,632 square feet of interior space. These facilities are leased by Metro Air Service and the USPS.

Airline Cargo Building. A new cargo and ground equipment maintenance facility was constructed in connection with the construction of the terminal and opened in 2010. The building consists of approximately 40,000 square feet and is located on the south side of Col. H. Weir Cook Memorial Drive near the main terminal. Current tenants included Quantem Aviation (cargo handler), FirstFlight Ground Services Global Aviation, ASIG (ground equipment maintenance provider) and Southwest Airlines Co. A 20,000 square foot expansion of the Airline Cargo Building is expected to be completed in 2023.

Maintenance Facilities. The Airport includes four significant aircraft maintenance facilities as further described below:

IMC. Since 2004, the Authority has operated the Indianapolis Maintenance Center ("*IMC*"), the former United Airlines maintenance and overhaul facility, pursuant to a settlement agreement (the "*Settlement Agreement*") with the trustee of special purpose facility bonds that were issued to construct and equip a portion of the IMC. Under the Settlement Agreement, the Authority is entitled to be reimbursed from IMC revenues, including lease revenues, for all operating expenses and certain other costs incurred by the Authority in operating and maintaining the IMC.

AAR Aircraft Services, Inc. ("*AAR*") leases approximately 428,830 square feet of the approximately 1.6 million square foot IMC. In 2020, the Authority amended the lease with the following:

- Reduced AAR's leasehold to five (5) hangars from ten (10) hangars
- Reduced AAR's rental rate on the five (5) hangars
- The Authority obtained the mutual right to extend the lease, which expires on February 28, 2025

Chautauqua Airlines, Inc. leases two IMC hangar bays under a lease that expires April 14, 2025. Other IMC tenants include Acredo (Express Scripts), Schenker Logistics, Cargolux International, and DHL.

To the extent the Authority is not fully reimbursed for IMC operating expenses in any given year, the Settlement Agreement provides for reimbursement from future IMC revenues of prior unreimbursed IMC operating expenses. All current and prior operating expenses are payable prior to payment of principal and interest on the special facility bonds that were issued to construct and equip a portion of the IMC. Unreimbursed operating expenses, which may be reimbursed by IMC revenues in the future, totaled $12.7 million on August 31, 2022. In addition, net interest owed to the Authority totals $16.5 million on August 31, 2022. Once such amounts are fully reimbursed, the Settlement Agreement dictates how any IMC revenues above current operating expenses are to be spent, including money to the Authority for ground rent and payment to holders of the special purpose facility bonds for unpaid principal and interest.

FedEx Maintenance Hangar. FedEx occupies and operates a maintenance facility containing approximately 147,000 square feet of interior space. The FedEx maintenance facility was financed for US Airways with proceeds of special purpose facilities bonds, which have been paid off. US Airways assigned the leasehold interest to FedEx. The FedEx maintenance facilities were acquired, constructed and equipped on real property located at the Airport, which real property is leased, with the maintenance facilities and certain other property identified in the lease, by FedEx from the Authority in a lease that currently expires on December 31, 2028.

Comlux America, LLC. Comlux completed construction (under the name Comlux Realty, LLC) on a 134,420 square foot hangar and support facility located on the east side of the Airport in 2012. The hangar facility is approximately 65,997 square feet and capable of housing multiple narrow-body commercial aircraft under one roof, for the fitting of executive interiors. Included in the facility is approximately 68,423 square feet of office and support space which houses engineering, accounting, aircraft mechanics, designers, and other support staff to support Comlux's business. In June 2015, an expansion of the facilities began where an additional approximately 15,957 square feet of support and office area along with approximately 14,066 square feet of hangar space was added to the facility. This added an additional approximately 30,023 square feet to the facility bringing its total square footage to approximately 164,443. The expansion allows for wide body aircraft to be housed in the hangar. The current lease with Comlux expires on August 31, 2036.

PK IND, LLC. PK IND, LLC, although currently under foreclosure, occupies and operates a maintenance hangar facility at the Airport containing approximately 152,000 square feet, together with office space containing approximately 120,000 square feet, which is attached to the maintenance facility. PK IND, LLC, is a real estate investment and development company. PK IND, LLC, has subleased the hangar facility to FedEx, with FedEx taking possession on December 1, 2007. Additionally, PK IND, LLC, has a lease agreement with BDP International to lease approximately 14,199 square feet of space in the office area portion of the facility. In the spring of 2009, PK IND completed construction of two new facilities located within the leased premises of the maintenance hangar; an approximately 32,000 square foot hangar facility and an approximately 44,400 square foot training facility, both of which are leased to Rolls Royce.

Other Facilities. In addition to the facilities described above, the Airport also contains:

1. General aviation hangars and related facilities situated in several Airport locations, including:

   a. Hawker Beechcraft Global Customer Support, LLC, ("*Hawker*"). Hawker occupies 80,340 square foot of executive terminal, maintenance hangar and support shop facilities, partially financed with special purpose facility bonds issued by the Authority, but payable by Hawker.

   b. Signature Flight Support, Inc., ("*Signature*"). Signature occupies nine buildings/hangars comprised of approximately 195,400 square feet. These facilities include a new executive terminal.

   c. Vacant Hangars. The Authority currently has five vacant hangar space areas at the Airport, all of which are located at the IMC. There is one vacant hangar at the reliever airports.

2. Corporate Hangars. A number of hangars housing corporate aircraft are located on the north and east sides of the Airport. They house such tenants as the Indianapolis Colts, Bindley Aviation, Simon Property Group and Eli Lilly.

3. FedEx Trade Networks. FedEx Trade Networks leases a 27,165 square foot building from the Authority located on the north side of the Airport. FedEx Trade Networks tracks all international package shipments for FedEx and ensures packages clear customs at various points around the world.

4. Aviation Technology Center. The "ATC" is operated by Vincennes and Purdue Universities for educating and training those seeking employment in aviation technology and other fields related to aircraft, aircraft maintenance and airport operations. ATC operates out of a 69,085 square foot hangar and office space facility.

5. ProTrans International. ProTrans leases 6.5 acres of land from the Authority under a long-term lease which contains a 44,128 square foot building utilized as their corporate headquarters.

6. Support Facilities. The Airport includes a range of support facilities, including navigational aids, a safety facility and a fuel storage/distribution system.

7. Hush House. This three-sided aircraft ground enclosure is comprised of noise resistant panels and designed to absorb engine noise during testing. The Authority's hush house will accommodate most types of aircraft, including the Boeing 777.

Authority Agreements

Airline Agreements. As of the date of this Official Statement, eight passenger carriers (Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Southwest Airlines, Spirit Airlines, and United Airlines) and two cargo air carriers (Cargolux Airlines and Federal Express) (collectively, the "*Signatory Airlines*") operate at the Airport under an Airline Use Agreement and Lease of Premises (individually, an "*Airline Agreement*" and, collectively, the "*Airline Agreements*"), between each Signatory Airline and the Authority. The Airline Agreements became effective January 1, 2019, and extend through December 31, 2023. The Authority intends to initiate discussions with the Airlines in the first quarter of 2023 and anticipates pursuing a cost recovery model that meets the Authority's strategic objectives for the next Airline Agreement, but the ultimate agreement resulting from such negotiations is uncertain at this time. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Rate Covenant" herein for discussion regarding IAA plans for renegotiating the Airline Agreements in 2023.

Under the Authority Bond Ordinance, the Authority is obligated to fix rentals, fees and charges sufficient, when combined with other Net Revenues, to meet the Rate Covenant in each Fiscal Year. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Rate Covenant." The Airline Agreements employ a hybrid rates and charges methodology obligating the Signatory Airlines to make payments (the "*Signatory*

Airline Revenue Requirement") to the Authority for the airfield and apron, in proportion to the use of Airport System facilities by each Signatory Airline and for the terminal facilities, their fairly allocated share of Airport Terminal cost in accordance with U.S. Department of Transportation (USDOT) policy and applicable law, sufficient in the aggregate to pay in each Fiscal Year, together with other available Net Revenues, and any amounts in the Prepaid Airline Fund available to be applied to the Signatory Airline Revenue Requirement for such Fiscal Year in an amount equal to (i) Operation and Maintenance Expenses of the Airport System for such Fiscal Year; (ii) the debt service for the Authority Revenue Bonds for such Fiscal Year, plus debt service coverage; (iii) any deposits required to be made in such Fiscal Year to the Revenue Bond Reserve Fund; (iv) net amounts of any assessments, judgments, settlements or charges payable by the Authority and allocated to the Airport System for such Fiscal Year; (v) $24 million for the Capital Improvement Fund; and (vi) adjustments for deficiencies in any of the above payments for the preceding Fiscal Year. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY" and "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Current Airline Agreements."

To the extent that the Authority determines to classify certain PFCs, CFCs or other revenues as Dedicated Revenues, the Authority anticipates that the debt service that is excluded from Debt Service Requirements pursuant to the Authority Bond Ordinance also will be excluded for purposes of setting rates and charges under the Airline Agreements. Similarly, the Authority anticipates continuing to take the Coverage Fund into account in setting rates and charges. However, if, in the additional bonds test under the Authority Bond Ordinance, the Authority identifies the Debt Service Requirements on certain series of Authority Revenue Bonds in a manner different from the actual principal and interest that is due, the setting of rates and charges will be based upon such actual principal and interest payments, not Debt Service Requirements. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Passenger Facility Charges (PFCs)," "—Customer Facility Charges (CFCs)," "—Dedicated Revenues" and "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Authority Bond Ordinance."

The Airline Agreements are designed to set rates and charges in a manner to ensure that the Authority's debt service and related coverage obligations, including the Rate Covenant, will be met. The Airline Agreements authorize the Authority to adopt an amended budget any time during the Fiscal Year and upon notification and consultation with Signatory Airlines to implement new fees and charges based on such amended annual budget. Further, if total Terminal rentals or landing fees of all airlines for any two (2) successive quarters vary by more than ten percent (10%) from the projected total Terminal rentals (including fees for the use of Joint Use Space) or landing fees for such quarters, the Terminal rentals (including the fees for use of Joint Use Space) or landing fee rate may be adjusted for the balance of such Fiscal Year by an amount equal to the difference between projected and actual terminal rentals or landing fee. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY" and "RISKS AND OTHER INVESTMENT CONSIDERATIONS—Risk of Airline Bankruptcies."

The Airline Agreements provide for rental of Terminal space, use of apron areas and other facilities and services by such Signatory Airline and the periodic and non-discretionary adjustment of the amounts and ratios of the rentals, charges and landing fees to be paid by such Signatory Airline to reflect changing requirements of the Authority's operating budget. The Authority must submit certain capital improvements for disapproval by the Signatory Airlines if they are greater than $100 million. For capital improvements greater than $100 million, the Signatory Airlines may vote to defer such improvements for a year if concurrence is specifically withheld by a majority of the Signatory Airlines paying more than 50% of the Signatory Airlines' fees and rentals, subject to certain other exceptions. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Current Airline Agreements—Annual Recalculation of Lease Rentals and Fees" and "—Capital Improvements."

Each Airline Agreement provides that the Authority may not enact any bond resolution or ordinance or subsequently amend a bond resolution or ordinance so as to require a material change in the method of calculation of rentals and fees payable under such Airline Agreement or so as to materially affect the rights of the Signatory Airlines subject to such Airline Agreements without the prior written consent of such Signatory Airline. If the Authority adopts a bond resolution or ordinance or a subsequent amendment to a bond resolution or ordinance, either of which materially affects the method of calculation of such rentals and fees or materially affects the rights of the Signatory Airline under such Airline Agreement, such Signatory Airline may, in writing, cancel such Airline Agreement within 15 days after the adoption date of the bond resolution or ordinance or amendment by the Authority.

For additional information about the Airline Agreements, see "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Current Airline Agreements."

Operating Agreement/Airport Use Permits. Other airlines operate at the Airport under an Operating Agreement ("*Operating Agreement*"), which generally has a month-to-month term. Regional/commuter carriers affiliated with the signature carriers, hold Operating Agreements and pay landing fees and Terminal fees based upon the Authority's annual Schedule of Rates, Fees and Charges for Use of the Airport Facilities. In addition, various carriers hold Airport use permits and pay signatory rates as affiliate carriers to their respective major/national passenger airlines. See Table 11 herein.

Concession Agreements. The principal concession revenues at the Airport are received from rental car and terminal retail operations, including food and beverage, specialty retail and news and gifts. The Authority also derives concession revenues from cell phone companies (use of distributed antenna system), advertising, ground transportation services (including trip fees paid by taxi, limousine and TNCs and others. The discussion below relates to concession revenues related to TNCs, rental cars and concession operations at the terminal.

Rental Car Facility Concession Agreements. The ten on-airport rental car operators at the Airport (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Sixt and Thrifty) operate under concession agreements providing for payment to the Authority of the greater of (1) a guaranteed minimum fee and (2) 10% of gross concession revenues. In addition, the rental car operators lease counters, office areas, a "quick turn-around" facility, telephone banks and a "ready return" area on the first floor of the parking garage at the Airport at prevailing rental rates. These traditional rental car commission revenues of approximately \$10.8 million and \$5.5 million represented 6.7% and 4.7% of total operating revenue in 2019 and 2020, respectively. For 2021, rental car commission revenues were approximately \$9.5 million representing 6.1% of total operating revenue. The current rental car agreements expire December 31, 2029. The 2022B Project includes an expansion of the parking garage, including additional spaces for the rental car companies. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY." The Authority also has a one year agreement with Turo, whereby Turo is authorized to operate at the airport using the public parking facilities. Turo agrees to pay the Authority 10% of gross revenues for transactions at the Airport and Turo owners and users pay standard parking rates.

Terminal Concession Agreements. The Authority recently completed a refresh of its terminal concessions. The Authority currently has agreements to lease space to concessionaires who provide food and beverage, news and gifts, specialty retail and other sundry items in the terminal complex at the Airport. Concession agreements generally obligate the concessionaires to pay to the Authority a common use fee plus the greater of (1) a minimum annual guarantee and (2) a percentage of gross revenues. The minimum annual guarantee varies based on the offering location, size, exposure to passengers and sales performance. A total of approximately 58,000 square feet of space is available for concessionaires and is approximately 81% occupied and 12% under construction.

The five largest concession operators under the refresh will be Hudson Group with ten units, SSP America with eight units, Paradies Lagardere with seven units, Host International with six units, and OHM Concession Group with six units. The Authority also has direct leases with several local companies. In addition to the in-line concession stores, the Authority has concession agreements for advertising, retail merchandising units, pouring rights with Coca-Cola, cell phone companies (use of distributed antenna systems), ATMs, vending services and other passenger amenities.

In 2019, terminal concession revenue totaled \$8.5 million, representing 5.3% of total operating revenue. In 2020, terminal concession revenue totaled \$3.5 million, representing 3.0% of total operating revenue. For 2021, concession revenues were approximately \$6.1 million, representing 3.9% of total operating revenue. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY."

TNCs. The Authority has concession agreements with various TNCs that drop off and pick up passengers at the Airport with such agreements requiring a fee of \$2.50 for each passenger picked up or dropped off at the Airport. In 2019, TNC revenue of \$1.9 million represented 1.2% of the Authority's total operating revenue. TNC revenue of \$0.8 million represented 0.7% of the Authority's total operating revenue in 2020. For 2021, TNC revenue was \$1.1 million representing 0.7% of total operating revenue.

IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY

Impact of the COVID-19 Pandemic at the Airport

Statistical Information on Enplanements. Historical patterns of passenger traffic at the Airport were drastically disrupted by the emergence of the COVID-19 Pandemic ("*COVID-19*") and the Airport witnessed a sharp contraction in activity beginning in March 2020. While passenger activity at the Airport fluctuated with changes in infection rates associated with new variants, including Delta and Omicron, since November 2020, the Airport continues to demonstrate increasing passenger recovery as demonstrated in the following table. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

Table 8

MONTHLY ENPLANED PASSENGERS – FY 2019 - 2022
(Fiscal Years Ended December 31)

Month	Fiscal Year 2019	Fiscal Year 2020	2020 vs. 2019	Fiscal Year 2021	2021 vs. 2019	YTD 2022	2022 vs. 2019
January	318,913	348,778	109%	137,307	43%	273,525	86%
February	325,290	354,936	109%	149,520	46%	281,504	87%
March	454,311	202,285	45%	266,084	59%	421,540	93%
April	368,853	16,146	4%	251,006	68%	350,186	95%
May	442,178	53,864	12%	311,882	71%	397,504	90%
June	441,431	115,894	26%	365,652	83%	389,759	88%
July	440,164	158,928	36%	384,558	87%	393,126	89%
August	384,308	135,009	35%	315,206	82%	345,176	90%
September	367,579	142,135	39%	310,191	84%	354,749	97%
October	413,615	191,209	46%	388,273	94%	N/A	N/A
November	383,834	155,412	40%	350,526	91%	N/A	N/A
December	424,933	169,868	40%	351,815	83%	N/A	N/A
FY Total	4,765,409	2,044,464	43%	3,582,020	75%	N/A	N/A

Source: Indianapolis Airport Authority

Statistical Information on Cargo. Total air cargo tonnage increased by 32% between 2019 and 2021. A further breakdown of activity during this timeframe reveals historical patterns of air cargo tonnage were impacted by a 42% reduction in passenger airline belly cargo activity, primarily due to COVID-19 related reductions in passenger aircraft operations. Cargo carrier tonnage increased 33% during this timeframe primarily due to FedEx implementing their announced expansion at IND and increased package delivery fueled by greater consumer online purchasing during the COVID-19 pandemic. See Table 19 for Historical Enplaned Cargo.

Table 9

FISCAL YEAR TOTAL LANDED WEIGHTS RECOVERY[1]
(Fiscal Years Ended December 31)

Month	Fiscal Year 2019	Fiscal Year 2020	2020 vs. 2019	Fiscal Year 2021	2021 vs. 2019	YTD 2022	2022 vs. 2019
January	851,314	900,636	106%	684,215	80%	940,916	111%
February	786,228	818,249	104%	700,706	89%	877,812	112%
March	914,208	847,033	93%	882,719	97%	1,084,540	119%
April	888,474	567,349	64%	901,903	102%	974,784	110%
May	917,528	503,246	55%	919,888	100%	998,289	109%
June	866,561	623,994	72%	981,796	113%	1,021,414	118%
July	893,529	754,448	84%	1,015,749	114%	1,023,526	115%
August	881,288	736,958	84%	1,017,726	115%	992,020	113%
September	800,584	721,687	90%	994,334	124%	945,407	118%
October	949,989	769,633	81%	1,040,171	109%	N/A	N/A
November	872,854	710,854	81%	1,022,808	117%	N/A	N/A
December	1,157,297	982,144	85%	1,279,443	111%	N/A	N/A
Total	10,779,854	8,936,231	83%	11,441,458	106%	N/A	N/A

[1] 1,000-pound units

Source: Indianapolis Airport Authority

Federal Aid Related to COVID-19

The United States government has taken legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic through the enactment of legislation to provide financial relief. Below is a summary of certain of such legislation, which was intended to address the impact of the COVID-19 pandemic on airports in the United States.

CARES Act. The CARES Act includes direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. Under the CARES approximately $10 billion in grant assistance was provided to airports.

CRRSAA. The CRRSAA includes direct aid to prevent, prepare for and respond to the impacts of the COVID-19 pandemic, including the provision of relief from rent and maximum annual guarantees (MAGs) for eligible airport concessions at primary airports. Under the CRRSAA approximately $2 billion in grant assistance was provided to airports.

ARPA. The ARPA provides additional economic assistance to airport operators to respond to the COVID-19 pandemic, including relief from rent and MAGs for eligible airport concessions at primary airports. Under the ARPA approximately $8 billion in grant assistance was provided to airports.

Utilization by the Authority of CARES, CRRSAA and ARPA Grants. The Authority was awarded/allocated approximately $106.6 million in combined CARES, CRRSAA and ARPA grants for the Airport (the "*COVID-19 Relief Grants*"). The following table presents a summary of the allocation and utilization of the COVID-19 Relief Grants. As of August 31, 2022, the Authority has fully drawn all CARES grants and has approximately $0.08 million in CRRSAA relief grants, $37.8 million in ARPA relief grants, and $4.0 million in ARPA concession relief grants remaining.

Table 10

COVID-19 FEDERAL RELIEF FUNDS FOR THE AUTHORITY (DOLLARS IN THOUSANDS)

	CARES Act	CRRSAA (Operation)	CRRSAA (Concession Relief)	ARP Act (Operation)	ARP Act (Concession Relief)	Total
Total Award	**$52,533**	**$11,224**	**$1,009**	**$37,822**	**$4,034**	**$106,622**
<u>**Uses:**</u>						
2020	$38,436					$38,436
2021	14,097	$9,854	$1,009			24,959
2022 (planned)		1,370		$19,560	$4,034	24,964
2023 (planned)				11,700		11,700
Total Uses	**$52,533**	**$11,224**	**$1,009**	**$31,260**	**$4,034**	**$100,060**
Amount Remaining	**$0**	**$0**	**$0**	**$6,562**	**$0**	**$6,562**

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HISTORICAL AIRPORT ACTIVITY

Aircraft Operations

As of September 30, 2022, eleven major and national passenger airlines and the corresponding regional and commuter passenger airlines provided scheduled service at the Airport, as shown on Table 11 "AIRLINES PROVIDING SERVICE AT THE AIRPORT." The major and national airlines provided an average of 117 daily nonstop departures from the Airport to 45 cities, (including two international cities), down from an average of 145 daily nonstop departures from the Airport to 50 cities pre-pandemic in 2019. The Airport serves primarily origin and destination ("*O&D*") passengers, as compared with connecting passengers. During 2021, approximately 3.5 million enplaned passengers at the Airport were O&D passengers (98.3%). In addition, FedEx and Cargolux International provide regularly scheduled air cargo service at the Airport.

The passenger and cargo airlines currently providing scheduled service at the Airport are shown in Table 11, with the Signatory Airlines marked as such:

Table 11

AIRLINES PROVIDING SERVICE AT THE AIRPORT
AS OF SEPTEMBER 30, 2022

PASSENGER AIRLINES

Signatory Carriers*	Other Carriers
Alaska Airlines, Inc	Sun Country
Allegiant Air	Air Canada
American Airlines	Contour**
Delta Air Lines	
Frontier Airlines	
Southwest Airlines	
Spirit Airlines	
United Airlines	

ALL-CARGO AIRLINES

Signatory Carriers	Other Carriers
Cargolux Airlines International	Mountain Air Cargo (FedEx)
FedEx	CSA Air (FedEx)

* Includes Regional/Commuter Carriers
** Also known as Corporate Flight Management
Source: Indianapolis Airport Authority

Table 12 shows the number of historical aircraft operations (landings and takeoffs) at the Airport from 2017 through September 30, 2022, for air carrier, air taxi and commuter, general aviation, and military operations. Generally, there have been fluctuations in the operating trends of air carrier and air taxi/commuter operations due to varying passenger enplanements, aircraft fleet mix, air carrier mergers, and the hubbing activities of passenger and cargo airlines. Commercial passenger airlines have adjusted using larger regional jets versus mainline as needed, shifting recorded operations out of the "Air Taxi" category and into "Air Carrier". Historically, the number of General Aviation operations has been tied directly to the current economic conditions but the chart below also shows the impact of COVID-19 in 2020. The military charter activity is tied strongly to the needs of nearby Indiana National Guard training base Camp Atterbury. The fluctuations in military operations are a result of the changing demands of the military.

In 2021, 185,970 aircraft operations (takeoffs and landings) were performed at the Airport. These operations consisted of 120,606 air carrier operations (which includes commercial aircraft with more than 60 passenger seats or cargo aircraft with maximum payload in excess of 18,000 pounds), 49,683 air taxi/commuter operations (which includes commercial aircraft with fewer than 60 passenger seats or cargo aircraft with maximum payload of less than 18,000 pounds), 14,871 general aviation operations, and 810 military operations. For the first nine months of 2022, 145,458 aircraft operations (takeoffs and landings) were performed at the Airport. These operations consisted of

95,621 air carrier operations, 36,245 air taxi/commuter operations, 12,854 general aviation operations, and 738 military operations. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY."

Table 12

HISTORICAL AIRCRAFT OPERATIONS

2017-September 30, 2022

Year	Air carrier	Air taxi / commuter	General aviation	Military	Total Operations: Total	Total Operations: Annual percent increase (decrease)
2017	123,870	17,530	14,652	3,997	160,049	(1.3%)
2018	127,309	24,796	15,044	984	168,133	5.1%
2019	125,093	47,231	14,102	858	187,284	11.4%
2020	92,360	41,035	9,953	730	144,078	(23.1%)
2021	120,606	49,683	14,871	810	185,970	29.1%
Nine Months Ended September 30						
2019*	91,882	33,386	10,490	670	136,428	
2021	85,474	36,974	10,875	640	133,963	
2022	95,621	36,245	12,854	738	145,458	8.6%[a]
	Average annual percent increase (decrease)					
2017-2021	(0.7%)	29.7%	0.4%	(32.9%)	3.8%	

* The first nine months have been provided for comparison to pre-COVID-19 activity levels.

[a] Percentage change is calculated using the first nine months of 2022 compared to the first nine months of 2021.

Source: Indianapolis Airport Authority

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Additional information regarding aviation activity, enplaned passengers and landed weight at the Airport is set forth in the following Table 13, including 2020 when enplaned passengers and landed weight were limited due to COVID-19:

Table 13

HISTORICAL AIRPORT ACTIVITY
2017-September 30, 2022

	Year Ended December 31,					First Nine Months Ended		
	2017	2018	2019	2020	2021	September 30, 2019	September 30, 2021	September 30, 2022
Enplaned Passengers	4,387,532	4,697,124	4,765,409	2,044,464	3,582,020	3,543,027	2,491,406	3,207,069
Air Cargo Enplaned (tons):								
Air Freight/Express	526,966	538,737	518,685	572,558	686,727	372,371	494,678	475,645
Air Mail	3,125	3,159	2,093	1,364	967	1,540	716	748
Total Air Cargo	530,091	541,896	520,778	573,922	687,694	373,911	495,394	476,393
Landed Weight in 1000-pound units:								
Passenger Airlines	5,150,053	5,501,643	5,475,524	3,282,245	4,271,668	4,054,031	3,037,555	3,560,678
Cargo Airlines	5,139,115	5,282,890	5,304,330	5,653,986	7,169,790	3,745,830	5,061,482	5,298,032
Total Landed Weight	10,289,168	10,784,533	10,779,854	8,936,231	11,441,458	7,799,861	8,099,037	8,858,710

Source: Indianapolis Airport Authority

Table 14 below shows the number of enplaned passengers annually at the Airport since 2017, including 2020 when enplaned passengers were limited due to COVID-19. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY."

Table 14

HISTORICAL ENPLANED PASSENGERS
2017-September 30, 2022

			Total enplaned passengers	
Year	Major / National Airlines [(a)]	Regional / Commuter Airlines	Number	Average Annual % increase (decrease)
2017	3,058,861	1,328,671	4,387,532	3.5%
2018	3,286,664	1,410,460	4,697,124	7.1%
2019	3,384,398	1,381,011	4,765,409	1.5%
2020	1,493,143	551,322	2,044,464	(57.1%)
2021	2,658,649	923,371	3,582,020	75.2%
Nine Months Ended September				
2019	2,503,347	1,039,680	3,543,027	
2021	1,855,364	636,042	2,491,406	
2022	[(b)]	[(b)]	3,207,069	28.7%[(c)]
	Average annual percent increase			
2017-2021	(3.4%)	(8.7%)	(4.9%)	

(a) Includes some commuter activity reported with major airline activity.
(b) Data not available.
(c) Percentage change is calculated using the first nine months of 2022 compared to the first nine months of 2021.

Source: Indianapolis Airport Authority

The cost per enplaned passenger for the passenger carriers from 2017 to 2021 is shown in Table 15 below. The number of enplaned passengers was 57.1% lower in 2020 than 2019 due to COVID-19 related restrictions, warnings, and concerns. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY" herein for discussion of the effects of the pandemic on enplaned passengers. The Authority is projecting a cost per enplaned passenger of $11.40 for the passenger carriers in 2022.

Table 15

HISTORICAL COST PER ENPLANED PASSENGER
(inclusive of both Signatory and Non-Signatory Carriers)

Year	Cost
2017	$8.54
2018	$8.27
2019	$7.79
2020	$18.43
2021	$13.56

Source: Indianapolis Airport Authority

Airline Service

As shown in Table 11, the Airport is served by most major airlines operating to their mid-continental, East Coast, West Coast and international hubs. In addition, as shown in the Report of the Airport Consultant attached hereto as Appendix C, point-to-point service is provided to many major business destinations across the nation, including New York (LaGuardia, JFK and Newark), Washington, D.C. (Reagan National, Dulles and BWI Marshall), Boston (Logan International), Chicago (O'Hare and Midway), Dallas (Dallas/Fort Worth International and Love Field), Houston (Bush Intercontinental and William Hobby), San Francisco (San Francisco International) and Los Angeles (Los Angeles International). A significant amount of nonstop service is also provided to leisure destinations in Florida and the desert Southwest. The Airport's top international market is Cancun, Mexico, which has nonstop service. Other major international O&D markets include Montego Bay in Jamaica, San Jose del Cabo in Mexico, and Punta Cana in the Dominican Republic. There is no nonstop service to these other international destinations and O&D passengers must connect to reach their final destinations. Toronto, Canada is the only other international nonstop destination provided from the Airport. See Table 2-3 in the "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

Recent Trends in Airline Traffic at the Airport

While 2020 was significantly impacted by the onset of the COVID-19 Pandemic, based on most recent enplanement and financial reporting data, the Airport has demonstrated an ongoing recovery since 2020. Year-to-date enplaned passenger traffic through September 2022 is up 28.7% compared to the same time in 2021 and 9.5% down from the same time in 2019. Airline seat capacity through September 2022 is up 19.8% versus 2021 and down 10.3% compared to 2019. Passenger carrier airline flights through September 2022 are up 21.5% versus 2021 and down 18.5% compared to 2019. Airline Seat Miles through September 2022 are up 23.0% versus 2021 and down 10.1% versus Airline Seat Miles in 2019.

In January 2022, Delta Air Lines added three one-time nonstop flights to support the College Football Playoff National Championships with service to Savannah, GA (SAV), Birmingham, AL (BHM), and Huntsville/Decatur, AL (HSV). In addition, Alaska Airlines added back a second flight to the key business and leisure market of Seattle (SEA), Spirit added a flight to New Jersey (EWR), and Frontier announced it would start flying to Phoenix in January of 2023.

Beyond domestic flights, the Airport welcomed back Air Canada to the Airport after a two-year pandemic break. In May 2022, Air Canada started daily service to Toronto (YYZ) and returned to twice daily service in June 2022. Other than Air Canada, no other airline ceased service to the Airport since 2019.

The Authority is actively working with new and existing airlines to recruit new and additional domestic and international service with emphasis on re-establishing key markets lost during the COVID-19 Pandemic, such as Kansas City and a non-stop flight to Europe, as well as increasing access to the West Coast. Business travel continues to lag pre-COVID-19 Pandemic levels and the Airport is working closely with the regional business community to understand how and when business demand will return and what markets will be key in a post-pandemic environment.

In addition to recruiting new markets (new non-stop destination), the Airport team is focused on tools necessary to gain new flights (to existing markets) post-pandemic. As travel recovers from the pandemic, the Airport stands to gain and regain strategic air service connectivity. A relevant air service incentive plan competitively positions the Airport for new, nonstop air service now and into the future. In May 2022 the Airport Board approved a new plan that uses all the incentive mechanisms permitted by the FAA guidelines in a more relevant approach that is tailored to the current dynamic air service environment and better supports the Authority's short- and long-term air service priorities than the existing incentive plan.

The TSA throughput at the Airport in 2022 continues to track strongly against the past two years and in mid-September 2022 even surpassed numbers for the same week in 2019, signaling a consistent increase in travel demand and recovery.

Table 16 below shows the 45 non-stop destinations from the Airport.

Table 16

Airline Market Shares of Enplaned Passengers

Table 17 shows airline market shares of enplaned passengers at the Airport from 2017 through September 30, 2022. The Airport is served by a balanced mix of carriers. Market shares among airlines have remained relatively stable since 2017.

Southwest Airlines accounted for 28.2% of enplanements at the Airport in 2021. For the first nine months of 2022, Southwest enplanements marginally decreased to a 26.3% share. American Airline's ("*American's*") share of the Airport's enplanements was 23.6% in 2021. For the first nine months of 2022, American's share was 25.7%. Delta has the next largest share of the Airport's enplanements at 18.5% in 2021. For the first nine months of 2022, Delta's share was 19.1%. United has the fourth largest market share at the Airport with 11.1% of enplanements in 2021. For the first nine months of 2022 United's share was 12.1%.

The mix of carriers and diversity of the airline market shares at the Airport helps to ensure that competitive service is available and that the Airport traffic base is not dependent on the financial success or service provided by any one airline. Low-cost airlines Allegiant, Frontier, Spirit and Southwest collectively represented approximately 40.5% of the service provided at the Airport in the first nine months of 2022, and 48.2% share in 2021.

Table 17 shows the airlines that provided service at the Airport from 2017 through September 30, 2022, as well as their market share of enplanements at the Airport.

Table 17

AIRLINE MARKET SHARES OF ENPLANED PASSENGERS
2017-September 30, 2022

	Market Share (%)							
						Nine Months Ended September 30		
Airline [a]	2017	2018	2019	2020	2021	2019	2021	2022
Southwest Airlines	32.9%	30.8%	28.7%	30.4%	28.2%	28.8%	29.5%	26.3%
Delta Air Lines	22.3%	23.3%	25.3%	18.1%	18.5%	25.4%	17.6%	19.1%
American Airlines	22.1%	21.9%	21.5%	21.9%	23.6%	21.8%	22.9%	25.7%
United Airlines	13.6%	12.8%	12.1%	11.3%	11.1%	11.8%	10.7%	12.1%
Allegiant Air	4.3%	5.6%	5.7%	8.3%	6.6%	5.7%	6.6%	6.2%
Frontier Airlines	2.8%	3.0%	2.6%	3.3%	3.2%	2.6%	3.5%	2.4%
Spirit Airlines [b]	-	-	2.1%	4.9%	7.0%	1.7%	7.4%	5.6%
Alaska Airlines	1.0%	1.7%	1.1%	1.3%	1.2%	1.2%	1.3%	1.6%
Other	1.0%	0.9%	0.9%	0.6%	0.6%	1.0%	0.5%	1.0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

[a] Includes regional partners.
[b] Spirit Airlines began operating at the Airport in March 2019.

Source: Indianapolis Airport Authority

O&D Traffic

The Airport is primarily an O&D Airport and from 2017 to 2021, O&D traffic has ranged from approximately 96.0% to 98.3% of the Airport's traffic. In 2021, 98.3% of the Airport's enplanements represented O&D traffic, as shown in Table 18 below.

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Table 18

SHARES OF O&D VERSUS CONNECTING PASSENGERS
Indianapolis International Airport
2017-2021

	Year Ended December 31,					
	2017	2018	2019	2020	2021	Average Annual increase 2017-2021
Enplaned Passengers						
O&D	4,211,480	4,519,831	4,614,798	1,996,663	3,521,468	(4.4%)
Connecting	176,052	177,293	150,611	47,801	60,552	(23.4%)
Total	4,387,532	4,697,124	4,765,409	2,044,464	3,582,020	(4.9%)
% of Total						
O&D	96.0%	96.2%	96.8%	97.7%	98.3%	
Connecting	4.0%	3.8%	3.2%	2.3%	1.7%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	

Sources: Indianapolis Airport Authority; U.S. Department of Transportation, Airline Passenger Origin and Destination Survey and T-100 Onboard Database.

Air Cargo Activity

Table 19 below shows cargo enplaned at the Airport from 2017 through September 30, 2022. Air cargo at the Airport saw dramatic increases in 2020 and 2021, however, for the first nine months of 2022, the amount of air cargo enplaned at the Airport decreased by 3.8% compared to the same period in 2021 resulting from the changing nature of the cargo industry and online retail. In 2021 and 2022 year to date, over 99.9% of total enplaned cargo was freight and express.

International freight service expanded at the Airport beginning in January 2006, with scheduled Cargolux service into the European Union, which complimented existing FedEx departures into the same region. In 2014, FedEx introduced multiple weekly international cargo flights arriving from Osaka, Japan. Tonnage of international inbound freight has continued to grow. FedEx launched a new international flight to Liége, Belgium (LGG) in September 2019. In 2021, inbound international freight was up 53.0% from 63,310 tons in 2020 to 96,844 tons. For the first nine months of 2022, inbound international freight was up 19.0% from 68,010 tons for the first nine months in 2021 to 80,964 tons. See Table 2-6 in the “REPORT OF THE AIRPORT CONSULTANT” attached hereto as Appendix C.

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Table 19

HISTORICAL ENPLANED CARGO
2017-September 30, 2022

Year	Air mail (Tons)	Freight and Express (Tons)	Total (Tons)	Annual Percent increase (decrease)
2017	3,125	526,966	530,091	(3.0%)
2018	3,159	538,737	541,896	2.2%
2019	2,093	518,685	520,778	(3.9%)
2020	1,364	572,558	573,922	10.2%
2021	967	686,727	687,694	19.8%
Nine Months Ended September 30				
2019	1,540	372,371	373,911	
2021	716	494,678	495,394	
2022	748	475,645	476,393	(3.8%)[a]
	Average annual percent increase			
2017-2021	(25.4%)	6.8%	6.7%	

[a] Percentage change is calculated using the first nine months of 2022 compared to the first nine months of 2021.

Source: Indianapolis Airport Authority

Landed Weight

In 2021, total aircraft landed weight was 11,441,458 thousand pound units, a 28.0% increase from 2020, which was 17.1% lower than the total for 2019. Passenger airlines accounted for approximately 37.3% of total landed weight at the Airport in 2021 compared to the prior year of 36.7%. The cargo airlines accounted for the remaining 62.7% of the total aircraft landed weight at the Airport in 2021, compared to the prior year of 63.3%. Passenger airline landed weight increased 30.1% in 2021 compared to 2020, and the cargo airline landed weight increased 26.8% from the prior year. Passenger airline landed weight increased 17.2% in the first nine months of 2022 compared to the first nine months of 2021, and the cargo airline landed weight increased 4.7% in the first nine months of 2022 compared to the same period of 2021. Table 20 below shows the historical landed weight at the Airport followed by Table 21 showing the various airline shares of such landed weight.

Table 20

HISTORICAL LANDED WEIGHT
2017-September 30, 2022

Year	Passenger Airlines (1,000-pound units)	Cargo Airlines (1,000-pound units)	Total (1,000-pound units)	Annual percent increase (decrease)
2017	5,150,053	5,139,115	10,289,168	(1.3%)
2018	5,501,643	5,282,889	10,784,532	4.8%
2019	5,475,524	5,304,330	10,779,854	(0.04%)
2020	3,282,245	5,653,986	8,936,231	(17.1%)
2021	4,271,668	7,169,790	11,441,458	28.0%
Nine Months Ended September 30				
2019	4,054,031	3,745,830	7,799,861	
2021	3,037,355	5,061,682	8,099,037	
2022	3,560,678	5,298,032	8,858,710	9.4%[a]
	Average annual percent increase (decreased)			
2017-2022	(4.6%)	8.7%	2.7%	

[a] Percentage change is calculated using the first nine months of 2022 compared to the first nine months of 2021.

Source: Indianapolis Airport Authority

Table 21

AIRLINE SHARES OF LANDED WEIGHT
2017-September 30, 2022
(%)

Airline [a]	2017	2018	2019	2020	2021	First Nine Months Ended September 30 2019	2021	2022
Passenger Airlines								
Southwest Airlines	16.1%	14.9%	13.9%	11.5%	9.6%	14.4%	10.1%	9.7%
Delta Air Lines	11.4%	12.4%	13.3%	7.5%	7.7%	13.7%	7.5%	8.1%
American Airlines	11.7%	11.9%	11.8%	8.0%	8.8%	12.2%	8.4%	10.9%
United Airlines	6.5%	6.3%	6.0%	4.0%	4.3%	6.0%	4.2%	5.0%
Allegiant Air	1.8%	2.5%	2.5%	2.4%	2.4%	2.6%	2.4%	2.2%
Frontier Airlines	1.1%	1.2%	1.0%	0.9%	1.0%	1.0%	1.1%	0.8%
Alaska Airlines	0.5%	0.8%	0.5%	0.6%	0.4%	0.5%	0.4%	0.6%
Spirit Airlines [b]	-	-	1.0%	1.4%	2.3%	0.8%	2.4%	2.1%
Other	0.9%	1.0%	0.8%	0.4%	0.8%	0.8%	0.9%	0.8%
Subtotal	50.0%	51.0%	50.8%	36.7%	37.3%	52.0%	37.4%	40.2%
Cargo and charter airlines								
FedEx	48.6%	47.6%	47.8%	61.7%	61.3%	46.6%	61.1%	58.4%
Cargolux	1.0%	0.9%	1.0%	1.2%	0.9%	1.0%	1.0%	0.9%
Other	0.4%	0.5%	0.4%	0.4%	0.5%	0.4%	0.5%	0.5%
Subtotal	50.0%	49.0%	49.2%	63.3%	62.7%	48.0%	62.6%	59.8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

[a] Includes regional partners
[b] Spirit Airlines began operating at the Airport in March 2019.

Source: Indianapolis Airport Authority

CAPITAL IMPROVEMENT PROGRAM

The Authority's 2022 and projected Five-Year Capital Program (2022-2027) (the "*2022-2027 CIP*") is intended to meet the Airport System's capital needs through 2027. The program is designed to provide comfort regarding the continued availability of existing facilities and to develop improvements necessary to meet the ongoing air travel demands of the airport service region. Funding for capital projects primarily comes from a combination of federal grants, other Authority funds generated from the operation of the Airport System, proceeds from the sale of land and Authority property and future debt payable from both Authority Revenues and Customer Facility Charges (CFCs) for rental car related projects. See "Plan of Funding for the 2022-2027 CIP" below for more funding information.

The 2022-2027 CIP contemplates approximately $1.051 billion (in actual and inflated dollars) in capital improvements to the Airport System. The Airport's significant projects over the five years include: parking garage expansion, expansion of terminal aircraft remain-over-night parking, completion of airfield maintenance facility, runway and taxiway reconstruction, addition of terminal heating and cooling backup, rehabilitation of public parking lots, baggage handling system recapitalization, Airport fuel farm expansion, and terminal back-up water connection, some of which are part of the 2022B Project to be financed with the 2022B Authority Bonds. Many of these projects are eligible for partial federal and/or state grant funding with accompanying IAA local funding requirements. In addition to the availability of federal and/or state grant funding, completion of the 2022-2027 CIP is dependent upon a number of other factors, including national, regional and local economic conditions; financial condition of the airlines using the Airport System; receipt of required approvals and permits, including environmental approvals and permits; site conditions; coordination of contracts and work; design and construction scheduling; availability of specialty contractors, supplies and equipment; and the effect of one or more factors on the Authority's operations. Although the capital improvement program has a five-year horizon, projects are budgeted and approved on a calendar year basis. Capital improvement projects funded by grants require funding approval by the appropriate granting authorities and due to the timing of such decisions, funding for the program is determined on an annual basis as projects are approved to move forward.

The Authority reviews and updates the 2022-2027 CIP each year. Pursuant to the current Airline Agreements, the Authority must submit certain capital improvement projects for disapproval by the Signatory Airlines if they are greater than $100 million. The Authority does not anticipate a project for which a submission to the Signatory Airlines is required. See "THE AIRPORT AND AIRPORT SYSTEM—Authority Agreements—*Airline Agreements*."

Plan of Funding for the 2022-2027 CIP

The Authority plans to fund the cost of the 2022-2027 CIP with the 2022B Authority Bonds, Authority funds (including PFCs and CFCs), federal and state grants and proceeds from Additional Authority Bonds.

To fund the 2022-2027 CIP, the Authority expects to use the following sources:

Sources of Funds	**Amount $(000s)**
Series 2022B Authority Bonds	$ 182,973
Planned Debt Issuances	326,519
Authority Funds(*)	286,579
Federal Grants	317,510
Total	$ 1,113,581

Uses of Funds	**Amount $(000s)**
Airfield	$ 554,538
Safety & Security	140,350
Parking	103,819
Reliever Airport Projects	77,579
Environmental	47,502
Terminal	46,553
Properties	37,002
Roads & Lots	32,450
Central Energy Plant	19,407
Revenue Development	13,580
Parking Shuttle Bus	11,340
Vehicle & Equipment	10,840
Information Technology	7,943
Indianapolis Maintenance Center	6,668
Other	4,010
Total	$ 1,113,581

(*) Authority Funds include cash from airline rates and charges, Authority cash on hand, interest earnings, and proceeds from land and property sales.

Federal and State Grants. The FAA's Airport Improvement Program (or AIP) consists of an entitlement fund and a discretionary fund. Entitlement funds are distributed through grants by formula based on the number of enplanements and the amount of cargo landed weight at individual airports. The Authority has received on average approximately $6.2 million in entitlement funding, primary and non-primary, each year for the past five years. The FAA issues letters of intent ("*LOI*") for grants from the discretionary fund based on the FAA's assessments of national priorities. An LOI represents the FAA's intent to obligate funds from future federal budget appropriations for the AIP. From time to time, the General Assembly of the State has appropriated moneys to the Indiana Department of Transportation to fund grants to airports situated in Indiana. The Authority has used State grant moneys to meet local match requirements for federal grants related to the Authority's reliever airports and expects to continue to do so.

Funding provided from government grant awards are considered earned and recognized as revenue when eligible expenses are incurred. The Authority also received funds from the federal government in 2020 and 2021 during the COVID-19 Pandemic as described herein under "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY." See Table 5 for undrawn federal relief fund balances.

On November 15, 2021, the Bipartisan Infrastructure Law Infrastructure Investment and Jobs Act ("*IIJA*") was enacted, which provides:

(i) $25 billion in new general fund revenue over the next five federal fiscal years for airports and air traffic control facilities. Of this amount: $2.48 billion per year will be allocated to primary airports in two parts: first based on AIP apportionment formulas, and any remaining amounts based on enplanements. According to the FAA, the Airport will be eligible for $14.2 million per year for Fiscal Year 2022 and Fiscal Year 2023 under these formula grants (with FY 2024 – FY 2026 to be based on future year enplanements). These grants can be used for PFC-eligible capital project costs and the federal/local share for large and medium-hub airports will be 75%/25%.

(ii) $1 billion per year for a new airport terminal program administered by the FAA for terminal development projects (less a 3% allowance for FAA administration) of which 55% (or $533.5 million) will be set aside for large hub airports. These competitive terminal grants will be prioritized for projects that increase capacity and passenger access, replace aging infrastructure; achieve compliance with the Americans with Disabilities Act and expand accessibility for persons with disabilities, improve airport access for historically disadvantaged populations, improve energy efficiency, improve airfield safety through terminal relocation, and encourage actual and potential competition; and projects for relocating, reconstructing, repairing, or improving airport-owned air traffic control towers. These grants can be used for PFC-eligible capital project costs and the federal/local share will be 80%/20%.

At this time, the 2022 -2027 CIP does not specifically contemplate IIJA funding for specific projects and anticipates working with the FAA to optimize grant funding for all grant eligible projects.

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HISTORICAL OPERATING RESULTS

Table 22 below shows the historical operating results of the Authority from 2017 to 2021.

Table 22

HISTORICAL OPERATING RESULTS – INDIANAPOLIS AIRPORT AUTHORITY

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Operating Revenue:					
Airfield	$ 21,745,673	$ 24,287,898	$ 23,677,830	$ 22,118,257	$ 31,031,457
Terminal Complex	53,182,950	54,137,541	51,345,864	44,175,766	57,515,595
Parking	50,755,972	54,550,555	59,369,820	25,208,150	42,772,033
Rented Buildings and Other	16,567,445	16,522,830	15,504,906	16,218,550	16,548,566
Indianapolis Maintenance Center (IMC)	8,067,899	8,239,177	8,567,153	6,570,715	5,586,360
Reliever Airports	2,919,794	2,934,461	2,883,108	2,779,635	3,217,196
Total Operating Revenues	$ 153,259,733	$ 160,672,462	$ 161,348,681	$ 117,071,073	$ 156,671,207
Operating Expense:					
Airfield	9,084,360	12,015,618	11,962,170	10,634,332	11,918,192
Terminal Complex	17,242,334	17,867,958	18,342,735	16,511,421	18,527,623
Parking	8,384,758	9,703,666	10,673,972	7,459,310	7,918,975
Rented Buildings and Other	2,137,035	2,692,850	3,409,401	1,724,022	2,084,302
Indianapolis Maintenance Center (IMC)	7,130,254	7,587,392	7,420,678	6,540,649	5,994,812
Reliever Airports	2,686,714	1,628,842	1,923,790	1,515,441	2,513,803
Public Safety	11,568,700	11,984,858	12,685,716	12,132,103	13,322,262
Administration	15,299,883	17,528,561	18,767,434	16,046,191	17,418,711
Subtotal	73,534,038	81,009,745	85,185,896	72,563,469	79,698,680
Depreciation	94,074,607	92,196,205	89,679,466	94,640,303	100,933,121
Total Operating Expenses	167,608,645	173,205,950	174,865,362	167,203,772	180,631,801
Income (Loss) From Operations	(14,348,912)	(12,533,488)	(13,516,681)	(50,132,699)	(23,960,594)
Nonoperating Revenues (Expenses)					
State and Local Appropriations	16,751,310	13,162,521	-	-	-
Federal Operating Grants	595,315	598,580	589,349	15,782,948	1,816,734
Passenger Facility Charges	17,753,293	19,014,107	19,320,752	7,917,919	15,009,050
Customer Facility Charges (Rental Cars)	7,218,100	7,421,524	9,410,469	4,347,368	6,526,091
Investment Income	4,678,810	6,115,216	(16,814,912)	(4,909,795)	15,567,065
Interest Expense	(38,137,899)	(37,949,911)	(38,005,502)	(33,787,024)	(32,770,421)
Gain (Loss) on Disposals of Capital Assets and Other	(3,699,660)	(47,254,775)	(7,109,668)	11,802,875	2,336,386
Subtotal	5,159,269	(38,892,738)	(32,609,512)	1,154,291	8,484,905
Decrease in Net Assets Before Capital Contributions, Grants and Charges	(9,189,643)	(51,426,226)	(46,126,193)	(48,978,408)	(15,475,689)
Capital Contributions and Grants					
Federal and State grants	6,206,260	21,751,594	21,719,379	44,816,168	48,797,367
Contributions from Lessees	2,120,100	4,354,673	7,130,008	83,401,334	254,656,893
	8,326,360	26,106,267	28,849,387	128,217,502	303,454,260
Increase (Decrease) in Net Assets	(863,283)	(25,319,959)	(17,276,806)	79,239,094	287,978,571
Net Assets, Beginning of Year	1,059,555,700	1,058,692,417	1,033,372,458	1,016,095,652	1,095,334,746
Net Assets, End of Period	$ 1,058,692,417	$ 1,033,372,458	$ 1,016,095,652	$ 1,095,334,746	$ 1,383,313,317

Source: Indianapolis Airport Authority

Table 23 below shows the partial year comparisons of unaudited operating results of the Authority for periods ended August 31, 2021, and August 31, 2022. See "Eight Months Ended August 31, 2022, vs Eight Months Ended August 31, 2021 - Unaudited Results."

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Table 23

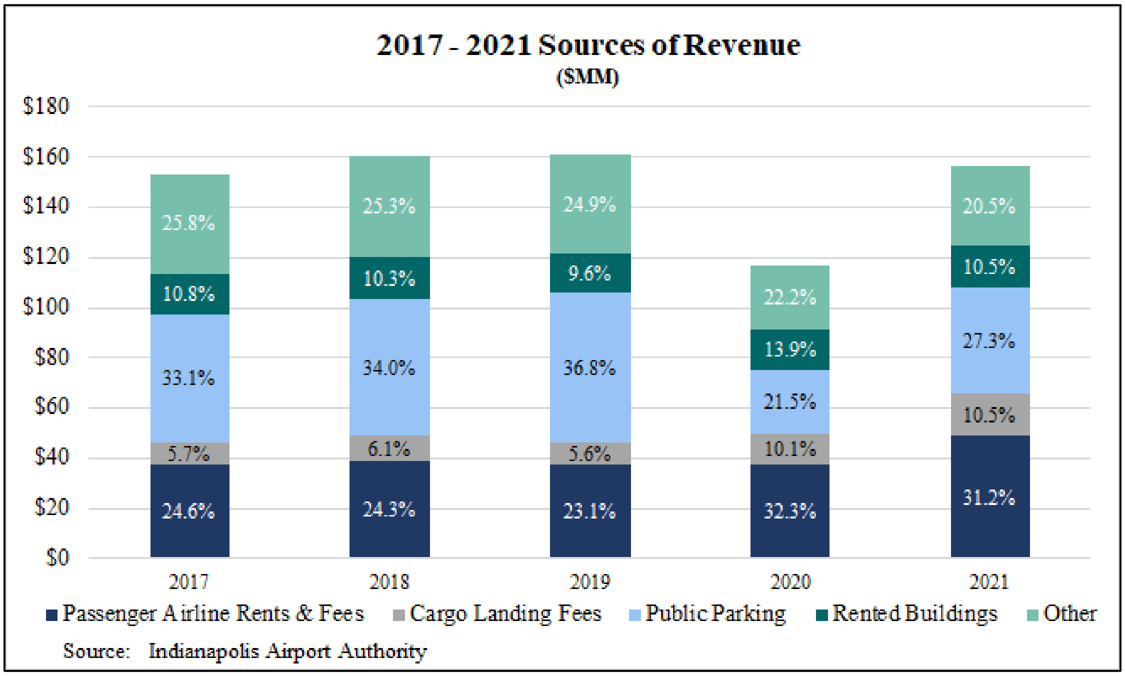
INDIANAPOLIS AIRPORT AUTHORITY UNAUDITED OPERATING RESULTS PERIODS ENDING AUGUST 31, 2022, AND AUGUST 31, 2021	Year to Date 8/31/2022	Year to Date 8/31/2021	Increase/(Decrease)	
Operating Revenues				
Airfield	$ 20,838,113	$ 19,410,897	$ 1,427,217	7.4%
Terminal complex	38,443,413	37,149,802	1,293,611	3.5%
Parking	39,322,125	25,921,279	13,400,846	51.7%
Rented buildings and other	11,550,216	10,762,409	787,807	7.3%
Indianapolis Maintenance Center (IMC)	3,830,210	3,801,151	29,059	0.8%
Reliever airports	2,732,570	2,324,190	408,380	17.6%
Total operating revenues	116,716,647	99,369,728	17,346,919	17.5%
Operating Expenses				
Airfield	9,048,318	8,667,213	381,105	4.4%
Terminal complex	14,772,598	11,497,422	3,275,176	28.5%
Parking	7,434,312	4,887,829	2,546,483	52.1%
Rented buildings and other	926,182	839,866	86,315	10.3%
Indianapolis Maintenance Center (IMC)	4,134,866	3,669,298	465,568	12.7%
Reliever airports	1,687,391	1,204,192	483,199	40.1%
Public Safety	9,265,434	8,537,860	727,574	8.5%
Administration	13,307,011	10,859,357	2,447,653	22.5%
Total operating expenses	60,576,111	50,163,037	10,413,074	20.8%
Income From Operations Before Depreciation	56,140,536	49,206,691	6,933,844	14.1%
Depreciation	73,104,392	64,615,036	8,489,357	13.1%
Loss From Operations	(16,963,856)	(15,408,345)	(1,555,511)	(10.1)%

Source: Indianapolis Airport Authority

Sources of Airport Revenues

The various sources of revenues at the Airport are shown in Table 24 below. As shown below, revenues, other than passenger airline rents and fees and cargo landing fees, have declined from approximately 69.7% of total operating revenues in 2017 to 58.3% in 2021. Passenger airline revenues accounted for 24.6% of total operating revenue in 2017 and 31.2% of total operating revenue in 2021.

Table 24



Management's Discussion and Analysis of Results of Operations

The Authority's audited financial statements, attached as "APPENDIX A–AUTHORITY AUDITED FINANCIAL STATEMENTS DATED AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021," include a discussion and analysis of the financial performance and activity of the Authority as of December 31, 2020 and December 31, 2021. The Authority's financial report includes comparative balance sheets, 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.

The annual financial statements of the Authority have been audited each year, beginning with Fiscal Year 1962. The Authority has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its annual comprehensive financial report for each Fiscal Year from 1982 through 2020, the most recent year considered.

The Audited Financial Statements of the Authority, attached as "APPENDIX A–AUTHORITY AUDITED FINANCIAL STATEMENTS DATED AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021," contain a discussion of the Authority's results of operations for 2021. This discussion was prepared by management of the Authority. Certain transactions and adjustments are calculated and recorded annually at year end and, therefore, are reflected in the end-of-year December 2021 results. Such adjustments include recording of lessee financed improvements, grant revenue accruals, certain expense accruals, gain or loss on disposal of asset transactions and similar items.

The Authority operates a defined contribution employee retirement system; therefore, there are no outstanding pension-related costs for the Airport. The Authority has no post-employment benefit obligations; therefore there are no related expenses or liabilities.

Eight Months Ended August 31, 2022 vs Eight Months Ended August 31, 2021 - Unaudited Results

The following is a discussion and analysis of the Authority's results of operations and significant variances compared to prior year for the eight months ended August 31.

Operating revenues at the Airport totaled $116.7 million, an increase of $17.3 million, or 17.5%, for the eight-month period ended August 31, 2022, as compared to the eight-month period ended August 31, 2021. Airfield revenue totaled $20.8 million, an increase of $1.4 million, or 7.4%, that was driven by an increase in total landed weights of 11.4% offset by budgeted decreases in landing fee rates. Terminal complex revenue totaled $38.4 million, an increase of $1.3 million, or 3.5%, due to an increase in concession and automobile rental commissions attributable to the increase in enplaned passengers of 30.8%, offset by budgeted decreases in terminal rates and charges. Parking revenue totaled $39.3 million, an increase of $13.4 million, or 51.7%, driven by an increase in passenger enplanements of 30.8% and longer stays in the parking products resulting in a higher revenue product mix. Rented buildings and other revenue totaled $11.6 million, an increase of $0.8 million, or 7.3%. Operating expenses, exclusive of depreciation, totaled $60.6 million for the eight-month period ended August 31, 2022, an increase of $10.4 million, or 20.8%, as compared to the eight-month period ended August 31, 2021. The increase compared to the prior year was primarily driven by increases in contractual services and personnel.

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REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant is included as Appendix C to this Official Statement (the "*Report*"). The Report is a part of this Official Statement and potential purchasers of the 2022G Bond Bank Bonds should read the Report in its entirety.

Based upon the assumptions described in the Report, the Airport Consultant concluded that the Net Revenues in each year during the 2023-2027 forecast period will be sufficient to satisfy the Authority's Rate Covenant in the Authority Bond Ordinance and at the same time to maintain reasonable levels of passenger airline cost per enplaned passenger and landing fees.

Table 25 below shows the Airport Consultant's forecast of Signatory Airline rates and debt service coverage ratios for the forecast period of Fiscal Years 2023 through 2027. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

Table 25

Fiscal Year	Signatory Airline Terminal Rental Rate (per s.f.)	Signatory Airline Apron Area Rental Rate (per s.f.)	Signatory Airline Landing Fee Rate (per 1,000 lbs)	Signatory Airline CPE	Debt Service Coverage Ratio
2023	$122.84	$1.19	$2.59	$13.19	1.64x
2024	$143.67	$1.85	$3.15	$14.98	1.69x
2025	$143.58	$1.92	$3.43	$14.74	1.67x
2026	$173.24	$1.96	$3.45	$16.60	1.63x
2027	$174.49	$1.99	$3.91	$16.97	1.57x

The Report contains certain assumptions and forecasts based upon expectations of the Authority. Actual results are likely to differ, perhaps materially, from those forecasts. Accordingly, the forecasts contained in the Report are not necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assumes any responsibility for the failure to meet such forecasts. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. If actual results are less favorable than the results forecast or if the assumptions used in preparing such forecasts prove to be incorrect, the amount of Net Revenues may be materially less than projected in the Report. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

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AUTHORITY ENVIRONMENTAL MATTERS

The Airport System is subject to a wide variety of federal, state, and local environmental laws and regulations that impact, among other things, operations or facilities and properties owned or operated by the Authority. Among the types of regulatory requirements affecting the Authority are: air, water and noise quality control requirements; specific regulatory requirements applicable to solid waste, toxic and hazardous substances; requirements for training employees in the proper handling of hazardous materials; cleanup of contaminated land and groundwater; and other similar requirements. The operations at the Airport System, as with most airport systems in similar or larger airport service regions, make the Authority susceptible to the practical, financial, and legal risks associated with compliance with such laws and regulations. Such risks may result in damage to individuals, property, or the environment; may interrupt operations or increase the Authority's cost; may result in legal liability, damages, injunctions or fines; may trigger investigations, administrative proceedings, penalties or other governmental agency actions; may include third party lawsuits; and may result in material adverse consequences to the operations or financial conditions of the Authority and the Airport System.

The Authority has implemented several programs to address noise and environmental matters. Noise quality management was initiated pursuant to an Airport Noise and Land Use Compatibility Study (the "*Study*") in 1987. Updates to the Study were performed in 1992 and in 1996 in accordance with Federal Aviation Regulation Part 150 (the "*Noise Compatibility Plan*") was undertaken to address noise impacts with respect to the opening of the new runway 5R 23L and to maximize runway capacity during late night cargo operations. The compatibility plans resulted in the implementation of the Guaranteed Purchase, the Sound Insulation, and the Sales Assistance Programs. These programs have substantially reduced the number of persons exposed to 65 DNL (yearly day/night average sound levels, or DNL) noise levels and today only the Sales Assistance Program is active with a few eligible participants remaining. The Sales Assistance Program is available for single-family homes located in certain denoted areas near the Airport; and, through this program, the Authority provides the homeowner with a sum of money equal to ten percent (10%) of the contract sale price of their home (tenant-occupied homes are not eligible) in exchange for the placement of specified noise disclosure language in the sale agreement and the deed conveying the property. The above-referenced programs, excluding Sales Assistance, have been eligible for reimbursement from PFCs and FAA noise grants (mostly at 80% reimbursement). The Authority's last Airport Noise Exposure Map update, accepted by the FAA on April 3, 2014, did not result in a material change in the Airport's noise contours, nor was any change made to the Airports' Noise Compatibility Plan. An update to the Noise Compatibility Plan was in the works but has been delayed due to the disruption due to COVID-19. The Authority's updated noise exposure map will be finalized in 2023.

The Authority was issued a renewal of its authorization to discharge storm water from the Airport under a National Pollutant Discharge Elimination System ("*NPDES*") permit, effective December 1, 2017, by the Indiana Department of Environmental Management ("*IDEM*"). The NPDES permit expires November 30, 2022. The Authority submitted a renewal application as required 180 days in advance of expiration and anticipates receiving a renewed permit without significant revisions. This permit establishes discharge limitations for various elements with particular emphasis on ammonia, chemical oxygen demand (COD) and propylene glycol resulting from aircraft and airfield deicing activities. The Authority's authorization to discharge storm water to the CWA Authority, Inc. sewer system for proper treatment was renewed effective August 1, 2019. This Industrial Pretreatment Program permit expires July 31, 2024.

The Authority was issued authorization for emissions from the Airport under a Part 70 Operating Air Permit by IDEM. The Part 70 Operating Air Permit was renewed effective February 2, 2021. This permit expires February 2, 2026. The Authority is in compliance with the applicable Part 70 Operating Air Permit.

Environmental, Social and Governance (ESG)

The Authority has been committed to sustainability for many years, and environmental management, social responsibility, and strong governance are embedded throughout the organization. IAA's strategic plan identifies stability and sustainability; workforce development; and community engagement as three of five strategic pillars. The Authority follows an approach to sustainability that is tailored to the aviation industry, which seeks to balance Economic viability, Social responsibility and Natural resource conservation within the airport environment. IAA extends the traditional focus to include Operational efficiency, which underscores the importance of airport safety and avoiding schedule disruptions. IAA is currently utilizing FAA grant funding to develop a Sustainability Management Plan (SMP) for the Airport. The SMP project promises to provide a roadmap to the future similar to a traditional FAA airport master plan that focuses on ensuring operational resilience and minimization of climate impact.

In 2018, IAA achieved Airport Carbon Accreditation Program at all the individual airport facilities, with IND at Level 3, and will continue to evaluate higher levels on its committed journey to achieve net-zero by 2050. IAA was an early adopter of electrification and has one of the largest airport electric shuttle bus fleets in the US. In addition, IAA property is home to a twenty-five-megawatt solar farm, and intends to grow solar and battery storage at IND to reduce emissions and enhance operational resilience.

In 2022, IAA was awarded the first Envision Platinum-verified runway and taxiway project in the world. The project will result in operational carbon reductions and involves carbon sequestration, public art, workforce development and on-site worker health care.

IAA's response to the pandemic demonstrates a commitment to taking care of employees and customers. In response to workforce shortages and other issues, IAA put support programs in place such as allowing staff to work remotely, raised pay scales, provided hazard pay for frontline workers, and established new benefits for employee health issues. IAA also has several workforce and youth development and outreach programs in place such as recruitment events/job fairs, fellowship and internship programs, and ACE Academy participation. In April 2022, IAA became a certified member of the Good Wages Initiative, offering employees a minimum pay of $18 per hour, which is the hourly living wage in Central Indiana.

IAA is committed to cultivating a self-sustaining culture that fosters equitable inclusion and diversity on all aspects of the business, optimizing organizational performance and engagement by ensuring people feel respected and valued. IAA is committed to growing and developing opportunities for small and diverse businesses, which support the local economy as well as IAA by expanding our workforce and providing a variety of perspectives.

RISKS AND OTHER INVESTMENT CONSIDERATIONS

The purchase and ownership of the 2022G Bond Bank Bonds involve investment risks and considerations and may not be suitable for all investors. Prospective investors should read this Official Statement in its entirety. The factors set forth below, among others, may affect the security for the 2022G Bond Bank Bonds.

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement and should specifically consider risks associated with the 2022G Bond Bank Bonds. The Authority's ability to derive Net Revenues from operation of the Airport System in amounts sufficient to pay debt service on the 2022B Authority Bonds, and therefore to pay the 2022G Bond Bank Bonds, depends upon many factors, many of which are beyond the control of the Authority. These factors include the financial strength of the air transportation industry in general and the financial strength of the airlines and other businesses that operate at the Airport.

Impact of the COVID-19 Pandemic on Airline Traffic at the Airport

As described in "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY," the COVID-19 pandemic caused numerous economic disruptions beginning in 2020, all of which negatively affected the financial position, results of operations and cash flows of the Authority, including reduction in the overall investment position and declines in passenger traffic during 2020 and 2021. During 2022, passenger traffic at the Airport has continued to rebound but the Authority cannot predict the speed in which the Airport will return to pre-pandemic levels and cannot be certain that spikes in COVID-19 issues, or other global health issues will not continue to impact the Airport. In addition, the COVID-19 pandemic has significantly altered business travel throughout the world and the Authority does not know if the level of business travel will be permanently altered following the pandemic or the ultimate affect that such change could have in the long-term. Such impacts could be significant. See "IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY" and "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

Dependence on Levels of Airline Traffic and Activity

The 2022G Bond Bank Bonds are payable solely from and secured by payments received from the Authority on the 2022B Authority Bonds and by certain funds and accounts held under the Indenture. The 2022B Authority Bonds are payable from and secured by a pledge of Net Revenues of the Airport System and the applicable Reserve Account pledged thereto. The overall level of Gross Revenues for the Airport System is dependent upon the economic health of the United States and the State, the air transportation industry and the airlines serving the Airport, as these affected the level of aviation activity and enplaned passenger traffic everywhere, including at the Airport. Certain factors that may materially affect the Airport and the airlines include, in no particular order, but are not limited to (i) the availability and cost of aviation fuel and other necessary supplies, (ii) national and international economic conditions, inflation and currency fluctuations, (iii) the financial health and viability of the airline industry, (iv) air carrier service and route networks, (v) the population growth and the economic health of the Airport Service Region and the nation, (vi) changes in demand for air travel or cargo shipments, (vii) service and cost competition, (viii) levels of air fares, (ix) fixed costs and capital requirements, (x) the costs and availability of financing, (xi) the capacity of the national air traffic control system, (xxii) the capacity of the Airport and of competing airports (xiii) alternative modes of travel and transportation substitutes, including the rise of virtual meetings and connectivity, (xiv) public health incidents and pandemics and the length thereof, natural disasters and national and international hostilities, (xv) the costs and availability of employees, (xvi) labor relations within the airline industry, (xvii) regulation by the federal government, (xviii) environmental risks and regulations, noise abatement concerns and regulations, (xix) bankruptcy and insolvency laws, and (xx) safety concerns arising from international conflicts, the possibility of terrorist or other attacks and other risks. See "THE AIRPORT AND AIRPORT SYSTEM—The Airport Service Region" and discussions in "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

The Airport derives a substantial portion of its revenues from the Airlines. The financial strength and stability of the Airlines using the Airport, influence the level of aviation activity at the Airport. Certain of the Airlines that utilize the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and information with the Securities and Exchange Commission (the "*Commission*"). In addition, certain other airlines are also subject to the information reporting requirements of the Commission. Certain information, including financial information, as of particular dates concerning each of these reporting airlines (or their respective parent corporations) is disclosed in reports and statements filed with the Commission. Such reports and statements can be inspected and copied at the public reference facilities maintained by the Commission at 100 F. Street, N.E., Washington, DC 20549 and the Commission's regional offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604 and 3 World Financial Center, Room 4300, New York, New York 10281. The Airport is not obligated to provide any such financial information for any airline serving the Airport in its Annual Report under the Continuing Disclosure Agreement.

NONE OF THE CITY, THE BOND BANK, THE AIRPORT OR THE UNDERWRITERS MAKE ANY REPRESENTATION WHATSOEVER WITH RESPECT TO THE FINANCIAL CONDITION OR CONTINUED VIABILITY OF ANY OF THE AIRLINES.

Publicly Available Information for Signatory Airlines

Other than Cargolux, each of the Airlines subject to the Airline Agreement (or their respective parent corporations) is subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and information with the Securities and Exchange Commission (the "*Commission*"). In addition, certain other airlines are also subject to the information reporting requirements of the Commission. Certain information, including financial information, as of particular dates concerning each of these reporting airlines (or their respective parent corporations) is disclosed in reports and statements filed with the Commission. Such reports and statements can be inspected and copied at the public reference facilities maintained by the Commission at 100 F. Street, N.E., Washington, DC 20549, and the Commission's regional offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604 and 3 World Financial Center, Room 4300, New York, New York 10281.

Economic Conditions

Historically, airline passenger traffic nationwide correlates closely with the state of the national and global economy. Previous recessions and periods of stagnant economic conditions in the U.S., Indiana and Indianapolis contributed to reduced passenger traffic at the Airport during such periods. Further, the 2008-2009 recession and its associated high unemployment and reduced discretionary income contributed to reduced or stagnant airline travel demand at the Airport for several years. In contrast, when the economy is strong such as in years leading up to 2019, airline passenger traffic proves strong. In 2019, the Airport experienced the most passengers in its history.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economic conditions, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at U.S. airports, including the Airport. Sustained future increases in passenger traffic at the Airport will depend in part on stable international conditions as well as national and global economic growth. See "Impact of the COVID-19 Pandemic on Airline Traffic at the Airport" and "Dependence on Levels of Airline Traffic and Activity" above. See also "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

The airline industry is cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, the economic recession that occurred in 2008 and 2009, or the 2020 COVID-19 Pandemic. Some recent causes of airline profitability variability are high cost of fuel and difficulties in hiring pilots and crew. Other business decisions by airlines (such as the reduction or elimination of service) could affect airline operations in the future and, correspondingly, affect service at the Airport.

In addition to revenues received directly from the airlines, the Authority derives a substantial portion of its revenues from parking operations, rental cars, food and beverage concessions, retail concessions, and other sources sensitive to passenger volumes. Declines in passenger traffic at the Airport may adversely affect the commercial operations of many such concessionaires, as well as parking revenue received by the Authority. While the Authority's agreements with rental cars, retail, food and beverage concessionaires require them to pay a minimum annual guarantee, severe financial difficulties could lead to a failure to make the required payments or could lead to the cessation of operations of such concessionaire. In such event, the minimum guaranteed payments would be less than the revenues currently estimated by the Authority.

Supply Chain

The Authority is encountering minor adverse effects resulting from the current supply chain crises. The price and availability of goods, equipment, and certain supplies is extending the completion timeframe of maintenance projects, and delivery of equipment and certain supplies. Steps taken by the Authority to mitigate the supply chain crises include, but are not limited to, adjusting purchasing schedules to accommodate longer lead times and increasing strategic inventory levels. The Authority's construction program has been, and is expecting to be, impacted by supply chain issues. Steps taken to mitigate these risks include increasing efforts in planning, scheduling, project management, monitoring material availability, pricing, and lead times.

Workforce Shortage

A national labor shortage has affected the entire country as a result of COVID-19, including Airlines, airports and concessionaires at airports. Staffing challenges have caused airlines to reduce flight schedules nationally. In 2022, the Authority raised the minimum pay rate to $18 an hour to align more with current economic demand in the region and insourced certain public safety positions. The Authority has partnered with concessionaires by hosting joint job fairs and customer service recognition programs for the employees of concessionaires, car rental companies, and airlines. The Authority cannot predict the effect COVID-19, or future variants, could have on available workforce or how a labor shortage could affect the Airlines or the concessionaires operating at the Airport, including food service providers and other concessionaries.

Financial Condition of the Airlines; Industry Consolidation and Concentration; Growth of Low Cost Carriers

In recent years, the U.S. airline industry has consolidated through mergers and acquisitions, significantly reducing the number of major airlines operating in the United States. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible that the airlines serving the Airport could further consolidate operations through acquisition, merger, alliances, and code share sales strategies.

For example, several airlines merged or consolidated, including Delta and Northwest; Republic Airways Holdings, Inc., Midwest Airlines, and Frontier Airlines; United and Continental; Southwest Airlines and AirTran Airways; US Airways and American Airlines; and Alaska Airlines and Virgin America. Most recently, JetBlue announced it would acquire Spirit Airlines, pending approvals.

It is possible the airlines serving the Airport could further consolidate operations through acquisition, merger alliances. In addition, many of the large U.S. airlines are members of alliances with foreign-flag airlines to provide members with many of the advantages of mergers. These alliances include marketing, code share sales strategies and scheduling arrangements to facilitate the transfer of passengers between airlines. See "HISTORICAL AIRPORT ACTIVITY—Airline Market Shares of Enplaned Passengers." At present, eight major passenger carriers are Signatory Airlines under the Airline Agreements. In 2021, four major air carriers, Southwest, American, Delta and United collectively, represented nearly 82% of the enplaned passengers. Beyond these four major air carriers, Ultra Low Cost Carriers ("ULCCs") Allegiant and Spirit represent approximately 7% of enplaned passengers each. No other single passenger airline accounted for more than 5.0% of passenger enplanements at the Airport in 2021 or more than 5.0% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2021. As a consequence, the Authority expects future mergers will have little impact on revenues and landed weight at the Airport. However, future mergers or alliances among airlines operating at the Airport, however, may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Gross Revenues, reduced PFC revenues and/or increased costs for the other airlines serving the Airport.

As noted above, ULCCs are carriers that take advantage of an operating cost structure that is significantly lower than the cost structure of the network carriers. These advantages can include lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e. fewer different types of aircraft in a given airline's fleet) and generally more efficient operation. These low costs suggest that ULCCs can offer a lower fare structure to the traveling public than network carriers while still maintaining profitability. As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. ULCCs began to emerge in larger markets where passenger levels were high enough for the ULCCs to overcome certain barriers to entry caused by the larger carriers, such as control of the majority of airport gates and slots. The cost structure of ULCCs allows for lower fares, which has stimulated traffic and driven ULCCs into more and larger markets. One result of the consolidation of carriers and their capacity discipline and the associated fare increases is that many price-sensitive leisure travelers are moving to ULCCs, helping to expand the ULCC market to include the ultra-low cost carriers, such as Frontier Airlines, Allegiant Air and Spirit Airlines. As noted above, the Airport's mix of business and leisure travelers has shifted towards more leisure travel.

Neither the Bond Bank nor the Authority are able to predict whether any future airline mergers, consolidations, reorganizations or liquidations will occur or the impact that any such events may have on the operations of the Airport. See also "Dependence on Levels of Airline Traffic and Activity," "Economic Conditions," "Cost, Availability and Price Volatility of Aviation Fuel," and "Risk of Airline Bankruptcies" in this section.

Geopolitical Tension

The U.S. economy is constantly exposed to risk from geopolitical tensions. The Russian invasion of Ukraine is the latest example of a geopolitical conflict affecting air transportation and the world economy. The economic impacts include, but are not limited to: (1) increases in energy prices as Russia accounts for roughly 10 percent of global oil output, (2) increases in food and commodity prices, (3) recessions in both Russia and Ukraine, and (4) intensification of existing bottlenecks in global supply chains for intermediate goods. The country-level economic impacts are likely to slow global economic growth. In the United States, the immediate impact of the Russia-Ukraine conflict has been an increase in oil and gasoline prices, pushing inflation higher. Any new or growing geopolitical tensions could exacerbate the impacts resulting from the Russia-Ukraine conflict, and the extent of the resulting impacts are unknown. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

FedEx Presence at the Airport

In fiscal year 2021, FedEx accounted for 15.7% of the total revenue at the Airport. The Report projects, based upon the Authority's expectations, that FedEx's share of total landed weight at the Airport will represent 60.9% in 2024. No assurance can be given, however, in regards to FedEx's future level of cargo activity at the Airport. If, for any reason, FedEx reduces or discontinues its operations at the Airport, this could result in a reduction in the amount of Airport Revenues and thus, adversely affect the Authority's ability to pay debt service on the Authority Revenue Bonds. See "THE AIRPORT AND AIRPORT SYSTEM—Facilities—*FedEx*" and "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C for additional details.

Airline Agreements

A substantial portion of Gross Revenues available for payment of debt service is derived from rentals, fees and charges imposed upon the Signatory Airlines under the Airline Agreements. Pursuant thereto, each Signatory Airline has agreed to pay the rates and charges for its use of the Airport based upon the ratemaking methodology contained therein. The current Airline Agreements expire on December 31, 2023. Upon the expiration or termination of an Airline Agreement, an airline is required to surrender its leased premises to the Authority. Holding over by a Signatory Airline following the expiration of the term of an Airline Agreement or any extension thereof, without an express agreement as to such holding over, is deemed to be a periodic tenancy on a month-to-month basis. In such case, a Signatory Airline is subject to all the terms and conditions of the expired Airline Agreement. In addition, unless the Authority enters into a new Airline Agreement with the Airlines, the Authority will charge its rates and charges in the manner provided by federal law. See "REPORT OF THE AIRPORT CONSULTANT" attached hereto as Appendix C.

U.S. Department of Justice Investigation of Certain Airlines

It has been reported that the Justice Department has initiated a civil anti-trust investigation and has requested airlines to provide documents and information from the past two years that are related to seating capacity. By limiting the number of flights offered, airlines could allegedly restrain competition and raise fares. A Justice Department spokeswoman stated that the Justice Department is investigating potential unlawful coordination among some airlines. The Justice Department inquiry appears to be in its early stages and what effect, if any, this investigation will have on airlines and the industry as whole is not currently determinable.

Risk of Airline Bankruptcies

Since 2006, several airlines with operations at the Airport filed for bankruptcy protection and one or more airlines may do so in the future. However, none of the prior bankruptcies had a significant negative impact on the Airport. With limited exceptions, the airlines that filed for bankruptcy in the past have successfully reorganized and emerged from bankruptcy protection. The Bond Bank and the Authority cannot predict the extent to which any such events would impact the ability of the Airport to pay the outstanding Authority Revenue Bonds, including the 2022B Authority Bonds.

Assumption or Rejection of Airline Agreement or other Executory Contracts

An airline that has executed an Airline Agreement or other executory contract with the Authority and seeks protection under the U.S. bankruptcy laws after October 17, 2005, must assume or reject: (a) its Airline Agreement within 120 days after the bankruptcy filing subject to a court-approved, one-time 90-day extension (further extensions are subject to the consent of the lessor), and (b) its other executory contracts with the Authority prior to the confirmation of a plan of reorganization. Bankruptcy courts are courts of equity, however, and as such can, and often do, grant exceptions to these time limitations.

In the event of an assumption of any executory contract or lease, an airline is required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable executory contract or lease. In the event of an assumption by a debtor airline and assignment to a third party, the assurance of future performance must be demonstrated by the proposed assignee.

Rejection of the Airline Agreement or other executory contract with the Authority gives rise to an unsecured claim of the Authority for damages, the amount of which in the case of an Airline Agreement or other lease, is limited by the U.S. Bankruptcy Code generally to the amount unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15 percent of the total remaining lease payments, not to exceed three years of rent. Claims for such damages are subject to the Authority's duty to mitigate damages. The amount ultimately allowed in the event of a rejection of an Airline Agreement or other executory contract could be considerably less, however, than the maximum amount allowed under the U.S. Bankruptcy Code.

Cost, Availability and Price Volatility of Aviation Fuel

The level of prices, the availability and the price volatility of aviation fuel are some of the most significant and uncertain factors impacting the airline industry. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainly. Since early calendar year 2020 fuel prices have been trending upward. The impacts of the war in Ukraine has contributed to the sharp rise in aviation fuel costs and it cannot be predicted at this time what the long-term consequences of this situation will be on aviation fuel costs and availability going forward. In recent years, some airlines have passed the higher fuel costs to consumers by imposing fuel surcharges, increasing the price of airfares and associated services, or reducing capacity, fleet and personnel. There is widespread agreement that fuel prices will continue to be volatile and are likely to increase over the long term as global energy demand increases in light of finite and increasingly expensive oil supplies.

As aviation fuel prices climb, it is likely to have an adverse impact on the air transportation industry by increasing airline operating costs, potentially affecting airline passenger numbers, and reducing airline profitability. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change. The Bond Bank and the Authority are not able to predict how continued uncertainty with respect to the cost, availability and volatility of prices of aviation fuel will impact the Airport or the airlines operating at the Airport. See "Dependence on Levels of Airline Traffic and Activity," "Economic Conditions," and "Financial Condition of the Airlines; Industry Consolidation and Concentration; Growth of Low Cost Carriers" in this section.

Public Uncertainty Regarding Air Travel

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities and domestic and foreign terrorist attacks, may influence passenger travel behavior and air travel demand. Travel behavior may also be affected by anxieties about the safety of flying, the inconveniences and delays associated with more stringent security screening procedures, the potential exposure to severe illnesses and natural disasters (such as volcano eruptions, earthquakes and tsunamis), all of which could lead to the avoidance of airline travel or the use of alternate modes of transportation and alternative methods of meeting, including virtual meetings. Such factors may impact the level of passengers utilizing air travel generally and using the Airport in particular.

Cargo Security

Both federal legislation and the federal Transportation and Security Administration ("*TSA*") rules have imposed additional requirements relating to air cargo. These include providing information for a central database on shippers, extending the areas of the Airport subject to security controls, and criminal background checks on additional employees, which inhibits the ability of operations to hire temporary workers during peak periods.

TSA also requires carriers to screen 100% of all loaded cargo on passenger and all-cargo aircraft. TSA has developed a Certified Cargo Screening Program ("*CCSP*") for a "supply chain-wide solution" to cargo security that will certify shippers to screen cargo earlier in the chain. The Airport currently is actively participating in the CCSP program.

TSA also has initiated an explosive detection canine program at the Airport dedicated to cargo screening. Currently the Airport has one of the largest TSA Canine Units in the country. The Airport has successfully met the new cargo screening requirements without significant adverse impact. A Cargo Security Consortium for the Airport involving the relevant agencies and business partners meets quarterly to discuss issues and TSA, both nationally and locally, has been working with airports and carriers to develop security options that meet the regulatory mandates while minimizing the adverse effect on air cargo operations.

Cyber Security

Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the Airport, concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure may be vulnerable to attacks by networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of the air travel industry, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect Gross Revenues.

The Airport maintains a security posture designed to deter cybersecurity attacks and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations, and the Airport's cybersecurity and operational safeguards are periodically tested. Additionally, the Airport maintains a comprehensive breach response policy, which includes coverage for first party loss, liability, and eCrime exposures. However, no assurances can be given that the Airport's security measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport or the airlines serving the Airport.

Innovations in Ground Transportation

One significant source of non-airline revenues is generated from ground transportation activity, including use of on-Airport parking facilities (approximately 27% of airport revenues in 2021), trip fees paid by taxi, limousine and transportation network companies ("*TNC*"), and rental car transactions by Airport passengers. The relative market share of these sources is shifting. For example, the popularity of TNCs has increased because of the convenience of requesting a ride through a mobile application, the ability to pay for the service without providing cash or other payment to the hired driver, and competitive pricing. Turo, a car sharing service, is yet another alternative to parking or renting a car at the Airport. To date, the Authority does not believe the increased use of TNCs or Turo type services has resulted in a material decrease in rental car or parking revenues. New technologies (such as autonomous vehicles and connected vehicles) and innovations in established businesses such as commercial ground transportation and car rental are expected continue to occur and may result in future changes in Airport passenger choices of ground transportation. This could adversely impact ground transportation-related revenues in material ways that are difficult to predict. TNC revenue of $1.9 million represented 1.2% of the Authority's total operating revenue in 2019. TNC revenue of $0.8 million represented 0.7% of the Authority's total operating revenue in 2020. For 2021, TNC revenue was $1.1 million representing 0.7% of total operating revenue. Year-to-date parking revenue through August 2022 is $1.1 million representing 0.9% of the Authority's total operating revenue.

Climate Change

Climate change caused by human activities may have adverse effects on Airport revenues. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as droughts, tornados, and flooding.

Projections of the impacts of global climate change are complex and depend on many factors that are outside the Authority's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the Authority is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts on Airport revenues. While the impacts of climate change may be mitigated by the Airport's past and future investment in adaptation strategies, the Authority can give no assurance about the net effects of those strategies and whether the Authority will be required to take additional adaptive mitigation measures.

Regulations and Other Restrictions Affecting the Airport

The operations of the Airport and its ability to generate revenues are affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Airline Agreements, the federal acts authorizing the imposition, collection and use of PFCs, and extensive federal legislation and regulations applicable to all domestic airports. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Authority or whether such restrictions or legislation or regulations would adversely affect Gross Revenues.

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airport, on the airlines operating at the Airport and on ground operations at the Airport. The United States Environmental Protection Agency (the "*EPA*") has taken steps towards regulation of greenhouse gas ("*GHG*") emissions by aircraft under existing federal law and in 2021, the EPA finalized GHG emission standards for airplanes used in commercial and business aviation. Shortly thereafter, certain States and certain environmental groups each filed suit challenging these new standards.

The Authority and the Bond Bank are unable to predict what future regulations may be implemented on the state or the federal level, and such regulations may impact the cost or demand for air travel and impact the level of Gross Revenues realized by the Authority.

Ability to Meet Rate Covenant

As described herein, the Bond Ordinance includes covenants with respect to the establishment of rentals, rates, fees, and charges for the use of the Airport System in order that in each Fiscal Year the Gross Revenues, together with other available funds, will be sufficient to meet the Rate Covenant as described therein. However, the Bond Ordinance provides that so long as the Authority is taking specified steps to meet the Rate Covenant, an Event of Default under the Bond Ordinance will not be triggered. See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS—Summary of Current Airline Agreements" and "—Summary of Authority Bond Ordinance." The ability of the Authority to increase rates and charges and to reduce expenses is limited by, among other things, federal law and certain agreements with airlines and other users of the Airport facilities.

Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines, concessionaires, and others, and/or by reducing the operating efficiency of the Airport. Notwithstanding this potential detrimental impact, the Airline Agreements acknowledge the existence of the Rate Covenant and its requirements and includes an agreement by the Signatory Airlines to pay rentals, rates, fees and charges necessary to satisfy such requirement.

Interest Rate and Remarketing Risks

The Authority and the Bond Bank currently have $83,085,000 of 2010C Authority Bonds issued as variable rate bonds (the "Variable Rate Bonds") that are purchased and held by banks. The agreements with these banks entered into in relation to the purchase of the Variable Rate Bonds, as shown in Table 26, currently have a termination date of

June 30, 2023, when the variable rate bonds must be refunded or remarketed. The ability of the Authority and the Bond Bank to remarket or otherwise place such bonds on those termination dates with an existing or new holder and the interest rate that will apply to such bonds thereafter, is dependent upon the Authority's financial position at the time of the termination, as well as general economic factors present at such time. If the Authority and Bond Bank are unable to remarket or place the Variable Rate Bonds at the termination date, the agreements provide a term-out provision at a penalty rate. In addition, these Variable Rate Bonds have variable to fixed interest rate swaps associated with them so any refunding of the Variable Rate Bonds to a fixed rate, would require a termination of such swap and could potentially require a significant payment by the Authority. The Authority is unable to predict the impact on the Authority's financial position upon the termination of such agreements.

Table 26

INDIANAPOLIS AIRPORT AUTHORITY
VARIABLE RATE BONDS
PERIODS ENDING AUGUST 31, 2022, AND DECEMBER 31, 2021

	2010C-1	**2010C-2**	**2010C-3**	**2010C-4**	**2010C-5**
Par Outstanding at 8/31/2022	-	-	$20,600,000	$30,985,000	$31,440,000
Par Outstanding at 12/31/2021	$46,505,000	$23,250,000	20,660,000	30,985,000	31,440,000
End of Bank Term	6/30/2023	6/30/2023	6/30/2023	6/30/2023	6/30/2023
Purchaser	Banc of America Preferred Funding Corporation	PNC Bank, National Association	Banc of America Preferred Funding Corporation	PNC Bank, National Association	Banc of America Preferred Funding Corporation
Spread	0.33%	0.33%	0.33%	0.33%	0.33%

Table 27

INDIANAPOLIS AIRPORT AUTHORITY
QUALIFIED DERIVATIVE AGREEMENTS
PERIODS ENDING AUGUST 31, 2022, AND DECEMBER 31, 2021

	JP Morgan Chase*	**JP Morgan Chase***	**Wells Fargo****	**Merrill****
Outstanding Notional Amount at 8/31/2022	$51,645,000	$31,440,000	-	-
Outstanding Notional Amount at 12/31/2021	$51,645,000	$31,440,000	$43,503,000	$23,252,000
Fixed Rate	4.0325%	4.1500%	3.7775%	3.7860%
Associated Debt	2010C-3, C4	2010C-5	2010C-1, C-2	2010C-1, C-2
Maturity Date	January 1, 2036	January 1, 2037	January 1, 2033	January 1, 2033
Swap Insurance	Yes***	Yes***	No	No

Source: Indianapolis Airport Authority; credit rating agencies
* The Bond Bank is not a party to these Qualified Derivative Agreements.
** These Qualified Derivative Agreements were terminated in August 2022.
*** The Authority's obligations are insured by Assured Guaranty Municipal Corp.

Furthermore, the current interest rates on the Variable Rate Bonds and the related Qualified Derivative Agreements are based in part on the London interbank offered rate ("*LIBOR*"). In July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "*FCA*"), which regulates LIBOR, announced that it expects that it would not be in a position to sustain LIBOR through its influence or legal compulsion powers after the end of 2021 and called for an orderly transition over a four to five-year period from LIBOR to the reference rates selected by the Alternative Rate Committees (as defined below). On November 30, 2020, the ICE Benchmark Administration Limited announced its plan to extend the date that most U.S. Dollar LIBOR values would cease being computed and published from December 31, 2021, to June 30, 2023. On March 5, 2021, the ICE Benchmark Administration Limited published a feedback statement that confirmed its intention to cease publication of the one week and two month U.S. Dollar LIBOR tenors after December 31, 2021, and all other U.S. Dollar LIBOR tenors after June 30, 2023. Central banks around the world, including the U.S. Federal Reserve, have commissioned working groups that include market participants (the "Alternative Rate Committees") with the goal of finding suitable replacements for their currency's LIBOR that are based on observable market transactions. The Authority also may in the future pursue amendments to its LIBOR-based financial instruments to provide for a transaction mechanism or other reference rate in anticipation of LIBOR's discontinuation, but it may not be able to reach agreements with its counterparties regarding any such amendments. Any transition away from LIBOR, as well as the uncertainty surrounding the future of LIBOR and future regulatory and market developments, could have a materially adverse effect on the current and future trading market for, and the market price of, LIBOR-based financial instruments, such as certain swap agreements, including swap agreements related to certain of the Authority's Bonds and Qualified Derivative Agreements.

Availability of PFCs

A portion of PFC revenues received by the Authority in the past have been designated by the Authority as Dedicated Revenues and used to pay debt service on outstanding Revenue Bonds, as well as reduce the Debt Service Requirement used in the Rate Covenant. The Authority expects to continue this practice of collecting PFC revenues and designating a portion as Dedicated Revenues, though the Authority is not obligated to do so. However, the amount of PFCs received by the Authority and dedicated as Dedicated Revenues in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport.

Additionally, the FAA has the power to terminate the Authority's approval to impose PFCs, if the Authority's PFCs are not used for approved projects, if project implementation does not commence within the time period specified in the FAA's regulations or if the Authority otherwise violates FAA regulations. The Authority's authority to impose a PFC also may be terminated if the Authority violates certain provisions of the Airport Noise and Capacity Act of 1990 (the "*ANCA*") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Authority's authority to impose a PFC would not be summarily terminated. The Authority's expectation, as noted in Appendix C, is premised upon certain assumptions with respect to the timing and amounts of the Authority's PFC applications and the availability of PFCs to fund debt service. In the event PFC revenue is lower than expected, there may be a material adverse effect on Airport operations, capital improvements and the financial condition of the Authority. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC revenue collections for capital projects for the Airport.

If the numbers of enplaned passengers at the Airport is significantly below the numbers projected by the Airport Consultant in projecting annual PFC Revenues in Appendix C, if the collection fees retained by the Airlines are increased, or if the PFC Act is amended, the amount of PFC Revenues actually collected by the Authority each year could be less than the amount projected and may be less than the amount sufficient to enable the Authority to pay debt service on that portion of the Bonds issued to finance PFC projects. In such event, other Authority revenues would be required to pay debt service on that portion of the Bonds issued to finance PFC projects. Such debt service can be included in the applicable airline rate base. On the other hand, if the number of annual enplanements is higher than initially projected or if the rate of PFCs is increased above those estimated, the Authority will collect PFC Revenues faster than initially projected. The Authority will manage its PFC program carefully in such event and balance its expenditures with its collecting rates to ensure that sufficient PFC revenues will be available in later years to pay debt service attributable to the Bonds issued to finance PFC projects.

Federal Funding; The Federal Budget and Sequestration

Federal legislation affects the grant funding that the Airport receives from the FAA, the Airport's PFC collections, and the operational requirements imposed on the Airport. On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, the FAA Reauthorization Act of 2018, which was signed into law on October 5, 2018, by the President. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA's programs for five federal fiscal years, and increases funding for the Airport Improvement Program (*"AIP"*). The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). FAA AIP expenditures are subject to congressional appropriation and no assurance can be given that the FAA will receive spending authority. Additionally, the AIP expenditures could be affected by the automatic across-the-board spending cuts, known as sequestration, described below. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues and Additional Bonds), (ii) result in adjustments to the capital plan, or (iii) extend the timing for completion of certain projects.

Federal funding received by the Authority could also be adversely affected by the implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011 (Pub.L. 112-25) (the "*Budget Control Act*"). Sequestration could adversely affect FAA and TSA budgets and operations and the availability of certain federal grant funds typically received annually by the Authority, which may cause the FAA or TSA to implement furloughs of its employees and freeze hiring, and may result in flight delays and cancellations.

Limitations on Bondholders' Remedies

The occurrence of an Event of Default under the Authority Bond Ordinance, including a failure to pay principal and interest on the 2022B Authority Bonds and does not grant a right to accelerate payment of the 2022B Authority Bonds. As a result, the Authority may be able to continue indefinitely collecting revenues and applying them to the operation of the Airport, even if an Event of Default has occurred and no payments or insufficient payments are being made on the 2022B Authority Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Events of Default and Remedies; No Acceleration."

The remedies available to owners of the 2022G Bond Bank Bonds upon an event of default under the Indenture or the Authority Bond Ordinance, are limited to the seeking of specific performance in a writ of mandamus or other suit, action or proceeding compelling and requiring the Bond Bank or the Authority and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture or the Master Bond Ordinance, including the Rate Covenant. In no event will owners have the right to have the maturity of the 2022G Bond Bank Bonds accelerated as a remedy in the event of a default by the Bond Bank or the Authority. The enforcement of the remedy of mandamus may be difficult and time consuming. No assurance can be given that a mandamus or other legal action to enforce a default under the Indenture or the Authority Bond Ordinance would be successful.

The remedies available under the Indenture are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrent with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Limited Obligations

Under the terms of the Authority Bond Ordinance, the Authority pledged Net Revenues from the operation of the Airport System, to pay the principal and interest on the 2022B Authority Bonds. The 2022B Authority Bonds are not a general obligation of the Authority. The obligation of the Authority to make payments under the Authority Bond Ordinance is solely from the Net Revenues and other funds pledged therein, and the Authority is not obligated to make payments under the Authority Bond Ordinance from monies raised or to be raised from taxation. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Pledge of Authority Net Revenues."

Cost of Capital Improvement Plan; Additional Parity Bonds

The Authority annually updates a five-year Capital Improvement Plan as part of its annual Airline consultation process. See "CAPITAL IMPROVEMENT PLAN" for a discussion of the 2022-2027 CIP. The estimated costs and timing of the projects in the 2022-2027 CIP are subject to a number of uncertainties. The Authority expects to issue Additional Authority Bonds as a portion of the funding source for that plan and reserves the right to issue, for any lawful purpose, one or more series of Additional Authority Bonds payable from and secured by a first lien on Net Revenues, on a parity with the 2022B Authority Bonds, and any Outstanding Authority Bonds; so long as the provisions of the Authority Bond Ordinance are satisfied.

The ability of the Authority to complete the projects may be adversely affected by various factors including: (i) estimating errors; (ii) design and engineering errors; (iii) changes to the scope of the projects; (iv) delays in contract awards; (v) material and/or labor shortages; (vi) unforeseen site conditions; (vii) adverse weather conditions; (viii) contractor defaults; (ix) labor disputes; (x) unanticipated levels of inflation; and (xi) environmental issues, including environmental approvals that the City has not obtained at this time. A delay in the completion of certain projects could delay the collection of Revenues in respect of such projects, increase costs for such projects, and may cause the rescheduling of other current and future capital plans. Any schedule delays or cost increases could result in the need to issue Additional Bonds and may result in increased costs per enplaned passenger to the airlines serving the Airport that may place the Airport at a competitive disadvantage to other airports. See "CAPITAL IMPROVEMENT PLAN" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Additional Bonds."

Future Tax Developments

Future or pending federal legislative proposals (if enacted), regulations, rulings or court decisions may cause all or a portion of the interest on the 2022G Bond Bank Bonds to be subject, directly or indirectly, to federal income taxation or cause interest on the 2022G Bond Bank Bonds to be subject, directly or indirectly, to State or local income taxation, or may otherwise prevent beneficial owners of the 2022G Bond Bank Bonds from realizing the full current benefit of the tax status of such interest. Legislation or regulation actions and future or pending proposals may also affect the economic value of the federal or state tax exemption or the market value of the 2022G Bond Bank Bonds. Prospective purchasers of the 2022G Bond Bank Bonds should consult their tax advisors regarding any future, pending or proposed federal tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion. See "TAX MATTERS."

LITIGATION

Absence of Litigation Relating to the 2022G Bond Bank Bonds and the 2022B Authority Bonds

There is not now pending or, to the Bond Bank's or Authority's respective knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the 2022G Bond Bank Bonds or the 2022B Authority Bonds; or in any way contesting or affecting the validity of the 2022G Bond Bank Bonds or the 2022B Authority Bonds or any proceedings of the Bond Bank or the Authority taken with respect to the issuance or sale thereof, or application of any moneys or security provided for payment of the 2022G Bond Bank Bonds or the 2022B Authority Bonds. Neither the creation, organization, nor existence of the Bond Bank or the Authority nor the title of any of the present directors or other officers of the Bond Bank Board or Authority Board to their respective offices is being contested.

Other Litigation

The Authority has a pending claim against several insurers for business loss due to COVID-19. In addition, the nature of the Authority's business generates a certain number of claims or litigation; however, the Authority believes that the ultimate outcome of any such matters, in the aggregate or individually, should not have a material adverse effect on its financial position.

TAX MATTERS

In the opinion of Ice Miller LLP ("*Bond Counsel*"), under existing federal statutes, decisions, regulations and rulings, interest on the 2022G-1 and 2022G-2 Bond Bank Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*") for federal income tax purposes, except for interest on any 2022G-2 Bond Bank Bond for any period during which such 2022G-2 Bond Bank Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the 2022G-2 Bond Bank Bonds or a "related person" as defined in Section 147(a) of the Code. Interest on the 2022G-1 Bond Bank Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-2 Bond Bank Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-1 and 2022G-2 Bond Bank Bonds, however, is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Such excludability is conditioned on continuing compliance with by the Bond Bank and the Authority with their respective tax representations and covenants made in the Indenture, in the 2022B Supplemental Ordinance, and in certificates of the Bond Bank and the Authority (collectively, "Tax Representations"). Failure to comply with the Tax Representations could cause interest on the 2022G-1 and 2022G-2 Bond Bank Bonds to lose the excludability from gross income for federal income tax purposes retroactive to their date of issue. Interest on the 2022G-3 Bond Bank Bonds is not excludable from gross income for federal tax purposes.

In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the 2022G Bond Bank Bonds is exempt from income taxation in the State of Indiana, for all purposes. See "TAX MATTERS" and "APPENDIX B—FORM OF BOND COUNSEL OPINION" herein.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2022G Bond Bank Bonds as a condition to the excludability of interest on the 2022G-1 and 2022G-2 Bond Bank Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on such Bond Bank Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2022G-1 or G-2 Bond Bank Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of such Bond Bank Bonds would be materially and adversely affected. It is not an event of default under the Indenture if interest on the 2022G Bond Bank Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the date of issuance of the 2022G Bond Bank Bonds.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, includes all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render opinions that interest on the 2022G Bond Bank Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on such Bond Bank Bonds may otherwise affect a bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2022G-1 and G-2 Bond Bank Bonds should consult their own tax advisors with regard to the other tax consequences of owning such Bond Bank Bonds.

TAX STATUS OF THE 2022G-3 BOND BANK BONDS

The following discussion summarizes the material United States federal income tax consequences generally applicable to the purchase, ownership and disposition of 2022G-3 Bond Bank Bonds by a beneficial owner thereof (the "Owner"). The discussion is limited to the tax consequences to the initial investors of the 2022G-3 Bond Bank Bonds who purchase the 2022G-3 Bond Bank Bonds at the issue price within the meaning of Section 1273 of the Code and generally does not address the tax consequences to subsequent purchasers of 2022G-3 Bond Bank Bonds. The discussion does not purport to be a complete analysis of all of the potential United States federal income tax consequences relating to the purchase, ownership and disposition of 2022G-3 Bond Bank Bonds, nor does this discussion address any state, local, foreign taxes, or federal estate or gift tax consequences. This summary is based upon laws, regulations, rulings and judicial decisions now in effect. Moreover, there can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been, or is expected to be, sought on the issues discussed herein, potentially with retroactive effect. Legislative, judicial, or administrative changes or interpretations may occur that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may or may not be retroactive and could adversely affect the tax consequences discussed below. Interest on the 2022G-3 Bond Bank Bonds is not excludable from gross income from federal income tax purposes.

This summary is intended as a general explanatory discussion of the consequences of holding the 2022G-3 Bond Bank Bonds generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, except as explicitly provided below, it generally is addressed only to original purchasers of the 2022G-3 Bond Bank Bonds that are "U.S. Holders" (as defined below), deals only with 2022G-3 Bond Bank Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax exempt investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, S corporations, persons that hold 2022G-3 Bond Bank Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of 2022G-3 Bond Bank Bonds. This summary was prepared in connection with the offering of the 2022G-3 Bond Bank Bonds. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to such investor's particular situation.

As used herein, a "U.S. Holder" is a "U.S. person" that is a beneficial owner of a 2022G-3 Bond Bank Bond. A "Non U.S. Holder" is a holder (or beneficial owner) of a 2022G-3 Bond Bank Bond that is not a U.S. Person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions. If a partnership (or an entity taxable as a partnership) holds 2022G-3 Bond Bank Bonds, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the tax status of the partnership. Partners of partnerships holding 2022G-3 Bond Bank Bonds should consult their own tax advisors with regard to the U.S. federal income tax treatment of the purchase, ownership and disposition of the 2022G-3 Bond Bank Bonds.

The 2022G-3 Bond Bank Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest.

If the excess of the stated redemption price at maturity of a 2022G-3 Bond Bank Bond over its "issue price" exceeds a specified de minimis amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity), the excess is treated as original issue discount ("OID"). The issue price of the 2022G-3 Bond Bank Bonds is the first price at which a substantial amount of the 2022G-3 Bond Bank Bonds of each maturity is sold to the public. The issue price of the individual maturities of the 2022G-3 Bond Bank Bonds is expected to be the amount set forth on the inside cover pages of this Official Statement but is subject to change based on actual sales.

With respect to a U.S. Holder that purchases in the initial offering a 2022G-3 Bond Bank Bond issued with OID, the amount of OID that accrues during any accrual period equals (i) the "adjusted issue price" of such Bond at the beginning of the accrual period (which price equals the issue price of such Bond plus the amount of OID that has accrued on a constant yield basis in all prior accrual periods minus the amount of any payments, other than "qualified stated interest," received on the 2022G-3 Bond Bank Bond in prior accrual periods) multiplied by (ii) the yield to maturity of such 2022G-3 Bond Bank Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period) less (iii) any qualified stated interest payable on the 2022G-3 Bond Bank Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period.

A U.S. Holder of a 2022G-3 Bond Bank Bond issued with OID must include in gross income for federal income tax purposes the amount of OID accrued with respect to each day during the taxable year that the U.S. Holder owns a 2022G-3 Bond Bank Bond. Such an inclusion in advance of receipt of the cash attributable to the income is required even if the U.S. Holder is on the cash method of accounting for United States federal income tax purposes. The amount of OID that is includible in a U.S. Holder's gross income will increase the U.S. Holder's tax basis in a

2022G-3 Bond Bank Bond. The adjusted tax basis in a 2022G-3 Bond Bank Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale or retirement) of the 2022G-3 Bond Bank Bond.

A holder of a 2022G-3 Bond Bank Bond who purchases such 2022G-3 Bond Bank Bond at a cost that exceeds the stated principal amount of such 2022G-3 Bond Bank Bond will have amortizable bond premium equal to such excess. If the holder elects to amortize the bond premium, such election will apply to all 2022G-3 Bond Bank Bonds held by the holder on the first day of the taxable year to which the election applies, and to all 2022G-3 Bond Bank Bonds thereafter acquired by the holder. The premium must be amortized using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, but a reduction in basis is required for amortizable bond premium even though such premium is applied to reduce interest payments. Bond premium on a 2022G-3 Bond Bank Bond held by a holder that has not elected to amortize bond premium will decrease the gain or loss otherwise recognized on the disposition of the 2022G-3 Bond Bank Bond.

If a holder purchases the 2022G-3 Bond Bank Bonds after the initial offering for an amount that is less than the principal amount of the 2022G-3 Bond Bank Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a 2022G-3 Bond Bank Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Medicare Tax

An additional 3.8% tax will be imposed on the net investment income (which includes interest, original issue discount and gains from a disposition of a 2022G-3 Bond Bank Bond) of certain individuals, trusts and estates. Prospective investors in the 2022G-3 Bond Bank Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the 2022G-3 Bond Bank Bonds.

Sale and Exchange of a 2022G-3 Bond Bank Bond; Defeasance

Upon a sale or exchange of a 2022G-3 Bond Bank Bond, a holder generally will recognize gain or loss on the 2022G-3 Bond Bank Bonds equal to the difference between the amount realized on the sale and its adjusted tax basis in such 2022G-3 Bond Bank Bond. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the 2022G-3 Bond Bank Bond not yet taken into income will be ordinary) if the holder holds a 2022G-3 Bond Bank Bond as a capital asset. The adjusted basis of the holder in a 2022G-3 Bond Bank Bond (without OID) will (in general) equal its original purchase price and decreased by any payments received on the 2022G-3 Bond Bank Bond. In general, if the 2022G-3 Bond Bank Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

If the 2022G-3 Bond Bank Bonds are legally defeased, under current tax law a holder will be deemed to have sold or exchanged such 2022G-3 Bond Bank Bond. In the event of such a legal defeasance, a holder generally will recognize gain or loss on the deemed exchange of the 2022G-3 Bond Bank Bond. Ownership of the 2022G-3 Bond Bank Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different than those described in this "TAX MATTERS" section and each holder should consult its own tax advisor regarding the consequences to such holder of a legal defeasance of the 2022G-3 Bond Bank Bonds.

Backup Withholding

The Bond Bank Trustee must report annually to the IRS and to each U.S. Holder any interest that is payable to the U.S. Holder, subject to certain exceptions. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's federal income tax liability and may entitle the owner to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors concerning the application of information reporting and backup withholding rules.

Certain U.S. Federal Income and Estate Tax Consequences to Non U.S. Holders

This section describes certain U.S. federal income and estate tax consequences to Non-U.S. Holders.

Payments of interest (including OID) on a 2022G-3 Bond Bank Bond to a Non-U.S. Holder are generally not subject to United States federal income tax or nonresident withholding tax so long as the requirements under Code Section 871(h) are satisfied, including that that:

- the Non-U.S. Holder is not actually or constructively a "10-percent shareholder" under Section 871(h) or 881(c)(3)(B) of the Code;
- the Non-U.S. Holder is not, for United States federal income tax purposes, a controlled foreign corporation with respect to which the Authority is a "related person" within the meaning of Section 881(c)(3)(C) of the Code;
- the Non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- the certification requirements under Section 871(h) or 881(c) of the Code and regulations (summarized below) are met; and
- the 2022G-3 Bond Bank Bond interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States under Section 871(b) or Section 882 of the Code.

In order to obtain the exemption from income and withholding tax, either (1) the Non-U.S. Holder must provide its name and address, and certify, under penalties of perjury on Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY or W-8EXP, as applicable, to the Authority, its paying agent, or other applicable withholding agent as the case may be, that such Owner is a Non-U.S. Holder or (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business ("Financial Institution") and holds a 2022G-3 Bond Bank Bond on behalf of the Non-U.S. Holder, must certify, under penalties of perjury, to the Authority or its paying agent that such certificate has been received from the Owner by it or by any intermediary Financial Institution and must furnish the Authority or its paying agent with a copy of the certificate. A certificate is generally effective only with respect to payments of interest made to the certifying Non-U.S. Holder after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. A Non-U.S. Holder who does not satisfy the exemption requirements under Code Section 871(h) is generally subject to United States withholding tax on payments of interest (including OID).

Interest on a 2022G-3 Bond Bank Bond (including OID) that is effectively connected with the conduct of a United States trade or business by the Non-U.S. Holder is generally subject to United States federal income tax in the same manner as with a United States Owner, except to the extent otherwise provided under an applicable tax treaty. Effectively connected interest income received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional branch profits tax. Effectively connected interest income will not be subject to withholding tax if the Non-U.S. Holder delivers a properly completed Internal Revenue Service Form W-8ECI to the Bond Bank Trustee.

Foreign Account Tax Compliance Act

Pursuant to the Foreign Account Tax Compliance Act (commonly referred to as "FATCA"), foreign financial institutions (which term includes most foreign banks, hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a Beneficial Owner or as an intermediary for another party). A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any "withholdable payments." For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source interest including OID) and also include the entire gross proceeds from the sale or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Under the applicable final Treasury regulations, withholding under FATCA, if required, generally will apply to payments of U.S.-source interest on the bonds and to payments of gross proceeds from dispositions (including redemptions) of the bonds. However, the IRS issued proposed Treasury regulations that eliminate withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, the Authority and any applicable withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States pursuant to FATCA may be subject to different rules with respect to information reporting and related requirements.

The Authority will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

AMORTIZABLE BOND PREMIUM

The initial public offering price of the 2022G-1 Bond Bank Bonds and the 2022G-2 Bond Bank Bonds (collectively, the "*Premium Bonds*"), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "*Bond Premium*"). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (1) the amount of amortizable Bond Premium and (2) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The remedies available to the Bond Bank Trustee or the Bondholders for the 2022G Bond Bank Bonds upon a default under the Indenture, and to the Authority Trustee or the Bond Bank under the Authority Bond Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Chapter 9 of United States Bankruptcy Code, the remedies provided in the Indenture and the Authority Bond Ordinance may not be readily available or may be limited in an Event of Default.

The various legal opinions to be delivered concurrently with the delivery of the 2022G Bond Bank Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the Authority, the City, the State of Indiana and the United States of America and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions encompass any exercise of the federal, State or local police powers (including the police powers of the City and the Authority) in a manner consistent with the public health and welfare. Enforceability of the Indenture and the Authority Bond Ordinance in a situation where such enforcement may adversely affect public health and welfare may be subject to those police powers.

The various legal opinions to be delivered concurrently with the delivery of the 2022G Bond Bank Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FORWARD LOOKING STATEMENTS

This Official Statement, including Appendix C, contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are, among other things, an inability to incur debt at assumed rates, weather impacts, general economic downturns, factors affecting air travel in general, federal legislation and/or regulations, and regulatory and other restrictions. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the 2022G Bond Bank Bonds are subject to the approval of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinions will be delivered with the 2022G Bond Bank Bonds, substantially in the form found in "APPENDIX B—FORM OPINION OF BOND COUNSEL." Certain legal matters will be passed on by General Counsel for the Authority, by General Counsel to the Bond Bank, by Frost Brown Todd LLP, Indianapolis, Indiana, as disclosure counsel to the Bond Bank and the Authority, and by Krieg DeVault LLP, Indianapolis, Indiana, as counsel for the Underwriters.

RATINGS

Moody's Investors Service ("*Moody's*") and Fitch Ratings ("*Fitch*") have assigned the 2022G Bond Bank Bonds ratings of "A1" and "A", respectively, all with a stable outlook. An explanation of the significance of the ratings should be obtained from Moody's and Fitch, respectively. Such ratings reflect only the views of such rating agencies, and there is no assurance that any rating will continue for any given period of time or that any rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2022G Bond Bank Bonds.

The Underwriters have undertaken no responsibility to bring to the attention of the owners of the 2022G Bond Bank Bonds any proposed revision or withdrawal of the rating of the 2022G Bond Bank Bonds or to oppose any such proposed revision or withdrawal. Other than the reporting obligation of the Authority pursuant to the Undertaking (as defined herein), the Bond Bank, the Authority and the City have not undertaken any responsibility to bring to the attention of the owners of the 2022G Bond Bank Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

UNDERWRITING

A group of underwriters, represented by BofA Securities, Inc. (the "*Underwriters*"), has agreed, jointly and severally to purchase the 2022G Bond Bank Bonds subject to certain conditions set forth in the Bond Purchase Contract with the Bond Bank (the "*Bond Purchase Agreement*"). The Bond Purchase Agreement provides that the obligations of the Underwriters to accept delivery of the 2022G Bond Bank Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the 2022G Bond Bank

Bonds, if any are purchased. The Underwriters have agreed to purchase the 2022G-1 Bond Bank Bonds at an aggregate price of $88,862,177.32 (representing the principal amount of the 2022G-1 Bond Bank Bonds, plus original issue premium of $7,113,077.45, less an underwriting discount of $200,900.13). The Underwriters have agreed to purchase the 2022G-2 Bond Bank Bonds at an aggregate price of $71,753,933.36 (representing the principal amount of the 2022G-2 Bond Bank Bonds, plus original issue premium of $4,664,233.45, less an underwriting discount of $155,300.09). The Underwriters have agreed to purchase the 2022G-3 Bond Bank Bonds at an aggregate price of $25,393,975.88 (representing the principal amount of the 2022G-3 Bond Bank Bonds, less an underwriting discount of $51,024.12).

The 2022G Bond Bank Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such 2022G Bond Bank Bonds into investment accounts.

The Underwriters reserve the right to join with dealers and other underwriters in offering the 2022G Bond Bank Bonds to the public.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for both the Bond Bank and the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities), which may include credit default swaps and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Bond Bank or the Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or other instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc. ("*BofA Securities*"), as an underwriter of the 2022G Bond Bank Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this agreement, BofA Securities may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the 2022G Bond Bank Bonds.

PNC Capital Markets LLC ("*PNCCM*") may offer to sell to its affiliate, PNC Investments, LLC ("*PNCI*"), securities in PNCCM's inventory for resale to PNCI's customers, including securities such as those to be offered by the Issuer. PNCCM may share with PNCI a portion of the fee or commission paid to PNCCM if any 2022G Bond Bank Bonds are sold to customers of PNCI.

Academy Securities, Inc. has entered into Third-Party Distribution Agreements with TD Ameritrade Inc., BNY Mellon Capital Markets LLC, Commonwealth Financial Network, R. Seelaus & Co., Intercoastal Capital Markets, Inc., Janney Montgomery Scott LLC, The GMS Group LLC, InspereX LLC, Mountainside Securities LLC, World Equity Group, Inc., CINCaP Investment Group, Inc., and Essex Securities LLC for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these Third-Party Distribution Agreements (if applicable to this transaction), Academy Securities may share a portion of its underwriting compensation with these firms.

UBS Financial Services Inc. ("*UBS FSI*"), one of the underwriters of the 2022G Bond Bank Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC ("*UBS Securities*") in order to distribute certain municipal securities offerings (including the 2022G Bond Bank Bonds) to UBS Securities' institutional customers. Pursuant to such agreement, if any 2022G Bond Bank Bonds are allocated to a UBS Securities institutional customer, UBS FSI will share a portion of the underwriting compensation attributable to such bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

RELATED PARTIES

BofA Securities, Inc., one of the Underwriters of the 2022G Bond Bank Bonds, and Bank of America, N.A., which is the purchaser of the Series 2022F Bond Bank Bonds and also is a holder of the Series 2010L-5 and Series 2010L-3 Variable Rate Bonds, are both wholly-owned, indirect subsidiaries of Bank of America Corporation.

2022G BOND BANK BONDS AS LEGAL INVESTMENTS

Pursuant to the Bond Bank Act, all Indiana financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued by the Bond Bank.

AGREEMENT WITH STATE

The Bond Bank Act provides that the State will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with the owners of the 2022G Bond Bank Bonds or in any way impair the rights or remedies of the owners of the 2022G Bond Bank Bonds for so long as the 2022G Bond Bank Bonds are outstanding.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of certain mathematical computations showing that payments on each series of the 2022B Authority Bonds have been structured to be sufficient to pay principal of and interest on the respective 2022G Bond Bank Bonds when due will be verified by Sycamore Advisors LLC. Such verification shall be based upon certain information and assumptions supplied by the Bond Bank and the Underwriters.

MUNICIPAL ADVISORS

Sycamore Advisors LLC ("*Sycamore*") is a municipal advisor in Indianapolis, Indiana which is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Sycamore has been retained by the Bond Bank as its independent municipal advisor for the 2022G Bond Bank Bonds. In its role as municipal advisor to the Bond Bank, Sycamore has not undertaken to independently verify or assume responsibility for the accuracy or completeness of the information in the Official Statement, but has assisted in compiling certain information for this Official Statement. However, Sycamore has not conducted an independent audit or verification of any financial or supplemental data used in this Official Statement. (Sycamore's fees are contingent upon the issuance of the Series 2022G Bond Bank Bonds.)

Frasca & Associates, LLC ("*Frasca*") is a registered municipal advisor and served as municipal advisor to the Authority with respect to the sale of the 2022G Bond Bank Bonds. As the Authority's municipal advisor, Frasca has assisted in the preparation of portions of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the 2022G Bond Bank Bonds. In its role of municipal advisor to the Authority, Frasca has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement. (Frasca's fees are contingent upon the issuance of the Series 2022G Bond Bank Bonds.)

INDEPENDENT AUDITORS

The basic financial statements of the Authority dated as of and for the year ended December 31, 2021, and included in this Official Statement in Appendix A, have been audited by BKD, LLP, independent auditors, as stated in their report appearing therein.

FORVIS, LLP (formerly BKD, LLP), the Authority's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP, also has not performed any procedures relating to this offering document.

AVAILABILITY AND INCORPORATION BY REFERENCE OF DOCUMENTS AND FINANCIAL INFORMATION

On July 6, 2022, the Bond Bank filed and the Authority filed with the Municipal Securities Rulemaking Board ("*MSRB*"), the Annual Financial Reports of the Authority as of and for the year ended December 31, 2021 (the "*Authority Financials*"). There is hereby included in "Appendix A" of this Official Statement by this reference the information contained in the Authority Financials, which information should be read in its entirety in conjunction with this Official Statement.

There can be no assurance that there have not been material changes in the financial position of the Authority since the date of the most recent available Authority Financials. Upon request and receipt of payment for reasonable copying, mailing and handling charges, the Bond Bank will make available copies of the most recent Authority Financials, any interim financial information that it receives, any authorizing or governing instruments defining the rights of owners of the 2022G Bond Bank Bonds or the owners of the 2022B Authority Bonds and available financial and statistical information regarding the Bond Bank and the Authority. Requests for documents and payments therefor should be directed and payable to Sarah Riordan, Executive Director, The Indianapolis Local Public Improvement Bond Bank, Suite 2342, 200 East Washington Street, Indianapolis, Indiana 46204.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "*SEC Rule*"), the Authority and the Bond Bank are parties to a Continuing Disclosure Undertaking Agreement (the "*Undertaking*"), to be dated the date of delivery of the 2022G Bond Bank Bonds. A form of such Continuing Disclosure Undertaking Agreement is attached hereto as Appendix G.

The Authority is the only Obligated Person under the SEC Rule, and the Bond Bank is not an Obligated Person under the Undertaking. While the Bond Bank will execute the Undertaking, the Bond Bank will serve a limited role in ensuring compliance with the terms of the Undertaking. The annual financial information required to be filed each year under the Undertaking is information about the Authority and not the Bond Bank. In addition, many of the events which require a notice under the Undertaking pertain to the Authority and not the Bond Bank. The Bond Bank will serve the role of reminding the Authority of its filing requirements under the Undertaking and will assist the Authority through the administrative role of filing what the Authority sends to the Bond Bank for filing under the Undertaking. Accordingly, the Bond Bank has limited ability to manage whether bondholders receive filings under the Undertaking.

Pursuant to the terms of the Undertaking, the Authority will agree to provide the following information while any of the 2022G Bond Bank Bonds are outstanding:

- Audited Financial Statements. To the Bond Bank and to the MSRB, through its EMMA system, when and if available, the final ACFR of the Authority for each fiscal year, beginning with the fiscal year ending December 31, 2022, including the audited financial statements of the Authority within sixty (60) days of the date the Authority's ACFR is delivered by the Authority to the Authority Board or no later than July 31 of each year; and

- Financial Information in this Official Statement. To the Bond Bank and to the MSRB, through its EMMA system, within 210 days after the close of each fiscal year, beginning with the fiscal year ending December 31, 2022, annual information for the Authority for such fiscal year, other than the ACFR described above, including (a) unaudited financial statements of the Authority if audited financial statements are not then available and (b) operating data (excluding demographic and forecast information) of the general type included in the following tables of this Official Statement (collectively the "*Annual Information*"):

  Table 3 – Historical PFC and CFC Collections and Use as Dedicated Revenues
  Table 12 – Historical Aircraft Operations
  Table 13 – Historical Airport Activity
  Table 14 – Historical Enplaned Passengers
  Table 17 – Airline Market Shares of Enplaned Passengers
  Table 18 – Shares of O&D Versus Connecting Passengers
  Table 19 – Historical Enplaned Cargo
  Table 20 – Historical Landed Weight
  Table 21 – Airline Shares of Landed Weight; and
  Table 22 – Historical Operating Results – Indianapolis Airport Authority.

- Event Notices. In a timely manner, not in excess of ten (10) business days of occurrence, the following events:

  (A) Events Disclosed if Material.

  (1) non-payment related defaults;
  (2) modifications to the rights of Bondholders;
  (3) bond calls (other than scheduled mandatory sinking redemptions for which notice is given in accordance with the Indenture);
  (4) release, substitution or sale of property securing repayment of the 2022G Bond Bank Bonds;
  (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
  (6) the appointment of a successor trustee or co-trustee or the change of name of any trustee; and
  (7) the incurrence of a financial obligations[*] of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligor, any of which affect security holders.

  (B) Events Disclosed Without Regard to Materiality.

  (1) principal and interest payment delinquencies;
  (2) unscheduled draws on debt service reserves reflecting financial difficulties;
  (3) unscheduled draws on credit enhancements reflecting financial difficulties;
  (4) substitution of credit or liquidity providers, or their failure to perform;
  (5) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2022G Bond Bank Bonds, or other material events affecting the tax status of the 2022G Bond Bank Bonds;
  (6) defeasances;
  (7) rating changes;

[*] Defined in the Rule to mean a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the SEC Rule.

(8) tender offers;
(9) bankruptcy, insolvency, receivership or similar event of any Obligated Person; and
(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

Events listed in subsection (A) shall be disclosed only if they are deemed to be material (which determination of materiality shall be made by the Authority in accordance with the standards established by federal securities laws). Events listed in subsection (B) shall be disclosed regardless of whether or not they are determined to be material in nature. The Authority may, from time to time, choose to provide notice of the occurrence of any other event, in addition to those listed above, whether or not, in the judgment of the Authority, such other event is material with respect to the Bonds and should be disclosed, but the Authority does not commit to provide any such notice of the occurrence of any event except those events set forth above; and

- Failure to Disclose. In a timely manner, to the MSRB, through its EMMA system, notice of the Authority failing to provide the audited financial statements or Annual Information as described earlier.

The Authority may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the 2022G Bond Bank Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or, change in the identity, nature or status of the obligated persons, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the 2022G Bond Bank Bonds, as determined either by (A) any person selected by the Authority that is unaffiliated with the Bond Bank or the Authority (such as the Bond Bank Trustee and Authority Trustee) or (B) an approving vote of the holders of the 2022G Bond Bank Bonds pursuant to the terms of the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, as then in effect.

The Authority may, in its sole discretion, use an agent in connection with the dissemination of any annual financial information required to be provided by the Authority pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriters to purchase the 2022G Bond Bank Bonds by providing for an undertaking by the Bond Bank and the Authority in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the 2022G Bond Bank Bonds and creates no new contractual or other rights for, nor can it be relied upon by the SEC, Underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons, or any other third party. The sole remedy against the Authority for any failure to carry out any provision of the Undertaking shall be for specific performance of the Authority's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Authority's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the 2022G Bond Bank Bonds, the Indenture, the 2022B Authority Bonds, the Authority Bond Ordinance or any other agreement to which the Bond Bank or the Authority is a party.

Compliance by the Bond Bank and Authority with Previous Undertakings

While the Bond Bank is not an Obligated Person under the Undertaking, in the previous five years, the Bond Bank and various qualified entities have failed to comply with the terms of certain previous undertakings made in a written contract or agreement specified in subsection (b)(5)(i) of the SEC Rule. For the years 2017, 2018, 2019, 2020, and 2021, the Bond Bank and various qualified entities failed to file certain operating data, annual comprehensive financial reports, ratings notices, notices of incurrence of financial obligations, and redemption notices on various series of bonds by their applicable deadlines. Additionally, three of these late filings did not contain all of the information required to be filed (the "non-conforming filings"). All non-conforming filings were corrected by subsequent filings of the missing information. In 2019, the Bond Bank engaged a nationally recognized disclosure counsel to (1) conduct a compliance audit; (2) review the Bond Bank's continuing disclosure policies and procedures and advise on necessary changes; and (3) work with the Bond Bank to implement new procedures to ensure that the most current operating and financial data for each outstanding bond issue of the Bond Bank is filed on EMMA on a timely basis. In April of 2019, Nixon Peabody, a nationally recognized disclosure counsel provided compliance training to the Bond Bank's staff and various qualified entities. A compliance audit and review of the Bond Bank's Continuing Disclosure policy and procedures was performed. No deficiencies were found in the compliance audit for the Bond Bank. The Bond Bank was advised by counsel to add an additional step in its disclosure filing process as it relates to the financial stability of any of its qualified entities by getting confirmation that their financial position has not been significantly impacted since the end of the last fiscal year.

In the previous five years, the Authority has complied, in all material respects, with any previous undertakings in a written contract or agreement that it has entered into pursuant to subsection (b)(5)(i) of the SEC Rule. The Authority makes no representation as to any potential materiality of such prior instances regarding the Authority, as materiality is dependent upon individual facts and circumstances. See "APPENDIX G—FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT" herein.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the 2022G Bond Bank Bonds, the security for the payment of the 2022G Bond Bank Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriters; following delivery of the 2022G Bond Bank Bonds, copies of such documents may be examined at the offices of the Bond Bank.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is submitted in connection with the issuance and sale of the 2022G Bond Bank Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Bond Bank, the City, the County, the Authority, the Bond Bank Trustee, the Authority Trustee, the Escrow Agent or the Underwriters and the purchasers or owners of any 2022G Bond Bank Bonds.

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The delivery of this Official Statement has been duly authorized by the Board of Directors of the Bond Bank and the Authority Board of the Authority.

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

By: /s/ Norman Gurwitz
Norman Gurwitz, Chairperson

INDIANAPOLIS AIRPORT AUTHORITY

By: /s/ Barbara Glass
Barbara Glass, President

Dated: November 30, 2022

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APPENDIX A

AUTHORITY AUDITED FINANCIAL STATEMENTS DATED AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

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Indianapolis Airport Authority

Independent Auditor's Report and Financial Statements

December 31, 2021 and 2020

Indianapolis Airport Authority
December 31, 2021 and 2020

Contents

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CPAs & Advisors

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Indianapolis Airport Authority (Authority) as of and for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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). 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 these 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 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, 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 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 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. We previously expressed an unmodified opinion on the 2019 financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information as 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 auditing standards generally accepted in the United States of America. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
April 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021 and 2020
(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, 2021 and 2020. 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 Airport 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 Airport. As of December 31, 2021, seven passenger carriers and two cargo carriers represent the Signatory Airlines.

The term of the current signatory airline agreement is January 1, 2019 through December 31, 2023. The agreement does not contain extension provisions but does have holdover provisions. Airlines that sign the Airline Agreement are subject to favorable Signatory rates, as opposed to the Authority's Non-Signatory rates.

Airport Operations Activity and Financial Highlights

	2021	2020	Variance
Enplaned passengers [1]	3,582,020	2,044,464	75.2%
Landed weight (1,000 lb. units)			
Passenger airlines	4,271,668	3,282,245	30.1%
Cargo airlines	7,169,790	5,653,986	26.8%
Total landed weights	11,441,458	8,936,231	28.0%
Aircraft operations	185,970	144,078	29.1%

[1] Includes domestic air carriers, international air carriers and air taxi/commuter flights

Airport Operations Activity

In 2021, the number of enplaned passengers was 75.2% higher than in 2020. The increase from 2020 is primarily driven by an increase in leisure travel. Just as the COVID-19 pandemic affected health and safety guidelines, it also changed IND's mix of leisure and business travelers. The mix of leisure travel versus business travel was 82% leisure/18% business in 2021 vs. pre-pandemic 55% leisure/45% business. Non-stop destinations recovered to 46 non-stop destinations in 2021 vs. pre-pandemic activity of 50 non-stop destinations. The 2021 flight activity change was comprised of 22 flights, including 10 new destinations and the resumption of five key destinations previously suspended due to the pandemic. IND also benefited in 2021 from the addition of two new airlines, Sun Country and Contour Airlines.

Passenger airlines accounted for approximately 37% of total landed weight at IND in 2021 and 2020; cargo airlines accounted for the other 63% during 2021 and 2020. Passenger airline landed weights increased by 30.1% in 2021 from the prior year; cargo airline landed weight increased 26.8% from the prior year. The increase in passenger landed weights is mainly attributed to leisure travel and is explained further in the Economic Factors section. FedEx continued to represent most of the cargo landed weights in 2021. The increase in FedEx cargo landed weights was driven by planned capacity growth and operational changes to meet an increase in demand.

Aircraft operations represent landings and takeoffs for air carrier (passenger and cargo), air taxi and commuter, general aviation and military operations. This activity increased 29.1% over the prior year primarily attributable to an increase in passenger airline activity due to the economic recovery from the COVID-19 disruption.

Financial Highlights

- The Authority experienced an increase in total assets and deferred outflows of resources of $218.7 million during 2021. This increase is primarily attributable to the capital asset additions of Lessee Financed Improvements for the FedEx's sort facility and capacity expansion of its Indianapolis hub, offset by the normal decrease in capital assets due to depreciation.
- Total liabilities decreased $65.1 million in 2021. This change is primarily attributable to the reduction of bonds payable and other debt.
- The 2021 increase in net position was $288.0 million compared to an increase of $79.2 million for 2020. The $288.0 million increase is a result of the loss from operations of $24.0 million, net nonoperating revenues of $8.5 million and capital contributions and grants of $303.5 million.

Overview of Financial Statements

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

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

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

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

Statements of Net Position

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

A summarized comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at December 31, 2021, 2020 and 2019 follows:

	2021	2020	2019
	(Table Amounts in Thousands)		
Current assets - unrestricted	$ 108,270	$ 95,514	$ 30,929
Current assets - restricted	66,623	71,699	73,522
Noncurrent assets			
Capital assets, net	1,980,863	1,783,116	1,754,221
Other noncurrent assets	214,968	198,994	242,162
Total assets	2,370,724	2,149,323	2,100,834
Deferred outflows of resources	17,214	19,882	22,583
Total assets and deferred outflows of resources	$ 2,387,938	$ 2,169,205	$ 2,123,417
Current liabilities - payable from unrestricted	$ 12,605	$ 13,491	$ 13,229
Current liabilities - payable from restricted	61,974	67,969	72,069
Noncurrent liabilities - payable from restricted	912,066	970,288	1,004,014
Total liabilities	986,645	1,051,748	1,089,312
Deferred inflows of resources	17,979	22,122	18,009
Net position			
Net investment in capital assets	1,099,360	841,311	780,340
Restricted	185,180	171,161	162,493
Unrestricted	98,774	82,863	73,263
Total net position	1,383,314	1,095,335	1,016,096
Total liabilities, deferred inflows of resources and net position	$ 2,387,938	$ 2,169,205	$ 2,123,417

2021 to 2020 Comparative Statements of Net Position

Unrestricted current assets increased $12.8 million, which is attributable to increases in cash and cash equivalents, accounts receivable and grants receivable.

Restricted current assets decreased $5.1 million relating to a decrease in cash and cash equivalents, a decrease in the receivable for reimbursable IMC expenses, offset by an increase in passenger facility charges receivable.

Total noncurrent assets increased by $213.7 million. This change reflects a $16.0 million increase in noncurrent cash and cash equivalents, investment securities and derivative instruments; a decrease in nondepreciable capital assets of $9.0 million due to lower construction in progress; offset by an increase in depreciable capital assets of $206.8 million that includes the addition of lessee financed improvements for FedEx's sort facility and capacity expansion of its Indianapolis hub reduced by the normal decrease in capital assets due to depreciation..

Total deferred outflows of resources decreased by $2.7 million, the result of the amortization of deferred losses on the refunding of debt.

Total current liabilities decreased by $6.9 million primarily driven by a decrease of $3.8 million in accounts payable, and a decrease in grants payable of $3.5 million.

Total noncurrent liabilities decreased $58.2 million. The increase in interest rates lowered the liability on IAA's SWAPS by $12.3 million, and normal amortization of long-term debt in the amount of $45.9 million.

Total deferred inflows of resources decreased $4.1 million. The increase in interest rates lowered the value of the forward delivery agreements.

2020 to 2019 Comparative Statements of Net Position

Unrestricted current assets increased $64.6 million, which is primarily attributable to increases in cash and cash equivalents. The low interest rate environment during 2020 prompted an investment strategy change which caused the transfer of $54.8 million of noncurrent unrestricted investments to unrestricted cash and cash equivalents.

Restricted current assets decreased $1.8 million relating to a decrease in cash and cash equivalents, offset by an increase in the receivable for reimbursable IMC expenses.

Total noncurrent assets decreased by $14.3 million. This change reflects a $43.2 million decrease in cash and cash equivalents, investment securities and derivative instruments; a decrease in nondepreciable capital assets of $14.1 million that includes the sale of the old parking garage; offset by an increase in depreciable capital assets of $43.0 million that includes capital asset additions for the stormwater project, partly offset by the normal decrease in capital assets due to depreciation.

Total deferred outflows of resources decreased by $2.7 million, the result of the amortization of deferred losses on the refunding of debt of $2.7 million.

Total current liabilities decreased by $3.8 million primarily driven by a decrease of $16.1 million in accounts payable offset by an increase of $3.5 million in grants payable, an increase of $5.8 million in the current portion of debt, an increase of $2.1 million in accrued interest on debt, and $0.9 million increase to accrued and withheld items.

2021 to 2020 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, 2021 and 2020 was an increase of $288.0 million and an increase of $79.2 million, respectively. The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for 2021 and 2020.

	2021	2020	$ Variance	% Variance
	(Table Amounts in Thousands)			
Total operating revenues	$ 156,672	$ 117,071	$ 39,601	33.8%
Total nonoperating revenues	38,919	23,138	15,781	68.2%
Total revenues	195,591	140,209	55,382	39.5%
Total operating expenses	180,632	167,204	13,428	8.0%
Net nonoperating expenses	30,434	21,984	8,450	38.4%
Total expenses	211,066	189,188	21,878	11.6%
Loss Before Capital Contributions and Grants	(15,475)	(48,979)	33,504	-68.4%
Capital Contributions and Grants	303,454	128,218	175,236	136.7%
Increase in Net Position	287,979	79,239	208,740	263.4%
Net Position, Beginning of Year	1,095,335	1,016,096	79,239	7.8%
Net Position, End of Year	$ 1,383,314	$ 1,095,335	$ 287,979	26.3%

Operating revenue in 2021 increased $39.6 million, or 33.8% from prior year attributable to the following components:

- *Airfield revenue* in 2021 of $31.0 million increased from prior year by $8.9 million, or 40.3%. Total landed weights increased by 28.0% from prior year as passenger carriers increased 30.1% and cargo carriers increased 26.8%. The Signatory landing fee rate increased to $2.30 in 2021 from $2.09 in 2020. The Non-Signatory landing fee rate increased to $3.45 in 2021, as compared to the 2020 rate of $3.14.
- *Terminal complex revenues* of $57.5 million increased $13.3 million, or 30.2% from prior year. Budgeted airline terminal rental rates increased in 2021 to $112.57 per square foot compared to the prior year rate of $90.37 per square foot. Concession revenues exceeded prior year by $2.5 million (71.1%) and automobile rental commissions exceeded prior year by $4.0 million (73.8%); both attributable to the significant increase in passengers of 75.2%. The favorable variances are offset by $1.0 million of payments received for concessionaire relief from the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSA Act"), which is recorded as nonoperating federal operating grant revenue.
- *Parking revenues* increased from prior year by $17.6 million, or 69.7%, resulting in $42.8 million in 2021 parking revenue; an increase directly related to the 75.2% increase in passengers.
- *Rented buildings and other* of $16.5 million increased $0.3 million from prior year or 2.0% primarily attributable to FedEx's leased premises expansion and various other changes in ground lease rental agreements.

- *Revenues from Indianapolis Maintenance Center (IMC)* of $5.6 million decreased by $1.0 million, or 15.0%. 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 reflects the full year impact of the renegotiated lease with the IMC's main tenant, AAR Aircraft Services.

- *Reliever airports revenue* of $3.2 million increased $0.4 million or 15.7%. Increase attributable to higher fuel flowage fees, farm revenue, and increased overall hangar occupancy.

Nonoperating revenues in 2021 of $38.9 million increased from prior year by $15.8 million, or 68.2% attributable to the following components:

- *Federal operating grants* of $1.8 million decreased $14.0 million primarily attributable to a $14.9 million reduction of the operating portion drawn on IND's CARES Act funded recovery grant in prior year offset by $1.0 million of IND's concessionaire relief funded by the CRRSA Act.
- *Passenger facility charges (PFC) income* of $15.0 million increased $7.1 million, or 89.6%. 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 $6.5 million increase $2.2 million, or 50.1% due to the increase in passenger numbers and rental transactions.
- *Investment income (loss)* of $15.6 million increased $20.5 million primarily attributable to the $23.4 million year-over-year increase in the fair value change of hedging derivatives, offset by $2.9 million lower earnings on securities in the Authority's investment portfolio.

Operating expenses (before depreciation) for the years ended December 31, 2021 and 2020 totaled $79.7 million and $72.6 million, respectively, an increase of $7.1 million, or 9.8%. The following analysis provides material operating expense changes by both operating expense class and operating expense business area.

- *Operating expenses by class* (before depreciation): Total *personal services expense* increased 2.1% or 0.7 million to $34.8 million attributable to annual merit increases offset by lower health insurance expense claims and an average vacancy of 12%. Total *contractual services expense* increased 19.7% or $4.1 to $24.6 million attributable to increased professional fees for Planning and Development staff augmentation due to staffing vacancies, facility assessments for IAA's reliever airports, and pavement rehabilitation; higher investments in training and communication as these costs were intentionally reduced in 2020; contracted cleaning services due to staffing vacancies; and various strategic initiatives to maintain and preserve the Authority's assets including pavement repairs, grounds maintenance and other building repairs. Costs that vary in proportion of passenger volumes such as parking related credit card processing fees, valet operating costs, and dockmaster fees also increased. Total *utilities expense* of $10.6 million increased by $0.8 million, or 8.5% reflective of an increase in electricity costs and increased sewer charges relating to glycol processing and stormwater processing user fees. Total *supplies expense* of $4.7 million increased by $1.3 million, or 36.8% primarily in higher fuel costs, increased paper supplies, investments in uniforms and equipment for Fire and Police and expenses for snow and ice chemical. Total *materials expense* increased by $0.3 million, or 9.6% to $3.2 million primarily due to greater baggage system repair parts, communication equipment replacements and cleaning materials than in prior year. Total *general expense* of $1.8 million was flat with prior year which includes an increase in property insurance premiums offset by lower bad debt expense.

- *Airfield expenses* (before depreciation) of $11.9 million increased by $1.3 million, or 12.1% from the prior year. The increase is attributable to higher environmental professional fees, fuel costs, snow and ice chemical and sewer charges relating to glycol processing and stormwater processing user fees.
- *Terminal complex expenses* (before depreciation) of $18.5 million increased $2.0 million, or 12.2% from the prior year. Increase relates to contracted cleaning services due to staffing vacancies; higher dockmaster fees due to increased activity in 2021; increased utility costs; increased paper supply usage; greater baggage system repair parts; increase in property insurance premium and various strategic initiatives to maintain and preserve the Authority's assets including concourse column painting, lower level entrance cladding, Civic Plaza floor box replacements, terminal carpet replacement and various other building repairs. These increases were offset by a decrease in personal service costs due to staff vacancies and lower health insurance claims.
- *Parking expenses* (before depreciation) of $7.9 million increased $0.5 million, or 6.2% from the prior year. Costs that vary in proportion of passenger volumes such as parking related credit card processing fees and valet operating costs increased as well as increased contracted services relating to stainless steel cleaning and power washing in the garage, parking lot restriping and bus decal rewrapping.
- *Rented buildings and other expenses* (before depreciation) of $2.1 million increased $0.4 million, or 20.9% from prior year. Current year reflects an increase in environmental remediation costs to adjust the accrual to include environmental remediation costs associated with Parcel 7 that was determined to have soil contamination from a former gas station. Contractual services also increased related to various strategic initiatives to maintain and preserve the Authority's assets including pavement repairs, grounds maintenance and other building repairs. These increases were offset by lower on-call environmental professional fees.
- *Indianapolis Maintenance Center (IMC) expenses* (before depreciation) of $6.0 million decreased $0.5 million, or 8.3%. The decrease from prior year is mainly attributable to lower professional fees and lower utilities related to the reduction in the number of hangars leased by AAR Aircraft Services.
- *Reliever airports expenses* (before depreciation) of $2.5 million increased $1.0 million, or 65.9% from prior year. Increase primarily attributable to higher fuel costs and current year pavement repairs.
- *Public safety expenses* (before depreciation) of $13.3 million increased $1.2 million, or 9.8% from prior year. Prior year included Families First Coronavirus Response Act (FFCRA) tax credits accrued of $0.3 million that were reversed and paid in 2021 when verified that government employers were ineligible. Current year also includes contracted services to provide additional labor to increase the cleaning regime for the high traffic areas of the terminal in response to COVID-19, as well as the purchase of updated equipment (tasers), communication equipment and uniforms.
- *Administration costs* (before depreciation) of $17.4 million increased by $1.4 million, or 8.6% from prior year. Increase attributable to annual merit increases; an increase in professional fees relating to planning and development for staff augmentation, recruitment, air service consulting, information technology support services and public affairs/social media services. The increase is also attributed to investments in training and communication and print/advertising/marketing as much of these costs were intentionally reduced in 2020. These increases were offset by lower bad debt expense.

Net Nonoperating expenses for the years ended December 31, 2021 and 2020 totaled $30.4 million and $22.0 million, respectively, an increase of $8.4 million, or 38.4% attributable to the following components:

- *Interest expense* of $32.8 million decreased $1.0 million over the prior year due to reduction in bond principal from regular debt service payments and lower costs associated with IAA's variable rate bond portfolio.
- *Gain (loss) on disposals of capital assets and other* of $2.3 million decreased by $9.5 million over the prior year. The current year gain is primarily attributable to $2.0 million net gain on land sales. The prior year net gain was comprised of $0.7 million gain on land sales and $11.2 million gain from the sale of the old terminal's parking garage to the City of Indianapolis.

Capital contributions and grants of $303.5 million increased $175.2 million compared to prior year. Current year includes $23.7 million drawn on IND's CARES Act and CRRSA Act funded recovery grants and $252.0 million of Lessee Financed Improvements for FedEx's sort facility and capacity expansion of its Indianapolis hub. The prior year amounts included $23.2 million drawn on IND's CARES Act funded recovery grant and $73.9 million of Lessee Financed Improvements for FedEx's sort facility and capacity expansion of its Indianapolis hub.

2020 to 2019 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, 2020 and 2019 was an increase of $79.2 million and a decrease of $17.3 million, respectively. The comparative analysis below is a summary of the Statements of Revenues, Expenses and Changes in Net Position for 2020 and 2019.

	2020	2019	$ Variance	% Variance
	(Table Amounts in Thousands)			
Total operating revenues	$ 117,071	$ 161,349	$ (44,278)	-27.4%
Total nonoperating revenues	23,138	12,506	10,632	85.0%
Total revenues	140,209	173,855	(33,646)	-19.4%
Total operating expenses	167,204	174,865	(7,661)	-4.4%
Net nonoperating expenses	21,984	45,115	(23,131)	-51.3%
Total expenses	189,188	219,980	(30,792)	-14.0%
Loss Before Capital Contributions and Grants	(48,979)	(46,125)	(2,854)	6.2%
Capital Contributions and Grants	128,218	28,849	99,369	344.4%
Increase (Decrease) in Net Position	79,239	(17,276)	96,515	-558.7%
Net Position, Beginning of Year	1,016,096	1,033,372	(17,276)	-1.7%
Net Position, End of Year	$ 1,095,335	$ 1,016,096	$ 79,239	7.8%

Operating revenue in 2020 decreased $44.3 million, or 27.4% from prior year attributable to the following components:

- *Airfield revenue* in 2020 of $22.1 million decreased from prior year by $1.6 million, or 6.6%. Total landed weights decreased 17.1% from prior year as passenger carriers decreased 40.1% and cargo carriers increased 6.6%. The Signatory landing fee rate increased to $2.09 in 2020 from $1.71 in 2019. The Non-Signatory landing fee rate increased to $3.14 in 2020, as compared to the 2019 rate of $2.57.
- *Terminal complex revenues* of $44.2 million decreased $7.2 million, or 14.0% from prior year. Budgeted airline terminal rental rates increased in 2020 to $90.37 per square foot compared to the prior year rate of $77.95 per square foot. This was offset by concession revenues lower than prior year by $5.0 million (58.5%) and automobile rental commissions lower than prior year by $5.3 million (49.2%); both attributable to the significant decrease in passengers of 57.1% which prompted one-time adjustments to contractual minimum annual guarantees.
- *Parking revenues* decreased from prior year by $34.2 million, or 57.5%, resulting in $25.2 million in 2020 parking revenue; decrease directly related to the 57.1% decrease in passengers.
- *Rented buildings and other* of $16.2 million increased $0.7 million from prior year or 4.6% primarily attributable to additional aircraft parking on the old postal ramp primarily during the height of the COVID-19 disruption, and increased ground rental.
- *Revenues from Indianapolis Maintenance Center (IMC)* of $6.6 million decreased by $2.0 million, or 23.3%. 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 a renegotiated lease with the IMC's main tenant, AAR Aircraft Services.

Nonoperating revenues in 2020 of $23.1 million increased from prior year by $10.6 million, or 85.0% attributable to the following components:

- *Federal operating grants* of $15.8 million increased $15.2 million representing the operating portion drawn on IND's CARES Act funded recovery grant.
- *Passenger facility charges (PFC) income* of $7.9 million decreased $11.4 million, or 59.0%. This decrease is due to the decrease in passenger numbers and ticket sales as PFC revenues are earned when tickets are sold.
- *Customer facility charges (rental cars) income* of $4.3 million decreased $5.1 million, or 53.8% due to the decrease in passenger numbers and rental transactions.
- *Investment income (loss)* of $(4.9) million decreased $11.9 million, or 70.8%. The fair value change of hedging derivatives was $12.6 million less than the change in 2019 but offset by $0.7 million lower earnings on securities in the Authority's investment portfolio.

Operating expenses (before depreciation) for the years ended December 31, 2020 and 2019 totaled $72.6 million and $85.2 million, respectively, a decrease of $12.6 million, or 14.8%. As a result of the 57.1% decrease in passengers and the impact on operating revenues, operating expenses were slowed by freezing all staff pay levels, instituting a hiring freeze and halting all non-essential operating and maintenance expenses. The following analysis provides material operating expense changes by both operating expense class and operating expense business area.

- *Operating expenses by class* (before depreciation): Total *personal services expense* decreased 3.7% or $1.3 million to $34.1 million attributable to the impact of the hiring freeze, lower health insurance expense claims; lower part-time salaries and contract help in the parking departments due to reduction in passengers; and lower utilization of overtime. Total *contractual services expense* decreased 27.8% or $7.9 million to $20.6 million attributable to the intentional strategic slowing of expenditures resulting in lower professional fees, travel/training, print/advertising, pavement repairs, and grounds maintenance. Costs that vary in proportion of passenger volumes such as parking related credit card processing fees and valet operating costs also decreased. Total *utilities expense* of $9.7 million decreased by $1.1 million, or 10.5% reflective of electricity efficiencies and lower sewer charges relating to glycol processing. Total *supplies expense* of $3.4 million decreased by $1.8 million, or 33.8% primarily in lower fuel costs, paper supplies, LED replacements and uniforms. Expenses for snow and ice chemical reduced due to milder weather than prior year. Total *materials expense* decreased by $0.6 million, or 17.9% to $2.9 million primarily due to lower motorized equipment repair parts, communication equipment replacements and ground power unit (GPU) replacements than in prior year. Total *general expense* of $1.8 million increased from prior year by $0.1 million, or 7.7% primarily due to an increase in bad debt reserve expense.
- *Airfield expenses* (before depreciation) of $10.6 million decreased by $1.3 million, or 11.1% from the prior year. Decrease attributable to lower environmental professional fees, pavement repairs, less ground power unit (GPU) replacements, and lower snow and ice chemical and sewage costs for glycol processing.
- *Terminal complex expenses* (before depreciation) of $16.5 million decreased $1.8 million, or 10.0% from the prior year. Reduction relates to vacancies throughout the year due to hiring freeze; lower electricity and sewage costs; lower paper supplies as a result of halting all non-essential operating and maintenance expenses.
- *Parking expenses* (before depreciation) of $7.5 million decreased $3.2 million, or 30.1% from the prior year. Decrease attributable to lower part-time and overtime salaries and contract help, pavement repairs, credit card fees and valet services. The decrease is also due to less snow removal/chemical costs due to milder weather and lower light bulb costs as prior year represented a LED lighting replacement program in the garage.
- *Rented buildings and other expenses* (before depreciation) of $1.7 decreased $1.7 million, or 49.4% from prior year. Current year reflects a decrease in environmental remediation costs; lower on-call environmental professional fees related to compliance audits and tree removal/vegetation control; and lower pavement repairs, grounds maintenance and building repairs as a result of halting non-essential maintenance expenses.
- *Indianapolis Maintenance Center (IMC) expenses* (before depreciation) of $6.5 million decreased $0.9 million, or 11.9%. The decrease from prior year is mainly attributable to a reduction of electrical usage due to a reduction in the number of hangars utilized by AAR Aircraft Services, lower pavement repairs and grounds maintenance costs.
- *Reliever airports expenses* (before depreciation) of $1.5 million decreased $0.4 million, or 21.2% from prior year. Decrease primarily attributable to lower fuel costs and lower utilization of contractual services.

- *Public safety expenses* (before depreciation) of $12.1 million decreased $0.6 million, or 4.4% from prior year. Variance represents staff vacancies throughout the year; lower health insurance claims and professional fees offset by expenses incurred relating to COVID-19 including employee testing and terminal cleaning and supplies/personal protection equipment (PPE).
- *Administration costs* (before depreciation) of $16.0 million decreased by $2.7 million, or 14.5% from prior year. Decrease reflects the slowing of overall expenses resulting in lower professional fees, travel/training, print/advertising and various other operating projects put on hold.

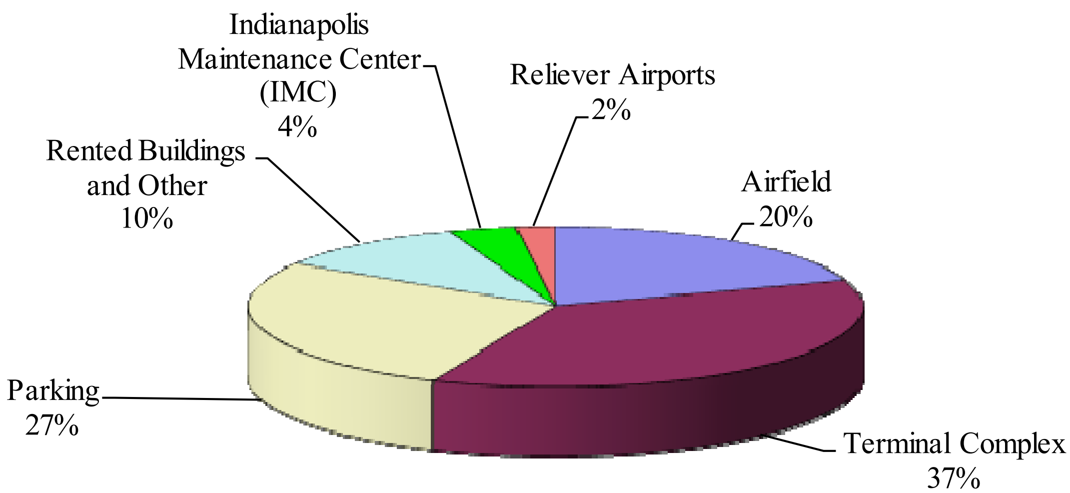
Net Nonoperating expenses for the years ended December 31, 2020 and 2019 totaled $22.0 million and $45.1 million, respectively, a decrease of $23.1 million, or 51.3% attributable to the following components:

- *Interest expense* of $33.8 million decreased $4.2 million over the prior year due the full year effect of the 2019 bond deal issue premiums and the reduction of interest expense from the continued amortization of principal outstanding.
- *Gain (loss) on disposals of capital assets and other* of $11.8 million increased $18.9 million over the prior year. The current year net gain is comprised of $0.7 million gain on land sales; $0.7 million for loss on capital assets, offset by $11.2 million gain from the sale of the old terminal's parking garage to the City of Indianapolis. The prior year included a $6.5 million and $1.8 million loss related to land sales and capital asset retirements, respectively.

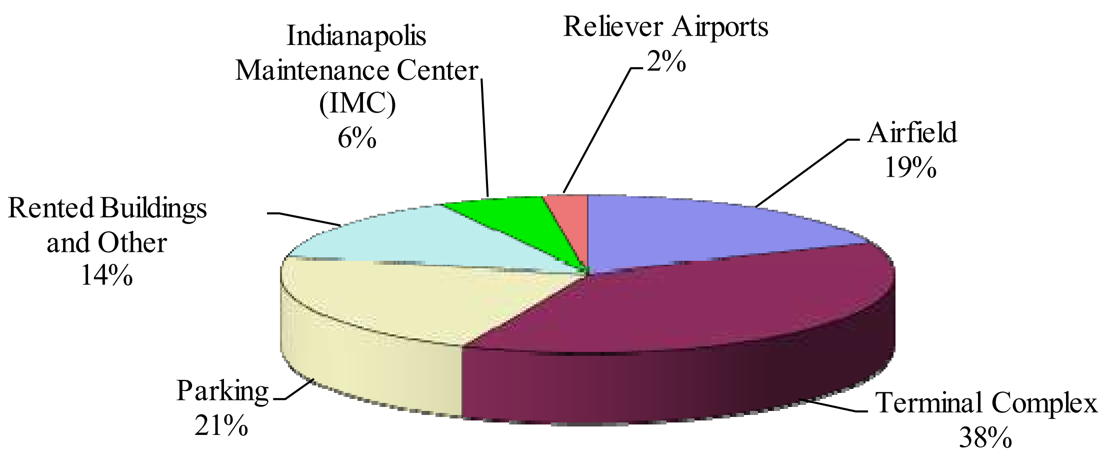
Capital contributions and grants of $128.2 million increased $99.4 million compared to prior year. Current year includes $23.2 million drawn on IND's CARES Act funded recovery grant and $73.9 million of Lessee Financed Improvements for FedEx's sort facility and capacity expansion of its Indianapolis hub.

The following is a graphic illustration of operating revenues by source for the years ended December 31, 2021 and 2020:

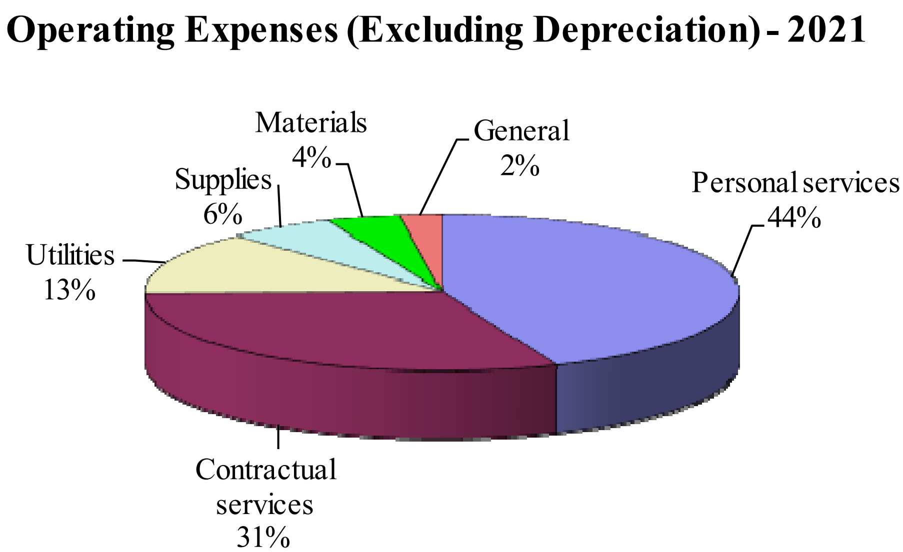
Operating Revenues - 2021

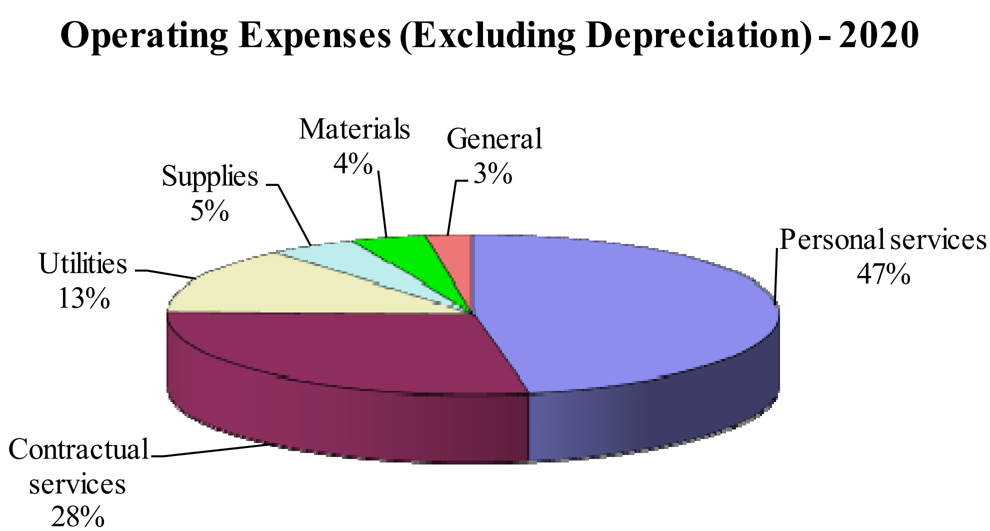


Operating Revenues - 2020



The following is a graphic illustration of the total operating expenses by source for the years ended December 31, 2021 and 2020 (excluding depreciation):





Capital Asset and Debt Administration

Capital Assets

During 2021, the Authority expended approximately $49.7 million on capital assets. The capital expenditures related to multiple construction and equipment acquisition projects related to: Runway 5L-23R Rehabilitation, Airfield Maintenance and Snow Removal Equipment Facilities, Taxiways R, P, H, & N Rehabilitation, Stormwater and Deicing, and Corporate Hangar Development Infrastructure at Indy Regional.

During 2021, completed projects totaling $54.0 million were closed from construction-in-progress to their respective capital asset accounts. The more significant of these completed projects are as follows:

Rehabilitation Runway 5L-23R	$17.6 million
Airfield Maintenance and Snow Removal Equipment Facilities	$16.5 million
Rehabilitation Taxiways R, P, H, & N	$4.3 million
Stormwater & Deicing - Seerley Creek Basin Relocation & West Basin	$3.3 million
Corporate Hangar Development Infrastructure - Indy Regional	$2.8 million
Rehabilitation Runway 14-32 and Taxiways with LEDs	$2.0 million

Note 4 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 5 of the financial statements explains the details of ordinances adopted in 2020 and 2021.

As of December 31, 2021, the Authority had $904.7 million 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 2021 and 2020, respectively, the Authority's debt service coverage was 1.96 and 1.78 for senior lien debt. The 2021 senior lien debt service coverage was calculated using $25.0 million of grant revenue funded by the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSA 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 2021.

Notes 5, 6 and 7 to the financial statements provide additional information regarding the Authority's debt activities.

Economic Factors

As noted earlier, IND experienced a 75.2% increase in the number of passenger enplanements over last year, resulting in total 2021 enplanements of 3,582,020. This level of enplanements is in line with 2013 levels. COVID-19 restrictions early in 2021 slowed the recovery process, however, with significant pent up leisure demand, many months in 2021 came close to reaching 2019 levels of passenger traffic.

Due to the drop in passenger demand, all passenger airlines decreased their seat capacity at IND compared to 2019, but offered more seats and flights compared to 2020. Seat capacity overall was down 22% compared to 2019. International seat capacity was down 84% compared to 2019, due to international travel restrictions.

IND maintained year-round service from all domestic airlines in 2021 providing nonstop or 1 stop connectivity across the U.S. IND is served by both major and national airlines operating at many of the domestic hubs. In addition, point-to-point service is provided 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's position as FedEx's second largest hub worldwide allows the airport to maintain high cargo landed weight levels. In 2021, IND airlines carried 1.3 million tons of cargo, up 19.5% from 2020. IND domestic cargo was up 17.1% from 2020 and international cargo increased by 38% from 2020 levels, both due to an increase in demand for goods during the pandemic and increased operations from FedEx.

The COVID-19 pandemic's dynamic nature leads to uncertainties, including the ultimate geographic spread of the of the virus; the severity of the disease; the duration of the pandemic; and actions that may be taken by governmental authorities to contain the outbreak or to treat its impact. There is uncertainty related to the local or global economic impact of the pandemic on the demand for air travel and on the airlines and concessionaires serving IND.

Looking Forward

At the end of 2018, the Air Service Task Force Executive Committee approved the Authority's five-year Air Service Strategy. The Committee includes representatives from the Indiana Economic Development Corporation ("IEDC"), Visit Indy and the Indy Chamber. The strategy considers a myriad of factors including passenger demand, costs, airline strategy, industry trends, local and global economies amongst others.

The strategy identifies two-year and five-year targets including both domestic and international markets as well as domestic and international airlines. This strategy will be adjusted to consider the impact of COVID-19 and the potential paths for recovery. The strategy outlines opportunities of implementation with emphasis on data collection and airline engagement, which will remain critical to air service recovery.

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

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

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

Future passenger traffic may be impacted by the following:

- Load factors by carrier
- Average daily departures
- Scheduled seat capacity
- Average nonstop fares
- Average fares by market
- Airline communication
- Aircraft orders/retirements

Although it is not anticipated, the 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, 2021 and 2020

	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	$ 89,548,600	$ 83,133,735
Accounts receivable, net of allowance of $164,000 and $390,000, respectively	4,421,986	1,827,870
Unbilled revenues	5,254,168	5,832,412
Grants receivable	3,952,261	-
Supplies and materials inventories	2,988,315	2,705,720
Other	2,103,287	2,014,492
Total unrestricted current assets	108,268,617	95,514,229
Restricted Assets		
Cash and cash equivalents	62,085,434	65,769,083
Cash and cash equivalents - customer deposits	707,251	647,150
Receivable - passenger facility charges	2,188,760	919,097
Receivable - governments and other	122,997	137,381
Receivable - reimbursable IMC expenses	1,518,798	4,225,911
Total restricted current assets	66,623,240	71,698,622
Total current assets	174,891,857	167,212,851
Noncurrent Assets		
Cash and cash equivalents, restricted	137,237,795	136,289,112
Investment securities, unrestricted	2,384,020	-
Investment securities, restricted	56,640,881	39,742,856
Rent receivable	726,200	840,132
Derivative instruments - forward delivery purchase agreements	17,979,068	22,121,818
Nondepreciable capital assets	256,017,486	265,038,315
Depreciable capital assets, net	1,724,845,719	1,518,077,224
Total noncurrent assets	2,195,831,169	1,982,109,457
Total assets	2,370,723,026	2,149,322,308
Deferred Outflows of Resources		
Deferred loss on refunding of debt	17,214,339	19,882,354
Total deferred outflows of resources	17,214,339	19,882,354
Total assets and deferred outflows of resources	$ 2,387,937,365	$ 2,169,204,662

Indianapolis Airport Authority
Statements of Net Position (Continued)
December 31, 2021 and 2020

	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Payable From Unrestricted Assets		
Accounts payable	$ 5,454,973	$ 2,245,705
Accrued and withheld items (including compensated absences)	7,150,259	7,772,485
Grants payable	-	3,473,304
Total current liabilities payable from unrestricted assets	12,605,232	13,491,494
Payable From Restricted Assets		
Accounts payable	8,494,980	15,454,396
Customer deposits payable	707,251	647,150
Current portion of debt	36,260,000	34,480,000
Accrued interest on debt	16,511,316	17,387,070
Total current liabilities payable from restricted assets	61,973,547	67,968,616
Total current liabilities	74,578,779	81,460,110
Noncurrent Liabilities		
Derivative instruments - interest rate swap agreements	43,597,868	55,905,280
Bonds payable and other debt, payable from restricted assets	868,468,333	914,382,708
Total noncurrent liabilities	912,066,201	970,287,988
Total liabilities	986,644,980	1,051,748,098
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	17,979,068	22,121,818
Net Position		
Net investment in capital assets	1,099,359,838	841,310,882
Restricted for		
Capital projects	106,146,839	87,155,753
Debt service	77,907,306	80,141,430
Other	1,125,729	3,863,814
Total restricted net position	185,179,874	171,160,997
Unrestricted	98,773,605	82,862,867
Total net position	1,383,313,317	1,095,334,746
Total liabilities, deferred inflows of resources and net position	$ 2,387,937,365	$ 2,169,204,662

Indianapolis Airport Authority

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Airfield	$ 31,031,457	$ 22,118,257
Terminal complex	57,515,595	44,175,766
Parking	42,772,033	25,208,150
Rented buildings and other	16,548,566	16,218,550
Indianapolis Maintenance Center (IMC)	5,586,360	6,570,715
Reliever airports	3,217,196	2,779,635
Total operating revenues	156,671,207	117,071,073
Operating Expenses		
Personal services	34,839,202	34,126,777
Contractual services	24,627,806	20,570,241
Utilities	10,553,917	9,727,168
Supplies	4,700,866	3,435,607
Materials	3,175,479	2,897,046
General	1,801,410	1,806,630
Total operating expenses	79,698,680	72,563,469
Income From Operations Before Depreciation	76,972,527	44,507,604
Depreciation expense	100,933,121	94,640,303
Loss From Operations	(23,960,594)	(50,132,699)
Nonoperating Revenues (Expenses)		
Federal operating grants	1,816,734	15,782,948
Passenger facility charges	15,009,050	7,917,919
Customer facility charges (rental cars)	6,526,091	4,347,368
Investment income (loss), net of investment derivative fair value adjustments of $12,307,412 and $(11,071,931), respectively	15,567,065	(4,909,795)
Interest expense	(32,770,421)	(33,787,024)
Gain on disposals of capital assets and other	2,336,386	11,802,875
	8,484,905	1,154,291
Decrease in Net Position Before Capital Contributions and Grants	(15,475,689)	(48,978,408)
Capital Contributions and Grants		
Federal, state and local grants	48,797,367	44,816,168
Contributions from lessees and other	254,656,893	83,401,334
	303,454,260	128,217,502
Increase in Net Position	287,978,571	79,239,094
Net Position, Beginning of Year	1,095,334,746	1,016,095,652
Net Position, End of Year	$ 1,383,313,317	$ 1,095,334,746

Indianapolis Airport Authority

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Cash receipts from customers and users	$ 156,394,989	$ 115,307,738
Cash payments to vendors for goods and services	(44,751,456)	(49,359,808)
Cash payments for employees services	(34,313,497)	(34,908,600)
Net cash provided by operating activities	77,330,036	31,039,330
Cash Flows From Noncapital Financing Activities		
Operating grants received	1,816,734	21,384,104
Customer facility charges received	6,526,091	4,347,368
Insurance recoveries	477,814	60,000
Net cash provided by noncapital financing activities	8,820,639	25,791,472
Cash Flows From Capital and Related Financing Activities		
Principal paid on bonds	(34,480,000)	(28,705,000)
Bond issuance and remarketing costs paid	(288,118)	(184,142)
Interest paid	(40,344,416)	(39,084,692)
Acquisition and construction of capital assets	(49,549,284)	(62,090,535)
Proceeds from sale of capital assets	3,154,401	26,545,748
Passenger facility charges received	13,739,387	8,320,595
Capital grants received	41,371,802	44,816,168
Net cash used in capital and related financing activities	(66,396,228)	(50,381,858)
Cash Flows From Investing Activities		
Purchase of investment securities	(144,244,400)	(287,653,500)
Proceeds from sales and maturities of investment securities	126,783,601	390,999,681
Interest received on investments and cash equivalents	1,446,352	2,603,224
Net cash provided by (used in) investing activities	(16,014,447)	105,949,405
Net Increase in Cash and Cash Equivalents	3,740,000	112,398,349
Cash and Cash Equivalents, Beginning of Year	285,839,080	173,440,731
Cash and Cash Equivalents, End of Year	$ 289,579,080	$ 285,839,080

Indianapolis Airport Authority
Statements of Cash Flows (Continued)
Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Loss From Operations to Net Cash Provided by Operating Activities		
Loss from operations	$ (23,960,594)	$ (50,132,699)
Item not requiring cash		
Depreciation of capital assets	100,933,121	94,640,303
Change in assets and liabilities		
Accounts receivable and unbilled revenues	(276,218)	(1,763,335)
Supplies and materials inventories	(282,595)	(360,923)
Other assets	(88,795)	(1,618,929)
Accounts payable	479,412	(8,943,264)
Accrued and withheld items	525,705	(781,823)
Net cash provided by operating activities	$ 77,330,036	$ 31,039,330
Noncash Capital and Related Financing Activities		
Capital assets included in accounts payable at end of year	$ 4,718,314	$ 8,920,516
Capital assets contributed by lessees and other governments	254,656,893	83,401,334

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

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

Basis of Accounting and Financial Reporting

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

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

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, 2021 and 2020, cash equivalents consisted primarily of money market accounts with brokers.

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.

Lessee-Financed Improvements

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

Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of more than $2,500. Capital assets purchased by the Authority are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

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

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

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

Original Issue Premiums and Discount

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

Employee Health Benefits

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

Deferred Outflows and Inflows of Resources

The Authority reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statements of net position.

The Authority reports the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

Compensated Absences

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal 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.

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.

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 and August 2003 allow the Authority to impose and use $524,907,606 in PFC's for various capital and debt-related purposes. Included in the use approval is $208,872,000 for principal payments on debt, $178,668,000 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 $15,009,050 and $7,917,919 for 2021 and 2020, respectively.

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 2007, was $3.00 per rental car transaction per day, up to 14 days. The Authority increased this charge to $4.00 per transaction in May 2010 and subsequently increased this charge to $5.00 per transaction in March 2019. Under the adopting ordinance, CFC's may be pledged or dedicated for the payment of airport bonds or other obligations, as defined by applicable bond documents, or other costs as agreed to by the Authority. CFC revenue totaled $6,526,091 and $4,347,368 for 2021 and 2020, respectively.

Rental Income

All leases wherein the Authority is the lessor are accounted for as operating leases. Rental income is generally recognized as it becomes receivable over the respective lease terms. The Authority has some leases which provide for waived rent during the initial period of the lease term and/or rental escalations throughout the lease term. In accordance with GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* the related rental income for leases in which the rental income stream is not systematic, if significant, is reported using the straight-line method rather than using the terms of the lease agreements. Accordingly, the Authority has recorded a receivable of $578,935 and $637,956 at December 31, 2021 and 2020, respectively. The current receivable will be recognized in full in 2034.

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: 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.

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

Investments

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

At December 31, 2021 and 2020, the Authority had the following investment securities and maturities:

	Rating	Total	December 31, 2021 Less Than 1 Year	1 - 5 Years
U.S. Treasury Security Bills	AA+/Aa1	$ 48,294,107	$ 10,185,429	$ 38,108,678
Indiana municipal securities	AA+/Aa1	3,937,895	3,560,266	377,629
	AAA/Aaa	242,668	200,000	42,668
	AA/Aa2	10,401,205	500,682	9,900,523
Total Indiana municipal securities		14,581,768	4,260,948	10,320,820
Money market mutual funds	AAA/Aaa	86,478,561	86,478,561	-
	Not Rated	112,824,104	112,824,104	-
Total money market mutual funds		199,302,665	199,302,665	-
External investment pools	Not Rated	50,337,573	50,337,573	-
		$ 312,516,113	$ 264,086,615	$ 48,429,498

	Rating	Total	December 31, 2020 Less Than 1 Year	1 - 5 Years
U.S. Treasury Security Bills	A-1+/P-1	$ 45,586,716	$ 30,262,993	$ 15,323,723
Indiana municipal securities	AA+/Aa1	5,917,804	2,207,792	3,710,012
	AA/Aa2	200,120	-	200,120
Total Indiana municipal securities		6,117,924	2,207,792	3,910,132
Money market mutual funds	AAA/Aaa	86,114,163	86,114,163	-
	Not Rated	135,338,728	135,338,728	-
Total money market mutual funds		221,452,891	221,452,891	-
External investment pools	Not Rated	27,021,495	27,021,495	-
		$ 300,179,026	$ 280,945,171	$ 19,233,855

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

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

Custodial Credit Risk **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2021 and 2020, 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; (2) no more than 25% in any one money market mutual fund, investment pool or certificate of deposit; and (3) no more than 15% with any one Indiana municipal issuer. No single issuer of the Indiana municipal securities in which the Authority has invested exceeded 5% of total investments.

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 statements of net position are classified as follows:

	2021	2020
Cash and cash equivalents		
Current - unrestricted	$ 89,548,600	$ 83,133,735
Current - restricted	62,792,685	66,416,233
Noncurrent - restricted	137,237,795	136,289,112
Total cash and cash equivalents	289,579,080	285,839,080
Investment securities		
Noncurrent - unrestricted	2,384,020	-
Noncurrent - restricted	56,640,881	39,742,856
Total investment securities	59,024,901	39,742,856
	$ 348,603,981	$ 325,581,936

The carrying value of deposits and investments are as follows:

	2021	2020
Carrying value		
Deposits	$ 36,087,868	$ 25,402,910
Investments	312,516,113	300,179,026
	$ 348,603,981	$ 325,581,936

Investment Income (Loss)

Investment income (loss) for the years ended December 31, 2021 and 2020 consisted of:

	2021	2020
Interest and dividends	$ 3,259,653	$ 6,162,136
Changes in valuation of investment derivatives	12,307,412	(11,071,931)
Investment gain (loss)	$ 15,567,065	$ (4,909,795)

Cash, cash equivalents and investment securities are as follows:

	2021	2020
Unrestricted		
Airport System Fund	$ 68,103,405	$ 65,554,493
Customer Facility Charge Fund	23,818,515	17,568,542
Other unrestricted funds	10,700	10,700
Total unrestricted cash, cash equivalents and investments	91,932,620	83,133,735
Restricted		
Revenue Bond Interest and Principal Fund	54,942,203	53,993,662
Revenue Bond Reserve Fund	55,220,560	55,683,658
Operation and Maintenance Reserve Fund	14,597,879	14,102,807
Renewal and Replacement Fund	2,944,231	2,837,380
Capital Improvement Fund	90,393,892	76,791,939
Passenger Facility Charge Fund	13,564,187	9,444,717
Debt Service Coverage Fund	17,157,927	17,171,467
Construction Fund - Subordinate Securities	4,653,385	9,285,803
Construction Fund - State Revolving Fund	2,489,846	2,489,618
Customer deposits	707,251	647,150
Total restricted cash, cash equivalents and investments	256,671,361	242,448,201
Total cash, cash equivalents and investments	$ 348,603,981	$ 325,581,936

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.

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 State Revolving Fund serves as a construction fund to be drawn upon as eligible costs for the expansion of the Authority's stormwater system 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 statements 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 statements 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 3: Grants Receivable (Payable)

Grants receivable (payable) 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 (payable) at December 31, 2021 and 2020 consist of:

	2021	2020
State of Indiana	$ 46,640	$ 50,948
Federal Aviation Administration	3,845,401	(3,728,880)
U.S. Department of Homeland Security	60,220	204,628
	$ 3,952,261	$ (3,473,304)

The maximum amount of federal and state participation available for 2021 totaled $251,275,269. At December 31, 2021, a cumulative total of $115,993,767 has been received on these grant commitments.

Note 4: Capital Assets

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

	Beginning Balance	Transfers and Additions	Transfers and Disposals	Ending Balance
December 31, 2021				
Capital assets, not being depreciated:				
Land	$ 225,345,813	$ 134,300	$ (491,939)	$ 224,988,174
Construction in progress	39,692,502	54,240,663	(62,903,853)	31,029,312
Total capital assets, not being depreciated	265,038,315	54,374,963	(63,395,792)	256,017,486
Capital assets, being depreciated:				
Buildings	1,696,536,080	196,245,778	(9,619,227)	1,883,162,631
Runways and other airport infrastructure	1,218,346,172	107,478,006	(1,982,270)	1,323,841,908
Equipment, furniture and fixtures and other	265,291,757	4,265,992	(1,094,598)	268,463,151
Total capital assets, being depreciated	3,180,174,009	307,989,776	(12,696,095)	3,475,467,690
Less accumulated depreciation for:				
Buildings	(786,094,293)	(49,599,530)	9,334,731	(826,359,092)
Runways and other airport infrastructure	(675,787,960)	(41,357,962)	1,978,600	(715,167,322)
Equipment, furniture and fixtures and other	(200,214,532)	(9,975,629)	1,094,604	(209,095,557)
Total accumulated depreciation	(1,662,096,785)	(100,933,121)	12,407,935	(1,750,621,971)
Total capital assets, being depreciated, net	1,518,077,224	207,056,655	(288,160)	1,724,845,719
Capital assets, net	$ 1,783,115,539	$ 261,431,618	$ (63,683,952)	$ 1,980,863,205
December 31, 2020				
Capital assets, not being depreciated:				
Land	$ 231,248,278	$ 153,300	$ (6,055,765)	$ 225,345,813
Construction in progress	47,919,575	72,383,853	(80,610,926)	39,692,502
Total capital assets, not being depreciated	279,167,853	72,537,153	(86,666,691)	265,038,315
Capital assets, being depreciated:				
Buildings	1,657,869,625	46,194,293	(7,527,838)	1,696,536,080
Runways and other airport infrastructure	1,177,479,685	76,956,504	(36,090,017)	1,218,346,172
Equipment, furniture and fixtures and other	254,278,355	15,203,660	(4,190,258)	265,291,757
Total capital assets, being depreciated	3,089,627,665	138,354,457	(47,808,113)	3,180,174,009
Less accumulated depreciation for:				
Buildings	(745,786,143)	(47,149,853)	6,841,703	(786,094,293)
Runways and other airport infrastructure	(673,354,697)	(38,523,280)	36,090,017	(675,787,960)
Equipment, furniture and fixtures and other	(195,434,432)	(8,967,170)	4,187,070	(200,214,532)
Total accumulated depreciation	(1,614,575,272)	(94,640,303)	47,118,790	(1,662,096,785)
Total capital assets, being depreciated, net	1,475,052,393	43,714,154	(689,323)	1,518,077,224
Capital assets, net	$ 1,754,220,246	$ 116,251,307	$ (87,356,014)	$ 1,783,115,539

Note 5: Bonds Payable and Other Debt

Bonds and other debt outstanding at December 31, 2021 and 2020 consist of:

	2021	2020
Revenue Bonds, Series 2019A		
Serial bonds, maturing January 1, 2022 to January 1, 2054 in payments from $555,000 to $1,340,000. Interest at 2.8%, due semiannually on January 1 and July 1.	$ 29,455,000	$ 29,995,000
Revenue Bonds, Series 2019B		
Serial bonds, maturing January 1, 2022 to January 1, 2035 in payments from $320,000 to $24,450,000. Interest at 5.0%, due semiannually on January 1 and July 1.	140,930,000	146,750,000
Unamortized premium	20,103,270	24,741,740
	161,033,270	171,491,740
Revenue Bonds, Series 2019C-1		
Term bonds, maturing January 1, 2044 to January 1, 2050 Interest at 4.00% and 5.00%, due semiannually on January 1 and July 1.	51,595,000	51,595,000
Unamortized premium	6,937,918	7,232,948
	58,532,918	58,827,948
Revenue Bonds, Series 2019C-2		
Serial bonds, maturing January 1, 2022 to January 1, 2037 in payments from $650,000 to $1,355,000. Interest at 5.00%, due semiannually on January 1 and July 1.	15,435,000	16,000,000
Unamortized premium	2,852,455	3,186,872
	18,287,455	19,186,872
Revenue Bonds, Series 2019D		
Serial bonds, maturing January 1, 2022 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.	38,215,000	38,215,000
Revenue Bonds, Series 2016A-1		
Serial bonds, maturing January 1, 2022 to January 1, 2035 in payments from $2,145,000 to $18,645,000. Interest at 4.00% to 5.00%, due semiannually on January 1 and July 1.	79,955,000	97,700,000
Unamortized premium	7,792,741	9,284,110
	87,747,741	106,984,110
Revenue Bonds, Series 2016A-2		
Serial bonds, maturing January 1, 2022 to January 1, 2023 in payments from $2,260,000 to $3,370,000. Interest at 2.411% to 2.561%, due semiannually on January 1 and July 1.	5,630,000	8,925,000
Term bonds, maturing January 1, 2024 to January 1, 2027 in payments from $85,000 to $95,000. Interest is fixed at 3.195%, due semiannually on January 1 and July 1.	365,000	365,000
Term bonds, maturing January 1, 2035 and January 1, 2036 in payments of $1,520,000 and $1,615,000, respectively. Interest is fixed at 3.894%, due semiannually on January 1 and July 1.	3,135,000	3,135,000

(Continued)	2021	2020
Revenue Bonds, Series 2015A		
Serial bonds, maturing January 1, 2023 to January 1, 2033 in payments from $6,770,000 to $19,875,000. Interest at 4.00% to 5.00%, due semiannually on January 1 and July 1.	$ 178,690,000	$ 178,690,000
Unamortized premium	10,476,068	12,047,330
	189,166,068	190,737,330
Revenue Bonds, Series 2014A		
Serial bonds, maturing January 1, 2022 to January 1, 2034 in payments from $6,840,000 to $17,075,000. Interest at 4.00% to 5.00%, due semiannually on January 1 and July 1.	151,130,000	157,645,000
Unamortized premium	9,190,881	10,514,708
	160,320,881	168,159,708
Revenue Bonds, Series 2010C		
Term bonds, maturing January 1, 2033, 2036 and 2037. Interest is variable (75% of the one-month LIBOR plus 0.330% (0.406%) at December 31, 2021), due monthly on the first business day	152,840,000	152,840,000
Total revenue bonds	904,728,333	948,862,708
Current portion	(36,260,000)	(34,480,000)
Long-term portion	$ 868,468,333	$ 914,382,708

Revenue Bonds

Portions of the Authority’s Series 2014A, 2015A, 2016A-1, 2016A-2, 2019B, 2019C-1, and 2019C-2 Revenue Bonds are subject to optional redemption by the Authority at various dates in the future. Portions of the Authority’s Series 2019A and 2019D Revenue Bonds, with consent from the Indiana Finance Authority, are subject to optional redemption by the Authority at various dates in the future. The 2010C Revenue Bonds are subject to optional redemption by the Authority upon notification to the bondholders.

The Series 2010C Revenue Bonds (as discussed more fully below), maturing January 1, 2033, 2036 and 2037, are subject to redemption from mandatory sinking fund payments during 2030 to 2037.

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 2024 to 2027 and 2035 to 2036, respectively.

The Authority’s 2019C-1 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.

2019A Revenue Bonds - State Revolving Fund

In March 2019, the Authority entered into a $30,000,000, 35-year term subsidized Clean Water Loan with the Indiana Finance Authority's State Revolving Fund (SRF) program at an annualized rate of 2.80%. The SRF Bonds were issued on parity with the Authority's Senior Lien Revenue Bonds. The proceeds were deposited in a construction fund to be drawn upon as eligible costs for the expansion of the Authority's stormwater system were incurred. As of December 31, 2021 and 2020, respectively, $1,368,024 and $1,367,900 remained in the construction fund.

2019B Revenue Bonds

In August 2019, the Authority issued the 2019B Refunding Revenue Bonds in the amount of $149,130,000 with an original issue premium of $31,330,593. The proceeds from the 2019B Revenue Bonds, in conjunction with transfers from the debt service reserve and principal and interest funds, were used to refund $156,050,000 of the 2010C Revenue Bonds, terminate a portion of the associated interest rate swaps, fund a debt service reserve fund surety policy, and pay for costs of issuance. The net present value loss resulting from this refunding was $592,869, and the aggregate difference in the required debt service between the portion of the refunded 2010C Bonds and the 2019B Bonds was $2,646,125.

2019C Revenue Bonds

In December 2019, the Authority issued the 2019C-1 ($51,595,000; tax-exempt) and 2019C-2 ($16,000,000; tax-exempt) Refunding Revenue Bonds in the amount of $67,595,000 with original issue premium of $7,549,287 and $3,558,567 on the C-1 and C-2 series, respectively. The proceeds from the 2019C-1 Revenue Bonds were used to redeem the outstanding 2018A Subordinate Securities of $58,470,000, pay interest on the 2019C-1 Bonds through January 1, 2020, and pay for costs of issuance. The 2019C-2 Revenue Bonds were used to refund the outstanding balance of the 2010A Authority Bonds of $20,613,781 and pay costs of issuance. The net present value savings resulting from the refunding of the 2010A Bonds were $3,691,196, and the aggregate difference in the required debt service between the 2010A Bonds and the 2019C-2 Bonds was $4,718,278.

2019D Revenue Bonds - State Revolving Fund

In November 2019, the Authority entered into a $38,215,000, 20-year term subsidized Clean Water Loan with the Indiana Finance Authority's State Revolving Fund (SRF) program at an annualized rate of 2.62%. The SRF Bonds were issued on parity with the Authority's Senior Lien Revenue Bonds. The proceeds were deposited in a construction fund to be drawn upon as eligible costs for the expansion of the Authority's stormwater system were incurred. As of December 31, 2021 and 2020, respectively, $1,121,822 and $1,121,718 remained in the construction fund.

2010C Revenue Bonds

In December 2010, the Authority issued the Indianapolis Airport Authority Airport Revenue Bonds, Series 2010C (2010C Revenue Bonds) in an original amount totaling $350,000,000. The 2010C Revenue Bonds were issued in five subseries (2010C-1 through 2010C-5) with final maturities ranging from January 1, 2033 through January 1, 2037. The Series 2010C Revenue Bonds were sold to the Indianapolis Local Public Improvement Bond Bank (the "ILPIBB") and directly purchased by banks (by subseries), subject to Continuing Covenant Agreements, as the ILPIBB Revenue Bonds, Series 2010L, and are secured by a Trust Indenture and Ordinances establishing a security interest in net revenues of the airport system. The 2010C Revenue Bonds are currently subject to acceleration at the end of the bank term beginning on the dates outlined in the table below:

Authority Series	ILPIBB Series	Maturity Date	End of Bank Term
201C-1	2010L-1	1/1/2033	6/30/2023
201C-2	2010L-2	1/1/2033	6/30/2023
201C-3	2010L-3	1/1/2036	6/30/2023
201C-4	2010L-4	1/1/2036	6/30/2023
201C-5	2010L-5	1/1/2037	6/30/2023

The Authority has paid or refunded a portion of the 2010C Revenue Bonds since they were issued. As of December 31, 2021 and 2020, there were $152,840,000 of 2010C Revenue Bonds outstanding and no additional amounts may be issued under the 2010C Revenue Bond facilities. The 2010C Revenue Bonds are periodically remarketed to banks and the bank owners have changed since the bonds were issued and are likely to change again before they reach maturity or are otherwise paid. The last remarketings occurred in July 2021. The bonds will be remarketed again, prior to the bank term of the existing facilities. There are certain events which could result in a higher interest rate and/or an acceleration of amounts due on the 2010C Revenue Bonds. These events are described in the Continuing Covenant Agreement filed on the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") site at the ILPIBB's issuer homepage or using the following links:

- https://emma.msrb.org/P11522531-P11177734-P11594052.pdf
- https://emma.msrb.org/P11522534-P11177735-P11594053.pdf

2018A Subordinate Securities

In March 2018, the Authority issued the Indianapolis Airport Authority Subordinate Securities, Series 2018A (2018A Subordinate Securities) in an original amount not to exceed $175,000,000 with a final maturity not to exceed March 1, 2021. The Series 2018A Subordinate Securities were sold to the ILPIBB and directly purchased by Bank of America, N.A., subject to a Continuing Covenant Agreement, as the ILPIBB Subordinate Notes, Series 2018B, and were secured by a Trust Indenture and Ordinances establishing a subordinate security interest in net revenues of the airport system. The Series 2018A Subordinate Securities was a non-revolving credit facility, allowing the Authority to borrow funds to fund authorized purposes which include, but were not limited to, the Authority's stormwater enhancement and baggage system modification projects. On July 7, 2020, the Authority determined it would not need to draw additional amounts under the Continuing Covenant Agreement and elected to terminate it early. There were no amounts outstanding at the time of termination or at the year ended December 31, 2021.

Directly Placed Debt

As of December 31, 2021 and 2020, the Authority held directly placed debt as detailed below:

	2010C-1	2010C-2	2010C-3	2010C-4	2010C-5
Par Outstanding at 12/31/21	$ 46,505,000	$ 23,250,000	$ 20,660,000	$ 30,985,000	$ 31,440,000
Par Outstanding at 12/31/20	46,505,000	23,250,000	20,660,000	30,985,000	31,440,000
Credit Available For Draw as of 12/31/21	-	-	-	-	-
Credit Available For Draw as of 12/31/20	-	-	-	-	-
Lien	Senior	Senior	Senior	Senior	Senior
Final Maturity	1/1/2033	1/1/2033	1/1/2036	1/1/2036	1/1/2037
End of Bank Term	6/30/2023	6/30/2023	6/30/2023	6/30/2023	6/30/2023
Bank	Banc of America Preferred Funding Corporation	PNC Bank, National Association	Banc of America Preferred Funding Corporation	PNC Bank, National Association	Banc of America Preferred Funding Corporation
Index Rate	1M USD LIBOR	1M USD LIBOR	1M USD LIBOR	1M USD LIBOR	1M USD LIBOR
Applicable Factor	75%	75%	75%	75%	75%
Applicable Spread as of 12/31/2021	0.33%	0.33%	0.33%	0.33%	0.33%
Applicable Spread as of 12/31/2020	1.10%	0.40%	0.62%	0.40%	1.10%
Increase in Applicable Spread Due To Credit Rating Downgrade	Yes (1)	Yes (1)	Yes (1)	Yes (1)	Yes (1)
Margin Rate Factor	No	No	No	No	No
Rate Formula	Index Rate x Applicable Factor + Applicable Spread	Index Rate x Applicable Factor + Applicable Spread	Index Rate x Applicable Factor + Applicable Spread	Index Rate x Applicable Factor + Applicable Spread	Index Rate x Applicable Factor + Applicable Spread
Events of Default	CCA Article 8	CCA Article 8	CCA Article 8	CCA Article 8	CCA Article 8
Moody's Rating as of 12/31/21	A1	A1	A1	A1	A1
Moody's Rating as of 12/31/20	A1	A1	A1	A1	A1
S&P Rating as of 12/31/21	A-	A-	A-	A-	A-
S&P Rating as of 12/31/20	A-	A-	A-	A-	A-
Fitch Rating as of 12/31/21	A	A	A	A	A
Fitch Rating as of 12/31/20	A	A	A	A	A

(1) See Table 1

Applicable Spread upon Credit Ratings Downgrade

In the event of a change in the long-term unenhanced rating assigned by Moody's, S&P or Fitch to such bonds, the Applicable Spread shall be the Applicable Spread associated with such new long-term unenhanced rating as set forth in the following schedules:

Table 1 – 2010C-1, 2010C-2, 2010C-3, 2010C-4, and 2010C-5

	Credit Rating		
Moody's	S&P	Fitch	Applicable Spread
A2 or Higher	A or higher	A or higher	0.33%
A3	A-	A-	0.43%
Baa1	BBB+	BBB+	0.68%
Baa2	BBB	BBB	1.18%
Baa3	BBB-	BBB-	1.68%

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 designation of passenger facility charges revenue in 2021 and 2020, respectively, was $10 million and $18.0 million, respectively. The customer facility charge revenue designation was $0 for 2021 and 2020.

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

Debt Service Requirements

Debt service requirements to maturity for all debt of the Authority, excluding any unamortized discount or premium and its capital lease agreements, are as follows at December 31, 2021:

Years Ending December 31	Revenue Bonds Principal	Revenue Bonds Interest	Total
2022	$ 36,260,000	$ 31,732,243	$ 67,992,243
2023	39,876,015	30,025,544	69,901,559
2024	48,371,542	28,111,806	76,483,348
2025	50,808,785	25,862,126	76,670,911
2026	53,312,790	23,418,987	76,731,777
2027 - 2031	297,037,876	77,395,091	374,432,967
2032 - 2036	233,806,519	27,773,454	261,579,973
2037 - 2041	26,166,473	14,220,904	40,387,377
2042 - 2046	28,965,000	9,017,950	37,982,950
2047 - 2051	28,855,000	2,852,150	31,707,150
2052 - 2056	3,915,000	166,390	4,081,390
	$ 847,375,000	$ 270,576,645	$ 1,117,951,645

The following is a summary of long-term obligation transactions for the Authority for the years ended December 31, 2021 and 2020:

2021

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term obligations					
Revenue bonds payable	$ 881,855,000	$ -	$ (34,480,000)	$ 847,375,000	$ 36,260,000
Bond premium	67,007,708	-	(9,654,375)	57,353,333	-
Total revenue bonds payable	948,862,708	-	(44,134,375)	904,728,333	36,260,000
Total long-term obligations	$ 948,862,708	$ -	$ (44,134,375)	$ 904,728,333	$ 36,260,000

2020

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term obligations					
Revenue bonds payable	$ 910,560,000	$ -	$ (28,705,000)	$ 881,855,000	$ 34,480,000
Bond premium	77,325,214	-	(10,317,506)	67,007,708	-
Total revenue bonds payable	987,885,214	-	(39,022,506)	948,862,708	34,480,000
Total long-term obligations	$ 987,885,214	$ -	$ (39,022,506)	$ 948,862,708	$ 34,480,000

Note 6: 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, 2021 and 2020, the Special Facility Revenue Bonds, Series 1995 (Indianapolis Maintenance Center), outstanding were $165,988,327.

Note 7: 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.

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, 2021	Fair Value at December 31, 2020
Series 2014A	December 1, 2004	December 30, 2033	$ 16,534,000	4.962%	$ 5,774,782	$ 7,155,340
Series 2015A	December 28, 2005	December 31, 2032	15,000,000	4.820%	4,675,530	5,865,389
Series 2016A	August 1, 2006	January 1, 2036	17,321,400	5.311%	7,528,756	9,101,089
					$ 17,979,068	$ 22,121,818

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 statements of net position as of December 31, 2021 and 2020. As the Forward Delivery Agreements are effective hedging instruments, the changes in fair value of the Forward Delivery Agreements of ($4,142,750) and $4,112,631 for the years ended December 31, 2021 and 2020, respectively, are shown as an adjustment to the carrying amount of the related deferred inflows of resources on the statements 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.

Interest Rate Swap Agreements – Investment Derivative Instruments

The Authority is a party to three interest rate swap agreements (the Swap Agreements) that became effective on July 1, 2008, concurrent with the issuance of the 2008 Revenue Bonds. The Swap Agreements continued to hedge the 2008 Revenue Bonds until December 21, 2010, at which time the 2008 Revenue Bonds were refunded by the issuance of the 2010C Revenue Bonds. This refunding resulted in a terminating event and accordingly, the Authority included the balance of the deferred outflows associated with this hedge in its calculation of the deferred loss on refunding, which was $47,643,748. At that same time, the Swap Agreements became a hedge of the 2010C Revenue Bonds with terms and conditions that are identical to the previous hedge of the refunded 2008 Revenue Bonds. Upon this terminating event, it was determined the interest rate swaps were no longer effective hedges and all subsequent changes in the fair value are recorded as a component of investment income.

On August 22, 2019, the Authority used the proceeds of the 2019B Revenue Bonds to refund a portion of the 2010C Revenue Bonds and terminate associated interest rate swaps. A $26,532,000 partial termination payment to the swap counterparties eliminated $156,050,000 of the Authority's swap notional amount.

Objective of the Interest Rate Swaps - The Swap Agreements are used as a strategy to maintain acceptable levels of exposure to the risk of future changes in interest rates related to the Authority's existing variable rate debt. The primary intention of the Swap Agreements is to effectively convert the Authority's variable interest rates on its long-term debt to synthetic fixed rates.

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

Notional Amount	Trade Date	Effective Date of Swap Agreement	Termination Date	Rate Authority Pays	Variable Rate Authority Receives	Fair Value at December 31, 2021	Fair Value at December 31, 2020
$ 51,645,000	October 14, 2004	July 1, 2008	January 1, 2036	4.0325%	75% One Month LIBOR	$ (15,886,628)	$ (20,385,505)
31,440,000	October 14, 2004	July 1, 2008	January 1, 2037	4.1500%	75% One Month LIBOR	(10,285,702)	(12,941,730)
23,251,667	October 7, 2005	July 1, 2008	January 1, 2033	3.7800%	75% One Month LIBOR	(5,822,758)	(7,539,563)
46,503,333	July 2, 2015 *	July 1, 2015 *	January 1, 2033	3.7775%	75% One Month LIBOR	(11,602,780)	(15,038,482)
$ 152,840,000						$ (43,597,868)	$ (55,905,280)

* During 2015, there was an exchange of counterparties from UBS to Wells Fargo. This was not considered as a terminating event.

Payments due under the Swap Agreements (excluding any termination payments) and payments on any repayment obligation will be payable from net revenues of the airport system on a parity with the Revenue Bonds. Under the Swap Agreements, the Authority pays or receives the net interest amount monthly, with the monthly settlements included in interest expense. The Swap Agreements resulted in no initial cash receipts or payments to be made by the Authority.

Fair Value - The fair values of the Swap Agreements are based on estimated discounted future cash flows determined using the counterparties' proprietary models based upon financial principles and estimates about relevant future market conditions. The fair values of the Swap Agreements are classified as a noncurrent liability on the statements of net position as of December 31, 2021 and 2020. As the Swap Agreements are ineffective hedging instruments, the changes in fair value of the Swap Agreements of $12,307,412 and $(11,071,931) for the years ended December 31, 2021 and 2020, respectively, are shown as investment income.

Credit Risk - The fair value of each of the Swap Agreements represents the Authority's credit exposure to the counterparties as of December 31, 2021. Should the counterparties to these transactions fail to perform according to the terms of the Swap Agreements, the Authority has a maximum possible loss equivalent to the fair value at that date. As of December 31, 2021, the Authority was not exposed to credit risk because each of the swaps had a negative fair value. In order to mitigate the potential for credit risk, if any of the counterparties' credit quality rating falls below a rating threshold of Aa3 by Moody's Investors Service or AA- by Standard & Poor's, the fair value of that counterparty's swap or swaps is to be fully collateralized by the counterparty with eligible securities (as defined in the Schedule to the Master Agreement) to be held by a third-party custodian on behalf of the Authority.

The ratings of the various counterparties at December 31, 2021 are as follows:

	Ratings of the Counterparty	
	Moody's Investors Service	Standard & Poor's
JPMorgan Chase Bank, N.A., counterparty of the interest rate swaps with notional amounts of $51,645,000 and $31,440,000	Aa2	A+
Bank of America, counterparty of the interest rate swap with the notional amount of $23,251,667	A2	A-
Wells Fargo Bank, N.A., counterparty of the interest rate swap with the notional amount of $46,503,333 and both basis swap agreements	Aa2	A+

Basis Risk - The Authority is not exposed to basis risk because the variable-rate payments received by the Authority under the Swap Agreements are based on an index that coincides with the interest rates the Authority pays on its 2010C Revenue Bonds. As of December 31, 2021, the interest rate on the Authority's 2010C Revenue Bonds is 0.406%, (calculated at 75% of the one-month LIBOR plus 0.330%), while the Authority receives payments under the Swap Agreements equal to 75% of the one-month LIBOR, or 0.076%.

Termination Risk - The Authority or the counterparties may terminate the Swap Agreements if the other party fails to perform under the terms of the contract. In addition, the Authority has the unilateral option to terminate the Swap Agreements. If the Swap Agreements have a negative fair value at the time of termination, the Authority would be liable to the counterparty for a payment equal to the fair value of the respective swap.

Swap Payments and Associated Debt - The variable rate bond interest payments and net swap payments will vary with changes in interest rates. Using rates as of December 31, 2021, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same, for their term are set forth in the table below.

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Swaps, Net	Interest
2022	$ -	$ 656,858	$ 5,895,587	$ 6,552,445
2023	-	739,523	5,895,587	6,635,110
2024	-	869,437	5,895,587	6,765,024
2025	-	880,263	5,895,587	6,775,850
2026	-	880,263	5,895,587	6,775,850
2027 - 2031	53,240,000	3,970,897	26,629,313	30,600,210
2032 - 2036	97,070,000	957,519	6,562,336	7,519,855
2037	2,530,000	1,214	8,342	9,556
	$ 152,840,000	$ 8,955,974	$ 62,677,926	$ 71,633,900

Note 8: Disclosures About Fair Value of Assets and Liabilities

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

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

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

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

Recurring Measurements

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

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Investments				
U.S. Treasury Security Bills	$ 48,294,107	$ 48,294,107	$ -	$ -
Indiana municipal securities	14,581,768	-	14,581,768	-
External investment pools	50,337,573	-	50,337,573	-
Derivative Financial Instruments				
Forward delivery purchase agreements	17,979,068	-	-	17,979,068
Interest rate swap agreements	(43,597,868)	-	(43,597,868)	-
December 31, 2020				
Investments				
U.S. Treasury Security Bills	$ 45,586,716	$ 45,586,716	$ -	$ -
Indiana municipal securities	6,117,924	-	6,117,924	-
External investment pools	27,021,495	-	27,021,495	-
Derivative Financial Instruments				
Forward delivery purchase agreements	22,121,818	-		22,121,818
Interest rate swap agreements	(55,905,280)	-	(55,905,280)	-

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements 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, 2021.

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

Interest rate swaps classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates. The fair value of the forward delivery agreements are derived from proprietary models and are calculated on a mid-market basis, but do not include bid/offer spread and are therefore classified in Level 3.

Note 9: 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, 2021. 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. Once all on-going expenses have been reimbursed to the Authority, revenue in excess of expenses are shared between the bondholders and the Authority on a percentage basis bound by the Settlement Agreement. Previously, the interest and principal payments for the Series 1995 Special Facility Revenue 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, provides for up to $7.5 million in reimbursements for certain costs incurred after May 2003. The Settlement Agreement also provides for reimbursement for up to $6.5 million of the Tenant Improvement Expenditure Reserve (TIER) fund for use of capital improvements, if certain conditions are met. On the ten-year anniversary of the Settlement Agreement, all the funds accumulated in the TIER Fund were to be disbursed to the bondholders with the exception of $1 million. On February 13, 2014, these funds were disbursed.

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 December 2020, 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, 2025. This new AAR lease provided for AAR to return a total of five of the ten hangars previously leased back to the Authority (Hangars 1A through 3A). As well, a lease extension was granted to Express Scripts with a new lease expiration of December 31, 2023. AAR and Shuttle America make up the leasing of seven of the twelve hangar spaces. As a part of the Settlement Agreement, rentals collected for the IMC are not considered revenue to the Authority, but instead are required to be deposited into a trust held on behalf of the United bondholders. The monies held in trust are to be used to pay ongoing operating and maintenance costs of the IMC and must be applied in a manner prescribed by the terms of the Settlement Agreement.

For the years ended December 31, 2021 and 2020, the Authority incurred approximately $6.0 million and $6.5 million of costs for the IMC, respectively. The Authority has received reimbursements for these costs under the Settlement Agreement aggregating approximately $8.5 million and $3.8 million for 2021 and 2020, respectively. In addition, as of December 31, 2021 and 2020, the Authority has accrued approximately $1.5 million and $4.2 million, respectively, in reimbursements from the Trustee for allowable costs incurred.

The aforementioned lease agreements historically contained a number of incentives to be provided by the Authority in the form of grants and rent credits over the terms of these leases, which currently range from six months to five years. These grants and rental credits were designed to assist the tenants with start-up costs and the acquisition of certain capital assets, including leasehold improvements, and to encourage them to expand their operations and/or increase the amount of space they lease. Grants for start-up costs are recorded as unamortized lease costs by the Authority and amortized over the respective lease term, while grants for capital improvements result in new depreciable assets of the Authority. Success payments (for expanding operations) and other similar grants were expensed as they were earned by AAR. All existing IMC capital assets, as well as those acquired by the tenants through Authority grants or otherwise, remain the property of the Authority, subject only to the tenants' rights to use such assets during their respective lease terms.

Note 10: 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 $477,814 and $60,000 in insurance recoveries as nonoperating revenue in 2021 and 2020, respectively. There are no material claim settlements to exceed insurance coverage that exists presently, to the best of the Authority's knowledge, which has the potential of doing so for the 2021 calendar year.

The Authority has a self-insured arrangement for health care benefits provided to Authority employees and has established a self-insured liability for employee medical claims. The Authority utilizes a third-party company to provide individual stop loss coverage of $100,000 on each covered individual's health claims and $6,646,112 on overall health care program aggregate claims. The estimated self-insurance liability is based on claim trend and consultation with an actuary. There is no significant incremental claim adjustment expense, salvage or subrogation attributable to this liability.

Note 11: 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 $1,173,194 for 2021 and $1,045,341 for 2020.

Note 12: Rental Income From Operating Leases

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

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

2022	$ 71,674,588
2023	70,634,405
2024	35,593,675
2025	33,354,180
2026	29,853,348
Thereafter	306,804,800
	$ 547,914,996

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). 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.

Contingent rentals and fees aggregated approximately $48.8 million in 2021 and $34.4 million in 2020, and are accrued in arrears.

Note 13: 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, 2021, the Authority has spent approximately $102.6 million (including relocation costs) under this inactive program (Phase II), substantially all of which was eligible for 80% reimbursement from the FAA. The owners of an estimated 30 homes did not participate in Phase II when it was an active program.

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

The Sound Insulation Program, which is now an inactive program, paid for a home within the impacted noise area to be sound insulated with respect to doors, window treatments, etc., with no further cash outlay required by the Authority. At December 31, 2021, 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, 2021, 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, 2021 and applied to approximately 487 homes, of which 413 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, 2021, 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 6,200 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 $7,145,650 and $11,181,289 as of December 31, 2021 and 2020, 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. The pronouncement dictates that for each obligating event, an estimate of the expected pollution remediation outlays is required to be accrued as a liability and expensed in the current period. Re-measurement of the liability is required when new information indicates increases or decreases in estimated outlays.

The amount of the estimated liability as of December 31, 2021 and 2020 was $798,000 and $359,000, 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, 2021, the Authority had outstanding commitments for certain airport improvements aggregating $124,876,210.

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, 2021, there were three 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 was one worker's compensation claims-pending as of December 31, 2021. The Authority was also aware of several claims for which legal action against the Authority might be threatened or possible in the future.

Subsequent Events

Subsequent to year end and effective February 11, 2022, a total of $635,875,106 has been approved to be imposed and collective on behalf of the Authority's Passenger Facility Charge Program and used by the Authority. The Authority received an additional Use Approval of $110,967,500 on Applications 01-03 and 03-04.

Economic Events

As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Authority, including reduction in the overall investment position and declines in passenger traffic. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Supplementary Information

Indianapolis Airport Authority
Schedule of Net Position Information
December 31, 2021

	2021		
	Authority	IMC	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Unrestricted Assets			
Cash and cash equivalents	$ 89,548,600	$ -	$ 89,548,600
Accounts receivable, net	4,421,986	-	4,421,986
Unbilled revenues	5,254,168	-	5,254,168
Grants receivable	3,952,261	-	3,952,261
Supplies and materials inventories	2,988,315	-	2,988,315
Other	2,103,287	-	2,103,287
Total unrestricted current assets	108,268,617	-	108,268,617
Restricted Assets			
Cash and cash equivalents	62,085,434	-	62,085,434
Cash and cash equivalents - customer deposits	707,251	-	707,251
Receivable - passenger facility charges	2,188,760	-	2,188,760
Receivable - governments and other	122,997	-	122,997
Receivable - reimbursable IMC expenses	-	1,518,798	1,518,798
Total restricted current assets	65,104,442	1,518,798	66,623,240
Total current assets	173,373,059	1,518,798	174,891,857
Noncurrent Assets			
Cash and cash equivalents, restricted	137,237,795	-	137,237,795
Investment securities, unrestricted	2,384,020	-	2,384,020
Investment securities, restricted	56,640,881	-	56,640,881
Rent receivable	726,200	-	726,200
Derivative instruments - forward delivery purchase agreements	17,979,068	-	17,979,068
Capital assets, net	1,798,884,795	181,978,410	1,980,863,205
Total noncurrent assets	2,013,852,759	181,978,410	2,195,831,169
Total assets	2,187,225,818	183,497,208	2,370,723,026
Deferred Outflows of Resources			
Deferred loss on refunding of debt	17,214,339	-	17,214,339
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	17,214,339	-	17,214,339
Total assets and deferred outflows of resources	$ 2,204,440,157	$ 183,497,208	$ 2,387,937,365

	2021		
	Authority	IMC	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 5,454,973	$ -	$ 5,454,973
Accrued and withheld items	7,150,259	-	7,150,259
Grants payable	-	-	-
Total current liabilities payable from unrestricted assets	12,605,232	-	12,605,232
Payable From Restricted Assets			
Accounts payable	8,101,911	393,069	8,494,980
Customer deposits payable	707,251	-	707,251
Current portion of debt	36,260,000	-	36,260,000
Accrued interest on debt	16,511,316	-	16,511,316
Total current liabilities payable from restricted assets	61,580,478	393,069	61,973,547
Total current liabilities	74,185,710	393,069	74,578,779
Noncurrent Liabilities			
Derivative instruments - interest rate swap agreements	43,597,868	-	43,597,868
Bonds payable and other debt, payable from restricted assets	868,468,333	-	868,468,333
Total noncurrent liabilities	912,066,201	-	912,066,201
Total liabilities	986,251,911	393,069	986,644,980
Deferred Inflows of Resources			
Accumulated increase in fair value of hedging derivatives	17,979,068	-	17,979,068
Net Position			
Net investment in capital assets	917,381,428	181,978,410	1,099,359,838
Restricted for			
Capital projects	106,146,839	-	106,146,839
Debt service	77,907,306	-	77,907,306
Other	-	1,125,729	1,125,729
Total restricted net position	184,054,145	1,125,729	185,179,874
Unrestricted	98,773,605	-	98,773,605
Total net position	1,200,209,178	183,104,139	1,383,313,317
Total liabilities, deferred inflows of resources and net position	$ 2,204,440,157	$ 183,497,208	$ 2,387,937,365

Indianapolis Airport Authority
Schedule of Net Position Information
December 31, 2020

	2020		
	Authority	IMC	Total
Assets and Deferred Outflows of Resources			
Current Assets			
Unrestricted Assets			
Cash and cash equivalents	$ 83,133,735	$ -	$ 83,133,735
Accounts receivable, net	1,827,870	-	1,827,870
Unbilled revenues	5,832,412	-	5,832,412
Grants receivable	-	-	-
Supplies and materials inventories	2,705,720	-	2,705,720
Other	2,014,492	-	2,014,492
Total unrestricted current assets	95,514,229	-	95,514,229
Restricted Assets			
Cash and cash equivalents	65,769,083	-	65,769,083
Cash and cash equivalents - customer deposits	647,150	-	647,150
Receivable - passenger facility charges	919,097	-	919,097
Receivable - governments and other	137,381	-	137,381
Receivable - reimbursable IMC expenses	-	4,225,911	4,225,911
Total restricted current assets	67,472,711	4,225,911	71,698,622
Total current assets	162,986,940	4,225,911	167,212,851
Noncurrent Assets			
Cash and cash equivalents, restricted	136,289,112	-	136,289,112
Investment securities, unrestricted	-	-	-
Investment securities, restricted	39,742,856	-	39,742,856
Rent receivable	840,132	-	840,132
Derivative instruments - forward delivery purchase agreements	22,121,818	-	22,121,818
Capital assets, net	1,588,870,173	194,245,366	1,783,115,539
Total noncurrent assets	1,787,864,091	194,245,366	1,982,109,457
Total assets	1,950,851,031	198,471,277	2,149,322,308
Deferred Outflows of Resources			
Deferred loss on refunding of debt	19,882,354	-	19,882,354
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	19,882,354	-	19,882,354
Total assets and deferred outflows of resources	$ 1,970,733,385	$ 198,471,277	$ 2,169,204,662

	2020		
	Authority	IMC	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Payable From Unrestricted Assets			
Accounts payable	$ 2,245,705	$ -	$ 2,245,705
Accrued and withheld items	7,772,485	-	7,772,485
Grants payable	3,473,304	-	3,473,304
Total current liabilities payable from unrestricted assets	13,491,494	-	13,491,494
Payable From Restricted Assets			
Accounts payable	15,092,299	362,097	15,454,396
Customer deposits payable	647,150	-	647,150
Current portion of debt	34,480,000	-	34,480,000
Accrued interest on debt	17,387,070	-	17,387,070
Total current liabilities payable from restricted assets	67,606,519	362,097	67,968,616
Total current liabilities	81,098,013	362,097	81,460,110
Noncurrent Liabilities			
Derivative instruments - interest rate swap agreements	55,905,280	-	55,905,280
Bonds payable and other debt, payable from restricted assets	914,382,708	-	914,382,708
Total noncurrent liabilities	970,287,988	-	970,287,988
Total liabilities	1,051,386,001	362,097	1,051,748,098
Deferred Inflows of Resources			
Accumulated increase in fair value of hedging derivatives	22,121,818	-	22,121,818
Net Position			
Net investment in capital assets	647,065,516	194,245,366	841,310,882
Restricted for			
Capital projects	87,155,753	-	87,155,753
Debt service	80,141,430	-	80,141,430
Other	-	3,863,814	3,863,814
Total restricted net position	167,297,183	3,863,814	171,160,997
Unrestricted	82,862,867	-	82,862,867
Total net position	897,225,566	198,109,180	1,095,334,746
Total liabilities, deferred inflows of resources and net position	$ 1,970,733,385	$ 198,471,277	$ 2,169,204,662

Indianapolis Airport Authority

Schedules of Revenues, Expenses and Changes in Net Position Information Years Ended December 31, 2021 and 2020

	2021		
	Authority	IMC	Total
Operating Revenues			
Airfield	$ 31,031,457	$ -	$ 31,031,457
Terminal complex	57,515,595	-	57,515,595
Parking	42,772,033	-	42,772,033
Rented buildings and other	16,548,566	-	16,548,566
Indianapolis Maintenance Center (IMC)	-	5,586,360	5,586,360
Reliever airports	3,217,196	-	3,217,196
Total operating revenues	151,084,847	5,586,360	156,671,207
Operating Expenses			
Personal services	34,426,255	412,947	34,839,202
Contractual services	21,549,145	3,078,661	24,627,806
Utilities	8,382,116	2,171,801	10,553,917
Supplies	4,566,350	134,516	4,700,866
Materials	3,225,717	(50,238)	3,175,479
General	1,554,285	247,125	1,801,410
Total operating expenses before depreciation	73,703,868	5,994,812	79,698,680
Income From Operations Before Depreciation Expense	77,380,979	(408,452)	76,972,527
Depreciation expense	87,668,919	13,264,202	100,933,121
Loss From Operations	(10,287,940)	(13,672,654)	(23,960,594)
Nonoperating Revenues (Expenses)			
Federal operating grants	1,816,734	-	1,816,734
Passenger facility charges	15,009,050	-	15,009,050
Customer facility charge (rental cars)	6,526,091	-	6,526,091
Investment loss, net of investment derivative fair value adjustments of $12,307,412 and $(11,071,931), respectively	15,567,065	-	15,567,065
Interest expense	(32,770,421)	-	(32,770,421)
Gain (loss) on disposals of capital assets and other	2,336,386	-	2,336,386
	8,484,905	-	8,484,905
Decrease in Net Position Before Capital Contributions and Grants	(1,803,035)	(13,672,654)	(15,475,689)
Capital Contributions and Grants			
Federal, state and local grants	48,797,367	-	48,797,367
Contributions from lessees and other	254,656,893	-	254,656,893
	303,454,260	-	303,454,260
Increase (Decrease) in Net Position	301,651,225	(13,672,654)	287,978,571
Transfers	1,332,387	(1,332,387)	-
Net Position, Beginning of Year	897,225,566	198,109,180	1,095,334,746
Net Position, End of Year	$ 1,200,209,178	$ 183,104,139	$ 1,383,313,317

2020		
Authority	IMC	Total
$ 22,118,257	$ -	$ 22,118,257
44,175,766	-	44,175,766
25,208,150	-	25,208,150
16,218,550	-	16,218,550
-	6,570,715	6,570,715
2,779,635	-	2,779,635
110,500,358	6,570,715	117,071,073
33,717,675	409,102	34,126,777
17,145,266	3,424,975	20,570,241
7,252,380	2,474,788	9,727,168
3,305,107	130,500	3,435,607
2,932,542	(35,496)	2,897,046
1,669,850	136,780	1,806,630
66,022,820	6,540,649	72,563,469
44,477,538	30,066	44,507,604
81,601,624	13,038,679	94,640,303
(37,124,086)	(13,008,613)	(50,132,699)
15,782,948	-	15,782,948
7,917,919	-	7,917,919
4,347,368	-	4,347,368
(4,909,795)	-	(4,909,795)
(33,787,024)	-	(33,787,024)
12,071,625	(268,750)	11,802,875
1,423,041	(268,750)	1,154,291
(35,701,045)	(13,277,363)	(48,978,408)
44,816,168	-	44,816,168
83,401,334	-	83,401,334
128,217,502	-	128,217,502
92,516,457	(13,277,363)	79,239,094
(4,317,517)	4,317,517	-
809,026,626	207,069,026	1,016,095,652
$ 897,225,566	$ 198,109,180	$ 1,095,334,746

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Indianapolis Airport Authority

Schedules of Operating Revenues
Years Ended December 31, 2021 and 2020

	2021	2020	Increase (Decrease)
Airfield			
Landing fees - scheduled airlines	$ 9,572,246	$ 6,776,529	$ 2,795,717
Landing fees - freight and other	16,886,026	11,993,612	4,892,414
Apron fees	2,451,686	1,620,144	831,542
Commissions - aviation fuel sales	378,515	228,897	149,618
Other	1,742,984	1,499,075	243,909
	31,031,457	22,118,257	8,913,200
Terminal Complex			
Space rental			
Airlines	36,536,553	29,273,668	7,262,885
Concessionaires	6,051,069	3,536,597	2,514,472
Other space rental	1,752,750	1,726,007	26,743
Contra revenue - federal grants	(1,008,584)	-	(1,008,584)
Automobile rental commissions	9,493,605	5,461,099	4,032,506
Other commissions, fees, etc.	4,690,202	4,178,395	511,807
	57,515,595	44,175,766	13,339,829
Parking - parking operations	42,772,033	25,208,150	17,563,883
Rented Buildings and Other			
Space rental - freight buildings	1,302,823	1,343,229	(40,406)
Space rental - hangars	780,604	745,885	34,719
Space rental - other buildings	6,937,666	7,113,664	(175,998)
Ground leases	6,472,056	5,795,833	676,223
Farm income	85,738	945	84,793
Other	969,679	1,218,994	(249,315)
	16,548,566	16,218,550	330,016
Indianapolis Maintenance Center (IMC)	5,586,360	6,570,715	(984,355)
Reliever Airports	3,217,196	2,779,635	437,561
	$ 156,671,207	$ 117,071,073	$ 39,600,134

Indianapolis Airport Authority

Schedule of Operating Expenses
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Airfield	Terminal Complex	Parking	Rented Buildings and Other	Indianapolis Maintenance Center (IMC)
Personal Services					
Salaries and wages	$ 2,599,057	$ 4,509,865	$ 2,620,528	$ 188,373	$ 326,750
Employee insurance	555,677	1,167,284	570,177	28,464	46,587
Retirement and social security	286,613	443,952	252,313	18,874	39,610
	3,441,347	6,121,101	3,443,018	235,711	412,947
Contractual Services					
Transportation and communication	86,285	47,200	21,499	5,583	19,265
Professional fees	516,981	64,750	5,420	417,749	54,249
Printing and advertising	2,732	54,634	7,515	22,321	-
Repairs and maintenance	399,456	2,546,147	695,689	326,367	408,106
Facilities maintenance and security	38,602	3,866,301	112,613	2,715	2,519,304
Other contractual services	309,674	656,441	1,645,580	609,592	77,737
	1,353,730	7,235,473	2,488,316	1,384,327	3,078,661
Utilities	4,109,744	2,940,975	450,360	399,167	2,171,801
Supplies					
Fuel	317,219	-	114,209	-	45,850
Garage and motor	291,207	22,669	98,101	295	-
Institutional and medical	52,939	614,411	207,363	7,826	19,668
Office supplies	25,852	19,002	13,291	9,204	1,675
Snow and ice chemicals	606,294	3,587	106,840	3,548	7,009
Other	85,237	273,663	265,176	299	60,314
	1,378,748	933,332	804,980	21,172	134,516
Materials					
Building	31,008	124,681	14,293	3,878	(70,199)
Pavement and grounds	256,315	-	-	-	-
Repair parts	1,004,052	527,240	475,970	4,609	1,245
Small equipment and tools	64,061	66,871	15,093	-	192
Other	38,271	47,972	6,975	20,106	18,524
	1,393,707	766,764	512,331	28,593	(50,238)
General					
Insurance	232,771	529,978	219,259	14,911	236,100
Equipment rental	5,067	-	-	-	10,475
Other (including bad debts)	3,078	-	711	421	550
	240,916	529,978	219,970	15,332	247,125
Subtotal	11,918,192	18,527,623	7,918,975	2,084,302	5,994,812
Depreciation	33,123,625	20,155,764	6,017,632	24,614,836	13,264,202
Total	$ 45,041,817	$ 38,683,387	$ 13,936,607	$ 26,699,138	$ 19,259,014
Year Ended December 31, 2020	$ 43,150,841	$ 35,663,616	$ 13,443,876	$ 21,514,238	$ 19,579,328
Increase (Decrease)	$ 1,890,976	$ 3,019,771	$ 492,731	$ 5,184,900	$ (320,314)

2021					
Reliever Airports	Public Safety	Administration	Total	Year Ended December 31, 2020	Increase (Decrease)
$ 353,378	$ 7,403,075	$ 8,282,771	$ 26,283,797	$ 25,763,654	$ 520,143
67,372	1,420,656	1,362,533	5,218,750	5,661,986	(443,236)
39,614	1,359,597	896,082	3,336,655	2,701,137	635,518
460,364	10,183,328	10,541,386	34,839,202	34,126,777	712,425
29,613	170,944	850,806	1,231,195	877,480	353,715
316,554	189,504	2,840,974	4,406,181	4,099,460	306,721
165	6,430	418,839	512,636	342,347	170,289
441,060	90,351	1,865,498	6,772,674	5,706,053	1,066,621
32,883	106	-	6,572,524	5,431,571	1,140,953
162,133	1,209,667	461,772	5,132,596	4,113,330	1,019,266
982,408	1,667,002	6,437,889	24,627,806	20,570,241	4,057,565
306,105	175,765	-	10,553,917	9,727,168	826,749
448,728	-	-	926,006	541,888	384,118
12,462	112,143	9,309	546,186	446,754	99,432
13,326	55,851	1,898	973,282	892,225	81,057
3,474	48,755	130,061	251,314	120,180	131,134
76,085	83	-	803,446	677,990	125,456
8,109	481,546	26,288	1,200,632	756,570	444,062
562,184	698,378	167,556	4,700,866	3,435,607	1,265,259
6,877	16,231	7,453	134,222	122,685	11,537
39,969	518	-	296,802	356,204	(59,402)
66,711	305,501	29,478	2,414,806	2,143,099	271,707
3,936	28,149	193	178,495	59,297	119,198
1,406	7,780	10,120	151,154	215,761	(64,607)
118,899	358,179	47,244	3,175,479	2,897,046	278,433
83,808	165,032	52,029	1,533,888	1,248,653	285,235
-	-	51,687	67,229	63,819	3,410
35	74,578	120,920	200,293	494,158	(293,865)
83,843	239,610	224,636	1,801,410	1,806,630	(5,220)
2,513,803	13,322,262	17,418,711	79,698,680	72,563,469	7,135,211
2,653,748	373,575	729,739	100,933,121	94,640,303	6,292,818
$ 5,167,551	$ 13,695,837	$ 18,148,450	$ 180,631,801		
$ 4,380,585	$ 12,479,277	$ 16,992,011		$ 167,203,772	
$ 786,966	$ 1,216,560	$ 1,156,439			$ 13,428,029

Indianapolis Airport Authority

Schedule of Operating Expenses
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	Airfield	Terminal Complex	Parking	Rented Buildings and Other	Indianapolis Maintenance Center (IMC)
Personal Services					
Salaries and wages	$ 2,556,851	$ 4,581,948	$ 2,622,067	$ 260,819	$ 317,299
Employee insurance	619,351	1,288,678	664,245	35,835	53,001
Retirement and social security	290,566	479,829	263,952	36,939	38,802
	3,466,768	6,350,455	3,550,264	333,593	409,102
Contractual Services					
Transportation and communication	93,349	35,673	14,674	7,465	23,461
Professional fees	426,085	96,605	134,913	730,062	239,430
Printing and advertising	215	29,544	17,059	34	-
Repairs and maintenance	335,929	2,488,829	727,154	(3,397)	320,550
Facilities maintenance and security	25,222	2,592,847	42,883	-	2,752,415
Other contractual services	314,815	515,508	1,161,261	204,850	89,119
	1,195,615	5,759,006	2,097,944	939,014	3,424,975
Utilities	3,380,575	2,572,199	426,551	433,344	2,474,788
Supplies					
Fuel	169,046	-	96,871	-	27,942
Garage and motor	191,096	23,510	127,060	-	-
Institutional and medical	44,170	522,754	194,687	-	4,874
Office supplies	6,902	12,861	6,012	538	715
Snow and ice chemicals	500,422	14,759	86,866	2,400	11,361
Other	81,538	218,106	132,525	6,372	85,608
	993,174	791,990	644,021	9,310	130,500
Materials					
Building	42,944	124,005	13,538	-	(64,694)
Pavement and grounds	298,219	2,050	-	-	-
Repair parts	943,506	392,564	509,717	1,660	7,968
Small equipment and tools	35,862	4,660	4,287	-	-
Other	44,203	99,577	23,566	481	21,230
	1,364,734	622,856	551,108	2,141	(35,496)
General					
Insurance	230,793	414,915	189,422	7,137	124,000
Equipment rental	-	-	-	(572)	11,955
Other (including bad debts)	2,673	-	-	55	825
	233,466	414,915	189,422	6,620	136,780
Subtotal	10,634,332	16,511,421	7,459,310	1,724,022	6,540,649
Depreciation	32,516,509	19,152,195	5,984,566	19,790,216	13,038,679
Total	$ 43,150,841	$ 35,663,616	$ 13,443,876	$ 21,514,238	$ 19,579,328
Year Ended December 31, 2019	$ 39,929,333	$ 36,851,173	$ 16,615,000	$ 22,906,468	$ 20,672,559
Increase (Decrease)	$ 3,221,508	$ (1,187,557)	$ (3,171,124)	$ (1,392,230)	$ (1,093,231)

2020					
Reliever Airports	Public Safety	Administration	Total	Year Ended December 31, 2019	Increase (Decrease)
$ 315,527	$ 7,286,458	$ 7,822,685	$ 25,763,654	$ 26,524,984	$ (761,330)
72,706	1,528,953	1,399,217	5,661,986	6,078,509	(416,523)
39,624	699,168	852,257	2,701,137	2,823,895	(122,758)
427,857	9,514,579	10,074,159	34,126,777	35,427,388	(1,300,611)
25,276	92,123	585,459	877,480	2,094,444	(1,216,964)
709	237,352	2,234,304	4,099,460	6,666,899	(2,567,439)
-	38,010	257,485	342,347	722,321	(379,974)
145,745	97,941	1,593,302	5,706,053	6,806,136	(1,100,083)
17,610	594	-	5,431,571	6,071,624	(640,053)
69,569	1,097,766	660,442	4,113,330	6,134,240	(2,020,910)
258,909	1,563,786	5,330,992	20,570,241	28,495,664	(7,925,423)
279,316	160,395	-	9,727,168	10,864,115	(1,136,947)
248,029	-	-	541,888	942,251	(400,363)
29,740	54,857	20,491	446,754	503,008	(56,254)
9,792	115,259	689	892,225	1,421,399	(529,174)
(297)	55,669	37,780	120,180	168,693	(48,513)
62,182	-	-	677,990	1,038,399	(360,409)
7,305	207,817	17,299	756,570	1,118,643	(362,073)
356,751	433,602	76,259	3,435,607	5,192,393	(1,756,786)
4,584	2,308	-	122,685	28,587	94,098
55,935	-	-	356,204	417,850	(61,646)
46,813	213,771	27,100	2,143,099	2,778,856	(635,757)
7,937	5,443	1,108	59,297	146,687	(87,390)
1,324	23,681	1,699	215,761	156,899	58,862
116,593	245,203	29,907	2,897,046	3,528,879	(631,833)
76,015	164,446	41,925	1,248,653	1,384,312	(135,659)
-	345	52,091	63,819	80,970	(17,151)
-	49,747	440,858	494,158	212,175	281,983
76,015	214,538	534,874	1,806,630	1,677,457	129,173
1,515,441	12,132,103	16,046,191	72,563,469	85,185,896	(12,622,427)
2,865,144	347,174	945,820	94,640,303	89,679,466	4,960,837
$ 4,380,585	$ 12,479,277	$ 16,992,011	$ 167,203,772		
$ 4,889,370	$ 13,037,252	$ 19,964,207		$ 174,865,362	
$ (508,785)	$ (557,975)	$ (2,972,196)			$ (7,661,590)

Indianapolis Airport Authority

Schedule of Bond Debt Service Requirements to Maturity
December 31, 2021

	2019A Revenue Bonds		2019B Revenue Bonds		2019C-1 Revenue Bonds		2019C-2 Revenue Bonds		2019D Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 555,000	$ 816,970	$ 6,140,000	$ 6,893,000	$ -	$ 2,247,450	$ 650,000	$ 755,500	$ 60,000	$ 1,000,447
2023	570,000	801,220	6,415,000	6,579,125	-	2,247,450	685,000	722,125	2,501,015	966,898
2024	585,000	785,050	18,330,000	5,960,500	-	2,247,450	720,000	687,000	2,566,542	900,513
2025	605,000	768,390	19,435,000	5,016,375	-	2,247,450	755,000	650,125	2,633,785	832,388
2026	620,000	751,240	20,585,000	4,015,875	-	2,247,450	795,000	611,375	2,702,790	762,479
2027	635,000	733,670	21,825,000	2,955,625	-	2,247,450	830,000	570,750	2,773,604	690,739
2028	655,000	715,610	23,090,000	1,832,750	-	2,247,450	870,000	528,250	2,846,272	617,118
2029	675,000	696,990	24,450,000	644,250	-	2,247,450	915,000	483,625	1,000	579,819
2030	690,000	677,880	-	33,000	-	2,247,450	965,000	436,625	1,000	579,793
2031	710,000	658,280	-	33,000	-	2,247,450	1,015,000	387,125	1,000	579,767
2032	730,000	638,120	-	33,000	-	2,247,450	1,065,000	335,125	1,000	579,740
2033	750,000	617,400	-	33,000	-	2,247,450	1,120,000	280,500	1,000	579,714
2034	775,000	596,050	320,000	25,000	-	2,247,450	1,170,000	223,250	2,920,975	541,436
2035	795,000	574,070	340,000	8,500	-	2,247,450	1,230,000	163,250	2,997,505	463,904
2036	815,000	551,530	-	-	-	2,247,450	1,295,000	100,125	3,076,039	384,341
2037	840,000	528,360	-	-	-	2,247,450	1,355,000	33,875	3,156,632	302,693
2038	865,000	504,490	-	-	-	2,247,450	-	-	3,239,335	218,906
2039	885,000	479,990	-	-	-	2,247,450	-	-	3,324,206	132,923
2040	910,000	454,860	-	-	590,000	2,232,700	-	-	3,411,300	44,688
2041	935,000	429,030	-	-	4,125,000	2,114,825	-	-	-	-
2042	965,000	402,430	-	-	4,330,000	1,903,450	-	-	-	-
2043	990,000	375,060	-	-	4,545,000	1,681,575	-	-	-	-
2044	1,020,000	346,920	-	-	4,775,000	1,448,575	-	-	-	-
2045	1,045,000	318,010	-	-	5,010,000	1,229,000	-	-	-	-
2046	1,075,000	288,330	-	-	5,210,000	1,024,600	-	-	-	-
2047	1,105,000	257,810	-	-	5,420,000	812,000	-	-	-	-
2048	1,135,000	226,450	-	-	5,635,000	590,900	-	-	-	-
2049	1,170,000	194,180	-	-	5,860,000	361,000	-	-	-	-
2050	1,200,000	161,000	-	-	6,095,000	121,900	-	-	-	-
2051	1,235,000	126,910	-	-	-	-	-	-	-	-
2052	1,270,000	91,840	-	-	-	-	-	-	-	-
2053	1,305,000	55,790	-	-	-	-	-	-	-	-
2054	1,340,000	18,760	-	-	-	-	-	-	-	-
	$ 29,455,000	$ 15,642,690	$ 140,930,000	$ 34,063,000	$ 51,595,000	$ 53,974,625	$ 15,435,000	$ 6,968,625	$ 38,215,000	$ 10,758,306

[1] The 2010C Revenue Bonds bear interest at a variable rate. See Note 5 to the financial statements.

2016A-1 Revenue Bonds		2016A-2 Revenue Bonds		2015A Revenue Bonds		2014A Revenue Bonds		2010C Revenue Bonds [1]		Total Debt
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Service
$ 18,645,000	$ 3,265,425	$ 3,370,000	$ 232,243	$ -	$ 8,649,600	$ 6,840,000	$ 7,214,750	$ -	$ 656,858	$ 67,992,243
13,490,000	2,462,050	2,260,000	162,678	6,770,000	8,480,350	7,185,000	6,864,125	-	739,523	69,901,559
2,775,000	2,055,425	85,000	132,381	12,240,000	8,066,300	11,070,000	6,407,750	-	869,437	76,483,348
2,910,000	1,913,300	90,000	129,585	16,250,000	7,496,500	8,130,000	5,927,750	-	880,263	76,670,911
3,055,000	1,764,175	95,000	126,630	16,925,000	6,748,375	8,535,000	5,511,125	-	880,263	76,731,777
3,210,000	1,607,550	95,000	123,595	17,800,000	5,880,250	8,965,000	5,073,625	-	880,263	76,897,121
2,145,000	1,473,675	-	122,077	18,720,000	4,967,250	9,415,000	4,614,125	-	880,263	75,739,840
2,255,000	1,363,675	-	122,077	16,215,000	4,093,875	13,375,000	4,044,375	-	880,263	73,042,399
2,365,000	1,248,175	-	122,077	17,055,000	3,262,125	14,045,000	3,358,875	25,930,000	743,367	73,760,367
2,485,000	1,126,925	-	122,077	17,955,000	2,386,875	14,750,000	2,639,000	27,310,000	586,741	74,993,240
2,610,000	1,012,600	-	122,077	18,885,000	1,465,875	15,485,000	1,883,125	28,775,000	421,718	76,289,830
2,715,000	906,100	-	122,077	19,875,000	496,875	16,260,000	1,089,500	30,315,000	247,862	77,656,478
2,820,000	795,400	-	122,077	-	-	17,075,000	341,500	12,035,000	169,774	42,177,912
18,475,000	369,500	1,520,000	92,483	-	-	-	-	12,650,000	97,213	42,023,875
-	-	1,615,000	31,441	-	-	-	-	13,295,000	20,952	23,431,878
-	-	-	-	-	-	-	-	2,530,000	1,214	10,995,224
-	-	-	-	-	-	-	-	-	-	7,075,181
-	-	-	-	-	-	-	-	-	-	7,069,569
-	-	-	-	-	-	-	-	-	-	7,643,548
-	-	-	-	-	-	-	-	-	-	7,603,855
-	-	-	-	-	-	-	-	-	-	7,600,880
-	-	-	-	-	-	-	-	-	-	7,591,635
-	-	-	-	-	-	-	-	-	-	7,590,495
-	-	-	-	-	-	-	-	-	-	7,602,010
-	-	-	-	-	-	-	-	-	-	7,597,930
-	-	-	-	-	-	-	-	-	-	7,594,810
-	-	-	-	-	-	-	-	-	-	7,587,350
-	-	-	-	-	-	-	-	-	-	7,585,180
-	-	-	-	-	-	-	-	-	-	7,577,900
-	-	-	-	-	-	-	-	-	-	1,361,910
-	-	-	-	-	-	-	-	-	-	1,361,840
-	-	-	-	-	-	-	-	-	-	1,360,790
-	-	-	-	-	-	-	-	-	-	1,358,760
$ 79,955,000	$ 21,363,975	$ 9,130,000	$ 1,885,575	$ 178,690,000	$ 61,994,250	$ 151,130,000	$ 54,969,625	$ 152,840,000	$ 8,955,974	$ 1,117,951,645

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APPENDIX B

FORM OF BOND COUNSEL OPINION

December 8, 2022

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

The Bank of New York Mellon Trust Company, N.A., as Trustee
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank
Bonds, Series 2022G (Indianapolis Airport Authority Project)
Total Issue: $174,640,000
Dated: December 8, 2022

Ladies and Gentlemen:

We have acted as Bond counsel in connection with the issuance by The Indianapolis Local Public Improvement Bond Bank (the "Issuer") of $81,950,000 of its Bonds, Series 2022G-1 (Non-AMT) (Indianapolis Airport Authority Project) (the "2022G-1 Bonds"), $67,245,000 of its Bonds, Series 2022G-2 (AMT) (Indianapolis Airport Authority Project) (the "2022G-2 Bonds," collectively with the 2022G-1 Bonds, known as the "Tax Exempt 2022G Bonds") and $25,445,000 of its Bonds, Series 2022G-3 (Taxable) (Indianapolis Airport Authority Project), each dated December 8, 2022 (the "2022G-3 Bonds" and together with the Tax Exempt 2022G Bonds, the "2022G Bonds") pursuant to a Trust Indenture, dated as of December 1, 2022 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. We have examined the law and the certified transcript of proceedings that the Issuer had relative to the authorization, issuance and sale of the 2022G Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and certificates of public officials and have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The 2022G Bonds are the valid and binding limited obligations of the Issuer enforceable in accordance with the terms and provisions thereof, and together with any outstanding and additional bonds on a parity therewith hereafter issued, will be secured by a pledge of and payable solely from the Trust Estate (as defined in the Indenture), which includes payments received on the Indianapolis Airport Authority Revenue Bonds, Series 2022B of the Indianapolis Airport Authority (the "Authority").

2. The Indenture constitutes the valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. Under statutes, decisions, regulations and rulings existing on this date, interest on the 2022G Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the 2022G Bonds from State income taxes.

4. Under federal statutes, decisions, regulations and rulings existing on this date, interest on the Tax Exempt 2022G Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof ("Code") for federal income tax purposes except for interest on any 2022G-2 Bond for any period during which such 2022G-2 Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the 2022G-2 Bonds or a "related person" as defined in Section 147(a) of the Code. The interest on the 2022G-1 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the 2022G-2 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Interest on the Tax Exempt 2022G Bonds, however,

is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinions in this paragraph 4 relate only to the excludability from gross income of interest on the Tax Exempt 2022G Bonds for federal income tax purposes under Section 103 of the Code and are conditioned on continuing compliance with tax representations and covenants made in the Indenture, in the General Ordinance No. 3-2022 adopted on September 16, 2022, by the Authority, and in certificates of the Issuer and the Authority (collectively, "Tax Representations"). Failure to comply with the Tax Representations could cause interest on the Tax Exempt 2022G Bonds to lose the excludability from gross income for federal income tax purposes retroactive to their date of issue.

It is to be understood that the rights of the owners of the 2022G Bonds and the enforceability thereof and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the 2022G Bonds and the enforceability thereof and of the Indenture may be subject to the valid exercise of the constitutional powers of the Authority, the City of Indianapolis, the State of Indiana and the United States of America.

Very truly yours,

APPENDIX C

REPORT OF THE AIRPORT CONSULTANT

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Indianapolis Airport Authority

Appendix C:

Report of the Airport Consultant

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G
(Indianapolis Airport Authority Project)

November 18, 2022

PREPARED FOR
Indianapolis Airport Authority

PREPARED BY
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November 18, 2022

Mr. Mario Rodriguez
Executive Director
Indianapolis Airport Authority
Indianapolis International Airport
7800 Col. H. Weir Cook Memorial Drive
Indianapolis, Indiana 46241

Re: Report of the Airport Consultant, The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-1 (Non-AMT), Series 2022G-2 (AMT) and Series 2022G-3 (Taxable) (Indianapolis Airport Authority Project)

Dear Mr. Rodriguez:

Landrum & Brown, Incorporated (L&B), in association with Airmac LLC, is pleased to submit this Report of the Airport Consultant (Report) for the proposed issuance of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-1 (Non-AMT), Series 2022G-2 (AMT) and Series 2022G-3 (Taxable) (Indianapolis Airport Authority Project), collectively referred to as the 2022G Bond Bank Bonds. This Report has been prepared for the Indianapolis Airport Authority (Authority) to support the planned issuance of the issuance of its Airport Revenue Bonds, Series 2022B (the 2022B Airport Bonds) to be purchased by the Bond Bank with proceeds of the 2022G Bond Bank Bonds, and is intended to be included in the Preliminary and final Official Statement (Official Statement) for the 2022G Bond Bank Bonds as Appendix C, Report of the Airport Consultant. All capitalized terms in this Report are used as defined in the Official Statement, Consolidated and Restated Master Bond Ordinance, and the Supplemental Ordinance relating to the 2022B Airport Bonds, except as otherwise defined herein.

The Authority is a municipal corporation, separate from the City of Indianapolis (City) and Marion County (County), and is authorized to own and operate public airports. The Authority is governed by the Authority Board, which is its executive and legislative body. The Authority Board consists of eleven members, each of whom is appointed for a term of four years and serves until a successor is appointed.

In 1962, the City, the Mayor of the City and the County Council 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 to and collect them from all users of facilities and services within the County; (iv) lease all or any part of an airport, a 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 Authority operates the Indianapolis International Airport (Airport), the Downtown Heliport,[1] and four general aviation facilities (General Aviation Airports): Eagle Creek Airpark, Metropolitan Airport, Hendricks County Airport (Gordon Graham Field) and Indianapolis Regional Airport (the six locations collectively referred to as the Airport System). The General Aviation Airports are located in and around the Indianapolis metropolitan area. Eagle Creek Airpark, Metropolitan Airport, Hendricks County Airport (Gordon Graham Field), and Indianapolis Regional Airport are classified as reliever airports and are part of an airport system plan for the Indianapolis area. The reliever airports are designed to reduce congestion at the Airport and have been developed by the Authority in accordance with the metropolitan airport system plan. Indianapolis Regional Airport has a full instrument landing system and Eagle Creek Airpark has a partial instrument landing system.

Overview of Financing Plan

The Indianapolis Local Public Improvement Bond Bank (Bond Bank) is a body corporate and politic separate from the City. The Bond Bank was created by the Bond Bank Act for the purpose of buying and selling securities of certain qualified entities, including the City, the County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the Council and certain authorities or entities that lease land or facilities to other qualified entities, to help the qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. The Authority is a qualified entity under the Bond Bank Act. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank also has general powers which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose. The Bond Bank has no taxing power. Additional information on the Bond Bank is contained in the Official Statement (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS” in the OS).

The 2022G Bond Bank Bonds will be issued by the Bond Bank pursuant to a Trust Indenture dated as of December 1, 2022, as it may be supplemented and amended from time to time, by and between the Bond Bank and the Bond Bank Trustee (collectively, the Indenture) for the principal purpose of purchasing the Indianapolis Airport Authority Revenue Bonds, Series 2022B-1 (the Series 2022B-1 Bonds), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-2 (the Series 2022B-2 Bonds) and the Indianapolis Airport Authority Revenue Bonds, Series 2022B-3 (the Series 2022B-3 Bonds, and collectively with the Series 2022B-1 Bonds and the Series 2022B-2 Bonds, the Series 2022B Bonds). The Series 2022B Bonds will be issued for the principal purpose of providing funds, together with certain other funds of the Authority, to: (i) finance or reimburse certain capital projects at the Airport, including but not limited to, expansion of the parking garage, expansion of the terminal aircraft remain over-night (RON) parking, completion of the airfield maintenance and snow removal equipment facility, improvement of the 5R-23L south runway, and rehabilitation of the public parking lots (collectively, the 2022B Project), (ii) fund an account of the Revenue Bond Reserve Fund, (iii) fund all or a portion of interest on the Series 2022B Bonds through the in-service dates of the various portions of the 2022B Project , and (iv) pay costs of issuance related to the Series 2022B Bonds and the 2022G Bond Bank Bonds. The Series 2022B Bonds have been authorized by the Authority Board pursuant to General Ordinance No 3-2022, and will be purchased by the Bond Bank and held to secure the 2022G Bond Bank Bonds. (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS” in the OS).

[1] In June 2021, the Authority submitted a request to the FAA to close the Indianapolis Downtown heliport.

Upon issuance of the Series 2022B Bonds, the Series 2022B Bonds shall also be secured by an account of the Revenue Bond Reserve Fund.

Authority Bond Ordinance

The Authority's General Ordinance No. 4-2002, adopted on December 20, 2002 (the 2002 Authority Master Ordinance, which amended and restated General Ordinance No. 6-1985 adopted on November 4, 1985) has subsequently been supplemented and amended from time to time. The Authority consolidated and restated the 2002 Authority Ordinance and its subsequent amendments in the Authority's General Ordinance No. 5-2014, adopted August 15, 2014 (the Authority Master Ordinance), and the Authority subsequently adopted General Ordinance No. 3-2022 (the 2022 Authority Supplemental Ordinance) in connection with the Series 2022B Bonds (collectively, the Authority Bond Ordinance). The Series 2022B Bonds are to be issued under and secured by the Authority Bond Ordinance.

For more information on the Authority Bond Ordinance and associated covenants of the Authority, see Section 4.3.3 of the Report.

Airline Agreement

The Authority entered into a five-year Airline Agreement with the Signatory Airlines operating at the Airport effective January 1, 2019 and expires on December 31, 2023. The Airline Agreement establishes, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of Airport facilities. The Signatory Airlines at the Airport include the following: Alaska Airlines, Allegiant Air, American Airlines, Cargolux Airlines, Delta Air Lines, FedEx, Frontier Airlines, Southwest Airlines, Spirit Airlines, and United Airlines. Together, the passenger Signatory Airlines and their respective regional affiliates accounted for more than 98% of enplaned passengers at the Airport in 2021. When including the cargo Signatory Airlines with the passenger Signatory Airlines, they accounted for more than 98% of landed weight at the Airport in 2021.

The Airline Agreement governs airline use of certain Airport facilities, including Airfield Areas, Terminal, Apron Areas, baggage claim, ticket counters and gate areas and permits the Signatory Airlines to lease Preferential Use Space and Joint Use Space. Preferential Use Space is Airport space in the terminal, including holdroom areas and gates, ticket counters, and office space, leased to a Signatory Airline and to which the Signatory Airline has a higher and continuous priority of use over all other air carriers. Joint Use Space generally includes baggage claim, baggage system areas, and the security checkpoint areas, which multiple airlines use jointly.

The Authority is planning to commence negotiations with the Signatory Airlines regarding a new airline agreement in early 2023. Given this, the airline rates and charges methodology to be included in such future airline agreements is still yet to be determined. For the purposes of this Report, the rates and charge methodology and terms in the Airline Agreement are assumed to remain the same for the projection of future airline revenues with the exception of certain Revenue Sharing provisions as described further in Section 4.4.2 of the Report. Future airline revenues as projected herein could vary from actual future airline revenues that would be pursuant to a future agreement with airlines at the Airport.

For more information on the Airline Agreement, see Section 4.4 of the Report.

Purpose of the Report of the Airport Consultant

In our preparation of this Report, we evaluated the ability of the Authority to generate revenues sufficient to meet the funding requirements and obligations established by the Authority Bond Ordinance during the projection period of FY 2023 through FY 2027. The following provides an overview of the primary findings and conclusions contained in the Report.

Role of the Airport and Economic Base for Air Traffic

The Airport is the primary commercial service airport serving the Indianapolis metropolitan area and the surrounding region. This region is somewhat isolated from competition from other airports. The Airport is the largest airport in the State of Indiana. The counties surrounding the Airport are considered its primary catchment area. Most of the traffic at the Airport is generated within a subset of the primary catchment area. This geographical region is referred to herein as its "Air Service Area" which is defined as the Indianapolis-Carmel-Anderson, Indiana Metropolitan Statistical Area (Indianapolis MSA) and includes the 11 counties in middle Indiana of Marion (Airport's location), Hamilton, Hendricks, Johnson, Madison, Hancock, Morgan, Boone, Shelby, Putnam, and Brown Counties.[2] The Indianapolis MSA was the 33rd most populous MSA in the U.S. in 2021 with approximately 2.1 million people and accounted for approximately 31.3% of the entire population of Indiana.[3] Passenger demand can extend beyond the primary MSA depending on the location of other population centers and availability of other commercial service airports; however, it is generally the economic strength of the primary MSA, or Air Service Area, that provides the principal demand for supporting origin and destination (O&D) travel, which either begins or ends its travel at the Airport. For the purposes of this Report, the socioeconomic characteristics of the Air Service Area will be evaluated as the base for air travel for the Airport.

The Airport had approximately 4.8 million enplaned passengers in 2019, ranking it 47th in the U.S. In 2020, enplaned passengers at the Airport decreased by 57.1% to approximately 2.0 million, primarily attributed to the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic. As described later in this Report, the impacts associated with the COVID-19 pandemic had a significant impact on passenger air traffic nationally and globally. In 2021, enplaned passengers at IND started the recovery back towards pre-pandemic levels and increased to approximately 3.6 million, which was down 24.8% from 2019. In 2021, IND was again ranked as the 47th busiest airport in terms of enplaned passengers by the Federal Aviation Administration (FAA). The Airport is currently classified by the FAA as a medium hub airport[4] based upon its share of nationwide enplaned passengers.[5]

The Airport primarily serves O&D passenger traffic. From 2015 through 2018, approximately 95% of the Airport's passenger traffic was O&D with the remaining 5% connecting. In 2019, O&D accounted for 96.1% of the Airport's passenger traffic. The share of O&D passengers increased to 98.6% in 2020 and was 98.3% in 2021. During these two years passenger traffic was most impacted by the ongoing COVID-19 pandemic; therefore, it is uncertain at this time whether O&D passenger may eventually return to levels experienced prior to the pandemic.

The Air Service Area's economic strength is evaluated in Chapter 1 of this Report. Expectations for population, employment, and household income are projected to have relatively stronger growth rates in the Air Service Area as compared to the overall U.S., thus indicating the ongoing capacity of the Air Service Area to continue to generate demand for air travel services during the forecast period.

Air Service and Air Traffic Analysis

The Airport has diverse air service from the primary U.S. airlines and Air Canada. As of September 2022, the Airport had scheduled passenger service by nine (9) U.S. network passenger airlines assisted by nine (9) regional carriers and one (1) foreign flag carrier assisted by one (1) regional carrier. Southwest Airlines is the only LCC at the Airport while Allegiant, Frontier, and Spirit are all ULCCs operating at the Airport. Additionally, there was cargo

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[2] Executive Office of the President: Office of Management and Budget, Revised Delineations of Metropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas, March 6, 2020.
[3] United States Census, 2020 Decennial Census.
[4] Federal Aviation Administration, Report to Congress: National Plan of Integrated Airport Systems (NPIAS) 2021-2025, September 30, 2021.
[5] Medium hub airports are defined as airports that account for between 0.25% and 1.0% of total U.S. passenger enplanements.

service provided by four (4) all-cargo airlines. Air Canada temporarily ceased operations at the Airport in April 2020 due to the pandemic but returned in May 2022. Contour Airlines began service at the Airport in October 2021. The Airport's passenger operations are relatively consistent throughout the year, but have historically peaked during the summer months. In September 2022, there was nonstop service from the Airport to 45 destinations (43 domestic airports and 2 international airports). In September 2019, there was scheduled service to 50 destinations (47 domestic and 3 international).

Beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. In March 2020, enplaned passengers decreased by 55.5% from March 2019. The decrease continued into April when enplaned passengers were 95.6% lower than April 2019. Overall, enplaned passengers decreased by 57.1% in 2020 as compared to 2019 levels with most of the impact occurring after mid-March 2020 when the impacts from the COVID-19 pandemic generally took hold in the U.S. Since April 2020, enplaned passengers at the Airport have recovered nearly every month. By December 2021, enplaned passengers were down 17.2% when compared to December 2019. For the entire year 2021, enplaned passengers decreased by 24.8% as compared to 2019. For the period of January 2022 through September 2022, enplaned passengers were down 9.5% as compared to the same period in 2019. In recent months, the enplaned passengers have been recovering toward pre-pandemic levels.

In addition to passenger operations, there is a significant amount of air cargo processed at the Airport as an air cargo hub for FedEx. Historically, FedEx has handled more than 98% of the air cargo at the Airport. According to data from the Authority, approximately 1.01 million tons of air cargo, including both freight and mail, were loaded and unloaded at the Airport in 2019. Many airports in the U.S. saw a surge in cargo volumes in 2020 during a time when restrictions related to the COVID-19 pandemic were at their height. In 2020, the Airport had an increase of 10.5%, the 12th highest growth in the top-50 cargo airports in North America. In 2021, the Airport had approximately 1.33 million tons of air cargo, an increase of 19.5% which was the 4th highest growth experienced by North America's top-50 cargo airports. ACI-NA ranks the Airport as the 9th busiest cargo airport in the U.S. and 26th busiest worldwide in 2021. The Airport is FedEx's second busiest facility in the U.S., behind only Memphis International Airport. In 2021, FedEx handled 99.7% of the total air cargo at the Airport. In 2019, FedEx accounted for 47.8% of the aircraft landed weight at the Airport. Severe cutbacks in passenger operations compounded with increased demand for air cargo resulting from the COVID-19 pandemic resulted in a FedEx's landed weight to account for 61.3% of the landed weight at the Airport in 2021.

Air Traffic Projections

Projections of air traffic activity were developed based on an analysis of the underlying economic conditions of the Air Service Area, airline traffic trends, and an assessment of FedEx's continued focus on the region. In general, it was assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in population and the economy of the Air Service Area. In addition, several other assumptions are incorporated into the projections including the following:

- The airlines will continue to add capacity that is in line with demand and economic growth.
- Long-term nationwide growth in air travel will occur over the projection period consistent with forecast growth in the economy.
- After a brief period of near record prices, aviation fuel prices will retract but remain higher relative to historical levels.
- There will be no major disruption of airline service or airline travel behavior over the projection period.

A review of departing seats for 2022 was conducted to help develop an estimate for enplaned passengers for full-year 2022. There are 2.7 million scheduled departing airline seats scheduled for the second half of 2022, compared to 2.6 million for the first half of 2022. In the first half of 2022, the Airport had 2.11 million enplaned passengers, which resulted in an approximately 81.6% load factor. If the airlines maintain at least an 80% load factor for the second half of 2022, that would equate to 2.14 million enplaned passengers. Based on the scheduled departing seats analysis above, enplaned passenger traffic at the Airport is estimated to reach approximately 4.25 million in 2022. The Authority produces forecasts for budgetary purposes. The Authority has recently reforecast its 2022 enplaned passengers for the Airport to be approximately 4.14 million; therefore, this estimate could be viewed as somewhat conservative based on the above analysis.

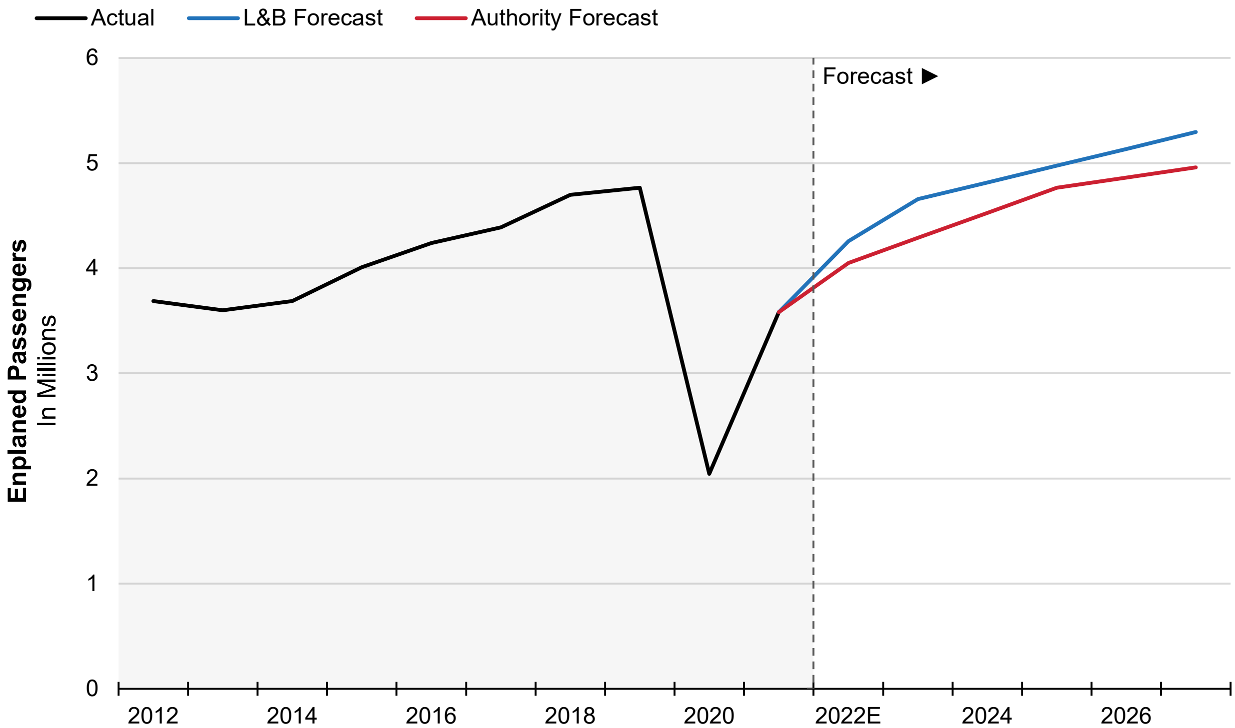
For the purposes of this Report, L&B developed an independent long-term forecast of enplaned passengers that takes into consideration a number of standard industry forecasting techniques such as econometric regression modeling, trend analysis, market share, and time series. It was determined that economic regression models were the most appropriate to project enplaned passengers at the Airport. Econometric regression modeling quantifies the relationship between enplaned passengers and key socioeconomic variables. This methodology recognizes that the key independent variables will change over time and assumes that their fundamental relationships with the dependent variables will remain.

Based on models and the set of assumptions detailed above, enplaned passengers are forecast to increase 4.5% per annum from 2022 through 2027. The result is that enplaned passengers are forecast to increase from 4.25 million in 2022 to 5.3 million in 2027.

For planning purposes, the Authority developed an enplaned passenger forecast. The Authority assumed recovery from the COVID-19 pandemic would extend to 2025. The long-term growth rates in the Authority's forecast are consistently below those forecast by L&B. Therefore, it can be concluded that the Authority's longer-term forecast is relatively conservative in nature.

For the purposes of the financial analysis in this Report, L&B has adopted the Authority's conservative forecast of enplaned passengers. **Figure 1** depicts the Authority's forecast for enplaned passengers as well as the independent projection developed by L&B.

Figure 1 Enplaned Passenger Projection for the Airport



Sources: Indianapolis Airport Authority; Landrum & Brown Analysis.

Table 1 provides the Authority's strategic enplaned passenger forecast and the landed weight forecast for the Airport used for the financial analysis provided in this Report.

Table 1 Forecast Summary (FY 2019 – FY 2027)

	Enplaned Passengers		Landed Weight	
Fiscal Year	Passengers (in thousands)	Year-Over-Year Growth	Total (in thousands of 1,000-pound units)	Year-Over-Year Growth
2019 Actual	4,765		10,780	
2020 Actual	2,044	-57.1%	8,936	-17.1%
2021 Actual	3,582	75.2%	11,441	28.0%
2022	4,141	15.6%	12,815	12.0%
2023	4,290	3.6%	13,385	4.4%
2024	4,527	5.5%	13,662	2.1%
2025	4,765	5.3%	13,933	2.0%
2026	4,861	2.0%	14,205	2.0%
2027	4,959	2.0%	14,485	2.0%

Range	Average Annual Growth Rate	
2019-22	-4.6%	5.9%
2022-27	3.7%	2.5%
2023-27	3.7%	2.0%

Source: Indianapolis Airport Authority

Authority Capital Improvement Program

The Authority manages Airport capital projects through an on-going five-year Capital Improvement Program. The current Capital Improvement Program encompasses plans for current and future Airport capital projects for 2022 through 2027 (CIP). The CIP is an important tool used for formulating future project financing plans, maximizing federal and state grant opportunities and pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their useful or service life. The CIP provides a framework for scheduling and coordinating execution of multiple projects to minimize operational impact. The majority of the capital projects in the CIP tend to be "routine" projects for a major airport, including reconstruction or rehabilitation of runways, taxiways, parking facilities and roadways, and environmental or planning studies. The total cost of the CIP and projected expenditures for 2022 through 2027 is estimated to cost approximately $1.1 billion.

This Report divides the capital projects in the CIP into two main categories, described below, for the purpose of identifying the CIP projects included in the financial analysis contained in Chapter 4 of this Report.

The categories of the Airport's five-year CIP used in this Report are further described as follows.

- **2022B Project.** This CIP category is comprised of those projects to be funded, either in whole or in part, with proceeds of the Series 2022B Bonds. The capital and operating costs associated with the 2022B Project is included in the financial analysis contained in Chapter 4 of this Report. The 2022B Project is estimated to cost approximately $293.1 million with approximately $183.0 million expected to be funded with the proceeds of the Series 2022B Bonds. The 2022B Project is further described in Section 3.2 of this Report.
- **Other CIP Projects.** This CIP category is comprised of all other CIP projects that are not a 2022B Project as defined above. It is possible that certain Other CIP Projects may be deferred or not otherwise undertaken by the Authority during the projection period (depending on circumstances such as level of aviation demand, the availability of project funding, more refined scope and cost information for various projects, etc.).

Additional information on the Authority's CIP is presented on **Exhibit A** following this Report. Exhibit A presents the Authority's expected project costs by major area along with sources of funds for the CIP for the period of 2022 through 2027.

Financial Analysis

L&B evaluated the ability of the Authority to generate revenues sufficient to meet the funding requirements and obligations established by the Authority Bond Ordinance during the projection period of 2023 through 2027. Per our analyses, and as required pursuant to the Rate Covenant, the Authority is projected to satisfy its obligations pursuant to the Authority Bond Ordinance in each year of the projection period.

Table 2 below presents the projections of airline cost per enplaned passenger (CPE) and debt service coverage ratio for each year of the projection period. As shown, the Signatory Airline CPE includes terminal rents, apron area rents, passenger airline landing fees, and other ancillary charges. Signatory Airline CPE for 2023 is projected at $13.19. Over the projection period, Signatory Airline CPE is projected to increase to $16.97 in 2027. The projected Signatory Airline CPE in 2027 and throughout this period remains within reasonable levels as compared to other airports similarly situated to the Airport. Debt service coverage ratios are projected to range from a high of 1.69x in 2024 to 1.57x by the end of the projection period. As presented on Table 2, the Authority is projected to satisfy the Rate Covenant requirement in each year of the projection.

Table 2 Debt Service Coverage and Airline CPE Projections

Fiscal Year	Debt Service Coverage Ratio	Signatory Airline CPE
2023	1.64x	$13.19
2024	1.69x	$14.98
2025	1.67x	$14.74
2026	1.63x	$16.60
2027	1.57x	$16.97

Sources: Indianapolis Airport Authority and Landrum & Brown

In preparing this analysis, L&B has relied upon the accuracy and completeness of financial information and assumptions provided to it by the Authority. The techniques and methodologies used in preparing this analysis are consistent with industry practices. Although L&B believes that the approach and assumptions used are reasonable and provide an appropriate basis for the financial forecasts, any forecast is subject to uncertainties. Inevitably, some assumptions used to derive the forecast contained herein will not be realized, and unforeseeable events may occur. The actual financial results achieved will vary from those forecasted in this analysis, and such variations could be material.

L&B is not registered with the U.S. Securities & Exchange Commission as a municipal advisor, is not acting as a municipal advisor, and does not assume any fiduciary duties or provide advisory services as described in Section 15B of the Securities Exchange Act of 1934 or otherwise. L&B does not make recommendations or advice regarding any action to be taken by our clients with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities including with respect to the structure, timing, terms or other similar matters concerning municipal financial products or the issuance of municipal securities.

L&B, in association with Airmac LLC, appreciates this opportunity to serve as the Authority's Airport Consultant for this proposed financing.

Sincerely,

Landrum & Brown, Incorporated

Landrum & Brown, Incorporated

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1 Role of the Airport and Economic Base for Air Traffic

This Chapter introduces the Indianapolis International Airport (Airport or IND) and summarizes the role the Airport serves in accommodating air traffic for the nation, the region, and the Airport's largest cargo carrier, Federal Express (FedEx). This Chapter also describes the Indianapolis metropolitan region's economic base and its ability to continue to support demand for air transportation.

1.1 Role of the Airport

In 1962, the City of Indianapolis (City), the Mayor of the City, and the Marion County (County) Council created the Indianapolis Airport Authority (Authority) pursuant to the Authority Act as a municipal corporation, separate from the City and the County. The Authority Act authorities the Authority to own and operate public airports. In additional to the Airport, the Authority operates the Indianapolis Downtown Heliport and four general aviation (GA) airports: Eagle Creek Airpark, Indianapolis Metropolitan Airport, Hendricks County Airport, and Indianapolis Regional Airport (the GA airports are collectively referred to as the Reliever Airports). The Airport, the Downtown Heliport,[6] and the Reliever Airports are collectively referred to as the Airport System.

The Airport, the largest facility in the Airport System, is the principal commercial passenger airport service in the Indianapolis metropolitan area and in central Indiana. The Airport was initially opened as Indianapolis Municipal Airport in 1931. The Airport has been expanded and developed over the years to meet increased aviation demand and accommodate the economic growth of the region. Today, the Airport covers approximately 6,500 acres. It is located in Marion County and is approximately 13 driving miles from downtown Indianapolis. In September 2022, the Airport was rated by J.D. Power as the best for customer satisfaction among medium-sized airports for the 3rd straight year. Overall, the Airport has received this award for the fifth time.[7] The Airport was also ranked third in the 2022 Condé Nast Readers' Choice Awards for the Best Airports in the U.S.[8]

1.1.1 National Role

The Airport had approximately 4.8 million enplaned passengers in 2019, ranking it 47th in the U.S. In 2020, enplaned passengers at the Airport decreased by 57.1% to approximately 2.0 million, primarily attributed to the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic. As described later in this Report, the impacts associated with the COVID-19 pandemic had a significant effect on passenger air traffic nationally and globally. In 2021, enplaned passengers at IND started the recovery towards pre-pandemic levels and increased to approximately 3.6 million, which was down 24.8% from 2019. In 2021, IND was ranked as the 47th busiest airport in terms of enplaned passengers by the Federal Aviation Administration (FAA). The Airport is currently classified by the FAA as a medium hub airport[9] based upon its share of nationwide enplaned passengers.[10]

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[6] In June 2021, the Authority submitted a request to the FAA to close the Indianapolis Downtown heliport.
[7] ABC WRTV Indianapolis, Indianapolis International Airport Ranked Best Medium Airport by J.D. Power, accessed at https://www.wrtv.com/news/local-news/indianapolis/indianapolis-international-airport-ranked-best-medium-airport-by-j-d-power
[8] Condé Nast Traveler, The Best Airports in the U.S.: 2022 Reader's Choice Awards, October 4, 2022.
[9] Federal Aviation Administration, Report to Congress: National Plan of Integrated Airport Systems (NPIAS) 2021-2025, September 30, 2021.
[10] Medium hub airports are defined as airports that account for between 0.25% and 1.0% of total U.S. passenger enplanements.

In addition to passenger operations, there is a significant amount of air cargo processed at the Airport as the second busiest U.S. air cargo hub for FedEx. According to data from the Authority, approximately 1.01 million tons of air cargo, including both freight and mail, were loaded and unloaded at the Airport in 2019. Many airports in the U.S. saw a surge in cargo volumes in 2020 during a time when restrictions related to the COVID-19 pandemic were at their height. In 2020, the Airport had an increase in cargo volume of 10.5%, the 12th highest growth in the top-50 cargo airports in North America. In 2021, the Airport had approximately 1.33 million tons of air cargo, an increase of 19.5%, which was the 4th highest growth experienced by North America's top-50 cargo airports. The 1.33 million tons was 32.0% higher than 2019. ACI-NA ranks the Airport as the 9th busiest cargo airport in the U.S. and 26th busiest worldwide in 2021.

ACI-NA data indicated that the Airport had 180,972 aircraft operations[11] in 2021 (including all-cargo carrier operations). The Airport was ranked as the 40th busiest airport in the U.S. in 2021.

1.1.2 Regional Role

The Airport primarily serves origin and destination (O&D) passenger traffic, which either begins or ends its travel at the Airport. From 2015 through 2018, approximately 95% of the Airport's passenger traffic was O&D with the remaining 5% connecting. In 2019, O&D accounted for 96.1% of the Airport's passenger traffic. The share of O&D passengers increased to 98.6% in 2020 and was 98.3% in 2021. During these two years were where passenger traffic was most impacted by the ongoing COVID-19 pandemic; therefore, it is uncertain at this time whether O&D passenger may eventually return to levels experienced prior to the pandemic.

The Airport is the primary commercial service airport serving the Indianapolis metropolitan area and the surrounding region. This region is somewhat isolated from competition from other airports. The Airport is the largest airport in the State of Indiana. The counties surrounding the Airport are considered the primary catchment area. In areas where there are overlaps in catchment areas with other commercial service airports, a secondary catchment area, or contested catchment area, can be defined. In the case of the Airport, the secondary catchment area includes counties that are also served by the Cincinnati/Northern Kentucky International Airport (CVG), Dayton International Airport (DAY), Fort-Wayne International Airport (FWA), Louisville International Airport (SDF), Chicago O'Hare International Airport (ORD), and Chicago Midway Airport (MDW). **Figure 1-1** illustrates the catchment area and other commercial service airports. As shown, CVG is the nearest airport to IND and is also classified as a medium hub.

Most of the traffic at the Airport is generated within a subset of the primary catchment area. This geographical region is referred to herein as its "Air Service Area" which is defined as the Indianapolis-Carmel-Anderson, Indiana Metropolitan Statistical Area (Indianapolis MSA) and includes the 11 counties in middle Indiana of Marion (Airport's location), Hamilton, Hendricks, Johnson, Madison, Hancock, Morgan, Boone, Shelby, Putnam, and Brown Counties.[12] The Indianapolis MSA was the 33rd most populous MSA in the U.S. in 2021 with approximately 2.1 million people and accounted for approximately 31.3% of the entire population of Indiana.[13] Passenger demand can extend beyond the primary MSA depending on the location of other population centers and availability of other commercial service airports; however, it is generally the economic strength of the primary MSA, or Air Service Area, that provides the principal demand for supporting O&D air travel. For the purposes of this Report, the socioeconomic characteristics of the Air Service Area will be evaluated as the base for air travel for the Airport.

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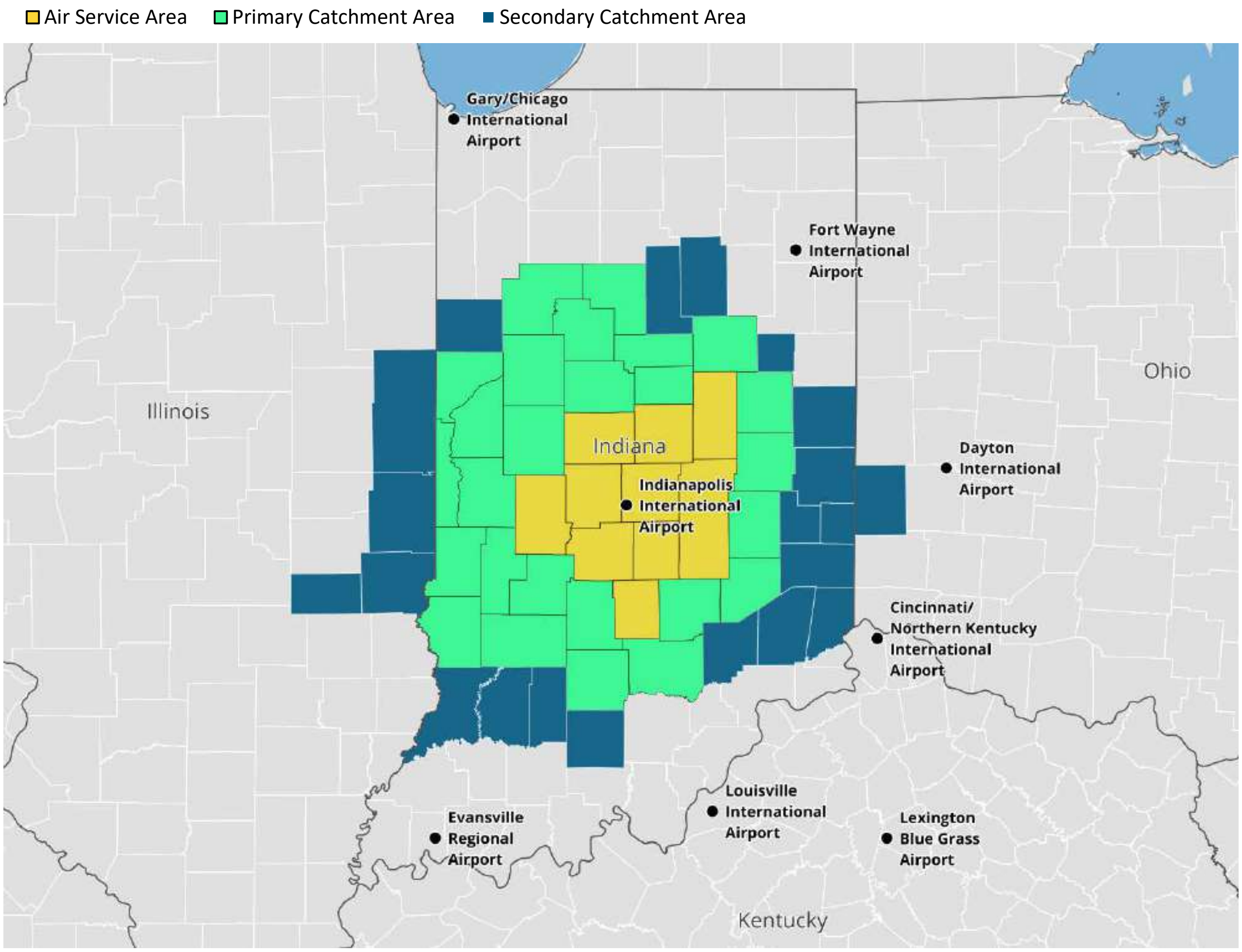
[11] An aircraft operation includes the landing, takeoff, or touch-and-go procedure by an aircraft on the runway at an airport.

[12] Executive Office of the President: Office of Management and Budget, Revised Delineations of Metropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas, March 6, 2020.

[13] United States Census, 2020 Decennial Census.

Figure 1-1 **Catchment Area and Proximity to Other Airports**

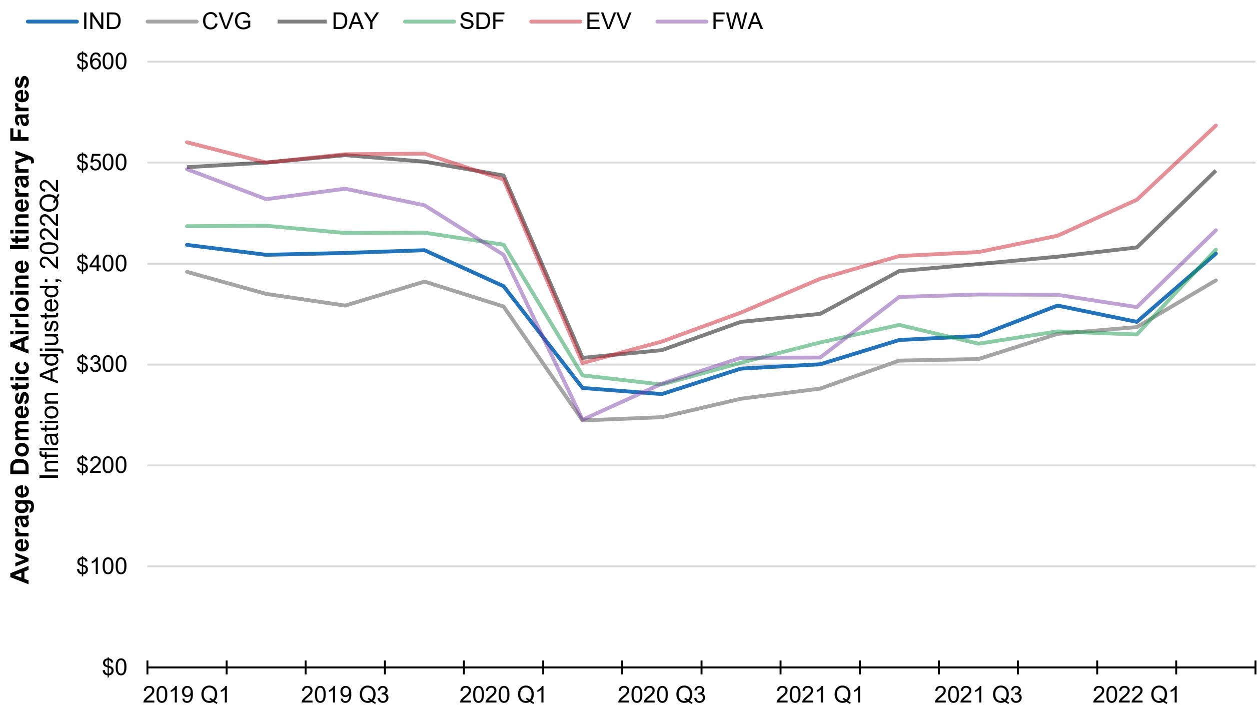


Airport	Code	Airport Category	Driving Distance from IND	Enplaned Passengers (in '000) CY 21	CY 19
Indianapolis International Airport	**IND**	**Medium**	**-**	**3,582**	**4,765**
Cincinnati/NKY International Airport	CVG	Medium	118	3,051	4,413
Dayton International Airport	DAY	Small	125	518	846
Louisville International Airport	SDF	Small	128	1,529	2,044
Fort Wayne International Airport	FWA	Small	137	336	402
Evansville Regional Airport	EVV	Non	153	165	242
Gary/Chicago International Airport	GYY	Non	161	3	n.a.
Lexington Blue Grass Airport	LEX	Small	192	464	707

Source: Landrum & Brown, Inc. (map); Indianapolis Airport Authority (for the Airport), Airline Activity Report. Federal Aviation Administration, Air Carrier Activity Information System (ACIAS), accessed October 2022.

The Airport has maintained competitive airfares as compared to the other airports in the region. **Figure 1-2** illustrates the average one-way domestic airfare paid at the Airport versus other airports in the region. As shown, average airfare at the Airport has historically been on the lower end of the range as compared to other airports in the region. In the second quarter of 2022 (the most recent data available), the Airport's average airfare ranges from $127 lower than EVV to $26 higher than CVG. With favorable airfare cost and air service offerings, the Airport is an attractive option for people across the region.

Figure 1-2 Regional Airport Domestic Airfare Comparison (2019 Q1 – 2022 Q2)



Source: U.S. Department of Transportation, Average Domestic Airline Itinerary Fares by Origin City, accessed November 2022.

1.1.3 Role as an Air Cargo Hub for FedEx

The Airport serves as a major air cargo hub for FedEx. As mentioned previously, according to data from ACI-NA, the Airport was ranked as the 9th largest cargo airport in the U.S. and 26th largest worldwide in 2021 in terms of air cargo tonnage. In 2021, FedEx handled 1.3 million tons of air cargo at the Airport, accounting for 99.7% of the total air cargo at the Airport.

FedEx opened its hub at the Airport in 1988 as a 600,000-square-foot facility. Since 1988, the facility has been expanded to a 2.8 million-square-foot facility on approximately 482 acres. The facility is the company's second-largest cargo facility, trailing only its 'SuperHub' in Memphis. In 2018, FedEx announced a seven-year $1.5 billion investment to expand and modernize to its facility to keep pace with the steady growth in e-commerce activity.

One of the more important aspects of locating an air cargo hub and expanding it in the future is the relationship it has to accessing a large portion of the U.S. population by truck. A major initiative over the last decade for integrators, such as FedEx, has been to move air packages into ground loads. Transporting cargo by ground is more cost effective and having a major hub close to a large portion of the U.S. population helps that business model. Ranking number one in pass-through highways, Indiana is within a one-day drive of 60% of the U.S. population, which is a geographical advantage for the air cargo hub at the Airport.[14]

Table 1-1 provides FedEx's largest domestic facilities. The FedEx facility at Indianapolis is leased from the Authority through 2053 with FedEx having two additional ten-year options to extend. More details on FedEx's air cargo hub and lease at the Airport are contained in Chapters 2 and 3 of this Report.

Table 1-1 Domestic Federal Express Sorting and Handling Facilities (see note)

Location	Hub Status	Acres	Square Feet	Sorting Capacity (Packages Per Hour)
Memphis, TN	Primary Hub	916	3,671,859	484,000
Indianapolis, IN	**National Hub**	**482**	**2,847,215**	**131,000**
Miami, FL	National Hub	29	143,322	7,000
Fort Worth, TX	Regional Hub	168	987,388	76,000
Newark, NJ	Regional Hub	70	634,193	156,000
Oakland, CA	Regional Hub	75	587,700	63,000
Greensboro, NC	Regional Hub	165	595,000	23,000
Chicago, IL	Metropolitan Hub	54	481,350	24,000
Los Angeles, CA	Metropolitan Hub	34	305,300	57,000

Note: Excludes facility in Anchorage which handles international express package and freight to and from Asia, Europe, and North America.
Source: Federal Express, 2022 Annual Report.

1.2 Socioeconomic Base for Air Travel

Air travel demand at an airport is largely correlated with the demographic and economic characteristics of the surrounding region. The economic strength of the Air Service Area has a major impact on the aviation activity at the Airport given that 98.4% of the Airport's passenger traffic was O&D in 2021. The sections below review

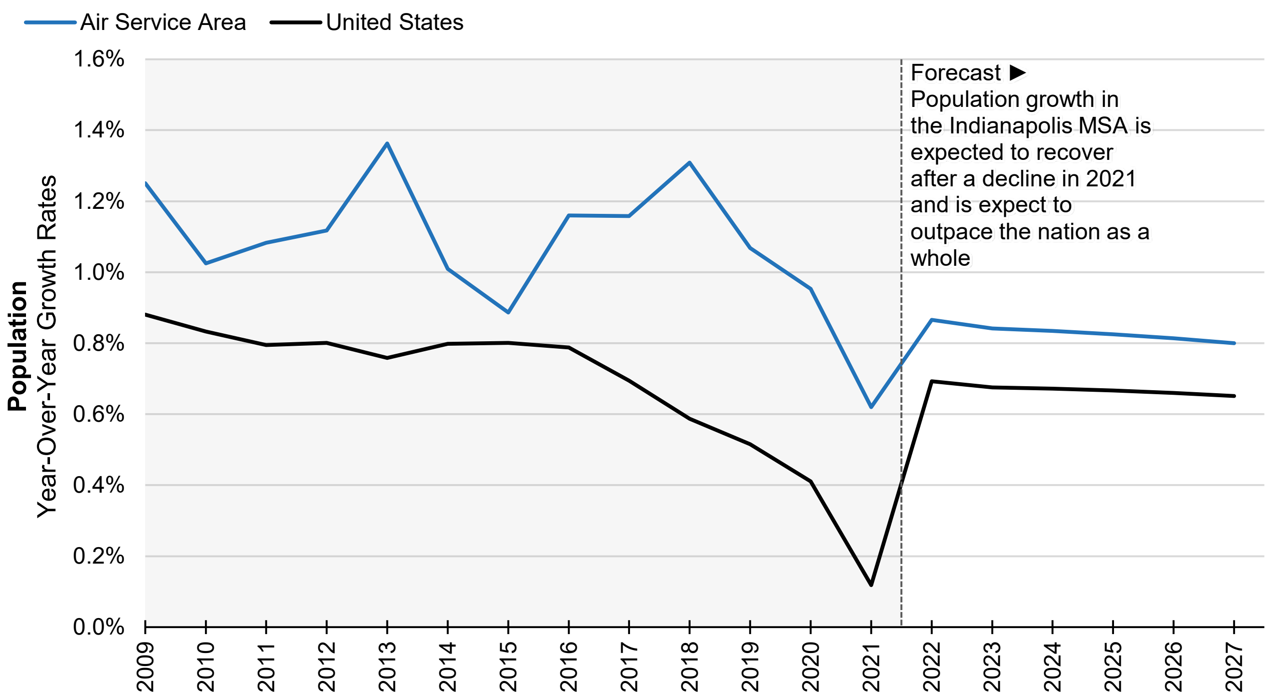
[14] Indy Partnership, Indianapolis Region: Crossroads of America, March 2021.

current economic trends and conditions of the Airport's Air Service Area, and present data indicative of the Air Service Area's capability to generate a growing demand for air transportation into the future.[15]

1.2.1 Regional Demographics

According to the U.S. Census Bureau, the Air Service Area was ranked as the 33rd most populated MSA in the U.S. in 2021 with approximately 2.1 million residents. Since 2009, the population of the Air Service Area has increased at a compound annual growth rate (CAGR) of 1.1%, which is above the national CAGR of 0.7%. **Figure 1-3** depicts the historical and forecast year-over-year growth of the population of the Air Service Area and the U.S. as a whole. Population in the Air Service Area is forecast to increase from 2.1 million in 2021 to 2.2 million in 2027, representing a CAGR of 0.8%. During that same period, the nation's population is forecast to increase at a CAGR of 0.7%.

Figure 1-3 Historical and Projected Population Trends (2009 - 2027)



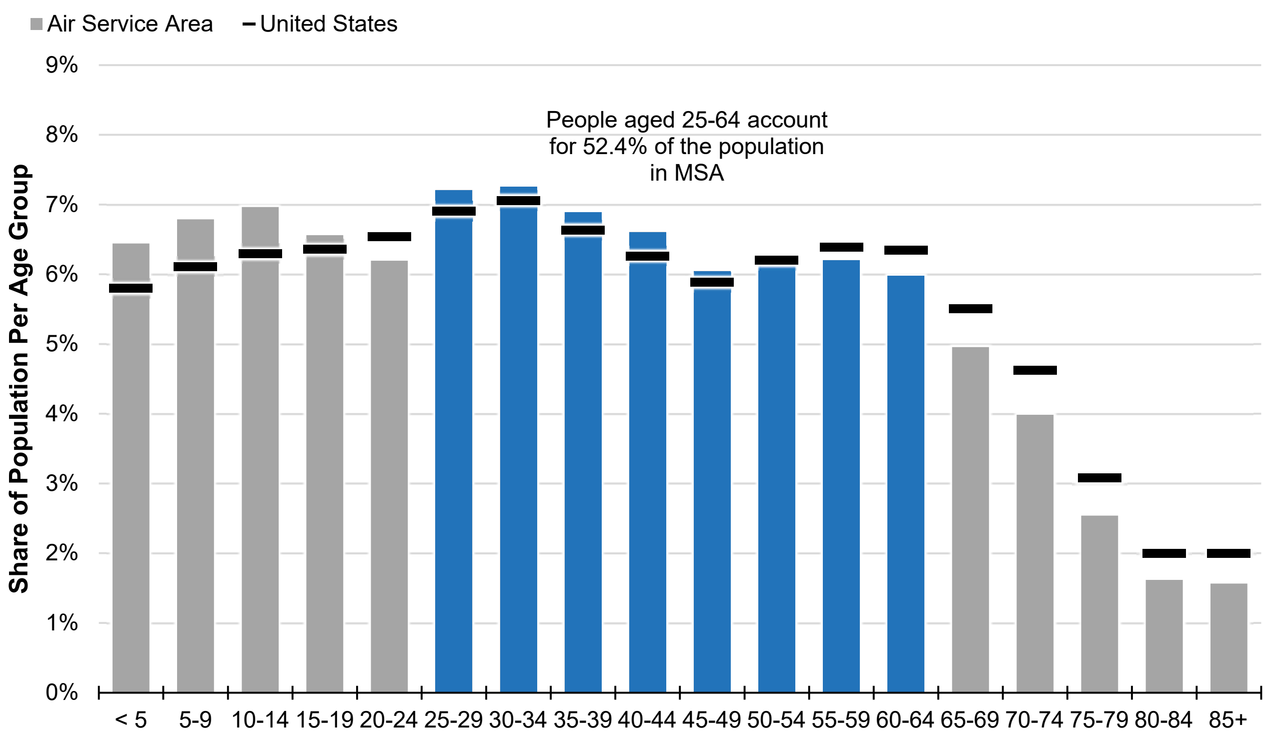
Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

15 The Air Service Area accounted for nearly a third of the population and employment in the State of Indiana and 38.9% of the economic activity as defined by gross regional product (GRP). Therefore, given the Air Service Area's significant impact on the State of Indiana, demographic and economic comparisons presented in this Report are made between the Air Service Area and United States only and do not include comparisons with state-wide Indiana data.

1.2.1.1 Age Distribution

In 2021, the median age in the Air Service Area was 36.3 years, which is younger than the U.S. median age of 38.1. Demand for air travel varies by age group. People of working ages[16] from 25 to 64 have, historically, accounted for a higher share of air travel than older or younger people as they often traveled for business purposes and have more disposable income available for leisure trips. **Figure 1-4** presents the distribution of age groups among the population for the Air Service Area and the U.S. In 2021, residents in the Air Service Area aged 25 to 64 made up 52.4% of the population, compared with 51.7% in the U.S. This is the age group that generates the most expenditures on airline fares, and it makes up a higher percentage of the population in the Indianapolis MSA as compared to the U.S.

Figure 1-4 Age Distribution (2021)



Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

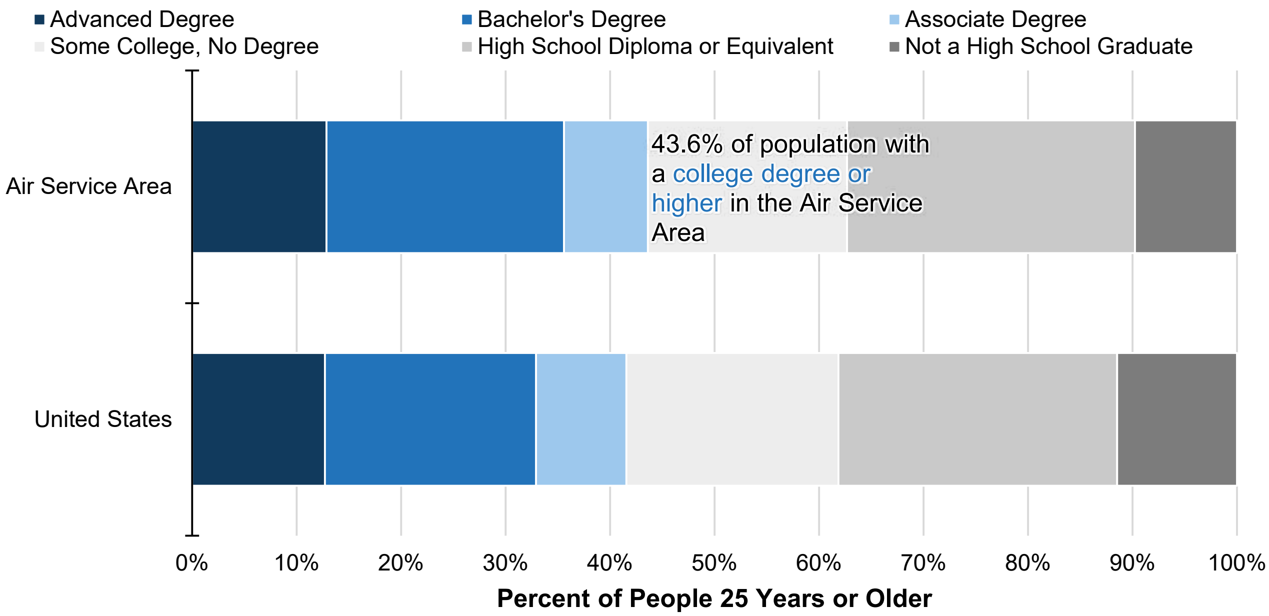
1.2.1.2 Educational Attainment

People with a college degree typically generate a higher percentage of expenditures on air travel. **Figure 1-5** presents the share of educational attainment for persons aged 25 or older within the Air Service Area and the U.S. According to the U.S. Census Bureau, approximately 596,000 or 43.6% of the population aged 25 or older in

[16] Commonly, working age is defined at those people aged 15 to 64. However, for the purposes of this Report, a narrower age range of 25 to 64 has been used to reflect the group of people most likely beyond secondary education and more likely to be employed on a full-time basis.

the Air Service Area have a college degree or higher. By comparison, only 41.6% of the population aged 25 or older in the U.S. have a college degree or higher.

Figure 1-5 Educational Attainment (2020)



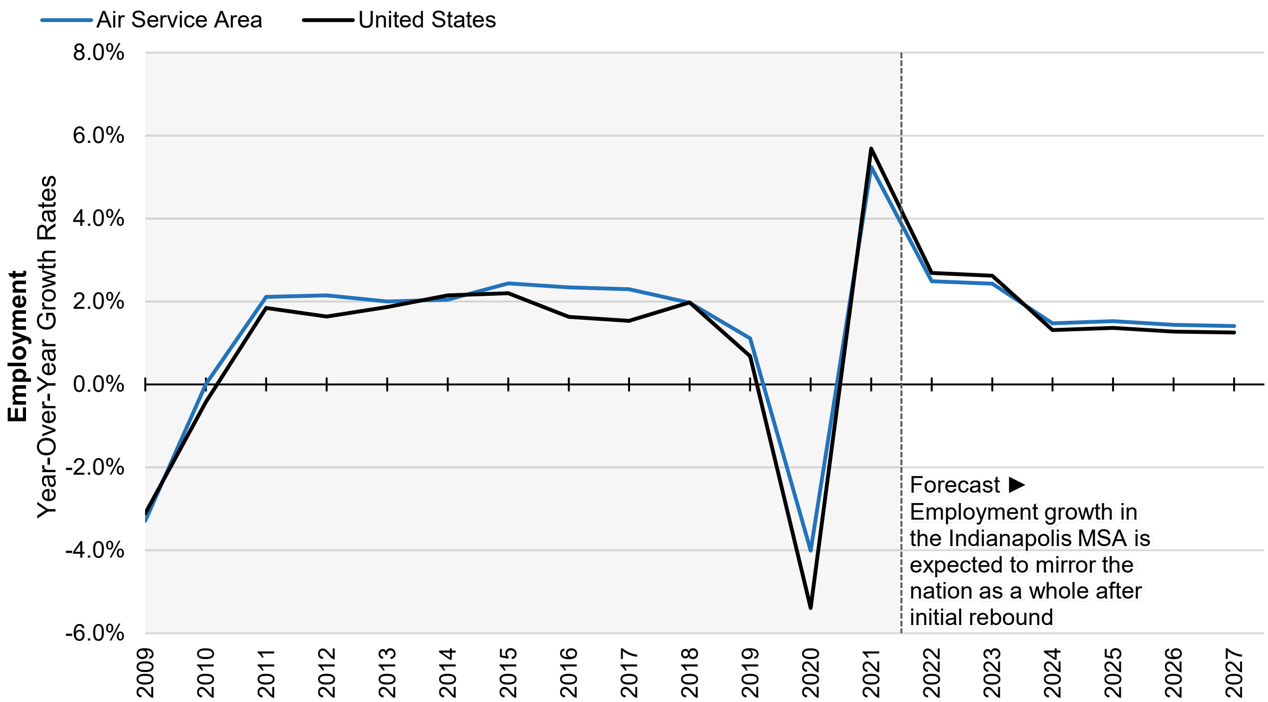
Source: U.S. Census Bureau, American Community Survey, February 2022.

In addition to having a highly educated population, the Air Service Area is also home to more than 40 institutions of higher learning, such as Butler University, Indiana University Indianapolis, Marian University Indianapolis, University of Indianapolis, and DePauw University, among others. According to the U.S. Census Bureau, 32.7% of the population in the Indianapolis MSA ages 18 to 24 are currently enrolled in college or graduate school. Educational institutions generate demand for air travel through academic conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

1.2.2 Labor Market

Growth in employment is an important indicator of the overall health of the local economy. Changes in population and employment tend to be closely correlated as people migrate in and out of areas largely depending on their ability to find work. **Figure 1-6** presents the historical and forecast year-over-year growth rates for employment in the Air Service Area and in the U.S. through 2027. Between December 2007 and June 2009, the then-worst financial crisis to affect the U.S. since the Great Depression occurred. The recession, often referred to as the Great Recession, was the longest recession since the airline industry was deregulated. From 2008 through 2010 there was a sharp decline in employment in both the Air Service Area and U.S. resulting from the Great Recession. From 2009 to 2019, employment in the Air Service Area increased at a CAGR of 1.8%, compared to 1.5% in the U.S. In 2020, the largest decrease in history for employment occurred as a result of the economic upheaval and government mandated lockdowns associated with the COVID-19 pandemic. In 2020, employment decreased approximately 5.4% in the U.S., but the Air Service Area faired significantly better with a decrease of only 4.0%. Most of the lost jobs were recovered in 2021 as the economy quickly began to recover. From 2021 through 2027, employment is forecast to increase at a CAGR of 1.8%, slightly faster than the U.S. as a whole at 1.7%.

Figure 1-6 Historical and Forecast Employment Trends (2009 – 2027)

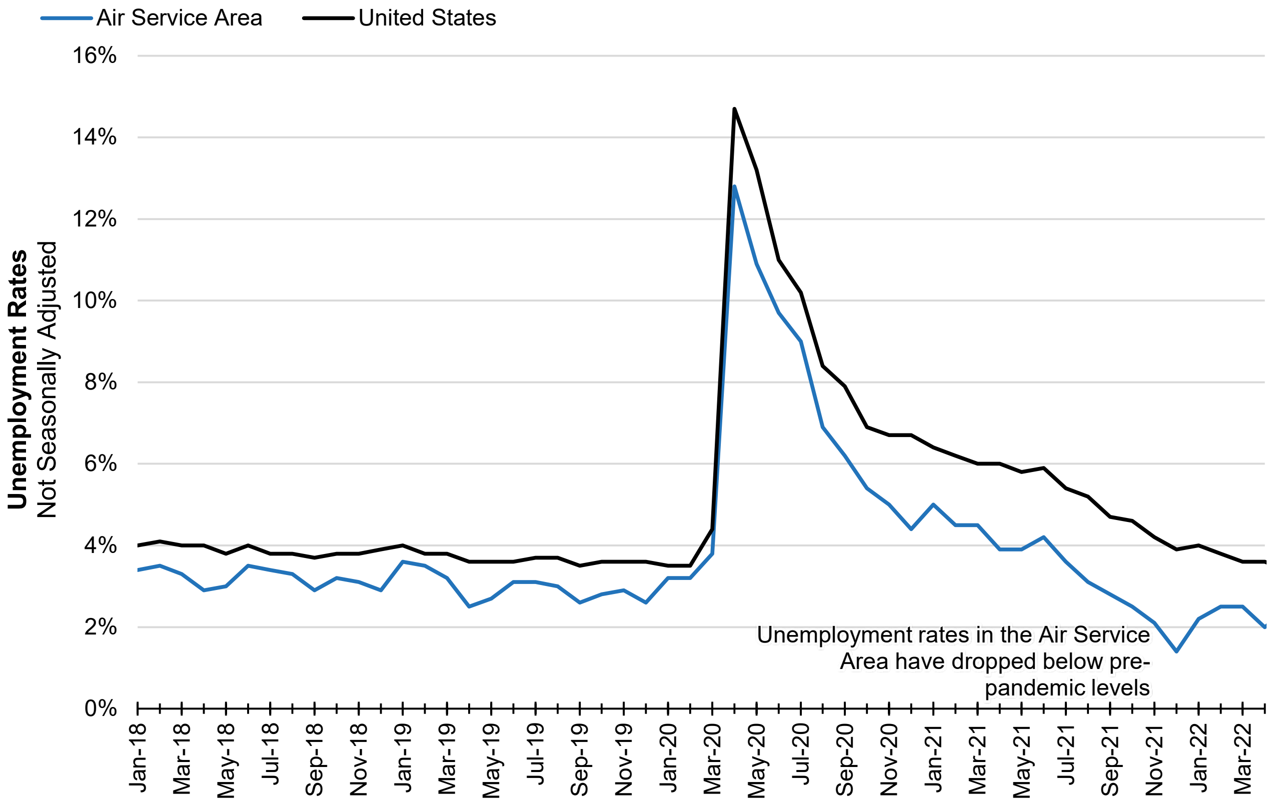


Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

1.2.2.1 Unemployment Rates and Job Vacancies

Unemployment rates are also an indicator of economic health as rates usually decrease as economic activity in the region grows. **Figure 1-7** presents the historical unemployment rates for the Air Service Area and the U.S. As shown, from January 2010 through March 2020, unemployment rates in the Air Service Area remained lower than the national average. Since the impacts associated with the COVID-19 pandemic occurred in the U.S. starting in March 2020, unemployment rates increased to historic levels as a result of stay-at-home orders and companies hedging for potential losses. In April 2020, the unemployment rate for the Air Service Area reached 12.8% compared to the national rate of 14.7%. The recovery on a national and local level has been quick. In June 2022, the unemployment rate for the Air Service Area was 3.0%, which was lower than that of the U.S. at 3.8% and below pre-pandemic levels.

Figure 1-7 Unemployment Rate (January 2018 - June 2022)



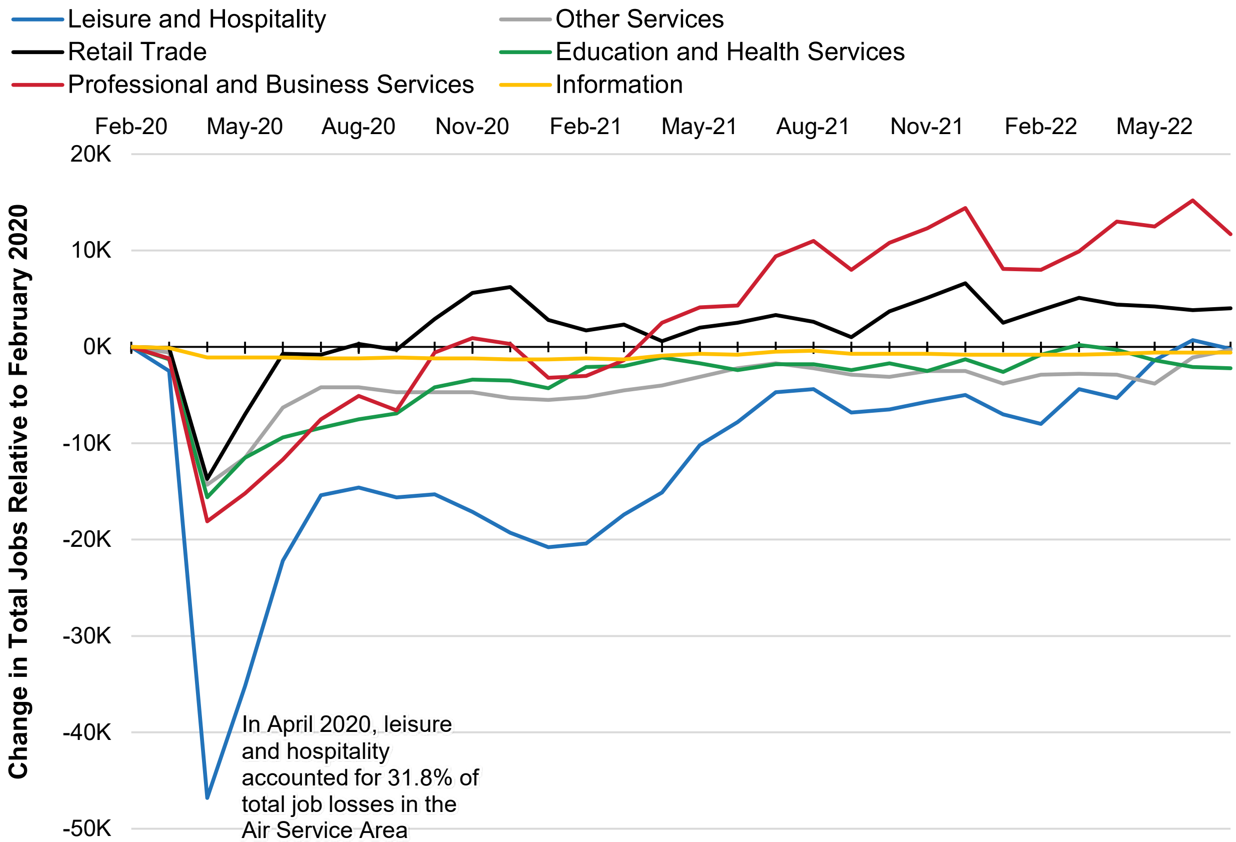
Source: U.S. Department of Labor, Bureau of Labor Statistics, August 2022.

1.2.2.2 Industry Sectors

As shown above, the COVID-19 pandemic has had a dramatic effect on employment nationally. From February 2020 to April 2020, there were 22.2 million jobs lost in the U.S. Certain job sectors were more affected than others. Service-providing industries have been severely impacted, accounting for 90.6% of job losses in the first two months of the COVID-19 pandemic (i.e., March 2020 and April 2020), compared to 9.4% for goods-producing sectors, which include manufacturing, construction, and mining and logging. Within the service-providing industry, the leisure and hospitality sector has been the most impacted sector during the COVID-19 pandemic with 8.3 million job losses in the first two months nationally (a loss of 49.3% of all leisure and hospitality jobs), accounting for 37.5% of the total non-farm industry losses.

On a local scale, there were approximately 280,000 jobs lost in the Air Service Area with 83.1% of job losses occurring in the service-providing industries. The leisure and hospitality sector was the most impacted sector during the pandemic with approximately 46,800 job losses in the first two months, accounting for 31.8% of the total non-farm industry losses. As of July 2022, there are 13,400 more jobs available than prior to the COVID-19 pandemic. Not all sectors have recovered at the same rate. However, most sectors had fully recovered by July 2022. **Figure 1-8** presents the job losses for the most affected sectors in the Air Service Area for February 2020 through July 2022.

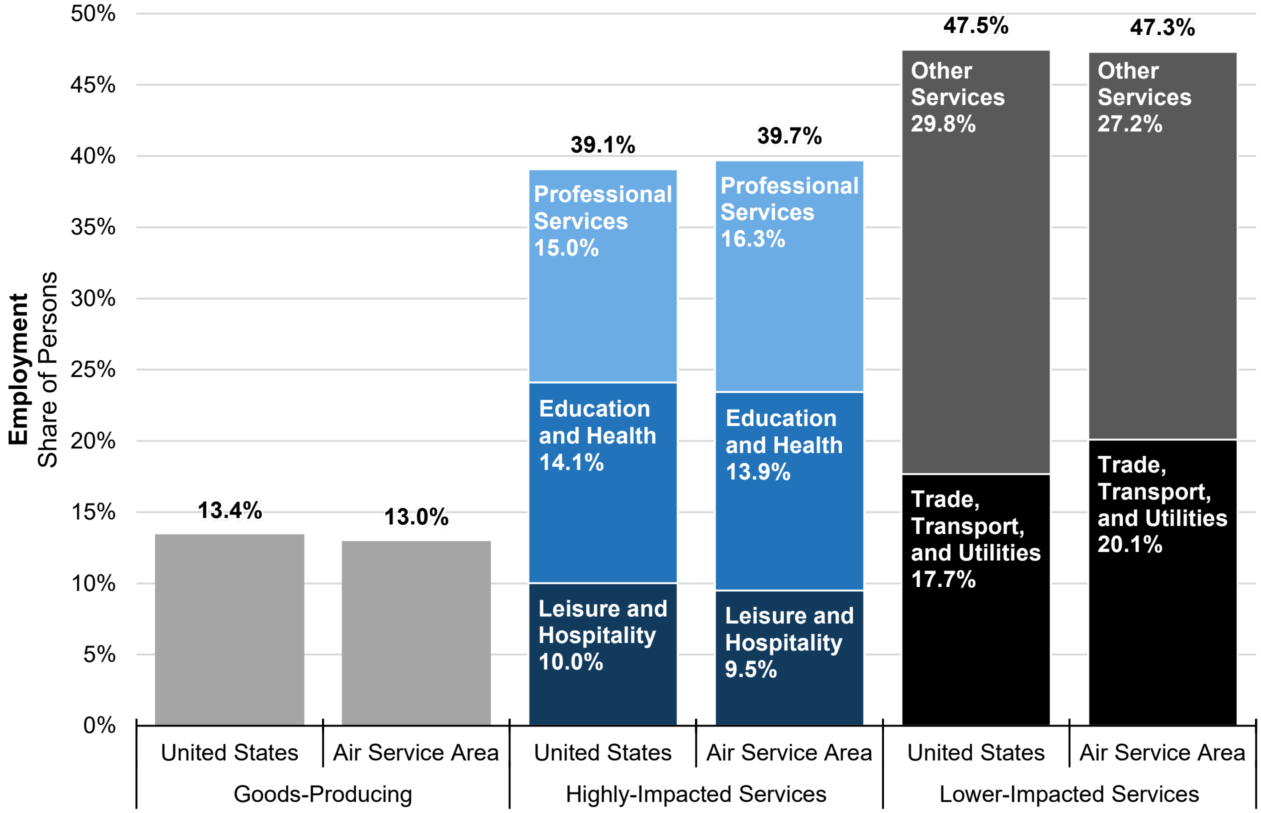
Figure 1-8 **Air Service Area Employment Change by Industry Sector (February 2020 - July 2022)**



Source: U.S. Department of Labor, Bureau of Labor Statistics, August 2022.

Figure 1-9 presents employment by industry sector for the Air Service Area and the U.S. for 2019, which was prior to the impacts associated with the COVID-19 pandemic. Historically, those industry sectors that have been highly affected by the COVID-19 pandemic (i.e., professional services, education and health, and leisure and hospitality), which were presented above as having large reductions in labor force, comprise a similar share of the jobs in the Air Service Area as compared to the nation. As shown, the goods-producing sectors account for 13.0% of the jobs in the Air Service Area while nationally they account for 13.4%. The highly impacted service sectors described above account for 39.7% of the jobs in the Air Service Area compared to 39.1% nationally.

Figure 1-9 Employment by Industry Sector (2019)



Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

1.2.2.3 Major Employers

Table 1-2 provides a list of the largest employers in the Air Service Area. These employers consist of several services sector, health care providers, among others.

Table 1-2 Air Service Area Principal Employers (2021)

Company	Number of Employees	Share of Total Employed in MSA
Indiana University Health	23,187	2.3%
St. Vincent Hospital and Health	17,398	1.7%
Community Health Network	11,328	1.1%
Eli Lilly and Company	10,845	1.1%
Walmart	8,429	0.8%
Kroger	7,675	0.8%
Amazon	6,000	0.6%
Federal Express	5,000	0.5%
Anthem	4,866	0.5%
Eskenazi Health	4,620	0.5%
Total Employed by Principal Employers	**99,348**	**9.9%**
Total Employed in Air Service Area	998,940	

Source: Indianapolis Airport Authority, 2021 Annual Comprehensive Financial Report.

Annually, *Fortune* magazine publishes a listing of the largest companies in the U.S. as defined by revenue. There are three Fortune 500 Companies (Anthem, Corteva, and Eli Lilly) headquartered in the Indianapolis MSA. These three companies generated approximately $183 billion in revenue in 2021.[17]

1.2.3 Income

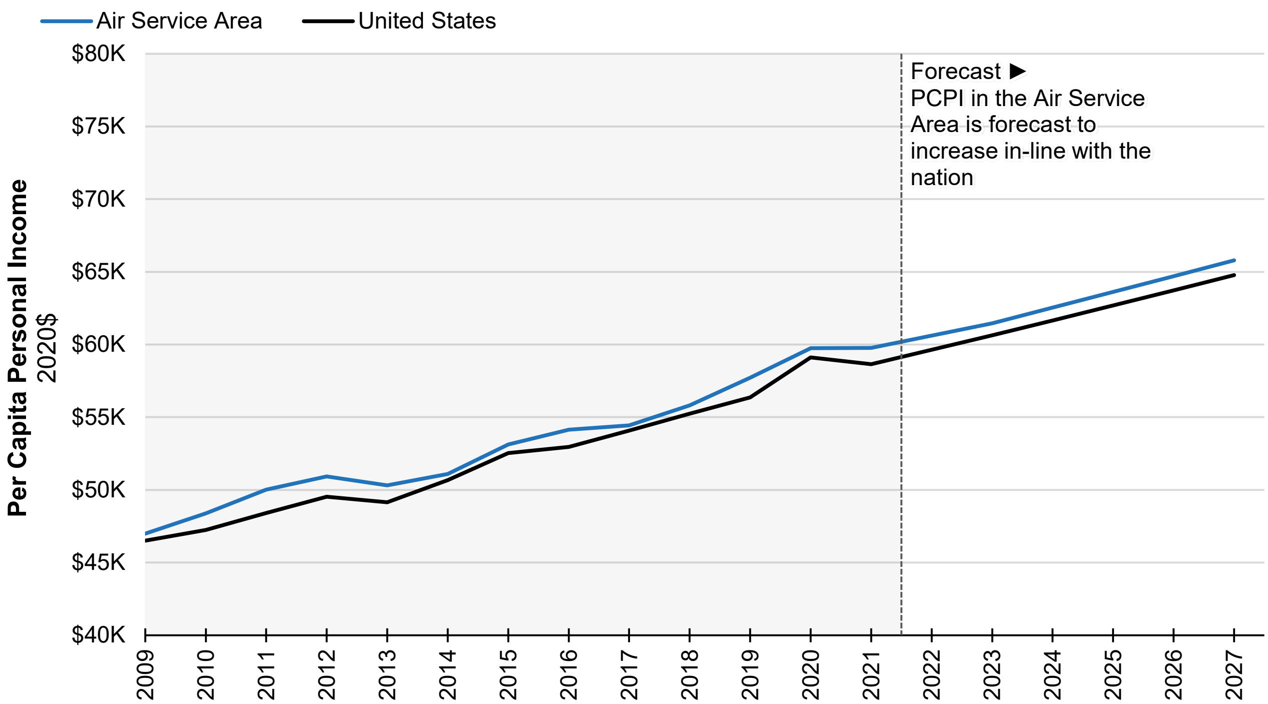
Income statistics are broad indicators of the relative earning power and wealth of an area and provide a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel. Although personal income is a vital statistic, it is only a portion of determining whether a person has the means to afford air travel. The amount of disposable income available is dependent on both wages and the cost of necessary living expenses. If the cost of living is too high, then a person may not have the disposable income necessary to purchase a ticket. Therefore, increases in inflation can also contribute negatively on air travel demand. The following sections present data on per capita personal income and household income.

[17] Fortune, Fortune 500, accessed September 2022, https://fortune.com/rankings/

1.2.3.1 *Per Capita Personal Income*

Per Capita Personal Income (PCPI) corresponds to the income per resident (total income divided by total population). **Figure 1-10** provides the historical and forecast PCPI, adjusted for inflation, for the Air Service Area and the U.S. through 2027. In 2009, PCPI in the Air Service Area was $46,993, which was higher than the national average of $46,508. Since 2009, PCPI in the Air Service Area and the U.S. grew at similar CAGRs of 2.0%. The PCPI in the Air Service Area reached $59,760 in 2021, which was $635 (or 1.1%) more than the national average.

Figure 1-10 Per Capita Personal Income Trends (2009 - 2027)



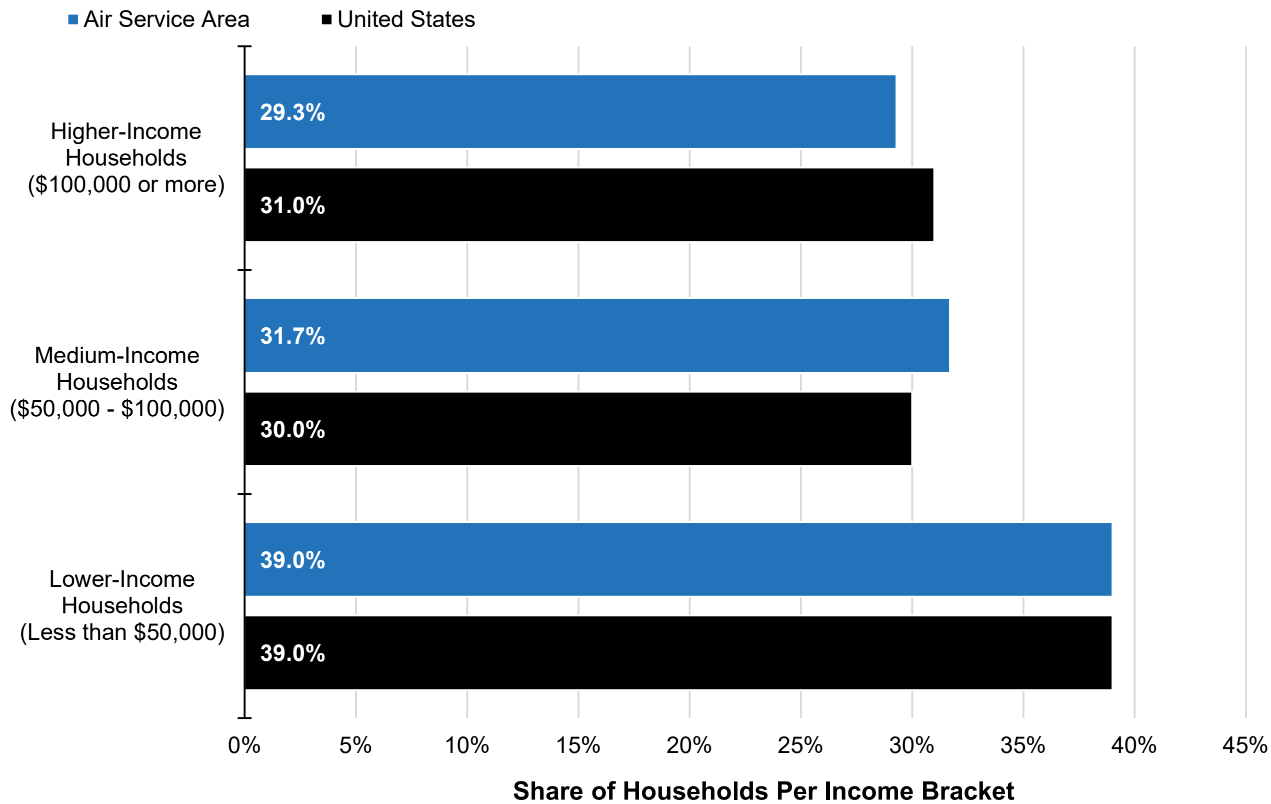
Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

1.2.3.2 *Household Income*

To better understand the distribution of income within the region, households within the Air Service Area were segmented into three categories: higher-income households (those earning $100,000 or more per year), middle-income households (those earning $50,000 or more but less than $100,000 per year), and lower-income households (those earning less than $50,000 per year). Households in the middle and higher-income brackets typically can have more jobs that require travel when compared to lower-income households. Additionally, higher-income households generally have more disposable income and can therefore afford more leisure travel than households in lower income brackets.

Figure 1-11 presents the percentage of households within each income bracket for the Air Service Area as compared to the U.S. for 2020, the latest data available. As shown, 29.3% of households in the Air Service Area were higher income, which is approximately the same as the national average. The Air Service Area has a higher proportion of middle-income households (31.7% compared to 30.0%). The median household income for the Air Service Area was $63,545, which is slightly lower as compared to $64,994 for the U.S.

Figure 1-11 Distribution of Household Income (2020)

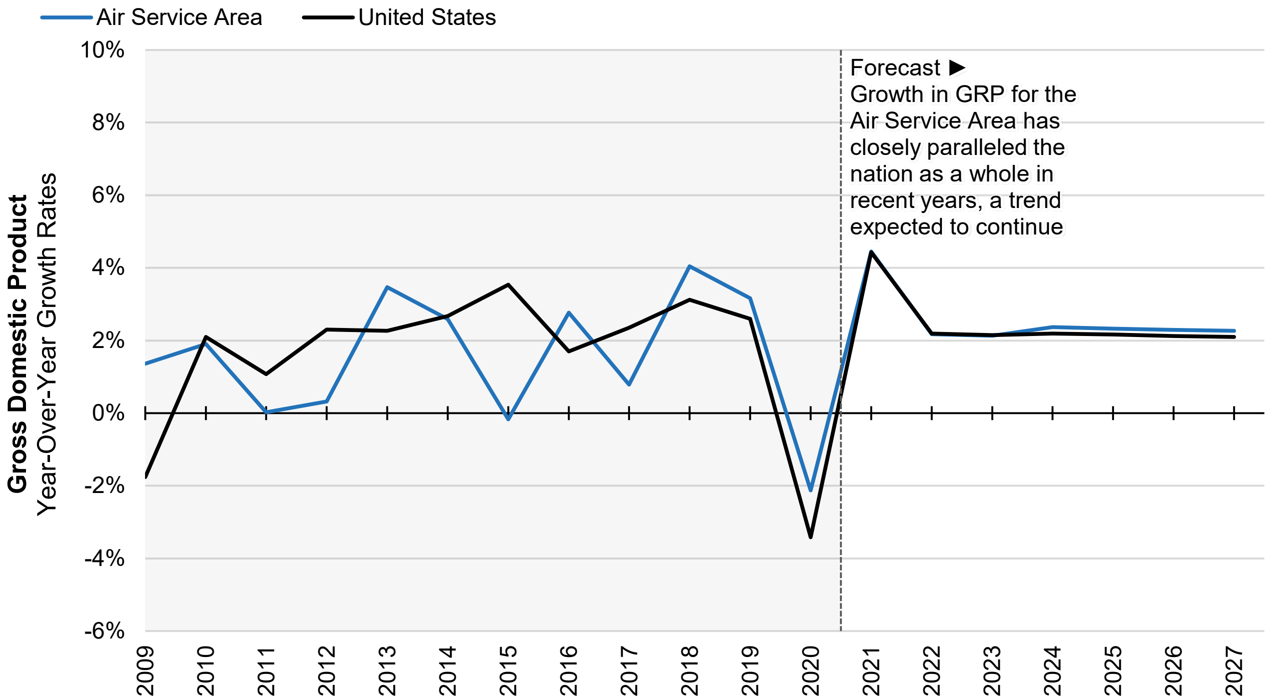


Source: U.S. Census Bureau, 2020: ACS 5-Year Estimates Subject Tables.

1.2.4 Regional Economy

Figure 1-12 presents the historical and forecast year-over-year growth rates of the U.S.' gross domestic product (GDP) and the Air Service Area gross regional product (GRP) through 2027. Over the period shown, GRP growth in the Air Service Area has generally mirrored that of the GDP of the U.S., including the contractions resulting from the impacts associated with the Great Recession and the COVID-19 pandemic and their subsequent recoveries. Through 2027, the Indianapolis MSA's GRP is forecast to increase at a CAGR of 2.3%, slightly higher than the national GDP.

Figure 1-12 Gross Domestic/Regional Product Trends (2009 - 2027)



Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022.

1.2.5 Regional Tourism and Visitors

Tourism, from both leisure and business visitors, is a key contributor to the Air Service Area's economy. In 2019, Indianapolis had 29.2 million annual visitors, who spent approximately $5.6 billion in the Air Service Area. The visitor spending supported more than 82,900 full-time equivalent employment positions.[18] Overall, tourism was one of the hardest hit segments during the COVID-19 pandemic. By August 2020, the region reported the loss of 306 conventions and events that were scheduled for 2020 and 2021.[19] However, there are signs of a recovery. Visit Indy, the region's tourism commission, indicates that projections are showing tourism levels will approach 90% to 95% of 2019 levels by year-end 2022.[20]

The Air Service Area is home to a rich variety of cultural, educational, and entertainment attractions. The region provides attractions that can appeal to anyone regardless of their interests. A summary of major Air Service Area attractions follows.

- The Children's Museum of Indianapolis, at 472,900 square feet, is the world's largest children museum. The museum receives more than one million visitors annually.
- The Indianapolis Zoo is a 64-acre facility that holds more than 1,200 animals of approximately 230 species as well as 47,000 plant specimens.[21]

18 Visit Indy, About Visit Indy, accessed August 2022.
19 IndyStar, Canceled Sporting Events and Lost Conventions: How Indianapolis Hopes to Bounce Back, August 29, 2020.
20 Fox59, Indy's Tourism Industry is Approaching 2019 Levels, July 2022.
21 Visit Indy, Indianapolis Zoo located in White River State Park.

- Newfields is a 152-acre cultural campus that features art galleries, lush gardens, a historic home, performance spaces, a nature preserve, and sculpture park.[22] As part of the Newfields, The Indianapolis Museum of Art Galleries, one of the oldest and largest art museums in the nation, has more than 50,000 works.
- The Eiteljorg located in White River State Park is one of the largest collections of Western and Native American art and cultural objects.
- Several performing arts venues are located in downtown Indianapolis including: The Hilbert Circle Theatre, home to the Indianapolis Symphony; The Indiana Theatre; and the Phoenix Theatre.

Indianapolis is known as the "Amateur Sports Capital of the World" for its role in American amateur athletics. The National Collegiate Athletic Association (NCAA), the governing body for U.S. collegiate sports, and the National Federation of State High School Associations are both based in Indianapolis. It is also home to three U.S. Olympic & Paralympic Committee governing bodies (USA Football, USA Gymnastics, and USA Track and Field).

The city hosts several sporting events each year including running road races, the NFL Scouting Combine, and the Big Ten Football championship game. It is also a regular host of the NCAA Men's Division Basketball March Madness. In 2022, the city also hosted the College Football National Championship. On the professional level, the city is home to five sports teams: Indianapolis Costs (football), Indiana Pacers (men's basketball), Indiana Fever (women's basketball), Indianapolis Indians (minor league baseball), and Indy Eleven (minor league soccer). Indianapolis is also known as the racing capital of the world with the Indianapolis Motor Speedway, the oldest continually operating racetrack. The facility hosts what is reported as the largest single-day sports event, the Indy 500 as well as the Brickyard 400 National Association for Stock Car Racing (NASCAR) race, the National Hot Rod Association (NHRA) Championship, and numerous other racing events.

1.2.6 Economic Overview

Table 1-3 presents historical data and forecasts for population, employment, PCPI, and GDP/GRP for the Air Service Area and the U.S. These factors have been shown to have significant correlation with demand for air travel and were used in developing the forecast for aviation activity. Growth forecasts for these variables are all positive for the Air Service Area. According to Moody's Analytics, the Air Service Area is undergoing a mid-expansion business cycle[23]. Currently, strong net migration trends helps to reinforce the labor market, and the region has relatively low living and business costs. A well-developed distribution network, ongoing investments by major companies, and its central location have helped the Air Service Area to recover relatively quicker from the COVID-19 pandemic than most other metropolitan areas. Economic and demographic indicators for the Air Service Area are forecast to continue to be similar to growth rates for the U.S. This level of growth indicates the ongoing capacity of the Air Service Area to generate demand for air travel services during the projection period used in this Report.

[22] Visit Indy, Newfields – A Place for Nature & the Arts.
[23] Moody's Analytics, Précis U.S. Metro: Indianapolis-Carmel-Anderson IN, June 2022.

Table 1-3 Key Socioeconomic Trends and Projections

Year		Population in thousands		Employment in thousands		Per Capita Personal Income in 2020$		Gross Domestic/Regional Product in millions of 2020$	
		ASA	U.S.	ASA	U.S.	ASA	U.S.	ASA	U.S.
Historical	2010	1,893	309,327	1,141	172,902	48,385	47,237	114,174	15,608,905
	2015	1,998	321,748	1,269	190,326	53,123	52,537	121,408	17,547,297
	2020	2,114	331,501	1,315	190,777	59,744	59,109	132,105	18,664,909
	2021	2,127	331,894	1,384	201,624	59,760	58,654	137,985	19,491,491
Forecast	2022	2,145	334,194	1,419	207,048	60,608	59,643	140,991	19,918,857
	2023	2,163	336,452	1,453	212,472	61,457	60,635	144,000	20,346,865
	2024	2,181	338,713	1,475	215,252	62,532	61,660	147,416	20,792,018
	2025	2,199	340,971	1,497	218,184	63,609	62,691	150,848	21,241,551
	2026	2,217	343,219	1,519	220,968	64,695	63,729	154,311	21,693,423
	2027	2,235	345,454	1,540	223,733	65,790	64,774	157,805	22,149,138

Range	Average Annual Growth Rate							
2010-21	1.1%	0.6%	1.8%	1.4%	1.9%	2.0%	1.7%	2.0%
2021-27	0.8%	0.7%	1.8%	1.7%	1.6%	1.7%	2.3%	2.2%

Source: Woods & Poole Economics, Inc. 2022 Complete Economic and Demographic Data Source, June 2022

2 Air Service and Traffic Analysis

This chapter evaluates and describes the current state of air service at the Airport, analyzes historical trends in air traffic, identifies key factors that generally affect demand for air travel, and provides projections of air traffic activity through FY 2027.

2.1 Air Service at the Airport

The following sections evaluate current air service capacity and operating performance for primary passenger airlines serving the Airport. The Airport's overall O&D market is also assessed at the market level, comparing performance with prior years. To the extent airline market data and related information is available, impacts associated with the COVID-19 pandemic are also identified.

Similar to the overall airport industry, enplaned passengers at the Airport experienced a significant decrease in 2020 and 2021 due to the impacts associated with the COVID-19 pandemic. Since April 2020, the low point of U.S. passenger traffic during the pandemic, passenger activity has been trending upwards towards pre-pandemic levels. It is important to understand the scope of traffic decreases and how air service at the Airport has returned, which is described in the following sections.

2.1.1 Airlines Operating at the Airport

The Airport has historically been served by the largest U.S. airlines in the industry. The current U.S. passenger airline industry generally consists of three primary business models: network carriers, low-cost carriers (LCCs), and ultra-low-cost carriers (ULCCs). Network carriers are generally considered the major airline brands that have existed, in one form or another, since deregulation of the airline industry in the late 1970s, or even before. Network airlines have extensive route networks and operate with a "hub and spoke" system or maintain significant market share at focus cities. These airlines served all categories of travelers but have historically catered more toward the business traveler segment as compared to the other airline business models. LCCs are generally defined as passenger airlines that focus on lower operating costs to be able to provide customers with lower fares while still providing some amenities within the cost of the ticket. LCCs typically focus upon carrying point-to-point traffic while offering some connections. LCCs have historically catered to a mix of business and leisure traffic depending on the destination. ULCCs are similar to LCCs but typically offer even lower air fares. ULCCs typically 'unbundle' extra services and charge for everything outside of the ticket cost such as checked baggage, carry-on baggage, and seat selection among other things. It should also be noted that network carriers and certain LCCs also charge separately for some of these items. Most of the traffic handled by ULCCs has historically been leisure travelers. All of the above passenger airlines, as a group, can be generally referred to as mainline airlines.

The Airport has diverse air service from the primary U.S. airlines and Air Canada. As of September 2022, the Airport had scheduled passenger service by nine (9) U.S. mainline passenger airlines assisted by nine (9) regional carriers and one (1) foreign flag carrier assisted by one (1) regional carrier. Southwest Airlines is the only LCC operating at the Airport while Allegiant, Frontier, and Spirit are all ULCCs operating at the Airport. Additionally, there was cargo service provided by four (4) all-cargo airlines. Air Canada temporarily ceased operations at the Airport in April 2020 due to the pandemic but returned in May 2022. Contour Airlines began service at the Airport in October 2021. **Table 2-1** provides a list of the scheduled passenger and all-cargo airlines that served the Airport as of September 2022.

Table 2-1 Airlines Operating at the Airport (as of September 2022)

U.S. Mainline Passenger Carriers

Alaska Airlines	Allegiant Air	American Airlines	Corporate Flight Management[5]	Delta Air Lines
Frontier Airlines	Southwest Airlines	Spirit Airlines	United Airlines	

U.S. Regional/Commuter Passenger Carriers

Air Wisconsin Airlines[1]	CommutAir[1]	Endeavor Air[2]	Envoy Air[3]	GoJet Airlines[1]
Mesa Airlines[1]	PSA Airlines[3]	Republic Airlines[1,2,3]	SkyWest Airlines[1,2,3]	

Foreign Flags

Air Canada	Jazz Aviation[4]			

Air Cargo Carriers

Cargolux	CSA Air	FedEx	Mountain Air Cargo	

[1] d/b/a United Airlines
[2] d/b/a Delta Air Lines
[3] d/b/a American Airlines
[4] d/b/a Air Canada
[5] d/b/a Contour Airlines
Sources: Cirium, Diio Mi: Schedule – Dynamic Table, Accessed September 2022; Landrum & Brown Analysis.

To illustrate specific trends and changes to passenger market share over the past several years, **Table 2-2** presents enplaned passengers by airline at the Airport for the five-year period of 2017 through 2021. The top four passenger airlines serving the Airport, which comprised 81.4% of the Airport's enplaned passenger market share in 2021, are Southwest, American, Delta, and United. Notably, two airlines began service in 2021, Sun Country and Contour Airlines. There are no airlines that were operating at the Airport immediately prior to the pandemic that are not operating at the Airport as of September 2022.

Table 2-2 Enplaned Passenger Market Share at the Airport (2017 – 2021)

	Enplaned Passengers (In Thousands)					Market Share				
Airline	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Southwest Airlines	1,443	1,448	1,368	621	1,009	32.9%	30.8%	28.7%	30.4%	28.2%
American Airlines	970	1,027	1,024	448	846	22.1%	21.9%	21.5%	21.9%	23.6%
Delta Air Lines	978	1,092	1,207	370	661	22.3%	23.3%	25.3%	18.1%	18.5%
United Airlines	595	600	574	231	399	13.6%	12.8%	12.1%	11.3%	11.1%
Spirit Airlines	0	0	99	100	252	0.0%	0.0%	2.1%	4.9%	7.0%
Allegiant Air	189	265	271	169	235	4.3%	5.6%	5.7%	8.3%	6.6%
Frontier Airlines	123	139	123	67	115	2.8%	3.0%	2.6%	3.3%	3.2%
Alaska Airlines	43	79	55	27	44	1.0%	1.7%	1.1%	1.3%	1.2%
Other	46	47	45	12	21	1.1%	1.0%	0.9%	0.6%	0.6%
Total	**4,388**	**4,697**	**4,765**	**2,044**	**3,582**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: Percentages may not add because of rounding.
Regional affiliates, as applicable, have been included with their appropriate network partner.
Other includes passenger airlines with less than one percent market share and charters. This includes Sun Country and Contour Airlines.

Source: Indianapolis Airport Authority, Airline Activity Report.

2.1.2 Current Nonstop Service

The Airport's passenger operations are relatively consistent throughout the year, but have historically peaked during the summer months. In September 2022, there was nonstop service from the Airport to 45 destinations (43 domestic airports and 2 international airports). In September 2019, there was scheduled service to 50 destinations (47 domestic and 3 international). **Figure 2-1** provides a map of the scheduled nonstop destinations at the Airport.

2.1.3 Origin and Destination Markets

Table 2-3 provides information regarding the Airport's top domestic O&D markets, including the number of daily O&D enplaned passengers for year-end (YE)[24] March 2020 and YE March 2022 (the latest data available). The table also presents daily departing seats. For example, the South Florida market (the largest O&D market served from the Airport) had an average of 551 daily O&D enplaned passengers with 807 total nonstop departing seats to the market during YE March 2022.

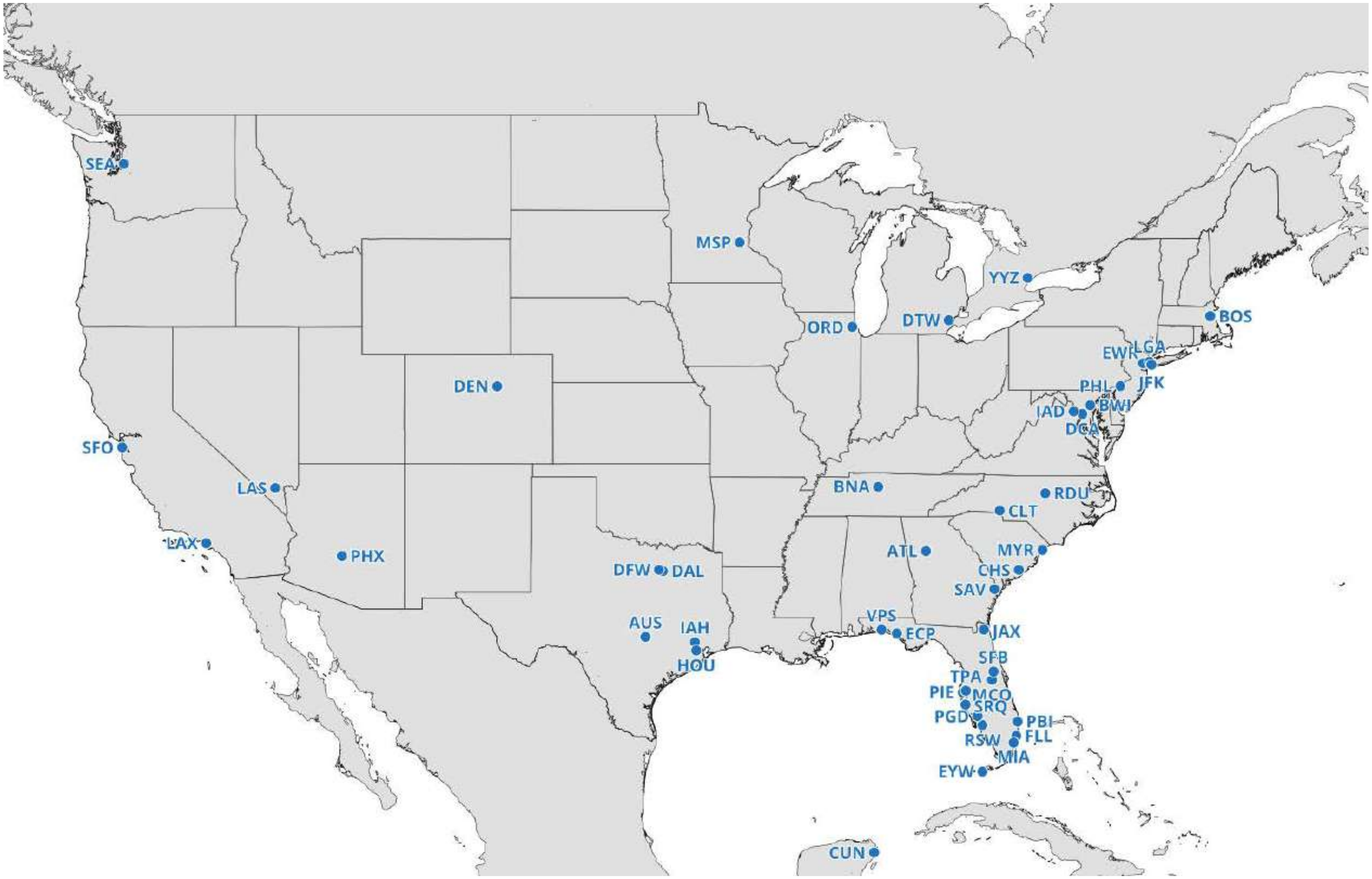
The table helps to illustrate how the Airport's air travel demand has changed since the start of the COVID-19 pandemic. Overall, O&D enplaned passengers at the Airport were down 9.6% for YE March 2022 as compared to YE March 2020 levels. As shown, many of the business-oriented markets, such as New York/Newark, Minneapolis, and Detroit experienced lower levels of O&D enplaned passengers during YE March 2022 as compared to YE March 2020 (generally considered pre-pandemic levels). However, leisure markets during YE March 2022, such as those in Florida, are up considerably from YE March 2020 levels. Another important distinction for these destinations is that they are all served by low-cost carriers (LCCs) and ultra-low-cost carriers (ULCCs). ULCC traffic has been the leading driver of growth in these leisure markets. All but two of the Airport's top 30 O&D markets are served by nonstop flight operations.

The Airport's top international market is Cancun, Mexico, which has nonstop service.[25] Other major international O&D markets include Montego Bay in Jamaica, San Jose del Cabo in Mexico, and Punta Cana in the Dominican Republic. There is no nonstop service to these other international destinations and O&D passengers must connect to reach their final destinations. Toronto, Canada is the only other international nonstop destination provided from the Airport as of the date of this Report.

[24] Year-end (YE) refers to the 12-month period ended during the month presented. For example, YE March 2020 refers to the period of April 2019 through March 2020.

[25] Cancun service is provided year-round by Southwest Airlines and seasonally by American Airlines.

Figure 2-1 Map of Nonstop Destinations (September 2022)



Source: Indianapolis Airport Authority, List of IND Nonstop Flights by Airline for September 2022, accessed October 2022.

Table 2-3 Top-25 Domestic O&D Markets from the Airport (sorted based on YE March 2022 O&D Enplaned Passengers)

		O&D Enplaned Passengers Per Day			Nonstop Scheduled Departing Seats Per Day		
Region	Airports	YE March 2020	YE March 2022	Percent Change	YE March 2020	YE March 2022	Percent Change
South Florida	FLL, MIA, EYW	437	551	26.2%	589	807	37.0%
Orlando	MCO, SFB	868	543	-37.5%	1,072	1,023	-4.5%
Fort Myers / Punta Gorda	RSW, PGD	445	533	19.7%	557	642	15.4%
Denver	DEN	522	490	-6.1%	941	836	-11.1%
Las Vegas	LAS	507	466	-8.1%	723	669	-7.4%
New York / Newark	LGA, EWR, JFK	602	411	-31.7%	1,037	895	-13.7%
Atlanta	ATL	376	370	-1.5%	1,744	1,466	-15.9%
Baltimore / Washington	BWI, DCA, IAD	583	342	-41.3%	1,132	815	-28.1%
Tampa Bay	TPA, PIE	222	322	45.2%	547	767	40.2%
Los Angeles Basin	LAX, BUR	454	316	-30.4%	377	325	-13.7%
Phoenix	PHX	296	307	3.8%	540	600	11.1%
Dallas / Ft. Worth	DAL, DFW	358	285	-20.6%	948	848	-10.6%
Houston	IAH, HOU	237	183	-22.7%	525	395	-24.8%
Minneapolis / St. Paul	MSP	202	177	-12.4%	523	469	-10.3%
Seattle	SEA	220	149	-32.4%	288	163	-43.4%
Boston	BOS	244	147	-39.8%	267	267	-0.1%
San Diego	SAN	179	139	-21.9%	27	0	-100.0%
Charlotte	CLT	143	128	-10.7%	697	558	-20.0%
Philadelphia	PHL	170	124	-27.1%	400	275	-31.2%
Austin	AUS	154	122	-20.5%	56	238	328.9%
San Francisco	SFO	187	120	-35.7%	189	77	-59.0%
Florida Panhandle	ECP, PNS, VPS	69	91	32.3%	18	94	418.1%
Salt Lake City	SLC	96	89	-7.2%	128	14	-88.7%
Raleigh / Durham	RDU	120	87	-26.9%	99	0	-100.0%
Jacksonville	JAX	108	87	-19.5%	44	23	-48.5%
Top 25		7,796	6,579	-15.6%	13,468	12,267	-8.9%
Others		2,978	3,159	6.1%	2,371	1,465	-38.2%
Total		10,774	9,738	-9.6%	15,839	13,732	-13.3%

Source: Cirium, Diio Mi: US DOT Origin and Destination Survey Data, accessed August 2022.

2.1.4 Airline Revenue Performance at the Airport

Airline performance at an airport can be measured primarily by four key airline revenue metrics: revenue per available seat mile, load factor, yield, and cost per available seat mile. Each of these airline metrics are summarized below.

- **Revenue per Available Seat Mile (RASM)** – RASM is the unit metric used by airlines, expressed in cents, to measure the amount of revenue received for each available seat mile (ASM). ASMs are measured by airlines for the purpose of determining capacity; one ASM unit equates to one seat flying one mile. For example, an aircraft with 100 seats operating on a route of 1,000 miles would equate to 100,000 ASMs. For the purposes of this analysis, RASM only measures passenger revenue derived from air fares and does not include other revenues received by airlines such as baggage fees.
- **Load Factor** – Load factor measures how an airline is performing on a specific route or in aggregate in terms of filling its available seat capacity. Load Factor is calculated as total revenue passenger miles (RPMs) divided by ASMs. RPMs are the general airline metric for measuring the number of miles traveled by paying passengers. For example, a revenue passenger flying one mile equates to one RPM.
- **Yield** – The last measure is airline yield or revenue per passenger mile (RPM). Yield (or RPM) is like RASM, however, yield measures revenue for each passenger-mile sold (RASM measures revenue for each passenger-mile available to be sold). Yield is the industry measurement for price, while load factor is a volume-related measurement. RASM factors in both and, thus, is considered the key airline revenue metric.
- **Cost per Available Seat Mile (CASM)** – CASM is the unit metric used by airlines, expressed in cents, to measure the overall efficiency of a route or the airline. CASM is derived by dividing the operating costs of an airline by ASM. Generally, the lower the CASM, the more profitable and efficient the airline. It is important to note that CASM data is generally only available on an airline-by-airline basis and is not available by airport or by specific routes, therefore it is not examined as part of this study.

In general, the higher the RASM or yield, and the lower the CASM, the more profitable an airline is assuming that the number of ASMs remain constant over time. Since an airline's revenue does not necessarily increase proportionately with the distance they fly, both RASM and yield will typically decrease as the overall length of the trip or stage length increases. Therefore, if an airline increases its overall stage length, it should be expected that RASM and yield will decrease. To account for this, RASM and yields have been adjusted based on the airline's average stage length. For the purposes of this Report and to normalize for varying stage lengths, all stage length adjusted (SLA)[26] values are expressed in a base of 1,000 miles.

Table 2-4 compares key airline revenue metrics for all U.S airlines and the six largest network airlines serving the Airport in YE March 2020 versus YE March 2022. As shown, key airline revenue metrics have exhibited decreases during the COVID-19 pandemic. Note that the data presented does not include airline ancillary fees for items such as ticket changes, checked bags, priority seating, etc., as this data is not available by airport. Over the years, U.S. airlines have realized significant revenues from these ancillary fees.

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[26] Stage length adjustments are a common practice used to normalize comparisons of passenger yields and revenue per available seat mile. Stage length adjustments for 1,000 miles are made using the formula:
SLA Value = Value * (observed length of haul/1000)$^{0.5}$.

Table 2-4 Key Airline Revenue Metrics at the Airport (YE March 2020 vs. YE March 2022)

	SLA Passenger RASM		Load Factor		SLA Yield	
Airline	YE March 2020	YE March 2022	YE March 2020	YE March 2022	YE March 2020	YE March 2022
Southwest Airlines	10.0¢	10.0¢	81%	84%	12.6¢	12.0¢
American Airlines	14.9¢	12.1¢	79%	79%	18.9¢	15.3¢
Delta Air Lines	14.4¢	12.1¢	78%	73%	18.4¢	16.5¢
United Airlines	15.7¢	13.5¢	82%	82%	19.3¢	16.6¢
Airport Average	**11.9¢**	**9.9¢**	**80%**	**80%**	**15.0¢**	**12.5¢**
National Average	**11.2¢**	**9.5¢**	**82%**	**80%**	**14.4¢**	**12.4¢**

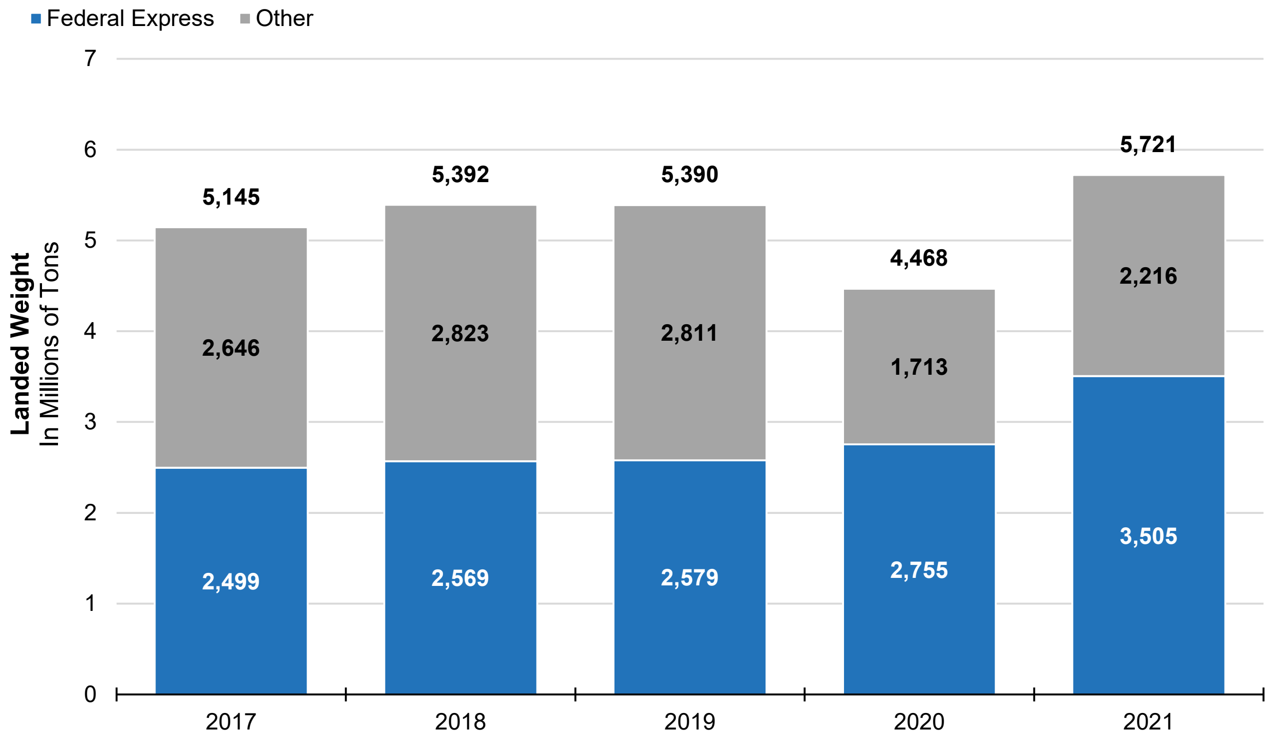
Notes: Data include regional affiliates, as applicable, and do not include airline ancillary fees such as charges for checked baggage, etc.
SLA Value = Value * (observed length of haul/1,000)$^{0.5}$
Source: Cirium, Diio Mi: US DOT Reports DB1A and T100, accessed August 2022.

The load factors at the Airport for nearly all the airlines have nearly fully returned to pre-pandemic levels apart from Delta Air Lines. However, SLA-RASM and SLA-Yield remain below pre-pandemic levels. This is a trend seen at nearly every airport in the U.S. as indicated by the national average. Data for the Airport generally remains at or above that of the nation. This suggests that the airlines overall are achieving revenues from service at the Airport that are generally in line or somewhat better than they are achieving overall in the U.S.

2.1.5 FedEx Operations at the Airport

The Airport was ranked as the 9th busiest cargo airport in the U.S. and 26th busiest worldwide in 2021 in large part due to FedEx's operations at the Airport as one of its national air cargo hubs. Historically, FedEx has handled more than 98% of the air cargo at the Airport. The Airport is FedEx's second busiest facility in the U.S., behind only MEM. In 2021, FedEx handled 1.3 million tons of air cargo at the Airport, up from 2019 representing an increase of 32.1%. In 2019, FedEx accounted for 47.8% of the aircraft landed weight at the Airport. Severe cutbacks in passenger operations compounded with increased demand for air cargo resulting from the COVID-19 pandemic resulted in a FedEx's landed weight to account for 61.3% of the landed weight at the Airport in 2021. **Figure 2-2** provides an overview of how aircraft landed weight has shifted due to the COVID-19 pandemic.

Figure 2-2 Aircraft Landed Weight by Group (2017 - 2021)



Note: Other includes passenger airlines and cargo carriers other than FedEx.
Source: Indianapolis Airport Authority, Airline Activity Report.

According to data from the U.S. Department of Transportation, FedEx had 21,696 departures from the Airport in 2021.[27] The top-25 FedEx destinations from IND accounted for approximately 70.5% of the air cargo handled in 2021. **Figure 2-3** provides a map of the top-25 destinations for FedEx with the size of the markers indicating the share of air cargo by weight in 2021. As shown, a majority of the air cargo from the Airport is being transported domestically with some to Europe.

27 Department of Transportation, US DOT Reports DB1A and T100.

Figure 2-3 Federal Express's Top-25 Destinations from the Airport (2021)

Source: Cirium, Diio Mi: US DOT Reports T100, accessed August 2022.

On September 15, 2022, FedEx provided a business update and announced preliminary financial results for the quarter ended August 31, 2022. In this report, FedEx indicated a revenue shortfall of approximately $500 million in FedEx Express relative to company forecasts, and FedEx Ground revenue was approximately $300 million below company forecasts. The company indicated that these results were adversely impacted by global volume softness that accelerated in the final weeks of the quarter. In response to these results, FedEx Corporation President and Chief Executive Officer, Raj Subramaniam, announced accelerating cost reduction initiatives as follows. [28]

- Reduction in flight frequencies and temporarily parking aircraft;
- Volume-related reductions in labor hours and other linehaul expenses;
- Consolidation of certain sort operations to drive productivity;
- Reduction of Sunday operations at a number of FedEx Ground locations;
- Cancellation of certain planned network capacity and other projects;
- Deferral of staff hiring;
- Closure of over 90 FedEx Office locations; and
- Identification of five corporate office facilities to be closed, with additional real estate rationalization planning under way.

[28] FedEx Reports Preliminary First Quarter Financial Results and Provides Update on Outlook, FedEx Corporation, September 15, 20022, https://investors.fedex.com/news-and-events/investor-news/investor-news-details/2022/FedEx-Reports-Preliminary-First-Quarter-Financial-Results-and-Provides-Update-on-Outlook/default.aspx, accessed September 2022

FedEx has notified the Authority that its planned expansion timeline at the Airport will extend as package delivery demand has slowed and capital spending is being evaluated and re-justified. At this time, it is difficult to determine what immediate impact this may have on FedEx's operation at the Airport. However, from a longer-term standpoint, the company indicated that these efforts are aligned with its strategy outlined in June, and it remains confident in achieving its fiscal year 2025 financial targets.[29] For more information on FedEx's facilities and lease at the Airport, see Section 3.1.4

2.2 Air Traffic Activity and Trends

This section analyzes historical trends in air traffic activity at the Airport including enplaned passengers, aircraft operations, cargo tonnage, and aircraft landed weight. It also discusses the primary factors affecting these trends. This section identifies, to the extent data are available, air traffic trends at the Airport that have been impacted by the COVID-19 pandemic.

2.2.1 Enplaned Passengers

Passenger activity at an airport drives numerous revenues and financial measures including such items as non-airline revenues (e.g., parking, rental cars, terminal concessions, etc.), Passenger Facility Charge (PFC) revenues, rental car Customer Facility Charge (CFC) revenues, and FAA Airport Improvement Program (AIP) entitlement grant distributions. Enplaned passengers are also the denominator for airline cost per enplaned passenger (CPE). The relationship of the enplaned passengers to the Airport's financial performance is discussed in more detail in Chapter 4 of this Report. **Table 2-5** presents the historical enplaned passengers at the Airport categorized by domestic and international for the period of 2013 through 2021.

2.2.1.1 2013 through 2019

Enplaned passengers at the Airport increased from 3.6 million in 2013 to 4.8 million in 2019, representing a CAGR of 4.8%. Since the Airport predominantly serves domestic traffic, most of the increase in passenger levels was domestic. International enplaned passengers increased at a significantly faster rate from 2013 to 2019 as compared to domestic enplaned passengers (a CAGR of 33.8% versus 4.5%, respectively). All of the major airlines at the Airport increased capacity except for United Airlines. Most notably, Southwest Airlines added more than 250,000 departing seats in 2015 and 2016 by adding service to Atlanta, Boston, Dallas, Washington, Los Angeles, and LaGuardia while also resuming service to MDW. Another major factor in the growth of the enplaned passengers at the Airport during this period was the introduction of Allegiant Air, the first ULCC to operate at the Airport.[30] The airline allowed for price conscience consumers to fly at a lower fare, which spurred more leisure traffic. By 2019, Allegiant Air was the fifth largest carrier at the Airport in terms of enplaned passengers.

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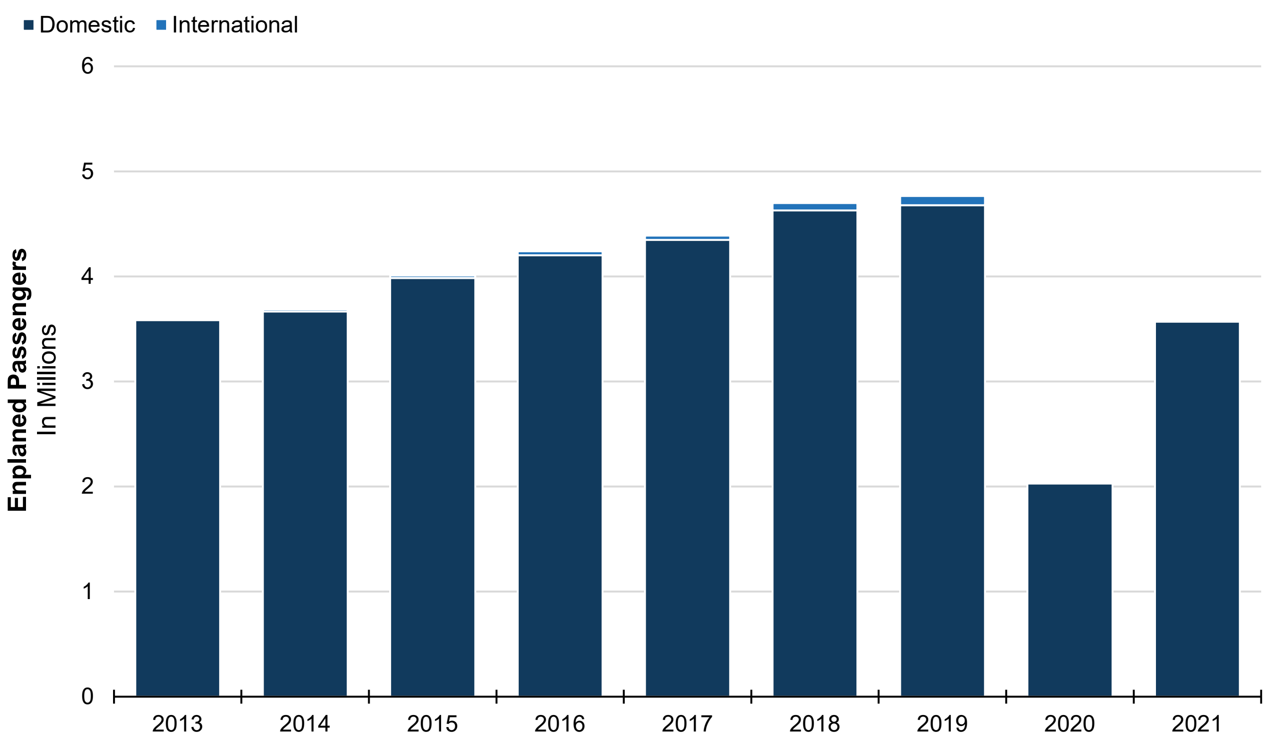
[29] Ibid.
[30] Frontier Airlines has operated at the Airport prior to 2015 but was not considered a LCC until it repositioned itself as a ULCC in 2015.

Table 2-5 Historical Enplaned Passengers (2013 – 2021)

Year	Domestic	International	Total	Year-Over-Year Growth Rate
2013	3,583,432	15,286	**3,598,718**	-2.4%
2014	3,665,139	21,106	**3,686,245**	2.4%
2015	3,986,393	21,863	**4,008,256**	8.7%
2016	4,202,845	36,983	**4,239,828**	5.8%
2017	4,347,571	39,961	**4,387,532**	3.5%
2018	4,627,807	69,317	**4,697,124**	7.1%
2019	4,677,815	87,594	**4,765,409**	1.5%
2020	2,028,325	16,139	**2,044,464**	-57.1%
2021	3,571,055	10,965	**3,582,020**	75.2%

Range	Average Annual Growth Rate		
2013-19	4.5%	33.8%	**4.8%**
2019-21	-12.6%	-64.6%	**-13.3%**
2013-21	0.0%	-4.1%	**-0.1%**

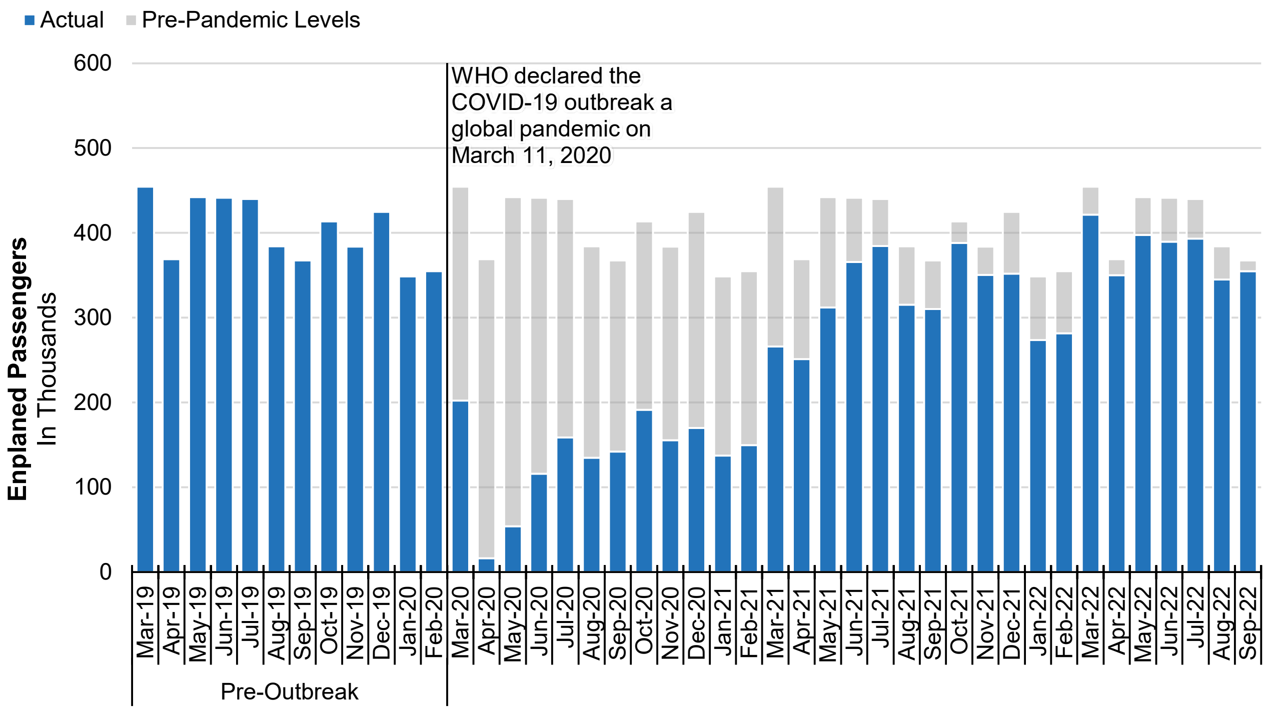


Source: Indianapolis Airport Authority, Airline Activity Report.

2.2.1.2 COVID-19 Pandemic Impact: 2020 through 2022

Beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. **Figure 2-4** presents the monthly enplaned passengers for the 12 months prior to the pandemic through September 2022. As shown, in March 2020, enplaned passengers decreased by 55.5% from March 2019. The decrease continued into April when enplaned passengers were 95.6% lower than April 2019. Overall, enplaned passengers decreased by 57.1% in 2020 as compared to 2019 levels with most of the impact occurring after mid-March 2020 when the impacts from the COVID-19 pandemic generally took hold in the U.S. In May 2020, enplaned passengers at the Airport started a recovery towards pre-pandemic levels. In December 2021, enplaned passengers were down 17.2% when compared to December 2019. For the entire year 2021, enplaned passengers decreased by 24.8% as compared to 2019. For the nine months of 2022, enplaned passengers were down 9.5% as compared to the same period in 2019. In September 2022, enplaned passengers were approximately 96.5% of September 2019 levels.

Figure 2-4 Monthly Enplaned Passengers (March 2019 – September 2022)



Note: World Health Organization (WHO).
Source: Indianapolis Airport Authority, Airline Activity Report.

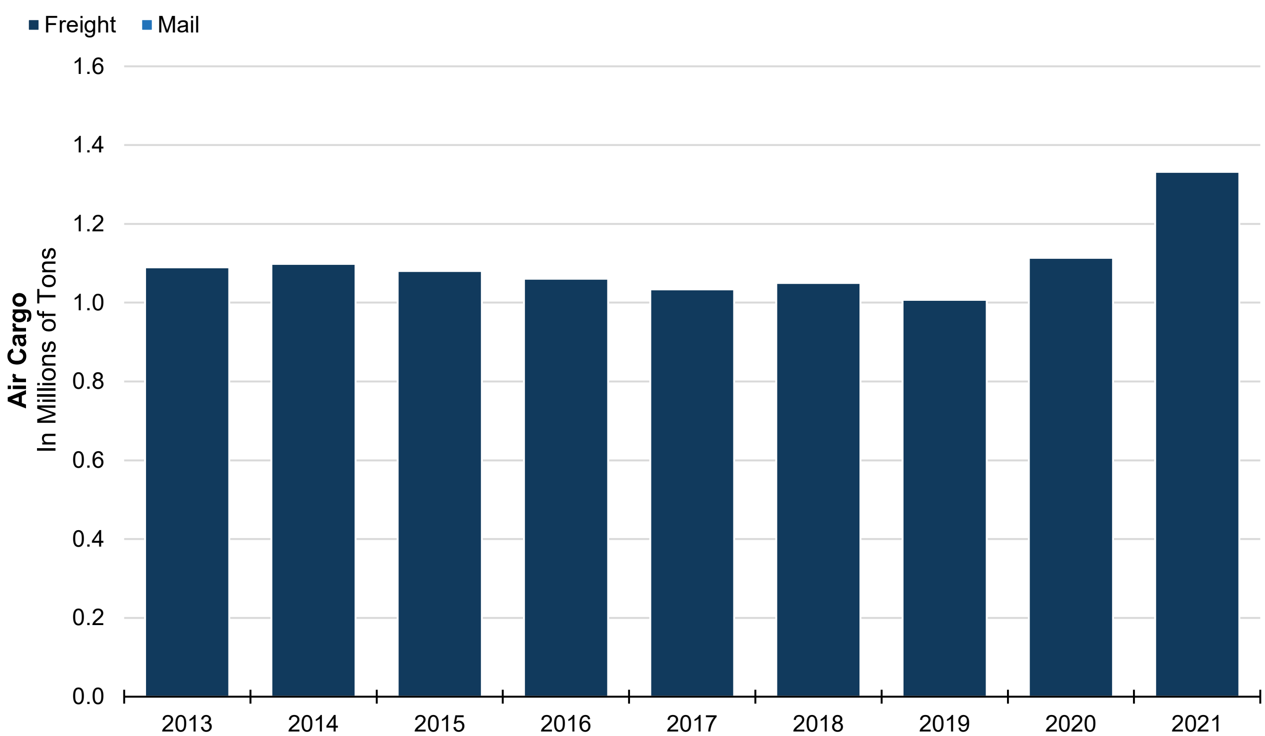
2.2.2 Air Cargo Tonnage

Increases in air cargo can drive increases in aircraft operations and aircraft landed weight at the Airport. **Table 2-6** presents the air cargo at the Airport from 2013 through 2021. Air cargo at airports is comprised of two segments: air mail and air freight. Air mail refers to parcels that are carried by aircraft as part of a contract with the U.S. Postal Service. Air freight refers to all air cargo that is not air mail. Since 2013, less than one percent of the total air cargo processed at IND was air mail given the significant air freight operations by FedEx at the Airport.

Table 2-6 Historical Air Cargo Tonnage (2013 – 2021)

Year	Air Freight	Mail	Total	Year-Over-Year Growth Rate
2013	1,090,203	2,749	**1,092,952**	7.5%
2014	1,098,860	3,381	**1,102,241**	0.8%
2015	1,080,655	4,202	**1,084,857**	-1.6%
2016	1,061,291	3,823	**1,065,114**	-1.8%
2017	1,033,914	4,701	**1,038,615**	-2.5%
2018	1,050,111	4,655	**1,054,766**	1.6%
2019	1,007,472	3,353	**1,010,825**	-4.2%
2020	1,114,296	2,404	**1,116,700**	10.5%
2021	1,332,220	1,890	**1,334,110**	19.5%

Range		Average Annual Growth Rate		
2013-19	-1.3%	3.4%	**-1.3%**	
2019-21	15.0%	-24.9%	**14.9%**	
2013-21	2.5%	-4.6%	**2.5%**	



Source: Indianapolis Airport Authority, Airline Activity Report.

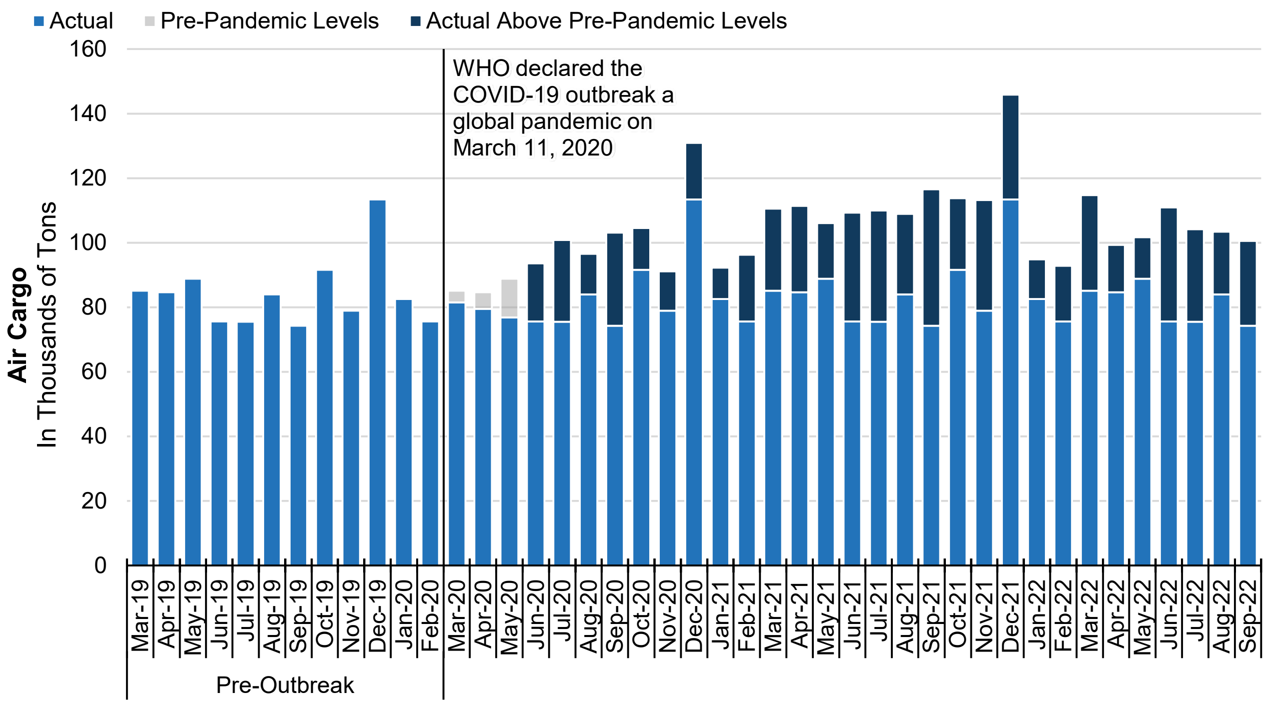
2.2.2.1 2013 through 2019

From 2013 through 2019, air cargo at the Airport had remained relatively unchanged. During this period, approximately 1.1 million tons of air cargo was handled at the Airport per year.

2.2.2.2 COVID-19 Pandemic Impact: 2020 through 2022

In contrast to enplaned passengers, after a brief disruption, air cargo activity increased significantly during the pandemic as demand for goods increased. **Figure 2-5** depicts the monthly air cargo for the 12 months prior to the pandemic through September 2022. As shown, in September 2020, air cargo was 38.8% higher than September 2019. Since June 2020, air cargo has consistently been significantly higher than pre-pandemic levels, averaging 28.6% higher. For the entire year 2021, air cargo was 32.1% higher than 2019. In September 2022, air cargo was 35.4% higher as compared to September 2019.

Figure 2-5 Monthly Air Cargo (March 2019 – September 2022)



Source: Indianapolis Airport Authority, Airline Activity Report.

2.2.3 Aircraft Operations

Airlines' decisions on aircraft type and the number of operations to accommodate passenger demand ultimately determine overall aircraft landed weight. Airlines are constantly evaluating how to best serve passenger demand with their available aircraft fleet. In markets that exhibit strong business travel, an airline may decide to operate smaller aircraft on a route several times per day to offer customers more choice and redundancy. In other cases, an airline may choose to offer larger aircraft and less frequency. Airlines also make decisions to change aircraft capacity on routes in response to load factors and profitability. Aircraft fleet mix and operations are important considerations for airport operators when planning for the appropriately sized airport facilities and to ensure the airport has sufficient capacity to accommodate operations in the future. **Table 2-7** presents the aircraft operations at the Airport from 2013 through 2021. Commercial aircraft operations at the Airport refers to commercial passenger and all-cargo aircraft operations. Non-commercial aircraft operations at the Airport refers to general aviation (GA) and military aircraft operations.

2.2.3.1 2013 through 2019

The Great Recession[31] forced airlines to re-examine their operations in an effort to remain financially sound. As a result, many airlines implemented cost-saving measures and eliminated many poor performing routes with low load factors. Additionally, airlines opted to use larger aircraft where feasible. Small regional jets (aircraft with 50 or fewer seats) were retired at an accelerated rate. From 2013 through 2015, aircraft operations declined slightly as airlines increased the average number of seats to accommodate the increasing passenger traffic and Southwest Airlines cut capacity as a result of its merger with AirTran Airways. According to the U.S. Department of Transportation Air Carrier Statistics database (T-100), the average number of seats on departing aircraft at the Airport increased from an average of 91.0 seats in 2013 to 105.1 seats in 2015. However, accelerated passenger growth has resulted in an increase in aircraft operations through 2019. In 2019, the average number of seats per scheduled aircraft departure reached 110.3. The result is that commercial aircraft operations increased from 2013 through 2019 at a CAGR of 2.5%. From 2011 to 2019, GA aircraft operations have decreased at a CAGR of -2.5% and military aircraft operations decreased from at a CAGR of -4.9%.

2.2.3.2 COVID-19 Pandemic Impact: 2020 through 2022

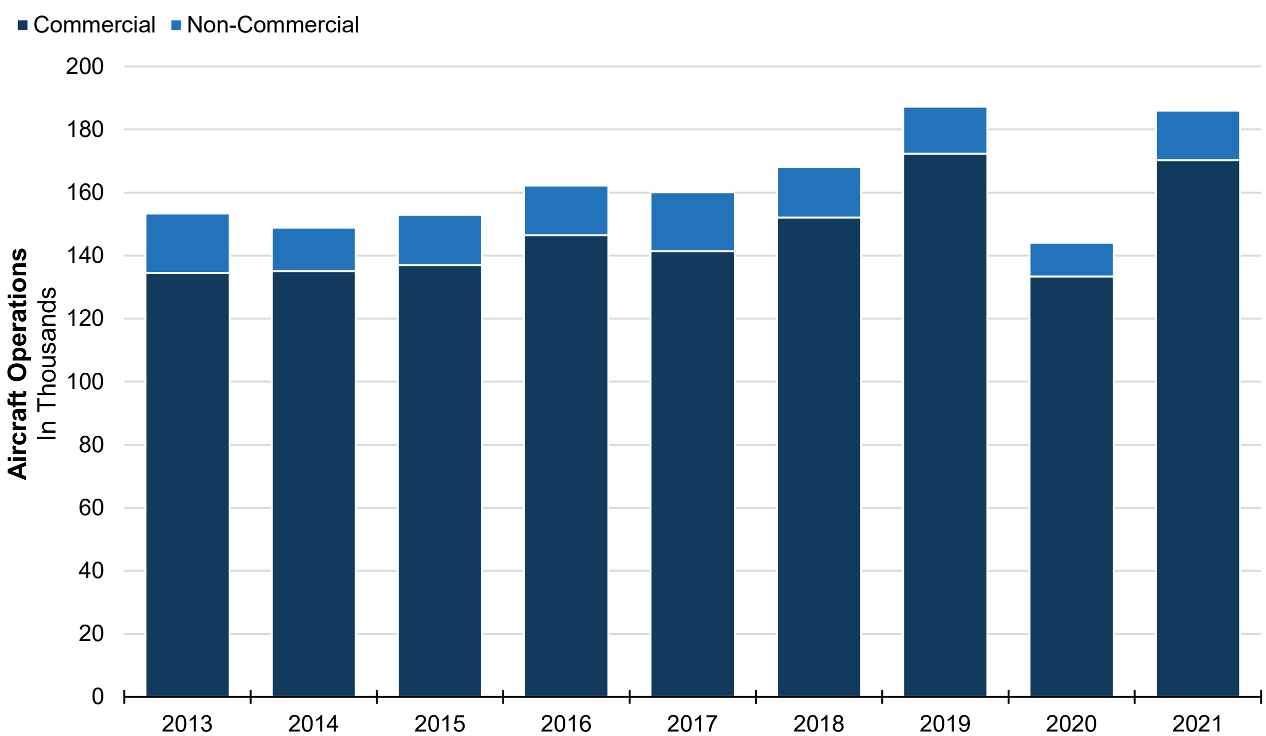
In response to the significant decrease in enplaned passengers in the U.S. and at the Airport during 2020-22 as a result of the COVID-19 pandemic, the airlines reduced the number of daily flights. **Figure 2-6** depicts the monthly aircraft operations beginning 12 months prior to the pandemic through September 2022. As shown, starting in March 2020, aircraft operations decreased by approximately 8.1% from March 2019, compared to 55.5% for enplaned passengers. Normally, aircraft operations would be more directly related to enplaned passengers. However, there was an initial reluctance to remove flights from flight schedules because of the implementation of social distancing practices (i.e., restricting the use of middle seats in some cases). Additionally, the cargo operations provided primarily by FedEx remained at a relatively consistent level during this time. The decrease continued into April 2020 and May 2020 when aircraft operations were 60.3% and 61.6% lower than the same months in the prior year, respectively. Aircraft operations in April 2021 exceeded its pre-pandemic levels for the first time with 3.9% more aircraft operations than April 2019. Since then, there have only been three months (May 2021, December 2021, and February 2022) where aircraft operations dropped below pre-pandemic levels. For the entire year 2021, aircraft operations were 0.7% below those in 2019. In September 2022, aircraft operations were 2.8% higher as compared to September 2019.

[31] The Great Recession was a major U.S. economic recession that occurred between December 2007 and June 2009.

Table 2-7 Historical Aircraft Operations (2013 – 2021)

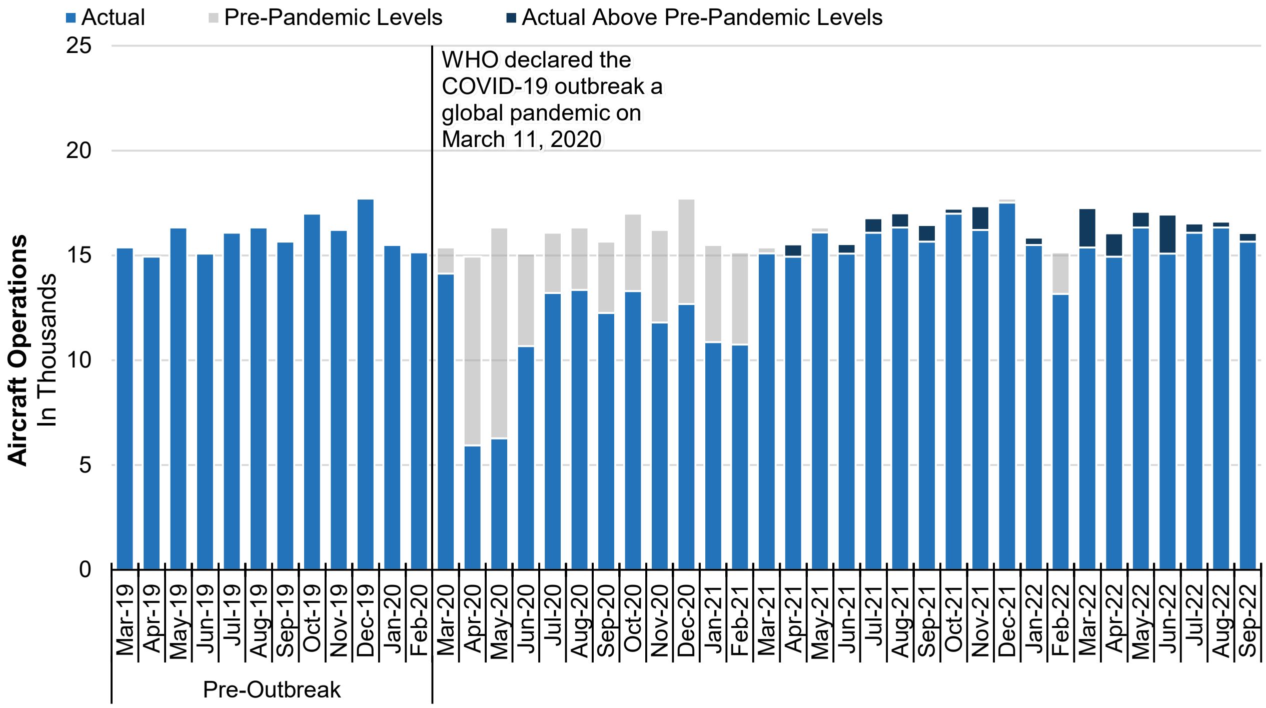
Year	Air Carrier	Air Taxi	General Aviation	Military	Total	Year-Over-Year Growth Rate
2013	99,691	34,850	15,182	3,659	**153,382**	-3.0%
2014	102,036	32,961	13,172	730	**148,899**	-2.9%
2015	112,834	24,157	15,174	772	**152,937**	2.7%
2016	122,388	23,996	15,196	631	**162,211**	6.1%
2017	123,870	17,530	14,652	3,997	**160,049**	-1.3%
2018	127,309	24,796	15,044	984	**168,133**	5.1%
2019	125,093	47,231	14,102	858	**187,284**	11.4%
2020	92,360	41,035	9,953	730	**144,078**	-23.1%
2021	120,606	49,683	14,871	810	**185,970**	29.1%

Range	Average Annual Growth Rate				
2013-19	3.9%	5.2%	-1.2%	-21.5%	**3.4%**
2019-21	-1.8%	2.6%	2.7%	-2.8%	**-0.4%**
2013-21	2.4%	4.5%	-0.3%	-17.2%	**2.4%**



Source: Indianapolis Airport Authority, Airline Activity Report.

Figure 2-6 Monthly Aircraft Operations (March 2019 – September 2022)



Source: Indianapolis Airport Authority, Airline Activity Report.

2.2.4 Aircraft Landed Weight

Aircraft landed weight, as expressed in 1,000-pound units, is the sum of the maximum gross certificated landing weight as certified by the FAA for passenger and all-cargo aircraft landing at the Airport. Per the agreements with the airlines that operate at the Airport, aircraft landed weight is used as the denominator in the calculation of landing fees that are used to recover the net costs of the Airport. Therefore, landed weight is an important measure for the Airport as it provides a method to recover costs from each airline based on its share of landed weight. **Table 2-8** presents the landed weight at the Airport from 2013 through 2021.

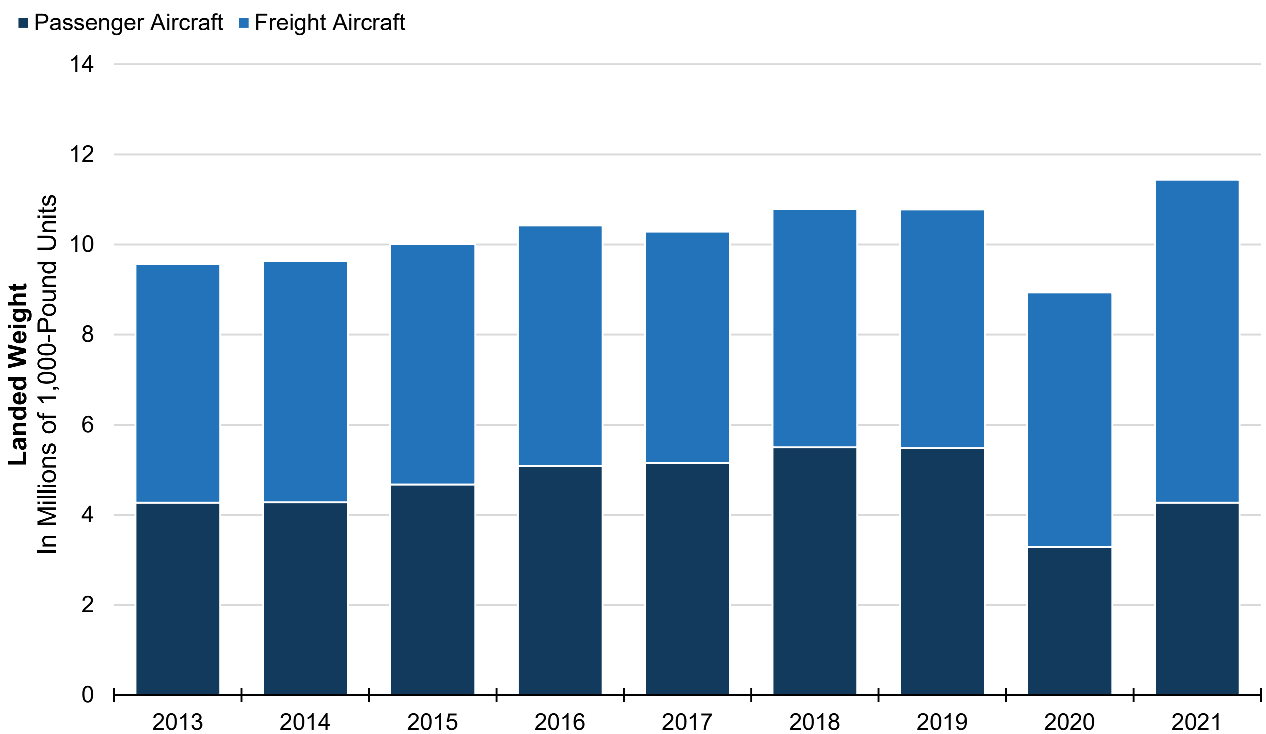
2.2.4.1 2013 through 2019

Aircraft landed weight at the Airport increased from 9.6 million (as expressed in 1,000-pound units) in 2013 to 10.8 million 1,000-pound units in 2019, representing a CAGR of 2.0%. This growth was mostly attributed to passenger airlines which increased at a CAGR of 4.2% but freight operations also contributed slightly to landed weight growth

Table 2-8 Historical Landed Weight (2013 – 2021; expressed in 1,000-pound units)

Year	Passenger Airlines	Freight Aircraft	Total	Year-Over-Year Growth Rate
2013	4,274,786	5,291,290	**9,566,076**	1.8%
2014	4,280,224	5,356,686	**9,636,910**	0.7%
2015	4,676,484	5,335,588	**10,012,072**	3.9%
2016	5,088,062	5,334,670	**10,422,732**	4.1%
2017	5,150,054	5,139,114	**10,289,168**	-1.3%
2018	5,501,644	5,282,888	**10,784,532**	4.8%
2019	5,475,524	5,304,330	**10,779,854**	0.0%
2020	3,282,244	5,653,986	**8,936,231**	-17.1%
2021	4,271,668	7,169,790	**11,441,458**	28.0%

Range	Average Annual Growth Rate			
2013-19	4.2%	0.0%	**2.0%**	
2019-21	-11.7%	16.3%	**3.0%**	
2013-21	0.0%	3.9%	**2.3%**	

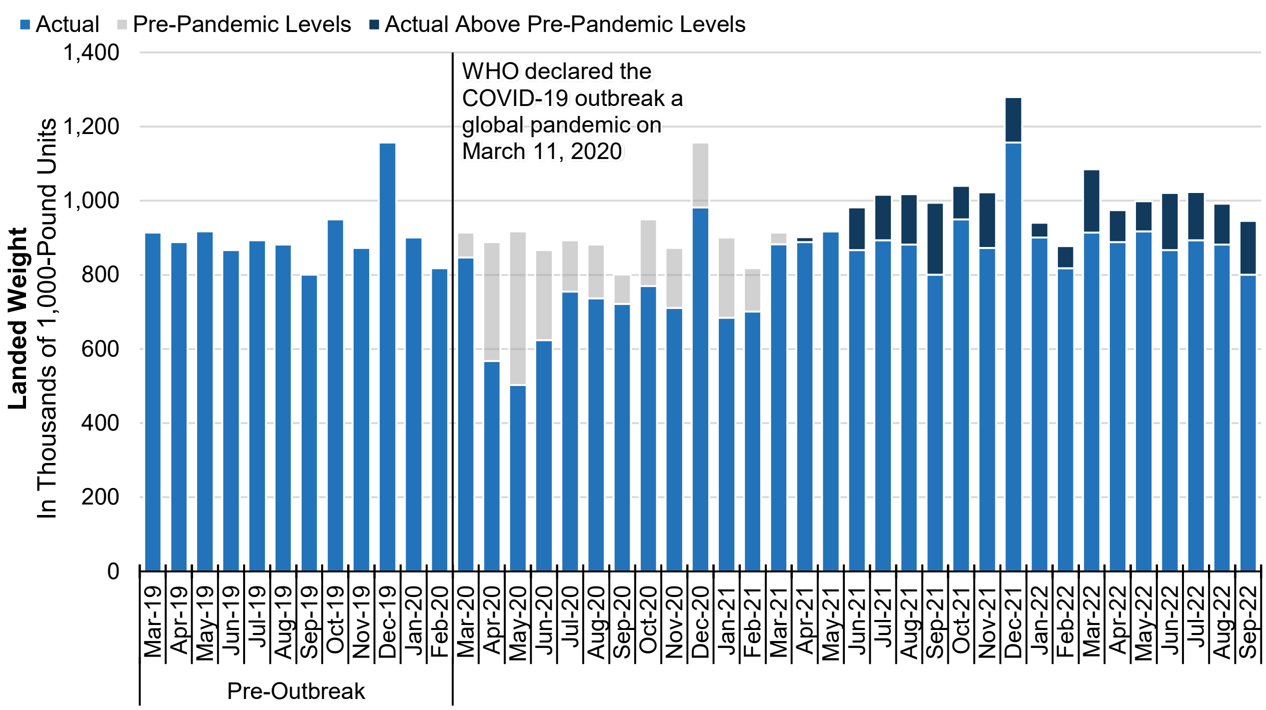


Source: Indianapolis Airport Authority, Airline Activity Report.

2.2.4.2 COVID-19 Pandemic Impact: 2020 through 2022

Figure 2-7 depicts the monthly aircraft landed weight beginning 12 months prior to the pandemic through September 2022. As shown, starting in March 2020, aircraft landed weight decreased by approximately 7.3% from March 2019, compared to 55.5% for enplaned passengers, 4.3% for air cargo, and 8.1% for aircraft operations. The decrease continued into May when aircraft landed weight was 45.2% lower than May 2019. Since May 2020, aircraft landed weight at the Airport has recovered and is now above pre-pandemic levels. Aircraft landed weight in April 2021 exceeded its pre-pandemic levels for the first time with 1.5% from July 2019 and has not since dropped below pre-outbreak levels, mainly due to strong recovery in freight aircraft landed weight. For the entire year 2021, aircraft landed weight was 6.1% higher than in FY 2019. It should be noted that passenger aircraft landed weight was down 22.0% while freight aircraft landed weight was up 35.2%. In September 2022, aircraft landed weight was 18.1% higher as compared to September 2019.

Figure 2-7 Monthly Landed Weight (March 2019 – September 2022)



Source: Indianapolis Airport Authority, Airline Activity Report.

2.3 Key Factors Affecting Air Traffic Demand

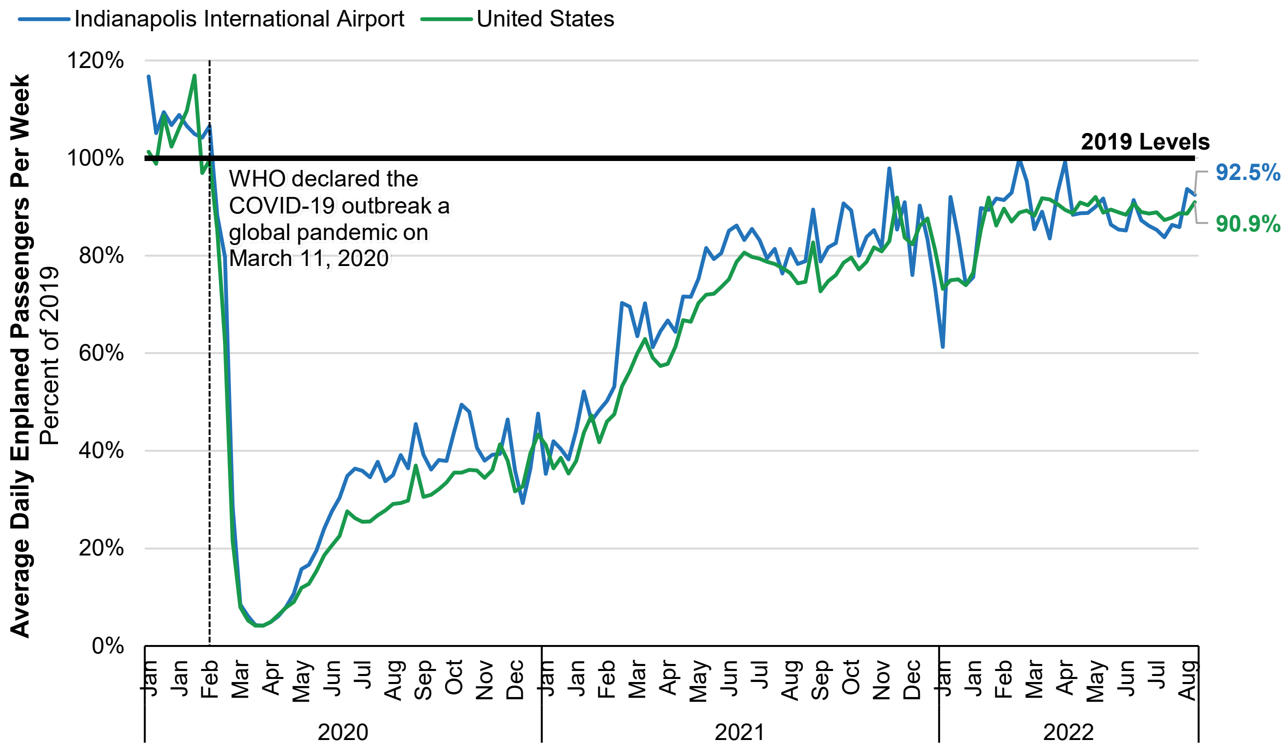
The following section addresses certain key factors that could impact air traffic activity, both nationwide and at the Airport.

2.3.1 The COVID-19 Pandemic

While passenger traffic, and to a lesser extent aircraft operations and landed weight, was dramatically affected by the impacts associated with the COVID-19 pandemic initially, it started to slowly recover during late spring of 2020. However, during the fall of 2020, the recovery seemed to stall before more recovery during the holiday season in 2020. The recovery of air traffic nationwide slowed again during the early winter months in 2020 and 2021 but had a more rapid recovery over the rest of 2021. Travel over the holiday season in 2021/2022 was initially strong; however, airline staffing issues caused in part by COVID-19 variants, along with winter weather, caused many flight cancelations and delays, which resulted in decreases in enplaned passengers in early 2022. The ongoing effects of the COVID-19 pandemic have resulted in and are expected to continue to result in fluctuations to certain routes and service at the Airport due to factors including seasonality, demand, public health, labor and staffing availability, and other considerations.

Figure 2-8 depicts the impacts associated with the COVID-19 pandemic to passenger checkpoint throughput at both the Airport and for the overall U.S based on data from the TSA. This figure presents the recovery trend for passenger checkpoint throughput as a percent of 2019 levels. As shown, the impact to the Airport's passenger checkpoint throughput tracked closely with the nationwide trend early in the pandemic, decreasing to an unprecedented trough of around -95.7% of the prior year's levels in April 2020. Starting in May 2020, TSA checkpoint throughput for the Airport and the U.S. started to slowly recover. In the summer of 2021, the rate of recovery at the Airport was very similar to the national average. Since the spring of 2022, throughput remained around 85%-90% of pre-pandemic levels. Week 34 (or the week starting August 22, 2022), the Airport was 92.5% of 2019 TSA checkpoint throughput, while the overall U.S. was at 90.9%.

Figure 2-8 Comparison of Airport and U.S. Monthly TSA Checkpoint Throughput (Week 1 2020 – Week 34 2022)



Sources: Indianapolis Airport Authority, accessed September 2022.
Transportation Security Administration, accessed September 2022.

2.3.2 Economic Conditions and Events

Historically, the U.S. economy, as measured by GDP, has generally grown at a relatively steady rate, averaging 3.1% per annum between 1960 and 2019. The rate of growth had been remarkably stable reflecting both the size and growth maturity of the U.S. economy. Individual years have fluctuated from the long-term trend for a variety of reasons including macroeconomic factors, fuel shocks, war, and terrorist attacks.

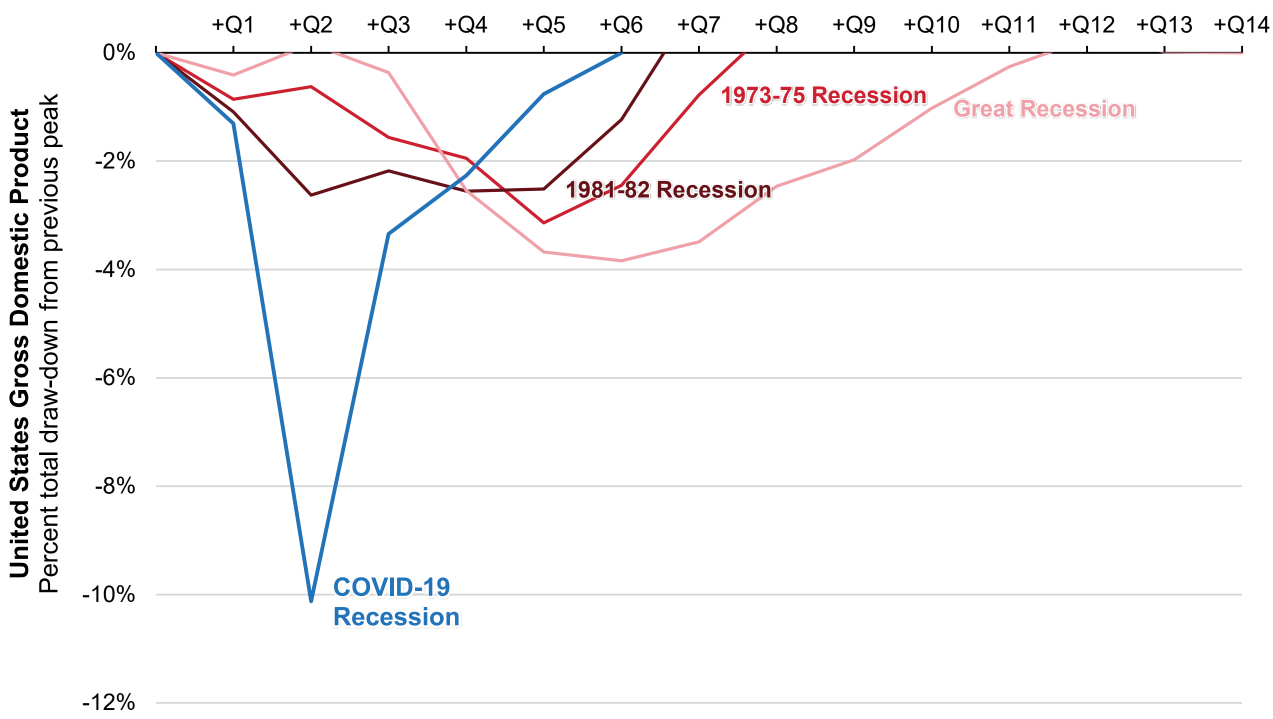
Prior to 2020, there were two official economic recessions in the U.S. in the 21st century. The first occurred between March 2001 and November 2001 and was compounded by the September 11, 2001 terrorist attacks. The negative impact of these events on the airline industry is well documented. This recession itself was short-lived by historical standards and the economy returned to positive growth quickly, fueled by a gradual but prolonged reduction in interest rates. The second, known as the Great Recession occurred between December 2007 and June 2009.[32] As a result of the Great Recession, the nation's unemployment rate rose from 5.0% in December 2007 to a high of 10.0% in October 2009.[33]

32 National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, September 20, 2010.
33 Ibid.

The outbreak of COVID-19 in early 2020 and the declaration of a pandemic by the WHO on March 11, 2020, coupled with the subsequent travel restrictions led to disruptions of economies around the world, resulted in dramatic increases in unemployment and significant decreases in air traffic. Business failures, significant worker layoffs, and consumer business bankruptcies have occurred. According to the Bureau of Economic Analysis (BEA), real GDP decreased at an annual rate of 31.4% in the second quarter of 2020 after decreasing by 5.0% in the first quarter of 2020. In comparison, the worst decrease in GDP during the Great Recession was 8.4% in the fourth quarter of 2008. There was significant recovery in GDP in the third quarter of 2020, increasing 33.4%. Growth was followed by increases of 4.3% in the fourth quarter of 2020, 6.3% in the first quarter of 2021, and 6.5% in the second and third quarters of 2021. In the second quarter of 2021, GDP exceeded the level experienced in the fourth quarter of 2019. **Figure 2-9** depicts the magnitude of the impact the COVID-19 pandemic has had on the U.S. economy when compared to other past recessions.

Current estimates for GDP show a contraction in the first two quarters of 2022. Traditionally, two consecutive quarters of contraction is the benchmark used to determine if a country has entered a recession. The National Bureau of Economic Research defines a recession as a significant decline in economic activity that is spread across the economy and lasts more than a few months.[34] Economic markers such as unemployment (which fell to 3.5% in July), rising wages, and consumer spending indicate that the economy is stronger than what is indicated by the contraction in GDP.

Figure 2-9 Major U.S. Economic Recessions with Recoveries Lasting at Least Six Months

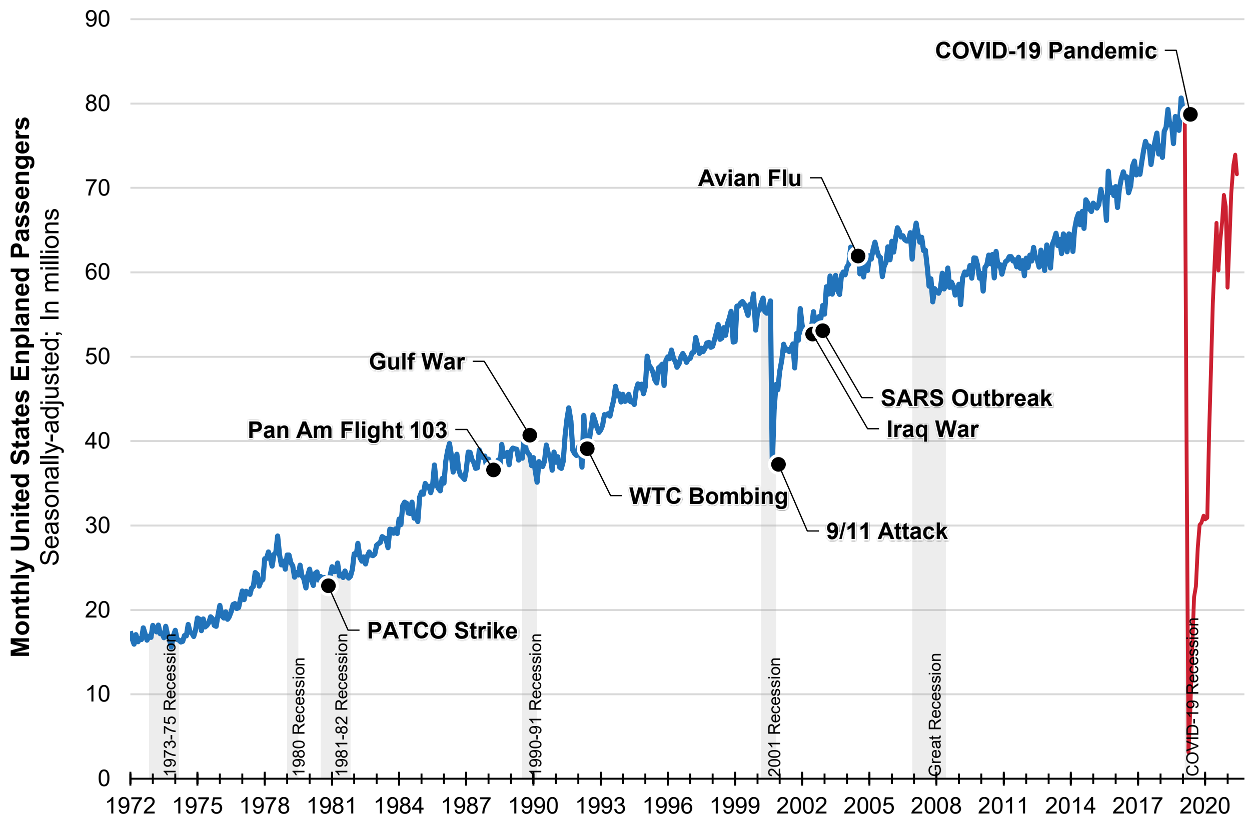


Source: U.S. Bureau of Economic Analysis, National Income and Product Accounts, June 2022.

34 National Bureau of Economic Research, Business Cycle Dating,

Figure 2-10 shows how enplaned passenger traffic in the U.S. has reacted to economic contractions and other events. During periods of economic contractions and exogenous events, there is a notable decline in passenger volumes, and during the subsequent economic expansions and recovery periods, there is significant growth in passenger volumes. Additionally, exogenous shocks such as terrorist attacks have generally had a short but significant impact on passenger volumes. As presented in this figure, the COVID-19 pandemic has been the most disruptive event to impact aviation in history. There is still much uncertainty around when air traffic on a national level will recover to "pre-COVID-19" levels. However, it is assumed that the ultimate ability to reach manageable infection rates of COVID-19 throughout the world will play a significant role in restoring passenger confidence in air travel and airlines being able to return to pre-COVID-19 levels.

Figure 2-10 U.S. Aviation System Shocks and Recoveries (through June 2022)

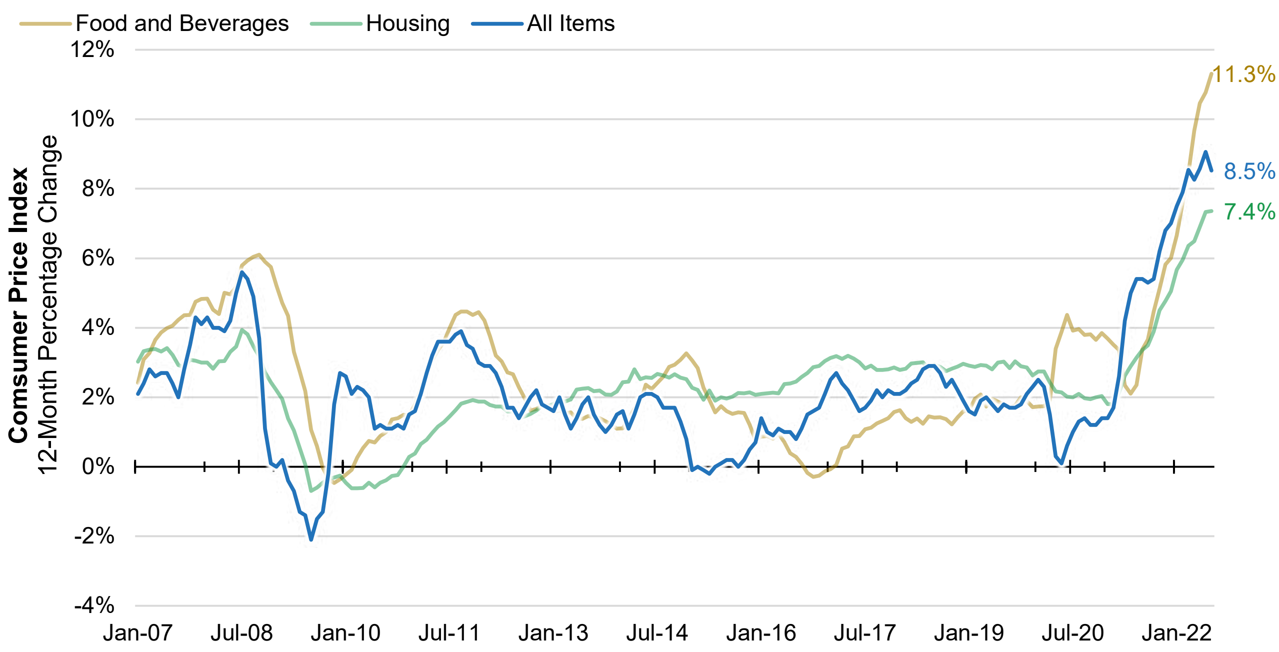


Note: Excludes non-revenue enplaned passengers.
Source: U.S. Bureau of Transportation Statistics, U.S. Air Carrier Traffic Statistics; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions.

The war between Russia and Ukraine, which started in late February 2022, is expected to have further impacts to the global economy and, potentially, international passenger demand to the region. The conflict and related sanctions are expected to reduce global trade, investment, and overall economic activity and there is still uncertainty regarding the impacts of the war, its potential reach, and its duration. The International Air Transport Association (IATA) estimates up to roughly one percentage point of global GDP growth to be lost.[35] Though Russia and Ukraine are important to the world economy as large exporters of energy, precious metals, wheat, and other commodities, the two together account for less than 2% of global GDP. Most major economies have only limited trade exposure to Russia; only 0.5% of U.S. trade is with Russia. The economy of Russia, on the other hand, is likely to see a double-digit contraction this year, and for Ukraine the outcome will in all probability be worse still. Historically, the Airport has not had nonstop service to cities in Russia or Ukraine.

Increases in inflation can have a negative impact on passenger traffic, especially if inflation increases at a faster rate than income. The consumer price index (CPI) is a measure of the average change over time in the prices paid by urban consumers for consumer goods and services. Consumer prices began to increase in April 2021 as the country continued to recover from the recession associated with the COVID-19 pandemic, driven in large part by rising fuel and food prices. Global supply chain issues also attributed to increases to the CPI. The average cost of goods and services began to climb at an accelerated rate beginning June 2021 with items like food, fuel, and housing being directly impacted. In July 2022 the CPI increased to 8.5% over July 2021. **Figure 2-11** graphically depicts how CPI in the U.S. has changed since January 2007. In recent months, inflation has reached historically high levels that have not been experienced for approximately 40 years.

Figure 2-11 Consumer Price Index (January 2007 – June 2022)



Source: U.S. Bureau of Labor Statistics, Consumer Price Index (CPI) Databases.

35 https://www.iata.org/en/iata-repository/publications/economic-reports/the-impact-of-the-conflict-between-russia-and-ukraine-on-aviation/. Accessed March 23, 2022.

At present, there is much uncertainty around the global economy and the events currently unfolding with the COVID-19 pandemic, the war between Russia and Ukraine, a global recession, oil prices, and inflation. Future waves of COVID-19, a prolonged or expansion of the war beyond Russia and Ukraine, oil prices, other socioeconomic conditions, and their impacts to the global economy could have a further negative impact on national and Airport air passenger demand in the future.

2.3.3 The U.S. Airline Industry

2.3.3.1 Airline Profitability

In 2008 and 2009, the U.S. airline industry decreased capacity, particularly in short-haul markets with smaller, short range aircraft types. The result has been significant improvement in yields, RASM, and subsequent airline profitability prior to outbreak of the COVID-19 pandemic. In the years prior to the COVID-19 pandemic, the U.S. airline industry had been at its most stable, profitable point in history. According to the Bureau of Transportation Statistics (BTS), the 23 U.S. scheduled passenger airlines reported a pre-tax net operating profit of $15.8 billion in CY 2019, which was a 19.7% increase from 2018 and marked the eleventh consecutive year of pre-tax operating profits. The scheduled passenger airlines reported an operating profit margin of 7.5% in 2019, which was up from 6.3% in 2018.[36] Profitability during this period can also be attributed to airlines unbundling services and increasing the use of ancillary fees such as charges for checked baggage.

As a result of the impacts of the COVID-19 pandemic, U.S. airlines incurred record losses in 2020 and into 2021. The U.S. DOT has reported that U.S. scheduled passenger airlines reported four straight quarter after-tax net loss beginning in the second quarter of 2020. For four quarters ending first quarter 2021, airlines experienced an after-tax net loss of $34.0 billion.[37] However, U.S. airlines had a $1.0 billion profit in the second quarter of 2021, the first profit since the beginning of the COVID-19 pandemic, followed by a $2.7 billion profit in the third quarter of 2021.[38] The International Air Transport Association (IATA) estimates that globally airlines lost $126.4 billion in 2020. In 2021, IATA projects losses to be cut to $47.7 billion as revenues rise to $458 billion.[39] To help support U.S. air carriers through this crisis, which is evident by the recent financial performance stated above, in March 2020, the U.S. Senate passed by unanimous vote the CARES Act. Under Title IV of the CARES Act, Congress approved $500 billion in federal assistance to severely distressed sectors of the economy as part of the larger $2 trillion stimulus package. The approved programs include $61 billion to the airline sector as follows:

i) $29 billion in loans and loan guarantees for air carriers, FAA Part 145 aircraft repair stations and ticket agents;

ii) $32 billion in payroll protection grants for air carriers and their contractors; and

iii) Relief to air carriers from federal excise taxes that apply to transporting passengers and cargo and the purchase of aviation jet fuel.

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36 Bureau of Transportation Statistics, 2019 Annual and 4th Quarter U.S. Airline Financial Data.

37 Bureau of Transportation Statistics, U.S. Airlines Narrow Net Loss in 1st Quarter 2021 from 4th Quarter 2020, https://www.bts.gov/newsroom/us-airlines-narrow-net-loss-1st-quarter-2021-4th-quarter-2020.

38 Bureau of Transportation Statistics, U.S. Airlines' Net Profit in 3rd Quarter 2021 Nearly Triples 2nd Quarter, https://www.bts.gov/newsroom/us-airlines-net-profit-3rd-quarter-2021-nearly-triples-2nd-quarter.

39 International Air Transport Association, Reduced Losses but Continued Pain in 2021, https://www.iata.org/en/pressroom/pr/2021-04-21-01/

The $25 billion to passenger air carriers, $4 billion to cargo air carriers, and $3 billion to contractors were allocated for support under CARES Act funds.[40] As a condition of accepting these funds, U.S. airlines were required to (1) refrain from imposing involuntary furloughs on U.S.-based employees or reducing employee pay or benefits through September 30, 2020; (2) maintain certain limitations on executive compensation through March 24, 2022; (3) suspend the payment of dividends or other distributions and cease stock buybacks through September 30, 2021; and (4) continue service as is reasonable and practicable under DOT regulations. Enacted on December 27, 2020, the Consolidated Appropriations Act (including CARES) created the Payroll Support Program Extension (PSP2) which allocated another $15 billion to passenger air carriers and $1 billion to contractors. Most recently, the American Rescue Plan Act of 2021 extended assistance to passenger air carriers and contractors that received financial assistance under PSP2 for an additionally $14 billion and $1 billion respectively.

Jet fuel prices have risen sharply since the start of the Ukraine war, and upward pressures on fuel prices are expected to continue. Based on U.S. DOT Form 41 data for 2021, fuel costs represented just over 33% of airlines' operating expenses. All airlines will be directly impacted by the rising jet fuel prices and have two options in terms of managing the increased cost of fuel; they must either absorb the costs themselves, which will further impact airline profit margins, or pass the higher fuel costs on to passengers through higher air fares which could reduce demand for air travel.

As discussed above, it is expected that the airlines will continue to experience financial distress for the foreseeable future until air traffic is able to recover to reasonable levels. It is generally assumed that the airlines will continue to right-size capacity to meet demand and evolve business models in the near-term.

2.3.3.2 Airlines Bankruptcies and Mergers

Over the past two decades, the U.S. airline industry has undergone a significant transformation. Although it had been profitable in recent years prior to the COVID-19 pandemic, the U.S. airline industry cumulatively experienced losses of approximately $62 billion from 2000 through 2009 on domestic operations. Many airlines filed for Chapter 11 bankruptcy protection and some ceased operations altogether. During this period, airlines suffered from excess capacity, which drove down yields. Yields adjusted for inflation had dropped by approximately 70%. With oil prices spiking to near $150 per barrel in 2008, industry changes were critical. As a result, all the major network airlines restructured their route networks and reached agreements with lenders, employees, vendors, and creditors to decrease their cost structure.

As discussed above, the airlines have experienced significant financial difficulty given the significant passenger decreases caused by COVID-19 pandemic. As of December 9, 2021, five U.S. airlines including three regional carriers and one charter airline have ceased operations primarily as a result of the COVID-19 pandemic.[41] As of June 2022, no U.S. scheduled mainline passenger airline has filed for Chapter 11 or ceased operations. However, given the ongoing financial struggles and the uncertain recovery of air traffic, it is possible that airlines may file for bankruptcy protection or potentially cease operations in the future primarily as a result of the COVID-19 pandemic.

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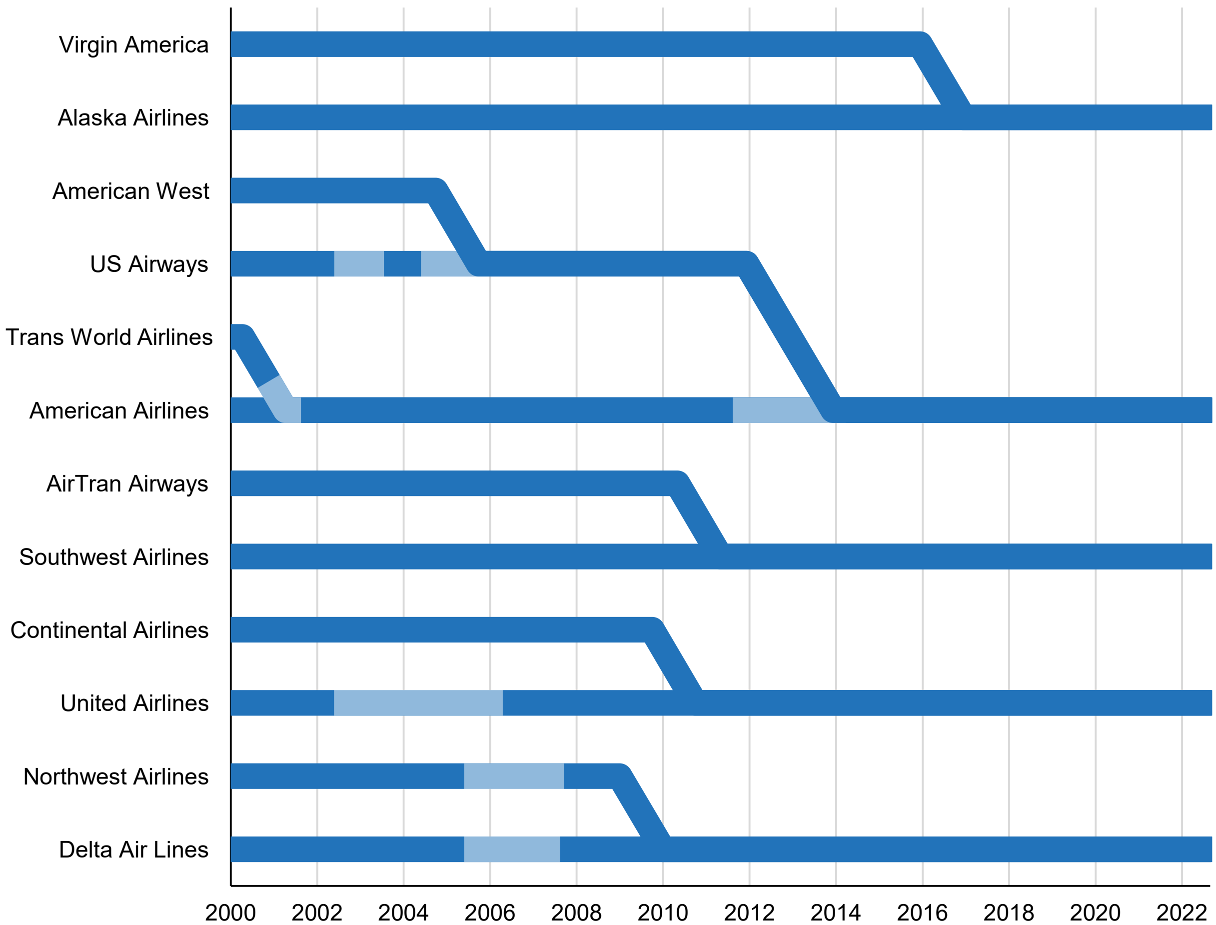
[40] Department of the Treasury, Payroll Support Program Payments, https://home.treasury.gov/policy-issues/cares/preserving-jobs-for-american-industry/payroll-support-program-payments

[41] The five U.S. airlines that have gone bankruptcy in 2020 are the regional carriers: ExpressJet (UA), Trans States Airlines (UA), and Compass Airlines (AA and DL), and the charter carriers: Miami Air International, and Shoreline Aviation. The major carriers served by the regional partner carriers contracted with other carriers to provide regional service.

Over the last two decades, industry consolidation has taken place as a result of competitive pressures and economic conditions. Many airlines have merged or been acquired since the turn of the 21st century. **Figure 2-12** provides a graphical representation of the major U.S. airline mergers during this period. These mergers have resulted less competition among the airlines and increased pricing power. The potential impacts associated with consolidation include limited industry seats, limited capacity growth, and increases in fares.

Figure 2-12 Major U.S. Airline Mergers of the 21st Century[1]



Note: Lighter shading indicates bankruptcy.
Source: Airlines for America, U.S. Airline Mergers and Acquisitions.

It is expected that airlines will continue to enter into partnerships and code-share agreements in attempts to seek competitive advantages. For example, in early 2021, American entered into partnerships with both Alaska Airlines for markets in the western U.S. and JetBlue Airways for markets in the eastern U.S. On July 28, 2022, JetBlue and Spirit Airlines approved a new merger agreement, which will create the fifth largest airline in the U.S. Spirit Airlines shareholders voted to approve the merger with JetBlue Airways on October 19, 2022 at its meeting. This merger still awaits approval from U.S. Department of Justice, which is reviewing the merger for potential antitrust concerns.

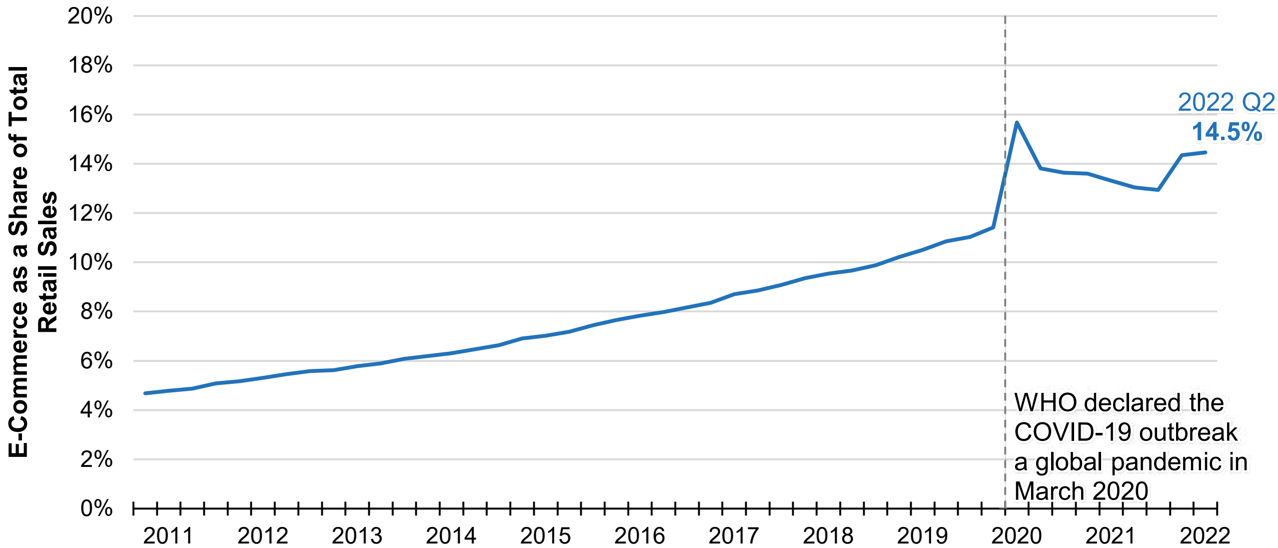
2.3.4 The Rise in E-Commerce Cargo

The air cargo industry is in the midst of a fundamental shift. Historically, air cargo has been used as a supply chain for time-sensitive or high-value product. Manufacturing has been a significant driver for air cargo as well as companies that provide the demand for air cargo. These companies have relocated a number of their manufacturing facilities to other parts of the world which has led to a shift to other modes of transportation such as cargo ships. Additionally, rising fuel costs, resulting in higher shipping costs, combined with the global recession led companies to re-evaluate the necessity of shipping products by air. As such, companies began to rely on an increased use of trucks and ships to deliver their product. The result is that traditional air cargo has been stagnant at many airports across the U.S.

The increased use of e-commerce has resulted in further changes in the air cargo industry. The U.S. Census Bureau reported that 11.4% of retail sales were e-commerce in 2020 Q1, compared to 0.6% in 1999 Q4.

During the height of the COVID-19 pandemic, the share of retail sales that were e-commerce increased to 15.7% but has since subsided to be in line with the natural growth of the shift. **Figure 2-13** graphically depicts the increased share e-commerce retail sales. Most of the current forecasts for e-commerce indicate double-digit growth in the market over the next five years. In e-commerce, vendors are required to ship orders to their costumers fast, such as two-day shipping, which may require the use of air cargo despite the increased cost. Therefore, the growth in e-commerce, non-traditional air cargo, is expected to have a significant impact on air cargo throughput in the U.S.

Figure 2-13 E-Commerce Retail Sales



Source: U.S. Census Bureau, Monthly Retail Trade, August 2022.

2.3.5 Aviation Fuel

The price of oil and the associated cost of jet fuel has historically been one of the largest operating costs affecting the airline industry. In 2000, jet fuel sold to end users averaged $0.89 per gallon. The average cost of jet fuel increased steadily through 2007. However, in 2008, crude oil prices and, consequently, jet fuel surged in price as a result of strong global demand, a weak U.S. dollar, commodity speculation, political unrest, and a reluctance to materially increase supply. In July 2008, jet fuel reached an average price of $4.01 per gallon, nearly double the price the year prior. Reduced demand in 2009 stemming from the global financial crisis and subsequent economic downturn resulted in a sharp decline in price. However, as the economic climate improved and political unrest continued in the Middle East, oil prices increased in the subsequent three years. The increase in the price of jet fuel put upwards pressure on airline operating costs. As a result, airlines cut capacity or increased fares, and sometimes both. The average price of jet fuel dropped significantly in 2015 and 2016, reaching a low of $1.03 per gallon in February 2016. Since then, jet fuel prices increased steadily to a peak of $2.25 in October 2018 before falling to $1.70 per gallon in December 2019 due to increased oil supplies. In 2019, jet fuel prices remained fairly stable, averaging approximately $1.90 per gallon from February 2019 through January 2020.

As a result of the COVID-19 pandemic, the global demand for crude oil and fuel decreased dramatically starting in January 2020. As a result, the price of crude oil dropped below $20 per barrel in April 2020. Since then, crude oil supply curtailments have caused oil prices to recover. Prices hovered near $40 per barrel from early June 2020 through December 2020, but increased to $92 per barrel in February 2022. Following the start of the war between Russia and Ukraine, crude oil prices reached nearly $109 per barrel in March 2022, receded to approximately $102 per barrel in April 2022 and increased again to nearly $115 per barrel in June 2022. Prices have been declining since June. In September 2022, crude oil prices reached $82 per barrel.

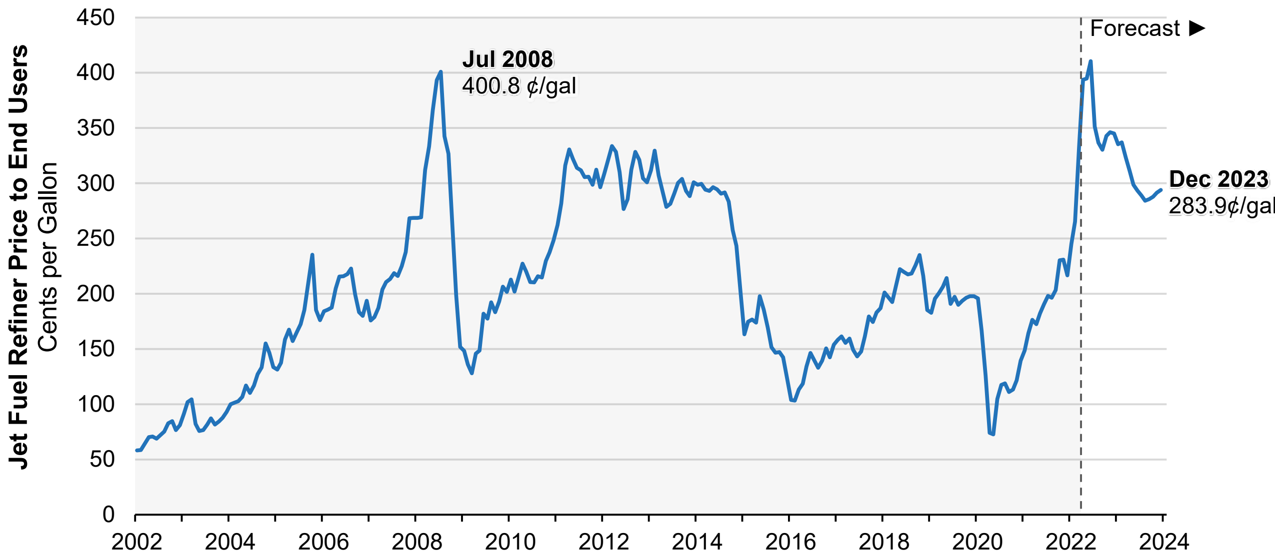
As a result of rising crude oil prices, jet fuel prices have risen sharply over the past several months and any upward pressures on prices will likely continue should crude oil prices climb, particularly if more stringent sanctions are applied to the Russian energy sector and depending on potential increases in production elsewhere. The U.S. Energy Information Administration (EIA) provides forecasts of jet fuel refiner price to end users in a report entitled

Short-Term Energy Outlook. In the October 2022 release, the EIA projects that jet fuel prices will be $2.94 per gallon by December 2023. **Figure 2-14** presents the historical price for jet fuel refiner price to end users and the EIA's forecast of that price.

Future fuel prices and availability are uncertain and fluctuate based on numerous factors. These can include supply-and-demand expectations, geopolitical events, fuel inventory levels, monetary policies, and economic growth estimates. Historically, certain airlines have also employed fuel hedging as a practice to provide some protection against future fuel price increases. Southwest Airlines currently holds fuel hedges valued at $1 billion to provide insurance against fuel spikes and offset the market prices increase. This will help the airline to be able to maintain low prices while continuing to profit.

Aviation fuel costs will continue to impact the airline industry in the future. If aviation fuel costs increase significantly over current levels, air traffic activity could be negatively affected as airlines attempt to pass costs on to consumers through higher airfares and fees in order to remain profitable. At this time, alternative fuels are not yet commercially cost effective.

Figure 2-14 Jet Fuel Prices (January 2002 – December 2023)



Source: U.S. Energy Information Administration, Short-Term Energy Outlook (September 2022).

2.3.6 Pilot Shortage

At the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages. In total, it is estimated that approximately 10% of pilots took early retirement during the pandemic.[42] In addition, an aging pilot population is expected to continue to compound the issues arising from these early retirements. FAA airman certification statistics shows that 28% of the 170,086 people with an airline transport pilot (ATP) certificate

[42] CNN, A shortage of pilots could keep the airlines from making a real comeback.

are 60 years of age or older and are due to retire over the next five years. In contrast, only 4.4% of people with an ATP certification were under the age of 30.

The recovery of air traffic demand in the U.S. was relatively modest from April 2020 through February 2021. However, starting in March 2021, passenger demand has increased more rapidly and has since recovered to more than 90% of the passenger levels experienced in 2019. As a result of this rapid recovery and the airlines' inability to quickly replace their retired pilots, airlines have experienced shortages of trained pilots to fly aircraft. The pilot shortage problem has been more amplified during peak travel periods throughout the year. In particular, regional airlines have been hit the hardest by the pilot shortage. Unable to provide the wages of the larger airlines, the regional airlines have been losing their pilots to the mainline carriers who are attempting to fill their needs. As a result, the regional airlines have had to scale back or in some cases eliminate service to smaller markets including some subsidized through Essential Air Service (EAS).

In order to meet this demand, airlines are quickly attempting to backfill the positions left open by pilot retirements by hiring and training new pilots. However, in addition to offering early retirement to its pilots, the airlines also trimmed back their pilot training programs to cut costs during the pandemic. The Regional Airline Association estimated that 4,346 new pilots qualified for their ATP certificates in 2021 compared to 6,664 in 2019. The U.S. airline industry is hoping to add approximately 13,000 pilots in 2022.[43] The Air Line Pilots Association indicates that data from the FAA shows that for the 12-months ending September 2022, there have been 9,087 new ATP certificates issued and could produce more than 10,000 new pilots for 2022.[44]

According to a report from a leading transportation consultant with expertise in aviation, Oliver Wyman, by 2029 the increased demand for pilots is expected to outpace the supply creating a pilot shortage of approximately 60,000 pilots worldwide and nearly 21,000 in North America.[45] In the U.S., there are currently several potential measures being explored to help alleviate the pilot shortage, including:

- Raising the federally mandated retirement age for airline pilots from 65 to 67
- Reducing flight-hour requirements before joining a U.S. carrier
- Lowering the barrier to entry for training programs such as dropping the requirement for a four-year degree
- Creating gateway programs such as Alaska Airlines' Ascend Pilot Academy and United's Aviate Academy which offer financial aid and scholarships to lessen to the cost of becoming a pilot

If the pilot shortage continues to become more widespread in the industry, the passenger airlines may not be able to meet future passenger demand, and would be required to reduce their seat capacity, resulting in material impacts to future passenger traffic in the U.S and internationally, and therefore could potentially reduce revenues for the Airport.

2.3.7 Aviation Security

Since the September 11, 2001, terrorist attacks (9/11), government agencies, airlines, and airport operators have upgraded security measures to guard against threats and to maintain the public's confidence in the safety of air travel. Security measures have included cargo and baggage screening requirements, deployment of explosive detection devices, strengthening of aircraft cockpit doors, the increased presence of armed air marshals, awareness programs for personnel at airports, and new programs for flight crews. Aviation security is under the control of the federal government through the TSA.

43 Regional Airline Association, 2021 Regional Airline Association Annual Report.
44 Air Line Pilots Association, United States on Pace to Produce More Than 10,000 New Pilots, https://www.alpa.org/news-and-events/news-room/2022-09-14-united-states-on-pace-produce-10000-new-pilots
45 Oliver Wyman, After COVID-19, Aviation Faces a Pilot Shortage.

The threat of terrorism poses risks to the continued growth of the aviation industry. Although terrorist events targeting aviation interests would likely have negative and immediate impacts on the demand for air travel, the industry and demand have historically recovered from such events. There have been terrorist attacks at airports internationally including at Brussels Airport in March 2016, the Istanbul Atatürk Airport in June 2016, and the Paris Orly Airport in March 2017. So long as government agencies continue to implement procedures to mitigate potential risks and to maintain confidence in the safety of aircraft, without requiring unreasonable levels of costs or inconvenience to the passengers, economic influences are expected to be the primary driver for aviation demand as opposed to security and safety.

2.3.8 National Air Traffic Capacity

The U.S. aviation system has a major impact on the national economy because it provides a means of transporting people and cargo over long distances in a relatively short period. As demand for air travel increases, the national aviation system must maintain enough capacity to allow for travel without unacceptable delays or congestion. It is generally assumed that the required infrastructure improvements needed to maintain capacity will keep pace with demand. Although not likely over the projection period evaluated herein, the inability of the national aviation system to keep pace with demand could create congestion and delays on a national level that could adversely affect the passenger experience and impact future demand.

2.4 Air Traffic Activity Projections

This section presents the air traffic activity projections including the key assumptions used to develop those projections.

This section contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The air traffic activity projections included in this Report represent L&B’s opinion, based on information available to L&B as well as estimates, trends and assumptions that are inherently subject to economic, political, regulatory, competitive and other uncertainties, all of which are difficult to predict and many of which will be beyond the control of L&B. Prospective investors should assume that the restrictions and limitations related to the ongoing COVID-19 pandemic, and the current impacts to the air travel industry and the national and global economies, could increase at least over the near term, and, therefore, have an adverse impact on Airport revenues. As a result, projected results may not be realized, and actual results could be significantly higher or lower than projected. L&B is not obligated to update, or otherwise revise, the projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error.

2.4.1 Projection Assumptions

Projections of air traffic activity were developed based on an analysis of the underlying economic conditions of the Air Service Area, airline traffic trends, and an assessment of Southwest’s continued focus on the region. In general, it was assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in population and the economy of the Air Service Area. In addition, several other assumptions are incorporated into the projections including the following:

- The airlines will continue to add capacity that is in line with demand and economic growth.
- Long-term nationwide growth in air travel will occur over the projection period consistent with forecast growth in the economy.

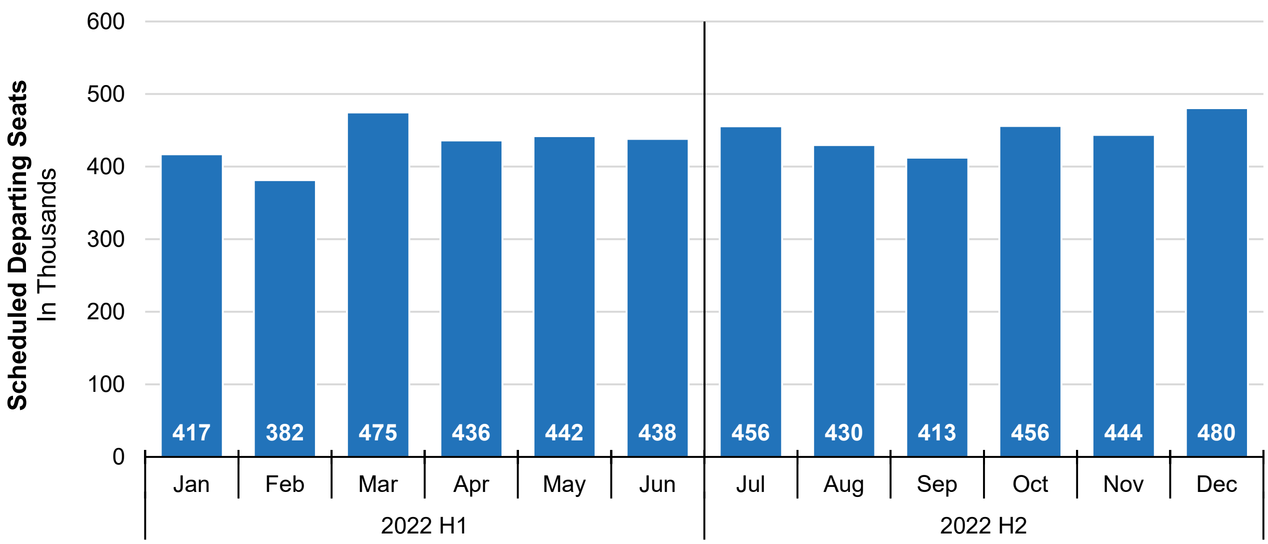
- After a brief period of near record prices, aviation fuel prices will retract but remain higher relative to historical levels.
- There will be no major disruption of airline service or airline travel behavior over the projection period.

2.4.2 Enplaned Passengers Projection

2.4.2.1 Shorter-Term Projection

A review of departing seats for 2022 was conducted to help develop an estimate for enplaned passengers for 2022. **Figure 2-15** provides the monthly departing seats currently scheduled through December 2022. As shown, there are 2.7 million scheduled departing seats scheduled for the second half of 2022, compared to 2.6 for the first half of 2022. In the first half of 2022, the Airport had 2.11 million enplaned passengers, which resulted in an approximately 81.6% load factor. If the airlines maintain at least an 80% load factor for the second half of 2022, that would equate to 2.14 million enplaned passengers.

Figure 2-15 Scheduled Departing Seats at the Airport



Sources: Cirium, Diio Mi: Schedule – Dynamic Table, Accessed August 2022; Landrum & Brown Analysis.

Based on the scheduled departing seats analysis above, enplaned passenger traffic at the Airport is estimated to reach approximately 4.25 million in 2022. The Authority produces forecasts for budgetary purposes. The Authority recently reforecast its 2022 enplaned passengers for the Airport to be approximately 4.14 million; therefore, the Airport's estimate could be viewed as somewhat conservative based on the above analysis.

2.4.2.2 Longer-Term Projection

As mentioned, the Authority produces a forecast for budgetary purposes. To determine the validity of the forecast, an independent long-term forecast was developed. A number of standard industry forecasting techniques were considered in order to project enplaned passengers such as econometric regression modeling, trend analysis, market share, and time series. It was determined that economic regression models were the most appropriate to project enplaned passengers at the Airport. Econometric regression modeling quantifies the relationship between enplaned passengers and key socioeconomic variables. This methodology recognizes that the key independent variables will change over time and assumes that their fundamental relationships with the dependent variables will remain.

The first step in developing the appropriate models was to test the independent, or explanatory, variables against the dependent variables, domestic and international enplaned passengers. In order for an econometric model to be considered appropriate, the following must be true:

- Adequate test statistics (i.e., high coefficient of determination (R^2) values and low p-value statistics), which indicate that the independent variables are good predictors of passengers at the Airport.
- The analysis does not result in theoretical contradictions (e.g., the model indicates that GDP growth is negatively correlated with traffic growth).
- The results are not overly aggressive or conservative or are incompatible with historical averages.

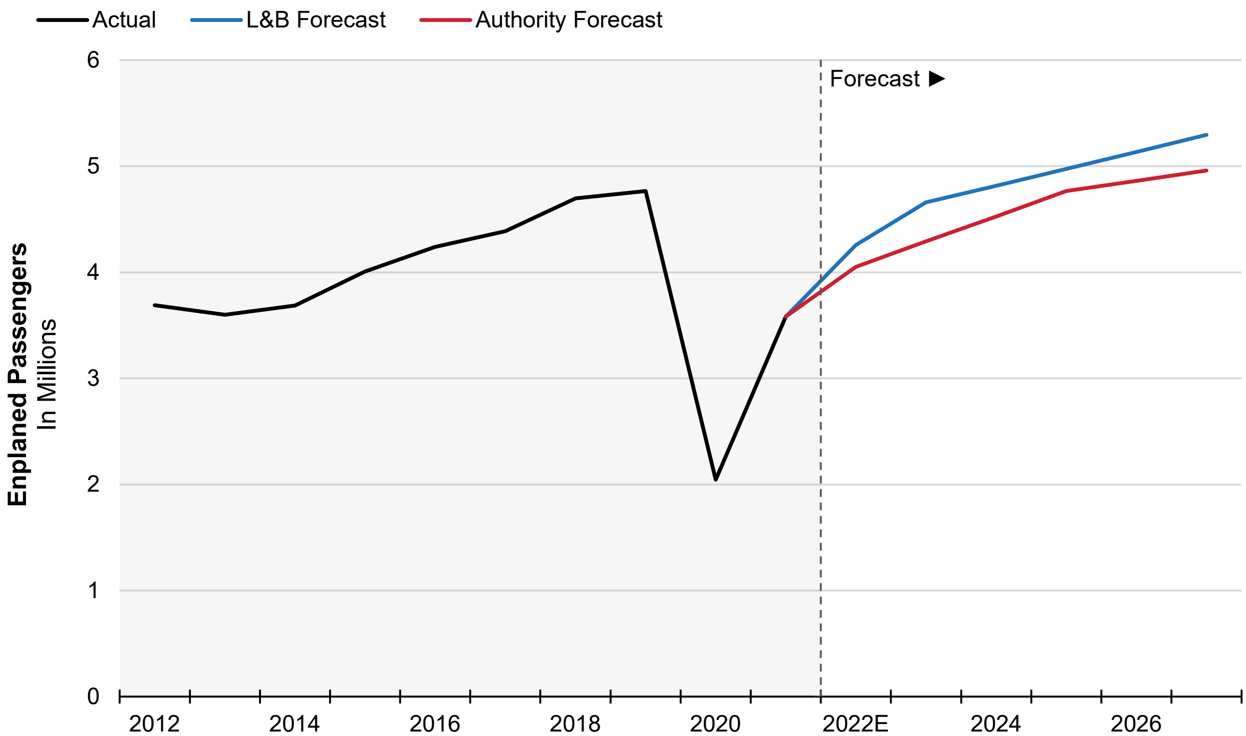
Through the testing of multiple sets of independent variables, a univariate linear model was selected to project enplaned passengers at the Airport. The model uses historical enplaned data from 2013 through 2019 and the Air Service Area's PCPI. This model exhibits strong regression statistics when compared to models with other combinations of independent variables. The model was used to determine an estimated number of enplaned passengers through 2027.

Based on models and the set of assumptions detailed above, enplaned passengers are forecast to increase 4.5% per annum from 2022 through 2027. The result is that enplaned passengers are forecast to increase from 4.3 million in 2022 to 5.3 million in 2027.

In its 2022 reforecast, the Authority assumed recovery from the COVID-19 pandemic would extend to 2025. As demonstrated, the Authority's reforecast for 2022 could be viewed as conservative. The long-term growth rates in the Authority's forecast are consistently below those projected by the model. Therefore, it can be concluded that the Authority's longer-term forecast is also conservative in nature. The Authority's forecast was adopted for use in all financial analysis in this document.

Figure 2-16 depicts the Authority's budget for enplaned passengers as well as the independent projection developed by L&B.

Figure 2-16 Enplaned Passenger Projection for the Airport



Sources: Indianapolis Airport Authority; Landrum & Brown Analysis.

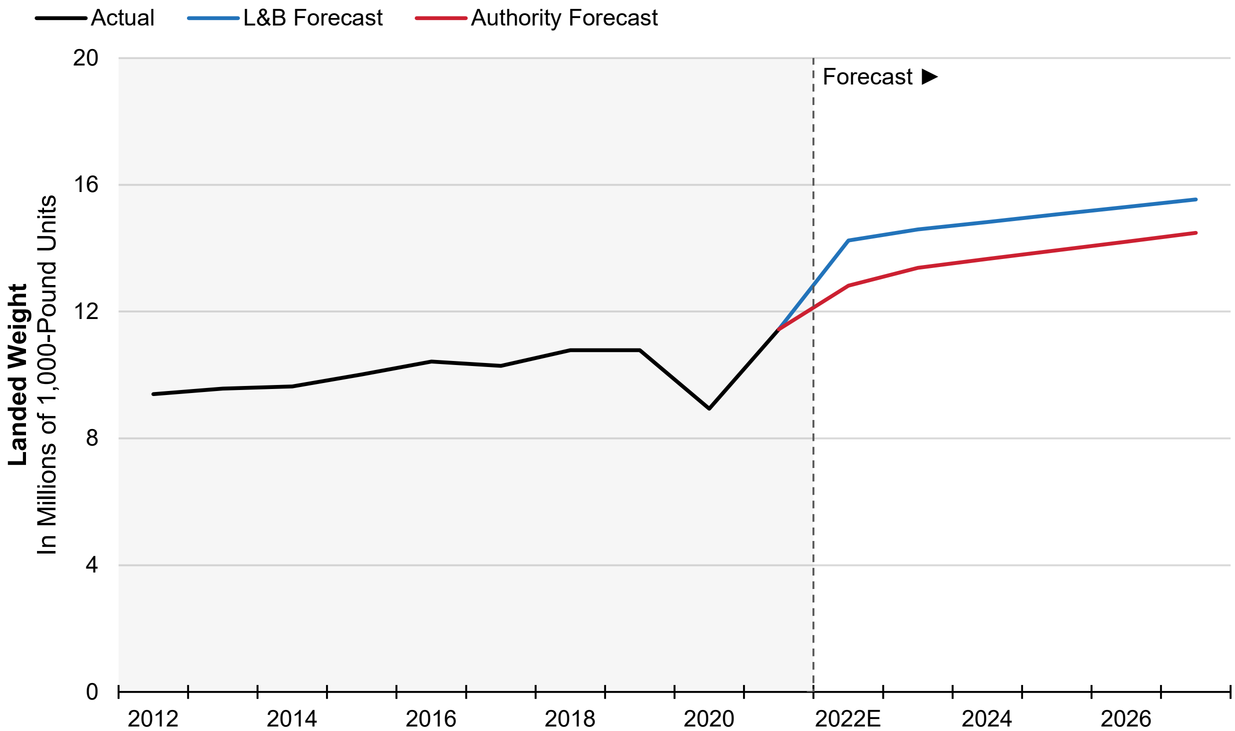
2.4.3 Aircraft Landed Weight Projection

Similar to enplaned passengers, the Authority produces a forecast of landed weight for budgetary purposes. In order to determine the validity of the results, an independent projection was developed by L&B.

During the height of the pandemic, passenger aircraft landed weight per enplaned passenger increased significantly as load factors dropped due to lower demand and the need to implement social distancing practices. L&B assumed that as load factors and social distancing practices revert, the passenger aircraft landed weight per enplaned passenger will return to pre-pandemic levels in 2024 and remain at that level through 2027. The result is that passenger landed weight would increase from approximately 2.5 million tons in 2022 to 3.0 million tons in 2027. This result represents a CAGR of 3.4% from 2022 through 2027 compared to the 4.5% CAGR projection for enplaned passengers. Prior to the pandemic, all-cargo landed weight has been relatively flat since 2011. In 2020 and 2021, there was a large surge in all-cargo landed weight due to increased demand for goods. Through June 2022, all-cargo landed weight was up 27.9% compared to 2021. Beyond 2022, it is believed that all-cargo landed weight will continue to grow but at a significantly slower rate. For future years, it was assumed future landed weight for all-cargo will increase at an CAGR of 0.8%. The result is that all-cargo landed weight is projected to increase from 4.6 million tons in 2022 to 4.8 million tons in 2027.

The total aircraft landed weight projection is higher than the projections provided by the Authority. **Figure 2-17** depicts the Authority's projection for aircraft landed weight as well as the independent projection developed by L&B. Therefore, it can be concluded that the Authority's longer-term forecast is also conservative in nature. The Authority's forecast was adopted for use in the financial analysis presented in Chapter 4 of this Report. As presented later in Chapter 4, the aircraft landed weight projection does not have an impact on revenue projections given the residual ratemaking methodology for the Airport's landing fees.

Figure 2-17 Aircraft Landed Weight Projection for the Airport



Sources: Indianapolis Airport Authority; Landrum & Brown Analysis.

2.4.4 Forecast Summary

Table 2-9 provides the enplaned passenger and aircraft landed weight projections for the Airport.

Table 2-9 Air Traffic Projection Summary (2019 –2027)

	Enplaned Passengers		Landed Weight	
Fiscal Year	Passengers (in thousands)	Year-Over-Year Growth	Total (in thousands of 1,000-pound units)	Year-Over-Year Growth
2019 Actual	4,765		10,780	
2020 Actual	2,044	-57.1%	8,936	-17.1%
2021 Actual	3,582	75.2%	11,441	28.0%
2022	4,141	15.6%	12,815	12.0%
2023	4,290	3.6%	13,385	4.4%
2024	4,527	5.5%	13,662	2.1%
2025	4,765	5.3%	13,933	2.0%
2026	4,861	2.0%	14,205	2.0%
2027	4,959	2.0%	14,485	2.0%

Range	Average Annual Growth Rate	
2019-22	-4.6%	5.9%
2022-27	3.7%	2.5%
2023-27	3.7%	2.0%

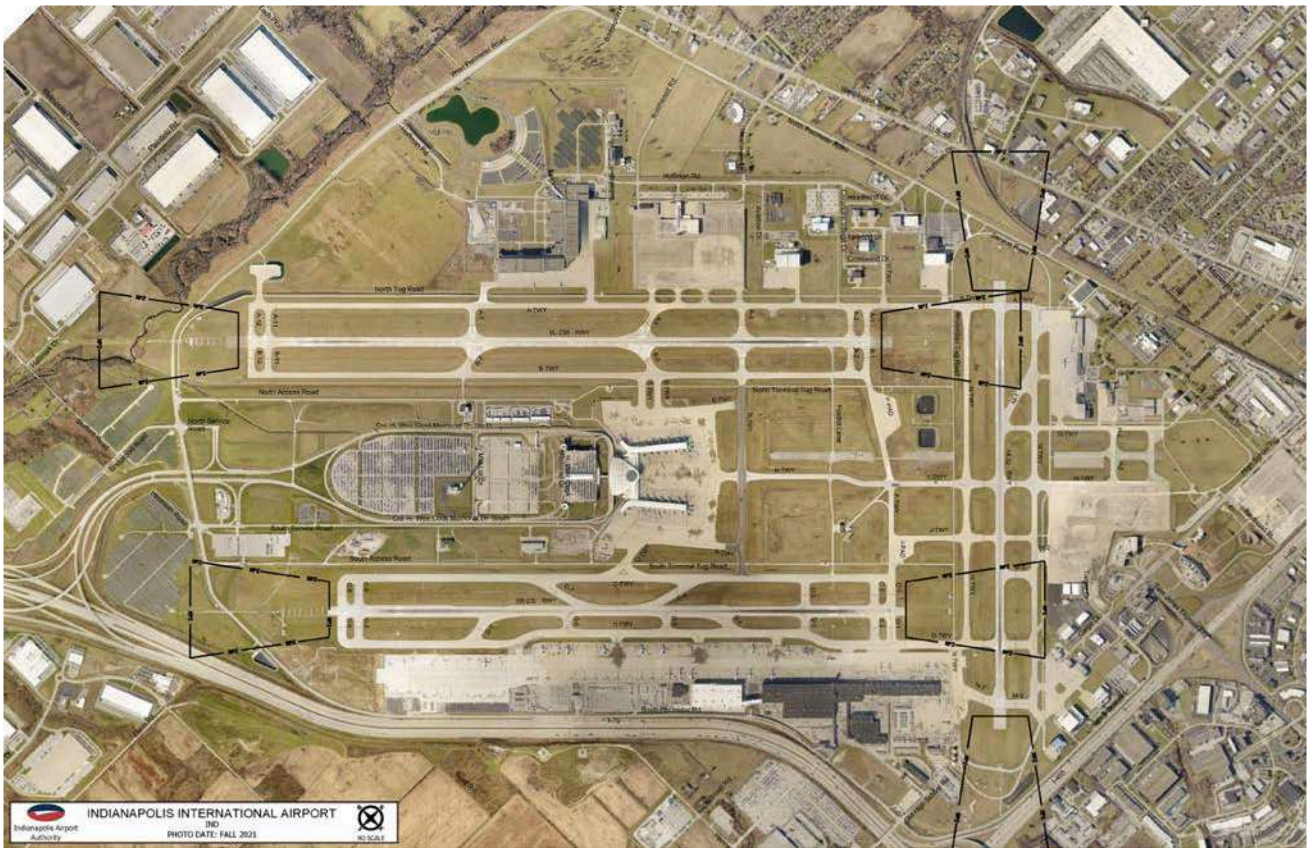
Source: Indianapolis Airport Authority.

3 Airport Facilities and Capital Program

3.1 Existing Airport Facilities

The Airport comprises approximately 6,500 acres of land in Marion County, Indiana. It is located approximately 13 driving miles southwest of downtown Indianapolis. As described previously, the Airport is the primary commercial air passenger and cargo service facility for the ASA and the Central Indiana region. Access to the Airport is primarily provided from Interstate 70. The existing Airport layout is depicted on **Figure 3-1** and Airport facilities are described in this Chapter.

Figure 3-1 Airport Layout



Source: Indianapolis Airport Authority

3.1.1 Airfield Facilities

The existing airfield consists of three air carrier runways, two of which are in a parallel northeast-southwest alignment (Runways 5R-23L and 5L-23R) and one crosswind carrier runway oriented in a northwest/southeast direction (Runway 14-32). Runway 5R-23L is 10,000 feet in length, Runway 5L-23R is the Airport's longest at

11,200 feet in length, and Runway 14-32 is 7,280 feet in length. All runways are 150 feet wide and are equipped with precision instrument landing systems.

3.1.2 Terminal Facilities

In November 2008, the Authority opened the 1.2 million square-foot Col. H. Weir Cook Terminal at the Airport. The terminal was a major project within the Authority's seven-year, $1.07 billion capital program, which also included construction of aircraft aprons; the parking garage for the new terminal; surface parking lots serving visitors and workers at the new terminal; an airport traffic control tower; support facilities such as ARFF, fuel farm, airport operations center/emergency operations center, rental car quick turn-around facility; and on-airport roadway system and Interstate 70 access. With a modern passenger terminal and landside complex, the Airport is well-positioned to accommodate future passenger demand.

The Col. H. Weir Cook Terminal consists of a main terminal and has two attached airside concourses: 20 gates in Concourse A and 19 gates in Concourse B. TSA security checkpoints are situated before the entrance to each concourse. Checkpoint A has six screening lanes and a 'Known Crew Member' lane and Checkpoint B has eight lanes. Both checkpoints have a dedicated queue for passengers with disabilities and/or medical conditions. Once past the checkpoints, a walkway is available for passengers to walk freely between the two concourses. For international arrivals, two gates on Concourse A have been configured to lead directly to a dedicated federal inspection area and baggage claim.

The main terminal building is divided into four primary levels: the arrivals/baggage claim level (Level 1), the pedestrian bridge level (Level 2), the departures level (Level 3), and the mezzanine levels (Level 4). Level 1 serves primarily as the hall for baggage claims, baggage makeup, and check baggage inspection screening facilities. Level 2 primarily consists of the pedestrian bridge that provides access to the parking garage ground transportation. An elevated roadway provides vehicle access to Level 3, which provides passengers access to the ticketing hall, the security screen checkpoint, and the two airside concourses. Level 3 is also the primary level for concessions areas, including food and beverage operators, retailers, and service providers, enhancing the customer experience at while at the Airport. Level 4 primarily consists of office space for the Authority and is generally not accessible to the public.

3.1.3 Public Parking Facilities

The Authority owns and operates substantially all the parking facilities at the Airport, including a garage at the terminal, a surface economy lot, a credit card only walking lot, an employee parking lot, cell phone lot and a rental car overflow surface lot. There are several parking options for Airport visitors to utilize to provide a high-level of customer experience. A valet parking section is available on the third level of the garage for easy access to the terminal and offers an array of special services including car washing, detailing, newspapers and other benefits. Hourly parking is available on the third level of the garage to make short visits to the Airport more convenient with quick access to the terminal. Garage Daily parking offers covered and uncovered roof parking for overnight or extended stays. The Economy Lot parking is a cost-effective option for long term parking just a short shuttle bus ride to and from the terminal. The Park & Walk Lot is a midrange price offering within walking distance of the terminal. This option is credit card only with no shuttle service available. Additionally, the ParkIND program was launched to offer corporate or frequent travelers rewards for utilizing the ParkIND options and currently has over 25,000 members. These programs provide convenient, customer-focused parking options for all Airport visitors.

The Airport's total parking capacity is approximately 14,500 public vehicles (excluding rental car areas). The parking garage includes approximately 6,000 spaces, including 1,500 that are reserved for the rental car companies, with the balance dedicated to public parking, including valet service which is operated by a third-party. The two public surface lots include approximately 8,491 spaces, approximately 541 in the shared Park & Walk lot and employee/overflow lot and approximately 7,950 in the economy lot. The Authority is currently planning a future expansion of the parking garage as discussed below in Section 3.2. Off-Airport parking competition primarily includes one private operator located about four miles from the Airport's terminal.

To help reduce vehicle traffic congestion in the terminal area, a cell phone waiting lot is available where motorists meeting arriving passengers can wait for free until passengers call to indicate they are ready to be picked up along the terminal curbside. The cell phone lot is located southwest of the passenger terminal and includes 100 spaces.

3.1.4 Air Cargo Facilities

The Airport has approximately 1.9 million square feet of interior space for cargo facilities. As a hub for FedEx, much of this space is related to its operation.

3.1.4.1 FedEx

FedEx began operations at the Airport in 1988 and has expanded its Indianapolis facility to become the second largest hub worldwide for all of FedEx operations. One of the largest FedEx facilities at the Airport is the FedEx package sorting complex located on the south side of the Airport, which includes a sortation facility, a fuel storage facility and a recently expanded aircraft parking apron now capable of accommodating up to 80 aircraft. In October 2018, FedEx announced a seven-year $1.5 billion expansion to the Indianapolis hub to increase package-handling capacity. The announced expansion envisioned the total leasehold footprint increasing by approximately 131 acres, the addition of 29 new gate positions which would accommodate a total of 92 aircraft, and the addition of multiple support buildings. Since 2018, FedEx completed the construction of the planned crew building, prepared all of the expansion areas for construction, constructed the necessary retaining wall to expand the aircraft apron, constructed 19 of the planned 29 aircraft gate positions, completed the elevated conveyor connector between the existing sortation facility and the newly constructed sort operations building number four (OB4), converted three existing aircraft parking positions to accommodate three Boeing 777 aircraft, rehabbed ten existing gate positions putting them back into service as only eight gates, expanded the storage areas for the increased ground support equipment, completed the construction of multiple other support buildings, and is currently constructing a cold chain storage facility. FedEx has implemented two new package sort operations in addition to the existing night and day sorts as part of a strategy to better service customers buying products from businesses. FedEx has notified the Authority that the expansion timeline will be extended beyond originally expected as package delivery demand has slowed and capital spending is being evaluated and re-justified by the company. The impact of the slowdown is that the portion of the FedEx expansion area leasehold for the remaining ten aircraft gates will be converted to an option area, at a reduced rental rate, by an amendment to the FedEx lease. The slowdown also results in the delay in the construction of a truck loading facility.

The lease with FedEx expires December 31, 2053; however, FedEx has two ten-year options to extend the lease which could extend the term of the Lease to 2073.

3.1.4.2 Other Air Cargo Facilities

In addition to FedEx, the Airport has other air cargo facilities. A summary of these facilities is as follows.

- **Cargo/Warehouse Buildings North**. On the northeast side of the Airport, there are two cargo/warehouse buildings (Building #3 and #7) with approximately 69,093 square feet of interior space. These facilities also include 864,000 square feet of aircraft parking apron. The facilities are leased by Worldwide Flight Services (aircraft and cargo handler), Jet Pro Line Maintenance, Hawker Beechcraft and FedEx, which utilizes the building for aircraft parts storage.

- **Building 53**. Located on the north side of the Airport, this facility consists of two buildings totaling 356,043 square feet of space on 107 acres of real estate leased from the Authority and includes more than 46 acres of aircraft parking apron. Currently, the buildings are vacant as the prior lease with LGSTX Services, Inc. expired on October 31, 2018. The Authority is actively marketing the site.
- **Cargo/Warehouse Buildings East**. On the east side of the Airport, there are two cargo/warehouse buildings with approximately 57,632 square feet of combined interior space. These facilities are leased by Metro Air Service and the USPS.
- **Airline Cargo Building**. A new cargo and ground equipment maintenance facility was constructed in connection with the construction of the terminal and opened in September 2010. The building consists of approximately 40,000 square feet and is located on the south side of Col. H. Weir Cook Memorial Drive near the main terminal. Current tenants included Quantem Aviation (cargo handler), FirstFlight Ground Services Global Aviation, ASIG (ground equipment maintenance provider) and Southwest Airlines. As this 40,000 square-foot facility is currently at capacity, a 20,000 square foot expansion of the Airline Cargo Building is expected to be completed in 2023.

3.1.5 Aircraft Maintenance Facilities

The Airport has four significant aircraft maintenance facilities. These are described further as follows.

3.1.5.1 Indianapolis Maintenance Center

Since 2004, the Authority has operated the Indianapolis Maintenance Center (IMC), the former United Airlines maintenance and overhaul facility, pursuant to a settlement agreement (Settlement Agreement) with the trustee of special purpose facility bonds that were issued to construct and equip a portion of the IMC. Under the Settlement Agreement, the Authority is entitled to be reimbursed from IMC revenues, including lease revenues, for all operating expenses and certain other costs incurred by the Authority in operating and maintaining the IMC.

AAR Aircraft Services, Inc. (AAR) leases 428,830 square feet of the approximately 1.6 million square foot IMC. In 2020, the Authority amended the lease with AAR with the following:

- Reduced AAR’s leasehold to five hangars from ten hangars
- Reduced AAR’s rental rate on the five hangars
- The Authority obtained the mutual right to extend the lease, which expires on February 28, 2025.

Chautauqua Airlines, Inc. leases the remaining two IMC hangar bays under a lease that expires April 14, 2025. Other IMC tenants include Acredo (Express Scripts), Schenker Logistics, Cargolux International, and DHL.

To the extent the Authority is not fully reimbursed for IMC operating expenses in any given year, the Settlement Agreement provides for reimbursement from future IMC revenues of prior unreimbursed IMC operating expenses. All current and prior operating expenses are payable prior to payment of principal and interest on the special facility bonds that were issued to construct and equip a portion of the IMC. Through August 31, 2022, the Authority has incurred approximately $12.7 million in unreimbursed operating expenses which may be reimbursed to the Authority from IMC revenues in the future, to the extent such revenues are available. Once such amounts are fully reimbursed, the Settlement Agreement dictates how any IMC revenues above current operating expenses are to be spent, including money to the Authority for ground rent and payment to holders of the special purpose facility bonds for unpaid principal and interest.

3.1.5.2 Other Aircraft Maintenance Facilities

- **FedEx Maintenance Hangar.** FedEx occupies and operates a maintenance facility containing approximately 147,000 square feet of interior space. The FedEx maintenance facility was financed for US Airways with proceeds of special purpose facilities bonds, which have been paid off. US Airways assigned the leasehold interest to FedEx. The FedEx maintenance facilities were acquired, constructed and equipped on real property located at the Airport, which real property is leased, with the maintenance facilities and certain other property identified in the lease, by FedEx from the Authority in a lease that currently expires on December 31, 2028.
- **Comlux America, LLC**. Comlux completed construction (under the name Comlux Realty, LLC) on a 134,420 square foot hangar and support facility located on the east side of the Airport in August 2012. The hangar facility is 65,997 square feet and capable of housing multiple narrow-body commercial aircraft under one roof, for the fitting of executive interiors. Included in the facility is 68,423 square feet of office and support space which houses engineering, accounting, aircraft mechanics, designers and other support staff to support Comlux's business. In June 2015, an expansion of the facilities began where an additional 15,957 square feet of support and office area along with 14,066 square feet of hangar space was added to the facility. This added an additional 30,023 square feet to the facility bringing its total square footage to 164,443. The expansion allows for wide body aircraft to be housed in the hangar. The current lease with Comlux expires on August 31, 2036.
- **PK IND, LLC**. PK IND, LLC, although currently under foreclosure, occupies and operates a maintenance hangar facility at the Airport containing approximately 152,000 square feet, together with office space containing approximately 120,000 square feet, which is attached to the maintenance facility. PK IND, LLC, is a real estate investment and development company. PK IND, LLC, has subleased the hangar facility to FedEx, with FedEx taking possession on December 1, 2007. Additionally, PK IND, LLC, has a lease agreement with BDP International to lease 14,199 square feet of space in the office area portion of the facility. In the spring of 2009, PK IND completed construction of two new facilities located within the leased premises of the maintenance hangar; a 32,000 square foot hangar facility and a 44,400 square foot training facility, both of which are leased to Rolls Royce.

3.1.6 Ancillary Facilities

Ancillary facilities support the aviation-related activities at the Airport. The facilities identified as ancillary are categorized as General aviation, FAA, FedEx trade networks, and other Airport support facilities.

- **General Aviation.** General aviation and corporate aviation hangars and related facilities situated in several Airport locations, including:
  - Hawker Beechcraft Global Customer Support, LLC, (Hawker). Hawker occupies 80,340 square foot of executive terminal, maintenance hangar and support shop facilities, partially financed with special purpose facility bonds issued by the Authority, but payable by Hawker. Hawker continues to occupy four buildings/hangars, comprising approximately 58,986 square feet.
  - Signature Flight Support, Inc., (Signature). Signature occupies nine buildings/hangars comprised of approximately 195,400 square feet. These facilities include a new executive terminal.
  - Vacant Hangars. The Authority currently has five vacant hangar space areas at the Airport, all of which are located at the IMC. There is one vacant hangar at the Reliever Airports.

- **Corporate Hangars.** A number of hangars housing corporate aircraft are located on the north and east sides of the Airport. They house such tenants as the Indianapolis Colts, Bindley Aviation, Simon Property Group and Eli Lilly.
- **FedEx Trade Networks.** FedEx Trade Networks leases a 27,165 square foot building from the Authority located on the north side of the Airport. FedEx Trade Networks tracks all international package shipments for FedEx and ensures packages clear customs at various points around the world.
- **Aviation Technology Center (ATC).** The ATC is operated by Vincennes and Purdue Universities for educating and training those seeking employment in aviation technology and other fields related to aircraft, aircraft maintenance and airport operations. ATC operates out of a 69,085 square foot hangar and office space facility.
- **ProTrans International.** ProTrans leases 6.5 acres of land from the Authority under a long-term lease which contains a 44,128 square foot building utilized as their corporate headquarters.
- **Support Facilities.** The Airport includes a range of support facilities, including navigational aids, a safety facility and a fuel storage/distribution system.
- **Hush House.** This three-sided aircraft ground enclosure is comprised of noise resistant panels and designed to absorb engine noise during testing. The Authority's hush house will accommodate most types of aircraft, including the Boeing 777.

3.1.7 Downtown Heliport and Reliever Airports

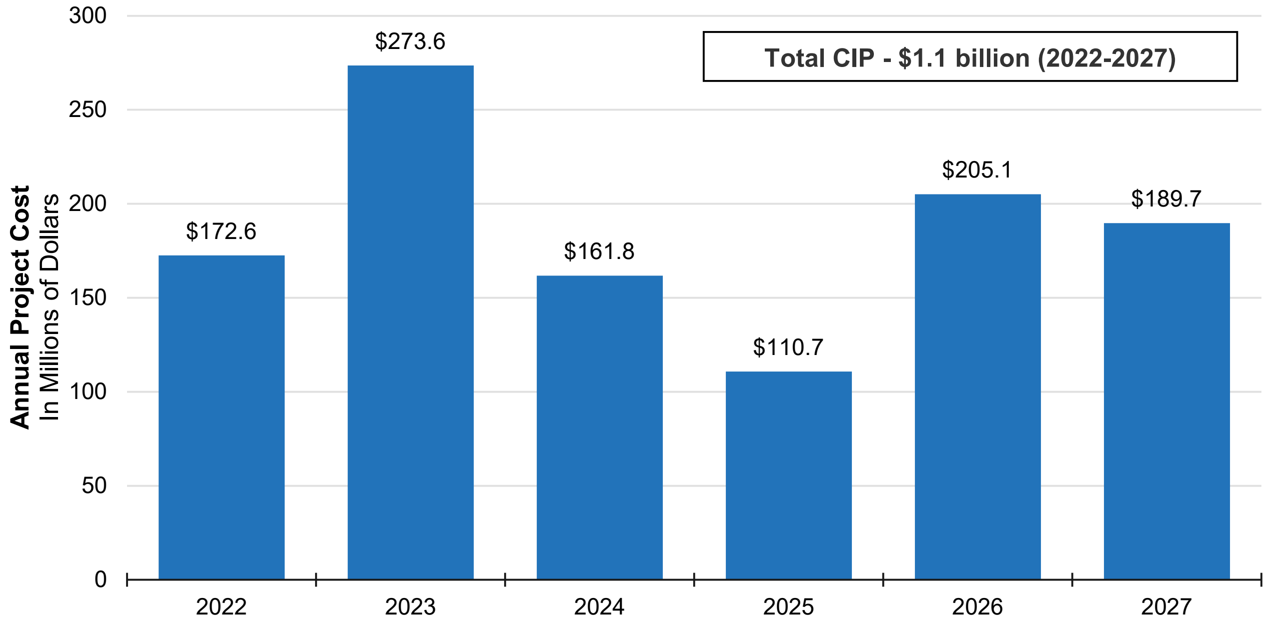
The Authority also owns and operates the Downtown Heliport[46] and four general aviation facilities (Reliever Airports): Eagle Creek Airpark, Metropolitan Airport, Hendricks County Airport–Gordon Graham Field and Indianapolis Regional Airport. The Reliever Airports are located in and around the County. Eagle Creek Airpark, Metropolitan Airport, the Hendricks County Airport–Gordon Graham Field and Indianapolis Regional Airport (formerly known as Mount Comfort Airport) are classified as reliever airports and are part of an airport system plan for the Indianapolis area. The reliever airports are designed to reduce congestion at the Airport and have been developed by the Authority in accordance with the metropolitan airport system plan. Indianapolis Regional Airport has a full instrument landing system and Eagle Creek Airpark has a partial instrument landing system.

3.2 Authority Capital Improvement Program

The Authority manages Airport capital projects through an on-going five-year Capital Improvement Program. The current Capital Improvement Program encompasses plans for current and future Airport capital projects for 2022 through 2027 (CIP). The CIP is an important tool used for formulating future project financing plans, maximizing federal and state grant opportunities and pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their useful or service life. The CIP provides a framework for scheduling and coordinating execution of multiple projects to minimize operational impact. The majority of the capital projects in the CIP tend to be "routine" projects for a major airport, including reconstruction or rehabilitation of runways, taxiways, parking facilities and roadways, and environmental or planning studies. **Figure 3-2** presents the total cost of the CIP and projected expenditures for 2022 through 2027. As shown, the projects in the CIP for this time period are estimated to cost approximately $1.1 billion.

[46] In June 2021, the Authority submitted a request to the FAA to close the Indianapolis Downtown heliport.

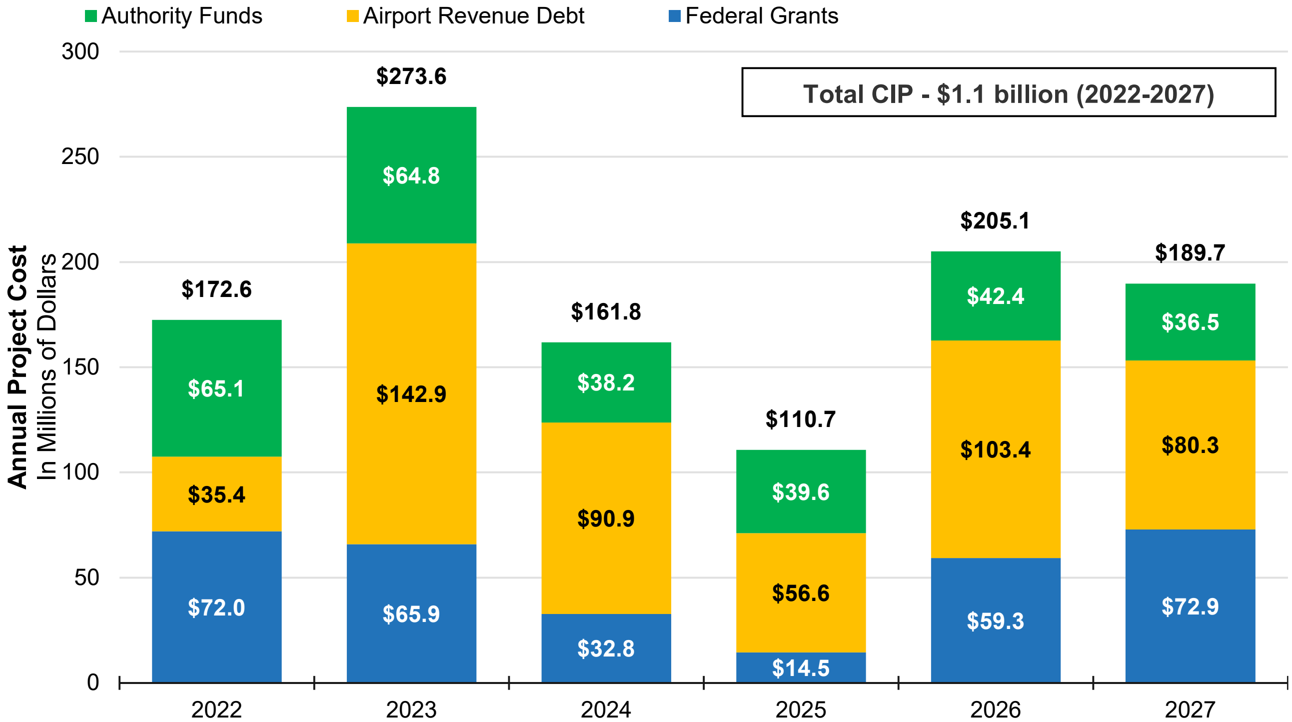
Figure 3-2 Authority CIP – Annual Project Cost Cash Flow



Source: Authority records, November 2022
Compiled by Landrum & Brown, Inc.

The Authority anticipates that the CIP projects will be funded from a combination of federal grants, other Authority funds generated from the operation of the Airport System, proceeds from the sale of land and Authority property, and future debt payable from both Authority Revenues and Customer Facility Charges (CFCs) for rental car related projects. **Figure 3-3** depicts the CIP by anticipated funding sources over the projection period. Funding from the Authority ranges from $65.1 million to $36.5 million per year over the projection period.

Figure 3-3 Authority CIP - Annual Project Costs by Funding Source



Source: Authority records, November 2022
Compiled by Landrum & Brown, Inc.

Additional information on the Authority's CIP is presented on **Exhibit A** following this Report. Exhibit A presents the Authority's project costs by major area along with sources of funds for the CIP for the period of 2022 through 2027.

This Report divides the capital projects in the CIP into two main categories, described below, for the purpose of identifying the CIP projects included in the financial analysis contained in Chapter 4 of this Report.

The categories of the Airport's five-year CIP used in this Report are further described as follows.

- **2022B Project.** This CIP category is comprised of those projects to be funded, either in whole or in part, with proceeds of the Series 2022B Bonds (defined herein). The capital and operating costs associated with the 2022B Project are included in the financial analysis contained in Chapter 4 of this Report. The 2022B Project is further described later in this chapter.
- **Other CIP Projects.** This CIP category is comprised of all other CIP projects that are not a 2022B Project as defined above. It is possible that certain Other CIP Projects may be deferred or not otherwise undertaken by the Authority during the projection period (depending on circumstances such as level of aviation demand, the availability of project funding, more refined scope and cost information for various projects, etc.).

The following sections describe in more detail the CIP, the 2022B Project and the Other CIP Projects.

3.2.1 The 2022B Project

As described earlier, the 2022B Project includes those CIP projects to be funded in whole or in part with proceeds of the Series 2022B Bonds. The 2022B Project includes the reconstruction of the Airport's south parallel runway 5R-23L, an expansion of the parking garage and rehabilitation of other parking lots, additional aircraft parking apron, and construction of airfield maintenance and snow removal equipment facilities, which are described in detail in the following sections. **Table 3-1** presents detail on the estimated project costs for the 2022B Project along with planned funding sources. The 2022B Project is estimated to cost approximately $293.1 million with approximately $183.0 million expected to be funded with the proceeds of the Series 2022B Bonds.

Table 3-1 The 2022B Project (dollars in thousands)

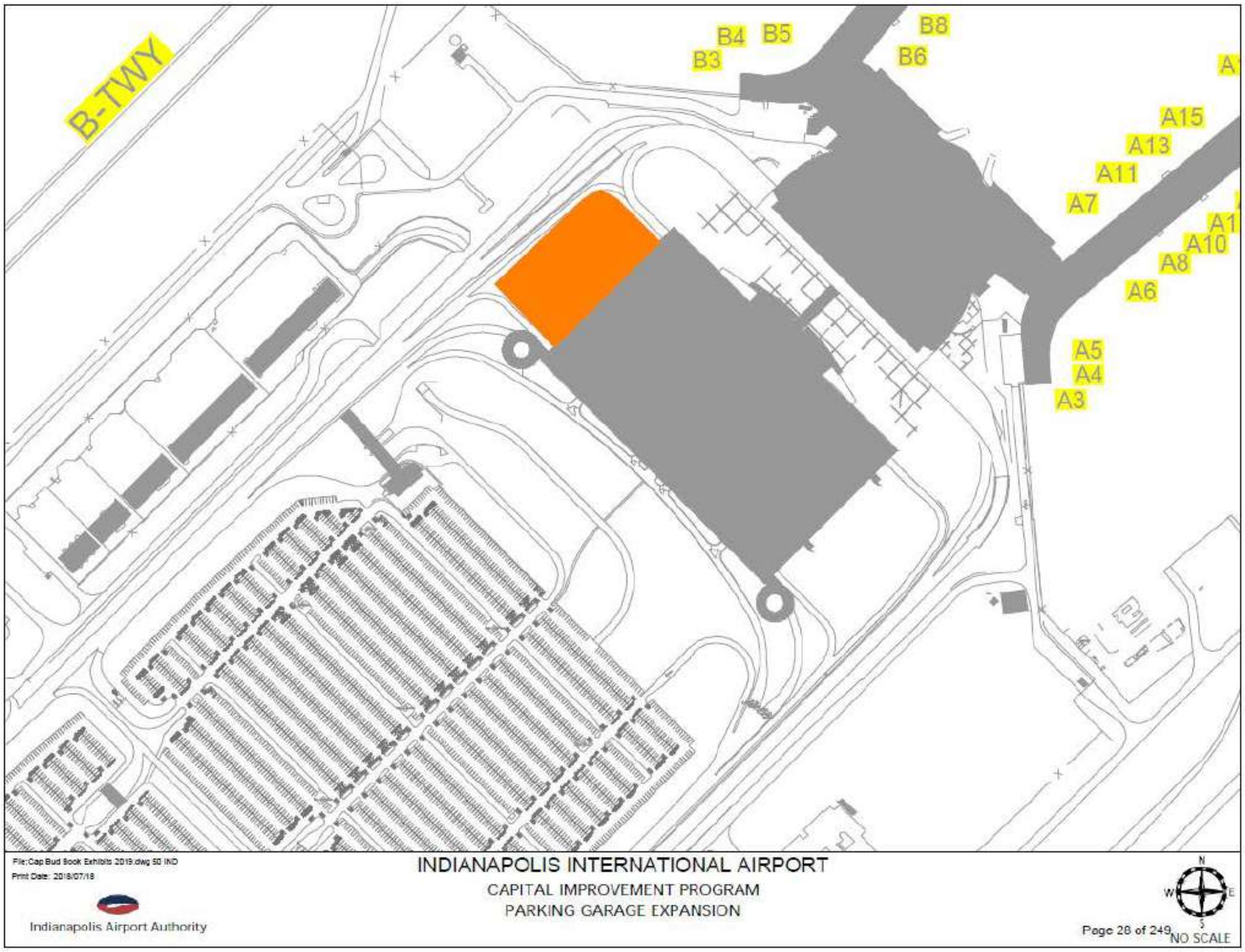
Project	Federal Grants	Series 2022B Bonds	Authority Funds	**Total**
Parking Garage Expansion	$0	$76,500	$0	**$76,500**
RON Apron Parking	0	6,132	9,772[1]	**15,904**
Airfield Maintenance and Snow Removal Equipment Facilities	0	17,534	0	**17,534**
Reconstruct Runway 5R-23L and Taxiway D with LEDs (Phases 1 and 2)	100,405	73,228	0	**173,633**
Rehabilitation of Public Parking Lots Pavement	0	9,578	0	**9,578**
Total	**$100,405**	**$182,973**	**$9,772**	**$293,149**

[1] Funded by amounts due back to the FAA from land sales, which were originally purchased by federal grants.
Notes: Includes project costs for the period of 2022 through 2027.
Amounts may not add because of rounding.
Source: Authority records, November 2022
Compiled by Landrum & Brown, Inc.

3.2.1.1 Parking Garage Expansion

An expansion of the parking garage is one of the projects to be funded with the Series 2022B Bonds. Because of increasing demand for rental car and public parking spaces in the existing parking garage, this project will expand the parking garage structure to increase the capacity for rental car ready-return spaces, rental car staging areas, and public parking spaces. The expansion will occur on the north side of the existing parking garage structure and will add five levels of parking that will increase the current capacity of the garage by nearly 1,500 spaces. The total estimated cost of this Series 2022B Project is approximately $76.5 million. The Authority intends to use CFC revenues for the payment of the Series 2022B Bonds debt service for this project. **Figure 3-4** illustrates the Parking Garage Expansion project.

Figure 3-4 Parking Garage Expansion

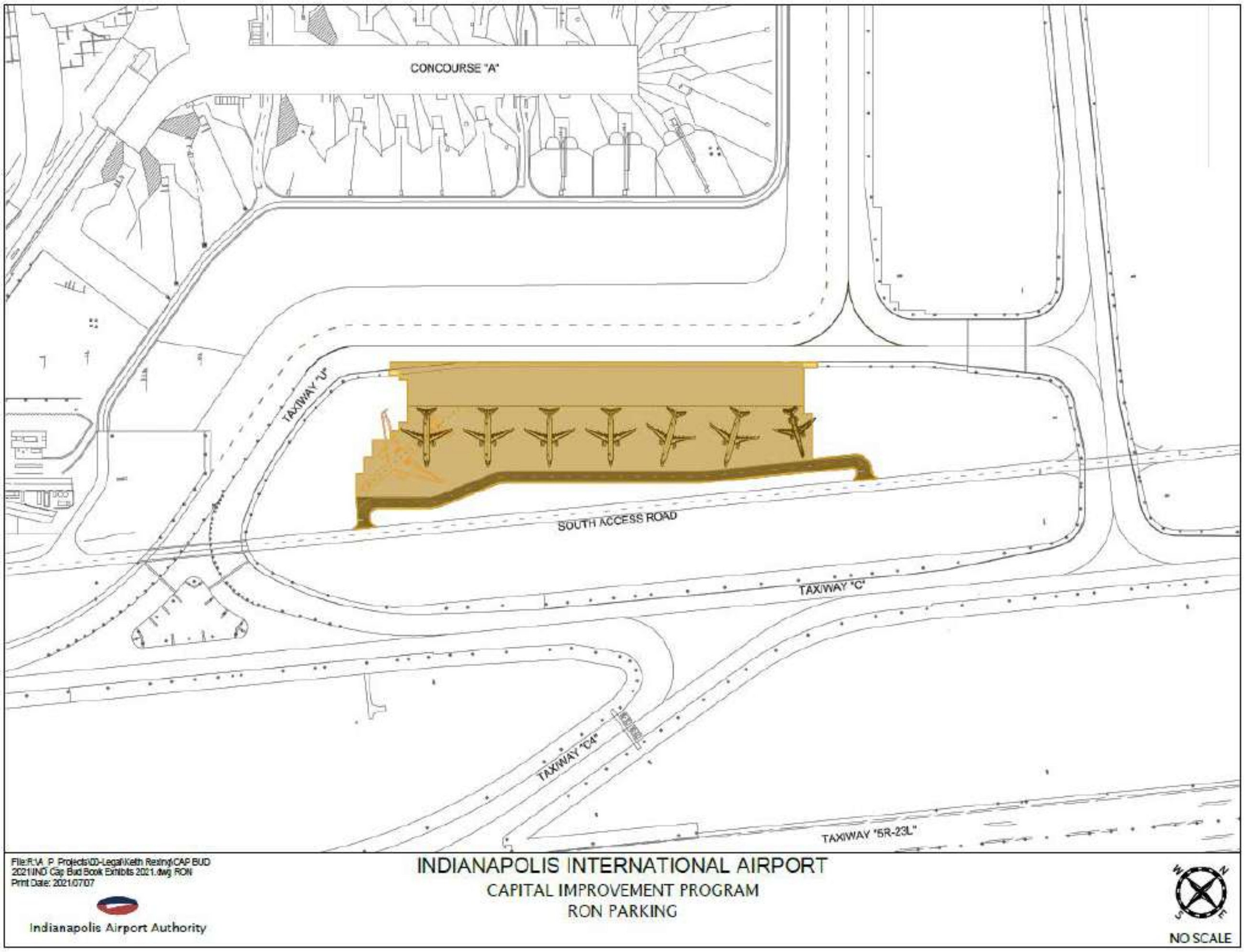


Source: Authority records, September 2022

3.2.1.2 Remain Over-Night (RON) Apron Parking

This project will provide additional remain over-night (RON) aircraft parking to support continued growth for current airlines and new entrant airlines at the Airport. This Series 2022B Project is estimated to cost approximately $15.9 million, and approximately $6.1 million is planned to be funded with proceeds of the Series 2022B Bonds. **Figure 3-5** illustrates the RON Apron Parking project.

Figure 3-5 RON Apron Parking

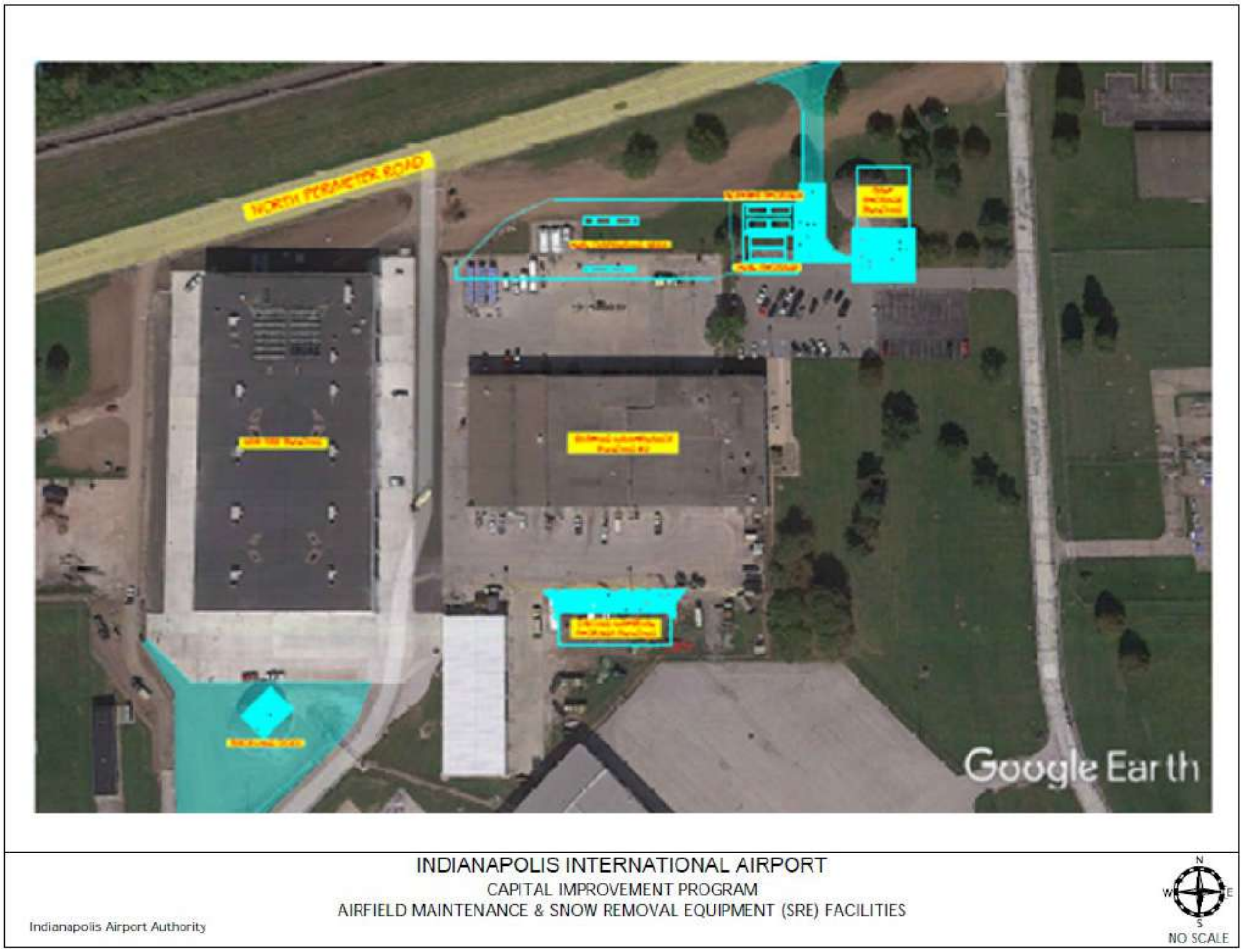


Source: Authority records, September 2022

3.2.1.3 Airfield Maintenance and Snow Removal Equipment Facilities

This project will construct the supporting ancillary structures and systems for the Airport's newly constructed consolidated snow removal equipment (SRE) storage and maintenance facility. These facilities are required as a critical part of the Authority's snow removal program at the Airport. The project comprises a free-standing loading and unloading dock, a new roadway access configuration for fuel dispensing and road salt loading, new fuel storage facilities and dispensing equipment, new potassium acetate storage and dispensing equipment, and a new potassium chloride (road salt) storage structure. The cost of this project is estimated at $17.5 million and is planned to be funded in full with proceeds of the Series 2022B Bonds. **Figure 3-6** illustrates the Airfield Maintenance and Snow Removal Equipment Facilities project.

Figure 3-6 Airfield Maintenance and Snow Removal Equipment Facilities



Source: Authority records, September 2022

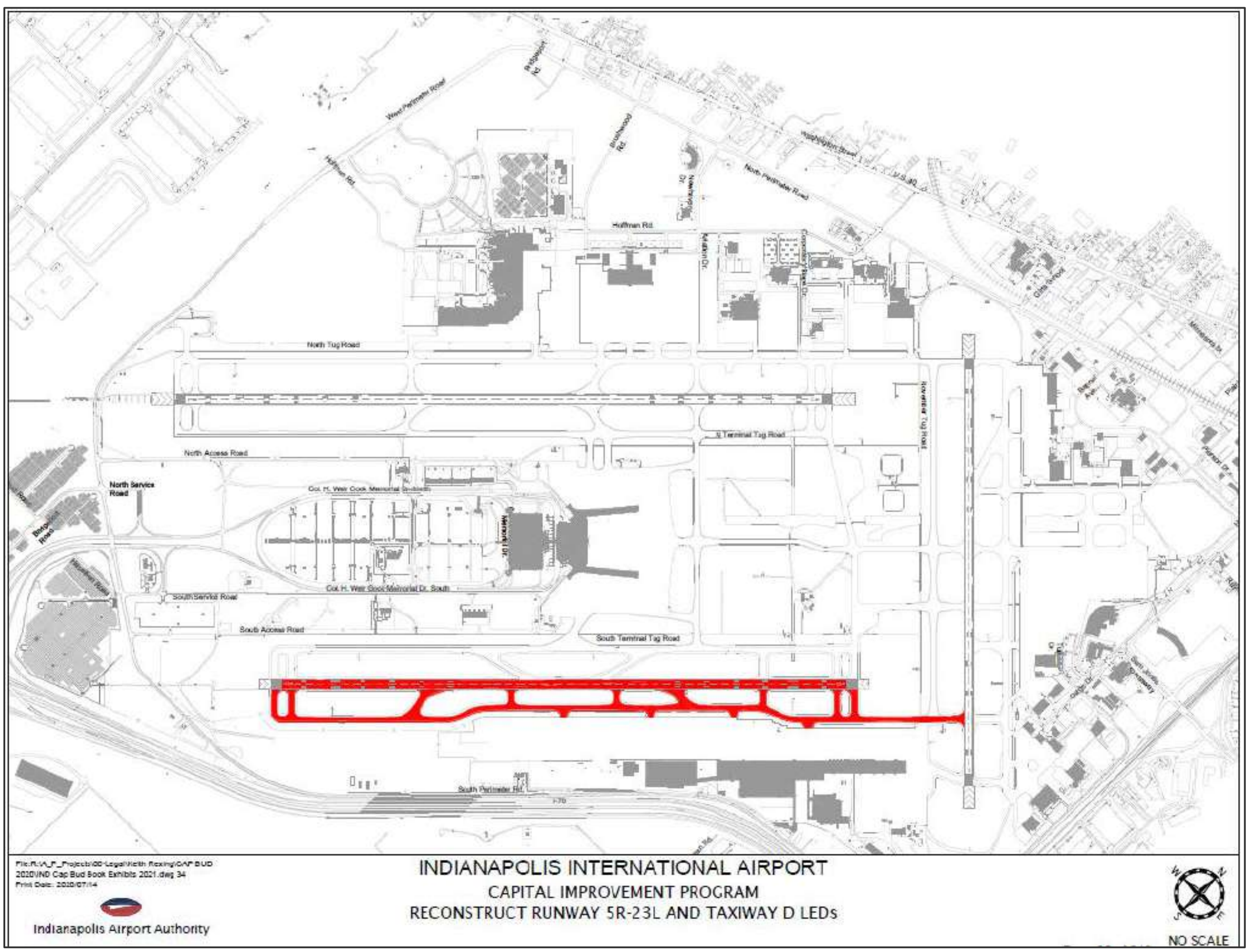
3.2.1.4 *Reconstruct Runway 5R-23L and Taxiway D with LEDs (Phases 1 and 2)*

This three phase project consists of the full-length reconstruction of Runway 5R-23L, Taxiway D from the southwest runway hold position marking of Runway 14-32 to Taxiway D9, connector taxiways between Runway 5R-23L and Taxiway D, connector taxiways between Runway 5R-23L and Taxiway C to the runway hold position marking, a new connector taxiway between Runway 5R-23L and Taxiway C, a new connector taxiway between Runway 5R-23L and Taxiway D, and the extension of Taxiway N from Taxiway D to Taxiway N3. The project will fully remove the existing 18" Portland Cement Concrete (PCC) pavement, 6" econocrete base, and aggregate subbase. Construction of the new pavement consists of 21" PCC on 5" P-403 asphalt base on 6" P-209 subbase on a stabilized subgrade soil. Drainage improvements will include the removal and replacement or lining of storm sewer pipes, removal and replacement of manhole structures, and a proposed underdrain system under the PCC pavement section. Geometry upgrades to meet current FAA standards including correct high-speed exit taxiway alignment for connector Taxiways D4 and D7. Grading improvements to improve drainage off the pavement and within the infields. New shoulders for the runway and taxiways to meet current standards as well as updated blast pads. Updated electrical to correspond with new taxiway geometry including light emitting diode (LED) lighting and guidance signs, new duct banks including home runs and vault modifications. The cost of Phases 1 and 2 of this project is estimated at approximately $142.1 million and is planned to be funded with approximately $100.4 million of FAA AIP grants and approximately $73.2 million Series 2022B Bonds proceeds. **Figure 3-7** illustrates the Reconstruct Runway 5R-23L and Taxiway D with LEDs project.

3.2.1.5 Rehabilitation of Public Parking Lots Pavement

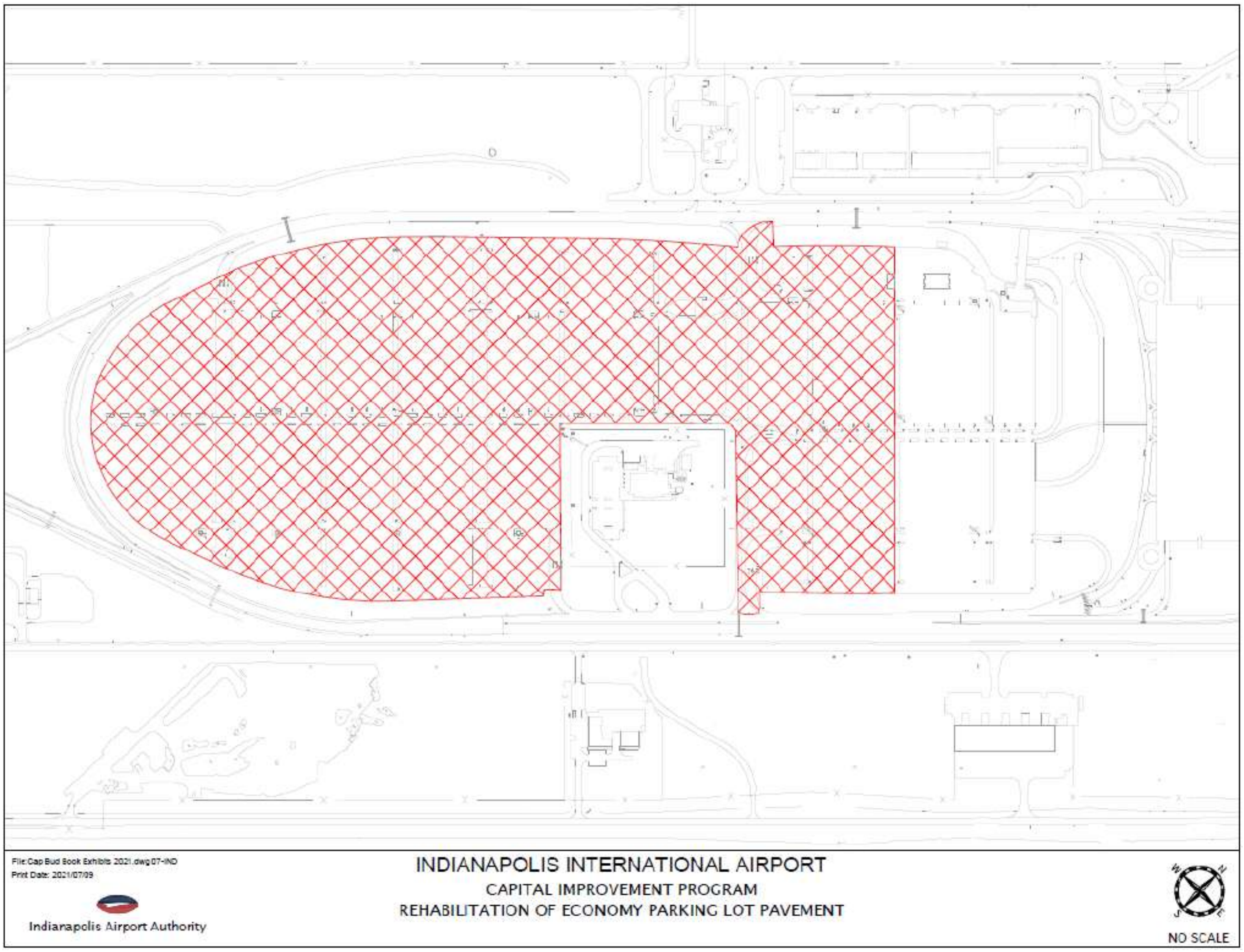
This project will restore the pavement for the Economy Parking Lot, the Employee Lot, and the Park and Walk Lot to new condition. These public parking lots provide a majority of the parking capacity for Airport passengers and employees and are approaching the end of their functional design life. The cost of this project is estimated at approximately $9.6 million and is planned to be funded in full with proceeds of the Series 2022B Bonds. **Figure 3-8** illustrates the Rehabilitation of Public Parking Lots Pavement project.

Figure 3-7 Reconstruct Runway 5R-23L and Taxiway D with LEDs



Source: Authority records, September 2022

Figure 3-8 Rehabilitation of Public Parking Lots Pavement



Source: Authority records, September 2022

3.2.2 Other CIP Projects

As described earlier, the Other CIP Projects is comprised of all other CIP projects that are not a 2022B Project and that the Authority intends to undertake over the period of 2022 through 2027. Preliminary cost estimates for the Other CIP Projects total approximately $820.4 million as presented in **Table 3-2**. It should be noted that certain capital projects included in the Other CIP Projects could potentially be deferred or otherwise not undertaken by the Authority during the project period (depending on circumstances such as air traffic demand levels, availability of project funding, etc.). However for purposes of this analysis, such projects have been incorporated in this Report and the accompanying financial analysis to demonstrate the full financial effect of undertaking the 2022B Project and the Other CIP Projects.

Table 3-2 Other CIP Projects (dollars in thousands)

	Federal Grants	Future Airport Revenue Debt	Authority Funds	Total
Other CIP Projects	**$217,105**	**$326,519**	**$276,807**	**$820,430**

Notes: Includes project costs for the period of 2022 through 2027.
Future airport revenue debt includes airport revenue bonds and other debt obligations other than the Series 2022B Bonds.
Authority Funds are funds generated through the operation of the Airport System by the Authority.
Amounts may not add because of rounding.
Source: Authority records, November 2022
Compiled by Landrum & Brown, Inc.

Major projects included in the Other CIP Projects include the following:

- Reconstruct Runway 5L-23R and Associated Taxiways with LEDs $276.7 million[47]
- Baggage Handling System – Recapitalization $104.5 million
- Reconstruct Runway 5R-23L and Taxiway D with LEDs (Phase 3) $70.6 million
- Reconstruct Runway 7-25 – Indy Regional (Reliever Airport) $17.0 million
- Stormwater and Deicing Controls Capacity – Treatment $16.5 million
- IND Fuel Farm Expansion $12.0 million
- Cargo Building Expansion (Building 622) $9.6 million
- Electric Vehicle Charging Stations in Garage and Lots $9.0 million
- West Apron Reconstruction – Indy Regional (Reliever Airport) $8.5 million
- CEP – Cooling Tower Replacement – Phase II and III $8.0 million
- Shuttle Bus Replacement (Parking) – Future Years $7.7 million
- Install Perimeter Fence – Indy Regional (Reliever Airport) $7.4 million
- Parking Garage Maintenance and Improvements – Future Years $7.3 million

3.3 CIP Plan of Finance

Historically, the Authority has funded capital development at the Airport System from several types of sources. These have generally included grants-in aid, PFC revenues on a pay-as-you-go basis, Authority funds, and bond proceeds backed by Airport System Revenues, PFC revenues, and CFC revenues. The plan of finance for the Authority's CIP presented in Exhibit A reflects estimates based on currently available information regarding the estimated project cost and timing, and the estimated receipt of federal, state, and other grants and other funds. The Authority's CIP is estimated to cost approximately $1.1 billion. Additional detail regarding the estimated funding sources for the Authority's CIP is presented in this section.

[47] Includes project cost estimates through 2027. This project is planned to incur costs beyond 2027.

3.3.1 Federal Grants

The Authority receives federal grants for Airport capital development under the FAA AIP. The Authority received AIP entitlement grants of approximately $4.5 million in 2021 based on (1) levels of funding authorized and appropriated by Congress for the program, (2) the number of passengers and amount of cargo at the Airport, and (3) a 75% reduction in entitlement grants associated with the Authority's $4.50 PFC level. The Reliever Airports receive a total of approximately $150,000 per year. The Authority also receives AIP discretionary grants for specific projects pursuant to grant applications for such funding, and FAA discretionary grant awards, which are a function of the amounts authorized and appropriated by Congress and the FAA's prioritization of competing projects. The Authority has also received a federal grant from the U.S. Economic Development Administration in an amount of approximately $3.8 million for the Airtech Parkway Extension (new cross-over road) at the Airport included in the Other CIP Projects. As a response to the COVID-19 pandemic, Congress passed several federal relief grant packages, further described in Section 4.7.

On November 15, 2021, the President signed into law an approximately $1 trillion investment of the federal government into U.S. infrastructure (Bipartisan Infrastructure Law). The Bipartisan Infrastructure Law contains an investment of approximately $25 billion into aviation, which includes $15 billion of funding for airport infrastructure projects that increase safety and expand capacity, $5 billion of discretionary funding for new airport terminal facilities, and $5 billion of funding to improve air traffic control facilities. The FAA announced the first-year Airport funding amounts from the Bipartisan Infrastructure Law on December 16, 2021. The Airport's total allocation for federal fiscal year 2022 is approximately $13.1 million.[48] This funding is intended to address airside and landside needs, terminal development projects, and noise reduction projects. It is expected that the Authority will receive similar levels of funding from this program for four additional years as well to fund its CIP.

Exhibit A presents projected funding for the Authority CIP, and it expects to be able to fund a portion of its capital development with federal grants. The Authority is planning to use approximately $100.4 million of FAA AIP funding for the Reconstruct Runway 5R-23L and Taxiway D with LEDs (Phases 1 and 2). The expected grant funding for the full CIP is approximately $317.5 million through 2027 with a significant portion anticipated to be FAA AIP grant funding for the Other CIP Project of Reconstruct Runway 5L-23R and Associated Taxiways with LEDs.

3.3.2 Authority Funds

The Authority has historically used some internal funds from the operation of the Airport System to fund certain projects in the CIP. Per the Bond Ordinance, any Revenues remaining in the Capital Improvement Fund, after all obligations have been satisfied, can be used by the Authority for any lawful aviation-related use or purpose pertaining to the Authority.

As presented in Exhibit A, the Authority intends to fund approximately $286.6 million of the Authority's CIP using these available funds through 2027, and approximately $9.8 million to fund the 2022B Project.

3.3.3 Bond Proceeds

Bond proceeds are anticipated to be the largest funding source of the Authority's CIP for the period of 2022 through 2027. This includes both the Series 2022B Bonds and proceeds of future bonds. The total CIP is estimated to be funded with approximately $509.5 million in airport revenue bond proceeds. Of the $509.5 million, approximately $183.0 million in project costs are expected to be funded with proceeds of the Series 2022B Bonds. The Authority is planning to issue future bonds over the projection period to fund approximately $326.5 million of Other CIP Projects depending on the future timing of project costs and cash flow needs. The timing and form of

[48] In total, the Authority's allocation is approximately $14.2 million when including amounts for the Reliever Airports.

financing for Other CIP Projects is subject to change. The Report assumes permanent financing will be in place for such projects in the year they are currently contemplated as needing funding based on estimated expenditure schedules. The size, form and timing of these financings is likely to change as time approaches for the need to fund the projects.

Additional information regarding financing assumptions, amounts, and timing of the Series 2022B Bonds and future bonds is provided in Section 4.8 of this Report. In addition to Airport System Revenues, the Authority also uses CFC Revenues and PFC Revenues to pay a portion of debt service on bonds.

3.3.3.1 Customer Facility Charges

On May 1, 2006, the Authority began requiring the rental car companies at the Airport to charge a CFC to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the construction of on-Airport facilities for rental car companies and other costs, fees and expenses that may be paid from CFC proceeds. The CFC was initially $3.00, then increased to $5.00 effective March 1, 2019. The $5.00 CFC is a per transaction daily fee and is collected by the on-Airport rental car companies from each of their customers and subsequently remitted to the Authority.

The Authority has historically used CFC revenues to pay a portion of airport revenue bond debt service. As described above, the Authority intends to use CFC revenues to pay the debt service associated with the Parking Garage Expansion project. Additional information regarding CFC revenues is provided in Section 4.11 of this Report.

3.3.3.2 Passenger Facility Charge Revenues

Passenger Facility Charge (PFC) revenues are used to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC revenues to pay for approved project costs on a pay-as-you-go basis or by using PFC revenues to pay debt service associated with bonds used to fund approved projects.

As presented, the Authority at this time does not intend to use PFCs on a pay-as-you-go basis or to pay a portion of debt service on future Authority CIP projects. Additional information regarding PFC revenues is provided in Section 4.11 of this Report.

3.4 Financial Impact of Authority Capital Program

The estimated financial impacts of the Authority's CIP are incorporated in the financial analysis contained in this Report. This includes incremental operating expenses, debt service associated with the Series 2022B Bonds and assumed future bonds. It is possible that during the forecast period, the Authority may consider other potential future Airport System improvements not planned at this time. However, it is assumed that the Authority will only undertake construction on any other potential future projects when demand warrants, necessary environmental reviews have been completed, necessary approvals have been obtained, and associated project costs can be supported by a reasonable level of Airport user fees or other discrete funding sources such as state/federal grants, PFCs, Authority funds, CFCs, and/or third-party funds.

4 Financial Framework and Analysis

This Chapter discusses the financial framework for the Authority, including an overview of the governing body, management structure, financial structure including Airport System cost centers, certain obligations of the Authority Bond Ordinance, and certain provisions contained in the Airline Agreement (defined herein) and in other key agreements of the Authority. Additionally, the planned Series 2022B Bonds sources and uses, Debt Service forecasts, Operating Expenses, Airport Revenues forecasts, Debt Service coverage, and other key financial analyses are described in this Chapter.

Exhibits contained at the end of this Report present financial results for reforecast 2022, budget 2023 and projections for 2024 through 2027 (also referred to as the projection period).

4.1 Airport Governing Body

In 1962, the City Council of the City, the Mayor of the City and the County Council of the 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. Additional information on the Authority and Authority Act is contained in the Official Statement (see “THE INDIANAPOLIS AIRPORT AUTHORITY”).

4.2 Management Structure

The Airport and Airport System are managed by professional managers and staff. The Executive Director is appointed by the Authority Board and heads the full-time staff of professional and technical personnel of the Authority. In addition to the Executive Director, the Executive Management Team of the Authority is comprised of the following personnel:

- General Counsel
- Senior Director of Audit and Compliance, Procurement
- Senior Director of Commercial Enterprise
- Senior Director of Finance and Treasurer
- Senior Director of Human Resources
- Senior Director of Information Technology
- Senior Director of Operations and Public Safety
- Senior Director of Planning and Development
- Senior Director of Public Affairs
- Senior Director of Supplier Diversity and Diversity Officer

4.3 Financial Structure

The Authority's Airport System includes the Airport, Downtown Heliport,[49] and the Reliever Airports. For accounting purposes, the Airport System is operated as an independent enterprise by the Authority. The Authority funds operations at the Airport System with revenues generated from Airport System rentals, fees, and charges. Capital improvements at the Airport System are funded by the Authority with: (1) federal, state, and other grants-in-aid, (2) revenues generated from Airport System rentals, fees and charges; (3) Airport System revenue bond proceeds; (4) PFC revenues, and (5) CFCs and CFC secured bonds.

This section of the Report discusses the financial structure of the Authority, including an overview of the Airport System Cost Centers, certain obligations of the Authority Bond Ordinance (defined herein), and certain provisions contained in the Agreement and Lease of Premises at the Airport (Airline Agreement).

4.3.1 Airport System Cost Centers

Expenditures and Revenues of the Authority are categorized into Airport System Cost Centers. Airport System Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, Operation and Maintenance (O&M) Expenses, debt service, and required fund deposits. The Authority's accounting structure has been continuously reviewed by the Authority to assess the appropriateness of the cost center structure in which to categorize all Revenues, O&M Expenses, and debt service, and for the basis of developing airline rates and charges. To summarize, the Authority has the following Airport System Cost Centers:

- **Airfield Area**. The Airfield Area includes those areas of the Airport that provide for the landing, takeoff, and taxiing of aircraft, the approach and runway protection zones, infield areas and navigational aids.
- **Apron Area**. The Apron Area includes those areas of the Airport that provide for the parking, loading, unloading, and servicing of passenger aircraft.
- **Terminal**. Terminal includes the passenger terminal serving the airlines, including associated concourses as presently exist or as may be modified in the future.
- **Public Roadways**. Public Roadways include those areas of the Airport that provide for public roadway access. O&M Expenses of the Public Roadways are allocated to the Airfield Area, Apron Area, and All Other Areas based on the pro-rata share of direct Operating Expenses of each.[50]
- **All Other Areas**. All Other Areas includes those areas of the Airport not included as part of the Airfield Area, Apron Area, Terminal, or Public Roadways, or more specifically as follows:
    - **Parking Area**. The Parking Area includes the access roads and parking areas surrounding the Terminal as now exist or as may be hereafter modified.
    - **Rented Buildings and Other Areas**. Rented Buildings and Other Areas includes all other areas at the Airport not described in the Airfield Area, Terminal, and Parking Area cost centers, and shall include the facilities, installations, and improvements that exist now or as may be modified in the future.
    - **Reliever Airports**. Reliever Airports includes the system of General Aviation Airports owned or operated by the Authority.

[49] In June 2021, the Authority submitted a request to the FAA to close the Indianapolis Downtown heliport.
[50] For Public Roadways allocation purposes to All Other Areas, Operating Expenses for IMC are not included.

4.3.2 Financing Plan

The Indianapolis Local Public Improvement Bond Bank is planning to issue The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-1 (Non-AMT), Series 2022G-2 (AMT) and Series 2022G-3 (Taxable) (Indianapolis Airport Authority Project), referred collectively to as the 2022G Bond Bank Bonds. The Indianapolis Local Public Improvement Bond Bank (Bond Bank) is a body corporate and politic separate from the City. The Bond Bank was created by the Bond Bank Act for the purpose of buying and selling securities of certain qualified entities, including the City, the County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the Council and certain authorities or entities that lease land or facilities to other qualified entities, to help the qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. The Authority is a qualified entity under the Bond Bank Act. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank also has general powers which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose. The Bond Bank has no taxing power. Additional information on the Bond Bank is contained in the Official Statement (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS”).

The 2022G Bond Bank Bonds will be issued by the Bond Bank pursuant to a Trust Indenture dated as of December 1, 2022, as it may be supplemented and amended from time to time, by and between the Bond Bank and the Bond Bank Trustee (collectively, the Indenture) for the principal purpose of purchasing the Indianapolis Airport Authority Revenue Bonds, Series 2022B-1 (the Series 2022B-1 Bonds), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-2 (the Series 2022B-2 Bonds) and the Indianapolis Airport Authority Revenue Bonds, Series 2022B-3 (the Series 2022B-3 Bonds, and collectively with the Series 2022B-1 Bonds and the Series 2022B-2 Bonds, the Series 2022B Bonds). The Series 2022B Bonds will be issued for the principal purpose of providing funds, together with certain other funds of the Authority, to: (i) finance or reimburse the 2022B Project, (ii) fund an account of the Revenue Bond Reserve Fund, (iii) fund all or a portion of interest on the Series 2022B Bonds through the in-service dates of the various portions of the 2022B Project, and (iv) pay costs of issuance related to the Series 2022B Bonds and the 2022G Bond Bank Bonds. The Series 2022B Bonds have been authorized by the Authority Board pursuant to General Ordinance No 3-2022, and will be purchased by the Bond Bank and held to secure the 2022G Bond Bank Bonds. (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2022G BOND BANK BONDS” in the OS).

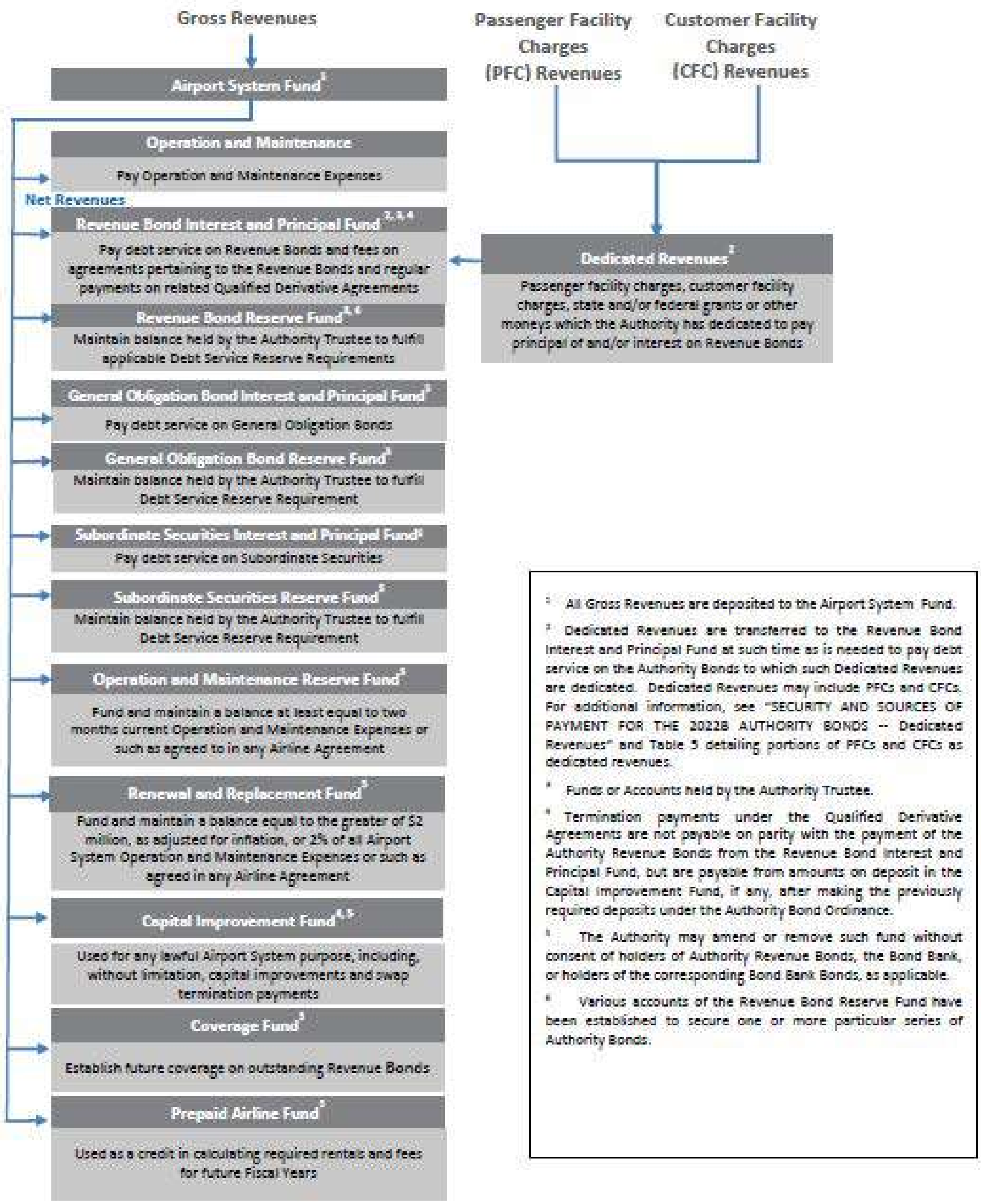
4.3.3 Authority Bond Ordinance

The Authority’s General Ordinance No. 4-2002, adopted on December 20, 2002 (the 2002 Authority Master Ordinance, which amended and restated General Ordinance No. 6-1985 adopted on November 4, 1985) has subsequently been supplemented and amended from time to time. The Authority consolidated and restated the 2002 Authority Ordinance and its subsequent amendments in the Authority’s General Ordinance No. 5-2014, adopted August 15, 2014 (the Authority Master Ordinance), and the Authority subsequently adopted General Ordinance No. 3-2022 adopted on September 16, 2022 (the 2022 Authority Supplemental Ordinance) in connection with the Series 2022B Bonds (collectively, the Authority Bond Ordinance). The Series 2022B Bonds are to be issued under and secured by the Authority Bond Ordinance. The following sections describe key provisions associated with the Authority Bond Ordinance, including: flow of funds, rate covenant, and Additional Bonds.

4.3.3.1 Flow of Funds

Sections 4.04 and 4.05 of the Authority Master Ordinance establish certain funds and accounts and the priority for the flow of Revenues and certain other amounts to such funds and accounts. **Figure 4-1** illustrates the flow of funds as set forth in the Authority Bond Ordinance.

Figure 4-1 Flow of Funds



Source: Authority Bond Ordinance.

The application of Gross Revenues is governed by the provisions of the Authority Bond Ordinance. The Authority Bond Ordinance creates a special fund designated as the Airport System Fund, which is held by the Authority, in which the Authority is required to deposit all Gross Revenues upon receipt by the Authority. Monies held in the Airport System Fund are then applied and deposited into the funds and accounts established pursuant to the Authority Bond Ordinance, as illustrated in Figure 4-1. Gross Revenues in the Airport System Fund are to be applied first to the payment of all current Operation and Maintenance Expenses and then to the Revenue Bond Interest and Principal Fund and Revenue Bond Reserve Fund in the amounts required by the Authority Bond Ordinance. Although certain PFCs, CFCs and other monies of the Authority may be irrevocably designated as Dedicated Revenues pursuant to the Authority Bond Ordinance, such monies will not be pledged to secure Authority Revenue Bonds pursuant to such designations. The Authority may agree to hold such PFCs and other monies of the Authority exclusively to pay a portion of the debt service on Authority Revenue Bonds and related Qualified Derivative Agreement payments, to the extent allowed by law. Revenues remaining after the payment of Operation and Maintenance Expenses, debt service on all outstanding Authority Revenue Bonds, General Obligation Bonds (if any) and Subordinate Securities (if any) (as each is defined herein) and other fund deposit requirements (including the Capital Improvement Fund and Coverage Fund) are transferred to the Prepaid Airline Fund. Additional information on these funds is contained in the Official Statement for the 2022G Bond Bank Bonds (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS”).

4.3.4 Rate Covenant

The Authority Bond Ordinance establishes a covenant of the Authority that it will at all times fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System sufficient to provide Net Revenues, together with moneys on deposit in the Coverage Fund, for each Fiscal Year equal to the larger of (i) all amounts required to be deposited in such Fiscal Year into the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; or (ii) an amount equal to not less than 125% of the annual principal and interest due for all Authority Revenue Bonds for such Fiscal Year (Rate Covenant). For the purpose of complying with the Rate Covenant, the Authority will: (a) include within Net Revenues in any Fiscal Year amounts transferred or credited from the Prepaid Airline Fund pursuant to the Authority Bond Ordinance; (b) exclude from interest due on Authority Revenue Bonds any interest paid from moneys in the Capitalized Interest Account; (c) include in such calculation moneys in the Coverage Fund; and (d) exclude from the calculation, debt service excluded from the Debt Service Requirement by reason of the dedication of Dedicated Revenues for payment of such debt service.

4.3.5 Additional Authority Bonds

The Authority Bond Ordinance provides that the Authority may issue, for any lawful Airport System purpose, one or more series of additional revenue bonds (Additional Authority Bonds), payable from and secured by a senior lien on Net Revenues on parity with the Authority Revenue Bonds, except with respect to the Revenue Bond Reserve Fund, upon satisfaction of the following conditions:

> *a)* No Default. An Authorized Airport Representative must certify that, upon the issuance of such series of Additional Authority Bonds, the Authority will not be in default under any term or provision of any Authority Revenue Bonds then outstanding or any ordinance authorizing the issuance of such Authority Revenue Bonds;
>
> *b)* Proper Fund Balances. An Authorized Airport Representative must certify that, upon the issuance of such series of Additional Authority Bonds, (i) the Revenue Bond Interest and Principal Fund will contain the amounts required to be deposited therein and (ii) the account of the Revenue Bond Reserve Fund, if any, which is held for the benefit of such series of Additional Authority Bonds will contain the amounts required at such time to be on deposit therein;

c) Historical Coverage on Outstanding Authority Revenue Bonds. An Authorized Airport Representative must certify that, either for the Authority's most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months, Net Revenues, together with monies in the Coverage Fund, were equal to at least 125% of the Debt Service Requirement for all Authority Revenue Bonds for such period (without taking into account the Debt Service Requirement for the proposed Additional Authority Bonds);

d) Coverage for Additional Authority Bonds. The Authority must also submit to the Authority Trustee either of the following: (i) a certification by an Authorized Airport Representative of the Authority that, for either the Authority's most recent Fiscal Year or for any consecutive 12 months out of the most recent 18 months, the Net Revenues, together with monies in the Coverage Fund, were equal to at least 125% of the Debt Service Requirement for all Outstanding Authority Revenue Bonds, including the proposed Additional Revenue Bonds in any future Fiscal Year; or (ii) a report of an airport consultant setting forth projections indicating that, based on the Authority's expectations, the estimated Net Revenues for each of three consecutive Fiscal Years beginning on the earlier of (A) the first Fiscal Year following the estimated date of completion and initial use of any of the revenue producing facilities to be financed with such series of Additional Authority Bonds, based upon a certified, written estimated completion date by the consulting engineer for such facility or facilities, or (B) the first Fiscal Year in which the Authority will have any scheduled payments of interest on or principal of the series of Additional Authority Bonds to be issued, for the payment of which provision has not been made as indicated in the report of such airport consultant from the proceeds of such series of Additional Authority Bonds, investment income thereon or other appropriated sources (other than Net Revenues) are, together with the moneys in the Coverage Fund, at least equal to 125% of the Debt Service Requirement for all Authority Revenue Bonds for such period scheduled to occur during each such respective Fiscal Year after taking into consideration the additional Debt Service Requirement for the series of Additional Authority Bonds to be issued.

For all purposes of (c) and (d) above, (i) any principal or interest on Authority Revenue Bonds which is payable from Dedicated Revenues may be excluded from the Debt Service Requirement for such Authority Revenue Bonds; (ii) any amount transferred or credited from the Prepaid Airline Fund to the Airport System Fund is included in Net Revenues for such Fiscal Year; and (iii) any interest due on Authority Revenue Bonds that is paid from moneys in the Capitalized Interest Account is excluded from the Debt Service Requirement.

e) Bond Ordinance Requirement. The supplemental bond ordinance authorizing such series of Additional Authority Bonds must meet the applicable requirements set out in the Authority Bond Ordinance.

If the Additional Authority Bonds are being issued for the purpose of refunding all or a portion of the previously issued Authority Revenue Bonds or Subordinate Securities which remain outstanding as of the date of such issuance, none of the certifications described under subparagraph (c) and (d) above will be required so long as (for each Fiscal Year during which Authority Revenue Bonds would otherwise have been outstanding) the Debt Service Requirement for all Outstanding Authority Revenue Bonds in such Fiscal Year (after giving effect to the issuance of such Refunding Authority Bonds), will not exceed the scheduled Debt Service Requirement for all Outstanding Authority Revenue Bonds in such Fiscal Year (prior to giving effect to the issuance of such Additional Authority Bonds).

4.4 Airline Agreement

The Authority entered into a five-year Airline Agreement with the Signatory Airlines operating at the Airport effective January 1, 2019 and expires on December 31, 2023. The Airline Agreement establishes, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of Airport facilities. The Signatory Airlines at the Airport include the following: Allegiant Air, American Airlines, Cargolux Airlines, Delta Air Lines, FedEx, Frontier Airlines, Southwest Airlines, and United Airlines. Together, the passenger Signatory Airlines and their respective regional affiliates accounted for more than 98% of enplaned passengers at the Airport in 2021. When including the cargo Signatory Airlines with the passenger Signatory Airlines, they accounted for more than 98% of landed weight at the Airport in 2021.

The Airline Agreement governs airline use of certain Airport facilities, including Airfield Areas, Terminal, Apron Areas, baggage claim, ticket counters and gate areas and permits the Signatory Airlines to lease Preferential Use Space and Joint Use Space. Preferential Use Space is Airport space, including holdroom areas and gates, ticket counters, and office space, leased to a Signatory Airline and to which the Signatory Airline has a higher and continuous priority of use over all other air carriers. Joint Use Space generally includes baggage claim, baggage system areas, and the security checkpoint areas, which multiple airlines use jointly.

As mentioned above, the Airline Agreement expires on December 31, 2023. The Authority is planning to commence negotiations with the Signatory Airlines regarding a new airline agreement in the coming months. Given this, the airline rates and charges methodology to be included in such future airline agreements is still yet to be determined. For the purposes of this Report, the rates and charge methodology and terms in the Airline Agreement are assumed to remain similar to the methodology and terms in the current agreement for the projection of future airline revenues with the exception of certain Revenue Sharing provisions as described further in Section 4.4.2. It should be noted that future airline revenues as projected herein could vary from actual future airline revenues that would be pursuant to a future agreement with airlines at the Airport.

The key provisions of the Airline Agreement are summarized in the following sections and are used as the basis for projecting airline revenues in this Report.

4.4.1 Airline Rate-Setting Methodology

As described earlier, the Airport has been divided into distinct Airport System Cost Centers for the purposes of establishing and setting airline rates and charges. The cost centers associated with the airlines are the Airfield Area, Terminal, and Apron Area. The Authority's non-airline cost center is named All Other Areas of which certain net revenues of such cost center are distributed to the Signatory Airlines as credits to certain airline rates and charges and as further described in Revenue Sharing below.

Airline rates and charges are calculated each year for the Terminal, Apron Area, and Airfield Area cost centers at the Airport. The components of the total cost requirement for the terminal rental rate, apron area rental rate, and landing fee include the following:

- **O&M Expenses** - Includes the O&M Expenses (direct and allocated indirect) attributable to the specific airline rate-setting cost centers.
- **Net Debt Service Requirements** –Includes the prorata portion of annual Bond debt service allocable to the specific airline rate-setting cost center net of Dedicated Revenues.
- **Debt Service Coverage Requirement** – Includes the prorata portion of annual debt service and coverage, after giving effect to amounts on deposit in the Coverage Fund, as required by the Authority Bond Ordinance.

- **O&M Reserve Fund Requirement** - Includes the prorata portion of annual amounts needed to establish or maintain the O&M Reserve Fund Requirement (equivalent to two months of O&M Expenses) for the specific airline rate-setting area.
- **Other Reserve Fund Requirement** – Includes the prorata portion of annual amounts needed, if any, for required bond or reserve fund deposits allocable to the specific airline rate-setting cost center per the Authority Bond Ordinance.
- **Prepaid Airline Fund** – This fund is primarily used for annual rates and charges settlement purposes. Each airline cost center (e.g., Airfield Areas, Apron Area, and Terminal cost centers) will be credited or debited as appropriate in the following fiscal year for over/underpayment by the Signatory Airlines.

The above described requirements are offset by non-airline and/or non-signatory airline revenue amounts in the specific airline rate-setting area to calculate the Net Requirement for the Airfield Area and the Apron Area. The Terminal cost center does not have any offsets of non-airline and/or non-signatory airline revenue as described below.

Landing fees pursuant to the Airline Agreement are calculated on an Airfield Area Cost Center residual basis where the Signatory Airlines are required to ensure the total requirement of the Airfield Area Cost Center. The total requirement allocable to the Airfield Area, as described above is offset by non-airline and/or non-signatory airline revenue amounts allocable to the Airfield Area to calculate the Net Requirement. This Net Requirement is then divided by total Signatory Airline landed weight to derive the Signatory Airline Landing Fee.

Apron Area Rental Rates are also calculated on an Apron Area Cost Center residual basis in somewhat similar fashion to the Landing Fee. However, the Net Requirement of the Apron Area is divided by total apron space leased by the Signatory Airlines to derive the Apron Area Rental Rate.

Terminal Rental Rates under the Airline Agreement are calculated on a commercial compensatory basis where the Signatory Airlines pay rents for only the space they lease. The Net Requirement of the Terminal is divided by total rentable space in the Terminal to derive the Terminal Rental Rate. Thus, the Authority is responsible for the cost of rentable space not leased by the airlines and other tenants at the Airport. Unlike the Landing Fee and Apron Area Rental Rates calculations, non-airline revenue and Non-Signatory Airline revenue is not credited to the Terminal requirement for the purposes of setting Terminal Rental Rates; these revenues are included in the calculation of Revenue Sharing as described below.

Additional detail on the calculations of airline rates and charges are presented in **Exhibits E**, **F**, and **G** attached to the end of this Report. Non-Signatory Airlines are charged at 150% of all applicable Signatory Airline rates and charges.

The Airline Agreement allows for the calculation of airline rates and charges each year, using budgeted aviation activity, O&M Expenses, and non-airline revenues. The Authority may also amend airline rates and charges during the current year at its discretion using the above formulas. An example for such an amendment would be if year-to-date financial results or activity varies materially from that budgeted for such year. The Airline Agreement also allows for a final adjustment of airline rates and charges after the annual audit of Authority records. Any adjustment (i.e., underpayment or overpayment of rentals, fees, and charges) to actual rates and charges resulting from the final settlement is included in the Prepaid Airline Fund for the next year as part of the calculation of budgeted airline rates and charges for such year.

4.4.2 Revenue Sharing

The Airline Agreement provides for the sharing of certain net remaining revenues of the All Other Areas Cost Center (Amounts Available for Revenue Sharing). These revenues generally include revenues from the All Other Areas such as automobile parking, rental cars, and non-airline revenues and Non-Signatory Airline revenues of the Terminal cost center. The Amounts Available for Revenue Sharing to the Signatory Airlines are amounts available after the Authority has met all financial obligations pursuant to the Authority Bond Ordinance and deposited at least $24 million annually to its Capital Improvement Fund (Capital Improvement Fund Requirement). The Authority has indicated, preliminarily, to the Signatory Airlines that it will likely need to increase its minimum annual deposit to the Capital Improvement Fund by, at minimum, $4.0 million as part of a new airline agreement. Therefore, for the purposes of this Report, the minimum annual deposit has been increased to $28 million commencing in 2024 for the remainder the projection period.

The Authority is able to deposit additional annual amounts into the Capital Improvement Fund pursuant to the Airline Agreements as follows:

- 25% of the Amounts Available for Revenue Sharing when it exceeds $17.5 million and is less than or equal to $18.5 million
- 37.5% of the Amounts Available for Revenue Sharing when it exceeds $18.5 million and is less than or equal to $19.5 million
- 50% of the Amounts Available for Revenue Sharing when it exceeds $19.5 million

Amounts Available for Revenue Sharing are credited to the calculation of the Landing Fee and the Terminal Rental Rate at 12% of the total amounts and 88% of the total amounts, respectively. **Exhibit H** following this Report presents the Authority's Revenue Sharing methodology pursuant to the Airline Agreement. Amounts Available for Revenue Sharing are expected to range from approximately $5.1 million in 2023 to approximately $782,000 million in 2026. As shown on Exhibit H, since the forecast Amounts Available for Revenue Sharing are below the levels described above, $24 million is projected to be deposited into the Capital Improvement Fund in 2023 and $28 million through the remainder of the projection period.

4.4.3 Signatory Airline Disapproval of Capital Improvements

The Authority and the Signatory Airlines agreed in the Airline Agreement that certain capital improvements in the Terminal or Airfield Area with a cost exceeding $100 million are subject to a Signatory Airline disapproval process, referred to as Majority-In-Interest (MII) Concurrence. Article 8 of the Airline Agreement specifies that the Authority may finance the costs of capital improvements and may include such costs in Signatory Airline rentals, fees, and charges upon receiving MII Concurrence for such capital projects. MII Concurrence is received if Signatory Airlines constituting an MII do not disapprove of such capital improvement. An MII is defined as either (a) in the Airfield Area, Signatory Airlines which, in the aggregate, have paid more than 50% of total Landing Fees by all Signatory Airlines for the preceding six-month period for which records are available and represent more than 50% in number of all Signatory Airlines, or (b) in the Terminal, Signatory Airlines which, in the aggregate, have paid more than 50% of total Terminal Rentals by all Signatory Airlines for the preceding six-month period for which records are available and represent more than 50% in number of all Signatory Airlines.

The Authority may, at any time, undertake capital improvements for any lawful Authority purpose that are not subject to MII Concurrence from the Signatory Airlines and include the costs of such capital improvements in airline rates and charges.

4.4.4 Extraordinary Adjustments of Rentals, Fees, and Charges

Section 6.10 of the Airline Agreement contains a provision for the extraordinary adjustment of airline rates and charges that allows for the Authority to collect additional payments from the Signatory Airlines to satisfy the Rate Covenant set forth in the Authority Bond Ordinance if revenues and balances available in any fund under the Authority Bond Ordinance are not sufficient. Upon notice and consultation with the Signatory Airlines, the Authority may increase the rentals, fees, and charges to the Signatory Airlines at any time to such amounts sufficient to assure the Authority shall meet Rate Covenant obligations pursuant to the Authority Bond Ordinance.

4.5 Other Airline Agreements and Airport Use Permits

Other airlines operate at the Airport under an Operating Agreement, which generally has a month-to-month term. Regional/commuter carriers affiliated with the Signatory Airlines, hold Operating Agreements and pay landing fees and Terminal fees based upon the Authority's annual Schedule of Rates, Fees and Charges for Use of the Airport Facilities. In addition, various carriers hold Airport use permits and pay Signatory Airline rates as affiliate carriers to their respective mainline passenger airlines.

4.6 Non-Airline Agreements

The Authority has agreements with entities that operate, provide services, or occupy space at the Airport, including food court restaurants, cafes, pubs, full-service restaurants, quick-serve food and beverage, newsstands, retail shops, and display advertising, among other specialties. In addition, several Airport tenants have executed lease agreements with the Authority governing their occupancy and use of space on Airport property. The Authority undertook a lengthy concession refresh project beginning in 2018 and solicited public involvement. The new concessions program features national and local offerings that are rich with variety and are targeted to resonate with passengers. The five largest concession operators at the Airport are Hudson Group, SSP America, Paradies Lagardere, Host International, and OHM Concession Group. The Authority also has direct leases with several local companies. In addition to the concession stores, the Authority has concession agreements for advertising, retail merchandising units, pouring rights with Coca-Cola, cell phone companies (use of distributed antenna systems), ATMs, vending services, and other passenger amenities.

There are ten rental car operator brands at the Airport, including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Sixt and Thrifty. Payless Car Rental is situated off-airport. In addition, the rental car operators lease counters, office areas, a "quick turn-around" facility, telephone banks and a "ready return" area on the first floor of the parking garage at the Airport at prevailing rental rates. The current rental car agreements expire December 31, 2029.

The Authority executed a use permit with Turo, a car sharing service, in January 2022. The term of this use permit is for one year and may be extended on a year-to-year basis thereafter, under the same terms per mutual agreement. Pursuant to the use permit, Turo is required to pay the Authority 10% of the gross revenues it receives at the Airport along with all parking fees related to the use of Airport parking facilities.

The Authority also has a pick-up and drop-off fee of $2.50 for transportation network companies (TNCs) operating at the Airport. TNC revenue was approximately $1.9 million in 2019. For 2021, TNC revenue was approximately $1.1 million. Year-to-date TNC revenue through August 2022 is $1.1 million as passengers and TNC operations are increasing toward to 2019 levels.

4.6.1.1 Summary of Key Non-Airline Agreement Terms and Conditions

Airport non-airline agreements have various terms and conditions. In general, the business terms of the agreements are based on industry standards and practices. Additional summaries of key non-airline agreement terms are provided below.

- **Terminal Concession Agreements:**
  - Concession fees range between 8% and 16% of gross revenues (between 8% and 18% in the case of agreements entered into before 2014)
  - Minimum annual guarantee (MAG) equal to 85% of prior year concession fees
  - A temporary MAG reduction occurs if enplaned passengers decrease by more than 20% at the Airport, MAG is reduced proportionately
  - MAGs were reduced in 2020 and 2021 because of the reduction in enplaned passengers associated with the COVID-19 pandemic
  - Total MAG amounts for 2021 were approximately $1.3 million based on agreement terms and associated with the reduction in enplaned passengers
  - Total MAG amounts for 2022 are estimated at approximately $3.1 million
  - Agreement expiration dates vary
- **Rental Car Concession Agreements:**
  - Concession fees equal to 10% of gross revenues
  - MAGs are set for each company per specific contract amounts
  - A temporary MAG reduction occurs if deplaned passengers decrease by more than 20% at the Airport, MAG is reduced proportionately
  - MAGs were reduced in 2020 and 2021 because of the reduction in deplaned passengers associated with the COVID-19 pandemic
  - Total MAG amounts for 2021 were approximately $7.5 million
  - Total MAG amounts for 2022 are also estimated at approximately $7.5 million
  - Each rental car company operating at the Airport shall collect and submit a CFC fee to the Authority at an amount of $5.00 per rental car contract day up to a maximum of 14 days. The Authority reserves the right to adjust the CFC fee at times it deems necessary.
  - For use of leased premises at the Airport, each rental car shall pay facility rent per square foot to the Authority for such facilities as the ground transportation center, ready-return area, quick-turn-around area, overflow staging and parking areas, storage space. Facility rents are subject to annual escalation per the Consumer Price Index rate.

4.7 Federal Aid Related to COVID-19

The U.S. government provided assistance to U.S. airports as a result of air traffic impacts at the Airport associated with the COVID-19 pandemic. The following legislative actions were taken.

4.7.1 CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748, Public Law 116-136) was approved by the U.S. Congress and signed by the President on March 27, 2020. It is one of the legislative actions taken to address the crisis associated with the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for U.S. airports, as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The CARES Act provides $10 billion of grant assistance to airports.

The Federal Aviation Administration (FAA) announced in April 2020 that it had allocated approximately $52.5 million to the Authority with the vast majority or approximately $52.3 million for the Airport. The Authority used all of its CARES Act funds in 2020 and 2021.

4.7.2 Coronavirus Response and Relief Supplemental Appropriation Act

On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed by the President. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSAA). Title IV of CRRSAA provides approximately $2 billion in economic relief to airports to prevent, prepare for, and respond to the COVID-19 public health emergency, including relief from rent and minimum annual guarantees (MAGs) for eligible airport concessions at primary airports.

The FAA announced on February 12, 2021, that it had allocated approximately $12.2 million to the Authority including amounts obligated for concessionaire relief. The Authority has drawn the majority of these funds and is planning to have applied all of this funding by the end of 2022.

4.7.3 American Rescue Plan Act

On March 11, 2021, the President signed the American Rescue Plan Act (ARP) Act of 2021, a $1.9 trillion economic stimulus package designed to help the U.S. economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, ARP Act includes financial relief for certain eligible airports. For eligible airports, ARP Act appropriates $8 billion to assist such airports to prevent, prepare for, and respond to COVID-19, and such amounts remain available until September 30, 2024.

The FAA announced on June 22, 2021, that it had allocated approximately $41.9 million of ARP Act funds to the Authority including amounts obligated for concessionaire relief. The Authority is planning to use approximately $19.6 million of these funds in 2022, approximately $11.7 million in 2023, and the balance of approximately $6.6 million in 2024. This $6.6 million expected to be applied in 2024 has not been included in the projections for the purposes of this Report.

Table 4-1 presents a summary of the federal relief funds provided to the Authority related to COVID-19. Additional information on federal relief funds is contained in the Official Statement for the 2022G Bond Bank Bonds (see “IMPACT OF THE COVID-19 PANDEMIC ON THE AUTHORITY”).

Table 4-1 COVID-19 Federal Relief Funds for the Authority (Dollars in Thousands)

	CARES Act	CRRSAA (Operation)	CRRSAA (Concession Relief)	ARP Act (Operation)	ARP Act (Concession Relief)	Total
Total Award	**$52,533**	**$11,224**	**$1,009**	**$37,822**	**$4,034**	**$106,622**
Uses:						
2020	$38,436					$38,436
2021	14,097	$9,854	$1,009			24,959
2022 (planned)		1,370		$19,560	4,034	24,964
2023 (planned)				11,700		11,700
Total Uses	**$52,533**	**$11,224**	**$1,009**	**$31,260**	**$4,034**	**$100,060**
Amount Remaining	**$0**	**$0**	**$0**	**$6,562**	**$0**	**$6,562**

Note: Amounts may not add due to rounding.
Source: Indianapolis Airport Authority

4.8 The Series 2022B Bonds and Future Bonds

The Authority is planning to issue the Series 2022B Bonds to: (1) fund, in whole or in part, the 2022B Project, (2) fund capitalized interest, (3) fund a deposit to the Revenue Bond Reserve Fund, and (4) pay associated costs of issuance.

Table 4-2 presents a listing of estimated sources and uses of funds for the proposed Series 2022B Bonds. The estimated sources and uses of funds and Debt Service for the proposed Series 2022B Bonds were prepared by the Authority's financial advisor, Frasca & Associates, LLC (Frasca). Debt service estimates for the Series 2022B Bonds were provided by Frasca and include the following assumptions:

- All in total interest cost (TIC) of 5.2%
- Final maturity of 30 years
- The first principal payment is assumed to occur on January 1, 2025
- A portion of the bond proceeds will fund capitalized interest during construction
- A portion of the bond proceeds will fund a deposit to the Revenue Bond Reserve Fund

Table 4-2 Series 2022B Bonds Sources and Uses (Dollars in Thousands)

	Series 2022B Bonds
Par Amount of Bonds	$188,230
Premium/Discount	3,555)
Authority Cash Contribution	9,648
Interest Income	2,070
Total Sources	**$203,5046**
Project Fund Requirements	$182,973
Capitalized Interest	4,980
Revenue Bond Reserve Fund	14,348
Cost of Issuance	1,203
Total Uses	**$203,504**

Note: Amounts may not add due to rounding.
Source: Frasca & Associates, LLC, November 2022
Compiled by Landrum & Brown

Exhibit B at the end of this Report presents a summary of annual debt service requirements for Actual 2021, estimated or reforecast 2022, budgeted 2023, and that projected for 2024 through 2027. Total gross debt service requirements are projected to be approximately $90.2 million in 2023 and are projected to be approximately $97.1 million in 2024 and are then expected to increase throughout the projection period to approximately $121.5 million in 2027. Gross debt service requirements for the Series 2022B Bonds are projected to be approximately $5.8 million in 2023 and are projected to increase each year as projects are completed to approximately $15.0 million in 2027.

In addition to the Series 2022B Bonds, the Authority is planning to issue additional future bonds to fund approximately $326.5 million of its Other CIP Projects in certain years over the projection period. As presented in Exhibit B, debt service requirements for planned future bonds is projected to be approximately $341,000 in 2024 and increase to approximately $22.8 million in 2027. The timing and form of financing for future projects has not been determined at this time. Although the Authority will consider various financing options, for purposes of this Report, Frasca made the following assumptions regarding the issuance of future bonds to fund portions of Other CIP Projects. :

- Assumed interest rate of 6.0%
- Final maturities ranging between 25 to 30 years
- A portion of the bond proceeds will fund capitalized interest during construction
- A portion of the bond proceeds will fund a deposit to the Revenue Bond Reserve Fund

4.9 O&M Expenses

Table 4-3 presents historical O&M Expenses of the Authority for the period of 2017 through 2021. Over this period, O&M Expenses increased from approximately $74.7 million in 2017 to approximately $81.7 million in 2021 for a CAGR of 2.3%. For the period of 2017 to 2019, O&M Expenses increased at a CAGR of 8.4%. This period was prior to the impacts associated with the COVID-19 pandemic and during a period of air traffic growth at the Airport. The increase was consistent with the Authority's objective of investing in facilities maintenance, personnel, and other strategic initiatives to improve overall sustainability of facilities and the organization. Categories primarily contributing to these increases include personal services, utilities, supplies, and materials.

The Authority's O&M Expenses decreased substantially in 2020 by 17.0% to approximately $72.9 million from $87.8 million in 2019 as the Airport and the overall aviation industry was significantly impacted by the COVID-19 pandemic. As the recovery from the impacts associated with the pandemic continued into 2021, the Authority's O&M Expenses increased by 12.0% to approximately $81.7 million.

Table 4-3 Historical O&M Expenses (dollars in thousands)

Category	2017	2018	2019	2020	2021	2017 - 2021 CAGR
Personal Services	$13,284	$14,336	$15,094	$14,113	$13,665	0.7%
Contractual Services	13,628	12,816	14,454	10,156	12,985	(1.2%)
Utilities	5,859	8,233	7,741	7,092	8,206	8.8%
Supplies	3,322	4,626	4,368	2,721	3,605	2.1%
Materials	2,695	2,866	3,165	2,521	2,691	0.0%
Public Safety	10,407	10,747	11,444	10,912	12,065	3.8%
Administration	15,300	17,529	18,767	16,046	17,419	3.3%
Indianapolis Maintenance Center	7,163	7,587	7,552	6,541	6,153	(3.7%)
Other [1]	3,052	3,711	5,213	2,813	4,894	12.5%
Total Operating Expenses	**$74,709**	**$82,451**	**$87,799**	**$72,914**	**$81,683**	**2.3%**

[1] Includes the items of security, roadways, equipment and capital outlays, environmental remediation, and general expenses that include insurance, equipment rentals, and other items such as bad debts.
Note: Amounts may not add because of rounding.
Source: Indianapolis Airport Authority, September 2022

Exhibit C at the end of this Report presents the Authority's O&M Expenses by category and cost center for actual 2021, reforecast 2022, budget 2023, and projections from 2024 through 2027. Total O&M Expenses are estimated to increase in 2022 to approximately $90.9 million and then increase to approximately $102.0 million per the Authority's budget for 2023. Increases in O&M Expenses in these recent years are reflective of the Authority accounting for staffing and contractual service needs related to continued recovery of air traffic at the Airport and the impacts of the current inflationary environment. As shown, total O&M Expenses are projected to increase to approximately $110.1 million in 2027 at a CAGR of approximately 3.9% from 2022 through the end of the projection period. Overall, the Authority's projection of O&M Expenses is based on historical trend reviews, the anticipated impacts of inflation, projected activity levels, and impacts associated with the implementation of the Authority's CIP.

O&M Expenses categories and assumptions in projecting future growth are summarized below. These categories accounted for approximately 94% of the Authority's total O&M Expenses in 2021.

- **Personal services.** This category includes salaries and wages, employee benefits including health insurance, and retirement and social security expenses of the Authority. Personal services are projected to increase from $17.7 million estimated for 2022 to $23.5 million in 2027 for a CAGR of 5.8% to reflect inflationary increases along with increases in benefits programs such as the cost of employee health insurance.
- **Contractual services.** This category includes costs for repairs and maintenance services, professional fees, transportation and communication services, and other contractual expenses of the Authority. Contractual services expenses are projected to increase from $14.2 million estimated for 2022 to $17.4 million in 2027, a CAGR of 4.1%. This projected growth is assumed to increase slower than inflation to reflect Authority goals in controlling this expense category.
- **Utilities.** Utilities expenses for the Authority are projected to increase from approximately $8.5 million estimated for 2022 to approximately $11.0 million in 2027, a CAGR of 5.4%. This projected growth is assumed to increase somewhat faster than inflation to reflect rising energy costs.
- **Supplies.** This category of expenses includes snow and ice chemicals, institutional and medical items, fuel, garage and motor supplies, office supplies, and other items. Supplies expenses for the Authority are projected to increase from approximately $3.5 million estimated for 2022 to approximately $4.0 million in 2027 for a CAGR of 2.6%. This projection is reflecting average snow and ice control expenses.
- **Materials.** This category of expenses includes repair parts, pavements and grounds materials, small equipment and tools, building materials, and other items. Materials expenses for the Authority are projected to increase from approximately $2.4 million estimated for 2022 to approximately $2.6 million in 2027 for a CAGR of 1.5%.
- **Public Safety.** This category of expenses includes the costs for providing public safety at the Airport such as police services and airfield fire and rescue services. Public safety expenses for the Authority are projected to increase from approximately $13.4 million estimated for 2022 to approximately $17.3 million in 2027 for a CAGR of 5.3%.
- **Administration.** This category of expenses includes the general administrative costs of the Authority. Administration expenses for the Authority are projected to increase from approximately $20.9 million estimated for 2022 to approximately $25.1 million in 2027 for a CAGR of 3.7%.
- **Indianapolis Maintenance Center.** This category of expenses includes the costs to the Authority for the operation and maintenance of the IMC. IMC expenses for the Authority are projected to decrease from approximately $6.8 million estimated for 2022 to approximately $4.5 million in 2027. These cost decreases are reflective of the Authority's planned operations pursuant to the amended lease with AAR.

4.10 Non-Airline Revenue

Table 4-4 presents historical non-airline revenue for the Authority for the period of 2017 to 2021. As shown, the five primary categories of non-airline revenue accounted for more than 92% of the total non-airline revenue of the Authority. Total Non-Airline Revenue decreased from approximately $106.1 million in 2017 to approximately $92.3 million in 2021, for a CAGR of approximately -3.4% over this period. As discussed previously, air traffic experienced significant declines during this period primarily as a result of the impacts associated with the COVID-19 pandemic. As shown on Table 4-4, enplaned passengers at the Airport had a larger decline than non-airline revenue for a CAGR of -4.9% from 2017 through 2021. For the period of 2017 through 2019, total non-airline revenue experienced a CAGR of 4.2%. As passenger traffic declined in 2020, non-airline revenue decreased in 2020 from 2019 levels by 11.1%. As also shown on Table 4-4, non-airline revenue per enplaned passenger has experienced growth over the period of 2017 through 2021 as it increased from $24.18 per enplaned passenger in 2017 to $25.77 in 2021, a CAGR of 1.6%.

Table 4-4 Historical Airport Non-Airline Revenue (dollars in thousands) [1]

Non-Airline Revenue Category	2017	2018	2019	2020	2021	2017 - 2021 CAGR
Automobile Parking	$49,625	$54,551	$59,370	$25,208	$42,772	(3.6%)
Building, Hangar, and Ground Leases	20,658	20,689	19,160	19,754	20,082	(0.7%)
Rental Cars	10,717	11,261	10,753	5,461	9,494	(3.0%)
Terminal Concessions	9,464	9,911	10,046	4,101	7,130	(6.8%)
Indianapolis Maintenance Center	8,068	8,239	8,567	6,571	5,586	(8.8%)
Other	7,558	6,641	7,190	6,395	7,229	(1.1%)
Total Non-Airline Revenues	**$106,090**	**$111,292**	**$115,086**	**$67,490**	**$92,292**	**(3.4%)**
Enplaned Passengers (000s)	4,388	4,697	4,765	2,044	3,582	(4.9%)
Non-Airline Revenue per Enplaned Passenger	$24.18	$23.69	$24.15	$33.02	$25.77	1.6%

[1] Reflects categories used for Authority reporting, which may differ from Financial Statements
Note: Amounts may not add because of rounding.
Source: Indianapolis Airport Authority, September 2022

Non-airline revenue was projected by the Authority based on expected future passenger traffic growth, expected inflationary trends, current lease terms and provisions, and other assumptions. Assumptions used to forecast future key non-airline revenue at the Airport are as follows:

- **Automobile parking.** Automobile parking revenue at the Airport continues to recover as passenger traffic recovers. **Table 4-5** presents public parking rates at the Airport since FY 2018, including current rates. As shown, parking rate increases have been somewhat modest historically; however, the Airport's automobile parking revenues have generally remained strong on a per unit basis. As shown on Table 4-4, automobile parking in 2021 was approximately $42.8 million and is estimated to increase to approximately $52.4 million in 2022. Over the projection period, automobile parking revenues are projected to increase to approximately $61.8 million in 2027, reflecting a CAGR of 3.4%. Automobile parking is projected to increase in concert with enplaned passenger growth.

Table 4-5 Historical Public Parking Rates at the Airport (Daily Maximum Rates)

Parking Facility	2017	2018	2019	2020	2021	Current [1]
Garage	$18	$18	$20	$20	$20	$20
Economy Parking	$9	$9	$9	$9	$9	$9
Valet	$25	$25	$27	$27	$27	$27
Park and Walk Lot	$14	$14	$14	$14	$14	$14

[1] As of August 31, 2022
Source: Indianapolis Airport Authority, September 2022

- **Building, hangar, and ground leases.** Building, hangar, and ground leases are projected to increase from $20.6 million estimated for 2022 to $21.9 million in 2027 for a CAGR of 1.3%.
- **Rental cars.** Rental car revenues are projected to increase from approximately $7.7 million estimated for 2022 to approximately $10.5 million in 2027 for a CAGR of 7.7%. These revenues are forecast to increase as a result of recently executed ten-year concession agreements and the expansion of the parking garage to accommodate growth in rental car operations.
- **Terminal concessions.** Terminal concessions are projected to increase from approximately $8.2 million estimated for 2022 to approximately $11.1 million in 2027 for a CAGR of 5.1%. These revenue projections are generally assumed to increase with passenger growth along with some inflationary increases over the projection period.
- **Indianapolis Maintenance Center.** IMC revenues are projected to decrease from approximately $5.4 million estimated for 2022 to approximately $2.1 million in 2027 for a CAGR of -17.1%. These revenue decreases are reflective of the Authority's amended lease with AAR.

Exhibit D following this Report presents the detailed forecast of non-airline revenues for the Authority for actual 2021, reforecast 2022, budget 2023, and the Authority's projection for 2024 through 2027.

4.11 Dedicated Revenues

Pursuant to the Authority Bond Ordinance, Dedicated Revenues are defined as PFCs, state and or federal grants or other moneys, such as CFCs, which the Authority has dedicated to pay principal of and/or interest on Revenue Bonds. Currently, the Authority has formally dedicated certain PFCs and CFCs to pay eligible debt service. **Table 4-6** presents Authority projections of PFC and CFC revenues along with amounts expected to be dedicated to pay debt service over the projection period.

As of August 2022, the Authority had approximately $16.2 million of PFCs and approximately $6.9 million of CFCs on hand. As shown in Table 4-6 below, in most years annual PFC revenues exceed amounts expected to be dedicated. In 2023 and 2022, annual PFC revenues forecast are below those expected to be dedicated. If that were to actually occur, the Authority could access surplus PFC revenues on hand to meet dedicated levels. In each year of the forecast, CFC revenues are forecast to exceed CFCs expected to be dedicated. It should be noted that the amount of CFCs to be dedicated will be consistent with the full amount of Series 2022B Bonds debt service associated with the Parking Garage Expansion project. As a result, since the amounts presented are estimates, the actual amount of CFC revenues to be dedicated may vary from the CFC amounts presented herein.

Table 4-6 Dedicated Revenues (dollars in thousands)

Fiscal Year	Projected PFC Revenues	Dedicated PFC Revenues	Projected CFC Revenues	Dedicated CFC Revenues [1]
2023	$17,692	$19,000	$8,239	--
2024	$18,355	$19,000	$8,940	$6,546
2025	$19,321	$18,954	$9,410	$6,545
2026	$19,707	$19,346	$9,598	$6,549
2027	$20,101	$19,746	$9,790	$6,542

[1] It should be noted that the amount of CFCs to be dedicated will be consistent with the full amount of Series 2022B Bonds debt service associated with the Parking Garage Expansion project. As a result since the amounts presented are estimates, the actual amount of CFC revenues to be dedicated may vary from the CFC amounts presented herein.
Source: Authority records, September 2022
Compiled by L&B

4.12 Airline Revenues

Airline revenues at the Airport are generated through terminal rentals, apron area rentals, and landing fees. The rate-setting formulas for these charges are consistent with the rate-setting methodologies set forth in the Airline Agreement (described earlier in this Chapter). Exhibits E, F, and G further illustrate the rate-setting methodologies for the Terminal Rentals, Apron Area Rentals, and Landing Fees, respectively. In addition, projected Revenue Sharing consistent with the current Airline Agreement is presented in Exhibit H.

The business terms of the current Airline Agreement are used as the basis for projecting airline revenues for the purposes of this Report.

4.12.1 Terminal Rentals

Exhibit E presents Terminal Rental Revenue for 2022 through 2027. Per the current rate-setting methodology, the Authority recovers Terminal Rental Revenue from the Signatory Airlines based on a commercial compensatory methodology. The Terminal Rental Rate per square foot projected for 2023 is $122.84. Over the projection period, the Terminal Rental Rate is expected to increase to $174.49 per square foot in 2027.

Exhibit E also presents the projected Terminal Rental Revenues over the projection period. Total Terminal Rental Revenue is projected to increase from approximately $39.8 million in 2023 to approximately $56.6 million in 2027. This represents a CAGR of approximately 9.2% as the Terminal Rental Revenues include future debt service associated with the Authority’s CIP, including debt related to the future baggage handling system project.

4.12.2 Apron Area Rentals

Exhibit F presents Apron Area Rental Revenue for 2022 through 2027. Per the current rate-setting methodology, the Authority recovers Apron Area Rental Revenue from the Signatory Airlines based on a cost center residual methodology. The Apron Area Rental Rate per square foot projected for 2023 is $1.19. Over the projection period, the Apron Area Rental Rate is expected to increase to $1.99 per square foot in 2027.

Exhibit F also presents the projected Apron Area Rental Revenue over the projection period. Total Apron Area Rental Revenue is projected to increase from approximately $1.1 million projected for 2023 to approximately $1.9 million in 2027.

4.12.3 Landing Fees

Exhibit G presents Landing Fee Revenue for 2022 through 2027. Per the cost center residual rate-setting methodology, the Authority fully recovers the cost of the Airfield Area from the airlines.

As presented in Exhibit G, the Signatory Airline Landing Fee Rate per 1,000-pound unit of landed weight is projected at $2.59 for 2023. Throughout the projection period, the Signatory Airline Landing Fee rate is projected to increase to $3.91 by 2027.

Total Landing Fee Revenue is projected to increase from approximately $34.4 million in 2023 to approximately $56.0 million in 2027. This represents a CAGR of approximately 13.0% as the Landing Fees include future debt service associated with the Authority's CIP, including debt related to the runway improvements. Projected Landing Fee Rates throughout this period remain within reasonable levels as compared to other airports comparable to the Airport.

4.12.4 Revenue Sharing

Exhibit H presents the calculation of Revenue Sharing pursuant to the current Airline Agreement, which is allocated as a credit to the calculation of the Landing Fee and Terminal Rental Rate. The share of Revenue Sharing credited to the Landing Fee and Terminal Rental Rate in the current agreement is 12% and 88%, respectively. Budgeted Revenue Sharing amounts for 2023 are approximately $10.1 million. Revenue Sharing is forecast to decrease over the projection period to approximately $1.9 million in 2027.

4.12.5 Airline Cost per Enplaned Passenger

A general test of reasonableness for airline costs at an airport is the average airline cost per enplaned passenger, or CPE. **Exhibit I** presents the projection of CPE for the Signatory Airlines at the Airport through 2027. As shown, the Signatory Airline CPE includes terminal rents, apron area rents, passenger airline landing fees, and other ancillary charges. Signatory Airline CPE for 2023 is projected at $13.19. Over the projection period, Signatory Airline CPE is projected to increase to $16.97 in 2027. The forecast Signatory Airline CPE throughout the projection period remains within competitive levels as compared to other airports similarly situated to the Airport.

4.13 Application of Revenue and Debt Service Coverage

Exhibit J following the Report presents the projection for application of Revenue for the Authority. As shown, the Authority is forecast to satisfy its obligations pursuant to the Authority Bond Ordinance in each year of the projection period. Pursuant to the Airline Agreement, the Authority is budgeted to deposit $24 million into the Capital Improvement Fund in 2023 and $28 million for each additional year over the remainder of the projection period.

Exhibit K presents the debt service coverage ratio for each year of the projection period calculated pursuant to the Authority Bond Ordinance. As presented, Net Revenues are projected to increase from $93.9 million as projected for 2023 to $124.5 million in 2027. This increase in Net Revenues is primarily driven by the increased revenue requirements included in airline rates and charges because of the future debt service associated with the CIP. Total amounts available for debt service (e.g., Net Revenues plus amounts available in the Coverage Fund and the Prepaid Airline Fund) are projected to range from approximately $114.6 million projected for 2023 to approximately $148.3 million in 2027. Debt service coverage ratios are projected to range from 1.69x in 2024 to 1.57x by the end of the projection period in 2027. As presented on Exhibit K, the Authority is projected to satisfy the Rate Covenant requirement in each year of the projection and to meet the test for the issuance of the Series 2022B Bonds.

Exhibit A

CAPITAL IMPROVEMENT PROGRAM (dollars in thousands) [1] **INDIANAPOLIS AIRPORT AUTHORITY**

		2022-2027 Project Cost	2022	2023	2024	2025	2026	2027
Airport Projects:								
Airfield		$554,538	$85,968	$111,416	$68,010	$25,797	$127,565	$135,782
Terminal		46,553	4,005	8,526	16,193	5,295	6,092	6,442
Parking		103,819	18,998	58,647	7,657	5,252	7,221	6,044
Safety & Security		140,350	10,854	37,011	36,871	33,814	21,800	0
Environmental		47,502	8,731	6,440	4,741	6,631	5,255	15,704
Roads & Lots		32,450	7,731	7,059	4,937	5,432	3,688	3,603
Information Technology		7,943	700	3,000	824	2,756	327	336
Parking Shuttle Bus		11,340	1,800	1,800	1,854	1,908	1,962	2,016
Vehicle & Equipment		10,840	5,271	1,150	258	737	2,007	1,417
Revenue Development		13,580	1,613	9,076	1,137	795	959	0
Properties		37,002	6,885	9,619	2,158	8,513	9,170	657
Central Energy Plant		19,407	6,724	4,706	2,346	265	1,701	3,665
Indianapolis Maintenance Center		6,668	2,401	2,992	577	215	261	222
Other		4,010	500	750	515	530	763	952
Total Airport Projects	[A]	$1,036,002	$162,181	$262,192	$148,078	$97,940	$188,771	$176,840
Reliever Airports Projects	[B]	$77,579	$10,372	$11,432	$13,763	$12,758	$16,346	$12,908
Total Authority Projects	[C=A+B]	$1,113,581	$172,553	$273,624	$161,841	$110,698	$205,117	$189,748
Sources of Funds:								
Federal Grants [2]		$317,510	72,040	65,945	32,807	14,493	59,283	72,943
Airport Revenue Debt [3]		509,492	35,422	142,894	90,860	56,611	103,391	80,314
Authority Funds [4]		286,579	65,092	64,786	38,174	39,594	42,443	36,491
Total Sources of Funds		$1,113,581	$172,553	$273,624	$161,841	$110,698	$205,117	$189,748

Note: Amounts may not add due to rounding.

[1] Includes project costs for the period of 2022 through 2027, and certain expenditures prior to 2022 to be funded with bond proceeds.
[2] Includes FAA Airport Improvement Program grants and other federal economic development grants.
[3] Includes airport revenue bonds and other debt obligations, including debt payable with CFC revenues.
[4] Includes available Authority cash, proceeds available from land and property sales, and direct reimbursements.

Source: Authority records, November 2022
Compiled by Landrum & Brown, Inc.

Exhibit B

DEBT SERVICE REQUIREMENTS **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

	Actual 2021	Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Gross Debt Service Requirements on Revenue Bonds (a)							
Series 2010C Bonds (b)	$ 6,963,128	$ 20,059,000	$ 6,659,000	$ 3,803,000	$ 3,803,000	$ 3,803,000	$ 3,803,000
Series 2014A Bonds	14,225,750	14,229,000	17,755,000	14,261,000	14,260,000	14,263,000	14,265,000
Series 2015 Bonds	8,649,600	15,420,000	20,551,000	24,072,000	24,097,000	24,125,000	24,155,000
Series 2016 A-1 & A-2 Bonds	26,019,418	19,015,000	5,394,000	5,527,000	5,529,000	5,528,000	4,204,000
Series 2019A Program Bonds	1,379,740	1,379,000	1,378,000	1,382,000	1,380,000	1,378,000	1,380,000
Series 2019B Bonds	13,186,500	13,155,000	24,749,000	24,937,000	25,116,000	25,326,000	25,500,000
Series 2019 C-1 Bonds	2,247,450	2,247,000	2,247,000	2,247,000	2,247,000	2,247,000	2,247,000
Series 2019 C-2 Bonds	1,421,750	1,424,000	1,425,000	1,424,000	1,426,000	1,422,000	1,420,000
Series 2019D Bonds	1,061,233	3,501,000	3,501,000	3,501,000	3,501,000	3,501,000	3,501,000
Series 2022A Bonds	-	-	-	2,556,000	2,558,000	2,575,000	2,551,000
Proposed Series 2022B Bonds (c)	-	-	5,844,000	12,354,000	12,821,000	13,526,000	15,025,000
Planned Future Bonds	-	-	-	341,000	5,244,000	13,018,000	22,825,000
Debt Service Requirements on Subordinate Debt (d)							
Debt Program Expenses	$ 804,802	$ 650,000	$ 650,000	$ 650,000	$ 650,000	650,000	650,000
Total Gross Debt Service Requirements	**$ 75,959,371**	**$ 91,079,000**	**$ 90,153,000**	**$ 97,055,000**	**$ 102,632,000**	**$ 111,362,000**	**$ 121,526,000**
Less: Dedicated Revenue (e)							
Passenger Facility Charges	$ 10,000,000	$ 11,373,000	$ 19,000,000	$ 19,000,000	$ 18,954,000	19,346,000	19,746,000
Customer Facility Charges	-	-	-	6,546,000	6,545,000	6,549,000	6,542,000
Federal relief grants (f)	10,000,000	6,627,000	-	-	-	-	-
Total Net Debt Service Requirements	**$ 55,959,371**	**$ 73,079,000**	**$ 71,153,000**	**$ 71,509,000**	**$ 77,133,000**	**$ 85,467,000**	**$ 95,238,000**
Summary by Airport System Cost Center (g)							
Apron Area	$ 247,317	$ 216,000	$ 197,000	$ 655,000	$ 655,000	$ 655,000	$ 648,000
Airfield Area	6,516,533	10,593,000	13,790,000	17,718,000	21,520,000	21,882,000	29,479,000
Terminal	33,553,259	35,350,000	38,971,000	38,569,000	39,636,000	47,552,000	48,894,000
Parking Area	7,358,972	6,788,000	11,186,000	7,405,000	8,127,000	8,144,000	7,940,000
Rented Buildings and Other Areas	8,033,542	19,887,000	6,687,000	6,832,000	6,863,000	6,901,000	7,946,000
Reliever Airports	249,748	245,000	322,000	330,000	332,000	333,000	331,000
Total Net Debt Service Requirements	**$ 55,959,371**	**$ 73,079,000**	**$ 71,153,000**	**$ 71,509,000**	**$ 77,133,000**	**$ 85,467,000**	**$ 95,238,000**

(a) Gross debt service is net of capitalized interest.

(b) 2010C Bond Debt Service has a variable rate component; forecast assumes 4.58%.

(c) In 2023, the Authority intends to dedicate approximately $4.9 million of future CFC revenues to pay debt service on the Revenue Bonds used to fund the construction of the parking garage expansion.

(d) Represents principal and interest payments on Subordinate Securities and other debt-related fees.

(e) Represents PFC and CFC revenues that the Authority intends to use to pay debt service.

(f) Per the Bond Ordinance, federal relief grants are treated as gross revenues for purposes of the coverage calculation.

(g) Debt Service Requirements are allocated to cost centers on the basis of capital projects financed with each borrowing.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit C

OPERATION AND MAINTENANCE (O&M) EXPENSES **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

	Actual 2021	Reforecast 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Direct							
Personal services	$ 13,664,644	$ 17,748,000	$ 20,314,000	$ 21,259,000	$ 21,989,000	$ 22,748,000	$ 23,535,000
Contractual services	12,984,619	14,188,000	16,430,000	16,513,000	16,960,000	17,019,000	17,359,000
Utilities	8,206,352	8,453,000	9,727,000	10,029,000	10,340,000	10,661,000	10,992,000
Supplies	3,605,412	3,480,000	3,825,000	3,859,000	3,893,000	3,927,000	3,963,000
Materials	2,690,594	2,417,000	2,603,000	2,602,000	2,601,000	2,600,000	2,599,000
General	1,090,035	1,211,000	1,327,000	1,378,000	1,431,000	1,487,000	1,544,000
	$ 42,241,656	$ 47,497,000	$ 54,226,000	$ 55,640,000	$ 57,214,000	$ 58,442,000	$ 59,992,000
Indirect							
Public safety	$ 12,065,033	$ 13,377,000	$ 15,479,000	$ 15,823,000	$ 16,347,000	$ 16,781,000	$ 17,310,000
Administration	17,418,753	20,931,000	23,050,000	23,240,000	23,752,000	24,283,000	25,132,000
Security	1,257,226	1,230,000	1,285,000	1,349,000	1,415,000	1,486,000	1,559,000
Roadways	284,074	262,000	264,000	266,000	268,000	270,000	272,000
	$ 31,025,086	$ 35,800,000	$ 40,078,000	$ 40,678,000	$ 41,782,000	$ 42,820,000	$ 44,273,000
Subtotal--O&M Expenses	$ 73,266,742	$ 83,297,000	$ 94,304,000	$ 96,318,000	$ 98,996,000	$ 101,262,000	$ 104,265,000
Equipment and capital outlays	1,825,901	761,000	1,120,000	1,153,000	1,188,000	1,224,000	1,260,000
Indianapolis Maintenance Center	6,153,130	6,793,000	6,577,000	6,723,000	6,037,000	5,642,000	4,522,000
Environmental remediation	437,158	25,000	25,000	25,000	25,000	25,000	25,000
Total O&M Expenses	**$ 81,682,931**	**$ 90,876,000**	**$ 102,026,000**	**$ 104,219,000**	**$ 106,246,000**	**$ 108,153,000**	**$ 110,072,000**
Summary allocation by Airport System Cost Center							
Apron Area	$ 1,828,939	$ 2,071,000	$ 2,392,000	$ 2,449,000	$ 2,527,000	$ 2,597,000	$ 2,680,000
Airfield Area	22,193,004	24,047,000	26,709,000	27,163,000	27,947,000	28,693,000	29,633,000
Terminal	30,265,628	32,332,000	38,320,000	39,383,000	40,842,000	41,801,000	43,381,000
Parking Area	11,752,539	15,620,000	17,611,000	17,967,000	18,436,000	18,928,000	19,532,000
Rented Buildings and Other Areas	11,930,776	13,985,000	14,000,000	14,212,000	13,374,000	12,935,000	11,550,000
Reliever Airports	3,712,045	2,821,000	2,994,000	3,045,000	3,120,000	3,199,000	3,296,000
	$ 81,682,931	**$ 90,876,000**	**$ 102,026,000**	**$ 104,219,000**	**$ 106,246,000**	**$ 108,153,000**	**$ 110,072,000**

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit D

NONAIRLINE REVENUES **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

	Actual 2021	Reforecast 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Airfield Area							
Aviation Fuel Sales	$ 321,667	$ 290,000	$ 283,000	$ 306,000	$ 322,000	$ 328,000	$ 335,000
Ground Handling	1,742,983	1,938,000	1,740,000	2,065,000	2,173,000	2,216,000	2,260,000
Total Airfield Area Revenue	$ 2,064,650	$ 2,228,000	$ 2,023,000	$ 2,371,000	$ 2,495,000	$ 2,544,000	$ 2,595,000
Terminal							
Terminal building							
Space rentals--other	$ 1,904,250	$ 1,910,000	$ 1,869,000	$ 1,869,000	$ 2,169,000	$ 2,169,000	$ 2,169,000
Concessions							
Food & Beverage	$ 3,657,110	$ 4,466,000	$ 5,162,000	$ 5,743,000	$ 6,045,000	$ 6,166,000	$ 6,289,000
News & Gifts	1,858,932	2,623,000	2,867,000	2,487,000	2,617,000	2,669,000	2,722,000
Specialty Shops	672,269	-	-	-	-	-	-
Advertising	680,027	795,000	996,000	1,054,000	1,109,000	1,131,000	1,154,000
Other Concessions	261,779	278,000	224,000	260,000	274,000	279,000	285,000
	$ 7,130,117	$ 8,162,000	$ 9,249,000	$ 9,544,000	$ 10,045,000	$ 10,245,000	$ 10,450,000
Other (Terminal Complex)	27,445	28,000	28,000	28,000	28,000	28,000	28,000
Total Terminal Revenue	$ 9,061,812	$ 10,100,000	$ 11,146,000	$ 11,441,000	$ 12,242,000	$ 12,442,000	$ 12,647,000
Parking Area	42,772,034	52,357,000	52,835,000	56,401,000	59,370,000	60,557,000	61,768,000
Fuel Convenience Center	15,016	35,000	35,000	35,000	35,000	35,000	35,000
Rental cars	9,493,605	7,737,000	9,600,000	10,215,000	10,753,000	10,968,000	11,187,000
Rented Buildings and Other Areas							
Building, hangar, and ground leases	15,647,177	16,269,000	16,581,000	16,896,000	17,213,000	17,419,000	16,321,000
Farm income	85,738	-	40,000	40,000	40,000	40,000	40,000
Fuel Farm	2,938,292	2,938,000	2,938,000	2,938,000	2,938,000	2,938,000	4,190,000
Other	985,421	931,000	945,000	945,000	945,000	945,000	945,000
Solar Farm Revenue	425,000	425,000	425,000	425,000	425,000	425,000	425,000
	$ 20,081,628	**$ 20,563,000**	**$ 20,929,000**	**$ 21,244,000**	**$ 21,561,000**	**$ 21,767,000**	**$ 21,921,000**
Reliever Airports	3,217,196	3,314,000	3,139,000	3,011,000	2,881,000	2,910,000	2,939,000
IMC Gross Revenue	5,586,360	5,432,000	5,445,000	5,499,000	4,554,000	2,100,000	2,121,000
Total Nonairline Revenue	**$ 92,292,301**	**$ 101,766,000**	**$ 105,152,000**	**$ 110,217,000**	**$ 113,891,000**	**$ 113,323,000**	**$ 115,213,000**

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit E

CALCULATION OF TERMINAL RENTAL RATES **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Terminal Costs							
O&M Expenses		$ 32,332,000	$ 38,320,000	$ 39,383,000	$ 40,842,000	$ 41,801,000	$ 43,381,000
O&M Reserve Fund Requirement (a)		593,000	998,000	177,000	243,000	160,000	263,000
Renewal and Replacement Fund Requirement (b)		-	-	-	-	-	-
Net Debt Service Requirements		35,350,000	38,971,000	38,569,000	39,636,000	47,552,000	48,894,000
Debt Service Coverage Requirement (c)		-	-	-	174,000	1,077,000	257,000
Total Terminal Requirement	[A]	$ 68,275,000	$ 78,289,000	$ 78,129,000	$ 80,895,000	$ 90,590,000	$ 92,795,000
Federal reimbursements	[B]	551,000	551,000	551,000	551,000	551,000	551,000
Terminal credit (deficit) from prior year end settlement	[C]	7,841,000	1,509,000	-	-	-	-
Federal relief grants	[D]	6,383,000	6,000,000	-			
Terminal Revenue Requirement	[E=A-B-C-D]	$ 53,500,000	$ 70,229,000	$ 77,578,000	$ 80,344,000	$ 90,039,000	$ 92,244,000
Rentable Space (square feet) (d)	[F]	513,646	513,646	513,436	513,436	513,436	513,436
Average rate per square foot	[G=E/F]	$104.16	$136.73	$151.10	$156.48	$175.37	$179.66
Airline Rented Space (square feet)	[H]	323,815	323,815	324,095	324,095	324,095	324,095
Terminal Rental Revenue Required (before Revenue Sharing)	[I=G*H]	$ 33,728,000	$ 44,274,000	$ 48,969,000	$ 50,715,000	$ 56,835,000	$ 58,227,000
Amount Available for Revenue Sharing for Terminal (e)	[J]	1,941,000	4,498,000	2,406,000	4,183,000	688,000	1,677,000
Adjusted Terminal Rental Revenue Requirement	[K=I-J]	$ 31,787,000	$ 39,776,000	$ 46,563,000	$ 46,532,000	$ 56,147,000	$ 56,550,000
Terminal Rental Rate	[L=K/H]	**$98.16**	**$122.84**	**$143.67**	**$143.58**	**$173.24**	**$174.49**
Terminal Rental Revenue	[L*H]	**$ 31,787,000**	**$ 39,776,000**	**$ 46,563,000**	**$ 46,532,000**	**$ 56,147,000**	**$ 56,550,000**
= Actual or reforecast Terminal Area Rent received		**$ 33,296,000**	$ -	$ -	$ -	$ -	$ -

(a) Required supplemental deposit (credit) to maintain fund at 1/6 of the annual budgeted O&M Expenses allocable to the Terminal.

(b) Required supplemental deposit (credit) to Renewal and Replacement Fund allocable to the Terminal.

(c) Represents the incremental deposit (credit) to the Coverage Fund to meet the Debt Service Coverage Requirement of 25% of the annual Debt Service Requirements for all Revenue Bonds allocable to the Terminal.

(d) Includes all rentable space in the Terminal, including security checkpoints.

(e) Represents amounts available for revenue sharing with the airlines after the financial obligations of the Authority have been met, and applied as a credit to Terminal Rental Revenue.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit F

CALCULATION OF APRON AREA RENTAL RATES — **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Apron Area Costs							
O&M Expenses		$ 2,071,000	$ 2,392,000	$ 2,449,000	$ 2,527,000	$ 2,597,000	$ 2,680,000
O&M Reserve Fund Requirement (a)		56,000	54,000	10,000	13,000	12,000	14,000
Renewal and Replacement Fund Requirement (b)		-	-	-	-	-	-
Net Debt Service Requirements		216,000	197,000	655,000	655,000	655,000	648,000
Debt Service Coverage Requirement (c)		-	-	98,000	84,000	57,000	11,000
Apron Area Expense	[A]	$ 2,343,000	$ 2,643,000	$ 3,212,000	$ 3,279,000	$ 3,321,000	$ 3,353,000
Apron Gate Use Fees (d)	[B]	767,000	771,000	771,000	771,000	771,000	771,000
RON Parking Fees (d)	[C]	656,000	694,000	694,000	694,000	694,000	694,000
Apron Credit (deficit) from prior year end settlement	[D]	380,000	52,000	-	-	-	-
Federal relief grants	[E]	-	-	-	-		
Apron Area Revenue Requirement	[F=A-B-C-D-E]	$ 540,000	$ 1,126,000	$ 1,747,000	$ 1,814,000	$ 1,856,000	$ 1,888,000
Apron Area rented by airlines (square feet)	[G]	932,076	946,827	946,827	946,827	946,827	946,827
Apron Area Rental Rate per square foot	**[H=F/G]**	**$0.58**	**$1.19**	**$1.85**	**$1.92**	**$1.96**	**$1.99**
Apron Area Rental Revenue	[H*G]	**$ 540,000**	**$ 1,126,000**	**$ 1,747,000**	**$ 1,814,000**	**$ 1,856,000**	**$ 1,888,000**
- **Apron Area rent required**		**$ 540,000**	**$ 1,126,000**	**$ 1,747,000**	**$ 1,814,000**	**$ 1,856,000**	**$ 1,888,000**
= **Actual or reforecast Apron Area Rent received**		592,000	-	-	-	-	-

(a) Required supplemental deposit (credit) to maintain fund at 1/6 of the annual budgeted O&M Expenses allocable to the Apron Area.

(b) Required supplemental deposit (credit) to Renewal and Replacement Fund allocable to the Apron Area.

(c) Represents the incremental deposit (credit) to the Coverage Fund to meet the Debt Service Coverage Requirement of 25% of the annual Debt Service Requirements for all Revenue Bonds allocable to the Apron Area.

(d) Includes Signatory and nonsignatory apron gate use and RON fees.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit G

CALCULATION OF LANDING FEE RATES **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Airfield Area Costs							
O&M Expenses		$ 24,047,000	$ 26,709,000	$ 27,163,000	$ 27,947,000	$ 28,693,000	$ 29,633,000
O&M Reserve Fund Requirement (a)		494,000	444,000	76,000	131,000	124,000	157,000
Renewal and Replacement Fund Requirement (b)		-	-	-	-	-	-
Net Debt Service Requirements		10,593,000	13,790,000	17,718,000	21,520,000	21,882,000	29,479,000
Debt Service Coverage Requirement (c)		-	192,000	1,021,000	1,542,000	1,118,000	405,000
Total Airfield Area Requirement	[A]	$ 35,134,000	$ 41,135,000	$ 45,978,000	$ 51,140,000	$ 51,817,000	$ 59,674,000
Nonairline Airfield Area Revenue (d)	[B]	2,228,000	2,023,000	2,371,000	2,495,000	2,544,000	2,595,000
Airfield Credit (deficit) from prior year end settlement	[C]	3,460,000	1,347,000	-	-	-	-
Nonsignatory Landing Fee Revenue	[D]	473,000	432,000	662,000	721,000	723,000	820,000
Federal relief grants	[E]	2,320,000	2,300,000	-	-	-	-
Airfield Revenue Requirement	[F=A-B-C-D-E]	$ 26,653,000	$ 35,033,000	$ 42,945,000	$ 47,924,000	$ 48,550,000	$ 56,259,000
Total Signatory Airline Landed Weight	[G]	12,532,000	13,274,000	13,522,000	13,793,000	14,065,000	14,345,000
Landing Fee rate (per 1,000-pound unit)	[H=F/G]	$2.13	$2.64	$3.18	$3.47	$3.45	$3.92
Airfield Revenue Requirement	[F]	$ 26,653,000	$ 35,033,000	$ 42,945,000	$ 47,924,000	$ 48,550,000	$ 56,259,000
Revenue Sharing towards Airfield Area cost center (e)	[I]	265,000	613,000	328,000	570,000	94,000	229,000
Net Airfield Revenue Requirement	[J=F-I]	$ 26,388,000	$ 34,420,000	$ 42,617,000	$ 47,354,000	$ 48,456,000	$ 56,030,000
Landing Fee Rate (per 1,000-pound unit)	[K=J/G]	**$2.11**	**$2.59**	**$3.15**	**$3.43**	**$3.45**	**$3.91**
Landing Fee Revenue	[L=G*K]	**$ 26,388,000**	**$ 34,420,000**	**$ 42,617,000**	**$ 47,354,000**	**$ 48,456,000**	**$ 56,030,000**
Actual or reforecast Airfield Revenue received		$ 27,735,000	$ -	$ -	$ -	$ -	$ -

(a) Required supplemental deposit to maintain fund at 1/6 of the annual budgeted O&M Expenses allocable to the Airfield Area.

(b) Required supplemental deposit (credit) to Renewal and Replacement Fund allocable to the Airfield Area.

(c) Represents the incremental deposit (credit) to the Coverage Fund to meet the Debt Service Coverage Requirement of 25% of the annual Debt Service Requirements for all Revenue Bonds allocable to the Airfield Area.

(d) Includes aviation fuel sales, ground handling, and other revenues generated in the Airfield Area.

(e) Represents amounts available for revenue sharing with the airlines after the financial obligations of the Authority have been met, and applied as a credit to the Airfield Revenue Requirement.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit H

REVENUE SHARING CALCULATION | **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenue not credited to the Signatory Airlines							
Parking Area		$ 52,357,000	$ 52,835,000	$ 56,401,000	$ 59,370,000	$ 60,557,000	$ 61,768,000
Fuel Convenience Center		35,000	35,000	35,000	35,000	35,000	35,000
Rental cars		7,737,000	9,600,000	10,215,000	10,753,000	10,968,000	11,187,000
Rented Buildings and Other Areas		20,563,000	20,929,000	21,244,000	21,561,000	21,767,000	21,921,000
Reliever Airports		3,314,000	3,139,000	3,011,000	2,881,000	2,910,000	2,939,000
IMC Gross Revenue		5,432,000	5,445,000	5,499,000	4,554,000	2,100,000	2,121,000
Terminal Nonairline Revenue		10,100,000	11,146,000	11,441,000	12,242,000	12,442,000	12,647,000
Federal Payments		(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Common Use Gate Fees		1,117,000	1,238,000	1,448,000	1,447,000	1,745,000	1,758,000
Terminal / Gate Use Rentals from nonsignatory carriers		387,000	427,000	499,000	499,000	602,000	607,000
Nonsignatory Joint Use Premuim		118,000	153,000	179,000	180,000	218,000	221,000
Federal relief grants		5,600,000	3,400,000	-	-	-	-
Total Revenue not credited to the Signatory Airlines	[A]	$ 106,260,000	$ 107,847,000	$ 109,472,000	$ 113,022,000	$ 112,844,000	$ 114,704,000
O&M Expenses from All Other Areas							
Parking Area		$ 15,620,000	$ 17,611,000	$ 17,967,000	$ 18,436,000	$ 18,928,000	$ 19,532,000
Rented Buildings and Other Areas		7,192,000	7,423,000	7,489,000	7,337,000	7,293,000	7,028,000
Reliever Airports		2,821,000	2,994,000	3,045,000	3,120,000	3,199,000	3,296,000
IMC		6,793,000	6,577,000	6,723,000	6,037,000	5,642,000	4,522,000
Total O&M Expenses from All Other Areas	[B]	$ 32,426,000	$ 34,605,000	$ 35,224,000	$ 34,930,000	$ 35,062,000	$ 34,378,000
Net Revenues from All Other Areas	[C=A-B]	$ 73,834,000	$ 73,242,000	$ 74,248,000	$ 78,092,000	$ 77,782,000	$ 80,326,000
All Other Areas Debt Service and Fund Balance Obligations							
Net Debt Service (a)		$ 26,920,000	$ 18,195,000	$ 14,567,000	$ 15,322,000	$ 15,378,000	$ 16,217,000
Operation and Maintenance Reserve Fund		105,000	(338,000)	103,000	(49,000)	22,000	(115,000)
Renewal and Replacement Fund		200,000	319,000	51,000	153,000	205,000	234,000
Gross Terminal requirement deficit		19,772,000	25,955,000	28,609,000	29,629,000	33,204,000	34,017,000
Deposit to Coverage Fund (b)		631,000	-	184,000	284,000	191,000	67,000
Capital Improvement Fund:							
Deposit from Gross Revenues (c)		24,000,000	24,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Deposit to CIF - prior year shortfall recovery							
Total Debt Service and Fund Balance Obligations for All Other Areas	**[D]**	**$ 71,628,000**	**$ 68,131,000**	**$ 71,514,000**	**$ 73,339,000**	**$ 77,000,000**	**$ 78,420,000**
Amount Available for Revenue Sharing	**[C]-[D]=[E]**	**$ 2,206,000**	**$ 5,111,000**	**$ 2,734,000**	**$ 4,753,000**	**$ 782,000**	**$ 1,906,000**

(a) Net Debt Service from All Other Areas, including other debt-related fees.

(b) Represents the incremental deposit (credit) to the Coverage Fund to meet the Debt Service Coverage Requirement of 25% of the annual Debt Service Requirements for all Revenue Bonds allocable to All Other Areas.

(c) The Authority has indicated, preliminarily, to the Signatory Airlines that it will likely need to increase its minimum annual deposit to the Capital Improvement Fund by, at minimum, $4.0 million as part of a new airline agreement. For the purposes of this Report, the minimum annual deposit has been increased to $28 million commencing in 2024 for the remainder the projection period.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit I

SIGNATORY AIRLINE COST PER ENPLANED PASSENGER **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Signatory Passenger Airline Revenue							
Signatory Airline Terminal Rents		$ 33,296,000	$ 39,776,000	$ 46,563,000	$ 46,532,000	$ 56,147,000	$ 56,550,000
Apron Area rents		592,000	1,126,000	1,747,000	1,814,000	1,856,000	1,888,000
Gate use and RON fees		2,414,000	2,564,000	2,774,000	2,773,000	3,071,000	3,084,000
Landing fees from Signatory Passenger Airlines		10,538,000	12,589,000	16,083,000	18,450,000	18,879,000	21,834,000
Signatory Passenger Airline Revenue	[A]	$ 46,840,000	$ 56,055,000	$ 67,167,000	$ 69,569,000	$ 79,953,000	$ 83,356,000
Signatory Airline Enplaned Passengers	[B]	4,107,000	4,250,000	4,485,000	4,721,000	4,816,000	4,913,000
Signatory Airline Cost Per Enplaned Passenger	[A/B]	**$ 11.40**	**$ 13.19**	**$ 14.98**	**$ 14.74**	**$ 16.60**	**$ 16.97**

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit J

APPLICATION OF GROSS REVENUES **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

		Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Gross Revenues							
Airline revenue (a)							
Total Signatory Passenger Airline Revenues (b)	[A]	47,057,000	60,916,000	69,836,000	74,113,000	80,817,000	85,261,000
Landing Fees from signatory cargo carriers (b)		16,404,000	22,220,000	26,738,000	29,252,000	29,634,000	34,336,000
Landing Fees from nonsignatory carriers		473,000	432,000	662,000	721,000	723,000	820,000
Terminal / Gate Use Rentals from nonsignatory carriers		387,000	427,000	499,000	499,000	602,000	607,000
Nonsignatory Joint Use Premuim		118,000	153,000	179,000	180,000	218,000	221,000
Total airline revenue		$ 64,439,000	$ 84,148,000	$ 97,914,000	$ 104,765,000	$ 111,994,000	$ 121,245,000
Nonairline revenues		101,766,000	105,152,000	110,217,000	113,891,000	113,323,000	115,213,000
Federal Payments		(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Year End Settlement amounts in the Prepaid Airline Fund		11,681,000	2,908,000	-	-	-	-
Federal relief grants (c)		$ 14,303,000	$ 11,700,000	$ -	$ -	$ -	$ -
Total gross revenues (d)	[B]	**$ 191,689,000**	**$ 203,408,000**	**$ 207,631,000**	**$ 218,156,000**	**$ 224,817,000**	**$ 235,958,000**
Application of revenues							
Operation and Maintenance Fund		$ 90,876,000	$ 102,026,000	$ 104,219,000	$ 106,246,000	$ 108,153,000	$ 110,072,000
Federal reimbursements		(551,000)	(551,000)	(551,000)	(551,000)	(551,000)	(551,000)
Net Debt Service (e)		72,429,000	70,503,000	70,859,000	76,483,000	84,817,000	94,588,000
Debt Program Expenses		650,000	650,000	650,000	650,000	650,000	650,000
Deposit to Coverage Fund (f)		631,000	192,000	1,303,000	2,084,000	2,443,000	740,000
Operation and Maintenance Reserve Fund		1,248,000	1,158,000	366,000	338,000	318,000	319,000
Renewal and Replacement Fund		200,000	319,000	51,000	153,000	205,000	234,000
Total obligations	[C]	**$ 165,483,000**	**$ 174,297,000**	**$ 176,897,000**	**$ 185,403,000**	**$ 196,035,000**	**$ 206,052,000**
Net Revenue available	[B]-[C]=[D]	$ 26,206,000	$ 29,111,000	$ 30,734,000	$ 32,753,000	$ 28,782,000	$ 29,906,000
Deposit to Capital Improvement Fund (CIF)	[E]	24,000,000	24,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Deposit to CIF - prior year shortfall recovery		-	-	-	-	-	-
Amount Available for Revenue Sharing (g)	[D]-[E]	2,206,000	5,111,000	2,734,000	4,753,000	782,000	1,906,000
Total application of revenues		**$ 191,689,000**	**$ 203,408,000**	**$ 207,631,000**	**$ 218,156,000**	**$ 224,817,000**	**$ 235,958,000**

(a) Reflects airline revenue requirements prior to revenue sharing.

(b) See Exhibit E for Terminal Rents (does not include non-signatory joint use space rentals), Exhibit F for Apron Rents and Gate Use and RON Fees, and Exhibit G for Landing Fee Revenues.

(c) The Authority plans has approximately $6.6 million of remaining federal relief grants that it plans to use in 2023 or 2024. However, these amounts have not been included in the projections for purposes of this report.

(d) Excludes interest income.

(e) Represents Senior Debt Service requirements net of Dedicated Revenues.

(f) Represents the incremental deposit (credit) to the Coverage Fund to meet the Debt Service Coverage Requirement of 25% of the annual Debt Service Requirements for all Revenue Bonds.

(g) Represents amounts available for revenue sharing with the airlines after the financial obligations of the Authority have been met.

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

Exhibit K

DEBT SERVICE COVERAGE — **INDIANAPOLIS AIRPORT AUTHORITY**

(Fiscal Years Ending December 31)

	Reforecast 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Airline revenues (a)	$ 65,141,000	$ 79,037,000	$ 95,180,000	$ 100,012,000	$ 111,212,000	$ 119,339,000
Less: Airline incentives (b)	-	-	-	-	-	-
Nonairline revenues	101,766,000	105,152,000	110,217,000	113,891,000	113,323,000	115,213,000
Federal relief grants (c)	20,930,000	11,700,000	-	-	-	-
Total Revenues	$ 187,837,000	$ 195,889,000	$ 205,397,000	$ 213,903,000	$ 224,535,000	$ 234,552,000
O&M Expenses	$ 90,876,000	$ 102,026,000	$ 104,219,000	$ 106,246,000	$ 108,153,000	$ 110,072,000
Net Revenues	**$ 96,961,000**	**$ 93,863,000**	**$ 101,178,000**	**$ 107,657,000**	**$ 116,382,000**	**$ 124,480,000**
Coverage Fund	$ 17,157,481	$ 17,788,000	$ 17,980,000	$ 19,283,000	$ 21,367,000	$ 23,810,000
Transfers from Prepaid Airline Fund from prior year (d)	11,681,000	2,908,000	-	-	-	-
Net Revenues Available for Debt Service	**$ 125,799,481**	**$ 114,559,000**	**$ 119,158,000**	**$ 126,940,000**	**$ 137,749,000**	**$ 148,290,000**
Gross Debt Service	$ 91,079,000	$ 90,153,000	$ 97,055,000	$ 102,632,000	$ 111,362,000	$ 121,526,000
Less: Dedicated Revenues	(11,373,000)	(19,000,000)	(25,546,000)	(25,499,000)	(25,895,000)	(26,288,000)
Less: Assumed VRD components excluded	(504,000)	(642,000)	(415,000)	(415,000)	(415,000)	(415,000)
Less: Debt Program Expenses	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)
Net Senior Debt Service	**$ 78,552,000**	**$ 69,861,000**	**$ 70,444,000**	**$ 76,068,000**	**$ 84,402,000**	**$ 94,173,000**
Debt Service Coverage Ratio	**1.60**	**1.64**	**1.69**	**1.67**	**1.63**	**1.57**

(a) Reflects airline revenues net of revenue sharing.

(b) Reflects airline marketing, landing fee, baggage fee, and terminal rent incentives.

(c) Includes federal relief grants netted against gross revenues as reflected on Exhibit B and Exhibit J.

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

Source: Authority records, November 2022

Compiled by Landrum & Brown, Inc.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF CERTAIN LEGAL DOCUMENTS

The following is a summary of certain provisions of the Indenture and the Authority Bond Ordinance relating to the 2022G Bond Bank Bonds and the 2022B Authority Bonds, respectively, not otherwise discussed in this Official Statement. This summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Indenture and the Authority Bond Ordinance. Capitalized terms in this summary will have the meanings set forth in the Indenture or the Authority Bond Ordinance, as applicable.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Trust Indenture (the "*Indenture*") between The Indianapolis Local Public Improvement Bond Bank ("*Bond Bank*") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Bond Bank Trustee*" or "*Trustee*"), dated as of December 1, 2022, not otherwise discussed in this Official Statement. This summary of the Indenture does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Indenture.

Certain capitalized terms used in this summary of the Indenture are defined as follows:

"Accounts" means the accounts created pursuant to Article VI of the Indenture.

"Additional Bonds" means any Bond Bank Bonds issued pursuant to Section 2.06 of the Indenture and any Supplemental Indenture.

"Additional Qualified Obligations" means any Qualified Obligations which are revenue bonds issued by the Airport and purchased by the Bond Bank with all or a portion of the proceeds of a Series of Bond Bank Bonds.

"Airport" means the Indianapolis Airport Authority, or any successor to its functions.

"Airport Authority Bond Ordinance," "Authority Bond Ordinance" or "Ordinance" means General Ordinance No. 5-2014 adopted by the Board of Directors of the Airport on August 15, 2014, as supplemented and amended from time to time, including as supplemented by General Ordinance No. 3-2022 adopted by the Board of Directors of the Airport on September 16, 2022.

"Bond Bank" means The Indianapolis Local Public Improvement Bond Bank, an entity created pursuant to the Act by, but separate from, the City in its corporate capacity or any successor to its functions.

"Bond Bank Act" or "Act" means the provisions of Indiana Code 5-1.4.

"Bond Bank Bonds" or "Bonds" means any of the 2022G Bonds and Additional Bonds issued pursuant to the Indenture and any Supplemental Indenture.

"Bond Bank Trustee" or "Trustee" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or any successor Bond Bank Trustee.

"Bond Counsel" means Counsel that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on municipal bonds from gross income under federal tax law.

"Bond Issuance Expense Account" means the account by that name created under the Indenture.

"Bondholder" or "holder of Bond Bank Bonds" or "owner of Bond Bank Bonds" or "Registered Owner" or any similar term means the registered owner of any Bond Bank Bond, including the Bond Bank, and any purchaser of Bonds being held for resale, including the Bond Bank.

"City" means the City of Indianapolis, Indiana.

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of any Series of Bond Bank Bonds, and the applicable judicial decisions or published rulings, or any applicable regulations promulgated or proposed thereunder or under the Internal Revenue Code of 1954 as in effect immediately prior to the enactment of the Tax Reform Act of 1986.

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the Bond Bank or the Qualified Entity and related to the authorization, sale and issuance of Bond Bank Bonds and the Qualified Obligations, which items of expense shall include, but not be limited to, bond insurance premiums, credit enhancement or liquidity facility fees, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Bond Bank Trustee and Registrar, underwriters' discounts, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bond Bank Bonds, costs and expenses of refunding, and other costs, charges and fees in connection with the foregoing and any other costs of a similar nature authorized by the Act.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and approved by the Bond Bank.

"Event of Default" means any occurrence or event specified in Section 10.01 of the Indenture.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act which are payable by the Airport.

"Fiscal Year" means the twelve month period from January 1 through the following December 31.

"Funds" means the funds created pursuant to Article VI of the Indenture.

"General Account" means the account by that name created by Section 6.02 of the Indenture.

"General Fund" means the fund by that name created by Section 6.02 of the Indenture.

"Governmental Obligations" means (a) direct obligations of the United States of America or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, including but not limited to securities evidencing ownership interests in such obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest on such obligations), and (b) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) are unconditionally guaranteed or insured by the United States of America, or (ii) are provided for by an irrevocable deposit of securities described in clause (a) and are not subject to call or redemption by the issuer thereof prior to maturity or for which irrevocable instructions to redeem have been given.

"Indenture" means the Trust Indenture, dated as of December 1, 2022, and all supplements and amendments entered into pursuant to Article XII.

"Investment Earnings" means earnings and profits (after consideration of any accrued interest paid and amortization of premium or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture.

"Investment Securities" means (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iv) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (v) demand deposits, including interest-bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Bond Bank Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FEIC-insured, or (vi) money market funds rated "AAm" or "AAm G" by Standard and Poor's Ratings Services, or better, including those for which the Bond Bank Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise.

"Issue Date" means, for the 2022G Bond Bank Bonds, the date of delivery to the purchaser thereof, December 8, 2022.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel which opinion is acceptable to the Bond Bank and the Bond Bank Trustee.

"Opinion of Counsel" means a written opinion of Counsel addressed to the Bond Bank Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bond Bank or Counsel to the owners of the Bond Bank Bonds and who is acceptable to the Bond Bank Trustee.

"Outstanding" or "Bond Bank Bonds Outstanding" means all Bond Bank Bonds which have been authenticated and delivered by the Bond Bank Trustee under the Indenture or Bond Bank Bonds held for resale, including Bond Bank Bonds held by the Bond Bank, except:

(i) Bond Bank Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bond Bank Bonds deemed paid under Article IX; and

(iii) Bond Bank Bonds in lieu of which other Bond Bank Bonds have been authenticated under the Indenture.

"Paying Agent" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America or any successor thereto.

"Program" means the program for the purchase or exchange of Qualified Obligations by the Bond Bank pursuant to the Act and the Indenture.

"Program Expenses" means all of the Bond Bank's expenses in carrying out and administering the Program pursuant to the Indenture and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, credit enhancement fees, liquidity facility fees, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Bond Bank Trustee, the Registrar and the Paying Agent, costs of verifications required under Section 6.13, Costs of Issuance, not paid from the proceeds of Bond Bank Bonds, travel, payments for pension, retirement, health and hospitalization, life and disability insurance benefits, any other costs permitted under the Act, and rebates, if any, which in the Opinion of Bond Counsel are required to be made under the Code in order to preserve or protect the exclusion from gross income for federal tax purposes of interest on the Bonds, all to the extent properly allocable to the Program.

"Qualified Entity" means the Airport, a qualified entity under IC 5-1.4-1-10.

"Qualified Obligation" means the 2022B Authority Bonds and any Additional Qualified Obligations acquired by the Bond Bank pursuant to the Indenture.

"Rating Agency" means any nationally recognized rating agency maintaining a rating on the Bond Bank Bonds at the request of the Bond Bank.

"Redemption Account" means the account by that name created by the Indenture.

"Refunding Bonds" means Bond Bank Bonds issued pursuant to Section 2.06 of the Indenture and any Supplemental Indenture.

"Refunding Qualified Obligation" means any Qualified Obligation issued to refund any of the Qualified Obligations or another Refunding Qualified Obligation.

"Registrar" means initially The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America or any successor thereto.

"Revenues" means the income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all Qualified Obligation Payments and Investment Earnings.

"Series of Bond Bank Bonds" or "Bond Bank Bonds of a Series" or "Series of Bonds" or "Bonds of a Series" or "Series" or words of similar meaning means any Series of Bond Bank Bonds authorized by the Indenture or by a Supplemental Indenture.

"Supplemental Indenture" means an indenture supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Bond Bank Trustee in accordance with Article XII of the Indenture.

"Tax Exempt 2022G Bond Bank Bonds" means collectively the 2022G-1 Bonds and the 2022G-2 Bonds.

"Trust Estate" means the property, rights, moneys and amounts pledged and assigned to the Bond Bank Trustee pursuant to the granting clauses of the Indenture.

"2022B Authority Bonds" means the Indianapolis Airport Authority Revenue Bonds, Series 2022B-1, dated the Issue Date (the "*2022B-1 Authority Bonds*"), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-2, dated the Issue Date (the "*2022B-2 Authority Bonds*"), the Indianapolis Airport Authority Revenue Bonds, Series 2022B-3, dated the Issue Date (the "*2022B-3 Authority Bonds*"), and issued in the same original aggregate principal amounts, same maturities and same interest rates as the Series 2022G-1 Bond Bank Bonds, the Series 2022G-2 Bond Bank Bonds and the 2022G-3 Bond Bank Bonds, respectively.

"2022G Bonds" means any of the of $81,950,000.00 principal amount of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-1 (Non-AMT) (Indianapolis Airport Authority Project), dated the Issue Date (the "*2022G-1 Bonds*"), $67,245,000.00 of principal amount of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-2 (AMT) (Indianapolis Airport Authority Project) (the "*2022G-2 Bonds*"), and $25,445,000.00 of principal amount of The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-3 (Taxable) (Indianapolis Airport Authority Project), dated the Issue Date (the "*2022G-3 Bonds*").

Authority for Indenture

The Indenture is executed and delivered by the Bond Bank by virtue of and pursuant to the Bond Bank Act. The Bond Bank has ascertained and determines and declares that the execution and delivery of the Indenture is consistent with the public purposes of the Bond Bank, that each and every act, matter, thing or course of conduct as to which provision is made therein is made in order to carry out and effectuate such purposes of the Bond Bank.

Indenture to Constitute Contract

In consideration of the purchase and acceptance of Bonds by those who shall hold the same from time to time, the provisions of the Indenture and any Supplemental Indenture shall be a part of the contract of the Bond Bank with the Trustee as representative of and for the benefit of the Bondholders, including but not limited to, as described in Indiana Code 5-1.4-4-2. The Bond Bank covenants and agrees with the Trustee, that it will faithfully perform all of the covenants and agreements contained in the Indenture and in the Bonds.

Pledge and Agreement of the State

The pledge and agreement of the State set forth in Indiana Code 5-1.4-4-2 is incorporated therein as part of the contract between the Bond Bank and the Trustee.

Security for Bonds

The Bond Bank will issue its Bonds pursuant to the Indenture. To secure the payment of the principal of, premium, if any, and interest on the outstanding Bonds and any Additional Bonds, the performance of the covenants contained in the Bonds and the Indenture, the Bond Bank, grants to the Bond Bank Trustee a security interest in the following property ("*Trust Estate*"):

1. All cash and securities now or hereafter held in the Funds and Accounts created or established under the Indenture, the Investment Earnings thereon and all proceeds thereof (except to the extent transferred from such Funds and Accounts from time to time in accordance with the Indenture); and

2. All Qualified Obligations acquired and held by the Trustee pursuant to the Indenture and the earnings thereon and all proceeds thereof, including all Qualified Obligation Payments; and

3. All Revenues and any moneys pledged as security by the Bond Bank.

Revenues and Funds

Creation of Funds and Accounts. Under the Indenture, the Bond Bank creates and establishes the General Fund. The following Accounts are established in the General Fund: a "General Account," a "Bond Issuance Expense Account," and a "Redemption Account."

All such Funds and Accounts will be held and maintained by the Bond Bank Trustee. All moneys or securities held by the Bond Bank Trustee pursuant to the Indenture will be held in trust and applied only in accordance with the provisions of the Indenture. The Bond Bank and the Bond Bank Trustee may establish such additional Funds, Accounts or subaccounts as they may in their discretion determine to be appropriate to comply with the provisions of the Indenture.

General Account. There will be deposited in the General Account: (a) the proceeds of the sale of the Bonds, other than the amounts deposited in the Bond Issuance Expense Account as described below; and (b) any other amounts required to be deposited in the General Account pursuant to the Indenture. The Bond Bank Trustee will apply the moneys in the General Account (i) to pay principal and interest coming due on the Bonds; (ii) to pay, as necessary, Program Expenses; and (iii) with the approval of the Authority, to any other fund or account maintained by the Bond Bank.

Redemption Account. There will be deposited in the Redemption Account (a) all moneys received upon the sale or redemption prior to maturity of Qualified Obligations and (b) such other amounts as may be designated by the Indenture. Funds in the Redemption Account will be disbursed as follows by the Bond Bank Trustee: (i) on such dates as are specified in the Indenture, an amount equal to the principal which would have been payable during the following month for Qualified Obligations sold or redeemed prior to maturity; (ii) on such dates as are specified in the Indenture, to the extent moneys in the General Account are not sufficient, for the purpose of paying the principal of and interest on the Bonds as the same become due; (iii) after providing for the payments required under (i) and (ii) above, moneys may be used (1) on any redemption date, to redeem Bonds; (2) to purchase Qualified Obligations as permitted under the Indenture; (3) to transfer any excess moneys to the General Account; (4) to purchase Bonds at the most advantageous price obtainable with reasonable diligence; or (5) to invest such moneys until the maturity or maturities of Bonds in accordance with the Indenture; and (6) if the Bond Bank Trustee is unable to purchase Bonds as described above, then, subject to the Indenture, the Bond Bank Trustee will redeem Bonds to exhaust as nearly as possible the amounts remaining in the Redemption Account under the Indenture.

Bond Issuance Expense Account. There will be deposited in the Bond Issuance Expense Account: (i) a portion of the proceeds of the Bonds in an amount equal to the estimated costs of issuing the Bonds, and (ii) any other amounts required to be deposited therein pursuant to the Indenture. Funds in the Bond Issuance Expense Account will be disbursed to pay the costs of issuing the Bonds. Any funds remaining in the Bond Issuance Expense Account 90 days after the issuance of Bonds will be transferred to the General Account and the Bond Issuance Expense Account may, at the direction of the Bond Bank, be closed.

Investment of Money

Subject to the right of the Bond Bank to direct the investment or deposit of funds under the Indenture, moneys in any Fund or Account (except the Redemption Account) shall be continuously invested and reinvested or deposited or redeposited by the Bond Bank Trustee in Investment Securities.

Any moneys in the Redemption Account shall be invested only in Governmental Obligations as directed by the Bond Bank. Any moneys in the Rebate Fund shall be invested as directed by the Bond Bank from time to time. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and all Investment Earnings on such investments shall be deposited as received in the General Account, except for income and profits on investment of funds in the Rebate Fund which shall remain in the Rebate Fund.

Additional Bonds

Additional Bonds may be issued from time to time only for the purchase of Additional Qualified Obligations, including but not limited to, Refunding Qualified Obligations, issued by a Qualified Entity or to refund all or portion of the outstanding Bonds. Any Additional Bonds shall be authorized by a supplemental indenture, will be secured by the supplemental indenture and will be equally and ratably payable from the Trust Estate.

Accounts and Reports

The Bond Bank will keep proper and separate books of records and accounts in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books, and all other books and papers of the Bond Bank, and all Funds and Accounts will at all reasonable times be subject to the inspection of the Bond Bank Trustee and the owners of an aggregate of at least five percent (5%) in principal amount of Bonds then outstanding, or their representatives duly authorized in writing.

Before the twentieth day of each month, the Bond Bank Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the last day of the preceding month and the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

Tax Covenants

In order to preserve the excludability of interest on the Tax Exempt 2022G Bond Bank Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 2022G Bond Bank Bonds, the Bond Bank represents, covenants, and agrees that the Bond Bank will take no action nor fail to take any action with respect to any of the Tax Exempt 2022G Bond Bank Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Tax Exempt 2022G Bond Bank Bonds under Section 103 of the Code, nor will it act in any other manner which would adversely affect such excludability. These tax covenants are based solely on current law in effect and in existence on the date of issuance of each series of 2022G Bond Bank Bonds. It shall not be an event of default under the Indenture if interest on any 2022G Bond Bank Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of such 2022G Bond Bank Bonds.

Covenants of the Bond Bank

In order to provide for the payment of the principal of, premium, if any, and interest on the Bonds and of Program Expenses, the Bond Bank will from time to time, and in a sound and economical manner in accordance with the Act, the Indenture and sound banking practices and principles (i) undertake all necessary actions to receive and collect Revenues (including the enforcement of the prompt collection of any arrears on all Qualified Obligation Payments), and (ii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect the rights of the Bond Bank with respect to or to maintain any insurance on the Qualified Obligations and to enforce all terms, covenants and conditions of the Qualified Obligations. Whenever necessary to provide for the payment of principal of and interest on the Bonds, the Bond Bank will also commence appropriate remedies with respect to any Qualified Obligations which is in default.

With respect to the Qualified Obligations:

(a) the Bond Bank may without the consent of any of the holders of the 2022G Bond Bank Bonds, agree to changes to the Authority Bond Ordinance; provided, however, any such changes will not adversely affect any then existing rating from a Rating Agency on all Outstanding Bond Bank Bonds under the Indenture; and

(b) the Bond Bank will not sell, release or dispose of any Qualified Obligations, unless the Bond Bank supplies the Bond Bank Trustee with a cash flow certificate to the effect that, after such change, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the Debt Service on all Outstanding Bond Bank Bonds in each such Fiscal Year.

Defeasance and Discharge of Indenture

If payment or provision for payment is made, to the Bond Bank Trustee, of the whole amount of principal of and interest due and to become due on all of the Bonds and if the Bond Bank Trustee receives all payments due and to become due under the Indenture, then the Indenture may be discharged in accordance with its provisions. In the event of any early redemption of Bonds in accordance with their terms, the Bond Bank Trustee must receive irrevocable instructions from the Bond Bank, satisfactory to the Bond Bank Trustee, to call such Bonds for redemption at a specified date and pursuant to the Indenture. Outstanding Bonds will continue to be a limited obligation of the Bond Bank payable only out of the moneys or securities held by the Bond Bank Trustee for the payment of the principal of and interest on the Bonds.

Any Bond will be deemed to be paid when payment of the principal of that Bond, plus interest to its due date, either (a) has been made or has been caused to be made in accordance with its terms, or (b) has been provided for by irrevocably depositing with the Bond Bank Trustee, in trust and exclusively for such payment, (i) moneys sufficient to make such payment, (ii) noncallable or nonprepayable Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will ensure the availability of sufficient moneys to make such payments, or (iii) a combination of such moneys and Governmental Obligations, and all other sums payable under the Indenture, including the necessary and proper fees and expenses of the Bond Bank Trustee pertaining to the Bonds, have been paid or deposited with the Bond Bank Trustee.

Events of Default and Remedies

Any of the following events constitutes an "Event of Default" under the Indenture:

(a) The Bond Bank defaults in the due and punctual payment of the principal of or interest on any Bond; or

(b) The Bond Bank defaults in the due and punctual payment of any Bond whether at the stated maturity thereof or on any date fixed for mandatory sinking fund redemption; or

(c) The Bond Bank fails to make remittances required by the Indenture to the Bond Bank Trustee within the time limits prescribed in the Indenture; or

(d) The Bond Bank defaults in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bond Bank contained in the Indenture or in the Bond Bank Bonds and the failure to remedy the same within the time period provided in the Indenture; or

(e) Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture, or in any instrument furnished in compliance with or in reference to the Indenture, is materially false or misleading when made, and there has been a failure to remedy such Event of Default within thirty (30) days after receipt of notice, all in accordance with the Indenture; or

(f) A petition is filed against the Bond Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within ninety (90) days after such filing; or

(g) The Bond Bank files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bond Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than sixty (60) days; or

(i) The Bond Bank is rendered incapable of fulfilling its obligations under the Indenture for any reason; or

(j) a default or event of default occurs under the Ordinance.

Upon the occurrence and continuance of an Event of Default, the Bond Bank Trustee will notify the owners of outstanding Bonds of such Event of Default and will have the following rights and remedies:

(a) The Bond Bank Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on Bonds outstanding under the Indenture, including any and all such actions arising under, or by reason of, the Qualified Obligations;

(b) The Bond Bank Trustee may by action at law or in equity require the Bond Bank to account as if it were the trustee of an express trust for the holders of the Bonds, and may take such action with respect to the Qualified Obligations as the Bond Bank Trustee deems necessary, appropriate and in the best interest of the Bondholders, subject to the terms of the Qualified Obligations;

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Bond Bank Trustee and of the Bondholders under the Indenture, the Bond Bank Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate under the Indenture and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer; and

(d) By notice to the Bond Bank and the Corporation Counsel of the City, the Bond Bank Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act; provided, however, that acceleration of the Bond Bank Bonds does not cause or permit an acceleration of the Authority Revenue Bond.

If an Event of Default has occurred, if requested to do so by the owners of twenty-five percent (25%) or more in aggregate principal amount of the Bonds outstanding under the Indenture, and if indemnified as provided in the Indenture, the Bond Bank Trustee will be obligated to exercise one or more of the rights, remedies and powers conferred by the Indenture as the Bond Bank Trustee, being advised by counsel, deemed most expedient in the interest of the Bondholders.

The owners of a majority in aggregate principal amount of the Bonds outstanding under the Indenture will have the right, at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Bond Bank Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture. However, such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Waivers of Events of Default

At its discretion, the Bond Bank Trustee may waive any Event of Default and its consequences, and must do so upon the written request of the owners of (a) more than 66-2/3% in aggregate principal amount of all Bonds then outstanding under the Indenture in the case of default in the payment of principal of or interest on the Bonds or (b) more than 50% in aggregate principal amount of all Bonds then outstanding under the Indenture in the case of any other default. However, there may not be waived (i) any Event of Default in the payment of the principal of any Bond then outstanding under the Indenture at the specified date of maturity or (ii) any Event of Default in the payment when due of the interest on any Bond then outstanding under the Indenture unless, prior to the waiver, all arrears of interest or principal due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Bond Bank Trustee in connection with the Event of Default have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Bond Bank Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then the Bond Bank, the Bond Bank Trustee and the Bondholders will be restored to their former respective positions and right under the Indenture. No waiver or rescission will extend to any subsequent or other Event of Default or impair any right consequent thereon.

Rights and Remedies of Owners of Bonds

No Owner of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for any other remedy under the Indenture, unless (a) an Event of Default has occurred and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then outstanding under the Indenture have made written request to the Bond Bank Trustee and have offered the Bond Bank Trustee reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (b) such Owners of Bonds have offered to indemnify the Bond Bank Trustee, as provided in the Indenture, and (c) the Bond Bank Trustee has refused, or for sixty (60) days after receipt of such request and offer of indemnification has failed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal benefit of the owners of all outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners of the Bonds at the time and place, from the source and in the manner expressed in the Bonds.

Removal of the Bond Bank Trustee and Appointment of Successor Bond Bank Trustee

The Bond Bank and the Airport have certain rights regarding removal of the Bond Bank Trustee and appointment of a successor Bond Bank Trustee as further described in the Indenture.

Supplemental Indentures

The Bond Bank and the Bond Bank Trustee may, without the consent of or notice to any of the owners of Bonds, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture;

(b) To grant to or confer upon the Bond Bank Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Bond Bank Trustee;

(c) To make any modification or amendment of the Indenture which the Bond Bank Trustee, relying on an opinion of Bond Counsel, determines will not have a material adverse effect on the interests of the Bondholders, provided, however, that the Bond Bank and the Bond Bank Trustee will make no amendment which would permit the purchase of the obligations of any Qualified Entity other than Additional Qualified Obligations;

(d) To subject to the Indenture additional revenues, security, properties or collateral;

(e) To modify, amend or supplement the Indenture or any supplemental indenture in order to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Bond Bank Trustee so determine, to add to the Indenture or to any supplemental indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or similar federal statute, which the Bond Bank Trustee determines, relying on an opinion of Bond Counsel, will not have a material adverse effect on the interest of any of the owners of the Bonds;

(f) To evidence the appointment of a separate or co-trustee, or the succession of a new trustee, registrar or paying agent;

(g) To provide for the issuance of each series of Additional Bonds;

(h) To provide for the refunding of all or portion of the Bonds;

(i) To amend the Indenture to permit the Bond Bank to comply with any future federal tax law or covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law; and

(j) To obtain or maintain a rating on the Bonds.

With the exception of supplemental indentures for the purposes set forth in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority of the aggregate principal amount of the Bonds then outstanding under the Indenture which are affected (other than Bonds held by the Bond Bank) will have the right from time to time to consent to and approve the execution by the Bond Bank and the Bond Bank Trustee of any supplemental indenture or indentures deemed necessary and desirable by the Bond Bank Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture. However, no supplemental indenture may permit or be construed as permitting, without the consent of the owners of all Bonds then outstanding under the Indenture, (a) an extension of the stated date for maturity or redemption or a reduction in the principal amount of or redemption premium, or reduction in the rate or extension of the time of payment of the interest, on any Bonds, (b) the creation of any lien on the Trust Estate or any part thereof pledged under the Indenture prior to or on a parity with the lien of the Indenture other than a lien ratably securing all of the Bonds outstanding under the Indenture, (c) a reduction in the aggregate principal amount of the Bonds the owners of which are required to consent to such supplemental indenture, (d) the creation of privilege, priority or preference of any Bond or Bonds over any other Bond or Bonds, or (e) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Bond Bank Trustee without the written consent of the Bond Bank Trustee.

SUMMARY OF AUTHORITY BOND ORDINANCE

The following is a summary of certain provisions of the Authority Bond Ordinance (or "Ordinance") as it relates to the 2022B Authority Bonds and not otherwise discussed in this Official Statement.

Definitions

Definitions of certain capitalized terms used in this summary of the Authority Bond Ordinance are as follows:

"Account" means an account established in any Fund created by the Ordinance.

"Accountant's Certificate" means a certificate signed by a firm of independent certified public accountants.

"Accreted Value" means (a) with respect to any Capital Appreciation Revenue Bond, as of any date of calculation, the sum of the amount set forth in a Supplemental Ordinance as the amount representing the initial principal amount of such Capital Appreciation Revenue Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to any Original Issue Discount Revenue Bond, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Revenue Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Ordinance authorizing the issuance of such Capital Appreciation Revenue Bond or Original Issue Discount Revenue Bond.

"Act" means Indiana Code 8-22-3, as amended from time to time, and all laws supplemental thereto.

"Airline Agreement" means, collectively, the substantially similar agreements between the Authority and the various airlines and other substantial users of the Airport System, as in place from time to time, including the various Agreement and Lease of Premises executed with the Authority effective through December 31, 2023, or if no agreement is in place, an ordinance of the Authority setting the rates for and providing the terms upon which the airlines may use the Airport.

"Airport Consultant" means an independent airport consultant or airport consulting firm:

(a) Who has a nationally recognized reputation for special skill and knowledge in methods of the development, operation, management and financing of airports and airport facilities; and

(b) Who is selected and retained by the Authority and is compensated thereby, but who is not in the regular employ or control of the Authority.

"Airport System" means all airport, heliport and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated or controlled in whole or in part by the Authority, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the Authority in connection therewith. The Airport System currently includes the present airports of the Authority, known as "Indianapolis International Airport," "Eagle Creek Airpark," "Mt. Comfort Airport," "Downtown Heliport," "Hendricks County Airport" and "Metropolitan Airport."

"Airport System Fund" means the fund established by the Ordinance into which all Gross Revenues shall be deposited.

"Authority" means the Indianapolis Airport Authority, a municipal corporation created pursuant to the Act and any successor thereto.

“Authority Trust Estate,” for purposes herein, means the assets pledged as security for all Outstanding Authority Bonds.

“Authorized Airport Representative” means the President, the Vice President, the Secretary or the Treasurer or any other duly authorized representative of the Authority.

“Balloon Indebtedness” shall mean, with respect to any series of Revenue Bonds fifty percent (50%) or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Revenue Bonds of a series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such series which matures during any other Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Revenue Bonds, scheduled to be amortized by prepayment or redemption prior to their stated maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such Program shall not be Balloon Indebtedness.

“Board” means the governing body of the Authority.

“Capital Appreciation Revenue Bond” shall mean Revenue Bonds, all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Ordinance and is payable only upon redemption or on the maturity date of such Revenue Bonds. Revenue Bonds which are issued as Capital Appreciation Revenue Bonds, but later convert to Revenue Bonds on which interest is paid periodically, shall be Capital Appreciation Revenue Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Revenue Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

“Capital Improvement” shall have the same meaning as “Capital Improvements” in the Airline Agreement, currently meaning any single item having a cost in excess of Two Hundred Fifty Thousand Dollars ($250,000), and a useful life in excess of two (2) years, acquired, purchased, or constructed in order to improve, maintain, or develop the Airport System, as well as any extraordinary or substantial expenditure whose object is to preserve, enhance, or protect the Airport System. Said term may include any expense for development studies, analysis, master planning efforts (including periodic reviews thereof), and economic or operational studies of the Airport System.

“Capital Improvement Fund” means the Capital Improvement Fund established by the Ordinance.

“Capitalized Interest Account” means the Capitalized Interest Account in the Revenue Bond Interest and Principal Fund established pursuant to the Ordinance.

“Commercial Paper” shall mean notes or other obligations of the Authority with a maturity of not more than two hundred seventy (270) days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Authority.

“Commercial Paper Program” shall mean a Program authorized by the Authority pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the authorized amount of such Program.

“Completion Revenue Bonds” means the Completion Revenue Bonds authorized pursuant to the Ordinance.

“Construction Fund” means a Construction Fund established by a Supplemental Ordinance for any particular series of Revenue Bonds.

“Coverage Fund” means the Coverage Fund established by the Ordinance.

“Debt Service Requirement” means the annual amount required for payment of principal of and interest on, but excluding interest which has been funded by Revenue Bond proceeds, all Outstanding Authority Bonds, whether at maturity or by reason of mandatory sinking fund redemption payment requirements; provided, however, that the following rules shall apply to the computation of Debt Service Requirements:

(i) in determining the principal due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Authority Bonds and Unissued Program Obligations in accordance with any amortization schedule established by or pursuant to a Supplemental Bond Ordinance setting forth the terms of such Revenue Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Revenue Bonds or Original Issue Discount Revenue Bonds maturing or scheduled for redemption in such year; in determining the interest due in each year, interest payable at a fixed rate shall (except to the extent subsection (ii), (iii) or (iv) of this definition applies) be assumed to be made at such fixed rate and on the required payment dates; provided, however, that interest payable on the Revenue Bonds shall be excluded to the extent such payments are to be paid from a Capitalized Interest Account for such Fiscal Year;

(ii) if all or any portion or portions of an Outstanding series of Revenue Bonds or Program Obligations constitute Balloon Indebtedness, then, for purposes of determining the Debt Service Requirement, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the Supplemental Bond Ordinance pursuant to which such Balloon Indebtedness is issued or unless subsection (iii) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than thirty (30) years and with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was issued; the interest rate used for such computation shall be that rate quoted as The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by the Airport Consultant to be a reasonable market rate for fixed-rate Revenue Bonds of a corresponding term issued under this Ordinance on the date of such calculation, with no credit enhancement and taking into consideration whether such Revenue Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any series of Revenue Bonds or Program Obligations, only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in subsection (i) above or such other provision of this definition as shall be applicable;

(iii) any maturity of Revenue Bonds which constitutes Balloon Indebtedness as described in subsection (ii) of this definition and for which the stated maturity date occurs within twelve (12) months from the date such calculation of the Debt Service Requirement is made, shall be assumed to become due and payable on the stated maturity date and subsection (ii) above shall not apply thereto unless there is delivered to the entity making the calculation of the Debt Service Requirement a certificate of an Authorized Airport Representative stating that the Authority intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating the Debt Service Requirement, provided that such assumption shall not result in an interest rate lower than that which would be assumed under subsection (ii) above and shall be amortized over a term of not more than thirty (30) years from the date of refinancing;

(iv) if any Outstanding Authority Bonds (including Program Obligations) or any Revenue Bonds which are then proposed to be issued constitute Tender Indebtedness (but excluding Program Obligations or Revenue Bonds as to which a Qualified Derivative Agreement is in effect and to which subsection (viii) applies), then, for purposes of determining the Debt Service Requirement, Tender Indebtedness shall be treated as if the principal amount of such Revenue Bonds were to be amortized over a term of not more than thirty (30) years commencing in the year in which such Tender Indebtedness is first subject to tender and with substantially level debt service payments; the interest rate used for such computation shall be either (a) the average of the variable rates applicable to such Tender Indebtedness during any consecutive 12-month period during the immediately preceding twenty-four (24) months (or a shorter period, commencing on the date of issuance of such Tender Indebtedness) ending within thirty (30) days prior to the date of computation, or (b) with respect to any Tender Indebtedness for which such an average of the variable rates cannot be determined, (i) at a rate equal to 110% of the most recent BMA Index theretofore published in The Bond Buyer, or (ii) if The Bond Buyer is no longer published or no longer publishes the BMA Index, at a rate certified by the Authority's municipal advisor, underwriter or other agent, including a remarketing agent, to be the rate of interest such Tender Indebtedness would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security and bearing interest at a variable rate, taking into consideration whether interest on such Tender Indebtedness is or is not excluded from gross income for federal income tax purposes; and with respect to all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in subsection (i) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in subsections (v) or (vi) below, as appropriate;

(v) if any Outstanding Authority Bonds constitute Variable Rate Indebtedness, including obligations described in subsection (viii)(B) to the extent it applies (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness or subsection (iv) relating to Tender Indebtedness or subsection (viii)(A) relating to Synthetic Fixed Rate Debt applies), the interest rate used for such computation shall be either (a) the average of the variable rates applicable to such Variable Rate Indebtedness during any consecutive 12-month period during the immediately preceding twenty-four (24) months (or a shorter period, commencing on the date of issuance of such Variable Rate Indebtedness) ending within thirty (30) days prior to the date of computation, or (b) with respect to any Variable Rate Indebtedness for which such an average of the variable rates cannot be determined, (i) at a rate equal to 110% of the most recent BMA Index theretofore published in The Bond Buyer, or (ii) if The Bond Buyer is no longer published or no longer publishes the BMA Index, at a rate certified by the Authority's municipal advisor, underwriter or other agent, including a remarketing agent, to the rate of interest such Variable Rate Indebtedness would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security and bearing interest at a variable rate, taking into consideration whether interest on such Variable Rate Indebtedness is or is not excluded from gross income for federal income tax purposes;

(vi) with respect to any Program Obligations or Unissued Program Obligations (in each case other than Commercial Paper) (A) debt service on such Program Obligations then Outstanding shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (B) with respect to Unissued Program Obligations, it shall be assumed that the full principal amount of such Unissued Program Obligations will be amortized over a term certified by an Authorized Airport Representative at the time the initial Program Obligations of such Program are issued to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Airport Representative to be the expected duration of such Program at the time of such calculation, but not to exceed thirty (30) years from the date of the initial issuance of such Program Obligations and it shall be assumed that debt service shall be paid in substantially level annual debt service payments over such assumed term; the interest rate used for such computation shall be the average of the variable rates applicable to such Unissued Program Obligations during any consecutive 12-month period during the immediately preceding twenty-four (24) months (or a shorter period, commencing on the date of issuance of such Unissued Program Obligations) ending within thirty (30) days prior to the date of computation, or (b) with respect to any Unissued Program Obligations for which such an average of the variable rates cannot be determined, (i) at a rate equal to 110% of the most recent BMA Index theretofore published in The Bond Buyer, or (ii) if The Bond Buyer is no longer published or no longer publishes the BMA Index, at a rate certified by the Authority's municipal advisor, underwriter or other agent, including a remarketing agent, to be the rate of interest such Unissued Program Obligations would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security and bearing interest at a variable rate, taking into consideration whether interest on such Program Obligations or Unissued Program Obligations is or is not excluded from gross income for federal income tax purposes;

(vii) debt service on Repayment Obligations shall be deemed to be the Debt Service Requirement for the Revenue Bonds associated with such Repayment Obligations;

(viii) (A) for purposes of computing the Debt Service Requirement of Revenue Bonds which constitute Synthetic Fixed Rate Debt, the interest payable thereon shall, if the Authority elects, be that rate as provided for by the terms of the Qualified Derivative Agreement or the net interest rate payable pursuant to offsetting indices, as applicable, or if the Authority fails to elect such rate, then it shall be deemed to be the fixed interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority;

(B) for purposes of computing the Debt Service Requirement of Revenue Bonds with respect to which a Qualified Derivative Agreement has been entered into whereby the Authority has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Revenue Bonds to which such Qualified Derivative Agreement pertains shall be included in the calculation of the Debt Service Requirement, and the interest rate with respect to such Revenue Bonds shall, if the Authority elects, be the sum of that rate as determined in accordance with subsection (v) relating to Variable Rate Indebtedness plus the difference between the interest rate on such Revenue Bonds and the rate received from the Qualified Derivative Agreement provider.

(ix) with respect to any Commercial Paper Program which has been implemented and not then terminated or with respect to any Commercial Paper Program then proposed to be implemented, with respect to Commercial Paper issued thereunder, the principal of and interest thereon shall be calculated as if the entire authorized amount of such Commercial Paper Program were to be amortized over a term of thirty (30) years commencing in the year in which such Commercial Paper Program is implemented and with substantially level annual debt service payments; the interest rate used for such computation shall be the average of the variable rates applicable to such Commercial Paper Program during any consecutive 12-month period during the immediately preceding twenty-four (24) months (or a shorter period, commencing on the date of issuance of such Commercial Paper Program) ending within thirty (30) days prior to the date of computation, or (b) with respect to any Commercial Paper Program for which such an average of the variable rates cannot be determined, (i) at a rate equal to 110% of the most recent BMA Index theretofore published in The Bond Buyer, or (ii) if The Bond Buyer is no longer published or no longer publishes the BMA Index, at a rate certified by the Authority's municipal advisor, underwriter or other agent, including a remarketing agent, to be the rate of interest such Commercial Paper Program would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security and bearing interest at a variable rate, taking into consideration whether interest on such Commercial Paper is or is not excluded from gross income for federal income tax purposes;

(x) if moneys or Defeasance Obligations have been irrevocably deposited with and are held by the Trustee or another fiduciary or moneys in the Capitalized Interest Account have been set aside exclusively to be used to pay principal of and/or interest on specified Revenue Bonds, then the principal of and/or interest on to be paid from such moneys, Defeasance Obligations or from the earnings thereon shall be disregarded and not included in calculating the Debt Service Requirement;

(xi) the principal of and/or interest on Revenue Bonds to be paid from Dedicated Revenues or from earnings thereon shall be disregarded and not included in calculating the Debt Service Requirement as provided in Section 4.19 of the Ordinance;

(xii) to the extent not otherwise addressed herein, any payments made by the Authority on a Derivative Agreement shall be treated as part of the Debt Service Requirement on the Designated Debt with respect thereto and all payments received by the Authority on a Derivative Agreement shall be applied to reduce the Debt Service Requirement on the Designated Debt with respect thereto; and with respect to any Revenue Bond that does not clearly fit within (i)-(xii) above, the Debt Service Requirement on such Revenue Bond shall be the amount or amounts certified by the Treasurer and another Authorized Airport Representative as reasonable in a certificate delivered to the Trustee.

"Debt Service Reserve Requirement" means the required amount, if any, to be held in any account of the Revenue Bond Reserve Fund for a series of Revenue Bonds in accordance with the applicable Supplemental Bond Ordinance; however, with respect to the 2022B Authority Bonds, the Debt Service Reserve Requirement means the 14/16A/22B Tax Exempt Debt Service Reserve Requirement or the 16A/22B Taxable Debt Service Reserve Requirement as applicable.

"Dedicated Revenues" means passenger facility charges, state and/or federal grants or other moneys which the Authority has dedicated to pay principal of and/or interest on Revenue Bonds in the manner provided under the Ordinance.

"Defeasance Obligations" means with respect to any particular series of Revenue Bonds, any security specified by the Authority in the Supplemental Bond Ordinance as a Defeasance Obligation in connection with the sale of such Revenue Bonds by the Authority.

"Derivative Agreement" means an agreement or contract executed by the Authority in connection with a transaction, agreement or understanding entered into by the Authority in connection with Revenue Bonds or Subordinate Securities in which the Authority and a counterparty agree to exchange payments in the future, including, without limitation, transactions commonly called swap agreements, option agreements in which the counterparty can require the Authority to issue Refunding Revenue Bonds, cap and floor agreements and interest rate swap agreements.

"Designated Debt" shall mean a specific indebtedness designated by the Authority in which such debt shall be offset with a Derivative agreement, such specific indebtedness to include all or any part of a series or multiple series of Revenue Bonds or Subordinate Securities.

"Event of Default" means an Event of Default as set forth in the Ordinance.

"Federal Payment" means those funds received by the Airport System from the federal government or any agency thereof as payments for the use of any facilities or services of the Airport System, but excluding grants-in-aid and all mandated payments, including payments from the United States Transportation Security Administration.

"Fiscal Year" means the fiscal year of the Authority being the period from January 1 in any year to the following December 31 or any other period specified by the Authority as its fiscal year for accounting purposes.

"Fund" means any Fund established by this Ordinance.

"General Obligation Bond Interest and Principal Fund" means the General Obligation Bond Interest and Principal Fund established by the Ordinance.

"General Obligation Bonds" means any General Obligation Bonds issued by the Authority pursuant to I.C. 8-22-3-16, or prior provisions of statutes governing the Authority.

"Gross Revenues" means all revenues, income, accounts and general intangibles from the Airport System, including but not limited to rents, charges, landing fees, user charges, revenues from concessionaires, ground rents from Special Purpose Facilities and similar revenues, but excluding revenue from ad valorem taxes or payments in lieu of taxes, payments received on any Investment Swap or Derivative Agreement (other than a Qualified Derivative Agreement), Federal Payments, passenger facility, customer facility and similar charges, grants-in-aid, gifts, investment income, bond or loan proceeds, proceeds from the sale of Airport System capital assets, revenues derived from the reversion of an interest in property following the expiration of a lease, Released Revenues or rental payments made for Special Purpose Facilities to provide for debt service and for an allocable portion of administrative costs for such facilities.

"Implicit Price Deflator Index" means the Implicit Price Deflator Index published by the United States Bureau of Labor Statistics, as amended and supplemented from time to time, or any successor index thereto.

"Investment Swap" means an agreement or contract executed by the Authority in connection with the investment of funds, in which the Authority and counterparty agree to make payments in the future based upon interest rates, including, without limitation, swap agreements, cap and floor agreements, forward delivery agreements or investment contracts.

"Net Revenues" means Gross Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means the reasonable, necessary current expenses of the Authority paid or accrued in operating and maintaining the Airport System, including but not limited to (a) costs of collecting Gross Revenues and making refunds; (b) engineering, audit reports, legal and administrative expenses; (c) salaries, wages and other compensation; (d) costs of routine repairs, replacements and renewals; (e) costs of utility services; (f) general administrative overhead of the Authority; (g) material and supplies used in the ordinary course of business; (h) contractual and professional services; (i) costs of insurance and fidelity bonds; (j) costs of carrying out provisions of the Ordinance; (k) the costs for any single item of $100,000 or less, as adjusted by the Implicit Price Deflator Index, (or such other amount, if any, specified in the Airline Agreement) or which has a useful life of less than two (2) years; and (l) all other routine costs and expenses or costs and expenses required to be paid by the Authority by law. The term "Operation and Maintenance Expenses" shall not include any allowance for depreciation, any debt service, any payment due on a Derivative Agreement, any operation and maintenance expense incurred in connection with Special Purpose Facilities which are reimbursed by the Lessee thereof nor any expenses paid (or the portion) by assets, grants or other moneys received by the Authority, but only to the extent such assets, grants or other moneys are not included in Gross Revenues.

"Operation and Maintenance Reserve Fund" means the Operation and Maintenance Reserve Fund established by the Ordinance.

"Ordinance" means the Consolidated and Restated Master Bond Ordinance as enacted by the Authority on August 15, 2014, which consolidates and restates General Ordinance No. 4-2002, adopted on December 20, 2002, as subsequently amended by General Ordinances No. 7-2005 and No. 1-2008, including the Supplemental Ordinance for the 2022G Authority Bonds and any and all Supplemental Ordinances hereafter adopted for the issuance of Revenue Bonds.

"Original Issue Discount Revenue Bond" shall mean Revenue Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Revenue Bonds by the Supplemental Ordinance under which such Revenue Bonds are issued.

"Outstanding" means, as of a particular date, all such Revenue Bonds theretofore and thereupon delivered except: (a) any such Revenue Bond canceled by or on behalf of the Authority at or before said date; (b) any such Revenue Bond defeased pursuant to the defeasance provisions of the ordinance authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such Revenue Bond in lieu of or in substitution for which another Revenue Bond shall have been delivered pursuant to the ordinance authorizing the issuance of such Revenue Bond.

"Owner," "Bondowner" or "Owner of Revenue Bonds" means the registered owner of any Revenue Bond.

"Paying Agent" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Paying Agent or Co-Paying Agent for the Revenue Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Ordinance.

"Prepaid Airline Fund" means the Prepaid Airline Fund established by the Ordinance.

"President" means the President elected by the Board pursuant to the provisions of I.C. 8-22-3-9(a).

"Principal Amount" or "principal amount" shall mean, as of any date of calculation, (a) with respect to any Capital Appreciation Revenue Bonds, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), (b) with respect to any Original Issue Discount Revenue Bonds, the Accreted Value thereof, unless the Supplemental Bond Ordinance under which such Revenue Bonds were issued shall specify a different amount, in which case, the terms of the Supplemental Bond Ordinance shall control, and (c) with respect to any other Revenue Bonds, the principal amount of such Revenue Bond payable at maturity.

"Program" shall mean a financing program identified in a Supplemental Ordinance, including, but not limited to a Commercial Paper Program, (a) which is authorized and the terms thereof approved by a Supplemental Ordinance adopted by the Authority where the items described in Section 5.01 of the Ordinance have been filed with the Trustee, (b) wherein the Authority has authorized the issuance, from time to time, of notes, Commercial Paper or other indebtedness as Revenue Bonds, and (c) the authorized amount of which has met the additional bonds test set forth in Section 5.01 of the Ordinance and the Outstanding amount of which may vary from time to time, but not exceed the authorized amount set forth in such Supplemental Ordinance.

"Program Obligations" shall mean Revenue Bonds issued and Outstanding pursuant to a Program, other than Unissued Program Obligations.

"Project" means, as it pertains to any particular issue of Revenue Bonds, any use of Revenue Bond proceeds for a Capital Improvement as further described in any Supplemental Bond Ordinance.

"Project Costs" with respect to any Project means costs including the following:

(i) obligations of the Authority and all contractors incurred for labor and materials in connection with the construction, installation and equipping of the Project;

(ii) the cost of contract bonds and insurance of all kinds that may be required or necessary during the construction of the Project;

(iii) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;

(iv) all expenses incurred in connection with the issuance of Revenue Bonds, including, without limitation, compensation and expenses of the Trustee, Registrar and Paying Agents, expenses of the Authority, legal and accounting expenses and fees, payments on a Derivative Agreement, costs of printing and engraving, recording and filing fees, compensation of underwriters, rating agency fees, costs of financial services, and interest;

(v) all sums required to reimburse the Authority for advances made by it for any of the above items or for any other costs incurred and for work done, whether before or after the adoption of this Ordinance, which are properly chargeable to the Project; and

(vi) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the Projects to the extent permitted by the Act.

"Qualified Derivative Agreement" means a Derivative Agreement with respect to which:

(i) the counterparty to such Derivative Agreement shall be rated or guaranteed by a party that is rated, at the time of execution of such Derivative Agreement in a category not lower than the A category now used by each Rating Agency (if such then exist); and

(ii) the Authority shall have determined by certificate filed with the Trustee to treat the Derivative Agreement as a Qualified Derivative Agreement under this Ordinance.

"Rating Agency" and "Rating Agencies" shall mean any nationally recognized rating agency of municipal obligations, but only if such Rating Agencies have been requested by the Authority to maintain a rating on the Revenue Bonds and such Rating Agencies are then maintaining a rating on any of the Revenue Bonds.

"Registrar" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Registrar by the Authority to perform the duties set forth in Article VIII of the Ordinance.

"Released Revenues" means revenues (including any revenues, fees, income and receipts that would otherwise be considered to be Gross Revenues) which the Authority has determined to designate as Released Revenues in accordance with the provisions of the Ordinance.

"Repayment Obligations" shall mean an obligation arising under a written agreement between the Authority and a credit provider pursuant to which the Authority agrees to reimburse the credit provider for amounts paid through a credit facility and used to pay debt service on any Revenue Bonds and all other amounts due and owing to a credit provider under a credit facility, or an obligation arising under a written agreement of the Authority and a liquidity provider pursuant to which the Authority agrees to reimburse the liquidity provider for amounts paid through a liquidity facility to be used to purchase Revenue Bonds and all other amounts due and owing to a liquidity provider under a liquidity facility.

"Revenue Bond Interest and Principal Fund" means the Revenue Bond Interest and Principal Fund established by the Ordinance.

"Revenue Bond Reserve Fund" means the Revenue Bond Reserve Fund established by the Ordinance with separate accounts as established in a Supplemental Ordinance for any issue of Revenue Bonds.

"Revenue Bonds" means the bonds, notes or other obligations authorized to be issued pursuant to the Ordinance as Revenue Bonds or Completion Revenue Bonds secured in whole or in part by a first priority lien on the Net Revenues.

"Secretary" means the Secretary appointed by the Board pursuant to the provisions of I.C. 8-22-3-11(17).

"Secured Bonds" for each individual reserve account means any applicable Authority Bonds, outstanding Authority Bonds and any other Revenue Bonds that an Authorized Airport Representative shall determine to secure with a specific Authority Reserve Account. For the 14/16A/22B Tax Exempt Reserve Account, the 2014A Authority Bonds, the 2016A-1 Authority Bonds and the 2022B-1 and 2022B-2 Bonds are collectively, the Secured Bonds. For the 16A/22B Taxable Reserve Account, the 2016A-2 Authority Bonds and the 2022B-3 Authority Bonds are collectively, the Secured Bonds.

"Special Purpose Facilities" means facilities which are leased from the Authority pursuant to which the lessee agrees to pay to the Authority rentals or fees sufficient to pay the principal and interest on bonds issued to pay the cost of construction of the Special Purpose Facility plus such further rentals or fees necessary to maintain all reserves or pay necessary administrative expenses required for Special Purpose Facilities.

"Subordinate Securities" means each series of bonds, notes or other obligations permitted to be issued by the Authority pursuant to Section 5.04 of the Ordinance as Subordinate Securities secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues securing payment of Revenue Bonds.

"Subordinate Securities Interest and Principal Fund" means the Subordinate Securities Interest and Principal Fund established by the Ordinance.

“Subordinate Securities Reserve Fund” means the Subordinate Securities Reserve Fund established by the Ordinance.

“Supplemental Bond Ordinance” means, with respect to a series of Revenue Bonds, the Supplemental Ordinance pursuant to which such series was issued.

“Supplemental Ordinance” means each ordinance enacted by the Authority for the issuance of Revenue Bonds or Subordinate Securities or to amend or supplement this Ordinance.

“Synthetic Fixed Rate Debt” shall mean indebtedness issued by the Authority which: (a) is combined, as Designated Debt, with a Qualified Derivative Agreement and creates, in the opinion of an Underwriter, a substantially fixed-rate maturity or maturities for a term not exceeding such maturity or maturities, or (b) consisting of an arrangement in which two inversely related variable-rate securities are issued in equal notional amounts with interest based on off-setting indices resulting in a combined payment which is economically equivalent to a fixed rate.

“Tax-Exempt Bonds” means any Revenue Bonds or Subordinate Securities the interest on which, when issued, the Authority expected to be excludable from gross income of the Owners thereof for federal income tax purposes.

“Taxable Bonds” means any Revenue Bonds or Subordinate Securities the interest on which, when issued, the Authority expected to not be excludable from gross income of the Owners thereof for federal income tax purposes.

“Tender Indebtedness” shall mean any Revenue Bonds or portions of Revenue Bonds a feature of which is an option or an obligation on the part of the holders, under the terms of such Revenue Bonds, to tender all or a portion of such Revenue Bonds to the Authority, the Trustee, the Paying Agent or other fiduciary or agent or credit provider for payment or purchase and requiring that such Revenue Bonds or portions of Revenue Bonds be purchased if properly presented.

“Treasurer” means the Treasurer appointed by the Board pursuant to the provisions of I.C. 8-22-3-11(17) and I.C. 8-22-3-20.

“Trustee” means any and all Trustees or successor Trustees designated in a Supplemental Bond Ordinance.

“Underwriters” means the underwriters, as designated in the Supplemental Bond Ordinance of each particular issue of Revenue Bonds for which the term refers.

“Unissued Program Obligations” shall mean the Revenue Bonds authorized to be issued pursuant to a Program, issuable in an amount up to the authorized amount relating to such Program, which have been approved for issuance by the Authority pursuant to a Supplemental Bond Ordinance adopted by the Authority and with respect to which Program the items described in Section 5.01 of the Ordinance have been filed with the Trustee but which have not yet been authenticated and delivered pursuant to the Program documents.

“Variable Rate Indebtedness” shall mean any Revenue Bond or Revenue Bonds the interest rate on which is not, at the time in question, fixed to maturity, excluding any Commercial Paper Program.

“Vice President” means the Vice President elected by the Board pursuant to the provisions of I.C. 8-22-3-9(a).

“14/16A/22B Tax Exempt Reserve Account” means the Account of the Revenue Bond Reserve Fund established for the 2014A Authority Bonds, the 2016A-1 Authority Bonds, the 2022B-1 Authority Bonds and the 2022B-2 Authority Bonds.

“14/16A/22B Tax Exempt Debt Service Reserve Requirement” means the least of the following: (1) the maximum annual principal and interest due on the applicable Secured Bonds in any future calendar year; (2) 125% of the average annual principal and interest payments due on the applicable Secured Bonds in any future calendar year; and (3) 10% of the original principal amount of the applicable Secured Bonds.

"16A/22B Taxable Reserve Account" means the Account of the Revenue Bond Reserve Fund established for the 2016A-2 Authority Bonds and the 2022B-3 Authority Bonds.

"16A/22B Taxable Debt Service Reserve Requirement" means the least of the following: (1) the maximum annual principal and interest due on the applicable Secured Bonds in any future calendar year; (2) 125% of the average annual principal and interest payments due on the applicable Secured Bonds in any future calendar year; and (3) 10% of the original principal amount of the applicable Secured Bonds.

Creation of Funds and Accounts

(a) The Ordinance establishes special Funds and Accounts including the Airport System Fund, the Revenue Bond Interest and Principal Fund (including a Capitalized Interest Account) and the Revenue Bond Reserve Fund.

(b) In addition, the Authority may provide for additional funds from time to time for accounting and rate-setting purposes, the provisions of which the Authority may amend without the consent of the Trustee or any bondholder. At this time, the Authority has created the General Obligation Bond Interest and Principal Fund, the General Obligation Bond Reserve Fund, the Subordinate Securities Interest and Principal Fund, the Subordinate Securities Reserve Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund, the Capital Improvement Fund, the Coverage Fund and the Prepaid Airline Fund.

Under the Ordinance, the Airport System Fund and any fund described in (b) above must be maintained as separate funds or accounts on the books of the Authority, and all amounts credited to such funds will be maintained in an official depository bank of the Authority. Moreover, the Ordinance provides that the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund, which constitute trust funds for the owners of the Revenue Bonds, will be maintained with the Trustee subject to the terms and conditions of the Ordinance.

Airport System Fund

All Gross Revenues shall be deposited as received into the Airport System Fund. In addition, the Authority may deposit into the Airport System Fund any Federal Payments, provided that, so long as such Federal Payments are excluded from the definition of Gross Revenues, such Federal Payments shall not be required to be applied for any debt service or reserves therefor. Moneys from time to time credited to the Airport System Fund shall be applied as follows in the following order of priority:

(i) First, to apply and use sufficient amounts to pay and to provide for the payment of all current Operation and Maintenance Expenses.

(ii) Second, to transfer all amounts to the Revenue Bond Interest and Principal Fund.

(iii) Third, to transfer all amounts to the Revenue Bond Reserve Fund required by the Ordinance or any Supplemental Bond Ordinance.

Moneys remaining in the Airport System Fund, after making the deposits provided above, shall be held by the Authority for application at a future time as provided above or for deposit to any other account or fund of the Authority or for any other purpose of the Authority.

After making the deposits mentioned above, the Authority also agrees, to the extent moneys are available, to make deposits from the Airport System Fund as follows:

(i) First, to transfer all amounts to the Revenue Bond Interest and Principal Fund required by any ordinance authorizing the issuance of 2022B Airport Bonds;

(ii) Second, to transfer all amounts to the Revenue Bond Reserve Fund required by any ordinance authorizing the issuance of 2022B Airport Bonds;

(iii) Third, to transfer all amounts to the Operation and Maintenance Reserve Fund required by the Ordinance or any Supplemental Ordinance;

(iv) Fourth, to transfer all amounts to the Renewal and Replacement Fund required by the Ordinance or any Supplemental Ordinance;

(v) Fifth, to transfer amounts to the Capital Improvement Fund as provided in the Ordinance;

(vi) Sixth, to transfer amounts to the Coverage Fund as provided in the Ordinance; and

(vii) Seventh, to transfer all amounts to the Prepaid Airline Fund as provided in the Ordinance.

Notwithstanding the Authority's agreement to deposit moneys as provided in (i) (ix) above, the Authority may alter, amend or terminate any of these funds without Bondowner or Trustee consent.

Revenue Bond Interest and Principal Fund

Amounts in the Revenue Bond Interest and Principal Fund will be disbursed solely for the purpose of making timely payment of principal of, and interest and redemption premiums, if any, on, the Revenue Bonds, and to make all regularly scheduled payments on and pay all fees charged in connection with Qualified Derivative Agreements, bond insurance, letters of credit, lines of credit or other credit or liquidity facilities, tender agent agreements and any similar agreements pertaining to the Revenue Bonds. The Authority may create a Capitalized Interest Account of the Revenue Bond Interest and Principal Fund for any series of Revenue Bonds.

Moneys received by the Authority pursuant to any Qualified Derivative Agreement will be deposited into the Revenue Bond Interest and Principal Fund, and moneys paid by the Authority pursuant to any Qualified Derivative Agreement will be paid from the Revenue Bond Interest and Principal Fund. In the event that the moneys in the Revenue Bond Interest and Principal Fund shall be insufficient to pay the amounts described in the Supplemental Bond Ordinance adopted for each series of Revenue Bonds, the Trustee will apply the moneys in the Revenue Bond Interest and Principal on a pro rata basis (except that Dedicated Revenues shall only be applied to the extent allowed by law) to pay such amounts prior to taking into consideration the amounts on deposit in any account of the Revenue Bond Reserve Fund.

Revenue Bond Reserve Fund

The Authority is authorized to specify in the Supplemental Ordinance authorizing a series of Revenue Bonds that an account or accounts of the Revenue Bond Reserve Fund may be maintained for such Revenue Bonds and the provisions with respect thereto or that no account of the Revenue Bond Reserve Fund is being created for such Revenue Bonds. In addition, the Ordinance provides that the reserve requirement for any series of Revenue Bonds may be satisfied by a surety bond, insurance policy or letter of credit (each, a "Reserve Policy"). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS—Revenue Bond Reserve Fund."

General Obligation Bond Interest and Principal Fund

Amounts in the General Obligation Bond Interest and Principal Fund will be disbursed solely for the purpose of paying principal of, interest and redemption premiums, if any, on, the General Obligation Bonds, or to purchase

General Obligation Bonds on the open market, and to pay all bank charges, costs of any credit and liquidity facilities and other costs pertaining to the General Obligation Bonds or such payments.

Subordinate Securities Interest and Principal Fund

The Authority will set forth in any Supplemental Ordinance authorizing a series of Subordinate Securities the provisions with respect to the Subordinate Securities Principal and Interest Fund.

Subordinate Securities Reserve Fund

Amounts in the Subordinate Securities Reserve Fund will be maintained and transferred in accordance with the Supplemental Ordinance of the Authority authorizing the issuance of Subordinate Securities.

Operation and Maintenance Reserve Fund

The Authority shall fund and maintain a balance of money and investments in the Operation and Maintenance Reserve Fund at least equal to two (2) months current Operation and Maintenance Expenses or such other amount as agreed to in any Airline Agreement. The amount required to be held in this Fund will be determined annually at the time of approval of the annual budget for the following Fiscal Year for the Airport System pursuant to the Ordinance. The balance in this fund will be evaluated monthly in light of current Operation and Maintenance Expense expectations, and on or before the last business day of each month, after making all required payments and provision for payment of Operation and Maintenance Expenses and all required transfers, the Authority may transfer from the Airport System Fund, to the extent amounts are available, to the Operation and Maintenance Reserve Fund the amount needed to establish or reestablish the balance in the Operation and Maintenance Reserve Fund to that level required in the Ordinance. Amounts credited to the Operation and Maintenance Reserve Fund may be used at any time: first, to pay for any Operation and Maintenance Expenses for which amounts are not otherwise available in the Airport System Fund; second, to the extent any amounts are remaining, to be transferred to the Revenue Bond Interest and Principal Fund, the Revenue Bond Reserve Fund, the General Obligation Bond Interest and Principal Fund, the General Obligation Bond Reserve Fund, the Subordinate Securities Interest and Principal Fund or the Subordinate Securities Reserve Fund to the extent of any deficiency; third, to pay any costs or expenses payable from the Renewal and Replacement Fund for which there are insufficient amounts in the Renewal and Replacement Fund; and fourth, to the extent any excess amounts remain, for transfer to the Capital Improvement Fund.

Renewal and Replacement Fund

The Authority may fund and maintain a balance in the Renewal and Replacement Fund equal to the greater of $2,000,000, as adjusted for inflation, or 2% of all Airport System Operation and Maintenance Expense or such other amount agreed to in any Airline Agreement. Amounts in the Renewal and Replacement Fund may be used for the following purposes and in the following order of priority: (a) to pay the extraordinary costs of replacing depreciable property and equipment and making extraordinary repairs, replacements or renovations of the Airport System; (b) to pay any Operation and Maintenance Expenses for which insufficient amounts are available in the Airport System Fund; (c) to satisfy any deficiencies in the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; and (d) to the extent of any amounts remaining in excess of such minimum reserve requirement, to the Capital Improvement Fund.

Capital Improvement Fund

The Authority may disburse amounts in the Capital Improvement Fund for any lawful purpose of the Authority, including without limitation to pay for any Capital Improvements, to pay for any costs of replacing any depreciable property or equipment in the Airport System, to pay for any major or extraordinary repairs, replacements or renewals of the Airport System, to make any payments to be made by the Authority on an Investment Swap or a Derivative Agreement, to acquire land or any interest therein, to pay any lease or contractual obligations not otherwise paid as Operation and Maintenance Expenses for any lawful purpose of the Authority and to make any transfers required to cure any deficiencies in any Funds.

Coverage Fund

The Authority may, after making all required payments and transfers, deposit Gross Revenues to the Coverage Fund for the purpose of establishing future coverage on outstanding Authority Bonds. Moneys in the Coverage Fund may be used for any lawful purpose of the Authority.

Prepaid Airline Fund

Any amount in the Prepaid Airline Fund at the end of any Fiscal Year shall be used as a credit in calculating the required rentals and fees under the Ordinance for the following Fiscal Year. After making such credit, however, such moneys may ultimately be used for any Airport System purpose deemed necessary by the Authority.

Investment of Funds

Moneys in all Funds will, at the option and direction of the Authority, be invested and secured in the manner required by law for public funds in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, in obligations of any agencies or instrumentalities of the United States of America or in any other investment authorized by Indiana law; provided that all such deposits and investments must be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. For purposes of maximizing investment returns, money in such Funds may be invested, together with money in other Funds or with other money of the Authority, in common investments of the kind described above, or in a common pool of such investments maintained by the Authority or the Trustee which will not be deemed to be a loss of the segregation of such money or Funds so long as safekeeping receipts or certificates of participation or other documents clearly evidencing the investment or investment pool in which such money is invested, and the share thereof purchased with such money or owned by such Fund, are held by or on behalf of each such Fund. If, and to the extent necessary, such investments or participations therein will be promptly sold to prevent any default.

Interest and income derived from the deposit and investment of amounts held in all Funds will be transferred or credited monthly to the Airport System Fund or such other Fund as the Authority shall direct, except as follows: (a) all interest and income derived from deposits and investments in any Fund will remain in such Fund to the extent necessary to accumulate the balance required to be maintained therein; and (b) all interest and income derived from deposits and investments held in any Construction Fund will remain in such Construction Fund for application on Project Costs until such Projects are complete, at which time all moneys in the Construction Fund will be transferred to: (i) any account or fund as provided in the Supplemental Ordinance pursuant to which such moneys were deposited into the Construction Fund; (ii) the Revenue Bond Interest and Principal Fund or the Revenue Bond Reserve Fund if needed to eliminate deficiencies therein; and (iii) then to the Capital Improvement Fund or such other Fund as the Authority shall direct.

Dedicated Revenues

From time to time the Authority may adopt an ordinance or resolution irrevocably designating certain passenger facilities charges, state and/or federal grants or other moneys received by the Authority (and not otherwise treated as Gross Revenues) as Dedicated Revenues to be used exclusively to pay debt service on Revenue Bonds. In such ordinance or resolution, the Authority shall elect to exclude from the Debt Service Reserve Requirement, an amount of principal of and/or interest on Revenue Bonds in an amount equal to such Dedicated Revenues. If the Authority adopts an ordinance or resolution as described in this paragraph, the Authority shall transfer such Dedicated Revenues into the Revenue Bond Interest and Principal Fund at such time as is needed to pay such debt service when due.

Released Revenues

The Authority may identify and determine that any revenues (including revenues, fees, income and receipts that would otherwise be considered to be Gross Revenues) are to be designated as Released Revenues by filing the following items with the Trustee:

(a) a written request of an Authorized Airport Representative to release such revenues, accompanied by a certificate of such Authorized Airport Representative certifying the Authority is in compliance with all requirements of the Ordinance;

(b) either: (i) an Accountant's Certificate to the effect that Net Revenues, excluding the revenues proposed to become Released Revenues, for each of the two (2) latest Fiscal Years for which audited financial reports are available were equal to at least 135% of the Debt Service Requirement for each of such Fiscal Years; or (ii) a certificate of an Airport Consultant to the effect that based upon current knowledge of the operation of the Airport, Net Revenues, excluding the revenues proposed to become Released Revenues, for the current Fiscal Year will be equal to at least 135% of the Debt Service Requirement for such Fiscal Year;

(c) Proof of notice provided to each Rating Agency of the Authority's intent to release such revenues from the definition of Gross Revenues; and

(d) an opinion of bond counsel to the effect that the exclusion of such revenues from the definition of Gross Revenues and from the pledge, charge and lien of the Ordinance will not adversely affect the tax exempt status of the interest on any Outstanding Tax Exempt Bond under the Ordinance.

In such event, the Released Revenues shall not be deposited in or shall be released from the Airport System Fund and shall not be pledged as security for the Revenue Bonds.

Additional Authority Bonds

One or more series of Additional Authority Bonds payable from and secured by a lien on the Net Revenues on a parity with any Outstanding Authority Bonds may be issued subject to the provisions of Section 5.01 of the Ordinance. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022B AUTHORITY BONDS – Additional Bonds—Authority Revenue Bonds" contained in this Official Statement.

Rate Covenant

The Authority covenants that it will at all time fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that upon measurement in each Fiscal Year the Net Revenues, together with moneys in the Coverage Fund, will at all times be at least sufficient to equal the lager of either: (i) all amounts required to be deposited in such Fiscal Year to the credit of the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund; or (ii) an amount not less than 125% of the annual principal and interest due for all Revenue Bonds for such Fiscal Year.

Operation and Maintenance of Airport System

So long as any Revenue Bonds remain outstanding, the Authority covenants that it will at all times maintain and operate the Airport System, or within the limits of its authority cause the same to be maintained and operated, in good and serviceable condition.

Sale or Encumbrance of Airport System

Except as permitted in the Ordinance, neither all nor a substantial part of the Airport System or any property necessary to the operation and use of the Airport System will be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of.

The Authority may enter into a management contract or lease of all or substantially all of the Airport System or any lesser part thereof, on the condition that the manager or lessee agrees to comply with and perform all of the duties of the Authority under the provisions of the Ordinance (except those expressly retained by the Authority). Subject to such conditions, the Authority may delegate to such manager or lessee all or a portion of the Authority's rights and duties under the Ordinance. In such event, after providing for the deposits required by the Ordinance, the lessee may compensate the Authority for the lessee's use of such property from Gross Revenues in the Airport System Fund for deposit into the Capital Improvement Fund.

The Authority may also execute any leases, licenses, easements, or other agreements of any part of the Airport System in connection with the operation of the Airport System by the Authority, or in connection with any Special Purpose Facilities located at any airport within the Airport System.

The Authority may sell, exchange, lease or otherwise dispose of, or exclude from the Airport System, any property constituting a part of the Airport System which the Authorized Airport Representative certifies (i) to be no longer useful in the construction or operation of the Airport System, (ii) to be no longer necessary for the efficient operation of the Airport System, or (iii) to have been replaced by other property of at least equal value. The net proceeds of any such sale or disposition of any Airport System property (or the fair market value of any property so excluded) will be used for the purpose of replacing properties at the Airport System or will be paid into the Airport System Fund for the purposes thereof.

In addition, the Authority may transfer all or a substantial part of the Airport System to another body corporate and politic which assumes the Authority's obligations under the Ordinance and in any Supplemental Ordinance, if, in the written opinion of the Airport Consultant, the ability to meet the rate covenant and other covenants under the Ordinance and in any Supplemental Ordinance are not materially and adversely affected. In the event of any such transfer and assumption, the Authority may retain any facility of the Airport System, if, in the written opinion of the Airport Consultant, such retention will not materially and adversely affect nor unreasonably restrict such other entity's ability to comply with the requirements of the rate covenant and the other covenants of the Ordinance and in any Supplemental Ordinance.

Insurance

The Ordinance requires the Authority to keep the Airport System insured with insurers of good standing against risks, accidents or casualties against which and to the extent customarily insured against by, and with deductible and self-insurance provisions customarily utilized by, operators operating similar properties, to the extent that such insurance is reasonably available. To the extent the Authority self-insures its insurance risks in an amount greater than $5,000,000, the Authority will provide to the Trustee a report of an independent insurance consultant satisfactory to the Trustee that its self-insurance program is funded in accordance with industry standards.

Accounts, Records and Audits

So long as any Revenue Bonds remain outstanding, the Authority covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the Gross Revenues and the operation of the Airport System, in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the Gross Revenues and the Airport System. The Authority will, within 120 days after the close of each Fiscal Year or as soon thereafter as practicable, cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants, which will calculate the Gross Revenues, Net Revenues and Debt Service Requirement for such Fiscal Year and will set forth a calculation to demonstrate whether the Authority has satisfied the rate covenant contained in the Ordinance. In addition, the Authority will each year, either as a part of its annual audit or by separate engagement, cause an independent certified public accountant or independent firm of certified public accountants to prepare an annual report. Each year promptly after such reports are prepared, the Authority will furnish copies thereof to any registered owners of Revenue Bonds who so request.

Tax Exemption

So long as any Tax Exempt Bonds remain outstanding, the Authority covenants that it will not take, or omit to take, any acts, including without limitation entering into any lease, operating agreement or other contract for the operation of all or any portion of the Airport System or pledge to the payment of the Tax Exempt Bonds any revenues or fail to make any required payment or rebate of interest earnings, if to do so would cause interest on any Tax Exempt

Bonds to be includable within the gross income of the Owners thereof for federal income tax purposes. See "TAX MATTERS" contained in this Official Statement.

Notwithstanding the foregoing, the Authority may issue taxable Revenue Bonds in the manner and pursuant to the terms set forth in the Ordinance.

Events of Default and Remedies of Owners of Revenue Bonds

Each of the following constitutes an Event of Default under the Ordinance:

(a) Default in the punctual payment of principal or redemption premium, if any, due to be paid on any Revenue Bond, whether at maturity or by call or proceedings for redemption or otherwise; or

(b) Default in the punctual payment of any installment of (1) interest due to be paid on any Revenue Bond or (2) any regularly scheduled payment due on a Qualified Derivative agreement, or (3) any payment due on a Repayment Obligation (after the lapse of any applicable grace period); or

(c) Default in the performance or observance of any other covenant, agreement or condition required to be performed or observed by the Authority under the Ordinance or in any of the Revenue Bonds, continuing for 90 days after written notice of such default is given to the Authority by the Trustee or to the Authority and the Trustee by the owners of not less than 25% of the aggregate principal amount of outstanding Authority Bonds; provided that if such default is correctable, but cannot be corrected within 90 days, it will not constitute an Event of Default if the Authority institutes and diligently pursues corrective action, within such period, until the default is corrected or, if such action involves legal action, the default is determined to be not correctable as a matter of law by a court of competent jurisdiction; or

(d) Certain voluntary or involuntary proceedings in bankruptcy or reorganization.

So long as the Event of Default has not been remedied, either the Trustee, upon written notice to the Authority, or the owners of not less than 25% in aggregate principal amount of Outstanding Authority Bonds, upon notice to the Authority and the Trustee, may declare that an Event of Default has occurred. Any such declaration may be waived if, prior to the maturity of all of the outstanding Authority Bonds, all overdue installments of interest upon the Revenue Bonds, together with interest on such overdue installments to the extent permitted by law, and all other sums then payable by the Authority under the Ordinance are made good or are secured to the satisfaction of the Trustee, and if (i) the owners of not less than 50% of the aggregate principal amount of outstanding Authority Bonds rescind such declaration by written notice to the Trustee and the Authority or (ii) the Trustee has acted on its own without written direction to the contrary by the owners of not less than 25% of the aggregate principal amount of outstanding Authority Bonds.

If an Event of Default has occurred, and has not been remedied, the Trustee may proceed, and upon the written request of the owners of not less than 25% of the aggregate principal amount of the outstanding Authority Bonds and the provision for indemnification required under the Ordinance, must proceed to protect the rights of the owners of the Revenue Bonds under the Act or the Ordinance by such actions at law or in equity as the Trustee, upon the advice of counsel, deems to be most effectual in protecting the interests of the owners of the Revenue Bonds.

During the continuance of an Event of Default, the Trustee or receiver appointed pursuant to the Ordinance will apply all moneys, securities, funds and revenues received by the Trustee pursuant to any right given or action taken under the provisions of the Ordinance as follows and in the following order:

(i) Expenses of Fiduciaries - to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, Registrar or Paying Agent, or any successor thereof, appointed and serving in such capacity pursuant to the Ordinance;

(ii) Operation and Maintenance Expenses - to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of the Airport System necessary in the judgment of the Trustee to prevent a loss of revenues;

(iii) Principal and redemption premium, if any, and interest - to the payment of the interest, principal and redemption premium, if any, then due on the Revenue Bonds and Repayment Obligations and regularly scheduled payments on a Qualified Derivative Agreement, as follows:

FIRST: Interest - to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Revenue Bonds and Qualified Derivative Agreements or the interest component of any Repayment Obligations theretofore called for redemption, and, if the amount available is not sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND: Principal and redemption premium, if any - to the payment to the persons entitled thereto of the unpaid principal and redemption premium, if any, of any Revenue Bonds or the principal component of any Repayment Obligations which have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available is not sufficient to pay in full all the Revenue Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal and redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

The owners of a majority in principal amount of outstanding Authority Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee upon the continuance of an Event of Default, unless (a) the Trustee is advised by counsel that the action or proceeding so directed may not be lawfully taken, (b) the Trustee determines in good faith that the action or proceeding so directed would involve the Trustee in personal liability for which provision for indemnification has not been made, or (c) the Trustee determines that the action or proceeding so directed would be unjustly prejudicial to the owners of Revenue Bonds which are not parties to such direction.

Discharge by Deposit

The Ordinance provides that the Authority may discharge its obligations to the Owners of any or all of the Revenue Bonds to pay principal thereof, interest and redemption premium (if any) thereon, by depositing with the Trustee cash in an amount equal to the principal amount and redemption premium, if any, of Revenue Bonds plus interest thereon to the date of maturity or redemption, or by depositing either with the Trustee or with any national banking association with capital and surplus in excess of $100,000,000, pursuant to an escrow or trust agreement to which the Trustee is a party, cash and/or Defeasance Obligations in principal amounts and maturities, and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such Revenue Bonds plus interest thereon to the date of maturity or redemption. Upon such deposit, such Revenue Bonds will no longer be regarded to be Outstanding or unpaid. If any Revenue Bonds are to be redeemed on any date prior to their maturity, the Authority will give irrevocable instructions to the Trustee to mail notice of redemption to the Owners of such Revenue Bonds to be redeemed and to mail notice of such deposit to the holders of all Revenue Bonds not to be redeemed or paid in full within 60 days. Any failure, error or delay in giving such notice shall not affect the defeasance of such Revenue Bonds.

Amendment of Ordinance

The Authority may, without the consent of, or notice to, any of the owners of the Revenue Bonds, amend or supplement the Ordinance for any one or more of the following purposes:

(a) To cure any ambiguity, defect, omission or inconsistent provision in the Ordinance or in the Revenue Bonds or to comply with any applicable provision of federal law or regulations, so long as such action does not adversely affect the interests of the owners of the Revenue Bonds;

(b) To change the terms or provisions of the Ordinance to the extent necessary to prevent the interest on the Tax Exempt Bonds from being includable within the gross income of the owners thereof for purposes of federal income tax;

(c) To grant to or confer upon the owners of the Revenue Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the owners of the Revenue Bonds;

(d) To add other covenants or agreements of, or conditions or restrictions on the Authority to the covenants and agreements of the Authority contained in the Ordinance, or to surrender or eliminate any right or power reserved to or conferred upon the Authority in the Ordinance;

(e) To subject to the lien and pledge of the Ordinance additional revenues, properties or collateral;

(f) To authorize the issuance, and to specify the terms and conditions, of Revenue Bonds or Subordinate Securities, so long as all of the requirements under the Ordinance are met for the issuance of such Revenue Bonds or Subordinate Securities;

(g) To authorize any change or amendment in the Ordinance, which, in the judgment of the Trustee, does not materially and adversely affect the rights or interests of the registered owners of outstanding Authority Bonds and does not otherwise require unanimous consent of the owners of the Revenue Bonds then outstanding under the Ordinance; or

(h) To authorize any change or amendment in the Ordinance relating to deposits or balances in the Airport System Fund or any Fund other than the Revenue Bond Interest and Principal Fund and the Revenue Bond Reserve Fund.

With the exception of amendments for the purposes set forth in the preceding paragraph, the Owners of not less than a majority of the aggregate principal amount of the Revenue Bonds then outstanding which are affected have the right to consent, in accordance with the Ordinance, to any ordinance adopted by the Authority, which would amend, modify, add to or eliminate any provision of the Ordinance; provided, however, that no such subsequent ordinance may permit: (i) an extension of the maturity of the principal of or interest on any Revenue Bond; (ii) a reduction in the principal amount of or the rate of interest on any Revenue Bond; (iii) a privilege or priority of any Revenue Bond over any other Revenue Bond; or (iv) a reduction in the aggregate principal amount of Revenue Bonds required for consent to any amendment to the Ordinance.

SUMMARY OF CURRENT AIRLINE AGREEMENTS

As of the date of this Official Statement, the Authority has an Agreement and Lease of Premises (an "*Airline Agreement*") with each of the following passenger, charter or cargo air carriers (the "*Signatory Airlines*") serving the Airport: Allegiant Air, American Airlines, Cargolux Airlines, Delta Air Lines, Federal Express, Frontier Airlines, Southwest Airlines and United Airlines.

All of the Airline Agreements contain substantially identical terms and conditions. The term of each Airline Agreement is for the period from January 1, 2019 through December 31, 2023. See "THE AIRPORT AND AIRPORT SYSTEM—Authority Agreements—*Airline Agreements*" for a discussion of current negotiations regarding new Airline Agreements.

The following is a summary of certain provisions of the Airline Agreements. The summary is qualified in its entirety by reference to the standard form of the Airline Agreement.

Definitions

Capitalized terms used in this summary shall have the meanings defined below. Capitalized terms not otherwise defined in this summary shall have the meanings as set forth in the Airline Agreement.

"Air Transportation" shall mean the carriage of persons, property, cargo and mail by aircraft and all other activities reasonably related thereto.

"Aircraft Arrival" shall mean any aircraft arrival at the Airport (including, without limitation, scheduled flights, charters, sightseeing flights, test flights, ferry flights, courtesy flights, inspection flights or any other flights). Aircraft arrival shall not include any flight that returns to the Airport after departure because of mechanical, meteorological, medical or other precautionary reason or which is diverted to the Airport form its intended destination because of mechanical, medical or other precautionary reasons other than meteorological reasons.

"Airline Agreement" means an Agreement and Lease of Premises between the Authority and a Signatory Airline.

"Airport" shall mean the Indianapolis International Airport as shown on the Airport Layout Plan in Exhibit A to the Airline Agreements.

"Airport System" shall mean Indianapolis International Airport, Eagle Creek Airpark, Indianapolis Regional Airport, Downtown Heliport, Metropolitan Airport and the Hendricks County Airport (Gordon Graham Field), as the Airport System may hereafter be amended from time to time.

"Annual Budget" shall mean the capital and operating budget prepared by the Airport Director and adopted by ordinance of the Authority.

"Apron Area" shall mean those areas of the Airport as shown on Exhibit B to the Airline Agreements that provide for the parking, loading, unloading and servicing of passenger aircraft.

"Authority" means the Indianapolis Airport Authority.

"Baggage System Space" shall mean all space occupied by or directly support the Inbound Baggage System and the Outbound Baggage System.

"Capital Improvement" shall mean any single item having a cost in excess of Two Hundred Fifty Thousand Dollars ($250,000) and a useful life in excess of two (2) years, acquired, purchased or constructed in order to improve, maintain or develop the Airport System, as well as any extraordinary or substantial expenditure whose object is to preserve, enhance or protect the Airport System. Said term shall include any expense for development studies, analyses, master planning efforts (including periodic reviews thereof) and economic or operational studies of the Airport System.

"Exclusive Use Space" shall mean that space in the Terminal as approved and designated by the Authority for the exclusive use of Airline, including Airline office space as designated on Exhibit E to the Airline Agreements.

"Fiscal Year" shall mean the 12-month period beginning on January 1 of any year and ending on December 31 of that year or any other period adopted by the Authority for its financial affairs.

"Indemnified Parties" shall mean the Authority, its board members, directors, officers, agents and employees.

"Joint Use Space" shall mean the Baggage System Space and the TSA Space as designated on Exhibit C to the Airline Agreements.

"Landing Fees" shall mean charges based on Maximum Gross FAA Certified Landing Weight per Revenue Landing, which shall be charged to, due and payable by Signatory Airlines.

"Majority-in-Interest" or "MII", shall mean: (1) for a Capital Improvement in the Airfield Area, any combination of Signatory Airlines which together, according to Authority, have paid more than fifty percent (50%) of the total of all Landing Fees paid by Signatory Airlines during the most recent six (6) month period for which statistics are available, and which represent more than fifty percent (50%) in number of all Signatory Airlines; or (2) for a Capital Improvement in the Terminal, any combination of Signatory Airlines which together, according to Authority, have paid more than fifty percent (50%) of the total of all Terminal Rentals (excluding Special Purpose Facility rents and fees) paid by all Signatory Airlines during the most recent six (6) month period for which statistics are available, and which represent more than fifty percent (50%) in number of all Signatory Airlines. Affiliates will not be entitled to participation in the MII process as a result of their affiliation with a Signatory Airline; however, the Affiliates' Landing Fees and Terminal Rentals, as applicable, shall be included in the Landing Fees and Terminal Rentals of the Signatory Airline with which the Affiliate has the relationship for purposes calculating each Signatory Airline's participation in the MII process.

"Maximum Gross FAA Certified Landing Weight" shall mean the maximum gross landing weight in 1,000 pound units as certified by the FAA for landing of an aircraft.

"Operations and Maintenance Expense" or "O&M Expense" shall mean operations and maintenance expenses of the Airport.

"Passenger Facility Charge" shall mean the fee the Authority may assess airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and the rules and regulations thereunder (14 CFR Part 158, herein the "PFC Regulations"), or as amended from time to time hereafter.

"Preferential Use Space" shall mean the nonexclusive preferential use space in the Terminal, including ticket counter positions, gates/holdrooms and sky cap podiums, and apron areas as designated or allocated by the Authority to a Signatory Airline for which the Signatory Airline has primary use rights as determined by the Authority as designated in Exhibit E to the Airline Agreements.

"Revenue Landing" shall mean any Aircraft Arrival by an airline at the Airport for which such airline receives revenue.

"Signatory Airlines" shall mean a Cargo Airline or Passenger Airline that has executed an Agreement and Lease of Premises with the Authority that is substantially similar to this Agreement. In addition, a Signatory Airline must, if a Passenger Airline, regularly operate at the Terminal and lease at least one (1) holdroom/Gate, four (4) Ticket Counter positions and one hundred six (106) square feet of other Leased Premises or the financial equivalent at the Airport over the same term which would apply to Passenger Airlines. A Signatory Airline that is a Cargo Airline must lease cargo building, hangar or warehouse space, or enter into a separate ground lease agreement with the Authority for a term no less than one (1) year.

"Terminal" means the passenger terminal building at the Airport as presently existing or as hereafter modified, developed or relocated.

Lease Rentals and Fees

In order to satisfy its Signatory Airline Revenue Requirement (see "THE AIRPORT AND AIRPORT SYSTEM—Authority Agreements—Airline Agreements"), each Signatory Airline agrees to make the following monthly payments in accordance with the applicable provisions of and the schedules attached to its Airline Agreement with the Authority:

1. Rentals for the Terminal Exclusive Use Space, Preferential Use Space and Joint Use Space facilities (collectively, the "*Space Rentals*");

2. Rentals for use of the Apron Common Use and Preferential Use areas ("*Apron Areas*");

3. Airfield Landing Fees ("*Airfield Use*"); and

4. Revenue Sharing.

In calculating the rates and charges for each fiscal year, the rates and charges for Airfield Use and the Apron Areas are determined by ratably allocating all operating and maintenance costs (including O&M and Renewal and Replacement Fund requirements), and bond-related costs (including required Coverage, if any) of each cost center, less applicable revenues with respect to such cost centers, less the revenue sharing described below, minus the expected balance (plus in the case of a carryforward deficit) of the Prepaid Airline Fund. Using the total estimated annual 1000 pound units of Maximum Gross FAA Certified Landing Weight per Revenue Landing the Landing Fee is determined. The annual Apron Area fee per square foot is determined using the total Signatory Airline rented space.

Rates and charges for the Terminal are determined by ratably allocating all operating and maintenance costs (including O&M and Renewal and Replacement Fund Requirements), bond-related costs (including required Coverage, if any), less federal reimbursements for operating and maintenance expenses allocable to the Terminal, plus or minus the expected balance (deficit of the Prepaid Airline Fund). The gross Terminal Space Rental fee per square foot is determined using total rentable space in the Terminal. Revenue from the Revenue Sharing cost center satisfies the requirement for the rentable space not utilized by the Signatory Airlines. The Signatory Airline rented space is credited with the revenue sharing described below to determine the Signatory Airline Terminal Space Rental fee per square foot.

The Revenue Sharing cost center includes all other areas of the Airport System, which are charged to the users thereof. However, to the extent the Authority expects to derive excess revenues in the Revenue Sharing cost center in that fiscal year over the expenses, an applicable fairly allocated share of the Airport Terminal facility cost not rented by the Signatory Airlines, and capital improvements ($24,000,000) for Revenue Sharing cost center, 88% of the excess up to $17,500,000 is credited to the Terminal Space Rentals and 12% to Airfield Landing Fees. The extent that Revenue Sharing exceeds $17,500,000 but less than or equal to $18,500,000 the Authority receives twenty-five (25%) additional for capital improvements; in excess of $18,500,000 but less than or equal to $19,500,000, the Authority receives thirty-seven and a half percent (37.5%) additional for capital improvements; and in excess of $19,500,000, the Authority receives fifty percent (50%) additional for capital improvements.

If total Terminal Space Rentals or Landing Fees of all airlines for any two (2) successive quarters vary by more than ten percent (10%) from the projected total Terminal Rentals (including fees for the use of Joint Use Space) or Landing Fees for such quarters, the Terminal Rentals (including the fees for use of Joint Use Space) or Landing Fee rate may be adjusted for the balance of such Fiscal Year by an amount equal to the difference between projected and actual Terminal Space Rentals or Landing Fees.

If, at any time during the Term of the Airline Agreements, the revenues and balances available in any fund under the Bond Ordinance are not sufficient to pay, when due, all items included in the reports by the Authority prepared pursuant to the Agreement, or to pay any other expense or cost incidental or necessary to, or arising out of, the operation of the Airport System, including, without limitation, emergency repairs or expenses, the reasonably necessary cost of defending, settling or satisfying any litigation or threatened litigation that relates to the Airport System, or any aspect thereof, or to compensate for the loss of Airport System operating revenues by reason of any labor dispute, or a Force Majeure as defined in the Airline Agreements, or because of adoption of an amended annual budget, the Authority may, upon notice to and consultation with the Signatory Airlines, increase the rentals, fees, and charges to such amount as is sufficient to assure the Authority that all such items, expenses and costs shall be paid in full, solely from Airport System Operating Revenues.

Each Signatory Airline shall report to the Authority (i) a description of all Aircraft Arrivals of such Signatory Airline during the previous month, by type and model of aircraft, and the Maximum Gross FAA Certified Landing Weight of such aircraft, (ii) the total number of enplaning and deplaning passengers of such Signatory Airline at the Airport during the previous month, and (iii) the amount in tons of freight, mail and other cargo carried or transported by such Signatory Airline at the Airport during the previous month. In the event that a Signatory Airline fails to provide such report, the Landing Fees due to the Authority will be equal to the Landing Fees paid for the most recent month during which such a report was filed, subject to appropriate adjustment upon delivery of the currently required report by such Signatory Airline.

Each Signatory Airline will also collect on behalf of and remit to the Authority any such Passenger Facility Charges in accordance with the requirements of federal law. The proceeds of such Passenger Facility Charges will be applied in any lawful manner.

Annual Recalculation of Lease Rentals and Fees

Not later than April 1 of each year, each Signatory Airline will submit to the Authority an estimate of both the Maximum Gross FAA Certified Landing Weight and passenger forecast at the Airport for such Signatory Airline during the next Fiscal Year. Not later than August 1 of each year, the Authority will submit copies of the following reports to each Signatory Airline:

(a) report of the proposed Annual Budget for the following Fiscal Year, reflecting, among other things, all estimated operation and maintenance expenses, estimated Airport System operating revenues and all outlays for Capital Improvements;

(b) report of debt service payable during the following Fiscal Year, together with an estimate of debt service coverage and any required Coverage payable for such Fiscal Year;

(c) report of preliminary estimates of fees and charges reasonably expected to be imposed by the Authority for the following Fiscal Year; and

(d) report of estimated deposits to and balances in funds established under the Bond Ordinance.

Within fourteen (14) days after the receipt of such reports by the Signatory Airlines, the Authority and the Signatory Airlines shall meet to review the reports of the Authority. The Authority will have sole discretion to modify or amend its Annual Budget based upon the results of such meeting. Prior to the first day of each Fiscal Year, the Authority will furnish each Signatory Airline with a copy of the Authority's Annual Budget, together with a schedule of the fees and charges applicable to such Signatory Airline during such Fiscal Year. In the event that the Authority does not adopt an Annual Budget prior to the commencement of a Fiscal Year, the fees and charges applicable to each Signatory Airline for the preceding Fiscal Year will remain in effect until a new Annual Budget, together with applicable fees and charges, is promulgated by the Authority, effective as of January 1 of such Fiscal Year.

Capital Improvements

The Authority may design and construct Capital Improvements without Majority-In-Interest approval if the cost of such Capital Improvements is not in excess of $100,000,000 if concurrence in such Capital Improvement is specifically withheld by a Majority-In-Interest. On or before August 1 of each Fiscal Year, the Authority will notify each Signatory Airline of the cost of proposed Capital Improvements to be undertaken at the Airport in the following Fiscal Year with a five (5) year capital improvement plan. Such notification will describe the nature, estimated cost, necessity for, feasibility of and expected benefits from such Capital Improvement, together with an allocation of costs among the Airport System and a description of the Authority's proposed means of financing. Not later than 30 days after the distribution of such notice, the Authority shall convene a meeting of all Signatory Airlines in order to discuss Capital Improvements that require MII concurrence. The Capital Improvement will be deemed concurred unless, within 30 days after the date of such meeting, concurrence is specifically withheld in writing by more than half of the Signatory Airlines. In the event that such concurrence is specifically withheld, the Authority will have the option to convene a second meeting within 30 days of the Authority's receipt of the notice of nonconcurrence by the Signatory Airlines. After reconsideration, the Signatory Airlines will be deemed to have concurred with the Capital Improvement, unless, within 30 days after the date of such second meeting, concurrence is specifically withheld in writing by more than 50% Majority-in-Interest of the Signatory Airlines. Such Capital Improvements with an estimated cost greater than $100,000,000 are deferred until the next Fiscal. See "Definitions" in the Airline Agreement.

However, notwithstanding any of the foregoing, the Authority may construct any Capital Improvement found to be necessary or prudent to: (i) assure or facilitate compliance with a rule, regulation or order of any federal, state or other governmental agency (excluding the Authority) having jurisdiction over the Airport; (ii) maintain, operate or create functional capability and capacity that is required for public health, safety, access or security or by the trustee for the security of the Bonds; (iii) satisfies judgments or fines against Authority imposed by an agency of federal or state government rendered by a court of competent jurisdiction; (iv) repair casualty damage, net of insurance proceeds, to Airport System property; (v) develop a Special Purpose Facility; (vi) acquire land to preserve, protect or enhance the Airport System; or (vii) does not increase the fees and charges to be paid by the Signatory Airlines during the term of the Airline Agreements.

Signatory Airline Responsibilities

Each Signatory Airline is required to maintain its portion of the Terminal, Apron Area and the Joint Use Apron Area and to repair at its own expense any damages to such areas caused by an action or omission of such Signatory Airline and any damages to its assigned premises not caused by an action or omission of the Authority. Title to any improvements on the premises leased by such Signatory Airline will be in the Authority, subject to the right of such Signatory Airline to use such improvement for the term of the applicable Airline Agreement. Each Signatory Airline will be responsible for paying any and all lawful taxes, assessments or charges, which become a lien or are levied upon any interest of such Signatory Airline in the Terminal premises or any improvements thereof. Each Signatory Airline will also be responsible for paying for all licenses, permits, fees or authorizations required under federal, state or local laws for its use and operation of the Airport System facilities and will be responsible for paying for all allocable charges for utility services in excess of those specifically provided by the Authority.

Insurance and Indemnification

Each Signatory Airline is required to carry at all times, comprehensive airline liability insurance including general liability in amounts not less than five hundred million dollars (Combined Single Limit $500,000,000) per occurrence and in the aggregate as respects Products and Completed Operation Liability for bodily injury (including death) and property damage liability; Coverage shall include, but not be limited to: a) premises operations; b) blanket contractual liability; c) passenger liability; d) host liquor liability; e) ground hangar-keeper's liability; f) liability for vehicles operated or used by airline on the restricted access areas of the Airfield Area, including baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders and other such vehicles or equipment. Said coverage shall also include personal injury liability, which such coverage shall not be less than twenty-five million dollars, ($25,000,000). Airline will also provide specific evidence to the Authority of War and Allied Perils coverage, in an amount of no less than fifty million dollars, ($50,000,000) in the aggregate.

Each Signatory Airline agrees to indemnify the Authority and the Indemnified Parties from and against all liabilities, losses, claims, actions, judgments, administrative proceedings, fines, settlement demands, penalties, damages and related expenses arising out of personal injury or bodily injury (including wrongful death) to person or property attributable to the use, occupancy, activities or operations of such Signatory Airline at or on any Airport System facility.

Termination by the Signatory Airline

So long as it is not in default of its rental obligations under its Airline Agreement, any Signatory Airline may terminate such Airline Agreement after 30 days' written notice and the surrender of the premises upon the occurrence of one or more of the following:

(a) The Terminal premises assigned to such Signatory Airline become untenantable in whole or substantial part, and the Authority does not terminate the assignment of such premises and does not proceed reasonably promptly with necessary repairs and rebuilding;

(b) The Authority fails to provide and maintain means for unobstructed ingress and egress to and from the Terminal in accordance with such Airline Agreement;

(c) The Authority closes the Airport to aircraft operations in general or to flights of such Signatory Airline for reasons other than weather, acts of God or other causes beyond the Authority's control, and fails to reopen the Airport to such operations or flights for a period in excess of 30 days; or

(d) The Authority fails to comply with any of the material terms or provisions of such Airline Agreement or fails promptly to fulfill any of its obligations under such Airline Agreement.

In addition to any other right of termination which a Signatory Airline may have under its Airline Agreement, each Signatory Airline has a special limited right to terminate its Airline Agreement in the event that the Authority adopts a bond ordinance or an amendment to such ordinance, which either (i) materially affects the method of calculation of Signatory Airline rentals and fees under its Airline Agreement or (ii) materially affects the rights of such Signatory Airline under its Airline Agreement. This special right of termination expires 15 days after the date of adoption of such ordinance or ordinance amendment by the Authority.

Termination by the Authority

The Authority may terminate the Airline Agreement of any Signatory Airline upon 30 days' written notice and may re-enter the Airline's leased Terminal premises 15 days after such termination, upon the occurrence and continuation of one or more of the following:

(a) Such Signatory Airline fails to make required payments of rentals, fees and charges when due;

(b) Such Signatory Airline files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors or is adjudicated as bankrupt;

(c) A court of competent jurisdiction takes jurisdiction of such Signatory Airline or such Signatory Airline's assets pursuant to proceedings brought under any federal reorganization act;

(d) A receiver or trustee is appointed for such Signatory Airline's assets by a court of competent jurisdiction, or such Signatory Airline enters into a voluntary agreement with its creditors, and such receiver, trustee or agreement is not removed within 90 days;

(e) Any act occurs which operates to deprive such Signatory Airline permanently of the rights, powers and privileges necessary for the proper operation and conduct of its business;

(f) Such Signatory Airline abandons and fails to use the leased premises for any period of 30 consecutive days at any one time, except when such abandonment and cessation is due to fire, earthquake, strike, governmental action, the default of the Authority or other cause beyond such Signatory Airline's control;

(g) Such Signatory Airline uses or permits the use of the leased premises for any purpose not authorized by its Airline Agreement or for any purpose prohibited by applicable law, rule or regulation;

(h) Such Signatory Airline discontinues air service to the Airport System as a consequence of the filing by such Signatory Airline of a bankruptcy petition, voluntary or involuntary seeking a reorganization or readjustment of its indebtedness under the federal bankruptcy laws or under any other statute of the United States or any state thereof or being adjudged bankrupt, such Signatory Airline shall be deemed to have forfeited its leasehold space; or

(i) Such Signatory Airline remains in violation of any material provision of its Airline Agreement for a period of 30 days after notice thereof.

Amendment to Bond Ordinance

Each Airline Agreement provides that the Authority must not enact any bond ordinance or subsequently amend a bond ordinance so as to require a change in the method of calculation of rentals and fees payable under such Airline Agreement or so as to materially affect the rights of the Signatory Airline subject to such Airline Agreement. If the Authority adopts a bond resolution or a subsequent amendment to a bond resolution, either of which materially affects the method of calculation of such rentals and fees or materially affects the rights of the Signatory Airline under such Airline Agreement, such Signatory Airline may, in writing, cancel such Airline Agreement within 15 days after the adoption date of the bond resolution or amendment thereto by the Authority.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("*DTC*"), New York, NY, will act as securities depository for the 2022G Bond Bank Bonds. The 2022G Bond Bank Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016 Bond will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"), DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2022G Bond Bank Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022G Bond Bank Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022G Bond Bank Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2022G Bond Bank Bonds, except in the event that use of the book-entry system for the 2022G Bond Bank Bonds is discontinued.

To facilitate subsequent transfers, all 2022G Bond Bank Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022G Bond Bank Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022G Bond Bank Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022G Bond Bank Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2022G Bond Bank Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

DTC may discontinue providing its services as depository with respect to the 2022G Bond Bank Bonds at any time by giving reasonable notice to the Bond Bank or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2022G Bond Bank Bonds are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2022G Bond Bank Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

For so long as the 2022G Bond Bank Bonds are registered in the name of DTC or its nominee or any successor securities depository or its nominee, the Bond Bank and the Bond Bank Trustee will recognize only DTC or its nominee or such successor securities depository or its nominee as the registered owner of the 2022G Bond Bank Bonds for all purposes, including payments, notices and voting.

In the event that either (1) the Bond Bank received notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the 2022G Bond Bank Bonds or (2) the Bond Bank elects to discontinue its use of DTC as a clearing agency for the 2022G Bond Bank Bonds, then the Bond Bank and the Bond Bank Trustee, Paying Agent or Registrar will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 2022G Bond Bank Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the 2022G Bond Bank Bonds and to transfer the ownership of each of the 2022G Bond Bank Bonds to such person or persons, including any to the clearing agency, as the holder of such 2022G Bond Bank Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the 2022G Bond Bank Bonds will be paid by the Bond Bank.

APPENDIX F

DEBT SERVICE REQUIREMENTS OF OUTSTANDING AUTHORITY BONDS

	Debt Service Prior to Issuance of Series 2022B1-B3										
Period Ending	**Series 2010C(1)**	**Series 2014A**	**Series 2015A**	**Series 2016A1**	**Series 2016A2**	**Series 2019A (SRF)**	**Series 2019B**	**2019C**	**2019D (SRF)**	**2022A**	**Total**
1-1-2023	5,666,426	14,228,750	15,419,600	16,289,300	2,451,617	1,379,200	13,154,500	3,671,700	3,500,676	681,158	76,442,926
1-1-2024	3,802,770	17,754,500	20,551,100	4,899,800	218,739	1,378,240	24,748,750	3,672,450	3,500,676	2,496,165	83,023,189
1-1-2025	3,802,770	14,261,000	24,071,500	4,896,050	221,023	1,381,860	24,937,250	3,671,450	3,500,676	2,555,820	83,299,398
1-1-2026	3,802,770	14,259,500	24,096,500	4,895,550	223,147	1,379,920	25,115,500	3,673,700	3,500,676	2,558,382	83,505,645
1-1-2027	3,802,770	14,262,750	24,125,250	4,897,800	220,112	1,377,560	25,326,250	3,668,950	3,500,677	2,575,387	83,757,505
1-1-2028	3,802,770	14,264,500	24,155,250	3,672,300	122,077	1,379,780	25,500,000	3,667,450	3,500,676	2,551,415	82,616,217
1-1-2029	3,802,770	17,753,750	20,714,250	3,675,050	122,077	1,381,440	25,705,500	3,668,950	580,832	2,547,582	79,952,201
1-1-2030	13,667,770	17,755,000	20,743,500	3,672,300	122,077	1,377,540	33,000	3,673,200	580,806	17,343,331	78,968,523
1-1-2031	13,716,479	17,757,750	20,790,750	3,674,050	122,077	1,378,220	33,000	3,674,950	580,780	17,530,742	79,258,797
1-1-2032	13,772,314	17,755,250	20,823,000	3,674,800	122,077	1,378,340	33,000	3,674,200	580,753	17,740,854	79,554,589
1-1-2033	13,828,904	17,756,000	20,868,750	3,675,400	122,077	1,377,900	33,000	3,675,950	580,727	17,962,553	79,881,261
1-1-2034	13,890,104	17,758,000	-	3,671,800	122,077	1,381,900	353,000	3,669,950	3,500,676	-	44,347,507
1-1-2035	13,954,541	-	-	19,214,000	1,642,077	1,380,200	357,000	3,671,450	3,500,676	-	43,719,945
1-1-2036	14,020,846	-	-	-	1,677,888	1,377,940	-	3,674,950	3,500,676	-	24,252,300
1-1-2037	2,647,645	-	-	-	-	1,380,120	-	3,670,200	3,500,677	-	11,198,642
1-1-2038	-	-	-	-	-	1,381,600	-	2,247,450	3,500,676	-	7,129,726
1-1-2039	-	-		-	-	1,377,380	-	2,247,450	3,500,676	-	7,125,506
1-1-2040	-	-	-	-	-	1,377,600	-	2,837,450	3,500,676	-	7,715,726
1-1-2041	-	-	-	-	-	1,377,120	-	6,342,950	-	-	7,720,070
1-1-2042	-	-	-	-	-	1,380,940	-	6,341,700	-	-	7,722,640
1-1-2043	-	-	-	-	-	1,378,920	-	6,340,200	-	-	7,719,120
1-1-2044	-	-	-	-	-	1,381,200	-	6,342,950	-	-	7,724,150
1-1-2045	-	-	-	-	-	1,377,640	-	6,339,200	-	-	7,716,840
1-1-2046	-	-	-	-	-	1,378,380	-	6,338,800	-	-	7,717,180
1-1-2047	-	-	-	-	-	1,378,280	-	6,340,400	-	-	7,718,680
1-1-2048	-	-	-	-	-	1,377,340	-	6,338,600	-	-	7,715,940
1-1-2049	-	-	-	-	-	1,380,560	-	6,338,200	-	-	7,718,760
1-1-2050	-	-	-	-	-	1,377,800	-	6,338,800	-	-	7,716,600
1-1-2051	-	-	-	-	-	1,379,200	-	-	-	-	1,379,200
1-1-2052	-	-	-	-	-	1,379,620	-	-	-	-	1,379,620
1-1-2053	-	-	-	-	-	1,379,060	-	-	-	-	1,379,060
1-1-2054	-	-	-	-	-	1,377,520	-	-	-	-	1,377,520
Totals	127,981,646	195,566,750	236,359,450	80,808,200	7,509,142	44,130,320	165,329,750	125,813,650	48,412,688	86,543,386	1,118,454,982

Footnotes

(1) Based upon assumed variable rates and swap payments

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APPENDIX G

FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

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CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement, dated as of December 8, 2022 (as may be supplemented and amended, this "Agreement"), is entered into by and between The Indianapolis Local Public Improvement Bond Bank (the "Issuer") and the Indianapolis Airport Authority (the "Authority" or the "Obligor"), for the purpose of permitting BofA Securities, Inc., Academy Securities, Inc., PNC Capital Markets LLC, Siebert Williams Shank & Co., LLC and UBS Financial Services Inc. (collectively, the "Underwriters") to purchase to purchase (a) The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-1 Bonds (Non-AMT), in the aggregate principal amount of $81,950,000 (the "2022G-1 Bond Bank Bonds"), (b) The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-2 Bonds (AMT), in the aggregate principal amount of $67,245,000 (the "2022G-2 Bond Bank Bonds") and (c) The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2022G-3 Bonds (Taxable), in the aggregate principal amount of $25,445,000 (the "2022G-3 Bond Bank Bonds", and collectively, with the 2022G-1 Bond Bank Bonds and the 2022G-2 Bond Bank Bonds, the "Bonds"), issued pursuant to a Trust Indenture dated as of December 1, 2022 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in compliance with the Securities and Exchange Commission Rule 15c2-12 (the "SEC Rule"), as published in the Federal Registrar on November 17, 1994, and as amended to the date hereof.

Section 1. Definitions. The words and terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the SEC Rule, but not otherwise defined herein, shall have the meanings specified in the SEC Rule unless the context or use clearly indicates another or different meaning or intent.

(a) "ACFR" (formerly known as CAFR) shall mean the Authority's Annual Comprehensive Financial Report.

(b) "Bondholder" or "holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the holders of beneficial interests in the Bonds.

(c) "EMMA" shall mean the Electronic Municipal Market Access of MSRB accessible at http://emma.msrb.org or at such other information depository as may be designated by the SEC from time to time to receive final official statements, event notices and annual financial information under the SEC Rule.

(d) "Final Official Statement" means the Official Statement dated November 30, 2022, relating to the Bonds, including any document or set of documents included therein by specific reference which is available to the public on EMMA.

(e) "MSRB" means the Municipal Securities Rulemaking Board.

(f) "Obligated Person" means any person, including an issuer of municipal securities, which is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit. or other liquidity facilities). The Authority is identified as the only Obligated Person with respect to the Bonds in Section 3 below.

Section 2. Term. The term of this Agreement shall commence on the date hereof and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person(s). The Issuer and the Authority hereby warrant and represent as of the date hereof, that the Authority is the only Obligated Person with respect to the Bonds and the Issuer is not an Obligated Person with respect to the Bonds. If the Authority is no longer committed by contract or other arrangement to support payment of the obligations on the Bonds, the Authority shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing disclosure obligations under this Agreement to provide annual financial information and notices of events shall terminate with respect to the Authority. If the Authority is no longer considered an Obligated Person within the meaning of the SEC Rule, the Authority shall file, or cause to be filed with EMMA a written notice that it is no longer an Obligated Person. In the event that any entity subsequently becomes an Obligated Person with respect to the Bonds, the Issuer and the Authority agree to use their best efforts to cause such other entity to enter into a written undertaking to comply with the disclosure requirements of the Authority set forth herein.

Section 4. Undertaking to Provide Information.

(a) The Authority hereby undertakes to provide the following financial information:

(i) To the Issuer and to the MSRB, through its EMMA system, when and if available, the final ACFR of the Authority for each fiscal year, beginning with the fiscal year ending December 31, 2022, including the audited financial statements of the Authority within sixty (60) days of the date the Authority's ACFR is delivered by the Authority to the Authority Board or no later than July 31 of each year.

(ii) To the Issuer and to the MSRB, through its EMMA system, within 210 days after the close of each fiscal year, beginning with the fiscal year ending December 31, 2022, annual information for the Authority for such fiscal year, other than the ACFR described above, including (a) unaudited financial statements of the Authority if audited financial statements are not then available and (b) operating data (excluding demographic and forecast information) of the general type included in the following tables of the Final Official Statement (collectively, the "Annual Information"):

Table 3 – Historical PFC and CFC Collections and Use as Dedicated Revenues
Table 12 – Historical Aircraft Operations
Table 13 – Historical Airport Activity
Table 14 – Historical Enplaned Passengers
Table 17 – Airline Market Shares of Enplaned Passengers
Table 18 – Shares of O&D Versus Connecting Passengers
Table 19 – Historical Enplaned Cargo
Table 20 – Historical Landed Weight
Table 21 – Airline Shares of Landed Weight; and
Table 22 – Historical Operating Results – Indianapolis Airport Authority

(iii) To the Issuer and to the MSRB, through its EMMA system, in a timely manner, not in excess of ten (10) business days of the occurrence, notice of any of the following events with respect to the Bonds:

(A) Events Disclosed if Material.

(1) non-payment related defaults;
(2) modifications to the rights of Bondholders;
(3) bond calls (other than scheduled mandatory sinking redemptions for which notice is given in accordance with the Indenture);
(4) release, substitution or sale of property securing repayment of the Bonds;
(5) the consummation of a merger, consolidation, or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
(6) the appointment of a successor trustee or co-trustee or the change of name of any trustee; and
(7) the incurrence of a financial obligation of the Obligated Person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligor, any of which affect security holders.

(B) Events Disclosed Without Regard to Materiality.

(1) principal and interest payment delinquencies;
(2) unscheduled draws on debt service reserves reflecting financial difficulties;

(3) unscheduled draws on credit enhancements reflecting financial difficulties;

(4) substitution of credit or liquidity providers, or their failure to perform;

(5) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(6) defeasances;

(7) rating changes;

(8) tender offers;

(9) bankruptcy, insolvency, receivership or similar event of any Obligated Person; and

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

Events listed in subsection (A) shall be disclosed only if they are deemed to be material (which determination of materiality shall be made by the Authority in accordance with the standards established by federal securities laws). Events listed in subsection (B) shall be disclosed regardless of whether or not they are determined to be material in nature. The Authority may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Authority, such other event is material with respect to the Bonds and should be disclosed, but the Authority does not commit to provide any such notice of the occurrence of any event except those events set forth above.

(iv) To the Issuer and to the MSRB, through its EMMA system, in a timely manner, notice of a failure of the Authority to provide required Annual Information or audited financial statements on or before the date specified in this Agreement.

(b) To the extent the Annual Information or ACFR of the Authority referred to in paragraph (a) of this Section 4 is included in a final official statement (as that term is defined in paragraph (f)(3) of the SEC Rule) dated within two hundred ten (210) days prior to the due date for such information for any fiscal year and filed with the MSRB through EMMA, the Authority shall have been deemed to have provided that information as of the due date for the immediately preceding fiscal year as required by paragraph (a) of this Section 4.

(c) To the extent the Annual Information or ACFR of the Authority referred to in paragraph (a) of this Section 4 no longer can be generated because the operations of the Authority have been materially changed or discontinued, a statement to that effect, provided by the Authority to the MSRB through EMMA, along with any other Annual Information or ACFR required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or ACFR. To the extent available, the Authority shall cause to be filed along with the other Annual Information or audited financial statements, operating data similar to that which can no longer be provided.

(d) Failure to provide any component of Annual Information because it is not available to the Authority on the date by which Annual Information is required to be provided hereunder shall not be deemed a breach of this Agreement; provided, however, that in the event such Annual Information is not available to the Authority, the Authority will provide to the MSRB through EMMA, in the remaining disclosure of the Annual Information, (i) a description of the Annual Information that is not available, (ii) any replacement or substitute information, (iii) whether such Annual Information is expected to be available, and (iv) if known by the Authority, the date such Annual Information will be made available to the Authority. The Authority further agrees to supplement the Annual Information filing when such data is available.

(e) The Annual Information or ACFR required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or ACFR already prepared and previously provided to the MSRB or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

Section 5. Accounting Principles. The accounting principles pursuant to which the Authority's financial statements will be prepared shall be generally accepted accounting principles, as in effect from time to time, described in the auditor's report and the notes accompanying the audited financial statements of the Authority included in Appendix A to the Final Official Statement or those mandated by the law of the State of Indiana from time to time, or any other accounting principles which do not, in the determination of the Authority, materially deviate from any of such accounting principles.

Section 6. Termination of Obligation. The obligation to provide Annual Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 7. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Obligor under this Agreement, such obligations create a duty in the Obligor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 8. Use of Agent. The Authority may, at its sole discretion, utilize an agent (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Authority pursuant to the terms of the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Authority shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the MSRB.

Further, the Authority may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Authority in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Agreement as set forth in the preamble and Section 9 hereof.

Section 9. Remedies.

(a) The purpose of this Agreement is to enable the Underwriters to purchase the Bonds by providing for an undertaking by the Authority in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the Bondholders and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons, if any, or any other third party or person. The sole remedy against the Authority for any failure to carry out any provision of this Agreement shall be for specific performance of the Authority's disclosure obligations hereunder and not for money damages of any kind or in any amount, or for any other remedy. The Authority's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture or any other agreement to which the Issuer or the Authority is a party.

(b) Subject to paragraph (c) of this Section 9, the remedy set forth in the preceding paragraph may be exercised by any holder of Bonds in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Prior to pursuing any remedy for any breach of any obligation under this Agreement, a holder of Bonds shall give notice to the Issuer and the Authority, by registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after the mailing of such notice, and not before, such remedy may be pursued under this Agreement if and to the extent the Authority has failed to cure such breach within such fifteen (15) days.

Section 10. Identifying Information. All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 11. Modification of Agreement. The Issuer and the Authority may, from time to time, amend or modify this Agreement without the consent of or notice to the owners of the Bonds if: (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or the Authority, or type of business conducted; (ii) this

Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) any person selected by the Authority that is unaffiliated with the Authority or the Issuer (including the Trustee having relied on an opinion from nationally recognized bond counsel) or (B) an approving vote of the holders of the requisite percentage of Outstanding (as defined in the Indenture) Bonds as required under Section 12.02 of the Indenture at the time of such amendment or modification; or (b) such amendment or modification is permitted by law.

The Annual Information or ACFR for the fiscal year during which any such amendment or modification occurs that contains the amended or modified Annual Information or ACFR shall explain, in narrative form, the reasons for such amendment or modification and the impact of the change in the type of Annual Information or ACFR being provided.

Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Notices. All notices required to be given under this Agreement shall be made at the following addresses:

If to the Issuer: The Indianapolis Local Public Improvement Bond Bank
200 East Washington Street
City-County Building, Room 2342
Indianapolis, Indiana 46204
Attention: Executive Director

If to the Authority: Indianapolis Airport Authority
7800 Col. H. Weir Cook Memorial Drive
Indianapolis, Indiana 46241-4941
Attention: Treasurer
e-mail address: INDir@IND.com

Section 14. Severability. If any portion of this Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Agreement shall not be affected, and this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 15. Successors and Assigns. All covenants and agreements in this Agreement made by the Bond Bank shall bind its successors, whether so expressed or not.

IN WITNESS WHEREOF, the Issuer and the Authority have caused this Agreement to be executed on the date first above written.

SIGNATURE PAGE OF ISSUER
TO
CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

THE INDIANAPOLIS LOCAL
PUBLIC IMPROVEMENT BOND BANK,
as Issuer

By: ________________________________
Norman Gurwitz, Chairperson

ATTEST:

____
Sarah Riordan, Executive Director

SIGNATURE PAGE OF AUTHORITY
TO
CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

INDIANAPOLIS AIRPORT AUTHORITY,
as Authority

By: ________________________________
Barbara Glass, President

By: ________________________________
Mamon Powers, III, Secretary

EXHIBIT A

CERTIFICATE REGARDING AUDITED FINANCIAL STATEMENTS

The Indianapolis Airport Authority (the "Authority"), pursuant to the Continuing Disclosure Undertaking Agreement, dated as of December 8, 2022 (the "Agreement"), by and between the Authority and The Indianapolis Local Public Improvement Bond Bank, hereby certifies that enclosed herewith is the Annual Comprehensive Financial Report (which contains the audited financial statements) which are required to be provided pursuant to Section 4(a)(i) of the Agreement.

Dated: ___________________

INDIANAPOLIS AIRPORT AUTHORITY

By: ___________________________________

Printed: _______________________________

Title: _________________________________

EXHIBIT B

CERTIFICATE REGARDING ANNUAL FINANCIAL INFORMATION DISCLOSURE

The Indianapolis Airport Authority (the "Authority"), pursuant to the Continuing Disclosure Undertaking Agreement, dated as of December 8, 2022 (the "Agreement"), by and between the Authority and The Indianapolis Local Public Improvement Bond Bank, hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(ii) of the Agreement.

Dated: ___________________

INDIANAPOLIS AIRPORT AUTHORITY

By: ___________________________________

Printed: ______________________________

Title: ________________________________

EXHIBIT C

CERTIFICATE REGARDING EVENT DISCLOSURE

The Indianapolis Airport Authority (the "Authority"), pursuant to the Continuing Disclosure Undertaking Agreement, dated as of December 8, 2022 (the "Agreement"), by and between the Authority and The Indianapolis Local Public Improvement Bond Bank, hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 4(a)(iii) of the Agreement.

Dated: ___________________

INDIANAPOLIS AIRPORT AUTHORITY

By: ___________________________________

Printed: _______________________________

Title: _________________________________

Indianapolis Airport Authority

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK • BONDS, SERIES 2022G (INDIANAPOLIS AIRPORT AUTHORITY PROJECT)

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