NEW ISSUE - BOOK ENTRY ONLY

RATINGS: Moody's: "A2" (Stable Outlook)
Fitch: "A" (Stable Outlook)
(See "BOND RATINGS" herein.)

In the opinions of Butler Snow LLP and Auzenne & Associates, L.L.C., Co-Bond Counsel, assuming compliance with certain covenants to satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") described herein, (a) interest on the Series 2023A Bonds and Series 2023B Bonds (together, the "Series 2023 Bonds") is excluded from gross income for federal income tax purposes, except that no opinion is expressed as to the status of interest on any Series 2023B Bond for any period that a Series 2023B Bond is held by a "substantial user" of the facilities financed by such Series 2023B Bonds or by a "related person" within the meaning of Section 147(a) of the Code, (b) interest on the Series 2023A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (c) interest on the Series 2023B Bonds is treated as a preference item in calculating the alternative minimum tax under the Code for individuals, and (d) interest on the Series 2023 Bonds shall be 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. Co-Bond Counsel is also of the opinion that interest on the Series 2023 Bonds is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana. Co-Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. See "TAX EXEMPTION" herein and the proposed form of Co-Bond Counsel Opinions attached hereto as Appendix D.

NEW ORLEANS AVIATION BOARD

$4,245,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023A (Non-AMT)

$18,365,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023B (AMT)

Dated: Date of Delivery **Due: January 1, as shown on inside cover**

The $4,245,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023A (Non-AMT) (the "*Series 2023A Bonds*") and the $18,365,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023B (AMT) (the "*Series 2023B Bonds*" and, together with the Series 2023A Bonds, the "*Series 2023 Bonds*") are being issued by the New Orleans Aviation Board (the "*Issuer*" or the "*Aviation Board*"). The Series 2023 Bonds will (i) finance a portion of the costs, including capitalized interest, of constructing and equipping a board room, a military lounge, and baggage handling system enhancements (collectively, the "*Series 2023 Bond Projects*") at the Louis Armstrong New Orleans International Airport (the "*Airport*") and (ii) pay the costs of issuance of the Series 2023 Bonds. The Series 2023 Bonds are to be issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "*General Indenture*") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*"), and the City of New Orleans (the "*City*"), as supplemented and amended through a Seventh Supplemental Trust Indenture dated as of April 1, 2023 (the "*Seventh Supplemental Indenture*" and, together with the General Indenture and prior Supplemental Indentures, the "*Indenture*").

Principal of the Series 2023 Bonds is payable upon maturity or redemption to the registered owners upon presentation and surrender of the Series 2023 Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2023 Bonds is payable semiannually on January 1 and July 1 of each year (each an "*Interest Payment Date*"), commencing on July 1, 2023. The Series 2023 Bonds will be issued initially in book entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Series 2023 Bonds. Purchases of the Series 2023 Bonds may be made only in book entry form in authorized denominations by credit to participating broker dealers and other institutions on the books of DTC, as described herein. Principal, premium (if any) and interest on the Series 2023 Bonds will be payable by the Trustee to DTC, which will remit such payments in accordance with its normal procedures, as described herein. The Aviation Board reserves the right to terminate the use of the book entry only system and issue fully registered certificated Series 2023 Bonds. See "APPENDIX H – Book-Entry Only System".

The Series 2023 Bonds will mature on January 1 in the years and in the principal amounts and will bear interest at the rates set forth on the inside cover page hereof. The Series 2023 Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2023 BONDS" herein.

The Series 2023 Bonds are special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined herein), which pledge is on a parity with the pledge of such Net Revenues made to secure the New Orleans Aviation Board General Airport Revenue Bonds, Series 2015 (the "*Series 2015 Bonds*"), New Orleans Aviation Board General Airport Revenue Bonds, Series 2017 (the "*Series 2017 Bonds*"), New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2019 (the "*Series 2019 Bonds*"), and any Additional Bonds that may be issued pursuant to the General Indenture.

THE SERIES 2023 BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2023 Bonds are offered when, as, and if issued, subject to the approving opinions of Butler Snow LLP, New Orleans, Louisiana, and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Breazeale, Sachse & Wilson, L.L.P., as Underwriters' Counsel. Certain legal matters will be passed upon for the Aviation Board by its General Counsel, Michele D. Allen-Hart, Esq. It is expected that the Series 2023 Bonds in definitive form will be available for delivery in New York, New York, on or about April 27, 2023, upon payment therefor.

BofA Securities

Citigroup **Ramirez & Co., Inc.**

The date of this Official Statement is April 11, 2023.

MATURITY SCHEDULE

GENERAL AIRPORT REVENUE BONDS
NEW ORLEANS AVIATION BOARD

Base CUSIP†: 64763H

Series 2023A (Non-AMT)

Due: January 1	Amount	Interest Rate	Yield	Price	CUSIP†
2044	$4,245,000	5.000%	3.600%	111.350 [C]	KG9

Series 2023B (AMT)

Due: January 1	Amount	Interest Rate	Yield	Price	CUSIP†
2025	$685,000	5.000%	3.010%	103.227	KH7
2026	$720,000	5.000%	2.960%	105.210	KJ3
2027	$755,000	5.000%	2.960%	107.055	KK0
2028	$790,000	5.000%	2.980%	108.755	KL8
2029	$830,000	5.000%	3.010%	110.310	KM6
2030	$875,000	5.000%	3.040%	111.760	KN4
2031	$915,000	5.000%	3.110%	112.816	KP9
2032	$960,000	5.000%	3.150%	113.946	KQ7
2033	$1,010,000	5.000%	3.200%	114.874	KR5
2034	$1,060,000	5.000%	3.230%	114.605 [C]	KS3
2035	$1,115,000	5.000%	3.350%	113.537 [C]	KT1
2036	$1,170,000	5.000%	3.530%	111.957 [C]	KU8
2037	$1,230,000	5.000%	3.700%	110.489 [C]	KV6
2038	$1,290,000	5.000%	3.790%	109.721 [C]	KW4
2039	$1,355,000	5.000%	3.830%	109.381 [C]	KX2
2040	$1,420,000	5.000%	3.960%	108.287 [C]	KY0
2041	$1,495,000	5.000%	4.010%	107.870 [C]	KZ7
2042	$690,000	5.000%	4.060%	107.455 [C]	LA1

[C] Priced to the first par call date of January 1, 2033.

NO DEALER, BROKER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED BY THE NEW ORLEANS AVIATION BOARD ("*AVIATION BOARD*"), THE CITY OF NEW ORLEANS ("*CITY*"), OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2023 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY ("*DTC*") HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION.

ALL INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AVIATION BOARD AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITERS.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ANY OF THE PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN ANY OF THE PARTIES DESCRIBED HEREIN AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE SERIES 2023 BONDS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN JUDGMENT AS TO THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, INCLUDING WITHOUT LIMITATION, THE RISK FACTORS CONTAINED IN THE SECTION ENTITLED "INVESTMENT CONSIDERATIONS" HEREIN.

BY ITS PURCHASE OF THE SERIES 2023 BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF THEIR OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE SERIES 2023 BONDS.

THE INVESTOR, BY ITS PURCHASE OF THE SERIES 2023 BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2023 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2023 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR

QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2023 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2023 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE AVIATION BOARD WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE ON A PERIODIC BASIS FOR THE BENEFIT OF THE BONDHOLDERS PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF SECURITIES AND EXCHANGE COMMISSION RULE l5c2-12 (17. C.F.R. PART 240, § 140.15C2-12 (“RULE”). SEE “CONTINUING DISCLOSURE” HEREIN.

THE STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT, AND IN OTHER INFORMATION PROVIDED BY THE AVIATION BOARD THAT ARE NOT PURELY HISTORICAL, ARE FORWARD LOOKING STATEMENTS. ALL FORWARD LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AVIATION BOARD ON THE DATE HEREOF, AND THE AVIATION BOARD DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF OR ACCURACY OF SUCH INFORMATION. SEE “INVESTMENT CONSIDERATIONS - Forward-Looking Statements” HEREIN.

THE OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THE FINAL OFFICIAL STATEMENT WILL BE PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND FORM (“ORIGINAL BOUND FORMAT”) OR ELECTRONIC FORMAT ON THE SAME WEBSITE. THE OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

$4,245,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023A (Non-AMT)

$18,365,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023B (AMT)

INTRODUCTORY STATEMENT

This Introductory Statement is not a summary of Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2023 Bonds (as hereinafter defined) to potential investors is made only by means of the entire Official Statement.

This Official Statement, including the cover page and Appendices attached hereto, and including certain financial information relating to the New Orleans Aviation Board (the "*Issuer*" or the "*Aviation Board*"), is provided to furnish certain information in connection with the issuance of $4,245,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023A (Non-AMT) (the "*Series 2023A Bonds*") and the $18,365,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023B (AMT) (the "*Series 2023B Bonds*," and together with the Series 2023A Bonds, the "*Series 2023 Bonds*"). The Bank of New York Mellon Trust Company, N.A. will act as Trustee, Paying Agent, and Bond Registrar for the Series 2023 Bonds (the "*Trustee*") pursuant to the General Revenue Bond Trust Indenture among the Aviation Board, the City of New Orleans (the "*City*"), and the Trustee, dated as of February 1, 2009 (the "*General Indenture*"), as supplemented and amended through a Seventh Supplemental Indenture dated as of April 1, 2023 (the "*Seventh Supplemental Indenture*" and, together with the General Indenture and all prior Supplemental Indentures, the "*Indenture*").

The Series 2023 Bonds are limited obligations of the Aviation Board payable solely from and secured by the Trust Estate, consisting of Net Revenues and certain amounts deposited into the accounts held under the General Indenture and the Seventh Supplemental Indenture, including Net PFC Revenues (as herein defined) that may be deposited at the discretion of the Aviation Board to the Transferred PFC Account of the Debt Service Fund. None of the properties of the Louis Armstrong New Orleans International Airport is subject to any mortgage or other lien for the benefit of the owners of the Series 2023 Bonds.

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

See "**SECURITY FOR BONDS**" herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement, including the cover page, contain brief descriptions of, among other matters, the Series 2023 Bonds, the Indenture, and the Report of the Aviation Consultant dated March 28, 2023 (the "*Consultant Report*"). All references herein to the aforementioned documents are qualified in their entirety by reference to such documents included in the Appendices hereto.

This Official Statement and the other documents described herein may be obtained upon request and upon payment of reproduction costs and postage through the office of the Trustee, The Bank of New York Mellon Trust Company, N.A., 601 Travis Street, Houston, Texas 77002; telephone number: (713) 483-6151. This Official Statement is also available online at www.emma.msrb.org.

All capitalized terms used, and not otherwise defined, in this Official Statement shall have the meanings ascribed thereto in the Indenture.

THE AVIATION BOARD

The Aviation Board is charged with the power and authority to administer, operate, and maintain airport facilities owned by the City, including the airport known as the Louis Armstrong New Orleans International Airport (the "*Airport*" or "*MSY*"). The Aviation Board consists of nine members appointed by the Mayor of the City (the "*Mayor*") with the approval of the City Council for terms of five years. As a matter of custom, the Mayor appoints one member of three nominated by the City of Kenner (the city in which the largest portion of the Airport is located) and another of three nominated by the President of the Parish of St. Charles (the parish in which a small portion of the Airport is located).

The members of the Aviation Board as of the date of this Official Statement are as follows:

Name	Term Expiration Date
Hon. Michael G. Bagneris, Chairman	June 30, 2023
J. Douglas Thornton, Vice Chairman	June 30, 2021*
Chief Justice Bernette J. Johnson	June 30, 2024
Ruth Kullman	June 30, 2022*
Roger H. Ogden	June 30, 2022*
Octave "Todd" J. Francis III	June 30, 2019*
Gary Smith, Sr.	June 30, 2022*
Joseph "Nick" Nicolosi, Jr.	June 30, 2022*
Hon. Neil C. Abramson	June 30, 2027

*Board Members with expired terms have a legal seat on the Aviation Board until they resign or another person is appointed.

Brief biographies for the Aviation Board members follow:

Hon. Michael G. Bagneris, Judge (Retired), was appointed to the Aviation Board on March 28, 2019 and was elected Chairman of the Aviation Board on May 16, 2019. Judge Bagneris attended Yale University where he received two Bachelor of Arts degrees, one in American History and the other in African-American History. In 1975, he received his Juris Doctorate from Tulane Law School. While in law school, Judge Bagneris clerked for the Law Firm of Fine & Waltzer, and became an associate upon graduation; in 1979, he became a partner and the firm was renamed Fine, Waltzer & Bagneris; in 1980 he became Executive Counsel to Mayor Ernest "Dutch" Morial; in 1986, he returned to his law practice at Waltzer & Bagneris; in 1993, he was elected Judge in the Orleans Parish Civil District Court; after serving 20 years on the bench. Judge Bagneris retired on December 11, 2013. As a judicial educator, Judge Bagneris lectures extensively, primarily on evidence, personal injury, legal experts, ethics, and professionalism, and serves as a Bar Examiner for the Louisiana State Bar. He is a former member of the Louisiana Judicial College, Supreme Court Ethics Committee, and Supreme Court Pro Se Litigation Committee. In addition to his service as Chairman of the Aviation Board, Judge Bagneris is a member of numerous professional and civic organizations, including the American Bar Association, American Judges Association, Jazz & Heritage Festival Foundation, Judicial Council-NBA, Louis A. Martinet Society, Louisiana District Judges Association, Louisiana Judicial Council-NBA, Louisiana State Bar Association, National Bar Association, National Urban League, New Orleans Bar Association, and New Orleans Museum of Art.

Mr. J. Douglas Thornton serves as the Vice Chairman of the Aviation Board. He was first appointed to the Aviation Board on June 17, 2010. Mr. Thornton serves as the Chairman for the Aviation Board Construction Committee. Mr. Thornton is the Executive Vice President, ASM, an international facility management firm that operates the Caesars Superdome and Smoothie King Center in New Orleans.

Chief Justice Bernette J. Johnson (Retired) was first appointed to the Aviation Board on February 11, 2021. Chief Justice Johnson served as the 25th Chief Justice in the Court's history, the first African American Chief Justice, and the second female Chief Justice of the Louisiana Supreme Court. Chief Justice Johnson graduated from Walter L. Cohen High School in New Orleans as valedictorian and Spelman College in Atlanta, Georgia. Before law school she spent summers working with attorneys of the NAACP Legal Defense Fund, working for the integration of public schools in the south. She was one of the first two African American females to attend and graduate from Louisiana State University Law School in 1969. She then worked as managing attorney at New Orleans Legal Assistance Corporation (NOLAC) (now Southeast Louisiana Legal Services, SLLS). In 1984, she was elected the first female

Orleans Civil District Court Judge and became Chief Judge in 1994. In 1994, she was elected to serve on the Louisiana Supreme Court, making history as the first African American female to sit on that bench. In February 2013, she became Chief Justice of the Louisiana Supreme Court. Chief Justice Johnson retired from the Supreme Court in December 2020.

Chief Justice Johnson is the recipient of numerous prestigious awards such as the 1998 Margaret Brent Women Lawyers of Achievement Award by the American Bar Association; the 2000 Medal of Honor presented by the Mayor of the City of New Orleans; the 2000 Women of Wonder Award by the National Council of Negro Women; and the first-ever Ernest N. Morial Award presented by the New Orleans Legal Assistance Corporation; the 2009 Distinguished Jurist Award presented by the Louisiana Bar Foundation; the 2010 Spirit of Excellence Award from the American Bar Association's Commission on Racial and Ethnic Diversity in the Profession; the National Bar Association inducted her into the NBA Hall of Fame and she was awarded the Distinguished Civil Rights Advocate Award by Attorney Barbara Arnwine on behalf of the Lawyers' Committee for Civil Rights Under the Law also in 2010; in 2012, the National Urban League President's Award; the 2012 National Association for the Advancement of Colored People Award; the 2012 Exceptional Leadership Award presented by the Louisiana State Bar Association Diversity Committee; in 2013, the Martin Luther King Unsung Hero Award presented by LSU and the Joan Dempsey Klein Award by the National Association of Women Judges (NAWJ). In 2016, the Louisiana State Bar Association Board of Governors unanimously voted to combine the Trailblazer and Human Rights Awards into the aptly named, "Louisiana State Bar Association Chief Justice Bernette Joshua Johnson Trailblazer Award." She was celebrated as the 2018 Good Apple Honoree by Louisiana Appleseed for increasing access to justice throughout her esteemed career, and received the Whitney M. Young Award by the Southeast Louisiana Council of the Boy Scouts of America at its Diversity in Scouting Gala. In 2019, she received the Gertrude E. Rush Award from the National Bar Association for her leadership in the community and in the legal profession and her concern for human and civil rights and later that year, the William H. Hastie Award by the National Bar Association Judicial Council for excellence in legal and judicial scholarship and demonstrated commitment to justice under law.

She was honored in early 2020 when she received the National Association of Women Judges Lady Justice Award, which honors those who use their person and position with equanimity, respect, transparency, and impartiality to advance the values of the NAWJ mission to promote the judicial role of protecting the rights of individuals under the rule of law. She was also celebrated by the Judicial Council of the National Bar Association as a past chair.

Ms. Ruth Kullman is the owner of Kullman Consulting, which specializes in non-profit consulting and political fundraising. She served as Finance Director for Mitch Landrieu when he served as Lieutenant Governor of the State and as Mayor of New Orleans. Previous clients include educational and cultural non-profits, such as the Louisiana Children's Museum, the Louisiana Philharmonic Orchestra, the Jewish Federation of Greater New Orleans and Kingsley House. Prior to starting the consulting firm, she served as Campaign Director of the Jewish Federation of Greater New Orleans. Ms. Kullman also is involved in many civic and community organizations. She has served as President of Planned Parenthood of Louisiana, Touro Synagogue and Touro Infirmary and on the Executive Committee of New Schools for New Orleans. She currently serves Secretary/Treasurer of Louisiana Children's Medical Center. Ms. Kullman was a founding board member of New Orleans College Prep and of Live Oak Wilderness Camp. Ms. Kullman was first appointed to the Aviation Board in July 2017.

Mr. Roger H. Ogden was first appointed to the Aviation Board in August 2011. Mr. Ogden is a real estate developer, civic leader and philanthropist. Mr. Ogden is co-founder of Stirling Properties where for 20 years he led the company as principal and CEO. He was the founding chairman of the Southeast Super Region Committee, a collaboration between GNO Inc. and the Baton Rouge Area Chamber, that united the Southeast Louisiana region in economic development initiatives. Additionally, Mr. Odgen serves on the boards of GNO Inc., Business Council of New Orleans, and BioDistrict New Orleans.

Mr. Octave "Todd" J. Francis III, CIMA®, AIF® was first appointed to the Aviation Board in June 2013. Mr. Francis is a Managing Director, Senior Vice-President, Investments with Raymond James & Associates, Inc. His position with Raymond James started on March 21, 2018. Before joining Raymond James & Associates, Inc., Mr. Francis was the founding and Managing Principal of FFC Capital Markets, a Southeast Louisiana headquartered investment and municipal advisory and consulting enterprise.

Mr. Gary Smith, Sr. serves as the St. Charles Parish Representative for the Aviation Board. He was first appointed on February 20, 2014. Mr. Smith is the President of the Magnolia Companies of Louisiana and has been involved in all aspects of this family-run business since childhood, including, but not limited to, construction/dredging, heavy equipment, marine industries, and real estate, all of which operate as separate entities under The Magnolia Companies umbrella.

Mr. Joseph "Nick" Nicolosi, Jr. was first appointed to the Aviation Board in June 2018. Mr. Nicolosi is retired from the City of Kenner, having served 29 years that included service as a Kenner Police Detective followed by his appointments as Community Service Director, Code Enforcement Director, Public Works Director, and Chief Administrative Officer. He also retired from Jefferson Parish, having served as Administrative Assistant to Council District 4. He presently owns NBN Services LLC, a small business development service.

Neil C. Abramson was appointed to the Aviation Board on September 5, 2019. He received a Bachelor's of Arts in Government from Dartmouth College in New Hampshire in 1989 and his Juris Doctorate from Louisiana State University Law Center in 1992 where he finished first in his class. He was an intern to former United States Senator J. Bennett Johnston, Jr., and former U.S. Representative Jimmy Hayes of Louisiana's 7th congressional district, since disbanded. Mr. Abramson also was a clerk to U.S. District Judge Frank J. Polozola of the United States District Court for the Middle District of Louisiana. Mr. Abramson was elected to the Louisiana House of Representatives during the 2007 general election, re-elected for a second term on October 22, 2011, and re-elected for third term in 2015. Mr. Abramson served on the following committees during his time as Representative: Ways and Means, Civil Law and Procedure, select Committee on Hurricane Recovery, Health and Welfare, Judiciary, Joint Legislative Committee on Capital Outlay, Joint Legislative Committee on Budget, and State Bond Commission. He served as Chairman of the Committee on Ways and Means (2016–2020), and previously served as Chairman of the Joint Legislative Committee on Capital Outlay (2016–2018); Chairman of the Committee on Civil Law and Procedure (2012–2016); Chairman of the Select Committee on Hurricane Recovery (first chairman of committee) and Vice Chair of Judiciary from 2007-2011. In addition to his service as a member of the Aviation Board, he serves as a Board Member of YMCA Camp Coniston in Gratham, New Hampshire. Mr. Abramson is a litigation attorney at the law firm of Liskow & Lewis in New Orleans, Louisiana.

PLAN OF FINANCE

Proceeds of the Series 2023A Bonds will be used to finance a portion of the costs of constructing and equipping a board room and to pay costs of issuance of the Series 2023A Bonds. Proceeds of the Series 2023B Bonds will be used to finance a portion of the costs, including capitalized interest, of constructing and equipping a military lounge and baggage handling system enhancements, and to pay costs of issuance of the Series 2023B Bonds. The "*Series 2023 Bond Projects*" are, collectively, the board room, the military lounge, and the baggage handling system enhancements at the Airport.

THE SERIES 2023 BONDS

General

The Series 2023 Bonds will be dated the date of delivery and will bear interest at the rates per annum and mature on January 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Series 2023 Bonds will be payable each January 1 and July 1 (each an "Interest Payment Date"), commencing July 1, 2023.

The Series 2023 Bonds will be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof, and will be numbered from No. R-1 upwards issued initially as one certificate per maturity as set forth on the inside cover page hereof. The Series 2023 Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("*DTC*"), New York, New York, which will act as the securities depository for the Series 2023 Bonds. Purchasers of the Series 2023 Bonds will not receive certificates representing the interest in the Series 2023 Bonds purchased. Purchases of the beneficial interests in the Series 2023 Bonds will be made in book-entry only form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Any purchaser of beneficial interests in the Series 2023 Bonds must maintain an account with a broker or dealer who is or acts through a DTC Participant in order to receive payment of the principal of and interest on such Series 2023 Bonds. See "**APPENDIX H - Book-Entry Only System**" hereto.

The principal of the Series 2023 Bonds shall be payable to the registered owners thereof upon surrender of the Series 2023 Bonds at the principal corporate trust office of the Trustee except as otherwise provided in "**APPENDIX H - Book-Entry Only System.**" Interest on the Series 2023 Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to DTC or the Registered Owner of a Series 2023 Bond, at the address appearing on the Bond Register maintained by the Trustee at the close of business on the applicable date ("*Record Date*") irrespective of any transfer or exchange of the Series 2023 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Aviation Board shall default in payment of interest due on such Interest Payment Date. The Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2023 Bonds may request payment by wire transfer if such Registered Owner have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Series 2023 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2023 Bonds not less than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The Bank of New York Mellon Trust Company, N.A. is serving as Trustee, Paying Agent, and Bond Registrar under the Indenture and has a principal corporate trust office in Baton Rouge, Louisiana.

Optional Redemption

The Series 2023 Bonds maturing on or after January 1, 2034 are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2033 in the order directed by the Aviation Board, in minimum aggregate principal amounts of $5,000 and integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date. The Aviation Board shall give the Trustee at least forty-five (45) days' notice of any optional redemption to be made specifying the redemption date and principal amounts to be redeemed.

Mandatory Sinking Fund Redemption

The Series 2023A Bonds maturing January 1, 2044 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a redemption price equal to the principal amount of such Series 2023A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2042	$875,000
2043	1,645,000
2044*	1,725,000

*Final Maturity

Selection of Series 2023 Bonds to be Redeemed

If less than all Series 2023 Bonds outstanding are to be redeemed through optional redemption, the principal amount of Series 2023 Bonds of each maturity to be redeemed may be specified by the Aviation Board by written notice to the Trustee, or, in the absence of timely receipt by the Trustee of such notice, shall be selected by the Trustee by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount of Series 2023 Bonds of each maturity to be redeemed may not be larger than the principal amount of Series 2023 Bonds of such maturity then eligible for redemption and may not be smaller than the smallest Authorized Denominational; provided, however that so long as DTC is acting as securities depository for the Series 2023 Bonds, such selection will be made in accordance with DTC's practice.

Notice of Redemption

In the event any of the Series 2023 Bonds are called for redemption, the Trustee shall, upon receipt from the Aviation Board of notice of its intention to redeem at least forty-five (45) days prior to the date fixed therefore, give notice in the form provided by the Aviation Board to the Registered Owners and the Trustee in the name of the Aviation Board, of the redemption of such Series 2023 Bonds. Such notice shall be given by mail at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2023 Bonds to be redeemed; provided, however, that failure to give such notice by mail to any registered owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Series 2023 Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2023 Bonds so called for redemption at the place or places of payment, such Series 2023 Bonds shall be redeemed.

The Series 2023 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2023 Bonds, along with monies in existing trust funds, are to be applied as follows:

Sources of Funds

	Series 2023A (Non-AMT)	Series 2023B (AMT)	Total
Bond Proceeds:			
Par Amount	$4,245,000.00	$18,365,000.00	$22,610,000.00
Premium	$481,807.50	$1,885,842.10	$2,367,649.60
	$4,726,807.50	$20,250,842.10	$24,977,649.60
Other Sources of Funds:			
Airport Funds		$125,108.59	$125,108.59
Total Sources of Funds	**$4,726,807.50**	**$20,375,950.69**	**$25,102,758.19**

Uses of Funds

	Series 2023A (Non-AMT)	Series 2023B (AMT)	Total
Project Fund Deposits:			
Board Room	$4,603,112.70		$4,603,112.70
Baggage Handling System Improvements		$18,004,817.38	$18,004,817.38
Military Lounge		$1,404,902.33	$1,404,902.33
	$4,603,112.70	$19,409,719.71	$24,012,832.41
Other Fund Deposits:			
Capitalized Interest Fund		$436,105.56	$436,105.56
Delivery Date Expenses:			
Cost of Issuance*	$123,694.80	$530,125.42	$653,820.22
Total Sources of Funds	**$4,726,807.50**	**$20,375,950.69**	**$25,102,758.19**

*Costs of issuance include, among other things, underwriters' discount, rating agency, legal, and advisory fees.

SECURITY FOR BONDS

Pledge of Airport Net Revenues

Bonds (including the Series 2015 Bonds, Series 2017 Bonds, Series 2019 Bonds, and Series 2023 Bonds) issued under the General Indenture are secured on a first lien parity basis by the Net Revenues of the Airport. Net Revenues are Revenues after deducting current expenses of operation, maintenance and current repair of the Airport System and other facilities of the Aviation Board.

The Aviation Board's ability to generate sufficient Net Revenues to pay debt service on the Bonds is dependent upon a number of factors. See "**INVESTMENT CONSIDERATIONS**" herein.

Definition of Revenues

"Revenues" and "Revenues of the Airport System" shall mean all revenues derived by the Aviation Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues, except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the "PFC" established by the Aviation Board for use by the Aviation Board, (iv) any sums received by the Aviation Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Aviation Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; provided however the Aviation Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued under the Indenture and the amount of any such pledged CFC, PFC, or Released Revenues deposited into any one of the Airport Operating Accounts or a sub-account created therein, the Debt Service Fund or any account or sub-account created therein, or any account or sub-account created within any fund or account created under the General Indenture or created for a particular Series of Bonds, Subordinated Bonds, Swap or any other obligation by the Applicable Supplemental Indenture authorizing such Series, Swap or other obligations shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Aviation Board or the City on account of the operation of ground transportation to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Aviation Board including, without limitation, investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

For a historical summary of the Revenues of the Airport System, see "**AIRPORT FINANCIAL INFORMATION – Revenues**" herein.

Flow of Revenues Under the General Indenture

Revenues are deposited daily as received by the Aviation Board into the Airport Operating Fund established under the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, the Aviation Board and/or the City, as applicable, debits or transfers from the Airport Operating Fund amounts required to be applied to the following purposes in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) Arbitrage Rebate Fund: to the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) Operation and Maintenance Fund: to the payment of all Operation and Maintenance Expenses;

(c) Debt Service Fund: an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) Debt Service Reserve Fund: an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided, however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset so as to reinstate the amounts available thereunder and second to the replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

(f) Operation and Maintenance Reserve Fund: an amount equal to one-twelfth ($1/12^{th}$) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom, an amount equal to $1/36^{th}$ of the amount which, together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36^{th} month following such withdrawal;

(g) General Purpose Account: an amount equal to the General Purpose Account Requirement consisting of such amounts as specified in the Commercial Airlines Leases. The sums credited to the General Purposes Account may be applied by the Aviation Board to any lawful use or purpose of the Aviation Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds, and the payment of the cost of any Capital Improvement; and

(h) Rollover Coverage Amount: the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. The sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year to the extent required by the Commercial Airline Leases. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

See "**APPENDIX B - Summary of Certain Provisions of the General Indenture, Indenture and the Seventh Supplemental Indenture**" herein.

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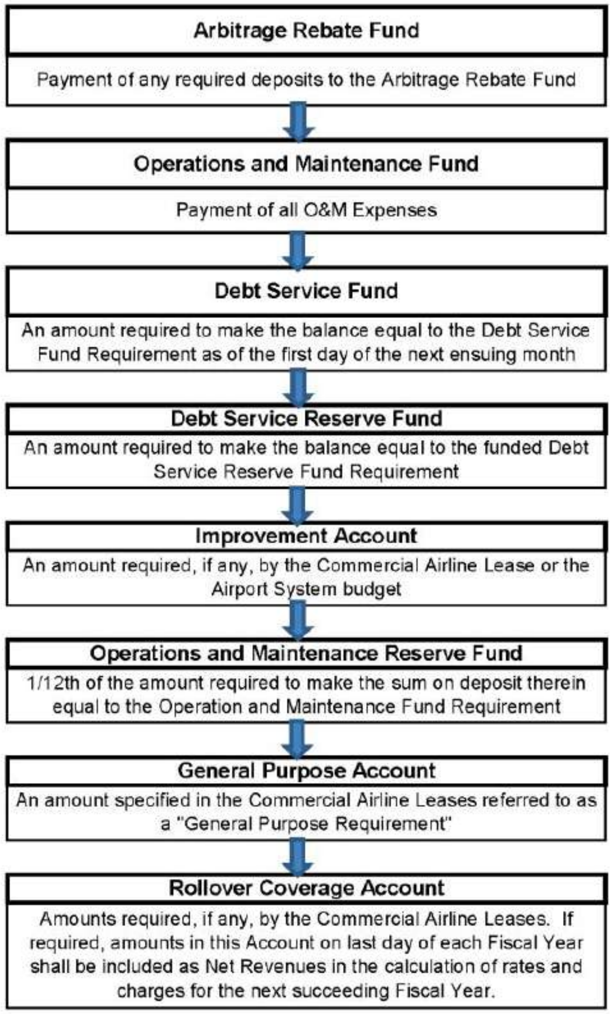
A diagram showing the flow of funds is set forth below:



Bonds are Special, Limited Obligations of the Aviation Board

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

Rate Covenants under the General Indenture

The Aviation Board has covenanted under the General Indenture to impose and collect rates, fees, rentals, or other charges for the Airport System Rates and Rentals sufficient to produce:

1. Revenues in each Fiscal Year at least sufficient to make all the payments required in order to pay (i) all sums due as arbitrage rebate with respect to Bonds, (ii) all Operation and Maintenance Expenses of the Airport System, (iii) the annual debt service requirements on all Bonds, (iv) any amounts required to be deposited into the Debt Service Reserve Fund, (v) any amounts required to be deposited into the Improvement Account if required by the Commercial Airline Leases, (vi) any amounts required to be deposited to the Operation and Maintenance Reserve Fund, (vii) all obligations due any Provider under a Credit Facility, Liquidity Facility, or a Reserve Asset

instrument including interest and fees, and (viii) scheduled payments of principal and interest on all Subordinated Bonds; and

2. Net Revenues (together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted by the Commercial Airline Leases at the time of such computation) at least equal to 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year (collectively, the "*Rate Covenant*").

Net PFC Revenues deposited into the Transferred PFC Account of the Debt Service Fund to pay debt service on Bonds are included in the computation of Net Revenues for purposes of satisfying the Rate Covenant.

Parity Obligations

Bonds issued under the Indenture are secured by a first lien on Net Revenues. Accordingly, upon their issuance, the Series 2023 Bonds will be secured by and be payable from the Net Revenues on parity basis with Outstanding Series 2015 Bonds, Series 2017 Bonds, and Series 2019 Bonds. The Aviation Board has the right to issue additional parity debt if certain tests for the issuance of such parity debt are satisfied. See "**SECURITY FOR BONDS – Additional Bonds Test**" herein.

Pledge of Net PFC Revenues Deposited to PFC Account of Debt Service Fund

No bonds are outstanding under the PFC Indenture; however, Net PFC Revenues will continue to be deposited daily to a Receipts Fund under the PFC Indenture. Unless otherwise intercepted and deposited to other funds under the PFC Indenture for other purposes, such as Pay-As-You-Go PFC Projects approved by the Federal Aviation Administration (FAA), Net PFC Revenues will flow to an Excess PFC Fund established under the PFC Indenture. Net PFC Revenues on deposit in the Excess PFC Fund may be transferred by the Aviation Board to the Transferred PFC Account in the Debt Service Fund established under the General Indenture. When Net PFC Revenues are so deposited to the PFC Account in the Debt Service Fund, they are immediately pledged and applied to pay debt service on Bonds. See "**THE PASSENGER FACILITY CHARGE PROGRAM – Net PFC Revenues for Debt Service on the Bonds**" herein.

Additional Bonds Test

Additional Bonds may be issued by the Aviation Board under the General Indenture for purposes not expressly prohibited by applicable law if the requirements of either (a) or (b) below are met:

(a) <u>Historical Test for Net Revenues and Debt Service Requirement</u>: the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) <u>Prospective Test for Net Revenues and Debt Service Requirement</u>: Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset at the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation Consultant) and projecting that the estimated Net

Revenues for each year of the applicable forecast period shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued.

See "**APPENDIX B - Summary of Certain Provisions of the General Indenture and the Seventh Supplemental Indenture**" herein.

The Series 2023 Bonds are issued as Additional Bonds under the General Indenture pursuant to the Prospective Test under the General Indenture. Table 42 copied below from the Consultant Report describes how the Series 2023 Bonds satisfy the Prospective Test.

	Actual	Estimated	Budget	Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
Airline Revenues [1]	$ 27,445,000	$ 49,910,365	$ 55,755,828	$ 63,103,698	$ 78,619,290	$ 77,356,912	$ 78,292,083	$ 79,071,876
Nonairline Revenues	47,410,163	64,115,918	65,841,130	68,642,192	73,091,516	76,476,580	79,023,611	81,629,271
Net PFC Revenues [2]	23,963,000	23,766,100	21,762,850	21,763,350	19,762,100	19,763,850	18,763,100	18,769,600
Total Revenues	$ 98,818,163	$ 137,792,382	$ 143,359,807	$ 153,509,240	$ 171,472,907	$ 173,597,342	$ 176,078,794	$ 179,470,747
Less: O&M Expenses [3]	49,620,496	66,200,993	67,348,785	70,194,792	80,538,968	83,632,511	86,858,198	90,221,959
Net Revenues	$ 49,197,668	$ 71,591,390	$ 76,011,022	$ 83,314,449	$ 90,933,938	$ 89,964,831	$ 89,220,596	$ 89,248,787
Plus Other Sources (per Rate Covenant):								
Federal Funds applied to Debt Service	24,038,000	-	-	-	-	-	-	-
Debt Service Coverage Fund	16,505,000	16,504,068	16,903,770	17,200,106	17,199,606	17,199,731	17,199,169	17,199,169
Revenue Plus Other Sources	$ 89,740,668	$ 88,095,457	$ 92,914,791	$ 100,514,555	$ 108,133,545	$ 107,164,562	$ 106,419,765	$ 106,447,956
Divided by: Debt Service Requirement	$ 66,016,683	$ 66,016,683	$ 66,071,757	$ 73,902,429	$ 80,977,104	$ 80,985,154	$ 80,981,054	$ 80,989,804
Debt Service Coverage	**1.36**	**1.33**	**1.41**	**1.36**	**1.34**	**1.32**	**1.31**	**1.31**

Source: Compiled by Unison Consulting, Inc., based on Aviation Board records.
[1] Airline revenues for 2022 and 2023 include mid-year and prior year adjustments, based on rates and charges calculations pursuant to the provisions of the Airline Agreement.
[2] In accordance with the terms of the Indenture, the deposit of Net PFC Revenues to the Transferred PFCs Account to pay debt service on the GARBs constitutes such Net PFC Revenues as Revenues pledged under the Indenture.
[3] O&M Expenses are shown net of federal relief funds applied to O&M Expenses in 2022 through 2024.

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount ten percent (10.0%) of the total costs of the Capital Improvement(s) for which they are issued to complete. The Series 2023 Bonds are not issued as Completion Bonds.

Refunding Bonds

One or more Series of refunding bonds may be issued under the General Indenture for the purpose of refunding all or any part of one or more Series of Outstanding Bonds if the Aviation Board obtains a certificate from an Authorized Bond Representative demonstrating that the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis.

Bond Reserve Fund Requirement

The Series 2023 Bonds are designated Reserve Bonds by the Seventh Supplemental Indenture and are issued on parity with the Outstanding Series 2015 Bonds, Series 2017 Bonds, and Series 2019 Bonds. Accordingly, the Aviation Board and the Trustee must maintain the Debt Service Reserve Fund Requirement established by the Seventh Supplemental Indenture for the Series 2023 Bonds. The Debt Service Reserve Fund Requirement for Bonds, including the Series 2023 Bonds, is $72,349,250 and will continue to be funded solely with cash. In the event that funds in the Debt Service Fund and Redemption Fund are insufficient to pay the principal and Redemption Price of and interest on the Bonds then due or to make other payments required to be made from the Debt Service Fund, there shall be withdrawn from the Debt Service Reserve Fund and deposited in the Debt Service Fund the amount necessary to meet the deficiency.

Subordinate Obligations

Subordinated Obligations may be issued by the Aviation Board pursuant to the General Indenture without regard to any additional subordinate bonds test or limitation. See "**AIRPORT FINANCIAL INFORMATION – Subordinate Obligations"** herein.

Released Revenues

Upon delivering to the Trustee specified items under the General Indenture, the Aviation Board is authorized to eliminate amounts (the "*Released Revenues*") from Revenues which may otherwise be pledged to Bonds issued under the General Indenture. No Released Revenues have been authorized and the Aviation Board has no plan or intention to authorize any Released Revenues. See "**APPENDIX A – Master Definition List**" herein.

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DEBT SERVICE REQUIREMENTS FOR BONDS

Bond Year Ending 1-Jan	Outstanding Prior Bonds	Series 2023A Principal	Series 2023A Interest	Series 2023B Principal	Series 2023B Interest	Total Debt Service
2024	$64,472,950	-	$143,858	-	$622,369	$65,239,178
2025	64,476,450	-	212,250	685,000	918,250	66,291,950
2026	64,469,450	-	212,250	720,000	884,000	66,285,700
2027	64,474,100	-	212,250	755,000	848,000	66,289,350
2028	64,470,850	-	212,250	790,000	810,250	66,283,350
2029	64,480,600	-	212,250	830,000	770,750	66,293,600
2030	64,470,100	-	212,250	875,000	729,250	66,286,600
2031	64,472,600	-	212,250	915,000	685,500	66,285,350
2032	64,474,600	-	212,250	960,000	639,750	66,286,600
2033	64,468,100	-	212,250	1,010,000	591,750	66,282,100
2034	64,480,350	-	212,250	1,060,000	541,250	66,293,850
2035	64,472,100	-	212,250	1,115,000	488,250	66,287,600
2036	64,479,200	-	212,250	1,170,000	432,500	66,293,950
2037	64,475,100	-	212,250	1,230,000	374,000	66,291,350
2038	68,086,550	-	212,250	1,290,000	312,500	69,901,300
2039	68,078,850	-	212,250	1,355,000	248,000	69,894,100
2040	68,084,750	-	212,250	1,420,000	180,250	69,897,250
2041	68,082,500	-	212,250	1,495,000	109,250	69,899,000
2042	70,537,250	875,000	212,250	690,000	34,500	72,349,000
2043	70,535,750	1,645,000	168,500	-	-	72,349,250
2044	70,534,000	1,725,000	86,250	-	-	72,345,250
2045	70,535,750	-	-	-	-	70,535,750
2046	70,534,250	-	-	-	-	70,534,250
2047	70,537,750	-	-	-	-	70,537,750
2048	70,533,750	-	-	-	-	70,533,750
	$1,668,717,700	**$4,245,000**	**$4,219,108**	**$18,365,000**	**$10,220,369**	**$1,705,767,178**

THE AIRPORT

The Air Service Area

The Airport is owned by the City and is located in both Jefferson Parish and St. Charles Parish, approximately 14 miles west of the City's central business district. It is the largest primary commercial service airport serving Southeast Louisiana. The Airport primarily serves passengers whose travel originates or terminates in the Air Service Area which consists of the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St John the Baptist, and St. Tammany. There are six other primary commercial service airports in Louisiana, all of which are classified by the FAA as small hub or nonhub airports. By comparison, the Airport is classified as a medium hub airport. With annual enplanements over four million in 2021, the Airport maintained its classification as a medium hub airport through the pandemic years. Based on the airport traffic data compiled by the Airports Council International-North America ("*ACI-NA*") in calendar year 2021, the Airport ranked fortieth (40^{th}) out of 383 United States commercial service airports in terms of total passengers in calendar year 2021. Outside of Louisiana, there are two primary commercial service airports within a 200-mile drive from the Airport; Gulfport-Biloxi International Airport and Jackson-Evers International Airport, both of which are significantly smaller than the Airport. See Table 3 of the Consultant Report entitled "Selected Commercial Airports within Approximately Three Driving Hours of the Airport."

The Airport's market reach extends beyond its primary air service area, the New Orleans Metropolitan Statistical Area ("*MSA*") to the rest of Louisiana and areas between the Airport and the nearest major commercial service airports: George Bush Intercontinental Airport and William P. Hobby Airport in Houston, Texas; Memphis

International Airport in Memphis, Tennessee; and Hartsfield-Jackson Atlanta International Airport in Atlanta, Georgia.

The City and MSA

The City is located in the State of Louisiana and is on the Mississippi River, 110 miles from its mouth.

The New Orleans MSA includes Jefferson, Orleans, St. Bernard, St. Charles, Plaquemines, St. John the Baptist, St. James, and St. Tammany Parishes. The Air Service Area is composed of the New Orleans MSA and beyond. In 2021, the New Orleans MSA population was approximately 1.27 million. By population, the New Orleans MSA is the 47th largest metropolitan statistical area in the United States.

The City has one of the largest seaports in the United States, a major trade and service market, and a world-wide tourism market and major convention center. The City is a major convention and tourist center and has been recognized as one of the world's premier tourist destinations. In 2019, the last full year before the start of the COVID-19 pandemic, Tripadvisor ranked New Orleans among the top 10 "Most Excellent Global Tourism Destinations." According to a study commissioned by New Orleans & Company published in New Orleans Magazine, in 2019, the City attracted 19.75 million visitors who spent over $10.0 billion, the highest spending in the City's history. The City's distinctive jazz music and various festivals, including Mardi Gras, all contribute to its attractiveness to tourists. In 2022, Travel Pulse named New Orleans as the "Best Culinary Destination".

New Orleans is a popular and growing port-of-call being served by several cruise lines, including Carnival, Norwegian, Disney, American, Viking, and Royal Caribbean, with a total of 2.1 million cruise visitors in 2019.

The City is home to seven institutions of higher education (Tulane University, University of New Orleans, Loyola University New Orleans, Southern University at New Orleans, Xavier University of Louisiana, Dillard University, and University of Holy Cross) as well as Delgado Community College, the LSU Health Sciences Center-New Orleans, and other similar hospital facilities which are also located in the City.

Airport Management

The Airport is managed by the Aviation Board. The Aviation Board-appointed Director of Aviation and Deputy Directors are responsible for day-to-day operations and planning for the Airport. They are currently:

Mr. Kevin Dolliole	Director of Aviation
Mr. Walter J. Krygowski	Deputy Director of Operations and Maintenance
Ms. Henrietta Brown	Deputy Director of Finance and Administration
Ms. Michele D. Allen-Hart	Chief Legal Counsel and Deputy Director of Legal Affairs
Ms. Michelle Wilcut	Deputy Director of Customer Service
Ms. Kristina Bennett-Holmes	Deputy Director of Commercial Development
Mr. James McCluskie	Deputy Director of Planning, Development and Construction

Below are brief biographies for these individuals:

Mr. Kevin Dolliole is the Airport's Director of Aviation. With over 40 years of experience in various facets of the aviation industry, Mr. Dolliole is involved in many organizations that are dedicated to the advancement of aviation and related industries. Mr. Dolliole is a member of the Governing Board of Airports Council International World ("*ACI World*"), which represents the collective interests of airports around the world to promote excellence in the aviation industry. He also currently serves as Vice Chair of the Board of Directors for ACI-North America (ACI-NA), a regional division of ACI World. A member of the ACI-NA Board of Directors since 2020, Mr. Dolliole will become Chair of the Board in 2024. Prior to being named Vice Chair, he served as Chair of the ACI-NA US Policy Committee and Chair of the ACI-NA Board Finance Committee. He also currently serves on the American Association of Airport Executives' ("*AAAE*") Policy Review Council—another organization that advocates on behalf of airports at the federal level. A New Orleans native, he began his aviation career at the Airport before going on to serve as the Director of Aviation at the San Antonio International Airport and the St. Louis Lambert International

Airport. Mr. Dolliole received a Bachelor of Science in Business Administration from Xavier University and a Master of Business Administration from the University of New Orleans.

Mr. Walter J. Krygowski is the Airport's Deputy Director of Operations and Maintenance and was part of the executive team that that brought the $1 billion New Terminal Project (the "*New MSY*") on line in November 2019. Mr. Krygowski previously served as Senior Airport Counsel, Deputy Director of Aviation and Interim Director of Aviation at Dayton International Airport. He is a member of the Ohio State Bar, ACI-NA, and AAAE. At the Airport, Mr. Krygowski is responsible for the oversight of all operations and maintenance, including airfield and terminal operations, airport communications, security, airfield and terminal maintenance, landside operations, ground transportation, and Airport Rescue and Fire Fighting.

Ms. Henrietta Brown is the Airport's Deputy Director of Finance and Administration, and is responsible for Finance, Accounting, Human Resources, Procurement, Information Technology, Concessions, and Terminal Properties. Ms. Brown joined the Airport in 2017 and was instrumental in bringing the New MSY on line in November 2019. As an executive team member of the Airport, Ms. Brown has provided leadership toward fiscal accountability, operational excellence, and economic development for the New MSY. Ms. Brown has more than twenty years of finance and administration experience, with thirteen of those years at mid-size airports in progressively responsible management roles. Her aviation career began at St. Louis Lambert International Airport where she served as Assistant Director-Accounting and Finance for five years. Other airport experience occurred at Columbus Regional Airport Authority and San Antonio International Airport. Ms. Brown has a Bachelor of Science degree in Accounting from the University of Missouri, a Master's in Business Administration from Webster University, and a Master of Divinity degree from Eden Theological Seminary. Ms. Brown currently serves AAAE in the capacities of Board of Directors member, Audit Committee member, National Airports Conference ("*NAC*") Chairperson, and Finance & Administration Committee Chairperson. She also serves ACI-NA as a member of the Finance Committee Steering Group

Ms. Michele D. Allen-Hart is the Airport's Chief Legal Counsel and Deputy Director of Legal Affairs and has served in this role since December 2014. She served as part of the executive team that that brought the New MSY on line in November 2019, overseeing and managing all legal issues related to the new terminal's construction, financing, and operations. Ms. Allen-Hart is a business and property attorney and experienced litigator. She has served as a lead trial attorney and coordinated hundreds of cases prior to bringing her experience from the private sector to the Aviation Board. She has negotiated and drafted and amended numerous professional, service, and construction contracts; leases and permits; and solicitation documents for procurements. Ms. Allen-Hart received her Bachelor of Arts in Political Science from the University of Miami and her Juris Doctorate of Law from St. Thomas University School of Law. Ms. Allen-Hart is licensed to practice law in Louisiana, Florida, Mississippi, and Texas.

Ms. Michelle Wilcut is the Airport's Deputy Director of Customer Service and oversees the Janitorial, Training, and Customer Service departments at the Airport. She was part of the executive team that that brought the New MSY on line in November 2019. Ms. Wilcut began her career at the Airport in the Operations Department and moved to the Training Department to institute training programs for airport employees. She was promoted to Public Relations Manager where she served as the media liaison and airport spokesperson. She holds a Bachelor's degree in Aviation Management from Embry-Riddle Aeronautical University.

Ms. Kristina Bennett-Holmes is the Airport's Deputy Director of Commercial Development and oversees all air service development initiatives for passenger and cargo airline recruitment, business development of airport real estate, and properties management of lease agreements outside the terminal facility, including tenant relations. She was part of the executive team that that brought the New MSY on line in November 2019. Prior to her services to the Aviation Board, Ms. Bennett-Holmes was Vice President of Business Development for Thanks Again and the Director of Marketing and Business Development for Gulfport-Biloxi International Airport. She holds a Bachelor's degree in Business Administration from the University of Southern Mississippi and earned her Master's in Business Administration from William Carey University. She is a Certified Member of AAAE and currently serves as Chair of the ACI-NA U.S. International Air Service Program.

Mr. James McCluskie is the Deputy Director of Planning, Development, and Construction. He has over 30 years in planning and construction, with 17 years of airport experience. At the Airport, Mr. McCluskie oversaw the completion of the New MSY. Prior to joining the Airport, Mr. McCluskie was the Director of Planning and Development at the Fort Lauderdale Hollywood International Airport that oversaw the $1.5 billion elevated runway and terminal modernization program. Additionally, Mr. McCluskie served as Vice President of Planning, Engineering, and Construction of the Reno-Tahoe Airport Authority. In that role, he oversaw the construction of the terminal redevelopment program and construction of two major runways. Mr. McCluskie has a Master's Degree in Urban Regional Planning from Florida Atlantic University, specializing in urban design and economic development. At the Airport, Mr. McCluskie is responsible for the Airport's Master Plan and its implementation into a new Airport Capital Construction Program as well as day to day Planning, Environmental, Design, Development and Construction activities.

Airline-Airport Use and Lease Agreement

The Airline-Airport Use and Lease Agreement between the Aviation Board and Signatory Airlines dated and effective as of January 1, 2009 (the "*Airline Agreement*"), as amended, establishes rentals, fees, and charges payable by all airlines which execute an Airline Agreement with the Aviation Board (the "*Signatory Airlines*") during the term of the Airline Agreement. On October 27, 2014, the Signatory Airlines at the time unanimously agreed to the Airline-Airport Use and Lease Agreement Term Sheet dated November 5, 2014 (the "*Term Sheet*"), which provided for agreement to complete a new passenger terminal (the "*North Terminal Building*") and associated facilities on the north side of the airfield and to cease all carrier operations from the south side passenger terminal (the "*North Terminal Project*").

Pursuant to an amendment to the Airline Agreement with an effective date of January 1, 2016 (the "*2016 Amendment*"), the term of the Airline Agreement was extended with an amended Term Sheet (the "*2016 Amended Term Sheet*"). The 2016 Amendment extended the term of the Airline Agreement to the earliest of (i) the date that a new Airline-Airport Use and Lease Agreement is executed by the Aviation Board and at least two (2) signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve month period, (ii) the date that is five (5) years after the North Terminal Building is able to be occupied by Air Transportation Companies (the "*North Terminal Occupancy*"), or (iii) December 31, 2023. The North Terminal opened to the public on November 6, 2019. An extension of the existing Airline Agreement is expected to be executed by the Signatory Airlines prior to the end of 2023 and will continue until a new Airline-Airport Use and Lease Agreement is executed.

The list below represents all of the Signatory Airlines currently operating at the Airport, their FY 2022 enplanements at the Airport, and their enplanements as percentage of the 5,946,283 total enplanements at the Airport in FY 2022:

	FY 2022 Enplanements	**As % of Total**
Southwest Airlines, Co.	2,088,388	35.12%
Delta Air Lines, Inc.	897,837	15.10%
American Airlines, Inc.	965,362	16.23%
United Air Lines, Inc.	749,881	12.61%
Spirit Airlines Inc.	688,537	11.58%
JetBlue Airways Corporation	183,329	3.08%
Breeze Aviation Group, Inc.	56,562	0.95%
Federal Express Corp.	0	0.00%
United Parcel Service, Inc.	0	0.00%
Total Signature Airline Enplanements:	5,629,896	94.68%
All Enplanements at Airport:	5,946,283	100.00%

Non-Signatory Airlines operating at the Airport are:

Air Canada Inc.
Air Transat
Alaska Airlines, Inc.
Allegiant Air, LLC.
British Airways
Frontier Airlines Inc.
Silver Airways
Sun Country Airlines

COVID-19

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus (COVID-19) a global health pandemic and recommended containment and mitigation measures worldwide. Subsequent to that date, the Mayor of the City of New Orleans ordered citizens and businesses to follow specific measures designed to slow the spread of the virus. As a result, the Airport experienced a significant decrease in operations and a decline in passenger enplanements and Airline services. The Airport revised its 2020 and 2021 budgets by making reductions in non-essential items that did not compromise safety, security, critical operations, and customer service.

Federal COVID-19 relief funds were made available by the City to support critical operations, including workforce retention, debt service, and certain capital project costs, at the Airport.

- The Coronavirus Aid, Relief, and Economic Security ("*CARES*") Act was established in March 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic.
- The Coronavirus Response and Relief Supplemental Appropriations Act ("*CRRSA*") of 2021 includes billions in supplemental appropriations for COVID-19 relief that were allocated to the transit industry during the COVID-19 outbreak.
- The American Rescue Plan Act ("*ARPA*") Fund was passed by Congress in March 2021 to provide additional relief to address the continued impact of COVID-19.

The City was awarded approximately $106.8 million dollars combined CARES Grant Funds, CRRSA Grant Funds, and ARP Grant Funds for the Airport (collectively, the "*COVID-19 Relief Grants*"). As of October 31, 2022, the City had drawn approximately $75.7 million of the COVID-19 Grants Funds for reimbursement of: (a) certain debt service payments relating to General Airport Revenue Bonds in the amount of approximately $47 million and (b) certain operating expenses in the amount of approximately $22.7 million, all of which were incurred in Fiscal Year 2020 and Fiscal Year 2021. The following table presents a summary of the allocation and utilization of the COVID-19 Relief Grants.

Allocation and Utilization by NOAB of COVID-19 Relief Grants

(amounts in thousands)

Awarded COVID-19 Relief Grants	**CARES Airport**	**CRRSA Airport**	**ARP Airport**	**Total Airport**	**CRSSA Concessions**	**ARP Concession**	**Total Concession**	**Total**
Grant Awarded and Total Allocation	$ 42,793	$ 12,382	$ 44,278	$ 99,454	$ 1,472	$ 5,889	$ 7,361	$ 106,815
Utilization of COVID-19 Relief Grants								
FY 2020 Actual	$ 32,771	$ 8,906	$ -	$ 41,677	$ -	$ -	$ -	$ 41,677
FY 2021 Actual	$ 5,352	$ -	$ 28,700	$ 34,052	$ 1,472	$ 5,889	$ 7,361	$ 41,413
FY 2022 Actual	$ -	$ -	$ 4,300	$ 4,300	$ -	$ -	$ -	$ 4,300
Balance Remaining End of Fiscal Year 2022	**$ 4,671.0**	**$ 3,476**	**$ 15,578**	**$ 19,425**	**$ -**	**$ -**	**$ -**	**$ 19,425**
FY 2023 Projected Draw	$ 4,671	$ -	$ 7,377	$ 12,048	$ -	$ -	$ -	$ 12,048
FY 2024 Projected Draw	$ -	$ 3,476	$ 3,901	$ 7,377	$ -	$ -	$ -	$ 7,377
Projected Balance Remaining at End of FY 2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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MSY Pandemic Enplanement Recovery

The table below shows the enplanements in each month from January 1, 2019, to December 31, 2022, comparing each month recovery in 2020, 2021, and 2022 to the same month in 2019, prior to the COVID-19 pandemic.

	2019	2020	% chg from 2019	2021	% chg from 2019	2022	% chg from 2019
Enplaned Passengers (a)							
January	503,410	531,810	5.6%	159,720	-68.3%	341,114	-32.2%
February	482,752	559,386	15.9%	178,233	-63.1%	405,344	-16.0%
March	622,949	350,069	-43.8%	277,196	-55.5%	520,063	-16.5%
April	618,557	17,121	-97.2%	328,659	-46.9%	528,379	-14.6%
May	663,506	43,210	-93.5%	415,121	-37.4%	572,379	-13.7%
June	584,039	98,979	-83.1%	417,486	-28.5%	524,781	-10.1%
July	538,976	161,895	-70.0%	452,974	-16.0%	517,067	-4.1%
August	506,729	151,870	-70.0%	326,270	-35.6%	444,485	-12.3%
September	540,034	151,997	-71.9%	156,962	-70.9%	471,850	-12.6%
October	608,048	187,066	-69.2%	395,417	-35.0%	559,985	-7.9%
November	584,160	201,241	-65.6%	462,603	-20.8%	552,469	-5.4%
December	579,241	197,482	-65.9%	448,256	-22.6%	507,156	-12.4%
Total	**6,832,401**	**2,652,126**	**-61.2%**	**4,018,897**	**-41.2%**	**5,945,072**	**-13.0%**

(a) NOAB records.
(b) Diio Mi Schedules database, accessed February 23, 2023.

The table below shows the departing seats in each month from January 1, 2019 and projected to March 31, 2023, comparing each month recovery in 2020, 2021, 2022, and 2023 to the same month in 2019, prior to the COVID-19 pandemic.

	2019	2020	% chg from 2019	2021	% chg from 2019	2022	% chg from 2019	2023	% chg from 2019
Departing Seats (b)									
January	688,035	711,768	3.4%	294,138	-57.2%	583,455	-15.2%	649,711	-5.6%
February	651,970	715,436	9.7%	285,450	-56.2%	573,345	-12.1%	658,413	1.0%
March	785,958	792,002	0.8%	414,033	-47.3%	640,854	-18.5%	729,031	-7.2%
April	763,096	412,081	-46.0%	434,707	-43.0%	623,746	-18.3%		
May	797,685	159,393	-80.0%	489,425	-38.6%	664,598	-16.7%		
June	721,276	198,613	-72.5%	507,326	-29.7%	630,872	-12.5%		
July	730,327	327,667	-55.1%	546,313	-25.2%	643,978	-11.8%		
August	709,030	348,765	-50.8%	543,575	-23.3%	639,087	-9.9%		
September	701,442	256,999	-63.4%	389,137	-44.5%	633,093	-9.7%		
October	780,331	309,164	-60.4%	562,261	-27.9%	693,908	-11.1%		
November	730,075	337,840	-53.7%	588,741	-19.4%	665,474	-8.8%		
December	724,583	304,010	-58.0%	574,861	-20.7%	663,571	-8.4%		
Total	**8,783,808**	**4,873,738**	**-44.5%**	**5,629,967**	**-35.9%**	**7,655,981**	**-12.8%**		

(a) NOAB records.
(b) Diio Mi Schedules database, accessed February 23, 2023.

MSY and U.S. System Enplanements

From 2004 through 2018, the Airport outperformed the entire U.S. system in cumulative enplanement growth, even after experiencing a sharp decrease in traffic following the Hurricanes Katrina and Rita in 2005. The Airport's enplanements increased from approximately 4.86 million in 2004 to 6.57 million in 2018, a 35% cumulative increase, compared with a 32% cumulative increase for the entire U.S. system. The annual pace of enplanement growth at MSY averaged 2.2% compared with the U.S. system's 2.0%. The relatively strong pace of enplanement growth at MSY raised the Airport's share of U.S. system enplanements from a low 0.38% in 2006 to 0.65% in 2018, which was near the levels achieved by the Airport from the mid-1990s to 2003 when the Airport maintained an annual share of at least 0.71%.

The global health pandemic declared in March 2020 caused substantial enplanement reductions nationwide, including enplanements at the Airport. The table below prepared by the Aviation Consultant compares the annual enplanements at the Airport to annual enplanements throughout the U.S. System from 2000 through 2022:

	MSY		US System		MSY Share
Year	EP (1000s)	AGR	EP (1000s)	AGR	of U.S
2000	4,940	4.4%	674,251	5.0%	0.73%
2001	4,789	-3.1%	629,266	-6.7%	0.76%
2002	4,624	-3.4%	670,604	6.6%	0.69%
2003	4,640	0.3%	700,864	4.5%	0.66%
2004	4,863	4.8%	763,710	9.0%	0.64%
2005	3,904	-19.7%	800,850	4.9%	0.49%
2006	3,109	-20.4%	808,103	0.9%	0.38%
2007	3,765	21.1%	835,510	3.4%	0.45%
2008	3,988	5.9%	809,822	-3.1%	0.49%
2009	3,896	-2.3%	767,817	-5.2%	0.51%
2010	4,102	5.3%	787,478	2.6%	0.52%
2011	4,281	4.4%	802,135	1.9%	0.53%
2012	4,307	0.6%	813,123	1.4%	0.53%
2013	4,598	6.8%	825,322	1.5%	0.56%
2014	4,892	6.4%	851,850	3.2%	0.57%
2015	5,345	9.2%	896,632	5.3%	0.60%
2016	5,580	4.4%	931,989	3.9%	0.60%
2017	6,005	7.6%	964,765	3.5%	0.62%
2018	6,565	9.3%	1,013,213	5.0%	0.65%
2019	6,832	4.1%	1,052,981	3.9%	0.65%
2020	2,652	-61.2%	398,655	-62.1%	0.67%
2021	4,023	51.7%	700,559	75.7%	0.57%
2022	5,946	47.8%	936,923	33.7%	0.63%
Compound Annual Growth Rate					
2012-2019	6.8%		3.8%		
2019-2022	-4.5%		-3.8%		
2012-2022	3.3%		1.4%		

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Nonstop Services

Large numbers of market routes with multiple airlines serving the same market routes from the Airport help keep airfares competitive. Between 2017 and 2022, the number of nonstop destinations served at the Airport stayed substantially similar. As of 2022, 54 destinations have flights scheduled from MSY. The following Table 11 from the Consultant Report illustrates the trends in Scheduled Service at the Airport between 2017 and 2022:

Scheduled Service at MSY Airline	2017	2018	2019	2020	2021	2022
Southwest						
Number of Nonstop Destinations	26	32	30	28	24	22
Average Daily Departures	54	56	59	36	34	48
Average Daily Seats	7,863	8,310	8,754	5,434	5,197	7,611
American						
Number of Nonstop Destinations	8	7	9	13	8	8
Average Daily Departures	27	27	27	18	22	24
Average Daily Seats	3,197	3,320	3,537	2,181	2,811	3,281
United						
Number of Nonstop Destinations	22	18	16	15	13	16
Average Daily Departures	20	20	21	11	15	18
Average Daily Seats	2,614	2,704	2,873	1,373	1,842	2,517
Delta						
Number of Nonstop Destinations	7	10	10	11	6	8
Average Daily Departures	24	24	24	11	15	18
Average Daily Seats	3,495	3,539	3,695	1,766	2,357	2,930
Spirit						
Number of Nonstop Destinations	15	18	21	22	15	19
Average Daily Departures	10	15	17	9	11	16
Average Daily Seats	1,618	2,380	2,929	1,519	1,980	2,783
Other						
Number of Nonstop Destinations	31	31	29	25	32	34
Average Daily Departures	14	15	15	7	8	12
Average Daily Seats	1,960	2,276	2,288	1,090	1,247	1,867
All Airlines						
Number of Nonstop Destinations	59	53	53	53	52	54
Average Daily Departures	149	157	163	92	106	137
Average Daily Seats	20,748	22,529	24,077	13,362	15,435	20,989

Source: OAG Schedules Analyzer.

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Historical Enplanements By Carrier

Airline market shares of enplaned passengers at the Airport in each fiscal year from FY 2018 through FY 2022 were as follows:

	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
Airlines	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share
Alaska Airlines	96,783	1.47%	123,568	1.81%	46,124	1.74%	45,646	1.13%	59,937	1.01%
Allegiant Air	73,276	1.12%	55,018	0.81%	19,485	0.73%	24,249	0.60%	22,700	0.38%
American	985,738	15.02%	1,030,785	15.09%	486,628	18.35%	786,083	19.54%	965,362	16.23%
BoutiqueAir	0	0.00%	0	0.00%	0	0.00%	45	0.00%	0	0.00%
BreezeAirlines	0	0.00%	0	0.00%	0	0.00%	28,279	0.70%	56,562	0.95%
Delta	1,088,809	16.59%	1,132,008	16.57%	395,592	14.92%	579,093	14.40%	897,837	15.10%
Frontier	185,487	2.83%	170,070	2.49%	55,938	2.11%	81,147	2.02%	114,466	1.93%
JetBlue	203,278	3.10%	198,866	2.91%	56,089	2.11%	97,766	2.43%	183,329	3.08%
Silver Airways	0	0.00%	0	0.00%	0	0.00%	2,201	0.05%	7,599	0.13%
Southwest	2,339,168	35.63%	2,373,445	34.74%	924,343	34.85%	1,361,251	33.84%	2,088,388	35.12%
Spirit	636,257	9.69%	770,239	11.27%	325,358	12.27%	482,674	12.00%	688,537	11.58%
Sun Country	5,325	0.08%	16,313	0.24%	5,426	0.20%	3,021	0.08%	13,314	0.22%
Sunwing/Swift	0	0.00%	703	0.01%	0	0.00%	0	0.00%	0	0.00%
United	836,437	12.74%	846,090	12.38%	303,745	11.45%	504,613	12.54%	749,881	12.61%
Air Canada	28,424	0.43%	29,193	0.43%	8,155	0.31%	0	0.00%	15,886	0.27%
All Others	85,760	1.31%	86,103	1.26%	25,418	0.96%	26,519	0.66%	82,485	1.39%
TOTALS:	**6,564,742**	**100%**	**6,832,401**	**100%**	**2,652,301**	**100%**	**4,022,587**	**100%**	**5,946,283**	**100%**

Source: New Orleans Aviation Board

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Airport's Top 25 O&D Markets in Year 2021

The Airport serves a broad national market. Long distance destinations Ft. Lauderdale, Dallas/Ft. Worth, and New York, NY were the top three Origin and Destinations ("*O&D*") locations in 2021. Having a large number of routes with multiple airlines serving these routes from the Airport helps to keep airfares competitive. Table 12 of the Consultant Report illustrates the domestic passenger origin-destination patterns by metro market destination for calendar year 2021 as follows:

Rank	Metro Market Destination[1]	Airports	O&D Market Share[2]	Daily Nonstop Departures[3]	Airlines Serving Market from MSY[4]
1	Ft. Lauderdale, FL	FLL, MIA, PBI	5.8%	6.9	B6, NK, WN, AA
2	Dallas/Ft. Worth, TX	DAL, DFW	5.6%	11.1	WN, AA, NK
3	New York, NY	EWR, LGA, JFK	5.5%	6.5	UA, NK, B6, DL, WN
4	Chicago, IL	ORD, MDW	5.3%	6.1	AA, UA, WN, NK
5	Los Angeles, CA	LAX, SNA, BUR, LGB, ONT	5.3%	2.9	WN, NK, DL
6	Orlando, FL	MCO	4.9%	4.7	WN, NK, F9
7	Houston, TX	IAH, HOU	4.8%	12.8	WN, UA, NK
8	Atlanta, GA	ATL	4.6%	9.8	DL, NK, WN
9	Washington, DC	BWI, DCA, IAD	4.5%	6.0	AA, WN, NK, UA
10	Denver, CO	DEN	4.3%	5.2	UA, WN, F9
11	Las Vegas, NV	LAS	3.0%	2.1	WN, NK, F9
12	Tampa, FL	TPA	2.3%	2.2	WN, NK
13	Philadelphia, PA	PHL	2.0%	2.1	AA, F9
14	Detroit, MI	DTW	1.9%	2.2	DL, NK, WN
15	San Francisco, CA	SFO, OAK, SJC	1.8%		*no nonstop service*
16	Boston, MA	BOS, PVD	1.8%	0.8	B6
17	Austin, TX	AUS	1.7%	2.1	WN, AA
18	Nashville, TN	BNA	1.6%	1.9	WN
19	Seattle, WA	SEA	1.5%	0.9	AS
20	Phoenix, AZ	PHX, AZA	1.5%	1.9	AA, WN
21	Charlotte, NC	CLT	1.3%	4.9	AA
22	Minneapolis/St. Paul, MN	MSP	1.0%	0.9	DL
23	St. Louis, MO	STL	0.9%	0.5	WN
24	Salt Lake City, UT	SLC	0.9%	0.9	DL
25	San Diego, CA	SAN	0.8%	0.1	WN
...	Other		25.4%	3.3	
	Top 25 Subtotal		**74.6%**	**95.5**	
	Total MSY		**100.0%**	**98.8**	

Source: DB1B YE4Q21 and Schedule Monthly Summary YE-December 2021.

[1] Certain markets are served by more than one airport.

[2] Share of estimated total daily O&D passengers.

[3] Average daily nonstop departures calculated from the annual total scheduled departures.

[4] Air carriers serving each market nonstop, ranked in the order of the number of nonstop flights provided by each air carrier, with the following airline designations: AA = American, AS = Alaska, B6 = JetBlue, DL = Delta, F9 = Frontier, NK = Spirit, UA = United, and WN = Southwest.

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Commercial Aircraft Landed Weight at Airport

The percent of total aircraft landed weight at the Airport by Carrier in each fiscal year from FY 2018 through FY 2022 was as follows:

Major and other Airlines(a)	FY2018	FY 2019	FY 2020	FY 2021	FY 2022
Southwest Airlines	33.65	33.46	34.54	29.10	31.85
Delta	15.74	15.93	13.22	14.65	14.15
American Airlines/US	14.71	14.55	15.96	17.46	15.03
United	12.30	12.20	10.15	12.20	12.30
Spirit	9.01	9.56	9.97	10.12	11.24
Cargo	4.94	4.77	9.08	9.39	7.39
JetBlue	3.00	2.79	2.16	2.42	2.90
Breeze Airways	0.00	0.00	0.00	1.09	1.00
Scheduled Int (Other)	2.27	2.13	0.95	0.06	1.00
Frontier	2.29	1.92	1.46	1.61	1.69
Allegiant	1.01	1.70	0.68	0.70	0.32
Alaska/Virgin	1.38	0.75	1.66	1.03	0.80
Sun Country	0.10	0.25	0.20	0.12	0.22
Silver Airways	0.00	0.00	0.00	0.05	0.11
Totals	100	100	100	100	100

[(a)] Major airlines are defined for this analysis as scheduled airlines operating aircraft with more than 60 seats.
Source: Aviation Board
Prepared by: Aviation Board

Total Aircraft Landed Weight

The total aircraft landed weight in thousand pounds at the Airport for fiscal years 2009 through 2022 was as follows:

Fiscal Year	Landed Weight
2009	5,174,944
2010	5,501,940
2011	5,613,632
2012	5,479,289
2013	6,032,372
2014	6,122,519
2015	6,499,788
2016	6,771,515
2017	7,328,602
2018	7,888,855
2019	8,232,139
2020	4,479,734
2021	5,365,624
2022	7,352,552

Source: New Orleans Aviation Board

AIRPORT FINANCIAL INFORMATION

The Airport is structured as an enterprise fund of the City. The financial statements for the Airport are prepared on the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Capital asset, except land, are capitalized and depreciated over their useful lives. The City and the Aviation Board are required by Louisiana law to have their financial statements audited annually. Historically, the City has engaged an auditing firm to perform a combined audit of the City's and the Aviation Board's financial statements. The audited financial statements of the Aviation Board by Carr, Riggs & Ingram, L.L.C. for fiscal years ended December 31, 2021 and 2020 (the "*Airport Audit*") are attached hereto as **APPENDIX F**.

POTENTIAL INVESTORS ARE ADVISED TO REVIEW THE AIRPORT AUDIT IN FULL.

Historic Airport Revenues and Expenses

The following chart sets forth the historical financial information derived from the Airport's audited financial statements for the Airport for the five-year period of FY 2017 through FY 2021.

HISTORIC AIRPORT REVENUES AND EXPENSES
Louis Armstrong New Orleans International Airport
Fiscal Years 2017–2021

	2017	2018 (Restated)	2019	2020	2021
OPERATING REVENUES					
Airfield	$ 12,659,542	$ 8,788,109	$ 16,326,127	$ 10,793,044	$ 5,119,634
Terminal	$ 61,744,206	$ 63,843,800	$ 75,684,027	$ 46,915,895	$ 57,264,182
Ground Transportation	$ 4,081,820	$ 4,250,908	$ 3,899,800	$ 2,663,618	$ 2,852,023
Total Operating Revenues	**$ 78,485,568**	**$ 76,882,817**	**$ 95,909,954**	**$ 60,372,557**	**$ 65,235,839**
OPERATING EXPENSES					
Direct	$ 19,324,234	$ 19,796,747	$ 20,416,506	$ 23,796,860	$ 28,320,555
Depreciation and Impairment Write-down	$ 33,980,565	$ 31,336,453	$ 28,844,649	$ 62,093,921	$ 63,260,011
Administrative	$ 26,855,812	$ 31,407,879	$ 32,495,114	$ 32,416,828	$ 31,419,412
Cancelled /Unreimbursed Projecs	$ -	$ -	$ -	$ -	$ -
Total Operating Expenses	**$ 80,160,611**	**$ -**	**$ 81,756,269**	**$118,307,609**	**$122,999,978**
Operating Income (Loss)	$ (1,675,043)	$ (5,658,262)	$ 14,153,685	$ (57,935,052)	$ (57,764,139)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	$ 2,316,112	$ 6,982,457	$ 8,586,537	$ 5,290,437	$ (159,008)
Interest Expense	$ (17,864,046)	$ (19,922,753)	$ (9,283,271)	$ (47,931,364)	$ (47,149,095)
Passenger Facility Charges	$ 24,445,693	$ 26,409,515	$ 27,710,457	$ 9,828,383	$ 17,869,002
Customer Facility Charges	$ 17,038,019	$ 17,268,862	$ 17,597,150	$ 8,405,392	$ 10,776,062
Gains (Loss) on Disposal of Asssets	$ -	$ 3,194	$ 341	$ (133,141)	$ -
Cost of isuance of bonds	$ (2,363,371)	$ (997,998)	$ (708,412)	$ (5,015,217)	$ -
Federal Grants - COVID-19 relaed				$ 41,677,226	$ 41,413,062
Other (Terminal transportation costs), Net	$ 74,070	$ (1,092,903)	$ (5,680,678)	$ (621,856)	$ (4,937,940)
Total Non-Operating Revenues, Net	**$ 23,646,477**	**$ 28,650,374**	**$ 38,222,124**	**$ 11,499,860**	**$ 17,812,083**
Change in net postion before Capital Contribu	$ 21,971,434	$ 22,992,112	$ 52,375,809	$ (46,435,192)	$ (39,952,057)
Capital Contributions	$ 29,780,128	$ 49,029,172	$ 21,191,168	$ 12,552,069	$ 29,361,133
Change in Net Position	$ 51,751,562	$ 72,021,284	$ 73,566,977	$ (33,883,123)	$ (10,590,924)
Net Position Beginning of Year (Restated)	$ 440,199,687	$ 485,569,539	$ 557,590,823	$ 631,157,800	$ 597,274,677
Cumulative effec of change in accunting princ	$ (6,381,710)	$ -	$ 631,157,800	$ 597,274,677	$ 586,683,753
Total Net Assets, End of Year	$ 485,569,539	$ 557,590,823	$1,262,315,600	$1,194,549,354	$1,173,367,506

Source: Postlewaite & Nettervlle Audited Financial Statements and Supplemental Schedules Dec. 31, 2017, Dec. 31, 2018, and Dec. 31, 2019. Carr, Riggs & Ingram, L.L.C. for Dec. 31, 2020 and Dec. 31, 2021.

Analysis of Airport Operations

North Terminal Concessions

Concession agreements for the provision of food and beverages and for commercial retail sales in the North Terminal require concessionaires to pay to the Aviation Board the greater of the percentage payments specified in the concession agreements or a minimum annual guarantee ("*MAG*"). With the continued recovery of passenger activity following the COVID-19 pandemic, the Aviation Consultant forecasts food and beverage concession revenues to total $8.4 million in 2023 and to increase to $11.0 million in 2028. The Aviation Consultant forecasts retail concession revenues to total $5.9 million in 2023 and increase to $7.7 million in 2028. See 4.4.2 "**FINANCIAL ANALYSIS – Nonairline Revenues – *Terminal Building and Area Revenues***" within the Consultant Report attached as "**APPENDIX C**" describing Terminal Building and Area Revenues, including advertising revenue, non-airline space rental, and other terminal concession revenues.

Ground Transportation Revenue

The Aviation Board derives revenues from parking fees, rental car customer facility charges, and other ground transportation fees, including fees collected from Transportation Network Companies ("*TNCs*"), taxis, limousines, buses, vans, and other commercial modes of transportation. TNCs pay $4.00 per trip fee for all trips departing from the Airport. In 2021, the TNC revenue totaled $2.1 million. The Authority collects an annual decal fee of $250.00 for each taxi operating at the Airport and an annual decal fee of $350.00 for each commercial vehicle (such as limousines, busses, crew shuttles, hotel courtesy vehicles, etc.) to access the Airport's Ground Transportation Center for customer pick-up. Ground transportation revenues at the Airport totaled $11.0 million in FY 2020 and $26.8 million in FY 2021. In FY 2019, parking and TNC revenues represented 46.2% and 16.8% of total ground transportation revenues, respectively, and shifted during the COVID-9 pandemic in FY 2021 during which parking revenues accounted for 55.0% of total ground transportation revenues and TNC revenues decreased and represented 8.5% of total ground transportation revenues. See 4.4.2 "**FINANCIAL ANALYSIS – Nonairline Revenues – *Ground Transportation and Other Area Revenues***" within the Consultant Report attached as "**APPENDIX C**" for further details.

Rental Cars

Three on-Airport rental car companies, representing nine brands, currently operate out of the MSY Consolidated Car Rental Center ("*CONRAC*") on the south side of the Airport, approximately 4.6 miles from the North Terminal. The MSY Rental Car Lot Shuttle operates 24 hours a day and 7 days week with shuttles departing every 5 minutes from the North Terminal and the CONRAC. The shuttle takes approximately 15-20 minutes to drive back and forth between the CONRAC and the North Terminal. Rental car companies operate under a lease agreement that terminated on January 23, 2023. Amendments to the lease agreements are being prepared to extend the term for one-year, through January 23, 2024, plus month-to-month for another year through January 23, 2025, while the Airport prepares a new bid solicitation. The lease agreements currently require rental car payments equal to the greater of a percentage rent equal to 10% of gross revenues or a MAG. On-Airport rental car companies generated revenues to the Airport of $9.3 million in FY 2021, representing a 62.4% increase from FY 2020 revenues. See 4.4.2 "**FINANCIAL ANALYSIS – Nonairline Revenues – *Ground Transportation and Other Area Revenues***" within the Consultant Report attached as "**APPENDIX C**" for further details.

Parking

The Airport currently offers over 8,000 public parking spaces in a Short-Term Garage, a Long-Term Garage, and a Surface Lot on the north side of the Airport. An Economy Garage on the south side of the Airport offers remote parking. Parking revenues were $3.3 million in FY 2020 and $14.9 million in FY 2021.

The Short-Term Garage offers 2,190 public parking spaces with a convenient walkway from the 4th floor to the Ticketing and Check-in area of the North Terminal and ground floor access to the Baggage Claim area of the North Terminal. Parking in this garage is free for the first ½ hour and $2 for each additional ½ hour with a maximum charge of $22 for 24 hours. The Long-Term Garage offers 2,750 public parking spaces across from the arrival area on the east side of the North Terminal. Public parking in the Long-Term Garage is $4 for the first ½ hour and $2 for each additional ½ hour with a maximum charge of $20 for 24 hours. The Surface Lot has 685 public parking spaces and is a short walk from the North Terminal. Public Parking in the Surface Lot is free for the first ½ hour and $2 for each additional half hour with a maximum charge of $18 for 24 hours. The Economy Garage on the south side of the Airport has 2,438 public parking spaces and with a bus shuttle to and back from the North Terminal operating 24 hours a day, 7 days a week. Public Parking in the Economy Garage Facility is $4 for the first ½ hour and $2 for each additional ½ hour with a maximum charge of $12 for 24 hours. The Airport offers valet parking for $36 per day.

Airport public parking facilities compete with off-airport facilities located that are operated by private companies near the Airport. The off-airport facilities offer approximately 1,885 remote parking spaces for Airport passengers.

Management's Discussion from Audit

The following table is taken from Management's Discussion and Analysis on page 10 of the Airport Audit attached hereto as **APPENDIX F** and shows the major sources of operating revenues at the Airport for Fiscal Years 2019, 2020, and 2021.

Operating Revenues (in thousands)

	2021	2020	2019
Passenger and cargo airlines:			
Airline landing fees	$ 2,136	$ 8,412	$ 11,591
Airline terminal rents	23,233	27,672	32,480
Land rents	131	76	76
Other rents	2,990	2,375	3,646
Total passenger and cargo airlines	28,490	38,535	47,793
Non airline rentals:			
Terminal concessions	5,499	6,423	11,376
Car rental concessions	9,346	5,754	11,232
Public parking	15,213	3,455	15,098
Other rents	6,688	6,206	10,411
Total nonairline revenues	36,746	21,838	48,117
Total operating revenues	$ 65,236	$ 60,373	$ 95,910

The discussion presented below copied from Management's Discussion and Analysis on page 11 of the Airport Audit attached hereto as **APPENDIX F** references financial information presented in the table above.

2021 vs. 2020

Total passenger and cargo airline revenue for 2021 decreased by $10 million (26.1%) compared to 2020 due to the increase in Non-airline revenues, which reduces the amount of revenues received from the airlines. Non-airline revenues increased by $14.9 million (40.5%) due to the increase in passenger activity in 2021

2020 vs. 2019

Total passenger and cargo airline revenue for 2020 decreased by $9.3 million (19.4%) compared to 2019 due to the decrease in passenger activity caused by COVID-19. Non-airline revenues decreased by $26.2 million (54.6%) due to the decrease in passenger activity caused by COVID-19.

Costs Per Enplaned Passenger

The Airport Audit defines costs per enplaned passenger ("*CPE*") as a measure by the airline industry to reflect the costs an airline pays to operate at an airport based on the number of enplaned passengers for the airport.

The CPE increased from $6.71 in 2019 to $13.51 in 2020 and decreased to $6.81 in 2021. Section 4.5.3 "**FINANCIAL ANALYSIS – Airline Cost per Enplanement**" of the Consultant Report projects CPE to increase from $6.99 in 2022 to $8.94 in 2024, increase to $10.74 in 2025, and, after application of the remaining COVID-19 federal relief funds and the projected increase in debt service charges after the end of the capitalized interest period on future Bonds to be issued in late 2023, decrease to $10.04 in 2026 through 2028.

Operating Results for the first 9 months of Fiscal Year 2022 (unaudited)

The table below was prepared by the Aviation Board to show major sources of operating revenues and expenses on an unaudited basis for the nine month period ended September 30, 2022, compared to the unaudited results for the nine month period ended September 30, 2021.

	Actual		Variance %
	2022	**2021**	**2022**
Airline Revenue			
Landing Fees	$9,477,510	$7,683,243	23.40%
Terminal Buildings	26,717,110	24,778,276	7.80%
Apron Fees	2,376,257	1,897,559	25.20%
Sub-Total	**$38,570,878**	**$34,359,078**	**12.30%**
Non-Airline Revenue			
Terminal Buildings	$1,379,920	$1,357,861	1.60%
Land & Facilities	2,613,560	2,156,662	21.20%
Food & Beverage	6,165,141	3,758,183	64.00%
News & Gifts	3,914,503	3,358,587	16.60%
Advertising	1,339,139	773,340	73.20%
Rental Car	9,891,541	6,286,028	57.40%
Long-Term Parking	5,512,282	5,241,801	5.20%
Short-Term Parking	9,758,633	5,250,844	85.80%
Off-Airport Parking	287,037	190,993	50.30%
Ground Transportation	3,112,807	1,455,911	113.80%
Fixed Based Operations	381,430	250,373	52.30%
Other Revenue	1,230,219	635,818	93.50%
Sub-Total	**$45,586,212**	**$30,716,402**	**48.40%**
Total Operating Revenues	**$84,157,089**	**$65,075,480**	**29.30%**
Operating Expenses			
Wages & Salaries	$9,577,798	$9,272,990	3.30%
Fringe Benefits	3,302,840	3,152,326	4.80%
Security Services	1,346,147	1,243,650	8.20%
Legal Outside Counsel	211,755	145,781	45.30%
Insurance & Indemnity	3,453,906	3,081,640	12.10%
Administrative Services	382,849	424,246	-9.80%
Professional Services	968,356	902,053	7.40%
Air Service Development	8,530	19,891	-57.10%
Marketing	202,923	114,891	76.60%
Janitorial Services	3,500,327	3,258,844	7.40%
Materials & Supplies	1,075,831	1,139,464	-5.60%
Utilities & Telecom	5,350,039	4,535,708	18.00%
Repairs & Maintenance	4,922,991	5,845,697	-15.80%
Miscellaneous	1,431,494	484,288	195.60%
Sub-Total	**$35,735,785**	**$33,621,469**	**6.30%**
Other Entities' Expenses:			
City Indirect Expenses	$1,609,400	$1,609,398	0.00%
City Fire Department	4,221,813	4,044,052	4.40%
Police Services	3,672,572	2,840,964	29.30%
Sub-Total	**$9,503,784**	**$8,494,414**	**11.90%**
Total Operating Expenses	**$45,239,569**	**$42,115,883**	**7.40%**

Airport Revenues and Expenses Related to Debt Service Schedule FYs 2017-2021

Category	2017	2018	2019	2020	2021
Audited Statement of Revenues and Expenses					
Operating Revenues	$ 78,485,568	$ 76,882,817	$ 95,909,954	$ 60,372,557	$ 65,235,839
Less: Operating Expenses	(80,160,611)	(82,541,079)	(88,811,377)	(118,307,609)	(122,999,979)
Operating Loss	**$ (1,675,043)**	**$ (5,658,262)**	**$ 7,098,577**	**$ (57,935,052)**	**$ (57,764,140)**
Net Revenues per Bond Indenture					
Revenues	$ 82,447,484	$ 81,521,445	$ 100,958,989	$ 63,696,341	$ 67,315,538
Less: O&M Expenses	(46,180,046)	(51,204,626)	(52,911,620)	(56,213,688)	(59,740,968)
Federal COVID-19 Relief Funds				41,677,226	41,413,062
Rollover Coverage	3,740,582	3,290,643	13,586,808	16,505,151	16,508,343
Transferred PFC Revenues	656,065	6,474,750	26,631,750	25,762,204	23,963,000
Net Revenues per Indenture	**$ 40,664,085**	**$ 40,082,212**	**$ 88,265,927**	**$ 91,427,234**	**$ 89,458,975**
Reconciliation					
Operating Loss per Financial Statements	$ (1,675,043)	$ (5,658,262)	$ 7,098,577	$ (57,935,052)	$ (57,764,140)
Add: Depreciation and Impairment Write-Downs [1]	33,980,565	31,336,453	35,899,757	62,093,921	63,259,011
Add: Interest Income and other non-operating revenues [2]	3,961,916	4,638,628	5,049,046	3,323,784	2,079,699
Add: Federal Grants - COVID-19 Related	-	-	-	41,677,226	41,413,062
Add: Transferred PFCs	656,065	6,474,750	26,631,750	25,762,204	23,963,000
Add: Rollover Coverage	3,740,582	3,290,643	13,586,808	16,505,151	16,508,343
Net Revenues per Indenture	**$ 40,664,085**	**$ 40,082,212**	**$ 88,265,938**	**$ 91,427,234**	**$ 89,458,975**
Debt Service Fund Requirements	13,170,475	19,475,434	68,073,534	66,017,558	66,016,271
Debt Service Coverage	**3.09**	**2.06**	**1.30**	**1.38**	**1.36**

[1] Depreciation and Impairment Write-Down are included in Operating Expenses in the financial statements, but is excluded from the definition of Operation and Maintenance Expenses in the Indenture.
[2] Interest income and other non-operating revenues are included in the definition of Revenues in the Indenture, but are categorized as Nonoperating revenues on the financial statements.

Unrestricted Cash

As of December 31, 2022, the Aviation Board had 252 days cash on hand (calculated based upon an unrestricted cash balance of $48.7 million and operating expenses of $70.5 million). The following table presents a summary of certain sources of liquidity available to the Aviation Board as of December 31, 2022, December 31, 2021 (unaudited), December 31, 2020, and December 31, 2019.

	Sources of Liquidity (amounts in millions)			
	As of 31-Dec-19	As of 31-Dec-20	As of 31-Dec-21	As of 31-Dec-22 (Unaudited)
Unrestricted				
Operating Accounts (1)	$69.1	$39.4	$49.1	$48.7
Restricted				
Debt Service Reserve Accounts (2)	$95.3	$94.9	$94.7	$91.6
Other Available Funds				
PFC Fund Balance	$98.8	$80.6	$72.8	$72.5
Undrawn Available Interim Financing Capacity	$15.9	$14.9	$14.4	$13.9
Undrawn COVID-19 Relief Grants	N/A (3)	$57.8	$23.7	$19.4

(1) Includes all Airport Operating, and O&M reserve funds.
(2) Amounts on deposit in the Debt Service Reserve Accounts for the Outstanding GARB and CFC Bonds.
(3) Not applicable the COVID-19 relief grants were received by the Airport in Fiscal Year 2020.

Source: Airport records.

Financial Statements

The financial statements of the Airport attached as **APPENDIX F** to this Official Statement have been audited by Carr, Riggs & Ingram, L.L.C., Metairie, Louisiana. The Airport's financial statements are audited as a part of the audit of the City's financial statements.

The Airport's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Outstanding Debt

Parity Debt as of January 31, 2023

The Series 2023 Bonds are being issued as Additional Bonds under the General Indenture on a parity with the Aviation Board's General Series 2015 Bonds, Series 2017, and Series 2019 Bonds. All Bonds issued under the Indenture are secured by a first lien on the Net Revenues of the Airport. The outstanding principal amount of each series of Bonds (other than the Series 2023 Bonds) as of January 31, 2023 was as follows:

Series 2015	$ 565,325,000
Series 2017	$ 343,785,000
Series 2019	$ 21,675,000
Total:	**$ 930,785,000**

Subordinate Debt

The Aviation Board authorized and issued on September 29, 2022, a General Airport Revenue Interim Drawdown Note (AMT) (North Terminal Project) Series 2022 (the "*Series 2022 Note*") payable to Regions Bank in a principal amount not to exceed $75,000,000 to refinance a prior Series 2017A Note. The Series 2022 Note is a Subordinate Obligation that matures on October 1, 2025. As of January 31, 2023, the Aviation Board drew down $61,053,499.58. No other Subordinate Obligations are outstanding and no other Subordinate Obligations are now authorized by the Aviation Board. The Aviation Board anticipates receiving $36 million from Passenger Facility Charges previously approved by the FAA for projects in the terminal on the southside of the Airport and to gain FAA approval to apply these funds to the North Terminal Project and pay down the Series 2022 Note. The Aviation Board also anticipates approximately $25 million from State of Louisiana highway grant funds to be received by the City for Airport roadway costs and to use such grant funds to pay down the Series 2022 Note. In the event any of the aforementioned funding sources fail to materialize, the Aviation Board will either pay off all or a portion of the Series 2022 Note with unrestricted cash, extend the maturity of the Series 2022 Note, and/or refinance the Series 2022 Note with Bonds.

Future Debt

The CIP Project Funding Plan for projects, other than the Series 2023 Bod Projects, totals approximately $315.8 million and assumes that the Aviation Board will issue Additional Bonds later in 2023 to fund an estimated $132.7 million of CIP Projects other than the Series 2023 Bond Projects. See **Section 1.3 "Capital Improvement Program"** and **Section 1.3.3** – "**CIP Funding Plan"** within **APPENDIX C - Report of the Aviation Consultant**.

Pension Plans and Post-Retirement Benefit Obligations

Pension Plans

The Airport participates in the City's Employees' Retirement System of the City of New Orleans, a defined benefit contributory retirement plan established by statute, which provides retirement, disability, and death benefits to plan members and beneficiaries (the "*City Plan*"). Note 8 of the Airport Audit describes the Employee and Employer Contributions as well as the retirement allowance based upon age, years of service, and the employee's accumulated contributions. The Airport's Net Pension Liability of $18,568,323 and $21,480,263 were measured as of December 31, 2021 and 2020. See **Note (8) – PENSION PLANS** within **APPENDIX F**, pages 46-54 of Airport Audit.

The City's annual pension cost and related actuarial methods and assumptions for the Employees' Plan are described in the City's Independent Auditors' Report by Carr, Riggs & Ingraham, L.L.C. dated January 31, 2023 as of and for the year ended December 31, 2021 (the "*City Audit*"). See Note (8) on pages 52-62 of the City Audit and Note (9) on pages 62-64 for a description of Postretirement Healthcare Benefits and Life Insurance Benefits. The City's total OPEB liability of $172,847,000 was measured as of December 31, 2021 as determined by an actuarial valuation as of that date. See Note (9) on pages 62-64 of the City Audit for a description of the City's OPEB liability and actuarial assumptions. The City Audit may be found on the following website: https://app.lla.state.la.us/publicreports.nsf/0/0ef15e3153748d988625888b00692f5b/$file/0002789a.pdf?openelement&.7773098.

Separate financial reports on the Employees' Plan for the year ended December 31, 2021 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana, 70112, (504) 658-1850.

The four separate City sponsored and administered single-employer, contributory defined benefit pension plans issue annual publicly available financial report that includes financial statements and required supplementary information for each plan. Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

Employees' Retirement System of the City of New Orleans
1300 Perdido Street, Suite 1E12, New Orleans, Louisiana 70112
(504) 658-1850

Police Pension Fund of the City of New Orleans
715 S. Broad, Room B23, New Orleans, Louisiana 70119
(504) 826-2900

Firefighters' Pension and Relief Fund of the
City of New Orleans (Old and New Systems)
3520 General DeGaulle Drive, New Orleans, Louisiana 70114
(504) 366-8102

Municipal Police Employees' Retirement System
7722 Office Park Boulevard, Baton Rouge, Louisiana 70809
(800) 443-4248
lampers.org

Post-retirement Healthcare Benefits Obligations

See **Note (9) – OTHER POST-EMPLOYMENT RETIREMENT BENEFITS** within the Airport Audit attached as **APPENDIX F**, pages 54-57, that describes how the Airport provides certain continuing health care and life insurance benefits for its retired employees, the benefits provided, and the number of active employees (196) and inactive employees (69) at December 31, 2021. The Airport's proportionate share (3.93%) of the total OPEB liability was $7,725,331 as of December 31, 2021, and its proportionate share (3.89%) of the total OPEB liability was $7,894,160 as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019 for the year ended December 31, 2020. Note 9 also describes the actuarial assumptions and other inputs used to determine actuarial valuation.

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SUMMARY OF INSURANCE FOR NEW ORLEANS AVIATION BOARD

Casualty and Risk Insurance Coverage

The table below describes the insurance coverages, insurance carriers, policy periods, liability limits and deductibles in connection with insurance policies of the Aviation Board.

COVERAGE	INSURANCE CARRIER	POLICY PERIOD	LIMITS OF LIABILITY	DEDUCTIBLE
Airport Owners & Operators Liability	ACE Property & Casualty Ins. Co.	01/01/2023 - 01/01/2024	$100,000,000 Each Occurrence	$200,000 Each Occurrence
Excess Airport Liability	AXA XL Syndicate; Tokio Marine Kiln Syndicates Ltd.; Faraday Underwriting Ltd.; Apollo Underwriting Ltd.; AXIS Specialty Europe SE; Liberty Mutual Ins. Europe SE; Convex Ins. UK Ltd.; Helvetia Swiss Ins. Company in Lichtenstein Ltd.; HDI Global Specialty SE; Swiss Re International SE; Hive Aero for and on behalf of Arch Ins. (UK) Ltd.	01/01/2023 - 01/01/2024	$200,000,000 Each Occurrence	$100,000,000 Each Occurrence
Public Officials Liability & Employment Practices	Illinois Union Insurance Company	01/01/2023 - 01/01/2024	$15,000,000 Per Wrongful Act	$100,000 Per Wrongful Act
Boiler & Machinery	The Hartford Steam Boiler Inspection and Insurance Company	01/01/2023 - 01/01/2024	$100,000,000 Each Occurrence	$100,000 Each Occurrence
All Risk-Commercial Property Coverage	Zurich American Insurance Co.	01/01/2023 - 01/01/2024	$500,000,000 Each Occurrence All Risk	$500,000 Each Occurrence All Risk
Named Storm Only, excluding All Other Wind Hail, Storm Surge, & Flood	Westchester Surplus Lines Ins.; National Fire & Marine Ins. Co.: Princeton E&S Ins. Co.; Gen Sec Ind Co of AZ; Western World Ins. Co; Palomer E&S Ins. Co.; StarStone Specialty Ins. Co.; National Fire & Marine Ins. Co.; Ironshore Specialty Ins. Co.; Endurance American Specialty; Certain Underwriters at Lloyd's London; Aspen Specialty Ins. Co.; Independent Specialty Ins. Co.; Interstate Fire & Casualty Co.; HDI Global Specialty SE; Western World Ins. Co.; Safety Specialty Ins. Co.; Palomar E&S Ins. Co.; Evanston Insurance Co. ; Lexington Insurance Company; Indian Harbor Ins. Co.; Scottsdale Ins. Co.	01/01/2023 - 01/31/2023	$100,000,000 per occurrence, unless otherwise noted in policy, with $10,000,000 sublimit on South Terminal	Named Storm 3% per occurrence subject to $250,000 minimum per occurrence – North Terminal Named Storm 5% per occurrence subject to $250,000 minimum per occurrence – South Terminal & Campus
Flood (45 Policies)	Hartford Insurance Company of the Midwest	01/01/2023 - 01/01/2024	Up to $500,000 per Building; up to $500,000 Building Contents (Varies by Location)	$1,250 Each Occurrence

Terrorism and Sabotage Coverage	Lloyd's London -Syndicate 33	01/01/2023 - 01/01/2024	$100,000,000 Each Occurrence	$250,000 Each Occurrence
Auto Liability	Charter Oak Fire Ins Co	01/01/2023 - 01/01/2024	$1,000,000 Each Occurrence	Private Passenger and Light Truck $1,000 Each Occurrence; Heavy Truck, Extra Heavy Truck, and Fire Department $10,000 Each Occurrence
Workers' Compensation	LWCC	01/01/2023 - 01/01/2024	Statutory	None
Cyber Risk	Houston Casualty Company	01/01/2023 - 01/01/2024	$5,000,000 Each Occurrence	$50,000 Each Occurrence
Commercial Crime	Travelers Casualty and Surety Company of America	01/01/2021 - 01/01/2024	$2,000,000 Each Occurrence	$20,000 per loss

Self-Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City's self-insurance program. The Airport pays premiums to the City's unemployment self-insurance program. The Airport and its employees pay premiums to the City's hospitalization self-insurance program.

Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

THE PASSENGER FACILITY CHARGE PROGRAM

General

Under the Aviation Safety and Capacity Expansion Act (the "*PFC Act*") the FAA may authorize a public agency which controls a qualifying airport to impose a PFC of $1, $2, or $3 for each qualifying enplaned passenger at such airport, subject to certain limitations and exceptions. As discussed in the next paragraph, the $3 amount may be increased to as much as $4.50 of per qualified enplaned passenger. Proceeds of an authorized PFC may be used only to fund specific airport projects approved by the FAA, or to pay debt service and other financing costs on bonds issued to fund such specific projects, that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise impacts resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers. Under certain circumstances, the FAA may also grant approval to impose a PFC ("impose" or "impose only" approval) before approval to spend the PFC on approved projects ("use" approval) is granted. Approval to both collect and spend PFCs is referred to as "impose and use" approval. The approval of each project (a "*PFC Project*") includes a specific dollar amount for (i) capital costs and (ii) if requested by the airport operator, may also include interest and other financing costs. In some instances, the interest and other financing costs are specified separately.

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("*AIR-21*"), signed into law on April 5, 2000, enables a public agency to apply to the FAA to increase the PFC level that it may charge to $4.00

or $4.50. For a public agency to qualify for a PFC level above $3, AIR-21 required that the FAA must review the public agency's application or amendment request to make specified findings that are additional to those already required under the PFC Act and regulation. These required findings were modified by the Federal Aviation Administration Reauthorization Act of 2018 (the "*2018 FAA Act*"). Currently, the FAA must find if the project is an eligible surface transportation or terminal project, that the public agency has made adequate provision for financing the airside needs of the airport, including runways, taxiways, aprons, and aircraft gates.

PFCs may be used by the Aviation Board only to pay "allowable costs" of specific airport projects approved by the FAA, including debt service and other financing costs on bonds issued to finance such specific projects. Final Agency Decisions (formerly Records of Decision) of the Federal Aviation Administration (FAA) allow the imposition and/or use of PFCs for the Airport (collectively the "*Approvals*").

PFCs are all PFCs collected from passengers for the use of the Airport pursuant to 14 Code of Federal Regulations ("*CFR*") Part 158, and approved by the FAA in the Approval and all Future Approvals after deducting all collection compensation due to the Carriers or other entities pursuant to Section 158.53 of 14 CFR Part 158 including such amounts authorized in Future Approvals other than Operational Expense Approvals, including any interest earned thereon after receipt by the Aviation Board.

Since April 1, 1993, the initial effective date of the Aviation Board's PFC program, the Aviation Board estimates that over 90% of all passenger enplanements at the Airport have qualified and been subject to the passenger facility charge. The Aviation Board expects that a similar percentage of passenger enplanements will continue to be subject to its PFC.

Prior to passage of the 2018 FAA Act, a medium or large hub airport had to demonstrate that a project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport. The FAA determined that the Aviation Board had not made this showing for the North Terminal Program, and approved PFC collections for the program at the $3.00 level. As a result, the PFC rate of collection at the Airport was originally scheduled to decline from $4.50 to $3.00 on February 1, 2026.

The 2018 FAA Act eliminated the "significant contribution" test for medium and large hub airports. Consequently, on October 4, 2019, the Aviation Board submitted an amendment request to increase the Airport's PFC collection rate from $3.00 to $4.50. The FAA approved the amendment on October 11, 2019, with an estimated charge expiration date of August 1, 2034. As a result, the Airport's PFC collection rate will remain at $4.50 throughout the forecast period presented in the Consultant Report.

Net PFC Revenues for Debt Service on Bonds

The Aviation Consultant's funding plan assumes that the collection level of PFCs will remain at the current rate of $4.50 throughout the forecast period. The Airport currently has a total PFC collection authority of approximately $965.6 million, including $389.3 million for PFC-eligible costs (plus financing and interest costs) of the North Terminal and ancillary projects. The Report of the Airport Consultant assumes that the Aviation Board will submit one or more PFC applications to obtain approval to collect and use PFCs for eligible costs of the CIP, as needed, during the projection period and forecasts PFCs available in the Excess PFC Fund under the PFC Indenture to be transferred to the Transferred PFCs Account of the Debt Service Fund under the Indenture to pay debt service on the Series 2015 Bonds, Series 2017 Bonds, Series 2019 Bonds, Series 2023 Bonds, and the Additional Bonds expected to be issued in late 2023. See "**Projected Annual General Airport Revenue Bond Debt Service**" in Table 30 of the Consultant Report attached as "**APPENDIX C"** that describes Debt Service by Bond Series, Net PFC Revenues Transferred to Debt Service Fund, and Debt Service Net of PFCs Allocated by Cost Center.

The Consultant Report forecasts that Revenues will be sufficient to ensure that all Operation and Maintenance Expenses, debt service, and fund deposit requirements can be generated through reasonable user fees. Consultant Report is based on a number of assumptions and projections. The Consultant Report has been included herein in reliance upon the knowledge and experience of Unison Consulting, Inc. as the Aviation Consultant. As stated in the Consultant Report, forecasts of commercial aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. Any projection is subject to uncertainties; therefore, there are likely to be differences between the projections and actual results, and those differences may be material. See "**INVESTMENT CONSIDERATIONS: Assumptions in the Aviation Consultant's Report**" and **"APPENDIX C – Report of the Aviation Consultant**" for a discussion of factors, data, and information that may affect projections related to the air transportation industry and the Airport.

Prospective Financial Information

The Consultant Report included as **APPENDIX C** of this Official Statement was prepared by the Aviation Consultant and contains prospective financial information. This prospective financial information was not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Other prospective financial information included in this Official Statement, including summaries of prospective financial information from the Consultant Report and budget information, has been prepared by, and is the responsibility of, the Aviation Board's management. Carr, Riggs &Ingram, L.L.C., independent auditors, has neither examined nor compiled this prospective financial information and, accordingly, Carr, Riggs & Ingram, L.L.C. does not express an opinion or offer any other form of assurance with respect thereto.

CAPITAL IMPROVEMENTS PROGRAM

The Series 2023 Bond Projects (the construction and equipping of a board room, a military lounge, and baggage handling system enhancements) are part of the Airport's capital improvement program (the "*CIP*"). Other capital projects not funded with the proceeds of the Series 2023 Bonds are described in the Consultant Report, including a description of the CIP components, an estimate of each CIP component costs, and the sources of funds anticipated to finance each CIP component.

Among the Planned Capital Projects, other than the Series 2023 Bond Projects, are the following:

- Aviation Board Administrative Offices: Relocation of the Aviation Board Administrative Offices to the North Terminal with a build out of 21,000 square feet that will include customer service and ground transportation administrative functions.
- Electrical Improvements: Re-routing of underground electrical systems within the terminal building overhead to eliminate any future breaks due to soil movement.
- Concourse C Sewer Repair: Reconfiguration of Concourse C Sewer system with new manholes and lift stations to pump effluent to downstram structures to eliminate risk of sewer backups from blockages due to settlement.
- CBIS Expansion: Expansion of the Checked Baggage Inspection System ("*CBIS")* to accommodate two additional Explosive Detection System *("EDS"*) machines and four additional checked baggage inspection tables.
- Ingress/Egress Roadway Improvements: Widening of the outbound lanes and connection to a new access point for Transportation Network Companies ("*TNCs"*).
- Employee Parking: Construction of an employee paved parking lot near the North Terminal which will include signage, lighting, and a covered bus shelter.
- Cooling Tower Pumps: Installation of new cooling tower pumps to provide adequate pressure to the chilled water pumps in order to avoid unnecessary wear and tear on the system.
- Inground elevated road slab: Repair of elevated roadway to the surface level roadway because of uneven settlement.
- Water Quality Enhancement: The addition of water softeners to the North Terminal water system with a centralized softener at the incoming water supply.
- Pump Station Expansion: The addition of two pumps to increase the pump station capacity to handle the increased needs anticipated as future capital projects are implemented.
- South Terminal Demolition: Selective demolition of the South Terminal to eliminate areas of the building that are past their useful life and to create space available for more beneficial uses.
- North Apron Expansion: An expansion of the North Terminal Apron to include a new Concourse D to support the movements to aircraft in and around the new concourse.

- North/South Connecter Road: A North/South Connecter Road dedicated for a bussing operation to connect the North and South Campus facilities.
- Taxiway E&S South Rehabilitation Design: A Taxiway E&S South Rehabilitation Design for the rehabilitation of Taxiways Echo (E)and Sierra (S), south of Taxiway E.
- Intermodal Station Phases 1 & 2: Plans to develop an Amtrak rail line connection stop at the Airport between New Orleans and Baton Rouge with covered train platform and customer parking.
- Pedestrian Bridge: A Pedestrian Bridge to provide an elevated crossing from the North Terminal to the outer curbs and the long-term parking garage to improve the efficiency of the arrivals curb and improve passenger safety.
- Wayfinding Improvements: Wayfinding Improvements for the North Campus and South Campus to establish more effective communication of parking options, pricing, and availability in response to passenger comments and requests for greater clarity.
- North Gate: A vehicle access gate and associated guard booth to be constructed on the North Campus to improve operations and delivery access.
- South Campus Redevelopment: A Maintenance, Repair and Overhaul ("*MRO*)" facility for an airline is planned on the South Campus once selective demolition is complete for the South Terminal.

Funding sources for the Airport's CIP will include General Airport Revenue Bonds, FAA Airport Improvement Program Grants, Bipartisan Infrastructure Law funds, CARES Act Funding, Passenger Facility Charges, Customer Facility Charges, Private Funding, State Funding, and Aviation Board Funds. The CIP Funding Plan assumes that the Aviation Board will issue Additional Bonds later in 2023 to fund the estimated $132.7 million of CIP Projects other than the Series 2023 Projects. See **Section 1.3 "Capital Improvement Program" and Section 1.3.3 – "CIP Funding Plan"** within **APPENDIX C - Report of the Aviation Consultant**.

Passenger Facility Charge Authority Approved by FAA

The Aviation Board anticipates submitting one or more PFC applications to obtain approval to collect and use PFCs for eligible costs of the CIP, as needed during the projection period. The financial projections presented in the Consultant Report assume that one or more future PFC applications will be submitted by the Aviation Board and approved by the FAA for collection and use of additional PFCs to be applied to debt service on the PFC-eligible costs funded with the future series of Bonds. The Aviation board expects to receive an additional $14.8 million of PFCs for the CIP.

Airport Improvement Program ("*AIP*") from the FAA

FAA AIP grants are administered to develop and maintain infrastructure projects that increase the capacity, safety, and security at airports across the United States. The FAA issues either entitlement (passenger or cargo) or discretionary grants for projects. AIP passenger entitlement grants are awarded using an enplanement-based formula. The FAA awards AIP discretionary grants based on established funding priorities and the allocation of discretionary funds among nine FAA regions. The distribution of the funds to the FAA regions is based on various considerations including the number and types of airports in each region, and the identified capital needs of those airports. This analysis assumes that the FAA AIP grant program will continue throughout the projection period.

AIP passenger entitlement funding amounts are based on the forecasts of passenger traffic. Some projects, in particular projects for terminal development, are only partially eligible for AIP funding. For those projects, the entitlement funding amounts reflect the percentage of eligibility typical for such projects, based on the team's experience at the Airport and at other airports. The maximum funding eligibility for airports such as MSY, a medium hub as defined by the FAA, is 75%, except for noise projects, which have an 80% eligibility.

Demand for AIP discretionary grant funding consistently exceeds funding availability. AIP discretionary grant funding amounts are based on an evaluation of amounts that can be reasonably expected to be made available to the Airport considering historic AIP discretionary grant funding provided to the Airport, the timing of projects identified for AIP discretionary grant funding, and the level of AIP discretionary grant funding support provided to similar projects at comparable airports.

The funding plan assumes that the Aviation Board will receive approximately $17.4 million in AIP funding for eligible project costs of the CIP.

Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law ("*BIL*") is an investment in America's transportation network, which was signed into law in November 2021. The law provides for a $25 billion investment to modernize airport infrastructure, spread equally over five years (federal fiscal years 2022 through 2026). As specified in the BIL, the FAA plans to invest the $25 billion total investment in the following three categories:

(1) $15 billion for airport infrastructure to increase safety and expand capacity. This portion of the BIL spending is known as the Airport Infrastructure Grant ("*AIG*") Program.
(2) $5 billion to improve aging terminal facilities, including projects such as terminal renovations, terminal enabling projects, terminal roadways, and central heating and refrigeration facilities. This portion of the BIL spending is known as the Airport Terminal Program ("*ATP*").
(3) $5 billion to improve air traffic facilities.

The BIL also expanded eligible sponsorship for certain rail, transit and highway grant (surface transportation) programs to owners and operators of airports. The funding plan assumes that the Aviation Board will be able to successfully compete for funds from these programs and reflect an evaluation of amounts that the Airport can reasonably expect to receive.

The CIP funding plan assumes that the Aviation Board will receive approximately $35.0 million in AIG funding, $9.0 million in ATP funding, and $43.2 million in surface transportation funding under the provisions of BIL.

CARES Act Funding

The CARES Act Fund was established in March 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic. MSY was awarded approximately $42.8 million in grants from the CARES Act Fund. The Aviation Board plans to apply approximately $4.7 million of that total to the costs of the MSY Administrative Offices project.

Aviation Trust Fund ("*ATF*")

The Aviation Board expects to receive $29,700,320 from the Louisiana Department of Transportation and Development ("*LA DOTD*") in matching total funds to use toward the North Terminal Project. The ATF matches funding from the FAA AIP program at a ratio of 10:1, effectively funding 10% of total eligible Airfield costs for the North Terminal Project, or $14.7 million. In addition to matching funds for AIP, the Airport received an allocation of $3 million per year from 2014-2018 programmed for the North Terminal Project for a total of $15,000,000. As of September 2019, the Aviation Board received $11,727,021 in matching funds and an allocation of $7,343,508 from 2014-2018. The Aviation Board expects to receive an additional $4.2 million from the ATF for the Ingress/Egress Roadway.

Customer Facility Charges

On July 16, 2008, the Aviation Board adopted a resolution to establish and impose the Customer Facility Charge, or CFC (the "*CFC Resolution*"), which was amended by the Aviation Board on October 15, 2008. The CFC Resolution, as amended, requires that all rental car companies operating on Airport property (the "*On-Airport Rental Car Companies*", or "*RACs*") collect the CFC, effective November 1, 2008, at a rate of $5.50 per Transaction Day. A "*Transaction Day*" is defined in the CFC Resolution, as amended, as "a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term."

On May 13, 2009, the CFC Resolution was amended and restated to increase the CFC rate to $6.20 per Transaction Day, effective June 1, 2009. On May 19, 2016, the Aviation Board adopted a resolution to increase the CFC by $1.75 per Transaction Day effective July 1, 2016. The RACs are required to remit the CFC collections to the

Aviation Board monthly. The total CFC level is currently $7.95. It is assumed that approximately $33.0 million in CFCs will be used to fund eligible costs of the CIP.

Private Funding

The funding plan assumes approximately $6.0 million in private funding for the FBO Relocation project and the Southside Redevelopment project.

Additional Bonds

The funding plan assumes approximately $132.7 million of Additional Bonds under the Indenture will be issued in late 2023 to fund costs of the CIP.

Aviation Board Capital Fund

The Aviation Board anticipates providing approximately $15.8 million from its General Purposes Account to fund a portion of its planned CIP costs.

REPORT OF THE AVIATION CONSULTANT

The Aviation Board retained Unison Consulting, Inc. to serve as the Aviation Consultant (the "*Aviation Consultant*") which prepared the Report of the Aviation Consultant dated March 28, 2023 (the "*Consultant Report*") in connection with the issuance of the Series 2023 Bonds. The Consultant Report, included in this Official Statement as **APPENDIX C**, forecasts the collection of rates, fees, rentals, or other charges for the Airport System sufficient to produce Net Revenues through the 2028 forecast period at least sufficient to satisfy the Rate Covenant established under the Indenture. See "**Section 4.5.2 Debt Service Coverage"** and "**Table 43 | Debt Service Coverage**" of the Consultant Report.

The Consultant Report considers the recent pandemic impacts, demand and supply changes in the aviation industry, and changes in the business environment, as well as the fundamental drivers of growth in passenger traffic and further describes a Hybrid Forecast Development Framework for a 2023 to 2028 forecast period projecting air traffic during different phases of recovery and post-recovery growth. The Consultant Report describes the methodology used to forecast two phases of recovery to the calendar year 2019 pre-COVID levels and post-recovery metrics for the airline industry as a whole and for the Airport.

Section 3 of the Consultant Report describes historical trends in commercial aviation activity at the Airport, explains the development of forecasts, and presents the results while noting the effect of the COVID-19 pandemic. The Consultant Report explains three forecast scenarios labeled "Base," "High," and "Low" to differentiate the pace of air traffic growth in the short- and long-term. The financial projections are based on the "High" air traffic forecast.

THE REPORT OF THE AVIATION CONSULTANT IS PART OF THIS OFFICIAL STATEMENT AND PURCHASERS OF THE SERIES 2023 BONDS SHOULD READ THE REPORT OF THE AVIATION CONSULTANT IN ITS ENTIRETY.

INFORMATION CONCERNING THE AIRLINES

Each airline (or its respective parent corporations) serving the Airport is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected in the Office of Aviation Information Management of the U.S. Department of Transportation, 400 Seventh Street, S.W. Washington D.C. 20590, and copies of such reports can be obtained from the Department of Transportation at prescribed rates. In addition, those airlines (or their respective parent corporations) serving the Airport, which have sold debt or equity securities to the public, are subject to the reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith, file reports and other information with the Securities and Exchange Commission (the "*Commission*"). Certain information, including financial information, as of particular dates concerning each of the airlines (or their respective parent corporations) is disclosed in certain reports and statements filed with the

Commission. Such reports and statements can be inspected in the Public Reference Room of the Commission at 450 Fifth St. N.W. Washington, D.C. 20549; Room 1204, Everett McKinley Dirksen Building, and at the Commissions' Regional offices at 219 South Dearborn Street, Chicago, Illinois 60604, and at 26 Federal Plaza, New York, New York 10278, and copies of such reports and statements can be obtained from the Public Reference Section of the Commission, Washington D.C. 20549 at prescribed rates. The SEC maintains a website at www.sec.gov containing reports, proxy statements, and other information regarding registrants that are filed periodically with the Commission.

LITIGATION

There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, or body pending, or to the knowledge of the Aviation Board, threatened against or affecting the Aviation Board, nor, to its knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Aviation Board's right or ability to collect and apply the Revenues as required by the General Indenture and the Seventh Supplemental Indenture, the ability of the Aviation Board to establish rates, fees, rentals, or other charges for use of the Airport system, or any agreement or instrument to which the Aviation Board is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

INVESTMENT CONSIDERATIONS

General

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 certain risks associated with the Bonds. There follows a summary of some, but not necessarily all, of the possible investment considerations and risks which should be carefully evaluated by prospective purchasers of the Bonds prior to the purchase thereof. The Aviation Board’s ability to derive Net Revenues from the operation of the Airport in amounts sufficient to pay debt service on the Series 2023 Bonds depends on many factors, many of which are beyond the control of the Aviation Board or the Airport. 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. Moreover, the order in which investment considerations are presented in this caption is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. The Bonds may not be suitable investments for all persons. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Bonds and should confer with their own legal and financial advisors before considering a purchase of the Bonds.

Special, Limited Obligations

The Bonds are special, limited obligations of the Aviation Board payable solely from and secured by the Trust Estate, including the Net Revenues and certain amounts deposited into the accounts held under the General Indenture and the Seventh Supplemental Indenture, including Net PFC Revenues that may be deposited at the discretion of the Aviation Board to the Transferred PFC Account of the Debt Service Fund. None of the properties of the Airport is subject to any mortgage or other lien for the benefit of the owners of the Bonds.

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY, OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

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

As described in “**THE AIRPORT-COVID-19**,” the COVID-19 pandemic caused numerous economic disruptions beginning in 2020, all of which negatively affected the financial position and operations of the Aviation Board, including declines in passenger traffic during 2020 and 2021. During 2022, passenger traffic at the Airport continued to rebound but the Aviation Board 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 Aviation Board 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 "**THE AIRPORT-COVID-19**" and "**Report of the Aviation Consultant**" attached hereto as **APPENDIX C**.

No Acceleration

Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation, on the occurrence or continuance of an event of default in the payment of debt service on any of the Bonds issued under the Indenture (including the Bonds) or a default in the performance of any duty or covenant provided by law or in the Indenture. Upon the occurrence of such an event of default, Holders of the Bonds would only be entitled to principal and interest payments on the Bonds as they come due. Under certain circumstances, Holders of the Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. Moreover, since Net Revenues are that portion of Revenues that remain after the deduction of the Operation and Maintenance Expenses of the Airport System and the Aviation Board is not subject to involuntary bankruptcy proceedings, the Aviation Board may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport System even if an event of default has occurred and no payments are being made on the Bonds. See "**APPENDIX B – Summary of Certain Provisions of the General Indenture and the Seventh Supplemental Indenture**" herein.

Hurricane and Flood Risks

Coastal Louisiana, including New Orleans MSA, is susceptible to rising sea levels due to climate change and to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina. Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers (the "*Corps*") undertook a project consisting of the planning, design and construction of a flood protection system to the Metropolitan New Orleans Area. The improvements to the flood protection system, known as the Hurricane and Storm Damage Risk Reduction System ("*HSDRRS*"), consists of a $14.5 billion system of levees, floodwalls, and pumps designed to eliminate nearly all flooding from 100-year storm events and significantly reduces flood risks from 500-year storm events. According to data generated by the Corps, a storm more severe than Hurricane Katrina would only cause modest flooding as compared to floods caused by Hurricane Katrina.

A 100-year storm is an event that has a 1% chance of occurring in any given year. The Corps designed the HSDRRS based on computer-generated models of 152 storms of varying paths, speeds, rainfall volumes, intensities, and radius. Based on data derived from these models, the Corps was able to determine the necessary structural specifications to protect Metropolitan New Orleans Area from 100-year storms. The HSDRRS involves a variety of innovative improvements to levees, floodwalls, outfall canals, interim closure structures, and pump stations in and around the Metropolitan New Orleans Area.

The Corps continues to explore further improvements to the HSDRRS in the Metropolitan New Orleans Area, while also working with officials in New Orleans Parish to improve drainage infrastructure as part of the Southeast Louisiana Urban Drainage program, which is critical in protecting the New Orleans MSA from flooding caused by rain-only storm events.

No assurance can be given that the proposed flood protection system improvements will prevent wind and flooding resulting from future significant weather events.

Factors Affecting the Airline Industry

General

Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Bonds issued under the General Indenture (including the Bonds) include: local, regional, national, and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national, and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport; competition from neighboring airports; and business travel substitutes, including teleconferencing, videoconferencing, and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs, and varying demand. Passenger and cargo volumes are highly 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, and the economic recession that occurred between 2008 and 2009 and the COVID-19 pandemic beginning in March 2020. Other business decisions by airlines (such as reduction or elimination of service) could affect airline operations in the future and, correspondingly, affect services at the Airport. Other business decisions by airlines, such as the reduction or elimination of service to unprofitable markets could affect airline operations in the future.

In addition to revenues received from the airlines, the Aviation Board derives a substantial portion of its revenues from parking operations, food and beverage concessions, retail concessions, car rental companies, and others. Declines in passenger traffic at the Airport may adversely affect the commercial operations of many of such concessionaires. While the Aviation Board's concession agreements with retail and food and beverage concessionaires require them to pay the greater of 10% of gross revenues or a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Aviation Board's control. Changes in demand, decreases in aviation activity, and their potential effect on enplaned passenger traffic at the Airport may result in reduced Revenues and PFCs. The following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, airline concentration, international conflicts and threats of terrorism, and structural changes in the travel market. See "**Section 3.10 | Forecast Risk and Uncertainty** " in the Consultant Report for a discussion of forecast risks relating to Disease Outbreaks; Economic Conditions; U.S. Airline Industry Volatility; Volatility of Oil Prices and Implications for Aviation Fuel Cost; Airline Market Concentration, Competition, and Airfares; Airline Mergers; Structural Changes in Demand and Supply; Labor Supply Constraints; and Geopolitical Conflicts and Threat of Terrorism.

Economic Conditions

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.

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. The U.S. economy entered the Great Recession from December 2007 to June 2009. The Great Recession was the longest and deepest recession since the Great Depression. The recovery from the Great Recession was also the slowest of all recoveries from previous recessions since the Great Depression. The Great Recession spread globally and weakened demand for domestic and international passenger and cargo air services.

Cost of Aviation Fuel

Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America (an airline trade association, formerly known as Air Transport Association of America), fuel, along with labor costs, is one of the largest cost components of airline operations, and it continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the growth of economies around the world, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. The price of aviation fuel rose to an all-time high of approximately $4.03 per gallon in June 2022. According to the U.S. Bureau of Transportation Statistics, the price of aviation fuel averaged approximately $3.39 per gallon during the first nine months of 2022. For comparison purposes, according to the U.S. Bureau of Transportation Statistics, between 2017 and 2021, the price of aviation fuel averaged approximately $1.90 per gallon per year. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting effort of certain airlines.

Airline Concentration; Effect of Airline Industry Consolidation; Cancellation of Flights by Airlines

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances, and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated air carriers, Mesaba, Pinnacle (now known as Endeavor), and Compass; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; (d) effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc., and American and US Airways began operating as a single airline (under the American brand) in October 2015; (e) in December 2016, Alaska Air Group acquired Virgin America; and (f) in July 2022, JetBlue Airways agreed to acquire Spirit Airlines. As of the date of this Official Statement, none of these mergers has had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service and enplanements at the Airport or on Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced Net PFC Revenues, and/or increased costs for the other airlines serving the Airport.

Growth of Low Cost Carriers

Low Cost Carriers ("*LCCs*") increase reliance on fee revenues (e.g., baggage fees, seat assignments fees, boarding preferences fees, and food/beverages fees) to take advantage of an operating cost structure that is typically significantly lower than the cost structure of the network carriers. Other advantages can include lower labor costs, greater labor flexibility, streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet), and a generally more efficient operation. These lower costs permit LCCs to offer a lower fare structure to the traveling public than network carriers and to still maintain profitability. LCCs increased access to major markets may moderate average airfare increases that can typically result from airline consolidation.

LCCs emerged in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry, such as control of the majority of airport gates and slots by the larger carriers. The cost structure of LCCs allows for lower fares which stimulate traffic and drive LCCs into more and larger markets. Budget conscious flyers have emerged as an underserved segment which has helped to expand the LCC market to include Ultra Low Cost Carriers ("*ULCCs*"), such as Frontier Airlines, Allegiant Air, Sun County, and Spirit Airlines.

ULCCs at the Airport, such as Frontier Airlines, Allegiant Air, Sun Country, and Spirit Airlines, provided approximately 8.4% of the airline seat capacity at MSY in 2016, 10.7% in 2017, 13.7% in 2018, and 14.8% in 2019. This share continued to increase even through the COVID-19 pandemic, reaching 15.3% in 2020. With the introduction of another ULCC, Breeze Airways, in July 2021, the combined share increased further to 15.6% in 2021.

International Conflict and the Threat of Terrorism

The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Aviation Board cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001 or the terrorist attacks that occurred in Nice, Munich, Paris, Brussels, and Istanbul in 2015 and 2016, the likelihood of future air transportation disruptions, or the impact on the City or the airlines operating at the Airport from such incidents or disruptions.

Structural Changes in the Travel Market

Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Travel behavior may also be affected by anxieties about the safety of flying, the potential exposure to severe illnesses and natural disasters, all of which could lead to the avoidance of airline travel or the use of alternative means of transportation. Additionally, consumers have become more price sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video- conferencing.

Effect of Airline Bankruptcies

General

Since December 2000, numerous airlines have filed for bankruptcy protection including, among others, ATA Airlines (f/k/a American Trans Air), Northwest, Delta, including its subsidiary Comair, Mesaba, MN Airlines (d/b/a Sun Country Airlines) (which filed for protection twice), US Airways (which filed for protection twice), UAL Corporation, the parent of United, AMR Corporation, the parent of American Airlines and American Eagle, Air Canada and Frontier. Some of these airlines have emerged from bankruptcy. Only ATA Airlines, Delta, U.S. Airways, United, American, Frontier, Northwest, and Sun Country operated at the Airport at the time of their respective filings for bankruptcy protection, and each such airline except for Northwest, and ATA Airlines continues to operate at the Airport.

Bankruptcy Code Rules

As with all bankruptcies, the success or failure of the debtor depends in part on the legal and business circumstances – for example, has the airline filed seeking relief under Chapter 7 of the Bankruptcy Code (liquidation) or Chapter 11 of the Bankruptcy Code (reorganization) and, if Chapter 11 of the Bankruptcy Code, is the airline able to continue to operate and is the airline’s lender(s) and other major creditors being cooperative and supportive.

Assuming any agreements between the debtor airline in question and the Aviation Board are executory contracts or unexpired leases (collectively an “*Executory Contract*”), then the airline has the right either to assume or to reject the agreement subject to bankruptcy court approval. Section 365 of the Bankruptcy Code applies to Executory Contracts. The various rules for Executory Contracts depend in part on whether the airline has filed for relief under Chapter 7 of the Bankruptcy Code or Chapter 11 of the Bankruptcy Code and whether the Executory Contract at issue (e.g., the Airline Agreement) is a lease of residential real property or a lease of non-residential real property or a lease of personal property or a contract (and not a lease).

Assuming any agreement between an airline and the Aviation Board is an Executory Contract and is an unexpired lease of property under which the airline is the lessee, and further assuming the airline has filed for Chapter 11 of the Bankruptcy Code relief, then (a) if the Executory Contract is a lease of personal property, the airline can either assume or reject it (subject to bankruptcy court approval) at any time before the confirmation of a plan, but the bankruptcy court can shorten or lengthen that period, and (b) if the Executory Contract is a lease of non-residential real property, then the airline can either assume or reject it (subject to bankruptcy court approval) by the earlier of (i) 120 days after the date of the order for relief (generally, the date a voluntary Chapter 11 of the Bankruptcy Code case is filed) or (ii) the date of entry of an order confirming a plan, but the bankruptcy court again may extend this period for 90 days on a motion showing cause to do so.

In general, assumption of an Executory Contract (subject to bankruptcy court approval) requires that the airline (a) cure all defaults or provides adequate assurance it will promptly cure all defaults (with exceptions and limitations for non-monetary defaults), (b) compensates or provides adequate assurance it will promptly compensate the other party for any actual pecuniary loss resulting from the default, and (c) provides adequate assurance of future performance of the Executory Contract. Certain types of Executory Contracts cannot be assumed – e.g., an Executory Contract to make a loan or one for personal services.

The Bankruptcy Code also has rules requiring the debtor airline to perform its obligations (with exceptions and limitations for non-monetary obligations) under Executory Contracts after a Chapter 11 filing which involve non-residential real property or personal property, subject to some time and other exceptions and limitations.

The Bankruptcy Code also has rules regarding (and allowing) debtors to assign Executory Contracts which have been assumed.

The Bankruptcy Code also has rules regarding the rejection of Executory Contracts by a debtor airline. Generally, a rejection of an Executory Contract constitutes a breach of it and the Aviation Board would have an unsecured claim against the airline as a result of such rejection. If the Executory Contract is a lease, the Bankruptcy Code limits the lessor's unsecured claims arising from a rejection to (a) the greater of the rent, without acceleration, for (i) one year or (ii) 15%, not to exceed three years, of the remaining term of the lease, following the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property), plus (b) any unpaid rent due under the lease, without acceleration, through the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property).

The Bankruptcy Code also has special rules (Section 1110) for the rights of a secured party with a security interest in equipment of an airline (such as aircraft, aircraft engines, propellers, appliances, and spare parts) in a Chapter 11 case, or of a lessor or conditional vendor of such equipment of an airline in a Chapter 11 case, regarding the taking of possession of such equipment and enforcing its rights and remedies. Generally, these rules require the airline to agree to perform its obligations under such security agreement, lease, or conditional sale contract within certain time limitations (with exceptions and limitations for non-monetary defaults) subject to approval of the bankruptcy court. If the debtor airline fails to do so, then the automatic stay no longer applies and the secured creditor, lessor, or conditional vendor can enforce its rights under the applicable agreement.

The Bankruptcy Code also has rules regarding payments made by an airline within 90 days before a bankruptcy case filing that allow the airline to recapture such payments if they are deemed to be an "avoidable preference." These rules are complicated and contain exceptions and defenses.

The Bankruptcy Code also has rules regarding the confirmation of a Chapter 11 reorganization plan and/or the sale of assets of a debtor airline. A discussion of these rules would be complex and lengthy, and any potential investor should seek the advice of its legal counsel regarding them.

In general, if an airline files a bankruptcy case, the Aviation Board would be subject to risks, including, among others and without limitation, the risks of (i) delay (which could be substantial) in receiving payments due it, (ii) receiving only reduced payments of amounts due it, (iii) receiving none of the payments due it, (iv) having to return previous payments it received from the airline, (v) having its Executory Contracts with the airline rejected (or negotiating new terms to avoid rejection), and (vi) delay (which could be substantial) in enforcing any of its rights and remedies under Executory Contracts with an airline or being prohibited from enforcing them. Bankruptcy courts are courts of equity. While the Bankruptcy Code has rules (some of which are summarized above), a bankruptcy court generally has the power to render equity as it deems appropriate. The bankruptcy process can be protracted and expensive. Any potential investor should seek the advice of its legal counsel regarding the effects of a bankruptcy of an airline.

With respect to an airline in a bankruptcy proceeding in a foreign country, the Aviation Board is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Pre-Petition Obligations

During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a bankruptcy court order, make any payments to the Aviation Board arising on account of goods and services provided to the airline prior to the bankruptcy, subject to the rules on Executory Contracts. Thus, the Aviation Board's stream of payments from a debtor airline could also be interrupted to the extent of pre-petition goods and services supplied to the airline, subject again to the rules on Executory Contracts and the general risks of bankruptcy discussed herein.

Passenger Facility Charges

Pursuant to the PFC Act, the FAA has approved the Aviation Board's applications to require the airlines to collect and remit to the Aviation Board a $4.50 PFC on each enplaning revenue passenger at the Airport until February 1, 2026, after which the collection level becomes $3.00 per passenger. See "**THE PASSENGER FACILITY CHARGE PROGRAM.**"

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Aviation Board) imposing the PFCs, except for any handling fee (which currently is $0.11 per PFC) or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFCs separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFCs with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Aviation Board cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the Airport.

The PFC Act requires an airline in bankruptcy protection to segregate PFCs from all of its other revenues.

It is possible that the Aviation Board could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Aviation Board cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFCs revenues owed to the Aviation Board or whether the bankruptcy estate would have sufficient moneys to pay the Aviation Board in full for the PFCs revenues owed by such airline. All of the airlines that were operating at the Airport at the time of their respective filings for bankruptcy protection and during the time they operated at the Airport while under bankruptcy protection submitted to the Aviation Board all of the PFCs collected by them.

Aviation Security and Health Safety Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against future terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies. The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures.

Aviation security concerns intensified again in 2014 following the high profile disappearance of Malaysia Airlines Flight 370, the crash of Malaysia Airlines Flight 17, the crash of AirAsia Flight 8501, the crash of TransAsia Flight 222, and the crash of TransAsia Flight GE235. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

No assurance can be given that these precautions will be successful. Also, the possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior and airline passenger demand.

Public health and safety concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome ("*SARS*") led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, while the United States Centers for Disease Control and Prevention ("*CDC*") and the World Health Organization ("*WHO*") did not recommend that people avoid domestic or international travel, concerns about the spread of influenza caused by the H1N1 virus reduced international air travel, particularly to and from Mexico and Asia. In 2014, an outbreak of Ebola in West Africa and the discovery of a patient and health care workers infected with Ebola in the United States have again raised concerns about the spread of communicable disease through air travel. The COVID-19 global health pandemic declared in March 2020, caused substantial worldwide enplanement reductions. CDC and WHO recommended travelers avoid domestic or international travel during the COVID-19 pandemic in 2020. CDC or WHO may recommend travel restrictions should another outbreak occur. Prospective investors should take into consideration the impact that such developments may have on activity levels at the Airport and the potential financial impact on the airlines that serve the Airport.

Cyber Liability

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. While, the Airport does not collect or maintain this third party data, the secure processing, maintenance and transmission of Airport information is critical to the Airport's operations. Despite security measures, information technology and infrastructure may be vulnerable to cybersecurity attacks and the information stored on airline industry networks 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. The Airport's cybersecurity and operational safeguards are actively monitored. Additionally, the Airport maintains a comprehensive cyber risk insurance policy, which includes coverage for first party loss, liability, and eCrime exposures. See **AIRPORT FINANCIAL INFORMATION - SUMMARY OF INSURANCE FOR NEW ORLEANS AVIATION BOARD** herein. 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.

Airline, Concessionaires, and Other Entities Operating at the Airport

Computer networks and data transmissions and collections are vital to the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the 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 operations. Despite security measures, information tchnology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and information stored there could be disrupted, accesssed, 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 the airline industry and operations at the Airport.

Regulations and Restrictions Affecting the Airport

The operations of the Airport System are affected by a variety of contractual, statutory, and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Agreements and the Operating Agreements, the federal acts authorizing the imposition, collection and use of Passenger Facility Charges and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security, and the Aviation Board management.

It is not possible to predict whether future restrictions or limitations on Airport System operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or Net PFC Revenues for capital projects for the Airport System, whether additional requirements will be funded by the federal government whether such restrictions or legislation or regulations would adversely affect Net Revenues. See "**- Aviation Security and Health Safety Concerns**" above.

Ability to Meet Rate Covenant

As described in "**SECURITY FOR BONDS - Rate Covenants under the General Indenture**" in this document, the Aviation Board has covenanted in the Indenture that it will at all times 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 in each Fiscal Year, the rate covenant set forth in the Indenture is met. In addition to Net Revenues, the Aviation Board expects to pay a portion of the debt service on the Bonds with PFCs deposited to the Transferred PFC Account of the Debt Service Fund. PFCs deposited to the PFC Account of the Debt Service Fund constitute Revenues for purposes of the Rate Covenants.

If Net Revenues (and PFCs expected to be used to pay debt service on the Bonds) were to fall below the levels necessary to meet the rate covenant in any Fiscal Year, the Indenture provides for procedures under which the Aviation Board would retain and request an Airport Consultant to make recommendations as to the revision of the Aviation Board's rentals, rates, fees and other charges, its Operating and Maintenance Expenses or the method of operation of the Airport System in order to satisfy as quickly as practicable the rate covenant set forth in the Indenture. The Indenture provides that, so long as the Aviation Board substantially complies in a timely fashion with the recommendations of the Airport Consultant, the Aviation Board will not be deemed to have defaulted in the performance of its duties under the Indenture even if the resulting Net Revenues plus Other Available Funds are not sufficient to be in compliance with the rate covenant set forth in the Indenture, so long as Debt Service is paid when due.

Increasing the schedule of rentals, rates, fees and other charges for the use of the Airport System and for services rendered by the Aviation Board in connection with the Airport System is subject to contractual, statutory and regulatory restrictions. Implementation of an increase in the schedule of rentals, rates, fees and other charges for the use of the Airport System could have an unfavorable impact on the operation of the Airport System by making the cost of operating at the Airport System unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport System. Notwithstanding this potential impact, the Airline Agreements acknowledge the existence of the rate covenant under the Indenture and include an agreement by the Signatory Airlines to pay such rentals, rates, fees, and charges.

Availability of PFCs and PFC Approval

The Aviation Board expects to use PFCs to pay a portion of the debt service on the Bonds.

Not all PFCs are pledged to the payment of the Bonds; only PFCs credited to the Excess PFC Funds under the PFC Indenture that are transferred to the Transferred PFC Account of the Debt Service Fund are pledged to and will pay debt service on the Bonds.

The amount of PFCs received by the Aviation Board in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. See "**- Factors Affecting the Airline Industry**" above. Additionally, the FAA may terminate the Aviation Board's authority to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or regulations promulgated by the FAA under authority of the PFC Act ("*PFC Regulations*"), or (b) the Aviation Board otherwise violates the PFC Act or the PFC Regulations. The Aviation Board's authority to impose a PFC may also be terminated if the Aviation Board 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 Aviation Board's authority to impose a PFC would not be summarily terminated. No assurance can be given that the Aviation Board's authority to impose a PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Aviation Board or that the Aviation Board will not seek to decrease the amount of PFCs to be collected, provided such decrease does not violate the Aviation Board's covenant in the Indenture. A shortfall in PFCs may cause the Aviation Board to increase rates and charges at the

Airport to meet the debt service requirements on the Bonds that the Aviation Board plans to pay from PFCs, and/or require the Aviation Board to identify other sources of funding for its capital program, including issuing Additional Bonds and/or Subordinate Obligations, to finance the pay-as-you-go projects currently expected to be paid with PFCs.

Availability of Funding for the Long Term Development Plan

The Aviation Board's plan of finance assumes that proceeds of the Bonds, PFCs, federal grants, and other available revenues of the Aviation Board will be received by the Aviation Board in certain amounts and at certain times to pay the costs of the planned projects described in "**SOURCES AND USES - Funding Plan for the North Terminal Project**" and "**REPORT OF THE AVIATION CONSULTANT**". No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed.

To the extent that any portion of the funding assumed in the plan of finance for the Long Term Development Plan is not available as anticipated, the Aviation Board may be required to defer or remove projects or issue Additional Bonds and/or Subordinate Obligations to pay the costs of such projects.

Federal Funding; Impact of Federal Sequestration

On October 5, 2018, the President signed into law a five-year reauthorization bill for the FAA (the "*2018 FAA Act*"). The 2018 FAA Act retains the federal cap on PFCs at $4.50 and authorizes $3.35 billion per year for the Airport Improvement Program ("*AIP*") through federal fiscal year 2023, which is the same funding level as was in place during the preceding five years. 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). There can be no assurance that the FAA will receive spending authority. In addition, AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described in more detail below. The Aviation Board 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 Aviation Board for the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Aviation Board would need to fund from other sources (including surplus revenues, additional Revenue Bonds or Subordinate Obligations), (ii) result in decreases to Planned CIP Projects or (iii) extend the timing for completion of certain projects. See "**CAPITAL IMPROVEMENT PROGRAM**" in this document.

Federal funding received by the Aviation Board could also be adversely affected by the implementation of the Budget Control Act of 2011 (the "*Budget Control Act*"). As a result of the failure of the Joint Select Committee on Deficit Reduction to reach an agreement on the deficit reduction actions as required by the Budget Control Act, sequestration - a unique budgetary feature of the Budget Control Act - has been triggered. On January 2, 2013, President Obama signed into law H.R. 8, the American Taxpayer Relief Act of 2012, which delayed the initiation of the sequestration process from January 2, 2013 to March 1, 2013. On March 26, 2013, President Obama signed the Consolidated and Further Continuing Appropriations Act of 2013, providing funds for operation of the federal government through September 30, 2013, and off-setting some of the sequestration- mandated reductions for Fiscal Year 2013. The spending reductions for Fiscal Year 2013 were approximately $85.4 billion, with similar cuts for Fiscal Years 2014 through 2021.

The Aviation Board receives numerous grants from the FAA and the TSA for various capital projects and the FAA employs and manages the air traffic control personnel at the Airport. These expenditures of the FAA are subject to sequestration. The FAA implemented furloughs in April 2013 that resulted in major air traffic control system delays. The furloughs were suspended after one week for the balance of federal Fiscal Year 2013 following Congress' authorization of alternate funding from reductions in the amounts of available AIP funds or any other programs or accounts in federal Fiscal Year 2013. On December 26, 2013, the Senate approved the Bipartisan Budget Act of 2013 (the "*Budget Act*"), which sets overall discretionary spending for the federal Fiscal Year 2014 at $1.013 trillion, and provides $63 billion in sequester relief over two years. The Budget Act restores the cuts made by budget sequestration to the FAA's operations and procurement accounts and provides full funding for the AIP at $3.35 billion for the federal Fiscal Year 2014.

The Aviation Board is unable to predict future sequestration funding cuts or furloughs or the impact of such actions on the Airport's airline traffic, grant receipts and Revenues. The Aviation Board intends to take any commercially reasonable measures necessary to continue smooth operation of the Airport.

Forward-Looking Statements

This Official Statement, including the Appendices and the documents incorporated by reference in this document, contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will," or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices in this document, that any person expects or anticipates will, should, or may occur in the future, including but not limited to, the projections in the Airport Consultant's Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Aviation Board and the Airport Consultant, as applicable, in light of their experience and perception of historical trends, current conditions, and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "**INVESTMENT CONSIDERATIONS**" caption in this document as well as additional factors beyond the Aviation Board's control. The risk factors and assumptions described under such caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices in this document are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Net Revenues or the operations of the Airport. All subsequent forward-looking statements attributable to the Aviation Board or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Aviation Board on the date hereof, and the Aviation Board does not assume any obligation to update any such forward-looking statements.

The forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to numerous 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, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related 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 included in this Official Statement will prove to be accurate.

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Aviation Board's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Aviation Board's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Aviation Board's independent auditors assume no responsibility for its content.

Alternative Transportation Modes and Future Parking Demand

One significant category of non-airline revenue at the Airport is from ground transportation activity, including use of on-Airport parking garages; pick-up fees paid by transportation network companies ("*TNCs*"), such as Uber Technologies Inc. and Lyft, Inc.; fees paid by shuttle and limousine concessionaires; access fees charged to off-airport parking operators; and rental car transactions by Airport passengers.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode.

While the Aviation Board makes every effort to anticipate demand shifts, there may be times when the Aviation Board's expectations differ from actual outcomes. In such event, revenues from one or more ground transportation modes may be lower than expected. The Aviation Board cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Aviation Board also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such technologies or innovative business strategies.

Assumptions in the Aviation Consultant's Report

As noted in the Consultant Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may and are likely to occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular set of facts or circumstances, and prospective purchasers of the Bonds are cautioned not to place undue reliance upon the forecast in the Consultant Report or upon any other forecasts or projections or requirements for forecasts or projections. If actual results are less favorable than the results forecast or projected or if the assumptions used in preparing such forecasts or projections prove to be incorrect, the Aviation Board's ability to make timely payment of the principal of and interest on all of its obligations, including the Series 2023 Bonds, may be materially and adversely impaired. See "**APPENDIX C – Report of the Airport Consultant**" in this document.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

The Series 2023 Bonds are offered when, as and if issued, subject to approval of legality by Butler Snow LLP, New Orleans, Louisiana, and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel. Certain legal matters will be passed upon by Breazeale, Sachse & Wilson, L.L.P., Counsel to the Underwriters (hereinafter defined). Certain legal matters will be passed upon by the Aviation Board's Chief Legal Counsel and Deputy Director of Aviation-Legal Affairs, Michele D. Allen-Hart, Esq.

No litigation has been filed questioning the validity of the Bonds or the security thereof and a certificate to that effect will be delivered by the Issuer to the Underwriters upon the issuance of the Series 2023 Bonds.

The approving opinions of Co-Bond Counsel are limited to the matters set forth therein, and Co-Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Co-Bond Counsel as of the date thereof. Co-Bond Counsels assume no duty to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Co-Bond Counsel's professional judgment based on their review of existing law and in reliance on the representations and covenants that they deem relevant to such opinion.

A manually executed original of such opinions will be delivered to the Underwriters on the date of payment for and delivery of the Series 2023 Bonds. The proposed form of said legal opinions appears in **APPENDIX D** to this Official Statement.

TAX EXEMPTION

The following is a summary of certain United States of America federal income tax consequences of the ownership of the Series 2023 Bonds as of the date hereof. Each prospective investor should consult with such investor's own tax advisor regarding the application of United States of America federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2023 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, it generally is addressed only to original purchasers of the Series 2023 Bonds that are "U.S. holders" (as defined below), deals only with Series 2023 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, foreign 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, FASITs, S-corporations, persons that hold Series 2023 Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, except as described below, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a Beneficial Owner of a Bond. A "non-U.S. investor" is a holder (or beneficial owner) of a Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States of America, a corporation or partnership created or organized in or under the laws of the United States of America 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 of America federal income taxation regardless of its source, or a trust if (i) a United States of America court is able to exercise primary supervision over the trust's administration and (ii) one or more United States of America persons have the authority to control all of the trust's substantial decisions.

In the opinions of Butler Snow LLP, New Orleans, Louisiana, and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, under existing law and assuming continuing compliance with covenants of the Issuer designed to meet the applicable requirements of the Code, (a) interest on the Series 2023A Bonds and Series 2023B Bonds (together, the "*Series 2023 Bonds*") is excluded from gross income for federal income tax purposes except that no opinion is expressed as to the status of interest on any Series 2023B Bond for any period that a Series 2023B Bond is held by a "substantial user" of the facilities financed by such Series 2023B Bonds or by a "related person" within the meaning of Section 147(a) of the Code, (b) interest on the Series 2023A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (c) interest on the Series 2023B Bonds is treated as a preference item in calculating the alternative minimum tax under the Code for individuals, and (d) interest on the Series 2023 Bonds 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. Co-Bond Counsel is also of the opinion that interest on the Series 2023 Bonds is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana.

General

The Code imposes a number of other requirements that must be satisfied in order for interest on state and local obligations, such as the Series 2023 Bonds, to be excluded from gross income for federal income tax purposes. The Aviation Board has covenanted in the Indenture to comply with these requirements in order to maintain the exclusion from gross income of interest on the Series 2023 Bonds for purposes of federal income taxation. Co-Bond Counsel's opinion will assume continuing compliance with those covenants set forth in the Indenture pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2023 Bonds for federal income tax purposes and, in addition, will rely on representations by the Aviation Board with respect to matters solely within their knowledge which Co-Bond Counsel has not independently verified. If the Aviation Board should fail to comply with the covenants in the Indenture or the Agreement, as the case may be, or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Series 2023 Bonds could become included in gross income for federal income tax purposes retroactive to the date of delivery of the Series 2023 Bonds regardless of the date on which the event causing such incurability occurs.

Although Co-Bond Counsel have rendered opinions that interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2023 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of those other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. Owners of the Series 2023 Bonds should be aware that the ownership of tax-exempt obligations, such as the Series 2023 Bonds may result in collateral federal income tax consequences to certain taxpayers. Furthermore, future law and/or regulations enacted by federal, state, or local authorities may affect certain owners of the Series 2023 Bonds.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2023 Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Series 2023 Bonds as to the impact of the federal, state and local consequences of acquiring, holding or disposing of the Series 2023 Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE BONDS.

Tax Treatment of Premium

The Series 2023 Bonds are offered and sold to the public at a premium. The premium is the excess of the issue price over the stated redemption price at maturity and must be amortized on an actuarial basis by the owner of the Series 2023 Bonds from the date of acquisition of the Series 2023 Bonds through the maturity date thereof. The premium is not deductible for federal income tax purposes, and owners of the Series 2023 Bonds sold at a premium are required to reduce their basis in such Series 2023 Bonds by the amount of premium that accrued while they owned such Series 2023 Bonds. Owners of the Series 2023 Bonds should consult their own tax advisors as to the federal income tax purposes of the amount of premium purposes of determining the taxable gain or loss upon the sale or other disposition of the Series 2023 Bonds (prior to maturity and at maturity), and all other federal tax consequences and any state and local tax aspects of owning the Series 2023 Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a “financial institution,” on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a “financial institution” allocable to tax-exempt obligations, other than “private activity bonds,” which are designated by an Aviation Board as “qualified tax-exempt obligations.” Section 265(b)(5) of the Code defines the term “financial institution” as referring to any corporation described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person’s trade or business which is subject to federal or state supervision as a financial institution.

The Series 2023 Bonds will not be designated by the Aviation Board as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code.

Louisiana Taxes

In the opinion of Co-Bond Counsel, interest on the Series 2023 Bonds is exempt from all taxation for state, parish, municipal, or other purposes in the State of Louisiana.

No Other Opinions

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of, interest on or disposition of the Series 2023 Bonds.

AUDITED FINANCIAL STATEMENTS

The financial statements of the Airport for fiscal years ended December 31, 2021 and 2020, included as **APPENDIX F** to this Official Statement, have been audited respectively by Carr, Riggs & Ingram, L.L.C., Metairie, Louisiana, to the extent and for the periods indicated in the report. It should be noted that such financial statements are prepared in accordance with generally accepted accounting principles which may not be consistent with the methods used in accounting for Revenues under the Indenture.

The Airport's independent auditors have not complied, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

BOND RATINGS

Moody’s Investors Service, Inc. and Fitch Ratings, Inc. have assigned their long-term ratings of “A2” (Stable Outlook) and “A” (Stable Outlook), respectively, to the Series 2023 Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2023 Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following corporate addresses:

Moody’s Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Telephone: (212) 553-0300

Fitch Ratings, Inc.
One State Street Plaza
New York, New York 10004
Telephone: (212) 908-0500

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such ratings agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2023 Bonds.

UNDERWRITING

BofA Securities, Inc., Citigroup Global Markets Inc., and Samuel A. Ramirez & Co., Inc. (collectively, the "*Underwriters*") have agreed to purchase the Series 2023 Bonds from the Aviation Board at an aggregate purchase price of $24,904,159.06 (consisting of the $22,610,000.00 face amount of the Series 2023 Bonds, plus original issue premium of $2,367,649.60, less $73,490.54 underwriting discount). The Bond Purchase Agreement (the "*Purchase Agreement*") between BofA Securities, Inc., on behalf of itself and the other underwriters named above, and the Aviation Board provides that the Underwriters will purchase all of the Series 2023 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2023 Bonds is subject to various conditions contained in the Purchase Agreement.

The Underwriters intend to offer the Series 2023 Bonds to the public at the initial offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2023 Bonds to the public. The Underwriters may offer and sell the Series 2023 Bonds to certain dealers at prices lower than the public offering price.

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 activities. 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 the Aviation Board for which they received or will receive customary fees and expenses.

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.

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 (other related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) 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 Aviation Board.

BofA Securities, Inc., one of the Underwriters of the Series 2023 Bonds, has entered into a distribution agreement with its affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*Merrill*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities, Inc. may compensate Merrill as a dealer for its selling efforts with respect to the Series 2023 Bonds.

Citigroup Global Markets Inc., an Underwriter of the Series 2023 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "*Fidelity*"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for selling efforts with respect to the Series 2023 Bonds.

CONTINUING DISCLOSURE

The Aviation Board will, pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Series 2023 Bonds (the "*Continuing Disclosure Certificate*"), covenant for the benefit of the Series 2023 Bond owners to provide (i) certain financial information and operating data relating to the Aviation Board in each year no later than eight (8) months from the end of the Aviation Board's fiscal year, with the first such report due not later than August 31, 2023 (the "*Annual Report*"), and (ii) notices of the occurrence of certain enumerated events, called "Listed Events," in the future that may affect the Aviation Board or the Series 2023 Bonds. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Certificate will be filed with the MSRB through the Electronic Municipal Market Access website ("*EMMA*"). For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see "**APPENDIX G - Form of Continuing Disclosure Certificate**" attached hereto. The Aviation Board is delivering into the Continuing Disclosure Certificate to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "*Rule*"). The Aviation Board has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Series 2023 Bonds and has no obligation to provide any information subsequent to the delivery of the Series 2023 Bonds except as provided in the Continuing Disclosure Certificate.

The Aviation Board has entered into continuous disclosure undertakings (the "*Prior Undertakings*") with respect to Bonds previously issued under the Indenture. The Aviation Board has amended the Prior Undertakings to resolve certain inconsistencies and other issues therein and has filed a notice of such amendments with the MSRB. Without a determination of materiality, the Aviation Board's independent annual audits for 2019, 2020, and 2021 were completed after the filing deadlines; accordingly, the Aviation Board timely filed a Failure To File Annual Report notice with the MSRB in each instance and subsequently filed the Annual Reports with the MSRB immediately following receipt of such independent audits. Without a determination of materiality, the Aviation Board also did not link the FY 2020 Annual Report filed on December 6, 2021 to all applicable CUSIPs for the following series of Bonds: Series 2019 Bonds, Series 2017 D-2 Bonds, and Series 2017 C&B Bonds. The Aviation Board has now linked the FY 2020 Annual Report to all CUSIPS for the aforementioned series of Bonds. Without a determination of materiality, the Aviation Board also did not disclose a three-year maturity extension of a Series 2017 Subordinate Obligation payable to Regions Bank that matured on October 1, 2022 but was extended to October 1, 2025 by a Series 2022 Subordinate Obligation on September 30, 2022; however, the Aviation Board has now filed a disclosure of such maturity extension with the MSRB.

The Aviation Board has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, effective August 1, 2014, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Aviation Board, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Aviation Board's auditor, as part of the preparation of the Aviation Board's annual financial audit, review the Aviation Board's compliance with its continuing disclosure undertakings and record keeping requirements.

MUNICIPAL ADVISOR

Frasca & Associates, LLC ("*Municipal Advisor*") serves as independent registered municipal advisor to the Aviation Board on matters relating to debt management. The Hackett Group serve as subcontractors to the Municipal Advisor. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Series 2023 Bonds and has reviewed and commented on certain legal documentation, including the Official Statement. The advice on the plan of financing and the structuring of the Series 2023 Bonds was based on materials provided by the Aviation Board and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Aviation Board or the information set forth in this Official Statement or any other information available to the Aviation Board with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information contained in this Official Statement.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referenced herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2023 Bonds, the security for the payment of the Series 2023 Bonds, and the rights and obligations of the holders thereof. Copies of the documents referred to herein are available for inspection at the office of the Aviation Board. Any statements made in this Official Statement involving matters of opinion, forecasts, or estimates, where or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the opinions, forecasts or estimates will be realized.

This Official Statement has been deemed to be final by the Aviation Board as of its date, within the meaning of the Rule, except for the permitted omissions under said Rule.

This Official Statement has been duly authorized by the Aviation Board and duly executed and delivered on its behalf by the official signing below.

NEW ORLEANS AVIATION BOARD

By: ______________________________
Hon. Michael G. Bagneris, Chairman

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APPENDIX A

MASTER DEFINITION LIST

I. GENERAL INDENTURE

"**Act**" shall mean collectively Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Section 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including without limitation La. R.S. 39:1430 and the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

"**Additional Bonds**" shall mean Bonds of the Board issued pursuant to Section 205 of the General Indenture.

"**Additional Security**" shall have the meaning set forth in Section 209 of the General Indenture and as may be provided through a Supplemental Indenture.

"**Airport**" means the Louis Armstrong New Orleans International Airport (formerly called Moisant Field) owned by the City and operated, administered and maintained by the Board as it presently exists, including all lands, buildings, hangars, runways, shops or other aviation facilities, or other facilities related or appurtenant thereto, and any additions, extensions or improvements to said Airport hereafter made or acquired. The said term "Airport" shall not include Special Facilities as defined herein whether financed with the proceeds of "Special Facility Bonds" or not or pursuant to a "Special Facility Lease," as such terms are defined herein.

"**Airport Facility**" shall mean any portion or component of the Airport System, other than a Special Facility.

"**Airport Facilities**" shall mean collectively all and each of the portions and components of the Airport System other than a Special Facility.

"**Airport Operating Account**" shall mean the account of the Airport Operating Fund described in the General Indenture.

"**Airport Operating Fund**" shall mean the fund described in the General Indenture.

"**Airport System**" shall mean all airport and aviation facilities, or any interest therein, now or from time to time hereafter owned by the City and/or operated or controlled in whole or in part by the Board, 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 Board in connection therewith except any Special Facility. The Airport System shall include the Airport and the downtown heliport.

"**Applicable Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of a particular Series of Bonds, adopting the form of the Supplemental Indenture pursuant to which such series of Bonds shall be issued and authorizing the execution of such Supplemental Indenture.

"**Applicable Supplemental Indenture**" shall mean, with respect to any Series of Bonds, the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"**Arbitrage Rebate Fund**" shall mean the Fund described in the General Indenture.

"**Architect**" means any registered architect or firm of architects entitled to practice and practicing as such under the laws of the State, and retained by the Board for the purpose of designing and supervising the construction, reconstruction, renovating or repair of properties comprising the Airport System.

"**Authorized Newspapers**" shall mean not less than two newspapers or financial journals of general circulation (or substantial circulation in the financial community), one in the City of New Orleans, Louisiana, and one in the Borough of Manhattan, City and State of New York, each customarily published at least once a day for at least five days (other than legal holidays) in each calendar week and printed in the English language.

"**Authorized Officer**" or "**Authorized Board Representative**" shall mean the Chairman of the Aviation Board of Commissioners of the Aviation Board, the Director of Aviation or any other officer, official, employee, agent or other person authorized by resolution of the Aviation Board or the City, respectively, to act on behalf of said entity for any purpose of this General Indenture.

"**Aviation Consultant**" means any nationally recognized consultant or firm of consultants employed by the Aviation Board in accordance with the provisions of Section 606 of the General Indenture.

"**Bond Counsel**" shall mean any law firm nationally recognized as having experience with the issuance of tax-exempt debt by or on behalf of operators of airports served by scheduled commercial air carriers.

"**Board**" shall mean the New Orleans Aviation Board, an agency of the City created and established pursuant to Article V, Chapter 6, Section 5-602 of the Charter and as further recognized in Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, or the successor thereto.

"**Bonds**" shall mean any of the New Orleans Aviation Board Revenue Bonds authenticated and delivered under the General Indenture as Secured Obligations, including without limitation the Initial Bonds, all Additional Bonds, Reimbursement Obligations arising with respect to items of Additional Secured constituting Secured Obligations as provided in the General Indenture but shall not include Subordinated Bonds or any other Subordinated Obligations(s).

"**Bondowner**," "**Owner**" or "**Registered Owner**" when used with reference to Bonds shall mean the registered owner of the Bonds from time to time as shown on the register for a particular Series of Bonds held by the Paying Agent for such Series of Bonds.

"**Bond Debt Service Requirement**" shall mean, for any period of calculation, the aggregate of the Debt Service Fund Requirement on all Bonds Outstanding during such period (not including principal due as a result of acceleration, optional redemption or as a result of purchase upon tender of any Tender Bonds).

"**Bond Year**" shall mean a 12 month period commencing with January 2, 2009, and each January 2 thereafter while any Bonds are Outstanding and ending on January 1 of the Next succeeding year provided that the first and last Bond Year for any Series of Bonds may be a longer of shorter period as required under the circumstances.

"**Business Day**" shall mean herein a day of the year on which banks located in the cities in which the Principal Offices of the Board, the Trustee, the Paying Agent, the Providers and the Remarketing Agent are located, are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

"**Capitalized Interest Account**" shall mean the account by that name described in the General Indenture.

"**Capital Improvement**" shall mean any improvement to the Airport System or related facilities the cost of which would be properly chargeable to the capital account of the Board.

"**Capital Improvement Fund**" shall mean the fund described in the General Indenture.

"**CFC**" shall mean the per transaction or per diem customer facility charge expressed in dollars or as a percentage of gross rentals imposed by the Board through ordinance or resolution or resulting from agreement upon either (i) the lessors or (ii) the lessees of rental cars to be collected by those persons and entities engaging in the business of leasing cars to the public using the Airport whether located on the Airport or operating from an off Airport site to be remitted to the Board, its designee or assignee.

"**Charter**" shall mean the Home Rule Charter of the City adopted on May 1, 1954, as amended from time to time, and any home rule charter for the City replacing it.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"**Commercial Airlines Lease**" shall mean any Commercial Airlines Leases, Airline Use And Lease Agreement, or similar agreement providing for the use of the facilities and services of the Airport System made and entered into by and between the City of New Orleans, Louisiana (acting by and through the Board) and the commercial airlines operating at, from and out of the Airport, and in the event there is at any time no such lease then in existence, shall include the resolution or other proceedings adopted by the Board prescribing the effective rates and charges for the services, commodities and facilities of the Airport System.

"**Compound Interest Bonds**" shall have the meaning given such term in the General Indenture.

"**Cost**" as applied to any Capital Improvement, shall mean all or any part of the cost, paid by or on behalf of or reimbursable by or to the Board, of construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement, all lands, real and personal property, rights of way, water rights, air rights, franchises, easements and interests necessary or convenient therefor, the cost of any demolitions or relocations necessary in connection therewith, financing charges, interest prior to, during and for such period as the Board shall determine after the period of construction of such Capital Improvement on Bonds and bond anticipation notes or other obligations issued in whole or in part to finance such construction, architectural, engineering, financial and legal services, plans, specifications, appraisals, surveys, inspections, estimates of costs and revenues, and other expenses necessary or incident to determining the feasibility or practicality of such work, organizational, administrative, operating and other expenses prior to the commencement of and during such work, advance training of operating personnel and other expenses, including initial working capital, of completing such work and placing the same in operation, and any other item of "Cost" attributable to the construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement and placing the same in operation.

"**Cost of Issuance**" shall mean all items of expense directly or indirectly payable or reimbursable by or to the Board and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiduciaries, legal fees and charges, underwriter's fees or other compensation, fees and disbursements of consultants and professionals, costs and expenses of refunding, accrued interest payable upon the initial investment of the proceeds of Bonds, premiums for the insurance of the payment of Bonds, fees, expenses and termination fees or costs incurred in connection with Swaps, fees and expenses payable in connection with any Additional Security or Reserve Asset, fees and expenses payable in connection with any remarketing agreements or interest rate indexing agreements and any other cost, charge or fee in connection with the original issuance of Bonds.

"**Costs of Issuance Account**" shall mean the account of the Proceeds Fund described in the General Indenture.

"**Counsel's Opinion**" shall mean an opinion signed by an attorney or firm of attorneys selected by the Board, the City or the Trustee respectively.

"**Debt Service Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Fund Requirement**" shall mean, as of any particular date of computation, the amount of money obtained by aggregating the several sums, computed with respect to the Bonds of each Series outstanding, of (i) any unpaid interest due on such Bonds at or before said date and an amount equal to the product realized by multiplying the next succeeding installment of interest on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding date to which interest has been paid or, if there be no such date, the date of issuance of such Bonds and the denominator of which is the number of months between the next preceding date to which interest has been paid or, if there has been no such date, the date of issuance of such Bonds and the next succeeding interest payment date and with regard to Variable Rate Bonds if at the time of any such calculation the rate of interest for such period is not known, at the rate for the Pro Forma Bond Issue, (ii) the principal amount of any such Bonds matured and unpaid at or before said date, (iii) with respect to any Principal Installment of any Bonds not included in (iv) above, but payable on the next succeeding Principal Installment payment date other than by reason of acceleration or redemption at the option of the Board or the Registered Owner of any Bonds, an amount equal to the product realized by multiplying the next succeeding Principal Installment due on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding Principal Installment payment date on which principal was paid or if there be no such date with respect to such Bonds, the date twelve months prior to the first Principal Installment payment date, or, if later, the date of issuance of such Bonds, unless some other date is provided for in the Applicable Supplemental Indenture, and the denominator of which is the number of months between the next preceding Principal Installment payment date on which principal was paid or, if there has been no such date, the later of the date twelve months prior to the first Principal Installment payment date or the date of issuance of the Bonds, and the next succeeding Principal Installment payment date and (iv) any unpaid sum due by the Board in regard to any Swap at or before such date and an amount equal to the product realized by multiplying the next succeeding payment payable by the Board with respect to such Swap by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Board with regard to such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Board was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Board will be scheduled to make or receive a payment regarding said Swap, LESS an amount equal to the product realized by multiplying the next succeeding payment due to be made by the Swap Party to the Board by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Swap Party or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Swap Party was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Swap Party will be scheduled to make or receive a payment regarding such Swap. Any Non-issuance Swap Term-out Payment shall be included in the calculation of Debt-Service Fund Requirement only to the extent provided within and in accordance with the provisions of the Swap with respect to which such Non-issuance Swap Term-out Payment is due. If any payment due pursuant to a Swap is a variable amount to be determined in accordance with any index or other method for the purposes of calculating such amount unless otherwise provided in the Supplemental Indenture or resolution authorizing such Swap, such payment, if unknown, shall be assumed to be equal in amount to the last such variable payment made pursuant to such Swap or due pursuant to such Swap or, if no such payment has yet been made or due, shall be assumed to be equal in amount to the payment that would have been required during the immediately preceding appropriate period of time.

"**Debt Service Reserve Fund**" or "**Reserve Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Reserve Fund Requirement**," "**Reserve Fund Requirement**" or "**Reserve Requirement**" shall mean, with respect to Reserve Bonds (there being no Reserve Fund Requirement for Bonds, Dual Bonds, Additional Bonds or Subordinated Bonds which have not been designated by the Board as Reserve Bonds), as of any particular date of computation, the amount specified in the Supplemental Indenture providing for any Series of Reserve Bonds; PROVIDED HOWEVER with respect to any Series of Tax-Exempt Reserve Bonds, the Debt Service Reserve Fund Requirement shall not exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve fund.

"**Defeasance Obligations**" shall mean:

A. Cash
B. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — "SLGS").
C. Direct obligations of the Treasury which have been stripped by the Treasury itself.
D. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
E. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by Standard & Poor's. If however, the issue is only rated by Standard & Poor's (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
F. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. General Services Administration
   Participation certificates

4. U.S. Maritime Administration
   Guaranteed Title XI financing

5. U.S. Department of Housing and Urban Development (HUD)
   Local Authority Bonds

"**Depository**" or "**Depository Banks**" means any bank or banks located in the City and designated as a City depository or City depositories under the Charter of the City and into which the monies of the treasury of the Board are deposited constituting Revenues of the Airport System.

"**Director of Finance**" or "**Director of Finance of the City**" means the single executive heading the Department of Finance pursuant to the Charter.

"**Discount Bonds**" shall have the meaning given such term in the General Indenture.

"**Event of Default**" shall mean any event specified in Section 701 of the General Indenture.

"**FAA**" shall mean the Federal Aviation Administration.

"**FAA Grant**" shall mean a grant in aid by the FAA to the Board for the benefit of the Airport.

"**Favorable Tax Opinion**" shall mean an opinion of Bond Counsel acceptable to the Board and the Trustee to the effect that any proposed action or inaction will not adversely affect the exclusion of the interest on any Tax-Exempt Bonds from gross income for federal income tax purposes.

"**Fiduciary**" shall mean any Trustee or any Paying Agent

"**Fiscal Year**" shall mean the period beginning on January 1 of any calendar year and ending on December 31 of such calendar year or such other period of twelve calendar months as may be authorized by the Board.

"**Fitch**" shall mean the credit rating agency known by such name which is a wholly owned subsidiary of Fimalac, S. A. and any credit rating agency which is a successor thereto.

"**Funded Debt Service Reserve Fund Requirement**" shall mean, as of any particular date of computation, an amount equal to the Debt Service Reserve Fund Requirement less the stated and unpaid amounts of all Reserve Asset relating to Bonds.

"**Funds and Accounts**" shall mean the funds and accounts created by the General Indenture or any Supplemental Indenture.

"**General Airport Revenues**" shall mean the Revenues derived from the operation of the Airport System not including the items which are initially excluded from such definition (as defined herein below) such excluded items being Passenger Facility Charge (PFC) revenues excluded by item (iii) of the exclusions from such definition, Customer Facility Charge (CFC) revenues excluded by item (v) of the exclusions from such definition, and Special Facility Revenues.

"**General Indenture**" shall mean the General Revenue Bond Trust Indenture by and among the Board, the City and the Trustee dated as of February 1, 2009 as supplemented and amended from time to time.

“**General Purposes Account**” shall mean that account of the Airport Operating Fund created pursuant to the General Indenture.

“**General Purposes Account Requirement**” shall mean as of any particular date of computation with respect to the Bonds an amount to be specified, if any, in the Commercial Airlines Leases, if any.

“**Grant Receipt Fund**” shall mean the fund described the General Indenture.

“**hereunder,**” “**hereby**,” “**hereof**,” and any similar terms refer to the General Indenture as a whole; the term “**heretofore**” shall mean before the effective date of the General Indenture; and the term "**hereafter**" shall mean after the effective date of the General Indenture.

“**Interest**” with respect to any Bond, shall mean the stated interest payment thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as interest pursuant to an Applicable Supplemental Indenture.

“**Interest Payment Date**” shall mean the dates for the payment on interest on any Bonds as provided in the applicable Supplemental Indenture.

“**Major Portion**” shall mean, for purposes of Section 603 (6) of the General Indenture, any Airport Facilities or portions thereof which, if the governance or ownership of such facilities had been voluntarily transferred, sold or disposed of by the City and/or the Board or taken by eminent domain proceedings at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition or taking would have resulted in a reduction in Net Revenues for such annual period of more than 50% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds, prior to voluntarily transferring the governance, selling or disposing of a Major Portion of any Airport Facilities or portions thereof and upon it becoming aware of any proposed or actual eminent domain proceedings.

“**Maximum Annual Debt Service**” shall mean as of any computation date the maximum Bond Debt Service Requirement payable in the current or any future Bond Year.

“**Maximum Rate**” shall have the meaning set forth in the General Indenture.

“**Mayor**” shall mean the Mayor or Chief Executive Officer of the City.

“**Moody’s**” shall mean Moody's Investors Service and any credit rating agency which is a successor thereto.

“**Net PFC Revenues**” shall mean all passenger facility charges collected from passengers for the use of the Airport pursuant to 14 Code of Federal Regulations Part 158 and approved by the FAA in the Approval and all Future Approvals after deducting all collection compensation due to the Carriers or other entities pursuant to Section 158.53 of 14 Code of Federal Regulations Part 158 including such amounts authorized in Future Approvals, including any interest earned thereon after receipt by the Board.

“**Net Revenues**” means all revenues from the use and operation of the Airport System as described in the definition of Revenues contained herein, after they have been deducted from the Operation and Maintenance Expenses of the Airport System.

“**NOAB Wire Account**” shall mean the account of the Board acknowledged and referred to in the General Indenture.

“**Non-Borrowed Capital Budget**” shall mean the amount of Revenues reflected in the budget of the Airport System for any Fiscal Year prepared in accordance with the provisions of Section 606 of the General Indenture to be used to pay Costs of Capital Improvements.

"**Non-issuance Swap Term-out Payment**" shall mean with respect to any particular Swap, the meaning set forth in such Swap.

"**Operation and Maintenance Expenses**" shall mean the current expenses of operation, maintenance, and current repair of the Airport System and other Aviation facilities or the Board, and shall include, without limiting the generality of the foregoing, insurance premiums, salaries and administrative expenses of the Board, labor, the cost of materials and supplies used for current operation, the cost of audits, Aviation Consultant, legal, engineering or architectural services required by the provisions of the General Indenture, fees and other amounts due pursuant to any Credit Facility or Liquidity Facility (other than as to Providers as Owners of Bonds), amounts payable pursuant to final judgments rendered against the Board by a court of proper jurisdiction and venue; and charges for the accumulation of appropriate reserves not annually recurrent but which are sure or may be incurred in accordance with sound accounting practice. There shall be included within the term Operation and Maintenance Expenses for the purpose hereof the amounts required to be paid into the Operation and Maintenance Reserve Fund and the Renewal and Replacement Reserve Fund Required pursuant to items (f) and (g) of Paragraph 2 of Section 505 of the General Indenture. "Operation and Maintenance Expenses" shall not include any allowance for depreciation, renewals or extensions or any charges for the accumulation of reserves for capital replacements, renewals or extensions.

"**Operation and Maintenance Reserve Fund**" means the fund described in Section 509 of the General Indenture.

"**Operation and Maintenance Reserve Fund Requirement**" shall mean, as of any particular date of computation with respect to the Bonds, an amount at least equal to 1/6th of the "Operation and Maintenance Expenses" reflected in the most current calculation of rates and charges as prepared by the Aviation Consultant.

"**Outstanding**," when used with reference to Bonds, shall mean as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered except any Bond cancelled by the Board or a Fiduciary at or before said date, any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the General Indenture and Bonds deemed to have been paid as provided in the General Indenture, Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Indenture or by law and when used with reference to a Swap, shall mean any Swap executed by the Board and a Swap Party which has not terminated.

"**Owner(s)**" shall mean Bondowners.

"**PFC**" shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to 14 C.F.R. § 158.

"**PFC General Indenture**" shall mean that certain PFC General Revenue Bond Trust Indenture among the Board, the City and J.P. Morgan Trust Company, N.A., as trustee, which has been succeeded in function by J.P. Morgan Mellon Trust Company, N.A., dated as of November 1, 2007.

"**Paying Agent**" or "**Paying Agent/Registrar**" shall mean the paying agent appointed in accordance with the General Indenture for any series of Bonds, and its successors which may at any time be substituted in its place pursuant to the General Indenture, any such Fiduciary to be appointed in a Supplemental Indenture.

"**Period of Construction**" shall have the meaning set forth in the General Indenture.

"**Permitted Investments**" shall mean any of the following securities to the extent permitted by applicable law:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TGRS) or obligations, the principal of and interest on, which are unconditionally guaranteed by the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of

the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. Federal Housing Administration Debentures (FHA)

e. General Services Administration
Participation certificates

f. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

g. U.S. Maritime Administration
Guaranteed Title XI financing

h. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

a. Federal Home Loan Bank System
Senior debt obligations

b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") Participation Certificates
Senior debt obligations

c. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

d. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of AAAm-G; AAAm; or AAm.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or FSLIC.

(7) Investment Agreements, including GIC's, acceptable to the applicable Credit Provider.

(8) Commercial paper rated, at the time of purchase, “Prime – 1” by Moody's and “A-1” or better by Standard & Poor's.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies.

(10) Federal funds or banker's acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime – 1” or “A3” or better by Moody's and “A-1” or “A” or better by Standard & Poor's.

(11) Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Board, the City, or a Fiduciary (buyer/lender) and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Board, the City, or a Fiduciary in exchange for the securities at a specified date. Repurchase Agreements must satisfy the following criteria or be approved by the appropriate Credit Provider.

a. <u>Any Repurchase Agreements must be between the Board, the City or a Fiduciary and a dealer bank or securities firm which are</u>:

(i) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or

(ii) Banks rated “A” or above by Standard & Poor's and Moody's.

b. <u>The written Repurchase Agreement contract must include the following</u>:

(i) <u>Securities which are acceptable for transfer are</u>:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(ii) <u>The term of the Repurchase Agreement may be up to 30 days</u>

(iii) The collateral must be delivered to the Board, the City or a Fiduciary, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) <u>Valuation of Collateral</u>

(1) <u>The securities must be valued weekly, marked-to-market</u> at current market price <u>plus</u> accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the Board, the City, or a Fiduciary to the dealer bank or security firm under the Repurchase Agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the Board, the City, or a Fiduciary:

(i) The Repurchase Agreement meets guidelines under state law for legal investment of public funds.

"**Principal Amount**" with respect to any Bond, shall mean the stated principal thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as principal pursuant to an Applicable Supplemental Indenture.

"**Principal Installment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, an amount of money equal to the aggregate of the principal amount of Outstanding Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds which would at or before said future date be retired by reason of the payment when due and application in accordance with this General Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds, plus the amount of any Sinking Fund Payment payable at or before said future date for the retirement of any Outstanding Bonds of said Series.

"**Proceeds Fund**" shall mean the fund so denominated described in the General Indenture.

"**Pro Forma Bond Issue**" shall have the meaning given such term in the General Indenture.

"**Pro Forma Rate Agent**" shall have the meaning set forth in the General Indenture.

"**Project**" shall mean the undertaking to be accomplished with the proceeds of any series of Bonds, including without limitation, the acquisition and construction of tangible or intangible items and the refinancing of any debt of the Board or debt of the City relating to the Board or the Airport System.

"**Project Account**" shall mean the account so denominated of the Proceeds Fund described in the General Indenture.

"**Provider(s)**" shall mean any entity providing any item of Additional Security.

"**Purchase Price**" shall mean the total sum due the owners of any Tender Bond tendered for purchase pursuant to the provision of the Applicable Supplemental Indenture.

"**Rates and Rentals**" shall mean, collectively, the rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System as such term is used in Section 604 of the General Indenture and throughout the General Indenture.

"**Rating Agency**" shall mean Fitch Ratings and Standard & Poor's and Moody's or any other nationally recognized credit rating agency which has issued and maintains a rating on any of the Bonds at the request of the Board.

"**Redemption Fund**" shall mean the fund described in the General indenture.

"**Redemption Price**" shall mean, with respect to any Bond, the principal amount thereof plus the premium, if any, payable upon redemption thereof.

"**Released Revenues**" shall mean Revenues in respect of which the Trustee has received the following:

(a) a request of an Authorized Officer describing those Revenues and requesting that those Revenues be excluded from the pledge and lien of the General Indenture on Revenues;

(b) an Aviation Consultant's certificate or report based upon reasonable assumptions, to the effect that Revenues, after the Revenues covered by the Authorized Officer's request are excluded for each of the five full Fiscal Years following the Fiscal Year in which such certificate or report is delivered, will be sufficient to enable the Board to satisfy the coverage covenant set forth in the General Indenture in each of those five Fiscal Years;

(c) a Bond Counsel's opinion to the effect that (i) the conditions set forth in the General Indenture to the release of those Revenues have been met and (ii) the exclusion of those Revenues from the pledge and lien of the Indenture will not, in and of itself, cause the interest on any outstanding Tax-exempt Bonds to be included in gross income from purposes of federal income taxation; and

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of those Revenues from the pledge and lien of this Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to any Bonds or Subordinated Bonds or other Secured Obligations or Subordinated Obligations.

Upon the Trustee's receipt of those documents, the Revenues described in the Authorized Officer's request shall be excluded from the pledge and lien of this Indenture, and the Trustee shall take all reasonable steps requested by the Authorized Officer to evidence or confirm the release of that pledge and lien on the Released Revenues.

"**Reserve Asset(s)**" shall mean an instrument providing for the payment of sums for the payment of principal and interest on any particular Series of Reserve Bonds and the scheduled payment obligations of the Board pursuant to a Swap (but not any Swap termination payments) in the manner provided under the General Indenture in one or more of the following forms:

(1) an irrevocable, unconditional, and unexpired surety bond or letter of credit issued or confirmed by a banking institution, the long term unsecured debt obligations of which are rated on the date of delivery of such instrument within the three highest rating categories generally available to banking institutions by one or more of Fitch Ratings, Moody's, or Standard & Poor's; or

(2) an irrevocable and unconditional policy or policies of insurance in full force and effect and issued by a municipal bond insurer, obligations insured by which are rated on the date of delivery of such policy, by reason of such insurance, within the three highest rating categories available to insurers generally issuing such insurance by one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company;

(3) The obligation to reimburse the issuer of a Reserve Asset credit instrument for any fees, expenses, claims or draws upon such Reserve Asset credit instrument shall be subordinate to the payment of debt service on the Reserve Bonds. The right of the issuer of a Reserve Asset credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Asset credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Asset credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Asset credit instrument and the amount then available for further draws or claims. If (i) the issuer of a Reserve Asset credit instrument becomes insolvent or (ii) the issuer of a Reserve Asset credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the third highest rating category one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company then the obligation to reimburse the issuer of the Reserve Asset credit instrument shall be subordinate to the cash replenishment of the Reserve Fund should the Board determine to replace such Reserve Asset with a cash Funded Reserve Requirement.

(4) If (i) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below the third highest rating category of one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company, the Board may at its sole option (a) elect to not replace the subject Reserve Asset and not replace it with a cash Funded Reserve Requirement (b) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Debt Service Reserve Fund Requirement on the applicable Series of Reserve Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (c) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of 1-2 above within six months of such occurrence.

(5) Where applicable, the amount available for draws or claims under the Reserve Asset credit instrument may be reduced by the amount of cash or Permitted Investments deposited in the Account of the Reserve Fund for the applicable Series of Reserve Bonds pursuant to the preceding subparagraph.

(6) If the Board chooses the above described alternatives to a cash-funded Reserve Fund for any particular Series of Reserve Bonds, any amounts owed by the Board to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of Debt Service Fund Requirement required to be made pursuant to the General Indenture for any purpose, e.g., rate covenant or additional bonds test.

(7) The Trustee shall ascertain the necessity for a claim or draw upon the Reserve Asset credit instrument and provide notice to the issuer of the Reserve Asset credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Asset credit instrument) prior to each interest payment date.

(8) Cash on deposit in the applicable account of the Reserve Fund for any particular Series of Reserve Bonds shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Asset credit instrument. If and to the extent that more than one Reserve Asset credit instrument is deposited in the applicable Account of the Reserve Fund for any particular Series of Reserve Bonds, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

"**Reserve Bond(s)**" shall mean any Bonds, Dual Bonds, Additional Bonds, or Subordinated Bonds for which a Reserve Fund Requirement is made applicable by the Series Resolution providing therefor.

"**Revenues**" and "**Revenues of the Airport System**" shall mean all revenues derived by the Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the "PFC" established by the Board for use by the Board (iv) any sums received by the Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; PROVIDED HOWEVER the Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued hereunder. The amount of any such pledged CFC, PFC or Released Revenues deposited into any one of the Airport Operating Accounts, the Debt Service Fund, or any account or sub-account created under the General Indenture or created by a Supplemental Indenture shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Board or the City on account of the operation of limousines and taxi-cabs to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Board including, without limitation, investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

"**Secured Obligations**" shall mean, collectively, any Bonds and Additional Bonds, and any Swap secured by a first lien pledge of the Revenues of the Airport System issued pursuant to the provisions of the General Indenture and shall be measured for the purposes of voting or counting consents (i) as to Bonds by Outstanding principal amount or (ii) as to Swaps by an amount equal to 30% of the Outstanding notional amount of each Swap.

"**Secured Obligees**" shall mean any Secured Obligation, including, without limitation, any Owner of Outstanding Bonds and any Swap Party pursuant to an Outstanding Swap.

"**Series**" when used with respect to less than all of the Bonds, shall mean such Bonds designated as a Series of Bonds pursuant to a Supplemental Indenture.

"**Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of any Series of Bonds, approving the form and authorizing the execution of the applicable Supplemental Indenture.

"**Significant Portion**" shall mean, for purposes of the General Indenture, any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the City and/or the Board at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition, would have resulted in a reduction in Net Revenues for such annual period of more than 4% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds prior to the selling or disposing of a Significant Portion of any Airport Facilities or portions thereof.

"**Signing Parties**" shall mean those parties designated to execute the Bonds by the Applicable Supplemental Indenture.

"**Sinking Fund Payment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, the amount of money required by any Supplemental Indenture to be paid by the Board on a single future date for the retirement of any Outstanding Bonds of said Series which mature on or after said future date, but does not include any amount payable by the Board by reason of the redemption of Bonds at the election of the Board.

"**Special Facility**" shall mean any existing or planned facility, structure, equipment, or other property, real or personal, which is or is to be located at the Airport or a part of any facility or structure located at the Airport and is designated as such by the Board as more fully provided in Section 801 of the General Indenture financed with Special Facility Bonds.

"**Special Facility Bonds**" shall have the meaning set forth in the General Indenture.

"**Special Facility Lease(s)**" shall mean a lease of a Special Facility or a portion of a Special Facility.

"**Special Facility Revenues**" shall mean the revenues earned or paid to the Board from or with respect to any Special Facility and designated as such by the Board.

"**Special Receipts Fund**" shall mean that fund described in the General Indenture.

Standard & Poor's" shall mean Standard & Poor's U. S. Finance Ratings and any credit rating agency which is a successor thereto.

"**State**" shall mean the State of Louisiana.

"**Subordinated Bonds**" shall mean any Bonds issued pursuant to the provisions of the General Indenture.

"**Subordinated Obligation(s)**" shall mean any obligation for the payment of money of the Board incurred or issued pursuant to the provisions of the General Indenture which are secured by a lien on the Revenues and the Trust Estate on a subordinated or inferior basis to the first lien pledge of such items to Secured Obligations.

"**Supplemental Indenture**" shall mean any supplemental or amending trust indentures supplementing or amending the General Indenture by and between the Board, the City, and any financial institution, as trustee, executed in connection with the issuance of any Series of Bonds issued as Initial Bonds or Additional Bonds authorized pursuant hereto, which provides the details for such Additional Bonds including the provisions regarding determining the Variable Rates, purchase and remarketing of Tender Bonds and providing Additional Security for such Additional Bonds pursuant to Section 209 of the General Indenture.

"**Swap**" or "**Swaps**" shall mean an interest rate swap agreement executed by the Board payable from and secured by the Trust Estate and the Revenues of the Airport System.

"**Swap Party**" or "**Swap Parties**" shall mean the entity which enters any Swap with the Board and any assignee thereof and, collectively, all such entities pursuant to all Outstanding Swaps.

"**Swap Revenues**" shall mean the sums of money due to be paid by the Swap Party to the Board pursuant to any Swap subject to any netting of payments provided by the applicable Swap.

"**Tax Certificate**" shall mean the Tax Certificate, concerning certain matters pertaining to the use of proceeds of a particular Series of Tax-Exempt Bonds executed and delivered by the Board and the Trustee on the date of issuance of a particular Series of Tax-Exempt Bonds, including any and all exhibits attached thereto.

"**Tax-Exempt Bonds**" means any series of Bonds which, when issued, are accompanied by an Opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes.

"**Tender Bonds**" shall have the meaning given such term in the General Indenture.

"**Trust Estate**" shall mean all items granted as security for and pledged to the payment of Outstanding Bonds issued pursuant to the General Indenture.

"**Trustee**" means any trustee appointed in accordance with Section 901 of the General Indenture and any successor or successors to any thereof.

"**Variable Rate Bonds**" shall have the meaning given such term in the General Indenture.

"**Vendor Payment Fund**" shall mean that fund described in the General Indenture.

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II. SEVENTH SUPPLEMENTAL INDENTURE

"**Accounts**" shall mean the accounts referred to or established pursuant to the Seventh Supplemental Indenture.

"**Act**" shall mean Part XIV of Chapter 4 of Subtitle II of Title 39 of the Revised Statutes of Louisiana of 1950, as amended, (La. R.S. 39:1034 (D) and (F), together with the constitutional and statutory authority supplemental thereto, including without limitation, Chapter 13 of Title 39 (La. R.S. 39:1421 through 1430, inclusive) and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended.

"**Authorized Board Representative**" shall mean the Chairman, or in his absence the Vice Chairman, the Director of Aviation or acting Director of Aviation, or in the absence thereof, any of the Deputy Directors of Aviation of the Aviation Board.

"**Authorized Denominations**" shall mean $5,000 or any integral multiple thereof.

"**Beneficial Owner**" shall have the meaning referred to in the Seventh Supplemental Indenture.

"**Bondowners**," "**Owners**," or "**Registered Owners**" shall mean the person in whose name any Series 2023 Bond is registered on the records maintained by the Trustee as paying agent registrar.

"**Bond Resolution**" shall mean the Resolutions adopted by the Aviation Board on November 17, 2022 and January 19, 2023, providing for the issuance of the Series 2023 Bonds.

"**Bonds**" shall mean any bonds secured by a first lien parity pledge of the Net Revenues pursuant to the General Indenture, including without limitation, the Outstanding Series 2015 Bonds, Series 2017 Bonds, Series 2019 Bonds, and the Series 2023 Bonds issued under the General Indenture.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Council**" shall mean the City Council of New Orleans, Louisiana.

"**Debt Service Reserve Fund Requirement**" or "**Reserve Fund Requirement**" for the Series 2023 Bonds shall mean the least of:

(A) the Maximum Annual Debt Service coming due in any Fiscal Year with respect to the Bonds;

(B) 125% of average annual Bond Debt Service Requirement on all Bonds Outstanding; or

(C) 10% of the principal amount of Bonds;

calculated as of the issuance date of the Series 2023 Bonds, $70,537,750.00 on December 30, 2019, and thereafter recalculated upon any refunding of less than all the then Outstanding Bonds. In such case, the Reserve Fund Requirement for the un-refunded Outstanding Bonds and the Series of Refunding Bonds which refunded a portion of the Bonds may be calculated on the basis of a single Reserve Fund Requirement for both the applicable Series of Refunding Bonds and the un-refunded Outstanding Bonds. However, in no event shall the Reserve Fund Requirement calculated or recalculated at the times required above exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve with respect to Tax-exempt Bonds.

"**Default Interest**" shall have the meaning set forth in the Seventh Supplemental Indenture.

"**DTC**" shall mean The Depositary Trust Company.

"**Event of Default**" shall mean any one of the Events of Default as described in the Second Supplemental Indenture.

"**GARB(s)**" shall mean the Series 2015 Bonds, the Series 2017 Bonds, the Series 2019 Bonds, and the Series 2023 Bonds issued and Outstanding pursuant to the General Indenture.

"**General Indenture**" shall mean the General Revenue Bond Trust Indenture among the Aviation Board, the City, and the Trustee dated as of February 1, 2009, as supplemented and amended by Supplemental Indentures, through the Seventh Supplemental Indenture.

"**Interest Payment Date**" shall mean each January 1 and July 1.

"**Mayor**" shall mean the Mayor or Chief Executive Officer of the City.

"**North Terminal Project**" shall mean the passenger terminal on the north side of the Airport, and other related enabling facilities such as aircraft parking aprons and taxiways, a 2,200-space parking garage, and associated roadway access and infrastructure, and related improvements associated with the passenger terminal on the north side of the Airport.

"**PFC**" shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to14 C.F.R. § 158.

"**PFC Indenture**" shall mean the General Revenue Bond Trust Indenture relating to passenger facility charges among the Issuer, the City, and the Trustee dated as of November 1, 2007 by and among Board, the City, and the PFC Trustee.

"**PFC Trustee**" shall mean The Bank of New York Trust Company, N. A. as trustee under the PFC Indenture and any successor trustee in interest thereunder.

"**Principal Office**" shall mean those offices set forth in Section 14.02 of the Seventh Supplemental Indenture.

"**Rating Agency**" shall mean the company or companies whose ratings of taxable and tax-exempt bonds are nationally recognized, and accepted as indicators of the investment qualities of such bonds and which has or have assigned a rating to the Bonds, initially Fitch Ratings, Moody's Investor Services and Standard and Poor's Public U.S. Public Finance Ratings.

"**Regular Record Date**" shall mean the fifteenth day of the month next preceding any Interest Payment date, whether such day is a Business Day or not.

"**Second Supplemental Indenture**" shall mean the Second Supplemental Trust Indenture dated as of March 1, 2015 executed by and among the Aviation Board, the City, and Trustee.

"**Series 2015 Bonds**" shall mean, collectively, the Series 2015A Bonds and the Series 2015B Bonds.

"**Series 2015A Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015A (Non-AMT).

"**Series 2015B Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015B (AMT).

"**Series 2017 Bonds**" shall mean the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, and the Series 2017D Bonds.

"**Series 2017A Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT).

"**Series 2017B Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT).

"**Series 2017C Bonds**" shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C (Taxable).

“**Series 2017D Bonds**” shall mean, together, the (i) Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) and the (ii) Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT).

“**Series 2019 Bonds**” shall mean the $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT).

“**Series 2023 Bonds**” shall mean the Series 2023A Bonds and the Series 2023B Bonds.

“**Series 2023A Bonds**” shall mean the $4,245,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023A (Non-AMT).

“**Series 2023B Bonds**” shall mean the $18,365,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023B (AMT).

“**Special Record Date**” shall mean the date selected for payment of overdue interest in accordance with the provisions of the Seventh Supplemental Indenture.

“**Trustee**” shall mean The Bank of New York Mellon Trust Company NA., and its successors and assigns.

“**Trust Estate**” shall have the meaning set forth in the General Indenture.

“**Underwriter**” shall mean the syndicate of underwriters for the purchase of the Bonds consisting of BofA Securities, Inc., Citigroup Global Markets Inc., and Samuel A. Ramirez & Co., Inc or a syndicate of other underwriters as revised by the Chairman of the Aviation Board and Director of Aviation.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE AND THE SEVENTH SUPPLEMENTAL INDENTURE

I. GENERAL INDENTURE

Authorization of Bonds

One or more issues of Bonds may be issued for the benefit of the City to be designated as "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds issued pursuant to the General Indenture "New Orleans Aviation Board Refunding Bonds," which Bonds may be issued from time to time, without limitation as to amount except as provided in the General Indenture or as limited by law. The Bonds may, if and when authorized by the Board pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds "New Orleans Aviation Board Refunding Bonds" may include such further appropriate designations added to or incorporated in such title for the Bonds of any particular Series as the Board may determine.

Conditions Precedent to the Delivery of Additional Bonds Other Than Refunding Bonds

One or more Series of additional Bonds other than Refunding Bonds (the "**Additional Bonds**") may be issued in accordance with the General Indenture for the purpose of paying all or a portion of the Cost of any Capital Improvement, the making of deposits in the Debt Service Fund, the Debt Service Reserve Fund, and, if any, the insurance reserve account established pursuant to the General Indenture, the payment of Cost of Issuance, the payment of the principal of and interest and premium, if any, on notes issued in anticipation of such Bonds in accordance with the General Indenture, the refunding of any Outstanding Bonds, payment of any termination fees relating to any interest rate swap agreements of the Board any combination of the foregoing and any other purpose not expressly prohibited by applicable law.

A Series of Additional Bonds shall be executed by the Signing Parties and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that it has received:

(i) A Certificate of an Authorized Officer of the Board stating that the General Indenture is still effective and identifying every Supplemental Indenture relating thereto;

(ii) The documents, monies and opinions required by the General Indenture;

(iii) The requirements of either sub-part (a) or (b) of this item (iii) are met:

(a) the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation consultant) and projecting that the estimated Net Revenues for each year of the applicable forecast shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued. The term "Period of Construction" shall mean with respect to any income producing capital asset the period of time beginning with the initiation of study and design and of construction or acquisition, or beginning with the issuance of a Series of the Bonds for the financing of the cost of such construction or acquisition of any improvement or additions or extensions or betterment of the Airport System, whichever is earlier, and ending on the date of substantial completion of such improvements, additions, extensions or betterments as determined by the Aviation Consultant.

All calculations of Debt Service Fund Requirement for Variable Rate Bonds shall be based upon the applicable Pro Forma Bond Issue. (k the case of Bonds which are not secured by the revenues until a "Crossover Date," the certificate shall be for as appropriate (a) any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding or (1) three (3) consecutive calendar years following the Crossover Date and shall be made for the current and any future Fiscal Year on the basis of estimates of Net Revenues for such years of the Aviation Consultant). In making the calculations required by this subpart (2)(iii), if the Board has adopted, implemented and imposed higher rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System prior to the date of the issuance of a series of Additional Bonds, the calculation of Net Revenues may be made assuming such rats had been in effect during such period. Further, if the Board has adopted resolutions providing or the Commercial Airline Lease requires the Board to provide Rollover Coverage for any Fiscal Year included within any period of calculation the amount of such Rollover Coverage or an appropriate portion thereof in the case of a calculation period of 12 consecutive months not all included within one Fiscal Year may be included in such calculation.

The requirements of this sub-part (2)(iii) are not applicable to Subordinated Bonds and other Subordinated Obligation(s).

(iv) A certificate of an Authorized Officer of the Board stating that, as of the delivery of such Additional Bonds, no Event of Default, as described in the General Indenture, will have happened and will then be continuing;

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount, 10% of the total costs of the Capital Improvement(s) for which they are issued to complete and shall be executed by the Signing Parties and delivered by the Board to the Trustee/Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that all requirements of applicable State law have been satisfied and that it was received:

(i) the documents, moneys, showings, consents, approvals, certificates and opinions required by the Indenture;

(ii) the documents and moneys, if any, required by the applicable Supplemental Indenture authorizing such Completion Bonds;

(iii) a certificate of an Authorized Officer of the Board stating that, as of the delivery of such Completion Bonds, no Event of Default will have happened and will then be continuing; and

(iv) a certificate of an Authorized Officer of the Board stating (i) which previous Series of Bonds were issued to provide the amounts to acquire or construct the Capital Improvement(s) to which the proceeds of the Completion Bonds will be applied, (ii) identifying such Capital Improvement(s), and (iii) stating that the amounts available to be applied to such Capital Improvement(s) from the proceeds of the Completion Bonds will be sufficient to complete such Capital Improvement(s) and directing the Trustee to deposit such proceeds in the appropriate Project Account of the appropriate Proceeds Fund.

Additional Security

(1) In connection with the initial issuance or subsequent to the issuance of any Series of Bonds and subject to the restrictions contained in the General Indenture, the Board may obtain or cause to be obtained letters of credit, lines of credit, insurance, standby bond purchase agreements, interest rate swap and cap agreements, Reserve Assets or similar obligations or instruments ("**Additional Security**") providing for payment of all or a portion of the principal, premium, or interest due or to become due on one or more specific Series of Bonds, providing for the purchase of such Bonds or a portion thereof by the issuer of any such Additional Security or providing for exchanging, capping, modifying debt service payments incurred in connection with one or more specific Series of Bonds. The issuer of Additional Security or the guarantor of the obligations of the issuer of such Additional Security must be (at the time of such issuance) an entity, the unsecured long term debt obligations of which is rated in one of the three highest long term rating categories by at least one of the entities constituting the Rating Agency or the obligations insured or guaranteed by which are rated in such categories by reason of such insurance or guarantee except that the Swap Party or the guarantor of the obligations of the Swap Party to any Swap shall be at the time of execution of any such Swap an entity the unsecured short term debt of which is rated at least MIG-3 by Moody's or SP-2 by Standard & Poor's and the unsecured long term debt of which is rated at least A by Moody's and A by Standard & Poor's provided however, if any Bonds or obligations of the Board pursuant to any Swap are guaranteed by a Credit Provider, any Swap Party approved in writing by all affected Credit Providers shall be permitted. In connection therewith, the Board may enter into agreements with the issuer of such Additional Security providing for, inter alia:

(i) the payment of fees and expenses to such issuer for the issuance of such Additional Security;

(ii) the terms and conditions of such Additional Security and the Series of Bonds affected thereby; and

(iii) the security, if any, to be provided for the issuance of such Additional Security.

The Board may secure such Additional Security by an agreement providing for the purchase of a particular Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Board in the Applicable Series Resolution and/or the Applicable Supplemental Indenture. The Board may also in an agreement with the Provider of such Additional Security agree to directly reimburse (a "**Reimbursement Obligation**") such Provider for amounts paid under the terms of such Additional Security, including fees and expenses together with interest thereon, which payments shall be subordinate, except for (i) regularly scheduled payments due by the Board pursuant to a Swap, and (ii) payments due to a Provider as a result of its subrogation to rights of an Owner to any other amounts required to be paid under the General Indenture with respect to principal, premium, if any, and interest on the Bonds. As long as no amounts shall be paid under such Additional Security and such Reimbursement Obligation shall remain contingent, such Reimbursement Obligation shall not be taken in account hereof under the provisions of the General Indenture. Upon the payment of amounts under the Additional Security which results in the Reimbursement Obligations becoming due and payable, such Reimbursement Obligation shall be deemed a Bond Outstanding hereunder for the purposes of the General Indenture. With respect to a Swap, the Board may agree to pay to the Swap Party any and all amounts that may be payable by the Board under the Swap.

(2) Any such Additional Security shall be solely for the benefit of and secure the specific Series of Bonds or portion thereof as specified in the Applicable Supplemental Indenture.

Transfer of Bonds

(1) Except for such Bonds as may be issued in bearer form with coupons as provided in the General Indenture, each Bond shall be transferable only upon the register for the Series of which such Bond is a part by the Registered Owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his duly authorized attorney. Upon the transfer of any such Bond the Board shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

(2) The Board and each Fiduciary may deem and treat the person in whose name any Outstanding Bond shall be registered upon the register for Bonds of such Series as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary. The Board agrees to indemnify and save each Fiduciary harmless from and against any and all loss, expense, judgment of liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Registered Owner.

Regulations with Respect to Exchanges and Transfers

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Signing Parties shall execute and the Paying Agent for such Series of Bonds shall authenticate and deliver Bonds in accordance with the provisions of this General Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Paying Agent. For every such exchange or transfer of Bonds, whether temporary or definitive, the Board or the Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Board shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an interest or principal payment date of the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series of Bonds of any Series selected, called or being called for redemption in whole or in part except transfers to any Provider.

The Pledges Effected by the Indenture

There are pledged for the payment of the principal and Redemption Price of and interest on the Bonds, and the sums due and payable by the Board in connection with any Swaps, subject to the payment of all necessary Operation and Maintenance Expenses of the Airport System, subject to the provisions of the General Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein in this Section, and on a basis subordinate to the Bondowners and any Swap party in favor of the entity to whom any Reimbursement Obligation is due as set forth in the General Indenture (i) subject to the General Indenture, the proceeds of sale of such Bonds, to the extent set forth in the Applicable Supplemental Indenture, (ii) the Net Revenues remaining after payment from the Revenues of all Operation and Maintenance Expenses of the Airport System (including when authorized by the Applicable Supplemental Indenture PFC Revenues), (iii) the Swap Revenues, (iv) all monies, securities and Reserve Asset(s) in all funds and accounts established by or pursuant to the General Indenture, except the Arbitrage Rebate Fund, Capital Improvement Fund Grants Receipt Fund, Operational and Maintenance Reserve Fund, Special Receipts Fund, Vendor Payment Fund and the Improvement Account, General Purpose Account and Rollover Coverage Account of the Airport Operating Fund and NOAB Wire Account, which shall not constitute security for the Bonds, and (v) other money, property or rights added to this pledge by any Supplemental Indenture. Neither the City nor the State shall be obligated to pay the Bonds or any other sums due under the General Indenture and neither the faith and credit nor the taxing power of the City, the State or any other entity is pledged to such payment.

Establishment of Funds and Accounts

(1) On or prior to the date of delivery of Bonds, the following funds and accounts shall be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By	Pledged to Bonds
1. Proceeds Funds		
a) Costs of Issuance Account	The Trustee	Yes
b) Project Account	The Trustee	Yes
2. Airport Operating Fund		
a) Airport Operating Account	The City	Yes
b) Improvement Account	The City	No
c) General Purposes Account	The City	No
d) Rollover Coverage Account	The City	No
3. Debt Service Fund	The Trustee	Yes
4. Redemption Fund	The Trustee	Yes
5. Debt Service Fund	The Trustee	Yes
6. Operation and Maintenance Reserve Fund	The Trustee	No
7. Arbitrage Rebate Fund	The Trustee	No
8. NOAB Wire Account	The Trustee	No
9. Grants Receipt Fund	The Trustee	No
10. Capital Improvement Fund	The Trustee	No
11. Special Receipts Fund	The Trustee	No
12. Vendor Payment Fund	The Trustee	No

There shall also be established such other funds and accounts within the aforementioned funds and such additional funds and such additional funds and accounts which are necessary or desirable under any Applicable Supplemental Indenture for a specific Series of Bonds, Subordinated Bonds, Swaps or other obligations which are additionally secured by a pledge of a CFC or a PFC, Commercial Paper, Variable Rate Bonds or Tender Bonds.

(2) On or prior to the date of issuance of any Dual Bonds the following funds and accounts may be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By
1. Dual Bonds Proceeds Fund	The Trustee
a) Costs of Issuance Account	
b) Project Account	
2. Transfer Fund	The Trustee
3. Dual Bonds Debt Service Fund	The Trustee
4. Dual Bonds Redemption Fund	The Trustee
5. Dual Bonds Debt Service Reserve Fund	The Trustee
6. Dual Bonds Arbitrage Rebate Fund	The Trustee

There shall also be established within the aforementioned Dual Bonds Funds and Accounts such additional funds and accounts as are necessary or desirable under any Applicable Supplemental Indenture for a specific series of Dual Bonds.

(3) Use of Transfer Fund. The Trustee shall establish a Transfers Fund to be used with respect to Dual Bonds together with such appropriately designated other sub-accounts as may be desirable under the circumstances and as provided by a Supplemental Indenture providing for Dual Bonds. The Transfers of Net PFC Revenues to be used to pay and secure Dual Bonds received by the Trustee shall be credited to the Transfers Fund and applied, credited or deposited into the other Funds and Accounts for Dual Bonds as provided in the applicable Series Resolution relating to any Series of Dual Bonds. If the amount of the Transfers for any relevant period received by the Trustee is insufficient to meet the requirements of paragraph (b) below the Trustee shall immediately take the actions required pursuant to the applicable 1 Series Resolution and use its best efforts to obtain additional Transfers in the required amount.

(4) Use of Dual Bonds Funds and Accounts. The Dual Bonds Funds and Accounts shall be used for the same purposes as the Funds and Accounts of the same name (except for the words "Dual Bonds") as provided in the below sections.

Proceeds Fund

(1) The Trustee shall establish a Proceeds Fund for which each Series of Bonds into which such amounts shall be deposited as required by the Applicable Supplemental Indenture to pay Costs of Issuance and Costs of the Projects financed with each Series of Bonds. Unless otherwise provided in the Applicable Supplemental Indenture, there shall be established within the Proceeds Fund the following separate accounts for each Series of Bonds:

(a) A Costs of Issuance account into which shall be credited the amount, if any, provided in the Applicable Supplemental Indenture to pay Costs of Issuance of such Series. Such amount shall be disbursed in such manner as shall be determined by the Board and/or provided in the Applicable Supplemental Indenture.

(b) A Project Account into which shall be credited (i) the portion of the proceeds of any Series of Bonds to be applied to the Costs of the Project financed by such Series that portion, if any, of the balance then remaining of the proceeds of any notes (or renewals thereof) issued in anticipation of the Bonds of such Series which were issued to pay the Cost of any Project financed in whole or in part by such Bonds, (ii) the proceeds of insurance on any such Project received by the Board during the period of its construction pursuant to Section 605(1) of the General Indenture, (iii) earnings on investments in the Costs of Issuance Account and the Project Account, provided however that the Supplemental Indenture applicable to any series of Bonds may provide that the earnings on investments in the accounts for such Series of Bonds shall be credited monthly to the Airport Operating Account, and (iv) any other amounts (not required by this General Indenture to be otherwise deposited), as determined by the Board.

(2) Amounts in the Cost of Issuance Account for a particular Series of Bonds shall be applied to the Cost of Issuance of the Series of Bonds for which such Account was established and to the Cost of the Projects financed in whole or in part by such Series. Such amounts shall be disbursed in such manner as determined by the Board. Upon completion of such Projects, the Board shall file with the Trustee a certificate of an Authorized Officer, setting forth the final Cost of such Projects and stating that such Projects have been completed to the satisfaction of the Board and that all amounts withdrawn from the applicable Project Account for such Projects have been applied to the Cost of such Projects. Such certificate shall further set forth the balance, if any, remaining in the applicable Project Account not required for the payment of Costs of Issuance or for the payment of Cost of such Projects. Any such balance shall be applied at the request of the Board (i) to the Cost of Capital Improvements, including Projects, by deposit of such amount in another and separate Project Account, or (ii) to the redemption of the Bonds of the Series for which such Project Account was established by deposit of such amount in the applicable account in the Redemption Fund.

(3) Upon the determination by the Board that a Project undertaken or to be undertaken has been or should be delayed and that no further amounts or significantly reduced amounts should be expended with respect thereto from the applicable Project Account, the Board may, by resolution duly adopted by the Board, direct the Trustee to transfer all or a specified amount of the sums then on deposit in (i) the applicable Project Account to the Capitalized Interest Account as provided in the General Indenture (ii) another and separate Project Account or (iii) the

applicable account in the Redemption Fund for application to the redemption of Bonds of the Series for which such Project Account was established.

Application of Revenues

(1) All Revenues shall be collected by the Board and deposited into the Airport Operating Fund (except as provided in the General Indenture and shall be credited to the accounts of said fund, used and expended at the times and for the purposes as set forth in the General Indenture, and in the order of priority set forth in sub-parts (a) through (h) of Section 505(2) of the General Indenture.

(2) Net PFC Revenues shall be collected by the Board as provided in its PFC General Indenture as long as there is a separate PFC General Indenture, and with respect to Dual Bonds shall be transferred to the Trustee for deposit into the Transfer Fund as provided in any Supplemental Indenture providing for Dual Bonds. If at any time there is no need for a PFC General Indenture or the General Indenture is consolidated with the PFC General Indenture, all Net PFC Revenues shall be collected by the Board and deposited daily into a PFC Receipts Fund to be held by the Trustee, then transferred to the Transfer Fund and applied as provided in the amendments made to the General Indenture to accommodate the lack of need of a PFC General Indenture, any consolidation and the requirements of any Supplemental Indenture providing for Dual Bonds.

Airport Operating Fund

(1) All Revenues shall be deposited by the Board daily as received into the Airport Operating Fund (except investment earnings, and the items specified in paragraph (2) below which shall be applied as specified in the General Indenture) which shall consist of the following accounts to be used for the following purposes:

(a) the Airport Operating Account into which all Revenues deposited into the Airport Operating Fund shall be credited, from which all Operation and Maintenance Expenses of the Airport System shall be debited and from which the other transfers provided for in paragraph 2 herein below shall be made;

(b) the Improvement Account into which there shall be credited from the Airport Operating Account such amounts, if any, as shall be required to be deposited therein by the Commercial Airline Leases with terms commencing subsequent to December 31, 2008 or such amount, if any, determined by the Airport Consultant within the Non-Borrowed Capital Budget, if so prepared, of the annual budget provided for in the General Indenture, which sums may be used to pay the costs of improvements to the Airport System;

(c) a General Purposes Account into which there shall be credited the amounts in the order of priority set forth in paragraph (2)(h) below. The sums credited to the General Purposes Account may be held and applied by the Board to any lawful purpose or use of the Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds, and the payment of the Cost of any Capital Improvement. All earnings on the investment of sums credited to the General Purposes Account shall be credited as soon as practicable to the Airport Operating Account; and

(d) a Rollover Coverage Account into which shall be transferred the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. To the extent required by the Commercial Airline Leases the sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

(2) All Revenues except Special Facility Revenues, (i) except Net PFC Revenues which shall be credited to the PFC Receipts Fund, (ii) CFC proceeds, (iii) Released Revenues, (iv) proceeds of insurance and condemnation to the extent provided in the General Indenture, (v) proceeds of any sale or other disposition of any part

of the Airport System to the extent provided in the General Indenture, and (vi) Swap Revenues, (which shall be applied in the Debt Service Fund) shall be collected by or for the account of the Board and deposited daily, as far as practicable, in the Airport Operating Fund and be credited to the Airport Operating Account. The foregoing sentence notwithstanding, PROVIDED HOWEVER (i) CFC, PFC, or Released Revenues which constitute Revenues because it is pledged as an item of security for a series of Bonds, Subordinated Bonds, Swaps or any other obligation may be deposited to the Airport Operating Account, the Debt Service Fund, any account or sub-account created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Bonds, Subordinated Bonds, Swap or other obligation and (ii) any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. There shall be credited to the Transfer Fund or if so provided in an the applicable Supplemental Indenture providing for Dual Bonds to a sub-account for a Series of Dual Bonds in the Airport Operating Account, the Debt Service Fund, any account or sub-accounted created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Dual Bonds. There shall also be deposited in the Airport Operating Fund any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, beginning with the month following the month in which any of the Initial Bonds are delivered, the Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied to the following purposes and in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) To the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) To the payment of all Operation and Maintenance Expenses;

(c) To the Debt Service Fund an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) To the Debt Service Reserve Fund an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset instrument, sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset instruments so as to reinstate the amounts available thereunder and second to replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) To the Improvement Account such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

(f) To the Operation and Maintenance Reserve Fund an amount equal to one-twelfth (1/12th) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom an amount equal to 1/36th of the amount which together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36th month following such withdrawal;

(g) Any balance remaining in the Airport Operating Account following the above and foregoing payments or credits and the payment of all obligations due any Provider under a Credit Facility, Liquidity Facility or a Reserve Asset instrument including interest and fees shall be credited in the General Purpose Account, until there has been credited therein such amount as shall be specified in the Commercial Airlines Leases with terms commencing subsequent to December 31, 2008, if any, (such amount being hereinafter referred to as the “General Purposes Account Requirement”). The sums credited to the General Purposes Account may be applied by the Board to any lawful use or purpose of the Board including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds and the payment of the cost of any Capital Improvement.

(h) After an amount equal to the General Purposes Account Requirement, if any, as provided in the Commercial Airline Leases, if any, has been credited during such Fiscal Year in the General Purposes Account, (but not necessarily accumulated therein) any balance remaining in the Airport Operating Account following the above and foregoing transfers shall be credited to the Rollover Coverage Account if required by the Commercial Airline Leases and if the Commercial Airlines Leases do not provide for credit to the Rollover Coverage Account, such sums shall be credited to the General Purpose Account.

Debt Service Fund

(1) There shall be paid into the Debt Service Fund (i) the amounts on the dates provided for in the General Indenture such amounts derived from any CFC or PFC pledged to the payment of a particular series of Bonds, Subordinated Bonds, Swap or other obligation if so specified by the Applicable Supplemental Indenture and (ii) the Swap Revenues, when received.

(2) There shall be paid out of the Debt Service Fund to the respective Paying Agents for any Bonds or any Swap Party pari passu without priority of one such payment over any other such payment on or before each interest payment date of any Bonds the amount required for the interest and Principal Installments payable on such date (as more specifically provided in the Applicable Supplemental Indenture or Swap), on the date payments are due by the Board pursuant to any Swap, if any such payment is then due, the sum due by the Board to the Swap Party, on the dates Reimbursement Obligations are due which reimburse the Provider of any Additional Security for the payment of interest or principal on any Bonds or any payment due by the Board on a Swap, the sum due such Provider of such Additional Security and on or before each redemption date for the Bonds, other than a redemption date on account of Sinking Fund Payments, the amount required for the payment of interest on the Bonds then to be redeemed; provided that in each case the Board may direct the making of such payments to the Paying Agents on such date prior to the due date as the Board determines to the extent amounts are available therefore in such fund. The Paying Agents shall apply such amounts to the payment of interest and principal on and after the due dates thereof. If on any interest payment date of the Bonds the amount accumulated in the Debt Service Fund for any of the purposes specified above exceeds the amount required therefore, the Board may direct the Trustee to deposit such excess in the Redemption Fund or, in its discretion, in the Airport Operating Account. There shall also be paid out of the Debt Service Fund accrued interest included in the purchase price of Bonds purchased for retirement under any provision of the General Indenture.

(3) Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Payment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Payment was established) may, and if so directed by the Board shall, be applied prior to the 30th day preceding the due date of such Sinking Fund Payment to the purchase of Bonds of the Series and maturity for which such Sinking Fund Payment was established, at prices not exceeding the applicable sinking fund Redemption Price plus interest on such Bonds to the first date on which such Bonds could be redeemed (or in the case of a Sinking Fund Payment due on the maturity date, the principal amount thereof plus interest to such date), such purchases to be made in such manner as the Trustee shall determine, or the redemption, pursuant to the General Indenture, of such Bonds then redeemable by their terms. The applicable Redemption Price or principal amount (in the case of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Payment date for the purpose of calculating the amount of such fund. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Payment, the Trustee shall proceed (by giving notice as provided in the General Indenture) to call for redemption on such due date Bonds of the Series and maturity for which such Sinking Fund Payment was established (except in the case of Bonds maturing on a Sinking Fund Payment date) in such amount as shall be necessary to complete the retirement of the principal amount of the Bonds of such Series and maturity as specified for such Sinking Fund Payment in the Applicable Supplemental Indenture, and whether or not the balance in the Debt Service Fund is sufficient to pay all such Bonds. There shall be paid out of the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date or maturity date, the amount required for the redemption of the Bonds so called for redemption or for the payment of such Bonds then maturing, and such amount shall be applied by such Paying Agents to such redemption or payment.

(4) In satisfaction, in whole or in part, of any amount required to be paid into the Debt Service Fund pursuant to the General Indenture which is attributable to a Sinking Fund Payment, there may be delivered on behalf of the Board to the Trustee, Bonds of the Series and maturity entitled to such payment. All Bonds so delivered to the

Trustee in satisfaction of a Sinking Fund Payment shall reduce the amount thereof by the amount of the aggregate of the sinking fund Redemption Prices of such Bonds.

(5) Notwithstanding anything to the contrary contained in the General Indenture, the Trustee shall not purchase or accept Bonds in lieu of any Sinking Fund Payment during the period of 30 days prior to the due date of any Sinking Fund Payment.

(6) The Board may establish in any Applicable Supplemental Indenture a separate account (called "**Capitalized Interest Account**") within the Debt Service Fund and may deposit or transfer to the Trustee to deposit in the Capitalized Interest Account any proceeds of Bonds as directed by such Supplemental Indenture and any other monies not otherwise directed to be applied by this General Indenture. Amounts in the Capitalized Interest Account shall be applied to the payment of interest on the Bonds and as otherwise provided in the Applicable Supplemental Indenture.

(7) The Board may establish in any Applicable Supplemental Indenture which pledges a CFC or a PFC as additional security for a series of Bonds, Subordinated Bonds, Swap or other obligation separate accounts or sub-accounts within the Debt Service Fund for such series of Bonds, Subordinated Bonds, Swap or other obligation to be used to hold and apply to the payment of any thereof and transfer therefrom any amounts derived from a CFC or PFC which are in excess of the Debt Service Fund Requirement for such series of Bonds, Subordinated Bonds, Swap or other obligation as directed by the Applicable Supplemental Indenture.

(8) All earnings on the investment of sums held within the Debt Service Fund shall be transferred as soon as practicable to the Airport Operating Fund and credited to the Airport Operating Account.

Redemption Fund

(1) The Board may deposit in the Redemption Fund any monies, including Revenues, not otherwise required by the General Indenture to be deposited or applied. There shall be established in the Redemption Fund a separate account (herein called "**Redemption Account**") with respect to each Series of Bonds.

(2) If at any time the amount on deposit and available therefore in the Debt Service Fund is insufficient to pay the principal and Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Redemption Fund and deposit in the Debt Service Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall have been given). Subject to the foregoing, amounts in each account in the Redemption Fund may be applied to the redemption of related Bonds in accordance with the General Indenture and the Applicable Supplemental Indenture or, in lieu thereof, to the purchase of related Bonds at prices not exceeding the applicable Redemption Prices (plus accrued interest) had such Bonds been redeemed (or, if not then subject to redemption, at the applicable Redemption Prices when next subject to redemption), such purchases to be made by the Trustee at such times and in such manner as directed by the Board.

(3) All earnings on the investment of sums held within the Redemption Fund shall be transferred as soon as practicable to the Airport Operating Account.

Debt Service Reserve Fund

(1) The Board and the Trustee shall at all times maintain the Debt Service Reserve Fund Requirement in the Debt Service Reserve Fund.

(2) If at any time the amounts on deposit and available therefore in the Debt Service Fund and the Redemption Fund are insufficient to pay the principal and Redemption Price of and interest on the Bonds then due or to make other payments required to be made from the Debt Service Fund there shall be withdrawn from the Debt Service Reserve Fund and deposited in the Debt Service Fund the amount necessary to meet the deficiency. Amounts so withdrawn shall be derived as set forth in the Applicable Supplemental Indenture with respect to the Bonds for which such withdrawal is to be made; provided however, (i) in the event a portion of the Debt Service Reserve Requirement is at the time of such withdrawal satisfied by a Reserve Asset instrument, draws shall only be made upon any Reserve Asset instrument after all other sums have been depleted from the Debt Service Reserve Fund, (ii) only

amounts due as regularly scheduled payment obligations of the Board pursuant to any Swap may be paid with the proceeds of draws upon a Reserve Asset instrument unless otherwise directed by the Reserve Asset Provider, and (iii) in the event more than one Reserve Asset is contained within the Debt Service Reserve Fund and a draw is required, such draw shall be made pro-rata upon each Reserve Asset instrument then in effect.

(3) If on the last Business Day of any month, the amount on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Fund Requirement (calculated as of the first day of the next succeeding month) such excess shall be withdrawn and deposited in the Airport Operating Fund to the credit of the Airport Operating Account.

(4) Whenever the Board shall determine that the cash and Permitted Investments on deposit in the Debt Service Reserve Fund together with all other funds available for the purpose of redeeming Bonds is equal to or in excess of the Redemption Price of all Bonds Outstanding and the Bonds are then subject to optional redemption, the Trustee, at the direction of the Board shall transfer the balance of such cash and Permitted Investments from the Debt Service Reserve Fund to the Redemption Fund in connection with the redemption of all Bonds Outstanding.

(5) Earnings on the investment of sums held in the Debt Service Reserve Fund shall remain therein unless the Supplemental Indenture applicable to any particular series of Bonds provides that such earnings shall be transferred to the Airport Operating Account.

Operation and Maintenance Reserve Fund

An Operation and Maintenance Reserve Fund shall be credited the Operation and Maintenance Reserve Fund Requirement and shall be therein at all times be maintained the amount required by the General Indenture. Amounts from time to time 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 Operating Account; second, to purchase land for runway clear zones for which no bond proceeds are available; and third, to the extent any amounts are remaining to be transferred to the Debt Service Fund, the Debt Service Reserve Fund or any similar fund created to provide for the payment, or reserves for payment of the Bonds to the extent of any deficiency therein. All earnings on the investment of sums held within the Operation and Maintenance Reserve Fund shall be transferred as soon as practicable to the Airport Operating Account.

Vendor Payment Fund

In order to facilitate payment of (i) Costs of any Capital Improvement or expense relating to the Airport System and (ii) payment of invoices relating to Ineligible Costs or non-PFC Projects (as such terms are defined in the PFC General Indenture) relating to an Approved Project (as such term is defined in the PFC General Indenture) with a single check, the Trustee shall create a Vendor Payment Fund into which the Trustee shall credit amounts derived from any source including Funds and Accounts created by the General Indenture and any Supplemental Indenture, the Funds and Accounts created by the PFC General Indenture and any supplemental indenture issued pursuant thereto, and grants. All amounts in payment of vendors with respect to Costs of any Capital Improvement or expense to be derived from (i) the Special Receipts Fund shall be paid with checks drawn upon the Vendor Payment Fund and (ii) derived from other sources including the Funds and Accounts created by the General Indenture may be paid with checks drawn upon the Vendor Payment Fund.

Arbitrage Rebate Fund

In order to maintain the tax-exempt status of the tax exempt Bonds, there is authorized and ordered established with respect to each series of tax-exempt Bonds an “Arbitrage Rebate Account” within the “Arbitrage Rate Fund.” This Fund shall be maintained by the Trustee and used to receive any amounts payable by the Board to the U.S. Treasury pursuant to Section 148(f) of the Code and invested and applied as described in the Applicable Supplemental Indenture relating thereto. The amounts on deposit in this Fund shall be payable to the United States Treasury in such amounts and at such times as provided in the said Supplemental Indenture but in no event later than required by Section 148(0 of the Code and the regulations promulgated thereunder. The Board further covenants that it will comply with any Treasury Regulations applicable to Section 148(f) of the Code including any calculations of rebate amounts required under said Treasury Regulations. It is hereby recognized and understood that monies deposited in the Arbitrage Rebate Fund and any earnings thereon do not constitute Revenues of the Board and such amounts are not and never shall be pledged to the payment of or be security for any Bonds.

Special Receipts Fund

Due to the special needs and requirements pertaining to the administration and management of money which is received by the Board from various sources to be applied to various projects which may be related to other projects, which may need to be paid from one source but later reimbursed from a different source and some of which projects may transition over time from a non-PFC Project to a PFC Project, (as such terms are defined in the PFC General Indenture) and in order to facilitate the payment with one check of invoices relating to non-PFC Projects which may in the future become PFC Projects (as such terms are defined in the PFC General Indenture), are acquired or constructed in connection with Approved Projects (as such term is defined in the PFC General Indenture) or the accounting for such amounts will be simplified if administered by the Trustee under the provisions of the General Indenture, the Trustee shall create a Special Receipts Fund into which the Trustee shall deposit or credit any amounts provided by the Board to the Trustee which do not constitute the proceeds of Revenues, Bonds, Secured Obligations, Subordinated Obligations, PFC Bonds or Net PFC Revenues (as such terms are defined in the PFC General Indenture) accompanied by written instructions of the staff of the Board to place such amounts therein. Monies in the Special Receipts Fund shall be transferred to the Vendor Payment Fund upon receipt by the Trustee of a requisition executed by an Authorized Board Representative.

NOAB Wire Account

The Board shall, to the extent possible, instruct the FAA to wire transfer all grant payments to the Board into the NOAB Wire Account. Any FAA Grant payments not wired to such account shall be deposited by the Board in the NOAB Wire Account day by day when actually received by the Board. The Board shall wire transfer to the Trustee for deposit into the Grant Receipt Fund of the General Indenture (as opposed to the Grant Receipt Fund of the PFC General Indenture) immediately upon receipt, the portion of any payment of any FAA Grant which represents a portion of any Cost of any Capital Improvement or Project to be paid from or reimburse amounts derived from General Airport Revenues or financed with Secured Obligations. Notwithstanding the foregoing, the Board may utilize the NOAB Wire Account to receive amounts from any source whether related to any Capital Improvement and/or Project or not but upon receipt of such amounts shall direct the Trustee as to the holding and transfer of such amounts in a written direction from an Authorized Board Representative. FAA Grants relating to PFC Projects shall be paid by the Board into the Grants Receipt Fund of the PFC General Indenture.

Grant Receipt Fund

The Grant Receipt Fund shall be used to receive wire transfers of monies from the Board's NOAB Wire Account representing those portions of FAA Grants which are due by the FAA with respect to any Capital Improvement or Project, a portion of any Cost of which were or are to be paid by the Trustee from any Fund or Account created pursuant to the General Indenture or any Supplemental Indenture. Within two Business Days following receipt by the Trustee of monies in the Grant Receipt Fund, the Trustee shall transfer from the Grant Receipt Fund to the credit of the appropriate sub-account of the Project Account, the Proceeds Fund, the General Purposes Account, the Capital Improvement Fund or the Special Receipts Fund, the amount needed to reimburse such Account or Fund as confirmed in written instructions of an Authorized Board Representative for prior unreimbursed debits from any such Account or Fund made in anticipation of receipt of an amount from a FAA Grant.

Capital Improvement Fund

The Board may deposit to the Capital Improvements Fund amounts derived from any source, including, without limitation, amounts in the Airport Operating Account, and General Purposes Account of the General Indenture, FAA Grants and General Airport Revenues (not otherwise required by the provisions of the General Indenture to be credited to another Fund or Account) which by law or direction of the Board may only be or are intended to be spent on any Capital Improvements. Amounts credited to the Capital Improvement Fund may only be used to pay the Costs of any Capital Improvement or Project or reimburse amounts previously spent by the Board for such purposes. The Board shall deliver its instructions to the Trustee for transfers from the Capital Improvement Fund pursuant to a certificate or other written instrument of an Authorized Board Representative.

Investments

(1) Except as otherwise provided in the General Indenture, money held for the credit of any fund or account under the General Indenture shall, to the fullest extent practicable, be invested, either alone or jointly with monies in any other fund or account, by the applicable Fiduciary at the direction of an Authorized Officer of the City in Permitted Investments which shall mature or be redeemable at the option of the holder thereof on such dates and in such amounts as may be necessary to provide monies to meet the payments from such funds and accounts; provided that if monies in two or more funds or accounts are commingled for purposes of investments, the holder of such commingled accounts shall maintain appropriate records of the Permitted Investments or portions thereof held for the credit of such fund or account. Permitted Investments purchased as an investment of monies in any fund or account shall be deemed at all times to be a part of such fund or account and all income thereon shall accrue to and be deposited in such fund or account and thereafter, except with respect to the Proceeds Fund and the Debt Service Reserve Fund, transferred to the Airport Operating Fund to the credit of the Airport Operating Account and all losses from investment shall be charged against such fund or account unless otherwise provided by a Supplemental Indenture; provided that all income earned on investment of the Proceeds Fund and the Debt Service Reserve Fund for any Series of Bonds shall be credited to and deposited in the Proceeds Fund or the Debt Service Reserve Fund unless the Supplemental Indenture applicable to such series of Bonds provides that such earnings shall be transferred to the Airport System Account.

(2) In lieu of investment in Permitted Investments, amounts on deposit in any fund or account may be deposited by the holder of such fund or account in its name for the account of such fund or account on demand or on time deposit with such depository or depositories (including any Fiduciary) as the holder of such fund or account may from time to time appoint for such purpose. Any depository so appointed shall be a bank or trust company which is a member of the Federal Deposit Insurance Corporation organized under the laws of the State or a national banking association authorized to do business in, and having its principal office in the State for general banking business, and in each case qualified under the laws of the State to receive deposits of public monies. No monies shall be deposited with a depository in amounts in excess of Federal Deposit Insurance Corporation insurance limits unless all monies so deposited are secured to the extent and in the manner required by law for the securing of deposits of a political subdivision of the State.

(3) In computing the amount in any fund or account hereunder for any purpose, Permitted Investments shall be valued at the lesser of fair market value or amortized cost. As used herein the term "amortized cost," when used with respect to an obligation purchased at a premium above or a discount below par means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and in the case of an obligation purchased at a premium, by deducting the product thus obtained from the purchase price, and in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price. Unless otherwise provided in the General Indenture, Permitted Investments in any fund or account hereunder shall be valued at least once in each Fiscal Year on the last day thereof. Notwithstanding the foregoing, Permitted Investments in the Debt Service Reserve Fund shall be valued (0 semiannually if the Permitted Investments thereon have an average weighted maturity of ten years or more or (ii) annually if such Permitted Investments average weighted maturity is less than ten years at the lesser of fair market value or amortized cost for all purposes of the Resolution.

Holding of Special Deposits

Monies held by or for the account of the Board, the City, the Trustee or any Fiduciary in connection with the Airport System which are required to be applied under the terms of an agreement to the construction or alteration of a facility which is the subject to such agreement (including, without limitation, any such monies received by the Board or the City for such purpose under any grant or loan agreement with the United States of America or the State or any agency, political subdivision or instrumentality of either) or which are subject to refund by the Board or the City or held for the account of others or subject to refund to others, including, without limitation, any amounts which, under any agreement by the Board providing for adequate separation of such amounts from Revenues, any amounts deducted from wage and salary payments to the employees of the Board or the City, any amounts contributed by the Board or the City to any pension or retirement fund or system which amounts are held in trust for the benefit of the employees of the Board and any amounts held as deposits, including customers' service deposits, guaranteed revenue contract deposits, unexpended developer's deposits under construction loan contracts, minimum revenue deposits and unexpended jobbing deposits, together with any investments of such monies and interest and profits thereon to the extent such interest and profits are also held for the account of others or subject to refund to others, may be held by the Trustee, the City or the Board outside of the various funds and accounts established by the General Indenture and, notwithstanding anything herein to the contrary, shall not be subject to the pledge created by the General Indenture or be considered Revenues hereunder while so held.

Covenants of the Aviation Board and the City

Extension of Payment of Bonds

Except as expressly authorized with respect to a particular Series of Bonds in an Applicable Supplemental Indenture, the Board shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under the General Indenture to the benefit of the General Indenture or to any payment out of any assets of the Board or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to the General Indenture) held by the Trustee, the City or the Fiduciaries, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this Section shall be deemed to limit the right of the Board to issue refunding bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Completion of Construction; Maintenance and Improvements of the Airport System; To Manage Airport System Efficiently; Sale, Lease or Other Disposition of Airport Facilities; Eminent Domain

(1) The Board will proceed with all reasonable dispatch to complete the acquisition, construction, reconstruction, improvement, betterment or extension of any properties, the costs of which are to be paid from the proceeds of Bonds or from monies in the Airport Operating Fund, the Proceeds Fund, or from government grants or contributions.

(2) The Board will maintain, preserve, keep and operate or cause to be maintained, preserved, kept and operated, the properties constituting the Airport System (including all additions, improvements and betterments thereto and extensions thereof and every part and parcel thereto) in good repair, working order and operating condition in conformity with standards customarily followed in the Aviation industry for airports of like size and character, and from monies lawfully available therefore or made available therefore, will from time to time construct additions and improvements to and extensions and betterments of said properties which are economically sound, so that at all times the business carried on in connection therewith shall be properly and advantageously conducted in an efficient manner and at reasonable cost.

(3) The Board shall operate and maintain the Airport System as a revenue-producing enterprise and shall manage the same in the most efficient manner consistent with sound economy and public advantage and consistent with the protection of the Bondowners.

(4) The City and/or the Board shall not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this section, any transfer of an asset over which the City and/or the Board retains substantial control in accordance with the terms of such transfer shall not, for as long as the City and/or the Board has such control, be deemed a disposition of an Airport Facility or Airport Facilities. A lease pursuant to the FAA airport privatization pilot program pursuant to 49 USC § 47134 shall constitute a disposition of the Airport for these purposes.

The City and/or the Board may transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out;

(b) The property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Airport Operating Fund to be used as described in subpart (5) below and the Board believes that such disposal will not prevent it from fulfilling its obligations under the Indenture; or

(c) Prior to the disposition of such property, there is delivered to the Trustee a certificate of the Aviation Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Board as evidenced by a certificate of an Authorized Board Representative, the Consultant estimates that Board will be in compliance with the provisions of Section 604 of the General Indenture during each of the five Fiscal Years immediately following such disposition.

Airport Facilities which were financed with the proceeds of obligations, the interest on which is then excluded from gross income for federal income tax purposes, shall not be disposed of, except under the terms of provision a) above, unless the Board has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition shall be made which would cause the City and/or the Board to be in default of any other covenant contained in the General Indenture.

(5) If a Significant Portion which is less than a Major Portion of any Airport Facility or Airport Facilities is voluntarily transferred or otherwise disposed of or should be taken by eminent domain proceedings or conveyance in lieu thereof, the City and/or the Board shall create within the Airport Operating Fund a special account and credit the net proceeds received as a result of such taking or conveyance to such account and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds to (i) replace the Airport Facility or Airport Facilities which were taken or conveyed, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem Bonds or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IV of the General Indenture.

(6) Should the governance of the Airport System or a Major Portion of the Airport System be voluntarily transferred or otherwise disposed of including a long-term lease under the FAA airport privatization pilot program to any entity other than the City or taken by eminent domain proceedings:

(a) if the transferee by notarial act, (i) assumes all of the obligations of both the Board and the City pursuant to this General Indenture, every Supplemental Indenture, every agreement providing for every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations, (ii) releases the Board and the City from all such obligation assumed by the Transferee, (iii) agrees to indemnify the Board and the City from all such obligations, (iv) an original or certified copy of such notarial act of assumption is delivered to the Trustee and (v) the Board has received a Favorable Tax Opinion with respect to such assumption, then the transferee shall be substituted as the obligor for all such obligations and the Board and the City shall be automatically without any further actions or requirements discharged from all liability pursuant to the General Indenture, every Supplemental Indenture, every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations; or

(b) if the transferee does not by notarial act assume all the obligations of both the Board and the City and comply with all of the provisions of item (a) of this subpart (6) above, including the receipt of a Favorable Tax Opinion, then the Board shall (i) replace the Airport Facility or Airport Facilities which were transferred, otherwise disposed or the governance of which was transferred to any entity other than the City or taken by eminent domain proceeds, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem all Bonds and Subordinated Bonds and discharge all Secured Obligations and Subordinated Obligations or (iv) create an escrow fund pledged to pay Bonds, Subordinated Bonds, other

Secured Obligations and Subordinated Obligations and thereby cause such items to be deemed to be paid as provided in Article IV of the General Indenture.

Rates, Rents, Fees and Charges

(1) The Board shall impose, charge and collect reasonable rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System (collectively, the "**Rates and Rentals**") so that:

(a) Revenues in each Fiscal year will be at least sufficient to make all the payments required by the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

(b) Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted at the time of such computation by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

(2) If after the end of any Fiscal Year, the Net Revenues did not meet the requirements of paragraph (1) of the General Indenture, if permitted by the Commercial Airline Lease the Airlines shall be billed the additional amounts required to make the Net Revenues meet the requirements of paragraph (1) above.

(3) If during any Fiscal year, Revenues and other funds are estimated to produce less than the amount required under subsection (1) above, the Board shall revise the Rates and Rentals or alter its methods of operation or take other action in such manner as is necessary to produce the amount so required, or if less, the maximum amount deemed feasible by the Aviation Consultant.

(4) Within 120 days after the end of each Fiscal Year, the Board shall furnish to the Trustee calculations of the coverage requirement under subsection (1) and (2) of this Section.

(5) If any of the calculations specified in subsection (2), (3) or (4) of this Section for any Fiscal Year indicates that the Board has not satisfied its obligations under subsection (1) or (2) of this Section, then as soon as practicable, but in any event no later than 45 days after the receipt by the Trustee of such calculation, the Board shall employ an Aviation Consultant to review and analyze the financial status and the administration and operation of the Airport System and to submit to the Board, within 45 days after employment of the Aviation Consultant, a written report on the same, including the action which the Aviation Consultant recommends should be taken by the Board with respect to the revision of Rates and Rentals, alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the then current Fiscal Year or, if less, the maximum amount deemed feasible by the Aviation Consultant. Within 60 days following its receipt of the recommendations, the Board shall, after giving due consideration to the recommendations, revise the Rates and Charges or alter its methods of operation, which revisions or alterations need not comply with the Aviation Consultant's recommendations as long as any revisions or alterations are projected by the Board to result in compliance with subsections (1) and (2) above. The Board shall transmit copies of the Aviation Consultant's recommendations to the Trustee and to each Owner who has requested the same.

(6) If at any time and as long as the Board is in full compliance with the provisions of subsections (3), (4) and (5) above, there shall be no Event of Default under the General Indenture as a consequence of the Board's failure to satisfy the covenants contained in subsection (1) or (2) of above during such period.

Nothing contained hereinabove shall be construed to prevent the City, acting by and through the Board, from entering into long term leases or contracts after the effective date hereof, in the manner provided by law.

Aviation Consultant

The Board covenants that (i) at all times required by the General Indenture and (ii) at such other times as the Board, in its reasonable judgment, deems assistance from the Aviation Consultant to be appropriate, while any of the Bonds are outstanding, it will employ an Aviation Consultant experienced in the field of administration, maintenance and operation of airports and facilities thereof. The Aviation Consultant shall be appointed by the Board at such compensation as may be fixed by it. The Aviation Consultant shall at the request of the Board inspect the Airport System and make reports thereon and advise and make recommendations to the Board in connection with the administration, maintenance and operation thereof, including recommendations for any revisions necessary in fees, rates, and other charges to comply with the provisions of the General Indenture, and shall, if so requested, prepare a recommended budget for Operation and Maintenance Expenses and needed Capital Improvements of the Airport System on a Fiscal Year basis. Such budget shall, when deemed appropriate by the Aviation Consultant, include as a portion thereof an amount of the Revenues for such Fiscal Year to be used in such Fiscal Year to pay the Costs of Capital Improvements which will not be borrowed (the "**Non Borrowed Capital Budget**"). Copies of any report and recommendations made by the Aviation Consultant shall be filed as soon as available with the Board and the Trustee and made available for inspection by any holder of any of the Bonds upon request. If any Bonds or obligations of the Board pursuant to a Swap are Outstanding which are insured or guaranteed by any Provider, the Trustee shall furnish such Provider copies of the report and recommendations of the Aviation Consultant within 30 days of receipt of such items by it.

Compliance with Law and Leases

The Board will perform punctually all duties and obligations with respect to the properties constituting the Airport System required by the General Indenture and the laws of the State and will perform all contractual obligations undertaken by it under any leases and agreements with the United States of America, its agencies and with persons and corporations both public and private.

Accounts and Reports

(1) The Board shall maintain its books and accounts in accordance with generally accepted accounting principles and in accordance with such other principles of accounting as the Board shall deem appropriate.

(2) The Board shall annually file with the City and the Trustee a copy of an annual report for such year, accompanied by financial statements audited by and containing the report of a nationally recognized independent public accountant or firm of accountants, relating to the operations and properties of the Airport System for such Fiscal Year and setting forth in reasonable detail its financial condition as of the end of such year, the income and expenses for such year, including a summary of the receipts in and disbursements from the funds and accounts maintained under the General Indenture during such Fiscal Year and the amounts held therein at the end of such Fiscal Year. The annual report shall include a portion thereof which clearly sets forth and itemizes the Revenues and reflects the amount of Net Revenues. Each annual report shall be accompanied by a certificate of the accountant or firm of accountants auditing the same to the effect that in the course of and within the scope of their examination of such financial statements made in accordance with generally accepted auditing standards, nothing came to their attention that would lead them to believe that a default had occurred under the General Indenture or, if such is not the case, specifying the nature of the default.

In the event any Outstanding Bonds or the obligations of the Board to pay pursuant to any Outstanding Swap are insured or guaranteed by any Provider a copy of the annual report and audit required by this section shall be provided to such Provider within 30 days of receipt by the Trustee.

Covenant as to Arbitrage

The Board agrees that as long as any of the tax-exempt Bonds remain Outstanding, money on deposit in any fund or account maintained in connection with a particular series of such Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources in connection therewith, will not be used in a manner that would cause such series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder. The Board and the City shall observe and not violate the requirements of Section 148(c) of said Code and any such applicable regulations. In the event that nationally recognized bond counsel is of the opinion that it is necessary to restrict or limit the yield on the investment of monies held by it pursuant to a particular series of tax-exempt Bonds, or to use such monies in certain manners, in order to avoid the bonds being considered "arbitrage bonds" within the meaning of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the Board shall enter into an arbitrage rebate agreement requiring the rebate of arbitrage earnings to the United States Treasury.

Tax Covenant

The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the applicable Tax Certificate, which is incorporated in the General Indenture as if fully set forth therein. This covenant shall survive payment in full or defeasance of any Tax-Exempt Bonds.

In the event that at any time the Board is of the opinion that for investment of any moneys held by the Trustee under the General Indenture, the Board shall so instruct the Trustee under the General Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this section of the General Indenture, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section of the General Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Tax-Exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section of the General Indenture and of the applicable Tax Certificate, and the covenants thereunder shall be deemed to be modified to that extent.

Further Assurances

At any and all times the City and the Board shall, as far as may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, Supplemental Indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Board or the City may hereafter become bound to pledge or assign.

Declaration of Default or Early Termination of Swap

The Board covenants and agrees that as long as any Swap is Outstanding pursuant to which the obligations of the Board to pay are insured or guaranteed by any Provider and such Provider is continuing to perform its payment obligations pursuant to such Swap, the Board shall not declare an event of default or early termination of any such Swap insured or guaranteed by such Provider unless such Provider shall have consented to such declaration or early termination or shall have directed the same.

City Shall Not Issue Bonds

The City covenants and agrees that it shall:

(1) not issue any additional bonds whatsoever pursuant to the provisions of the Basic Bond Resolution;

(2) not issue any additional bonds whatsoever pursuant to the provisions of the General Bond Resolution;

(3) not avail itself of the provisions of Part XIV of Chapter 4 of Subtitle II of Title 39 and/or Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, in so far as such provisions authorize the City to issue bonds in its name secured by the pledge of the revenues of the Airport and/or the Airport System as long as any Bonds issued hereunder are Outstanding; and

(4) cause the Board to issue in the Board's name pursuant to the authority of the Act any bonds to be secured by a pledge of the Revenues or pledge of any other revenues derived from the Airport System as long as any Bonds issued hereunder are Outstanding.

Events of Default

If one or more of the following events (in the General Indenture called "**Events of Default**") shall happen,

(i) if default shall be made in the payment of the principal or Redemption Price of any Bond when due, whether at maturity or by call for mandatory redemption or redemption at the option of the Board or any Registered Owner or otherwise, or in the payment of any Sinking Fund Payment when due,

(ii) if default shall be made in the payment of any installment of interest on any Bond when due,

(iii) if default shall be made by the Board or the City in the performance or observance the covenants, agreements and conditions on its part with respect to rates, rents, fees and charges as provided in the General Indenture,

(iv) if default shall be made by the Board or the City in the performance or observance of any other of the covenants, agreements or conditions on either such party's part provided in the General Indenture or in the Bonds and such default shall continue for a period of 30 days after written notice thereof shall be given to the Board, or the City by the Trustee or to the Board and the City by the Registered Owners of a majority in principal amount of the Bonds Outstanding; provided that if such default cannot be remedied within such 30 day period, it shall not constitute an Event of Default under the General Indenture if corrective action is instituted by the Board or the City within such period and diligently pursued until the default is remedied,

(v) if under the provision of any law for the relief of debtors, an order, judgment or decree is entered by a court of competent jurisdiction appointing a receiver, trustee, or liquidator

(vi) for the Board or the whole or any substantial part of the Airport System granting relief in involuntary proceedings with respect to the Board under the federal bankruptcy act, or assuming custody or control of the Board or of the whole or any substantial part of the Airport System and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree,

(vii) if the Board admits in writing its inability to pay its debts generally as they become due, commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness makes an assignment for the benefit of its creditors, consents to the appointment of a receiver of the whole or any substantial part of the Airport System under any law for the relief of debtors, or consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Board or of the whole or any substantial part of the Airport System, or

(viii) if any event of default shall have occurred pursuant to any Supplemental Indenture,

then, and in each and every such case, as long as such Event of Default shall not have been cured, the applicable Fiduciary only with the consent of or at the direction of the Secured Obligees of twenty-five percent (25%) in amount of the Secured Obligations Outstanding (by notice in writing to the Board), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, and the payments due by the Board and not made by any guarantor of the Board's obligation pursuant to any Swap to be due and payable immediately, and upon any such declaration, the same shall become due and payable immediately, anything in the General Indenture, in any of the Bonds or any Swap contained to the contrary notwithstanding. The right to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, all Events of Default (other than the payment of principal and interest due and payable solely by reason of such declaration) shall have been cured or provision deemed by the applicable Fiduciary to be adequate shall be made therefore, then and in every such case, unless a final judgment has been obtained for any principal, interest or payment due pursuant to a Swap coming due and payable solely by reason of such declaration, the Secured Obligees of a majority in amount of the Secured Obligations Outstanding, by written notice to the applicable Fiduciary, the City and the Board may annul such declaration or if the applicable Fiduciary shall have acted without a direction from Secured Obligees theretofore delivered to the applicable Fiduciary, the City and the Board written direction to the contrary by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding, then any such declaration shall be deemed to be annulled provided that no such annulment shall be possible without the approval of a Swap Party if (1) the Event of Default giving rise to such declaration was an Event of Default of a kind described in clause (vii) above relating to a Swap with that Swap Party, (2) that Swap Party has taken action in reliance on such declaration and (3) as a result, that Swap Party would incur damages if such declaration were annulled.

The above and foregoing provisions to the contrary notwithstanding (i) payments made by any Provider pursuant to any policy of insurance or surety bond shall not be given effect in determining whether a payment default has occurred and (ii) any Provider shall be deemed to be the sole holder of Bonds it has insured and shall be deemed to be the Swap Party with respect to any obligation pursuant to any Swaps which obligation has been insured by such Provider; provided, however, that should any Provider be in default or have repudiated its obligations to pay pursuant to any insurance policy or surety bond relating to Outstanding Bonds and/or Swaps then such Provider shall not be considered to be the holder of such Bonds nor the Swap Party pursuant to such Swap, it being understood that the actual Swap Party, and not such Provider, shall be considered the Swap Party pursuant to such Swap whether any such default or repudiation by such Provider relates to such Swap or to Outstanding Bonds.

In connection with any election regarding remedies provided for in Article VII of the General Indenture, a Credit Provider (not in default under the terms of its Credit Facility) shall be deemed to be the sole Secured Obligee with respect to the applicable Series of Bonds and/or Swap.

Application of Revenues and Other Monies after Default

(1) During the continuance of an Event of Default, the Revenues, Swap Revenues and the monies, securities and funds held by the applicable Fiduciary, the Board or the City and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses incurred in connection with (i) the administration of the provisions of the General Indenture and any Supplemental Indenture of the Board, City, the Trustee, and (ii) of the Aviation Consultant selected by the Board pursuant to the General Indenture;

(ii) to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses, including reasonable and necessary reserves and working capital therefore, and for the reasonable repair and replacement of the Airport System necessary to prevent loss of Revenues or to provide for the continued operation of the Airport System, as certified to the Board by an Aviation Consultant selected by the Board;

(iii) to the payment of the interest and principal amount or Redemption Price then due on the Bonds, and the payment of sums due Swap Parties subject to the extension of payment provisions of the General Indenture, as follows:

(a) unless the principal amount of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto to all installments of interest and the payment of sums due Swap Parties other than sums due by the Board upon early termination or default of a Swap then due in the order of the maturity of such installments and sums maturing, and if the amount available shall not be sufficient to pay in full all installments and sums 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: To the payment to the persons entitled thereto of the unpaid principal amount or Redemption Price of any Bonds which shall become due, whether at maturity or by call for redemption, and to the payment of any sums due a Swap Party by the Board as a result of early termination or default of a Swap, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds sums due a Swap Party by the Board as a result of early termination or default of a Swap, due on any date, then to the payment thereof ratably, according to the amounts of principal, Redemption Price or payments due upon early termination or default on a Swap due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal amount and interest then due and unpaid upon the Bonds and the payment of any amounts due and unpaid by the Board pursuant to a Swap as a result of early termination or default, without preference or priority of principal over interest or of interest over principal, or principal or interest over sums due by the Board pursuant to a Swap as a result of early termination or default, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, or over principal or interest over sums due by the Board pursuant to a Swap, ratably according to the amounts due respectively for principal amount and interest to the persons entitled thereto without any discrimination or preference;

(iv) to the payment of amounts owing to Providers, other than amounts owing as a result of such Providers' subrogation or ownership rights in respect of Bonds.

(2) If and whenever all overdue installments of interest on all Bonds together with the reasonable and proper charges and expenses of the City, the Board and the Fiduciaries, and all other sums payable by the Board under the General Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, and all payments due by the Board pursuant to any Swap, shall either be paid by or for the account of the Board, or provision satisfactory to the Board shall be made for such payment and all defaults under the General Indenture, the Bonds and Swaps shall have been cured, the Board shall pay all monies, securities and funds remaining unexpended in all funds and accounts provided by the General Indenture to be held by the Board and thereupon the Board and the City shall be restored, respectively, to their former positions and rights under the General Indenture and all Revenues shall thereafter be applied as provided in Article V. No such payment over to the Board by the City or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the General Indenture or impair any right consequent thereon.

(3) The proceeds of any Additional Security shall be applied by the Board in the manner provided in the Applicable Supplemental Indenture authorizing or providing for such Additional Security.

(4) The above and foregoing provisions shall not be applicable to the proceeds of the remarketing of any tendered Bonds or the proceeds of a draw upon a Liquidity Facility which proceeds shall only be applied to the payment of the Purchase Price due the Owners of the tendered Bonds remarketed or sold as Bank Bonds.

(5) The amounts derived from any CFC or PFC pledged as security for any Bonds, Subordinated Bonds, Swap or other obligation shall be applied by the Trustee and the Board only to the Bonds, Subordinated Bonds, Swap or other obligation to which such CFC or PFC is pledged as shall be provided in the Applicable Supplemental Indenture.

Proceedings Brought by Applicable Fiduciary

(1) Whether or not a declaration shall be made by the applicable Fiduciary, Bondowners or Swap Party pursuant to the General Indenture, if an Event of Default shall happen and shall not have been remedied, then and in every such case, the Fiduciary may proceed to protect and enforce its rights and the rights of the Registered Owners of the Bonds and Swap Parties under the General Indenture by a suit or suits in equity or at law, but only with the consent of 25% of the Secured Obligees whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or for the enforcement of any other legal or equitable right as the Fiduciary, being advised

by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the General Indenture.

(2) Upon the occurrence of an Event of Default, by suit, action or proceedings in any court of competent jurisdiction, the applicable Fiduciary shall be entitled to obtain the appointment of a receiver of the monies, securities and funds then held in any fund or account under the General Indenture and of the Revenues, with all such powers as the court making such appointment shall confer. Such receiver may take possession of the Airport System, operate and maintain it, and collect and receive the Revenues in the same manner as the Board itself might do, including if necessary the use of a lock box, and shall apply the same in accordance with the obligations of the Board. Notwithstanding the appointment of any receiver, the Board shall be entitled to retain possession and control of and to collect and receive income from any monies, securities and funds deposited or pledged with it under the General Indenture or agreed or provided to be delivered to or deposited or pledged with it under the General Indenture.

(3) All rights of action under the General Indenture may be enforced by the applicable Fiduciary without the possession of any of the Bonds or the production thereof on the trial or other proceedings.

(4) The Secured Obligees of a majority in amount of the Secured Obligations Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the applicable Fiduciary, provided that the applicable Fiduciary shall have the right to decline to follow any such direction if the applicable Fiduciary shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the applicable Fiduciary in good faith shall determine that the action or proceeding so directed would involve the applicable Fiduciary in personal liability or be unjustly prejudicial to the Secured Obligees not parties to such direction.

(5) Regardless of the happening of an Event of Default, the applicable Fiduciary, but only with the consent of 25% of the Secured Obligees, shall have the power to, but unless requested in writing by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as it may deem necessary or expedient to prevent any impairment of the security under the General Indenture by any acts which may be unlawful or in violation of the General Indenture, or necessary or expedient to preserve or protect its interests and the interests of the Secured Obligees.

Restriction on Action

(1) Except as provided in subpart (2) herein below, no Secured Obligee shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this General Indenture or for any remedy under this General Indenture, unless such Secured Obligee shall have previously given to the applicable Fiduciary written notice of the happening of any Event of Default and the Secured Obligees of at least twenty-five percent (25%) in amount of the Secured Obligations then Outstanding shall have filed a written request with the applicable Fiduciary, and shall have offered it reasonable opportunity, to exercise the powers granted in the General Indenture in its own name, and unless such Secured Obligees shall have offered to the applicable Fiduciary adequate security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the applicable Fiduciary shall have refused to comply with such request within a reasonable time.

(2) No Swap Party shall have any right to institute any suit, action or proceeding at law (but not in equity) for the enforcement of any provision of the General Indenture available to it or to the Trustee on its behalf (including enforcement of the Pledge hereby created to the Trustee on behalf of the Swap Party) or for any remedy under the General Indenture, unless such Swap Party shall not have timely received the payments due to be received by it pursuant to the applicable Swap from either the Board or any guarantor of the obligations of the Board and notice shall have been given to the Board and any grace period as provided in the Swap with respect thereto shall have elapsed. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by a Swap Party necessary to preserve and protect the pledge created by the General Indenture in favor of a Swap Party to the extent provided in any Swap and to enforce the obligations of the Board with respect to any Swap. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted herein or to institute any action, suit or proceeding in its own name, the Swap Party shall provide

to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(3) Nothing in the General Indenture shall affect or impair the obligation of the Board to pay on the respective dates of maturity thereof the principal amount of and interest on the Bonds, or affect or impair the right of action of any Registered Owner to enforce the payment of its Bond.

Remedies Not Exclusive

No remedy by the terms of the General Indenture conferred upon or reserved to the Fiduciary, the Bondowners or a Swap Party is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or provided at law or in equity or by statute.

Effect of Waiver and Other Circumstances

(1) No delay or omission of any Fiduciary, of any Bondowner, or any Swap Party to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein.

(2) Prior to the declaration of maturity of the Secured, the Secured Obligees of a majority in principal amount of the Secured Obligations at the time Outstanding may on behalf of the Secured Obligees of all of the Secured Obligations waive any past default under the General Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds and except a default relating to a Swap, which can only be waived by the applicable Swap Party. No such waiver shall extend to any subsequent or other default.

Special Facility; Special Facility Bonds

The Board may (a) designate an existing or planned facility, structure, equipment or other property, real or personal, which is located or to be located at the Airport or part of any facility or structure at or to be located at the Airport as a Special Facility, (b) provide that revenues earned by the Board from or with respect to such Special Facility whether pursuant to Special Facility Leases(s) or otherwise derived shall constitute Special Facility Revenues and shall not be included as Revenues, and (c) issue Special Facility Bonds for the purpose of acquiring, constructing, renovating, or improving such Special Facility, or providing financing to a third party for such purposes. Principal, purchase price, if any, redemption premium, if any, and interest with respect to Special Facility Bonds shall be payable from and secured by the Special Facility Revenues, and not from or by Net Revenues.

No Special Facility Bonds shall be issued by the Board unless an Aviation Consultant has certified (i) that the estimated Special Facility Revenues with respect to the proposed Special Facility will be at least sufficient to pay the principal, or purchase price, interest, and all sinking fund, reserve fund and other payments required with respect to Special Facility Bonds when due, and to pay all costs of operating and maintaining the Special Facility not paid by a party other than the Board; (ii) that estimated Net Revenues calculated without including the Special Facility Revenues and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses will be sufficient so that the Board will be in compliance with the rate covenants of the General Indenture during each of the five Fiscal Years immediately following the issuance of the Special Facility Bonds; and (iii) no Event of Default exists under the General Indenture. Upon the payment in full or other discharge of the Special Facility Bonds, Special Facility Revenues with respect to the Special Facility shall be included as Revenues.

Supplemental Indentures Effective upon Filing

The Board may, at any time and from time to time, execute a Supplemental Indenture supplementing the General Indenture for any one or more of the following purposes, which Supplemental Indenture, upon the approval by and the filing with the signing parties, in accordance with the General Indenture, of a copy thereof certified by an Authorized Officer of the Board, the City and the Trustee, shall be fully effective in accordance with its terms:

(1) to close the General Indenture against, or provide limitations and restrictions contained in the General Indenture on, the original issuance of Bonds or Swaps;

(2) to add to the covenants and agreements of the Board or the City contained in the General Indenture other covenants and agreements thereafter to be observed for the purpose of further securing the Bonds or Swaps;

(3) to surrender any right, power or privilege reserved to or conferred upon the Board or the City by the General Indenture;

(4) to authorize Bonds of a Series and Swaps and, in connection therewith, specify and determine any matters and things relative to such Bonds and Swaps not contrary to or inconsistent with the General Indenture;

(5) to exercise any provision herein or to make such determinations hereunder as expressly provided herein to be exercised or determined in any Supplemental Indenture;

(6) to confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by the General Indenture of the Revenues;

(7) to facilitate credit enhancement;

(8) to make any other changes which do not materially adversely affect the interests of any Bondholders or any Swap Party; and

(9) to make any change for any purpose prior to the issuance of any of the Initial Bonds and prior to the execution of any Swap.

Supplemental Indenture Regarding Ambiguities

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture of the Board amending or supplementing the General Indenture may be executed curing any ambiguity or curing, correcting or supplementing any defect or inconsistent provisions contained in the General Indenture or making such provisions in regard to matters or questions arising under the General Indenture as may be necessary or desirable, but no such resolution shall be effective until after the filing with the Board, the City and the Trustee in accordance with the General Indenture of a executed copy of such Supplemental Indenture.

Supplemental Indentures Amending Indentures or Bonds

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture amending or supplementing the General Indenture may be executed modifying any of the provisions of the General Indenture or Bonds or releasing the City or the Board from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but, except as provided in the General Indenture, no such Supplemental Indenture shall be effective until after the filing with the Board, the City and the Trustee, in accordance with the General Indenture, of a copy of such Supplemental Indenture and unless no Bonds or Swaps authorized by a Supplemental Indenture adopted prior to the adoption of such Supplemental Indenture remain Outstanding at the time it becomes effective, or such Supplemental Indenture is consented to by or on behalf of Secured Obligees in accordance with and subject to the provisions of the General Indenture permitting Amendments thereto.

Execution and Filing of Supplemental Indentures

Any Supplemental Indenture referred to and permitted or authorized by the General Indenture may be executed without the consent of any of the Secured Obligees, but shall become effective only on the conditions to the extent and at the time provided in the General Indenture. Every such Supplemental Indenture so becoming effective shall thereupon form a part of the General Indenture. Any such Supplemental Indenture when executed and filed shall be accompanied by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly and lawfully executed by the Board, the City and the Trustee in accordance with the provisions of the General Indenture, is authorized or permitted by the General Indenture, and constitutes the lawful and binding obligation of the Board, the

City and the Trustee in accordance with its terms. Any Supplemental Indenture executed while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding shall not become effective until consented to by such Provider provided, however, no such consent of any Provider shall be required if such Provider shall be in default or have repudiated its obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligations to pay pursuant to any Swap.

Powers of Amendment

Any modification or amendment of the Bonds or of the General Indenture may be made by a Supplemental Indenture, with the written consent given as provided in the General Indenture, in case no Swap Outstanding is affected by such modification of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in the principal amount of all Bonds Outstanding at the time such consent is given, or if less than all of the several Series of Bonds then Outstanding are affected by the modification, or amendment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, in case only Swaps are affected by such modification, of the Swap Parties of Swaps representing sixty-six and two-thirds percent (66 2/3%) of the Outstanding notional amount of the Swaps or if less than all Swaps are affected thereby of the Swaps of the affected Swap Parties, and in case both Bonds and Swaps are affected by such modification, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in Outstanding Principal amount of all Bonds affected and of at least sixty-six and two/thirds percent (66 2/3%) in notional amount of all Outstanding Swaps affected by such modification and in case the modification or amendment changes the amount or date of any Sinking Fund Payment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the vote or consent of the Registered Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the General Indenture; and provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon or the method for determining such rate without the consent of the Registered Owner of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages of the principal amount of Bonds the consent of which is required to effect any such modification or amendment. No modification or amendment shall become effective while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding until consented to by such Provider provided, however, no such consent of such Provider shall be required if such Provider shall be in default or have repudiated its payment obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligation to pay pursuant to any Swap. For purposes of this Section, and notwithstanding anything to the contrary in Section 701 or elsewhere in the General Indenture, if the consent of a Swap Party is required in connection with any amendment or modification affecting a Swap and the obligations of the Board in connection with such Swap are guaranteed under a policy of insurance or surety bond issued by any Provider, both such Swap Party and such Provider shall be treated as Swap Parties with respect to such Swap.

Consent

The Board may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of the General Indenture to take effect when and as provided in the General Indenture. Upon the adoption of such Supplemental Indenture, an executed copy thereof shall be filed with the Board, the City and the Trustee, any other Fiduciary and each Provider for the inspection of the Bondowners and/or Swap Parties. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Board) together with a request to Bondowners and/or Swap Parties shall be mailed by the Board to Bondowners and Swap Parties. A copy of each Supplemental Indenture shall be mailed by the Board to each Swap Party pursuant to any Outstanding Swap even though the Board deems such Supplemental Indenture not to affect any Swap within 10 days after the adoption of the Supplemental Indenture. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Board the written consents of the percentages of the Registered Owners of Outstanding Bonds and/or Swap Parties and any required insurer or guarantor specified in the General Indenture and a notice shall have been given as hereinafter in this Section provided. Any such consent shall be binding upon the

Registered Owner of the Bonds, Swap Party and any required insurer or guarantor giving such consent and on any subsequent Registered Owner, Swap Party and any required insurer or guarantor (whether or not such subsequent Registered Owner or Swap Party has notice thereof). At any time after the Registered Owners or Swap Parties and any required insurer or guarantor of the required percentages of Bonds shall have filed their consent to the Supplemental Indenture, notice, stating in substance that the Supplemental Indenture has been consented to by the Registered Owners, Swap Parties and any required insurer or guarantor of the required percentages of Bonds or Swaps and will be effective as provided in this Section, shall be given to the Bondowners and/or Swap Parties and any required insurer or guarantor by mailing such notice to Bondowners and/or Swap Parties and any required insurer or guarantor even though the Board in its judgment deems such Supplemental Indenture not to affect any Swap (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as herein provided). The Board shall file with the Trustee proof of giving such notice. Such Supplemental Indenture shall be deemed conclusively binding upon the City, the Board, the Fiduciaries, the Registered Owners of all Bonds, the Swap Parties and any required insurer or guarantor at the expiration of sixty (60) days after the filing with the Trustee proof of the mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced for such purpose within such sixty day period or commenced thereafter if commenced by a Swap Party to whom neither a copy of the relevant Supplemental Indenture nor a copy of such notice was sent as provided in this Section; provided, however, that any Fiduciary and the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Modification by Unanimous Action

Notwithstanding anything contained in the General Indenture, the rights and obligations of the Board, the City and the Trustee and of the Registered Owners of the Bonds and Swap Parties and the terms and provisions of the Bonds or of the General Indenture may be modified or amended in any respect upon the adoption of a Supplemental Indenture by the Board and the consent of the Registered Owners of all of the Bonds then Outstanding, and all Swap Parties of Outstanding Swaps such consent to be given as provided in the General Indenture except that no notice to Bondowners, Swap Parties and Credit Providers shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Defeasance

If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Bonds then Outstanding the principal amount and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Indenture, no Swaps are then Outstanding and all amounts due any Provider, including a Provider of a Reserve Asset instrument, have been paid, then the pledge of any Revenues or other monies and securities pledged by the General Indenture and all other rights granted by the General Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Board all such instruments as may be desirable to evidence such release and discharge and the Fiduciaries shall pay over or deliver to the Board all monies or securities held by them pursuant to the General Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

No Recourse on the Bonds

No recourse shall be had for the payment of the principal or Redemption Price of or the interest on the Bonds or for any claim based thereon or on this General Indenture against any member, officer, agent, representative or employee of the Board, the City, the Trustee or any person executing the Bonds. No member, officer, agent, representative or employee of the Board, the City or the Trustee shall be held personally liable to any purchaser or holder of any Bond under or upon such Bond, or under or upon this General Indenture or any Supplemental Indenture relating to Bonds, or, to the extent permitted by law, because of the sale or issuance or attempted sale or issuance of Bonds, or because of any act or omission in connection with the construction, acquisition, operation or maintenance of the Airport System, or because of any act or omission in connection with the investment or management of the Revenues, funds or monies of the Board, the City or the Trustee or otherwise in connection with the management of their affairs, excepting solely for things willfully done or omitted to be done with an intent to defraud.

II. SEVENTH SUPPLEMENTAL INDENTURE

Items Pledged by the Board to Series 2023 Bonds:

(i) Net Revenues as defined in the General Indenture on a first lien parity basis with the Outstanding Series 2015 Bonds, Outstanding Series 2017 Bonds, and Outstanding Series 2019 Bonds;

(ii) The other items relating only to the Bonds, including PFCs deposited to the Transferred PFCs Account of the Debt Service Fund and such other accounts and sub-accounts made specific to the Bonds.

Details of the Series 2023 Bonds; Manner of Payment

The Series 2023 Bonds shall be dated the date of their original issuance and delivery. Each Series 2023 Bond shall bear interest at the applicable rate computed on the basis of a 360-day year (consisting of twelve months of thirty days each) from the date of authentication, if authenticated, on an Interest Payment Date to which interest has been paid, or if not authenticated, on an Interest Payment Date from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid on the Series 2023 Bonds, the date of the original issuance of the Series 2023 Bonds, respectively.

The Series 2023 Bonds shall mature on the dates and in the principal amounts and shall bear interest, payable on each Interest Payment Date commencing January 1 of the years and at the rates per annum set forth below.

Series 2023A (Non-AMT)

Due: January 1	Amount	Interest Rate	Yield	Price
2044	$4,245,000	5.000%	3.600%	111.350 C

Series 2023B (AMT)

Due: January 1	Amount	Interest Rate	Yield	Price
2025	$685,000	5.000%	3.010%	103.227
2026	$720,000	5.000%	2.960%	105.210
2027	$755,000	5.000%	2.960%	107.055
2028	$790,000	5.000%	2.980%	108.755
2029	$830,000	5.000%	3.010%	110.310
2030	$875,000	5.000%	3.040%	111.760
2031	$915,000	5.000%	3.110%	112.816
2032	$960,000	5.000%	3.150%	113.946
2033	$1,010,000	5.000%	3.200%	114.874
2034	$1,060,000	5.000%	3.230%	114.605 C
2035	$1,115,000	5.000%	3.350%	113.537 C
2036	$1,170,000	5.000%	3.530%	111.957 C
2037	$1,230,000	5.000%	3.700%	110.489 C
2038	$1,290,000	5.000%	3.790%	109.721 C
2039	$1,355,000	5.000%	3.830%	109.381 C
2040	$1,420,000	5.000%	3.960%	108.287 C
2041	$1,495,000	5.000%	4.010%	107.870 C
2042	$690,000	5.000%	4.060%	107.455 C

C Priced to the first par call date of January 1, 2033.

Funds and Accounts Created by The Seventh Supplemental Indenture

In addition to the funds and accounts established pursuant to Section 502 of the General Indenture, there are hereby created by the Seventh Supplemental Indenture to be established by the Trustee and the Trustee as applicable and maintained in connection with the Bonds, namely:

	Name of Funds and Accounts	Held By	Pledged to Bonds
1	Series 2023 Bonds Sub-Account of the Cost of Issuance Account of the Proceeds Fund	Trustee	Yes
2	Series 2023 Bonds Sub-Account of the Project Account of the Proceeds Fund	Trustee	Yes
3	Series 2023 Bonds Capitalized Interest Account of the Debt Service Fund	Trustee	Yes
4	Transferred PFCs Account of the Debt Service Fund	Trustee	Yes
5	Series 2023 Bonds Redemption Account of the Redemption Fund	Trustee	Yes
6	Series 2023 Bonds Account of the Debt Service Reserve Fund	Trustee	Yes
7	Series 2023 Bonds Account of the Arbitrage Rebate Fund	Trustee	No

In order to facilitate the purposes of the Seventh Supplemental Indenture and the receipt, holding application and transfer of Net Revenues, the Trustee, at the direction of the Board, may create such additional funds, accounts and sub-accounts as may be required under the circumstances.

Transferred PFCs Account of the Debt Service Fund

The Trustee shall accept Net PFC Revenues transferred by the PFC Trustee for deposit to the Transferred PFCs Account of the Debt Service Fund and shall pay debt service on the Bonds on the Interest Payment Date immediately following receipt by the Trustee of such Net PFC Revenues.

Earnings on Accounts

Investment earnings on the sums credited to the following funds, and accounts created for the Bonds shall be applied as follows:

(a) investment earnings of the amounts credited to the Costs of Issuance Accounts shall remain therein until the Trustee is advised by the Board that all Costs of Issuance have been paid and any remaining balance shall be credited to the Airport Operating Account; and

(b) all investment earnings of the amounts credited to the Debt Service Reserve Fund shall be transferred to the Airport Operating Account.

Optional Redemption

The Series 2023 Bonds maturing on or after January 1, 2034 are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2030 in the order directed by the Aviation Board, in minimum aggregate principal amounts of $5,000 and integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date. The Aviation Board shall give the

Trustee at least forty-five days' notice of any optional redemption to be made specifying the redemption date and principal amounts to be redeemed.

Mandatory Sinking Fund Redemption

The Series 2023A Bonds maturing January 1, 2044 are subject to mandatory sinking fund redemption prior to maturity, in part, in the years and in the respective amounts set forth below at a Redemption price equal to the principal amount of such Series 2023A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, as follows:

Year (January 1)	Principal Amount
2042	$875,000
2043	1,645,000
2044*	1,725,000

*Final Maturity

Selection of Bonds to be Redeemed

A redemption of Bonds may be a redemption of the whole or of any part of the Bonds, but solely from funds available for that purpose in accordance with the provisions of the Seventh Supplemental Indenture. If less than all of the Bonds of any maturity shall be called for redemption under any provision of the Seventh Supplemental Indenture permitting such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Board in its absolute discretion; provided further that, to the extent possible, Bonds or portions thereof shall be selected for redemption in a manner such that Bonds remaining Outstanding thereafter shall be in an Authorized Denomination. If it is determined that less than all of the principal amount represented by the Series 2019 Bonds is to be called for redemption, then, upon notice of intention to redeem such portion, the Registered Owner of such Bonds shall forthwith surrender such Bonds to the Trustee for (a) payment to such Registered Owner of the redemption price of such portion of principal amount so called and (b) making available for pickup by such Registered Owner of a new Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bonds. New Bonds representing the unredeemed balance of the principal amount of such Bonds shall be issued to the Registered Owner thereof, without charge therefore. If the Registered Owner of any Series 2023 Bond or portion thereof selected for redemption shall fail to present such Bonds to the Trustee for payment and exchange as aforesaid, such Bonds shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the principal amount called for redemption (and to that extent only) and shall cease to bear interest on the specified redemption date and shall thereafter cease to be entitled to any lien, benefit or security under the Indenture.

Notice of Redemption

(a) In the event any of the Bonds are called for redemption, the Trustee shall, upon receipt from the Board of notice of its intention to redeem at least thirty (30) days prior to the date fixed therefore, give notice in the form provided by the Board to the Registered Owners and the Trustee in the name of the Board, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the date, the price, and the place or places where amounts due upon such event will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) if any redemption is subject to the condition of receipt of sufficient monies and that if such condition is not satisfied, the Owners will be notified thereof as soon as practicable, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail at least thirty (30) days prior to the date fixed for redemption to the Registered Owners of the Bonds to be redeemed; provided, however, that failure to give such notice by mail to any Registered Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

(b) With respect to any notice of redemption of Bonds in accordance with Article IV of the Seventh Supplemental Indenture, upon receipt by the Trustee of sufficient monies or Defeasance Obligations to effect such redemption on the applicable date, such Bonds shall be deemed to have been paid within the meaning of Section 1201 of the General Indenture. Such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, interest and premium, if any, on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, and the Board shall not be required to redeem such Bonds. In the event such moneys are not so received, the redemption shall not be made and the Trustee shall, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such moneys were not so received.

(c) Any Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

No Partial Redemption After Default

Anything in the Seventh Supplemental Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption or optional purchase by the Board of less than all of the Bonds at the time Outstanding.

Events of Default

The occurrence of an "Event of Default" pursuant to the General Indenture shall constitute, and is referred to herein, as an "Event of Default" with respect to the Bonds.

Remedies

(a) The applicable trustee shall give notice as provided in the General Indenture and the Seventh Supplemental Indenture of any Event of Default to the Board, the City, the Trustee, and the Bondowners as promptly as practicable after the occurrence of any thereof, of which either trustee has actual knowledge known to it even though only an Event of Default with respect to Section 701 of the General Indenture constitutes an Event of Default with respect to the Bonds.

(b) If an Event of Default has occurred and is continuing with respect to the Bonds, the Trustee shall be governed by and follow the procedures of and pursue the remedies set forth in Article VII of the General Indenture.

Supplements and Amendments Not Requiring Bondowner Consent

The Board, the City, and the Trustee may, but without the consent or approval of, or notice to, any of the Bondowners, enter into such supplements and amendments to the Seventh Supplemental Indenture as shall not, in the opinion of the Trustee, materially and adversely affect the interests of the Bondowners (which supplements and amendments shall thereafter form a part hereof), for any purpose including any of the following:

(a) to cure any ambiguity or formal defect or omission in the Seventh Supplemental Indenture or in any supplement or amendment to the Seventh Supplemental Indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them, or

(c) to subject to the lien and pledge of the Seventh Supplemental Indenture additional payments, revenues, properties or collateral, or

(d) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder, or

(e) any amendment, supplement or modification which shall not materially and adversely affect the interests of the Bondowners and which, in the judgment of the Trustee, will not prejudice the interests of the Trustee, or

(f) to evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee, or

(g) to modify, amend, or supplement the Seventh Supplemental Indenture or any supplement or amendment hereto in such manner as to permit the qualification hereof and thereof 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 any of the states of the United States, or

(h) to provide for the issuance of Bonds which are not maintained under a book entry system or in bearer form, to the extent permitted by law (but with the opinion of bond counsel that such change will not impair exclusion from gross income for federal income tax purposes), or

(i) to secure a rating in one of the two highest rating categories of the Rating Agency.

Supplements and Amendments Requiring Consent of Owners of the Secured Obligations

With the consent of the Owners of Bonds of not less than a majority in aggregate amount of the Secured Obligations at the time Outstanding, the Board, the City and the Trustee may, from time to time and at any time, enter into supplements and amendments to the Seventh Supplemental Indenture, which the Board deems necessary and desirable for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Seventh Supplemental Indenture or of any supplement or amendment to the Seventh Supplemental Indenture or of modifying in any manner the rights of the Owners of the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting without the consent of the Owners of not less than 100% in aggregate principal amount of the Secured Obligations at the time outstanding, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium, if any, or the rate of interest thereon, or (c) granting a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondowners of the execution of any supplement or amendment to the Seventh Supplemental Indenture as authorized in the preceding heading not requiring Bondowner consent.

Copies of any such supplement or amendment shall be given at least 10 days prior to the effective date thereof to the Rating Agency. It shall not be necessary for the consent of the Registered Owners of Bonds to approve the particular form of any proposed supplement or amendment, but it shall be sufficient if such consent shall approve the substance thereof.

If at any time the Board shall request the Trustee to enter into any supplement or amendment to the Seventh Supplemental Indenture for any of the purposes specified above, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such supplement or amendment to be mailed, postage prepaid, to the Trustee, to all Registered Owners. Such notice shall briefly set forth the nature of the proposed supplement or amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Secured Obligees. The Trustee shall not, however, be subject to any liability to any Secured Obligee by reason of its failure to mail the notice required hereunder, and any such failure shall not affect the validity of such supplement or amendment when consented to as provided above.

Whenever, at any time within three years after the date of the first giving of such notice, the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate amount of the Secured Obligations then Outstanding, which instrument or instruments shall refer to the proposed supplement or amendment described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee and the City may execute such supplement or amendment in substantially such form, without liability or responsibility to any Owner of any Secured Obligations, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate amount of the Secured Obligations Outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to the execution of such supplement or amendment, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Board or the City from executing the same or from taking any action pursuant to the provisions thereof.

Supplements and Amendments Deemed Part of Supplemental Indenture

Any supplement or amendment to the Seventh Supplemental Indenture executed in accordance with the provisions of the Seventh Supplemental Indenture shall thereafter form a part of the Seventh Supplemental Indenture, and all of the terms and conditions contained in any such supplement or amendment as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of the Seventh Supplemental Indenture for any and all purposes. Upon the execution of any supplement or amendment to the Seventh Supplemental Indenture pursuant to the provisions of the Seventh Supplemental Indenture, the Seventh Supplemental Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Seventh Supplemental Indenture of the Board, the City, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Release of Supplemental Indenture

Bonds issued pursuant to the provisions hereof, shall be deemed paid and no longer considered Outstanding and the provisions of the Seventh Supplemental Indenture discharged upon satisfaction and in accordance with the provisions of the General Indenture. Notwithstanding the foregoing sentence, (i) any defeasance accomplished with cash will be accompanied by an opinion of counsel that the defeasance cash held to pay any of the Bonds will not be included within the estate of the Board in the event of a bankruptcy proceeding by or against it, (ii) concurrent with any such defeasance, the Board shall have received a verification report of a firm of certified public accountants or other nationally recognized verification firm opining as to the sufficiency of the Defeasance Obligations and cash to pay all defeased Bonds as scheduled, and (iii) each Rating Agency having previously rated the Bonds shall be given notice of such defeasance.

No Additional Bonds or Subordinate Bonds

Anything herein to the contrary notwithstanding, there shall be no Additional Bonds or other Obligations issued pursuant to the Seventh Supplemental Indenture. Additional Bonds and Subordinated Bonds may be issued in accordance with the provisions as applicable of the General Indenture.

Covenants of Board

(a) Payment of Debt Service on the Bonds: The Board covenants that it will promptly pay or cause to be paid the principal of and redemption premium, if any, and interest on every Bond at the places, on the dates and in the manner provided herein and such Bond according to the true intent and meaning thereof. Except as in the Seventh Supplemental Indenture otherwise provided, such principal, redemption premium, and interest on every Series 2023 Bond is payable solely from the payments made by the Board from the Trust Estate and the Transferred PFCs Account of the Debt Service Fund.

(b) Covenant not to issue Additional PFC Bonds [under the PFC Indenture]: The Board covenants and agrees that no additional PFC Bonds will be issued under the PFC Indenture.

(c) Performance of Covenants: The Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the General Indenture, the Seventh Supplemental Indenture, in any and every Obligation executed, authenticated and delivered hereunder and in all proceedings of the Board pertaining thereto, and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations, and provisions of any Reimbursement Agreement on its part to be observed or performed.

(d) Successors are Bound: In the event of the dissolution of the Board, all of the covenants, stipulations, obligations, and agreements contained in the Seventh Supplemental Indenture by or on behalf of or for the benefit of the Board shall bind or inure to the benefit of the successor or successors of the Board from time to time and any officer, board, commission, authority, agency, or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations, and agreements shall be transferred by or in accordance with law. The word "Board" as used in the Seventh Supplemental Indenture shall include such successor or successors.

(e) Maintenance of Tax-Exemption of Series 2023 Bonds: The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2023 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(f) Investment Instructions to Trustee: In the event that at any time the Board is of the opinion that for the purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Trustee under the Seventh Supplemental Indenture, the Board shall so instruct the Trustee under the Seventh Supplemental Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2017 Tax-exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Reliance upon Opinions and Certifications

Any certificate or opinion made or given by an officer of the Board may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of, or representation by counsel, unless such officer knows that the certificate or representation, with respect to the matter upon which his or her certificate or opinion may be based, are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated), insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or officers of the Board, unless such counsel knows that the certificate, opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid, is erroneous.

All representations, warranties and covenants on the part of the Board contained in the Seventh Supplemental Indenture are based, insofar as they relate to legal matters, upon an opinion or opinions of or representations by counsel.

Louisiana Law Governs

The Seventh Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Louisiana.

Payments Due on Legal Holidays

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under the Seventh Supplemental Indenture shall not be a Business Day, then payment of such interest, principal, Purchase Price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Further Authority

The officials of the Board, attorneys, engineers, and other agents or employees of the Board are hereby authorized to do all acts and things required of them by the Seventh Supplemental Indenture for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and the Seventh Supplemental Indenture.

APPENDIX C

REPORT OF THE AVIATION CONSULTANT

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March 28, 2023

Mr. Kevin Dolliole, Director of Aviation
New Orleans Aviation Board
Louis Armstrong New Orleans International Airport
P.O. Box 20007
New Orleans, LA 70141

Subject: Report of the Aviation Consultant
New Orleans Aviation Board General Airport Revenue Bonds, Series 2023

Dear Mr. Dolliole:

Unison Consulting, Inc. (Unison) is pleased to submit the attached Report of the Aviation Consultant (*Report*) regarding the proposed issuance of the New Orleans Aviation Board General Airport Revenue Bonds Series 2023 (*Series 2023 Bonds*).

The Series 2023 Bonds are being issued by the New Orleans Aviation Board (*Aviation Board*) pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (*General Indenture*), among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (*Trustee)* and the City of New Orleans (*City*), as supplemented and amended through a Seventh Supplemental Trust Indenture among the same parties (*Seventh Supplemental Indenture*, together with the General Indenture and prior Supplemental Indentures, collectively referred to as "*Indenture*").

The Aviation Board and the Louis Armstrong New Orleans International Airport

The Aviation Board was created in 1943 to oversee the administration, operation, and maintenance of the Louis Armstrong New Orleans International Airport (*Airport*), which is owned by the City of New Orleans. The Aviation Board consists of nine members that are appointed by the Mayor of New Orleans and approved by the New Orleans City Council. The Airport is located in the City of Kenner, which is in Jefferson Parish, and in an unincorporated area of St. Charles Parish. The City of Kenner and the Parish of St. Charles have input regarding the selection of one member each to the Aviation Board. The members are not compensated and serve five-year terms. The Chair and Vice-Chair are elected by the other Aviation Board members and serve in the Chair or Vice-Chair position until a new Chair or Vice-Chair is selected by the Aviation Board members. The Aviation Board appoints a Director of Aviation. The Director of Aviation and Deputy Directors run day-to-day airport operations and plan airport development, supported by a staff of full-time professional and technical personnel.

The Airport is adjacent to Interstate Highway 10, approximately 14 miles west of the New Orleans Central Business District, three miles south of Lake Pontchartrain, and one-half mile north of the Mississippi River.

The FAA classifies the Airport as a primary medium hub airport in the National Plan of Integrated Airports System. A medium hub airport is defined by the FAA as serving between 0.25 and 1 percent of all annual enplaned passengers in the United States. In 2021, the most recent full year for which national FAA statistics are available, the Airport's 4.0 million enplanements accounted for approximately 0.57 percent of total U.S. system enplanements, and the Airport was ranked by the FAA as the 40th largest airport among all U.S. commercial service airports.

Purpose of the Bond Financing

Proceeds of the Series 2023 Bonds will be used to finance the construction and equipping of certain capital improvements in the Airport's passenger terminal (*Series 2023 Bond Projects*), including improvements to the Baggage Handling System (*BHS*), a board room, and a military lounge. The Airport's current Capital Improvement Program (*CIP*), including the Series 2023 Bond Projects), are described in the attached Report.

Rate Covenant and Additional Bonds Test

Under Section 604 of the General Indenture, the Aviation Board covenants to impose, charge and collect reasonable rates, fees, rentals or other charges for services, facilities and commodities of the Airport System (collectively, *Rates and Charges*) sufficient so that:

a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

This provision of the General Indenture is known as the "Rate Covenant."

Section 205 of the Indenture requires that certain conditions be met in order for additional bonds (*Additional Bonds*) to be issued by the Aviation Board on parity with outstanding senior lien bonds. The Series 2023 Bonds are being issued as Additional Bonds pursuant to the Indenture. In order to issue Additional Bonds, the Aviation Board must demonstrate that:

a. The sum of Net Revenues and the amounts deposited into the Rollover Coverage Account during 12 consecutive months of the preceding 18 calendar months preceding the date of issuance of the Additional Bonds will at least equal 125% of the Bond Debt Service

Requirement for all outstanding Bonds and the proposed Additional Bonds, for such 12-month period; and

b. The sum of projected Net Revenues and the amounts projected to be deposited in the Rollover Coverage Account during the three (3) consecutive calendar years commencing with the calendar year following the calendar year in which the Additional Bonds are planned to be issued, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such calendar years.

This provision of the General Indenture is known as the "Additional Bonds Test."

The attached Report includes calculations of recent historical Net Revenues and projected Net Revenues to evaluate the ability of the Aviation Board to meet the requirements of the Rate Covenant and the Additional Bonds Test.

Report Organization

This Report is organized into the following sections:

- Section 1 describes the Aviation Board, the Airport, and the financing transaction.
- Section 2 defines the Airport's air service area and discusses relevant demographic and economic trends at both regional and macro levels.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.
- Section 4 reviews the financial framework of the Airport, reviews the recent historical financial performance of the Airport, and presents financial forecasts that examine the ability of the Airport to generate sufficient Revenues in each year of the forecast period to meet the Airport's financial obligations. Key financial indicators, including debt service coverage and airline cost per enplaned passenger (*CPE*) are also presented.

Assumptions

The analysis and forecasts contained in the attached Report are based on certain data, estimates, and assumptions that were provided by the Aviation Board and certain other data and projections available at the time the Report was prepared, as obtained from other independent sources as referenced in the Report. The Airport operates in a dynamic business environment where a variety of factors are at play. Therefore, the attached Report should be read in its entirety for an understanding of the forecasts and the underlying assumptions. In our opinion, the data, estimates, and assumptions used in the report are reliable, and provide a reasonable basis for our forecast given the information available and circumstances as of the date of this Report.

However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the forecasts, and the variations could be material.

Following are the major assumptions utilized in the attached Report:

- The financial analysis is based on an assumed project funding of $30.0 million for the Series 2023 Bond Projects, to be funded from the proceeds of the Series 2023 Bonds, with an assumed par amount of approximately $34.4 million. The debt structure and annual debt service requirements were estimated by Frasca & Associates based on assessments of anticipated market rates at the time the analysis was prepared.[1]

- The Aviation Board will complete the CIP disclosed in the attached Report within the budgeted cost and according to the estimated schedule, and the funding sources indicated in the attached Report will be realized, including the anticipated issuance of airport revenue bonds in late 2023.

- The forecasts of aviation activity presented in the attached Report were developed using a modeling framework that is consistent with sound economic theory, is well-supported by empirical trends, and passes statistical evaluation.

- The airline rates and charges methodology, as specified in the current Airline-Airport Use and Lease Agreement between the Aviation Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement), will remain in effect throughout the forecast period (through 2028).

Findings and Conclusions

Based upon the assumptions and analysis presented in the attached Report, we forecast that the Aviation Board will be able to comply with the Rate Covenant and the Additional Bonds Test provisions of the Indenture, and other governing legal documents, while maintaining a reasonable airline cost per enplanement. Specifically, we conclude the following:

- Debt service coverage was 1.36 in 2021, above the 1.25 minimum requirement.

- Debt service coverage is projected to be at least equal to the 1.25 minimum requirement throughout the forecast period, under both the base and low air traffic forecast scenarios.

- The CPE is projected to remain reasonable during the forecast period, reaching a high of $11.49 in 2025 under the base air traffic forecast scenario. Under the low forecast scenario,

[1] To be conservative for the financial analysis, the amount of project funding and the par amount of the Series 2023 Bonds assumed in the attached Report are higher than the amounts disclosed in the Preliminary Official Statement.

the CPE is projected to increase to a high of $11.49 in 2025. This CPE level is considered reasonable based on current CPEs at other medium hub airports.

Sincerely,

UNISON CONSULTING, INC.

Unison Consulting, Inc.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

REPORT OF THE AVIATION CONSULTANT

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SECTION 1 | INTRODUCTION

This Report of the Aviation Consultant (Report) examines the financial feasibility of the issuance of the New Orleans Aviation Board General Airport Revenue Bonds, Series 2023 (the Series 2023 Bonds).

The Series 2023 Bonds are being issued by the New Orleans Aviation Board (the Aviation Board) pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the General Indenture), among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the Trustee) and the City of New Orleans (the City), as supplemented and amended through a Seventh Supplemental Trust Indenture among the same parties (the Seventh Supplemental Indenture), together with the General Indenture and prior Supplemental Indentures, collectively referred to as the "Indenture."

Proceeds of the Series 2023 Bonds will be used to finance the construction and equipping of certain capital improvements in the Airport's passenger terminal (the Series 2023 Bond Projects), including improvements to the Baggage Handling System (BHS), relocation and construction of an Aviation Board room, and the buildout of a military lounge in the North Terminal. The Airport's current Capital Improvement Program (CIP), including the Series 2023 Bond Projects, are briefly described later in this section.

This Report is organized into the following sections:

- Section 1 describes the Aviation Board, the Louis Armstrong New Orleans International Airport (the Airport), and the financing transaction.
- Section 2 defines the Airport's air service area and discusses relevant demographic and economic trends at both regional and macro levels.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.
- Section 4 reviews the financial framework of the Airport, reviews the recent historical financial performance of the Airport, and presents financial forecasts that examine the ability of the Airport to generate sufficient Revenues in each year of the forecast period to meet the Airport's financial obligations. Key financial indicators, including debt service coverage and airline cost per enplaned passenger are also presented.

1.1 | New Orleans Aviation Board

The Aviation Board was created in 1943 to oversee the administration, operation, and maintenance of the Airport. The Aviation Board is an unattached board under the executive branch of the New Orleans City Government, and it represents the City in all aeronautical matters.[1]

The Aviation Board consists of nine members that are appointed by the Mayor of New Orleans and approved by the New Orleans City Council. The Airport is located in the City of Kenner, which is in Jefferson Parish, and in an unincorporated area of St. Charles Parish. The City of Kenner and the Parish of St. Charles have input regarding the selection of one member each to the Aviation Board. The members are not compensated and serve five-year terms. The Chair and Vice-Chair are elected by the other Board members and serve in the Chair or Vice-Chair position until a new Chair or Vice Chair is selected by the Board members.

The operations and improvements at the Airport are funded by airport user charges, revenues derived from leases and concession agreements, Passenger Facility Charges (PFCs), Louisiana Department of Transportation Trust Fund Grants, and funds received from the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA). No general tax fund revenues from any state or local government are used to operate or maintain the Airport.

1.2 | Louis Armstrong New Orleans International Airport

In the mid 1930's, the City coordinated with the Civil Aviation Division (the predecessor to the FAA) to establish an airport at Moisant Field as an alternative to the Lakefront Airport located in the eastern portion of the City. Before the City could begin construction on the future airport, the land was taken over by the U.S. government and used as an air base during World War II. The land was used by the Army until the end of the war and was returned to the City, plus an additional 295 adjacent acres, in 1946. Commercial air service began at Moisant Field in May 1946 and by 1947 the Airport contained four runways on 1,360 acres. The site has since been expanded to the present size of 1,700 acres, which include all Airport facilities and parcels for noise mitigation that the Aviation Board acquired before 2006. The Airport's three letter identifier, MSY, stands for Moisant Stock Yards.

The Airport is adjacent to Interstate Highway 10, approximately 14 miles west of the New Orleans Central Business District, three miles south of Lake Pontchartrain, and one-half mile north of the Mississippi River. Most of the Airport is located in Jefferson Parish, Louisiana, with a small portion located in an unincorporated area in St. Charles Parish. The location of the Airport is depicted in Figure 1.

[1] Lakefront Airport, a general aviation facility located on the southern shore of Lake Pontchartrain and within Orleans Parish, is owned by the Orleans Levee District.

Figure 1 | Location of the Airport

A passenger terminal and two concourses were dedicated in 1959 and in 1960 the name of the Airport was changed to New Orleans International Airport. In 1974, two more concourses were added at the east end of the passenger terminal, thereby increasing the number of gates to 42. An extensive renovation was done on the West Concourse in 1979 and again in the 1990s. In August 2001, the Airport's name was changed to Louis Armstrong New Orleans International Airport in honor of what would have been the 100th birthday of the famous musician, who was born in New Orleans.

In August 2011, the Aviation Board began a detailed analysis of the options for a new passenger terminal facility. The analysis focused on design, financial feasibility, environmental impact, and land use. After an extensive analysis, the Aviation Board determined that a new terminal complex on the north side of the Airport was the most feasible option for a new terminal facility. In April 2013, the Aviation Board announced its decision to proceed with the North Terminal Project. The North Terminal Project consists of a new passenger terminal along with necessary related improvements on the North side of the Airport, such as an aircraft apron, a central utility plant, parking garages, surface parking lots, an on-site roadway system and associated ground transportation facilities, and associated enabling projects such as navigational equipment and airfield lighting vault relocations. The North Terminal Project was designed to accommodate the long-term needs of the Airport and preserve or repurpose existing assets where possible. The North Terminal opened to the public on November 6, 2019.

The North Terminal consists of a three-story terminal building with three concourses (A, B, and C), 35 airline gates, and approximately 972,000 square feet of space. Departures and ticketing are located on the upper level. The ticketing and check-in area has 95 check-in counter positions with some leased by specific airlines and some available for common use as needed. Additionally, the North Terminal includes an in-line baggage screening system for checked baggage to improve screening efficiency, replacing the EDS machines that had been in use in the South Terminal, which required manual transport of the bags to the outbound BHS after screening. The middle level provides general circulation between gates and through the terminal concession areas. After passing through a consolidated security checkpoint, passengers have access to over 40 different food, beverage, news, gift, and specialty retail concessions. Baggage claim and arrival pick-ups are on the lower level, with access to the arrival roadway. The three concourses contain aircraft gates with passenger boarding bridges equipped with 400-hertz electrical service and pre-conditioned air. The terminal includes a Federal Inspection Services (FIS) facility to process international arriving flights. Additionally, a concrete apron was constructed to serve the new terminal building, as well as two new parking garages, a surface parking lot, and a remote economy garage with shuttle service.

The FAA classifies the Airport as a primary medium hub airport in the National Plan of Integrated Airports System (NPIAS). A medium hub airport is defined by the FAA as serving between 0.25 percent and 1 percent of all annual enplaned passengers in the United States. In 2021, the most recent full year for which national FAA statistics are available, the Airport's 4.0 million enplanements accounted for approximately 0.57 percent of total U.S. system enplanements, and the FAA ranked the Airport as the 40th largest airport among all U.S. commercial service airports.[2]

1.3 | Capital Improvement Program

The Aviation Board's current CIP includes the Series 2023 Bond Projects, as well as other capital projects not funded with the proceeds of the Series 2023 Bonds. The estimated project costs and the planned funding sources are presented in Table 1. The project costs, which are based on estimates provided by the Aviation Board's capital planning team, reflecting the 2022 construction cost estimates, plus estimated soft costs (design, planning, project management, and associated costs), plus an escalation factor through the anticipated mid-point of construction.

In addition to the current CIP, the Aviation Board is in the process of developing a long-term Master Plan, which will consider potential future capital projects to meet the Airport's long-term needs. As part of the Master Plan process, the Aviation Board will consider planning other possible capital projects for the long-term planning horizon. However, those possible future capital projects are not included in the Aviation Board's current CIP because the decision whether to pursue those projects will depend on several factors not currently known, including the availability of potential funds under various federal grant programs, the pace of future air traffic growth at the Airport during the long-term planning horizon, and other factors.

[2] Federal Aviation Administration, "Enplanements at All Commercial Service Airports (by Rank)," CY2021 Passenger Boarding Data, accessed at https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

Table 1 | Capital Improvement Program Estimated Costs and Funding Sources

Project Name	Estimated Total Costs [1]	Series 2023 Bonds	AIP	Bipartisan Infrastructure Law (BIL) AIG	ATP	Surface Transportation	CARES Act	State Funding	PFCs	CFCs	Private Funding	Future Series 2023 Bonds	Aviation Board Funds
Series 2023 Bond Projects													
BHS Improvements	$18,000,000	$18,000,000											
Boardroom and Military Lounge	6,000,000	6,000,000											
Total Series 2023 Bond Projects	$24,000,000	$24,000,000	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0
Other Projects													
Airport Administrative Offices	23,500,000						4,670,586			3,000,000			15,829,414
Electrical Improvements	6,037,500		3,019,000		1,500,000				1,518,500				
Concourse C Sewer Repair	8,452,500											8,452,500	
CBIS Expansion	36,225,000											36,225,000	
Ingress/Egress Roadway	4,226,250							4,226,250					
Employee Parking	3,622,500											3,622,500	
Cooling Towers Pumps	2,415,000			1,245,000					415,000			755,000	
Inbound and Outbound Elevated Ramp	3,622,500		562,500	562,500					375,000			2,122,500	
Universal Water Softener	3,018,750		466,875	466,875					311,250			1,773,750	
Pump Station Expansion	6,641,250		3,321,000						1,660,313			1,659,937	
South Terminal Demolition	14,490,000											14,490,000	
North Apron Expansion	9,418,500		6,000,000									3,418,500	
North / South Connector Road	114,712,500			30,000,000		30,000,000				30,000,000		24,712,500	
Tawiway E & S South Rehab Design	6,037,500		3,019,000									3,018,500	
Intermodal Station (Phases 1&2)	34,776,000			2,160,000	7,488,000	13,248,000			10,000,000			1,880,000	
Pedestrian Bridge	24,150,000											24,150,000	
Wayfinding Improve - South Campus	1,207,500											1,207,500	
Wayfinding Improve - North Campus	4,830,000											4,830,000	
North Gate	2,415,000		961,772	538,228					500,000			415,000	
South Campus Redevelopment	6,037,500										6,037,500		
Total Other Projects	$315,835,750	$0	$17,350,147	$34,972,603	$8,988,000	$43,248,000	$4,670,586	$4,226,250	$14,780,063	$33,000,000	$6,037,500	$132,733,187	$15,829,414
Total Projects	$339,835,750	$24,000,000	$17,350,147	$34,972,603	$8,988,000	$43,248,000	$4,670,586	$4,226,250	$14,780,063	$33,000,000	$6,037,500	$132,733,187	$15,829,414

[1] Total Costs based on estimates provided by the Aviation Board's capital planning team, reflecting the 2022 construction cost estimates, plus estimated soft costs (design, planning, project management, and associated costs), plus an escalation factor through the anticipated mid-point of construction.

The individual projects included in the Aviation Board's current CIP are described below.

1.3.1 | Series 2023 Bond Projects

The Series 2023 Bonds will provide funding for the following capital projects.

- BHS Improvements. Improvements will be made to the existing BHS to improve the overall operations of the BHS and increase the system's capacity. The improvements will include the addition of a second feeder baggage belt and the addition of multiple cross-over belts, which will result in more flexibility in routing bags from the ticket counters to the screening machines. The improvements will provide operational redundancy, eliminate baggage bottlenecks, reduce baggage congestion, reduce the impacts of baggage jams, and increase system capacity.

- Aviation Board Room and Military Lounge. The Aviation Board's meeting room and administrative offices are currently located in the South Terminal, which is no longer an active passenger terminal. To improve operational efficiency, the Aviation Board plans to relocate its meeting room to the North Terminal. A new meeting room for the Aviation Board is being built out on the ticketing level of the North Terminal. Additionally, a 1,000 square foot military lounge is under construction.

1.3.2 | Other Planned Capital Projects

The Aviation Board is in the Master Planning process and continues to review and evaluate various potential capital projects not included in this Report. Currently, the other planned CIP projects, which will not be funded with the Series 2023 Bonds, include the following:

- Aviation Board Administrative Offices. The Aviation Board plans to relocate its administrative offices to the North Terminal. This project includes the build out of 21,000 square feet of administrative offices, as well as spaces for customer service and ground transportation administrative functions.

- Electrical Improvements. Due to settlement of the existing soils around and under the North Terminal and the constructed design, maintenance and repair of the underground electrical system is being performed. As the soil continues to shift, occasional breaks of the electrical lines occur. To best resolve the situation, the underground electrical lines will be run overhead within the building to the electrical rooms. This would eliminate any future potential for breaks due to soil movement.

- Concourse C Sewer Repair. Due to settlement of the existing soils around the North Terminal and the constructed design, the existing sanitary sewer system is experiencing settlement of elements of the sewer system. The repairs will reconfigure the existing service laterals to discharge into new manholes that will serve as lift stations and pump the effluent to downstream structures and eliminate the risk of sewer backups from blockages due to settlement.

- CBIS Expansion. The Checked Baggage Inspection System (CBIS) will be expanded to accommodate two additional Explosive Detection System (EDS) machines and four additional checked baggage inspection tables. The project includes a 5,000 square foot addition to the North Terminal, reconfiguring of the existing program within the building, and associated utility relocations.

- Ingress/Egress Roadway Improvements. With increased passenger traffic and the integration of the vehicle flyover road, improvements to the landside roadways are required. This includes widening of the outbound lanes and connection to the new access point for Transportation Network Companies (TNCs).
- Employee Parking. Currently, Aviation Board and tenant employees park at a parking garage adjacent to the South Terminal and are transported via shuttle bus to and from the North Terminal. In order to free up passenger long-term parking capacity and to reduce the commuting time for Aviation Board employees, an employee parking lot will be built near the North Terminal. The project includes design and construction of a paved parking lot, signage, lighting and a covered bus shelter.
- Cooling Tower Pumps. New cooling tower pumps are needed to provide adequate pressure to the chilled water pumps to avoid unnecessary wear and tear on the system. These pumps will be installed closer to the cooling towers.
- Inbound Elevated Road Slab. The roadway transition from the pile supported elevated roadway to the surface level roadway is in need of repair because of uneven settlement and the constructed design.
- Water Quality Enhancement (Universal Water Softener). This project will involve adding water softeners to the North Terminal water system. Since the opening of the North Terminal, the plumbing equipment has experienced excessive wear, primarily due to hard water. This project includes a centralized softener at the incoming water supply, and a centralized softener to condition water to each boiler.
- Pump Station Expansion. This project will add an additional two pumps, to increase the pump station capacity, in order to enable it to handle the increased needs anticipated as future capital projects are implemented.
- South Terminal Demolition. Portions of the South Terminal will be selectively demolished, to eliminate areas of the building that are past their useful life and would cost more to rehabilitate, and to create space for more beneficial uses. The demolition will be in phases and the remaining structure will be updated to meet all required life safety codes.
- North Apron Expansion. The expansion of the Terminal facility to include a new Concourse D will require additional airside pavements to support the movements to aircraft in and around the new concourse.
- North / South Connector Road. The economy parking garage, employee parking garage, and CONRAC facility currently located in the south campus are still being utilized. This required a bussing operation to move people from the South Campus facilities to the North Terminal.

This roadway system contains 4 traffic lights and is subject to congestion leading to excessive travel times, downgraded level of service and additional costs. The Aviation Board desires to have a dedicated private road for these busses to connect the North and South Campus facilities. This project will provide for the planning, design, and construction of a concrete bus road adjacent to the existing access road to the South Campus. The roadway system will include pile supports to alleviate concerns of future settlement.

- Taxiway E&S South Rehabilitation Design. A Pavement Condition Index (PCI) study was performed in 2020 which included all runways and taxiways at the Airport. With PCI ratings in the low 50s, Taxiways Echo (E)and Sierra (S), south of Taxiway E, are the priority for full rehabilitation. A Preliminary Engineering Study was performed in 2022, which provided conceptual design and phasing for the rehabilitation of Taxiways E and S South. This project is to develop the full design for the rehabilitation.

- Intermodal Station Phases 1 & 2. Plans have been prepared for the development of an Amtrak rail line that will include a connection between New Orleans and Baton Rouge, with stops between the two cities. One of those stops is planned for the Airport. Planning on the Airport's part is currently underway to determine the best location for the intermodal station, with two potential locations identified. The intermodal station would allow for passengers to transfer from the train to busses to be shuttled to and from the North Terminal. It would have a covered train platform and customer parking under Phases 1 & 2.

- Pedestrian Bridge. The arrivals curb is a congested location where TNCs, taxi's, POVs, shuttle buses and pedestrians all converge. The Pedestrian Bridge will provide an elevated crossing from the terminal to the outer curbs and the long-term parking garage. The Pedestrian Bridge will improve the efficiency of the arrivals curb and improve passenger safety.

- Wayfinding Improvements – South Campus. The South Campus is still utilized for economy parking, the CONRAC, and tenant spaces and requires wayfinding upgrades to integrate into the North Campus signage system and provide effective signage.

- Wayfinding Improvements – North Campus. The North Campus wayfinding requires improvements to establish more effective communication of parking options, pricing and availability and respond to passenger comments and requests for greater clarity.

- North Gate. A vehicle access gate and associated guard booth will be constructed on the North Campus, to improve operations and delivery access.

- South Campus Redevelopment. The Aviation Board is evaluating potential options for the South Campus Redevelopment project. Thus far, a Maintenance, Repair and Overhaul {MRO} facility for an airline is planned on the South Campus. Once selective demolition is complete for the South Terminal, preparing the site for the future construction of an MRO is required. This cost may include, but not limited to, demolition of some apron, new apron construction and installation of some utility infrastructure. Additional redevelopment may occur in coordination with future tenants when the opportunities are presented.

1.3.3 | CIP Funding Plan

The costs of the current CIP are anticipated to be funded from the following sources:

Series 2023 Bonds

The funding plan calls for GARBs to be issued to finance a portion of the capital costs of the CIP. It is anticipated that the Series 2023 Bonds will fund approximately $24.0 million of capital costs for the BHS Improvements and the Boardroom and Military Lounge projects. The assumptions underlying future GARB funding are described in Section 4 of this Report.

FAA Airport Improvement Program Grants

FAA AIP grants are administered to develop and maintain infrastructure projects that increase the capacity, safety, and security at airports across the United States. The FAA issues either entitlement (passenger or cargo) or discretionary grants for projects. AIP passenger entitlement grants are awarded using an enplanement-based formula. The FAA awards AIP discretionary grants based on established funding priorities and the allocation of discretionary funds among nine FAA regions. The distribution of the funds to the FAA regions is based on various considerations including the number and types of airports in each region, and the identified capital needs of those airports. This analysis assumes that the FAA AIP grant program will continue throughout the projection period.

AIP passenger entitlement funding amounts are based on the forecasts of passenger traffic. Some projects, in particular projects for terminal development, are only partially eligible for AIP funding. For those projects, the entitlement funding amounts reflect the percentage of eligibility typical for such projects, based on the team's experience at the Airport and at other airports. The maximum funding eligibility for medium hub airport (the category for the Airport) as defined by the FAA, is 75 percent, except for noise projects, which have an 80 percent eligibility.

Demand for AIP discretionary grant funding consistently exceeds funding availability. AIP discretionary grant funding amounts are based on an evaluation of amounts that can be reasonably expected to be made available to the Airport considering historic AIP discretionary grant funding provided to the Airport, the timing of projects identified for AIP discretionary grant funding, and the level of AIP discretionary grant funding support provided to similar projects at comparable airports.

The funding plan assumes that the Aviation Board will receive approximately $17.4 million in AIP funding for eligible project costs of the CIP.

Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL) is an investment in America's transportation network, which was signed into law in November 2021. The law provides for a $25 billion investment to modernize airport infrastructure, spread equally over five years (federal fiscal years (FFY) 2022 through 2026). As specified in the BIL, the FAA plans to invest the $25 billion total investment in the three categories described below.

- $15 billion for airport infrastructure to increase safety and expand capacity. This portion of the BIL spending is known as the Airport Infrastructure Grant (AIG) Program.
- $5 billion to improve aging terminal facilities, including projects such as terminal renovations, terminal enabling projects, terminal roadways, and central heating and refrigeration facilities. This portion of the BIL spending is known as the Airport Terminal Program (ATP).
- $5 billion to improve air traffic facilities.

The $15 billion in AIG funds are allocated to airports using a two-step process. First, grants are allocated based on the same formula used for determining the allocation of FAA AIP entitlement grants. Second, any remaining balance is allocated based on each commercial airport's share of total U.S. enplanements. As enplanements grow from year-to-year, the amount of funds allocated based on the FAA AIP entitlement grant formula will increase, reducing the remaining balance to be allocated.

The $5 billion ATP is a competitive or discretionary program. However, no more than 15 percent of the total ($750 million) can be awarded to medium-hub airports; the Airport demand for competitive BIL grant funds is expected to exceed funding availability. ATP grant amounts are based on an evaluation of funds that can be reasonably expected to be made available to the Aviation Board. The evaluation is based in part on an examination of BIL ATP grants announced for medium hub airports for FFY 2022.

The BIL also expanded eligible sponsorship for certain rail, transit and highway grant (surface transportation) programs to owners and operators of airports. The funding plan assumes that the Aviation Board will be able to successfully compete for funds from these programs and reflect an evaluation of amounts that the Airport can reasonably expect to receive.

The funding plan assumes that the Aviation Board will receive approximately $35.0 million in AIG funding, $9.0 million in ATP funding, and $43.2 million in surface transportation funding under the provisions of BIL. If these assumed funding amounts are not received, the Aviation Board will re-evaluate whether to delay or eliminate the associated capital projects.

CARES Act Funding

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) established the Coronavirus Relief Fund in March 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic. The Aviation Board was awarded approximately $42.8 million in grants from the CARES Act Fund. The Aviation Board plans to apply approximately $4.7 million of that total to the costs of the Airport Administrative Offices project. Due to the limitations applicable to other forms of federal COVID-19 funding, the only type of federal COVID-19 funding the Aviation Board plans to use for capital project funding is CARES Act funding. Other forms of federal COVID-19 are discussed in Section 4 of this Report.

State Funding

The Louisiana State Constitution was amended in 1989 to establish a Transportation Trust Fund to apply the excess revenues collected from fuel taxes toward the costs for and associated with construction and maintenance of Louisiana's transportation system. The Aviation Priority Program, administered by the Louisiana Department of Transportation and Development and funded by a tax on aviation fuel sales segregated in the Transportation Trust Fund, is linked to the federal AIP program and has no separate eligibility criteria. The program provides a portion of the required local matching funds for airports awarded AIP grants (according to a statutory formula) plus up to $3 million per year for each of Louisiana's seven commercial service airports. The Aviation Board anticipates receiving approximately $4.2 million in State funding, for the costs of the Ingress/Egress Roadway project.

Passenger Facility Charges

PFCs are user fees imposed by an airport, collected for each enplaned passenger, and used for specific projects approved by the FAA. According to federal regulations, PFC projects must (1) preserve or enhance safety, security or capacity of the national air transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among air carriers. The Airport is currently authorized by the FAA to collect a PFC of $4.50 per enplaned passenger.

The Aviation Board currently has a total PFC collection authority of approximately $965.6 million, including $389.3 million for PFC-eligible costs (plus financing and interest costs) of the North Terminal and ancillary projects. The Aviation Board applied a portion of annual PFC collections to the payment of debt service on the GARBs that were issued to fund a portion of the North Terminal and ancillary projects. In 2022, the Aviation Board applied approximately $23.8 million in PFCs to pay debt service on currently outstanding GARBs.

It is assumed that the Aviation Board will submit one or more PFC applications to obtain approval to collect and use PFCs for approximately $14.8 million of eligible costs of the CIP.

Customer Facility Charges

On July 16, 2008, the Aviation Board adopted a resolution to establish and impose the Customer Facility Charge, or CFC (the CFC Resolution), which was amended by the Aviation Board on October 15, 2008. The CFC Resolution, as amended, requires that all rental car companies operating on Airport property (the On-Airport Rental Car Companies, or RACs) collect the CFC, effective November 1, 2008, at a rate of $5.50 per Transaction Day.[3] On May 13, 2009 the CFC Resolution was amended and restated to increase the CFC rate to $6.20 per Transaction Day, effective June 1, 2009. On May 19, 2016 the Aviation Board adopted a resolution to increase the CFC by $1.75 per Transaction Day effective July 1, 2016. The RACs are required to remit the CFC collections to the

[3] A "Transaction Day" is defined in the CFC Resolution, as amended, as "a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term."

Aviation Board monthly. The total CFC level is currently $7.95. It is assumed that approximately $33.0 million in CFCs will be used to fund eligible costs of the CIP.

Private Funding

The funding plan assumes approximately $6.0 million in private funding, for the South Campus Redevelopment project. The Aviation Board is evaluating potential options for the planned South Campus Development project. Because specific redevelopment plans have not yet been determined, the Aviation Board is in the process of evaluating the extent and nature of the private funding that will be used.

Future Bonds

The Aviation Board anticipates issuing a future series of GARBs in late 2023 to fund approximately $132.7 million of costs of the current CIP. It is assumed that the future bonds will be issued with one year of capitalized interest, and that the associated debt service (after the capitalized interest period) will be recovered through the annual airline rates and charges process.

Aviation Board Funds

The current CIP funding plan assumes that approximately $15.8 million in project costs will be funded with Aviation Board Funds. Under the provisions of the amended Airline Agreement, the Signatory Airlines have agreed to fund, through rates and charges, a $3.0 million deposit to the General Purposes Account each year. These amounts flowing to the General Purposes Account are to be used to pay the cost of capital projects or to reimburse amounts previously spent by the Aviation Board for capital expenditures. For the purposes of the financial projections in Section 4 of this Report, it is assumed that these project costs will be recovered through amortization charges included in the annual airline rates and charges process.

SECTION 2 | REGIONAL AND MACRO ECONOMIC ENVIRONMENT

Demographic and economic conditions at the national and regional levels influence aviation activity at an airport. They are particularly important for airports like New Orleans that serve largely origin and destination (O&D) traffic—passengers that either begin or end their flight itineraries at the airport.[4] National trends drive U.S. aggregate demand for air travel and affect economic conditions at the regional level. Regional trends help determine local demand for outbound travel, as well as the attractiveness of the region as a visitor destination. This section presents a detailed assessment of the demographic and economic trends in the Airport's air service area, the New Orleans-Metairie, LA, Metropolitan Statistical Area (New Orleans MSA), the Airport's home state of Louisiana, and the United States.[5]

Over the past two years, the world has been facing a pandemic caused by the Coronavirus Disease 2019 (COVID-19). The pandemic has disrupted day-to-day life and economic activities across the globe. The effects of the pandemic manifest in the economic trends discussed in this section.

2.1 | COVID-19 Pandemic

The COVID-19 virus was first identified in China in December 2019. With holiday travel that winter, the virus diffused quickly around the world, including the United States—the first case in the United States was identified in mid-January 2020. In March 2020, the COVID-19 outbreak was declared a global pandemic, leading to a declaration of national emergency in the United States. Like many countries, the United States sought to curtail the spread of the virus with domestic and international travel restrictions, statewide stay-at-home orders, and national social distancing measures. Despite these efforts, several waves of infection hit the United States as new variants emerged (Figure 2).

By far, the fifth wave, which began in November 2021, holds the record for the highest numbers of reported cases—over three times higher than the previous peak during the third wave in early 2021. However, the fifth wave also subsided quickly. By March and April 2022, weekly records of new cases had fallen to levels among the lowest seen over the course of the pandemic. Cases increased over the summer of 2022, but not to the level of the previous three waves. As of January 19, 2023, the weekly total of new reported cases had fallen again to less than 6 percent of the fifth wave peak.

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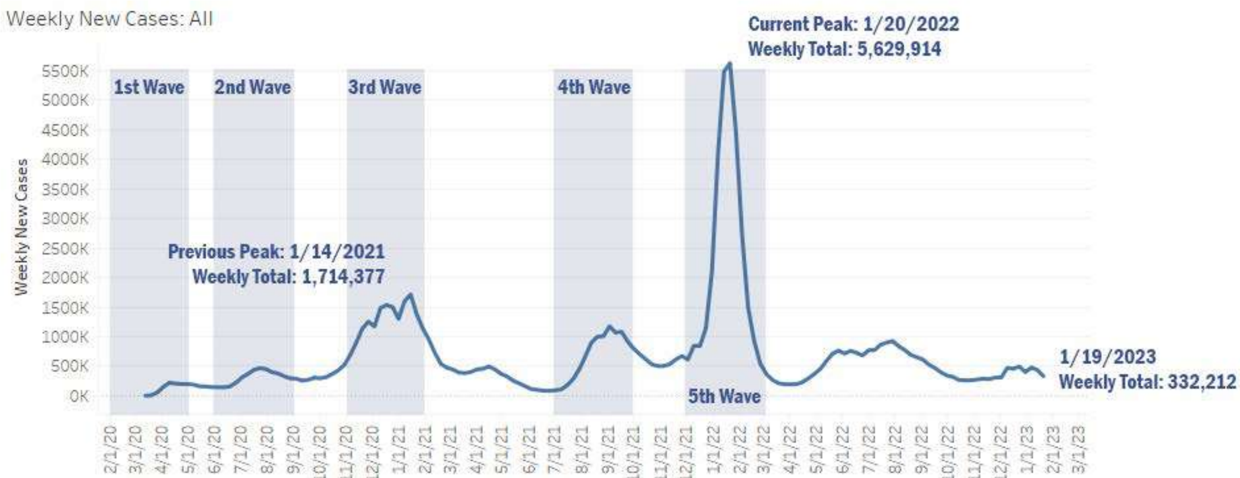
[4] The portion of O&D traffic at the Airport has varied from year to year; the annual share is estimated to range from 89 percent to 91 percent over the last five years.

[5] All historical data presented in this section represent the most recent data available as of the date of this Report. In some cases, more recent historical data were not yet available, due to the time lag for the availability of key governmental data, including national data.

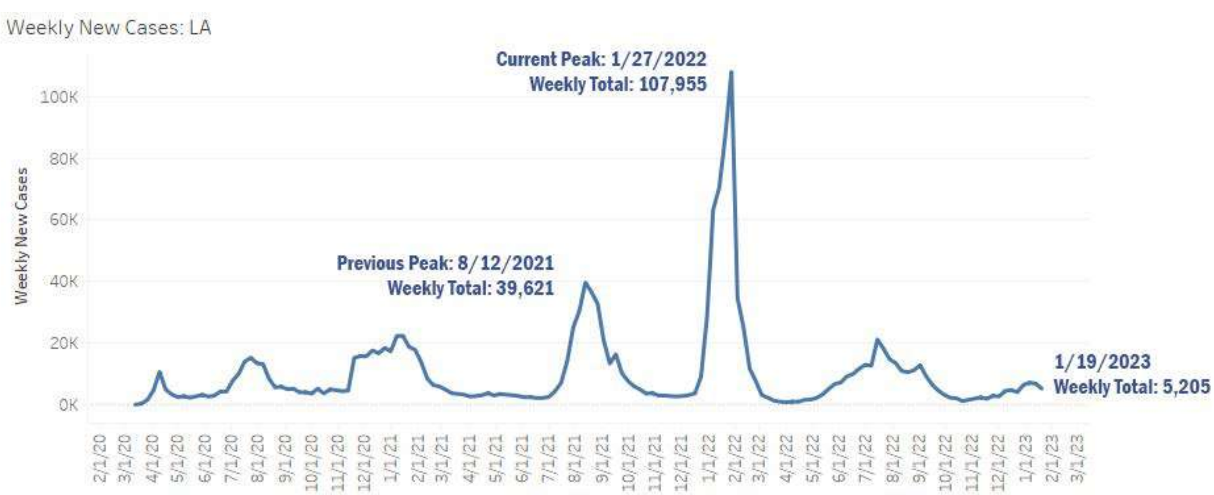
Figure 2 | COVID-19: U.S. Weekly New Cases, March 2020-January 2023



Source: Centers for Disease Control and Prevention.

Louisiana's COVID-19 history follows a trend with flatter lulls but sharper spikes (Figure 3). The different waves of COVID-19 infections occur in line with the national timeline, but Louisiana's fourth summer 2021 wave reached a higher peak than its third wave. Like the national trend, the fifth wave through January 2022 dwarfed all of Louisiana's pandemic history, but rapidly fell off through the next month. Like national trends, Louisiana experienced an increase through the summer, but new cases have since decreased to less than 5 percent of the state's fifth wave peak as of January 19, 2023.

Figure 3 | COVID-19: Louisiana Weekly New Cases, March 2020-January 2023

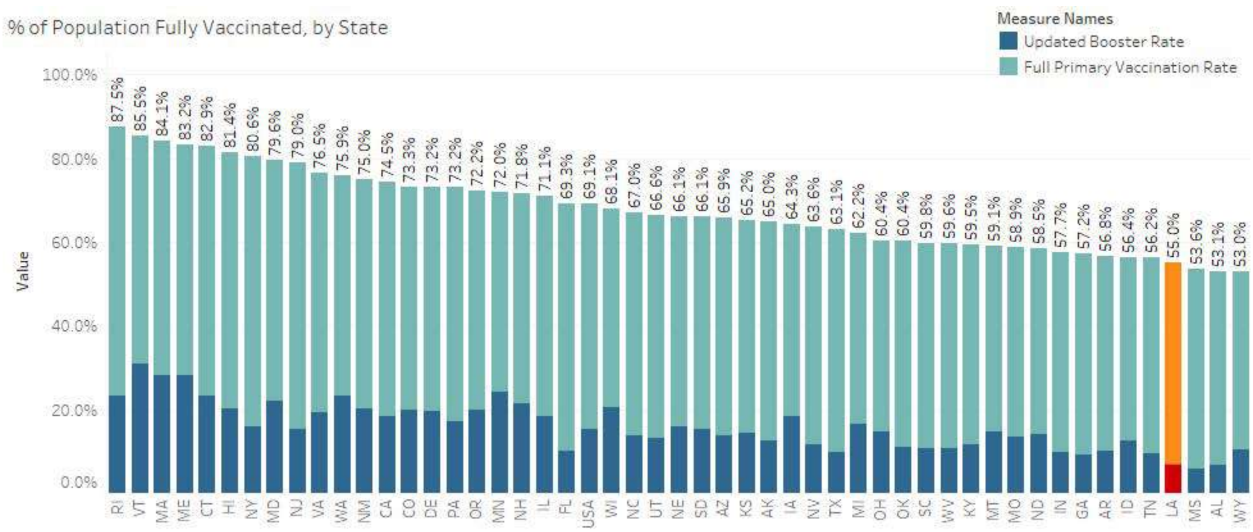


Source: Centers for Disease Control and Prevention.

The administration of COVID-19 vaccines and subsequent booster shots helped slow virus transmission and alleviate symptoms. Figure 4 shows the COVID-19 vaccination rates by state as of

January 19, 2023, with Louisiana highlighted. A total of 229.5 million people in the United States (69.1 percent of the population) are fully vaccinated, and 50.7 million have an updated bivalent booster dose (15.3 percent of the population). Louisiana has a substantially lower vaccination rate with 2.6 million people vaccinated (55.0 percent of residents), and 311,439 with an updated bivalent booster dose (6.7 percent of residents). As both initial vaccinations and boosters have been widely available and free of charge to U.S. residents for some time, it is highly likely that most residents who want to and can be vaccinated already are.

Figure 4 | Percent of Population Fully Vaccinated by State, January 19, 2023



Source: Centers for Disease Control and Prevention.

Transmission has been slowed by immunity through vaccination, booster shots, and prior infection, but COVID-19 remains a threat with the emergence of new variants.

2.2 | Air Service Area

The Airport's primary air service area is the New Orleans-Metairie, LA, MSA (Table 2). It is comprised of eight adjoining parishes—Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany in southeastern Louisiana—with two principal cities, New Orleans and Metairie.[6] The City of New Orleans is coincident with Orleans Parish, and the City of Metairie is the largest community in Jefferson Parish.

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[6] The Office of Management and Budget (OMB) establishes and maintains the delineations of Metropolitan Statistical Areas, Metropolitan Divisions, Micropolitan Statistical Areas, Combined Statistical Areas, and New England City and Town Areas to provide nationally consistent delineations for collecting, tabulating, and publishing Federal statistics for a set of geographic areas. See: U.S. Office of Management and Budget, *OMB Bulletin* No. 20-01, March 6, 2020.

Table 2 | Component Counties of the New Orleans MSA

Principal Cities	Parishes
New Orleans	Jefferson
Metairie	Orleans
	Plaquemines
	St. Bernard
	St. Charles
	St. James
	St. John the Baptist
	St. Tammany

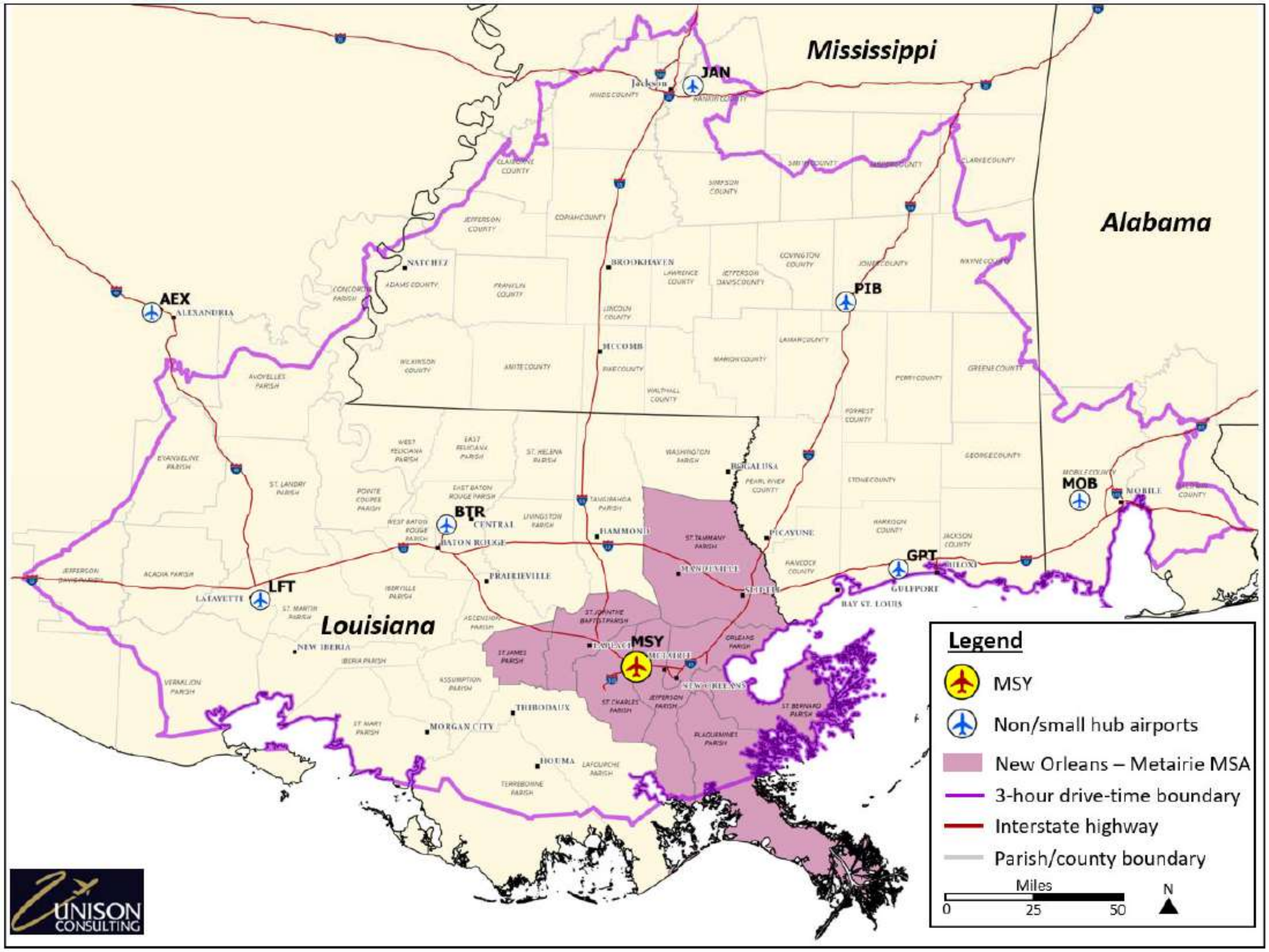
Sources: Office of Management and Budget, and Unison Consulting, Inc..

The Airport is in Jefferson Parish, approximately 14 miles west of the New Orleans Central Business District (Figure 5). It is the only major commercial service airport in the New Orleans MSA. In 2019, before the pandemic, the Airport was classified by the FAA as a medium hub, a class of airports that individually account for 0.25 to 1.0 percent of the annual U.S. commercial enplanements. The Airport has maintained this classification through the pandemic years. With annual enplanements of almost 6.9 million in 2019 (the most recent full calendar year prior to the pandemic), the Airport was most similar in size to Raleigh-Durham International Airport (RDU), NC, and Oakland International Airport (OAK), CA. These two airports remain the Airport's closest peers in terms of enplanements in 2021 (the most recent full calendar year for which comparable statistics are available); that year the Airport's annual enplanements were around 4 million.

Most other commercial service airports in proximity with New Orleans are nonhubs, a class of airports that individually have more than 10,000 annual enplanements but account for less than 0.05 percent of annual U.S. commercial enplanements (Figure 5 and Table 3). Each is at least one-hour drive time from the Airport. Only two—Baton Rouge (BTR) and Gulfport-Biloxi (GPT)—are less than a two-hour drive from the Airport; both had enplanements in 2019 of less than 400,000 passengers. Farther away, within approximately two hours, are Lafayette (LFT) to the northwest of the Airport, and Mobile (MOB) and Hattiesburg (PIB) to the northeast of the Airport. LFT and PIB each had less than 300,000 enplanements in 2019—PIB is extremely small and participates in the Essential Air Service Program. Jackson (JAN), a small hub[7] in 2019, is about 2.75 hours from MSY. Because of the distant locations and small sizes of these alternative airports, they pose little or no competition to the Airport for passengers in the New Orleans MSA. On the other hand, because of the limited air service at these alternative airports, the Airport attracts passengers from a wider geographic area than the New Orleans MSA. Figure 5 delineates the geographic region within a three-hour drive from the Airport.

[7] Small hubs serve 0.05-0.25 percent of U.S. enplanements.

Figure 5 | The New Orleans MSA and Surrounding Region



Sources: Esri, FAA, and Unison Consulting, Inc.

Table 3 | Selected Commercial Service Airports within Approximately Three Driving Hours of the Airport

Airport Information			2019 Statistics		Distance from MSY	
Name	**State**	**Code**	**Enplanements**	**FAA Class**	**Miles**	**Time**
New Orleans International Airport	LA	MSY	6,874,111	medium	0	0
Baton Rouge Metropolitan Airport	LA	BTR	399,591	nonhub	75	1h 11m
Gulfport-Biloxi International Airport	MS	GPT	378,638	nonhub	86	1h 21m
Lafayette Regional Airport	LA	LFT	265,559	nonhub	124	2h
Hattiesburg-Laurel Regional Airport	MS	PIB	11,638	nonhub	132	1h 56m
Mobile Regional Airport	AL	MOB	328,245	nonhub	149	2h 22m
Jackson International Airport	MS	JAN	549,007	small	181	2h 41m
Alexandria International Airport	LA	AEX	141,832	nonhub	197	3h 5m

Sources: FAA, Google Maps, and Unison Consulting, Inc.
FAA airport hub classification:
Nonhubs serve less than 0.05 percent of the annual U.S. total and more than 10,000 enplanements.
Small hubs serve 0.05-0.25 percent of U.S. enplanements.
Medium hubs serve 0.25-1.0 percent of U.S. enplanements.
Large hubs serve more than 1 percent of U.S. enplanements.

2.3 | Demographic Attributes

Population size, growth trends, age distribution, and educational attainment determine the labor force's size, quality, and productivity. Along with income characteristics, demographic attributes determine consumption patterns and demand levels for goods and services produced within the economy—including air transportation.

2.3.1 | Population

By population, the New Orleans MSA is the 47th largest metropolitan statistical area in the United States. In 2021, the resident population of the MSA was 1.27 million, similar in size to the populations of Salt Lake City, UT, and Hartford, CT, MSAs. Within the New Orleans MSA, population is concentrated in a few areas: more than 85 percent of residents live in Jefferson, Orleans, and St. Tammany Parishes. Beyond the New Orleans MSA boundaries, approximately 3.2 million people live within a two-hour drive from the Airport—the broader area from which the Airport can draw passengers the Airport (see Figure 5).

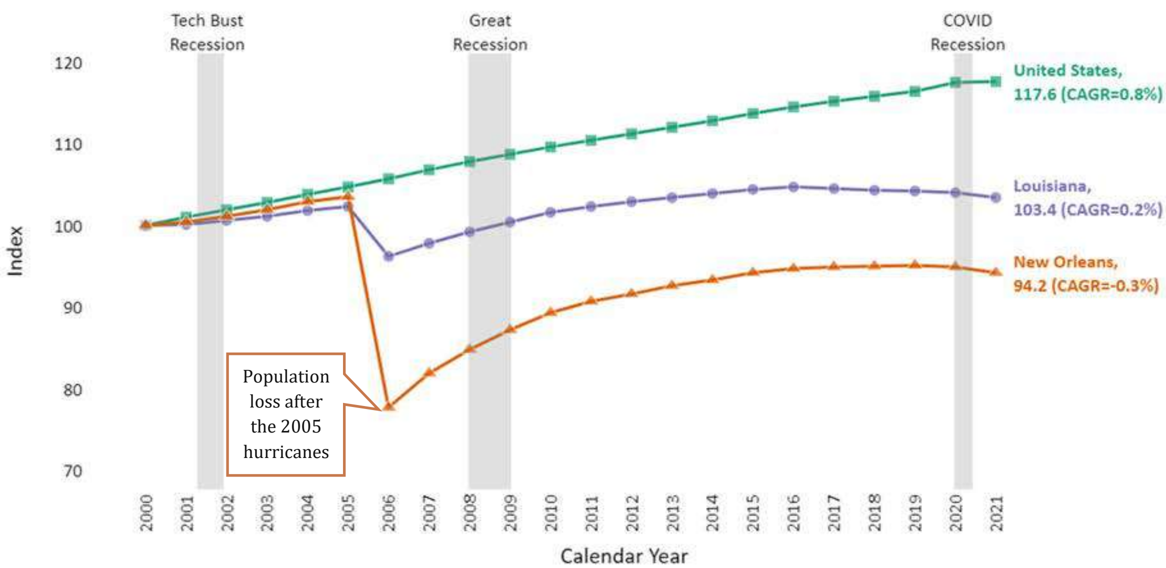
Over the last two decades, the population dynamics in the New Orleans MSA and Louisiana have been significantly altered by the 2005 hurricanes. Since 2000, the population of the United States has risen by about 18 percent, a compound annual growth rate (CAGR) of approximately 0.8 percent (Figure 6).[8] By contrast, Louisiana's population has grown by only 3 percent (0.2 percent CAGR), and the New Orleans MSA is now 6 percent smaller than it was in 2000 (-0.3 percent CAGR).

[8] U.S. economic recession periods are indicated by shaded bands on Figure 8, as well as on subsequent figures in this Report that compare local trends with state and national trends.

In 2005, New Orleans and the entire state suffered severe devastation from two hurricanes that struck the area in August and September: Hurricane Katrina, a Category 5 storm, and, to a lesser degree, Hurricane Rita. In the immediate aftermath of the hurricanes, Louisiana lost 6 percent of its population and the New Orleans MSA lost nearly 25 percent. Gradually the population returned. In 2021, the state population stood at 1 percent above the pre-hurricane 2005 peak level, but the New Orleans MSA population was 4 percent below its pre-hurricane level.

In recent years, both Louisiana and the New Orleans MSA entered another phase of declining population. Statewide, the population began declining in 2017; the MSA population began declining only in 2020, although it had flatlined since 2017. The downturn in the oil industry in 2015-2017 likely contributed to these trends initially. Afterward, the COVID-19 pandemic and recession triggered outmigration from many large metropolitan areas across the United States and contributed to the population losses in New Orleans in 2020 and 2021.[9]

Figure 6 | Population Index (2000=100), 2000-2021



Gray areas indicate economic recession periods.
Sources: U.S. Census Bureau 2020 American Community Survey and Unison Consulting, Inc.

Over the next five years (2022-2027), the population of the New Orleans MSA is forecast to decrease slightly at an annual rate of 0.03 percent. In the larger passenger catchment area

[9] W. Frey, "New census data shows a huge spike in movement out of big metro areas during the pandemic," Brookings, 2022, https://www.brookings.edu/blog/the-avenue/2022/04/14/new-census-data-shows-a-huge-spike-in-movement-out-of-big-metro-areas-during-the-pandemic/.

delineated by a two-hour drive-time from the Airport, total population is projected to increase marginally at an annual rate of 0.06 percent.[10]

2.3.2 | Population by Age

The New Orleans MSA largely mirrors the United States and Louisiana in terms of population age distribution (Figure 7). Approximately 58 percent of the New Orleans MSA's population is between 20 and 64 years of age, similar to the nation's 59 percent. A large working-age population is important in maintaining a vibrant local economy and a high standard of living.

The median age in the New Orleans MSA (39.4) is slightly above that of the United States (38.8). The median age, however, has risen from 37.1 in New Orleans and 37.2 nationwide in 2010.[11] The changes may be small, but they indicate the aging of the population. By 2030, more than 20 percent of the national population is forecast to be 65 years and older, increasing from 16.8 percent in 2021.[12]

Over time, the change in population age distribution has important implications for economic growth. The working-age population needs to grow for the labor force and the economy to grow. In recent decades, however, the share of the working-age population has been shrinking gradually with the aging of the population, the retirement of baby boomers, and the decrease in birth rates. This has been the trend nationwide: the share of the population aged 20 to 64 decreased from 60 percent in 2010 to the current share of 58 percent. In the New Orleans MSA, it decreased from about 62 percent in 2010 to the current share of 58 percent, indicating that the MSA's population has aged faster than the national trend.[13] Productivity increases can counter the effect of the slowing growth in the working-age population, and upskilling of the workforce and technological advancements can achieve this.

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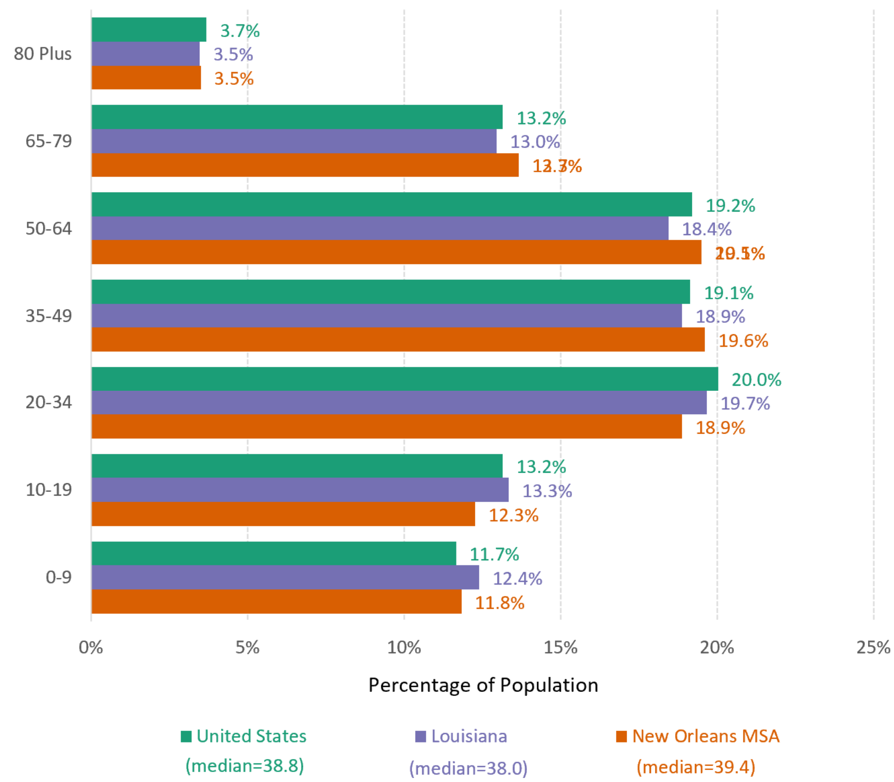
[10] Based on calculations by Unison Consulting on data from Esri.

[11] U.S. Census Bureau, *American Community Survey*, 2010 and 2020.

[12] J. Vespa, "The U.S. Joins Other Countries with Large Aging Populations," U.S. Census Bureau, March 13, 2018, https://www.census.gov/library/stories.html.

[13] *Ibid*.

Figure 7 | Population Age Distribution, 2021



Sources: U.S. Census Bureau 2021 American Community Survey and Unison Consulting, Inc.

2.3.3 | Foreign-Born Population

Amid an aging population and declining birth rates, attracting in-migration offers another way to increase the population, expand the labor force, and support economic growth. Immigrants add to region's labor supply, contribute to increasing productivity, and expand the regional market for goods and services.[14, 15] Immigrants also generate demand for air service—for their travel to visit family and friends elsewhere, and for their family and friends visiting the MSA.

In 2021 immigrants accounted for about 7.6 percent of New Orleans MSA residents, less than their 13.5 percent share of the U.S. population, but greater than their 4.2 percent share of the Louisiana state population (Table 4). By world origin, nearly 61 percent of foreign-born population in the New Orleans MSA comes from other countries in the Americas—mainly in Latin America. The

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[14] G.J. Borjas, "Immigration and Economic Growth," National Bureau of Economic Research *Working Paper Series*, Working Paper 25836, May 2019, https://www.nber.org/system/files/working_papers/w25836/w25836.pdf.

[15] P. Orrenius and C. Smith, "Without Immigration, U.S. Economy Will Struggle to Grow," *Dallas Fed Economics*, Federal Reserve Bank of Dallas, April 9, 2020, https://www.dallasfed.org/research/economics/2020/ 0409.

second largest segment, 28 percent, comes from Asian countries; the rest come from Europe, Africa, and Oceania.

Table 4 | Foreign-Born Population and Region of Origin, 2021

	Foreign Born	Percentage by Region of Origin				
Region	**Total**	**Europe**	**Asia**	**Africa**	**Oceania**	**Americas**
United States	13.5%	10.8%	31.2%	5.5%	0.6%	51.9%
Louisiana	4.2%	8.2%	31.7%	4.4%	0.3%	55.4%
New Orleans MSA	7.6%	7.0%	27.9%	4.2%	0.1%	60.8%

Sources: U.S. Census Bureau 2021 American Community Survey and Unison Consulting, Inc.

2.3.4 | Educational Attainment

Education promotes economic growth in at least three ways. First, education increases human capital and labor productivity. Second, it enables innovation and technological advancement. Third, it facilitates the diffusion of knowledge and adoption of new technologies.[16, 17] Educated workers are generally more productive and innovative. They also adapt more quickly to industries' changing skill requirements.

Advancements in information and communication technologies have amplified the need for highly skilled and educated workers to enable economic growth.[18] Cities that have been able to attract and retain educated and skilled workers have thrived, while cities failing to do so have lagged.[19] The value of education is evident in the disparities in average wages and unemployment rates by educational attainment. Workers who have not completed high school earn only 44 percent of the wages earned by college graduates. They also have unemployment rates that are more than 2 times higher.[20]

Educational attainment levels in the New Orleans MSA are higher than state levels and generally on par with those of the United States (Figure 8). More than 32 percent of the population aged 25 and over in the New Orleans MSA have at least a bachelor's degree, compared with just 26 percent in the state of Louisiana. However, the MSA share of bachelor's degree holders is slightly smaller than

[16] E. Hanushek and L. Woessman, "Education and Economic Growth," *International Encyclopedia of Education* (Oxford: Elsevier, 2010), Vol. 2, pp. 245-252.

[17] D. Claude and L. Charlotte, "Human Capital and Economic Growth," *Encyclopedia of International Higher Education Systems and Institutions* (Dordrecht: Springer, 2019).

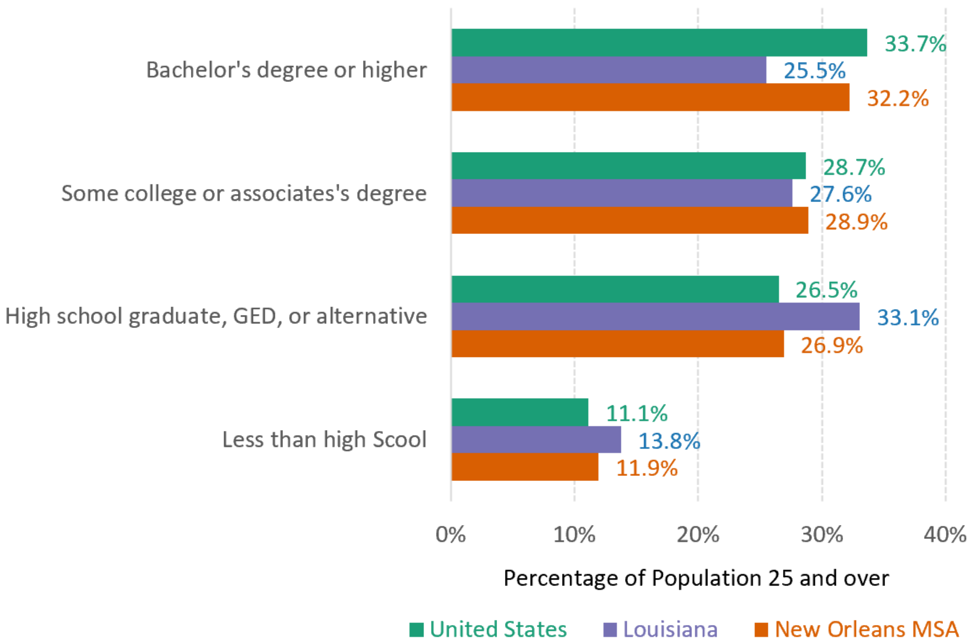
[18] Enrico Moretti, *The New Geography of Jobs* (Boston: Houghton Mifflin Harcourt, 2012).

[19] Edward Glaeser, *Triumph of the City* (New York: Penguin Books, 2012).

[20] Elka Torpey, "Measuring the Value of Education," U.S. Bureau of Labor Statistics, April 2018, https://www.bls.gov/careeroutlook/2018/data-on-display/education-pays.htm.

the 34 percent share nationwide. Maintaining and improving the educational attainment in the MSA will improve opportunities for future economic growth.

Figure 8 | Educational Attainment, 2021



Sources: U.S. Census Bureau 2021 American Community Survey and Unison Consulting, Inc.

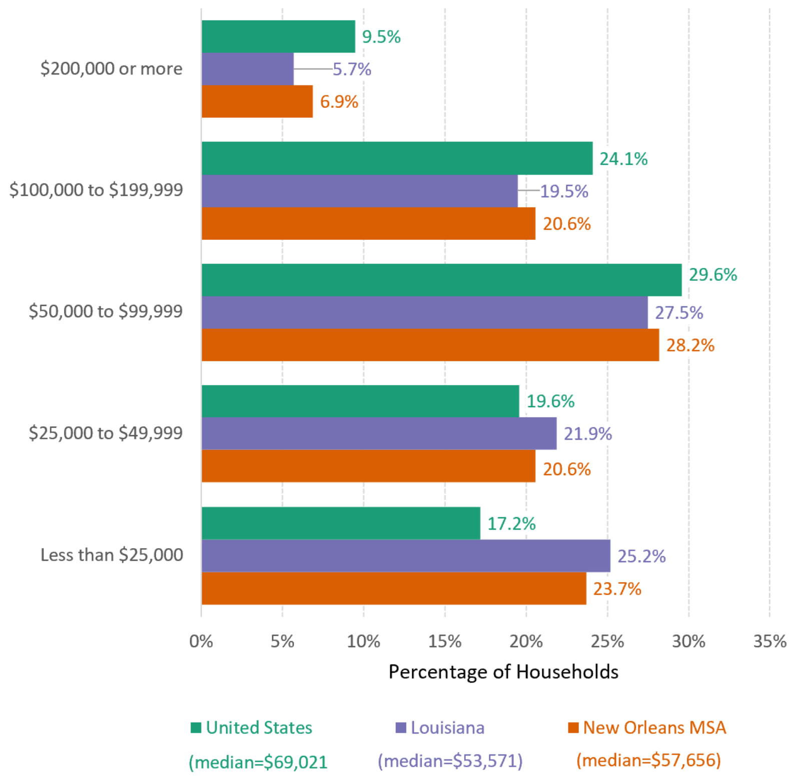
2.3.5 | Income

Demand for air travel increases with income. Studies suggest that air travel demand income elasticities are often greater than one. This means air travel increases by more than the corresponding increase in income, holding all other things equal.[21]

Household incomes in the New Orleans MSA are generally higher than in the rest of Louisiana but lower than the national average (Figure 9). The median household income in the New Orleans MSA is $57,656, 8 percent higher than Louisiana's. In addition, the New Orleans MSA has a higher percentage of households earning at least $50,000 than Louisiana. Compared with the nation however, the New Orleans MSA has a median household income that is 20 percent lower and a smaller percentage of households earning at least $50,000.

[21] This implies that a 10 percent increase in income will generate more than a 10 percent increase in air travel demand. See: C. A. Gallet and H. Doucouliagos, "The income elasticity of air travel: A meta-analysis," *Annals of Tourism Research* 49 (2014), 141-155.

Figure 9 | Median Household Income and Household Income Distribution, 2021

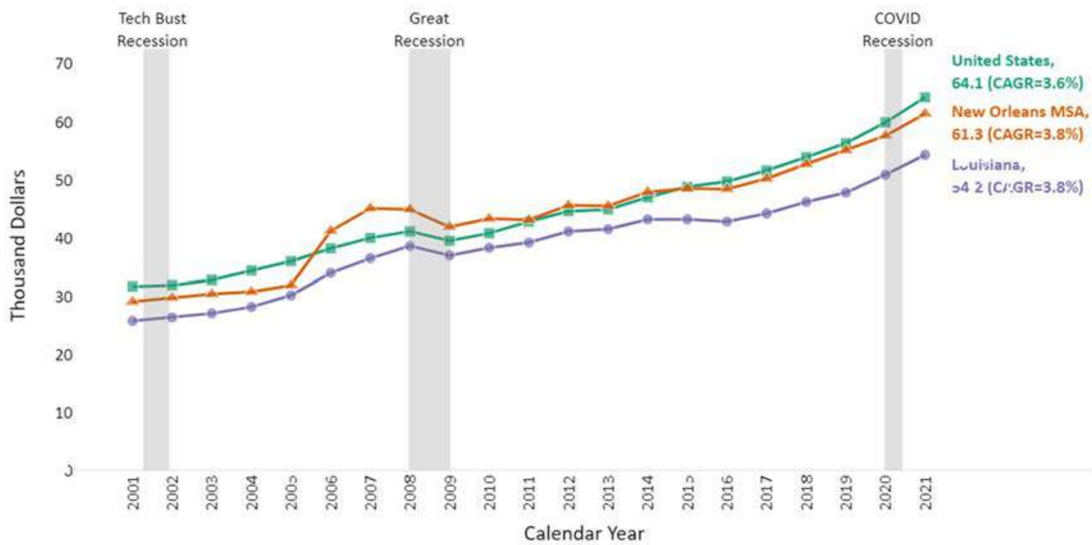


Sources: U.S. Census Bureau 2021 American Community Survey and Unison Consulting, Inc.

Per capita personal income data show more favorable patterns for the New Orleans MSA compared to Louisiana and the United States, through 2021, the most recent full year for which complete data are available (Figure 10). The New Orleans MSA had higher per capita personal income than the nation during nine consecutive years, from 2006 through 2014, although this is partly attributable to the significant decrease in the area's population following the 2005 hurricanes. This period also coincides with post-hurricane reconstruction. After 2014, the New Orleans MSA per capita personal income has fallen slightly below the U.S. average. In 2021, per capita personal income in the New Orleans MSA was $61,327, just 4 percent lower than the U.S. figure of $64,143. The New Orleans MSA per capita personal income has been increasing steadily over the past decade, closely following U.S. growth trends.

Compared with the state of Louisiana, the New Orleans MSA has consistently had higher per capita personal income—and the gap is widening. In 2021, the New Orleans MSA per capita personal income was 13 percent higher than Louisiana's ($54,217).

Figure 10 | Nominal Per Capita Personal Income, 2001-2021

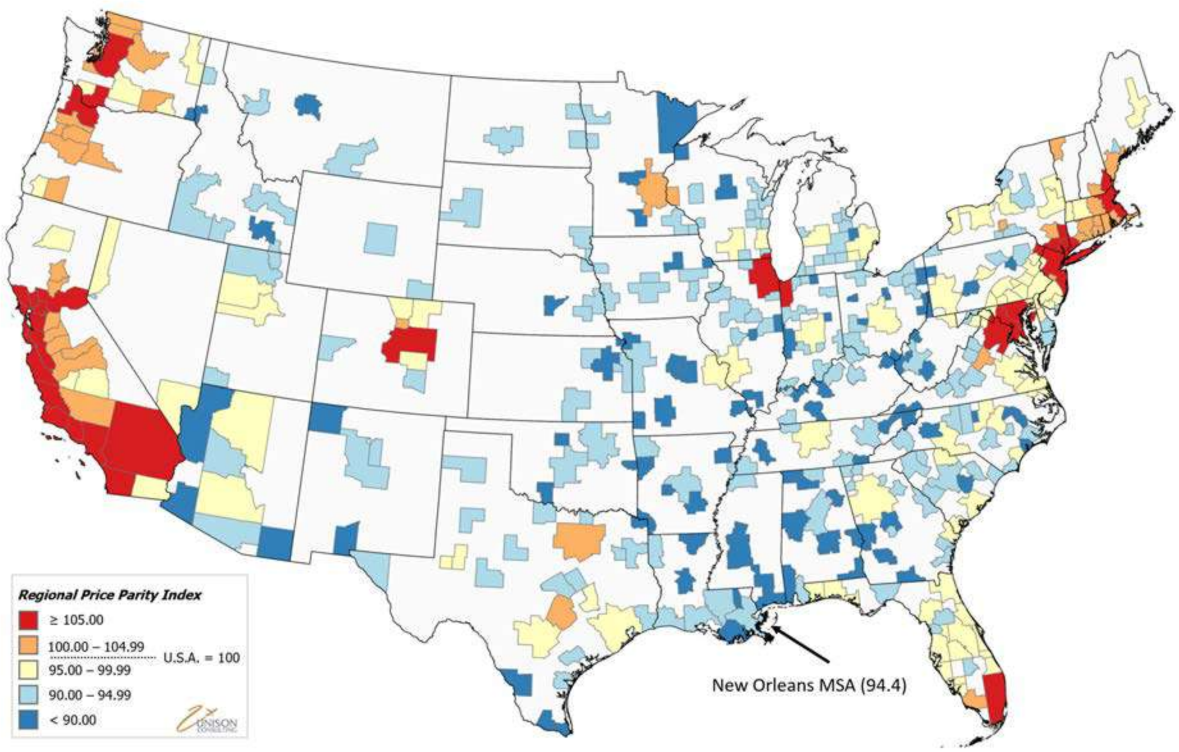


Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

2.3.6 | Cost of Living

A dollar buys more in the New Orleans MSA: prices are about 5.6 percent below the U.S. average, based on the regional price parity index (Figure 11). They are significantly lower than prices in other major metropolitan areas such as Chicago, Los Angeles, San Francisco, and Washington, D.C. All other things equal, lower prices leave consumers more discretionary income to spend on travel.

Figure 11 | Regional Price Parity Index (U.S. Average=100), 2021



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

2.4 | Economic Attributes

Demand for air transport services is a function of the economic vitality of a region, which is derived from trends in gross domestic product (GDP), the labor market, the industries that make up the regional economy, and tourism. Regional, national, and even global economic conditions influence the demand for air transportation services at a particular airport.

2.4.1 | Gross Domestic Product

The most comprehensive measure of economic output is GDP—the dollar value of all goods and services produced in a geographic region.[22] Sustained growth in inflation-adjusted real GDP underpins economic expansions. In contrast, decreases in real GDP over two or more consecutive quarters often signal a recession.[23] Generally, during an economic expansion, employment grows, incomes rise, and the demand for air travel also rises. Conversely, during an economic recession, employment decreases, incomes fall, and the demand for air travel also typically falls.

[22] In this report, GDP is used to refer to economic output measured at both national and sub-national levels.

[23] Recessions are officially determined by the National Bureau of Economic Research (NBER) Business Cycle Dating Committee.

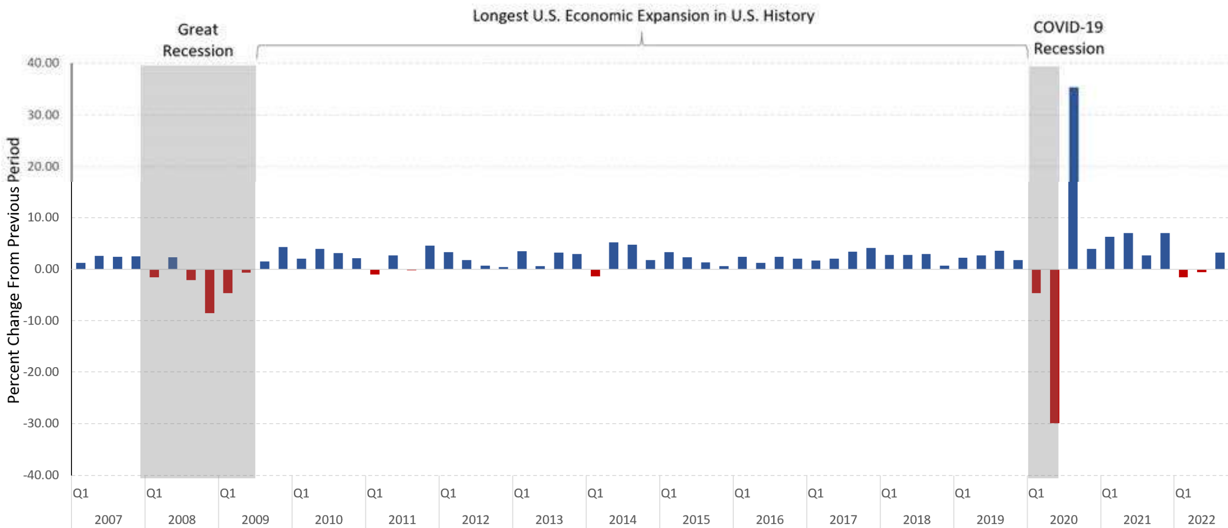
When the COVID-19 pandemic initially struck the United States in the first quarter of 2020, widespread lockdowns, stay-at-home orders, and voluntary social distancing depressed consumer spending, causing the economy to fall into a deep recession. In 2020, U.S. real GDP decreased 4.6 percent (annual rate) in the first quarter, and another 29.9 percent in the second quarter (Figure 12).

The COVID-induced recession was different from previous U.S. economic recessions. The typical causes of recessions are market-related and economic in nature—for example, asset market crashes, oversupply, loss of consumer and business confidence, or tight monetary and fiscal policy. The 2020 recession resulted from shocks to both supply and demand induced by the pandemic and deliberate measures to contain COVID-19. Therefore, when counties and states began to reopen in the second half of 2020 and social distancing began to ease, the U.S. real GDP rebounded quickly, increasing 35.3 percent in the third quarter and 3.9 percent in the fourth quarter. Vaccination helped restore consumer and business confidence, accelerate business re-openings, and sustain the economic recovery in 2021. U.S. real GDP grew 5.9 percent for the entire year, the highest annual increase since 1978.

Trends have changed in 2022. The U.S. real GDP decreased during the first two quarters—by 1.6 percent during the first quarter and 0.6 percent during the second quarter. The decreases in GDP during the first half of the year were attributed to supply constraints due to (1) the fifth and highest wave of COVID-19 infections from the Omicron variant; (2) supply-chain bottlenecks and inventory pressures; and (3) tightness in the labor market due to demand far exceeding labor supply. On the demand side, the output decreases have also been attributed to (1) the disappearing stimulus from household income transfers, (2) reduced government spending, (3) rising interest rates due to monetary tightening to contain inflation, and (4) the decrease in exports due to the appreciation of the U.S. dollar.

GDP contraction in two consecutive quarters typically would have signaled a recession. However, the NBER Business Cycle Dating Committee, the official arbiter of U.S. business cycles, also looks at trends in other key economic indicators such as nonfarm employment, real consumer spending, industrial production, and real personal income. These indicators, which were generally increasing, did not signal a recession, which the NBER defines as a "significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income and other indicators." Instead, during the third quarter of 2022, the U.S. real GDP grew 3.2 percent.

Figure 12 | U.S. Real GDP, Quarterly, Annualized Percent Change from Previous Period, 2007-Q3 2022



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

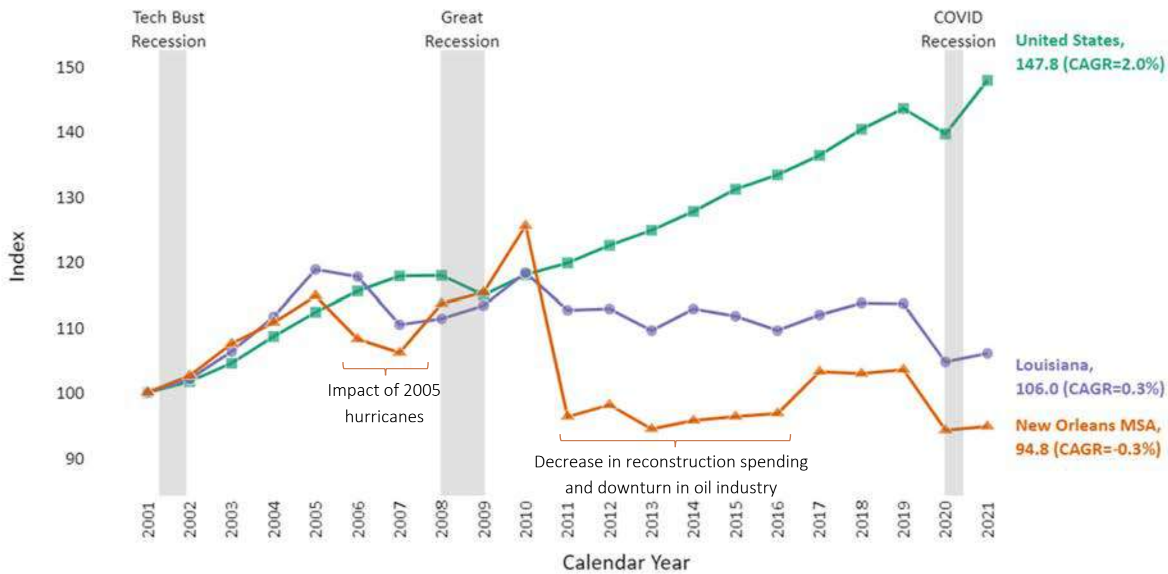
Sub-national GDP data are not available until later (two quarters later for state data and at least a year later for MSA data). The declines in U.S. real GDP during the first two quarters of 2022 and the rebound in the third quarter will likely show an effect in the Louisiana state and New Orleans MSA data. As Figure 13 shows, state and MSA business cycle changes generally follow national trends. However, the downturns have been more pronounced at the state and MSA levels.

Over the longer term, real GDP growth in the New Orleans MSA and the state of Louisiana has lagged national growth (Figure 13). Depressed by severe damage from the 2005 hurricanes, population out-migration following the hurricanes, the Great Recession, the oil industry downturn, and the COVID-19 pandemic, the New Orleans MSA real GDP decreased 5 percent between 2001 and 2021 (-0.3 percent CAGR). By contrast, Louisiana's real GDP grew, although by only 6 percent (0.3 percent CAGR), and the U.S. real GDP grew 48 percent (2.0 percent CAGR).

The New Orleans MSA and the state of Louisiana weathered the Great Recession better than the nation due to large capital inflows for hurricane reconstruction. But those capital inflows abated, and economic recovery was hampered by the oil industry downturn that set off a 20-month long state recession in 2016 and 2017. Louisiana is the nation's ninth largest producer of crude oil, and the New Orleans MSA has many firms in the oil and gas industry or in industries that are closely linked with exploration and production activities.[24] Compared with the state of Louisiana, however, the New Orleans MSA suffered smaller losses from the downturn in the oil industry.

[24] Loren Scott and Judy Collins, *The Louisiana Economic Outlook: 2019 and 2020*, Louisiana State University E.J. Ourso College of Business, September 2018.

Figure 13 | Real GDP Index (2001=100), 2001-2021



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

While the U.S. real GDP recovered to pre-recession levels in about three years, the New Orleans MSA and the Louisiana state GDPs have yet to return to levels recorded prior to Hurricane Katrina and the Great Recession. From 2010 through 2019, while the U.S. real GDP grew 22 percent, Louisiana's real GDP decreased 4 percent and the New Orleans MSA real GDP decreased 17 percent.

Over time, the decline of the energy sector in Louisiana has contributed to economic stagnation. Since the 1980s, more than 20 refineries have closed. Since 2014, more than 25,000 jobs in the oil sector have been lost.[25] These losses are magnified because of the energy sector's high wages, large employment multipliers, and substantial contributions to state and local tax revenues.[26]

The COVID-19 pandemic and recession also had a larger impact on the New Orleans MSA and Louisiana than the nation. In 2020, real GDP decreased 5.8 percent from the previous year in both the New Orleans MSA and Louisiana; it decreased only 3.4 percent at the national level.

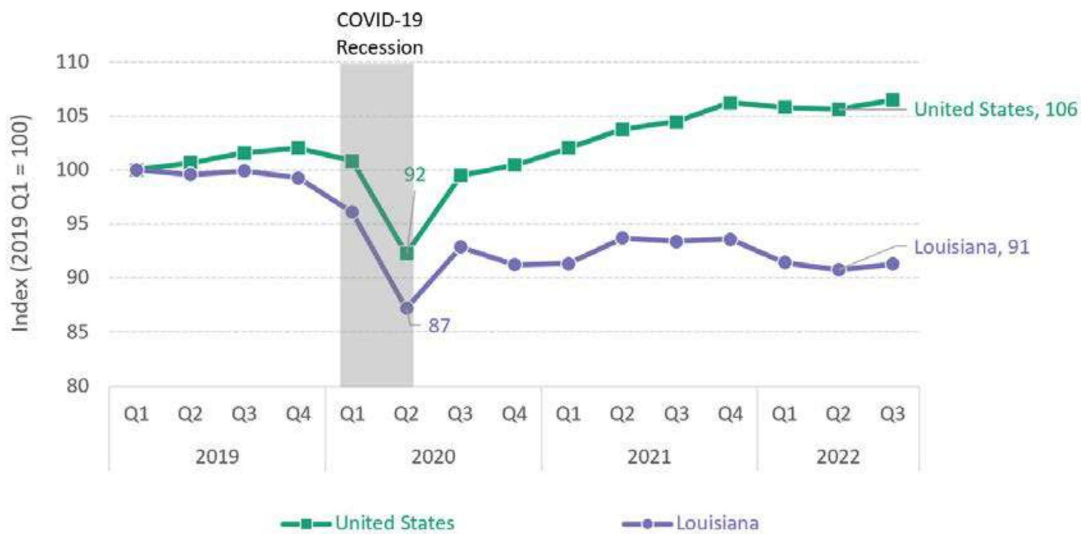
More recent MSA-level data on recovery from the COVID-19 recession is not yet available. However, state-level data shows sluggish recovery—Louisiana's real GDP remains well below its pre-

[25] A. Mahoney, "'It doesn't have to be this way': Lessons from the slow death of Louisiana's oil industry," *Grist*, December 16, 2021, https://grist.org/climate-energy/it-doesnt-have-to-be-this-way-lessons-from-the-slow-death-of-louisianas-oil-industry/.

[26] L. Scott, "The Energy Sector: Still a Giant Economic Engine for the Louisiana Economy ---An Update," Grow Louisiana Coalition, 2018, https://www.noia.org/wp-content/uploads/2021/04/2018-THE-ENERGY-SECTOR-STUDY_GROW-LOUISIANA-COALITION.pdf.

pandemic value (Figure 14). By contrast, the U.S. real GDP has exceeded its pre-pandemic level since the second quarter of 2021.

Figure 14 | Real GDP Recovery from the COVID-19 Recession (2019 Q1=100), Q1 2019-Q2 2022



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis, Federal Reserve Bank of St. Louis, and Unison Consulting, Inc.

2.4.2 | Labor Market

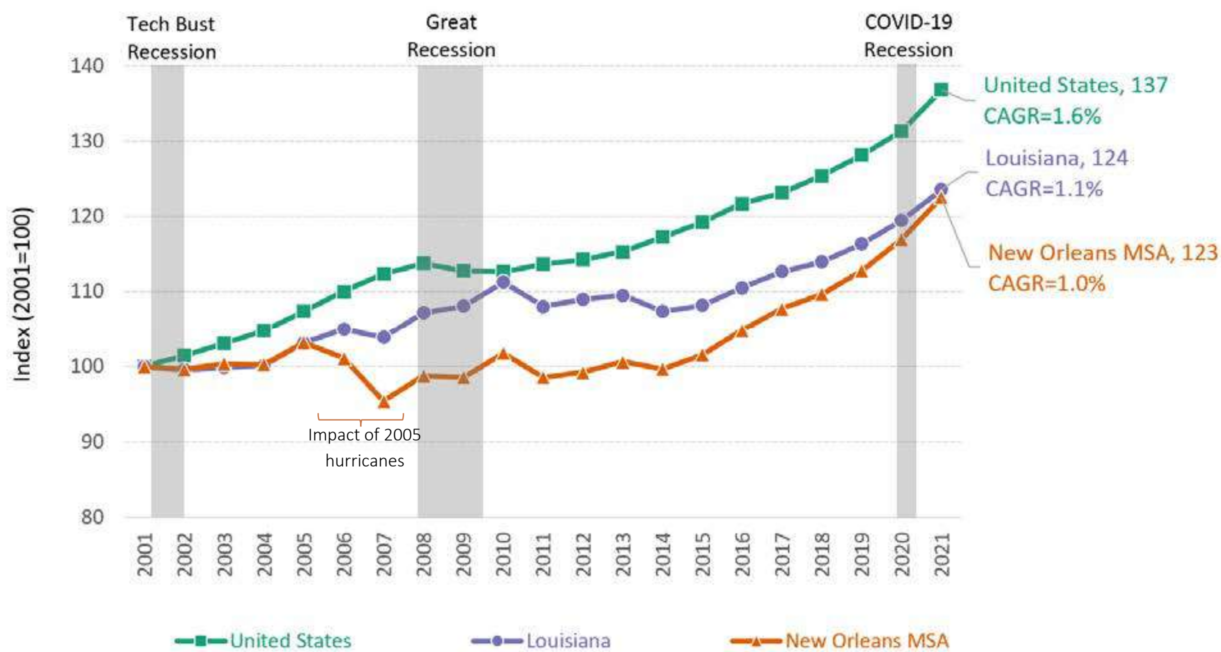
Labor market trends evolve with business cycles and reflect the state of the economy. They are positively correlated with trends in income and travel. Strong business and employment growth along with low unemployment stimulate demand for travel for leisure and business.

Business Establishments

New business formation and job creation are reflected in changes in the number of business establishments. Increases in business establishments indicate a healthy business climate, a high level of entrepreneurism, and a favorable environment for start-ups. New business formation also creates jobs and promotes overall economic growth.

Over 20 years beginning in 2001, the number of business establishments in the New Orleans MSA and Louisiana increased 23 percent (1.0 percent CAGR24 percent (1.1 percent CAGR), respectively (Figure 15). However, the New Orleans MSA and Louisiana lagged national growth, which was 37 percent (1.6 percent CAGR). The Great Recession had a significant negative impact on the growth of establishments in both Louisiana and New Orleans, as did Hurricane Katrina in New Orleans. Beginning in 2015, the rate of new business creation accelerated in the New Orleans MSA and Louisiana, coinciding with significant progress in reconstruction and population recovery in the New Orleans MSA and sustained economic expansion nationwide.

Figure 15 | Business Establishments Index (2001=100), 2001-2021



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Employment

Long-term employment growth in the New Orleans MSA has lagged the trends in both the United States and Louisiana (Figure 16). Between 2000 and 2021, total nonfarm employment decreased about 11 percent in the MSA (-0.5 percent CAGR); it decreased only 1 percent in Louisiana. By contrast, the nation gained about 10 percent (0.4 percent CAGR).

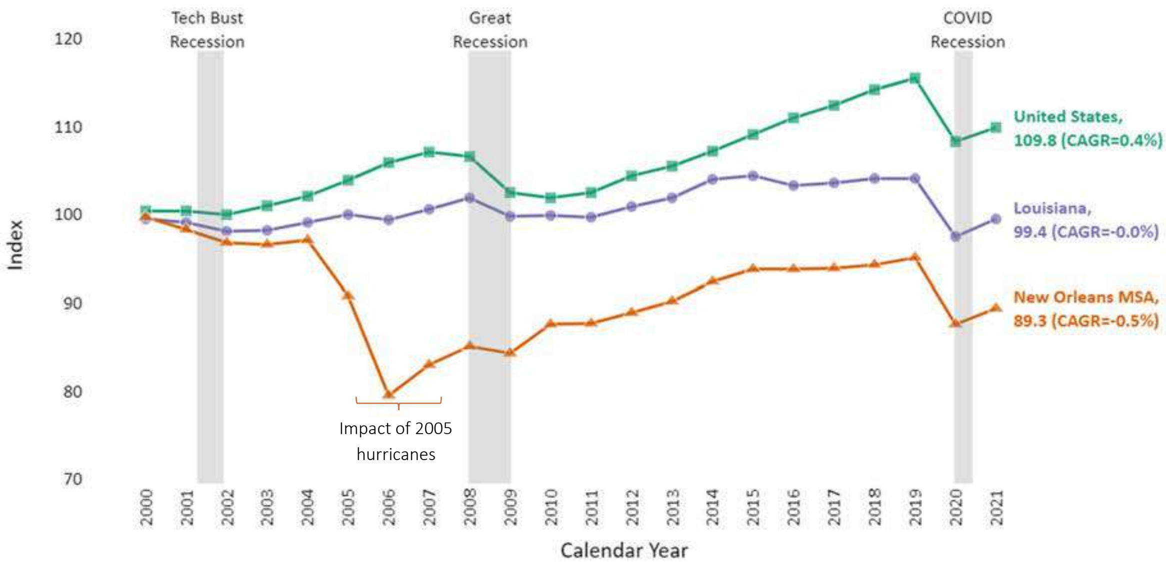
Just as the New Orleans MSA lost nearly a quarter of its population in the aftermath of Hurricane Katrina and Hurricane Rita, it also suffered massive job losses. On a monthly basis, nonfarm employment decreased 30 percent from 620,000 in August 2005 to 435,500 in October 2005, a loss of 184,500 jobs. On an annual basis, nonfarm employment decreased more than 21 percent from an average of 624,400 in 2004 to an average of 491,300 in 2006, a loss of 133,100 jobs.[27]

Between 2006 and 2019, the New Orleans MSA regained almost 94,000 jobs, growing at a compound annual rate of 1.4 percent, higher than the annual growth rate of 0.3 percent for Louisiana and 0.6 percent for the nation. The 2020 recession induced by the COVID-19 containment measures undid some of the job gains. Between 2019 and 2020 the New Orleans MSA, Louisiana,

[27] The figures cited are based on seasonally adjusted nonfarm employment data from the U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis.

and the nation each lost more than 9 percent of total employment. For New Orleans, that equated to a loss of more than 45,000 jobs.

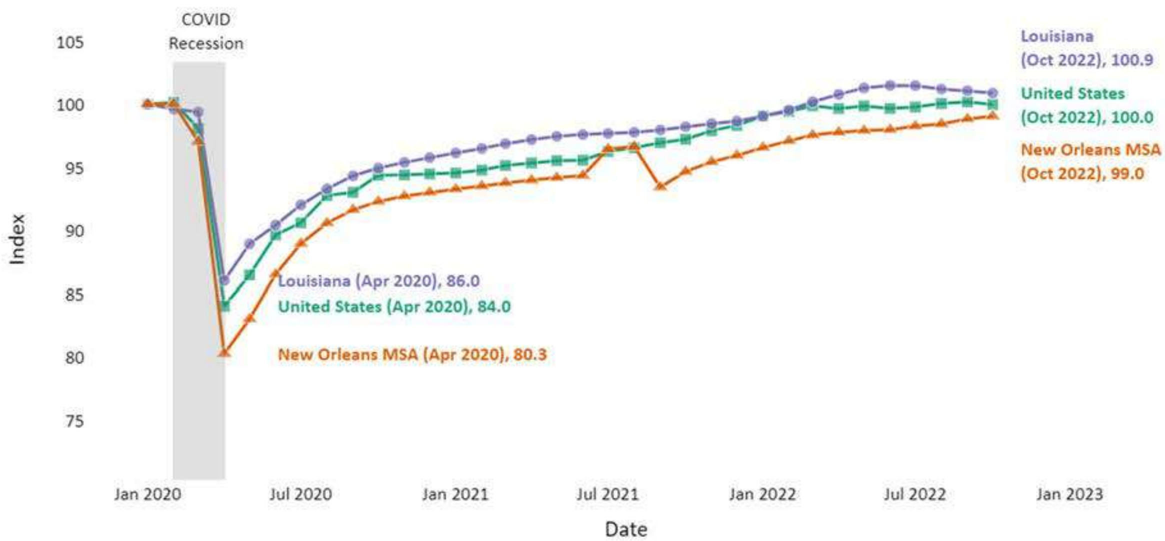
Figure 16 | Employment Index (2000=100), 2001-2021



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Recessions typically result in decreases in employment, and the sharp declines in employment felt in all geographic levels during the recession in 2020 were unprecedented (Figure 17). Job losses for the New Orleans MSA, Louisiana, and the nation ranged from 14 percent to 20 percent between January and April 2020. By September 2022, significant employment recovery had occurred. The state of Louisiana and the nation had completely recovered to pre-pandemic employment levels, and the New Orleans MSA was just 1.0 percent below January 2020 employment.

Figure 17 | Employment Recovery from the COVID-19 Recession (January 2020=100), January 2020-October 2022



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Nonfarm Employment by Industry

A diversified economy is important in achieving robust economic growth and withstanding economic shocks. On the other hand, heavy specialization in a few industries—especially those that are pro-cyclical, such as construction, mining, and manufacturing—increases the exposure of the local economy to business cycle fluctuations and downturns in particular industries. Since regions tend to specialize in certain economic activities owing to natural resources, geographic attributes, labor supply, business climate, and other factors, they also tend to be more concentrated in certain industry sectors in comparison with the national economy.

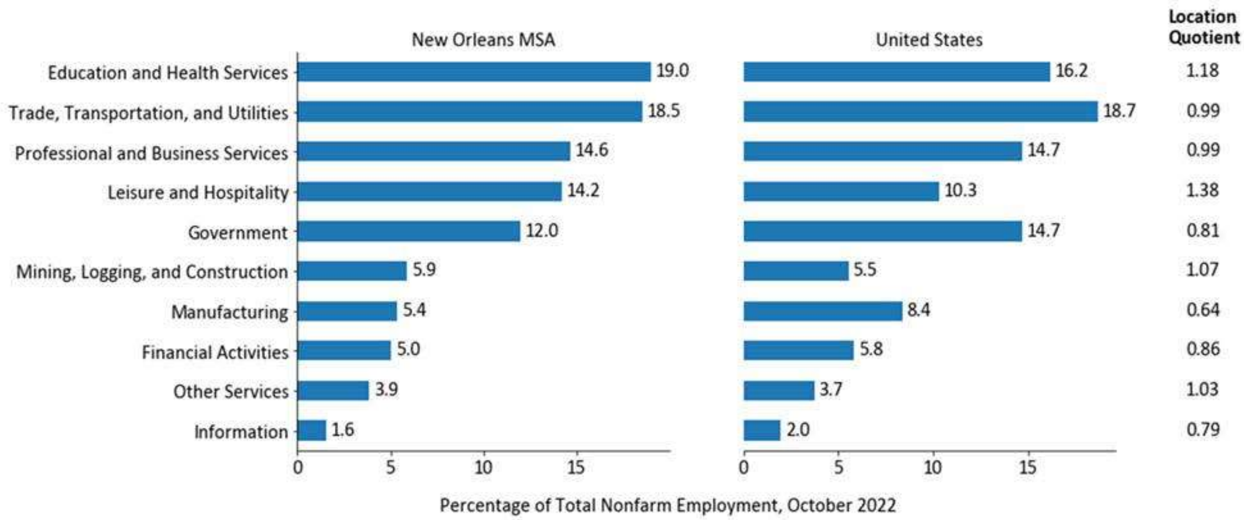
Figure 18 shows the percentage distribution of employment by industry sector in 2022 in the New Orleans MSA and the United States. It also shows the location quotient (LQ) for the New Orleans MSA, which indicates the extent to which the New Orleans MSA "specializes" in an industry sector. LQ measures the degree to which a particular industry sector employs proportionately more or less in the region than its share of total U.S. employment. An LQ higher than one indicates that an industry sector has a greater share of employment in the region compared to its share at the national level; it therefore indicates the region's specialization in that industry. An LQ lower than one indicates that an industry has a smaller share of employment in the region; it is therefore less important in the region than it is at the national level.

The economy of the New Orleans MSA shows specialization in three industry sectors (those with location quotients significantly above one)—leisure and hospitality; education and health services; and mining, logging, and construction. The leisure and hospitality sector includes accommodation, eating and drinking establishments, amusements, gambling, and similar activities. This is the fourth largest sector in the New Orleans MSA, employing 14.2 percent of workers with an LQ of 1.38. High employment in this sector and its high LQ indicate the importance of tourism to the region.

Education and health services includes employment in schools, universities, hospitals, and similar activities. This is the largest sector in the New Orleans MSA, employing 19 percent of workers with an LQ of 1.18.

Construction jobs comprise 89 percent of employment in the mining, logging, and construction sector in the New Orleans MSA. The sector employs nearly 6 percent of workers and has an LQ of 1.07. The high location quotient points to robust infrastructure development in the MSA.

Figure 18 | Employment Mix and Location Quotients—Selected Nonfarm Sectors, 2022



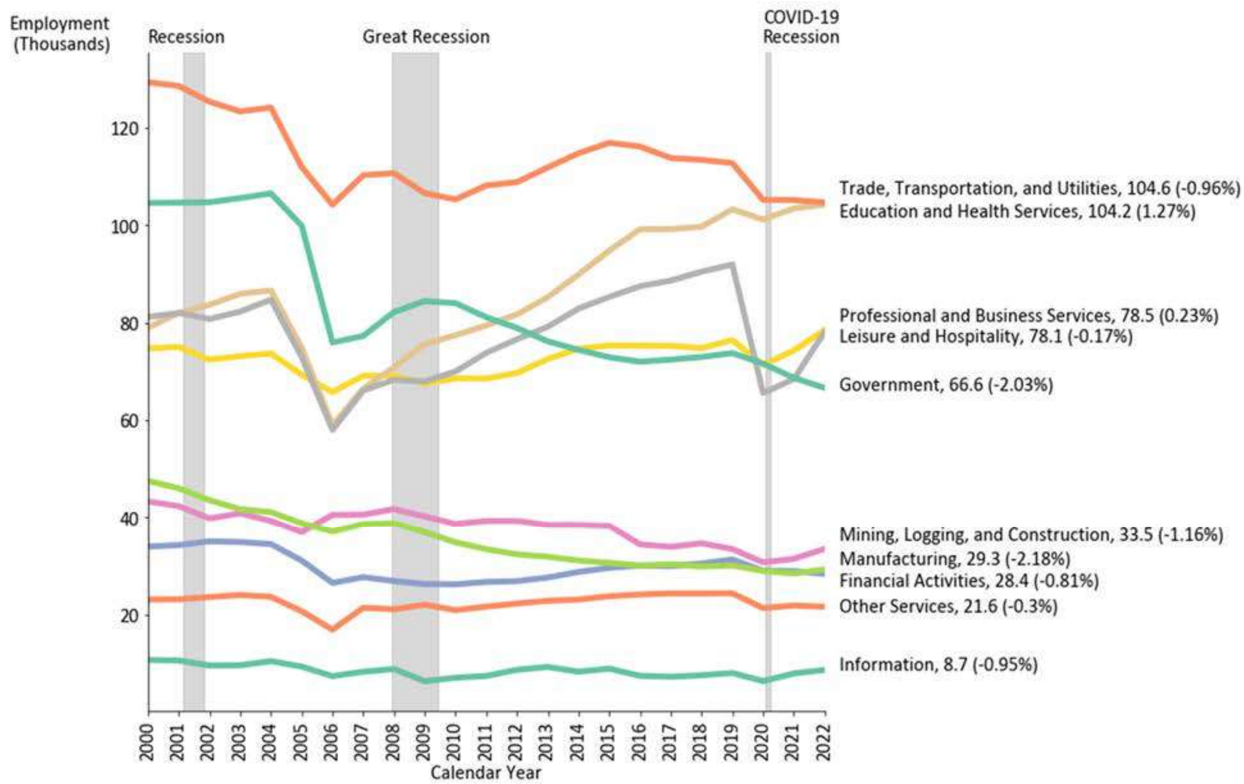
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Figure 19 shows the employment trends in selected nonfarm sectors from 2000 through 2022 along with the average annual growth rate for each. The pattern of employment change over the period reflects impacts from the 2005 hurricanes, the Great Recession (2008-2009), the oil industry downturn (2016-2017), and the 2020 COVID-19 recession.

The largest gains in employment since 2000 were in the education and health services sector (1.27 percent CAGR). Professional and business services also grew slightly (0.23 percent). All other sectors suffered job losses; the largest losses were in manufacturing (-2.18 percent CAGR), government (-2.03 percent CAGR), and the mining, logging, and construction sector (-1.16 percent CAGR).

The COVID-19 recession caused job losses in all industry sectors in the New Orleans MSA. Between 2019 and 2020, the leisure and hospitality sector suffered the largest loss in employment (29 percent, 26,000 jobs). Across the nation, the leisure and hospitality sector suffered disproportionate job losses due to restrictions on travel, stay-at-home orders, and general reluctance by the public to travel. About 14,000 jobs (52 percent of the losses) in the MSA's leisure and hospitality sector have recovered by October 2022—a positive sign for the resurgence of the region's critical tourism industry. Most sectors have seen some job recovery since the lows of 2020. The exceptions are: government, which was still at 93 percent of January 2020 employment level in October 2022; financial activities, which was at 98 percent; and trade, transportation and utilities, which was at 99 percent.

Figure 19 | Employment by Selected Industry, New Orleans MSA, 2000-2022



Gray areas indicate economic recession periods. Compound annual growth rates in parentheses,
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Leading Employers

The leading employers in the New Orleans MSA span both public and private sectors. Along with the many small enterprises in the area, they form the backbone of the region's economy. There is a large corporate presence that generates business demand for air travel.

Table 5 shows a selection of major employers by sector highlighted by Greater New Orleans, Inc., the most comprehensive source of employer listings for the area. The large number of companies shown on the table is an indication that the employers encompass diverse sectors including financial services, construction, education, energy, healthcare, manufacturing, logistics, technology, and many others. World-known companies such as Ernst & Young, CH2M Hill, Chevron, Boeing, Domino Sugar, Port of South Louisiana, and Harrah's have operations in the New Orleans area. In addition, Fortune 1000 companies, Entergy and Pool Corporation, are headquartered in the region.

Table 5 | Major Employers by Sector in the New Orleans MSA

	Education	
Delgado Community College	Northshore Technical Comm. College	Nunez Community College
River Parishes Community College	Southeastern Louisiana University	University of New Orleans
	Government	
City of New Orleans	Jefferson Parish Government	Naval Air Station Join Reserve Base
Plaquemines Parish Government	St. Bernard Parish Government	St. Charles Parish Government
St. James Parish Government	St. John the Baptist Government	St. Tammany Parish Government
Tangipahoa Parish Government	United States Army Corps of Engineers	United States Marine Corps
United States Navy	Washington Parish Government	
	Other	
Ernest N. Morial Convention Center New Orleans	New Orleans International Airport	LSU Health Sciences Center
S.E. Louisiana Veterans Health Care System	NASA	
	Accounting, Banking, Business Services, Insurance, and Legal	
Accenture	Adams & Reese	Ernst & Young
Hancock Whitney Bank	Jones Walker	Postlethwaite & Netterville
PricewaterhouseCoopers	Pan-American Life Insurance Group	
	Construction, Architects & Engineers	
AECOM	Audubon Companies	Boh Brothers
Bernhard MCC	DonahueFavret Contractors	C.H. Fenstermaker & Associates
CH2M Hill	Landis Construction	Eskew+Dumez+Ripple
Gibbs Construction	T. Baker Smith	Palmisano
Royal Engineers and Consultants	Waldemar S. Nelson Engineering	Weeks Marine
Woodward Design + Build		
	Education	
Dillard University	Loyola University New Orleans	Tulane University
Xavier University of Louisiana		
	Energy	
Chalmette Refinery	Chevron	Entergy Corporation
Kinder Morgan Delta Terminal	LLOG Exploration	Marathon Oil
Phillips66	PosiGen	Shell
Valero		
	Healthcare	
Children's Hospital	East Jefferson General Hospital	Lakeview Regional Medical Center
LCMC Health	Louisiana Cancer Research Center	New Orleans East Hospital
North Oaks Health System	Ochsner Health System	Peoples Health
S.E. Louisiana Veterans Healthcare System	Tulane Health System	West Jefferson General Hospital
	Manufacturing	
Boeing	Bollinger Shipyards	Cornerstone Chemical Company
Domino Sugar	Elmer Chocolate	Folgers Coffee
International Paper	Intralox	Laitram
LM Windpower	Lockheed Martin	Rain CII Carbon
Textron Systems Marine & Land	The Dow Chemical Company	Zatarain's
	Supply Chain and Logistics	
Associated Terminals	Associated Wholesale Grocers	C&S Wholesale Grocers
Dupuy Storage & Forwarding	Hornbeck Offshore Services	International-Matex Tank Terminals
Kearney Companies	New Orleans Cold Storage	Plaquemines Port Harbor & Terrm. Dst
Port of New Orleans	Port of South Louisiana	TCI Packaging
Tidewater	Venice Port Complex	
	Technology	
Accruent	DXC Technology	GCR Inc., dba Civix
GE	Geocent	Globalstar
iSeatz	Levelset	Lucid
Netchex	Testronic	TurboSquid
	Other	
Audubon Nature Institute	Harrah's New Orleans Hotel & Casino	Innocence Project New Orleans
Live Nation	New Orleans & Company	Peter Mayer
PoolCorp	Select Comfort	Solomon Group
Trumpet		

Sources: Greater New Orleans Inc. Regional Economic Development and Unison Consulting, Inc.

Public institutions are also major employers (Table 6). Among them are University of New Orleans, United States Army Corps of Engineers, New Orleans International Airport, and many other local and regional government organizations.

Table 6 | Selected Public Employers in the New Orleans MSA

	Education	
Delgado Community College	Northshore Technical Comm. College	Nunez Community College
River Parishes Community College	Southeastern Louisiana University	University of New Orleans
	Government	
City of New Orleans	Jefferson Parish Government	Naval Air Station Join Reserve Base
Plaquemines Parish Government	St. Bernard Parish Government	St. Charles Parish Government
St. James Parish Government	St. John the Baptist Government	St. Tammany Parish Government
Tangipahoa Parish Government	United States Army Corps of Engineers	United States Marine Corps
United States Navy	Washington Parish Government	
	Other	
Ernest N. Morial Convention Center New Orleans	New Orleans International Airport	LSU Health Sciences Center
S.E. Louisiana Veterans Health Care System	NASA	

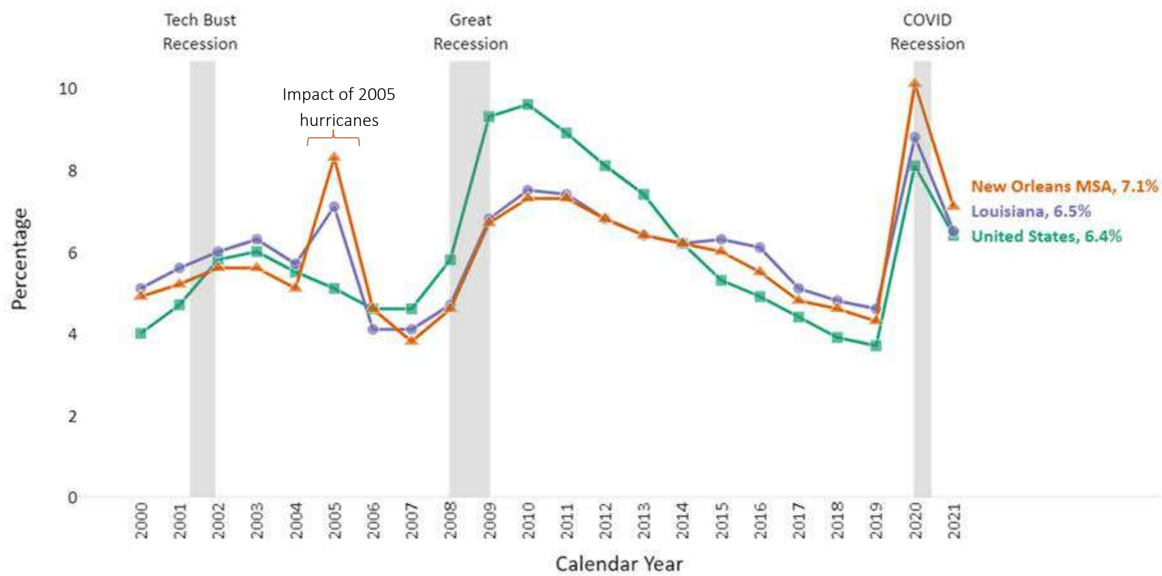
Source: Greater New Orleans Inc. Regional Economic Development and Unison Consulting, Inc.

Unemployment

The unemployment rate represents the share of unemployed members of the labor force (those 16 years and older who are either employed or unemployed and actively looking for work). It provides a measure of unmet demand for jobs. High levels of unemployment imply lower incomes and less discretionary income for travel. As with employment, the unemployment rate follows business cycles (Figure 20).

Following the Great Recession, unemployment spiked at 9.6 percent in the United States, 7.5 percent in Louisiana, and 7.3 percent in New Orleans. By 2019, unemployment had fallen below 4 percent in the United States, to 4.6 percent in Louisiana, and to 4.3 percent in the MSA. Amid the business lockdowns during the COVID-19 pandemic, unemployment spiked again in 2020. The annual average unemployment rate rose to 8.1 percent nationally, 8.8 percent in Louisiana, and 10.1 percent in the New Orleans MSA. Recovery was fast; the annual average unemployment rate decreased to 6.4 percent nationally, 6.5 percent in Louisiana, and 7.1 percent in the MSA in 2021.

Figure 20 | Annual Unemployment Rate, 2000-2021



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Monthly data reveal higher peaks in unemployment rate (Figure 21). In January 2020, prior to the pandemic, unemployment rates were 3.5 percent nationally, 5.2 percent in Louisiana, and 4.5 percent in the New Orleans MSA—at levels consistent with a full-employment economy.[28] During the early months of the pandemic, following shelter-at-home orders and business lockdowns, unemployment rose sharply—up to 14.7 percent nationally, 13.5 percent in Louisiana, and almost 18 percent in New Orleans. As shelter-at-home orders were lifted and businesses reopened, unemployment rates also descended quickly, and were at or below pre-pandemic lows by October 2022.

Rapid economic recovery has created a labor shortage—in October 2022 there were 1.7 job openings for each unemployed person nationally and 2 job openings for every unemployed person in Louisiana.[29, 30] Airlines and airports are facing the impacts of this shortage—for flight crew,

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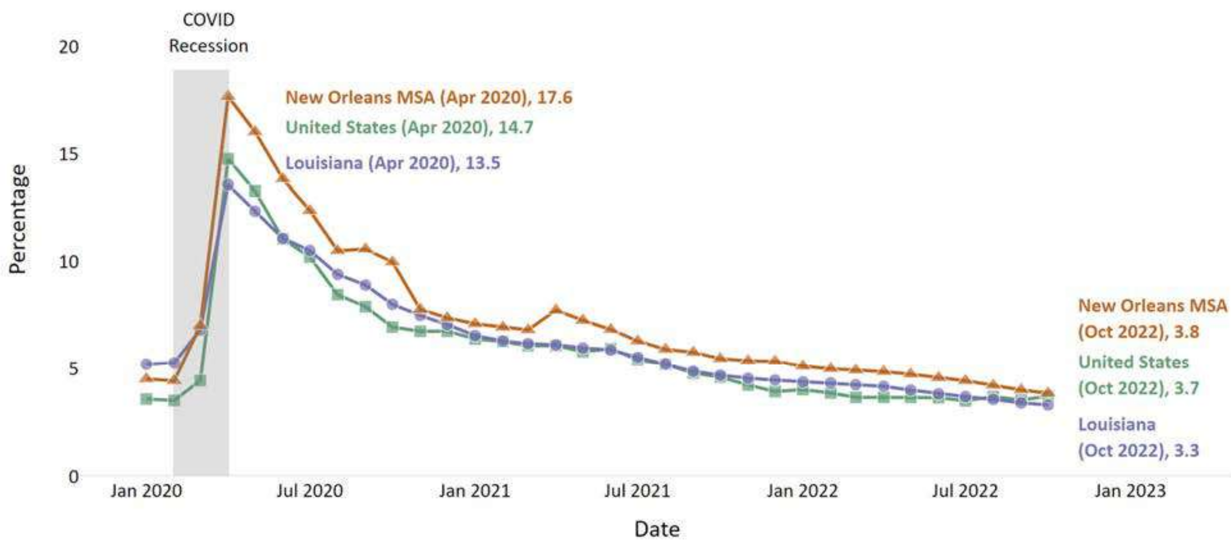
[28] Unemployment rates are between 4.1 and 4.7 percent suggest full employment. In concept, full employment refers to a state where "…the unemployment rate equals the nonaccelerating inflation rate of unemployment, no cyclical unemployment exists, and GDP is at its potential." See: (1) C. Cook, "Full Employment," *Bloomberg*, 2016. (2) U.S. Bureau of Labor Statistics, "Full Employment: an assumption within BLS projections," 2017.

[29] S. Ember and B. Casselman, "Less Turnover, Smaller Raises: Hot Job Market May Be Losing Its Sizzle," *The New York Times*, October 3, 2022.

[30] U.S. Bureau of Labor Statistics.

airport facility staff, and other workers. The labor shortage prompted industry-wide cuts in airline schedules, raising airfares, and slowing passenger traffic recovery.[31]

Figure 21 | Monthly Unemployment Rate from January 2020



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

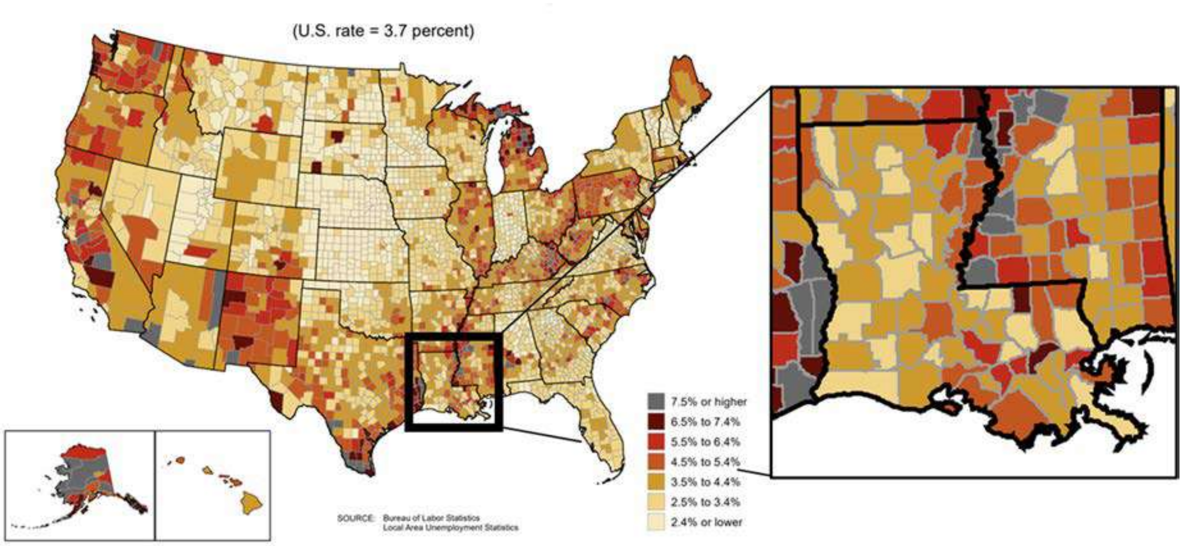
Figure 22 shows the 12-month average unemployment rate through October 2022 by county nationwide. The New Orleans MSA has somewhat lower unemployment compared with surrounding areas of Mississippi and southeastern Texas.

Commuting

In 2019, the New Orleans MSA had an employment efficiency rate of approximately 79 percent. That is, 79 percent of those who work in the MSA also live in the MSA, while the remaining 21 percent commute into the MSA from outside the area. People commuting to work in the MSA from elsewhere outnumber those commuting away from the MSA—a net inflow of more than 32,000 jobs.

[31] J. Puckett, "U.S. Airlines Are Cutting Thousands of Fall Flights—Here's What to Know," *Conde Nast Traveler*, August 19, 2022.

Figure 22 | Average Unemployment Rate by County, November 2021-October 2022



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

2.4.3 | Tourism

Tourism is considered a "basic" economic activity and a key driver of economic growth. It brings "new" money to a region from visitor spending on food, lodging, recreation, and other services provided by local businesses.[32]

Tourism is a significant component of the economy for both New Orleans and Louisiana and contributes to the livelihoods of thousands of workers in the region. While New Orleans is known for its Mardi Gras celebration and world-renowned food culture, the MSA and its surrounding region are a visitor destination for professional meetings, athletics, architecture, gardens, museums, the French Quarter, and many other activities and events. There are approximately 26,000 hotel rooms in the New Orleans area to serve visitors.[33] In 2019, the Port of New Orleans recorded more than 2 million cruise passenger movements, and several major cruise lines dock at the Port.[34] The Airport supports travel to the MSA and throughout southeastern Louisiana.

In 2019, prior to the pandemic, there were approximately 53 million visitors to Louisiana, who spent about $19 billion. More than 20 million domestic visitors and almost 700,000 international visitors came to Greater New Orleans.[35] They each spent an average of $181 per day—significantly

[32] In regional economic development theory, "basic" industries are those that generate revenue from customers from outside the region, thus bringing "new money" into the region.

[33] A. Fuentes, "Hotel occupancy higher than 80 percent for Mardi Gras weekend," Fox 8, February 25, 2022, https://www.fox8live.com/2022/02/25/hotel-occupancy-higher-than-80-percent-mardi-gras-weekend/.

[34] The Port of New Orleans, https://portnola.com/cruise.

[35] "New Orleans Tourism and Visitor Spending Break Records in 2019 Highlighting Depth of Economic Crisis Still to Unfold," *New Orleans*, April 12, 2022, https://www.myneworleans.com/new-orleans-tourism-

more than what is spent in any other Louisiana region. The Airport is important in facilitating tourism, as approximately 17 percent of New Orleans' visitors arrive by plane.

In 2020, during the pandemic, domestic visitation to Louisiana dropped by around 40 percent and by about 38 percent to New Orleans. International visitors to Louisiana decreased by over 78 percent and by more than 74 percent to New Orleans.[36] The sharp decrease in the number of visitors resulted in large-scale job retrenchment in the leisure and hospitality sector, and the loss of about $1.3 billion in tax revenues for the state.[37] Emerging data show that visitors are returning to Louisiana,[38] and employment in the leisure and hospitality sector is increasing, as discussed above (see Figure 19). Given the importance of tourism to Louisiana and New Orleans, the continued recovery of the sector is vital for broader economic recovery post COVID-19.

2.5 | Other Macroeconomic Indicators

Conditions in the broader U.S. economy affect regional economic conditions and overall demand for air transportation. The current trends in key macroeconomic indicators give mixed signals for the future.

2.5.1 | Consumer Spending

Consumer spending, a bellwether measure of the economy, continues to signal a growing economy. Personal consumption expenditures (PCE) account for about 66 percent of U.S. GDP. Figure 23 shows that, apart from a few dips during the Great Recession and again during the COVID-19 pandemic, consumer spending has continuously increased. During the Great Recession, consumer spending decreased 3.5 percent over three quarters. It subsequently rose to 44 percent above the pre-recession peak by the fourth quarter of 2019, a 49 percent increase from the lowest level reached in the second quarter of 2009. During the COVID-19 pandemic, consumer spending decreased 11 percent over the first two quarters of 2020 but rebounded quickly. It increased 34 percent through the third quarter of 2022 to a level 20 percent above the pre-pandemic peak.

Consumer spending has been buoyed by high levels of excess savings and increases in household wealth from earlier gains in stock and housing prices during the pandemic.[39] The effect of high

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visitation-and-visitor-spending-break-records-in-2019-highlighting-depth-of-economic-crisis-still-to-unfold/.

[36] D.K. Shifflet, *2019 Louisiana Visitor Profile*, *2019 Louisiana Visitor Volume and Spending*, *2020 Louisiana Visitor Volume and Spending*, March 2022. The data in this section is compiled from a variety of sources and may contain small discrepancies.

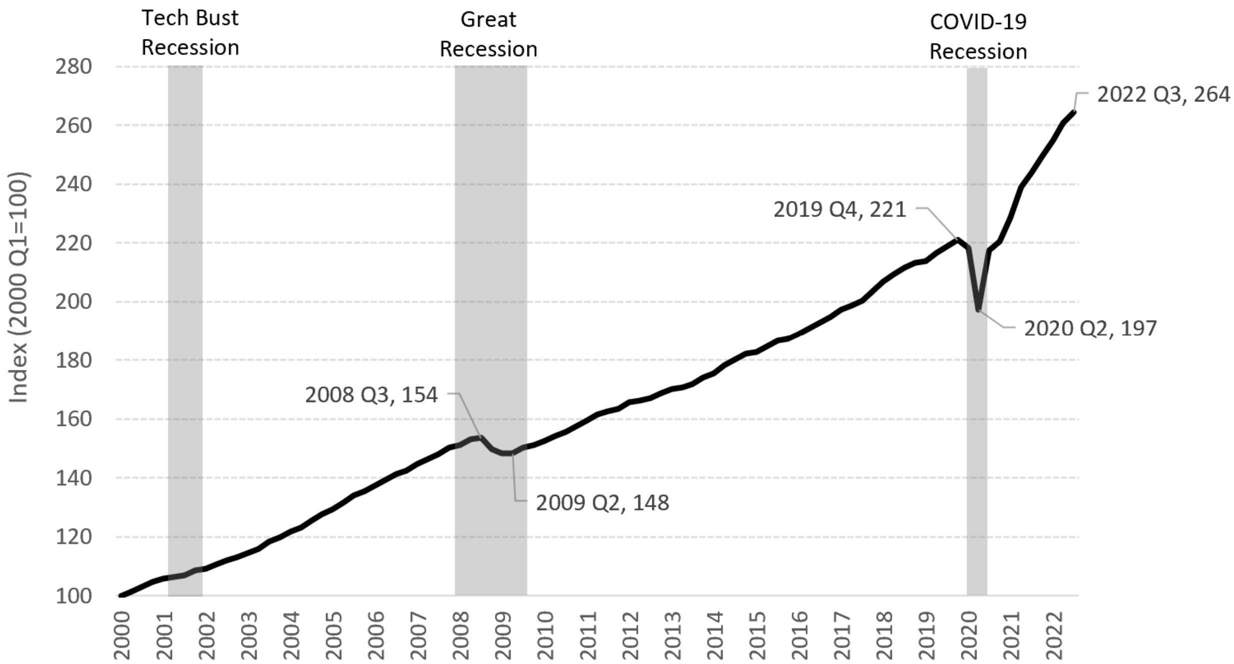
[37] Tourism Economics, *Economic Impacts of Visitors in Louisiana 2020*, April 12, 2022.

[38] American Press, "Louisiana Tourism Industry Recovering Quicker than Expected," May 3, 2022, https://www.americanpress.com/2022/05/03/louisiana-tourism-industry-recovering-quicker-than-expected/.

[39] A. Aladangady, D. Cho, L. Feiveson, and E. Pinto, "Excess Savings during the COVID-19 Pandemic," *FEDS Notes*, Board of Governors of the Federal Reserve System, October 21, 2022.

inflation, however, is starting to show as spending begins to outstrip incomes and consumers begin to draw down savings.[40]

Figure 23 | Personal Consumption Expenditures Index (Q1 2000=100), 2000-2022



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

Data from the Federal Reserve Bank of New York's recurring household spending survey provide evidence of changing trends in consumer spending.[41] From late 2014 through 2019, households' expected growth in spending over the next 12 months were closely in line with actual growth in spending in the previous 12 months. Expected household spending averaged only about 0.33 percent higher than past spending. During most of 2020 and 2021, both actual and expected spending rose dramatically. By August 2022, actual spending grew 9 percent (bolstered by income gains during the pandemic). Households, however, became less optimistic about future spending—expecting an increase of only 4.4 percent in the next 12-month period. The wide divergence between actual and expected change in spending—by far the largest in the past nine years—signals a possible slowing of growth in consumer spending.

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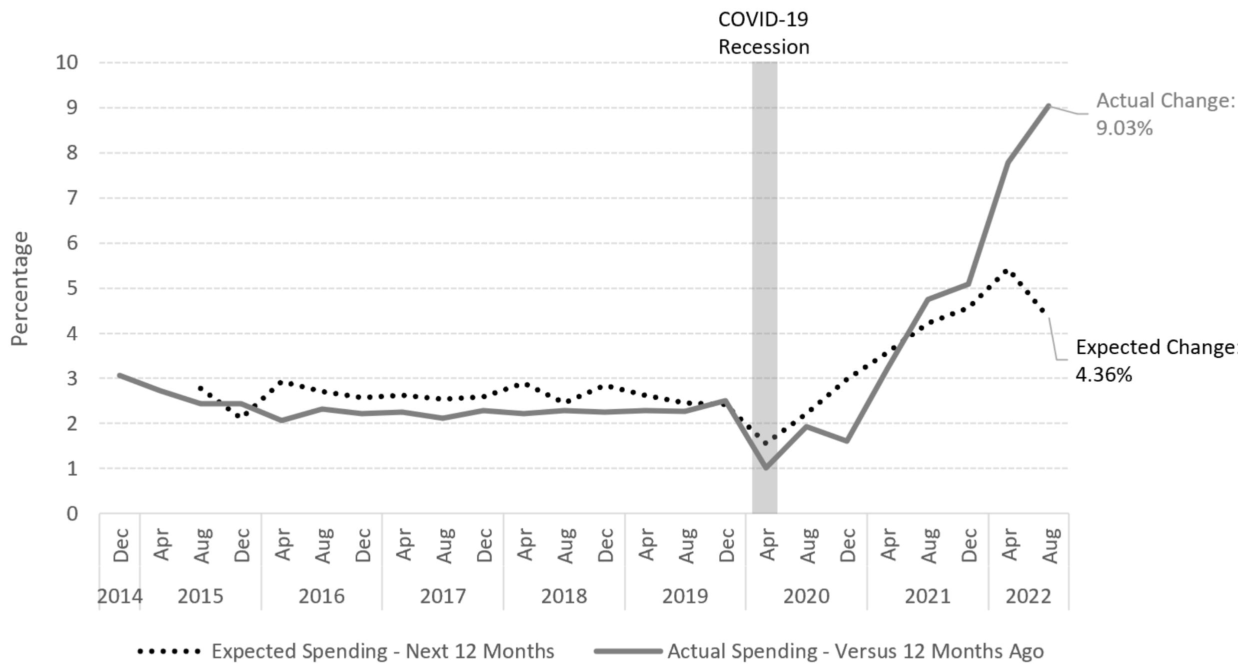
[40] T. Quinlan and S. Seery, "Spending Outstrips Income for the 8th Time in 9 Months," *Wells Fargo Economics*, October 28, 2022.

[41] The survey measures the median percentage change in monthly household spending compared with a year ago, and the median expected change in household spending over the next 12 months.

Figure 24 | Percentage Change in Household Spending: Actual vs. 12 Months Ago, and Expected Next 12 Months, 2014-2022



Gray areas indicate economic recession periods.
Sources: Federal Reserve Bank of New York and Unison Consulting, Inc.

2.5.2 | Personal Saving Rate

The personal saving rate soared during the pandemic. Social distancing curtailed household spending, and income transfers from COVID-19 relief packages[42] boosted household incomes. This resulted in trillions of dollars of accumulated savings.

Figure 25 shows the monthly trends in personal savings as a percentage of disposable income from January 2000 to November 2022. Prior to the pandemic (2000-2019), the average saving rate was 5.9 percent. In 2020 and 2021, the personal saving rate reached levels of almost 34 percent. The high level of accumulated savings has enabled consumers to sustain spending, including travel, amid price increases. In 2022, however, the personal saving rate has fallen below its long-term average, to 2.4 percent in November 2022, and consumers have begun to draw down savings. Accumulated savings through October 2022 are estimated to have fallen to just over $1 trillion, down from a peak of more than $2 trillion at the end of 2021.[43]

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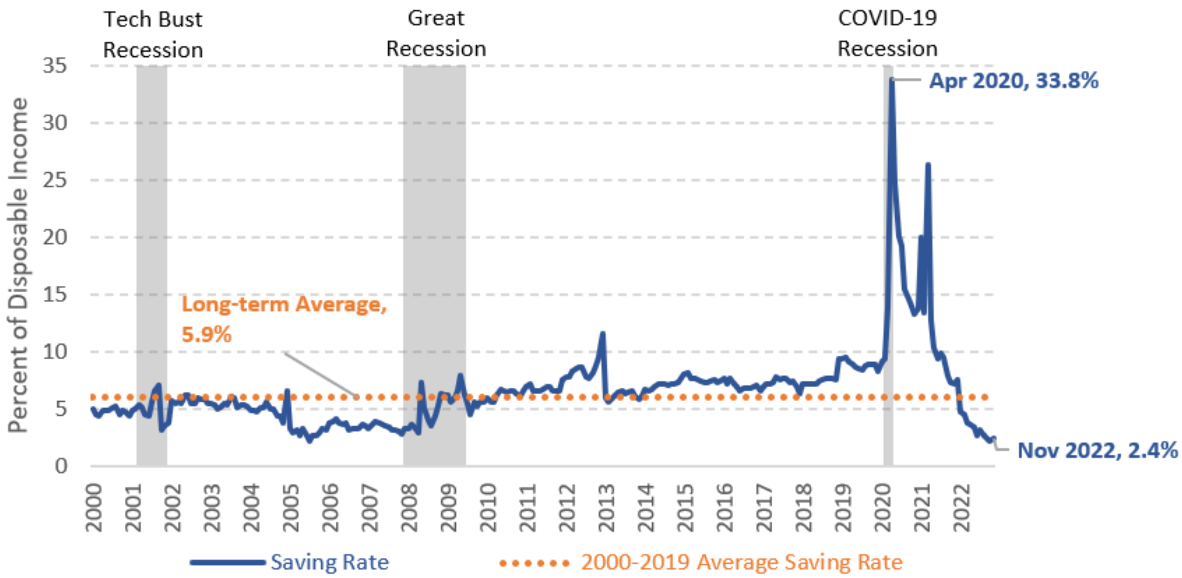
[42] *CARES Act* in March 2020, the *Consolidated Appropriations Act* in December 2020, and the *American Rescue Plan* in March 2021.

[43] T. Quinlan, S. Seery, and J. Kohl, "Spending Surges as Inflation Cools, but Savings Rate Dips to 17-Year Low," *Wells Fargo Economics*, December 1, 2022.

Figure 25 | Personal Saving Rate, 2000-2022

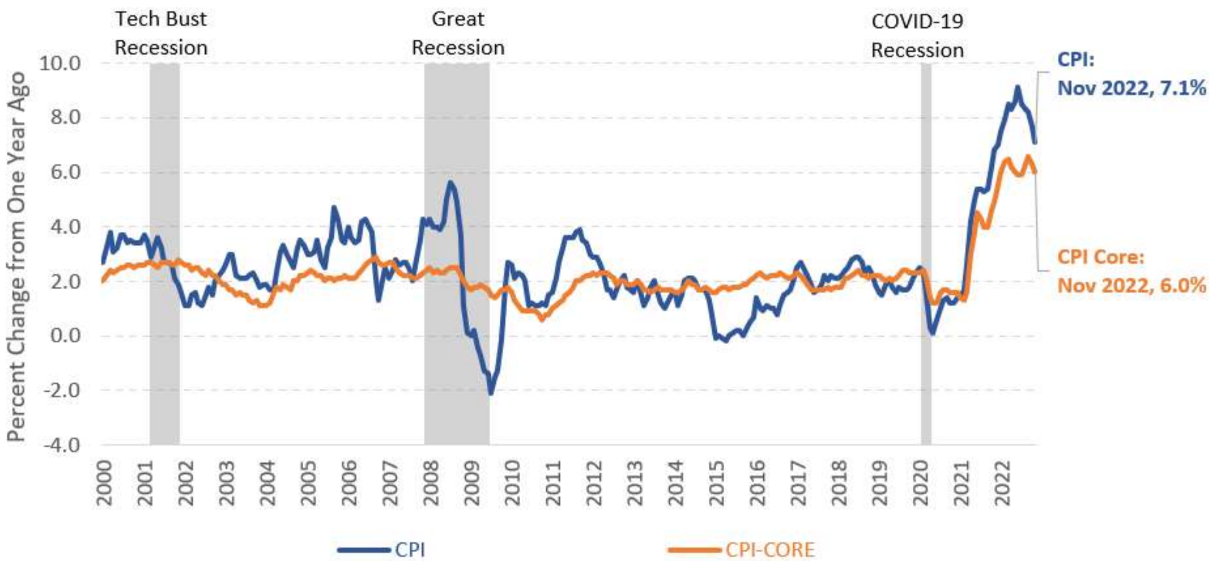


Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc..

2.5.3 | Inflation

The combination of strong consumer demand and supply constraints has created an inflationary environment. Inflation, which was mostly at or below 2 percent between 2010 and 2020, has risen to levels not seen since the early 1980s (Figure 26). The headline inflation rate, measured by the change in the All-Items Consumer Price Index (CPI), reached 9 percent in June 2022. Core inflation, which excludes highly price-volatile items like food and energy, reached 6.7 percent in September 2022.

Figure 26 | Consumer Price Index, Percent Change from One-Year Ago, 1980-2022



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

2.5.4 | Consumer Sentiment

Based on a recurring survey conducted by the University of Michigan, consumer sentiment has reached its lowest level in years—another indicator of caution regarding near-term economic conditions (Figure 27). The index measures how consumers feel about the economic outlook and their finances; it suggests future demand behavior and business activity.[44, 45] After a decade-long recovery from low levels reached during the Great Recession, consumer sentiment has fallen steeply since February 2022. The consumer sentiment index reached its all-time lowest level in June 2022, as consumers grew more concerned about high inflation and increasingly uncertain about the near-term economic outlook. More recent data show improving consumer expectations about economic conditions and inflation.

[44] W. Huth et al., "The indexes of consumer sentiment and confidence: Leading or misleading guides to future buyer behavior," *Journal of Business Research*, March 1994.

[45] Full detail on the University of Michigan Survey of Consumers can be found at: http://www.sca.isr.umich.edu/.

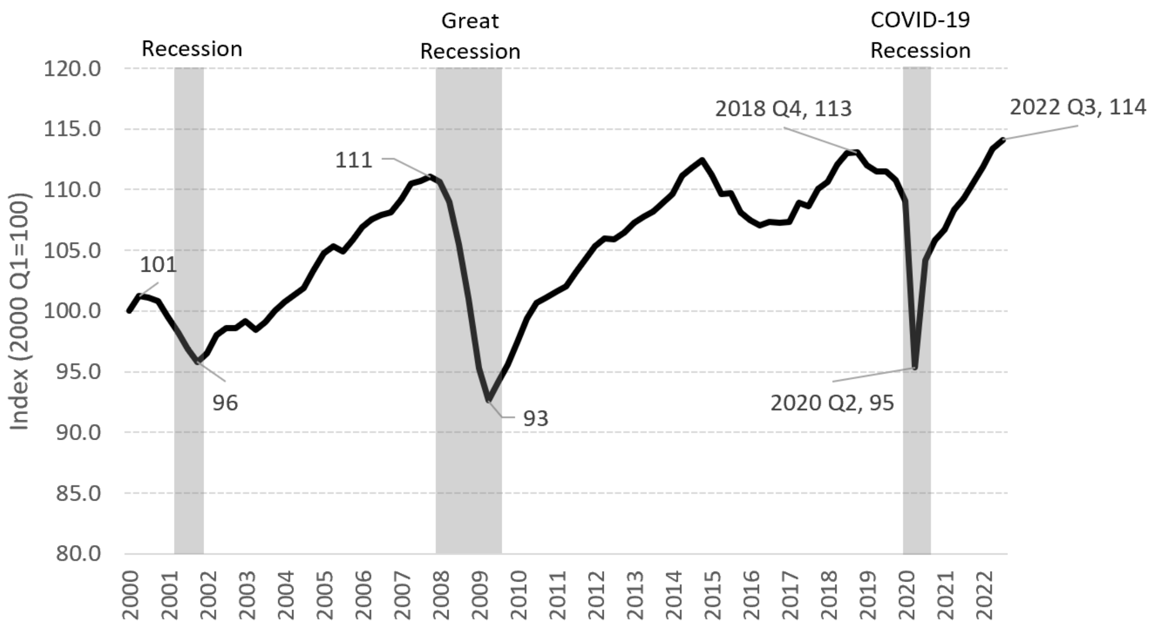
Figure 27 | Consumer Sentiment Index (January 2000=100), 2000-2022

Gray areas indicate economic recession periods.
Sources: University of Michigan, University of Michigan: Consumer Sentiment [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/UMCSENT; and Unison Consulting, Inc.

2.5.5 | Industrial Production

Industrial production is a primary index of economic activity, measuring the physical output of manufacturing, mining, and utilities (for example, power generation). Industrial production tends to move in concert with business cycles (Figure 28). During each of the last three recessions, industrial production dropped significantly. Most recently, industrial production fell by about 19 percent between the fourth quarter of 2018 and the second quarter of 2020. By the third quarter of 2022, production had returned to pre-pandemic levels and an upward trajectory. The recovery period this time was much shorter than the seven years it took to recover from the Great Recession. Going forward, however, industrial production is set to slow if consumers reduce spending amid high prices and high interest rates.

Figure 28 | Industrial Production Index (Q1 2000=100), 2000-2022



Gray areas indicate economic recession periods.
Sources: Board of Governors of the Federal Reserve System and Unison Consulting, Inc.

2.5.6 | Global Supply Chain

During the pandemic, the fragility of the global supply chain was exposed as COVID-19 led to the shutdown of factories across the globe, bottlenecks in transportation, and a shortage of workers. Nearly all industries were impacted—manufacturing, construction, retail, and wholesale were among the hardest hit. Supply chain bottlenecks restricted the availability of raw materials, manufacturing capabilities, and product accessibility, leading to price increases.

On a broad level, supply chain problems have started to recede (Figure 29). The Global Supply Chain Pressure Index (GSPCI), calculated by the Federal Reserve Bank of New York, measures strain in the supply chain by combining a variety of transport cost measures with the Purchasing Manager Index. Higher values indicate more stress while lower values indicate a system running smoothly. The index had been hovering near zero for most of the past two decades. However, in 2020, the index rose to 3.15, and after a brief fall, climbed even higher to 4.31 in December 2021. Since then, the index has again fallen and was 1.2 in December 2022—a positive indication that the global logistics system is adapting to the demands of the post-pandemic era.

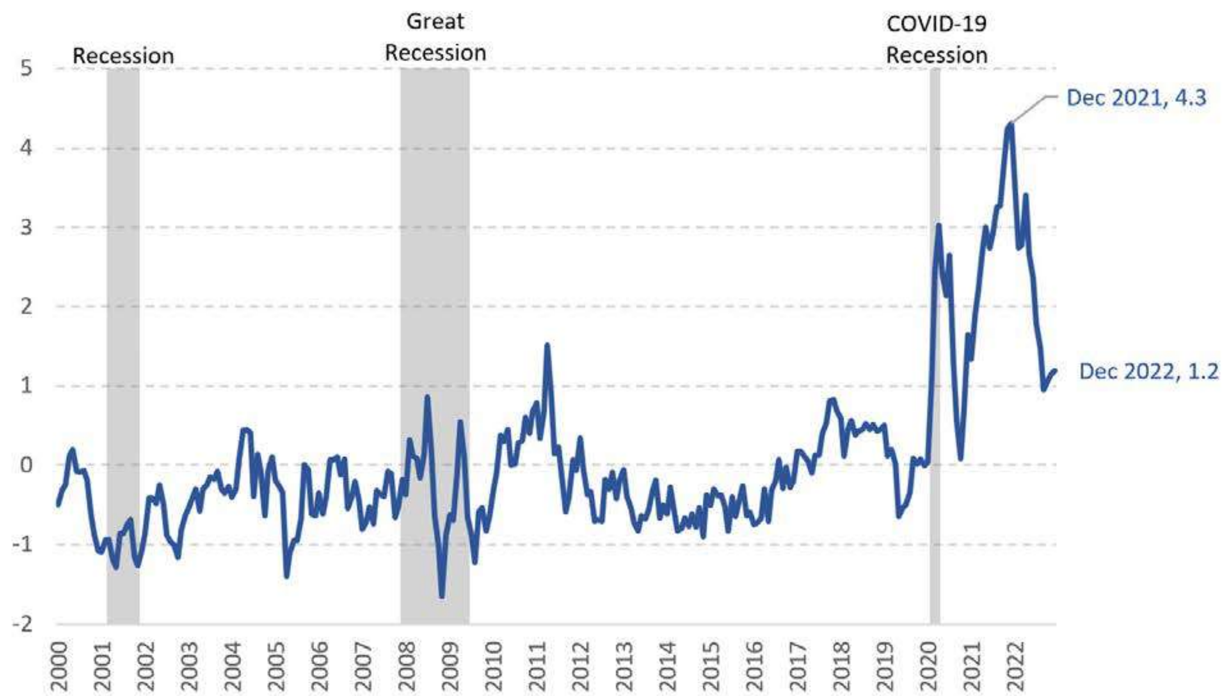
Supply-chain issues have not disappeared. Aircraft manufacturing continues to be plagued with supply bottlenecks which impact both production and delivery.[46, 47] Continuing concerns center on

[46] A. Tangel and B. Katz, "Airlines Face a Shortage of New Boeing, Airbus Jets," *The Wall Street Journal*, October 3, 2022.

[47] B. Katz, "Arbus to Miss Delivery Targets," *The Wall Street Journal*, December 7, 2022.

supply bottlenecks for computer chips. Production of chips has yet to return to levels that can meet demand for processor-intensive products such as automobiles, computers, and electronics, among others.[48] Recovery in this sector may not happen until at least 2024.[49] China's 'dynamic zero COVID-19' policy is also having an impact on the production of some products.[50]

Figure 29 | Global Supply Chain Pressure Index (Standard deviation from average), 2000-2022



Gray areas indicate economic recession periods.
Sources: Federal Reseve Bank of New York and Unison Conulsting, Inc.

2.6 | Economic Outlook

The COVID-19 pandemic has ebbed, but the U.S. economy is showing signs of slowing amid inflationary pressures, weakening consumer confidence, and tightening monetary policy. A slowdown in U.S. economic growth will dampen recovery in aviation demand.

The Federal Open Market Committee (FOMC) has been actively raising interest rates in 2022 to slow inflation. Through December 2022, the FOMC had increased the Fed Funds rate seven times—by a total of 425 basis points (4.24 percent), increasing the cost of capital for individuals and corporations. A strong dollar, which fundamentally signifies a strong economy, is dampening

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48 S. Shankland, "Global Chip Shortage and $53B Subsidy Boosts US Manufacturing," *CNET*, August 11, 2022.

49 "Supply Chain Issues and Autos: When Will the Chip Shortage End?" *J.P. Morgan Research*, August 11, 2022.

50 T. Higgins, "Apple Warns iPhone Production Disrupted by China Covid-19 Restrictions," *The Wall Street Journal*, November 6, 2022.

demand for U.S. exports. The global economy is also slowing—the International Monetary Fund (IMF) cut 2023 global growth forecasts, citing the effects of inflation, Russia's invasion of Ukraine, and China's economic slowdown.[51]

Many aspects of the U.S. economy continue to show strength: the labor market, consumer spending, industrial production, and corporate profits, among others. Moreover, the pressures on the global supply chain have also eased, reducing supply constraints. Over the long-term, history has proven the resilience of the U.S. economy—its ability to bounce from shocks and return to a growth trajectory.

2.6.1 | Short-Term Outlook

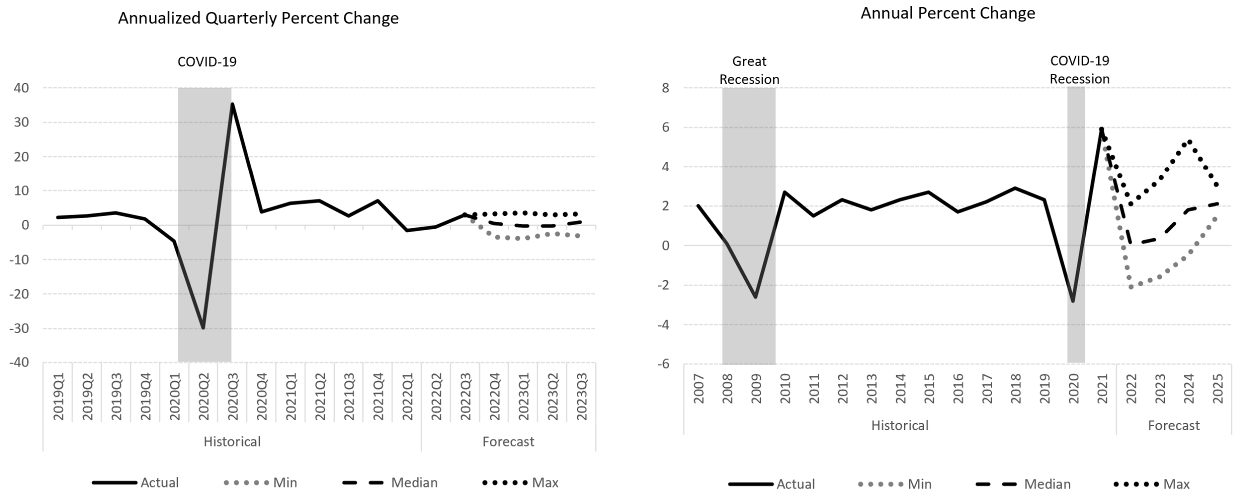
Predictions are cautious about the short-term economic outlook. According to the median estimates from the Wall Street Journal (WSJ) October 2022 Economic Forecasting Survey, U.S. real GDP is forecast to grow 0.5 percent in the fourth quarter of 2022, -0.3 percent in the first quarter of 2023, -0.2 percent in the second quarter of 2023, and 0.9 percent in the second quarter of 2023 (Figure 30). On an annual basis, the median estimate for real GDP growth is 0.05 percent for 2022, 0.35 percent in 2023, 1.8 percent in 2024, and 2.1 percent in 2025. The range of predictions varies widely, including predictions of negative growth. The October 2022 WSJ median estimate for the probability that the U.S. economy slides into another recession within 12 months was 65 percent. Other estimates are higher.[52, 53]

[51] Yuka Hayashi, "IMF Cuts 2023 Global Growth Forecast, Citing Inflation, War and China Slowdown," *The Wall Street Journal*, October 11, 2022.

[52] The Conference Board, "US Recession Probability Reaches 96 Percent Heading into Q4," *Navigating the Economic Storm*, September 29, 2022.

[53] A. Iqbal and N. Cervi, "Gonna Change My Way of Thinking: Is a Recession Coming? Part I: A New Toolkit to Predict Recessions," *Wells Fargo Economics Special Commentary*, September 23, 2022.

Figure 30 | U.S. Real GDP, Quarterly and Annual Change

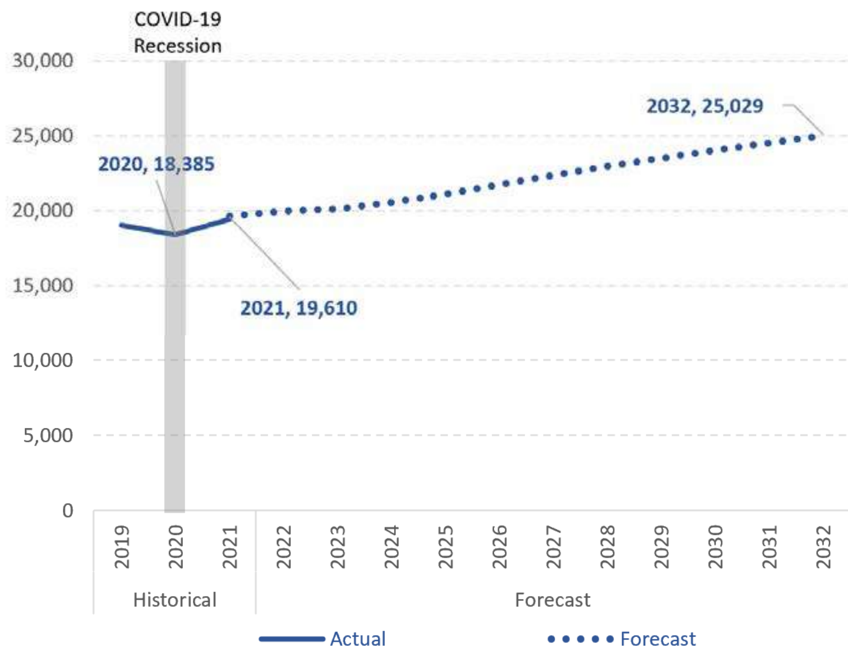


Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis (history), The Wall Street Journal October 2022 Economic Forecasting Survey (forecast), and Unison Consulting, Inc.

2.6.2 | Long-Term Outlook

In the long run, the U.S. economy is projected to return to an upward trajectory (Figure 31). Moody's Analytics forecasts U.S. real GDP to grow at a compound annual rate of 2.4 percent from 2021 to 3032.

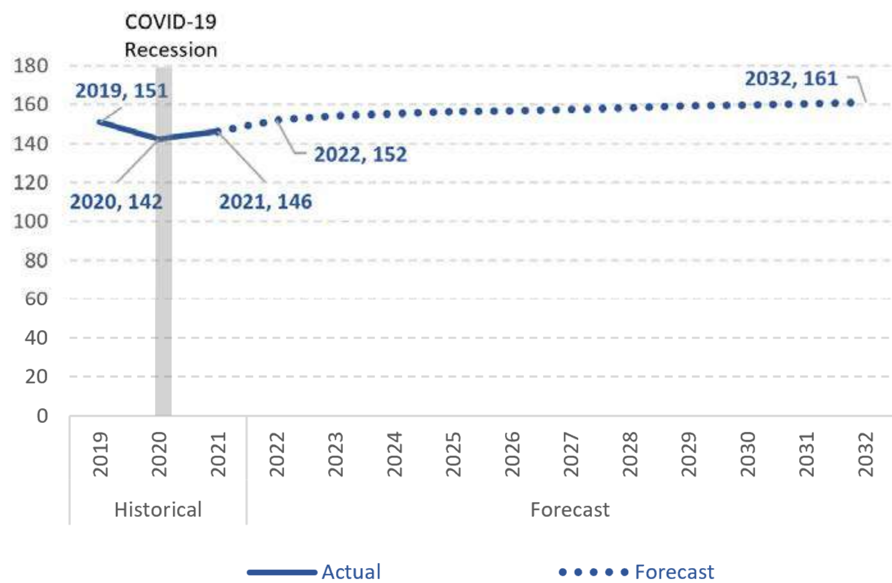
Figure 31 | Long Term Projected U.S. Real Gross Domestic Product (2012$, Billions), 2019-2032



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis, Moody's Analytics Baseline Scenario as of August 2022, and Unison Consulting, Inc.

Following the trend in economic output, U.S. employment is also expected to demonstrate robust growth throughout the next decade (Figure 32). After falling by almost 6 percent between 2019 and 2020, non-farm employment is forecast to reach pre-pandemic levels by the end of 2022. According to Moody's Analytics, U.S. employment is projected to gain over 9 million jobs between 2022 and 2032, increasing at a compound annual rate of about 0.6 percent.

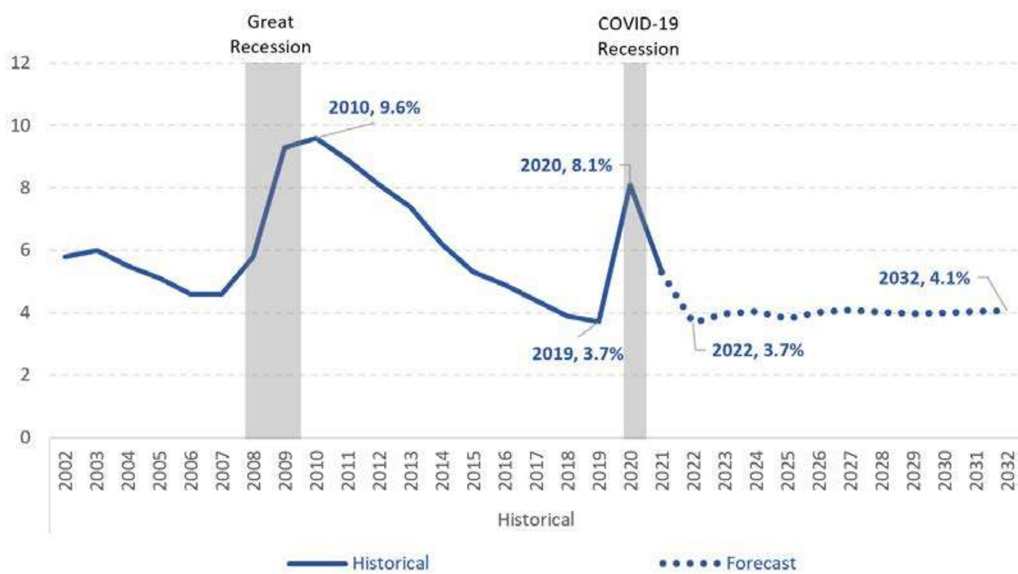
Figure 32 | Historical and Forecast U.S. Nonfarm Employment (millions), 2019-2032



Gray areas indicate economic recession periods.
Sources: U.S. Bureau of Economic Analysis, Moody's Analytics Baseline Scenario as o June 2022, and Unison Consulting, Inc.

Moody's Analytics projects the U.S. unemployment rate to rise slightly above current low levels to 4.1 percent in 2032—staying at levels deemed consistent with a full-employment economy. Figure 33 shows forecast annual unemployment rates with historical data from 2002 to provide a long-term perspective.

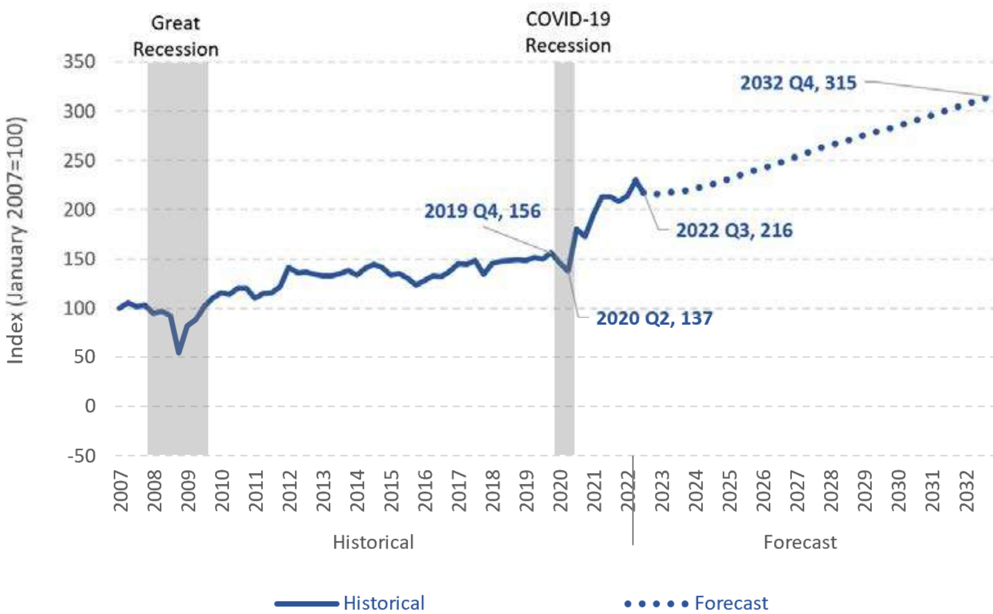
Figure 33 | Historical and Forecast Unemployment Rate, 2002-2032



Gray areas indicate economic recession periods.
Sources: Bureau of Labor Statistics, Moody's Analytics Baseline Scenario as of August 2022, and Unison Consulting, Inc.

Corporate profits, which have increased sharply since the downturn in the second quarter of 2020, are projected to stay flat through 2023 and then accelerate in growth through 2032, also according to Moody's Analytics' forecast (Figure 34). Between 2022 and 2032, corporate profits are forecast to increase 46 percent (3.9 percent CAGR)—faster than pre-pandemic growth.

Figure 34 | Historical and Forecast Corporate Profits (after tax) Index, 2007-2032



Gray areas indicate economic recession periods.
Sources: Bureau of Economic Analysis, Moody's Analytics Baseline Scenario as of August 2022, and Unison Consulting, Inc.

2.6.3 | Summary

Over the past two decades, the New Orleans MSA struggled through a series of adverse events: Hurricanes Katrina and Rita, the Great Recession, the oil industry downturn and the Louisiana state recession, and the COVID-19 pandemic and recession. As a result, the region lagged national growth in population, GDP, business creation, and employment. In the past decade, however, the region saw an acceleration in the growth of business establishments, employment, and per capita personal income. In addition, the vital leisure and hospitality sector has made inroads toward recovery.

Macroeconomic trends show mixed signals, particularly in the short run. GDP growth has slowed. Consumer spending remains strong, although consumer confidence has begun to wane over inflation and recession worries. Rising interest rates—a consequence of Fed funds rate hikes to slow inflation—are dampening housing demand and threaten to slow capital investment. Labor demand, industrial production, and corporate profits remain strong, and supply-chain bottlenecks have eased. Beyond 2023, the outlook remains positive, with GDP, employment, and corporate profits returning to their long-term growth trajectories. Potential new variants of COVID-19 continue to present risks.

SECTION 3 | COMMERCIAL AVIATION ACTIVITY

This section reviews the historical trends in commercial aviation activity at the Airport, explains the development of the activity forecasts, and presents the results. The analysis of historical aviation, within the context of the demographic and economic trends discussed in the previous section, informs the development of forecasts of commercial aviation activity. Lastly, the section reviews broader factors that bring uncertainty to future traffic.

Throughout the section, the effects of the COVID-19 pandemic are noted. Commercial aviation is one of the industries that has suffered the most severe disruption due to the pandemic. Global passenger traffic fell to unprecedented low levels. At U.S. airports, including the Airport, passenger traffic decreased to as little as 3 to 5 percent of normal levels in April 2020. Recovery is well under way, although passenger traffic at most airports has yet to return to pre-pandemic levels. Recovery patterns have been uneven across different segments of the industry: domestic travel has recovered faster than international travel, and leisure travel has recovered faster than business travel.

3.1 | Operating Airline History

Currently, 15 airlines have scheduled passenger service at the Airport. Southwest Airlines has the largest market share at the Airport, with a distant lead in market share over the next four largest carriers: American, Delta, United, and Spirit. In addition to the 15 service providers at the Airport, American, Delta, United, and Air Canada also make use of six additional regional carriers. These regional carriers include Republic Airways, PSA Airlines, Envoy Air, Skywest Airlines, Mesa Airlines, and Air Canada Jazz.

Since 2005, domestic traffic has accounted for more than 99 percent of enplanements at the Airport—except in 2017-2020 when the domestic traffic share decreased slightly below 99 percent. When international travel restrictions went into effect between 2020 and 2021, the Airport lost service from five international airlines. Condor Flugdienst has had no scheduled service at the Airport since 2020. Air Canada, Air Transat, and Copa Airlines stopped service in 2021. Even though British Airways and Air Transat had operations in that year, each operated fewer than ten flights in total. Since 2022, British Airways and Air Canada have restored service to the Airport.

Three new airlines—Breeze, Boutique, and Silver—provided operations at the Airport in 2021 over the course of the COVID-19 pandemic. Boutique Air provided service during the second quarter of 2021 and did not return in 2022. Breeze and Silver continue to provide service at the Airport. For the first quarter of 2023, Breeze has scheduled flights to 11 nonstop destinations from the Airport.

Table 7 | Scheduled Passenger Airlines at the Airport, 2017-2022

Airlines		2017	2018	2019	2020	2021	2022
AA	American Airlines[1]	●	●	●	●	●	●
AS	Alaska Airlines	●	●	●	●	●	●
B6	JetBlue Airways	●	●	●	●	●	●
BA	British Airways	●	●	●	●	●	●
DL	Delta Air Lines[2]	●	●	●	●	●	●
F9	Frontier Airlines	●	●	●	●	●	●
G4	Allegiant Air	●	●	●	●	●	●
NK	Spirit Airlines	●	●	●	●	●	●
UA	United Airlines[3]	●	●	●	●	●	●
WN	Southwest Airlines	●	●	●	●	●	●
AC	Air Canada[4]	●	●	●	●		●
SY	Sun Country Airlines		●	●	●	●	●
TS	Air Transat			●	●	●	●
3M	Silver Airways		●			●	●
MX	Breeze Airways					●	●
Former MSY Service Providers							
4B	Boutique Air					●	
CM	Copa Airlines	●	●	●	●		
DE	Condor Flugdienst	●	●	●			
VX	Virgin America	●	●				
LF	Contour Aviation	●					

Source: OAG Schedules Analyzer.
Note: Light gray marks indicate airlines/years with less than 10 scheduled flights.
[1] In 2022, American Airlines employed regional carriers Republic Airways, PSA Airlines, Envoy Air, and Skywest Airlines.
[2] In 2022, Delta Air Lines employed regional carrier Republic Airways.
[3] In 2022, United Airlines employed regional carriers Republic Airways, Skywest Airlines, and Mesa Airlines.
[4] In 2022, Air Canada employed regional carrier Air Canada Jazz.

3.2 | Major Developments Affecting U.S. Airport Traffic

Fundamentally, passenger traffic is driven by changes in economic conditions—the demand for air travel grows during periods of economic expansion and declines during periods of economic recession. Since 1980, the U.S. economy has gone through six recessions, from peak to trough: January to July 1980, July 1981 to November 1982, July 1990 to March 1991, March 2001 to November 2001, December 2007 to June 2009, and, most recently, February to April 2020.[54] Passenger traffic is also affected by significant changes in airline network strategies and rare events

[54] National Bureau of Economic Research Business Cycle Dating Committee, *Chronology of U.S. Business Cycles*, July 19, 2021.

such as the 9/11 terrorist attacks that took place during the 2001 economic recession, and the beginning of the COVID-19 pandemic that caused the 2020 economic recession.

The U.S. aviation industry enjoyed several periods of rapid expansion, including the 1980s following the federal deregulation of the industry and the 1990s during a decade-long economic boom following the Gulf War. Nevertheless, the long-running U.S. economic expansion came to an abrupt end with the bursting of the dot-com bubble in 2001. Since then, additional adverse events have prompted significant structural changes in the industry that continue to shape the industry today.

On September 11, 2001, terrorists attacked two American Airlines' flights and one United Airlines' flight, resulting a significant drop in air travel demand in the ensuing months. U.S. airlines, especially American Airlines and United Airlines, suffered huge financial losses. After the terrorist attacks, airport security tightened. Longer passenger screening times discouraged air travel particularly to short-haul destinations that could be reached by ground transportation. Airlines competed for passengers by lowering airfares. Both leisure and business travelers became increasingly price sensitive, as the internet made it easy to search for and compare airfares and new low-cost airlines such as Allegiant, Frontier, JetBlue, and Spirit increased their market shares.

Meanwhile, airlines faced rising fuel costs. Jet fuel prices more than quadrupled from 2000 to 2008, remaining at record high levels through 2014. Amid record fuel prices, the U.S. economy entered the Great Recession from December 2007 to June 2009—by far the longest U.S. economic recession since the Great Depression. The recession spread globally and weakened the demand for domestic and international air transport. To cut costs, network airlines replaced significant portions of their mainline capacity with regional affiliates. Because of the significant job losses and including large declines in household income and asset values, the economy and demand for air passenger and cargo transport took a long time to recover.

Mounting financial difficulties resulting from a combination of high fuel costs and weak demand during the Great Recession led to airline bankruptcies and mergers, leaving four major airlines—American, Delta, Southwest, and United—controlling 80 percent of the U.S. domestic passenger traffic since 2015.[55] Surviving airlines responded with various cost-cutting measures. They retired old aircraft, acquired larger and more fuel-efficient aircraft, and added seats to existing aircraft. They transferred routes between mainline and regional service to better match the supply of seats with demand. They implemented changes to their route networks to maximize profits, including moving flights from less to more profitable markets. In an effort to increase profitability, they not only changed pricing structures to increase revenue, but they also made deliberate cuts to flight schedules to increase load factors and improve aircraft utilization—a business strategy that has become known as the U.S. airline industry capacity rationalization. For instance, U.S. airlines cut domestic seat capacity by approximately 20 percent between 2005 and 2014, during which the cuts

[55] Between 2008 and 2015, the U.S. airline industry saw the following major mergers: Delta Airlines-Northwest Airlines (2008), United Airlines-Continental Airlines (2010), Southwest Airlines-AirTran Airways (2011), and American Airlines-US Airways (2015).

fell disproportionately on small and medium hub airports. Higher load factors during this period helped buoy the industry as air traffic fell by less proportionately than schedule cuts.

Although the U.S. economic recovery from the Great Recession was slow, it proceeded to become the beginning of the longest U.S. economic expansion on record. As air travel demand returned, the U.S. airline industry began earning profits in 2010 and sustained those profits continuously for more than 10 years. In late 2014, jet fuel prices began to fall, allowing airlines to boost profits, renew fleets, and increase flight schedules while maintaining capacity discipline. As the economy continued to expand, nationwide air traffic growth accelerated in the last quarter of the decade, despite negative shocks to the industry, including the grounding of the Boeing 737 MAX, a recent addition to the commercial passenger aircraft fleet.

In 2020, COVID-19 infections emerged, and the spread of the virus was declared a global pandemic on March 11, 2020 by the World Health Organization (WHO). Air travel came to a near halt and U.S. airport passenger traffic plummeted nearly 97 percent in mid-April 2020. The pandemic has had a significant impact on air travel. Even though recovery has ensued, the pandemic has set in motion structural changes in both the demand for air travel and the supply of airline passenger service that may have long-lasting effects on the airline industry.

Slow recovery in business and international travel continues to slow passenger traffic recovery at most airports. Unlike the experience following previous shocks, the recovery of business travel from the pandemic has been slower than the recovery of leisure travel for holidays, vacations, and visiting friends and relatives. Factors delaying business travel recovery include the widespread adoption of virtual conferencing, the delay in the full return of workers to offices, and the possible permanent transition to remote work and hybrid work practices. Remote work, however, has given rise to "bleisure" travel—the hybrid of business travel and leisure travel from remote workers—that is making up for some of the reduction in business travel.

During the height of the pandemic, international travel was partially suspended for an extended period. Even as countries emerge from the pandemic, the recovery in international travel continues to be hampered by travel restrictions of varying degrees in different countries. For instance, traffic recovery in Asian-Pacific countries, such as China, has trailed the rest of the world due to its stringent “zero COVID” policies. The easing of such policies, including testing requirements and travel restrictions, has only begun in December 2022, three years after the first known outbreak of the virus in China.

In response to the pandemic-induced decrease in air travel demand, airlines reduced capacity by retiring older aircraft models and postponing the delivery of new ones. Airlines also shrank their workforce by creating incentives for voluntary retirement and extended leave. As air travel demand rebounds, airlines are restoring flights. However, the constraint has shifted to the supply side: their ability to provide capacity to meet returning demand is being hampered by fleet constraints, delays in new aircraft deliveries, labor shortages, and resurgences in COVID-19 infections that have increased employee sick calls.

Unlike the situation in the aftermath of the Great Recession, consumers are recovering strongly from the deep but brief recession caused by the COVID-induced economic lockdowns and stay-at-home orders. The job market rebounded strongly: today unemployment is at historically low levels and job openings outnumber those looking for jobs. Households emerged, on average, with relatively healthy finances and the ability to spend on the pent-up demand for travel.

3.3 | The Airport's Historical Enplanement Trends

In addition to the events that have affected the U.S. aviation activity, two hurricanes in 2005—Hurricane Katrina and Hurricane Rita—severely depressed the Airport's aviation activity and the local economy. Enplanements decreased by approximately 20 percent each year in 2005 and 2006 to levels not seen since the 1980s. Reconstruction in the aftermath of the hurricanes helped the Airport's enplanements to rebound by 21.1 percent in 2007. Furthermore, employment from reconstruction efforts helped mitigate the negative labor market impacts of the Great Recession, as enplanements increased by 5.9 percent in 2008 and decreased by only 2.3 percent in 2009.

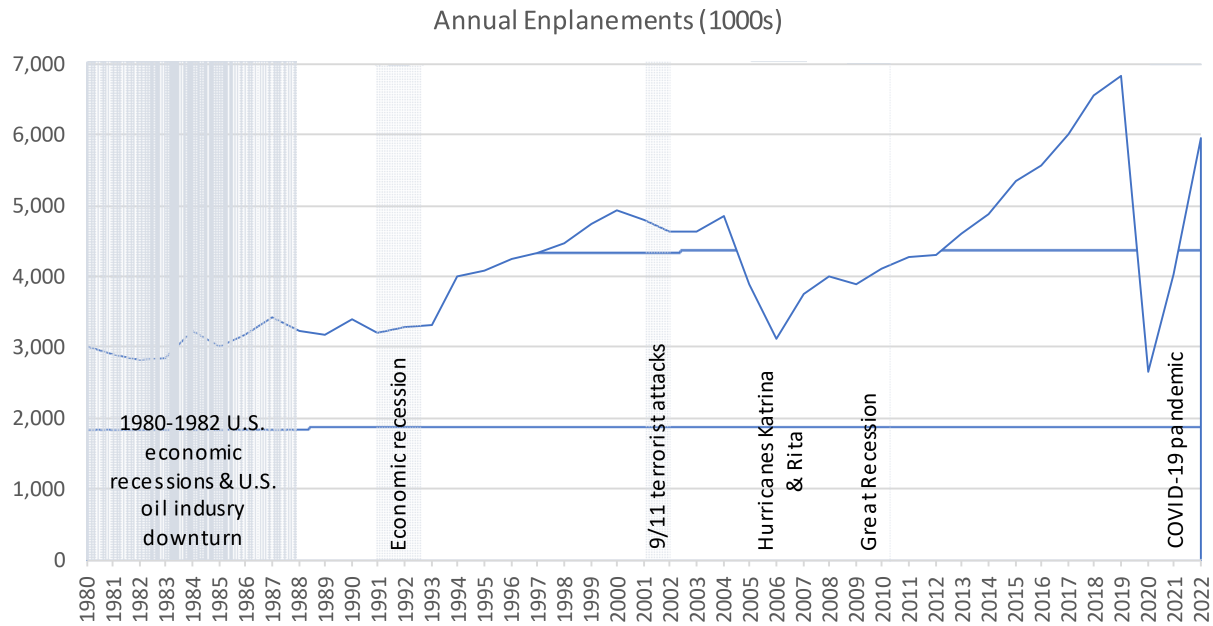
Despite several setbacks, the Airport experienced continuous growth from 2010 onward through almost the entire next decade. By 2015, the Airport had exceeded the traffic level it experienced in 2004, prior to the hurricanes, as well as its previous all-time peak traffic of 4.9 million enplanements in 2000. Air traffic grew to a new peak of 6.8 million enplanements in 2019, or 38 percent higher than its former peak.

While the Airport has experienced short-term fluctuations in passenger traffic coinciding with economic recessions and adverse events, the long-term trend shows growing passenger traffic (Figure 35). Enplanements at the Airport grew at an average annual rate of 2.4 percent between 1990 and 2019. Despite the substantial loss of traffic following the hurricanes, the following decade from 2010 to 2019 shows a compound annual growth rate of 6 percent for the Airport, which is considerably faster than the growth of similarly sized airports over the same period.

In 2020, the COVID-19 pandemic halted the Airport's growth momentum. Enplanements at the Airport fell by 61.2 percent, down to a total of 2.6 million in that year, below levels not seen even in the early 1980s. Recovery began in earnest thanks to the distribution of COVID-19 vaccinations, but was disrupted by the wave of infections brought on by the Delta variant, as well as the arrival of the Category 4 Hurricane Ida, ultimately totaling 4.0 million enplanements in 2021.

MSY continued its recovery through 2022, reaching 5.9 million enplanements—about 87 percent of its former 2019 peak.

Figure 35 | Historical Enplanement Trends at the Airport, 1980-2022

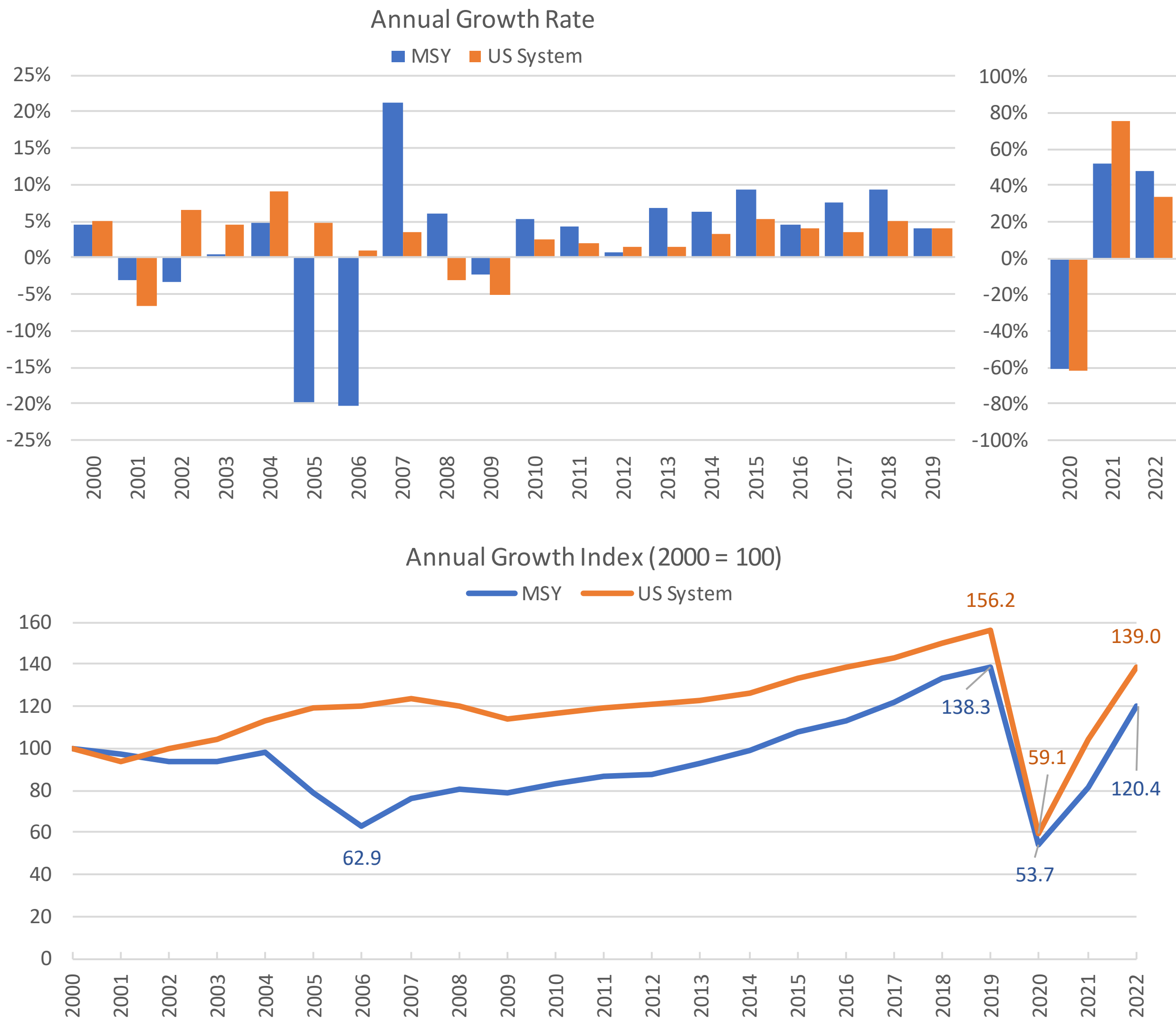


Source: Airport records.

3.3.1 | Airport and U.S. System Enplanements

Figure 36 compares the annual growth trends of the Airport and the U.S. system in enplanements. Despite mostly lagging behind the U.S. system in terms of growth relative to the 2000 level, the Airport's growth after Hurricane Katrina and Hurricane Rita has almost consistently and substantially outpaced the national trend. The Airport first dipped behind the U.S. system from 2001 to 2002, during which the Airport's enplanements decreased while those of the nation increased. The gap widened dramatically between 2005 and 2006 with the severe impacts of Hurricane Katrina and Hurricane Rita, dropping the Airport down to 62.9 percent of its 2000 air traffic level. Since then, however, the Airport has gradually closed the gap as it exhibited faster expansion than the U.S. system through the 2010s. The Airport had a compound annual growth rate of about 6 percent from 2010 to 2019, compared to 3.3 percent for the U.S. system during the same period. By 2019, the Airport's annual enplanements had exceeded their 2000 level by 38.3 percent, while the U.S. system enplanements had risen to 56.2 percent above their 2000 level. Both the Airport and the U.S. system experienced a steep decline in 2020 due to the COVID-19 pandemic and the associated travel restrictions, though the Airport's decrease of 61.2 percent was slightly smaller in magnitude compared to the nation's 62.2 percent drop. The gap in cumulative enplanement growth between the Airport and U.S. system briefly closed in 2020, but it widened again in 2021 due to Hurricane Ida slowing MSY's recovery and leading an annual enplanement increase of 51.7 percent, compared to the U.S. system recovering 76.0 percent. Through 2022, MSY's enplanements recovered another 47.8 percent, compared to the national recovery of 33.7 percent.

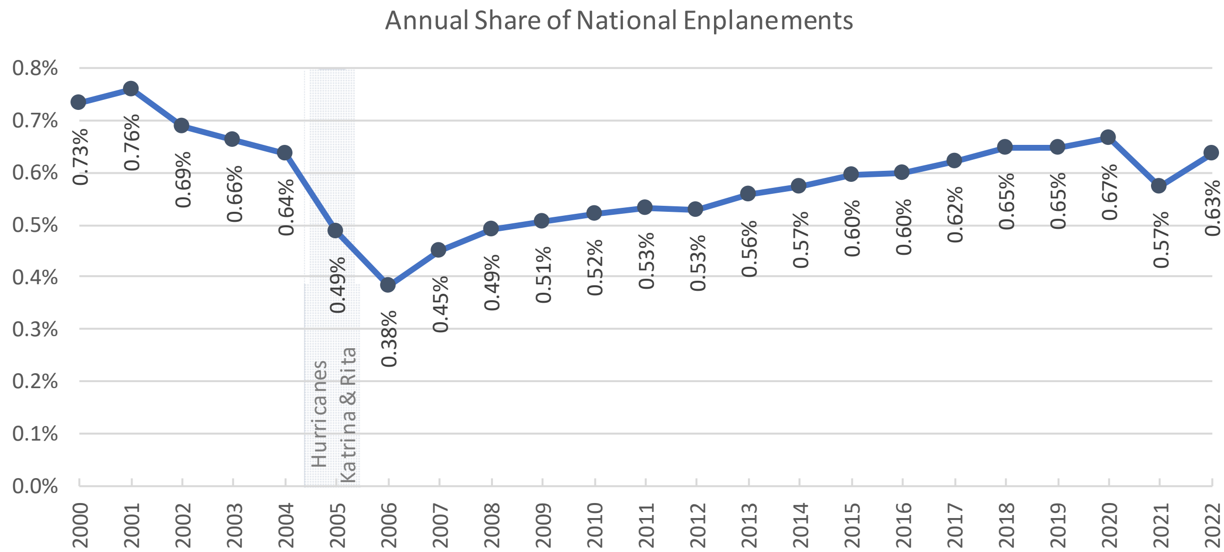
Figure 36 | The Airport and U.S. Enplanements, Annual Growth Comparison, 2000-2022



Sources: Airport records and U.S. Bureau of Transportation Statistics.
Note: December 2022 U.S. system enplanements are estimated, due to data only being available up to November 2022 at the time of writing.

Figure 37 shows the Airport's share of total U.S. enplanements over the past two decades, and Table 8 shows the underlying data. The Airport is classified as a medium hub commercial service airport by the FAA; as such, its enplanement level is between 0.25 and 1 percent of U.S. total commercial enplanements. Despite the Airport's varying enplanement share size over the years, it has maintained its medium hub status. The Airport's share reached a peak of 0.76 percent in 2001, before turning downward in the following years and dropping to 0.38 percent in 2006 due to the hurricanes. The Airport's share gradually increased to 0.67 percent in 2020 before decreasing again to 0.57 percent in 2021, likely due to Hurricane Ida impeding recovery in the fall. MSY's share partially recovered through 2022, up to 0.63 percent.

Figure 37 | The Airport's Share of the U.S. Total Enplanements by Calendar Year, 2000-2022



Sources: Airport records and U.S. Bureau of Transportation Statistics.
Note: December 2022 U.S. system enplanements are estimated, due to data only being available up to November 2022 at the time of writing.

Table 8 | The Airport's Annual Enplanements and U.S. System Annual Enplanements, 2000-2022

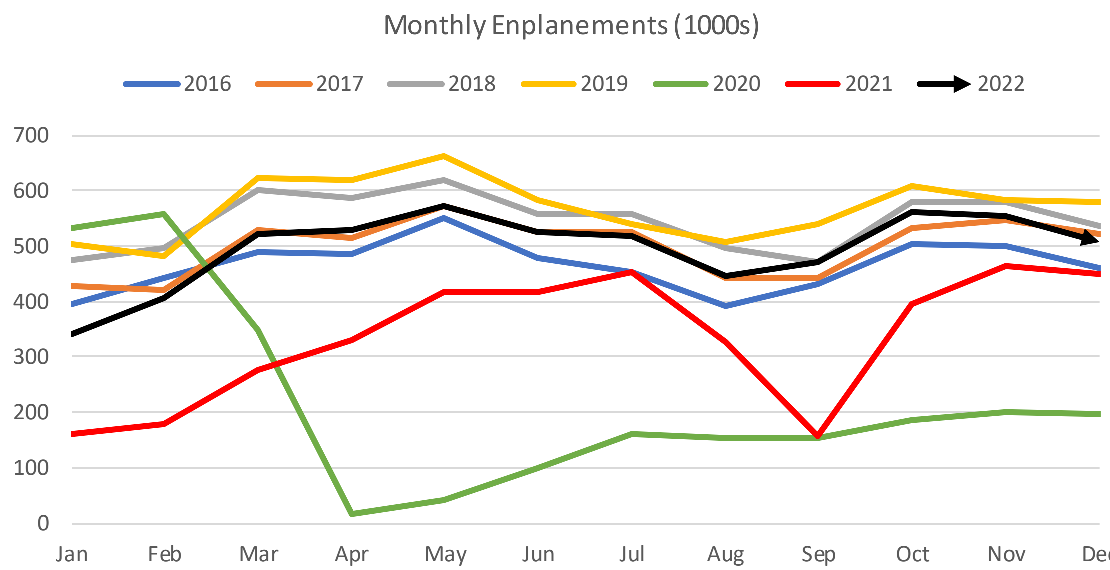
Annual Enplanements					
	MSY		US System		MSY Share
Year	EP (1000s)	AGR	EP (1000s)	AGR	of U.S
2000	4,940	4.4%	674,251	5.0%	0.73%
2001	4,789	-3.1%	629,266	-6.7%	0.76%
2002	4,624	-3.4%	670,604	6.6%	0.69%
2003	4,640	0.3%	700,864	4.5%	0.66%
2004	4,863	4.8%	763,710	9.0%	0.64%
2005	3,904	-19.7%	800,850	4.9%	0.49%
2006	3,109	-20.4%	808,103	0.9%	0.38%
2007	3,765	21.1%	835,510	3.4%	0.45%
2008	3,988	5.9%	809,822	-3.1%	0.49%
2009	3,896	-2.3%	767,817	-5.2%	0.51%
2010	4,102	5.3%	787,478	2.6%	0.52%
2011	4,281	4.4%	802,135	1.9%	0.53%
2012	4,307	0.6%	813,123	1.4%	0.53%
2013	4,598	6.8%	825,322	1.5%	0.56%
2014	4,892	6.4%	851,850	3.2%	0.57%
2015	5,345	9.2%	896,632	5.3%	0.60%
2016	5,580	4.4%	931,989	3.9%	0.60%
2017	6,005	7.6%	964,765	3.5%	0.62%
2018	6,565	9.3%	1,013,213	5.0%	0.65%
2019	6,832	4.1%	1,052,981	3.9%	0.65%
2020	2,652	-61.2%	398,655	-62.1%	0.67%
2021	4,023	51.7%	700,559	75.7%	0.57%
2022	5,946	47.8%	936,923	33.7%	0.63%
Compound Annual Growth Rate					
2012-2019	6.8%		3.8%		
2019-2022	-4.5%		-3.8%		
2012-2022	3.3%		1.4%		

Sources: Airport records and U.S. Bureau of Transportation Statistics.
Note: December 2022 U.S. system enplanements are estimated, due to data only being available up to November 2022 at the time of writing.
EP = Enplaned passengers.

3.3.2 | Monthly Enplanement Trends

The impact of the COVID-19 pandemic is more evident in monthly enplanement trends (Figure 38). The COVID-19 pandemic and the plunge in air travel in April 2020 caused the Airport's monthly seasonal pattern to break in 2020 and 2021. The Delta variant and fourth wave of COVID-19 infections over the latter part of summer 2021 also caused a large downward spike in activity leading into September. Monthly enplanements recovered through the fall, but experienced another substantial decline in January 2022 due to the Omicron variant and the record-breaking fifth wave of COVID-19 infections. Recovery resumed soon after the fifth wave, and though monthly enplanements remain noticeably below 2019 levels, trends in 2022 have returned to pre-pandemic patterns, with levels on par with 2017.

Figure 38 | The Airport Monthly Enplanements by Calendar Year, 2016-2022

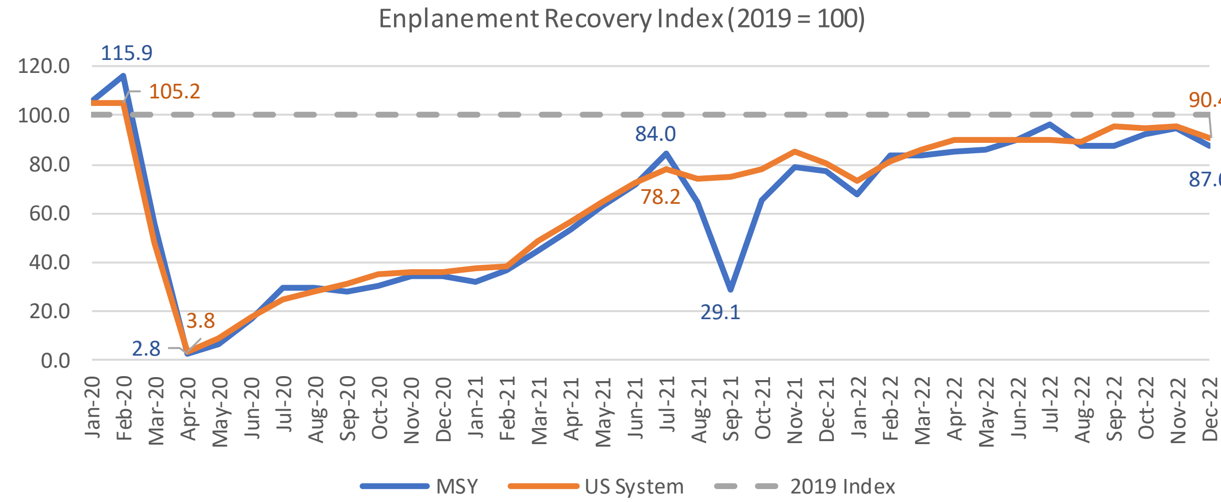


Source: Airport records.

Figure 39 shows the impacts of COVID-19 and the following recovery progress of the Airport and the U.S. system. After the initial drop from February to April 2020, recovery at the Airport largely kept on pace with the U.S. system except during the summer of 2021. The emergence of the Delta variant and fourth wave of COVID-19 cases combined with the arrival of the Category 4 Hurricane Ida had a particularly profound impact on the Airport's recovery pattern compared to national recovery trends, falling from 84 percent of its 2019 level down to 29 percent in September 2021. The pace of enplanement recovery bounced back, but it was again slowed by the Omicron variant and fifth wave of cases in January 2022.

As of December 2022, U.S. system enplanement recovery reached 90 percent of the October 2019 level, and the Airport's enplanement recovery reached 88 percent.

Figure 39 | The Airport and U.S. COVID-19 Monthly Recovery Trends, 2020-2022



Sources: Airport records and U.S. Bureau of Transportation Statistics.
Note: December 2022 U.S. system enplanements are estimated, due to data only being available up to November 2022 at the time of writing.

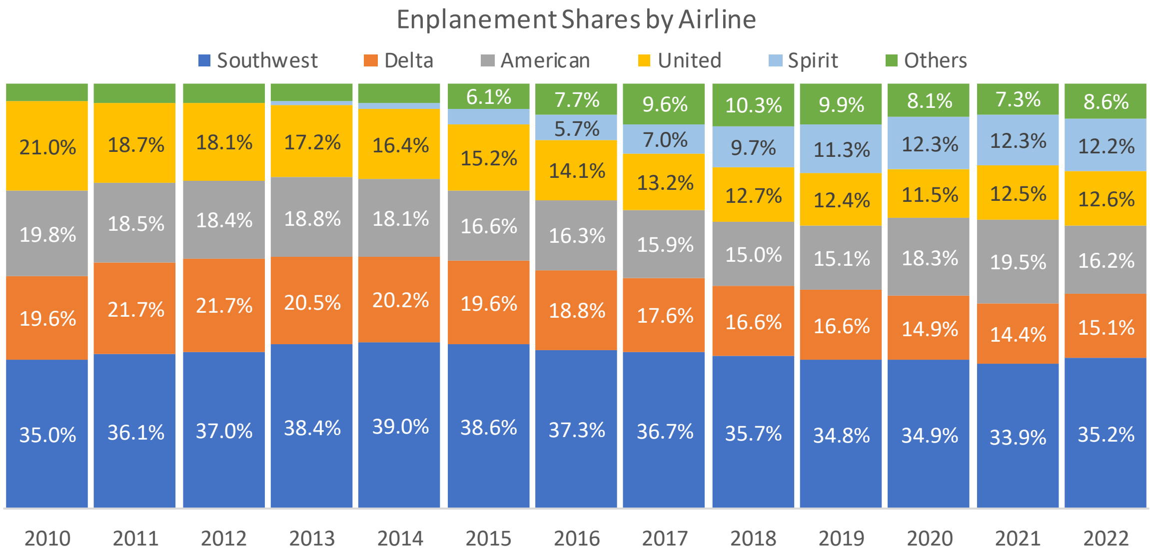
3.3.3 | Airline Market Shares

Airline consolidation left the industry with four major airlines controlling more than 80 percent of U.S. domestic passenger traffic: American, Delta, Southwest, and United. At the Airport, these four airlines held over 90 percent of passenger traffic for over half of the last decade (Figure 40). Among them, Southwest is the largest, consistently serving over 30 percent of the Airport's passengers since 2010. Southwest is followed by American and Delta, which are close in size in terms of market share at the Airport. Delta held the larger share through most of the past decade. Network changes during the pandemic led to changes in their relative market shares at the Airport, with American holding the larger share since 2020.

Other airlines entered the Airport and expanded service. In particular, Spirit started service at the Airport in 2013, though its share was negligible for the first two years. Spirit's combined share with other airlines eventually broke the 10 percent mark in 2016. By 2019, Spirit's share alone began to exceed 10 percent, and Spirit began to compete with United Airlines for the fourth largest market share at the Airport.

As of 2022, Southwest continues its hold on the largest share with 35.2 percent. American's share shrank from the previous year, but is still the second largest share with 16.2 percent. Delta follows with the third largest share of 15.1 percent. United and Spirit remain close competitors at MSY, though United currently holds the larger share of 12.6 percent, compared to Spirit's 12.2 percent. The rest of the airlines at the Airport compose the remaining 8.6 percent share of 2022 enplanements.

Figure 40 | Annual Enplanement Shares by Airline, 2010-2022

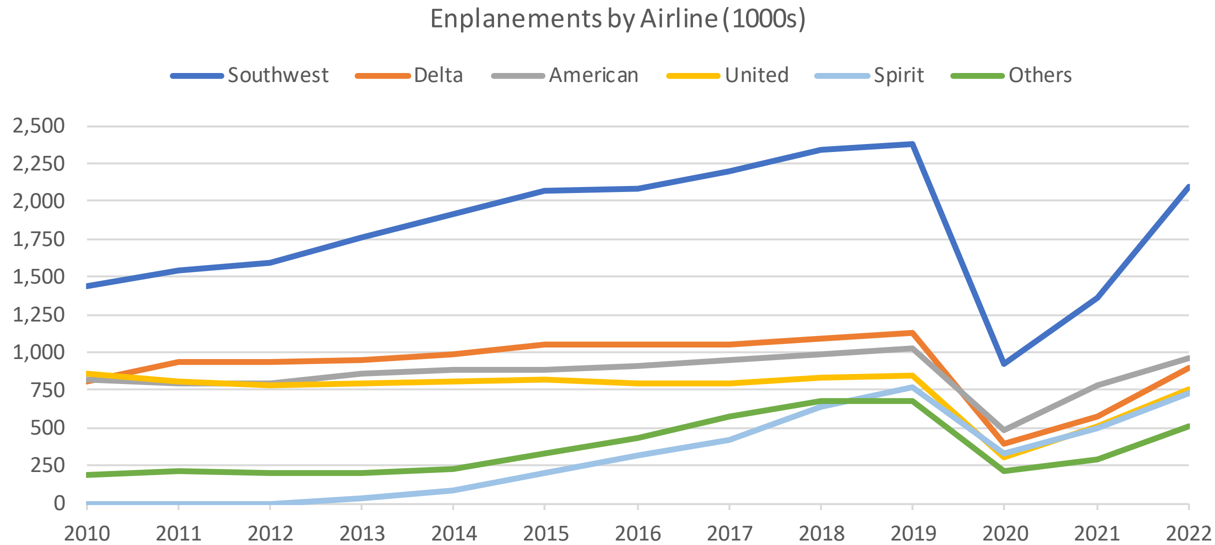


Source: Airport records.
Others = All other airlines.

Figure 41 shows each airline's enplanements over the past decade, and Table 9 shows the underlying data. Not only has Southwest maintained a substantial lead over the others since 2010, but it has also experienced the fastest growth over the decade, further widening the gap. The other three major airlines have undergone slower, relatively flat growth from 2010 to 2019. The remaining airlines, along with Spirit upon its introduction, exhibit faster growth closer to Southwest's rate.

In 2020, the COVID-19 pandemic caused enplanements across all airlines at the Airport to drop. Proportionally, airlines outside the top five suffered the largest declines, with enplanements on these airlines collectively falling by 68.1 percent. Among the top five airlines, Delta had the next sharpest decline, dropping by 65.0 percent. American had the smallest decrease, though still a substantial 52.8 percent drop. Over this period, Southwest maintained its large lead over the others, American pulled ahead of Delta as the second largest airline in terms of market share. Spirit briefly surpassed United, though United regained a slight lead over Spirit during the 2021 recovery. These trends largely continued through 2022, with the exception of Southwest accelerating substantially, and American slowing down but still maintaining its second largest status. Through the changes in individual airline shares during the pandemic, the combined market share held by American, Delta, Southwest, and United at the Airport remained stable near 80 percent, consistent with their combined share of U.S. system traffic.

Figure 41 | Annual Enplanements by Airline (1000s), 2010-2022



Source: Airport records.

Table 9 | Enplanements and Market Shares by Airline, 2010-2022

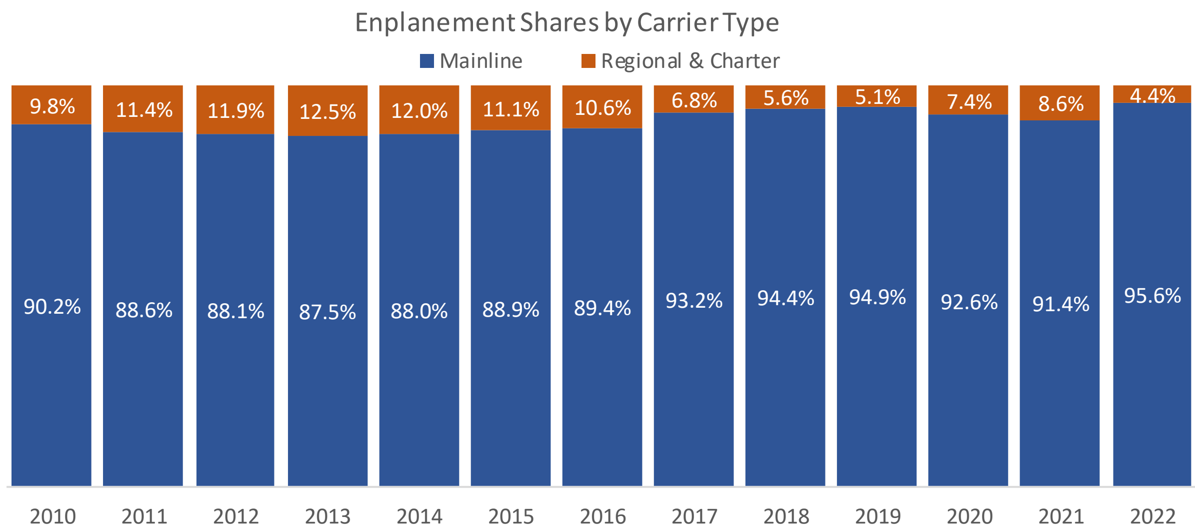
Enplanements by Airline (1000s)													
Airline	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Southwest	1,437	1,545	1,592	1,765	1,910	2,064	2,081	2,203	2,341	2,375	924	1,365	2,092
Delta	804	929	936	945	990	1,045	1,051	1,055	1,092	1,134	396	579	898
American	814	793	794	863	884	889	910	953	986	1,031	487	786	965
United	862	801	779	790	802	814	789	795	836	846	304	505	750
Spirit	0	0	0	37	80	205	320	420	636	770	325	494	728
Others	184	213	205	199	226	327	429	579	673	676	216	294	513
Airport Total	**4,102**	**4,281**	**4,307**	**4,598**	**4,892**	**5,345**	**5,580**	**6,005**	**6,565**	**6,832**	**2,652**	**4,023**	**5,946**
Airline Market Shares													
Airline	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Southwest	35.0%	36.1%	37.0%	38.4%	39.0%	38.6%	37.3%	36.7%	35.7%	34.8%	34.9%	33.9%	35.2%
Delta	19.6%	21.7%	21.7%	20.5%	20.2%	19.6%	18.8%	17.6%	16.6%	16.6%	14.9%	14.4%	15.1%
American	19.8%	18.5%	18.4%	18.8%	18.1%	16.6%	16.3%	15.9%	15.0%	15.1%	18.3%	19.5%	16.2%
United	21.0%	18.7%	18.1%	17.2%	16.4%	15.2%	14.1%	13.2%	12.7%	12.4%	11.5%	12.5%	12.6%
Spirit	0.0%	0.0%	0.0%	0.8%	1.6%	3.8%	5.7%	7.0%	9.7%	11.3%	12.3%	12.3%	12.2%
Others	4.5%	5.0%	4.8%	4.3%	4.6%	6.1%	7.7%	9.6%	10.3%	9.9%	8.1%	7.3%	8.6%
Airport Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport records.

Others = All other airlines.

Mainline carriers compose the bulk of enplanements at the Airport, with regional and charter carriers gradually declining through the majority of the past decade (Figure 42). The combined enplanement shares of regional and charter carriers shrank from a high of 12.5 percent in 2013 to a low of 5.1 percent in 2019, consistent with the industry-wide trend of fleet up-gauging. With the decrease in passenger demand during the COVID-19 pandemic, the Airport saw a brief reversal in the trend—that share grew to 7.4 percent in 2020 and 8.6 percent in 2021. In 2022, the combined share of regional and charter carriers declined again, down to 4.4 percent—almost half of its share size in 2021. Airlines are again cutting back on the use of regional carriers amid pilot and staff shortages.

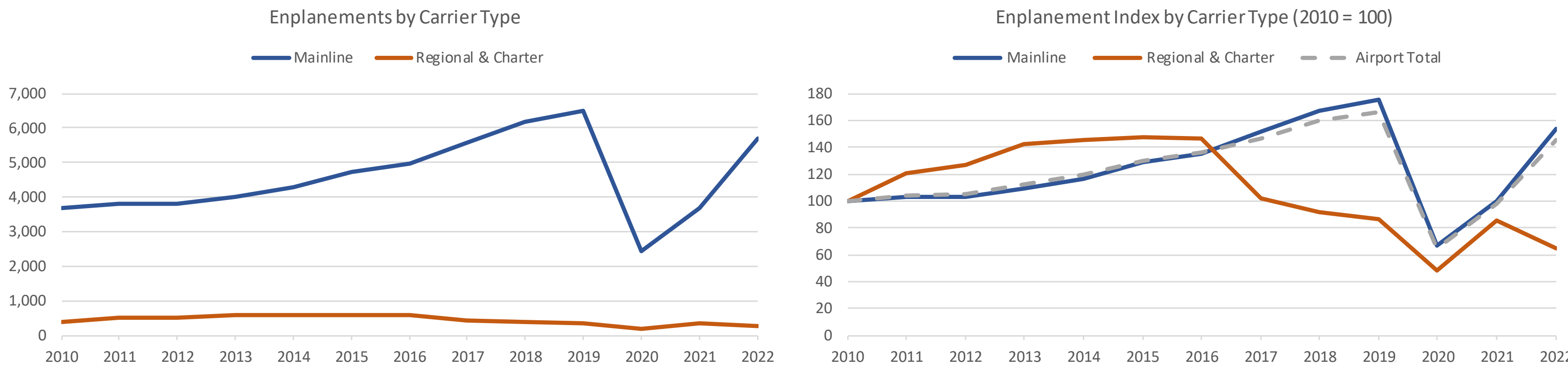
Figure 42 | Enplanement Shares by Carrier Type, 2010-2022



Source: Airport records.

Figure 43 shows enplanements by mainline and regional/charter carriers, as well as their growth relative to the 2010 level, and Table 10 shows the underlying data. Mainline carrier operations make up the vast majority of air traffic at the Airport, but regional carriers and charters experienced faster proportional growth in the first few years of the 2010s before facing sharp and continual decline from 2016 through the rest of the decade. Mainline enplanements fell in 2020 due to the COVID-19 pandemic, but it still maintains a dominant majority over regional and charter enplanements.

Figure 43 | Enplanements and Growth Index by Carrier Type (2010 = 100), 2010-2022



Source: Airport records.

Table 10 | Enplanements and Market Shares by Carrier Type, 2010-2022

Enplanements by Carrier Type (1000s)													
Carrier Type	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Mainline	3,700	3,795	3,796	4,025	4,306	4,749	4,989	5,595	6,197	6,486	2,457	3,677	5,688
Regional & Charter	403	486	510	573	587	595	591	410	367	347	196	346	259
Airport Total	4,102	4,281	4,307	4,598	4,892	5,345	5,580	6,005	6,565	6,832	2,652	4,023	5,946
Enplanement Shares by Carrier Type													
Carrier Type	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Mainline	90.2%	88.6%	88.1%	87.5%	88.0%	88.9%	89.4%	93.2%	94.4%	94.9%	92.6%	91.4%	95.6%
Regional & Charter	9.8%	11.4%	11.9%	12.5%	12.0%	11.1%	10.6%	6.8%	5.6%	5.1%	7.4%	8.6%	4.4%
Airport Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Airport records.

3.4 | Scheduled Passenger Airline Service

Table 11 shows the annual trends in scheduled passenger airline service at the Airport from 2017 through 2022. The trends include the following measures: seats, aircraft departures, seats per departure, and nonstop destinations. Figure 44 shows each airlines' seat index, average seats per departure, and the Airport's total of nonstop destinations over the same period.

The number of scheduled seats throughout the Airport followed gradual growth from 2017 through 2019, before declining in 2020 and subsequently recovering over the following years, with recovery speeding up through 2022. There are two exceptions to this trend among the Airport's airlines. Spirit is the bigger exception, and experienced much more volatility in its number of scheduled seats than the other airlines, growing faster from 2017 to 2019, falling sharper in 2020, and showing faster recovery through 2022 than other airlines. Southwest slightly varies in its post-pandemic trends from other airlines. Southwest's scheduled seats continued to decrease in 2021, instead rising a year behind the other airlines in 2022. Southwest's lower passenger numbers and slower recovery at the Airport can be attributed to the airline adopting an opportunistic strategy during the pandemic, adding new airports and markets to its route network, which required aircraft to be moved temporarily from incumbent markets like MSY.

Overall, the number of seats per departure has gradually increased at the Airport over the years, indicating the use of larger aircraft or the placement of more seats within aircraft. This increase in seat capacity per departure is present in all major airlines save for Spirit, but is mostly attributed to American, United, and Delta.

Throughout 2022, Southwest operated an average of 48 departures per day, American operated an average of 24 departures per day, Delta and United operated an average of 18 departures per day, and Spirit operated an average of 16 departures per day. All other carriers operated an average of 12 flights per day. All airlines showed an increase from the prior year, continuing the trend of post-pandemic recovery

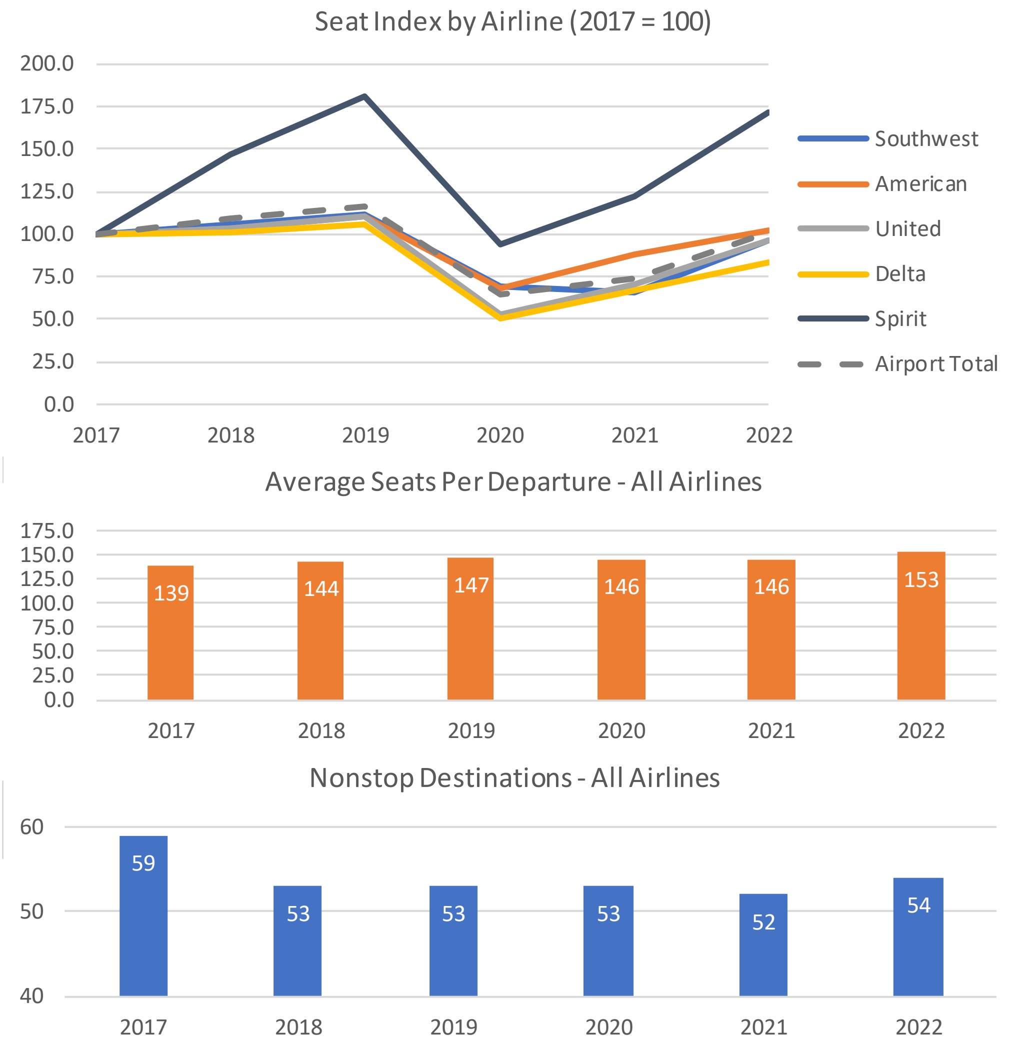
Since decreasing from 59 to 53 in 2018, the number of nonstop destinations served at the Airport has stayed mostly the same until 2022 when it increased to 54.

Table 11 | Trends in Scheduled Service, 2017-2022

Scheduled Service at MSY Airline	2017	2018	2019	2020	2021	2022
Southwest						
Number of Nonstop Destinations	26	32	30	28	24	22
Average Daily Departures	54	56	59	36	34	48
Average Daily Seats	7,863	8,310	8,754	5,434	5,197	7,611
American						
Number of Nonstop Destinations	8	7	9	13	8	8
Average Daily Departures	27	27	27	18	22	24
Average Daily Seats	3,197	3,320	3,537	2,181	2,811	3,281
United						
Number of Nonstop Destinations	22	18	16	15	13	16
Average Daily Departures	20	20	21	11	15	18
Average Daily Seats	2,614	2,704	2,873	1,373	1,842	2,517
Delta						
Number of Nonstop Destinations	7	10	10	11	6	8
Average Daily Departures	24	24	24	11	15	18
Average Daily Seats	3,495	3,539	3,695	1,766	2,357	2,930
Spirit						
Number of Nonstop Destinations	15	18	21	22	15	19
Average Daily Departures	10	15	17	9	11	16
Average Daily Seats	1,618	2,380	2,929	1,519	1,980	2,783
Other						
Number of Nonstop Destinations	31	31	29	25	32	34
Average Daily Departures	14	15	15	7	8	12
Average Daily Seats	1,960	2,276	2,288	1,090	1,247	1,867
All Airlines						
Number of Nonstop Destinations	59	53	53	53	52	54
Average Daily Departures	149	157	163	92	106	137
Average Daily Seats	20,748	22,529	24,077	13,362	15,435	20,989

Source: OAG Schedules Analyzer.

Figure 44 | Scheduled Seats Index, Seats per Departure, and Nonstop Destinations, 2017-2022



Source: OAG Schedules Analyzer.

3.5 | Top Domestic O&D Markets

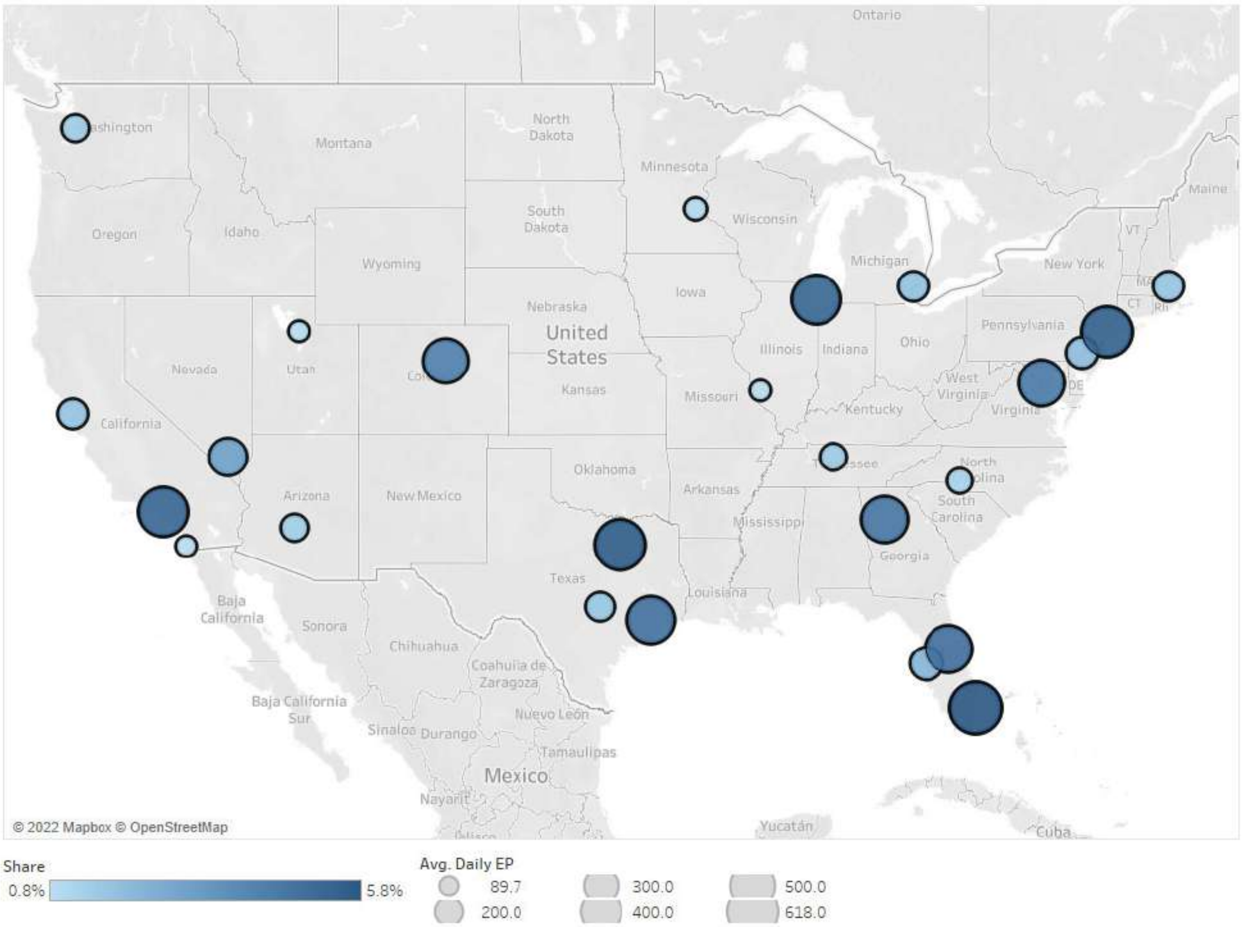
Table 12 and Figure 45 show the Airport's top 25 O&D markets in 2021, ranked by share of the Airport's average daily total O&D enplanements for that year. Altogether, the top 25 markets make up 74.6 percent of all daily O&D enplanements at the Airport. Sixteen of the top 25 markets are served by two or more airlines, which is a good indicator of the strong demand and competitiveness of those markets. The five largest shares include, in order from 5th to 1st largest: Los Angeles, Chicago, New York, Dallas/Ft. Worth, and Miami-Ft. Lauderdale—each of which hold between 5 and 6 percent of the Airport's O&D market. The top five largest markets reflect the change in the composition of demand since the COVID-19 pandemic, with more growth in leisure travel than in business travel. Going down the list, share sizes between destinations go down gradually and in small increments. Among the top 25 markets, the 7th largest, Houston, had the most daily nonstop departures with an average of 12.8 per day. Inversely, San Francisco had no daily nonstop departures in 2021, despite holding the 15th largest share of O&D enplanements at the Airport.

Table 12 | The Airport's Top 25 O&D Markets for CY2021, Ranked by Market Share

Rank	Metro Market Destination[1]	Airports	O&D Market Share[2]	Daily Nonstop Departures[3]	Airlines Serving Market from MSY[4]
1	Ft. Lauderdale, FL	FLL, MIA, PBI	5.8%	6.9	B6, NK, WN, AA
2	Dallas/Ft. Worth, TX	DAL, DFW	5.6%	11.1	WN, AA, NK
3	New York, NY	EWR, LGA, JFK	5.5%	6.5	UA, NK, B6, DL, WN
4	Chicago, IL	ORD, MDW	5.3%	6.1	AA, UA, WN, NK
5	Los Angeles, CA	LAX, SNA, BUR, LGB, ONT	5.3%	2.9	WN, NK, DL
6	Orlando, FL	MCO	4.9%	4.7	WN, NK, F9
7	Houston, TX	IAH, HOU	4.8%	12.8	WN, UA, NK
8	Atlanta, GA	ATL	4.6%	9.8	DL, NK, WN
9	Washington, DC	BWI, DCA, IAD	4.5%	6.0	AA, WN, NK, UA
10	Denver, CO	DEN	4.3%	5.2	UA, WN, F9
11	Las Vegas, NV	LAS	3.0%	2.1	WN, NK, F9
12	Tampa, FL	TPA	2.3%	2.2	WN, NK
13	Philadelphia, PA	PHL	2.0%	2.1	AA, F9
14	Detroit, MI	DTW	1.9%	2.2	DL, NK, WN
15	San Francisco, CA	SFO, OAK, SJC	1.8%		*no nonstop service*
16	Boston, MA	BOS, PVD	1.8%	0.8	B6
17	Austin, TX	AUS	1.7%	2.1	WN, AA
18	Nashville, TN	BNA	1.6%	1.9	WN
19	Seattle, WA	SEA	1.5%	0.9	AS
20	Phoenix, AZ	PHX, AZA	1.5%	1.9	AA, WN
21	Charlotte, NC	CLT	1.3%	4.9	AA
22	Minneapolis/St. Paul, MN	MSP	1.0%	0.9	DL
23	St. Louis, MO	STL	0.9%	0.5	WN
24	Salt Lake City, UT	SLC	0.9%	0.9	DL
25	San Diego, CA	SAN	0.8%	0.1	WN
...	Other		25.4%	3.3	
	Top 25 Subtotal		**74.6%**	**95.5**	
	Total MSY		**100.0%**	**98.8**	

Source: Diio DB1B YE4Q21 and Schedule Monthly Summary YE-December 2021.
[1] Certain markets are served by more than one airport.
[2] Share of estimated total daily O&D passengers.
[3] Average daily nonstop departures calculated from the annual total scheduled departures.
[4] Air carriers serving each market nonstop, in the order of the number of nonstop flights provided by each air carrier, with the following airline designations: AA = American, AS = Alaska, B6 = JetBlue, DL = Delta, F9 = Frontier, NK = Spirit, UA = United, and WN = Southwest.

Figure 45 | The Airport's Top 25 O&D Markets, CY2021



Source: Diio DB1B YE4Q21 and Schedule Monthly Summary YE-December 2021.

Figure 46 shows the trend in the composition of the Airport's O&D traffic from 2017. Prior to the pandemic in 2019, visitors were estimated to comprise 61 percent of O&D traffic, with residents accounting for the remaining 39 percent, according to U.S. Department of Transportation Origin-and-Destination Survey (DB1B) data. The visitor share fell to 57 percent in 2020 and 54 percent in 2021, the first two years of the pandemic, indicating the negative effects of the pandemic on tourist traffic to New Orleans. However, the visitor share has started to increase back toward pre-pandemic levels. For the 12-month period ending September 30 (the most recent 12-month period for which data are fully available), the visitor share increased to 57 percent, compared with 52 percent for the same period in the prior year.

Figure 46 | Composition of O&D Traffic Between Visitors and Residents

Source: Estimates based on data from the U.S. Bureau of Transportation Statistics DB1B.

3.6 | Comparison with Peer Airports

In this section, the Airport is compared with its peer airports in enplanement growth and trends in airfare and real passenger yield. The chosen airports are St. Louis-Lambert (STL), Norman Y. Mineta San Jose (SJC), Houston Hobby (HOU), Raleigh-Durham (RDU), Oakland (OAK), Sacramento (SMF), and Kansas City (MCI). These seven peer airports are chosen on the basis of having the closest total enplanement counts to the Airport, based on 2019 pre-pandemic rankings.

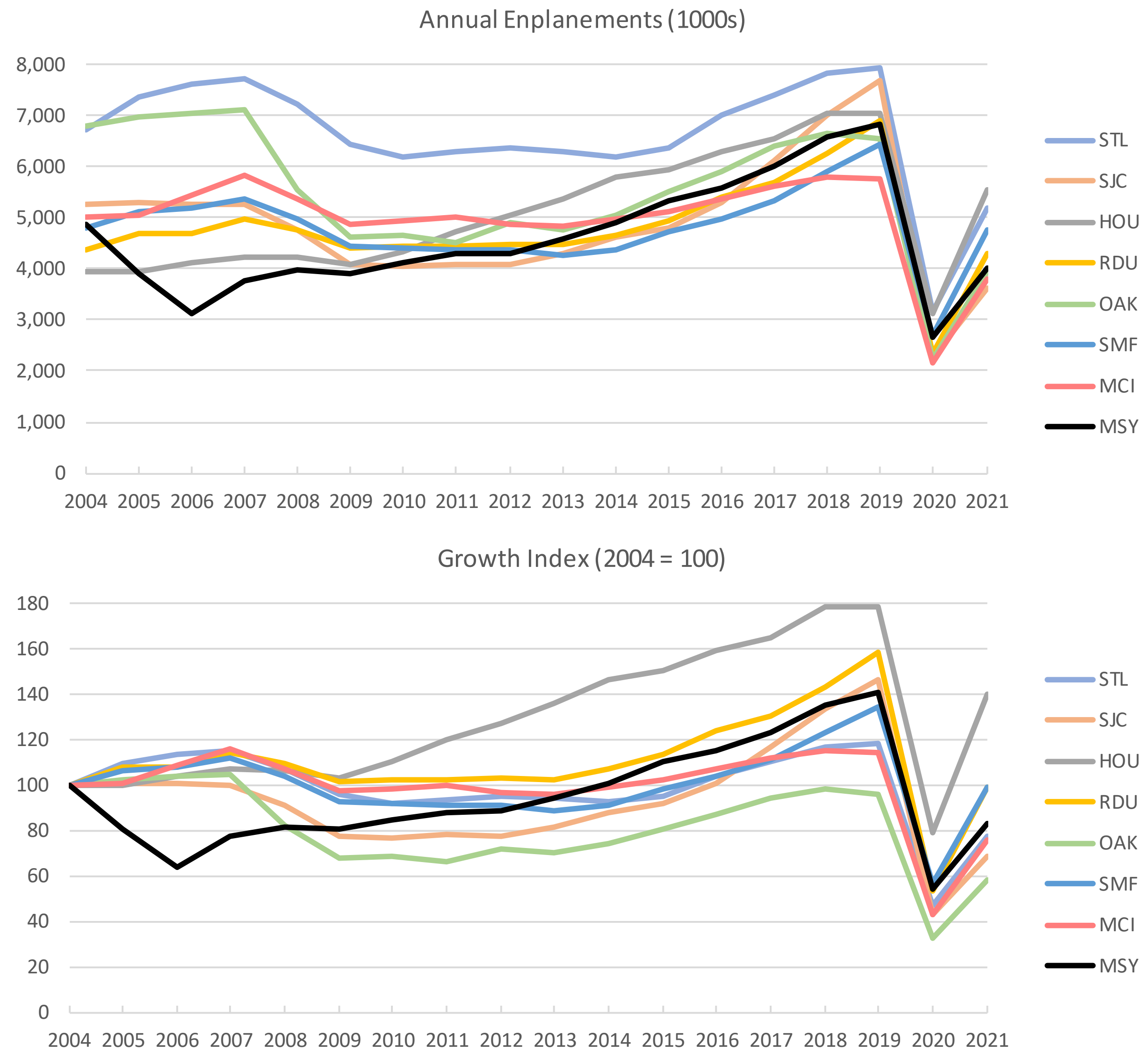
3.6.1 | Enplanement Growth

Since 2004, the Airport's enplanements have exhibited moderate growth relative to its peer airports. One notable divergence in enplanement trends between the Airport and its peers is the sharp decline the Airport endured in 2005 and 2006 (Figure 47). Because of Hurricane Katrina and Hurricane Rita, the Airport's passenger traffic fell 36 percent from 2004 to 2006, while most of its peers continued with their growth. The Airport's post-hurricane reconstruction helped mitigate the Great Recession's negative effects on enplanements, while the Airport's peer airports all lost air activity to varying degrees (the most severe drop happening to OAK). After the Great Recession, the Airport saw growth that outpaced many of its peers, and by 2019 it had surpassed OAK, SMF, and MCI in enplanements. Two notable airports among the Airport's peers include STL, which boasted consistently higher passenger counts than all other airports among the peers from 2005 to 2019, and HOU, which experienced significantly faster growth than all of the other airports after 2009.

As with the rest of the United States aviation industry, the Airport and its peer airports suffered a substantial loss in enplanements in 2020 due to the COVID-19 pandemic. HOU experienced the smallest decline among these eight airports with a 55.8 percent decrease, and SJC took the largest drop of 70.3 percent—by comparison, the Airport's enplanements fell by 61.2 percent.

In 2021, the Airport's recovery lagged behind its seven peer airports, with an enplanement increase of 51.5 percent year over year. SJC had the next slowest recovery, up 58.5 percent, while RDU had the fastest recovery, up 84.5 percent. Part of the Airport's slower total recovery through 2021 could be attributed to Hurricane Ida, a Category 4 storm, and the Delta variant of COVID-19 and the fourth wave of infections, which had a much more profound impact on the Airport's monthly enplanements compared to national trends at the end of the summer and start of the fall. Calendar year 2022 data are not yet available as of the date of this report; data through October indicate an acceleration in the Airport's recovery as shown in Figure 39.

Figure 47 | Annual Enplanement Growth (1000s), The Airport vs. Peer Airports, 2004-2021

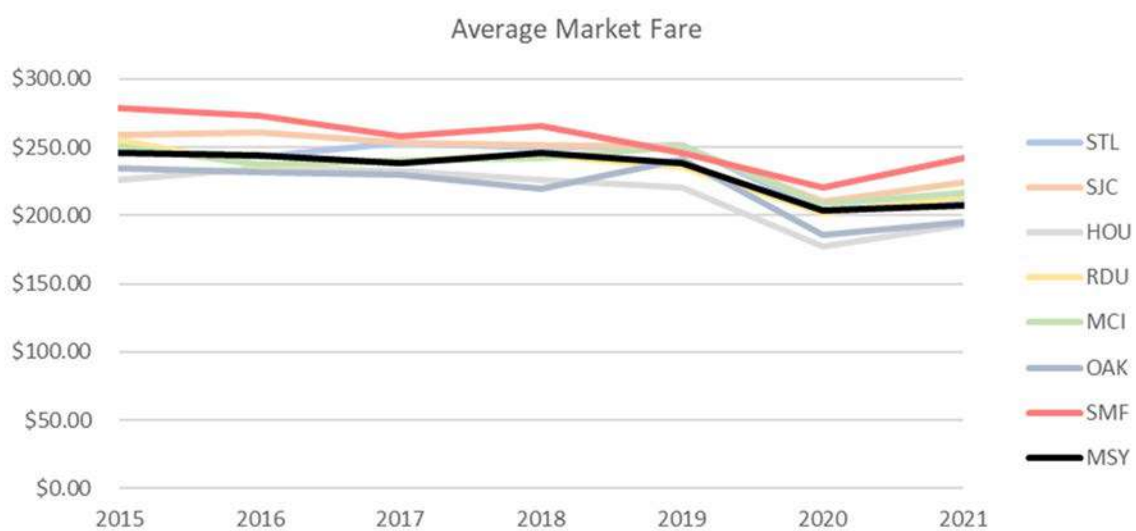


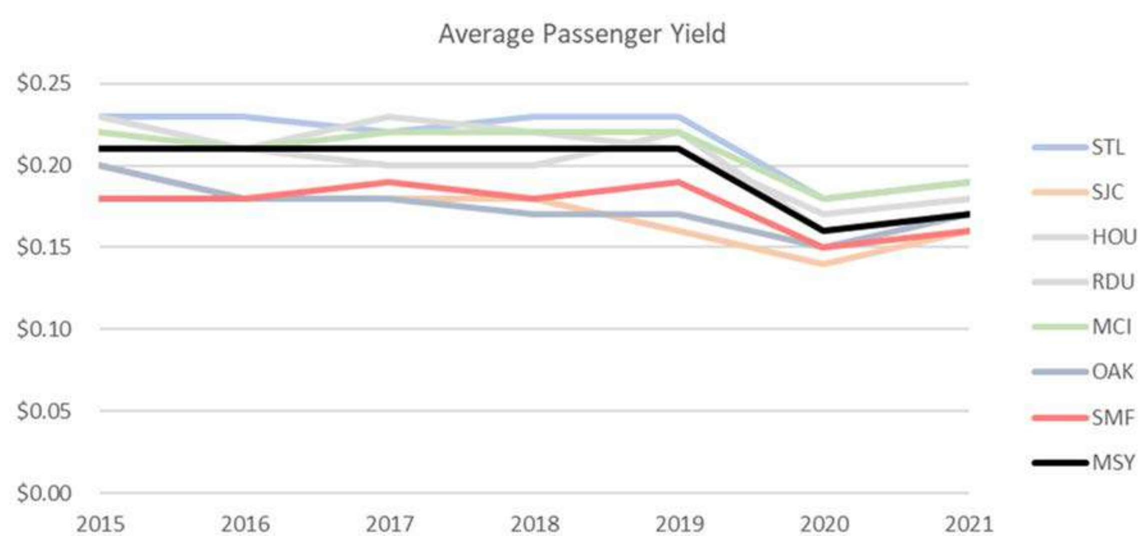
Sources: Airport records and U.S. Bureau of Transportation Statistics.

3.6.2 | Market Fare and Passenger Yield

Lower airfares attract passengers. A common measure of airfares that controls for trip length is passenger yield: the average airline revenue per revenue passenger mile. Figure 48 compares the average domestic market fares and passenger yields at the Airport with the same seven peers that ranked closest in 2019 enplanements, by calendar year. In general, market fare and yields changed little from 2015 to 2019, especially for the Airport—the average yield stayed flat over the period. The Airport's trends largely remained near the middle among its peers in both measures. In 2020, airports nationwide experienced a dip in both market fare and yield due to weak demand during the COVID-19 pandemic, with a partial recovery through 2021. As of 2021, the Airport was near the middle among the sampled eight airports, though in the lower half.

Figure 48 | The Airport vs. Peer Airports Average Market Fare and Yield, by Calendar Year



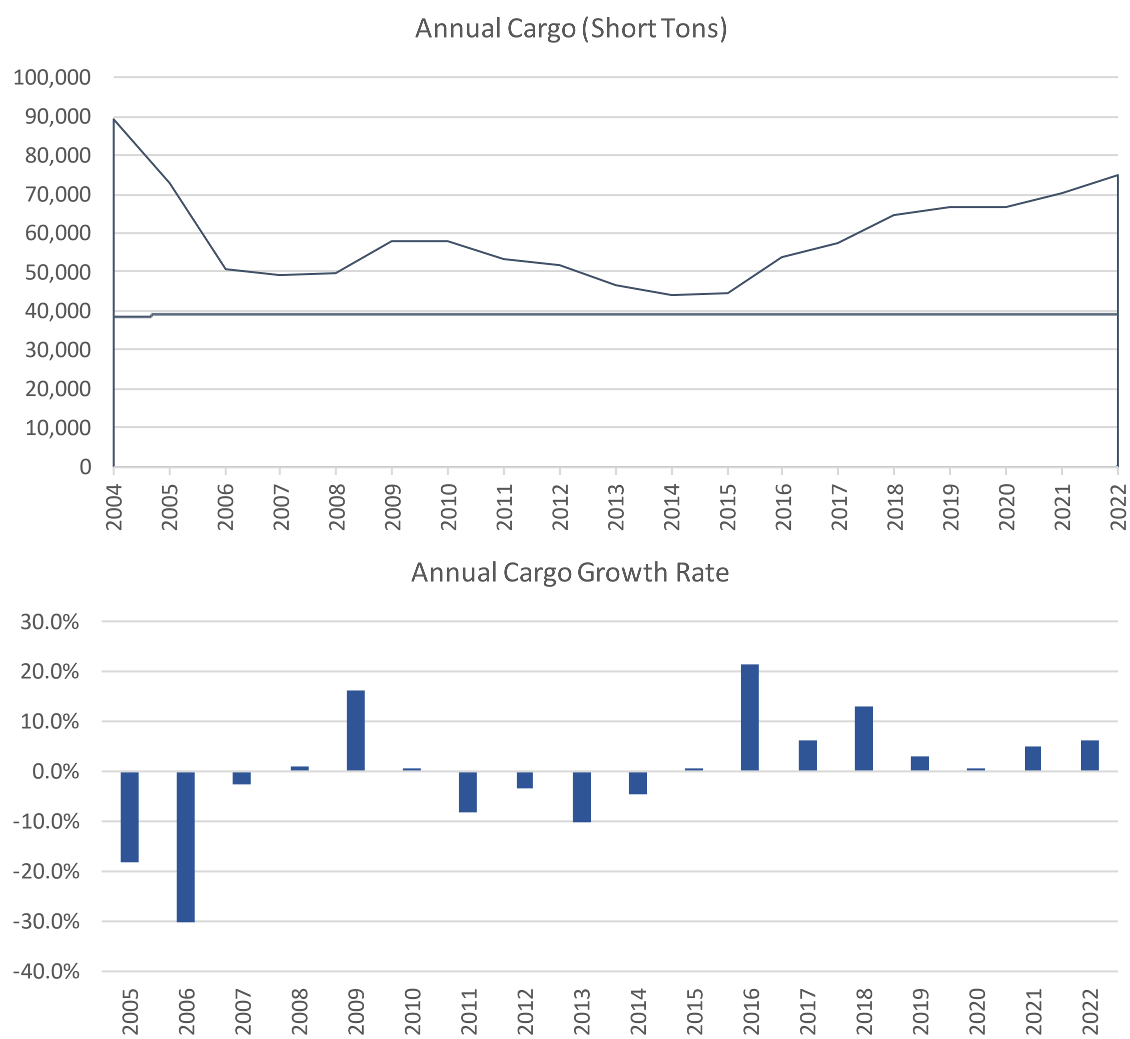


Source: U.S. Department of Transportation DB1B.

3.7 | Air Cargo

Figure 49 shows the total annual cargo growth trends at the Airport dating back to 2004. Due to Hurricane Katrina and Hurricane Rita, cargo activity at the Airport fell by 18 percent from 2004 to 2005, and then dropped another 30 percent in 2006. The Airport's cargo throughput decreased slightly in 2007, leading to a total drop from a peak of 89,239 short tons in 2004 to 49,467 short tons in 2007 after the hurricanes. Since then, the Airport has not returned to its 2004 cargo levels, remaining under 60,000 short tons and dipping to its lowest level of 44,225 short tons in 2014. After 2014, however, cargo at the Airport experienced continuous growth, surpassing 60,000 short tons and reaching up to 66,857 short tons in 2020. Unlike enplanements, cargo did not fall from 2019 to 2020 during the COVID-19 pandemic. Instead, it remained relatively constant in 2020, slightly increasing by 0.5 percent, before rising by an additional 5 percent in 2021 and surpassing 70,000 short tons. This growth continued in 2022, rising another 6.4 percent up to about 75,000 short tons.

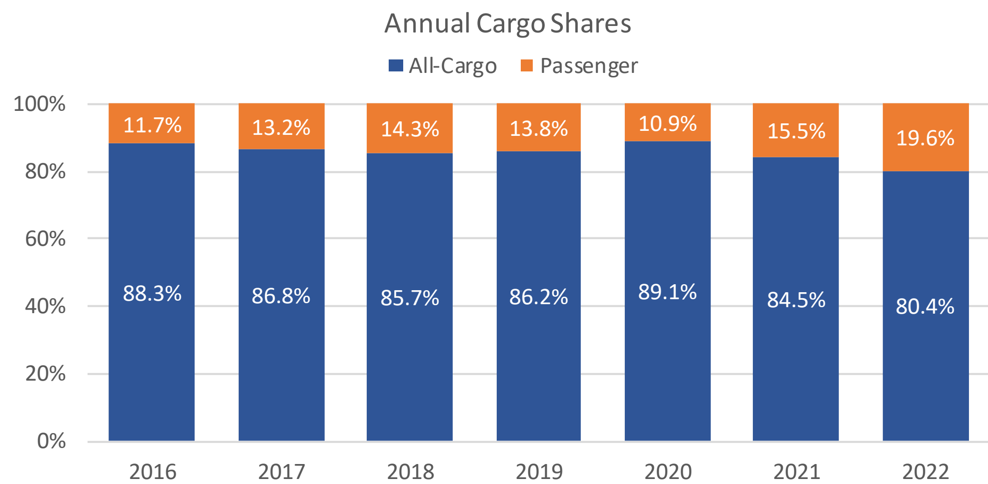
Figure 49 | Annual Cargo Tonnage Trends, 2004-2022



Source: Airport records.

Figure 50 shows the breakdown of cargo at the Airport between all-cargo carriers and passenger carriers. Table 13 shows the underlying cargo data and further breaks down the annual totals between domestic and international cargo, as well as by carrier type. All-cargo carriers handle the bulk of cargo activity at the Airport, consistently comprising mid-to-high 80s in terms of annual cargo shares from 2016 through 2021. In 2021, the Airport saw a substantial increase in passenger carrier cargo, rising from 10.9 percent in 2020 to 15.5 percent in 2021. As of 2022, passenger carrier cargo has grown to 19.6 percent, the largest it has been in the last seven years.

Figure 50 | Annual All-Cargo vs. Belly-Cargo (Passenger Carrier) Shares of Cargo Tonnage, 2016-2022



Source: Airport records.

Table 13 | Annual Freight & Mail, Tonnage and Shares, 2016-2022

Annual Freight & Mail (Short Tons)								CAGR		
Carrier Type	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2016-2019**	**2016-2022**	**2019-2022**
All-Cargo Subtotal										
Domestic	47,485.6	49,603.1	55,251.9	57,198.0	59,462.3	59,223.5	59,960.7	6.4%	4.0%	1.6%
International	27.9	47.0	57.2	118.6	86.7	54.9	39.4	62.0%	5.9%	-30.8%
All-Cargo Subtotal	**47,513.5**	**49,650.1**	**55,309.2**	**57,316.6**	**59,549.0**	**59,278.3**	**60,000.0**	**6.5%**	**4.0%**	**1.5%**
Passenger										
Domestic	6,318.7	6,181.6	7,041.8	7,381.0	6,958.4	10,857.9	13,853.0	5.3%	14.0%	23.4%
International	3.7	1,370.2	2,189.7	1,827.1	349.3	39.3	802.4	690.1%	N/A	-24.0%
Passenger Subtotal	**6,322.4**	**7,551.8**	**9,231.4**	**9,208.1**	**7,307.7**	**10,897.2**	**14,655.4**	**13.4%**	**15.0%**	**16.8%**
Grand Total	**53,835.9**	**57,202.0**	**64,540.6**	**66,524.7**	**66,856.7**	**70,175.5**	**74,655.4**	**7.3%**	**5.6%**	**3.9%**
AGR	21.3%	6.3%	12.8%	3.1%	0.5%	5.0%	6.4%			

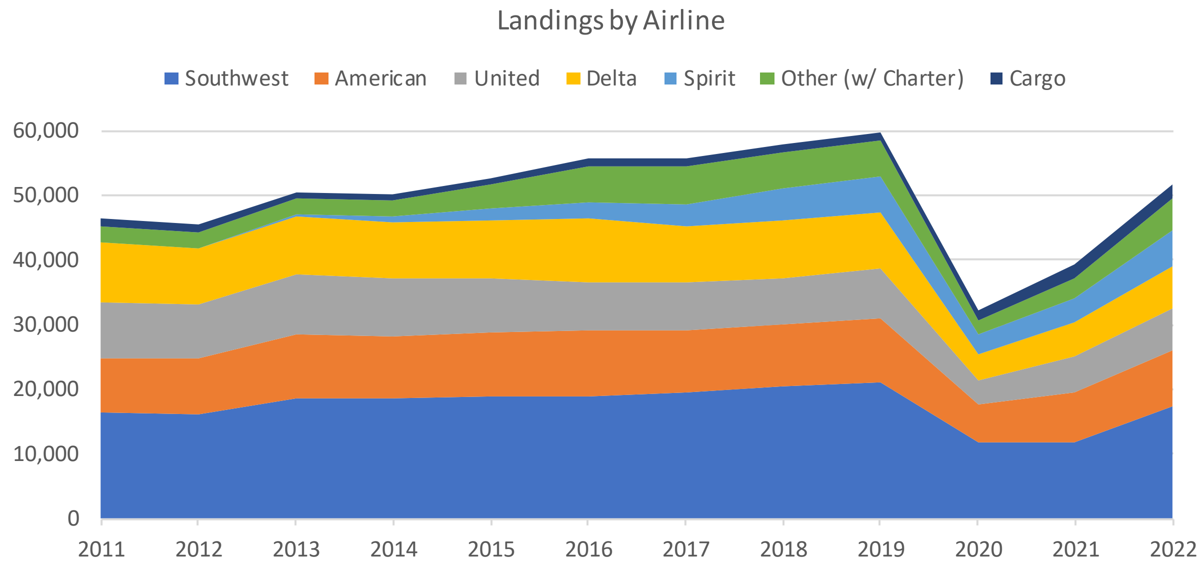
Annual Freight & Mail Shares							
Carrier Type	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
All-Cargo							
Domestic	88.20%	86.72%	85.61%	85.98%	88.94%	84.39%	80.32%
International	0.05%	0.08%	0.09%	0.18%	0.13%	0.08%	0.05%
All-Cargo Subtotal	**88.26%**	**86.80%**	**85.70%**	**86.16%**	**89.07%**	**84.47%**	**80.37%**
Passenger							
Domestic	11.74%	10.81%	10.91%	11.10%	10.41%	15.47%	18.56%
International	0.01%	2.40%	3.39%	2.75%	0.52%	0.06%	1.07%
Passenger Subtotal	**11.74%**	**13.20%**	**14.30%**	**13.84%**	**10.93%**	**15.53%**	**19.63%**
Grand Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

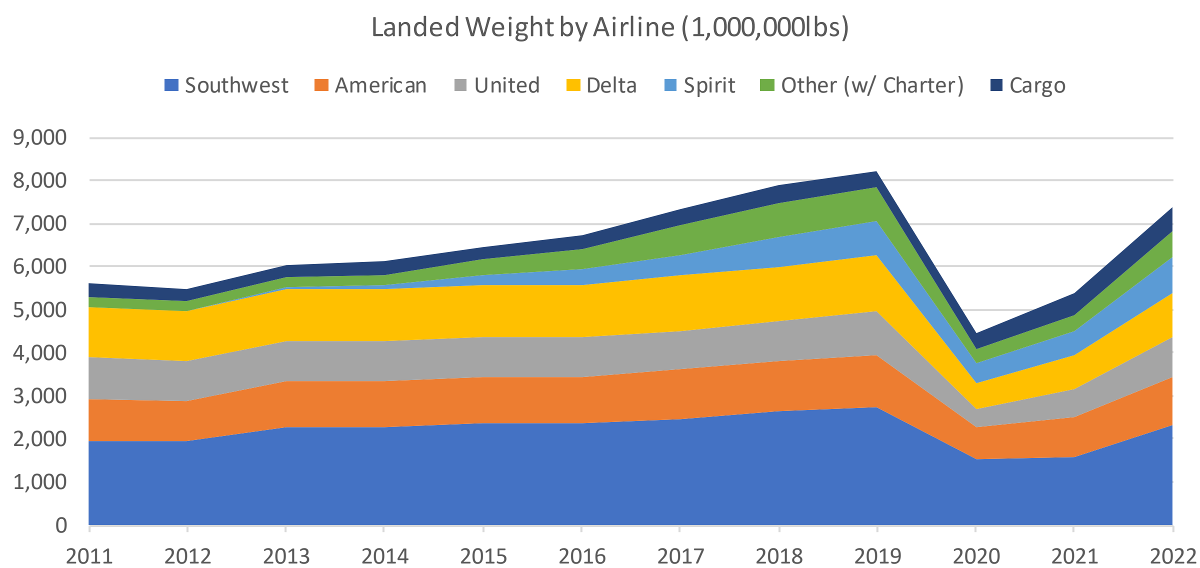
Source: Airport records.

3.8 | Commercial Aircraft Landings and Landed Weight

Figure 51 shows the historical trends in aircraft landings and landed weight at the Airport by airline from 2011 to 2021. Table 14 and Table 15 show the underlying data and the market share breakdown among airlines. Both landings and landed weight show growth similar to but overall slower than that of enplanement. Between the two measures, landed weight trends show a more consistently upward slope. The comparison between landings, landed weight, and enplanements imply an overall increase in seat capacity and load factor over the years, reaching a peak of 59.8 thousand landings and a landed weight of 8.2 billion pounds in 2019. Landings and landed weight decreased 46 percent in 2020 due to the COVID-19 pandemic. While both began to recover in 2021, even accelerating in 2022, landings and landed weight still remain below pre-pandemic levels.

Figure 51 | Landings and Landed Weight Trends by Airline, 2010-2022





Source: Airport records.

Table 14 | Annual Landings and Landing Shares, 2011-2022

Landings by Airline													CAGR		
Carrier	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2011-2019**	**2019-2022**	**2011-2022**
Southwest	16,373	16,248	18,666	18,458	19,006	18,809	19,411	20,306	21,041	11,729	11,693	17,215	3.2%	-6.5%	0.5%
American	8,434	8,583	9,880	9,857	9,850	10,164	9,716	9,705	9,769	5,948	7,765	8,633	1.9%	-4.0%	0.2%
United	8,619	8,227	9,068	8,874	8,151	7,583	7,277	7,210	7,721	3,768	5,466	6,606	-1.4%	-5.1%	-2.4%
Delta	9,210	8,683	9,011	8,745	9,230	9,866	8,740	8,842	8,859	3,934	5,428	6,538	-0.5%	-9.6%	-3.1%
Spirit	0	0	338	788	1,877	2,617	3,566	5,052	5,522	3,108	3,706	5,652	N/A	0.8%	N/A
Other (w/ Charter)	2,504	2,439	2,442	2,569	3,451	5,296	5,595	5,388	5,542	2,299	3,133	4,764	10.4%	-4.9%	6.0%
Cargo	1,242	1,166	1,082	936	1,088	1,238	1,409	1,327	1,329	1,496	2,097	2,249	0.8%	19.2%	5.5%
Total	**46,382**	**45,346**	**50,487**	**50,227**	**52,653**	**55,573**	**55,714**	**57,830**	**59,783**	**32,282**	**39,288**	**51,657**	3.2%	-4.8%	1.0%
AGR		**-2.2%**	**11.3%**	**-0.5%**	**4.8%**	**5.5%**	**0.3%**	**3.8%**	**3.4%**	**-46.0%**	**21.7%**	**31.5%**			

Annual Landing Shares												
Carrier	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Southwest	35.3%	35.8%	37.0%	36.7%	36.1%	33.8%	34.8%	35.1%	35.2%	36.3%	29.8%	33.3%
American	18.2%	18.9%	19.6%	19.6%	18.7%	18.3%	17.4%	16.8%	16.3%	18.4%	19.8%	16.7%
United	18.6%	18.1%	18.0%	17.7%	15.5%	13.6%	13.1%	12.5%	12.9%	11.7%	13.9%	12.8%
Delta	19.9%	19.1%	17.8%	17.4%	17.5%	17.8%	15.7%	15.3%	14.8%	12.2%	13.8%	12.7%
Spirit	0.0%	0.0%	0.7%	1.6%	3.6%	4.7%	6.4%	8.7%	9.2%	9.6%	9.4%	10.9%
Other (w/ Charter)	5.4%	5.4%	4.8%	5.1%	6.6%	9.5%	10.0%	9.3%	9.3%	7.1%	8.0%	9.2%
Cargo	2.7%	2.6%	2.1%	1.9%	2.1%	2.2%	2.5%	2.3%	2.2%	4.6%	5.3%	4.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport records.

Table 15 | Annual Landed Weight and Landed Weight Shares, 2011-2022

Landed Weight by Airline (1,000,000 lbs)													CAGR		
Carrier	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2011-2019**	**2019-2022**	**2011-2022**
Southwest	1,968	1,958	2,271	2,274	2,386	2,376	2,482	2,655	2,754	1,547	1,562	2,342	4.3%	-7.8%	1.8%
American	937	940	1,057	1,076	1,035	1,075	1,132	1,160	1,197	715	937	1,105	3.1%	-3.9%	1.7%
United	1,012	925	952	927	936	896	903	937	1,005	454	654	904	-0.1%	-5.1%	-1.1%
Delta	1,123	1,125	1,187	1,195	1,199	1,240	1,265	1,242	1,311	592	786	1,048	2.0%	-10.6%	-0.7%
Spirit	0	0	47	110	261	367	500	711	787	446	543	826	N/A	2.4%	N/A
Other (w/ Charter)	252	229	225	242	348	441	673	780	784	318	378	591	15.2%	-13.2%	8.9%
Cargo	322	303	295	299	310	316	357	390	393	407	503	543	2.5%	17.6%	5.4%
Total	**5,614**	**5,479**	**6,032**	**6,123**	**6,475**	**6,710**	**7,311**	**7,875**	**8,232**	**4,479**	**5,363**	**7,360**	4.9%	-5.4%	2.7%
AGR		**-2.4%**	**10.1%**	**1.5%**	**5.7%**	**3.6%**	**9.0%**	**7.7%**	**4.5%**	**-45.6%**	**19.7%**	**37.2%**			

Annual Landed Weight Shares												
Carrier	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Southwest	35.1%	35.7%	37.6%	37.1%	36.9%	35.4%	33.9%	33.7%	33.5%	34.5%	29.1%	31.8%
American	16.7%	17.1%	17.5%	17.6%	16.0%	16.0%	15.5%	14.7%	14.5%	16.0%	17.5%	15.0%
United	18.0%	16.9%	15.8%	15.1%	14.5%	13.4%	12.3%	11.9%	12.2%	10.1%	12.2%	12.3%
Delta	20.0%	20.5%	19.7%	19.5%	18.5%	18.5%	17.3%	15.8%	15.9%	13.2%	14.7%	14.2%
Spirit	0.0%	0.0%	0.8%	1.8%	4.0%	5.5%	6.8%	9.0%	9.6%	10.0%	10.1%	11.2%
Other (w/ Charter)	4.5%	4.2%	3.7%	4.0%	5.4%	6.6%	9.2%	9.9%	9.5%	7.1%	7.1%	8.0%
Cargo	5.7%	5.5%	4.9%	4.9%	4.8%	4.7%	4.9%	5.0%	4.8%	9.1%	9.4%	7.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Airport records.

3.9 | Forecast Commercial Aviation Activity

Forecast development considers the recent pandemic impacts, demand and supply changes in the aviation industry, and changes in the business environment, as well as the fundamental drivers of growth in passenger traffic. We combine multiple forecasting methods and data sources in a hybrid modeling framework to project air traffic during different phases of recovery and growth.

Forecast development acknowledges high uncertainty in the development of the pandemic and the outlook for the aviation industry and the overall economy. We present three forecast scenarios—labeled "Base," "High," and "Low"—differentiated by the pace of air traffic growth in the short- and long-term. The Base scenario assumes a continuation of recent growth trends in the economy and air traffic. The High scenario provides an optimistic outlook for the economic and air traffic growth trends, assuming an easing of airline capacity constraint, downward pressure on inflation, and a boost in the labor market and national production. The Low scenario provides a conservative outlook for the economic and air traffic growth trends, accounting for the several adverse short-term factors, which include persistent labor and fleet constraints on airline capacity, upward inflationary pressures, and the slowing of the global economy, including the increased risk of a global economic recession.

The three scenarios provide a reasonable range for planning and sensitivity analysis. However, forecasts are inherently uncertain, and many factors can cause actual performance to fall outside the forecast range. At the time of forecast development, the airline industry and the broad economy are undergoing significant structural changes, elevating the various sources of risks and uncertainty, which will be discussed in detail at the end of the forecasting section.

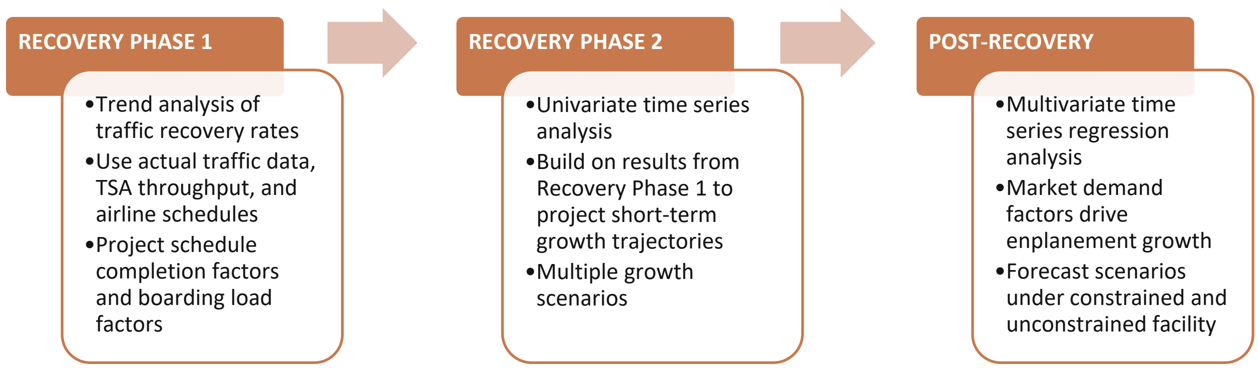
3.9.1 | COVID-19 Hybrid Forecast Development Framework

A hybrid modeling framework leverages the strengths of different forecasting methods and data sources in projecting air traffic during different phases of recovery and growth. The forecast period is divided into two phases: a recovery phase and a post-recovery growth phase. The recovery phase is subdivided into two phases, distinguished by the type of data sources and analysis employed to project different traffic measures.

For the recovery phase, we analyze short-term air traffic growth trends and produce projections of flights, seats, and enplanements at the airline level using a combination of published airline schedules, schedule completion factors, and boarding load factors. During this phase, the ramp-up of passenger traffic is projected on a monthly frequency. Once the growth of projected monthly enplanements returns to CY2019 pre-COVID levels and stabilizes, reflecting a return to historical growth patterns, the forecast period enters a long-term growth phase. In this phase, we use multivariate regression analysis to quantify the relationship between passenger demand for air travel and key market drivers and to project annual enplanement growth rates based on projected trends in the key market drivers.

Forecast development by phase considers the different factors that are expected to drive traffic trends across the phases (Figure 52). It tailors different methods, data, and assumptions to better model the effects of those factors on air traffic. For instance, in the recovery phase, we consider the interplay between recent developments in the COVID-19 pandemic, the economy, and the capacity constraint of airlines in setting assumptions for forecast inputs, which include the projected schedule completion factors and boarding load factors. We apply these forecast inputs to advance airline schedules to project monthly enplanement levels and select a functional representation for the growth trajectory until passenger traffic returns to pre-COVID level. In the post-recovery growth phase, market demand factors, such as income and price, again become the primary drivers of growth in passenger traffic.

Figure 52 | Forecast Development by Phase



Source: Unison Consulting, Inc.

3.9.2 | Recovery Phase 1

In this phase, forecast development considers the recent progress in traffic recovery. At the time of forecast development, data on actual airport activity (enplanements, landings, and landed weight) was available through September 2022 and TSA screening throughput data was available through November 2022, allowing us to observe actual recovery patterns up to this point. Advance airline schedules (accessed in December 2022), supplemented with TSA screening throughput data, provide the starting point for projecting monthly flights, seats, and enplanements up to May 2023. To project available seats, the published schedules are adjusted to anticipate cuts by applying schedule completion factors. Projections of boarding load factors (BLF), defined as the percentage of available seats occupied by enplaned passengers, are then applied to estimated available seats to produce enplanement estimates. The calculations are done on a monthly frequency.

Airlines adjusts their published schedules periodically depending on flight bookings and projected availability of aircraft and crew. Schedules for months further into the future are often subject to greater adjustments until the date of operation. Changes to the schedules, mostly downward, were amplified during the COVID-19 pandemic, as airlines could no longer rely on advance bookings and predictable demand patterns in setting flight schedules. Because of these characteristics of published schedules, only advance schedules for the six-month period, December 2022–May 2023, are used in forecast development.

In projecting seat capacity, we apply a completion factor to scheduled seats to anticipate such cuts in the advance schedules. These completion factors account for the countervailing effects of the strengthening in bookings in 2022 and the staffing and fleet constraints that have forced airlines to cut schedules.[56]

Table 16 shows the schedule completion factor assumptions, which begin to fall in 2023. Despite the anticipated declines, schedule completion factors remain relatively high across the scenarios, as airlines on average are projected to complete at least 90.6 percent of the scheduled seats through May 2023.

Table 16 | Projected Schedule Completion Factors and Seats for the Airport

	Schedue Completion Factors			Projected Seats		
Month	Scenario 1 Base	Scenario 2 High	Scenario 3 Low	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Oct-22	100.0%	100.0%	100.0%	694,628	694,628	694,628
Nov-22	100.0%	100.0%	100.0%	666,674	666,674	666,674
Dec-22	100.0%	100.0%	100.0%	664,832	664,832	664,832
Jan-23	100.0%	100.0%	97.0%	649,352	649,352	629,871
Feb-23	99.0%	100.0%	96.0%	636,730	643,190	617,435
Mar-23	97.0%	100.0%	94.0%	705,757	727,592	683,923
Apr-23	94.6%	97.6%	91.6%	687,767	709,580	665,953
May-23	93.6%	96.6%	90.6%	705,651	728,267	683,035

Source: Unison Consulting, Inc.

The BLF assumptions in Table 17 reflect seasonal patterns as well as a mostly upward trend. Except for January 2022, during which severe winter conditions caused significant disruptions to air traffic, The Airport's monthly average BLFs had mostly hovered around 2019 levels. Even with the inclusion of January 2022, the average difference in year-to-date monthly average BLFs was around -0.6 percentage points.

To project BLFs for October 2022 to May 2023, we analyze the Airport's trends in TSA throughput (an approximation to actual traffic) and TSA throughput-to-seat ratio (an approximation to BLF). Despite some volatility in August-September 2022, the weekly TSA throughput-to-seat ratios show positive trends indicating increases in BLFs. The improvements result from a combination of recovering demand and airline schedule cuts that result in more passengers per flight. We expect 2023 BLFs to continue exceeding 2019 levels.

In the Base and High scenarios, monthly average BLFs in 2023 are expected to exceed 2019 levels by 3.3 and 4.6 percentage points, respectively. In the Low scenario, 2023 monthly average BLFs are expected to be 1 percentage point higher than 2019 levels.

[56] The October-November 2022 schedules also are used for enplanement projections. Because they reflect actual schedules, we assume a completion factor of 100 percent.

Table 17 | Actual and Projected Boarding Load Factors for the Airport

Month	2019 BLF[1]	2022 BLF	Difference (pp)[2]	Month-Year	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Jan	73.1%	58.4%	-14.7	Jan-23	75.9%	76.7%	74.1%
Feb	74.0%	70.7%	-3.3	Feb-23	77.0%	78.2%	75.0%
Mar	79.3%	81.2%	1.9	Mar-23	82.6%	84.2%	80.3%
Apr	81.1%	84.7%	3.7	Apr-23	84.7%	86.7%	82.1%
May	83.2%	86.1%	2.9	May-23	87.0%	89.5%	84.2%
Jun	81.0%	83.2%	2.3				
Jul	73.8%	80.3%	6.5				
Aug	71.4%	69.4%	-1.9				
Sep	76.9%	74.5%	-2.4				
Oct	77.9%			Oct-22	78.6%	78.6%	78.6%
Nov	80.0%			Nov-22	82.7%	82.7%	82.7%
Dec	79.7%			Dec-22	82.6%	83.1%	80.7%

Source: Unison Consulting, Inc.
[1] BLF = enplanements/seats.
[2] Percentage-point (pp) difference between the 2022 and 2019 monthly BLF. Negative values indicate lower 2022 BLF, compared to the 2019 levels.

3.9.3 | Recovery Phase 2

In this phase, we continue to analyze the pace at which enplanements recover to the pre-COVID level using univariate time series analysis. We evaluate both linear and logarithmic functional forms to fit recovery trendlines from April 2020, when passenger traffic reached its lowest level during the pandemic, to May 2023, the end of Recovery Phase 1. The linear function projects a straight-line trajectory and a faster recovery compared with the logarithmic function. The logarithmic trendline projects an initial acceleration of recovery and eventual tapering, resulting in a longer recovery period than that projected by a linear trendline.

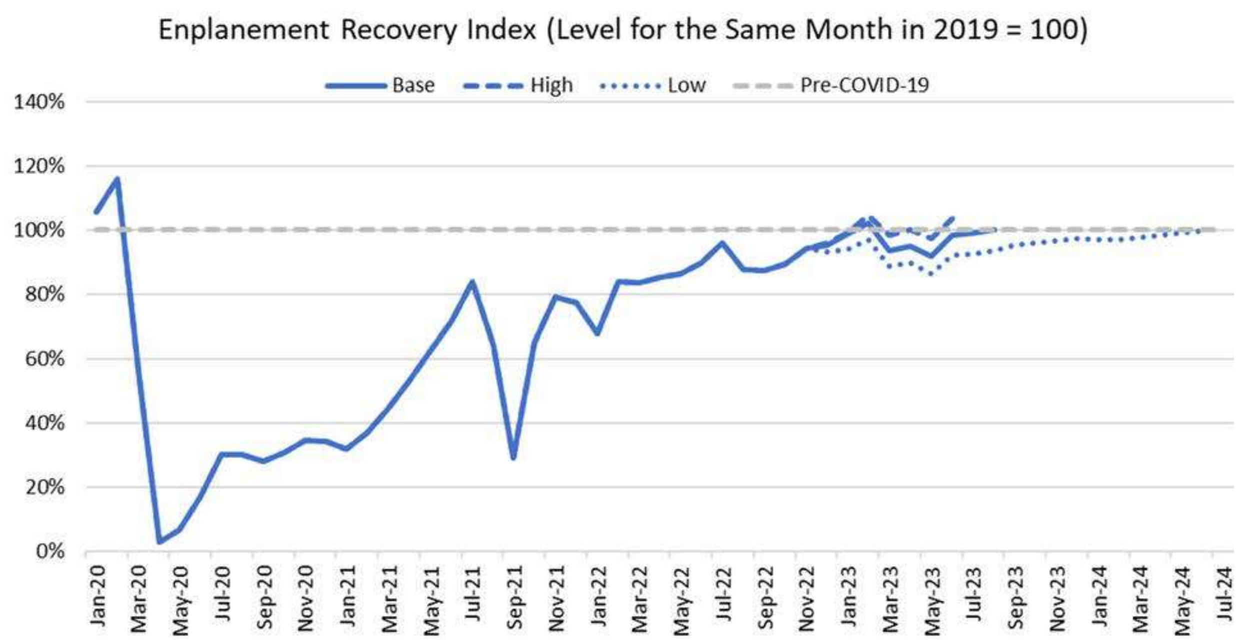
The logarithmic function produces a trendline that reflects the shape of recovery so far. The Airport's recovery initially followed a steep trajectory, which was briefly interrupted by Hurricane Ida in August 2022, and then a slowdown in recovery rates after November 2021 (Figure 53). Our projections show the Airport achieving monthly enplanements above pre-COVID levels beginning in 2023 in the Base and High scenarios, and in 2024 in the Low scenario:

- Scenario 1 (Base) – Monthly enplanements return to the pre-COVID level by August 2023, with annual enplanements exceeding the 2019 level in 2024. The projected recovery timeline is faster than A4A's conservative forecast for the U.S. airline industry as of November 14, 2022, which projects a return to 2019 passenger volume after 2024.[57]

[57] Airlines for America, *COVID Impact Updates*, November 14, 2022.

- Scenario 2 (High) – Monthly enplanements begin to exceed the 2019 pre-COVID level by June 2023, and annual enplanements begin to exceed the 2019 level by the end of year 2023. The projected recovery period is similar to A4A's optimistic forecast for the U.S. airline industry.
- Scenario 3 (Low) – Monthly enplanements return to the pre-COVID level by June 2024. Annual enplanements recover slowly and eventually begin to exceed the 2019 level in 2025.

Figure 53 | Monthly Enplanements: Forecast Recovery to Pre-COVID Level for the Airport



Source: Unison Consulting, Inc.

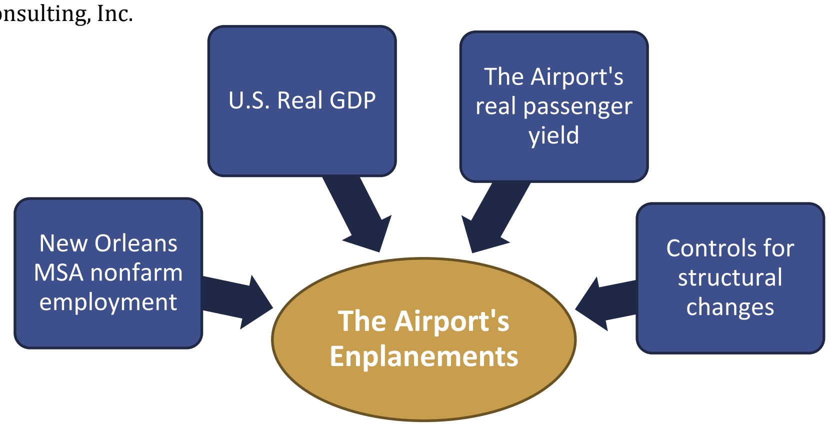
3.9.4 | Post-Recovery Growth Phase

Full recovery to pre-COVID levels marks the end of the recovery phase and the start of the post-recovery phase. Under the current assumptions, this phase begins after 2023 in the High scenario, after 2024 in the Base scenario, and after 2025 in the Low scenario. During the post-recovery phase, the growth in passenger traffic is "demand-driven"—it is driven by market factors underlying air travel demand. A critical assumption in this phase is the ability of airlines to adjust seat capacity to meet increasing air travel demand.

In the post-recovery phase, growth patterns are assumed to normalize and the historical relationship between air traffic and economic drivers are expected to be restored. Multivariate time series regression analysis is used to link enplanement growth to changes in key market demand drivers (Figure 54). Regression analysis provides a rigorous and quantitative framework for measuring the contributions of individual demand drivers to enplanement growth, while accounting for structural changes at the Airport and the national economy, historical enplanement trends, and serial correlation often found in time series data.

Figure 54 | Key Drivers of Enplanement Growth

Source: Unison Consulting, Inc.

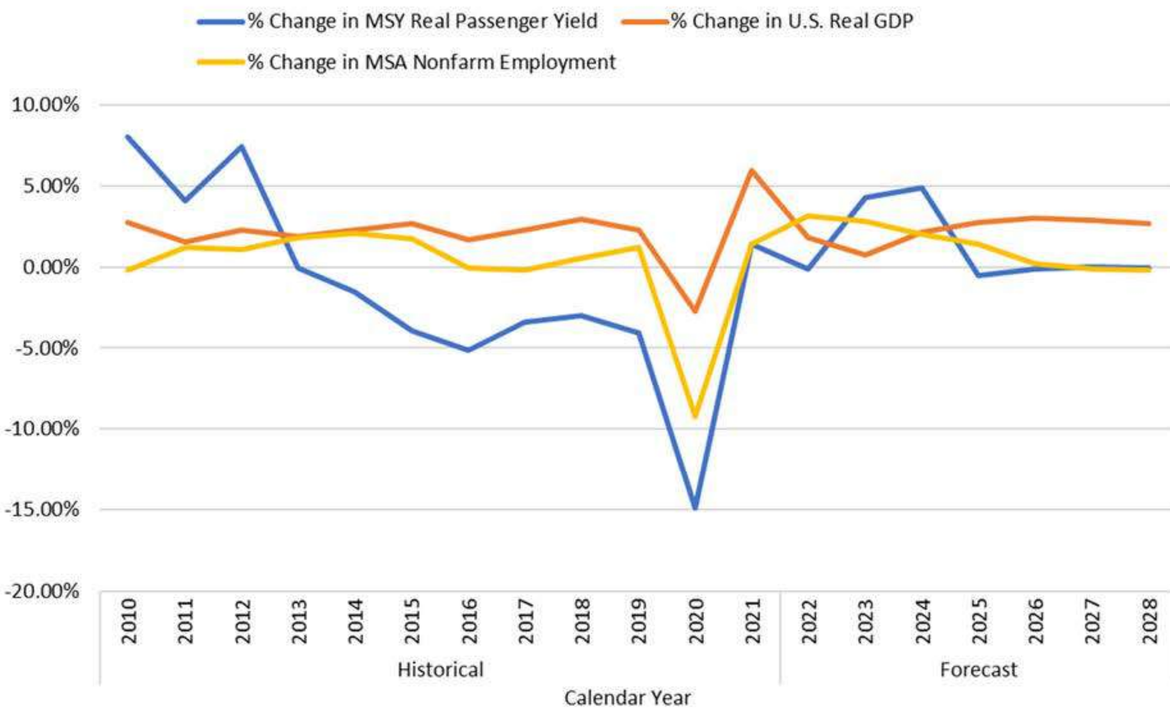


Forecasting using regression analysis is executed in two steps. In the first step, a regression equation is estimated using historical data on the model variables—in this case, from 1991 through 2019. The regression equation includes "coefficients" that measure the contributions of each driver in predicting annual enplanement at the Airport. Regression analysis estimates the model's coefficients by minimizing forecast errors—the difference between the actual and predicted enplanement levels. In the second step, the estimated regression coefficients are combined with projections of market drivers to forecast enplanement growth.

The specification of the regression model is informed by economic theory of consumer demand and observed structural changes at the Airport and the aviation industry. The regression model treats the Airport's enplanements as the dependent variable. The key explanatory variables include two economic variables and a price variable. The economic variables are U.S. real GDP and MSA-level nonfarm employment. The price variable is the Airport's real passenger yield. Figure 55 presents the historical and forecast trends in these three key explanatory variables.[58] Alternative growth rates are used in the High and Low scenarios. These alternative growth rates, which are discussed below, are produced by adjusting the Base scenario's growth rates using data from the Wall Street Journal's October 2022 Economic Forecasting Survey.

[58] For readability, the figure is truncated at 2010, even though the regression model includes historical data from 1991 onwards.

Figure 55 | Key Regression Model Explanatory Variables: Historical and Forecast Trends for the Airport



Sources: Moody's Analytics, U.S. Department of Transportation, and Federal Aviation Administration.
The figure shows the rates of change in the values for the Airport's real yield ($), U.S. real GDP ($), and MSA nonfarm employment used in regression analysis.

U.S. Real Gross Domestic Product

U.S. real GDP is a key indicator for national economic conditions.[59] In general, the growth rate of real GDP reflects the pace of economic and income growth—factors that drive air travel demand. Holding all other factors constant, faster real GDP growth corresponds to faster enplanement growth. Conversely, contractions in real GDP reduce personal income and result in lower enplanements. The positive and statistically significant regression coefficient on U.S. real GDP confirms the positive relationship between U.S. real GDP and enplanement.

According to the forecasts of Moody's Analytics, U.S. real GDP in the Base scenario is expected to grow at a CAGR of 2.4 percent from 2022 to 2028, in line with the CAGR during the post-Great Recession expansion (2.3 percent from 2009 to 2019). Relative to the Base scenario, the 2022-2028 CAGR is assumed to be 0.5 percentage points higher in the High scenario (2.9 percent) and 0.6 lower in the Low scenario (1.8 percent).

[59] U.S. real GDP is used instead of U.S. real per-capita GDP to avoid multicollinearity with other variables in the regression, such as MSA nonfarm employment, which could produce unreliable results.

New Orleans MSA Nonfarm Employment

Nonfarm employment in the New Orleans MSA reflects local economic conditions. The New Orleans MSA lost 23 percent of its employment base and 25 percent of its population following Hurricanes Katrina and Rita. Many residents have returned, and the reconstruction created new jobs that attracted new residents to the MSA. In particular, in the early years of recovery, the workforce and population of the New Orleans MSA grew at rates well above the U.S. average. Nonfarm employment increased by nearly 10 percent between 2006 and 2008, before decreasing during the tail end of the Great Recession.

Employment trends in the years leading up to the COVID-19 pandemic indicate that growth in the New Orleans MSA had slowed down to a pace more consistent with its historical rates (prior to the 2005 hurricanes). As a result of the COVID-19 pandemic, the Airport's nonfarm employment decreased by 5.1 percent annually between 2019 and 2021.

Between 2022 and 2028, the MSA nonfarm employment is projected to grow in the Base scenario by 1 percent compounded annually, close to the 2009-2019 CAGR of 0.9 percent. Relative to the Base scenario, the MSA nonfarm employment is projected to grow by 0.5 percentage points faster and slower in the High and Low scenario, respectively.[60]

Real Passenger Yield at the Airport

According to the theory of consumer demand, the quantity of air travel demand (passenger traffic) is inversely related to the price of air travel. Specifically, holding everything else constant, an increase in price decreases passenger traffic, while a decrease in price increases passenger traffic. Price of air travel is estimated using real passenger yield, which is calculated as total airline passenger revenues divided by revenue passenger miles, adjusted for inflation. This measure controls for trip distance and serves as a better indicator than average airfare. Data supports economic theory: regression analysis yields a negative and statistically significant regression coefficient on the average real passenger yield at the Airport.

Real passenger yields have fallen over the long-term historical period since the deregulation of U.S. airlines in 1978. Between 2010 and 2019, The Airport's average real passenger yield decreased by 1.8 percent annually on average. In 2020, amid the sharp fall in passenger traffic at the onset of the pandemic, The Airport's average real passenger yield decreased by 14.9 percent, as airlines reduced air fares to attract passenger traffic. As air travel demand strengthened in 2021, airlines began to raise fares, and the Airport's average real passenger yield increased by 1 percent year over year.

Over the forecast period, the price of air travel in the Base scenario is expected to continue increasing through 2024 and reverse the steep declines induced by the pandemic. Beyond 2024, Airport's average real passenger yield in the Base scenario stays essentially flat, following the FAA's

[60] The WSJ Economic Forecasting Survey does not provide forecasts for the MSA nonfarm employment. To create alternative MSA nonfarm employment growth scenarios, we apply the differences in U.S. real GDP growth rates between the scenarios.

forecast trend industry-wide.[61] The average real passenger yield is projected to fall faster in the High scenario, or rise slightly in the Low scenario due in part to higher inflation in the near-term. These alternative growth paths are based on different CPI growth projections. The projected 2022-2028 CAGRs are: 1.4 percent in the Base scenario, 0.5 percent in the High scenario, and nearly 2 percent in the Low scenario.

Structural Changes

In addition to the three demand drivers, the regression model includes two variables to control for significant structural changes in the aviation industry and the Airport market prior to the pandemic. These variables control for the impacts of the 9/11 terrorist attack in 2001 and the 2005 hurricanes. Even though these events had occurred over a decade ago, their effects still need to be accounted for, as they had brought upon structural and long-lasting changes to the industry and the Airport. Neglecting these significant events would bias the estimates of other regression variables' contributions to the Airport's enplanement levels. The coefficients for both events yield theory-consistent negative signs, indicating their negative impacts, although only the coefficient for the hurricanes is statistically significant.

3.9.5 | Forecast Results

Figure 56 presents the forecast results from this study and compares them with the 2021 FAA Terminal Area Forecasts (TAF) for the Airport, which was published in March 2022. Below is a summary of the enplanement forecasts:

- Scenario 1 (Base) – Annual enplanements continued to recover and reached nearly 5.9 million in 2022, an increase of 48 percent from 4.0 million in 2021. Annual enplanements are projected to exceed the 2019 level by the end of 2024, reaching 7.1 million. Beyond 2024, annual enplanements are projected to grow at moderate rates, around 2.8 percent annually. In 2028, annual enplanements are expected to reach 7.9 million, yielding a 2022-2028 CAGR of 4.8 percent.

- Scenario 2 (High) – By the end of 2023, enplanements are expected to reach nearly 7.1 million, exceeding the 2019 level. Beyond 2023, the growth in annual enplanements continues to be strong, around 3.6 percent annually. In 2028, annual enplanements are projected to reach 8.5 million, yielding a 2022-2028 CAGR of 6.1 percent.

- Scenario 3 (Low) – Because of worsening economic conditions in the near-term, annual enplanements are projected to grow more moderately relative to the other scenarios in 2023 and continue to recover in 2024. Annual enplanements are projected to reach nearly 7 million and exceed the 2019 level by the end of 2025. Beyond 2025, annual enplanements are projected to grow at moderate rates, around 1.9 percent annually. In 2028, annual enplanements reach 7.4 million, yielding a 2022-2028 CAGR of 3.7 percent.

[61] Federal Aviation Administration, *FAA Aerospace Forecasts*, Fiscal Years 2022-2042.

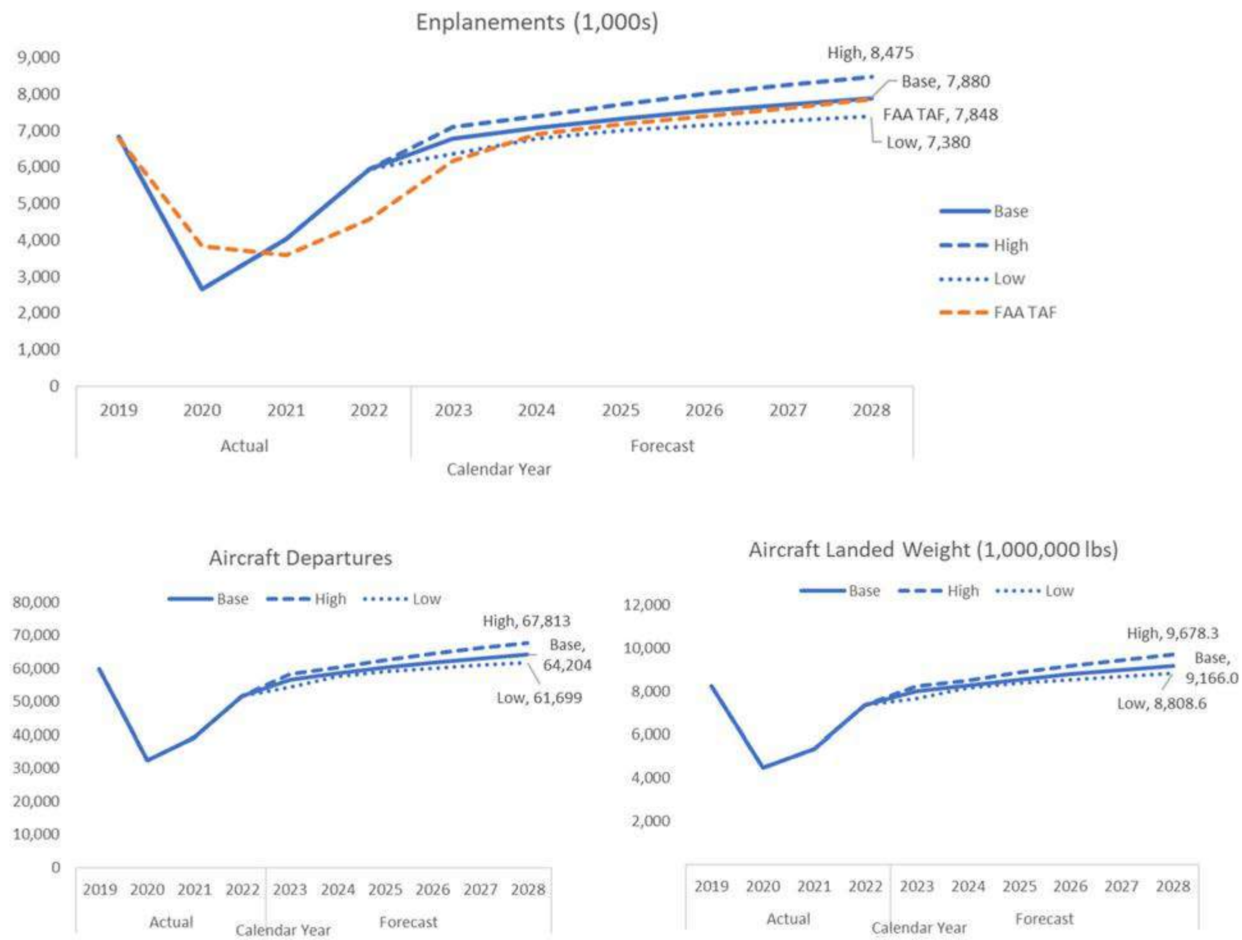
- 2021 FAA TAF (March 2022 publication) – The TAF projections are based on the federal fiscal year, which ends on September 30. Compared to this study's forecasts, the TAF projections are initially lower, but they eventually converge to the Base scenario. In 2028, the TAF enplanement forecast is 7.8 million, close to the Base scenario of 7.9 million, 7 percent lower than High scenario, and 6 percent higher than the Low forecast.

The 2023-2028 projections of aircraft departures (landings) are derived from forecast annual enplanements, along with projections of available seats, average seats per departure, and BLFs. Generally, flight departures are expected to recover slightly slower than enplanements due to projected increases in average seats per departure and BLFs over time. In all three scenarios, the recovery in landings to the 2019 level is expected to occur one year later than the projected recovery in enplanements. In 2028, annual aircraft departures, including those by all-cargo carriers, are expected to reach 64,204 under the Base scenario, 67,813 under the High scenario, and 61,699 under the Low scenario.

The 2023-2028 projections of landed weight are derived from aircraft landings, which are equal to aircraft departures. Generally, landed weight increases faster than landings because of projected increases in aircraft size, which raise the average weight per landing. Because of incomplete data for charters, total landed weight is estimated using the sum of scheduled passenger aircraft landed weight and all-cargo aircraft landed weight. Nevertheless, this approximation should be close to the actual total landed weight as charters made up less than 0.5 percent of the Airport's total enplanements and aircraft operations between 2019 and 2021. Landed weight is projected to recover fully to pre-pandemic 2019 level by the end of 2024 in the Base and High scenarios, or by the end of 2025 in the Low scenario. In 2028, annual landed weight is projected to reach 9.166 billion pounds under the Base scenario, 9.678 billion pounds under the High scenario, and 8.809 billion pounds under the Low scenario.

The complete forecast results are presented in eight summary tables (Table 18 through Table 29).

Figure 56 | Forecast Commercial Aviation Activity



Source: Unison Consulting, Inc.

Table 18 | Forecast Enplanements – Scenario 1 (Base)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Enplanements (1,000s)												
American	1,031	487	786	965	1,145	1,193	1,238	1,273	1,303	1,332	5.5%	2.9%
Delta	1,134	396	578	898	1,045	1,089	1,129	1,161	1,189	1,216	5.2%	0.8%
Southwest	2,375	924	1,365	2,092	2,395	2,495	2,588	2,661	2,725	2,785	4.9%	1.8%
Spirit	770	325	494	728	728	758	786	808	828	846	2.5%	1.1%
United	846	304	505	750	826	860	892	918	940	961	4.2%	1.4%
Others	667	207	281	498	620	646	670	689	705	721	6.4%	0.9%
Subtotal - scheduled	6,823	2,643	4,009	5,930	6,759	7,042	7,303	7,510	7,690	7,861	4.8%	1.6%
Subtotal - charters	9	9	10	16	16	16	17	17	18	18	1.8%	7.6%
Total - passenger	6,832	2,652	4,019	5,946	6,775	7,058	7,320	7,527	7,708	7,880	4.8%	1.6%
Annual percent change		-61.2%	51.5%	48.0%	13.9%	4.2%	3.7%	2.8%	2.4%	2.2%		
Enplanement Shares												
American	15.1%	18.3%	19.6%	16.2%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%		
Delta	16.6%	14.9%	14.4%	15.1%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%		
Southwest	34.8%	34.9%	34.0%	35.2%	35.4%	35.4%	35.4%	35.4%	35.4%	35.4%		
Spirit	11.3%	12.3%	12.3%	12.2%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%		
United	12.4%	11.5%	12.6%	12.6%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%		
Others	9.8%	7.8%	7.0%	8.4%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%		
Subtotal - scheduled	99.9%	99.7%	99.7%	99.7%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%		
Subtotal - charters	0.1%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%		
Total - passenger	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Unison Consulting, Inc.

Table 19 | Forecast Seats and Aircraft Departures – Scenario 1 (Base)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Seats (1,000s)												
American	1,291	796	1,026	1,198	1,378	1,431	1,482	1,526	1,563	1,599	4.9%	2.4%
Delta	1,349	644	860	1,070	1,247	1,294	1,340	1,380	1,413	1,446	5.2%	0.8%
Southwest	3,195	1,983	1,897	2,778	3,005	3,119	3,230	3,327	3,406	3,484	3.8%	1.0%
Spirit	1,069	554	723	1,016	963	1,000	1,035	1,066	1,092	1,117	1.6%	0.5%
United	1,049	501	673	919	985	1,023	1,059	1,091	1,117	1,143	3.7%	1.0%
Others	835	398	455	681	757	786	814	838	858	878	4.3%	0.6%
Subtotal - scheduled	8,788	4,877	5,634	7,661	8,336	8,651	8,960	9,229	9,449	9,666	4.0%	1.1%
Aircraft Departures (Landings)												
American	9,769	5,948	7,765	8,633	10,031	10,370	10,701	10,982	11,204	11,421	4.8%	1.8%
Delta	8,859	3,934	5,428	6,538	7,625	7,883	8,135	8,348	8,517	8,681	4.8%	-0.2%
Southwest	21,041	11,729	11,693	17,215	18,890	19,526	20,148	20,678	21,095	21,504	3.8%	0.2%
Spirit	5,522	3,108	3,706	5,652	5,167	5,340	5,510	5,655	5,769	5,881	0.7%	0.7%
United	7,721	3,768	5,466	6,606	7,212	7,457	7,695	7,897	8,056	8,212	3.7%	0.7%
Others	5,374	2,198	2,880	4,385	5,041	5,211	5,377	5,519	5,630	5,739	4.6%	0.7%
Subtotal - scheduled	58,286	30,685	36,938	49,029	53,966	55,787	57,565	59,080	60,271	61,439	3.8%	0.6%
Subtotal - charters	168	101	253	379	386	402	417	429	439	449	2.9%	11.5%
Total - passenger	58,454	30,786	37,191	49,408	54,352	56,189	57,983	59,509	60,711	61,889	3.8%	0.6%
Total - all-cargo	1,329	1,496	2,097	2,249	2,347	2,300	2,324	2,312	2,318	2,315	0.5%	6.4%
Total	59,783	32,282	39,288	51,657	56,699	58,489	60,307	61,822	63,029	64,204	3.7%	0.8%

Source: Unison Consulting, Inc.

Table 20 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 1 (Base)

	Actual				Forecast					
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Enplanements per Departure										
American	106	82	101	112	114	115	116	116	116	117
Delta	128	101	107	137	137	138	139	139	140	140
Southwest	113	79	117	122	127	128	128	129	129	130
Spirit	139	105	133	129	141	142	143	143	143	144
United	110	81	92	114	115	115	116	116	117	117
Others	124	94	97	114	123	124	125	125	125	126
Subtotal - scheduled	117	86	109	121	125	126	127	127	128	128
Seats per Departure										
American	132	134	132	139	137	138	138	139	139	140
Delta	152	164	159	164	163	164	165	165	166	167
Southwest	152	169	162	161	159	160	160	161	161	162
Spirit	194	178	195	180	186	187	188	189	189	190
United	136	133	123	139	137	137	138	138	139	139
Others	155	181	158	155	150	151	151	152	152	153
Subtotal - scheduled	151	159	153	156	154	155	156	156	157	157
Boarding Load Factors										
American	80%	61%	77%	81%	83%	83%	84%	83%	83%	83%
Delta	84%	62%	67%	84%	84%	84%	84%	84%	84%	84%
Southwest	74%	47%	72%	75%	80%	80%	80%	80%	80%	80%
Spirit	72%	59%	68%	72%	76%	76%	76%	76%	76%	76%
United	81%	61%	75%	82%	84%	84%	84%	84%	84%	84%
Others	80%	52%	62%	73%	82%	82%	82%	82%	82%	82%
Subtotal - scheduled	78%	54%	71%	77%	81%	81%	82%	81%	81%	81%

Source: Unison Consulting, Inc.

Table 21 | Forecast Landed Weight and Average Weight per Landing - Scenario 1 (Base)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Landed Weight (1,000,000 lbs.)												
American	1,197	715	937	1,105	1,271	1,319	1,366	1,407	1,441	1,474	4.9%	2.3%
Delta	1,311	592	786	1,048	1,203	1,249	1,293	1,332	1,364	1,395	4.9%	0.7%
Southwest	2,754	1,547	1,562	2,342	2,553	2,650	2,744	2,827	2,894	2,961	4.0%	0.8%
Spirit	787	446	543	826	763	791	819	844	864	884	1.1%	1.3%
United	1,005	454	654	904	984	1,021	1,057	1,089	1,115	1,141	4.0%	1.4%
Others	784	318	378	591	659	684	709	730	747	765	4.4%	-0.3%
Subtotal - scheduled	7,839	4,072	4,860	6,817	7,433	7,714	7,990	8,230	8,425	8,619	4.0%	1.1%
Total - all-cargo	393	407	503	543	551	545	548	546	547	547	0.1%	3.7%
Total	8,232	4,479	5,363	7,360	7,983	8,259	8,538	8,776	8,972	9,166	3.7%	1.2%
Average Weight per Landing (1,000 lbs.)												
American	123	120	121	128	127	127	128	128	129	129	0.1%	0.6%
Delta	148	151	145	160	158	158	159	160	160	161	0.0%	0.9%
Southwest	131	132	134	136	135	136	136	137	137	138	0.2%	0.6%
Spirit	143	144	147	146	148	148	149	149	150	150	0.5%	0.6%
United	130	120	120	137	136	137	137	138	138	139	0.2%	0.7%
Others	146	145	131	135	131	131	132	132	133	133	-0.2%	-1.0%
Subtotal - scheduled	134	133	132	139	138	138	139	139	140	140	0.1%	0.5%
Total - all-cargo	295	272	240	241	235	237	236	236	236	236	-0.4%	-2.5%
Total	138	139	137	142	141	141	142	142	142	143	0.0%	0.4%

Landed weight forecast for charters is unavailable due to incomplete data.
Source: Unison Consulting, Inc.

Table 22 | Forecast Enplanements – Scenario 2 (High)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Enplanements (1,000s)												
American	1,031	487	786	965	1,201	1,252	1,307	1,354	1,395	1,436	6.8%	3.8%
Delta	1,134	396	578	898	1,082	1,129	1,179	1,220	1,258	1,294	6.3%	1.5%
Southwest	2,375	924	1,365	2,092	2,509	2,616	2,732	2,829	2,916	3,001	6.2%	2.6%
Spirit	770	325	494	728	764	797	832	862	889	914	3.9%	1.9%
United	846	304	505	750	865	903	942	976	1,006	1,035	5.5%	2.3%
Others	667	207	281	498	649	677	707	732	755	777	7.7%	1.7%
Subtotal - scheduled	6,823	2,643	4,009	5,930	7,071	7,374	7,700	7,973	8,219	8,456	6.1%	2.4%
Subtotal - charters	9	9	10	16	16	17	17	18	19	19	2.6%	8.2%
Total - passenger	6,832	2,652	4,019	5,946	7,087	7,391	7,717	7,991	8,237	8,475	6.1%	2.4%
Annual percent change		-61.2%	51.5%	48.0%	19.2%	4.3%	4.4%	3.5%	3.1%	2.9%		
Enplanement Shares												
American	15.1%	18.3%	19.6%	16.2%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%		
Delta	16.6%	14.9%	14.4%	15.1%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%		
Southwest	34.8%	34.9%	34.0%	35.2%	35.4%	35.4%	35.4%	35.4%	35.4%	35.4%		
Spirit	11.3%	12.3%	12.3%	12.2%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%		
United	12.4%	11.5%	12.6%	12.6%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%		
Others	9.8%	7.8%	7.0%	8.4%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%		
Subtotal - scheduled	99.9%	99.7%	99.7%	99.7%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%		
Subtotal - charters	0.1%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%		
Total - passenger	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Unison Consulting, Inc.

Table 23 | Forecast Seats and Aircraft Departures – Scenario 2 (High)

Calendar Year	Actual				Forecast						CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2022-2028	2019-2028
Seats (1,000s)												
American	1,291	796	1,026	1,198	1,418	1,473	1,536	1,593	1,642	1,690	5.9%	3.0%
Delta	1,349	644	860	1,070	1,282	1,332	1,389	1,440	1,485	1,529	6.1%	1.4%
Southwest	3,195	1,983	1,897	2,778	3,089	3,209	3,347	3,471	3,577	3,683	4.8%	1.6%
Spirit	1,069	554	723	1,016	991	1,030	1,074	1,113	1,147	1,182	2.6%	1.1%
United	1,049	501	673	919	1,013	1,053	1,098	1,138	1,173	1,208	4.7%	1.6%
Others	835	398	455	681	778	808	842	874	900	927	5.3%	1.2%
Subtotal - scheduled	8,788	4,877	5,634	7,661	8,570	8,904	9,286	9,629	9,924	10,219	4.9%	1.7%
Aircraft Departures (Landings)												
American	9,769	5,948	7,765	8,633	10,316	10,676	11,093	11,461	11,771	12,077	5.8%	2.4%
Delta	8,859	3,934	5,428	6,538	7,841	8,114	8,431	8,711	8,946	9,179	5.8%	0.4%
Southwest	21,041	11,729	11,693	17,215	19,419	20,094	20,877	21,573	22,155	22,732	4.7%	0.9%
Spirit	5,522	3,108	3,706	5,652	5,316	5,500	5,714	5,904	6,064	6,222	1.6%	1.3%
United	7,721	3,768	5,466	6,606	7,415	7,674	7,973	8,238	8,461	8,681	4.7%	1.3%
Others	5,374	2,198	2,880	4,385	5,173	5,353	5,562	5,747	5,902	6,056	5.5%	1.3%
Subtotal - scheduled	58,286	30,685	36,938	49,029	55,479	57,409	59,650	61,634	63,298	64,946	4.8%	1.2%
Subtotal - charters	168	101	253	379	394	411	429	444	458	471	3.7%	12.1%
Total - passenger	58,454	30,786	37,191	49,408	55,873	57,820	60,078	62,078	63,756	65,417	4.8%	1.3%
Total - all-cargo	1,329	1,496	2,097	2,249	2,456	2,368	2,412	2,390	2,401	2,396	1.1%	6.8%
Total	59,783	32,282	39,288	51,657	58,329	60,188	62,491	64,469	66,157	67,813	4.6%	1.4%

Source: Unison Consulting, Inc.

Table 24 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 2 (High)

	Actual				Forecast					
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Enplanements per Departure										
American	106	82	101	112	116	117	118	118	119	119
Delta	128	101	107	137	138	139	140	140	141	141
Southwest	113	79	117	122	129	130	131	131	132	132
Spirit	139	105	133	129	144	145	146	146	147	147
United	110	81	92	114	117	118	118	118	119	119
Others	124	94	97	114	126	126	127	127	128	128
Subtotal - scheduled	117	86	109	121	127	128	129	129	130	130
Seats per Departure										
American	132	134	132	139	137	138	138	139	139	140
Delta	152	164	159	164	163	164	165	165	166	167
Southwest	152	169	162	161	159	160	160	161	161	162
Spirit	194	178	195	180	186	187	188	189	189	190
United	136	133	123	139	137	137	138	138	139	139
Others	155	181	158	155	150	151	151	152	153	153
Subtotal - scheduled	151	159	153	156	154	155	156	156	157	157
Boarding Load Factors										
American	80%	61%	77%	81%	85%	85%	85%	85%	85%	85%
Delta	84%	62%	67%	84%	84%	85%	85%	85%	85%	85%
Southwest	74%	47%	72%	75%	81%	82%	82%	82%	82%	81%
Spirit	72%	59%	68%	72%	77%	77%	78%	77%	77%	77%
United	81%	61%	75%	82%	85%	86%	86%	86%	86%	86%
Others	80%	52%	62%	73%	84%	84%	84%	84%	84%	84%
Subtotal - scheduled	78%	54%	71%	77%	83%	83%	83%	83%	83%	83%

Source: Unison Consulting, Inc.

Table 25 | Forecast Landed Weight and Average Weight per Landing - Scenario 2 (High)

Calendar Year	Actual				Forecast						CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2022-2028	2019-2028
Landed Weight (1,000,000 lbs.)												
American	1,197	715	937	1,105	1,307	1,358	1,416	1,469	1,514	1,559	5.9%	3.0%
Delta	1,311	592	786	1,048	1,237	1,285	1,340	1,390	1,433	1,475	5.9%	1.3%
Southwest	2,754	1,547	1,562	2,342	2,625	2,727	2,844	2,949	3,039	3,130	5.0%	1.4%
Spirit	787	446	543	826	785	815	850	881	908	935	2.1%	1.9%
United	1,005	454	654	904	1,011	1,051	1,096	1,136	1,171	1,206	4.9%	2.0%
Others	784	318	378	591	677	704	734	761	784	808	5.3%	0.3%
Subtotal - scheduled	7,839	4,072	4,860	6,817	7,642	7,940	8,280	8,586	8,849	9,112	5.0%	1.7%
Total - all-cargo	393	407	503	543	577	561	569	565	567	566	0.7%	4.1%
Total	8,232	4,479	5,363	7,360	8,219	8,501	8,849	9,151	9,416	9,678	4.7%	1.8%
Average Weight per Landing (1,000 lbs.)												
American	123	120	121	128	127	127	128	128	129	129	0.1%	0.6%
Delta	148	151	145	160	158	158	159	160	160	161	0.0%	0.9%
Southwest	131	132	134	136	135	136	136	137	137	138	0.2%	0.6%
Spirit	143	144	147	146	148	148	149	149	150	150	0.5%	0.6%
United	130	120	120	137	136	137	137	138	138	139	0.2%	0.7%
Others	146	145	131	135	131	131	132	132	133	133	-0.2%	-1.0%
Subtotal - scheduled	134	133	132	139	138	138	139	139	140	140	0.2%	0.5%
Total - all-cargo	295	272	240	241	235	237	236	236	236	236	-0.4%	-2.5%
Total	138	139	137	142	141	141	142	142	142	143	0.0%	0.4%

Landed weight forecast for charters is unavailable due to incomplete data.
Source: Unison Consulting, Inc.

Table 26 | Forecast Enplanements – Scenario 3 (Low)

Calendar Year	Actual				Forecast						CAGR	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2022-2028	2019-2028
Enplanements (1,000s)												
American	1,031	487	786	965	1,078	1,149	1,185	1,211	1,232	1,252	4.4%	2.2%
Delta	1,134	396	578	898	1,018	1,085	1,119	1,143	1,163	1,182	4.7%	0.5%
Southwest	2,375	924	1,365	2,092	2,201	2,347	2,419	2,472	2,516	2,556	3.4%	0.8%
Spirit	770	325	494	728	683	728	750	767	780	793	1.4%	0.3%
United	846	304	505	750	778	829	854	873	889	903	3.1%	0.7%
Others	667	207	281	498	583	622	641	655	667	677	5.3%	0.2%
Subtotal - scheduled	6,823	2,643	4,009	5,930	6,341	6,761	6,968	7,121	7,247	7,362	3.7%	0.8%
Subtotal - charters	9	9	10	16	15	16	17	17	18	18	1.4%	7.4%
Total - passenger	6,832	2,652	4,019	5,946	6,356	6,777	6,985	7,138	7,264	7,380	3.7%	0.9%
Annual percent change		-61.2%	51.5%	48.0%	6.9%	6.6%	3.1%	2.2%	1.8%	1.6%		
Enplanement Shares												
American	15.1%	18.3%	19.6%	16.2%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%		
Delta	16.6%	14.9%	14.4%	15.1%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%		
Southwest	34.8%	34.9%	34.0%	35.2%	34.6%	34.6%	34.6%	34.6%	34.6%	34.6%		
Spirit	11.3%	12.3%	12.3%	12.2%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%		
United	12.4%	11.5%	12.6%	12.6%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%		
Others	9.8%	7.8%	7.0%	8.4%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%		
Subtotal - scheduled	99.9%	99.7%	99.7%	99.7%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%		
Subtotal - charters	0.1%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%		
Total - passenger	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Unison Consulting, Inc.

Table 27 | Forecast Seats and Aircraft Departures – Scenario 3 (Low)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Seats (1,000s)												
American	1,291	796	1,026	1,198	1,335	1,420	1,463	1,496	1,523	1,547	4.4%	2.0%
Delta	1,349	644	860	1,070	1,207	1,285	1,323	1,353	1,377	1,399	4.6%	0.4%
Southwest	3,195	1,983	1,897	2,778	2,848	3,031	3,122	3,193	3,249	3,302	2.9%	0.4%
Spirit	1,069	554	723	1,016	933	993	1,022	1,046	1,064	1,081	1.0%	0.1%
United	1,049	501	673	919	954	1,015	1,046	1,070	1,088	1,106	3.1%	0.6%
Others	835	398	455	681	733	780	803	822	836	850	3.7%	0.2%
Subtotal - scheduled	8,788	4,877	5,634	7,661	8,010	8,524	8,779	8,980	9,137	9,286	3.3%	0.6%
Aircraft Departures (Landings)												
American	9,769	5,948	7,765	8,633	9,712	10,295	10,564	10,766	10,916	11,055	4.2%	1.4%
Delta	8,859	3,934	5,428	6,538	7,383	7,826	8,031	8,184	8,298	8,403	4.3%	-0.6%
Southwest	21,041	11,729	11,693	17,215	17,906	18,979	19,475	19,847	20,123	20,380	2.9%	-0.4%
Spirit	5,522	3,108	3,706	5,652	5,003	5,302	5,440	5,545	5,622	5,693	0.1%	0.3%
United	7,721	3,768	5,466	6,606	6,984	7,403	7,596	7,741	7,849	7,949	3.1%	0.3%
Others	5,374	2,198	2,880	4,385	4,883	5,175	5,311	5,412	5,487	5,557	4.0%	0.4%
Subtotal - scheduled	58,286	30,685	36,938	49,029	51,870	54,980	56,417	57,496	58,295	59,037	3.1%	0.1%
Subtotal - charters	168	101	253	379	379	404	416	425	433	440	2.5%	11.3%
Total - passenger	58,454	30,786	37,191	49,408	52,249	55,383	56,833	57,921	58,728	59,477	3.1%	0.2%
Total - all-cargo	1,329	1,496	2,097	2,249	2,222	2,223	2,222	2,223	2,223	2,223	-0.2%	5.9%
Total	59,783	32,282	39,288	51,657	54,471	57,606	59,055	60,144	60,951	61,699	3.0%	0.4%

Source: Unison Consulting, Inc.

Table 28 | Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 3 (Low)

	Actual				Forecast					
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Enplanements per Departure										
American	106	82	101	112	111	112	112	112	113	113
Delta	128	101	107	137	138	139	139	140	140	141
Southwest	113	79	117	122	123	124	124	125	125	125
Spirit	139	105	133	129	136	137	138	138	139	139
United	110	81	92	114	111	112	112	113	113	114
Others	124	94	97	114	119	120	121	121	122	122
Subtotal - scheduled	117	86	109	121	122	123	124	124	124	125
Seats per Departure										
American	132	134	132	139	137	138	138	139	139	140
Delta	152	164	159	164	163	164	165	165	166	167
Southwest	152	169	162	161	159	160	160	161	161	162
Spirit	194	178	195	180	186	187	188	189	189	190
United	136	133	123	139	137	137	138	138	139	139
Others	155	181	158	155	150	151	151	152	152	153
Subtotal - scheduled	151	159	153	156	154	155	156	156	157	157
Boarding Load Factors										
American	80%	61%	77%	81%	81%	81%	81%	81%	81%	81%
Delta	84%	62%	67%	84%	84%	84%	85%	84%	84%	84%
Southwest	74%	47%	72%	75%	77%	77%	77%	77%	77%	77%
Spirit	72%	59%	68%	72%	73%	73%	73%	73%	73%	73%
United	81%	61%	75%	82%	82%	82%	82%	82%	82%	82%
Others	80%	52%	62%	73%	80%	80%	80%	80%	80%	80%
Subtotal - scheduled	78%	54%	71%	77%	79%	79%	79%	79%	79%	79%

Source: Unison Consulting, Inc.

Table 29 | Forecast Landed Weight and Average Weight per Landing - Scenario 3 (Low)

	Actual				Forecast						CAGR	
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2022-2028**	**2019-2028**
Landed Weight (1,000,000 lbs.)												
American	1,197	715	937	1,105	1,230	1,310	1,349	1,380	1,404	1,427	4.3%	2.0%
Delta	1,311	592	786	1,048	1,165	1,240	1,277	1,306	1,329	1,350	4.3%	0.3%
Southwest	2,754	1,547	1,562	2,342	2,420	2,576	2,653	2,713	2,761	2,806	3.1%	0.2%
Spirit	787	446	543	826	738	786	809	828	842	856	0.6%	0.9%
United	1,005	454	654	904	952	1,014	1,044	1,068	1,086	1,104	3.4%	1.1%
Others	784	318	378	591	638	679	700	716	728	740	3.8%	-0.6%
Subtotal - scheduled	7,839	4,072	4,860	6,817	7,145	7,604	7,831	8,010	8,150	8,283	3.3%	0.6%
Total - all-cargo	393	407	503	543	522	527	524	526	525	525	-0.6%	3.3%
Total	8,232	4,479	5,363	7,360	7,667	8,131	8,356	8,535	8,675	8,809	3.0%	0.8%
Average Weight per Landing (1,000 lbs.)												
American	123	120	121	128	127	127	128	128	129	129	0.1%	0.6%
Delta	148	151	145	160	158	158	159	160	160	161	0.0%	0.9%
Southwest	131	132	134	136	135	136	136	137	137	138	0.2%	0.6%
Spirit	143	144	147	146	148	148	149	149	150	150	0.5%	0.6%
United	130	120	120	137	136	137	137	138	138	139	0.2%	0.7%
Others	146	145	131	135	131	131	132	132	133	133	-0.2%	-1.0%
Subtotal - scheduled	134	133	132	139	138	138	139	139	140	140	0.2%	0.5%
Total - all-cargo	295	272	240	241	235	237	236	236	236	236	-0.4%	-2.4%
Total	138	139	137	142	141	141	141	142	142	143	0.0%	0.4%

Landed weight forecast for charters is unavailable due to incomplete data.
Source: Unison Consulting, Inc.

3.10 | Forecast Risk and Uncertainty

The forecasts are based on information available at the time of the study, measurable factors that drive air traffic, and assumptions about their future trends. Actual results could differ materially from the forecasts if any of the assumptions do not hold or if unexpected events cause traffic to decrease or increase significantly. The Airport operates in a dynamic business environment where a variety of factors are at play. Many of these factors, often intertwined, are subject to volatility and uncertainty, introducing risk—both downside and upside—to forecast activity levels.

3.10.1 | COVID-19 and Potential Disease Outbreaks

Passenger air travel demand is sensitive to disease outbreaks. Disease outbreaks can pose an unpredictable danger in a variety of factors, such as customer confidence in health safety, international travel policies, or the well-being and availability of sufficient staffing and labor. In 2020, the COVID-19 pandemic developed to become the greatest threat to the entire aviation industry, and could remain a threat until the spread of the disease is successfully contained. Widespread vaccination is key to containing the spread of the disease, restoring people's confidence in the public health safety of air travel, and making people comfortable again with being in close proximity with others. The distribution of COVID-19 vaccines has aided in the recovery of air travel and the overall U.S. economy, but new variants of the disease and new waves of infection could slow recovery and present uncertainty for the future.

3.10.2 | Economic Conditions

The aviation industry is pro-cyclical: aviation traffic grows during periods of economic expansion, as consumer and business incomes grow, increasing overall demand, including for air travel. Conversely, aviation traffic declines during periods of economic recession, as consumer and business incomes fall, causing overall demand and the demand for air travel to fall.

Various factors can trigger an economic recession. In 2020, the COVID-19 pandemic and the extreme mitigation measures triggered a global economic recession. The U.S. economy had recovered its pre-COVID output level in the second quarter of 2021 and has continued to grow, albeit at a slower pace. While the pandemic has eased, the U.S. economy now faces other sources of economic risks. In the short-term, inflationary pressures and supply constraints remain the most pressing concerns. Beyond the short-term, international trade tensions, continuing geo-political tensions, weakness in certain parts of the global economy, financial market volatility, and the high level of U.S. government and private debt present economic risks for the U.S. economy.

Ongoing economic expansion also faces threats from flare-ups of COVID-19 cases and new virus variants that could prompt another wave of widespread economic lockdowns. Lockdowns in other nations also threaten to further strain global supply chains, disrupt international trade, and hinder global economic growth. For instance, on April 2022, Shanghai, China—a city of 26 million residents and an integral part of global commerce—went into lockdown due to a rise in COVID-19 cases and China's strict "zero COVID" policy, although restrictions were eased in June 2022.

In the long term, the growth of U.S. economy faces several headwinds resulting from unfavorable, long-term demographic shifts, including population aging and declining population growth.

An aging population will raise government expenditures on social programs and exert upward budgetary pressure on the U.S. government. This pressure will add to the already high U.S. government debt, which has increased during the pandemic with the introduction of federal programs aimed at alleviating the recession impacts of the pandemic on individuals and businesses. A dwindling population base could gradually reduce the overall demand for consumer goods, including the demand for air travel.

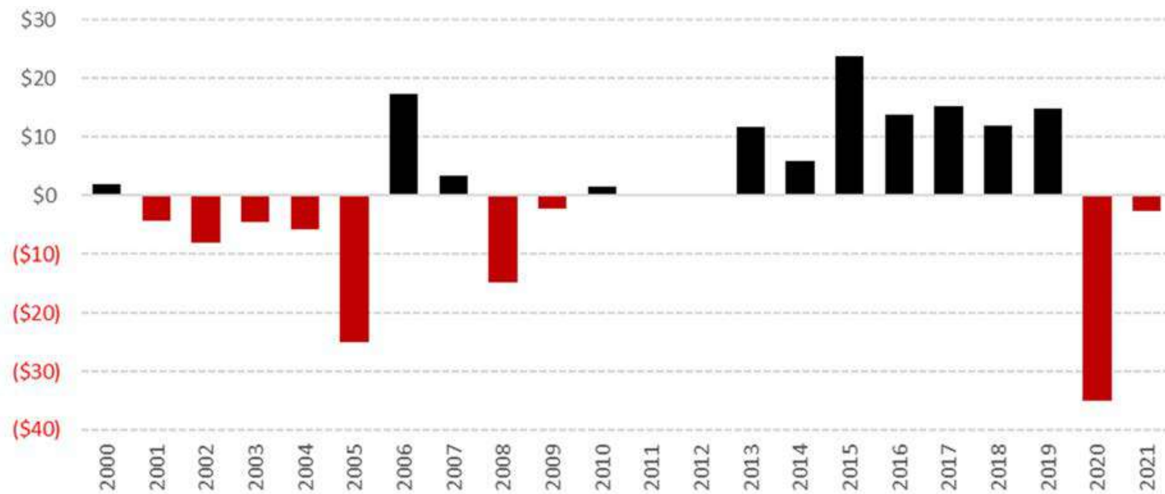
3.10.3 | U.S. Airline Industry Volatility

The U.S. airline industry is extremely volatile. It is vulnerable to many exogenous factors such as economic downturns, sharp increases in oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, and geo-political tensions. The volatility is reflected in the U.S. airline industry's balance sheet.

Prior to the pandemic, the U.S. scheduled passenger airline industry incurred annual net losses in 9 years and annual net profits in 11 years, netting a profit of $56.59 billion over 20 years from 2000 through 2019 (Figure 57). After persistent losses during most of the 2000s, the U.S. scheduled passenger airline industry realized net profits in almost every year during the 2010s. The industry thrived amid the long economic expansion during the 2010s and the sharp decrease in fuel price. The industry was also helped by several business improvements made during the 2008-2009 Great Recession, including the implementation of cost-cutting and productivity-enhancement measures. Markedly improved financial performance enabled U.S. airlines to renew their fleets, increase scheduled flights and seats, and reduce capacity constraints.

In 2020, the U.S. scheduled passenger airline industry outlook took a dramatic downturn with the spread of COVID-19. In 2020, as air travel came to a near halt in April, U.S. scheduled passenger airlines incurred a net loss of more than $35 billion, the largest annual loss on record since 1977. In 2021, as air travel resumed, the industry began to recuperate some of the losses incurred in the previous year, though the industry still operated at a net loss of $2.75 billion for the year.

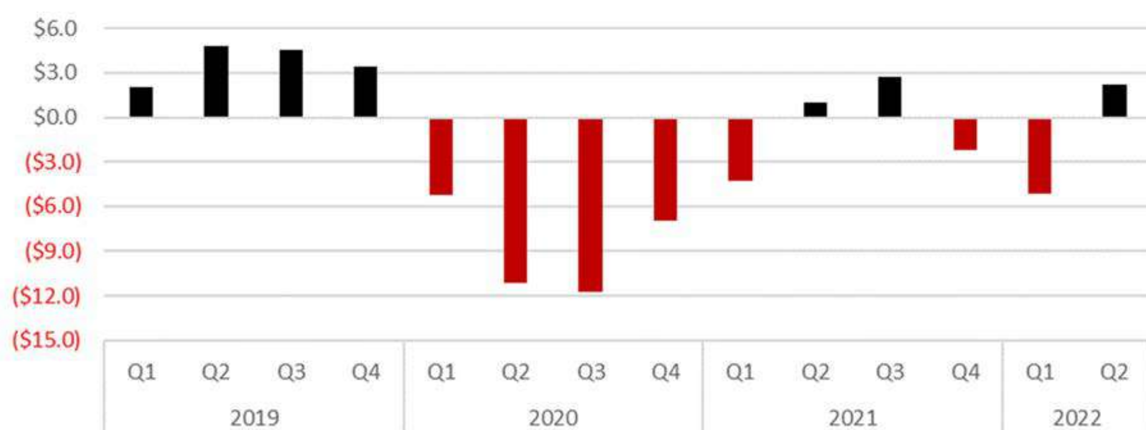
Figure 57 | U.S. Scheduled Passenger Airlines' Annual Net Profit (in Billions)



Sources: U.S. Bureau of Transportation Statistics Form 41 Schedule P12 data.

Continued improvements in U.S. scheduled passenger airlines' net income can be seen in Figure 58. While all four quarters of 2020 exhibited negative net incomes, only two quarters remained negative in 2021 and at much smaller magnitudes. The improving trend continued in the first half of 2022, except for the first quarter during which severe winter conditions led to significant flight disruptions and cancelations. In Q2 2022, U.S. scheduled passenger carriers generated a net profit of $2.3 billion.

Figure 58 | Net Income (in Billions) for U.S. Scheduled Carriers in All Regions



Sources: U.S. Bureau of Transportation Statistics Form 41 Schedule P12 data.

To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines' finances, the U.S. federal government has provided financial relief to the U.S. airlines in three federal aid packages: the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA); and the American Rescue Plan Act of 2021 (ARPA).

3.10.4 | Volatility of Oil Prices and Implications for Aviation Fuel Cost

Volatility in oil prices have direct implications for aviation fuel cost, a major component of airlines' operating costs. Oil price increases translate directly into higher airline fuel costs. In the 2000s, record oil price increases raised fuel costs and put tremendous pressure on airlines' finances, contributing to the extensive net losses incurred by the U.S. airline industry. Oil prices have come down from their mid-2000 peak levels due to increased oil production amid a slowing global economy. The resulting decrease in aviation fuel price contributed to sustained profitability in the U.S. airline industry in the 2010s.

In 2020, the global economic recession and the oil supply glut kept oil prices low (Figure 59). Airlines enjoyed low aviation fuel prices, which provided some cost relief during the pandemic crisis. In 2021, global economic recovery began to push oil prices up. Rising oil prices have been exacerbated by the Russia-Ukraine conflict, as Russia accounts for roughly 10 percent of global oil production. To counter rising oil prices, the Biden administration has tapped into strategic oil reserves, and oil prices have fallen from a peak of $114.8 per barrel in June 2022 to $93.7 per barrel in August 2022. As aviation fuel cost follows the trend in oil prices, the current increase in oil prices has immediately translated into higher aviation fuel costs for U.S. airlines (Figure 60).

Prospectively, oil prices will continue to be affected by geopolitical factors, including high production of oil in Russia, uncertainty in the pricing of oil in the Middle East, and unpredictability of actions taken by the Organization of the Petroleum Exporting Countries (OPEC).

Figure 59 | Spot Crude Oil Price: West Texas Intermediate, Nominal $/Barrel, Not Seasonally Adjusted

Source: Federal Reserve Bank of St. Louis, Spot Crude Oil Price: West Texas Intermediate (WTI).

Figure 60 | Aviation Fuel Cost per Gallon, Monthly Average

Source: U.S. Department of Transportation Form 41.

The economy of the New Orleans MSA is sensitive to the fluctuations in oil prices. Louisiana ranks among the top ten largest crude oil producers in the United States. The state economy relies heavily on oil industry, both in terms of direct employment and direct contribution to the State budget. Many firms in the New Orleans MSA have strong ties to oil exploration and production activities.

3.10.5 | Airline Market Concentration, Competition, and Airfares

Airline market concentration raises concerns if it could lead to the abuse of market power or excessive increases in prices. Monopoly market power is less of a concern at the Airport given the relatively even distribution of market shares among airlines. Southwest Airlines, the largest carrier in terms of market share, makes up over 35 percent of the Airport's total enplanements in 2022. No other airlines had more than 17 percent market share in 2022.

Airfares have an important effect on passenger demand, particularly for relatively short trips where the automobile or other travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. Airfares are influenced by airline operating costs and debt burden, passenger demand, capacity and yield management, market presence, and competition.

The Base scenario aviation activity forecasts for the Airport assume that, over the long term, increases in airfares will not exceed inflation. If they do, the increases in airfares would dampen forecast traffic growth.

3.10.6 | Airline Mergers

Responding to competition, cost and regulatory pressures, the airline industry has been consolidating. Airline mergers affect service and traffic at airports when they consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on affected airports usually plays out within a few years—sometimes immediately—following the merger. The impact of the merger depends upon whether the merging airlines have a large market share at an airport and whether they carry significant connecting traffic through the airport.

3.10.7 | Structural Changes in Demand and Supply

In the past, major crises prompted lasting structural changes on both the demand and supply sides of the aviation industry. For example, the 2001 terrorist attacks prompted more stringent airport security measures. More thorough passenger security screening resulted in longer wait times that required passengers to arrive at the airport much earlier than scheduled flight departure times. This reduced, if not eliminated, the time advantage of air travel over ground transportation and decreased the demand for short-haul flights. The COVID-19 pandemic has also spurred structural changes.

On the demand side, COVID-19 prompted changes in consumer behavior, social interactions, and ways of conducting business that could permanently alter travel propensities and preferences. Public health and safety concerns could cause consumers to favor ground transportation even for longer distances for which they previously preferred traveling by air. The pandemic accelerated the adoption of technology for virtual meetings and conferences. It also promoted remote and hybrid work arrangements. These developments in the workplace have held the recovery of business travel. On the other hand, they have also given rise to a new type of travel that combines leisure and work.

On the supply side, U.S. airlines took measures to become smaller—accelerating retirement of old aircraft, deferring new aircraft orders, and cutting workforces—when passenger traffic was still severely depressed in 2020 and 2021.Today they face fleet and labor constraints that limit their ability to restore and expand capacity fast enough to accommodate returning traffic.

One favorable trend is the accelerated adoption of no-touch technologies by airlines, airports, and the TSA. These new technologies would not only help allay public health safety concerns, but could also speed up passenger processing. By saving passengers time and anxiety waiting in lines, these technologies could help stimulate traffic recovery and growth.

3.10.8 | Labor Supply Constraints

The COVID-19 pandemic and the resulting recession led to employee layoffs throughout many airlines, and companies went into 2021 with a significantly smaller workforce than they had prior to the pandemic. With the recovery of air traffic, the demand for leisure travel accelerated in the first half of 2021 onward, requiring airlines to build their workforces back up to meet this demand. Insufficient numbers of qualified employees could limit the airlines' ability to provide adequate supply of flights and seats, and by extension, slow overall air traffic recovery and growth. As a result, competition between companies to attract and retain skilled personnel increased, which may continue to intensify if overall industry capacity continues to increase.

In particular, the industry is also feeling the effects of a shortage on pilots to fly their planes. Several factors contribute to the shortage of pilots: (1) historically, many pilots gained their training via miliary service, but the use of drones and lack of a need for military buildup has reduced the potential of that avenue producing new pilots; (2) the pilot industry has overall failed to market to women, who currently only make up no more than 5 percent of the global supply of pilots; and (3) the working conditions and initial pay for new pilots are discouraging, and not seen as worth enduring, considering the massive amount of time, effort, and money required before any tangible reward manifests.

In addition to the scarcity of new pilots for the above reasons, the COVID-19 pandemic caused the existing population of pilots to shrink further. Approximately 5,000 experienced pilots accepted early retirement in response to the pandemic sinking the demand for both commercial and private jet travel. Despite demand recovering, the supply of qualified pilots has not been keeping up.

To recruit and train new pilots, many airlines have established their own flight schools. Among major airlines, these include Alaska, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, and United. Among regional airlines: Cape Air, Envoy, Mesa, Republic, and SkyWest. The U.S. Bureau of Labor Statistics projects employment of airline and commercial pilots—135,300 in 2021—to grow 6 percent from 2021 to 2031.[62]

3.10.9 | Geopolitical Conflicts and Threat of Terrorism

Geopolitical conflicts and acts of terrorism can disrupt air transportation. The terrorist attacks of September 11, 2001, serve as a constant reminder of the serious threat of such acts to the aviation industry. Elevated threat warnings also elevate airport security measures, resulting in more meticulous passenger screening and longer waits at security screening lines. They can result in travel advisories that discourage air travel altogether.

The Russian invasion of Ukraine is the latest example of a geopolitical conflict affecting air transportation. The United States, Canada, and the European Union have closed off their airspace to Russian aircraft. The ban on Russian aircraft entering U.S. airspace took effect on March 2, 2022, affecting primarily Russia's flag carrier, Aeroflot. The Russian regime could reciprocate by also prohibiting U.S. aircraft from entering Russian airspace, which would increase flight times between U.S. and certain countries.[63]

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[62] U.S. Bureau of Labor Statistics, "Occupational Outlook Handbook," https://www.bls.gov/ooh/transportation-and-material-moving/airline-and-commercial-pilots.htm#tab-1.

[63] Various news sources. See for example: David Schaper, "A ban of Russian aircraft from U.S. airspace has gone into effect," *NPR*, March 2, 2022; and Allison Sider and Andrew Tangel, "U.S. to Ban Russian Flights from American Airspace," *The Wall Street Journal*, March 1, 2022.

SECTION 4 | FINANCIAL ANALYSIS

This section reviews the financial framework of the Airport. In addition, this section (i) reviews the recent historical financial performance of the Airport and examines the ability of the Airport to generate sufficient Net Revenues to meet the obligations of the Indenture in each year of the forecast period, and (ii) discusses the information and assumptions underlying the financial forecasts, which include Airport Revenues, Operation and Maintenance (O&M) Expenses, debt service requirements, and debt service coverage. The financial projections presented in this section are based on the Base scenario air traffic forecast developed in Section 3.

4.1 | Financial Framework

A review of the framework for the financial operation of the Airport is presented below, including key provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009, (the General Indenture), which provides for the issuance of general airport revenue bonds (GARBs).

4.1.1 | The Indenture and Application of Revenues

The Series 2023 Bonds are being issued by the New Orleans Aviation Board (the Aviation Board) pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the General Indenture) among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the Trustee), and the City of New Orleans (the City), as supplemented and amended through a Seventh Supplemental Trust Indenture among the same parties (the Seventh Supplemental Indenture), together with the General Indenture and prior Supplemental Indentures, the "Indenture."

Proceeds of the Series 2023 Bonds will be used to finance the construction and equipping of certain capital improvements in the Airport's passenger terminal (the Series 2023 Bond Projects), including improvements to the Baggage Handling System (BHS), a board room, and a military lounge. The Airport's current Capital Improvement Program (CIP), including the Series 2023 Bond Projects), are briefly described later in this section.

Under Section 604 of the General Indenture, the Board covenants to impose, charge and collect reasonable rates, fees, rentals or other charges for services, facilities and commodities of the Airport System (collectively, Rates and Charges) sufficient so that:

a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

Figure 61 illustrates the application of and priority in the uses of amounts in the Airport Operating Fund. On the second Business Day preceding the First Wednesday of each calendar month, the

Aviation Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied in the following order to pay or deposit:

1. Arbitrage Rebate Fund: all sums due to be deposited into the Arbitrage Rebate Fund to pay arbitrage rebate amounts required with respect to tax-exempt bonds.

2. Operating and Maintenance Fund: all Operation and Maintenance Expenses (O&M Expenses).

3. Debt Service Fund: an amount required to make the balance therein equal to the Debt Service Fund Requirement as of the first day of the next ensuing month.

4. Debt Service Reserve Fund: an amount required to make the balance therein equal to the Funded Debt Service Reserve Fund Requirement.

5. Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases (not presently required).

6. Operation and Maintenance Reserve Fund: one-twelfth of the amount required to make the sum on deposit therein equal to the Operation and Maintenance Fund Requirement.

7. General Purposes Account: an amount specified in the Commercial Airline Leases referred to as a "General Purpose Requirement." The sums credited to this Account may be applied by the Board to any lawful use or purpose of the Board, including without limitation, O&M Expenses, the purchase or payment of Bonds, and the payment of the cost of any Capital Improvement.

8. Rollover Coverage Account: amounts required, if any, by the Commercial Airline Leases. To the extent required, the amounts in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of rates and charges for the next succeeding Fiscal Year as required by Section 604 of the Indenture.

Figure 61 | Flow of Funds

Arbitrage Rebate Fund

Payment of any required deposits to the Arbitrage Rebate Fund

Operations and Maintenance Fund

Payment of all O&M Expenses

Debt Service Fund

An amount required to make the balance equal to the Debt Servcie Fund Requirement as of the first day of the next ensuing month

Debt Service Reserve Fund

An amount required to make the balance equal to the funded Debt Service Reserve Fund Requirement

Improvement Account

An amount required, if any, by the Commercial Airline Lease or the Airport System Budget

Operations and Maintenance Reserve Fund

1/12th of the amount required to make the sum on deposit therein equal to the Operation and Maintenance Fund Requirement

General Purpose Account

An amount specified in the Commercial Airline Leases referred to as a "General Purpose Requirement"

Rollover Coverage Account

Amounts required, if any, by the Commercial Airline Leases. If required, amounts in this Account on last day of each Fiscal Year shall be included as Net Revenues in the calculation of rates and charges for the next succeeding Fiscal Year.

4.1.2 | Airport Accounting

The City of New Orleans operates the Airport as an Enterprise Fund in accordance with generally accepted accounting principles (GAAP) for governmental entities. The City prepares its financial statements based on the City's fiscal year, which corresponds with the calendar year (beginning on January 1 and ending on December 31). The City's financial statements are examined following the end of the fiscal year by independent certified public accountants. The purpose of this audit is to determine if the City's financial statements are in compliance with GAAP and the requirements of various state and federal agencies with which the City has agreements and received grants-in-aid.

The Airport's 2021 audited financial statements (the most recent year for which audited financial statements are available) show that as of December 31, 2021, the Airport had total assets and deferred outflows of resources of approximately $1.9 billion, total liabilities and deferred inflows of resources of approximately $1.3 billion, and net investment in capital assets of approximately $0.3 billion.

Table 30 summarizes the Airport's audited operating results for 2017 through 2021 presented in the financial statements, the Net Revenues presented in this Report, and a reconciliation between the two presentations. The Net Revenues presented in this Report are calculated pursuant to the definitions of Revenues, O&M Expenses, and Net Revenues included in the Indenture. The reconciling items between the annual Operating Loss reported in the financial statements and the Net Revenues presented in this Report consist of depreciation and impairment write-downs, interest income and various other non-operating revenues, Federal COVID-19 relief funds, PFCs transferred to the Debt Service Fund to be applied to Debt Service, and amounts in the Rollover Coverage Account on the last day of the previous calendar year.

Table 30 | Historical Financial Results Per Financial Statements Reconciled to Net Revenues

Category	2017	2018	2019	2020	2021
Audited Statement of Revenues and Expenses					
Operating Revenues	$ 78,485,568	$ 76,882,817	$ 95,909,954	$ 60,372,557	$ 65,235,839
Less: Operating Expenses	(80,160,611)	(82,541,079)	(88,811,377)	(118,307,609)	(122,999,979)
Operating Loss	**$ (1,675,043)**	**$ (5,658,262)**	**$ 7,098,577**	**$ (57,935,052)**	**$ (57,764,140)**
Net Revenues per Bond Indenture					
Revenues	$ 82,447,484	$ 81,521,445	$ 100,958,989	$ 63,696,341	$ 67,315,538
Less: O&M Expenses	(46,180,046)	(51,204,626)	(52,911,620)	(56,213,688)	(59,740,968)
Federal COVID-19 Relief Funds				41,677,226	41,413,062
Rollover Coverage	3,740,582	3,290,643	13,586,808	16,505,151	16,508,343
Transferred PFC Revenues	656,065	6,474,750	26,631,750	25,762,204	23,963,000
Net Revenues per Indenture	**$ 40,664,085**	**$ 40,082,212**	**$ 88,265,927**	**$ 91,427,234**	**$ 89,458,975**
Reconciliation					
Operating Loss per Financial Statements	$ (1,675,043)	$ (5,658,262)	$ 7,098,577	$ (57,935,052)	$ (57,764,140)
Add: Depreciation and Impairment Write-Downs [1]	33,980,565	31,336,453	35,899,757	62,093,921	63,259,011
Add: Interest Income and other non-operating revenues [2]	3,961,916	4,638,628	5,049,046	3,323,784	2,079,699
Add: Federal Grants - COVID-19 Related	-	-	-	41,677,226	41,413,062
Add: Transferred PFCs	656,065	6,474,750	26,631,750	25,762,204	23,963,000
Add: Rollover Coverage	3,740,582	3,290,643	13,586,808	16,505,151	16,508,343
Net Revenues per Indenture	**$ 40,664,085**	**$ 40,082,212**	**$ 88,265,938**	**$ 91,427,234**	**$ 89,458,975**
Debt Service Fund Requirements	13,170,475	19,475,434	68,073,534	66,017,558	66,016,271
Debt Service Coverage	**3.09**	**2.06**	**1.30**	**1.38**	**1.36**

[1] Depreciation and Impairment Write-Down are included in Operating Expenses in the financial statements, but is excluded from the definition of Operation and Maintenance Expenses in the Indenture.
[2] Interest income and other non-operating revenues are included in the definition of Revenues in the Indenture, but are categorized as Nonoperating revenues on the financial statements.

4.1.3 | Airline Revenues and Rates and Charges Methodology

The Airline-Airport Use and Lease Agreement between the Aviation Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement) establishes rentals, fees, and charges payable by all Signatory Airlines during the term of the Airline Agreement. The Airline Agreement calculates airline rates, fees, and charges that, together with other revenues, generate sufficient Net Revenues to maintain the rate covenant established under the Indenture under a residual rate-setting methodology. Through an amendment, the term of the Airline Agreement was extended to December 21, 2023.

The Airline Agreement, as amended, stipulates the following;

- The form of the rate-making methodology is residual.
- All gates and terminal space leased to the Signatory Airlines will be leased on a preferential basis, with a utilization requirement provision of a minimum of two scheduled turns per day for each gate. All unleased gates will be Airport controlled for common use.

- The Signatory Airlines have Majority-In-Interest (MII) voting rights for capital projects in the Terminal, Airfield, and Apron cost centers costing over $1,500,000.
- Effective January 1, 2015 and through the term of the Airline Agreement, the Aviation Board will target an airline cost per enplaned passenger (CPE) of no more than $10.00. However, this CPE level is a target, not a requirement in the Airline Agreement. The cost of the CIP is factored into the projected airline rates and presented later in this Section, as appropriate according to the funding plan and the provisions of the Airline Agreement.
- The Aviation Board will maximize the use of PFCs to offset PFC eligible debt service for the North Terminal Project.
- The Aviation Board will use amounts available from the General Purposes Account to fund incremental coverage on the bonds issued to fund costs of the North Terminal.
- The Signatory Airlines agreed to fund, through rates and charges, a $6.0 million deposit to the General Purposes Account for each year from 2016 through 2018. From 2019 through the expiration of the Agreement, the deposit to the General Purposes Account will be $3.0 million per year.

An extension of the existing Airline Agreement is expected to be executed by the Signatory Airlines prior to the end of 2023 and will continue until a new Airline-Airport Use and Lease Agreement is executed. The Aviation Board is in the very beginning stages of negotiating a new airline agreement and the structure of that new agreement has not yet been determined. Therefore, the existing calculations of the rents, fees and charges are assumed during the projection period.

4.2 | Debt Service and Plan of Finance

The estimated sources and uses of funds for the Series 2023 Bonds are summarized on Table 31.

Table 31 | Sources and Uses of Series 2023 Bonds

Sources and Uses	Total Series 2023
Sources	
Par Amount	$ 34,360,000
Premium	548,851
Total Sources	**$ 34,908,851**
Uses	
Project Fund	$ 30,000,000
Debt Service Reserve Fund	2,784,154
Capitalized Interest Fund	1,598,808
Cost of Issuance	350,000
Underwriter's Discount	171,800
Additional Proceeds	4,089
Total Uses	**$ 34,908,851**

Source: Frasca & Associates based on assessments of anticipated market rates.

The debt service schedule for the Series 2023 Bonds was estimated by Frasca & Associates. To be conservative, the financing structure assumes Project Fund deposit of $30.0 million, which is higher than the project funding shown in the CIP in Section 1 of this Report. The estimated debt service requirements assume all-in interest rate of 5.09 percent with a final maturity of January 1, 2044. All assumptions are estimates and subject to change.

The Series 2023 Bonds are to be special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined in the General Indenture), which pledge is on a parity with the pledge of such Net Revenues made to secure the Series 2015 Bonds, the Series 2017 Bonds, Series 2019 Bonds, and any Additional Bonds that may be issued pursuant to the General Indenture. The Debt Service Fund Requirements during the forecast period, including the Series 2023 Bonds and a future GARB issue assumed for later in 2023 are summarized on Table 32.

The Aviation Board anticipates issuing a future series of GARBs in late 2023, to fund approximately $132.7 million of costs of the current CIP, as described in Section 1 of this Report. The financial projections presented in this section assume a delivery date of October 1, 2023, with an estimated par amount of $157.5 million, an all-in total interest cost of 6.12 percent, a 20-year bond amortization period with a maturity date of January 1, 2044, level annual debt service, with the first principal and interest payment due after the end of the capitalized interest period, on January 1, 2025. The annual debt service is assumed to be recovered through the annual airline rates and charges process. The timing of the anticipated future series of GARBs and the associated financing assumptions were developed for planning purposes, and to prepare the financial projections for this Report, and are therefore subject to change.

The Total Debt Service Requirement is projected to increase from $66.1 million in 2023 to $73.9 million in 2024 and $81.0 million in 2028.

The Aviation Board has been applying Net PFC Revenues to offset the PFC eligible portion of the debt service requirements on the Series 2015 Bonds, the 2017 Bonds, and the Series 2019 Bonds. Net PFC Revenues are transferred to the Debt Service Fund monthly, as available, to reduce the amount payable from Airline Revenues. The Indenture permits the pledge and deposit of Net PFC Revenues into the Debt Service Fund to pay debt on one or more series of bonds.

Debt Service net of PFC Revenues is estimated to increase from $44.3 million in 2023 to $52.1 million in 2024 and $62.2 million in 2028.

Table 32 | Projected Annual General Airport Revenue Bond Debt Service

	2023	2024	2025	2026	2027	2028
Debt Service by Bond Series						
Series 2015	$ 40,572,350	$ 40,575,850	$ 40,573,100	$ 40,571,750	$ 40,568,500	$ 40,569,750
Series 2017A	5,668,500	5,692,000	5,687,000	5,694,750	5,694,500	5,696,500
Series 2017B	12,469,250	12,445,250	12,447,250	12,443,750	12,444,750	12,444,750
Series 2017C	-	-	-	-	-	-
Series 2017D	3,971,500	3,971,000	3,970,750	3,970,500	3,970,000	3,974,000
Series 2019A	1,791,350	1,792,350	1,791,350	1,793,350	1,793,100	1,795,600
Series 2023 [1]	1,598,807	2,784,154	2,782,154	2,782,654	2,780,404	2,780,404
Future GARBs [2]	-	6,641,825	13,725,500	13,728,400	13,729,800	13,728,800
Total Debt Service Requirement	$ 66,071,757	$ 73,902,429	$ 80,977,104	$ 80,985,154	$ 80,981,054	$ 80,989,804
Net PFC Revenues Transferred to Debt Service Fund						
Series 2015	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000	$ 13,000,000	$ 13,000,000
Series 2017D	3,971,500	3,971,000	3,970,750	3,970,500	3,970,000	3,974,000
Series 2019A	1,791,350	1,792,350	1,791,350	1,793,350	1,793,100	1,795,600
Total PFC Revenues Transferred	$ 21,762,850	$ 21,763,350	$ 19,762,100	$ 19,763,850	$ 18,763,100	$ 18,769,600
Debt Service Net of PFCs	**$ 44,308,907**	**$ 52,139,079**	**$ 61,215,004**	**$ 61,221,304**	**$ 62,217,954**	**$ 62,220,204**
Debt Service Net of PFCs Allocated by Cost Center						
Terminal Building and Area	$ 32,574,734	$ 36,344,990	$ 40,778,662	$ 40,784,231	$ 41,629,027	$ 41,631,400
Airfield Area	9,088,376	9,227,333	9,515,999	9,514,458	9,578,301	9,578,485
Apron Area	1,384,286	1,556,580	1,830,214	1,830,582	1,876,233	1,876,356
Ground Transp. & Other Areas	1,261,510	5,010,176	9,090,130	9,092,033	9,134,392	9,133,964
Debt Service Net of PFCs	**$ 44,308,907**	**$ 52,139,079**	**$ 61,215,004**	**$ 61,221,304**	**$ 62,217,954**	**$ 62,220,204**

Sources: Airport records, Frasca & Associates, and Unison.
[1] Estimated debt service based on assumptions described on the previous page.
[2] Assumes the Aviation Board will issue additional bonds in 2023 to fund certain capital costs included in the CIP.

4.3 | Airport Operation and Maintenance (O&M) Expenses

Airport O&M Expenses are incurred in the maintenance and operations of the Airport. Table 33 shows the historical O&M Expenses from 2017 through 2021, the most recent full fiscal year for which actual (historical) information is available. Total O&M Expenses increased from approximately $46.2 million in 2017 to $59.7 million in 2021, mainly due to additional expenses related to the operation and maintenance of the North Terminal, which opened in November 2019.

The largest components of 2021 O&M Expenses were Personnel Costs (30.3 percent), Public Safety and Security (18.0 percent), Repairs and Maintenance (15.0 percent), Utilities (9.6 percent), Cleaning and Waste Removal (7.1 percent), and Insurance (7.1 percent). Together, these six largest categories accounted for approximately 87.1 percent of total 2021 O&M Expenses. Historical O&M Expense trends are explained in more detail by category below.

In response to the COVID-19 pandemic, the Aviation Board applied $12.8 million and $10.0 million of federal relief funds to reduce O&M Expenses in 2020 and 2021, respectively. O&M Expenses, after the application of COVID federal relief funds, equaled $43.4 million in 2020 and $49.7 million in 2021.

Table 34 presents estimated 2022 O&M Expenses, budgeted 2023 O&M Expenses, and projected O&M Expenses for 2024 through 2028. As mentioned above, total O&M Expenses increased during the historical period, mainly due to the increased costs of operating and maintaining the North Terminal, which opened in November 2019. In 2020 and 2021, the Aviation Board mitigated the increases in O&M Expenses through selective cost-cutting measures and the application of COVID federal relief funds. With the subsequent recovery of air traffic at the Airport, total O&M Expenses increased in 2022, to an estimated $70.5 million, and the Aviation Board has budgeted a total of $75.3 million for 2023 O&M Expenses.

The Aviation Board has applied $4.3 million of COVID federal relief funds to 2022 O&M Expenses, and it plans to apply $7.8 million and $11.6 million of COVID federal relief funds to O&M Expenses in 2023 and 2024, respectively, resulting in net O&M Expenses of $65.2 million in 2022, $67.4 million in 2023, and $66.5 million in 2024.

The Aviation Board anticipates that its 2023 budget for O&M Expenses reflects the updated estimates of operating and maintaining the North Terminal and other Airport facilities during the current and near-term environment of air traffic recovery subsequent to the significant traffic declines caused by the COVID-19 pandemic. Therefore, the Aviation Board does not anticipate any significant increases in O&M Expenses during the period of 2024 through 2028. In general, O&M Expenses are projected to increase by an average annual rate of 3.0 percent, with a slightly higher annual growth rate (5 percent) for Personnel costs, to account for current economic trends in wages and benefits. Total O&M Expenses are projected to increase from $74.7 million in 2023 to $90.2 million in 2028, or by an average annual growth rate of 3.8 percent.

Table 33 | Historical O&M Expenses

	Actual					CAGR
	2017	2018	2019	2020	2021	2017 - 2021
Wages and Salaries	$ 9,342,213	$ 10,977,742	$ 12,969,746	$ 12,600,039	$ 12,262,514	7.0%
Fringe Benefits	4,096,227	6,218,030	7,256,653	7,247,464	5,867,441	9.4%
Total Personnel Costs	$ 13,438,440	$ 17,195,772	$ 20,226,399	$ 19,847,503	$ 18,129,955	7.8%
Public Safety and Security	10,060,830	10,200,904	11,090,096	10,928,456	10,775,615	1.7%
Repairs and Maintenance	4,153,807	4,821,971	4,341,237	4,699,241	8,943,517	21.1%
Utilities	3,575,815	3,721,744	3,791,667	5,326,040	5,712,107	12.4%
Cleaning and Waste Removal	2,307,336	2,987,881	3,332,328	4,630,378	4,253,845	16.5%
Insurance	1,864,206	2,056,382	2,180,128	3,427,759	4,228,342	22.7%
Cost of City Services	1,753,518	1,753,518	1,753,518	1,753,518	2,145,866	5.2%
Supplies and Equipment	995,725	1,099,723	1,279,725	1,447,697	1,823,591	16.3%
Professional Services	2,124,987	3,124,579	1,892,203	1,483,951	1,638,584	-6.3%
Shuttle Services/Parking	558,638	379,350	548,770	654,851	879,954	12.0%
Other Admin. Expenses	433,881	486,216	427,505	599,761	557,207	6.5%
Other Expenses	3,416,753	2,414,943	1,380,333	1,393,427	611,471	-35.0%
Marketing Incentives	1,496,111	961,642	667,711	21,106	40,913	-59.3%
Total O&M Expenses	$ 46,180,046	$ 51,204,626	$ 52,911,620	$ 56,213,688	$ 59,740,968	6.6%
Federal Relief Funds Applied	-	-	-	(12,771,000)	(10,000,000)	N/A
Total Net of Federal Funds	$ 46,180,046	$ 51,204,626	$ 52,911,620	$ 43,442,688	$ 49,740,968	1.9%

Source: Airport Records.

Table 34 | Projected O&M Expenses

	Estimate	Budget	Projected					CAGR
	2022	2023	2024	2025	2026	2027	2028	2023 - 2028
O&M Expenses by Category								
Wages and Salaries	$ 14,602,067	$ 16,151,910	$ 16,959,506	$ 17,807,481	$ 18,697,855	$ 19,632,748	$ 20,614,385	5.0%
Fringe Benefits	5,464,457	6,406,251	6,726,564	7,062,892	7,416,037	7,786,839	8,176,181	5.0%
Total Personnel Costs	$ 20,066,525	$ 22,558,162	$ 23,686,070	$ 24,870,373	$ 26,113,892	$ 27,419,587	$ 28,790,566	5.0%
Public Safety and Security	13,032,000	13,122,102	13,778,207	14,467,117	15,190,473	15,949,997	16,747,497	5.0%
Repairs and Maintenance	9,001,602	8,592,993	8,850,783	9,116,306	9,389,795	9,671,489	9,961,634	3.0%
Utilities	6,794,343	7,365,186	7,586,142	7,813,726	8,048,138	8,289,582	8,538,269	3.0%
Cleaning and Waste Removal	5,340,000	4,675,000	4,815,250	4,959,708	5,108,499	5,261,754	5,419,606	3.0%
Insurance	4,457,332	6,144,113	6,328,436	6,518,289	6,713,838	6,915,253	7,122,711	3.0%
Cost of City Services	2,145,866	2,145,866	2,145,866	2,145,866	2,145,866	2,145,866	2,145,866	0.0%
Supplies and Equipment	1,965,925	1,909,225	1,966,502	2,025,497	2,086,262	2,148,850	2,213,315	3.0%
Professional Services	2,126,000	1,667,000	1,717,010	1,768,520	1,821,576	1,876,223	1,932,510	3.0%
Shuttle Services/Parking	2,100,000	2,100,000	2,163,000	2,227,890	2,294,727	2,363,569	2,434,476	3.0%
Other Administration Expenses	975,500	940,649	968,869	997,935	1,027,873	1,058,709	1,090,470	3.0%
Other Expenses	1,495,900	2,005,600	2,065,768	2,127,741	2,191,573	2,257,320	2,325,040	3.0%
Marketing Incentives	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.0%
Total O&M Expenses	**$ 70,500,993**	**$ 74,725,895**	**$ 77,571,902**	**$ 80,538,968**	**$ 83,632,511**	**$ 86,858,198**	**$ 90,221,959**	**3.8%**
Federal Funds Applied to O&M	(4,300,000)	(7,377,110)	(7,377,110)	-	-	-	-	N/A
O&M Expenses Net of Federal Funds	**$ 66,200,993**	**$ 67,348,785**	**$ 70,194,792**	**$ 80,538,968**	**$ 83,632,511**	**$ 86,858,198**	**$ 90,221,959**	**6.0%**
O&M Expenses Net of Federal Funds by Cost Center								
Terminal Building Area	$ 44,246,075	$ 32,079,640	$ 33,613,171	$ 42,589,043	$ 44,255,956	$ 45,994,072	$ 47,806,588	8.3%
Airfield Area	15,687,970	20,165,294	20,949,041	21,766,126	22,618,040	23,506,345	24,432,674	3.9%
Apron Area	1,743,108	2,240,588	2,327,671	2,418,458	2,513,116	2,611,816	2,714,742	3.9%
Ground Transportation Area	3,523,840	11,363,263	11,804,909	12,265,341	12,745,400	13,245,965	13,767,957	3.9%
Marketing Incentives	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.0%
O&M Expenses Net of Federal Funds	**$ 66,200,993**	**$ 67,348,786**	**$ 70,194,792**	**$ 80,538,969**	**$ 83,632,512**	**$ 86,858,198**	**$ 90,221,960**	**6.0%**

Source: Airport records and Unison Consulting Inc.

Personnel Costs

Personnel costs consist of Wages and Salaries, as well as Fringe Benefit costs, which include medical insurance, pension costs, and other related employee benefit costs. In total, Personnel costs increased from $13.4 million in 2017 to $17.2 million in 2018, mainly due to a 51.8 percent increase in Fringe Benefit costs due to a one-time expense to record unfunded pension costs. Total Personnel costs increased to $20.2 million in 2019, the last full year prior to the COVID-19 pandemic, mainly due to increased staffing in preparation for the opening of the North Terminal and the increased passenger activity at the Airport, as well as a pay increase that had become effective in December 2018. As a result of the Aviation Board's cost-cutting measures during the COVID-19 pandemic, total Personnel costs decreased to $19.8 million in 2020 and $18.1 million in 2021.

As passenger activity has been recovering from the COVID-19 pandemic, the Aviation Board has filled previously vacant positions, and total Personnel costs are estimated to increase to $20.1 million in 2022, and they are budgeted to increase to $22.6 million in 2023. Beginning in 2024, total Personnel costs are projected to increase by 5.0 percent per year, to $28.8 million in 2028.

Public Safety and Security

Public Safety and Security expenses include police, security, and fire department expenses. Public Safety and Security expenses increased from $10.1 million in 2017 to $11.1 million in 2019, due to staffing increases in preparation for the opening of the North Terminal and the increased passenger activity. During the COVID-19 pandemic, these expenses decreased to $10.9 million in 2020 and $10.8 million in 2021, as part of the Aviation Board's cost-cutting measures. With the recovery of passenger traffic, Public Safety and Security expenses are estimated to total $13.0 million in 2022, and they are budgeted to increase to $13.2 million in 2023. Public Safety and Security expenses are projected to increase by 5.0 percent per year to $16.7 million in 2028.

Repairs and Maintenance

Repairs and Maintenance expenses include, among other things, the costs for outside maintenance contractors that provide services for various facilities and systems and for infrastructure repairs throughout the Airport. Repairs and Maintenance expenses increased from $4.2 million in 2017 to $4.8 million in 2018 before decreasing to $4.3 million in 2019. These expenses increased to $4.7 million in 2020 and $8.9 million in 2021, due to additional expenditures related to Hurricane Ida and necessary pavement maintenance repairs. Based on scheduled and planned repair and maintenance projects, this expense category is estimated to total $9.0 million in 2022 and $8.7 million in 2023. This category of expenses is projected to increase by 3.0 percent annually to $10.0 million in 2028.

Utilities

Utilities expenses consist of expenditures for electricity, natural gas, fuel oil, and water. These expenses increased by an average of 12.4 percent per year from $3.6 million in 2017 to approximately $5.7 million in 2021 as a result of the additional costs associated with operating the North Terminal, while maintaining minimal necessary utilities at the South Terminal. Utilities are estimated to increase to $6.8 million in 2022 and $7.7 million in 2023 due to increased utility rates resulting from higher natural gas prices and the effect on electric utility rates of the electrical infrastructure repairs due to recent hurricanes and other storms in the area. These expenses are projected to increase by an average of 3.0 percent per year to $8.5 million in 2028.

Cleaning and Waste Removal

Cleaning and Waste Removal expenses increased from $2.3 million in 2017 to $4.6 million in 2020 and $4.3 million in 2021, mainly due to increased cleaning requirements after the North Terminal opened, in addition to on-going cleaning and upkeep for the South Terminal, as well as the enhanced cleaning and sanitation efforts needed during the COVID-19 pandemic. These expenses are estimated to increase to $5.3 million in 2022, and they are budgeted to decrease to $4.7 million in 2023, reflecting the Aviation Board's decision to have janitorial services directly managed by Aviation Board staff, rather than all janitorial services managed and provided for by an outside contractor. These expenses are estimated to increase by 3.0 percent per year during the projection period. Cleaning and Waste Removal expenses are projected to be $5.4 million in 2028.

Insurance

Insurance expenses increased modestly from 2017 to 2019, from $1.9 million to $2.2 million. In 2020, insurance expenses increased 57.2 percent, to $3.4 million, and then to $4.2 million in 2021, due to the additional premium costs related to the North Terminal and the additional cost of insuring other ancillary facilities. Insurance expenses are estimated to increase to $4.4 million in 2022, and they are budgeted to increase to $6.2 million in 2023, reflecting cost increases after the hurricane insurance payout, and additional requirements related to the full operation of the North Terminal during the recovery of passenger traffic. These expenses are projected to increase by 3.0 percent per year to $7.1 million in 2028.

City Services

City Services include charges for professional services provided to the Airport by other City departments. These charges remained constant at $1.8 million per year from 2017 to 2020, based on the City's cost allocation plan in effect during those years. When the City updated its cost allocation plan effective in 2021, City Services expenses increased to $2.1 million. City Service expenses are projected to remain at $2.1 million through 2028.

Supplies and Equipment

Expenses for Supplies and Equipment include the cost for rental equipment, cleaning supplies, uniforms, office supplies, and other general maintenance supplies. Supplies and Equipment expenses increased from $1.0 million in 2017 to $1.8 million in 2021 due repairs for HVAC systems and additional needs resulting from increased passenger activity and the opening of the North Terminal. This expense category is estimated to total $2.0 million in 2022 and $1.9 million in 2023, based on anticipated needs during the current environment of passenger traffic recovery. These expenses are projected to increase by 3.0 percent annually to $2.2 million in 2028.

Professional Services

Professional Services expenses include fees for specialized engineering, financial, planning and other consulting service firms. Professional Services increased from $2.1 million in 2017 to $3.1 million in 2018, mainly due to the additional costs related to the planning of the North Terminal. As a result of the Aviation Board's cost-cutting measures during the COVID-19 pandemic, these expenses decreased to $1.5 million in 2020 and $1.6 million in 2021. Professional Services expenses are estimated to total $2.1 million in 2022, and they are budgeted to total $1.7 million in 2023, reflecting anticipated engineering and other consulting services related to the operation of the North Terminal and planning efforts for potential future capital projects. These expenses are projected to increase by an average of 3.0 percent per year to $1.9 million in 2028.

Shuttle Services and Parking

Shuttle Services and Parking expenses increased by an average of 12.0 percent per year during the historical period, including a 34.4 percent increase in 2021, to approximately $0.9 million. The Aviation Board implemented an employee shuttle when the North Terminal opened to transport employees from the South parking facilities to the North Terminal. In 2021, the Aviation Board increased the employee shuttle bus staffing and the number of shuttle buses in order to improve the service to employees. This expense category increased to $2.1 million in 2022, reflecting the first full year of the employee shuttle operations at the higher level of service. Shuttle Services and Parking expenses are budgeted to remain stable, at $2.1 million in 2023. Shuttle Services and Parking expenses are projected to increase by 3.0 percent per year to $2.4 million in 2028.

Other Administrative Expenses

Other Administrative expenses include travel expenses, fees for memberships to airport trade organizations, subscription fees, education and training expenses, and postage and freight expenses. Other Administrative expenses increased from $434,000 to $600,000 and $557,000 in 2020 and 2021, respectively. These expenses are estimated to increase to $975,500 in 2022, and are budgeted to total $941,000 in 2023, reflecting the Aviation Board's commitment to employee education and training. Other Administrative expenses are projected to increase by 3.0 percent per year to $1.1 million in 2028.

Other

Other expenses consist of costs for infrastructure repairs, legal services, advertising, marketing services, and air service development. This category of expenses fluctuates from year to year, depending on repair needs, legal issues, and the costs of air service initiatives. Between 2017 and 2020, Other expenses ranged between a low of $1.4 million and a high of $3.4 million. As part of its cost-cutting measures during the COVID-19 pandemic, the Aviation Board reduced this category of expenses to $491,000 in 2021. These expenses are estimated to total $1.5 million in 2022 and $2.3 million in 2023, reflecting a return to pre-COVID-19 levels, including an increase in advertising and marketing services. Beginning in 2024, these expenses are projected to increase by 3.0 percent annually to $2.3 million in 2027.

Marketing Incentive Expenses

The Aviation Board incurs expenses related to its air service incentive program to encourage new and expanded air service to and from the Airport. Under the air service incentive program, airlines are eligible to receive incentive payments for providing service to underserved destinations, new destinations, and also for increasing the number of flights to certain destinations. These expenses decreased from almost $1.5 million in 2017 to less than $50,000 in 2020 and 2021, due to the airlines' schedule cutbacks during the COVID-19 pandemic. With the recovery of air traffic at the airport, Marketing Incentive expenses are estimated to total $1.0 million in 2022, and they are budgeted to increase to $1.5 million in 2023. This expense category is projected to remain constant at $1.5 million during the remainder of the forecast period.

Federal Relief Funds

The CARES Act established the Coronavirus Relief Fund in March 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic, including approximately $10.0 billion awarded to U.S. airports. The Aviation Board was awarded approximately $42.8 million in grants from the CARES Act Fund. The Aviation Board applied approximately $32.8 million and $5.4 million during 2020 and 2021, respectively, to cover eligible O&M Expenses and debt service. The Aviation Boards plans to apply the remaining balance of awarded CARES Act funds ($4.7 million) cover a portion of the costs of the Airport Administrative Offices capital project, as described in Section 1 of this Report.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021 includes billions in supplemental appropriations for COVID-19 relief that were allocated to the transit industry during the COVID-19 pandemic, including almost $2.0 billion awarded to U.S. airports. The Airport was awarded a total of approximately $13.8 million from the CRRSA Fund. These funds are composed of funds available to cover eligible O&M Expenses and debt service costs ($12.3 million) and funds available to provide relief to concessionaires that operate at the Airport ($1.5 million). All of the $1.5 million of CRRSA funds awarded to the Airport for concession relief were provided to eligible concessionaires at the Airport in 2021. Of the $12.3 million of CRRSA funds available for O&M Expenses and debt service costs, the Aviation Board applied $8.9 million to cover eligible O&M Expenses and debt service costs incurred in 2020. The remaining available $3.5 million of CRRSA funds awarded to the Airport are expected to be applied to O&M Expenses in 2024.

The American Rescue Plan Act (ARPA) was passed by Congress in March 2021 to provide additional relief to address the continued impact of COVID-19, including approximately $6.0 billion awarded to U.S. airports. In 2021, the Airport was awarded approximately $50.2 million in ARPA funds, of which $44.3 million was awarded to be used for O&M Expenses and debt service costs, and $5.9 million was awarded to provide relief to concessionaires that operate at the Airport. The Aviation Board applied all of the $5.9 million concession relief funds to eligible concessionaires at the Airport in 2021. The Aviation Board applied $28.7 million and $4.3 million to O&M Expenses and debt service costs in 2021 and 2022. The Aviation Board plans to apply to remaining balance of awarded ARPA funds to eligible O&M Expenses in 2023 and 2024.

The amount of federal relief funds awarded to the Airport, and the application of those funds to eligible costs (by year) are summarized on Table 37.

Table 35 | Award and Application of Federal Relief Funds (in thousands)

	Total	Amounts Applied to Eligible Expenditures					
	Awarded	2020	2021	2022	2023	2024	Total
CARES Funds							
O&M and Capital	$ 42,793	$ 32,771	$ 5,352	$ -	$ 4,671	$ -	$ 42,794
CRRSA Funds							
O&M and Debt Service	12,382	8,906				3,476	12,382
Concession Relief	1,472		1,472			-	1,472
Total CRRSA Funds	$ 13,854	$ 8,906	$ 1,472	$ -	$ -	$ 3,476	$ 13,854
ARPA Funds							
O&M and Debt Service	44,278		28,700	4,300	7,377	3,901	44,278
Concession Relief	5,889		5,889				5,889
Total ARPA Funds	$ 50,167	$ -	$ 34,589	$ 4,300	$ 7,377	$ 3,901	$ 50,167
Total Federal Relief Funds	$106,814	$ 41,677	$ 41,413	$ 4,300	$ 12,048	$ 7,377	$106,815

Note: Not all numbers on the above table foot due to rounding to nearest thousand.

4.4 | Airport Revenues

Airport Revenues (Revenues), as defined in the Indenture, mean all revenues derived by the Board from the use and operation of the Airport System. Revenues do not include (a) Special Facility Revenues except after the Payment of any Special Facility Bonds, (b) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (c) the proceeds of any passenger facility charges or other per passenger charge except those as applied in Section 501(v) of the Indenture, (d) any sums received by the Board or City from the State or the United States of America including avails of any tax, (e) the proceeds of any rental car customer facility charge, (f) any Released Revenues, (g) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (h) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (i) the proceeds of any condemnation awards, or (j) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport.

Revenues for 2017 through 2021 are shown on Table 36. Total Revenues increased from $82.4 million in 2017 to $101.0 million in 2019. Due to the significant decrease in passenger activity during the COVID-19 pandemic, Revenues decreased to $63.7 million in 2020. In 2021, Revenues increased to $67.3 million as airline and passenger activity began to recover. Table 37 presents the estimated and budget Revenues for 2022 and 2023. Total Revenues are estimated to be $107.8 million in 2022, and they are budgeted to increase to $112.8 million in 2023. Total Revenues are projected to increase to approximately $160.7 million in 2028 or by an average of 7.3 percent per year from 2024 through 2028. The recent historical trends and projected future trends in individual revenue categories are described below.

4.4.1 | Airline Revenues

In accordance with the Airline Agreement, the Signatory Airlines are charged Landing Fees, Terminal Building Rentals, and Apron Use Fees based on the residual requirement of allocable costs net of non-airline revenues. The Airline Agreement establishes direct and indirect cost and revenue centers in order to allocate O&M Expenses, Debt Service Fund requirements (net of PFCs applied to offset the Debt Service Fund requirements), amortization of Airport-funded capital improvements, and non-airline revenues to calculate these fees and rentals. In addition, incremental deposits to the O&M Reserve and allowable equipment and capital outlays are allocated to the direct cost centers.

The cost and revenues centers established under the Airline Agreement, are as follows:

- Airfield Area
- Terminal Building and Area
- Apron Area
- Ground Transportation and Other Areas
- Indirect cost centers
    - General Administration
    - Insurance
    - Public Safety and Security

Indirect costs for Insurance and Public Safety and Security are allocated back to the direct cost centers based on set percentages. The General Administration cost center is allocated based on the direct cost centers' share of direct costs and allocated Insurance and Public Safety and Security costs. The net revenues (deficits) from the Ground Transportation and Other Area cost and revenue center, reduced by the required deposit to the General Purpose Account, are allocated 50 percent to the Airfield Area requirement and 50 percent to the Terminal Building and Area requirement. The residual requirements for the Airfield Area, the Terminal Building and Area, and the Apron Area

Table 36 | Historical Revenues

	Actual					CAGR
	2017	2018	2019	2020	2021	2017 - 2021
Airline Revenues						
Terminal Building Rental Revenue	$ 24,587,180	$ 22,792,488	$ 32,480,113	$ 27,672,469	$ 23,232,226	-1.41%
Landing Fee Revenue	8,799,200	5,406,444	11,591,052	8,411,503	2,135,219	-29.81%
Apron Use Fee Revenue	1,919,873	2,086,220	2,508,804	1,448,455	2,138,037	2.73%
Loading Bridge Use Fees	217,026	214,498	79,618	-	-	N/A
Total Airline Revenues	**$ 35,523,279**	**$ 30,499,650**	**$ 46,659,587**	**$ 37,532,427**	**$ 27,505,482**	**-6.19%**
Non-Airline Revenues						
Airside Revenues						
Hangars, Buildings, & Other Ground Rentals	$ 2,820,472	$ 2,214,197	$ 2,627,931	$ 2,645,615	$ 2,852,023	0.28%
Other Airside Rentals and Fees	1,341,638	1,531,025	1,847,363	766,800	701,179	-14.97%
Total Airside Revenues	$ 4,162,110	$ 3,745,222	$ 4,475,294	$ 3,412,415	$ 3,553,202	-3.88%
Terminal Building and Area						
Food and Beverage Concessions	$ 4,407,482	$ 4,925,250	$ 5,485,324	$ 2,337,621	$ 1,295,928	-26.36%
Retail Concessions	4,231,803	4,459,852	4,542,486	2,029,194	2,019,672	-16.88%
Advertising Concessions	755,154	834,063	786,262	1,082,818	922,023	5.12%
Non-Airline Space Rentals	895,828	1,046,330	1,227,639	1,836,720	1,757,418	18.35%
Other Terminal Concessions	260,182	300,443	561,478	973,132	1,233,753	47.57%
Total Terminal Building and Area	$ 10,550,449	$ 11,565,938	$ 12,603,189	$ 8,259,484	$ 7,228,795	-9.02%
Apron Area						
Overnight Parking Charges	$ 381,816	$ 305,692	$ 299,288	$ 166,285	$ 145,199	-21.47%
Ground Transportation & Other Areas						
Rental Cars	$ 9,958,341	$ 10,804,961	$ 11,231,908	$ 5,754,003	$ 9,346,403	-1.57%
Automobile Parking	13,547,227	14,548,613	14,718,210	3,328,312	14,937,777	2.47%
Ground Transportation	3,848,007	4,887,074	5,340,815	1,773,233	2,243,988	-12.61%
Off-Airport Parking	512,296	523,894	577,491	146,398	274,991	-14.40%
Downtown Heliport	2,043	1,773	4,161	-	-	N/A
Total Ground Transportation & Other Areas	$ 27,867,914	$ 30,766,315	$ 31,872,585	$ 11,001,946	$ 26,803,160	-0.97%
Other Non-Operating Revenues	3,961,916	4,638,628	5,049,046	3,323,784	2,079,699	-14.88%
Total Non-Airline Revenues	**$ 46,924,205**	**$ 51,021,795**	**$ 54,299,402**	**$ 26,163,915**	**$ 39,810,055**	**-4.03%**
Total Airport Revenues	**$ 82,447,484**	**$ 81,521,445**	**$ 100,958,989**	**$ 63,696,341**	**$ 67,315,538**	**-4.94%**

Source: Airport Records

Table 37 | Projected Revenues

	Estimate	Budget	Projected					CAGR
	2022	2023	2024	2025	2026	2027	2028	2023 - 2028
Airline Revenues [1]								
Terminal Building Rental Revenue	$ 32,724,001	$ 38,472,770	$ 44,236,535	$ 57,464,169	$ 56,527,138	$ 55,548,852	$ 55,968,203	7.8%
Landing Fee Revenue	7,898,997	4,958,967	15,130,833	17,058,012	16,670,484	18,199,217	18,459,595	30.1%
Apron Use Fee Revenue	3,015,631	3,561,593	3,736,329	4,097,109	4,159,290	4,544,013	4,644,079	5.5%
Total Airline Revenues	**$ 43,638,629**	**$ 46,993,330**	**$ 63,103,698**	**$ 78,619,290**	**$ 77,356,912**	**$ 78,292,083**	**$ 79,071,876**	**11.0%**
Non-Airline Revenues								
Airside Revenues								
Hangars, Buildings, and Other Ground Rental	$ 3,131,507	$ 3,225,453	$ 3,306,089	$ 3,388,741	$ 3,473,460	$ 3,546,402	$ 3,620,877	2.3%
Other Airside Rentals and Fees	1,357,945	1,392,145	1,443,826	1,497,283	1,547,755	1,590,278	1,633,278	3.2%
Total Airside Revenues	$ 4,489,453	$ 4,617,598	$ 4,749,915	$ 4,886,024	$ 5,021,215	$ 5,136,680	$ 5,254,155	2.6%
Terminal Building and Area								
Food and Beverage Concessions	$ 7,216,591	$ 8,436,569	$ 9,009,103	$ 9,576,747	$ 10,094,854	$ 10,554,358	$ 11,015,587	5.5%
Retail Concessions	5,019,148	5,872,287	6,270,800	6,665,910	7,026,540	7,346,378	7,667,417	5.5%
Advertising Concessions	1,240,000	1,277,200	1,277,200	1,277,200	1,277,200	1,277,200	1,277,200	0.0%
Non-Airline Space Rentals	1,892,879	1,977,844	2,286,494	2,993,658	2,939,105	2,884,946	2,904,109	8.0%
Other Terminal Concessions and Revenues	1,595,978	1,761,209	1,801,442	1,860,062	1,917,619	1,967,707	2,018,534	2.8%
Total Terminal Building and Area Revenues	$ 16,964,597	$ 19,325,109	$ 20,645,039	$ 22,373,578	$ 23,255,318	$ 24,030,590	$ 24,882,847	5.2%
Apron Area								
Overnight Parking Charges	$ 198,919	$ 188,349	$ 189,392	$ 189,086	$ 191,492	$ 194,078	$ 197,133	0.9%
Ground Transportation and Other Areas								
Rental Cars	$ 13,652,741	$ 15,691,045	$ 16,233,102	$ 17,255,915	$ 18,189,469	$ 19,017,429	$ 19,848,497	4.8%
Automobile Parking	16,442,327	17,824,666	18,350,463	19,506,687	20,562,009	21,055,791	21,523,934	3.8%
Ground Transportation	4,147,984	4,880,052	4,949,462	5,261,317	5,545,957	5,798,402	6,051,794	4.4%
Off-Airport Parking	309,350	357,461	494,051	512,371	526,917	539,571	551,567	9.1%
Total Ground Transportation & Other Areas	$ 34,552,402	$ 38,753,225	$ 40,027,077	$ 42,536,290	$ 44,824,353	$ 46,411,193	$ 47,975,793	4.4%
Other Non-Operating Revenues	7,910,547	2,956,848	3,030,769	3,106,539	3,184,202	3,251,070	3,319,343	2.3%
Total NonAirline Revenues	**$ 64,115,918**	**$ 65,841,130**	**$ 68,642,192**	**$ 73,091,516**	**$ 76,476,580**	**$ 79,023,611**	**$ 81,629,271**	**4.4%**
Total Revenues	**$107,754,546**	**$112,834,459**	**$131,745,890**	**$151,710,807**	**$153,833,492**	**$157,315,694**	**$160,701,147**	**7.3%**

Source: Airport Records and Unison Consulting, Inc.

[1] Airline Revenues include Signatory and Non-signatory airline revenues. Amounts for 2022 and 2023 do not include mid-year and prior pear adjustments.

represent the Landing Fees, the Terminal Building Rentals, and the Apron Use Fees required from the Signatory Airlines, respectively.

Based on the provisions of the Airline Agreement, the Aviation Board has agreed to fund the incremental Debt Service Coverage attributable to new bonds from funds available in the General Purposes Account. The Aviation Board intends to deposit sufficient funds into the Rollover Coverage Account to fund the incremental Debt Service Coverage required (which is calculated as the amount necessary to increase the balance in the Rollover Coverage Account to 25 percent of Debt Service, net of PFCs intended to be applied to Debt Service) through the maturity of the Series 2023 Bonds. In 2022, the Aviation Board has been making monthly contributions to the Rollover Coverage Account from the General Purpose Account to increase the balance to $16.5 million as of December 31, 2022.

Other fees collected from Signatory and Non-Signatory Airlines include overnight parking charges, and other terminal and apron use fees. These are included as non-airline revenues.

The fluctuations in total Airline Revenues during the historical period were mainly caused by following factors:

- Due to the residual nature of the airline rates and charges methodology described above, Airline Revenues decreased from $36.3 million in 2017 to $30.2 million in 2018. Ground transportation revenues and terminal area revenues increased in 2018 due to increased passenger activity. As those non-Airline revenue sources increased, the residual cost included in the calculation of airline rates and charges decreased.

- Airline Revenues increased to $46.8 million in 2019, when the North Terminal opened and the first full year of debt service requirements for the bonds that had funded the North Terminal were included in the airline rates and charges.

- Airline Revenues decreased to $36.3 million in 2020 and $27.4 million in 2021 due to the Aviation Board's cost-cutting measures in response to the COVID-19 pandemic, and the application of federal relief funds to reduce the amount of O&M Expenses and debt service requirements included in the airline rates and charges.

Airline Revenues are estimated to total $43.6 million in 2022 and they are budgeted to increase to $47.0 million in 2023. Based on the factors described below for the components of Airline Revenues (Terminal Building Rental Revenue, Landing Fee Revenue, and Apron Use Fee Revenue), total Airline Revenues are projected to increase to $79.1 million in 2028. Projected Airline Revenues required based on the airline rates and charges calculations from 2022 through 2028 are presented on Table 38, Table 39, and Table 40.

Table 38 | Projected Net Signatory Terminal Requirement

	Estimated		Projected				
	2022	2023	2024	2025	2026	2027	2028
O&M Expenses	$ 44,246,075	$ 32,079,640	$ 33,613,171	$ 42,589,043	$ 44,255,956	$ 45,994,072	$ 47,806,588
O&M Reserve Requirement	-	-	358,667	928,969	277,819	289,686	302,086
Debt Service	23,351,587	32,574,734	36,344,990	40,778,662	40,784,231	41,629,027	41,631,400
Debt Service Coverage (25%)	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952
Amortization Requirement	1,412,842	5,330,544	5,330,544	5,330,544	5,210,650	2,255,997	2,255,997
Equipment and Capital Outlays Allowance	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Capital Expenditures Not Subject to MII	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Mid-year Adjustment (2022)	(2,931,010)	-	-	-	-	-	-
Total Terminal Building Area Requirement	$ 68,083,447	$ 71,988,871	$ 77,651,324	$ 91,631,170	$ 92,532,607	$ 92,172,734	$ 94,000,022
Less:							
Terminal Building Area Non-Airline Revenue	16,964,597	19,325,109	20,645,039	22,373,578	23,255,318	24,030,590	24,882,847
Southside Office/Other Space	28,674	29,534	30,272	31,029	31,805	32,473	33,155
Non-Signatory Airline Terminal Use Fees	2,229,206	2,695,114	2,907,105	3,430,481	3,464,229	3,450,756	3,519,166
Signatory Airline Fees for use of NOAB Gates	275,307	275,307	286,820	297,456	305,901	313,247	320,211
Rollover Coverage Credit	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952	1,253,952
Terminal Building Area Revenue Share Credit	17,112,223	12,907,506	11,485,525	10,508,442	11,464,394	11,306,867	11,861,865
Net Signatory Airline Terminal Requirement	**$ 30,219,488**	**$ 35,502,348**	**$ 41,042,610**	**$ 53,736,232**	**$ 52,757,008**	**$ 51,784,849**	**$ 52,128,825**

Source: Airport Records and Unison Consulting, Inc.

Table 39 | Projected Net Signatory Airline Airfield Area Requirement

	Estimated		Projected				
	2022	2023	2024	2025	2026	2027	2028
O&M Expenses	$ 15,687,970	$ 20,165,294	$ 20,949,041	$ 21,766,126	$ 22,618,040	$ 23,506,345	$ 24,432,674
O&M Reserve Requirement	-	746,221	-	-	53,842	148,051	154,388
Debt Service	15,914,610	9,088,376	9,227,333	9,515,999	9,514,458	9,578,301	9,578,485
Debt Service Coverage (25%)	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668
Amortization Requirement	455,579	453,129	439,899	420,354	219,752	660,068	660,068
Equipment and Capital Outlays Allowance	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Capital Expenditures Not Subject to MII	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Landing Fee Credit (previous year overpayment)	(847,925)	(8,718,949)	-	-	-	-	-
Mid-year Adjustment (2022)	(2,459,561)	-	-	-	-	-	-
Total Airfield Area Requirement	$ 31,297,340	$ 24,280,738	$ 33,162,941	$ 34,249,146	$ 34,952,761	$ 36,439,433	$ 37,372,283
Less:							
Non-Airline Revenue	4,489,453	4,617,598	4,749,915	4,886,024	5,021,215	5,136,680	5,254,155
Non-Signatory Airline Landing Fees	1,391,895	1,362,091	1,826,877	1,824,642	1,827,164	1,883,288	1,914,532
Rollover Coverage Credit	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668	1,796,668
Airfield Area Revenue Share Credit	17,112,223	12,907,506	11,485,525	10,508,442	11,464,394	11,306,867	11,861,865
Net Signatory Airline Airfield Area Requirement	**$ 6,507,102**	**$ 3,596,876**	**$ 13,303,956**	**$ 15,233,370**	**$ 14,843,320**	**$ 16,315,929**	**$ 16,545,063**

Source: Airport records and Unison Consulting, Inc.

Table 40 | Projected Net Signatory Apron Requirement

	Estimated		Projected				
	2022	2023	2024	2025	2026	2027	2028
O&M Expenses	$ 1,743,108	$ 2,240,588	$ 2,327,671	$ 2,418,458	$ 2,513,116	$ 2,611,816	$ 2,714,742
O&M Reserve Requirement	-	82,913	-	-	5,982	16,450	17,154
Debt Service	1,461,730	1,384,286	1,556,580	1,830,214	1,830,582	1,876,233	1,876,356
Debt Service Coverage (25%)	199,630	199,630	199,630	199,630	199,630	199,630	199,630
Amortization Requirement	69,522	69,522	69,522	66,276	30,575	263,683	263,683
Undercollection from Jan - Jun	(33,239)	-	-	-	-	-	-
Total Apron Requirement	$ 3,440,751	$ 3,976,940	$ 4,153,404	$ 4,514,578	$ 4,579,884	$ 4,967,812	$ 5,071,565
Less:							
Nonsignatory Airline Apron Use Fee Revenue	546,011	505,862	530,681	581,923	590,755	645,398	659,611
Signatory Airline Fees for use of NOAB Gates	74,841	75,972	79,699	87,394	88,721	96,927	99,062
Overnight Parking Charges	198,919	188,349	189,392	189,086	191,492	194,078	197,133
Southside Apron Space	26,571	27,368	28,052	28,753	29,472	30,091	30,723
Rollover Coverage Credit	199,630	199,630	199,630	199,630	199,630	199,630	199,630
Net Signatory Apron Requirement	**$ 2,394,779**	**$ 2,979,759**	**$ 3,125,950**	**$ 3,427,792**	**$ 3,479,815**	**$ 3,801,688**	**$ 3,885,406**

Source: Airport records and Unison Consulting, Inc.

Terminal Building Rental Revenue

Terminal Building Rental Revenue includes signatory terminal rental revenues, non-signatory terminal use fees and signatory airline fees from the use of Aviation Board gates. The fluctuations in Terminal Building Rental Revenue during the historical period (increasing from $24.9 million in 2017 to $32.6 million in 2019, and then decreasing to $23.1 million in 2021) were primarily due to the increase in ground transportation revenues and terminal area revenues in 2018, the increased debt service requirements associated with the opening of the North Terminal in 2019, and the cost-cutting measures and the application of federal relief funds applied to O&M Expenses and debt service, as discussed above.

Terminal Building Rental Revenue (including non-signatory airline terminal revenue) is estimated to increase to $32.7 million in 2022, and it is budgeted to increase to $38.5 million in 2023, mainly due to a reduction in the amount of federal relief funds anticipated to be applied to O&M Expenses, an increase in the Terminal debt service, and an increase in amortization charges in 2023 resulting from new capital improvements. Terminal Building Rental Revenue is projected to increase to $56.0 million in 2028, based on the calculations of the Net Signatory Airline Terminal Requirement (shown on Table 38) and the projected non-signatory airline terminal revenue.

Landing Fee Revenue

Landing Fee revenues include the landing fees received from both signatory and non-signatory airlines landing at the Airport. Landing Fee Revenues decreased from $9.2 million in 2017 to $50 million in 2018 due to the refunding of previously outstanding bonds, which reduced debt service allocated to the Airfield in that year. Landing Fee Revenues increased to $11.7 million as a result of the increased debt service associated with a new GARB issue. Landing Fee Revenues decreased to $8.4 million in 2020 and $2.3 million in 2021, respectively due to federal relief funds being applied to the O&M Expenses and debt service requirements in those years.

Landing Fee revenues are estimated to increase to $7.9 million in 2022. Landing Fee revenues are budgeted to decrease to $4.9 million in 2023, mainly due to a credit for airline overpayments in 2021, which more than offsets the budgeted increase in O&M Expenses. The Net Signatory Airline Airfield Area Requirement (shown on Table 39), based on the provisions of the Airline Agreement, is projected to increase to $16.5 million in 2028.

Apron Use Fee Revenue

Apron Use Fee Revenues include signatory apron use fees, non-signatory apron use fees, and signatory fees for the use of apron space. Apron Use Fee Revenues decreased from $2.1 million in 2017 to $2.0 million in 2018 before increasing to $2.5 million in 2019, due to increased debt service allocated to the Apron cost center. Apron Fee Revenues decreased to $1.4 million in 2020 as a result of federal relief funds being applied to O&M Expenses and debt service. In 2021, Apron Use Fee Revenues increased to $2.0 million because of a decrease in federal funds applied to O&M Expenses.

Apron Use Fee Revenues are estimated to increase to $3.0 million in 2022 and $3.6 million in 2023, mainly due to increased O&M Expenses in the Apron requirement as a result of a decrease in federal funds applied to O&M Expenses. These revenues are projected to increase to $3.7 million in

2028. Apron Fee Revenues are projected to increase to $4.6 million in 2028, based on the Net Signatory Apron Requirement (shown on Table 41), plus non-signatory airline Apron revenue.

4.4.2 | Nonairline Revenues

Nonairline Revenues include Airside revenues, Terminal Building and Area revenues, Apron Area revenues, Ground Transportation and Other Area revenues, and Other Nonoperating revenues. Total Nonairline Revenues increased from approximately $45.1 million in 2017 to $53.1 million in 2019, due to the increases in passenger activity in those years. Total Nonairline Revenues decreased to $26.8 million in 2020 due to the COVID-19 pandemic. In 2021, these revenues increased $47.4 million as the passenger activity began to recover. Total Nonairline revenues are estimated to increase to $64.1 million in 2022 and budgeted to increase to $65.8 million in 2023. These revenues are projected to increase to $81.6 million in 2028, as described in the paragraphs below.

Airside Revenues

- Hangar, Buildings and Other Ground Rental revenues remained fairly stable during the historical period, ranging between $2.8 million and $3.0 million between 2017 and 2021. This revenue category is estimated to total $3.1 million in 2022, and it is budgeted to total $3.2 million in 2023. These revenues are projected to increase to $3.6 million in 2028. Rentals are projected to grow by a CPI adjustment where provisions in leases allow for increases and for increased leasing of other buildings and grounds.

- Other Airside Rentals and Fees consist of Charter and Itinerant Landing Fees, Aircraft Storage and Parking Fees, Inflight Catering, and Fuel Flowage Fees. Other Airside revenues increased from $1.3 million in 2017 to $1.8 million in 2019. Other Airside revenues decreased to $767,000 in 2020 and $675,000 in 2021, reflecting the increase in activity in 2018 and 2019, followed by decreases in activity in 2020 and 2021 due to the COVID-19 pandemic. This revenue category is estimated to total $1.4 million in 2022 and $1.4 million in 2023. These revenues are projected to increase to $1.6 million in 2028, based on estimated growth in operations and an inflationary factor.

Terminal Building and Area Revenues

- The provisions of the Food and Beverage concession agreements require the Food and Beverage concessions to pay to the Aviation Board the greater of the percentage payments as specified in the concession agreements or a minimum annual guarantee (MAG). Food and Beverage Concession revenues increased from $4.4 million in 2017 to $5.5 million in 2019, due to the increase in passenger activity and the opening of the North Terminal. In 2020, Food and Beverage Concession revenues decreased significantly to $2.5 million because of the reduced passenger activity during the COVID-19 pandemic. This revenue category increased to $5.8 million in 2021, mainly due to the recovery of passenger activity and the re-opening of concession offerings in the North Terminal. With the continued recovery of passenger activity, Food and Beverage Concession revenues are estimated to total $7.2 million in 2022 and $8.4 million in

2023. Food and Beverage Concession revenues are projected to increase to $11.0 million in 2028, based on anticipated growth in passenger activity plus inflation.

- The provisions of the Retail concession agreements require the Retail concessions to pay to the Aviation Board the greater of the percentage payments as specified in the concession agreements or a MAG. Retail Concession revenues fluctuated during the historical period, due to the increase in passenger activity and the opening of the North Terminal, followed by the decrease in passenger activity during the COVID-19 pandemic. This revenue category increased from $4.2 million in 2017 to $4.5 million in 2019, decreased to $2.0 million in 2020, and then increased to $4.4 million with the recovery of passenger activity and the re-opening of North Terminal concessions. Retail Concession revenues are estimated to increase to $5.0 in 2022 Estimate and $5.9 million in 2023. These revenues are projected to increase to $7.7 million in 2028, based on anticipated growth in passenger activity and inflation.

- Advertising revenue increased from approximately $755,000 in 2017 to $1.2 million in 2021, due to the increased advertising space in the North Terminal. Advertising revenue is estimated to remain at $1.2 million in 2022. These revenues are projected to increase to $1.3 million in 2028.

- Non-Airline Space Rental revenue consists of space rented in the Terminal by tenants other than the airlines. The per-square foot rental rate charged each year is based on the Terminal rental rate calculated pursuant to the Airline Agreement. This revenue category increased from approximately $896,000 in 2017 to $1.8 million in 2020 and $1.8 million in 2021, due to increased space available for rent in the North Terminal. These revenues are estimated to total $1.9 million in 2022 and $2.0 million in 2023. Non-Airline Space Rental revenues are projected to increase to $2.9 million in 2028.

- Other Terminal Concession revenues include revenues from coin-operated devices, other commissions, and shared services/WIFI. Other Terminal Concession revenues increased from $260,000 in 2017 to $884,000 in 2021, mainly due to the opening of the North Terminal These revenues are estimated to increase to $1.6 million in 2022 and $1.8 million in 2023, due to the continued recovery of passenger activity at the Airport. Beginning in 2024, revenues from coin-operated devices are projected to grow at the rate of enplanements, and Other commissions and shared services/WIFI revenues are projected to grow at the rate of inflation. Other Terminal Concession revenues are projected to increase to $2.0 million in 2028.

Apron Area Revenues

Apron Area revenues consist of Overnight Parking Charges, which decreased from approximately $512,000 in 2017 to $158,000 in 2021. These revenues are estimated to range between $199,000 and $188,000 in 2022 and 2023. For the period 2024 through 2028, these revenues are projected to increase at the rate of forecast operations, to $197,000 in 2028.

Ground Transportation and Other Area Revenues

- Pursuant to the Car Rental Concession Agreements, each rental car company operating at the Airport pays to the Aviation Board the greater of 10% of gross revenues or a MAG. Currently, the following nine rental car brands operate at the Airport: Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, and Thrifty. Rental Car concession revenues increased from approximately $9.9 million in 2017 to $11.2 million in 2019, due to the increase in passenger activity in those years. Rental Car concession revenues decreased to $5.7 million in 2020, with the beginning of the COVID-19 pandemic. Rental Car concession revenues increased to $9.8 million in 2021 as customers began renting vehicles for longer periods (longer contract duration) and the rental car companies implemented price increases. With the continued recovery of passenger activity, Rental Car concession revenues are estimated to increase to $13.6 million in 2022. With the continued recovery of rental car demand, the Aviation Board's 2023 budget includes approximately $15.7 million in Car Rental concession revenues. For the years subsequent to 2023, Rental Car concession revenues are projected to increase as enplanements are forecast to increase, plus a factor for inflationary price increases, to $19.8 million in 2028.

- The Airport currently offers over 8,000 public parking spaces located in the following three facilities on the North side of the Airport: The North Garage, the East Garage Facility, and the North Surface Lot; and in the Economy Garage Facility (offering remote parking on the South side of the Airport). The parking facilities provide a full range of parking products to meet the public parking needs and different preferences of Airport passengers. Automobile Parking revenues increased from $13.5 million in 2017 to $14.7 million in 2018 and 2019, due to the increase in passenger activity in those years, and the opening of the new parking facilities near the North Terminal. Automobile Parking revenues decreased to $3.3 million in 2020 due to the significant reduction in passenger activity at the start of the COVID-19 pandemic. Automobile Parking revenues increased to $15.1 million in 2021 as passenger activity began to recover.

  The daily maximum rates for the public parking facilities are currently set as follows: $22 for the North Garage, $20 for the East Garage, $18 for the North Surface Lot, and $12 for the Long-Term Garage Facility.

  Automobile Parking revenues are estimated to total $16.4 million in 2022, and they are budgeted to increase to $17.8 million in 2023. For the years subsequent to 2023, Automobile Parking revenues are projected to increase by the rate of forecast enplanement increases, plus an assumed modest parking rate increase (which reflects the assumed price inflationary impact) during the forecast period, to $21.5 million in 2028.

- Ground Transportation revenues include revenues from TNCs, limousines, taxis, and courtesy shuttles. TNCs pay $4.00 pick-up fee for all trips departing from the Airport (and no drop-off fee). In 2021, the TNC revenue totaled $2.1 million. The Aviation Board collects an annual decal fee of $250.00 for each taxi operating at the Airport and an annual decal fee of $350.00 for each commercial vehicle (such as limousines, busses, crew shuttles, hotel courtesy vehicles, etc.) to access the Airport's Ground Transportation Center for customer pick-up. Similar to the recent historical trends for the Automobile Parking revenues noted above, Ground Transportation revenues increased from $3.8 million in 2017 to $5.3 million in 2019, decreased to $1.8 million in 2020, and then increased to $2.3 million in 2021. Ground Transportation revenues are estimated to increase to $4.1 million and $4.9 million in 2022 and 2023, respectively. These revenues are projected to increase at the rate of forecast increases in enplanements, plus inflationary price increases, to approximately $6.1 million in 2028.

- Off-Airport Parking revenues increased from $512,000 in 2017 to $577,000 in 2019. These revenues decreased to $146,000 in 2020 before increasing to $275,000 in 2021. Off-Airport Parking revenues are projected to increase at the rate of enplanement increases, plus an assumed modest price increase during the forecast period, to $0.6 million in 2028.

Other Nonoperating Revenues

Other Nonoperating revenues include interest revenues, other revenues, tenant reimbursements to the Airport, and office and apron space leased at the old South Terminal. These revenues increased from $1.9 million in 2017 to $3.9 million in 2020, mainly due apron space at the South Terminal leased after the North Terminal opened. These revenues decreased to $2.2 million in 2021 because of a decrease in interest revenues. The estimated increase in Other Nonoperating revenues in 2022, to $7.9 million, is mainly due to a one-time insurance reimbursement received for hurricane damage at the Airport. In 2023, Other Nonoperating revenues are expected to return to $2.4 million, more in line with historical levels. These revenues are projected to increase at the rate of inflation to $3.3 million in 2028.

4.5 | Key Financial Indicators

This sub-section discusses the projections of the following key financial indicators: (1) the application of Revenues pursuant to the provisions of the Indenture, (2) the Airport's ability to satisfy the rate covenants of Section 604 of the Indenture, and (3) the Airline cost per enplaned passenger.

4.5.1 | Application of Revenues

Table 41 shows the forecast application of Revenues pursuant to the provisions of the Indenture. Revenues are applied in the order shown on Figure 61.

4.5.2 | Debt Service Coverage

Debt service coverage is calculated as Net Revenues, plus Other Available Funds, divided by total annual GARB Debt Service. Other Available Funds, as defined in the Bond Resolution, include the unencumbered balances in the Debt Service Coverage Fund and the Surplus Fund, up to a maximum of 25 percent of the current year debt service. Pursuant to the Bond Resolution, annual debt service coverage must be at least 1.25. Debt service coverage, shown on Table 42, is projected to equal at least 1.25 throughout the forecast period.

4.5.3 | Airline Cost per Enplanement

An important component of the financial feasibility report is the assessment of how the planned capital improvements and the related financings will affect the airline rates and charges. Based on the financial projections discussed above, the airline cost per enplanement (CPE), shown on Table 43, is projected to increase from $6.99 in 2022 to $8.94 in 2024 and $10.74 in 2025, after the application of the remaining COVID-19 federal relief funds and the projected increase in debt service charges after the end of the capitalized interest period on the future GARBs anticipated to be issued near the end of 2023. The CPE is projected to decrease in 2026 through 2028, to $10.04 in 2028, as enplanements are forecast to continue to increase. The cost of the CIP is factored into the projected airline rates and charges as appropriate based on the funding plan and the terms of the Airline Agreement. The projected CPE during the forecast period appears very reasonable compared to other medium hub airports that have recently completed major capital improvement programs.

4.6 | Sensitivity Analysis

A sensitivity analysis was prepared using the low air traffic forecast scenario presented in Section 3. The projections of the key financial variables under the sensitivity analysis, and for comparative purposes, the base scenario forecast, are summarized on Table 44. Net Revenues and debt service coverage are projected to be the same under both the base scenario and the low scenario forecast due to the residual nature of the airline revenue required under the Airline Agreement. The required airline revenues and the airline cost per enplaned passenger are both projected to increase under the low scenario forecast. In 2028, the required airline revenues and the airline cost per enplaned passenger are projected to be $2.9 million and $1.09 higher, respectively. This increase in mainly attributable to a projected decrease in non-airline revenues under the low forecast scenario. The PFC Fund balance is projected to be $9.3 million lower under the low forecast scenario.

The following points highlight the significant findings of the financial analysis contained in this section:

- Debt service coverage was 1.36 in 2021, above the 1.25 minimum requirement.
- Debt service coverage is projected to be at least equal to the 1.25 minimum requirement throughout the forecast period.
- The CPE is projected to remain reasonable during the forecast period, reaching a high of $11.49 in 2025.

Under the low forecast scenario, debt service coverage is projected to remain the same as under the base scenario forecast. The CPE is projected to increase to a high of $11.49 in 2025. This CPE level is still considered reasonable based on current CPEs at other medium hub airports.

Table 41 | Application of Revenues

	Estimated	Budget	Projected				
	2022	2023	2024	2025	2026	2027	2028
Airline Revenues [1]	$ 49,910,365	$ 55,755,828	$ 63,103,698	$ 78,619,290	$ 77,356,912	$ 78,292,083	$ 79,071,876
Nonairline Revenues	64,115,918	65,841,130	68,642,192	73,091,516	76,476,580	79,023,611	81,629,271
Net PFC Revenues [2]	23,766,100	21,762,850	21,763,350	19,762,100	19,763,850	18,763,100	18,769,600
Total Revenues	**$137,792,382**	**$143,359,807**	**$153,509,240**	**$171,472,907**	**$173,597,342**	**$176,078,794**	**$179,470,747**
Transfers to:							
Arbitrage Rebate Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -
O&M Fund [3]	66,200,993	67,348,785	70,194,792	80,538,968	83,632,511	86,858,198	90,221,959
Debt Service Fund	66,016,683	66,071,757	73,902,429	80,977,104	80,985,154	80,981,054	80,989,804
Debt Service Reserve Fund	-	-	-	-	-	-	-
Improvement Account [4]	-	7,377,110	7,377,110	-	-	-	-
O&M Reserve Fund	1,813,416	191,299	474,334	1,724,029	515,590	537,614	560,627
General Purpose Account	3,761,291	2,370,856	1,560,575	8,232,805	8,464,086	7,701,928	7,698,356
Total Application of Revenues	**$137,792,382**	**$143,359,807**	**$153,509,240**	**$171,472,907**	**$173,597,342**	**$176,078,794**	**$179,470,747**

Source: Compiled by Unison Consulting, Inc.

[1] Airline revenues for 2022 and 2023 include mid-year and prior year adjustments, based on rates and charges calculations pursuant to the provisions of the Airline Agreement.

[2] In accordance with the terms of the Indenture, the deposit of Net PFC Revenues to the Transferred PFCs Account to pay debt service on the GARBs constitutes such Net PFC Revenues as Revenues pledged under the Indenture.

[3] O&M Expenses are shown net of federal relief funds applied to O&M Expenses in 2022 through 2024.

[4] Anticipated transfers to the Improvement Account to fund the capital costs of the planned Aviation Board administrative offices.

Table 42 | Debt Service Coverage

	Actual	Estimated	Budget	Projected				
	2021	2022	2023	2024	2025	2026	2027	2028
Airline Revenues [1]	$ 27,445,000	$ 49,910,365	$ 55,755,828	$ 63,103,698	$ 78,619,290	$ 77,356,912	$ 78,292,083	$ 79,071,876
Nonairline Revenues	47,410,163	64,115,918	65,841,130	68,642,192	73,091,516	76,476,580	79,023,611	81,629,271
Net PFC Revenues [2]	23,963,000	23,766,100	21,762,850	21,763,350	19,762,100	19,763,850	18,763,100	18,769,600
Total Revenues	$ 98,818,163	$ 137,792,382	$ 143,359,807	$ 153,509,240	$ 171,472,907	$ 173,597,342	$ 176,078,794	$ 179,470,747
Less: O&M Expenses [3]	49,620,496	66,200,993	67,348,785	70,194,792	80,538,968	83,632,511	86,858,198	90,221,959
Net Revenues	$ 49,197,668	$ 71,591,390	$ 76,011,022	$ 83,314,449	$ 90,933,938	$ 89,964,831	$ 89,220,596	$ 89,248,787
Plus Other Sources (per Rate Covenant):								
Federal Funds applied to Debt Service	24,038,000	-	-	-	-	-	-	-
Debt Service Coverage Fund	16,505,000	16,504,068	16,903,770	17,200,106	17,199,606	17,199,731	17,199,169	17,199,169
Revenue Plus Other Sources	$ 89,740,668	$ 88,095,457	$ 92,914,791	$ 100,514,555	$ 108,133,545	$ 107,164,562	$ 106,419,765	$ 106,447,956
Divided by: Debt Service Requirement	$ 66,016,683	$ 66,016,683	$ 66,071,757	$ 73,902,429	$ 80,977,104	$ 80,985,154	$ 80,981,054	$ 80,989,804
Debt Service Coverage	**1.36**	**1.33**	**1.41**	**1.36**	**1.34**	**1.32**	**1.31**	**1.31**

Compiled by Unison Consulting, Inc.
Source: Compiled by Unison Consulting, Inc., based on Aviation Board records.
[1] Airline revenues for 2022 and 2023 include mid-year and prior year adjustments, based on rates and charges calculations pursuant to the provisions of the Airline Agreement.
[2] In accordance with the terms of the Indenture, the deposit of Net PFC Revenues to the Transferred PFCs Account to pay debt service on the GARBs constitutes such Net PFC Revenues as Revenues pledged under the Indenture.
[3] O&M Expenses are shown net of federal relief funds applied to O&M Expenses in 2022 through 2024.

Table 43 | Airline Cost Per Enplanement

	Estimated	Budget	Projected				
	2022	2023	2024	2025	2026	2027	2028
Terminal Rental Revenue	$ 32,724,001	$ 38,472,770	$ 44,236,535	$ 57,464,169	$ 56,527,138	$ 55,548,852	$ 55,968,203
Landing Fees	7,898,997	4,958,967	15,130,833	17,058,012	16,670,484	18,199,217	18,459,595
Apron Fees	3,015,631	3,561,593	3,736,329	4,097,109	4,159,290	4,544,013	4,644,079
Total Airline Revenues	$ 43,638,629	$ 46,993,330	$ 63,103,698	$ 78,619,290	$ 77,356,912	$ 78,292,083	$ 79,071,876
Enplanements	6,244,042	6,774,572	7,057,870	7,319,582	7,527,391	7,708,156	7,879,535
Cost per Enplanement	**$ 6.99**	**$ 6.94**	**$ 8.94**	**$ 10.74**	**$ 10.28**	**$ 10.16**	**$ 10.04**

Compiled by Unison Consulting, Inc. Estimated 2022 enplanements are shown in this table to be consistent with the most recent airline rates and charges calculations prepared for the air carriers.

Table 44 | Sensitivity Analysis

	Projected				
	2024	2025	2026	2027	2028
Base Scenario Forecast					
Net Revenues	$ 83,314,449	$ 90,933,938	$ 89,964,831	$ 89,220,596	$ 89,248,787
Debt Service Coverage	1.36	1.34	1.32	1.31	1.31
Airline Revenues Required	$ 63,103,698	$ 78,619,290	$ 77,356,912	$ 78,292,083	$ 79,071,876
Cost per Enplaned Passenger	$ 8.94	$ 10.74	$ 10.28	$ 10.16	$ 10.04
PFCs Transferred to Debt Service Fund	$ 21,763,350	$ 19,762,100	$ 19,763,850	$ 18,763,100	$ 18,769,600
PFC Fund Balance	$ 65,084,893	$ 61,290,868	$ 58,316,145	$ 57,056,374	$ 69,418,816
Low Scenario Forecast					
Net Revenues	$ 83,314,449	$ 90,933,938	$ 89,964,831	$ 89,220,596	$ 89,248,787
Debt Service Coverage	1.36	1.34	1.32	1.31	1.31
Airline Revenues Required	$ 64,306,621	$ 80,249,830	$ 79,446,564	$ 80,835,734	$ 82,089,911
Cost per Enplaned Passenger	$ 9.49	$ 11.49	$ 11.13	$ 11.13	$ 11.12
PFCs Transferred to Debt Service Fund	$ 21,763,350	$ 19,762,100	$ 19,763,850	$ 18,763,100	$ 18,769,600
Increase (Decrease) from Base					
Net Revenues	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage	-	-	-	-	-
Airline Revenues Required	$ 1,202,923	$ 1,630,540	$ 2,089,651	$ 2,543,652	$ 3,018,035
Cost per Enplaned Passenger	$ 0.55	$ 0.75	$ 0.85	$ 0.97	$ 1.09
PFC Revenues Transferred to Debt Service Funds	$ -	$ -	$ -	$ -	$ -

Compiled by Unison Consulting, Inc.

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APPENDIX D

FORM OF OPINIONS OF CO-BOND COUNSEL

April 27, 2023

Honorable Board of Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

Re: $4,245,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023A (Non-AMT)

$18,365,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023B (AMT)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the New Orleans Aviation Board (the "*Issuer*"), an unattached board of the City of New Orleans, Louisiana (the "*City*"), of (i) the $4,245,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023A (Non-AMT) (the "*Series 2023A Bonds*") and (ii) the $18,365,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023B (AMT) (the "*Series 2023B Bonds*", together with the Series 2023A Bonds, the "*Bonds*").

The Bonds are issued pursuant to (i) authority conferred by Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Sections 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including, without limitation, the provisions of Chapter 13 of Subtitle III, in particular Section 1430 thereof, of Title 39 (collectively, the "*Act*"), (ii) resolutions (a) of the Issuer adopted on November 17, 2022 and February 16, 2023 (together the "*Bond Resolution*") and (b) of the City adopted on December 1, 2022 (the "*City Resolution*") approving the issuance and sale of the Bonds by the Issuer and (iii) provisions of that certain General Revenue Bond Trust Indenture among the Issuer, the City, and The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*") dated as of February 1, 2009, (the "*General Indenture*") as amended and supplemented through that certain Seventh Supplemental Trust Indenture among the same parties dated as of April 1, 2023 (the "*Seventh Supplemental Indenture*" and together with the General Indenture and the prior Supplemental Indentures, the "*Indenture*").

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

The Bonds have been issued for the purpose of financing the construction and equipping of a board room, a military lounge, and baggage handling enhancements (collectively, the "*Series 2023 Bond Projects*") at the Louis Armstrong New Orleans International Airport (the "*Airport*").

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) the Bond Resolution, (iii) executed counterparts of the Indenture and (iv) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City's Home Rule Charter with full power and authority under the Act to issue the Bonds and to perform all of its obligations under the Indenture.

2. The Indenture (i) has been duly authorized, executed, and delivered by the Issuer and the City, (ii) constitutes a legal, valid, and binding obligation of the City and the Issuer, and (iii) creates a legal, valid and binding first lien pledge of the Net Revenues and of the other pledged items described in the Indenture to the Bonds.

3. The Bonds have been duly authorized, executed, and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and secured by the sources provided for in the Indenture. Neither the City's general credit nor taxing power is pledged as security for the payment of the Bonds. The Issuer has no taxing power.

4. (i) Interest on the Bonds is excluded from gross income for federal income tax purposes except that no opinion is expressed as to the status of interest on any Series 2023B Bond for any period that a Series 2023B Bond is held by a "substantial user" of the facilities financed by such Series 2023B Bonds or by a "related person" within the meaning of Section 147(a) of the Code, (ii) interest on the Series 2023A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (iii) interest on the Series 2023B Bonds is treated as a preference item in calculating the alternative minimum tax under the Code for individuals, and (iv) interest on the Bonds shall be 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.

5. Under the Act, interest on the Bonds is exempt from all taxation for state, parish, municipal, or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain excluded from gross income of the owners of such Bonds for federal income tax purposes. The Issuer has covenanted to institute programs and procedures in the Indenture and other documents for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Bonds and the enforceability of the Bond Resolution, the Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds and our services as bond counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

APPENDIX E

FORM OF OPINION OF AVIATION BOARD COUNSEL

April 27, 2023

Honorable Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

BofA Securities, Inc.
New York, New York

Citigroup Global Market Inc.
New York, New York

Samuel A. Ramirez & Co., Inc.
New York, New York

The Bank of New York Mellon Trust Company, N.A.
Houston, Texas

Butler Snow LLP
New Orleans, Louisiana

Auzenne & Associates, L.L.C.
New Orleans, Louisiana

Re: $4,245,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023A (Non-AMT)

$18,365,000
New Orleans Aviation Board
General Airport Revenue Bonds
Series 2023B (AMT)

Ladies and Gentlemen:

This opinion is being rendered to you in the undersigned's capacity as Chief Legal Counsel to the New Orleans Aviation Board (the "*Aviation Board*") of the City of New Orleans, Louisiana (the "*City*"), relating to the sale and delivery of (i) the $4,245,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023A (Non-AMT) (the "*Series 2023A Bonds*") and (ii) the $18,365,000 New Orleans Aviation Board General Airport Revenue Bonds, Series 2023B (AMT) (the "*Series 2023B Bonds*" and, together with the Series 2023A Bonds, the "*Bonds*"). The Bonds are issued pursuant to resolutions of the Aviation Board adopted on November 17, 2022 and February 16, 2023 (collectively, the "*Bond Resolutions*") and pursuant to the provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "*General Indenture*") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*"), and the City, as supplemented and amended through that certain Seventh Supplemental Trust Indenture dated as of April 1, 2023 (the "*Seventh Supplemental Indenture*" and, together with the General Indenture and the prior Supplemental Indentures, the "*Indenture*").

The Bonds have been issued for the purpose of financing the construction and equipping of a board room, a military lounge, and baggage handling system enhancements (collectively, the "*Series 2023 Bond Projects*") at the Louis Armstrong New Orleans International Airport (the "*Airport*").

All capitalized terms herein (unless otherwise defined herein) shall have the respective meanings assigned thereto in the Indenture.

As Chief Legal Counsel for the Aviation Board, I am familiar with the constitution, statutes, and Home Rule Charter creating the Aviation Board, official records of the Aviation Board, and the general history of the Aviation Board. In connection with this opinion, I have examined, or caused to be examined, such documents, records, consents and papers, and considered such questions of law and fact as I have deemed relevant and necessary. In furnishing this opinion, I have examined the documents relating to the Bonds transaction and I have made such investigation of matters of fact and law as I have deemed necessary or appropriate to provide a basis for the opinions set forth herein. In such examination and investigation, I have relied on certificates of members and/or staff of the Aviation Board, Consultants to the Aviation Board and Co-Bond Counsel. Likewise, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted as originals, and the conformity to original documents of all documents submitted as certified or photostatic copies. I have also assumed that all parties to the documents relating to this Bonds transaction (other than the Aviation Board) have the corporate power and authority to enter into and perform all obligations thereunder, and, as to such other parties, the due authorization by all requisite corporate action, the due execution and delivery and the validity, binding effect, and enforceability of each such document.

Based upon the foregoing, I am of the opinion that:

1. The Aviation Board is an unattached board of the City under its Home Rule Charter with full power and authority, among other things, to adopt and perform its duties and obligations under the Bond Resolutions, to deliver the Preliminary Official Statement for the Bonds dated March 28, 2023 (the "*Preliminary Official Statement*") and the Official Statement for the Bonds dated April 11, 2023 (the "*Official Statement*"), to execute, deliver and perform its duties and obligations under the Bond Purchase Agreement executed by the Aviation Board on April 11, 2023 relating to the Bonds, the Tax Certificate (the "*Tax Certificate*"), and the Contiuing Disclosure Certificate (the "*Continuing Disclosure Certificate*" and, together with the Indenture, the Bonds, the Bond Purchase Agreement, and the Tax Certificate, the "*Issuer Documents*"), each executed by the Aviation Board on April 27, 2023, relating to the Bonds, to authorize, issue and sell the Series 2023 Bonds, to operate the Airport, to collect and enforce the collection of the Revenues as covenanted in the Bond Resolution and the Indenture and to impose, collect and use other available moneys in accordance with the Aviation Board's plan of finance for the Board Room, Military Lounge, and Baggage Handling System Enhancements to be funded with the proceeds of the Bonds.

2. The Issuer Documents have been duly authorized, executed, and delivered by the Aviation Board, the Bond Resolutions have been duly adopted by the Commissioners of the Aviation Board, and all such instruments constitute valid and legal obligations of the Aviation Board enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

3. Compliance with the provisions of the Issuer Documents and the Bond Resolutions and performance of the Aviation Board's obligations contemplated therein do not conflict with, or constitute a breach of or default under, any applicable law, regulation, court order or consent decree of the State or any department, division, agency or instrumentality thereof or of the United States, or any loan agreement, note, resolution, indenture, order, agreement, ordinance, or other instrument to which the Aviation Board is a party or may otherwise be subject.

4. All approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction which would constitute conditions precedent to the performance by the Aviation Board of its obligations under the Issuer Documents and the Bond Resolution have been obtained except for certain licenses, permits, and other governmental approvals necessary for compliance with state and local building codes, regulations and requirements, which the Aviation Board expects to obtain on a timely basis when required.

5. All approvals, consents, and orders of any governmental authority, board, agency, or commission (including the FAA and the State Bond Commission) having jurisdiction which would constitute a condition precedent

to the performance by the Aviation Board of its obligations under the Issuer Documents and the Bond Resolutions have been obtained and are in full force and effect.

6. Except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the undersigned's knowledge, threatened, in any way affecting the existence of the Aviation Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the right of the Aviation Board to collect the Revenues and other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Issuer Documents or the Bond Resolutions, or contesting in any way the completeness or accuracy of the Official Statement, the powers of the Aviation Board or its authority with respect to the Issuer Documents and the Bond Resolutions;

7. The information contained in the Official Statement under the headings "INTRODUCTORY STATEMENT," "THE AVIATION BOARD," "PLAN OF FINANCE," "THE AIRPORT," "AIRPORT FINANCIAL INFORMATION," "SUMMARY OF INSURANCE FOR NEW ORLEANS AVIATION BOARD," "THE PASSENGER FACILITY CHARGE PROGRAM," "CAPITAL IMPROVEMENTS PROGRAM," "LITIGATION," "LEGAL MATTERS," "CONTINUING DISCLOSURE," and "MISCELLANEOUS" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading.

In rendering this opinion, I do not express any opinion concerning any law other than the law of the State of Louisiana and the federal law of the United States, and I do not express any opinion, either implicitly or otherwise, on any issue not expressly addressed herein.

This opinion is being rendered to you for your sole benefit, and no other person or entity, other than you, is entitled to rely thereon without our prior written consent.

Respectfully submitted,

Michele D. Allen-Hart
New Orleans Aviation Board Chief Legal Counsel and Deputy Director of Legal Affairs

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APPENDIX F

FINANCIAL STATEMENTS

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Financial Statements

December 31, 2021 and 2020

TABLE OF CONTENTS

FINANCIAL SECTION

Carr, Riggs & Ingram, LLC
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Metairie, LA 70005

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INDEPENDENT AUDITORS' REPORT

To the New Orleans Aviation Board and the
City Council of the City of New Orleans
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Louis Armstrong New Orleans International Airport (the "Airport"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport, as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of the Airport as of December 31, 2020 were audited by other auditors whose report dated November 30, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and the GASB-required pension and OPEB supplementary information, on pages 4-19 and 61-63, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The Supplemental Schedule of Investments, Supplemental Schedule of Operating Revenues and Expenses by Area of Activity, Supplemental Schedule of Historical Debt Service Coverage Ratio as Required Under the General Revenue Trust Indenture dated February 1, 2009, and Schedule of Compensation, Benefits and Other Payments to the Director of Aviation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of Investments, Supplemental Schedule of Operating Revenues and Expenses by Area of Activity, Supplemental Schedule of Historical Debt Service Coverage Ratio as Required Under the General Revenue Trust Indenture dated February 1, 2009, and Schedule of Compensation, Benefits and Other Payments to the Director of Aviation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
November 23, 2022

This narrative discussion and analysis is intended to serve as an introduction to the Louis Armstrong New Orleans International Airport's basic financial statements for the fiscal years ended December 31, 2021 and 2020, with selected comparative information for the fiscal year ended December 31, 2019. The information presented here should be read in conjunction with the financial statements, footnotes, and supplementary information in this report.

Financial Highlights

- The assets and deferred outflows of the Louis Armstrong New Orleans International Airport (the Airport) exceeded its liabilities and deferred inflows at December 31, 2021 and 2020 by $579,628,645 and $590,219,569 (net position).
- The Airport's total net position decreased by 10,590,924 or 1.79% for 2021 and decreased by $33,883,123 or 5.43% for 2020.
- In 2021, the US Government provided the Airport with $41.4 million in emergency airport improvement funds under the American Rescue Plan Act. These funds are being used consistently with the priorities of the federal government.
- In 2020, the US Government provided the Airport with $42.7 million in emergency relief funds under the CARES Act, which distributed $10 billion to US airports. These funds are being used consistently with the priorities of the federal government.

Overview of the Financial Statements

The Louis Armstrong New Orleans International Airport (the Airport) is structured as an enterprise component unit. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are reported at their historical cost, which is reported as depreciation expense over the course of their useful lives, except for land and easements. See the notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this Management Discussion and Analysis (MD&A) are the basic financial statements (including notes to financial statements) and supplemental schedules of the Airport. This information taken collectively is designed to provide readers with an understanding of the Airport's finances.

The statements of net position present information on all of the Airport's assets and deferred outflows, and liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Airport's financial position.

The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal grants, and other revenues not related to the operations of the Airport are non-operating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are non-operating expenses.

The statements of cash flows relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Airport's cash accounts are recorded in these statements. A reconciliation is a part of these statements to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

Financial Position

Total assets and deferred outflows of resources decreased by $10,193,477 (0.53%) from 2020 to 2021 due primarily to the decrease in net capital projects by $12,953,111, an increase in cash and cash equivalents by $10,366,374, and a decrease in investments by $11,699,136. Capital projects decreased because depreciation expense exceeded current year fixed asset additions. Investments decreased as a result of volatile market conditions during 2021 and cash increased due to the increase in revenue in 2021 primarily due to the increased passenger activity. Total liabilities and deferred inflows decreased by $1,083,782 (0.08%) primarily resulting from a decrease in bonds payable of $23,071,784 and increase or accounts payable and accrued expenses of $24,753,202. Bonds payable decreased as a result of principal payments made in 2021 exceeding new debt issued. Accounts payable increased due to the timing of payments made on outstanding payable balances before the end of the fiscal year.

The largest portion of the Airport's net position, at $301,627,084 (52.1%) at 2021 and $291,352,835 (49.4%) at 2020, represents its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less the debt incurred to construct or acquire them). The Airport uses these assets to provide services to its passengers, visitors, and tenants of the airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from operations, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Airport's net position, $249,128,121 (43.0%) at 2021 and $263,906,574 (44.7%) at 2019, represents resources that are subject to restrictions from contributors, bond indentures, and state and federal regulations on how they may be used. The remaining balance of unrestricted net position, $28,873,440 (5.0%) at 2021 and $34,960,160 (5.9%) at 2020, may be used to meet the Airport's ongoing obligations.

Summary of Net Position (in thousands)

	2021	2020	2019
Assets:			
Current assets:			
Unrestricted assets	$ 98,475	$ 75,358	$ 111,620
Restricted assets	58,314	55,166	57,373
Noncurrent assets:			
Unrestricted assets	1,581	1,603	1,625
Restricted assets	227,895	247,452	264,471
Net capital assets	1,529,507	1,542,460	1,567,665
Total assets	$ 1,915,772	$ 1,922,039	$ 2,002,754
Deferred Outflows of Resources:			
Deferred amounts related to pension liability	$ 4,033	$ 6,821	$ 9,167
Deferred amounts related to OPEB liability	1,896	2,090	1,155
Deferred losses on advance refunding	4,416	4,674	4,933
Total deferred outflows	$ 10,345	$ 13,585	$ 15,255
Liabilities:			
Current liabilities	$ 161,362	$ 74,328	$ 101,090
Noncurrent liabilities	1,142,544	1,229,375	1,250,988
Total liabilities	$ 1,303,906	$ 1,303,703	$ 1,352,078
Deferred Inflows of Resources:			
Deferred amounts related to pension liability	$ 5,376	$ 3,641	$ 2,751
Deferred amounts related to OPEB liability	646	541	586
Deferred amounts related to service concession arrangement	36,559	37,520	38,491
Total deferred inflows	$ 42,582	$ 41,702	$ 41,828
Net Position:			
Net investment in capital assets	$ 301,627	$ 291,353	$ 301,642
Restricted	249,128	263,907	272,925
Unrestricted	28,873	34,960	49,536
Total net position	$ 579,628	$ 590,220	$ 624,103

Debt Activity

At December 31, 2021 and 2020, the Airport had total debt outstanding of $1,194,994,243 and $1,217,536,165, respectively. The Airport's debt represents bonds secured solely by operating, Passenger Facility Charges (PFC) and Customer Facility Charges (CFC) revenue. As of the date of the audit, all required bond and loan principal and interest payments have been made.

Outstanding Debt (in thousands)

	2021	2020	2019
Bonds payable:			
Revenue Bonds 2015A-B	$ 565,325	$ 565,325	$ 565,325
Revenue Bonds 2017A-D	379,640	396,710	416,930
GO Zone CFC Revenue Bonds 2018	82,565	82,565	82,565
GO Zone Revenue Bonds 2019	23,130	23,800	23,800
Unamortized bond discount	(266)	(289)	(312)
Unamortized bond premium	84,050	89,404	94,800
Loans payable:			
Series 2017 Interim Drawdown Notes	60,551	60,021	59,046
	$ 1,194,994	$ 1,217,536	$ 1,242,154

More detailed information on long-term debt can be found in Note 6 of the accompanying financial statements.

Capital Assets

The Airport's investment in capital assets for the years ended December 31, 2021 and 2020 is presented in the following tables. The total increase for the years ended December 31, 2021 and 2020 was 2.12% and 1.6%, respectively, before accumulated depreciation. The increase is due to the completion of the last remaining items related to the new terminal. A majority of these items were completed in 2019, which caused a greater increase in the prior year. The significant increase in assets was offset by a decrease in construction in progress during the year for the following major projects:

Project	Approximate cost during FY 2021
North Terminal Project Design/Construction	$23 million
Roadways Development Program	$1 million
Planning Services	$4 million

Project	Approximate cost during FY 2020
North Terminal Project Design/Construction	$24 million
Roadways Development Program	$9 million
Planning Services	$3 million

More detailed information on capital assets can be found in Note 5 of the accompanying financial statements.

Net Capital Assets (in thousands)

	2021	2020	2019
Land	$ 78,139	$ 78,139	$ 78,031
Air rights	22,282	22,282	22,282
Land improvements	508,955	505,452	505,452
Buildings and furnishings	1,649,144	1,637,304	1,596,091
Utilities	57,029	57,029	57,030
Fuel Tank Farm	39,118	39,118	39,118
Equipment	11,298	11,298	10,983
Computers	1,535	1,535	1,535
Heliport	3,074	3,074	3,073
HP Finance Lease	908	728	-
Construction in progress	54,158,707	19,376	24,851
Total capital assets	2,425,642	2,375,335	2,338,446
Less accumulated depreciation	896,135	832,875	770,781
Net capital assets	$ 1,529,507	$ 1,542,460	$ 1,567,665

Airlines Rates and Charges

An Airline Airport Use and Lease Agreement became effective January 1, 2009. Actual rates for 2021, 2020, and 2019 are included in the table below.

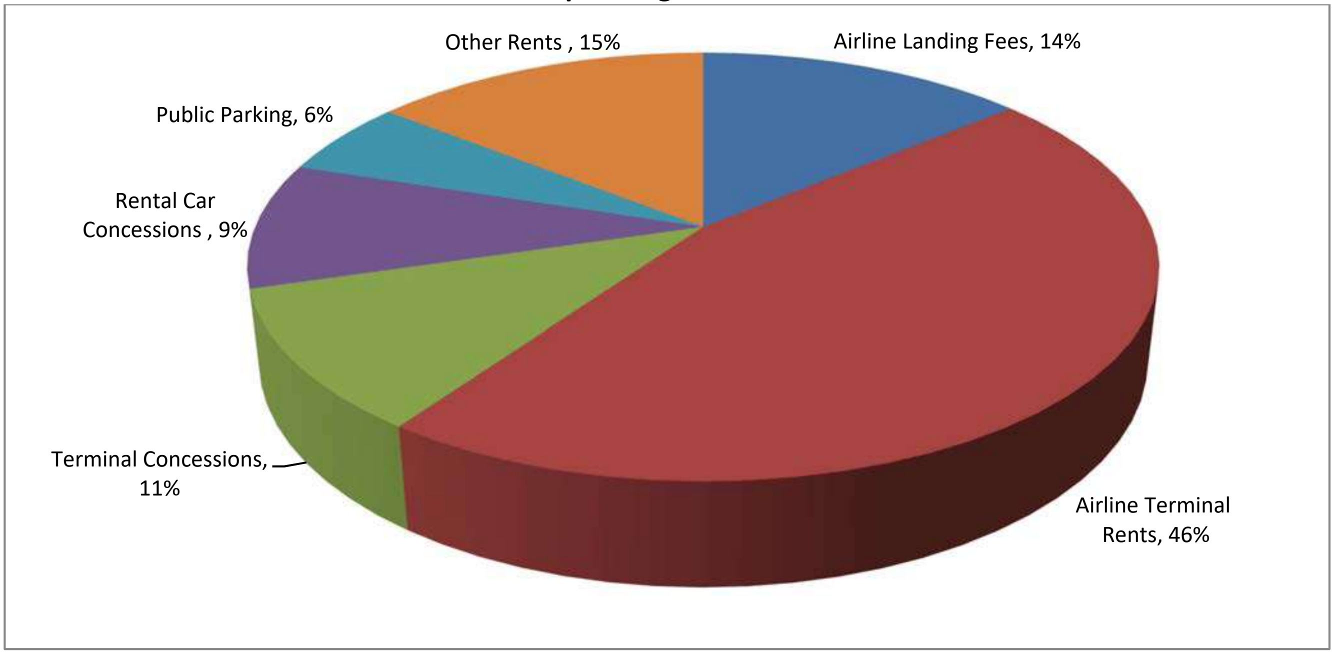
	2021	2020	2019
Terminal building rental rates (per sq. ft.)	$91.30	$112.86	$101.92
Landing fee rate (per 1,000 lbs.)	0.27	1.81	1.30
Apron use fee rate (per sq. ft.)	1.72	1.14	1.68
Loading bridge use fee (per bridge)	-	-	4,523
Enplaned passenger use fee (per passenger)	8.79	10.74	6.84

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods set forth in the agreement. The loading bridge use fee ended in 2019.

Revenues

The following chart shows major sources and the percentage of operating revenues for the year ended December 31, 2021.

Operating Revenue



Operating Revenues (in thousands)

	2021	2020	2019
Passenger and cargo airlines:			
Airline landing fees	$ 2,136	$ 8,412	$ 11,591
Airline terminal rents	23,233	27,672	32,480
Land rents	131	76	76
Other rents	2,990	2,375	3,646
Total passenger and cargo airlines	28,490	38,535	47,793
Non airline rentals:			
Terminal concessions	5,499	6,423	11,376
Car rental concessions	9,346	5,754	11,232
Public parking	15,213	3,455	15,098
Other rents	6,688	6,206	10,411
Total nonairline revenues	36,746	21,838	48,117
Total operating revenues	$ 65,236	$ 60,373	$ 95,910

2021 vs. 2020
Total passenger and cargo airline revenue for 2021 decreased by $10 million (26.1%) compared to 2020 due to the increase in Non-airline revenues, which reduces the amount of revenues received from the airlines. Non-airline revenues increased by $14.9 million (40.5%) due to the increase in passenger activity in 2021

2020 vs. 2019
Total passenger and cargo airline revenue for 2020 decreased by $9.3 million (19.4%) compared to 2019 due to the decrease in passenger activity caused by COVID-19. Non-airline revenues decreased by $26.2 million (54.6%) due to the decrease in passenger activity caused by COVID-19.

Cost per enplaned passenger (CPE) is a measure used by the airline industry to reflect the costs an airline pays to operate at an airport based upon the number of enplaned passengers for that airport. The cost per enplaned passenger increased from $6.71 in 2019 to $13.51 in 2020 and decreased to $6.81 in 2021.

	2021	2020	2019
Cost per enplaned passenger:			
Airline revenues	$ 27,359	$ 35,825	$ 45,824
Enplaned passengers	4,019	2,652	6,832
Cost per enplaned passenger	$ 6.81	$ 13.51	$ 6.71

Non-Operating Revenues and Capital Contributions (in thousands)

The following chart shows major sources of non-operating revenues for the years ended December 31, 2021, 2020, and 2019.

	2021	2020	2019
Investment income, net	$ (159)	$ 5,290	$ 8,587
Passenger facility charges	17,869	9,828	27,711
Customer facility charges	10,776	8,405	17,597
Capital contributions	29,361	12,552	21,191
Federal grants	41,413	41,678	-
Other, net	2,366	-	-
	$ 101,626	$ 77,753	$ 75,086

2021 vs. 2020

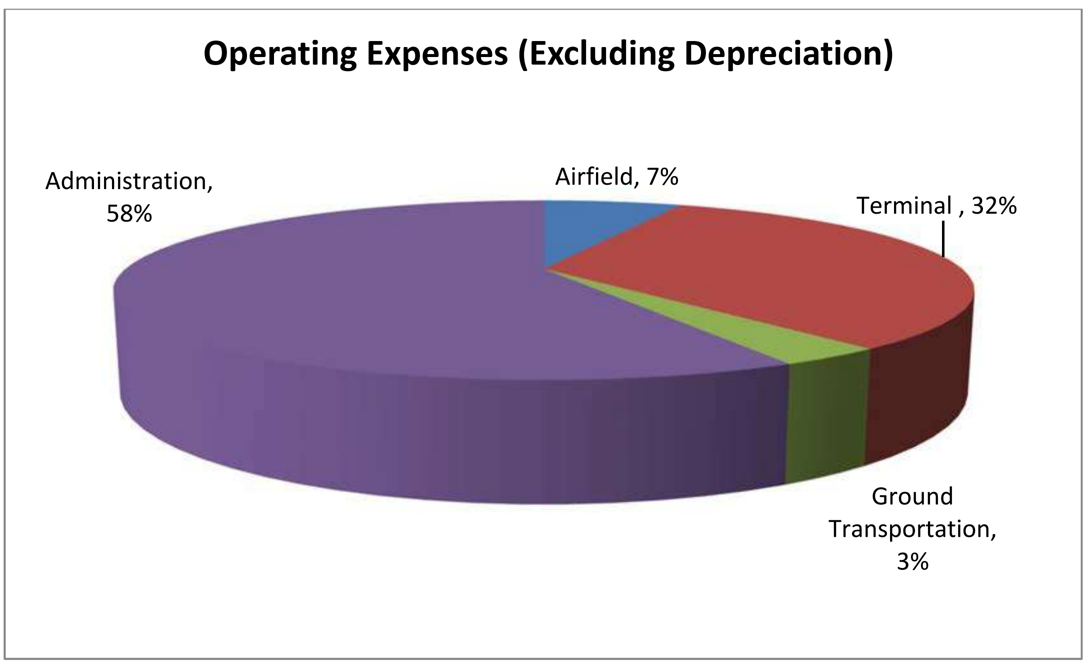
Non-operating revenues for 2021 increased by approximately $23.2 million compared to 2020, due primarily to the increase in passenger activity and an increase in Capital contributions to fund Capital projects..

2020 vs. 2019

Non-operating revenues for 2020 increased by approximately $2.7 million compared to 2019, due primarily to the decrease in the passenger and customer facility charges offset by the $41.7 million in federal funding the Airport received in 2020. The decrease in passenger and customer facility charges was due to the decrease in travel in 2020, which occurred as a result of the COVID-19 pandemic The $41.7 million the Airport received in federal funding was from the distribution of federal funds to US Airports in response to the COVID-19 pandemic.

Expenses

The following chart shows major expense categories and the percentage of operating expenses for the year ended December 31, 2021.



Operating Expenses before Depreciation and Impairment

	2021	2020	2019
Direct			
Airfield	$ 4,843	$ 3,661	$ 3,531
Terminal	20,779	18,272	15,117
Ground transportation	2,699	1,864	1,769
Administration	31,419	32,417	32,495
	$ 59,740	$ 56,214	$ 52,912

2021 vs. 2020

The operating expenses, before depreciation and impairment, increased by approximately $3.5 million compared to the prior year. This increase was primarily due to Hurricane Ida repairs.

2020 vs. 2019

The operating expenses, before depreciation and impairment, increased by approximately $3.3 million compared to the prior year. This increase was primarily due to a full year of operating expenses for the new terminal, which opened in November 2019.

Non-Operating Expenses

The following chart shows major expense categories of non-operating expenses for the years ended December 31, 2021, 2020, and 2019 (in thousands).

	2021	2020	2019
Interest expense	$ 47,149	$ 47,931	$ 9,283
Cost of issuance of bonds	-	133	708
Terminal transportation costs	7,304	5,015	3,573
Other, net	-	622	2,107
Total Non-operating Expense	$ 54,453	$ 53,701	$ 15,671

2021 vs. 2020

The Non-operating expense increased by approximately $752 thousand due to the increase in the terminal transportation costs. The Terminal transportation cost increased by $2.3 million due to the increase in passenger traffic between the South and North Terminal.

2020 vs. 2019

Interest expense increased by approximately $38 million due to the decrease in capitalized interest due to the requirement to expense all interest costs related to capital assets, as a result of the implementation of GASB Statement No. 89 in 2020. Terminal transportation costs increased $1 million due to expenses related to the opening of the North Terminal.

Total Revenues and Expenses (in thousands)

The following table reflects the total revenues and expenses for the Airport (in thousands):

	2021	2020	2019
Total operating revenues	$ 65,236	$ 60,373	$ 95,910
Total non-operating revenues	101,626	77,753	75,086
Total revenues	$ 166,862	$ 138,123	$ 170,996
Total operating expenses	$ 123,000	$ 118,307	$ 88,811
Total non-operating expenses	54,453	53,702	15,671
Total expenses	$ 177,453	$ 172,009	$ 104,482

Summary of Changes in Net Position (in thousands)

	2021	2020	2019
Summary of changes in net position:			
Operating revenues	$ 65,236	$ 60,373	$ 95,910
Operating expenses before depreciation and impairment	59,739	56,213	52,912
Operating income before depreciation and impairment	5,497	4,117	42,998
Depreciation	63,260	62,094	28,845
Impairment	-	-	7,055
Operating income (loss)	(57,764)	(57,977)	7,098
Non-operating revenues, net	17,812	11,542	38,223
Income before capital contributions and transfers	(39,952)	(46,435)	45,321
Capital contributions	29,361	12,552	21,191
Change in net position	$ (10,591)	$ (33,883)	$ 66,512

Operating income before depreciation and impairment increased $1.3 million (33%) in 2021 compared to 2020. Depreciation expenses increased $1.1 million (2%) due to projects in construction in progress being completed and transferred to depreciated fixed assets in 2021. Non-operating revenues, net increased $6.3 million (55%) primarily due to an increase in in passenger facility charges and customer facility charges as a result of the increased passenger activity. Capital contributions increased by $16.8 million (134%) due to the increase in funding received from TSA and other grants.

Debt Service Coverage

Airport revenue bond covenants require that net revenues together with the sum on deposit in the rollover coverage account on the last day of the immediately preceding fiscal year will at least equal 125% of the bond debt service requirement with respect to the bonds for such fiscal year. Coverage ratios for the past three years are shown in the following table.

Revenue Refunding Bonds	2021	2020	2019
GARB Series Bonds	136.0%	138.0%	130.0%

During 2019, the Series 2010 PFC Bonds were fully refunded by the Series 2019 GARB Bonds. Following the defeasance of the Series 2010 Bonds, no other PFC bonds are outstanding under the PFC Indenture.

The Board approved the Rollover Coverage for fiscal years 2012-2021 in the amounts of, $3,719,960, $3,720,332, $3,719,082, $3,721,446, $3,729,060, $3,740,582, $3,290,643, $13,586,508, $16,505,151, and $16,508,343 respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the Airport Operating Account, held by the City of New Orleans. The Airport's calculation of the historical debt service coverage ratio, as presented in Supplemental Schedule 3 to the financial statements is 136% for the year ended December 31, 2021 and 138.0% for the year ended December 31, 2020.

The Airport is current on all debt service payments as required by the bonds, and there has been no documented correspondence from the bond insurers or bond holders regarding noncompliance with the debt service coverage covenant.

Airport Activities and Highlights

Passenger totals for 2021 increased to 8,066,869 (52.8%), from 5,278,577 passengers in 2020, due to increases in air travel. Passenger aircraft operations increased from 61,541 operations in 2020 to 78,276 in 2021 (27.2%). Aircraft landed weights increased from 4,479,434 in 2020 to 5,365,624 in 2021 (19.8%).

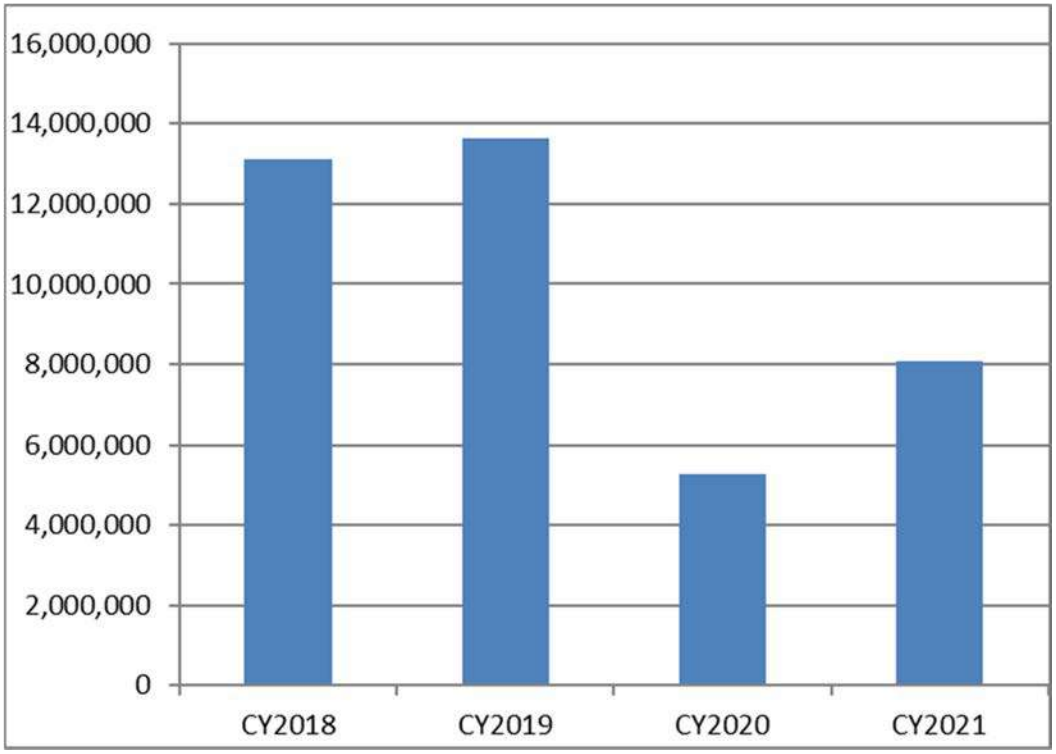
Passenger totals for 2020 decreased by 8,366,089 (61.3%), from 13,644,666 passengers in 2019 to 5,278,577 passengers in 2020, due to a significant decrease in travel in 2020 as a result of the COVID-19 pandemic. Passenger aircraft operations decreased from 116,809 operations in 2019 to 61,541 in 2020 (47.3%). Aircraft landed weights decreased from 8,232,139 in 2019 to 4,479,434 in 2020 (45.6%).

Selected statistical information about total passengers, aircraft landed weight, and air carrier operations for the past three years are presented in the table below.

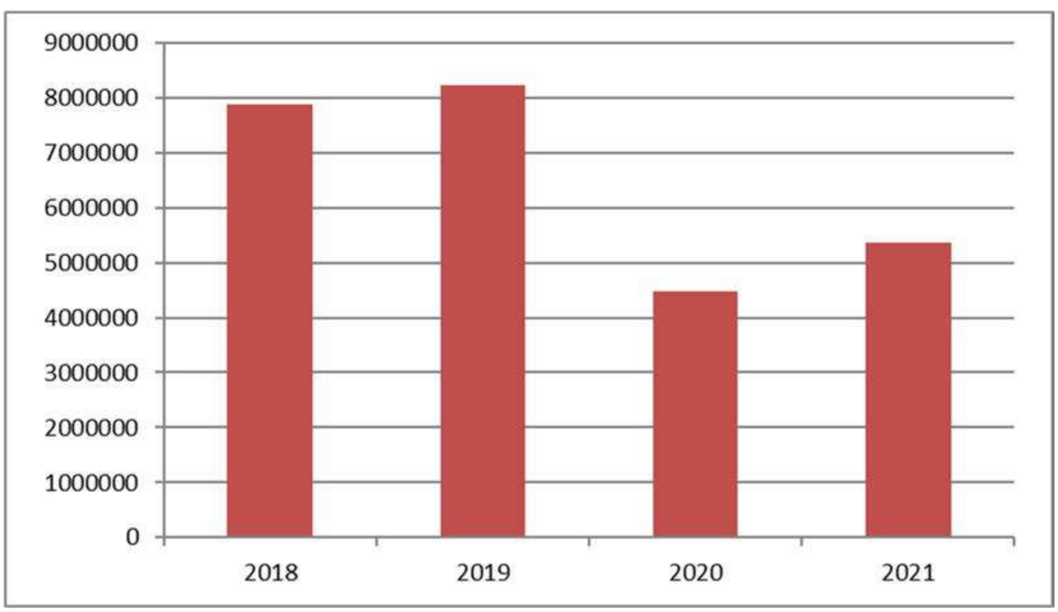
Fiscal year	Total passengers	Landed weight (1,000 pound units)	Air carrier operations
2019	13,644,666	8,232,139	116,809
2020	5,278,577	4,479,434	61,541
2021	8,066,869	5,365,624	78,276

Fiscal year	Number of daily departures	Number of destinations	Average daily seats
2019	163	55	24,065
2020	92	50	13,353
2021	106	54	15,416

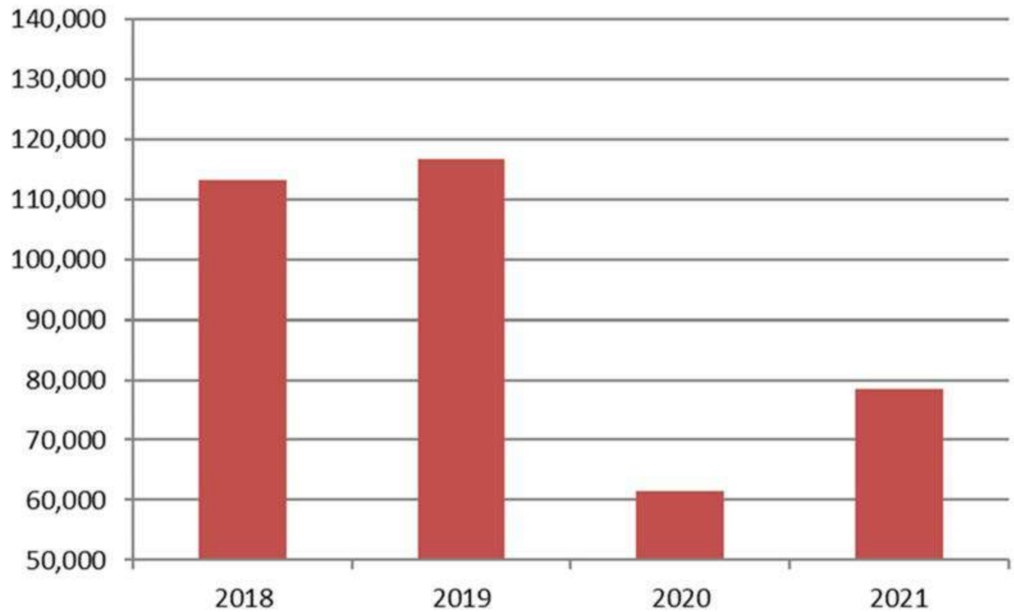
Total Passengers for the Year



Landed Weight per 1,000 pounds



Number of Passenger Flight Operations



Economic Factors and Next Year's Budget

The Airport budgeted for an increase in 2022 non-airline revenue compared to 2021, going from $43.1 million to $50.3 million, tallying to a $7.2 million (approx.16.6%) increase over the previous year's budget. This is attributed to the expectation that passenger traffic will return to pre-pandemic levels soon.

Compared to the 2021 budget, the Airport proposed an increase in the 2022 operating expenses of $5.4 million (approx. 8.3%). This is driven primarily by an increase in utility costs; an increase in property insurance, general liability, and cyber policies based on the current insurance market; and the employee shuttle being reinstated. Employee shuttle costs decreased during the pandemic because employee parking was temporarily moved to the north side as a cost saving measure when passenger traffic decreased. Now that passenger traffic has increased and expected to return to pre-pandemic levels soon, employee parking has resumed on the south side, thus an increase in employee shuttle costs.

The Airport continues to budget and maintain a competitive total cost per enplanement (CPE) rate. The Airport is projecting that the CPE for the 2022 will be $8.31. This CPE is well under the Airport's goal of maintaining a CPE of less than $10.

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances. Questions concerning any of the information should be addressed to the Chief Financial Officer, Louis Armstrong New Orleans International Airport, Post Office Box 20007, New Orleans, Louisiana 70141.

Louis Armstrong New Orleans International Airport
Statements of Net Position

December 31,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 12,534,105	$ 2,167,731
Accounts receivable, less allowance for doubtful accounts	19,346,875	12,052,759
Capital grant receivable	26,125,575	25,881,770
Investments	39,683,717	33,611,131
Interest receivable	61,525	74,693
Prepaid expenses and deposits	722,808	495,239
Total current unrestricted assets	98,474,605	74,283,323
Restricted assets		
Cash and cash equivalents	7,342,585	9,152,668
Investments	46,802,230	45,017,205
Passenger facility charges receivable	3,110,712	1,074,992
Customer facility charges receivable	1,058,629	996,137
Total current restricted assets	58,314,156	56,241,002
Total current assets	156,788,761	130,524,325
Noncurrent assets		
Restricted investments	227,895,198	247,451,945
Prepaid insurance on revenue bonds, less accumulated amortization	569,378	591,681
Advances to related facility management company	1,011,301	1,011,301
Capital assets		
Capital assets not being depreciated	154,579,602	119,797,192
Capital assets being depreciated	2,271,062,628	2,255,538,170
Less accumulated depreciation	(896,135,119)	(832,875,110)
Net capital assets	1,529,507,111	1,542,460,252
Total noncurrent assets	1,758,982,988	1,791,515,179
Total assets	1,915,771,749	1,922,039,504
Deferred Outflows of Resources		
Deferred amounts related to net pension liability (note 8)	4,032,751	6,821,218
Deferred amounts related to total OPEB liability (note 9)	1,896,228	2,089,621
Deferred losses on advance refunding	4,415,832	4,674,366
Total deferred outflows of resources	$ 10,344,811	$ 13,585,205

December 31,		2021		2020
Liabilities				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable and accrued expenses	$	39,692,311	$	18,317,652
Due to City of New Orleans		700,092		783,250
Accrued salaries and other compensation		2,667,202		2,629,287
Capital projects payable		3,377,536		5,039,556
Total OPEB liability, due within one year (note 9)		455,590		405,000
Total unrestricted current liabilities		46,892,731		27,174,745
Payable from restricted assets:				
Capital projects payable		9,601,613		3,158,080
Loan interest payable		-		3,092
Loans payable, current portion (note 6)		60,550,862		-
Lease payable, current portion (note 7)		145,135		118,569
Accrued bond interest payable		25,836,975		26,133,567
Bonds payable, current portion (note 6)		18,335,000		17,740,000
Total restricted current liabilities		114,469,585		47,153,308
Total current liabilities		161,362,316		74,328,053
Noncurrent liabilities:				
Loans payable (note 6)		-		60,021,000
Lease payable, less current portion (note 7)		597,290		609,024
Bonds payable, less current portion and unamortized discount/premium (note 6)		1,116,108,381		1,139,775,165
Net pension liability (note 8)		18,568,323		21,480,263
Total OPEB liability, due beyond one year (note 9)		7,269,741		7,489,160
Total noncurrent liabilities		1,142,543,735		1,229,374,612
Total liabilities		1,303,906,051		1,303,702,665
Deferred Inflows of Resources				
Deferred amounts related to net pension liability (note 8)		5,376,299		3,641,307
Deferred amounts related to total OPEB liability (note 9)		646,374		540,967
Deferred amounts related to service concession arragement (note 11)		36,559,191		37,520,201
Total deferred inflows of resources		42,581,864		41,702,475
Net Position				
Net investment in capital assets		301,627,084		291,352,835
Restricted for:				
Debt service		127,288,611		128,873,339
Capital acquisition		95,930,258		109,128,049
Operating reserve		25,909,252		25,905,186
Unrestricted		28,873,440		34,960,160
Total net position	$	579,628,645	$	590,219,569

The accompanying notes are an integral part of these financial statements.

Louis Armstrong New Orleans International Airport
Statement of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,		**2021**		**2020**
Operating revenues				
Airfield	$	5,119,634	$	10,793,044
Terminal		57,264,182		46,915,895
Ground transportation		2,852,023		2,663,618
Total operating revenues		65,235,839		60,372,557
Operating expenses				
Direct:				
Airfield		4,843,208		3,661,394
Terminal		20,778,898		18,272,022
Ground transportation		2,698,449		1,863,435
Depreciation		63,260,011		62,093,926
Administrative		31,419,413		32,416,832
Total operating expenses		122,999,979		118,307,609
Operating (loss) income		(57,764,140)		(57,935,052)
Nonoperating revenues (expenses)				
Investment income, net		(159,008)		5,290,437
Interest expense		(47,149,095)		(47,931,364)
Passenger facility charges		17,869,002		9,828,383
Customer facility charges		10,776,062		8,405,392
Cost of issuance of bonds		-		(133,141)
Terminal transportation costs		(7,304,396)		(5,015,217)
Federal grants - COVID-19 related		41,413,062		41,677,226
Other, net		2,366,456		(621,856)
Total nonoperating (expenses) revenues, net		17,812,083		11,499,860
Change in net position before capital contributions		(39,952,057)		(46,435,192)
Capital contributions (note 12)		29,361,133		12,552,069
Change in net position		(10,590,924)		(33,883,123)
Net position, beginning of year		590,219,569		624,102,692
Total net position, end of year	$	579,628,645	$	590,219,569

The accompanying are an integral part of these financial statements.

For the years ended December 31,		2021		2020
Cash flows from Operating activities				
Cash received from customers	$	57,941,723	$	67,059,260
Cash paid to suppliers for goods and services		(20,633,546)		(48,591,652)
Cash paid to employees and on behalf of employees for services		(16,263,085)		(19,792,010)
Net cash provided by (used in) operating activities		21,045,092		(1,324,402)
Cash flow from Noncapital financing activities				
Sales tax receipts		887,917		541,798
Operating grants and reimbursements from other governments		41,975,859		42,815,602
Other payments		(7,327,363)		(8,265,214)
Net cash provided by (used in) noncapital financing activities		35,536,413		35,092,186
Cash flows from Capital and related financing activities				
Passenger facility charges collected		15,833,282		12,035,240
Customer facility charges collected		10,713,570		9,446,999
Acquisition and construction of capital assets		(45,525,355)		(46,836,238)
Capital grants received		29,117,328		4,931,636
Issuance of revenue bonds		529,862		974,474
Principal paid on loan and revenue bond maturities		(25,565,800)		(25,473,797)
Interest paid on bonds and loans		(44,669,663)		(47,757,496)
Issuance of finance equipment lease purchase agreement		(11,734)		609,024
Cost of bond issuance and insurance		-		(133,141)
Net cash used in capital and related financing activities		(59,578,510)		(92,203,299)
Cash flows from Investing activities				
Sales of investments		504,605,422		537,770,251
Purchases of investments		(492,906,286)		(492,906,286)
Interest and dividends on investments		(145,840)		5,271,856
Net cash provided by investing activities		11,553,296		50,135,821
Net change in cash and cash equivalents		8,556,291		(8,299,694)
Cash and cash equivalents at beginning of year		11,320,399		19,620,093
Cash and cash equivalents at end of year	$	19,876,690	$	11,320,399
Cash, current	$	12,534,105	$	2,167,731
Cash, current restricted		7,342,585		9,152,668
Cash and cash equivalents at end of year	$	19,876,690	$	11,320,399

The accompanying notes are an integral part of these financial statements.

December 31,		2021		2020
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating loss	$	(57,764,140)	$	(57,935,052)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation		63,260,011		62,093,921
Deferred outflows of resources related to net pension liability		2,981,860		1,411,380
Deferred inflows of resources related to net pension and total OPEB liability		1,840,399		845,048
Net pension liability		(2,911,940)		(1,228,369)
Total OPEB liability		(168,829)		1,134,333
Change in allowance for doubtful accounts		(63,983)		155,249
Changes in assets and liabilities:				
Accounts receivable		(7,230,133)		6,531,454
Prepaid expenses and deposits		(227,569)		26,880
Accounts payable		21,374,659		(11,841,702)
Accrued salaries and other compensation		37,915		(2,194,419)
Due to City of New Orleans		(83,158)		(323,125)
Total adjustments		78,809,232		56,610,650
Net cash provided by (used in) operating activities	$	21,045,092	$	(1,324,402)

The accompanying notes are an integral part of these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Louis Armstrong New Orleans International Airport (the Airport) is a proprietary component unit of the City of New Orleans, Louisiana. The New Orleans Aviation Board (the NOAB) was established in 1943 to provide for the operation and maintenance of the Airport. The Board consists of nine members appointed by the Mayor of the City of New Orleans with approval of the New Orleans City Council. The City of Kenner, Louisiana and the Parish of St. Charles, Louisiana each have input as to the selection of one board member.

The Airport is an approximately 972,000 square-foot terminal featuring three concourses, 35 gates, two new parking garages, a surface parking lot next to the terminal and a remote economy garage with shuttle service. It was built with the passenger experience in mind, and contains state-of-the-art elements such as an efficient inline baggage screening system and a consolidated checkpoint through which all passengers have access to more than 40 different food and retail concessions once beyond security.

The accompanying policies of the Airport conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to proprietary component units of governmental entities.

Basis of Presentation

The Airport is a proprietary component unit and accounts for operations (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Accordingly, the Airport's financial statements have been prepared using the economic resources measurement focus.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Revenues from landing and airfield fees, terminal building, rental building, and leased areas are reported as operating revenues. Transactions, which are capital, financing, or investing related, such as investment income, passenger facility charges, customer facility charges, federal and state grants, and other revenues not related to the operations of the Airport are reported as non-operating revenues.

Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Expenses from employee wages and benefits, purchase of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Grants are recorded as revenues when all eligibility requirements have been met.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for Uncollectible Accounts Receivable

An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The Airport estimates the allowance balance based on specific identification of at-risk receivables.

Investments

Investments are carried at fair value in the financial statements. Unrealized gains and losses on investments are reflected in the Statements of Revenues, Expenses, and Changes in Net Position. Short-term and money market investments with a maturity of one year or less and investments in an external investment pool are reported at net asset value (NAV) or amortized cost.

Capital Assets

Capital assets are carried at cost. An item is classified as a capital asset if the initial, individual cost is $5,000 or greater. Additions, improvements, and other capital outlays that significantly extend the useful life or service utility of a capital asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

GASB Statement No. 51 Accounting and Financial Reporting for Intangible Assets provides that if there are no factors that limit the useful life of an intangible asset, the intangible asset is considered to have an indefinite useful life and should not be amortized. Certain air rights qualify as intangible assets as defined in GASB 51.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method commencing with the date of acquisition or, in the case of assets constructed, the date placed into service.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The estimated useful lives by major classification are as follows:

	Estimated useful lives (years)
Land improvements	10 – 25
Buildings and furnishings	3 – 25
Fuel farm	27
Heliport	5 – 15
Utilities	5 – 25
Equipment	3 – 15

Due to the City of New Orleans and Cost of City Services

Amounts recorded as due to the City of New Orleans primarily relate to amounts paid by the City on behalf of the Airport. In addition, the City provides certain administrative services to the Airport. The cost of such services was $2,145,868 and $1,753,520 for the years ended December 31, 2021 and 2020, respectively, and is recorded in administrative expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

Restricted Assets

Restricted assets include investments required to be maintained for debt service, capital additions and contingencies, operations and maintenance, and escrow under the indentures of the revenue and refunding bonds, as well as investments to be used for the construction of capital improvements. Restricted assets also include receivables related to customer facility charges.

Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (loss) or refunding are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Gains (losses) on refunding are reported as deferred outflows/inflows of resources.

In conjunction with bonds issued in 2018 and 2015, insurance was purchased which guarantees the payment of bond principal and interest and expires with the final principal and interest payment on the bonds. The insurance costs were capitalized at the dates of issuance and are being amortized over the life of the bonds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Landing and airfield fees, terminal building, rental building, and leased areas rentals are recorded as revenues during the year in which earned. All signatory airlines pay signatory airline rates and charges according to the 2016 use and lease agreement. The final rates for 2021 and 2020 are as follows:

	2021	2020
Terminal building rental rates (per sq. ft.)	$ 91.30	$ 112.86
Landing fee rate (per 1,000 lbs.)	0.27	1.81
Apron use fee rate (per sq. ft.)	1.72	1.14
Enplaned passenger use fee (per passenger)	8.79	10.74

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods. For the fiscal years ended December 31, 2021 and 2020, the Airport's final rate structure varied from the rates in effect during the year.

Passenger Facility Charges

On June 1, 1993, the Airport began imposing, upon approval of the Federal Aviation Administration (the FAA), a $3.00 Passenger Facility Charge (PFC) on each passenger enplaned at the Airport. On April 1, 2002, the FAA approved an increase in the amount of this fee to $4.50. As of December 31, 2021, the Airport is authorized to collect up to $965,553,986 of PFC revenue through the expiration of the PFC, of which $485,341,672 has been collected. As of December 31, 2021, the legal expiration date and projected expiration date on PFC revenue collection is August 1, 2034 and August 1, 2033, respectively.

During 2019, the Series 2010 PFC Bonds were fully refunded by the Series 2019 GARB Bonds. Following the defeasance of the Series 2010 Bonds, no other PFC bonds are outstanding under the PFC Indenture. The Aviation Board has covenanted and agreed that no additional PFC bonds will be issued under the PFC Indenture; however, the PFC Indenture will not be cancelled or discharged, but will remain intact to receive all PFC's for deposit to the funds established within the PFC Indenture. PFC revenues will be used to fund the local share of various near-term infrastructure improvements, and to pay debt service on the PFC eligible portion of the Series 2015, 2017, and 2019 Bonds.

Customer Facility Charges

On November 1, 2008, the Airport began imposing a Customer Facility Charge (CFC) on a per transaction day basis to all the On-Airport Rental Car Companies. On May 19, 2016, the Board approved an increase to $7.95, which became effective July 1, 2016.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Customer Facility Charges (continued)

CFC revenues are pledged to secure the Series 2018 Gulf Opportunity Zone CFC Revenue Refunding Bonds, which were issued to refund the Series 2009 Gulf Opportunity Zone CFC Revenue Bonds, which were originally issued to fund construction of the Consolidated Rental Car Facility (CONRAC) garage.

Federal Financial Assistance

The Airport receives financial assistance for costs of construction and improvements to airport facilities through grants from the FAA. The Airport receives funds from the FAA on a reimbursement basis for expenses incurred. In 2020, due to the COVID-19 Pandemic, the Airport began receiving COVID-19 related federal assistance, which was also received on a reimbursement basis.

Vacation and Sick Leave

All full-time classified employees of the Airport hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 can accrue a maximum of 45 days annual leave and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Upon termination of employment, an employee is paid for their accrued annual leave based on their current hourly rate of pay and for their accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued annual and sick leave to additional pension credits. Annual leave and sick leave liabilities are accrued when incurred.

Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include unrestricted and restricted cash, consisting primarily of cash in banks.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and decreased by deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position’s use by external parties such as creditors, grantors, laws, or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. The government’s policy is to consider restricted net position to have been depleted before unrestricted net position is applied when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The deferred charge on refunding reported on the statements of net position results from the amount by which the reacquisition price of refunded debt exceeded its carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience, net difference between projected and actual earnings on pension plan investments, and changes in assumptions related to the defined benefit pension plan. In addition, deferred inflows and outflows have been recognized for the net difference between the projected and actual experience and changes in assumptions related to the OPEB liability. These amounts are deferred and amortized over the average of the expected service lives of the respective pension and OPEB plan members. See Notes 8 and 9 for additional information on deferred inflows and outflows related to the pension and OPEB liabilities, respectively.

Deferred inflows for a service concession arrangement have been recognized for the amount of cumulative construction costs and amortized. See note 11 for additional information.

Pension

The Airport participates in the City of New Orleans' defined benefit pension plan, as described in Note 8, which covers substantially all employees and funds all or part of the accrued pension cost, depending on the resources that are available at the time of contribution. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 23, 2022. See Note 15 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This is a significant change in accounting principles and may impact the net position of the Airport. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The Airport will implement this guidance in 2022.

GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2021. The Airport will implement this guidance in 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates.* The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of LIBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. The Airport will implement this guidance in 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Airport will implement this guidance in 2023.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements, Not Yet Adopted (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Airport will implement this guidance in 2023.

GASB Statement No. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Airport will implement this guidance in 2023.

GASB Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Airport will implement this guidance in 2024.

Management is reviewing these pronouncements to assess the financial statement impact.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. This reclassification had no effect on previously reported change in net position.

Note 2: CASH AND INVESTMENTS

Included in the Airport's cash balances are amounts deposited with commercial banks in interest bearing and noninterest bearing demand accounts. The commercial bank balances of cash and cash equivalents total $2,520,781 and $14,440,725 at December 31, 2021 and 2020, respectively. The commercial bank balances are entirely insured by federal depository insurance or by collateral held by the financial institution in the Airport's name.

The Airport is authorized to invest in securities as described in its investment policy, in each bond resolution and state statute. As of December 31, 2021 and 2020, the Airport held the following investments as categorized below:

Investment Maturities at December 31, 2021

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	$ -	$ 10,601,860	$ 10,601,860
U.S. agency obligations	-	7,638,639	7,638,639
Local government investment pool	36,942,555	-	36,942,555
Money market funds	259,198,091	-	259,198,091
	$ 296,140,646	$ 18,240,499	$ 314,381,145

Investment Maturities at December 31, 2020

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	$ 2,283,911	$ 6,911,318	$ 9,195,229
U.S. agency obligations	-	14,087,661	14,087,661
Local government investment pool	24,946,743	-	24,946,743
Money market funds	277,850,648	-	277,850,648
	$ 305,081,302	$ 20,998,979	$ 326,080,281

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, investments are generally held to maturity. The Airport's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due.

To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolutions relating to the specific bond issue.

Note 2: CASH AND INVESTMENTS (CONTINUED)

Credit Risk

The Airport's general investment policy applies the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. Airport policy limits investments to the highest credit rating category of Standard & Poor's (S&P). Funds can only be invested in money market funds rated AAAm, AAm, or AAAm-G by S&P.

In accordance with the Airport's investment policy and bond resolutions, the assets shall be invested in the following:

- Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States.
- Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America.
- Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored.

Louisiana Asset Management Pool (LAMP) Investment

Unrestricted and restricted investments of $20,434,212 and $16,508,343, respectively, at December 31, 2021 and $8,441,593 and $16,505,150, respectively, at December 31, 2020 are invested in LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local Louisiana government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable.

Note 2: CASH AND INVESTMENTS (CONTINUED)

Louisiana Asset Management Pool (LAMP) Investment (Continued)

For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained from https://www.lamppool.com.

Fair Value Measurement

A summary of the Airport's investments along with the fair value hierarchy levels of each type of investment is as follows:

		Fair Value Hierarchy		
	Total at December 31, 2021	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by fair value level:				
U.S. government obligations	$ 7,638,639	$ 3,991,529	$ 3,647,110	$ -
U.S. agency obligations	10,601,860	10,601,860	-	-
Money market funds	259,198,091	259,198,091	-	-
Total investments at fair value level	277,438,590	$ 273,791,480	$ 3,647,110	$ -
Investment measured at amortized cost:				
LAMP	36,942,555			
Total investments at amortized cost	36,942,555			
Total investments	$ 314,381,145			

Note 2: CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement (Continued)

		Fair Value Hierarchy		
	Total at December 31, 2020	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by fair value level:				
U.S. government obligations	$ 9,195,229	$ -	$ 9,195,229	$ -
U.S. agency obligations	14,087,661	-	14,087,661	-
Money market funds	277,850,648	277,850,648		
Total investments at fair value level	301,133,538	$ 277,850,648	$ 23,282,890	$ -
Investment measured at net asset value (NAV) or amortized cost:				
LAMP	24,946,743			
Total investments at NAV or amortized cost	24,946,743			
Total investments	$ 326,080,281			

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Note 3: ACCOUNTS RECEIVABLE, NET

Accounts receivable as of December 31 consist of the following:

	2021	2020
Due from tenants	$ 6,946,242	$ 5,041,214
Parking garage	10,990,722	3,371,960
Accrued receivables – Airline terminal construction costs	-	2,300,249
Rent receivable – Service concession arrangement	1,800,496	1,844,793
Other	264,505	213,618
	20,001,965	12,771,834
Less: allowance for doubtful accounts	(655,090)	(719,075)
	$ 19,346,875	$ 12,052,759

Note 4: SUMMARY OF RESTRICTED ASSETS

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2021 :

	Cash and certificates of deposits	Dreyfus Treasury Prime Cash Management	JPM U.S. Treasury and U.S. money market fund	Passenger facility charges receivable	Customer facility charges receivable	Total
Debt service fund	$ 6,298,584	$ 52,209,555	$ -	$ -	$ -	$ 58,508,139
Debt service reserve fund	437,841	395,573	93,831,649	-	-	94,665,063
Capitalized interest	-	-	-	-	-	-
Coverage account	-	1,898,622	-	-	-	1,898,622
Operations and maintenance reserve fund	-	9,400,909	-	-	-	9,400,909
Capital improvement fund	(19,340)	70,931,868	-	-	-	70,912,528
GARB restricted	258,162	1,179,484	-	-	-	1,437,646
Receipts fund	335,724	1,526,622	-	-	-	1,862,346
Rollover fund	-	16,508,343	-	-	-	16,508,343
PFC collect	31,701	-	-	-	-	31,701
CFC collect	-	23,904,359	-	-	-	23,904,359
Bond costs	-	1,757,592	-	-	-	1,757,592
Parking Facility Reserve	-	-	1,152,849	-	-	1,152,849
Receivables	-	-	-	3,110,712	1,058,629	4,169,341
Total	$ 7,342,672	$ 179,712,927	$ 94,984,498	$ 3,110,712	$ 1,058,629	$ 286,209,438

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2020:

	Cash and certificates of deposits	Dreyfus Treasury Prime Cash Management	JPM U.S. Treasury and U.S. money market fund	Passenger facility charges receivable	Customer facility charges receivable	Total
Debt service fund	$ 6,274,617	$ 53,672,011	$ -	$ -	$ -	$ 59,946,628
Debt service reserve fund	387,300	3,096,809	91,437,135	-	-	94,921,244
Capitalized interest	44	-	151	-	-	195
Coverage account	-	1,898,623	-	-	-	1,898,623
Operations and maintenance reserve fund	-	9,400,035	-	-	-	9,400,035
Capital improvement fund	(19,232)	79,088,054	-	-	-	79,068,822
GARB restricted	2,030,698	6,999,908	-	-	-	9,030,606
Receipts fund	89,952	1,143,489	-	-	-	1,233,441
Rollover fund	-	16,505,151	-	-	-	16,505,151
PFC collect	247,956	-	-	-	-	247,956
CFC collect	141,335	27,818,008	-	-	-	27,959,343
Bond costs	-	257,033	-	-	-	257,033
Parking Facility Reserve	-	-	1,152,741	-	-	1,152,741
Receivables	-	-	-	1,074,992	996,137	2,071,129
Total	$ 9,152,670	$ 199,879,121	$ 92,590,027	$ 1,074,992	$ 996,137	$ 303,692,947

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT

Capital assets include assets acquired with the Airport's own funds, those acquired through resources externally restricted for capital acquisition, and those capitalized due to a service concession arrangement. A summary of changes in capital assets for the years ended December 31, 2021 and 2020 is as follows:

	Balance December 31, 2020	Additions during year	Deletions/ transfers during year	Balance December 31, 2021
Capital assets not being depreciated:				
Land	$ 78,138,359	$ -	$ -	$ 78,138,359
Air rights	22,282,449	-	-	22,282,449
Construction in progress	19,376,384	50,129,883	(15,347,473)	54,158,794
Total capital assets not being depreciated	119,797,192	50,129,883	(15,347,473)	154,579,602
Capital assets being depreciated:				
Land improvements	505,451,404	3,504,343	-	508,955,489
Buildings and furnishings	1,637,304,349	11,839,962	-	1,649,144,311
Fuel tank farm	39,118,194	-	-	39,118,194
Heliport	3,074,179	-	-	3,074,179
Utilities	57,029,410	-	-	57,029,410
Equipment	11,298,055	-	-	11,298,055
Computers	1,534,986	-	-	1,534,986
HP Finance Lease	727,593	180,154	-	907,747
Total capital assets Being depreciated	2,255,538,170	16,524,458	-	2,271,062,628
Total capital assets	2,375,335,362	65,654,341	(15,347,473)	2,425,642,230
Less accumulated depreciation:				
Land improvements	371,783,718	13,032,665	-	384,816,383
Buildings and furnishings	427,130,776	46,169,945	-	473,300,721
Fuel tank farm	1,063,414	973,991	-	2,037,405
Heliport	3,074,179	-	-	3,074,179
Utilities	19,064,562	2,312,674	-	21,377,236
Equipment	9,407,112	528,409	-	9,935,521
Computers	1,329,301	80,010	-	1,409,311
HP Finance Lease	22,048	162,315	-	184,363
Total accumulated depreciation	832,875,110	63,260,009	-	896,135,119
Total capital assets, net	$ 1,542,460,252	$ 2,394,332	$ (15,347,473)	$ 1,529,507,111

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT

	Balance December 31, 2019	Additions during year	Deletions/ transfers during year	Balance December 31, 2020
Capital assets not being depreciated:				
Land	$ 78,030,507	$ 107,852	$ -	$ 78,138,359
Air rights	22,282,449	-	-	22,282,449
Construction in progress	24,851,340	37,235,710	(42,710,666)	19,376,384
Total capital assets not being depreciated	125,164,296	37,343,562	(42,710,666)	119,797,192
Capital assets being depreciated:				
Land improvements	505,451,404	-	-	505,451,404
Buildings and furnishings	1,596,090,863	41,213,486	-	1,637,304,349
Fuel Tank Farm	39,118,194	-	-	39,118,194
Heliport	3,074,179	-	-	3,074,179
Utilities	57,029,410	-	-	57,029,410
Equipment	10,983,331	314,724	-	11,298,055
Computers	1,534,986	-	-	1,534,986
HP Finance Lease	-	727,593	-	727,593
Total capital assets being depreciated	2,213,282,367	42,255,803	-	2,255,538,170
Total capital assets	2,338,446,663	79,599,365	(42,710,666)	2,375,335,362
Less accumulated depreciation:				
Land improvements	358,599,249	13,184,469	-	371,783,718
Buildings and furnishings	382,099,365	45,031,411	-	427,130,776
Fuel Tank Farm	81,496	981,918	-	1,063,414
Heliport	3,074,179	-	-	3,074,179
Utilities	16,748,013	2,316,549	-	19,064,562
Equipment	8,988,305	418,807	-	9,407,112
Computers	1,190,583	138,718	-	1,329,301
HP Finance Lease	-	22,048	-	22,048
Total accumulated depreciation	770,781,190	62,093,921	-	832,875,110
Total capital assets, net	$ 1,567,665,473	$ 17,505,444	$ (42,710,666))	$ 1,542,460,252

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT

Construction in progress is composed of the following at December 31, 2021:

Description		December 31, 2021		Remaining Commitments at 2021
Airfield Lighting Vault	$	4,106	$	129,942
Airside Development		42,142,680		17,805,872
New Terminal Development		2,398,035		11,245,012
Miscellaneous Projects		8,513,497		1,861,191
Parking – Circulation Bridge		-		2,148
Southside Redevelopment		1,100,476		8,614,747
Total	$	54,158,794	$	39,658,912

Note 6: LONG-TERM DEBT

Long-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Long-Term Debt	Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021	Principal due within one year
Bonds Payable:					
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	$ 54,590,000	$ -	$ -	$ 54,590,000	$ -
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	98,525,000	-	(1,190,000)	97,335,000	1,250,000
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	216,095,000	-	(2,635,000)	213,460,000	2,770,000
Series 2017C Revenue Refunding Bonds (North Terminal Project), variable interest rate between 2.227% and 2.949%; January 1, 2023 at 2.949% final maturity	35,660,000	-	(11,595,000)	24,065,000	11,875,000

Note 6: LONG-TERM DEBT (CONTINUED)

Bonds Payable, (continued):	Balance December 31, 2020	Additions	Deductions	Balance December 31, 2021	Principal due within one year
Series 2017D-1 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2020 at 5.0% final maturity	-	-	-	-	-
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	46,430,000	-	(1,650,000)	44,780,000	1,730,000
Series 2018 Go Zone CFC Bonds Revenue Refunding Bonds, fixed interest rate ranging from 4% - 5% ; January 1, 2040	82,565,000	-	-	82,565,000	-
Series 2019 GO ZONE Revenue Bonds, fixed interest rate, January 1, 2041 at 5% final maturity	23,800,000	-	670,000	23,130,000	710,000
	1,068,400,000	-	(17,740,000)	1,050,660,000	18,335,000
Unamortized discount on bonds	(289,407)	-	23,055	(266,349)	-
Unamortized premium on bonds	89,404,572	-	(5,354,842)	84,049,730	-
	$ 1,157,515,165	$ -	$ (23,071,787)	$ 1,134,443,381	$ 18,335,000
Loans Payable:					
2017 Revenue Interim Drawdown Note; variable interest rate of 65.001% of one-month ICE LIBOR plus 0.79% final maturity of October 1, 2022	$ 60,021,000	$ 529,562	$ -	$ 60,550,862	$ 60,550,862
	60,021,000	529,562	-	60,550,862	60,550,862
	$ 1,217,536,165	$ 529,562	$ (23,071,787)	$ 1,194,994,243	$ 78,885,862

Note 6: LONG-TERM DEBT (CONTINUED)

Long-Term Debt	Balance December 31, 2019	Additions	Deductions	Balance December 31, 2020	Principal due within one year
Bonds Payable:					
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	$ 54,590,000	$ -	$ -	$ 54,590,000	$ -
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	100,010,000	-	(1,485,000)	98,525,000	1,190,000
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	219,390,000	-	(3,295,000)	216,095,000	2,635,000
Series 2017C Revenue Refunding Bonds (North Terminal Project), variable interest rate between 2.227% and 2.949%; January 1, 2023 at 2.949% final maturity	46,995,000	-	(11,335,000)	35,660,000	11,595,000

Note 6: LONG-TERM DEBT (CONTINUED)

Bonds Payable (continued):	Balance December 31, 2019	Additions	Deductions	Balance December 31, 2020	Principal due within one year
Series 2017D-1 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2020 at 5.0% final maturity	2,535,000	-	(2,535,000)	-	-
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	48,000,000	-	(1,570,000)	46,430,000	1,650,000
Series 2018 Go Zone CFC Bonds Revenue Refunding Bonds, fixed interest rate ranging from 4% - 5% ; January 1, 2040	82,565,000	-	-	82,565,000	-
Series 2019 GO ZONE Revenue Bonds, fixed interest rate, January 1, 2041 at 5% final maturity	23,800,000	-	-	23,800,000	670,000
	1,088,620	-	(20,220,000)	1,068,400	17,740,000
Unamortized discount on bonds	(312,460)	-	23,055	(289,407)	-
Unamortized premium on bonds	94,799,991	-	(5,395,421)	89,404,572	-
	$ 1,183,107,531	$ -	$ (25,592,366)	$ 1,157,515,165	$ 17,740,000
Loans Payable:					
2017 Revenue Interim Drawdown Note; variable interest rate of 65.001% of one-month ICE LIBOR plus 0.79% final maturity of October 1, 2022	$ 59,046,526	$ 974,474	$ -	$ 60,021,000	$ -
	59,046,526	974,474	-	60,021,000	-
	$ 1,242,154,057	$ 974,474	$ (25,592,366)	$ 1,217,536,165	$ 17,740,000

Note 6: LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity for all outstanding bonds and loans are as follows:

	Interest	Principal	Total
Bonds Payable:			
December 31:			
2022	$ 51,213,609	$ 18,335,000	$ 69,548,609
2023	50,242,875	30,215,000	80,457,875
2024	49,325,750	18,695,000	68,020,750
2025	48,396,075	21,010,000	69,406,075
2026	47,327,650	24,245,000	71,572,650
2027-2031	218,723,625	140,700,000	357,423,625
2032-2036	176,742,225	179,560,000	356,302,225
2037-2041	123,681,863	249,165,000	372,846,863
2042-2046	61,133,227	237,580,000	298,713,227
2047-2050	6,637,625	131,155,000	137,792,625
	$ 831,424,524	$ 1,050,660,000	$ 1,882,084,524

	Interest	Principal	Total
Loans Payable:			
December 31:			
2022	$ 857,945	$ 60,550,862	$ 61,408,807
	$ 857,845	$ 60,550,862	$ 61,408,807

In 2019, the Airport issued $23,800,000 of New Orleans Aviation Board Gulf Opportunity Zone General Airport Revenue Refunding Bonds, Series 2019 with an original issue premium of $4,246,849. The purpose of the issue was to advance refund a portion of the outstanding balance of the Gulf Opportunity Zone PFC Revenue Bonds, Series 2010A in the amount of $52,355,000, and $1,285,000 for the Series 2010B. The Airport had a PFC cash contribution in the amount of $1,181,119. The refunding was entered into for the reason of future interest savings. As a result of the advance refunding, gross debt service payments through January 1, 2041 for the Series 2010A were reduced by $49,034,914 with an estimated economic gain of $14,006,686. Gross debt service payments through January 1, 2038 for the Series 2010B were reduced by $2,470,413 with an estimated economic gain of $566,648. The deferred loss on defeasance in the amount of $392,855 will be amortized over the shorter of the life of the refunded or refunding bonds. The unamortized loss is included in deferred loss on advance refunding on the statements of net position.

Note 7: FINANCE LEASES

The Airport entered into a lease purchase agreement on August 18, 2020 to lease various equipment items, as defined in the terms of the agreement. Payments began in November 2020 and will continue for 66 months. The economic substance of the lease is that the Airport is financing the acquisition of the assets through the leases; and, accordingly, both a right of use asset and lease liability are recorded in the Airport's statement of net position as of December 31, 2020.

The following is an analysis of the right of use assets included in property and equipment at December 31, 2021:

Equipment	$	907,747
Less: Accumulated Deprecation		184,363
	$	723,384

The following is a schedule by years of future minimum payments required under the lease together with the present value as of December 31:

2022	$	170,294
2023		174,688
2024		179,195
2025		183,818
2026		93,680
Total Minimum Lease Payments		801,675
Less: Amount Representing Interest		(59,250)
Present Value of Minimum Lease Payments	$	742,425

Note 8: PENSION PLANS

Plan Descriptions

Employees and officers of the Airport are eligible for membership in the Employees' Retirement System of the City of New Orleans (the Plan), a single employer defined benefit retirement plan. A separate financial report on the Plan for the years ended December 31, 2021 and 2020 is available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana 70112, (504) 658-1850.

The Plan is a defined benefit pension plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of the Board of Trustees (the Board), and also for changes in the Retirement System by council action, subject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the city, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state.

Note 8: PENSION PLANS (CONTINUED)

The Plan became operative on July 1, 1947. It is supported by joint contributions of the Airport and employee members and income from investments. The Airport makes contributions for members during active service as well as for periods of service of members employed prior to July 1, 1947. In this way, reserves are accumulated from the Airport and employee contributions.

The general administration and the responsibility for the proper operation of the Retirement System and for making effective the provisions of the Retirement Ordinance are vested in the Board of Trustees of the Retirement System.

Contributions

Employee Contributions

The effective rate for employee contributions is 6% for 2021 and 2020.

Employer Contributions

Employer contributions are based on a certain percentage of earnable compensation of each member, known as "normal contributions," determined on the basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, known as "Accrued Liability contributions," determined by an actuary on the basis of the amortization period adopted by the Board of Trustees from time to time. Actual contributions by the Airport of $1,636,885 and $2,522,932 were approximately 15.21% and 24.02% of covered payroll for the years ended December 31, 2021 and 2020, respectively.

Benefits Provided

Retirement

Under the System, employees with 30 years of service, or who attain age 60 with 10 years of service, or age 65 and 5 years of service are entitled to a retirement allowance. Effective January 1, 2002, any member whose age and service total 80 may retire with no age reduction. The benefits to retirees consist of the following:

1. An annuity, which is the actuarial equivalent of the employee's accumulated contribution; plus

2. Effective for members retiring on or after January 1, 2002, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2.5% of average compensation times first 25 years, plus 4% of average compensation times creditable service over 25 years.

Note 8: PENSION PLANS (CONTINUED)

3. Effective for members retiring before 2002, but on or after January 1, 1983, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years.

4. Effective January 1, 1983, additional pension equal to 2% of $1,200 times first 10 years, plus 2 1/2% of $1,200 times next 10 years, plus 3% of $1,200 times next 10 years, plus 4% of $1,200 times service over 30 years. Ceases at 62 or at eligibility for Social Security, whichever comes first. Effective January 1, 2002, the $1,200 exclusion will not apply.

5. Additional pension for member who reaches age 65 with 20 or more years and the retirement allowance under (1) and (2) above is less than $1,200 per year; to produce total retirement allowance of $1,200 per year.

6. Effective January 1, 1982, for service retirement prior to age 62 with less than 30 years of service, (3) and (4) above are reduced by 3% for each year below 62. However, effective January 1, 1996, this reduction is not made if employee has at least 30 years of service. Effective January 1, 2002, no reduction if age and service total at least 80.

7. Maximum Benefit: Benefit not to be greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 1978.

8. Minimum Benefit: Effective June 1, 1999, benefit of $300 per month for retirees with 10 years of service at retirement.

9. Form of Benefit: Modified cash refund annuity - If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity payments, then the lump sum balance of his contributions is paid to beneficiary.

10. Cost-of-Living: Board of Trustees retains excess over average 3 1/2% interest earnings to provide Cost-of-Living increases in benefits to retirees (past or future) not to exceed 3% of original benefit per each year of retirement. Effective January 1, 2001, additional one-time increase of 1 % times member's or beneficiary's current monthly benefit times whole calendar years from date benefit commenced.

Deferred Retirement Option Program (DROP)

Effective January 1, 1994, any member who is eligible for a service retirement under Section 114-201(a) may participate in the DROP program. A member can participate for up to five years. When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

Note 8: PENSION PLANS (CONTINUED)

1. Interest is earned on the DROP account at an annual rate set by the Board. Members of the DROP receive cost-of-living increases, as if they would have received such raises as a retiree.

2. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After his DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation.

3. If at the end of a members' period of DROP participation he does not terminate employment, payments into DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated.

Net Pension Liability

The Airport's Net Pension Liability of $18,568,323 and $21,480,263 were measured as of December 31, 2021 and 2020. The Total Pension Liability used to calculate the Net Pension Liability was also determined as of those dates.

The following schedule lists the Airport's proportionate share of the Net Pension Liability allocated by the pension plan based on the December 31, 2021 and 2020 measurement date. The Airport uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2021 and 2020. The schedule also includes the proportionate share allocation rate used at December 31, 2021 and 2020 along with the change compared to the December 31, 2020 and 2019 rate. The Airport's proportion of the Net Pension Liability was based on a projection of the City of New Orleans' long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	Net Pension Liability at December 31, 2021	Allocation Rate at December 31, 2021	Increase (Decrease) to December 31, 2020 Rate
Employees' Retirement System of the City of New Orleans	$ 18,568,323	7.038942%	(0.479571)%

	Net Pension Liability at December 31, 2020	Allocation Rate at December 31, 2020	Increase (Decrease) to December 31, 2019 Rate
Employees' Retirement System of the City of New Orleans	$ 21,480,263	7.5185%	0.0528%

Note 8: PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2021 and 2020, the Airport recognized a pension expense of $3,248,404 and $4,530,593, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

On December 31, 2021 and 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 84,618	$ 312,215
Net difference between projected and actual earnings on pension plan investments	2,546,230	3,444,662
Changes of assumptions	1,401,903	1,619,422
Total	$ 4,032,751	$ 5,376,299

	December 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,375,298	$ 873,767
Net difference between projected and actual earnings on pension plan investments	-	1,933,399
Changes of assumptions	3,445,920	834,141
Total	$ 6,821,218	$ 3,641,307

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	$ 939,384
2023	(794,100)
2024	(949,139)
2025	(539,693)
	$ (1,343,548)

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021 and 2020, using the following actuarial assumptions:

	Employees' Retirement System
Valuation date	December 31, 2021 and 2020
Actuary cost method	Entry age normal
Actuarial assumptions:	
Expected remaining service live	4 years
Investment rate of return	7.25%, net of investment expense, including inflation
Inflation rate	2.50%
Mortality	PubG-2010 for healthy lives and PubNS-2010 Disabled Retiree for disabled lives
Salary increases	Age-based annual rates ranging from 10% to 3.2%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation.

Note 8: PENSION PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2021 and 2020 are summarized in the following table:

	2021		2020	
Asset Class	Target Asset Allocation	Long-term expected portfolio real rate of return	Target Asset Allocation	Long-term expected portfolio real rate of return
Cash equivalents	2.00%	-0.10%	2.00%	-0.20%
Equity securities	56.50%	13.81%	56.50%	13.85%
Fixed income	22.00%	0.60%	22.00%	0.65%
Real Estate	5.00%	3.90%	5.00%	3.65%
Other alternative investments	14.50%	13.15%	14.50%	13.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the Employees' Retirement System for 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rate sand the member rate. Based on those assumptions, the Employees' Retirement System pension trust funds' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8: PENSION PLANS (CONTINUED)

Changes in Net Pension Liability

The change in net pension liability for the year ended December 31, 2021 is as follows:

Change in Net Pension Liability	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability**
Service cost	**$ 797,899**	**$ -**	**$ 797,899**
Interest on the total pension liability	**3,733,581**	**-**	**3,733,581**
Difference between expected and actual experience	**1,072,461**	**-**	**1,072,461**
Changes of assumptions and other inputs	**(3,579,232)**	**-**	**(3,579,232)**
Contributions – employer	**-**	**1,524,061**	**(1,524,061)**
Contributions - member	**-**	**598,977**	**(598,977)**
Net investment income	**-**	**4,994,205**	**(4,994,205)**
Benefit payments and net transfers	**(3,669,375)**	**(3,669,375)**	**-**
Administrative expense	**-**	**(39,427)**	**39,427**
Other changes	**-**	**(2,141,166)**	**2,141,166**
Net Change	**(1,644,666)**	**1,267,275**	**(2,911,941)**
Net Pension Liability, Beginning	**56,113,694**	**34,633,430**	**21,480,264**
Net Pension Liability, Ending	**$ 54,469,028**	**$ 35,900,705**	**$ 18,568,323**

The change in net pension liability for the year ended December 31, 2020 is as follows:

Change in Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Service cost	$ 852,247	$ -	$ 852,247
Interest on the total pension liability	3,857,085	-	3,857,085
Changes of benefit terms	476,822	-	476,822
Difference between expected and actual experience	917,236	-	917,236
Changes of assumptions and other inputs	64,379	-	64,379
Contributions – employer	-	2,452,177	(2,452,177)
Contributions - member	-	665,528	(665,528)
Net investment income	-	4,061,150	(4,061,150)
Benefit payments and net transfers	(4,041,720)	(4,041,720)	-
Administrative expense	-	(23,810)	23,810
Other changes	-	241,093	(241,093)
Net Change	2,126,049	3,354,418	(1,228,369)
Net Pension Liability, Beginning	53,987,645	31,279,012	22,708,633
Net Pension Liability, Ending	$ 56,113,694	$ 34,633,430	$ 21,480,264

Note 8: PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the Airport as of December 31, 2021 and 2020 using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

Net pension liability	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
December 31, 2021	$ 24,732,706	$ 18,568,323	$ 13,425,760
December 31, 2020	$ 27,735,326	$ 21,480,263	$ 16,252,904

Payables to the Plan

The Airport recorded accrued liabilities of $116,195 and $121,120 to the Plan for the years ended December 31, 2021 and 2020, respectively, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables.

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS

Plan description

The Airport provides certain continuing health care and life insurance benefits for its retired employees through the City of New Orleans. The City of New Orleans' OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust. The OPEB plan does not issue a stand-alone financial report.

Benefits Provided

Medical benefits are provided through a self-insured comprehensive health benefit program. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. Most Airport employees are covered by The Employees' Retirement System of the City of New Orleans (NOMERS). The maximum DROP period is five years. Retirement (DROP entry) eligibility is as follows: the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 20 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80).

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Employees covered by benefit terms

At December 31, 2021, 196 active employees were covered by the benefit terms. There is a total of 69 inactive employees or beneficiaries currently receiving benefit payments under the OPEB plan.

The Airport's portion of the annual premium base is paid by the City and reimbursed by the Airport. The contributions by the City for the years ended December 31, 2021 and 2020 estimated to be approximately $432,000 and $405,000, respectively.

Total OPEB Liability

The Airport's proportionate share (3.93%) of the total OPEB liability was $7,725,331, was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021 for the year ended December 31, 2021. The Airport's proportionate share (3.89%) of the total OPEB liability was $7,894,160, was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019 for the year ended December 31, 2020. The proportionate share of the total OPEB liability was based on a percentage of payroll of active employees of the Airport in proportion to total payroll of active employees for all participating entities.

Actuarial Assumptions and other inputs

The total OPEB liability in the December 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%, annually
Salary increases	4.0%, including inflation
Discount rate	2.12% annually (As of December 31, 2020)
	2.06%, annually (As of December 31, 2021)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2021 and 2020, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2010 to December 31, 2021. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability during 2021 and 2020:

	2021	2020
Balance at December 31, 2020 and 2019	$ 7,975,333	$ 6,759,827
Changes for the year:		
Service cost	142,695	131,766
Interest	164,500	179,669
Differences between expected and actual experience	(180,580)	669,003
Changes in assumptions and other inputs	55,222	559,055
Benefit payments and net transfers	(431,839)	(405,160)
Net changes	(250,002)	1,134,333
Balance at December 31, 2021 and 2020	$ 7,725,331	$ 7,894,160

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

December 31, 2021	1.0% Decrease (1.06%)	Current Discount Rate (2.06%)	1.0% Increase (3.06%)
Total OPEB liability	$ 9,336,475	$ 7,725,331	$ 6,481,736

December 31, 2020	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	$ 9,540,512	$ 7,894,160	$ 6,623,387

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

December 31, 2021	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	$ 6,338,168	$ 7,725,331	$ 9,146,602

December 31, 2020	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	$ 6,783,237	$ 7,894,160	$ 9,346,490

Note 9: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Airport recognized its proportion (3.93%) of OPEB expense as $561,810. At December 31, 2021, the Airport reported proportion (3.93%) of deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 606,143	$ 304,329
Changes in assumptions	1,290,085	342,045
Total	$ 1,896,228	$ 646,374

For the year ended December 31, 2020, the Airport recognized its proportion (3.89%) of OPEB expense as $354,071. At December 31, 2020, the Airport reported proportion (3.89%) of deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 732,198	$ 167,830
Changes in assumptions	1,357,423	373,137
Total	$ 2,089,621	$ 540,967

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2022	$ 126,060
2023	126,059
2024	126,059
2025	126,059
2026	14,558
2027 and thereafter	87,348
	$ 606,143

Note 10: RENTALS UNDER OPERATING LEASES

The Airport leases space in its terminal to various airlines, concessionaires, and others. These leases are for varying periods ranging from one to ten years and some leases require the payment of minimum annual rentals. On January 1, 2009, an Airline Lease and Use Agreement went into effect with all Signatory airlines paying signatory airlines rates and charges in accordance with the lease agreement.

The Airport parking garage facility (the Facility) was constructed on land leased by a 501(c) 3 nonprofit corporation (the Corporation) from the Airport pursuant to a parking garage ground lease (the “ground lease”) dated January 1, 2001. The 648 acres of property were purchased back in 1941 for $52,000 and the current carrying value is $1,192. The commencement date as defined in the ground lease went into effect January 1, 2002, and the ground rental term began. In accordance with the ground lease, the Corporation was required to design, finance, construct, and operate the Facility. The Facility was financed by the Corporation with $39.4 million of tax-exempt bonds which were refinanced in 2012. The bonds were not an obligation of the Airport. On October 1, 2018, the Corporation executed a loan agreement with the New Orleans Aviation Board (NOAB) and issued $80,465,000 of Revenue Bonds and $28,570,000 of Revenue Refunding Bonds. The 2018 proceeds were used to extinguish the 2012 bonds and construct the new parking garage facility.

A Consolidated Ground Lease which superseded the original lease, was effective October 1, 2018, and shall expire on the later to occur of thirty (30) years from the effective date or the date the Bonds issued to finance the Consolidated Garage System are fully paid and discharged. Under the lease, the Airport receives 100% of net cash flow. For the year ended December 31, 2020, the Corporation’s net cash flows were negative and therefore, no rent amounts were due for the year. In addition, the NOAB agreed to defer the unpaid rent from the year ended December 31, 2019. For the year ended December 31, 2021, the unpaid rent continued to be deferred and will be paid in the year ended December 31, 2022.

The following is a schedule by year of aggregate future minimum rental payments on noncancelable operating leases as of December 31, 2021:

2022	$	58,824,626
2023		48,879,530
2024		12,675,657
2025		12,679,271
2026		9,306,509
Thereafter		18,898,552
	$	161,264,145

These amounts do not include contingent rentals, which may be received under most of the leases; such contingent rentals, including month-to-month concession agreements, amounted to $5,080,374 in 2021 and $2,733,232 in 2020.

Note 11: SERVICE CONCESSION ARRANGEMENT

In April 2017, the City of New Orleans and the Airport entered into a 29-year lease with New Orleans Fuel Facilities LLC (NOFF) to lease the fuel system, provide for the continued operations, improvement, maintenance and management of the fuel system, and allow NOFF to make a significant capital investment in and improvement to the fuel system in connection with the Airport's development, construction and operation of the new passenger terminal at the Airport.

The Airport has determined that the cooperative endeavor agreement (CEA) between NOFF and the Airport meets the four criteria of a service concession arrangement (SCA) per GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. SCAs are defined as a contract between a government and an operator, another government or private entity, in which the operator, another government or a private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still retains control over the services provided and the government retains ownership of the assets at the end of the contract.

As part of the lease between the Airport and NOFF, NOFF agreed to pay rent, totaling a minimum of $3.2 million over the term of the agreement. In addition, any improvements constructed on the leased premises become the property of the Airport upon installation. As of December 31, 2019, $39,118,194 had been incurred in cumulative construction costs for the Airport Tank Farm and Hydrant System, and this project was substantially completed and operational by November 30, 2019. During the fiscal year 2019, the Airport recorded a capital asset and deferred inflow of resources for costs incurred by NOFF in the amount of $38,490,470.

During the fiscal years 2021 and 2020, the Airport recorded depreciation expense in the amount of $973,991 and $981,918. Revenue is recognized over the course of the agreement. The Airport recorded a rent receivable as of December 31, 2021 and 2020 for approximately $1,800,496 and $1,844,793 for the minimum payments expected to be received over the remaining years of the lease.

Note 12: CAPITAL CONTRIBUTIONS

Capital contributions recorded by the Airport represent amounts received from the federal government to finance the cost of construction of airport facilities. During the year ended December 31, 2021, the Federal Aviation Administration (FAA) contributed $28,682,185, the Aviation Trust Fund (ATF) contributed $441,430, and the Transportation Security Administration (TSA) contributed $198,789. During the year ended December 31, 2020, the FAA contributed $6,411,352, the ATF contributed $901,161, and the TSA contributed $32,997. The Airport also received $38,728 and $5,206,351 from the Louisiana Department of Transportation and Development (DOTD) in 2021 and 2020, respectively.

Note 13: COMMITMENTS AND CONTINGENCIES

Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

Note 13: COMMITMENTS AND CONTINGENCIES

Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City of New Orleans' self-insurance program. The Airport pays premiums to the City of New Orleans' unemployment self-insurance program, and the Airport and its employees pay premiums to the City of New Orleans' hospitalization self-insurance program. Amounts paid to the City by the Airport totaled $1,606,163 and $1,649,598 for the years ended December 31, 2021 and 2020.

Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

Federal Financial Assistance

The Airport participates in a number of federal financial assistance programs. These programs are subject to financial and compliance audits by governmental agencies.

Note 14: UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global health pandemic and recommended containment and mitigation measures worldwide. Subsequent to that date, the Mayor of the City of New Orleans ordered citizens and businesses to follow specific measures designed to slow the spread of the virus. As a result, the Airport experienced a significant decrease in operations from a decline in passenger travel and Airline services. The Airport went through a process of budget revisions for the 2020 budget, making reductions in non-essential items that do not compromise safety, security, critical operations, and customer service. In addition, the Airport received additional federal funding under the provisions of the CARES Act to support critical operations, including workforce retention and debt service. At this time, we cannot reasonably predict the extent to which the disruption may continue to impact business operations or financial position over the long term.

Note 15: SUBSEQUENT EVENTS

On September 30, 2022, the Airport entered into an agreement for the issuance of General Airport Revenue Interim Drawdown Note Series 2022 in the maximum aggregate principal amount of $75,000,000 maturing October 1, 2025 to pay the balances of the Series 2017 Revenue Interim Drawdown Note.

Louis Armstrong New Orleans International Airport
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years*

For the years ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY								
Service cost	$ 797,899	$ 852,247	$ 891,187	$ 681,302	$ 596,916	$ 630,676	$ 549,877	$ 487,019
Interest	3,733,581	3,857,085	3,616,732	3,443,875	2,886,080	2,936,801	2,728,538	2,750,562
Change of benefit term	-	476,822	-	(32,760)	-	-	-	-
Differences between expected and actual experience	1,072,461	917,236	(1,324,570)	1,791,903	869,092	3,048,586	1,366,430	(779,018)
Change of assumptions and other inputs	(3,579,232)	64,379	5,192,940	7,321,948	(3,904,785)	1,260,761	-	-
Benefit payments and net transfers	(3,669,375)	(4,041,720)	(3,637,041)	(3,745,917)	(3,045,115)	(3,387,558)	(3,128,761)	(2,752,208)
Net Change in Total Pension Liability	(1,644,666)	2,126,049	4,739,248	9,460,351	(2,597,812)	4,489,266	1,516,084	(293,645)
Total Pension Liability - Beginning	56,113,694	53,987,645	49,248,397	39,788,046	42,385,858	37,896,592	36,380,508	36,674,153
Total Pension Liability - Ending (a)	$ 54,469,028	$ 56,113,694	$ 53,987,645	$ 49,248,397	$ 39,788,046	$ 42,385,858	$ 37,896,592	$ 36,380,508
FIDUCIARY NET POSITION								
Contributions - employer	1,524,061	2,452,177	2,529,718	2,323,850	1,716,570	1,900,122	1,511,811	1,367,657
Contributions - member	598,977	665,528	681,925	616,889	485,026	518,057	437,104	417,133
Net investment income	4,994,205	4,061,150	4,407,988	(1,166,189)	3,279,405	1,991,080	(945,905)	870,874
Benefit payments and net transfers	(3,669,375)	(4,041,720)	(3,637,041)	(3,745,917)	(3,045,115)	(3,387,558)	(3,128,761)	(2,752,208)
Administrative expense	(39,427)	(23,810)	(28,071)	(18,250)	(21,327)	(11,885)	(5,952)	(18,323)
Transfers into the System	67,939	19,692	19,757	37,941	-	-	-	-
Other	(2,209,105)	221,401	(54,425)	4,555,561	(2,266,977)	759,786	-	-
Net Change in Fiduciary Net Position	1,267,275	3,354,418	3,919,851	2,603,885	147,582	1,769,602	(2,131,703)	(114,867)
Fiduciary Net Position - Beginning	34,633,430	31,279,012	27,359,161	24,755,276	24,607,694	22,838,092	24,969,795	25,084,662
Fiduciary Net Position - Ending (b)	$ 35,900,705	$ 34,633,430	$ 31,279,012	$ 27,359,161	$ 24,755,276	$ 24,607,694	$ 22,838,092	$ 24,969,795
NET PENSION LIABILITY - ENDING (a)-(b)	$ 18,568,323	$ 21,480,264	$ 22,708,633	$ 21,889,236	$ 15,032,770	$ 17,778,164	$ 15,058,500	$ 11,410,713
Fiduciary net position as a percentage of the total pension liability	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%	60.26%	68.64%
Covered payroll	$ 10,019,135	$ 10,208,620	$ 11,164,015	$ 9,614,821	$ 7,632,578	$ 8,037,960	$ 7,118,288	$ 6,579,317
Net pension liability as a percentage of covered payroll	185.33%	210.41%	203.41%	227.66%	196.96%	221.18%	211.55%	173.43%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SCHEDULE:

Changes in Benefits: For 2020, the benefit multiplier changed to 2.50% for all years of service, 80 point provision added to retirement eligibility, age 60 with 10 years of service early retirement eligibility added, pensionable earnings capped at $150,000, periodically adjusted for inflation by the Trustees, and a retirement Incentive Plan was adopted for participating members with a retirement date in 2020. For 2018, for all employees hired on or after January 1, 2018, the benefit multiplier changed to 1.9% for all years of service and pensionable earnings capped at $100,0000 adjusted for inflation, and early retirement allowed at age 62 with 20 years of service.

Changes in Assumptions and Other Inputs:

	2021	2020	2019	2018	2017	2016	2015	2014
Allocation Percentage to the Airport (component unit)	7.038942%	7.518513%	7.465669%	7.480550%	6.317905%	6.959001%	6.734940%	6.734940%
Discount Rate			7.25%					
Mortality Tables			PubG-2010, Disabled-PubNS-2010					
Mortality Projection Scale		MP-2020	MP-2018					
Salary Increases			10%-3.2%					

December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,524,061	$ 2,452,177	$ 2,529,718	$ 2,095,713	$ 1,716,570	$ 1,900,122	$ 1,511,811	$ 1,784,790
Contributions in related to the contractually required contributions	1,636,885	2,522,932	2,569,097	2,249,395	1,761,937	1,666,973	1,603,282	1,533,954
Contribution deficiency (excess)	$ (112,824)	$ (70,755)	$ (39,379)	$ (153,682)	$ (45,367)	$ 233,149	$ (91,471)	$ 250,836
Covered payroll	$ 10,019,135	$ 10,208,620	$ 11,164,015	$ 9,614,821	$ 7,632,578	$ 8,037,960	$ 7,118,288	$ 6,579,317
Contributions as a percentage of covered payroll	16.34%	24.71%	23.01%	23.40%	23.08%	20.74%	22.52%	23.31%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NOTES TO SCHEDULE

	2021	2020	2019	2018	2017	2016	2015	2014
Allocation Percentage to the Airport (component unit)	7.038942%	7.518513%	7.465669%	7.480550%	6.317905%	6.959001%	6.734940%	6.734940%

Methods and assumptions used to determine contribution rates:

Valuation date:	January 1, 2022
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of pay with layered bases
Remaining amortization period.	25 years
Asset valuation method	Actual market value performance over a seven year period ending on the valuation date. The market value performance is averaged over the seven year period by reflecting the actual external cash flow and adjusting each prior year's market value to the current valuation date using the actuarial interest assumption in effect for each year.
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Inflation	2.50%
Salary increases	Age-based annual rates raning from 10% to 3.2%

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Years*

December 31,	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 142,695	$ 131,766	$ 80,941	$ 91,236
Interest	164,500	179,669	222,214	212,949
Current Year Amortization	-	-	43,774	-
Differences between expected and actual experience	(180,580)	669,003	203,246	(209,788)
Changes of assumptions or other inputs	136,395	559,055	996,934	(466,422)
Benefit payments	(431,839)	(405,160)	(414,293)	(382,674)
Net change in total OPEB liability	(168,829)	1,134,333	1,132,816	$ (754,699)
Total OPEB liability - beginning	7,894,160	6,759,827	5,627,011	6,381,710
Total OPEB liability - ending	$ 7,725,331	$ 7,894,160	$ 6,759,827	$ 5,627,011
Covered payroll	$ 10,596,026	$ 10,084,787	$ 9,982,277	$ 9,614,757
Total OPEB liability as a percentage of covered payroll	72.91%	78.28%	67.72%	58.52%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:
- Information is presented using measurement date which is the same as the fiscal year end.
- No assets are accumulated in a trust to pay related benefits.
- Benefit Changes: There were no changes of benefit terms for the year ended December 31, 2021.
- Changes of Assumptions or other inputs:

	2021	2020	2019	2018
Discount Rate:	2.06%	2.12%	2.74%	4.10%
Mortality:	RP-2000	RP-2000	RP-2000	RP-2000
Trend:	Variable	Variable	5.5%	5.5%

Year ended December 31, 2021

Description	Year Aquired	Maturity date	Book value	Fair value
Unrestricted investments:				
Special Receipts:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2008	N/A	$ 66,849	$ 66,849
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2009	N/A	942,157	942,157
			1,009,006	1,009,006
City of New Orleans:				
LAMP - Sales Tax/General Purpose	2003	N/A	20,434,180	20,434,180
LAMP - Revolving			23	23
LAMP - Use & Lease General Purpose	2011	N/A	9	9
			20,434,212	20,434,212
New Orleans Aviation Board:				
Whitney Custody Account			18,243,515	18,243,515
Total unrestricted investments			39,686,733	39,686,733
Restricted investments:				
City of New Orleans:				
LAMP - Rollover Coverage	2009	N/A	16,508,343	16,508,343
CIF-Parking Facility Loan:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2010	N/A	1,152,849	1,152,849
Debt Service Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2008	N/A	52,209,555	52,209,555
Debt Service Reserve Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	94,227,221	94,227,221
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2009	N/A	-	-
			94,227,221	94,227,221
Capitalized Interest:				
Dreyfus Treasury Prime				
Cash Management:				
The Bank of New York Mellon	2015	N/A	-	-

Description	Year Acquired	Maturity date	Book value	Fair value
Operations and Maintenance:				
Reserve fund:				
JPM U.S. Treasury Plus				
Cash Management				
The Bank of New York Mellon	2009	N/A	9,400,909	9,400,909
Receipts Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	1,482,695	1,482,695
CFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2010	N/A	27,560,573	27,560,573
Time Reimbursement:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	1,193,285	1,193,285
Project Account:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	4,008,055	4,008,055
PFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	2008	65,730,527	65,730,527
GARB Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2015	N/A	1,179,484	1,179,484
Vendor Payment:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2015	N/A	43,927	43,927
Total restricted investments			274,697,423	274,697,423
Total all investments			$ 314,384,156	$ 314,384,156

	Airfield	Terminal buildings	Ground transportation	Total
				Year ended December 31, 2021
Operating revenues	$ 5,119,634	$ 57,264,182	$ 2,852,023	$ 65,235,839
Direct expenses	4,843,208	20,778,898	2,698,449	28,320,555
Operating revenues, less direct expenses	276,426	36,485,284	153,574	36,915,284
Depreciation of cost center assets	15,875,153	45,119,353	973,991	61,968,497
Operating revenues, less direct expenses and depreciation	$ (15,598,727)	$ (8,634,069)	$ (820,417)	(25,053,213)
Other operating expenses:				
Depreciation of non-cost center assets				1,291,514
Administrative				31,419,413
Total other operating expenses				32,710,927
Operating (loss)				$ (57,764,140)

See accompanying independent auditors' report.

		Year ended December 31, 2021
Revenues:		
Airline rentals and landing fees	$	28,488,751
Other operating revenues		36,747,088
Nonoperating revenues		2,079,699
Transferred PFCs		23,963,000
Federal fudning		41,413,062
Rollover coverage		16,508,343
Total revenues		149,199,943
Less expenses:		
Operation and maintenance expenses		59,740,968
Net revenues	$	89,458,975
Debt service fund requirement:		
Principal payments	$	18,335,000
Interest expense		47,681,271
Total debt service fund requirement	$	66,016,271
Historical debt service coverage ratio		1.36

(1) Basis of Accounting

The accompanying supplemental schedule has been prepared in accordance with the General Revenue Bond Trust Indenture dated February 1, 2009. The supplemental schedule excludes certain revenues and expenses as defined in the trust indenture.

(2) Rollover Coverage

The Airport annually approves Rollover Coverage, in which the funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the airport operating account, held by the City of New Orleans.

Year ended December 31, 2021

Director of Aviation

Purpose	Kevin Dolliole
Salary	$ 324,719
Benefits-retirement contribution	49,838
Benefits- medical	8,480
Benefits-Medicare, Social Security, Workman's Compensation	12,030
Benefits-insurance contribution	85
Travel*	6,280
Conference registration fees*	2,695
Reimbursements*	-

* All Director of Aviation travel, including per diem, lodging, and registration fees associated therewith, are approved at New Orleans Aviation Board public meetings. All reimbursements were for parking charges to attend off-airport meetings. The Director of Aviation charges to the Airport credit card are approved at New Orleans Aviation Board public meetings and the expense report is publically posted on the Airport website at http://flymsy.com/transparentMSY with detail for each expense.

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louis Armstrong New Orleans International Airport (the "Airport"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated November 23, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
November 23, 2022

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$4,245,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE BONDS
SERIES 2023A (NON-AMT)

$18,365,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE BONDS
SERIES 2023B (AMT)

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is executed and delivered by the New Orleans Aviation Board (the "**Issuer**"), in connection with the issuance of the above-captioned bonds (the "**Bonds**"). The Bonds are being issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**"), among the Issuer, The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") and the City of New Orleans, Louisiana (the "**City**"), as supplemented and amended through a Seventh Supplemental Trust Indenture dated as of April 1, 2023 (the "**Seventh Supplemental Indenture**" and, together with the General Indenture, the "**Indenture**"), each among the Issuer, the Trustee and the City, and are described in that certain Official Statement dated April 11, 2023 which contains certain information concerning the Issuer, the security for the Bonds and certain financial and other information relating thereto. The Issuer covenants and agrees as follows:

SECTION 1. ***Purpose of the Disclosure Certificate.***

(a) This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. ***Definitions.*** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings.

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Audited Financial Report**" shall mean the Issuer's Comprehensive Annual Financial Report (CAFR).

"**Beneficial Owner**" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"**Bondholders**" when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

"**Dissemination Agent**" shall mean the Deputy Director and Chief Financial Officer of the Issuer, or Dissemination Agent designated by the Issuer.

“**EMMA**” shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is http://www.emma.msrb.org.

“**GAAP**” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

“**Issuer**” shall mean the New Orleans Aviation Board.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purpose of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
www.emma.msrb.org

“**1934 Act**” shall mean the Securities Exchange Act of 1934, as amended.

“**Official Statement**” shall mean the Official Statement with respect to the Bonds dated April 11, 2023.

“**Participating Underwriter**” shall mean any of the original Underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidance or other official interpretations or explanations thereof that are promulgated by the SEC.

“**SEC**” shall mean the Securities and Exchange Commission.

“**Securities Counsel**” shall mean legal counsel expert in federal securities law.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than August 31 of each year, commencing August 31, 2023, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice, in a timely manner, to the MSRB, in substantially the form attached as Exhibit A, and shall provide the Annual Report to the Dissemination Agent as soon as available.

(c) If the Issuer’s fiscal year changes, the Issuer shall send written notice of such change to the MSRB, in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Issuer) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

SECTION 4. ***Content of Annual Reports*****.** The Annual Report shall contain or incorporate by reference the following:

(a) The Audited Financial Statements of the Issuer for its fiscal year immediately preceding the due date of the Annual Report. The audited financial statements of the Issuer shall not include any supplemental financial statements of the Issuer. Any supplemental financial statements of the Issuer shall be filed by the Issuer pursuant to Section 10 hereof, upon receipt by the Issuer of such supplemental financial statements, if any.

(b) Basis of accounting used by the Issuer in reporting its financial statements. The Issuer follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

(c) Updates of the following information using the following captions:

Historical Enplanements
Historical Enplanements by Carrier
Commercial Aircraft Landed Weight at Airport
Total Aircraft Landed Weight by Fiscal Year
Historic Airport Revenues and Expenses
Outstanding Debt
Future Debt (within narrative of Capital Improvement Program)

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been submitted to the MSRB. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with the laws of the State of Louisiana.

The Issuer reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Issuer reserves the right to modify, from time to time, the specific types of information provided or the format of the presentations of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided however, that the Issuer agrees that any modifications will be made consistent with Section 9.

SECTION 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) 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;

(7) modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership, or similar event of the Issuer[1];

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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, if material; and/or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation[2] of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation[2] of the Issuer, any of which affect Bondholders; or

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the Issuer, any of which reflect financial difficulties.

(b) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Issuer), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate

[1] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Aviation Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Aviation Board.

[2] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Aviation Board intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(c) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness issued under the General Indenture.

(d) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(e) As of the date of this Disclosure Certificate, the Listed Events described in subsections (a)(5) and (a)(10) is not applicable to the Bonds.

SECTION 6. ***Mandatory Electronic Filing with EMMA.*** All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at http://www.emma.msrb.org as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. ***Termination of Reporting Obligation***.

(a) The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Bonds or the prior redemption or payment in full of all of the Bonds.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Securities Counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) files notice to such effect with the MSRB.

SECTION 8. ***Dissemination Agent.*** The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Deputy Director and Chief Financial Officer. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 9. ***Amendment; Waiver.***

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

> (1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer or the type of business conducted by the Issuer;
>
> (2) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Issuer, or the Dissemination Agent (if other than the Issuer) at the written direction of the Issuer with the MSRB.

SECTION 10. ***Additional Information.*** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. ***Failure to Comply.*** In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Issuer or the Dissemination Agent (if other than the Issuer) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Indenture authorizing the issuance of the Bonds.

SECTION 12. ***Duties of Dissemination Agent.*** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. ***Transmission of Information and Notices.*** Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the Issuer or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Issuer or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. ***Additional Disclosure Obligations.*** The Issuer acknowledges and understands that other state and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Issuer, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 16. ***Governing Law.*** This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State of Louisiana, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State of Louisiana. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

IN FAITH WHEREOF, the undersigned has executed this Continuing Disclosure Certificate on this, the 27th day of April, 2023.

NEW ORLEANS AVIATION BOARD

By: ______________________________
Hon. Michael G. Bagneris, Chairman

EXHIBIT A

NOTICE TO REPOSITORIES OF

FAILURE TO FILE ANNUAL REPORT

$4,245,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE BONDS
SERIES 2023A (NON-AMT)

$18,365,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE BONDS
SERIES 2023B (AMT)

NOTICE IS HEREBY GIVEN that the New Orleans Aviation Board (the "**Issuer**"), has not provided an Annual Report as required by Section 3 of the Continuing Disclosure Certificate with respect to the above captioned bonds. The Issuer anticipates that its Annual Report will be filed by ______________.

Date: ___________________

NEW ORLEANS AVIATION BOARD

By: ______________________________________
Name: ______________________________________
Title: ______________________________________

EXHIBIT B

NOTICE OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Obligated Person:	New Orleans Aviation Board
Name of Bond Issue:	$4,245,000 New Orleans Aviation Board General Airport Revenue Bonds Series 2023A (Non-AMT)
	$18,365,000 New Orleans Aviation Board General Airport Revenue Bonds Series 2023B (AMT)
Date of Bonds:	April 27, 2023

NOTICE IS HEREBY GIVEN that the fiscal year of the New Orleans Aviation Board (the "Issuer") changed. Previously, the Issuer's fiscal year ended on ______________________. It now ends on _____________________.

NEW ORLEANS AVIATION BOARD

By: ______________________________________
Name: ______________________________________
Title: ______________________________________

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APPENDIX H
BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The 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 Bond will be delivered for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 on DTC 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 confirmations 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 interest in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by the 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 the 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns

Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the Aviation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Paying Agent; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not named, Bonds are required to be printed and delivered.

The Aviation Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Paying Agent or the Aviation Board.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement, it should be understood that while the Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised though DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

THE AVIATION BOARD, THE TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE BONDS AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AVIATION BOARD, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF

THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Provisions Applicable if Book Entry Only System is Terminated

In the event the Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Bonds shall be payable to the person in whose names the Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Bonds shall be made to the Registered Owners of the Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. The principal amount of any Bond and premium, if any, together with interest payable on any bond payment date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning $1,000,000 or more in aggregate principal amount of Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five (5) days prior to the Record Date for the first bond payment date to which such rescission is designated to apply. If interest on the Bonds is in default, the Trustee shall, prior to payment of interest, establish a special record date ("Special Record Date") for such payment, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

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NEW ORLEANS AVIATION BOARD • GENERAL AIRPORT REVENUE BONDS, SERIES 2023A (NON-AMT) AND SERIES 2023B (AMT)

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